

A YEAR IN REVIEW



2009 ANNUAL REPORT



GOOD HEALTH STARTS WITH GREAT CARE™

OUR MISSION

The delivery of exceptional patient care focusing on *caring, quality, safety, and service.*

OUR VISION

To be the healthcare provider of choice in our service area by leading in quality, access, and service.

OUR CORE VALUES

Our patients come first.

Every employee is a caregiver.

Our employees are the key to our success.

OMC is an active, contributing partner in the communities it serves.

We have a duty to position and prepare OMC for the future.

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MESSAGE TO THE COMMUNITY

2009 was another very successful year for Olmsted Medical Center. This is a testament to our caregivers' ability to meet the demands of a difficult economic climate and evolving healthcare sector. Central to the work ethic of our nearly 1,100 employees are the beliefs that our patients come first and that every employee is a caregiver. As healthcare legislation, insurance policy, and economic realities continue to affect OMC's business practices, these two core values do not change.

How we treat our patients—providing exceptional care and a personal touch—continues to define who we are.

In 2009, our core values were the motivation behind our investments in several facility improvements, digital infrastructure upgrades, and new specialty services.

The improvements we made, detailed in the following pages, had one purpose: making our patients' experiences even better.

Along with information on our service statistics, financial performance, community benefit, service excellence, and other organizational achievements, our 2009 annual report also contains personal stories and reflections by some of the

caregivers behind the exceptional, and personal, medical care we provide every day at OMC.

As we move into the new decade, we will continue improvements to our facilities and services—all designed to establish OMC as a preferred healthcare provider for the region's residents. And, ultimately, all will be undertaken to make your OMC experience the best it can be.



*Pictured, left to right:
Tim Weir, Chief Executive Officer;
Roy Yawn, MD, President;
David Westgard, MD,
Chief Medical Officer*



Olmsted Medical Center has continued to focus on improving our patients' experiences in 2009.

PUTTING PATIENTS FIRST

It is easy to say that patients come first, but at Olmsted Medical Center, we strive to demonstrate our commitment to this core value in all of our decisions and planning. In 2009 we invested in many improvements—both behind the scenes and in plain view—to make our patients' experiences top-notch.

Digital Upgrades to Improve Patient Care

A telephone-based appointment-reminder service went live after extensive testing and has helped ensure that thousands of patients keep their scheduled appointments. Our Picture Archiving and Communication System (PACS) was fully implemented in 2009, making patient x-rays, ultrasounds, and MRIs available for viewing electronically at all care locations.

Technology used for primary care in our branch clinics is now just as sophisticated as in the OMC Rochester Southeast Clinic.

OMC also upgraded Magnetic Resonance Imaging (MRI) and x-ray equipment and added radiology staff, which allows faster turnaround of diagnostic images and higher quality images, and we have vastly enhanced our diagnostic capabilities for our patients.

We continued to develop our approach to adopting an electronic medical records (EMR) system for our hospital—one that will tie into the EMR system currently serving all outpatient clinic locations. Staff members began using a new intranet designed to give quicker access to information critical to providing care.

Patients, partners, and staff nearly doubled their use of OMC's website in 2009, which now includes an online health information library. More and more people began interacting with OMC through social media applications like Facebook and Twitter. The OMC Regional Foundation launched a new website that offers a comprehensive online financial-planning library.

Our next phase of technology developments includes continuing to enhance the patient experience through online test reporting, bill pay, and self-registration.

Facilities Renovations to Increase Patient Comfort

We expanded to more spacious and modern patient-care areas in orthopedics, pain management, general surgery and

urology, plastic surgery, breast-imaging services, and radiology. And, in response to patient feedback, we began a major remodeling project at our Rochester Southeast Clinic to modernize and expand the main entrance. Scheduled for completion in 2010, this renovation will streamline patient parking, provide easier and safer access to the building, and expand the clinic's patient waiting area. In support of our facilities as healing environments, many of our care locations also received new signs, seating, carpeting, paint, and artwork by local and regional artists.



OMC also upgraded Magnetic Resonance Imaging (MRI) and x-ray equipment and added radiology staff.



Mammography CR (computerized radiography) equipment and a mammography control console in one of the recently expanded breast-imaging services suites.

BUILDING ON OUR STRENGTHS

OMC is well known for exceptional primary healthcare. We also offer our personal approach to care through more than 25 specialties and in 2009 added several new services. Among them were breast health, adjustable gastric band weight-loss surgery, endocrinology (treatment of hormone imbalances), hand surgery and sports medicine, and advanced pediatric, occupational, and physical therapy. We will introduce non-invasive cardiology services in 2010. All of our specialty services complement primary care and offer patients greater convenience and peace of mind.

Our targeted growth has been based on a strategic planning process that involved more staff than ever before.

And, we saw positive results in our patient satisfaction and care quality reports as a result of our efforts.

In 2009, healthcare quality measurement organizations like Minnesota Community Measurement and HCAHPS noted OMC's upper-quartile performance in most categories. Olmsted Medical Center also received four Minnesota Hospital Association Patient Safety Excellence Awards for outstanding improvements in skin care, prevention of patient falls, and two initiatives for safe surgical procedures. All of these indicators show that OMC continues to stay true to its mission: the delivery of exceptional patient care focusing on caring, quality, safety, and service.

PREPARING FOR OUR FUTURE

The steps we took in 2009 are part of a much larger plan to position OMC as a preferred healthcare provider for primary and secondary care among Southeastern Minnesota residents. Some important next steps include increasing the amount of direct patient input on improving experiences at OMC through patient advisory groups. This input will support OMC's ongoing Customer Service Excellence initiative, which increasingly guides the way our employees are evaluated for their work. We will continue to make clinical service, facilities, and infrastructure upgrades in our patients' best interests, and we will proudly carry on our support of the communities we serve.



The OMC Rochester Southeast Clinic remodeling project is scheduled to be completed in 2010.

PATIENT SERVICE ACTIVITIES 2009

Total Unique Patients Served	71,288	CT Procedures	5,546
Clinician Encounters	284,483	Laboratory Procedures	369,209
Hospital Patient Days	8,023	Number of Physicians & Clinicians.....	136
Hospital Admissions	3,320	Number of Employees	1075
Births.....	982	Number of FTEs	800
Surgical Procedures	3,608	Average Length of Service	9 years
Emergency & Urgent Care Visits.....	32,732	Employee Turnover Rate	4.71%
Rehabilitation Services Visits.....	27,596	Total Net Operating Revenue.....	\$142,297,365
MRI Procedures.....	1,679	Total Operating Expenses	\$132,175,437

FINANCIAL BENEFIT TO THE COMMUNITY

FISCAL YEAR 2009

Charity Care Allowances	\$1,044,530
Estimated costs in excess of payments for treating Medicaid patients.....	\$9,279,684
Medical Assistance Surcharge.....	\$1,116,004
Minnesota Care Tax	\$2,328,955
Financial Contributions.....	\$70,188
Total Costs of Community Benefits	\$13,839,361*

**As defined by Catholic Health Association/VHA guidelines*

Estimated costs in excess of payments for treating Medicare patients	\$10,083,612
Bad Debt Expense.....	\$8,133,629
Taxes and Fees	\$517,666
Sub Total	\$18,734,907**

***As defined by American Hospital Association guidelines*

Total Value of Community Contributions **\$32,574,268*****

****24.64% of Total Operating Expenses*



OMC held multiple public walk-in vaccination clinics and administered more than 6,000 H1N1 vaccine doses to patients.

GIVING BACK TO OUR NEIGHBORS

As a 501(c)3 non-profit organization, OMC welcomes its many opportunities to be an active, contributing partner to Southeastern Minnesota's health and wellness efforts. In 2009, OMC received its third annual "Business Gives" award from the Minnesota Governor's office and the Rochester Area Chamber of Commerce. We also earned recognition as a Minnesota Keystone organization for contributions and benefit to our communities, which totaled nearly \$32.6 million in 2009.

Our community investment activities supported 90 local and regional organizations. Our support for those organizations is consistent with the people,

places, and initiatives our employees serve in their own volunteer work. In 2009, OMC employees volunteering during their personal time spent an average of 12 hours per month engaged in that work. Using the Independent Sector's estimated dollar value of volunteer time (\$20.25 per hour for 2008, according to www.independent-sector.org), this means that the average OMC volunteer contributed between \$243.00 and \$425.25 in time and effort each month, or between \$2,916 and \$5,103 during 2009.

In response to the local challenges presented by H1N1 influenza, OMC partnered with Mayo Clinic, Olmsted County

Public Health, and Rochester Public Schools to successfully debut a school-age free vaccination program. We held multiple public walk-in vaccination clinics, administered more than 6,000 H1N1 vaccine doses, and worked closely with local partners to educate our communities about H1N1.



Team OMC helped raise \$7,250 for the 2009 Tour de Cure Rochester to support the American Diabetes Association.



OMC employees take great joy in delivering on our promise of personal, compassionate care.

ENJOYING OUR WORK

OMC prides itself on being an employer of choice. 136 staff members have 20 years or more of continuous service, seven employees have 40 or more years of continuous service, and one staff member recently celebrated more than 50 years of service. In 2009, the average tenure for our 1,075 employees was nine years, and OMC's staff turnover rate was only 4.7%.

At Olmsted Medical Center, we believe that everyone who works here, regardless of their job description, title, or duties, is a caregiver. From our president, a board-certified internist who spends half his time seeing patients, to our support staff involved in daily

quality improvement and customer service initiatives, we take great joy in delivering on our promise of personal, compassionate care.

In our staff members' own words, the stories on the following pages illustrate why our caregivers truly enjoy their work, our patients, and the communities we serve.

CAREGIVER STORIES

"My work at OMC means so much to me because of the difference that our BirthCenter makes in our patients' lives. I feel privileged to be a part of the important and life-changing event that having a baby can be for patients. We strive to create positive experiences and memories as we help our patients become part of the OMC 'family' and life-long patients."

*Brenda Ziegler, BSN, RNC
Director
Maternal and Neonatal Services*

"I love my job! Olmsted Medical Center has given me the opportunity to work with peers that share in the belief of offering high-quality, personalized patient care. This not only includes all the providers in the radiology department, but also extends to the support staff in the organization. To bring high-quality new services to our patients brings great job satisfaction, knowing that these are services that will now be available to our patients as well as my family members."

*Scott VanBenschoten, RT (R) (MR)
Director
Radiology Services*

CAREGIVER STORIES

“The opportunity to help patients in a work environment where there are caring and knowledgeable colleagues and support staff is affirming and a pleasure. I still enjoy my work at OMC after 39 years.”

*Richard Christiana, MD
Occupational Medicine*



Every Olmsted Medical Center employee is a caregiver.

“I love working at OMC because of the various ways I am able to make a difference. OMC recognizes the unique skills and knowledge that Registered Dietitians and nurses have for patient education not only through direct patient contact, but also organizationally and within the community. By encouraging and supporting participation on organizational committees and in community programs, my ability to make a difference is so much more than just my job description. With these opportunities, I can’t imagine working anywhere else.”

*Rynn Geier, RD
Diabetes and Nutrition Education*

CAREGIVER STORIES

"I truly believe that OMC staff take pride in the work they do and it shows every day. I have always felt fortunate to work at OMC. I have had the great fortune to work with phenomenal mentors and staff, who have stretched me further than I thought possible. I will always be grateful for those experiences. There is never a dull moment. There is always something that you learn or that surprises you. Every day! What's not to love about that?"

*Terry Hanson, RN
Director
Emergency and Urgent Care Services*

"I truly believe OMC always puts the patient first. I was a patient at OMC for the first time a few years ago, and was overwhelmed by the quality of care I received. Everyone is very helpful and willing to answer any questions regarding care. As a result of my experience as a patient, I thought it would be a wonderful place to work. I recently told someone OMC has a small-town atmosphere, and I think that's what I like most about working here.

Administration has an open-door policy, and everyone knows who you are. I was very apprehensive to make a change in my career a year ago, but think it's the best decision I've made professionally. I enjoy coming to work every day."

*Dawn Kennedy
Supervisor
Patient Services*

CAREGIVER STORIES

“Good morning!’ I say to a patient checking in for an appointment. Greet them with a huge, warm smile, and they will usually always return the pleasantries. ‘Oh man, I can see everything again. The colors are so bright. He is such a terrific doctor,’ our cataract patients will express after the removal of the patch from their eyes. ... ‘There’s a radio playing in here? I never heard it before. It is so great,’ comments a patient who has just received his first hearing aid. These are the reasons I enjoy working at OMC. Just to know that one has had a part, even if it is only a small one, in making another person’s world a better place is a great feeling.”

Mary Larson
Patient Services, Ophthalmology and ENT/Audiology

“Many years ago, I had my first child at Olmsted Community Hospital, going to OMG for appointments. Drs. Kaese and Doyle were my doctors. I was very impressed with Olmsted at that time, because it was smaller and more personal. I was working at Methodist at the time. I put in an application in 1963 and was hired. I worked with Drs. Kaese, Doyle, Wente, Fluegel, and Wood, among many others. I have now been here for 47 years. I like the friendliness, continuity of care, and feeling like this is my extended family. I have a sense of pride working for OMC. I have met many wonderful people, including co-workers, providers, and most of all patients. OMC has been a wonderful place for me to work. I believe our goal always has been giving our patients the very best of care, and that shows with the growth that we have had through the years. I have seen many changes in my 47 years at OMC. How lucky am I!”

Karen Nelson, MA
Obstetrics and Gynecology

OMC SENIOR ADMINISTRATIVE TEAM

Roy Yawn, MD
President

Linda Williams, MD
Senior Vice President

David Westgard, MD
Chief Medical Officer

Tim Weir
Chief Executive Officer

Dennis Etbauer
*Vice President,
Specialty Services*

Kevin Higgins
Chief Financial Officer

David Johnson
Director, Human Resources

Sue Klenner
*Vice President,
Patient Care Services &
Chief Nursing Officer*

Sue Schuett
Chief Information Officer

Lois Till-Tarara
*Vice President,
Regional & Primary
Care Services*

Stacey Vanden Heuvel
*Vice President,
Marketing & Philanthropy*



Pictured, left to right:
*Front: Tim Weir, Roy Yawn, MD,
David Westgard, MD*
*Back: David Johnson,
Stacey Vanden Heuvel,
Sue Schuett, Kevin Higgins,
Lois Till-Tarara, Sue Klenner,
Linda Williams, MD*

Not pictured: Dennis Etbauer

OMC DEPARTMENT CHAIRS 2009

Indrani Chaudhry, MD
Pediatrics

Richard Christiana, MD
Occupational Medicine

John Cierzan, MD
Internal Medicine

Thomas Erbach, MD
Surgery Specialties

Randy Hemann, MD
Family Medicine—Rochester

James Hoffmann, DO
Obstetrics/Gynecology

Kathryn Lombardo, MD
Psychiatry/Psychology

Jay Myers, MD
Emergency Medicine/Urgent Care

Diya Odeh, MD
Radiology

Jack Perrone, MD
Surgery Specialties, Vice Chair

Daniel Pesch, MD
Family Medicine—North Tier

Joseph Tricarico, MD
Anesthesiology

Linda Williams, MD
Family Medicine—South Tier

NEW PHYSICIANS 2009

Patricia Agudelo, MD
Obstetrics/Gynecology

Tamara Alexandrov, MD
Orthopedics & Sports Medicine

Jessica Flynn, MD
Family Medicine

Elizabeth McDonald, MD
Radiology

David Morrell, MD
Radiology

Bhuma Srinivasan, MD
Endocrinology

Matt Thompson, MD
Orthopedics & Sports Medicine

William Wells, MD
Radiology

RETIRED PHYSICIANS 2009

Thomas McGuffin, MD
Radiology

Richard Peirce, MD
Anesthesiology

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David Westgard, MD
Chief Medical Officer

Linda Williams, MD
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www.olmstedmedicalcenter.org