

Presentation to The Board of Regents, State of Iowa | February 2024

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# University of Iowa Health Care

**PRESENTATION TO THE BOARD OF REGENTS, STATE OF IOWA**

February 28, 2024

# Agenda

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- Opening Comments
- Clinical Highlight: Neonatal Care at UIHC
- Operating Update: University of Iowa Health Care's Downtown Campus
- Financial Performance

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# Opening Comments

**Denise Jamieson, MD, MPH**

Vice President for Medical Affairs  
& Tyrone D. Artz Dean, Carver College of Medicine

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# Neonatal Care at UIHC

A National Pioneer in Neonatal Care Serving Iowa's Patients

**Denise Jamieson, MD, MPH**

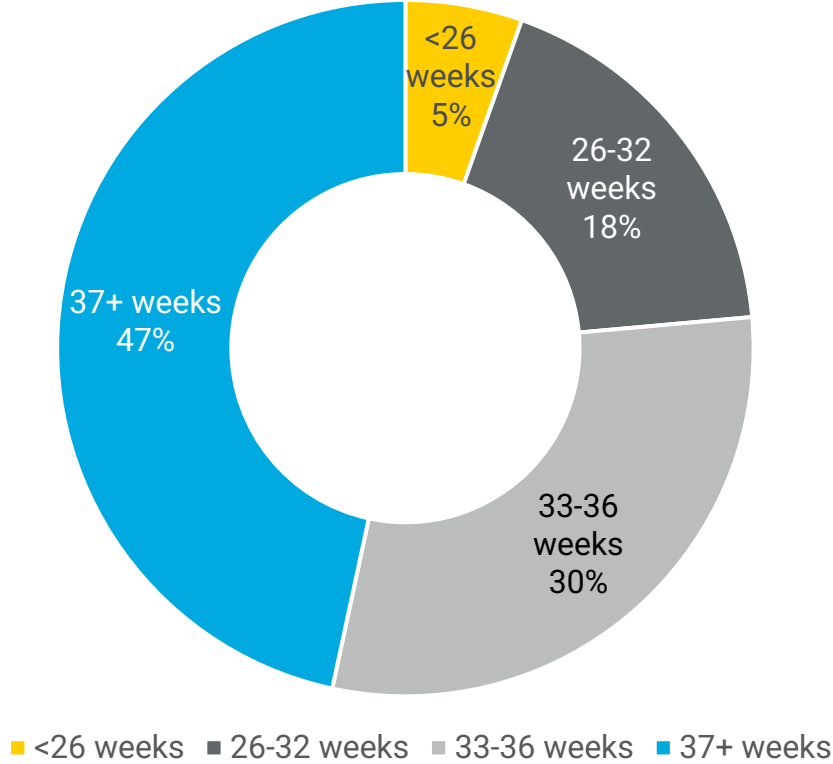
Vice President for Medical Affairs

& Tyrone D. Artz Dean, Carver College of Medicine

# Complex Neonatal Care Provided by UIHC

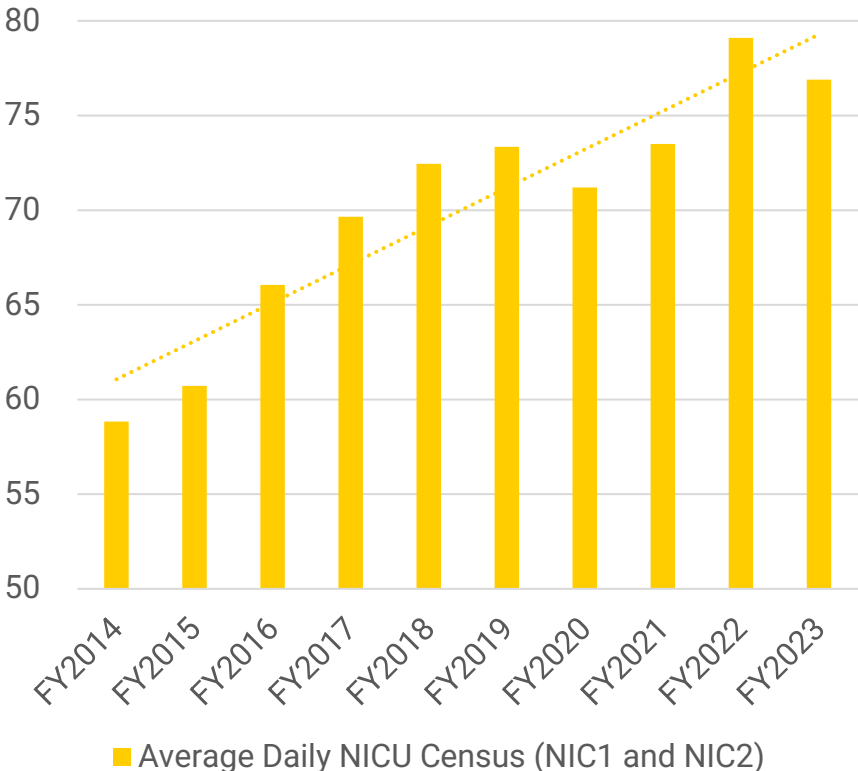
- **Neonatology** cares for:
  - premature newborn babies, and
  - high-risk babies with complex medical and surgical conditions
- Many are admitted to the **Neonatal Intensive Care Unit (NICU)**
- Our comprehensive multidisciplinary neonatal care team helps babies grow and thrive

NICU Babies by Gestational Age (FY2019 - FY2023)

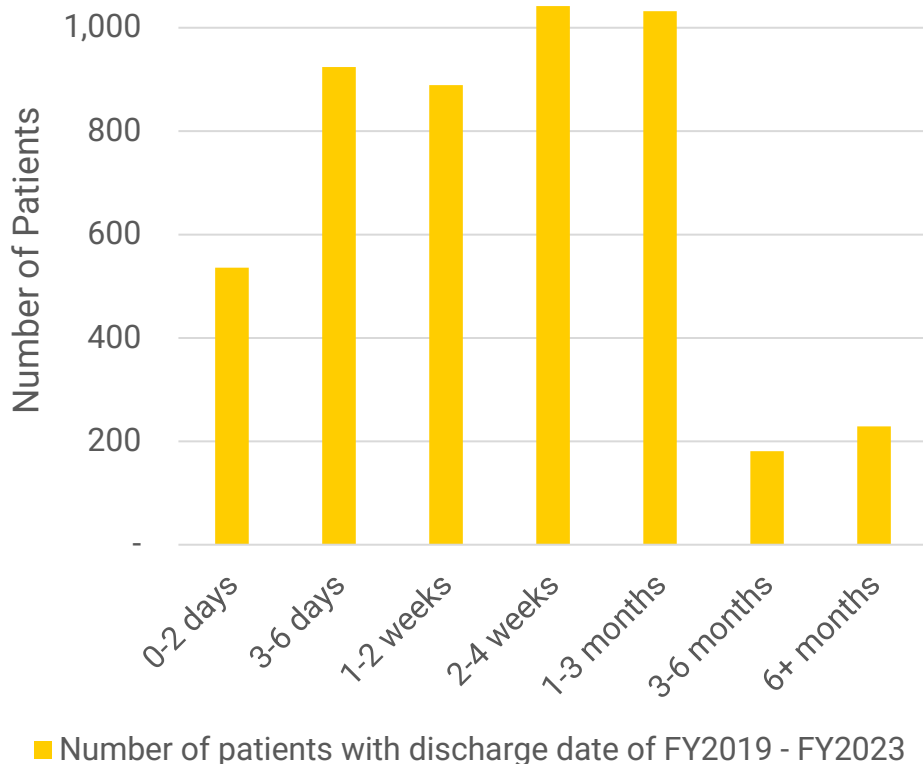


# Increasing Need for Complex Neonatal Care

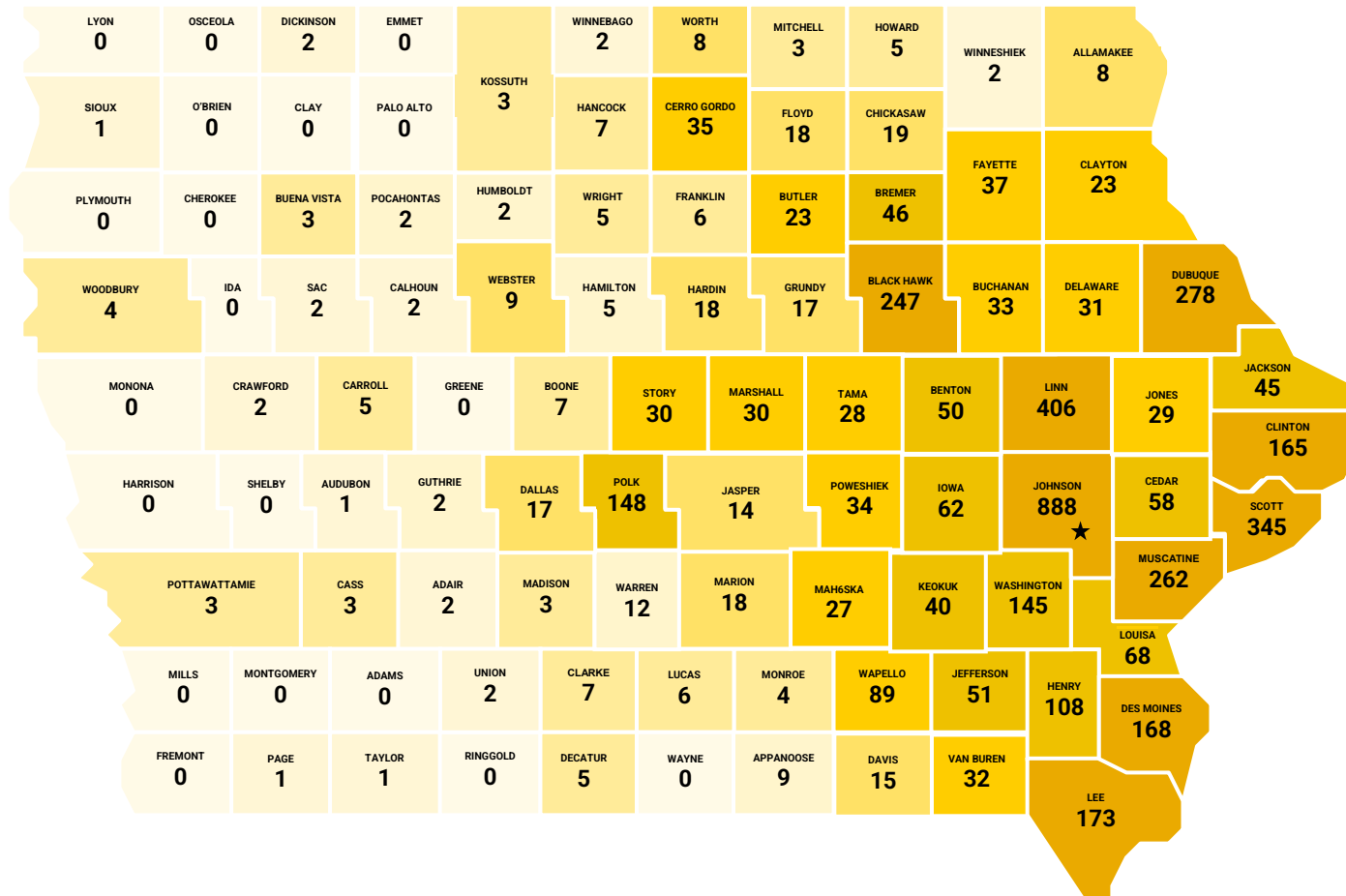
Average Daily NICU Census



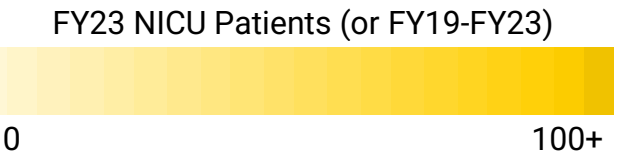
NICU Length of Stay



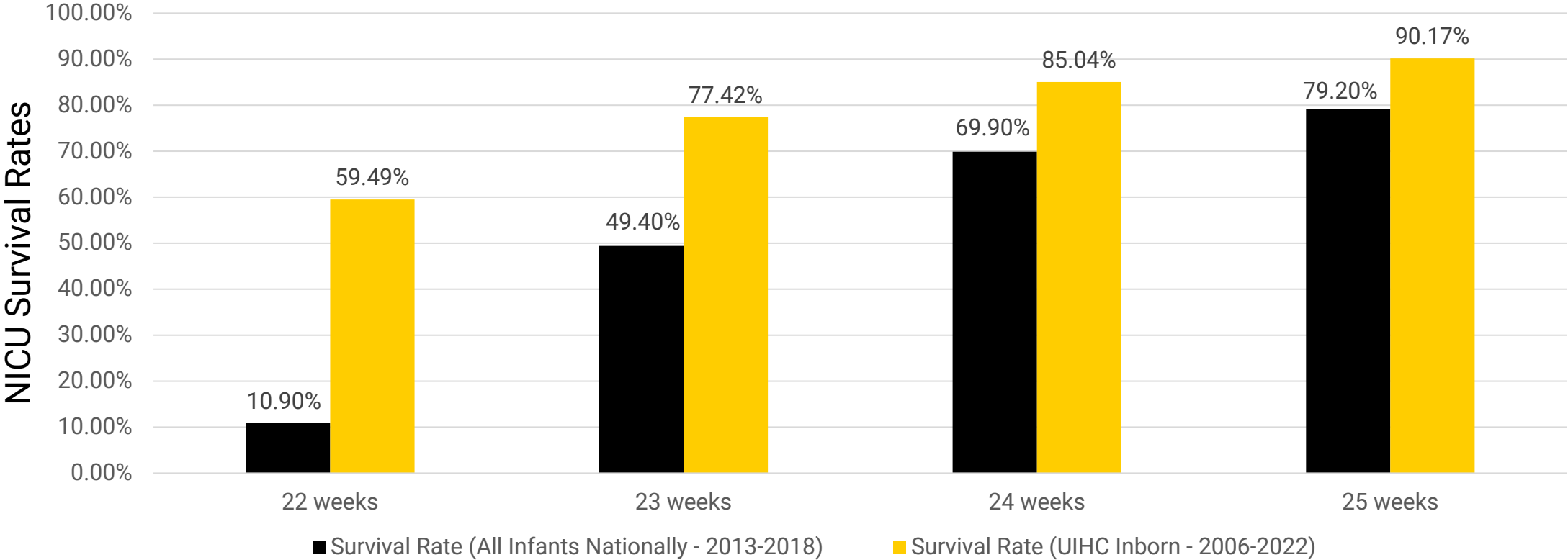
# Our NICU Serves Patients from Across Iowa



Over 81% of NICU patients were from **outside** Johnson County



# UIHC is a National Leader in Survival of Extremely Premature Babies



Source for national data: Bell EF, Hintz SR, Hansen NI, et al. Mortality, In-Hospital Morbidity, Care Practices, and 2-Year Outcomes for Extremely Preterm Infants in the US, 2013-2018. *Journal of the American Medical Association*. 2022. UIHC data is from internal sources.

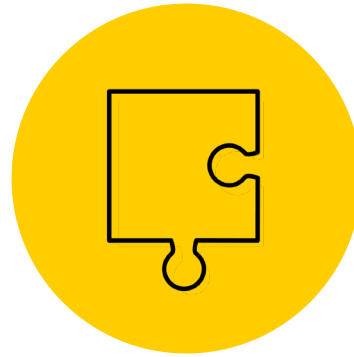


# Specialized Programs Support Survival of Extremely Premature Babies at UIHC



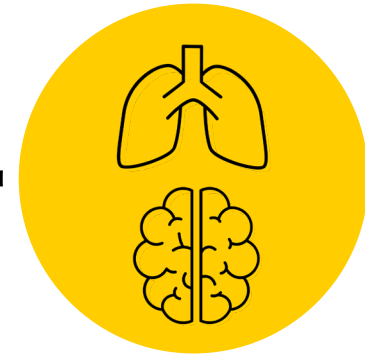
## Neonatal Transport Team

Stabilization and safe transport of Iowa's most critically ill neonates



## Neonatal Hemodynamics

Advanced diagnostic tools to identify blood flow issues and treat babies



## Neonatal Lung Care & Neurocritical Care

Coordinated, specialized care for infants born with pulmonary and neurological challenges

# Neonatal Transport Team: Specialty Care Before Arrival at UIHC

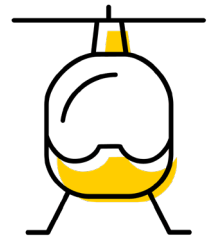
A **mobile intensive care unit** with a dedicated **pediatric specialty team** provides:

- Transport team attendance at birth
- Onsite assessment
- Stabilization before transport
- Advanced breathing support & IV placement
- Facilitated subspecialist consultation
- ‘Therapeutic hypothermia’ to prevent adverse neurological outcomes
- Transport by ground or air

**FY 2019-2023**  
**Transports to the NICU by**  
**UIHC Neonatal Transport Team**



**655**



# Neonatal Hemodynamics: How Does it Work?

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# Neonatal Hemodynamics at UIHC

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- **First** formal neonatal hemodynamics program **in the nation**
- Use of hemodynamics can significantly improve outcomes and survival
- Internationally renowned in neonatal hemodynamics

# Neonatal Hemodynamics Training & Education

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## UIHC Neonatal Hemodynamics Fellowship

- First and only dedicated neonatal hemodynamics training program in U.S.
- One-year additional fellowship training for neonatologists
- First trainee began in 2019

## Impact Beyond UIHC Stead Family Children's Hospital

- External Faculty Fellows (2 per year)
- External Observers (5-10 per year)
- National and international presentations and publications to advance NICU outcomes worldwide

# Neonatal Lung Care and Neurocritical Care at UIHC

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## Neonatal and Infant Lung Rehabilitation Team

- Extremely premature babies are born before lungs function outside the uterus
- Iowa's only multidisciplinary team specializing in lung health and rehabilitation of neonates

## Neonatal Neurocritical Care Team

- Neurological challenges may occur in utero or upon birth
- Advanced bedside neurological monitoring may inform care plan
- Specialists provide early neurological intervention and rehabilitation

# Changing Medicine. Changing Kids' Lives.

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## Colson Richardson

Age: 2.5 ; Des Moines, Iowa

Born at 22 weeks at UI Stead Family Children's Hospital

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# University of Iowa Health Care's Downtown Campus

**Bradley Haws, MBA**

Chief Executive Officer, UI Hospitals and Clinics  
& Associate Vice President, UI Health Care



# University of Iowa Health Care's Downtown Campus

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- On January 31, we welcomed nearly 1,000 team members and physicians to University of Iowa Health Care
- We added 192 licensed beds and 10 clinic locations to serve our region
- Together, we will continue to build a coordinated system of care to serve more Iowans across our Iowa City community and region

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# Financial Performance

**Mark Henrichs, MHA, CPA**

Associate Vice President for Finance  
& Chief Financial Officer, UI Health Care

# Volume and Financial Highlights

*December FY24*

THROUGH December 2023

## Key Volumes

- Discharges: + 3.9% vs budget | + 3.3% vs prior year
- Patient Days: - 3.8% vs budget | - 1.1% vs prior year
- Surgeries: + 2.2% vs budget | + 4.4% vs prior year
- Clinic Visits: - 0.2% vs budget | + 5.8% vs prior year

## Acuity

- Case Mix Index: 2.38

## Length of Stay Index

- Adult: 0.97
- Pediatrics: 1.00

## Gross Patient Revenue

- 0.3% above budget year-to-date
  - Inpatient: -2.1% vs budget
  - Outpatient: +2.2% vs budget

## Accounts Receivable

- Days in Net AR - 43.0 days

## Salary Expenses

- 2.9% below budget

## Non-Salary Expenses

- 2.4% above budget

## Operating Margin

- Actual 10.7% vs goal of 9.1%
- Actual -0.6% vs goal of -0.9% (Without Directed Payment)

# Comparative Financial Results

FISCAL YEAR TO DATE: December 2023

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
<b>Operating Revenues</b>							
Net Patient Revenue	1,224.4	1,222.6	1,151.9	1.8	0.1%	72.5	6.3%
Directed Payment Revenue	159.3	138.9	163.2	20.4	14.7%	(3.9)	-2.4%
Other Operating Revenue	34.5	31.3	28.1	3.2	10.3%	6.4	22.9%
<b>Net Operating Revenue</b>	<b>1,418.3</b>	<b>1,392.9</b>	<b>1,343.3</b>	<b>25.4</b>	<b>1.8%</b>	<b>75.0</b>	<b>5.6%</b>
<b>Operating Expenses</b>							
Salaries & Wages	543.9	559.9	503.4	(16.0)	-2.9%	40.5	8.0%
General Expenses	653.4	637.2	604.8	16.1	2.5%	48.5	8.0%
Depreciation & Amortization	69.0	68.5	66.3	0.6	0.8%	2.8	4.2%
<b>Total Operating Expenses</b>	<b>1,266.3</b>	<b>1,265.6</b>	<b>1,174.5</b>	<b>0.7</b>	<b>0.1%</b>	<b>91.8</b>	<b>7.8%</b>
<b>Operating Income</b>	<b>152.0</b>	<b>127.3</b>	<b>168.8</b>	<b>24.7</b>	<b>19.4%</b>	<b>(16.8)</b>	<b>-10.0%</b>
<b>Operating Margin %</b>	<b>10.7%</b>	<b>9.1%</b>	<b>12.6%</b>	<b>1.6%</b>		<b>-1.8%</b>	
<b>Operating Income w/o Dir Pmts</b>	<b>(7.4)</b>	<b>(11.6)</b>	<b>5.5</b>	<b>4.3</b>	<b>36.7%</b>	<b>(12.9)</b>	<b>-233.3%</b>
<b>Operating Margin % w/o Dir Pmts</b>	<b>-0.6%</b>	<b>-0.9%</b>	<b>0.5%</b>	<b>0.3%</b>		<b>-1.1%</b>	
Gain (Loss) on Investments	42.1	23.5	6.4	18.6	79.0%	35.7	556.7%
Other Non-Operating Gain (Loss)	(13.1)	(12.9)	(11.4)	(0.1)	-1.1%	(1.7)	-14.8%
<b>Net Income</b>	<b>181.0</b>	<b>137.9</b>	<b>163.8</b>	<b>43.1</b>	<b>31.3%</b>	<b>17.2</b>	<b>10.5%</b>
<b>Net Margin</b>	<b>12.5%</b>	<b>9.8%</b>	<b>12.2%</b>	<b>2.7%</b>		<b>0.3%</b>	

# Key Metrics

	FY24 Nov YTD	FY24 Dec YTD	Moody's Medians
<b>Financial Operations</b>			
Operating Margin	9.8%	9.9%	1.5%
<b>Financial – Liquidity</b>			
Days Cash on Hand	283	285	262
<b>Financial – Leverage</b>			
Debt to Capitalization	18.5%	18.1%	23.2%

*Operating margin without Directed Payment*

- FY24 Nov YTD = -1.6%
- FY24 Dec YTD = -1.5%

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# Thank you

→ [uihc.org](https://uihc.org)



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CHANGING LIVES.®