

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Meeting of the Board of Regents as the Trustees of the University of Iowa Hospitals and Clinics

Date: May 6, 2002

Recommended Action:

1. Receive the report on the University of Iowa Hospitals and Clinics (UIHC).

Executive Summary:

The Board of Regents, in its role as Trustees of the University of Iowa Hospitals and Clinics, will be provided a quarterly report on the operations of the UIHC. Areas to be covered in this oral report are:

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| Quarterly Update | The University of Iowa Hospitals and Clinics completed the first nine months of FY2002 with an operating margin below budgeted levels: |
| Operations/
Programs | <ul style="list-style-type: none"> ◆ Mid-year reductions by the State of Iowa in Medicaid funding, and changes in other reimbursement sources pushed revenues down. ◆ During the period July 1, 2001 to March 31, 2002, clinic visits increased 3.4%. ◆ Acute inpatient admissions increased 0.4% compared to the same period during the preceding fiscal year. ◆ During the first nine months of fiscal year 2002, the average length of inpatient stays increased 1.4%. ◆ Inpatient days increased 1.8%. |
| Finances | <ul style="list-style-type: none"> ◆ Total operating revenue increased 5.6% compared to the FY 2001 period ended March 31, 2002. ◆ Expenses, including salaries and wages, increased 8.0%. ◆ UIHC recorded an operating margin of 1.5% during the first nine months of FY 2002, compared to 3.7% during the comparable period of FY 2001. |

HIPAA Legislation
and Compliance

- ◆ Within the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) are “administrative simplification” regulations affecting how the nation’s hospitals interact with patients and how patient information and data are protected.
- ◆ The Transactions and Codes regulations affect the coding and electronic transmission of data. Hospitals are required to comply with the regulations by October 2003.
- ◆ The HIPAA legislation also contains privacy regulations, relating to the health information of individual patients, which hospitals must meet by April 2003. The regulations define patient rights concerning the health care provider’s use of personal health information.
- ◆ The HIPAA legislation also requires several new policies and procedures to guard patient rights and ensure privacy. The new rules directly affect the physician/patient relationship, in addition to requiring significant changes in several of UI Health Care’s operational functions ranging from appointment scheduling to marketing. The rules have significant effects on clinical research that will require substantial changes in practice. Future rules are also expected to regulate information security standards.
- ◆ To document compliance with the regulations, UI Health Care has invested, and will continue to invest, in staff education, documentation systems and information technology.

UIHC Exhibit

Complete material on agenda and exhibits is included in a separate University of Iowa Hospitals and Clinics docket.



Robert J. Barak

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Approved: 
Gregory S. Nichols