

Northfield Hospital + Clinics

Annual Report 2025



Care for the sick
Nurture wellness
*Improve health of
our communities*





2025: A Year of Reflection & Revitalization

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We built our momentum in 2025.

We welcomed COO Josh Salzman in April, rounding out our Administrative team that includes CFO Eric Guth, CNE Lisa Bauer, and CMO Jeff Meland, MD.

We set our sights high and worked hard throughout the year on four strategic priorities: Financial Performance, Service Line Growth, Quality & Safety, and Employee Engagement.

One of the most important accomplishments of 2025 was Revitalize '25 work to improve clinical efficiency, revenue cycle, clinical documentation, and efficiency and user experience of our electronic medical records system.

Changes to birth services across the region brought more patients to our Birth Center. When Mayo discontinued delivering babies in New Prague in early Spring 2025, and Allina Health discontinued at Allina Health Faribault Medical Center in the Fall, NH+C ramped up in our Birth Center and Women's Health Center to receive many new patients, at every stage of pregnancy. We delivered 715 babies in 2025, and are on track to deliver over 800 in 2026. We're proud of our strong and stable program that provides high-quality care to women and families across our large rural region.

In December 2025, we announced plans to bring the Allina Northfield Clinic into the NH+C family. Our purchase of the clinic, and invitation to those providers and staff to join NH+C, is an important investment in our community, region, and hospital + clinic system. This will unite healthcare in Northfield and allow patients to keep their hospital and community-based care local with NH+C. When individuals need access to specialty care, our strong relationship with Allina Health ensures services flow back and forth so patients can receive excellent specialty care when needed, and then come back to Northfield for primary and community-based care. NH+C and Allina Health will be able to focus our energies on each organization's strengths.

This is a new model in rural healthcare that keeps care local; improves access to all levels of care for people who live in Northfield or surrounding communities; and makes NH+C sustainable for decades to come.

We are firmly committed to being an independent healthcare system so we can be responsive to the community. That's been our mission for over 100 years. It remains at the heart of our work: Care for the sick, nurture wellness, improve the health of our communities . . . and ensure that we remain a valuable and viable resource for future generations.

— Zander Abbott, MBA, FACHE
President & CEO, Northfield Hospital + Clinics

2025 FINANCIAL HIGHLIGHTS

The organization saw steady utilization across many service lines as well as increases in key areas such as outpatient visits, clinic visits, and birth volumes. Volume growth across these areas reflects continued demand for local access to care and ongoing shifts in how services are delivered. Higher volumes drove meaningful improvement in net patient revenue during the year, though payer dynamics and reimbursement pressures continued to restrict overall growth. At the same time, NH+C continued to face rising costs in supplies, medications, and contract services due to both higher utilization and broader cost pressures across the healthcare landscape.

NH+C continued to operate at a loss in 2025 but improved financial operations compared to prior years due to cost management, efficiency improvements, and prior rebasing efforts. Positive non-operating activity, including pension-related adjustments, contributed to overall positive net income. Despite continued pressure from reimbursement, regulatory requirements, and rising costs, the organization enters 2026 in a stable financial position and remains focused on expanding access to care and supporting long-term financial sustainability.

Northfield Hospital + Clinics

Patient Trends

	2020	2021	2022	2023	2024	2025
Outpatient Visits	40,553	70,122	63,494	78,366	81,624	85,104
Inpatient Admissions						
Hospital	1,909	2,105	1,967	2,168	2,252	2,437
Long Term Care Center	35	48	39	15	-	-
Births	491	594	541	594	648	713
Surgeries	2,360	2,667	2,773	2,935	2,653	2,524
Medical Imaging Procedures	27,824	33,240	35,127	37,316	38,688	42,158
Emergency Department Visits	10,471	12,577	13,561	13,675	14,205	14,015
Ambulance Transports	3,661	4,249	3,938	4,175	4,150	4,280
Clinic Visits	82,810	102,133	100,428	104,189	106,512	108,556

Revenues

	2023	2024	2025
Total Patient Revenue	\$ 339,244,179	\$ 359,240,350	\$ 380,895,418
Deductions from Revenue	(210,218,305)	(230,237,010)	(244,840,179)
Net Patient Revenue	129,025,874	129,003,340	136,055,239
Other Revenue	901,771	2,002,473	1,585,879
Total Net Revenue	\$ 129,927,645	\$ 131,005,813	\$ 137,641,118

Expenses

	2023	2024	2025
Employees Salaries and Benefits	\$ 83,883,571	\$ 77,752,227	\$ 76,208,428
Food, Drugs and Supplies	21,144,013	22,005,018	24,097,534
Purchased Services	20,152,020	17,844,154	19,179,525
Financing Costs	1,096,570	969,827	730,805
Depreciation and Amortization	5,873,281	5,534,454	5,480,766
Other	9,199,068	11,984,169	15,755,276
Total Net Expenses	\$ 141,348,523	\$ 136,089,849	\$ 141,452,334



Northfield Hospital + Clinics

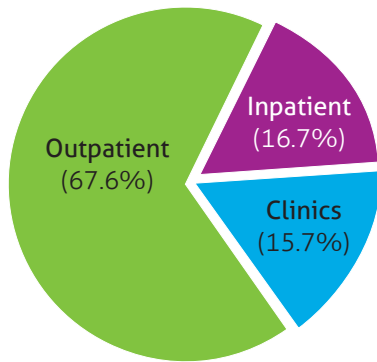
Income

	2023	2024	2025
Income/Loss from Operations	\$ (11,420,878)	\$ (5,084,036)	\$ (3,811,216)
Additional (expenses)/income related to future PERA obligations*	(1,610,497)	1,617,829	5,029,583
Net Operating Income (Loss)	\$ (13,031,375)	\$ (3,466,207)	\$ 1,218,367
Net Operating Margin	-10.0%	-2.6%	0.9%

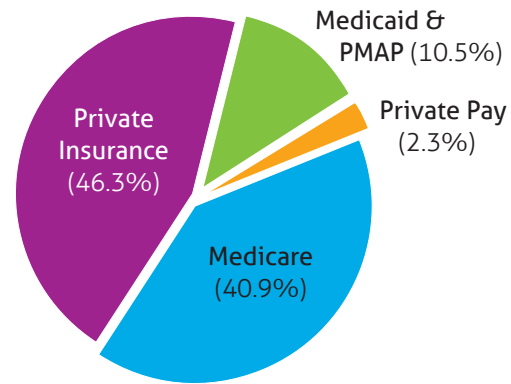
*Current year allocated expense as required by GASB 68

Service Activity in Dollars

(Gross Revenues)



Sources of Gross Revenue



Community Benefit Summary

Reported to the Minnesota Hospital Association for its annual publication: *Minnesota Hospitals: Serving and Strengthening Our Communities*

	2023	2024	2025
Financial assistance (charity care)	\$ 590,421	\$ 764,058	\$ 699,634
Costs in excess of Medicaid payments	6,766,228	6,371,434	6,280,087
Costs of other means-tested government programs	1,382,559	1,582,361	1,617,094
Community health improvement services and community benefits operations costs	551,583	547,295	548,025
Subsidized health services	2,610,303	154,738	186,491
Cash and in-kind contributions for community benefit	70,000	75,000	75,000
Total Cost of Community Benefits	\$ 11,971,094	\$ 9,494,886	\$ 9,406,331
Percentage of total operating budget	8.0%	8.4%	7.1%
Other Community Contributions			
Community-building activities	\$ 534,890	\$ 569,065	615,800
Other care provided without compensation (bad debt)	3,292,833	4,339,032	3,768,820
Costs in excess of Medicare payments	26,159,642	24,162,347	22,704,296
Discounts offered to uninsured patients	2,348,372	145,591	1,822,579
Taxes and fees	337,599	308,044	339,182
Total Value of Community Contributions	\$ 44,644,430	\$ 39,018,965	38,657,009

Northfield Hospital + Clinics

Economic Impact

	2023	2024	2025
Wages and Benefits Paid	\$82.43 million	\$77.75 million	\$76.21 million
Goods and Services Purchased	\$46.75 million	\$44.94 million	\$48.34 million
Number of Employees	851	857	879

Essential Services

Northfield Hospital + Clinics provides a wide range of additional services that meet emergency needs in the communities we serve.

- + Ambulance Service
- + Emergency Department
- + Urgent Care (Northfield, Lakeville, Farmington)
- + 24-hour access to Diagnostic Imaging and Laboratory services
- + 24-hour access to General Surgeons
- + Birth Center

Support for Community Programs

NH+C is committed to being a strong community partner. We invest in organizations and programs that extend our mission of care and serve the health and wellness of our communities. NH+C made financial contributions totaling \$261,491 in 2025.

SUPPORTED ORGANIZATIONS: All Seasons Community Services food shelf (Kenyon), Healthy Community Initiative (HCI), HealthFinders, HOPE Center, Infants Remembered in Silence, Laura Baker Services Association, Lonsdale Area Food Shelf, Meals-On-Wheels, Northfield Area Family YMCA, Northfield Promise, Northfield School District, Northfield Union of Youth, Ruth's House, and 360 Communities food shelves (Lakeville and Farmington).

NH+C welcomes new services & providers



Speech pathologist **Jan LaFavor-Clay, MS, CCC-SLP** joined in January, bringing 25 years of expertise in treating speech and swallowing disorders. Jan cares for patients in the hospital and at our Rehabilitation Services Clinic in Northfield.



ENT specialist **Malorie VanWinkle, PA-C** joined in April, adding expertise in vertigo, balance, and dizziness to NH+C's range of ENT services. Malorie is board-certified by the National Commission on Certification of Physician Assistants (NCCPA), and is a Fellow of the American Academy of Physician Associates.



NH+C's Farmington Clinic added **Morning Urgent Care** from 7:00 a.m. to noon on weekdays.

Family Medicine physician **Clayton Wagner, MD** joined Farmington Clinic in August. Dr. Wagner cares for patients of all ages; he has a special interest in managing chronic conditions, including diabetes and high blood pressure. Dr. Wagner is board-certified in Family Medicine and is a Diplomate of the American Board of Family Medicine.



NH+C welcomed **Megan Shimota Dillman, MD** to the Lakeville Clinic in late December. With a dual specialty in internal medicine and in pediatrics, she brings to NH+C years of experience from her private practice in Lakeville. Dr. Shimota Dillman is board-certified by the American Board of Internal Medicine and Pediatrics.



NH+C among “100 Great Community Hospitals” in U.S.

Northfield Hospital + Clinics was named one of “100 Great Community Hospitals” across the U.S. by Becker’s Healthcare, the leading news organization covering hospitals and healthcare nationally. NH+C was the only Minnesota-based hospital to make the list in 2025. Becker’s profile highlights our range of services, and recent achievements:

Northfield (Minn.) Hospital + Clinics is a 37-bed independent hospital system in Minnesota that has remained competitive against major regional systems by delivering personalized, state-of-the-art care to its community for over 100 years. With 22 locations, 48 specialties and over 115 providers, the system has recently expanded services including a new clinic, urgent care, birth center and wound healing center. In 2024, it earned Commission on Cancer accreditation and became a surgical quality partner with the American College of Surgeons. The system also innovated its patient communication processes through automated messaging, saving over 80 staff hours monthly and reducing no-shows by 15%. The system is currently piloting a fully self-guided urgent care check-in system to further enhance patient experience. Additionally, it has expanded telehealth offerings to increase access for rural patients and enable provider collaboration across systems.

Becker’s “100 Great Community Hospitals” is not a ranking; hospitals are listed in alphabetical order. Hospitals do not pay and cannot pay for inclusion on the list.



Pain Management at NH+C

Pain Management launched at Northfield Hospital + Clinics in August, led by **Dean Anderson, APRN, CRNA**, board-certified in non-surgical pain management with a fellowship in advanced pain management. Dean has 20+ years of experience in pain management as a Certified Registered Nurse Anesthetist.

Non-narcotic resources treat pain, including:

- Limited mobility or range of motion
- Back or spine pain
- Neck pain
- Joint pain (knee, hip, shoulder)
- Muscle ache or injury
- Pelvis or lower back pain
- Chronic migraines
- CRPS – complex regional pain syndrome
- PTSD – post-traumatic stress syndrome
- Post-herpetic neuralgia

Pain management services we offer:

- Ablation
- Dietitians & Nutrition
- Injections
- Nerve blocks
- Non-opioid medication
- Occupational therapy
- Physical therapy
- Pre-surgery pain management
- Surgery



An interdisciplinary approach unites multiple specialties, including:

- Physical therapy
- Occupational therapy
- Chiropractic care
- Nutrition
- Acupuncture



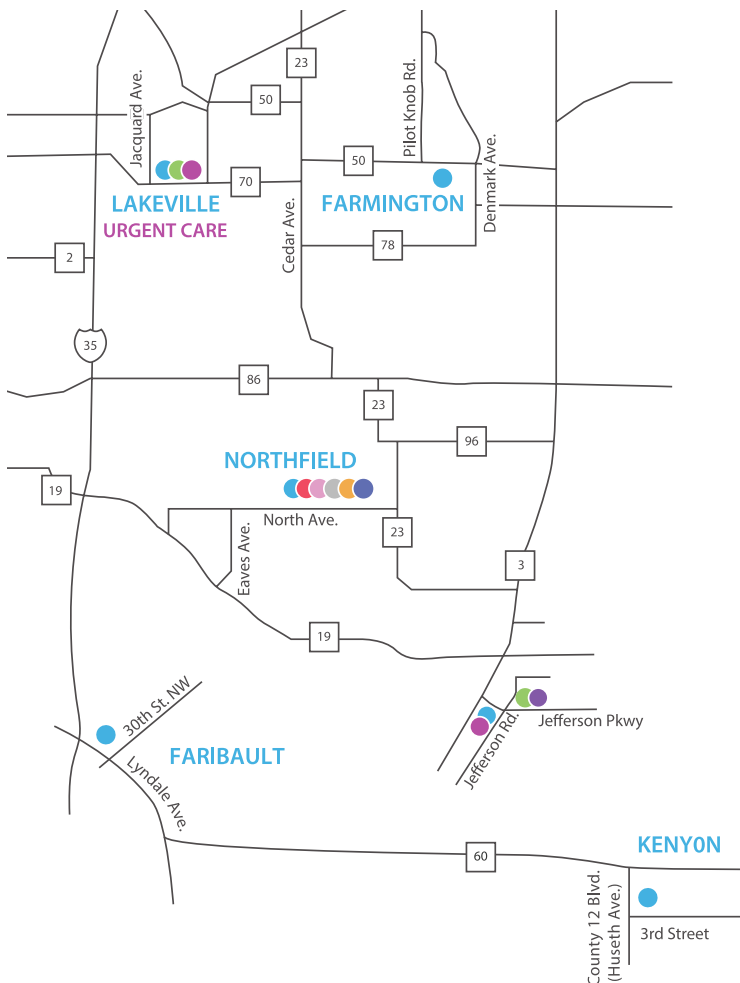
*Stories of
appreciation
from patients
across NH+C*

- ✔ "I feel blessed to have the doctors and care givers at Northfield Hospital in my neighborhood. Hips, wounds, routine and preventative health – **they do it all.**"
- ✔ "I absolutely **loved my care** during pregnancy and labor here!"
- ✔ "To the incredible OB and OR staff, thank you for your dedication, compassionate care, and expertise throughout my pregnancy and delivery. **Your kindness and support made a truly special moment even more meaningful.** We are deeply grateful for each and every one of you."
- ✔ "Great place for **moms and babies** to meet each other!"
- ✔ "The nurses we talk to before seeing doctors are all so kind and competent. The doctors are excellent and personable. **Everyone projects the kind of calm and competence that makes you feel very confident in the work this hospital and clinic does.**"
- ✔ "As an in-patient, I can say they have some of the most **caring, compassionate and professional staff** I have ever seen. Every person I came into contact with showed this kind of care."



Northfield Hospital + Clinics

2000 North Avenue, Northfield MN 55057



- Clinics
- Urgent Care
- Rehabilitation Clinics
- Women's Health Center
- Orthopedic Clinic
- Cancer Care + Infusion Center
- Breast Care Center
- Hospital + Emergency Dept.
- Wound Healing Center

OUR SERVICES

Northfield Hospital

- + Birth Center
- + Breast Care Center
- + Cancer Care + Infusion Center
- + Emergency Department
- + Endoscopy
- + Sleep Center
- + Surgery Center
- + Wound Healing Center

Clinics

- + Faribault Clinic
- + Farmington Clinic
- + Kenyon Clinic
- + Lakeville Clinic
- + Northfield Clinic
- + Jefferson Road Clinic
- + Orthopedic Clinic
- + Urgent Care (Northfield, Lakeville, Farmington)
- + Women's Health Center

Services

- + Emergency Medical Services
- + Rehabilitation Services (Northfield and Lakeville)

northfieldhospital.org