Lutheran Health Systems

VISION DEFINES REALITY
REALITY REFINES VISION

1997/98 ANNUAL REPORT

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Our Heritage

We are a family of health care providers with a heritage of serving communities for 60 years.

Lutheran Hospitals and Homes Society was formed in 1938. The Society teamed together seven hospitals and nursing homes struggling to survive the lean years of the Great Depression.

Under the leadership of Fred Knautz, centralized management techniques were put in place so facilities could operate economically and efficiently to provide high quality health care services. Knautz's successful methods soon attracted many other facilities eager to share the expertise and resources of the system.

In the mid-1980s, Lutheran Hospitals and Homes Society became Lutheran Health Systems to reflect the expansion into other areas of health care.

Lutheran Health Systems owns, leases and manages hospitals and nursing homes, primarily in rural communities. The array of health care services also includes a center for children with disabilities, physician practice support services, a network of home health agencies and home medical equipment operations.

Lutheran Health Systems is a not-for-profit company with headquarters in Fargo, North Dakota. Although we are not an agency of the church, we have always been proud of our Lutheran heritage. Our name reflects the Christian dedication of our founders.

Vision Defines Reality, Reality Refines Vision

Lutheran Health Systems was founded 60 years ago to provide compassionate care in rural communities. Over the years LHS has changed and adapted, while at the heart of the organization remain people who have nurtured and sustained the vision.

Each succeeding generation has taken the LHS vision and fused it to the realities of the environment.

It is this ability that transforms our health care company into a community of people greater than an individual or a group of individuals. Our vision defines the realities while the realities refine the implementation of our vision.

Underlying all of this is the understanding that the core reason for the existence of LHS is simply to do good for people.

I am blessed each year to be a part of this.

Thank you,

Steven R. Orr
Chairman and Chief Executive Officer
June 1998

VISION
DEFINES REALITY

Through our total care vision, LHS is defining the future of rural health care.

REALITY
REFINES VISION

Through operational planning, LHS locations identify and deal with realities that help us refine our vision on a quarterly basis.

GAME PLAN:

- In 1988, LHS began developing the total care vision and long-range strategies for what we term the short, middle and long games to preserve our historic mission of serving rural communities well into the 21st century.
- The format of this report reflects the outcomes, strategies and action steps LHS creates as part of the operational planning process. The following pages define our vision for the future of rural health care, a vision continually being refined by changing realities.

STRATEGIES:

Short Game (1988–1992)

LHS adopted five Guiding Principles and began annual Strategic Initiative projects designed to strengthen the organization in specific areas. Since 1988, financial performance has consistently improved, providing the resources necessary for the middle and long games.

LHS Guiding Principles

- Leverage the System
- Maximize Assets
- Tie Vision to Reality
- Maintain a Common Focus for Individuals and the Organization
- Concentrate on What Truly Makes a Difference

LHS Strategic Initiatives

The Strategic Initiatives are the Guiding Principles in action. Each year since 1988, initiative teams drawn from across LHS locations tackle projects deemed central to the total care vision.

Team members often rotate to bring fresh perspectives to bear on each area, and new teams form to address emerging issues such as implementing computer systems and researching biotechnology.

Middle Game (1993–2000)

The middle game is the current period during which we defined our vision of total care and "Body by Fisher," and began creating and fitting in place the pieces needed to achieve this vision by the year 2000, the start of the long game.

Total Care

Our total care vision ensures that the people we serve receive the most effective care in the most efficient manner possible through clinically integrated health care delivery systems. We will help connect people with the most appropriate setting and resources, whether offered at an LHS location or other health care provider. Total care combines care coordination, operational models and information technology to manage the care of entire communities.

Body by Fisher

Lutheran Health Systems builds efficient rural networks for other health care systems the way the Fisher Company built car bodies for General Motors. Through a Body by Fisher relationship, LHS becomes responsible for another organization's rural community health care operations, which includes providing integrated systems for the delivery of total care.

Long Game (Beyond 2000)

With our total care vision and Body by Fisher in place, the challenge becomes assisting individuals and communities in anticipating change and making transitions in a timely manner.

Preparing for Personal and Organizational Change

Achieving successful transitions means dealing with change in a healthy and productive way. The LHS planning process does just that.

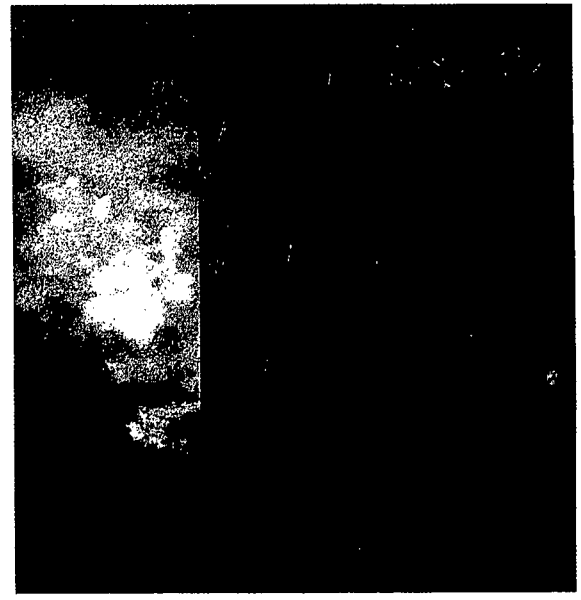
All LHS locations now translate community and systemwide priorities into outcomes, strategies and action steps through a standardized process that combines planning with budgeting and encompasses 12 quarters.

As each quarter ends, communities update their plans and budget projections, and add a new quarter to their 12-quarter perspective. We call this process "rolling quarters."

Just as LHS has developed a vision for security and growth, as well as tools for achieving them, LHS employees have their own personal visions for the future.

To help with this personal planning process, LHS is promoting individual learning plans, leadership development and Life Cycle Planning tools.

With these resources, people will be able to transfer what they learn about planning for the organization to their personal lives, and vice versa.



Change...Today's Challenge, Tomorrow's Success

Change provides us opportunities to "Taste the Peach" – to grow and develop, and to share what we've learned with others.

Lutheran Health Systems

Tasting the Peach

In LHS, when people learn or experience new insights or perspectives, we call it "tasting the peach." The poster above, showing people tasting the peach, was developed by LHS employees as part of a systemwide contest promoting personal responsibility to learn through change.

Each quarter, the planning process brings new opportunities to taste the peach and share what we've learned with others in LHS.

OUTCOME:

Our culture maximizes the talents and contributions of people across LHS and motivates them to grow with the organization.

STRATEGIES:

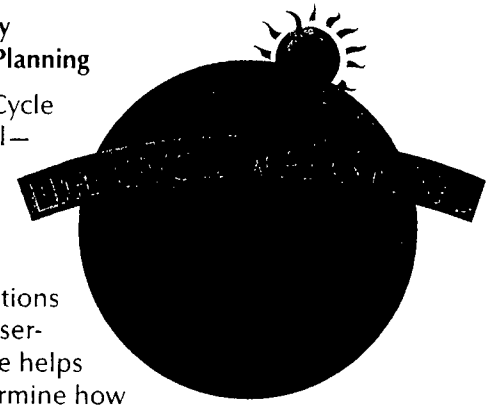
- Provide tools for employees to plan for life cycle needs throughout their careers with LHS.
- Research and evaluate benefit choices geared to personal life cycle needs.
- Cultivate a learning organization that fosters personal and professional growth.

ACTION STEPS INCLUDE:

Life Cycle Planning:

Offer tools to help employees plan for personal life cycle needs. These tools will eventually link to the new human resources information system and allow employees secure access to their financial and benefits records.

Begin the Journey With Life Cycle Planning



The first Life Cycle Planning tool—personal financial planning software—is being piloted at several LHS locations during 1998. A user-friendly interface helps employees determine how much they need to save and invest to achieve debt reduction and provide for major purchases and future needs, like college and retirement. If the pilot is successful, financial planning workshops will be held systemwide beginning in 1999.

Future Life Cycle Planning tools will help employees make plans to live healthier, learn new career skills, and select and manage LHS benefits options that best fit their family needs over time.

Benefits Choices:

Research benefit program changes that complement Life Cycle Planning by offering employees more choices in allocating benefit dollars.

Innovation:

Provide LHS grant money for projects that spread employee best practices across the system and foster innovation and idea-sharing.

Leadership:

Support the development of leadership competencies through the creation of individual learning plans. These plans help people identify personal areas for improvement and strategies to pursue self-development.

Learning Teams:

Form cross-functional organizational, facility and community teams to spearhead business development, learning and implementation of new systems and approaches.

On-Line Learning:

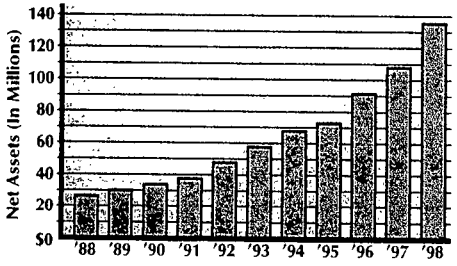
Continue to explore how technology can be used to enhance learning; for example, "learning_on_line" tools are being developed to help PC users teach themselves a variety of desktop applications.

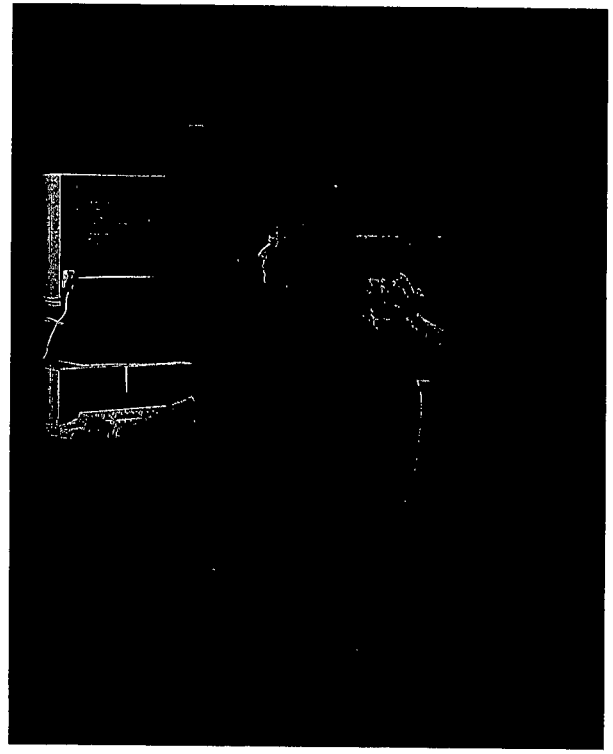
Self-Directed Benefits Investing

LHS is pursuing approaches to give employees self-directed benefit options. Potentially, employees may receive a certain amount of money annually to "spend" on LHS benefits any way they choose in order to best meet their individual needs.

LHS is also researching how to restructure the LHS Pension Plan so employees can make pre-tax contributions and choose investments according to their individual financial needs and tolerance for risk.

LHS Pension Plan
Historical Growth of Plan Assets





Building a Learning Organization

Learning teams across LHS are focused on the future, working together to strengthen employee access to information and promoting responsibility for self-directed learning. The Lutheran Healthcare Network in Mesa, Ariz., has opened learning labs to provide employees access to computers equipped with interactive learning programs, VCRs and other resources. The learning lab at Valley Lutheran Hospital, shown at left, is open around the clock.

The network has also formed teams to focus on learning events for supervisors, patients, clinical/support staff and PC users receiving new systems. Another team will oversee orientation and customer service events, and explore ways to deliver learning via technology. For example, one approach may involve bringing mobile computers to and from departments for on-site learning.

"To be part of a learning organization means being ready to adapt to change, being flexible and willing to learn new skills," says Sherrie Beardsley, LHN director of Learning and Development.

OUTCOME:

LHS locations follow proven models of operation that provide coordinated and efficient services to meet community total care needs.

STRATEGIES:

- Partner with other organizations to operate their rural locations (Body by Fisher).
- Share/maximize resources and offer consistent services across networks.
- Expand care coordination efforts through special self-care programs.
- Facilitate service redesign to meet changing local needs.
- Establish and implement an effective Medicare compliance program.
- Implement an ongoing integrated planning/budgeting process.

ACTION STEPS INCLUDE:

Body by Fisher in Iowa:

Install systems and operate rural hospitals in partnership with Iowa Health System through the Iowa Health System Community Network.

Network Efficiencies:

Create further efficiencies by centralizing lab services and business office functions within selected LHS networks.

Community Partners

IOWA HEALTH SYSTEM

The Iowa Health System Community Network was created to serve communities seeking a regional network partner (Iowa Health System) and access to proven management expertise and systems for rural hospitals (LHS). This innovative arrangement has attracted hospitals in Perry and Grundy Center, Iowa. The team in Grundy Center expressed an urgent need to transition information services. LHS had less than three months to install a fully functioning PC network with e-mail, payroll and other systems needed to run the hospital. LHS Technical Services staff met the challenge, working closely with the hospital staff for a successful implementation.

"We are delighted to obtain an information system from LHS that was designed for small rural hospitals like Grundy County Memorial," said Administrator James Faulwell. "The LHS information system is less costly to maintain but still addresses many of the issues confronting us that could not be handled by our previous system."

Care Coordination:

Use care coordination to address the needs of high-risk patient groups by establishing disease management clinics and patient-led self-care groups.

Care Pathways:

Continue to identify the critical factors within each disease care pathway most likely to lead to positive clinical and financial outcomes.

Service Redesign:

Develop local transition teams to help co-workers understand the need for redesigning services and adapting work assignments to meet changing local health care needs.

Compliance:

Implement a formal plan that ensures all coding and billing practices across the continuum of care conform to requirements established by Medicare, Medicaid and other third-party payers.

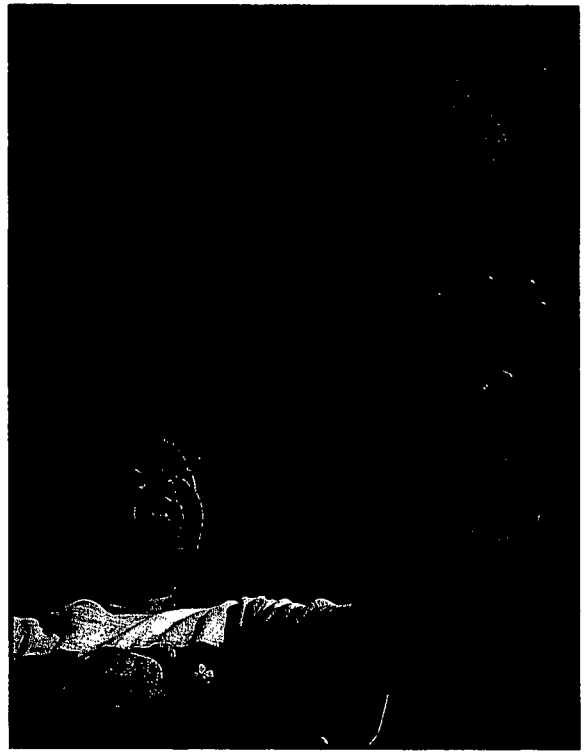
Operational Plans:

Refine the integrated planning/budgeting process to reflect environmental impacts and associated management actions quarter by quarter.

Helping Each Other Get Better

Some benefits of care coordination can only be measured through stories, like the story of 12-year-old Sarah Lindahl, pictured at right, who has asthma. Sarah was referred to a new disease management program in North Colorado Medical Center, Greeley, Colo., part of the Western Plains Health Network. When she began the program, Sarah was not coping well physically or emotionally with her asthma. "But she seemed to open up a little with each class," says Care Coordinator Pat Samples. "After her series of classes ended, we continued to support her and her mother over the phone. Then Sarah called us, saying she wanted to help others." Now Sarah is a leader, helping others understand they can get better and what that can mean. For Sarah, it meant being able to enjoy sports like swimming and basketball again.

Care coordinators in other communities are also helping patients form their own self-care groups. Ogallala (Neb.) Community Hospital sponsored a patient with multiple sclerosis to attend a leadership program in order to gain skills for leading a group of area patients in coping with and managing chronic conditions (see page 16).



Planning Updates Tie Vision to Reality

LHS has combined planning and budgeting into a standardized process that looks ahead over 12 quarters. Each quarter, LHS locations revisit goals and expected revenues and, if necessary, adjust actions and projections.

For example, when LHS home medical equipment operations were alerted in second quarter 1997 that Medicare would be significantly reducing reimbursement for oxygen services, they were able to focus on other areas for growth and formulate new outcomes and strategies for upcoming quarters.

OUTCOME:

LHS locations have integrated information systems in place that leverage organizational strengths, improve efficiencies and can be quickly implemented in new community partnerships.

STRATEGIES:

- Implement systems that enhance patient education, human resources, clinic management, materials management and product line pricing, billing and monitoring.
- Develop an intranet for interactive information sharing among LHS employees systemwide and develop approaches to maximize internet technology.
- Continue to upgrade PCs/PC network infrastructures to support new systems and broader access to on-line tools.

ACTION STEPS INCLUDE:

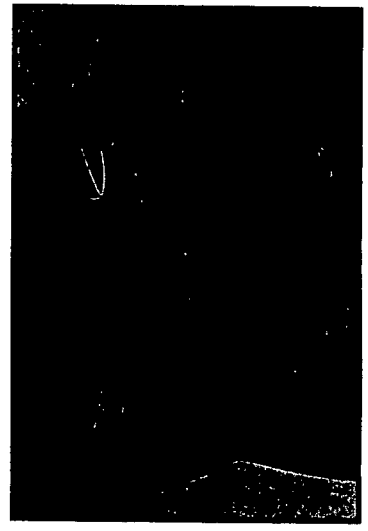
Patient Education:

Implement standard patient education materials to allow caregivers across all care settings the ability to provide the same consistent, high-quality up-to-date information.

Activity Master:

Implement a standard activity master (pricing/billing policies and descriptions of services) across the system to facilitate operational benchmarking and support compliance with government reimbursement programs.

High Marks Received for Patient Education System



New patient education software is making its debut across LHS in mid-1998. At right, Dr. Richard Campbell at Pioneer Medical Clinic, Torrington, Wyo., shares a printout of prenatal care information with mother-to-be Lauri Lamm.

"This is the first systemwide implementation of software that serves a purely clinical function," says Sandy Bilstad, LHS Home & Community Care operations coordinator. The software provides consistent, up-to-date baseline patient education information across the entire continuum of care, from hospitals and clinics to nursing homes and home care settings. The system is stored on PCs, where physicians and staff can quickly call up and print out patient education materials on a wide range of health and wellness topics.

Human Resources Information System:

Select and install an HR information system that is Year 2000-compatible and interfaces with other LHS systems. This will eventually integrate with Life Cycle Planning tools for employees.

Materials Systems:

Install a materials management/accounts payable system to automate supply orders and inventory management, and support regional buying networks. This system will reduce costs and assure contract compliance.

Clinic Management:

Implement a standard clinic financial management system across LHS that will leverage clinic support resources and best practices, and integrate with other systems to support total care.

Systems Integration:

Continue to upgrade PCs and PC network infrastructures to maintain a standard level of performance and support further integration of LHS systems.

Information Sharing Via the Intranet:

Further develop LHSnet, our internal intranet, to provide easy access to up-to-date LHS resources and information from Corporate Office departments and other LHS network locations.

The Buck Starts Here

Salaries and benefits for 13,000 employees represent the organization's largest financial investment. A new information system, SmartStream, is being implemented to support that investment. The new system links the functions of human resources, payroll and benefits with a shared database and will bring personnel information closer to human resources and payroll staff at each location, as well as employees.

"Having faster and broader access to human resources information will strengthen our operations," says Gerri Twomey, LHS Human Resources vice president. "It also supports our long-term goal of giving employees the ability to model benefit options and maintain key personal data."

But first, the basic payroll and human resource functions of the new system need to be put in place systemwide before the year 2000. Corporate Office staff from Information Services, Human Resources, Payroll and Corporate Accounting Services, shown at right, formed a special Stream*Team* to meet the challenge.

LHSnet is a Welcome Site

LHSnet, the LHS intranet, is creating some serious wave action that's attracting hundreds of "surfing" episodes a day by employees from across the system. They're accessing a wide range of LHS resources and information from the Corporate Office home page, as well as web pages developed by LHS network locations.

LHSnet has updates on projects, news, jobs and LHS policies and procedures. Underway are user/chat areas for employee peer groups.

With LHSnet up and running, construction has begun on an LHS internet site: www.LHSnet.com

OUTCOME:

LHS as a whole is able to quickly adopt new approaches and technologies that improve patient care and health care outcomes.

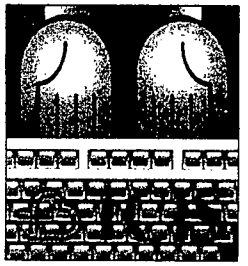
STRATEGIES:

- Pilot the LHS-developed Total Care Information System, a database that makes comprehensive patient information available to multiple care settings.
- Install new point-of-care technologies, remote monitoring and telemedicine equipment to enhance health care delivery in various rural settings.
- Explore how innovations in genetics can benefit LHS rural communities.

Total Care Information System:

Pilot the LHS Total Care Information System (TCIS) at the Lutheran Healthcare Network in Mesa, Ariz. Assess impact on care coordination efforts and outcomes.

Electronic Patient Record Puts Clinicians on Same Page



The Total Care Information System (TCIS) developed by LHS can help keep better track of patient information and allow clinicians to coordinate care in a more effective and seamless manner.

In a pilot project at the Lutheran Healthcare Network in Mesa, Ariz., TCIS is allowing pharmacists, doctors, dietitians, social workers and care coordinators to share easy access to the most comprehensive and up-to-date patient information. Caregiver notes can be viewed by department or in chronological order.

Whenever a patient history is added or updated in the system, TCIS automatically generates a new health risk profile. If a risk is found, the system sends a "heads-up" e-mail to the appropriate department for follow-up. The system also captures patients' lifestyle habits and goals they may have for themselves, making TCIS a care planning tool, not just another database.

"TCIS helps deliver our vision of creating an integrated and seamless health care delivery system," says Gail Miller, TCIS project leader.

Point-of-Care Technologies:

Install point-of-care blood gas analyzers, remote monitoring and telemedicine in pilot LHS locations.

Technology Assessments:

Continue to explore viability of new technologies and their usefulness to LHS.

Genetics Impact:

Investigate how gene therapies will impact future care delivery in rural communities. Explore expanding coverage for genetic screenings in the LHS health plan.

Aging Services Software:

Further develop software systems in long-term care facilities that help accomplish assessments, care planning and identification of at-risk health problems as well as integration of financials.

Joint Commission:

Develop/monitor LHS quality indicators and share data with JCAHO, the Joint Commission for Accreditation of Healthcare Organizations.

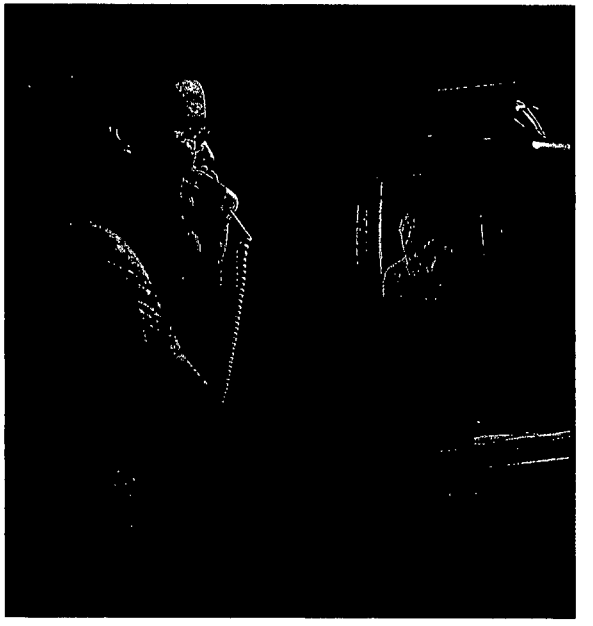
House "Calls" and Other New Technologies

Seeing a doctor no longer necessarily means in person. It may mean seeing a doctor via videophone when a person's medical needs are not pressing. Videophones are also being used to keep home care patients linked with nurses and social workers.

In the photo at right, Mavis Jewitt, director of Hospice Services for LHS Home & Community Care in Spearfish, S.D., checks in with a patient by videophone between regular visits. The home care team is part of the Black Hills Healthcare Network.

Another new technology, the point-of-care blood chemistry analyzer, enables caregivers to perform tests at the bedside or at a patient's home.

"More and more health care services will be delivered remotely over telephone lines and the internet," says Sandra Skallerud, chief operating officer of LHS Home Medical Equipment operations. "We're beginning to practice some of the new skills rural communities will need to meet that challenge."



In Step With JCAHO

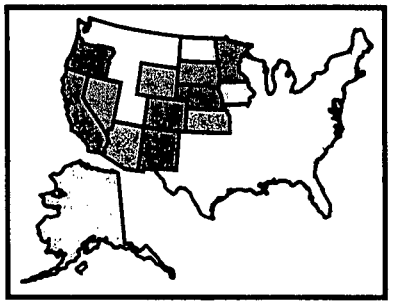
Through an initiative called Oryx, JCAHO is moving toward a new model of continuous quality monitoring. That means facilities need a quality management system that can collect and send data on quality indicators (for example, cesarean sections) to JCAHO on an ongoing basis. JCAHO surveyors reviewed the LHS Systemwide Outcomes Program and suggested LHS submit it for Oryx approval, which was granted in late 1997.

Another benefit of the LHS program—major cost-savings. Diane Poehls, LHS Quality Management coordinator, said acquiring an external system might have cost each location as much as $10,000, plus $2,000 to $3,000 a year to maintain.

"There is strong demand right now for a measurement system that has indicators applicable to hospitals, long-term care and home care," said Diane. "It's another benefit we can offer to locations thinking of joining LHS."

Where We Are

1998 Overview



14 States

13,500 Employees at LHS Locations

28 Hospitals: 1,828 Beds

30 Nursing Homes and Nursing Units: 2,054 Beds

Anne Carlsen Center for Children: 47 Beds

30 Home Health Agencies and 2 Nursing Registries

34 Clinics, 18 Group Practices, 61 Employed Physicians and 31 Employed Mid-level Practitioners

20 Home Medical Equipment Locations

Statistics are for owned, leased and managed locations, and do not include affiliates.

Profiles of LHS Locations

Network Locations

Page 13 Lutheran Healthcare Network: Arizona
Page 14 Western Plains Health Network: Colorado, Nebraska, Wyoming
Page 17 Northern Health Network: Minnesota, North Dakota
Page 19 Black Hills Healthcare Network: South Dakota
Page 21 IHS Community Network: Iowa

Free-Standing Locations

Page 21 Arizona/California
Page 22 Alaska/Kansas
Page 23 Nevada/New Mexico
Page 24 LHS Corporate Office, North Dakota/Oregon
Page 25 South Dakota/Wyoming

LHS COMMUNITIES BY STATE:

ALASKA

Fairbanks
Fairbanks Memorial Hospital/Denali Center/22

Soldotna
Heritage Place/22

ARIZONA

Lutheran Healthcare Network/13

Gilbert (LHN)
LHS Home & Community Care/13

Mesa (LHN)
Lutheran Urgent Care/13
Mesa Lutheran Hospital/13
Valley Lutheran Hospital/13

Wickenburg
Wickenburg Regional Hospital/21

CALIFORNIA

Susanville
Lassen Community Hospital/21

COLORADO

Western Plains Health Network/14

Brush (WPHN)
East Morgan County Hospital/14

Greeley (WPHN)
LHS Home & Community Care and HME Services/15
North Colorado Medical Center/14

Haxtun (WPHN Affiliate)
Haxtun Hospital District/14

Holyoke (WPHN Affiliate)
Melissa Memorial Hospital/14

Loveland (WPHN)
McKee Medical Center/15

Sterling (WPHN)
Sterling Regional MedCenter/15

Wray (WPHN Affiliate)
Wray Community District Hospital/15

Yuma (WPHN Affiliate)
Yuma District Hospital/15

IOWA

IHS Community Network/21

Grundy Center (IHSCN)
Grundy County Memorial Hospital/21

Perry (IHSCN)
Dallas County Hospital/21

KANSAS

Marion
St. Luke Hospital & Living Center/22

Oberlin
Decatur County Hospital & Cedar Living Center/22

MINNESOTA

Detroit Lakes (NHN)
Country Health/17

Thief River Falls (NHN)
Country Health/17

NEBRASKA

Ogallala (WPHN)
Ogallala Community Hospital/16

NEVADA

Fallon
Churchill Community Hospital/23

Lovelock
Pershing General Hospital & Nursing Home/23

NEW MEXICO

Los Alamos
Los Alamos Medical Center/23

NORTH DAKOTA

LHS Corporate Office/24

Northern Health Network/17

Cavalier (NHN)
Pembina County Memorial Hospital & Wedgewood Manor/17

Enderlin (NHN)
Hillcrest Manor/17

Fargo (NHN)
Country Health, LHS Home Medical Equipment Services/17
Rosewood on Broadway/17
Villa Maria/18

Grand Forks (NHN)
Country Health/17

Jamestown (NHN)
Anne Carlsen Center for Children/18
Central Dakota Village/18

Lisbon (NHN)
Lisbon Medical Center/18

Valley City (NHN)
Sheyenne Care Center/18

OREGON

Prineville
Pioneer Memorial Hospital/24

Redmond
Central Oregon District Hospital/24

SOUTH DAKOTA

Black Hills Healthcare Network/19

Belle Fourche (BHHN)
Belle Fourche Health Care Center/19

Custer (BHHN)
Colonial Manor/19

Eureka
Eureka Health Care Center/25

Gregory
Gregory Healthcare Center/25

Hot Springs (BHHN)
Southern Hills Hospital & Castle Manor/19

Rapid City
Clarkson Mountain View Guest Home (BHHN)/19
Westhills Village/25

Spearfish (BHHN)
David M. Dorsett Health Care Facility/20
LHS Home & Community Care, Mersco Medical/20
Lookout Memorial Hospital/20

Sturgis (BHHN)
Sturgis Community Health Care Center/20

WYOMING

Cheyenne
LHS Home & Community Care/25

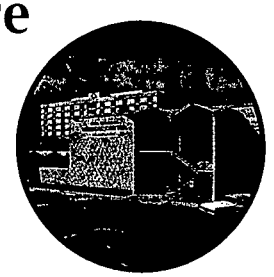
Gillette
Pioneer Manor & Home Health Care/25

Torrington (WPHN)
Community Hospital/16
Goshen Care Center/16

Wheatland (WPHN)
Platte County Memorial Hospital, NH & HC/16

Worland
Washakie Memorial Hospital/25

Lutheran Healthcare Network



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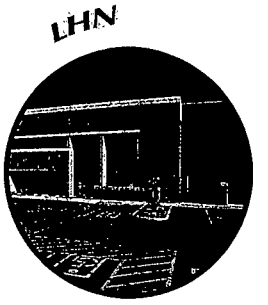
Lutheran Healthcare Network was created in 1984 to manage and develop Valley Lutheran Hospital, Mesa Lutheran Hospital, Lutheran Hospitals Foundation and other associated entities, including Lutheran Urgent Care and nursing registries.

The network provides centralized executive management and support services, including information systems, finance, education, public relations, marketing/planning, human resources and managed care.

Chief Executive Officer:
Don Evans

LHN LOCATIONS IN ARIZONA:



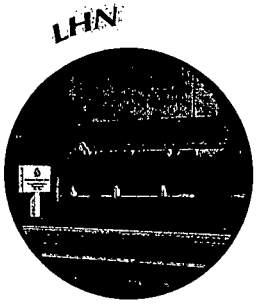
LHS Home & Community Care

1325 N. Fiesta Blvd., Suite 1
Gilbert, AZ 85233
(602) 497-5535

Owned (LHS since 1988)
Programs: Home health, extended care, home infusion therapy, hospice, home medical equipment, school-based health program, therapies, medical social services, certified nursing assistants, wellness centers

Agencies:
- **Mesa**
- **Miami/Globe**

Employees: 347
Executive Director: Jennifer Phillippe Huppenthal



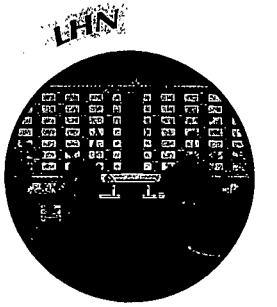
Lutheran Urgent Care

1151 N. Gilbert Road
Mesa, AZ 85213
(602) 610-0688

City population: 353,088
Total service area: 943,817
Owned (LHS since 1996)
Operated by: Lutheran Healthcare Network and Lutheran Physician Hospital Organization
Services: Prompt medical treatment for minor injuries and illnesses

ACTION STEP:
The Mesa region is growing rapidly and Mesa Lutheran Hospital is keeping pace with a newly remodeled and expanded ER that helps staff like Kathy King, RN, respond fast and efficiently to emergencies.

ACTION STEP:
Home health visits in the LHN service area are also increasing. At left, RN Bill Eagan of LHS Home & Community Care checks in with young client Sidney Deatherage.



Mesa Lutheran Hospital

525 W. Brown Road
Mesa, AZ 85201
(602) 834-1211

Owned (LHS since 1967)
Hospital beds: 315
SNF beds: 60
Employees: 1,811
Executive Director: Bob Rundio

Valley Lutheran Hospital

6644 E. Baywood Ave.
Mesa, AZ 85206
(602) 981-2000

Owned (LHS since 1984)
Hospital beds: 231
Employees: 1,085
Executive Director: Bob Rundio

Western Plains Health Network

2010 16th St.
Greeley, CO 80631
(970) 346-9200

The Western Plains Health Network (WPHN) was formed in 1995 to create an integrated network of health care providers focused on improving the health of the people in our region by providing or coordinating health and wellness services during each phase of life.

Executive Director: Doug Vang

WPHN LOCATIONS IN COLORADO:

East Morgan County Hospital

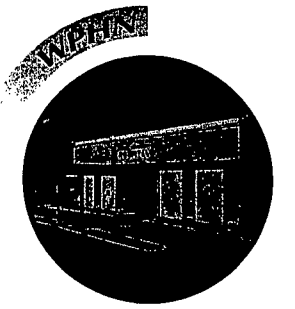
2400 W. Edison
Brush, CO 80723
(970) 842-5151

City population: 4,438
Total service area: 26,810
Leased (LHS since 1954)
Hospital beds: 24
Clinic: Family Health Clinic, Brush, CO
Employees: 102
Administrator: Anne Platt

North Colorado Medical Center

1801 16th St.
Greeley, CO 80631
(970) 352-4121

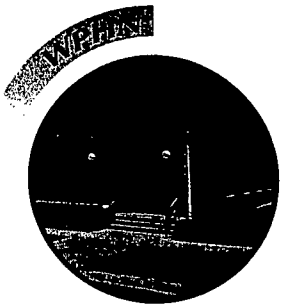
City population: 67,820
Total service area: 149,325
Leased (LHS since 1995)
Hospital beds: 306
LTC beds: 20
Clinics: Fort Lupton and Keenesburg, CO
Employees: 1,667
Administrator: Karl B. Gills



Haxtun Hospital District

235 W. Fletcher
Haxtun, CO 80731
(970) 774-6123
Affiliated with Western Plains Health Network

City population: 1,017
Total service area: 4,651
Hospital beds: 48
Employees: 85
Administrator: Jim Brundige



Melissa Memorial Hospital

505 S. Baxter Ave.
Holyoke, CO 80734
(970) 854-2241
Affiliated with Western Plains Health Network

City population: 2,092
Total service area: 4,651
Hospital beds: 24
Employees: 63
Administrator: George Larson

ACTION STEP:
The Western Plains Health Network Cancer Care program is the only accredited comprehensive cancer program in northern Colorado. In addition to chemotherapy, radiation oncology (shown at left) and other traditional treatments, two new treatments have been added to the program. Previously, prostate implant patients and peripheral stem cell patients had to travel to Denver or out of state to receive treatments now available at North Colorado Medical Center.

LHS Home & Community Care and Home Medical Equipment Services

1-800-567-4768

Agencies/HME Branches:

- Fort Morgan/Brush
- Greeley
- Loveland
- Sterling

Stations:

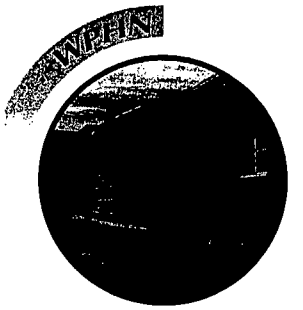
- Akron
- Longmont

Employees: 205
LHS H&CC Administrator: Deb Harrison

McKee Medical Center

2000 Boise Ave.
Loveland, CO 80538
(970) 669-4640

City population: 47,128
Total service area: 72,710
Owned (LHS since 1951)
Hospital beds: 98
SNF beds: 11
Clinic: Berthoud, CO
Employees: 676
Administrator: Charles F. Harms

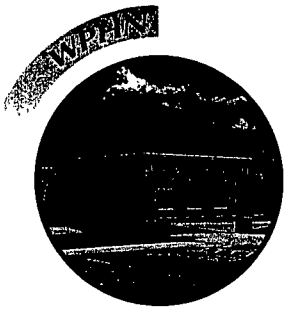


Sterling Regional MedCenter

615 Fairhurst St.
Sterling, CO 80751
(970) 522-0122

City population: 10,706
Total service area: 39,191
Owned (LHS since 1938)
Hospital beds: 36
Clinic: Family Care Clinic, Sterling, CO
Employees: 349
Administrator: Jim Pernau

ACTION STEP:
The Sleep Disorders Center of Northern Colorado, located at McKee Medical Center, is the only accredited sleep lab in northern Colorado. Western Plains Health Network patients receive high-quality care at the center for sleep apnea, insomnia and other sleep disorders, services they would otherwise have to seek in Denver.



Wray Community District Hospital

1017 W. Seventh St.
Wray, CO 80758
(970) 332-4811
Affiliated with Western Plains Health Network

City population: 2,083
Total service area: 9,406
Hospital beds: 16
Employees: 55
Administrator: Dan Dennis

ACTION STEP:
The Western Plains Health Network Heart Care staff coordinates cardiac rehabilitation across the network to provide patients with the same high-quality care no matter where they live.

Yuma District Hospital

910 S. Main St.
Yuma, CO 80759
(970) 848-5405
Affiliated with Western Plains Health Network

City population: 2,971
Total service area: 9,406
Hospital beds: 22
Employees: 80
Administrator: Tim Reardon

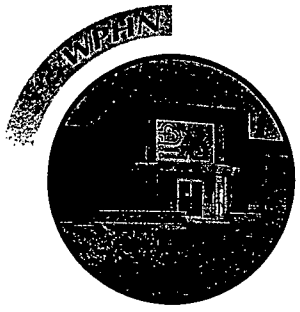
Physician Integration

Integrated Practice Resources
(Practice Management Services)
Operating 10 practices with 35 providers (25 primary care physicians, 10 orthopaedic surgeons)

High Plains Healthcare Alliance, Inc.
(Greeley-based Physician Hospital Organization)
190 physicians

Mountain Shadows Medical Association
(Loveland-based Physician Hospital Association)
100 physicians

NorthCare
(Preferred Provider Network serving northern Colorado)
550 physicians



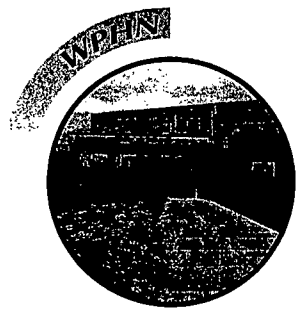
Ogallala Community Hospital

300 E. 10th St.
Ogallala, NE 69153
(308) 284-4011

City population: 5,157
Total service area: 15,577
Leased (LHS since 1987)
Hospital beds: 41
Home Care Agency/HME
Clinic: Ogallala Medical Group, Ogallala, NE
Employees: 156
Administrator: Linda Morris

Photo: Larry Holscher

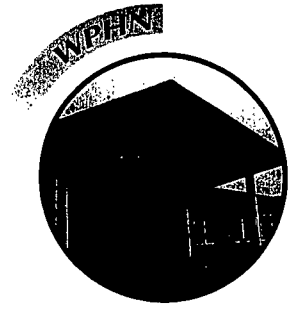
ACTION STEP:
Learning to live with his multiple sclerosis makes Ron Siffring an effective support group leader for others coping with chronic health conditions. Ogallala Community Hospital sponsored leadership training for Ron at Stanford University in California. Ron and Care Coordinator Sue Hardessen stand outside the church where the support group regularly meets.



Community Hospital

2000 Campbell Drive
Torrington, WY 82240
(307) 532-4181

City population: 5,885
Total service area: 16,132
Owned (LHS since 1950)
Hospital beds: 36
Home Care Agency
Clinics: 3 in Torrington, WY
Employees: 185
Administrator: Charles P. Myers

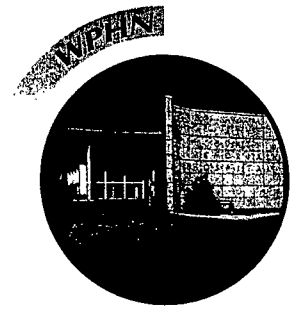


Goshen Care Center

2009 Laramie St.
Torrington, WY 82240
(307) 532-4038

City population: 5,885
Total service area: 16,132
Leased (LHS since 1963)
LTC beds: 75
Evergreen Court (assisted living beds): 26
Employees: 93
Administrator: Dave Garnas

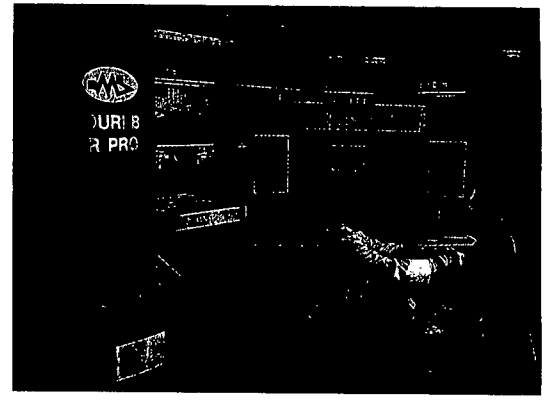
ACTION STEP:
A new Care Center is going up next to Community Hospital, enhancing total care services. Resident Floyd Ewing, a retired tiler, checks on the progress.



Platte County Memorial Hospital, Nursing Home & Home Care

201 14th St.
Wheatland, WY 82201
(307) 322-3636

City population: 3,367
Total service area: 8,857
Leased (LHS since 1955)
Hospital beds: 43
LTC beds: 43
Home Care Agency
Employees: 167
Administrator: Dana Barnett



ACTION STEP:
Platte County Memorial teams up with the area's largest employer, the Laramie River Station Power Plant, to provide an on-site health fair. An attractive feature of the wellness program is the custom health risk assessment coordinated through the Western Plains Health Network wellness department. Using summary reports identifying specific risk factors, the hospital wellness team follows up with the employer by providing educational programs for their staff.

Northern Health Network

The Northern Health Network (NHN) links communities in North Dakota and Minnesota with a primary emphasis on chronic care services. The network includes an array of care settings, including acute, clinic, long-term care, home health, home medical equipment and a care center for children with disabilities. The NHN network leverages the system through shared resources and services such as purchasing and rehabilitation.

Executive Director: Eric Monson

NHN LOCATIONS IN NORTH DAKOTA AND MINNESOTA:

Pembina County Memorial Hospital & Wedgewood Manor

301 Mountain St. E.
Cavalier, ND 58220
(701) 265-8461

City population: 1,493
Total service area: 15,646
Leased (LHS since 1953)
Hospital beds: 29
LTC beds: 60
Country Estates units: 20
Home Care Agency
Clinic: CliniCare
Employees: 165
Administrator:
George Rohrich

Hillcrest Manor

110 Hillcrest Drive
Enderlin, ND 58027
(701) 437-3544

City population: 941
Total service area: 5,000
Owned (LHS since 1984)
LTC beds: 62
Employees: 81
Administrator:
Nancy Farnham

Country Health

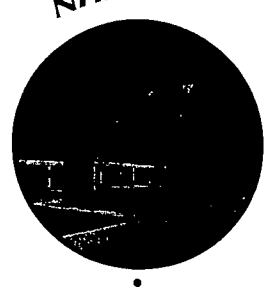
JCAHO accredited
Joint Venture (with Dakota Heartland Health System)
Total Employees: 53
Administrator: Pat Pollert

Branches:
- **Fargo, ND**
- **Grand Forks, ND**
- **Detroit Lakes, MN**
- **Thief River Falls, MN**

Satellites:
- **Cavalier, ND**
- **Jamestown, ND**
- **Fergus Falls, MN**
- **Ortonville, MN**

LHS Home Medical Equipment Services

Chief Operating Officer:
Sandra Skallerud
Regional Directors:
Laurie Busby,
Pat Pollert,
Carrie Testerman

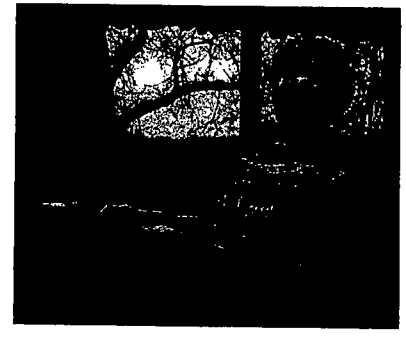


Rosewood on Broadway

1351 Broadway
Fargo, ND 58102
(701) 277-7999

City population: 83,207
Total service area: 166,593
Owned (LHS since 1938)
LTC beds: 102
Employees: 130
Administrator: Mary Almen

ACTION STEP:
Rosewood residents are linked to the information age with access to computers and the Internet. Below, Ellen Gillies chats via e-mail with a granddaughter visiting China.



ACTION STEP:
Within a short driving distance of each other, Hillcrest Manor and Lisbon Medical Center continually look for ways to leverage resources. For example, a doctor and nurse from Lisbon visit the Enderlin home once a week, a physician's assistant four days a week. At left, Lisbon LPN Pearl Stockwell draws blood from Hillcrest resident Gordon Roesler.

Villa Maria

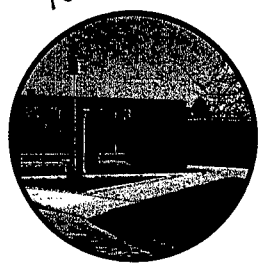
3102 S. University Drive
Fargo, ND 58103
(701) 293-7750

City population: 83,207
Total service area: 166,593
Owned (LHS since 1984)
LTC beds: 138
Employees: 175
Administrator: Sue Grove

Anne Carlsen Center for Children

301 Seventh Ave. N.W.
Jamestown, ND 58401
(701) 252-3850

City population: 15,183
Total service area: International
Owned (LHS since 1940)
Beds: 47
Employees: 240
Administrator: Mike Gillen



Central Dakota Village

501 19th St. N.E.
Jamestown, ND 58401
(701) 252-5660

City population: 15,183
Total service area: 25,000
Owned (LHS since 1962)
LTC beds: 100
Dakota Heights apts.: 4
Heritage Centre apts.: 29
Employees: 143
Administrator: Brent Aberg

ACTION STEP:
Anne Carlsen Center's services are no longer confined to the facility, due to business development and community outreach efforts. Here, 17-month-old Dustin and his mother enjoy a visit by therapist Carol Anderson.

Lisbon Medical Center

905 Main St.
Lisbon, ND 58054
(701) 683-5241

City population: 2,089
Total service area: 10,425
Owned (LHS since 1952)
Hospital beds: 19
LTC beds: 45
Home Care Agency
Clinics: Lisbon and Enderlin, ND
Employees: 136
Administrator: Jack Jacobs

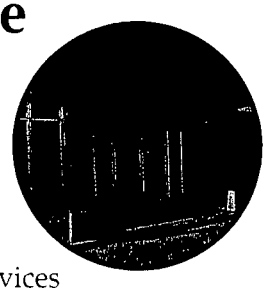
Sheyenne Care Center

979 Central Ave. N.
Valley City, ND 58072
(701) 845-8222

City population: 7,131
Total service area: 13,000
Owned (LHS since 1938)
LTC beds: 170
Employees: 205
Administrator: Craig Christianson

ACTION STEP:
The LHS care philosophy, Choices, encourages resident independence. At the Care Center, Angie Harstad keeps in stride by delivering the newspaper to Ida Rieth and other residents.

Black Hills Healthcare Network



930 10th St.
Spearfish, SD 57783
(605) 642-4641

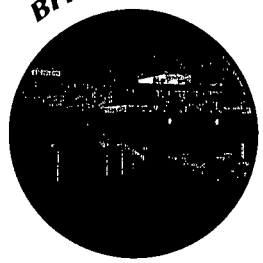
BHHN Support Services
430 Oriole Drive, Suite 1A
Spearfish, SD 57783
(605) 642-0143

Black Hills Healthcare Network (BHHN) provides health care services to the communities of Belle Fourche, Custer, Newell, Rapid City, Sturgis, Spearfish and Hot Springs. BHHN was formed in 1993 to build tighter links between acute, ambulatory care, physician clinics, rehabilitation, long-term care and home health services in the Black Hills region. Our mission is to provide sustainable, high-quality, cost-effective health care to the communities and residents of the Black Hills. This will be done in partnership with other providers who share those goals.

Executive Director: Peter W. Thoreen

BHHN LOCATIONS IN SOUTH DAKOTA:

BHHN

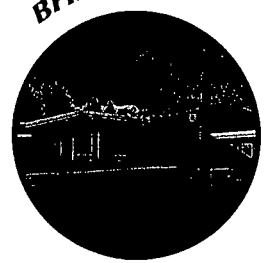


Belle Fourche Health Care Center

2200 13th Ave.
Belle Fourche, SD 57717
(605) 892-3331

City population: 5,156
Total service area: 10,180
Owned (LHS since 1992)
LTC beds: 82
Clinics: Belle Fourche and Newell, SD
Employees: 97
Administrators: Sara Delahoyde (Community), Deb Krmpotic (Acute Care/Clinic), Roger Heidt (LTC), Rachelle Schultz (H&CC/HME/Rehab)

BHHN

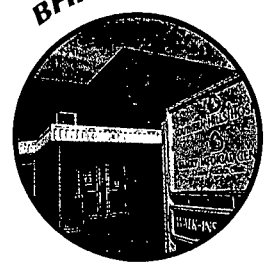


Colonial Manor

1065 Montgomery St.
Custer, SD 57730
(605) 673-2237

City population: 1,824
Total service area: 10,000
Leased (LHS since 1993)
LTC beds: 76
Employees: 65
Administrator:
Deb Holm (Community)

BHHN

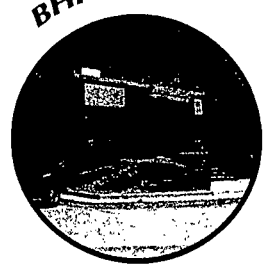


Southern Hills Hospital & Castle Manor

209 N. 16th St.
Hot Springs, SD 57747
(605) 745-3159

City population: 4,322
Total service area: 16,417
Owned (LHS since 1938)
Hospital beds: 12
LTC beds: 48
Assisted living units: 16
Clinic: Hot Springs, SD
Employees: 100
Administrators: Eric Hanson (Community), Deb Holm (LTC), Deb Krmpotic (Acute Care/Clinic), Rachelle Schultz (H&CC/HME/Rehab)

BHHN



Clarkson Mountain View Guest Home

1015 Mountain View Road
Rapid City, SD 57702
(605) 343-5882

City population: 57,565
Total service area: 371,000
Owned (LHS since 1993)
LTC beds: 52
Employees: 60
Administrator:
Klara Parks (Community)

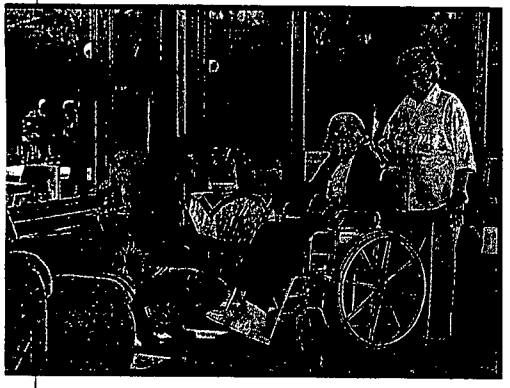
ACTION STEP:
Dr. Arthur Raymond, Physician Assistant Kathy Salu and Dr. Donald Primer were all recruited in 1997 to the Family Medical Center clinic in Hot Springs. Filling these key staffing needs has helped strengthen Southern Hills' operations for the future.

BHHN

David M. Dorsett Health Care Facility

1020 10th St.
Spearfish, SD 57783
(605) 642-2716

City population: 7,809
Total service area: 34,031
Owned (LHS since 1993)
LTC beds: 120
Employees: 150
Administrators: Larry Klarenbeek (Community), Roger Heidt (LTC), Rachelle Schultz (H&CC/HME/Rehab)



ACTION STEP:
A $1.6 million renovation at Dorsett, funded by LHS and a contribution from the Dickey family, has resulted in new enhancements, improved access and a more homelike environment. Shown here in the sunny new activity room, Dorsett resident Dorothy Schaffner visits with her daughter Connie Plaggemeyer and friend Eva Crouch.

BHHN

LHS Home & Community Care, Mersco Medical

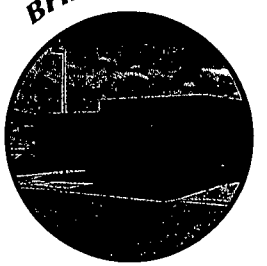
Home Health Agencies:
- **Hot Springs, SD**
- **Spearfish, SD**
- **Sturgis, SD**

HH Intake Office:
- **Belle Fourche, SD**

Mersco Branches:
- **Spearfish, SD**
- **Rapid City, SD**

Employees: 110
Administrator: Rachelle Schultz (H&CC/HME/Rehab)

BHHN

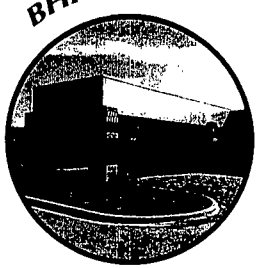


Lookout Memorial Hospital

1440 N. Main
Spearfish, SD 57783
(605) 642-2617

City population: 7,809
Total service area: 34,301
Owned (LHS since 1963)
Hospital beds: 32
Employees: 245
Clinic: Spearfish, SD
Administrators: Deb Krmpotic (Community/Acute Care/Clinic), Rachelle Schultz (H&CC/HME/Rehab)

BHHN



Sturgis Community Health Care Center

949 Harmon St.
Sturgis, SD 57785
(605) 347-2536

City population: 5,298
Total service area: 13,688
Owned (LHS since 1992)
Hospital beds: 30
LTC beds: 84
Clinic: Sturgis, SD
Employees: 199
Administrators: Roger Heidt (Community/LTC), Deb Krmpotic (Acute Care/Clinic), Rachelle Schultz (H&CC/HME/Rehab)

ACTION STEP:
The Family Medical Center in Sturgis has expanded health services for women and children. Dr. Michael Preys advises Samantha Alisero on care for her two-day-old daughter Carly at the Family Medical Center.

BHHN

Family Medical Center Clinics:

- **Belle Fourche, SD**
- **Hot Springs, SD**
- **Newell, SD**
- **Spearfish, SD**
- **Sturgis, SD**

Administrator: Deb Krmpotic (Acute Care/Clinic)

BHHN

Senior Apartments and Services:

- **Hilltop Assisted Living**
- **Ponderosa Apartments**
- **John Burns Apartments**
- **Heritage Acre Apartments**
- **Belle Fourche Senior Living Center**
- **Hickory House Congregate Living**
- **Belle Fourche Adult Daycare**
- **Prairie Hills Transit & Spearfish Nutrition Site**

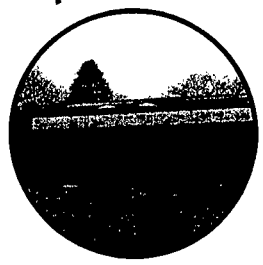
Iowa Health System Community Network

(515) 241-8281

The Iowa Health System Community Network is a partnership between Iowa Health System and LHS designed to link rural Iowa providers with a statewide seamlessly integrated health care delivery system.

LHS Representative in Iowa:
Ed Myers

IHSCN LOCATIONS IN IOWA AND FREE-STANDING LOCATIONS:



Grundy County Memorial Hospital

201 East J Ave.
Grundy Center, IA 50638
(319) 824-5421

City population: 2,807
Total service area: 15,830
Managed (LHS since 1998)
Hospital beds: 33
LTC beds: 55
Home Care Agency
Employees: 114
Administrator:
James Faulwell

Dallas County Hospital

610 10th St.
Perry, IA 50220
(515) 465-3547

City population: 7,179
Total service area: 12,162
Managed (LHS since 1998)
Hospital beds: 49
Employees: 145
Administrator:
Vernette Riley

Wickenburg Regional Hospital

520 Rose Lane
Wickenburg, AZ 85390
(520) 684-5421

City population: 6,163
Total service area: 17,994
Leased (LHS in 1998)
Hospital beds: 23
LTC beds: 57
Employees: 150
Administrator:
Carol Schmoyer

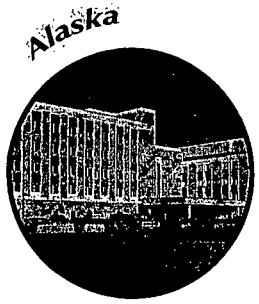
Lassen Community Hospital

560 Hospital Lane
Susanville, CA 96130
(530) 257-5325

City population: 9,530
Total service area: 31,584
Managed (LHS since 1994)
Hospital beds: 28
LTC beds: 31
Home Care Agency
Employees: 200
Administrator:
David S. Anderson

ACTION STEP:
Certified Nurse Assistant Kate LeLaCheur and resident Elias Guillen enjoy a spring day in the courtyard of the extended care wing of the Wickenburg Regional Hospital. The facility plans to implement the LHS Choices philosophy of care and environmental changes to enhance resident independence and wellness.

Photo: Mary Dahlen



Fairbanks Memorial Hospital/Denali Center

1650 Cowles St.
Fairbanks, AK 99701
H: (907) 452-8181
NH: (907) 458-5100

City population: 34,326
Total service area: 98,222
Leased (LHS since 1968)
Hospital beds: 166
LTC beds: 90
Home Care Agency/HME
Employees: 985
Administrator: Mike Powers

ACTION STEP:
The Fairbanks PIE team (Performance Improvement Environment) mixed together physicians, clinical and non-clinical staff who successfully cooked up a process to integrate JCAHO preparation, continuous quality improvement and shared governance.

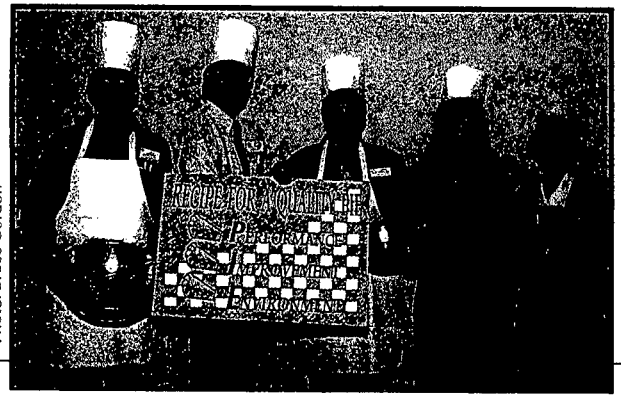
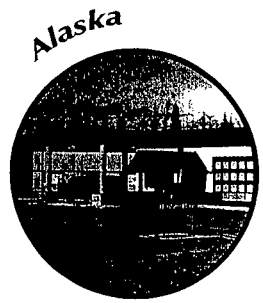


Photo: Bruce Gordon



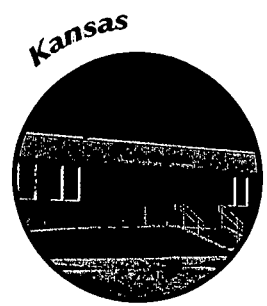
Heritage Place

232 Rockwell St.
Soldotna, AK 99669
(907) 262-2545

City population: 4,183
Total service area: 32,746
Owned (LHS since 1986)
LTC beds: 45
Employees: 90
Administrator: Dennis Murray

Photo: Dennis Murray

ACTION STEP:
Dorothy Lee is in the hospital but looking forward to going home. Heritage Place Care Coordinator Karla Homelvig is assisting her in the transition to home care as part of Alaska's "Project Choice," which offers Medicaid waivers for alternatives to institutional care.



St. Luke Hospital & Living Center

1014 E. Melvin St.
Marion, KS 66861
(316) 382-2177

City population: 2,017
Total service area: 12,250
Leased (LHS since 1968)
Hospital beds: 22
LTC beds: 32
Home Care Agency/HME
Employees: 112
Administrator:
Craig Hanson

ACTION STEP:
In October 1997, a team with representatives from each department at St. Luke conducted a two-day community assessment, interviewing more than 60 people across Marion County for their impressions of the local health care delivery system.

Photo: Troy Walker

Decatur County Hospital & Cedar Living Center

810 W. Columbia
Oberlin, KS 67749
(913) 475-2208

City population: 1,880
Total service area: 10,897
Leased (LHS since 1950)
Hospital beds: 24
LTC beds: 50
Home Care Agency/HME
Clinic: Decatur Clinic, Oberlin, KS
Employees: 112
Administrator: Asa Wilson

Churchill Community Hospital

801 E. Williams Ave.
Fallon, NV 89406
(702) 423-3151

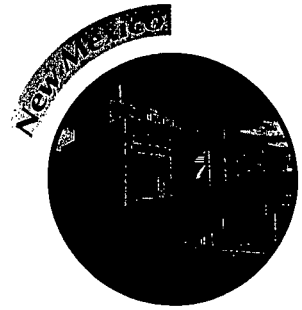
City population: 8,259
Total service area: 52,742
Owned (LHS since 1990)
Hospital beds: 40
Home Care Agency/HME
Clinics: 5 CCH Health Clinics
Employees: 391
Administrator: Jeffrey Feike

Pershing General Hospital & Nursing Home

855 Sixth St.
Lovelock, NV 89419
(702) 273-2621

City population: 2,293
Total service area: 6,500
Managed (LHS since 1995)
Hospital beds: 5
LTC beds: 32
Employees: 80
Administrator:
Helen Woolley

ACTION STEP:
In 1997, Churchill Community Hospital reached an important goal by earning designation as a Level 4 Trauma Center. The availability of this level of care in Fallon can mean the difference between life and death to patients traveling by both ground and air ambulance, who otherwise might have to travel significantly further to Reno for trauma care.

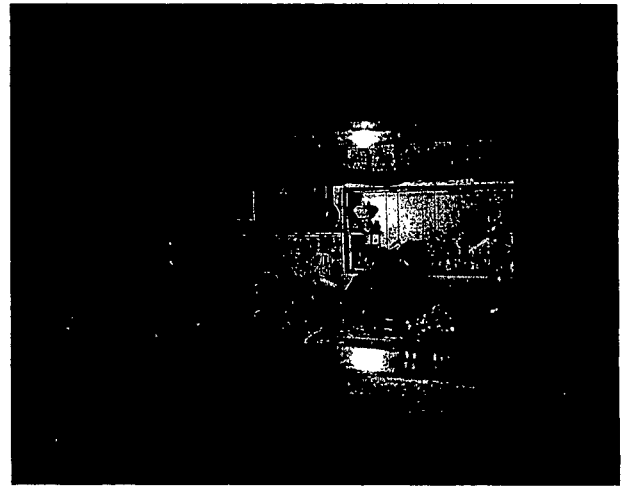


Los Alamos Medical Center

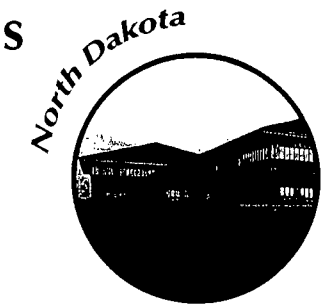
3917 W. Road
Los Alamos, NM 87544
(505) 662-4201

City population: 11,834
Total service area: 72,372
Owned (LHS since 1964)
Hospital beds: 47
Home Care Agency/HME
Clinics: 7 LAMC Health Clinics
Employees: 300
Administrator: Paul Wilson

ACTION STEP:
LAMC home care nurse Joan Noble travels a 200-mile round trip to see patients like Placida Maestas in the community of Chama, north of Los Alamos. Trust and credibility form the foundation for these long-distance relationships.



Lutheran Health Systems Corporate Office

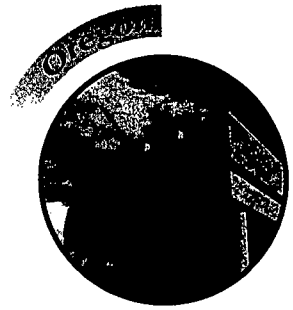


4310 17th Ave. S.W.
Fargo, ND 58106-6200
(701) 277-7500
(800) 767-7429

Created in 1938 as Lutheran Hospitals and Homes Society, LHS provides expertise in the departments of corporate accounting services, payroll, finance, audit services, legal services, managed care, clinical services, marketing/planning, operations management (aging services, clinics, home health, home medical equipment, hospitals), learning and innovation, compliance, risk and quality management, physician recruitment, patient financial services, information services, materials management, and human resources (benefits, compensation, communications, employee relations).

Corporate Office Employees: 240
President and CEO: Steven R. Orr

ACTION STEP:
LHS Technology Fairs feature new systems and products under consideration or being implemented at LHS locations, such as learning_on_line, demonstrated above by Nancy Pennell. This software is being customized for LHS to help PC users self-assess and improve their skills in various applications.



Pioneer Memorial Hospital

1201 N. Elm
Prineville, OR 97754
(541) 447-6254

City population: 7,016
Total service area: 46,670
Managed (LHS since 1996)
Hospital beds: 35
Home Care Agency
Employees: 155
Executive Director:
Don Wee

Central Oregon District Hospital

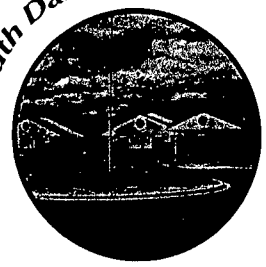
1253 N. Canal Boulevard
Redmond, OR 97756
(541) 548-8131

City population: 11,863
Total service area: 125,060
Managed (LHS since 1994)
Hospital beds: 48
Home Care Agency
Employees: 296
Executive Director:
Jim Diegel

Photo: David Morris

ACTION STEP:
Dr. Marinus Koning and Dr. Jack Hartley, Central Oregon District Hospital surgeons, continue to lead the region with advanced laparoscopic surgical skills.

South Dakota



Eureka Health Care Center

109 H Ave.
Eureka, SD 57437
(605) 284-2145

City population: 1,009
Total service area: 6,300
Owned (LHS from 1938–1989 and since 1993)
LTC beds: 62
Employees: 77
Administrator: Connie Woehlhoff

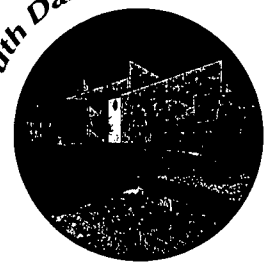
South Dakota

Gregory Healthcare Center

400 Park St.
Gregory, SD 57533
H: (605) 835-8394
NH: (605) 835-8296

City population: 1,214
Total service area: 5,866
Owned (LHS since 1962)
Hospital beds: 26
LTC beds: 58
Home Care Agency
Employees: 141
Administrator: Carol Varland

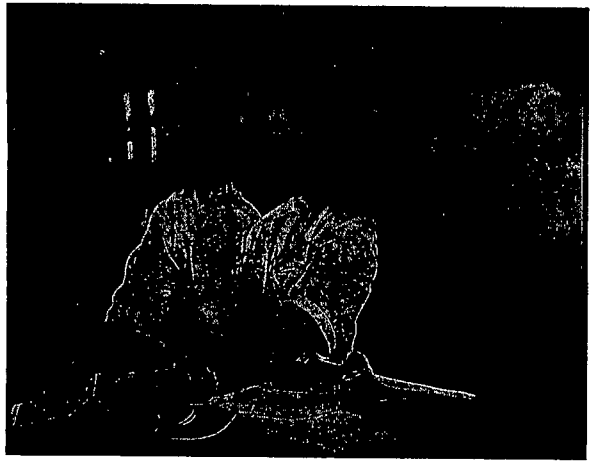
South Dakota



Westhills Village Retirement Community/Life Care Center & Home Health Agency

255 Texas St.
Rapid City, SD 57701
(605) 342-0255

City population: 57,565
Total service area: 371,000
Managed (LHS since 1993)
LTC beds: 44
Home Care Agency
Retirement apartments: 202
Assisted living units: 31
Employees: 138
Administrator: Daryl Reinicke



ACTION STEP:
As part of a pilot program with Medicare, Westhills receives a daily rate for each resident according to categories of need. Staff achieve cost savings by focusing on providing personalized services in-house whenever possible.

Wyoming

LHS Home & Community Care

(307) 634-5168

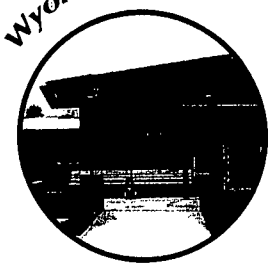
Agencies:

- **Casper, WY**
- **Cheyenne, WY**
- **Laramie, WY**
- **Rock Springs, WY**

JCAHO accredited, Medicare certified
Owned (LHS since 1987)
Employees: 142
Regional Director: Laurie Wright

ACTION STEP:
LHS Home & Community Care in Wyoming has experienced rapid growth in pediatric programs. Here, a jaundiced newborn receives care at home with a special UV light-emitting pad worn close to the baby's body. LHS H&CC nurses work with the LHS Mersco Medical home medical equipment store in Rapid City, S.D., to provide this service.

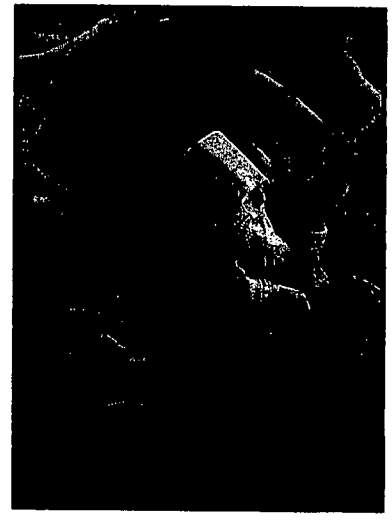
Wyoming



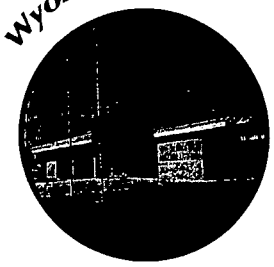
Pioneer Manor & Home Health Care

900 W. Eighth St.
Gillette, WY 82716
(307) 682-4709

City population: 19,901
Total service area: 25,000
Owned (LHS since 1993)
LTC beds: 150
Home Care Agency
Apartments: 68 units
Employees: 186
Administrator: Michael Matthews



Wyoming



Washakie Memorial Hospital

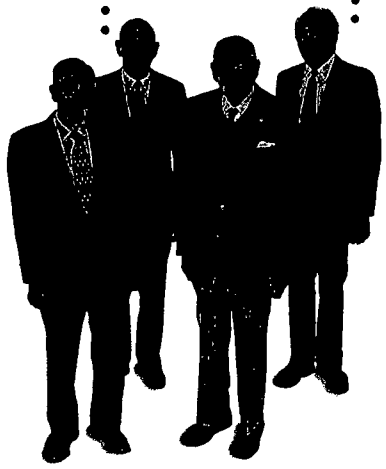
400 S. 15th St.
Worland, WY 82401
(307) 347-3221

City population: 6,072
Total service area: 19,512
Leased (LHS since 1949)
Hospital beds: 30
Home Care Agency
Clinic: Worland Medical Center
Employees: 135
Administrator: James Kiser

DIRECTORS EMERITI:

Donald R. Hansen, Esq.
Attorney, Nilles, Hansen & Davies, Ltd., Fargo, ND

Leland J. Berkheimer
International Executive, Service Corps, Columbus, NE



Willis Repp
Retired Construction Contractor, Columbus, IN

Judge Leslie R. Hersrud
Retired Circuit Judge, 8th Judicial District, Lemmon, SD

Not Pictured:

M. Sterling Rygg
Semi-Retired Automobile Dealer, Kalispell, MT

Eugene R. Dahl
Retired Chairman of the Board, Treasurer, Concord, Inc., Fargo, ND

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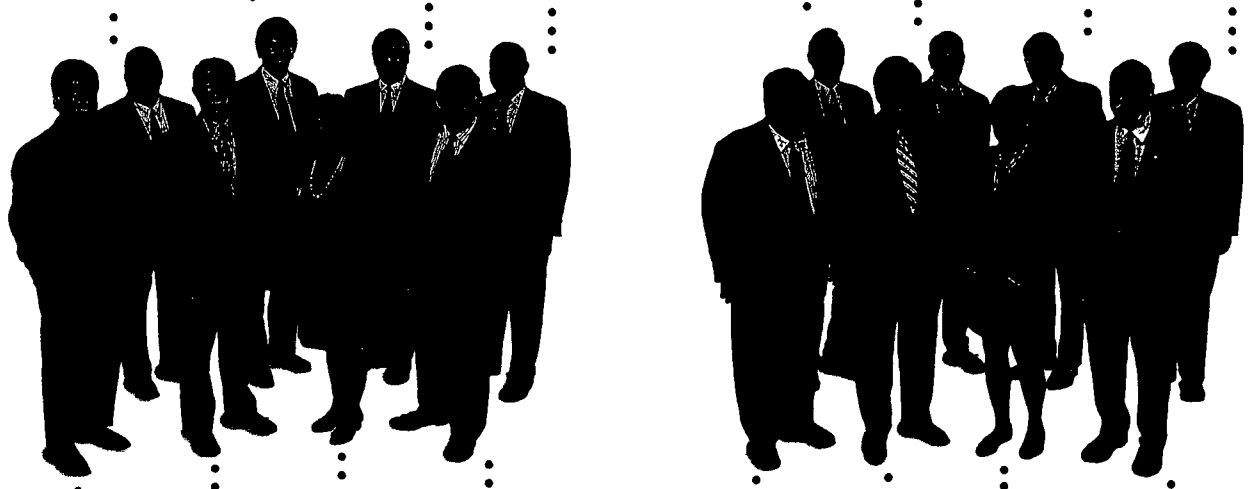
Rev. James R. Bjorge
Retired Senior Pastor, First Lutheran Church, Fargo, ND

Daniel P. Schorsch
President, Midland Investment, Inc., Jamestown, ND



Steven R. Orr
LHS Chairman & CEO,
Lutheran Health Systems, Fargo, ND

Pamela J. Sveinson
Minneapolis, MN

A. Ronald Nerland
Consultant, The Dawson Group, Phoenix, AZ

Susan Bartlett Foote
President, Durenberger/Foote Public Policy Partners LLC, Washington, DC

Calvin N. Rolfson, Esq.
Attorney/President, Rolfson Schulz Lervick & Geiermann Law Offices, P.C., Bismarck, ND

Dale R. Hansen, Esq.
Attorney, Hansen & Hubbard Law Offices, Sturgis, SD

Merlin E. Dewing
Founder of Dewing Financial Services, Shorewood, MN and Retired Partner and Chairman, KPMG BayMark LLC, New York, NY

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Retired Neurologist, MeritCare Clinic-Neuroscience, Fargo, ND

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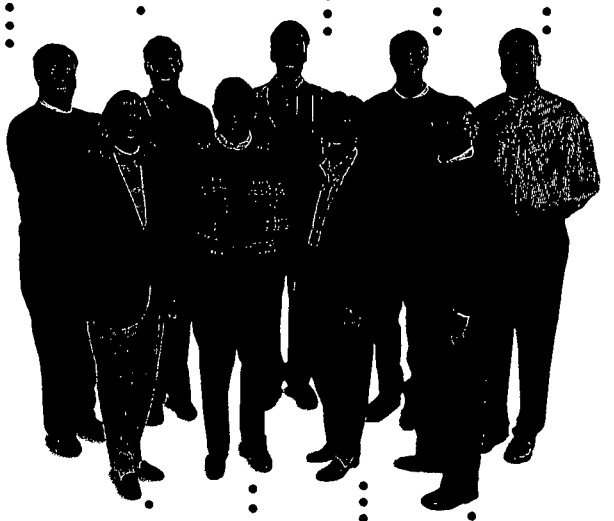
Vice President, Ambulatory Services

Kenneth E. Lawonn
Vice President, Information Services

Daniel F. Brachman
Vice President, Operations

Craig J. Broman
Senior Vice President

Robert A. Lund
Director, Audit Services



Gerri Twomey
Vice President, Human Resources

Lynn Bruchhof
Vice President, Innovation and Learning

Thomas M. Mingen
Senior Vice President

Gregory J. Garber
Senior Vice President of Finance/Treasurer

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Senior Vice President, General Counsel

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Vice President, Medical & Quality Affairs

Larry M. Marshall
Vice President, Operations

Eric M. Monson
Senior Vice President

Richard Mackesy
Vice President, Strategic Integration

Ellen Cooke
Chief Operating Officer, LHS Home & Community Care

Shirley A. Schenck
Corporate Secretary

Joseph M. Smith
Vice President, Operations

James H. Gingerich
Vice President, Operations

FINANCIAL PERFORMANCE:

		1997*	1996*
Sources of Funds	**Inpatient Revenue** includes nursing care, tests, X-rays, drugs and food services	$733,853,000	$656,539,000
	Outpatient Revenue includes emergency care, outpatient surgery and related services	314,597,000	284,081,000
	Other Revenue includes investments, home care services, medical equipment sales and other sources	165,855,000	152,916,000
	Long-Term Care Revenue	72,483,000	68,765,000
	Total Revenues	$1,286,788,000	$1,162,301,000
Contractual Discounts & Charity Care	Includes the difference between amounts billed to patients and residents and payments received from third-party payers such as Medicare, Medicaid and insurance companies, and the amounts written off for those who qualify for charity care	(494,249,000)	(423,559,000)
	FUNDS AVAILABLE FOR PATIENT CARE	$792,539,000	$738,742,000
Application of Funds	**Salaries and Benefits**	$395,321,000	$377,665,000
	Other Expenses include physician fees, unpaid accounts, and utility, supply and maintenance costs	293,393,000	269,303,000
	Interest, the cost of borrowing funds	9,230,000	9,252,000
	Depreciation Expenses for buildings and equipment	30,758,000	25,941,000
	Funds Applied to facility capital expenditures and other facility financial requirements	63,837,000	56,581,000
	FUNDS USED FOR PATIENT CARE	$792,539,000	$738,742,000

*For fiscal years ending December 31

1997/98 LHS Annual Report

Theme Development:
Steve Orr, Chief Executive Officer
Rich Mackesy, Vice President/Strategic Integration

Design and Illustration:
Paul Johnson, Corporate Artist

Writing and Editing:
Amy Richardson, Communications Director
Dan Olson, Communications Editor

Web Site Version:
Cloy Tobola, LHS Webmaster
Chuck Thorne, Graphic Production Coordinator

Statistics Checking and Coordination:
Di Steckler, Communications Assistant

Special Thanks:
To all contributors and reviewers across LHS
who helped with this report.

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Printing: Kaye's Printing, Inc.

A copy of the 1997 audited financial statement is available upon request. Send requests to:

Director of Corporate Finance
LHS, Inc.
P.O. Box 6200
Fargo, ND 58106-6200

Our Mission

The mission of our organization is to provide high quality health care to rural America in accord with the Christian ideals of concern and compassion. We are committed to respond to needs, including economic viability, in the communities we serve while recognizing that good health encompasses the physical, emotional and spiritual well-being of everyone.

To fulfill this mission, we will provide preventive, healing and rehabilitative services through a system that links services in rural and urban areas; preserve the dignity of each individual regardless of creed, race, sex, age or social status; strive to achieve and maintain standards of excellence in all aspects of health care; and operate facilities in a cost-effective and financially responsible manner.

Lutheran Health Systems

4310 17th Ave. S.W.
P.O. Box 6200
Fargo, ND 58106-6200
www.LHSnet.com