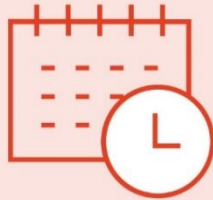


**INFOGRAPHICS****WE LOVE OUR NURSES****Putting Nurses First****5-30%**

Pay cuts taken by St. Luke's leadership, managers and physicians during the COVID-19 pandemic. However, there were no involuntary layoffs or salary reductions experienced by staff nurses.

**Providing Flexible Hours**

On average, St. Luke's nurses choose to work:

**26.4** hours/week

Full time benefits start at:

**24** hours/week**Paying a Meaningful Wage**

With incentives, average pay for a bedside nurse\* at St. Luke's:

**\$53<sup>\*\*</sup>** hourly**\$110k** yearly

If working full time

\* Only includes bedside nurses, not salaries of nurses in management roles

\*\* Based on wages January-May 2022

## A FAIR PROPOSAL

We have made a fair contract proposal that recognizes the contributions of our nurses while ensuring that we can keep health care affordable and accessible.

# 12%\*

Wage increase offered by St. Luke's over term of 3-year contract.

\*As of 11/10/22



**St. Luke's offer is fair compared to other union settlements in the Duluth area:**

### Teachers



Duluth Public School employees: **4.5% raise over two years**

(Source: Duluth News Tribune, <https://bit.ly/3OaB8S8>)

### Duluth City Employees



Duluth city employees: **8% raise over three years**

(Source: Duluth News Tribune, <https://bit.ly/3o73VfP>)

## PROUD OF OUR QUALITY CARE



# Top 5%

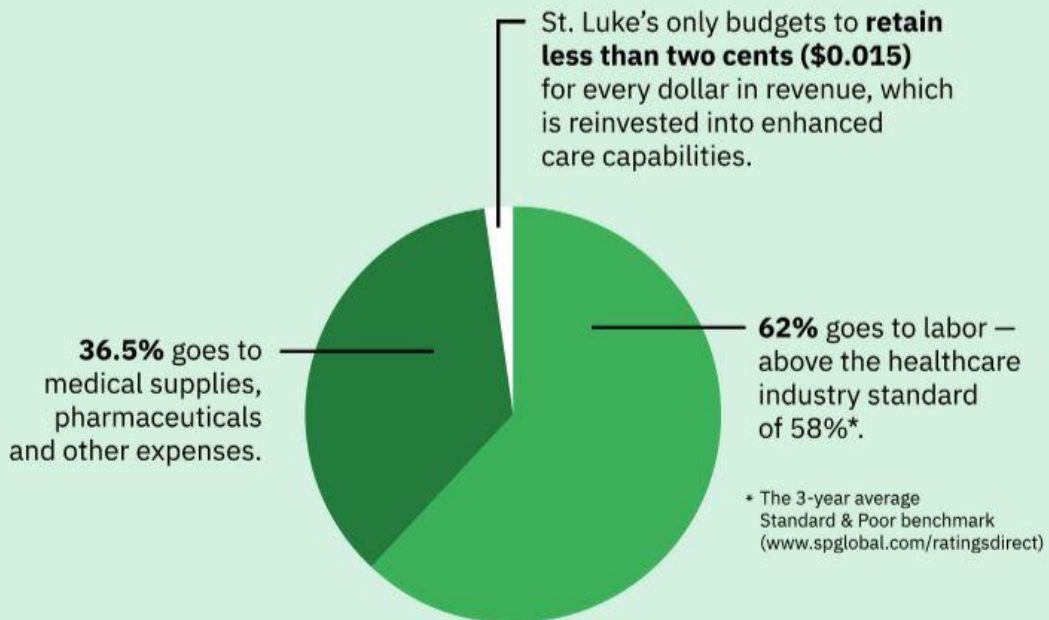
Recognized in 2021 for performing in **Top 5% of Hospitals in Nation for Quality and Patient Safety**

This is a true team award. Our nursing staff is integral to providing quality care, along with the rest of our care team, from hospitality to therapists to physicians to support staff.

## PEOPLE BEFORE PROFITS

St. Luke's budgets on extremely thin margins and actual financial performance for 2022 is running at an overall deficit.

**For every dollar received for patient care:**



# MYTHBUSTER

## A Champion for Nurses

**Myth:** There isn't a nationwide nursing shortage, there's just a shortage of nurses willing to work in these conditions.

**Fact:** St. Luke's, like hospitals across the country, is faced with staffing challenges due to a lack of capacity to train new nurses, a high percentage of the nursing workforce retiring, and the growing care needs of an aging population. Many studies have pointed to tangible issues of a current nursing shortage. [A recent study found](#) that up to 275,000 additional nurses are needed from 2020 to 2030 and employment opportunities for nurses are projected to grow at a faster rate (9%) than all other occupations from 2016 through 2026. This is in counterbalance to an aging nursing workforce, [where nearly half \(47.5%\) of all RNs](#) are now over the age of 50. Ninety-five percent of St. Luke's nurses have chosen positions that are scheduled less than 40 hours per week. However, discussions with our nurses indicate that choice is based upon personal preference, spending time with family and friends and having a stable income that affords them the standard of living they desire so they do not feel they need a full-time schedule.

**Myth:** St. Luke's nurses are not paid enough.

**Fact:** The average hourly pay for nurses at St. Luke's, including premiums, currently exceeds \$53 an hour. This means the average full-time nurse at St. Luke's makes \$110,000 a year.

**Myth:** St. Luke's nurses are being forced to work overtime.

**Fact:** Overtime is never mandated for St. Luke's nurses. In fact, the average St. Luke's nurse worked a .75 FTE (30.1 hours per week) in the past 12 months. We deeply appreciate nurses who are willing to work overtime, but it is never forced. Overtime is paid when a nurse works beyond their scheduled shift, so a shift lasting 8 hours and 15 minutes is paid overtime. Since last year, a nurse volunteering to work an extra shift received an additional \$25 an hour for working overtime, plus other premium pay to make the average hourly rate in excess of \$92 an hour.

**Myth:** St. Luke's is choosing not to hire additional nurses.

**Fact:** St. Luke's has hired 131 RN, LPN, and Nursing Assistants in the past year and is aggressively working to hire more staff to help provide additional support across the health system. St. Luke's has developed 'on demand hiring of RNs,' which expedites the interview and offer process to just a few days after applying.

**Myth:** St. Luke's management doesn't listen to the staffing needs of nurses.

**Fact:** At St. Luke's, management and frontline nurses work side-by-side to develop staffing plans for every single unit, with patient safety and quality always at the forefront. If there is ever a concern about staffing, our nursing supervisors immediately respond to understand and address the concern, and then there is thorough follow up that includes staff nurses. In addition, St. Luke's and the MNA have a two-hour meeting each month to review any staffing concerns and continually work to improve schedules for nurses.

St. Luke's is in the process of restructuring nursing leadership so there will be a manager on most units, which will bring more leadership presence and support for staff.

**Myth:** St. Luke's would rather ignore issues than engage at the negotiating table.

**Fact:** During the current negotiation process, St. Luke's management has responded to every proposal made by the Minnesota Nurses Association. Whereas St. Luke's is awaiting a response from MNA on the majority of its proposals.

**Myth:** There's no need for a professional mediator for labor negotiations.

**Fact:** A mediator is an impartial professional trained to assist in helping two sides come to a fair agreement. The Federal Government provides mediators as a free resource to help with negotiations and to prevent labor stoppages because of the damage they cause. St. Luke's has often worked with mediators in past labor negotiations and suggested that a mediator be brought in to help facilitate the current labor negotiations. The MNA said no to having a mediator at the table despite the valuable help they can provide to each party.

**Myth:** St. Luke's didn't do enough to support nurses during the COVID-19 pandemic.

**Fact:** Within the past two years, St. Luke's has created multiple initiatives to support nurses during their patient care shifts, from a telesitter and helping hands program to restructuring nursing leadership and creating new roles including mobility and facility inpatient support assistants.

During the COVID-19 pandemic, hospitals across the country experienced operating losses that led many to the difficult decision to lay off employees, including nursing staff. This did not happen at St. Luke's. The health system's leadership, managers and physicians took pay cuts yet our nursing staff remained whole.

St. Luke's also provided emotional support for nurses. In addition to visits with staff on units with high concentrations of COVID patients, Dr. Stevermer, a psychiatrist and mental health expert, was available for drop-in sessions for nurses two times per week during the height of the pandemic. Free and confidential emotional support was always available to St. Luke's nurses. A national speaker on resiliency and post-pandemic stress was brought to campus to help staff cope with pandemic related burnout.

In addition, we were steadfast in our infection prevention measures, and staff were given the tools and protective equipment they needed.

**Myth:** St. Luke's isn't investing in technology upgrades to support nurses.

**Fact:** In late 2021, St. Luke's initiated a new telesitter program, which utilizes technology to monitor patients, rather than having a nursing assistant sit with one patient for an entire shift. This approach frees up nursing assistants to support nurses with hands-on care.

Also, St. Luke's is working to integrate vital sign machines (July 2022) and medication pumps (September 2022) to directly input data into the electronic medical record. This will assist nurses by reducing documentation time and support our focus on continuous improvement in patient safety.

## **Fiscally Responsible Organization**

**Myth:** St. Luke's executives are overpaid.

**Fact:** The total compensation of officers, directors, trustees, key employees and highest compensated employees at St. Luke's was \$10.7M\*. Of this amount, only 19% was paid to the executives listed. The remaining 81% was paid to front line professionals providing direct care to our patients.

St. Luke's knows that quality care doesn't happen without quality employees. The health system has prioritized offering industry competitive compensation through constant evaluation of the marketplace to recruit and retain the best talent, including executive leadership talent.

\*2019 St. Luke's Form 990

**Myth:** St. Luke's puts profits before patients.

**Fact:** St. Luke's Mission is: The Patient. Above All Else. That means patients are always put before profits. When care is needed, St. Luke's provides it, whether the patient can pay for those services or not. In fact, this has been financially the worst quarter in healthcare in recent decades, and year to date, St. Luke's is operating at a significant loss. When St. Luke's does budget a margin, it's less than 2 cents on every dollar (\$0.015), those funds are re-invested into patient care, new medical equipment and technology, and updating healthcare facilities.

**Myth:** St. Luke's keeps an unreasonable amount of its revenue.

**Fact:** St. Luke's only kept just over two cents (\$0.024) for every dollar in revenue brought in during 2021, which is well below the average of what other hospitals that received CARES Act funding kept: \$0.040.

**Myth:** St. Luke's is not doing anything to control costs and is simply passing those expenses onto patients.

**Fact:** Despite the increasing costs St. Luke's and other health systems are experiencing, St. Luke's prices have risen below the rate of inflation. The health system is improving efficiencies in how care is provided by streamlining testing and treatment protocols, realizing efficiencies in supply chain costs, and leveraging technology to lower costs of care delivery. Avoiding dramatic price increases for patients is one of the reasons it is so important for St. Luke's to balance wage and benefit costs.

**Myth:** St. Luke's charges its patients too much.

**Fact:** As a non-profit institution, St. Luke's operates on extremely thin margins. Hospital systems can be judged based on a statistic called 'charge-to-cost ratio' which calculates the percentage increase of the cost of the care delivered. St. Luke's charge-to-cost ratio was 29% lower than the national average of hospitals surveyed by Lown Institute, a nonpartisan think tank. We greatly value and support our nurses. However, an exorbitant pay increase in this

contract would result in a significant increase in our charges, which we don't believe our community at large can afford. We know our nurses don't want that to happen.

## **Providing Quality Care**

**Myth:** Compared statewide and nationally, the care provided by St. Luke's is below average.

**Fact:** St. Luke's was recognized in 2021 with the Press Ganey Guardian of Excellence Award for performing in the top 5% of hospitals nationally for quality and patient safety.

Furthermore, according to the Centers for Medicare and Medicaid Services' Hospital Compare, which evaluates hospitals across the nation, St. Luke's earned 3 out of 5 stars for performance and 4 out of 5 stars for patient feedback. The same organization looked nationally at quality performance, and St. Luke's matched the national average on six measures and ranked above the national average on an additional measure. St. Luke's did not perform below average in any measured category.

In addition, Lake View Hospital in Two Harbors, a critical access hospital that is part of the St. Luke's system, earned the Press Ganey Guardian of Excellence Award for patient experience in 2021. Lake View ranks in the top 5% nationally for patient experience.

**Myth:** Telehealth is bad for patients; all care should happen within the confines of a hospital or clinic.

**Fact:** Telehealth or telemedicine is one tool supporting innovation in how and where people can receive care. For some, getting to a physical clinic or hospital is not possible due to transportation issues, childcare considerations, or leave time from work. St. Luke's provides a variety of care options to patients, and telemedicine is helping expand access to our patients and community.

## **A good steward of community resources**

**Myth:** St. Luke's campus expansion comes at the expense of the community.

**Fact:** St. Luke's planned \$80 million campus redevelopment is a strategic investment to meet the evolving needs of our patients. The St. Luke's Health Forward Initiative plan includes:

- Expanding facilities to increase critical care capability
- Transitioning all inpatient rooms to single occupancy

Our approach of focusing on adding on to existing infrastructure instead of creating new buildings when possible allows us to thoughtfully, economically and sustainably create the healthcare campus of the future.

**Myth:** St. Luke's spending on charity care is the only community investment the system makes.

**Fact:** St. Luke's provides charity care, as do many hospital systems, which only represents a portion of total community investment. The total value of community contributions has

consistently represented an average of 21% of total expenses over the last nine years, a high percentage compared to other nonprofit health systems.

St. Luke's has shown a strong track record of financially contributing to the greater Duluth community and will continue to do so as a mission-based organization. For example, St. Luke's recently established a partnership with CHUM to provide housing for homeless senior citizens at St. Francis Apartments, as well as sponsored the Program to Aid Victims of Sexual Assault (PAVSA), the YMCA, and countless other community health organizations and events.

**Myth:** It is harmful for the community that St. Luke's is classified as a nonprofit, which means it does not pay property taxes.

**Fact:** St. Luke's is classified as a nonprofit, which means it does not pay taxes, including property taxes for its main hospital location. St. Luke's does pay taxes on neighborhood and regional clinic buildings that it owns.

Tax exempt status allows St. Luke's to dedicate more resources to patient care, hospital staff and furthering care resources in the community. This exemption allows St. Luke's to request state and federal funding that addresses the needs of the greater Duluth community. As a nonprofit, St. Luke's has grown from Duluth's first hospital in an old blacksmith's shop to a comprehensive health system. This growth has ensured the greater Duluth region has access to quality and affordable healthcare.

**Myth:** St. Luke's does not commit enough time or resources into mental health initiatives and care.

**Fact:** St. Luke's has a busy inpatient mental health unit, a brand new four bed mental health unit in our Emergency Department with the ability to flex into an additional four specially designed rooms, and a robust outpatient mental health service. We provide transcranial magnetic stimulation (TMS) and are the only health facility locally to offer electroconvulsive therapy (ECT).

St. Luke's is also a core supporter of the Clarity Project, which aims to help people with a mental health crisis get the comprehensive care they need in an appropriate and comfortable setting.

**Myth:** Off-site surgery centers are merely a mechanism to increase revenue.

**Fact:** St. Luke's continuously evaluates options to improve the health of the community and off-site surgery centers are a great option to improve access to care and keep healthcare affordable. Currently, St. Luke's offers two off-site surgery centers and is partnering with Gateway Clinic in Moose Lake to build a third: Northern Lakes Surgery Center. Surgical centers provide high-quality, affordable care and convenient patient access for specific surgeries and procedures.