AGENDA ITEM 2

BOARD MEMORANDUM

TO: Board of Regents, State of Iowa

FROM: Pamela Elliott Cain

DATE: April 20, 2005

SUBJ: University of Iowa Hospitals and Clinics Trustee Report

Recommended Actions:

1. Discuss UIHC issues.

2. Consider a FY 2006 hospital rate increase of 9.5%.

3. Adopt a resolution to commend employees of Wal-Mart and Sam’s Club for their strong commitment to families of Iowa and for their abiding commitment to the Children’s Miracle Network and the Children’s Hospital of Iowa at the University of Iowa Hospitals and Clinics (page 3).

4. Approve the minutes from the March 14, 2005, UIHC Executive Board Committee (Attachment E).

Executive Summary:

The agenda for the UIHC Trustees Report consists of the following:

1. The UIHC Director’s report (Attachment A);

2. An update on FY 2005 UIHC operations, programs, finances, and institutional scorecard, as of February 2005 (Attachment B);

3. Strategic plan update (Attachment C); and

4. FY 2006 budget review (Attachment D).

The Board, as UIHC Trustees, is requested to adopt a resolution (page 3) to publicly acknowledge employees from Wal-Mart and Sam’s Clubs from across Iowa and the region for exemplary fundraising as volunteers for 17 years benefiting Children’s Miracle Network at the Children’s Hospital of Iowa at University of Iowa Hospitals and Clinics.

The Board is also asked to approved the minutes from the last UIHC Executive Committee meeting, held March 14, 2005.

Directors Report

Attachment A includes a detailed listing of the various topics scheduled for discussion at the May meeting of the Board of Regents as trustees for the University of Iowa Hospitals and Clinics. Topics include:

- Strategic planning
- Recruitment
- Economic impact of UIHC
- Medicaid issues/Indigent patient care program
- Score card areas
- Financial strength
- Community engagement
FY 2005 Update  Attachment B compares year-to-date data for UIHC through February 28, 2005:  
- With benchmarks for the four institutional score cards (work place of choice, pursuing excellence, improving efficiencies, and financial strength)  
- Financial results to FY 2003 and FY 2004 at the same point in the fiscal year  
- Accounts receivables to FY 2003 and FY 2004 at the same point in the fiscal year  
- Case mix index for all acute inpatients to FY 2001, FY 2002, FY 2003, and FY 2004 at the same point in the fiscal year.

Strategic Plan  Attachment C identifies the UIHC strategic planning process and outlines the following sections:  
- “Where are we?” – environmental assessment summary  
- “Where do we want to be?” – organizational direction  
- “How will we get there?” – strategy development  

Appendix materials are included but are not scheduled to be presented.

Budget Review  Attachment D outlines:  
- Brief review of key operating indicators for FY 2005  
- Review budget issues for FY 2006:  
  - Budget assumptions for operating revenues include:  
    o Volume growth (inpatient and outpatient)  
    o Gross charge increase of 9.5%  
  - Budget assumptions for operating expenses include:  
    o Salary base increases between 2.0% to 4.35%  
    o Medical supplies and drugs increases from 4 to 8%  
    o Utilities increase of 7.5%  
    o University administrative services increase of 4.5%  
  - Estimated operating margin of 3.0%  
  - Sale of $75 million in revenue bonds  
- Approval of gross charge increase for FY 2006 of 9.5%
RESOLUTION
of the
Board of Regents, State of Iowa
May 5, 2005

WHEREAS, the employees of Wal-Mart and Sam’s Clubs from across Iowa and the region have done exemplary fundraising as volunteers for 17 years benefiting Children’s Miracle Network at the Children’s Hospital of Iowa at University of Iowa Hospitals and Clinics and the thousands of regional families who receive superior care at Iowa’s only academic medical center and

WHEREAS, during the past two years their volunteer efforts have raised over $1 million to benefit children and families at the Children’s Hospital of Iowa and

WHEREAS, the volunteers from Wal-Mart and Sam’s Club emphasized the importance of providing a place for families to stay inside the hospital complex to be close to their patients consistent with the family-centered care philosophy of Children’s Hospital of Iowa, they directed Children’s Miracle Network to develop the Children’s Hospital of Iowa Family Suite, a sixteen-room hotel inside the hospital. The Children’s Hospital of Iowa Family Suite is an extension of the Helen K. Rossi Guest House which serves adult patient family population and

WHEREAS, the volunteers from Wal-Mart and Sam’s Club understand the complexity of patients seen at Children’s Hospital of Iowa and the financial burdens that these patient families experience by being away from home and work, their fundraising efforts for the future will partially focus on underwriting one-half of the cost of the nightly stays at the Children’s Hospital of Iowa Family Suite.

NOW THEREFORE, BE IT RESOLVED that the Board of Regents, State of Iowa expresses its own deep appreciation to the employees of Wal-Mart and Sam’s Club for their strong commitment to families of Iowa and for their abiding commitment to the Children’s Miracle Network and the Children’s Hospital of Iowa at the University of Iowa Hospitals and Clinics.

BE IT FURTHER RESOLVED that the Board commends these dedicated volunteers for their longstanding and continuing support to the children served by Children’s Hospital of Iowa.
University of Iowa Hospitals and Clinics
Director’s Report

May 4, 2005
Vinton, Iowa
3:30 – 5:30 p.m.

I. STRATEGIC PLANNING

II. RECRUITMENT

III. ECONOMIC IMPACT OF UIHC

IV. MEDICAID ISSUES/INDIGENT PATIENT CARE PROGRAM

V. PURSUING EXCELLENCE
   - Clinical Trials Task Force
   - NCI Site Visit
   - Bar-Code Scanning for Blood Transfusion Process
   - Outreach Clinics
   - CMS/Hospital Compare Data
   - IHI 100,000 Lives Campaign
   - Robotic Surgery

VI. WORKPLACE OF CHOICE
   - National Hospital Week - Staff Recognition
   - Joint Diversity Steering Committee Report
   - 100 Best Nurses In Iowa
   - UIHC Night - Women’s Basketball

VII. IMPROVING EFFICIENCIES
   - Product Evaluation Committee
   - New Vendor Policy
   - Collaboration on Mail Service
May 4, 2005
Vinton, Iowa
3:30 – 5:30 p.m.

VIII. FINANCIAL STRENGTH
   - New Clinical Initiatives
   - Center of Excellence
   - Update on Caring Fund

IX. COMMUNITY ENGAGEMENT
   - AHA Heart Gala and Heart Walk
   - AAMC Task Force on Clinical Research
   - United Way of Johnson County

X. OTHER
   - Center of Excellence Grand Opening - June 17, 2005
   - Kiwanis Club Pediatric Chaplain Endowment
   - Dance Marathon Results
   - Helen Rossi Guest House Addition - Wal-Mart Donation
   - New Friends of UIHC Chair and Vice-Chair
   - New Board Communication Tool
### INSTITUTIONAL SCORE CARD

**University of Iowa Hospitals and Clinics**

#### WORKPLACE OF CHOICE

<table>
<thead>
<tr>
<th></th>
<th>FY 2004</th>
<th>2/28/05 Year-to-date</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee turnover rate (annualized)*</td>
<td>10.4%</td>
<td>12.4%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Employee vacancy rate</td>
<td>7.4%</td>
<td>2.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td>RN turnover rate (annualized)*</td>
<td>9.4%</td>
<td>14.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>RN vacancy rate</td>
<td>4.9%</td>
<td>5.9%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>3.21</td>
<td>3.23</td>
<td>3.50</td>
</tr>
<tr>
<td>On-time completed appraisals</td>
<td>98.8%</td>
<td>97.2%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Includes transfers within the university
## INSTITUTIONAL SCORE CARD

### PURSUING EXCELLENCE

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2004</th>
<th>2/28/05 Year-to-date</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient reported overall hospital rating</td>
<td>86.1%</td>
<td>86.6%</td>
<td>86.6%*</td>
</tr>
<tr>
<td>Patient likelihood to recommend to others</td>
<td>91.6%</td>
<td>91.6%</td>
<td>90.5%*</td>
</tr>
<tr>
<td>OP-Appt scheduled &lt; 14 days or as desired</td>
<td>78.7%</td>
<td>76.4%</td>
<td>80.0%</td>
</tr>
<tr>
<td>Medication safety index</td>
<td>96.0%</td>
<td>96.0%</td>
<td>100%</td>
</tr>
<tr>
<td>JCAHO core measures: Pneumonia care</td>
<td>(a)</td>
<td>72.3%*</td>
<td>90.0%</td>
</tr>
<tr>
<td>Observed/expected mortality ratio</td>
<td>0.93</td>
<td>0.81*</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* = data availability lags

(a) New metric
## Improving Efficiencies

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2004</th>
<th>2/28/05 Year-to-date</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observed/expected LOS ratio</td>
<td>0.98</td>
<td>1.19</td>
<td>1.00</td>
</tr>
<tr>
<td>Paid hours per adjusted discharge*</td>
<td>176.4</td>
<td>170.4</td>
<td>135.5</td>
</tr>
<tr>
<td>Cost per adjusted discharge*</td>
<td>$9,105</td>
<td>$9,054</td>
<td>$8,902</td>
</tr>
<tr>
<td>Payroll cost per adjusted discharge*</td>
<td>$4,767</td>
<td>$4,843</td>
<td>$4,164</td>
</tr>
<tr>
<td>Supply cost per adjusted discharge*</td>
<td>$1,969</td>
<td>$1,853</td>
<td>$1,991</td>
</tr>
<tr>
<td>Medication cost per adjusted discharge*</td>
<td>$501</td>
<td>$507</td>
<td>$532</td>
</tr>
</tbody>
</table>

* = Case mix index adjusted
<table>
<thead>
<tr>
<th>FINANCIAL STRENGTH</th>
<th>FY 2004</th>
<th>2/28/05 Year-to-date</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market share (inpatient)</td>
<td>6.7%</td>
<td>7.3%*</td>
<td>7.0%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>1.6%</td>
<td>2.7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Acute admissions (excludes newborns)</td>
<td>25,384</td>
<td>16,568</td>
<td>17,618</td>
</tr>
<tr>
<td>Clinic visits (main campus)</td>
<td>669,045</td>
<td>437,863</td>
<td>423,807</td>
</tr>
<tr>
<td>Major surgical procedures</td>
<td>20,644</td>
<td>13,580</td>
<td>14,303</td>
</tr>
<tr>
<td>Net days in accounts receivable</td>
<td>72</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>Bad debt as % of net patient revenue</td>
<td>8.83%</td>
<td>7.42%</td>
<td>6.30%</td>
</tr>
<tr>
<td>Earnings before interest, taxes, depreciation, and amortization</td>
<td>$51,572,935</td>
<td>$44,131,817</td>
<td>$47,304,765</td>
</tr>
</tbody>
</table>

* = data available semi-annually
University of Iowa Hospitals and Clinics
INSTITUTIONAL SCORE CARD

July 1, 2004 – February 28, 2005

Financial Strength
- Bad debt as a % of net patient revenue: 84.9%
- EBITDA: 93.3%
- Net days in A/R: 100%
- Acute admissions: 94.0%
- Operating margin: 90.0%
- Market share: 100%
- Medication cost per adjusted discharge: 100%
- Supply cost per adjusted discharge: 100%
- Payroll cost per adjusted discharge: 86.0%
- Cost per adjusted discharge: 98.3%
- Paid hours per adjusted discharge: 79.5%
- Observed/expected LOS ratio: 84.1%
- Observed/expected mortality ratio: 100%

Workplace Of Choice
- Employee turnover rate: 80.4%
- Employee vacancy rate: 100%
- RN turnover rate: 64.1%
- RN vacancy rate: 84.8%
- Employee commitment: 92.3%
- On-time completed appraisals: 97.2%
- Overall hospital rating: 100%
- Likelihood of recommendation to others: 100%
- OP-Appt scheduled <14 days or desired: 95.5%
- Medication safety index: 96.0%
- Pneumonia care: 80.3%

Improved Efficiencies
- Employee turnover rate: 80.4%
- On-time completed appraisals: 97.2%
- Overall hospital rating: 100%
- Likelihood of recommendation to others: 100%
- OP-Appt scheduled <14 days or desired: 95.5%
- Medication safety index: 96.0%
- Pneumonia care: 80.3%

Pursuing Excellence
- RN turnover rate: 84.8%
- Employee turnover rate: 100%
- On-time completed appraisals: 97.2%
- Overall hospital rating: 100%
- Likelihood of recommendation to others: 100%
- OP-Appt scheduled <14 days or desired: 95.5%
- Medication safety index: 96.0%
- Pneumonia care: 80.3%

Note: Percentages represent the degree of benchmark attainment.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Source/Description</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-time appraisals</td>
<td>Human Resources - % evaluations completed less than 30 days after due date.</td>
<td>JCAHO Target</td>
</tr>
<tr>
<td>Employee turnover rate</td>
<td>Human Resources - Total number of terms / total number employees.</td>
<td>Institutional target</td>
</tr>
<tr>
<td>Employee vacancy rate</td>
<td>Human Resources - Total number of actively recruited positions / total number of allocated positions.</td>
<td>Institutional target</td>
</tr>
<tr>
<td>RN turnover rate</td>
<td>Human Resources - Total number of RN terms / total number of RNs.</td>
<td>Institutional target</td>
</tr>
<tr>
<td>RN vacancy rate</td>
<td>Human Resources - Number of actively recruited RN positions over the total number of allocated RN positions.</td>
<td>Institutional target</td>
</tr>
<tr>
<td>Employee commitment</td>
<td>Human Resources - Employee survey 1-4, 1=Strongly dissatisfied, 2=Dissatisfied, 3=Satisfied, 4=Strongly Satisfied.</td>
<td>Institutional target</td>
</tr>
</tbody>
</table>

**Patient reported overall hospital rating**
CORM - Press-Ganey Patient Satisfaction Survey % of inpatient adults responding good or very good. UHC peer group median

**Patient liklihood to recommend to others**
CORM - Press-Ganey Patient Satisfaction Survey % of inpatient adults responding good or very good. UHC peer group median

**Appt sched < 14 days or desired**
CORM - Patient Satisfaction Survey % patients responding appt sched times < 14 days or as desired. UHC peer group median

**Medication safety index**
Pharmacy - Index of various medication safety measures based on the nine categories of the ASHP Best Practice Self-Assessment Tool. Institutional target

**JCAHO core measures: Pneumonia care**
CORM - Number of patients who received JCAHO pneumonia process of care measures / number of patients eligible for JCAHO pneumonia process of care measures. Institutional target

**Observed/expected mortality ratio**
CORM - Observed mortality rate for 100% acute discharges / UHC risk-adjusted expected mortality rate. UHC expected

**Observed/expected LOS ratio**
CORM - UHC observed LOS /UHC peer group median observed LOS. Excludes observation, recovery, and custodial days and newborns. UHC per group median

**Paid hours per adjusted discharge**
FAS - Total paid hours / (total gross patient charges / total gross inpatient charges) * (total patient discharges excluding newborns) * case mix index. ACTION 50th percentile

**Cost per adjusted discharge**
FAS - Operating costs / (total gross patient charges / total gross inpatient charges) * (total patient discharges excluding newborns) * case mix index. ACTION 50th percentile

**Payroll cost per adj discharge**
FAS - Payroll costs / (total gross patient charges / total gross inpatient charges) * (total patient discharges excluding newborns) * case mix index. ACTION 50th percentile

**Supply cost per adjusted discharge**
FAS - Supply costs / (total gross patient charges / total gross inpatient charges) * (total patient discharges excluding newborns) * case mix index. ACTION 50th percentile

**Medication cost per adjusted discharge**
Pharmacy - Pharmacy medication costs / (total gross patient charges / total gross inpatient charges) * (total patient discharges excluding newborns) * case mix index. Current Budget

**Total number of discharges**
CORM - Total number of discharges / number of patients eligible for JCAHO pneumonia process of care measures. UHC peer group median

**Total number of surgical procedures**
FAS - Total number of surgical procedures in Main OR, ASC and TURs. Current Budget

**Net days in A/R**
FAS - Net patient accounts receivable / (net patient charges / days in period). Current Budget

**Bad debt as a % of gross revenue**
FAS - Bad debt expense / gross patient charges. Moody's Aa median

**EBITDA**
FAS - Revenue - expenses (excluding interest, tax, depreciation, and amortization). Current Budget
### University of Iowa Hospitals and Clinics
### Comparative Financial Results for July through February

#### NET REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>July-Feb FY 2003*</th>
<th>July-Feb FY 2004</th>
<th>July-Feb FY 2005</th>
<th>Change '04 to '05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pay Patient Rev.</td>
<td>$344,855,311</td>
<td>$370,832,842</td>
<td>$391,294,251</td>
<td>5.5%</td>
</tr>
<tr>
<td>Appropriations</td>
<td>28,667,275</td>
<td>27,127,269</td>
<td>27,127,273</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other Operating Rev.</td>
<td>23,634,813</td>
<td>24,631,674</td>
<td>26,105,465</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$397,157,399</strong></td>
<td><strong>$422,591,785</strong></td>
<td><strong>$444,526,989</strong></td>
<td><strong>5.2%</strong></td>
</tr>
</tbody>
</table>

#### EXPENSES:

<table>
<thead>
<tr>
<th></th>
<th>July-Feb FY 2003*</th>
<th>July-Feb FY 2004</th>
<th>July-Feb FY 2005</th>
<th>Change '04 to '05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$210,979,299</td>
<td>$226,281,566</td>
<td>$233,253,778</td>
<td>3.1%</td>
</tr>
<tr>
<td>General Expenses</td>
<td>148,685,276</td>
<td>164,478,745</td>
<td>167,141,396</td>
<td>1.6%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>28,858,449</td>
<td>28,484,525</td>
<td>31,950,689</td>
<td>12.2%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>211,527</td>
<td>86,534</td>
<td>-</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$388,734,551</strong></td>
<td><strong>$419,331,370</strong></td>
<td><strong>$432,345,863</strong></td>
<td><strong>3.1%</strong></td>
</tr>
</tbody>
</table>

| Operating Margin     | $8,422,848        | $3,260,415       | $12,181,126      | 273.6%            |
| Operating Margin %   | 2.1%              | 0.8%             | 2.7%             | 237.5%            |

* Bad debts is no longer classified as an operating expense. Bad debt expense for prior fiscal years has been reclassified as an offset to net paying patient revenue in accordance with recent Governmental Accounting Standards Board interpretations.
## University of Iowa Hospitals and Clinics
### Comparative Accounts Receivable as of February 2005

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2003</th>
<th>June 30, 2004</th>
<th>February 28, 2005</th>
<th>Median Moody’s Aa Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Accounts Receivable</td>
<td>$354,885,862</td>
<td>$293,860,815</td>
<td>$324,469,096</td>
<td>na</td>
</tr>
<tr>
<td>Net Accounts Receivable</td>
<td>$143,583,988</td>
<td>$110,344,338</td>
<td>$102,594,054</td>
<td>na</td>
</tr>
</tbody>
</table>

| Net Days in AR | 101 | 72 | 64 | 56 |

**Graph:** Days of Revenue in Net A/R

- Green line represents days of revenue in net A/R for different months from June 2003 to February 2005.

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**Note:**
- The numbers in the graph correspond to the days of revenue in net A/R for each month.
- The data for Net Days in AR shows a decreasing trend from June 2003 to February 2005.
- The graph visually represents the decline in the days of revenue in net A/R over time.
UNIVERSITY OF IOWA HOSPITALS AND CLINICS

CASE MIX INDEX - ALL ACUTE INPATIENTS*

JULY - FEBRUARY

**THE CASE MIX INDEX REFLECTS THE OVERALL CLINICAL COMPLEXITY OF THE PATIENT CENSUS OF A GIVEN HOSPITAL BY ESTIMATING THE LEVEL OF RESOURCE CONSUMPTION OF THE AVERAGE PATIENT RELATIVE TO THAT OF ALL HOSPITALS NATIONALLY WHICH HAVE A CASE MIX INDEX OF 1.00.**

**ALMANAC OF HOSPITAL FINANCIAL OPERATING INDICATORS, 2005 CHIPS
A TEACHING HOSPITAL IS ONE AT WHICH MEDICAL GRADUATES TRAIN AS RESIDENTS.**
Strategic Plan Update
Board of Regents

May, 2005
UIHC Planning Process

Where are we?
- Interviews
- Data Analysis
- Issue Identification

Where do we want to be?
- Mission
- Vision
- Values
- Culture Statement

How will we get there?
- Strategy Development
- Goals
- Strategies
- Plan Wrap-up
- Implementation Plan
- Financial Implications
Where Are We?
Environmental Assessment Summary
Summary of Interviews
Summary of Internal Interviews

- Improving financial performance should be a high priority
- Clarify the vision for UIHC and the roles of the hospital and CCOM in realizing it
- Identify primary service lines and secure/enhance their position
- Continue to strengthen operations including the patient experience
- Create a strong culture, emphasizing customer service, interdisciplinary care, an excellent workplace, and fostering innovation
- Recruit/retain top quality faculty and staff

(1) List of all persons interviewed appears in Appendix A
Summary of Board/Community Interviews

- Play a larger role in local/regional economic development and health care policy statewide
- Become a much more user-friendly organization
- Establish a stronger market presence and identity
- Significantly improve/streamline operations

(1) List of all persons interviewed appears in Appendix A
Data Summary
External Assessment Summary (2)

Iowa is a slow growth market

Many academic medical centers are within a few hours of Iowa City and pose a significant competitive threat

Outreach activities of Mayo and others are increasingly in UIHC’s backyard

The hospital industry in Iowa has consolidated into a handful of large systems which are attempting to provide a full range of services similar to UIHC

For-profit, niche players (surgery centers, imaging centers, and the like) are a growing factor in the erosion of the historical patient base of hospitals, especially in the better performing segments financially

UIHC’s faces stiff competition and will need to become much more sophisticated in its strategies if it is to maintain its position

(1) Data analysis in Appendix B
Internal Assessment Summary(1)

- UIHC has many regionally and nationally recognized services and many outstanding physicians
- UIHC’s market position is improving
- UIHC’s finances are strong and continuing to improve
- UIHC’s role in education and research is substantial
- Opportunities for further growth are significant

UIHC needs to continue to improve internal operations while becoming more market focused

(1) Data analysis in Appendix B
Internal Assessment - UIHC Finances

Overall, financial position is strong, reflecting many years of solid performance.

Recent operating income declines (2002-2004) indicate need for revenue enhancement and cost containment initiatives.

Inpatient services provide 90% of contribution margin, with Cardiothoracic Surgery, General Medicine and Pediatrics, Invasive Cardiology, Neonatology, Neurosurgery, and General Surgery accounting for the vast majority of the margin.

Outpatient clinics exhibit markedly negative financial performance.

(1) Data analysis in Appendix B
Environmental Assessment
Conclusions
## Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many market leading, unique services</td>
<td>Service</td>
</tr>
<tr>
<td>Regional/national reputation</td>
<td>Recent financial performance</td>
</tr>
<tr>
<td>Large medical staff with many outstanding clinicians</td>
<td>Bureaucracy limits agility</td>
</tr>
<tr>
<td>Strong financial position with need to strengthen operating margin</td>
<td>Facilities aging and increasingly uncompetitive</td>
</tr>
<tr>
<td>Teaching program and research support</td>
<td>Coordination of integrated care across clinical areas</td>
</tr>
<tr>
<td></td>
<td>Not market focused</td>
</tr>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>THREATS</strong></td>
</tr>
<tr>
<td>Huge program growth opportunities in key lines</td>
<td>Formidable academic medical center and Iowa competition</td>
</tr>
<tr>
<td>Market leadership in innovation</td>
<td>Government budget difficulties and Wellmark relationship</td>
</tr>
<tr>
<td>Market leadership in outcomes/safety</td>
<td>Staffing shortages in certain specialty areas</td>
</tr>
<tr>
<td>Build on service leadership program</td>
<td></td>
</tr>
</tbody>
</table>
Where Do We Want To Be?
Organizational Direction
Mission/Vision

Mission Statement

What is our organization’s purpose?
(One sentence, enduring, for internal and external audiences)

Vision Statement

What does our organization aspire to be in 5-10 years?
(Motivator, short description, primarily for internal audiences)
UIHC Mission and Proposed Vision

MISSION

The University of Iowa Hospitals and Clinics, in compliance with the Code of Iowa, serves as the teaching hospital and comprehensive health care center for the State of Iowa, thereby promoting the health of Iowans regardless of their ability to pay. It:

1. Offers a broad spectrum of clinical services to all patients cared for within the Center and through its outreach programs;

2. Serves as the primary teaching hospital for the University; and,

3. Provides a base for innovative research to improve health care.

PROPOSED VISION

We will be the Midwest hospital that people choose for innovative care, excellent service and exceptional outcomes. We will be an internationally recognized academic medical center in partnership with the Carver College of Medicine.
How Will We Get There?
Strategy Development
Specific goals and strategies for the UIHC Strategic Plan were developed utilizing three multidisciplinary strategy teams based on the elements in the vision statement – Innovative Care, Excellent Service, and Exceptional Outcomes.

Each team met over a three month period to define their vision element, identify goals, and delineate specific strategies that would assist UIHC to meet their goals by 2010.

During the course of strategy development, several key issues were identified and, in order for this plan to be successful, these issues need to constantly be addressed and monitored by leadership:

- **System Transformation** – This issue is addressed in various strategies, but the majority of individuals felt that the healthcare delivery system needs to be transformed across the country. It is hoped that this plan will initiate a transformation in the delivery of care.

- **Culture** – Each group identified the need to change various elements of UIHC’s current culture. An emphasis on culture is woven into the plan, however, it must be noted that culture change is not a strategy but rather a result. Therefore, leadership must emphasize a cultural shift through plan implementation.
Strategy Development Assumptions (continued)

Joint CCOM Implementation – It is recognized that the success of UIHC is dependent upon the CCOM and that the success of the CCOM is dependent upon UIHC. Therefore, plan implementation will only be successful by the mutual involvement of both organizations and leadership will strive to ensure that this happens.

Execution – Multiple barriers to strategic plan implementation were identified based on past history. It is imperative that the ideas in this plan be fully implemented in a timely manner. To accomplish this, leadership will be responsible for committing to the successful and complete implementation of each strategy and faculty and staff will be empowered to ensure full implementation.

The UIHC Strategic Plan was created utilizing a very interactive, participatory process that included dedicated faculty and staff. Through this interactive process, plan ownership is shared by all faculty and staff.
## Strategy Development Teams and Members

<table>
<thead>
<tr>
<th>Innovative Care</th>
<th>Excellent Service</th>
<th>Exceptional Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Paul Rothman *</td>
<td>Dr. Eric Dickson *</td>
<td>Dr. John Buatti *</td>
</tr>
<tr>
<td>Anthony DeFurio *</td>
<td>Ann Madden Rice *</td>
<td>Linda Everett *</td>
</tr>
<tr>
<td>Paul Abramowitz</td>
<td>Mary Ameche</td>
<td>Lee Carmen</td>
</tr>
<tr>
<td>Linda Chase</td>
<td>Randall Aitchison</td>
<td>Shane Cerone</td>
</tr>
<tr>
<td>Dr. John Fieselmann</td>
<td>Kimberly Chamberlin</td>
<td>Cindy Doyle</td>
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<td>Dr. Mark Iannettoni</td>
<td>Tim Gaillard</td>
<td>Dr. Dan Fick</td>
</tr>
<tr>
<td>Deann Montchal</td>
<td>Dr. Laurie Fajardo</td>
<td>Dr. Bruce Gantz</td>
</tr>
<tr>
<td>Jackie Nelson</td>
<td>William Hesson</td>
<td>Dr. Charles Helms</td>
</tr>
<tr>
<td>John Staley</td>
<td>Beth Houlahan</td>
<td>Jessica McAllister</td>
</tr>
<tr>
<td>Kristy Walker</td>
<td>Christopher Klitgaard</td>
<td>Chris Miller</td>
</tr>
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<td></td>
<td>Dr. Barbara Muller</td>
<td>Mark Moser</td>
</tr>
<tr>
<td></td>
<td>Christine Scheetz</td>
<td>Marita Titler</td>
</tr>
</tbody>
</table>

* Denotes co-chairs
“Innovative care is distinctive and valued by the market, it is known as cutting-edge or best”

Innovative Care Goals

- Care Delivery
- Clinical Programs

Culture

Organization that embraces change and encourages new ideas both now and in the future
Innovative Care Draft Goals (continued)

**Goal: Care Delivery**

- UIHC will be recognized as a state and national leader in developing and implementing new and more efficient healthcare delivery models that emphasize a quality-driven patient experience

**Measurement**

- TBD – an external measure
- Cost effectiveness measure
- Increased number of selected web-based interactions

**Strategic Themes**

- UIHC’s Ambulatory Care Standards of Excellence and similar standards for inpatient services
- Coordinated, interdisciplinary care models
- Information technology and internet and intranet innovations
- Training physicians and healthcare providers in the new models
Goal: Clinical Programs

Select UIHC clinical services will be leaders in the state and national market by offering cutting edge clinical services, robust clinical research and strong training opportunities.

Measurement

- Increased out-of-state market share
- Decreased out-migration
- Increased University employee use of services

Strategic Themes

- Clinical services for growth and opportunity
- Business planning process
- Business development
- Enhanced training programs
- Clinical trials
“Excellent service is based on the successful performance and interrelationship between people, process, and setting”

Excellent Service Goals

- Referring Physician Satisfaction
- Staff, Faculty, Volunteer Engagement
- Patient Satisfaction

Culture

- Culture shift to focus on the patient/family experience
- Inherent incentives to cross departments and shift from silo to multidisciplinary interactions
- Environment doesn’t “blame” but recognizes service importance
Excellent Service Draft Goals (continued)

**Goal: Patient Satisfaction**

- Patients and families will be highly satisfied with their entire UIHC experience in all settings

**Measurement**

- Aggregate inpatient and outpatient satisfaction scores in the X percentile as compared to University Hospital Consortium peers and X percentile for local peers

**Strategic Themes**

- Patient throughput
- Pursue Baldrige National Quality award guidelines
- Patient-family centered culture currently in practice at Children’s Hospital of Iowa
- Tools for faculty to deliver effective and efficient care
Excellent Service Draft Goals (continued)

Goal: Referring Physicians

UIHC will be recognized by referring physicians for its efficient and effective support to their patients

Measurement

- Increased referring physician satisfaction by X% per year
- Increased number of referrals (new and existing) or patient transfers by X% per year

Strategic Themes

- Referring physician outreach program
- Referring physician service environment
- Patient transfer system
Excellent Service Draft Goals (continued)

Goal: Staff, Faculty and Volunteer Engagement

Staff, faculty and volunteers feel valued and engaged in the pursuit of UIHC’s vision

Measurement

X% increase in bi-annual engagement survey (to be developed)

Strategic Themes

Re-invigorate the concept of UIHC Service Leadership

Clear expectations, empowered staff and accountability

Faculty, staff, volunteer recognition
Exceptional Outcomes

“The measured support, capacity, and ability of an organization to provide patient-centered care that is safe, effective, timely, efficient, equitable, and continuously improved”

Exceptional Outcomes Goals

Clinical Outcomes

Safety

Culture

- Non-punitive
- “Buy-in” from all Departments
- Open discussions about reported data
- Accountability
Exceptional Outcomes Draft Goals

Goal: Safety

UIHC will provide a continuously improving, safe environment for all patients at all times

Measurement

- Rank within the top X% of AMCs in the nation with regards to patient safety measures
- Utilize an evidence-based approach internally to get below X/1000 errors as possible

Strategic Themes

- Emphasize ongoing patient and staff safety
- Clinical research in patient safety
- Appropriate information systems for patient safety
- Pro-active involvement in development of publicly reported data systems
Goal: Clinical Outcomes

UIHC will use a continuous improvement process to achieve exceptional clinical outcomes

Measurement

- Rank within the top X% of each of Y publicly available outcomes measurement programs
- Show consistent and continual improvement with selected internal measures

Strategic Themes

- Integrate public measures reporting
- System transformation with supplemental outcome measures
- Accountability for improvement
- Provide information technology support
- Clinical pathways compliance
- Pay for performance initiatives
- Participate and influence agenda at state and national level
Strategic Support Draft Goal

Goal: Strategic Support

Based on sound business principles and decision-making approaches, provide the support services necessary to effectively and efficiently implement strategies and meet UIHC’s 2010 goals.

Measurement

- Meet direct and indirect ROI targets (TBD)
- Other (TBD)

Strategic Themes

- Marketing
- Facilities
- Information technology
- Human Resources
- Financial
APPENDIX

Strategic Plan Update
Board of Regents

(Supplemental Materials will not be presented)

May, 2005
Appendix A
Interviews
# Internal Interviews

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
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<tbody>
<tr>
<td>Robert Bowlsby, Athletic Director</td>
<td>UI</td>
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<tr>
<td>Dr. David Brown, Anesthesia</td>
<td>CCOM</td>
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<tr>
<td>Dr. John Buatti, Radiation Oncology</td>
<td>CCOM</td>
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<tr>
<td>Barry Butler, College of Engineering</td>
<td>UI</td>
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<tr>
<td>Dr. Joseph Buckwalter, Orthopedics</td>
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<td>Pat Cain, Interim Provost</td>
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<td>Shane Cerone, Sr. Assistant Director</td>
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<td>Dr. Jordan Cohen, College of Pharmacy</td>
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<td>Dr. Michael Cohen, Pathology</td>
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<td>Stacey Cyphert, Sr. Assistant Director</td>
<td>UIHC</td>
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<td>Dr. Antonio Damasio, Neurology</td>
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<td>Anthony DeFurio, CFO</td>
<td>UIHC</td>
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<td>Dr. Peter Densen, Internal Medicine</td>
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<td>Bill Decker, VP Research</td>
<td>UI</td>
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<tr>
<td>Dr. Eric Dickson, Emergency Medicine</td>
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<tr>
<td>Dr. Melanie Dreher, College of Nursing</td>
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<td>Brandt Echternact, Assistant Director</td>
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<td>Linda Everett, RN, Ph.D., CNO</td>
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<td>Dr. Laurie Fajardo, Radiology</td>
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<tr>
<td>Gary Fetke, College of Business</td>
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<td>Dr. Dan Fick, Medical Administration</td>
<td>CCOM/UIHC</td>
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<td>Dr. John Fieselmann, Outreach, Amb. Care</td>
<td>UIHC/CCOM</td>
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<td>Dr. Kirk Fridrich, Hospital Dentistry</td>
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<td>Dr. Bruce Gantz, Otolaryngology</td>
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<td>Dr. Lois Geist, Assoc. Dean Faculty Affairs</td>
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<tr>
<td>Cynthia Geyer, Assistant Director</td>
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<tr>
<td>Dr. Charles Helms, Chief of Staff</td>
<td>CCOM/UIHC</td>
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<td>Bill Hesson, Legal Counsel</td>
<td>UIHC</td>
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## Internal Interviews (continued)

<table>
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<tr>
<td>Michael Hogan, Provost</td>
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<td>Dr. Matthew Howard, Neurosurgery</td>
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<td>Dr. Mark Iannettoni, Cardiothoracic Surgery</td>
<td>CCOM</td>
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<tr>
<td>Dr. Gerald Jogerst, Family Medicine</td>
<td>CCOM</td>
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<tr>
<td>Dr. David Johnsen, College of Dentistry</td>
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<tr>
<td>Donna Katen-Bahensky, CEO</td>
<td>UIHC</td>
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<tr>
<td>Steven Long</td>
<td>UIHC</td>
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<td>Dr. Allyn Mark</td>
<td>CCOM</td>
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<td>Dr. James Merchant, College of Public Health</td>
<td>UI</td>
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<td>Dr. Frank Morriss, Pediatrics</td>
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<td>Dr. Barb Muller, Medical Administration</td>
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<td>Dr. Jennifer Niebyl, Obstetrics and Gynecology</td>
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<tr>
<td>Amy O’Deen</td>
<td>UIHC</td>
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<tr>
<td>Ann Maden Rice, COO</td>
<td>UIHC</td>
</tr>
<tr>
<td>Dr. Jean Robillard</td>
<td>CCOM</td>
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<td>Dr. Robert Robinson, Psychiatry</td>
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<tr>
<td>Dr. Carol Scott-Conner, Surgery</td>
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<tr>
<td>Dr. Mike Shasby</td>
<td>CCOM</td>
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<tr>
<td>David Skorton, President</td>
<td>UI</td>
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<td>Jolene Sobotka, Assistant Director</td>
<td>UIHC</td>
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<td>John Staley, Ph.D., Administration</td>
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<td>Dr. Craig Syrop, Dermatology</td>
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<td>Doug True, VP Finance and Administration</td>
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<td>Lance VanHouten, Assistant Director</td>
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<td>Dr. George Weiner, Clinical Cancer Center</td>
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<td>Dr. Thomas Weingest, Ophthalmology</td>
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<td>Dr. Richard Williams, Urology</td>
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<td>Dr. Mark Wilson</td>
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# Board/External Interviews

<table>
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<tr>
<th>Individual Interviews</th>
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<tbody>
<tr>
<td>Amir Arbisser</td>
<td>Board of Regents</td>
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<tr>
<td>Steve Atkins, City Manager</td>
<td>Iowa City Government</td>
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<tr>
<td>Mary Ellen Becker</td>
<td>Board of Regents</td>
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<tr>
<td>Kevin Concannon, Director</td>
<td>Iowa Dept of Human Svcs</td>
</tr>
<tr>
<td>Robert Downer</td>
<td>Board of Regents</td>
</tr>
<tr>
<td>Jim Fausett, Mayor</td>
<td>Coralville</td>
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<tr>
<td>John Forsyth</td>
<td>Board of Regents</td>
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<tr>
<td>Karin Franklin, Dir. Planning</td>
<td>Iowa City Government</td>
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<tr>
<td>Kelly Hayworth, City Manager</td>
<td>Coralville</td>
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<td>David Jacoby, local legislator</td>
<td>Iowa City/Coralville</td>
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<td>Ernie Lehman, Mayor</td>
<td>Iowa City Government</td>
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<td>Mary Mascher, local legislator</td>
<td>Iowa City/Coralville</td>
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<tr>
<td>Dave Neil</td>
<td>Board of Regents</td>
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<td>Owen Newlin</td>
<td>Board of Regents</td>
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<tr>
<td>Greg Nichols, Executive Director</td>
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<tr>
<td>Sue Nieland</td>
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<tr>
<td>Kirk Norris, President</td>
<td>Iowa Hospital Assoc.</td>
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<td>Deborah Turner</td>
<td>Board of Regents</td>
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<tr>
<th>Group Interviews</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Friends Leadership Council</td>
<td>15 people</td>
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<tr>
<td>UI Foundation</td>
<td>3 people</td>
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<tr>
<td>Iowa City Business Leaders</td>
<td>2 groups</td>
<td></td>
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<tr>
<td>Coralville Business Leaders</td>
<td>1 group</td>
<td></td>
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<tr>
<td>Cedar Rapids Business Leaders</td>
<td>1 group</td>
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<tr>
<td>North Liberty Business Leaders</td>
<td>1 group</td>
<td></td>
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<tr>
<td>Muscatine Business Leaders</td>
<td>1 group</td>
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<table>
<thead>
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<tbody>
<tr>
<td>15 people</td>
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<tr>
<td>3 people</td>
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<tr>
<td>2 groups</td>
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# Focus Group Interviews

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
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<tbody>
<tr>
<td>Management Staff</td>
<td>150+ UIHC Managers split into eight total focus groups of 20-22 members each</td>
</tr>
<tr>
<td>Staff/Faculty</td>
<td>Seven focus groups with 15-30 members in each including faculty, nursing, non-nursing clinical, merit and P/S</td>
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Appendix B
Environmental Assessment Data
(partial summary)
External Assessment
### U.S. and State of Iowa Demographic Summary 2004 and 2009

<table>
<thead>
<tr>
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<th>Iowa (in millions)</th>
<th>U.S. (in millions)</th>
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<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2009</td>
<td>% Change</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td>2.948</td>
<td>2.978</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>% Male</strong></td>
<td>49.13%</td>
<td>49.18%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>% Female</strong></td>
<td>50.87%</td>
<td>50.82%</td>
<td>0.9%</td>
</tr>
<tr>
<td><strong>55-59 yr population</strong></td>
<td>0.159</td>
<td>0.177</td>
<td>11.0%</td>
</tr>
<tr>
<td><strong>60-64 yr population</strong></td>
<td>0.130</td>
<td>0.146</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>85+ yr population</strong></td>
<td>0.700</td>
<td>0.770</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Income</strong></td>
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</tr>
<tr>
<td><strong>&lt; $15,000</strong></td>
<td>0.156</td>
<td>0.136</td>
<td>-12.4%</td>
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<tr>
<td><strong>Median Household Income</strong></td>
<td>$39,822</td>
<td>$43,667</td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>Per Capita Income</strong></td>
<td>$22,067</td>
<td>$25,181</td>
<td>14.1%</td>
</tr>
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Source data provided by the U.S. Census Bureau and Claritas, Inc.

Static, greying population in the state
Due to relatively slow population growth and despite aging of the population, inpatient demands are expected to grow modestly in the future.

Currently, there is more bed capacity in the state of Iowa than the increasing demand will require.

Patient volume is likely to migrate to urban areas increasingly, causing a shift in bed complements over time.

Population dynamics and use patterns will cause other health service demands to increase somewhat more rapidly in Iowa.

Source data provided by AHA Hospital Statistics, 2005
UIHC faces formidable competition from academic medical centers in surrounding states.

Source data provided by US News & World Report, 2004
Internal Assessment
For the 15th consecutive year, UIHC specialties earned high rankings.

UIHC also earned the first Magnet Award in Iowa for excellence in nursing.
UIHC Best Doctors

<table>
<thead>
<tr>
<th>Specialty</th>
<th>UIHC Best Doctors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesiology (6)</td>
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<tr>
<td>Hand Surgery (2)</td>
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<tr>
<td>Child Neurology</td>
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<tr>
<td>Pediatric Specialist (23)</td>
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<td>Rheumatology (2)</td>
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<td>Cardiovascular Disease (5)</td>
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<td>Infectious Disease (3)</td>
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<td>Nuclear Medicine (3)</td>
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<tr>
<td>Pediatrics (General) (8)</td>
<td>Sleep Medicine</td>
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<tr>
<td>Colon and Rectal Surgery</td>
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<td>Internal Medicine (General) (7)</td>
<td>Ob/Gyn (8)</td>
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<td>Plastic Surgery (2)</td>
<td>Surgery (5)</td>
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<td>Dermatology (5)</td>
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<td>Medical Oncology and Hematology</td>
<td>Ophthalmology (11)</td>
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<td>Psychiatry (9)</td>
<td>Surgical Oncology</td>
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<td>Orthopedic Surgery (8)</td>
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<td>Pulmonary and Critical Care Medicine (3)</td>
<td>Thoracic Surgery</td>
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<td>Family Medicine (8)</td>
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<td>Neurological Surgery (5)</td>
<td>Otolaryngology (5)</td>
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<td>Radiation Oncology</td>
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<td>Urology (4)</td>
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</table>

UIHC has a total of 158 physicians\(^{(1)}\) currently listed in “The Best Doctors in America”

---

\(^{1}\) UIHC has a total of 158 unique Best Doctors; some are listed in multiple specialties

Source data provided by Polling and Research Division, Best Doctors, 2005
## UIHC Volume Trends, FY 2001-2004

<table>
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<tbody>
<tr>
<td><strong>Inpatient Discharges</strong></td>
<td>19,696</td>
<td>19,933</td>
<td>20,916</td>
<td>21,757</td>
<td>+10.5%</td>
</tr>
<tr>
<td><strong>Emergency Treatment Center Visits</strong></td>
<td>28,307</td>
<td>30,587</td>
<td>30,875</td>
<td>31,626</td>
<td>+11.7%</td>
</tr>
<tr>
<td><strong>Clinic Visits</strong></td>
<td>592,752</td>
<td>615,242</td>
<td>631,443</td>
<td>669,045</td>
<td>+12.9%</td>
</tr>
<tr>
<td><strong>Surgical Cases</strong></td>
<td>18,986</td>
<td>19,809</td>
<td>20,296</td>
<td>20,644</td>
<td>+8.7%</td>
</tr>
</tbody>
</table>

UIHC has experienced strong volume growth over the past 4 years.
UIHC Inpatient Market Share, FY 2001-2004

UIHC has grown its market share for the last several years

Source data provided by the UI Health Care Joint Office of Marketing and Communications using Iowa Hospital Association data
Inpatient Market Share
by Product Line\(^{(1)}\), FY 2004

UIHC is the statewide leader in burns, dermatology, hematology/oncology-medical, neonatology, neurology, neurosurgery, ophthalmology, otolaryngology, plastic surgery, and rheumatology

\(^{(1)}\) Excludes bone marrow transplant, dental/oral surgery, heart transplant, kidney/pancreas transplant, and lung transplant

Source data provided by the UI Health Care Joint Office of Marketing and Communications using Iowa Hospital Association data

4/21/2005  http://hssdc01/Projects/UnivofIowa/Draft Strategic Plan.ppt
UIHC Gross Patient Charges by Primary Payor FYTD June 2004

UIHC enjoys a fairly diverse payor mix

Source data provided by UIHC, 2005
UIHC Health Science Student Training
FY 2003-2004

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
- Electroneurodiagnostic Technology Students
- Health Information Management Interns
- Activities Therapy Interns
- Occupational Therapy Interns

UNIVERSITY OF IOWA HEALTH SCIENCE COLLEGE PROGRAMS
- Medical Undergraduates
- Dentistry Undergraduates
- 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

UIHC has a total of 19 medical residency programs

47 Programs
2,311 Students

Source data provided by UIHC
FY 2006 Budget Review

University of Iowa Hospitals and Clinics

May 4, 2005
Agenda

- Brief review of key operating indicators for FY 2005
- Review budget issues for FY 2006
- Approval of gross charge increase for FY 2006
Summary of FY 2005 Operating Indicators

- UIHC has experienced relatively flat inpatient and outpatient volumes through February 2005.
- Market share has continued to grow in both the State and primary service area.
- The acuity of the patients served is high and increasing with overall case mix index of 1.62 and Medicare case mix index of 1.85.
- Average length of stay has increased by .15 days to 7.08 days, which has a negative economic effect on UIHC.
- Increased nurse recruitment and retention has led to lower agency utilization.
- The patient billing system has stabilized with net days in accounts receivable projected at 62 days at June 30 2005.
- Projected to finish FY 2005 with a 3.0% Operating Margin or $20.3 million.
- Cash balances are stable with projected days cash on hand at 218, slightly below the Moody’s Aa median.
## Six Year Summary of Operations

<table>
<thead>
<tr>
<th></th>
<th>FY2001</th>
<th>FY2002</th>
<th>FY2003</th>
<th>FY2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acute Admissions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Length of Stay</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surgical Cases</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinic Visits</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Revenue</td>
<td>$506.9M</td>
<td>$525.2M</td>
<td>$547.2M</td>
<td>$591.7M</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>3.6%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Case Mix Index*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Acute Inpatients</td>
<td>1.5712</td>
<td>1.5866</td>
<td>1.6272</td>
<td>1.5950</td>
</tr>
<tr>
<td>Medicare Inpatients</td>
<td>1.7778</td>
<td>1.7602</td>
<td>1.8182</td>
<td>1.7822</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2005</th>
<th>FY2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eight Months Ended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February 28, 2005</td>
<td>16,568</td>
<td>25,209</td>
</tr>
<tr>
<td>Projected FY2005</td>
<td>7.08</td>
<td>7.11</td>
</tr>
<tr>
<td>Budgeted FY2006</td>
<td>13,580</td>
<td>21,096</td>
</tr>
</tbody>
</table>

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Inpatients</td>
<td>1.8502</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Case mix index is a national (Medicare) measure of inpatient severity, where the average case intensity is 1.0
**All years presented exclude newborn nursery utilization.
# Aa Bond Rating Key Financial Ratio Comparison

<table>
<thead>
<tr>
<th></th>
<th>Audited UIHC FY 2001</th>
<th>Audited UIHC FY 2002</th>
<th>Audited UIHC FY 2003</th>
<th>Audited UIHC FY 2004</th>
<th>UIHC Feb 05 YTD</th>
<th>UIHC FY 05 Projected</th>
<th>UIHC FY 06 Budgeted</th>
<th>Median Moody's Aa Rating*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Cash on Hand</td>
<td>244.1</td>
<td>239.4</td>
<td>221.1</td>
<td>214.4</td>
<td>219.1</td>
<td>218.0</td>
<td>232.3**</td>
<td>224.9</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>3.6%</td>
<td>2.0%</td>
<td>1.4%</td>
<td>1.6%</td>
<td>2.7%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Debt to Capitalization Percent</td>
<td>2.1%</td>
<td>1.6%</td>
<td>4.3%</td>
<td>4.0%</td>
<td>3.7%</td>
<td>3.6%</td>
<td>10.2%</td>
<td>33.6%</td>
</tr>
<tr>
<td>Days in Accounts Receivable</td>
<td>69.1</td>
<td>67.3</td>
<td>101.3</td>
<td>71.8</td>
<td>63.7</td>
<td>62.0</td>
<td>62.0</td>
<td>55.9</td>
</tr>
<tr>
<td>Average Age of Plant</td>
<td>7.9</td>
<td>8.9</td>
<td>9.0</td>
<td>9.7</td>
<td>9.6</td>
<td>9.8</td>
<td>9.8</td>
<td>9.0</td>
</tr>
</tbody>
</table>

* Data is compiled from Moody’s Investors Service publication “Not for Profit Healthcare: 2004 Outlook and Medians.”

** Assumes issuance of $75.0 million of debt in FY 2006
FY 2006 Operating Budget Assumptions

Revenues

• Volume growth
  – Inpatient admissions 2.5% increase
  – Outpatient visits 2.0% increase

• Gross charge increase of 9.5%

• Net revenue growth per unit of service 3.0%

• Reduction in length of stay ½ day

• Bad debts @ 2.5% of charges ($35.8 million on $1.4 billion charge base)

• Payer mix stable

• State appropriation continues with no increase
FY 2006 Operating Budget Assumptions

Operating Expenses

• Salary base increases 2.0% - 4.35%
  - Fringe benefit rates average 33.3%
• Agency Expense - No increase in agency utilization
• Length of Stay decrease from 7.1 to 6.5 days
  - Results in reduction of 15,762 patient days, $3.5 million reduction in net revenue, and $7.3 million in expense savings for net benefit of $3.8 million
• Supply Chain initiatives expected to hold increases in medical supplies and drugs to 4% and 8%, respectively
• Utilities increase of 7.5%
• UI administrative services increase 4.5%
• Recruitment and retention of quality patient care staff
FY 2006 Operating Budget Assumptions

Operating Margin

- Operating margin budgeted at 3.0%, which is below the Moody’s Aa median of 3.3% and is required to generate future capital capacity

Balance Sheet

- Net days in patient accounts receivable stable at 62 days
- Assumes issuing $75 million of revenue bonds, which will bring the debt to capitalization ratio to 10.2%, significantly below the Aa median of 33.6%.
- Days cash on hand projected to be 232 days with Aa median of 225 days (assumes the issue of $75 million in revenue bonds, 189 days without bond issue)
Patient Revenues per Unit of Service

Net Patient Revenue** per Adjusted Discharge

* Benchmark is the 50th percentile of the University Health System Consortium for the two quarters ending December 2004.

** Net paying patient revenue plus Chapter 255 state indigent patient care program appropriation receipts.
Gross Patient Charges By Primary Payor

- Self Pay & Other: 8%
- State: 6%
- Medicaid: 14%
- Wellmark: 25%
- Commercial: 16%
- Medicare: 31%

Year to Date February, 2005
## STATE APPROPRIATIONS
### Actual Dollars - Combined Hospital Units

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005 (proj)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Dollars</td>
<td>$31,812,569</td>
<td>$32,703</td>
<td>$33,743</td>
<td>$34,601</td>
<td>$37,559</td>
<td>$39,246</td>
<td>$39,496</td>
</tr>
<tr>
<td>for Indigent Patients Served</td>
<td>$34,173</td>
<td>$32,703</td>
<td>$33,743</td>
<td>$34,601</td>
<td>$37,559</td>
<td>$39,246</td>
<td>$39,496</td>
</tr>
</tbody>
</table>

### State Appropriation for Indigent Patient Care

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1999</td>
<td>$45,153,985</td>
</tr>
<tr>
<td>2000</td>
<td>$46,771,838</td>
</tr>
<tr>
<td>2001</td>
<td>$47,984,685</td>
</tr>
<tr>
<td>2002</td>
<td>$48,939,640</td>
</tr>
<tr>
<td>2003</td>
<td>$44,556,608</td>
</tr>
<tr>
<td>2004</td>
<td>$40,795,241</td>
</tr>
<tr>
<td>2005 (proj)</td>
<td>$40,690,905</td>
</tr>
</tbody>
</table>

### Other State Appropriations

- PH - State Appropriation for Psychiatric Hospital
- CDD - State Appropriation for Center for Disabilities and Development
FY 2006 Revenue Plan

Focused Revenue Growth

- Capital prioritization process targets 20% return on investment.
- Focused business plans for Cardiovascular, Neurosurgery, Orthopedic and Oncology service lines; Children’s Hospital of Iowa.
- Addition of two new operating rooms, extended hours.
- Opening of Radiation Oncology Center of Excellence.
- Full year with new “world class” Labor and Delivery, Neonatal ICU, and Pediatric ICU.
- Expansion of eight Surgical Intensive Care Unit beds; four Intermediate Pulmonary Care Unit beds.
- Addition of eight telemetry beds.
- Investment in Radiology will provide state-of-art technologies and increase throughput.
FY 2006 Revenue Plan

Cash Acceleration and Revenue Cycle Redesign

- All Projects Currently Underway
- Outsource Vendor Strategy
- Documentation Accuracy/ Coding with 3M
- Insurance Verification/ Authorization
- Addition of Health Benefit Advisors
- Upfront Cash Collections
- Review of Charge Master
- Managed Care Underpayments
- Development of Revenue Integrity Department
- Focused efforts in Managed Care Contracting Strategy
Operating Cost per Unit of Service

Cost per Adjusted Discharge

* Benchmark is the 50th percentile of the University Health System Consortium for the two quarters ended December 2004.
Operating Costs per Unit of Service

Hours Paid per Adjusted Discharge

* Benchmark is the 50th percentile of the University Health System Consortium for the two quarters ending December 2004.
Reducing Agency Staff Use
Total Monthly Agency Staff FTE’s
FY 2003 - 2005

Full Time Equivalents (FTE’s)

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2003</th>
<th>FY2004</th>
<th>FY2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>159</td>
<td>37</td>
<td>50</td>
</tr>
<tr>
<td>August</td>
<td>160</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>September</td>
<td>187</td>
<td>33</td>
<td>50</td>
</tr>
<tr>
<td>October</td>
<td>194</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>November</td>
<td>202</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>December</td>
<td>171</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>January</td>
<td>157</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>February</td>
<td>145</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>March</td>
<td>146</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>April</td>
<td>138</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>May</td>
<td>140</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>June</td>
<td>131</td>
<td>12</td>
<td>12</td>
</tr>
</tbody>
</table>
Aggregate Fringe Benefit Costs as a Percent of Salary Dollar

Iowa Hospitals Data Bank, 2004
Median for University HealthSystem Consortium (UHC) hospitals reporting to ACTION OI for the two quarters ending December 2004
Operating Costs per Unit of Service

Supply Cost per Adjusted Discharge

* Benchmark is the 50th percentile of the University Health System Consortium for the three quarters ending Sept 2004.
FY 2006 Expense Plan

Programmatic Reviews

• Comprehensive review of programs.

• Review of Purchase Services Agreement between UIHC and CCOM with focus on key performance indicators and accountability.

• Development of hospital-based Medical Directorships that will have specific expectations and accountabilities.

• Developing Office of Operations Improvement.

• Review of operations with opportunities for consolidation and shared staffing.

• Increasing throughput in all clinical areas with focused efforts on the Operating Rooms and Radiology.

• Utilization management in laboratory, pharmacy and respiratory services.
FY 2006 Expense Plan

Expense Management

• Productivity Based Labor Budgeting
  – Staff-hour per Unit of Service
  – Requiring performance at or above peer-group benchmarks
  – Monthly/quarterly operations reviews

• Agency utilization reduced from 132 FTE’s at June 2003 to 12 at February 2005.

• Supply Chain management process underway
  – Pricing initiative through University Health Consortium/Novation
  – Vendor Consolidation
  – Product standardization
  – Right product/ right patient
  – Physician-driven utilization management
FY 2006 Expense Plan

Length of Stay Management

- UIHC acute average length of stay is at 7.11 days versus benchmark of 5.98 days, Budget FY 2006 at 6.5 days.
- Bed Placement Center opened to facilitate bed transfers and referrals.
- Peer comparison of physicians within clinical specialties.
- Acceptance and adherence to evidence-based clinical pathways.
Combined Hospitals Sources and Uses of FY06 Proposed Budget

Net Patient Revenue
$628,672,016
88.5%

State Appropriation
$40,690,914
5.7%

Other Operating Revenue
$40,804,055
5.8%

Utilities and Repairs
$32,279,834
4.6%

Margin Reserve
$21,305,010
3.0%

Medical Supplies and Services
$294,303,331
41.5%

Staffing Costs
$362,278,810
50.9%

TOTAL = $710,166,985

TOTAL = $710,166,985
UIHC Cost Structure
FY 2006 Proposed Budget

Staffing costs comprise over half of UIHC expenses; the majority of dollars spent are for staff covered by bargaining unit.
Operating Margin Comparisons

* Iowa Hospital Association Annual Report and DATABANK reports.

**Annual COTH Survey of Hospitals’ Financial and General Operating Data.
University of Iowa Hospitals and Clinics
FY 2006 Preliminary Capital Expenditure Budget

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of improvement funds</td>
<td>$10,536,000</td>
<td>$20,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>Proceeds of bond issues</td>
<td>$18,167,000</td>
<td>$0</td>
<td>$30,000,000</td>
</tr>
<tr>
<td>EBDITA for capital</td>
<td>$51,387,000</td>
<td>$66,000,000</td>
<td>$60,000,000</td>
</tr>
</tbody>
</table>

* Assumes issuance of $75 million of revenue bonds in FY 2006, $45 million to be spent in FY 2007
Aggregate Rate Increase History

Source: Iowa Hospital Association Databank based on average inpatient charges per patient day
Why 9.5% rate increase?

- 9.5% rate increase translates to a 1.08% actual increase in net patient revenue.

- UIHC continues to lag academic medical center peers and historical state-wide rate increases.

- University HealthSystem Consortium members (UHC) anticipate rate increases in 5-15% range, averaging 8%.

- Maintaining appropriate charge structure impacts Medicare rates in future years.

- Absent appropriate charge increases, UIHC will not be able to achieve the budgeted growth in net revenue per adjusted admission of 3%.
Projected Percentage Net Price Increases at Alternate Gross Price Increases

Gross Price Increase

* A 9.5% increase will generate $118.8M in gross charges and $13.6M in net revenue
Net Paying Patient Revenue as a Percent of Gross Patient Charges

- Actual 1999-00: 61.50%
- Actual 2000-01: 60.20%
- Actual 2001-02: 56.80%
- Actual 2002-03: 53.00%
- Actual FY 2004: 48.20%
- Proj FY 2005: 45.90%
- Budget FY 2006: 44.20%

*Note: The FY 2004 data point is marked with an asterisk (*) indicating a potential issue or exception.
Midwest Academic Medical Centers
Case Mix Adjusted Charges per Discharge CY 2004

Source: University Healthsystem Consortium, case mix adjusted average charges per inpatient discharge
# UHC Peer Comparison

## Average Charges per Discharge

<table>
<thead>
<tr>
<th></th>
<th>All UHC</th>
<th>Midwest</th>
<th>Sole AHC in Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum</strong></td>
<td>$ 8,543</td>
<td>$ 14,626</td>
<td>$ 13,715</td>
</tr>
<tr>
<td><strong>25th Percentile</strong></td>
<td>$ 13,715</td>
<td>$ 16,703</td>
<td>$ 15,580</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>$ 17,027</td>
<td>$ 18,452</td>
<td>$ 16,359</td>
</tr>
<tr>
<td><strong>75th Percentile</strong></td>
<td>$ 22,768</td>
<td>$ 21,685</td>
<td>$ 18,147</td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td>$ 50,732</td>
<td>$ 30,320</td>
<td>$ 22,200</td>
</tr>
</tbody>
</table>

### UIHC Average Charges per Discharge
- **$16,071**

### Iowa %tile
- **43%**
- **8%**
- **30%**

Source: University Healthsystem Consortium, case mix adjusted data
## UHC Peer Comparison
### Average Charges per Patient Day

<table>
<thead>
<tr>
<th></th>
<th>All UHC</th>
<th>Midwest</th>
<th>Sole AHC in Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum</strong></td>
<td>$1,678</td>
<td>$2,258</td>
<td>$2,130</td>
</tr>
<tr>
<td><strong>25th Percentile</strong></td>
<td>$2,402</td>
<td>$2,770</td>
<td>$2,552</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>$2,912</td>
<td>$3,216</td>
<td>$2,845</td>
</tr>
<tr>
<td><strong>75th Percentile</strong></td>
<td>$3,934</td>
<td>$3,723</td>
<td>$3,311</td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td>$9,778</td>
<td>$4,905</td>
<td>$3,602</td>
</tr>
</tbody>
</table>

**UIHC Average Charges per Patient Day**

$2,388

Source: University Healthsystem Consortium, case mix adjusted data
Projected UHC FY2005 Comparison after 9.5% Increase

<table>
<thead>
<tr>
<th>Region</th>
<th>Charge $ per Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midwest</td>
<td>$20,982</td>
</tr>
<tr>
<td>Sole AHC</td>
<td>$18,306</td>
</tr>
<tr>
<td>All UHC</td>
<td>$21,206</td>
</tr>
<tr>
<td>UIHC</td>
<td>$17,598</td>
</tr>
</tbody>
</table>

Source: University Healthsystem Consortium, case mix adjusted average charges per inpatient discharge, rolled forward with avg 8% CDM increase
What Is The Impact Of Charge Increases On Employers?

- If fully insured, no immediate impact. Risk is assumed by insurer.
- If self-insured, impact of charge increase limited to those services paid on discount from charges.
- 78% of UIHC total charges paid at fixed rate vs. discount
- Impact to any one employer would be minimal
What Is The Impact Of Charge Increases On Patients?

- Self Pay patients will be impacted (<5% of total charges). Collections on this population average <30%.
  - Policy for discounts to the medically indigent

- University HealthSystem Consortium analyzed the impact of higher charges on insured patients:
  - No impact on deductibles
  - Actual copayment impact is minimal, out of pocket maximums limit patient liability
Impact of Higher Charges on Actual Copayment
Surprisingly Small

<table>
<thead>
<tr>
<th>Hospital Type</th>
<th>Average Out-Of-Pocket Copayment Per Admission, All Patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Cost Hospitals(^2)</td>
<td>$1,516</td>
</tr>
<tr>
<td>Difference = $46</td>
<td></td>
</tr>
<tr>
<td>Average Cost Hospitals(^2)</td>
<td>$1,470</td>
</tr>
<tr>
<td>Difference = $172</td>
<td></td>
</tr>
<tr>
<td>Low Cost Hospitals(^2)</td>
<td>$1,344</td>
</tr>
<tr>
<td>UIHC = $126</td>
<td></td>
</tr>
</tbody>
</table>

Patients will have only nominal out-of-pocket copayment impact with charge increases.

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1. The benefit plan design applied to develop average out-of-pocket cost per admission is comprised of a $300 deductible, $1,800 OOP maximum, and 90% coinsurance.
2. Hospitals ranked in quartiles by case mix-adjusted allowable charges developed from more than 300,000 PPO admissions and corresponding outpatient visits modeled through three standard benefit plan designs: High Cost = top 25%, Average Cost = middle 50%, and Low Cost = bottom 25%.

Source: Milliman USA, Consulting Actuaries
### Out-of-Pocket Maximums Limit Impact on Patients

**Comparison Of One Patient’s Out-Of-Pocket Copayments (“High Cost” vs “Low Cost” Hospitals, In-Network PPO Benefits)**

<table>
<thead>
<tr>
<th></th>
<th>“Low Cost” Hospital</th>
<th>“High Cost” Hospital¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed Charges</td>
<td>$25,943</td>
<td>$40,130</td>
</tr>
<tr>
<td>- PPO Discount</td>
<td>- $7,783</td>
<td>- $12,039</td>
</tr>
<tr>
<td>Allowable Charges</td>
<td>$18,160</td>
<td>$28,091</td>
</tr>
<tr>
<td>10% Patient Copay</td>
<td>$1,816</td>
<td>$2,000*</td>
</tr>
</tbody>
</table>

Cost Difference To Patient = $184

* Assumes patient met none of his/her out-of-pocket limit prior to admission.

¹ “High Cost” hospital is defined as a hospital in the upper quartile of case mix-adjusted allowable charges developed from more than 300,000 PPO admissions and corresponding outpatient visits modeled through three standard benefit plan designs. Source: Milliman USA, Consulting Actuaries
Conclusion

- Patient care activity is projected to increase in FY 06.
- Additional costs are expected to increase with the majority of these incremental costs in salary, benefits, supplies and implants.
- UIHC is projected to finish FY 2005 with a 3.0% operating margin.
- UIHC requests the Regent’s approval of 9.5% increase.
Discussion and Questions
BOARD OF REGENTS, STATE OF IOWA
Iowa State University
Ames, Iowa

University of Iowa Hospitals and Clinics
Executive Board Committee
Memorial Union
Sur Room

March 14, 2005 – 2:15 p.m. – 2:25 p.m.

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

Regent Arbisser called the meeting to order at 2:15 p.m.

H&C 1. Minutes from November 3, 2004 and February 2, 2005 Committee Meeting

Regent Arbisser said there were minutes from two sessions for approval. He made a correction on the February 2, 2005 minutes. On page 2, under Recruitment, the correct name was Paul Rothman, Internal Medicine.

MOTION
Regent Newlin moved that the November 3, 2004 and February 2, 2005 minutes be approved. Regent Downer seconded the motion.

MOTION CARRIED UNANIMOUSLY

Executive Director Nichols said that everyone should have been notified about an opportunity for an Iowa Hospital Association Trustees Training opportunity on March 30, 2005 in Des Moines, Iowa.

Regent Arbisser adjourned the meeting at 2:25 p.m.

Pamela M. Elliott
Chief, Business Officer

Gregory S. Nichols
Executive Director

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