

Northfield Hospital + Clinics

Annual Report 2023



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





Challenges continue; progress builds confidence

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After a difficult 2022, we addressed continued challenges in finances and workforce in 2023. We worked hard to set a mitigation path out of financial loss, towards sustainability.

Despite caring for a record number of patients in 2023, and billing the most we ever have in a single year, we still lost several million dollars because expenses were significantly more than revenue for services. We grappled with inflation, payer mix, and reimbursements.

We weren't alone: Minnesota Hospital Association reports that 67% of hospitals and health systems it surveyed in the state lost money in 2023. (That tripled from 22% of hospitals in 2022.)

We had to make some hard decisions. We closed our Long Term Care Center; exited Hospice care; consolidated our clinic network and sold our building in Lonsdale; and ended Ophthalmology services.

At the same time, we added new providers and expanded some key services: OB/GYN, Orthopedics, and Wound Healing. We expanded hours at Urgent Care Northfield, to be open 7 days a week. We cared for many more patients in the Birth Center, clinics, and Rehabilitation Services.

NH+C also grew in reputation and recognition:

- **Birth Center** continues to evolve into a regional center with an excellent reputation, delivering 595 babies and drawing patients from a 50-mile radius . . . with some patients traveling 70 miles or more.
- **Cancer Care** earned accreditation from the Commission on Cancer, a rigorous, multi-year accreditation process that distinguishes elite cancer care in the U.S. It's formal recognition for the excellent cancer care we provide. The Commission on Cancer is led by the American College of Surgeons. It feels great to know we're bringing their high standard of care to our patients.
- **Wound Healing Center** won two awards as one of the best wound healing centers in the country . . . for the second year in a row. The Center of Distinction Award honors NH+C's patient satisfaction (95%) and wound healing rate for 2023. The Clinical Excellence Award recognizes high healing rates that put NH+C in the top 10 percent of 600 wound healing centers in the U.S. Both awards come from Healogics, the leading provider of advanced wound care in the U.S.

NH+C is now poised to thrive in the years to come, with balanced growth and careful stewardship; a robust roster of physicians, providers, and staff; and a strong tier of NH+C leaders – all centered on providing excellent care to the communities we serve, for generations to come.

It's a great legacy.

— *Steve Underdahl*
CEO and President
Northfield Hospital + Clinics

2023 FINANCIAL HIGHLIGHTS

The organization continued to see volume growth in almost all areas and departments. Many of these volumes have surpassed pre-pandemic levels as we continue to experience record-level Emergency Department visits and imaging procedures. After a step back in 2022, births, outpatient visits, and clinic visits rebounded to set new volume records in 2023.

With the increased patient volumes, NH+C realized a 9% increase in net patient revenue. However, for the second year in a row, we also experienced significant inflationary pressures in nearly every expense category. Wage pressures continued and we needed to hire travelers while also offering bonuses and other enticements to encourage staff to pick up shifts. This improved later in 2023, but overall, our expenses increased over 10%, and resulted in a \$13 million loss from operations.

Northfield Hospital + Clinics

Patient Trends

	2018	2019	2020	2021	2022	2023
Outpatient Visits	54,143	51,924	40,553	70,122	63,494	78,366
Inpatient Admissions						
Hospital	2,492	2,187	1,909	2,105	1,967	2,168
Long Term Care Center	129	120	35	48	39	15
Births	550	505	491	594	541	594
Surgeries	2,933	2,921	2,360	2,667	2,773	2,935
Medical Imaging Procedures	29,845	30,717	27,824	33,240	35,127	37,316
Emergency Department Visits	11,876	11,793	10,471	12,577	13,561	13,675
Ambulance Transports	3,675	3,867	3,661	4,249	3,938	4,175
Clinic Visits	89,843	95,179	82,810	102,133	100,428	104,189

Revenues

	2021	2022	2023
Total Patient Revenue	\$ 271,396,645	\$ 297,023,362	\$ 339,244,179
Deductions from Revenue	(155,126,147)	(178,483,159)	(210,218,305)
Net Patient Revenue	116,270,798	118,540,203	129,025,874
Other Revenue	1,019,868	1,163,463	901,771
Total Net Revenue	\$ 117,290,666	\$ 119,703,666	\$ 129,927,645

Expenses

	2021	2022	2023
Employees Salaries and Benefits	\$ 64,225,117	\$ 77,341,963	\$ 83,883,571
Food, Drugs and Supplies	19,137,666	19,822,781	21,144,013
Purchased Services	16,542,064	18,167,559	20,152,020
Financing Costs	616,320	793,347	1,096,570
Depreciation and Amortization	6,195,562	6,103,555	5,873,281
Other	13,308,149	6,552,402	9,199,068
Total Net Expenses	\$ 120,024,878	\$ 128,781,607	\$ 141,348,523



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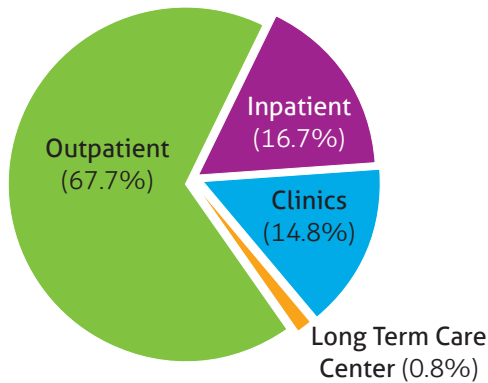
Income

	2021	2022	2023
Income/Loss from Operations	\$ (2,734,212)	\$ (9,077,941)	\$ (11,420,878)
Additional (expenses)/income related to future PERA obligations*	1,873,841	3,969,474	(1,610,497)
Net Operating Income (Loss)	\$ (3,589,608)	\$ 1,235,262	\$ (13,031,375)
Net Operating Margin	- 3.6%	1.1%	-10.0%

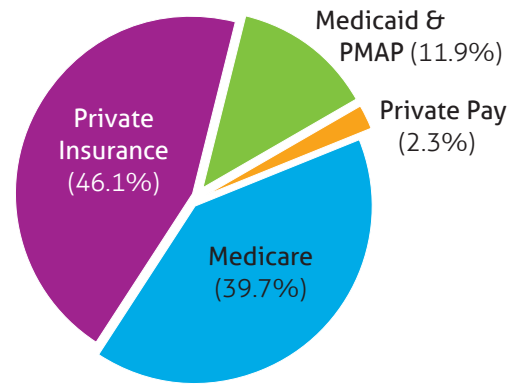
*Current year allocated expense as required by GASB 68

Service Activity in Dollars

(Gross Revenues)



Sources of Gross Revenues



Community Benefit Summary

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

	2021	2022	2023
Financial assistance (charity care)	\$ 29,227	\$ 167,087	\$ 590,421
Costs in excess of Medicaid payments	4,401,867	6,121,064	6,766,228
Costs of other means-tested government programs	1,354,469	1,193,229	1,382,559
Community health improvement services and community benefits operations costs	328,643	415,874	551,583
Subsidized health services	3,017,421	2,986,341	2,610,303
Cash and in-kind contributions for community benefit	132,119	200,587	70,000
Total Cost of Community Benefits	\$ 9,263,746	\$ 11,084,182	\$ 11,971,094
Percentage of total operating budget	8.0%	8.4%	8.4%
Other Community Contributions			
Community-building activities	\$ 425,042	\$ 493,109	\$ 534,890
Other care provided without compensation (bad debt)	1,754,548	2,991,799	3,292,833
Costs in excess of Medicare payments	15,687,321	23,293,851	26,159,642
Discounts offered to uninsured patients	1,538,200	1,554,982	2,348,372
Taxes and fees	352,939	357,754	337,599
Total Value of Community Contributions	\$ 27,181,403	\$ 39,775,677	\$ 44,644,430

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Economic Impact

	2021	2022	2023
Wages and Benefits Paid	\$64.23 million	\$77.34 million	\$82.43 million
Goods and Services Purchased	\$41.45 million	\$43.70 million	\$46.75 million
Number of Employees	782	824	851

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 and Northfield)
- + 24-hour access to Diagnostic Imaging and Laboratory services
- + 24-hour access to General Surgeons
- + Birth Center
- + Home Care

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 \$365,042 in 2023.

SUPPORTED ORGANIZATIONS: All Seasons Community Services food shelf (Kenyon), Community Action Center (Northfield and Faribault), 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 Fire & Rescue Squad, Northfield Promise, Northfield School District, Northfield Union of Youth, Ruth's House, and 360 Communities food shelves (Lakeville and Farmington).

New leaders, providers, and services



Eric Guth was named as the new **Chief Financial Officer** for NH+C in April 2023. Eric had served as the organization's financial controller, and then interim CFO when Scott Edin passed away. "Eric has outstanding education, credentials and background, as well as healthcare experience," said CEO Steve Underdahl.

NH+C's orthopedics practice expanded in May 2023 with the arrival of surgeon **Greg Erickson, MD**, who joined popular orthopedic surgeons Hans Bengtson, MD and Clinton Muench, MD. The full orthopedics team can care for more patients and offer more options for surgery.

Dr. Erickson came to NH+C from Mayo Clinic . . . and the Air Force. While on active duty, he practiced as an orthopedic surgeon in the Air Force for seven years. After fulfilling his military commitment, Dr. Erickson completed an orthopedic sports medicine fellowship, where he received specialized training in shoulder and knee arthroscopy. He has since transitioned to civilian practice in orthopedics and sports medicine. "In the Air Force core values, the first one is 'Integrity first,'" Dr. Erickson says. "I try to live by that." Dr. Erickson's interest in sports and sports-related injuries led him to a career in orthopedics: "Orthopedics is the ability to fix things. The best part of my work is seeing someone who



has pain or an injury, and being able to fix that problem. Seeing someone get back to activities they like to do or improving their quality of life – that's really rewarding."

Cancer Care & Infusion Center welcomed Mayo oncology providers **Jasmine Kamboj, MD** and **Victoria Boss, PA-C**. Dr. Kamboj rejoined the Cancer Care team as a Mayo provider. (She had cared for CCIC patients since August 2019 via Allina. Allina discontinued its partnership with NH+C for cancer care in December 2022.) Tori Boss holds an MS, Physician Assistant from Mayo Clinic School of Health Sciences. She is board-certified as a Physician Assistant.

OB/GYN **Allison (Ali) McCarter, MD** joined the **Women's Health Center**, providing OB/GYN care in the clinic and delivering babies in the Birth Center. "It is an honor to walk alongside my patients through some of the most intimate, challenging and impactful moments of their lives," Dr. McCarter says. She earned her medical degree from the University of Minnesota in Duluth with a special focus on rural healthcare; she completed her residency and an internship at the Mayo Clinic.



New leaders, providers, and services



Nurse Practitioner **Christina Richardson, FNP, CWON** joined the **Wound Healing Center**, bringing over ten years of experience in treating wound and ostomy patients: "The best part of my job is helping patients become confident in who they are again." Christina earned her Master of Science in Nursing as a Family Nurse Practitioner; she is board-certified in wound and ostomy care.



Certified Nurse Midwife Senja Ruuska, APRN, CNM joined the certified nurse midwives who provide prenatal care at the Women's Health Center and deliver babies in the Birth Center. Senja has 20 years of experience as a labor and delivery nurse: "Partnering with patients as they make informed decisions is an important part of my role." Senja is board-certified by the American

Midwifery Certification Board, and also certified in lactation counseling, fetal heart monitoring, and neonatal resuscitation.

Neonatal Nurse Practitioner **Jessica Perry, APRN, NNP-BC, DNP** joined the pediatrics team caring for babies born at Northfield Hospital: "My philosophy of care is to provide every newborn infant with the best possible care that is evidence-based, family centered, and nurturing – enabling them to thrive and develop to their fullest potential." Jessica has special training in neonatal care up to level IV NICU, and is board-certified by the Neonatal, National Certification Corp.



Physician Assistant **Dawn DeBus, MMS, PA-C** joins the hospitalists on Med/Surg. "My philosophy of care is taking time to listen to our patients in order to provide patient-centered care," Dawn says. She is certified by the National Commission on Certification of Physician Assistants.



Maari Schwering, RN joined NH+C in July as **Director of Quality**. She had been Nurse Manager for Surgical Services at Mayo Clinic's Saint Mary's campus. Maari has over 12 years of nursing experience, providing nursing care in a variety of settings. She holds a Master of Science in nursing education. Maari succeeded Ann Reuter, who has retired.

NH+C News Briefs

NH+C's **Emergency Department** began using **teleneurology services** through Allina Health's TeleStroke program. TeleStroke uses special video technology that allows a stroke neurologist from one of Allina Health's certified Comprehensive Stroke Centers to examine a patient remotely. A movable computer station is brought to the patient location for consult, available 24/7. This service is helpful in executing timely consults, and getting patients the neuro care they need. This service is focused on acute care, and includes Code Stroke consultations, non-urgent stroke consultations, and routine Neuro consultations for patients in the ED and in-patient.

Urgent Care Northfield expanded to 7 days a week in October 2023, expanding weekday and weekend hours.

A partnership with **Cashman Center** brings mental health providers to NH+C's Faribault Clinic. Cashman Center has 40+ licensed mental health professionals, and partners with hospitals, clinics and universities in Minnesota to provide evidence-based treatment and mental health solutions.

NH+C's **Wound Healing Center** won two national awards as one of the best wound healing centers in the country. The Center of Distinction Award honors our wound healing rate (an impressive 96%) and patient satisfaction (over 92%). The Clinical Excellence Award recognizes clinical excellence that puts us in the top 10 percent of 600 wound healing centers in the U.S. Both awards come from Healogics, the leading provider of advanced wound care in the U.S.

Rehabilitation Services expands

Ben Pries joined NH+C as **Director of Rehabilitation Services** in February 2023. An accomplished healthcare leader, Ben had been with Blue Cross Blue Shield as Senior Director for Federal Employee Program & Government Market Operations.

Previously, he was Practice Development Director at Summit Orthopedics, and earlier had been Operations Manager for both HealthPartners and Allina. Ben has a Master's degree in healthcare administration.

In 2023, **Rehabilitation Services** welcomed several new therapists:

- **Donna Jones, DPT** brings 30 years of therapy experience to NH+C: "I like to teach my patients how to transform their experience of pain and limitation into self-knowledge and possibility."
- **Samantha Klassen, MOTR/L, CLT, LSVT BIG®** has special expertise in chronic care management: "I find it very important to provide tools, resources, and education not only to my patients but also to their caregivers and families."
- **Patrick Morrissey, DPT** has experience working with orthopedic patients that are post-operative; patients with chronic pain; and athletes returning to their sport: "I make it a point to spend time educating every one of my patients. I find education and knowledge to be the foundation of their recovery."
- **Chris Pegram, PT, OCS, FAAOMPT** returned to NH+C as an orthopedic clinic specialist: "I strive to help each individual reach their optimal level of function so that they can enjoy life to the fullest."
- **Mandi Schultz, DPT** has 20 years of experience in various PT settings: "I aim to make my patients as independent as possible within an optimized time frame."
- **Abby Stein, DPT** believes in promoting an active lifestyle and getting patients back to the activities they love: "It brings me great joy to assist my patients in optimizing their ability to move in all phases and walks of life."

Do the Next Right Thing

NH+C honors select employees each year as part of our Do the Next Right Thing initiative that empowers every individual on staff to help provide the best experience possible for patients, guests, and each other.

👉 Kurtis Read thinks ahead.

Kurtis served as interim director of Respiratory Therapy for three months. He kept up the quality of patient care, steering the small RT staff as a reliable, responsive team for hospitalists and Med/Surg nurses. Hospitalists and nurses consult with RT, often on urgent situations: "I made sure we had our materials organized so when a situation popped up, we can respond easily." Kurtis credits the core principals of Respiratory Therapy: preparation, process, communication. **"We prepare ahead, and we lean on each other."**

RT Director Stacey Zell says Kurtis also filled countless shifts and took endless call to make sure that patients were taken care of, and that nursing staff was supported day and night. He worked with supply chain to keep up on back-ordered supplies, met with vendors, and started a new durable medical equipment ordering process for the hospital. "Kurtis demonstrated extraordinary dedication to our hospital, and exemplified what it means to work in and support a community hospital," Stacey says.



👉 Sydney Nerg stepped up.

When the Wound Healing Center director resigned, Sydney took on the center's administrative tasks to make sure things ran smoothly for patients, and for staff. Sydney is the center's Nurse Manager. She was the first nurse hired when the Wound Healing Center opened in March 2021. "I had the most experience," she says. **"I just assumed I was the one to take on more responsibility."**

Working closely with staff, providers and administration, Sydney made sure that patients continued to receive the excellent care the center is known for. She displayed a strong work ethic, organization management, and a very positive attitude.

Sydney led day-to-day operations between her busy roster of patient appointments. "I love patient care – the patients are the best part of my work," she says. "But it did stack up."

The center's nursing staff saw how hard Sydney was working, so they took on extra responsibility too. "It's the nicest thing you could ever hear as a leader: that you showed by example, and motivated your staff to be on that same level."



👉 Venessa Rinaldi starts with a smile.

As a nurse on Med/Surg, Venessa takes good care of her patients . . . and their families, plus colleagues and students. Patients, families and fellow nurses praise Venessa for her empathy, friendliness, and warmth.

Venessa believes that nursing means caring for the whole person . . . and their family: "Having a family member in the hospital is a challenging time. **I want people to see a friendly face, to know that they don't have to be scared."**

Venessa nurtures new (and student) nurses, too: "I love taking people under my wing and treating them the way I want to be treated. This is not just a job; it's people.

"I hope everyone else can love their job as much as I love mine."



👉 Aaron Cooper keeps calm (and busy).

Aaron is an Admissions rep for the Emergency Department. He's often the first person patients and visitors see when they come to the ED. Aaron's colleagues say he's willing to go the extra mile for the team, to help keep ED workflow running smoothly. Aaron is calm under pressure, multitasks well, and handles tensions that arise in a busy ED.

"There are moments in the ED that can certainly be stressful, and a lot is going on," says Aaron, who often takes extra shifts when the Admissions staff is short-handed.

Some ED patients don't have a lot of experience seeking healthcare – college students away from home, underserved community members with income or language barriers. **"Seeking out emergency medical care takes a phenomenal step of courage. We want to make people feel welcome and set a calm, confident tone for their care."**





Northfield Hospital + Clinics

2000 North Avenue, Northfield MN 55057

OUR SERVICES

Northfield Hospital

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

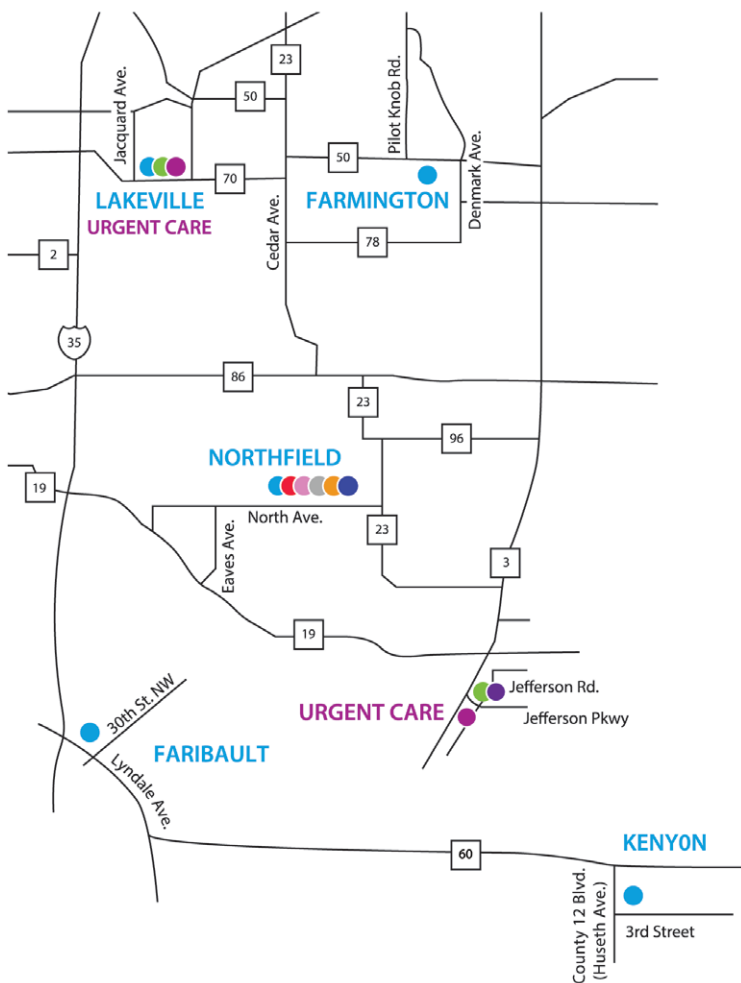
Clinics

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

Services

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

northfieldhospital.org



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