



# University of Iowa Health Care

*Presentation to*

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

**September 18-19, 2019**

# Agenda

---

Today's Presentation

Opening Remarks

Operating and Financial Performance

Capital for University of Iowa Health System

Proposed Amendments to the Bylaws of the UI Hospitals and Clinics  
and its Clinical Staff



## Opening Remarks

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



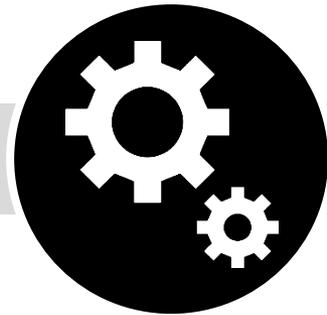
# Operating and Financial Performance

*Suresh Gunasekaran, MBA*

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

*Bradley Haws, MBA*

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



# Commitment to Efficiency

# Supply Chain – Standardized Contracts

Commitment to Efficiency

| Department                            | Initiative                                    | Action  | Impact                           |
|---------------------------------------|---|---|----------------------------------|
| Neurosurgery, Neurology & Orthopedics | Standardize and maintain 80% primary vendor   | Standardize 80% primary vendor for:<br>1. Spine implants<br>2. Shoulder implants<br>3. Neuro Stimulator<br>4. Trauma<br>5. Neurovascular supplies | Cost Savings – Over \$ 3 Million |
| Cardiology                            | Standardize and maintain 80% primary vendor   | Standardize 80% primary vendor for:<br>1. CRM implants<br>2. Interventional cardiology<br>3. Implantable heart valves                             | Cost Savings – ~ \$800k          |
| Digestive Health Center               | Convert and standardize to 80% primary vendor | Standardize from 4 vendors to 1   | Cost Savings - ~ \$450k          |
| Urology                               | Convert & standardize to 80% primary vendor   | Standardize from 6 vendors to 1   | ~ \$300k                         |

# Heart and Vascular – Outpatient Expansion

Commitment to Efficiency

| Initiative  | Action  | Impact  |
|---|---|---|
| <p>Use existing faculty and advance practice providers to expand patient access</p> | <p>Expand outpatient clinics in:</p> <ul style="list-style-type: none"><li>▪ General cardiology</li><li>▪ Heart Failure</li><li>▪ Electrophysiology</li></ul> | <p>Expanded up to 10% or roughly 1,900 visits</p> |

# Heart and Vascular – Catheterization Lab

Commitment to Efficiency

**Initiative:** Improve Coronary Catheterization Lab efficiencies by decreasing turnover time

| Year  | Beginning Turnover Time | Ending Turnover Time | Action                   | Impact                      |
|-------|-------------------------|----------------------|--------------------------|-----------------------------|
| FY 19 | 40 minutes              | 25 minutes           | Increased Staffing Model | Increased 200+ cases        |
| FY 20 | 25 minutes              | Goal: 20 minutes     | Improve process/workflow | Increase by 2 cases per day |

# Prior Authorization and Referral Project Update

Commitment to Efficiency

## Centralized Departments\*

|  |   |
|--|---|
| Anesthesia                             | UICOM                                       |
| Centers for Disability/<br>Development | Heart & Vascular<br>Digestive Health Center |
| Otolaryngology                         | **Radiology                                 |
| Neurology                              | **Orthopedics                               |
| Women's Health                         | **Psychiatry                                |
| Pediatrics                             |   |

## Collaboration – Who's Involved

Physicians  
Clinical Department Administrators  
Nursing  
Patient Financial Services

\*Centralized as of 8/8/2019

\*\*Partially centralized

## Qualitative Feedback

"The centralization process has gone exceptionally well, even better than I've expected. The centralized team has been incredibly accommodating and responsive to our communications."

**Pam Funke, Assistant Dept. Director**

"I think everything has been going great. We've been really impressed with how [the PFS Team] has handled the gynecology oncology transfers, because that has always been a challenge for our department and we were unsure how that was going to transition. We were pleasantly surprised with how seamless it was."

**Alyssa Silva, Women's Health Department Liaison**

"We've really appreciated how helpful and informative the Women's Health staff has been throughout the process; we identified one opportunity area for a particular workqueue and the staff walked us through the process so that we could jointly establish a remediation plan."

**Barb Fishman, PFS Authorization Manager**

# Revenue Cycle Enhancement Project Gains

Commitment to Efficiency

## Quantitative Success to Date

- Prior Auth Rate: For centralized departments, the average prior auth success rate has increased by \*8.07%
- Denial Rate: July 2018 compared to August 2019 shows a decrease in denials by 5.5%

13 Month Average: 6.93%



## Labor Savings to Date

- Efficiency gains created by identifying front end revenue cycle process improvements
- Labor savings due to efficiency gains: \$1.5M annually

## Revenue Cycle Ripple Effect

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

\*Baseline for departments that are fully-centralized with go-live scheduled after the 5<sup>th</sup> of any given month, the baseline period is defined as the 12 months prior to centralization through the month of centralization go-live. For departments that are fully- centralized with go-live scheduled on or before the 5<sup>th</sup> of any given month, the baseline period is defined as a the 13 months prior to centralization. The rate is the baseline compared to the current month measurement.



## **Commitment to Quality**



# Kid Captain

Commitment to Quality

# KID CAPTAIN



University of Iowa  
Stead Family  
Children's Hospital



# U.S. News & World Report Best Hospitals Rankings

Commitment to Quality



## Iowa's only nationally ranked hospital

- Cancer (#43)
- Ear, Nose & Throat (#6)
- Gynecology (#19)
- Ophthalmology (#6)
- Orthopedics (#27)
- Pulmonology & Lung Surgery (#27)

High Performing Adult Specialties: Geriatrics, Urology

High Performing Adult Procedures/Conditions: Colon Cancer Surgery, Heart Failure, Hip Replacement, Knee Replacement

# U.S. News & World Report Best Children's Hospitals Rankings

Commitment to Quality



## Iowa's only nationally ranked children's hospital

- Neonatology (#16)
- Pediatric Cancer (#46)
- Pediatric Diabetes and Endocrinology (#21)
- Pediatric Nephrology (#39)
- Pediatric Orthopedics (#29)
- Pediatric Urology (#26)

# AACN Gold Beacon Award for Excellence™

Commitment to Quality



- Beacon Awards – awarded by the American Association of Critical-Care Nurses
- 9 Beacon Awards in Iowa – 6 of the 9 from UI Hospitals & Clinics
- For patients and families – signifies exceptional care through improved outcomes and greater overall satisfaction
- For nurses – signals a positive and supportive work environment with greater collaboration between colleagues and leaders, higher morale, and lower turnover



# AACN Silver Beacon Award for Excellence

Commitment to Quality



**Cardiovascular Intensive Care Unit  
Original Award – 2016**



**Medical Surgical/ Hematology Oncology Unit  
Original Award – 2017**



**Stem Cell Transplant and Cellular Therapy Unit  
Original Award – 2015; Renewal Award – 2019**

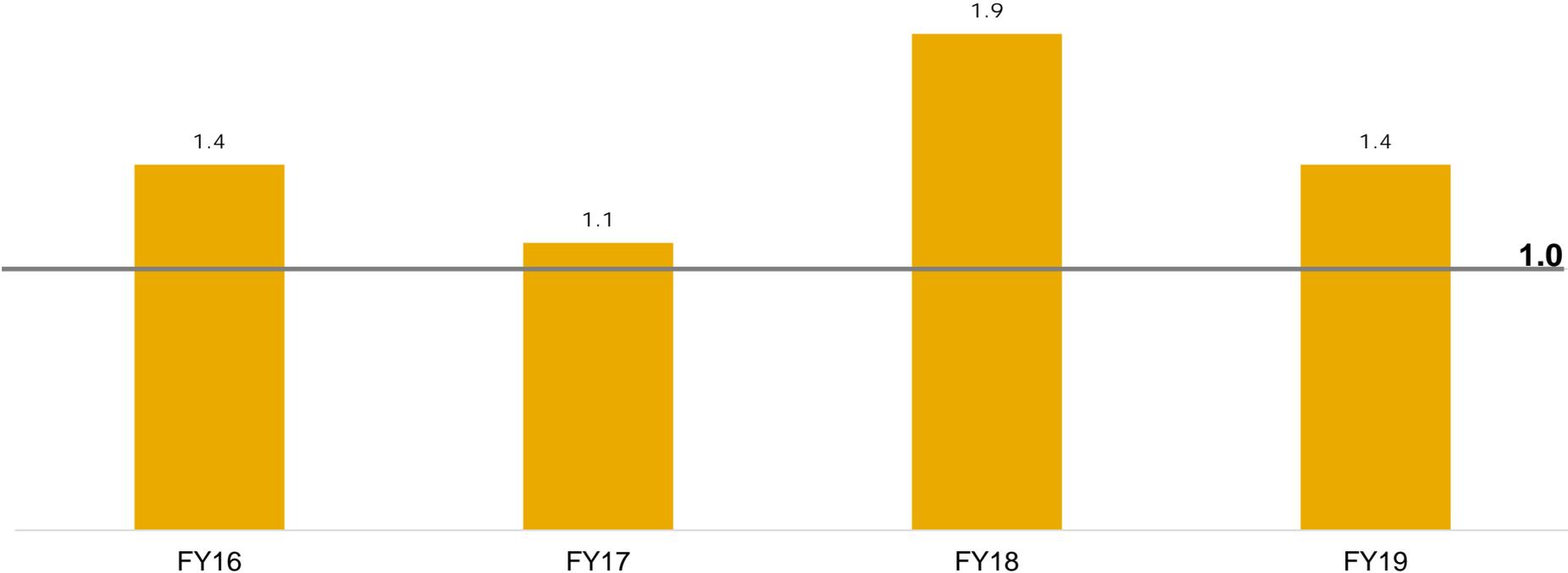


**Surgical and Neurosciences Intensive Care Unit  
Original Award – 2015; Renewal Award – 2019**

# Infections Following Colon Surgery

Commitment to Quality

Standardized Infection Ratio (SIR; Observed:Expected)  
SIR >1.0: number of infections exceed expected

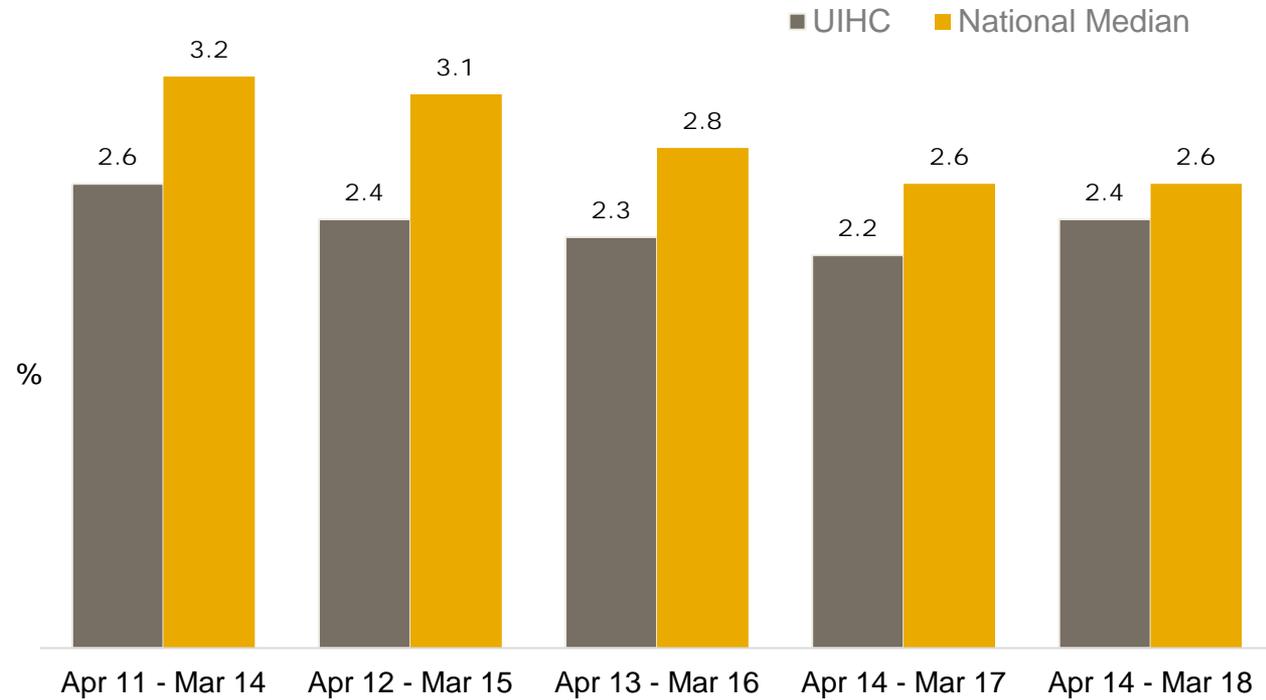


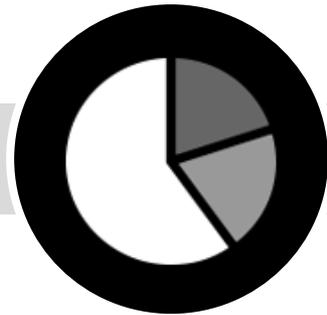
# Complication Rate Following Hip/Knee Replacement

Commitment to Quality

## Complications included:

- MI
- Pneumonia
- Sepsis
- Surgical site bleeding
- Pulmonary embolism
- Death
- Mechanical complication
- Joint or wound infection





# Financial Performance

# Volume and Financial Highlights – FY19

Through June 2019

## Operating Margin

- Fiscal Year actual 5.6%, budget of 3.2%

## Volume Change

- Year-over-year: Inpatient Discharges -2.7%, Acute Patient Days 3.1% Surgeries 4.9%, Clinic Visits 4.3%

## Acuity

- June Case Mix Index continues to be high. 2.22 overall

## Length of Stay Index

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

## Revenues

- 4.4% above budget year-to-date
  - Inpatient under budget 0.5%
  - Outpatient above budget 5.1%

## Payer Mix

- Medicare Stable
- FY18: 37.3%, FY19: 37.7%

## Accounts Receivable

- Days in Net AR – 48 days

## Salary Expenses

- 3.0% below budget year-to-date

## Non Salary Expenses

- 7.2% above budget year-to-date
- Implant and pharmacy costs over budget

# Comparative Financial Results

Fiscal Year to Date June 2019, Dollars in Thousands (Preliminary)

| NET REVENUES                           | Actual             | Budget             | Prior Year         | Variance to Budget | Variance to Budget % | Variance to Prior Year | Variance to Prior Year % |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|------------------------|--------------------------|
| Patient Revenue                        | \$1,781,710        | \$1,704,815        | \$1,618,729        | \$76,895           | 4.5%                 | \$162,981              | 10.1%                    |
| Other Operating Revenue                | 53,437             | 52,723             | 47,708             | 714                | 1.4%                 | 5,729                  | 12.0%                    |
| <b>Total Revenue</b>                   | <b>\$1,835,147</b> | <b>\$1,757,538</b> | <b>\$1,666,437</b> | <b>\$77,609</b>    | <b>4.4%</b>          | <b>\$168,710</b>       | <b>10.1%</b>             |
| <b>EXPENSES</b>                        |                    |                    |                    |                    |                      |                        |                          |
| Salaries and Wages                     | \$786,478          | \$811,218          | \$761,450          | (\$24,740)         | -3.0%                | \$25,028               | 3.3%                     |
| General Expenses                       | 844,415            | 787,519            | 742,522            | 56,896             | 7.2%                 | 101,893                | 13.7%                    |
| Operating Expense before Capital       | \$1,630,893        | \$1,598,737        | \$1,503,972        | \$32,156           | 2.0%                 | \$126,921              | 8.4%                     |
| <b>Cash Flow Operating Margin</b>      | <b>\$204,254</b>   | <b>\$158,801</b>   | <b>\$162,465</b>   | <b>\$45,453</b>    | <b>28.6%</b>         | <b>\$41,789</b>        | <b>25.7%</b>             |
| Capital- Depreciation and Amortization | 101,855            | 102,559            | 101,324            | (704)              | -0.7%                | 531                    | 0.5%                     |
| <b>Total Operating Expense</b>         | <b>\$1,732,748</b> | <b>\$1,701,296</b> | <b>\$1,605,296</b> | <b>\$31,452</b>    | <b>1.8%</b>          | <b>\$127,452</b>       | <b>7.9%</b>              |
| <b>Operating Income</b>                | <b>\$102,399</b>   | <b>\$56,242</b>    | <b>\$61,141</b>    | <b>\$46,157</b>    | <b>82.1%</b>         | <b>\$41,258</b>        | <b>67.5%</b>             |
| <b>Operating Margin %</b>              | <b>5.6 %</b>       | <b>3.2%</b>        | <b>3.7%</b>        |                    | <b>2.4%</b>          |                        | <b>1.9%</b>              |
| Gain (Loss) on Investments             | 56,141             | 19,033             | 24,413             | 37,108             | 195.0%               | 31,728                 | 130.0%                   |
| Other Non-Operating                    | (25,287)           | (11,806)           | (13,116)           | (13,481)           | -114.2%              | (12,171)               | -92.8%                   |
| <b>Net Income</b>                      | <b>\$133,253</b>   | <b>\$63,469</b>    | <b>\$72,438</b>    | <b>\$69,784</b>    | <b>109.9%</b>        | <b>\$60,815</b>        | <b>84.0%</b>             |
| <b>Net Margin %</b>                    | <b>7.1%</b>        | <b>3.6%</b>        | <b>4.3%</b>        |                    | <b>3.5%</b>          |                        | <b>2.8%</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 June | Moody's Median |
|------------------------|-----------------------|----------------|
| Financial Operations   |                       |                |
| Operating Margin       | 5.6%                  | 3.5%           |
| Financial – Liquidity  |                       |                |
| Days Cash on Hand      | 210                   | 265            |
| Financial – Leverage   |                       |                |
| Debt to Capitalization | 19.1%                 | 26.0%          |



# Capital for University of Iowa Health System

*Suresh Gunasekaran, MBA*

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

# Request for Approval

---

Capital for University of Iowa Health System

**Action Requested:** Recommend that the Board authorize University of Iowa Health Care to transfer up to an additional \$25 million to the University of Iowa Health System for the purpose of continuing the development of network activities through itself and its subsidiary companies in support of the clinical, academic, and research programs of the University of Iowa Roy J. and Lucille A. Carver College of Medicine and University of Iowa Hospitals and Clinics.

# Example of Potential Use of Capital

Proposed Joint Venture with Innovative Renal Care

## A joint venture is being explored with Innovative Renal Care (IRC) for dialysis service

IRC would provide greater opportunity for the business and clinical operation of dialysis to achieve long term financial and operational viability through:

1. Operational efficiencies
2. Expert knowledge in clinical practices
3. Focused knowledge and proficiency in regulatory and compliance requirements
4. Ability to grow off-campus and at-home dialysis services

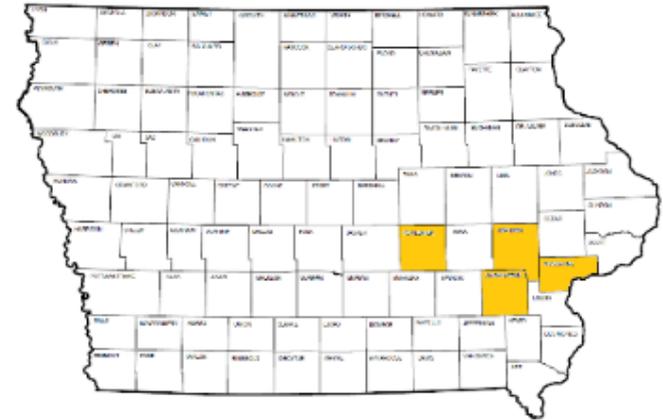
## A joint venture is being pursued for the following primary reasons:

-  UI Hospitals & Clinics is committed to ensuring patients have access to high quality inpatient and outpatient dialysis care
-  Outpatient dialysis services are not a strategic priority
-  Dialysis is a highly competitive market with strong private entity dominant competitors
-  Dialysis is one of the most highly regulated health care services
-  It is difficult for UI Hospitals & Clinics to succeed in dialysis due to the geographically dispersed business model

# UI Hospitals & Clinics Current Dialysis Program

Proposed Joint Venture with Innovative Renal Care

- First dialysis facility opened in 1975
- Five adult outpatient facilities and a nationally-ranked pediatric program
  - Iowa City
  - North Liberty
  - Grinnell
  - Washington
  - Muscatine
- Current programs include outpatient hemodialysis, home dialysis, inpatient hemodialysis, and research
- UIHC has one of the longest running home dialysis training programs in the country
- 24 nephrologists including:
  - 15 Adult Nephrologists
  - 9 Pediatric Nephrologists
  - 3 Nurse Practitioners
- 30,000 annual treatments for approximately 200 patients
  - 185 adults
  - 15 pediatric



# About Innovative Renal Care

---

## Proposed Joint Venture with Innovative Renal Care

- UIHC released an RFP in November 2017; IRC selected as vendor of choice
- Innovative Renal Care (IRC) is a new national dialysis company committed to innovating the delivery of dialysis services through joint ventures with healthcare systems
- Founded by a group of Nephrologists and dialysis business professionals with a long successful track record in patient care, dialysis operations, and research
- Innovative team-based care model to ensure personalized, evidence-based care – reducing morbidity and mortality in our dialysis population
- Focus on interventions to increase kidney transplantation and utilization of home dialysis



# IRC Value Proposition – Operational Impact

Proposed Joint Venture with Innovative Renal Care

The purpose of the joint venture is to accelerate the transformation of the UIHC dialysis platform for the benefit of lowans across the state. We will be able to more nimbly implement new dialysis care models and modalities across a wider geographic breadth while maintaining a strong connection to the academic center.

- IRC has an experienced team highly focused on improving outcomes for dialysis patients and working with academic medical centers (including support of research).
- Implementation of growth strategy beyond Iowa City
- UIHC system is well positioned to implement the IRC Innovative Care Model, based on:
  - Current operation of a partially-developed integrated care model
  - Current operation of well-developed chronic kidney disease and transplant programs
  - Utilization of Epic, the pre-eminent electronic health record, and has been a beta site for Epic dialysis module
- Opportunity to create more financial stability
  - Create a more highly integrated delivery network through care coordination
  - Improve management of UIHC dialysis services through revenue cycle effectiveness, contract pricing, and clinical operations efficiencies
- Commitment to seamless accessibility of relevant patient information across the system

# IRC Value Proposition – Patient Care Impact

Proposed Joint Venture with Innovative Renal Care

The clinical purpose of the joint venture is to continue providing high quality patient care to all Iowans, while also creating new opportunities to improve efficiencies and the patient experience through focused operational expertise in outpatient centers across the state of Iowa.

- Medical providers at UI Health Care will continue to determine the appropriate care protocols and interventions, maintaining the high quality expertise and care as our patients are familiar with today
- IRC has an experienced team highly focused on improving outcomes for dialysis patients
- Patient access to dialysis care will improve through:
  - Offering extended hours of operation
  - Developing a staffing pattern that meets the needs and preferences of patients needing services
- Focused efforts to develop and grow opportunity and options to provide home dialysis for patients
- Enhancing efficiencies within clinical services to impact the disruption to patient lives and daily schedules

# Strategic Plan for Growth

---

Proposed Joint Venture with Innovative Renal Care

## MARKET TRENDS

- UIHC is one of the last academic medical centers in the country to own and operate its own dialysis program
- Currently 66 dialysis centers in Iowa
  - DaVita: 31 centers
  - Fresenius: 16 centers
  - Other hospital owned or independent: 19

## INTERNAL OPPORTUNITIES

- Care for all newly initiated end-stage renal disease (ESRD) patients from UIHC acute inpatient services and chronic kidney disease (CKD) clinic
- Expand capacity of current units by adding shifts
- Grow home dialysis program to expand geographic footprint
- Match staffing to demands

## EXTERNAL OPPORTUNITIES

- Explore partnership opportunities with independent dialysis clinics
- Develop relationships with independent Nephrologists, community hospitals, and VA hospitals

# Joint Venture Structure Considerations

---

Proposed Joint Venture with Innovative Renal Care

## Governance Considerations

- An Iowa limited liability company would be created for the joint venture
- Governing board would be comprised of six (6) members, three appointed by each entity (IRC and UIHS)
- In the event of dissolution of the joint venture:
  - A restrictive covenant would prohibit IRC or any IRC affiliate from engaging in the previous joint venture services
  - Restrictive covenant would apply within a fifty (50) mile radius of any location at which such services were provided

## Employee Considerations

- Anticipated that the joint venture will offer at-will employment to all active clinical employees of UI Dialysis Programs
- Joint venture intends to maintain total compensation of all employees who transition (salary, wages, benefits) at par with current levels in all material respects or will be “made whole” through various mechanisms
- Each hired employee would be eligible to participate in the joint venture benefit plans with no waiting periods or pre-existing condition limitations
- Seniority would be honored for all aspects of the joint venture benefit plans

# Joint Venture Governance and Management

Proposed Joint Venture with Innovative Renal Care

## Partnership Controls

- Intent would be for the joint venture to consist of a shared governance model with 50/50 ownership and control of joint venture business and management
- Specific controls would be negotiated into the joint venture contracts to ensure continued alignment with UIHC expectations for quality and patient care standards

## UIHC Anticipated Negotiated Control:

- Use of UIHC brand, or the creation of a co-brand, will be allowed only under mutual agreement and subject to a Licensing Agreement
- UI faculty would be appointed as Medical Directors for the joint venture facilities and programs
  - Both Adult Medical Director(s) and Pediatric Medical Director(s) would be appointed to provide differentiated care models for each patient population
- Medical Directors would have oversight of all the patient care plans, patient care protocols, and clinical policies

## Joint Venture Shared Control

- Shared governance for business and management functions, policies and procedures
- Outpatient dialysis staffing through joint venture management
- Through mutual agreement, development of new or differentiated patient care protocols and clinical policies

# Joint Venture Structure Considerations

Proposed Joint Venture with Innovative Renal Care

## UIHC Financial Contribution and Purchased Services

- UI financial contribution to the joint venture would include:
  - “Cash Price” of \$4,500,000 and anticipated working capital requirements of \$4,500,000
  - Substantially all assets associated with or used in connection with the business or operation of the dialysis programs
  - UIHC would receive 50% membership interest in the joint venture
- Incarcerated patient dialysis program would be provided by the joint venture at a fair market level of compensation paid by UIHC.

## Joint Venture Purchased Services/Space Considerations

- Joint venture:
  - Would contract with UIHC clinical faculty as Medical Directors for the joint venture
  - Would enter into Hospital Acute Inpatient Management Agreement(s) with the UIHC
  - Would sublease or accept assignment and assume space leases associated with the dialysis programs
  - Would enter into a lease agreement(s) with the UI for the necessary space for dialysis programs operated at UIHC
  - May contract for administrative services through an Administrative Services Agreement with UIHC

# Joint Venture Financial Projections

---

## Proposed Joint Venture with Innovative Renal Care

- Conservative expectation is that on a business line with annual net revenue of \$12.5M and operating margin typically between breakeven and a loss of \$300K, an annual “lift” to operating margin of \$600K will be achieved under IRC management
  
- Overall, five (5) year financial projections are expected to improve with volume increases of 4% per year, while expense inflation is held at or below revenue inflation
  
- Open negotiation items related to financial considerations:
  - IRC management fee
  
  - Lease rate for IRC for UI Hospitals & Clinics inpatient space
  
  - Finalization of UI Hospitals & Clinics common area maintenance and transitional service agreement fee schedules that would be charged to IRC

# Historical and Projected Financials

Proposed Joint Venture with Innovative Renal Care

| Dollars in Thousands                           | FY2017<br>Historical | FY2018<br>Historical | FY2019<br>Historical | FY2020<br>Projected | FY2021<br>Projected | FY2022<br>Projected | FY2023<br>Projected |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Total treatments                               | 29,607               | 31,926               | 32,947               | 34,265              | 35,635              | 37,061              | 38,543              |
| <i>Treatment Growth Rate</i>                   |                      | 7.8%                 | 3.2%                 | 4.0%                | 4.0%                | 4.0%                | 4.0%                |
| <b>Net revenue</b>                             | <b>\$ 9,281</b>      | <b>\$ 9,749</b>      | <b>\$ 10,358</b>     | <b>\$ 13,579</b>    | <b>\$ 14,457</b>    | <b>\$ 15,261</b>    | <b>\$ 16,109</b>    |
| <i>Revenue per Treatment</i>                   | <i>\$ 313</i>        | <i>\$ 305</i>        | <i>\$ 314</i>        | <i>\$ 396</i>       | <i>\$ 406</i>       | <i>\$ 412</i>       | <i>\$ 418</i>       |
| Salaries                                       | 4,357                | 4,159                | 3,887                | 3,930               | 3,966               | 4,186               | 4,419               |
| Employee benefits                              | 1,368                | 1,504                | 1,286                | 1,404               | 1,533               | 1,674               | 1,828               |
| Drugs  | 1,042                | 1,066                | 1,095                | 1,363               | 1,364               | 1,419               | 1,476               |
| Supplies                                       | 1,502                | 1,593                | 1,944                | 1,940               | 2,038               | 2,141               | 2,249               |
| Lab  | 296                  | 319                  | 329                  | 225                 | 236                 | 248                 | 261                 |
| Other General Exp - Variable                   | 77                   | 77                   | 87                   | 91                  | 96                  | 101                 | 106                 |
| Other General Exp - Fixed                      | 1,162                | 1,104                | 1,120                | 1,899               | 1,990               | 2,111               | 2,239               |
| Medical director fee                           | 196                  | 196                  | 196                  | 490                 | 490                 | 490                 | 490                 |
| <b>Clinic operating expenses</b>               | <b>10,001</b>        | <b>10,019</b>        | <b>9,945</b>         | <b>11,343</b>       | <b>11,713</b>       | <b>12,370</b>       | <b>13,067</b>       |
| <i>Clinic Operating Expenses per Treatment</i> | <i>\$ 338</i>        | <i>\$ 314</i>        | <i>\$ 302</i>        | <i>\$ 331</i>       | <i>\$ 329</i>       | <i>\$ 334</i>       | <i>\$ 339</i>       |
| <b>Pre-corporate EBITDA</b>                    | <b>(720)</b>         | <b>(270)</b>         | <b>413</b>           | <b>2,236</b>        | <b>2,743</b>        | <b>2,891</b>        | <b>3,042</b>        |
| Hospital Admin/ Management company expense     | 1,903                | 1,999                | 2,124                | 1,222               | 1,301               | 1,373               | 1,450               |
| <b>EBITDA</b>                                  | <b>\$ (2,623)</b>    | <b>\$ (2,269)</b>    | <b>\$ (1,711)</b>    | <b>\$ 1,014</b>     | <b>\$ 1,442</b>     | <b>\$ 1,517</b>     | <b>\$ 1,592</b>     |
| <i>Adjusted EBITDA margin</i>                  | <i>(28%)</i>         | <i>(23%)</i>         | <i>(17%)</i>         | <i>7%</i>           | <i>10%</i>          | <i>10%</i>          | <i>10%</i>          |

# Innovative Renal Care Leadership

Proposed Joint Venture with Innovative Renal Care

## Physician Leadership



### Harry Jacobson, MD

Chairman of the Board

- Former Vice Chancellor for Health Affairs and CEO, Vanderbilt University Medical Center (VUMC)
- Former Professor and Director of the Division of Nephrology, VUMC
- Founder, Renal Care Group
- Founder, Ambulatory Services of America
- Managing Partner TriStar Health Partners



### Julia Lewis, MD

Expert Consultant

- Professor of Medicine, VUMC
- Former, Medical Director of Inpatient/Outpatient Peritoneal and Hemodialysis, VUMC
- Director, VUMC Nephrology Fellowship training program
- President, Collaborative Study Group
- Chair, FDA Cardiorenal Advisory Panel



### Jamie Dwyer, MD

Expert Consultant

- Professor of Medicine, Vanderbilt University School of Medicine
- VP, Collaborative Study Group
- CMO and Medical Director, VUMC Dialysis AKI, ESRD, HD, PD
- Consultant, Population Health in ESRD, CMMI ESCO Program
- Consultant, FDA CardioRenal Group



### Deborah Robin, MD

SVP, Care Innovation

- Corporate Medical Director, naviHealth
- Medical Director, Lumeris
- Assistant Chief of Staff, VUMC
- Medical Director, Care Access, VUMC
- Launched Vanderbilt Medical Center Sub-acute Care Unit

## Business Management



### Robert Stilwell, MBA, CPA

Chief Financial Officer

- CEO/CFO Cardiovascular Care Group
- CFO, Vanderbilt, Metropolitan Hospital Authority
- SVP, Finance, Fresenius
- SVP, Finance, Renal Care Group
- CFO, Baptist Health Centers



### Steve Johnson, MBA

Chief Operating Officer

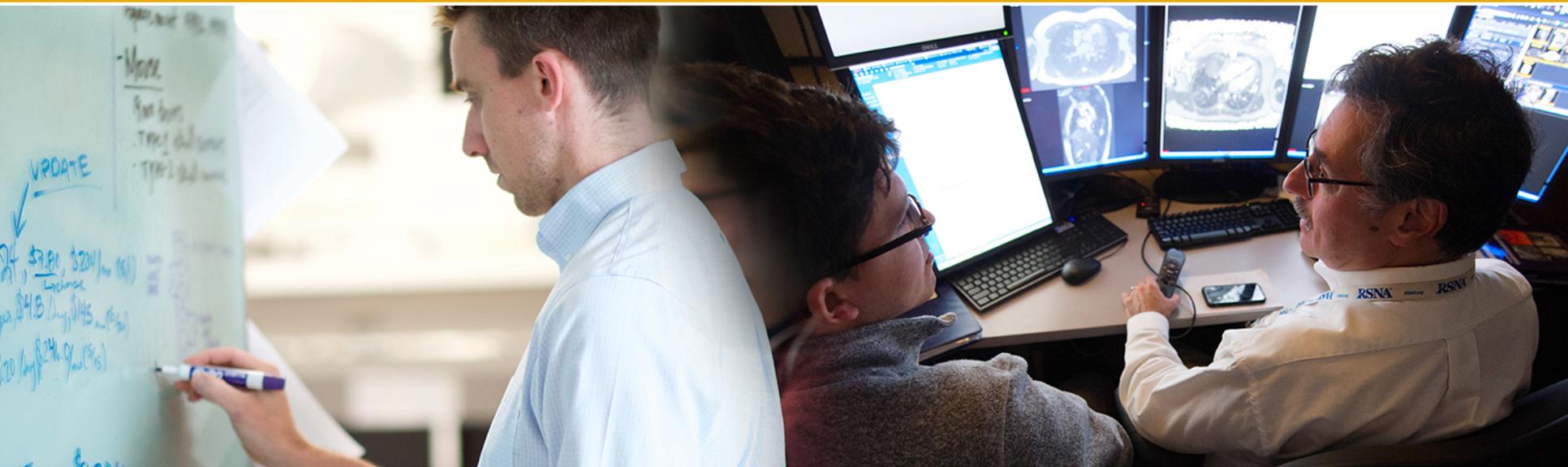
- COO Cardiovascular Care Group
- President, Fresenius West Business Group
- VP, Operations, Renal Care Group
- CEO, Renal Services Group
- VP, Renal Disease Management Group



### Rajiv Gupta, MBA

SVP, Finance and Analytics

- VP, Finance and Analytics, Cardiovascular Care Group
- Senior Director, Corporate Development, MedSolutions
- Director, Healthcare Restructuring, FTI Consulting
- VP, Finance, Baptist Health System



# Proposed Amendments to the Bylaws of the UI Hospitals and Clinics and its Clinical Staff

*Joseph Clamon*  
*Associate Vice President for Legal Affairs*