

Presentation to the Iowa Board of Regents | April 2024

University of Iowa Health Care

PRESENTATION TO THE IOWA BOARD OF REGENTS

April 24-25, 2024

Agenda

- Opening Comments
- Clinical Highlight: Cochlear Implants at UIHC
- Operating Updates:
 - University of Iowa Health Care Rebranding
 - Introduction to Benchmarked Performance
- Financial Performance

Opening Comments

Denise Jamieson, MD, MPH

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

Cochlear Implants at UIHC

A National Pioneer in Improving Hearing for Iowans

Denise Jamieson, MD, MPH

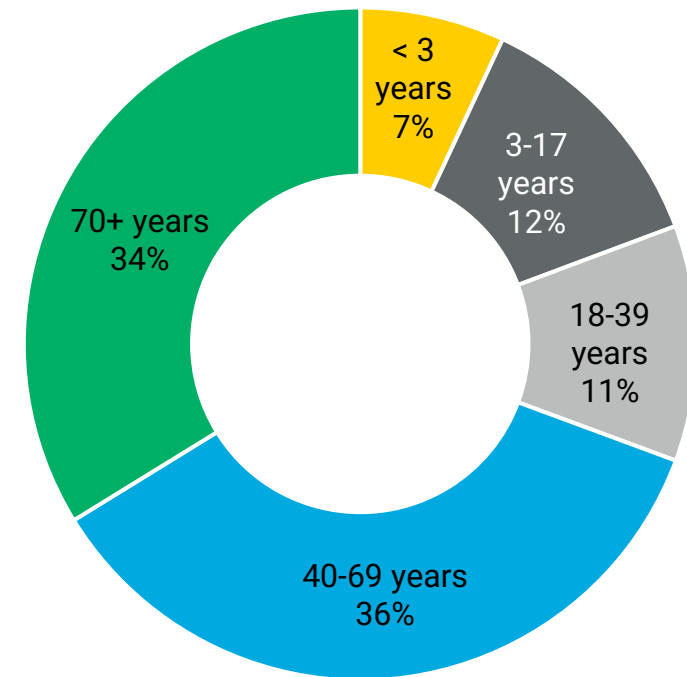
Vice President for Medical Affairs

& Tyrone D. Artz Dean, Carver College of Medicine

Cochlear Implants: An Impactful Intervention for Hearing Loss at All Ages

- Hearing loss:
 - May occur at birth or later in life
 - May progress over time
 - Affects 23% of Americans ages 12+
- Cochlear implants are:
 - Electronic devices to improve hearing
 - For adults and children with severe hearing loss no longer helped by hearing aids

UIHC Cochlear Implant Patients by Age
CY 2019-2023



Distinguishing Cochlear Implants from Hearing Aids



Hearing Aids

- Pick up and amplify sound with a microphone
- Sends sound through ear
- Acoustic signal

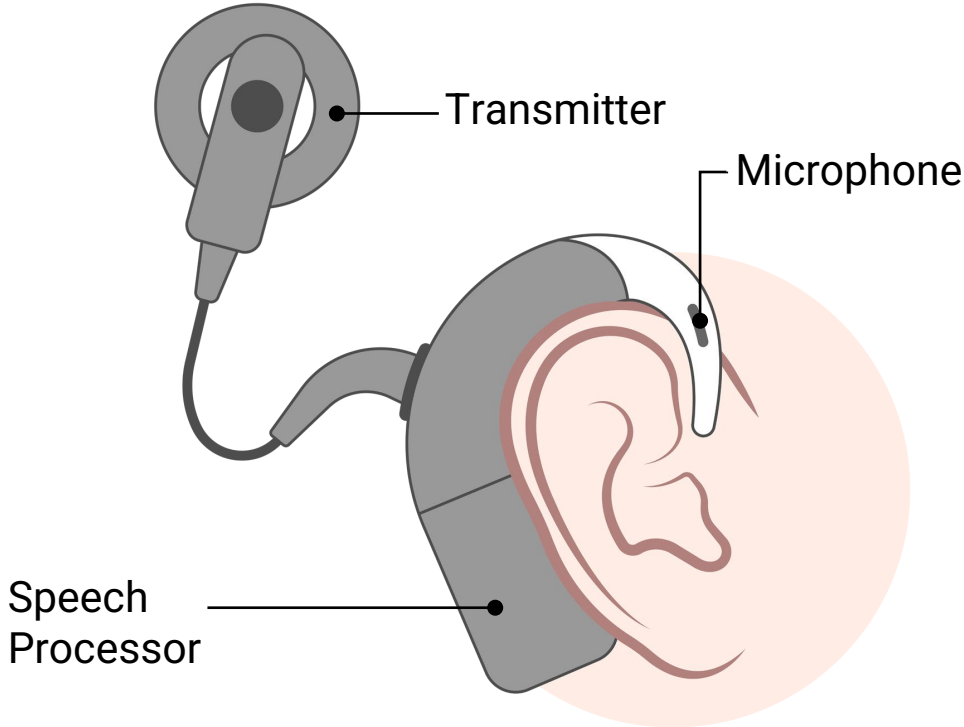


Cochlear Implants

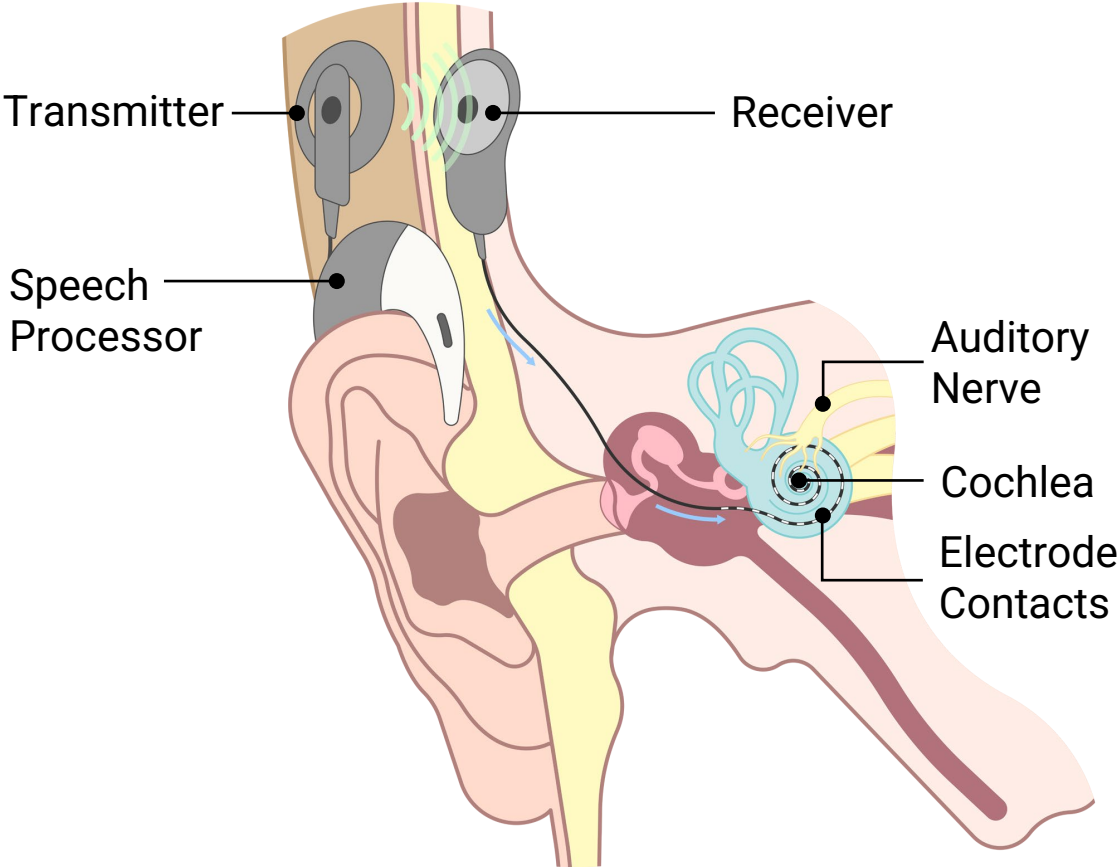
- Bypass the ear
- Deliver sound signal straight to auditory nerve
- Electrical signal

Cochlear Implant Components

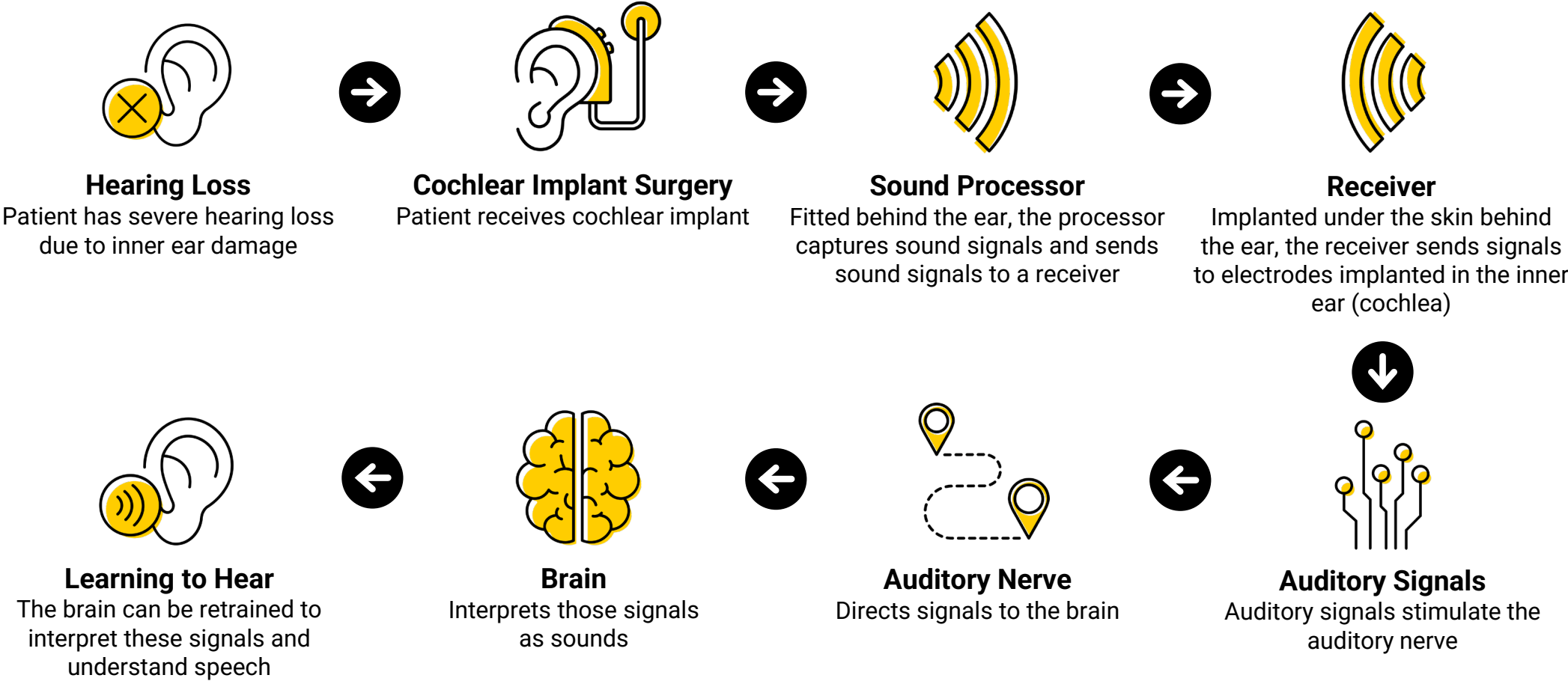
External Components



Internal Components



How Cochlear Implants Work

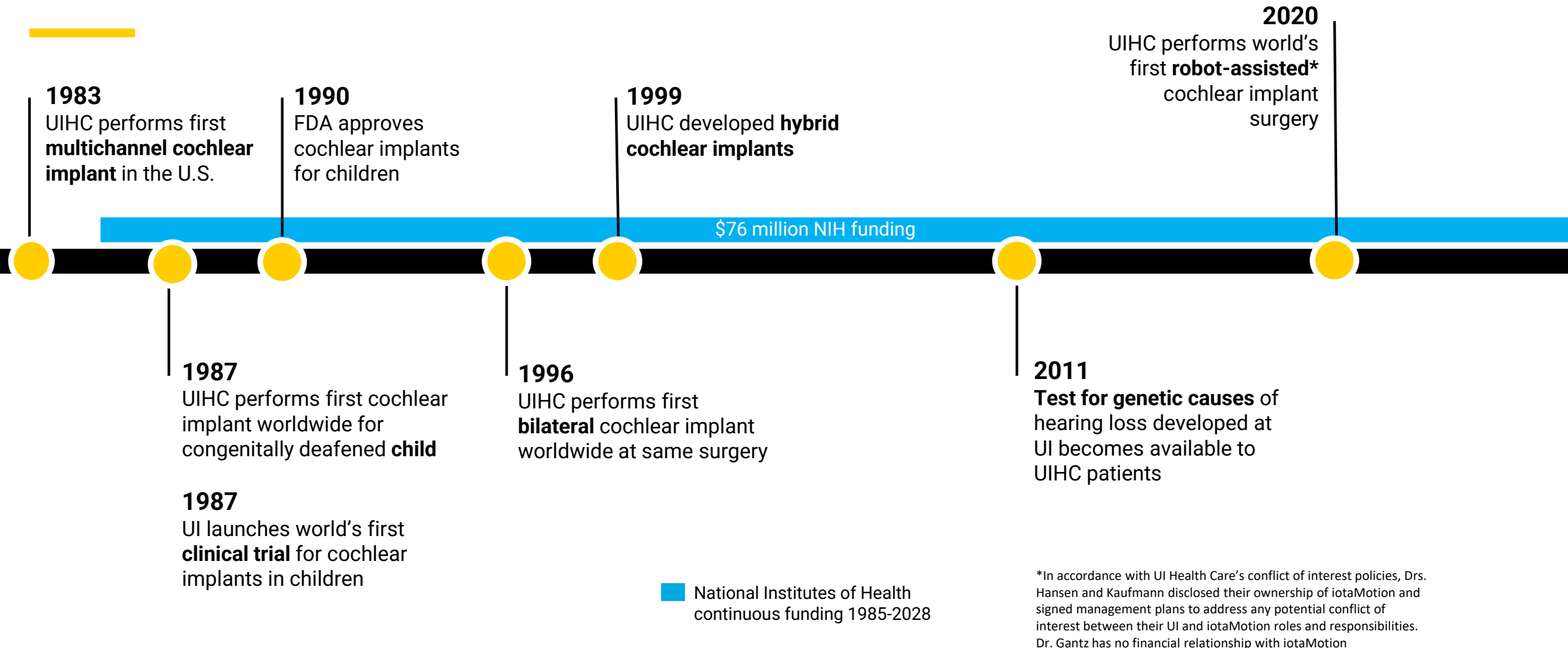


UIHC at the Forefront of Cochlear Implants



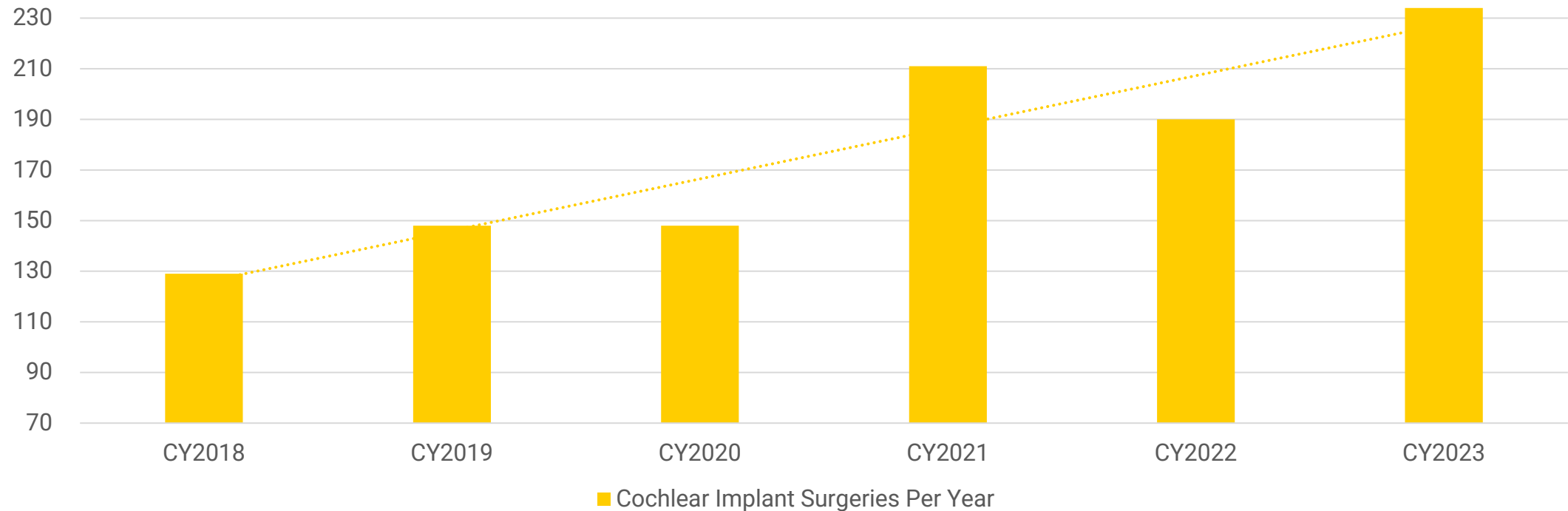
[Cochlear Implants Video](#)

Five Decades of Cochlear Implant Advances at UIHC



Cochlear Implant Program Has a Strong Trajectory of Growth

Total Cochlear Implant Surgeries Per Year

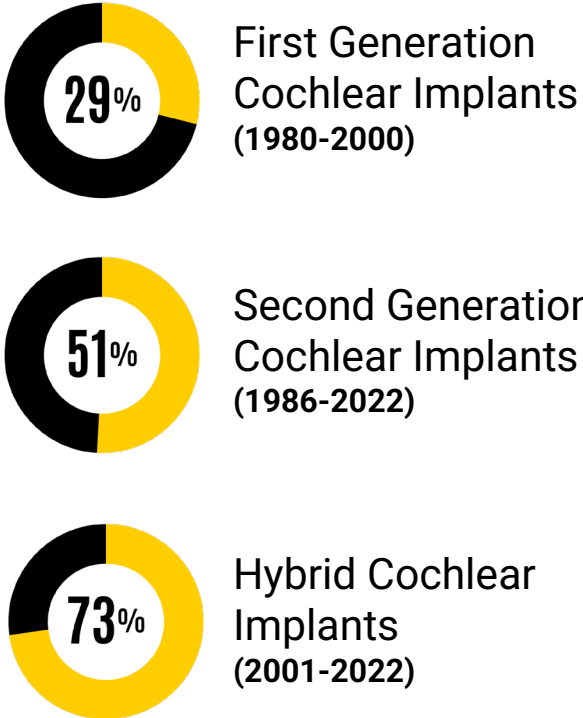


Spotlight on Hybrid Cochlear Implants

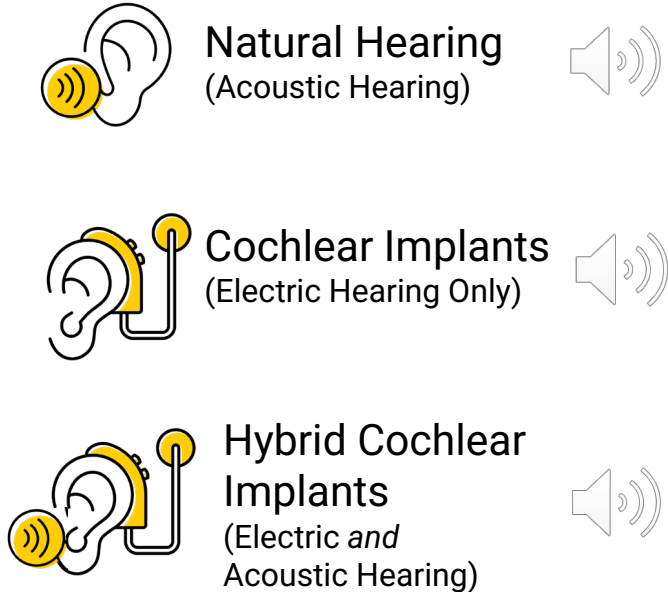
Characteristics of Hybrid Cochlear Implants

- Combines residual natural acoustic hearing and cochlear implant electrical hearing
- Result of delicate surgery to preserve natural hearing
- Ability to hear words and music more clearly

Huge Improvements in Word Comprehension



Huge Improvements in Quality of Sound



*Audio simulations provided courtesy of Bob McMurray in the Psychological and Brain Sciences Department within the UI College of Liberal Arts and Sciences

Cochlear Implant Program is Fueled by Collaboration

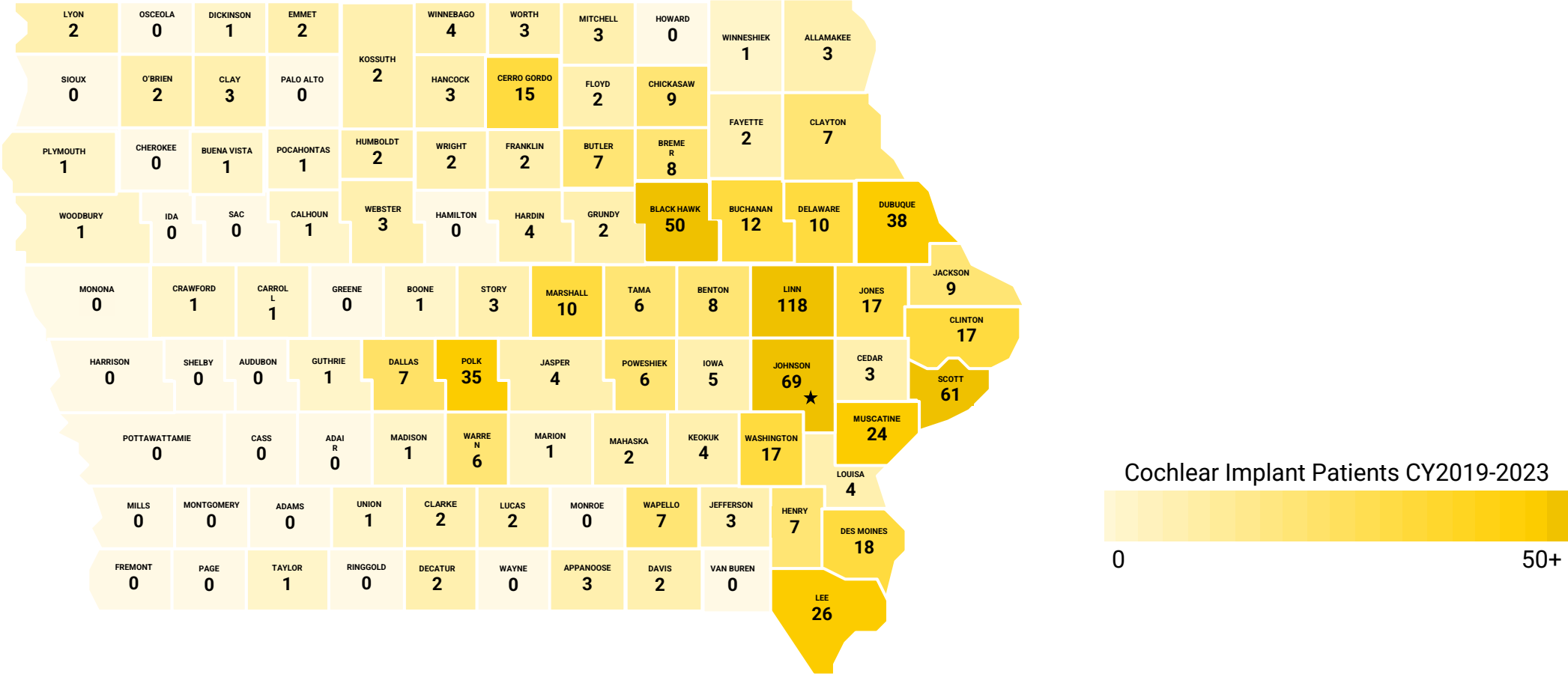
UI Health Care Collaborations

- Otolaryngology
- Genetics
- Neurosurgery
- Pharmacy Services
- Radiology
- Psychology

University of Iowa Collaborations

- Wendell Johnson Speech and Hearing Center
- Chemical Engineering
- Iowa Neuroscience Institute
- Institute for Clinical and Translational Sciences
- Psychological and Brain Sciences Department
- School of Music

UI Health Care is the Destination for lowans with Hearing Loss



Next Frontiers of Cochlear Implants at UI Health Care

- Less inflammatory materials
- Discovering new genes for hearing loss
- Hearing loss as risk factor for dementia
- Auditory nerve health restoration
- Personalized implants



Changing Medicine, Changing Lives

Age

2

Kelby Telander received a cochlear implant at UIHC

Age

6

Kelby became a Stead Family Children's Hospital Kid Captain

Age

18

Kelby joined the University of Iowa Hawkeyes Football team

Age

20

Kelby met Nile Kron, another Kid Captain with cochlear implants



University of Iowa Health Care Rebranding

Denise Jamieson, MD, MPH

Vice President for Medical Affairs

& Tyrone D. Artz Dean, Carver College of Medicine

Aligning with the University of Iowa Brand

University Parent Brand
University of Iowa

IOWA

Single External-Facing Health Care Brand
University of Iowa Health Care

IOWA
HEALTH CARE

Communicating our Brand

IOWA
HEALTH CARE

Logo is visual identity only
Official name written and spoken remains University of Iowa Health Care

University of Iowa Health Care: A System of Care

University of Iowa Health Care University Campus



University Campus located at
200 Hawkins Drive in Iowa City.

IOWA
HEALTH CARE

University of Iowa Health Care Downtown Campus



Downtown Campus located at
500 East Market Street in Iowa City.

IOWA
HEALTH CARE

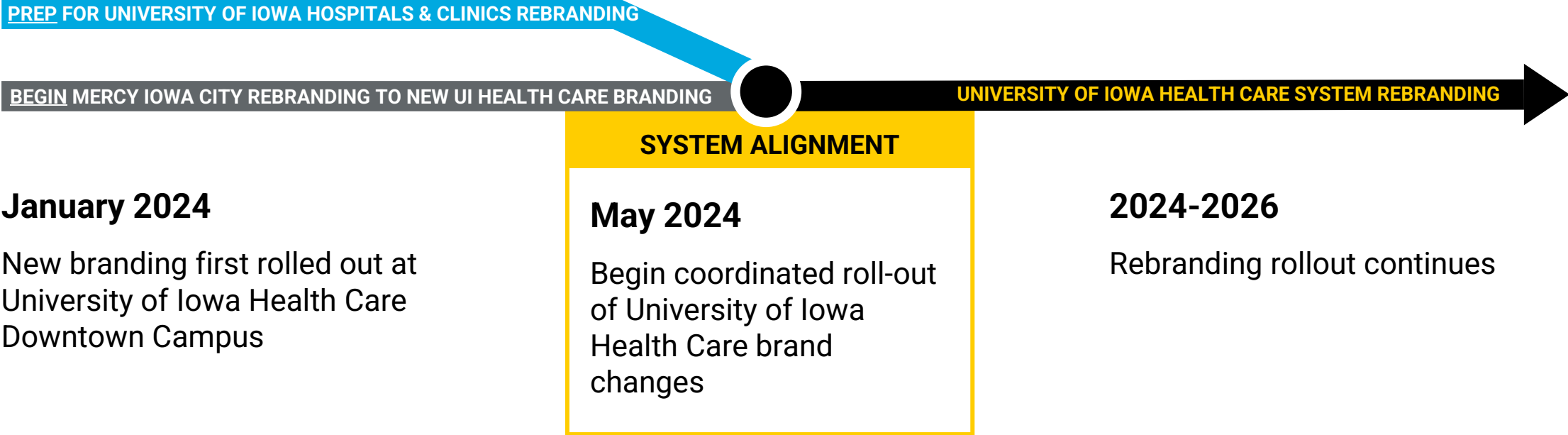
University of Iowa Health Care North Liberty Campus



North Liberty Campus located on
Forevergreen Road in North Liberty.

IOWA
HEALTH CARE

Rebranding timeline



Introduction to Benchmarked Performance

Bradley Haws, MBA

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

Purpose of External Benchmarking

An **external benchmarking tool** helps identify opportunities for improvement by comparing our performance with other similar organizations

Organizations choose to use different benchmarks

- Benchmarks must compare similar organizations to be relevant and applicable to the organizations that use them

External benchmarking tools can:

- Provide scoring and rankings
- Identify best practices for improvement
- Inform organizational goals
- Inform patient and provider choice

Vizient Benchmark for Performance

Largest health care performance improvement company in the U.S.

Over 95% of US academic medical centers participate in Vizient

**Vizient is one of UIHC's
primary external
benchmarking tools**

Provides expertise, analytics, and advisory services to improve the delivery of high-value care

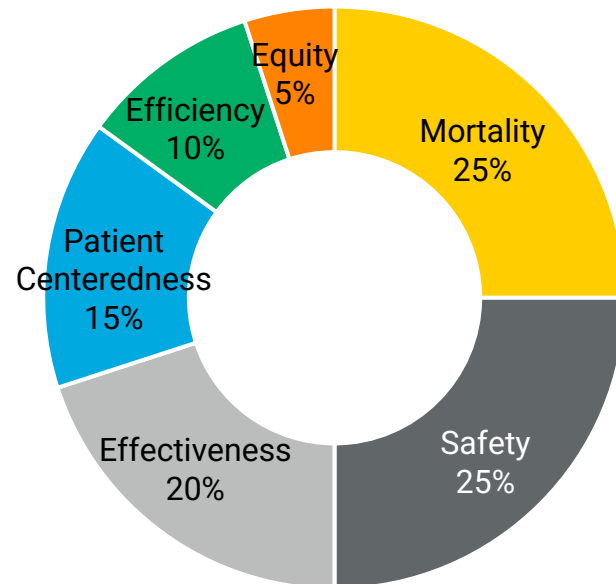
Measures member performance through the Vizient Quality and Accountability Scorecard

Vizient Quality and Accountability (Q&A)

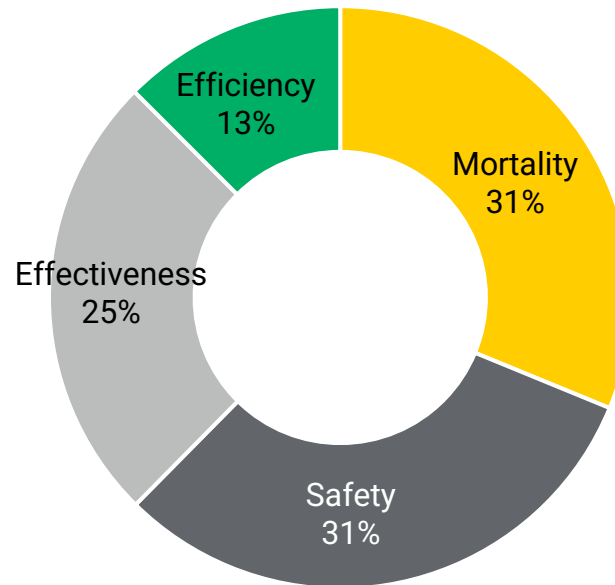
- **Performance scorecard** provides monthly and annual data updates that compare UIHC to other comprehensive academic medical centers
- Assesses **organizational performance** across high-priority dimensions of patient care
- **Scoring and ranking** uses measures developed by national organizations and the federal government to cover healthcare domains

Vizient Q&A Benchmarks Across Three Areas

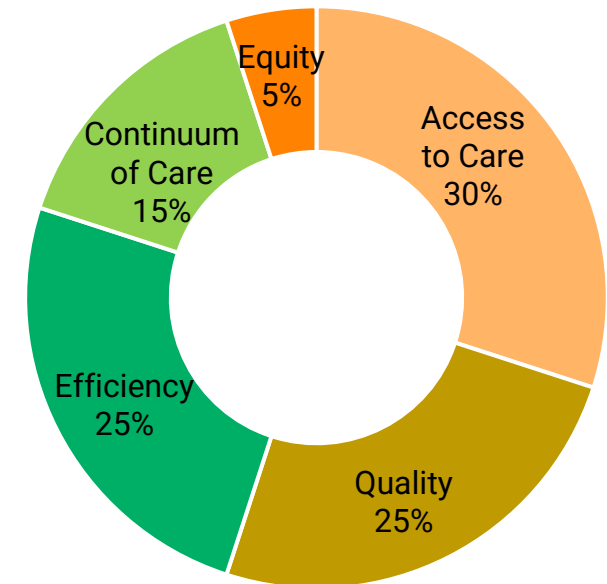
Adult Vizient Q&A



Pediatric Vizient Q&A

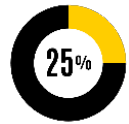


Ambulatory Vizient Q&A



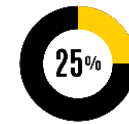
Adult Vizient Q&A Domains

Mortality



Avoiding deaths in patients who are hospitalized.

Safety



Avoiding complications or injuries from care that is intended to help patients.

Efficiency



Avoiding waste across care platform and ensuring patients are hospitalized for appropriate length of time.

Effectiveness



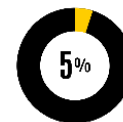
Reducing risk of readmission or subsequent emergency visits by providing beneficial patient care and refraining from unnecessary care.

Patient Centeredness



Providing care that respects patient preferences, needs, and values and ensuring patients' values guide all clinical decisions.

Equity



Providing care that does not vary in quality because of gender, ethnicity, geographic location, and socioeconomic status

Moving Forward



Background

Domain-specific information including historical performance



Performance

Areas identified as high performing as well as areas needing improvement



Progress

Current initiatives and priorities to improve performance in identified areas

Financial Performance

Mark Henrichs, MHA, CPA

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

Volume and Financial Highlights

March FY24

THROUGH March 2024

Key Volumes

- Discharges: + 5.2% vs budget | + 5.0% vs prior year
- Patient Days: - 2.2% vs budget | + 0.7% vs prior year
- Surgeries: + 1.1% vs budget | + 3.5% vs prior year
- Clinic Visits: - 0.8% vs budget | + 5.5% vs prior year

Acuity

- Case Mix Index: 2.39

Length of Stay Index

- Adult: 0.96
- Pediatrics: 1.00

Gross Patient Revenue

- 1.2% above budget year-to-date
 - Inpatient: -0.2% vs budget
 - Outpatient: +2.1% vs budget

Accounts Receivable

- Days in Net AR - 45.7 days

Salary Expenses

- 1.8% below budget

Non-Salary Expenses

- 4.4% above budget

Operating Margin

- Actual 12.2% vs goal of 9.6%
- Actual 1.6% vs goal of -0.4% (Without Directed Payment)

*not inclusive of Downtown Campus financials

Comparative Financial Results

FISCAL YEAR TO DATE: March 2024

	Actual	Budget	Prior Year	Variance to Budget	% Variance to Budget	Variance to Prior Year	% Variance to Prior Year
Operating Revenues							
Net Patient Revenue	1,891.4	1,839.5	1,752.5	51.9	2.8%	138.9	7.9%
Directed Payment Revenue	234.7	208.4	243.7	26.3	12.6%	(9.0)	-3.7%
Other Operating Revenue	50.2	46.9	43.1	3.3	7.0%	7.1	16.5%
Net Operating Revenue	2,176.3	2,094.8	2,039.3	81.5	3.9%	137.0	6.7%
Operating Expenses							
Salaries & Wages	820.2	834.6	761.5	(14.5)	-1.7%	58.6	7.7%
General Expenses	985.2	955.9	906.5	29.3	3.1%	78.7	8.7%
Depreciation & Amortization	104.8	102.7	100.0	2.1	2.1%	4.8	4.8%
Total Operating Expenses	1,910.2	1,893.3	1,768.0	17.0	0.9%	142.2	8.0%
Operating Income	266.0	201.5	271.3	64.5	32.0%	(5.3)	-1.9%
Operating Margin %	12.2%	9.6%	13.3%	2.6%		-1.1%	
Operating Income w/o Dir Pmts	31.4	(6.9)	27.6	38.2	557.3%	3.8	13.6%
Operating Margin % w/o Dir Pmts	1.6%	-0.4%	1.5%	2.0%		0.1%	
Gain (Loss) on Investments	86.0	35.5	30.3	50.5	142.3%	55.7	183.9%
Other Non-Operating Gain (Loss)	(19.3)	(19.4)	(17.2)	0.1	0.3%	(2.1)	-12.0%
Net Income	332.7	217.6	284.3	115.0	52.9%	48.3	17.0%
Net Margin	14.8%	10.3%	13.9%	4.5%		1.0%	

*not inclusive of Downtown Campus financials

Key Metrics

	FY24 Mar YTD	FY24 Feb YTD	Moody's Medians
Financial Operations			
Operating Margin	11.6%	11.1%	1.5%
Financial – Liquidity			
Days Cash on Hand	297	300	262
Financial – Leverage			
Debt to Capitalization	17.5%	17.7%	23.2%

Operating margin without Directed Payment

- FY24 Mar YTD = 0.7%
- FY24 Feb YTD = 0.2%

*not inclusive of Downtown Campus financials

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Thank you

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CHANGING LIVES.®