

# University of Iowa Health Care

*Presentation to*

**The Board of Regents, State of Iowa**

**June 4–6, 2019**

# Agenda

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Today's Presentation

Opening Remarks

UI Health Care Patient Care Vision

Operating and Financial Performance

Faculty Presentation



## Opening Remarks

*Brooks Jackson, MD, MBA  
Vice President for Medical Affairs  
& Dean, Carver College of Medicine*



# UI Health Care Patient Care Vision

*Suresh Gunasekaran, MBA*

*Associate Vice President, UI Health Care and CEO, UI Hospitals & Clinics*

# The UI Health Care Difference in the Lives of Iowans

We serve a unique role in this state



- We continue to see rising numbers of Iowans choosing UIHC for their healthcare needs (particularly the complex needs).
- Patients traveled from all 99 counties of Iowa in the last year to receive care at UI Hospitals & Clinics.
- We are the only comprehensive provider of medical care in Iowa that can treat everything from the most common conditions to the most complex conditions for adults and for children. All on one campus.

# UI Health Care: Building a System of Care for all Iowans

We have begun the journey



- We are working diligently to develop models to allow Iowans to receive the majority of their care in their home communities but efficiently travel to UI Health Care for their specialized needs.
- We have begun expanding our outreach clinics for many specialties around the state.
- We are partnering with physicians, hospitals, skilled nursing facilities, and many others to create a system of care that we can support.
- We are expanding our use of telemedicine to numerous hospitals and clinics.
- We are developing partnerships for emergency transport, maternal fetal medicine, behavioral health and neonatology.

# UI Health Care Vision: A Model of Integrated Care

Clinical Care Excellence



- UI Health Care will be recognized as a center of excellence in all of our specialties (Top 20 Hospital in the Country).
- UI Health Care aspires to be the backbone of a network of care for Iowa where patients can have high quality care in their communities while receiving the benefit of UI Hospitals & Clinics.
- We aspire to reduce waste and redundancy by partnering with community health care providers to manage our mutual patients together.
- We aspire to demonstrate that rural healthcare needs can be coordinated with urban infrastructure to achieve the highest quality healthcare at the most reasonable cost.
- We intend to listen and learn from our communities on how we can best accomplish this vision.



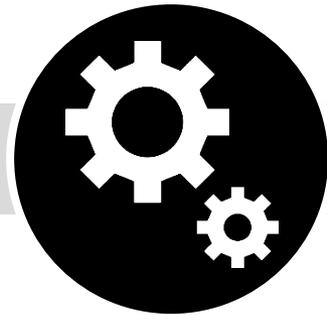
## **Operating and Financial Performance**

*Bradley Haws, MBA*

*Associate Vice President for Finance & Chief Financial Officer, UI Health Care*

*Suresh Gunasekaran, MBA*

*Associate Vice President, UI Health Care and CEO, UI Hospitals & Clinics*



## **Commitment to Efficiency**

# Improving Revenue Cycle Efficiency

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Better for Patients and Better for the Bottom Line

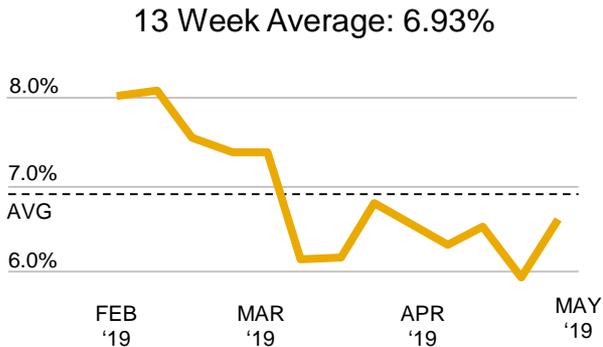
**UI Health Care has undertaken a comprehensive initiative to transform its revenue cycle by preventing and recovering insurance denials, improving accounts receivable workflows and results, and enhancing the overall patient experience.**

## **Example – one area of focus**

- **Current Challenge:** Significant delays in payor authorizations and pre-certifications for services that result in:
  - Delays for patients and the care team
  - Lost payments for denied services and expenses to appeal
  - Delays in the patient statement process
  
- **Initiative: Denial Management Improvement**
  - Working with external partner to evaluate comprehensively how we handle patient registration, authorizations and the entire billing process
  - Interdisciplinary teams with representation from across the medical center to change the way we do business
  - Still much work to do, but already seeing results

# Early Results: Quantitative Successes to Date

Denials Reduced and Better Patient Experience



## Denial Rate

To date, comparison from baseline denials have been reduced, in aggregate, by **1.38%**, which translates to **\$1.7M** in additional net payments.

Net Payment Increase: \$1.7M

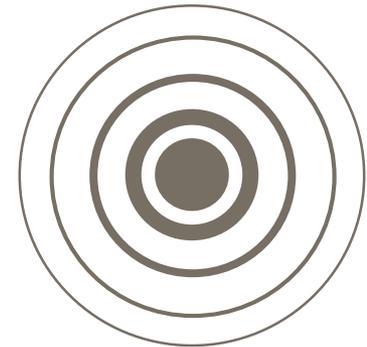


## Process Improvements

Efficiency gains created by identifying front end revenue cycle process improvements

Labor savings due to efficiency gains: **\$682K** annually

Expense Reduction: \$682K



## Ripple Effect

Patients are, on average, receiving their initial statements more timely as enhancements continue to create efficiency flows within the revenue cycle

Aggregate savings: ~\$2.3M



## **Commitment to Quality**

# Spotlight on Success

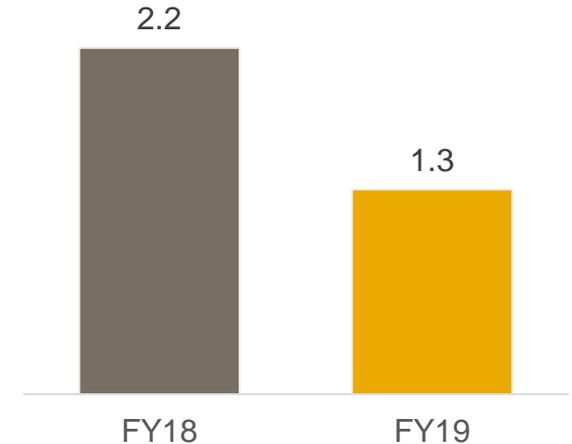
Central Line Infections in Bone Marrow Transplant Unit: FY18 – FY 19

**41% reduction in central line associated bloodstream infections (CLABSI) in FY19**

## Interventions

- Improvement in chlorhexidine bathing
- Creation of a line dressing team
- Reducing line entries for blood draws

CLABSI/1,000 Days Central Line



# Spotlight on Success

Employee Blood/Body Fluid Exposure Management

## New streamlined process with a 24/7 nurse hotline implemented July 1, 2018

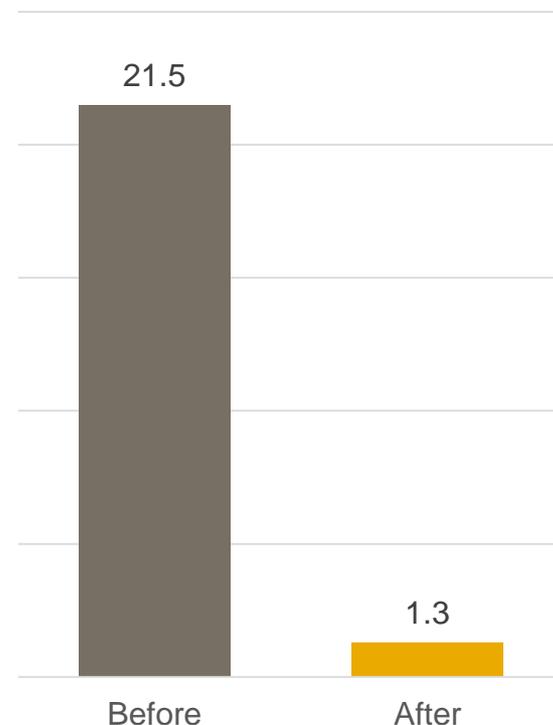
- Prior process required employee to go to ED after business hours

## After implementation

- Exposure reporting increased by 24%
- 94% reduction in time from exposure to first dose of meds for HIV post-exposure prophylaxis (PEP)

### Time from Exposure to PEP (hours)

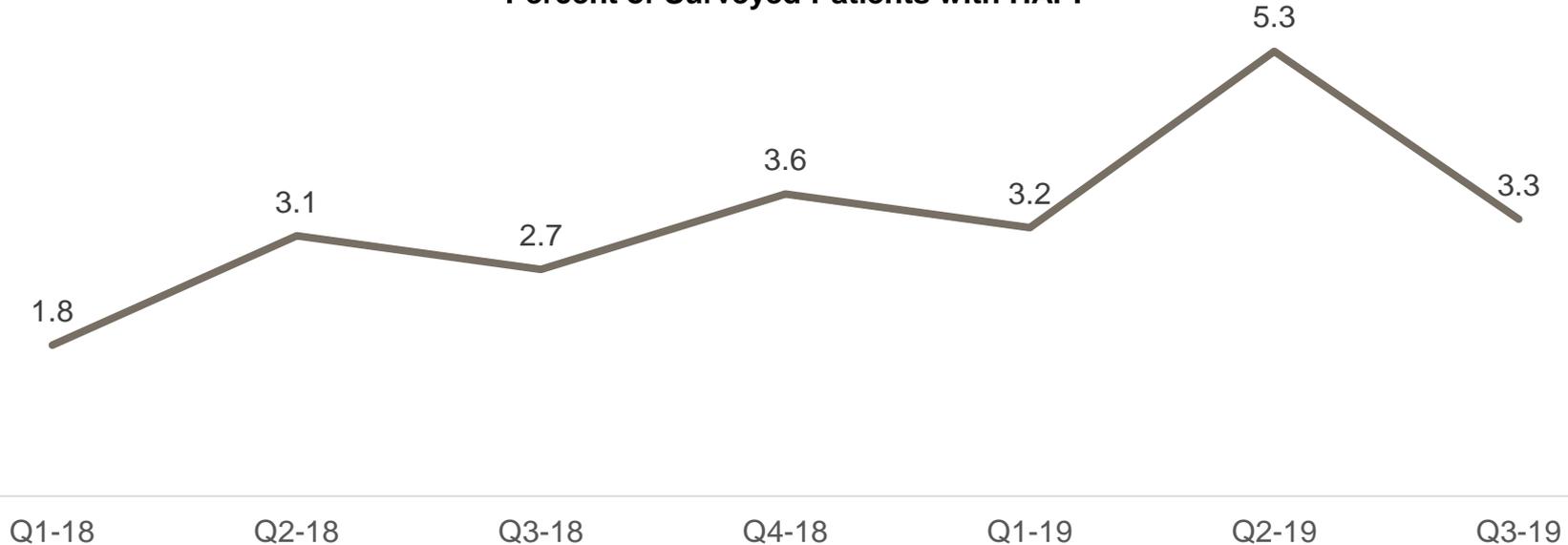
National Standard:  $\geq 2$  hours



# Current Focus on Improvement

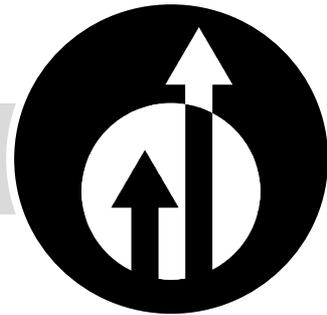
Hospital Acquired Pressure Injury (HAPI): Adult Patients, FY18 – FY19

Percent of Surveyed Patients with HAPI



## Interventions for FY20

- Add 2.0 FTE to pressure injury team to focus on prevention in high risk patients
- Better use of oxygen therapy to prevent pressure injury from oxygen delivery devices
- Increase palliative care consultation



# The Growth Imperative

# Surgical Growth – Department of Orthopedics

## The Growth Imperative

- **Orthopedic surgical volumes continue to grow year-over-year**
  - FY18: 6.4%
  - FY19: 10.6%
  - FY20: 7.5% (projected)
- **Orthopedics continues to recruit faculty surgeons to meet the increasing demand of the aging population in the state of Iowa**
  - Two new faculty members specializing in total joint replacement surgery in FY20
  - One new faculty member specializing in foot and ankle surgery in FY20
- **Orthopedics employs aggressive cost containment strategies to achieve financial goals through standardized use of implants**
  - Total joint implants
  - Trauma implants
  - Spine implants

# Surgical Challenges – Department of Orthopedics

## The Growth Imperative

- **Orthopedic surgical cases are trending toward higher percentages of procedures performed in outpatient surgery center settings, where expectations for an excellent patient experience are different/unique**
  - UIHC Ambulatory Surgery Center consistently ranks among the highest performing units in the organization in patient satisfaction scores.
- **Orthopedic surgical volume growth has created inpatient bed capacity challenges**
  - Exploring co-location of surgical spine patient population (Orthopedic and Neurosurgery) to standardize post-operative care
  - Implemented care redesign models aimed to improve efficiency of patient throughput across care continuum.



## Focus on Our Patients

# Improving the Patient Experience

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A success story in progress on a historically struggling unit

## ▪ **Current Challenges**

- Overall UIHC is just below the median in overall patient satisfaction.
- Many departments are high performing; others are low performing.
- Low performing units tend to have more challenging patient populations with higher acuity and to be located in older facilities.

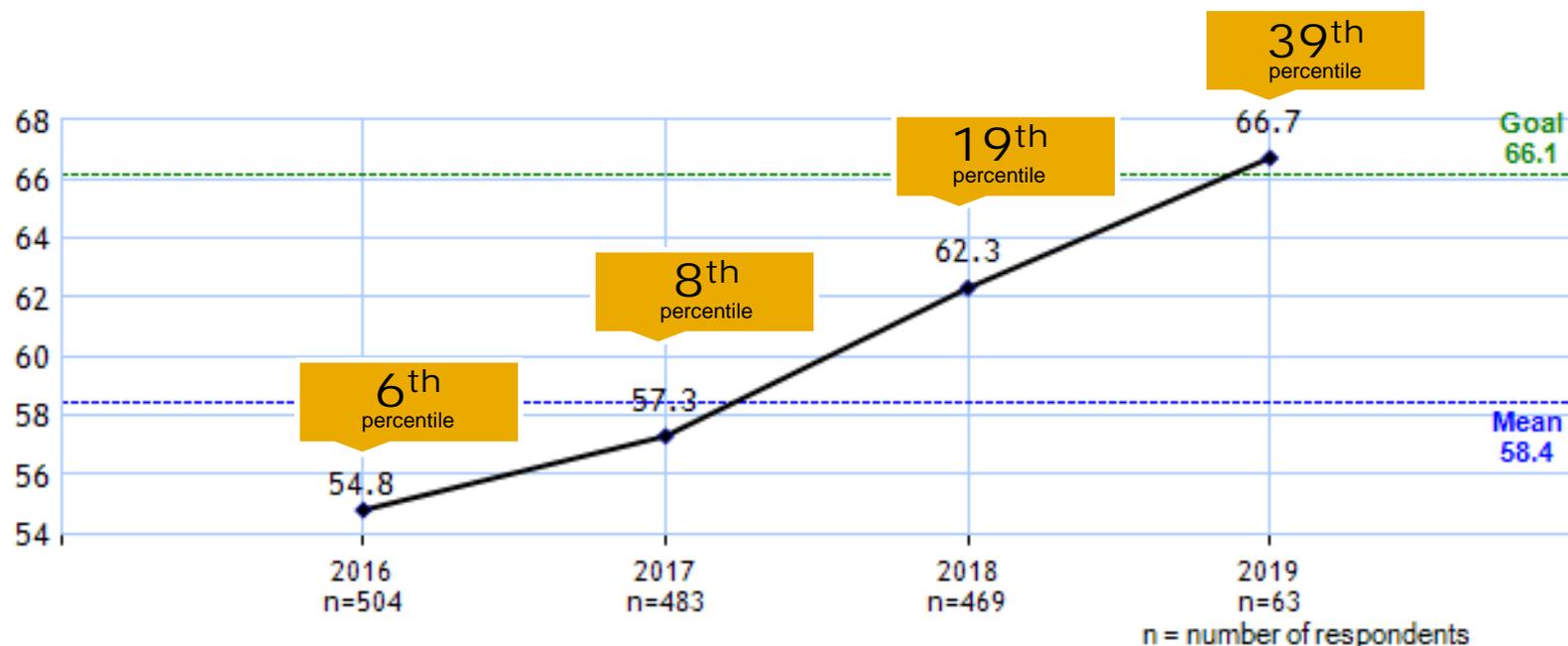
## ▪ **Major initiative: Focus on Lower Performing Unit**

- Create a partnership between our nursing and physician leadership to address key focus areas for improvement.
- Focus on one unit and develop best practices that can be applied to multiple other units.
- Keep refining the processes until we achieve the performance our patients expect and deserve.

# Patient Satisfaction: Nurses kept you informed

2 Roy Carver – Surgery Specialty Services

## Percent Very Good Responses for CY16 – CY19 to Date



- **Consistent year-over-year improvement**

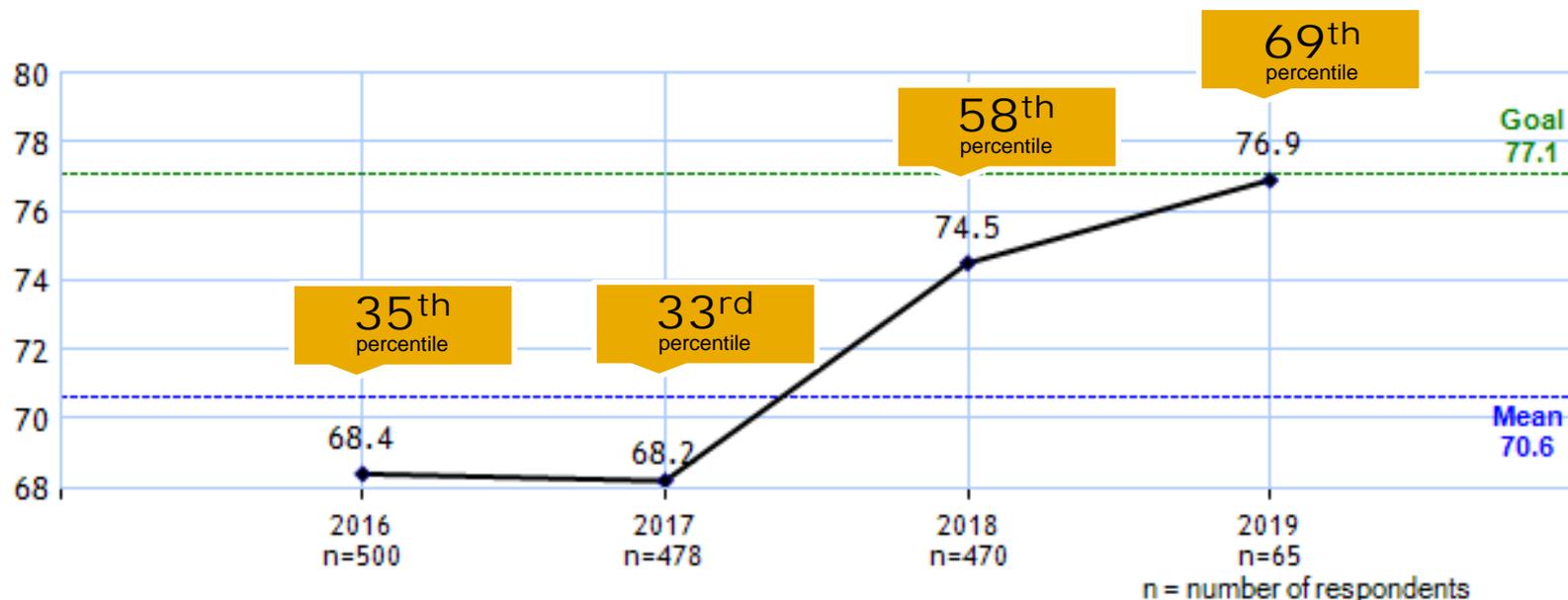
- **2018 Interventions**

- Compassionate, Connected Care roll-out
- Bedside Handoff
- Hourly Rounding
- Leadership Rounding

# Patient Satisfaction – Likelihood to recommend

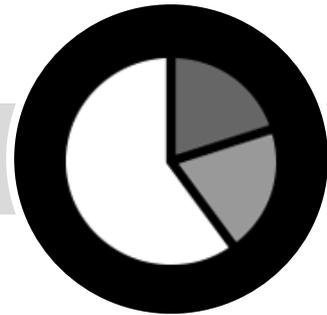
2 Roy Carver – Surgery Specialty Services

## Percent Very Good Responses for CY16 – CY19 to Date



- 2RC is performing better than 69% of institutions in the Press Ganey Database
- Positive correlation between nursing care and overall patient experience

- Improved Partnerships
  - Patients
  - Nurses
  - Physicians
  - Entire medical team



# Financial Performance

# Volume and Financial Highlights – FY19

Through March 2019

## Operating Margin

- March year-to-date actual 5.7%, budget of 2.8%
- March month actual 6.8%, budget of 5.7%

## Volume Change

- Year-over-year: Inpatient -2.6%, Acute Patient Days 3.7%  
Surgeries 4.7%, Clinic Visits 3.2%

## Acuity

- March Case Mix Index continues to be high – above 2.0  
for all payers 2.14 and Medicare 2.33

## Census

- Many days above 90% occupancy
- Closer relationship with post-acute providers being developed

## Length of Stay Index

- Adult at .95 – below the expected index of 1.0
- Pediatrics at 1.04 – at the expected index

## Revenues

- 3.7% above budget year-to-date
  - Inpatient above budget 0.7%
  - Outpatient above budget 3.7%

## Payer Mix

- Medicare Stable
- FY18: 37.3%, FY19: 37.3%

## Accounts Receivable

- Days in Net AR – Up to 51.4 days
  - Payor processing delay

## Salary Expenses

- 2.9% below budget year-to-date

## Non Salary Expenses

- 4.2% above budget year-to-date
- Implant and pharmacy costs over budget

# Comparative Financial Results

Fiscal Year to Date March 2019, Dollars in Thousands

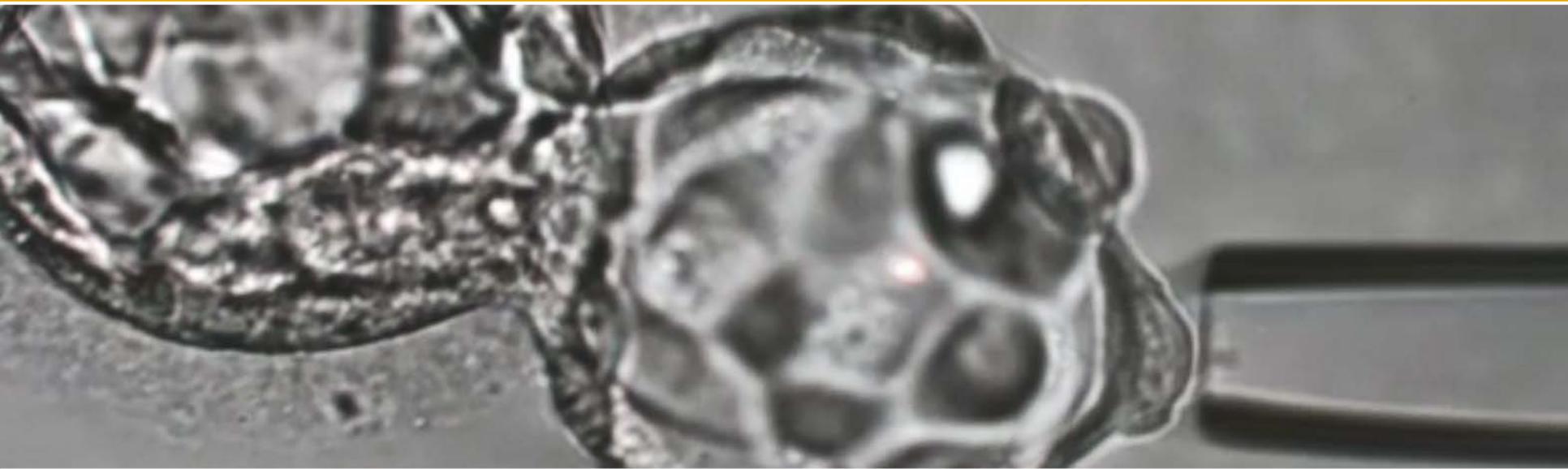
NET REVENUES	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$1,315,175	\$1,266,630	\$1,193,578	\$48,545	3.8%	\$121,597	10.2%
Other Operating Revenue	38,802	39,529	37,778	(727)	-1.8%	1,024	2.7%
<b>Total Revenue</b>	<b>\$1,353,977</b>	<b>\$1,306,159</b>	<b>\$1,231,356</b>	<b>\$47,818</b>	<b>3.7%</b>	<b>\$122,621</b>	<b>10.0%</b>
<b>EXPENSES</b>							
Salaries and Wages	\$588,981	\$606,868	\$575,998	(\$17,887)	-2.9%	\$12,983	2.3%
General Expenses	612,831	588,000	547,393	24,831	4.2%	65,438	12.0%
Operating Expense before Capital	\$1,201,812	\$1,194,868	\$1,123,391	\$6,944	0.6%	\$78,421	7.0%
<b>Cash Flow Operating Margin</b>	<b>\$152,165</b>	<b>\$111,291</b>	<b>\$107,965</b>	<b>\$40,874</b>	<b>36.7%</b>	<b>\$44,200</b>	<b>40.9%</b>
Capital- Depreciation and Amortization	75,575	75,181	76,109	394	0.5%	(534)	-0.7%
<b>Total Operating Expense</b>	<b>\$1,277,387</b>	<b>\$1,270,049</b>	<b>\$1,199,500</b>	<b>\$7,338</b>	<b>0.6%</b>	<b>\$77,887</b>	<b>6.5%</b>
<b>Operating Income</b>	<b>\$76,590</b>	<b>\$36,110</b>	<b>\$31,856</b>	<b>\$40,480</b>	<b>112.1%</b>	<b>\$44,734</b>	<b>140.4%</b>
<b>Operating Margin %</b>	<b>5.7 %</b>	<b>2.8%</b>	<b>2.6%</b>		<b>2.9%</b>		<b>3.1%</b>
Gain (Loss) on Investments	19,279	14,275	18,774	5,004	35.1%	505	2.7%
Other Non-Operating	(11,782)	(8,854)	(9,376)	(2,928)	-33.1%	(2,406)	-25.7%
<b>Net Income</b>	<b>84,087</b>	<b>\$41,531</b>	<b>\$41,254</b>	<b>\$42,556</b>	<b>102.5%</b>	<b>\$42,833</b>	<b>103.8%</b>
<b>Net Margin %</b>	<b>6.2%</b>	<b>3.2%</b>	<b>3.3%</b>		<b>3.0%</b>		<b>2.9%</b>

\* 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.

# Key Metrics

## Financial Performance

	FY19 YTD Through March	Moody's Median
Financial Operations		
Operating Margin	5.7%	3.5%
Financial – Liquidity		
Days Cash on Hand	199	265
Financial – Leverage		
Debt to Capitalization	19.5%	26.0%



## Faculty Presentation

*Brad Van Voorhis, MD*

*F.K. “Ted” Chapler Professor in Reproductive Endocrinology  
Professor of Obstetrics and Gynecology*

# Case

Faculty Presentation

A 28-year-old woman and her husband from Des Moines



## Chief complaint

infertility x 2 years  
and recurrent pregnancy  
loss x 2



## Our diagnosis

polycystic ovarian  
syndrome (PCOS)



## Treatment

ovulation induction using  
a protocol we developed

Megan ovulated and conceived but had a third miscarriage.  
Work-up for causes of recurrent miscarriages was negative.

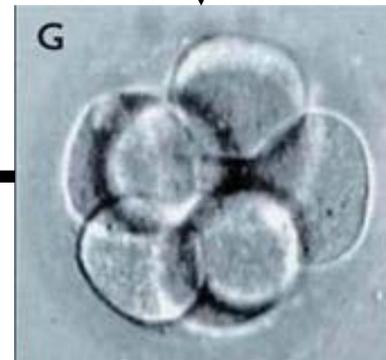
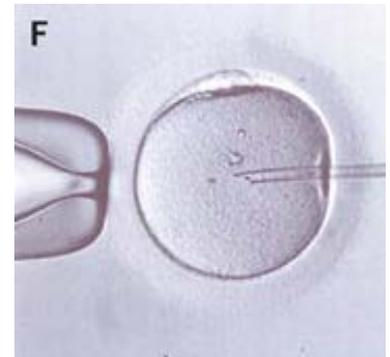
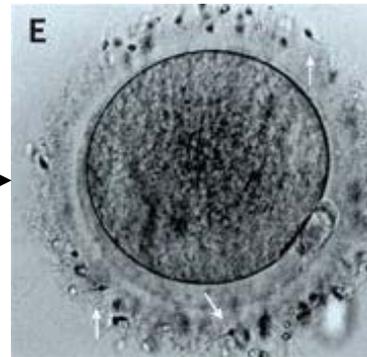
What next?

# Infertility

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Faculty Presentation

**Infertility is common and is distressing to those affected.  
It is defined as both a disease and a disability due to  
impairment of reproductive function.**





# Cumulative live birth rates: 2017

Faculty Presentation

<b>Patient Age</b>	<35	35 – 37	38 – 40	41 – 42
National Average	46.8%	34.4%	21.0%	10.1%
<b>UI Hospitals &amp; Clinics</b>	<b>60.2%</b>	<b>55.6%</b>	<b>37.9%</b>	<b>19.4%</b>

<b>Twin Rate</b>	<35	35 – 37	38 – 40	41 – 42
National Average	13.1%	12%	10.7%	9.3%
<b>UI Hospitals &amp; Clinics</b>	<b>2.1%</b>	<b>6%</b>	<b>8.0%</b>	<b>1/6</b>

Why the difference?

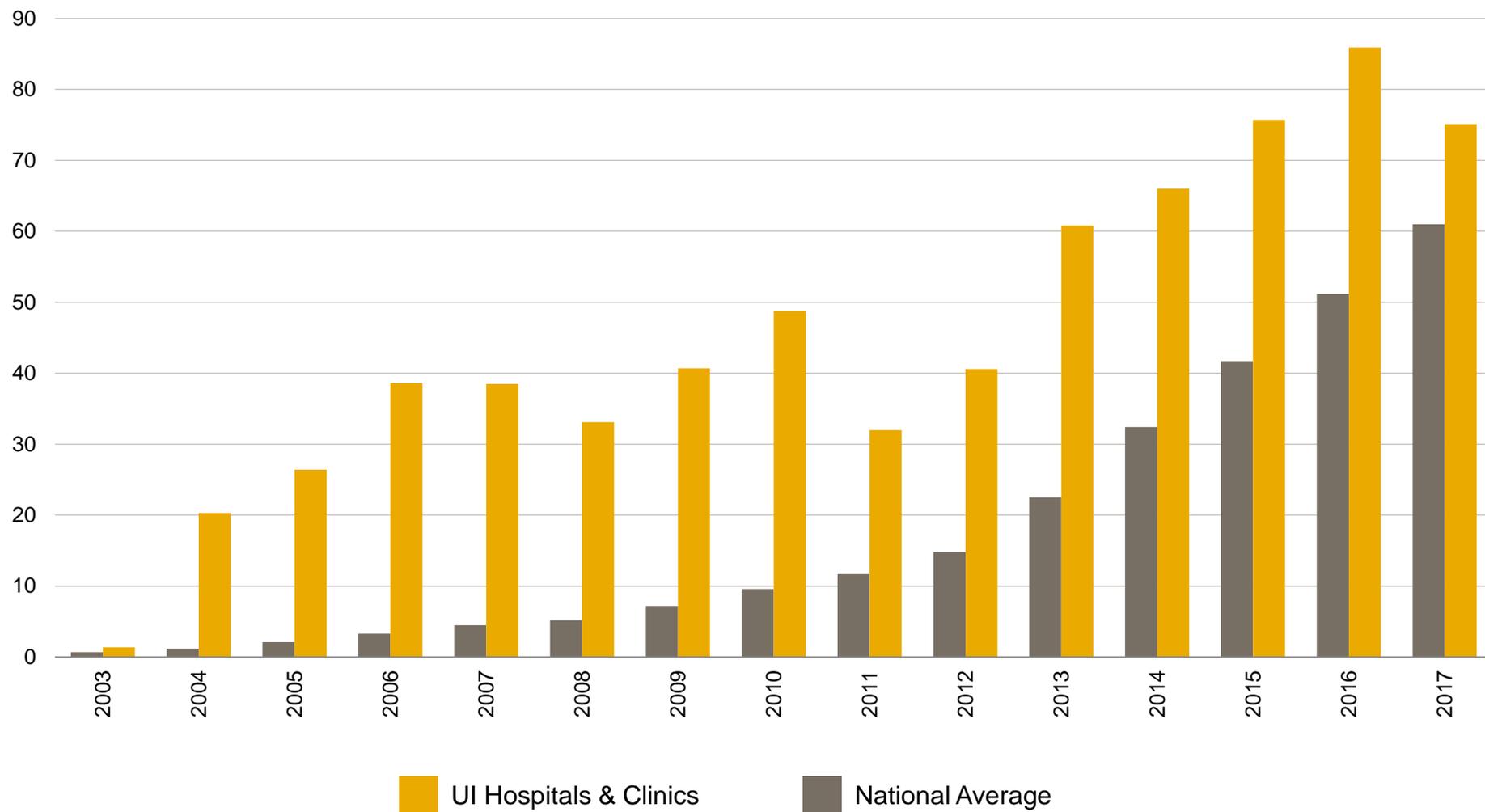
We transfer fewer embryos to the uterus

A great lab

An experienced team committed to being the best

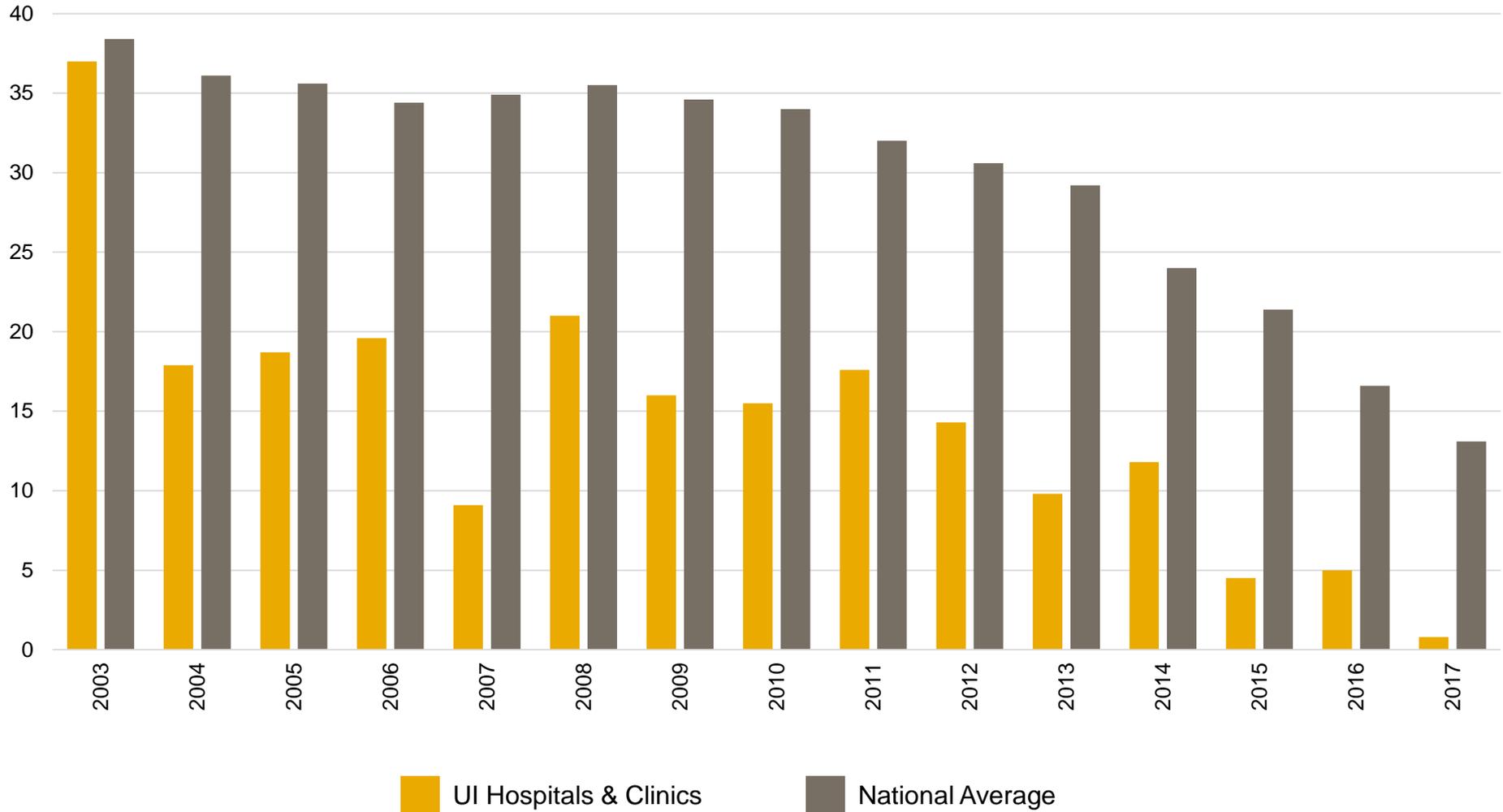
# Percentage of single embryo transfers

women <35 years old



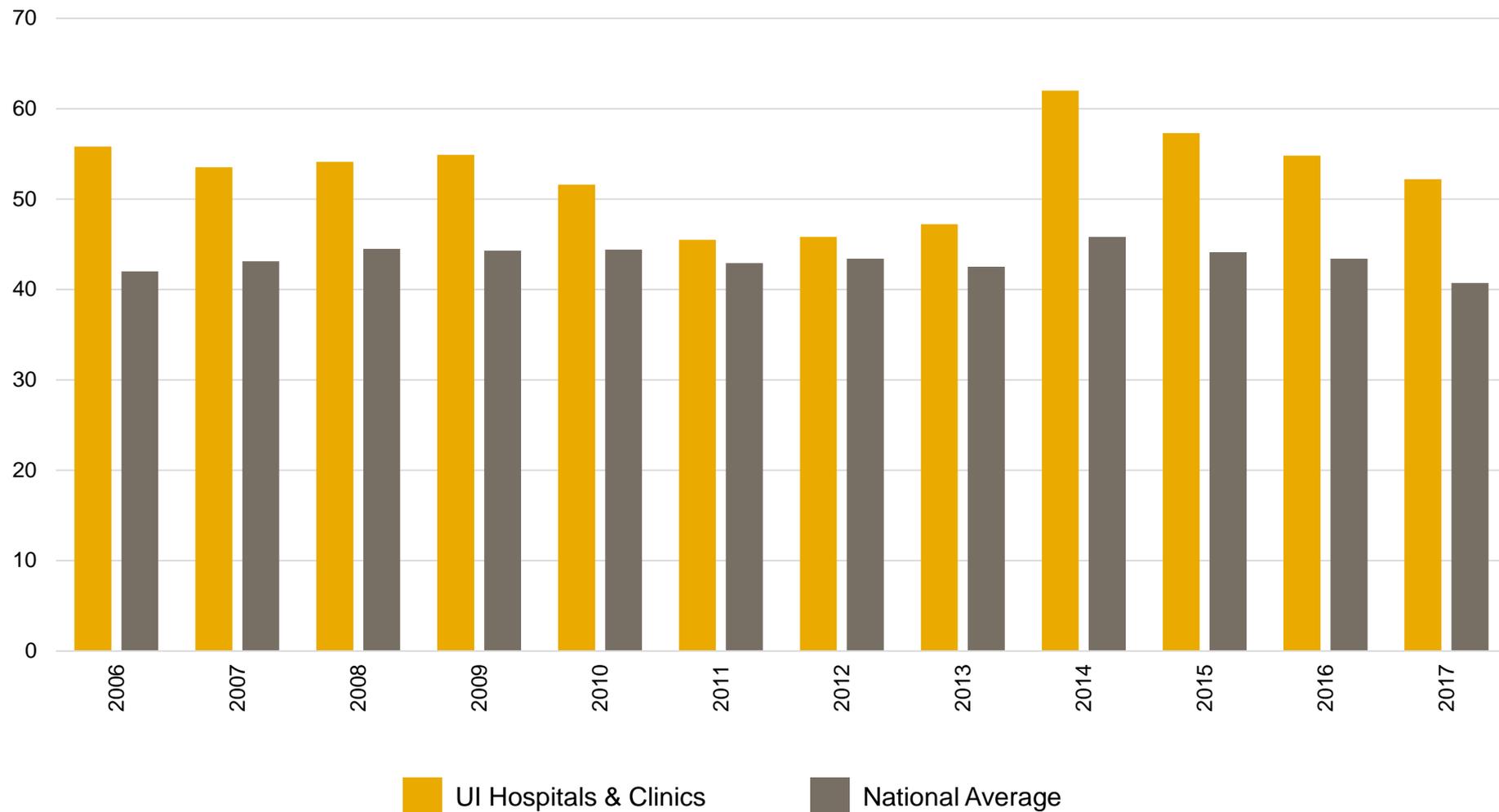
# Live births with multiple infants following IVF

Women <35 years old



# Live birth rate per egg retrieval

Women <35 years old



# Back to the case...

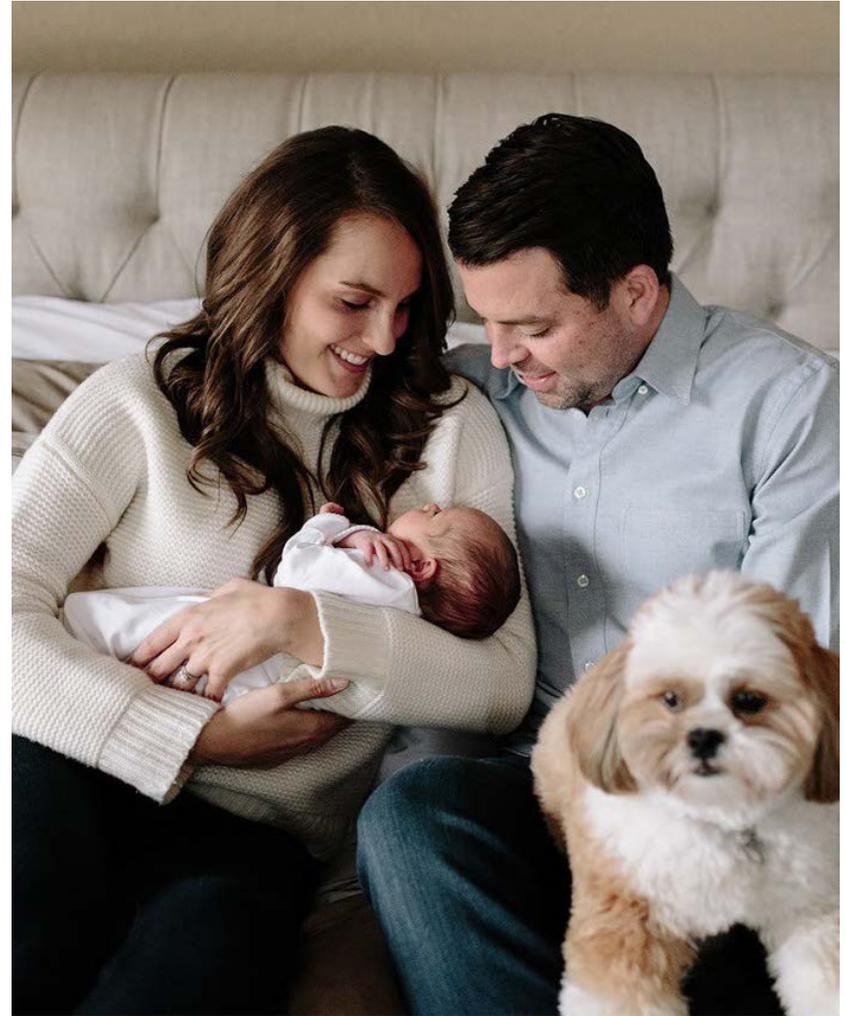
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Faculty Presentation

- We successfully fertilized multiple eggs
- After embryo culture – genetic testing was performed
- Several normal embryos obtained
- One was transferred and she was pregnant!

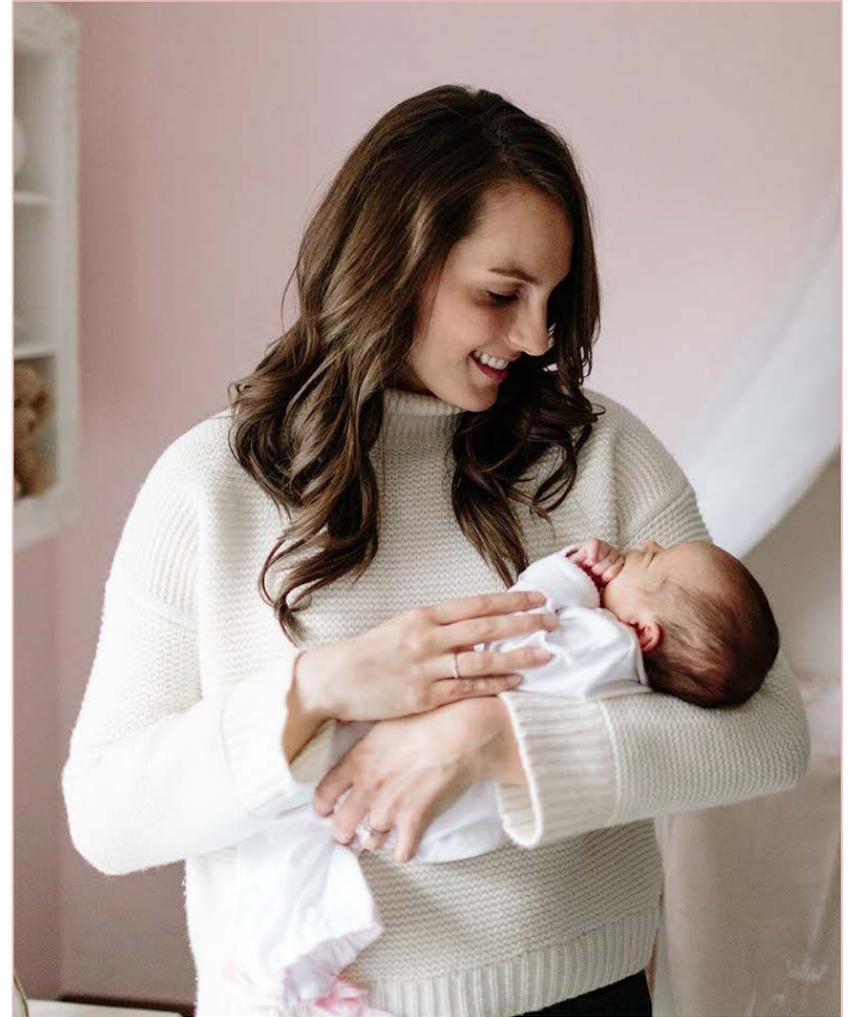
# Photos

## Faculty Presentation



# Photos

## Faculty Presentation



# A full-spectrum fertility center

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Faculty Presentation

We have a full-spectrum fertility center that is one of the best in the world.

- Diagnostic services
- Surgical options
- First line infertility treatment
- IVF
- Donor egg, donor sperm, donor embryos
- Fertility preservation
- Non-judgmental treatments for patients needing our care

# Women's Health Center – North Dodge Street Clinic

Faculty Presentation



# From the patient

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Faculty Presentation



***Thank you so much for making our dreams come true. We're so in love with our daughter, Natalie!  
We hope that someday you can meet her!***



# Thank you

Faculty Presentation

