



University of Iowa Health Care

***Presentation to
The Board of Regents, State of Iowa
August 5, 2010***

Agenda

- Opening Remarks – Robillard
- Carver College of Medicine Update – Rothman
- FY10 Year-End Operating and Financial Performance – Kates/Fisher



Carver College of Medicine Update

Paul Rothman, MD
Dean, CCOM



Curt D. Sigmund, PhD

Named head of Pharmacology

PhD at State University of New York – Buffalo

Director, Center of Functional Genomics of Hypertension

Research Interest: Mechanisms of blood pressure regulation

\$2.87M in research funding for FY10

Social Mission Recognized



- The Carver College of Medicine was recognized as 10th in the nation
- Criteria included:
 - Proportion of graduates who practice primary care
 - Number of graduates who work in underserved areas
 - Proportion of graduates who are under-represented minorities

Annals of Internal Medicine

June 15, 2010

Discovery – Total Research Funding, FY06-FY10



	FY06	FY07	FY08	FY09	FY10
Total Research \$	\$178.5M	\$185.9M	\$200.3M	\$212.5M	\$228.1M
Total \$/Faculty	\$359,164	\$368,418	\$388,336	\$419,687	\$443,854
Total \$/Sq. Ft.	\$394	\$410	\$438	\$468	\$488
Percent Change		4.1%	7.7%	6.1%	7.3%



FY10 Year-End Operating and Financial Performance

Ken Kates, Chief Executive Officer
UI Hospitals & Clinics

Ken Fisher, Associate Vice President for Finance
and Chief Financial Officer

Volume Indicators

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	28,973	30,612	29,753	(1,639)	-5.4% ●	(780)	-2.6% ●
Patient Days	182,820	200,730	193,196	(17,910)	-8.9% ●	(10,376)	-5.4% ●
Length of Stay	6.26	6.64	6.58	(0.38)	-5.7% ●	(0.32)	-4.9% ●
Average Daily Census	500.88	549.95	529.30	(49.07)	-8.9% ●	(28.42)	-5.4% ●
Surgeries – Inpatient	10,907	11,805	10,840	(898)	-7.6% ●	67	0.6% ○
Surgeries – Outpatient	14,279	12,191	13,150	2,088	17.1% ●	1,129	8.6% ●
Emergency Treatment Center Visits	51,866	50,656	49,460	1,210	2.4% ○	2,406	4.9% ●
Outpatient Clinic Visits	753,823	757,481	742,312	(3,658)	-0.5% ○	11,511	1.6% ○
Case Mix	1.7802	1.8399	1.8155	(0.0597)	-3.2%	(0.0353)	-1.9%
Medicare Case Mix	2.0271	2.0295	2.0295	(0.0024)	-0.1%	(0.0024)	-0.1%

Greater than 2.5% Favorable
 Neutral
 Greater than 2.5% Unfavorable

Volume Indicators

Quarterly from July 2008 – June 2010



Operating Review	April 10- June 10	Jan 10- March 10	Oct 09- Dec 09	July 09- Sep 09	April 09- June 09	Jan 09- March 09	Oct 08- Dec 08	July 08- Sep 08
Discharges	7,405	6,906	7,185	7,477	7,585	7,367	7,357	7,444
Patient Days	46,510	45,164	45,217	45,929	46,621	48,225	49,261	49,089
Length of Stay	6.14	6.55	6.48	5.88	6.49	6.55	6.74	6.54
Average Daily Census	511.10	501.82	491.49	499.23	512.32	535.83	535.45	533.58
Surgeries – Inpatient	2,784	2,601	2,654	2,868	2,760	2,588	2,621	2,871
Surgeries – Outpatient	3,850	3,476	3,484	3,469	3,493	3,239	3,209	3,209
Emergency Treatment Center Visits	13,597	12,150	12,779	13,340	13,426	12,006	11,600	12,428
Outpatient Clinic Visits	194,561	179,406	188,124	191,732	191,187	185,068	180,655	185,402

Discharges by Type

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	9,751	10,077	9,795	(326)	-3.2% ●	(44)	-0.5% ○
Adult Surgical	12,820	13,967	13,577	(1,147)	-8.2% ●	(757)	-5.6% ●
Adult Psych	1,759	1,913	1,860	(154)	-8.1% ●	(101)	-5.4% ●
<i>Subtotal – Adult</i>	<i>24,330</i>	<i>25,957</i>	<i>25,232</i>	<i>(1,627)</i>	<i>-6.3% ●</i>	<i>(902)</i>	<i>-3.6% ●</i>
Pediatric Medical	3,140	3,210	3,116	(70)	-2.2% ○	24	0.8% ○
Pediatric Surgical	158	169	164	(11)	-6.5% ●	(6)	-3.7% ●
Pediatric Critical Care	835	804	782	31	3.9% ●	53	6.8% ●
Pediatric Psych	510	472	459	38	8.1% ●	51	11.1% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>4,643</i>	<i>4,655</i>	<i>4,521</i>	<i>(12)</i>	<i>-0.3% ○</i>	<i>122</i>	<i>2.7% ●</i>
Newborn	1,318	1,343	1,342	(25)	-1.9% ○	(24)	-1.8% ○
TOTAL w/o Newborn	28,973	30,612	29,753	(1,639)	-5.4% ●	(780)	-2.6% ●

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Discharge Days by Type

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	56,271	59,876	58,645	(3,605)	-6.0% ●	(2,374)	-4.1% ●
Adult Surgical	65,978	79,565	73,755	(13,587)	-17.1% ●	(7,777)	-10.5% ●
Adult Psych	19,817	20,851	20,051	(1,034)	-5.0% ●	(234)	-1.2% ○
<i>Subtotal – Adult</i>	<i>142,066</i>	<i>160,292</i>	<i>152,451</i>	<i>(18,226)</i>	<i>-11.4% ●</i>	<i>(10,385)</i>	<i>-6.8% ●</i>
Pediatric Medical	14,928	15,928	16,851	(1,000)	-6.3% ●	(1,923)	-11.4% ●
Pediatric Surgical	1,268	1,533	1,650	(265)	-17.3% ●	(382)	-23.2% ●
Pediatric Critical Care	19,252	21,141	20,639	(1,889)	-8.9% ●	(1,387)	-6.7% ●
Pediatric Psych	3,745	4,493	4,161	(748)	-16.7% ●	(416)	-10.0% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>39,193</i>	<i>43,095</i>	<i>43,301</i>	<i>(3,902)</i>	<i>-9.1% ●</i>	<i>(4,108)</i>	<i>-9.5% ●</i>
Newborn	2,945	2,992	3,186	(47)	-1.6% ○	(241)	-7.6% ●
TOTAL w/o Newborn	181,259	203,387	195,752	(22,128)	-10.9% ●	(14,493)	-7.4% ●

 Greater than 2.5% Favorable
  Neutral
  Greater than 2.5% Unfavorable

Average Length of Stay by Type

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.77	5.94	5.99	(0.17)	-2.9% ●	(0.22)	-3.7% ●
Adult Surgical	5.15	5.70	5.43	(0.55)	-9.7% ●	(0.28)	-5.2% ●
Adult Psych	11.27	10.90	10.78	0.37	3.4% ●	0.49	4.6% ●
Subtotal – Adult	5.84	6.17	6.04	(0.33)	-5.4% ●	(0.20)	-3.3% ●
Pediatric Medical	4.75	4.96	5.41	(0.21)	-4.2% ●	(0.66)	-12.2% ●
Pediatric Surgical	8.03	9.08	10.06	(1.05)	-11.6% ●	(2.03)	-20.2% ●
Pediatric Critical Care	23.06	26.28	26.39	(3.22)	-12.3% ●	(3.33)	-12.6% ●
Pediatric Psych	7.34	9.51	9.07	(2.17)	-22.8% ●	(1.73)	-19.1% ●
Subtotal – Pediatrics w/o newborn	8.44	9.26	9.58	(0.82)	-8.9% ●	(1.14)	-11.9% ●
Newborn	2.23	2.23	2.37	0.00	0.0% ○	(0.14)	-5.9% ●
TOTAL w/o Newborn	6.26	6.64	6.58	(0.38)	-5.7% ●	(0.32)	-4.9% ●

 Greater than 2.5% Favorable
  Neutral
  Greater than 2.5% Unfavorable

Outpatient Surgeries – by Clinical Department

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	75	57	72	18	31.6% ●	3	4.2% ●
Dentistry	604	464	586	140	30.2% ●	18	3.1% ●
Dermatology	58	45	44	13	28.9% ●	14	31.8% ●
General Surgery	2,230	1,583	1,844	647	40.9% ●	386	20.9% ●
Gynecology	777	630	663	147	23.3% ●	114	17.2% ●
Internal Medicine	8	6	6	2	33.3% ●	2	33.3% ●
Neurosurgery	485	263	332	222	84.4% ●	153	46.1% ●
Ophthalmology	3,130	3,184	3,284	(54)	-1.7% ○	(154)	-4.7% ●
Orthopedics	3,452	2,862	3,017	590	20.6% ●	435	14.4% ●
Otolaryngology	2,185	1,807	1,986	378	20.9% ●	199	10.0% ●
Pediatrics	2	4	4	(2)	-50.0% ●	(2)	-50.0% ●
Radiology – Interventional	46	10	13	36	360.0% ●	33	253.8% ●
Urology w/ Procedure Ste.	1,227	1,276	1,299	(49)	-3.8% ●	(72)	-5.5% ●
Total	14,279	12,191	13,150	2,088	17.1% ●	1,129	8.6% ●

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Inpatient Surgeries – by Clinical Department

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	1,191	1,158	1,069	33	2.9%	122	11.4%
Dentistry	126	169	154	(43)	-25.4%	(28)	-18.2%
General Surgery	2,760	2,938	2,712	(178)	-6.1%	48	1.8%
Gynecology	800	908	830	(108)	-11.9%	(30)	-3.6%
Neurosurgery	1,625	1,759	1,624	(134)	-7.6%	1	0.1%
Ophthalmology	123	180	133	(57)	-31.7%	(10)	-7.5%
Orthopedics	2,674	2,982	2,736	(308)	-10.3%	(62)	-2.3%
Otolaryngology	681	843	773	(162)	-19.2%	(92)	-11.9%
Pediatrics	0	1	1	(1)	-100.0%	(1)	-100.0%
Radiology – Interventional	215	73	67	142	194.5%	148	220.9%
Urology w/ Procedure Ste.	712	794	741	(82)	-10.3%	(29)	-3.9%
Total	10,907	11,805	10,840	(898)	-7.6% 	67	0.6%

Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Emergency Treatment Center

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ETC Visits	51,866	50,656	49,460	1,210	2.4% ○	2,406	4.9% ●
ETC Admits	13,463	13,725	13,071	(262)	-1.9% ○	392	3.0% ●
Conversion Factor	26.0%	27.1%	26.4%		-4.2% ●		-1.8% ○
ETC Admits / Total Admits	46.6%	45.2%	44.2%		3.3% ●		5.4 % ●

●	○	●
Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Clinic Visits by Clinical Department

July 2009 through June 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Anesthesia	16,115	15,274	14,628	841	5.5% ●	1,487	10.2% ●
CDD	7,385	7,314	7,503	71	1.0% ○	(118)	-1.6% ○
Clinical Research	11,211	8,668	8,302	2,543	29.3% ●	2,909	35.0% ●
Dermatology	25,203	25,042	24,826	161	0.6% ○	377	1.5% ○
ETC	51,866	50,656	49,460	1,210	2.4% ○	2,406	4.9% ●
Employee Health Clinic	14,665	17,003	16,284	(2,338)	-13.8% ●	(1,619)	-9.9% ●
Family Care Center	94,397	98,997	97,409	(4,600)	-4.7% ●	(3,012)	-3.1% ●
General Surgery	29,363	27,650	26,481	1,713	6.2% ●	2,882	10.9% ●
Hospital Dentistry	12,164	9,727	23,400	2,437	25.1% ●	(11,236)	-48.0% ●
Internal Medicine	121,302	118,754	113,735	2,548	2.1% ○	7,567	6.7% ●
Neurology	17,944	17,485	16,746	459	2.6% ●	1,198	7.2% ●
Neurosurgery	9,108	9,482	9,081	(374)	-3.9% ●	27	0.3% ○
Obstetrics/Gynecology	74,982	74,570	71,418	412	0.6% ○	3,564	5.0% ●
Ophthalmology	63,814	72,207	66,981	(8,393)	-11.6% ●	(3,167)	-4.7% ●
Orthopedics	56,436	56,058	53,688	378	0.7% ○	2,748	5.1% ●
Otolaryngology	27,823	29,183	27,949	(1,360)	-4.7% ●	(126)	-0.5% ○
Pediatrics	40,081	40,381	38,674	(300)	-0.7% ○	1,407	3.6% ●
Primary Care Clinic North	18,333	16,374	15,066	1,959	12.0% ●	3,267	21.7% ●
Psychiatry	41,904	43,360	41,527	(1,456)	-3.4% ●	377	0.9% ○
Thoracic – Cardio Surgery	2,903	2,793	2,675	110	3.9% ●	228	8.5% ●
Urology	16,229	15,902	15,903	327	2.1% ○	326	2.1% ○
Other	595	601	576	(6)	-1.0% ○	19	3.3% ●
Total	753,823	757,481	742,312	(3,658)	-0.5% ○	11,511	1.6% ○



Greater than 2.5% Favorable

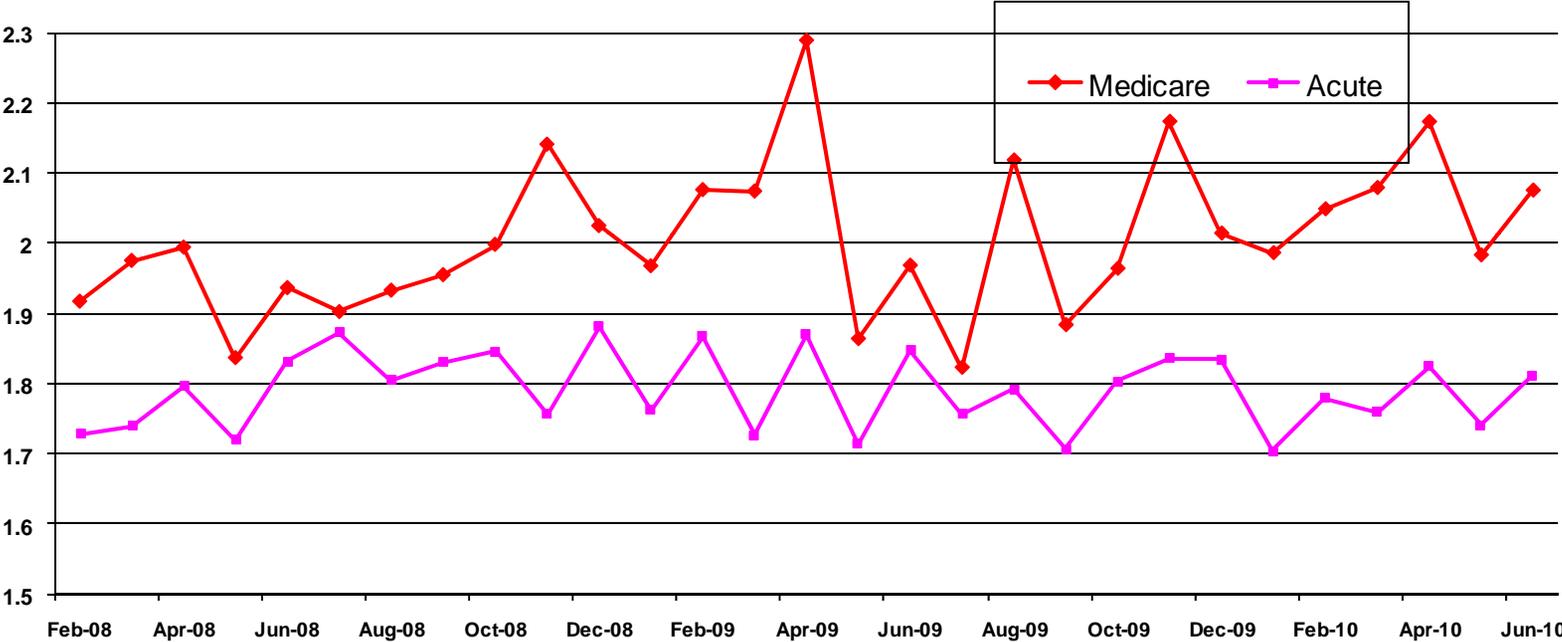


Neutral



Greater than 2.5% Unfavorable

Case Mix Index



UIHC Comparative Financial Results

Fiscal Year to Date June 2010 (preliminary)



NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$903,942	\$906,459	\$876,577	(\$2,517)	-0.3%	\$27,365	3.1%
Appropriations	11	-	6,840	11	100.0%	(6,829)	-99.8%
Other Operating Revenue	46,836	48,839	47,448	(2,003)	-4.1%	(612)	-1.3%
Total Revenue	\$950,789	\$955,298	\$930,865	(\$4,509)	-0.5%	\$19,924	2.1%

EXPENSES:

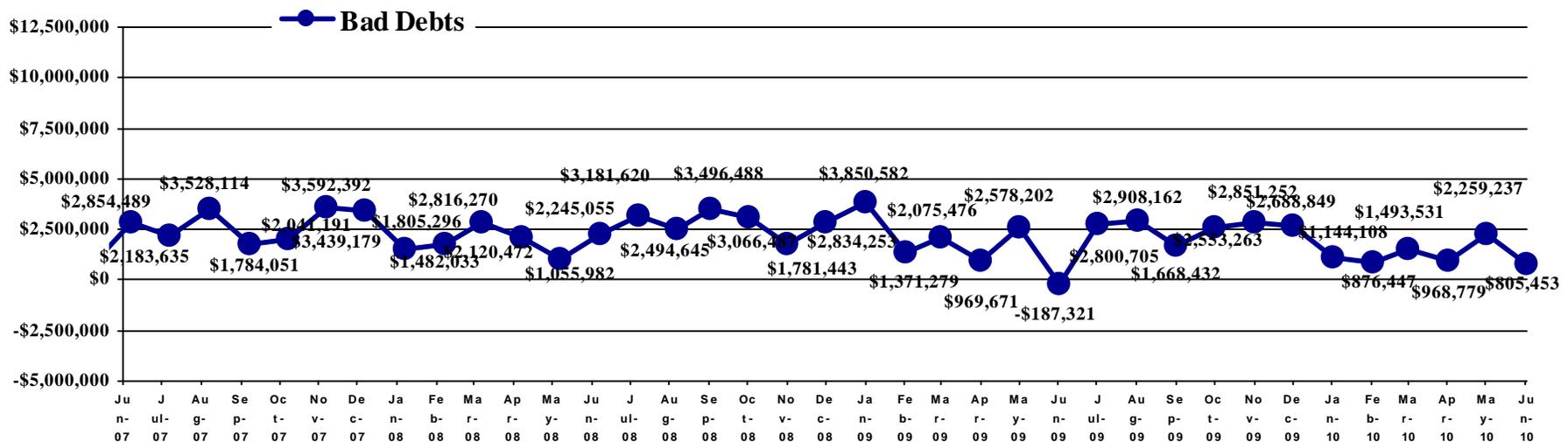
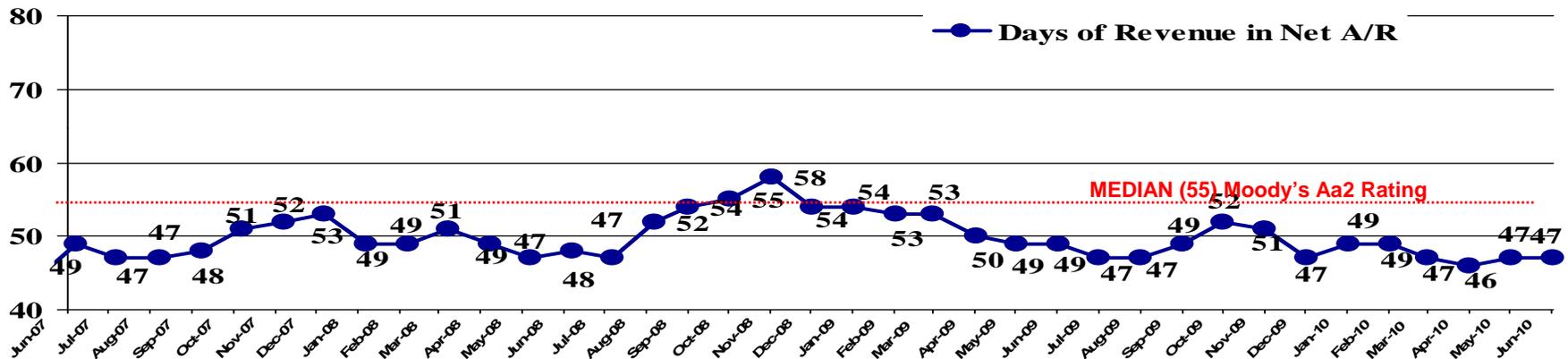
Salaries and Wages	\$475,346	\$484,971	\$502,334	(\$9,625)	-2.0%	(\$26,988)	-5.4%
General Expenses	373,488	384,396	361,645	(10,908)	-2.8%	11,843	3.3%
Operating Expense before Capital	\$848,834	\$869,367	\$863,979	(\$20,533)	-2.4%	(\$15,145)	-1.8%
Cash Flow Operating Margin	\$101,955	\$85,931	\$66,886	\$16,024	18.7%	\$35,069	52.4%
Capital- Depreciation and Amortization	74,751	76,367	72,975	(1,616)	-2.1%	1,776	2.4%
Total Operating Expense	\$923,585	\$945,734	\$936,954	(\$22,149)	-2.3%	(\$13,369)	-1.4%

Operating Income	\$27,204	\$9,564	(\$6,089)	\$17,640	184.4%	\$33,293	546.8%
Operating Margin %	2.9%	1.0%	-0.7%		1.9%		3.6%
Gain (Loss) on Investments	23,764	10,391	3,315	13,373	128.7%	20,449	616.9%
Other Non-Operating	(5,190)	(5,109)	(9,704)	(81)	-1.6%	4,514	46.5%
Net Income	\$45,778	\$14,846	(\$12,478)	\$30,932	208.4%	\$58,256	466.9%
Net Margin %	4.7%	1.5%	-1.3%		3.2%		6.0%

Comparative Accounts Receivable at June 30, 2010 (preliminary)



	June 30, 2008	June 30, 2009	June 30, 2010 (preliminary)
Net Accounts Receivable	\$111,208,325	\$121,515,935	\$118,477,477
Net Days in AR	48	49	47



U.S. News & World Report Rankings

**For the 21st Consecutive Year, UI Health Care Specialties
Earned High Rankings In U.S. News & World Report**

- 4th Otolaryngology**
- 6th Ophthalmology & Visual Sciences**
- 9th Orthopaedic Surgery**
- 19th Urology**
- 21st Neurology/Neurosurgery**
- 22nd Cancer**
- 22nd Pulmonary**
- 26th Diabetes & Endocrinology**
- 33rd Gynecology**
- 36th Kidney Disorders**



University of Iowa Hospitals and Clinics

Listed as one of the most wired hospitals in the USA

&

Listed as one of the most wireless hospitals in the USA

Comparative Data Trends



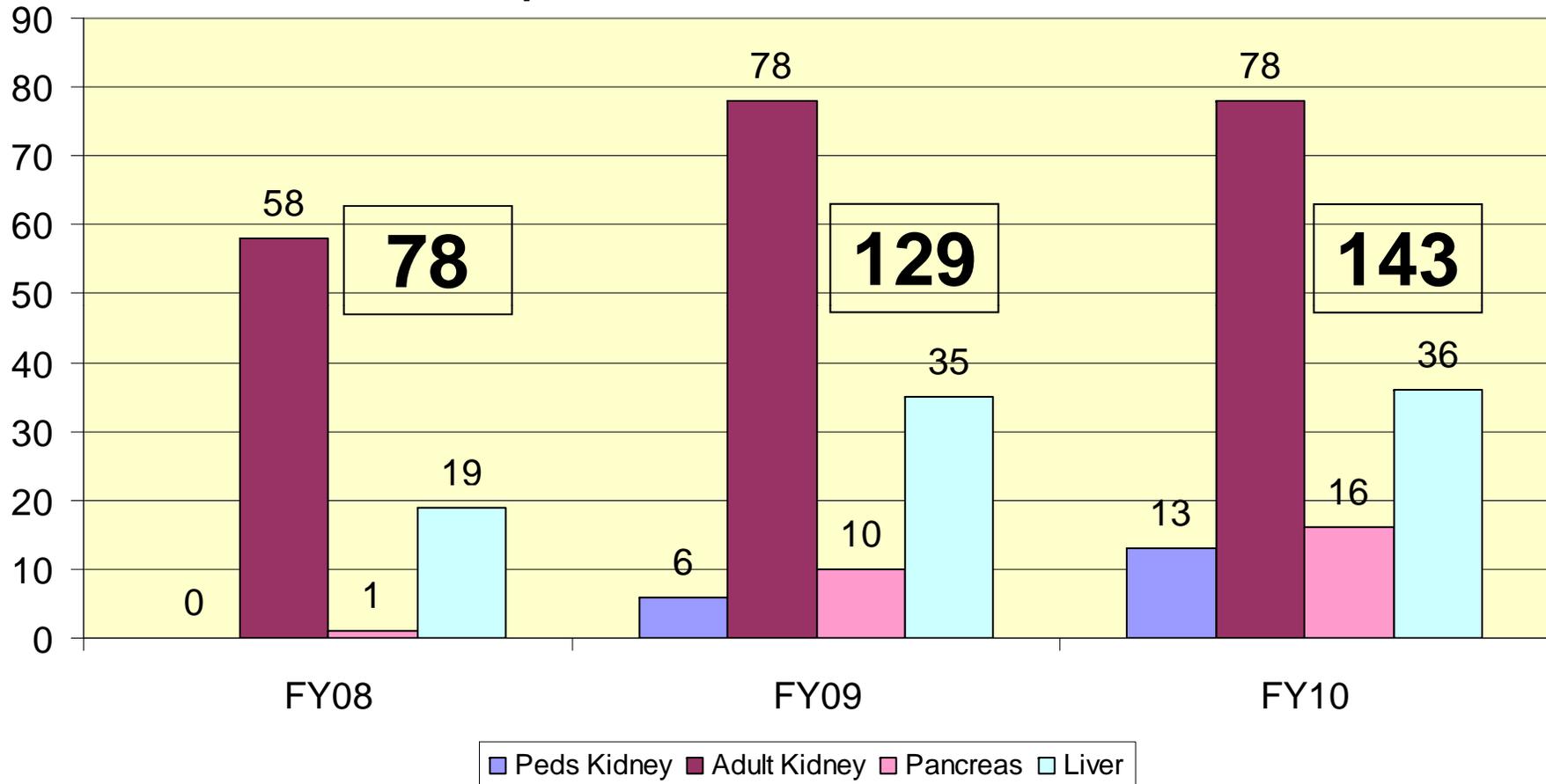
January – March 2010 vs. 2009

	All Iowa Hospitals	UIHC
Total Discharges*	↓ 6.4%	↓ 3.1%
Births	↓ 2.5%	↑ 12.0%
Inpatient Surgeries	↓ 4.6%	↑ 0.5%
Ambulatory Surgeries	↓ 9.6%	↑ 7.3%
Emergency Department Visits	↓ 6.4%	↑ 1.2%
Inpatient Admissions from ED	↓ 7.6%	↑ 0.7%
Observation Visits	↓ 3.2%	↑ 14.0%
Total Outpatient Visits	↑ 2.6%	↑ 0.1%
Supply Expense	↑ 0.4%	↓ 2.6%
Total Expense	↑ 0.7%	↓ 3.5%

* includes observation visits

Success in Transplant

Transplant Performance Year-Over-Year



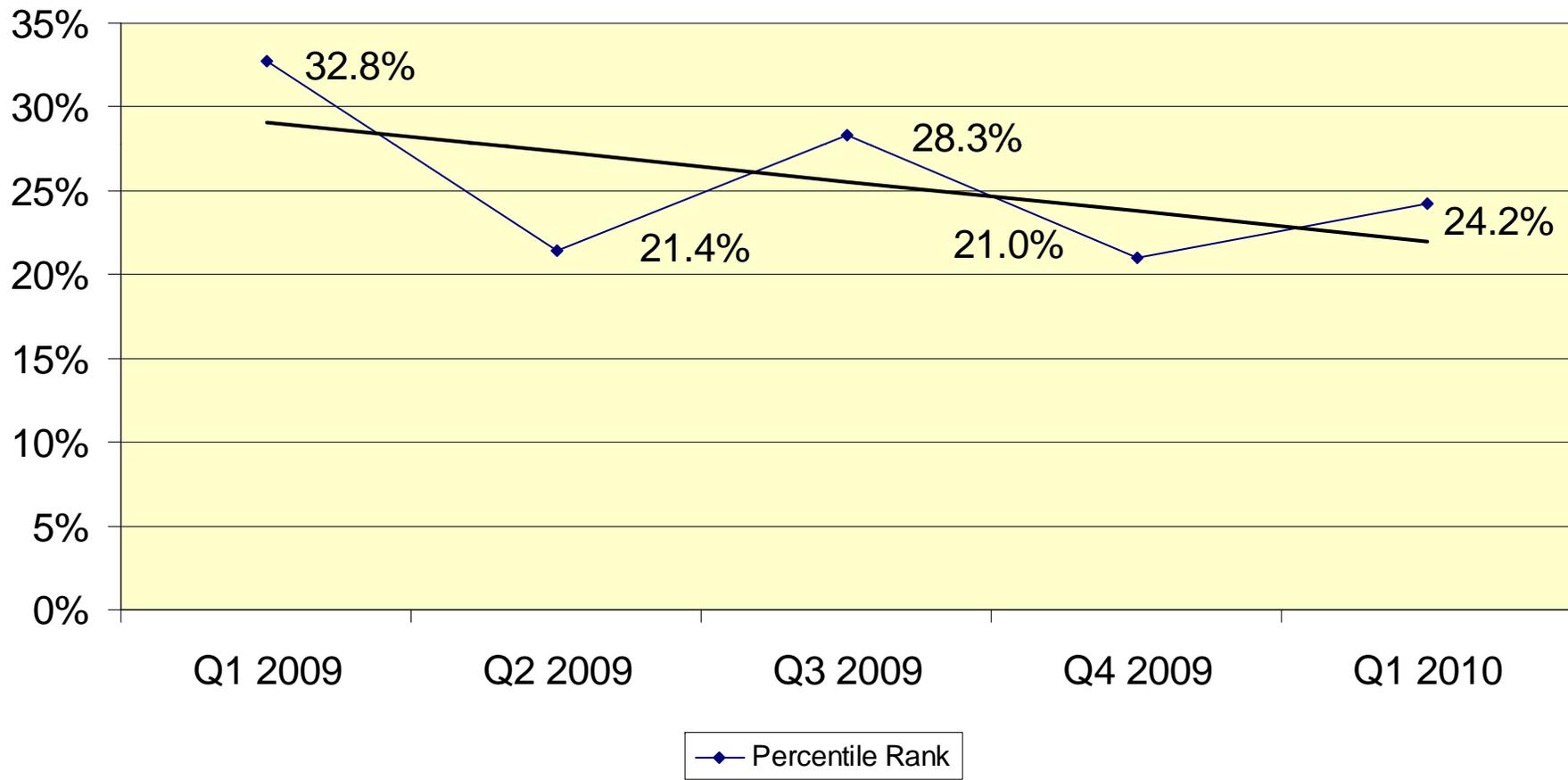
FY08 to FY10 – Increased 65 Transplants (↑83%)

Data includes: adult kidney, pediatric kidney, pancreas & liver

Total Expense (Wage Adjusted, Excluding Providers) per CMI Adjusted Patient Day – Peer Benchmark Ranking



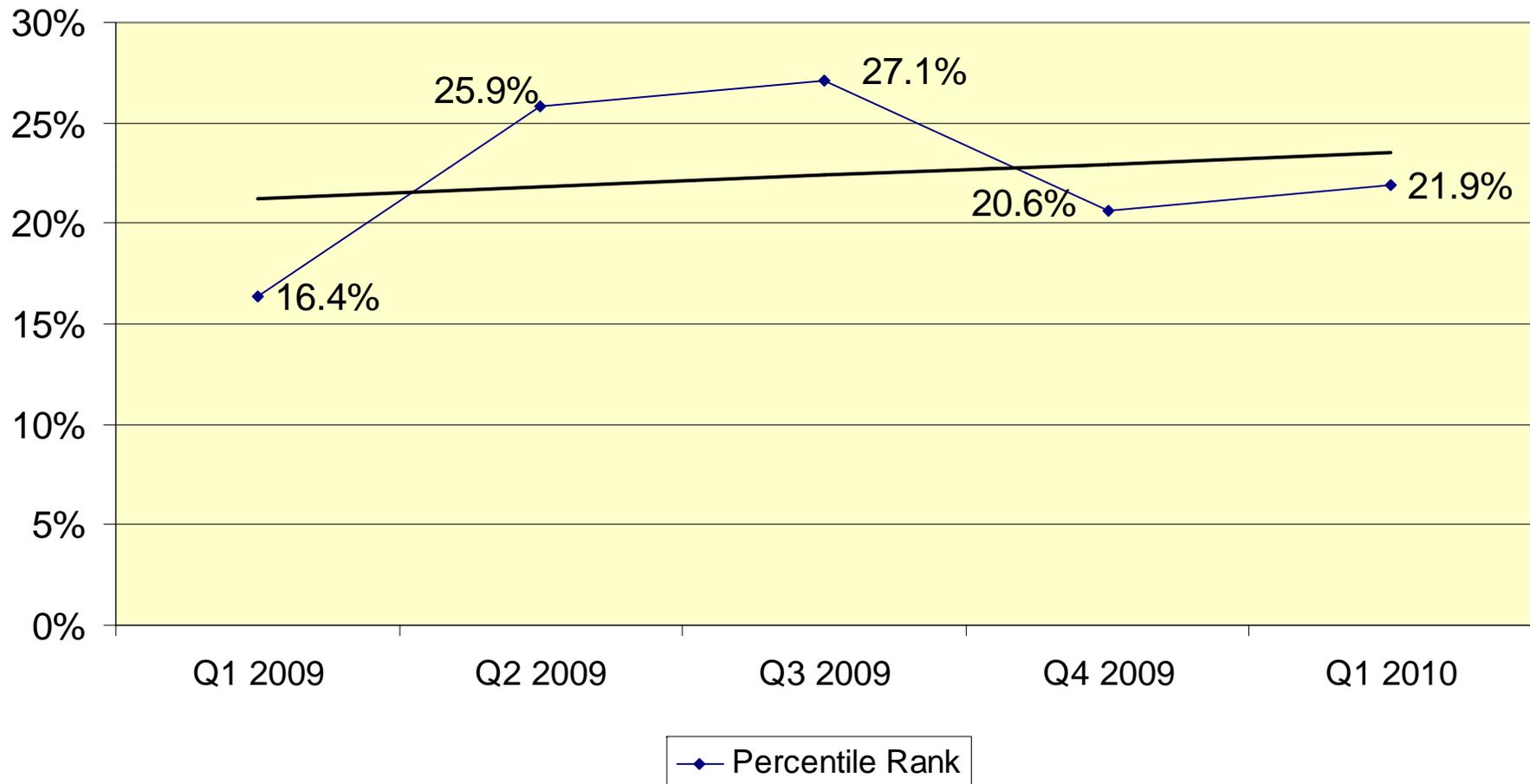
UIHC's benchmark performance for total expense (wage adjusted, excluding providers) per case mix index weighted adjusted patient day improved from the 32nd percentile in Quarter 1 2009 to the 24th percentile in Quarter 1 2010.



SOURCE: University HealthSystem Consortium - Action OI Database, 2010 Q1

Supply Expense per CMI Weighted Adjusted Patient Day – Peer Benchmark Ranking

UIHC continues to perform very well managing supply expenses per case mix index weighted adjusted patient day – better than 78% of peer academic medical centers.

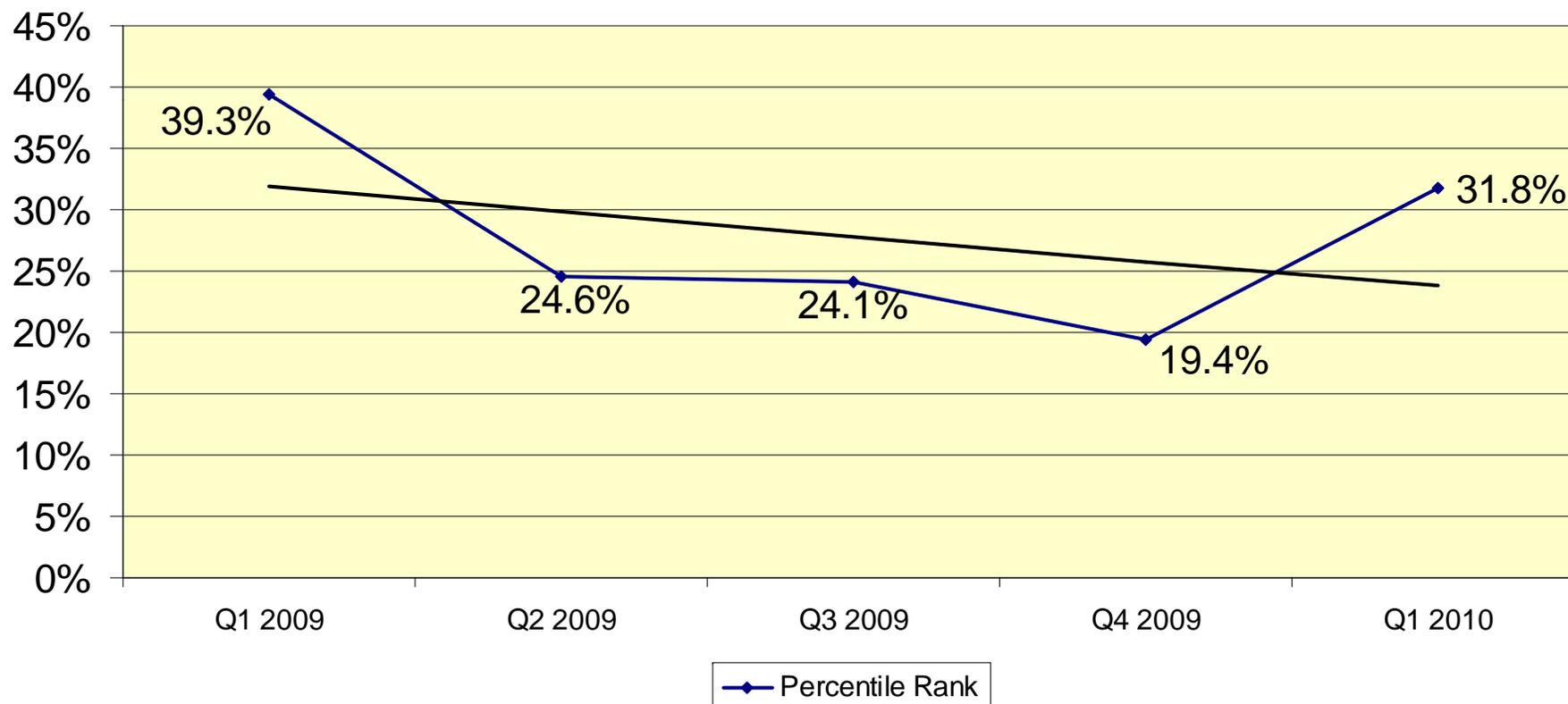


SOURCE: University HealthSystem Consortium -
Action OI Database, 2010 Q1

Staff Salary (Wage Adjusted, Excluding Provider) per CMI Weighted Adjusted Patient Day – Peer Benchmark Ranking



Benchmark performance for staff salary (wage adjusted, excluding provider) per case mix index weighted adjusted patient day continues to improve as we remain focused on enhancing productivity, decreasing from the 39th percentile in Quarter 1 2009 to the 31st percentile in Quarter 1 2010.



SOURCE: University HealthSystem Consortium - Action OI Database, 2010 Q1