

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

University of Iowa Health Care

PRESENTATION TO THE BOARD OF REGENTS, STATE OF IOWA

November 15-16, 2023

Agenda

- Opening Comments
- Obstetric Care at UIHC
- Animal Assisted Therapy Programs at UIHC
- Financial Update

Opening Comments

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Denise Jamieson, MD, MPH

Vice President for Medical Affairs

& Tyrone D. Artz Dean, Carver College of Medicine

Obstetric Care at UIHC

Serving Iowans Amid a Changing Healthcare Landscape

Denise Jamieson, MD, MPH

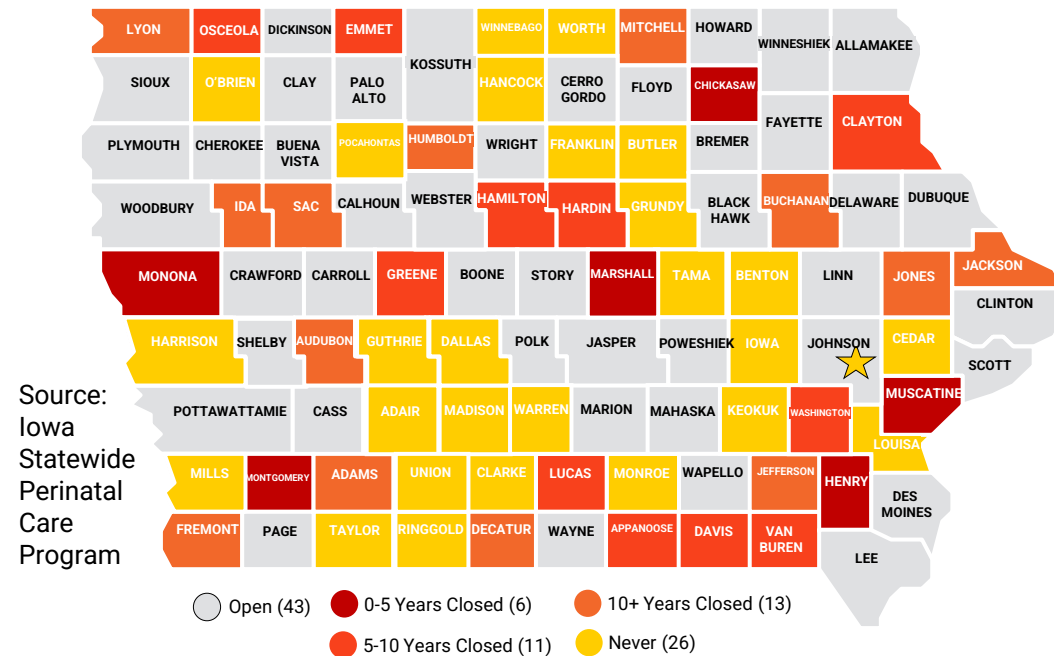
Vice President for Medical Affairs

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Access to pregnancy and delivery care in Iowa is challenging

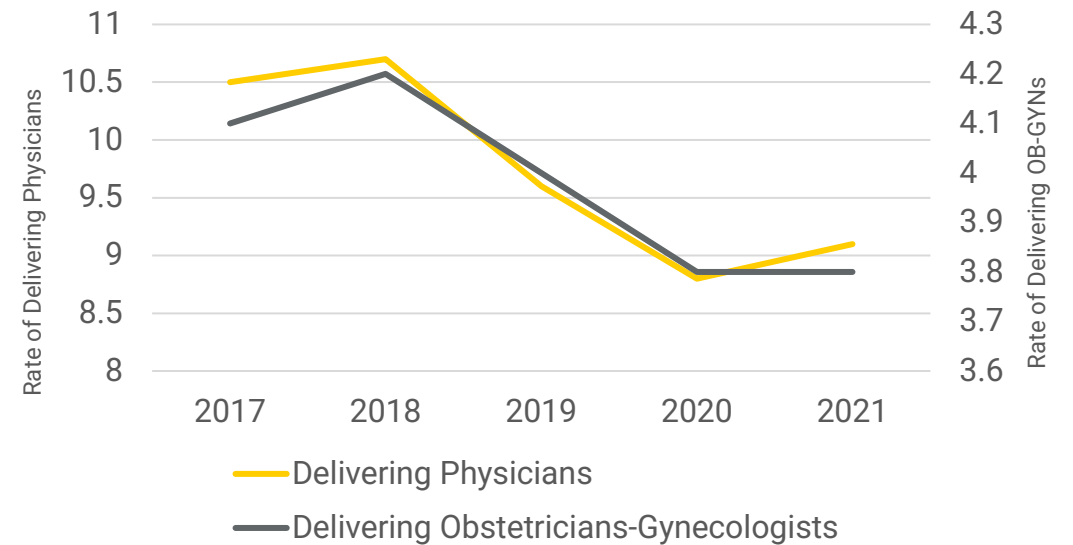
Decreased county level availability of facilities with obstetric units

Only 43% of Iowa counties have an obstetric facility



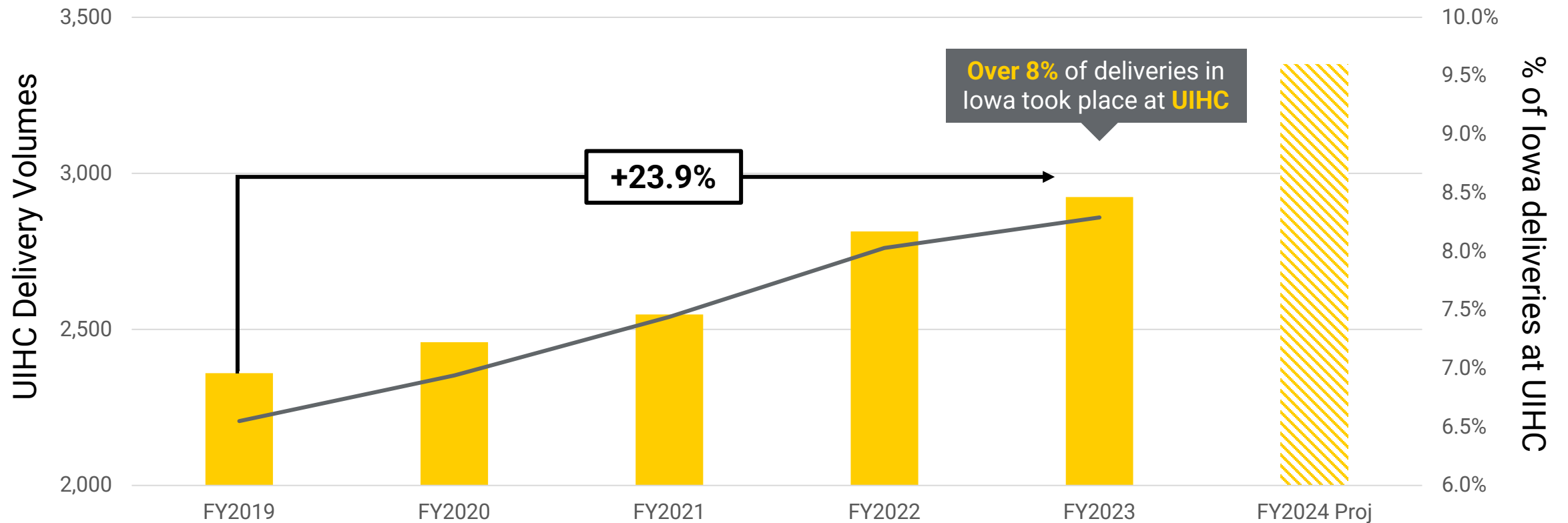
Declining rates of delivering physicians and delivering OB-GYNs

Rate of physicians per 10,000 women of reproductive age

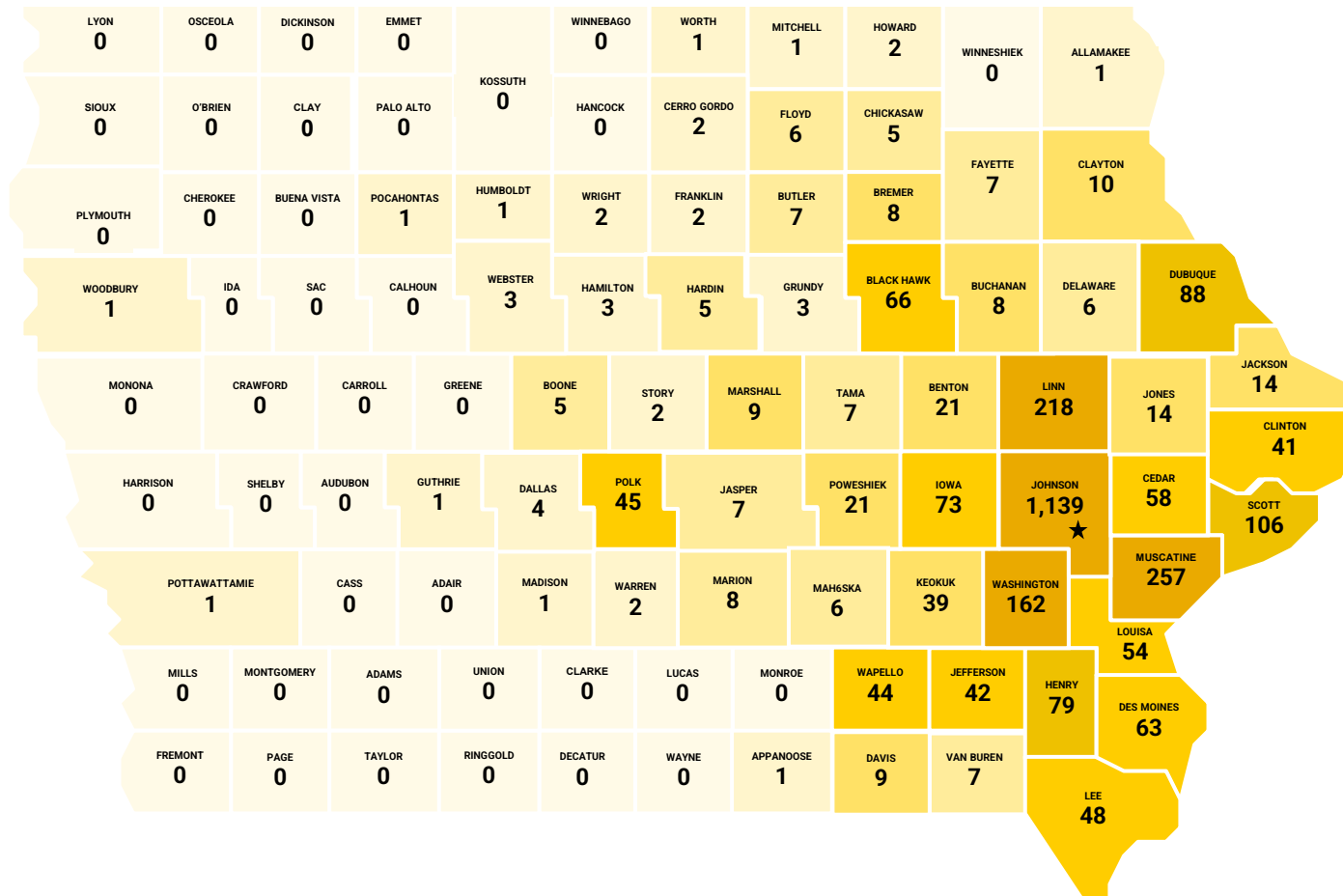


Source: Iowa Department of Health and Human Services – Access to Obstetrical Care in Iowa: A Report to the Iowa State Legislature – Calendar Year 2021 (January 2023)

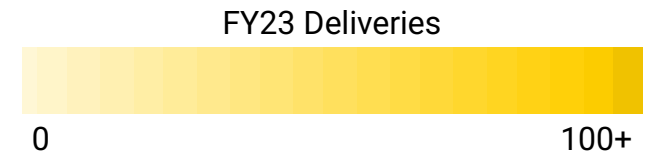
With fewer alternative options, more babies are being delivered at UIHC



UIHC obstetric care is more regional than local

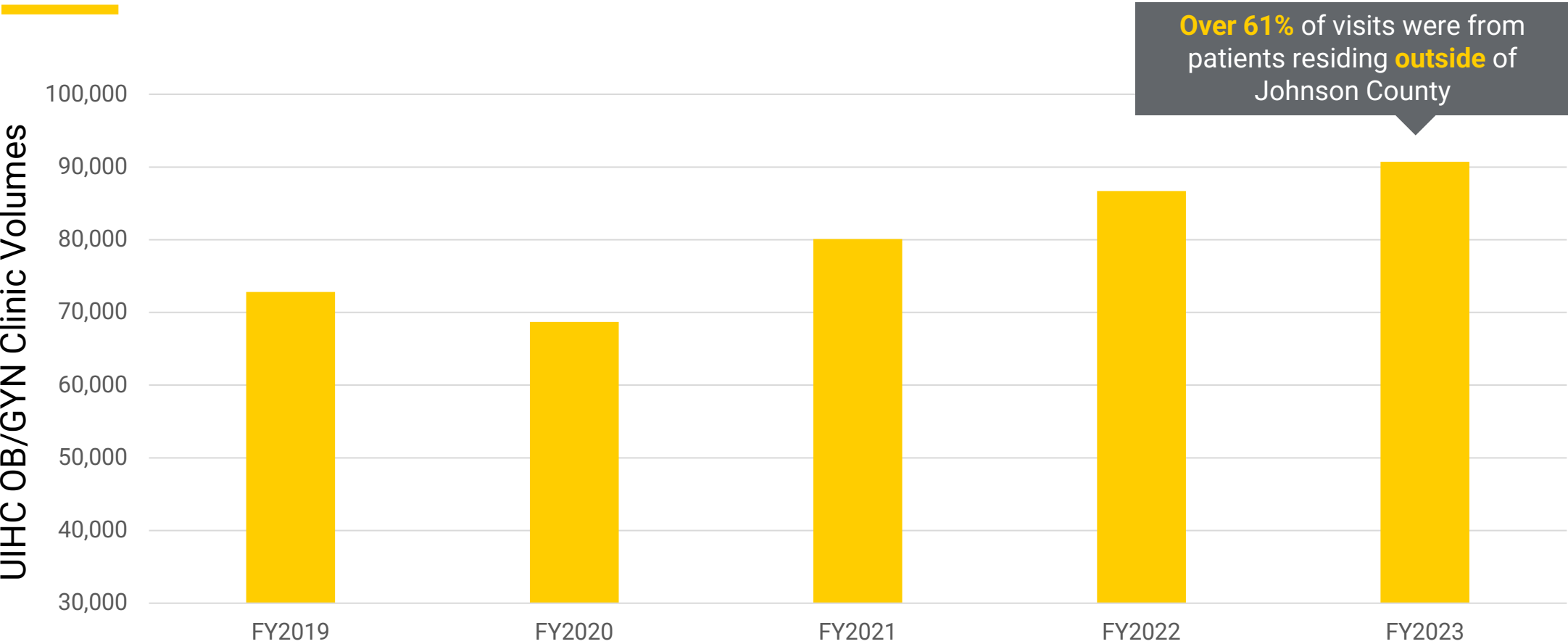


Over 61% of deliveries were for patients residing **outside** Johnson County



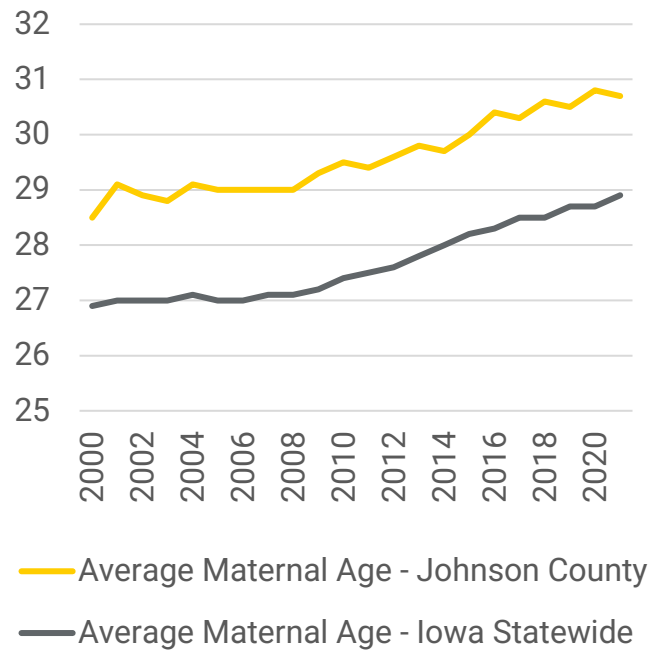
Out of State: 77

Iowans rely on UIHC for prenatal and other OB/GYN care



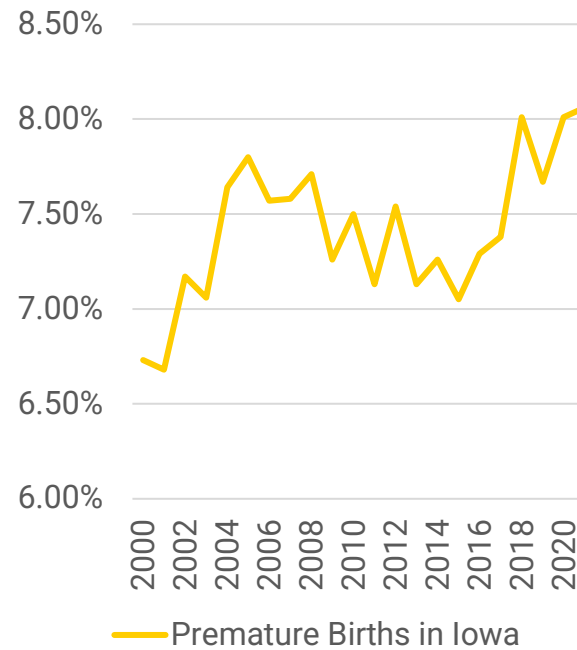
Increasing need for complex obstetric care statewide

Increased average maternal age



Source: Iowa Department of Public Health Data

Higher rates of premature births in Iowa



Source: Iowa Department of Public Health Data

Services for complex obstetric care



Maternal Fetal Medicine



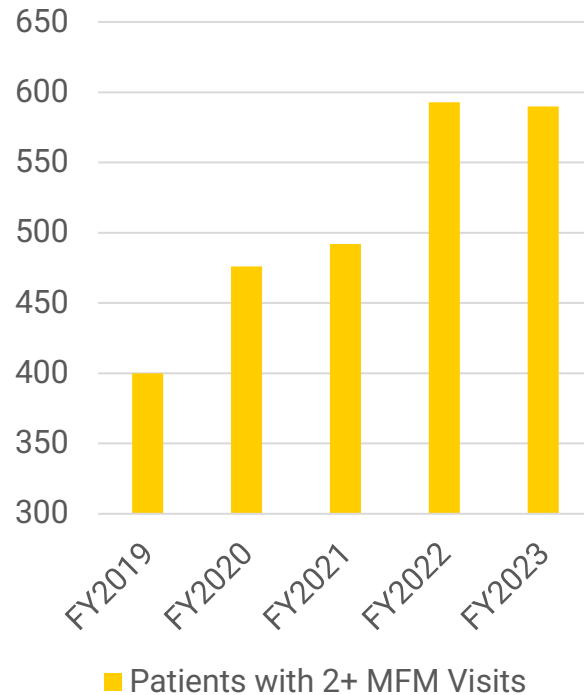
Antepartum Inpatient Stay



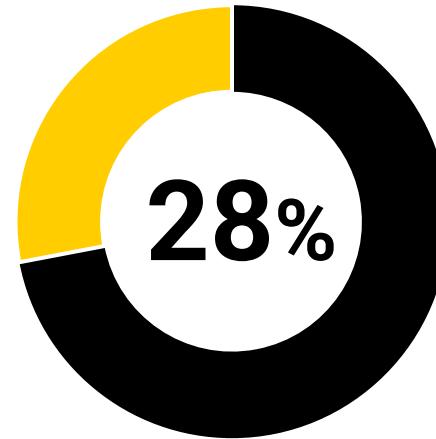
Neonatal Intensive Care for Newborns

Increasing complexity at UIHC

More need for Maternal-Fetal Medicine care

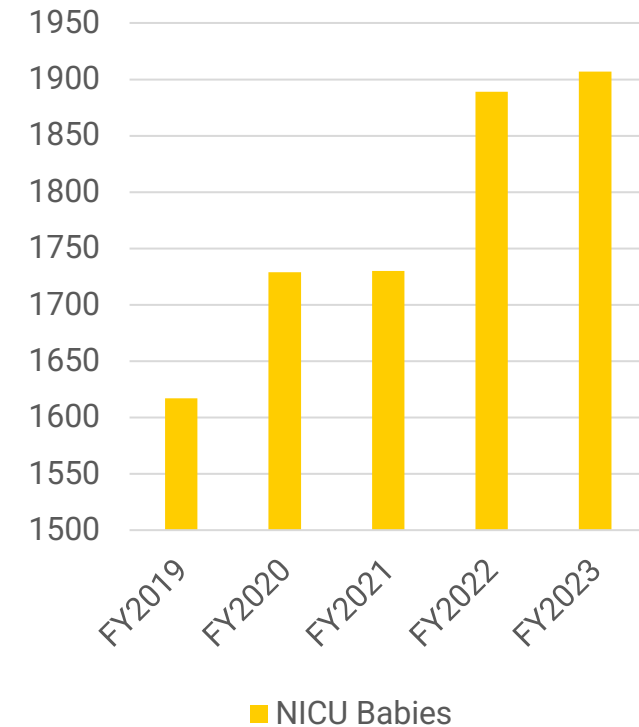


Patients requiring an antepartum stay



of patients who delivered at UIHC in FY2023 required inpatient care before delivering their baby

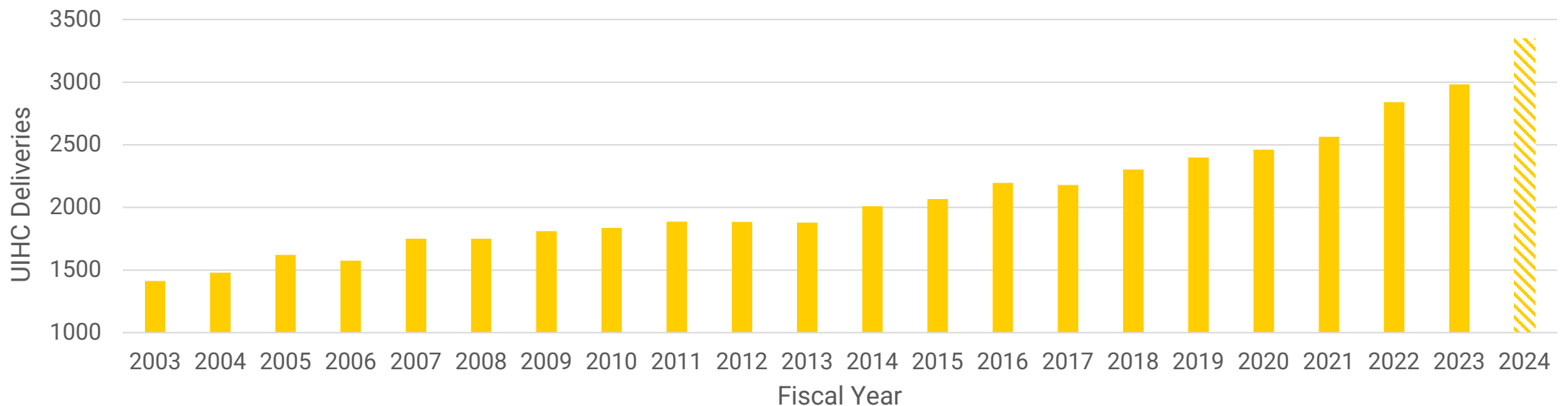
More babies require NICU care



Anticipated changes in community health care will further challenge UIHC's capacity

Amid projected growth in need for UIHC obstetrics patients, we are committed to ensuring pregnant people can continue to receive care and deliver their babies at UIHC

Growth since last UIHC Labor and Delivery Expansion (FY2003)



UIHC will continue innovating to meet obstetric health care needs



Facility Plans

- Plans to build more labor & delivery rooms and more postpartum rooms



Community Support

- Mobile simulation unit for rural hospitals
- Iowa City Free Medical Clinic



Education & Training

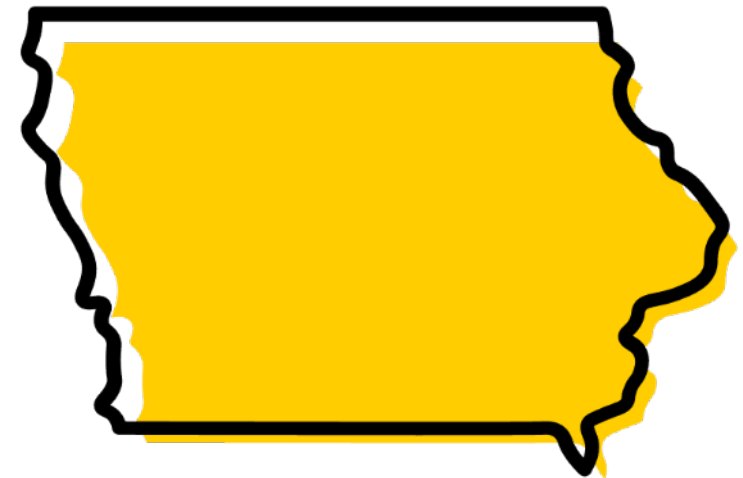
- Certified Nurse Midwifery Training Program
- Family Medicine OB-GYN Operative Fellowship

A Partnership to Support Rural Iowa

FY 25 STATE APPROPRIATION REQUEST

Investing in the health of Iowans

- Expand Iowa's health care workforce
- Expand the delivery of health care
- Improve health outcomes of Iowa's rural population in the critical areas:
 - **Mental health**
 - **Maternal health and primary care**
 - **Substance use**



Animal Assisted Therapy Programs at UIHC

Kimberly Hunter, DNP, MBA, RN, NEA-BC
Interim Associate Vice President, UI Health Care
& CEO, UI Hospitals & Clinics

Animal Assisted Therapy Programs at UIHC



Benefits for Patients

- Relationships with animals have a positive influence on health
- Interacting with pets can
 - Lower blood pressure
 - Reduce stress
 - Decrease loneliness
 - Enhance feelings of well-being



Furry Friends

- Dogs and handlers are volunteers
- Social visits from pets to cheer up patients and provide staff support
- Family Pet Visitation Program
- Certified Dog Visitation Program



Facility Dog Program

- Dogs Nacho and Corrin are part of UI Stead Family Children's Hospital health care team
- Handled by Child Life Specialists Emily and Aly
- Trained service dogs that help children achieve specific clinical goals

Stead Family Children's Hospital Facility Dog Program



Financial Update

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Mark Henrichs, CPA, MHA

Associate Vice President

& Chief Financial Officer, UI Health Care

Volume and Financial Highlights

September FY24

THROUGH September 2023

Key Volumes

- Discharges: + 2.2% vs budget | + 1.6% vs prior year
- Patient Days: - 5.0% vs budget | - 2.6% vs prior year
- Surgeries: + 3.1% vs budget | + 5.0% vs prior year
- Clinic Visits: - 0.4% vs budget | + 5.8% vs prior year

Acuity

- Case Mix Index: 2.37

Length of Stay Index

- Adult: 0.97
- Pediatrics: 0.99

Gross Patient Revenue

- -0.1% below budget year-to-date
 - Inpatient: -2.4% vs budget
 - Outpatient: +1.6% vs budget

Accounts Receivable

- Days in Net AR - 44.3 days

Salary Expenses

- 2.7% below budget

Non-Salary Expenses

- 0.6% below budget

Operating Margin

- Actual 10.2% vs goal of 8.6%
- Actual -1.3% vs goal of -1.6% (Without Directed Payment)

Comparative Financial Results

FISCAL YEAR TO DATE: September 2023

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Revenues							
Net Patient Revenue	595.3	605.0	563.5	(9.8)	-1.6%	31.8	5.6%
Directed Payment Revenue	78.6	68.9	83.0	9.7	14.1%	(4.4)	-5.3%
Other Operating Revenue	17.4	15.6	13.8	1.8	11.5%	3.7	26.7%
Net Operating Revenue	691.3	689.6	660.3	1.8	0.3%	31.1	4.7%
Operating Expenses							
Salaries & Wages	272.9	280.4	248.7	(7.5)	-2.7%	24.1	9.7%
General Expenses	314.0	315.8	307.5	(1.8)	-0.6%	6.5	2.1%
Depreciation & Amortization	33.9	34.2	33.3	(0.3)	-1.0%	0.6	1.8%
Total Operating Expenses	620.7	630.4	589.5	(9.7)	-1.5%	31.2	5.3%
Operating Income	70.7	59.2	70.8	11.4	19.3%	(0.1)	-0.1%
Operating Margin %	10.2%	8.6%	10.7%	1.6%		-0.5%	
Operating Income w/o Dir Pmts	(8.0)	(9.7)	(12.3)	1.7	17.8%	4.3	-35.2%
Operating Margin % w/o Dir Pmts	-1.3%	-1.6%	-2.1%	0.3%		0.8%	
Gain (Loss) on Investments	(13.7)	11.8	(10.9)	(25.4)	-216.3%	(2.8)	25.6%
Other Non-Operating Gain (Loss)	(6.7)	(6.5)	(5.4)	(0.2)	-3.2%	(1.3)	-23.7%
Net Income	50.3	64.5	54.5	(14.2)	-22.0%	(4.2)	-7.7%
Net Margin	7.5%	9.3%	8.5%	-1.8%		-1.0%	

Key Metrics

	FY24 Aug YTD	FY24 Sep YTD	Moody's Medians
Financial Operations			
Operating Margin	8.8%	9.4%	1.5%
Financial – Liquidity			
Days Cash on Hand	282	269	262
Financial – Leverage			
Debt to Capitalization	19.1%	18.6%	23.2%

Operating margin without Directed Payment

- FY24 Aug YTD = -1.5%
- FY24 Sep YTD = -2.3%

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Thank you

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