

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

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|---|---|
| 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 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

Integrity

Commitment

Accountability

Respect

Empathy

I Care Values:

- Patient Centered
- Expectation Driven
- Action Oriented
- Shared Responsibility
- Conflict Management
- Acknowledgment and Recognition

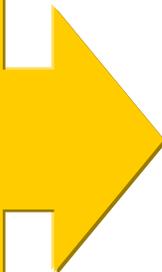
Key Principles to Support UIHC's Core Values

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.

What Differentiates Us?

Differentiation:
What can UIHC
do best?



- 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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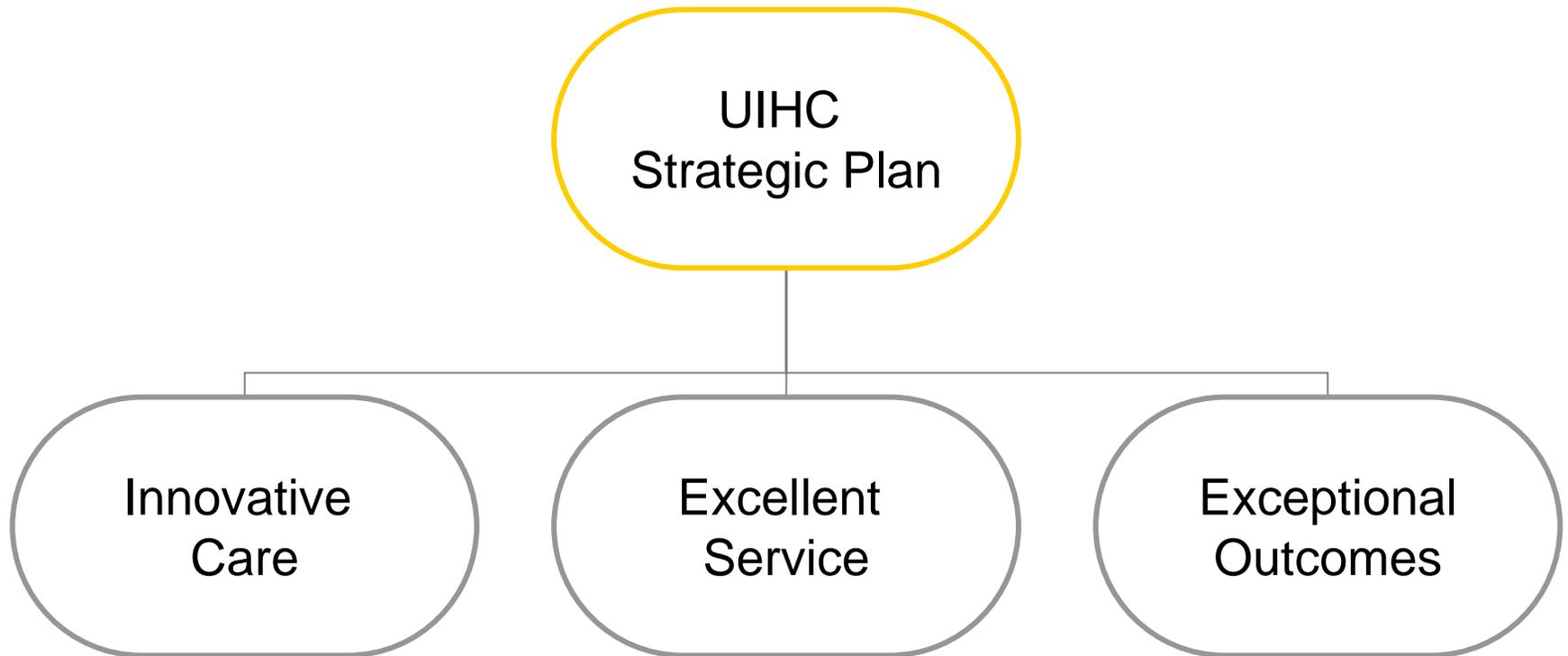
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Strategic Direction Discussion



KEY STRATEGY DIMENSIONS

Delivery of Care

Structure

Market Responsiveness

Strategic Plan Tactical Teams

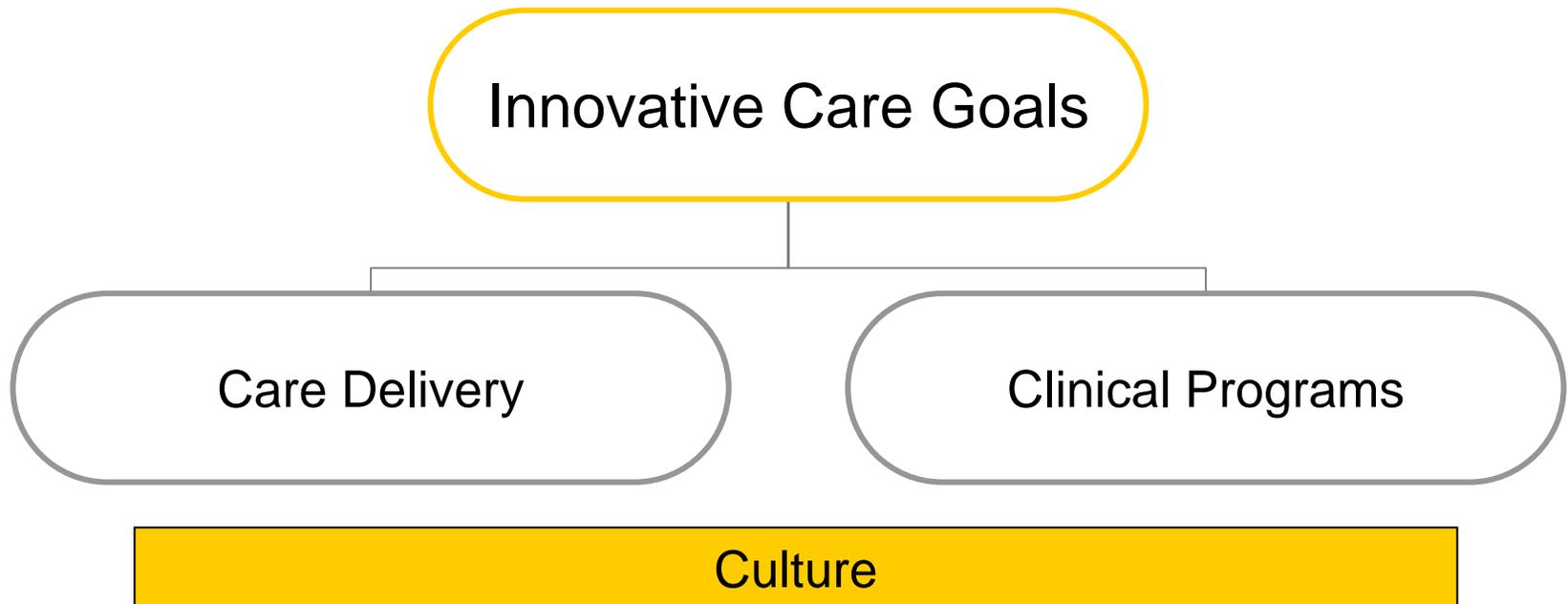
- One Team for each major priority area:
 - Innovative Care
 - Excellent Service
 - Exceptional Outcomes
- Teams charged with identifying:
 - Specific goals, strategies and tactics
 - Timeframe for implementation
 - Responsible parties
 - Resource requirements

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”



- Organization that embraces change and encourages new ideas

INNOVATIVE CARE

Care Delivery

Clinical Programs

Champion: Linda Everett

Champion: Anthony DeFurio

Goal:

- 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.

Goal:

- 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.

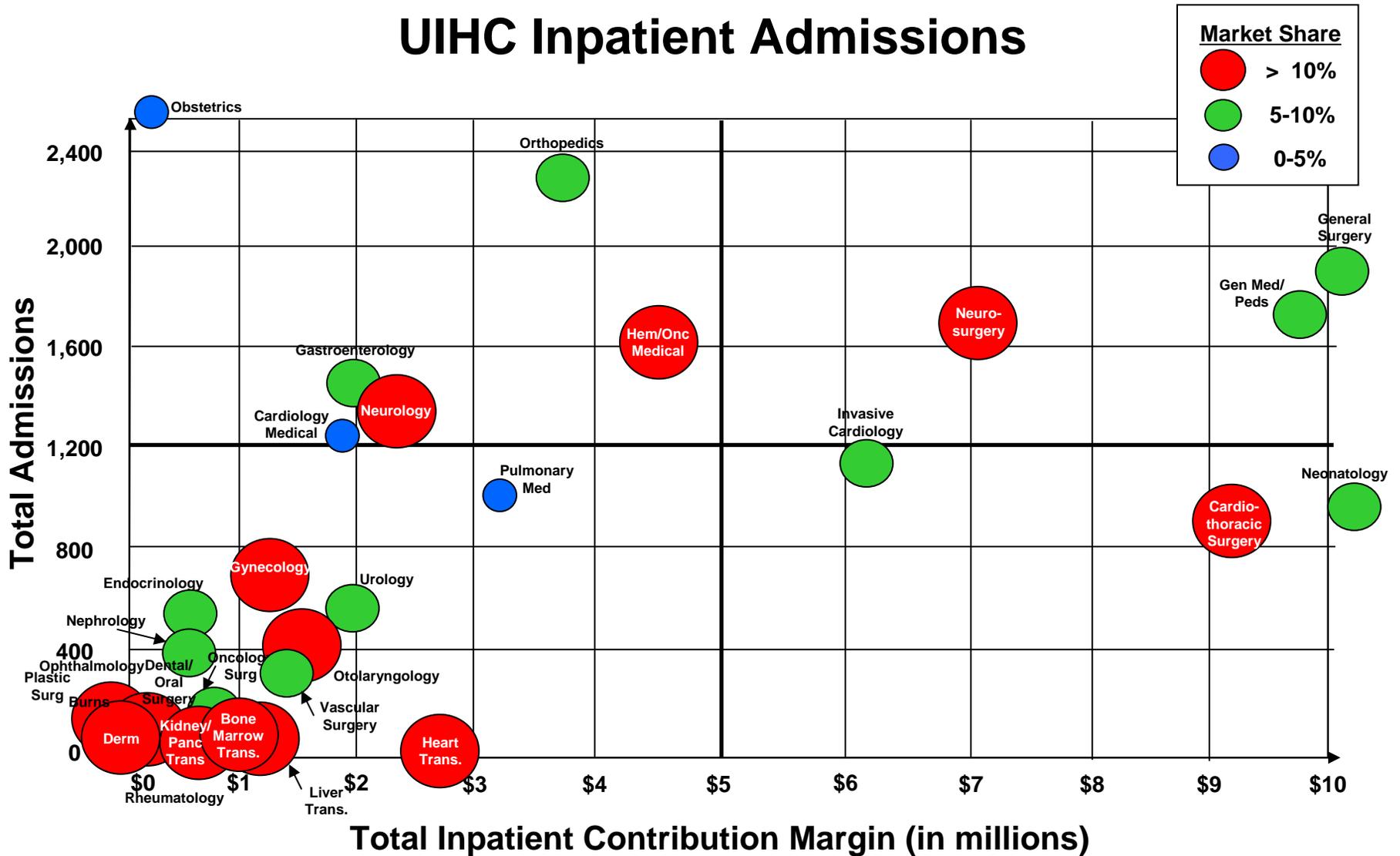
Strategic Themes:

- UIHC's Ambulatory Care Standards of Excellence
- Coordinated interdisciplinary care models
- Information technology and internet/intranet innovations
- Training physicians and healthcare providers in the new methods and models

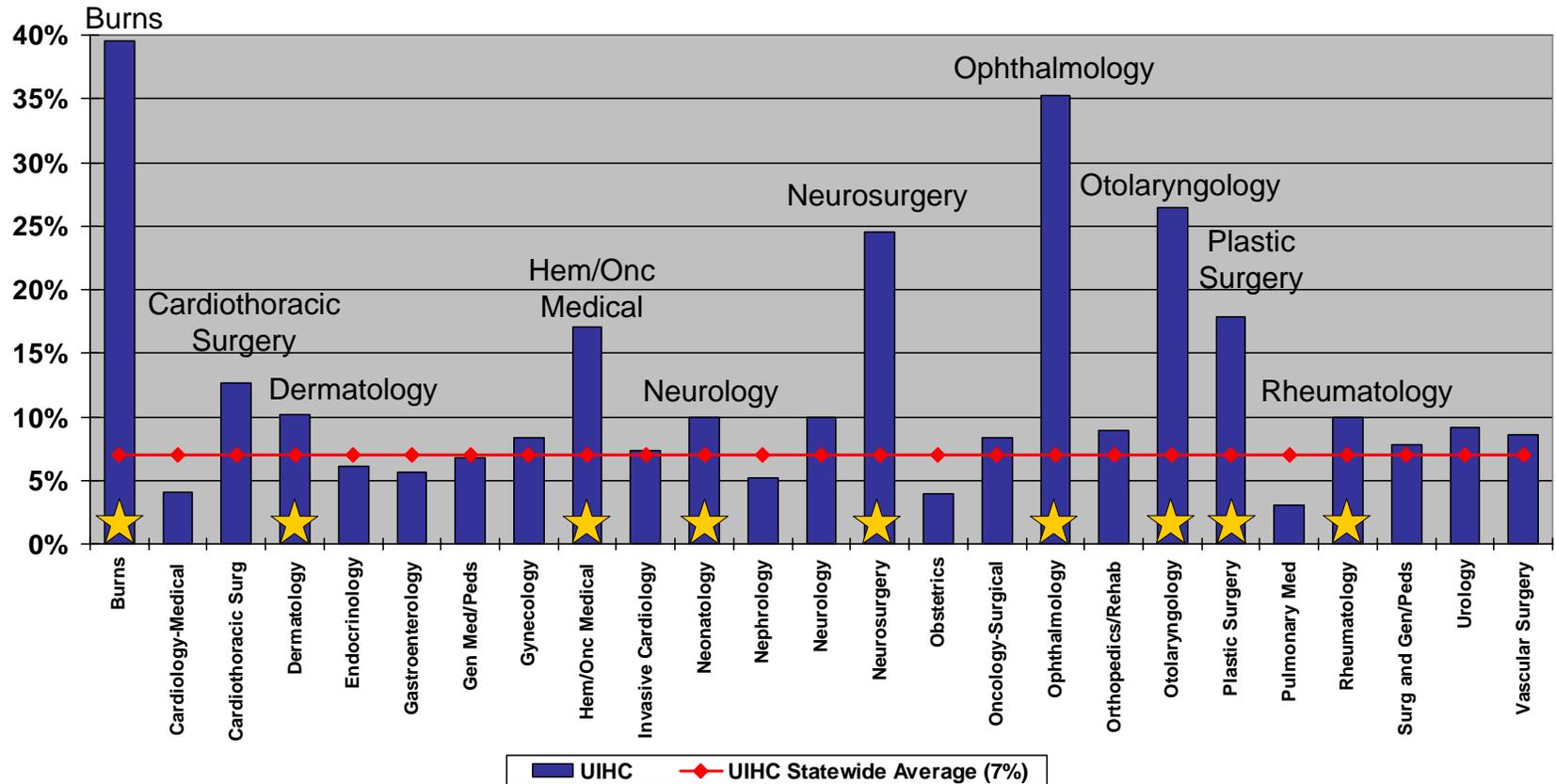
Strategic Themes:

- Enhanced training programs
- Clinical trials
- Clinical services for growth and opportunity
- Business planning process
- Business development

UIHC Inpatient Admissions



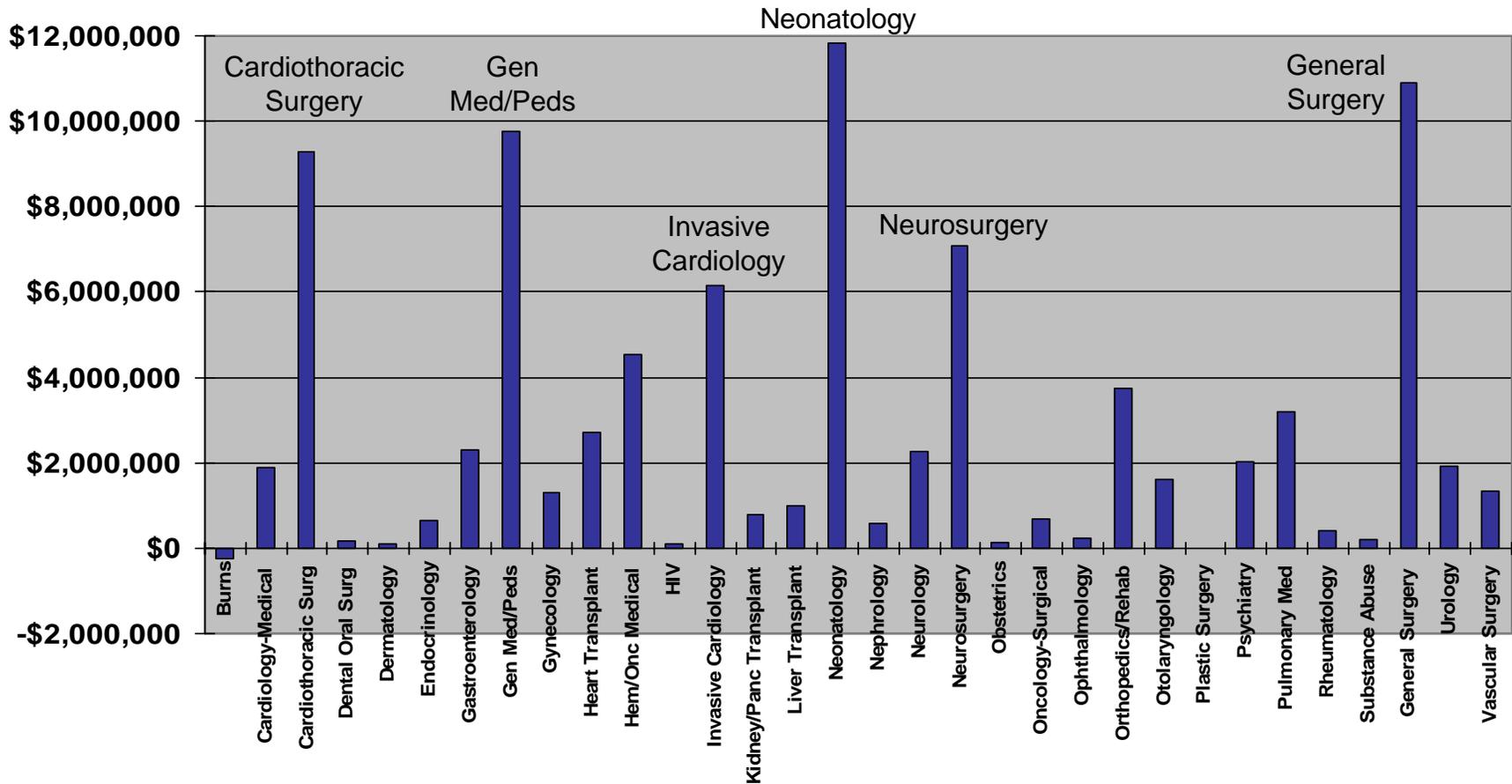
Inpatient Market Share by Product Line⁽¹⁾, FY 2004



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

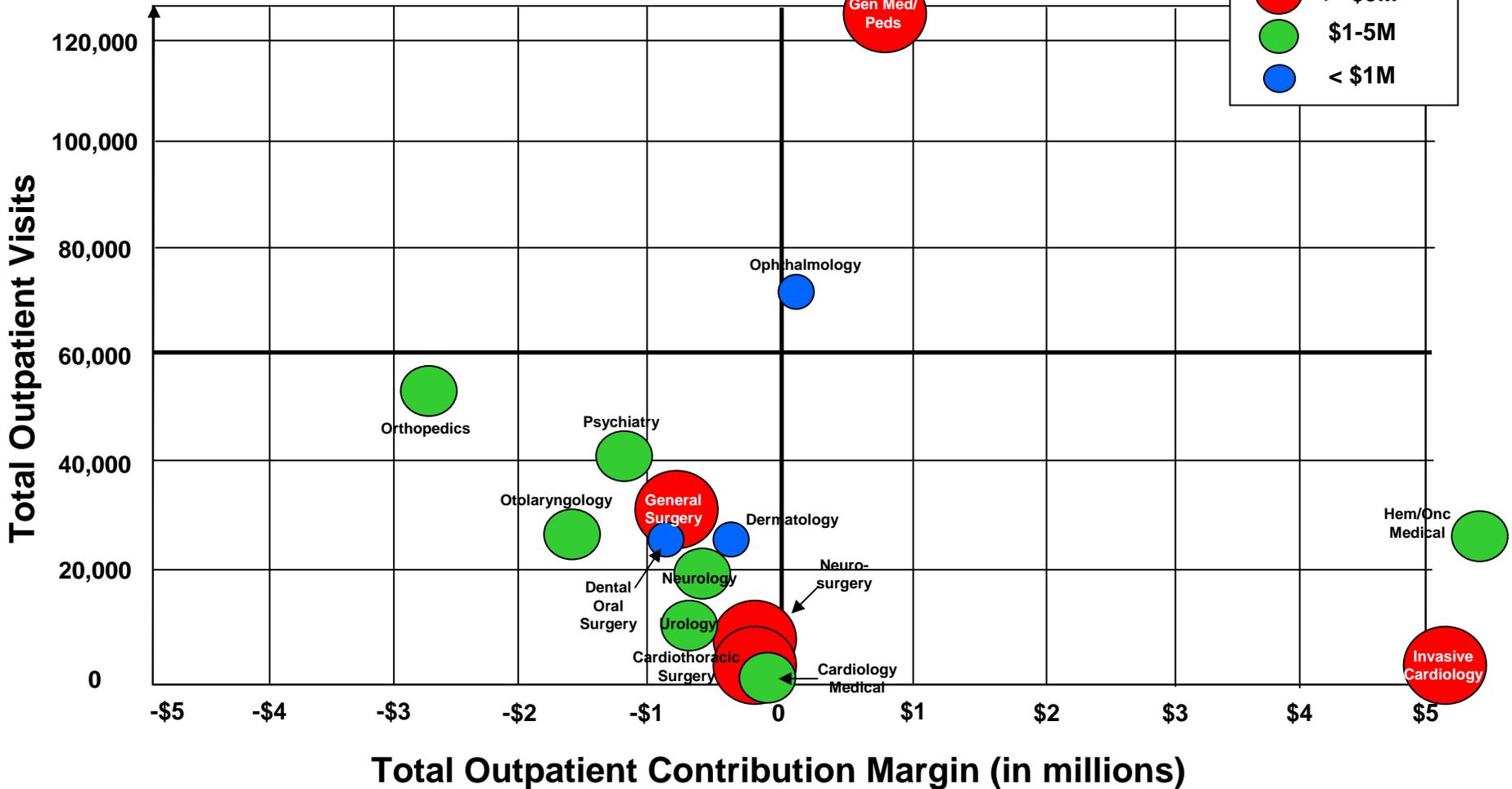
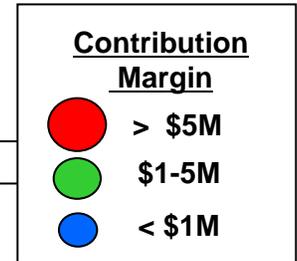
(1) Excludes bone marrow transplant, dental/oral surgery, heart transplant, kidney/pancreas transplant, and lung transplant
Source data provided by the UI Health Care Joint Office of Marketing and Communications using Iowa Hospital Association data

Inpatient Contribution Margin by Service Line, FY 2004

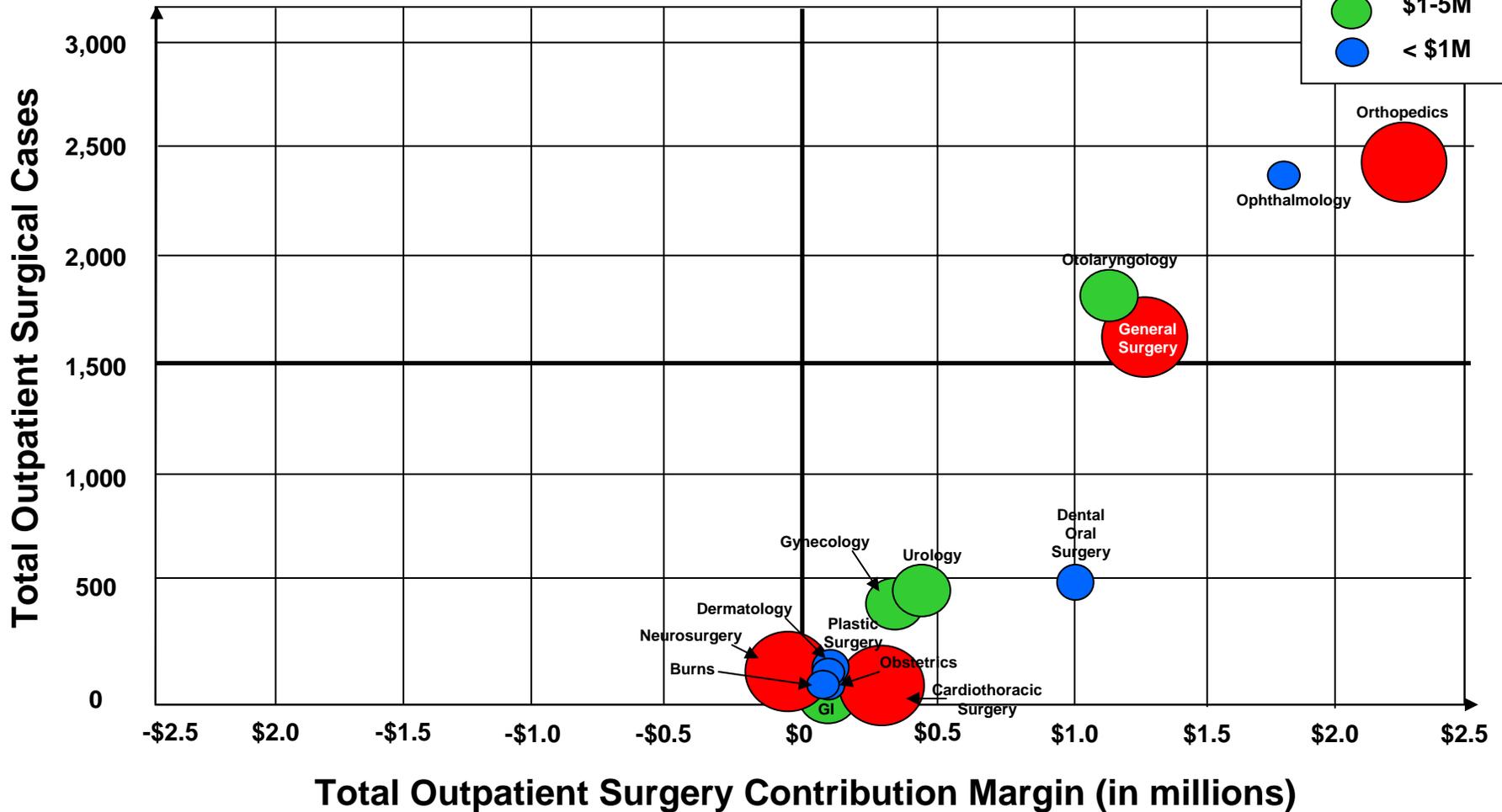


Inpatient contribution margin represents 90% of UIHC's total contribution margin

UIHC Outpatient Visits



UIHC Outpatient Surgical Cases

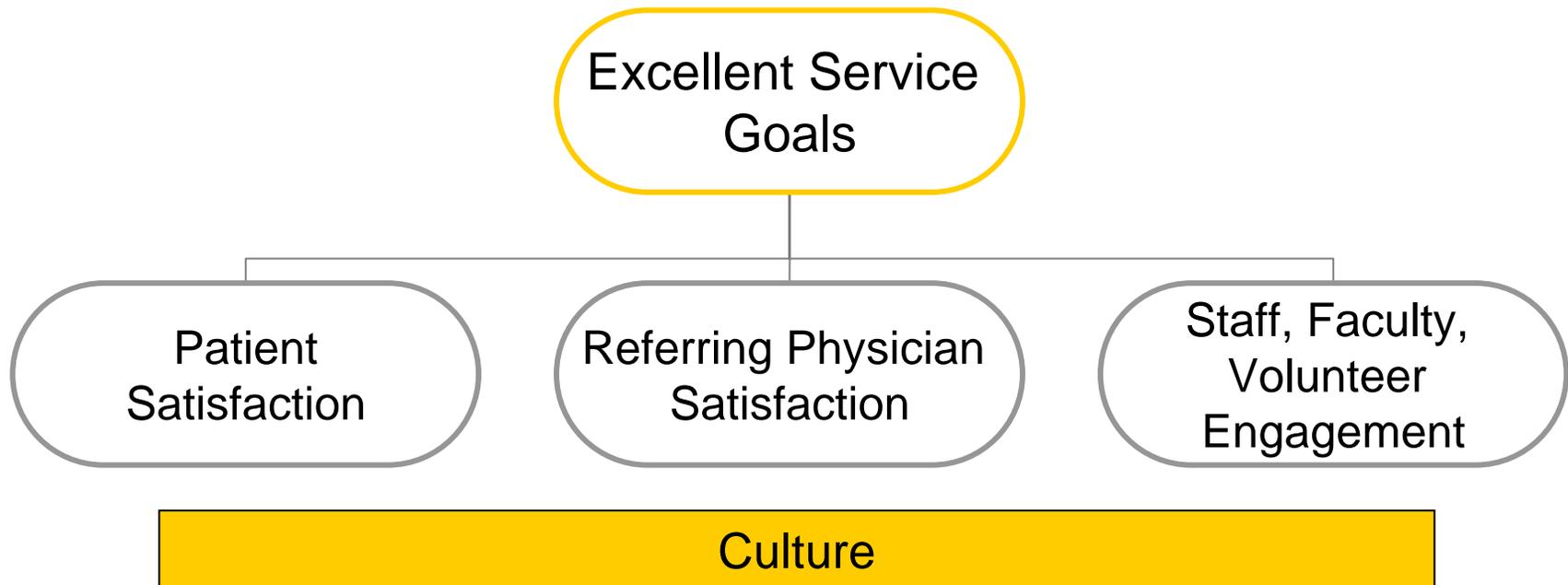


Excellent Service Team

- 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 Houlahan
 - Christopher Klitgaard
 - Dr. Barbara Muller
 - Christine Scheetz

Excellent Service

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



- 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

EXCELLENT SERVICE

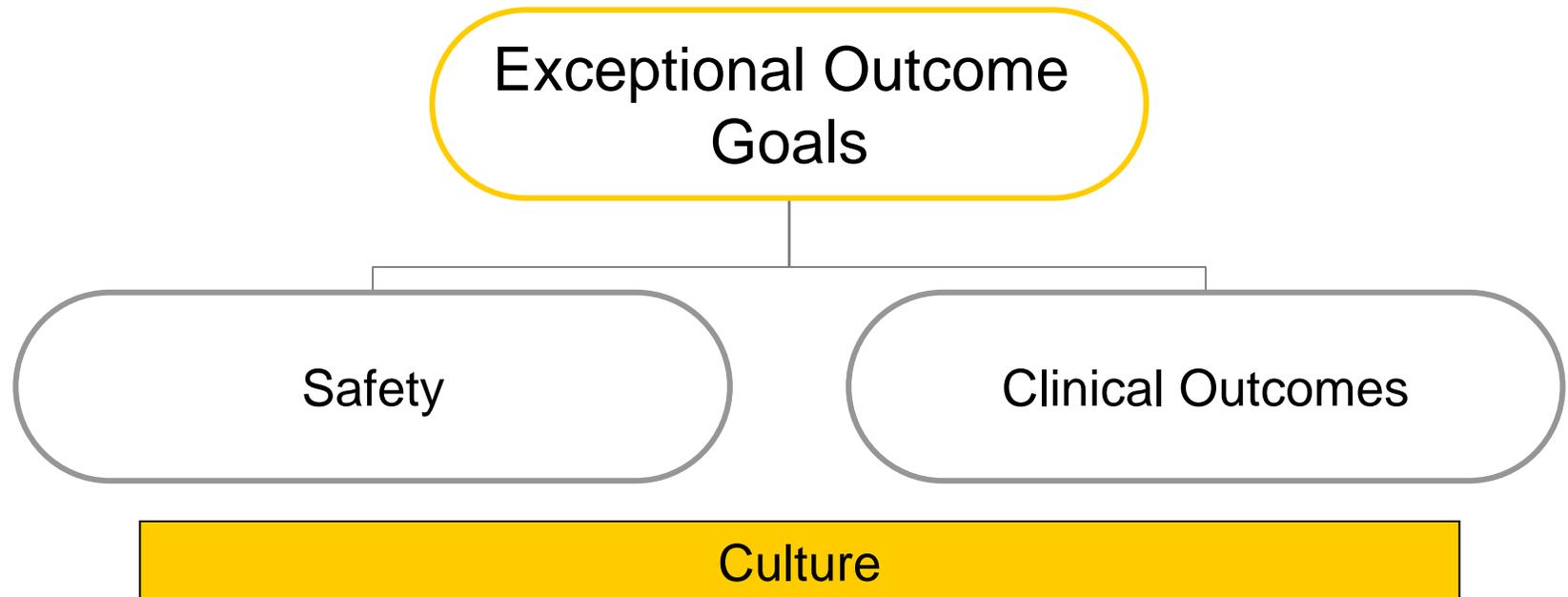
Patient Satisfaction	Referring Physician Satisfaction	Staff, Faculty, Volunteer Engagement
Champion: Bill Hesson	Champion: Ann Rice	Champion: Ann Rice
<p>Goal:</p> <ul style="list-style-type: none"> Patients and families will be highly satisfied with their entire UIHC experience in all settings. 	<p>Goal:</p> <ul style="list-style-type: none"> UIHC will be recognized by referring physicians for its efficient and effective support to their patients. 	<p>Goal:</p> <ul style="list-style-type: none"> Staff, faculty and volunteers are valued and engaged in the pursuit of UIHC's vision.
<p>Strategic Themes:</p> <ul style="list-style-type: none"> Patient throughput Baldrige National Quality Award guidelines Patient-family centered culture currently in practice at Children's Hospital of Iowa Tools for faculty to deliver effective and efficient care 	<p>Strategic Themes:</p> <ul style="list-style-type: none"> Referring physician outreach program Referring physician service environment Patient transfer system 	<p>Strategic Themes:</p> <ul style="list-style-type: none"> Re-invigorate the concept of UIHC Service Leadership Clear expectations, empowered staff and accountability Faculty, staff, volunteer recognition

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.”



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

EXCEPTIONAL OUTCOMES

Safety	Clinical Outcomes
Champion: Dan Fick	Champion: Linda Everett
Goal: <ul style="list-style-type: none">• UIHC will provide a continuously improving, safe environment for all patients and staff at all times.	Goal: <ul style="list-style-type: none">• UIHC will use a continuous improvement process to achieve exceptional clinical outcomes.
Strategic Themes: <ul style="list-style-type: none">• 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: <ul style="list-style-type: none">• 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

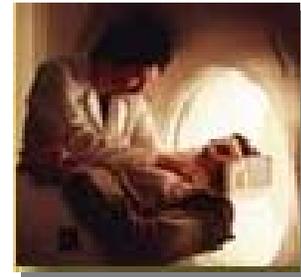
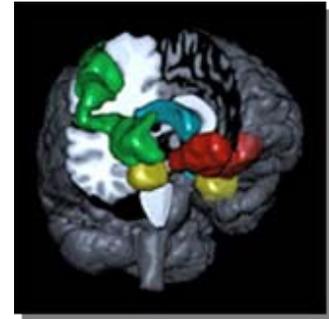
- UIHC has the 3rd oldest program in the country
 - Expertise in benign and malignant disease of the esophagus and lungs
 - Region's most comprehensive heart program
 - Performs more than 700 heart surgeries a year
 - 600+ General thoracic surgeries



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



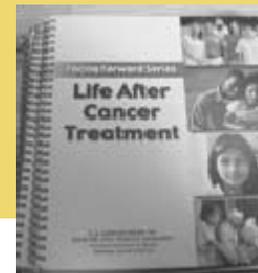


Children's Hospital of Iowa

- 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:

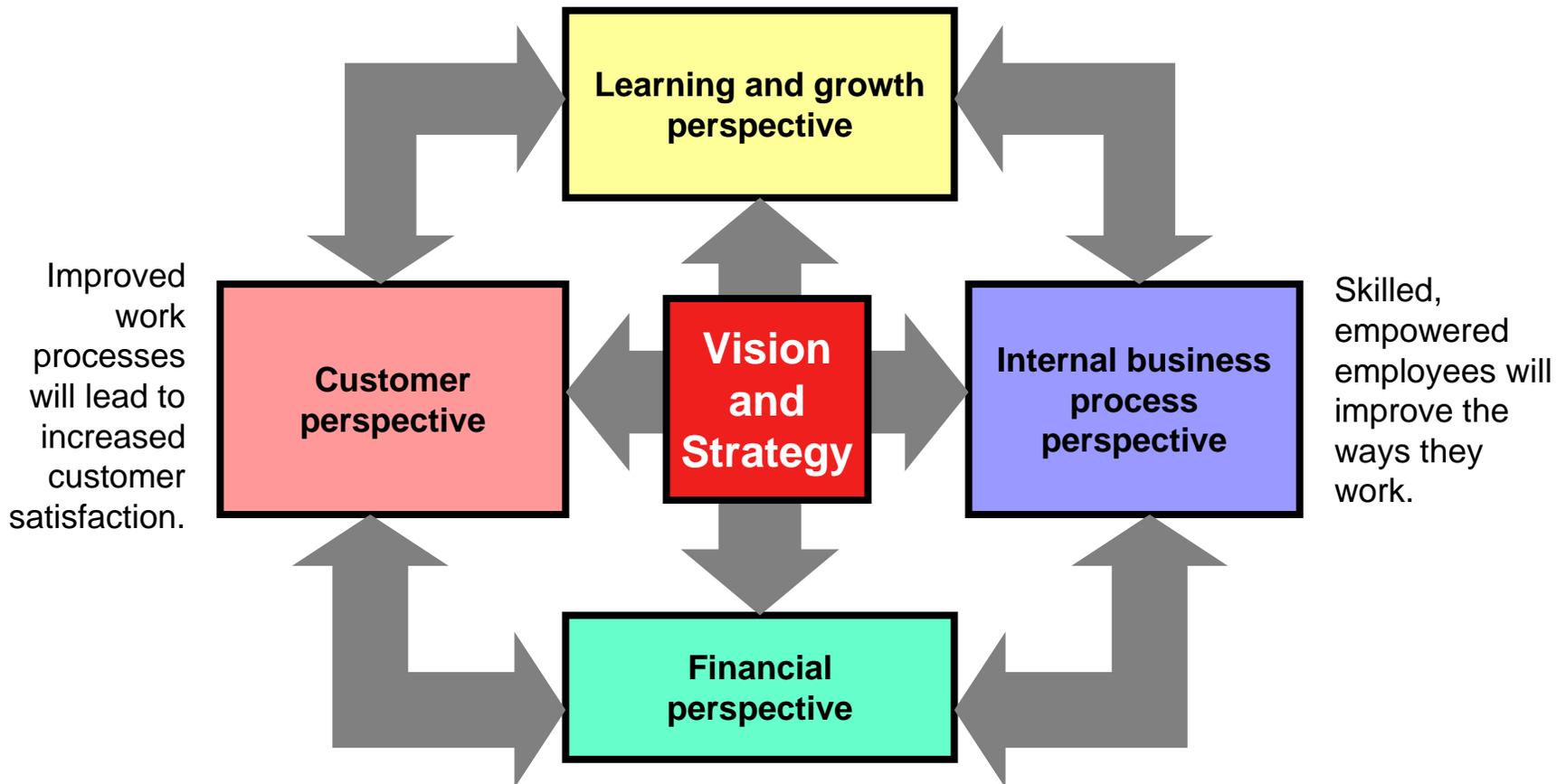
- Performance-measuring method
- Tracks key metrics grouped according to broad performance areas
- Represents a balanced view of the organization

Benefits of a Scorecard in Academic Medical Center Setting:

- Incorporates customer insight
- Refocuses internal operations
- Energizes internal stake holders
- 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.



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		
INDICATOR	DESCRIPTION	SOURCE
Market Share	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].	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		
INDICATOR	DESCRIPTION	SOURCE
External Referrals	Total number of visits originating from external referrals.	IDX or Report2Web
Patient Satisfaction - Adult	Mean score of adult inpatient surveys (all standard questions) returned for the past 12 months.	Press-Ganey Satisfaction Survey
Patient Satisfaction - Pediatric	Mean score of pediatric inpatient surveys (all standard questions) returned for the past 12 months.	Press-Ganey Satisfaction Survey
EXCEPTIONAL OUTCOMES		
INDICATOR	DESCRIPTION	SOURCE
Observed/Expected Mortality Ratio	Observed mortality rate for 100% acute discharge/ UHC risk adjusted expected mortality rate for the last four available quarters.	CORM
STRATEGIC SUPPORT		
INDICATOR	DESCRIPTION	SOURCE
Cost Per Adjusted Discharge	Operating costs / ((gross patient charges/total gross inpatient charges) *(total patient admissions 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
Employee Vacancy Rate	Total number of actively recruited positions / total number of allocated positions.	HR Database

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

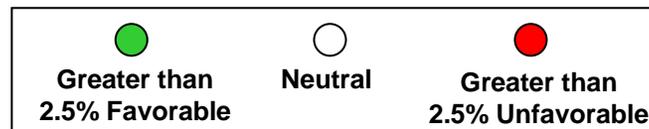
Anthony DeFurio

Chief Financial Officer

Volume Indicators

July 2005 through June 2006

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



Admissions by Type

July 2005 through June 2006

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

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Admissions by Clinical Department

July 2005 through June 2006

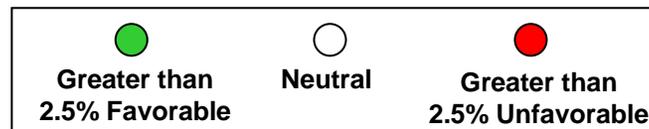
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Review (YTD)							
CDD	59	40	39	19	47.5% 	20	51.3% 
Family Medicine	786	910	883	(124)	-13.6% 	(97)	-11.0% 
General Surgery	2,905	2,712	2,631	193	7.1% 	274	10.4% 
Internal Medicine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

		
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Volume Indicators

July 2005 through June 2006

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



Patient Days by Type

July 2005 through June 2006

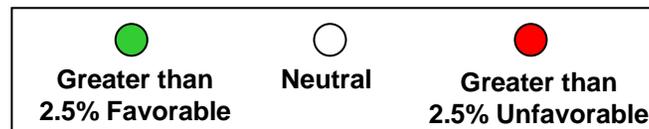
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Review (YTD)							
Med/Surg	112,079	112,931	117,579	(852)	-0.8% ○	(5,500)	-4.7% ●
Psych	22,144	21,725	22,619	419	1.9% ○	(475)	-2.1% ●
Pediatrics w/o Newborn	30,922	26,718	27,818	4,204	15.7% ●	3,104	11.2% ●
<i>Newborn</i>	2,782	2,889	2,854	(107)	-3.7% ●	(72)	-2.5% ●
OB	6,607	5,332	5,551	1,275	23.9% ●	1,056	19.0% ●
CDD	1,214	1,657	1,725	(443)	-26.7% ●	(511)	-29.6% ●
TOTAL w/o Newborn	172,966	168,363	175,292	4,603	2.7% ○	(2,326)	-1.3% ●

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Average Length of Stay by Type

July 2005 through June 2006

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Review (YTD)							
Med/Surg	5.74	5.70	6.12	.04	0.7% ○	(.38)	-6.2% ●
Psych	9.41	9.47	10.16	(.06)	-0.6% ○	(.75)	-7.4% ●
Pediatrics w/o Newborn	13.69	14.30	15.35	(.61)	-4.3% ●	(1.66)	-10.8% ●
<i>Newborn</i>	2.22	2.15	2.19	.07	3.3% ●	.03	1.4% ○
OB	3.63	2.93	3.14	.70	23.9% ●	.49	15.6% ●
CDD	20.58	41.21	44.23	(20.63)	-50.1% ●	(23.65)	-53.5% ●
TOTAL w/o Newborn	6.64	6.52	6.99	.12	1.8% ○	(.35)	-5.0% ●



Inpatient Surgeries – by Clinical Department

July 2005 through June 2006

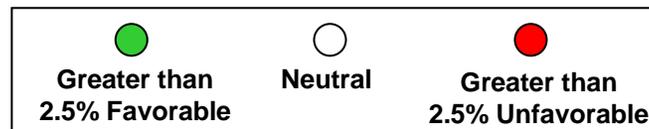
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Review (YTD)							
Cardiothoracic	904	1,022	1,015	(118)	-11.5% ●	(111)	-10.9% ●
Dentistry	117	116	115	1	0.9% ○	2	1.7% ○
General Surgery	2,523	2,392	2,374	131	5.5% ●	149	6.3% ●
Gynecology	624	644	639	(20)	-3.1% ●	(15)	-2.3% ○
Neurosurgery	1,744	1,555	1,544	189	12.2% ●	200	13.0% ●
Ophthalmology	120	143	139	(23)	-16.1% ●	(19)	-13.7% ●
Orthopedics	2,548	2,758	2,728	(210)	-7.6% ●	(180)	-6.6% ●
Otolaryngology	843	709	701	134	18.9% ●	142	20.3% ●
Urology w/ Procedure Ste.	655	700	688	(45)	-6.4% ●	(33)	-4.8% ●
Total	10,078	10,039	9,943	39	0.4% ○	135	1.4% ○

		
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Outpatient Surgeries – by Clinical Department

July 2005 through June 2006

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



Emergency Treatment Center

July 2005 through June 2006

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

 Greater than 2.5% Favorable	 Neutral	 Greater than 2.5% Unfavorable
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Clinic Visits by Clinical Department

July 2005 through June 2006

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



Greater than 2.5% Favorable



Neutral



Greater than 2.5% Unfavorable

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

