University of Iowa Health Care

Presentation to the Iowa Board of Regents

November 11-12, 2026

CHANGING MEDICINE.
CHANGING LIVES.®

Proposed naming

Honoring Richard O. Jacobson and his philanthropic legacy



ORIGINAL PLAN: TOWER

- 8 years
- Net 180 beds
- $2.2 billion

MODIFIED PLAN: CAMPUS REVITALIZATION

- 4 years
- Nearly 100 beds
- $400 million



ORIGINAL PLAN: TOWER

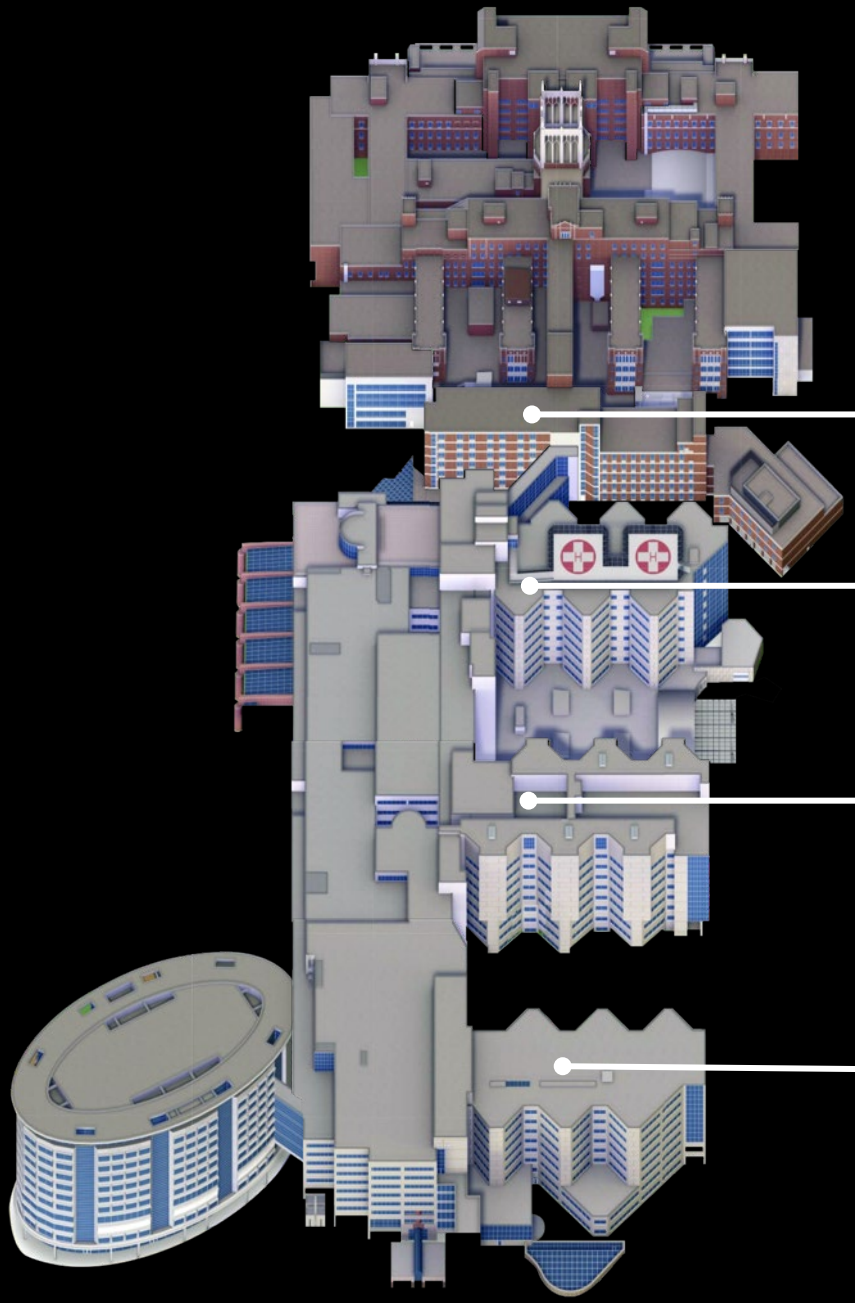
- 8 years
- Net 180 beds
- $2.2 billion

MODIFIED PLAN: CAMPUS REVITALIZATION

- 4 years
- Nearly 100 beds
- $400 million

23,000 patients served sooner

Spaces being evaluated



SOUTH WING
- Floor 2
- Floor 3

ROY CARVER PAVILION
- Floor 8
- Multiple units for backfill (services moving off campus)

JOHN COLLOTON PAVILION
- Floor 1

JOHN PAPPAJOHN PAVILION
- Vertical expansion
- Multiple units for backfill (services moving off campus)




IOWA
HEALTH CARE


IOWA
HEALTH CARE
CHANGIN
MEDICIN
CHANGI
Soiled Work
7712



Conceptual rendering



Health System Update

Pediatric clinical care, education, and research at UI Health Care

IOWA'S TOP CHILDREN'S HOSPITAL

As named by *U.S. News & World Report*

IOWA HEALTH CARE | Stead Family Children's Hospital





Hazen family

Muscatine, Iowa

All three siblings received life-saving intensive care


CLINICAL CARE
Providing access to patient care services
EDUCATION AND TRAINING
RESEARCH AND INNOVATION
Music Therapist



Pediatric specialty care

We’re Iowa’s only comprehensive children’s hospital, offering the highest level of care for children and their families



A full spectrum of care

From routine conditions to the most complex and rare diseases, specialized services include:

- Pediatric cardiology
- Pediatric neurosurgery and neurology
- Pediatric cancer and blood disease
- Pediatric neonatology
- Pediatric nephrology
- Pediatric urology
- Pediatric otolaryngology
- Pediatric diabetes and endocrinology
- Pediatric and adolescent behavioral health
- Pediatric orthopedics
- Advanced surgical care

Iowa's pediatric cardiology specialists

From fetal heart evaluation to adult congenital heart transitions, care is connected across every stage of life

Only health system in Iowa that provides pediatric heart transplant and single-ventricle heart surgery services





Jaylee Bartleson

Nevada, Iowa

Needed heart transplant surgery at 10 months old



Iowa's pediatric neurosurgery specialists

Experts at treating conditions affecting the brain and spinal cord, including the most complex neurosurgical care

Leading the adoption of minimally invasive techniques in pediatric neurosurgery



Javen Veenstra

Oskaloosa, Iowa

Pioneering surgical approach stopped seizures that threatened his life



Iowa's pediatric cancer and blood disease specialists

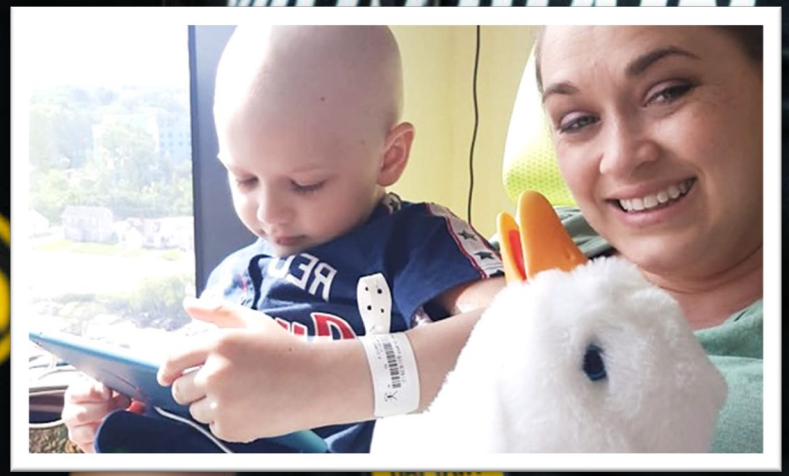
Pediatric oncology team is specially trained to treat childhood cancers and blood disorders, including leukemia, lymphoma, brain tumors, and solid tumors

Connected to national clinical trial networks that provide access to promising new therapies not yet widely available

Charlie Price

Cedar Rapids, Iowa

A life-saving bone marrow transplant helped defeat a blood disorder



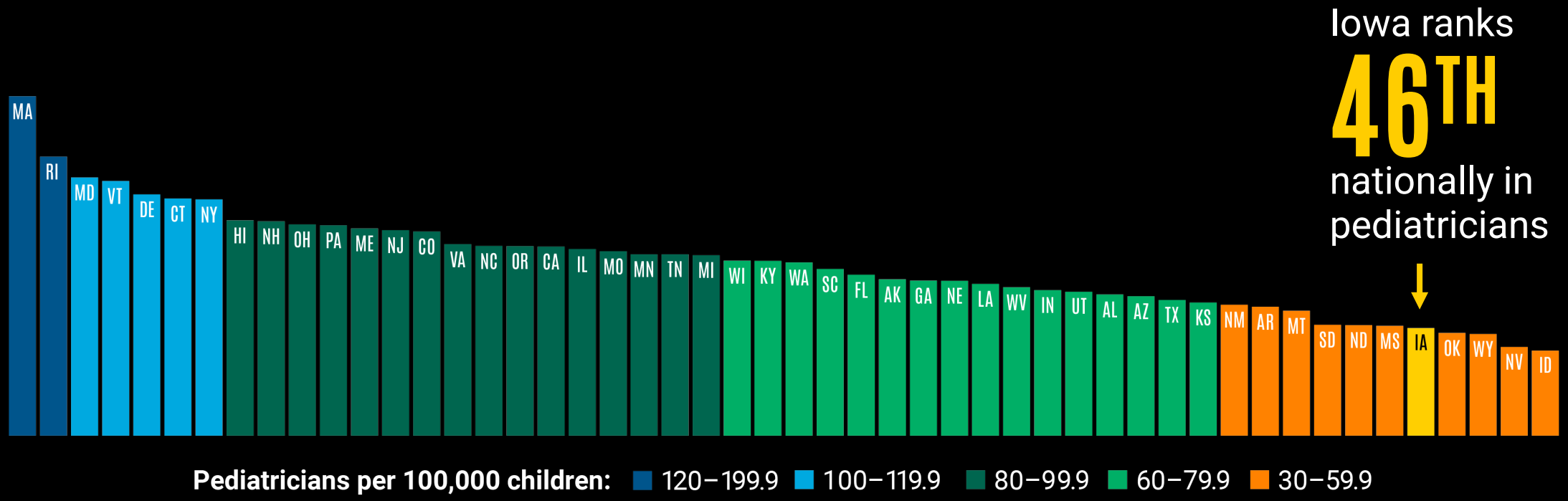

CLINICAL CARE
EDUCATION AND TRAINING
Training the next generation of Iowa's physicians and scientists
RESEARCH AND INNOVATION



Children are not just small adults

Their physiology, psychology,
and health care needs
are fundamentally different

Why training, recruiting, and retaining pediatricians is important for Iowa families



American Board of Pediatrics, Pediatricians per 100,000 children

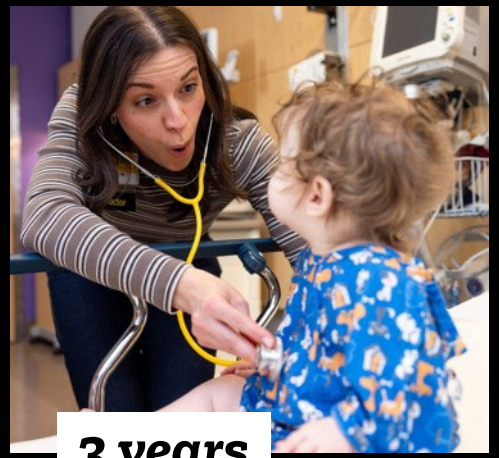
Where Iowa's pediatricians train

54% of pediatricians in Iowa graduated from a program affiliated with UI

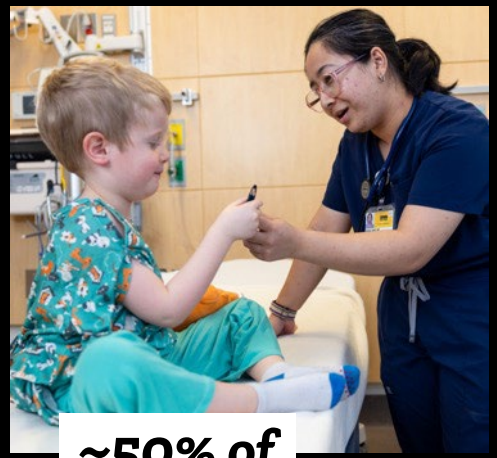
53 total resident physicians training in a pediatrics program at UI Health Care

21 total resident physicians training in pediatrics at Blank Children's Hospital, a residency program affiliated with UI Health Care

Pathway from medical school to practice at UI Health Care



3 years training



~50% of graduates pursue subspecialties



~50% of graduates enter practice directly

Evidence-based curriculum | Broad clinical exposure | Patient panel in continuity clinic | Personalized mentorship



“There’s a huge need for pediatric providers all over the state. I definitely see myself staying in Iowa.”

Spencer Peterson, MD

Hometown: Boone, Iowa

Resident physician, Department of Pediatrics

After his son’s heart transplant, he found a deeper calling in pediatrics


CLINICAL CARE
EDUCATION AND TRAINING
RESEARCH AND INNOVATION
Driving advances in science and medicine

Breakthrough therapy for kidney disease emerges

Two first-of-their kind therapies for C3G, a life-threatening kidney disease, recently became available

Pioneering work was led by Iowa physician-scientists **Carla Nester, MD,** and **Richard Smith, MD**

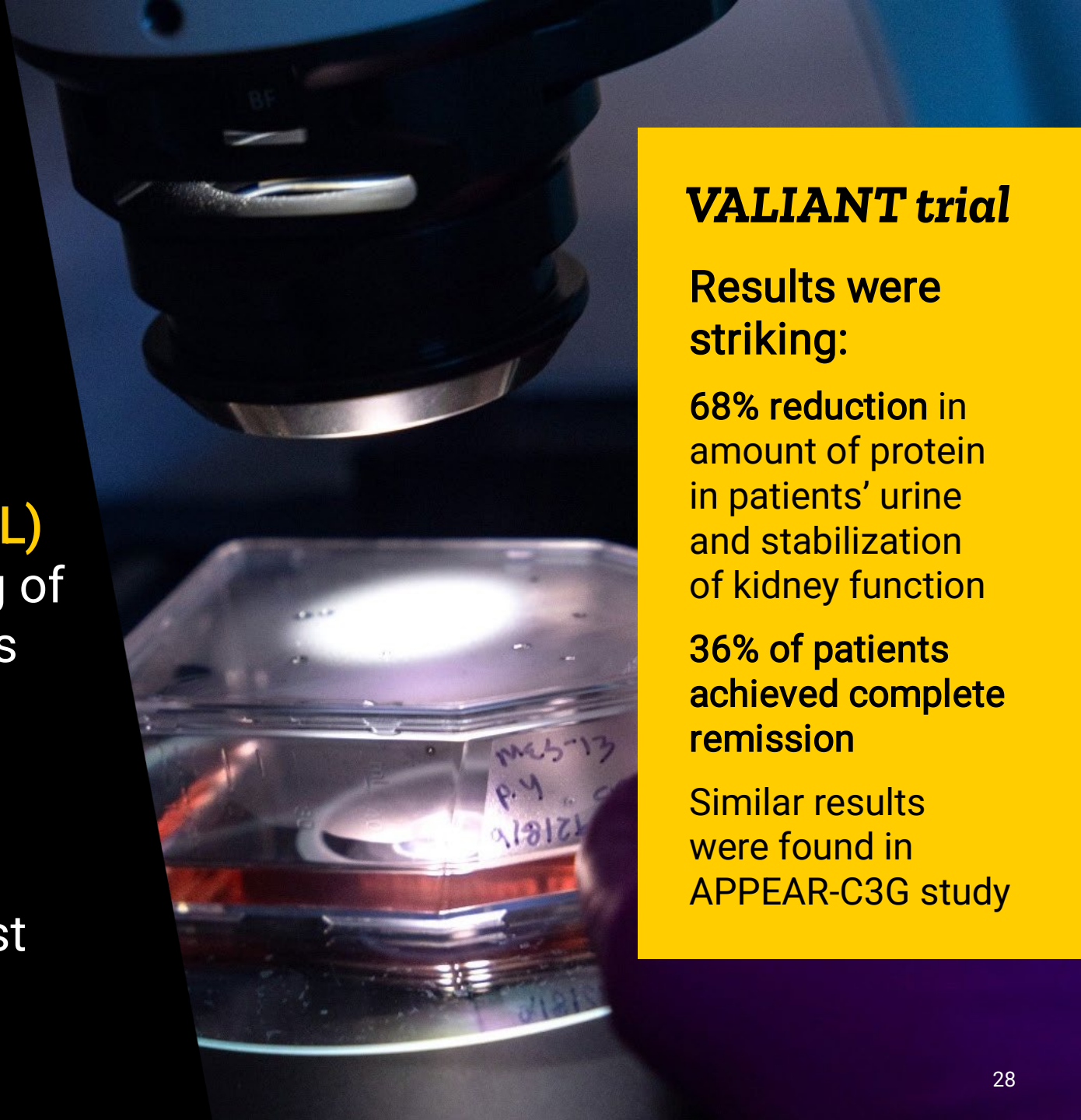


Global leader in rare kidney disease

Molecular Otolaryngology and Renal Research Laboratories (MORL) was involved in early-stage testing of drug compounds for new therapies

UI was lead recruitment center for VALIANT clinical trial and APPEAR-C3G study

Work at Iowa helped provide robust evidence of drugs' efficacy



VALIANT trial

Results were striking:

68% reduction in amount of protein in patients' urine and stabilization of kidney function

36% of patients achieved complete remission

Similar results were found in APPEAR-C3G study



“I am so thankful for the work that Dr. Nester and Dr. Smith and their teams have put in to find this option for people like me.”

Jocelyn Meagher

Diagnosed with rare kidney disease in middle school. Current biomedical engineering and pre-med student at Iowa

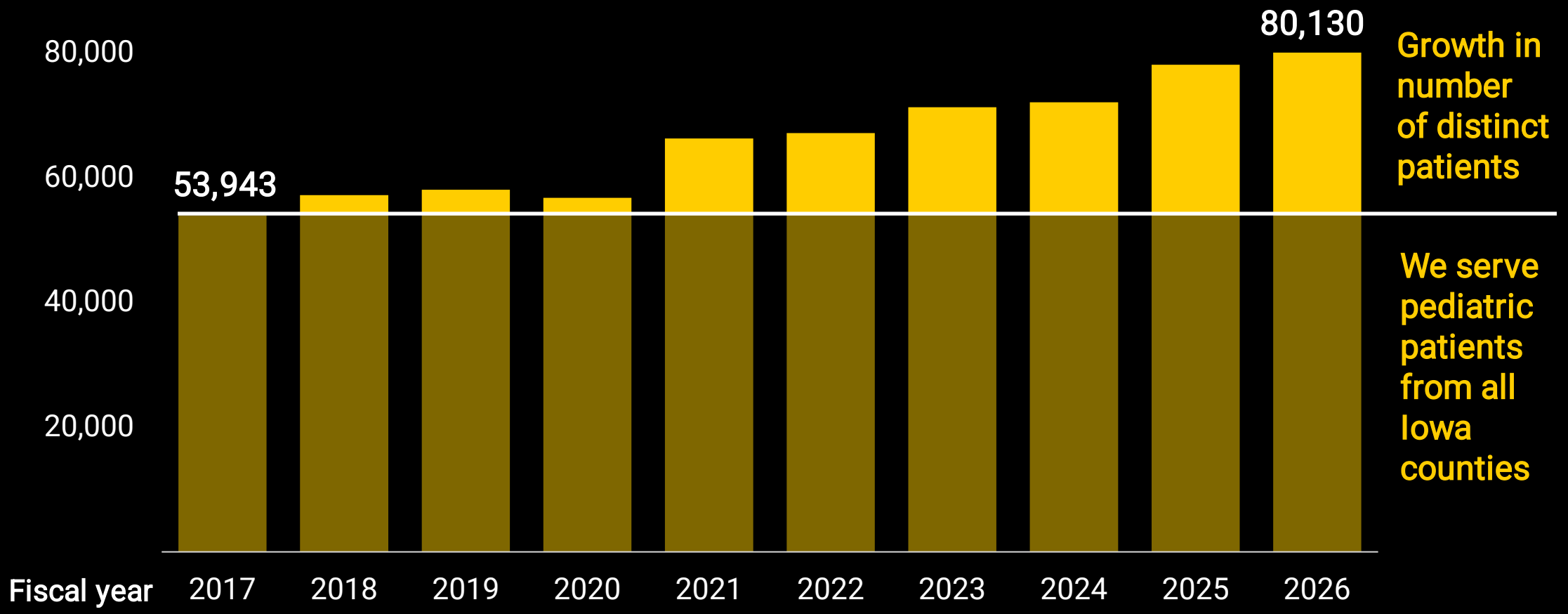
Operational Update



STATEWIDE LEADER FOR PEDIATRIC CARE

Caring for Iowa's children at every stage of need

Stead Family Children's Hospital continues to serve more patients each year



Addressing Iowa's most pressing pediatric care needs at every stage

Level of neonatal care by county in Iowa

Highest neonatal care level available

- Level I
- Level II
- Level III
- Level IV



Neonatal Care Levels / Source: Iowa Health & Human Services

Neonatal Intensive Care Unit (NICU) expansion was designed to help address growing needs



Increases capacity from 88 to 109 beds



Spaces to support team-based care



Dedicated family and sibling areas

Pediatric Intensive Care Unit (PICU) is consistently busy, reflecting additional needs for specialized care



Provides two-thirds of Iowa's PICU beds



Cares for sickest children across Iowa



Supports advanced pediatric cardiac care

Inside pediatric intensive care units:

Caring for critically ill patients from newborn to 18 years

Medical subspecialties include:

Cardiology

Gastroenterology

Nephrology

Hematology/Oncology

Neurology

Pulmonology

Surgical subspecialties include:

Cardiothoracic

Neurosurgery

Otolaryngology

Orthopedics

Organ transplant

Trauma

Advanced support includes:

Hemofiltration
Kidney replacement therapy

Ventilation
Breathing assistance

ECMO
Heart-lung bypass system

Ventricular assist devices
Heart pumps

Open-heart surgery changed Evan's life

Heartwarming progress of Evan Zenisek's journey from surgery to recovery







Yuki Nakamura, MD

Cardiothoracic Surgeon

When Iowa's children need the highest level of care, they come to UI Health Care



Statewide resource

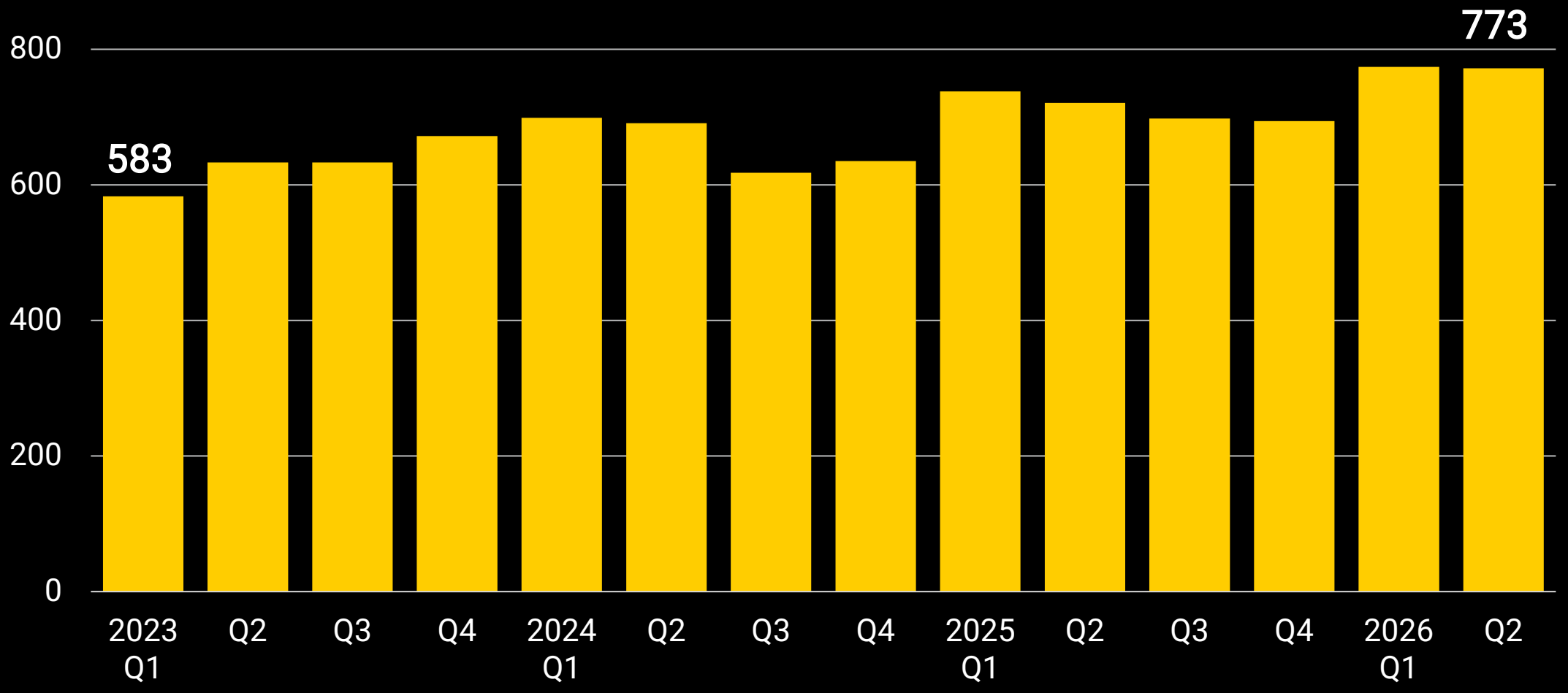


Specialized expertise



Growing demand

Completed pediatric transfers highlight growing demand for care



Providing access to pediatric care for Iowans across the UI Health Care system



Medical Center University

Medical Center Downtown

Medical Center North Liberty

Financial Performance

Volume and financial highlights

Fiscal year 2027 through September

Key Volumes

Discharges: + 0.8% vs budget | + 3.0% vs prior year
Patient Days: - 1.2% vs budget | + 1.3% vs prior year
Surgeries: + 0.7% vs budget | + 5.8% vs prior year
Clinic Visits: - 1.5% vs budget | + 4.2% vs prior year

Care Intensity

Case Mix Index: 2.36

Operating Margin

Actual: - 1.5% vs goal of - 3.8% (w/o Directed Payment)
Actual: + 9.1% vs goal of + 7.1%

Gross Patient Revenue

+0.7% vs budget

- Inpatient: + 1.3% vs budget
- Outpatient: + 0.4% vs budget

Accounts Receivable

Days in Net AR: 47 days

Salary Expenses

2.4% below budget

Non-Salary Expenses

3.2% below budget

Financial results

FY27 through September, in millions

	Actual	Budget	Variance to Budget	% Variance to Budget
Operating Revenues				
Net Patient Revenue	$ 916.5	$ 923.9	-$ 7.3	-0.8%
Directed Payment Revenue	110.3	110.3	0.0	0.0%
Other Operating Revenue	22.0	19.7	2.3	11.6%
Net Operating Revenue	**$ 1,048.8**	**$ 1,053.8**	**-$ 5.1**	**-0.5%**
Operating Expenses				
Salaries & Wages	$ 360.7	$ 369.4	($ 8.7)	-2.4%
General Expenses	534.5	551.9	(17.4)	-3.2%
Depreciation & Amortization	57.9	57.7	0.2	0.3%
Total Operating Expenses	**$ 953.0**	**$ 979.0**	**($ 26.0)**	**-2.7%**
Operating Income w/o Dir Pmts	**($ 14.5)**	**($ 35.5)**	**$ 21.0**	
Operating Margin % w/o Dir Pmts	**-1.5%**	**-3.8%**	**2.2%**	
Operating Income	**$ 95.8**	**$ 74.8**	**$ 21.0**	
Operating Margin %	**9.1%**	**7.1%**	**2.0%**	

The University of Iowa Health Care Clinical Enterprise is funded through revenues from the delivery of patient care and related services. It does not receive state appropriations.

Key metrics

	FY26 Jun YTD	FY27 Sep YTD	Moody's Medians
Financial Operations			
Operating Margin	7.4%	8.2%	3.5%
Financial – Liquidity			
Days Cash on Hand	220	222	256
Financial – Leverage			
Debt to Capitalization	19.3%	18.4%	21.7%

Operating margin without Directed Payment

- *FY26 Jun YTD = -4.6%*
- *FY27 Sep YTD = -2.6%*

From margin to mission

Our mission to serve the health care need of 3.2 million Iowans through:







Our margin is necessary to advance our mission.

Challenges include rapidly changing technology, capacity constraints, and aging facilities.
We must invest in cutting-edge technologies, increased capacity, and modernized facilities.

The University of Iowa Clinical Enterprise generates revenues primarily through the delivery of patient care and related services.
The Clinical Enterprise does not receive state appropriations.

We are investing in facility modernization and infrastructure to support patient care

Stead Family Children's Hospital was designed with shell space on the 7th and 8th floors for future expansion.

The $80 million NICU expansion and relocation approved in 2024 will complete these floors and expand neonatal and pediatric care capacity from 88 to 109 beds.



IOWA HEALTH CARE

Thank you

→ uihc.org

IOWA HEALTH CARE

Task Force on UI Health Care/Mission Cancer Care for Patients