

## MEETING OF THE BOARD OF REGENTS, STATE OF IOWA, AS THE BOARD OF TRUSTEES OF THE UNIVERSITY OF IOWA HOSPITALS AND CLINICS

November 8-9, 2006  
Ames, Iowa

- |   |   |
|---|---|
| I. Introductory Comments  | Regent Robert N. Downer, Chair<br>Donna Katen-Bahensky, Director and Chief Executive Officer  |
| II. Recap of 10/18/06 UIHC Committee Meeting<br>- Quality and Safety at UIHC<br>- Operational Improvement | Donna Katen-Bahensky  |
| III. Operating and Financial Performance Report   | Donna Katen-Bahensky<br>Anthony DeFurio, Chief Financial Officer  |
| IV. IowaCare Update   | Donna Katen-Bahensky<br>Stacey Cyphert, Special Advisor to the President,<br>Special Advisor to the Dean of CCOM,<br>Senior Assistant Hospital Director |
| V. Director's Report  | Donna Katen-Bahensky  |

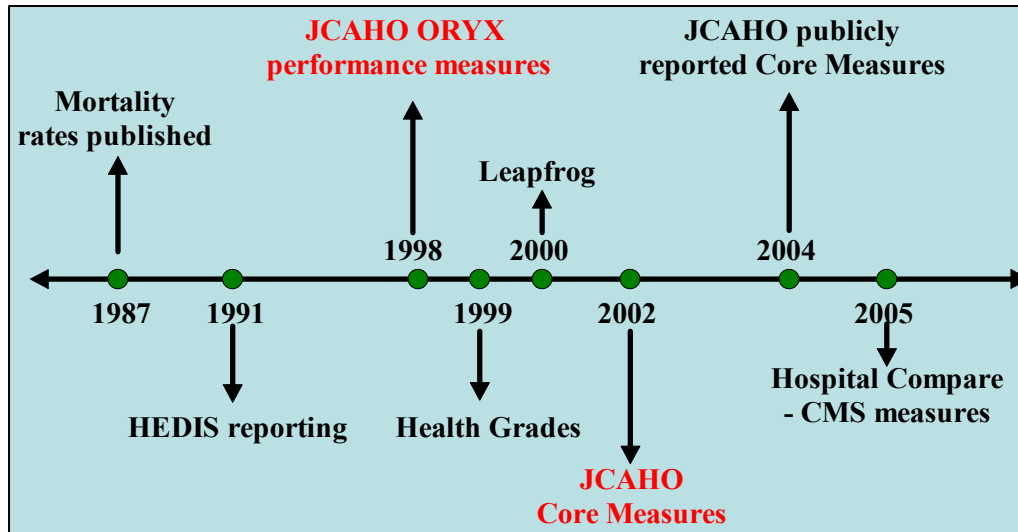
# **Quality and Safety at UIHC: Principles and Practices**

**Donna Katen-Bahensky**

Director and Chief Executive Officer

# Quality and Safety at UIHC

- Why is Public Reporting Important?
  - It's the right thing to do.
  - The public wants and needs healthcare information.
  - Sooner or later financial reimbursement will be linked to quality and safety.
- History of Public Reporting of Quality:



- HEDIS: Health Plan Employer Data and Information Set
- JCAHO- Joint Commission of Accreditation of Healthcare Organizations
- CMS- Centers for Medicare and Medicaid Services

# Public Report Cards

- UIHC Guiding Principles

- We are committed to sharing information publicly through reliable local, state and national Report Cards that will help improve the quality and safety of our patient services.
- We are committed to using information from reliable Report Cards to identify opportunities for improvement and to guide continuous performance improvement efforts in safety and quality of patient care.
- Exceptional Outcomes Strategy – UIHC Strategic Plan (2005-2010).

- UIHC Conclusions

- We believe the public and providers are best served by hospital Report Cards using quality/safety information:
  - that is understandable, focused and relevant to user groups, from individual members of the public to individual hospitals.
  - that is derived from clinical data (e.g., patient records) rather than from administrative data (e.g., financial forms).
  - that is derived using explicit methodology to verify and risk-adjust data.
  - that may be directly applied by providers to improve processes of care.

## Report Cards Used by UIHC

<u>Peer Group</u>	<u>Source</u>
<ul style="list-style-type: none"> <li>• US Hospitals</li> <li>• Academic Health Centers</li> <li>• Neonatal Intensive Care Units</li> <li>• Magnet Hospitals</li> <li>• Cardiac Surgery Centers</li> <li>• Iowa Hospitals</li> </ul>	<ul style="list-style-type: none"> <li>• Hospital Compare (CMS) and JCAHO</li> <li>• University HealthSystem Consortium</li> <li>• Vermont-Oxford Network</li> <li>• American Nurses Credentialing Center</li> <li>• Society of Thoracic Surgeons</li> <li>• Iowa Healthcare Collaborative</li> </ul>

## Iowa Healthcare Collaborative (IHC)

- Partnership between the Iowa Hospital Association (IHA) and the Iowa Medical Society (IMS)
- Purpose- promote culture of performance improvement for Iowa healthcare
- Annual report



# JCAHO/CMS and Hospital Compare

- JCAHO/CMS Quality Measures
  - Population specific measure sets
    - Acute myocardial infarction - 9 measures
    - Heart failure - 4 measures
    - Pneumonia - 11 measures
    - Pregnancy and related conditions - 3 measures
    - Surgical Care Improvement Project - 6 measures
  - Found on JCAHO and CMS websites
- Hospital Compare Website (<http://www.hospitalcompare.hhs.gov>)
  - Consumer-oriented display of core measures:
    - AMI - acute myocardial infarction
    - HF - heart failure
    - PN - pneumonia measures (community-acquired)
    - SIP - surgical infection prevention
  - Rolling year's worth of data

## What is Our Role?

- Understand and practice evidence-based care – the right thing to do
- Be aware of the metrics, recognizing that they measure how well we are performing and documenting evidence-based care
- Know and understand the source and limitations of the data
- Set and review priorities on an ongoing basis through the UIHC's University Hospital Advisory Committee
- Identify when problems exist and work to address them – performance improvement is ongoing
- Managers and providers review reports with staff at least quarterly

# UIHC's Hospital Safety Program

- Culture of Safety
  - We assume all UIHC healthcare workers attempt to deliver safe and effective patient care
  - Most incidents resulting in harm can be traced back to complex systems factors
  - Blaming people doesn't improve the system
  - Front line staff are able to report and recognize errors or near misses without fear of retaliation
  - Enhancing patient safety requires creating a culture in which openness and learning are valued
- FY 2007 Safety Program Goals
  - Establish incident and ad hoc health care infection review team
  - Evaluate UHC incident reporting system (Patient Safety Net)
  - Conduct Safety Walk Rounds Pilot
  - Support the development of publicly reported patient safety metrics



## Safety Initiatives at UIHC

- Multidisciplinary Incident Investigation Team (MIIT)
  - Weekly review all incident and “near miss” reports
  - Improve consistency and timeliness of follow-up
  - Identify system-based causes and select opportunities for improvement
  - Provide meaningful feedback about lessons learned to care givers
- Ad Hoc Operations Committee on Health Care Infection
  - 8-member committee which meets as needed to evaluate sensitive issues related to health care infections
- Safety Walk Rounds (Pilot)
  - Provide an informal venue for front line staff to discuss safety issues in the organization
  - Show leadership commitment to creating a culture of safety

## Safety Initiatives at UIHC (cont'd)

- University HealthSystem Consortium Patient Safety Net (Pilot)
  - Web-based event reporting system with e-mail notification capability
  - Captures patient, visitor, and service events
- Agency for Healthcare Research and Quality (AHRQ) Quality Indicators Validation Pilot
  - Purpose of project:
    - Gather scientific evidence on indicators
    - Learn how to better interpret metrics
    - Evaluate need for refinement to metrics
  - UIHC applied for participation in August 2006
  - UIHC was notified in September 2006 of selection as a partner for this project
  - Project will begin in October/November 2006

# Operations Improvement at UIHC

**Donna Katen-Bahensky**

Director and Chief Executive Officer

# Operations Improvement at UIHC

- Continuous Improvement is a philosophy
- Transformation is a Multi-step, Multi-year Journey
  - **Stabilize** operations to generate real productivity, quality, and service improvements
  - **Create** operational excellence necessary to deliver distinctive service
  - **Leverage** these distinctive services to elevate price and/or volume and extend service offerings based on operational competencies
- Continuous Improvement Process
  - Identify best practices, waste, and opportunities for improvement
    - **Value-adding activity**: transforms product, information or service to meet customer (patient) requirements
    - **Non-value adding activity**: takes time, resources or space, but adds no value from the patient's perspective

# Lean and Kaizen

- What is “Lean?”
  - “A philosophy of continuous improvement based on setting standards aimed at eliminating waste through participation of all employees.”
- What is “Kaizen?”
  - Comprised of the Japanese words meaning “change” and “better”
  - Typically, kaizen is thought of in terms of “events” which are focused on rapid improvement by breaking down a process, removing waste, and implementing the improved process as the new standard.

# History of Lean/Kaizen at UIHC

- First Kaizen event conducted at UIHC in June of 2004 in conjunction with Iowa Business Council
- Participants
  - UIHC faculty and staff
  - College of Public Health
  - Iowa Department of Public Health
  - Pella Corporation
  - Maytag Corporation
  - TBM Consulting Group
- Focus Area
  - Radiology, Computed Tomography (CT) Scans
- Accomplishments
  - Wait time – decreased from 1' 54" to 1' 16" (33% reduction)
  - Throughput – increased from 64 to 84 patients per day (31% increase)

## History of Lean/Kaizen at UIHC (cont'd)

- UIHC Office of Operational Improvement established in July of 2005
- Subsequent projects have included:
  - Central Sterilizing Services/Urology – Implement Kanban\* System
  - Pharmacy (6RC) – Medication Turnaround Time
  - Emergency Trauma Center – Wait Time, Length of Stay
  - Infusion Suite – Pharmacy Interface
  - Internal/Family Medicine Inpatient (6RC) – Admission Planning, Discharge Planning, Length of Stay
  - GI Clinic – Wait Time, Length of Stay, Capacity for Additional Procedures
  - Ambulatory Standards of Excellence
  - Cancer Center Clinics – Flow, Wait Time, Length of Stay

\* Stocking system using signals to make production systems respond to real needs and not predictions and forecasts.

# Kaizen Project Selection Criteria

- Voice of the Customer
  - Patients and families
  - Internal customers (MDs, staff)
- Feasibility from a resource and data standpoint
- Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis
- Tied to the mission and vision
- SMART Goals – tied to strategic initiatives
  - S** = Specific
  - M** = Measurable
  - A** = Attainable
  - R** = Realistic
  - T** = Timely



## Example: Holden Comprehensive Cancer Center Infusion Suite Results Achieved

Goal	Before	After	% Improvement
Reduce patient wait time by 30%	32 mins.	10 mins.	69% reduction Significant reduction variation
Reduce overall LOS by 10% w/ same resources	235 mins.	186 mins.	21% reduction
Increase throughput by 10%	42 pts/day (at peak)	68 pts/day (at peak)	38% potential increase
Reduce staff distance by 50%	- RN-900 ft. - Clinic NA 230 ft.	- RN-90 ft. - Clinic NA 0 ft.	- RN- 6.1 miles per day - NA up 1.8 miles - Clinic NA 100%

# FY 2006-2007 Operational Improvement Project Requests

- 22 departmental requests submitted for review
- The following have been granted priority status:

AREA	PROJECT	CHAMPION
Ortho/Radiology Clinic	Patient Flow	Dr. Johnston, Janet Roe
Central Sterilizing Services/Gynecology	Set-up Kanban System	T. Shuff
Central Sterilizing Services/Transplantation	Set-up Kanban System	T. Shuff
Vascular Service-GSG	Patient Flow, Wait Time	Dr. Jamal Hobballah
Material Services	Material Handling and Safety	T. Gaillard
GI Clinic	Patient Flow, Wait Time	Dr. Summers, Dr. Field
Emergency Trauma Center	Wait Time, Length of Stay	Dr. Dickson
Allergy Immunotherapy	Shot Line Process – Length of Stay, WT, Non-value-added Steps, Distance Traveled	Keri Semrau
Neurology/Neurosurgery/Surgery (6JC/7JC)	Process Efficiency	M. K. Brooks, M. Titler
Cardiothoracic Surgery	Process Improvement, Length of Stay	Dr. Iannettoni

# **Operating and Financial Performance**

**Year-to-Date September 2006**

**Donna Katen-Bahensky**

Director and Chief Executive Officer

**Anthony DeFurio**

Chief Financial Officer

# Volume Indicators

## July 2006 through September 2006

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Review (YTD)</b>							
Admissions	6,929	6,585	6,431	344	5.2% ●	498	7.7% ●
Patient Days	46,113	42,437	44,039	3,676	8.7% ●	2,074	4.7% ●
Length of Stay	6.66	6.44	6.85	0.22	3.3% ●	(0.19)	-2.8% ●
Average Daily Census	501.23	461.27	478.68	39.96	8.7% ●	22.55	4.7% ●
Surgeries - Inpatient	2,648	2,664	2,612	(16)	-0.6% ○	36	1.4% ○
Surgeries - Outpatient	2,729	2,765	2,711	(36)	-1.3% ○	18	0.7% ○
Emergency Treatment Center Visits	9,826	9,127	8,885	699	7.7% ●	941	10.6% ●
Outpatient Clinic Visits	167,596	165,020	165,627	2,576	1.6% ○	1,969	1.2% ○
Case Mix	1.7236	1.7360	1.7549	(0.0124)	-0.7% ○	(0.0313)	-1.8% ○
Medicare Case Mix	1.8292	1.8797	1.9357	(0.0505)	-2.7% ●	(0.1065)	-5.5% ●

 <b>Greater than 2.5% Favorable</b>	 <b>Neutral</b>	 <b>Greater than 2.5% Unfavorable</b>
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# Comparative Financial Results

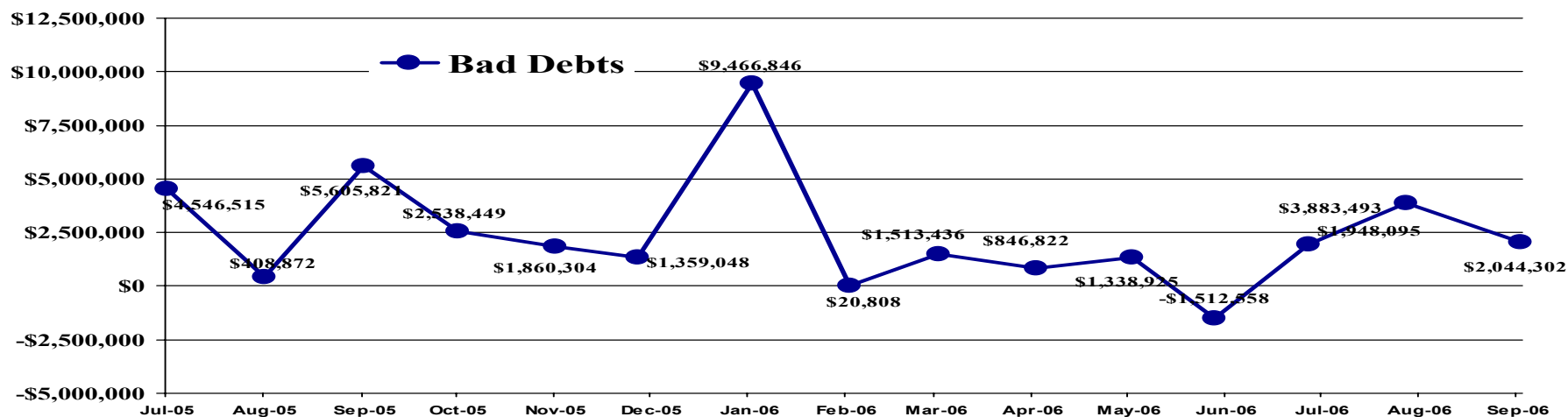
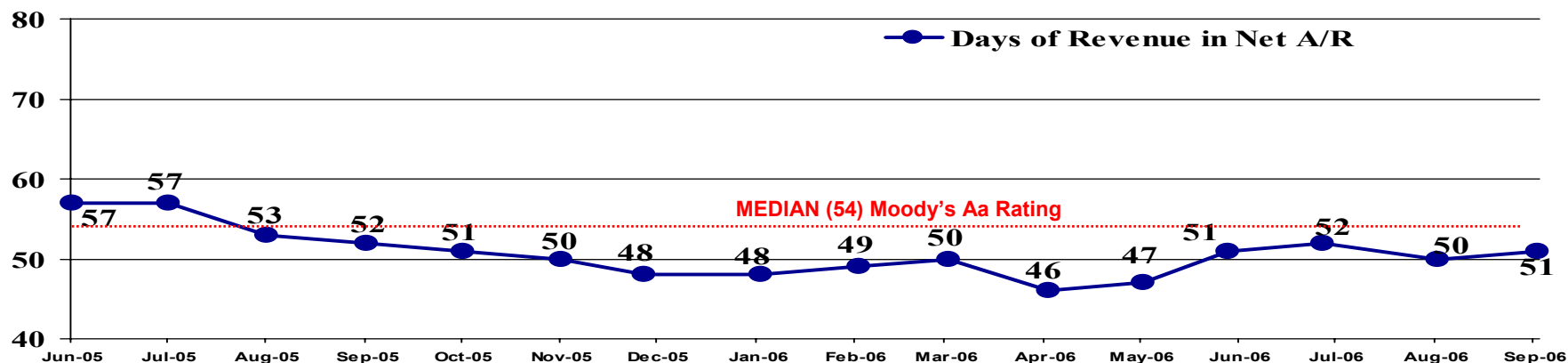
July 2006 through September 2006

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>NET REVENUES:</b>							
Patient Revenue	\$180,072	\$178,841	\$164,916	\$1,231	0.7%	\$15,156	9.2%
Appropriations	3,352	3,352	3,352	0	0.0%	0	0.0%
Other Operating Revenue	9,631	9,909	10,663	(278)	-2.8%	(1,032)	-9.7%
<b>Total Revenue</b>	<b>\$193,055</b>	<b>\$192,102</b>	<b>\$178,931</b>	<b>\$953</b>	<b>0.5%</b>	<b>\$14,124</b>	<b>7.9%</b>
<b>EXPENSES:</b>							
Salaries and Wages	\$98,748	\$98,529	\$90,578	\$219	0.2%	\$8,170	9.0%
General Expenses	72,298	73,731	69,381	(1,433)	-1.9%	2,917	4.2%
Operating Expense before Capital	171,046	172,260	159,959	(1,214)	-0.7%	11,087	6.9%
<b>Earnings Before Depreciation, Interest, and Amortization (EBDITA)</b>	<b>22,009</b>	<b>19,842</b>	<b>18,972</b>	<b>2,167</b>	<b>10.9%</b>	<b>3,037</b>	<b>16.0%</b>
Capital- Depreciation and Amortization	13,514	13,566	12,942	(52)	-0.4%	572	4.4%
Total Operating Expense	\$184,560	\$185,826	\$172,901	(\$1,266)	-0.7%	\$11,659	6.7%
<b>Operating Income</b>	<b>\$8,495</b>	<b>\$6,276</b>	<b>\$6,030</b>	<b>\$2,219</b>	<b>35.4%</b>	<b>\$2,465</b>	<b>40.9%</b>
<b>Operating Margin %</b>	<b>4.4%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>1.1%</b>	<b>33.3%</b>	<b>1.0%</b>	<b>29.4%</b>
Gain (Loss) on Investments	4,581	2,451	2,913	2,130	86.9%	1,668	57.3%
Non-Recurring Items	0	0	0	0	0.0%	0	0.0%
<b>Net Income</b>	<b>13,076</b>	<b>8,727</b>	<b>8,943</b>	<b>4,349</b>	<b>49.8%</b>	<b>4,133</b>	<b>46.2%</b>
<b>Net Margin %</b>	<b>6.6%</b>	<b>4.5%</b>	<b>4.9%</b>	<b>2.1%</b>	<b>31.8%</b>	<b>1.7%</b>	<b>34.7%</b>

**NOTE:** all dollar amounts are in thousands

# Comparative Accounts Receivable at September 30, 2006

	June 30, 2005	June 30, 2006*	September 30, 2006
Net Accounts Receivable	\$93,964,049	\$95,976,921	\$97,592,712
Net Days in AR	57	51	51



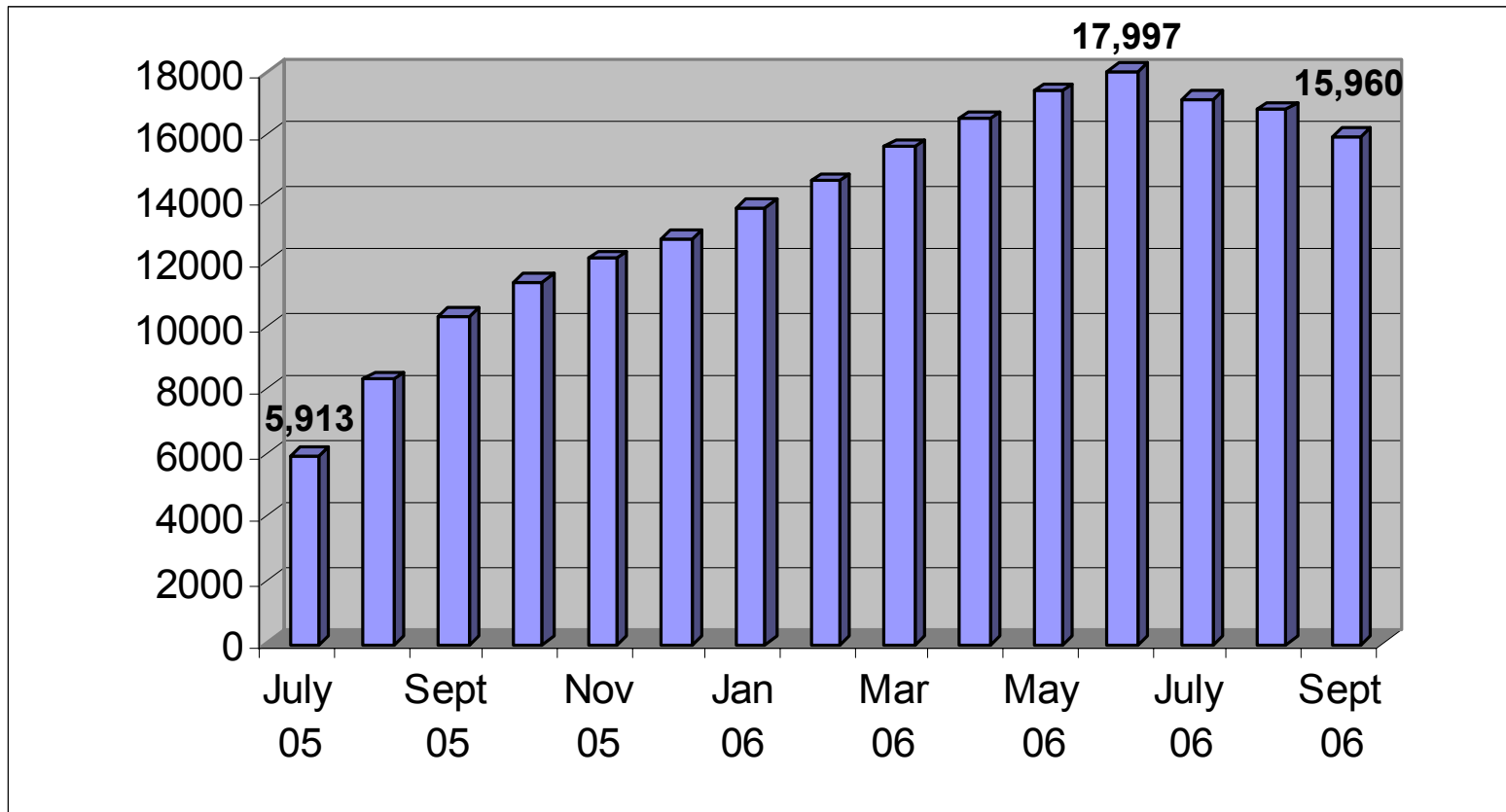
\* unaudited

# IowaCare Update

## Stacey Cyphert

Special Advisor to the President,  
Special Advisor to the Dean of CCOM,  
Senior Assistant Hospital Director

## IowaCare & Chronic Care Enrollment (net of disenrollments)

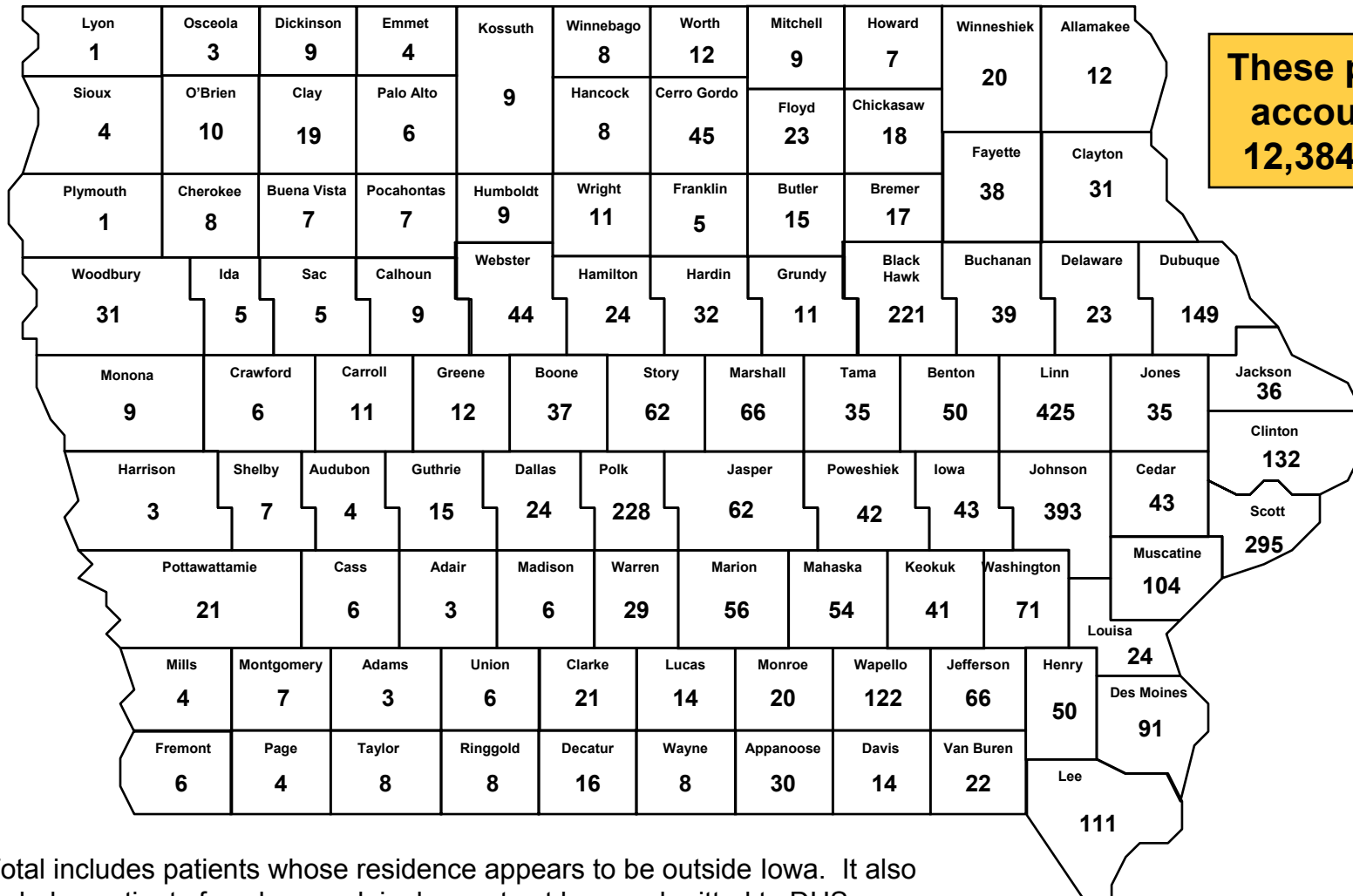




## IowaCare Volume at UI Hospitals and Clinics Remains Brisk

- Net enrollment in IowaCare and Chronic Care has been declining throughout FY 07 from a peak at the end of June 2006.
- DHS believes, “that much of the decline has to do with the reapplication process, and that the citizen documentation is likely lengthening the time it takes to get re-enrolled.”
- It is unknown at this time the extent to which this decline will continue or if it will impact patient care volume at the UI Hospitals and Clinics.
- FY 07 data through October 1, 2006 shows the UI Hospitals and Clinics has already seen over 4,100 unique IowaCare or Chronic Care patients who have made over 12,000 visits.
- An average of 151 IowaCare patients per week are being transported to and from the UI Hospitals and Clinics on our vans and we have already logged over 149,000 miles in FY 07.

## 4,102 Unique IowaCare & Chronic Care Patients Have Been Seen at the UIHC Between July 1 and September 30, 2006



**These patients account for 12,384 visits.**

Total includes patients whose residence appears to be outside Iowa. It also includes patients for whom a claim has not yet been submitted to DHS.

## Nurse Helpline Agreement Signed

- An agreement whereby the UI Hospitals and Clinics will be paid to provide Nurse Helpline Services for the enrolled IowaCare population has been reached.
  - The goal of the nurse helpline initiative is to assist enrolled IowaCare population members in making appropriate choices about the use of emergency room and other health care services.
  - Operational questions pertaining to IowaCare are not part of the agreement and will be directed to the Department of Human Services.
  - The Nurse Helpline became operational October 2, 2006.
  - Over 500 calls were received in the first week.
  - Toll free number for the helpline is 866-890-5966.
  - The website address is:  
<https://www.uihealthcare.com/appts/ptselfreferform.htm>

## **UI Hospitals and Clinics' Pilot Pharmaceutical and Durable Medical Equipment Programs Are Serving Patients**

- August 14, 2006, the UIHC implemented pilot programs sans reimbursement to facilitate IowaCare beneficiary access to pharmaceuticals and durable medical equipment.
- Through October 6, 2006:
  - Over 12,000 prescriptions have been filled at a cost of approximately \$255,000.
  - DME has been provided at a cost in excess of \$25,000.

# Director's Remarks

**Donna Katen-Bahensky**

Director and Chief Executive Officer

# Director's Report

- I. Rating Hospital Heart Care (Gannett)
- II. Edge of Excellence Award
- III. Hospital Security Protocol During Football Games
- IV. Recruitment
- V. Other

# Rating Hospital Heart Care – Gannett (cont'd)

Special report: Rating Hospital Heart Care

**SEARCHABLE DATABASE**

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Select a state

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### Understanding this database

Gannett News Service analyzed information about thousands of hospitals to help you determine which hospitals in your area are most likely to provide the most effective treatments for heart attacks and heart failure.

Click the arrows below to find out more about the methodology that was used to compile this database.

- ▶ What we measured
- ▶ How we measured it
- ▶ How we came up with star ratings
- ▶ What period of time we looked at
- ▶ Where we got the data
- ▶ Where we got information about hospitals' characteristics and home counties

### UNIVERSITY OF IOWA HOSPITAL & CLINICS

200 HAWKINS DRIVE  
 IOWA CITY, IA 52242  
 (319) 356-1616

Type: Acute Care Hospitals  
 Total Beds: 813  
 Ownership: Government - State  
 Medical School affiliation: Yes  
 Accredited: Yes

Percent of time heart attack patients got recommended care: 98  
 National Rank: ★★★★★★  
 Within-State Rank: ★★★★★★  
 National Median: 91 Percent  
 State Median: 94 Percent

Percent of time heart failure patients got recommended care : 87  
 National Rank: ★★★★★★  
 Within-State Rank: ★★★★★★  
 National Median: 74 Percent  
 State Median: 76 Percent

## Edge of Excellence Awards

- Business Growth
  - Businesses that are unique and successful in the way they handled growth or change over the past year. Recognizes companies that have experienced and handled exceptional growth in sales and employment during the past year.
- Best Place to Work
  - Businesses that encourage education and development for their employees, a positive and productive work environment and industry-leading employee benefits. Recognizes companies as the best places to work that exemplify best practices in attracting and retaining valuable employees.
- **Community Service**
  - Businesses investing in the community through volunteerism, cash contributions and support of non-profit organizations and community activities. Recognizes companies that exhibit outstanding community stewardship and public citizen practices throughout their organization.





## Hospital Security Protocol

- Beginning August 1, 2006, the UI Hospitals and Clinics Access Control procedures were expanded to include screening of all persons entering the hospital after hours.
- Between 9:00 PM and 6:00 AM, patients, visitors, and staff without a valid UI Hospitals and Clinics photo ID badge, are now required to enter through the Main Entrance. Safety and Security staff stationed at that location screen everyone entering the facility during this timeframe.
- As of September 30, 2006 this protocol was extended to include tighter access restrictions during home football games.
- For home football game weekends, the facility is locked down at 9:00 p.m. the Friday beforehand, and access restrictions remain in place until 6:00 a.m. Sunday morning.