

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS TRUSTEES**

**Action Requested:** The Board of Regents, as Trustees of the University of Iowa Hospitals and Clinics (UIHC), is requested to:

Receive an informational UIHC report.

**Executive Summary:**

The Board of Regents, as Trustees of the University of Iowa Hospitals and Clinics will be provided presentations on the following topics (a separate booklet has been provided with the Board meeting materials):

- Financial Update
- Activity and Volume Review
- Planning for the Future of UIHC

# *Planning for the Future of University of Iowa Health Care*



# Today's Presentation

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# ***Who we are, what we do***

***Discovery. Delivery. Dissemination.***

University of Iowa Health Care advances health through collaborative ***discoveries, delivery*** of exemplary health services and ***dissemination*** of innovations in education and science.

# **University of Iowa Health Care Strategic Values**

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1. Value for Iowans
2. Patient-centered excellence
3. Bold leadership
4. Learning & communication
5. Great people (faculty, staff, students and partners)
6. Continuous improvement, quality and safety
7. Accountability, openness & transparency
8. Agility
9. Fostering innovation
10. Focus on the future
11. Data-driven & results-oriented
12. Robust information systems

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**Advancing knowledge through collaborative, innovative biomedical research**

- University of Iowa received 86% of the NIH funding provided to all organizations in Iowa
  - UI Health Care accounts for 83% (\$138M)
- One of only 24 academic health centers receiving a Clinical Translational Science Award

## National Institutes of Health Funding

Organization	Dollars Awarded
University of Iowa	\$166,119,755
Iowa State University	\$20,830,483
Palmer Chiropractic University	\$1,391,222
Kirkwood Community College	\$1,146,341
Iowa Oncology Research Association	\$805,000
Maharishi University of Management	\$492,385
Metabolic Technologies, Inc.	\$363,674
Cedar Rapids Oncology Project	\$356,879
University of Northern Iowa	\$337,500
Patient Education Institute, Inc	\$297,843
Bioforce Nanosciences, Inc.	\$199,999
Luther College	\$186,701
Des Moines Univ. Osteopathic Medical Ctr	\$180,295
Medical Imaging Applications, LLC	\$100,000
Cyntelix, Inc	\$96,728
Iowa State Dept. of Human Services	\$70,651
Human Factor International	\$49,500

# **University of Iowa Health Care**

## **Discovery: Collaborative, innovative research**



### **Clinical & Translational Science Award**



Gary Hunninghake, M.D.

### **Iowa Institute for Biomedical Imaging**



Geoff McLennan, M.D.



Milan Sonka, Ph.D.

### **Vaccine & Treatment Evaluation Unit**



Patricia Winokur, M.D.

# ***University of Iowa Health Care***

**Discovery:** Collaborative, innovative research



## **University of Iowa Institute for Biomedical Discovery**

A world-class setting in which scientists from across the University will collaborate to explore high-risk/high-yield scientific questions in the life sciences with the goal of advancing treatments for a wide array of human diseases.



- **UI Health Care prepares hundreds of scientists and health care professionals**
  - 576 medical students
  - 45 physician assistant students
  - 87 physical therapy students
  - Over 700 resident and fellow physicians training in specialties and subspecialties
  - More than 5,000 undergraduate students from outside the Carver College of Medicine attend basic science courses
  - 210 graduate students

\* These numbers represent total enrollment

**IOWA PHYSICIANS**  
**with Medical Education / Training in UI Medical Education System**

	<u>No.</u>	<u>% of Total</u>	<u>Cumulative %</u>	<u>No.</u>	<u>% of Total</u>
• Physicians w/UI Med. Ed. Exp.				2,562	50.6%
– Medical School (only)	676	13.4%	13.4%		
– Medical School/Residency	823	16.2%	29.6%		
– Medical School, Residency and Fellowship	110	2.2%	31.8%		
– Medical School and Fellowship	35	0.7%	32.5%		
– Residency (only)	689	13.6%	46.1%		
– Residency/Fellowship	119	2.3%	48.4%		
– Fellowship (only)	<u>110</u>	<u>2.2%</u>	50.6%		
Subtotals	2,562	50.6%			
• No UI Med. Ed. Exp.				<u>2,502</u>	<u>49.4%</u>
Total Iowa Physician Population				5,064	100.0%

# Training Health Science Students FY 2006-07

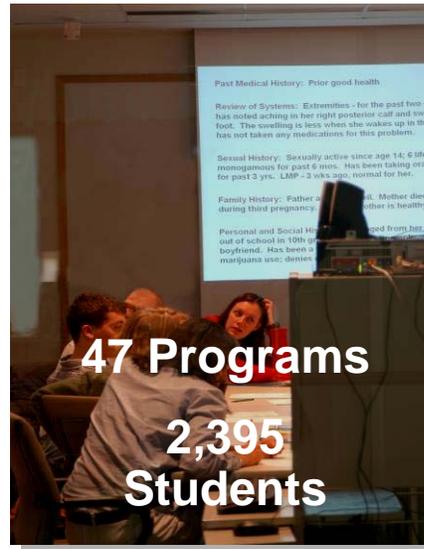


## UNIVERSITY OF IOWA HOSPITALS AND CLINICS PROGRAMS

Graduate Medical Education Programs  
Graduate Dental Education Programs  
Cardiovascular Interventional Program  
Cardiovascular Perfusion  
Diagnostic Cardiac Sonography Program  
Diagnostic Medical Sonography Program  
Dietetic Interns  
Health Management and Policy Interns, Residents and Fellows  
Emergency Medical Services Learning Resources Center  
Magnetic Resonance Imaging Program  
Nuclear Medicine Technology Certificate Students  
Orthoptic Training Students  
Pastoral Services Residents  
Pharmacy Residents  
Radiation Therapy Technology Students  
Radiologic Technology Students

## COMMUNITY COLLEGE AND OTHER COLLEGE PROGRAMS

Respiratory Therapy Students  
Health Information Management Interns  
Nursing Students  
Electroneurodiagnostic Technology Students



47 Programs  
2,395  
Students

Activities Therapy Interns  
Occupational Therapy Interns  
Physical Therapy Students

## UNIVERSITY OF IOWA HEALTH SCIENCE COLLEGE PROGRAMS

Medical Undergraduates  
Dentistry Undergraduate and Graduate Students  
Nursing Undergraduate, Graduate, Nurse Practitioner and Nurse Anesthetist Students  
Pharmacy Residents and PHARM D Students  
Speech Pathology & Audiology Students  
Physical Therapy Students  
Health Management and Policy Students  
Physician Assistant Students  
Clinical Laboratory Science Students  
Nuclear Medicine Technology Students  
Computed Tomography Program  
Public Health Students

## OTHER UNIVERSITY OF IOWA COLLEGE PROGRAMS

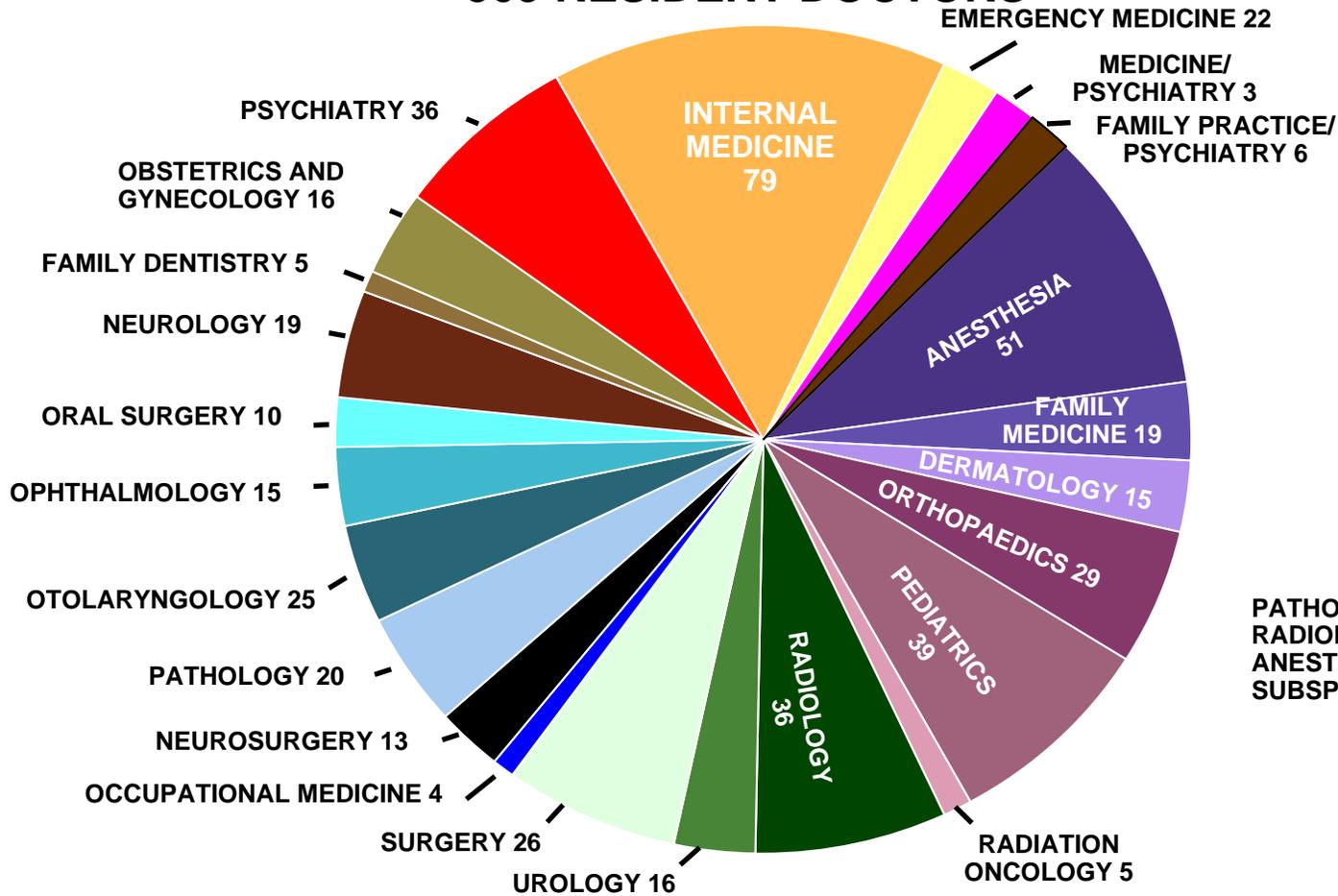
College of Education  
Education Service Interns  
Liberal Arts  
Activities Therapy Students  
Social Work Students

# Residency & Fellowship Trainees by Specialty 2007-2008

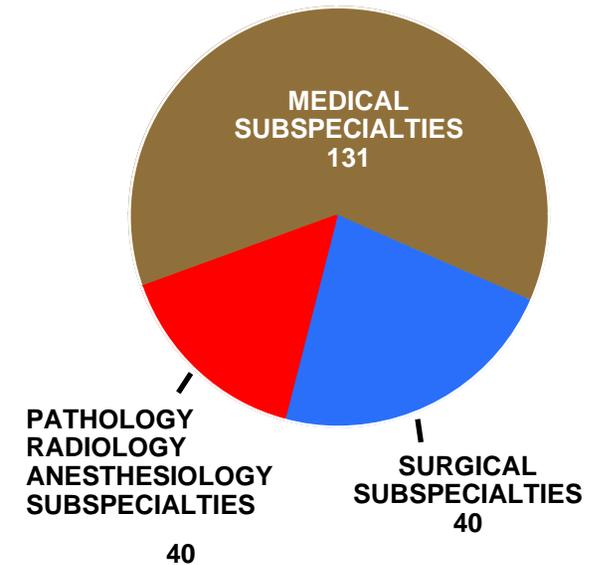


**720 RESIDENT AND FELLOW DOCTORS\* IN TRAINING**

## 509 RESIDENT DOCTORS

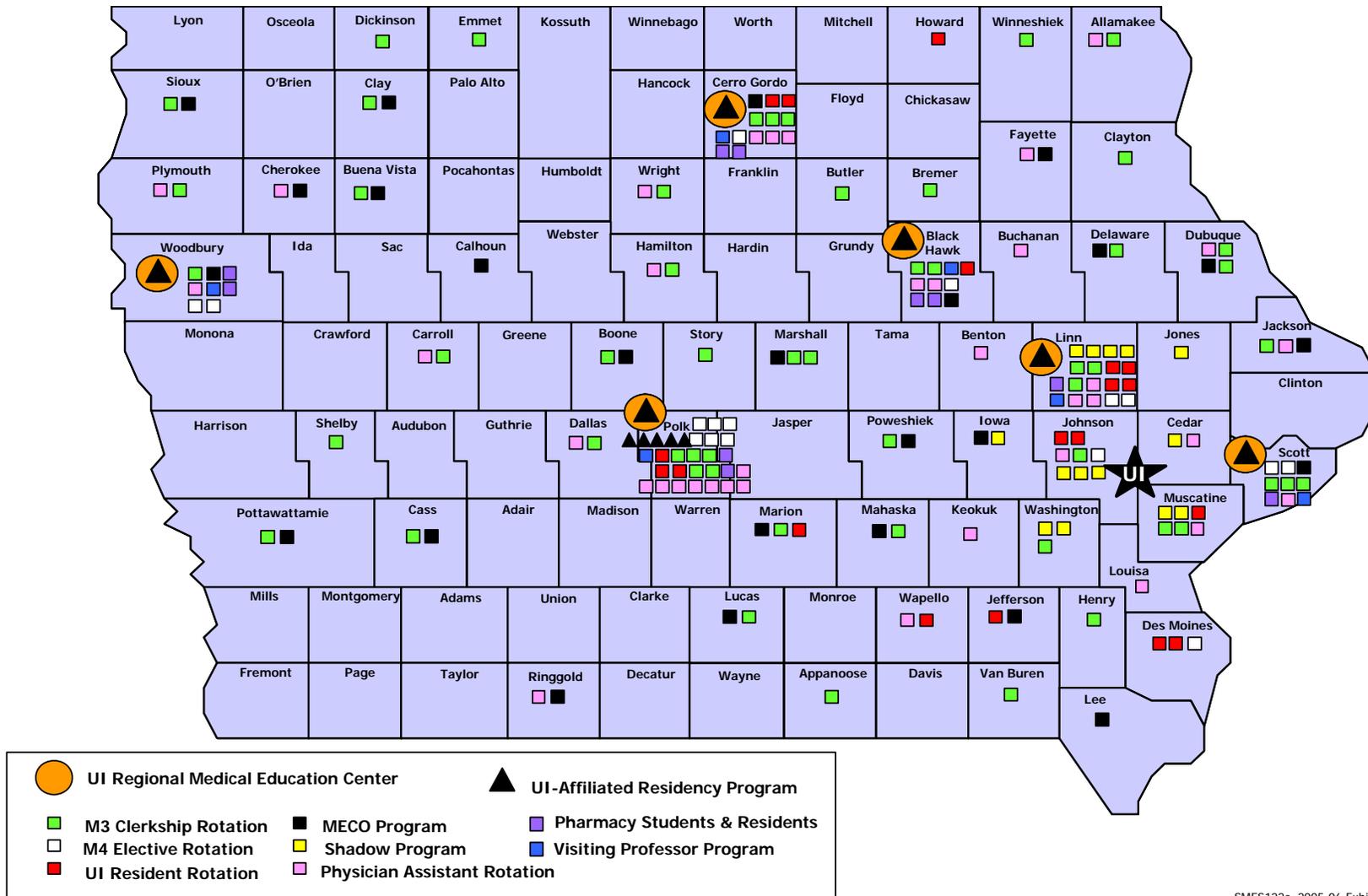


## 211 FELLOW DOCTORS



\*Count as of July 1, 2007

## Location of Statewide Educational Activities



SMES122a\_2005-06 Exhibit K.ppt

Source: Office of Statewide Clinical Education Programs, UI Carver College of Medicine, October 2006

- **Offering a broad spectrum of clinical services including rare and highly specialized services**
  - We provide specialized physicians that are not available elsewhere or with limited availability in the state (i.e. pediatric specialists)
  - We receive the emergent transfers of the most severe patients.
    - Evidenced by case-mix of 2.0976 for transfers vs. 1.6246 for non-transfers
  - We perform the difficult and complex procedures referred by others
  - We are the safety net hospital if and when disaster strikes

# **University of Iowa Health Care**

## **Delivery: Exemplary health services**

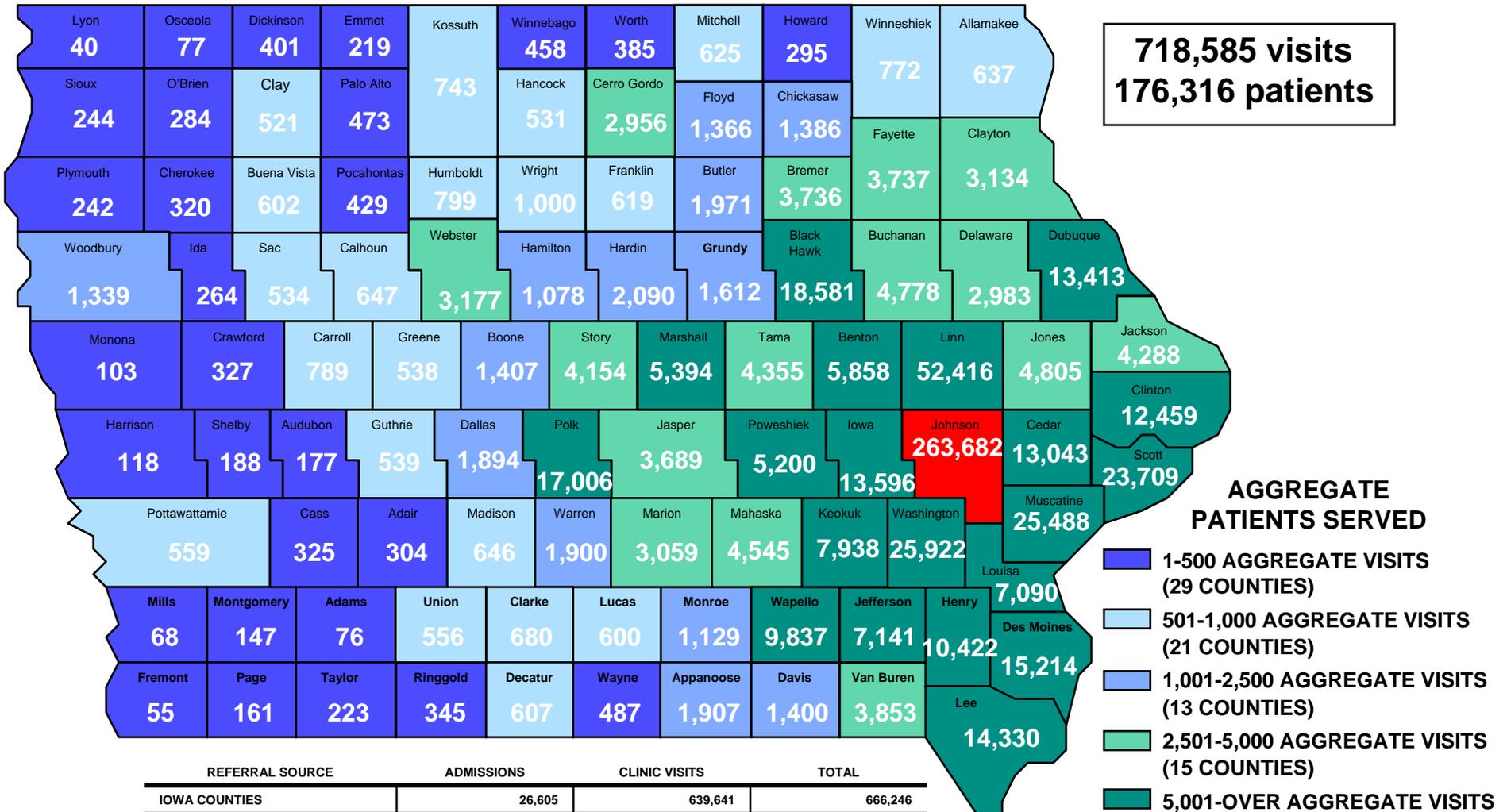
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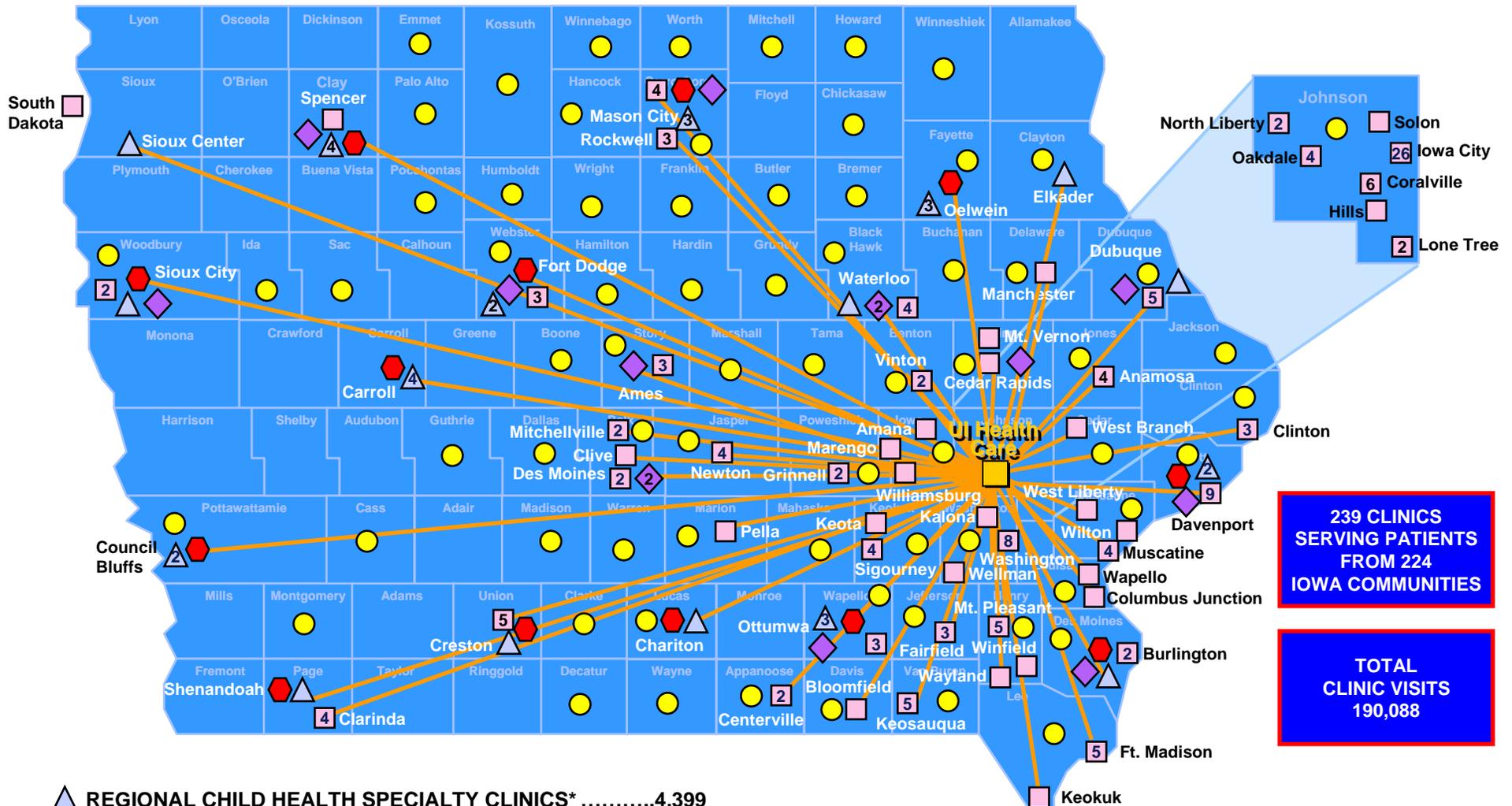
- U.S. News and World Reports top programs
  - Otolaryngology #2
  - Ophthalmology #6
  - Orthopedics #16
  - Neurology and Neurosurgery #18
  - Urology #22
  - Kidney Disease #26
  - Gynecology #32
  - Digestive Disorders #40
- 269 of “Best Doctors in America”
  - 87% increase since 2002
  - Over half of Iowa’s “Best Doctors”
- 37 medical specialties

# Aggregate Patients Served by County

## FY2007



# University of Iowa Health Care Delivery: Exemplary health services



**239 CLINICS  
SERVING PATIENTS  
FROM 224  
IOWA COMMUNITIES**

**TOTAL  
CLINIC VISITS  
190,088**

- ▲ REGIONAL CHILD HEALTH SPECIALTY CLINICS\* .....4,399
- ◆ BIRTH TO 5-YEARS\*(1) .....1,810
- ◇ REGIONAL GENETIC CONSULTATION SERVICE .....867

- UI CMS AND HOMECARE\*\* .....151,712
- SPECIALTY CONSULTATION CLINICS\* .....31,300

(\*NUMBER IN ICON INDICATES DIFFERENT CLINIC TYPES LOCATED AT SITE)

(\*\*TOTAL VISIT COUNT INCLUDES COMMUNITIES SERVED OUTSIDE OF IOWA)

(1)BIRTH TO 5-YEARS IS A SERVICE OF CHILD HEALTH SPECIALTY CLINICS.

# ***Economic Impact on the State***



- In 2006, University of Iowa Health Care had a total economic impact of \$3.4 billion on the State of Iowa
- More than 13,800 full-time jobs
  - Spending and contracting supports over 11,000 additional jobs statewide
- Generated \$125 million in government revenue for the State of Iowa
- Brought in more than \$179 million in total research funding

# University of Iowa Health Care

## Key Statistics FY2007



### *Patient Care*

● Inpatient Beds . . . . .	680
● Staff (Full-time) . . . . .	9,230
● Physicians & Dentists . . . . .	872
● Residents & Fellows . . . . .	699
● Volunteers . . . . .	1,325
● Acute Patient Admissions . . . . .	27,829
● Acute Patient Days . . . . .	182,411
● Ambulatory Patient Visits . . . . .	689,369

### *Academic and Research*

● Medical Students . . . . .	576
● Research Funding . . . . .	\$179 Million

### *Space and Revenue*

● Gross Square Footage . . . . .	4.9 Million
– UIHC . . . . .	3.5 Million
– CCOM . . . . .	1.4 Million
● Net Revenue . . . . .	\$1.3 Billion
– UIHC . . . . .	\$815 Million
– CCOM . . . . .	\$305 Million
– UIP . . . . .	\$180 Million

# University of Iowa Children's Hospital

## Key Statistics FY 2007

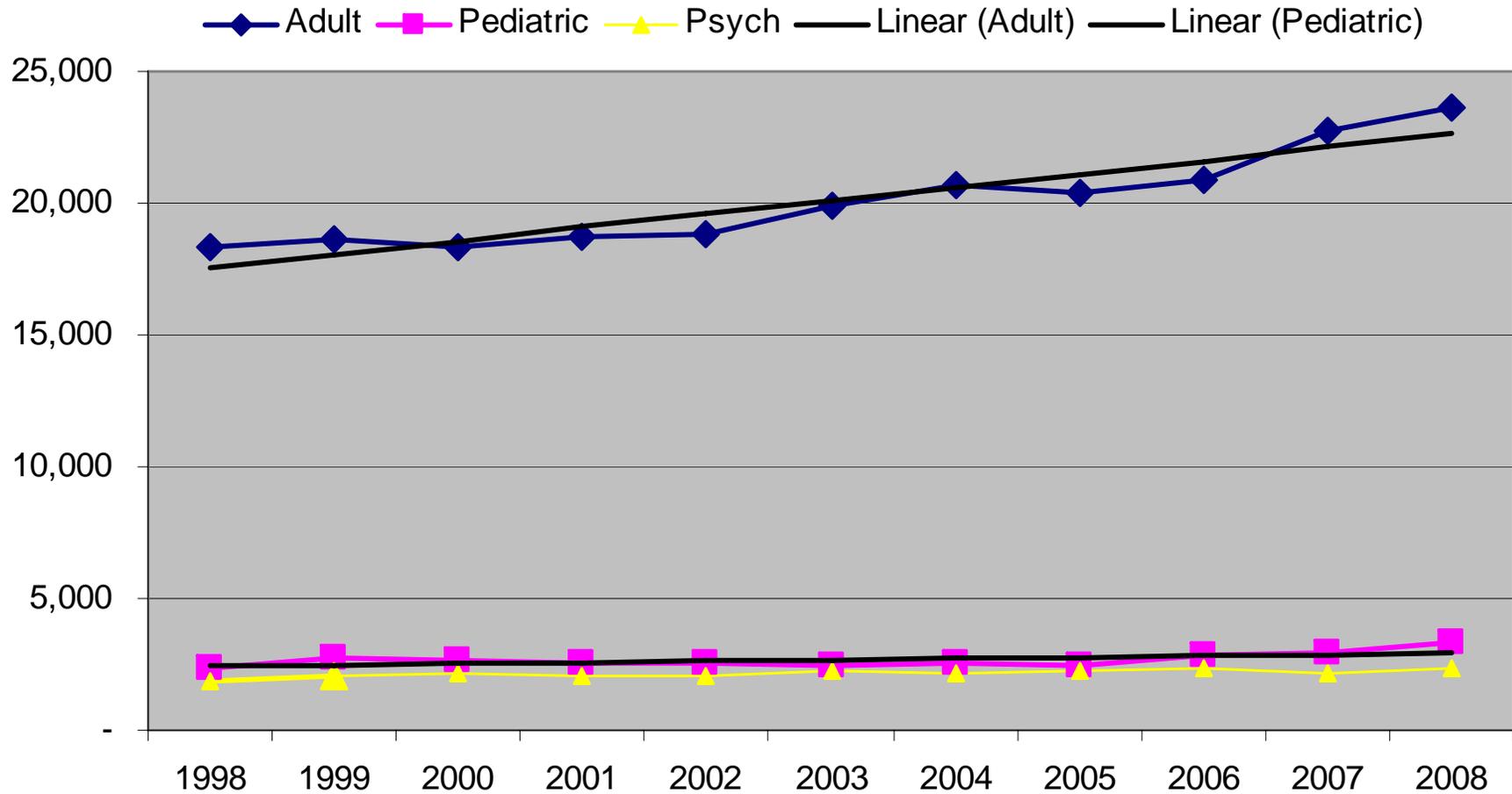


- 186 beds
  - NICU beds (69 beds)
  - PICU beds (16 beds)
- Over 200 Physicians & 400 Nurses
- 31 Pediatric Specialties
- 4,000 Admissions
- 1,749 births
- 150,000 outpatient visits
- Over \$25 million awarded last year for pediatric research
- Regional Genetics Consultation Services screens every newborn in Iowa for 29 inherited disorders
- Iowa's ONLY:
  - Comprehensive Cardiac Service
  - Bone Marrow Transplant
  - Pediatric Urologists
  - Pediatric Rheumatologists
  - Pediatric Geneticists

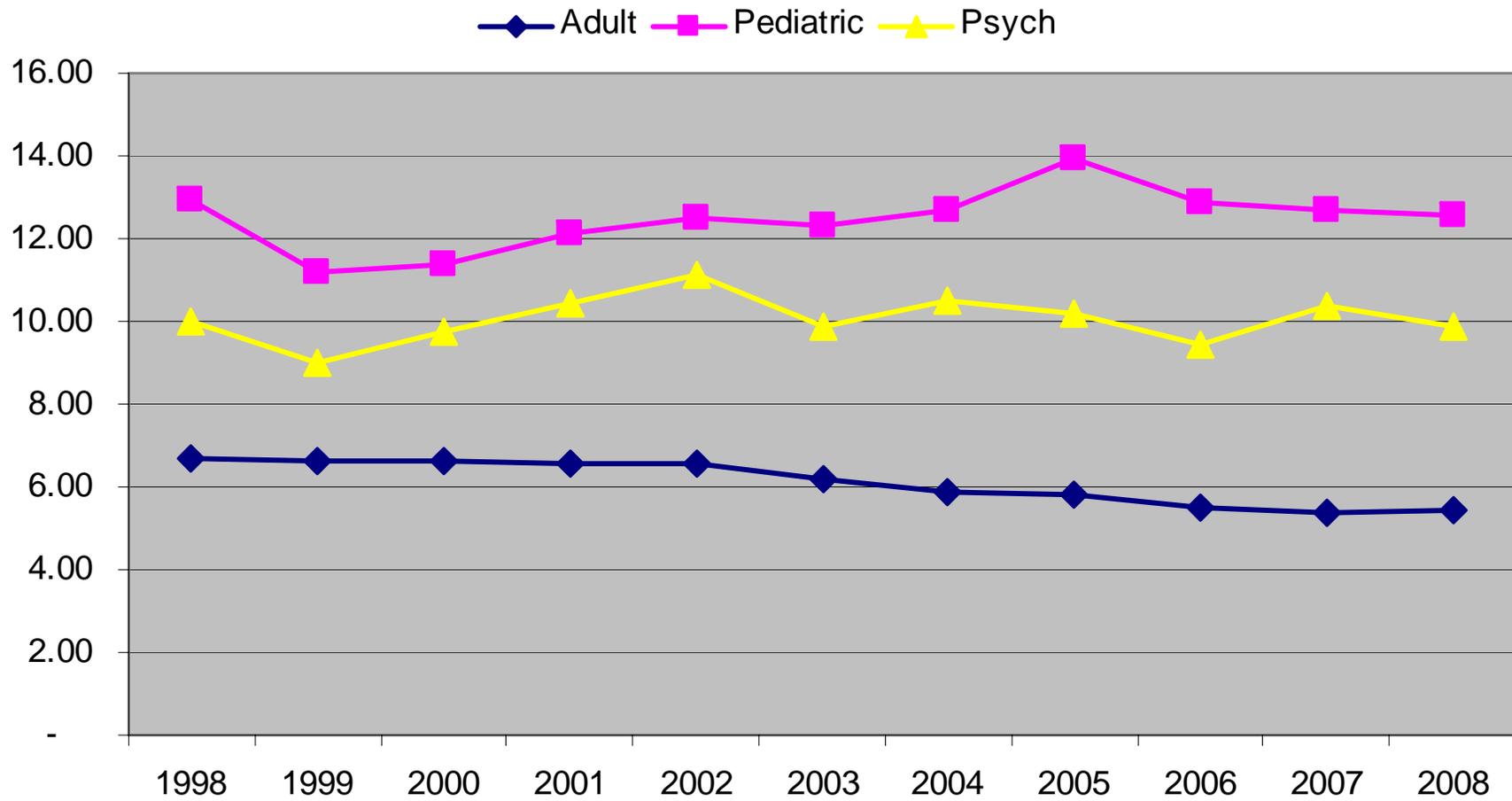


Changing Medicine. Changing *Kids'* Lives.

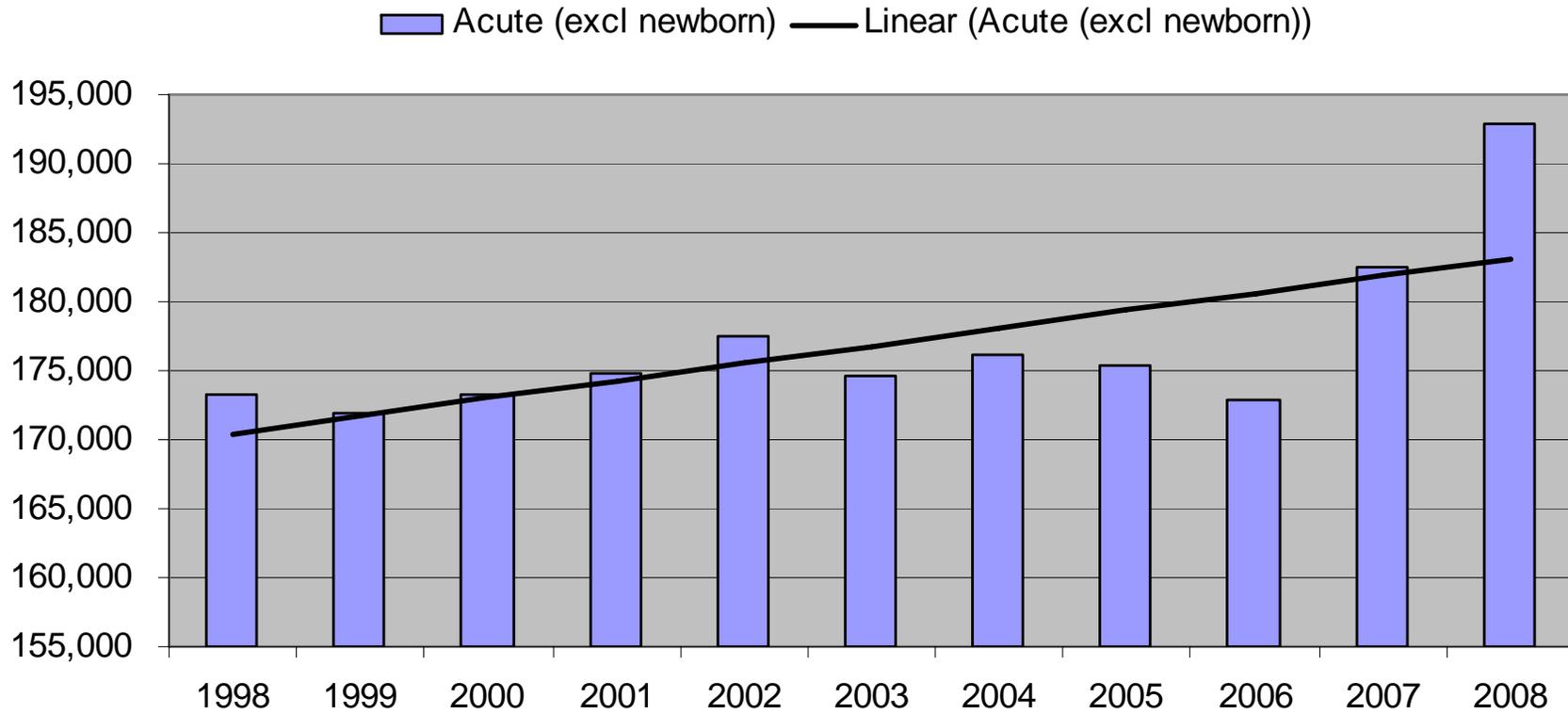
# Admissions by Type



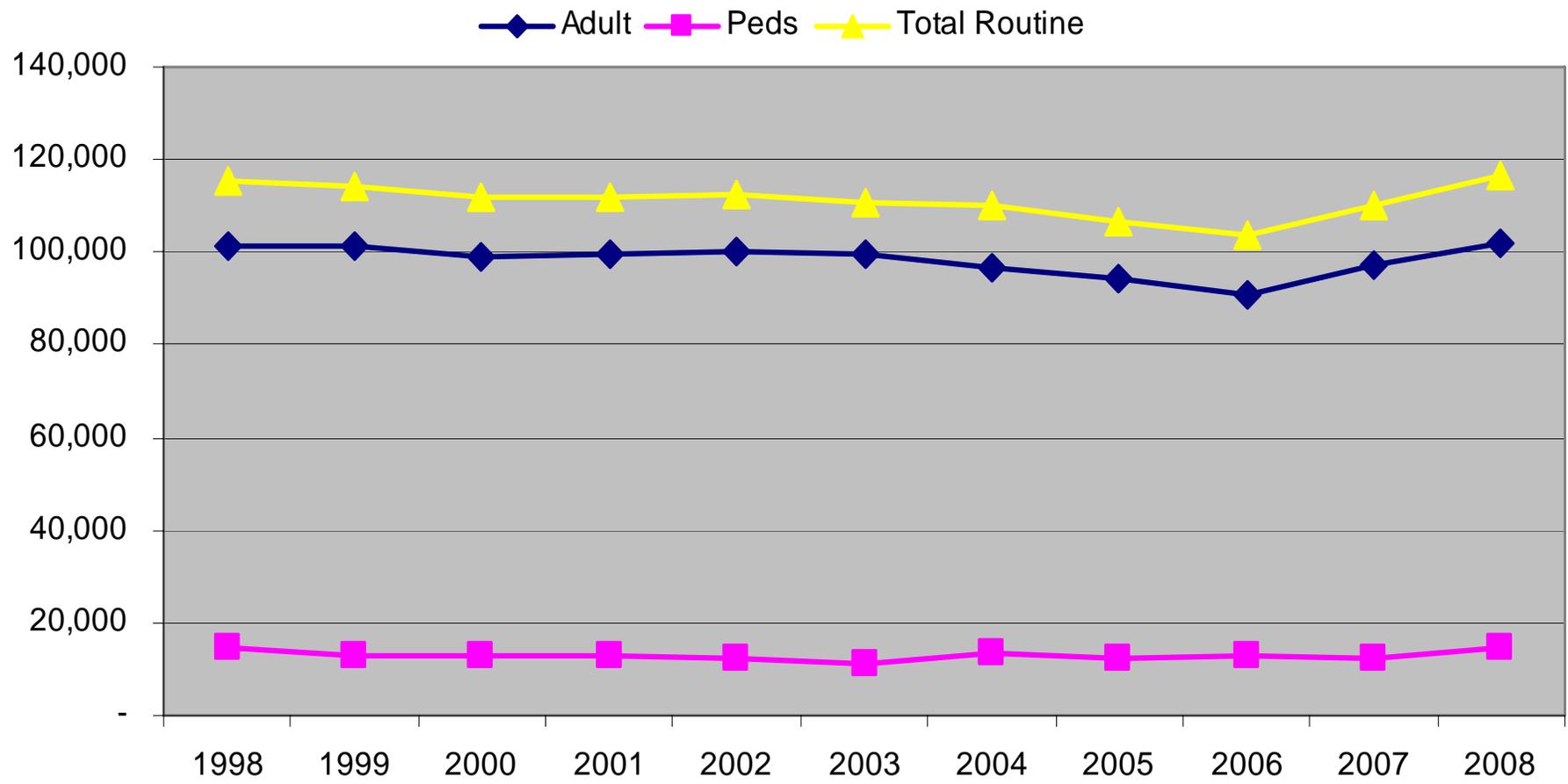
# Length of Stay by Type



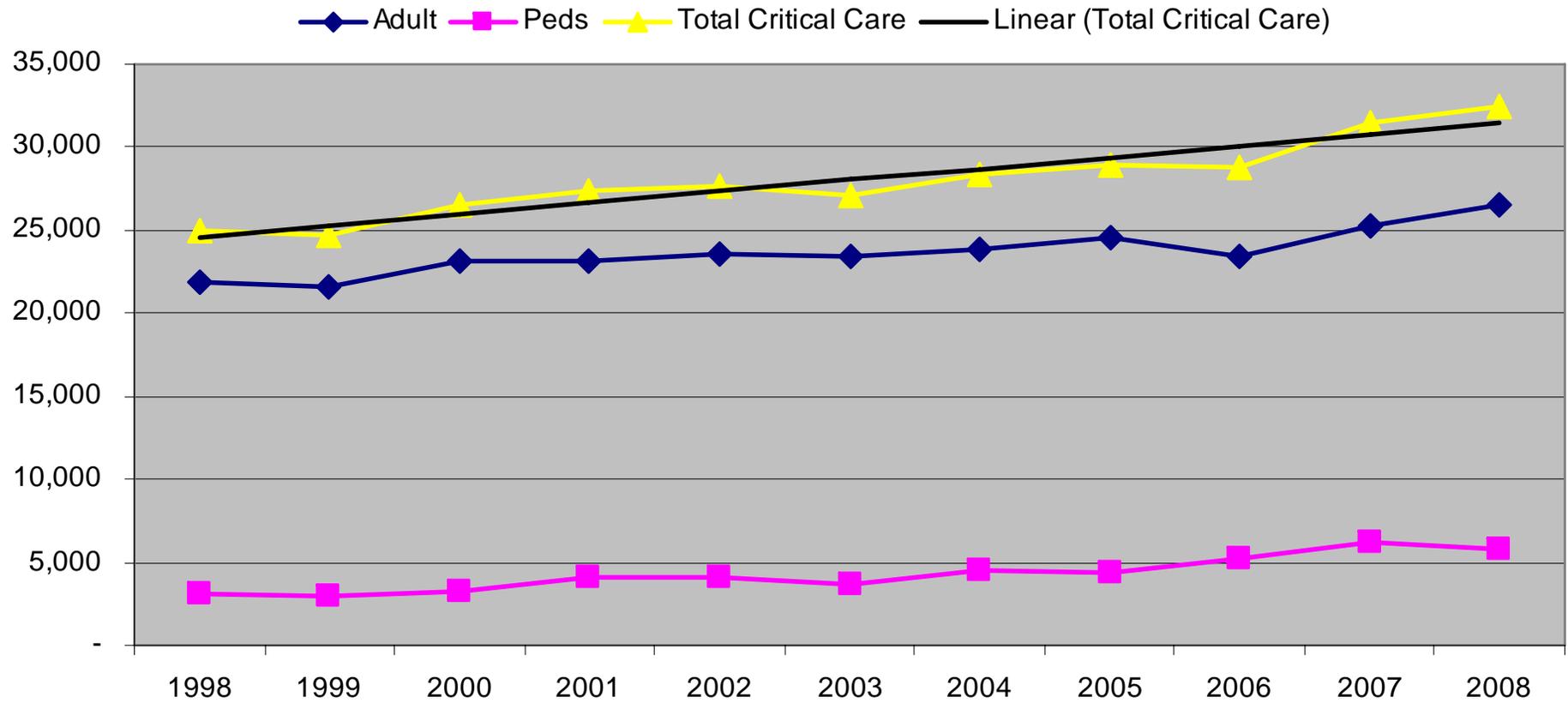
# Total Patient Days



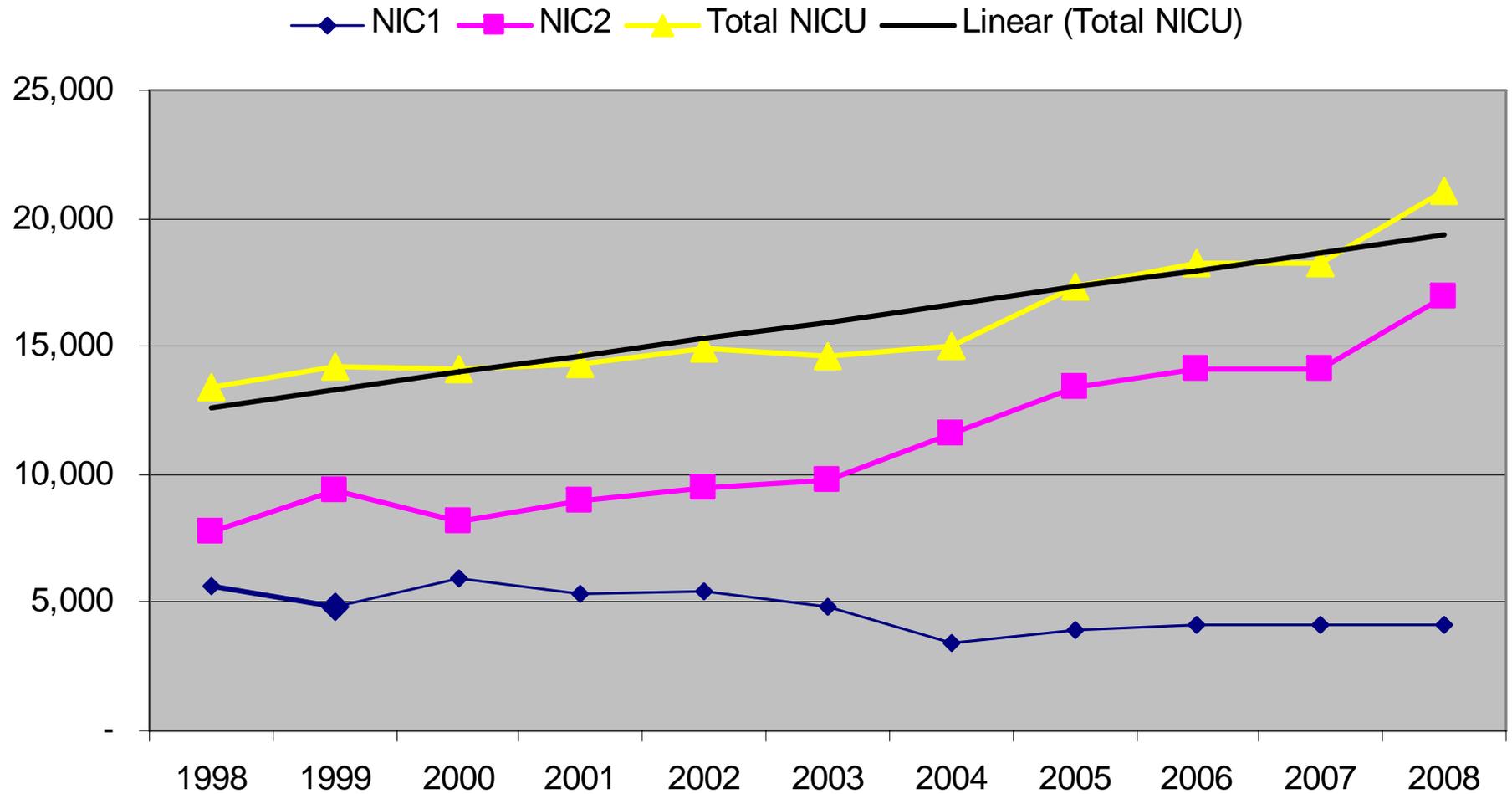
# Total Acute Patient Days



# Total Critical Care Days



# Total Patient Days – Neonatal ICUs





# ***Integrated Strategic Planning Process***

# ***Integrated Strategic Planning Process***



- Journey—not a destination
- We're charting a course for the future of UI Health Care
- We have an urgent need to proceed with main campus planning
  - Planning for new Critical Care tower
  - Planning for new Children's Hospital
  - Renewing and reusing existing facilities
  - Plan for vehicular access and parking to accommodate patients and their families, faculty and staff
- We're continuing with ambulatory care planning

# ***Integrated Strategic Planning Process***



- Flexible and robust new, integrated strategic planning process designed to help shape the future of UI Health Care
  - Process includes external analysis of the changing market and internal analysis to identify improvement opportunities.
  - Forecasting tools (use of external data sources as well financial forecasting tools)
  - Review and monitoring by Strategic Planning committee
- Creates framework for effective decision-making and monitoring
- Provides for regular, timely review and approval of initiatives by University and Board of Regents
- Guided by the key Strategic Values

# ***Ambulatory Care***

# Overview of Ambulatory Care Project



- TRG Healthcare engagement
  - Purpose: to develop strategies to respond to increasing demand for ambulatory clinical services
- Process
  - Interviewed faculty, staff and leadership (including Vice President of Medical Affairs, the CEO of UIHC, the CFO of UIHC, Chairs of Departments, Facilities and Capital management staff, UI-CMS and outreach leadership, and faculty members)
  - Established planning group to drive this process.
    - Facilitated meetings of this group over a 4-month period
  - Came with set of recommendations

## ***Goals for Ambulatory Care Project***

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- Create improved access (geographic and convenience) to UIHC services while reducing congestion within the campus.
- Move significant programs and administrative functions off campus to accelerate the availability of capacity to expand inpatient
- Generate growth to support educational/research mission, including the development and expansion of clinical trials and research capabilities
- Provide an efficient, economic environment to deliver healthcare
- Create new operating model for patient care
- Create a model environment for ambulatory care training

# Ambulatory Care Strategies

## **Short Term Strategy** **Decompress Existing Campus**

- Build one or more facilities close to main campus for the following purposes:
  - Reduce congestion on the main campus
  - Create new space on the main campus
  - Create additional or improved access points throughout the community for UIHC health care services, to include primary care
- Will tie to long term facilities growth plan for main campus
- Will include relocation of business functions currently located within Hospital

## **Long Term Strategy** **Patient-centeredness**

- Create multi-building ambulatory care campus
- Provide multi-specialty care with focus on preventative as well as chronic diseases
- May include services such as wellness, pharmacy, day care, restaurants, banking
- May include administrative functions such as Information Systems, Call Center, Business Office

# ***Benefits of Ambulatory Care Strategies***



- Creates new access points for all patient populations
- By moving some services to ambulatory care campus, creates capacity to expand inpatient
- Provides opportunity to enhance patient experience by offering additional services in convenient locations
- Provides opportunity to create improved, patient-centered ambulatory care delivery model
- Allows us to care for more patients, meeting demand

# *Status of Ambulatory Care Planning*

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- As we analyzed our ambulatory care services, we were continuing to monitor our increasing inpatient admissions and occupancy rate.
- It was determined that planning for bed capacity and patient flow for our inpatient care services is an immediate priority.
- These ambulatory care strategies will continue to be evaluated in conjunction with main campus facility planning.

## Three convenient locations in Johnson County

Old Capitol Town Center  
North Liberty  
Southeast Iowa City

## Services

- Minor illness and injuries
  - Head, ear and eye conditions
  - Stomach and urinary conditions
  - Skin conditions
  - Minor burns or musculoskeletal injuries
- Physicals
- On-site blood and urine tests
- Immunizations and injections

# *Inpatient Care*

# Major Challenges for UI Health Care



- Significant growth since 2005
  - Actual number of patient days has gone up by 20,000 over last 2 years, which is 55 more patients/day or 9% increase in occupancy
- Increasing demand for care by complex patients
- Aging facilities and built for one type of patient care
- Limited number of high-acuity beds
  - Number of cases going to the ICU has increased 27% between 2005 and 2007
- Need for private rooms
- Inadequate size of our operating rooms
- Significant growth in ETC and transfers from other hospitals
  - Number of admissions through ETC has increased 31% between 2005 and 2007
  - Number of ETC patients that need ICU bed has increased by 57% between 2005 and 2007

## **Major Challenges for UI Health Care (cont'd)**



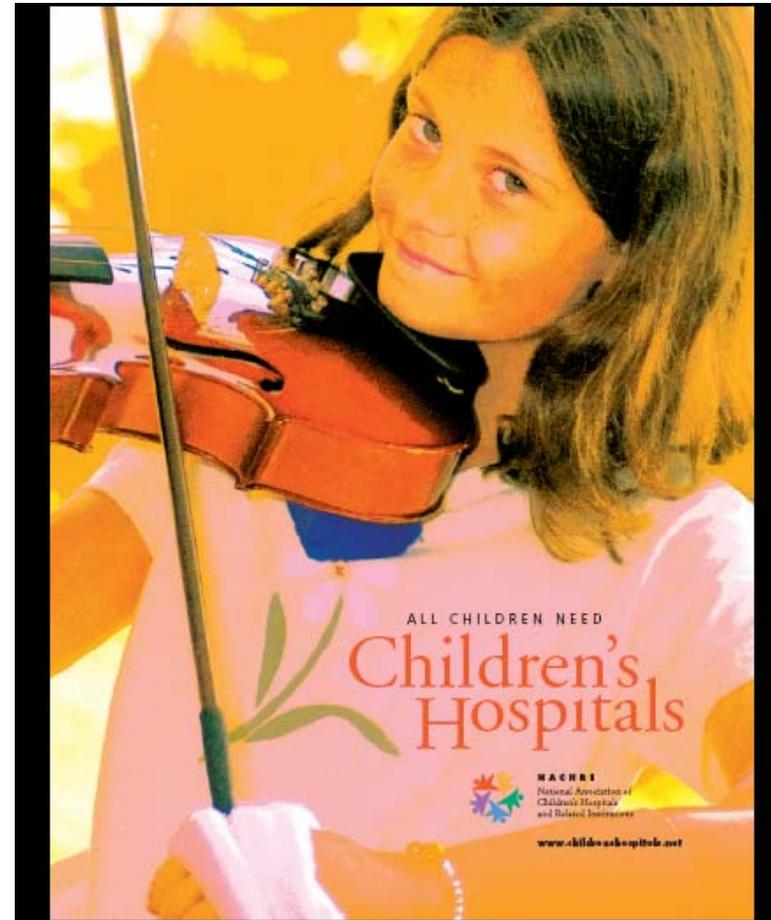
- Current occupancy rate of >88% (target occupancy is 75%)
- Number of ICU beds needed will increase with growing transplant and burn programs
- Congested health campus
- Demand will exceed supply for caregivers (nursing shortage)
- Need for increased focus on quality, safety and patient satisfaction
- Need for more patient-centered delivery system with increased efficiency and improved outcomes

# Challenges for a Children's Hospital

## Children are different

Children are unique individuals with their own specialized needs.

They need different health care that focuses on their unique needs, involves their parents from start to finish and is provided in places designed to be kid-sized and child friendly.



# Challenges for a Children's Hospital



CHILDREN'S HOSPITALS ARE  
**indispensable**  
TO THE HEALTH CARE OF ALL OF  
AMERICA'S CHILDREN.

- Children's hospitals treat 98 percent of all children needing heart or lung transplants, 93 percent of children requiring cardiac surgery and 86 percent of all children with malignant neoplasm.
- While children's hospitals represent less than 5 percent of all hospitals, they account for more than 40 percent of inpatient days and 50 percent of costs for all children hospitalized in the United States—\$10 billion worth of care every year.

# Challenges for a Children's Hospital

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CHILDREN'S HOSPITALS ARE AT THE FOREFRONT OF  
**cutting-edge**  
HEALTH RESEARCH TO IMPROVE  
CHILDREN'S HEALTH AND HEALTH CARE.

- Research at children's hospitals has led to landmark discoveries from imaginative surgical techniques and innovative cancer therapies to methods to prevent common childhood diseases.

# Challenges for a Children's Hospital

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- Children's teaching hospitals train 35 percent of all pediatricians and nearly 50 percent of pediatric subspecialists.

## ***Additional Challenges for Children's Hospital***



- To meet the unique needs of children and families – create the sizing, shape, color, organization and “feel” that lessen the anxiety and stress for children and their families during hospitalization.
- To provide all inpatient and specialty services for children in patient-centralized area.
- To optimally provide for the different physical and emotional needs of children.
- To meet the expected standard for academic medical center children's hospitals which aid in the recruitment of first class “pediatric trained” clinicians, house staff, researchers and nurses.

# ***Inpatient Bed Planning***

## **Projection of UIHC Discharges**

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- Total discharges will grow from 27,500 in 2007 to 33,800 in 2017 for a gain of 23.1% (KSA projections)
  - Adult discharges will increase from 22,800 to 28,500 (+25.1%)
  - Pediatric discharges will increase from 4,700 to 5,300 (+13.2%)

Projections based on population growth, increased utilization due to aging population, increase in chronic disease and projected growth in strategic areas.

# ***Inpatient bed planning***

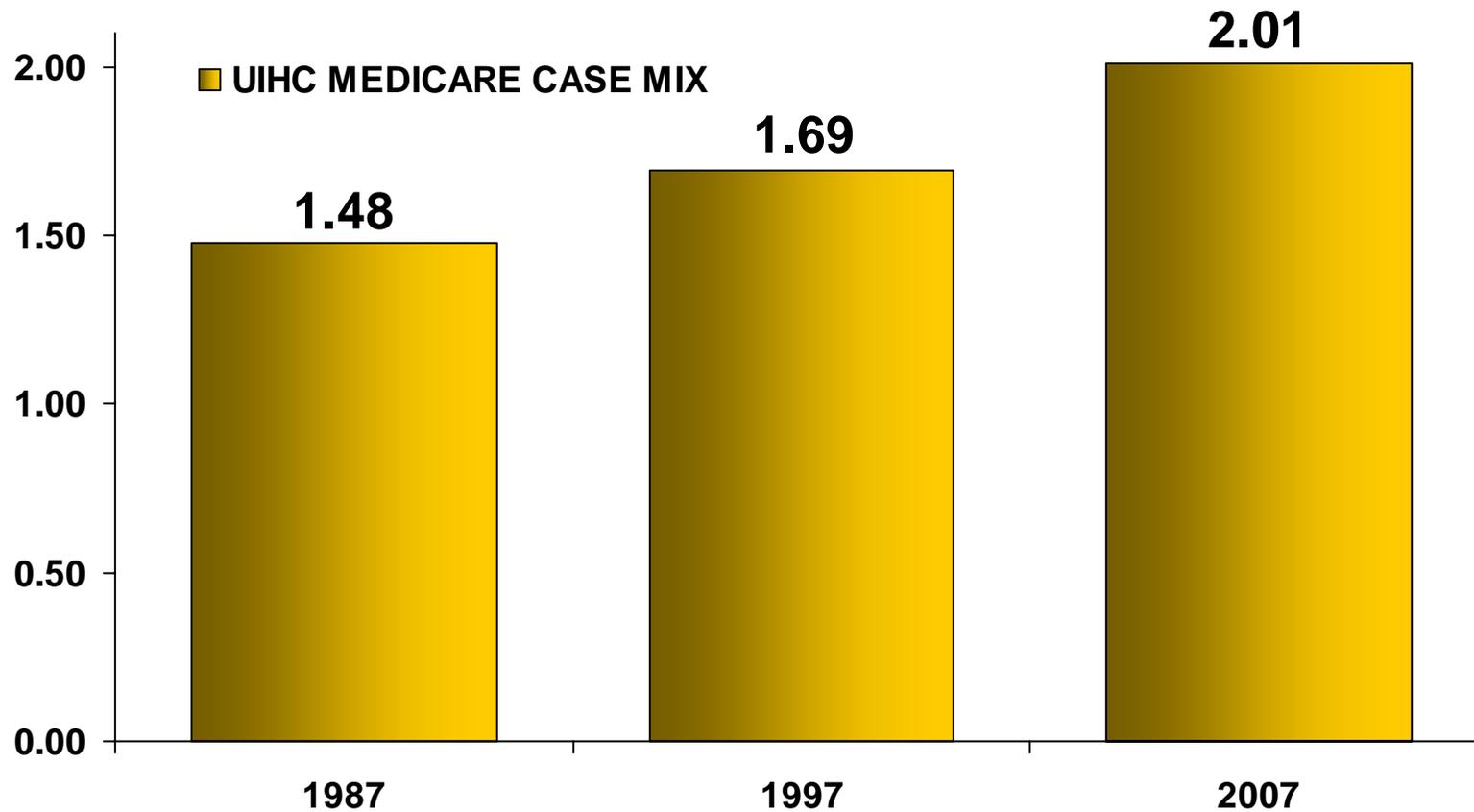
## Other factors to consider

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- Recruitment of physicians with additional expertise
- Programs and services added to meet demand and support changing knowledge
- As access in ambulatory care is improved, more patients will be seen resulting in more inpatient admissions
- Changes are occurring in the community hospitals resulting in more transfers.
- Emerging illnesses will require high intensity services

# Medicare Case Mix Analysis

FY 1987 - 2007



# Existing Conditions – Comparison of UIHC to Operational and Functional Benchmarks



Existing at UIHC	Contemporary Standards for large tertiary AMCs
<ul style="list-style-type: none"> <li>● Majority of patient rooms are semi-private</li> </ul>	<ul style="list-style-type: none"> <li>● Large, all-private patient rooms</li> </ul>
<ul style="list-style-type: none"> <li>● Private rooms average 184 NSF</li> </ul>	<ul style="list-style-type: none"> <li>● Benchmark of 280 NSF to meet AIA standard*</li> </ul>
<ul style="list-style-type: none"> <li>● Operating rooms are not uniformly sized; many are small; fragmented flow. Current range &lt; 400 NSF to 527 NSF</li> </ul>	<ul style="list-style-type: none"> <li>● Large, efficiently configured surgical suite; operating rooms minimum 600 NSF; clear &amp; coherent flow</li> </ul>
<ul style="list-style-type: none"> <li>● Dispersed surgery, angiography, catheterization lab, endoscopy; multiple anesthesia sites</li> </ul>	<ul style="list-style-type: none"> <li>● Interventional platform with co-located procedural and related support</li> </ul>
<ul style="list-style-type: none"> <li>● No coherent ambulatory “vision”; ambulatory services still in multiple locations</li> </ul>	<ul style="list-style-type: none"> <li>● Ambulatory services, integrated, accessible, often in single center</li> </ul>
<ul style="list-style-type: none"> <li>● Access from parking not always direct; difficult way finding</li> </ul>	<ul style="list-style-type: none"> <li>● Proximate parking, easy way finding</li> </ul>
<ul style="list-style-type: none"> <li>● No consistent strategy for faculty officing</li> </ul>	<ul style="list-style-type: none"> <li>● Dedicated physician office locations, not co-mingled in clinical areas</li> </ul>
<ul style="list-style-type: none"> <li>● On-stage, (public) and off-stage (service) functions intermingled</li> </ul>	<ul style="list-style-type: none"> <li>● On-stage, off-stage functions separate</li> </ul>
<ul style="list-style-type: none"> <li>● Few amenities, especially in inpatient areas</li> </ul>	<ul style="list-style-type: none"> <li>● Strong patient &amp; family amenities</li> </ul>
<ul style="list-style-type: none"> <li>● Privacy lacking in waiting, reception, prep/recovery areas</li> </ul>	<ul style="list-style-type: none"> <li>● HIPAA sensitive privacy in the patient areas</li> </ul>

\* Also applies to community hospitals

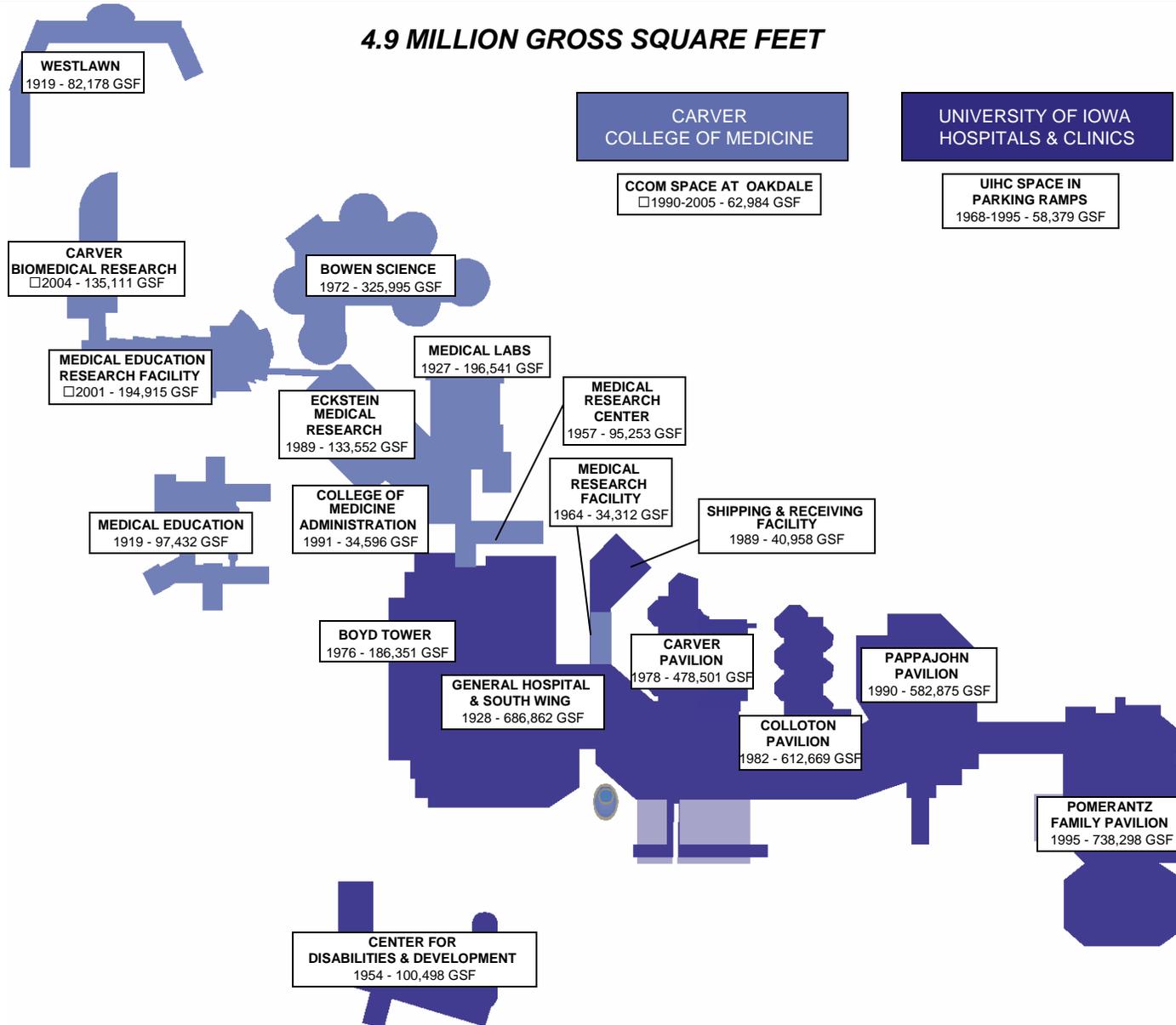
# ***Benefits Of Single/Private Rooms Versus Double Patient Rooms***

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- Substantially improves patient **privacy**
- Helps ensure **confidentiality** of patient information
- **Reduces** hospital-acquired **infections**
- Aids in **avoiding** medication and transfusion **errors**
- Provides **easier access** to patients **in emergent situations**
- **Reduces** patient **falls**
- Single-bed patient rooms are **quieter**
- **Reduces** need for patient **transfers**
- Provides greater opportunities for **family-centered care**
- Improves **patient satisfaction** with care

# University of Iowa Health Care

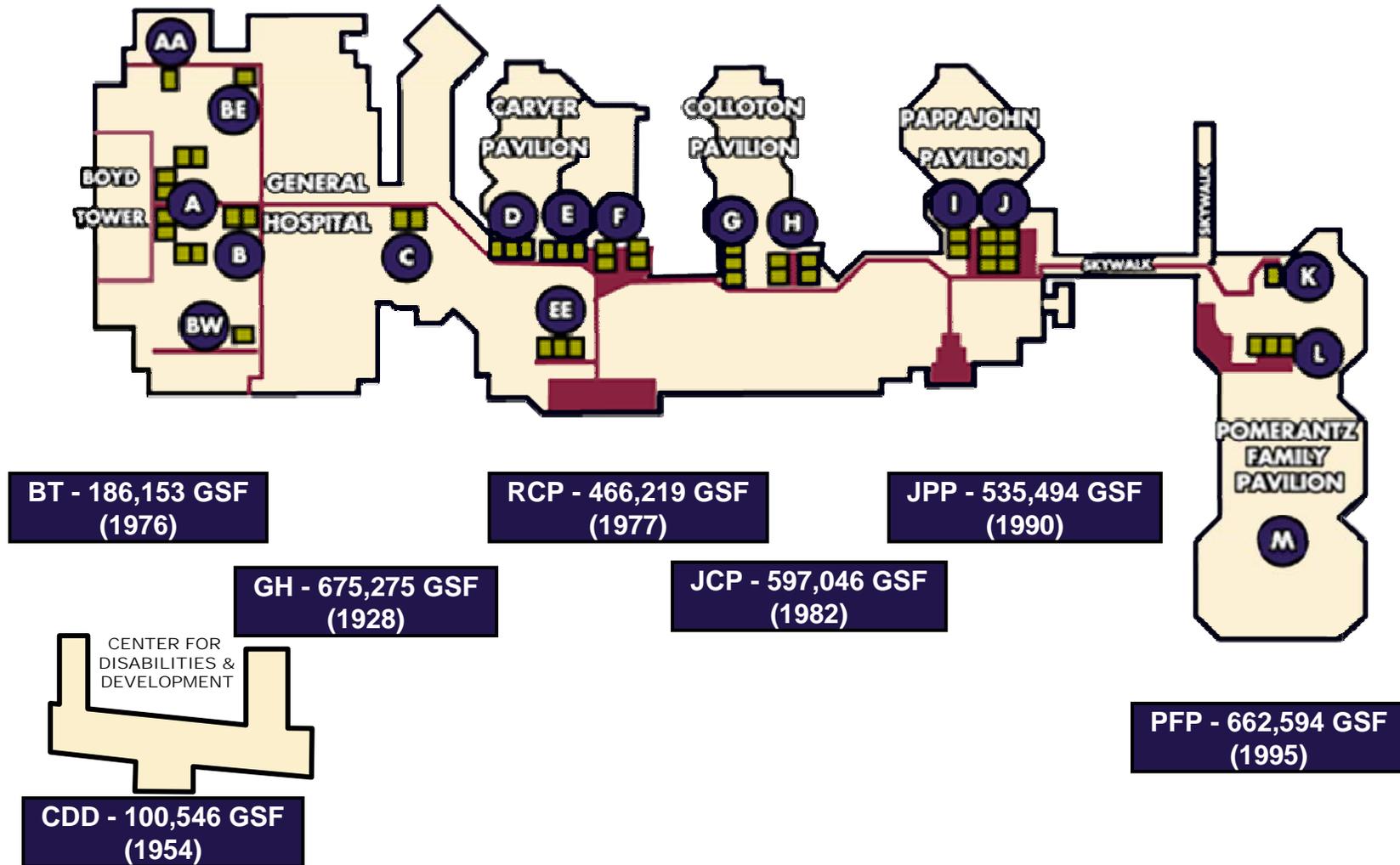
## Size and Age of Facilities



# University of Iowa Hospital and Clinics

## Size and Age of Facilities

University of Iowa Hospitals and Clinics - 3.5 Million Gross Square Feet



# Site Assessment



Existing at UIHC	“State of the Art” (for large tertiary AMC)
<ul style="list-style-type: none"> <li>● 100 acres for UI Health Sciences, not all developable; <b>~37 acres UIHC</b></li> <li>● Potential (but not immediate) opportunity to acquire adjacent parcels</li> </ul>	<ul style="list-style-type: none"> <li>● <b>120+ acres</b> campus size for comprehensive AMC, including research labs</li> </ul>
<ul style="list-style-type: none"> <li>● Hospital <b>expansion constrained by multiple factors:</b> building, ramps, roads, utilities, IT</li> </ul>	<ul style="list-style-type: none"> <li>● Clear, <b>unhindered zones for development</b></li> </ul>
<ul style="list-style-type: none"> <li>● <b>Poor street alignment &amp; traffic separation</b></li> <li>● <b>Congested external access routes</b></li> <li>● Limited visibility of front door</li> </ul>	<ul style="list-style-type: none"> <li>● Easy vehicular access, <b>clear circulation &amp; separation of traffic</b> types (patient, service, ambulance)</li> </ul>
<ul style="list-style-type: none"> <li>● <b>Limited visibility</b> from primary south and east roadways (Melrose, Grand)</li> </ul>	<ul style="list-style-type: none"> <li>● <b>High visibility</b></li> </ul>
<ul style="list-style-type: none"> <li>● Parking adequate, but <b>not convenient</b> for ambulatory care (esp. Pomerantz) and stacking space is tight</li> </ul>	<ul style="list-style-type: none"> <li>● Adequate parking <b>proximate</b> to key entrances (main, amb., ED)</li> </ul>
<ul style="list-style-type: none"> <li>● Strong “spine” in pavilions; extends to Pomerantz; less clarity in General and Boyd</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Development along a clear circulation axis;</b> may be 1 bldg, interconnected bldg or freestanding</li> </ul>

# Main Campus Facility Planning

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- *Service-driven facility*
- *All-private patient rooms*
- *A comprehensive Children's Hospital*
- *Critical Care tower*
- *Renovation of existing facilities*
- *A compelling yet flexible future vision*

## Representative Capital Construction Projects In Planning or Under Development at Major Teaching Hospitals



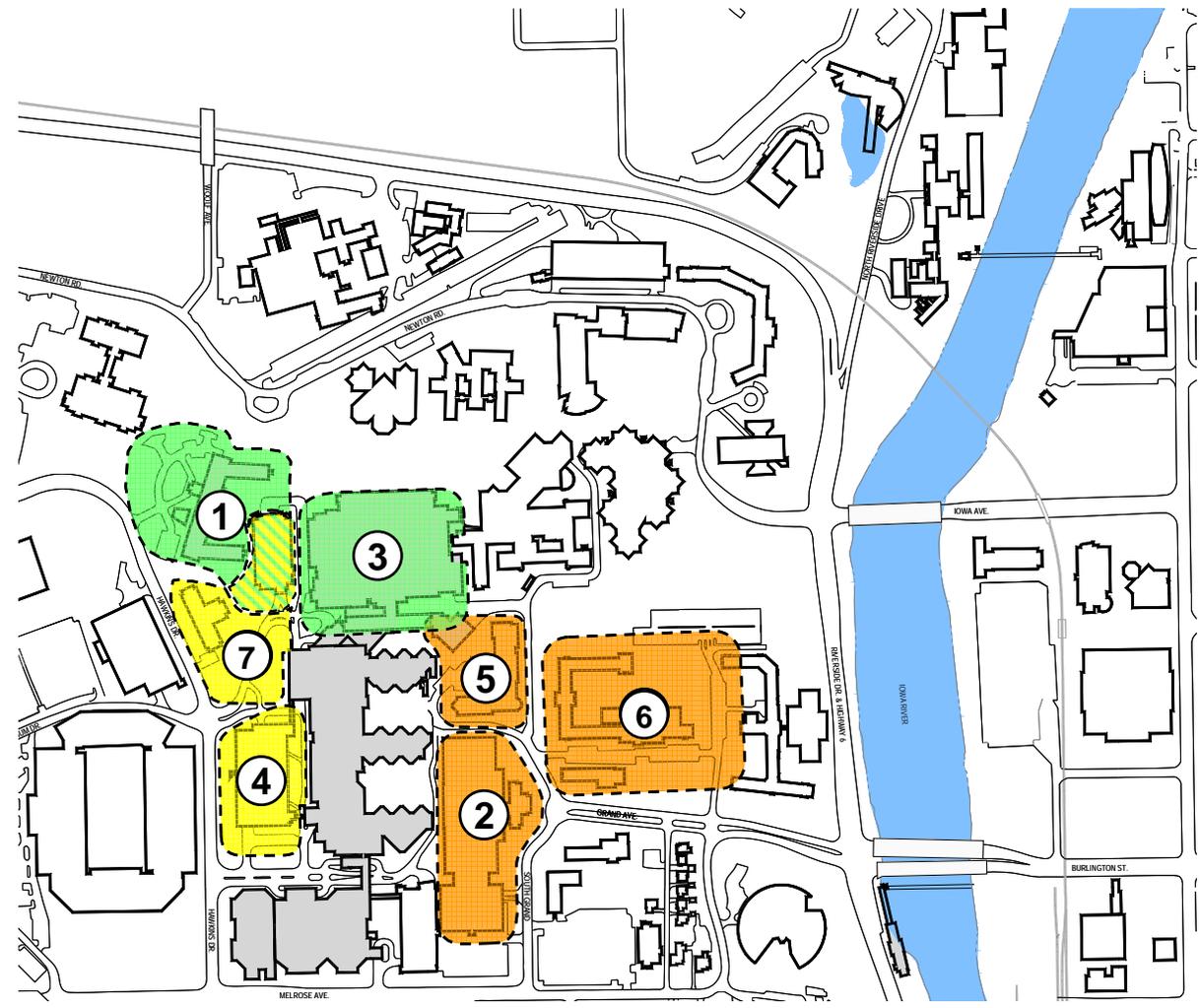
Hospital	Project Scope	Cost	Schedule/Status
Emory University Atlanta, GA	700-bed replacement hospital, outpatient clinic, medical office building, medical research facility	\$2.2 B	Phased construction over 10 –year period
Texas Children’s Hospital Houston, TX	141-bed maternity center; 400,000 GSF, neurological institute; and, 96-bed satellite children’s hospital	\$1.5 B	Completion in 2011
U. of California San Francisco, CA	183-bed children’s hospital, 36-bed women’s hospital, 70-bed cancer hospital, related ambulatory care clinics, central utility plant, and site infrastructure	\$1.3 B	Completion in 2012
Stanford Hospital Palo Alto, CA	158-bed addition to Stanford Hospital, 104-bed addition to Lucile Salter Packard Children’s Hospital, major renovation	\$1.1 B	Completion in 2015
University Hospitals Cleveland, OH	200-bed cancer hospital, new NICU, outpatient facilities, major ED expansion, technological enhancements	\$1 B	Completion in 2011
Rush University Chicago, IL	Replacement hospital including 10-story inpatient tower, interventional platform for surgery, imaging and special procedures, orthopaedic clinic building, emergency services facility, major renovation of existing buildings, new power plant and parking facilities	\$810 M	Completion in 2012
Ohio State University Columbus, OH	10-story cancer hospital tower, two-story addition to heart hospital, digestive health center, expansion of imaging and outpatient facilities, faculty office building, chiller plant, and two parking garages	\$780 M	Phased construction through 2020
Children’s Memorial Chicago, IL	275-bed (all private rooms) replacement hospital. 1.1 Million GSF	\$750 M	Open in 2012
U. of Michigan Ann Arbor, MI	1 Million GSF replacement children’s and women’s hospital and new cardiovascular center	\$725 M	Open in 2011
U. of Pittsburgh Pittsburgh, PA	235-bed children’s hospital, 480,000 GSF ambulatory care center, 300,000 GSF biotechnology center, major renovation of existing buildings	\$575 M	Completion in 2008
U. of Chicago Chicago, IL	New pavilion, additional beds, ORs	\$500 M	Early conceptual planning
U. of Connecticut Farmington, CT	352-bed replacement hospital (546,000 GSF), including 128 expansion beds, operating suite, emergency department, radiology, lobby/entry, and renovated cardiology/cancer centers, clinical lab, and cafeteria	\$495 M	Seeking State bonding support
Yale-New Haven New Haven, CT	112 bed cancer hospital, outpatient treatment rooms, expanded ORs, infusion suites, diagnostic imaging, specialized women’s center, and radiation therapy	\$467 M	Open in 2009
U. of Miami Coral Gables, FL	144-bed teaching hospital to replace two existing university specialty hospitals	\$459 M	Completion in 2010
Shands Healthcare Gainesville, FL	200-bed addition to cancer hospital	\$250-\$300 M	Start Construction in 2006

\* Source: “Regional News” and “Daily Dose,” *Modern Healthcare*, September 2005 – December 2006, issues; *Children’s Hospitals Today*, Vol. 14, Summer, 2006; *Hospital and Health Networks*, October, 2006; *Houston Chronicle*, October, 2006, *USA Today*; and institutional web pages.

# Campus Opportunity Zones

-  Northwest Option
-  West Option
-  East Option
-  Overlap zones 1, 3 & 7

- ① Center For Disabilities & Development – 6 acres
- ② Field House – 5 acres
- ③ General Hospital/ Boyd Tower – 5 acres
- ④ Hospital Parking Ramp 2-3 acres
- ⑤ College of Pharmacy – 3 acres
- ⑥ Dormitories – 8 acres
- ⑦ Speech & Hearing and Hospital Parking Ramp 1 – 4.7 acres



# *The Journey*

- We're charting a course for the future of UI Health Care
- We have an urgent need to proceed with main campus planning
  - Planning for new Critical Care tower
  - Planning for new Children's Hospital
  - Renewing and reusing existing facilities
  - Plan for vehicular access and parking to accommodate patients and their families, faculty and staff
- We're continuing with ambulatory care planning

# ***Financial Update***

# UIHC Comparative Financial Results

Fiscal Year to Date December 2007



<b>NET REVENUES:</b>	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$405,213	\$404,305	\$367,396	\$908	0.2%	\$37,817	10.3%
Appropriations	7,024	7,024	6,703	0	0.0%	321	4.8%
Other Operating Revenue	21,488	21,121	19,290	367	1.7%	2,198	11.4%
<b>Total Revenue</b>	<b>\$433,725</b>	<b>\$432,450</b>	<b>\$393,389</b>	<b>\$1,275</b>	<b>0.3%</b>	<b>\$40,336</b>	<b>10.3%</b>

<b>EXPENSES:</b>	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Salaries and Wages	220,956	\$225,394	\$198,735	(\$4,438)	-2.0%	\$22,221	11.2%
General Expenses	162,355	159,307	143,903	3,048	1.9%	18,452	12.8%
Operating Expense before Capital	383,311	384,701	342,638	(1,390)	-0.4%	40,673	11.9%
<b>Cash Flow Operating Margin</b>	<b>50,414</b>	<b>47,749</b>	<b>50,751</b>	<b>2,665</b>	<b>5.6%</b>	<b>(337)</b>	<b>-0.7%</b>
Capital- Depreciation and Amortization	34,033	32,060	27,844	1,973	6.2%	6,189	22.2%
Total Operating Expense	\$417,344	\$416,761	\$370,482	\$583	0.1%	\$46,862	12.7%

<b>Operating Income</b>	<b>\$16,381</b>	<b>\$15,689</b>	<b>\$22,907</b>	<b>\$692</b>	<b>4.4%</b>	<b>(\$6,526)</b>	<b>-28.5%</b>
<b>Operating Margin %</b>	<b>3.8%</b>	<b>3.6%</b>	<b>5.8%</b>	<b>0.2%</b>	<b>5.6%</b>	<b>-2.0%</b>	<b>-34.5%</b>
Gain (Loss) on Investments	10,873	10,311	11,069	562	5.4%	(196)	-1.8%
Non-Recurring Items	-	-	-	0	0.0%	0	0.0%
<b>Net Income</b>	<b>27,254</b>	<b>26,000</b>	<b>33,976</b>	<b>1,254</b>	<b>4.8%</b>	<b>(6,722)</b>	<b>-19.8%</b>
<b>Net Margin %</b>	<b>6.1%</b>	<b>5.9%</b>	<b>8.4%</b>	<b>0.2%</b>	<b>3.4%</b>	<b>-2.3%</b>	<b>-27.4%</b>

NOTE: all dollar amounts are in thousands

# UI Health Care Consolidated Financial Statement

July 2007 through December 2007



	UIHC	UIP	Eliminations	CLINICAL TOTAL (w/ eliminations)	CCOM	Eliminations	TOTAL (w/ eliminations)
<b>Operating Revenue</b>							
Patient Revenues	\$ 869,419,962	\$ 287,313,581	\$ -	\$ 1,156,733,543	\$ -	\$ -	\$ 1,156,733,543
Total Allowances /Adjustments	(464,206,999)	(202,385,044)	-	(666,592,043)	(156,742)	-	(666,748,784)
Net Patient Revenue	\$ 405,212,963	\$ 84,928,537	\$ -	\$ 490,141,501	\$ (156,742)	\$ -	\$ 489,984,759
State Appropriation/General Education Fund	\$ 3,580,810	\$ -	\$ -	\$ 3,580,810	\$ 31,976,074	\$ -	\$ 35,556,884
Gift	905,567	-	-	905,567	3,756,119	-	4,661,686
Grants	2,537,712	-	-	2,537,712	79,263,567	-	81,801,279
Other Operating Revenue	21,487,726	23,594,005	(29,017,202)	16,064,529	20,687,251	(4,205,487)	32,546,293
Total Net Operating Revenue	\$ 433,724,778	\$ 108,522,543	\$ (29,017,202)	\$ 513,230,119	\$ 135,526,270	\$ (4,205,487)	\$ 644,550,901
<b>Operating Expenses:</b>							
Salary, Benefits, and Contract Labor	\$ 220,956,343	\$ 77,849,429	\$ -	\$ 298,805,771	\$ 95,775,688	\$ -	\$ 394,581,460
Supplies and Drugs	82,577,568	2,648,740	(3,829)	85,222,479	17,353,971	-	102,576,449
Services	34,087,921	3,497	(19,387,365)	14,704,052	2,486,998	-	17,191,050
Capital Expenses	25,537,956	452,286	(1,081,925)	24,908,318	1,130,632	-	26,038,950
Insurance	428,608	1,116,755	-	1,545,363	(389,986)	-	1,155,377
Licenses, Fees and Other Expenses	13,787,279	23,586,570	(17,750,490)	19,623,359	28,356,201	5,351,524	53,331,084
Administrative Services - UI	5,934,619	1,659,948	(350,604)	7,243,963	43,272	-	7,287,235
Total Operating Expense.....	\$ 383,310,294	\$ 107,317,224	\$ (38,574,213)	\$ 452,053,306	\$ 144,756,776	\$ 5,351,524	\$ 602,161,605
Cash Flow Operating Margin	\$ 50,414,484	\$ 1,205,319	\$ 9,557,011	\$ 61,176,813	\$ (9,230,506)	\$ (9,557,011)	\$ 42,389,296
Capital Costs (Deprec, Amort, & Int Exp)	\$ 34,033,611	\$ -	\$ -	\$ 34,033,611	\$ 666,439	\$ -	\$ 34,700,051
Operating Income (Loss)	\$ 16,380,872	\$ 1,205,319	\$ 9,557,011	\$ 27,143,202	\$ (9,896,946)	\$ (9,557,011)	\$ 7,689,245
Gain (Loss) on Investments	\$ 10,873,253	\$ -	\$ -	\$ 10,873,253	\$ 1,791,296	\$ -	\$ 12,664,549
Net Income (Loss).....	\$ 27,254,125	\$ 1,205,319	\$ 9,557,011	\$ 38,016,455	\$ (8,105,650)	\$ (9,557,011)	\$ 20,353,794
Net Income Margin %.....	6.28%	1.11%		7.25%	-5.90%		3.10%

# UI Health Care Balance Sheet

As of December 31, 2007



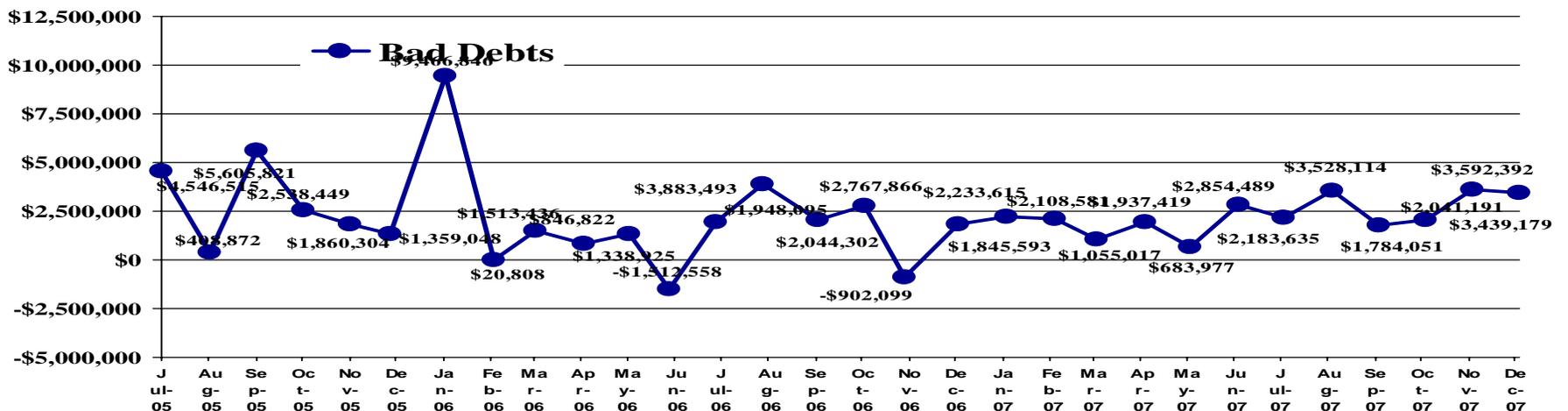
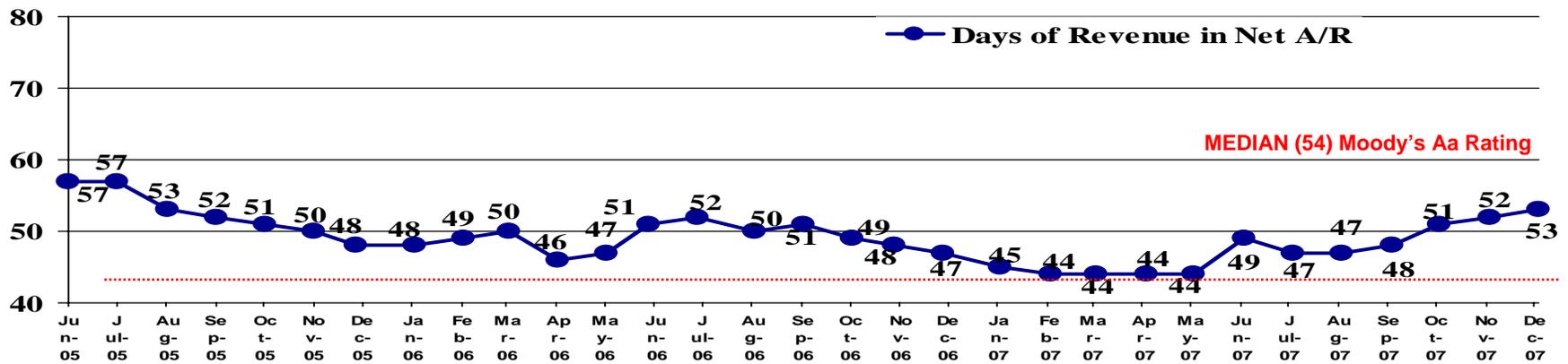
ASSETS	UIHC	UIP	Eliminations	CLINICAL TOTAL (w/ eliminations)	CCOM	Eliminations	TOTAL (w/ eliminations)
<b>Current Assets</b>							
Total Cash & Short-Term Investments.....	\$75,269,272	\$15,282,479		\$90,551,751	\$98,837,757		\$189,389,508
Net Patient Receivables.....	141,098,203	17,307,821		158,406,025	(1,084,374)		157,321,651
Other Current Assets.....	37,937,825	863,910		38,801,735	1,028,314		39,830,049
Due from Related Parties - UIHC, UIP, CCOM, and University.....		17,612,597	(17,612,597)		3,084,030	(3,084,030)	
<b>Total Current Assets.....</b>	<b>\$254,305,300</b>	<b>\$51,066,808</b>	<b>(\$17,612,597)</b>	<b>\$287,759,511</b>	<b>\$101,865,727</b>	<b>(\$3,084,030)</b>	<b>\$386,541,208</b>
<b>Designated Assets</b>							
Investments in United States Government and Other Securities Held for Plant Replacement and Improvement and Bond Funds .....	\$428,785,271			\$428,785,271	\$23,843,522		\$452,628,792
<b>Long - Term Assets</b>							
Net Plant and Equipment.....	\$496,075,497			\$496,075,497	\$28,341,255		\$524,416,751
Other Long Term Assets.....	\$1,024,682			\$1,024,682			\$1,024,682
<b>TOTAL UNRESTRICTED ASSETS.....</b>	<b>\$1,180,190,750</b>	<b>\$51,066,808</b>	<b>(\$17,612,597)</b>	<b>\$1,213,644,961</b>	<b>\$154,050,503</b>	<b>(\$3,084,030)</b>	<b>\$1,364,611,434</b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>Current Liabilities</b>							
Current Portion of Long Term Debt.....	2,864,018			2,864,018			
Accounts Payable .....	32,155,112	198,427		32,353,539	4,063,436		36,416,975
Accrued Payroll Expenses and Interest Payable & Other Current Liab.....	71,517,661	12,698,814		84,216,475	35,574,704		119,791,178
Due to Related Parties - UIHC, UIP, CCOM, and University.....	25,266,311		(17,612,597)	7,653,714		(3,084,030)	4,569,684
<b>Total Current Liabilities.....</b>	<b>\$131,803,102</b>	<b>\$12,897,241</b>	<b>(\$17,612,597)</b>	<b>\$127,087,746</b>	<b>\$39,638,139</b>	<b>(\$3,084,030)</b>	<b>\$163,641,855</b>
<b>Long Term Liabilities</b>							
Long-Term Debt, excluding current installments.....	\$76,904,796			\$76,904,796	\$20,118,730		\$97,023,525
Fund Balance.....	\$971,482,853	\$38,169,567		\$1,009,652,419	\$94,293,634		\$1,103,946,053
<b>TOTAL UNRESTRICTED LIABILITIES AND FUND BALANCE.....</b>	<b>\$1,180,190,750</b>	<b>\$51,066,808</b>	<b>(\$17,612,597)</b>	<b>\$1,213,644,961</b>	<b>\$154,050,503</b>	<b>(\$3,084,030)</b>	<b>\$1,364,611,434</b>

# Comparative Accounts Receivable

At December 31, 2007



	June 30, 2006	June 30, 2007	December 31, 2007
Net Accounts Receivable	\$95,976,921	\$101,254,328	\$115,054,571
Net Days in AR	51	49	53



# Volume Indicators

July 2007 through December 31, 2007



	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Admissions	14,636	13,740	13,711	896	6.5% ●	925	6.7% ●
Patient Days	96,467	88,648	91,156	7,819	8.8% ●	5,311	5.8% ●
Length of Stay	6.59	6.45	6.65	0.14	2.2% ○	(0.06)	-0.9% ○
Average Daily Census	524.28	481.78	495.41	42.49	8.8% ●	28.86	5.8% ●
Surgeries – Inpatient	5,622	5,849	5,398	(227)	-3.9% ●	224	4.1% ●
Surgeries – Outpatient	5,619	5,813	5,363	(194)	-3.3% ●	256	4.8% ●
Emergency Treatment Center Visits	21,668	19,299	19,050	2,369	12.3% ●	2,618	13.7% ●
Outpatient Clinic Visits	349,318	346,938	338,692	2,380	0.7% ○	10,626	3.1% ●
Case Mix	1.7783	1.7994	1.7598	(0.0211)	-1.2%	0.0205	1.2%
Medicare Case Mix	1.8969	1.9801	1.9430	(0.0832)	-4.2%	(0.0461)	-2.4%

● Greater than 2.5% Favorable	○ Neutral	● Greater than 2.5% Unfavorable
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# Admissions by Type

July 2007 through December 31, 2007



	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Med/Surg	11,210	10,497	10,389	713	6.8% ●	820	7.9% ●
Psych	1,154	1,085	1,131	69	6.3% ●	23	2.0% ○
Pediatrics w/o Newborn	1,325	1,206	1,223	119	9.8% ●	102	8.3% ●
<i>Newborn</i>	700	685	690	15	2.2% ○	10	1.4% ○
OB	947	951	968	(4)	-0.4% ○	(21)	-2.2% ○
<b>TOTAL w/o Newborn</b>	<b>14,636</b>	<b>13,740</b>	<b>13,711</b>	<b>896</b>	<b>6.5% ●</b>	<b>925</b>	<b>6.7% ●</b>

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Average Length of Stay by Type

Year to date through December 31, 2007



	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Med/Surg	5.68	5.55	5.71	0.13	2.3% ○	(0.03)	-0.5% ○
Psych	9.88	10.20	9.79	(0.32)	-3.1% ●	0.09	0.9% ○
Pediatrics w/o Newborn	13.55	13.14	13.96	0.41	3.1% ●	(0.41)	-2.9% ●
<i>Newborn</i>	2.12	2.25	2.24	(0.13)	-5.8% ●	(0.12)	-5.4% ●
OB	3.66	3.63	3.83	0.03	0.8% ○	(0.17)	-4.4% ●
<b>TOTAL w/o Newborn</b>	<b>6.59</b>	<b>6.45</b>	<b>6.65</b>	<b>0.14</b>	<b>2.2%</b> ○	<b>(0.06)</b>	<b>-0.9%</b> ○

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Emergency Treatment Center

July 2007 through December 31, 2007



	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
ETC Visits	21,668	19,299	19,050	2,369	12.3% ●	2, 618	13.7% ●
ETC Admits	5,927	5,610	5,500	317	5.7% ●	427	7.8% ●
Conversion Factor	27.4%	29.1%	28.9%		-5.9% ●		-5.3% ●
ETC Admits / Total Admits	40.5%	40.8%	40.1%		-0.8% ○		1.0% ○

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable