

Presentation to The Board of Regents, State of Iowa | February 2023

University of Iowa Health Care

PRESENTATION TO THE BOARD OF REGENTS, STATE OF IOWA
February 23, 2023

Agenda

- Opening Remarks
- Operating and Financial Performance

Opening Remarks

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Brooks Jackson, MD, MBA

Vice President for Medical Affairs

& Tyrone D. Artz, Dean, Carver College of Medicine

Operating and Financial Performance

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Kimberly Hunter, DNP, MBA, RN, NEABC
Interim Associate Vice President, UI Health Care
& CEO, UI Hospitals & Clinics

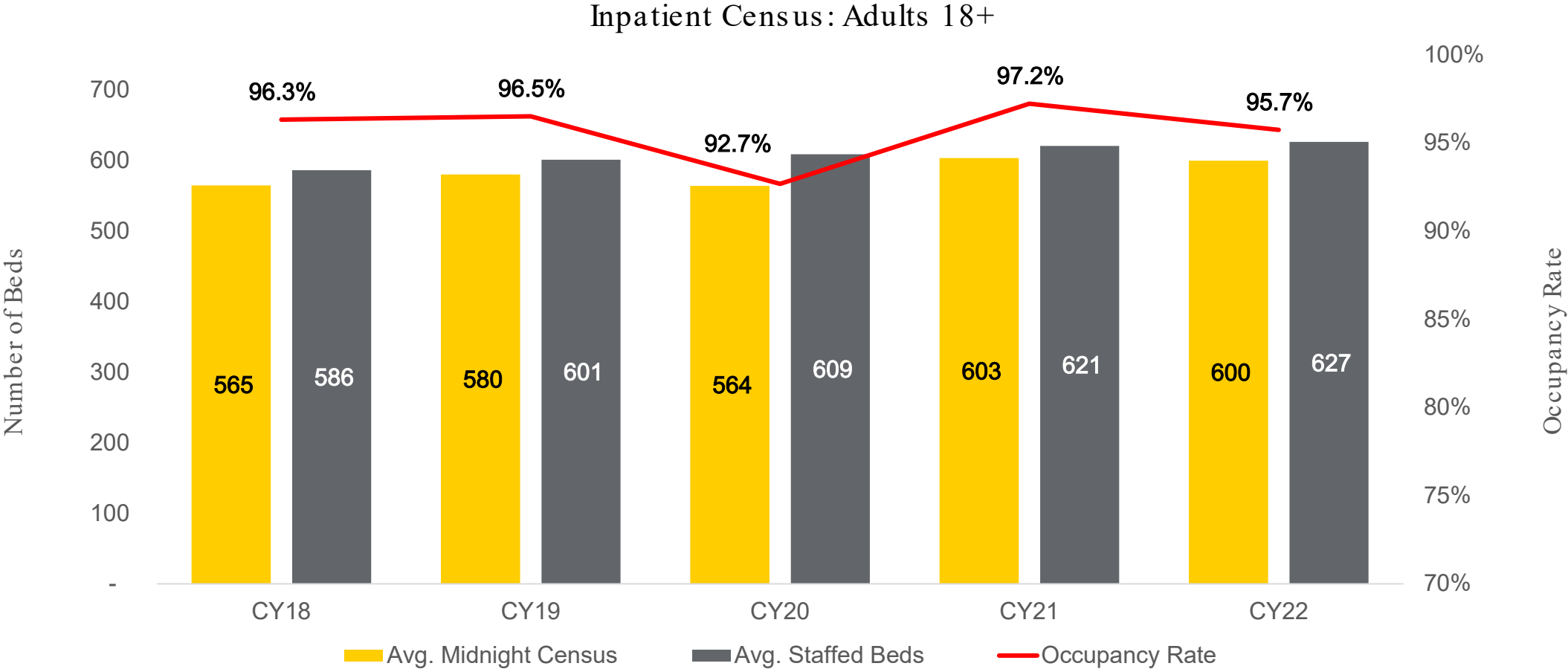
Mark Henrichs, CPA, MHA
Associate Vice President
& Chief Financial Officer, UI Health Care



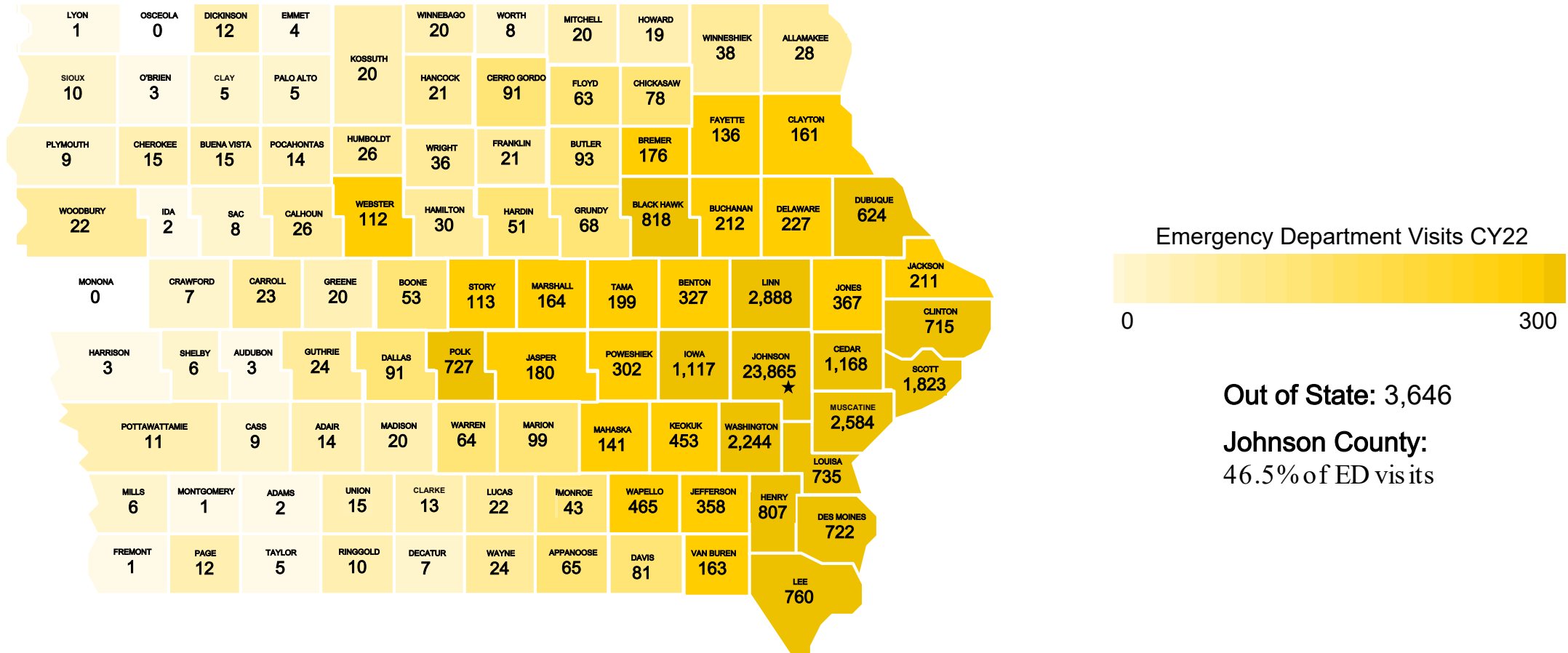
Serving the Health Care Needs of Iowans

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Patients continue to choose UI Health Care

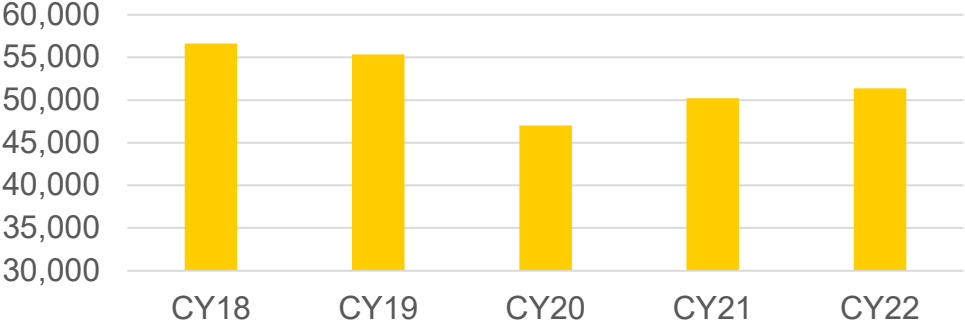


Our Emergency Department serves the state

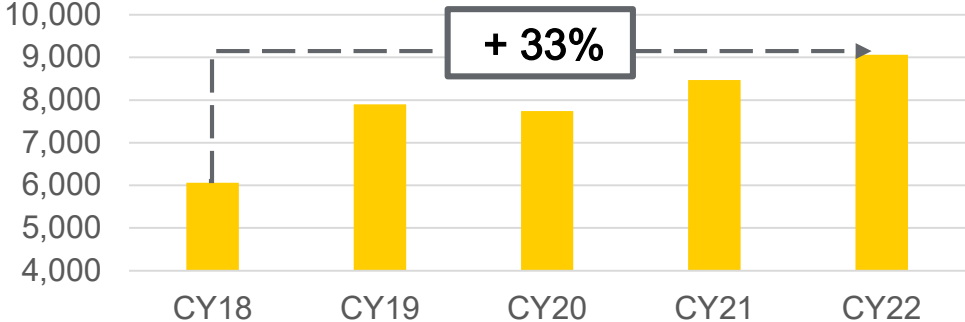


Providing more complex emergency care for lowans

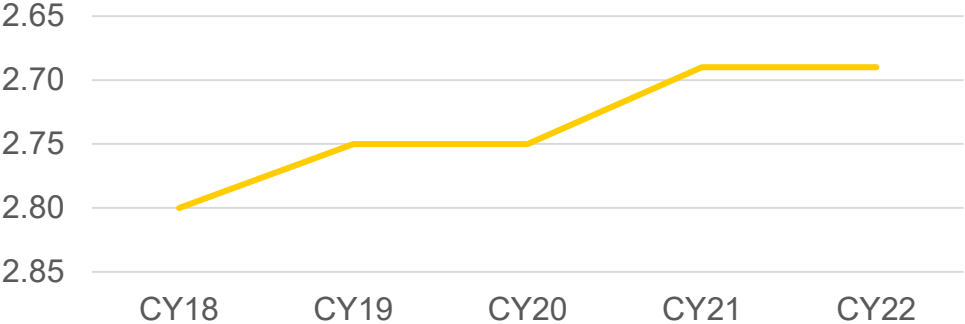
Total Emergency Visits



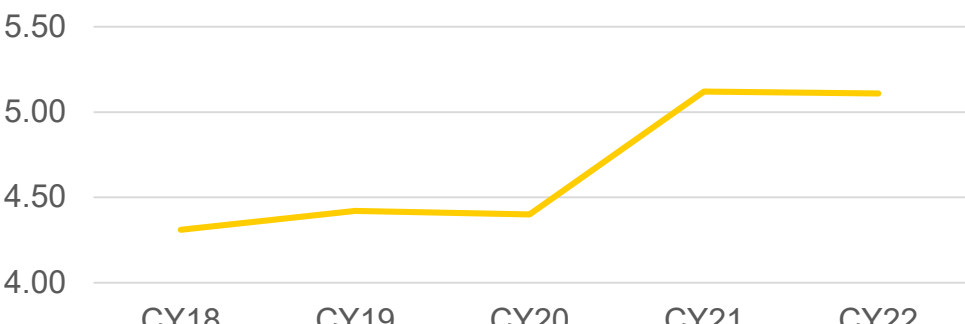
ED to ED Transfers



Average Emergency Triage Acuity

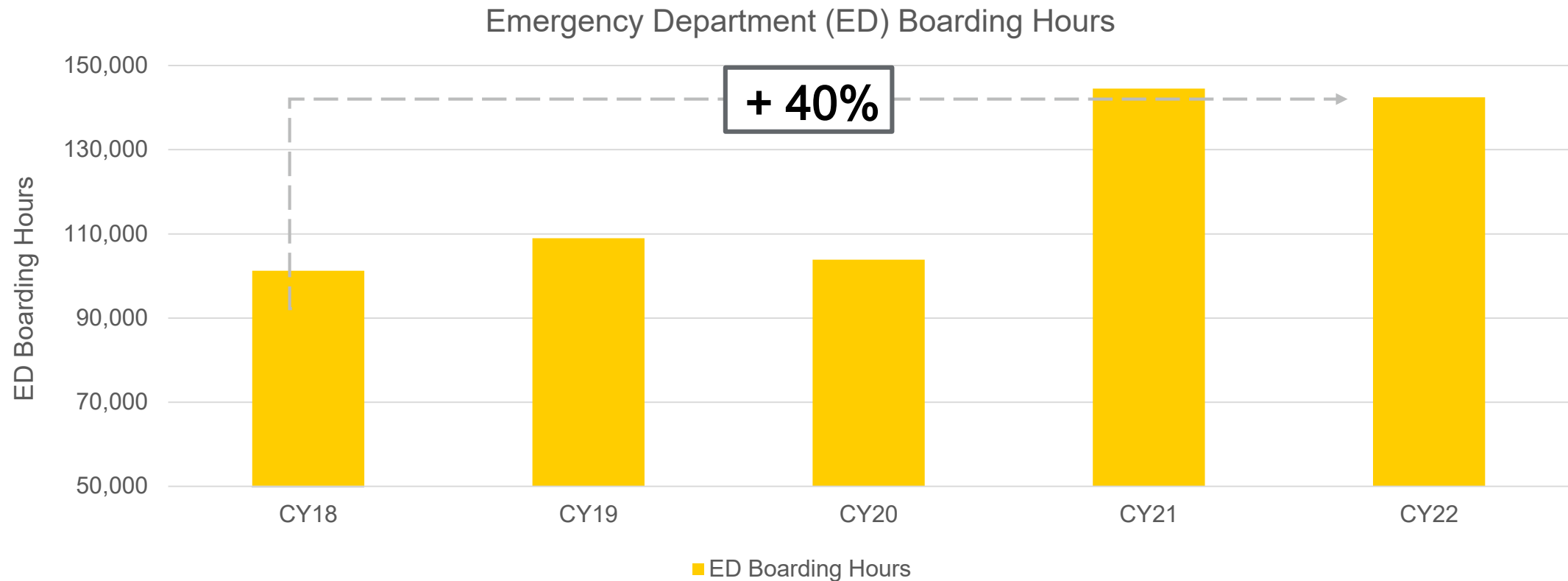


Average ED Length of Stay

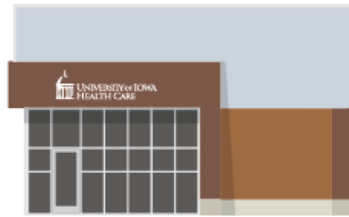


^ Emergency Triage Acuity is measured on a scale of 1 (most acute) to 5 (least acute)

Working to address wait times of our patients in the Emergency Department



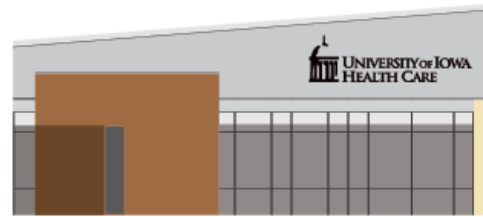
Opportunity #1: UI Quick Care and UI Urgent Care



UI QUICKCARE



Earaches	Rash
Eye Infections	Insect Bites
Bladder Infections	Minor Burns
Diarrhea, Nausea, Vomiting	Seasonal Allergies

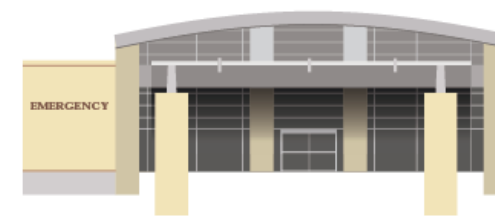


UI URGENT CARE



In addition to conditions treated at UI QuickCare, UI Urgent Care can treat:

Broken Bones	Cuts and Scrapes
Strains and Sprains	Dehydration



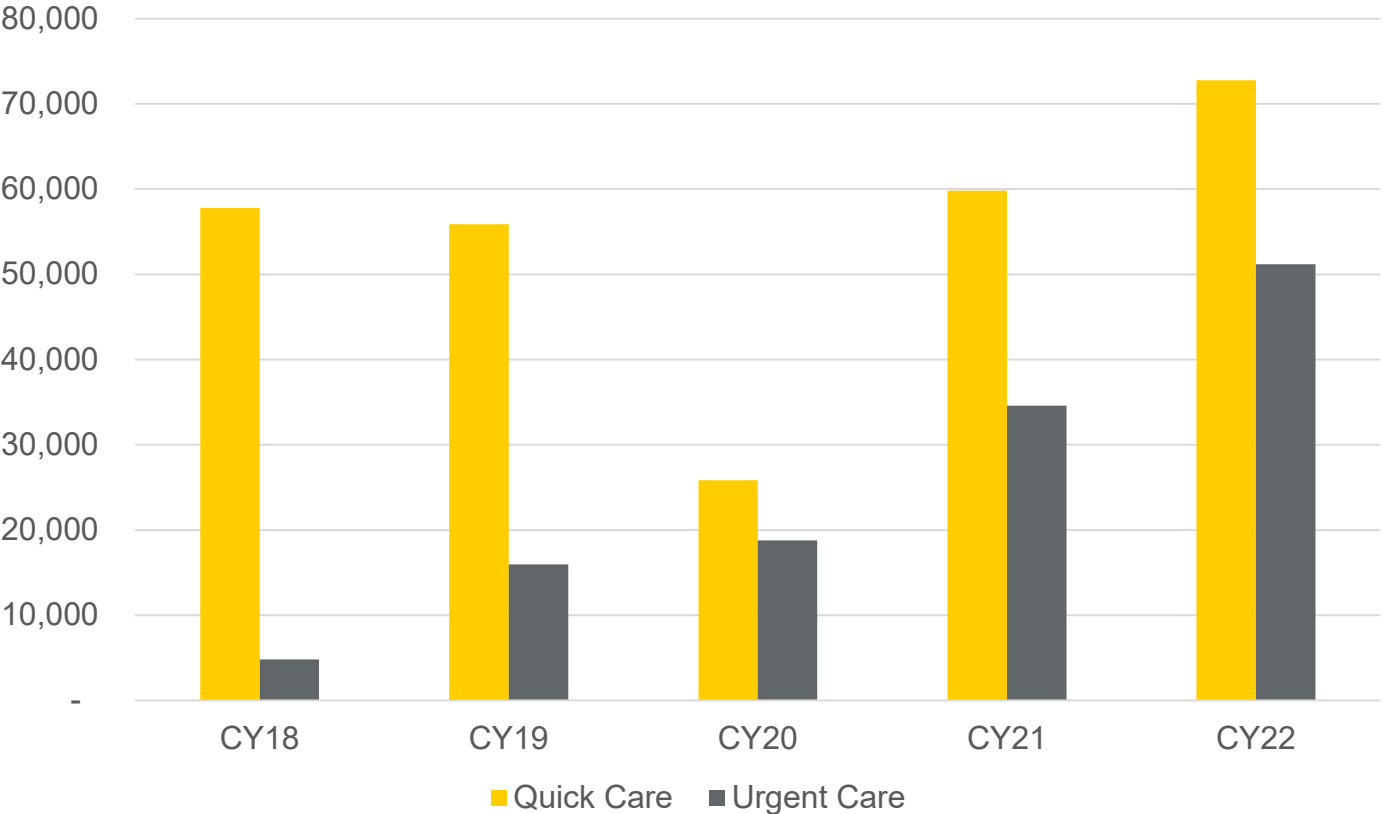
EMERGENCY ROOM



Head Injury	Severe Pain
Stroke	Newborn Fever
Severe Bleeding	Major Trauma
Chest Pain	Suicidal Thoughts
Abdominal Pain	
Difficulty Breathing	

Opportunity #1: UI Quick Care and UI Urgent Care

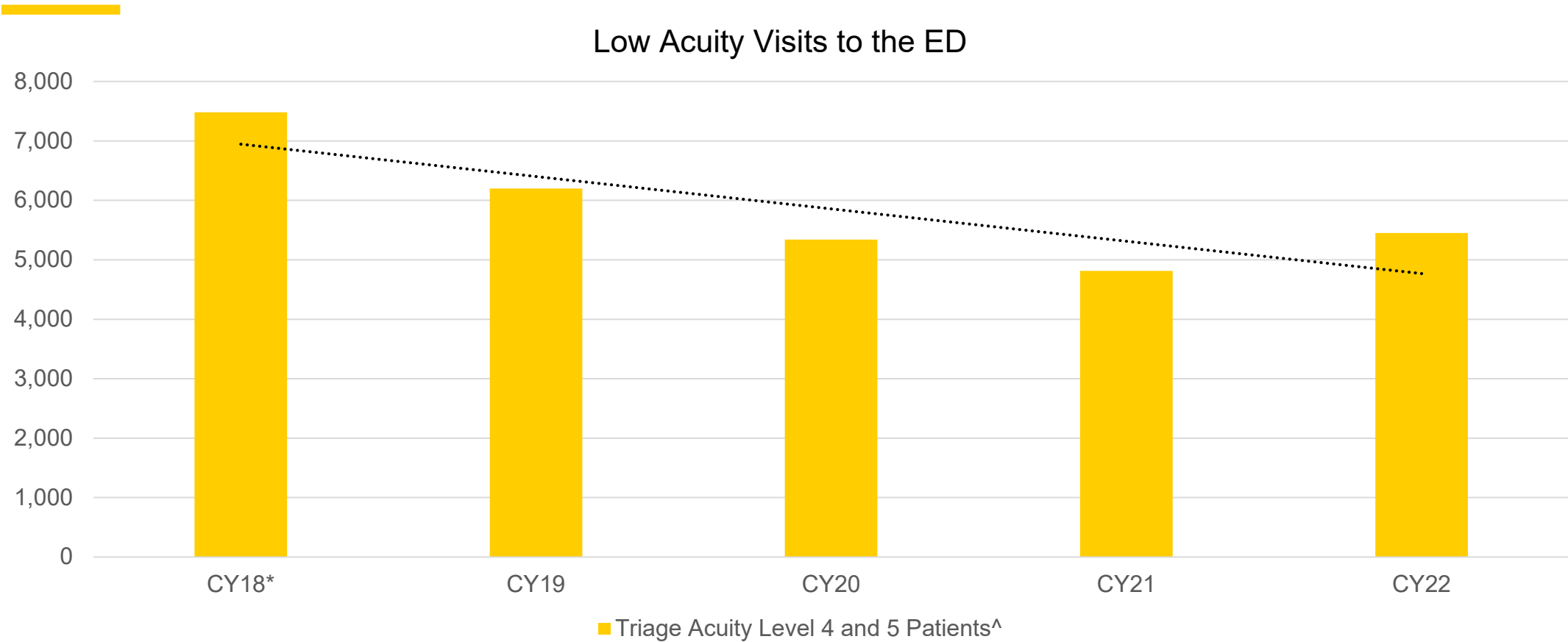
Urgent Care & Quick Care Volumes



- **UI Quick Care**
4 locations in Iowa City, Coralville, and North Liberty

- **UI Urgent Care**
3 locations in Iowa City, Coralville, and Cedar Rapids

Low acuity patients may now seek care in more appropriate settings



*1st UIHC Urgent Care location opened in 2018

^ Emergency Triage Acuity is measured on a scale of 1 (most acute) to 5 (least acute)

Additional strategies needed to continue serving health care needs of Iowans



As Emergency Department volumes have decreased, boarding hours, average ED length of stay and patient acuity have all continued to increase



We are caring for more emergency patients from across the state, and they require higher levels of care than ever before



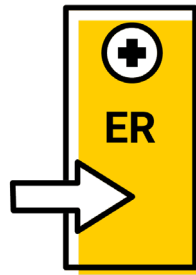
We need to consider additional strategies to continue serving Iowans

Opportunity #2: New Short Stay Unit (Opening April 2023)

- Unit features 30 private observation rooms in the lower-level of John Colloton Pavilion
- Serves patients requiring an estimated 24-48 hour stay, who may currently be occupying an inpatient bed
- Patient population will include both medical and surgical concerns
 - Examples include: chest pain, abdominal pain, back pain, fainting, procedural recovery



Opportunity #2: Short Stay Unit goals



Help decompress
patients boarding in the
Emergency Department



Create inpatient bed
capacity for higher
acuity patients



A team-based care
model focused on
timely treatment and
discharge to home



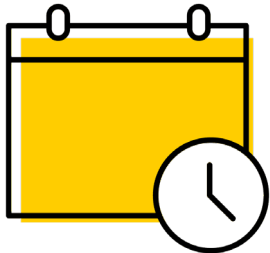
Recognition

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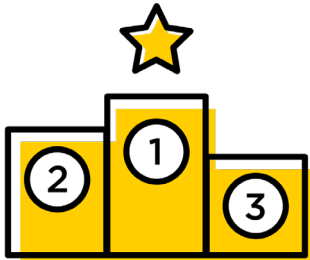
Environmental Services Bed Making Team



Environmental Services Bed Making Team



Team is comprised of ~ 20 FTE who work during peak patient discharge times. When UIHC is at high occupancy, this team cleans and prepares up to 300 rooms in a single day.



The average turnaround time by this team is **less than 60 minutes** and **ranks in the top 20%** among our peers nationally.



The team consistently receives **high marks** for thoroughness, which significantly contributes to the safety of our patients.



Financial Update

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Volume and Financial Highlights – FY23

THROUGH DECEMBER 2022

Key Volumes

- Discharges: -1.8% vs budget | -0.3% vs prior year
- Patient Days: -4.9% vs budget | -3.5% vs prior year
- Surgeries: +0.3% vs budget | +3.2% vs prior year
- Clinic Visits: -1.3% vs budget | -5.3% vs prior year

Acuity

- Case Mix Index: 2.46

Length of Stay Index (through November)

- Adult: 1.01
- Pediatrics: 1.01

Gross Patient Revenue

- -1.1% below budget yearto-date
 - Inpatient: -3.2% vs budget
 - Outpatient: +0.5% vs budget

Accounts Receivable

- Days in Net AR– 44.0 days

Salary Expenses

- -2.9% below budget

Non-Salary Expenses

- 1.7% above budget

Operating Margin

- Actual 12.4% vs goal of 11.5%
- Actual 0.5% vs goal of -1.2% (without directed payment)

Comparative Financial Results

FISCAL YEAR TO DATE: DECEMBER 2022

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Revenues							
Net Patient Revenue	1,172.2	1,157.1	1,139.3	15.1	1.3%	32.9	2.9%
Directed Payment Revenue *	163.2	170.2	152.4	(7.0)	-4.1%	10.9	7.1%
Other Operating Revenue	28.1	27.2	30.4	0.9	3.3%	(2.4)	-7.7%
Net Operating Revenue	1,363.5	1,354.5	1,322.1	9.1	0.7%	41.4	3.1%
Operating Expenses							
Salaries & Wages	503.4	518.3	452.6	(14.9)	-2.9%	50.8	11.2%
General Expenses	629.3	616.7	572.6	12.6	2.1%	56.8	9.9%
Depreciation & Amortization	62.1	63.1	62.1	(1.0)	-1.5%	(0.0)	-0.1%
Total Operating Expenses	1,194.8	1,198.1	1,087.3	(3.2)	-0.3%	107.5	9.9%
Operating Income	168.7	156.4	234.8	12.3	7.8%	(66.1)	-28.2%
Operating Margin %	12.4%	11.5%	17.8%	0.8%		-5.4%	
Operating Income w/o Dir Pmts	5.5	(13.8)	82.5	19.2	139.7%	(77.0)	-93.4%
Operating Margin % w/o Dir Pmts	0.5%	-1.2%	7.0%	1.6%		-6.6%	
Gain (Loss) on Investments	6.4	12.6	6.4	(6.1)	-48.9%	0.0	0.5%
Other Non-Operating Gain (Loss)	(11.4)	(9.5)	(7.1)	(1.9)	-19.8%	(4.3)	-60.9%
Net Income	163.7	159.5	234.1	4.2	2.7%	(70.4)	-30.1%
Net Margin	12.1%	11.7%	17.7%	0.3%		-5.7%	

*Directed payment revenues will be invested in expanding Medicaid access.

Key Metrics

	FY23 YTD Through December	Moody's Medians
Financial Operations		
Operating Margin	11.5%*	4.1%
Financial – Liquidity		
Days Cash on Hand	241	341
Financial – Leverage		
Debt to Capitalization	21.1%	20.6%

** -1.0% through December without Directed Payment*

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Thank you

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