Agenda

• University of Iowa Stead Family Children’s Hospital Kid Captains
• Advancing Patient Care Through Clinical Trials
• Recognizing Excellence in Nursing at UIHC
• Financial Update
Opening Comments

Presentation to The Board of Regents, State of Iowa  |  September 2023

Denise Jamieson, MD, MPH
Vice President for Medical Affairs
& Tyrone D. Artz Dean, Carver College of Medicine
University of Iowa Stead Family Children’s Hospital Kid Captains

Presentation to The Board of Regents, State of Iowa | September 2023

Denise Jamieson, MD, MPH
Vice President for Medical Affairs & Tyrone D. Artz Dean, Carver College of Medicine
Stead Family Children’s Hospital Kid Captains
Clinical Trials: Unique Expertise and Access to Care

Maggie Larson
Urbandale, Iowa

• Diagnosed with rare genetic disorder: metachromatic leukodystrophy (MLD)
• Short life expectancy and no treatment options
• Clinical trial has slowed the progression of the disease and provided improvements in her symptoms and quality of life

Gabby Ford
Fairfield, Iowa

• Diagnosed with brain tumor: hypothalamic pilocytic astrocytoma
• After surgery and chemotherapy treatments, tumor growth continued
• Clinical trial provided a new investigational drug—called DAY101—which has decreased the tumor’s size

2023 Kid Captain - YouTube
Advancing Patient Care Through Clinical Trials

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Vice President for Medical Affairs
& Tyrone D. Artz Dean, Carver College of Medicine
Interventional Clinical Trials and Their Objectives

What is a Clinical Trial?

Interventional Clinical Trial:

A research study that tests an intervention to help answer specific questions about new ways to prevent, diagnose, and treat diseases.

Types of Clinical Trials

 Screening: Test the best way to detect the presence of a disease or health condition

 Prevention: Seek ways to prevent new onset or return of a disease

 Treatment: Test new treatments, combination drugs, or medical procedures
Four Phases of Interventional Clinical Trials

**Phase I**
- 20-80 participants
- Focused on safety and side effects of new treatments

**Phase II**
- 100-300 participants
- Trials of individuals with the condition to evaluate medical benefits, safety, and side effects of new treatment

**Phase III**
- 1,000-3,000 participants
- Compare a new treatment to an existing treatment to determine which is more effective

**Phase IV**
- Surveillance Study
- Once treatment is approved by the FDA and is publicly available, continue to study its safety to determine best use
Clinical Trials Benefit Iowans

Clinical trials impact Iowans who participate in them, as well as others who benefit from the treatment after the trial.

<table>
<thead>
<tr>
<th>CALENDAR YEAR</th>
<th>CLINICAL TRIALS ONGOING</th>
<th>NEW PARTICIPANTS ENROLLED</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>332</td>
<td>1,249</td>
</tr>
<tr>
<td>2019</td>
<td>392</td>
<td>1,687</td>
</tr>
<tr>
<td>2020</td>
<td>364</td>
<td>1,581</td>
</tr>
<tr>
<td>2021</td>
<td>344</td>
<td>1,343</td>
</tr>
<tr>
<td>2022</td>
<td>309</td>
<td>1,026</td>
</tr>
<tr>
<td>2023 to date</td>
<td>122</td>
<td>318</td>
</tr>
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</table>
Theranostics: A Ground-Breaking Treatment for Cancer

Theranostics is a combination of the terms therapeutics and diagnostics.

Diagnostic phase of theranostics

- A radioactive diagnostic drug is injected into a patient’s vein
- Specific receptors on cancerous tumor cells are targeted
- Radioactive drug binds to the receptors on cancerous cells
- Tumor then “lights up” on the imaging studies

Therapeutic phase of theranostics

- Following diagnostics, a therapeutic drug is injected
- Drug binds to the same receptors on the cancer cell visible on the imaging studies
- Drug emits therapeutic radiation that kills the cancer cell
- Healthy cells around the tumor receive minimal radiation
Why Use Theranostics?

- Targeted and personalized treatment
- **Improved imaging** minimizes side effects
  - Visual of receptors determines:
    - Expected effectiveness of treatment
    - Appropriate dosing to minimize side effects
- **Improved treatment** improves results
  - For cancers that are in multiple places, making surgery or radiation ineffective

![Before Theranostics treatment](image1)

- Metastatic tumors in the liver

![After Theranostics treatment](image2)

- Metastatic tumors in the liver have disappeared post-treatment
Theranostics: The Result of Successful Clinical Trials

2001
- UI participates in first national clinical trial for therapeutic drug
- UI is sole site nationwide for a pediatric clinical trial for that drug

2001-2003
- UI is the first site in the US to treat with patient-specific doses for the therapeutic drug

2010
- Pediatric trial is published

2012-2017
- FDA approval of therapeutic drug, and first theranostics treatment outside of a clinical trial

2018
- FDA approval of diagnostic drug reduces costs and increases access

2019
- UI participates in first national clinical trial for a therapeutic drug for prostate tumors and first Iowa patient treated with this drug

2022
- UI participates in first national clinical trial for a therapeutic drug for sarcoma tumors

2023
- Currently 10 active and 5 pending clinical trials in theranostics at UIHC

TODAY
- National Institutes of Health grant funding
Recognizing Excellence in Nursing at UIHC

Presentation to The Board of Regents, State of Iowa | September 2023

Kimberly Hunter, DNP, MBA, RN, NEA-BC
Interim Associate Vice President, UI Health Care & CEO, UI Hospitals & Clinics
# A History of Nursing Excellence

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1975</td>
<td>UIHC implements Shared Governance Model</td>
</tr>
<tr>
<td>1975</td>
<td>UIHC nurses create Iowa Model of Research-Based Practice to Promote Quality Care</td>
</tr>
<tr>
<td>1985</td>
<td>Shared Governance Model popularized across the U.S. with the publication of Shared Governance for Nursing: A Creative Approach to Professional Accountability</td>
</tr>
<tr>
<td>1986</td>
<td>Evidence-Based Practice built into UIHC strategic plan</td>
</tr>
<tr>
<td>1990</td>
<td>UIHC receives 1st Magnet® designation</td>
</tr>
<tr>
<td>1992</td>
<td>First national Evidence-Based Practice conference</td>
</tr>
<tr>
<td>1994</td>
<td>UIHC nurses create Iowa Model of Evidence-Based Practice to Promote Quality Care</td>
</tr>
<tr>
<td>1998</td>
<td>UIHC Nurse Residency Program begins</td>
</tr>
<tr>
<td>2000</td>
<td>UIHC receives 2nd Magnet® designation</td>
</tr>
<tr>
<td>2004</td>
<td>UIHC Nurse Residency Program accredited for the first time</td>
</tr>
<tr>
<td>2008</td>
<td>UIHC receives 3rd Magnet® designation</td>
</tr>
<tr>
<td>2012</td>
<td>UIHC Nurse Residency Program accredited for the first time</td>
</tr>
<tr>
<td>2014</td>
<td>UIHC receives 4th Magnet® Prize award for “Blazing New Trails in Evidence-Based Practice”</td>
</tr>
<tr>
<td>2015</td>
<td>UIHC receives 5th Magnet® designation</td>
</tr>
<tr>
<td>2020</td>
<td>Evidence-Based Practice in Action: Comprehensive Strategies, Tools, and Tips from the University of Iowa Hospitals &amp; Clinics, Second Edition published</td>
</tr>
<tr>
<td>2023</td>
<td>UIHC Nurse Residency Program begins</td>
</tr>
<tr>
<td>2023</td>
<td>UIHC receives 5th Magnet® designation</td>
</tr>
<tr>
<td>2023</td>
<td>UIHC Nurse Residency Program accredited for the first time</td>
</tr>
<tr>
<td>2023</td>
<td>UIHC Nurse Residency Program accredited for the first time</td>
</tr>
</tbody>
</table>
Nursing Excellence at UIHC

Shared Governance

- Facilitates nursing staff participation in decisions that affect their practice
- Long history of Shared Governance Model at UIHC

Iowa Model of Evidence-Based Practice

- Guide for processes and clinical decision-making from clinician and systems perspectives
- UIHC nurses developed in the 1990s and continually update
- Framework used globally

Accredited Programs for Nurses New to UIHC

- Nurse Residency Program
  - New nursing graduates
  - 10-year accreditation
- Experienced Nurse Fellowship
  - Experienced nurses new to UIHC
  - Only 6 programs globally
ANCC Magnet® Recognition Program

- Highest award given nationally for excellence in nursing practice
- Given by the American Nurses Credentialing Center
- 2023: UIHC received its 5th consecutive Magnet® designation
- Through the Magnet® model, organizations empower nurses to reach their true potential
Magnet® Recognition Program is an Elite Designation

- UIHC is the first hospital in Iowa and first hospital in the Big Ten:
  - To receive Magnet® designation
  - To receive Magnet® designation 5 consecutive times
- Only 10% of U.S. hospitals are designated Magnet® (April 2023)
- Less than 1% of U.S. hospitals have received Magnet® designation 5 or more times (only 47 other hospitals)
4 exemplars speak to the dedication and unparalleled expertise that sets UI Hospitals & Clinics apart as a center of nursing excellence:

1. Advocacy for support of an organizational goal
2. Maintaining professional nursing certification rate
3. Maintaining BSN or higher degree in nursing
4. Safe patient handling program
Volume and Financial Highlights

August FY24

Key Volumes
- Discharges: + 1.5% vs budget | + 0.6% vs prior year
- Patient Days: - 6.3% vs budget | - 5.3% vs prior year
- Surgeries: + 4.4% vs budget | + 5.0% vs prior year
- Clinic Visits: - 1.8% vs budget | + 7.0% vs prior year

Acuity
- Case Mix Index: 2.37

Length of Stay Index
- Adult: 0.99 (July 2023)
- Pediatrics: 0.97 (July 2023)

Gross Patient Revenue
- -1.2% below budget year-to-date
  - Inpatient: -4.8% vs budget
  - Outpatient: +1.6% vs budget

Accounts Receivable
- Days in Net AR – 42.2 days

Salary Expenses
- 3.6% below budget

Non-Salary Expenses
- 1.9% below budget

Operating Margin
- Actual 9.7% vs goal of 8.9%
- Actual -0.6% vs goal of -1.2% (Without Directed Payment)
## Comparative Financial Results

**FISCAL YEAR TO DATE: August 2023**

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Variance to Budget</th>
<th>% Variance to Budget</th>
<th>Variance to Prior Year</th>
<th>% Variance to Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Patient Revenue</td>
<td>397.9</td>
<td>407.2</td>
<td>375.4</td>
<td>(9.3)</td>
<td>-2.3%</td>
<td>22.5</td>
<td>6.0%</td>
</tr>
<tr>
<td>Directed Payment Revenue</td>
<td>46.4</td>
<td>46.4</td>
<td>54.6</td>
<td>0.0</td>
<td>0.0%</td>
<td>(8.2)</td>
<td>-15.0%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>11.2</td>
<td>10.4</td>
<td>8.9</td>
<td>0.7</td>
<td>6.9%</td>
<td>2.2</td>
<td>24.8%</td>
</tr>
<tr>
<td><strong>Net Operating Revenue</strong></td>
<td><strong>455.4</strong></td>
<td><strong>464.1</strong></td>
<td><strong>438.9</strong></td>
<td><strong>(8.6)</strong></td>
<td><strong>-1.9%</strong></td>
<td><strong>16.5</strong></td>
<td><strong>3.8%</strong></td>
</tr>
</tbody>
</table>

**Operating Expenses**

| Salaries & Wages                      | 180.9  | 187.7  | 164.8      | (6.8)              | -3.6%                | 16.1                   | 9.8%                     |
| General Expenses                      | 207.8  | 212.3  | 200.1      | (4.4)              | -2.1%                | 7.7                    | 3.8%                     |
| Depreciation & Amortization           | 22.6   | 22.8   | 21.4       | (0.2)              | -0.8%                | 1.2                    | 5.5%                     |
| **Total Operating Expenses**          | **411.4** | **422.8** | **386.4** | **(11.4)**        | **-2.7%**           | **25.0**               | **6.5%**                 |

| Operating Income                      | 44.1   | 41.3   | 52.5       | 2.8                | 6.8%                 | (8.4)                  | -16.1%                   |
| Operating Margin %                    | 9.7%   | 8.9%   | 12.0%      | 0.8%               | 0.7%                 | 0.0%                   |                          |

| Operating Income w/o Dir Pmts         | (2.3)  | (5.1)  | (2.1)      | 2.8                | 54.4%                | (0.2)                  | 11.1%                    |
| Operating Margin % w/o Dir Pmts       | -0.6%  | -1.2%  | -0.5%      | 0.7%               | 0.0%                 |                        |                          |

| Gain (Loss) on Investments            | 5.5    | 7.8    | 24.4       | (2.4)              | -30.3%               | (19.0)                 | -77.6%                   |
| Other Non-Operating Gain (Loss)       | (4.5)  | (4.3)  | (3.6)      | (0.2)              | -4.1%               | (0.9)                  | -24.7%                   |

| Net Income                            | 45.0   | 44.8   | 73.3       | 0.2                | 0.5%                 | (28.3)                 | -38.6%                   |
| Net Margin                            | 9.9%   | 9.6%   | 16.0%      | 0.3%               | -6.1%                |                        |                          |

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**UNIVERSITY OF IOWA HEALTH CARE**

Presentation to The Board of Regents, State of Iowa | September 2023
# Key Metrics

<table>
<thead>
<tr>
<th>Financial Operations</th>
<th>FY23 Apr YTD</th>
<th>FY24 Aug YTD</th>
<th>Moody’s Medians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>12.2%</td>
<td>8.8%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

## Financial – Liquidity

| Days Cash on Hand | 249 | 282 | 262 |

## Financial – Leverage

| Debt to Capitalization | 20.1% | 19.1% | 23.2% |

*Operating margin without Directed Payment*

- FY23 April YTD = 0.5%
- FY24 August YTD = -1.5%
Thank You