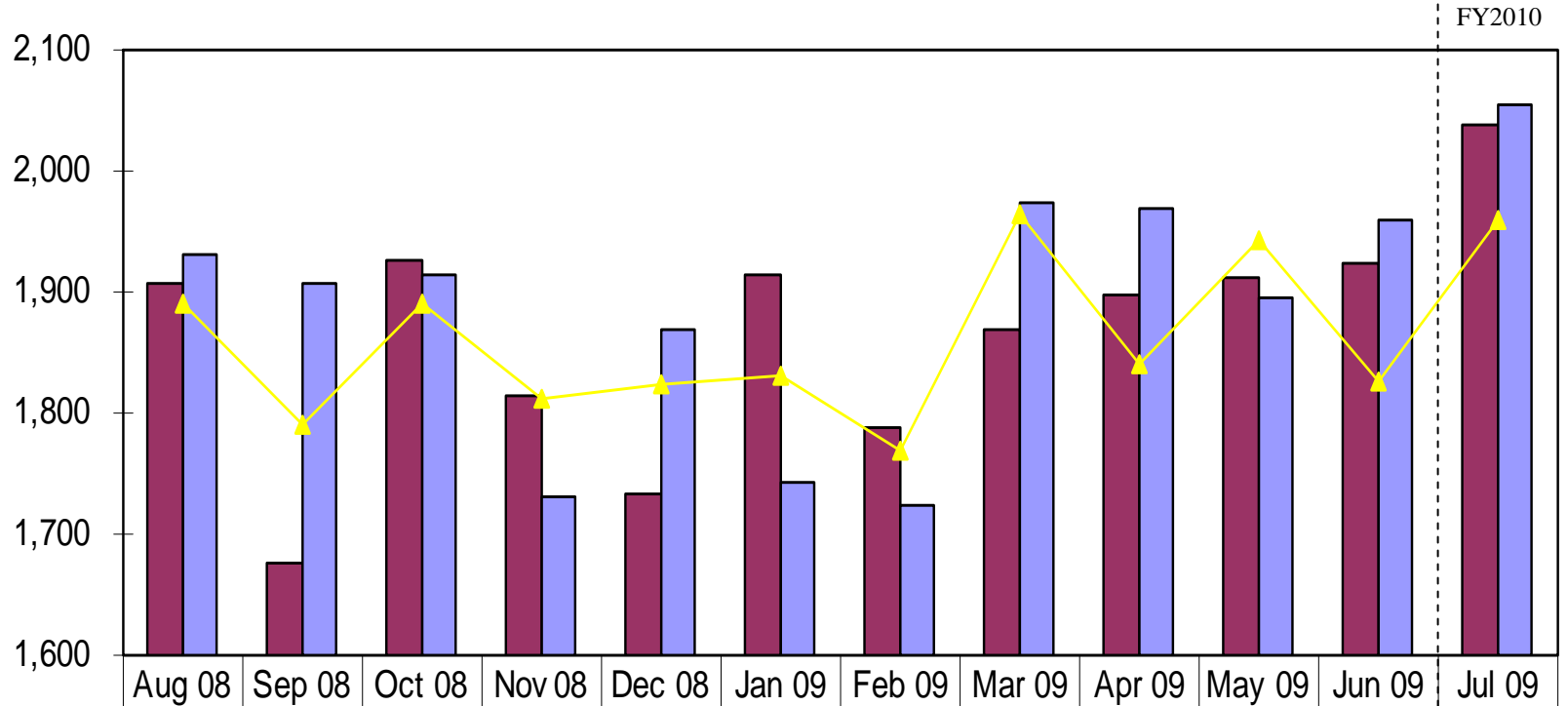




# *SUMMARY OF OPERATING RESULTS*

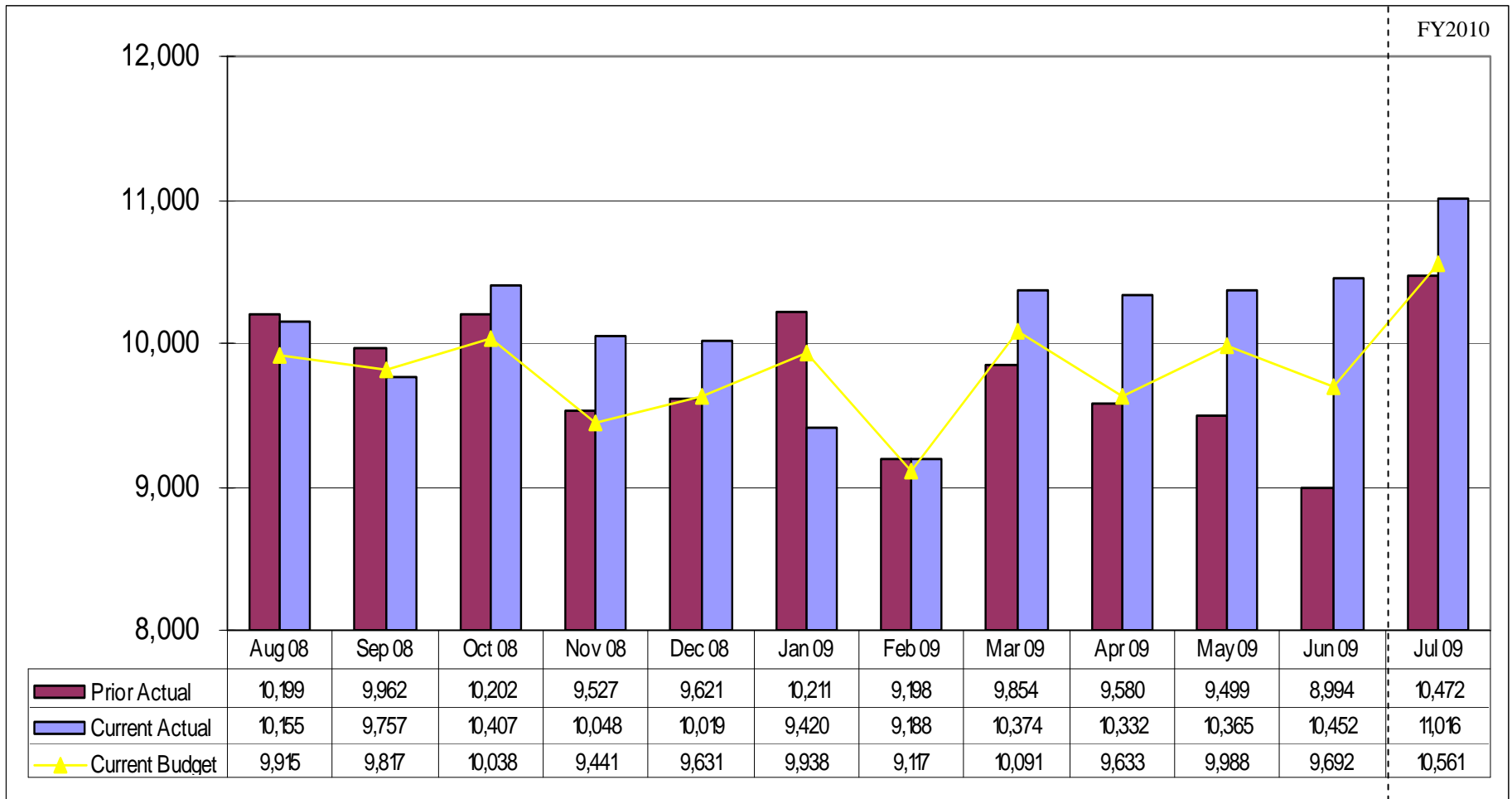
*July 31, 2009*

# Adult Inpatient Admissions (rolling 12 months)

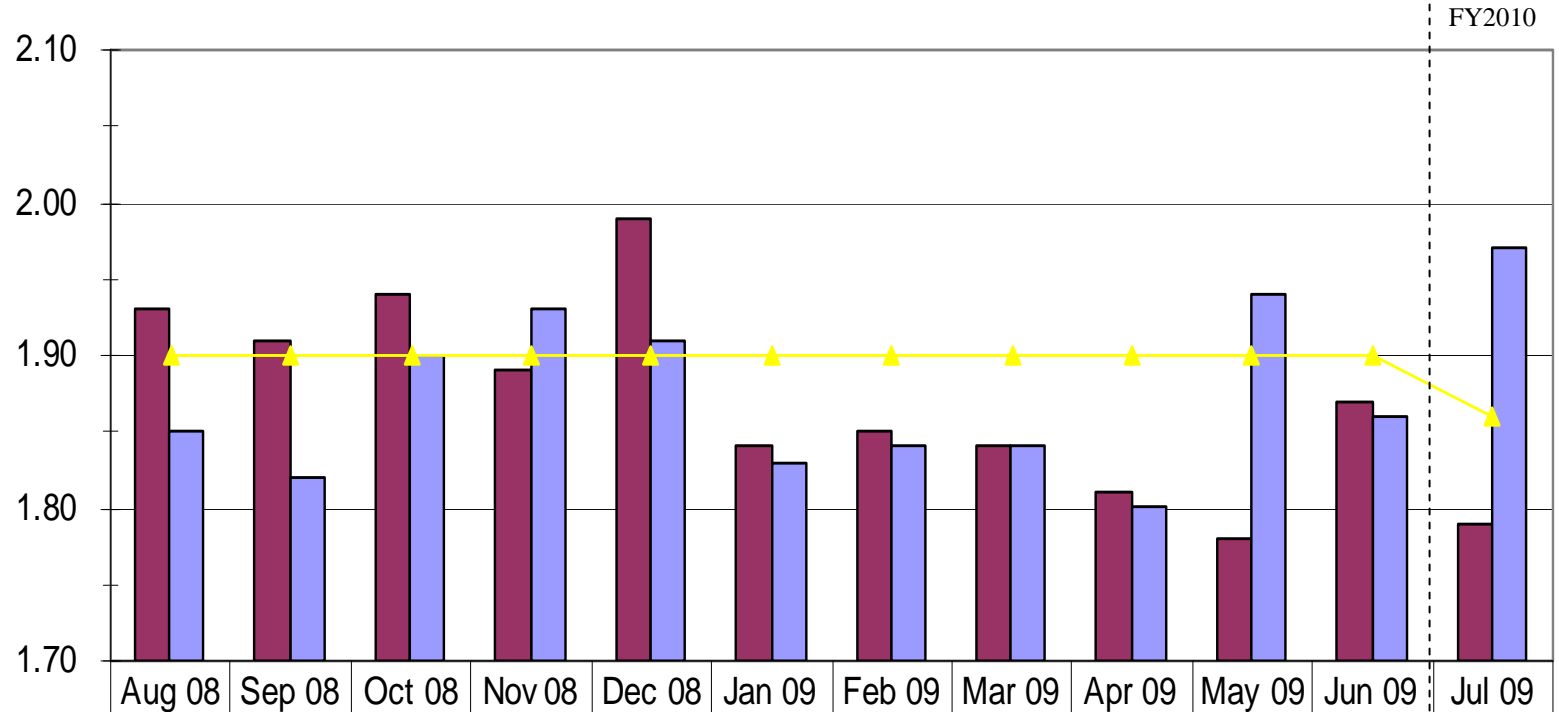


	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09
Prior Actual	1,906	1,676	1,927	1,815	1,733	1,914	1,789	1,869	1,898	1,911	1,923	2,037
Current Actual	1,930	1,907	1,915	1,732	1,868	1,744	1,725	1,973	1,970	1,895	1,960	2,055
Current Budget	1,890	1,791	1,890	1,811	1,825	1,830	1,769	1,964	1,841	1,942	1,827	1,959

# Adult Patient Days (rolling 12 months)

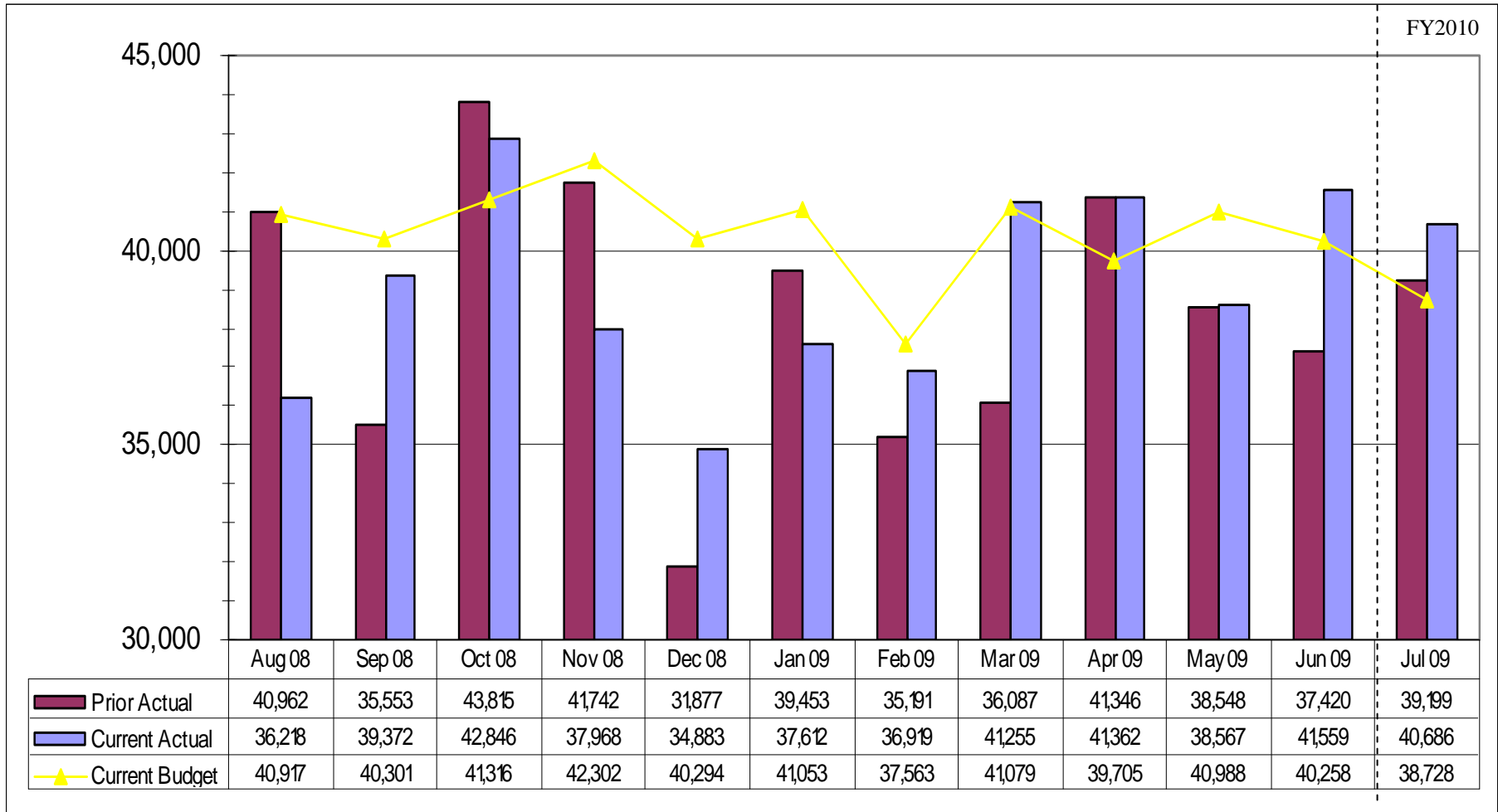


# Adult Case Mix (rolling 12 months)

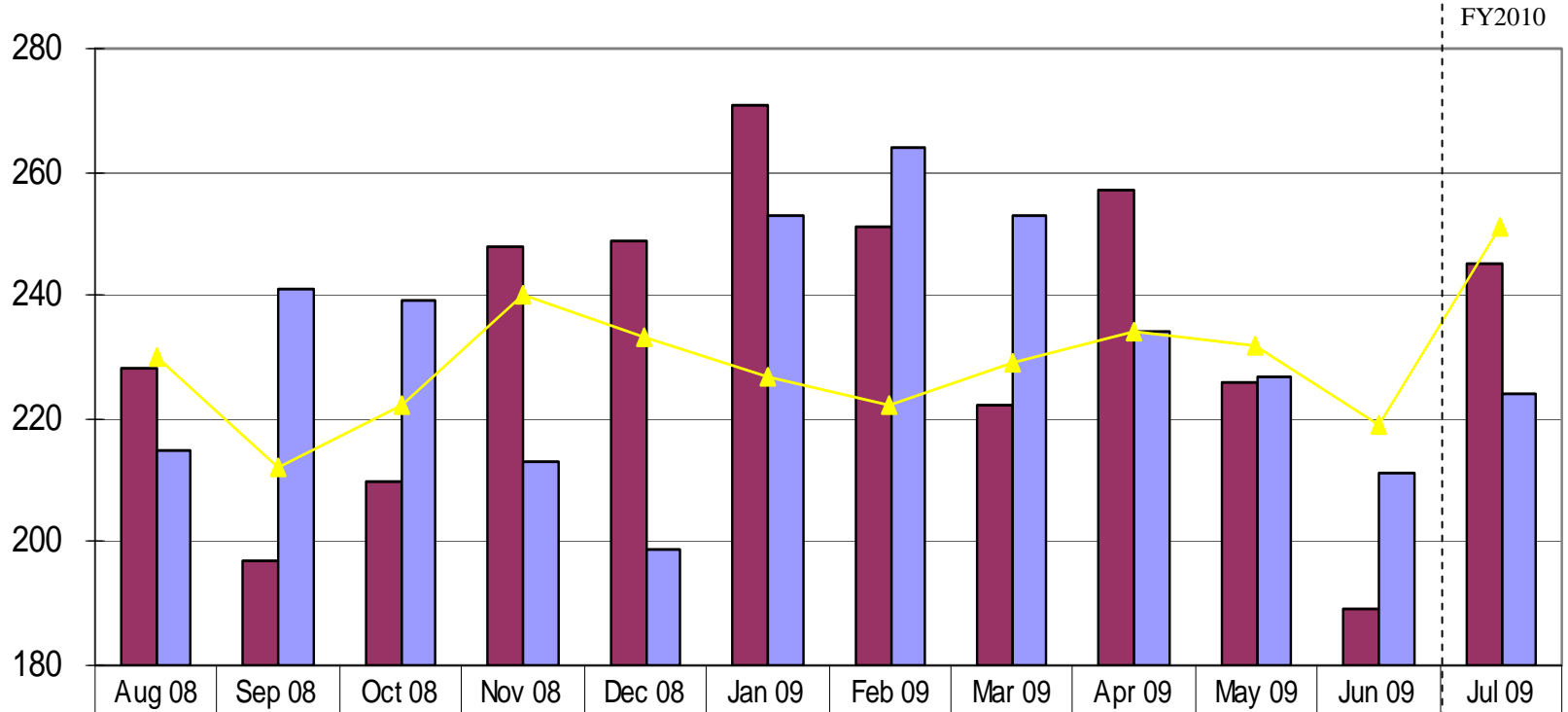


Prior Actual	1.93	1.91	1.94	1.89	1.99	1.84	1.85	1.84	1.81	1.78	1.87	1.79
Current Actual	1.85	1.82	1.90	1.93	1.91	1.83	1.84	1.84	1.80	1.94	1.86	1.97
Current Budget	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.86

# Adult Clinic Visits (rolling 12 months)

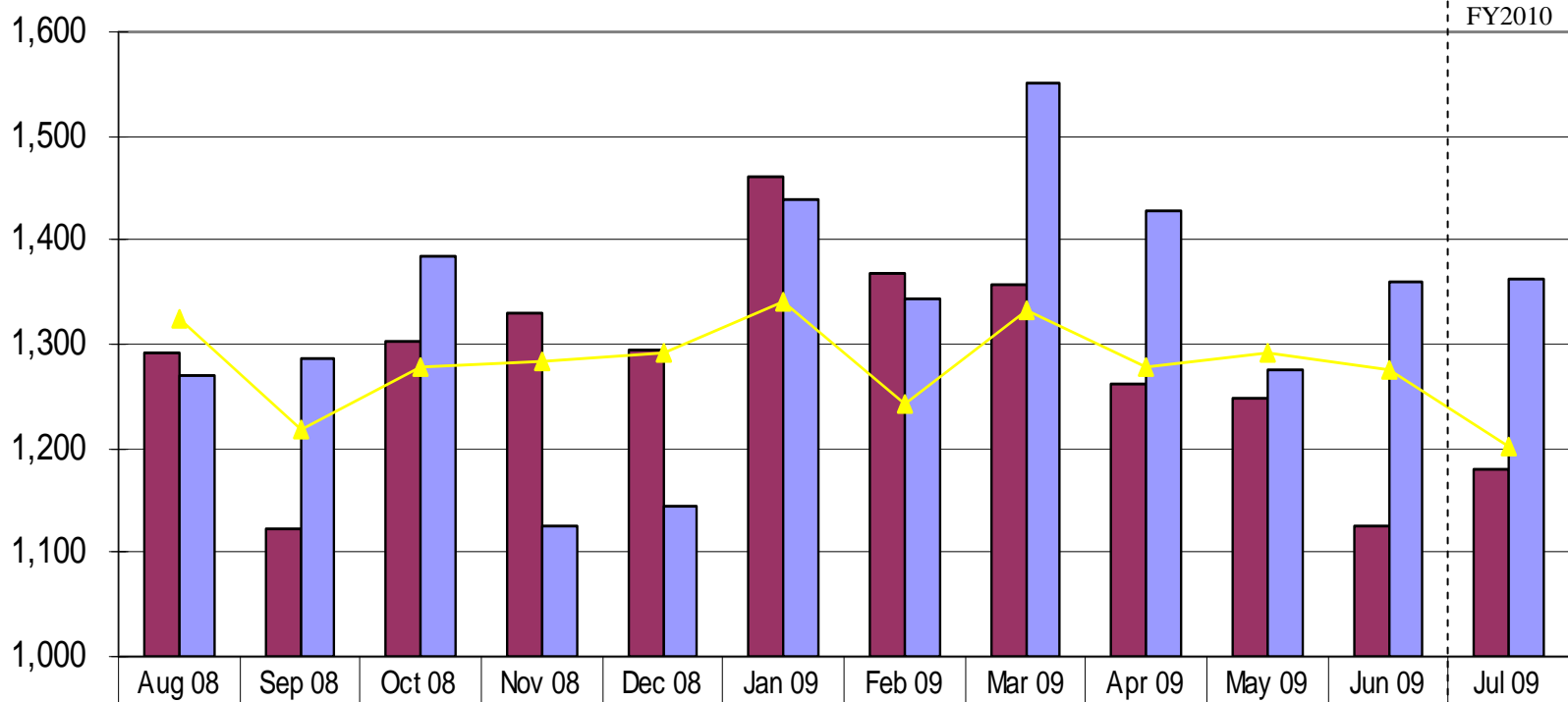


# Pediatric Inpatient Admissions (rolling 12 months)



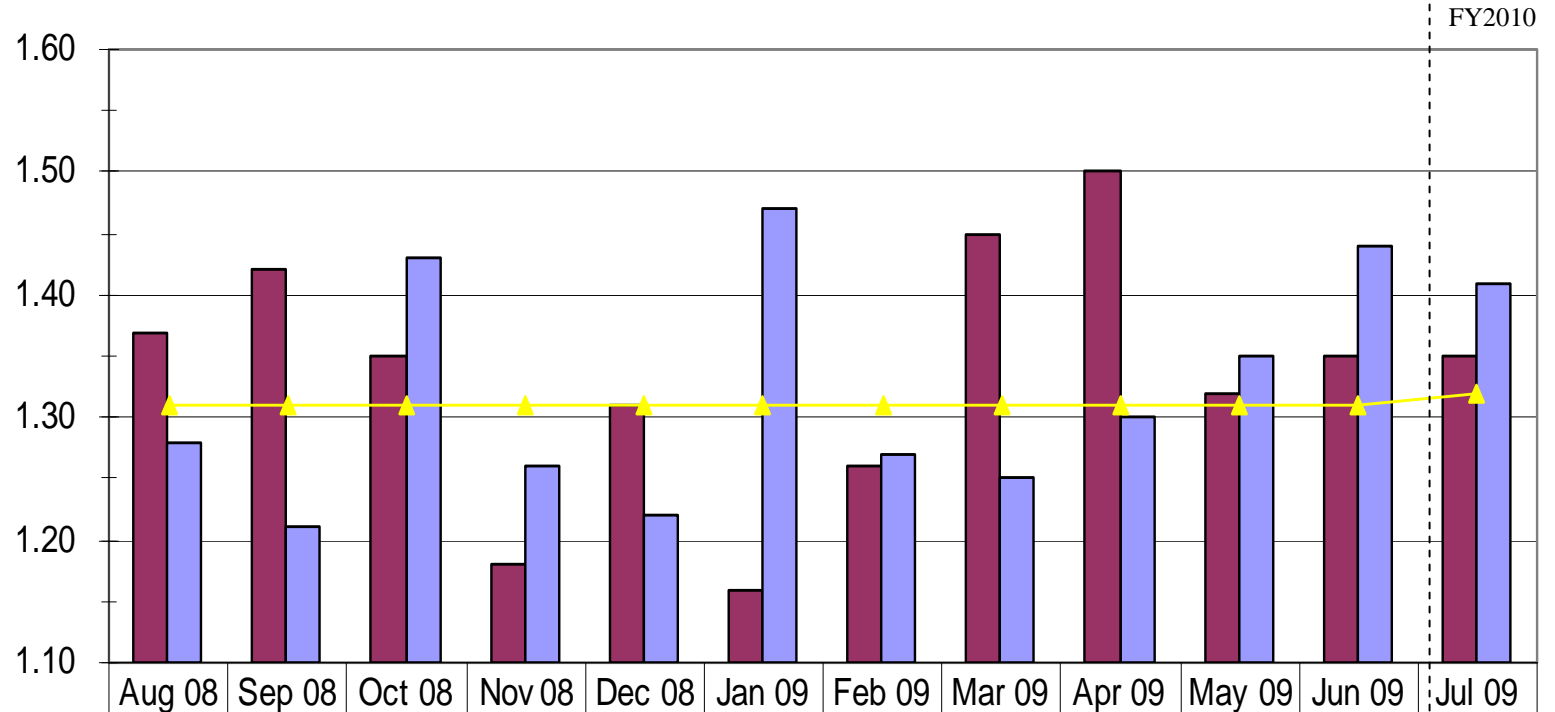
	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09
<span style="color: maroon;">■</span> Prior Actual	228	197	210	248	249	271	251	222	257	226	189	245
<span style="color: blue;">■</span> Current Actual	215	241	239	213	199	253	264	253	234	227	211	224
<span style="color: yellow;">▲</span> Current Budget	230	212	222	240	233	227	222	229	234	232	219	251

# Pediatric Patient Days (rolling 12 months)



	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09
Prior Actual	1,293	1,123	1,302	1,330	1,294	1,461	1,369	1,357	1,263	1,249	1,126	1,179
Current Actual	1,270	1,287	1,384	1,126	1,145	1,439	1,343	1,551	1,427	1,275	1,359	1,364
Current Budget	1,325	1,218	1,278	1,283	1,293	1,340	1,243	1,334	1,278	1,291	1,276	1,201

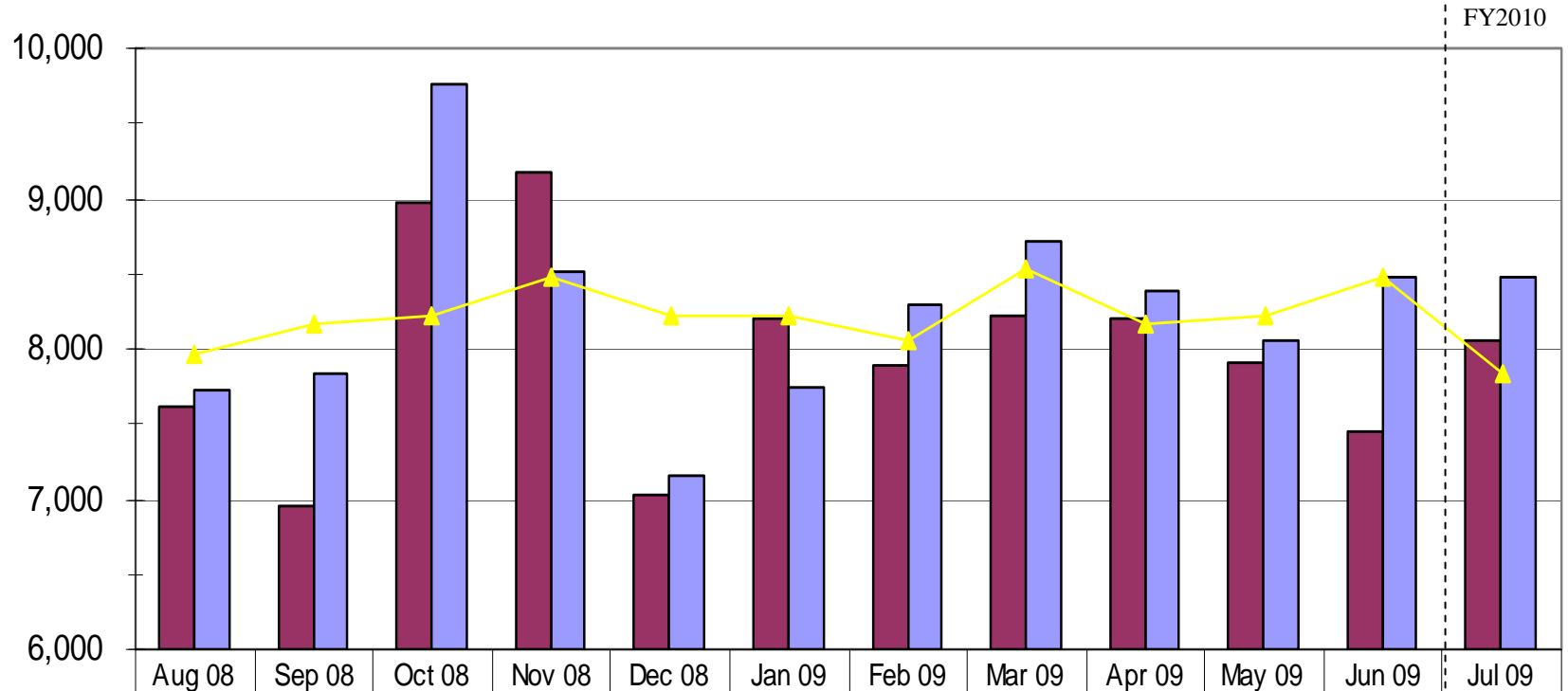
# Pediatric Case Mix (rolling 12 months)



	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09
<span style="color: maroon;">■</span> Prior Actual	1.37	1.42	1.35	1.18	1.31	1.16	1.26	1.45	1.50	1.32	1.35	1.35
<span style="color: blue;">■</span> Current Actual	1.28	1.21	1.43	1.26	1.22	1.47	1.27	1.25	1.30	1.35	1.44	1.41
<span style="color: yellow;">▲</span> Current Budget	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.32



# Pediatric Clinic Visits (rolling 12 months)



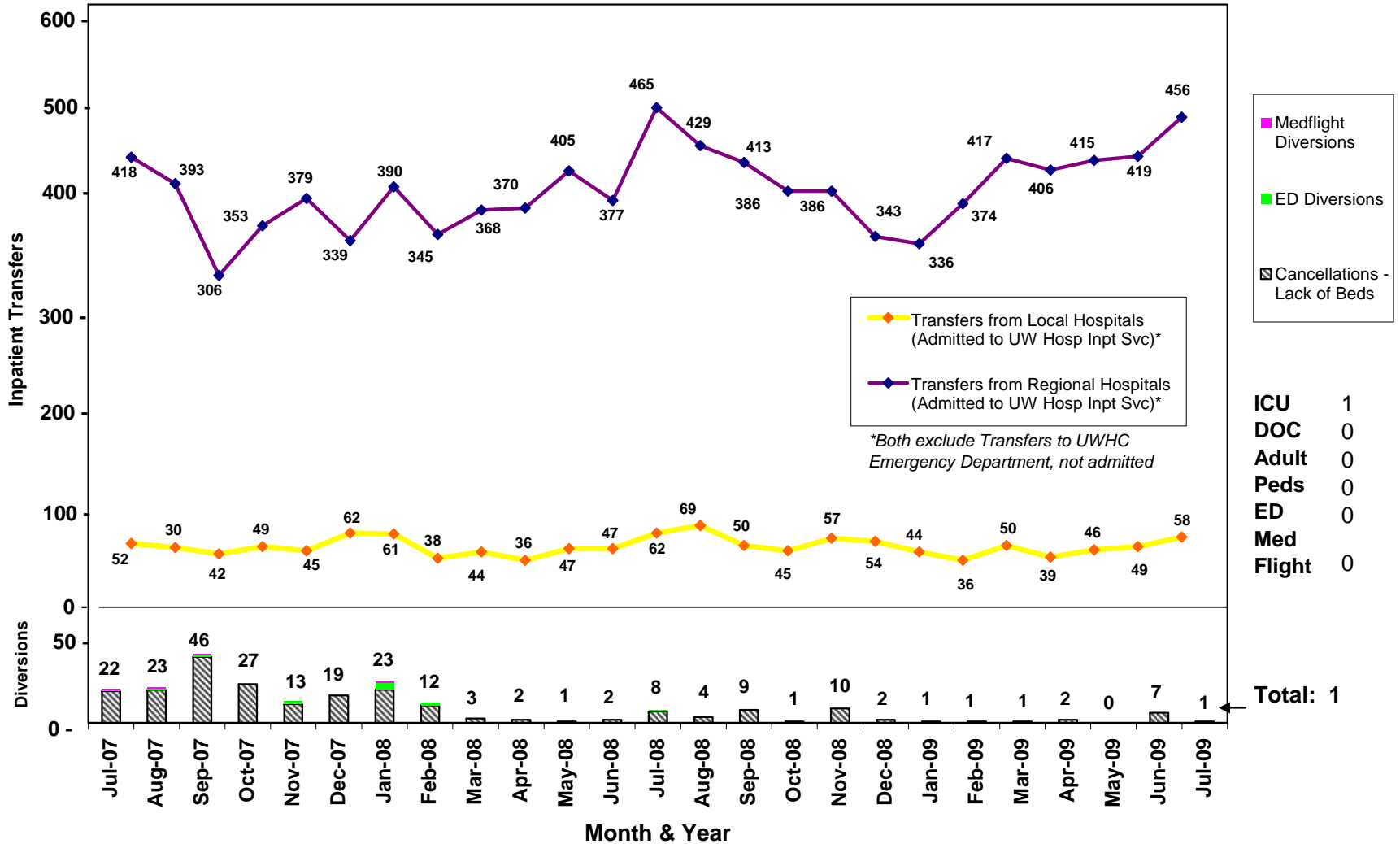
Prior Actual	7,606	6,952	8,980	9,170	7,029	8,201	7,885	8,223	8,194	7,906	7,447	8,047
Current Actual	7,718	7,840	9,758	8,511	7,148	7,746	8,301	8,713	8,387	8,063	8,469	8,470
Current Budget	7,972	8,165	8,218	8,481	8,216	8,218	8,058	8,532	8,167	8,217	8,481	7,841

# Other Key Ancillary Service Activity Indicators

## Month of July 2009

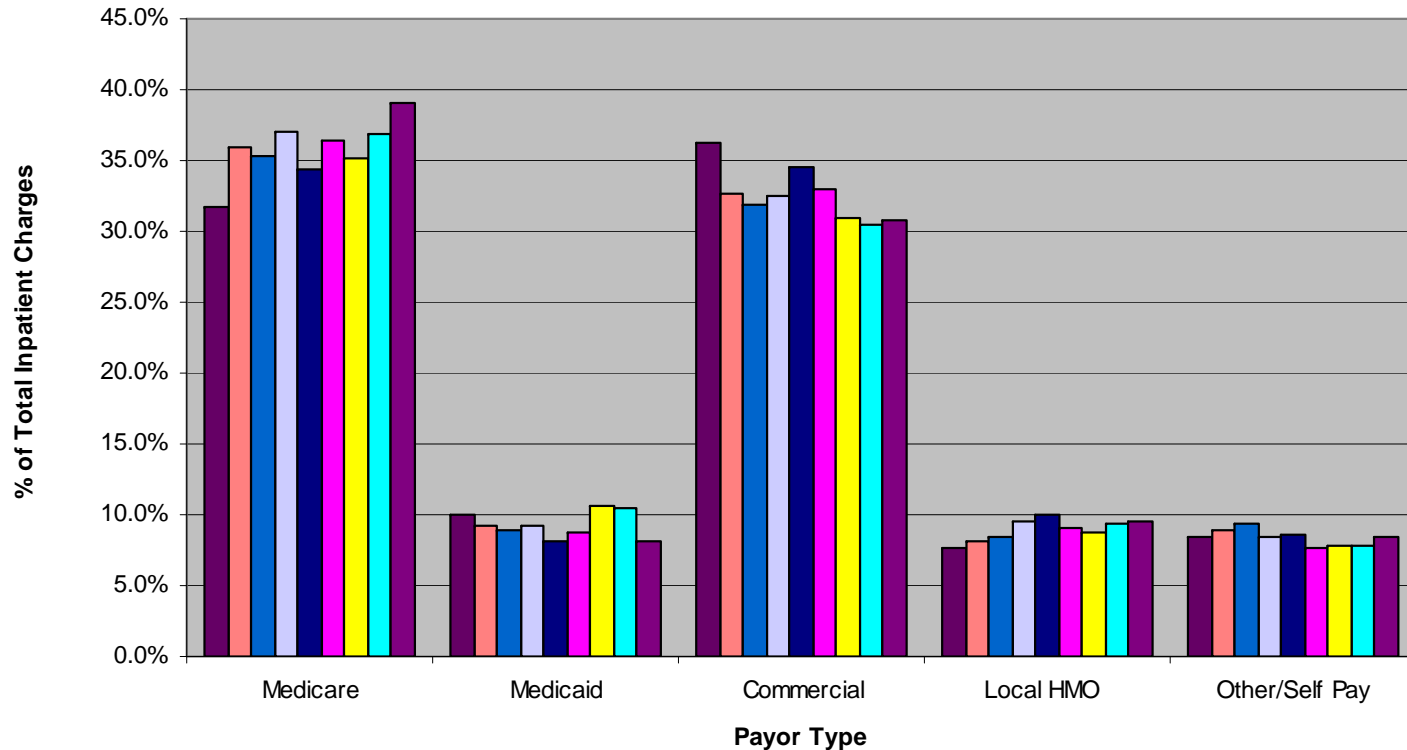
	Actual 2009	Budget 2009	Actual 2008	% Variances Actual to Budget	2009 to 2008
Inpatient Gross Revenues	\$ 92,614,602	\$ 90,787,330	\$ 84,449,837	2.0%	9.7%
Outpatient Gross Revenues	\$ 77,614,406	\$ 74,996,517	\$ 69,371,330	3.5%	11.9%
<b>Surgical Procedures:</b>					
Inpatient (excludes Misc/Out of OR)	946	1,069	1,150	-11.5%	-17.7%
Outpatient	653	649	822	0.6%	-20.6%
AFCH	423	374	N/A	13.1%	N/A
Subtotal	2,022	2,092	1,972	-3.3%	2.5%
Misc./Out of OR	228	198	214	15.2%	6.5%
Total Surgical Procedures	2,250	2,290	2,186	-1.7%	2.9%
<b>Transplants</b>					
Cadaver	17	35	25	-51.4%	-32.0%
Living	10	9	10	11.1%	0.0%
Total	27	44	35	-38.6%	-22.9%
<b>Cardiology Invasive Lab Procedures</b>					
Cardiovascular Lab	970	820	910	18.3%	6.6%
Electrophysiology Lab	105	96	114	9.4%	-7.9%
Total	1,075	916	1,024	17.4%	5.0%
Emergency Room Visits	3,639	3,585	3,743	1.5%	-2.8%
<b>Radiology Procedures:</b>					
MRI	2,508	2,251	2,526	11.4%	-0.7%
CT Scans	5,219	5,448	5,710	-4.2%	-8.6%
Other	18,367	17,417	17,992	5.5%	2.1%
Total Radiology Procedures	26,094	25,116	26,228	3.9%	-0.5%
Radiotherapy Procedures	3,073	2,856	2,552	7.6%	20.4%

# Regional Hospital Transfers and Diversions & Cancelled Hospital Transfers Due to Lack of Beds



# Major Payor Category Inpatient Charges Payor Mix

FY 2008 - FY 2010 1st Quarter Projected



- Medicare inpatient charges payor mix projects to increase in FY10 Q1, which is unfavorable to financial performance
- Medicaid mix projects to decrease in the 1st quarter, which is favorable to financial performance
- Commercial care mix projects to increase slightly in the 1st quarter, which is favorable to financial performance
- Local HMO shows an upward trend, which is unfavorable to financial performance
- Other/Self Pay mix projects to increase in the 1st quarter, which is unfavorable to financial performance

# Summary of Operating Results

## Month of July 2009

	Actual July 2009	Budget July 2009	Variance Over/(Under)	% Variance	Actual July 2008
Operating Revenue	\$ 84,070,955	\$ 82,936,006	\$ 1,134,949	1.4%	\$ 80,686,917
Operating Expenses	<u>79,170,884</u>	<u>78,521,642</u>	<u>649,242</u>	0.8%	<u>76,731,321</u>
Income from Operations <i>(Operating Margin)</i>	\$ 4,900,071	\$ 4,414,364	\$ 485,707	11.0%	\$ 3,955,596
Non-Operating Income	<u><u>3,223,249</u></u>	<u><u>963,972</u></u>	<u><u>2,259,277</u></u>	234.4%	<u><u>(657,055)</u></u>
Net Income <i>(Total Margin)</i>	<u><u>\$ 8,123,320</u></u>	<u><u>\$ 5,378,336</u></u>	<u><u>\$ 2,744,984</u></u>	51.0%	<u><u>\$ 3,298,541</u></u>

# Non-Operating Income (Loss)

## Month of July 2009

	Actual July 2009	Budget July 2009	Variance Over/(Under)	% Variance	Actual July 2008
Investment Income & Other Non-Operating Income	\$ 608,800	\$ 724,959	\$ (116,159)	-16.0%	\$ 958,311
Fair Value Gain (Loss) on Investments	\$ 1,972,096	\$ -	\$ 1,972,096	100.0%	\$ (1,968,661)
<b>Joint Venture Income/Losses:</b>					
Wisconsin Therapies/Chartwell	60,000	24,366	35,634	146.2%	35,500
Wisconsin Dialysis	33,398	11,250	22,148	196.9%	(9,994)
UHC/Unity	398,648	100,000	298,648	298.6%	54,757
UHC/e-Care	(24,693)	(70,000)	45,307	64.7%	-
Madison Surgery Center	175,000	170,000	5,000	2.9%	256,730
Sleep Equipment of WI	(a)	(a)	(a)	(a)	(1,500)
Madison United Healthcare Linen	(b)	3,397	(3,397)	-100.0%	17,802
<b>Total</b>	<b>\$ 3,223,249</b>	<b>\$ 963,972</b>	<b>\$ 2,259,277</b>	<b>234.4%</b>	<b>\$ (657,055)</b>

(a) Sleep Equipment of WI has been dissolved.

(b) Madison United Healthcare Linen - July 2009 numbers have not yet been received.

# Performance Ratios

	Industry Comparisons						
	Favorable Direction	FY 10	Budget or Target	S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	UWHCA Bond Covenant
Operating Margin	↑	5.8%	5.3%	2.5%	2.6%	2.7%	
Total Margin **	↑	7.1%	6.4%	4.2%	5.6%	3.9%	
Days Cash on Hand *	↑	132	138	175	180	171	90, 75 & 45
Days in Accounts Receivable	↓	43	50	49	50	48	
Debt Service Coverage Ratio **	↑	7.1	6.9	3.7	4.7	3.1	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	33.0%	31.0%	34.2%	35.3%	40.3%	65%
Operating Cash Flow	↑	11.5%	10.2%	9.6%	9.5%	8.8%	
Cash-to-Debt	↑	127.3%	138.9%	130.8%	133.9%	113.4%	

\* Days Cash on Hand calculated as a rolling 12 month average

\*\* Excludes unrealized gain/loss on investments

# Accounts Receivable Monitoring Program

	<u>Net Accounts Receivable</u>	<u>Net Days Revenue Outstanding</u>
July 08	104,520,777	44
August 08	112,454,012	46
September 08	109,046,050	43
October 08	106,394,935	42
November 08	117,633,474	46
December 08	109,471,729	44
January 09	108,794,653	46
February 09	109,241,511	48
March 09	109,827,613	45
April 09	108,227,909	42
May 09	101,952,966	40
June 09	108,195,704	41
July 09	116,266,694	43



# Comparison of Charity Care & Bad Debt Expense

	FY 10 Actual	FY 10 Budget	Variance	% Variance	FY 09 Actual	Variance	% Variance
Charity	\$ 1,794,342	\$ 3,315,677	\$ (1,521,335)	-45.9%	\$ 2,106,106	\$ (311,764)	-14.8%
% of Revenue	1.05%	2.00%			1.37%		
Bad Debt	4,997,445	4,144,596	852,849	20.6%	4,152,004	\$845,441	20.4%
% of Revenue	2.94%	2.50%			2.70%		
<b>Total</b>	<b>\$ 6,791,787</b>	<b>\$ 7,460,872</b>	<b>\$ (669,085)</b>	<b>-9.0%</b>	<b>\$ 6,258,110</b>	<b>\$ 533,677</b>	<b>8.5%</b>
Gross Revenue	\$ 170,229,008	\$ 165,783,847	\$ 4,445,161	2.7%	\$ 153,821,166	\$ 16,407,842	10.7%
Total Bad Debt & Charity as % of Revenue	4.0%	4.5%			4.1%		

# EBITDA Compared to Debt Service & Capital Expenditure

(000) Omitted

	<u>Actual</u>	<u>Budget</u>
<b><u>Cash Provided:</u></b>		
Net Income	\$6,151	\$5,378
Market Value Gain/(Loss) on Unrestricted Investments	1,972	0
Depreciation	4,056	4,064
Interest Expense	698	777
EBITDA	<u>\$ 12,877</u>	<u>\$ 10,219</u>
<b><u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u></b>		
Capital Expenditures	(2,348)	(2,742)
Land purchase 3rd East parcel	(2,608)	0
Capital Contribution - Faculty Office Bldg Buy-out existing space	0	0
Net Capital Expenditures	<u>(4,956)</u>	<u>(2,742)</u>
Est Annual Debt Service	(1,447)	(1,557)
Decrease (increase) in Working Capital	(15,922)	(451)
Total (Used) Provided	<u>(\$22,325)</u>	<u>(\$4,750)</u>
Cash Available for Temporary Investment and Future Capital Expenditures	<u>\$ (9,448)</u>	<u>\$ 5,469</u>

# Summary of Changes in Net Assets

One Month Ended July 31, 2009

<b>Net assets at beginning of period</b>	<b><u>\$513,659,405</u></b>
<b>Net income</b>	<b>6,151,224</b>
<b>Change in fair value of investments</b>	<b>1,972,096</b>
<b>Capital grants, gifts and donations</b>	<b>10,132</b>
<b>Additions to permanent gift endowments</b>	<b>2,043</b>
<b>Increase in net assets</b>	<b><u>\$8,135,495</u></b>
<b>Net assets at end of period</b>	<b><u><u>\$521,794,900</u></u></b>

# Comparison to Local Competitors

## July 31, 2009 vs. 2008

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
<b>% Change in Admissions</b>				
Current Month	(0.1)%	1.0%	1.4%	0.7%
3 Month Rolling Average	0.6%	(0.1)%	0.6%	0.4%
12 Month Rolling Average	1.0%	(2.2)%	5.2%	1.5%
<b>% Change in Average Daily Census</b>				
Current Month	6.3%	(2.1)%	(2.7)%	1.5%
3 Month Rolling Average	10.2%	(3.8)%	(8.0)%	0.6%
12 Month Rolling Average	3.6%	(3.4)%	(0.6)%	0.5%

# UWHC Investment & Returns

<u>Account</u>	<u>July Market Value Balances</u>	<u>Investment Allocation</u>	<u>July YTD Investment Return</u>	<u>Benchmark</u>
<b>Operating Account and Commercial Paper</b>				
US Bank & M&I Bank	\$ 36,232,651	11.4%	0.35%	-0.22% (A)
<b>Intermediate Bond Fund</b>				
USBank/ Baird	\$ 70,845,045	22.3%	1.24%	1.38% (D)
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 155,605,088	48.9%	0.29%	0.29% (B)
<b>Endowment Fund - Equity Securities</b>				
UW Foundation	<u>\$55,385,242</u>	<u>17.4%</u>	3.02%	5.72% (C)
<b>Total Unrestricted Funds</b>	<u><u>\$ 318,068,026</u></u>	<u><u>100.0%</u></u>		

(A) Average Financial and Non-Financial Commercial Paper

(B) Average 1 Month LIBOR

(C) Average S & P 500 Index

(D) Barclays Capital Intermediate Gov/ Credit-YTD