

MEETING OF THE BOARD OF REGENTS, STATE OF IOWA, AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS

May 3, 2006
Cedar Falls, Iowa

- | | |
|---|--|
| I. Introductory Comments | David J. Skorton; President, The University of Iowa |
| II. Budget Discussion: <ul style="list-style-type: none">• FY2007 Environmental Assessment• Preliminary FY2007 Budget and Proposed Rate Increase | Donna Katen-Bahensky, Director and Chief Executive Officer |
| III. Partnership Discussion | Donna Katen-Bahensky
Jean E. Robillard, M.D.; Dean of the University of Iowa Roy J. and Lucille A. Carver College of Medicine |
| IV. Director's Report
(Includes Operating and Financial Performance Report for Third Quarter FY2006, and IowaCare Update) | Donna Katen-Bahensky |

Budget Discussion

Donna Katen-Bahensky

<See Separate Book>

Partnership Discussion

Donna Katen-Bahensky

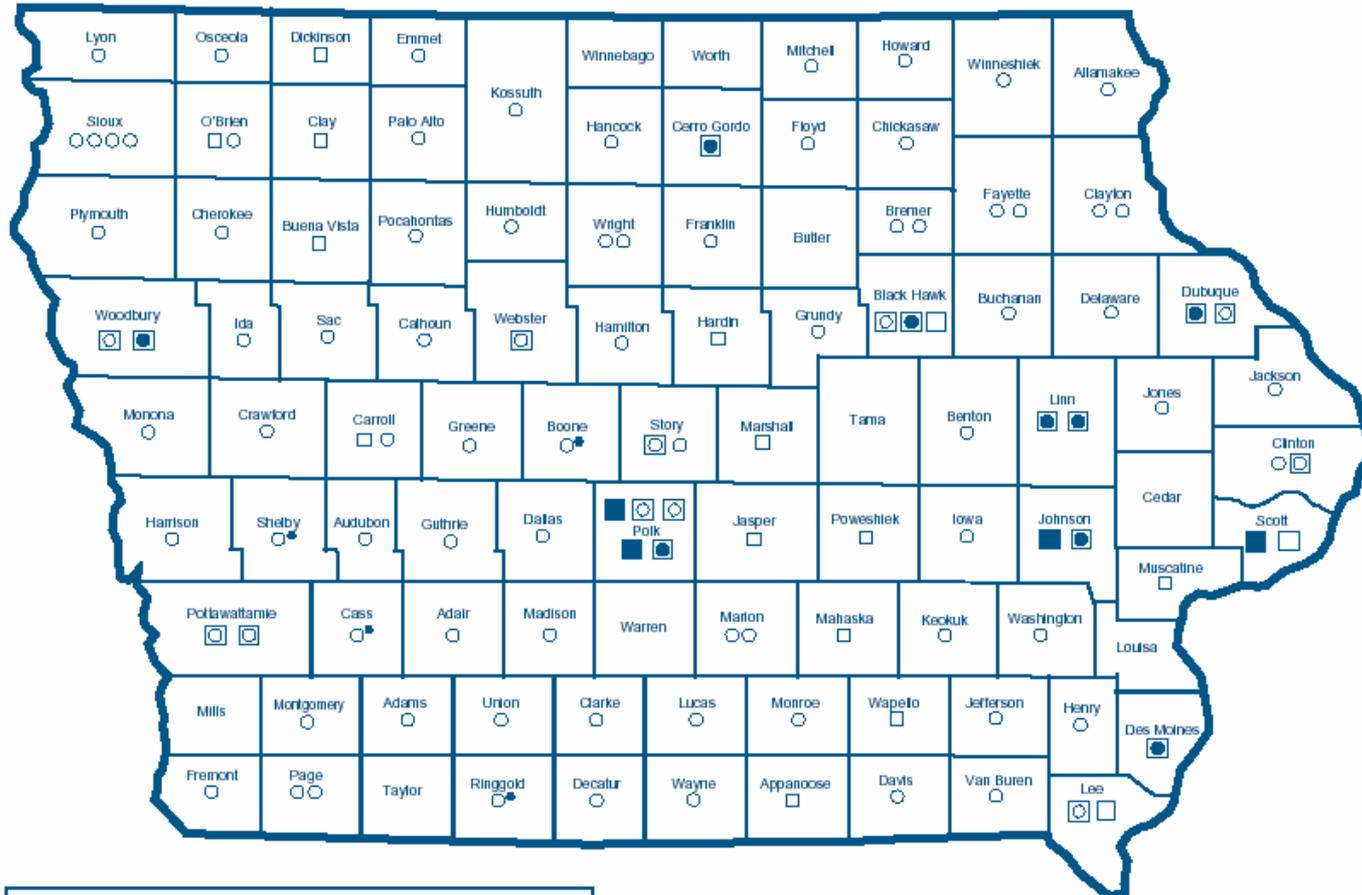
Jean E. Robillard, M.D.

Iowa Healthcare Providers: Environmental Scan

Iowa Hospitals

- Iowa has 116 hospitals
- All of Iowa's hospitals are private not-for-profit, owned by state or local government, or by a church or other non-profit entity
- 90 of Iowa's 99 counties have at least one hospital
- 87 of Iowa's hospitals have fewer than 100 staffed beds
- 4 of Iowa's hospitals have more than 400 beds
- No Iowa resident lives more than 25 miles from a hospital

All Iowa Hospitals



KEY:

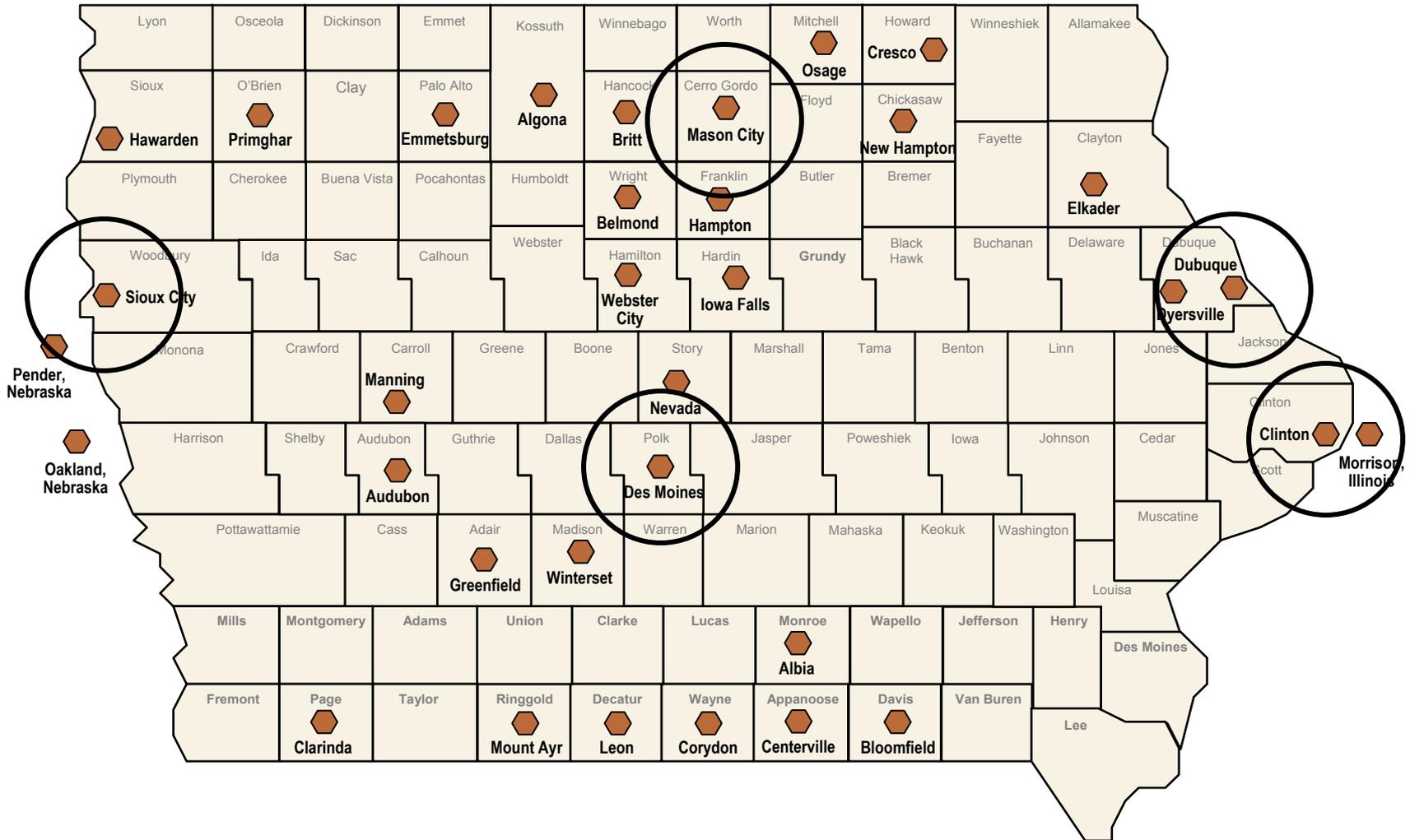
- 1-25 CAH Acute Beds
- 26-99 Acute Beds
- ◻ 100-199 Acute Beds
- ◻ 200-399 Acute Beds
- 400+ Acute Beds

* Inspection in progress. Expected to become CAH by September 2005.

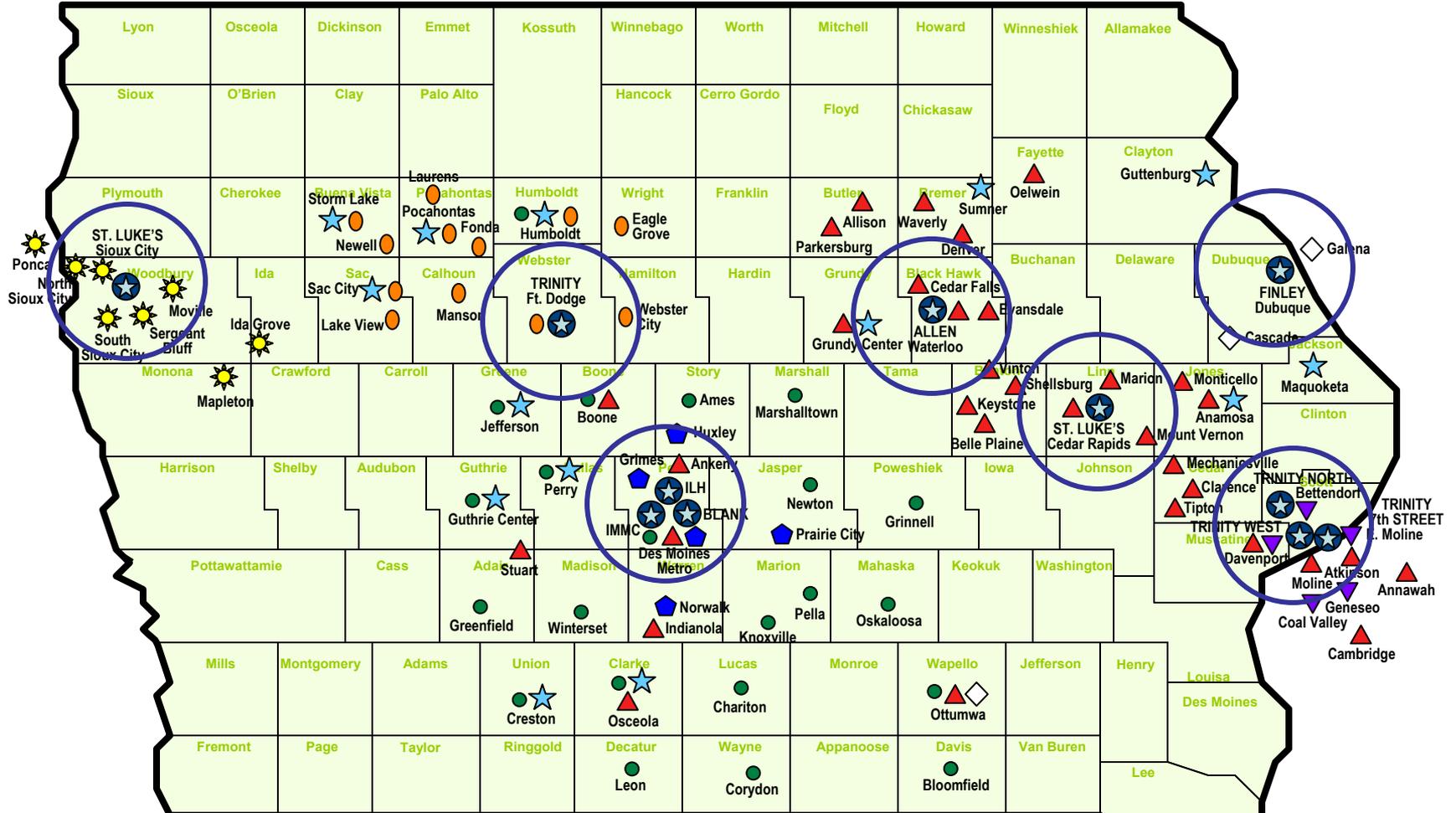
Major Hospital Systems

- Veterans Health Administration
 - Des Moines Division - VA Central Iowa Health Care System
 - Iowa City VA Medical Center
 - Knoxville Division - VA Central Iowa Health Care System
- Genesis Health System
 - Genesis Medical Center - DeWitt Campus
 - Genesis Medical Center - Illini Hospital (Silvis, Illinois)
 - Genesis Medical Center - East Rusholme (Davenport)
 - Genesis Medical Center - West Central Park Campus (Davenport)
- Mercy Health Network
 - More than 30 hospitals in and around Iowa
- Iowa Health System
 - Over 30 hospitals statewide

Mercy Health Network



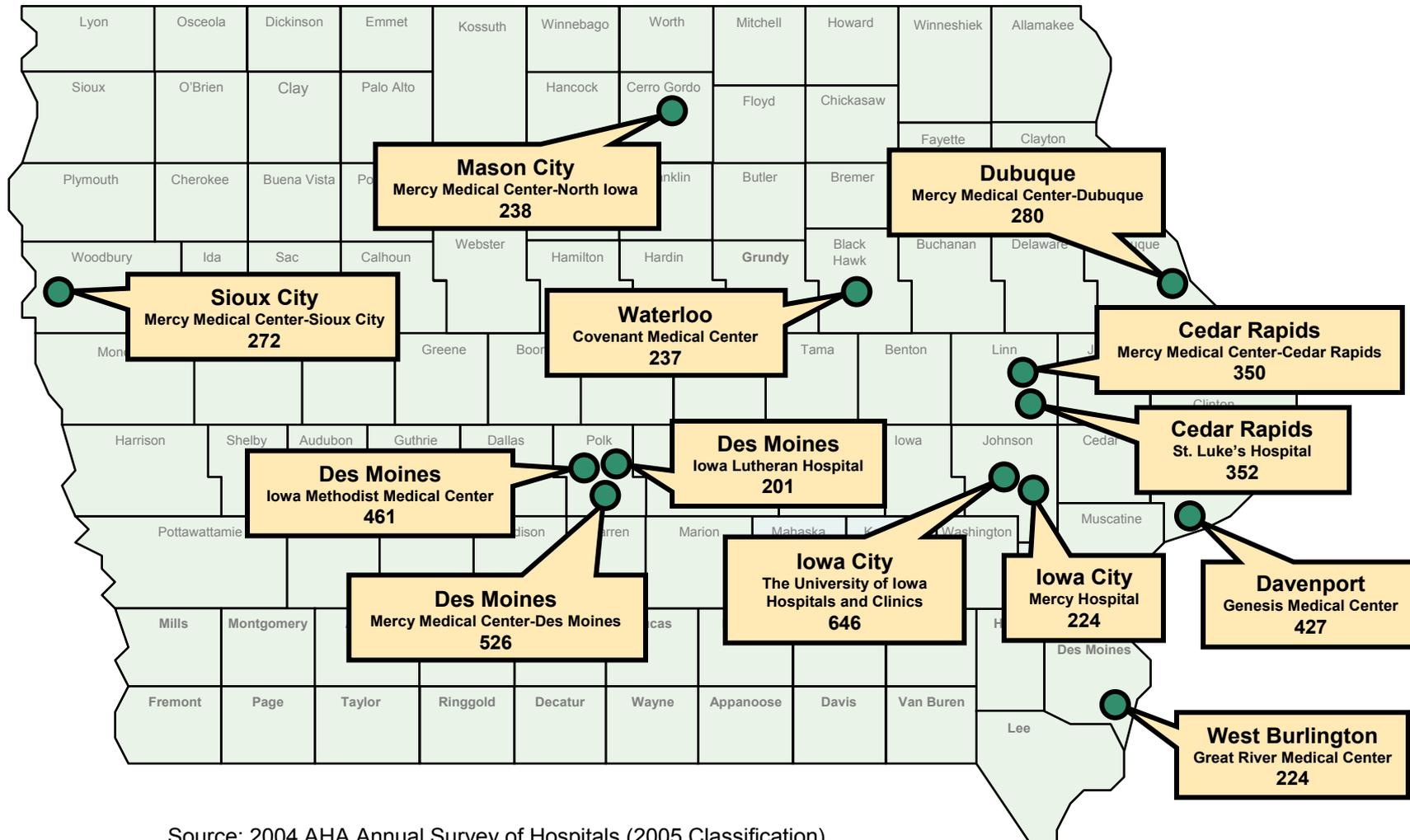
Iowa Health System



- ★ SENIOR AFFILIATES
- ▲ Iowa Health Physicians
- ☀ St. Luke's Clinic Network
- Trimark Physicians Group
- ▼ Trinity Health Partners (QC)
- The Iowa Clinic
- ★ IHSCN Partner Hospitals
- ◇ Special Partners
- ◆ Healthcare Professionals
- ◆ Children's Hospital Physicians
- ◆ Partners in Health

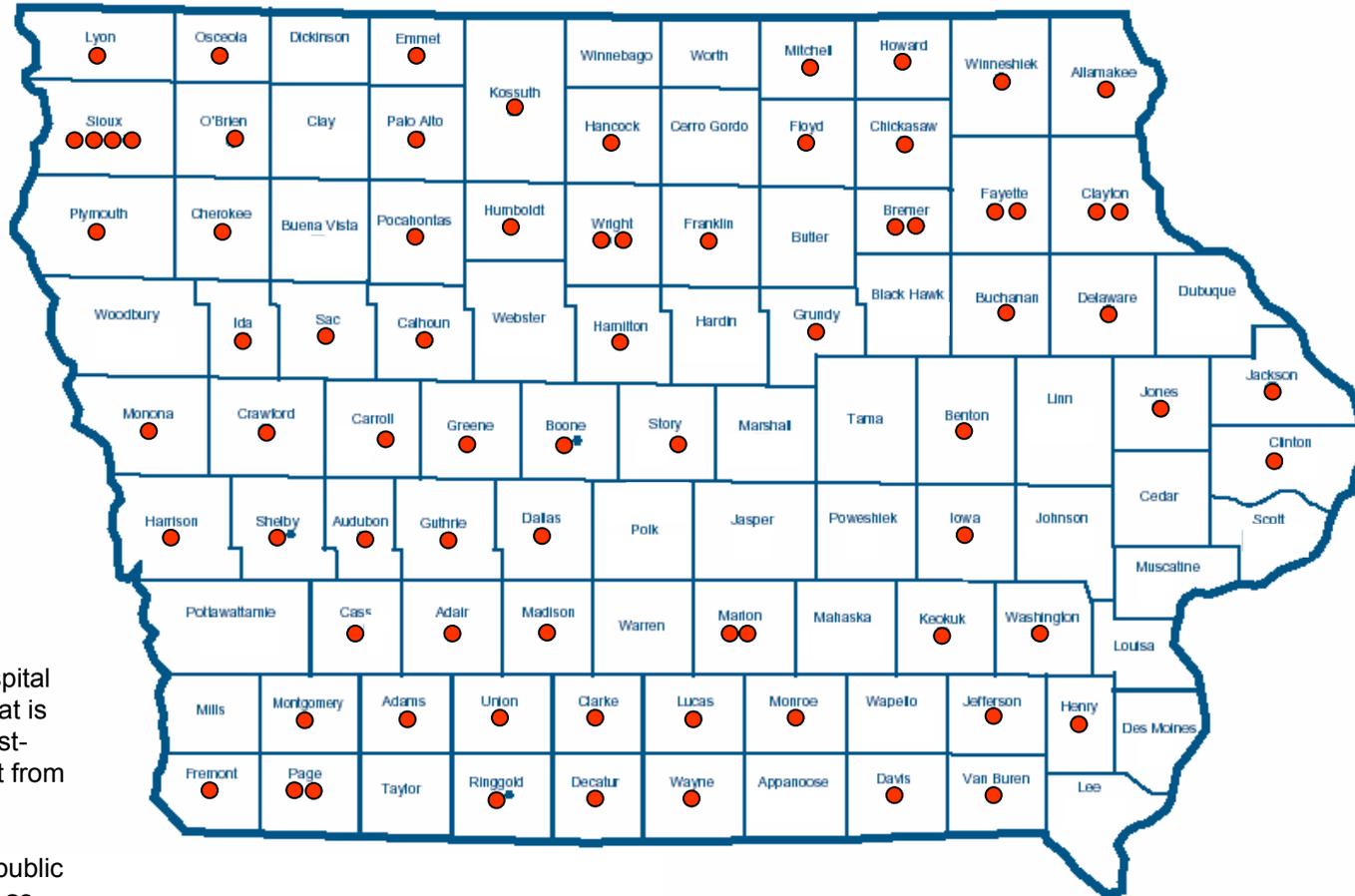
Major Urban Hospitals

(greater than 200 beds)



Source: 2004 AHA Annual Survey of Hospitals (2005 Classification)

Critical Access Hospitals

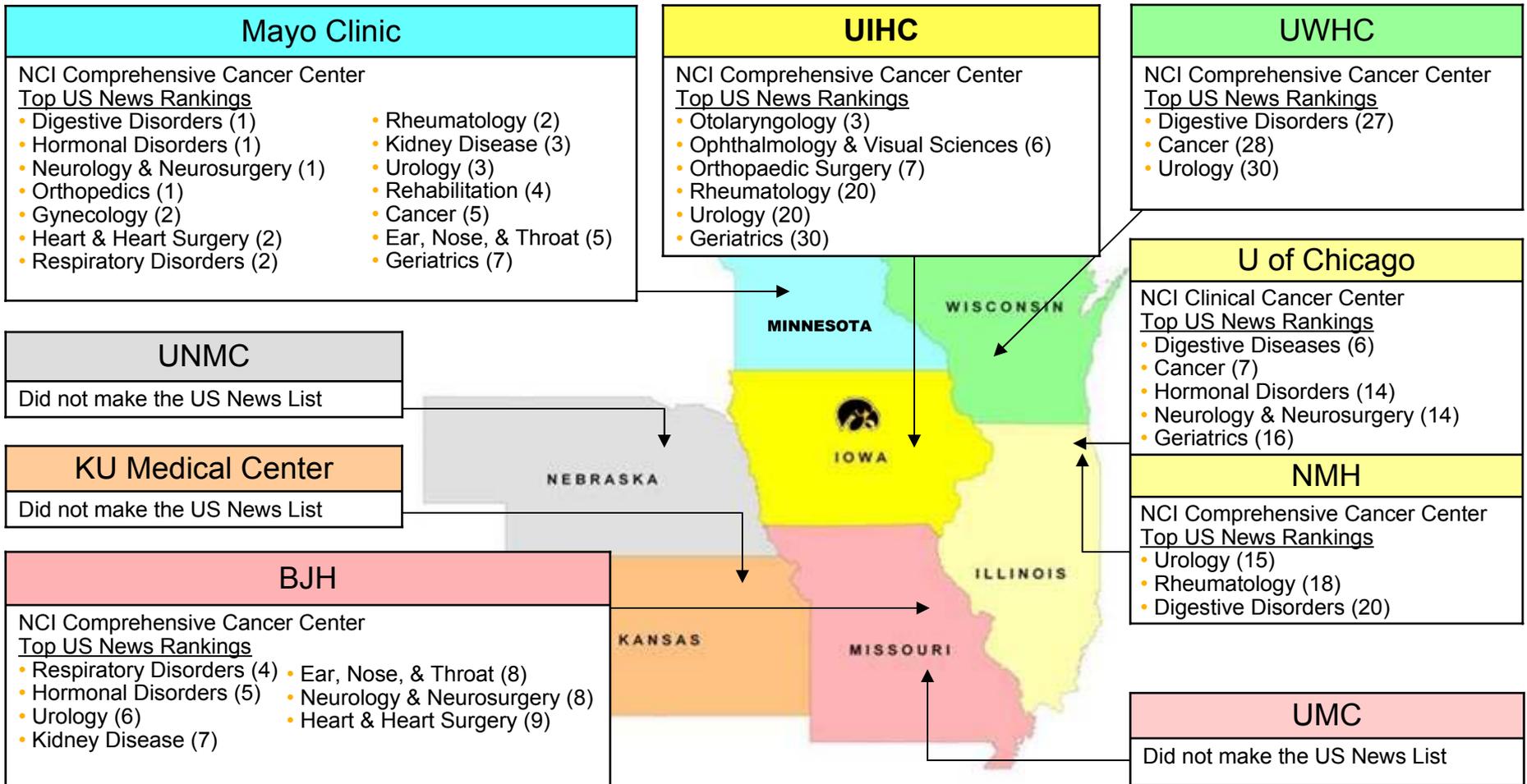


A Critical Access Hospital (CAH) is a hospital that is certified to receive cost-based reimbursement from Medicare.

CAHs must be rural, public or non-profit, certified as being a necessary provider of care, and have fewer than 25 inpatient beds.

● 1-25 CAH Acute Beds

Surrounding Academic Medical Centers



UIHC faces formidable competition from academic medical centers in surrounding states

Current Partnerships

Clinical Care

Education

Research

Partnership Between UIHC and CCOM

- CCOM clinical department heads are also clinical service chiefs for UIHC
- CCOM clinical faculty are UIHC medical staff
- UIHC is the primary site for clinical education for CCOM students
- UIHC & CCOM enjoy a strong partnership in clinical research



Examples of Partnerships in Clinical Care

- Cancer Center (Mercy Hospital, Iowa City)
- Radiation Therapy Center (Mercy Medical Center, Clinton)
- Iowa Statewide Poison Control Center (St. Luke's Health System, Sioux City)
- Neonatology (Genesis, Davenport)
 - University of Iowa board-certified neonatologists will be assigned to Genesis Medical Center on a full-time basis
 - Patient care and medical directorship provided by UI CCOM faculty
- Pharmacy services and management
 - Marengo Memorial Hospital, Marengo
 - Ottumwa Regional Health Center, Ottumwa
 - Mercy Medical Center, Clinton
 - Mercy Medical Center – North Iowa, Mason City

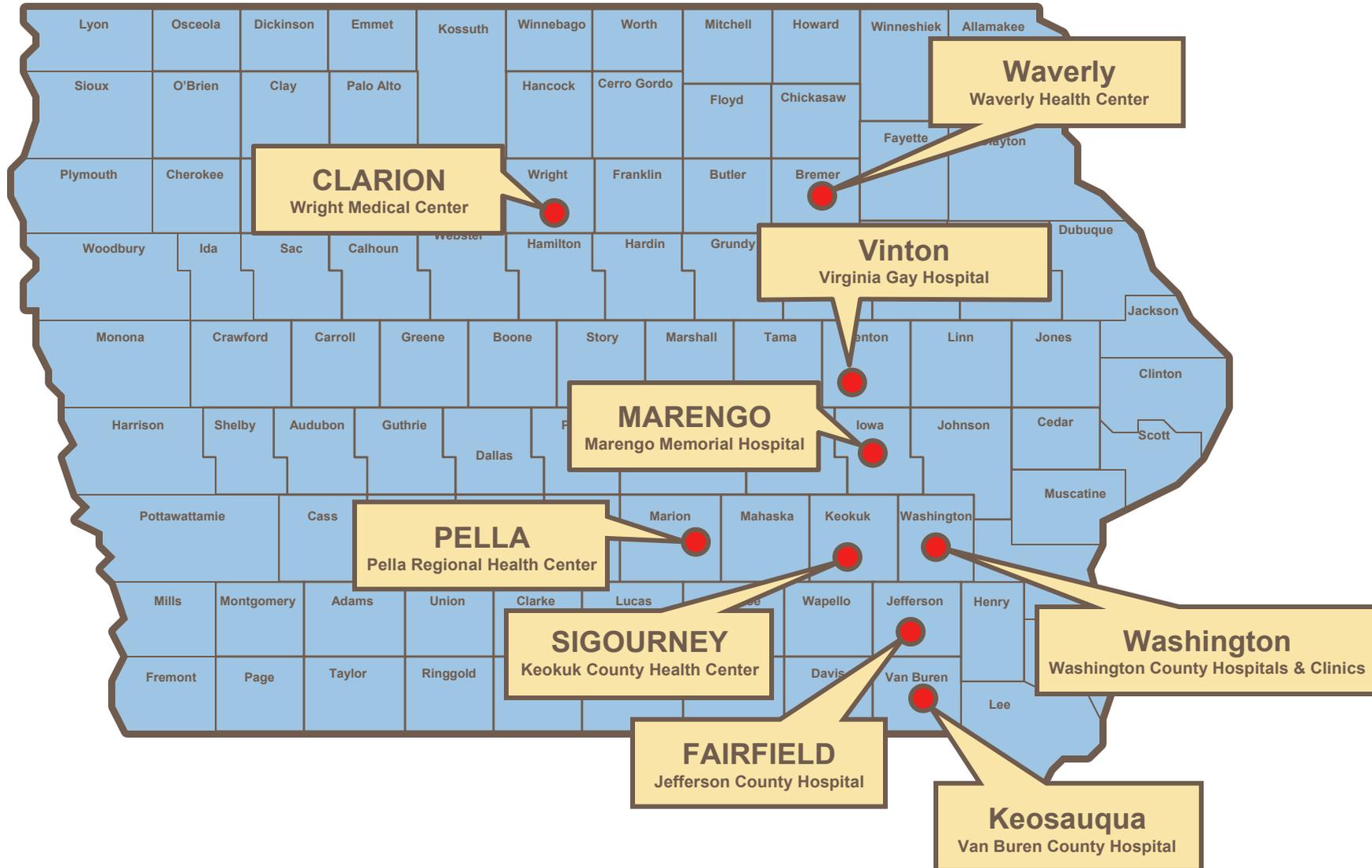
Examples of Partnerships in Clinical Care (cont'd)

- UI residents, fellows, and faculty provide clinical care at the Iowa City VA Medical Center
 - e.g., Allergy/Immunology, Dermatology, General Surgery, Neurology, Neurosurgery, Nuclear Medicine, Ophthalmology, Orthopaedics, Otolaryngology, Pharmacy, Psychiatry
- Radiation Oncology Program (Iowa City VA Medical Center)
- Sleep Lab (Unity HealthCare, Muscatine)
- Collaborative Laboratory Services, L.L.C. (Ottumwa Regional Health Center)
- Inpatient dialysis care in partnership with Mercy Iowa City
- Satellite dialysis units in partnership with hospitals in Washington, Grinnell and Muscatine
- HIV-outreach to Iowa prisons via telemedicine

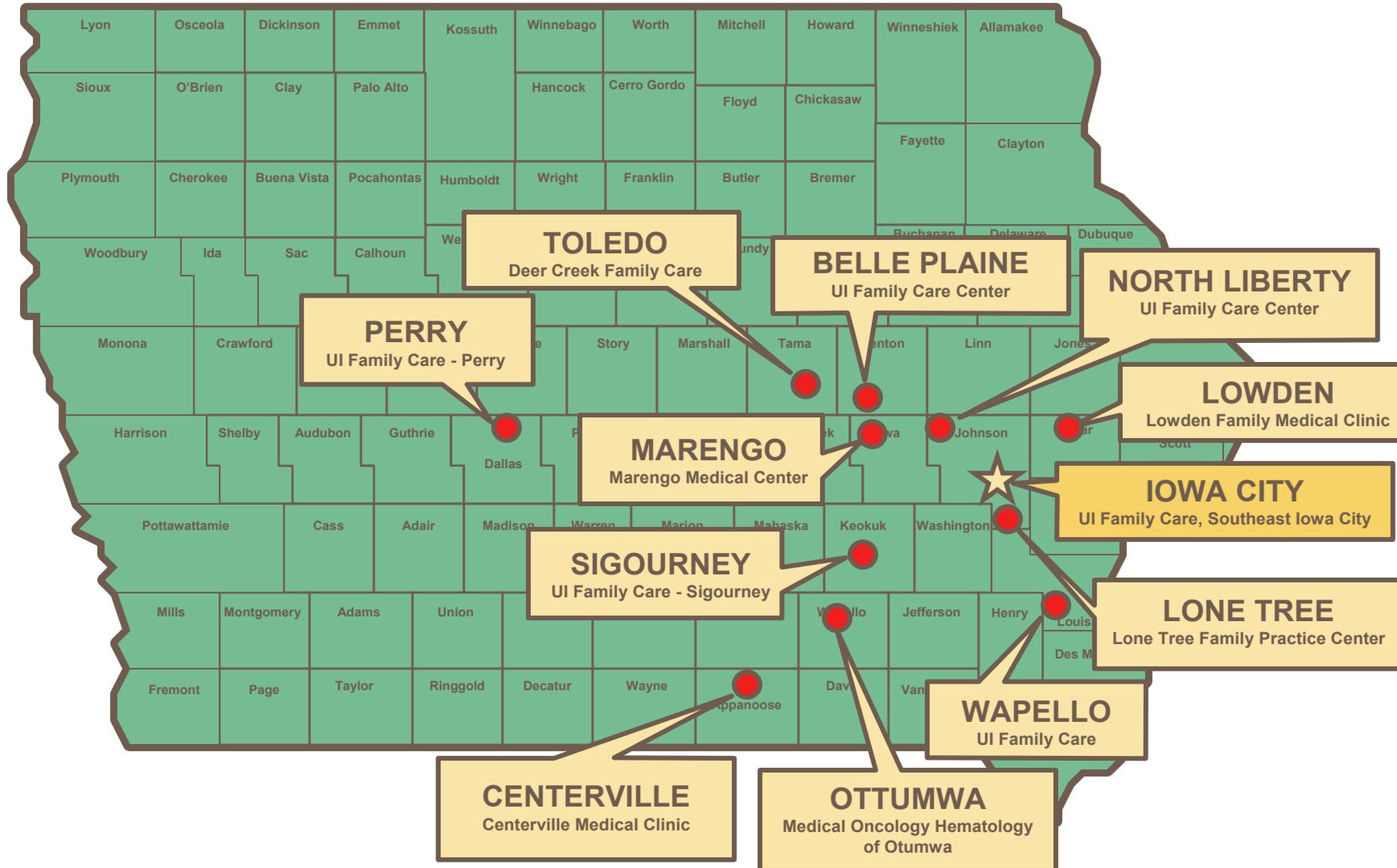
Examples of Partnerships in Clinical Care (cont'd)

- UIHC AirCare helicopter based in Waterloo (Covenant Medical Center)
 - Location provides a more rapid response to calls from northern Iowa
- On-site pediatric cardiology clinic at Mercy - Dubuque
- Sponsorship of nine Critical Access Hospitals in Iowa – Clarion, Fairfield, Keosauqua, Marengo, Pella, Sigourney, Waverly, Washington, Vinton
- University of Iowa Community Medical Services (UICMS)
- Over 51 visiting consultant clinics across the State with over 200,000 annual visits
 - e.g., cleft palate clinic operated in Spencer, Iowa by Department of Otolaryngology

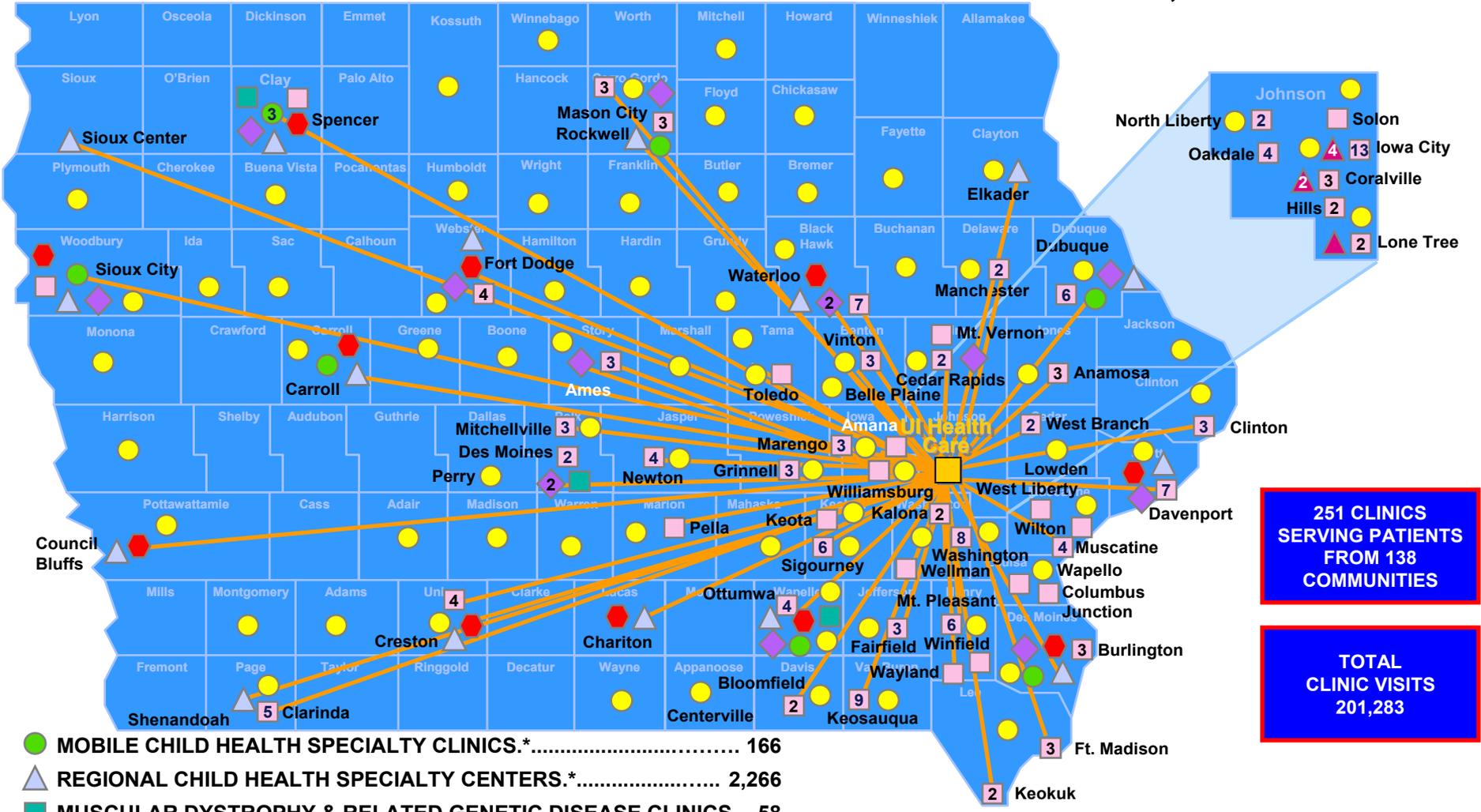
UIHC CRITICAL ACCESS NETWORK



UNIVERSITY OF IOWA COMMUNITY MEDICAL SERVICES LOCATIONS



OFF SITE CLINICS PROVIDING PATIENT CARE TO IOWA COMMUNITIES, 2004-2005



**251 CLINICS
SERVING PATIENTS
FROM 138
COMMUNITIES**

**TOTAL
CLINIC VISITS
201,283**

- MOBILE CHILD HEALTH SPECIALTY CLINICS.*..... 166
- ▲ REGIONAL CHILD HEALTH SPECIALTY CENTERS.*..... 2,266
- MUSCULAR DYSTROPHY & RELATED GENETIC DISEASE CLINICS... 58
- BIRTH TO 5-YEARS*..... 1,319
- ◆ REGIONAL GENETIC CONSULTATION SERVICE..... 725
- UI CMS AND HOMECARE.....165,706

- SPECIALTY CONSULTATION CLINICS*30,873
- ▲ FAMILY MEDICINE OUTREACH CLINICS.*170

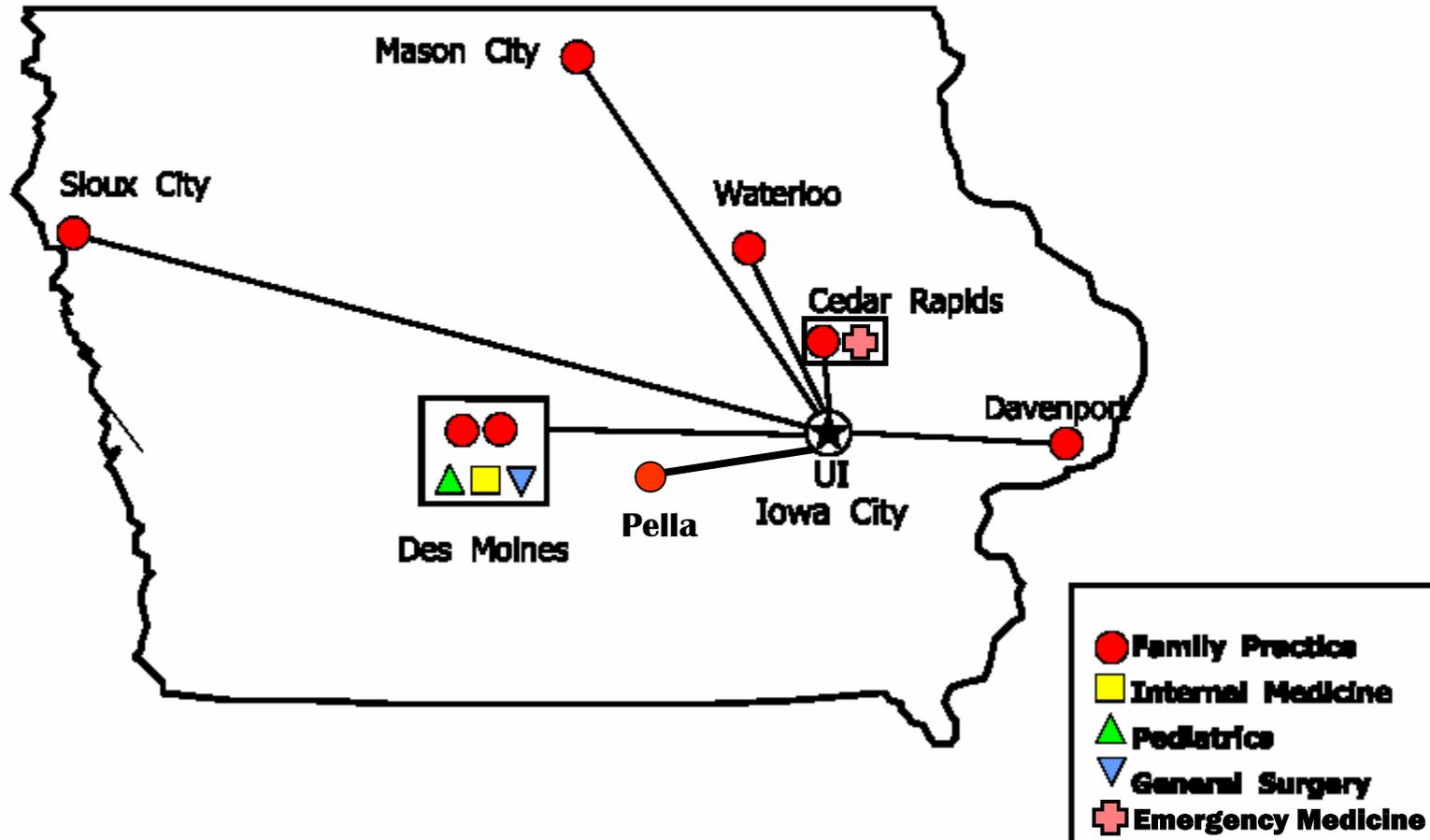
Examples of Partnerships in Education

- Emergency Department Joint Residency Program with St. Luke's Hospital in Cedar Rapids
- Statewide education system for 3rd and 4th year medical students, pharmacists, nurses, and physician assistants in six UI regional medical education centers located in Sioux City, Mason City, Des Moines, Waterloo, Cedar Rapids, Iowa City and Davenport
- Statewide residency network in eight Iowa communities including Cedar Rapids, Davenport, Waterloo, Des Moines, Iowa City, Sioux City, Pella and Mason City
 - e.g., UI medical resident rotations at Iowa City VA Medical Center
- Distance Learning Program for VA nurses
 - Iowa City VA Medical Center
 - Des Moines VA Medical Center
 - Knoxville VA Medical Center

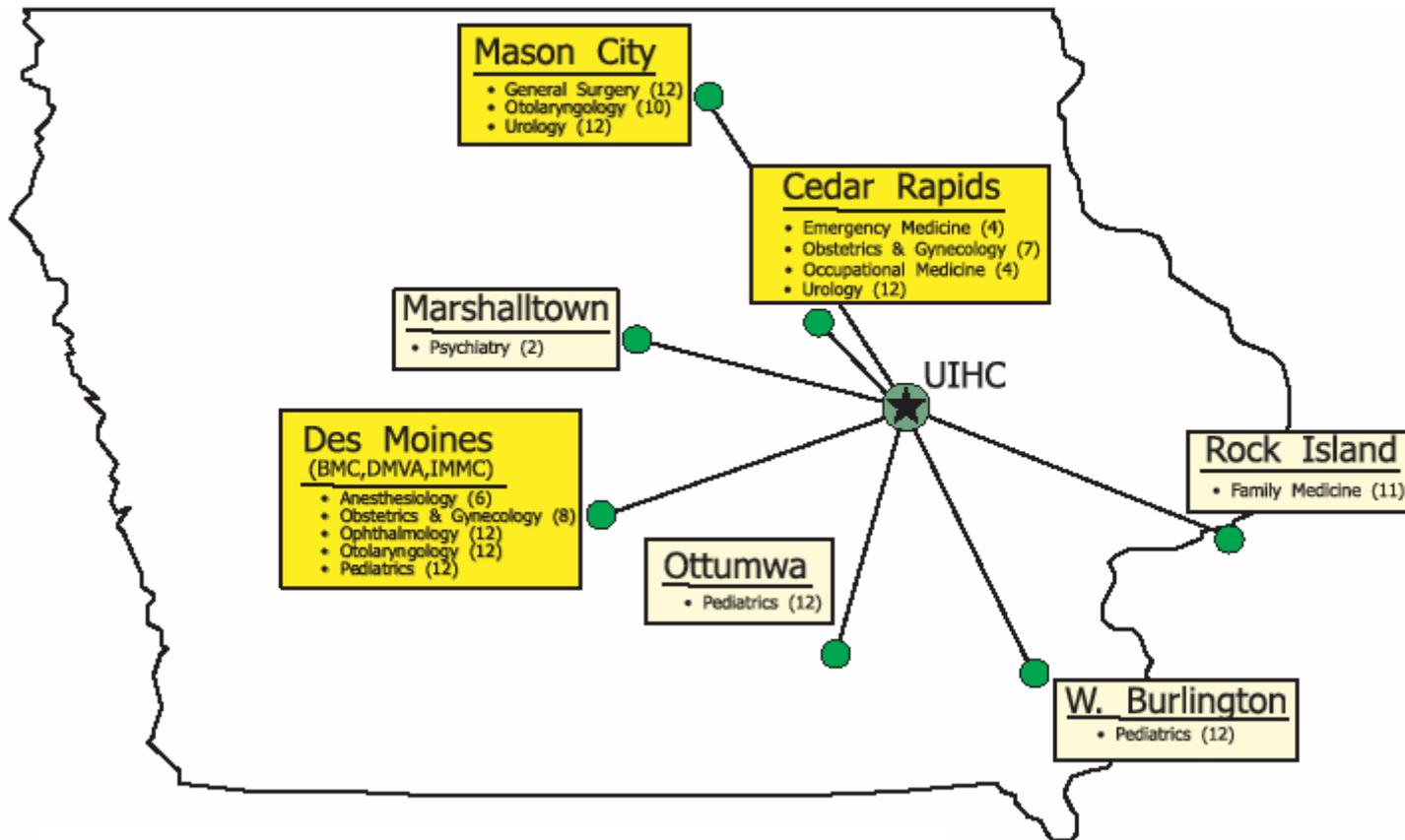
Examples of Partnerships in Education (cont'd)

- Continuing Medical Education training programs across the state
- Department of Orthopaedics
 - Assist the National Association of Orthopaedic Nurses put on an annual continuing medical education program for nurses in Iowa and the region
 - Regular community education programs for patients and physicians offered by the Sports Medicine Center

UI-AFFILIATED COMMUNITY-BASED RESIDENCY PROGRAMS



COMMUNITY-BASED HOUSE STAFF ROTATIONS* UIHC/CCOM 2004-2005

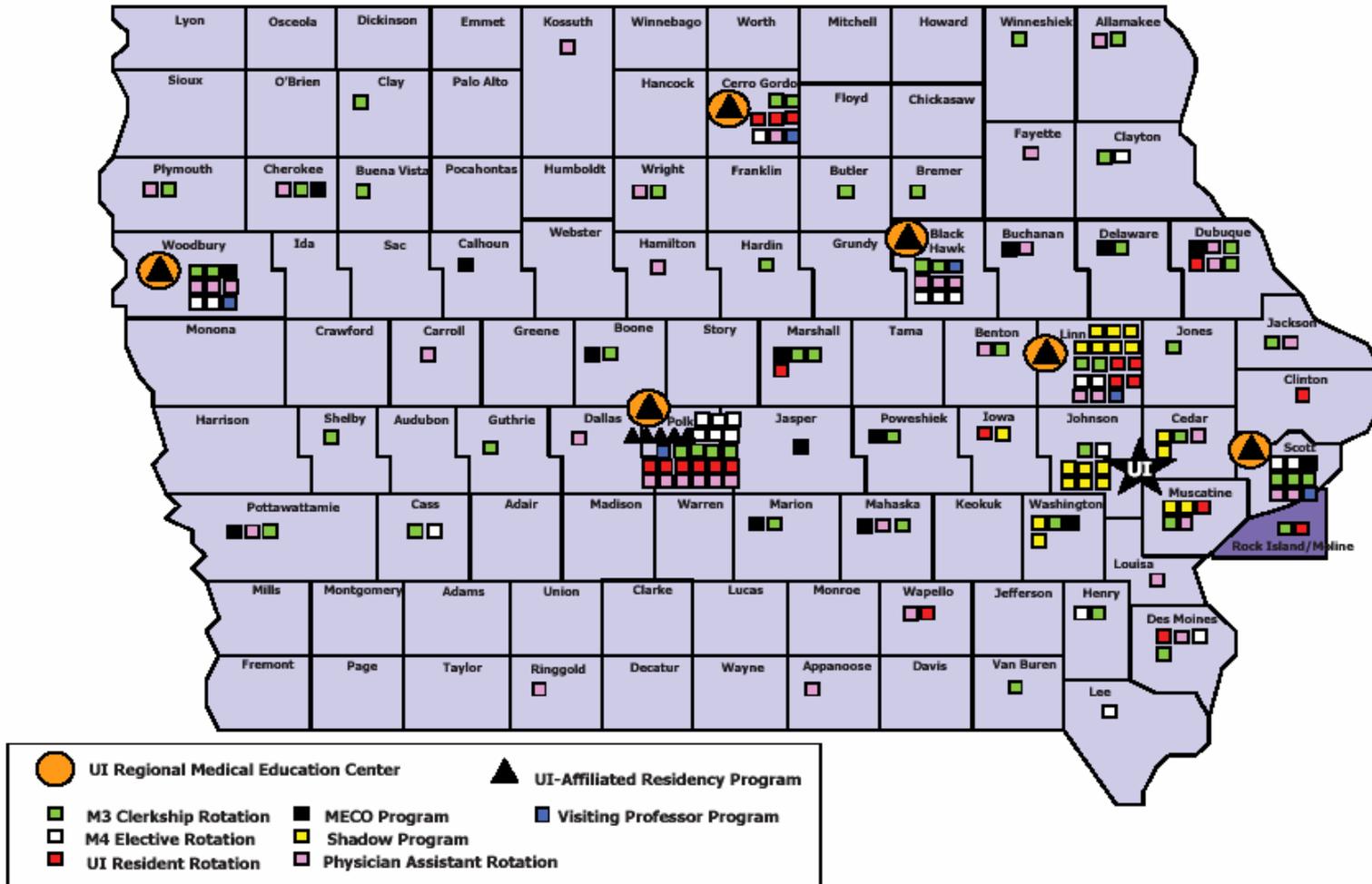


Source: Office of Statewide Clinical Education Programs, UI Carver College of Medicine, October 2005

STATEWIDE MEDICAL EDUCATION SYSTEM

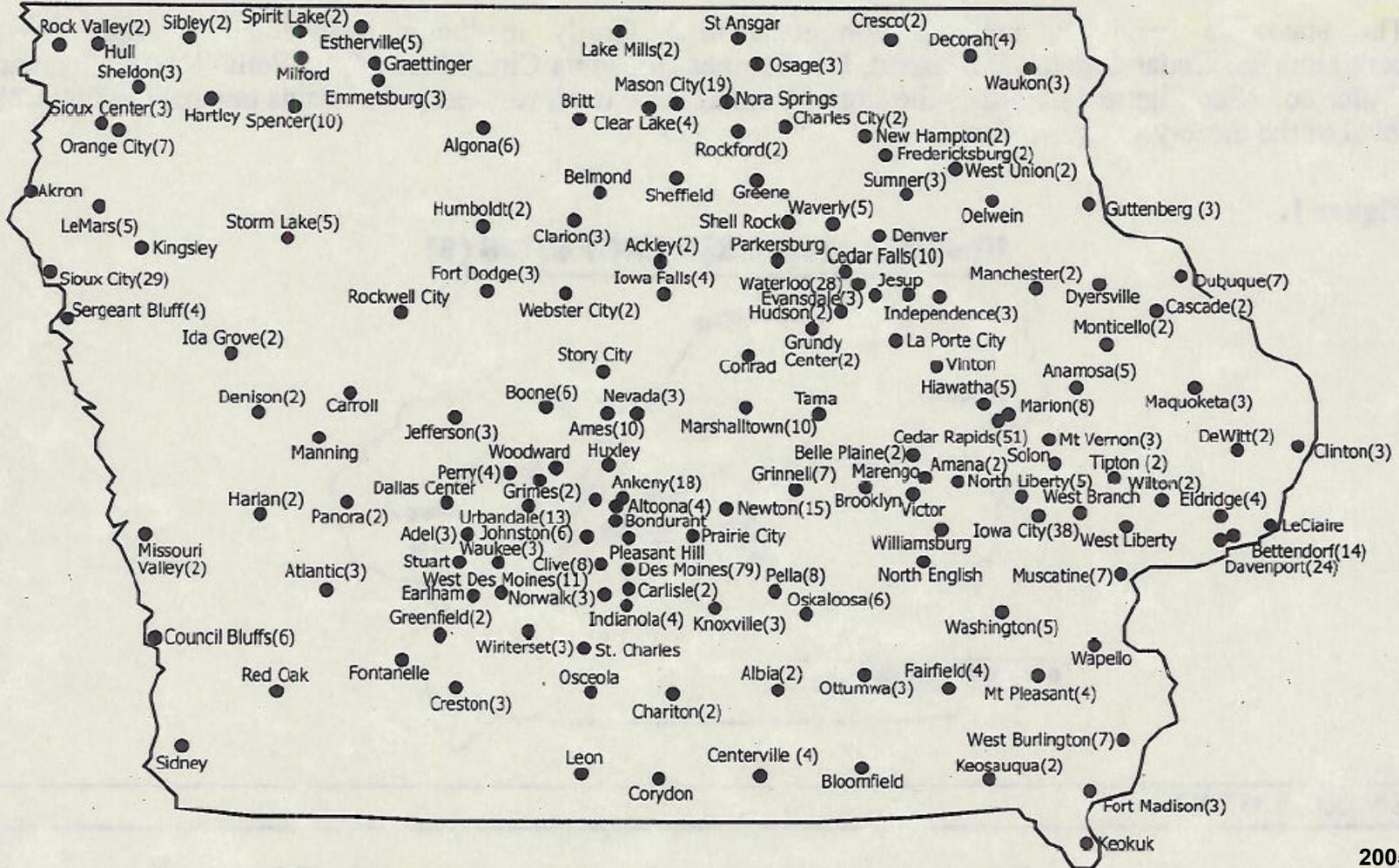
Location of Educational Activities

2004-2005



Source: Office of Statewide Clinical Education Programs, UI Carver College of Medicine, October 2005

IOWA FM GRADUATES PRACTICING IN IOWA (748)



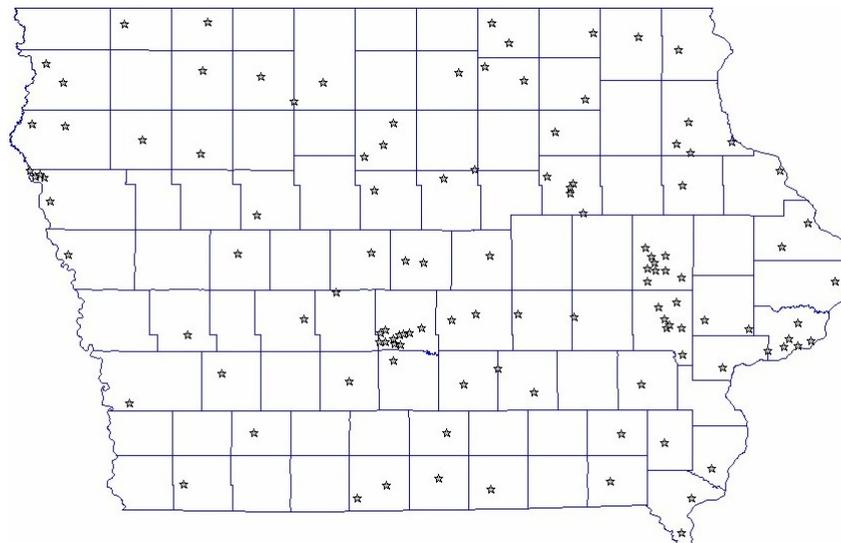
2005

Examples of Partnerships in Research

- Clinical and Translational Science Award (CTSA)
 - Iowa Health System
 - Unity HealthCare, Muscatine
 - Jennie Edmundson Hospital, Council Bluffs
- Agency for Healthcare Research and Quality (AHRQ) Grant: Rural Iowa Redesign of Care Delivery with Electronic Health Record Functions
 - Mercy Medical Center, Clinton
- Veterans Health Administration
 - UI researchers:
 - Receive numerous VA research grants
 - Conduct research at the Iowa City VA Medical Center

Examples of Partnerships in Research (cont'd)

- Iowa Research Network – IRENE
 - A practice-based research network for family practice research
 - A collaboration between the Iowa Academy of Family Physicians (IAFP), IAFP Family Health Foundation of Iowa, and the Department of Family Medicine at The University of Iowa
 - Sponsorship has included 4 federal research grants, support from the Iowa Academy of Family Physicians, the American Academy of Family Physicians, and Wellmark



Examples of Partnerships in Research (cont'd)

- Major research partnership with multiple private gastroenterologists in the state for more than 20 years
 - Included are the groups in Cedar Rapids, Waterloo, Dubuque, Moline, Bettendorf and Davenport, Iowa City, and two groups in Des Moines
 - Research projects have included four NCI funded polyp prevention interventional trials and a helminth ova therapy trials in ulcerative colitis and Crohn's disease
 - Partnership has produced more than 4 New England Journal of Medicine articles, an article in GUT, one in Gastroenterology, one in the American Journal of Gastroenterology, and articles in multiple other journals

Clinical and Translational Science Award

*Bringing Discoveries to Iowa
Communities*

Clinical and Translational Science Award

Major goal

- To serve as a magnet that brings together basic, translational, and clinical investigators, community clinicians, clinical practices, networks, professional societies, and industry to develop new professional interactions, programs, and research projects.

Clinical and Translational Science Award

Purposes

- To create an incubator for innovative research tools and information technologies.
- To synergize multi-disciplinary and inter-disciplinary clinical, translational and community researchers.
- To catalyze the application of new knowledge and techniques to clinical practice at the front lines of patient care.

Clinical and Translational Science Award

Objectives

- Improve and enhance the state of clinical research and clinical trials in the state, by building trust through community partnerships.
- Force changes to ensure that clinical research and clinical trials are viewed in the context of a long-term commitment to the community.
- Allow all Iowans to have access to the most recent clinical trials and to the most advanced protocols to treat diseases.
- Provide mechanisms that allow for follow-up health care to all citizens when a clinical trial or treatment ends.
- Allow primary care providers and community specialists to play a role in clinical trials.
- Provide every citizen in Iowa the opportunity access, in their own community, to the most advanced treatment available.

Clinical and Translational Science Award

Impact on the State of Iowa

- One of the major goals of the Clinical and Translational Research Initiative is to stimulate the development of new entrepreneurial ventures between the University, biotechnology companies and communities across the State of Iowa.

Clinical and Translational Science Award

Financial Impact on the State of Iowa

- We estimate that the funding of the Clinical and Translational Sciences Award will bring over \$65 million in federal dollars to the State of Iowa over the next 5 years in support of this initiative.
- The success of this initiative will depend however on the direct commitment of the State to support the human infrastructure necessary to develop clinical research and clinical trials across the State of Iowa.

Other Partnership Examples

- American Hospital Association
- Institute for Quality Healthcare
- Iowa Business Council
- Iowa City Area Development Group
- Iowa Healthcare Collaborative
- Iowa Hospital Association
- Iowa Medical Society
- Siemens Medical Solutions
- University HealthSystem Consortium
- Numerous other non-profit healthcare organizations

Other Partnership Examples (cont'd)

- Participation in the National Disaster Medical System with other Iowa hospitals and hospitals across the USA
- Sponsorship of a Disaster Medical Assistance Team along with four other Iowa healthcare organizations
 - Mission: to provide medical care and public health services to disaster/terrorism victims and supplement and support disrupted or overburdened local medical/public health personnel and resources at or near a disaster site during the first 24-72 hours of the incident when requested
 - Other sponsors include Iowa Health, Des Moines; Mercy Medical Center, Des Moines; Mercy Medical Center, Dubuque; Mercy Medical Center, Sioux City
- Department of Orthopaedics
 - Works with the Iowa Orthopaedic Society to recruit Iowa residents to stay and practice in Iowa
 - Assists the Iowa Orthopaedic Society in presenting their annual meeting program

Benefits from Partnering

- Clinical Effectiveness
 - Increased specialist capability in Iowa
 - Greater volume in particular specialty areas
 - Physicians and hospitals connected via information systems
 - Enhanced disease and case management processes
 - Sharing of high cost, state-of-the-art technology
 - More effective management of care and cases with other providers across the State
 - Stronger referral relationships
- Enhanced Research
 - Physicians and hospitals connected via information systems
 - Increased volume and diversity of the patient pool for clinical research
 - Shared outcomes data and best practices

Benefits from Partnering (cont'd)

- Education
 - Greater breadth and depth of patients for enhanced educational programs
 - Increased efficiency and economies of scale in some health care professional education programs
 - Better educational opportunities for medical students and residents
- Workforce Development
 - Increased specialist capability in Iowa
 - Enhanced physician and health care professional recruitment opportunities
 - Greater potential for joint residency training programs

Partnership Principles

- Opportunity should be in alignment with the strategic plan
- The quality and affordability of health care services for lowans should be enhanced
- The multiple missions of UIHC and the CCOM, including the role of providing care to the uninsured and the underinsured, must be recognized
- The culture, values and goals of each organization should be consistent
- The use of scarce resources should be enhanced for each organization
- Joint clinical programs may be considered where geographically appropriate, consistent with the strategic priorities and considered a core competency
- Health care costs should be lowered for each organization
- The financial position of all involved organizations must be enhanced

Partnership Questions

- Is the potential partnership in alignment with the strategic plan and the mission?
- Will the partnership add to UI capabilities?
- Will the partnership allow UI access to some new and growing markets?
- Is the potential partner considered to be a high quality organization/provider with an outstanding reputation for quality care, outcomes and service?
- Does the potential partner understand and support the education and research mission?
- Is the partner committed to care for the uninsured and underinsured?
- Is the service considered to be a core competency for UI?
- Is this a partnership in which we want to lend the UI name/brand?

Partnership Questions (cont'd)

- Will UI have an appropriate role in the governance and leadership?
- How will UI assess the value of the partnership? Assess the risks?
- Does the value of the partnership outweigh the risks?
- Will the potential partnership fill a gap in service, education or research?
- Will the potential partnership permanently harm current or other future potential relationships?
- What will be the 'exit strategy' if the partnership does not succeed?

Questions?

Director's Report

- I. Draft of Annual Work Plan
- II. Awards and Recognition
- III. International Visitors
- IV. Recruitment Update
- V. Women in Science
- VI. IowaCare Update
- VII. Operating and Financial Report for Third Quarter
FY2006
- VIII. Other

Updated Draft of Trustees' Annual Work Plan

<p>June 21-22, 2006 Okoboji</p>	<p>August 8-9, 2006 Iowa City</p>	<p>September 27-28, 2006 Cedar Falls</p>	<p>November 8-9, 2006 Ames</p>	<p>December 11-12, 2006 Iowa City</p>
<ol style="list-style-type: none"> 1. Director's Report 2. Operating and Financial Performance Report 3. IowaCare Update 4. Final FY2007 Budget and Rate Increase Approval 5. Hospital-to-hospital Transfers 6. Investment in Recruitment of Clinical Leadership with CCOM 	<ol style="list-style-type: none"> 1. Director's Report 2. Operating and Financial Performance Report 3. Clinical Leadership Presentation 4. Information Technology Strategies and Applications 	<ol style="list-style-type: none"> 1. Director's Report 2. Operating and Financial Performance Report 3. Request for Purchase Approval of Clinical Information System 	<ol style="list-style-type: none"> 1. Director's Report 2. Operating and Financial Performance Report 3. Clinical Leadership Presentation 	<ol style="list-style-type: none"> 1. Director's Report 2. Operating and Financial Performance Report

Awards and Recognition

- Doctors' Day: March 30th, 2006
 - National Doctor's Day
 - UIHC Doctor's Day Celebration
- 2006 National Commission on Libraries and Information Award
 - Cancer information project at UIHC Patients' Library recognized
- Neonatal Research Network
 - The Children's Hospital of Iowa Neonatal Intensive Care Unit (NICU) was one of 16 centers chosen to join the Neonatal Research Network, an elite national network of research centers
 - Selection includes a five-year, \$1.37 million award from the National Institute of Child Health and Human Development
- UI Administrator appointed to Board of Examiners for the Malcolm Baldrige National Quality Award
 - Deb Thoman, UIHC's compliance and privacy officer, will serve on the 2006 Board of Examiners

Awards and Recognition (cont'd)

- UIHC selected as an Institute for Healthcare Improvement 100K Lives Campaign Mentor Institution
 - As such, UIHC will serve as a consultant to other hospitals for the implementation of innovative practice changes that enhance quality and safety
- Improving our Workplace Award
 - Sponsored by the University of Iowa
 - Community building and collaboration; cost-saving; customer satisfaction; development, preservation, or dissemination of knowledge; enhancing the student or patient experience; healthy working relationships and a supportive environment; outreach to community and state; process improvement; project development; safety; staff development through mentoring; stewardship of University resources
 - 9 of 10 teams recognized include UIHC employees
 - 61 UIHC employees recognized altogether

International Visitors

- UIHC hosted a delegation of 10 physician/administrators from Russia for two days on April 10th and 11th
- Visit was organized through the Center for Citizen Initiatives (CCI), and several Quad-Cities area Rotary Clubs
- CCI's flagship program, the Productivity Enhancement Program (PEP), provides intensive U.S.-based management training for Russian entrepreneurs and leaders
- The U.S. Department of State covers 51 percent of the PEP program's costs, Russian delegates contribute 13 percent, and in-kind contributions from service-minded volunteers and U.S. civic clubs make up the remaining 36 percent
- While at the UIHC, delegates learned about strategic planning, effective clinical operations, quality and safety initiatives, and the role of technology in health care delivery



Recruitment Update

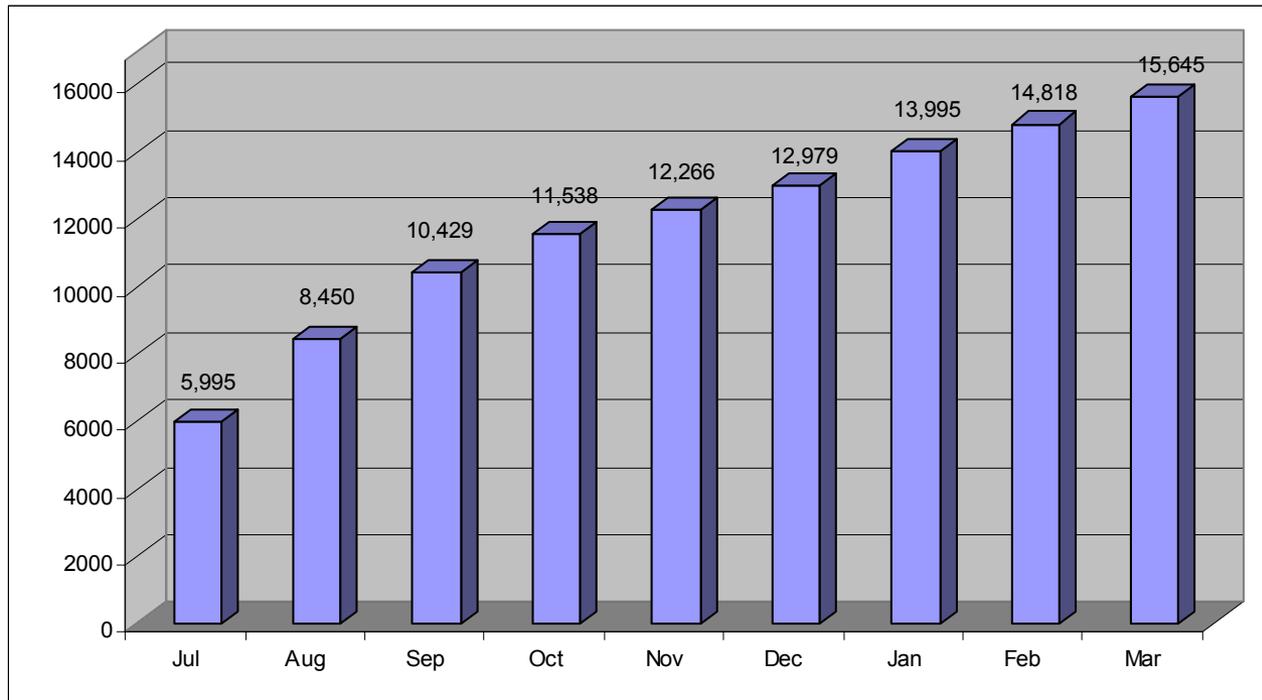
- Director, Heart and Vascular Care
- Division Head, Gastroenterology
- Chair, Dermatology
- Operations Improvement Staff
- Heart Failure Unit

Women in Science

- The UIHC has partnered with the Girl Scouts of Mississippi Valley in their ‘Grow Strong, Live Long’ campaign in order to encourage and support young girls in the pursuit of a healthy lifestyle.
- Nationally, demographic data show women as underrepresented in many math and science fields.
- “Women in Science,” suggested by UIHC Director Donna Katen-Bahensky, was designed to teach girls about health care careers while promoting fitness.
- On April 1, 2006, University Hospitals opened its doors to area girl scouts for a rare, behind-the-scenes peek at the state’s premier teaching hospital.
- Girl Scouts from multiple troops across eastern Iowa were invited to visit with several female healthcare leaders and potential role models in hopes of inspiring them to enter careers in science and/or healthcare.

IowaCare Update

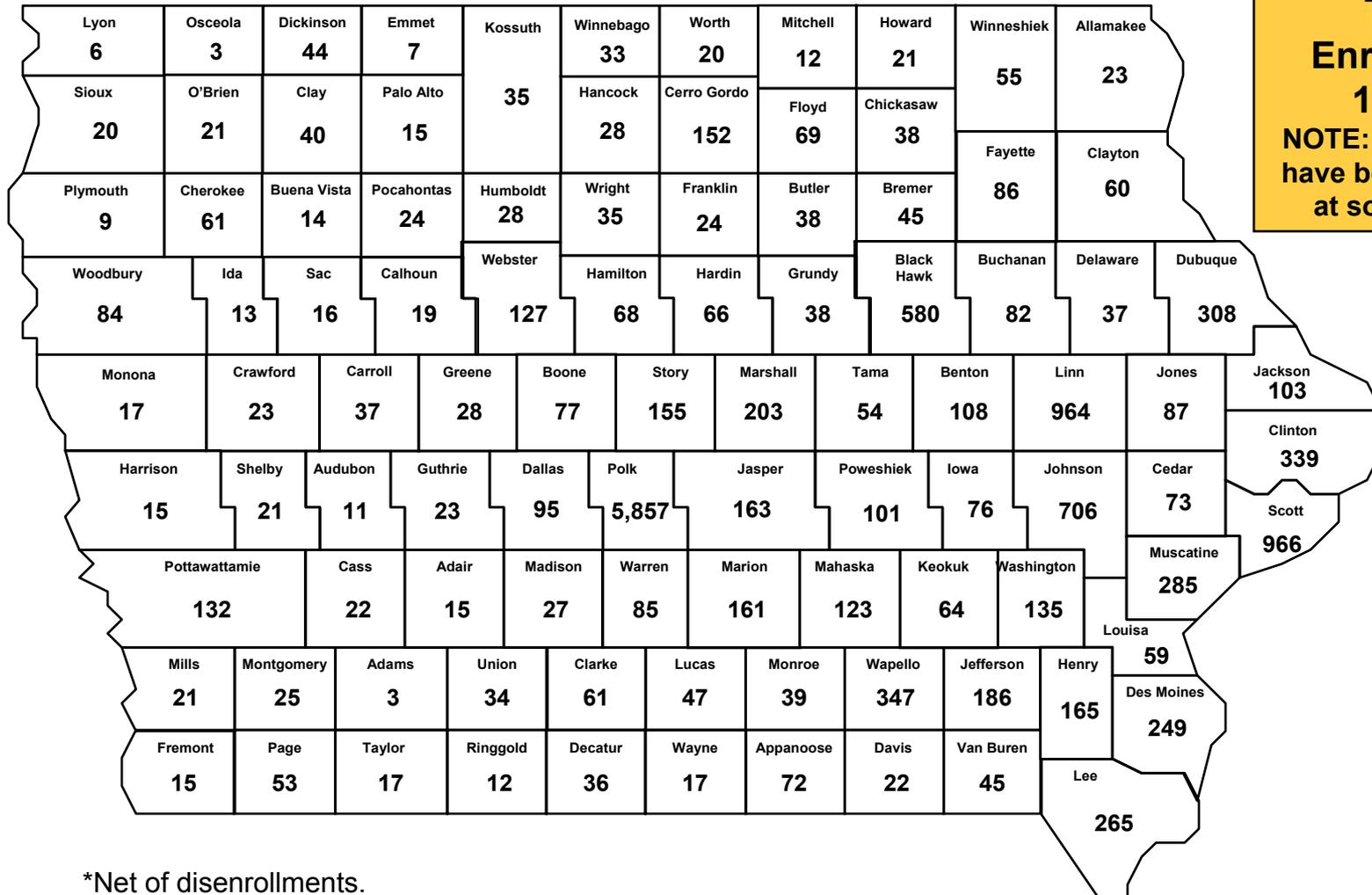
Combined IowaCare & Chronic Care Enrollment* Continues to Increase



*Totals are net of disenrollments

Source: Iowa Department of Human Services

County-by-County Enrollment* in IowaCare & Chronic Care as of March 31, 2006

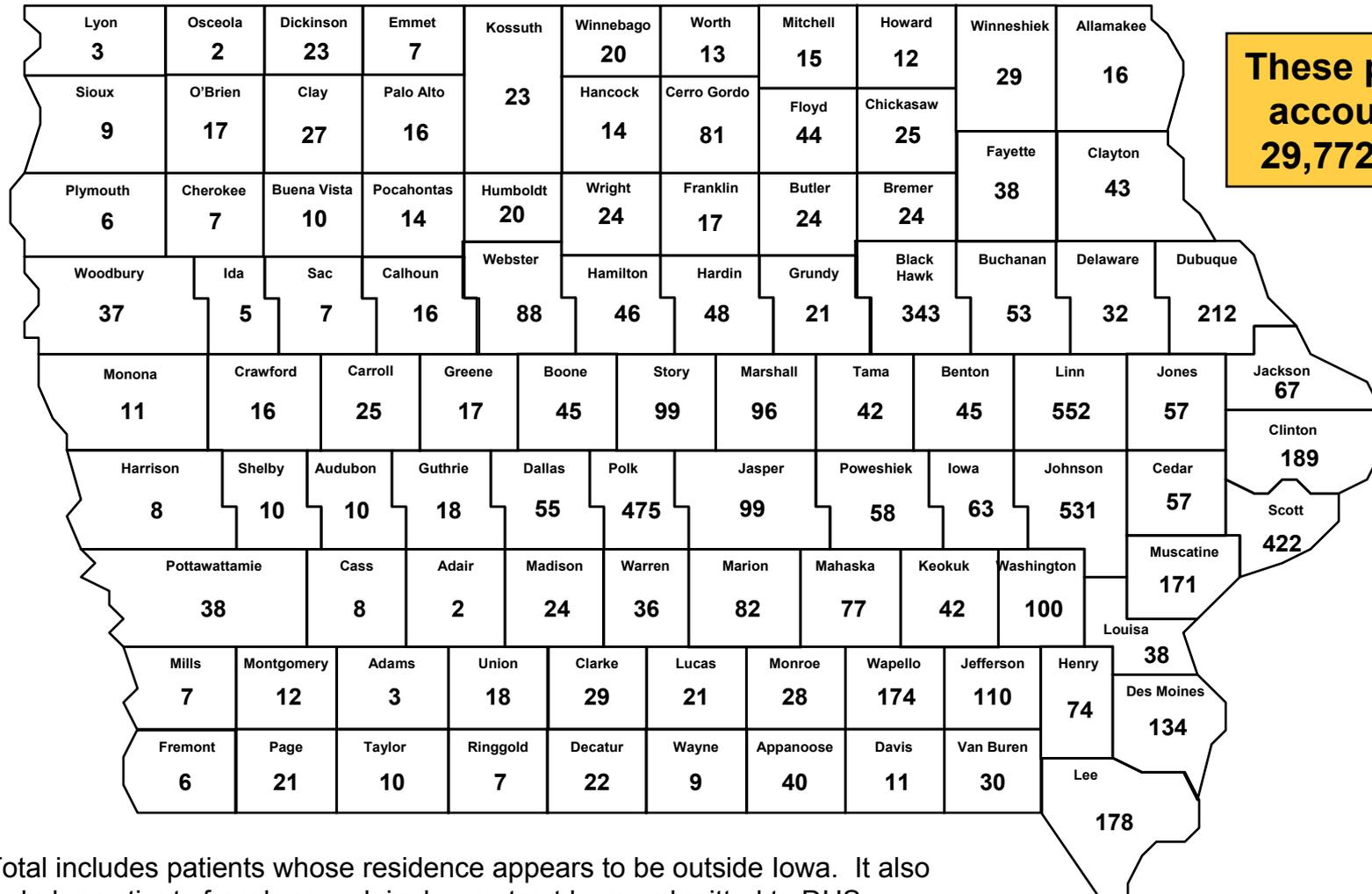


Total Enrollment
15,645
NOTE: Over 21,000
have been enrolled
at some point.

*Net of disenrollments.

Source: Iowa Department of Human Services

6,186 Unique IowaCare & Chronic Care Patients Have Been Seen at the UIHC as of March 31, 2006

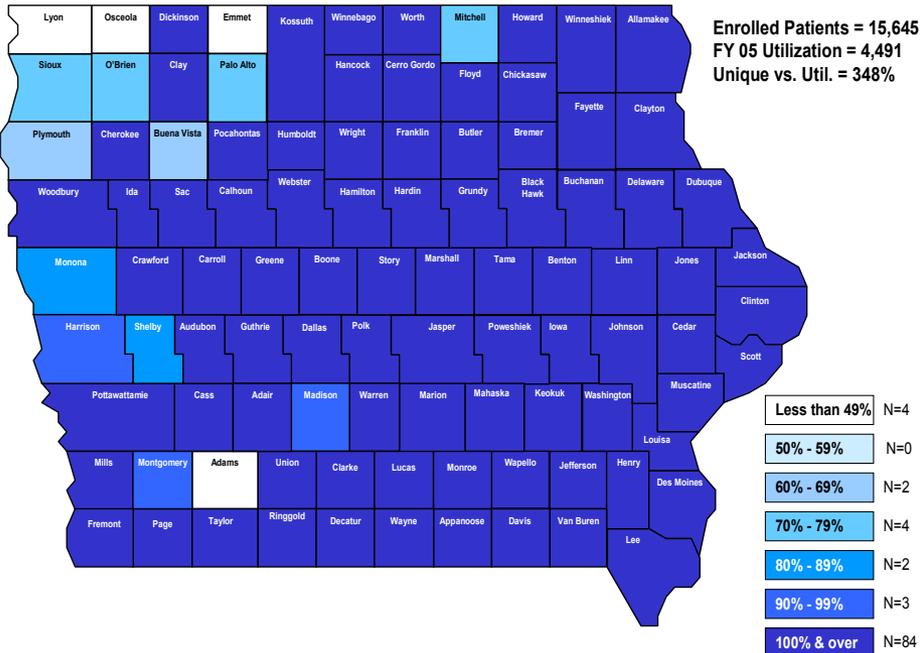


These patients account for 29,772 visits.

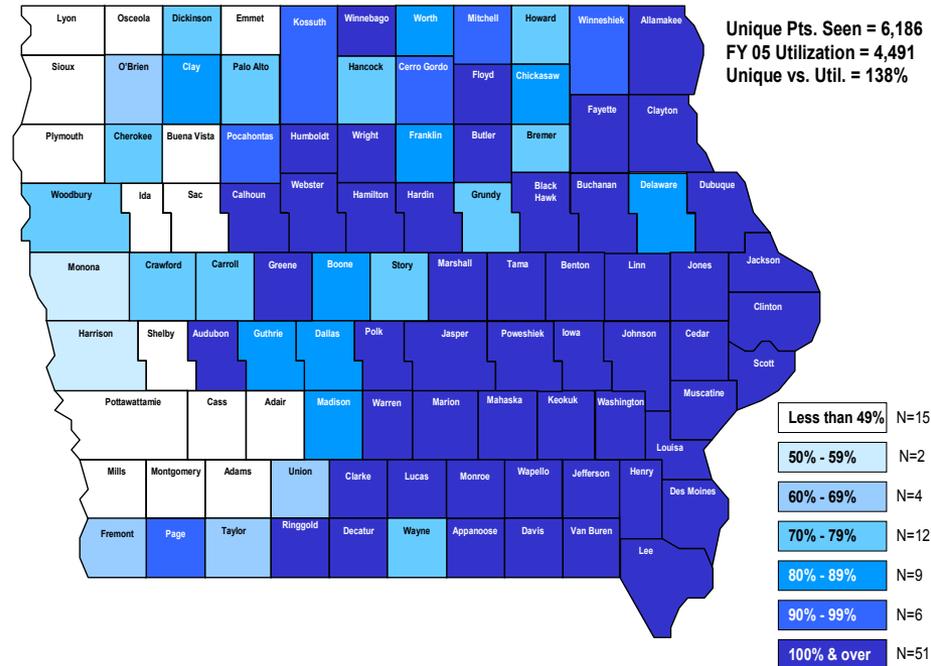
Total includes patients whose residence appears to be outside Iowa. It also includes patients for whom a claim has not yet been submitted to DHS.

FY 06 IowaCare Enrollment by County is Already Uniformly Higher than FY 05 State Papers Utilization While Actual FY 06 IowaCare Utilization by County is Higher in Eastern and Central Iowa.

Enrolled IowaCare & Chronic Care Patients Through March 31, 2006 Compared (via Shading) to Total State Papers & Ortho Papers Utilized in FY 05



Unique IowaCare & Chronic Care Patients Seen at the UIHC Through March 31, 2006 Compared (via Shading) to Total State Papers & Ortho Papers Utilized in FY 05



Comparison of UIHC's and CCOM's State Papers & IowaCare Experience

Actual Costs Incurred by UIHC (not charges for services)									
FY 2004			FY 2005			FY 2006 (Through 3/31/06..9 Months)			
Indigent Patient Care Program (Chapter 255)	Corrections/State Institutions	Total	Total Indigent Patient Care Program (Chapter 255)	Corrections/State Institutions	Total	IowaCare Program thru 3/31/06	Corrections/State Institutions	Total	
Inpatient hospital cost	\$ 13,978,630	\$ 2,173,883	\$ 16,152,512	\$ 13,886,387	\$ 2,632,679	\$ 16,519,066	\$ 17,752,196	\$ 2,575,235	\$ 20,327,431
Outpatient hospital cost	\$ 14,743,208	\$ 1,755,844	\$ 16,499,052	\$ 15,087,826	\$ 2,155,514	\$ 17,243,340	\$ 10,346,930	\$ 1,876,830	\$ 12,223,761
Physician & adv reg nurse practitioner	\$ 5,898,726	\$ 1,325,196	\$ 7,223,922	\$ 6,416,407	\$ 1,418,466	\$ 7,834,873	\$ 6,702,517	\$ 1,126,590	\$ 7,829,107
Dental services	\$ 21,708	\$ -	\$ 21,708	\$ 62,089	\$ -	\$ 62,089	\$ 177,157	\$ -	\$ 177,157
Pharmaceuticals:									
Inpatient - Included in IP Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outpatient - Included in Outpatient hospital cost except for Take Home & Chronic Care	\$ 2,533,705	\$ 38,584	\$ 2,572,289	\$ 2,611,682	\$ 40,104	\$ 2,651,786	\$ 1,429,939	\$ 42,924	\$ 1,472,863
Lodging provided to recipients	\$ 1,911,846	\$ -	\$ 1,911,846	\$ 1,553,516	\$ -	\$ 1,553,516			
Transportation provided to recipients	\$ 1,027,317	\$ -	\$ 1,027,317	\$ 1,055,870	\$ -	\$ 1,055,870	\$ 754,332	\$ -	\$ 754,332
Total Cost of Services Provided	\$ 40,115,139	\$ 5,293,507	\$ 45,408,646	\$ 40,673,777	\$ 6,246,763	\$ 46,920,540	\$ 37,163,072	\$ 5,621,579	\$ 42,784,651

Actual Receipts								
FY 2004			FY 2005			FY 2006 (Through 3/31/06..9 Months)		
Total Indigent Patient Care Program (Chapter 255)	Corrections/state institutions	Total	Total Indigent Patient Care Program (Chapter 255)	Corrections/state institutions	Total	IowaCare Program thru 3/31/06	Corrections/state institutions	Total
Any payments received for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Direct Appropriations		\$ 27,284,584			\$ 27,284,584	\$ 20,463,437	\$ -	\$ 20,463,437
Anticipated reimbursements from DHS for services rendered through 3/31/06						\$ 24,601,031	\$ -	\$ 24,601,031
Difference: Pmts - Cost		\$ (18,124,062)			\$ (19,635,956)	\$ (16,699,635)	\$ (5,621,579)	\$ (22,321,214)

Actual Unique Patients									
FY 2004			FY 2005			FY 2006 (Through 3/31/06..9 Months)			
Total Indigent Patient Care Program (Chapter 255)	Corrections/state institutions	Total	Total Indigent Patient Care Program (Chapter 255)	Corrections/state institutions	Total	IowaCare Program thru 3/31/06	Corrections/state institutions	Total	
Number of unique patients	4,595	1,962	6,557	4,511	1,866	6,377	6,186	1,640	7,826

- Assumptions:**
1. Anticipated reimbursements based on actual paid, plus estimated Medicaid Equivalent Payment Rates for Unpaid and In-House. Assume an overall denial factor of 2% of expected reimbursement.
 2. March 2006 monthly volumes projected based on a 4% increase in eligibles over prior month, and using historical penetration rate.

Conclusions:

The FY 06 figures are not directly comparable to the other years as they only represent 9 months experience instead of an entire year.

Significantly more patients have already been treated in FY 06 in 9 months than were treated in entire preceding years.

Care for residents of State Institutions was an eligible expenditure under the appropriation in FY 04 and FY 05 but is not in FY 06.

The difference between hospital costs and payments has grown over time. Physician costs have continued to grow but there are no payments.

Pharmaceuticals and DME are not covered to the same extent as they have been under the previous State Paper's program, except for Chronic Care patients.

DHS's IowaCare Medical Claims Projections for FY 06

Provider	Initial Appropriation Per HF 841	Projected IowaCare Medical Claims
Broadlawns	\$37,000,000 (with the possibility of going to \$40,000,000)	\$14,294,864
Mental Health Institutions	\$25,874,211	\$13,779,821
University of Iowa Hospitals and Clinics	\$27,284,584	\$37,862,932

Source: Iowa Department of Human Services

Month-by-Month Detail of DHS's Projected Responsibility for Claims Payments* to the UIHC in FY 06

DHS SFY 2006 IowaCare Payment Projections to UIHC								
	InPt	OutPt	Pharm	Trans	Denied InPt	Denied OutPt	TOTAL	Cumulative
July	\$ 1,386,237.88	\$ 697,133.84	\$ 126,119.85	\$ 8,715.20	\$ 124,000.00	\$ 106,236.67	\$ 2,448,443.44	\$ 2,448,443.44
August	\$ 1,662,410.55	\$ 1,095,092.35	\$ 154,778.75	\$ 7,865.20	\$ 124,000.00	\$ 106,236.67	\$ 3,150,383.52	\$ 5,598,826.96
September	\$ 1,364,219.16	\$ 1,094,147.50	\$ 147,711.91	\$ 11,467.20	\$ 124,000.00	\$ 106,236.67	\$ 2,847,782.44	\$ 8,446,609.40
October	\$ 1,366,648.35	\$ 1,074,460.82	\$ 164,254.72	\$ 15,670.00	\$ 124,000.00	\$ 106,236.67	\$ 2,851,270.56	\$ 11,297,879.96
November	\$ 1,553,379.70	\$ 1,207,234.24	\$ 167,161.10	\$ 25,863.00	\$ 124,000.00	\$ 106,236.67	\$ 3,183,874.71	\$ 14,481,754.67
December	\$ 1,482,409.10	\$ 1,233,853.22	\$ 214,107.58	\$ 27,599.40	\$ 124,000.00	\$ 106,236.67	\$ 3,188,205.97	\$ 17,669,960.64
January	\$ 1,433,071.08	\$ 1,268,124.45	\$ 292,458.80	\$ 27,900.90	\$ 124,000.00	\$ 106,236.67	\$ 3,251,791.90	\$ 20,921,752.54
February	\$ 1,464,053.69	\$ 1,303,857.18	\$ 288,458.00	\$ 31,382.40	\$ 124,000.00	\$ 106,236.67	\$ 3,317,987.94	\$ 24,239,740.48
March	\$ 1,464,053.69	\$ 1,344,344.35	\$ 245,109.00	\$ 35,267.22	\$ 124,000.00	\$ 106,236.67	\$ 3,319,010.93	\$ 27,558,751.41
April	\$ 1,464,053.69	\$ 1,384,831.52	\$ 259,596.00	\$ 38,151.00	\$ 124,000.00	\$ 106,236.67	\$ 3,376,868.88	\$ 30,935,620.29
May	\$ 1,464,053.69	\$ 1,425,318.69	\$ 274,083.00	\$ 41,034.78	\$ 124,000.00	\$ 106,236.67	\$ 3,434,726.83	\$ 34,370,347.12
June	\$ 1,464,053.69	\$ 1,465,805.86	\$ 288,570.00	\$ 43,918.56	\$ 124,000.00	\$ 106,236.67	\$ 3,492,584.78	\$ 37,862,931.90
TOTAL	\$ 17,568,644.27	\$14,594,204.02	\$ 2,622,408.71	\$314,834.86	\$1,488,000.00	\$1,274,840.04	\$ 37,862,931.90	

*The initial \$27,284,584 appropriation is being paid at the rate of \$2,273,715.33 per month regardless of claims filed.

Select Changes Under Discussion By DHS & Upcoming Events Associated with the IowaCare Program

- Comprehensive Wellness Assessment (health risk assessment, health action plan, medical exam) at providers throughout the state
- Pharmacy Assistance Clearinghouse Program
- Nurse hotline
- Dietary Counseling
- Electronic Medical Records
- Beneficiaries will need to re-enroll when they hit their 12-month anniversary in the program
- The UIHC needs to enter into a new 28E agreement with DHS regarding operation of the IowaCare program

Operating and Financial Report for Third Quarter FY2006

**Operating & Financial Report to
be inserted here when available**

Other

- April 5th press conference to support Governor's proposed tobacco tax
 - Donna Katen-Bahensky – Director and CEO, UIHC
 - Jean E. Robillard, MD – Dean, CCOM
 - Sam Wallace – President, Iowa Health System
 - David L. Kapaska, MD – Vice President of Medical Affairs, Mercy Health System
- UIHC becomes the first hospital in Iowa to employ new implantable defibrillator technology
 - New technology, called Latitude, connects the defibrillator to a device that sends data back to the hospital via the internet for continuous monitoring
- American Burn Association reaccreditation site visit to UIHC Burn Unit on April 17, 2006