

KENNETH P. KATES

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PROFESSIONAL EXPERIENCE

UNIVERSITY OF IOWA HOSPITALS AND CLINICS, Iowa City, Iowa
Chief Executive Officer

September 2008 to Present

UNIVERSITY OF IOWA HEALTH CARE
Associate Vice President

Chief Executive for Iowa's only comprehensive academic medical center consisting of 729 beds, 6,400 employees, 770 faculty, 738 residents and fellows, \$1.2 billion operating revenues, 30,000 admissions, 26,500 operative cases and 901,000 on-site and off-site ambulatory visits. Serve as Associate Vice President for University of Iowa Health Care, the integration of the University of Iowa Hospitals and Clinics, University of Iowa Carver College of Medicine, and University of Iowa Physicians. Responsible for the overall leadership, operational effectiveness and financial health of the Hospitals and Clinics.

- Led financial turnaround through execution of expense moderation and revenue enhancement program. Operating income improved from an \$(8.7) million loss in Fiscal Year 2009 to a \$26.1 million gain in Fiscal Year 2010; a 2.8% operating margin and a \$60.3 million gain in Fiscal Year 2011; a 5.8% operating margin. Debt service coverage increased from 11.0 to 17.1, a growth of 55% over past three years.
- To better align cost management and revenue enhancement incentives between the hospital and academic clinical departments, implemented margin sharing agreements in strategic programs and replaced clinical department deficit funding agreements with relative value unit (RVU) productivity-based support agreements tied to national benchmarks; improved operational and financial performance and volume growth achieved in these areas.
- Continued growth achieved from Fiscal Year 2009 to Fiscal Year 2011; admissions up 1.5%, ambulatory visits up 4.2%, operative cases up 10.4%. State-wide market share increased 7.3% over past eight quarters.
- Instituted service and operational excellence initiative in partnership with Disney Institute to ensure *Excellence Every Time* for patients, families and staff. Over past three years, satisfaction mean scores and percentile performance improved.
- Capital plan (\$1.4 billion) to renew and expand facilities – major projects underway include an \$11 million Cancer Center opening Fall 2011, a \$92 million off-site ambulatory facility opening in Fall 2012, new inpatient and ambulatory operating rooms (\$40 million) opening Fall 2013 and a \$285 million, 195 bed children's hospital opening Winter 2015. Second new bed tower (\$400 million estimate) targeted to open in 2020.
- Strong information technology performance -- Stage 6 of 7 designation by Health Information Management Systems Society (HIMSS) achieved for implementation and adoption of electronic medical record technology. Application for Stage 7 designation submitted. Most Wired designation by Health and Hospital Networks.
- Member of University of Iowa Health Care Cabinet working closely with university leadership to further strengthen the integrated organization and implement the overarching strategic plan.

UNIVERSITY OF IOWA, COLLEGE OF PUBLIC HEALTH
Department of Health Management and Policy

July 2009 to Present

Adjunct Faculty - Professor (2011 to present)

Adjunct Faculty – Lecturer (2009-2011)

Instructor for the program's capstone course – *Issues in Health Management and Policy*. Support the Department of Health Management and Policy in providing administrative fellowships, residencies and internships for students post graduate as well as mentoring opportunities for current and prospective students.

ALVAREZ AND MARSAL, Chicago, Illinois
Contractual Senior Director, Healthcare Industry Group

November 2007 to September 2008

Served as senior consultant on healthcare engagements focusing on improving operational and financial performance.

LOYOLA UNIVERSITY- CHICAGO, Chicago, Illinois
Adjunct Faculty – Instructor, Health Systems Management Program

January 2007 to May 2008

Instructor for *Introduction to Healthcare Project Management* course.

UNIVERSITY OF CHICAGO HOSPITALS AND HEALTH SYSTEM, Chicago, Illinois
Executive Vice President and Chief Operating Officer (2001-2007)
Interim President and Chief Executive Officer (2006)

1988 to 2007

Responsible for the day-to-day operations of 600 bed teaching hospital - 5,600 employees, \$1.1 billion operating revenues, \$94 million net income, 1,350 physicians and house staff. Noted for being "at the forefront of medicine", ranked by net patient revenue as Chicago's largest hospital. Achieved *U.S. News and World Report* Honor Roll of America's best hospitals, Solucient "Top 100 Hospitals" ranking and Magnet designation.

- Participated in development and implementation of strategic plan - *Vision 2010* to position the Hospitals as the pre-eminent center for complex care in Illinois and the best place to practice academic medicine nationally,
- Senior executive leading initiative - *Achieving Breakthroughs* - to promote a culture of service and operational excellence through systematic, high level performance, measurement of progress and leadership development. Achieved substantial improvements in patient, staff and physician satisfaction.
- Initiated first ever organization-wide physician and staff opinion survey providing benchmark data to support action plans for improving the work environment for physicians and staff. Surveys now completed annually.
- Strong financial performance, achieving \$70 million net operating income in FY05, \$32 million in FY06 and \$71 million in FY07. Increased debt capacity by 285% - from \$112 million in FY02 to \$432 million in FY07. Successfully implemented and achieved \$20 million in operating cost reductions in FY07.
- Project Executive for major facility and information technology projects:
 - Comer Children's Hospital - \$148 million replacement hospital, 155 beds, 242,000 square feet, 39% minority business enterprise (MBE)/women business enterprise (WBE) participation - opened in February 2005. Project won six awards for architecture, design and partnerships with minority/women owned firms.
 - Phoenix Project - \$70 million integrated clinical information system project implemented over five years.
 - Comer Center for Specialty Care - \$50 million projected project cost, 125,000 square feet. Project includes pediatric emergency room, pediatric inpatient beds, operating rooms, high technology imaging and outpatient clinics. First phase was completed in December 2006.
- Partnered with Practice Plan leadership to build key clinical programs - lung transplantation, liver transplantation, cancer, gastroenterology, neurosciences and pediatrics.
- Developed and implemented Specialty Care Unit initiative, in partnership with Chief Medical Officer, to actively manage beds to deploy these scarce resources optimally. This allowed for growth of targeted complex program patient admissions and resulted in reduced length of stay and improved payer mix.
- Increased business diversity across product, goods and professional services. Received awards from Chicago Urban League in 2003 and Black Contractors United in 2002 and 2006 in recognition of this success.

Director, Children's Hospital/Vice President, Hospitals and Health System (1996-2001)

Senior hospital executive responsible for the direct management and leadership of the 153 bed children's hospital. In addition, was hospitals' senior manager with responsibility for the Departments of Surgery, Anesthesia and Critical Care, Neurology, Ophthalmology, Radiology and Radiation Oncology.

Vice President for Physician Services and Executive Administrator, Department of Surgery (1991-1996)

In addition to hospital responsibilities, assumed responsibility as the senior administrative officer for the Department of Surgery; (77 faculty and 155 staff) (Operating Budget of \$35M)

Associate Director, Hospitals (1988-1991)

Senior executive responsible for the hospitals' surgical programs including management of the operating rooms.

TEMPLE UNIVERSITY HOSPITAL, Philadelphia, Pennsylvania

1979 to 1988

Progressively responsible positions leading to Assistant Hospital Director for Medical Programs in 1982.

BOARD RESPONSIBILITIES

University Health System Consortium

Member Board

2008 to present

Supply Chain Board Committee

2011 to present

Senior Operations Officer Council

2002 to 2007

University of Iowa Health System Board

2008 to present

US Bank – Iowa City, Community Advisory Board

2009 to present

Iowa City Area Development (ICAD) Corporation Board

2010 to present

EDUCATION

Temple University Graduate School of Business, Philadelphia, Pennsylvania

MBA - Health Administration, 1980

Administrative Residency at Temple University Hospital

Philadelphia University, Philadelphia, Pennsylvania

BS - Business Administration - Marketing, 1976