



University of Iowa Health Care

***Presentation to
The Board of Regents, State of Iowa
February 6 - 7, 2013***

Agenda

- **Opening Remarks (Robillard)**
- **Carver College of Medicine: A New Era (Schwinn)**
- **Compliance Overview (Thoman)**
- **Operational & Financial Performance (Kates, Fisher)**



Opening Remarks

Jean Robillard, MD
Vice President for Medical Affairs



Carver College of Medicine: A New Era

Debra A. Schwinn, MD

Dean, Carver College of Medicine

Professor of Anesthesiology, Pharmacology & Biochemistry

CCOM: Economic Engine

In 2011, U.S. medical schools & their teaching hospitals had ...

- **Combined economic impact of \$587 billion**
- **Supported \$34 billion in total state revenues**
 - **Income taxes and local business commerce**
- **Supported ~3.5 million jobs directly or indirectly**
 - **1 in every 40 wage earners in U.S. works either directly / indirectly for a U.S. medical school or teaching hospital**
 - **Research grants provide 1 in every 500 jobs in state**
- ***Summary: academic health centers are economic engines for their states !***

Source: AAMC 2012 economic impact analysis of AAMC-member institutions by Tripp Umbach

Table 1. Summary of Economic, Employment, and Government Revenue Impact for AAMC Members, 2011

| State | Total Economic Impact | Total Employment Impact | Total Government Revenue Impact |
|----------------------|------------------------|-------------------------|---------------------------------|
| U.S. Total | \$587,293,004,740 | 3,489,435 | \$34,302,725,713 |
| Alabama | \$5,330,993,496 | 32,967 | \$300,453,947 |
| Arizona | \$9,783,041,405 | 51,897 | \$489,246,458 |
| Arkansas | \$2,367,846,023 | 18,807 | \$197,122,938 |
| California | \$49,201,512,761 | 264,046 | \$2,921,073,540 |
| Colorado | \$2,858,608,634 | 15,334 | \$108,050,966 |
| Connecticut | \$11,768,111,887 | 65,915 | \$724,790,589 |
| Delaware | \$2,277,923,801 | 15,310 | \$113,790,898 |
| District of Columbia | \$7,320,921,118 | 49,290 | \$1,041,793,206 |
| Florida | \$24,490,233,642 | 166,676 | \$1,211,629,554 |
| Georgia | \$12,359,469,277 | 83,483 | \$554,084,789 |
| Hawaii | \$234,380,204 | 1,736 | \$19,432,588 |
| Illinois | \$28,732,944,479 | 155,233 | \$1,478,370,705 |
| Indiana | \$9,030,962,138 | 55,456 | \$569,725,984 |
| Iowa | \$4,603,913,061 | 32,598 | \$255,075,329 |
| Kansas | \$2,424,026,111 | 15,303 | \$146,008,248 |
| Kentucky | \$4,773,906,414 | 27,517 | \$335,764,584 |

Note: Small portion of \$\$ reflect other systems in state that train residents, but CCOM / UIHC train >80% of all residents and fellows in Iowa.

Source: AAMC 2012 economic impact analysis AAMC-member institutions by Tripp Umbach

Personal Context

Arrival

- Happy to be at Iowa
- Enticing: national rank & moderate size
(*more nimble*)



Initial Process

- Listening!
- Met with vice deans, department heads, researchers, program directors, students, residents
- Fiscal reviews
- Gathering LOTS of information to create a strategic vision & action plan for next 7-10 years



Key Findings

- CCOM even stronger and better than I originally thought
- Many existing areas of excellence
- 2 - 3 areas where CCOM can, *and should*, lead the nation
- Several areas where building programs will be key

***DUAL mission is critical
(and a strength)!*** →



CCOM: Dual Mission



Serve Iowa



Lead the Nation

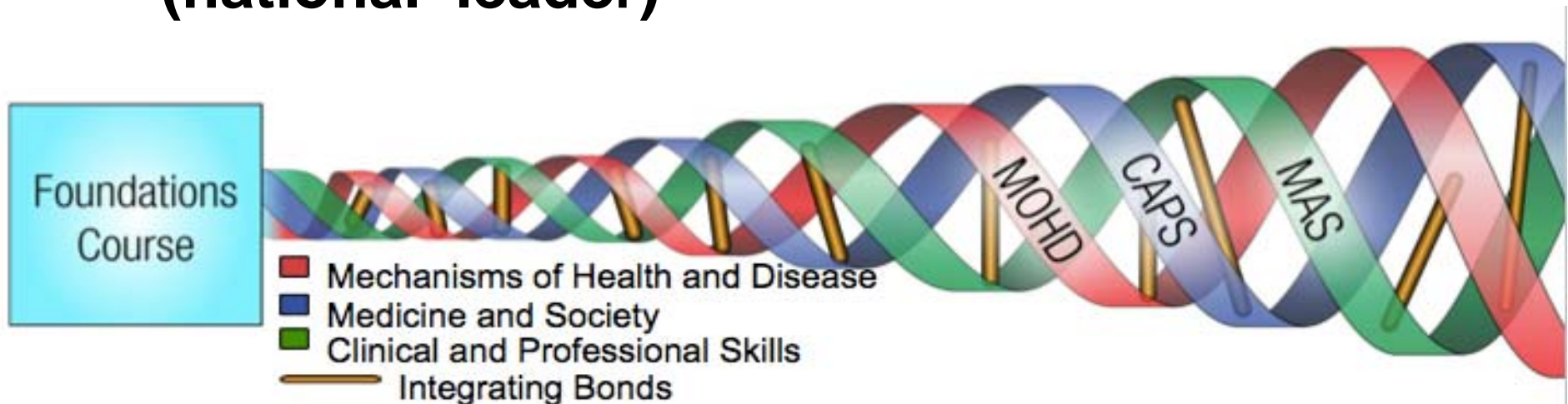
- **Train MDs for Iowa**
 - *Rural track; team care models; best PA program in US*
 - *50% MDs in Iowa trained at CCOM / UIHC; top 5 PT program*
- **Iowa's Tradition of National Leadership in Education & Research**
 - *Education: Introduction of new curriculum*
 - *Research: Novel discoveries that make a difference*
 - *#22 in U.S. medical schools (NIH \$ per faculty)*

***Cutting Edge Academic Medicine
in Real World America !***

Guiding Principle = Innovation

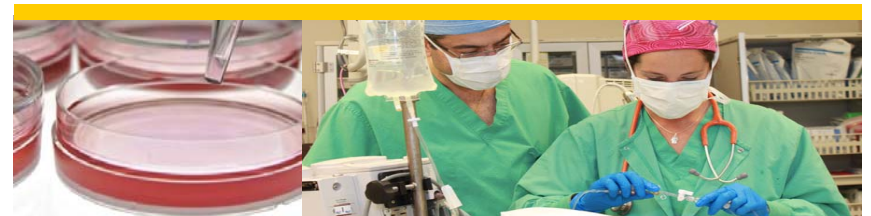


- ***Inter-professional* education = *teams***
- **Teach the *science* of Quality & Safety beginning with students and residents**
- ***Translate* science (genomics) into clinic**
- **Implement novel triple helix curriculum (national leader)**



Clinical Care Innovation

- **Emphasize efficient delivery of team - based care (best practice) across populations**
- **Highest quality & safety metrics**
- **Enhance comparative effectiveness research**
- **Continue outstanding centers (vision, etc.)**
- **Move genomics into clinic (personalized medicine)**
- **New clinical centers (diabetes, neuroscience)**
- **Build clinical informatics & regenerative medicine**



Research Innovation

- Continue strong investigator - initiated mechanistic research (*foundational*)
- Build diabetes / metabolism / mitochondria foci
- Develop robust informatics program / dept
 - *Connect clinical informatics, bioinformatics, genomics, economics, clinical decision science*
- Establish iPSC core for regenerative medicine and human genetics research
- Build tech transfer → science to patients



Administrative Innovation

- Emphasize → administration supports faculty in research / clinical care (reduces hurdles)
- Create mechanisms to help faculty / staff with regulatory documentation / compliance
- Keep administrative costs as low as possible
 - *Explore cross-institutional opportunities*
- Build administrative depth where needed
 - *Faculty development*
 - *Department finance oversight*



Summary

- **CCOM is strong and unique in U.S.**
- **DUAL mission vital → a strength!**
- **CCOM can (and should) lead country:**
 - *Inter-professional education & team training*
 - *Novel medical curriculum (mechanism base)*
 - *Integrative translational medicine (bench to bedside, across ACO and back)*



Thank You



- For your time, dedication, public service
- Oversight & governance
- Volunteering

Support of CCOM – strong economic engine in state

Questions?





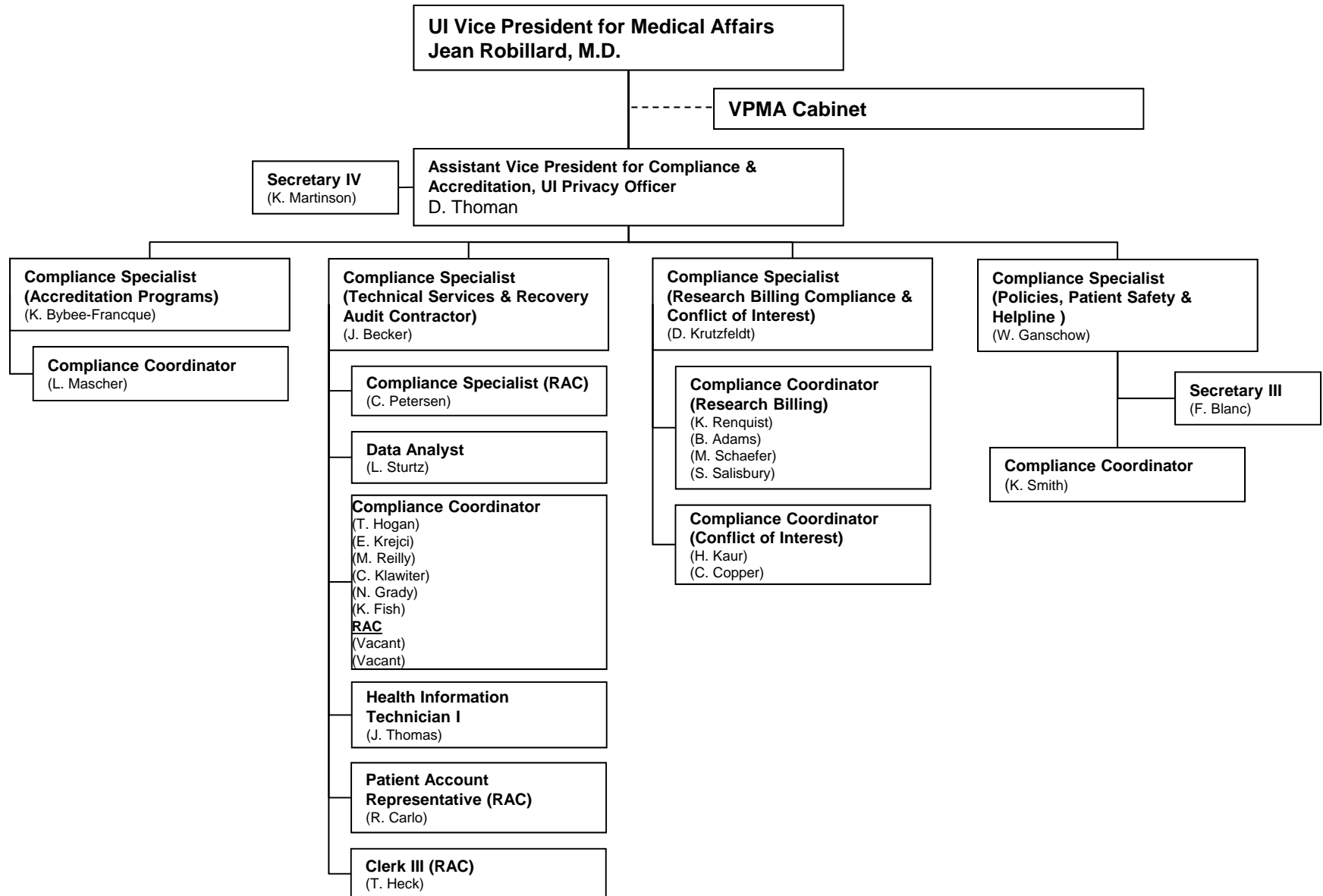
Joint Office for Compliance Overview

Debbie Thoman
Assistant Vice President for Compliance & Accreditation
University of Iowa Privacy Officer

Today's Agenda

- Organizational Structure & Scope
- Compliance/Helpline
- Accreditation and Surveys
- Research Billing
- Conflict of Interest
- Patient Safety/Root Cause Analysis

Joint Office for Compliance Organizational Structure



Code of Ethical Behavior

- High Quality Patient Care
- Compliance with Laws and Regulations
- Proper Coding and Billing
- Avoidance of Conflicts of Interest
- Maintaining a Safe and Healthy Work Environment
- Treat All Staff Members Fairly and Equitably
- Protect all Assets Entrusted to Our Care
- Encourage Open and Candid Communication

- 24/7 Confidential/Anonymous Reporting Helpline (384-8190)
- All cases are investigated
- On average 15-20 cases per month
- Opportunity to self-correct
- Assist with EthicsPoint investigations as requested by Internal Audit

- Pre-Bill
 - 2.5 million claims are processed each year
 - 6, 850 claims per day
 - Zero tolerance for error
 - Claim Editing
 - Commercial software edits – Joint Office for Compliance reviews 500+ daily (Correct Coding Initiative edits, Local Coverage Determination, Wellmark, missed billing)
 - Internally developed software edits – Joint Office for Compliance reviews 200+ daily (foot care, physical therapy, device codes, reimbursement over charges, research billing)

- Hot topics on the Office for Inspector General (OIG) watch list
 - Foot care; wound care; use of modifiers; teaching physician rules; preventive medicine documentation; medically unlikely edits; same day admit/discharge; prescription drugs; cancelled surgeries; discharge disposition; medical necessity

- Other topics
 - New physicians
 - New physician/provider documentation reviewed within six months of hire
 - Difficult coding/documentation topics
 - Split/shared visits, physicians' deviations from peer group
 - Special audits as requested – department, specialty group, individual provider

Billing Compliance – Internal Audits

- 40 audits conducted within the past two years based on internal findings or external forces (such as **OIG work list**)
- Include physician evaluation/management and procedural services
- Requested audits, including surgical intensive care unit services, internal medicine physician deviations from peer group, student health services, ophthalmology and orthopedic department coding
- Other internal audits include “inpatient only” procedures, carotid stenting (medical necessity), wound care, reimbursement over charges, Correct Coding Initiative edits, missed billing, observation services, cardiac pacemaker

Billing Compliance – External Audits

- External audits come primarily from Medicare, Medicaid, Office of Inspector General (OIG), and commercial payers such as Wellmark, Humana and United Healthcare
 - Office of Inspector General (OIG)
 - Single and multiple issues
 - Medications (Lupron, Erythropoietin drugs)
 - Device credits
 - Reimbursements over charges
 - Correct Medicare Severity Diagnosis Related Groups (MSDRG) assignment, discharge disposition
 - Comprehensive Error Rate Testing (CERT) Audits (Wisconsin Physician Services (WPS))
 - JOC reviewed 603 in 2011; 1025 in 2012
 - Zone Program Integrity Contractors (ZPIC) (Medicare)
 - JOC reviewed 116 records in 2012

- Medicaid Integrity Contractors (MIC)
 - 250 claims requested and reviewed in 2012 (Began in November, 2012)
 - Received initial findings in late December, 2012

- Recovery Audit Contractors (RAC)
 - First audit received April, 2011
 - Twelve audits through December, 2012 (3715 records requested)

- Over 200 programs are reviewed, surveyed and/or accredited by external organizations and agencies.
- Each review/survey/accreditation involves either a desk review and submission of documentation or on-site visit.
- The largest of the surveying organizations are The Joint Commission and Centers for Medicare & Medicaid Services/Iowa Department of Inspections and Appeals.

Disease Specific Certifications

- Stroke
- Cardiac Valve
- Ventricular-Assist Device (VAD)
- Palliative Care

Joint Commission Surveys in 2013

- Comprehensive Stroke - January
- Triennial Full Survey - Fall

- Over 375 Studies processed, 200 actively being monitored
- Qualifying Study determination, budget created
- Proper Billing – ensure charges are billed to the correct pay source, apply required codes/modifiers

- All staff 50% or more required to report External Relationships
- Over 8,899 staff reporting
- Disclose dollar amount in ranges and name of external entity
- Each disclosure requires a Management Plan
- Audit Management Plans
- Received an “A” Score from the American Medical Student Association

- Collaborate with the Chief Quality Officer and the Chief Safety Officer
- Daily “Safety Huddle” to review safety reports from the last 10 days that require administrative assistance or reflect trends
- Facilitate all Root Cause Analysis reviews for Sentinel Events



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

Fiscal Year to Date December 2012

| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|--------------------------|---------|---------|------------|--------------------|----------------------|------------------------|--------------------------|
| Discharges | 15,454 | 15,596 | 15,297 | (142) | -0.9% ○ | 157 | 1.0% ○ |
| Patient Days | 97,397 | 96,501 | 97,521 | 896 | 0.9% ○ | (125) | -0.1% ○ |
| Length of Stay | 6.37 | 6.27 | 6.33 | 0.10 | 1.5% ○ | 0.03 | 0.5% ○ |
| Average Daily Census | 529.33 | 524.46 | 530.01 | 4.87 | 0.9% ○ | (0.68) | -0.1% ○ |
| Surgeries – Inpatient | 5,741 | 5,978 | 5,776 | (237) | -4.0% ● | (35) | -0.6% ○ |
| Surgeries – Outpatient | 8,439 | 8,387 | 8,153 | 52 | 0.6% ○ | 286 | 3.5% ● |
| ED Visits | 30,659 | 31,806 | 30,016 | (1,147) | -3.6% ● | 643 | 2.1% ○ |
| Outpatient Clinic Visits | 444,841 | 463,043 | 447,715 | (18,202) | -3.9% ● | (2,874) | -0.6% ○ |

| | | |
|---|--|---|
|  Greater than 2.5% Favorable |  Neutral |  Greater than 2.5% Unfavorable |
|---|--|---|

Discharges by Type

Fiscal Year to Date December 2012

| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|--|---------------|---------------|---------------|--------------------|----------------------|------------------------|--------------------------|
| Adult Medical | 5,317 | 5,341 | 5,260 | (24) | -0.5% ○ | 57 | 1.1% ○ |
| Adult Surgical | 7,063 | 7,060 | 6,906 | 3 | 0.0% ○ | 157 | 2.3% ○ |
| Adult Psych | 737 | 785 | 773 | (48) | -6.1% ● | (36) | -4.7% ● |
| <i>Subtotal – Adult</i> | <i>13,117</i> | <i>13,186</i> | <i>12,939</i> | <i>(69)</i> | <i>-0.5% ○</i> | <i>178</i> | <i>1.4% ○</i> |
| Pediatric Medical & Surgical | 1,644 | 1,718 | 1,678 | (74) | -4.3% ● | (34) | -2.0% ○ |
| Pediatric Critical Care | 424 | 399 | 392 | 25 | 6.2% ● | 32 | 8.2% ● |
| Pediatric Psych | 269 | 292 | 288 | (23) | -8.0% ● | (19) | -6.6% ● |
| <i>Subtotal – Pediatrics w/o newborn</i> | <i>2,337</i> | <i>2,410</i> | <i>2,358</i> | <i>(73)</i> | <i>-3.0% ●</i> | <i>(21)</i> | <i>-0.9% ○</i> |
| Newborn | 730 | 682 | 733 | 48 | 7.1% ● | (3) | -0.4% ○ |
| TOTAL w/o Newborn | 15,454 | 15,596 | 15,297 | (142) | -0.9% ○ | 157 | 1.0% ○ |

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| ● | ○ | ● |
| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Discharge Days by Type

Fiscal Year to Date December 2012

| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|--|---------------|---------------|---------------|--------------------|----------------------|------------------------|--------------------------|
| Adult Medical | 29,631 | 30,705 | 30,334 | (1,074) | -3.5% ● | (703) | -2.3% ○ |
| Adult Surgical | 35,241 | 36,584 | 36,395 | (1,343) | -3.7% ● | (1,154) | -3.2% ● |
| Adult Psych | 10,429 | 9,316 | 9,230 | 1,113 | 12.0% ● | 1,199 | 13.0% ● |
| <i>Subtotal – Adult</i> | <i>75,301</i> | <i>76,605</i> | <i>75,959</i> | <i>(1,304)</i> | <i>-1.7% ○</i> | <i>(658)</i> | <i>-0.9% ○</i> |
| Pediatric Medical & Surgical | 9,005 | 9,326 | 9,187 | (321) | -3.4% ● | (182) | -2.0% ○ |
| Pediatric Critical Care | 11,766 | 9,455 | 9,376 | 2,311 | 24.4% ● | 2,390 | 25.5% ● |
| Pediatric Psych | 2,298 | 2,390 | 2,359 | (92) | -3.8% ● | (61) | -2.6% ● |
| <i>Subtotal – Pediatrics w/o newborn</i> | <i>23,069</i> | <i>21,170</i> | <i>20,922</i> | <i>1,899</i> | <i>9.0% ●</i> | <i>2,147</i> | <i>10.3% ●</i> |
| Newborn | 1,605 | 1,638 | 1,639 | (33) | -2.0% ○ | (34) | -2.1% ○ |
| TOTAL w/o Newborn | 98,370 | 97,775 | 96,881 | 595 | 0.6% ○ | 1,489 | 1.5% ○ |

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| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Average Length of Stay by Type

Fiscal Year to Date December 2012

| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|-----------------------------------|-------------|-------------|-------------|--------------------|----------------------|------------------------|--------------------------|
| Adult Medical | 5.57 | 5.75 | 5.77 | (0.18) | -3.1% ● | (0.19) | -3.4% ● |
| Adult Surgical | 4.99 | 5.18 | 5.27 | (0.19) | -3.7% ● | (0.28) | -5.3% ● |
| Adult Psych | 14.15 | 11.87 | 11.94 | 2.28 | 19.2% ● | 2.21 | 18.5% ● |
| Subtotal – Adult | 5.74 | 5.81 | 5.87 | (0.07) | -1.2% ○ | (0.13) | -2.2% ○ |
| Pediatric Medical & Surgical | 5.48 | 5.43 | 5.47 | 0.05 | 0.9% ○ | 0.01 | 0.0% ○ |
| Pediatric Critical Care | 27.75 | 23.69 | 23.92 | 4.06 | 17.1% ● | 3.83 | 16.0% ● |
| Pediatric Psych | 8.54 | 8.17 | 8.19 | 0.37 | 4.5% ● | 0.35 | 4.3% ● |
| Subtotal – Pediatrics w/o newborn | 9.87 | 8.79 | 8.87 | 1.09 | 12.4% ● | 1.00 | 11.3% ● |
| Newborn | 2.20 | 2.40 | 2.24 | (0.20) | -8.5% ● | (0.04) | -1.7% ○ |
| TOTAL w/o Newborn | 6.37 | 6.27 | 6.33 | 0.10 | 1.5% ○ | 0.03 | 0.5% ○ |

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| ● | ○ | ● |
| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Outpatient Surgeries – by Clinical Department

December 2012



| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|----------------------------|--------------|--------------|--------------|--------------------|----------------------|------------------------|--------------------------|
| Cardiothoracic | 32 | 37 | 36 | (5) | -14.0% ● | (4) | -11.1% ● |
| Dentistry | 329 | 334 | 336 | (5) | -1.4% ○ | (7) | -2.1% ○ |
| Dermatology | 22 | 18 | 22 | 4 | 22.4% ● | 0 | 0.0% ○ |
| General Surgery | 1,351 | 1,335 | 1,317 | 16 | 1.2% ○ | 34 | 2.6% ● |
| Gynecology | 385 | 446 | 437 | (61) | -13.6% ● | (52) | -11.9% ● |
| Internal Medicine | 6 | 6 | 8 | 0 | -2.6% ● | (2) | -25.0% ● |
| Neurosurgery | 292 | 228 | 216 | 64 | 27.9% ● | 76 | 35.2% ● |
| Ophthalmology | 1,866 | 1,880 | 1,801 | (14) | -0.8% ○ | 65 | 3.6% ● |
| Orthopedics | 1,914 | 1,983 | 1,983 | (69) | -3.5% ● | (69) | -3.5% ● |
| Otolaryngology | 1,214 | 1,232 | 1,176 | (18) | -1.5% ○ | 38 | 3.2% ● |
| Pediatrics | 2 | 0 | 0 | 2 | ● | | ● |
| Radiology – Interventional | 27 | 22 | 19 | 5 | 20.4% ● | 8 | 42.1% ● |
| Urology w/ Procedure Ste. | 999 | 865 | 802 | 134 | 15.5% ● | 197 | 24.6% ● |
| Total | 8,439 | 8,387 | 8,153 | 52 | 0.6% ○ | 286 | 3.5% ● |

| | | |
|--------------------------------|---------|----------------------------------|
| ● | ○ | ● |
| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Inpatient Surgeries – by Clinical Department

December 2012



| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|----------------------------|--------------|--------------|--------------|--------------------|----------------------|------------------------|--------------------------|
| Cardiothoracic | 462 | 603 | 575 | (141) | -23.3% ● | (113) | -19.7% ● |
| Dentistry | 63 | 79 | 78 | (16) | -20.5% ● | (15) | -19.2% ● |
| General Surgery | 1,652 | 1,728 | 1,693 | (76) | -4.4% ● | (41) | -2.4% ○ |
| Gynecology | 357 | 386 | 368 | (29) | -7.6% ● | (11) | -3.0% ● |
| Neurosurgery | 910 | 862 | 844 | 48 | 5.5% ● | 66 | 7.8% ● |
| Ophthalmology | 76 | 79 | 76 | (3) | -3.2% ● | 0 | 0.0% ○ |
| Orthopedics | 1,395 | 1,354 | 1,306 | 41 | 3.0% ● | 89 | 6.8% ● |
| Otolaryngology | 332 | 410 | 398 | (78) | -19.0% ● | (66) | -16.6% ● |
| Radiology – Interventional | 64 | 68 | 61 | (4) | -6.3% ● | 3 | 4.9% ● |
| Urology w/ Procedure Ste. | 430 | 409 | 376 | 21 | 5.2% ● | 54 | 14.4% ● |
| Total | 5,741 | 5,978 | 5,776 | (237) | -4.0% ● | (35) | -0.6% ○ |
| Solid Organ Transplants | 179 | 170 | 150 | 9 | 5.3% ● | 29 | 19.3% ● |



Greater than 2.5% Favorable



Neutral



Greater than 2.5% Unfavorable

Emergency Department

December 2012



| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|--------------------------|--------|--------|------------|--------------------|----------------------|------------------------|--------------------------|
| ED Visits | 30,659 | 31,806 | 30,016 | (1,147) | -3.6% ● | 643 | 2.1% ○ |
| ED Admits | 8,717 | 8,532 | 8,017 | 185 | 2.2% ○ | 700 | 8.7% ● |
| ED Conversion Factor | 28.4% | 26.8% | 26.7% | | 6.0% ● | | 6.5% ● |
| ED Admits / Total Admits | 56.8% | 55.3% | 52.8% | | 2.6% ● | | 7.6% ● |

| | | |
|--------------------------------|---------|----------------------------------|
| ● | ○ | ● |
| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Clinic Visits by Clinical Department

Fiscal Year to Date December 2012



| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | | Variance to Prior Year | % Variance to Prior Year | |
|------------------------|----------------|----------------|----------------|--------------------|----------------------|----------|------------------------|--------------------------|----------|
| Anesthesia | 6,656 | 7,312 | 7,076 | (656) | -9.0% | ● | (420) | -5.9% | ● |
| CDD | 4,434 | 4,467 | 4,258 | (33) | -0.7% | ○ | 176 | 4.1% | ● |
| Clinical Research | 4,806 | 4,916 | 5,051 | (113) | -2.3% | ○ | (248) | -4.9% | ● |
| Dermatology | 11,347 | 10,911 | 12,965 | 436 | 4.0% | ● | (1,618) | -12.5% | ● |
| Emergency Department | 30,659 | 31,806 | 30,016 | (1,147) | -3.6% | ● | 643 | 2.1% | ○ |
| General Surgery | 12,674 | 12,918 | 12,586 | (244) | -1.9% | ○ | 88 | 0.7% | ○ |
| Heart and Vascular | 17,193 | 19,355 | 23,985 | (2,162) | -11.2% | ● | (6,792) | -28.3% | ● |
| Hospital Dentistry | 7,718 | 7,706 | 7,892 | 12 | 0.2% | ○ | (174) | -2.2% | ○ |
| Internal Medicine | 54,756 | 59,009 | 59,458 | (4,253) | -7.2% | ● | (4,702) | -7.9% | ● |
| Neurology | 9,830 | 9,388 | 9,152 | 442 | 4.7% | ● | 678 | 7.4% | ● |
| Neurosurgery | 5,281 | 5,306 | 4,647 | (25) | -0.5% | ○ | 634 | 13.6% | ● |
| Obstetrics/Gynecology | 37,866 | 41,935 | 41,914 | (4,069) | -9.7% | ● | (4,048) | -9.7% | ● |
| Ophthalmology | 33,646 | 32,534 | 35,403 | 1,112 | 3.4% | ● | (1,757) | -5.0% | ● |
| Orthopedics | 33,742 | 35,738 | 34,162 | (1,996) | -5.6% | ● | (420) | -1.2% | ○ |
| Otolaryngology | 14,586 | 15,678 | 15,396 | (1,092) | -7.0% | ● | (810) | -5.3% | ● |
| Pediatrics | 25,516 | 24,641 | 23,694 | 875 | 3.6% | ● | 1,822 | 7.7% | ● |
| Primary Care | 111,217 | 107,792 | 120,226 | 3,425 | 3.2% | ● | (9,009) | -7.5% | ● |
| Psychiatry | 21,769 | 21,729 | 20,327 | 40 | 0.2% | ○ | 1,442 | 7.1% | ● |
| Urology | 9,736 | 8,744 | 9,580 | 992 | 11.3% | ● | 156 | 1.6% | ○ |
| Other | 578 | 399 | (57) | 179 | 44.9% | ● | 635 | 1114.0% | ● |
| IRL | 21,493 | 32,565 | 0 | (11,072) | -34.0% | ● | 21,493 | | |
| Total | 475,500 | 494,849 | 477,731 | (19,349) | -3.9% | ● | (2,231) | -0.5% | ○ |



Greater than 2.5% Favorable



Neutral






Greater than 2.5% Unfavorable

Iowa River Landing Detail

Fiscal Year to Date December 2012



| Operating Review (YTD) | October | November | December | Actual FYTD | Budget | Variance to Budget | % Variance to Budget | |
|---------------------------|--------------|--------------|--------------|----------------|---------------|-----------------------|----------------------------|----------|
| Dermatology | 123 | 263 | 256 | 642 | 1,963 | (1,321) | -67.3% | ● |
| Diabetes Center | 287 | 401 | 318 | 1,006 | 1,019 | (13) | -1.3% | ○ |
| Gastroenterology | 117 | 225 | 186 | 528 | 998 | (470) | -47.1% | ● |
| General Internal Medicine | 1,813 | 2,045 | 1,890 | 5,748 | 7,242 | (1,494) | -20.6% | ● |
| General Pediatrics | 1,653 | 1,830 | 1,675 | 5,158 | 5,778 | (620) | -10.7% | ● |
| Heart & Vascular | 336 | 737 | 756 | 1,829 | 1,545 | 284 | 18.4% | ● |
| Ophthalmology | 211 | 528 | 464 | 1,203 | 5,063 | (3,860) | -76.2% | ● |
| Otolaryngology | 264 | 447 | 321 | 1,029 | 1,900 | (871) | -45.8% | ● |
| Urology | 255 | 376 | 335 | 966 | 1,957 | (991) | -50.6% | ● |
| Women's Health | 966 | 1,259 | 1,159 | 3,384 | 5,100 | (1,716) | -33.6% | ● |
| TOTAL IRL | 6,025 | 8,108 | 7,360 | 21,493 | 32,565 | (11,072) | -34.0% | ● |

| | | | | | |
|---|--|---|----------------|---|--|
|  | Greater than 2.5% Favorable |  | Neutral |  | Greater than 2.5% Unfavorable |
|---|--|---|----------------|---|--|

Outpatient Activity Detail

Fiscal Year to Date December 2012

Primary Care Clinics

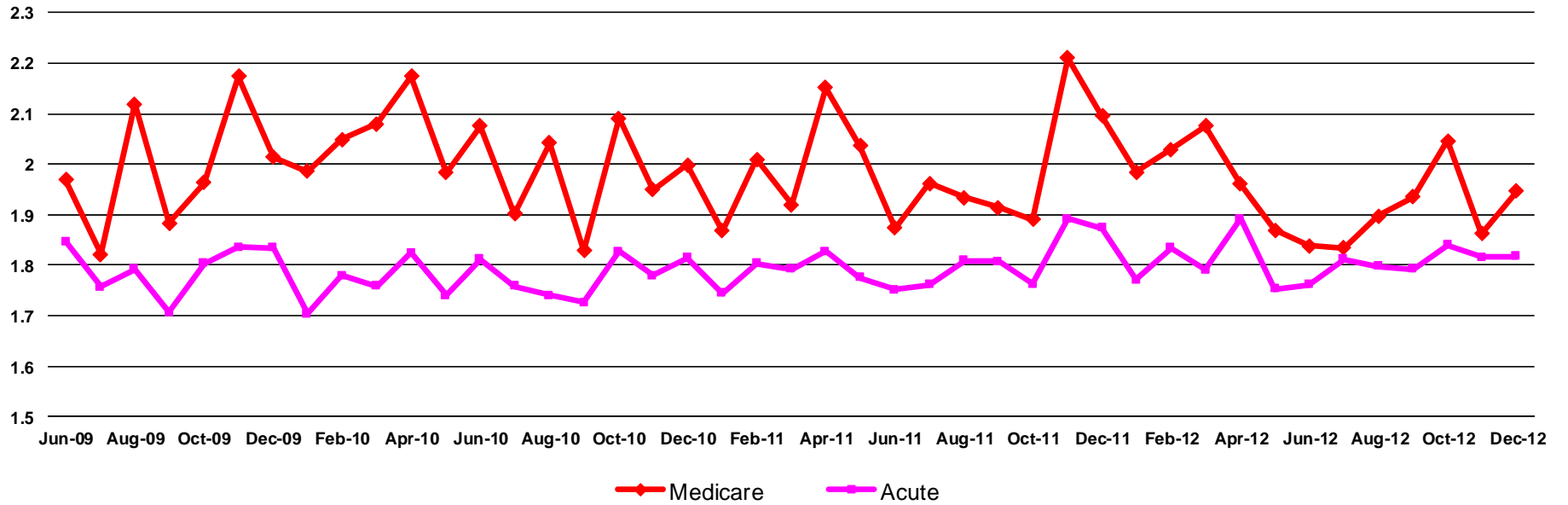
| Operating Review (YTD) | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|---------------------------|----------------|----------------|----------------|--------------------|----------------------|------------------------|--------------------------|
| Employee Health Clinic | 11,102 | 11,332 | 8,621 | (230) | -2.0% ○ | 2,481 | 28.8% ● |
| Family Care Center | 29,789 | 31,392 | 45,097 | (1,603) | -5.1% ● | (15,308) | -33.9% ● |
| Offsite Clinics | 38,893 | 35,154 | 40,345 | 3,739 | 10.6% ● | (1,452) | -3.6% ● |
| Quick Care Clinics | 19,142 | 17,974 | 14,593 | 1,168 | 6.5% ● | 4,549 | 31.2% ● |
| Primary Care Clinic North | 12,291 | 11,940 | 11,570 | 351 | 2.9% ● | 721 | 6.2% ● |
| TOTAL | 111,217 | 107,792 | 120,226 | 3,425 | 3.2% ● | (9,009) | -7.5% ● |

Clinical Cancer Center

| | | | | | | | |
|-----------|--------|--------|--------|---------|---------|-------|--------|
| Infusions | 21,678 | 23,542 | 20,343 | (1,864) | -7.9% ● | 1,335 | 6.6% ● |
|-----------|--------|--------|--------|---------|---------|-------|--------|

| | | |
|--------------------------------|---------|----------------------------------|
| ● | ○ | ● |
| Greater than 2.5% Favorable | Neutral | Greater than 2.5% Unfavorable |

Case Mix Index



UIHC Comparative Financial Results

Fiscal Year to Date December 2012



Dollars in Thousands

| NET REVENUES: | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|-------------------------|------------------|------------------|-------------------|---------------------------|-----------------------------|-------------------------------|---------------------------------|
| Patient Revenue | \$534,766 | \$547,361 | \$514,231 | (\$12,594) | -2.3% | \$20,535 | 4.0% |
| Other Operating Revenue | 25,572 | 26,070 | 23,531 | (498) | -1.9% | 2,041 | 8.7% |
| Total Revenue | \$560,338 | \$573,430 | \$537,762 | (\$13,092) | -2.3% | \$22,576 | 4.2% |

EXPENSES:

| | | | | | | | |
|--|-----------------|-----------------|-----------------|------------------|--------------|---------------|--------------|
| Salaries and Wages | \$282,470 | \$289,387 | \$272,253 | (\$6,918) | -2.4% | \$10,217 | 3.8% |
| General Expenses | 227,870 | 230,559 | 215,423 | (2,689) | -1.2% | 12,447 | 5.8% |
| Operating Expense before Capital | \$510,340 | \$519,947 | \$487,675 | (\$9,607) | -1.8% | \$22,665 | 4.6% |
| Cash Flow Operating Margin | \$49,998 | \$53,484 | \$50,087 | (\$3,485) | -6.5% | (\$89) | -0.2% |
| Capital- Depreciation and Amortization | 35,771 | 36,762 | 33,964 | (991) | -2.7% | 1,807 | 5.3% |
| Total Operating Expense | \$546,111 | \$556,709 | \$521,639 | (\$10,598) | -1.9% | \$24,472 | 4.7% |

| | | | | | | | |
|---------------------------|-----------------|-----------------|-----------------|------------------|---------------|------------------|---------------|
| Operating Income | \$14,227 | \$16,721 | \$16,123 | (\$2,494) | -14.9% | (\$1,897) | -11.8% |
| Operating Margin % | 2.5% | 2.9% | 3.0% | | -0.4% | | -0.5% |
| Gain on Investments | 13,639 | 9,376 | 6,397 | 4,263 | 45.5% | 7,242 | 113.2% |
| Other Non-Operating | (4,257) | (4,898) | 1,661 | 641 | 13.1% | (5,919) | -356.2% |
| Net Income | \$23,609 | \$21,199 | \$24,181 | \$2,410 | 11.4% | (\$572) | -2.4% |
| Net Margin % | 4.1% | 3.7% | 4.4% | | 0.5% | | -0.3% |

UIHC Comparative Financial Results

December 2012



Dollars in Thousands

| NET REVENUES: | Actual | Budget | Prior Year | Variance to Budget | % Variance to Budget | Variance to Prior Year | % Variance to Prior Year |
|-------------------------|-----------------|-----------------|-----------------|--------------------|----------------------|------------------------|--------------------------|
| Patient Revenue | \$83,568 | \$89,749 | \$85,878 | (\$6,181) | -6.9% | (\$2,310) | -2.7% |
| Other Operating Revenue | 4,127 | 4,345 | 3,749 | (217) | -5.0% | 378 | 10.1% |
| Total Revenue | \$87,695 | \$94,094 | \$89,627 | (\$6,398) | -6.8% | (\$1,931) | -2.2% |

EXPENSES:

| | | | | | | | |
|--|----------------|----------------|----------------|------------------|---------------|------------------|---------------|
| Salaries and Wages | \$47,035 | \$48,170 | \$45,683 | (\$1,135) | -2.4% | \$1,352 | 3.0% |
| General Expenses | 35,583 | 37,501 | 35,445 | (1,918) | -5.1% | 138 | 0.4% |
| Operating Expense before Capital | \$82,618 | \$85,671 | \$81,128 | (\$3,054) | -3.6% | \$1,489 | 1.8% |
| Cash Flow Operating Margin | \$5,078 | \$8,422 | \$8,498 | (\$3,345) | -39.7% | (\$3,421) | -40.3% |
| Capital- Depreciation and Amortization | 6,192 | 6,127 | 5,693 | 65 | 1.1% | 499 | 8.8% |
| Total Operating Expense | \$88,810 | \$91,798 | \$86,822 | (\$2,989) | -3.3% | \$1,988 | 2.3% |

| | | | | | | | |
|--------------------------------|------------------|----------------|----------------|------------------|----------------|------------------|----------------|
| Operating Income (Loss) | (\$1,114) | \$2,295 | \$2,805 | (\$3,410) | -148.5% | (\$3,920) | -139.7% |
| Operating Margin % | -1.3% | 2.4% | 3.1% | | -3.7% | | -4.4% |
| Gain on Investments | 5,111 | 1,563 | 6,177 | 3,548 | 227.1% | (1,067) | -17.3% |
| Other Non-Operating | (1,435) | (816) | (155) | (618) | -75.7% | (1,280) | -824.1% |
| Net Income | \$2,562 | \$3,042 | \$8,827 | (\$480) | -15.8% | (\$6,265) | -71.0% |
| Net Margin % | 2.8% | 3.2% | 9.2% | | -0.4% | | -6.4% |

Comparative Accounts Receivable at December 31, 2012



| | June 30, 2011 | June 30, 2012 | December 31, 2012 |
|-------------------------|---------------|---------------|-------------------|
| Net Accounts Receivable | \$136,477,870 | \$153,061,293 | \$142,359,362 |
| Net Days in AR | 49 | 52 | 48 |

