

Contact: Keith Saunders

**MINUTES OF THE DECEMBER 10, 2008
UNIVERSITY OF IOWA HOSPITALS AND CLINICS COMMITTEE
BOARD OF REGENTS, STATE OF IOWA
MAUCKER UNION, OLD CENTRAL BALLROOM, ROOM A & B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

Committee Members

Robert Downer, Chair	Michael Gartner	Craig Lang
Bonnie Campbell (absent)	Ruth Harkin	David Miles
Jack Evans	Greta Johnson	Rose Vasquez

Staff Members

Keith Saunders

University of Iowa

Lee Carmen, Ken Fisher, Ken Kates, Jean Robillard, Paul Rothman, Ann Williamson

Chair Downer called the meeting to order at 2:05 p.m.

SUI Vice President for Medical Affairs, Jean Robillard; Associate Vice President and Chief Executive Officer, Ken Kates; Associate Vice President for Finance and Chief Financial Officer, Ken Fisher; Chief Information Officer, Lee Carmen; Chief Nursing Officer, Ann Williamson; and Carver College of Medicine Dean, Paul Rothman appeared before the Board.

Vice President Robillard provided brief opening comments and highlighted several items that would be discussed in the UIHC presentation.

Dean Rothman announced that a faculty member had won a prestigious medical award. More details will be provided once the official announcement is made in January. Dean Rothman also announced that Dr. Kim Leslie had accepted the position of Head of the Department of Obstetrics and Gynecology. The appointment will be effective April 1, 2009.

CFO Fisher provided the Committee with an update regarding the financial performance of the UIHC. The UIHC is slightly under budget in admissions and over budget in patient days. There continues to be substantial growth in the number of patients seen by the Emergency Treatment Center. Growth in outpatient clinical areas is growing at a much faster rate than was budgeted. There has been a decrease in low acuity patients and an increase in high acuity patients. This trend positively affects total net revenues for the UIHC. The case mix index continues to increase. There is currently a net operating loss of \$1.2 million. This is primarily due to cost variances such as salaries and pharmaceuticals. Revenue in October was substantially higher than budgeted.

President Miles asked about the increase in "Net Days in Receivable." CFO Fisher replied it was due to several factors including a backlog in transcription and an aberration in the formula used to calculate the number. President Miles asked whether this situation improved in November. CFO Fisher replied he was unsure.

President Pro Tem Evans inquired about the relationship between inpatient surgery and outpatient surgery. CFO Fisher replied that there is no direct relationship.

President Pro Tem Evans asked about losses on investments. CFO Fisher replied that losses associated with the October drop in the market will be reflected in the December report.

Regent Lang asked whether any assets held by the UIHC were truly impaired. CFO Fisher replied that he was not aware of any.

Regent Gartner asked whether Moody's required a specific ratio of assets held in reserve. CFO Fisher replied that Moody's only examines "Days Cash on Hand." Standard and Poor's recently gave the UIHC a AA Stable rating and Moody's gave the UIHC a AA Negative rating. Moody's is rating the health care industry as a whole as negative.

CEO Kates provided the Committee with an update regarding the UIHC's Expense Moderation Strategy.

Regent Gartner asked which indicator was more important, "Adjusted Patient Days" or "Length of Stay." CEO Kates replied that both are critical metrics.

President Miles asked whether revenues were showing any signs of weakening. Vice President Robillard replied that there have been no signs in regards to inpatient visits but some slowdown is expected if unemployment continues to rise and people are without health insurance. Vice President Robillard also predicted there would be a corresponding increase in IowaCare patients.

Regent Gartner asked whether contingency plans were being developed to deal with a decrease in revenues. CEO Kates replied that both revenue and expense contingencies are being developed for the FY10 budget.

Regent Vasquez asked for a definition of "Adjusted Patient Days." CEO Kates replied that inpatient days are analyzed against outpatient volumes to come up with an "Adjusted Patient Day." This metric is designed to examine total hospital activity.

CEO Kates and CNO Williamson updated the Committee on efforts underway to improve management of "Length of Stay."

President Miles inquired about the spike in occupancy in September. CNO Williamson replied that it was a reflection of overall growth in volume at UIHC.

President Miles asked about the difference between "Routine" and "Outlier" in regards to the metrics of "Length of Stay." CEO Kates replied that if a patient exceeds an expected length of stay, they became an "Outlier."

Regent Harkin asked whether "Expected Length of Stay" is a standard measurement. CEO Kates replied that it is standard measure across academic medical centers.

Regent Gartner asked if it was accurate to say that if a patient stays beyond their expected length of stay, most insurance companies would not reimburse the hospital for the extra days. CEO Kates replied that the statement was generally correct.

Regent Harkin asked what measures were taken against physicians who did not discharge their patients on time. CNO Williamson replied that daily data is gathered to highlight for physicians patients that have exceeded their length of stay. Additionally, "daily bed meetings" are being implemented to improve patient management.

President Miles asked who traditionally has "owned" the length of stay or discharge problem. CNO Williamson replied that everyone has to own the problem, including the doctor, the nurse and the social worker. CEO Kates replied that ultimately the attending physician has the responsibility for determining when a patient is ready for discharge.

Regent Harkin asked whether infections were a reason that patients were exceeding their length of stay. CEO Kates replied that a patient with an infection would move to the "outlier" group and their stay would be extended.

Regent Lang asked who was in charge of the daily bed meetings. CNO Williamson replied the attending physician on the team was in charge of the meeting. CEO Kates reported that daily bed meetings are becoming mandatory.

CIO Carmen updated the Committee regarding the implementation of the EPIC Clinical Informational System.

Regent Lang asked whether UIHC Clinics across the state are integrated into the system. CIO Carmen replied that by the end of 2009, all clinics in Johnson County will be integrated. Following that, efforts will be made to include additional clinics across the state.

Regent Lang asked whether technical training was part of the implementation budget. CIO Carmen replied that it was not presently part of the budget, but instruction will be available to patients to enable them to access their records.

Regent Lang inquired about the ability of the UIHC system to interface with other systems across the county. CIO Carmen replied that the EPIC system is designed to work very well with other types of systems.

Regent Gartner asked whether implementation problems associated with the EPIC system contributed to problems in getting billings out on time. CIO Carmen replied that once the system is fully integrated, it will help with billing problems.

Ms. Katie Guckert and Mr. Travis Hiltrop, students from the University of Iowa, updated the Committee on the Dance Marathon.

Chair Downer asked how students are recruited to join the program. Ms. Guckert responded that this year they have over 1700 volunteers signed up. Recruiting is a year-round activity that is done by word of mouth and special events on campus.

Regent Gartner asked Ms. Guckert how much time she personally spent on the Dance Marathon. Ms. Guckert replied that immediately prior to the Dance Marathon, she spent nearly all of her time organizing the event. Throughout the rest of the year, the time commitment varies. Mr. Hiltrop replied that as a member of the Dance Marathon Executive Council, he devotes between 10-50 hours per week to the event.

Regent Johnson informed the Committee that students at Iowa State University, including Regent Johnson herself, also participated in the Dance Marathon.

Ms. Guckert informed the Committee that all are welcome to attend their event and anyone can volunteer or sign up to dance. More information is available at the Dance Marathon website located at www.dancemarathon.org.

➤ MOVED by LANG, SECONDED by HARKIN, to approve the minutes from the October 29, 2008, UIHC Committee Meeting.

MOTION APPROVED UNANIMOUSLY.

Chair Downer asked for a presentation regarding the captive insurance company at a future meeting.

Regent Harkin asked for a presentation regarding the UIHC's efforts regarding infection prevention.

Regent Lang asked for a presentation on the prevention of chronic illness.

Chair Downer adjourned the meeting at 3:35 p.m.