**CAPITAL FOR UNIVERSITY OF IOWA HEALTH SYSTEM**

**Action Requested:** Recommend that the Board authorize University of Iowa Hospitals and Clinics and the University of Iowa Carver College of Medicine to transfer up to an additional $30 million dollars ($30,000,000), one half from each unit, to the University of Iowa Health System for the purpose of continuing the development of network activities through itself and its subsidiary companies in support of the clinical, academic, and research programs of the University of Iowa Carver College of Medicine and University of Iowa Hospitals and Clinics.

**Background and Analysis:** On December 2, 1994, the University of Iowa established the University of Iowa Health System (UIHS). UIHS is an Iowa nonprofit formed to support the clinical, academic, and research programs of the University of Iowa Carver College of Medicine (CCOM), University of Iowa Physicians (UIP), and University of Iowa Hospitals and Clinics (UIHC) (collectively, “University of Iowa Health Care”.)

On October 18, 1995, the Board authorized UIHC and CCOM to transfer $18,945,000, one half from each unit, to UIHS for the purpose of continuing the development of network activities through its subsidiary companies, in particular University of Iowa Community Medical Services. This initial capitalization represented the estimated capital requirements for three years.

On March 1, 1999, the Board authorized UIHC and CCOM to transfer $12,000,000, one half from each unit, to UIHS for the continued development of network activities through its subsidiary companies. This additional capitalization represented the estimated capital requirements for three years.

To date, University of Iowa Health Care has utilized the funds provided to achieve the triple aim of improving the health care experience of individual Iowans, improving the health care of all Iowans as a population, and improving the health care value Iowans receive by reducing health care expenditures (the “Triple Aim”.) Specific examples of programs UIHS developed that work to achieve the Triple Aim are:

- University of Iowa Community Medical Services assists University of Iowa Health Care to bring care to communities in eastern Iowa, including five clinics in Muscatine, North Liberty, Riverside, Sigourney, and southeast Iowa City, as well as six urgent care centers in Iowa City, Coralville, North Liberty, and Muscatine;
- University of Iowa Community HomeCare provides home care services, including complex infusion therapy, to patients discharged from UIHC to their homes. These home care services are an important part of the Triple Aim as they further efforts to reduce costs by reducing length of stay in the hospital and improving care outcomes by permitting people to receive care in a less stressful environment;
- University of Iowa HealthWorks provides comprehensive occupational medicine to workers across the state;
- Cancer Care of Iowa City provides ambulatory medical oncology services;
- CareResources provides home telemedicine services;
- Pediatric Associates of UI Children’s Hospital will be an entity that brings ambulatory pediatric services; and
- University of Iowa Affiliated Health Partners works to achieve the Triple Aim by participating with Mercy Medical Center of Cedar Rapids in the Medicare Shared Savings Program, a component of the Affordable Care Act.
Currently, the UIHS, through its participation in the University of Iowa Health Alliance, is working collaboratively with Genesis Health System, Mercy Health Network, Mercy Medical Center, and Wheaton Franciscan Healthcare – Iowa, and other providers across the state to develop a clinically integrated network capable of pooling their collectively abilities and knowledge to achieve the Triple Aim more effectively and efficiently for all Iowans.

We believe that this approach of emphasizing collaboration with existing providers and sharing evidenced-based best practices developed through clinical research will result in the higher quality and more cost-efficient means to deliver care to Iowans. In addition, it will provide a vehicle to more efficiently and effectively perform cutting-edge research on health issues facing Iowans.

Finally, UIHS is exploring ways it can utilize eHealth technologies to better serve Iowans. For example, UIHS is exploring ways to utilize technology to enable Iowans to interact with specialists at University of Iowa Health Care without having to leave their home town. Under the program that is currently being piloted, an Iowan who visits a local provider who has partnered with University of Iowa Health Care would be able to have that patient seen by a University of Iowa specialist without leaving that location via advanced video communication software. This technology may also be utilized to have patients seen from other locations around the state, including potentially from their homes.

These programs have been successful in supporting the clinical, academic, and research programs of UIHC, CCOM, and UIP. Further developing the UIHS network to provide access to care, in particular specialized care, in communities around Iowa, expanding the eHealth telemedicine programs, and enhancing the University of Iowa Health Alliance are essential to University of Iowa Health Care’s efforts to achieving the Triple Aim and best serving all Iowans regardless of the location of their community.

As with the practice followed to date, funds authorized by the Board of Regents will remain within the University until specific needs are identified and authorized by the UIHS Board of Directors or Executive Committee.

This action is consistent with the goals of University of Iowa Health Care strategic plan to achieve the Triple Aim for all Iowans and the use of UIHS to support that mission.