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October 2020

St Luke's Health Care of Milwaukee, A Report on 1983

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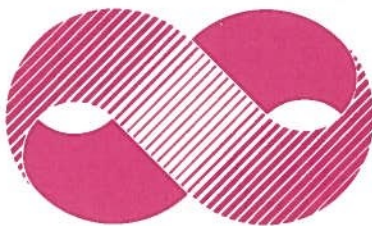
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ST. LUKE'S HEALTH CARE OF MILWAUKEE, INC.

A REPORT ON 1983





ST. LUKE'S HEALTH CARE OF MILWAUKEE, INC.

A REPORT ON 1983

2	ST. LUKE'S HEALTH CARE OF MILWAUKEE, INC.
6	ST. LUKE'S HOSPITAL
12	ST. LUKE'S FOUNDATION
14	FRANKLIN MEDICAL CENTER
16	ACCREDITATION & EXECUTIVE STAFF

ST. LUKE'S HEALTH CARE OF MILWAUKEE, INC.





G. Edwin Howe

G. Edwin Howe
President

The future revolution in health care is happening today. For the past several years we have talked in our annual report about the strategic planning and direction the hospital has undertaken to prepare ourselves for the economic and social changes we anticipated would be occurring. As 1983 comes to an end and as we enter 1984, that change is rapidly occurring with the implementation of a new and relatively untested prospective payment system for our medicare patients, a new State-mandated cost commission, a new and more rigid certificate of need law for the State, and new State laws to encourage the growth of HMO's and PPO's in the State. The tried and true ways of the past will not work as they have before. Past accomplishments will not guarantee future success.

Fortunately the hospital has moved decisively to prepare for this time. We consolidated our OB service at St. Francis Hospital in 1976, we reduced our bed complement from 690 to 600 in 1978, we expanded our capability to provide a less expensive alternative to inpatient care when our Diagnostic and Treatment Center opened in the Schroeder Pavilion in 1981, and with the establishment of our Same Day Surgery program in 1982. The St. Luke's Health Science Building, an innovative condominium medical office building, opened in 1983. During 1983 St. Luke's Health Care of Milwaukee was created as a holding company with control of St. Luke's Hospital, the Scandinavian-American Home, the Franklin Medical Center, and the St. Luke's Foundation. This new organization should give us the ability to more aggressively respond to our new environment so that we can serve the needs of our community.

St. Luke's Hospital was fortunate in 1983 to be the only medical-surgical hospital in our area to have an increase in patient days over the previous year. Significant productivity gains were made throughout the hospital, both by our employees and medical staff. These two factors, coupled with changes in reimbursement, allowed the hospital to reduce our prices by 5% as we go into 1984.

The good value to be found in the care provided at St. Luke's was recognized when the hospital was selected as a part of Blue-Cross/Blue Shield United's new PPO which will be marketed beginning in 1984.

The hospital is pleased to be a part of some of the new PPO and HMO arrangements being established. And we intend to find new ways to involve ourselves jointly with members of our medical staff in other such arrangements to assure the maintenance of a pluralistic health care system. While we will pursue alternative delivery arrangements, I must emphasize that private practice fee for service medicine remains the system of choice for the vast majority of our patients and physicians and we remain committed to the maintenance of that system.

St. Luke's Health Care of Milwaukee continues to have a variety of discussions with other organizations both locally and nationally which we believe may place us in a strategically stronger and more competitive position in the future. While we are in the midst of a revolution in health care organization, financing and delivery, we remain optimistic that we are in a good position to help shape our future to the benefit of those we serve.



St. Luke's Health Care of Milwaukee, Inc.
Board of Directors

Left to right —Opposite page
 Seated on chairs:

Glenn W. Buzzard
 G. Edwin Howe
 Donald S. Buzard
 Hope H. Anderson
 John E. Koenitzer
 Charles P. LaBahn

Back row:

Carl L. Gosewehr
 Lynn E. Westfahl
 John Dragisic
 Russell M. Rutter
 Thomas Kidder, M.D.
 William M. Chester Jr.
 James T. Williams
 Jack W. Boettcher

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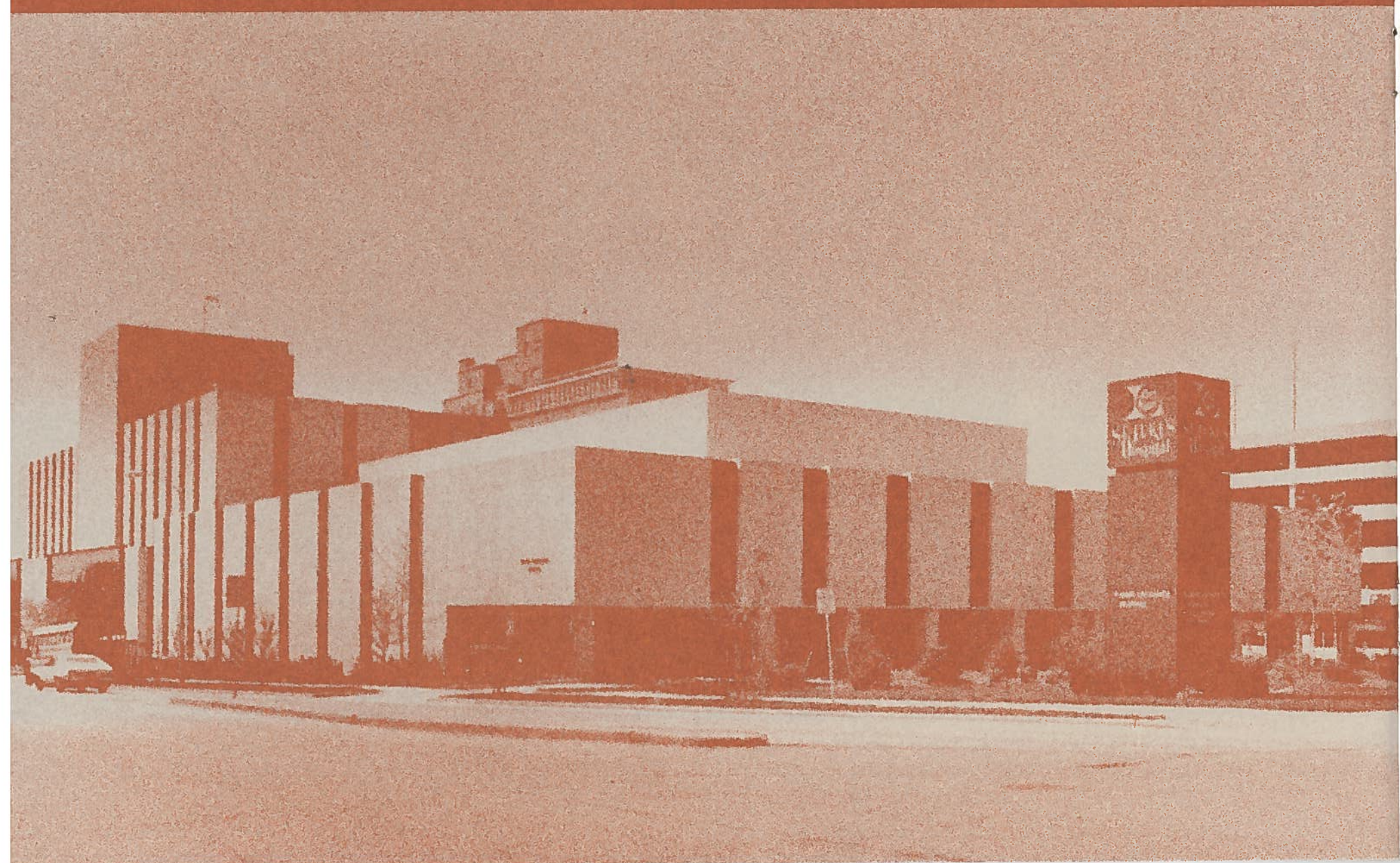
August N. Renner
 Richard G. Jacobus
 John C. Manley, M.D.
 Susan S. Engeleiter
 Paul B. Oldam

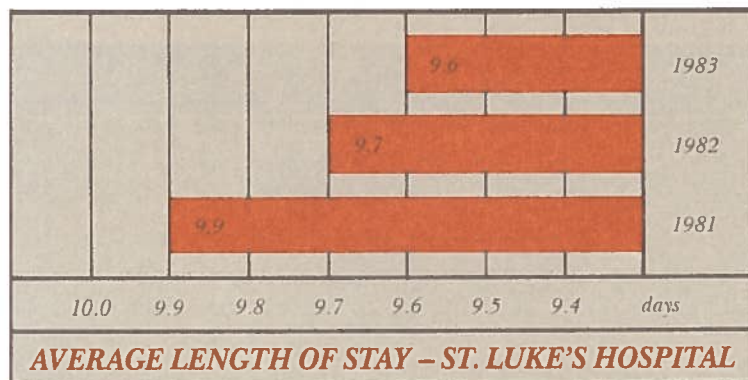
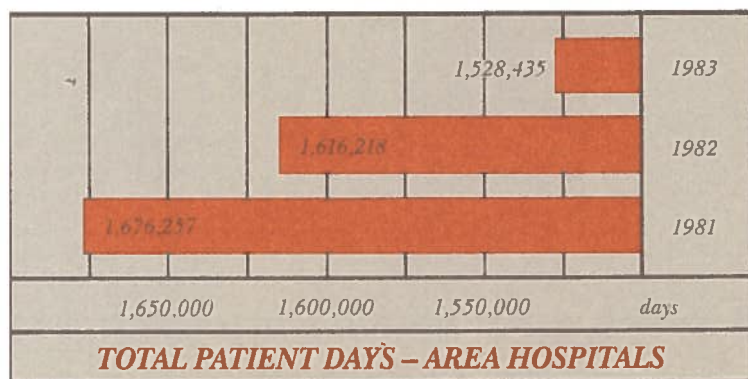
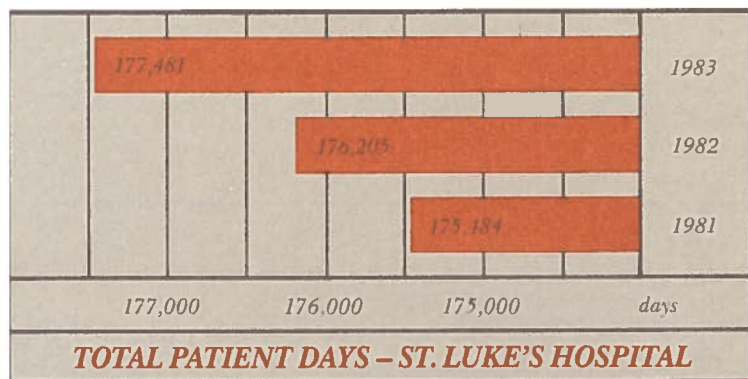
Not pictured:

James L. Joppe
 Donald W. Kilps
 Jere D. McGaffey



ST. LUKE'S HOSPITAL





GROWING

St. Luke's Hospital has experienced a consistent increase in total patient days, despite decreasing total patient days among general medical/surgical hospitals in the Milwaukee metropolitan area. This represents an increase in market share from 10.49% in 1981 to 11.6% in 1983. This increase in patient days at St. Luke's has been achieved while simultaneously decreasing average length of stay and increasing the number of longer stay cardiac patients.

St. Luke's was the only acute care hospital in our area to increase the total number of patient days during 1983.

HIGHLY ACUTE CARE

The country's largest organization collecting healthcare data, the Commission on Professional and Hospital Activities (CPHA), provided statistics showing St. Luke's Hospital's inpatient case mix is substantially more complex than the average case mix of urban hospitals of similar size (405-684 beds) in the East North Central Region (Indiana, Illinois, Michigan, Ohio, and Wisconsin).

Twenty-six randomly selected hospitals were compared based on the complexity of care their patients required. Five statistical attributes were measured to indicate relative complexity of care, including treatment resources utilized, costliness of patient care, acute care nursing requirements, number of ICU-CCU patient days, and expected risk of death due to the complexity of diagnosis.

The CPHA reported, "When compared with each of the 26 peer hospitals in 1982, St. Luke's Hospital ranks first on all five of the total hospital case mix indices."

The first comparative indice reflects the amount of resources required by a hospital to care for its patients, and is called the Expected Resource Need Index (RNI). The RNI measures a given hospital's case mix complexity in that it represents the average total charge per patient that would have resulted if each patient's charge had been the same as the norm or expected charge for that kind of patient. Consequently, a hospital with a RNI of 1.00 represents the average or normal hospital case mix complexity.

St. Luke's has experienced a consistent and significant increase in its RNI. It has risen from 1.61 in 1981, to 1.7 in 1983, according to the most recent CPHA data for the first six months of 1983. This indicates that the type of patients cared for at St. Luke's Hospital are highly complex and, that in 1983, they required 70% more resources than did patients in an average hospital.

Comparative RNI data for the 26 hospitals from the entire year of 1982 reflects the substantial difference in the complexity of case mix. CPHA concludes, "The results of this study provide extensive supportive evidence of St. Luke's Hospital's more complex, and therefore more costly, case mix."

CONTAINING COSTS

The Commission on Professional and Hospital Activities (CPHA) reports that for the first six months of 1983, St. Luke's average length of stay is below the expected average for a hospital with a similar case mix. The average length of stay ratio at St. Luke's is .98 compared with similar regional hospitals. This is one way St. Luke's is providing cost effective, high quality patient care.

HIGH QUALITY CARE

The Commission on Professional and Hospital Activities (CPHA) provides a comparison of actual vs. expected fatality rates as a measure of quality care. The number of expected deaths is based on patient mix by principal diagnosis, age, whether any secondary diagnoses were recorded, and whether an operation was performed. The fatality index of St. Luke's for the first six months of 1983 was .94.

St. Luke's has long believed that quality of care is improved by excelling in specific services, and by maintaining the volume in those services which lead to proficiency and expertise.

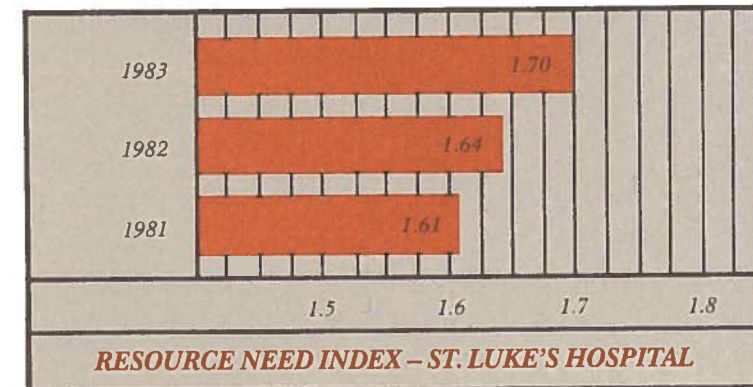
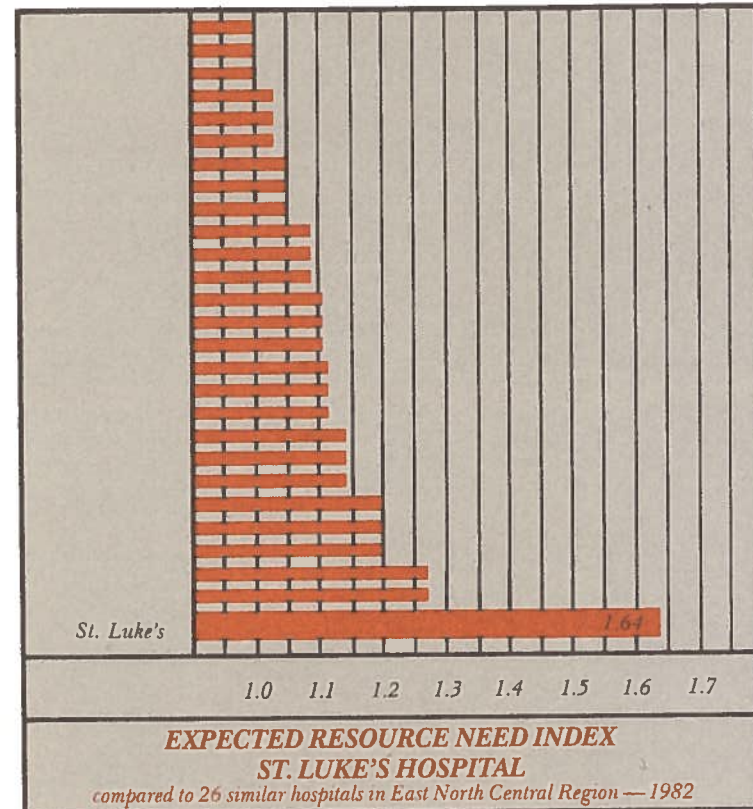
NEW DIRECTIONS

General Electric Medical Systems of Milwaukee in cooperation with St. Luke's Hospital, is pioneering the development of new cardiac imaging systems. General Electric Medical Systems will be installing equipment which will make St. Luke's Hospital's cardiac imaging laboratory the most sophisticated lab in the United States.

The outcome of this collaborative effort will be improved clinical efficiency in cardiac imaging, more cost effective patient procedures, and a significant contribution to the knowledge of diagnostic medicine of benefit to both the medical profession and people everywhere.

St. Luke's Hospital prototype cardiac imaging lab will serve as a visitation site for members of the medical profession from around the world.

Marquette Electronics Incorporated of Milwaukee is working with the nursing staff at St. Luke's Hospital to evaluate and refine cardiac telemetry equipment. St. Luke's patients benefit by having the use of the latest, most sophisticated portable telemetry equipment used to monitor cardiac function without confining patients to their beds. Marquette Electronics is uniquely able to receive consultation and clinical evaluation from one of the nation's largest cardiac centers.





In July, 1983, the Discovery Stage Day Care Center opened at St. Luke's Hospital. This independent Center provides infant and preschool care for children of employees. The Center will also care for children whose parents are patients, or family members of patients, seen in the emergency department or hospitalized in the intensive care units.

The Center is located in the Health Science Building adjacent to the hospital, and affords employees the convenience and peace-of-mind of having their children cared for at their work place.

St. Luke's Hospital Board of Directors

Left to right
Seated:

Glenn W. Buzzard
G. Edwin Howe
John E. Koenitzer

Back row:

Lynn E. Westfahl
Carl L. Gosewehr
John Dragisic
Russell M. Rutter
Thomas Kidder, M.D.

Not pictured:

Susan S. Engeleiter
James L. Joppe
John C. Manley, M.D.



SOURCE OF FUNDS

Income from patient services	\$138,975,234
Coffee shop, gift shop, cafeteria, and other income	1,931,663
Donations	234,647
Investment income	713,663
	\$141,855,207

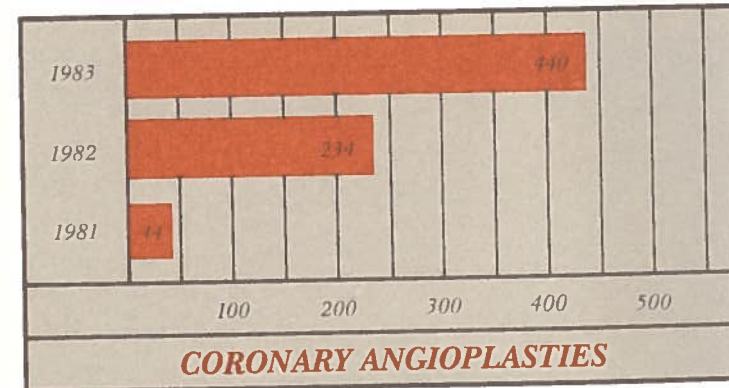
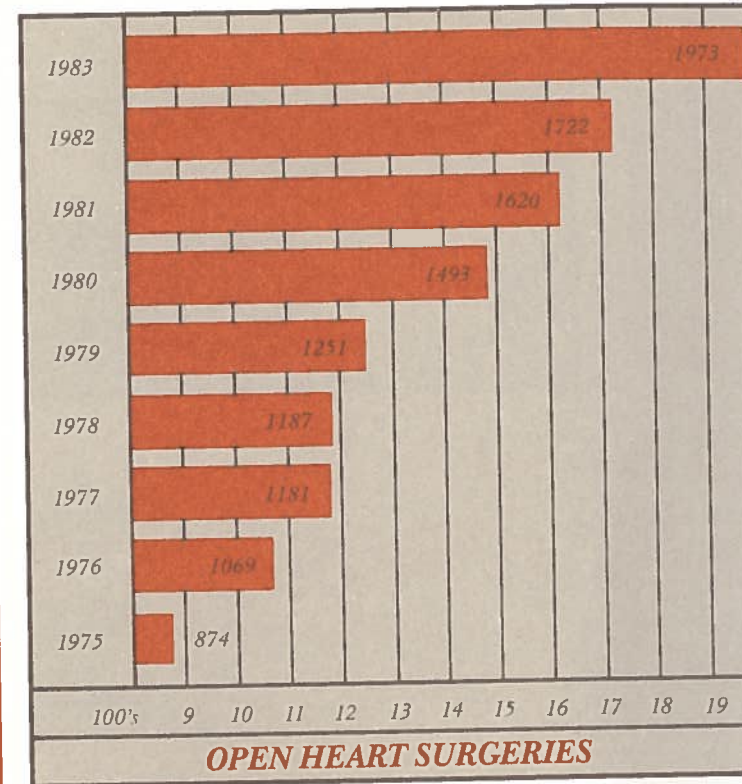
Less Medicare, Medicaid, other allowances, and the inability of some patients to pay their billing in full	21,283,533
	\$120,571,674

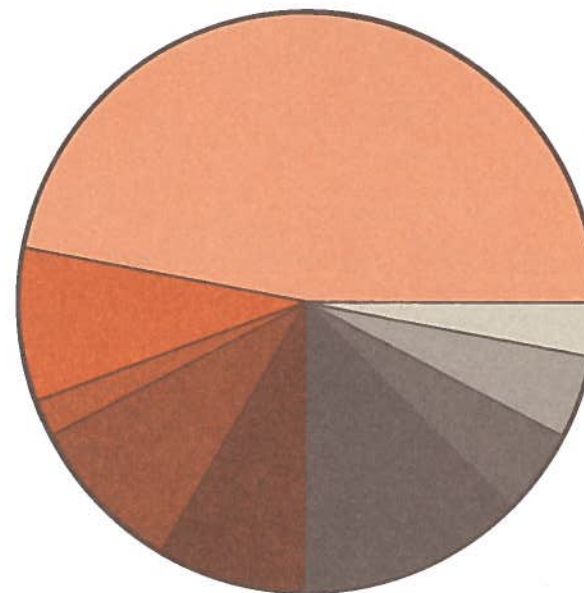
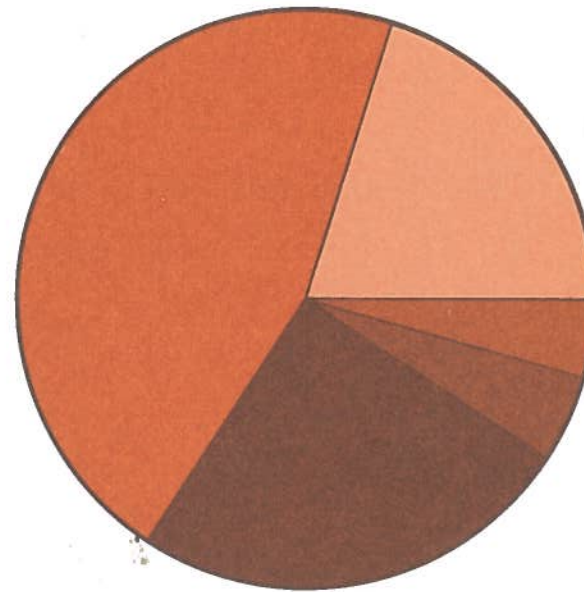
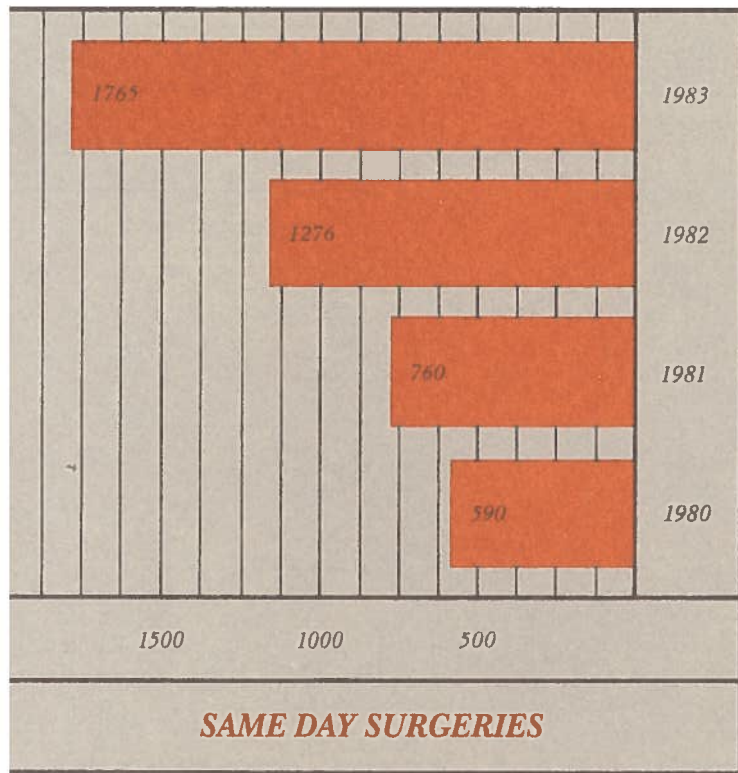
USE OF FUNDS

Wages, salaries, fees, and fringe benefits	\$ 72,358,092
Medical and surgical supplies	20,536,614
Laundry, linen, housekeeping, and general supplies	7,227,400
Food and dietary supplies	1,639,158
Fuel, water, electricity, and telephone	2,971,790
Interest on indebtedness	2,622,034
Payment on long-term indebtedness	2,211,000
New equipment and construction in progress	6,686,802
Return of Blue Cross uniform payment advance	503,300
Increase in receivables, inventories, etc.	3,815,484
	\$120,571,674

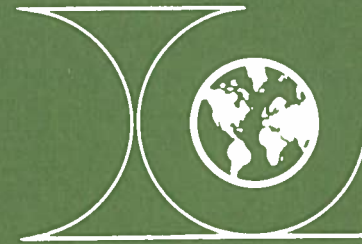
STATISTICS AND PATIENT SERVICES

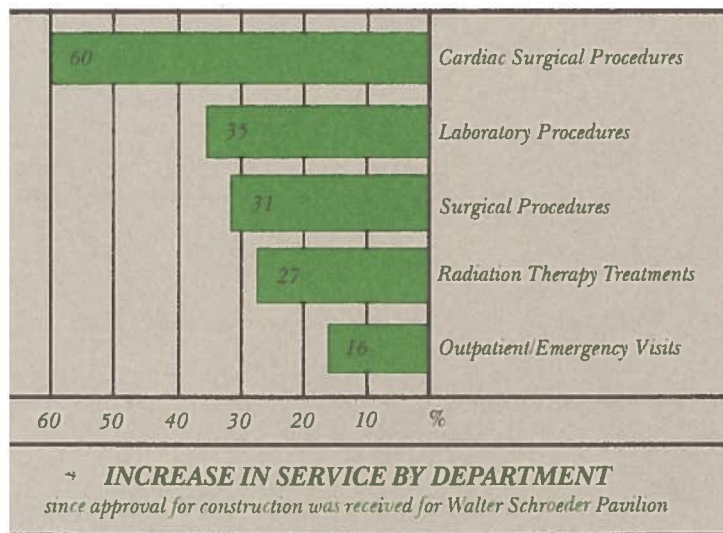
	1983	1982
Inpatient Admissions	18,444	18,047
Outpatient Visits	107,111	96,029
Emergency Visits	38,312	38,989
Family Practice Visits	11,913	12,332
Average Length of Stay	9.6	9.7
Surgical Procedures	9,258	8,924
Open Heart Surgical Procedures	1,973	1,722
Coronary Angioplasty	440	234
Radiotherapy Visits	8,517	8,226
Cardiac Catheterizations	3,317	3,023
Kidney Dialysis Treatments	5,131	4,389





ST. LUKE'S FOUNDATION





St. Luke's Foundation
Board of Directors



left to right: Hope H. Anderson, Lynn E. Westfahl, John E. Koenitzer, and Russel M. Rutter. Not pictured: Robert F. Benz and Jere D. McGaffey

St. Luke's Foundation was established in 1955 to raise funds to support facilities construction, equipment purchase, research, and education.

ACCESS FUND EXCEEDS GOAL

During 1983, the Foundation surpassed their \$6 million fund raising goal set in 1979 for the construction of the Walter Schroeder Pavilion and improvement of facilities.

Individual, corporate, employee, and medical staff donations have totalled \$6,002,246 to date, with more pledges still being completed. Heading the community fund raising drive were Mr. Charles P. LaBahn, Miss Hope H. Anderson, and Mr. Jere D. McGaffey. Dr. Donald J. Chrzan and Dr. Bernard B. Rhomberg led the physician fund drive, and Mr. Daniel J. Carlton headed employee contributions.

The construction of the Schroeder Pavilion was completed in 1981, and included emergency, outpatient diagnostic and treatment center, oncology center, surgery and recovery room, and clinical laboratory. Services provided by these departments have increased dramatically as a result of improved facilities and equipment.

CANCER LECTURESHIP SERIES BRINGS INNOVATIVE IDEAS

During 1983, five world renowned cancer specialists spoke at St. Luke's Hospital as part of the Cancer Lectureship Series. In 1979, the Security Savings and Loan Association donated a quarter-of-a-million dollars to St. Luke's Foundation to support a lecture series designed to bring state-of-the-art information regarding cancer treatment to the medical professionals in the Milwaukee area. Among this year's speakers was Dr. Thomas J. Dougherty, an international specialist in the field of photoradiation. This is a new technique in the treatment of cancer and, in the future, will be an important augmentation to the traditional treatments of surgery, chemotherapy, and radiation therapy. The photoradiation treatment for cancer, using only a laser beam and a photosensitive dye, is swift, painless, and effective. It is also an economical alternative to traditional treatment for some forms of cancer. St. Luke's Hospital plans to offer this service in the near future.

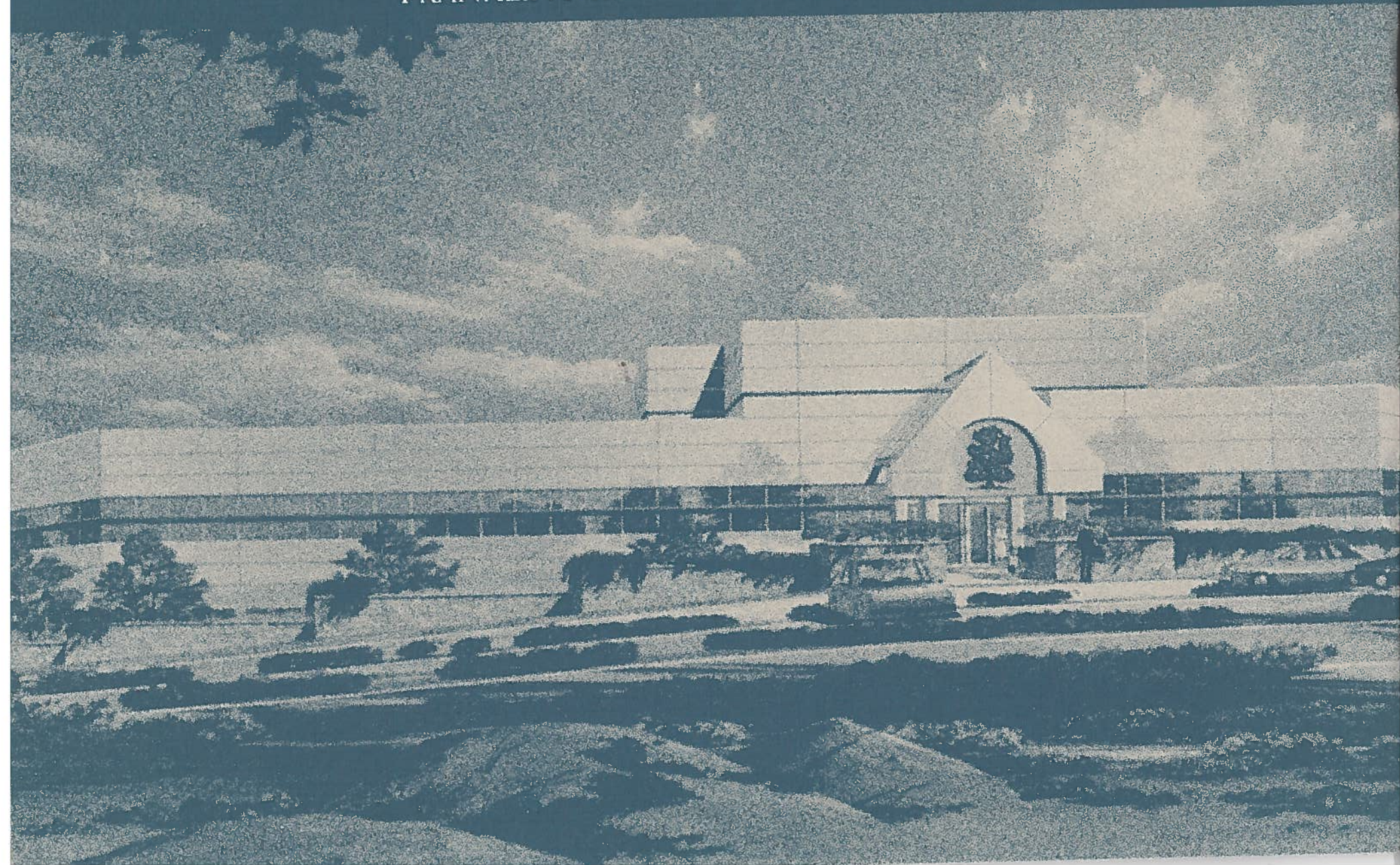
DATA REGISTRY PROVIDED NEW INFORMATION

The Data Registry, a research project begun in 1968 by St. Luke's Foundation, has grown to be one of the nation's largest scientific studies in coronary heart disease. The purpose of the Registry is to encourage high caliber medical research and improve patient care by continuously monitoring the results of the diagnosis and treatment of cardiovascular disease. This year the number of heart patients monitored reached approximately 30,000, with an additional 10,000 patients from other parts of Wisconsin and throughout the nation. Every year data from 5,000 new patients treated in Milwaukee, and an additional 3,000 patients treated in other areas is added to the Registry.

The Data Registry provides ongoing information to assist in determining correlations between risk factors, other medical variables, and cardiovascular disease. In addition, an ongoing survival analysis is done. Recently the Registry has begun to track Percutaneous Transluminal Angioplasty patients, and will be able to provide valuable information regarding the selection of successful candidates for this procedure.

The Registry has currently been involved in a comprehensive study, in conjunction with Veterans Administration Hospital and the Medical College of Wisconsin, to assess the quality of life and the effect of diet and cholesterol level on the patient prognosis. The Registry is also undertaking a retrospective and ongoing research program to study the effectiveness of nuclear medicine procedures in the diagnosis of cardiac disease.

FRANKLIN MEDICAL CENTER



Franklin Medical Center
Board of Directors



Left to right: Kenneth E. Orlowski, Robert Schmitt, Jack W. Boettcher,
W. James Grebe and Susan M. Bode.

Not pictured: Donald W. Kilps and Jere D. McGaffey

In May, 1981, groundwork was laid for the development of the Franklin Medical Center. At that time, culminating an eighteen month indepth planning study, the following was adopted:

"The general planning direction for St. Luke's Health Care of Milwaukee, Inc., will be to develop the capacity to operate on more than its existing site; to seek to diversify into other health-related areas which will strengthen the corporation; to encourage its working relationships with other hospitals and health-related organizations; and to maintain the viability and build on the strengths of its existing location and services."

Today, this commitment is being fulfilled as the finishing touches are added to the blueprints for a new outreach facility. Located in Franklin, the Medical Center will bring high quality, reasonably priced primary health care to the fastest growing suburban community in the metropolitan Milwaukee area. The center is 30,000 square feet and will include an immediate care clinic, community health education facilities, private physicians' offices, and space for the development of future outpatient services.

The immediate care clinic will operate during extended hours to provide walk-in care efficiently, conveniently, and economically. A qualified physician will see each patient, and will care for a wide variety of medical needs, from the common cold to lacerations and simple fractures.

In an effort to contain the rising cost of health care, the Franklin Medical Center Immediate Care Clinic will offer cost-effective, quality health care, conveniently near home, business, and schools for Franklin area residents.

Construction will begin in March, 1984, and the Center will be operational by early 1985. As an affiliate of St. Luke's Hospital, the Franklin Medical Center will have at its disposal the resources and services of one of the most modern medical centers.

MEMBER

Council of Teaching Hospitals,
 Association of American Medical Colleges
 American Hospital Association
 Wisconsin Hospital Association
 Blue Cross/Blue Shield United of Wisconsin
 Hospital Council of Greater Milwaukee Area
 Lutheran Hospital Association

AFFILIATE MEMBER

Medical College of Wisconsin

ACCREDITATION

Joint Commission on Accreditation of Hospitals
 American Medical Association/
 Committee on Allied Health Education and Accreditation
 College of American Pathologists
 Association for Clinical Pastoral Education
 Wisconsin State Board of Health
 American College of Surgeons Commission on Cancer

APPROVED EDUCATIONAL PROGRAMS

Residencies in Cardiology, Critical Care, Family
 Practice, Internal Medicine, Physical Medicine
 Rehabilitation, Nuclear Medicine, Otolaryngology,
 Pathology, Radiology, Surgery, Thoracic Surgery.

Nursing and allied health programs in Medical
 Technology, Nuclear Medicine Technology, Radiologic
 Technology, Diagnostic Ultrasound, Post Graduate
 Technology Program in Special Procedures, Registered
 Nursing, Practical Nursing, Hospital Administration,
 Chaplaincy, Dietetics, Respiratory Therapy, Physical
 Therapy, Occupational Therapy, Speech Pathology,
 Audiology, Social Services, Neuro-Cardiovascular
 Special Procedures.

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 Vice President – Susan M. Bode
 Vice President – William E. Byers
 Vice President – Daniel J. Carlton
 Vice President – John N. Schwartz
 Associate Administrator – Kenneth J. Connell
 Associate Administrator – Steven J. Fish
 President of St. Luke's Foundation – Robert L. Radcliffe

EMERITUS OFFICER

President Emeritus — Merton E. Knisely

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ST. LUKE'S HEALTH CARE OF MILWAUKEE, INC.

2900 WEST OKLAHOMA AVENUE, MILWAUKEE, WISCONSIN 53215

(414) 649-6000

