

**Contact: Mark Braun**

**MINUTES OF APRIL 30, 2008  
UNIVERSITY OF IOWA HOSPITALS AND CLINICS COMMITTEE  
BOARD OF REGENTS, STATE OF IOWA  
MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B  
UNIVERSITY OF NORTHERN IOWA  
CEDAR FALLS, IOWA**

**Committee Members**

Robert Downer, Chair  
Jack Evans  
Bonnie Campbell

Jenny Connolly  
Michael Gartner  
Ruth Harkin

Craig Lang  
David Miles  
Rose Vasquez

**Staff Members**

Andy Baumert, Mark Braun

**University of Iowa**

Sally Mason, Stacey Cyphert, Ken Fisher, Jean Robillard, Doug True, Gordon Williams, Ann Williamson

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents web site: [www2.state.ia.us/regents](http://www2.state.ia.us/regents). Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

Chair Downer called the meeting to order at 3:30 p.m.

SUI Vice President for Medical Affairs and Carver College of Medicine Dean Jean Robillard, Associate Vice President for Finance and Chief Financial Officer Ken Fisher, Assistant Vice President for Health Policy Stacey Cyphert, Associate Vice President for Nursing and Chief Nursing Officer Ann Williamson, and Interim CEO Gordon Williams appeared before the Board.

Chair Downer distributed a work plan for the committee, which included the following:

- ◆ Long range planning for hospital expansion/renovation and replacement;
- ◆ Capital plan for funding of the foregoing;
- ◆ Ambulatory Care;
- ◆ Progress of implementation of plans;
- ◆ Recommendations to the Board of Regents to:
  - ◆ Receive reports from Vice President Robillard on hospital operations and finances;
  - ◆ Review FY 2009 proposed operating budget;
  - ◆ Continue to monitor IowaCare program and its financial effects;
  - ◆ Receive reports on search for new hospital CEO;
  - ◆ Evaluate performance relative to mission statement and strategic plan;
  - ◆ Continue to monitor hospital quality control, process improvement initiatives, marketing and other operational matters; and
  - ◆ Make recommendations to the Board of Regents on any necessary legislative changes.

Associate Vice President Williamson updated the Committee on the search for the new CEO. She said that the search committee screened 13-20 candidates and will interview six.

Vice President Robillard announced that Ellen Barron has been hired for the position of Assistant Vice President for Communications. Ms. Barron is expected to start on August 4<sup>th</sup>.

CEO Williams announced that Eric Dickson is the Interim COO and that his appointment runs through December 31, 2008.

CEO Williams reviewed selection process for hiring an architectural firm. He indicated that three Iowa firms will be interviewed to be the firm of record; one will be selected next week and will be submitted to the Board Office once it has been selected. Regent Gartner suggested UIHC consult with the Architectural School at ISU on the project.

Regent Gartner inquired if a site for the ambulatory care unit had been located. CEO Williams indicated that locations have been identified but one has not been selected. Regent Gartner asked if the City of Iowa City has been included in the planning process. Vice President for Finance and CFO Fisher indicated that the city was included through the Campus Planning Committee.

Regent Harkin asked what the timetable is for construction. CEO Williams responded that the desire is to have the children's hospital and the critical care tower constructed and open in the summer of 2013.

Regent Lang and Chair Downer asked that the Committee receive a presentation at a future meeting on the marketing and communication plan for the construction project.

Vice President Robillard and Assistant Vice President for Health Policy Stacey Cyphert provided an update on the IowaCare program.

Regent Gartner inquired if the Health Care Reform bill passed during this past session will impact the enrollment in the IowaCare Program. Assistant Vice President Cyphert indicated that it was hard to estimate, but doubted there would be much impact.

President Miles inquired as to why the growth is increasing and what the projections are for next year. Vice President Robillard indicated that it is not clear why it continues to increase but participants may feel that IowaCare now provides them a type of insurance coverage.

Mr. Fisher reviewed the operating and financial performance for fiscal year 2008 year to date.

Regent Gartner asked if there is financial agreement between the UIHC and the Faculty Practice Plan. Mr. Fisher indicated that the financial payments are now happening in real time instead of the end of the fiscal year. He said that real-time payments clearly show who is getting paid for what, and eliminates many of the questions that arose from the old system.

Regent Lang inquired if it is 30 or 60 days before unpaid bills becomes bad debt. Mr. Fisher responded that the bad debt calculation is a complex formula that starts when the patient arrives; and the older the account, the more reserve funds are applied to the account.

President Miles asked what has been learned in the first year of providing a combined financial report of the UIHC and the Carver College of Medicine (CCOM). Mr. Fisher indicated that the enterprise is very complex with many transfers and that the viability of the CCOM is dependent on the clinical enterprise of UIHC.

President Pro Tem Evans indicated that the balance sheet is very strong and wondered if there will be any criticism by the rating agencies because of the amount of cash on hand. Mr. Fisher responded that the cash on hand is 244 operating days and it is right in the middle of what peer institutions have for cash on hand. Additionally, he indicated that in order to protect the credit rating, UIHC needs to have a strong balance sheet and have this much cash.

Mr. Fisher reviewed the proposed fiscal year 2009 budget.

Regent Vasquez inquired about the change in key access to UIHC. Mr. Fisher indicated that rekeying the entire building is costly and that additional information will have to be provided on the cost of redoing the locks in the facility.

Regent Gartner instructed the new members that the proposed 6% rate increase would only impact approximately 15% of the patients seen at UIHC. Regent Campbell asked for clarification of who will be impacted by the rate increase. Regent Gartner indicated that the increase impacts self-paying patients and some contract payees, but the state and Wellmark have a negotiated rate. He further indicated the rate increase was 6% last year and 8% the year before that.

Regent Gartner asked what the debt to capitalization ratio would be after selling bonds for the entire capital project. Mr. Fisher indicated that the ratio would be roughly 30%. Chair Downer inquired if a 30% ratio would jeopardize our rating. Mr. Fisher indicated that it is hard to determine, as this is only one of the factors considered in setting the rating.

Regent Harkin asked what the biggest challenge is to reduce the length of stay for patients. Mr. Fisher indicated that dealing with hospital-acquired infections is the most significant factor.

Regent Campbell asked how UIHC deals with eliminating the infections. Vice President Robillard responded that it is a process of first determining if the unit is implementing their protocols 100% of the time. Once that is done, it is a process of reviewing protocols.

Regent Gartner asked if there is data showing the trend of getting hospital-acquired infections and if it is getting worse. CEO Williams responded the data shows the trend is getting better. Vice President Robillard stated a more in-depth discussion of this issue would be provided at a future meeting. Regent Lang asked that the presentation not just be about infections, but the total approach to reducing the length of stay for patients.

Regent Harkin asked what the second biggest challenge is to reducing the length of stay. Mr. Fisher indicated that finding placement for people leaving that need an acute care facility.

Regent Gartner asked if placement should be a function of the UIHC strategic planning process. Mr. Fisher indicated the UIHC is working with a facility in Cedar Rapids to take patients that need long-term acute care.

President Miles asked if charges at academic medical centers are higher than other hospitals. Mr. Fisher indicated they are higher because of the acuity of the patients seen. President Miles asked if they were comparable if the rates are adjusted for acuity. Mr. Fisher indicated that the rates would still be higher because of the education component and said that, when teaching, any hospital is not as efficient as a non-teaching hospital.

Regent Gartner indicated the presentation on the finances is better than it has ever been especially the combined financials. He also indicated the reports were comprehensive and easy to understand.

Chair Downer adjourned the meeting at 5:20 p.m.