Agenda

• Opening Remarks
• Operating and Financial Performance
• Faculty Presentation: Rural Emergency Care in Iowa
Opening Remarks
Presentation to The Board of Regents, State of Iowa | November 2021

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

Presentation to The Board of Regents, State of Iowa | November 2021

Suresh Gunasekaran, MBA
Associate Vice President, UI Health Care & CEO, UI Hospitals & Clinics

Mark Henrichs, CPA, MHA
Interim Associate Vice President & Chief Financial Officer, UI Health Care
Volume and Financial Highlights–FY22 THROUGH AUGUST 2021

Operating Margin
• Actual 8.0% vs goal of 3.7%

Key Volumes
• Inpatient Discharges
  • -4.8% vs budget | 0.6% vs prior year
• Acute Patient Days
  • -1.7% vs budget | +1.0% vs prior year
• Surgeries
  • -2.1% vs budget | -1.1% vs prior year
• Clinic Visits
  • +13.1% vs budget | -0.4% vs prior year (w/ ILI)

Acuity
• Case Mix Index 2.37

Length of Stay Index
• Adult at .98
• Pediatrics at 1.01

Revenues
• 4.7% above budget

Payer Mix
• Medicare below historical averages
  • FY20: 38.0% | FY21: 37.2% | FY22 36.8%

Accounts Receivable
• Days in Net AR = 48.8 days

Salary Expenses
• 2.5% below budget

Non-Salary Expenses
• 2.0% above budget
## Comparative Financial Results

**FISCAL YEAR TO DATE: AUGUST 2021**

<table>
<thead>
<tr>
<th>NET 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>Patient Revenue</td>
<td>$361,907</td>
<td>$364,559</td>
<td>$350,364</td>
<td>$17,348</td>
<td>4.8%</td>
<td>$31,543</td>
<td>9.0%</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>8,440</td>
<td>8,133</td>
<td>12,248</td>
<td>307</td>
<td>3.8%</td>
<td>(3,808)</td>
<td>-31.1%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$390,347</strong></td>
<td><strong>$372,692</strong></td>
<td><strong>$362,612</strong></td>
<td><strong>$17,655</strong></td>
<td><strong>4.7%</strong></td>
<td><strong>$27,735</strong></td>
<td><strong>7.6%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>$148,400</td>
<td>$152,165</td>
<td>$141,209</td>
<td>($3,765)</td>
<td>-2.5%</td>
<td>$7,191</td>
<td>5.1%</td>
</tr>
<tr>
<td>General Expenses</td>
<td>190,796</td>
<td>186,626</td>
<td>175,631</td>
<td>4,170</td>
<td>2.2%</td>
<td>15,165</td>
<td>8.6%</td>
</tr>
<tr>
<td>Operating Expense before Capital</td>
<td>$339,196</td>
<td>$338,791</td>
<td>$316,840</td>
<td>$405</td>
<td>0.1%</td>
<td>$22,356</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Cash Flow Operating Margin</strong></td>
<td><strong>$51,151</strong></td>
<td><strong>$33,901</strong></td>
<td><strong>$45,772</strong></td>
<td><strong>$17,250</strong></td>
<td><strong>50.9%</strong></td>
<td><strong>$5,379</strong></td>
<td><strong>11.8%</strong></td>
</tr>
<tr>
<td>Capital- Depreciation and Amortization</td>
<td>20,102</td>
<td>20,112</td>
<td>17,007</td>
<td>(10)</td>
<td>0.0%</td>
<td>3,095</td>
<td>18.2%</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td><strong>$359,298</strong></td>
<td><strong>$358,903</strong></td>
<td><strong>$333,847</strong></td>
<td><strong>$395</strong></td>
<td>0.1%</td>
<td><strong>$25,451</strong></td>
<td><strong>18.6%</strong></td>
</tr>
<tr>
<td>Operating Income</td>
<td><strong>$31,049</strong></td>
<td><strong>$13,789</strong></td>
<td><strong>$28,765</strong></td>
<td><strong>$17,260</strong></td>
<td><strong>125.2%</strong></td>
<td><strong>$2,284</strong></td>
<td><strong>7.9%</strong></td>
</tr>
<tr>
<td>Operating Margin %</td>
<td>8.0%</td>
<td>3.7%</td>
<td>7.9%</td>
<td>4.3%</td>
<td>0.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain (Loss) on Investments</td>
<td>4,287</td>
<td>6,670</td>
<td>15,700</td>
<td>(2,383)</td>
<td>-35.7%</td>
<td>(11,413)</td>
<td>-72.7%</td>
</tr>
<tr>
<td>Other Non-Operating</td>
<td>(2,834)</td>
<td>(2,102)</td>
<td>(1,942)</td>
<td>(732)</td>
<td>-34.8%</td>
<td>(892)</td>
<td>-45.9%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$32,502</strong></td>
<td><strong>$18,357</strong></td>
<td><strong>$42,523</strong></td>
<td><strong>$14,145</strong></td>
<td><strong>77.1%</strong></td>
<td><strong>($10,021)</strong></td>
<td><strong>-23.6%</strong></td>
</tr>
<tr>
<td>Net Margin %</td>
<td>8.3%</td>
<td>4.9%</td>
<td>11.3%</td>
<td>3.4%</td>
<td>-3.0%</td>
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</tbody>
</table>
# Key Metrics

<table>
<thead>
<tr>
<th></th>
<th>FY22 YTD Through Aug</th>
<th>Moody’s Median</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>7.3%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Financial – Liquidity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>240</td>
<td>305</td>
</tr>
<tr>
<td><strong>Financial – Leverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt to Capitalization</td>
<td>18.0%</td>
<td>21.4%</td>
</tr>
</tbody>
</table>
Improving Cardiology Patient Access

Presentation to The Board of Regents, State of Iowa | November 2021
Serving Our Cardiology Patients

- 60% of referrals are established patients at UIHC referred by another UIHC provider
- 33% of referrals come from external providers
- 7% of referrals come directly from the patient themselves
- Goal to offer new evaluation appointments within 14 days
Cardiology Patient Access

Challenges
Experiencing appointment access challenges for referral and return Cardiology Patients

Testing Backlog
Experiencing a backlog of patients requiring diagnostic testing

New Patient Access
Only 41% of new patients able to be seen by a specialist within 14 days

GOAL:
Increase available appointment slots for patients seeking New Referral or Follow-up Cardiology care
Cardiology Patient Access: Process

Formulated a Multidisciplinary Leadership Group
- Physicians, nurses, and other clinical team members
- Leadership and Scheduling Team

Performed Analytics
- Reviewed existing appointment availability
- Reviewed scheduling templates
- Evaluated scheduling practices for expansion opportunity

Implemented Strategies (March 2021)
- Created additional appointments for acute patient needs
- Implemented direct scheduling from the Emergency Department to Cardiology Clinic
- Increased clinical support staff
Cardiology Patient Access: Results

Increased visits
Cardiology clinic visit availability increased by 30%

Increased testing
Diagnostic testing availability increased by 51%

Increased access
New patients seen within 14 days increased to 52%

Next Steps
Evaluating strategies for other populations within the Heart and Vascular Center to continue to increase patient access
Adult Discharge Lounge
Presentation to The Board of Regents, State of Iowa | November 2021
Adult Discharge Lounge: Background

• Capacity-constrained hospitals often seek to expedite the inpatient discharge process to improve patient access.

• Due to the complexities of hospitals, there can often be a delay from when the patient is cleared to discharge and when the patient physically departs the hospital.

• As a countermeasure, some hospitals have implemented “Discharge Lounges” – designated areas where patients wait between the time their discharge orders are entered and when they are ready to leave the hospital.
Adult Discharge Lounge: UIHC Situation

• UI Hospitals & Clinics consistently operates at an adult occupancy above 90%.

• Patients are consistently waiting for bed availability to seek care from our specialists.

• Patients wait in the emergency department, clinic, community, etc.

• Implementing a discharge lounge is one of the many things UI Hospitals & Clinics is doing to improve access for patients needing our medical care.
**Adult Discharge Lounge: Patient Flow**

<table>
<thead>
<tr>
<th>Emergency Department Bed</th>
<th>Inpatient Bed</th>
<th>Discharge Lounge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Without Discharge Lounge</strong></td>
<td><strong>Patient 2</strong> is boarding in the ED while awaiting the inpatient bed occupied by patient 1</td>
<td><strong>Patient 1</strong> is discharged, but occupying an inpatient bed while awaiting transportation or other services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>With Discharge Lounge</strong></td>
<td><strong>Patient 3</strong> is seen more quickly by an emergency medicine physician</td>
<td><strong>Patient 2</strong> moved to an inpatient bed more quickly reducing the ED boarding time</td>
</tr>
</tbody>
</table>
Adult Discharge Lounge at UIHC

Discharge Lounge Facts and Figures

• 10 chairs in the Discharge Lounge
• Discharge Lounge open Monday-Friday 9 a.m. to 5 p.m.
• Dedicated staff member who answers questions and provides comfort and diversional activities
• Patients eligible when fully cleared for discharge and home going medications are picked up prior to the patient being taken to the Discharge Lounge
• Multidisciplinary collaboration between nursing, therapies, physician team to operationalize process
Adult Discharge Lounge: Patient Feedback

Average Patient Satisfaction Score

<table>
<thead>
<tr>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.94</td>
<td>“I was recently a patient in the ED and used your new discharge lounge while waiting for my ride. The staff was so kind and professional. It was nice to be right by the entrance when my ride arrived!”</td>
</tr>
<tr>
<td>5.00</td>
<td>“I was pleasantly surprised about how comfortable the discharge lounge was... I was given a warm blanket and didn’t have to wait in the noisy main lobby, which was great.”</td>
</tr>
</tbody>
</table>
Medical Training Expansion

- UIHC currently provides training support for 821 total residents and fellows

- UIHC will be expanding trainee positions by 65 trainees in FY22

- The 65 additional positions will be fully funded by UI Health Care
Medical Training Expansion

Building the health care workforce of tomorrow is a critical mission of UIHC.

In FY23, 65 additional residency and fellowship programs will be added.

<table>
<thead>
<tr>
<th>Residency Programs</th>
<th>Accredited Fellowship Programs</th>
<th>Non-Accredited Fellowship Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Neurology</td>
<td>5</td>
<td>Clinical Cardiac Electrophysiology</td>
</tr>
<tr>
<td>Diagnostic Radiology</td>
<td>1</td>
<td>Hem Onc Blood &amp; Marrow Transplant</td>
</tr>
<tr>
<td>Emergency Medicine</td>
<td>3</td>
<td>Infectious Disease</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>6</td>
<td>Medical Toxicology</td>
</tr>
<tr>
<td>General Surgery</td>
<td>5</td>
<td>Nephrology – Critical Care</td>
</tr>
<tr>
<td>Integrated Plastics</td>
<td>6</td>
<td>Neuropathology</td>
</tr>
<tr>
<td>Neurosurgery</td>
<td>4</td>
<td>Psychiatry Addiction Med</td>
</tr>
<tr>
<td>OB/GYN Rural Track</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Orthopedics</td>
<td>5</td>
<td></td>
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</tbody>
</table>

Presentation to The Board of Regents, State of Iowa | November 2021
Rural Emergency Care in Iowa

Presentation to The Board of Regents, State of Iowa | November 2021

Nicholas M. Mohr, MD, MS
Professor of Emergency Medicine, Anesthesia, and Epidemiology
Vice Chair for Research, Department of Emergency Medicine
Emergency Care in Iowa

- 120 hospitals in Iowa
- 82 critical access hospitals (most in U.S.)
  - 24-hour emergency care
- 60% of Iowa EDs staffed by advanced practice provider (40% in 2008)

Rural ED Visits are Rising

- Rural emergency department visits (per capita) have increased by 50% over the past decade
- 48% of all ED visits in Iowa are in rural EDs (2019)

Iowa Hospital Association
Rural Emergency Care is Important

- Rural trauma mortality is 79% higher than urban trauma
- Bypassing rural hospitals for sepsis (life-threatening infection) increases mortality by 5.6%
- Rural hospital closures are associated with 5% all-cause increased mortality

Rural Emergency Care is Unique

- Staffing challenges
- Specialist availability
- Low-volume centers and clinical outcomes
- Increasing regionalization
- Inter-hospital transfer
  – 59% of all Iowa sepsis patients are now transferred

Building Knowledge for Rural Emergency Care System Development

- Standardizing rapid care for rural sepsis patients
  - University of Iowa, Avera eCARE (Sioux Falls, SD), Kansas Sepsis Project
- Developing protocols for ambulance personnel for sepsis care
  - Southeast Iowa
- Developing transfer guidelines for emergency surgical regionalization
  - University of Iowa, University of Utah, University of New Mexico (CTSA)

Telehealth can Improve Care

- Rural Telehealth Research Center
  - Home monitoring in VA hospitals
  - Sepsis in rural EDs
  - Behavioral health
  - Substance use
  - School nurse-based telehealth
  - Maternal direct-to-consumer telehealth

Use of telehealth in hospitals has grown rapidly.

Percent of hospitals fully or partially implementing computerized telehealth system, 2010-2017

Source: 2011 to 2018 AHA Annual Survey IT Supplement

American Hospital Association
Telehealth can Improve Care

Telehealth can...

- Improve procedural outcomes
- Improve timeliness of transfer in trauma
- Improve education to front-line rural health workers
- Improve speed of radiography interpretation
- Improve guideline adherence
- Reduce burden of travel for specialty appointments

Lane S. AAPA News.
What does the future of rural emergency care look like?

• Rural Emergency Hospital (REH) model (2023)
• Flexible staffing
• Increasing use of telehealth (provider-to-provider, direct-to-consumer)
• Consolidated health systems
• “Systems of Care” approach
Thank you