University of Iowa Health Care

Presentation to

The Board of Regents, State of Iowa

February 22-23, 2017
Opening Remarks
Operating and Financial Performance
Strategic Plan
Faculty Presentation: Discovery and Development of a Neuroprotective Drug
OPENING REMARKS

Jean Robillard, MD
Vice President for Medical Affairs & Dean, Carver College of Medicine
OPERATING AND FINANCIAL PERFORMANCE

Kenneth P. Kates
Associate Vice President
& Chief Executive Officer, UI Hospitals and Clinics

Kenneth Fisher
Associate Vice President for Finance
& Chief Financial Officer, UI Hospitals and Clinics
Volume Indicators
Fiscal Year to Date January 2017

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year *</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharges</td>
<td>19,878</td>
<td>19,956</td>
<td>19,318</td>
<td>(78)</td>
<td>-0.4%</td>
<td>560</td>
<td>2.9%</td>
</tr>
<tr>
<td>Patient Days</td>
<td>131,630</td>
<td>131,069</td>
<td>126,749</td>
<td>561</td>
<td>0.4%</td>
<td>4,881</td>
<td>3.9%</td>
</tr>
<tr>
<td>Average Daily Census</td>
<td>612.23</td>
<td>609.62</td>
<td>589.53</td>
<td>2.61</td>
<td>0.4%</td>
<td>22.70</td>
<td>3.9%</td>
</tr>
<tr>
<td>Total Surgeries</td>
<td>18,338</td>
<td>18,341</td>
<td>17,691</td>
<td>(3)</td>
<td>0.0%</td>
<td>647</td>
<td>3.7%</td>
</tr>
<tr>
<td>- Inpatient</td>
<td>8,724</td>
<td>8,708</td>
<td>8,648</td>
<td>16</td>
<td>0.2%</td>
<td>76</td>
<td>0.9%</td>
</tr>
<tr>
<td>- Outpatient</td>
<td>9,614</td>
<td>9,633</td>
<td>9,043</td>
<td>(19)</td>
<td>-0.2%</td>
<td>571</td>
<td>6.3%</td>
</tr>
<tr>
<td>ED Visits</td>
<td>35,138</td>
<td>36,088</td>
<td>33,828</td>
<td>(950)</td>
<td>-2.6%</td>
<td>1,310</td>
<td>3.9%</td>
</tr>
<tr>
<td>Total Clinic Visits</td>
<td>528,560</td>
<td>543,605</td>
<td>495,340</td>
<td>(15,045)</td>
<td>-2.8%</td>
<td>33,220</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

* from ongoing operations

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

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Medical</td>
<td>5,534</td>
<td>5,589</td>
<td>5,388</td>
<td>(55)</td>
<td>-1.0%</td>
<td>146</td>
<td>2.7%</td>
</tr>
<tr>
<td>Adult Surgical</td>
<td>10,685</td>
<td>10,647</td>
<td>10,390</td>
<td>38</td>
<td>0.4%</td>
<td>295</td>
<td>2.8%</td>
</tr>
<tr>
<td>Adult Psych</td>
<td>676</td>
<td>751</td>
<td>692</td>
<td>(75)</td>
<td>-10.0%</td>
<td>(16)</td>
<td>-2.3%</td>
</tr>
<tr>
<td><strong>Subtotal – Adult</strong></td>
<td>16,895</td>
<td>16,987</td>
<td>16,470</td>
<td>(92)</td>
<td>-0.5%</td>
<td>425</td>
<td>2.6%</td>
</tr>
<tr>
<td>Pediatric Medical &amp; Surgical</td>
<td>2,146</td>
<td>2,188</td>
<td>2,105</td>
<td>(42)</td>
<td>-1.9%</td>
<td>41</td>
<td>1.9%</td>
</tr>
<tr>
<td>Pediatric Critical Care</td>
<td>493</td>
<td>485</td>
<td>465</td>
<td>8</td>
<td>1.6%</td>
<td>28</td>
<td>6.0%</td>
</tr>
<tr>
<td>Pediatric Psych</td>
<td>344</td>
<td>296</td>
<td>278</td>
<td>48</td>
<td>16.2%</td>
<td>66</td>
<td>23.7%</td>
</tr>
<tr>
<td><strong>Subtotal – Pediatrics</strong></td>
<td>2,983</td>
<td>2,969</td>
<td>2,848</td>
<td>14</td>
<td>0.5%</td>
<td>135</td>
<td>4.7%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>19,878</td>
<td>19,956</td>
<td>19,318</td>
<td>(78)</td>
<td>-0.4%</td>
<td>560</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

- Green circle: Greater than 2.5% Favorable
- Neutral circle: Neutral
- Red circle: Greater than 2.5% Unfavorable
# Discharge Days by Type

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget %</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Medical</td>
<td>31,469</td>
<td>31,699</td>
<td>30,990</td>
<td>(230)</td>
<td>-0.7%</td>
<td>479</td>
<td>1.5%</td>
</tr>
<tr>
<td>Adult Surgical</td>
<td>58,244</td>
<td>58,114</td>
<td>56,087</td>
<td>130</td>
<td>0.2%</td>
<td>2,157</td>
<td>3.8%</td>
</tr>
<tr>
<td>Adult Psych</td>
<td>11,118</td>
<td>13,372</td>
<td>12,687</td>
<td>(2,254)</td>
<td>-16.9%</td>
<td>(1,569)</td>
<td>-12.4%</td>
</tr>
<tr>
<td><strong>Subtotal – Adult</strong></td>
<td>100,831</td>
<td>103,185</td>
<td>99,764</td>
<td>(2,354)</td>
<td>-2.3%</td>
<td>1,067</td>
<td>1.1%</td>
</tr>
<tr>
<td>Pediatric Medical and Surgical</td>
<td>13,397</td>
<td>12,037</td>
<td>11,701</td>
<td>1,360</td>
<td>11.3%</td>
<td>1,696</td>
<td>14.5%</td>
</tr>
<tr>
<td>Pediatric Critical Care</td>
<td>15,318</td>
<td>13,105</td>
<td>12,615</td>
<td>2,213</td>
<td>16.9%</td>
<td>2,703</td>
<td>21.4%</td>
</tr>
<tr>
<td>Pediatric Psych</td>
<td>2,765</td>
<td>3,078</td>
<td>2,964</td>
<td>(313)</td>
<td>-10.2%</td>
<td>(199)</td>
<td>-6.7%</td>
</tr>
<tr>
<td><strong>Subtotal – Pediatrics</strong></td>
<td>31,480</td>
<td>28,220</td>
<td>27,280</td>
<td>3,260</td>
<td>11.6%</td>
<td>4,200</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>132,311</td>
<td>131,405</td>
<td>127,044</td>
<td>906</td>
<td>0.7%</td>
<td>5,267</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

- **Greater than 2.5% Favorable**
- **Neutral**
- **Greater than 2.5% Unfavorable**
Length of Stay
December 2016, 12 Month Moving Average

ADULT (Excludes Psych and Vizient Outliers)

PEDIATRICS (Excludes Psych, NNB, Neonate and Vizient Outliers)
Case Mix Index

[Graph showing Case Mix Index from January 2014 to January 2017 for Medicare and All Payors.]
# Inpatient Surgeries – by Clinical Department

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiothoracic</td>
<td>647</td>
<td>641</td>
<td>646</td>
<td>6</td>
<td>0.9%</td>
<td>1</td>
<td>0.2%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>238</td>
<td>283</td>
<td>263</td>
<td>(45)</td>
<td>-15.9%</td>
<td>(25)</td>
<td>-9.5%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>2,611</td>
<td>2,482</td>
<td>2,474</td>
<td>129</td>
<td>5.2%</td>
<td>137</td>
<td>5.5%</td>
</tr>
<tr>
<td>Gynecology</td>
<td>459</td>
<td>531</td>
<td>520</td>
<td>(72)</td>
<td>-13.6%</td>
<td>(61)</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>1,557</td>
<td>1,495</td>
<td>1,498</td>
<td>62</td>
<td>4.1%</td>
<td>59</td>
<td>3.9%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>139</td>
<td>165</td>
<td>177</td>
<td>(26)</td>
<td>-15.8%</td>
<td>(38)</td>
<td>-21.5%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>1,965</td>
<td>2,050</td>
<td>1,998</td>
<td>(85)</td>
<td>-4.1%</td>
<td>(33)</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>493</td>
<td>470</td>
<td>466</td>
<td>23</td>
<td>4.9%</td>
<td>27</td>
<td>5.8%</td>
</tr>
<tr>
<td>Radiology – Interventional</td>
<td>59</td>
<td>56</td>
<td>62</td>
<td>3</td>
<td>5.4%</td>
<td>(3)</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Urology w/ Procedure Ste.</td>
<td>556</td>
<td>535</td>
<td>544</td>
<td>21</td>
<td>3.9%</td>
<td>12</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,724</strong></td>
<td><strong>8,708</strong></td>
<td><strong>8,648</strong></td>
<td><strong>16</strong></td>
<td><strong>0.2%</strong></td>
<td><strong>76</strong></td>
<td><strong>0.9%</strong></td>
</tr>
<tr>
<td>Solid Organ Transplants</td>
<td>194</td>
<td>191</td>
<td>169</td>
<td>3</td>
<td>1.6%</td>
<td>25</td>
<td>14.8%</td>
</tr>
</tbody>
</table>

- **Green Circle**: Greater than 2.5% Favorable
- **Neutral Circle**: Neutral
- **Red Circle**: Greater than 2.5% Unfavorable
## Outpatient Surgeries – by Clinical Department

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiothoracic</td>
<td>35</td>
<td>23</td>
<td>24</td>
<td>12</td>
<td>52.2%</td>
<td>11</td>
<td>45.8%</td>
</tr>
<tr>
<td>Dentistry</td>
<td>316</td>
<td>323</td>
<td>300</td>
<td>(7)</td>
<td>-2.2%</td>
<td>16</td>
<td>5.3%</td>
</tr>
<tr>
<td>Dermatology</td>
<td>22</td>
<td>20</td>
<td>22</td>
<td>2</td>
<td>10.0%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>General Surgery</td>
<td>1,418</td>
<td>1,510</td>
<td>1,454</td>
<td>(92)</td>
<td>-6.1%</td>
<td>(36)</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Gynecology</td>
<td>565</td>
<td>519</td>
<td>457</td>
<td>46</td>
<td>8.9%</td>
<td>108</td>
<td>23.6%</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>2</td>
<td>8</td>
<td>8</td>
<td>(6)</td>
<td>-75.0%</td>
<td>(6)</td>
<td>-75.0%</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>358</td>
<td>354</td>
<td>347</td>
<td>4</td>
<td>1.1%</td>
<td>11</td>
<td>3.2%</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>2,055</td>
<td>2,177</td>
<td>1,988</td>
<td>(122)</td>
<td>-5.6%</td>
<td>67</td>
<td>3.4%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>2,149</td>
<td>2,050</td>
<td>1,975</td>
<td>99</td>
<td>4.8%</td>
<td>174</td>
<td>8.8%</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>1,460</td>
<td>1,419</td>
<td>1,304</td>
<td>41</td>
<td>2.9%</td>
<td>156</td>
<td>12.0%</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>500.0%</td>
<td>5</td>
<td>500.0%</td>
</tr>
<tr>
<td>Radiology – Interventional</td>
<td>4</td>
<td>19</td>
<td>31</td>
<td>(15)</td>
<td>-78.9%</td>
<td>(27)</td>
<td>-87.1%</td>
</tr>
<tr>
<td>Urology w/ Procedure Ste.</td>
<td>1,224</td>
<td>1,210</td>
<td>1,132</td>
<td>14</td>
<td>1.2%</td>
<td>92</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,614</td>
<td>9,633</td>
<td>9,043</td>
<td>(19)</td>
<td>-0.2%</td>
<td>571</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

- **Greater than 2.5% Favorable**
- **Neutral**
- **Greater than 2.5% Unfavorable**
## Emergency Department

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Budget %</th>
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<th>Variance to Prior Year %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED Visits</td>
<td>35,138</td>
<td>36,088</td>
<td>33,828</td>
<td>(950)</td>
<td>-2.6%</td>
<td>1,310</td>
<td>3.9%</td>
</tr>
<tr>
<td>ED Admits</td>
<td>11,628</td>
<td>11,741</td>
<td>11,198</td>
<td>(113)</td>
<td>-1.0%</td>
<td>430</td>
<td>3.8%</td>
</tr>
<tr>
<td>ED Conversion Factor</td>
<td>33.1%</td>
<td>32.5%</td>
<td>33.1%</td>
<td></td>
<td>1.9%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>ED Admits / Total Admits</td>
<td>58.8%</td>
<td>59.0%</td>
<td>58.4%</td>
<td></td>
<td>-0.3%</td>
<td>0.7%</td>
<td></td>
</tr>
</tbody>
</table>

- **Greater than 2.5% Favorable**
- **Neutral**
- **Greater than 2.5% Unfavorable**
### Total Clinic Visits by Location

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>FY17 ACTUAL</th>
<th>FY16 ACTUAL*</th>
<th>Variance to Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On-Site</td>
<td>IRL</td>
<td>UICMS &amp; QuickCare</td>
<td>Total</td>
</tr>
<tr>
<td>FAMILY MEDICINE</td>
<td>24,562</td>
<td>7,111</td>
<td>81,359</td>
<td>113,032</td>
</tr>
<tr>
<td>GENERAL INTERNAL MEDICINE</td>
<td>16,210</td>
<td>16,210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEDIATRICS</td>
<td>13,035</td>
<td>13,035</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL: PRIMARY CARE</strong></td>
<td>24,562</td>
<td>36,356</td>
<td>81,359</td>
<td>142,277</td>
</tr>
<tr>
<td>ANESTHESIA</td>
<td>3,954</td>
<td>182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTR DISABILITIES &amp; DEVELOPMENT</td>
<td>6,015</td>
<td>6,015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTR FOR DIGESTIVE DISEASES</td>
<td>12,119</td>
<td>3,009</td>
<td>15,128</td>
<td></td>
</tr>
<tr>
<td>CLINICAL CANCER CENTER</td>
<td>31,706</td>
<td>1,435</td>
<td>33,141</td>
<td></td>
</tr>
<tr>
<td>DERMATOLOGY</td>
<td>13,360</td>
<td>5,813</td>
<td>19,173</td>
<td></td>
</tr>
<tr>
<td>GENERAL SURGERY</td>
<td>13,465</td>
<td>13,465</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOSPITAL DENTISTRY</td>
<td>10,372</td>
<td>10,372</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERNAL MEDICINE</td>
<td>18,229</td>
<td>4,906</td>
<td>23,135</td>
<td></td>
</tr>
<tr>
<td>NEUROLOGY</td>
<td>9,596</td>
<td>9,596</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEUROSURGERY</td>
<td>7,995</td>
<td>7,995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OBSTETRICS/GYNECOLOGY</td>
<td>35,412</td>
<td>13,394</td>
<td>48,806</td>
<td></td>
</tr>
<tr>
<td>OPHTHALMOLOGY</td>
<td>37,062</td>
<td>6,006</td>
<td>43,068</td>
<td></td>
</tr>
<tr>
<td>ORTHOPEDICS</td>
<td>41,794</td>
<td>1,441</td>
<td>43,235</td>
<td></td>
</tr>
<tr>
<td>OTOTARYNGOLOGY</td>
<td>11,533</td>
<td>4,305</td>
<td>15,838</td>
<td></td>
</tr>
<tr>
<td>PEDIATRICS</td>
<td>36,653</td>
<td>1,827</td>
<td>38,480</td>
<td></td>
</tr>
<tr>
<td>PSYCHIATRY</td>
<td>24,260</td>
<td>19</td>
<td>24,279</td>
<td></td>
</tr>
<tr>
<td>UROLOGY</td>
<td>4,788</td>
<td>7,571</td>
<td>12,359</td>
<td></td>
</tr>
<tr>
<td>UI HEART CTR</td>
<td>10,895</td>
<td>7,167</td>
<td>18,062</td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL: SPECIALTY CARE</strong></td>
<td>329,208</td>
<td>57,075</td>
<td>386,283</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>353,770</td>
<td>93,431</td>
<td>81,359</td>
<td>528,560</td>
</tr>
</tbody>
</table>

- Greater than 2.5% Favorable
- Neutral
- Greater than 2.5% Unfavorable

* from ongoing operations
# Fiscal Year to Date January 2017

## Operating Review (YTD)

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>FY17 ACTUAL</th>
<th>FY16 ACTUAL*</th>
<th>Variance to Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On-Site</td>
<td>IRL</td>
<td>UICMS &amp; QuickCare</td>
<td>Total</td>
</tr>
<tr>
<td><strong>FAMILY MEDICINE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,604</td>
<td>238</td>
<td>20,889</td>
<td>23,731</td>
</tr>
<tr>
<td><strong>GENERAL INTERNAL MEDICINE</strong></td>
<td>12</td>
<td></td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td><strong>PEDIATRICS</strong></td>
<td>12,744</td>
<td>12</td>
<td>20,889</td>
<td>33,647</td>
</tr>
<tr>
<td><strong>SUBTOTAL: PRIMARY CARE</strong></td>
<td>2,604</td>
<td>12,994</td>
<td>20,889</td>
<td>36,487</td>
</tr>
<tr>
<td><strong>ANESTHESIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CTR DISABILITIES &amp; DEVELOPMENT</strong></td>
<td>6,015</td>
<td>6,015</td>
<td>5,548</td>
<td>17,573</td>
</tr>
<tr>
<td><strong>CTR FOR DIGESTIVE DISEASES</strong></td>
<td>8</td>
<td>1</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>CLINICAL CANCER CENTER</strong></td>
<td>81</td>
<td>81</td>
<td>52</td>
<td>166</td>
</tr>
<tr>
<td><strong>DERMATOLOGY</strong></td>
<td>931</td>
<td>1,181</td>
<td>2,112</td>
<td>3,244</td>
</tr>
<tr>
<td><strong>GENERAL SURGERY</strong></td>
<td>431</td>
<td>88</td>
<td>321</td>
<td>522</td>
</tr>
<tr>
<td><strong>HOSPITAL DENTISTRY</strong></td>
<td>1,333</td>
<td>1,333</td>
<td>1,258</td>
<td>2,821</td>
</tr>
<tr>
<td><strong>INTERNAL MEDICINE</strong></td>
<td>69</td>
<td>153</td>
<td>222</td>
<td>338</td>
</tr>
<tr>
<td><strong>NEUROLOGY</strong></td>
<td>294</td>
<td>294</td>
<td>266</td>
<td>560</td>
</tr>
<tr>
<td><strong>NEUROSURGERY</strong></td>
<td>1,300</td>
<td>1,300</td>
<td>1,218</td>
<td>3,818</td>
</tr>
<tr>
<td><strong>OBSTETRICS/GYNECOLOGY</strong></td>
<td>350</td>
<td>90</td>
<td>440</td>
<td>540</td>
</tr>
<tr>
<td><strong>OPHTHALMOLOGY</strong></td>
<td>6,309</td>
<td>405</td>
<td>6,714</td>
<td>12,024</td>
</tr>
<tr>
<td><strong>ORTHOPEDICS</strong></td>
<td>7,463</td>
<td>50</td>
<td>7,513</td>
<td>8,013</td>
</tr>
<tr>
<td><strong>OTOLARYNGOLOGY</strong></td>
<td>2,125</td>
<td>2,649</td>
<td>4,774</td>
<td>7,523</td>
</tr>
<tr>
<td><strong>PEDIATRICS</strong></td>
<td>31,804</td>
<td>1,607</td>
<td>33,411</td>
<td>105,516</td>
</tr>
<tr>
<td><strong>PSYCHIATRY</strong></td>
<td>6,511</td>
<td>6,511</td>
<td>5,382</td>
<td>7,893</td>
</tr>
<tr>
<td><strong>UROLOGY</strong></td>
<td>122</td>
<td>1,568</td>
<td>1,690</td>
<td>1,822</td>
</tr>
<tr>
<td><strong>UI HEART CTR</strong></td>
<td>14</td>
<td>225</td>
<td>239</td>
<td>414</td>
</tr>
<tr>
<td><strong>SUBTOTAL: SPECIALTY CARE</strong></td>
<td>65,160</td>
<td>7,929</td>
<td>73,089</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>67,764</td>
<td>20,923</td>
<td>109,576</td>
<td>20,889</td>
</tr>
</tbody>
</table>

* from ongoing operations

---

## Pediatric Clinic Visits by Location

### Greater than 2.5% Favorable

- Family Medicine: 2,604
- General Internal Medicine: 12
- Pediatrics: 12,744
- Subtotal: Primary Care: 2,604

### Neutral

- Anesthesia: 0
- CTR Disabilities & Development: 6,015
- CTR for Digestive Diseases: 8
- Clinical Cancer Center: 81
- Dermatology: 931
- General Surgery: 431
- Hospital Dentistry: 1,333
- Neurology: 294
- Neuurosurgery: 1,300
- Obstetrics/Gynecology: 350
- Ophthalmology: 6,309
- Orthopedics: 7,463
- Otolaryngology: 2,125
- Pediatrics: 31,804
- Psychiatry: 6,511
- Urology: 122
- UI Heart CTR: 14

### Greater than 2.5% Unfavorable

- Obstetrics/Gynecology: 350 (46%)
- Pediatrics: 31,804 (60%)
- Psychiatry: 6,511 (404%)
- Urology: 122 (154%)
- UI Heart CTR: 14 (37%)

---

Fiscal Year to Date January 2017
# Adult Clinic Visits by Location

**Fiscal Year to Date January 2017**

<table>
<thead>
<tr>
<th>Operating Review (YTD)</th>
<th>FY17 ACTUAL</th>
<th>FY16 ACTUAL*</th>
<th>Variance to Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On-Site</td>
<td>IRL</td>
<td>UICMS &amp; QuickCare</td>
<td>Total</td>
</tr>
<tr>
<td>FAMILY MEDICINE</td>
<td>21,958</td>
<td>6,873</td>
<td>60,470</td>
<td>89,301</td>
</tr>
<tr>
<td>GENERAL INTERNAL MEDICINE</td>
<td>16,198</td>
<td>16,198</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEDIATRICS</td>
<td>291</td>
<td>291</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL: PRIMARY CARE</strong></td>
<td>21,958</td>
<td>23,362</td>
<td>60,470</td>
<td>105,790</td>
</tr>
<tr>
<td>ANESTHESIA</td>
<td>3,954</td>
<td>182</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTR FOR DIGESTIVE DISEASES</td>
<td>12,111</td>
<td>3,008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLINICAL CANCER CENTER</td>
<td>31,625</td>
<td>1,435</td>
<td>33,060</td>
<td></td>
</tr>
<tr>
<td>DERMATOLOGY</td>
<td>12,429</td>
<td>4,632</td>
<td>17,061</td>
<td></td>
</tr>
<tr>
<td>GENERAL SURGERY</td>
<td>13,034</td>
<td>13,034</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HOSPITAL DENTISTRY</td>
<td>9,039</td>
<td>9,039</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTERNAL MEDICINE</td>
<td>18,160</td>
<td>4,753</td>
<td>22,913</td>
<td></td>
</tr>
<tr>
<td>NEUROLOGY</td>
<td>9,302</td>
<td>9,302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEUROSURGERY</td>
<td>6,695</td>
<td>6,695</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OBSTETRICS/GYNECOLOGY</td>
<td>35,062</td>
<td>13,304</td>
<td>48,366</td>
<td></td>
</tr>
<tr>
<td>OPHTHALMOLOGY</td>
<td>30,753</td>
<td>5,601</td>
<td>36,354</td>
<td></td>
</tr>
<tr>
<td>ORTHOPEDICS</td>
<td>34,331</td>
<td>1,391</td>
<td>35,722</td>
<td></td>
</tr>
<tr>
<td>OTOLARYNGOLOGY</td>
<td>9,408</td>
<td>1,656</td>
<td>11,064</td>
<td></td>
</tr>
<tr>
<td>PEDIATRICS</td>
<td>4,849</td>
<td>220</td>
<td>5,069</td>
<td></td>
</tr>
<tr>
<td>PSYCHIATRY</td>
<td>17,749</td>
<td>19</td>
<td>17,768</td>
<td></td>
</tr>
<tr>
<td>UROLOGY</td>
<td>4,666</td>
<td>6,003</td>
<td>10,669</td>
<td></td>
</tr>
<tr>
<td>UI HEART CTR</td>
<td>10,881</td>
<td>6,942</td>
<td>17,823</td>
<td></td>
</tr>
<tr>
<td><strong>SUBTOTAL: SPECIALTY CARE</strong></td>
<td>264,048</td>
<td>49,146</td>
<td>313,194</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>286,006</td>
<td>72,508</td>
<td>60,470</td>
<td>418,984</td>
</tr>
</tbody>
</table>

![Green](Greater than 2.5% Favorable) ![Neutral](Neutral) ![Red](Greater than 2.5% Unfavorable)

* from ongoing operations
### Comparative Accounts Receivable

**At January 31, 2017**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Accounts Receivable</td>
<td>$236,775,239</td>
<td>$210,723,995</td>
<td>$219,063,071</td>
</tr>
<tr>
<td>Net Days in AR</td>
<td>68</td>
<td>53</td>
<td>55</td>
</tr>
</tbody>
</table>

#### Days of Revenue in Net A/R

#### Bad Debts ($M)
Comparative Financial Results
Fiscal Year to Date January 2017, Dollars in Thousands

<table>
<thead>
<tr>
<th>NET REVENUES</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Revenue</td>
<td>$839,136</td>
<td>$878,368</td>
<td>$797,145</td>
<td>($39,232)</td>
<td>-4.5%</td>
<td>$41,991</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>29,253</td>
<td>26,814</td>
<td>30,383</td>
<td>2,439</td>
<td>9.1%</td>
<td>(1,130)</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$868,389</td>
<td>$905,182</td>
<td>$827,528</td>
<td>($36,793)</td>
<td>-4.1%</td>
<td>$40,861</td>
</tr>
</tbody>
</table>

| EXPENSES                           |          |         |            |                    |                       |                        |                      |
|-------------------------------------|----------|---------|------------|--------------------|------------------------|------------------------|
| Salaries and Wages                 | $422,398 | $438,822| $379,654   | ($16,424)          | -3.7%                  | $42,744                | 11.3%                 |
| General Expenses                   | 371,772  | 384,555 | 345,172    | (12,783)           | -3.3%                  | 26,600                 | 7.7%                  |
| Operating Expense before Capital   | $794,170 | $823,377| $724,826   | ($29,207)          | -3.5%                  | $69,344                | 9.6%                  |
| Cash Flow Operating Margin         | $74,219  | $81,805 | $102,702   | ($7,586)           | -9.3%                  | ($28,483)              | -27.7%                |
| Capital- Depreciation and Amortization | 47,869  | 50,169  | 44,739     | (2,300)            | -4.6%                  | 3,130                  | 7.0%                  |
| Total Operating Expense            | $842,039 | $873,546| $769,565   | ($31,507)          | -3.6%                  | $72,474                | 9.4%                  |

| Operating Income                   | $26,350  | $31,636 | $57,963    | ($5,286)           | -16.7%                 | ($31,613)              | -54.5%                |
| Operating Margin %                 | 3.0%     | 3.5%    | 7.0%       | -0.5%              | -4.0%                  |                        |                      |
| Gain (Loss) on Investments         | 2,490    | 4,711   | (14,118)   | (2,221)            | -47.1%                 | 16,608                 | 117.6%                |
| Other Non-Operating                | (3,406)  | (7,723) | (4,396)    | 4,317              | 55.9%                  | 990                    | 22.5%                 |
| Net Income                         | $25,434  | $28,624 | $39,449    | ($3,190)           | -11.1%                 | ($14,015)              | -35.5%                |
| Net Margin %                       | 2.9%     | 3.2%    | 4.9%       | -0.3%              | -2.0%                  |                        |                      |

* Gain/(Loss) on Investments based on information available at close. Final investment return for this period is reflected in Fiscal Year to Date returns in the subsequent reporting cycle.
UI HEALTH CARE INTEGRATED STRATEGIC PLAN

Jean Robillard, MD
Vice President for Medical Affairs
& Dean, Carver College of Medicine
UI Health Care Strategic Plan—FY2014-2016

World Class People. World Class Medicine.
A New Approach for 2017-2020
Strategic Planning: The Future(s) of UI Health Care

Develop a refreshed integrated strategic plan using a two-pronged approach
• Scenario Planning
• Strategic Planning

Targeted interviews, workshops and planning meetings involving a broad cross-section of internal and external stakeholders

Key improvements sought in new plan
• Better linkage to budget and resource needs
• More clearly established timeline and sequencing of major strategies
• Stronger execution of the plan
• Project Manager assigned to oversee smooth implementation
By the Numbers
Strategic Planning: The Future(s) of UI Health Care

100+
UI Health Care faculty, staff, and students involved in the development of the strategic plan

200+
Driving forces of change in health care identified

80+
Stakeholder interviews held
Project Overview
Strategic Planning: The Future(s) of UI Health Care

Objective: to explore alternative futures for health care, 2016-2026 in order to inform UI Health Care strategic planning.

Trends and uncertainties that will shape the future

Scenarios of possible futures in key UI Health Care markets
- Early warning signs for monitoring changes
- Wind tunnel for testing strategies and innovations

Implications for UI Health Care strategy and investment
- Robust and contingent implications
- New initiatives for building growth platforms
Scenarios vs. Forecasts

Strategic Planning: The Future(s) of UI Health Care

Scenarios anticipate multiple futures based on both what we know and what we don’t know, and thus provide a broader perspective than traditional forecast-based planning.

FORECAST PLANNING
Planning for One Future

-10% +10%

Knowns TODAY

SCENARIO PLANNING
Planning for Any Future

Knowns and Uncertainties TODAY
Potential Challenges Facing UI Health Care

Strategic Planning: The Future(s) of UI Health Care

Changes in Technologies

COULD BE SIMPLY INCREMENTAL “IF”

- Slow to moderate economic growth—difficult environment for investment
- Regulatory limitations on medical technologies (Theranos backlash, privacy issues predominate)
- Slow development of big data and communications technologies (Difficult to integrate, massive system failure, lawsuits)

COULD BE REVOLUTIONARY “IF”

- Breakthroughs in medical technologies
- Increased economic growth (more capital available)
- Increased investments in all types of technologies
- Improved applications of big data for medical purposes
Potential Challenges Facing UI Health Care

Strategic Planning: The Future(s) of UI Health Care

Changes in Landscape (Competition)

TRADITIONAL HEALTH CARE LANDSCAPE

• State restrictions on competition
• Obligation for cares (Iowa Care like world)
• Focus in reducing costs
• Limitations in availability of talent
• Increased costs of labor
  » Single payer base care – intense competition at upper levels
  - New expectations for care and delivery models (from patient-centered care to patient-directed care)
  - Broadening of health care market
    » Medical tourism encouraged by insurers

NEW HEALTH CARE LANDSCAPE

• Rapid increases in costs – but also major rewards for risk taking
  » Push toward for-profit medicine
  » Google – Facebook - VCs are getting in healthcare
  » Providers assume risk in bundle payment models
  » Health Care insurance becomes portable
  » Single payer base care – intense competition at upper levels
• New expectations for care and delivery models (from patient-centered care to patient-directed care)
• Broadening of health care market
  » Medical tourism encouraged by insurers
• Insurers become providers – and vice-versa
Scenarios for the Future of Health Care

Strategic Planning: The Future(s) of UI Health Care

**BUILD NETWORKS**
To provide full access and secure referral

**BUILD FLEXIBILITY**
Manage your money-costs-capital

**BUILD CAPACITY**
To manage change, granularity-accelerate learning to support both deconstruction and re-integration

**BUILD SCALE**
With carefully-chosen provider partnerships and integration with advanced technology platforms

**New Models, Players and Partnerships**

A WORLD OF NEW MODELS
More information, More access

A WORLD OF STATUS QUO
Barriers to Change

A WORLD OF NEW FOUNDATIONS
Tech-enabled Hub and Spoke

A WORLD OF PLATFORMS AND APPS
Direct to Consumer/-Directed Care

**Incremental Technologies**

**Revolutionary Technologies**

**Traditional Models, Players and Partnerships**

**BIG DATA, ICT AND MEDICAL TECHNOLOGIES**

**HEALTH CARE LANDSCAPE**
Scenarios for the Future of Research

Strategic Planning: The Future(s) of UI Health Care

LEVEL OF RESEARCH FUNDING

CHARACTER OF RESEARCH ENTERPRISE

A WORLD OF EXPANDED FUNDING
Increased Infrastructure and Support

Traditional Models and Funding

A WORLD OF CONSTRUCTED FUNDING
Low-risk Clinical Applications
Small Number of Institutions

Low Levels of Funding

High Levels of Funding

A WORLD OF BREAKTHROUGHS
New Models and Widespread Support

Radically New Models of Funding

A WORLD OF CONSOLIDATION
Radical New Models for Productivity

A WORLD OF CONSTRUCTION
Low Levels of Risk Clinical Applications
Small Number of Institutions

• Identified the education imperatives/goals that are the central framework for creating the strategic plan

• Created a roadmap highlighting strategies and tactics to support the education imperatives/goals

• Defined and made recommendations on the organizational implications associated with the strategies
Tripartite Mission
Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

Changing medicine.
Changing lives.

University of Iowa Health Care is changing medicine through pioneering discovery, innovative interprofessional education, delivery of superb clinical care and an extraordinary patient experience in a multidisciplinary, collaborative, team-based environment; and changing lives, preventing and curing disease, improving health and well-being, assuring access to care for people in Iowa and throughout the world.
Our Vision: World Class People. World-Class Medicine.
Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

**World Class People.**
Building on our greatest strength.

**World Class Medicine.**
Creating a new standard of excellence in integrated patient care, research and education.

**For Iowa and the World.**
Making a difference in quality of life and health for generations to come.
Our Values: I CARE
Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

**Innovation**
We seek creative ways to solve problems.

**Collaboration**
We believe teamwork—guided by compassion and commitment—is the best way to work.

**Accountability**
We behave ethically, act openly and with integrity in all that we do, taking responsibility for our actions.

**Respect**
We honor diversity, recognize the worth and dignity of every person and aim to earn the trust of all whom we serve.

**Excellence**
We strive to achieve excellence in all that we do.
Goals
Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

1. The Best People
2. Collaborative Learning, Research, and Care Models
3. Nimble Structure and Accountable Culture
4. Diversified Financial Resources
5. Strong Partnerships
Goal 1: The Best People

Foster an environment in which the most talented want to learn, work, and lead here at Iowa.

STRATEGIES

Enhance recruitment and retention of high-performing individuals toward achieving greater diversity

Enhance interprofessional team science and education

Increase individualized learning opportunities through the continuum of medical, scientific, and professional development education
Goal 2: Collaborative Learning, Research, and Care Models

Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

Deliver excellent outcomes through team-based collaborations that drive patient-directed care models, education, and research.

STRATEGIES

Further develop value-based care models

Transform interprofessional models to support research, team-based care, education, and practice
Goal 3: Nimble Structure and Accountable Culture

Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

Provide clear and supportive organizational structures that allow our people to do their best work and achieve results supporting our tripartite mission.

STRATEGIES

Leverage informatics for analysis and data-driven decision-making

Establish clear criteria and decision-making processes that support focused prioritization and investment

Strengthen integrated marketing and communications to support growth and build the UI Health Care brand
Goal 4: Diversified Financial Resources

Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

Ensure sustainability of our tripartite mission through a broad base of financial resources.

STRATEGIES

Enhance internal operations and create alignment to increase revenues, decrease costs, and optimize efficiencies

Increase philanthropic support for UI Health Care by identifying new sources of revenue

Build more (and broader) relationships with industry and the private sector to develop and implement innovative research initiatives

Identify new and/or strengthen current initiatives with potential to convert to business enterprises and produce profits with or without a partner
Goal 5: Strong Partnerships
Strategy Forward: UI Health Care Integrated Strategic Plan, 2017-2020

Grow in Iowa and beyond, working with partners who share our values.

STRATEGIES

Establish partnerships that will drive growth and dollars and increase scale

Improve access to and increase UI Health Care’s share of complex care

Expand geographic reach—defined as physical presence

Enhance UI Health Care’s position in primary care

Enhance global reach for research activities and relationships
FACULTY PRESENTATION: DISCOVERY AND DEVELOPMENT OF A NEUROPROTECTIVE DRUG

Andrew Pieper, MD, PhD
Professor of Psychiatry, Neurology, Radiation Oncology, and Molecular Physiology and Biophysics
Significant Unmet Need for Neuroprotective Drugs

Discovery and Development of a Neuroprotective Drug

**Psychiatry**
- "Functional diseases"
  - Schizophrenia
  - Depression
  - Bipolar disorder
  - Autism spectrum disorders
  - Anxiety
  - Substance abuse
  - PTSD
  - Eating disorders

**Neurology**
- "Organic diseases"
  - Alzheimer’s disease
  - Parkinson’s disease
  - Amyotrophic lateral sclerosis
  - Multiple sclerosis
  - Huntington’s disease
  - Traumatic brain injuries
  - Frontotemporal dementia
  - Epilepsy
  - Stroke

**Common finding**
- Neuron cell death
The Problem
Discovery and Development of a Neuroprotective Drug

There are no medicines that block nerve cell death.
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Traditional ‘test-tube’ discovery approaches that work for other diseases have failed, and pharmaceutical companies have lost interest in developing medicines that block nerve cell death.
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NEW APPROACH

Utilize living animal models of disease to identify new drug-like molecules for drug development.
Adult Neurogenesis in the Hippocampus

Discovery and Development of a Neuroprotective Drug

40% of newborn neural precursor cells die within the first week of their birth.
Immunohistochemistry
Discovery and Development of a Neuroprotective Drug

Hippocampus

antibody
Discovery of a Proneurogenic/Neuroprotective Compound

Discovery and Development of a Neuroprotective Drug

Large Chemical Compound Library

Infuse 1000 Compounds into the Brain for 1 Week via Osmotic Minipumps

Quantify Number of Surviving Newborn Hippocampal Neurons

P7C3

(Nicotinamide phosphoribosyltransferase)
Efficacy of P7C3 Compounds in Preclinical Models of Deficient Hippocampal Neurogenesis

Discovery and Development of a Neuroprotective Drug

1. Aging-associated cognitive decline
   
   (Pieper et al. 2010 Cell 142)

2. NPAS3-deficient mouse model of schizophrenia and intellectual disability
   
   (Pieper et al., 2010, Cell 142)

3. Ca$_v$1.2-deficient mouse model of anxiety
   
   (Lee et al., 2016, eNEURO)

4. Chronic stress-associated depression
   
   (Walker et al., 2015, Molecular Psychiatry 20)

5. Brain irradiation-induced cognitive decline
Unilateral 6-Hydroxydopamine Model of Parkinson’s Disease

Discovery and Development of a Neuroprotective Drug
P7C3-S243 Blocks 6-OHDA-Toxicity in Rats (Parkinson’s Disease)
Discovery and Development of a Neuroprotective Drug

- Sham + Vehicle
- 6-OHDA + Vehicle
- 6-OHDA + S243

Uninjected Hemisphere (L) | Injected Hemisphere (R)
Efficacy of P7C3 Compounds in Preclinical Models of Peripheral Nerve Degeneration
Discovery and Development of a Neuroprotective Drug

1. Nerve crush model of obstetric brachial plexus palsy
   *(Kemp et al., 2015, Neuroscience 284)*

2. Type II diabetic peripheral neuropathy
   *(Yorek et al., 2016, under review)*

3. Chemotherapy-induced peripheral neuropathy
   *(Lococos et al., 2016, under review)*
Current Drug-Development Workflow

Discovery and Development of a Neuroprotective Drug

- **P7C3**
  - Preclinical Models with P7C3 Protective Efficacy
    - Cognitive decline with ageing
    - Stress-associated depression
    - Parkinson's disease
    - ALS
    - Peripheral nerve injury
    - Traumatic brain injury
    - Irradiation-induced brain injury
    - Chemotherapy-induced peripheral nerve injury

- **SAR Chemistry**
  - P7C3A20
  - P7C3-S243

- **Mechanism of Action**
  - (P7C3 → NAMPT → NMNT1 → ↑NAD)
  - (+)

- **Human Trials**

- **Novel Molecules**

- **Hippocampal Neurogenesis**

- **Blast-TBI**
Future Directions
Discovery and Development of a Neuroprotective Drug

Develop a new class of neuroprotective drugs based on P7C3.

Identify new molecules that boost neuronal energy by related mechanisms.

Apply a similar discovery approach with other mouse models of neuropsychiatric disease, such as obsessive compulsive disorder, anxiety and autism.