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The Senate
State of Iowa
Seventy-ninth General Assembly
STATEHOUSE
Des Moines, Iowa 50319

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Appropriations Subcommittee,
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Notes from meeting with University of Iowa Hospitals

Re: Follow up response to Legislative Fiscal Committee regarding visit to University of Iowa Hospitals Clinics to talk about University of Iowa Health System and the network of clinics.

In attendance:

- Senator Neal Schuerer
- Mark Braun
- Ann Madden Rice – Acting CEO of University of Iowa Hospitals
- Various other hospital administrative staff

The meeting focused upon the creation and future direction of the University of Iowa Health System.

I. What was the environment at the time of the creation of the health clinics?

- In the early 1990s the university became aware of the change in the health care environment. It appeared there was going to be a shift in health care to a primary care/HMO network. The University of Iowa wanted to be able to compete and this meant diversifying. This system was evolving on the east and west coast.
 - (i.e. the university wanted to be sure it had doctors involved as primary-care physicians who would be gatekeepers to the medical world)
- Movement in Washington DC showed signs that the future of health care was moving fast in this direction.

II. What happened when the system was set up?

- The Hospital got involved with Wellmark in Iowa and other private entities. To make the plan work the decision was made that the parties needed to be shareholders. To get a seat at the table the University of Iowa needed to be a shareholder (\$3 million investment). It was determined that the University themselves could not be a partner (AG Opinion). Therefore, in order to participate The University of Iowa Health System was created.
 - **Note:** Since the new organization was not a state agency – employees (doctors) were not state employees and hence salaries of the participating doctors were not to be published in the paper as other state employee salaries have been in the past. This was a concern of some that could have hindered some physicians practicing with this network.

III. What is in the future?

- As time went on it became clear that we were not go into a pure provider network. Officials are considering options for the future:
 1. Doing a substantial amount of reorganizing and making the companies' part of the public university.
 2. Continue Status Quo

The University knows there needs to be change. As you are aware, many small communities are having a hard time attracting physicians to their town. The people in the communities with clinics are very supportive of having the clinic in their town and would like to continue the relationship. The University is looking at their situation and does not want to simply pull out of a small community. They are hoping to reach a level where whatever decision reached is manageable.

IV. Follow-up?

- The visit was a good experience. I was glad that I took time out to visit the University and review the situation to get a first hand accounting. I am still very interested in following up with the University to determine how they are going to manage the situation.
- I am also going to be spending some time learning more about the Indigent Care program. The program itself is not that complicated but the money trail is. I will be spending some time to review this program to get a better handle on this situation.