AGENDA

BOARD OF REGENTS, STATE OF IOWA
UIHC COMMITTEE MEETING

August 2, 2006
8:30-11:30 a.m.
Clasen Memorial Board Room, UIHC
Iowa City, Iowa

I. Introductory Comments
   Regent Robert N. Downer, Chair

II. Governance Structure Discussion
    Regent Robert N. Downer

III. Strategic Planning Discussion
     Donna Katen-Bahensky, Director and Chief Executive Officer
     Alan M. Zuckerman; President, Health Strategies & Solutions

IV. FY 2006 Volume Review as of June 2006
    Donna Katen-Bahensky
    Anthony DeFurio, Chief Financial Officer

V. Director Remarks
   Donna Katen-Bahensky
Strategic Planning Discussion

Donna Katen-Bahensky
Director and Chief Executive Officer

Alan M. Zuckerman
President, Health Strategies & Solutions
UIHC Planning Process

Where are we?

- Interviews
  - External
    - Health Plan/Employer
    - Board Member Areas of Concern
  - Internal
    - Individuals
    - Focus groups
    - On-line surveys
- AMC Environmental Assessment
- Data Analysis
  - Competitors
  - Market Share Report
  - Service Line Data
- Critical Issues & Challenges Identification (SWOT)

Where do we want to be?

- Mission, Vision & Values
  - Review UIHC’s Mission
  - Review missions, visions and goals of other organizations
    - Carver College of Medicine
    - The University of Iowa
    - Board of Regents, SOI
    - Mayo Clinic, MD Anderson
  - UIHC Operational Priorities
  - Values Statement
  - Goals

How will we get there?

- Strategic Direction Discussion
  - Director’s Staff Retreats
  - Hospital Advisory Committee Planning
  - Task Force Retreats
  - UIHC Steering Committee
    - Subcommittees
    - Excellent Service
    - Exceptional Outcomes
    - Innovative Care
  - Joint UIHC/CCOM Strategic Planning
- Timeline
- Plan Wrap-up
  - Financial Implications
  - Communication Plan
  - Implementation Plan
Key Issues Identified by Internal/External Assessment

• System Transformation
  – Entire U.S. healthcare system must undergo transformation
  – Delivery of care methods and modalities evolving

• Culture
  – Various elements of healthcare culture need to change
  – Culture change is a not a strategy but a result

• Execution
  – Implementation must occur in a timely manner
  – Leadership responsible for committing to each strategy
  – Empowering faculty and staff to implement strategic plan initiatives

• Joint CCOM Implementation
  – The success of each organization is dependent upon the other
  – Mutual involvement of both organizations – initiated by leadership
Internal/External Assessment Implications for UIHC

To be successful, UIHC must:

• Improve patient access, care coordination and patient throughput
• Manage the clinical service line mix and focus on services with high potential for success and differentiation
• Keep research and education as part of the success equation
• Differentiate UIHC from competitors
• Enhance branding and communication
• Establish shared responsibility for operational and financial success of UIHC and CCOM
Strategic Plan Task Force

• Charge:
  – Recommend goal(s) for 2010 which represent the desired state of achievement for UIHC
  – Recommend the major initiatives which will need to occur over the next 5 years to achieve the goal(s) and delineate the relative priorities among those initiatives

• Task Force will:
  – Gain clear understanding of the mission and related issues
  – Develop goals that support the mission
  – Articulate a new vision if appropriate
  – Identify major initiatives necessary to pursue goals
  – Develop recommendations and rationale

• Composition:
  – Joint Management Staff
  – HAC, Strategic Planning Subcommittee
Strategic Plan Task Force

• Membership
  – Donna Katen-Bahensky
  – Dr. Jean Robillard
  – Dr. John Buatti
  – Anthony DeFurio
  – Dr. Peter Densen
  – Linda Everett
  – Dr. Dan Fick
  – Dr. John Fieselmann
  – Jorge Galva
  – Dr. Bruce Gantz
  – William Hesson
  – Dr. Allyn Mark
  – Dr. Barbara Muller
  – Ann Rice
  – Dr. Michael Shasby
  – John Staley
  – Patrick Thompson
  – Dr. Eric Dickson
  – Dr. Laurie Fajardo
  – Dr. Chuck Helms
  – Dr. Mark Iannettoni
The University of Iowa

- **Mission**: Upon founding The University of Iowa in 1847, Iowa’s first legislature entrusted it with a threefold mission of teaching, research, and public service. In pursuing that mission today, the University seeks to advance scholarly and creative endeavor through leading-edge research and artistic production; to use this research and creativity to enhance undergraduate, graduate, and professional education, health care, and other services provided to the people of Iowa, the nation, and the world; and to educate students for success and personal fulfillment in an increasingly diverse and global environment.

- **Aspiration**: The University of Iowa aspires to attract the most talented faculty, staff, and students; to provide an environment where they can discover and fulfill their potential; and thereby to realize its promise, which is to become one of the ten most distinguished public universities in the country.
Carver College of Medicine

- **Mission**: The College of Medicine has three inextricably linked missions: education, research and service. The College aspires to be responsive to the needs of society, and in particular the citizens of Iowa, through the excellence of its educational programs in the health professions and biomedical sciences, by the outstanding quality of its research and through the provision of innovative and comprehensive health care and other services. These missions are carried out in cooperation with the University of Iowa Hospitals and Clinics, the Veterans Affairs Medical Center and other affiliated institutions and practitioners.
UIHC’s Mission

The UIHC, 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.

The UIHC, in concert with the University of Iowa health science colleges, functions in support of health care professionals and organizations in Iowa and other states by:

1) offering a broad spectrum of clinical services to all patients cared for within the Center and through its outreach programs;
2) serving as the primary teaching hospital for the University; and,
3) providing a base for innovative research to improve health care.
Peer Group Comparison

Midwest Academic Medical Centers:

- Mayo Clinic
- MD Anderson
- Northwestern Memorial Hospital
- The University of Wisconsin Hospital and Clinics
- The University of Michigan Health System
- The University of Nebraska Medical Center
Mayo Clinic

• Mission
  – Mayo will provide the best care to every patient every day through integrated clinical practice, education and research.

• Primary Value
  – The needs of the patient come first.

• Translation into a differentiation strategy
  – Very strong brand based on perception of “leading edge” clinical excellence
  – Selective acceptance of patients with very well managed patient flow
  – Extensive diagnostic testing
  – Courting of referral physicians
  – Unified public voice
MD Anderson

• Mission
  – The mission of The University of Texas M. D. Anderson Cancer Center is to eliminate cancer in Texas, the nation, and the world through outstanding programs that integrate patient care, research and prevention, and through education for undergraduate and graduate students, trainees, professionals, employees and the public.

• Vision
  – We shall be the premier cancer center in the world, based on the excellence of our people, our research-driven patient care and our science. We are Making Cancer History.
Northwestern Memorial Hospital

• Mission
  – Northwestern Memorial Hospital is an academic medical center where the patient comes first. We are an organization of caregivers who aspire to consistently high standards of quality, cost-effectiveness and patient satisfaction. We seek to improve the health of the communities we serve by delivering a broad range of services with sensitivity to the individual needs of our patients and their families.
  – We are bonded in an essential academic and service relationship with the Feinberg School of Medicine of Northwestern University. The quality of our services is enhanced through their integration with education and research in an environment that encourages excellence of practice, critical inquiry and learning.

• Vision
  – To be the regional hospital of choice that is recognized as having the most satisfied patients, the best possible clinical quality and outcomes, and the best physicians and employees.
  – To be, with the Feinberg School of Medicine of Northwestern University, a nationally acclaimed academic medical center.
The University of Wisconsin Hospital and Clinics

• **Mission**
  – UW Hospital and Clinics is dedicated to fulfilling its fourfold mission:
    • Provide safe, high-quality health care
    • Educate the next generation of health professionals
    • Conduct research to discover new methods of treatment and prevention
    • Provide education and outreach services to the community

• **Vision**
  – UW Hospital and Clinics will be the foremost health care provider and employer in Wisconsin, serving as a statewide and national leader for patient care, education, research and community service.
The University of Michigan Health System

• Mission
  – Excellence and leadership in:
    • Patient Care/Service
    • Research
    • Education

• Vision
  – We will be:
    • The first place where people want to come when they need health care
    • The leaders in education and advancing medical and health science
    • The place where people prefer to work
The University of Nebraska Medical Center

• Mission
  – To improve the health of Nebraskans through premier educational programs, innovative research, the highest quality patient care and outreach to underserved populations.

• Vision
  – To be a world-renowned health sciences center, continuing the commitment to community health, providing state-of-the art health care.
  – To rank as a leading research center.
  – To deliver the best-educated health professionals and scientists into the practice world.
Common Themes

• The patient comes first
• Excellence in service
• Best quality patient care
• Leader in research
• Employer of choice
• Differentiation from peers and competitors
• Improvement in health of defined population
• Integration of research and education
• Becoming world-renowned, or the state/regional provider of choice
UIHC’s Core Values

**I**ntegrity
**C**ommitment
**A**ccountability
**R**espect
**E**mpathy

**I** Care Values:
- Patient Centered
- Expectation Driven
- Action Oriented
- Shared Responsibility
- Conflict Management
- Acknowledgment and Recognition
Key Principles to Support UIHC’s Core Values

To succeed in achieving our vision, everyone at UIHC needs to encourage an environment, through our everyday actions, that values:

- **Innovation** – Encourage new and creative ideas, try new ways, take chances, learn from mistakes and embrace change.

- **Commitment** – Be responsible, accountable, empowered, and always willing to learn and improve.

- **Communication** – Encourage open dialogue with others to develop trust, act honestly and with integrity, and continually improve system efficiencies and effectiveness.

- **Teamwork** – Support interdisciplinary teamwork, help fellow employees, cross boundaries and proceed as a team.
Differentiation:
What can UIHC do best?

What Differentiates Us?

- One to three things
  - Complicated strategies don’t work
- Better than any relevant competitor
  - Local, regional and national
- Current or future
  - No self-deception allowed
- Better if best at a process rather than a product:
  - Product innovation
  - Marketing
  - Delivery
How Do We See Ourselves in 5 Years?

- Patient-centered
- National prominence
- Workplace of choice
- Market leader in areas of strength
- Setting the standards for quality and care outcomes
- Extraordinary level of service excellence that exceeds patients’ expectations
- Operational “best practices” are commonplace
- Intimate community engagement and collaboration
UIHC’s New 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.
UIHC Planning Process

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Where are we?

Where do we want to be?

How will we get there?
Strategic Direction Discussion

UIHC
Strategic Plan

Innovative Care
Excellent Service
Exceptional Outcomes

KEY STRATEGY DIMENSIONS

Delivery of Care  Structure  Market Responsiveness
Strategic Plan Tactical Teams

• One Team for each major priority area:
  – Innovative Care
  – Excellent Service
  – Exceptional Outcomes

• Teams charged with identifying:
  – Specific goals, strategies and tactics
  – Timeframe for implementation
  – Responsible parties
  – Resource requirements
Innovative Care Team

• Co-Chairs
  – Dr. Paul Rothman, Head of Internal Medicine
  – Anthony DeFurio, Chief Financial Officer

• Members
  – Linda Everett
  – Paul Abramowitz
  – Linda Chase
  – Dr. John Fieselmann
  – Dr. Mark Iannettoni
  – Deann Montchal
  – Jackie Nelson
  – John Staley
  – Kristy Walker
Innovative Care

“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
## INNOVATIVE CARE

<table>
<thead>
<tr>
<th>Care Delivery</th>
<th>Clinical Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Champion:</strong> Linda Everett</td>
<td><strong>Champion:</strong> Anthony DeFurio</td>
</tr>
<tr>
<td><strong>Goal:</strong></td>
<td><strong>Goal:</strong></td>
</tr>
<tr>
<td>• 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.</td>
<td>• 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.</td>
</tr>
<tr>
<td><strong>Strategic Themes:</strong></td>
<td><strong>Strategic Themes:</strong></td>
</tr>
<tr>
<td>• UIHC’s Ambulatory Care Standards of Excellence</td>
<td>• Enhanced training programs</td>
</tr>
<tr>
<td>• Coordinated interdisciplinary care models</td>
<td>• Clinical trials</td>
</tr>
<tr>
<td>• Information technology and internet/intranet innovations</td>
<td>• Clinical services for growth and opportunity</td>
</tr>
<tr>
<td>• Training physicians and healthcare providers in the new methods and models</td>
<td>• Business planning process</td>
</tr>
<tr>
<td></td>
<td>• Business development</td>
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</tbody>
</table>
Inpatient Market Share by Product Line(1), FY 2004

UIHC is the statewide leader in burn treatment, 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.
Inpatient Contribution Margin by Service Line, FY 2004

Inpatient contribution margin represents 90% of UIHC’s total contribution margin.
UIHC Outpatient Visits

Total Outpatient Contribution Margin (in millions)

-5 $1-5M $5
-4 $1-5M $5
-3 $1-5M $5
-2 $1-5M $5
-1 $1-5M $5
$0 $1-5M $5
$1 $1-5M $5
$2 $1-5M $5
$3 $1-5M $5
$4 $1-5M $5
$5 $1-5M $5

Total Outpatient Visits

-120,000 -100,000 -80,000 -60,000 -40,000 -20,000 $0 $20,000 $40,000 $60,000 $80,000 $100,000 $120,000

Contribution Margin

- > $5M
- $1-5M
- < $1M

Specialties:
- General Surgery
- Orthopedics
- Neurology
- Cardiology
- Hem/Onc Medical
- Oral Surgery
- Psychiatry
- Otolaryngology
- Dermatology
- Invasive Cardiology
- Neurosurgery
- Dental/Oral Surgery
- Ophthalmology
- Gen Med/Peds
- Neurosurgery
UIHC Outpatient Surgical Cases

Total Outpatient Surgical Cases

Total Outpatient Surgery Contribution Margin (in millions)

Contribution Margin
- > $5M
- $1-5M
- < $1M

Specialties:
- Ophthalmology
- General Surgery
- Urology
- Otolaryngology
- Cardiothoracic Surgery
- GI
- Orthopedics
- Neurosurgery
- Dermatology
- Plastic Surgery
- Obstetrics
- Burns
- GI

Legend:
- Red circle: > $5M
- Green circle: $1-5M
- Blue circle: < $1M
Excellent Service Team

• Co-Chairs
  – Dr. Eric Dickson, Head Dept. of Emergency Medicine
  – Ann Madden Rice, Chief Operating Officer

• Members
  – Mary Ameche
  – Randall Atchinson
  – Kimberly Chamberlin
  – Tim Gailliard
  – Dr. Laurie Fajardo
  – William Hesson
  – Beth Houlanhan
  – Christopher Klitgaard
  – Dr. Barbara Muller
  – Christine Scheetz
Excellent Service

“Excellent service is based on the successful performance and interrelationship between people, process, and setting.”

Excellent Service Goals

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

Culture

- Culture shift to focus on patient/family experience
- A “no blame” environment that recognizes service importance
- Inherent incentives to cross departments and shift from silo to multidisciplinary interactions
<table>
<thead>
<tr>
<th><strong>EXCELLENT SERVICE</strong></th>
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<tbody>
<tr>
<td><strong>Patient Satisfaction</strong></td>
</tr>
<tr>
<td><strong>Champion: Bill Hesson</strong></td>
</tr>
<tr>
<td><strong>Goal:</strong></td>
</tr>
<tr>
<td>• Patients and families will be highly satisfied with their entire UIHC experience in all settings.</td>
</tr>
<tr>
<td><strong>Strategic Themes:</strong></td>
</tr>
<tr>
<td>• Patient throughput</td>
</tr>
<tr>
<td>• Baldrige National Quality Award guidelines</td>
</tr>
<tr>
<td>• Patient-family centered culture currently in practice at Children’s Hospital of Iowa</td>
</tr>
<tr>
<td>• Tools for faculty to deliver effective and efficient care</td>
</tr>
</tbody>
</table>
Exceptional Outcomes Team

• Co-Chairs
  – Dr. John Buatti, Head of Radiation Oncology
  – Linda Everett, Chief Nursing Officer

• Members
  – Lee Carmen
  – Shane Cerone
  – Cindy Doyle
  – Dr. Dan Fick
  – Dr. Bruce Gantz
  – Dr. Charles Helms
  – Jessica McAllister
  – Christine Miller
  – Mark Moser
  – Marita Titler
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 Outcome Goals

- Safety
- Clinical Outcomes

Culture

- Open dialogue and non-punitive environment
- Buy-in from all departments
- Accountability
## Exceptional Outcomes

<table>
<thead>
<tr>
<th>Safety</th>
<th>Clinical Outcomes</th>
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</thead>
<tbody>
<tr>
<td><strong>Champion:</strong> Dan Fick</td>
<td><strong>Champion:</strong> Linda Everett</td>
</tr>
</tbody>
</table>

### Goal:
- UIHC will provide a continuously improving, safe environment for all patients and staff at all times.

- **Goal:**
  - UIHC will use a continuous improvement process to achieve exceptional clinical outcomes.

### 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

- **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 policy agenda at state and national level
Strategic Support

• Strategic Support Goal
  – 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
  – Meet the needs and expectations of the organization by supporting the pursuit of strategic priorities

• Components
  – Marketing
  – Facilities
  – Information Technology
  – Human Resources
  – Financial
Items for UIHC/CCOM Joint Strategy Development

• Identifying Clinical Programmatic Priorities (e.g., which clinical programs are priority for both organizations)

• Inpatient and Ambulatory Care:
  – Patient Access
  – Quality of Care Initiatives
  – Patient-centered Multidisciplinary Care
  – Patient Safety

• Clinical Research

• Ambulatory Care (organizational structure, operations)

• Information Technology

• Graduate Medical Education

• Overall implementation of strategies (especially in safety and service improvement)

• Collaborative Relationships
Clinical Priority Selection Criteria

- Financial performance
- Market growth/potential
- Need for service in the community
- Availability of services by other providers
- Educational need and academic capabilities
- Quality, including internal capabilities and complement of physician specialists
- Research opportunities, including the application of translational research
- Health status of State of Iowa population
Heart Health

• UIHC has the 3rd oldest program in the country
  – Expertise in benign and malignant disease of the esophagus and lungs
  – Region’s most comprehensive heart program
  – Performs more than 700 heart surgeries a year
  – 600+ General thoracic surgeries
Neurosciences

Featured Services & Research:

• Brain & Spinal Cord Tumors
• Epilepsy & Seizures
• Interventional Neuroradiology
• Skull Base Surgery
• Sleep Disorder Clinic
• Stroke Clinic
• Alzheimer's Disease Research Center
• Huntington's Disease
• Ear, Nose and Throat
Children’s Hospital of Iowa

- Only Comprehensive Children’s Hospital in the State:
  - Health Promotion and Well Child
  - Traumatic Injury & Life Threatening Illnesses
  - Birth Defects
  - Chronic Illness
  - Developmental Disabilities

- 175 Beds
- 100,000 Clinic Visits
- 7,000 Inpatient Admissions
- 400+ Specially-trained Pediatric Nurses
- 160 Physicians and Surgeons
Cancer Care:
Holden Comprehensive Cancer Center

• The only cancer center in Iowa given “Comprehensive Cancer Center” status by the National Cancer Institute

• One of only 39 “Comprehensive Cancer Centers” in the nation

• Receives substantial NIH and other external funding for cutting-edge clinical research
Cancer Care: Center for Excellence in Image Guided Radiation Therapy

Goals of Center for Excellence in Image Guided Radiation Therapy:

• Be a national leader in patient care and cancer research
• Broaden Iowa’s multidisciplinary research programs & attract additional research funding
• Contribute significantly to UI Health Care’s patient care, biomedical research, & medical education missions
• Enable UI’s cancer specialists within the Holden Comprehensive Cancer Center to serve Iowa’s radiation oncology needs well into the 21st century
Tracking Progress

Institutional Scorecard:

- Performance-measuring method
- Tracks key metrics grouped according to broad performance areas
- Represents a balanced view of the organization

Benefits of a Scorecard in Academic Medical Center Setting:

- Incorporates customer insight
- Refocuses internal operations
- Energizes internal stakeholders
- Strengthens customer acquisition efforts
- Strengthens customer relations
- Increases loyalty and return visits
Balanced Scorecard: Cause-Effect Hypothesis

Knowledge & skills of employees is foundation for all innovation and improvements.

- **Learning and growth perspective**
- **Internal business process perspective**
- **Financial perspective**
- **Customer perspective**

- Improved work processes will lead to increased customer satisfaction.
- Skilled, empowered employees will improve the ways they work.
- Increased customer satisfaction will lead to better financial results.
## Institutional Scorecard Definitions

### Innovative Care

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>DESCRIPTION</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Share</td>
<td>Market share of acute inpatient discharges for Iowa residents from Iowa Hospitals averaged for the last four available quarters [excluding MDC 19 (mental disease), 20 (alcohol/drug) and 25 (HIV), per HIPAA requirements].</td>
<td>Iowa Hospital Association</td>
</tr>
<tr>
<td>Acute Admissions</td>
<td>Number of acute adult &amp; pediatric patients admitted (excludes normal newborns).</td>
<td>Hospital Records</td>
</tr>
<tr>
<td>Clinic Visits</td>
<td>Total number of UIHC clinic visits (excludes Outreach and Community Medical Services locations).</td>
<td>Hospital Records</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>Total inpatient days / total discharges for all acute care patients.</td>
<td>Hospital Records</td>
</tr>
</tbody>
</table>

### Excellent Service

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<th>INDICATOR</th>
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<tbody>
<tr>
<td>External Referrals</td>
<td>Total number of visits originating from external referrals.</td>
<td>IDX or Report2Web</td>
</tr>
<tr>
<td>Patient Satisfaction - Adult</td>
<td>Mean score of adult inpatient surveys (all standard questions) returned for the past 12 months.</td>
<td>Press-Ganey Satisfaction Survey</td>
</tr>
<tr>
<td>Patient Satisfaction - Pediatric</td>
<td>Mean score of pediatric inpatient surveys (all standard questions) returned for the past 12 months.</td>
<td>Press-Ganey Satisfaction Survey</td>
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### Exceptional Outcomes

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<tr>
<td>Observed/Expected Mortality Ratio</td>
<td>Observed mortality rate for 100% acute discharge/ UHC risk adjusted expected mortality rate for the last four available quarters.</td>
<td>CORM</td>
</tr>
</tbody>
</table>

### Strategic Support

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<tbody>
<tr>
<td>Cost Per Adjusted Discharge</td>
<td>Operating costs / ((gross patient charges/total gross inpatient charges) *(total patient admissions excluding newborns) *Case mix index).</td>
<td>Hospital Records</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>Operating income/Net operating revenue.</td>
<td>Hospital Records</td>
</tr>
<tr>
<td>Earnings Before Interest, Taxes, Depreciation and Amortization</td>
<td>Revenue less expenses (excluding interest, tax, depreciation, and amortization).</td>
<td>Hospital Records</td>
</tr>
<tr>
<td>Employee Vacancy Rate</td>
<td>Total number of actively recruited positions / total number of allocated positions.</td>
<td>HR Database</td>
</tr>
</tbody>
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## Critical Success Factors

### Fiscal Year 2005
- Volume Growth
- Length of Stay Management
- IowaCare Act
- Quality/Safety Outcomes and Reporting
- Information Technology

### Fiscal Year 2006
- Volume Growth
- Improving Efficiencies
- Quality/Safety Outcomes & Reporting
- Information Technology
Innovative Care – Care Delivery

*Issues and Challenges*

To be successful UIHC must have:

- Seamless and patient-centered care
- Communication across departments, services and continuum of care
- Management and financial models that work across departments
- Commitment to grow select clinical services
- Adequate financial reserves to provide for capital needs

UIHC has the following challenges:

- Departments functioning in silos
- Lack of experience in moving people and funds across departments
- Difficulty recruiting and retaining due to non-competitive faculty and manager salaries
- Inconsistent utilization of clinical protocols
- Inconsistent access to providers in ambulatory setting
Innovative Care – Care Delivery

**Examples of Current Activity:**

- Task Force formed and chaired by Drs. Linda Everett and Craig Syrop. Standards of Excellence for Ambulatory Care draft completed.

- Developing joint service and financial model in Heart and Vascular Center and Organ Failure Center.

- Financial and Operating partner in the CTSA initiative and proposed Institute for Clinical Research.

- Completing business plans for Heart and Vascular Center; Children’s Hospital of Iowa; Neurosurgery; Cancer.

- Partnership formalized and being implemented with Unity Health and Iowa Health System.

- Developed the Department of Strategic Relations
  - Established clinical program priorities
  - Initiated enhanced business planning process
Innovative Care – Care Delivery

**Examples of Current Activity (cont’d):**

- Development of interdisciplinary and collaborative care models
- Investment in information technology (Operating room, ICU, Electronic Medication Administration Record, etc.)
Excellent Service – Referring Physicians, Staff Engagement

**Issues and Challenges**

To be successful UIHC must have:

- A culture of patient-centeredness
- The ability to be responsive to higher customer expectations
- Consistent standards related to referring physicians
- A willingness to continually raise the bar related to service
- An engaged and committed workforce

UIHC has the following challenges:

- Multiple missions that sometimes appear to contradict each other
- Systems that are not always patient-friendly
- Lack of standards related to referring physicians
- Health care personnel shortages
Excellent Service – Referring Physicians, Staff Engagement

**Examples of Current Activity:**

- Patient Satisfaction Work group named and working on internal unit-to-unit transfers.

- Baldrige Steering Committee formed and completing assessment utilizing criteria. Engaging the services of a Baldrige consultant.

- Established an Office for Referring Physicians and Corporate Relationships.

- Targeted referring physician outreach activities with select physician leaders.

- Completed analysis of Clinical Outreach Consultation Clinics.

- Completed the staff engagement survey with Morehead Associates. with 84% participation. Results currently being reviewed.
Excellent Service – Referring Physicians, Staff Engagement

*Examples of Current Activity (cont’d):*

- Adult Patient/Family Advisory Board
- “Concierge Service”
- Developing Office of Operations Improvement
- Expansion of Pre-Access Unit
- Human Resources Staff Engagement Survey
Exceptional Outcomes – Quality and Safety

**Issues and Challenges**

To be successful UIHC must have:

- A culture that learns from errors and is not punitive
- Commitment to high quality and safety by all faculty and staff
- Accountability for quality and safety
- The ability to influence the pay-for-performance system
- Focus on quality and safety priorities

UIHC has the following challenges:

- Multiple external requests for quality and safety data that are not consistent
- Increasing levels of regulation
- Lack of clinical protocols
- Technology needs
- Lack of infrastructure for data-gathering and reporting of data
- Lack of accountability and incentives for improving quality and safety
Exceptional Outcomes – Quality and Safety

Examples of Current Activity:

• 100K Lives Campaign completed and monitoring ongoing. Achieved “mentor” status in Rapid Response Team.

• Medical Directors appointed for clinical areas with defined accountabilities for safety and quality initiatives.

• Developed the Safety Officer role and position filled by Dr. Dan Fick.

• Participant and sponsor of Iowa Healthcare Collaborative.

• Set annual quality improvement priorities and received endorsement from the Hospital Advisory Council.

• Implementation of PICIS CareSuite Critical Care Manager

• Bar code scanning of blood products

• Electronic Medication Administration System

• Office of Operations Improvement has coordinated and has overseen 9 lean sigma events to improve patient throughput and satisfaction.
Exceptional Outcomes – Quality and Safety

Examples of Current Activity (cont’d):

• Survey Readiness
  – JCAHO
  – Magnet

• Provide standard performance improvement education
  – Developed “Quality Measures Public Reporting: How to Decipher it All,” and “Failure Modes and Effects Analysis” training courses
  – Sponsoring summer “PI 101 Overview” lunch and learn sessions
  – Sponsoring “Using Six Sigma in Healthcare” lunch and learn
  – Developing exam preparation course for Certified Professionals in Health Quality (CPHQ) certification

• Safety Program
  – Sponsoring UHC Patient Safety Net Demo
  – Initiating safety walkarounds
  – Convening multidisciplinary incident report team effective September 2006
FY 2006 Volume Review
as of June 2006

Donna Katen-Bahensky
Director and Chief Executive Officer

Anthony DeFurio
Chief Financial Officer
## Volume Indicators
### July 2005 through June 2006

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions</td>
<td>26,030</td>
<td>25,839</td>
<td>25,063</td>
<td>191</td>
<td>0.7%</td>
<td>967</td>
<td>3.9%</td>
</tr>
<tr>
<td>Patient Days</td>
<td>172,966</td>
<td>168,362</td>
<td>175,292</td>
<td>4,604</td>
<td>2.7%</td>
<td>(2,326)</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Length of Stay</td>
<td>6.64</td>
<td>6.52</td>
<td>6.99</td>
<td>0.12</td>
<td>1.8%</td>
<td>(0.35)</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Average Daily Census</td>
<td>473.9</td>
<td>461.3</td>
<td>480.3</td>
<td>12.6</td>
<td>2.7%</td>
<td>(6.4)</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Surgeries - Inpatient</td>
<td>10,078</td>
<td>10,038</td>
<td>9,943</td>
<td>40</td>
<td>0.4%</td>
<td>135</td>
<td>1.4%</td>
</tr>
<tr>
<td>Surgeries - Outpatient</td>
<td>10,930</td>
<td>11,232</td>
<td>10,877</td>
<td>(302)</td>
<td>-2.7%</td>
<td>53</td>
<td>0.5%</td>
</tr>
<tr>
<td>Emergency Treatment Center Visits</td>
<td>35,069</td>
<td>33,260</td>
<td>32,768</td>
<td>1,809</td>
<td>5.4%</td>
<td>2,301</td>
<td>7.0%</td>
</tr>
<tr>
<td>Outpatient Clinic Visits</td>
<td>673,947</td>
<td>689,949</td>
<td>668,456</td>
<td>(16,002)</td>
<td>-2.3%</td>
<td>5,491</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

- **Green Circle**: Greater than 2.5% Favorable
- **Neutral**: Neutral
- **Red Circle**: Greater than 2.5% Unfavorable

*Volume Indicators: July 2005 through June 2006*
## Admissions by Type

### July 2005 through June 2006

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Prior Year</th>
<th>% Variance to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Med/Surg</td>
<td>19,536</td>
<td>19,815</td>
<td>19,220</td>
<td>(279)</td>
<td>-1.4%</td>
<td>316</td>
<td>1.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psych</td>
<td>2,354</td>
<td>2,295</td>
<td>2,226</td>
<td>59</td>
<td>2.6%</td>
<td>128</td>
<td>5.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pediatrics w/o Newborn</td>
<td>2,259</td>
<td>1,868</td>
<td>1,812</td>
<td>391</td>
<td>20.9%</td>
<td>447</td>
<td>24.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newborn</td>
<td>1,252</td>
<td>1,346</td>
<td>1,306</td>
<td>(94)</td>
<td>-7.0%</td>
<td>(54)</td>
<td>-4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OB</td>
<td>1,822</td>
<td>1,821</td>
<td>1,766</td>
<td>1</td>
<td>0.1%</td>
<td>56</td>
<td>3.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDD</td>
<td>59</td>
<td>40</td>
<td>39</td>
<td>19</td>
<td>47.5%</td>
<td>20</td>
<td>51.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL w/o Newborn</td>
<td>26,030</td>
<td>25,839</td>
<td>25,063</td>
<td>191</td>
<td>0.7%</td>
<td>967</td>
<td>3.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- Green circle indicates Greater than 2.5% Favorable
- Neutral circle indicates Neutral
- Red circle indicates Greater than 2.5% Unfavorable

**Legend:**
- Operating Review (YTD)
- Admissions by Type
- July 2005 through June 2006
## Admissions by Clinical Department
### July 2005 through June 2006

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDD</td>
<td>59</td>
<td>40</td>
<td>39</td>
<td>19</td>
<td>47.5%</td>
<td>20</td>
<td>51.3%</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>786</td>
<td>910</td>
<td>883</td>
<td>(124)</td>
<td>-13.6%</td>
<td>(97)</td>
<td>-11.0%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>2,905</td>
<td>2,712</td>
<td>2,631</td>
<td>193</td>
<td>7.1%</td>
<td>274</td>
<td>10.4%</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>7,382</td>
<td>7,437</td>
<td>7,214</td>
<td>(55)</td>
<td>-0.7%</td>
<td>168</td>
<td>2.3%</td>
</tr>
<tr>
<td>Neurology</td>
<td>1,103</td>
<td>1,157</td>
<td>1,122</td>
<td>(54)</td>
<td>-4.7%</td>
<td>(19)</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>2,176</td>
<td>1,942</td>
<td>1,884</td>
<td>234</td>
<td>12.0%</td>
<td>292</td>
<td>15.5%</td>
</tr>
<tr>
<td>Obstetrics/Gynecology</td>
<td>2,635</td>
<td>2,710</td>
<td>2,629</td>
<td>(75)</td>
<td>-2.8%</td>
<td>6</td>
<td>0.2%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>104</td>
<td>106</td>
<td>103</td>
<td>(2)</td>
<td>-1.9%</td>
<td>1</td>
<td>1.0%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>2,089</td>
<td>2,300</td>
<td>2,231</td>
<td>(211)</td>
<td>-9.2%</td>
<td>(142)</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>714</td>
<td>746</td>
<td>724</td>
<td>(32)</td>
<td>-4.3%</td>
<td>(10)</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>2,259</td>
<td>1,868</td>
<td>1,812</td>
<td>391</td>
<td>20.9%</td>
<td>447</td>
<td>24.7%</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>2,354</td>
<td>2,295</td>
<td>2,226</td>
<td>59</td>
<td>2.6%</td>
<td>128</td>
<td>5.8%</td>
</tr>
<tr>
<td>Cardiothoracic</td>
<td>562</td>
<td>621</td>
<td>602</td>
<td>(59)</td>
<td>-9.5%</td>
<td>(40)</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Urology</td>
<td>704</td>
<td>733</td>
<td>711</td>
<td>(29)</td>
<td>-4.0%</td>
<td>(7)</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Other</td>
<td>198</td>
<td>262</td>
<td>252</td>
<td>(64)</td>
<td>-24.4%</td>
<td>(54)</td>
<td>-21.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,030</td>
<td>25,839</td>
<td>25,063</td>
<td>191</td>
<td>0.7%</td>
<td>967</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

- **Greater than 2.5% Favorable**
- **Neutral**
- **Greater than 2.5% Unfavorable**
### Volume Indicators
#### July 2005 through June 2006

**Operating Review (YTD)**

<table>
<thead>
<tr>
<th>Transplant Surgeries:</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget %</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart</td>
<td>6</td>
<td>12</td>
<td>10</td>
<td>(6)</td>
<td>-50.0%</td>
<td>(4)</td>
<td>-40.0%</td>
</tr>
<tr>
<td>Liver</td>
<td>29</td>
<td>24</td>
<td>22</td>
<td>5</td>
<td>20.8%</td>
<td>7</td>
<td>31.8%</td>
</tr>
<tr>
<td>Liver/Kidney</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0.0%</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Kidney</td>
<td>60</td>
<td>80</td>
<td>68</td>
<td>(20)</td>
<td>-25.0%</td>
<td>(8)</td>
<td>-11.8%</td>
</tr>
<tr>
<td>Kidney/Pancreas</td>
<td>7</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>75.0%</td>
<td>6</td>
<td>600.0%</td>
</tr>
<tr>
<td>Pancreas</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0.0%</td>
<td>2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bone Marrow- Adult</td>
<td>78</td>
<td>96</td>
<td>96</td>
<td>(18)</td>
<td>-18.8%</td>
<td>(18)</td>
<td>-18.8%</td>
</tr>
<tr>
<td>Bone Marrow- Ped</td>
<td>23</td>
<td>12</td>
<td>13</td>
<td>11</td>
<td>91.7%</td>
<td>10</td>
<td>76.9%</td>
</tr>
<tr>
<td><strong>Total Transplants</strong></td>
<td>206</td>
<td>228</td>
<td>210</td>
<td>(22)</td>
<td>-9.6%</td>
<td>(4)</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Cardiothoracic Surgeries</td>
<td>982</td>
<td>1,114</td>
<td>1,109</td>
<td>(132)</td>
<td>-11.8%</td>
<td>(127)</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Cardiac Cath Procedures</td>
<td>7,643</td>
<td>8,225</td>
<td>7,997</td>
<td>(582)</td>
<td>-7.1%</td>
<td>(354)</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Births</td>
<td>1,609</td>
<td>1,661</td>
<td>1,659</td>
<td>(52)</td>
<td>-3.1%</td>
<td>(50)</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Case Mix Index:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Case Mix w/o Newborn</td>
<td>1.7360</td>
<td>1.6821</td>
<td>1.6821</td>
<td>0.0539</td>
<td>3.2%</td>
<td>0.0539</td>
<td>3.2%</td>
</tr>
<tr>
<td>Medicare Case Mix</td>
<td>1.8797</td>
<td>1.8734</td>
<td>1.8734</td>
<td>0.0063</td>
<td>0.3%</td>
<td>0.0063</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

**Case Mix Index Criteria:**
- Greater than 2.5% Favorable
- Neutral
- Greater than 2.5% Unfavorable
Patient Days by Type  
July 2005 through June 2006

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Med/Surg</td>
<td>112,079</td>
<td>112,931</td>
<td>117,579</td>
<td>(852)</td>
<td>-0.8%  ○</td>
<td>(5,500)</td>
</tr>
<tr>
<td>Psych</td>
<td>22,144</td>
<td>21,725</td>
<td>22,619</td>
<td>419</td>
<td>1.9% ○</td>
<td>(475)</td>
</tr>
<tr>
<td>Pediatrics w/o Newborn</td>
<td>30,922</td>
<td>26,718</td>
<td>27,818</td>
<td>4,204</td>
<td>15.7% ○</td>
<td>3,104</td>
</tr>
<tr>
<td>Newborn</td>
<td>2,782</td>
<td>2,889</td>
<td>2,854</td>
<td>(107)</td>
<td>-3.7% ○</td>
<td>(72)</td>
</tr>
<tr>
<td>OB</td>
<td>6,607</td>
<td>5,332</td>
<td>5,551</td>
<td>1,275</td>
<td>23.9% ○</td>
<td>1,056</td>
</tr>
<tr>
<td>CDD</td>
<td>1,214</td>
<td>1,657</td>
<td>1,725</td>
<td>(443)</td>
<td>-26.7% ○</td>
<td>(511)</td>
</tr>
<tr>
<td>TOTAL w/o Newborn</td>
<td>172,966</td>
<td>168,363</td>
<td>175,292</td>
<td>4,603</td>
<td>2.7% ○</td>
<td>(2,326)</td>
</tr>
</tbody>
</table>

Greater than 2.5% Favorable
Neutral
Greater than 2.5% Unfavorable
### Average Length of Stay by Type

**July 2005 through June 2006**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Med/Surg</strong></td>
<td>5.74</td>
<td>5.70</td>
<td>6.12</td>
<td>.04</td>
<td>0.7%</td>
<td>(.38)</td>
<td>-6.2%</td>
</tr>
<tr>
<td><strong>Psych</strong></td>
<td>9.41</td>
<td>9.47</td>
<td>10.16</td>
<td>(.06)</td>
<td>-0.6%</td>
<td>(.75)</td>
<td>-7.4%</td>
</tr>
<tr>
<td><strong>Pediatrics w/o Newborn</strong></td>
<td>13.69</td>
<td>14.30</td>
<td>15.35</td>
<td>(.61)</td>
<td>-4.3%</td>
<td>(1.66)</td>
<td>-10.8%</td>
</tr>
<tr>
<td><strong>Newborn</strong></td>
<td>2.22</td>
<td>2.15</td>
<td>2.19</td>
<td>.07</td>
<td>3.3%</td>
<td>.03</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>OB</strong></td>
<td>3.63</td>
<td>2.93</td>
<td>3.14</td>
<td>.70</td>
<td>23.9%</td>
<td>.49</td>
<td>15.6%</td>
</tr>
<tr>
<td><strong>CDD</strong></td>
<td>20.58</td>
<td>41.21</td>
<td>44.23</td>
<td>(20.63)</td>
<td>-50.1%</td>
<td>(23.65)</td>
<td>-53.5%</td>
</tr>
<tr>
<td><strong>TOTAL w/o Newborn</strong></td>
<td>6.64</td>
<td>6.52</td>
<td>6.99</td>
<td>.12</td>
<td>1.8%</td>
<td>(.35)</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>
Inpatient Surgeries – by Clinical Department
July 2005 through June 2006

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiothoracic</td>
<td>904</td>
<td>1,022</td>
<td>1,015</td>
<td>(18)</td>
<td>-11.5%</td>
<td>(11)</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>117</td>
<td>116</td>
<td>115</td>
<td>1</td>
<td>0.9%</td>
<td>2</td>
<td>1.7%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>2,523</td>
<td>2,392</td>
<td>2,374</td>
<td>131</td>
<td>5.5%</td>
<td>149</td>
<td>6.3%</td>
</tr>
<tr>
<td>Gynecology</td>
<td>624</td>
<td>644</td>
<td>639</td>
<td>(20)</td>
<td>-3.1%</td>
<td>(15)</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>1,744</td>
<td>1,555</td>
<td>1,544</td>
<td>189</td>
<td>12.2%</td>
<td>200</td>
<td>13.0%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>120</td>
<td>143</td>
<td>139</td>
<td>(23)</td>
<td>-16.1%</td>
<td>(19)</td>
<td>-13.7%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>2,548</td>
<td>2,758</td>
<td>2,728</td>
<td>(210)</td>
<td>-7.6%</td>
<td>(180)</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>843</td>
<td>709</td>
<td>701</td>
<td>134</td>
<td>18.9%</td>
<td>142</td>
<td>20.3%</td>
</tr>
<tr>
<td>Urology w/ Procedure Ste.</td>
<td>655</td>
<td>700</td>
<td>688</td>
<td>(45)</td>
<td>-6.4%</td>
<td>(33)</td>
<td>-4.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,078</strong></td>
<td><strong>10,039</strong></td>
<td><strong>9,943</strong></td>
<td><strong>39</strong></td>
<td><strong>0.4%</strong></td>
<td><strong>135</strong></td>
<td><strong>1.4%</strong></td>
</tr>
</tbody>
</table>

Greater than 2.5% Favorable
Neutral
Greater than 2.5% Unfavorable
## Outpatient Surgeries – by Clinical Department

**July 2005 through June 2006**

<table>
<thead>
<tr>
<th>Clinical Department</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Review (YTD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cardiothoracic</td>
<td>78</td>
<td>95</td>
<td>94</td>
<td>(17)</td>
<td>-17.9%</td>
<td>(16)</td>
<td>-17.0%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>486</td>
<td>495</td>
<td>488</td>
<td>(9)</td>
<td>-1.8%</td>
<td>(2)</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Dermatology</td>
<td>6</td>
<td>26</td>
<td>25</td>
<td>(20)</td>
<td>-76.9%</td>
<td>(19)</td>
<td>-76.0%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>1,403</td>
<td>1,423</td>
<td>1,406</td>
<td>(20)</td>
<td>-1.4%</td>
<td>(3)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Gynecology</td>
<td>533</td>
<td>512</td>
<td>496</td>
<td>21</td>
<td>4.1%</td>
<td>37</td>
<td>7.5%</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>15</td>
<td>23</td>
<td>22</td>
<td>(8)</td>
<td>-34.8%</td>
<td>(7)</td>
<td>-31.8%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>96</td>
<td>148</td>
<td>146</td>
<td>(52)</td>
<td>-35.1%</td>
<td>(50)</td>
<td>-34.2%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>2,811</td>
<td>2,854</td>
<td>2,721</td>
<td>(43)</td>
<td>-1.5%</td>
<td>90</td>
<td>3.3%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>2,546</td>
<td>2,462</td>
<td>2,383</td>
<td>84</td>
<td>3.4%</td>
<td>163</td>
<td>6.8%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>1,868</td>
<td>1,993</td>
<td>1,943</td>
<td>(125)</td>
<td>-6.3%</td>
<td>(75)</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td>16.7%</td>
<td>1</td>
<td>16.7%</td>
</tr>
<tr>
<td>Urology w/ Procedure Ste.</td>
<td>1,081</td>
<td>1,197</td>
<td>1,147</td>
<td>(116)</td>
<td>-9.7%</td>
<td>(66)</td>
<td>-5.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,930</td>
<td>11,234</td>
<td>10,877</td>
<td>(304)</td>
<td>-2.7%</td>
<td>53</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

**Legend:**
- **Green Circle**: Greater than 2.5% Favorable
- **Neutral**: Neutral
- **Red Circle**: Greater than 2.5% Unfavorable
### Emergency Treatment Center

**July 2005 through June 2006**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETC Visits</td>
<td>35,069</td>
<td>33,260</td>
<td>32,768</td>
<td>1,809</td>
<td>5.4%</td>
<td>2,301</td>
<td>7.0%</td>
</tr>
<tr>
<td>ETC Admits</td>
<td>9,618</td>
<td>8,335</td>
<td>8,611</td>
<td>1,283</td>
<td>15.4%</td>
<td>1,007</td>
<td>11.7%</td>
</tr>
<tr>
<td>Conversion Factor</td>
<td>27.4%</td>
<td>25.1%</td>
<td>26.3%</td>
<td></td>
<td>9.2%</td>
<td></td>
<td>4.2%</td>
</tr>
<tr>
<td>ETC Admits / Total Admits</td>
<td>36.9%</td>
<td>32.3%</td>
<td>34.4%</td>
<td></td>
<td>14.2%</td>
<td></td>
<td>7.3%</td>
</tr>
</tbody>
</table>

- **Green Circle**: Greater than 2.5% Favorable
- **Neutral**: Neutral
- **Red Circle**: Greater than 2.5% Unfavorable
## Clinic Visits by Clinical Department
### July 2005 through June 2006

<table>
<thead>
<tr>
<th>Department</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Budget</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Review (YTD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anesthesia</td>
<td>17,262</td>
<td>18,754</td>
<td>18,170</td>
<td>(1,492)</td>
<td>-8.0%</td>
<td>(908)</td>
<td>-5.0%</td>
</tr>
<tr>
<td>CDD</td>
<td>5,472</td>
<td>5,235</td>
<td>5,072</td>
<td>237</td>
<td>4.5%</td>
<td>400</td>
<td>7.9%</td>
</tr>
<tr>
<td>Clinical Research</td>
<td>9,512</td>
<td>11,048</td>
<td>10,704</td>
<td>(1,536)</td>
<td>-13.9%</td>
<td>(1,192)</td>
<td>-11.1%</td>
</tr>
<tr>
<td>Dermatology</td>
<td>22,127</td>
<td>24,358</td>
<td>23,599</td>
<td>(2,231)</td>
<td>-9.2%</td>
<td>(1,472)</td>
<td>-6.2%</td>
</tr>
<tr>
<td>ETC</td>
<td>34,524</td>
<td>33,208</td>
<td>32,174</td>
<td>1,316</td>
<td>4.0%</td>
<td>2,350</td>
<td>7.3%</td>
</tr>
<tr>
<td>Employee Health Clinic</td>
<td>17,391</td>
<td>16,542</td>
<td>16,027</td>
<td>849</td>
<td>5.1%</td>
<td>1,364</td>
<td>8.5%</td>
</tr>
<tr>
<td>Family Care Center</td>
<td>99,561</td>
<td>101,987</td>
<td>98,810</td>
<td>(2,426)</td>
<td>-2.4%</td>
<td>751</td>
<td>0.8%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>24,430</td>
<td>23,237</td>
<td>22,513</td>
<td>1,193</td>
<td>5.1%</td>
<td>1,917</td>
<td>8.5%</td>
</tr>
<tr>
<td>Hospital Dentistry</td>
<td>22,160</td>
<td>23,804</td>
<td>23,062</td>
<td>(1,644)</td>
<td>-6.9%</td>
<td>(902)</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>102,246</td>
<td>105,919</td>
<td>102,619</td>
<td>(3,673)</td>
<td>-3.5%</td>
<td>(373)</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Neurology</td>
<td>17,960</td>
<td>19,784</td>
<td>19,168</td>
<td>(1,824)</td>
<td>-9.2%</td>
<td>(1,208)</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>9,018</td>
<td>9,169</td>
<td>8,883</td>
<td>(151)</td>
<td>-1.6%</td>
<td>135</td>
<td>1.5%</td>
</tr>
<tr>
<td>Obstetrics/Gynecology</td>
<td>62,429</td>
<td>63,823</td>
<td>61,835</td>
<td>(1,394)</td>
<td>-2.2%</td>
<td>594</td>
<td>1.0%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>61,779</td>
<td>64,512</td>
<td>62,502</td>
<td>(2,733)</td>
<td>-4.2%</td>
<td>(723)</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>50,528</td>
<td>52,653</td>
<td>51,013</td>
<td>(2,125)</td>
<td>-4.0%</td>
<td>(485)</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>28,576</td>
<td>27,061</td>
<td>26,218</td>
<td>1,515</td>
<td>5.6%</td>
<td>2,358</td>
<td>9.0%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>29,615</td>
<td>27,439</td>
<td>26,584</td>
<td>2,176</td>
<td>7.9%</td>
<td>3,031</td>
<td>11.4%</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>38,645</td>
<td>40,788</td>
<td>39,517</td>
<td>(2,143)</td>
<td>-5.3%</td>
<td>(872)</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Cardiothoracic</td>
<td>2,197</td>
<td>2,301</td>
<td>2,229</td>
<td>(104)</td>
<td>-4.5%</td>
<td>(32)</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Urology</td>
<td>16,304</td>
<td>17,979</td>
<td>17,419</td>
<td>(1,675)</td>
<td>-9.3%</td>
<td>(1,115)</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Other</td>
<td>2,211</td>
<td>348</td>
<td>338</td>
<td>1,863</td>
<td>535.3%</td>
<td>1,873</td>
<td>554%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>673,947</td>
<td>689,949</td>
<td>668,456</td>
<td>(16,002)</td>
<td>-2.3%</td>
<td>5,491</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
Director Remarks

Donna Katen-Bahensky
Director and Chief Executive Officer
Hope Lodge Fundraising

• Russell and Ann Gerdin pledged a $2 Million challenge grant to establish a Hope Lodge in Iowa City, kicking off the $8 million statewide campaign

• The Hope Lodge will provide free, non-medical lodging for adult cancer patients and their caregivers in a home-like setting

• The facility, consisting of 30 rooms, will be named the, “Russell and Ann Gerdin American Cancer Society Hope Lodge”

• The Hope Lodge will be located near the Ronald McDonald house, with access to the University of Iowa Holden Comprehensive Cancer Center, VA Hospital, and Mercy Hospital of Iowa City

• There are currently 22 American Cancer Society Hope Lodges nationwide, all of which are supported by funding from the American Cancer Society and charitable giving
Senate Hearing on Cancer Research Funding

• Iowa Senator Tom Harkin schedules a U.S. Senate field hearing at the University of Iowa for July 28, 2006

• Focus attention on the need for funding cancer research

• Featuring testimony by Lance Armstrong
  – The Lance Armstrong Foundation is dedicated to making the fight against cancer a national priority and to encourage increased federal funding for cancer research

• Highlight specialists at the Holden Comprehensive Cancer Center at The University of Iowa who conduct pioneering studies that bring cutting-edge cancer therapies to patients