

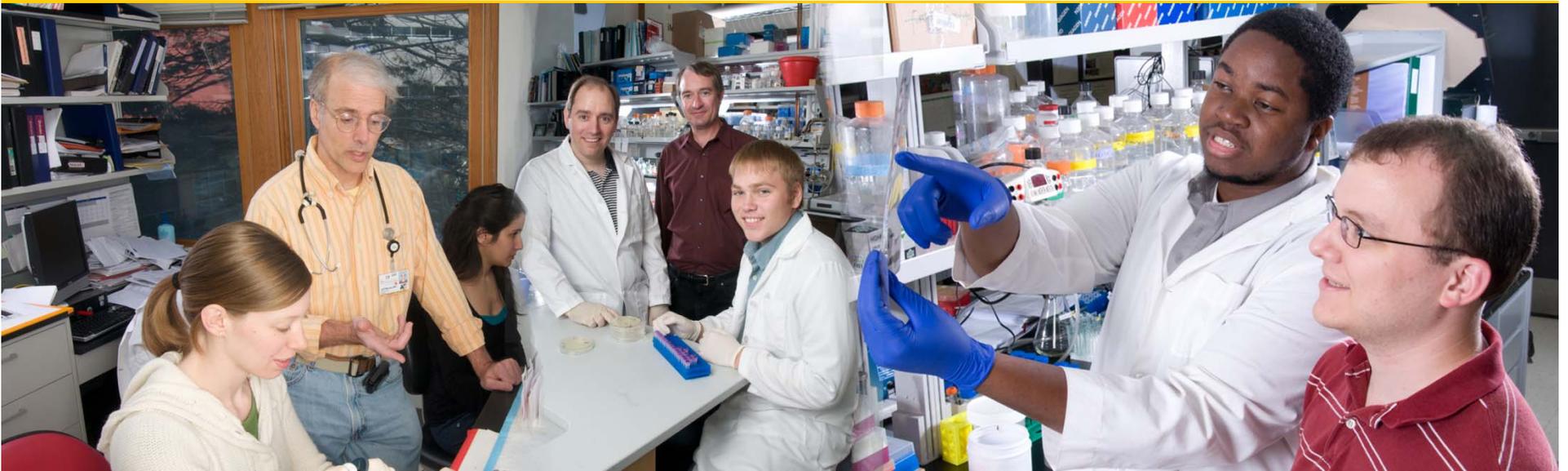


University of Iowa Health Care

***Presentation to
The Board of Regents, State of Iowa
December 4, 2013***

Agenda

- Opening Remarks (Jean Robillard)
- Operating and Financial Performance (Ken Kates & Ken Fisher)



Opening Remarks

Jean Robillard, MD
Vice President for Medical Affairs



Operating and Financial Performance Update

Ken Kates, Associate Vice President and Chief Executive Officer
UI Hospitals & Clinics

Ken Fisher, Associate Vice President for Finance
and Chief Financial Officer

Volume Indicators

Fiscal Year to Date October 2013

Operating Review (YTD)	Actual	Budget	Prior Year *	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	10,563	10,577	10,458	(14)	-0.1% ○	105	1.0% ○
Patient Days	66,372	65,612	66,117	759	1.2% ○	255	0.4% ○
Length of Stay	6.27	6.20	6.31	0.07	1.2% ○	(0.04)	-0.7% ○
Average Daily Census	539.61	533.43	537.54	6.18	1.2% ○	2.07	0.4% ○
Total Surgeries	10,054	9,930	9,651	124	1.2% ○	403	4.2% ●
- Inpatient	3,986	4,031	3,913	(45)	-1.1% ○	73	1.9% ○
- Outpatient	6,068	5,899	5,738	169	2.9% ●	330	5.8% ●
ED Visits	21,099	21,696	20,955	(597)	-2.8% ●	144	0.7% ○
Total Clinic Visits	280,842	270,763	259,731	10,079	3.7% ●	21,111	8.1% ●

* from ongoing operations

● Greater than 2.5% Favorable	○ Neutral	● Greater than 2.5% Unfavorable
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Discharges by Type

Fiscal Year to Date October 2013

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	3,279	3,592	3,578	(313)	-8.7% ●	(299)	-8.4% ●
Adult Surgical	5,276	4,827	4,758	449	9.3% ●	518	10.9% ●
Adult Psych	487	513	508	(26)	-5.1% ●	(21)	-4.1% ●
<i>Subtotal – Adult</i>	<i>9,042</i>	<i>8,932</i>	<i>8,844</i>	<i>110</i>	<i>1.2%</i> ○	<i>198</i>	<i>2.2%</i> ○
Pediatric Medical & Surgical	1,077	1,151	1,127	(74)	-6.4% ●	(50)	-4.4% ●
Pediatric Critical Care	260	296	292	(36)	-12.2% ●	(32)	-11.0% ●
Pediatric Psych	184	198	195	(14)	-7.1% ●	(11)	-5.6% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>1,521</i>	<i>1,645</i>	<i>1,614</i>	<i>(124)</i>	<i>-7.5%</i> ●	<i>(93)</i>	<i>-5.8%</i> ●
Newborn	505	506	498	(1)	-0.2% ○	7	1.4% ○
TOTAL w/o Newborn	10,563	10,577	10,458	(14)	-0.1% ○	105	1.0% ○

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

Discharge Days by Type

Fiscal Year to Date October 2013

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	17,361	19,428	19,707	(2,067)	-10.6% ●	(2,346)	-11.9% ●
Adult Surgical	27,292	23,550	23,663	3,742	15.9% ●	3,629	15.3% ●
Adult Psych	6,910	6,701	6,740	209	3.1% ●	(170)	2.5% ●
<i>Subtotal – Adult</i>	<i>51,563</i>	<i>49,679</i>	<i>50,110</i>	<i>1,884</i>	<i>3.8% ●</i>	<i>1,453</i>	<i>2.9% ●</i>
Pediatric Medical & Surgical	6,005	6,470	6,491	(465)	-7.2% ●	-486	-7.5% ●
Pediatric Critical Care	6,990	7,705	7,747	(715)	-9.3% ●	(757)	-9.8% ●
Pediatric Psych	1,702	1,679	1,688	23	1.4% ○	14	0.8% ○
<i>Subtotal – Pediatrics w/o newborn</i>	<i>14,697</i>	<i>15,854</i>	<i>15,926</i>	<i>(1,157)</i>	<i>-7.3% ●</i>	<i>(1,229)</i>	<i>-7.7% ●</i>
Newborn	1,115	1,112	1,076	3	0.3% ○	39	3.6% ●
TOTAL w/o Newborn	66,260	65,533	66,036	727	1.1% ○	224	0.3% ○

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

Average Length of Stay by Type

Fiscal Year to Date October 2013

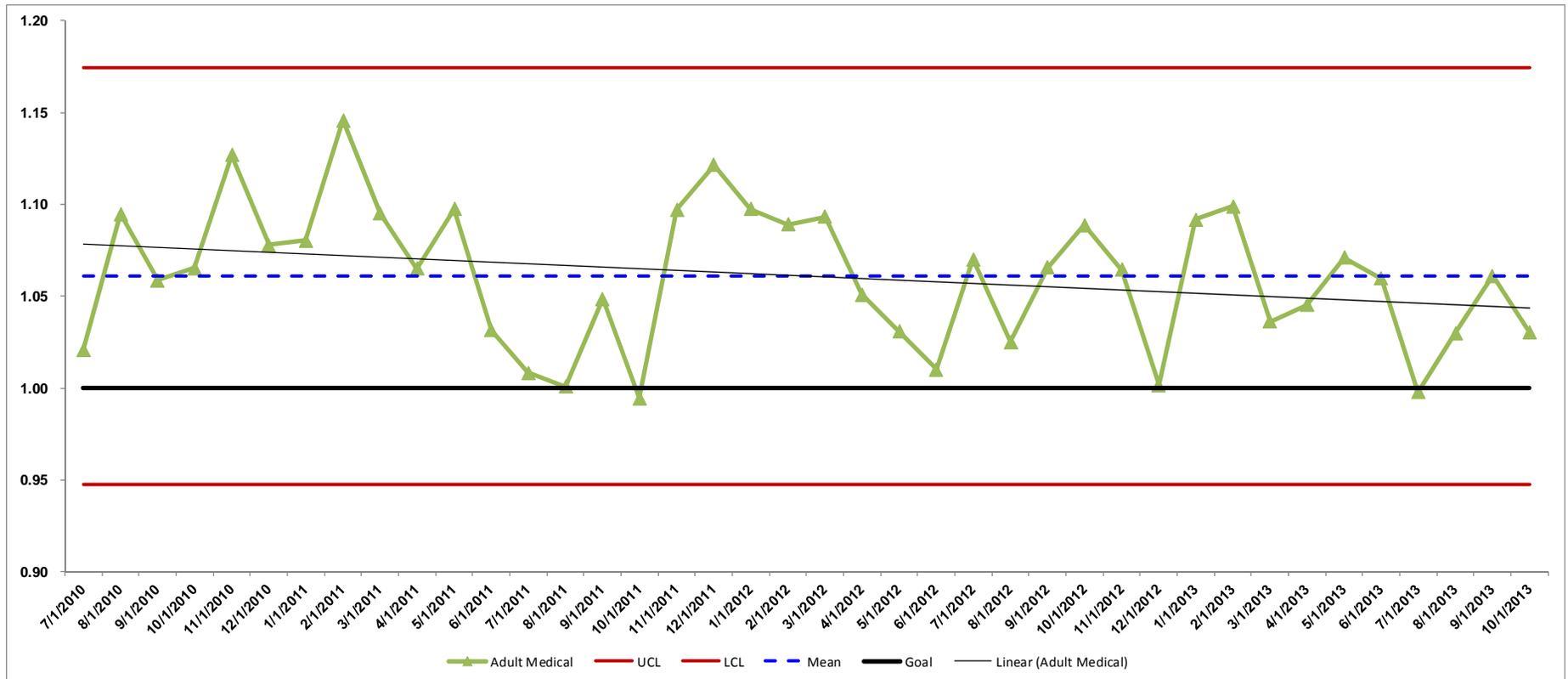


Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.29	5.41	5.51	(0.12)	-2.1% ○	(0.21)	-3.9% ●
Adult Surgical	5.17	4.88	4.97	0.29	6.0% ●	0.20	4.0% ●
Adult Psych	14.19	13.06	13.27	1.13	8.6% ●	0.92	6.9% ●
Subtotal – Adult	5.70	5.56	5.67	0.14	2.5% ●	0.04	0.7% ○
Pediatric Medical & Surgical	5.58	5.62	5.76	(0.05)	-0.8% ○	(0.18)	-3.2% ●
Pediatric Critical Care	26.88	26.03	26.53	0.85	3.3% ●	0.35	1.3% ○
Pediatric Psych	9.25	8.48	8.66	0.77	9.1% ●	0.59	6.9% ●
Subtotal – Pediatrics w/o newborn	9.66	9.64	9.87	0.03	0.3% ○	(0.20)	-2.1% ○
Newborn	2.21	2.20	2.16	0.01	0.5% ○	0.05	2.2% ○
TOTAL w/o Newborn	6.27	6.20	6.31	0.08	1.2% ○	(0.04)	-0.7% ○

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

Length of Stay Index – Adult Medical^(*)

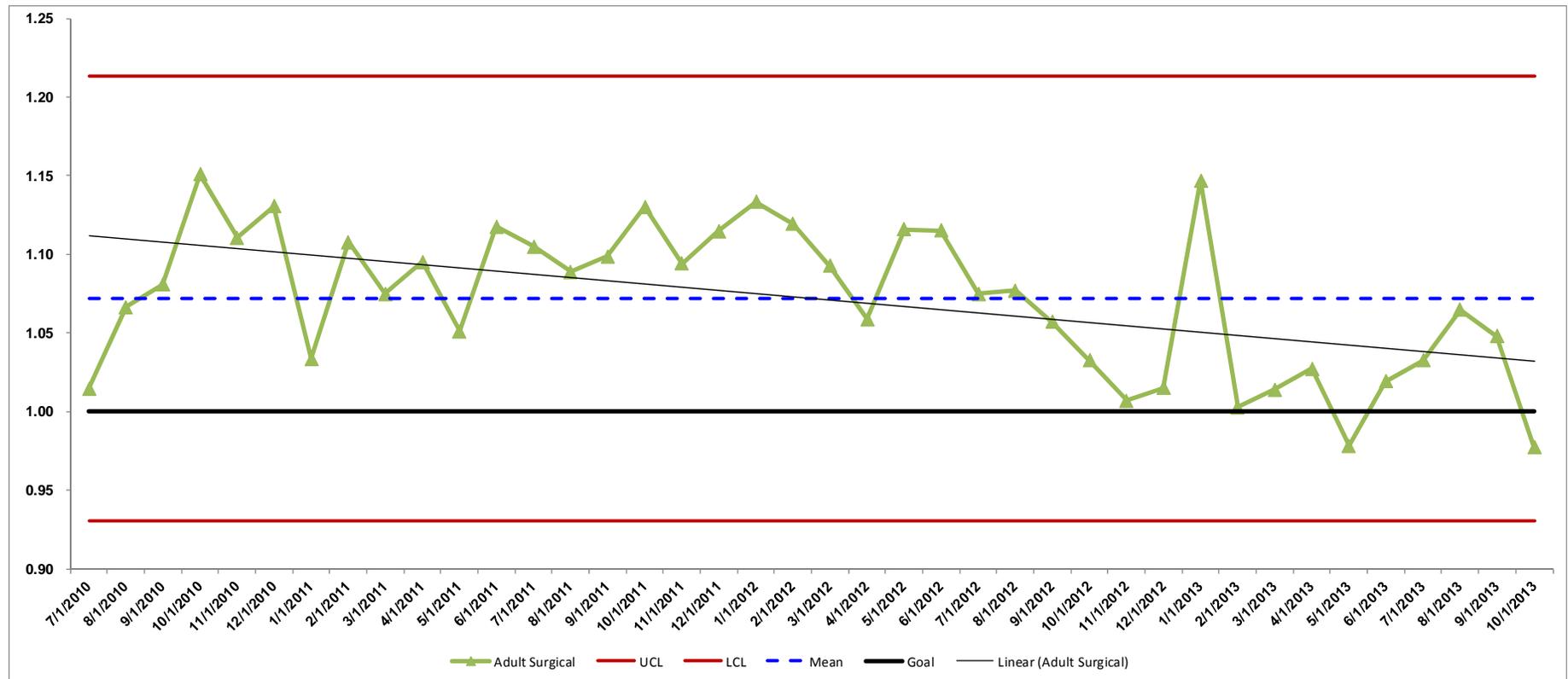
July 2010 through October 2013



(*) excludes outliers

Length of Stay Index – Adult Surgical(*)

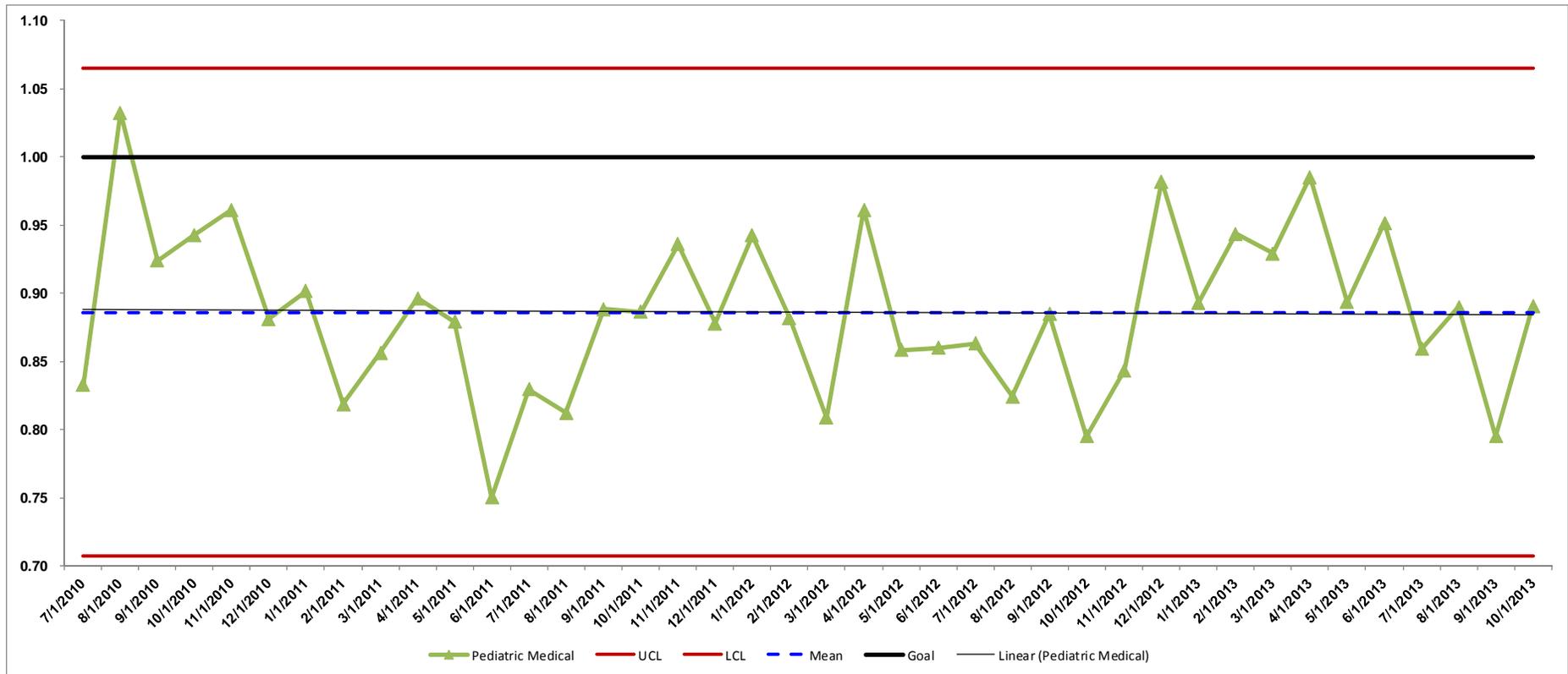
July 2010 through October 2013



(*) excludes outliers

Length of Stay Index – Pediatric Medical(*)

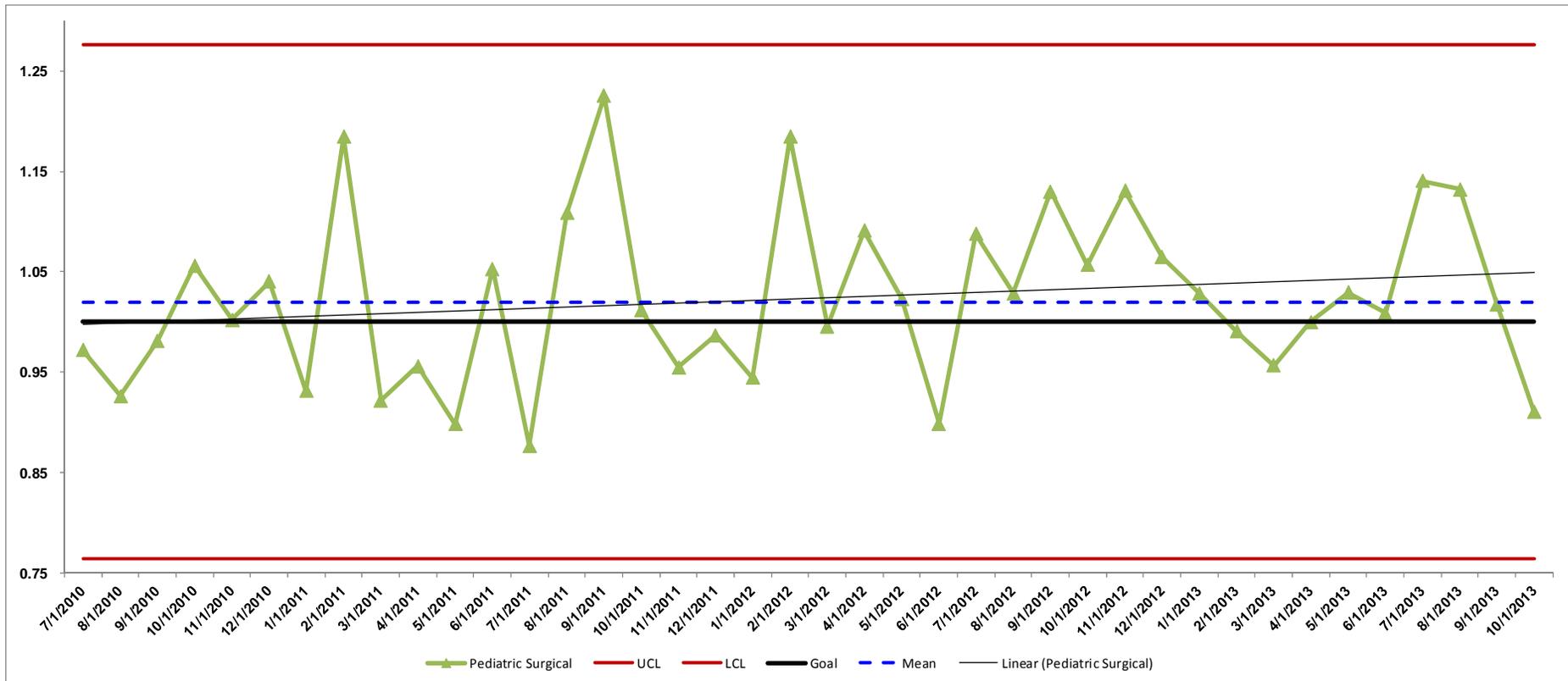
July 2010 through October 2013



(*) excludes outliers

Length of Stay Index – Pediatric Surgical^(*)

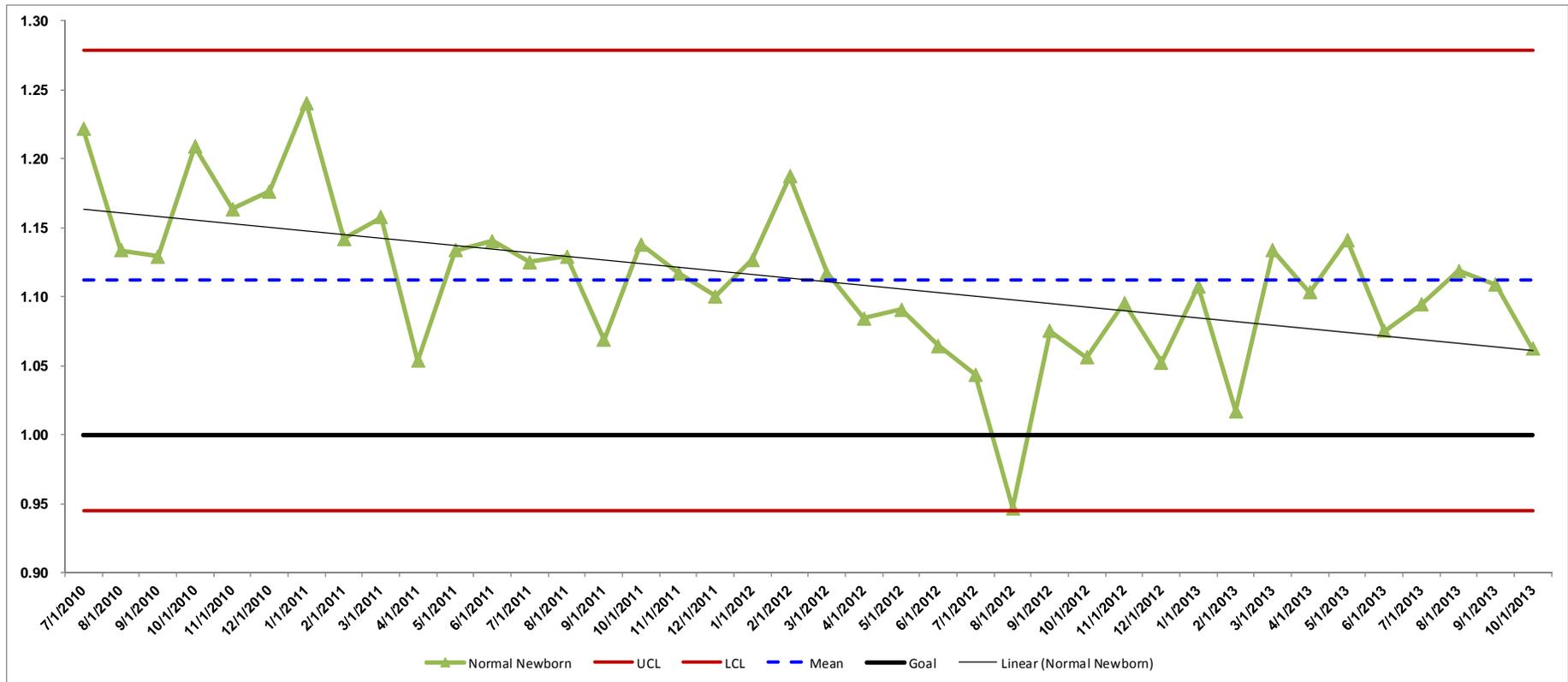
July 2010 through October 2013



(*) excludes outliers

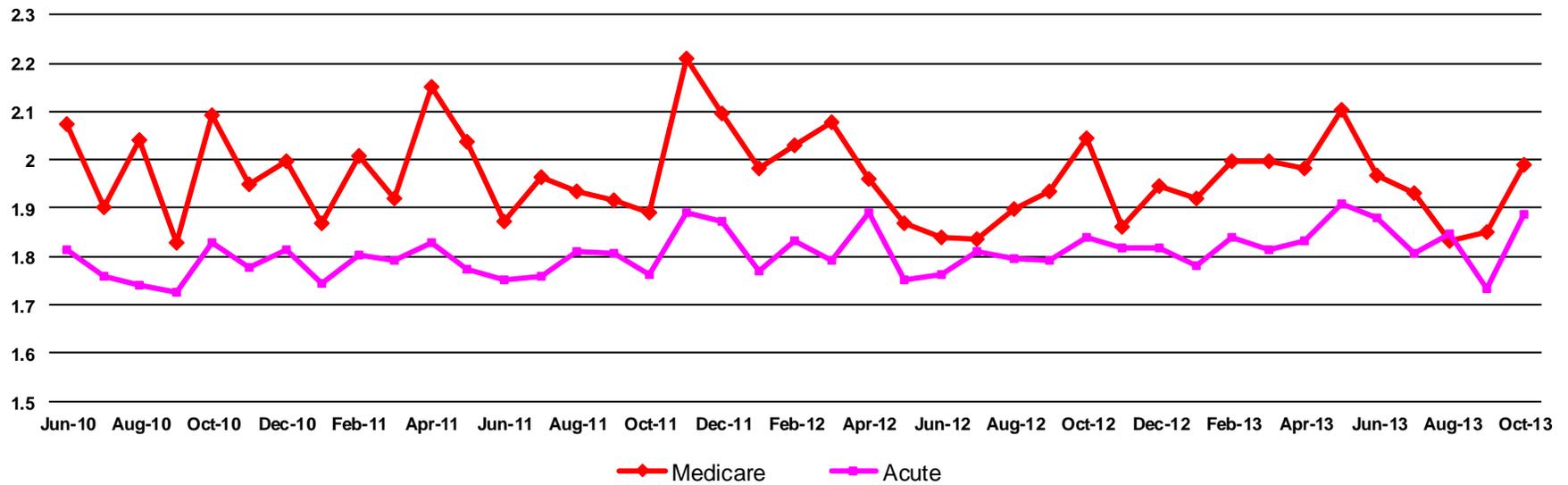
Length of Stay Index – Normal Newborn(*)

July 2010 through October 2013



(*) excludes outliers

Case Mix Index



Inpatient Surgeries – by Clinical Department

October 2013



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	362	331	329	31	9.3%	33	10.0%
Dentistry	67	56	52	11	20.5%	15	28.8%
General Surgery	1,152	1,162	1,101	(10)	-0.8%	51	4.6%
Gynecology	213	240	253	(27)	-11.1%	(40)	-15.8%
Neurosurgery	595	639	609	(44)	-6.9%	(14)	-2.3%
Ophthalmology	41	56	54	(15)	-26.3%	(13)	-24.1%
Orthopedics	1,041	976	968	65	6.6%	73	7.5%
Otolaryngology	201	235	229	(34)	-14.6%	(28)	-12.2%
Radiology – Interventional	27	36	39	(9)	-25.2%	(12)	-30.8%
Urology w/ Procedure Ste.	287	301	279	(14)	-4.6%	8	2.9%
Total	3,986	4,031	3,913	(45)	-1.1%	73	1.9%
Solid Organ Transplants	97	129	121	(32)	-24.8%	(24)	-19.8%

Greater than 2.5% Favorable
 Neutral
 Greater than 2.5% Unfavorable

Outpatient Surgeries – by Clinical Department

October 2013



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget		Variance to Prior Year	% Variance to Prior Year	
Cardiothoracic	30	39	20	(9)	-23.8%	●	10	50.0%	●
Dentistry	224	224	224	0	0.0%	○	0	0.0%	○
Dermatology	15	12	13	3	20.8%	●	2	15.4%	●
General Surgery	938	910	931	28	3.0%	●	7	0.8%	○
Gynecology	274	257	268	17	6.7%	●	6	2.2%	○
Internal Medicine	2	3	3	(1)	-33.3%	●	(1)	-33.3%	●
Neurosurgery	230	215	200	15	6.9%	●	30	15.0%	●
Ophthalmology	1,408	1,335	1,311	73	5.5%	●	97	7.4%	●
Orthopedics	1,363	1,342	1,293	21	1.6%	○	70	5.4%	●
Otolaryngology	856	877	804	(21)	-2.4%	○	52	6.5%	●
Pediatrics	0	1	2	(1)	-100.0%	●	(2)	-100.0%	●
Radiology – Interventional	10	13	17	(3)	-20.3%	●	(7)	-41.2%	●
Urology w/ Procedure Ste.	718	670	652	48	7.2%	●	66	10.1%	●
Total	6,068	5,899	5,738	169	2.9%	●	330	5.8%	●

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

Emergency Department

October 2013



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ED Visits	21,099	21,696	20,955	(597)	-2.8% ●	144	0.7% ○
ED Admits	6,356	6,159	5,941	197	3.2% ●	415	7.0% ●
ED Conversion Factor	30.1%	28.4%	28.4%		6.1% ●		6.3% ●
ED Admits / Total Admits	59.9%	58.3%	57.0%		2.8% ●		5.2% ●

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

Clinic Visits by Specialty

Fiscal Year to Date October 2013

Operating Review (YTD)	Actual	Budget	Variance to Budget	% Variance to Budget	
Burn Clinic	1,067	1,375	(308)	-22.4%	●
Center for Disabilities & Development	3,151	3,133	18	0.6%	○
Center for Digestive Disease	7,011	6,924	87	1.3%	○
Clinical Cancer Center	17,434	18,212	(778)	-4.3%	●
Dermatology	7,224	7,397	(173)	-2.3%	○
General Surgery	5,582	6,045	(463)	-7.7%	●
Hospital Dentistry	5,910	5,707	203	3.6%	●
Internal Medicine	12,385	11,940	445	3.7%	●
Neurology	4,415	4,799	(384)	-8.0%	●
Neurosurgery	4,045	3,874	171	4.4%	●
Obstetrics/Gynecology	18,679	17,145	1,534	8.9%	●
Ophthalmology	23,005	23,005	0	0.0%	○
Orthopedics	25,364	23,505	1,859	7.9%	●
Otolaryngology	7,063	6,851	212	3.1%	●
Pediatrics	18,114	19,027	(913)	-4.8%	●
Primary Care (non-IRL)	58,933	51,913	7,020	13.5%	●
Psychiatry	11,235	11,553	(318)	-2.8%	●
Urology	4,863	5,218	(355)	-6.8%	●
UI Heart Center	5,547	5,988	(441)	-7.4%	●
IRL	39,815	37,152	2,663	7.2%	●
Total	280,842	270,763	10,079	3.7%	●

● Greater than 2.5% Favorable

○ Neutral

● Greater than 2.5% Unfavorable

Clinic Visits by Location

Fiscal Year to Date October 2013



Operating Review (YTD)	FY14 Actual				FY13 Actual *				Variance to Prior Year	%
	On-Site	IRL	UICMS & QuickCare	Total	On-Site	IRL	UICMS & QuickCare	Total		
Primary Care	19,529		39,404	58,933	33,103		34,909	68,012	(9,079)	-13.3%
General Internal Medicine		9,757		9,757		1,813		1,813	7,944	438.2%
Pediatrics		8,534		8,534		1,653		1,653	6,881	416.3%
<i>Subtotal - Primary Care</i>	<i>19,529</i>	<i>18,291</i>	<i>39,404</i>	<i>77,224</i>	<i>33,103</i>	<i>3,466</i>	<i>34,909</i>	<i>71,478</i>	<i>5,746</i>	<i>8.0%</i>
Burn Clinic	1,067			1,067					1,067	
Center for Disabilities & Development	3,151			3,151	3,051			3,051	100	3.3%
Center for Digestive Disease	7,011	1,294		8,305	7,533	117		7,650	655	8.6%
Clinical Cancer Center	17,434			17,434	18,136			18,136	(702)	-3.9%
Dermatology	7,224	1,795		9,019	8,162	123		8,285	734	8.9%
General Surgery	5,582			5,582	5,345			5,345	237	4.4%
Hospital Dentistry	5,910			5,910	5,389			5,389	521	9.7%
Internal Medicine	12,385	1,538		13,923	12,064	287		12,351	1,572	12.7%
Neurology	4,415			4,415	4,595			4,595	(180)	-3.9%
Neurosurgery	4,045			4,045	3,616			3,616	429	11.9%
Obstetrics/Gynecology	18,679	6,501		25,180	21,378	966		22,344	2,836	12.7%
Ophthalmology	23,005	2,348		25,353	24,194	211		24,404	948	3.9%
Orthopedics	25,364			25,364	23,566			23,566	1,798	7.6%
Otolaryngology	7,063	2,269		9,332	7,679	264		7,943	1,389	17.5%
Pediatrics	18,114			18,114	17,461			17,461	653	3.7%
Psychiatry	11,235			11,235	11,000			11,000	235	2.1%
Urology	4,863	1,988		6,851	6,107	255		6,362	489	7.7%
UI Heart Center	5,547	3,791		9,338	6,418	336		6,754	2,584	38.3%
<i>Subtotal – Specialty Care</i>	<i>182,094</i>	<i>21,524</i>		<i>203,618</i>	<i>185,694</i>	<i>2,559</i>		<i>188,253</i>	<i>15,365</i>	<i>8.2%</i>
Total	201,623	39,815	39,404	280,842	218,797	6,025	34,909	259,731	21,111	8.1%

* from ongoing operations



Greater than 2.5% Favorable

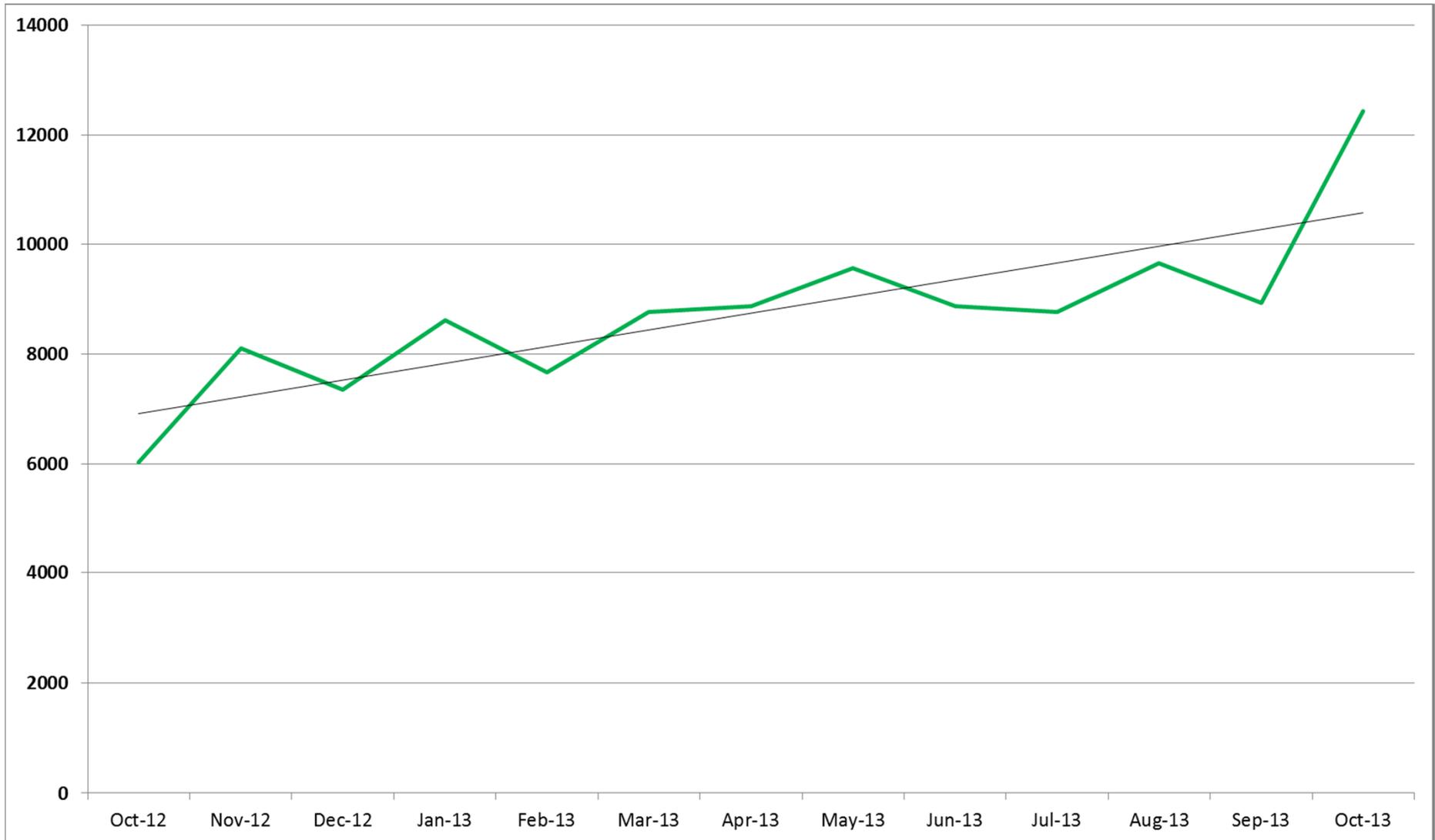


Neutral



Greater than 2.5% Unfavorable

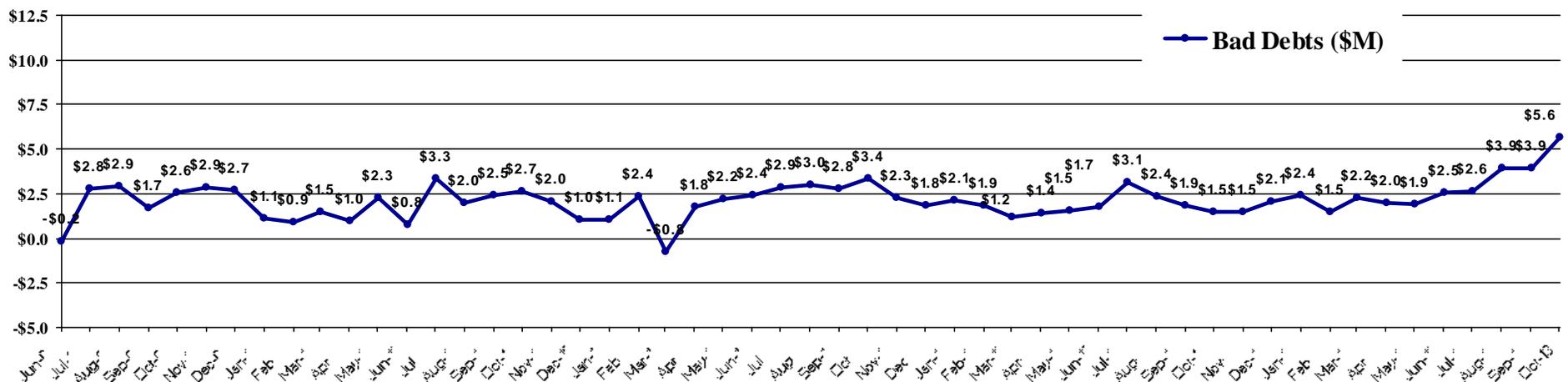
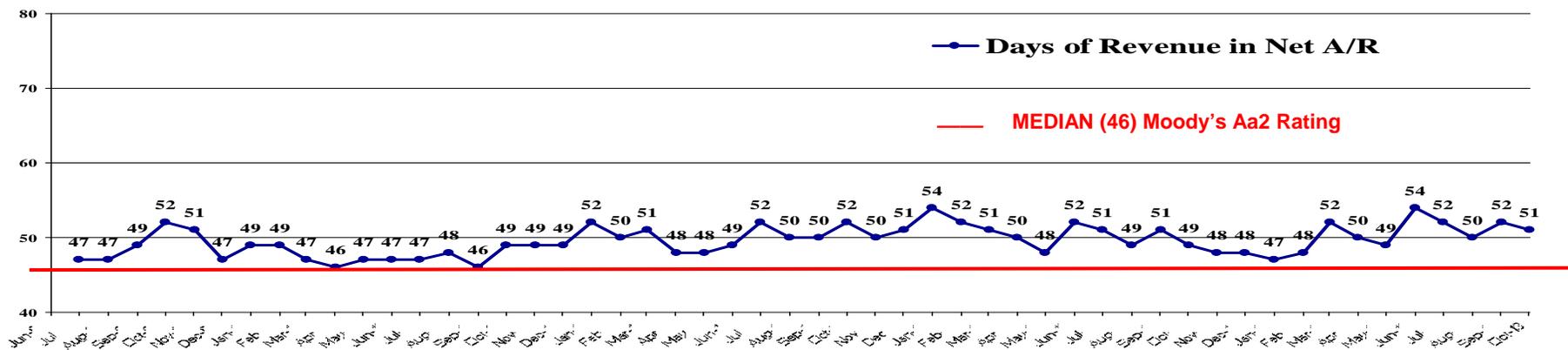
Iowa River Landing Ambulatory Visits



Comparative Accounts Receivable at October 31, 2013



	June 30, 2012	June 30, 2013 (preliminary)	October 31, 2013
Net Accounts Receivable	\$153,061,293	\$161,942,694	\$164,362,768
Net Days in AR	52	54	51



UIHC Comparative Financial Results

October 2013



Dollars in Thousands

NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$100,816	\$98,547	\$92,701	\$2,269	2.3%	\$8,115	8.8%
Other Operating Revenue	4,241	4,227	4,153	14	0.3%	89	2.1%
Total Revenue	\$105,057	\$102,774	\$96,853	\$2,284	2.2%	\$8,204	8.5%

EXPENSES:

Salaries and Wages	\$48,430	\$50,036	\$46,563	(\$1,606)	-3.2%	\$1,867	4.0%
General Expenses	43,800	41,501	40,001	2,298	5.5%	3,799	9.5%
Operating Expense before Capital	\$92,230	\$91,538	\$86,564	\$692	0.8%	\$5,666	6.5%
Cash Flow Operating Margin	\$12,827	\$11,236	\$10,289	\$1,591	14.2%	\$2,538	24.7%
Capital- Depreciation and Amortization	6,523	6,603	6,624	(80)	-1.2%	(102)	-1.5%
Total Operating Expense	\$98,753	\$98,140	\$93,188	\$612	0.6%	\$5,564	6.0%

Operating Income	\$6,305	\$4,634	\$3,665	\$1,671	36.1%	\$2,640	72.0%
Operating Margin %	6.0%	4.5%	3.8%		1.5%		2.2%
Gain (Loss) on Investments	8,822	2,157	(823)	6,665	309.1%	9,643	1,172.2%
Other Non-Operating	527	(879)	(977)	1,406	160.0%	1,504	153.8%
Net Income	\$15,654	\$5,911	\$1,865	\$9,743	164.8%	\$13,789	739.4%
Net Margin %	13.7%	5.7%	2.0%		8.0%		11.7%

* Gain/(Loss) on Investments based on information available at close. Final investment return for this period is reflected in Fiscal Year to Date returns in the subsequent reporting cycle.

UIHC Comparative Financial Results

Fiscal Year to Date October 2013



Dollars in Thousands

NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$379,664	\$385,480	\$361,327	(\$5,816)	-1.5%	\$18,337	5.1%
Other Operating Revenue	16,528	16,903	16,754	(375)	-2.2%	(226)	-1.4%
Total Revenue	\$396,192	\$402,383	\$378,081	(\$6,191)	-1.5%	\$18,111	4.8%

EXPENSES:

Salaries and Wages	\$192,445	\$198,801	\$187,993	(\$6,355)	-3.2%	\$4,452	2.4%
General Expenses	164,884	165,997	154,524	(1,114)	-0.7%	10,360	6.7%
Operating Expense before Capital	\$357,329	\$364,798	\$342,517	(\$7,469)	-2.0%	\$14,812	4.3%
Cash Flow Operating Margin	\$38,863	\$37,585	\$35,564	\$1,278	3.4%	\$3,299	9.3%
Capital- Depreciation and Amortization	24,505	26,410	23,382	(1,905)	-7.2%	1,123	4.8%
Total Operating Expense	\$381,834	\$391,208	\$365,899	(\$9,374)	-2.4%	\$15,935	4.4%

Operating Income	\$14,358	\$11,175	\$12,182	\$3,183	28.5%	\$2,174	17.8%
Operating Margin %	3.6%	2.8%	3.2%		0.8%		0.4%
Gain on Investments	14,144	8,626	6,223	5,517	64.0%	7,921	127.3%
Other Non-Operating	(1,813)	(3,515)	(804)	1,703	48.4%	(1,008)	-125.3%
Net Income	\$26,689	\$16,286	\$17,600	\$10,403	63.9%	\$9,088	51.6%
Net Margin %	6.5%	4.0%	4.6%		2.5%		1.9%

* Gain/(Loss) on Investments based on information available at close. Final investment return for this period is reflected in Fiscal Year to Date returns in the subsequent reporting cycle.