

Presentation to The Board of Regents, State of Iowa | November 2022

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# University of Iowa Health Care

**PRESENTATION TO THE BOARD OF REGENTS, STATE OF IOWA**

November 9, 2022

# Agenda

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- Opening Remarks
- Operating and Financial Performance

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# Opening Remarks

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**Brooks Jackson, MD, MBA**

Vice President for Medical Affairs

& Tyrone D. Artz, Dean, Carver College of Medicine

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# Operating and Financial Performance

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**Kimberly Hunter, DNP, MBA, RN, NEABC**  
Interim Associate Vice President, UI Health Care  
& CEO, UI Hospitals & Clinics

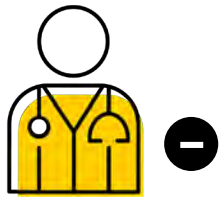
**Mark Henrichs, CPA, MHA**  
Associate Vice President  
& Chief Financial Officer, UI Health Care



# **Obstetrics and Gynecology:** **Addressing Critical Health Care Needs for Iowans**

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# Providing necessary obstetrics and gynecology services is a priority

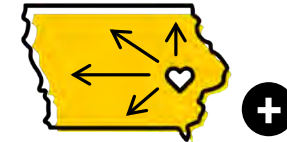


Decreased access to OB care across the state has already pressured our facility and provider capabilities to meet patient demand.



As Level III Labor and Delivery facilities are further constrained, the need for care across the state is increasing.

UIHC received over 400 transfers last year for complex maternity care.



UIHC has an ongoing commitment to increase access to care, including obstetrics and gynecology services, through increased training programs and facility expansion in our campus master plan.

# Iowa increasingly depends on UIHC for maternity care

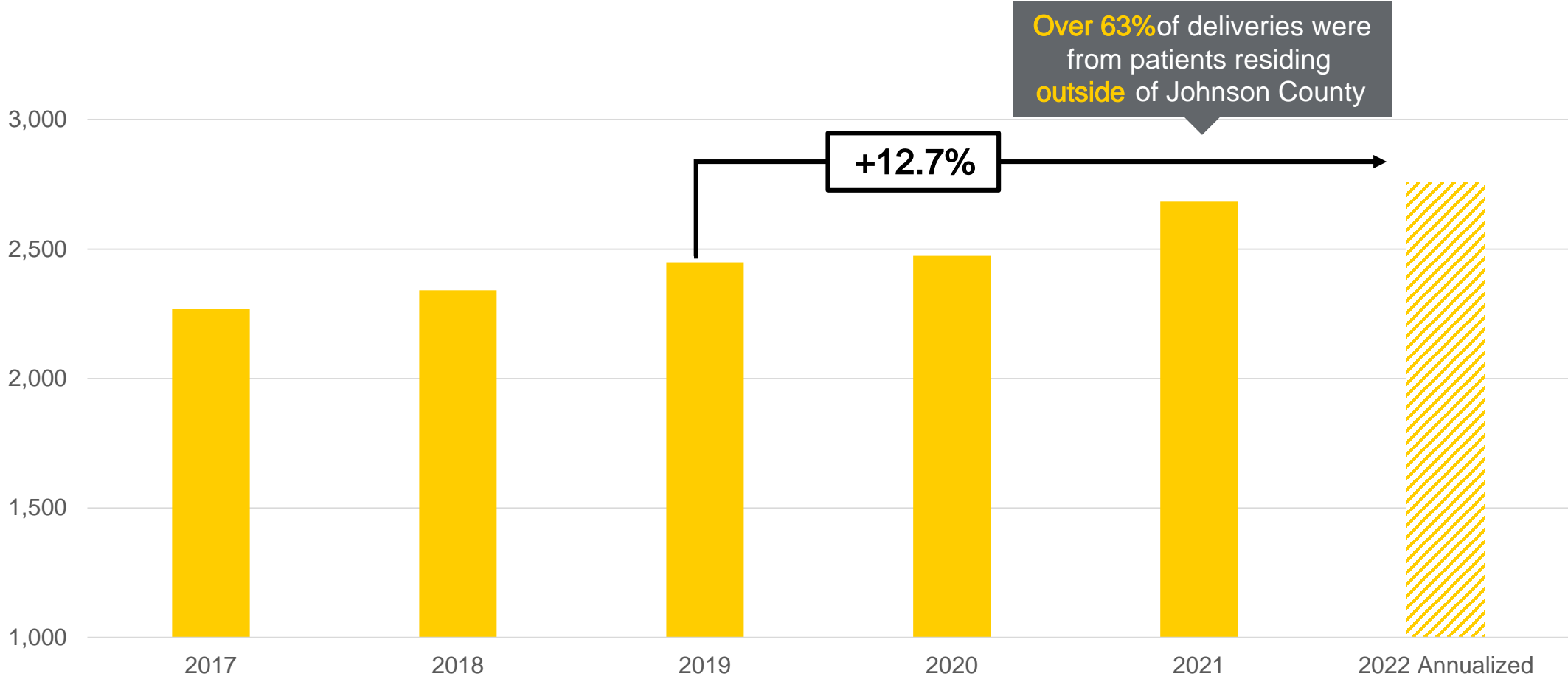


Only 43% of Iowa counties had birthing capabilities in CY2021, down from 50% in CY2019.

● Births in CY2021

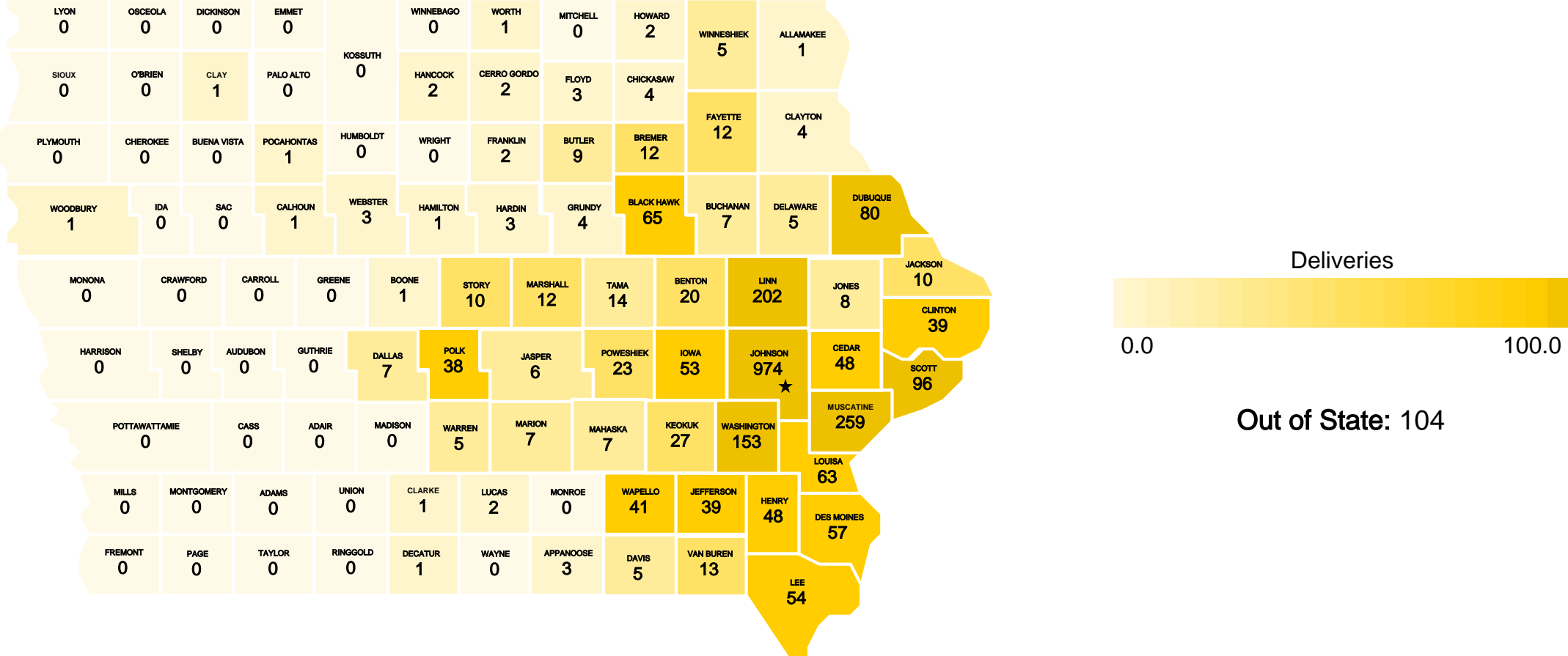
Source: Iowa Hospital Association

# UIHC delivery volumes by calendar year

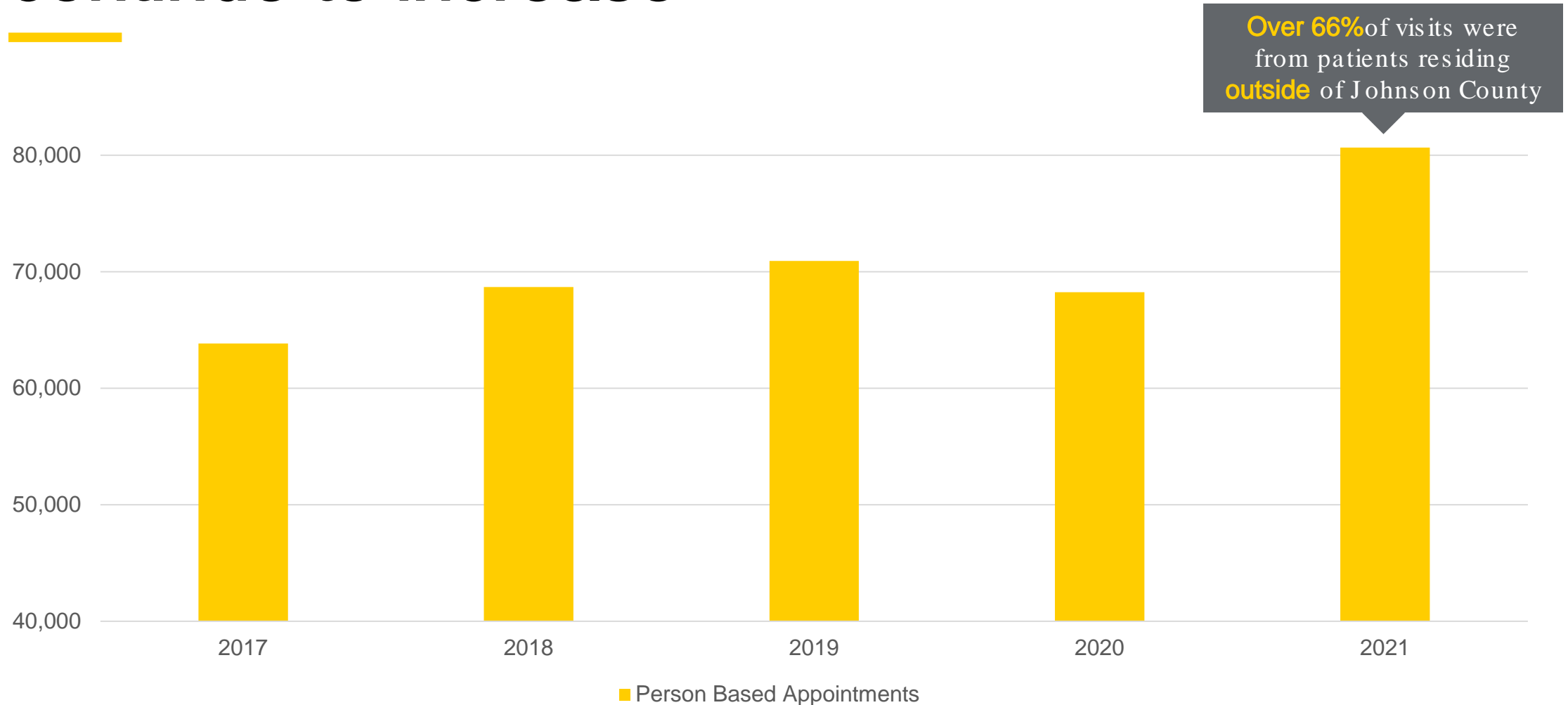




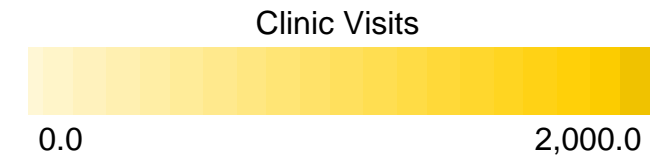
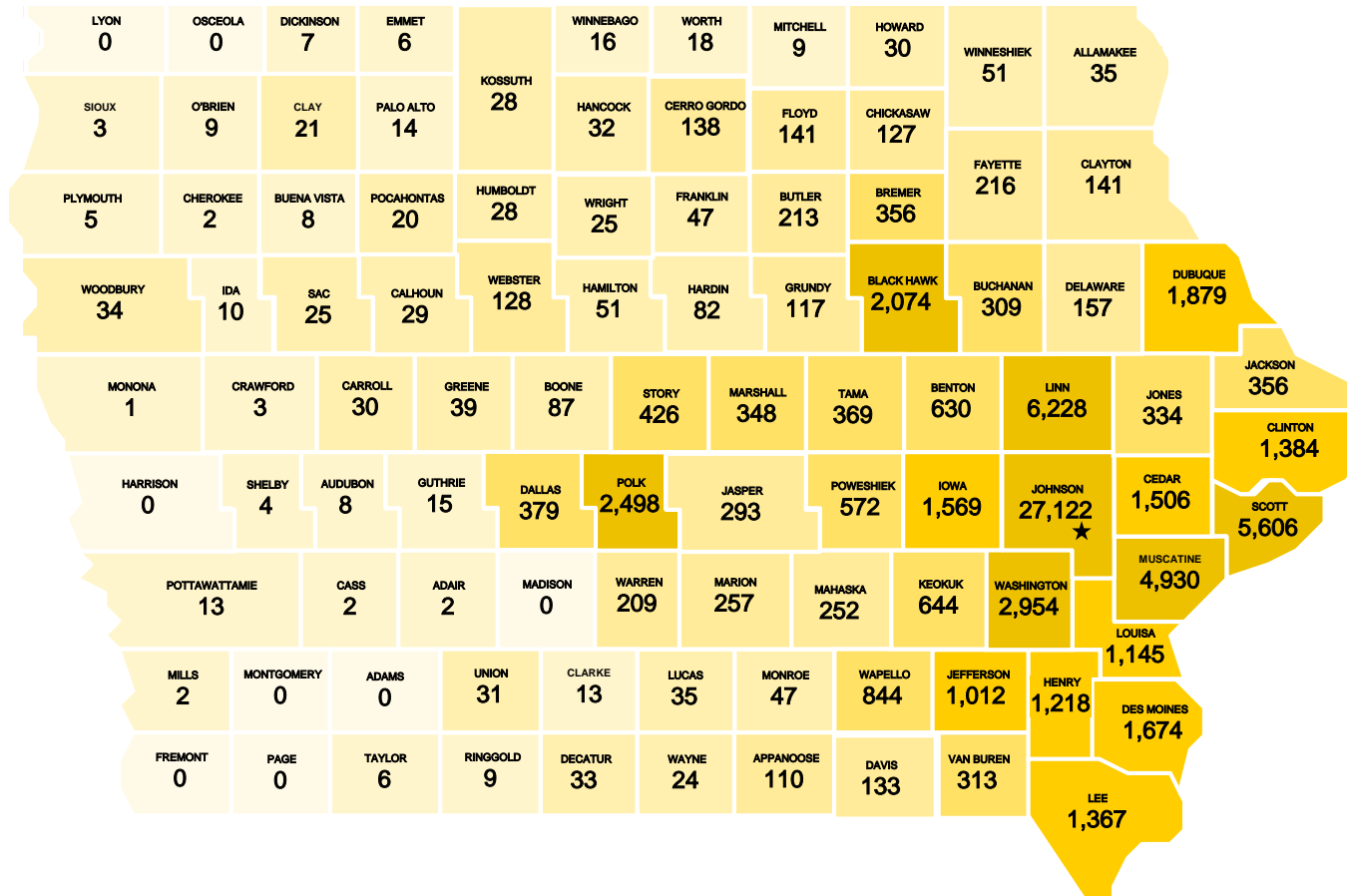
# UIHC delivery volumes by county CY21



# UIHC Obstetrics and Gynecology visits continue to increase



# UIHC Obstetrics and Gynecology clinic visits by county in CY21



Out of State: 6,816

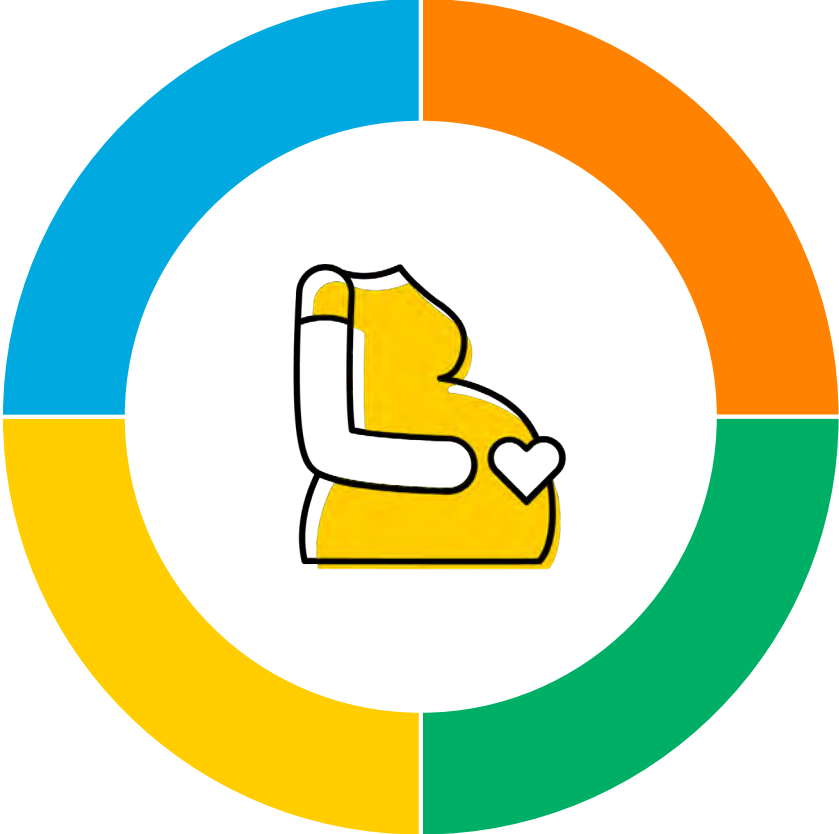
# Unique Services Provided at UIHC

## Reproductive Endocrinology and Infertility

Nearly 8,000 visits in CY21 across three locations

## Wellness Programs

Serving patients who are pregnant, planning for pregnancy or undergoing infertility treatments, suffering from perinatal loss, postpartum, and more.



## Birth and Education Classes

Over 120 classes offered in CY21, serving 1,000+ participants

## Simulation Training

In partnership with HRSA and IDPH, created a mobile simulation unit to travel to rural hospitals and teach OB skills.



# Recognition

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# Nurse Midwifery Education Program addresses provider shortages



“The Accreditation Commission for Midwifery Education (ACME) is an agency established to advance and promote excellence in midwifery education.

Accreditation is designed to ensure that midwifery education programs provide high quality educational experiences, embody effective administrative policies and procedures and are committed to continuous improvement.”



In 2021, only 43% of Iowa counties had hospitals with labor and delivery capabilities. **The birth needs of the state are urgent.**



UIHC is committed to serving the needs of Iowans. This program will help address the gap in pregnancy and delivery care.



Graduates of this program will be trained to offer prenatal, delivery, and well-person services to the community.

Source: [www.midwife.org/acme](http://www.midwife.org/acme)



# Financial Update

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# Volume and Financial Highlights

## Key Volumes

- Inpatient Discharges: -1.3% vs budget | -1.5% vs prior year
- Acute Patient Days: -4.9% vs budget | -2.6% vs prior year
- Surgeries: -0.2% vs budget | +0.8% vs prior year
- Clinic Visits: -1.8% vs budget | -5.8% vs prior year

## Acuity

- Case Mix Index: 2.46

## Length of Stay Index

- Adult: 1.01
- Pediatrics: 1.00

## Gross Patient Revenue

- -2.0% below budget yearto-date
  - Inpatient: -3.7% vs budget
  - Outpatient: -0.6% vs budget

## Accounts Receivable

- Days in Net AR– 46.6 days

## Salary Expenses

- -3.8% below budget

## Non-Salary Expenses

- 1.4% above budget

## Operating Margin

- Actual 11.1% vs goal of 11.3%



# Comparative Financial Results

Fiscal Year to Date: September 2022

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Revenues</b>							
Net Patient Revenue	573.4	578.6	570.9	(5.2)	-0.9%	2.5	0.4%
Directed Payment Revenue *	83.0	85.2	76.2	(2.2)	-2.5%	6.9	9.0%
Other Operating Revenue	13.8	13.6	12.9	0.2	1.4%	0.9	6.8%
<b>Net Operating Revenue</b>	<b>670.2</b>	<b>677.3</b>	<b>660.0</b>	<b>(7.1)</b>	<b>-1.1%</b>	<b>10.2</b>	<b>1.5%</b>
<b>Operating Expenses</b>							
Salaries & Wages	248.7	258.7	222.4	(9.9)	-3.8%	26.4	11.9%
General Expenses	316.1	310.7	288.5	5.4	1.7%	27.6	9.5%
Depreciation & Amortization	31.2	31.7	31.0	(0.5)	-1.6%	0.2	0.6%
<b>Total Operating Expenses</b>	<b>596.0</b>	<b>601.1</b>	<b>541.9</b>	<b>(5.1)</b>	<b>-0.8%</b>	<b>54.1</b>	<b>10.0%</b>
<b>Operating Income</b>	<b>74.2</b>	<b>76.2</b>	<b>118.1</b>	<b>(2.1)</b>	<b>-2.7%</b>	<b>(43.9)</b>	<b>-37.2%</b>
<b>Operating Margin %</b>	<b>11.1%</b>	<b>11.3%</b>	<b>17.9%</b>	<b>-0.2%</b>		<b>-6.8%</b>	
<b>Operating Income w/o Dir Pmts</b>	<b>(8.9)</b>	<b>(9.0)</b>	<b>41.9</b>	<b>0.1</b>	<b>0.9%</b>	<b>(50.8)</b>	<b>-121.2%</b>
<b>Operating Margin % w/o Dir Pmts</b>	<b>-1.5%</b>	<b>-1.5%</b>	<b>7.2%</b>	<b>0.0%</b>		<b>-8.7%</b>	
Gain (Loss) on Investments	(10.9)	6.3	14.4	(17.2)	-273.5%	(25.3)	-175.6%
Other Non-Operating Gain (Loss)	(5.4)	(4.8)	(4.1)	(0.6)	-13.4%	(1.3)	-31.1%
<b>Net Income</b>	<b>57.9</b>	<b>77.8</b>	<b>128.4</b>	<b>(19.9)</b>	<b>-25.6%</b>	<b>(70.5)</b>	<b>-54.9%</b>
<b>Net Margin</b>	<b>8.8%</b>	<b>11.5%</b>	<b>19.2%</b>	<b>-2.6%</b>		<b>-10.3%</b>	

\*Directed payment revenues will be invested in expanding Medicaid access.

# Key Metrics

	FY23 YTD Through September	Moody's Medians
<b>Financial Operations</b>		
Operating Margin	10.2%	4.1%
<b>Financial – Liquidity</b>		
Days Cash on Hand	231	341
<b>Financial – Leverage</b>		
Debt to Capitalization	21.9%	20.6%

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# Thank you

→ [uihc.org](https://uihc.org)



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