

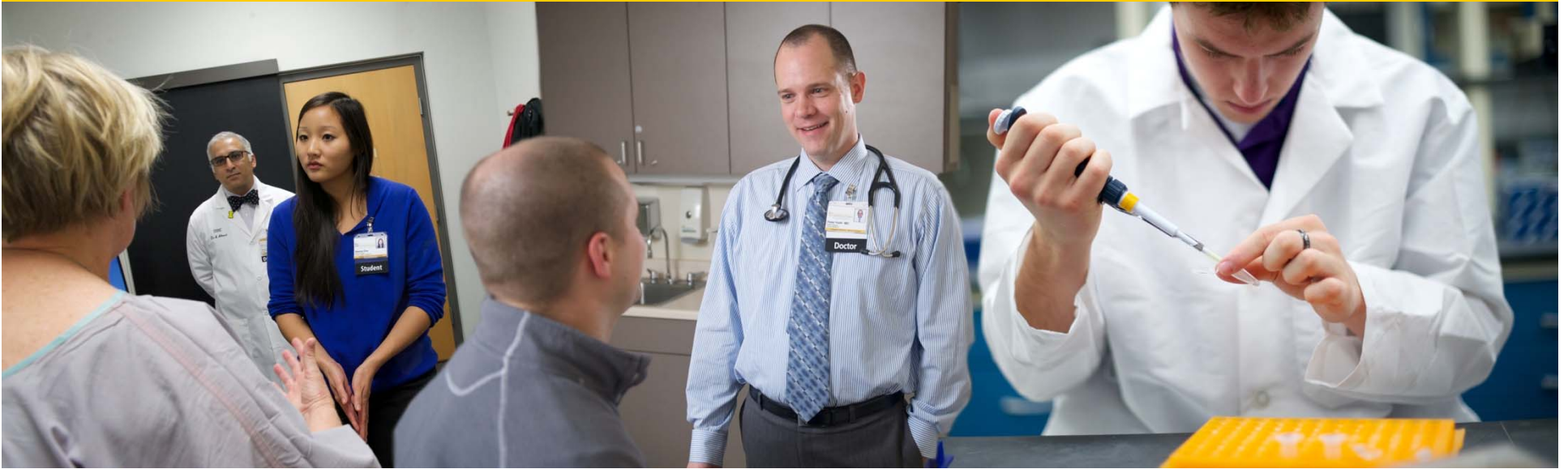


University of Iowa Health Care

***Presentation to
The Board of Regents, State of Iowa
December 2, 2015***

Agenda

- Opening Remarks (Robillard)
- Operating and Financial Performance (Kates, 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

Fiscal Year to Date October 2015



Operating Review (YTD)	Actual	Budget	Prior Year *	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	11,182	11,112	10,666	70	0.6% ○	516	4.8% ●
Patient Days	71,538	70,887	67,859	651	0.9% ○	3,679	5.4% ●
Average Daily Census	581.61	576.32	551.70	5.29	0.9% ○	29.91	5.4% ●
Total Surgeries	10,205	10,560	10,005	(355)	-3.4% ●	200	2.0% ○
- Inpatient	5,047	4,297	4,069	750	17.5% ●	978	24.0% ●
- Outpatient	5,158	6,263	5,936	(1,105)	-17.6% ●	(778)	-13.1% ●
ED Visits	19,841	20,365	19,480	(524)	-2.6% ●	361	1.9% ○
Total Clinic Visits	288,091	301,154	277,688	(13,063)	-4.3% ●	10,403	3.8% ●

* from ongoing operations

● Greater than 2.5% Favorable	○ Neutral	● Greater than 2.5% Unfavorable
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Discharges by Type

Fiscal Year to Date October 2015

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	3,177	3,163	3,036	14	0.4% ○	141	4.6% ●
Adult Surgical	5,977	5,691	5,462	286	5.0% ●	515	9.4% ●
Adult Psych	389	495	475	(106)	-21.4% ●	(86)	-18.1% ●
<i>Subtotal – Adult</i>	<i>9,543</i>	<i>9,349</i>	<i>8,973</i>	<i>194</i>	<i>2.1% ○</i>	<i>570</i>	<i>6.4% ●</i>
Pediatric Medical & Surgical	1,170	1,240	1,191	(70)	-5.7% ●	(21)	-1.8% ○
Pediatric Critical Care	295	295	283	0	0.0% ○	12	4.2% ●
Pediatric Psych	174	228	219	(54)	-23.7% ●	(45)	-20.6% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>1,639</i>	<i>1,763</i>	<i>1,693</i>	<i>(124)</i>	<i>-7.0% ●</i>	<i>(54)</i>	<i>-3.2% ●</i>
Newborn	553	586	547	(33)	-5.6% ●	6	1.1% ○
TOTAL w/o Newborn	11,182	11,112	10,666	70	0.6% ○	516	4.8% ●

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

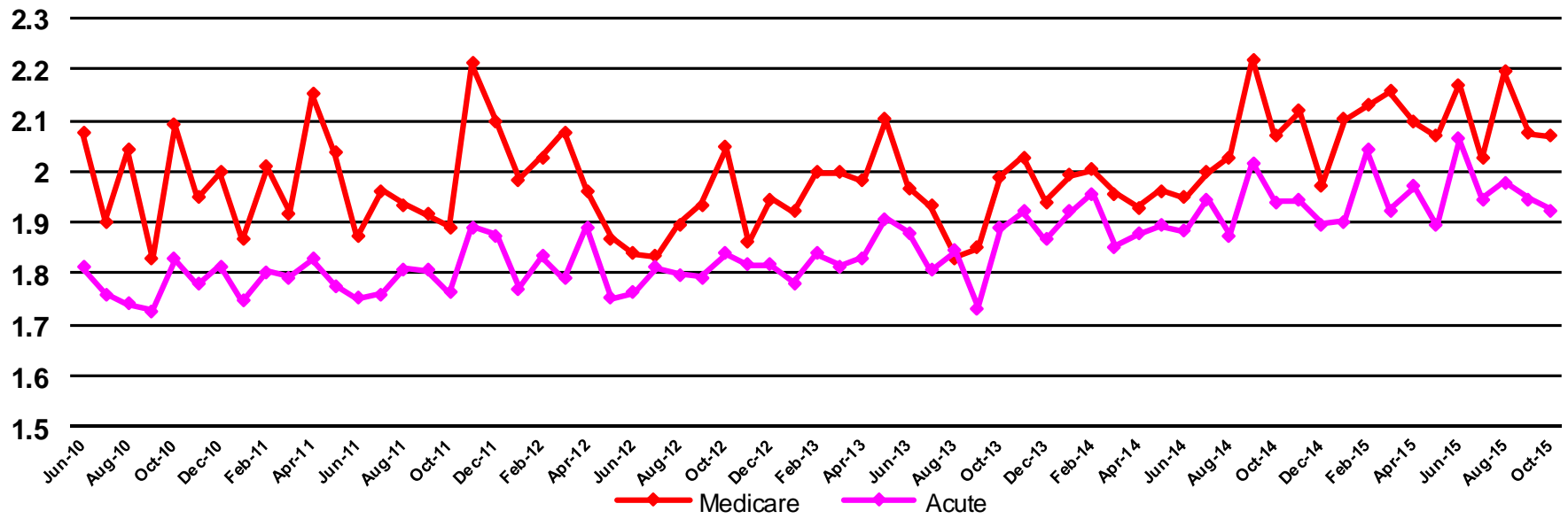
Discharge Days by Type

Fiscal Year to Date October 2015

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	17,942	17,250	16,525	692	4.0% ●	1,417	8.6% ●
Adult Surgical	31,968	30,670	29,362	1,298	4.2% ●	2,606	8.9% ●
Adult Psych	7,174	7,276	6,971	(102)	-1.4% ○	203	2.9% ●
<i>Subtotal – Adult</i>	<i>57,084</i>	<i>55,196</i>	<i>52,858</i>	<i>1,888</i>	<i>3.4% ●</i>	<i>4,226</i>	<i>8.0% ●</i>
Pediatric Medical & Surgical	6,071	5,949	5,660	122	2.1% ○	411	7.3% ●
Pediatric Critical Care	7,638	8,180	7,824	(542)	-6.6% ●	(186)	-2.4% ○
Pediatric Psych	1,698	1,895	1,811	(197)	-10.4% ●	(113)	-6.2% ●
<i>Subtotal – Pediatrics w/o newborn</i>	<i>15,407</i>	<i>16,024</i>	<i>15,295</i>	<i>(617)</i>	<i>-3.9% ●</i>	<i>112</i>	<i>0.7% ○</i>
Newborn	1,226	1,264	1,232	(38)	-3.0% ●	(6)	-0.5% ○
TOTAL w/o Newborn	72,491	71,220	68,153	1,271	1.8% ○	4,338	6.4% ●

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

Case Mix Index



Inpatient Surgeries – by Clinical Department

Fiscal Year to Date October 2015



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	352	373	353	(21)	-5.6%	(1)	-0.3%
Dentistry	161	106	75	55	51.9%	86	114.7%
General Surgery	1,369	1,233	1,103	136	11.0%	266	24.1%
Gynecology	300	270	284	30	11.1%	16	5.6%
Neurosurgery	782	646	625	136	21.1%	157	25.1%
Ophthalmology	123	45	45	78	173.3%	78	173.3%
Orthopedics	1,263	1,013	1,033	250	24.7%	230	22.3%
Otolaryngology	309	263	250	46	17.5%	59	23.6%
Radiology – Interventional	62	48	25	14	29.2%	37	148.0%
Urology w/ Procedure Ste.	326	300	276	26	8.7%	50	18.1%
Total	5,047	4,297	4,069	750	17.5%	978	24.0%

Solid Organ Transplants	113	111	121	2	1.8%	(8)	-6.6%
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	Greater than 2.5% Favorable		Neutral		Greater than 2.5% Unfavorable
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Outpatient Surgeries – by Clinical Department

Fiscal Year to Date October 2015



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget		Variance to Prior Year	% Variance to Prior Year	
Cardiothoracic	15	21	18	(6)	-28.6%	●	(3)	-16.7%	●
Dentistry	172	194	220	(22)	-11.3%	●	(48)	-21.8%	●
Dermatology	6	11	7	(5)	-45.5%	●	(1)	-14.3%	●
General Surgery	799	984	899	(185)	-18.8%	●	(100)	-11.1%	●
Gynecology	253	302	271	(49)	-16.2%	●	(18)	-6.6%	●
Internal Medicine	5	2	2	3	150.0%	●	3	150.0%	●
Neurosurgery	202	314	310	(112)	-35.7%	●	(108)	-34.8%	●
Ophthalmology	1,188	1,289	1,272	(101)	-7.8%	●	(84)	-6.6%	●
Orthopedics	1,111	1,500	1,410	(389)	-25.9%	●	(299)	-21.2%	●
Otolaryngology	723	878	830	(155)	-17.7%	●	(107)	-12.9%	●
Pediatrics	1	2	1	(1)	-50.0%	●	0	0.0%	○
Radiology – Interventional	31	32	15	(1)	-3.1%	●	16	106.7%	●
Urology w/ Procedure Ste.	652	734	681	(82)	-11.2%	●	(29)	-4.3%	●
Total	5,158	6,263	5,936	(1,105)	-17.6%	●	(778)	-13.1%	●

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

Emergency Department

Fiscal Year to Date October 2015



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ED Visits	19,841	20,365	19,480	(524)	-2.6%	361	1.9%
ED Admits	6,276	5,988	5,721	288	4.8%	555	9.7%
ED Conversion Factor	31.6%	29.4%	29.4%		7.5%		7.5%
ED Admits / Total Admits	56.5%	54.1%	53.6%		4.4%		5.4%

Greater than 2.5% Favorable	Neutral	Greater than 2.5% Unfavorable

Clinic Visits by Specialty

Fiscal Year to Date October 2015



Operating Review (YTD)	Actual	Budget	Variance to Budget	Variance to Budget	%
Burn Clinic	1,143	1,276	(133)	-10.4%	●
Center for Disabilities & Development	3,198	3,412	(214)	-6.3%	●
Center for Digestive Disease	7,578	6,665	913	13.7%	●
Clinical Cancer Center	17,983	19,050	(1,067)	-5.6%	●
Dermatology	8,072	7,940	132	1.7%	○
General Surgery	6,002	5,401	601	11.1%	●
Hospital Dentistry	5,671	5,804	(133)	-2.3%	○
Internal Medicine	10,023	11,513	(1,490)	-12.9%	●
Neurology	5,259	5,073	186	3.7%	●
Neurosurgery	4,429	3,602	827	23.0%	●
Obstetrics/Gynecology	20,169	20,640	(471)	-2.3%	○
Ophthalmology	21,567	24,534	(2,967)	-12.1%	●
Orthopedics	24,298	26,507	(2,209)	-8.3%	●
Otolaryngology	6,603	8,315	(1,712)	-20.6%	●
Pediatrics	19,993	20,490	(497)	-2.4%	○
Primary Care (non-IRL)	58,884	60,217	(1,333)	-2.2%	○
Psychiatry	12,117	11,935	182	1.5%	○
Urology	3,375	3,969	(594)	-15.0%	●
UI Heart Center	6,350	6,477	(127)	-2.0%	○
IRL	45,377	48,334	(2,957)	-6.1%	●
Total	288,091	301,154	(13,063)	-4.3%	●

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

Total Clinic Visits by Location

Fiscal Year to Date October 2015



Operating Review (YTD)	FY16 Actual				FY15 Actual *				Variance to Prior Year	%
	On-Site	IRL	UICMS & QuickCare	Total	On-Site	IRL	UICMS & QuickCare	Total		
Family Medicine	15,634		43,250	58,884	17,768		41,552	59,320	(436)	-0.7% ○
General Internal Medicine		9,400		9,400		8,549		8,549	851	10.0% ●
Pediatrics		7,172		7,172		6,967		6,967	205	2.9% ●
<i>Subtotal - Primary Care</i>	<i>15,634</i>	<i>16,572</i>	<i>43,250</i>	<i>75,456</i>	<i>17,768</i>	<i>15,516</i>	<i>41,552</i>	<i>74,836</i>	<i>620</i>	<i>0.8%</i> ○
Burn Clinic	1,143			1,143	1,134			1,134	9	0.8% ○
Center for Disabilities & Development	3,198			3,198	3,145			3,145	53	1.7% ○
Center for Digestive Disease	7,578	1,457		9,035	6,438	1,254		7,692	1,343	17.5% ●
Clinical Cancer Center	19,208	574		19,782	18,828	463		19,291	491	2.6% ●
Dermatology	8,072	3,207		11,279	7,902	2,684		10,586	693	6.6% ●
General Surgery	6,002			6,002	5,510			5,510	492	8.9% ●
Hospital Dentistry	5,671			5,671	5,263			5,263	408	7.8% ●
Internal Medicine	10,014	2,695		12,709	10,132	2,111		12,243	466	3.8% ●
Neurology	5,259			5,259	4,912			4,912	347	7.1% ●
Neurosurgery	4,429			4,429	3,973			3,973	456	11.5% ●
Obstetrics/Gynecology	20,169	8,346		28,515	17,817	7,714		25,531	2,984	11.7% ●
Ophthalmology	21,567	3,240		24,807	22,098	2,864		24,962	(155)	-0.6% ○
Orthopedics	24,298	220		24,518	25,224	116		25,340	(822)	-3.2% ●
Otolaryngology	6,603	2,009		8,612	7,086	1,404		8,490	122	1.4% ○
Pediatrics	19,980			19,980	18,256			18,256	1,724	9.4% ●
Psychiatry	12,117			12,117	11,445			11,445	672	5.9% ●
Urology	2,172	3,922		6,094	3,918	2,877		6,795	(701)	-10.3% ●
UI Heart Center	6,350	3,135		9,485	5,857	2,427		8,284	1,201	14.5% ●
<i>Subtotal – Specialty Care</i>	<i>183,830</i>	<i>28,805</i>		<i>212,635</i>	<i>178,938</i>	<i>23,914</i>		<i>202,852</i>	<i>9,783</i>	<i>4.8%</i> ●
Total	199,464	45,377	43,250	288,091	196,706	39,430	41,552	277,688	10,403	3.8% ●

* from ongoing operations
 ● Greater than 2.5% Favorable ○ Neutral ● Greater than 2.5% Unfavorable

Pediatrics Clinic Visits by Location

Fiscal Year to Date October 2015



Operating Review (YTD)	FY16 Actual				FY15 Actual *				Variance to Prior Year	%
	On-Site	IRL	UICMS & QuickCare	Total	On-Site	IRL	UICMS & QuickCare	Total		
Family Medicine	1,461		11,076	12,537	1,651		10,776	12,427	110	0.9% ○
General Internal Medicine		3		3		7		7	(4)	-57.1% ●
Pediatrics		6,993		6,993		6,800		6,800	193	2.8% ●
<i>Subtotal - Primary Care</i>	<i>1,461</i>	<i>6,996</i>	<i>11,076</i>	<i>19,533</i>	<i>1,651</i>	<i>6,807</i>	<i>10,776</i>	<i>19,234</i>	<i>299</i>	<i>1.6%</i> ○
Burn Clinic	0			0	251			251	(251)	-100.0% ●
Center for Disabilities & Development	3,198			3,198	3,145			3,145	53	1.7% ○
Center for Digestive Disease	8			8	11			11	(3)	-27.3% ●
Clinical Cancer Center	31			31	27			27	4	14.8% ●
Dermatology	691	714		1,405	682	607		1,289	116	9.0% ●
General Surgery	186			186	82			82	104	126.8% ●
Hospital Dentistry	772			772	650			650	122	18.8% ●
Internal Medicine	16	58		74	20	78		98	(24)	-24.5% ●
Neurology	174			174	72			72	102	141.7% ●
Neurosurgery	706			706	648			648	58	9.0% ●
Obstetrics/Gynecology	228	28		256	238	46		284	(28)	-9.9% ●
Ophthalmology	3,536	188		3,724	3,411	207		3,618	106	2.9% ●
Orthopedics	4,207	1		4,208	4,764			4,764	(556)	-11.7% ●
Otolaryngology	1,081	1,186		2,267	1,467	717		2,184	83	3.8% ●
Pediatrics	17,452			17,452	17,115			17,115	337	2.0% ○
Psychiatry	2,999			2,999	2,915			2,915	84	2.9% ●
Urology	80	1,060		1,140	114	1,001		1,115	25	2.2% ○
UI Heart Center	6	70		76	8	57		65	11	16.9% ●
<i>Subtotal – Specialty Care</i>	<i>35,371</i>	<i>3,305</i>	<i>0</i>	<i>38,676</i>	<i>35,620</i>	<i>2,713</i>	<i>0</i>	<i>38,333</i>	<i>343</i>	<i>0.9%</i> ○
Total	36,832	10,301	11,076	58,209	37,271	9,520	10,776	57,567	642	1.1% ○

* from ongoing operations
 ● Greater than 2.5% Favorable ○ Neutral ● Greater than 2.5% Unfavorable

Adult Clinic Visits by Location

Fiscal Year to Date October 2015



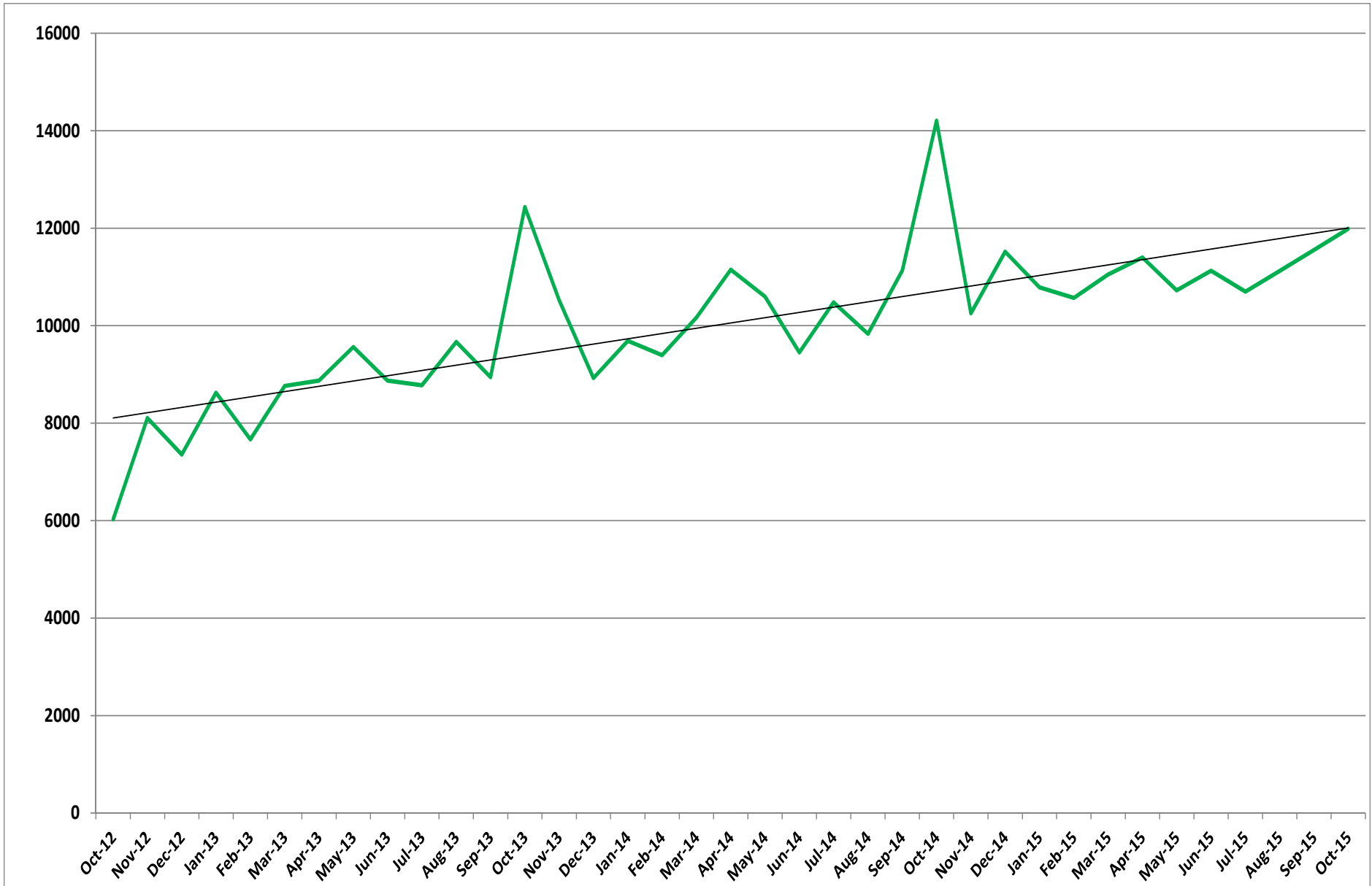
Operating Review (YTD)	FY16 Actual				FY15 Actual *				Variance to Prior Year	%
	On-Site	IRL	UICMS & QuickCare	Total	On-Site	IRL	UICMS & QuickCare	Total		
Family Medicine	14,173		32,174	46,347	16,117		30,776	46,893	(546)	-1.2% ○
General Internal Medicine		9,397		9,397		8,542		8,542	855	10.0% ●
Pediatrics		179		179		167		167	12	7.2% ●
<i>Subtotal - Primary Care</i>	<i>14,173</i>	<i>9,576</i>	<i>32,174</i>	<i>55,923</i>	<i>16,117</i>	<i>8,709</i>	<i>30,776</i>	<i>55,602</i>	<i>321</i>	<i>0.6%</i> ○
Burn Clinic	1,143			1,143	883			883	260	29.5% ●
Center for Digestive Disease	7,570	1,457		9,027	6,427	1,254		7,681	1,346	17.5% ●
Clinical Cancer Center	19,177	574		19,751	18,801	463		19,264	487	2.5% ●
Dermatology	7,381	2,493		9,874	7,220	2,077		9,297	577	6.2% ●
General Surgery	5,816			5,816	5,428			5,428	388	7.2% ●
Hospital Dentistry	4,899			4,899	4,613			4,613	286	6.2% ●
Internal Medicine	9,998	2,637		12,635	10,112	2,033		12,145	490	4.0% ●
Neurology	5,085			5,085	4,840			4,840	245	5.1% ●
Neurosurgery	3,723			3,723	3,325			3,325	398	12.0% ●
Obstetrics/Gynecology	19,941	8,318		28,259	17,579	7,668		25,247	3,012	11.9% ●
Ophthalmology	18,031	3,052		21,083	18,687	2,657		21,344	(261)	-1.2% ○
Orthopedics	20,091	219		20,310	20,460	116		20,576	(266)	-1.3% ○
Otolaryngology	5,522	823		6,345	5,619	687		6,306	39	0.6% ○
Pediatrics	2,528			2,528	1,141			1,141	1,387	121.6% ●
Psychiatry	9,118			9,118	8,530			8,530	588	6.9% ●
Urology	2,092	2,862		4,954	3,804	1,876		5,680	(726)	-12.8% ●
UI Heart Center	6,344	3,065		9,409	5,849	2,370		8,219	1,190	14.5% ●
<i>Subtotal – Specialty Care</i>	<i>148,459</i>	<i>25,500</i>		<i>173,959</i>	<i>143,318</i>	<i>21,201</i>		<i>164,519</i>	<i>9,440</i>	<i>5.7%</i> ●
Total	162,632	35,076	32,174	229,882	159,435	29,910	30,776	220,121	9,761	4.4% ●

* from ongoing operations
 ● Greater than 2.5% Favorable

○ Neutral

● Greater than 2.5% Unfavorable

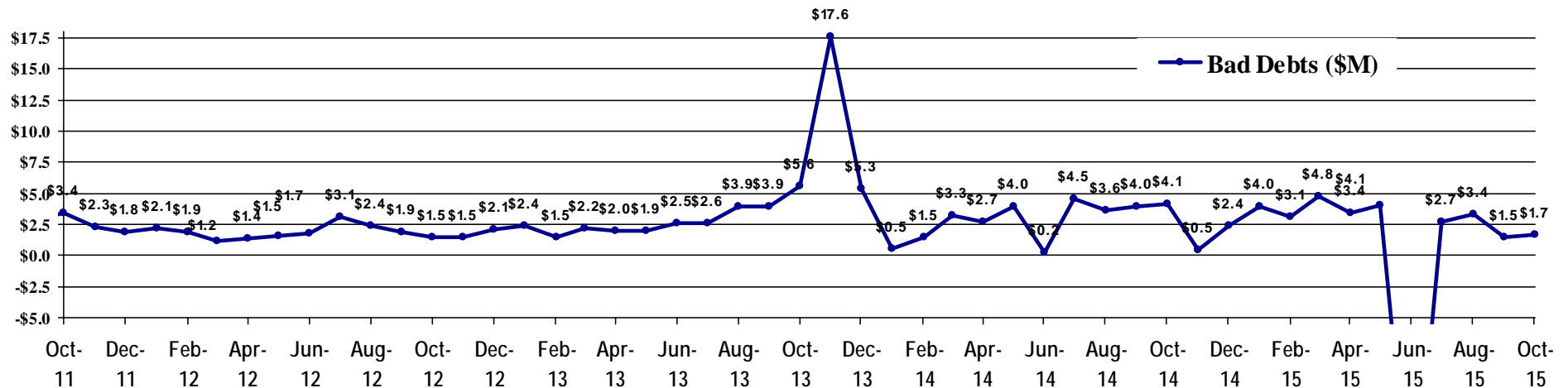
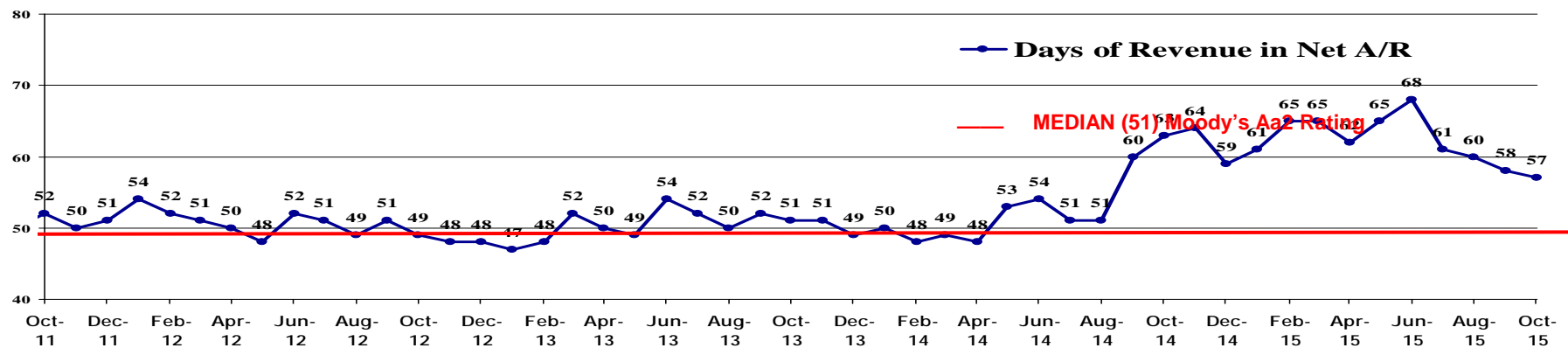
Iowa River Landing Ambulatory Visits



Comparative Accounts Receivable at October 31, 2015



	June 30, 2014	June 30, 2015	October 31, 2015
Net Accounts Receivable	\$176,695,824	\$236,775,239	\$216,121,850
Net Days in AR	54	68	57



UIHC Comparative Financial Results

Fiscal Year-to-Date October 2015



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	\$454,535	\$460,897	\$413,071	(\$6,362)	-1.4%	\$41,464	10.0%
Other Operating Revenue	17,252	17,406	18,382	(154)	-0.9%	(1,130)	-6.2%
Total Revenue	\$471,787	\$478,303	\$431,453	(\$6,516)	-1.4%	\$40,334	9.4%

EXPENSES:

Salaries and Wages	\$214,371	\$225,917	\$198,293	(\$11,546)	-5.1%	\$16,078	8.1%
General Expenses	200,633	206,039	179,871	(5,406)	-2.6%	20,762	11.5%
Operating Expense before Capital	\$415,004	\$431,956	\$378,164	(\$16,952)	-3.9%	\$36,840	9.7%
Cash Flow Operating Margin	\$56,783	\$46,347	\$53,289	\$10,436	22.5%	\$3,494	6.6%
Capital- Depreciation and Amortization	25,825	26,902	24,866	(1,077)	-4.0%	959	3.9%
Total Operating Expense	\$440,829	\$458,858	\$403,030	(\$18,029)	-3.9%	\$37,799	9.4%

Operating Income	\$30,958	\$19,445	\$28,423	\$11,513	59.2%	\$2,535	8.9%
Operating Margin %	6.6%	4.1%	6.6%		2.5%		0.0%
Gain (Loss) on Investments	(16,376)	7,398	(5,357)	(23,774)	-321.4%	(11,019)	-205.7%
Other Non-Operating	(2,665)	(3,085)	(3,274)	420	13.6%	609	18.6%
Net Income	\$11,917	\$23,758	\$19,792	(\$11,841)	-49.8%	(\$7,875)	-39.8%
Net Margin %	2.6%	4.9%	4.7%		-2.3%		-2.1%

* Gain/(Loss) on Investments based on information available at close. Final investment return for this period is reflected in Fiscal Year to Date returns in the subsequent reporting cycle.