

BOARD OF REGENTS, STATE OF IOWA
University of Iowa
Iowa City, Iowa

**University of Iowa Hospitals and Clinics
Executive Board Committee**
Memorial Union
R. Wayne Richey Ballroom

February 2, 2005 – 3:15-5:15 p.m.

Committee members present: Amir Arbisser, (Chair), Owen Newlin, Rose Vasquez, President Robert Downer, (ex officio)

Regent Arbisser convened the meeting at 3:24 p.m.

H&C 1. Minutes from November 3, 2004 Committee Meeting

Meeting notes will be available at a later date.

President Skorton made introductory remarks that focused on two features of the UIHC report.

In addition to the usual update on programmatic and financial issues, Director Donna Katen-Bahensky and her colleague, Jean Robillard, will report on continued progress on the strategic plan for UIHC. President Skorton recognized the collaborative fashion in which the Carver College of Medicine and the UIHC have worked together on strategic planning processes for these programs that are so interdependent.

Secondly, pursuant to requests from Board members and especially interactions with Regent Arbisser, UIHC will review the Purchase Services Agreement or the Sharing Agreement between not only the UIHC and the Carver College of Medicine but UIHC and other elements of the university, including the Central University Administration.

H&C 2. Director's Report

Director Katen-Bahensky welcomed Regent Gartner, saying they looked forward to giving him a good orientation at the Hospital.

She also thanked the individuals that toured the Center of Excellence in Imagine Guided Radiation Therapy. Each member will be receiving an invitation for the grand opening on June 17, 2005.

Director Katen-Bahensky reviewed the agenda for the meeting.

- During the Director's Quarterly Report, Dean Robillard will discuss faculty leadership recruitment.
- The Hospital Strategic Plan discussion will focus around the Hospital's new vision statement.
- Mr. Anthony DeFurio and Ms. Ann Madden-Rice will discuss the November, 2004 Update on Operations, Programs and Finances. It contains very good data, including metrics and challenges. Regent Forsyth asked at the last meeting for UIHC to address challenges related to the scorecard.
- Mr. Staley will be presenting the Ten Year Capital Plan. This plan includes both capital facilities, as well as equipment.
- President Skorton will discuss the transfer of dollars for purchase services between the UIHC and the University.

Site Visit

Director Katen-Bahensky said in December, the Joint Commission for the Accreditation of Health Care Organizations, made three year site visits to survey the Hospital. They had six surveyors present for a period of five days. She reported that the Hospital received a full three-year accreditation. She thanked Regents Arbisser and Downer for joining; saying it meant a lot to the surveyors to know that the Board membership was interested.

There are some areas in need of improvement. At the May meeting, when the full report is available, the UIHC will be able to report on the game plan for improving those areas.

On the last day of the site visit, the surveyors commented that all of the patients and family members that they spoke to during that week all had nothing but wonderful things to say about the quality of care that was received.

Recruitment

Dean Robillard introduced department heads present at the meeting. Dr. Paul Rockman, the chair of Internal Medicine; Dr. Dick Williams, chair of Urology; Dr. Jody Buckwalter, chair of Orthopedics; and Dr. Buck Robinson, chair of Psychiatric. He said these departments are recognized as the best at the College of Medicine and nationally. The University presently has eight departments that rank among the best 10 in the country and 13 among the best 15. Among the department heads at the meeting, Urology is ranked 8th among public universities. Internal medicine is ranked 11th, Orthopedics is ranked 1st and Psychiatry is ranked 11th among public universities.

In terms of recruitment being completed, Dean Robillard feels they have completed recruitment in Family Medicine. There is an agreement with Dr. Paul James, who is a

recognized researcher in health services research, although his appointment has not been approved by all the different groups that need to approve it, including the Board of Regents.

They are close to making a final decision about recruitment in Physiology and Anesthesiology. They are proceeding rapidly for recruitment in Ophthalmology, Dermatology and Surgery.

Director Katen-Bahensky said it was announced at the last meeting that Dr. Michael Ortman had accepted the position as the chair of Pediatrics. He started on January 10, 2005, and is already busy within the department.

She reported that Dr. Rothman is trying to finalize recruitment of the new division head for Cardiology.

Dr. Dion Skeet, an individual who has been at the Hospital for a couple of years, has accepted the position as Director of Trauma Services. Dr. Skeet is undertaking this position to help the Hospital get ready for an upcoming visit from the American College of Surgeons for a Level 1 Trauma designation.

The Department of Surgery has successfully recruited a new transplant surgeon from the University of Minnesota, who will be coming April 11, 2005, to begin pancreas transplants, which is the new surgeon's primary area of interest.

A new member has been recruited for Hospital Administration who is not present today; the Senior Assistant Hospital Director from South Carolina, Mr. Tim Galliard. He will be responsible for Guest Services, Procurement, Housekeeping and many of the support service areas.

Medicaid Issues/Indigent Patient Care Program

Director Katen-Bahensky said that President Skorton, Mr. Stacey Cyphert and herself have spent a great deal of time working on the state's Medical Assistance Crisis Intervention Team and finalizing the report that went to the Governor and Legislature.

Pursuing Excellence

Director Katen-Bahensky indicated that one major area of discussion is an adult-patient and family advisory council for people who are either long term patients, patients' families, or individuals interested in helping the Hospital improve its care and become more patient and family-centered.

Director Katen-Bahensky stated that Regents Downer and Arbisser attended a national meeting with the senior leadership team of the Hospital and College to discuss the future of funding the academic mission. As reimbursements continue to be threatened, the issue affects both recruitment and retention of good faculty and staff.

Leadership Development

Director Katen-Bahensky said that great companies know that development of leaders throughout an organization is important. The Hospital has two formal programs in the organization. One is the Institutional Leadership Development Program and the second is the Clinical Nurse Leadership Development Academy. The program provides financial management, marketing, managed care operations and performance improvement. To date, there are 180 graduates of ILDP and 130 of the Clinical Nurse Leadership Development Academy.

Those individuals are then called upon for informal positions and committees, as well as formal positions over time. They are trying to get their “bench strength” out there and be much stronger throughout the organization at all levels.

Workplace of Choice

Director Katen-Bahensky said the Hospital presented a new award to faculty and staff nominated by their peers, called the “Hearts and Hands Award”. Exceptional volunteer efforts to the local, regional and national communities are recognized. Three of those nominees that received the Hearts and Hands Awards included: Mr. Ray Haas, Human Resources Department and his wife, who rode their bicycles across the country to raise funds for Habitat for Humanity; and Dr. Dick Williams, the department head of Urology, who traveled for the past 17 years to Haiti to provide urology care and surgical procedures.

There has also been given a number of nursing excellence awards for clinical education, recognizing nurses who gave their time to mentor nursing students and those becoming involved in research.

Community Engagement

President Skorton has announced that 2005 will be the University’s year of public engagement. They applaud this effort and have already begun to spend more time out in the community. They continue to be involved in the Chamber of Commerce Community Leadership Program and actually sponsored the Health Care Day in conjunction with the other two hospitals in Iowa City. In December, they had the Annual Friends of the UIHC Meeting, where they were able to brief friends from around the state.

Regent Arbisser congratulated her on the ongoing successes in many areas and for the excellence so many of the departments have demonstrated.

H&C 3. Strategic Plan Development Update – External Assessment

Director Katen-Bahensky stated the hospital had completed the “where are we” interviews, data analysis and identification of issues. They are now moving to “where we want to be” and have looked at the mission and are looking at the vision statements. A culture statement

is being developed, with strategy teams looking at implementation plans and financial implications.

Regent Downer said he was pleased with the culture statement. He suggested in the second bullet on page 7, saying “Emphasize partnership and interdisciplinary approach...” that the words “collaboration”, partnership collaboration be added.

Regent Downer asked if another bullet regarding diversity of backgrounds, culture and beliefs could be added. He said he felt it was important that people knew the Hospital believed in that.

Regent Downer also commented on the values statement, which he didn’t see in the packet. Director Katen-Bahensky said they were not writing a new statement, as they already had an existing value statement at the Hospital. Regent Downer asked what it said. She said that they value and respect privacy, integrity, honesty in the workplace. Regent Downer felt that the values statement should become a part of the plan. Ms. Katen-Bahensky said it would, that this was just to get the Board to the assessment piece and that the full plan will be out in May.

Director Katen-Bahensky said the key findings from the surveys included an emphasis on service; focus on the patient and the entire experience of the patient; and recruitment and retaining of top faculty.

Director Katen-Bahensky said one very difficult item under Clinic Service Lines is identifying priority service lines and securing and enhancing their strength. Unlike community hospitals, where it may be easier to make decisions about what is to be emphasized, the state has come to count on the Hospital to have the wide range and comprehensive range of services.

Director Katen-Bahensky continued by saying the Hospital needs to keep information and information technology current. Right now they are evaluating the plan for Information Systems. They will look at that again vis-à-vis the strategic plan to make sure they are supporting what they are trying to do in Information Systems.

The community and Board asked that UIHC get very involved in economic development, which is a priority for the University’s strategic plan, as well as for the Regents’ strategic plan. UIHC will be spending more time talking about that in the senior leadership on how to become more involved in economic development.

For the Board/Community Interview Summary, the UIHC wanted to be more available to local communities. Director Katen-Bahensky thought that everyone from the senior leadership is out in the community and much more actively involved than they have been in the past.

Regent Arbisser asked about the bullet point of developing true partnerships. In addition to providers and employers, there are other intermediaries, such as insurance companies. He wondered if that statement should be broadened. Ms. Katen-Bahensky said that these were the responses that came back from people.

There was a lot of emphasis in the communities about telling the UIHC story and making sure the people knew about the great things that the UIHC does. The community also thought the UIHC should be more available to talk to people in other communities and do more advertising, marketing, etc.

There was a great deal of emphasis on making sure that UIHC eliminate duplication of services, trying to become more cost effective. They are working to accomplish that.

Director Katen-Bahensky said she felt the mission statement is very solid and describes very well what the mission is, around the areas of education, research and patient care and providing care to those who are unable to pay.

They have developed a new vision statement, which is more focused.

“That people choose” is another piece that is important to UIHC. This is much more proactive, with patients saying “I want to go to the University of Iowa Hospitals and Clinics”, whether it’s to referring physicians, if they need to come for specialty services, if it’s insurance companies, if it’s payors, if it’s employers, family members, friends. They want people to actively choose this hospital for specific reasons.

The second part of the vision is to be an internationally recognized academic medical center in partnership with the Carver College of Medicine.

Regent Arbisser said they are the University of Iowa Hospital and instead of saying “people”, perhaps consider the concept of “Iowans and others”. That is really who UIHC is there to serve. The fact that we know UIHC takes care of patients from New York and Malaysia is terrific and they’re here by choice. But they want Iowans to choose UIHC to keep the focus on being an Iowa hospital.

Director Katen-Bahensky agreed that the “for Iowans” is one of those things that they have spent a lot of time talking about.

Regent Vasquez asked if there is a way to figure out who is going to Mayo Clinic as opposed to University Hospitals, when they can easily make the drive to UIHC. She asked if anyone over the years tried to figure out what the out-migration is.

Director Katen-Bahensky said they’ve had more data than ever before, from both the Hospital associations here and Minnesota, about who goes there and how many people leave the state of Iowa to seek their care. The UIHC is actively gathering input from former patients that have been at both places to say that this is a different experience. Some of it centers around service; the use of technology, the interdisciplinary activity. Some of it is just going there because of the “brand.”

Regent Vasquez also asked about the statement that consumers are growing in Iowa, but at a slower rate than nationally. She asked what Director Katen-Bahensky’s definition of “consumer” was. Director Katen-Bahensky responded it was people asking more questions about their care, wanting to be more involved, and getting more data before they come to UIHC. There are a lot more people using the Internet and coming armed with data, about who is doing certain numbers of things, where was my doctor trained, and are they board certified.

Director Katen-Bahensky said that when she says “consumerism”, it’s people being much more active about doing that.

Regent Vasquez said that was her thought and in recognizing that, there would be attempts or efforts, maybe working in tandem with the branding idea, to leverage that concept.

Ms. Katen-Bahensky agreed.

Regent Arbisser said the manner in which UIHC functions in the public arena really affords consumers an extraordinary opportunity to add a lot more data than they can about their community hospitals. These folks are presenting a lot of very specific information about patient care and outcomes, severity of illness that those of us who have been involved with community hospitals, even at the board levels, haven’t typically seen that type of data.

Director Katen-Bahensky said looking ahead at next year’s agenda, one of the presentations will be focused on the varying kinds of quality grading that is being done by external parties.

Regent Newlin asked if he could go back to the vision statement. He said some of the comments made would say that UIHC aspires to be a leader in the State of Iowa, or certainly recognized as a leader in health care. He wanted to know if that that idea could be incorporated in the vision statement. Director Katen-Bahensky said yes and perhaps mix it with what Regent Arbisser mentioned.

Director Katen-Bahensky said they would complete the work, take the final strategies to the internal teams and then develop an implementation plan and financial implications. That will be done before coming back to the Committee. The Committee will get a more complete presentation in May.

H&C 4. November 2004 Update on University Hospitals Operations, Programs and Finances and Quarterly Scorecard.

Ms. Ann Madden-Rice provided a summary of the Institutional Scorecard, which indicates how they are doing. It is represented graphically, with progress represented as a percentage of 100% achievement shown for every indicator. If UIHC achieved every possible indicator and achieve balance between the four quadrants, it would be a perfect blue circle that reaches the outer limit.

In looking at the spider diagram, there are a few gaps between where they are and where they want to be.

- Workplace of Choice – The focus currently is on employee commitment.
- Pursuing Excellent – The focus is on patient safety and quality.
- Improving Efficiencies – The focus is on patient access and throughput.
- Financial Strength – The focus is on management revenues and expenses.

Workplace of Choice

Employee and RN vacancy rates, which have been tracked for several quarters, are outperforming the benchmarks that were laid out. The RN vacancy rate at the end of September was down to 3.5%, low by national comparisons where the rates are estimated to be in the low teens.

At the suggestion of the Committee, they began tracking turnover rates for 2005, balancing that with what they were seeing with vacancy rates. The UIHC is finding vacancy is more seasonal than was expected in the summer months and the start of the school year. It was also determined that UIHC needs to improve the tools for measuring staff commitment and turnover, as well as the need to offer more management training to supervisors and managers.

Regent Vasquez asked why the percentages on page 4 didn't match with the Institutional Score Card. Ms. Madden-Rice said the RN turnover rate was 64.8% and then look at page 4 for September 30, 2004, the turnover rate was 4.01%. The target was to get it down to 2.6%. That shows they were missing the target by roughly 1/3 over target. That is done so they can all be scaled on the same chart. Regent Vasquez thought it looked worse on the Institutional Scorecard and Ms. Madden-Rice explained it represented 64% on the way to their goal.

Pursuing Excellence

Some new metrics have been added that have not been reported to the Committee previously. The three new ones are:

- the medication safety index,
- a new joint commission reporting requirement for pneumonia care, and
- the observed/expected mortality rate

The reporting of all three indicators reflects a national movement and UIHC's commitment to provide more transparency in reporting quality outcomes to the public and to regulatory agencies. At the University Hospitals, they have taken a very proactive stance in reporting these.

The improvement activities are related to patient safety and quality. Some of these include being multi-disciplinary in approaching care delivery that is coordinating care among clinicians to treat the patient as an entire entity. It also involves using more technology, such as bar coding for blood product administration to reduce medical errors, which is being implemented house-wide next week.

The commitment to patient safety was reaffirmed in recent weeks when UIHC experienced increased levels of legionella in the water.

It is naturally present in water and is incumbent upon UIHC to follow CDC guidelines for monitoring the levels and then having abatement processes and procedures in place.

Improving Efficiencies

This quadrant tracks how well certain resources are being used. In the “observed/expected length of stay ratio”, it tracks how UIHC’s length of stay for acute patients compares with that for similar university health system consortium hospitals. Last year “observed/expected length of stay” was on a risk adjusted basis of the patient’s condition on an internal metric. UIHC beat that challenge by getting the number to 1.0. You can see in 2004 it was down to .98. It was felt there was still more opportunity to reduce length of stay appropriately. UIHC has moved to external benchmarking with the University Health System Consortium. As a result, it looks like performance is declining, with the ratio up to 1.2, but in part because they are now externally benchmarking, so it’s a higher bar to cross.

Regent Arbisser commented that four of the columns have dollar figures. Two look like they are over the benchmark and the medication limits under the benchmark. The costs for adjusted discharge was not what the difference was with those three things.

Ms. Madden-Rice said there were other expenses. What they decided to do was pull out the things they thought needed a lot of attention within the Hospital. If they were more successful on one, they might drop that and add another one. She said they are not additive. She also pointed out that for the cost indicators, in the first quarter of 2005, they were more cost effective than they were for all of fiscal 2004. When you consider the rate of inflation, that represents a lot of work. On the “supply cost per adjusted discharge”, they were at the 80th percentile with the peer group in December, 2002. As of the end of September, that dropped to the 46th percentile. That’s an annualized savings of about \$9.2 million.

Areas of focus for Patient Access and Throughput is to improve particularly the length of stay ratio. A bed placement center was added, which opened a year ago, to get the right patient in the right bed at the right time. They are also considering if there are other entities, such as long term and acute care hospitals that could provide less costly alternatives for post-acute care.

Financial Strength

Mr. DeFurio commented that through the month of November on a year-to-date basis, the UIHC showed remarkable improvement. Top line revenue growth was about 4.3%, which is significant given the reimbursement challenges the UIHC has from governmental payors, as well as the private paying patient base.

On the expense side of the equation, while the UIHC continues to care for an increasing volume of patients, as well as face significant inflationary cost pressures on all of the inputs into the cost structure, expenses incremented by only 3.2% on a year-over-year basis.

If the expense structure item is broken down to those items that are directly controllable, as suggested by the scorecard, the cost inflation year-over-year is actually 2.6%, which is quite good in the current environment.

The combination of the revenue growth and expense control has helped them improve the margin from \$4.4 million through November of last year, up to slightly over \$6 million this year.

Mr. DeFurio discussed the comparative accounts receivable performance and commended Chris Klickgaard and his staff for working to achieve the improvements in cash collections and accounts receivable performance. There has been a slight update from the audit that was reviewed at the morning session. Through November, they have experienced continued improvement and are now down to 64 net days in accounts receivable. When the budget was presented for this year, the goal for year-end was 65 days, so the year-end goal has been beaten by one day.

Regent Arbisser commented this was a graph that everyone should take a moment and review. There was a period a few months back, when it was quite uncomfortable because the account receivables were mounting. During predictable switch-overs to software systems that results in the slowing of cash collections, this is the result of the hard work.

Mr. DeFurio said it was an important reminder to show the complexity of cases that the Hospital treats. The top line represents the average case mix index for a reflection of the acuity of patients that are treated, compared to two external sources. In the case mix index year to date is 1.59. The median index for teaching hospitals in the United States is 1.25 and the median for all other Iowa Hospitals is .97. This is a indication of how complicated the Hospital's cases are compared to other institutions and reflects the difficulty and complexity and also is a pretty direct correlation with the cost of the inputs into providing that care.

He said this particular database contained 1200 teaching hospitals.

H&C 5. Ten Year Capital Plan for Facilities and Equipment

John Staley presented the chart of the total planned capital expenditures for capital projects and for equipment software across the ten year period from the current fiscal year, up through fiscal year 2014. The \$740 million ties back to a figure that Mr. DeFurio presented in an earlier report.

The ten year period also has been broken down into two five year periods, 2005-2009 and the expenditures have been separated by different kinds of capital projects, equipment, and software.

The UIHC was more definitive in the first five years. The allocation of dollars for different capital projects and for capital equipment is all determined on an annual basis, through the annual capital budgeting process. Those decisions are made by the Capital Budget Guidance Team, subject to the approval of the Director. The group is comprised of medical faculty, hospital administrative officers and department heads.

In the six month period preceding the commencement of any new fiscal year, this group evaluates all requests that come from the clinical departments and centers, hospital departments for capital projects, equipment, and software. The team develops a recommended capital budget by selecting those items that best meet the mission, the

strategic plan goals, accreditation and regulatory requirements and then specific financial criteria. This is then submitted to the Director and CEO for approval.

The distribution of expenditures between categories of capital projects, software, and equipment may change each year, depending upon changes in goals, various regulatory requirements that may emerge, financial criteria and other factors, which might include the emergence of new technologies and new medical and surgical procedures.

For the 2010-2014 period, a total figure is noted for projected expenditures. The proposed allocation of funding for those years will be primarily developed as part of a strategic facilities plan for the next 20 years, from 2006-2025. UIHC is completing a phased capital replacement plan program that was developed in the late 1960s, early 1970s. Once the new Center of Excellence and Image Guided Radiation Therapy is completed, and the Ambulatory Surgery Center and Replacement Clinics in the Pomerantz Family Pavilion, UIHC will reach the end of that 35 year plan.

The Strategic Facilities Plan will be based on goals and strategies that are developed through the comprehensive strategic planning process and extended out into the later years of the 2006-2025 period.

The first 10 years of that plan will be specific, with respect to projects that UIHC intends to undertake and the second 10 years will provide general guidelines for facilities needed to meet program expectations. A consulting firm, Kurt Solomon and Associates, will assist in plan development. The process for the Strategic Facilities Plan will get underway later this month.

The individual capital projects for 2005-2009 exhibit format includes not only those that are anticipated, but also ones that this Board has approved previously. UIHC will be expending the funds within the five year period.

Regent Downer said in the top row the total appeared to be high, and thought they should be 1/10th that amount. Mr. Staley said that yes, there was an error, it should be \$5,000,193.

Mr. Staley mentioned that the UIHC will be bringing a number of significant capital equipment requests to the Committee. While the UIHC has not delineated the kinds of projects of the individual projects in the second of those two five year periods, it will cover some major enhancements that will be made to the in-patient units, some additional clinic development projects and also some within the OR suite, radiology services and the laboratories.

H&C 6. Old Business

Director Katen-Bahensky indicated that a comment was made to the President and to the Regents to discuss the financial transactions between UIHC and the Carver College of Medicine and other colleges of the Health Sciences campus and between UIHC and the University. The report contains a listing of those transactions.

At the meeting of UIHC in October, there is an economic interdependency that occurs between various components of any academic medical center and can be classified in

various ways. In this case, there are three categories, Graduate Medication Education, Purchased Services and Transfers, and Incentive Payments.

The UIHC has been working with its peers to find credible and comparable benchmarks. From information provided by the UIHC, there are organizations that transfer less and those that transfer more. Because of different accounting and different relationships with universities and hospitals, it has been a deterrent to meaningful benchmarks. They are focusing on becoming more transparent between the parties internally and monitoring the activities on an ongoing basis.

The plan is to continue to work on renegotiating this agreement, based on further accountabilities, fair market value and a means for evaluation. The Dean and Director Katen-Bahensky have been presenting updates to President Skorton.

Regent Newlin noted there wasn't a footnote that further explained the Incentive Payments.

Director Katen-Bahensky said that under the current sharing agreement, which was made by their predecessors, if the Hospital achieves its three percent operating margin, a certain portion in excess of that goes back to the College of Medicine as an incentive for the faculty to move in the direction of improving the margin. She pointed out that incentive payments have not been made in a few years.

Regent Newlin said the UIHC report states the "Department of Family Medicine employs the medical staff of three off-site Johnson County Clinics" and "the net professional billings generated do not cover the costs of the physician's salaries and benefits. The UIHC transfers an amount to the CCOM to cover the difference between the net collections and the physicians' salaries and fringe benefits." He asked if there were any trends that could be identified; is the situation stable, is it getting better, getting worse, related to covering those costs.

Director Katen-Bahensky said that Mr. DeFurio would have the more detailed numbers, but the data that she received from Family Medicine is the subsidy has continued to go down, both because of the mix of the patients, as well as the geographic location.

Mr. DeFurio commented that was a very accurate statement. The goal is not ever to make money, but to break even. They have worked to minimize the subsidies required. The number of patients and the access to services is greatly enhanced by the fact they have some, especially primary care type operations, more accessible to the population and people do not have to physically come to the campus.

Regent Newlin asked if it was possible to generalize from facilities of that nature, the extent to which it augments the number of patients in specialty care areas, because of referrals for more specialized services.

Director Katen-Bahensky said they keep very accurate data on the patients that are referred back to the Hospital and would be happy to report back on what is called the "downstream revenue" that comes from the referrals of those patients. It far exceeds what is spent on those clinics.

Regent Arbisser said there were a lot of models in the private sector when you have a system. The peripheral satellites, if you look at them as a single entity, may not be able to stand alone, but they definitely interact well with the overall system and provide an overall better quality of care, easier access for patients. It is hard to look at them in isolation.

H&C 7. Committee Work Plan for Upcoming Year – February, 2005 – May, 2006

Regent Arbisser said they have changed the way this Committee functions, during the past year in laying out the work plan. Looking at it for the upcoming quarters has been helpful. He asked if there were any comments regarding the upcoming schedule and there were none.

As chair of the Committee, Regent Arbisser said he knew the members would join in complimenting UIHC, leadership and Dr. Skorton in the responsiveness of the governance changes this past year. There have been a number of specific various governance changes which occurred, in the area of the responsiveness of UIHC to provide information. Today, the Committee saw several timely examples, including several specific reports, that had been requested in recent months by some members of the Board of Regents.

The Committee received the University of Iowa Hospitals and Clinics report by general consent.

The meeting recessed at 4:36 p.m.

The meeting reconvened at 4:38 p.m.

Regent Downer said because of a story that had been released today from the Associated Press in Des Moines, announcing the resignation of Regent Nieland and also quoting the Speaker of the House of Representatives, with regard to the matter of the oversight being exercised of the University of Iowa, by this Board. He made the following statement:

“The top priority of the Board of Regents, State of Iowa, is providing educational opportunities for Iowa students that are high quality and affordable.

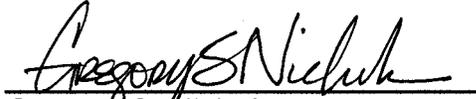
Over the past several months, the Regents have met, both as a Board, and individually, with Governor Vilsack and the leaders of the Iowa General Assembly, including House Speaker, Christopher Rants, to discuss this priority, which is the heart of the Board’s transformation plan. We firmly believe the five institutions governed by the Board of Regents not only accept the Board’s oversight, but also embrace it.

The Iowa Board of Regent’s system of governance, which has been recognized as one of the finest systems in the United States, has served Iowa very well for nearly 100 years. It will continue to do so far into the future. The Board of Regents and its institutions will continue to work with Representative Rants, the entire Iowa General Assembly and Governor

Vilsack, to advance the Board's transformation plan and its benefits to Iowans. Together, we can keep the quality of our state universities high and our tuition affordable for Iowa students and their families."

The meeting adjourned at 4:40 p.m.


Pamela M. Elliott
Director, Business and Finance


Gregory S. Nichols
Executive Director

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