



# University of Iowa Health Care

*Presentation to  
The Board of Regents, State of Iowa  
October 29, 2009*

- Opening Remarks (Jean Robillard)
- Enhancing Geriatric Care across Iowa (Brian Kaskie; introductions by Deans Rothman and Curry)
- Operating and Financial Performance (Ken Fisher)
- Expense Moderation Update (Ken Kates)
- Compliance Overview (Debbie Thoman)



## ***Enhancing Geriatric Care across Iowa***

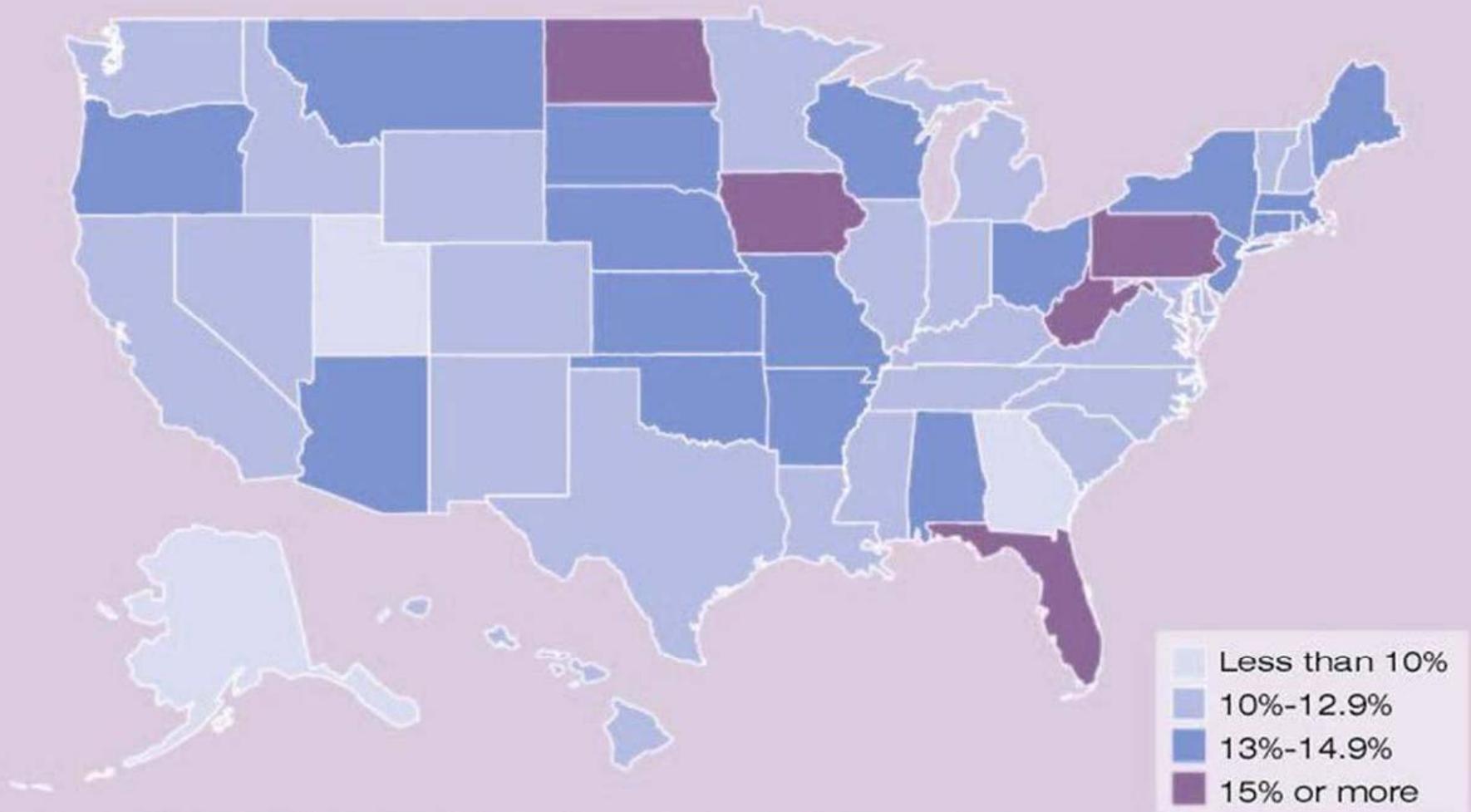
Brian Kaskie, PhD

Associate Professor of Health Management and Policy,  
College of Public Health

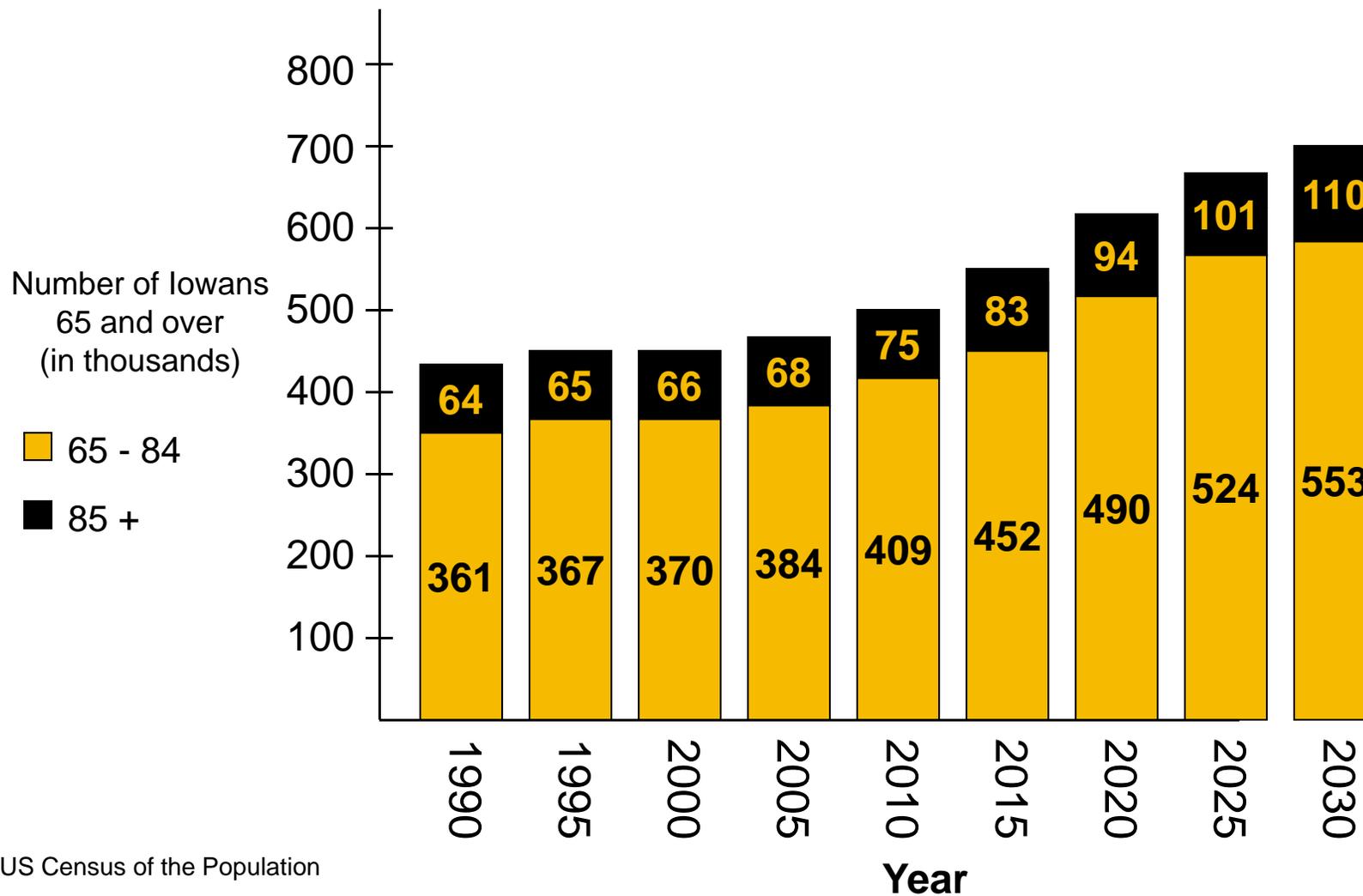
Associate Director of Public Policy, Center on Aging,  
Carver College of Medicine and College of Public Health

**Iowa is on the forefront of the aging population boom.**

**Percentage of the population age 65 and older, by state, 2000**



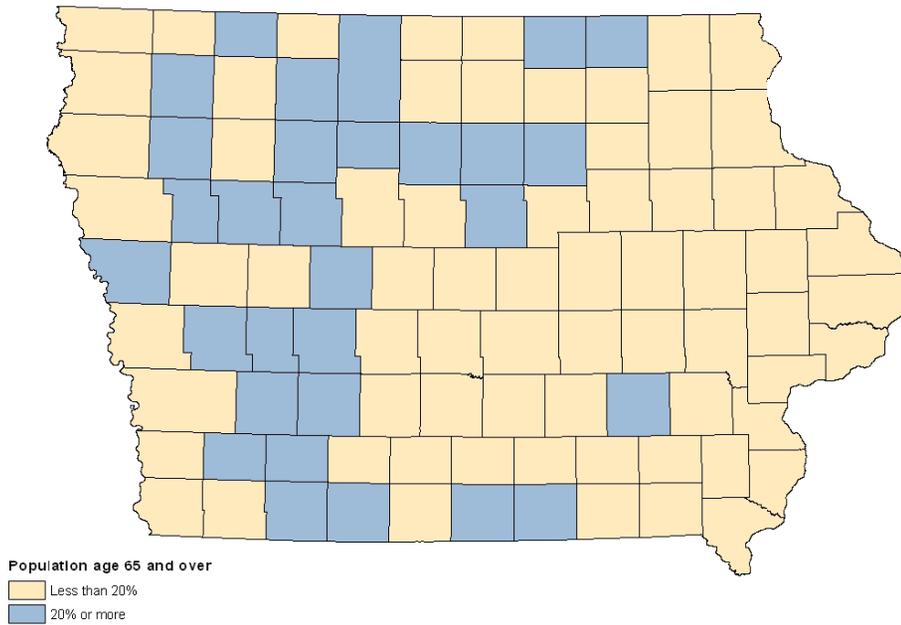
## Iowa's baby boomers have just started to reach age 65....



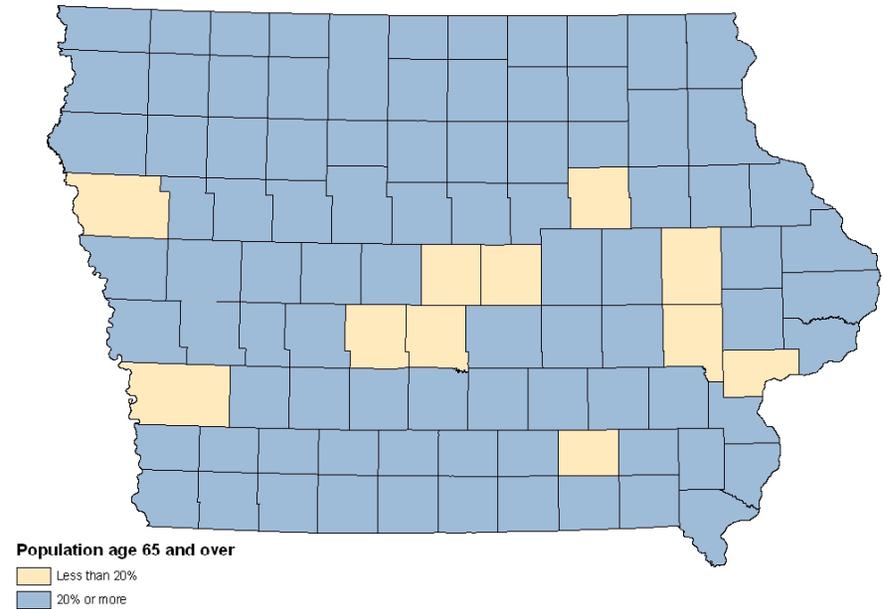
In the year 2000, Iowans over 65 years old represented at least 20% of the population in **30 counties**.

By 2030, Iowans over 65 will represent 20% of the population in **88 counties**.

**2000**



**2030**



## ***Older Iowans want to:***

- Remain independent in their own homes
- Maintain intellectual and physical functions
- Avoid disease and disability
- Engage in social, economic, and civic affairs

## ***Definition of Geriatric Care***

A coordinated, interdisciplinary approach to providing distinct types of health care to older adults across multiple settings; emphasizes individuals directing their own care in partnership with geriatric care specialists and other providers with training in geriatrics.

# ***Goals of Geriatric Care***

- Increase health literacy and healthy behaviors
- Prevent the onset of disease and disability
- Reduce the impact of age-driven disease and disability
- Facilitate a pain-free, self-directed end of life

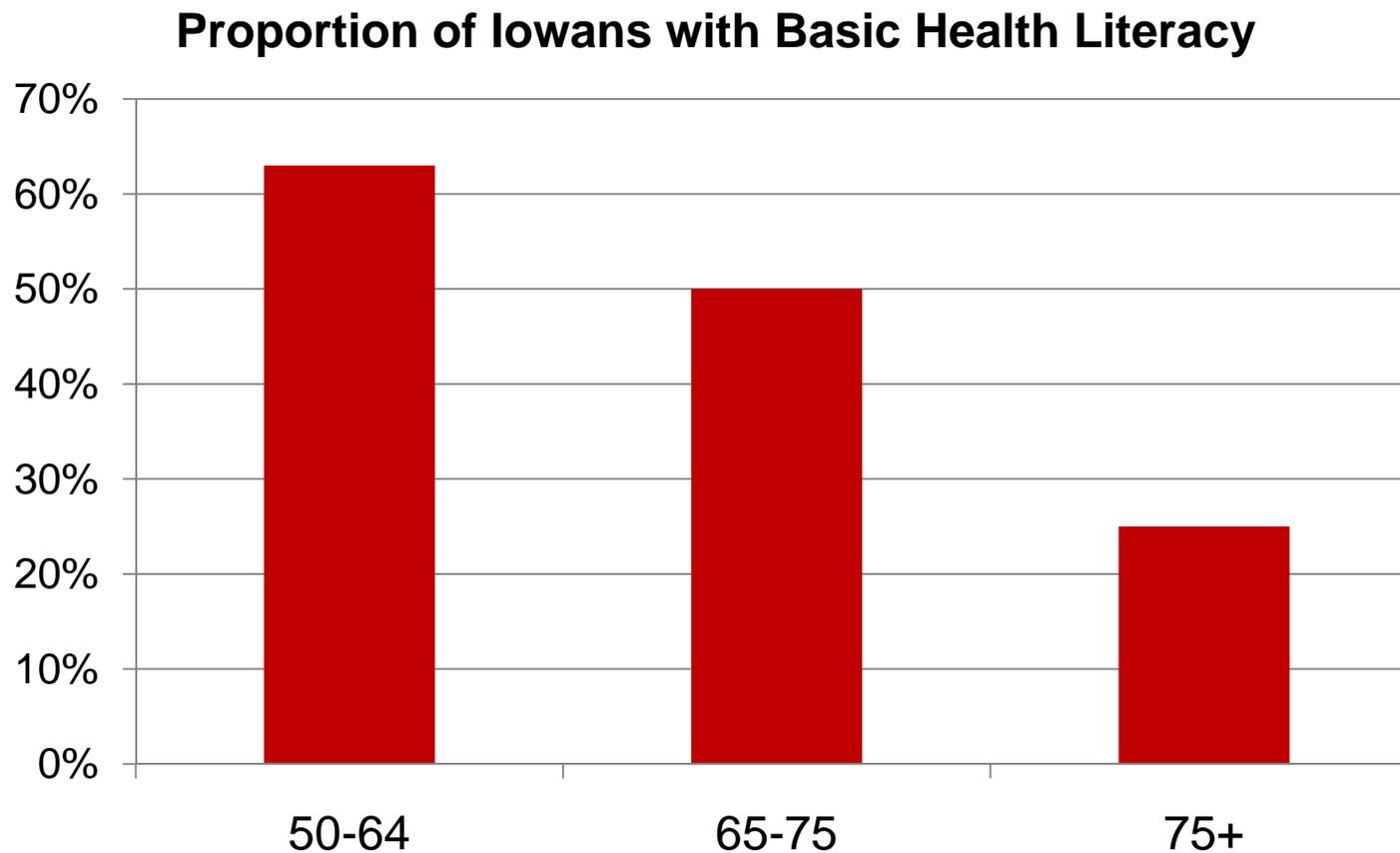
# ***Benefits of Geriatric Care***

- *For older adults...*  
more effective decision making & improved quality of life
- *For providers...*  
more efficient service delivery
- *For purchasers...*  
increased value in health care spending

# ***The State of Geriatric Care in Iowa***

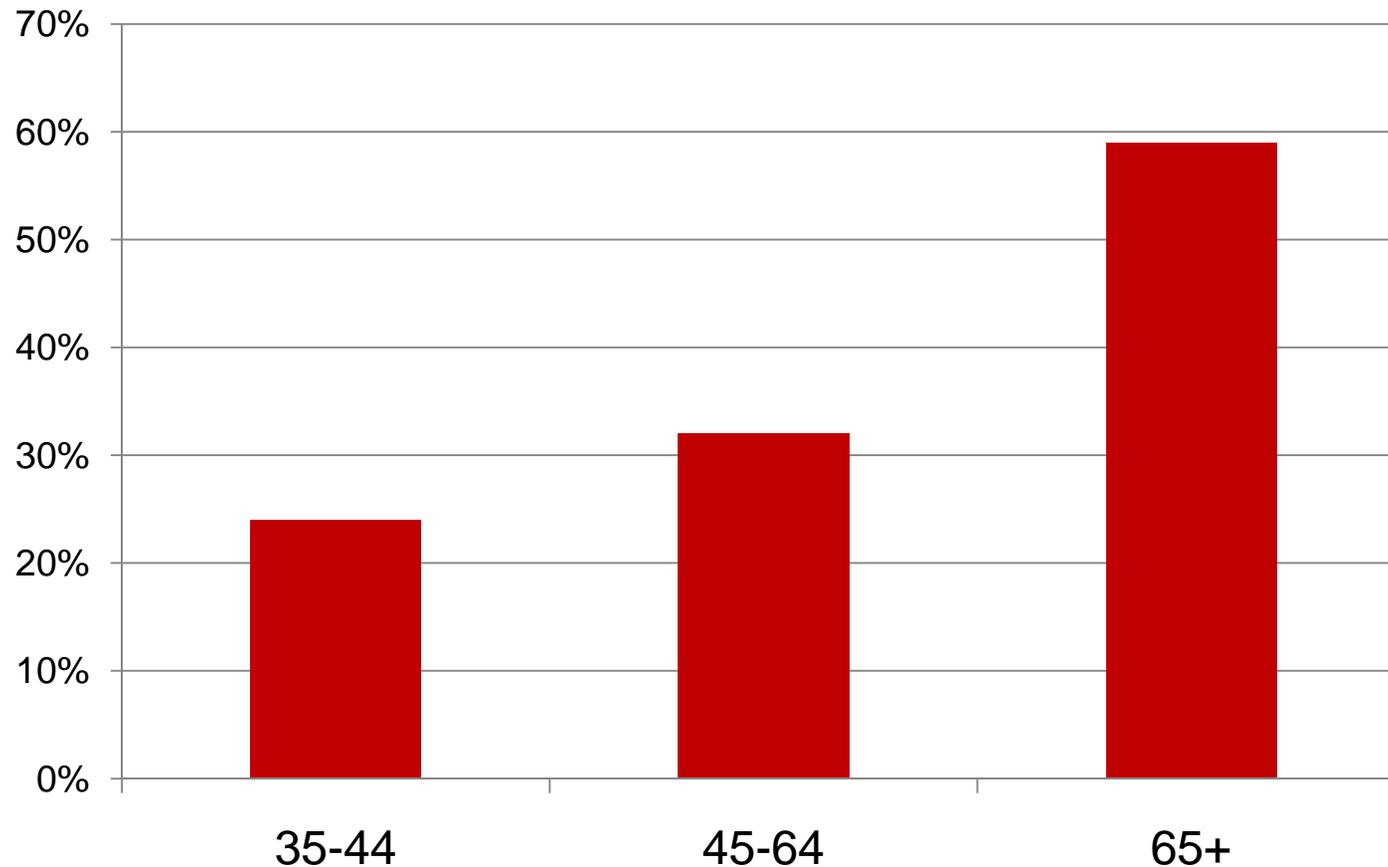
- Literacy and engagement among older Iowans
- Supply of geriatric providers
- Coordinated and comprehensive care

## ***Most older lowans are not well-informed about health care***



## ***Most older lowans do not exercise***

**Proportion of lowans with little or no physical activity**

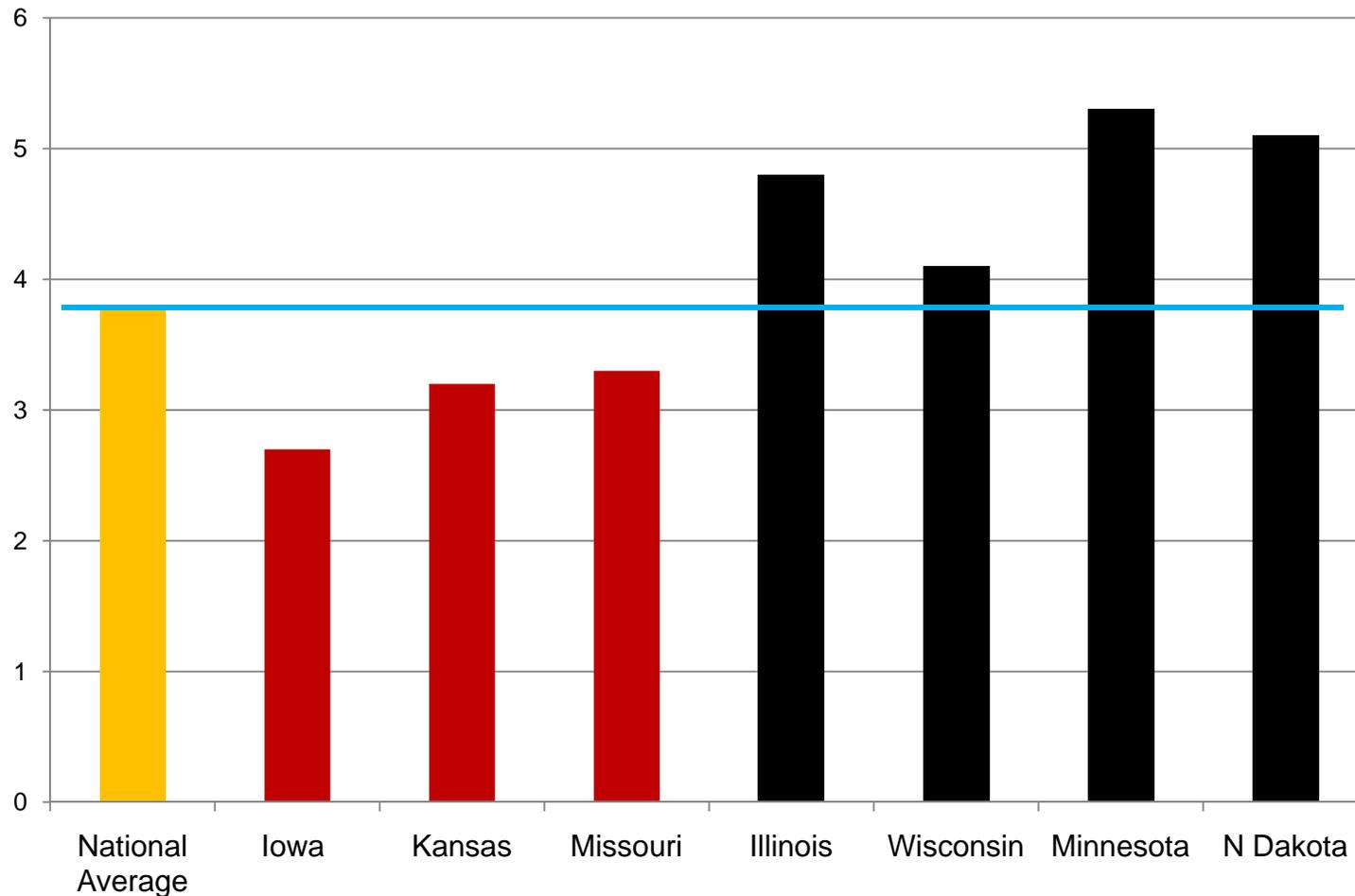


## ***Older Iowans need to:***

- Access reliable information about the aging process and geriatric care
- Increase participation in:
  - health promotion
  - disease prevention
  - treatment management
  - end-of-life care

***Iowa is below the national average in certified geriatricians.***

**Geriatricians Per 10,000 Older Adults**



## ***Recommendations:***

- Increase the number of health care providers with formal training, certification and/or licensure in geriatrics
- Expand provision of continuing education in geriatrics to all health care providers

# Increase interdisciplinary staffing and improve the coordination of geriatric care



Coordination Interdisciplinary



Geriatric Care



# ***Efforts to provide geriatric care across the Regents Institutions***



## ***Next steps...***

- Organize a Geriatric Health Care Advisory Council
  - Assemble experts from Regents Institutions and from across the state
  - Focus on how the Regents Institutions can enhance training and education
  - Consider other ways to enhance geriatric care

## ***Immediate action***

- Increase training efforts in geriatrics
  - *Targeted Faculty Recruitment*
  - *Student Development*
  - *Curriculum Offerings*
- Expand continuing education in geriatrics
  - *On-campus and off-campus conferences and workshops*
  - *System of state-wide training sites*
  - *Distance learning*



## ***Volume and Financial Performance***

Ken Fisher  
Associate Vice President for Finance and CFO,  
UI Hospitals and Clinics

# Volume Indicators

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	7,477	7,626	7,444	(149)	-2.0% ○	33	0.4% ○
Patient Days	45,929	50,039	49,089	(4,110)	-8.2% ●	(3,160)	-6.4% ●
Length of Stay	5.88	6.66	6.54	(0.78)	-11.7% ●	(0.66)	-10.1% ●
Average Daily Census	499.23	543.90	533.58	(44.67)	-8.2% ●	(34.35)	-6.4% ●
Surgeries – Inpatient	2,866	3,123	2,871	(257)	-8.2% ●	(5)	-0.2% ○
Surgeries – Outpatient	3,478	2,970	3,209	508	17.1% ●	269	8.4% ●
Emergency Treatment Center Visits	13,340	12,784	12,428	556	4.4% ●	912	7.3% ●
Outpatient Clinic Visits	191,732	189,191	185,402	2,541	1.3% ○	6,330	3.4% ●
Case Mix	1.7500	1.8399	1.8358	(0.0899)	-4.9%	(0.0858)	-4.7%
Medicare Case Mix	1.9382	2.0295	1.9303	(0.0913)	-4.5%	0.0079	0.4%

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

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	2,495	2,510	2,440	(15)	-0.6% ○	55	2.3% ○
Adult Surgical	3,345	3,481	3,490	(136)	-3.9% ●	(145)	-4.2% ●
Adult Psych	427	477	457	(50)	-10.5% ●	(30)	-6.6% ●
<i>Subtotal – Adult</i>	<i>6,267</i>	<i>6,468</i>	<i>6,387</i>	<i>(201)</i>	<i>-3.1% ●</i>	<i>(120)</i>	<i>-1.9% ○</i>
Pediatric Medical	837	798	703	39	4.9% ●	134	19.1% ●
Pediatric Surgical	41	42	61	(1)	-2.4% ○	(20)	-32.8% ●
Pediatric Critical Care	214	200	206	14	7.0% ●	8	3.9% ●
Pediatric Psych	118	118	87	0	0.0% ○	31	35.6% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>1,210</i>	<i>1,158</i>	<i>1,057</i>	<i>52</i>	<i>4.5% ●</i>	<i>153</i>	<i>14.5% ●</i>
Newborn	342	335	348	7	2.1% ○	(6)	-1.7% ○
<b>TOTAL w/o Newborn</b>	<b>7,477</b>	<b>7,626</b>	<b>7,444</b>	<b>(149)</b>	<b>-2.0% ○</b>	<b>33</b>	<b>0.4% ○</b>

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

# Discharge Days by Type

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	13,622	14,956	13,675	(1,334)	-8.9% ●	(53)	-0.4% ○
Adult Surgical	16,519	19,615	19,586	(3,096)	-15.8% ●	(3,067)	-15.7% ●
Adult Psych	5,059	3,185	4,989	1,874	58.8% ●	70	1.4% ○
<i>Subtotal – Adult</i>	<i>35,200</i>	<i>39,756</i>	<i>38,250</i>	<i>(4,556)</i>	<i>-11.5% ●</i>	<i>(3,050)</i>	<i>-8.0% ●</i>
Pediatric Medical	3,453	4,195	4,119	(742)	-17.7% ●	(666)	-16.2% ●
Pediatric Surgical	310	394	341	(84)	-21.3% ●	(31)	-9.1% ●
Pediatric Critical Care	4,444	5,432	5,212	(988)	-18.2% ●	(768)	-14.7% ●
Pediatric Psych	586	987	775	(401)	-40.6% ●	(189)	-24.4% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>8,793</i>	<i>11,008</i>	<i>10,447</i>	<i>(2,215)</i>	<i>-20.1% ●</i>	<i>(1,654)</i>	<i>-15.8% ●</i>
Newborn	780	784	818	(4)	-0.5% ○	(38)	-4.7% ●
<b>TOTAL w/o Newborn</b>	<b>43,993</b>	<b>50,764</b>	<b>48,697</b>	<b>(6,771)</b>	<b>-13.3% ●</b>	<b>(4,704)</b>	<b>-9.7% ●</b>

 Greater than 2.5% Favorable     
  Neutral     
  Greater than 2.5% Unfavorable

# Average Length of Stay by Type

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.46	5.96	5.60	(0.50)	-8.4% ●	(0.14)	-2.5% ●
Adult Surgical	4.94	5.64	5.61	(0.70)	-12.4% ●	(0.67)	-11.9% ●
Adult Psych	11.85	10.88	10.92	0.97	8.9% ●	0.93	8.5% ●
Subtotal – Adult	5.62	6.15	5.99	(0.53)	-8.6% ●	(0.37)	-6.2% ●
Pediatric Medical	4.13	5.25	5.86	(1.12)	-21.3% ●	(1.73)	-29.5% ●
Pediatric Surgical	7.56	9.37	5.59	(1.81)	-19.3% ●	1.97	35.2% ●
Pediatric Critical Care	20.77	27.11	25.30	(6.34)	-23.4% ●	(4.53)	-17.9% ●
Pediatric Psych	4.97	8.39	8.91	(3.42)	-40.8% ●	(3.94)	-44.2% ●
Subtotal – Pediatrics w/o newborn	7.27	9.50	9.88	(2.23)	-23.5% ●	(2.61)	-26.4% ●
Newborn	2.28	2.34	2.35	(0.06)	-2.5% ●	(0.07)	-3.0% ●
<b>TOTAL w/o Newborn</b>	<b>5.88</b>	<b>6.66</b>	<b>6.54</b>	<b>(0.78)</b>	<b>-11.7% ●</b>	<b>(0.66)</b>	<b>-10.1% ●</b>

 Greater than 2.5% Favorable     
  Neutral     
  Greater than 2.5% Unfavorable

# Outpatient Surgeries – by Clinical Department

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	18	14	18	4	27.4% ●	0	0.0% ○
Dentistry	170	115	143	55	47.8% ●	27	18.9% ●
Dermatology	16	11	13	5	48.8% ●	3	23.1% ●
General Surgery	507	388	442	119	30.7% ●	65	14.7% ●
Gynecology	174	152	162	22	14.3% ●	12	7.4% ●
Internal Medicine	5	1	1	4	400.0% ●	4	400.0% ●
Neurosurgery	103	65	78	38	58.0% ●	25	32.1% ●
Ophthalmology	815	767	888	48	6.2% ●	(73)	-8.2% ●
Orthopedics	815	692	669	123	17.9% ●	146	21.8% ●
Otolaryngology	538	439	467	99	22.5% ●	71	15.2% ●
Pediatrics	2	1	0	1	100.0% ●	2	100.0% ●
Radiology – Interventional	16	3	0	13	433.3% ●	16	100.0% ●
Urology w/ Procedure Ste.	299	322	328	(23)	-7.2% ●	(29)	-8.8% ●
<b>Total</b>	<b>3,478</b>	<b>2,970</b>	<b>3,209</b>	<b>508</b>	<b>17.1% ●</b>	<b>269</b>	<b>8.4% ●</b>

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

# Inpatient Surgeries – by Clinical Department

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	293	308	241	(15)	-4.7% ●	52	21.6% ●
Dentistry	35	45	41	(10)	-21.6% ●	(6)	-14.6% ●
General Surgery	658	780	749	(122)	-15.7% ●	(91)	-12.1% ●
Gynecology	244	240	196	4	1.5% ○	48	24.5% ●
Neurosurgery	456	467	451	(11)	-2.4% ○	5	1.1% ○
Ophthalmology	24	44	41	(20)	-45.8% ●	(17)	-41.5% ●
Orthopedics	725	790	745	(65)	-8.3% ●	(20)	-2.7% ●
Otolaryngology	179	223	214	(44)	-19.8% ●	(35)	-16.4% ●
Pediatrics	0	0	0	0	0.0% ○	0	0.0% ○
Radiology – Interventional	81	19	0	62	326.3% ●	81	100.0% ●
Urology w/ Procedure Ste.	171	207	193	(36)	-17.4% ●	(22)	-11.4% ●
<b>Total</b>	<b>2,866</b>	<b>3,123</b>	<b>2,871</b>	<b>(257)</b>	<b>-8.2% ●</b>	<b>(5)</b>	<b>-0.2% ○</b>

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

# Emergency Treatment Center

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ETC Visits	13,340	12,784	12,428	556	4.4% ●	912	7.3% ●
ETC Admits	3,348	3,428	3,265	(80)	-2.3% ○	83	2.5% ●
Conversion Factor	25.1%	26.8%	26.3%		-6.4% ●		-4.5% ●
ETC Admits / Total Admits	44.5%	45.1%	44.1%		-1.4% ○		0.9% ○

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

# Clinic Visits by Clinical Department

## July through September 2009



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Anesthesia	4,085	3,823	3,767	262	6.9% ●	318	8.4% ●
CDD	1,898	1,902	1,929	(4)	-0.2% ○	(31)	-1.6% ○
Clinical Research	3,357	2,170	1,944	1,187	54.7% ●	1,413	72.7% ●
Dermatology	6,387	6,299	6,459	88	1.4% ○	(72)	-1.1% ○
ETC	13,340	12,784	12,430	556	4.4% ●	910	7.3% ●
Employee Health Clinic	4,020	4,256	5,032	(236)	-5.6% ●	(1,012)	-20.1% ●
Family Care Center	22,669	23,772	23,203	(1,103)	-4.6% ●	(534)	-2.3% ○
General Surgery	7,338	6,921	6,931	417	6.0% ●	407	5.9% ●
Hospital Dentistry	3,193	2,521	5,917	672	26.7% ●	(2,724)	-46.0% ●
Internal Medicine	30,058	29,726	27,182	332	1.1% ○	2,876	10.6% ●
Iowa Care Clinic	4,341	3,367	3,266	974	28.9% ●	1,075	32.9% ●
Neurology	4,623	4,377	3,931	246	5.6% ●	692	17.6% ●
Neurosurgery	2,518	2,373	2,375	145	6.1% ●	143	6.0% ●
Obstetrics/Gynecology	19,238	18,666	17,546	572	3.1% ●	1,692	9.6% ●
Ophthalmology	17,573	19,147	18,329	(1,574)	-8.2% ●	(756)	-4.1% ●
Orthopedics	14,274	14,032	13,439	242	1.7% ○	835	6.2% ●
Otolaryngology	7,092	7,305	7,204	(213)	-2.9% ●	(112)	-1.6% ○
Pediatrics	10,278	10,108	9,820	170	1.7% ○	458	4.7% ●
Psychiatry	10,619	10,854	9,964	(235)	-2.2% ○	655	6.6% ●
Thoracic – Cardio Surgery	694	699	619	(5)	-0.7% ○	75	12.1% ●
Urology	4,014	3,937	3,936	77	2.0% ○	78	2.0% ○
Other	123	152	179	(29)	-19.1% ●	(56)	-31.3% ●
<b>Total</b>	<b>191,732</b>	<b>189,191</b>	<b>185,402</b>	<b>2,541</b>	<b>1.3% ○</b>	<b>6,330</b>	<b>3.4% ●</b>



Greater than 2.5% Favorable

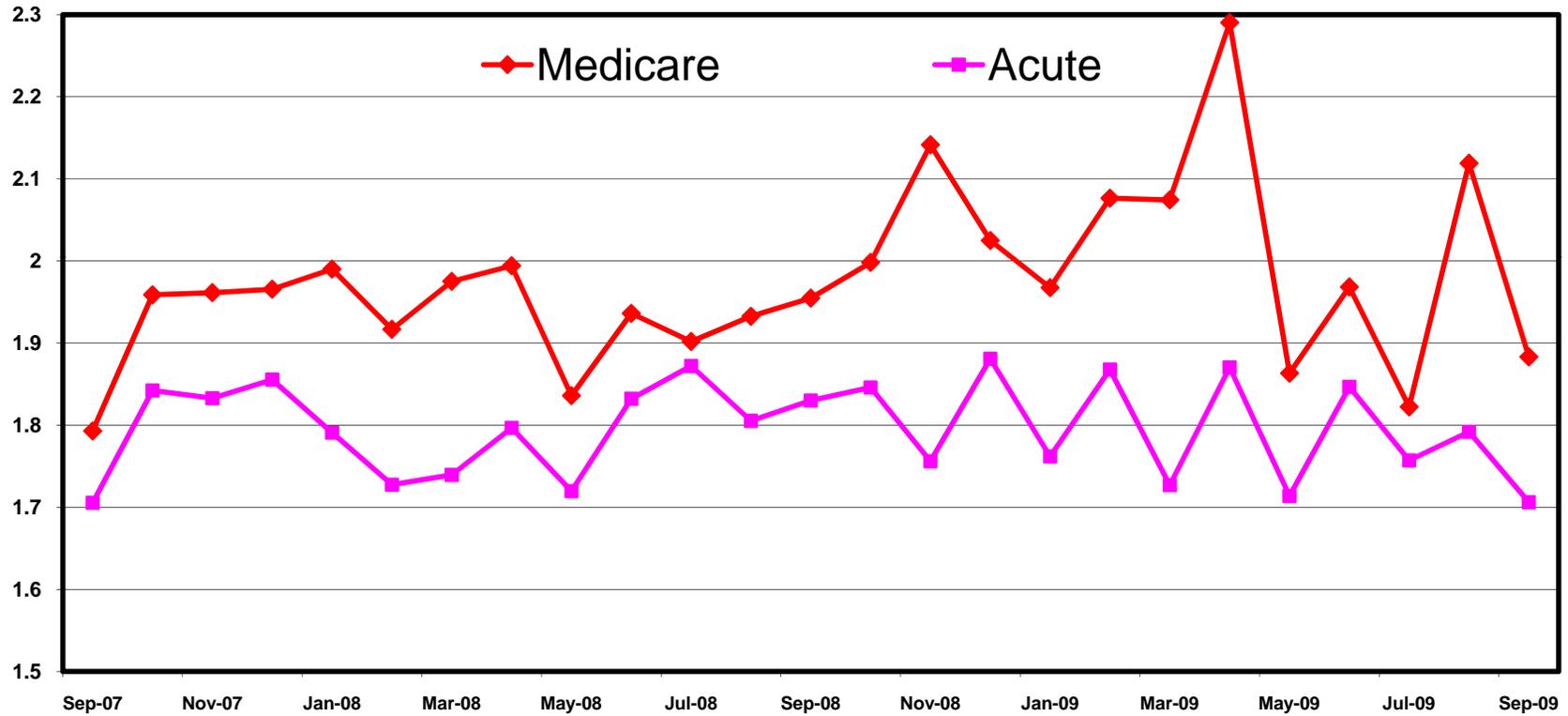


Neutral



Greater than 2.5% Unfavorable

# Case Mix Index



# UIHC Comparative Financial Results

Fiscal Year to Date September 2009



NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$218,693	\$226,646	\$221,436	(\$7,953)	-3.5%	(\$2,743)	-1.2%
Appropriations	-	-	1,754	-	0.0%	(1,754)	-100.0%
Other Operating Revenue	11,770	12,039	11,680	(269)	-2.2%	90	0.8%
<b>Total Revenue</b>	<b>\$230,463</b>	<b>\$238,685</b>	<b>\$234,870</b>	<b>(\$8,222)</b>	<b>-3.4%</b>	<b>(\$4,407)</b>	<b>-1.9%</b>

## EXPENSES:

Salaries and Wages	\$117,422	\$120,700	\$127,636	(\$3,278)	-2.7%	(\$10,214)	-8.0%
General Expenses	93,641	98,038	93,167	(4,397)	-4.5%	474	0.5%
Operating Expense before Capital	\$211,063	\$218,738	\$220,803	(\$7,675)	-3.5%	(\$9,740)	-4.4%
<b>Cash Flow Operating Margin</b>	<b>\$19,400</b>	<b>\$19,947</b>	<b>\$14,067</b>	<b>(\$547)</b>	<b>-2.7%</b>	<b>\$5,333</b>	<b>37.9%</b>
Capital- Depreciation and Amortization	18,513	19,092	16,948	(579)	-3.0%	1,565	9.2%
Total Operating Expense	\$229,576	\$237,830	\$237,751	(\$8,254)	-3.5%	(\$8,165)	-3.4%

<b>Operating Income</b>	<b>\$887</b>	<b>\$855</b>	<b>(\$2,881)</b>	<b>\$32</b>	<b>3.7%</b>	<b>\$3,768</b>	<b>130.8%</b>
<b>Operating Margin %</b>	<b>0.4%</b>	<b>0.4%</b>	<b>-1.2%</b>		<b>0.0%</b>		<b>1.6%</b>
Gain (Loss) on Investments	18,868	2,598	2,872	16,270	626.3%	15,996	557.0%
Other Non-Operating	(1,257)	(1,277)	(958)	20	1.6%	(299)	-31.2%
<b>Net Income</b>	<b>\$18,498</b>	<b>\$2,176</b>	<b>(\$967)</b>	<b>\$16,322</b>	<b>750.1%</b>	<b>\$19,465</b>	<b>2012.9%</b>
<b>Net Margin %</b>	<b>7.4%</b>	<b>0.9%</b>	<b>-0.4%</b>		<b>6.5%</b>		<b>7.8%</b>

# UIHC Comparative Financial Results

September 2009



<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	\$76,471	\$74,921	\$75,975	\$1,550	2.1%	\$496	0.7%
Appropriations	-	-	585	-	0.0%	(585)	-100.0%
Other Operating Revenue	3,720	3,997	3,872	(277)	-6.9%	(152)	-3.9%
<b>Total Revenue</b>	<b>\$80,191</b>	<b>\$78,918</b>	<b>\$80,432</b>	<b>\$1,273</b>	<b>1.6%</b>	<b>(\$241)</b>	<b>-0.3%</b>

## EXPENSES:

Salaries and Wages	\$39,107	\$40,164	\$44,513	(\$1,057)	-2.6%	(\$5,406)	-12.1%
General Expenses	33,376	32,569	32,412	807	2.5%	964	3.0%
Operating Expense before Capital	\$72,483	\$72,733	\$76,925	(\$250)	-0.3%	(\$4,442)	-5.8%
<b>Cash Flow Operating Margin</b>	<b>\$7,708</b>	<b>\$6,185</b>	<b>\$3,507</b>	<b>\$1,523</b>	<b>24.6%</b>	<b>\$4,201</b>	<b>119.8%</b>
Capital- Depreciation and Amortization	6,130	6,364	5,681	(234)	-3.7%	449	7.9%
Total Operating Expense	\$78,613	\$79,097	\$82,606	(\$484)	-0.6%	(\$3,993)	-4.8%

<b>Operating Income</b>	<b>\$1,578</b>	<b>(\$179)</b>	<b>(\$2,174)</b>	<b>\$1,757</b>	<b>981.6%</b>	<b>\$3,752</b>	<b>172.6%</b>
<b>Operating Margin %</b>	<b>2.0%</b>	<b>-0.2%</b>	<b>-2.7%</b>		<b>2.2%</b>		<b>4.7%</b>
Gain (Loss) on Investments	5,304	866	842	4,438	512.5%	4,462	529.9%
Other Non-Operating	(416)	(426)	(305)	10	2.4%	(111)	-36.4%
<b>Net Income</b>	<b>\$6,466</b>	<b>\$261</b>	<b>(\$1,637)</b>	<b>\$6,205</b>	<b>2377.4%</b>	<b>\$8,103</b>	<b>495.0%</b>
<b>Net Margin %</b>	<b>7.6%</b>	<b>0.3%</b>	<b>-2.0%</b>		<b>7.3%</b>		<b>9.6%</b>

# UIP Comparative Financial Results

Year-to-Date September 2009

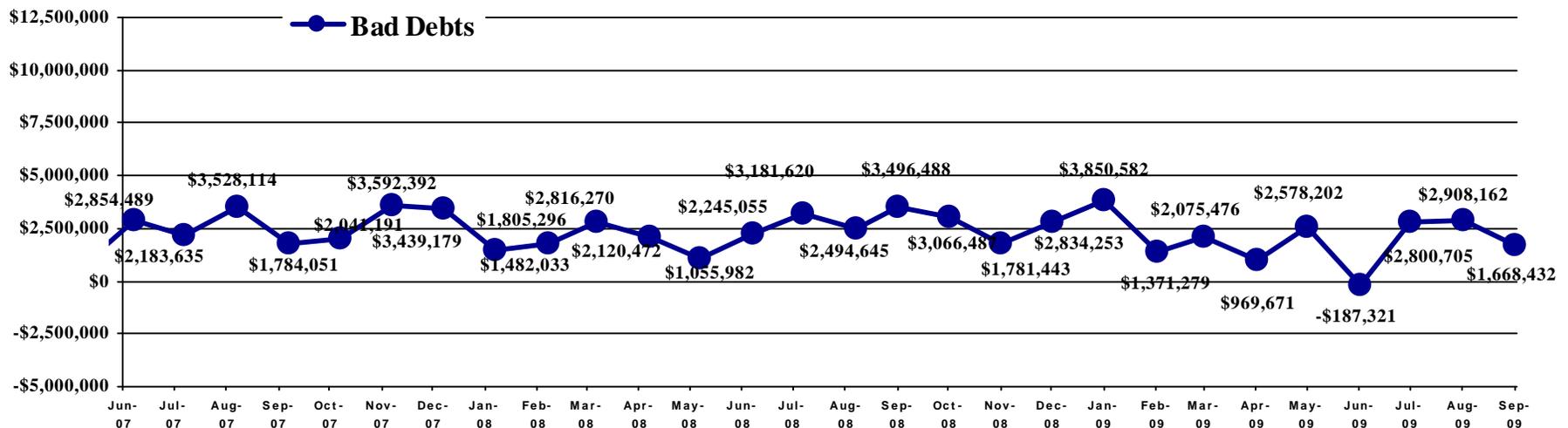
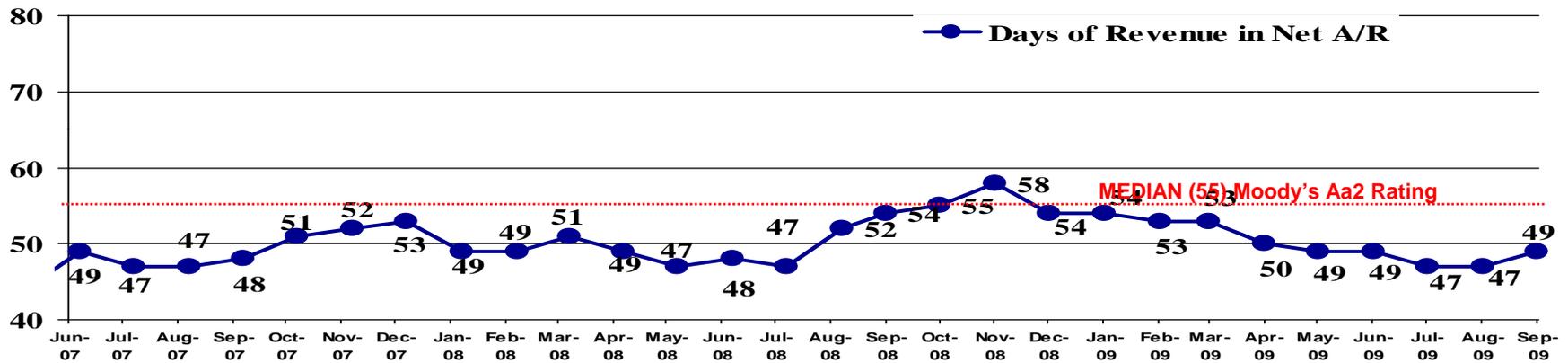


REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenues	49,123,625	45,914,658	44,307,033	3,208,967	7.0%	4,816,592	10.9%
Other Operating Revenue	2,928,591	3,725,853	2,174,904	(797,262)	-21.4%	753,687	34.7%
<b>Total Net Operating Revenue</b>	<b>52,052,216</b>	<b>49,640,511</b>	<b>46,481,937</b>	<b>2,411,705</b>	<b>4.9%</b>	<b>5,570,279</b>	<b>12.0%</b>
<b>EXPENSES:</b>							
Personnel Expense	33,944,318	33,536,457	34,443,131	407,861	1.2%	(498,813)	-1.4%
Non-Personnel Expenses	3,394,871	3,343,260	3,245,775	51,611	1.5%	149,096	4.6%
Overhead	10,941,211	10,680,258	10,404,452	260,953	2.4%	536,759	5.2%
<b>Total Operating Expenses</b>	<b>48,280,400</b>	<b>47,559,975</b>	<b>48,093,358</b>	<b>720,425</b>	<b>1.5%</b>	<b>187,042</b>	<b>0.4%</b>
<b>Operating Income</b>	<b>3,771,816</b>	<b>2,080,536</b>	<b>-1,611,421</b>	<b>1,691,280</b>	<b>81.3%</b>	<b>5,383,237</b>	<b>334.1%</b>
<b>Operating Income %</b>	<b>7.2%</b>	<b>4.2%</b>	<b>-3.5%</b>		<b>72.9%</b>		<b>309.0%</b>
Non Operating Revenue & Expense	(4,482)			(4,482)		(4,482)	
<b>Net Income (Loss)</b>	<b>3,767,334</b>	<b>2,080,536</b>	<b>-1,611,421</b>	<b>1,686,798</b>	<b>81.1%</b>	<b>5,378,755</b>	<b>333.8%</b>
<b>Net Income (Loss) %</b>	<b>7.2%</b>	<b>4.2%</b>	<b>-3.5%</b>		<b>72.7%</b>		<b>308.8%</b>

# Comparative Accounts Receivable at September 30, 2009



	June 30, 2008	June 30, 2009 (preliminary)	September 30, 2009
Net Accounts Receivable	\$111,208,325	\$121,515,935	\$119,963,547
Net Days in AR	48	49	49





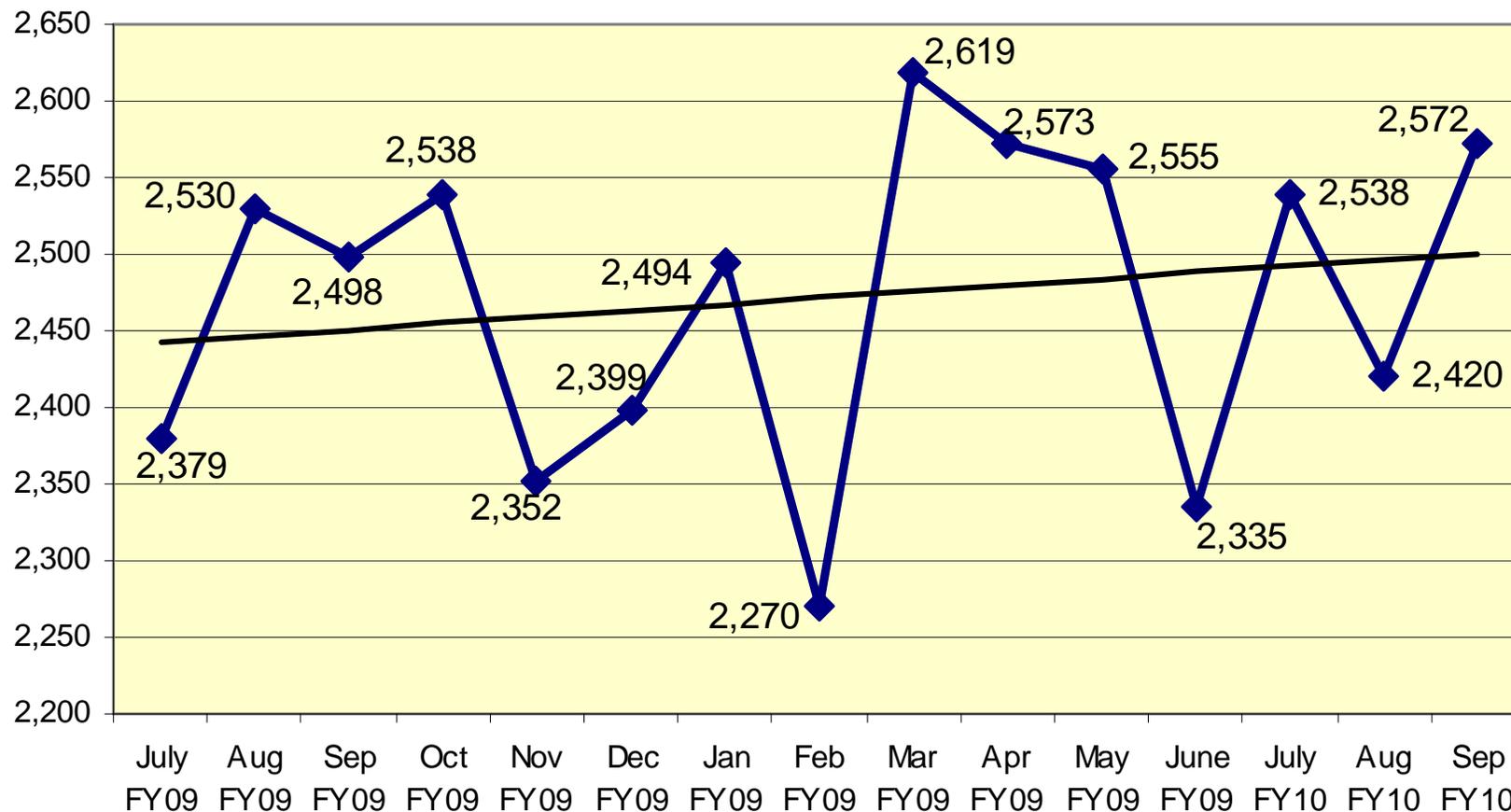
## ***Expense Moderation Update***

Ken Kates  
Associate Vice President and CEO,  
UI Hospitals and Clinics

# Admissions



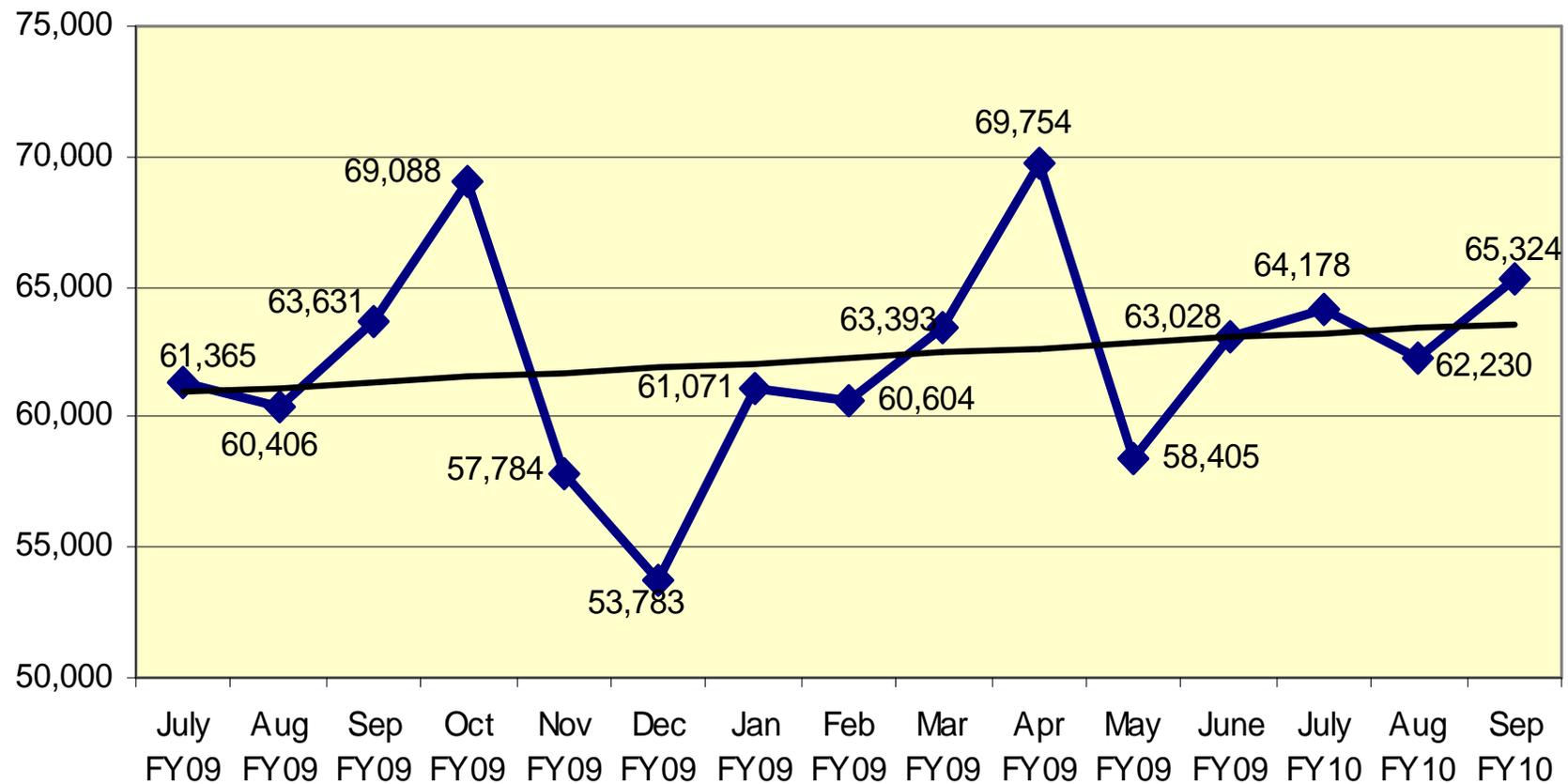
Admissions continue to trend upward, increasing 8% since July 2008. September had the highest inpatient admissions this fiscal year.



# Ambulatory Visits

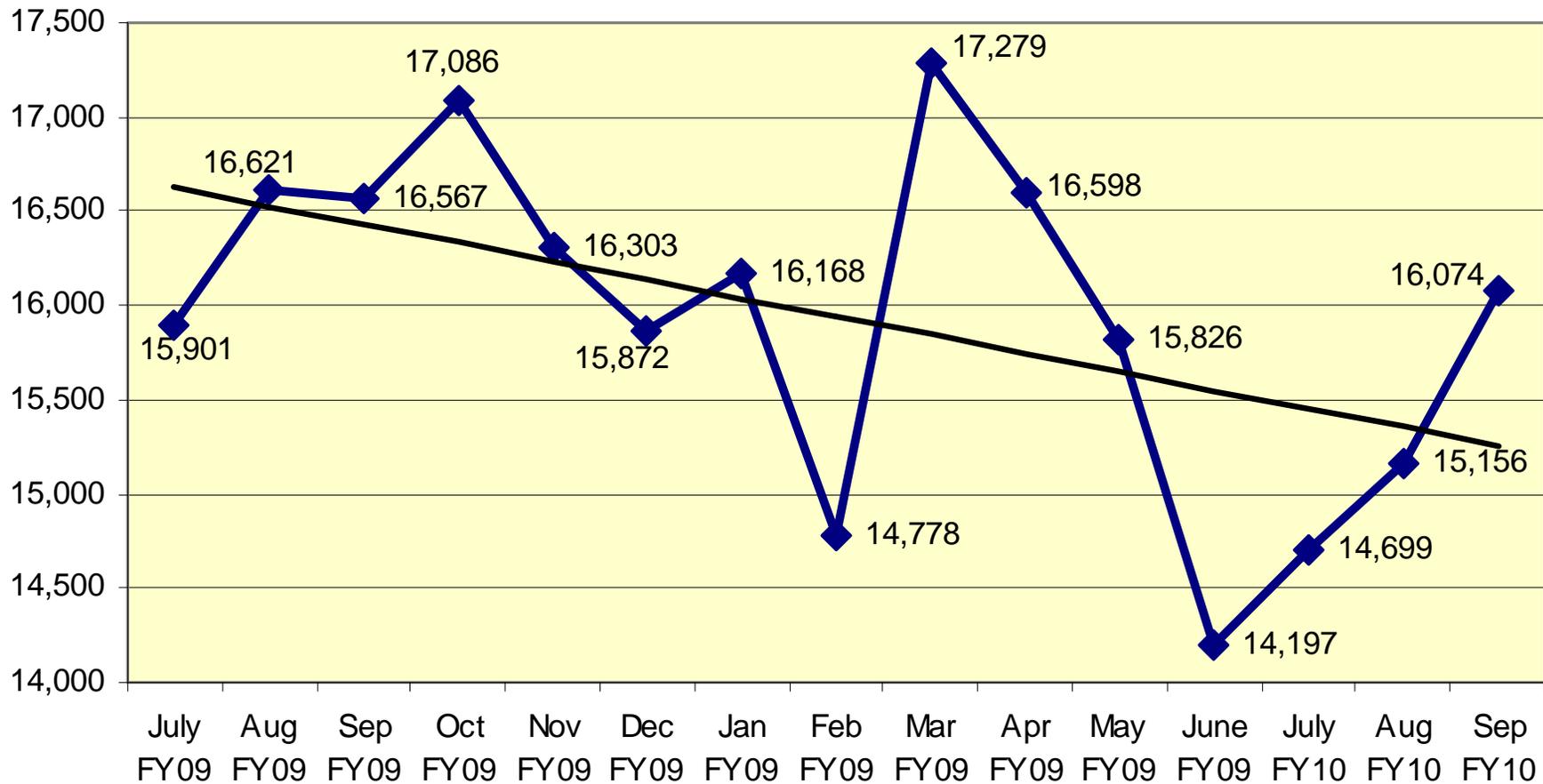


Ambulatory visits have increased 6% since July 2008. September was our third busiest month over the past 14 months.



# Patient Days

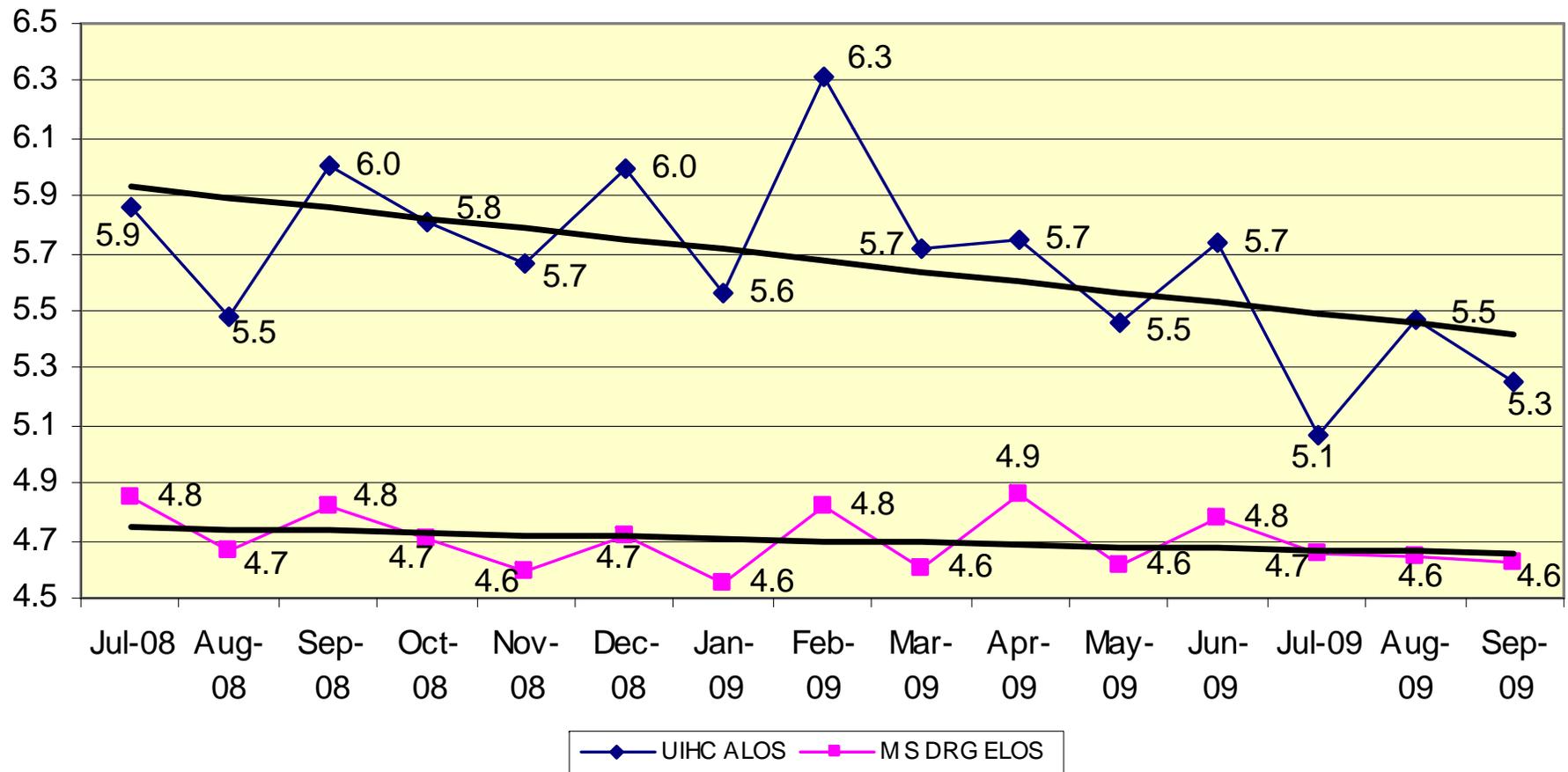
Patient days continue to trend downward driven primarily by improvements in managing length of stay. Over the past four months, the increase in patient days is related to the increase in admissions.



# Adult Length of Stay (excluding Psych)



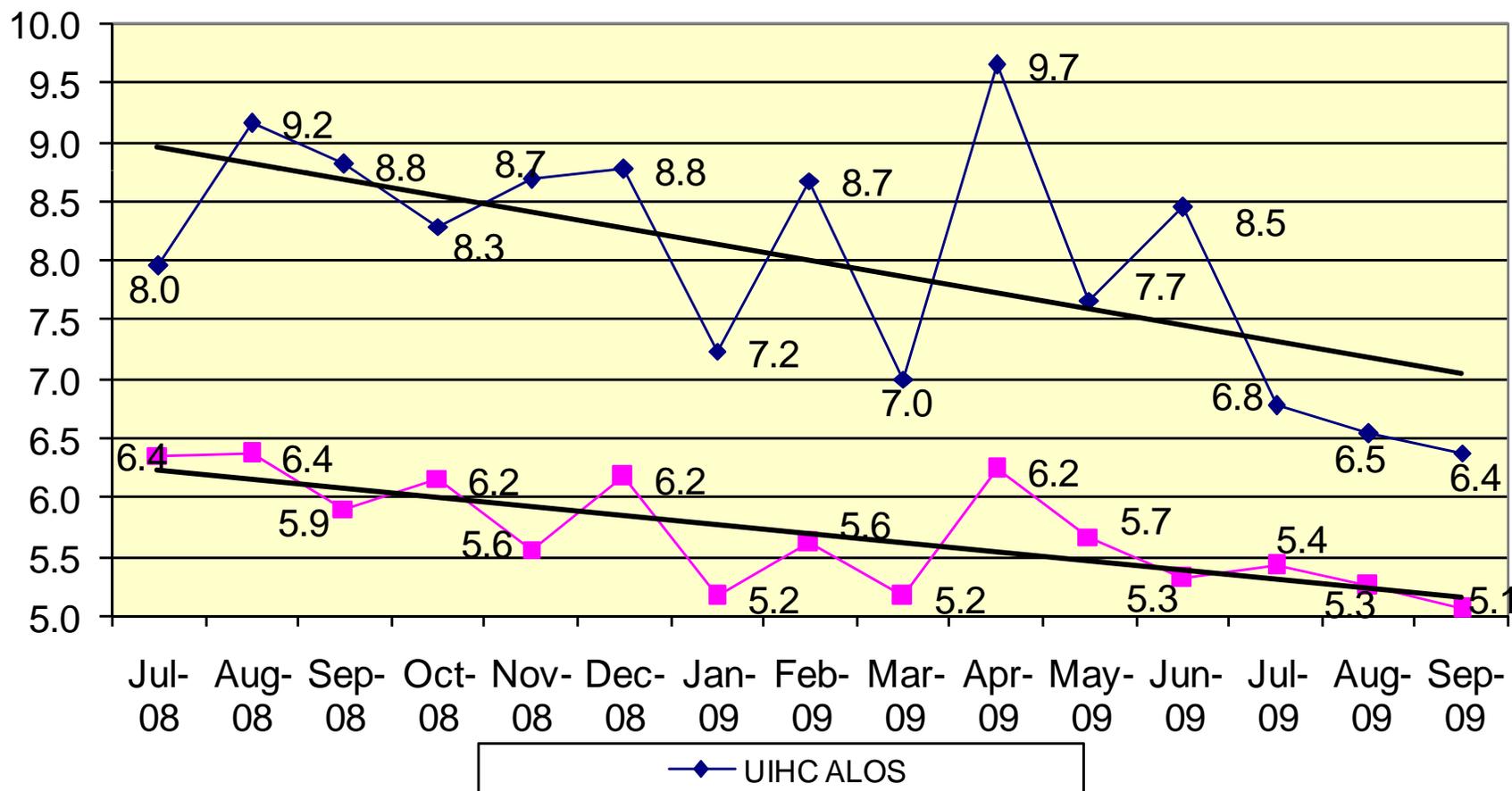
Adult length of stay continues to improve, approaching benchmark targets.



# Pediatric Length of Stay (excl Psych & normal newborn)



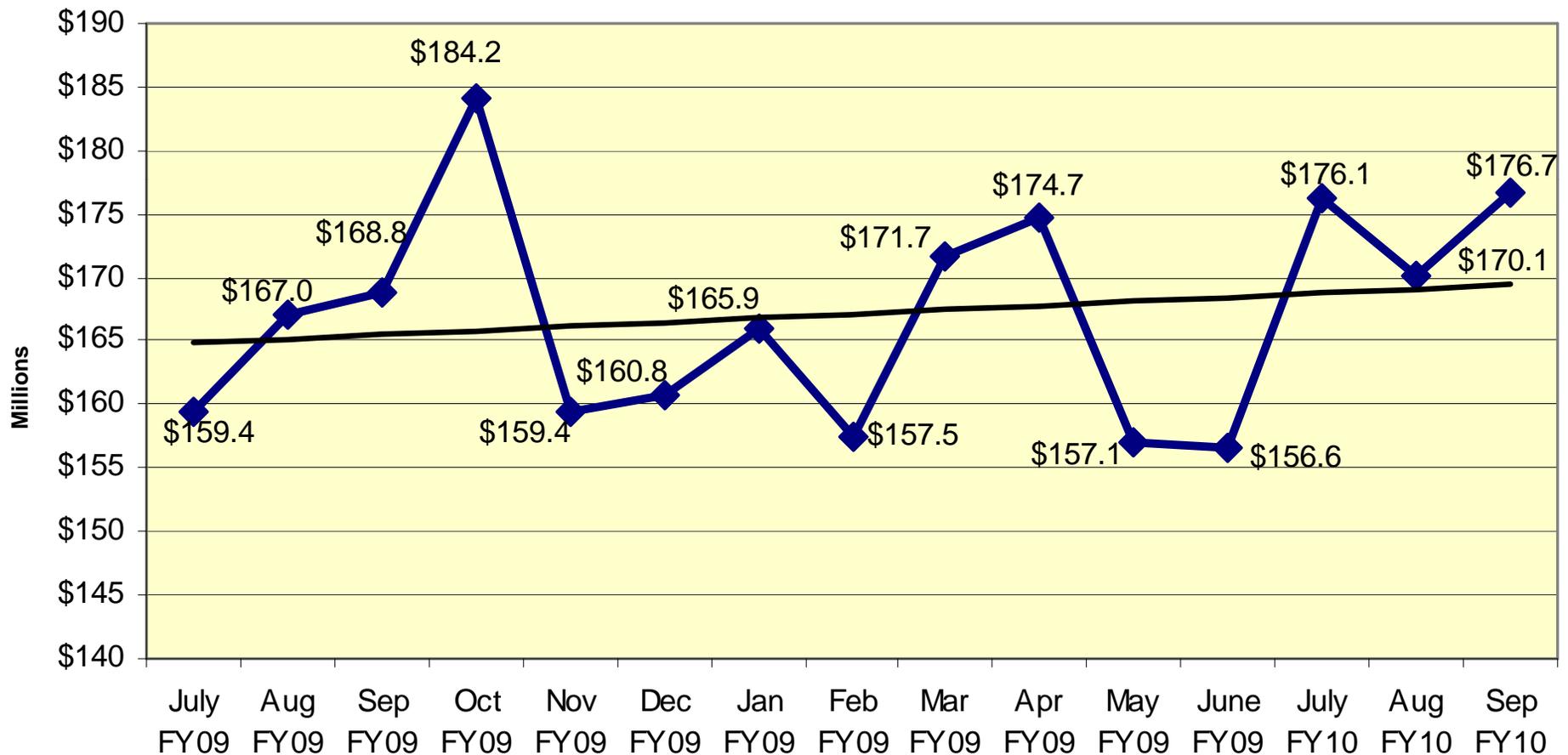
Pediatric length of stay improvements continue to be achieved.



# Gross Patient Revenues



Gross revenues are up 11% since July 2008<sup>1</sup>. September had the highest gross charges over the past 11 months.

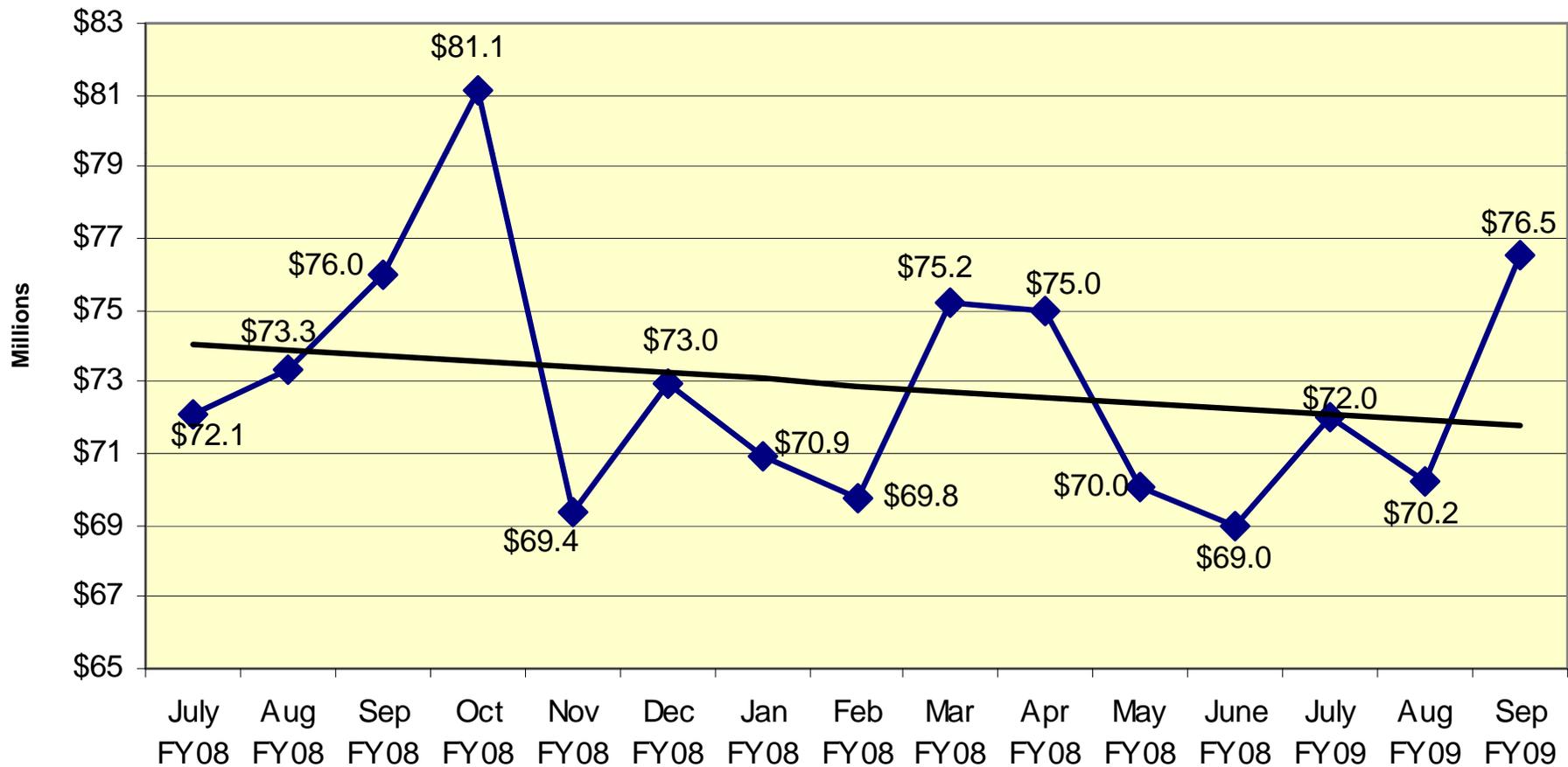


<sup>1</sup> Adjusted for the annual charge increase of 6% instituted in July, 2009, revenues are up 5%

# Net Patient Revenues



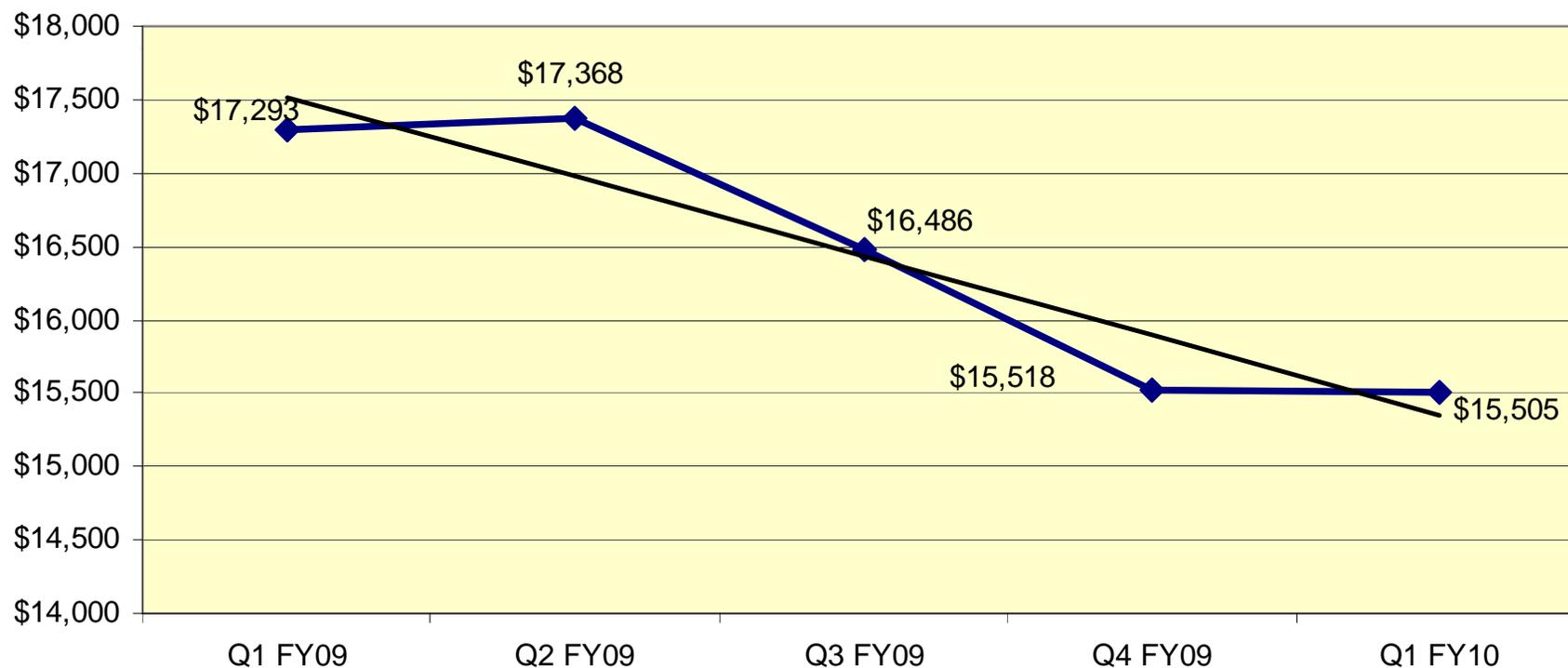
Net patient revenues were strong in September. This increase was heavily driven by improved length of stay management as a majority of inpatients are reimbursed by a case rate.



# Net Patient Revenues per Adjusted Admission



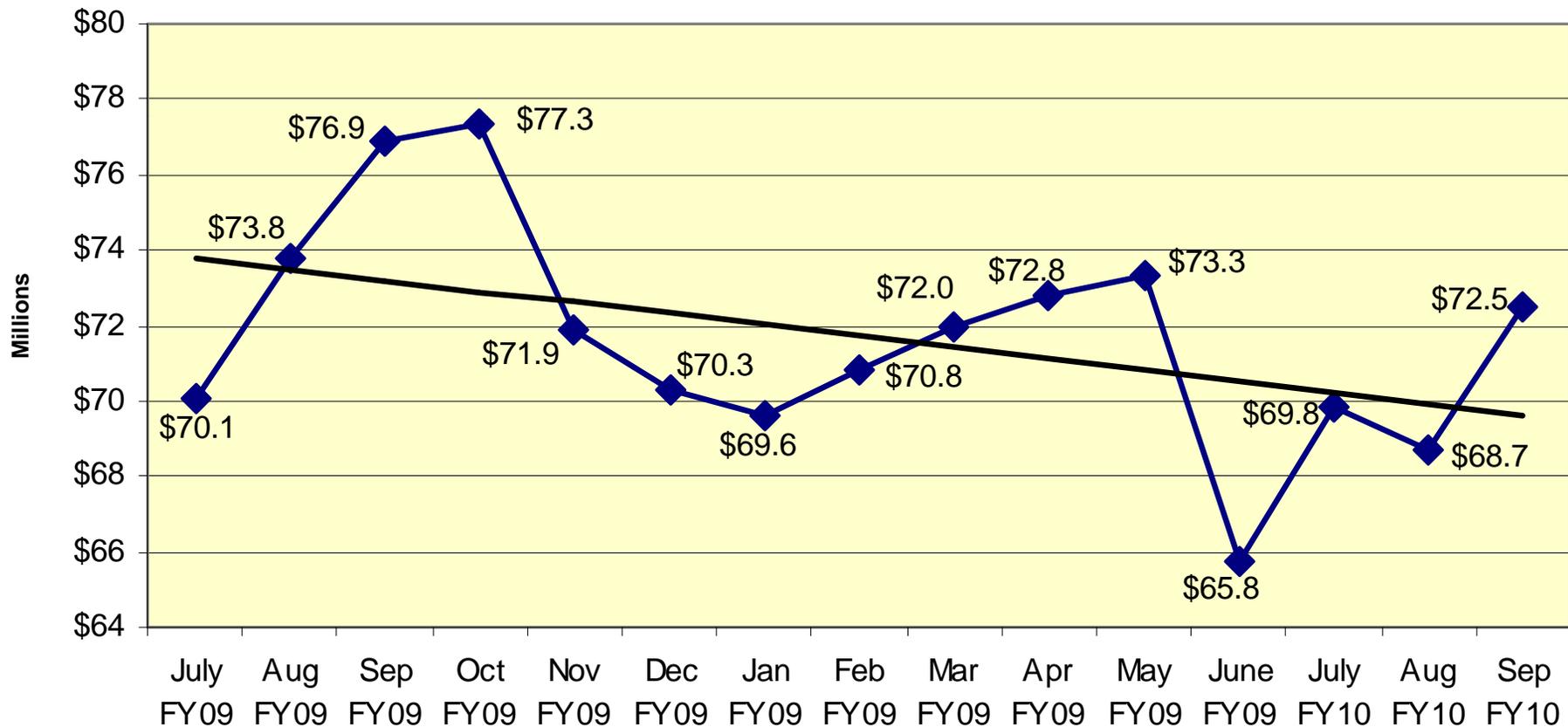
While inpatient admissions, operative case volumes and ambulatory visit volumes are increasing, our net patient revenue per adjusted admission is trending downward. This is primarily due to payer mix shifts (decreasing private payers and increasing government payers) and reduced reimbursement rates.



# Total Operating Expenses



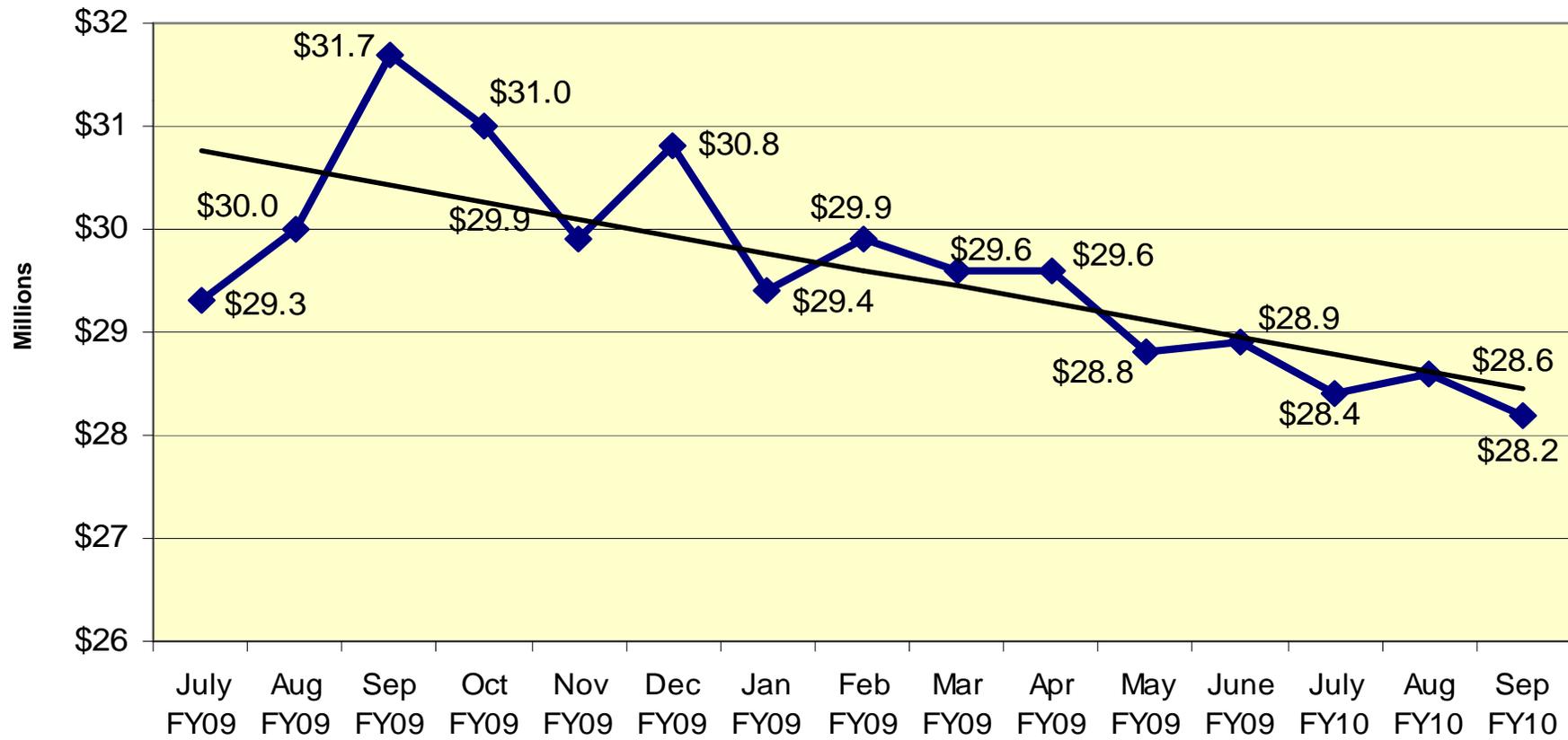
UIHC continues to manage operating expenses well. Compared to the first quarter of last fiscal year, this year's expenses are down \$8.1m (3%).



# Salary and Wage (only) Expenses



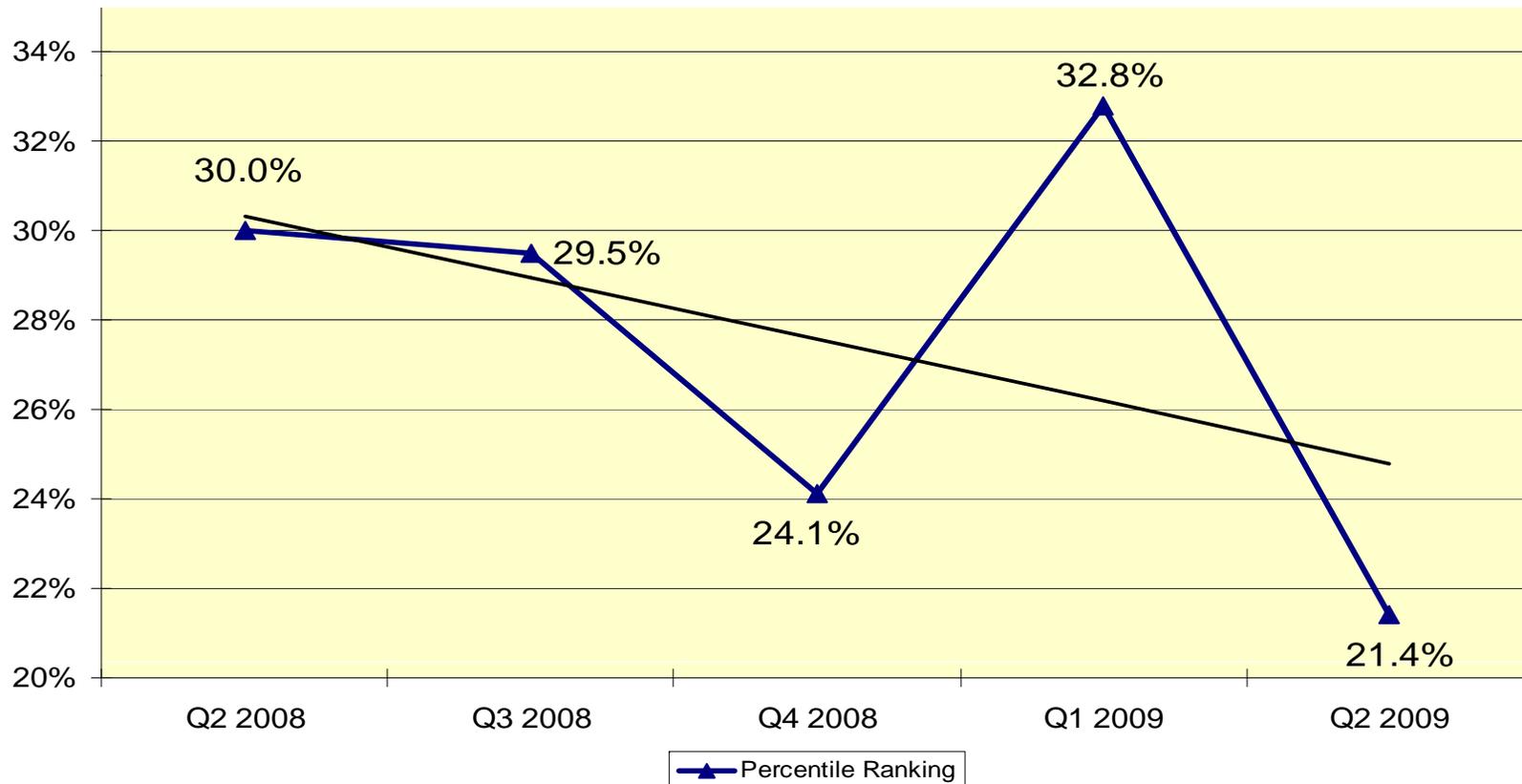
Salary and wage expenses continue to decline, down 11% over the past 13 months. The first quarter of salary and wage expenses is down \$10m (8%) compared to the first quarter of last fiscal year.



## Total Expense AWI Adjusted (Excluding Provider) per CMI Weighted Adjusted Pt Day- Peer Benchmarking Q2 2009



Over the past five quarters, UIHC has continued to improve total expense management performance compared to other academic medical centers. Adjusted for wage differences and acuity, UIHC was in the 21<sup>st</sup> percentile for April-June 2009.

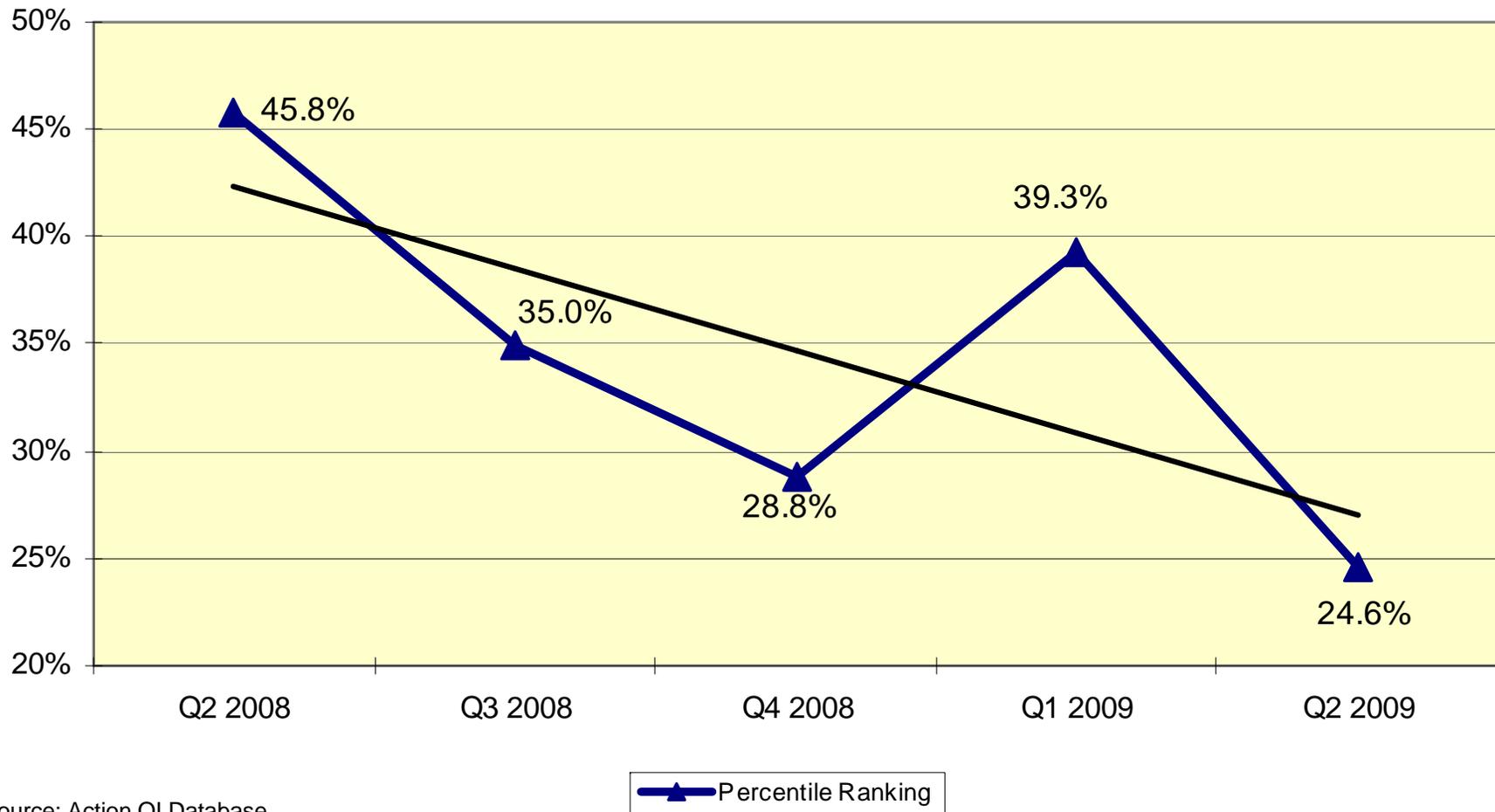


Source: Action OI Database

## Staff Salary AWI CMI Weighted Adjusted Patient Day- Peer Benchmarking Q2 2009



Staff salary expenses adjusted for wage differences and patient acuity are performing well compared to peer institutions. UIHC was at the 25th percentile for the most recent quarter.

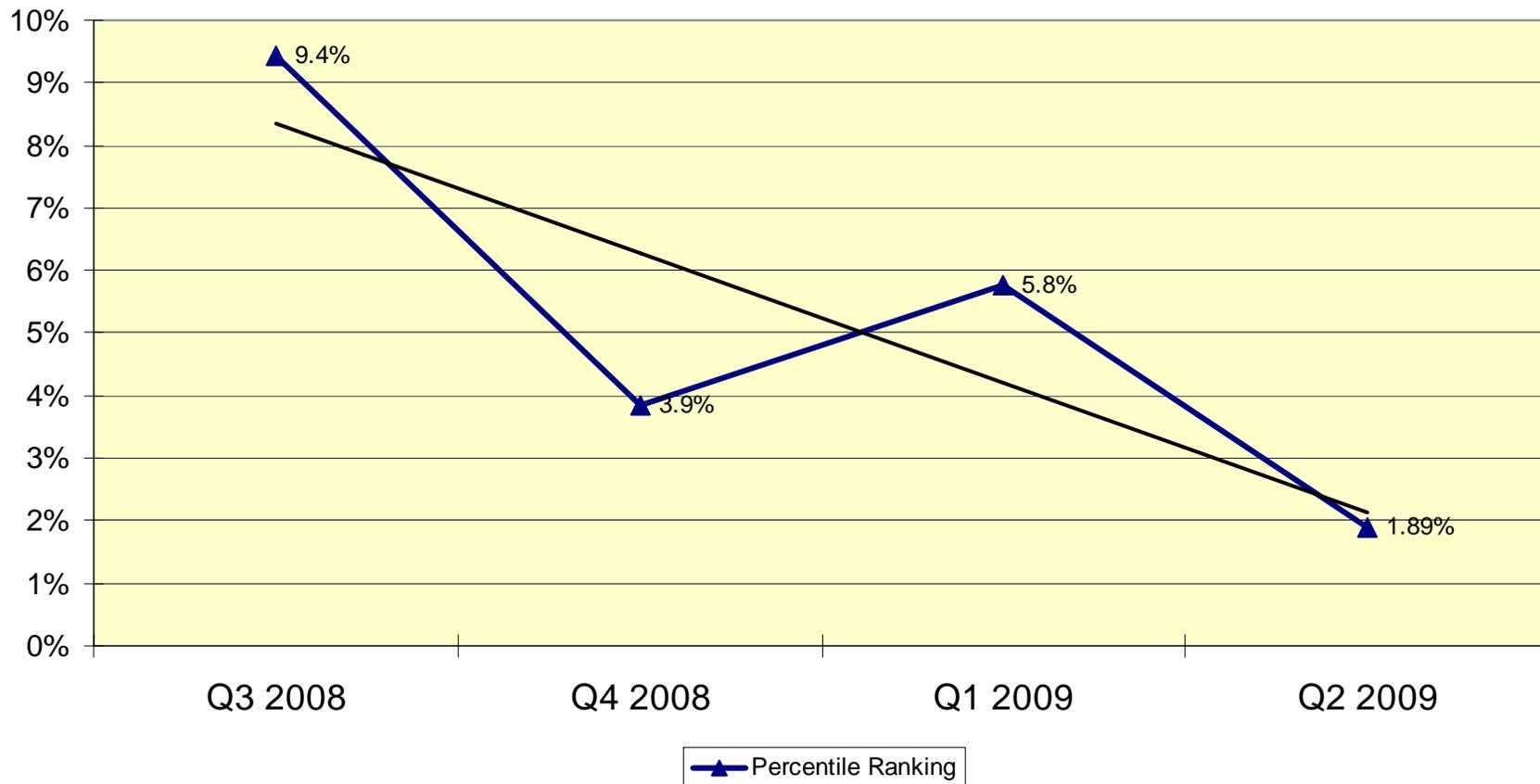


Source: Action OI Database

# Overtime Hours as a % of Staff Worked Hours- Peer Benchmarking Q2 2009



UIHC is a best performer for managing overtime hours. For the period of April-June 2009, we are in the top 2% among academic medical centers nationally.

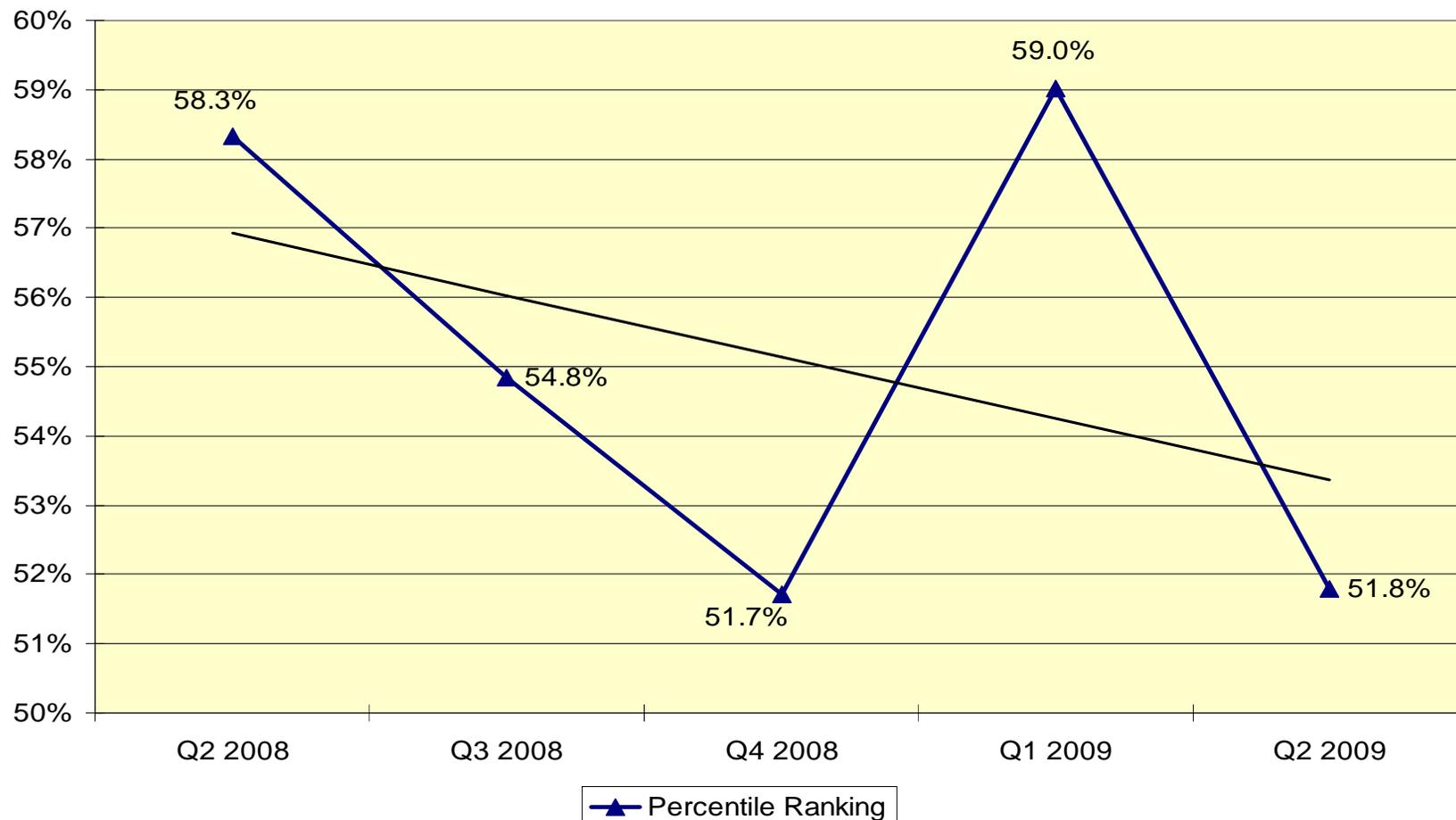


Source: Action OI Database

## Total Labor AWI Adjusted (excluding provider) per CMI Weighted Adjusted Pt Day- Peer Benchmarking Q2 2009



While there remains room for further improvement, UIHC continues to improve in managing labor expenses compared to peer institutions. We are at the 52<sup>nd</sup> percentile for the second quarter in 2009.

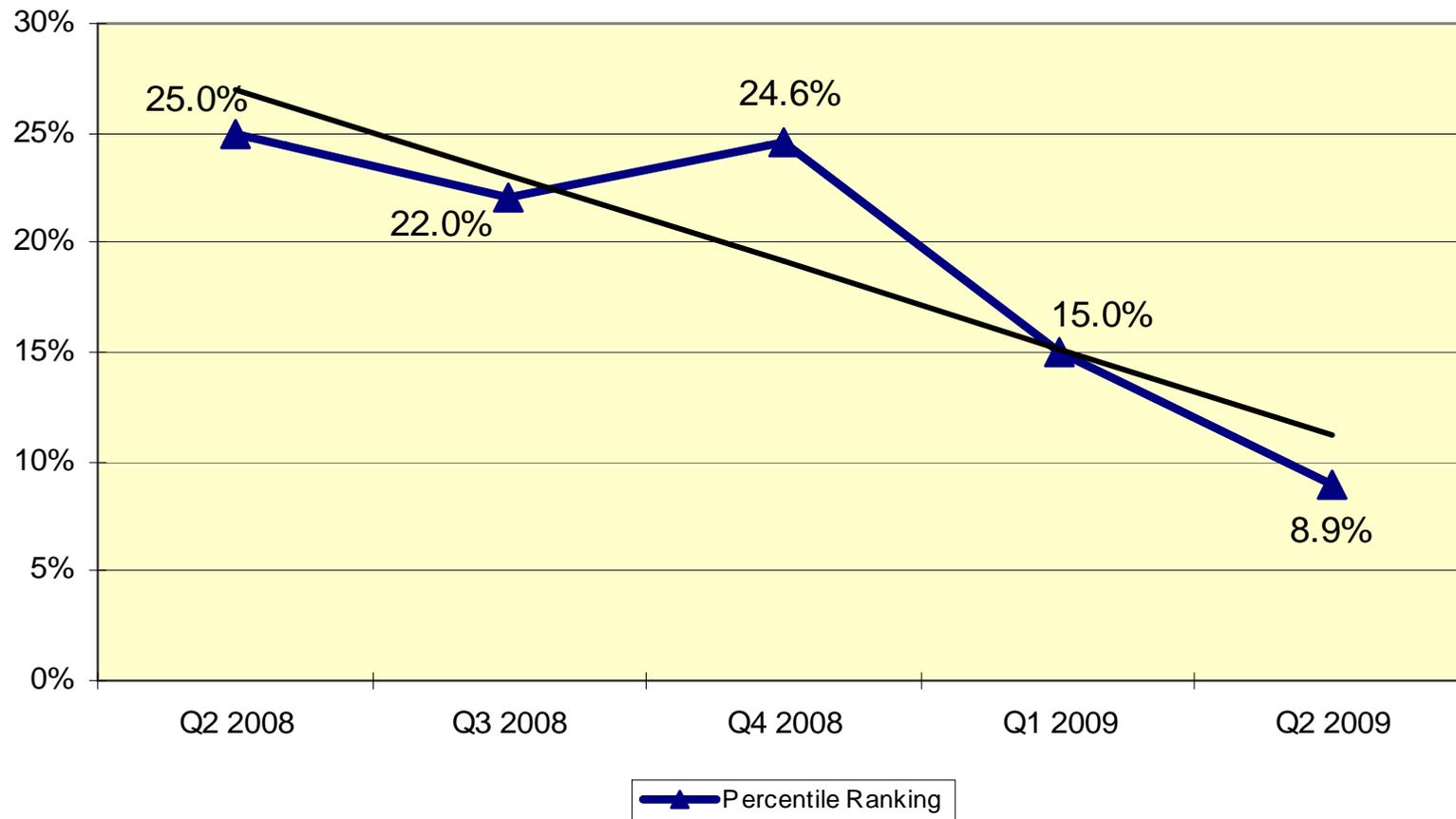


Source: Action OI Database

## Total Non-labor per CMI Weighted Adjusted Pt Day- Peer Benchmarking Q2 2009



Total non-labor expense management is very strong compared to peer institutions. For the second quarter in 2009, UIHC ranked among the top 10% of academic medical centers.



Source: Action OI Database



## ***Compliance Overview***

Debbie Thoman  
Assistant Vice President for Compliance and Accreditation  
UI Privacy Officer

## ***Compliance Program Benefits***

- Demonstrates commitment to honest and responsible corporate conduct
- Increases likelihood of preventing, identifying and correcting unlawful, unethical behavior
- Encourages employees to report and allow for internal correction
- May mitigate sanctions

## Seven Required Elements of a Compliance Program

1. Standards and procedures to prevent and detect misconduct
2. High level authority and responsibility
3. Education and training
4. Auditing and monitoring
5. Reporting without fear of retribution
6. Appropriate discipline
7. Investigation and remediation

# 1. Standards and procedures to prevent and detect misconduct

- Code of Ethical Behavior
  - Responsibility for overseeing hospital-wide compliance and adherence to the COEB
  - Code addresses 7 major areas:
    - Patient care
    - Laws and Regulations
    - Coding and Billing
    - Conflicts of Interest
    - Property, Equipment, and other Assets
    - Communication
- “Gap” Analysis – Risk Assessment
  - Compare UI Health Care practice to the regulations and identify. Completed in 2001 and again in 2006 when regulations updated.

# 1. Standards and procedures to prevent and detect misconduct (cont'd)



- Additional functions of the Joint Office for Compliance
  - Privacy (Health Insurance Portability and Accountability Act--HIPAA)
  - Patient Safety
  - Audit Review Services
  - Research Billing
  - Conflict of Interest and Commitment
  - Accreditation and Survey

# **1. Standards and procedures to prevent and detect misconduct (cont'd)**



- The HIPAA Privacy Rule requires that we safeguard the privacy of health information:
  - Monitor and use electronic tools to investigate and detect breaches
  - New rules require reporting of HIPAA breaches to the Office of Civil Rights (OCR)

# 1. Standards and procedures to prevent and detect misconduct (cont'd)



## ● Patient Safety

- Reports of events, near misses, and sentinel events are submitted electronically via Patient Safety Net (PSN) or via the Safety Help-Line
- Safety Oversight Team meets daily to review and discuss a small percentage of events
- Certain events will require a Root Cause Analysis (RCA)

# **1. Standards and procedures to prevent and detect misconduct (cont'd)**



- **Audit Review Services**

- Review patient records for coding and billing compliance (hospital and physician codes). Annual Audit Plan based on Office of the Inspector General (OIG) Work Plan
- Coordinate the Recovery Audit Contractor (RAC) audit preparations

# **1. Standards and procedures to prevent and detect misconduct (cont'd)**



- Research Billing
  - Current focus of federal law enforcement agencies and regulators
  - UI Health Care has implemented new requirements for investigators to ensure compliance with federal regulations.

# 1. Standards and procedures to prevent and detect misconduct (cont'd)



- Conflict of Interest and Commitment
  - All UI Health Care employees were to disclose financial relationships with industry via on-line disclosure form by September 1, 2009
  - 91 percent of employees have submitted a disclosure form
  - 4 percent of disclosure forms reveal external relationships
  - Conflict of Interest Oversight Committee (COIOC) will focus on making recommendations to VPMA regarding strategies to reduce, eliminate, or manage conflicts

# 1. Standards and procedures to prevent and detect misconduct (cont'd)



- Accreditation and Survey
  - Assess and monitor all hospital and department policies, procedures and activities for compliance with regulatory, accreditation, licensure, and professional standards
  - Review, update, and coordinate self-assessments and consultative reviews using internal and external resources as necessary and as available
    - Monthly steering committee meetings
    - Weekly tracers in patient care areas
    - Annual performance review of standards

## ***2. High level authority and responsibility***

- Assistant Vice-President for Compliance and Accreditation, Privacy/Compliance Officer
  - Reports quarterly to the VP for Medical Affairs
  - Direct access to the VPMA and CEO

## 3. *Education and training*

- Employees

- Mandatory training and education
  - Code of ethical Behavior training
  - Deficit Reduction Act
  - HIPAA
  - Mandatory Continuing Education for Faculty: Teaching Physician Billing Rules
- Annual Confidentiality Attestation
- Over 200 hours of billing and coding education offered each year

- Vendors

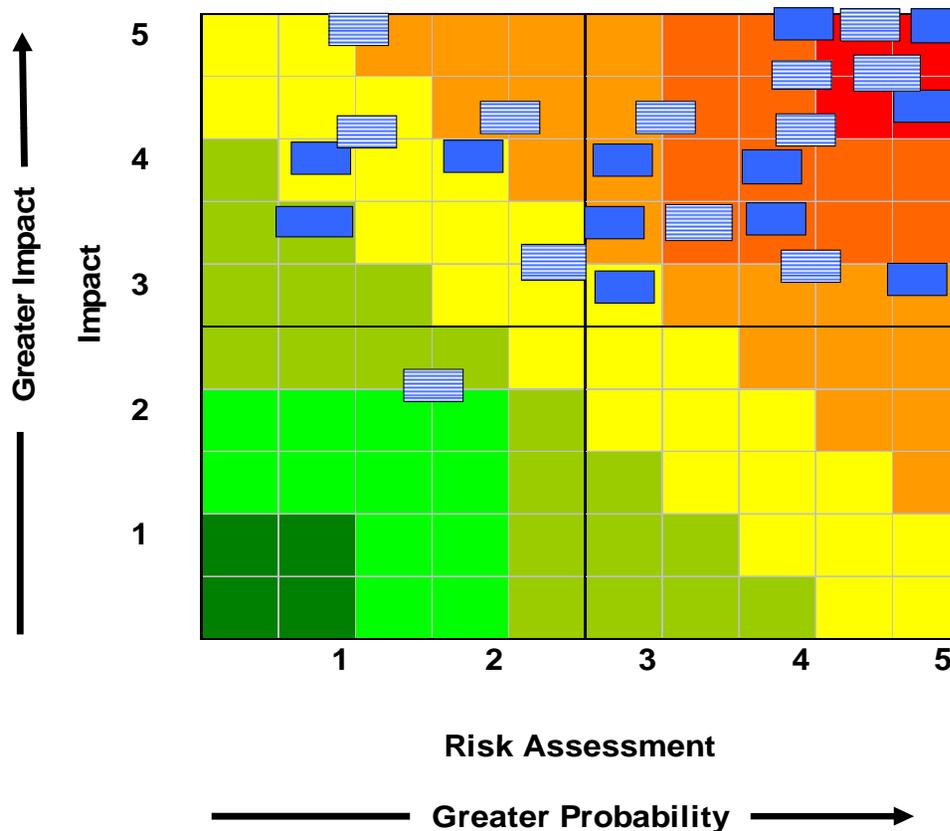
- Compliances are tracked through Procurement Services and Department of Pharmaceuticals

## 4. Auditing and monitoring

- The development of a risk assessment tool is crucial for a hospital to understand potential liabilities that might exist.
- Sources of Information:
  - OIG Workplan, Program Guidance, Fraud Alerts, etc.
  - Internal data/functional areas (Internal Audit, Helpline)
  - Internal/External audits and Reports
  - Centers for Medicare and Medicaid Services (CMS) target areas
  - Department of Justice
  - Organizational Resources
  - Accrediting Organizations
  - Interviews
  - Research billing audits
  - HIPAA audits

# TOP STRATEGIC RISKS:

## Impact and Probability of Occurrence *Sample (not real data)*



### LEGEND

#### MOST SIGNIFICANT RISKS (Annual Review)

1. Clinical Trials Billing
2. Conflict of Interest
3. Human Research
4. Research Financial Compliance, Effort Reporting, Cost Travelers
5. HIPAA

#### OTHER SIGNIFICANT RISKS (Cyclical Review)

6. Select Agents
7. Institutional Biosafety Committee
8. Anatomical Gifts
9. Post-Award Office (OSP)
10. Export Controls
11. Institutional Review Board/Office
12. Environmental Issues (OESO) – Incident Response

Years -



## 5. Reporting without fear of retribution

- The Compliance Helpline is available when staff members have questions or concerns
- Trained staff members answer calls to the Compliance Helpline 24 hours a day, 7 days a week. Calls are not traced or recorded.
- All reports of improper conduct will be investigated.
- All calls are kept confidential to the extent permitted by law.
- Although encouraged to identify yourself, anonymous reports are accepted.
- You can also arrange to make a follow-up call to learn what action was taken on your report.
- Ethicspoint

## 6. *Appropriate discipline*

- Possible disciplinary actions
  - Electronic Medical Record access shut off
  - Verbal warnings/re-education
  - Written reprimand/re-education
  - 5-day unpaid suspensions/re-education
  - Termination

## ***7. Investigation and remediation***

- All reports of improper conduct will be investigated.
- No disciplinary action will be taken solely on the basis of a Helpline report
- Re-training if necessary
- Refunding overpayments and notification to funders/regulators
- Patient remediation



**Questions?**