



1,329 Reasons for Success! + LODI MEMORIAL HOSPITAL + *2008 Annual Report*



NOT JUST ANYONE CAN WORK IN HEALTH CARE. It's challenging, complex and things change all the time. It takes hard work, dedication, plenty of intricate training, a mind for learning and a heart for helping. Luckily Lodi Memorial Hospital patients tell us time and again, we have the right people in their jobs. Our patients report they feel well and cared for. At LMH much emphasis is placed on hiring and retaining excellent employees, giving them the tools they need to do their jobs and promoting patient-centered care through teamwork. One of LMH's primary goals is to create a hospital of choice for patients, physicians and its 1,329 employees.

It's been a successful effort. Last year in a national survey of hospital employees, hospital staff rated LMH to be among the top-100 best places to work in health care in the nation. LMH employees' commitment to patients, their families and to working as a team is the primary reason for the hospital's success. Patients are the reason we exist, employees are the reason we excel.

INSIDE THE HOSPITAL WALLS

In 2008 the board and staff of LMH entered the 11th year of planning for the biggest expansion in the hospital's 57-year history. While construction crews and monster equipment clamored on the hospital grounds,

inside the hospital teams of staff began the enormous task of preparing for The Big Move while attending to patients, their families and visitors.

LMH made exceptional progress in its 90-bed expansion project. Construction is ahead of schedule, on budget and accident free. Parallel with the construction project, teams of staff have been meeting to determine what staffing levels will be required for the new wing, when to begin hiring and training, what equipment will need to be purchased—furniture, supplies, medical equipment—when to buy it, where to store it and how to get it all operational to begin caring for patients in the



The four-story, 90-bed South Wing should finish construction by Fall, 2009.

new structure by Spring, 2010. Late in the year LMH received good news on the long-term planning for the hospital: The Office of Statewide Planning and Development, who oversees mandated seismic upgrades for hospitals, will allow LMH to continue to use existing beds in the east and west wings until 2030, as plans continue for further expansions.

Improvements in technology included the installation of new beds for all inpatients rooms. The beds not only offer greater comfort, but safety features to deter patient falls and lifting injuries for staff. An Operating Room Module (ORM) was just one more service added to the hospital's information-technology system that will allow for smoother organization of the hospital's surgeries, including listing and managing all supplies and equipment needed by each surgeon for each procedure she or he performs.

To accommodate the critical need for patient-care space, LMH's Materials Management Department moved to a warehouse space in East Lodi. The materials team now makes daily deliveries to the hospital to meet the needs of patients and their care givers.

With shrinking operating margins, decreasing reimbursements from the government, debt payments of the South Wing bonds coming due, and many newly uninsured, by mid year LMH stepped back and challenged the status quo of its operations. The hospital began to take measures to secure its future with an eye

toward maintaining its core business—patient care—as it examined all opportunities to

streamline services, adapt to environment and maintain the jobs of its employees.

However, during the last quarter LMH was forced to reduce 80 positions from its

work force. That was achieved by attrition, retirement, the elimination of vacant positions or transferring affected employees to other vacant positions. Ultimately a total reduction in force of 45 employees occurred, and many of those were hired by hospital contractors to carry on in similar positions outside. The hospital also increased its rates by eight percent. By year's end, however, as the market spiraled downward the hospital's interest income suffered dramatically.

BEYOND THE HOSPITAL WALLS

To respond to the growing need for access to primary care, the hospital opened the first in a network of community clinics late in 2008.

Lodi Memorial Community Clinic—Trinity, in North Stockton, welcomes patients for Ed Freund, MD, Joe Nguyen, DO, Vanessa Tsuda-Nguyen, DO, and Dawnette Person, FNP.

Also responding to need, LMH opened the first-ever, wound-care clinic in Lodi to provide best-practice treatments for patients with long-term, chronic wounds. The clinic offers hyperbaric treatments for wound patients and has helped restore to good health hundreds of patients with debilitating wounds. At its West campus the LMH Primary Care Clinic went

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from six treatment rooms to 12 to serve their growing clientele. More technology rolled out for the hospital's eight clinics as each adopted a new system of electronic patient records.

In 2008 LMH staff was involved in countless "Pay-It-Forward" activities. That included the adoption of Ansel Adams School, the largest and most diverse school in the Lodi Unified School District. Hospital staffers regularly volunteer inside classrooms and instruct students, teachers and parents alike on prevention, nutrition and fitness concerns.

PHYSICIANS

Loved by staff and patients alike, Russell Steele, MD, ended his fight with cancer in January. His legacy will be his dignity. Not only did he possess it, he treated all who crossed his path with it too. He will be missed. During 2008 the LMH medical staff worked to restructure their meetings and their by-laws. They also devoted themselves to quality and safety initiatives with a focus on evidence-based-practice order sets.

Walt Reiss, MD, semi-retired, and volunteer physician at the LMH Outreach Clinic, was named LMH Physician of the Year.

His many years as a family-practice doctor in Lodi and his volunteer service caring for those most in need are just two of the highlights of his career. At year's end Karen Buchler, MD, completed her two-year leadership tenure as chief of staff. During the year physicians were asked to respond to a satisfaction survey and more than 90 percent of the medical staff did. Survey findings will be used to develop benchmarks and improvement initiatives that will enable the hospital to better respond to physician needs in service of their patients.

VOLUNTEERS

With the energy and generosity of 205 adult and junior volunteers, LMH continues to meet the vast needs of its patients, their family members and visitors. Volunteer-service areas include the gift shop, flower and newspaper delivery, outpatient-surgery greeter and patient advocate. In all, these generous women and men donated 17,333 hours of service to the hospital. At the annual volunteer-appreciation luncheon, Margaret Corda, Janice McGill and Kathy Scheideman received milestone pins for 20,000, 6,500 and 4,500 respective service hours.



The new central utility plant, is now ready to supply power to the entire facility.



The final beam being placed at the top of the new fourth story.

AUXILIARIES

For more than 57 years, the Main Auxiliary and its five branch auxiliaries have dedicated themselves to raising funds for the hospital. Last year through a variety of activities, a charming and traditional Valentine's Day luncheon allowed the Mission Branch Auxiliary to present a \$5,000 check to the Main Auxiliary. At their luncheon, nonagenarians and 57-year members of the Mission Auxiliary Leah Hesseltine and Florence Heib spryly served as official greeters. In all, the auxiliary directed \$16,700 to the hospital for the purchase of physical-therapy equipment and to begin a \$50,000, five-year pledge for the South Wing expansion project.

FOUNDATION

The LMH Foundation kicked off its \$20-million capital campaign for the hospital's new South Wing in September with a gala event on the hospital grounds. Named after hospital and foundation founder Robert Mullen, the announcement of the establishment of the Mullen Society was warmly received. Mullen Society members are donors who have pledged \$10,000 or more to the hospital-expansion project. The week prior to the gala, the foundation's annual golf tournament was held and renamed for the late Russell Steele, MD, a talented athlete in his own right. The tournament, along with

the foundation's annual fundraisers, Walk for the Health of It and Summerfest, yielded \$296,177. In all, the foundation directed \$375,515 to the hospital in 2008. That

amount funded adult-day care scholarships, supplies for the LMH Outreach Clinic, a portable X-ray machine and much more. During the year, the foundation added several features to its Web site, www.lmhfoundation.org including the ability to make secure, electronic donations.

THE YEAR AHEAD

2009 will be a big year for LMH as it prepares to populate the South Wing. **By late fall, construction should be complete, and The Big Move will begin. New, patient-care areas will be filled with beds, computers, medical supplies and much more.** The hospital's emergency department and urgent-care centers, 90 new, medical-surgical beds and a new gift shop will be among the services residing in the new wing. Throughout the year, teams of staff will be planning for the many aspects of this long-awaited move. Additionally a major remodeling and expansion of the existing hospital dining room will occur, as will the construction of a new kitchen on the hospital's lower level.

LMH will continue laying the foundation for a stable future. That includes pursuing strategic relationships, particularly with physicians. Two for-profit ventures of LMH, the Endoscopy Center of Lodi, a center for endoscopic-outpatient procedures on Fairmont Avenue, and Trinity

Plaza Surgery Center, a facility for outpatient-surgical procedure, will open in late Spring and early fall respectively. Both offer technologically advanced and user-friendly services for patients and physicians alike.

Additionally, a new network of community clinics to increase patients' access to care will allow physicians to practice medicine without the burdens of managing the business side of a practice. It will retain physicians in this community where difficult recruitment challenges exist.

And as science discovers more about medicine, technology, pharmaceuticals and procedures used for prevention and treatment, LMH staff continues to absorb new knowledge to improve the LMH systems of care, quality and services. Acudose, an automated-medication-dispensing system, will be completed. This system increases safety in the delivery of medication to patients and allows for more timely delivery, as does **bedside-medication verification, (BVM). This allows care givers to use bar code scanners prior to administering medications to confirm the patient's identity and correct dosage.**

As one year ends and another begins, again, we thank our founders for their vision and all those who have worked and volunteered at LMH for 57 years. It is an honor to come to work every day.

BECOME AN OWNER OF LODI MEMORIAL HOSPITAL

The Lodi Memorial Hospital Association, Inc., is the legal owner of Lodi Memorial Hospital. Membership is open to anyone for a one-time, lifetime fee of \$100. Members are entitled to participate in the annual election of the hospital's board of directors and receive discounts in the hospital's dining rooms and in its West Fitness Center. Additionally, members needing hospitalization are given a private room when one is available. Contact the Lodi Memorial Hospital Community Development office for an application, or visit the LMH web site at www.lodihealth.org.

*Supporters saluting the final
beam placement.*



LODI MEMORIAL HOSPITAL FINANCIALS

(in thousands)

REVENUE	2008	2007
Net amount received from patient-care services	\$ 150,377	\$ 152,201
Other operating revenues & income	4,560	3,910
Unrestricted contributions	0	0
Total revenue & support	\$ 154,937	\$ 156,111

EXPENSES

Operating expenses	\$ 66,340	\$ 66,461
Salaries & benefits paid to employees	81,023	75,188
Depreciation	5,121	5,074
Interest expense	459	464
Total expenses	\$ 152,943	\$ 147,187
Income from operations	\$ 1,994	\$ 8,924
Non Operating Gains (Losses)	(\$ 3,648)*	\$ 3,724
Other Changes to Net Assets	\$ 8,513**	(\$ 252)
Funds to be re-invested in community health	\$ 6,859	\$ 12,396

* Loss in investment income, ** South Wing donations

TAXES PAID (or accrued)

Employer's share of payroll taxes	\$ 5,167	\$ 4,705
Sales & use tax-direct	760	1,073
Income Taxes—Federal	212	0
Income Taxes—State	79	0
Property taxes	22	47
Business & occupation taxes & licenses	13	16
Total Taxes	\$ 6,253	\$ 5,841

COMMUNITY BENEFIT

Charity Care	\$ 4,609	\$ 3,981
Medi-Cal program	11,008	8,293
Medicare program	12,652	10,475
Health related research	277	176
Medical Care Svcs	3,526	3,342
Benefits to Vulnerable Populations	5,475	3,908
Benefits to Broader Community	1,318	1,909
Total Community Benefit	\$ 38,865	\$ 32,084

SERVICE HIGHLIGHTS

	2008	2007
Patient beds	180	170
Admissions	7,557	7,888
Emergency patients	21,345	21,863
Urgent-care patients	18,335	19,938
Newborns	1,199	1,293
Surgeries	4,391	3,658
Laboratory tests	448,613	468,779
Diagnostic-imaging procedures	31,498	31,949
CT scans	13,485	14,160
Respiratory treatments	334,634	647,518
EKGs	12,002	11,745
Physical-therapy visits	46,203	51,609
Fitness therapy	54,485	49,586
Medical-ambulatory-care visits	3,447	4,362
Home-health visits	12,737	12,900
Adult-day-care visits	5,194	5,119
Occupational-Health Clinic visits	7,247	6,881
OB Clinic visits	14,036	10,246
Pediatric Clinic visits	22,993	23,476
Primary-Care Clinic visits, West	15,354	13,954
Pulmonary-Care Clinic visits	5,940	4,884
Galt Medical Services visits	14,555	15,169
PrimeMed Clinic visits, Ione	8,755	8,561
Wound-treatment clinic visits	3,361	—
LMH Outreach Clinic at Salvation Army visits	1,535	1,663
Camp Hutchins children visits	13,892	13,798
Employees	1,329	1,342
Active-medical staff	129	129
Volunteers	205	198

2008 LEADERSHIP

Lodi Memorial Hospital Board of Directors

EXECUTIVE COMMITTEE

Cecil Dillon, *chair*
Annette Murdaca, *vice chair*
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Phillip Felde, *member-at-large*
Robert McCaffrey, EdD, *member-at-large*
Karen Buchler, MD, *chief of staff*
Joseph Harrington, *president and CEO*

DIRECTORS

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Paul Haley	Taj Khan
Jeff Kirst	Debbie Olson
Dan Phelps	Thomas Sorbera, MD

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David Aarons, MD, *secretary/treasurer*
Harvey Hashimoto, M.D., *past chief of staff*
Joseph Gayagoy, MD, *member-at-large*
Andrew Limb, MD, *member-at-large*
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Thomas Sorbera, MD, *credentials chair*
Michael Catz, MD, *anesthesia chair*
Roy Ishii, MD, *pediatrics chair*
Tareq Ali, MD, *family-practice chair*
Thomas Sorbera, MD, *surgery chair*
Edmund Freund, 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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Lodi Memorial Hospital Main-Auxiliary Officers

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

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Jack Gardelius	Mari Hurley, RN
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