Agenda

• Opening Comments
• Clinical Highlight: Neonatal Care at UIHC
• Operating Update: University of Iowa Health Care’s Downtown Campus
• Financial Performance
Opening Comments

Denise Jamieson, MD, MPH
Vice President for Medical Affairs
& Tyrone D. Artz Dean, Carver College of Medicine
Neonatal Care at UIHC
A National Pioneer in Neonatal Care Serving Iowa’s Patients

Denise Jamieson, MD, MPH
Vice President for Medical Affairs
& Tyrone D. Artz Dean, Carver College of Medicine
Complex Neonatal Care Provided by UIHC

• **Neonatology** cares for:
  – premature newborn babies, and
  – high-risk babies with complex medical and surgical conditions

• Many are admitted to the **Neonatal Intensive Care Unit (NICU)**

• Our comprehensive multidisciplinary neonatal care team helps babies grow and thrive

NICU Babies by Gestational Age (FY2019 - FY2023)
Increasing Need for Complex Neonatal Care

Average Daily NICU Census

NICU Length of Stay

- Average Daily NICU Census (NIC1 and NIC2)
- Number of patients with discharge date of FY2019 - FY2023
Our NICU Serves Patients from Across Iowa

Over 81% of NICU patients were from outside Johnson County
UIHC is a National Leader in Survival of Extremely Premature Babies

Survival Rate (All Infants Nationally - 2013-2018)

22 weeks: 10.90%
23 weeks: 49.40%
24 weeks: 69.90%
25 weeks: 79.20%

Survival Rate (UIHC Inborn - 2006-2022)

22 weeks: 59.49%
23 weeks: 77.42%
24 weeks: 85.04%
25 weeks: 90.17%


UIHC data is from internal sources.
Specialized Programs Support Survival of Extremely Premature Babies at UIHC

**Neonatal Transport Team**
Stabilization and safe transport of Iowa’s most critically ill neonates

**Neonatal Hemodynamics**
Advanced diagnostic tools to identify blood flow issues and treat babies

**Neonatal Lung Care & Neurocritical Care**
Coordinated, specialized care for infants born with pulmonary and neurological challenges
Neonatal Transport Team: Specialty Care Before Arrival at UIHC

A mobile intensive care unit with a dedicated pediatric specialty team provides:

- Transport team attendance at birth
- Onsite assessment
- Stabilization before transport
- Advanced breathing support & IV placement
- Facilitated subspecialist consultation
- ‘Therapeutic hypothermia’ to prevent adverse neurological outcomes
- Transport by ground or air

FY 2019-2023
Transports to the NICU by UIHC Neonatal Transport Team

655
Neonatal Hemodynamics: How Does it Work?
Neonatal Hemodynamics at UIHC

- First formal neonatal hemodynamics program in the nation

- Use of hemodynamics can significantly improve outcomes and survival

- Internationally renowned in neonatal hemodynamics
UIHC Neonatal Hemodynamics Fellowship

- First and only dedicated neonatal hemodynamics training program in U.S.
- One-year additional fellowship training for neonatologists
- First trainee began in 2019

Impact Beyond UIHC Stead Family Children’s Hospital

- External Faculty Fellows (2 per year)
- External Observers (5-10 per year)
- National and international presentations and publications to advance NICU outcomes worldwide
## Neonatal Lung Care and Neurocritical Care at UIHC

### Neonatal and Infant Lung Rehabilitation Team

- Extremely premature babies are born before lungs function outside the uterus
- Iowa’s only multidisciplinary team specializing in lung health and rehabilitation of neonates

### Neonatal Neurocritical Care Team

- Neurological challenges may occur in utero or upon birth
- Advanced bedside neurological monitoring may inform care plan
- Specialists provide early neurological intervention and rehabilitation

Colson Richardson
Age: 2.5; Des Moines, Iowa
Born at 22 weeks at UI Stead Family Children’s Hospital
University of Iowa Health Care’s Downtown Campus

Bradley Haws, MBA
Chief Executive Officer, UI Hospitals and Clinics
& Associate Vice President, UI Health Care
University of Iowa Health Care’s Downtown Campus

• On January 31, we welcomed nearly 1,000 team members and physicians to University of Iowa Health Care

• We added 192 licensed beds and 10 clinic locations to serve our region

• Together, we will continue to build a coordinated system of care to serve more Iowans across our Iowa City community and region
Financial Performance

Mark Henrichs, MHA, CPA
Associate Vice President for Finance & Chief Financial Officer, UI Health Care
Volume and Financial Highlights

December FY24

Key Volumes
- Discharges: + 3.9% vs budget | + 3.3% vs prior year
- Patient Days: − 3.8% vs budget | − 1.1% vs prior year
- Surgeries: + 2.2% vs budget | + 4.4% vs prior year
- Clinic Visits: − 0.2% vs budget | + 5.8% vs prior year

Acuity
- Case Mix Index: 2.38

Length of Stay Index
- Adult: 0.97
- Pediatrics: 1.00

Gross Patient Revenue
- 0.3% above budget year-to-date
  - Inpatient: −2.1% vs budget
  - Outpatient: +2.2% vs budget

Accounts Receivable
- Days in Net AR − 43.0 days

Salary Expenses
- 2.9% below budget

Non-Salary Expenses
- 2.4% above budget

Operating Margin
- Actual 10.7% vs goal of 9.1%
- Actual -0.6% vs goal of -0.9% (Without Directed Payment)
## Comparative Financial Results

**FISCAL YEAR TO DATE: December 2023**

<table>
<thead>
<tr>
<th>Operating Revenues</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>Net Patient Revenue</td>
<td>1,224.4</td>
<td>1,222.6</td>
<td>1,151.9</td>
<td>1.8</td>
<td>0.1%</td>
<td>72.5</td>
<td>6.3%</td>
</tr>
<tr>
<td>Directed Payment Revenue</td>
<td>159.3</td>
<td>138.9</td>
<td>163.2</td>
<td>20.4</td>
<td>14.7%</td>
<td>(3.9)</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>34.5</td>
<td>31.3</td>
<td>28.1</td>
<td>3.2</td>
<td>10.3%</td>
<td>6.4</td>
<td>22.9%</td>
</tr>
<tr>
<td><strong>Net Operating Revenue</strong></td>
<td>1,418.3</td>
<td>1,392.9</td>
<td>1,343.3</td>
<td>25.4</td>
<td>1.8%</td>
<td>75.0</td>
<td>5.6%</td>
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</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>543.9</td>
<td>559.9</td>
<td>503.4</td>
<td>(16.0)</td>
<td>-2.9%</td>
<td>40.5</td>
<td>8.0%</td>
</tr>
<tr>
<td>General Expenses</td>
<td>653.4</td>
<td>637.2</td>
<td>604.8</td>
<td>16.1</td>
<td>2.5%</td>
<td>48.5</td>
<td>8.0%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>69.0</td>
<td>68.5</td>
<td>66.3</td>
<td>0.6</td>
<td>0.8%</td>
<td>2.8</td>
<td>4.2%</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>1,266.3</td>
<td>1,265.6</td>
<td>1,174.5</td>
<td>0.7</td>
<td>0.1%</td>
<td>91.8</td>
<td>7.8%</td>
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</tbody>
</table>

| Operating Income                        | 152.0   | 127.3   | 168.8      | 24.7               | 19.4%                 | (16.8)                 | -10.0%                   |
| Operating Margin %                      | 10.7%   | 9.1%    | 12.6%      | 1.6%               | -1.8%                 |                        |                          |

| Operating Income w/o Dir Pmts           | (7.4)   | (11.6)  | 5.5        | 4.3                | 36.7%                 | (12.9)                 | -233.3%                  |
| Operating Margin % w/o Dir Pmts         | -0.6%   | -0.9%   | 0.5%       | 0.3%               | -1.1%                 |                        |                          |

| Gain (Loss) on Investments              | 42.1    | 23.5    | 6.4        | 18.6               | 79.0%                 | 35.7                   | 556.7%                   |
| Other Non-Operating Gain (Loss)         | (13.1)  | (12.9)  | (11.4)     | (0.1)              | -1.1%                 | (1.7)                  | -14.8%                   |

| Net Income                              | 181.0   | 137.9   | 163.8      | 43.1               | 31.3%                 | 17.2                   | 10.5%                    |
| Net Margin                              | 12.5%   | 9.8%    | 12.2%      | 2.7%               | 0.3%                  |                        |                          |
# Key Metrics

<table>
<thead>
<tr>
<th>Financial Operations</th>
<th>FY24 Nov YTD</th>
<th>FY24 Dec YTD</th>
<th>Moody’s Medians</th>
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</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>9.8%</td>
<td>9.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>283</td>
<td>285</td>
<td>262</td>
</tr>
<tr>
<td>Debt to Capitalization</td>
<td>18.5%</td>
<td>18.1%</td>
<td>23.2%</td>
</tr>
</tbody>
</table>

**Operating margin without Directed Payment**
- FY24 Nov YTD = -1.6%
- FY24 Dec YTD = -1.5%
Thank you