Care for the sick
Nurture wellness
Improve health of our communities
A couple of years ago, we decided it was time to revisit our mission statement. My personal observation about mission statements is that they are often happy, generic statements with limited utility. They are also frequently very similar from one organization to the next, and difficult to remember.

When the Northfield Hospital + Clinics’ board was thinking about this, we asked the question: What really is our primary purpose?

Three ideas emerged:
- Care for the sick
- Nurture wellness
- Improve the health of our communities

We decided these three statements describe our reason to exist, and we adopted them as the articulation of our mission.

Helping people who are sick or injured, and supporting the wellness of individuals and the community, guide our decisions about the services we offer.

I am proud of our efforts to maintain a high-quality and financially sound regional medical center. As we continue to grow, we do so with the intention of making sure that crucial services remain within our community, and that we nurture our organization to meet the needs of future generations.

— Steve Underdahl
CEO and President
Northfield Hospital + Clinics
Financial Highlights

Northfield Hospital + Clinics saw modest growth in patient volumes across the organization, including inpatient days up 5% and clinic visits up 4%. There also was a continued shift in governmental volumes, with Medicare and Medicaid coverage now making up over 50% of our gross revenue.

Our efforts to control expenses paid off: Expenses increased only 2.6% overall while net revenue was up 3.5%, resulting in a net margin of 2.2%. That enabled NH+C to reinvest in new technology and equipment to ensure quality patient care and long-term sustainability.

Service Activity in Dollars
(Gross Revenues)

Sources of Gross Revenues

Revenues

NORTHFIELD HOSPITAL + CLINICS REVENUES

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Patient Revenue</th>
<th>Deductions from Revenue</th>
<th>Net Patient Revenue</th>
<th>EHR/meaningful Use Payment</th>
<th>Other Revenue</th>
<th>Total Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$237,685,719</td>
<td>(132,796,927)</td>
<td>104,888,792</td>
<td>55,776</td>
<td>1,031,774</td>
<td>$105,976,342</td>
</tr>
<tr>
<td>2018</td>
<td>$239,908,925</td>
<td>(131,532,715)</td>
<td>108,376,210</td>
<td>43,217</td>
<td>1,289,404</td>
<td>$109,708,831</td>
</tr>
</tbody>
</table>

Expenses

NORTHFIELD HOSPITAL + CLINICS EXPENSES

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees Salaries and Benefits</th>
<th>Food, Drugs and Supplies</th>
<th>Purchased Services</th>
<th>Financing Costs</th>
<th>Depreciation and Amortization</th>
<th>Other</th>
<th>Total Net Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$58,816,981</td>
<td>$17,724,752</td>
<td>$14,008,161</td>
<td>$884,199</td>
<td>$5,437,473</td>
<td>$7,802,432</td>
<td>$104,673,998</td>
</tr>
<tr>
<td>2018</td>
<td>$62,220,844</td>
<td>$17,141,244</td>
<td>$13,729,701</td>
<td>$833,867</td>
<td>$5,466,714</td>
<td>$8,019,421</td>
<td>$107,411,791</td>
</tr>
</tbody>
</table>

Income

NORTHFIELD HOSPITAL + CLINICS INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Income from Operations</th>
<th>Additional (expenses)/income related to future PERA obligations</th>
<th>Net Operating Income (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,302,344</td>
<td>$(3,443,255)</td>
<td>$(2,140,911)</td>
</tr>
<tr>
<td>2018</td>
<td>$2,297,040</td>
<td>91,947</td>
<td>$2,388,987</td>
</tr>
</tbody>
</table>

*Current year allocated expense as required by GASB 68
Northfield Hospital + Clinics
Community Benefit Summary

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

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assistance (charity care)</td>
<td>$ 82,388*</td>
<td>$ 153,515</td>
<td>$ 75,259</td>
</tr>
<tr>
<td>Costs in excess of Medicaid payments</td>
<td>4,547,196</td>
<td>4,725,892</td>
<td>4,871,757</td>
</tr>
<tr>
<td>Costs of other means-tested government programs</td>
<td>1,391,554</td>
<td>1,363,913</td>
<td>1,398,680</td>
</tr>
<tr>
<td>Community health improvement services and community benefits operations costs</td>
<td>521,639</td>
<td>536,962</td>
<td>520,014</td>
</tr>
<tr>
<td>Subsidized health services</td>
<td>2,605,779</td>
<td>2,849,496</td>
<td>2,358,413</td>
</tr>
<tr>
<td>Cash and in-kind contributions for community benefit</td>
<td>344,022</td>
<td>187,875</td>
<td>195,621</td>
</tr>
<tr>
<td><strong>Total Cost of Community Benefits</strong></td>
<td><strong>$ 9,492,578</strong></td>
<td><strong>$ 9,817,653</strong></td>
<td><strong>$ 9,419,744</strong></td>
</tr>
<tr>
<td>Percentage of total operating budget</td>
<td>9.3%</td>
<td>9.1%</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

**Other Community Contributions**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community-building activities</td>
<td>$ 357,255</td>
<td>$ 411,178</td>
<td>$ 410,378</td>
</tr>
<tr>
<td>Other care provided without compensation (bad debt)</td>
<td>2,253,835</td>
<td>2,335,223</td>
<td>1,662,875</td>
</tr>
<tr>
<td>Costs in excess of Medicare payments</td>
<td>15,240,165</td>
<td>17,286,809</td>
<td>15,007,137</td>
</tr>
<tr>
<td>Discounts offered to uninsured patients</td>
<td>1,582,065</td>
<td>1,544,678</td>
<td>1,651,983</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>356,023</td>
<td>344,424</td>
<td>341,051</td>
</tr>
<tr>
<td><strong>Total Value of Community Contributions</strong></td>
<td><strong>$ 29,281,921</strong></td>
<td><strong>$ 31,739,965</strong></td>
<td><strong>$ 28,493,167</strong></td>
</tr>
</tbody>
</table>

*Medicare expansion under the Affordable Care Act increased coverage and decreased the need for charity care.
(Reported using guidelines from the Minnesota Hospital Association)

**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 (Lakeville)
+ Express Care Clinic (Northfield)
+ 24-hour access to Diagnostic Imaging and Laboratory services
+ 24-hour access to General Surgeons
+ Birth Center
+ Home Care
+ Hospice

**Economic Impact**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits Paid</td>
<td>$62.26 million</td>
<td>$61.57 million</td>
</tr>
<tr>
<td>Goods and Services Purchased</td>
<td>$37.17 million</td>
<td>$36.34 million</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>840</td>
<td>855</td>
</tr>
</tbody>
</table>

**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 and in-kind contributions totaling $195,621 in 2018.*

SUPPORTED ORGANIZATIONS: Age-Friendly Northfield, City of Northfield Parks & Recreation, Community Action Center, 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 Area United Way, Northfield Promise, Northfield School District, Northfield Senior Center, Ruth’s House, and 360 Communities.
New Providers

Staff additions expand services across the region

Plastic surgeon Valerie Lemaine, MD, MPH began work with our general surgeons to provide breast reconstruction at Northfield Hospital as part of NH+C’s complete breast cancer care. Dr. Lemaine is a Mayo-trained surgeon specializing in oncologic reconstruction, and a partner of Plastic Surgery Consultants in Edina.

Dermatologist Anastasios (Tasso) Pappas, MD joined the Farmington Clinic, bringing over 20 years of experience to NH+C. Dr. Pappas practices with St. Paul Dermatology.

OB/GYN physician Cristina Gonzalez-Mendez, MD joined the Women’s Health Center, providing routine and high-risk pregnancy care, gynecological surgery, contraception, colposcopies and more. Dr. Gonzalez-Mendez earned her medical degree and completed her residency in obstetrics and gynecology from the University of Puerto Rico.

Pediatrician Amy Kraushaar, DO joined the Northfield Clinic, expanding the pediatric team to serve Northfield and surrounding communities. Having another female provider makes it comfortable for adolescent girls and teens who want to see a woman for their healthcare.

The Cancer Care & Infusion Center welcomed Director Jodi Wieczorek, APRN, AGCNS-BC, ACHPN, OCN – a clinical nurse specialist and advanced practice nurse with expertise in oncology, palliative care, gerontology, and pain management for adult and geriatric patients.

In Memoriam

Surgeon Chris Nielsen, MD was a physician leader who profoundly influenced NH+C and those who worked with him. His leadership helped establish the Surgery Center, with dedicated space and expertise for endoscopy. Dr. Nielsen was named Physician of the Year for 2017 and 2018 by his colleagues, who respected him as “an invaluable leader and colleague who has always improved our hospital and clinic, and made everyone he worked with better.”

New Services

Programs enhance patient care, extend range of services

Express Care Clinic opened in April in downtown Northfield, a convenient walk-in clinic providing immediate care from experienced providers. With evening and weekend hours, Express Care Clinic complements our full-service clinics and Urgent Care. Located in the Sterling Pharmacy building, the clinic shares space with HealthFinders Collaborative.

Rehabilitation Services launched Cancer Rehabilitation therapy in September with a team of specially trained physical, occupational and speech therapists who help cancer patients and survivors improve their overall physical well-being and quality of life. Cancer Rehabilitation is available in the Northfield and Lakeville Rehabilitation Services Clinics.

Diagnostic Imaging and the Breast Care Center in October added 3D mammography (tomosynthesis), which is becoming the standard breast cancer screening. Benefits include earlier detection of invasive cancers; better visualization to determine if an abnormality is harmless, or cancer; fewer callbacks and less anxiety for women.

In September, Rehabilitation Services also launched specialized therapy for Parkinson’s patients, providing early treatment of the symptoms of Parkinson’s to help facilitate a better quality of life. LSVT BIG® and LSVT LOUD® are two different programs that work together: LSVT BIG® improves mobility and movement used in everyday function through physical and/or occupational therapy. LSVT LOUD® improves communication in daily living through speech therapy.
Do the Next Right Thing

Northfield Hospital + Clinics honored nine employees with Exceptional Service Awards in 2018, part of our Do The Next Right Thing initiative that empowers every individual to help provide the best experience possible for patients, guests, and each other.

Ben Flannery, MD
gets kids off to a good start . . .
by starting good things.

As a pediatrician, Dr. Flannery sees children’s wellness as more than physical health. So he champions new programs in child development, then rallies the Northfield community to extend the impact. Ben introduced “Reach Out and Read” to the Northfield Clinic, plus Allina and HealthFinders – giving free books to kids at well-child visits. He now works with Northfield Promise to establish early childhood navigators who connect families to local resources like preschool scholarships, transportation and housing. The goal: School readiness for all kids.

During doctor visits, if kids age 2 to 5 aren’t meeting developmental milestones, Ben offers to contact a navigator, who’ll visit the family at home and plug into assistance programs. A doctor’s endorsement “goes a long way to smooth the path for families,” Ben says. Having navigators “helps all of my patients and gives me more tools as a provider to help families. . . . I want NH+C to be part of the community, to be part of early childhood education and assistance because it all builds towards kids doing better in school.”
THE MAINTENANCE TEAM keeps NH+C running every day, indoors and out. And when something breaks, or the snow flies (again), or a wheelchair won’t fit in a van . . . they step up with a solution. And a smile. “Every single one of these guys in this department will just drop everything and do what’s best for the patient and our guests,” says department director Scott Norman. When a pipe burst and flooded the Lonsdale Clinic, the team was already short-staffed and coping with near-constant snowstorms. So the crew stepped up even harder, working alongside contractors to get the clinic repaired and reopened within 20 days. “Most of our work is done behind the scenes,” says Rick Thelen. The guys prefer to stay behind the scenes, too. Dozens of times throughout the year, colleagues praise them for problem-solving. They shrug it off: “It’s just part of the job,” Jon Trnka says. “There isn’t anybody in this group that won’t stop what they’re doing to help one of the other guys with something when they need it.” Scott sums up the spirit of the crew: “It’s everybody’s responsibility to do something. Saying ‘It’s not my job’ is not acceptable.”

Patty Kark, RN
is a steady presence through a tough time.

PATIENTS CONNECT WITH PATTY at a fragile stage – their moment of cancer diagnosis. As the Breast Care and Cancer Care Navigator, Patty guides patients through diagnostic imaging, treatment and recovery. Colleagues say Patty puts her patients first, blending expertise and empathy for consistent, compassionate care. She attends appointments with patients, adjusting her hours to make their appointments – and to deliver test results, lend an ear, give a hug (or not) depending on what that patient needs, and when they need it. “Just being there is comforting because I’m the constant; I’m the one person they’re seeing in all these different settings, when it can be very difficult and scary.” Patty also works hard to develop good working relationships across departments “so we can give patients the best, seamless care possible.” Patty’s advice to colleagues? Show up. “Be in the moment. We’re all so busy, we have so much on our plates, but when that patient is in front of you, just be there.”
Northfield Hospital + Clinics
2000 North Avenue, Northfield MN 55057

OUR SERVICES

Northfield Hospital
+ Birth Center
+ Breast Care Center
+ Cancer Care & Infusion Center
+ Endoscopy
+ Long Term Care Center
+ Sleep Center
+ Surgery Center

Clinics
+ Express Care Clinic
+ Faribault Clinic — Orthopedics, ENT
+ Farmington Clinic
+ Lakeville Clinic
+ Lonsdale Clinic
+ Northfield Clinic
+ Orthopedic Clinic
+ Urgent Care (Lakeville)
+ Women’s Health Center

Services
+ Emergency Medical Services
+ Home Care
+ Hospice
+ Northfield Eye Physicians & Surgeons
+ Rehabilitation Services (Northfield and Lakeville)

northfieldhospital.org

OUR MISSION  +  Care for the sick  +  Nurture wellness  +  Improve health of our communities