



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

***Presentation to  
The Board of Regents, State of Iowa  
February 2-3, 2011***

# Agenda

- Opening Remarks (Robillard)
- Operational and Financial Performance (Kates and Fisher)
- Renewing Our Clinical Facilities – The New University of Iowa Children’s Hospital and Other Major Facility Priorities (Robillard, Kates et al.)



## ***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 December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Discharges	15,099	14,863	14,657	236	1.6% ○	442	3.0% ●
Patient Days	100,202	93,761	91,146	6,441	6.9% ●	9,056	9.9% ●
Length of Stay	6.60	6.25	6.18	0.35	5.6% ●	0.42	6.8% ●
Average Daily Census	544.58	509.57	495.36	35.01	6.9% ●	49.22	9.9% ●
Surgeries – Inpatient	5,719	5,605	5,522	114	2.0% ○	197	3.6% ●
Surgeries – Outpatient	7,657	6,970	6,953	687	9.9% ●	704	10.1% ●
Emergency Treatment Center Visits	28,075	25,866	26,119	2,209	8.5% ●	1,956	7.5% ●
Outpatient Clinic Visits	396,912	392,228	379,856	4,684	1.2% ○	17,056	4.5% ●
Case Mix	1.7936	1.7780	1.7894	0.0156	0.9%	0.0042	0.2%
Medicare Case Mix	1.9921	2.0271	1.9954	(0.0350)	-1.7%	(0.0033)	-0.2%

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

# Discharges by Type July 2010 through December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5,150	5,054	4,862	96	1.9% ○	288	5.9% ●
Adult Surgical	6,820	6,699	6,603	121	1.8% ○	217	3.3% ●
Adult Psych	799	859	863	(60)	-7.0% ●	(64)	-7.4% ●
<b>Subtotal – Adult</b>	<b>12,769</b>	<b>12,612</b>	<b>12,328</b>	<b>157</b>	<b>1.2% ○</b>	<b>441</b>	<b>3.6% ●</b>
Pediatric Medical	1,531	1,494	1,594	37	2.5% ○	(63)	-4.0% ●
Pediatric Surgical	110	87	82	23	26.4% ●	28	34.2% ●
Pediatric Critical Care	407	456	415	(49)	-10.8% ●	(8)	-1.9% ○
Pediatric Psych	282	214	238	68	31.8% ●	44	18.5% ●
<b>Subtotal – Pediatrics w/o newborn</b>	<b>2,330</b>	<b>2,251</b>	<b>2,329</b>	<b>79</b>	<b>3.5% ●</b>	<b>1</b>	<b>0.0% ○</b>
Newborn	716	684	653	32	4.7% ●	63	9.7% ●
<b>TOTAL w/o Newborn</b>	<b>15,099</b>	<b>14,863</b>	<b>14,657</b>	<b>236</b>	<b>1.6% ○</b>	<b>442</b>	<b>3.0% ●</b>

Greater than 2.5% Favorable     
 Neutral     
 Greater than 2.5% Unfavorable

# Discharge Days by Type July 2010 through December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	30,871	28,421	27,604	2,450	8.6% ●	3,267	11.8% ●
Adult Surgical	36,010	34,342	33,202	1,668	4.9% ●	2,808	8.5% ●
Adult Psych	9,593	9,752	10,133	(159)	-1.6% ○	(540)	-5.3% ●
<b>Subtotal – Adult</b>	<b>76,474</b>	<b>72,515</b>	<b>70,939</b>	<b>3,959</b>	<b>5.5% ●</b>	<b>5,535</b>	<b>7.8% ●</b>
Pediatric Medical	8,699	7,863	7,158	836	10.6% ●	1,541	21.5% ●
Pediatric Surgical	686	772	665	(86)	-11.1% ●	21	3.2% ●
Pediatric Critical Care	11,762	10,051	10,199	1,711	17.0% ●	1,563	15.3% ●
Pediatric Psych	2,053	1,760	1,606	293	16.7% ●	447	27.8% ●
<b>Subtotal – Pediatrics w/o newborn</b>	<b>23,200</b>	<b>20,446</b>	<b>19,628</b>	<b>2,754</b>	<b>13.5% ●</b>	<b>3,572</b>	<b>18.2% ●</b>
Newborn	1,588	1,539	1,454	49	3.2% ●	134	9.2% ●
<b>TOTAL w/o Newborn</b>	<b>99,674</b>	<b>92,961</b>	<b>90,567</b>	<b>6,713</b>	<b>7.2% ●</b>	<b>9,107</b>	<b>10.1% ●</b>

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

# Average Length of Stay by Type July 2010 – December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Adult Medical	5.99	5.62	5.68	0.37	6.6% ●	0.32	5.6% ●
Adult Surgical	5.28	5.13	5.03	0.15	3.0% ●	0.25	5.0% ●
Adult Psych	12.01	11.35	11.74	0.65	5.8% ●	0.26	2.3% ○
Subtotal – Adult	5.99	5.75	5.75	0.24	4.2% ●	0.23	4.1% ●
Pediatric Medical	5.68	5.26	4.49	0.42	8.0% ●	1.19	26.5% ●
Pediatric Surgical	6.24	8.87	8.11	(2.64)	-29.7% ●	(1.87)	-23.1% ●
Pediatric Critical Care	28.90	22.04	24.58	6.86	31.1% ●	4.32	17.6% ●
Pediatric Psych	7.28	8.22	6.75	(0.94)	-11.5% ●	0.53	7.9% ●
Subtotal – Pediatrics w/o newborn	9.96	9.08	8.43	0.87	9.6% ●	1.53	18.2% ●
Newborn	2.22	2.25	2.23	(0.03)	-1.4% ○	(0.01)	-0.4% ○
<b>TOTAL w/o Newborn</b>	<b>6.60</b>	<b>6.25</b>	<b>6.18</b>	<b>0.35</b>	<b>5.6% ●</b>	<b>0.42</b>	<b>6.8% ●</b>

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



# Outpatient Surgeries – by Clinical Department

July 2010 through December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	39	35	39	4	11.4% ●	-	0.0% ○
Dentistry	277	285	312	(8)	-2.8% ●	(35)	-11.2% ●
Dermatology	21	29	26	(8)	-27.6% ●	(5)	-19.2% ●
General Surgery	1,263	1,075	1,028	188	17.5% ●	235	22.9% ●
Gynecology	381	380	361	1	0.3% ○	20	5.5% ●
Internal Medicine	2	4	5	(2)	-50.0% ●	(3)	-60.0% ●
Neurosurgery	254	229	223	25	10.9% ●	31	13.9% ●
Ophthalmology	1,647	1,552	1,598	95	6.1% ●	49	3.1% ●
Orthopedics	1,859	1,701	1,710	158	9.3% ●	149	8.7% ●
Otolaryngology	1,158	1,063	1,057	95	8.9% ●	101	9.6% ●
Pediatrics	-	1	2	(1)	-100.0% ●	(2)	-100.0% ●
Radiology – Interventional	12	22	28	(10)	-45.5% ●	(16)	-57.1% ●
Urology w/ Procedure Ste.	744	594	564	150	25.3% ●	180	31.9% ●
<b>Total</b>	<b>7,657</b>	<b>6,970</b>	<b>6,953</b>	<b>687</b>	<b>9.9% ●</b>	<b>704</b>	<b>10.1% ●</b>

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

# Inpatient Surgeries – by Clinical Department

## July 2010 through December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Cardiothoracic	562	614	598	(52)	-8.5%	(36)	-6.0%
Dentistry	62	65	59	(3)	-4.6%	3	5.1%
General Surgery	1,603	1,421	1,287	182	12.8%	316	24.6%
Gynecology	391	412	436	(21)	-5.1%	(45)	-10.3%
Neurosurgery	834	837	873	(3)	-0.4%	(39)	-4.5%
Ophthalmology	83	65	50	18	27.7%	33	66.0%
Orthopedics	1,420	1,379	1,400	41	3.0%	20	1.4%
Otolaryngology	378	351	336	27	7.7%	42	12.5%
Pediatrics	-	-	-	-	0.0%	-	0.0%
Radiology – Interventional	54	111	144	(57)	-51.4%	(90)	-62.5%
Urology w/ Procedure Ste.	332	350	339	(18)	-5.1%	(7)	-2.1%
<b>Total</b>	<b>5,719</b>	<b>5,605</b>	<b>5,522</b>	<b>114</b>	<b>2.0%</b>	<b>197</b>	<b>3.6%</b>

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

# Emergency Treatment Center July 2010 – December 2010



Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
ETC Visits	28,075	25,866	26,119	2,209	8.5% ●	1,956	7.5% ●
ETC Admits	7,337	6,673	6,569	664	10.0% ●	768	11.7% ●
Conversion Factor	26.1%	25.8%	25.2%		1.2% ○		3.6% ●
ETC Admits / Total Admits	48.9%	45.1%	45.0%		8.4% ●		8.7% ●

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

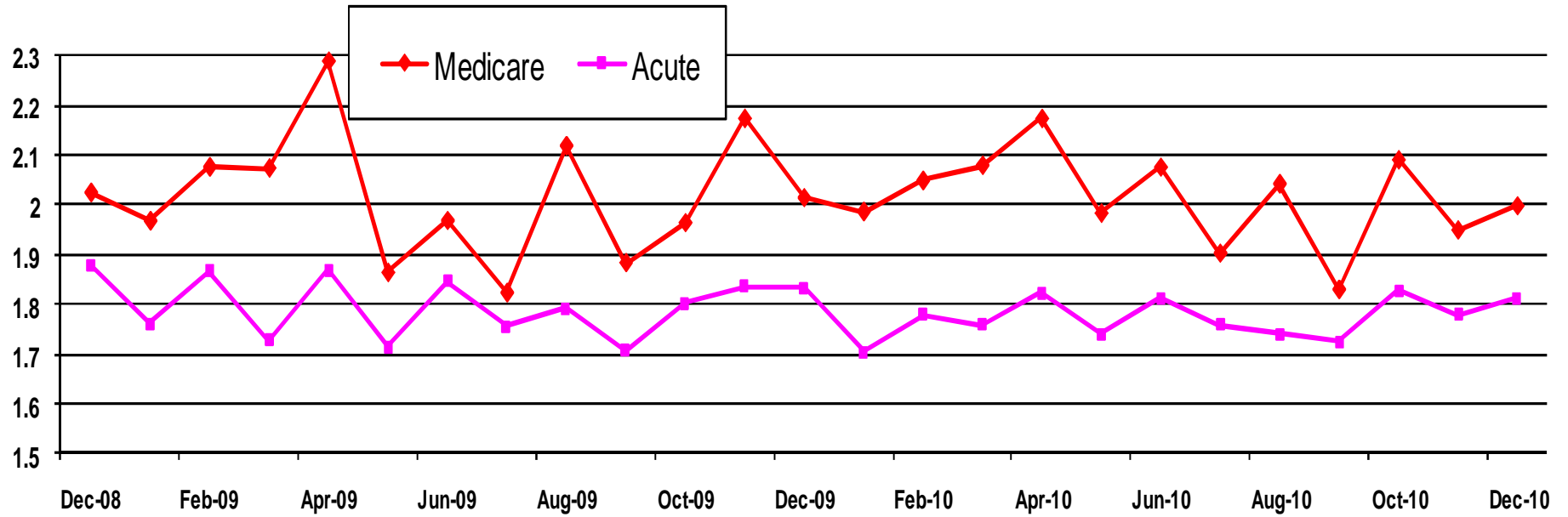
# Clinic Visits by Clinical Department

## July 2010 through December 2010

Operating Review (YTD)	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Anesthesia	7,744	8,385	8,023	(641)	-7.6% ●	(279)	-3.5% ●
CDD	11,302	3,843	3,617	7,459	194.1% ●	7,685	212.5% ●
Clinical Research	5,659	5,833	6,432	(174)	-3.0% ●	(773)	-12.0% ●
Dermatology	12,755	13,114	12,780	(359)	-2.7% ●	(25)	-0.2% ○
ETC	28,075	26,987	26,119	1,088	4.0% ●	1,956	7.5% ●
Employee Health Clinic	8,518	7,630	7,301	888	11.6% ●	1,217	16.7% ●
Family Care Center	45,462	49,117	50,360	(3,655)	-7.4% ●	(4,898)	-9.7% ●
General Surgery	11,828	12,153	14,310	(325)	-2.7% ●	(2,482)	-17.3% ●
Heart and Vascular	18,523	17,258	-	1,265	7.3% ●	18,523	100.0% ●
Hospital Dentistry	6,365	6,329	6,130	36	0.6% ○	235	3.8% ●
Internal Medicine	52,290	50,491	59,596	1,799	3.6% ●	(7,306)	-12.3% ●
Neurology	8,272	9,337	8,884	(1,065)	-11.4% ●	(612)	-6.9% ●
Neurosurgery	4,659	4,739	4,759	(80)	-1.7% ○	(100)	-2.1% ○
Obstetrics/Gynecology	37,064	39,015	37,965	(1,951)	-5.0% ●	(901)	-2.4% ○
Ophthalmology	33,098	33,204	33,168	(106)	-0.3% ○	(70)	-0.2% ○
Orthopedics	29,640	29,365	28,212	275	0.9% ○	1,428	5.1% ●
Otolaryngology	13,694	14,477	13,692	(783)	-5.4% ●	2	0.0% ○
Pediatrics	22,057	20,855	19,945	1,202	5.8% ●	2,112	10.6% ●
Primary Care Clinic North	11,082	9,539	8,420	1,543	16.2% ●	2,662	31.6% ●
Psychiatry	20,818	21,803	20,601	(985)	-4.5% ●	217	1.1% ○
Thoracic – Cardio Surgery	16	-	1,406	16	100.0% ●	(1,390)	-98.9% ●
Urology	7,743	8,444	7,874	(701)	-8.3% ●	(131)	-1.7% ○
Other	248	310	262	(62)	-20.0% ●	(14)	-5.3% ●
<b>Total</b>	<b>396,912</b>	<b>392,228</b>	<b>379,856</b>	<b>4,684</b>	<b>1.2%</b> ○	<b>17,056</b>	<b>4.5%</b> ●

 Greater than 2.5% Favorable
  Neutral
  Greater than 2.5% Unfavorable

# Case Mix Index



# UIHC Comparative Financial Results

Fiscal Year to Date December 2010



NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$494,931	\$480,708	\$446,267	\$14,223	3.0%	\$48,664	10.9%
Other Operating Revenue	24,329	24,266	22,901	63	0.3%	1,428	6.2%
<b>Total Revenue</b>	<b>\$519,260</b>	<b>\$504,974</b>	<b>\$469,168</b>	<b>\$14,286</b>	<b>2.8%</b>	<b>\$50,092</b>	<b>10.7%</b>

## EXPENSES:

Salaries and Wages	\$243,523	\$250,486	\$233,625	(\$6,963)	-2.8%	\$9,898	4.2%
General Expenses	205,226	205,270	186,604	(44)	0.0%	18,622	10.0%
Operating Expense before Capital	\$448,749	\$455,756	\$420,229	(\$7,007)	-1.5%	\$28,520	6.8%
<b>Cash Flow Operating Margin</b>	<b>\$70,511</b>	<b>\$49,218</b>	<b>\$48,939</b>	<b>\$21,293</b>	<b>43.3%</b>	<b>\$21,572</b>	<b>44.1%</b>
Capital- Depreciation and Amortization	34,556	36,538	36,907	(1,982)	-5.4%	(2,351)	-6.4%
<b>Total Operating Expense</b>	<b>\$483,305</b>	<b>\$492,294</b>	<b>\$457,136</b>	<b>(\$8,989)</b>	<b>-1.8%</b>	<b>\$26,169</b>	<b>5.7%</b>

<b>Operating Income</b>	<b>\$35,955</b>	<b>\$12,680</b>	<b>\$12,032</b>	<b>\$23,275</b>	<b>183.6%</b>	<b>\$23,923</b>	<b>198.8%</b>
<b>Operating Margin %</b>	<b>6.9%</b>	<b>2.5%</b>	<b>2.6%</b>		<b>4.4%</b>		<b>4.3%</b>
Gain (Loss) on Investments	17,784	8,078	22,009	9,706	120.2%	(4,225)	-19.2%
Other Non-Operating	(3,621)	(3,104)	(2,413)	(517)	-16.7%	(1,208)	-50.1%
<b>Net Income</b>	<b>\$50,118</b>	<b>\$17,654</b>	<b>\$31,628</b>	<b>\$32,464</b>	<b>183.9%</b>	<b>\$18,490</b>	<b>58.5%</b>
<b>Net Margin %</b>	<b>9.4%</b>	<b>3.5%</b>	<b>6.5%</b>		<b>5.9%</b>		<b>2.9%</b>

# UIHC Comparative Financial Results

December 2010



NET REVENUES:	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Patient Revenue	\$81,078	\$75,970	\$70,530	\$5,108	6.7%	\$10,548	15.0%
Other Operating Revenue	4,215	4,042	3,731	173	4.3%	484	13.0%
<b>Total Revenue</b>	<b>\$85,293</b>	<b>\$80,012</b>	<b>\$74,261</b>	<b>\$5,281</b>	<b>6.6%</b>	<b>\$11,032</b>	<b>14.9%</b>

## EXPENSES:

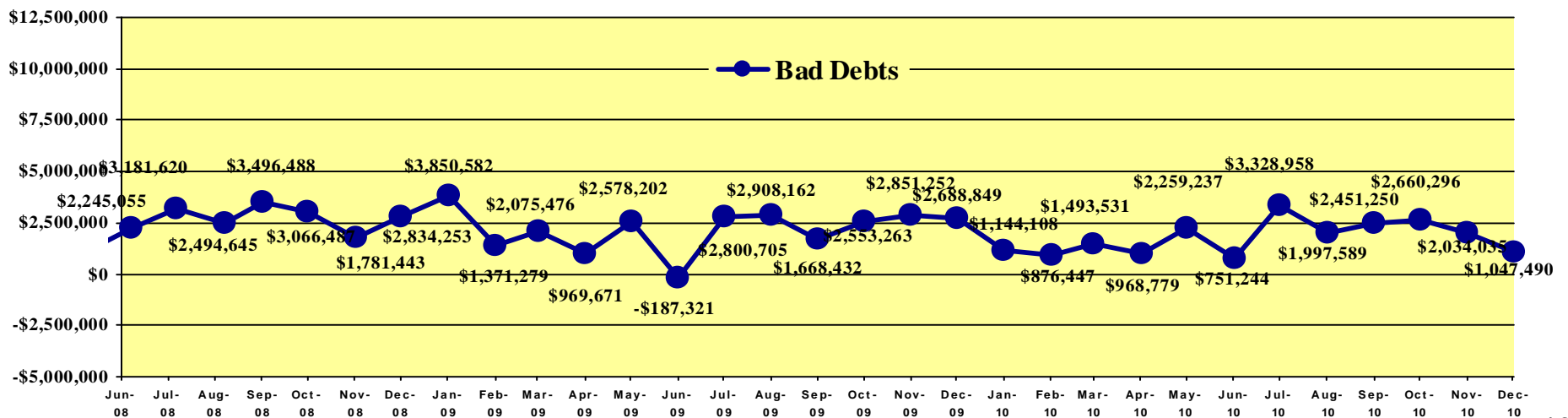
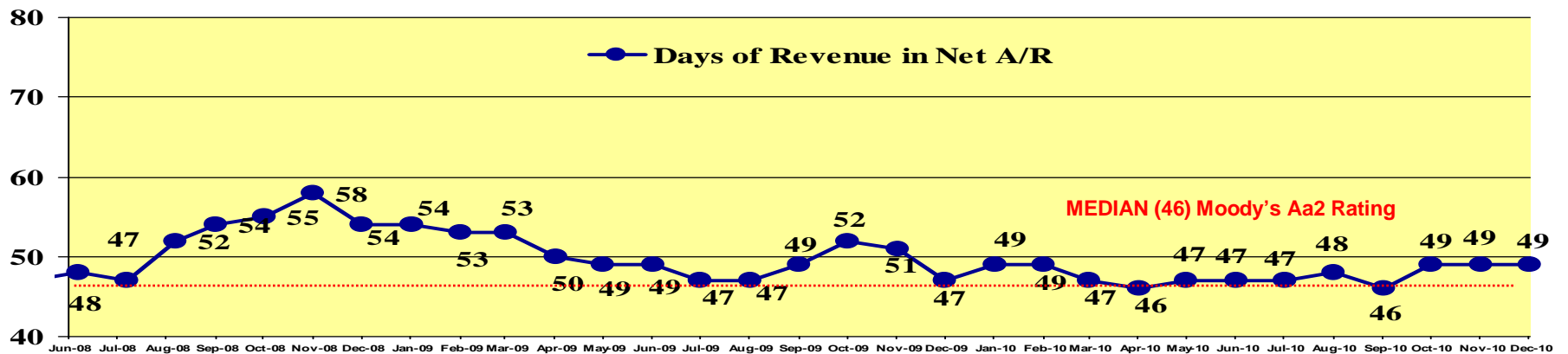
Salaries and Wages	\$40,741	\$41,089	\$38,400	(\$348)	-0.9%	\$2,341	6.1%
General Expenses	33,448	32,516	29,678	932	2.9%	3,770	12.7%
Operating Expense before Capital	\$74,189	\$73,605	\$68,078	\$584	0.8%	\$6,111	9.0%
Cash Flow Operating Margin	\$11,104	\$6,407	\$6,183	\$4,697	73.3%	\$4,921	79.6%
Capital- Depreciation and Amortization	6,041	6,090	6,078	(49)	-0.8%	(37)	-0.6%
<b>Total Operating Expense</b>	<b>\$80,230</b>	<b>\$79,695</b>	<b>\$74,156</b>	<b>\$535</b>	<b>0.7%</b>	<b>\$6,074</b>	<b>8.2%</b>

Operating Income	\$5,063	\$317	\$105	\$4,746	1,497.2%	\$4,958	4,721.9%
Operating Margin %	5.9%	0.4%	0.1%		5.5%		5.8%
Gain (Loss) on Investments	1,801	1,289	(39)	512	39.7%	1,840	4,718.0%
Other Non-Operating	(462)	(517)	(299)	55	10.6%	(163)	-54.2%
<b>Net Income</b>	<b>\$6,402</b>	<b>\$1,089</b>	<b>(\$233)</b>	<b>\$5,313</b>	<b>487.9%</b>	<b>\$6,635</b>	<b>2,847.6%</b>
<b>Net Margin %</b>	<b>7.4%</b>	<b>1.3%</b>	<b>-0.3%</b>		<b>6.1%</b>		<b>7.7%</b>

# Comparative Accounts Receivable at December 31, 2010



	June 30, 2009	June 30, 2010	December 31, 2010
<b>Net Accounts Receivable</b>	<b>\$121,515,935</b>	<b>\$117,737,680</b>	<b>\$136,124,112</b>
<b>Net Days in AR</b>	<b>49</b>	<b>47</b>	<b>49</b>





# ***Major Facility Renewal/Expansion Needs***

- Review Major Facility Renewal/Expansion Needs
  - New Children’s Hospital
  - Other Key Projects
- Review Proposed Project Sequencing and Estimated Costs and Funding Mechanisms
- Request Approval of Project Description, Budget and Schematic Design for Children’s Hospital

# ***Board of Regent Approvals: To Begin Facilities Planning Process***



## **Regents Approve UI Health Care Request to Proceed with UIHC Strategic Facilities Master Plan Implementation** **March 11, 2008**

In 2008, the Board of Regents, State of Iowa approved the University of Iowa Health Care's request to proceed with project planning for:

- New children's hospital – estimated 600,000 square feet
- New critical care tower, related renovations—including conversion of all inpatient rooms to private rooms –
- Improved access, parking, and traffic flow – planning will begin immediately

The strategic master facilities plan will meet health care needs of 21st century patients and families by:

- Accommodating projected growth in the number of patients, surgeries, diagnostic and therapeutic procedures, and imaging and laboratory analyses
- Developing single patient rooms that meet the need for privacy, infection control, increased technology, and space for families to participate in healing
- Building operating suites with more sophisticated electrical, mechanical and information systems
- Meeting increased space requirements for teaching and clinical research

The Board asked that UI Health Care leaders ensure that planning include special attention to improving patient and family experiences, including access to the main campus, parking, and possibly taking some portion of the ambulatory care services off the main campus.

# Strategic Plan



## UI Health Care Strategic Plan - FY 2010-2012 (reviewed and updated July 2010)



### Mission

*Changing Medicine. Changing Lives.*

### Vision

*World Class People. World Class Medicine. For Iowa and the World.*

### Values

*I CARE. Innovation, Collaboration, Accountability, Respect, Excellence.*

Clinical Quality & Service Goal	Research Goal	Education Goal	People Goal	Diversity Goal	Growth and Finance Goal
Provide world class healthcare and service to optimize health for everyone.	Advance world class discovery through excellence and innovation in biomedical and health services research.	Develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage.	Foster a culture of excellence that values, engages and enables our workforce.	Create an environment of inclusion where individual differences are respected and all feel welcome.	Optimize a performance-driven business model that assures financial success.
<b>Accountable Leaders</b> Ken Kates & Craig Syrop	<b>Accountable Leaders</b> Paul Rothman Michael Apicella, Pat Winokur, Gary Rosenthal	<b>Accountable Leaders</b> Paul Rothman Peter Densen, Mark Wilson, Christopher Cooper, LouAnn Montgomery	<b>Accountable Leaders</b> Jana Wessels Ann Williamson	<b>Accountable Leaders</b> Benita Wolff All Other Accountable Leaders	<b>Accountable Leaders</b> Ken Fisher, Ken Kates, Paul Rothman Ken Collins
<b>Strategies</b>	<b>Strategies</b>	<b>Strategies</b>	<b>Strategies</b>	<b>Strategies</b>	<b>Strategies</b>
<ul style="list-style-type: none"> <li>Lead efforts to improve health, access, quality and reduce fragmentation in the health care delivery system in collaboration with other health sciences colleges and community partners.</li> <li>Ensure that clinical services are provided with a seamless, integrated and patient-centered focus.</li> <li>Maximize current operational efficiency and expand clinical capacity to address immediate and long-term needs.</li> <li>Implement business plans for programmatic priorities:                             <ul style="list-style-type: none"> <li>Cancer</li> <li>Children's Services</li> <li>Heart and Vascular</li> <li>Neurosciences</li> <li>Transplant</li> <li>Women's Health</li> <li>Other emerging areas of clinical focus, including aging and age-related diseases</li> </ul> </li> <li>Develop processes to effectively implement evidence-based quality and safety initiatives.</li> <li>Lead efforts to ensure that all UI Health Care clinicians receive appropriate professional training on culturally competent care.</li> </ul>	<ul style="list-style-type: none"> <li>Identify areas of excellence in basic research in which to prioritize future growth and development.</li> <li>Integrate genomics with clinical care.</li> <li>Expand existing research that disseminates and implements evidence-based practices into routine clinical practice settings.</li> <li>Improve and grow scientific infrastructure.</li> <li>Expand existing "bench to bedside to community" research (CTSA)</li> <li>Promote development of new clinical and translational research programs that are strategically aligned with clinical programmatic priorities.</li> <li>Nurture the development of high quality, high reward interdisciplinary scientific programs.</li> <li>Recruit, develop, and retain a diverse cadre of world class investigators and support their academic development.</li> <li>Collaborate with other UI Colleges and CTSA Consortium.</li> </ul>	<ul style="list-style-type: none"> <li>Recruit, develop and retain diverse world class faculty and students.</li> <li>Continue the evolution of an innovative curriculum through competency and evidence-based learning across a continuum of undergraduate, graduate and continuing medical education.</li> <li>Limit medical student debt.</li> <li>Recognize and reward excellence in teaching.</li> <li>Cultivate critical thinking, an environment of curiosity and life-long learning, a spirit of inquiry, a passion for excellence.</li> <li>Implement cultural competency and related diversity educational initiatives into the curriculum for all trainees.</li> <li>Develop world class international medical educational programs in targeted areas.</li> <li>Utilize interdisciplinary education in collaboration with other health sciences colleges to train health professionals and instill a team approach to patient care.</li> <li>Continue to play a key role in training allied health professionals for Iowa.</li> <li>Facilitate learning through the innovative application of information technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Seek, hire and retain outstanding people including individuals from groups traditionally under-represented in academic medicine.</li> <li>Ensure that all UI Health Care employees receive appropriate training regarding UI Health Care diversity goals and values.</li> <li>Engage staff and encourage strong personal responsibility, accountability and empowerment directed toward achieving organizational goals.</li> <li>Define performance expectations for all.</li> <li>Develop and promote programs that recognize and reward excellence.</li> <li>Foster an environment of continual learning, innovation and collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>Provide a range of diversity education, cultural enrichment and acclimation programs for members of the UI Health Care community.</li> <li>Develop and implement innovative, effective recruiting and pipeline initiatives geared towards under-represented groups.</li> <li>Nurture a culture of respect and equal opportunity.</li> <li>Each Accountable Leader will advance diversity in each strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure a sound financial position of clinical programs.</li> <li>Grow in scope, depth and volume in clinical programmatic priority areas.</li> <li>Assure a sound financial position of non-clinical programs.</li> <li>Devote appropriate resources, facilities and equipment to assure the success of clinical, education and research strategies.</li> <li>Develop a culture of philanthropy.</li> </ul>
<b>Tactics</b>	<b>Tactics</b>	<b>Tactics</b>	<b>Tactics</b>	<b>Tactics</b>	<b>Tactics</b>
<ul style="list-style-type: none"> <li>Develop effective, collaborative relationships with local communities using outreach, telemedicine and other tactics.</li> <li>Develop and implement UI Service and Operational Excellence.</li> <li>Fully implement the Quality and Safety work plans in process.</li> <li>Integrate residents and fellows into UI Service and Operational Excellence and Quality and Safety initiatives.</li> <li>Decrease length of stay.</li> <li>Continue the work of the OR Efficiency task force.</li> <li>Continue to develop and refine the Transfer Center.</li> <li>Improve efficiency and access in Ambulatory Care Clinics.</li> <li>Fully integrate Medical Directors into the clinical operations.</li> <li>Develop and implement performance-based, medical home model of primary care for targeted populations.</li> <li>Explore becoming an Accountable Care Organization.</li> </ul>	<ul style="list-style-type: none"> <li>Plan/build the Pappagohn Biomedical Institute.</li> <li>Renovate lab space in Medical Laboratories.</li> <li>Utilize existing open space at Oldale for incubation.</li> <li>Focus DEO morale and resources on Strategic Priorities: Cancer, Heart, Neuroscience and Health Services Outcomes.</li> <li>Develop and implement FUTURE Program.</li> <li>Improve Bioinformatics and IT infrastructure.</li> <li>Implement integrated DNA, blood and tissue procurement system.</li> <li>Initiate Neuroscience Institute.</li> <li>Facilitate collaboration between basic scientists and clinicians for submission of FPGI translational grants.</li> <li>Improve infrastructure for human subjects research.</li> </ul>	<ul style="list-style-type: none"> <li>Increase scholarships.</li> <li>Improve integration of UGME, OSCEP, GME and CME.</li> <li>Develop and deliver an excellent educational experience to residents and fellows.</li> <li>Implement annual review meetings with departments.</li> <li>Respond to LOME and ACGME accreditation recommendations for residency and fellowship programs.</li> <li>Consider strategic affiliations with international medical education programs.</li> <li>Develop and implement FUTURE Program.</li> <li>Continue development of the Branch Campus.</li> <li>Evaluate the potential to increase medical school class size and allied health programs.</li> <li>Maintain diversity in each entering class, with particular focus on those groups under-represented in medicine.</li> </ul>	<ul style="list-style-type: none"> <li>Develop plan and budget for Staff Climate/Satisfaction Survey.</li> <li>Develop and implement a unified rewards &amp; recognition program.</li> <li>Develop and implement plan for state of the art recruiting and on-boarding process.</li> <li>Continue bridging funding program for research faculty retention.</li> </ul>	<ul style="list-style-type: none"> <li>Phase I of this approach is the implementation of the strategies articulated in the Diversity Plan for COOM 2009-2012.</li> <li>Phase II Years 2011-2012: Develop plan for UIHC and UIP focusing on opportunities identified in the baseline assessment.</li> <li>Explore the development of a shared services office to lead enterprise-wide diversity efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Implement Cost Moderation plan.</li> <li>Implement tactical business plans for clinical programmatic priority areas.</li> <li>Plan/build off-site ambulatory care facilities.</li> <li>Plan/build UI Children's Hospital.</li> <li>Plan/build/renovate main campus facilities resulting in all private rooms.</li> <li>Develop and implement CARTS model.</li> <li>Reorganize administrative structures in COOM.</li> <li>Focus finances on strategic priorities.</li> <li>Develop unified clinical incentive plan.</li> <li>Expand the philanthropic base.</li> </ul>
<b>Resources and Processes</b>	<b>Resources and Processes</b>	<b>Resources and Processes</b>	<b>Resources and Processes</b>	<b>Resources and Processes</b>	<b>Resources and Processes</b>
<ul style="list-style-type: none"> <li>Continue to develop the full capabilities of Epic to facilitate quality/safety and enhance professional and consumer relationships, including UI CareLink and MyChart.</li> <li>Training and Development</li> <li>Marketing and Communications</li> <li>Policy and Practice changes</li> </ul>	<ul style="list-style-type: none"> <li>Develop the full capabilities of Epic to facilitate innovation in research.</li> <li>Provide training and support for faculty and staff to incorporate translational research into clinical practice.</li> </ul>	<ul style="list-style-type: none"> <li>Develop the full capabilities of Epic to facilitate education.</li> <li>Provide training and support for "learners" to understand and implement patient-centered care and service.</li> </ul>	<ul style="list-style-type: none"> <li>Training and Development</li> <li>Communications</li> <li>Policy and Practice changes</li> </ul>	<ul style="list-style-type: none"> <li>Support for Diversity programs, services and activities</li> </ul>	<ul style="list-style-type: none"> <li>Data-driven business planning</li> <li>Robust financial and performance-reporting systems</li> </ul>
<b>Metrics</b>	<b>Metrics</b>	<b>Metrics</b>	<b>Metrics</b>	<b>Metrics</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>Patient and Referring Physician Satisfaction</li> <li>Inpatient and Outpatient throughput                             <ul style="list-style-type: none"> <li>Length of stay, most third available outpatient appointments</li> <li>Mean OR table starts, number of OR cases per room</li> </ul> </li> <li>Evidence-based quality metrics</li> <li>JCAHO/CMS Core measures</li> <li>Ventilator Associated Pneumonia &amp; Central Line Blood Stream Infection rates</li> <li>Medication errors that cause harm</li> <li>Satisfaction of Critical Access Hospital and Outreach partners</li> <li>Performance measures for patient-centered care for targeted populations</li> </ul>	<ul style="list-style-type: none"> <li>Number and dollar amount of extramurally funded projects</li> <li>Number and dollar amount of clinical trials</li> <li>Number and dollar amount of program project and other collaborative grants</li> <li>Recruitment and retention of a diverse faculty as measured by annual demographic data on the composition of UI Health Care faculty</li> <li>Increase in "optimal" rankings for the diversity recruitment and retention plan on NIH grant reviews</li> <li>Number of patents, royalties, licensing agreements</li> <li>Research revenue per net square foot</li> <li>Percent of faculty salaries offset by grant support</li> </ul>	<ul style="list-style-type: none"> <li># of hours/faculty devoted to education efforts as logged in participation database</li> <li>Applications, admissions, and yield including increased GPA and MCAT scores and diversity of applicants and admitted students</li> <li>USMLE scores</li> <li>Match results; all available COOM slots filled</li> <li>Student evaluations of curriculum and instruction to include residents and fellows</li> <li>% increase in annual student debt compared to national benchmarks and prior year</li> <li>Placements of graduates, short term and long term</li> <li>National rankings of graduate programs and professional schools</li> <li>Success in student diversity retention initiatives</li> <li>Increase in positive data from OSAC-commissioned minority focus groups</li> </ul>	<ul style="list-style-type: none"> <li>Faculty and staff engagement, satisfaction and loyalty</li> <li>Success in retention initiatives measured by demographic data on the composition of our new/faculty, staff, administrators by department, with measures of turnover by gender, age, race/ethnicity, educational achievement and other factors</li> </ul>	<ul style="list-style-type: none"> <li>Recruitment and retention of a diverse workforce/student population as measured by annual demographic data on the composition of UI Health Care students, residents, faculty, staff and post doctoral scholars</li> <li>Success in retention initiatives measured by demographic data on the composition of our new/faculty, staff, administrators by department, along with measures of turnover by gender and race/ethnicity</li> <li>Climate and diversity as measured by UI Health Care climate survey compared to other AMCs</li> <li>Providers' ability to deliver culturally competent and sensitive patient care as measured by patient satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Volume for inpatient and outpatient services (total admissions, outpatient clinic visits, ETC visits and surgical cases)</li> <li>Volume for clinical programmatic priority areas</li> <li>Performance against fixed operating budget</li> <li>UIHC and UIP operating margin %</li> <li>Facility projects on budget, on schedule</li> <li>CARTS model productivity factor</li> <li>Annual fundraising productivity</li> <li>Philanthropic goal of \$500M by the end of fiscal year 2013</li> <li>Comprehensive community benefit reporting</li> <li>Bond rating</li> </ul>

## ***Background – Need for New/Upgraded Facilities***

- Patient service volumes, both inpatient and outpatient, are growing in all areas and UIHC is serving an increasingly complex patient population
  - Emerging technological advances require more floor space, greater height and more sophisticated electrical, mechanical and information technology systems
  - Consumer expectations are continuing to rise as are requirements for safety, infection control, patient privacy and family centered care – contemporary private patient rooms
  - Intermingled with adult services, facilities for children are currently located in Carver, Colloton, Pappajohn and Pomerantz Family Pavilions and need to be consolidated into a Children’s Hospital that is designed to meet the specific needs of pediatric patients
  - Corollary requirements for teaching and clinical research space are continuing to expand
  - Buildings built in the 1970s and early 1980s have reached or will soon reach 30-35 years of age and need to be modernized with contemporary codes and expectations
  - Roadways to UIHC are currently crowded with large numbers of patients, visitors and staff coming to the Hospital and need to be decongested by development of an off-site clinic facility

## Background – Need for New/Upgraded Facilities

- Engaged Kurt Salmon Associates (KSA) and TRG Healthcare LLC, national consulting firms, to assist with projecting future volumes and developing facility options
- Consultants worked with UIHC planning staff, clinical department heads and faculty, other medical leaders, UIHC, CCOM and UI Facilities and Operations administrators and many other staff to complete assessments in three areas:
  - *Strategic assessment - translated the future vision into work load projections and facility requirements*
  - *Operational assessment - evaluated the functionality of clinical space in comparison to contemporary standards*
  - *Physical assessment - evaluated the physical condition of current facilities and the capacity and constraints related to future development*
- Information from the assessments and other factors led to the conclusion that UIHC's future facility needs could best be met by initially developing a children's hospital, renovating existing patient care units and adding future patient towers

- Children's Hospital Consolidation

*Patient/Family Experience; Provision of the Best Medical Care; Recruitment; Image/Identity/Market Expansion*

- Adjacent Pediatric and Adult Interventional Platform

*Patient/Family Experience; Recruit Best Surgeons; Cost Management; Operational Efficiency; Margin Contribution*

- Critical Care Bed Upgrades/Expansion

*Safety/Quality; Patient/Family Experience; Margin Contribution*

- Private Patient Rooms

*Safety/Quality; Privacy; Patient/Family Experience; Operational Efficiency; Market Competitiveness*

## Key Findings: Functionality of Clinical and Other Space

Existing at UIHC	Contemporary Academic Medical Center Standards
Majority of patient rooms are semi-private	Large, all private patient rooms
Rooms are small – private rooms average 184 nsf; semi-private rooms average 225 nsf	Private rooms are 275 nsf – 325 nsf
Operating rooms are not uniformly sized and small (400 nsf – 527 nsf); many are small resulting in fragmented flow	Large, efficiently configured surgical suite; operating rooms a minimum of 600 nsf; clear and coherent flow
Interventional services (surgery, angiography, catheterization, endoscopy) are dispersed; multiple anesthetizing locations	Interventional platform with co-located procedure and related support space
Ambulatory services are in many locations -- difficult way finding. A large patient/family dissatisfier	Ambulatory services, integrated, accessible, often in a single facility
Access from parking not often direct – difficult way finding; A large patient/family dissatisfier	Proximate parking, easy way finding
Faculty offices dispersed throughout medical center – co-mingled in clinical areas	Dedicated physician office locations, not co-mingled in clinical areas
On-stage (public) and off-stage (service) functions intermingled	On-stage and off-stage functions separate
Inpatient areas lack amenities	Numerous patient and family amenities
Privacy lacking in waiting, reception, prep/recovery areas	HIPAA sensitive privacy in all patient areas

## ***Contemporary Private Rooms Required***

More than half (58%) of our adult medical/surgical floor beds are semi-private. These semi-private rooms are too crowded to comfortably house patients, equipment, and families, and are not optimal for infection control and managing patient privacy. This is a tremendous dissatisfier for patients, families and staff.







### Sharing hospital rooms may raise infection rates: *Canadian study*

By Tom Spears , Ottawa Citizen January 7, 2010

OTTAWA — Each person who shares your hospital room raises your chance of catching a life-threatening infection by at least 10 percent, new Canadian research shows.

"A private room is more costly to build in a hospital. However, if it saves on infections . . . then clearly it's worth the expense," said Dr. Dick Zoutman, an infectious disease specialist at Queen's, in Kingston, Ont. "So we decided to look at whether the number of roommates you have in hospital correlated with the risk of getting the Big Three superbugs."

He studied records of 17,200 patients admitted to Kingston General Hospital over six months. "What we found surprised me because of the strength of the relationship" between infection risk and number of roommates. "Your risk of infection with one of those three superbugs went up 10 percent per roommate for each of the three infections." (In some cases, it was slightly above 10 per cent. Patients exposed to six roommates during their stay had a risk 77 to 90 percent higher than those in private rooms.) That means a double room is worse than a single, and a ward of four beds is worse again. As well, a person who changes roommates has more risk than a person who has one roommate through his or her hospital stay.

"I'm saying that the best possible decision is that we build our hospitals with private rooms."

# Contemporary Private Patient Rooms A Must: Improved Infection Control, Privacy, Family Centered Care



## **Major Facility Projects to Renew and Upgrade our Clinical Facilities**

- Iowa River Landing/Off-site Replacement Facilities (underway)
- Cancer Center (underway)
- ICU expansion - Cardiovascular ICU
- Mechanical upgrades (Colloton, Carver and Pappajohn)
- Ambulatory and Main Operating Rooms - additional ORs/ pre-op and post operative support space
- New Bed Tower #1 - Children's Hospital
- Complete renovations of existing adult inpatient units
- Adult hospital - Conversion to private rooms
- Orthopaedics - Clinical and research facilities
- Kitchen/Dining Room
- Backfill projects post Iowa River Landing
- Proton beam
- Preparatory projects for Bed Tower #2 (CDD, Parking, Utilities)
- New Bed Tower #2

## Major Facility Projects - Projected Timing

<b>Group 1</b> <b>Planning now</b> <b>Implementation in 1-3 yrs</b> <b>2011 - 2013</b>	<b>Group 2</b> <b>Planning now – next year</b> <b>Implementation in 2-4 yrs</b> <b>2013 - 2016</b>	<b>Group 3</b> <b>Planning in 2-3 years</b> <b>Implementation in 4-5 yrs</b> <b>2016 - 2020</b>
Iowa River Landing (in process)	Children’s Hospital Tower including Operating Rooms	Bed Tower #2
Offsite Replacement Facilities	Surgical Platform - Upgraded Pre and Post Facilities	Orthopaedics - Clinical and Research
Cancer Center (in process)	Phase I - Conversion to Private Rooms	Phase 2 - Conversion to Private Rooms
Colloton Pavilion Mechanical Upgrade	Iowa River Landing Backfill	Carver /Pappajohn Pavilion Mechanical Upgrade
Cardiovascular Intensive Care Unit	Complete Renovations Colloton Patient Units	
Proton Beam Therapy	Carver /Pappajohn Pavilion Mechanical Upgrade	
Ambulatory Surgery - Additional ORs	Preparatory Projects for Bed Tower #2 - CDD, Parking, Utilities, Roads	
Main Operating Room - Additional ORs		
Kitchen/Dining Room Upgrades		

# Major Projects Approved for Planning: Estimated Costs



<b>Funded From Routine Annual Capital Budget</b>		(millions)	(millions)
<b>Group 1</b>	Cardiovascular Intensive Care Unit/Heart and Vascular Center Pre/Post Procedure Facility	\$ 15	
	Colloton Pavilion mechanical upgrade	\$ 9	
	Proton Beam	\$ 25-40	
	Kitchen/Dining Room Upgrades	\$ 13	
	<b>Total</b>		<b>\$ 77</b>
<b>Group 2</b>	Conversion to Private Rooms - phase #1 (\$6M per floor)	\$ 18	
	Preparatory projects for Bed Tower #2 (CDD relocation, new parking garage, utilities and roads)	\$ 89	
	Complete renovations of Colloton inpatient units	\$ 63	
	Carver or Pappajohn Pavilion mechanical upgrade	\$ 9	
<b>Total</b>		<b>\$ 179</b>	
<b>Group 3</b>	Conversion to private rooms - phase #2 (\$6M per floor)	\$ 18	
	Carver or Pappajohn Pavilion mechanical upgrade	\$ 9	
<b>Total</b>		<b>\$ 27</b>	
<b>Total</b>			<b>\$ 283</b>

<b>Funded Outside Routine Annual Capital Budget</b>		(millions)	(millions)
<b>Group 2</b>	Children's Hospital Tower	\$ 271	
<b>Total</b>			<b>\$ 271</b>

# New Projects: Estimated Costs

<b>Funded From Routine Annual Capital Budget</b>		(millions)	(millions)
<b>Group 1</b>	Offsite facility replacements	\$ 22	
	Ambulatory Surgery - Additional Operating Rooms	\$ 18	
	Main Operating Rooms - Additional Operating Rooms	\$ 20	
	<b>Total</b>		<b>\$ 60</b>
<b>Group 2</b>	Surgical Platform upgrades - Pre op and Post op	\$ 24	
	Iowa River Landing - backfill to main campus freed up space	\$ 20	
	<b>Total</b>		<b>\$ 44</b>
<b>Group 3</b>	Orthopaedics - clinical and research facilities	\$ 45	
	<b>Total</b>		<b>\$ 45</b>
<b>Total</b>			<b>\$ 149</b>

<b>Funded Outside Routine Annual Capital Budget</b>		(millions)	(millions)
<b>Group 3</b>	Bed Tower #2	\$ 400	
<b>Total</b>			<b>\$ 400</b>

# *The Need for a New Facility*



## ***UI Children's Hospital Has Unique Challenges***

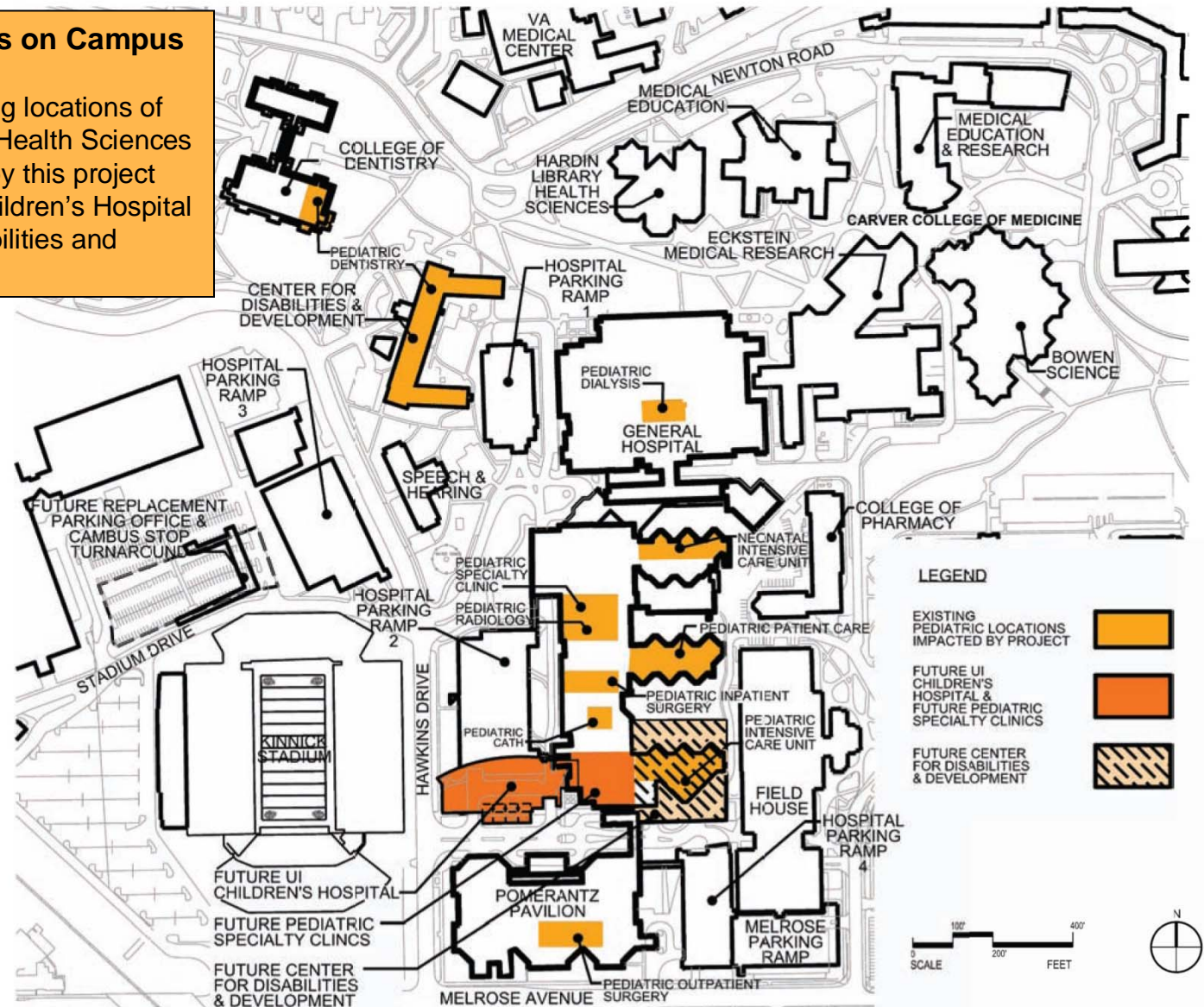
- Children require different health care that focuses on their unique needs, involves their parents from start to finish and is provided in places designed to be kid-sized and child friendly
- We must create the sizing, shape, color, organization and “feel” that lessen the anxiety and stress for children and their families during hospitalization
- Inpatient and specialty services for children must be provided in patient-centered areas
- We must meet the expected standard for academic medical center children's hospitals to aid in the recruitment of first class “pediatric trained” clinicians, residents/fellows, researchers and nurses
- Children's services are currently spread over multiple pavilions and multiple floors



# UI Children's Hospital Has Unique Challenges: Services Dispersed Throughout Campus

## Existing Pediatric Facilities on Campus

This diagram shows the existing locations of pediatric care areas on the UI Health Sciences campus that will be impacted by this project and located in the future UI Children's Hospital and the future Center for Disabilities and Development.



## ***New University of Iowa Children's Hospital: Creating a System of Care for Iowa's Children***

The overarching vision of the University of Iowa Children's Hospital project is to create a system of care for Iowa's children. This will be accomplished through the creation of a pediatric health "Center of Excellence" that embraces the principles of an Iowa specific children's system of care.

This vision will be realized through the construction of a new state-of-the-art children's hospital and the incorporation of sophisticated health information technology.

## **The new University of Iowa Children's Hospital will:**

- Provide a place for direct and virtual provision of innovative pediatric care in a child friendly, family-centered environment
- Assure quality service and outcomes for Iowa's children
- Expand the existing and initiate new on-site and outreach tertiary-level services for children to meet the state's current and anticipated needs
- Foster outstanding research and educational programs that meet the needs for the state's pediatric health care professionals

## ***New University of Iowa Children's Hospital: Project Absolutes***



- **Children and families first:**  
The design and philosophy of the building will reflect the principles of patient and family-centered care where children and families come first
- **Foster academic achievement:**  
The building will support the teaching mission and facilitate academic achievement and medical excellence
- **Maintainable, friendly and secure:**  
The building will be durable, easy to clean, welcoming and secure
- **Architecturally and functionally integrated/environmentally sustainable:**  
The building will fit into the context of campus architecture, have good functional relationships to related parts of the Medical Center, and be designed to be environmentally sustainable
- **Grow pride and image:**  
The building will engender pride and positively affect the image of the University of Iowa

### **Architectural Selection Process Completed (2008)**

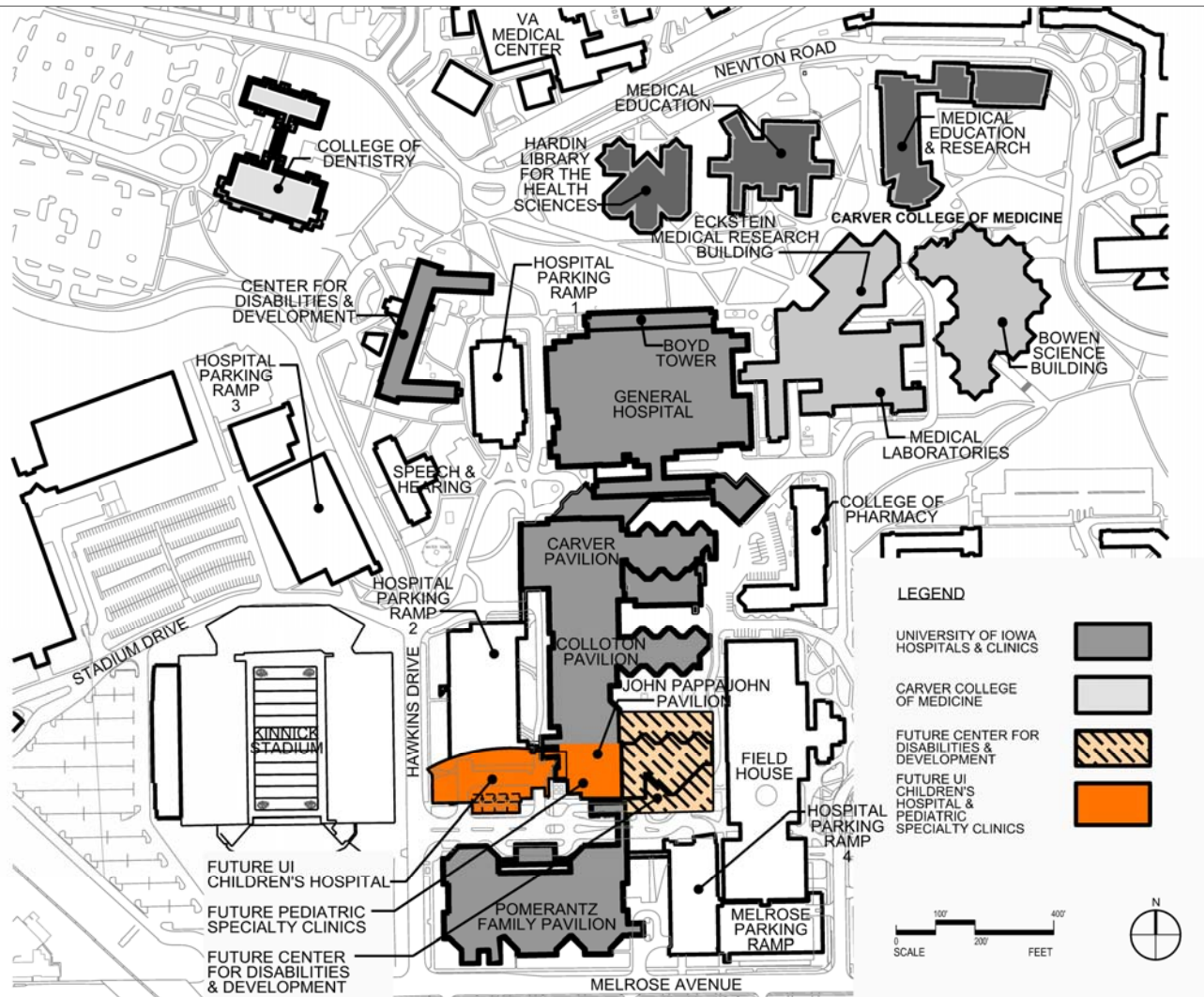
- **Heery International** (Iowa City office) selected as Architect of Record
- **Stanley Beaman & Sears** (Atlanta, GA) selected as Children's Hospital Architect

### **Construction Manager Selection Completed (2008)**

- **Gilbane Building Co.** (Chicago, IL) selected as Construction Manager

# New Children's Hospital Planning: Site Plan

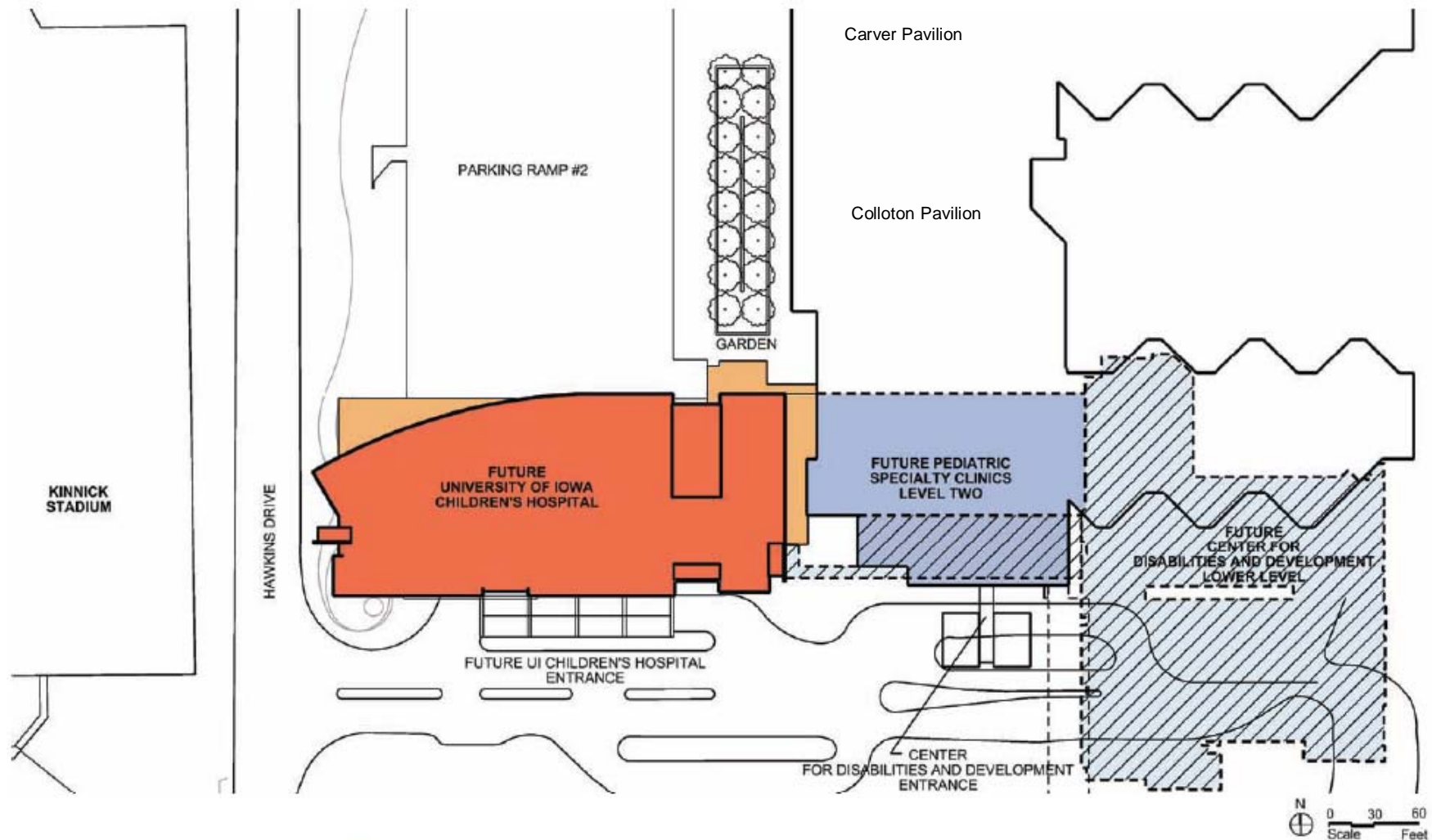
The UI Children's Hospital will be located to the north of the Pomerantz Pavilion and to the south of Hospital Parking Ramp #2, and to the west and connecting to the Pappajohn Pavilion. The Cambus stop and turn-around which is currently located to the south of Hospital Parking Ramp #2 will be relocated to the west of Hospital Parking Ramp #3 and connected to University of Iowa Hospitals and Clinics facilities.



# New Children's Hospital Planning: Site Plan

## Site Plan

This image shows a close-up area of the future UI Children's Hospital, the future Specialty Clinics on Level 2 of Pappajohn Pavilion and the future Center for Disabilities and Development on Lower Level of Pappajohn Pavilion. The Center for Disabilities and Development and the UI Children's Hospital will have separate, dedicated entrances.



# Renderings

## Southwest Street Level View





**Renderings**  
**North Street Level View**



**Renderings**  
**Southeast Aerial View**



**Renderings**  
**West Aerial View**



# Building Program Highlights

## ● General Building Statistics

- 427,850 gross square feet (371,600 gross square feet in new construction, 56,250 gross square feet in renovated space)
- 100 feet wide by 300 feet long plus renovated space in JPP
- Eleven stories

## ● Medical Surgical Inpatient Units

- Three 28 bed medical/surgical units, incorporating rooms for various clinical support for specific populations - total 84 beds
- Compares to 65 beds currently

## ● Neonatal Intensive Care Unit (NICU)

- Total of 83 beds (55 in existing facility)
- Compares to 69 beds currently

## ● Pediatric Intensive Care Unit (PICU)

- Total of 28 beds
- Compares to 20 beds currently

## ● Pediatric Operating Suites

- Eight operating rooms



## Building Program Highlights (continued)

- Radiology
  - General radiography, fluoroscopy and ultrasound
  - Expansion space for future CT and MRI
- Child Life
  - Central Child Life facility/decentralized playrooms
  - Classroom
  - Outdoor space for possible “healing garden”
- Family Support/Amenities
  - Parent sleep rooms
  - Meditation space
  - Family resource center
  - Family kitchen
  - Laundry facilities
- Educational
  - Resident training program facilities
  - Conference rooms on every patient floor



## Children's Beds

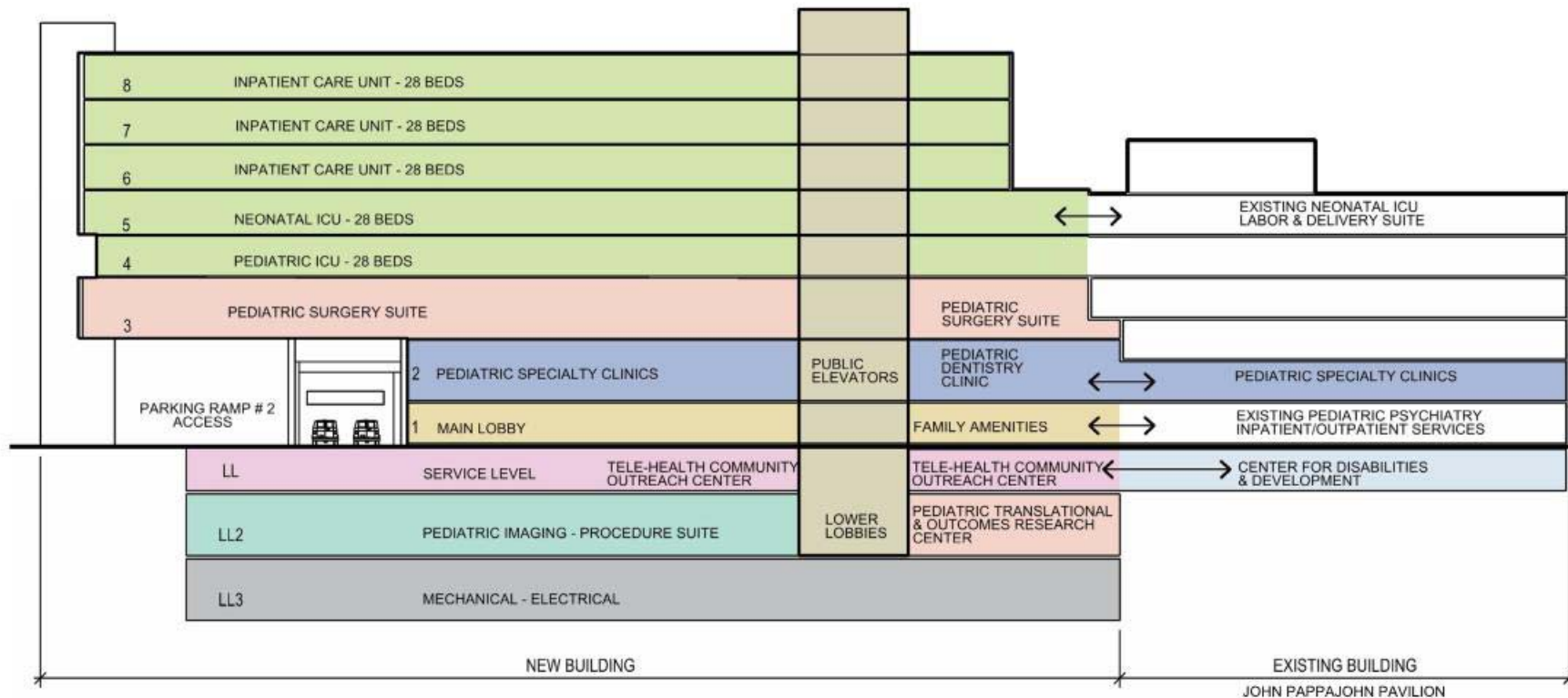
**Bed Capacity when the new Children's Hospital is open will increase by 19% consistent with projected need.**

<u>Beds</u>	<u>Today</u>	<u>New Hospital</u>	Remain in Present <u>Hospital</u>	<u>Future Total</u>
Medical/Surgical	66	84	0	<b>84</b>
Pediatric Intensive Care	20	28	0	<b>28</b>
Neonatal Intensive Care	<u>78</u>	<u>28</u>	<u>55</u>	<b><u>83</u></b>
Total	164	140	55	<b>195</b>

# New Children's Hospital Planning: Stacking Diagram

## Stacking Diagram

The stacking diagram is a cross section of the future UI Children's Hospital showing the services on each floor and how it will connect to existing facilities



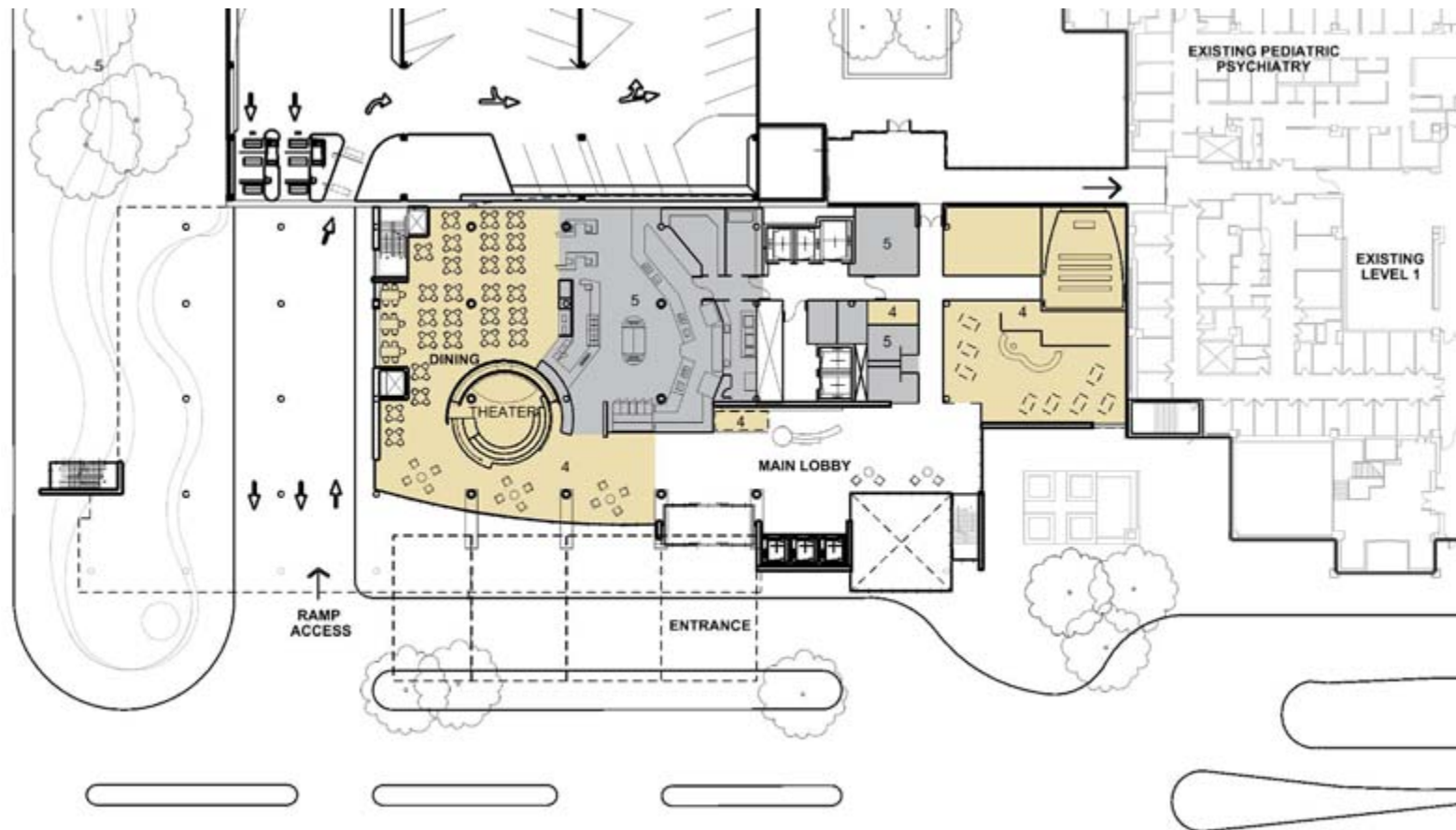
# New Children's Hospital – Level 1

## Level One

The entrance to the proposed new UI Children's Hospital is at Level One. A glass canopy introduces the lobby featuring essential patient and family services, along with access to family amenities. Separate public and service elevator banks serve each floor.

### The major elements on the floor include:

- Entrance and Parking Ramp Access
- Main Lobby Space with Patient Service Reception
- Children's Theater
- Gift Shop and Safety Store
- Meditation Area
- Business Center, Family Lockers and Transportation Services
- Access to Garden/Playscape
- Food Services for Families and Staff
- Atrium Light Well to Lower Level Functions





# New Children's Hospital – Level 2

## Level Two

The Pediatric Specialty Clinics will be located on Level Two. The Clinics will seamlessly occupy the entire second floor of the new UI Children's Hospital and a renovated portion of the second floor of the Pappajohn Pavilion. Separate public and service elevator banks serve each floor.

The major elements on the floor include:

- Reception Area
- Family Waiting and Play areas
- Pediatric Specialty Clinics



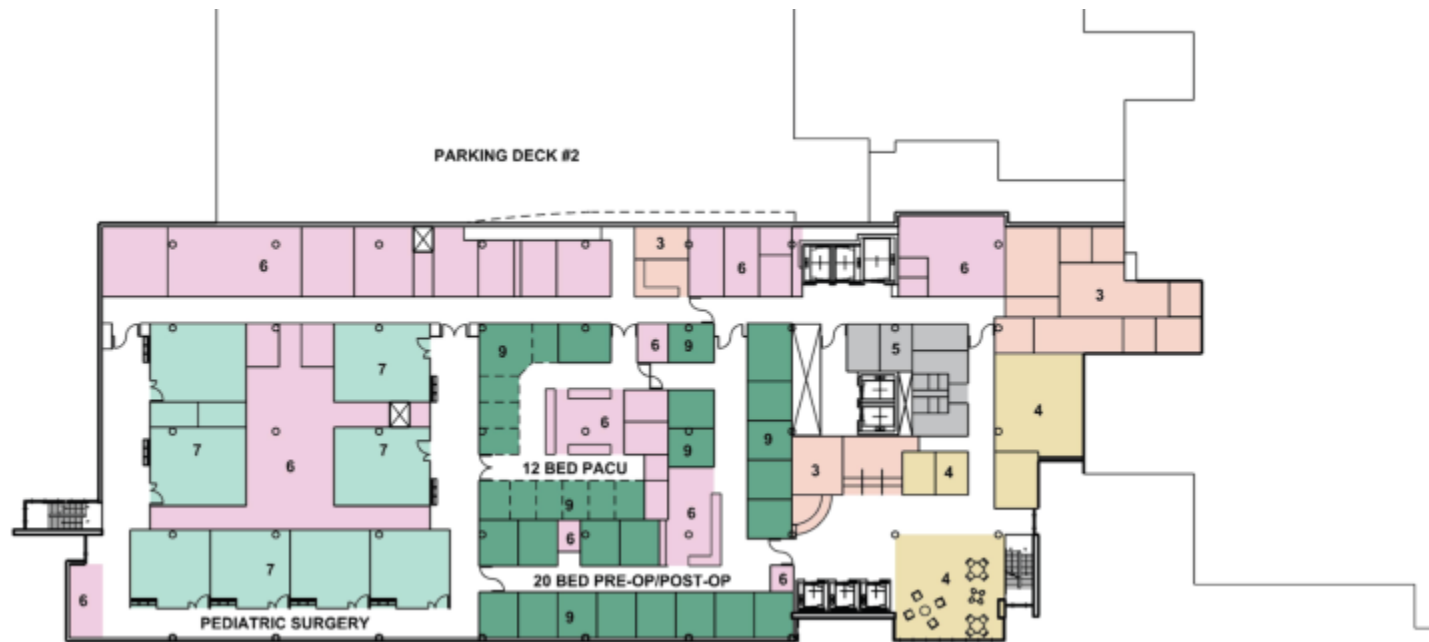
# New Children's Hospital – Level 3

## Level Three

The Surgery Suite will be located on Level Three and includes services for both outpatient and inpatient procedures. It will provide eight operating rooms, pre and post operative facilities, staff work areas and family amenity areas. Separate public and service elevator banks serve each floor.

### The major elements on the floor include:

- Pre-Op Family Waiting and Play Area
- Post-Op Family Waiting and Play Area
- Family Consult Rooms
- 20 Bed Pre-Op / Post-Op
- 12-bed Post Anesthesia Care Units
- 8 Operating Rooms including a Hybrid O.R. Room
- Surgical Clinical and Staff Support Space



- |  |   |   |
|--|---|---|
| <span style="background-color: #c8e6c9; border: 1px solid black; padding: 2px;">1</span> INPATIENT ROOMS | <span style="background-color: #fff9c4; border: 1px solid black; padding: 2px;">4</span> WAITING/FAMILY SUPPORT | <span style="background-color: #e0f2f1; border: 1px solid black; padding: 2px;">7</span> DIAGNOSTIC/TREATMENT     |
| <span style="background-color: #bbdefb; border: 1px solid black; padding: 2px;">2</span> EXAM ROOMS      | <span style="background-color: #e0e0e0; border: 1px solid black; padding: 2px;">5</span> BUILDING SUPPORT       | <span style="background-color: #fff176; border: 1px solid black; padding: 2px;">8</span> CONFERENCE/EDUCATION     |
| <span style="background-color: #ffe0b2; border: 1px solid black; padding: 2px;">3</span> OFFICES         | <span style="background-color: #f8bbd0; border: 1px solid black; padding: 2px;">6</span> CLINICAL SUPPORT       | <span style="background-color: #c8e6c9; border: 1px solid black; padding: 2px;">9</span> PATIENT HOLDING/RECOVERY |

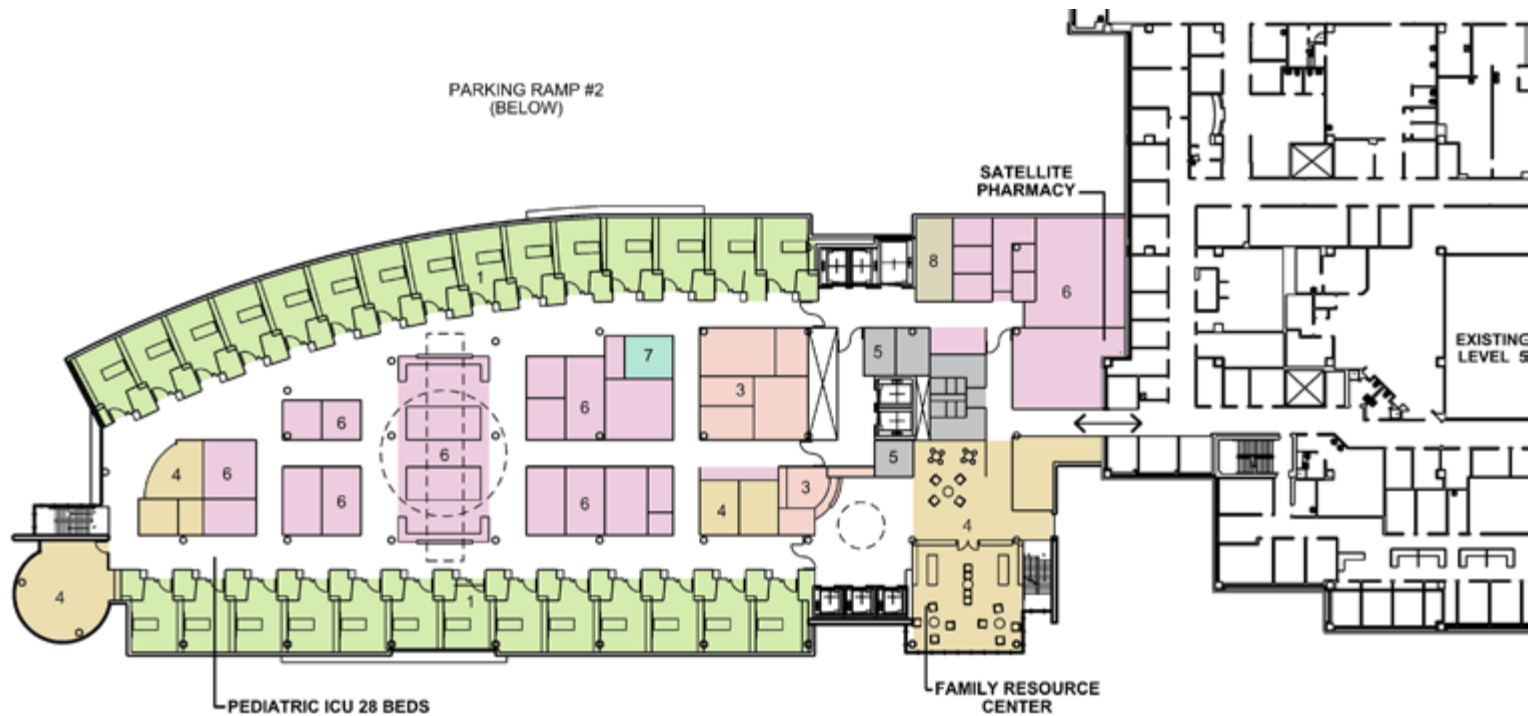
# New Children's Hospital – Level 4

## Level Four

A 28 bed Pediatric Intensive Care Unit will be located on Level Four which will connect to Level Five of the existing hospital. This floor unit will have all single patient rooms with space to provide patient / family centered care. A family amenity area will be developed on this floor. Separate public and service elevator banks serve each floor.

### The major elements on the floor include:

- 28 Bed Pediatric Intensive Care Unit
- Family Resource Center / Library adjacent to Family Activity Areas
- Child Life Services
- Tele-Health Services
- Satellite Pharmacy



<span style="background-color: #c8e6c9; border: 1px solid black; padding: 2px;">1</span> INPATIENT ROOMS	<span style="background-color: #fff9c4; border: 1px solid black; padding: 2px;">4</span> WAITING/FAMILY SUPPORT	<span style="background-color: #e0f2f1; border: 1px solid black; padding: 2px;">7</span> DIAGNOSTIC/TREATMENT
<span style="background-color: #bbdefb; border: 1px solid black; padding: 2px;">2</span> EXAM ROOMS	<span style="background-color: #e0e0e0; border: 1px solid black; padding: 2px;">5</span> BUILDING SUPPORT	<span style="background-color: #fff176; border: 1px solid black; padding: 2px;">8</span> CONFERENCE/EDUCATION
<span style="background-color: #ffe0b2; border: 1px solid black; padding: 2px;">3</span> OFFICES	<span style="background-color: #f8bbd0; border: 1px solid black; padding: 2px;">6</span> CLINICAL SUPPORT	<span style="background-color: #c8e6c9; border: 1px solid black; padding: 2px;">9</span> PATIENT HOLDING/RECOVERY

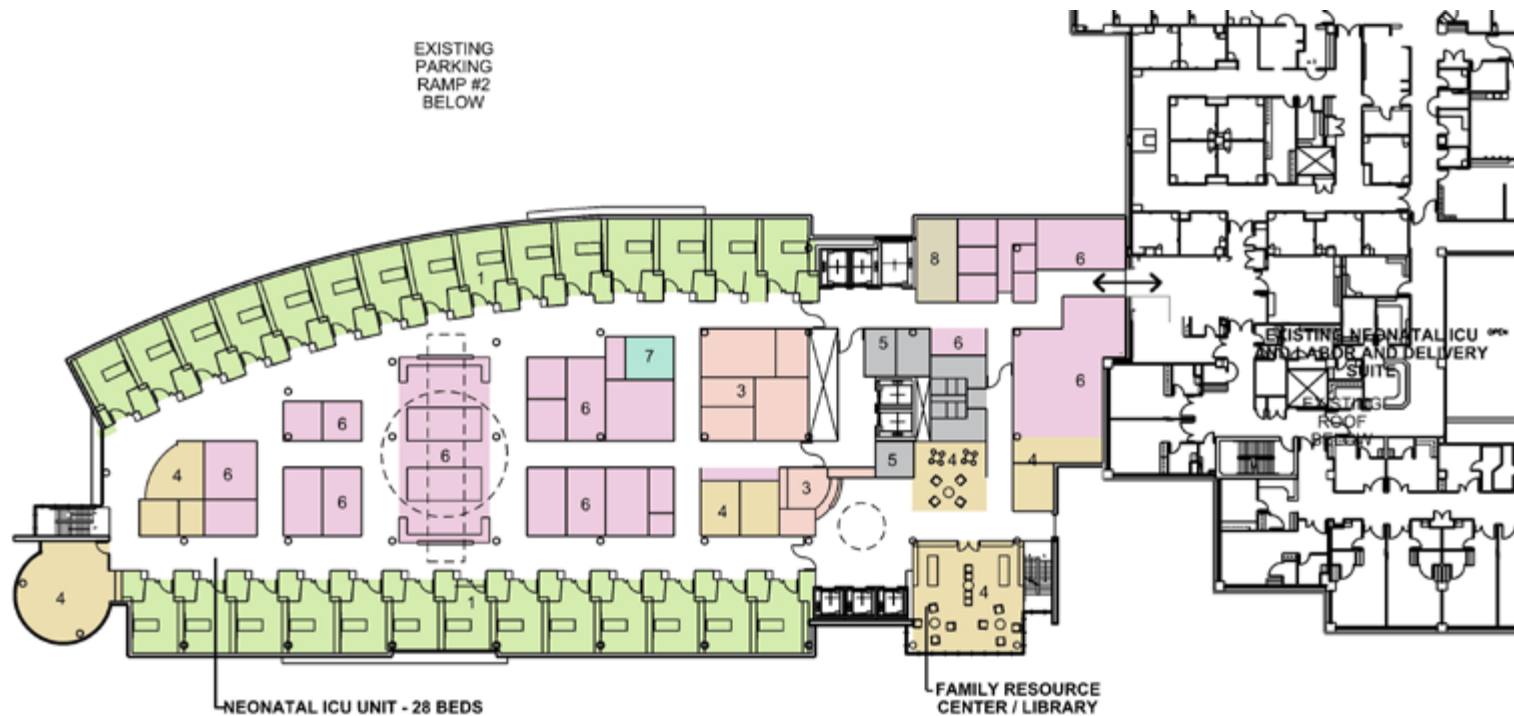
# New Children's Hospital – Level 5

## Level Five

Level Five will add 28 Neonatal Intensive Care Unit Beds connected to the current Neonatal ICU and Labor/ Delivery Suite on Level Six of the existing hospital. These will all be single rooms with adequate space for patient / family centered care. A family amenity area will be developed on this floor. Separate public and service elevator banks serve each floor.

### The major elements on the floor include:

- 28 Bed Neonatal Intensive Care Unit
- Family Resource Center / Library adjacent to Family Activity Areas
- Tele-Health Services



1	INPATIENT ROOMS	4	WAITING/FAMILY SUPPORT	7	DIAGNOSTIC/TREATMENT
2	EXAM ROOMS	5	BUILDING SUPPORT	8	CONFERENCE/EDUCATION
3	OFFICES	6	CLINICAL SUPPORT	9	PATIENT HOLDING/RECOVERY

# New Children's Hospital – Levels 6, 7 and 8

Each of these three floors will provide 28 single-patient rooms with adequate space to provide patient/ family centered care including accommodations for overnight stays by family members. A family resource center will be located on each floor. Separate public and service elevator banks serve each floor.

**The major elements on each floor include:**

- 28 Inpatient Pediatric Care Unit
- A Family Resource Center adjacent to Family Activity Areas
- Separate Playroom, Teen Room and Classroom
- Child Life Services
- Tele-Health Services

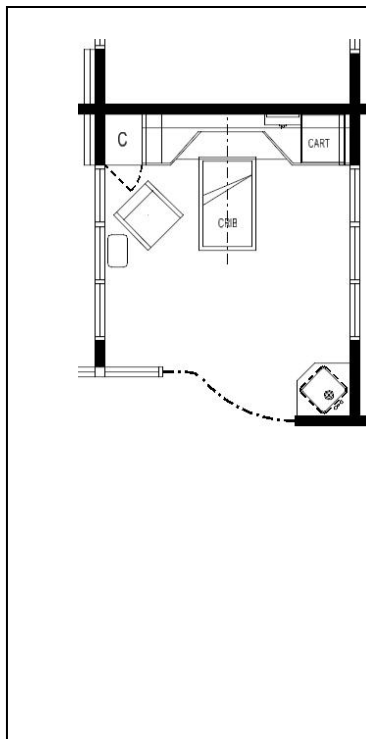


<span style="background-color: #c8e6c9; border: 1px solid black; padding: 2px;">1</span> INPATIENT ROOMS	<span style="background-color: #fff9c4; border: 1px solid black; padding: 2px;">4</span> WAITING/FAMILY SUPPORT	<span style="background-color: #e0f2f1; border: 1px solid black; padding: 2px;">7</span> DIAGNOSTIC/TREATMENT
<span style="background-color: #bbdefb; border: 1px solid black; padding: 2px;">2</span> EXAM ROOMS	<span style="background-color: #e0e0e0; border: 1px solid black; padding: 2px;">5</span> BUILDING SUPPORT	<span style="background-color: #fff176; border: 1px solid black; padding: 2px;">8</span> CONFERENCE/EDUCATION
<span style="background-color: #ffe0b2; border: 1px solid black; padding: 2px;">3</span> OFFICES	<span style="background-color: #f8bbd0; border: 1px solid black; padding: 2px;">6</span> CLINICAL SUPPORT	<span style="background-color: #4db6ac; border: 1px solid black; padding: 2px;">9</span> PATIENT HOLDING/RECOVERY

## NICU Transitional Bed Space Comparison

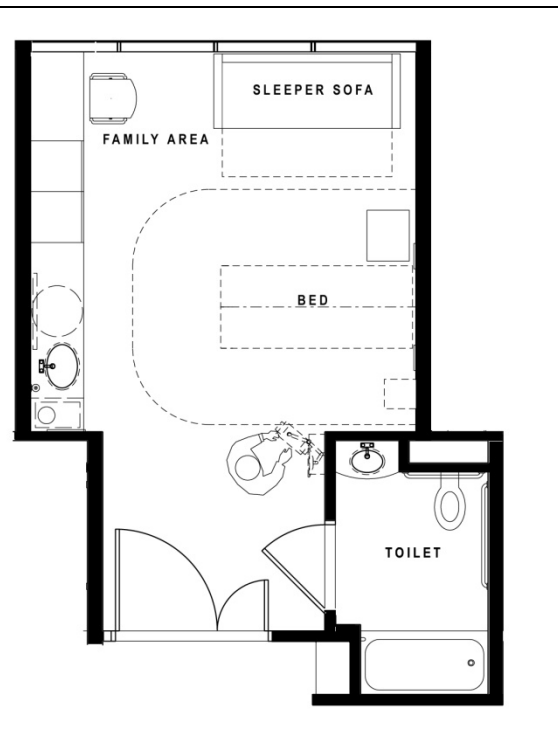
The new NICU bed spaces will provide more privacy and allow for more control over the environment – sound, light and climate. A private shower/toilet and family space will be available in each room.

Current Intermediate NICU Spaces



200 square feet per  
bed space

New NICU Spaces

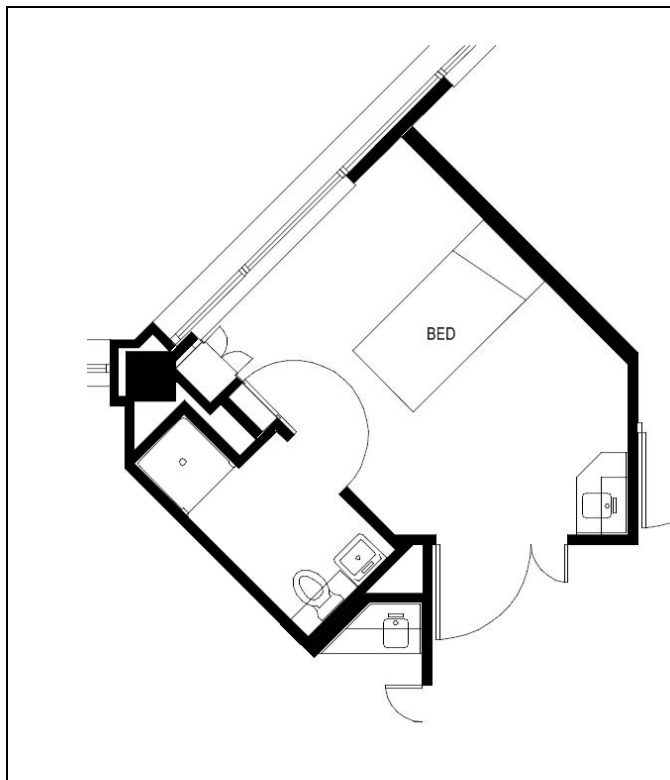


295 square feet per bed  
55 square feet Toilet Room per bed  
(Preliminary Layout)

# Medical/Surgical Patient Room Comparison

The new patient rooms will have ample space for the patient, family and clinical staff. The shower/toilet room will be accessible for patients.

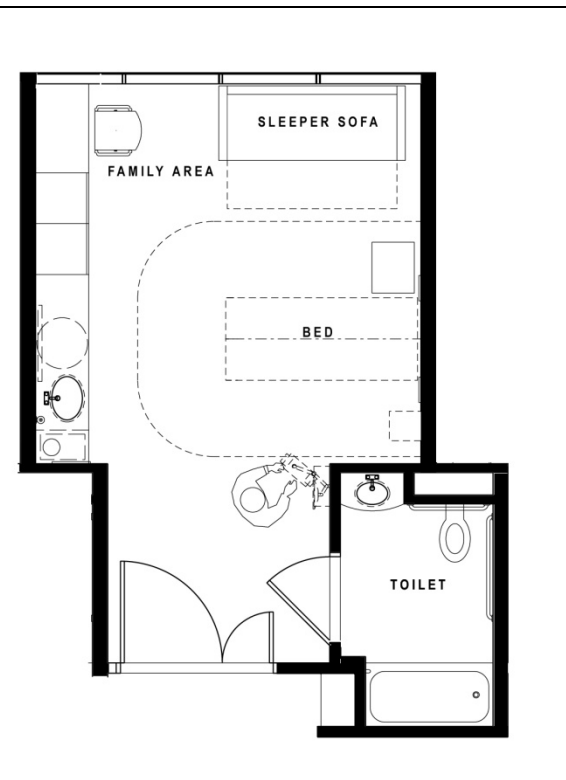
Current Medical/Surgical Space



178 square feet per bed  
43 square feet Toilet Room per bed

There are 12 double rooms at 150 square feet per bed with shared toilet

New Medical/Surgical Space

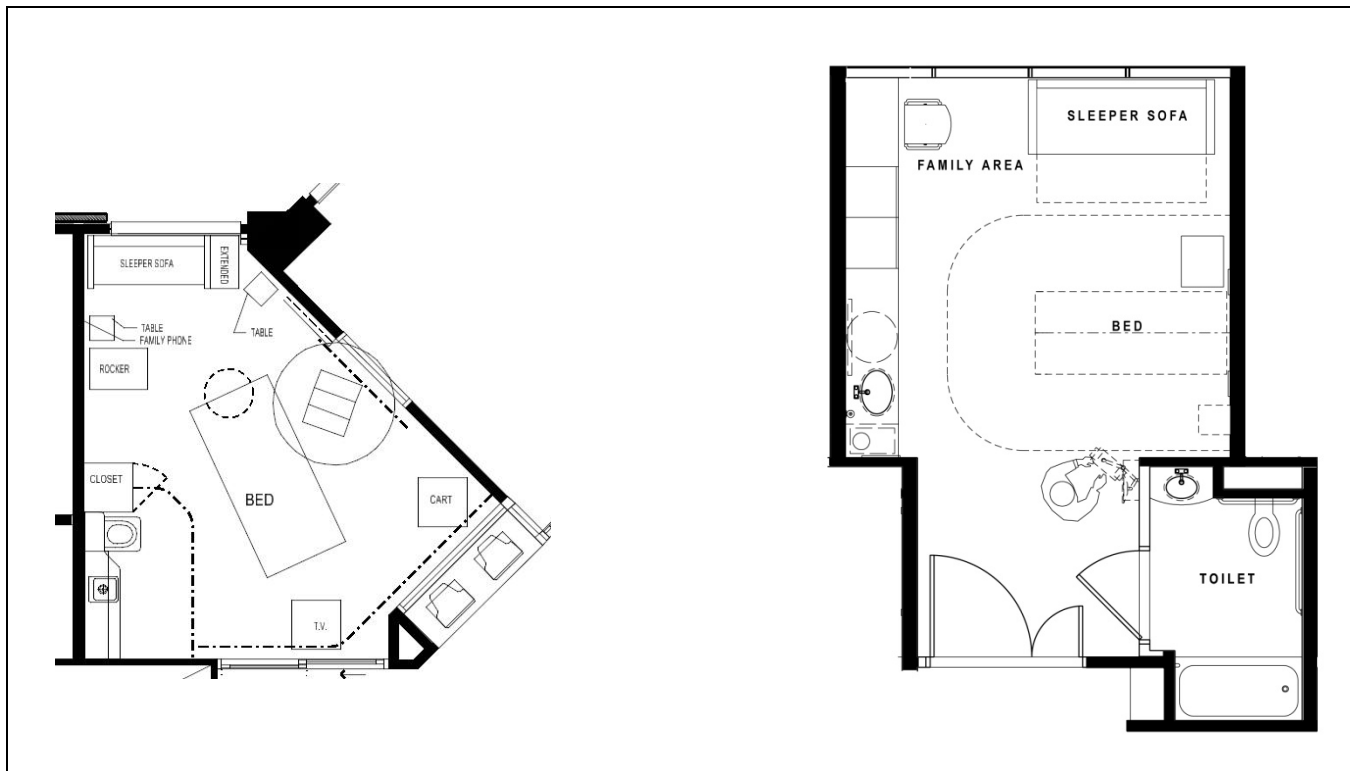


295 square feet per bed  
55 square feet Toilet Room per bed  
(Preliminary Layout)

# PICU Patient Room Comparison

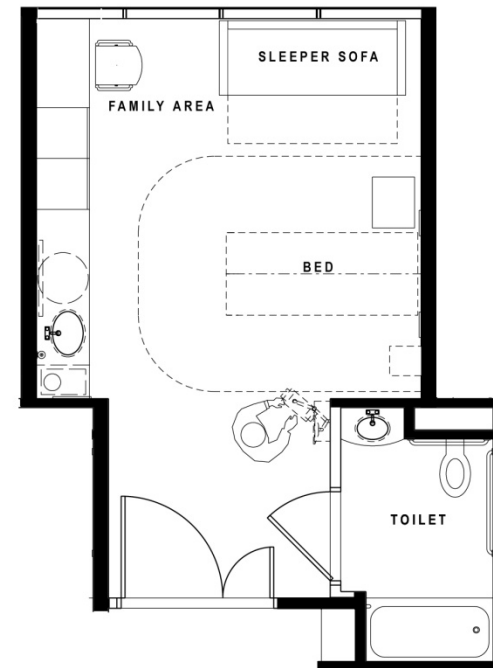
The new PICU patient rooms will be private and have ample space for the patient, family and clinical staff. A private patient shower/toilet will be available in each room.

Current PICU Room



218 square feet per bed  
Swivel Toilet Included In Room

New PICU Room



295 square feet per bed  
55 square feet Toilet Room per bed  
(Preliminary Layout)



# New Children's Hospital – Lower Level 1

## Lower Level One

Lower Level One houses both public and service areas for the UI Children's Hospital while maintaining separation between these distinct activities. The public elevators provide access to a large Conference Center/Theater and the Tele-Health Community Outreach Center. A light well introduces natural light into the public lobby. The service elevators will connect the back of house support functions to the clinical floors above. A public corridor will connect the relocated Center for Disabilities and Development to this level and to the existing Hospital.

### The major elements on the floor include:

- Tele-Health Community Outreach Center
- Conference Center/ Theater
- Pediatric Pharmacy
- Central Sterile Processing
- Staff Support
- Atrium Light Well to Functions at Lower Level Two



- |                   |                          |                            |
|-------------------|--------------------------|----------------------------|
| 1 INPATIENT ROOMS | 4 WAITING/FAMILY SUPPORT | 7 DIAGNOSTIC/TREATMENT     |
| 2 EXAM ROOMS      | 5 BUILDING SUPPORT       | 8 CONFERENCE/EDUCATION     |
| 3 OFFICES         | 6 CLINICAL SUPPORT       | 9 PATIENT HOLDING/RECOVERY |

# New Children's Hospital – Lower Level 2

## Lower Level Two

This level includes an Imaging Center and specialized diagnostic procedure rooms which serve both the pediatric inpatient and outpatient populations. Adjacent to the Imaging Center are support space for the Pediatric Translational & Outcomes Research Center.

- The major elements on the floor include:
- Pediatric Imaging Center
  - MRI and CT Services
  - Catheterization Lab Services
  - 2 Special Procedure Rooms
  - Pediatric Translational & Outcomes Research Center



- |                   |                          |                            |
|-------------------|--------------------------|----------------------------|
| 1 INPATIENT ROOMS | 4 WAITING/FAMILY SUPPORT | 7 DIAGNOSTIC/TREATMENT     |
| 2 EXAM ROOMS      | 5 BUILDING SUPPORT       | 8 CONFERENCE/EDUCATION     |
| 3 OFFICES         | 6 CLINICAL SUPPORT       | 9 PATIENT HOLDING/RECOVERY |

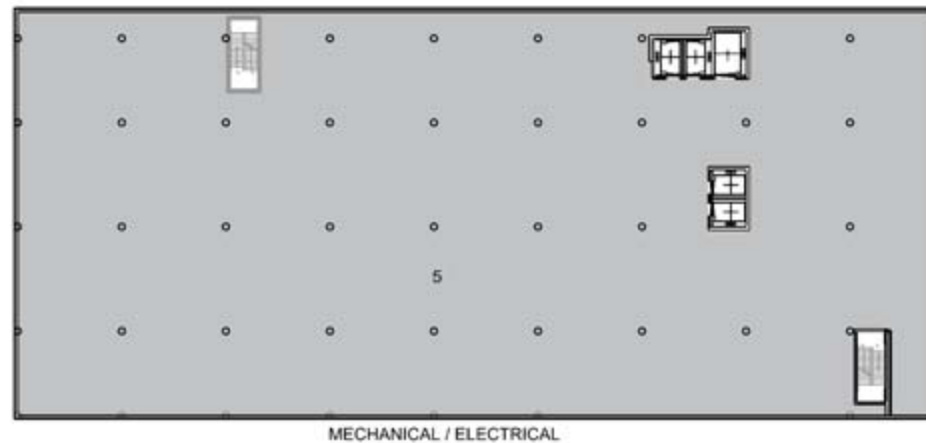
# New Children's Hospital – Lower Level 3

## Lower Level Three

The mechanical and electrical systems for the proposed new UI Children's Hospital are located on Lower Level Three.

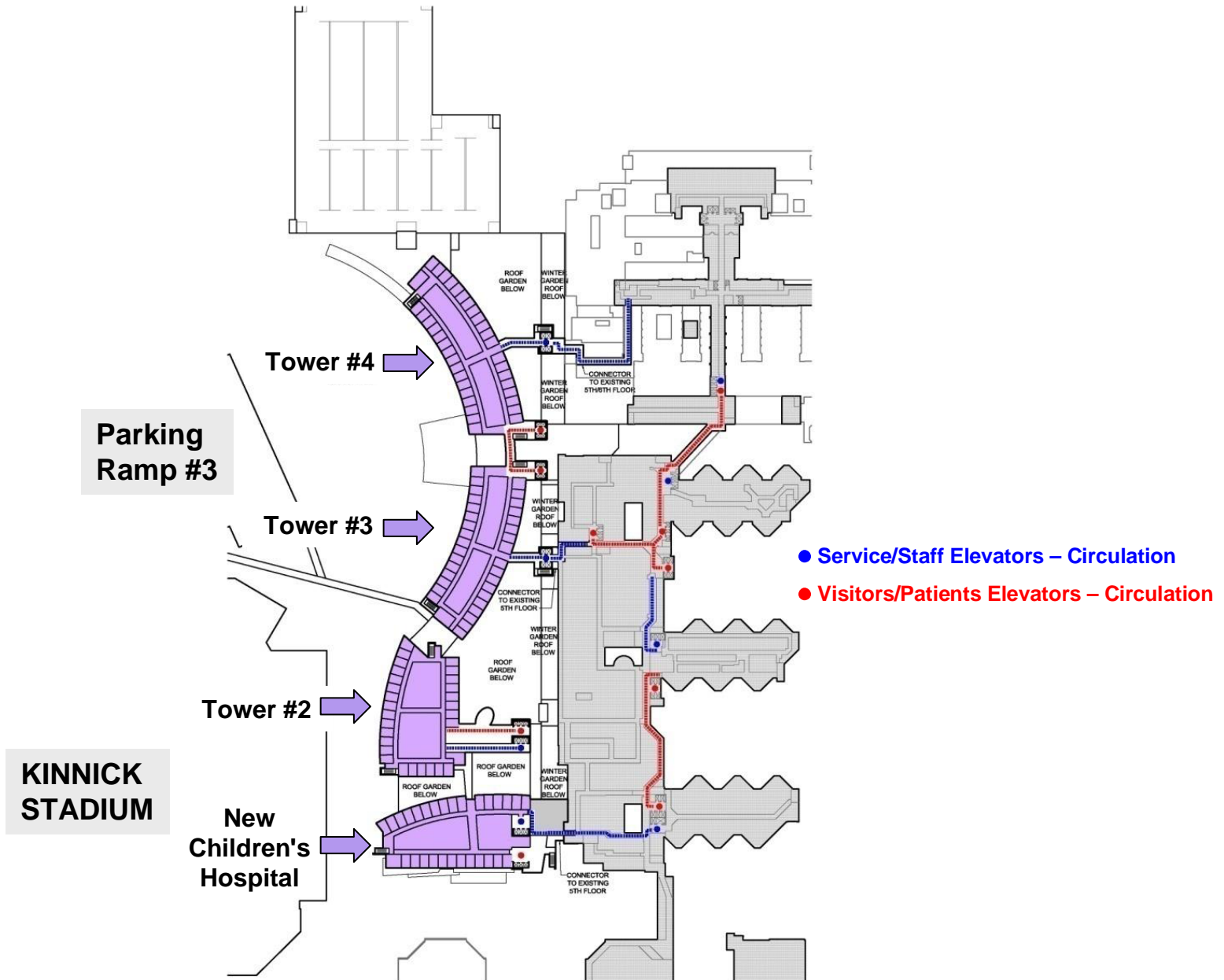
The major elements on the floor include:

- Mechanical Rooms
- Electrical Rooms



- |                   |                          |                            |
|-------------------|--------------------------|----------------------------|
| 1 INPATIENT ROOMS | 4 WAITING/FAMILY SUPPORT | 7 DIAGNOSTIC/TREATMENT     |
| 2 EXAM ROOMS      | 5 BUILDING SUPPORT       | 8 CONFERENCE/EDUCATION     |
| 3 OFFICES         | 6 CLINICAL SUPPORT       | 9 PATIENT HOLDING/RECOVERY |

# New Children's Hospital Designed to Integrate into Future Patient Towers



## ***New Children's Hospital – Project Budget with Source of Funds***



Construction	\$181,945,533
Professional Fees	\$23,334,975
Project Contingencies	\$18,889,564
Planning and Supervision	\$8,056,345
Equipment	\$38,524,000
Total	\$270,750,417

This project's source of funds will be:

- University Hospital's Building Usage Funds – G/P# 68010532
- UIHC Revenue Bonds
- Hospital Gift Funds

## New Children's Hospital – Benchmark Costs

Construction Cost Comparison	Size S.F.	S.F. Cost**	Year Completed
OSF/Children's Hospital, Peoria, IL	457,300	\$638	2010
University of Michigan – Mott Children's and Women's Hospital	1,100,000	\$509	2011
University of Chicago Comer Children's Hospital, Chicago, IL	243,400	\$478	2004
Phoenix Children's Hospital	759,000	\$416	2012
University of Alabama – Birmingham Children's Hospital	770,000	\$406	2011
Joe DiMaggio Children's Hospital, Hollywood, FL	200,000	\$394	2011
University of Iowa Children's Hospital (Projected)	371,000	\$392	2015
Children's Healthcare of Atlanta, Egleston Campus	392,112	\$330	2006
Children's Healthcare of Atlanta, Scottish Rite Campus	243,655	\$319	2006

\*\* S.F. costs have been adjusted for location and completion date of project

# New Children's Hospital – Project Timeline(\*)

Children's Hospital	Task	2011	2012	2013	2014	2015	2016
Design		█					
Construction			█				
Renovation					█		
Enabling Projects	Task	2011	2012	2013	2014	2015	2016
Design	West Campus Transportation Center	█					
Design	Utility Tunnel	█					
Design	Ramp #2		█				
Construction	West Campus Transportation Center		█				
Construction	Utility Tunnel		█				
Construction	Ramp #2			█			

(\*) calendar year

## Multi-Year Projection: Summary of Key Assumptions

	<u>Projection</u>	<u>Current</u>
Admissions Growth % (Average)	2.7%	1.5%
Visits Growth % (Average)	2.7%	9.1%
Operating Expense Annual Increase % (Average)	4.6%	4.0%
Length of Stay by 2018	5.60	6.46
Case Mix Index by 2018	1.87	1.79
Days Cash on Hand by 2018	210.0	249.1



## Multi-Year Projection: Summary Income Statement



	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
Admissions	53,131	54,970	57,213	58,939	60,268	61,892	64,116	66,625
Patient Days	193,590	188,103	183,231	182,784	185,414	190,014	197,144	204,578
Average daily census	530	515	502	501	508	521	540	560
Average length of stay	6.3	6.0	5.8	5.6	5.6	5.6	5.6	5.6
Admissions growth	1.0%	3.5%	4.1%	3.0%	2.3%	2.7%	3.6%	3.9%
Patient day growth	4.1%	-2.8%	-2.6%	-0.2%	1.4%	2.5%	3.8%	3.8%

(In Millions)

Net Revenues	\$ 1,024	\$ 1,068	\$ 1,117	\$ 1,158	\$ 1,202	\$ 1,244	\$ 1,298	\$ 1,359
Operating Expenses	\$ 894	\$ 927	\$ 963	\$ 1,007	\$ 1,056	\$ 1,108	\$ 1,158	\$ 1,215
<b>EBITDA*</b>	<b>\$ 130</b>	<b>\$ 141</b>	<b>\$ 154</b>	<b>\$ 152</b>	<b>\$ 146</b>	<b>\$ 136</b>	<b>\$ 139</b>	<b>\$ 145</b>
Depreciation	\$ 72	\$ 72	\$ 76	\$ 80	\$ 81	\$ 98	\$ 103	\$ 109
Non-operating (interest activity)	\$ 23	\$ 23	\$ 71	\$ 23	\$ 24	\$ 67	\$ 16	\$ 9
<b>Net Income</b>	<b>\$ 82</b>	<b>\$ 92</b>	<b>\$ 149</b>	<b>\$ 95</b>	<b>\$ 89</b>	<b>\$ 105</b>	<b>\$ 52</b>	<b>\$ 45</b>

\* Earnings before interest, depreciation, and amortization

# Multi-Year Projection: Cash Sources and Uses Summary



(In Millions)	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>Total</u>
<b>Operating Income</b>	\$59	\$69	\$77	\$71	\$64	\$38	\$37	\$36	\$451
Depreciation	\$72	\$72	\$76	\$80	\$81	\$97	\$103	\$109	\$690
Interest earnings (net of interest expense)	23	23	21	23	24	17	16	9	156
Fundraising	-	-	50	-	-	50	-	-	100
Children's Hospital Grant	-	-	-	-	-	-	-	-	-
Proceeds from new bond issue	25	25	100	50	-	-	200	-	400
<b>Sources of Cash</b>	<b>\$120</b>	<b>\$120</b>	<b>\$247</b>	<b>\$153</b>	<b>\$105</b>	<b>\$164</b>	<b>\$319</b>	<b>\$118</b>	<b>\$1,346</b>
Principal repayment	\$4	\$5	\$6	\$11	\$13	\$13	\$13	\$14	\$79
Regular capital spending	69	112	129	96	89	90	94	97	776
Children's Hospital			80	100	100				280
Critical Care Tower						50	150	150	350
Iowa River Landing Ambulatory Clinic	1	25	47						73
Operating Room renovation		25	23	2					50
<b>Uses of Cash</b>	<b>\$74</b>	<b>\$167</b>	<b>\$285</b>	<b>\$209</b>	<b>\$202</b>	<b>\$153</b>	<b>\$257</b>	<b>\$261</b>	<b>\$1,608</b>
<b>Net (inclusive of Operating Income)</b>	<b>\$105</b>	<b>\$22</b>	<b>\$39</b>	<b>\$15</b>	<b>(\$33)</b>	<b>\$49</b>	<b>\$99</b>	<b>(\$107)</b>	<b>\$189</b>

# Multi-Year Projection: Key Financial Ratios



## Debt to Capitalization

(lower values are better)

	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
UI Health Care	10.4%	11.0%	15.5%	16.7%	15.3%	13.9%	21.1%	20.2%
Moody's AA (2009)	32.1%	32.1%	32.1%	32.1%	32.1%	32.1%	32.1%	32.1%
Moody's A (2009)	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%
Moody's Baa (2009)	50.6%	50.6%	50.6%	50.6%	50.6%	50.6%	50.6%	50.6%

## Debt Service Coverage

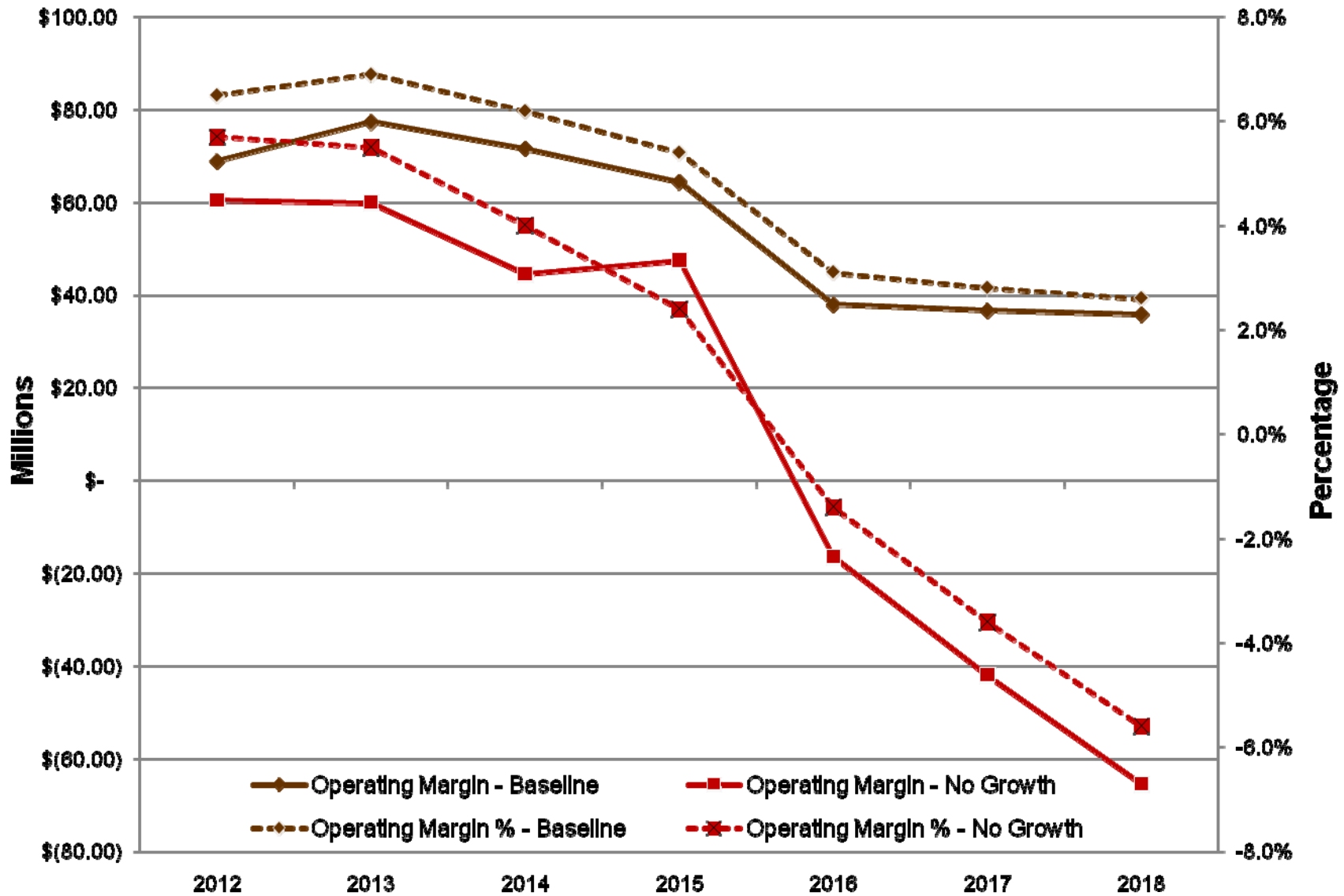
(higher values are better)

	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>
UI Health Care	17.14	12.36	11.33	6.76	6.31	7.94	5.59	4.65
Moody's AA (2009)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Moody's A (2009)	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
Moody's Baa (2009)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80

## ***Risks in Multi-Year Projection: Sensitivity to Key Assumptions***

<u>Assumption</u>	<u>Change</u>	<u>Annual Operating Income Impact</u>
Labor Rates	up 1%	(\$4.9 M)
Length of Stay	6.0 to 5.9	\$3.9 M
Inpatient Volume	2% to 3%	\$2.6 M
Case Mix Index	1.75 to 1.80	\$14.0 M
Payor Reimbursement	up 1%	\$9.0 M

# Alternative Scenario: Risks of Not Proceeding



## ***Children's Hospital:*** **Growing Focus for Philanthropy**

- Philanthropic plan for University of Iowa Children's Hospital/University of Iowa Department of Pediatrics
- Under the direction of University of Iowa Foundation, as part of its campaign on behalf of UI Hospitals and Clinics/Carver College of Medicine

## **Children's Hospital: Growing Focus for Philanthropy**

- Capital Fundraising Goal:
  - \$50,000,000 to be raised for new UI Children's Hospital tower
  - Naming opportunities are available
- Donors representing tens of millions of dollars in commitments are eager to formalize their pledges once permission to build has been secured

## **Children's Hospital: Growing Focus for Philanthropy**

- Programmatic Fundraising Goal:
  - \$50,000,000 to be raised for programs to support the work of UI Children's Hospital
    - Examples: faculty chairs and professorships; research funds; nursing specialty education
    - Patient and family programs such as Child Life and Chaplaincy Services
  - Progress-to-date: \$32,000,000
  - New \$10,000,000 commitment for programs to be announced in May



## ***Conclusion***

- Success requires growth and market differentiation
- We have strong demand for our programs and a strong brand
- We need to continue to build clinical faculty and programs to assure the success of clinical, education and research strategies
- At the same time, continue to aggressively manage costs against benchmarks
- Risks of projects can be well managed and are substantially less than the risks of not proceeding