University of Iowa Health Care

Presentation to

The Board of Regents, State of Iowa

April 1, 2020
2019 Novel Coronavirus (COVID-19) Update

Chargemaster Price Increase
2019 Novel Coronavirus (COVID-19) Update

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Chargemaster Price Increase

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Hospital Case Mix Index

Action OI Data – CY2019 Quarter 3

77th percentile
Net Operating Revenue per CMI Weighted Discharge
Action OI Data – CY2019 Quarter 3

40th percentile
Chargemaster Price Increase

The University of Iowa Hospitals and Clinics is proposing a 6.0% rate increase for FY21.

UIHC charges have an impact on certain prospective contractual rates set by payers. They also directly impact current reimbursement for percent of charge, carve-out and outlier payment terms. The estimated impact of a 6% price increase is a 0.6% yield or $11.0M.
Chargemaster Price Increase

UI Health Care Operating Budget FY2021

- **Benchmarking**
  UIHC charges are low compared to peer institutions.
  - Over the past three years of Vizient comparison data, UIHC acuity adjusted charges have ranged between the 27th percentile to 41st percentile of all Midwest Academic Centers.

- **Self-Pay Impact**
  UIHC has a charity care program that shields the medically indigent from being impacted by increases in charges. The program discounts charges for services using a sliding scale based upon the Federal Poverty Limit (adjusted for family size). This program provides assistance to incomes at or below 350% of the FPL.
Support requested from the Board of Regents for a 6% rate increase at the University of Iowa Hospital and Clinics effective July 1, 2020.
Thank You