

Contact: Andrea Anania

CAPITAL FOR UNIVERSITY OF IOWA HEALTH SYSTEM

Action Requested: Recommend the Board authorize University of Iowa Health Care to transfer up to an additional \$25 million to the University of Iowa Health System for the purpose of continuing the development of network activities through itself and its subsidiary companies in support of the clinical, academic, and research programs of the University of Iowa Roy J. and Lucille A. Carver College of Medicine and University of Iowa Health Care's clinical enterprise.

Background and Analysis: On December 2, 1994, the University of Iowa established the University of Iowa Health System (UIHS). UIHS is an Iowa nonprofit corporation formed to support the clinical, academic, and research programs of the University of Iowa Carver College of Medicine (CCOM), University of Iowa Physicians (UIP), and University of Iowa Health Care's clinical enterprise (UIHC) (collectively, "University of Iowa Health Care".)

Over time, the Board has authorized UIHC and CCOM to transfer funds for investment in UIHS. The most recent authorization was on September 18, 2019, when the Board authorized UIHC and CCOM to transfer up to \$25,000,000 for UIHS activities that supported the mission of UI Health Care. These funds focused on development of UI Health Care's participation in a joint venture with Encompass Health, a national leader in the provision of inpatient rehabilitation services, to establish an inpatient rehabilitation hospital to serve Johnson County and the surrounding area.

This joint venture has led to the successful establishment of the UI Health Network Rehabilitation Hospital.

Currently, UIHS is pursuing two potential purposes:

- ▶ As previously approved by the Iowa Board of Regents, UI Health Care is purchasing the assets of Mission Cancer + Blood. UIHS will support this effort to expand UI Health Care's comprehensive cancer care network to better serve Iowa's elevated cancer rates. A portion of the proposed transfer will support initial capitalization requirements to integrate Mission's operations and ensure continuation of high-quality cancer care; and
- ▶ Support ongoing capitalization requirements for the operations of UIHS, including home care services, complex infusion therapy services, clinical care services, UI Health Network Rehabilitation Hospital inpatient rehabilitation services, and future strategic opportunities in the support of UI Health Care's mission to enhance access to high-quality health care and strengthen academic and clinical research programs for Iowans.

To date, UIHS initiatives have been successful in supporting the clinical, academic, and research programs of UI Health Care. We continue to believe that this approach of emphasizing collaboration with existing providers and sharing evidenced-based best practices will result in the higher quality and more cost-efficient means to deliver care to Iowans. In addition, initiatives like Mission Cancer + Blood will provide a vehicle to more efficiently and effectively perform research on health issues facing Iowans and provide new educational settings for students. We continue to look for appropriate opportunities to collaborate with other providers and/or to further develop UIHS services to enhance access to complex care regardless of where they live.

As with the practice followed to date, funds authorized by the Iowa Board of Regents will remain within the University until specific needs are identified and authorized by the UIHS Board of Directors or Executive Committee.

This requested action is consistent with the goals of University of Iowa Health Care strategic plan and the use of UIHS to support that mission.