

## BOARD OF REGENTS, STATE OF IOWA, UIHC COMMITTEE MEETING

May 31, 2006  
Iowa City, Iowa

- |                                                   |                                                                                                        |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| I. Introductory Comments                          | Regent Robert N. Downer, Chair                                                                         |
| II. Committee Structure, Meetings, Future Agendas | Regent Robert N. Downer                                                                                |
| III. Operating and Financial Performance Report   | Donna Katen-Bahensky, Director and Chief Executive Officer<br>Anthony DeFurio, Chief Financial Officer |
| IV. IowaCare Update                               | Donna Katen-Bahensky                                                                                   |
| V. Director's Report                              | Donna Katen-Bahensky                                                                                   |
| VI. Partnership Discussion Update                 | Donna Katen-Bahensky                                                                                   |
| VII. FY 2007 Capital Plan                         | John Staley, Senior Associate Director                                                                 |

# Operating and Financial Performance Report

# Volume Indicators

## July 2005 through April 2006

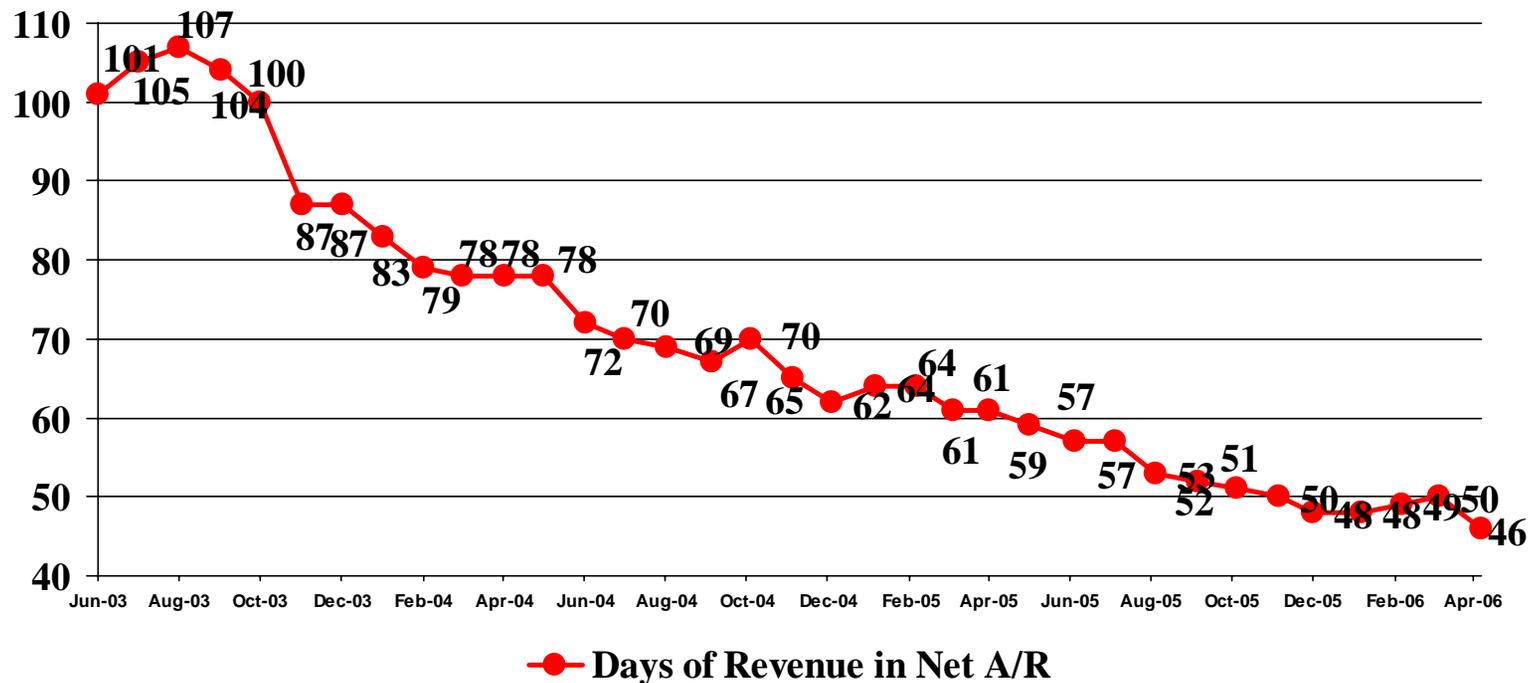
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Admissions	21,379	21,563	20,794	(184)	-0.9% ○	585	2.8% ●
Patient Days	143,237	141,049	146,836	2,188	1.6% ○	(3,599)	-2.5% ○
Length of Stay	6.70	6.54	7.06	0.16	2.4% ○	(0.36)	-5.1% ●
Average Daily Census	471.17	463.98	483.01	7.20	1.6% ○	(11.84)	-2.5% ○
Surgeries - Inpatient	8,281	8,295	8,216	(14)	-0.2% ○	65	0.8% ○
Surgeries - Outpatient	8,968	9,189	8,898	(221)	-2.4% ○	70	0.8% ○
Emergency Treatment Center Visits	29,077	27,660	27,251	1,417	5.1% ●	1,826	6.7% ●
Outpatient Clinic Visits	552,021	571,700	553,891	(19,679)	-3.4% ●	(1,870)	-0.3% ○

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

## University of Iowa Hospitals and Clinics

# Comparative Accounts Receivable as of April 30, 2006

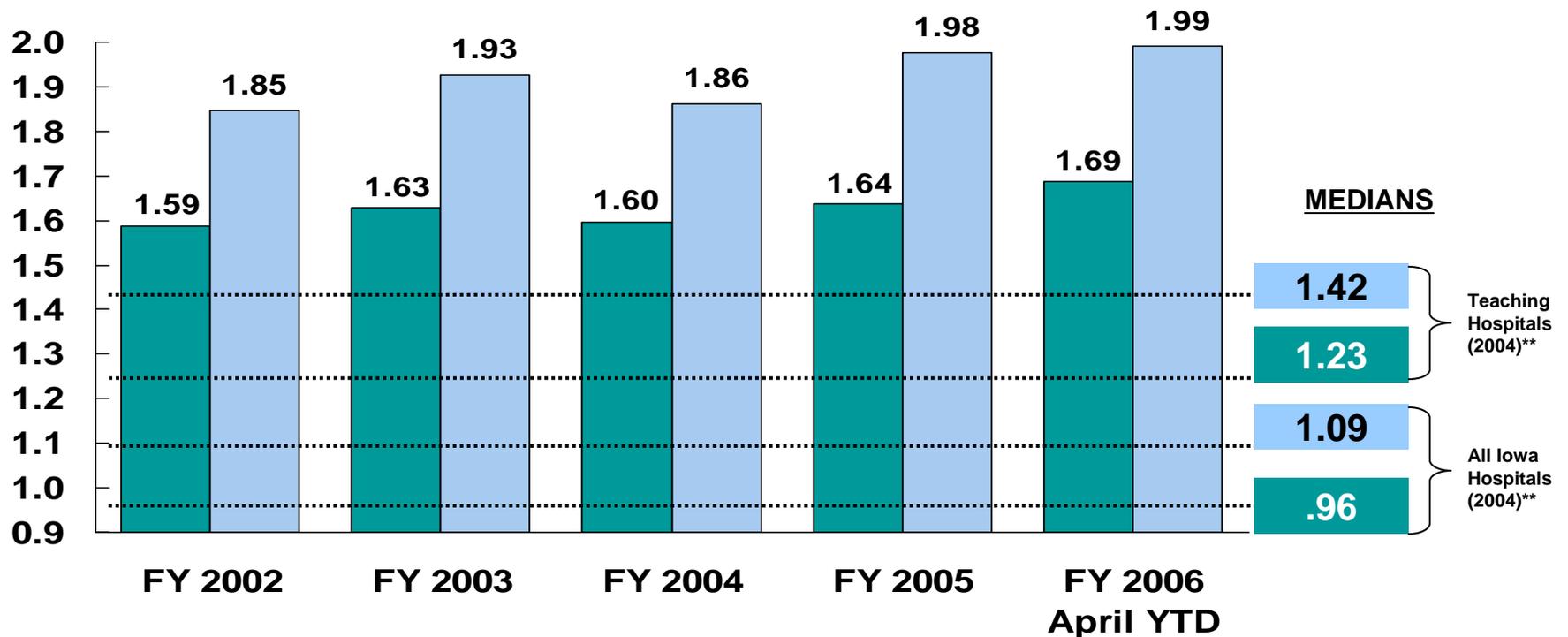
	June 30, 2004	June 30, 2005	April 30, 2006	Median Moody's Aa Rating
<b>Gross Accounts Receivable</b>	\$293,860,815	\$278,551,170	\$233,653,727	na
<b>Net Accounts Receivable</b>	\$110,344,338	\$93,964,049	\$75,152,851	na
<b>Net Days in AR</b>	72	57	46	56



# UNIVERSITY OF IOWA HOSPITALS AND CLINICS

## CASE MIX INDEX - ALL ACUTE INPATIENTS\*

## CASE MIX INDEX - MEDICARE INPATIENTS\*



- THE CASE MIX INDEX REFLECTS THE OVERALL CLINICAL COMPLEXITY OF THE PATIENT CENSUS OF A GIVEN HOSPITAL BY ESTIMATING THE LEVEL OF RESOURCE CONSUMPTION OF THE AVERAGE PATIENT RELATIVE TO THAT OF ALL HOSPITALS NATIONALLY WHICH HAVE A CASE MIX INDEX OF 1.00.
- ALL ACUTE CASE MIX INDEX VALUES SHOWN ABOVE INCLUDE NEWBORN NURSERY
- MEDICARE CASE MIX INDEX EXCLUDES DEPT OF PSYCH

\*\* ALMANAC OF HOSPITAL FINANCIAL OPERATING INDICATORS, 2006 CHIPS  
A TEACHING HOSPITAL IS ONE AT WHICH MEDICAL GRADUATES TRAIN AS RESIDENTS.

## Comparative Financial Results

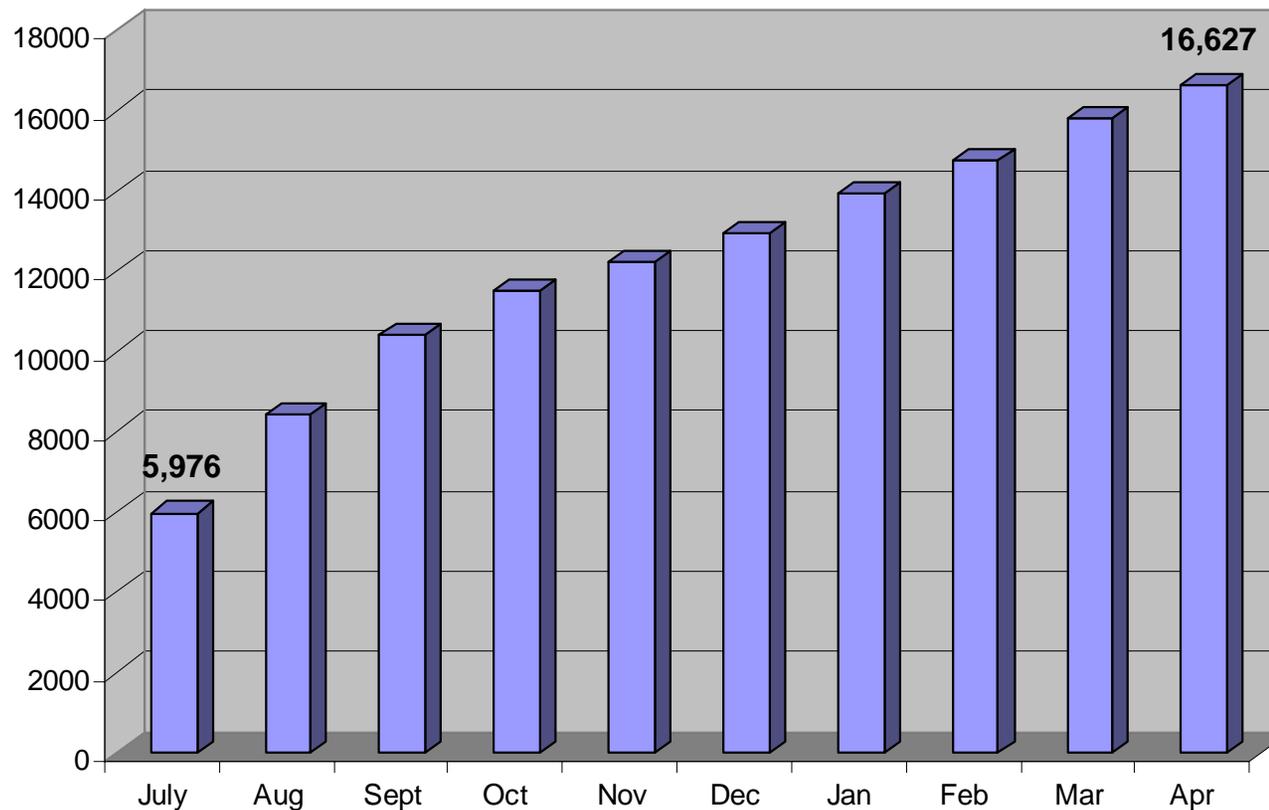
July 2005 through April 2006

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>NET REVENUES:</b>							
Total Pay Patient Rev.	\$549,427	\$558,546	\$492,096	(\$9,119)	-1.6%	\$57,331	11.7%
Appropriations	11,172	11,172	33,909	0	0.0%	(22,737)	-67.1%
Other Operating Rev.	31,778	32,408	32,719	(630)	-1.9%	(941)	-2.9%
<b>Total</b>	<b>\$592,377</b>	<b>\$602,126</b>	<b>\$558,724</b>	<b>(\$9,749)</b>	<b>-1.6%</b>	<b>\$33,653</b>	<b>6.0%</b>
<b>EXPENSES:</b>							
Salaries and Wages	\$305,018	\$312,080	\$291,393	(\$7,062)	-2.3%	\$13,625	4.7%
General Expenses	224,510	230,544	210,529	(6,034)	-2.6%	13,981	6.6%
Depreciation	42,672	40,598	40,546	2,074	5.1%	2,126	5.2%
Interest Expense	-	-	(4)	-	0.0%	4	-100.0%
<b>Total</b>	<b>\$572,200</b>	<b>\$583,222</b>	<b>\$542,464</b>	<b>(\$11,022)</b>	<b>-1.9%</b>	<b>\$29,736</b>	<b>5.5%</b>
Operating Margin	\$20,177	\$18,904	\$16,260	\$1,273	6.7%	\$3,917	24.1%
Operating Margin %	3.4%	3.1%	2.9%	0.3%	9.7%	0.5%	17.2%

**NOTE:** all dollar amounts are in thousands

# IowaCare Update

## Combined IowaCare & Chronic Care Enrollment\* Continues to Increase

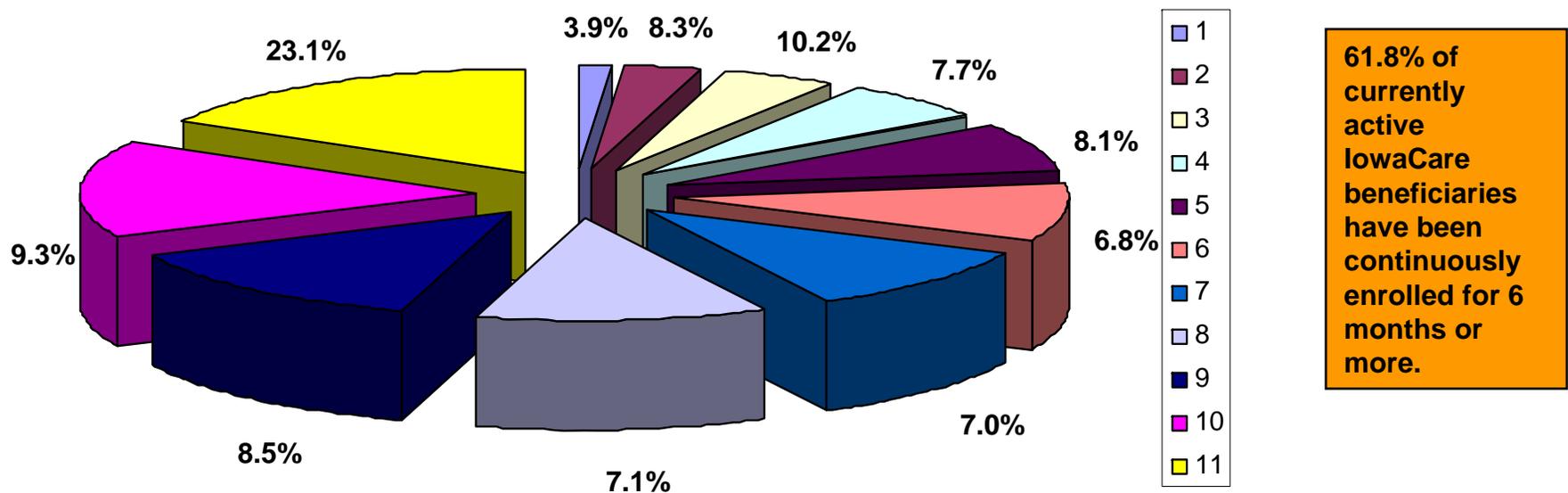


**23,170 people have been enrolled in IowaCare or Chronic Care at some point during FY 06.**

\*Totals net of disenrollments

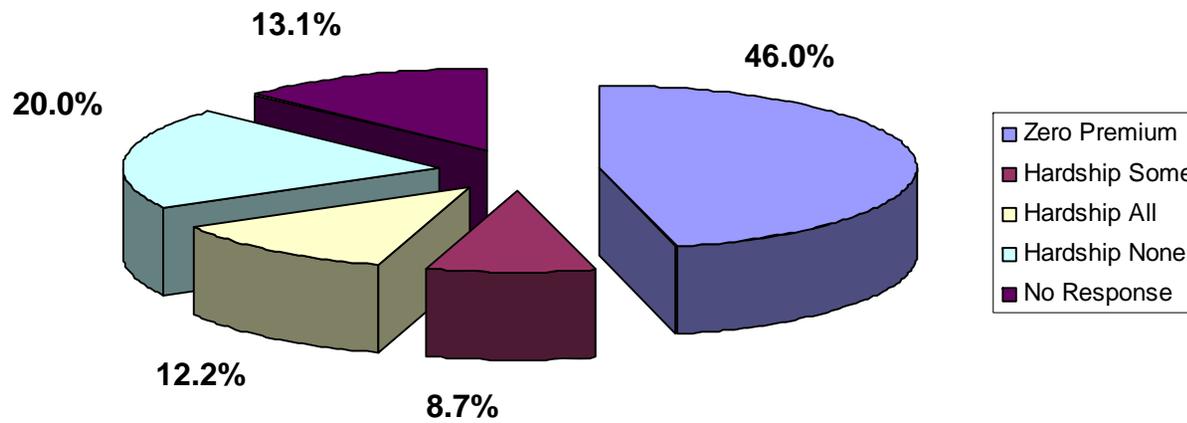
Source: Iowa Department of Human Services as of May 17, 2006

## Number of Months of Continuous Enrollment of Currently Active IowaCare Beneficiaries



Source: Iowa Department of Human Services as of May 17, 2006.

## Hardship Status for People Eligible for IowaCare at Any Time Year-to-Date

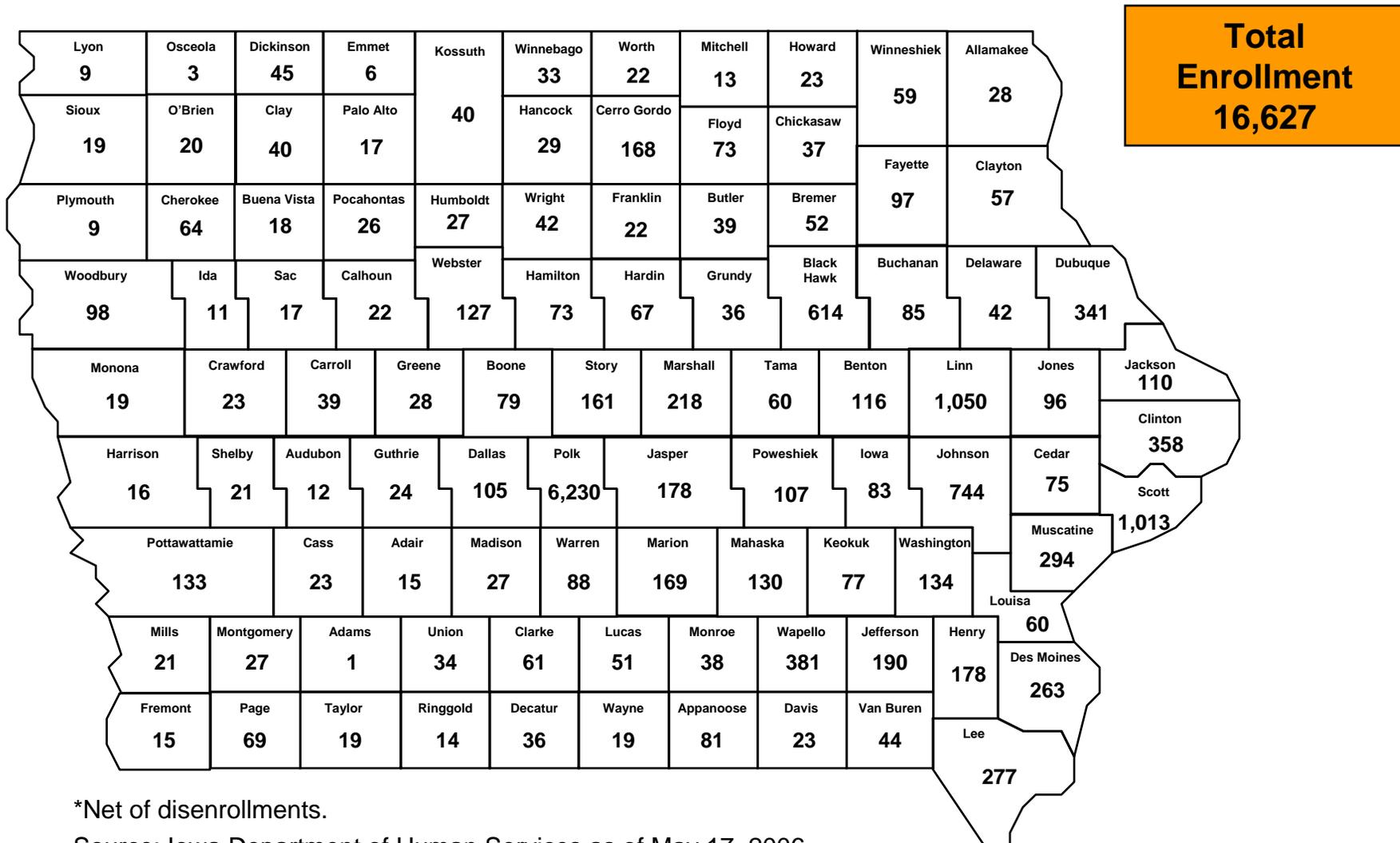


**The majority of IowaCare beneficiaries have not been required to make any premium payments.**

Header	Definition
Zero Premium	The member is not required to pay a premium.
Hardship Some	The member has paid at least one premium, but has also taken advantage of the opportunity to declare hardship at least once.
Hardship All	The member has responded to premium bills by always declaring hardship.
Hardship None	The member has responded to the premium bills by always paying the premium.
No Response	The premium amount is greater than zero, and has been billed, but the member has not responded to the bill.

Source: Iowa Department of Human Services as of May 17, 2006.

## County-by-County Enrollment\* in IowaCare & Chronic Care as of April 30, 2006



\*Net of disenrollments.

Source: Iowa Department of Human Services as of May 17, 2006

## Most Common Diagnosis Related Groups for IowaCare Beneficiaries Treated at the UI Hospitals & Clinics

Rank	Description
1	410 Chemotherapy w/o Acute Leukemia As Secondary Diagnosis
2	124 Circulatory Disorders Except AMI, w Card Cath & Complex Diag
2	25 Seizures & Headache Age > 17 w/o CC
4	148 Major Small & Large Bowel Procedures w CC
5	557 Percutaneous Cardiovascular Proc w Drug-Eluting Stent w Major CV Dx
6	544 Major Joint Replacement or Reattachment of Lower Extremity
7	449 Poisoning & Toxic Effects of Drugs Age > 17 w CC
7	202 Cirrhosis & Alcoholic Hepatitis
9	182 Esophagitis, Gastroent & Misc Digest Disorders Age > 17 w CC
9	415 O.R. Procedure for Infectious & Parasitic Diseases
9	125 Circulatory Disorders Except AMI, w Card Cath w/o Complex Diag

## Volumes & Finances

- Have seen 6,766 unique patients through April 30, 2006 who have made in excess of 34,000 visits.
- The initial appropriation of \$27,284,584 has been exhausted (expected reimbursement earned at the end of April totals \$28,362,991). HF 2347 has authorized approximately an additional \$5 M for FY 06. HF 2734, which has not yet been signed, will supersede HF 2347 and authorize up to an additional \$10.6 M for FY 06.
- Even with additional appropriations, the UIHC's costs are anticipated to exceed IowaCare payments by millions of dollars.
- The physicians at the UIHC receive no reimbursement for the services provided to IowaCare beneficiaries.

## New Development

- Per instructions at the May 3, 2006 Board of Regents meeting, the UIHC is developing a proposal to provide enhanced, but still limited, pharmaceutical and durable medical equipment benefits to IowaCare beneficiaries.

## Director's Report

- I. Draft of Annual Work Plan
- II. Clinical Priority Selection Criteria
- III. Chief of Staff Change
- IV. Recruitment Update
- V. Accreditation and Reverification

## Updated Draft of Trustees' Annual Work Plan

June 21-22, 2006 Okoboji	August 8-9, 2006 Iowa City	September 27-28, 2006 Cedar Falls	November 8-9, 2006 Ames	December 11-12, 2006 Iowa City
<ol style="list-style-type: none"> <li>1. Director's Report</li> <li>2. Operating and Financial Performance Report</li> <li>3. IowaCare Update</li> <li>4. Partnership Discussion Update</li> </ol>	<ol style="list-style-type: none"> <li>1. Director's Report</li> <li>2. Operating and Financial Performance Report</li> <li>3. Clinical Leadership Presentation – Dr. Mark Iannettoni, Cardiothoracic Surgery</li> <li>4. Information Technology Strategies and Applications</li> </ol>	<ol style="list-style-type: none"> <li>1. Director's Report</li> <li>2. Operating and Financial Performance Report</li> <li>3. Final Selection of Clinical Information System</li> </ol>	<ol style="list-style-type: none"> <li>1. Director's Report</li> <li>2. Operating and Financial Performance Report</li> <li>3. Clinical Leadership Presentation</li> </ol>	<ol style="list-style-type: none"> <li>1. Director's Report</li> <li>2. Operating and Financial Performance Report</li> </ol>

## Clinical Priority Selection Criteria

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

## Chief of Staff

Welcome...

- Eva Tsalikian, M.D.
  - Professor, Pediatrics



Many Thanks...

- Charles M. Helms, M.D., Ph.D.
  - Professor, Internal Medicine
  - Chief of Staff from 1998-2006



# Partnership Discussion Update

## New Developments

- Letter of Intent and Memorandum of Understanding
- Physician Workforce Task Force