

Contact: Aimee Claeys

### **PROPOSED ACQUISITION OF CARDIOLOGY ASSETS**

**Action Requested:** Consider the following action requested by the University of Iowa Hospitals and Clinics (UIHC) related to the acquisition of assets from Iowa City Heart Center, P.C. (ICHC):

1. Approve UIHC's request to purchase the equipment, furniture, inventory, active medical records, licenses, physician workforce, non-physician workforce, and other related business assets from ICHC for \$1,170,000.

**Executive Summary:** UIHC is requesting approval to purchase substantially all of ICHC's business assets. This transaction includes the acquisition of certain physician and non-physician workforce from ICHC, and will result in the offering of academic appointments to four cardiologists.

**Background:** The purchase of assets from ICHC and the employment of four cardiologists will provide the opportunity for enhancement of clinical, research, and educational experiences for faculty, fellows, residents, students and patients at UIHC and the University of Iowa. It will assist with the clinical mission to provide care to all Iowans and to translate clinical research into practice. The University and UIHC believe this is a unique opportunity to enhance the clinical educational settings.

UIHC is only acquiring the business assets from ICHC; no real estate or buildings are being acquired as part of this transaction. ICHC's operations are currently housed in the Mercy Medical Plaza under an existing lease with Mercy Iowa City. UIHC has an interest in continuing operations at this location and is exploring that possibility. UIHC also desires to place part of the operations at UIHC's Iowa River Landing location. In the event UIHC is unable to continue operations at ICHC's current location, the business assets will be fully incorporated into existing UIHC cardiology operations, with providers based at Iowa River Landing. It is not anticipated that additional facilities will be required to support cardiology operations as a result of this acquisition.

UIHC employed the services of Clifton Larson Allen as valuation consultants for the proposed acquisition. UIHC has completed appropriate due diligence and did not identify any material issues with the purchase of the assets or the employment of the physicians. The purchase of the business assets will be financed using UIHC funds.