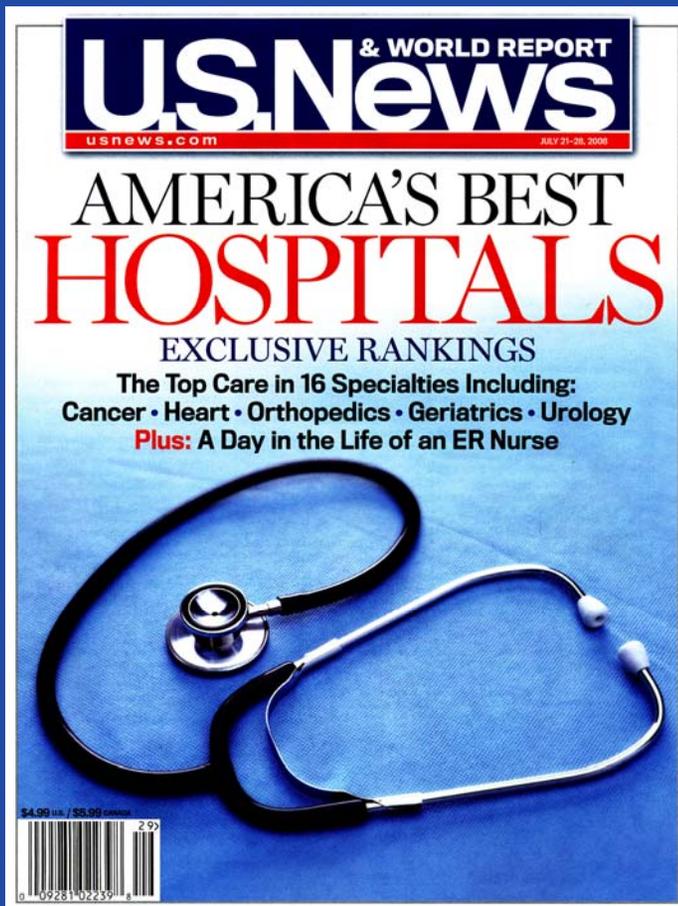




## *University of Iowa Health Care*

Presentation to  
**The Board of Regents, State of Iowa**  
August 6-7, 2008

*For the Nineteenth Consecutive Year,  
University of Iowa Health Care Specialties  
Earned High Rankings In U.S. News & World Report*



- 2<sup>nd</sup>**     **Otolaryngology**
- 6<sup>th</sup>**     **Ophthalmology & Visual Sciences**
- 12<sup>th</sup>**    **Orthopaedic Surgery**
- 23<sup>rd</sup>**    **Cancer**
- 25<sup>th</sup>**    **Neurology/Neurosurgery**
- 31<sup>st</sup>**    **Gynecology**
- 32<sup>nd</sup>**    **Kidney Disease**
- 40<sup>th</sup>**    **Urology**
- 41<sup>st</sup>**    **Digestive Disease**

# Today's Agenda

- **Flood Update: Lessons Learned and Plans for Improvement**
  - Gordon Williams—Interim CEO, UIHC
  - Ann Williamson, PhD, RN, NEA-BC—Associate Vice President for Nursing and CNO, UIHC
  - Paul Rothman, MD—Dean, CCOM
  - Jean Robillard, MD—Vice President for Medical Affairs
  
- **Operating and Financial Performance**
  - Ken Fisher—Associate Vice President for Finance & CFO, UIHC
  
- **Hospital Facilities Addition and Renovations Update**
  - Gordon Williams—Interim CEO, UIHC
  
- **Hardwiring Safety at UI Health Care**
  - Eric Dickson, MD—COO, UIHC

# Flood Update:

## *Lessons Learned and Plans for Improvement*



# ***Clinical Enterprise***

**Gordon Williams**

Interim CEO

**Ann Williamson, PhD, RN, NEA-BC**

Associate Vice President for Nursing and CNO

## June 7-12

- UIHC administrative/other staff participated in UI Flood Response Meetings and initiated planning/actions on vulnerabilities identified in these sessions.

## June 12

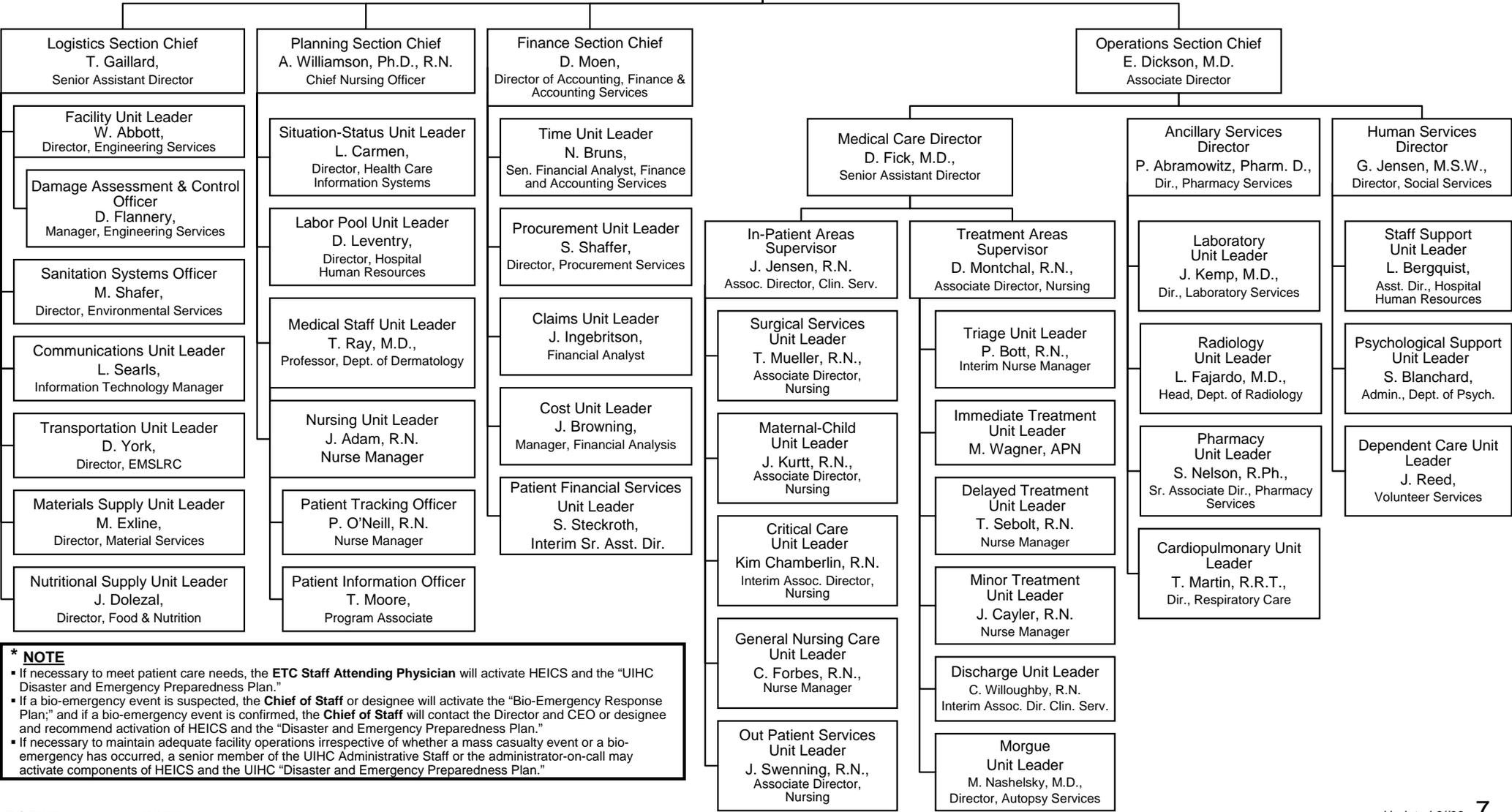
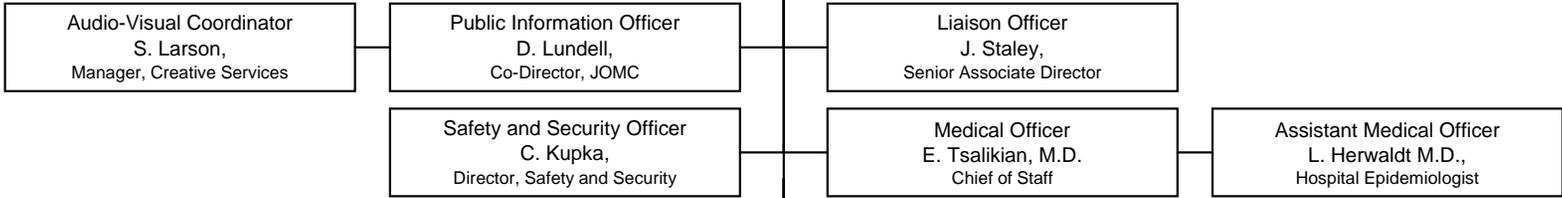
- Activated Incident Command Group and Section Heads of Hospital Emergency Incident Command System (HEICS) organization to prepare for possible admission of patients evacuated from other hospitals.
- Opened Incident Command Center in Board Room.
- Commenced discussions on UIHC response to increased flooding issues.

# HOSPITAL EMERGENCY INCIDENT COMMAND SYSTEM

## (HEICS) Organizational Chart

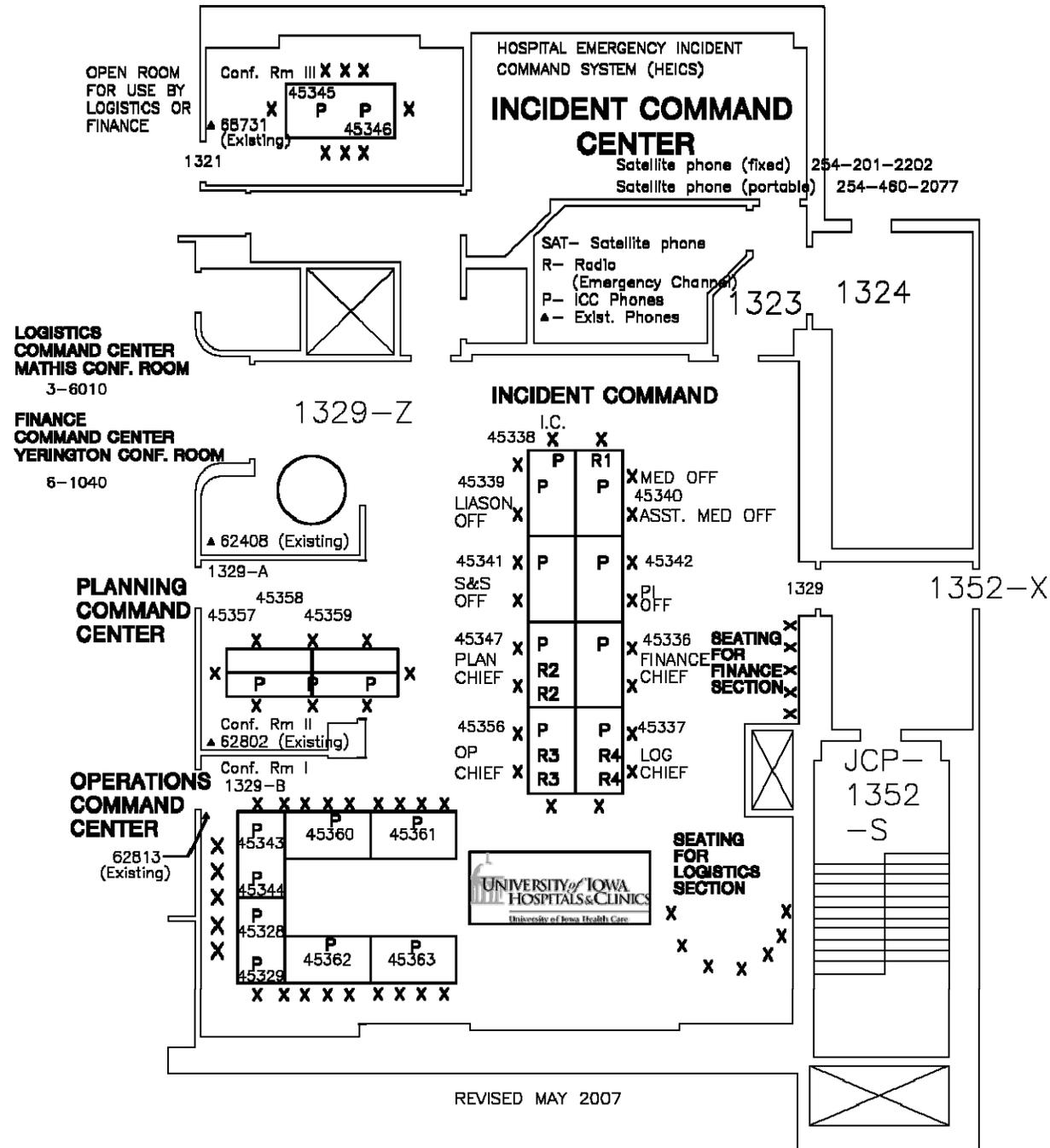


Incident Commander \*  
G. Williams,  
Interim CEO - UIHC



**\* NOTE**

- If necessary to meet patient care needs, the **ETC Staff Attending Physician** will activate HEICS and the "UIHC Disaster and Emergency Preparedness Plan."
- If a bio-emergency event is suspected, the **Chief of Staff** or designee will activate the "Bio-Emergency Response Plan," and if a bio-emergency event is confirmed, the **Chief of Staff** will contact the Director and CEO or designee and recommend activation of HEICS and the "Disaster and Emergency Preparedness Plan."
- If necessary to maintain adequate facility operations irrespective of whether a mass casualty event or a bio-emergency has occurred, a senior member of the UIHC Administrative Staff or the administrator-on-call may activate components of HEICS and the UIHC "Disaster and Emergency Preparedness Plan."







## June 13

- Activated all HEICS position holders.
- Held two meetings for issue identification, problem solving and implementing action plans.

## June 14-17

- HEICS members met daily and invited other UIHC, CCOM, UI staff to attend for updates identifying additional issues and problem solving.
- Incident Command Center operated approximately 12 hours per day to maintain continuous contact with Johnson Co. Emergency Operations Center (EOC).
- HEICS and Incident Command Center deactivated on June 17<sup>th</sup>. Continuing flood issues addressed by Liaison Officers and other HEICS members as needed.

# Flood Response – Significant Challenges and Resolutions

**Challenge** – Prepare for a possible influx of patients from evacuated hospitals in Cedar Rapids or other flooded areas

## **Resolution**

- Rapidly identified patients ready for discharge based on diagnoses, and discharged a total of 124 patients on June 12 (70-90 daily discharges is normal).
- Considered curtailing surgical/procedural volume (not necessary due to decision to move patients to Quad Cities hospitals)

# Flood Response – Significant Challenges and Resolutions (cont'd)

**Challenge** – Flooding shut down UI Power Plant resulting in loss of normal steam supply to UIHC

## **Resolution**

- UIHC back up boiler in Pomerantz Family Pavilion activated to provide steam in Carver, Colloton, Pappajohn and Pomerantz Pavilions.
- UI Utilities and Engineering Management arranged for lease of temporary boiler which was installed on West Campus to provide steam for remaining UIHC facilities and ultimately other west campus collegiate units.



# Flood Response – Significant Challenges and Resolutions (cont'd)

**Challenge** – Road closings (380, I-80, Hwy. 1) limited staff access to UIHC

## **Resolution**

- UIHC liaison officer assigned to Johnson Co. EOC collaborated with others to find county road route between IC and CR. UI Parking and Transportation, provided staff shuttle service for transporting nursing and other staff between CR airport and UIHC via the county road route (more than 100 total shuttle riders)
- Arranged “Air Shuttle Service” with Jet Air, Inc. of Iowa City to transport nursing and other staff to and from Moline airport and UIHC (more than 50 total flight reservations).

# Flood Response – Significant Challenges and Resolutions (cont'd)

## *Resolution*

- Arranged with UI Residence Services for staff who could not return home due to flooding to stay in Hillcrest Dorm.
- Arranged with UI Parking & Transportation to control traffic on Melrose Ave using Finkbine parking lot and alternate routes to Hawkins Drive
- Instituted more regular shuttle service from Finkbine parking lot

# Flood Response – Significant Challenges and Resolutions (cont'd)

**Challenge** — Multiple highway and Iowa City/Coralville road closures due to flooding limited patient access to UIHC

## ***Resolution***

### Outpatient Clinics

- Clinic appointments on June 16 & 17 that could be delayed were rescheduled to later dates
- Clinic openings delayed till 10:00 a.m. on June 18, 19 and 20. Then restored to full day schedules Monday, June 23 as additional routes to UIHC reopened

# Flood Response – Significant Challenges and Resolutions (cont'd)

## *Resolution*

Surgical Suites – Given access issues which impacted staff availability and absence of normal steam for OR's:

- Most elective surgeries and Ambulatory Surgery Center cases were rescheduled for later dates
- Number of staffed operating rooms in the Main Operating Suite reduced from 24 to 13.
- As access to UIHC/staff availability improved, number of staffed operating rooms in the Main OR increased in stages from 13 to 24 during June 18 - 20 period and ASC reopened on Monday, June 23.

# Flood Response – Lessons Learned and Plans for Improvement

- Developing an “Incident Command System”/conducting exercises using system pays big dividends in responding to an actual disaster/emergency.
- Establishing a County “Emergency Operations Center” in which all organizations responding to a disaster/ emergency are represented is a very effective way to enhance and speed communications and resolve problems.
- Multiple means for communicating with staff and patients need to be available so that if some fail, others are available to deliver staff and patient messages.
- Establishing a Johnson County “Joint Information Center” would have been very helpful in promoting dissemination of accurate information by the print and broadcast media.

## Flood Response –

### Lessons Learned and Plans for Improvement (cont'd)

- Staff responsibilities/the need for particular staff can change significantly and “Labor Pool” and “Transportation Unit” plans need to be broadened to facilitate contacting, providing transportation, reassigning and housing staff during disasters/major emergencies.
- Plans need to be developed with local and state law enforcement for effectively addressing perimeter and external traffic control and access issues.
- Utility systems are especially vulnerable during a natural disaster and more extensive back-up plans need to be established.
- A means for readily identifying staff from external agencies is needed so they can expeditiously support disaster emergency response efforts and individuals not meeting identification criteria can be recognized quickly and dealt with effectively.

# ***Academic Enterprise***

**Paul Rothman, MD**

Dean, Carver College of Medicine

# Flood Response – Significant Challenges and Resolutions

**Challenge** – No emergency power or backup generators for CCOM’s Medical Laboratory building that houses 40% of the UI’s research animals (valued at \$50 million). NIH guidelines mandate strict care requirements (e.g., temperature).

**Resolution** – Preemptive evacuation of 23,222 animals from Medical Laboratories to other CCOM facilities with emergency power

- No animals were lost as a result of campus flooding

# Flood Response – Significant Challenges and Resolutions

**Challenge** – Loss of UI power plant eliminated steam for several critical West Campus functions:

- Northwest chiller plant (Newton Road Ramp)
- Temperature control in all buildings
- Autoclaves, instrument washers, air cooling unit, cage washers
- Domestic hot water
- Distilled water

**Resolution** – Installed two (2) temporary natural gas-fired boilers for four months

- set-up costs: \$560,000; operating costs: \$5 million

# Flood Response – Significant Challenges and Resolutions

**Challenge** – Loss of northwest chiller plant (one of two on West Campus) used for cooling buildings

**Resolution** – Instituted rationing of chilled water used for building cooling; currently operating at 80% capacity without steam driven units at northwest chiller plan

- Priority for chilled water to protect patients and research animals

# Flood Response – Lessons Learned and Plans for Improvement

- **Cooling**

- Installing two 1,000-ton electrically operated chillers for four months
  - Set-up costs: \$620,000
  - Operating costs: \$120,000 - \$150,000

- **Electrical Power**

- Overhead power sources (two feeds from Mid American Energy) are vulnerable to flooding, high wind and ice

- **Water**

- Water is generated by UI power plant, which is vulnerable to flood

# ***Enterprise-wide Communications***

**Jean Robillard, MD**

Vice President for Medical Affairs

# Successes

- Ability to communicate accurately and consistently due to centralized source for information (HEICS meetings)
- Effectively utilized all communications channels with ability to adjust accordingly by audience (e.g., established special flood emergency hotline)
- Two dedicated communications professionals attended daily HEICS meetings (one focused internally; the other externally)

# Areas for Improvement

- Earlier coordination and ongoing communications with UI administration and Office of University Relations (OUR)
- Alignment of internal and external communications between UI Health Care entities (Hospitals and Clinics, College of Medicine and individual departments)
- Need for “real time” messages to supplement regular HEICS updates
- Better preparation and coordination of post-crisis communications

## Development of comprehensive and proactive UI Health Care enterprise-wide Crisis Communications Plan to:

- Establish a *documented* plan of action (response procedures) to enable UI Health Care to quickly address *any* urgent situation
- Provide guidelines to be followed for communicating with all key audiences during a crisis
- Include protocol to ensure smooth coordination with UI administration and Office of University Relations as needed

# Crisis Communications Plan (cont'd)

- Enterprise-wide Crisis Communications Plan does not preempt Emergency Preparedness Plan/HEICS protocols but works *in conjunction*
- Emergency plans are typically operational in nature and largely address patient and employee safety
- A Crisis Communications Plan
  - Focuses entirely on communications and reputation management
  - Represents a checklist with a systematic means of controlling the messages when a crisis hits
  - Ensures that every imaginable audience has been considered
  - Provides a formalized plan for anyone in charge

# Components of a Crisis Communications Plan (examples)

- Identification of potential crisis UI Health Care *could* face (current vulnerabilities)
- Identification of a Crisis Communications Response Team
- Individual roles and responsibilities
- When to activate the Crisis Communications Response Team
- Information gathering in a crisis situation
- Protocol for controlling communications from the “top down”
- Audience communications matrix
- Communications “toolbox”
- Crisis event tracking materials
- Post crisis communications to all audiences
- Post crisis evaluation



## **Operating and Financial Performance Preliminary FY'08 Year End**

**Ken Fisher**

Associate Vice President for Finance and CFO, UIHC

# Volume Indicators

July 2007 through June 2008

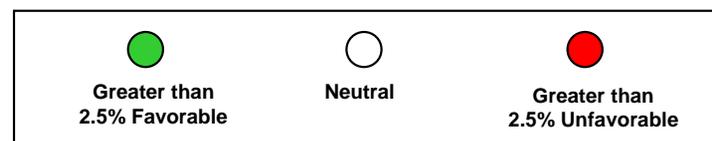
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Admissions	29,349	27,730	27,829	1,619	5.8% ●	1,520	5.5% ●
Patient Days	191,487	177,490	182,411	13,997	7.9% ●	9,076	5.0% ●
Length of Stay	6.52	6.40	6.55	0.12	1.9% ○	(0.03)	-0.5 ○
Average Daily Census	523.19	484.95	499.76	38.24	7.9% ●	23.43	4.7% ●
Surgeries – Inpatient	11,162	11,764	10,856	(602)	-5.1% ●	306	2.8% ●
Surgeries – Outpatient	11,436	12,026	11,096	(590)	-4.9% ●	340	3.1% ●
Emergency Treatment Center Visits	43,677	39,276	38,766	4,401	11.2% ●	4,911	12.7% ●
Outpatient Clinic Visits	701,966	706,152	688,078	(4,186)	-0.6% ○	13,888	2.0% ○
Case Mix	1.7722	1.8003	1.8003	(0.0281)	-1.6%	(0.0281)	-1.6%
Medicare Case Mix	1.9188	1.9801	1.9801	(0.0613)	-3.1%	(0.0613)	-3.1%

● Greater than 2.5% Favorable	○ Neutral	● Greater than 2.5% Unfavorable
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# Admissions by Clinical Department

July 2007 through June 2008

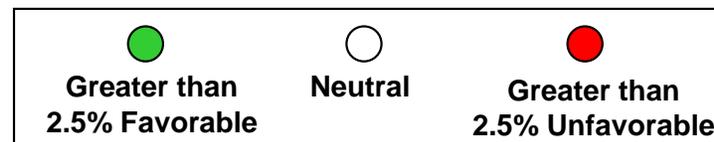
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Family Medicine	1,213	1,014	1,018	199	19.6% 	195	19.2% 
General Surgery	3,125	3,111	3,122	14	0.4% 	3	0.1% 
Internal Medicine	8,759	8,085	8,113	674	8.3% 	646	8.0% 
Neurology	1,445	1,419	1,424	26	1.8% 	21	1.5% 
Neurosurgery	2,063	1,993	2,000	70	3.5% 	63	3.2% 
Obstetrics/Gynecology	3,006	2,968	2,978	38	1.3% 	28	0.9% 
Ophthalmology	106	103	103	3	2.9% 	3	2.9% 
Orthopedics	2,437	2,335	2,343	102	4.4% 	94	4.0% 
Otolaryngology	670	604	606	66	10.9% 	64	10.6% 
Pediatrics	2,693	2,435	2,443	258	10.6% 	250	10.2% 
Psychiatry	2,260	2,190	2,198	70	3.2% 	62	2.8% 
Cardiothoracic	490	532	534	(42)	-7.9% 	(44)	-8.2% 
Urology	926	735	738	191	25.9% 	188	25.5% 
Other	156	206	209	(50)	-24.3% 	(53)	-25.4% 
<b>Total</b>	<b>29,349</b>	<b>27,730</b>	<b>27,829</b>	<b>1,619</b>	<b>5.8%</b> 	<b>1,520</b>	<b>5.5%</b> 



# Inpatient Surgeries – by Clinical Department

July 2007 through June 2008

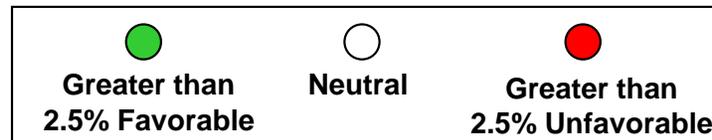
	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Cardiothoracic	909	1,062	980	(153)	-14.4% 	(71)	-7.2% 
Dentistry	166	128	118	38	29.8% 	48	40.7% 
Dermatology	0	0	0	0	0.0% 	0	0.0% 
General Surgery	2,859	2,977	2,747	(118)	-4.0% 	112	4.1% 
Gynecology	796	869	802	(73)	-8.4% 	(6)	-0.7% 
Internal Medicine	0	1	1	(1)	-100% 	(1)	-100% 
Neurosurgery	1,757	1,834	1,692	(77)	-4.2% 	65	3.8% 
Ophthalmology	163	156	144	7	4.5% 	19	13.2% 
Orthopedics	2,807	3,056	2,820	(249)	-8.1% 	(13)	-0.5% 
Otolaryngology	872	869	802	3	0.3% 	70	8.7% 
Pediatrics	0	0	0	0	0.0% 	0	0.0% 
Urology w/ Procedure Ste.	833	812	750	21	2.6% 	83	11.1% 
<b>Total</b>	<b>11,162</b>	<b>11,764</b>	<b>10,856</b>	<b>(602)</b>	<b>-5.1%</b> 	<b>306</b>	<b>2.8%</b> 



# Outpatient Surgeries – by Clinical Department

July 2007 through June 2008

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Cardiothoracic	63	94	87	(31)	-33.2% ●	(24)	-27.6% ●
Dentistry	509	533	492	(24)	-4.5% ●	17	3.5% ●
Dermatology	50	3	3	47	1567% ●	47	1567% ●
General Surgery	1,572	1,634	1,508	(62)	-3.8% ●	64	4.2% ●
Gynecology	646	688	635	(42)	-6.1% ●	11	1.7% ○
Internal Medicine	8	8	7	0	0.0% ○	1	14.3% ●
Neurosurgery	95	108	100	(13)	-12.3% ●	(5)	-5.0% ●
Ophthalmology	2,955	2,984	2,753	(29)	-1.0% ○	202	7.3% ●
Orthopedics	2,690	2,653	2,448	37	1.4% ○	242	9.9% ●
Otolaryngology	1,705	2,107	1,944	(402)	-19.1% ●	(239)	-12.3% ●
Pediatrics	8	3	3	5	166.7% ●	5	166.7% ●
Urology w/ Procedure Ste.	1,135	1,209	1,116	(74)	-6.1% ●	19	1.7% ○
<b>Total</b>	<b>11,436</b>	<b>12,026</b>	<b>11,096</b>	<b>(590)</b>	<b>-4.9% ●</b>	<b>340</b>	<b>3.1% ●</b>



# Emergency Treatment Center

July 2007 through June 2008

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
ETC Visits	43,677	39,276	38,766	4,401	11.2% ●	4,911	12.7% ●
ETC Admits	11,807	11,173	10,954	634	5.7% ●	853	7.8% ●
Conversion Factor	27.0%	28.4%	28.3%		-4.9% ●		-4.6% ●
ETC Admits / Total Admits	40.2%	40.3%	39.4%		-0.3% ○		2.0% ○

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

# Clinic Visits by Clinical Department

July 2007 through June 2008

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Anesthesia	16,458	17,329	16,885	(871)	-5.0% 	(427)	-2.5% 
CDD	7,000	6,641	6,471	359	5.4% 	529	8.2% 
Clinical Research	7,829	7,811	7,611	18	0.2% 	218	2.9% 
Dermatology	24,503	23,812	23,203	691	2.9% 	1,300	5.6% 
ETC	43,681	39,386	38,378	4,295	10.9% 	5,303	13.8% 
Employee Health Clinic	16,577	15,598	15,199	979	6.3% 	1,378	9.1% 
Family Care Center	99,518	104,901	102,216	(5,383)	-5.1% 	(2,698)	-2.6% 
General Surgery	26,020	26,903	26,214	(883)	-3.3% 	(194)	-0.7% 
Hospital Dentistry	23,043	22,804	22,220	239	1.1% 	823	3.7% 
Internal Medicine	106,366	106,669	103,939	(303)	-0.3% 	2,427	2.3% 
Neurology	15,404	16,074	15,663	(670)	-4.2% 	(259)	-1.7% 
Neurosurgery	8,784	8,936	8,707	(152)	-1.7% 	77	0.9% 
Obstetrics/Gynecology	65,581	67,003	65,288	(1,422)	-2.1% 	293	0.5% 
Ophthalmology	63,422	62,885	61,275	537	0.9% 	2,147	3.5% 
Orthopedics	51,895	52,877	51,524	(982)	-1.9% 	371	0.7% 
Otolaryngology	27,107	29,186	28,439	(2,079)	-7.1% 	(1,332)	-4.7% 
Pediatrics	33,688	31,983	31,164	1,705	5.3% 	2,524	8.1% 
Psychiatry	39,021	40,348	39,315	(1,327)	-3.3% 	(294)	-0.8% 
Cardiothoracic	2,215	2,251	2,193	(36)	-1.6% 	22	1.0% 
Urology	15,252	15,646	15,246	(394)	-2.5% 	6	0.0% 
Other	8,602	7,110	6,928	1,492	21.0% 	1,674	24.2% 
<b>Total</b>	<b>701,966</b>	<b>706,152</b>	<b>688,078</b>	<b>(4,186)</b>	<b>-0.6%</b> 	<b>13,888</b>	<b>2.0%</b> 

# UIHC Comparative Financial Results

Fiscal Year to Date June 2008 (preliminary)

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>NET REVENUES:</b>							
Patient Revenue	821,265	\$810,363	\$762,617	\$ 10,902	1.4%	\$ 58,648	7.7%
Appropriations	6,726	14,048	13,406	(7,322)	-52.1%	(6,880)	-49.8%
Other Operating Revenue	43,370	42,216	40,601	1,154	2.7%	2,769	6.8%
<b>Total Revenue</b>	<b>\$871,361</b>	<b>\$866,627</b>	<b>\$816,624</b>	<b>\$ 4,734</b>	<b>0.6%</b>	<b>\$ 54,737</b>	<b>6.7%</b>

<b>EXPENSES:</b>							
Salaries and Wages	\$450,281	\$451,570	\$404,060	\$ (1,289)	-0.3%	\$ 46,221	11.4%
General Expenses	330,830	316,329	304,727	14,501	4.6%	26,103	8.6%
Operating Expense before Capital	\$781,111	767,899	\$708,787	\$ 13,212	1.7%	\$ 72,324	10.2%
<b>Cash Flow Operating Margin</b>	<b>\$ 90,250</b>	<b>98,728</b>	<b>\$107,837</b>	<b>\$ (8,478)</b>	<b>-8.6%</b>	<b>\$(17,587)</b>	<b>-16.3%</b>
Capital- Depreciation and Amortization	70,918	64,122	58,881	6,796	10.6%	12,037	20.4%
Total Operating Expense	852,029	\$832,021	\$767,668	\$ 20,008	2.4%	\$ 84,361	11.0%

<b>Operating Income</b>	<b>\$ 19,332</b>	<b>\$34,606</b>	<b>\$ 48,956</b>	<b>(\$15,274)</b>	<b>-44.2%</b>	<b>\$(29,624)</b>	<b>-60.5%</b>
<b>Operating Margin %</b>	<b>2.2%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>-1.8%</b>	<b>-45.0%</b>	<b>-3.8%</b>	<b>-63.3%</b>
Gain (Loss) on Investments	\$ 9,442	20,624	\$ 27,103	(11,182)	-54.1%	(17,661)	-65.1%
Non-Recurring Items	-	-	-	0	0.0%	0	0.0%
<b>Net Income</b>	<b>\$ 28,774</b>	<b>55,230</b>	<b>\$ 76,059</b>	<b>(26,456)</b>	<b>-47.9%</b>	<b>\$(47,285)</b>	<b>-62.2%</b>
<b>Net Margin %</b>	<b>3.3%</b>	<b>6.2%</b>	<b>9.0%</b>	<b>-2.9%</b>	<b>-46.8%</b>	<b>-5.7%</b>	<b>-63.3%</b>

**UNIVERSITY OF IOWA HOSPITALS AND CLINICS  
BALANCE SHEET  
As of June 30, 2008**

Scale: \$'s in 000's

ASSETS	June		LIABILITIES AND FUND BALANCES	June	
UNRESTRICTED FUNDS	2008 Preliminary (Unaudited)	2007 Audited	UNRESTRICTED FUNDS	2008 Preliminary (Unaudited)	2007 Audited
<u>Current Assets</u>			<u>Current Liabilities</u>		
Total Cash & Short-Term Investments.....	79,264	73,846	Payroll & Employee Benefits.....	73,301	66,905
Accounts Receivable from Patients & Other.....	264,252	249,659	Accounts Payable.....	27,678	24,725
Less Allowance for Uncollectibles and Contractual Adjustment	(153,718)	(148,405)	Due to Third Party Payers & A/R Credit Balances.....	8,075	15,838
Net Patient Receivables - Hospital.....	110,534	101,254	Accrued Interest Payable.....	1,255	509
Net Patient Receivables - FFP.....	12,471	14,530	Current Installment of Bonds Payable & Capital Lease	2,906	1,438
Other Receivables.....	12,644	9,289	Funds Held For The College of Medicine.....	923	8,977
Total Receivables.....	135,649	125,073	Due To Faculty Practice Plan - A/R.....	12,471	14,530
Supplies Inventory.....	20,443	18,828	Other Current Liabilities.....	2,253	2,900
Other Current Assets.....	15,875	12,399	Total Current Liabilities.....	128,862	135,821
Total Current Assets.....	251,231	230,148			
<u>Designated Assets</u>			<u>Long-Term Liabilities</u>		
Total Designated Assets.....	411,942	372,932	UIHC Revenue Bonds Payable, 2002 - 2007A Series ..	70,550	23,115
<u>Long - Term Assets</u>			UIHC Portion of Telecom Bond Issues, 2000 & 2003...	5,068	5,846
Infrastructure and Land Improvements.....	41,230	39,476	Unamortized Bond Premium (Discount).....	436	-
Buildings and Building Equipment.....	638,563	618,748	Other Long Term Liabilities.....	1,144	1,536
Equipment.....	321,427	298,615	Total Long-Term Liabilities.....	77,198	30,497
	1,001,219	956,839			
Less Accumulated Depreciation.....	(556,887)	(505,800)	<u>Fund Balances</u>		
	444,332	451,040	Total Fund Balances.....	964,774	935,331
Construction and Projects in Progress .....	61,761	46,606			
Net Plant and Equipment.....	506,093	497,645	TOTAL UNRESTRICTED FUNDS.....	1,170,834	1,101,648
Other Long Term Assets.....	1,568	923			
Total Long Term Assets.....	507,661	498,569			
TOTAL UNRESTRICTED FUNDS.....	1,170,834	1,101,648			
<u>RESTRICTED FUNDS</u>			<u>RESTRICTED FUNDS</u>		
<u>Specific Purpose Fund Assets</u>			<u>Specific Purpose Fund Liabilities</u>		
Cash & Short-Term Investments.....	12,068	12,780	Liabilities.....	12,068	12,780
Other Specific Purpose Fund Assets.....	750	755	Fund Balance.....	750	755
Total Specific Purpose Fund.....	12,818	13,535	Total Specific Purpose Fund.....	12,818	13,535

**UNIVERSITY OF IOWA HEALTH CARE  
CONSOLIDATED FINANCIAL STATEMENT  
FISCAL YEAR TO DATE  
June 30, 2008  
(Preliminary)**

**Scale: 1000's**

	UIHC	UIP	Eliminations	CLINICAL TOTAL (w/ eliminations)	CCOM	Eliminations	TOTAL (w/ eliminations)
<b>Operating Revenue</b>							
Net Patient Revenue	821,265	164,272	-	985,537	78	-	985,615
State Appropriation/General Education Funds	6,726	-	-	6,726	63,486	-	70,212
Gift	-	-	-	-	17,225	-	17,225
Grants	-	-	-	-	163,940	-	207,326
Other Operating Revenue	43,386	61,319	(48,929)	55,776	48,052	(20,976)	82,852
Total Net Operating Revenue.....	871,377	225,592	(48,929)	1,048,039	292,782	(20,976)	1,319,845
<b>Operating Expenses:</b>							
Salary, Benefits, and Contract Labor	450,367	156,821	-	607,188	184,670	-	791,859
Supplies and Drugs	172,749	4,118	3	176,870	30,055	-	206,925
Services	68,294	308	(52,292)	16,310	3,538	-	19,848
Capital Expenses	46,811	714	(2,511)	45,015	1,441	-	46,456
Insurance	895	2,451	-	3,346	(1,862)	-	1,484
Licenses, Fees and Other Expenses	30,896	43,878	(15,105)	59,669	77,185	-	136,854
Administrative Services - UI	11,225	3,320	-	14,544	15	-	14,560
Total Operating Expense.....	781,238	211,611	(69,905)	922,943	295,042	-	1,217,986
Cash Flow Operating Margin	90,139	13,981	20,976	125,096	(2,261)	(20,976)	101,859
CFO margin %.....	10.3%	6.2%		11.9%	-0.8%		7.7%
<b>Capital and Other Costs:</b>							
Depreciation	69,409	-	-	69,409	-	-	69,409
Amortization	-	-	-	-	-	-	-
Interest Expense	1,459	-	-	1,459	203	-	1,662
Total Capital and Other Costs.....	70,869	-	-	70,869	203	-	71,071
Total Operating Expense.....	852,106	211,611	(69,905)	993,812	295,245	-	1,289,057
Operating Income (Loss).....	19,270	13,981	20,976	54,227	(2,463)	(20,976)	30,788
Operating Margin %.....	2.2%	6.2%		5.2%	-0.8%	100.0%	2.3%
Gain (Loss) on Investments	9,460	-	-	9,460	2,436	-	11,896
Non-Recurring Items	-	-	-	-	-	-	-
Net Income (Loss).....	28,730	13,981	20,976	63,687	(27)	(20,976)	42,684
Net Income Margin %.....	3.3%	6.2%		6.0%	0.0%		3.2%

**UNIVERSITY OF IOWA HEALTH CARE  
CONSOLIDATED FINANCIAL STATEMENT  
FISCAL YEAR TO DATE**

(Preliminary)

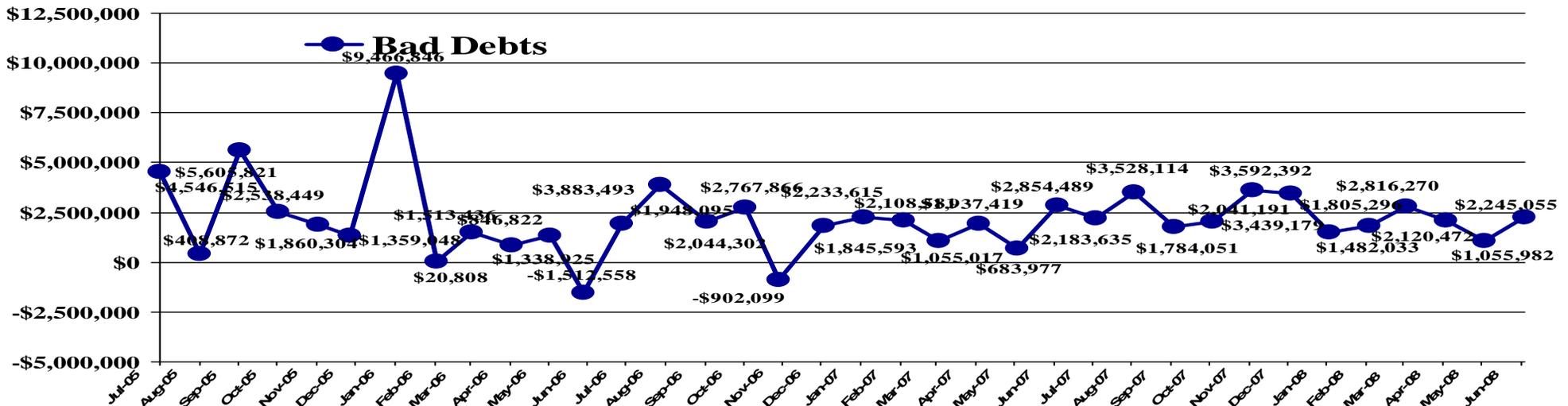
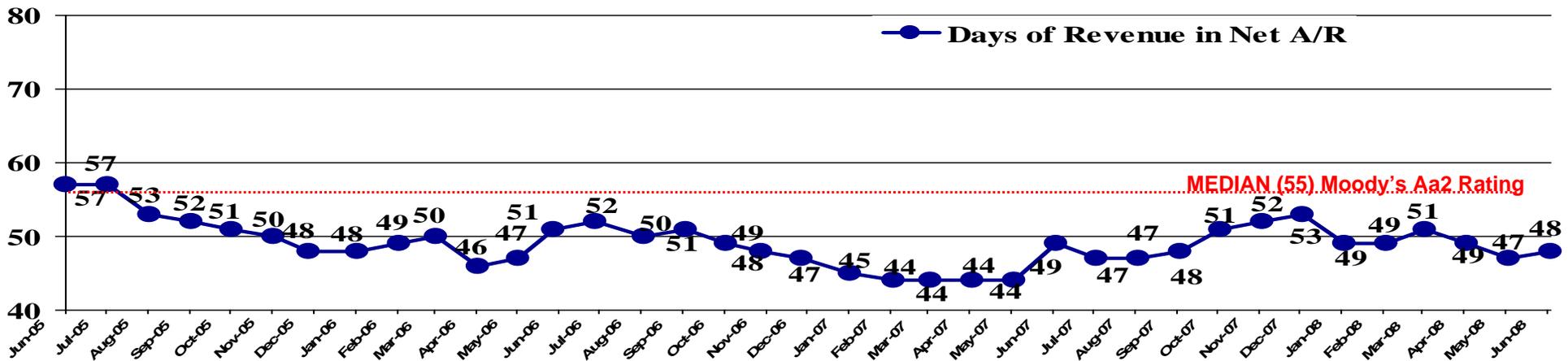
Scale: 1000's

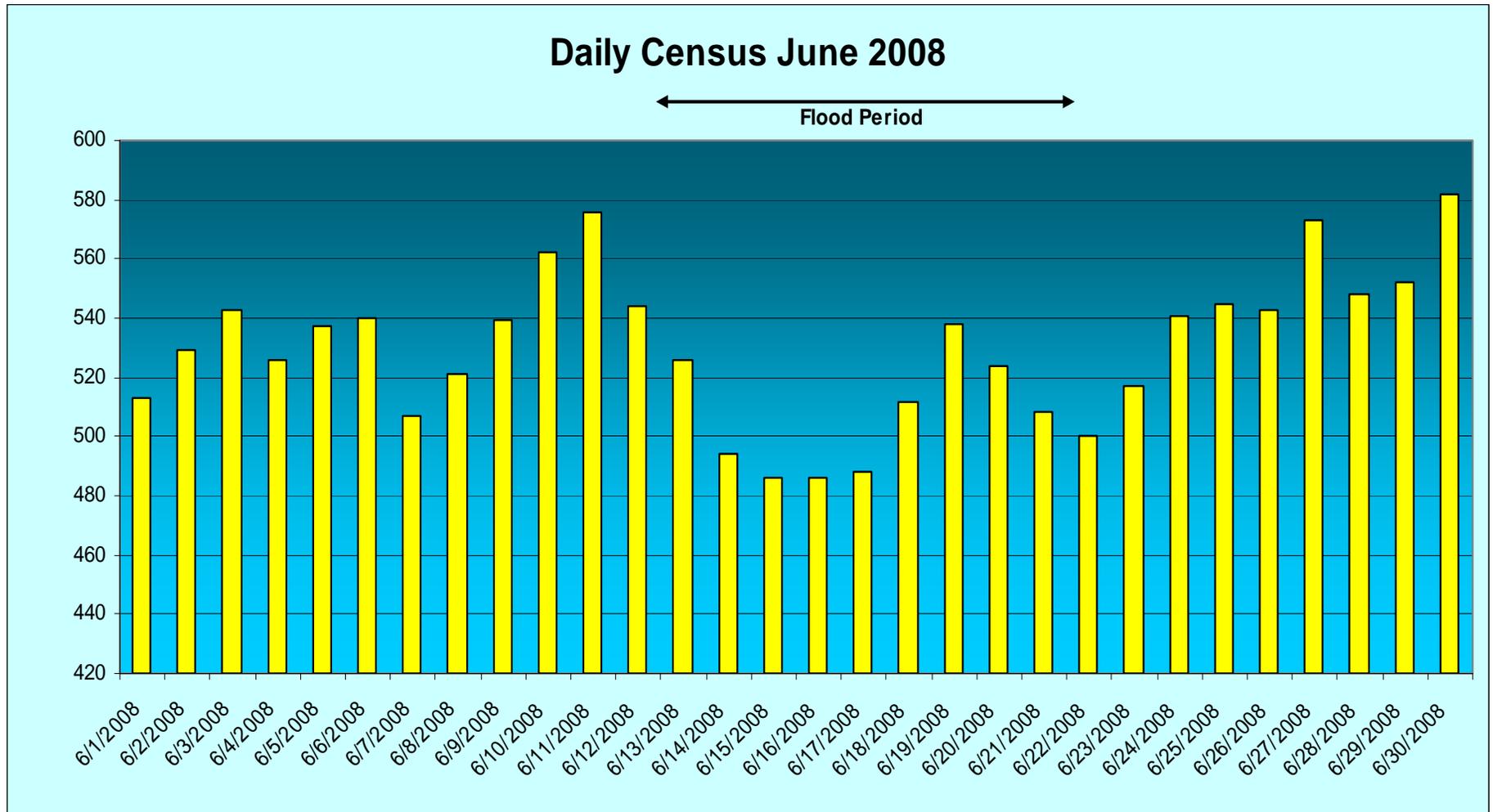
	2008 CLINICAL TOTAL	2007 CLINICAL TOTAL	\$ Variance	% Variance	2008 TOTAL Consolidated	2007 TOTAL Consolidated	\$ Variance	% Variance
<b>Operating Revenue</b>								
Net Patient Revenue	985,537	920,819	64,718	7.0%	985,615	922,072	63,543	6.9%
State Appropriation/General Education Funds	6,726	13,406	(6,680)	-49.8%	70,212	75,578	(5,366)	-7.1%
Gift	-	-	-	0.0%	17,225	16,597	628	0.0%
Grants	-	-	-	0.0%	207,326	205,813	1,513	0.0%
Other Operating Revenue	55,776	57,820	(2,044)	-3.5%	82,852	87,324	(4,472)	-5.1%
Total Net Operating Revenue.....	<b>1,048,039</b>	<b>992,045</b>	<b>55,994</b>	<b>5.6%</b>	<b>1,319,845</b>	<b>1,266,783</b>	<b>53,062</b>	<b>4.2%</b>
<b>Operating Expenses:</b>								
Salary, Benefits, and Contract Labor	607,188	544,143	63,045	11.6%	791,859	726,642	65,217	9.0%
Supplies and Drugs	176,870	160,760	16,110	10.0%	206,925	195,423	11,502	5.9%
Services	16,310	31,546	(15,236)	-48.3%	19,848	36,258	(16,411)	-45.3%
Capital Expenses	45,015	43,295	1,721	4.0%	46,456	45,849	607	1.3%
Insurance	3,346	2,788	558	20.0%	1,484	8,492	(7,008)	-82.5%
Licenses, Fees and Other Expenses	59,669	51,413	8,256	16.1%	136,854	120,262	16,592	13.8%
Administrative Services - UI	14,544	15,987	(1,442)	-9.0%	14,560	14,319	240	1.7%
Total Operating Expense.....	<b>922,943</b>	<b>849,931</b>	<b>73,012</b>	<b>8.6%</b>	<b>1,217,986</b>	<b>1,147,246</b>	<b>70,739</b>	<b>6.2%</b>
Cash Flow Operating Margin	125,096	142,114	(17,018)	-12.0%	101,859	119,536	(17,677)	-14.8%
CFO margin %.....	11.9%	14.33%	-2.4%		7.7%	9.44%	-1.7%	
<b>Capital and Other Costs:</b>								
Depreciation	69,409	58,869	10,541	17.9%	69,409	58,754	10,656	18.1%
Amortization	-	-	-	0.0%	-	-	-	0.0%
Interest Expense	1,459	12	1,447	12045.8%	1,662	250	1,412	563.8%
Total Capital and Other Costs.....	<b>70,869</b>	<b>58,881</b>	<b>11,988</b>	<b>20.4%</b>	<b>71,071</b>	<b>59,004</b>	<b>12,067</b>	<b>20.5%</b>
Total Operating Expense.....	<b>993,812</b>	<b>908,812</b>	<b>85,000</b>	<b>9.4%</b>	<b>1,289,057</b>	<b>1,206,250</b>	<b>82,807</b>	<b>6.9%</b>
Operating Income (Loss).....	54,227	83,233	(29,006)	-34.8%	30,788	60,532	(29,745)	-49.1%
Operating Margin %.....	5.2%	8.39%	-3.2%		2.3%	4.78%	-2.4%	
Gain (Loss) on Investments	9,460	27,103	(17,643)	-65.1%	11,896	29,256	(17,360)	-59.3%
Non-Recurring Items	-	(0)	0	-100.0%	-	(0)	0	-100.0%
Net Income (Loss).....	<b>63,687</b>	<b>110,337</b>	<b>(46,649)</b>	<b>-42.3%</b>	<b>42,684</b>	<b>89,788</b>	<b>(47,105)</b>	<b>-52.5%</b>
Net Income Margin %.....	<b>6.0%</b>	<b>10.83%</b>	<b>-4.8%</b>		<b>3.2%</b>	<b>6.93%</b>	<b>-3.7%</b>	

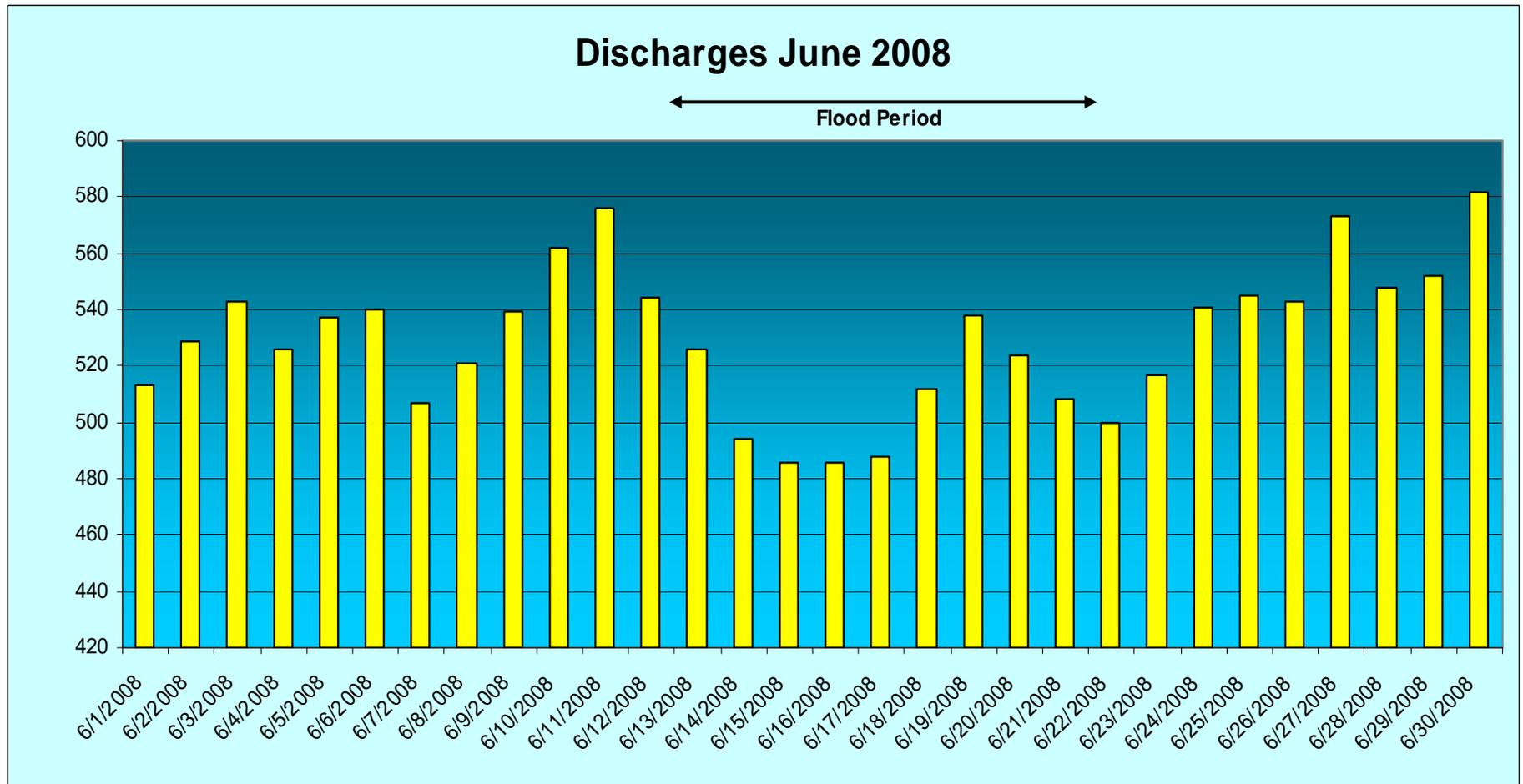
# Comparative Accounts Receivable

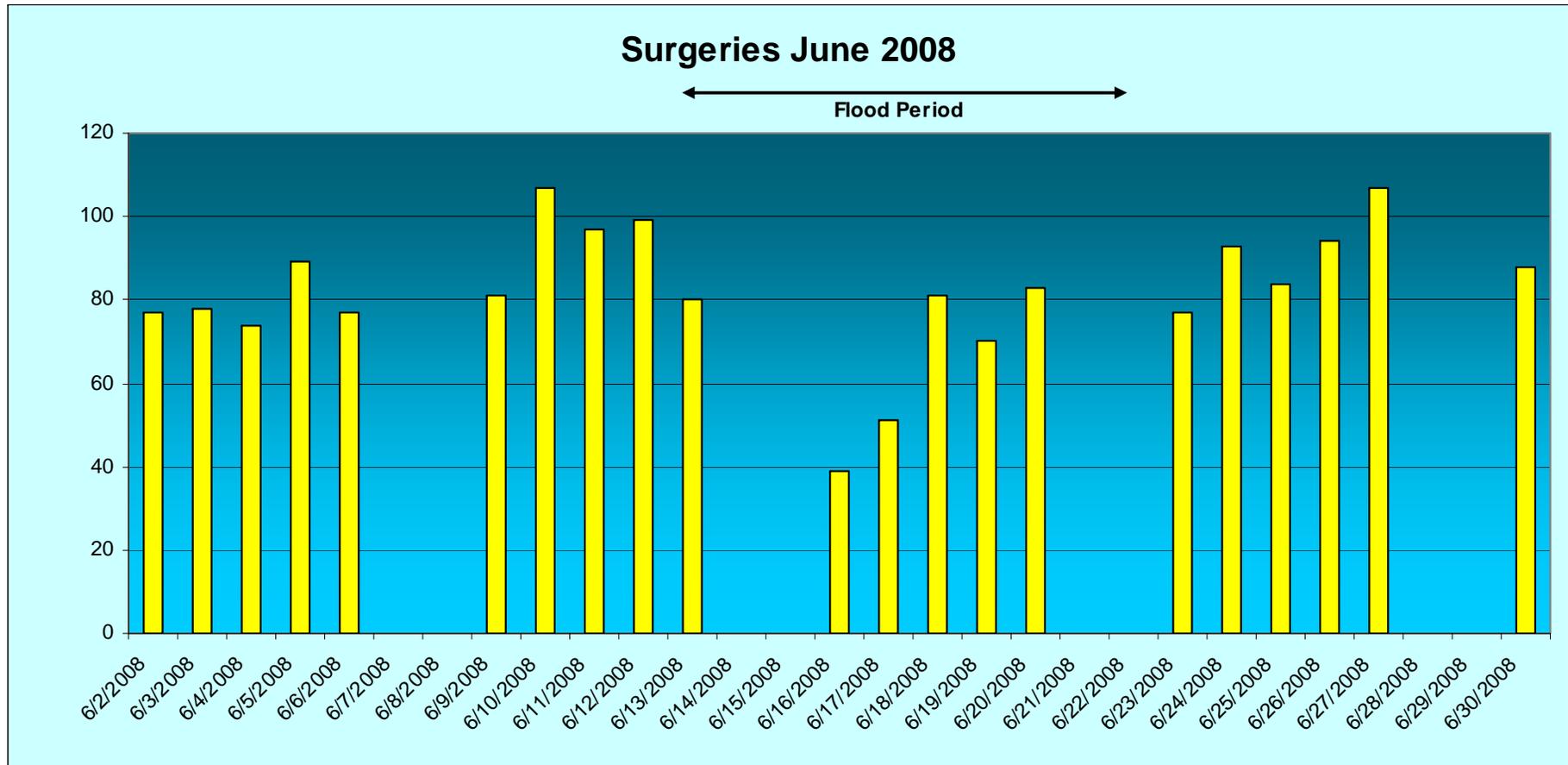
at June 30, 2008

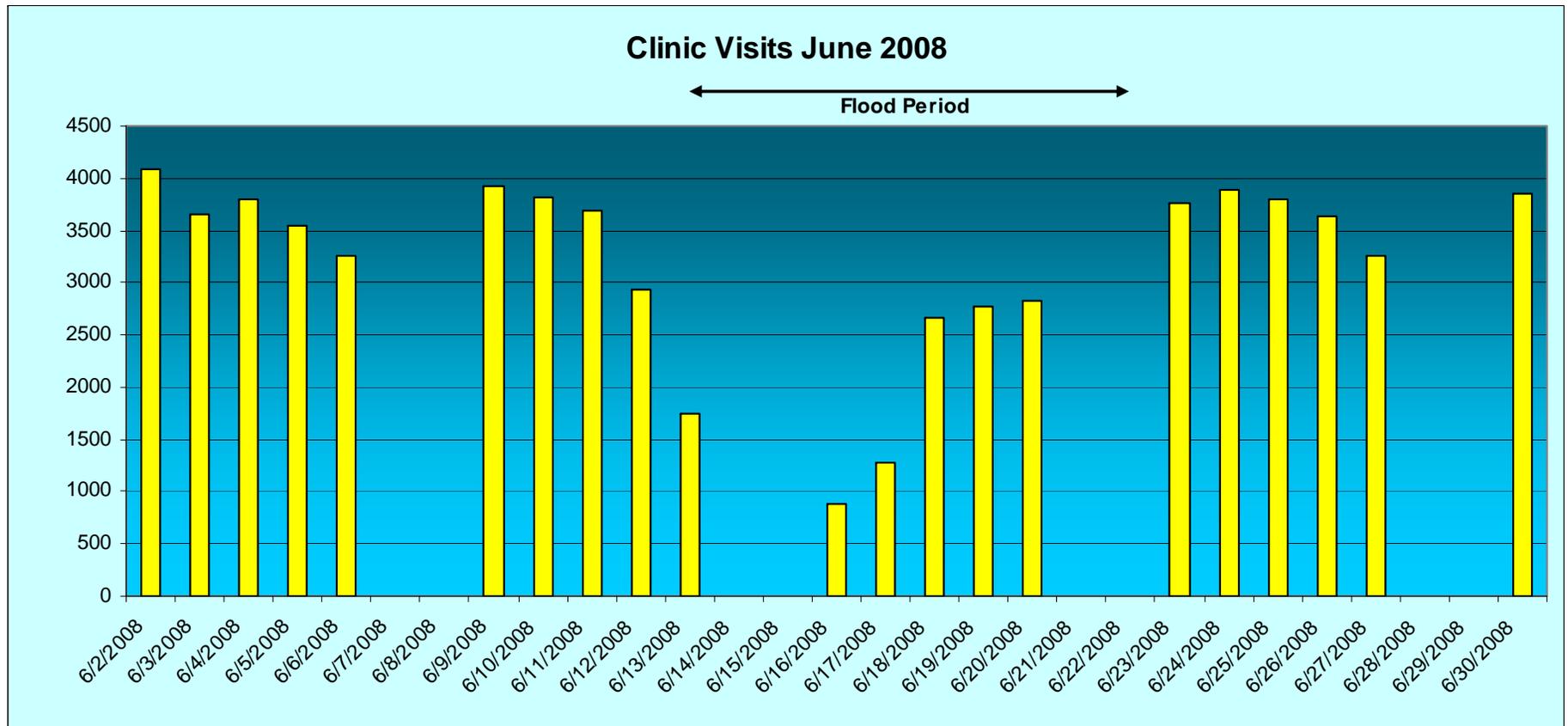
	June 30, 2006	June 30, 2007	June 30, 2008 (Preliminary)
Net Accounts Receivable	\$95,976,921	\$101,254,328	\$110,533,709
Net Days in AR	51	49	48

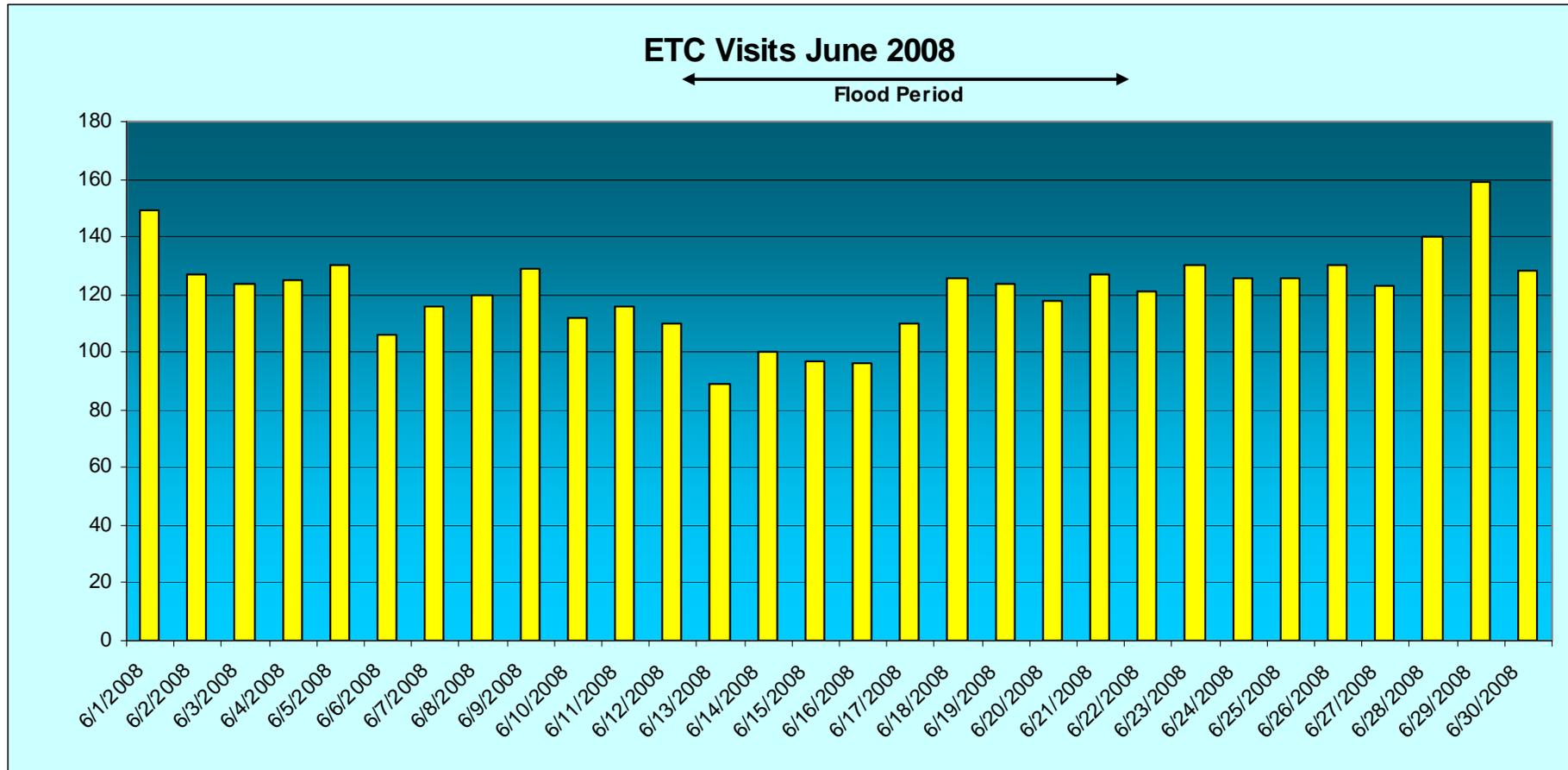












**Hospital Revenue Lost Due to Floods**  
**June 13 - 22, 2008**  
**(in thousands)**

	<b>Inpatient</b>	<b>Outpatient</b>	<b>Total</b>
GROSS Patient Revenue			
Actual	\$ 18,775	\$ 7,929	\$ 26,704
Expected (based on January - May 2008 History)	\$ 25,879	\$ 16,737	\$ 42,616
Gross Revenue Lost	<u>\$ (7,104)</u>	<u>\$ (8,808)</u>	<u>\$ (15,911)</u>
Estimated NET Revenue Lost			<u>\$ (7,160)</u>

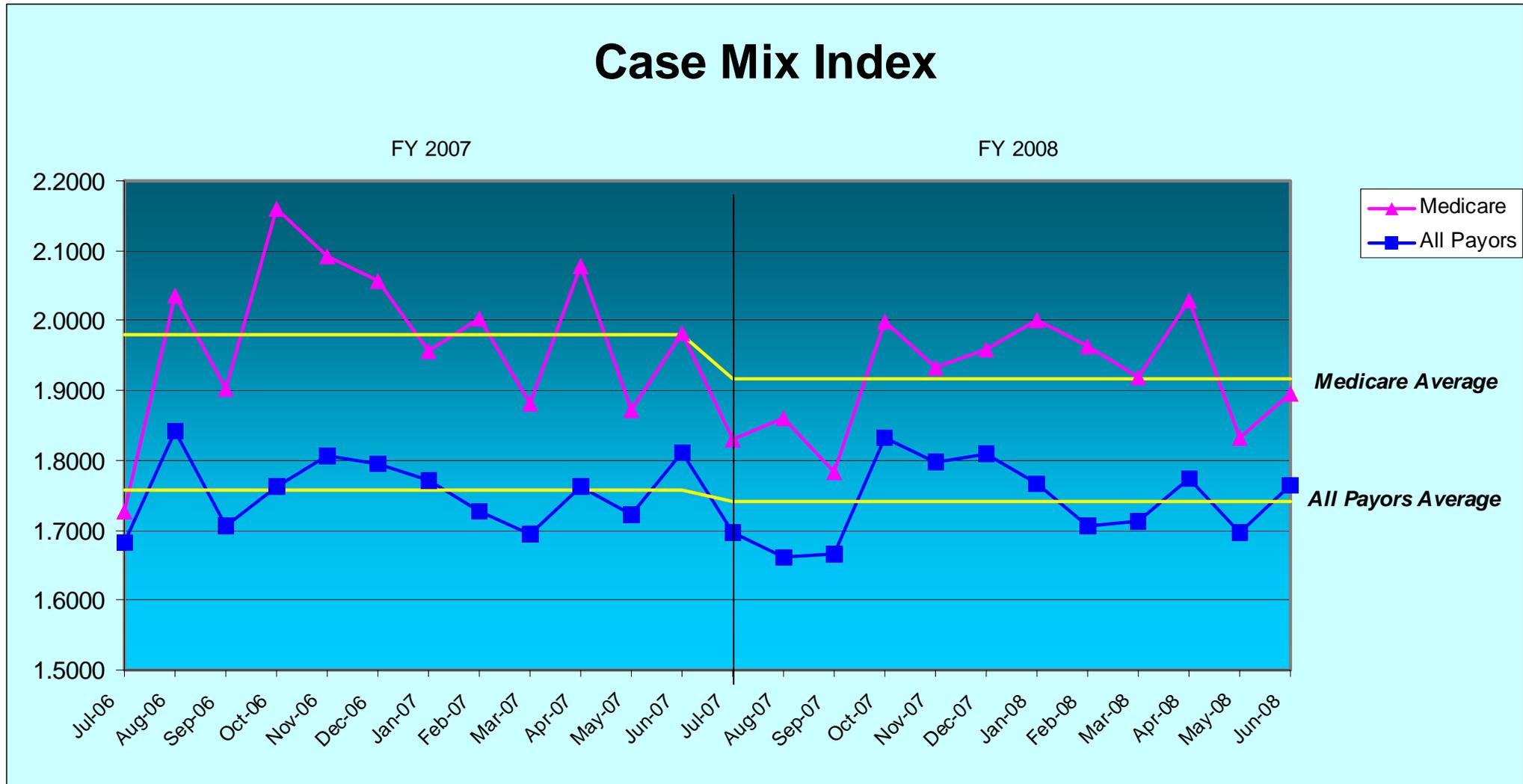
## Hospital Revenue Lost June 2008 Floods (in thousands)

### Hospital Income Statement Monthly Results

	April 08	May 08	June 08
Gross Patient Revenue	\$ 150,685	\$ 148,417	\$ 139,549
Net Patient Revenue	\$ 68,400	\$ 67,261	\$ 62,557

June vs April/May Avg
\$ (10,002)
\$ (5,274)

# Case Mix Index



# Case Mix Index

## Medicare \$ Impact

<b>FY2008 CMI</b>	<b>1.9188</b>
<b>FY2007 CMI</b>	<b>1.9801</b>
<b>Change</b>	<b>(0.0613)</b>
<b>FY2008 Base Rate</b>	<b>\$ 7,718</b>
<b>FY2008 Cases</b>	<b>8,519</b>
<b>Estimated Impact</b>	<b>\$ (4,030,453)</b>



# **Planning for Replacement Hospital Additions and Renovations:**

**Selection of Architects and Construction Manager; and Decision Making on Matters Required for Commencing Design Process**

**Gordon D. Williams**

Interim Chief Executive Officer, UIHC

# ***Architectural Selection Process Completed***

- ***Heery International*** (Iowa City office) selected as Architect of Record
- ***HKS*** (Dallas, TX) selected as Design Architect
- ***Stanley Beaman & Sears*** (Atlanta, GA) selected as Children's Hospital Architect

## ***Architectural Selection Committee***

**Michael Artman, M.D.**

**Mr. Jose Fernandez**

**Mr. Ken Fisher**

**Mr. Tim Gaillard**

**Mr. Rod Lehnertz**

**Ms. Chris Miller**

**Ms. Joan Racki**

**Jean Robillard, M.D.**

**Paul Rothman, M.D.**

**John Staley, Ph.D.**

**Craig Syrop, M.D.**

**Mr. Doug True**

**Ron Weigel, M.D.**

**Ann Williamson, Ph.D., R.N.**

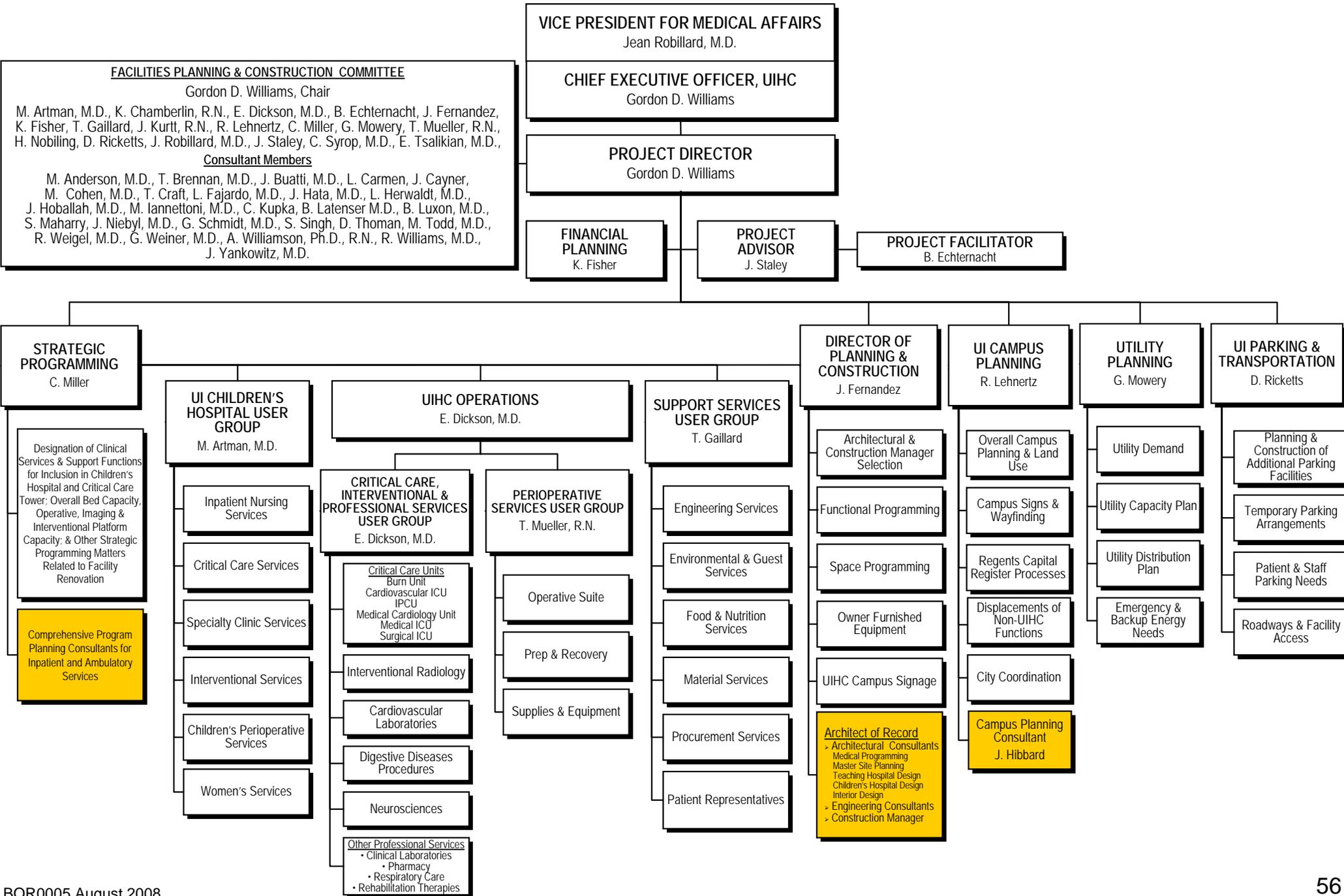
**Mr. Gordon D. Williams, Chair**

**Mr. Brandt Echternacht, Committee Staff**

# Construction Manager Selection Process

- Process to select Construction Management initiated by June 15 correspondence to 15 national firms and newspaper advertisements requesting submission of qualifications
- Five national firms submitted qualifications and four were selected for initial on-site discussions
- Of these four, three will be selected for making detailed presentations and one will be selected as Construction Manager

# ORGANIZATIONAL STRUCTURE FOR PLANNING AND CONSTRUCTING REPLACEMENT HOSPITAL ADDITIONS AND RENOVATING CURRENT FACILITIES



- Committee actively considering and making decisions on matters for bridging Strategic Planning to Facility Design:
  - Identifying service line priorities
  - Projecting volumes to establish bed need/other capacity requirements
  - Defining factors for achieving an ideal patient experience
  - Adopting concepts for achieving efficient operational models
  - Determining necessary adjacencies and locations for various building components and services
  
- Other matters addressed by committee
  - Campus planning and design issues
  - Requirements and opportunities for development of patient, visitor and staff parking



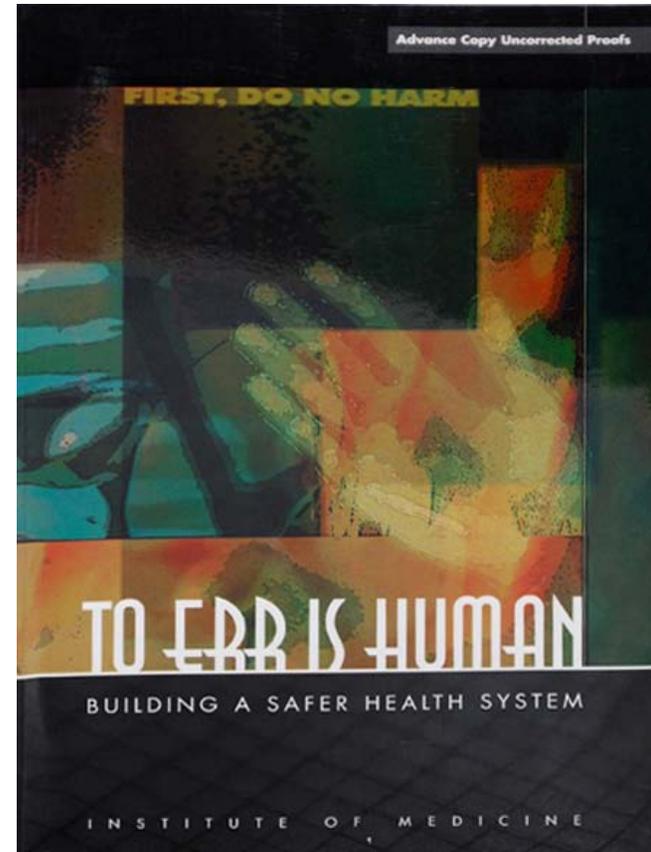
## ***Hardwiring Safety at UI Health Care***

**Eric W. Dickson, MD**

Interim Chief Operating Officer UIHC

## *To Err is Human, 1999*

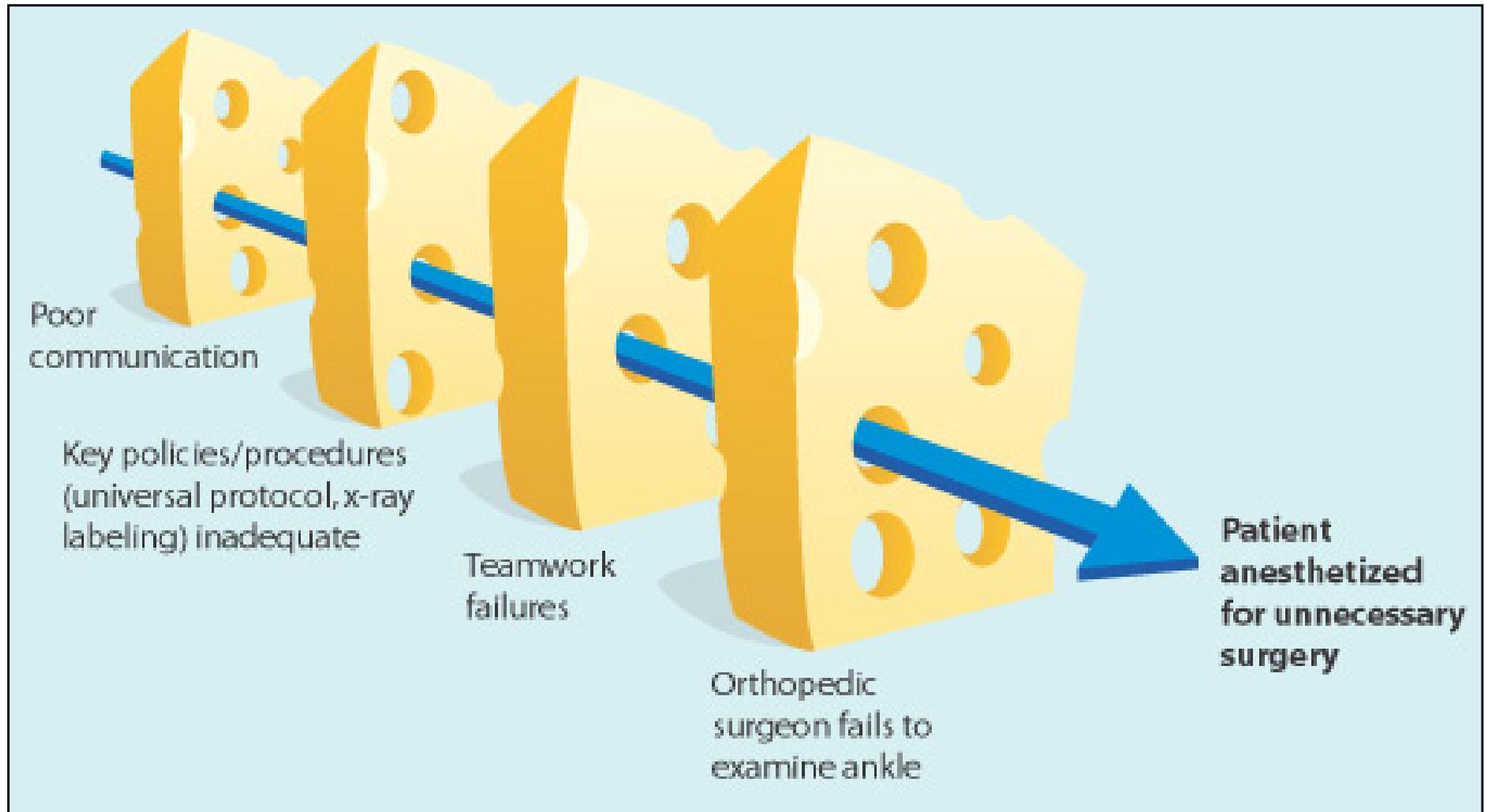
- 44,000 – 98,000 people die each year in the United States due to avoidable medical errors.



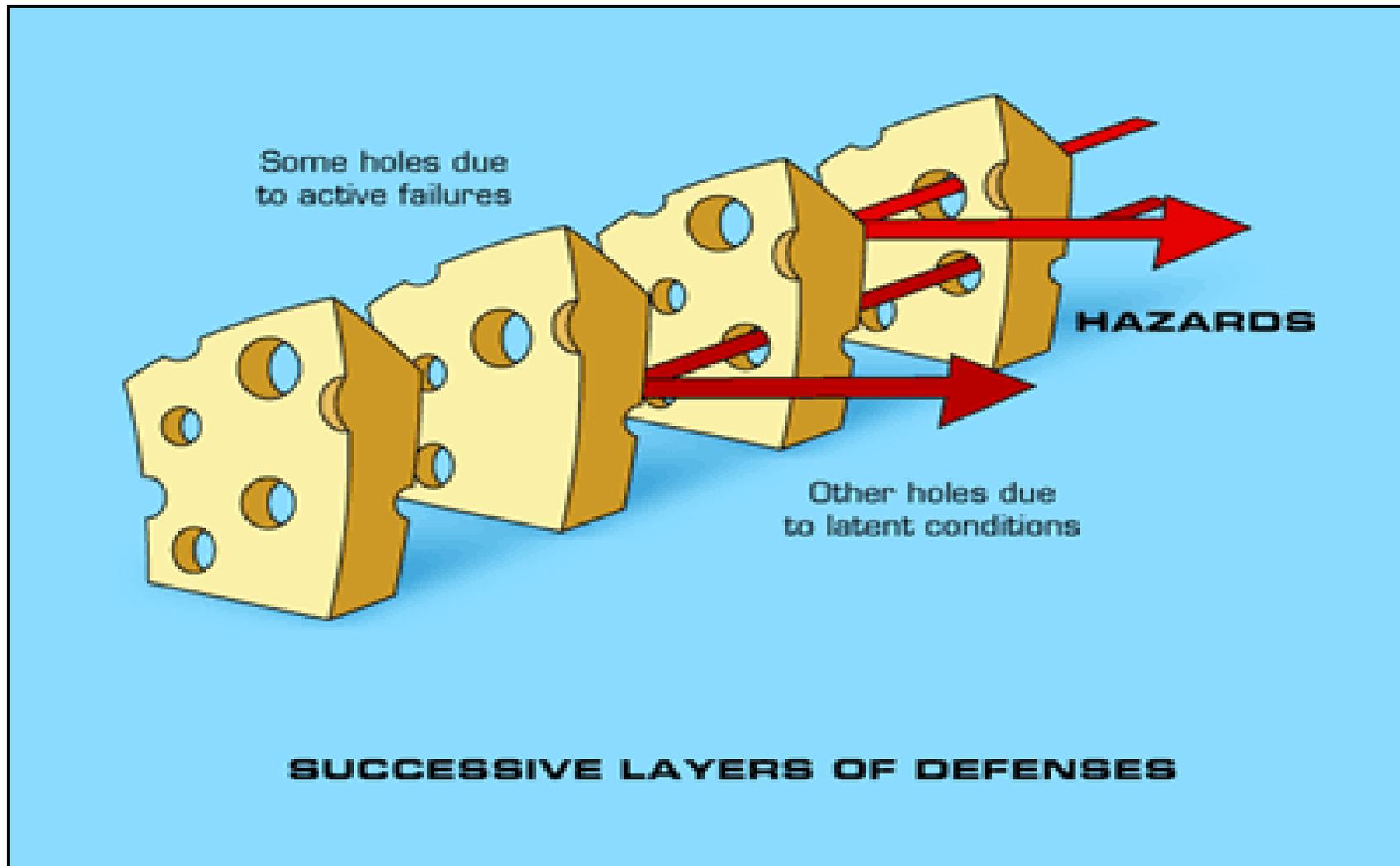
## ***Core Conclusions from IOM report***

- There are serious problems in safety of care
- The problems come from poor systems...not bad people
  - *In its current form, habits, and environment, American health care is incapable of providing the public with the quality health care it expects and deserves*
- We can fix it...but it will require changes

## ***Errors occur when “holes” in health care processes align.***



# *We need to patch the holes before an error occurs*



***What are we doing now at UIHC to create a safe environment for our patients?***

***We are constantly working to close the process holes by making it easy to report near misses***

- All front line caregivers have two jobs; taking great care of patients and finding ways to take better care of patients
- We make it easy for staff to report potential problems using the PSN (Patient Safety Net)

## ***The Patient Safety Net (PSN)***

- Web-based incident reporting system
- Reports patient, visitor and staff incidents at UIHC
- Available on all public workstations
- Easy to use in all settings
- Allows benchmarking with other academic medical centers



***We are also working to build error-free processes***

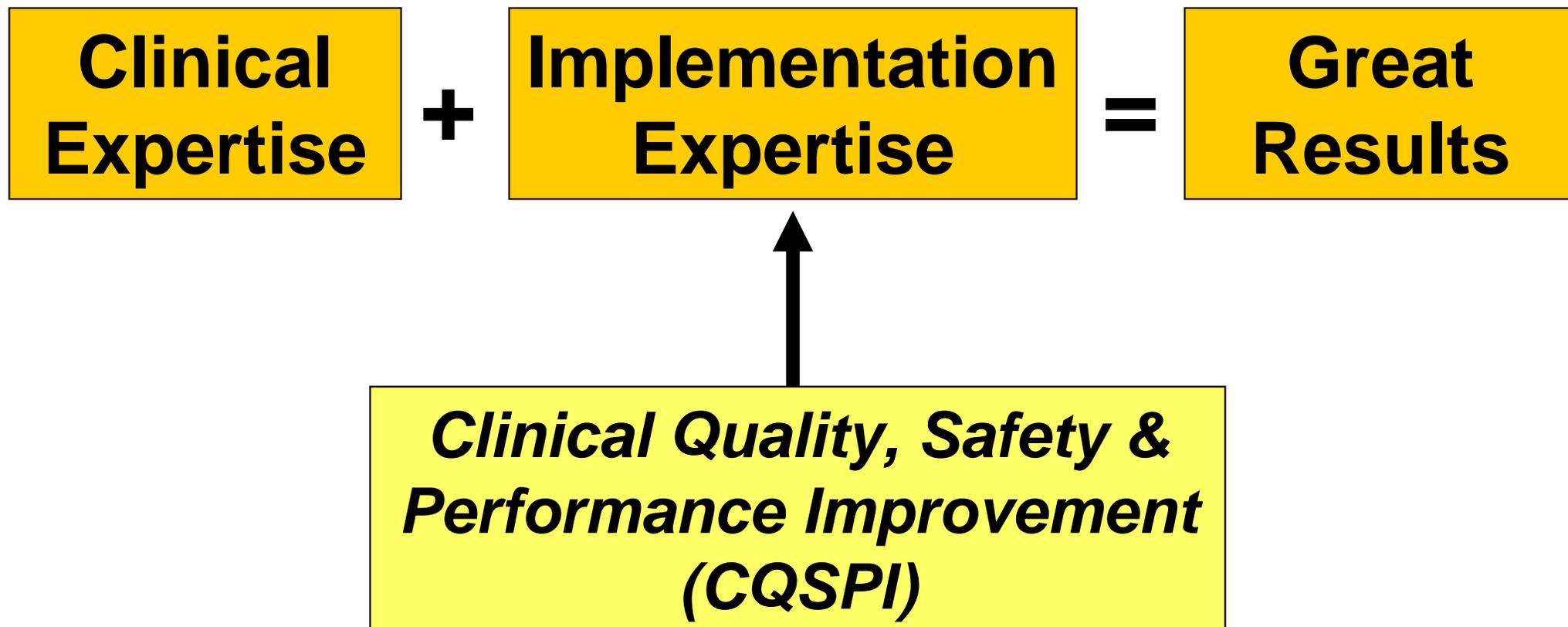
- The UIHC Computerized Barcode-Based Tracking System for Blood Transfusions has essentially eliminated blood transfusion errors.

## ***Epic: Technology improving safety***

- A major innovation now in progress at UI Health Care is the new electronic health record, Epic
- Electronic health record technology has been shown to markedly improve safety:
  - Computerized physician ordering
  - Automated alerts to medication allergies or incompatible medications
  - Automated alerts to abnormal labs or trends in vital signs

**Aspden P et al. *Patient Safety: achieving a new standard for care*. Natl Acad Press 2004.**

# ***Our Formula for Success***



## ***Clinical Quality, Safety & Performance Improvement (CQSPI) and Operational Improvement (OI) Representatives***

- Perform Root-Cause Analyses and address systems issues
- Develop real-time graphical displays of concurrent information
  - Results by provider
  - Status of metrics
- Share information with leadership and front-line staff

*(Will show here short video comparing our helicopter pilots' use of checklists to assure safety and our central line checklist)*



***We need to patch process holes by teaching residents and students to use standardized checklists***

***What is needed to make our UI Health  
Care system the safest it can be?***



**From the first day of employment to the last, we need to make sure every employee makes patient safety their number one priority.**

## ***What makes health care safe?***

**A passion for safety among the leadership:**

from the Board of Trustees to the CEO to the physician leaders, the CFO, the CNO, the nursing managers, and on down the line.

## ***The single most important barrier to safe care***

- **“Lack of inspired, consistent, and forceful leadership...no organization can make the significant changes that are necessary to develop a culture of safety without vigorous leadership at the top...”**

- Lucien Leape, *Hlth Aff* 2007;26:w687-96.

# ***What is this cultural change we are undergoing?***

- A culture of safety (a “just” culture):
  - Where every employee feels safe if they “stop the line” to fix errors or defects in the care we provide
  - Every employee looks for ways to make what he or she does safer for the patients
  - All employees know that they are expected to uncover their own errors and help find a way to prevent their recurrence

## ***Our patients expect us to keep them safe***

We will succeed if the Board, the President, the CEO and every member of the UI Health Care team puts safety at the top of their priority list

***“Safety is the number one priority at UI Health Care”***

# *Quality and Safety Council*

## ● Members:

- Co-Chair: Eric Dickson, MD
- Co-Chair: Richard LeBlond, MD
- Michael Cohen, MD
- Steve Hata, MD
- Charles Helms, MD
- Loreen Herwaldt, MD
- Douglas Merrill, MD
- Heidi Nobiling, RN
- Gregory Schmidt, MD
- Sabi Singh
- Craig Syrop, MD
- Debbie Thoman
- Marita Titler, PhD, RN
- Todd Wiblin, MD
- Gordon Williams
- Richard Williams, MD
- Ann Williamson, PhD, RN

### Role:

- Commitment
- Accountability
- Review results of measures



***Questions?***