



Art Dyer 2009



Bill Payne - 2009

**IN A NUTSHELL** that sums up Lodi Memorial Hospital's most ambitious expansion in 57 years.

### ***The hospital***

The South Wing project itself took 10 years to plan and two to build. Patients were moved to the new rooms on Dec. 21, and Geri Schaffer, long-time Lodi Memorial Hospital Association member and wife of the late and former board chair Ben Schaffer, was the first patient to occupy a new, private room in the South Wing.

The expansion brings 90 new, private rooms to area residents as well as a new emergency department, which is now the largest in San Joaquin County. The project cost \$158 million and was funded with hospital bonds, revenues from operations and community donations. It also included a new, central-utility plant to house all the energy services needed to operate a 21st-century facility.

All rooms have been designed specifically for medical-surgical patients and contain many safety and comfort features. Built-in bedside-medication-verification technology ensures that the right medication is administered to the right patient at the right dosage; fold-out beds in each room support many patients' wishes to have family at the bedside overnight; and each spacious room allows for wheelchairs and walkers to maneuver safely.

In addition to the new rooms, patients and visitors will find a new main entrance, lobby, gift shop, third-floor atrium, family rooms, a healing garden and the most advanced technologies in CT scanning, digital x-rays and ultrasound.

Throughout the South Wing, patients, visitors and staff can enjoy 128 works from regional artists who have painted local landscapes and agricultural scenes. Those works, paired with the views from each window, take great advantage of the natural beauty in which we live.



***Ahead of schedule.***

***Under budget.***

***No accidents.***

***Outstanding results.***



In another effort to increase patient satisfaction and quality, the hospital moved its endoscopic services from inside the hospital to the newly opened Endoscopy Center of Lodi at the corner of Fairmont Avenue and Vine Street. This enables patients undergoing outpatient-endoscopic procedures to do so with greater ease, convenience and privacy.

And to support the LMH mission of providing ongoing access to primary-care services, the hospital continued building upon its clinic services with the opening of two, new family clinics in Lodi as well as a specialty-medicine clinic. Millsbridge, Iris and Vine, respectively, also allow a number of area physicians to continue their practice of medicine and focus solely on patient care in their offices. LMH manages the business aspects of the clinics—from licensing and contracting, to stocking supplies and maintaining the electronic system for medical records.

Despite the success of the South Wing addition, the nation's economic struggles impacted LMH in several key areas. Primarily more uninsured residents are seeking primary care via the hospital's emergency room. A

large portion of that is care for which the hospital is not reimbursed. Additionally many area residents have opted for medical-insurance plans where they pay higher deductibles to lower their monthly premiums. Yet when called upon to pay the deductibles, many are unable to do so, resulting in yet another area in which LMH finds collecting difficult. To compound those diminishing income streams, shrinking reimbursements for care to the poor by the state and

federal governments play havoc with the hospital's bottom line.

This confluence of factors forced LMH to take steps early in the year to stave its losses. As the majority of LMH's expenses are dedicated to employee payroll and benefits, most of the cost savings were exacted in this realm.

Vacation and sick-leave accrual was suspended, but ultimately restored at a lesser level by year's end. Also, employees were asked for the first time in the hospital's history to pay for a portion of their health premiums. Thirdly, hospital contributions to employee-retirement plans were discontinued. Those were difficult, but necessary, steps to take, and LMH is grateful to its loyal employees for the care they provide patients and, now, the personal sacrifices they make for the organization. Until the economy shows signs of turning around, most hospitals throughout our nation find themselves in similar circumstances.

### **The year ahead**

To meet growth expectations and mandated seismic standards, LMH continues to plan and build. By 2028, LMH's original structure will be completely replaced by a seismically regulated facility that can offer all the new technologies developed to diagnosis and treat patients.

A long-overdue new kitchen is being built in the lower level of the north wing. When completed, food will be prepared there for patients, as it will be for physicians, staff, volunteers and visitors using the new dining room that will be located on the main level. This is a multi-year project, and temporary accommodations have been made to continue with food preparation during the interim.

Because of LMH's increased bed capacity and the corresponding growth in admissions, LMH is now required to provide an on-site morgue, which should be completed by the end of 2010.

Also expected to be in full operation by the end of 2010 are LMH's new emergency department, a telemetry unit and a palliative-care program for patients requiring comfort care.

LMH expects the next several years will hold unprecedented challenges as well as opportunities.

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So much remains to be resolved regarding the state budget; federal health-care reform; the disposition of a prison hospital slated for Stockton; the county's ability to adequately fund the operations of San Joaquin General Hospital; and, of course, the economy's impact on area households. And many of these concerns will take years to tackle successfully.

One thing for certain, LMH pledges to do its part to contain health-care costs without sacrificing quality. The hospital's focus will always continue to be patient centered. That was the vision of our founders in 1945, and it remains so today.

## **Physicians**

P. Adam Dodd, MD, assumed the chief-of-staff post, and he led the medical staff as they worked to implement evidence-based order sets and adopt best-practice standards of care. The medical staff also worked to improve the physician-credentialing process; 61 physicians were newly credentialed to practice medicine at LMH; and another 114 were re-credentialed as is required every two years. To help LMH manage the downturn in the economy, Premier Anesthesia, which contracts with LMH to provide anesthesiologists in the hospital's surgery department, voluntarily reduced its contracting fees.

## **Volunteers**

Toward the end of 2009, LMH placed its high-school volunteer program on hiatus due to H1N1-virus restrictions of young visitors. Despite the loss of the "juniors," 17,208 hours of service were donated by youth and adult volunteers in 2009. Since volunteers began their support of LMH in 1945, generous contributions of their time and talents total 638,000 hours. During the annual volunteer-appreciation luncheon, many volunteers received pins for milestone hours of service, including Margaret Corda for her 20,000 hours in the gift shop.

## **Auxiliaries**

Also since 1945, the LMH branch auxiliaries have conducted fund-raising activities for LMH. Proceeds from their efforts are directed to the main auxiliary, which is comprised of representatives from each branch. The main auxiliary then selects the items they wish to fund from the hospital's capital-equipment wish list. The auxiliaries' 2009 contributions included \$10,000, part of their multi-year pledge to the LMH Foundation's South Wing capital campaign. To date the auxiliaries' fund-raising efforts total \$1,715,000.

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## **Foundation**

Since 1980 the LMH Foundation has been charged with raising funds for the hospital's capital projects, including expansion efforts like the South Wing. That campaign is ongoing and closing in on its \$20-million goal. In 2009, three of the foundation's annual events continued to yield major results for the hospital: The Walk for the Health of It, Summerfest and the Russell Steele Golf Tournament raised \$210,000. Proceeds were used to purchase ultrasound equipment for the emergency department, a scanner for the medical-surgical department, a coagulation analyzer for dialysis treatments, treadmills for West Fitness and funding for the LMH outreach clinic for the uninsured as well as LMH's Adult-Day-Care Center. To learn more about the foundation's efforts and events, or to donate to the continuing campaign, visit [www.lmhfoundation.org](http://www.lmhfoundation.org).

## **Become an owner**

The Lodi Memorial Hospital Association is the legal owner of Lodi Memorial Hospital. Its membership is open to any individual for a one-time, lifetime fee of \$100. Members participate in the annual election of the hospital's board of directors and receive discounts at the LMH West Fitness Center and in the hospital's dining rooms. Membership applications are available at [www.lodihealth.org](http://www.lodihealth.org) or by calling the hospital.



<b>Service highlights</b>	2008	2009
PATIENT BEDS	180	270
ADMISSIONS	7,557	8,174
AVERAGE LENGTH-OF-ACUTE STAYS (DAYS)	4.4	4.2
EMERGENCY PATIENTS	21,345	24,272
URGENT-CARE PATIENTS	18,335	18,150
NEWBORNS	1,199	1,286
SURGERIES	3,914	4,411
LABORATORY TESTS	448,613	507,298
DIAGNOSTIC-IMAGING PROCEDURES	31,949	34,130
CT SCANS	13,485	15,138
RESPIRATORY TREATMENTS	334,634	220,515
EKGs	12,002	13,804
PHYSICAL-THERAPY VISITS	46,203	51,224
FITNESS THERAPY	54,485	55,969
MEDICAL-AMBULATORY-CARE VISITS	3,447	3,792
OCCUPATIONAL-HEALTH CLINIC VISITS	7,247	6,351
OB CLINIC VISITS	14,036	17,637
PEDIATRIC CLINIC VISITS	22,993	25,820
PRIMARY-CARE CLINIC VISITS, WEST	15,354	15,033
PULMONARY-CARE CLINIC VISITS	5,940	5,079
GALT MEDICAL SERVICES VISITS	14,555	16,079
PRIMEMED CLINIC VISITS, IONE	8,755	8,872
WOUND-TREATMENT CLINIC VISITS	3,361	4,893
LMH OUTREACH CLINIC VISITS	1,535	1,280
IRIS CLINIC		9,136
MILLSBRIDGE CLINIC		11,821
TRINITY CLINIC		4,873
VINE CLINIC		1,644
HOME-HEALTH VISITS	12,737	12,378
ADULT-DAY-CARE VISITS	5,194	4,561
CAMP HUTCHINS CHILDREN VISITS	13,892	13,375
EMPLOYEES	1,329	1,314
ACTIVE-MEDICAL STAFF	129	133
VOLUNTEERS	205	210

## **Lodi Memorial Hospital financials** (in thousands)

<b>REVENUE</b>	2008	2009
Net amount received from patient-care services	\$ 150,377	\$ 162,934
Other operating revenues and income	4,560	4,406
<b>Total revenue and support</b>	<b>\$ 154,937</b>	<b>\$ 167,340</b>
<b>EXPENSES</b>		
Other operating expenses	\$ 43,854	\$ 48,323
Salaries and benefits paid to employees	81,023	79,215
Bad-debt expense	22,486	31,383
Depreciation	5,121	5,686
Interest expense	459	928
<b>Total expenses</b>	<b>\$ 152,943</b>	<b>\$ 165,535</b>
Income from operations	\$ 1,994	\$ 1,805
Non-operating gains (losses)	(3,648)*	2,071
Other changes in net assets	8,513**	316
Funds to be invested in community health	\$ 6,859	\$ 4,192
	<i>*Loss in investment income</i>	<i>**South Wing donations</i>
<b>TAXES PAID OR ACCRUED</b>		
Employer's share of payroll taxes	\$ 5,167	\$ 5,418
Sales and use tax, direct	760	1,075
Income tax, federal	212	0
Income tax, state	79	8
Property taxes	22	214
Business and occupation taxes and licenses	13	15
<b>Total taxes</b>	<b>\$ 6,253</b>	<b>\$ 6,730</b>
<b>COMMUNITY BENEFIT</b>		
Charity care	\$ 4,609	\$ 5,208
Medi-Cal program	11,008	8,683
Medicare program	12,652	6,224
Health-related research	277	211
Medical-care services	3,526	5,342
Benefits to vulnerable populations	5,475	4,625
Benefits to the broader community	1,318	6,677
<b>Total community benefit</b>	<b>\$ 38,865</b>	<b>\$ 36,970</b>

*Prepared from audited financials*



## 2009 Leadership

### LODI MEMORIAL HOSPITAL BOARD OF DIRECTORS

#### Executive Committee

Cecil Dillon, *chair*  
Annette Murdaca, *vice chair*  
Calvin Suess, *secretary/treasurer*  
Steven Crabtree, *member-at-large*  
Robert McCaffrey, EdD, *member-at-large*  
P. Adam Dodd, MD, *chief of staff*  
Joseph Harrington, *president and CEO*

#### Directors

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Elizabeth Aguire  
Bill Cummins  
Christeen Ferree  
Paul Haley  
Taj Khan  
Jeff Kirst  
Debbie Olson  
Dan Phelps  
Thomas Sorbera, MD

#### Medical-Staff-Executive Committee

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Elvira Milano, MD, *chief-of-staff elect*  
Daren Primack, MD, *secretary/treasurer*  
Karen Buchler, MD, *past chief of staff*  
Rod Felber, DO, *member-at-large*  
Richard Yee, DO, *member-at-large*  
Tomio Odama, MD, *medicine chair*  
Peter Hickox, MD, *OB-GYN chair*  
Harvey Hashimoto, MD, *credentials chair*  
Michael Catz, MD, *anesthesia chair*  
Akbar Umar, MD, *pediatrics chair*  
Syed Ali, MD, *family-practice chair*  
Rolando Simeon, MD, *surgery chair*  
Brent Saetrum, MD, *emergency-medicine chair*

### LODI MEMORIAL HOSPITAL FOUNDATION, INC.

#### Officers

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Randy Snider, *vice president*  
Jan Chandler, *secretary*  
Ron Slate, *chief financial officer*  
Rob Wooton, *vice president fund development*  
Donna Shaw, *director*

#### Directors

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Carolyn Hoff  
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Kurt Kautz  
Dave Kirsten  
Phil Lenser  
Ronald Mettler  
John Metz  
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Frank Sasaki, Jr.  
Nancy Watts  
Tracy Williams

### LODI MEMORIAL HOSPITAL MAIN-AUXILIARY OFFICERS

Helen Welch, *president*  
Margaret Corda, *vice president*  
Gerry Schook, *secretary*  
Edna Mae Knecht, *treasurer*

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Sally Snyder  
Joe Woelfel, PhD, FASCP, RPh





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