



# ***University of Iowa Health Care***

***Presentation to  
The Board of Regents, State of Iowa  
December 9, 2010***

# Agenda

- Opening Remarks – Robillard
- Joint Commission Update – Kates
- Operating and Financial Performance – Kates/Fisher



## *Opening Remarks*

Jean Robillard, MD  
Vice President for Medical Affairs



## ***Joint Commission Update***

Ken Kates, Chief Executive Officer  
UI Hospitals & Clinics



## ***Operating and Financial Performance***

Ken Kates, Chief Executive Officer  
UI Hospitals & Clinics

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

# Volume Indicators

July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	10,240	9,975	10,039	265	2.7% ●	201	2.0% ○
Patient Days	67,580	62,927	61,298	4,653	7.4% ●	5,652	9.1% ●
Length of Stay	6.46	6.25	5.99	0.21	3.3% ●	0.47	7.8% ●
Average Daily Census	549.43	511.60	503.48	37.83	7.4% ●	45.95	9.1% ●
Surgeries – Inpatient	3,874	3,884	3,827	(10)	-0.3% ○	47	1.2% ○
Surgeries – Outpatient	5,167	4,649	4,637	518	11.1% ●	530	11.4% ●
Emergency Treatment Center Visits	19,510	17,710	18,225	1,800	10.2% ●	1,285	7.1% ●
Outpatient Clinic Visits	269,598	267,338	263,241	2,260	0.8% ○	6,357	2.4% ○
Case Mix	1.7917	1.7780	1.7683	0.0137	0.8%	0.0234	1.3%
Medicare Case Mix	2.0012	2.0271	1.9445	(0.0259)	-1.3%	0.0567	2.9%

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

July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	3,501	3,513	3,326	(12)	-0.3% ○	175	5.3% ●
Adult Surgical	4,669	4,485	4,497	184	4.1% ●	172	3.8% ●
Adult Psych	520	564	589	(44)	-7.8% ●	(69)	-11.7% ●
<i>Subtotal – Adult</i>	<i>8,690</i>	<i>8,562</i>	<i>8,412</i>	<i>128</i>	<i>1.5% ○</i>	<i>278</i>	<i>3.3% ●</i>
Pediatric Medical	1,034	949	1,129	85	9.0% ●	(95)	-8.4% ●
Pediatric Surgical	70	55	55	15	27.3% ●	15	27.3% ●
Pediatric Critical Care	264	275	285	(11)	-4.0% ●	(21)	-7.4% ●
Pediatric Psych	182	134	158	48	35.8% ●	24	15.2% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>1,550</i>	<i>1,413</i>	<i>1,627</i>	<i>137</i>	<i>9.7% ●</i>	<i>(77)</i>	<i>-4.7% ●</i>
Newborn	484	466	456	18	3.9% ●	28	6.1% ●
<b>TOTAL w/o Newborn</b>	<b>10,240</b>	<b>9,975</b>	<b>10,039</b>	<b>265</b>	<b>2.7% ●</b>	<b>201</b>	<b>2.0% ○</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Discharge Days by Type

## July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	20,538	19,074	18,287	1,464	7.7% ●	2,251	12.3% ●
Adult Surgical	24,183	23,048	22,358	1,135	4.9% ●	1,825	8.2% ●
Adult Psych	6,274	6,545	6,889	(271)	-4.1% ●	(615)	-8.9% ●
<i>Subtotal – Adult</i>	<i>50,995</i>	<i>48,667</i>	<i>47,534</i>	<i>2,328</i>	<i>4.8% ●</i>	<i>3,461</i>	<i>7.3% ●</i>
Pediatric Medical	5,830	5,277	4,851	553	10.5% ●	979	20.2% ●
Pediatric Surgical	471	518	435	(47)	-9.1% ●	36	8.3% ●
Pediatric Critical Care	7,551	6,746	6,355	805	11.9% ●	1,196	18.8% ●
Pediatric Psych	1,326	1,182	994	144	12.2% ●	332	33.4% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>15,178</i>	<i>13,723</i>	<i>12,635</i>	<i>1,455</i>	<i>10.6% ●</i>	<i>2,543</i>	<i>20.1% ●</i>
Newborn	1,066	1,048	1,023	18	1.7% ○	43	4.2% ●
<b>TOTAL w/o Newborn</b>	<b>66,173</b>	<b>62,390</b>	<b>60,169</b>	<b>3,783</b>	<b>6.1% ●</b>	<b>6,004</b>	<b>10.0% ●</b>

 Greater than 2.5% Favorable     
  Neutral     
  Greater than 2.5% Unfavorable

# Average Length of Stay by Type

July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.87	5.43	5.50	0.44	8.0% ●	0.37	6.7% ●
Adult Surgical	5.18	5.14	4.97	0.04	0.8% ○	0.21	4.2% ●
Adult Psych	12.07	11.60	11.70	0.46	4.0% ●	0.37	3.2% ●
Subtotal – Adult	5.87	5.68	5.65	0.18	3.2% ●	0.22	3.9% ●
Pediatric Medical	5.64	5.56	4.30	0.08	1.4% ○	1.34	31.2% ●
Pediatric Surgical	6.73	9.42	7.91	(2.69)	-28.6% ●	(1.18)	-14.9% ●
Pediatric Critical Care	28.60	24.53	22.30	4.07	16.6% ●	6.30	28.3% ●
Pediatric Psych	7.29	8.82	6.29	(1.54)	-17.4% ●	0.99	15.8% ●
Subtotal – Pediatrics w/o newborn	9.79	9.71	7.77	0.08	0.8% ○	2.03	26.1% ●
Newborn	2.20	2.25	2.24	(0.05)	-2.1% ○	(0.04)	-1.8% ○
<b>TOTAL w/o Newborn</b>	<b>6.46</b>	<b>6.25</b>	<b>5.99</b>	<b>0.21</b>	<b>3.3% ●</b>	<b>0.47</b>	<b>7.8% ●</b>

 Greater than 2.5% Favorable     
  Neutral     
  Greater than 2.5% Unfavorable

# Outpatient Surgeries – by Clinical Department

July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	27	23	26	4	17.4% ●	1	3.8% ●
Dentistry	186	188	230	(2)	-1.1% ○	(44)	-19.1% ●
Dermatology	16	20	18	(4)	-20.0% ●	(2)	-11.1% ●
General Surgery	857	713	680	144	20.2% ●	177	26.0% ●
Gynecology	265	253	240	12	4.7% ●	25	10.4% ●
Internal Medicine	1	3	5	(2)	-66.7% ●	(4)	-80.0% ●
Neurosurgery	181	151	140	30	19.9% ●	41	29.3% ●
Ophthalmology	1,120	1,038	1,079	82	7.9% ●	41	3.8% ●
Orthopedics	1,246	1,135	1,109	111	9.8% ●	137	12.4% ●
Otolaryngology	775	708	699	67	9.5% ●	76	10.9% ●
Pediatrics	-	1	2	(1)	-100.0% ●	(2)	-100.0% ●
Radiology – Interventional	7	14	20	(7)	-50.0% ●	(13)	-65.0% ●
Urology w/ Procedure Ste.	486	402	389	84	20.9% ●	97	24.9% ●
<b>Total</b>	<b>5,167</b>	<b>4,649</b>	<b>4,637</b>	<b>518</b>	<b>11.1% ●</b>	<b>530</b>	<b>11.4% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Inpatient Surgeries – by Clinical Department

## July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	385	426	402	(41)	-9.6% ●	(17)	-4.2% ●
Dentistry	48	45	45	3	6.7% ●	3	6.7% ●
General Surgery	1,076	985	873	91	9.2% ●	203	23.3% ●
Gynecology	259	286	311	(27)	-9.4% ●	(52)	-16.7% ●
Neurosurgery	569	581	607	(12)	-2.1% ○	(38)	-6.3% ●
Ophthalmology	54	44	34	10	22.7% ●	20	58.8% ●
Orthopedics	994	956	986	38	3.8% ●	8	0.8% ○
Otolaryngology	246	243	232	3	1.2% ○	14	6.0% ●
Pediatrics	-	-	-	-	0.0% ○	-	0.0% ○
Radiology – Interventional	32	77	108	(45)	-58.4% ●	(76)	-70.4% ●
Urology w/ Procedure Ste.	211	241	229	(30)	-12.5% ●	(18)	-7.9% ●
<b>Total</b>	<b>3,874</b>	<b>3,884</b>	<b>3,827</b>	<b>(10)</b>	<b>-0.3% ○</b>	<b>47</b>	<b>1.2% ○</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Emergency Treatment Center

July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ETC Visits	19,510	17,710	18,225	1,800	10.2% ●	1,285	7.1% ●
ETC Admits	5,033	4,540	4,469	493	10.9% ●	564	12.6% ●
Conversion Factor	25.8%	25.6%	24.5%		0.8% ○		5.3% ●
ETC Admits / Total Admits	49.2%	45.7%	44.4%		7.7% ●		10.8% ●

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Clinic Visits by Clinical Department

## July 2010 through October 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Anesthesia	5,344	5,715	5,605	(371)	-6.5%	(261)	-4.7%
CDD	7,475	2,619	2,535	4,856	185.4%	4,940	194.9%
Clinical Research	4,213	3,976	4,785	237	6.0%	(572)	-12.0%
Dermatology	8,443	8,938	8,671	(495)	-5.5%	(228)	-2.6%
ETC	19,510	18,394	18,225	1,116	6.1%	1,285	7.1%
Employee Health Clinic	5,950	5,201	5,311	749	14.4%	639	12.0%
Family Care Center	29,911	33,477	33,381	(3,566)	-10.7%	(3,470)	-10.4%
General Surgery	8,131	8,261	9,988	(130)	-1.6%	(1,857)	-18.6%
Heart and Vascular	12,644	11,784	-	860	7.3%	12,644	100.0%
Hospital Dentistry	4,390	4,314	4,316	76	1.8%	74	1.7%
Internal Medicine	35,032	34,416	41,290	616	1.8%	(6,258)	-15.2%
Neurology	5,718	6,364	6,261	(646)	-10.2%	(543)	-8.7%
Neurosurgery	3,217	3,230	3,365	(13)	-0.4%	(148)	-4.4%
Obstetrics/Gynecology	25,121	26,592	26,430	(1,471)	-5.5%	(1,309)	-5.0%
Ophthalmology	22,696	22,631	23,203	65	0.3%	(507)	-2.2%
Orthopedics	20,500	20,015	19,626	485	2.4%	874	4.5%
Otolaryngology	9,232	9,867	9,473	(635)	-6.4%	(241)	-2.5%
Pediatrics	15,005	14,214	13,889	791	5.6%	1,116	8.0%
Primary Care Clinic North	7,498	6,502	5,936	996	15.3%	1,562	26.3%
Psychiatry	14,138	14,861	14,338	(723)	-4.9%	(200)	-1.4%
Thoracic – Cardio Surgery	16	-	990	16	100.0%	(974)	-98.4%
Urology	5,209	5,755	5,436	(546)	-9.5%	(227)	-4.2%
Other	205	211	187	(6)	-2.8%	18	9.6%
<b>Total</b>	<b>269,598</b>	<b>267,337</b>	<b>263,241</b>	<b>2,261</b>	<b>0.9%</b>	<b>6,357</b>	<b>2.4%</b>



Greater than 2.5% Favorable

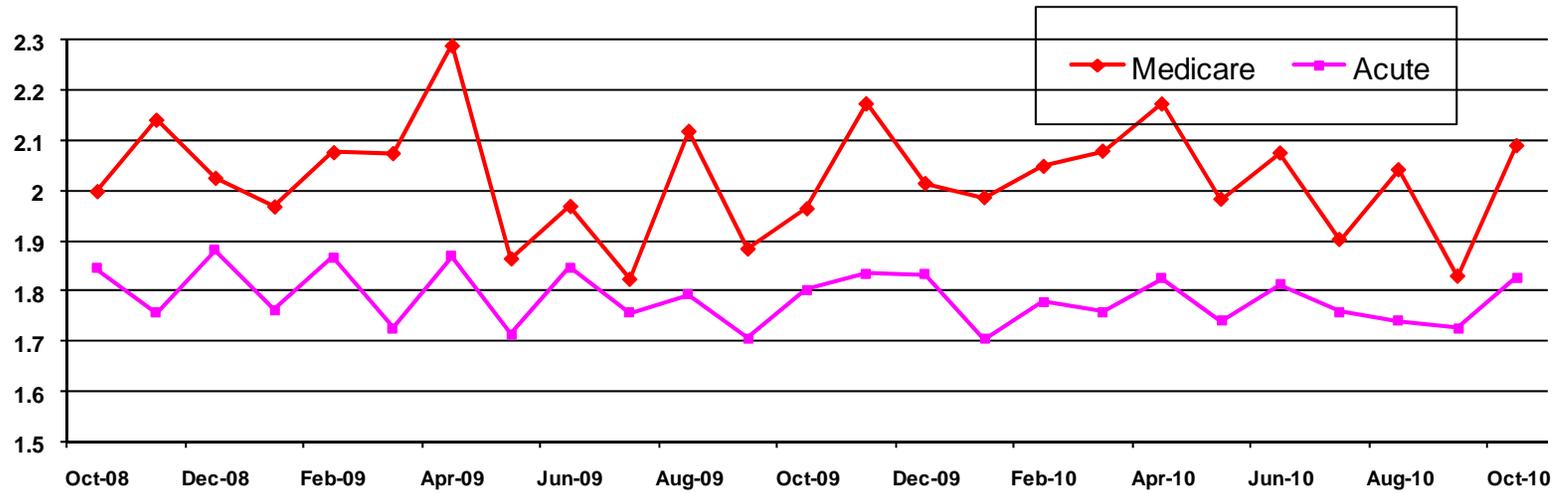


Neutral



Greater than 2.5% Unfavorable

# Case Mix Index



# UIHC Comparative Financial Results

Fiscal Year to Date October 2010



NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$331,648	\$326,196	\$300,038	\$5,452	1.7%	\$31,610	10.5%
Other Operating Revenue	16,219	16,179	15,566	40	0.3%	653	4.2%
<b>Total Revenue</b>	<b>\$347,867</b>	<b>\$342,375</b>	<b>\$315,604</b>	<b>\$5,492</b>	<b>1.6%</b>	<b>\$32,263</b>	<b>10.2%</b>

## EXPENSES:

Salaries and Wages	\$161,328	\$168,276	\$156,543	(\$6,948)	-4.1%	\$4,785	3.1%
General Expenses	136,288	139,301	126,913	(3,013)	-2.2%	9,375	7.4%
Operating Expense before Capital	\$297,616	\$307,577	\$283,457	(\$9,961)	-3.2%	\$14,160	5.0%
<b>Cash Flow Operating Margin</b>	<b>\$50,251</b>	<b>\$34,798</b>	<b>\$32,148</b>	<b>\$15,453</b>	<b>44.4%</b>	<b>\$18,103</b>	<b>56.3%</b>
Capital- Depreciation and Amortization	22,818	24,359	24,683	(1,541)	-6.3%	(1,865)	-7.6%
Total Operating Expense	\$320,434	\$331,936	\$308,140	(\$11,502)	-3.5%	\$12,295	4.0%

<b>Operating Income</b>	<b>\$27,433</b>	<b>\$10,439</b>	<b>\$7,465</b>	<b>\$16,994</b>	<b>162.8%</b>	<b>\$19,968</b>	<b>267.5%</b>
<b>Operating Margin %</b>	<b>7.9%</b>	<b>3.0%</b>	<b>2.4%</b>		<b>4.9%</b>		<b>5.5%</b>
Gain (Loss) on Investments	18,847	5,464	16,657	13,383	244.9%	2,190	13.2%
Other Non-Operating	(2,505)	(2,069)	(1,742)	(436)	-21.1%	(763)	-43.8%
<b>Net Income</b>	<b>\$43,775</b>	<b>\$13,834</b>	<b>\$22,380</b>	<b>\$29,941</b>	<b>216.4%</b>	<b>\$21,395</b>	<b>95.6%</b>
<b>Net Margin %</b>	<b>12.0%</b>	<b>4.0%</b>	<b>6.8%</b>		<b>8.0%</b>		<b>5.2%</b>

# UIHC Comparative Financial Results

October 2010



<b>NET REVENUES:</b>	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Variance to Budget</b>	<b>% Variance to Budget</b>	<b>Variance to Prior Year</b>	<b>% Variance to Prior Year</b>
Patient Revenue	\$87,072	\$86,509	\$81,344	\$563	0.7%	\$5,728	7.0%
Other Operating Revenue	4,087	4,046	3,797	41	1.0%	290	7.6%
<b>Total Revenue</b>	<b>\$91,159</b>	<b>\$90,555</b>	<b>\$85,141</b>	<b>\$604</b>	<b>0.7%</b>	<b>\$6,018</b>	<b>7.1%</b>

## EXPENSES:

Salaries and Wages	\$40,876	\$43,471	\$39,119	(\$2,595)	-6.0%	\$1,757	4.5%
General Expenses	33,180	35,369	33,272	(2,189)	-6.2%	(92)	-0.3%
Operating Expense before Capital	\$74,056	\$78,840	\$72,391	(\$4,784)	-6.1%	\$1,665	2.3%
<b>Cash Flow Operating Margin</b>	<b>\$17,103</b>	<b>\$11,715</b>	<b>\$12,750</b>	<b>\$5,388</b>	<b>46.0%</b>	<b>\$4,353</b>	<b>34.1%</b>
Capital- Depreciation and Amortization	5,695	6,090	6,169	(395)	-6.5%	(474)	-7.7%
Total Operating Expense	\$79,751	\$84,930	\$78,560	(\$5,179)	-6.1%	\$1,191	1.5%

<b>Operating Income</b>	<b>\$11,408</b>	<b>\$5,625</b>	<b>\$6,581</b>	<b>\$5,783</b>	<b>102.8%</b>	<b>\$4,827</b>	<b>73.3%</b>
<b>Operating Margin %</b>	<b>12.5%</b>	<b>6.2%</b>	<b>7.7%</b>		<b>6.3%</b>		<b>4.8%</b>
Gain (Loss) on Investments	5,321	1,432	(2,211)	3,889	271.6%	7,532	340.7%
Other Non-Operating	(615)	(517)	(485)	(98)	-19.0%	(130)	-26.8%
<b>Net Income</b>	<b>\$16,114</b>	<b>\$6,540</b>	<b>\$3,885</b>	<b>\$9,574</b>	<b>146.4%</b>	<b>\$12,229</b>	<b>314.8%</b>
<b>Net Margin %</b>	<b>16.8%</b>	<b>7.1%</b>	<b>4.7%</b>		<b>9.7%</b>		<b>12.1%</b>

# Comparative Accounts Receivable at October 31, 2010



	June 30, 2009	June 30, 2010 (preliminary)	October 31, 2010
Net Accounts Receivable	\$121,515,935	\$117,737,680	\$136,658,465
Net Days in AR	49	46	52

