

TO: Governor Tony Evers
Karen Walsh, President – UW System Board of Regents
Kathy Blumenfeld, Secretary – Department of Administration
Michael Queensland, Senate Chief Clerk
Ted Blazel, Assembly Chief Clerk
Transmitted electronically

FR: Connie Schulze, Director of Government Affairs

DT: October 2022

RE: Annual report required under 233.04(1)

Please find attached a copy of the annual UW Health report on patient care, education, research, community service activities and a draft audited financial statement, as required by state law.

Please feel free to contact me if you have questions. I can be reached at 608/516-2552.

Thank you.

**UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS
2021-2022 Report to the Legislature**

Fiscal Year 2021-2022 was another milestone year for UW Health. UW Hospitals and Clinics (d/b/a UW Health) continued to *advance health without compromise through service, scholarship, science, and social responsibility*. This is our mission, and we work to fulfill it each day.

Despite many challenges throughout the year, UW Health continued to garner national recognition as a high-performing healthcare organization; a workplace of choice; and leader in quality, safety, patient satisfaction and equity. As Wisconsin's premier academic medical center, this year's awards and honors included:

- University Hospital is ranked 22 in the nation, and among the top 200 in the world, in *Newsweek and Statista's World's Best Hospitals*
- *US News & World Report's "Best Hospitals"* ranked University of Wisconsin Hospitals, which includes University Hospital and East Madison Hospital, #1 in Wisconsin for the tenth year in a row. They also ranked seven medical and surgical specialties among the best in the nation and three others as high performing.
- Pediatric specialties at American Family Children's Hospital have ranked among the nation's top for 11 years, according to *US News & World Report*.
- UW Health received Two National Awards for Achievements in Sustainability from *Practice Greenhealth*, the nation's leading organization dedicated to environmental sustainability in healthcare.
- UW Health once again named as a "Leader in LGBTQ Healthcare Equality" by the *Human Rights Campaign Foundation (HRC)*, the educational arm of the nation's largest lesbian, gay, bisexual, transgender, and queer (LGBTQ) civil rights organization.
- Named One of the Nation's 50 Top Cardiovascular Hospitals by *Watson Health*
- University Hospital was awarded the Platinum Performance Achievement Award from the *American College of Cardiology (ACC) and the American Heart Association (AHA) Gold Plus Mission Lifeline (MILL) STEMI Receiving Center and MLL Gold NSTEMI awards*. These awards demonstrate the highest level of care in the treatment of Acute Myocardial Infarction using ACC and AHA clinical guidelines.
- *American Nurses Credentialing Center* named University of Wisconsin Hospitals and Clinics, East Madison Hospital and American Family Children's Hospital as Magnet®-designated facilities for nursing excellence and quality patient care.

While we are honored to receive these awards and recognitions, we remain committed to working to fulfill our vision of *Remarkable Healthcare*.

STRATEGIC PLAN

UW Health’s strategic plan frames our priorities. The plan is defined by our mission of Patient Care, Education, Research and Community Service and our vision for Remarkable Healthcare. We remain focused on enduring achievement and success through five important domains, while utilizing four foundational competencies.

Five Foundational Competencies

Foundational competencies are essential to achieving our vision. They are too important to be identified as a “strategy,” which has the potential to change every three to five years as the world around us evolves. These foundational competencies will not change. The foundational competencies are as follows.

- 1) **Quality and Safety:** UW Health must continually improve the quality and safety of our care to best serve our patients and their families.
- 2) **Staff and Physician Wellbeing:** UW Health must ensure that staff and physicians have what they need to effectively care for the people and families we serve while also caring for their own wellbeing.
- 3) **Diversity, Equity and Inclusion:** UW Health is committed to being a diverse and inclusive environment for patients, visitors, staff and physicians. We will continue to be a leader in actively dismantling racism in ourselves, our system and our community.
- 4) **Information Management and Analytics:** Comprehensive, reliable, secure and accessible information is integral to the management and growth of UW Health.
- 5) **Financial Performance:** In order for UW Health to continue to have the privilege of caring for patients and delivering remarkable healthcare, we need to maintain financial health.

Five Domains

To advance our vision and strategic plan, we identified 5 strategic areas we call “domains” where we will focus our work. Our five strategic domains are illustrated below.

1. Patient Experience

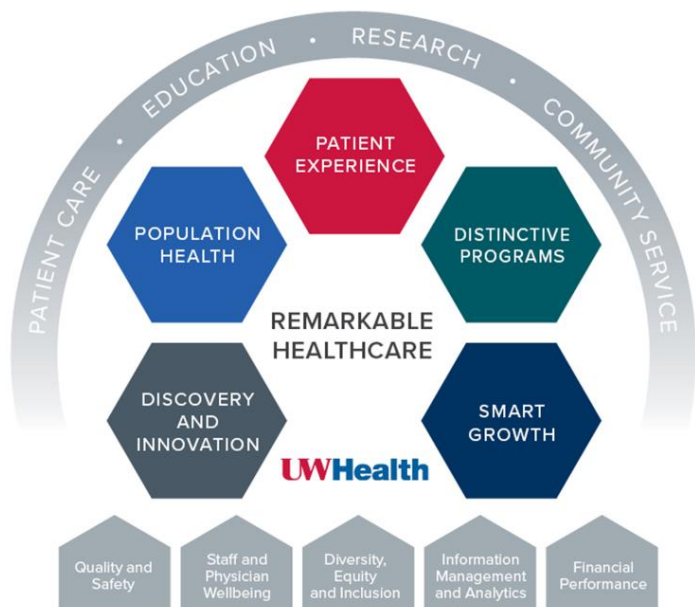
Goal: Exceed expectations of our patients and families

Why the strategic focus: Being available and accessible when needed is essential to the patients, families and the communities we serve. We must provide easy access to our inpatient and outpatient services in order to provide remarkable healthcare.

2. Population Health

Goal: Distinguished value for patients, payers and partners

Why the strategic focus: We have a unique opportunity and obligation to deliver high value care for the



populations we serve. This requires that we deliver the right care at the right time and right place while, at the same time, providing a great experience and exceptional outcomes at the lowest possible cost.

3. Distinctive Programs

Goal: Acclaimed clinical programs with national profile

Why the strategic focus: Our capabilities and expertise position us to offer nationally recognized programs that provide remarkable health outcomes for patients locally, regionally and nationally. Fully tapping this potential will move us toward our vision.

4. Discovery and Innovation

Goal: Be the preferred, trusted partner to safely and equitably lead innovation and take it from discovery to the people we serve

Why the strategic focus: Our relationship with the UW School of Medicine and Public Health and broader UW system uniquely positions us to leverage the power of our academic partners to make significant contributions to science and healthcare innovation.

5. Smart Growth

Goal: Smart growth to serve more communities

Why the strategic focus: We aim to develop meaningful partnerships and serve more communities. In doing so, we will reach the larger population necessary to sustain the full range of services we provide, and to effectively train the next generation of clinicians.

PATIENT CARE

As one of the nation’s leading academic medical centers, UW Health provides care to over 700,000 patients annually from every corner of the state and beyond. Many of those patients come to UW Health seeking specialty care for cancer, heart or brain conditions. We are also known for our organ transplant program which is a model for the nation.

Transplant

For more than 50 years the UW Health Transplant Center has led the nation in serving transplant patients and living and deceased organ donors who provide the gift of life. As one of the nation’s few comprehensive transplant centers, we serve adult patients requiring heart, intestine, islet cell, kidney, liver, lung and pancreas transplants and have the experience and skill needed to perform complex multiple organ transplants. Our pediatric team provides compassionate care to young patients requiring evaluation and transplant of the kidney, liver, intestine and multi-visceral organs. Our living donation program is among the nation’s largest and serves living kidney and liver donors. Our organ and tissue donation program is a Health Resources and Services Administration best-practice site and leads the nation in serving deceased organ and tissue donors. And now, thanks to a generous gift from Pleasant T. Rowland, our transplant clinic is among the beautiful and sophisticated in the nation. The new clinic located at UW Health’s flagship hospital on the UW campus, was built to honor our



commitment to patient-centered care. Patients no longer travel to various departments within the hospital for related services such as lab work and scans. For the most part, the new clinic provides the services transplant patients need all in one place and with the addition of new technology, the patient experience has been greatly enhanced.

Cancer Care

UW Health is home to the UW Carbone Cancer Center, one of the original comprehensive cancer centers in the country as designated by the National Cancer Institute and the only one in Wisconsin. The UW Carbone Cancer Center has been a leader in shaping how the world understands cancer. Our research has helped revolutionize more effective approaches to cancer prevention, diagnosis and treatment. We provide access to the nation's top experts who will be with the patient every step of their journey. We are part of the National Comprehensive Cancer Network, one of the top 30 cancer centers in the U.S. Our regional and state partnerships include the Big Ten Cancer Research Consortium, the Precision Medicine Molecular Tumor Board and Wisconsin Community Advisory Board. We are accredited by the Commission on Cancer. Through collaboration we can bring personalized care to more individuals in more communities, helping to improve our understanding of cancer while reducing the barriers to care. At any one time, there are hundreds of active cancer clinical trials at the UW Carbone Cancer Center. Through the research and collaboration with partners across the state, the U.S. and even the world, patients have access to new and novel treatments and interventions that can improve the lives of others.

Cardiac Care

At UW Health, heart specialists bring unique knowledge, skills and experience to provide patients the best care possible. Our team includes cardiologists, as well as cardiac and vascular surgeons. Physician assistants, nurse practitioners, nurse coordinators, health psychologists, nutritionists and exercise physiologists are among the professionals who play an important role in team-based care for a healthier heart. Our team diagnoses, monitors and manages all types of heart disease and our congenital heart surgery program received the highest rating from the Society of Thoracic Surgeons. This means our outcomes are better than expected based on the complexity we encounter, and some of the best in the country.

Neuro Care

When you need surgery for a brain, spine or peripheral nerve condition, the neurosurgery specialists at UW Health provide comprehensive care. We treat and manage neurological conditions in adults and children through surgery. Connor Keith shared his story after months of care at UW Health.

After a night out with friends visiting bars on State Street in Madison, Keith, a senior at UW–Madison, made the decision to walk home to his apartment. So, he ventured out into the cold that winter night. The next thing Keith remembered was waking up in March, in a patient room at the UW Health Rehabilitation Hospital. He later learned from his parents that he fell about 12 feet from a wall behind a building on campus, landing on his head. The chain of events that his family, friends, doctors, nurses and others pieced together for Keith is as incredible as the fact that he is still alive today. After the fall, Keith lay there on the ground in the cold, unconscious and alone in the dark behind a building, where nobody would typically be walking. His friends didn't know where he went, and his parents certainly had no idea where he was. Three UW–Madison employees just happened to be walking by the place where he fell and one of them happened to notice a "jacket," or at least what they thought was one, Keith said. "They didn't know it was me at first," he said. "But, by an amazing chance, they saw me laying there and called 911."

Keith was taken to University Hospital by ambulance, where he was first put in the care of Dr. [Mustafa Baskaya](#), neurosurgeon, UW Health, and professor of surgery, UW School of Medicine and Public Health. The emergency medicine team, in consultation with Baskaya, immediately began working to save Keith by inducing a coma after placing an intracranial pressure monitoring device into his brain ventricle and administering medications to reduce brain swelling. Later that night, Baskaya removed two larger pieces of Keith's skull to relieve the pressure on his brain since his intracranial pressures became uncontrollable with conventional measures.

"He had a less than 10 percent chance of survival or even coming out of the coma — and even less than that of having no physical or mental impairment," Baskaya said.

Thankfully, the Keith family didn't even get to hear those odds because the care team was working so quickly to save Connor, according to Nancy Keith, Connor's mother.

"I'm very glad we didn't know the odds, because it would have been far more horrible," she said. "Later, we had to have a reality check with him, and tell him, 'You might not be able to drive or have a job,' but he said, 'No, I will.' "

After spending most of February at University Hospital recovering, he was transferred to the UW Health Rehabilitation Hospital on Feb. 24 to begin his tedious recovery. Connor was forced to discontinue his education mid-semester and pull the plug on his passion to educate children as a swim coach. But the idea of never doing these things again never really occurred to him, he said.

"I never really did not plan on going back to school in the fall," Connor said.

But in March, a large section of his skull was still at University Hospital, on the other side of Madison, and he was unable to walk and hardly able to talk. The fall semester was only seven months away. His goals were ambitious, to say the least, according to Dr. [Ben Gillespie](#), physical medicine and rehabilitation physician, UW Health, and clinical assistant professor, UW School of Medicine and Public Health. Under the care of Gillespie's team and with support from family and friends, Connor made astounding progress. Connor, like many patients with severe brain injuries, would often become agitated at times, but helping to manage his ups and downs were key to his rehabilitation, according to Gillespie. So, Gillespie's team began to focus on Connor's sleep/wake schedule. Then for the next three weeks, Connor underwent intense rehabilitation for about three hours each day that included occupational therapy, physical therapy and speech therapy. Connor learned to talk, walk and use his body again, but there were still no signs that a full recovery was possible. His conversations with the therapists were often nonsensical; he would mix thoughts about random topics or items into conversations. Until one particular day.

Gillespie and his resident were completing morning rounds when they witnessed something.

"What do you notice about him today, what's different?" Gillespie said.

“The resident smiled and said, ‘Connor’s back,’ ” to which Gillespie replied, “Yes, he is.”

For the first time, Connor was using his memory to clearly form a thought and articulate it to the rehab team. He had seen a person from his past in the hall at the rehabilitation hospital and brought it up in talking with his therapist. At first, they didn’t believe him, Gillespie said.

“We thought it was made up until we confirmed that person was whom Connor said he was,” he said. From that point on, Connor’s recovery was nothing short of unbelievable, Gillespie said.

Day after day, Connor’s level of function continued to rapidly improve from both cognitive and physical standpoints.

“To this day, I’ve never seen a recovery like this,” Gillespie said, “People have asked me, ‘How is this possible?’ Because 99 percent of people would not have survived an injury of this severity, but here he is going back to college in the fall.”

Two factors might have contributed to this incredible recovery: Connor’s age and physical conditioning, Gillespie said. Connor was a competitive swimmer in high school and continued to stay in shape by coaching swim at the Madison Aquatic Club and Monona Swim and Dive Club, and through regular workouts of his own. On March 17, he had the procedure to reattach the skull fragments.



Then, Connor was able to return home. He continued rehab appointments, but nobody could have expected this outcome. In June, just four months after surgery to repair his skull, Connor took his first jump back in the pool. And, just five months after surgery, Connor completed a diving test to the bottom of a 17-foot pool to become a lifeguard at the Nicholas Recreation Center at UW–Madison, not far from where his accident took place. Physical recovery wasn’t the only measure of his incredible progress. In August, Connor took a cognitive impairment test to determine what accommodations might need to be made for him to return to school in the fall, if that was possible at all.

“It went really well,” Nancy said. “He can take a full load of classes in college with just a few accommodations.”

Connor showed virtually no mental impairment from the fall, drug-induced coma or surgery, and he would be returning to UW–Madison’s School of Education to continue his studies to become a physical education teacher – just as he had intended all along.

Sharing this story is very important because it’s a cautionary tale, he said.

“Don’t ever let a friend leave a party or bar alone if they have been drinking, and please be responsible,” he said. “I’m the exception by a mile, most people do not end up like me.”

Sharing his incredible story is also important because while he was silent in his room for more than a month, he didn't get to thank all the people who cared for him and supported him and his family from outside the hospital walls.

"I would not be here if it wasn't for the amazing people who helped me, like the UW–Madison employees who called the first responders, and the police and paramedics who arrived at the scene, to the people in the hospitals who cared for me, kept me alive and helped me thrive once I was awake again," Connor said. "I could never thank them enough."

EDUCATION

With a robust array of Graduate Medical Education offerings, UW Health has continued its growth trajectory, proudly overseeing 79 ACGME accredited programs, including 24 residencies and 55 fellowships, with more than 690 total trainees. In FY22, UW Health continued to improve the quality of learning environments for residents and fellows in ACGME-accredited programs. The goal is to ensure residents are integrated into - and knowledgeable about - UW Health policies and protocols regarding patient safety, quality improvement, and transitions in care, as well as GME work hours and professionalism. Beyond these basics, the focus is on ensuring that residents and fellows are fully included in UW Health's work related to quality improvement, patient and family experience, and the interdisciplinary model of care. In addition, GME programs remain critical as a source of outstanding faculty recruits for UWSMPH and UW Health with over 35% of existing UW Health clinical attending physicians trained in a UW Health-sponsored GME program.

As it does every year, UW Health not only trains resident physicians and fellows but also members of residency programs in pharmacy, physical therapy, nursing, and hospital administration. Other new trainees include those in dietetic internships, a fellowship in athletic training and training programs in ultrasonography, radiologic technology, emergency medical services, and a host of other areas.

RESEARCH

UW Health plays a critical role in medical research and has been working to enhance our research capabilities as part of our strategic plan. To that end, the University of Wisconsin Clinical Research



Office, a partnership between the University of Wisconsin School of Medicine and Public Health and UW Health, was launched to support clinical research professionals and participants to advance discovery in the prevention, detection, and treatment of disease to help improve the health of individuals, families, and communities across Wisconsin and beyond.

Our exceptionally talented workforce provides care, support, and information to clinical trials **participants**; resources, training, and guidance to **research professionals**; and opportunities for **industry partners** to advance groundbreaking health research. Whether you're an individual wondering about how to join a clinical trial, a researcher

exploring UW resources to advance your work, or a potential industry partner looking to foster and enhance healthcare innovation, the UW Clinical Research Office offers several ways to PARTICIPATE, INVESTIGATE, or COLLABORATE.

COMMUNITY SERVICE

UW Health supports more than 200 organizations and programs from the region including health-related, non-profits, programs within schools and government agencies and grassroots community-based organizations. We develop genuine, intentional relationships with a diverse array of community members so we are able to have honest conversations about what is going on in the community and what needs to be done. We bring these perspectives to our decision-making. We have consistently demonstrated our commitment to dismantling racism by partnering with organizations led by people of color and historically marginalized communities. Examples include African-American Health Network, Centro Hispano of Dane County, Foundation for Black Women’s Wellness, Jewish Social Services, and the Hmong Institute.

UW Health follows the community benefit reporting categories and definitions of the Wisconsin Hospital Association. The figures below, reported in July 2022, are based on the most recent available data.

Community Health Improvement Services	\$3,044,557
Health Professions Education	\$54,103,411
Subsidized Health Services	\$36,462
Research	\$2,535,947
Financial and In-Kind Contributions	\$6,433,776
Community Building Activities	\$1,578,685
Community Benefits Operations	\$154,360
Financial Assistance	\$14,340,557
Government Sponsored Health Care	\$86,613,153
TOTAL:	\$168,840,908

FINANCIAL PERFORMANCE

Net income for the fiscal year ending June 30, 2022, decreased over the prior year. Net income as a percentage of revenue, excluding the fair value gain/loss on investments and the fair value loss on swap agreements was 6.2% percent including the \$29.8 million of federal stimulus funding.

Financial Performance 2022-2021		
Financial summaries		
	UNAUDITED FY 2022	AUDITED FY 2021
University of Wisconsin Hospital and Clinics Authority		
Summary of Financial Results for Fiscal Years Ended June 30, 2022 and 2021 (\$000 omitted)		
Net Revenue	\$4,033,580	\$3,795,487
Expenses	3,833,325	3,542,400
Payment to UW School of Medicine and Public Health for capital expenditure support	72,182	74,045
INCOME FROM OPERATIONS	128,073	179,042
Investment and other non-operating income	123,117	111,105
Fair value gain/loss on investments	(287,479)	246,421
Fair Value gain/loss on swap agreements	2,435	1,539
NET INCOME	\$ (33,854)	\$538,107
Net income as % of revenue, excluding fair value gain/loss on investments and fair value loss on swap agreements	6.2%	7.6%
University of Wisconsin Hospital and Clinics Authority		
Summary of Financial Position as of June 30, 2022 and 2021 (\$000 omitted)		
CURRENT ASSETS		
Cash	\$1,014,939	\$1,066,168
Patient & other accounts receivable	563,334	558,608
Inventories	83,815	62,405
Prepaid expenses	42,464	43,276
Due from related entity	7,900	7,471
TOTAL CURRENT ASSETS	1,712,452	1,737,928
Investments	1,901,322	1,777,290
Net property & equipment	1,374,956	1,245,596
Other assets	588,725	500,295
TOTAL ASSETS	\$5,577,455	\$5,261,109
Deferred outflows of resources	662,727	449,314
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$6,240,182	\$5,710,423
CURRENT LIABILITIES		
Current installments of long-term debt	\$45,060	\$18,907
Accounts payable & accrued liabilities	767,429	879,112
TOTAL CURRENT LIABILITIES	\$812,489	\$ 898,019
Long-term debt	\$ 1,148,919	\$ 719,703
Other long-term liabilities	260,310	277,789
Deferred inflows of resources	813,988	586,691
Net assets	3,204,476	3,228,221
TOTAL LIABILITIES & NET ASSETS	\$6,240,182	\$5,710,423
Net days revenue in accounts receivable	51	54
Long-term debt to total capitalization	0.26	0.18