

AGENDA

MEETING OF THE BOARD OF REGENTS, STATE OF IOWA AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS

September 14, 2005
10:00 a.m. – 11:30 a.m.
Cedar Falls, Iowa

- | | | |
|-----------|--|---|
| (5 Min.) | I. Introductory Comments | David J. Skorton, President, The University of Iowa |
| (15 Min.) | II. A. Director's Report | Donna Katen-Bahensky, Director and Chief Executive Officer |
| (10 Min.) | B. Operating Statistics Through June, 2005 | |
| (10 Min.) | C. IowaCare Update | |
| (10 Min.) | D. New Score Card Metrics | |
| (10 Min.) | III. Capital Expenditures Discussion | Donna Katen-Bahensky, Director and Chief Executive Officer
John Staley, Ph.D., Senior Associate Director
Matthew Howard, MD, Professor and Head of the Department of Neurosurgery |
| (30 Min.) | III. Quality Measures | Charles Helms, M.D., Chief of Staff and Medical Director, Clinical Resources and Outcomes Management
Linda Everett, Ph.D., R.N., Associate Director and Chief Nursing Officer |

University of Iowa Hospitals and Clinics

Director's Report

Donna Katen-Bahensky
Director and Chief Executive Officer

September 14, 2005

Director's Report

- I. Old Business
 - a. Revised Draft of Trustees' Annual Work Plan
 - b. NCI Designation and Financial Support for HCCC
- II. Recruitment and Retention
 - a. Head of Anesthesia
 - b. Ongoing Searches
- III. Length of Stay Management
- IV. Other Announcements

Revised Draft of Trustees' Annual Work Plan

September 14-15, 2005 UNI	November 2-3, 2005 SUI	February 1-2, 2006 Des Moines	March 22-23, 2006 Des Moines	May 3-4, 2006 Lakeside Laboratory	June 21-22, 2006 SUI
1.) Director's Report 2.) Operating Statistics Through June, 2005 3.) Update on IowaCare 4.) Capital Expenditure Discussion 5.) New Scorecard Metrics 6.) Quality Measures Presentation/ Discussion Dr. Charles Helms and Dr. Linda Everett	1.) Director's Report 2.) Operating and Financial Performance Report, 1 st Quarter 3.) Capital Expenditure Discussion 4.) Update on IowaCare 5.) Purchased Services Agreement with CCOM/FPP 6.) Orthopedics and Sports Medicine at UIHC – Drs. Joseph Buckwalter and Ned Amendola	1.) Director's Report 2.) Second Quarter FY 2006 Operating and Financial Performance Report, Including Institutional Scorecard 3.) Auditor's Report for FY 2005 4.) Capital Expenditure Discussion 5.) Update on IowaCare 6.) UIHC's Emergency Medicine Program and Trauma Care – Drs. Eric Dickson and Dionne Skeete	1.) Director's Report 2.) Operating and Financial Performance Report Through January, 2006 3.) Capital Expenditure Discussion 4.) Update on IowaCare 5.) FY 2007 Environmental Assessment and Budget Assumptions 6.) Department of Otolaryngology – Dr. Bruce Gantz	1.) Director's Report 2.) Third Quarter FY 2006 Operating and Financial Performance Report, Including Institutional Scorecard 3.) Capital Expenditure Discussion 4.) Preliminary FY 2007 Budget and Proposed Rate Increase 5.) Information Technology Strategies and Applications – Mr. Lee Carmen and Dr. Dan Fick 6.) Update on IowaCare	1.) Director's Report 2.) Operating and Financial Performance Report Through April, 2006 3.) Capital Expenditure Discussion 4.) Final FY 2007 Budget and Rate Increase Approval 5.) State of Cardiovascular and Thoracic Surgery in Iowa – Dr. Mark Iannettoni 6.) Update on IowaCare

NCI Designation and Financial Support for HCCC

- National Cancer Institute re-accredited Holden Comprehensive Cancer Center, Iowa's only NCI-designated comprehensive cancer center.
- This honor places Holden in the top tier of cancer centers across the nation.
- The NCI officially notified the leadership of Holden Comprehensive Cancer Center that its P30 Cancer Center Support Grant will be renewed for a five-year period.
- The NCI increased its financial support to Holden by 50 percent to more than \$2.2 million per year, or a total of \$11.6 million.

Critical Success Factors

- Critical success factors (CSFs) define key areas of performance that are essential for the organization to fulfill its mission and realize its vision:
 - CSFs consist of those things which must go right in order for the organization to reach its goals.
 - They are simple to understand, help focus attention on major concerns, are easy to communicate to employees, and are easily monitored
- Any activity undertaken by the organization must ensure consistently high performance in these key areas; otherwise, the organization may not be able to achieve its vision or live up its mission.¹
- UIHC's Critical Success Factors for FY2006:

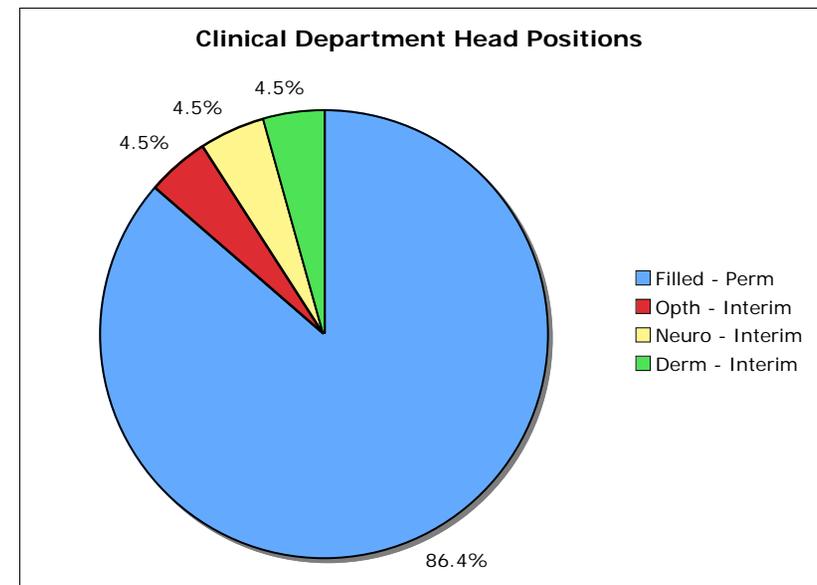




Recruitment and Retention

- Head of Anesthesia
 - Dr. Michael Todd, professor of anesthesia in the University of Iowa Roy J. and Lucille A. Carver College of Medicine, has been named permanent head of the UI Department of Anesthesia.*
 - Dr. Todd's clinical and research interests include anesthesia for neurosurgical patients, the effects of anesthetics on normal and injured brains and the use of mild hypothermia (cooling) as a neuroprotective treatment.

- Ongoing Recruiting Efforts
 - Head, Department of Ophthalmology
 - Head, Department of Neurology
 - Head, Department of Dermatology
 - Medical Director, Transplant Surgery



* Pending approval by the UI Provost.



Length of Stay Management

- Social Work Coverage in Emergency Trauma Center
 - Effective July 5, 2005, three social workers began covering the ETC from 11:00 a.m. to 11:00 p.m.
 - Patient and staff time is being used more effectively, as social workers are now able to begin psycho-social assessment prior to admission.
 - In some cases, more appropriate modes of care have been identified, thus avoiding unnecessary hospitalizations.
- Pre-Surgical Screening in ENT Clinic
 - Staff assigned to review all potential surgical candidates, ensuring that proper home care is available post-discharge before surgery is scheduled.
- Institution-Wide Discharge Summary
 - Standardization of discharge summary documentation is underway. This will help streamline the process and make procedures more consistent across the organization.



Length of Stay Management (cont'd)

- Expansion of Bed Placement Function
 - The Adult Bed Placement Center now coordinates admissions for Medical Psychiatric, Medical Intensive Care, and Coronary Care units.
- Bone Marrow Transplant Unit
 - Staff holding regular meetings to discuss Length of Stay issues and potential process improvements.
- Reorganization of Nurse Navigator Program
 - More effective coverage of surgical and neurosurgical services.
 - Continuum of Care nurse rounds with physicians in Neurosurgery.
- Priority Acute Myocardial Infarction Protocol
 - Implemented in Cardiology and Emergency Trauma Center.

OPERATING STATISTICS

through
June, 2005



Volume Indicators

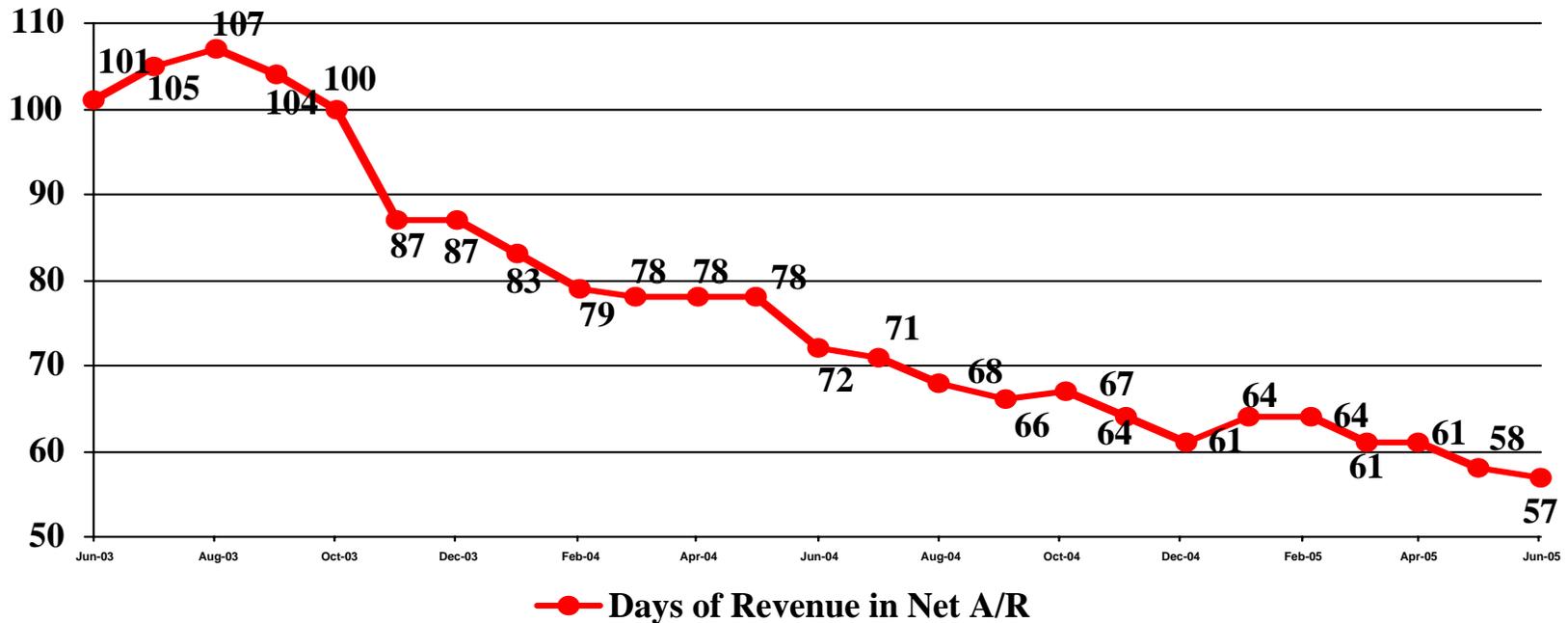
July 2004 through June 2005

	Actual	Budget	Prior Year	Variance To Budget	% Variance To Budget	Variance to Prior Year	% Variance to Prior Year
June 2005 Monthly Operating Review							
Admissions	25,063	26,487	25,384	(1,424)	-5.4%	(321)	-1.3%
Patient Days	175,292	169,310	176,188	5,982	3.5%	(896)	-0.5%
Length of Stay	6.99	6.39	6.94	0.60	9.4%	0.05	0.8%
Average Daily Census	480.3	463.9	481.4	16.4	3.5%	(1.1)	-0.2%
Surgeries - Inpatient	9,943	10,409	9,913	(466)	-4.5%	30	0.3%
Surgeries - Outpatient	10,877	11,267	10,730	(390)	-3.5%	147	1.4%
Emergency Treatment Center Visits	32,768	34,369	31,626	(1,601)	-4.7%	1,142	3.5%
Outpatient Clinic Visits	668,456	656,977	669,045	11,479	1.7%	(589)	-0.1%

University of Iowa Hospitals and Clinics Comparative Accounts Receivable as of June 2005

	June 30, 2003	June 30, 2004	June 30, 2005*	Median Moody's Aa Rating
Gross Accounts Receivable	\$354,885,862	\$293,860,815	\$278,551,170	na
Net Accounts Receivable	\$143,583,988	\$110,344,338	\$93,964,049	na

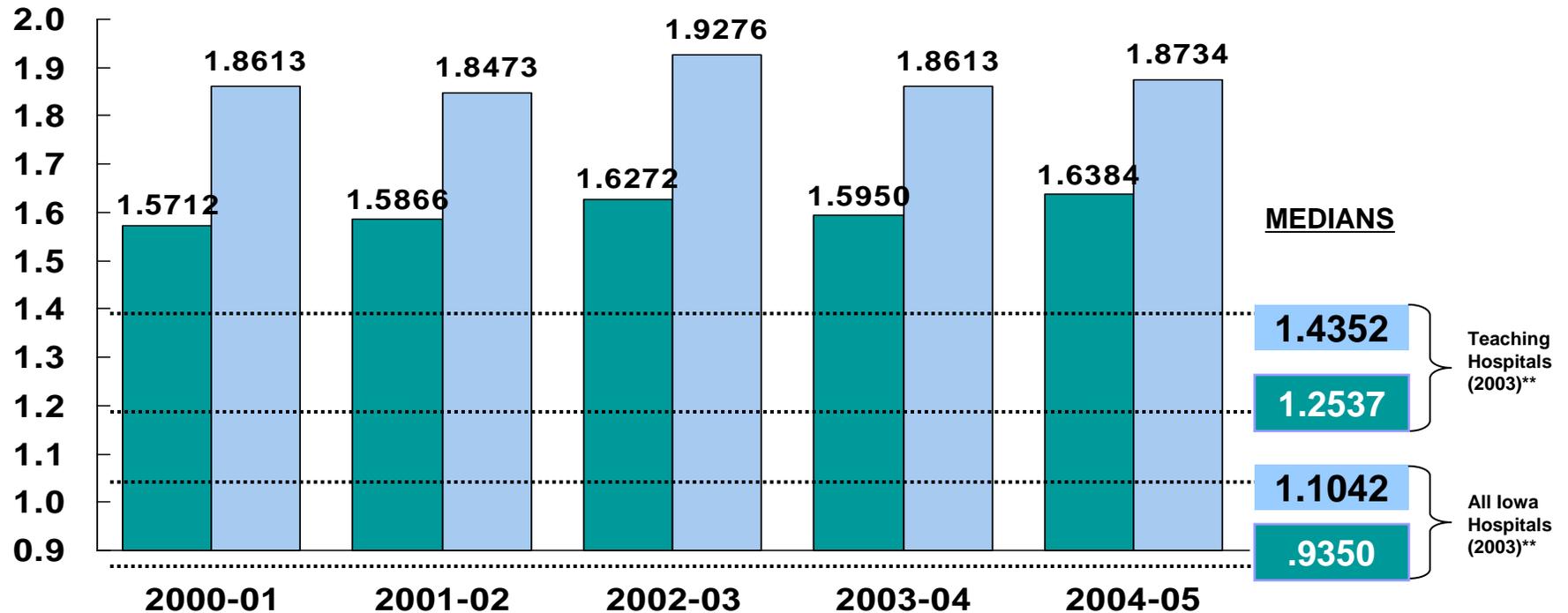
Net Days in AR	101	72	57	56
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UNIVERSITY OF IOWA HOSPITALS AND CLINICS

CASE MIX INDEX - ALL ACUTE INPATIENTS*

CASE MIX INDEX - MEDICARE INPATIENTS*



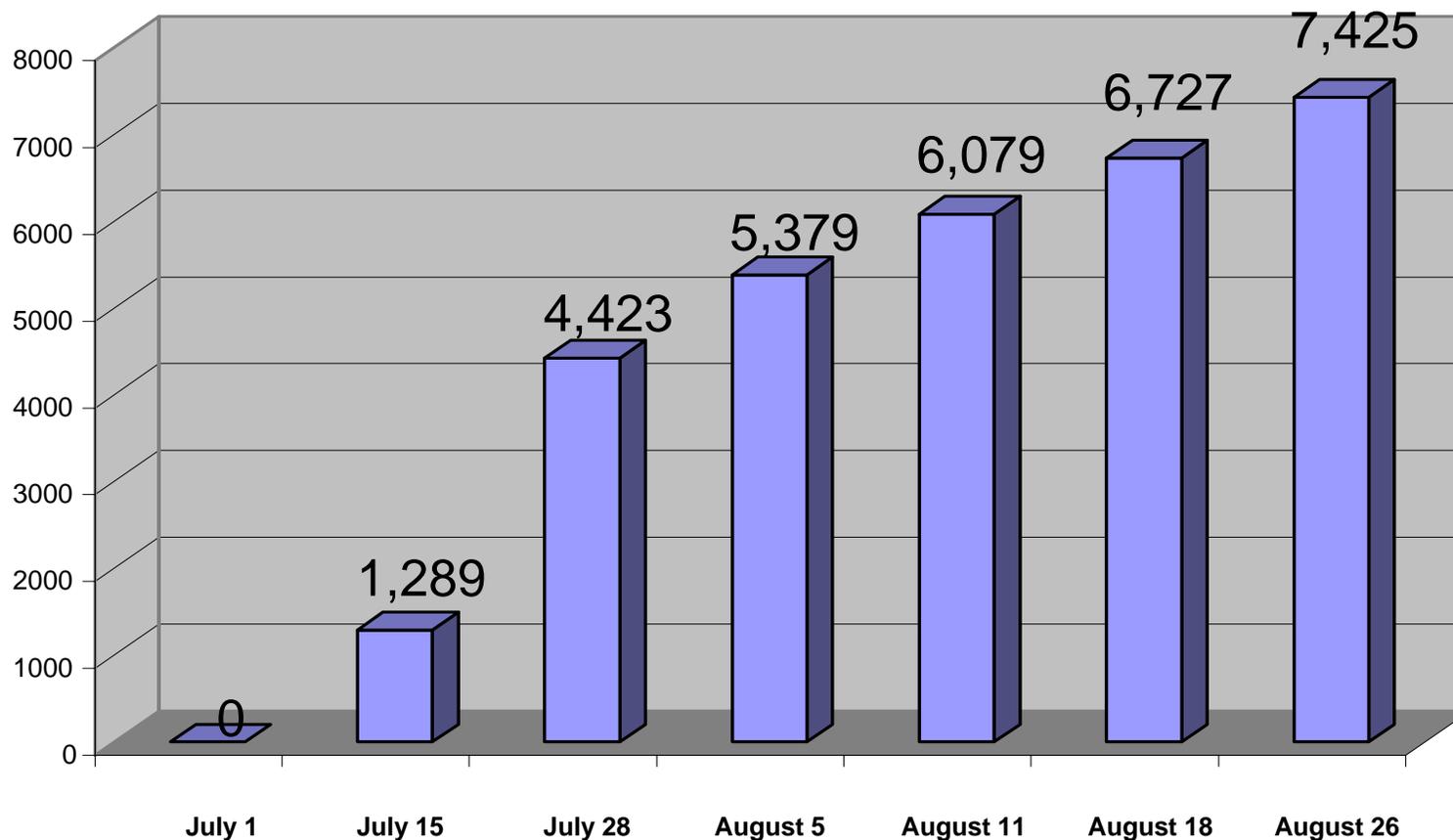
* THE CASE MIX INDEX REFLECTS THE OVERALL CLINICAL COMPLEXITY OF THE PATIENT CENSUS OF A GIVEN HOSPITAL BY ESTIMATING THE LEVEL OF RESOURCE CONSUMPTION OF THE AVERAGE PATIENT RELATIVE TO THAT OF ALL HOSPITALS NATIONALLY WHICH HAVE A CASE MIX INDEX OF 1.00.

* ALL CASE MIX INDEX VALUES SHOWN ABOVE INCLUDE NEWBORN NURSERY

** FROM THE ALMANAC OF HOSPITAL FINANCIAL OPERATING INDICATORS, 2005 CHIPS:
A TEACHING HOSPITAL IS ONE AT WHICH MEDICAL GRADUATES TRAIN AS RESIDENTS.

IowaCare Update

Cumulative Approved IowaCare & Chronic Care Applications



Data from the Iowa Department of Human Services.

UIHC Experience with IowaCare and Chronic Care Patients through August 26, 2005

- **7,425** people are **enrolled statewide** in IowaCare or Chronic Care.
 - **5,128** people enrolled in IowaCare or Chronic Care have **not yet scheduled any appointments** at the UIHC (69.1%).
 - **2,297** people enrolled in IowaCare or Chronic Care have **had or currently are scheduled for an appointment** at the UIHC (30.9%).
- **3,610 visits** for IowaCare or Chronic Care have **already occurred** at the UIHC.
- The **value of donated physician services** at the UIHC for IowaCare or Chronic Care patients is **\$3.4 M**.
- The **value of hospital services** at the UIHC for IowaCare or Chronic Care patients is **\$10.2 M**.
- The **Medicaid reimbursement rate** associated with UIHC hospital services is **\$3.7 M** (13.6% of the \$27.3 M appropriation for the UIHC for the entire FY 06 time period has already been expended during this start-up phase).

Capital Expenditure Discussion



Five-Year Capital Plan



FY 2007-2011
FIVE-YEAR CAPITAL PLAN SUMMARY
 (in priority order)

The projects listed in the Five-Year Capital Plan include only those that are anticipated to be initiated during fiscal years 2007 - 2011. The plan does not include projects enumerated in the UIHC's FY 2006 Capital Plan or those with previously approved budgets for which expenditures will be made during this five year period.

(All of These Projects are Contingent Upon the Availability of Self-Generated UIHC Funding, Approval through the UIHC's Annual Capital Budget Process, Conclusions/Recommendations Adopted in Developing UIHC's Strategic Facilities Plan for FY 2006 – 2025, and Approval of Each Project by the Board of Regents, State of Iowa)
 (\$ in Thousands)

Project		Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Five Year Total	Source of Funds
<u>Fire and Environmental Safety Resolution</u>								
JCAHO Plan for Improvement (Multiple Projects)	(1)	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 2,000	9
Installation of Addressable Fire Alarm Systems - Phase C (Support Areas) (Multiple Projects)	(1)	270	270	270	150	150	1,110	9, 11
Subtotal - Fire and Environmental Safety Resolution		\$ 670	\$ 670	\$ 670	\$ 550	\$ 550	\$ 3,110	
<u>New Construction</u>								
Subtotal - New Construction*		\$ -	\$ -					

* While no projects have been defined for this category, the UIHC's Strategic Facilities Planning process for FY 2006-2025 will very likely identify some new construction needs during the FY 2007-2011 period. In accord with long-standing practice, any such changes which arise will be fully documented for consideration and approval by the Board of Regents, State of Iowa.

Remodeling/Renovation/Rehabilitation

Air Handling Unit Replacements - Hospital Wide (Multiple Projects)	(1)	\$ 1,366	\$ 2,102	\$ 4,557	\$ 4,572	\$ 4,443	\$ 17,040	9
Pediatric Specialty Clinic Expansion and CHI Entrance Development	(1)	500	5,000	3,636			9,136	4, 9
Carver Pavilion Inpatient Unit Renovation - Level 7	(1)	200	3,000	1,500			4,700	9



Five-Year Capital Plan



Project		Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Five Year Total	Source of Funds
Renovation of Former Main Entrance Lobby (Multiple Projects)	(1)	\$ 200	\$ 700	\$ 675			\$ 1,575	9
Server Room Development	(1)	450	800				1,250	9
Pediatric Cardiac Catheterization Laboratory Development	(1)	200	760				960	4, 9
Biplane Angiographic Procedure Room	(1)	100	500				600	9
Medical Air and Vacuum System Upgrade	(1)	375					375	9
Phased Floor Covering Replacement and Wall Refurbishment - UIHC Wide (Multiple Projects)	(2)	1,500	1,500	1,500	\$ 1,500	\$ 1,500	7,500	9
UIHC Elevator Replacements (Multiple Projects)	(2)	210	1,393	954	415		2,972	9
Roof Replacements and Recovers - UIHC Wide (Multiple Projects)	(2)	1,800	450				2,250	9
Pediatric Faculty and Staff Office Development	(2)	600	1,250	250			2,100	9
Phased Ceiling Refurbishment - UIHC Wide (Multiple Projects)	(2)	100	250	250	350	350	1,300	9
Holden Comprehensive Cancer Center Administrative Offices	(2)	100	700	180			980	9
Computer Room Chiller Installation	(2)	375					375	9
Window Refurbishment and Replacment - Hospital Wide (Multiple Projects)		(1)	665	1,575	1,948	1,645	5,833	9
Development of an Expanded Ambulatory Renal Dialysis Suite		(1)	992	1,983	330		3,305	9
Center for Disabilities and Development - HVAC and Chilled Water Infrastructure Renewal (Multiple Projects)		(1)	154	896	836	389	2,275	10
Center for Disabilities and Development - Inpatient Unit Renovation		(1)	350	500	310		1,160	10
Former Microbiology Laboratory Redevelopment		(1)	300	390			690	9
"Temporary" Metal Building Removals		(1)	450				450	9



Five-Year Capital Plan



Project	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Five Year Total	Source of Funds
Center for Disabilities and Development - Electrical Distribution Upgrade	(1)	\$ 115	\$ 190			\$ 305	10
Main Kitchen Renovation	(2)	200	3,000	\$ 1,800		5,000	9
General Hospital Piping and Mechanical System Renewal (Multiple Projects)	(2)	951	1,227	889		3,067	9
Upgrade and Expand Internal Wayfinding - Hospital-Wide (Multiple Projects)	(2)	400	590			990	9
C-44 Renovation	(2)	50	934			984	9
H.P. Smith Conference Room Refurbishment	(2)	200	140			340	9
Phased Carver Pavilion Inpatient Unit Renovations (Multiple Projects)			(1) 500	3,000	\$ 10,180	13,680	9
Center for Digestive Diseases Clinic and Procedure Suite Expansion (Multiple Projects)			(1) 2,000	5,279		7,279	9
UIHC Exterior Building Wall Restoration and Upgrades (Multiple Projects)			(2) 1,131	599		1,730	9
General Hospital First Level East Utilities and HVAC Upgrades				(1) 69	391	460	9
Colloton Pavilion Piping and Mechanical System Renewal				(2) 500	680	1,180	9
Staff Dining Room Renovation				(2) 500	475	975	9
Installation of Revolving Doors at Main Entry Points (Multiple Projects)					(2) 612	612	9
Subtotal Remodeling/Renovation/Rehabilitation	\$ 8,076	\$ 23,232	\$ 28,558	\$ 22,897	\$ 20,665	\$ 103,428	
Grand Total - UIHC	\$ 8,746	\$ 23,902	\$ 29,228	\$ 23,447	\$ 21,215	\$ 106,538	

Five-Year Capital Plan

Source of Funds Key:

- | | |
|---|---|
| 1 State Appropriation or Bonding Authorization | 7 Iowa DOT (Road Use Tax Funds) |
| 2 Building Renewal Funds | 8 Student Health Fees |
| 3 Income from Treasurer's Temporary Investments | 9 University Hospitals Building Usage Funds |
| 4 Gifts and Grants | 10 Center for Disabilities and Development Building Usage Funds |
| 5 Departmental Renewal and Replacement Funds | 11 UIHC Bonds |
| 6 Auxiliary Service or Enterprise Revenue Bonds | 12 UI Information Technology Services Operating Revenues |

UIHC Priority #1 - Based on the project being necessary to meet requirements for compliance with life-safety and building codes or regulatory and accreditation standards of such organizations as the Occupational Safety and Health Administration and Joint Commission on Accreditation of Healthcare Organizations; and those projects that will provide for the development of patient care and support facilities necessary to meet new patient service needs or anticipated continued growth in patient volume while enhancing revenues and/or decreasing operating expenses.

UIHC Priority #2 - Based on project being essential to meeting commitments related to UIHC's mission or achievement of specific elements of its strategic plan, although no significant revenue enhancements or cost reductions are anticipated to directly accrue from undertaking the project.

The results of the current UIHC strategic facility planning process will undoubtedly result in revisions to the above project listing. In addition, the "cutting edge" responsibility of the UIHC constantly brings about some revision in planning. While the foregoing enumeration includes all projects now envisioned for the FY 2007-2011 period, it is likely that the dynamics of clinical service-educational demands and corollary societal forces, and accreditation and regulatory requirements will mandate other projects as time moves on. In accord with long-standing practice, any such changes which arise will be fully documented for consideration and approval by the Board of Regents, State of Iowa.

THE UNIVERSITY OF IOWA

UNIVERSITY OF IOWA HOSPITALS AND CLINICS

ACTION REQUESTED: Approve Purchase of 1.5 Tesla Magnetic Resonance Imaging (MRI) System.

EXPLANATION

The University of Iowa Hospitals and Clinics (UIHC) requests approval to proceed with the purchase of a high field 1.5 Tesla MRI system to replace an existing 1.5 Tesla MRI system installed in 1988. This system is now beyond its useful life, has limited capabilities which affect the quality of exams we can provide to patients and is experiencing significant downtime for repairs, resulting in increased maintenance costs to keep it running. The source of funding for this purchase will be UIHC funds for capital equipment acquisition during FY06. The MRI system will be purchased from Siemens Medical Solutions. The UIHC has a contract with Siemens that was executed after a competitive bidding process involving eight vendors resulted in a five year "Strategic Alliance" for purchase of imaging equipment. This purchasing agreement provides the UIHC with extremely competitive pricing and other benefits. The price of the MRI is \$2,168,883.

The replacement 1.5 Tesla MRI system will be sited in the existing MRI Center located in the lower level of the John Colloton Pavilion. Renovation to install this system is part of a current approved project to renovate the MRI Center to increase patient MRI service capacity.

The MRI system installed in 1988 cannot support the growth experienced during the past few years. MR studies performed during the last two years have increased by 17% (2003) and 10% (2004), respectively. The ability to sustain such growth requires updated MR equipment. The current GE 1.5T MR scanner is limited in its capabilities and provides substantially inferior image quality compared to newer scanners. With the acquisition of a newer scanner, the duration of typically scans will be reduced from 45 to 30 minutes thus increasing our throughput as well as reducing patient discomfort. The newer Siemens scanner also provides the ability to perform several new services including cardiac imaging, whole body angiographic studies, and MR spectroscopy. The ability to perform these services will keep the UIHC at the forefront of MR imaging.

THE UNIVERSITY OF IOWA
UNIVERSITY OF IOWA HOSPITALS AND CLINICS

NEUROSURGERY CLINIC RENOVATION AND EXPANSION

**ACTIONS
REQUESTED:**

- a) Approval of Request for Permission to Proceed with Project Planning.
- b) Approval of Request for Permission to Waive Architectural Selection Process and to Select Architectural and Engineering Assistance.
- c) Receive the Responses to Board Evaluation Criteria for Major Capital Projects.

PERMISSION TO PROCEED WITH PROJECT PLANNING

Project Type

Renovation

General
Description of
Project

This project provides for the expansion and renovation of the Department of Neurosurgery ambulatory care clinic and faculty office and conference facilities located on the first floor of Pappajohn Pavilion. The total area to be renovated is approximately fourteen thousand gross square feet. Included in this figure is approximately four thousand seven hundred gross square feet of space that currently functions as office and supporting facilities for faculty and staff in the Department of Cardiothoracic Surgery. These functions are scheduled to be relocated to the General Hospital in the near future. The availability of this space will provide for a modest expansion of the Department of Neurosurgery's patient care, teaching and support facilities.

Justification/Need
for Project

The Department of Neurosurgery's ambulatory care clinic has been located on the first level of the Pappajohn Pavilion since 1992. Over the past thirteen years the annual number of patient visits to this clinic has increased by 38%, or a growth rate of nearly 3% per year. It is anticipated that for the foreseeable future the Neurosurgery Clinic visits will grow at a rate of between 3% and 5% per year. Sustaining this rate of growth in the current location will necessitate the development of additional examination rooms and expanded support facilities. Beyond this, deficiencies in the existing clinic's design and level of patient care and support space compromise the department's ability to provide timely patient care services and limit any expansion in the level of services it is able to offer its patients. The project is necessary to accommodate the increased number of patient examinations, to provide additional space for house staff training and clinic support functions, to increase functionality and patient throughput, to modify the clinic's design to meet contemporary requirements for patient privacy and confidentiality, maximize efficiencies, and provide a setting that accommodates the needs of the largely special-needs neurosurgery patient population.

Anticipated Project Cost

The estimated cost to design and renovate this facility is approximately \$3.4 million. Cost figures will be further developed and refined as planning proceeds.

Anticipated Source of Funds

This project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved.

ARCHITECT/ENGINEER AGREEMENT

Permission to Waive Architectural Selection Process and to Select Architect

UIHC requests approval to waive provisions of the Board's Policy Manual that require the selection of an architectural firm by an institutional Architectural Selection Committee for projects of \$1 million or more, and requests approval for the selection of OPN Architects, Inc., Cedar Rapids, Iowa, to provide design services for the project. This request is submitted for the following reasons:

- OPN has provided a feasibility study for the project, which included programming and pre-design services.
- The study conducted by OPN Architects shows an in-depth understanding of the project and the specifics related to the project. Their program will be the model used and as such, their unique understanding of the project will enable the UIHC to save time and money. Bringing in another consultant would require their getting "up-to-speed" on the project, which will cost both time and money.

UIHC recommends selection of the OPN Architects, Inc. based on their familiarity with the project concept and the need to provide design development services in the shortest possible time frame.

Recommended A/E firm and Location

OPN Architects, Inc.
Cedar Rapids, Iowa

Justification for Selection of Lead Firm

The firm was selected based on their performance and execution of the Master Plan Feasibility Study.

Scope of Services

OPN will provide full design services, including schematic design, as required to develop plans and specifications for the project. They will also provide construction administration services consisting of shop drawing review, generation of change requests, attend monthly construction meetings, conduct periodic site observation, and prepare punch lists.

Provision for Remaining Design Services (if applicable)

Not Applicable

Proposed Fee

This Agreement for Professional Services provides for basic services at a fixed fee of \$ 230,000 and reimbursable expenses of \$ 24,000.

RESPONSES TO BOARD EVALUATION CRITERIA FOR MAJOR CAPITAL PROJECTS

Fulfillment of Mission and Strategic Plan

There has been a 38% increase in outpatient visits since the Neurosurgery Clinic became operational on the first level of the Pappajohn Pavilion in 1992. This level of growth is now resulting in difficulties in scheduling timely patient visits for non-emergent care and in comfortably accommodating patients and their families in the clinic's waiting room. It is anticipated that the number of patients seeking diagnostic and therapeutic services provided by physicians within the Department of Neurosurgery will continue to grow, thereby further exacerbating the existing inadequacy in patient examination and support space. This project is an essential element in enabling the UIHC to meet all components of its tri-partite mission by providing the necessary space for the Neurosurgery Clinic to meet the continued growth in patient service volume, to permit the offering of a more comprehensive array of clinical services and programs, and to enhance the facilities required to teach and train medical students, residents, and other health profession trainees, and to conduct clinical research. By providing the Neurosurgery Clinic with the necessary expansion space the project also supports several of the UIHC's Strategic Plan goals, most notably identification of Neurosurgery as one of UIHC's clinical services that will be a leader in the state and national market by offering cutting edge clinical services, robust clinical research and strong training opportunities; by providing facilities that enhance a patient-centered experience, by providing design features required to streamline patient throughput and to improve the patient's healthcare experience, and by providing a continuously improving, safe environment for all patients and staff at all times.

Alternatives Explored

In 2003, the UIHC engaged a national space planning and management consulting firm, Meaghan Jared Partners, Inc., to assist in determining the optimal plan for meeting the UIHC's needs for additional ambulatory care clinic and procedure unit space. After evaluating a number of possible methods to meet these needs, while taking into consideration the existence of shell space in the Pomerantz Family Pavilion and the development of additional shell space now being constructed as the West Addition to the Pomerantz Family Pavilion, it was ultimately determined that for patient convenience and operational reasons the Neurosurgery Clinic should remain in its present location on the first level of Pappajohn Pavilion and that its expansion would be

accomplished through use of adjacent space now used to provide offices for the Department of Cardiothoracic Surgery. This division will be provided new offices in General Hospital. There are no other viable alternatives available that will as optimally meet the multiple objectives realized by undertaking this project.

Abandoned/
Transferred/
Demolished Space

The faculty and staff offices of the Department of Cardiothoracic Surgery will be relocated to space in General Hospital to provide the expansion space required to accommodate the Department of Neurosurgery. Clinical and hospital support functions now located in this General Hospital space will be relocated to other areas of the UIHC and health sciences campus.

Available Financial
Resources and
Source of Funds

The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved. The estimated ten-year return on investment associated with expanding and renovating the Neurosurgery Clinic and related clinical components of the project is 29.3%.

Available Operating
and Maintenance
Resources

The source of funds to cover the associated operating and maintenance costs will be hospital operating revenues derived from providing patient care services.

External Forces
Justifying Approval

This project is an essential element in enabling the UIHC to meet all components of its tri-partite mission. As previously noted, the UIHC continues to experience a significant growth in outpatient visits that have resulted in a number of clinical services now experiencing difficulties in providing timely patient services due to the lack of examination and treatment space. This project will provide the Neurosurgery Clinic with the necessary space for it to meet the continued growth in patient service volume and to permit the offering of a more comprehensive array of clinical services and programs.

Signature

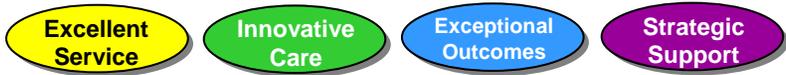
/s/ original signature on file
Donna Katen-Bahensky
Director and Chief Executive Officer

Date

New Score Card Metrics

FY 2006 Score Card

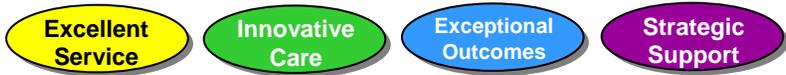
<p>Innovative Care</p> <p></p>	<p>Excellent Service</p> <p></p>
<p>Exceptional Outcomes</p> <p></p>	<p>Strategic Support</p> <p></p>



Indicators

INNOVATIVE CARE		
<u>Indicator</u>	<u>Description</u>	<u>Source</u>
Market Share	Market share of acute inpatient discharges for Iowa residents from Iowa Hospitals [excluding MDC 19 (mental disease), 20 (alcohol/drug) and 25 (HIV), per HIPAA requirements]	Iowa Hospital Association
Acute Admissions	Number of acute adult & pediatric patients admitted (excludes normal newborns)	Hospital Records
Clinic Visits	Total number of UIHC clinic visits (excludes Outreach and Community Medical Services locations)	Hospital Records
Average Length of Stay	Total inpatient days / total discharges for all acute care patients	Hospital Records
EXCELLENT SERVICE		
<u>Indicator</u>	<u>Description</u>	<u>Source</u>
External Referrals	Total number of visits with external entities attached to the visit	Hospital Records
Patient Satisfaction - Adult	Mean score of adult inpatient surveys (all standard questions) returned for the past 4 quarters	Press-Ganey Satisfaction Survey
Patient Satisfaction - Pediatric	Mean score of pediatric inpatient surveys (all standard questions) returned for the past 4 quarters	Press-Ganey Satisfaction Survey
EXCEPTIONAL OUTCOMES		
<u>Indicator</u>	<u>Description</u>	<u>Source</u>
Heart Attack (AMI) care	Percent of patients eligible for heart attack (acute myocardial infarction) processes of care who received heart attack processes of care for the past 4 available quarters	http://www.hospitalcompare.hhs.gov
Pneumonia Care	Percent of patients eligible for pneumonia processes of care who received pneumonia processes of care for the past 4 available quarters	http://www.hospitalcompare.hhs.gov
Heart Failure Care	Percent of patients eligible for heart failure processes of care who received heart failure processes of care for the past 4 available quarters	http://www.hospitalcompare.hhs.gov
STRATEGIC SUPPORT		
<u>Indicator</u>	<u>Description</u>	<u>Source</u>
Cost Per Adjusted Discharge	Operating costs / ((gross patient charges/total gross inpatient charges) *(total patient discharges excluding newborns) *Case mix index)	Hospital Records
Operating Margin	Operating income/Net operating revenue	Hospital Records
Earnings Before Interest, Taxes, Depreciation and Amortization	Revenue less expenses (excluding interest, tax, depreciation, and amortization)	Hospital Records

(A) FY05 May YTD , pending final FY 2005 financial statements



Targets

INNOVATIVE CARE				
<u>Indicator</u>	<u>FY '05 Actual</u>	<u>FY '06 Target</u>	<u>FY '06 Benchmarks</u>	<u>Long-Range Target</u>
Market Share	7.3%	7.5%	3% improvement over FY '05	
Acute Admissions	25,063	25,839	UIHC Budget for 2.5 % growth	
Clinic Visits	668,456	693,348	UIHC Budget for 2% growth	
Average Length of Stay	6.99	6.50	UIHC Budget for 1/2 day reduction	
EXCELLENT SERVICE				
<u>Indicator</u>	<u>FY05</u>	<u>FY06 Target</u>	<u>Benchmark</u>	<u>Long-Range Target</u>
External Referrals	179,198	184,574	3% average annual growth	
Patient Satisfaction - Adult	81.7	84.0	3% improvement in score	
Patient Satisfaction - Pediatric	84.1	86.6	3% improvement in score	
EXCEPTIONAL OUTCOMES				
<u>Indicator</u>	<u>FY05</u>	<u>FY06 Target</u>	<u>Benchmark</u>	<u>Long-Range Target</u>
Heart Attack (AMI) care	94.4%	96.2%	Close 1/3 of gap to 100%	
Pneumonia Care	66.6%	77.7%	Close 1/3 of gap to 100%	
Heart Failure Care	79.3%	86.2%	Close 1/3 of gap to 100%	
STRATEGIC SUPPORT				
<u>Indicator</u>	<u>FY05</u>	<u>FY06 Target</u>	<u>Benchmark</u>	<u>Long-Range Target</u>
Cost Per Adjusted Discharge	\$8,943 (A)	\$8,888	UIHC Budget	
Operating Margin	2.9% (A)	3.2%	UIHC Budget to match Moody's Aa2 median	
Earnings Before Interest, Taxes, Depreciation and Amortization	\$63,618,609 (A)	\$71,888,599	UIHC Budget	

(A) FY05 May YTD , pending final FY 2005 financial statements

Hospital Report Cards: Tools to Improve the Quality and Safety of Patient Care

Linda Q. Everett, R.N., Ph.D., C.N.A.A., B.C.
Chief Nursing Officer and Associate Director, UIHC

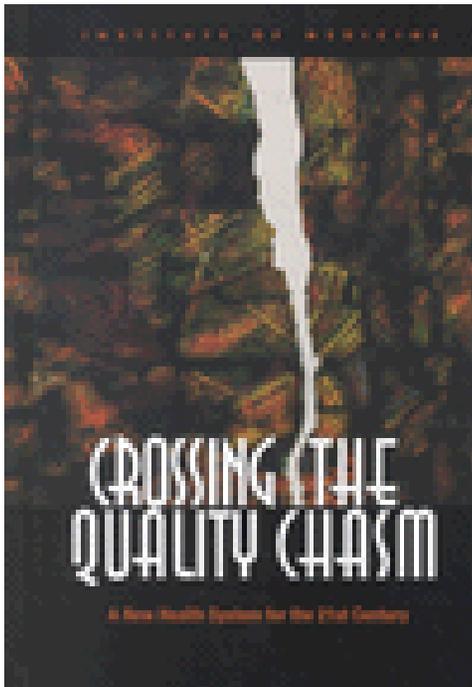
Charles Helms, M.D., Ph.D.
Chief of Staff and Medical Director, CORM, UIHC

Board of Regents
State of Iowa
September 14, 2005

Background

- The healthcare system is perceived as “broken” by the public. Access problems and high costs of healthcare have been recognized since the 1980s.
- Since 1999, variability in quality and safety of healthcare have emerged as issues of public concern.
 - **Crossing the Quality Chasm**, Institute of Medicine, 2000.
 - **To Err is Human**, Institute of Medicine, 1999.
 - Others.

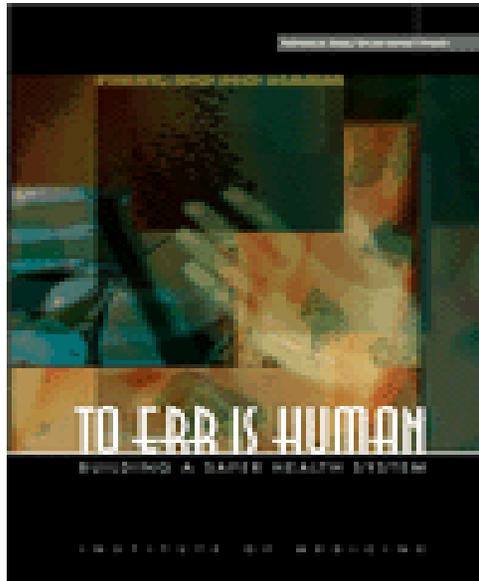
The Quality Problem



- “Quality problems are everywhere, affecting many patients. Between the health care we have and the care we could have lies not just a gap but a chasm.”
- “The *quality gap*, or the need for quality improvement, is the difference between what is scientifically sound and possible and the actual practice and delivery of health services.”

IOM Committee on Quality of Health Care in America

The Safety Problem



- Medical failure is a public health problem in the US, the 4th to 8th largest cause of preventable death.
- Medical failure is a systems problem.
- One percent of hospital patients experience an error.

Closing the Quality/Safety Gap: *The Task*

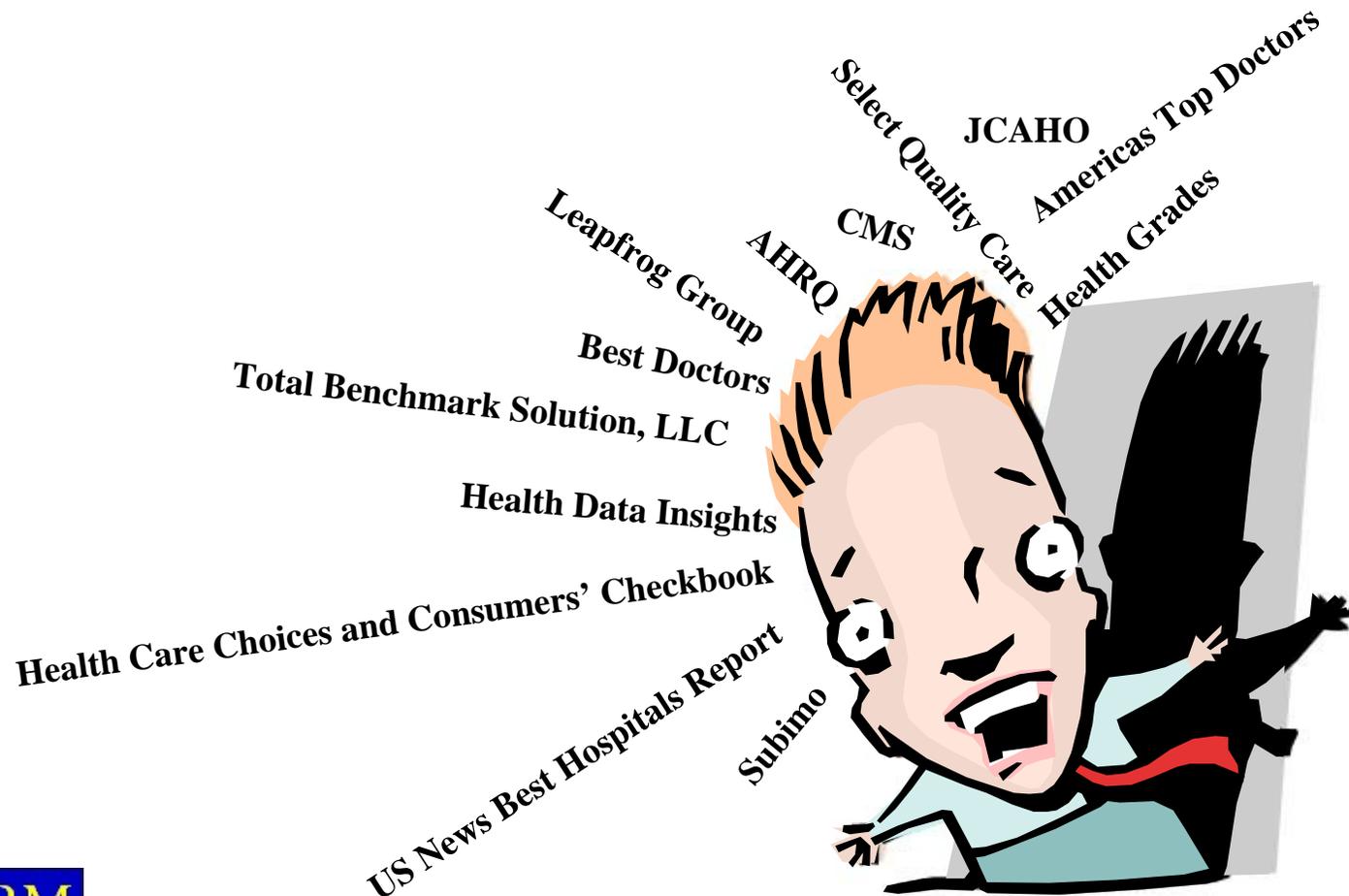
- **Cooperation:** Healthcare providers, payers and the public cooperating in an evidence-based process that does not undermine public confidence; that addresses patient confidentiality and provider liability concerns clearly and constructively.
- **Communication:** Using reliable hospital quality/safety information to inform the public and to support continuous hospital performance improvement efforts.
- **Commitment:** Persistence, responsibility and resources.

Closing the Quality/Safety Gap: *UIHC Guiding Principles*

- UIHC is committed to sharing information publicly through reliable local, state and national Report Cards that will help improve the quality and safety of our patient services.
- UIHC is committed to using information from reliable Report Cards to identify opportunities for improvement and to guide continuous performance improvement efforts in safety and quality of patient care.
- Exceptional Outcomes Strategy – UIHC Strategic Plan (2005-2010).
 - Clinical Outcomes (Quality) - UIHC will use a continuous improvement process to achieve exceptional clinical outcomes
 - Safety - UIHC will provide a continuously improving, safe environment for all patients and staff at all times

The Quality/Safety Information Quandary

Which Report Card(s) should you use?



Choosing A Report Card

General Observations

- Many different information sources (“Report Cards”) are available to the public.
- Report Cards differ in the degree to which they are user friendly and understandable.
- Report Cards differ in “transparency”, the degree to which the information sources share:
 - 1) the kind of data they collect and analyze; and
 - 2) the ways they determine data reliability and significance.

Choosing a Report Card

The kind of data used is important!

- Report Cards based on direct review of clinical data from health care records and services [*Hospital Compare*, Centers for Medicare & Medicaid Services (CMS); *Core Measures*, Joint Commission for Accreditation of Healthcare Organizations (JCAHO)].
- Report Cards based on review of administrative data (*Quality and Patient Safety Reports*, AHRQ; *Hospital Report Cards*, HealthGrades, Inc.)
- Report Cards based on reporting by hospitals and peers (*Leapfrog*; *Best Hospitals* and *Best Doctors*, US News & World Report)

Hospital rankings plentiful, confusing

Groups' methods vary when rating care, quality

By TONY LEYS
REGISTER STAFF WRITER

Patients no longer have to rely on their doctors' hunch about which local hospital is best.

Thanks to the Internet and consumer pressure, the public now has access to a wide range of hospital ratings.

You can find out which hospital is most likely to give you the right medicine when you go in with a heart attack. You can see which one is more likely to leave you with a bedsore, or which one is most likely to help you survive a stroke.

The results are enlightening, but often contradictory.

In Des Moines, for example, Iowa Methodist Medical Center has trumpeted the fact that a private rating service named it one of the 88 safest hospitals in the country last year. Methodist leaders put up triumphant signs around town, noting the Health-Grades honor.

They made no such effort after a Web site run by the nation's hospital accrediting agency rated Methodist below average on two measures of heart care, or when Methodist trailed its main competitor on 13 of 17

Web sites

Some of the most prominent Web sites offering information about the quality of care at hospitals:

MEDICARE

www.hospitalcompare.hhs.gov

The free site compares hospitals on 17 measures of how they treat patients.

HEALTHGRADES

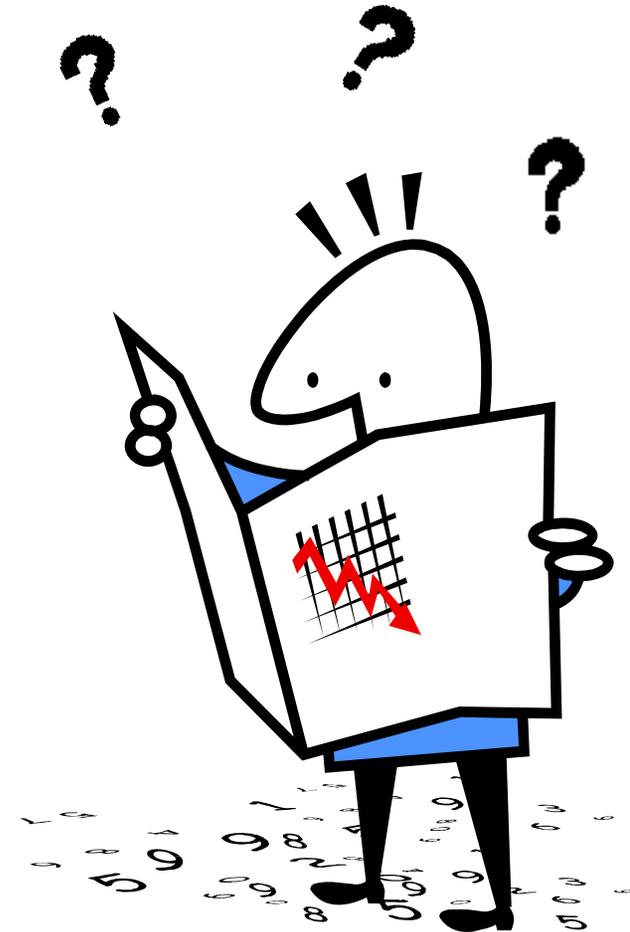
www.healthgrades.com
The Colorado company analyzes millions of billing records to determine how patients fare after they enter hospitals.

U.S. NEWS AND WORLD REPORT

www.usnews.com/usnews/health/hospitl/tophosp.htm
The magazine has an annual list of top hospitals in various specialties.

See HOSPITALS, Page 4B

Des Moines Register
May 1, 2005



Choosing a Report Card

UIHC Conclusions

We believe the public and providers are best served by hospital Report Cards using quality/safety information:

- that is understandable, focused and relevant to user groups, from individual members of the public to individual hospitals.
- that is derived from clinical data (e.g., patient records) rather than from administrative data (e.g., financial forms).
- that is derived using explicit methodology to verify and risk-adjust data.
- that may be directly applied by providers to improve processes of care.

Report Cards Used by UIHC

Peer Group

- US Hospitals
- Academic Health Centers
- NICU
- Magnet Hospitals
- Cardiac Surgery Centers
- Iowa Hospitals

Source

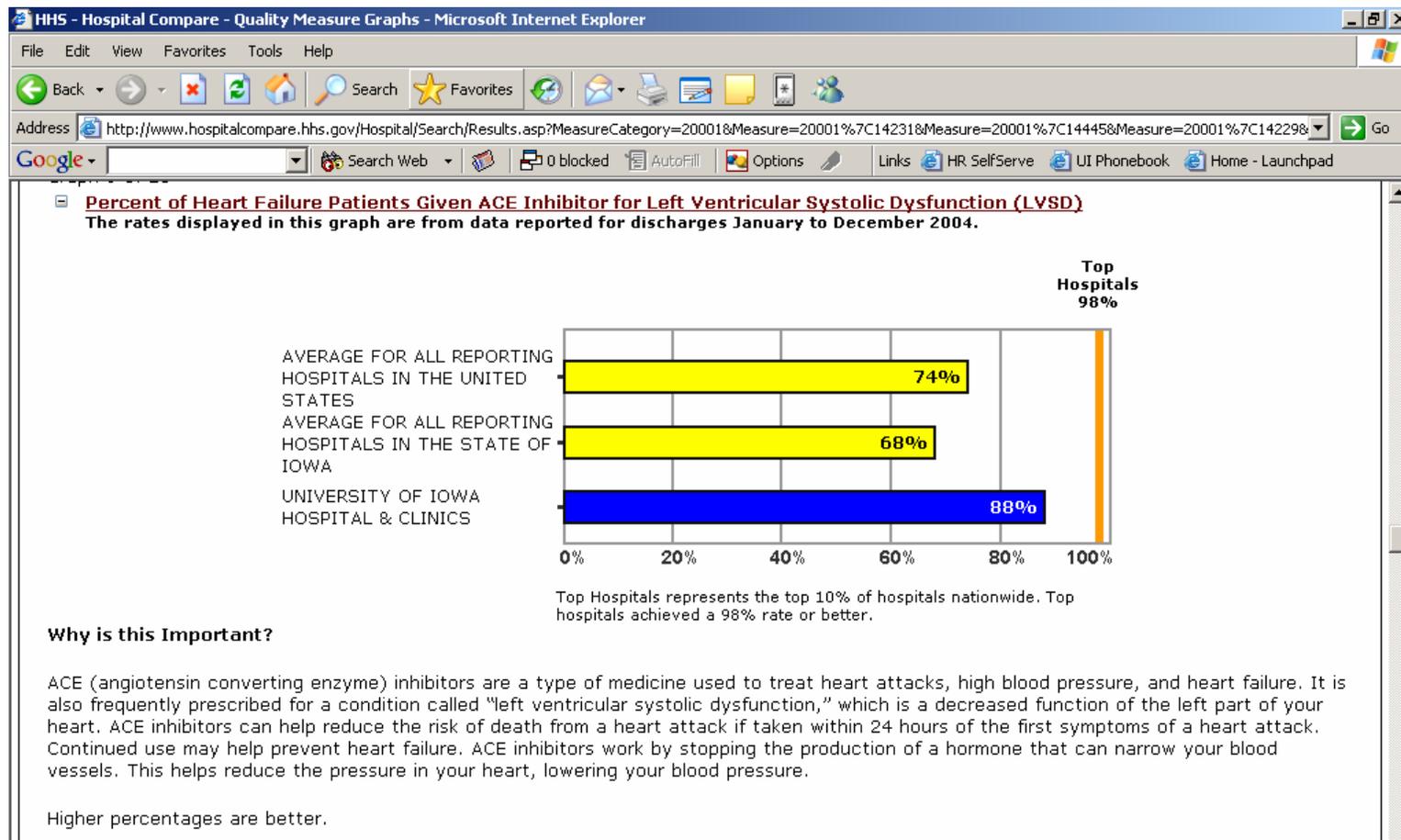
- Hospital Compare (CMS) and JCAHO
- University HealthSystem Consortium
- Vermont-Oxford Network
- Database of Nursing Quality Indicators
- Society of Thoracic Surgeons
- Iowa Healthcare Collaborative

Hospital Compare Web Site

<http://www.hospitalcompare.hhs.gov/>

- Consumer-oriented
- Sponsored by Centers for Medicare & Medicaid Services (CMS), American Hospital Association (AHA), Association of American Medical Colleges (AAMC)
- Compares evidence-based processes for managing acute myocardial infarction (AMI), heart failure (HF), and community-acquired pneumonia (PN)
- Launched by CMS on 4/1/05
- CMS patient data; CY 2004 data by 9/05

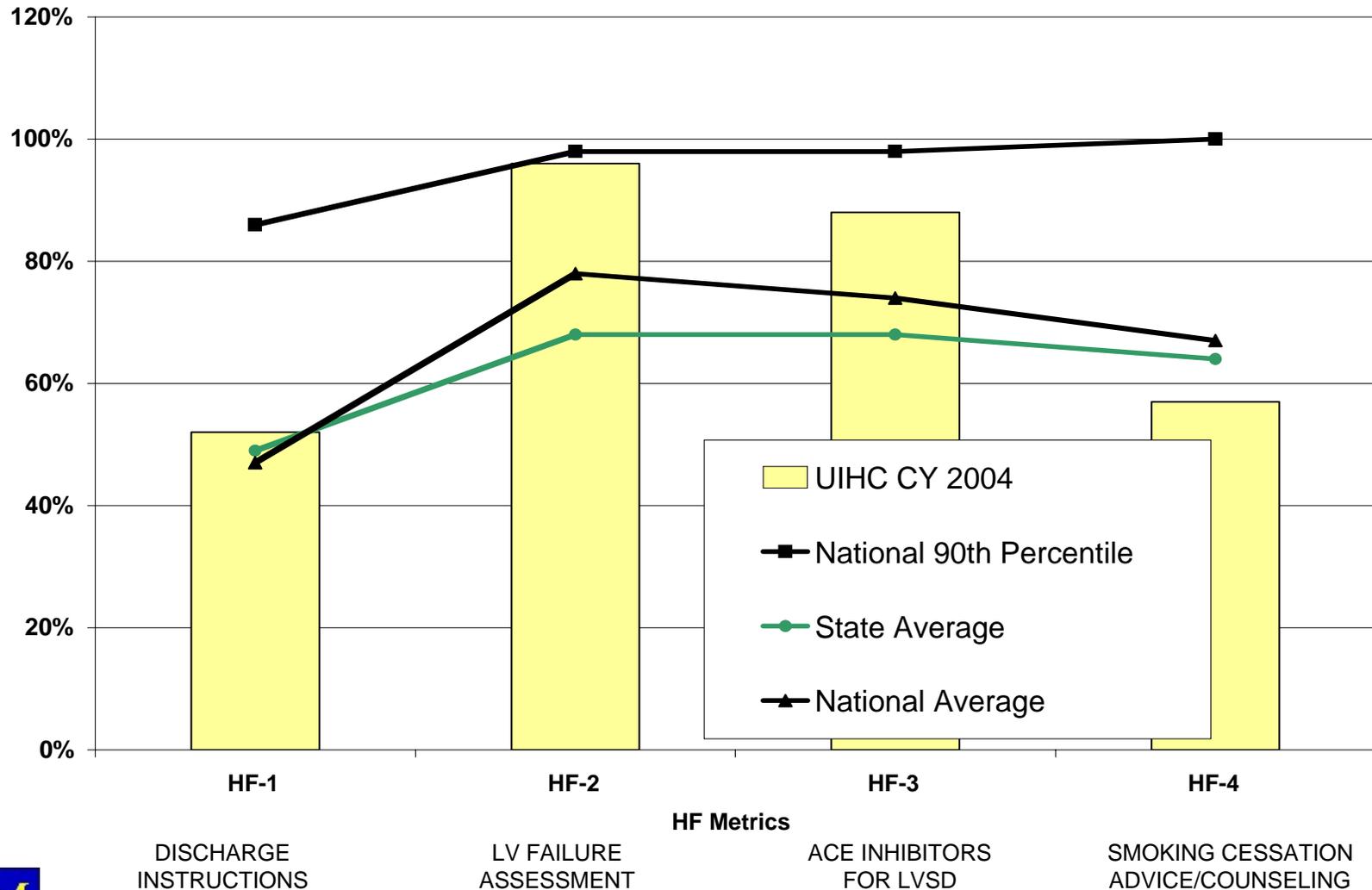
Hospital Compare Example



Care Processes for Heart Failure Patients (HF)

HF-1	Discharge Instructions
HF-2	Left Ventricular Failure Assessment
HF-3	ACE Inhibitors for Left Ventricular Systolic Dysfunction
HF-4	Adult Smoking Cessation Advice/Counseling

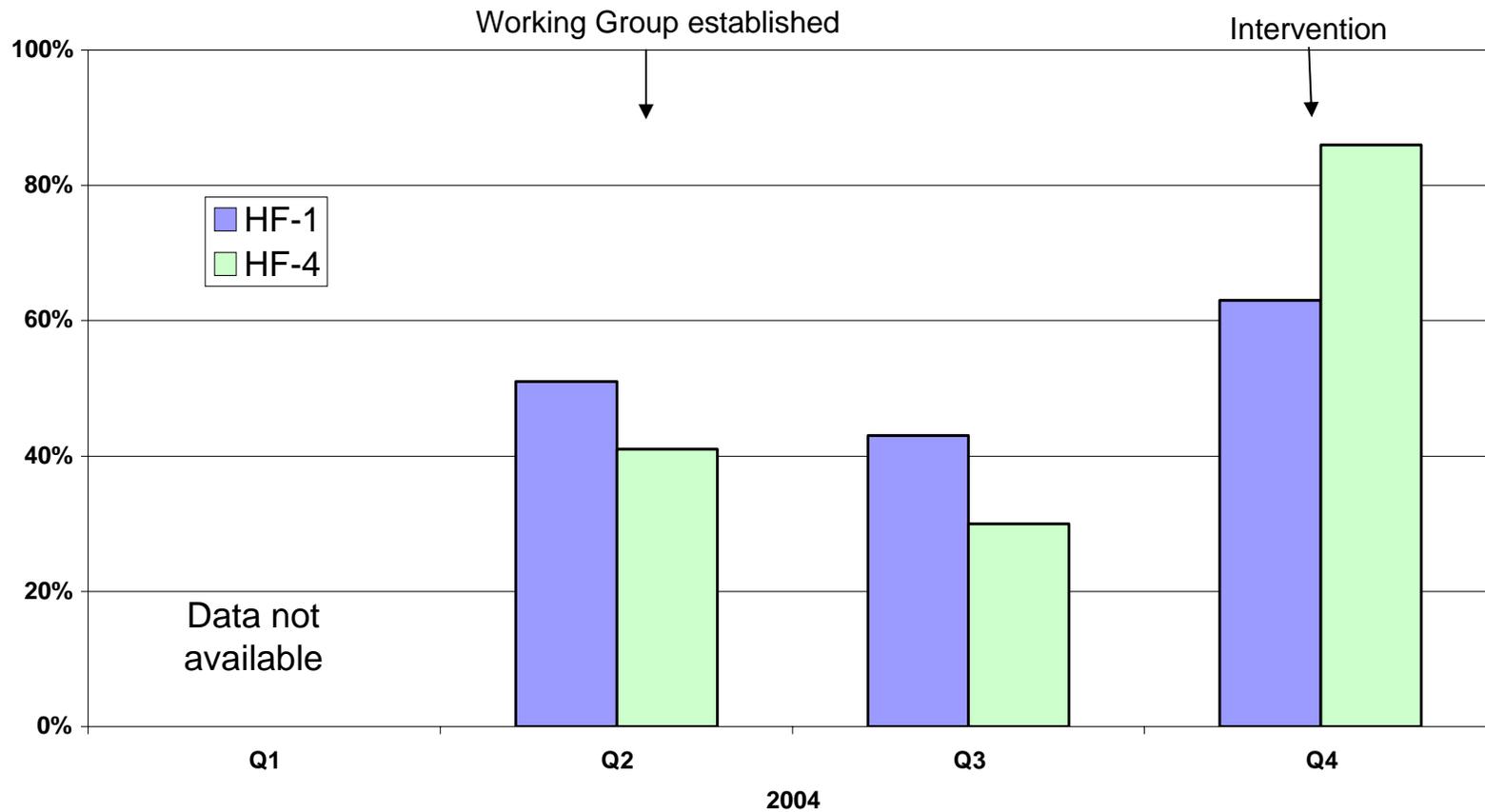
Hospital Quality Alliance: Improving Care Through Information UIHC Heart Failure Performance



Hospital Quality Alliance Initiative at UIHC

- A six member interdisciplinary team was formed in May of 2004 to examine opportunities and develop an action plan for improving care of heart failure patients.
- All heart failure metrics were examined.
- In November 2004, the heart failure team worked with the Department of Nursing Information Systems team to develop an intervention which included:
 - on-line instructions that would include all required components
 - required documentation of “patient received a copy of the instructions” was developed for on-line use
 - Department of Nursing added an on-line documentation system regarding smoking cessation instruction for all inpatient units

Hospital Quality Alliance: Improving Care Through Information UIHC Heart Failure Performance Trend



Closing the Quality/Safety Gap: *UIHC Guiding Principles*

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