

# ***University of Iowa Health Care***

***Presentation to  
The Board of Regents, State of Iowa  
March 23, 2011***

- Opening Remarks (Robillard)
- Operational and Financial Performance (Kates and Fisher)



## *Opening Remarks*

Jean Robillard, MD  
Vice President for Medical Affairs



## ***Operating and Financial Performance Update***

Ken Kates, Chief Executive Officer  
UI Hospitals & Clinics

Ken Fisher, Associate Vice President for Finance  
and Chief Financial Officer

# Volume Indicators

## July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	17,549	17,348	16,994	201	1.2% ○	555	3.3% ●
Patient Days	116,658	109,436	106,434	7,222	6.6% ●	10,224	9.6% ●
Length of Stay	6.57	6.25	6.20	0.32	5.1% ●	0.37	6.0% ●
Average Daily Census	542.60	509.01	495.04	33.59	6.6% ●	47.56	9.6% ●
Surgeries – Inpatient	6,649	6,426	6,331	223	3.5% ●	318	5.0% ●
Surgeries – Outpatient	8,936	8,058	8,038	878	10.9% ●	898	11.2% ●
Emergency Treatment Center Visits	32,506	29,923	29,995	2,583	8.6% ●	2,511	8.4% ●
Outpatient Clinic Visits	457,223	457,464	435,992	(241)	-0.1% ○	21,231	4.9% ●
Case Mix	1.7867	1.7780	1.7779	0.0087	0.5%	0.0088	0.5%
Medicare Case Mix	1.9749	2.0271	1.9943	(0.0522)	-2.6%	(0.0194)	-1.0%

 Greater than 2.5% Favorable     
  Neutral     
  Greater than 2.5% Unfavorable

# Discharges by Type

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5,975	5,854	5,712	121	2.1% ○	263	4.6% ●
Adult Surgical	7,910	7,794	7,592	116	1.5% ○	318	4.2% ●
Adult Psych	937	1,011	997	(74)	-7.3% ●	(60)	-6.0% ●
<i>Subtotal – Adult</i>	<i>14,822</i>	<i>14,659</i>	<i>14,301</i>	<i>163</i>	<i>1.1% ○</i>	<i>521</i>	<i>3.6% ●</i>
Pediatric Medical	1,815	1,806	1,825	9	0.5% ○	(10)	-0.6% ●
Pediatric Surgical	120	105	99	15	14.3% ●	21	21.1% ●
Pediatric Critical Care	474	512	493	(38)	-7.4% ●	(19)	-3.9% ●
Pediatric Psych	318	266	276	52	19.6% ●	42	15.2% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>2,727</i>	<i>2,689</i>	<i>2,693</i>	<i>38</i>	<i>1.4% ○</i>	<i>34</i>	<i>1.3% ○</i>
Newborn	822	797	778	25	3.1% ●	44	5.7% ●
<b>TOTAL w/o Newborn</b>	<b>17,549</b>	<b>17,348</b>	<b>16,994</b>	<b>201</b>	<b>1.2% ○</b>	<b>555</b>	<b>3.3% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Discharge Days by Type

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	35,351	33,172	32,187	2,179	6.6% ●	3,164	9.8% ●
Adult Surgical	41,782	40,084	38,508	1,698	4.2% ●	3,274	8.5% ●
Adult Psych	11,307	11,382	11,837	(75)	-0.7% ○	(530)	-4.5% ●
<i>Subtotal – Adult</i>	<i>88,440</i>	<i>84,638</i>	<i>82,532</i>	<i>3,802</i>	<i>4.5% ●</i>	<i>5,908</i>	<i>7.2% ●</i>
Pediatric Medical	10,445	9,177	8,464	1,268	13.8% ●	1,981	23.4% ●
Pediatric Surgical	767	901	801	(134)	-14.9% ●	(34)	-4.2% ●
Pediatric Critical Care	13,341	11,732	11,643	1,609	13.7% ●	1,698	14.6% ●
Pediatric Psych	2,258	2,054	1,990	204	9.9% ●	268	13.5% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>26,811</i>	<i>23,864</i>	<i>22,898</i>	<i>2,947</i>	<i>12.4% ●</i>	<i>3,913</i>	<i>17.1% ●</i>
Newborn	1,834	1,793	1,740	41	2.3% ○	94	5.4% ●
<b>TOTAL w/o Newborn</b>	<b>115,251</b>	<b>108,502</b>	<b>105,430</b>	<b>6,749</b>	<b>6.2% ●</b>	<b>9,821</b>	<b>9.3% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Average Length of Stay by Type

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.92	5.67	5.63	0.25	4.4% ●	0.29	5.2% ●
Adult Surgical	5.28	5.14	5.07	0.14	2.7% ●	0.21	4.1% ●
Adult Psych	12.07	11.26	11.87	0.81	7.2% ●	0.20	1.7% ○
Subtotal – Adult	5.97	5.77	5.77	0.20	3.5% ●	0.20	3.5% ●
Pediatric Medical	5.75	5.08	4.64	0.67	13.2% ●	1.11	23.9% ●
Pediatric Surgical	6.39	8.58	8.09	(2.19)	-25.5% ●	(1.70)	-21.0% ●
Pediatric Critical Care	28.15	22.91	23.62	5.24	22.9% ●	4.53	19.2% ●
Pediatric Psych	7.10	7.72	7.21	(0.62)	-8.0% ●	(0.11)	-1.5% ●
Subtotal – Pediatrics w/o newborn	9.83	8.87	8.50	0.96	10.8% ●	1.33	15.7% ●
Newborn	2.23	2.25	2.24	(0.02)	-0.9% ○	(0.01)	-0.5% ○
<b>TOTAL w/o Newborn</b>	<b>6.57</b>	<b>6.25</b>	<b>6.20</b>	<b>0.32</b>	<b>5.1% ●</b>	<b>0.37</b>	<b>6.0% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Outpatient Surgeries – by Clinical Department

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	46	41	43	5	12.2% ●	3	7.0% ●
Dentistry	318	331	357	(13)	-3.9% ●	(39)	-10.9% ●
Dermatology	28	34	37	(6)	-17.7% ●	(9)	-24.3% ●
General Surgery	1,497	1,244	1,189	253	20.3% ●	308	25.9% ●
Gynecology	438	440	424	(2)	-0.4% ○	14	3.3% ●
Internal Medicine	3	5	5	(2)	-40.0% ●	(2)	-40.0% ●
Neurosurgery	293	266	260	27	10.2% ●	33	12.7% ●
Ophthalmology	1,909	1,794	1,836	115	6.4% ●	73	4.0% ●
Orthopedics	2,194	1,965	1,977	229	11.6% ●	217	11.0% ●
Otolaryngology	1,345	1,230	1,212	115	9.3% ●	133	11.0% ●
Pediatrics	-	1	2	(1)	-100.0% ●	(2)	-100.0% ●
Radiology – Interventional	15	25	34	(10)	-40.0% ●	(19)	-55.9% ●
Urology w/ Procedure Ste.	850	682	662	168	24.6% ●	188	28.4% ●
<b>Total</b>	<b>8,936</b>	<b>8,058</b>	<b>8,038</b>	<b>878</b>	<b>10.9% ●</b>	<b>898</b>	<b>11.2% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Inpatient Surgeries – by Clinical Department

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	640	703	693	(63)	-9.0% ●	(53)	-7.6% ●
Dentistry	70	74	69	(4)	-5.4% ●	1	1.4% ○
General Surgery	1,887	1,627	1,509	260	16.0% ●	378	25.0% ●
Gynecology	444	472	496	(28)	-5.9% ●	(52)	-10.5% ●
Neurosurgery	975	959	972	16	1.7% ○	3	0.3% ○
Ophthalmology	93	74	62	19	25.7% ●	31	50.0% ●
Orthopedics	1,628	1,579	1,592	49	3.1% ●	36	2.3% ○
Otolaryngology	444	402	379	42	10.5% ●	65	17.2% ●
Pediatrics	-	-	-	-	0.0% ○	-	0.0% ○
Radiology – Interventional	63	127	159	(64)	-50.4% ●	(96)	-60.4% ●
Urology w/ Procedure Ste.	405	409	400	(4)	-1.0% ○	5	1.3% ○
<b>Total</b>	<b>6,649</b>	<b>6,426</b>	<b>6,331</b>	<b>223</b>	<b>3.5% ●</b>	<b>318</b>	<b>5.0% ●</b>

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Emergency Treatment Center

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ETC Visits	32,506	29,923	29,995	2,583	8.6% ●	2,511	8.4% ●
ETC Admits	8,558	7,738	7,617	820	10.6% ●	941	12.4% ●
Conversion Factor	26.3%	25.9%	25.4%		1.5% ○		3.5% ●
ETC Admits / Total Admits	48.9%	44.8%	44.9%		9.2% ●		8.9% ●

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Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

# Clinic Visits by Clinical Department

July 2010 through January 2011

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Anesthesia	9,000	9,780	9,255	(780)	-8.0%	(255)	-2.8%
CDD	13,097	4,482	4,114	8,615	192.2%	8,983	218.4%
Clinical Research	6,305	6,804	7,019	(499)	-7.3%	(714)	-10.2%
Dermatology	14,773	15,295	14,638	(522)	-3.4%	135	0.9%
ETC	32,506	31,475	29,995	1,031	3.3%	2,511	8.4%
Employee Health Clinic	9,845	8,900	8,576	945	10.6%	1,269	14.8%
Family Care Center	52,194	57,286	57,763	(5,092)	-8.9%	(5,569)	-9.6%
General Surgery	13,640	14,186	16,547	(546)	-3.9%	(2,907)	-17.6%
Heart and Vascular	21,385	20,117	-	1,268	6.3%	21,385	100.0%
Hospital Dentistry	7,414	7,382	7,012	32	0.4%	402	5.7%
Internal Medicine	60,085	58,887	68,842	1,198	2.0%	(8,757)	-12.7%
Neurology	9,503	10,889	10,139	(1,386)	-12.7%	(636)	-6.3%
Neurosurgery	5,336	5,527	5,431	(191)	-3.5%	(95)	-1.8%
Obstetrics/Gynecology	42,778	45,504	43,856	(2,726)	-6.0%	(1,078)	-2.4%
Ophthalmology	38,106	38,726	37,673	(620)	-1.6%	433	1.2%
Orthopedics	34,303	34,249	32,256	54	0.2%	2,047	6.4%
Otolaryngology	15,629	16,885	15,569	(1,256)	-7.4%	60	0.4%
Pediatrics	25,365	24,324	22,652	1,041	4.3%	2,713	12.0%
Primary Care Clinic North	12,672	11,126	9,654	1,546	13.9%	3,018	31.3%
Psychiatry	23,956	25,430	23,944	(1,474)	-5.8%	12	0.1%
Thoracic – Cardio Surgery	17	-	1,623	17	100.0%	(1,606)	-98.9%
Urology	8,940	9,849	9,051	(909)	-9.2%	(111)	-1.2%
Other	374	361	383	13	3.6%	(9)	-2.4%
<b>Total</b>	<b>457,223</b>	<b>457,464</b>	<b>435,992</b>	<b>(241)</b>	<b>-0.1%</b>	<b>21,231</b>	<b>4.9%</b>



Greater than 2.5% Favorable

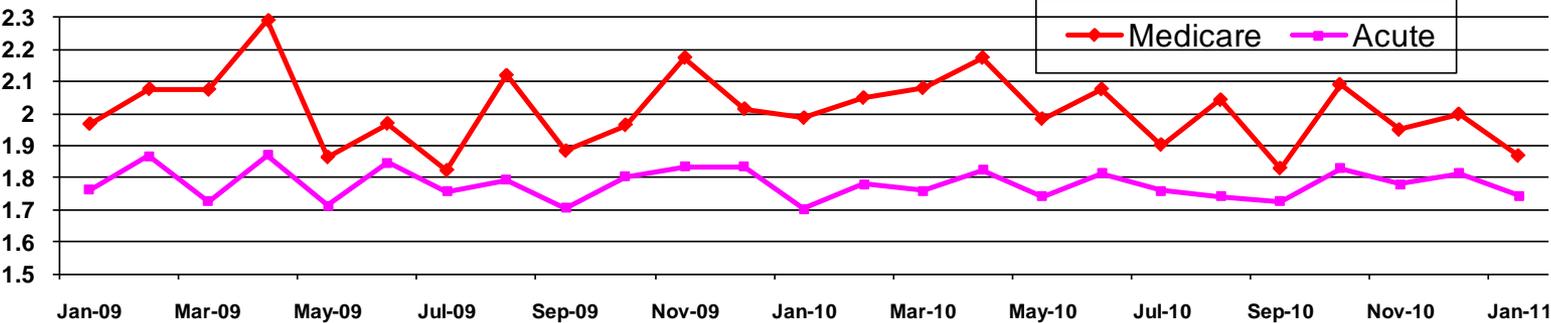


Neutral



Greater than 2.5% Unfavorable

# Case Mix Index



# UIHC Comparative Financial Results

Fiscal Year to Date January 2011



<b>NET REVENUES:</b>	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Variance to Budget</b>	<b>% Variance to Budget</b>	<b>Variance to Prior Year</b>	<b>% Variance to Prior Year</b>
Patient Revenue	\$577,930	\$560,203	\$516,716	\$17,727	3.2%	\$61,214	11.8%
Other Operating Revenue	28,782	28,311	26,987	471	1.7%	1,795	6.7%
<b>Total Revenue</b>	<b>\$606,712</b>	<b>\$588,514</b>	<b>\$543,703</b>	<b>\$18,198</b>	<b>3.1%</b>	<b>\$63,009</b>	<b>11.6%</b>

## EXPENSES:

Salaries and Wages	\$285,401	\$292,386	\$272,032	(\$6,985)	-2.4%	\$13,369	4.9%
General Expenses	238,553	238,388	215,592	165	0.1%	22,961	10.7%
Operating Expense before Capital	\$523,954	\$530,774	\$487,624	(\$6,820)	-1.3%	\$36,330	7.5%
<b>Cash Flow Operating Margin</b>	<b>\$82,758</b>	<b>\$57,740</b>	<b>\$56,079</b>	<b>\$25,018</b>	<b>43.3%</b>	<b>\$26,679</b>	<b>47.6%</b>
Capital- Depreciation and Amortization	40,417	42,628	42,937	(2,211)	-5.2%	(2,520)	-5.9%
Total Operating Expense	\$564,371	\$573,402	\$530,561	(\$9,031)	-1.6%	\$33,810	6.4%

<b>Operating Income</b>	<b>\$42,341</b>	<b>\$15,112</b>	<b>\$13,142</b>	<b>\$27,229</b>	<b>180.2%</b>	<b>\$29,199</b>	<b>222.2%</b>
<b>Operating Margin %</b>	<b>7.0%</b>	<b>2.6%</b>	<b>2.4%</b>		<b>4.4%</b>		<b>4.6%</b>
Gain (Loss) on Investments	23,991	9,416	22,484	14,575	154.8%	1,507	6.7%
Other Non-Operating	(4,142)	(3,621)	(2,650)	(521)	-14.4%	(1,492)	-56.3%
<b>Net Income</b>	<b>\$62,190</b>	<b>\$20,907</b>	<b>\$32,976</b>	<b>\$41,283</b>	<b>197.5%</b>	<b>\$29,214</b>	<b>88.6%</b>
<b>Net Margin %</b>	<b>9.9%</b>	<b>3.5%</b>	<b>5.9%</b>		<b>6.4%</b>		<b>4.0%</b>

# UIHC Comparative Financial Results

January 2011



<b>NET REVENUES:</b>	<b>Actual</b>	<b>Budget</b>	<b>Prior Year</b>	<b>Variance to Budget</b>	<b>% Variance to Budget</b>	<b>Variance to Prior Year</b>	<b>% Variance to Prior Year</b>
Patient Revenue	\$82,999	\$79,495	\$70,449	\$3,504	4.4%	\$12,550	17.8%
Other Operating Revenue	4,453	4,045	4,087	408	10.1%	366	9.0%
<b>Total Revenue</b>	<b>\$87,452</b>	<b>\$83,540</b>	<b>\$74,536</b>	<b>\$3,912</b>	<b>4.7%</b>	<b>\$12,916</b>	<b>17.3%</b>

## EXPENSES:

Salaries and Wages	\$41,878	\$41,900	\$38,407	(\$22)	-0.1%	\$3,471	9.0%
General Expenses	33,327	33,117	28,989	210	0.6%	4,338	15.0%
Operating Expense before Capital	\$75,205	\$75,017	\$67,396	\$188	0.2%	\$7,809	11.6%
<b>Cash Flow Operating Margin</b>	<b>\$12,247</b>	<b>\$8,523</b>	<b>\$7,140</b>	<b>\$3,724</b>	<b>43.7%</b>	<b>\$5,107</b>	<b>71.5%</b>
Capital- Depreciation and Amortization	5,859	6,090	6,031	(231)	-3.8%	(172)	-2.8%
Total Operating Expense	\$81,064	\$81,107	\$73,427	(\$43)	-0.1%	\$7,637	10.4%

<b>Operating Income</b>	<b>\$6,388</b>	<b>\$2,433</b>	<b>\$1,109</b>	<b>3,955</b>	<b>162.6%</b>	<b>\$5,279</b>	<b>476.0%</b>
<b>Operating Margin %</b>	<b>7.3%</b>	<b>2.9%</b>	<b>1.5%</b>		<b>4.4%</b>		<b>5.8%</b>
Gain (Loss) on Investments	6,207	1,337	476	4,870	364.2%	5,731	1,204.0%
Other Non-Operating	(522)	(517)	(236)	(5)	-1.0%	-286	-121.2%
<b>Net Income</b>	<b>\$12,073</b>	<b>\$3,253</b>	<b>\$1,349</b>	<b>\$8,820</b>	<b>271.1%</b>	<b>\$10,724</b>	<b>795.0%</b>
<b>Net Margin %</b>	<b>13.0%</b>	<b>3.9%</b>	<b>1.8%</b>		<b>9.1%</b>		<b>11.2%</b>

# Comparative Accounts Receivable at January 31, 2011

	June 30, 2009	June 30, 2010	January 31, 2011
Net Accounts Receivable	\$121,515,935	\$117,737,680	\$143,570,462
Net Days in AR	49	47	52

