

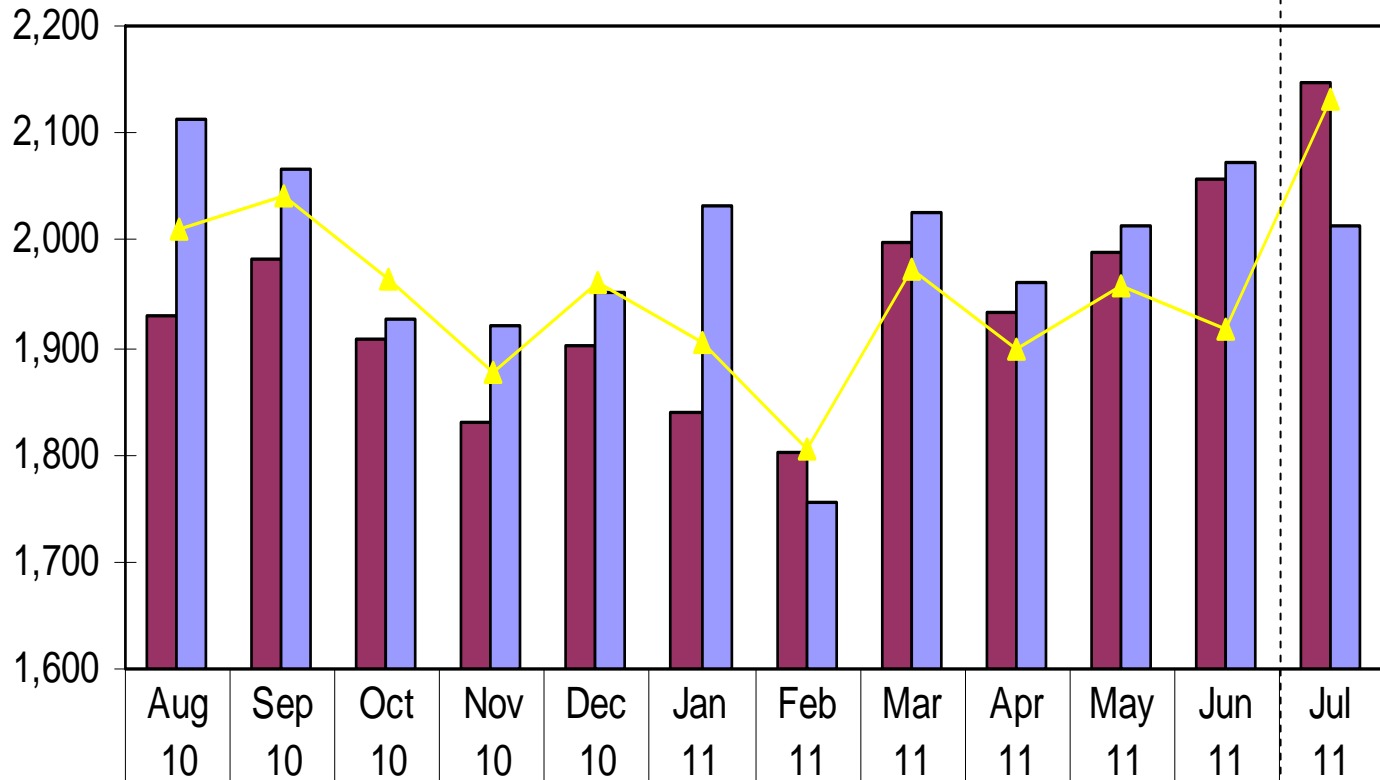
SUMMARY OF OPERATING RESULTS

July 31, 2011



Adult Admissions (rolling 12 months)

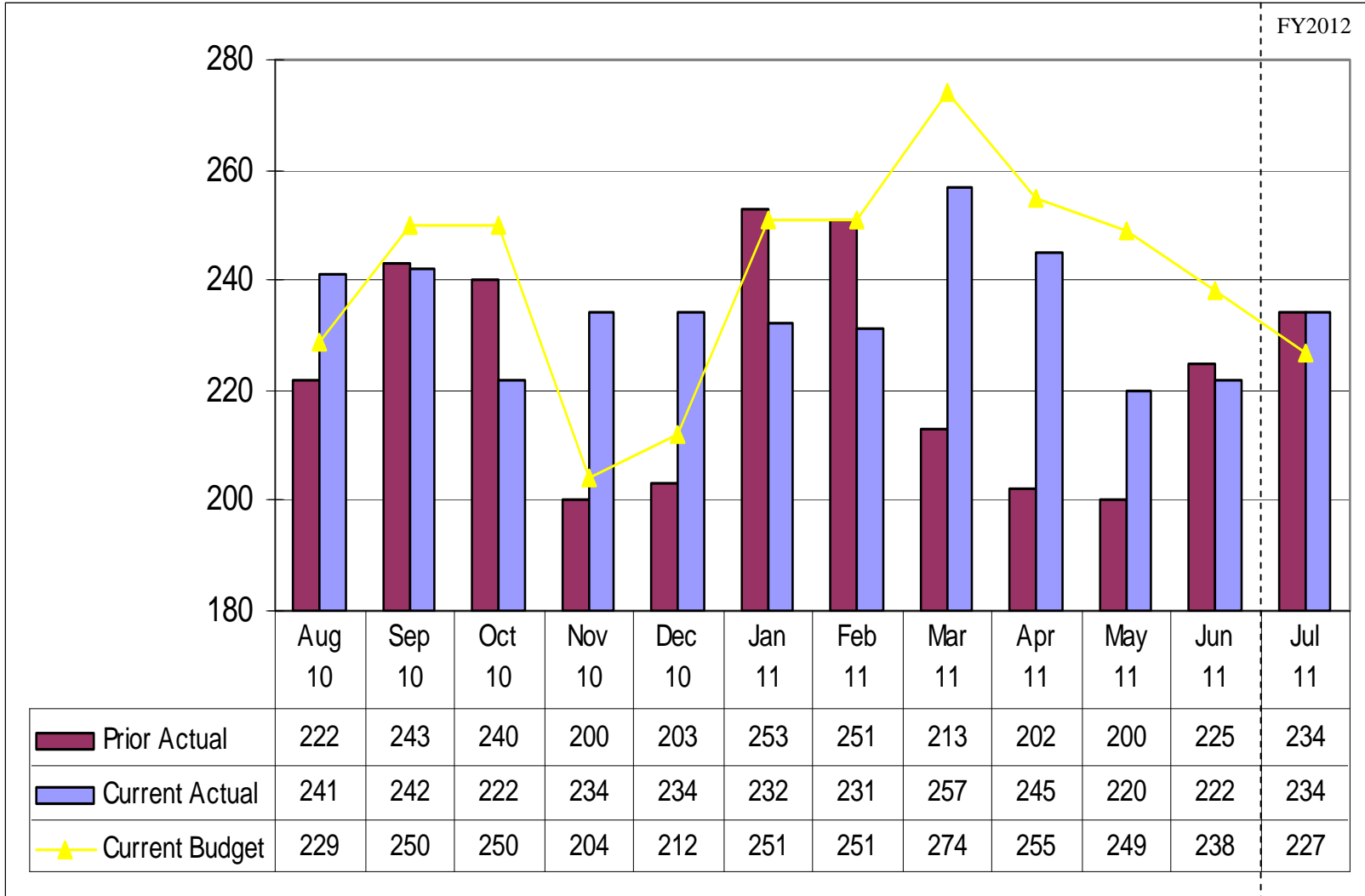
FY2012



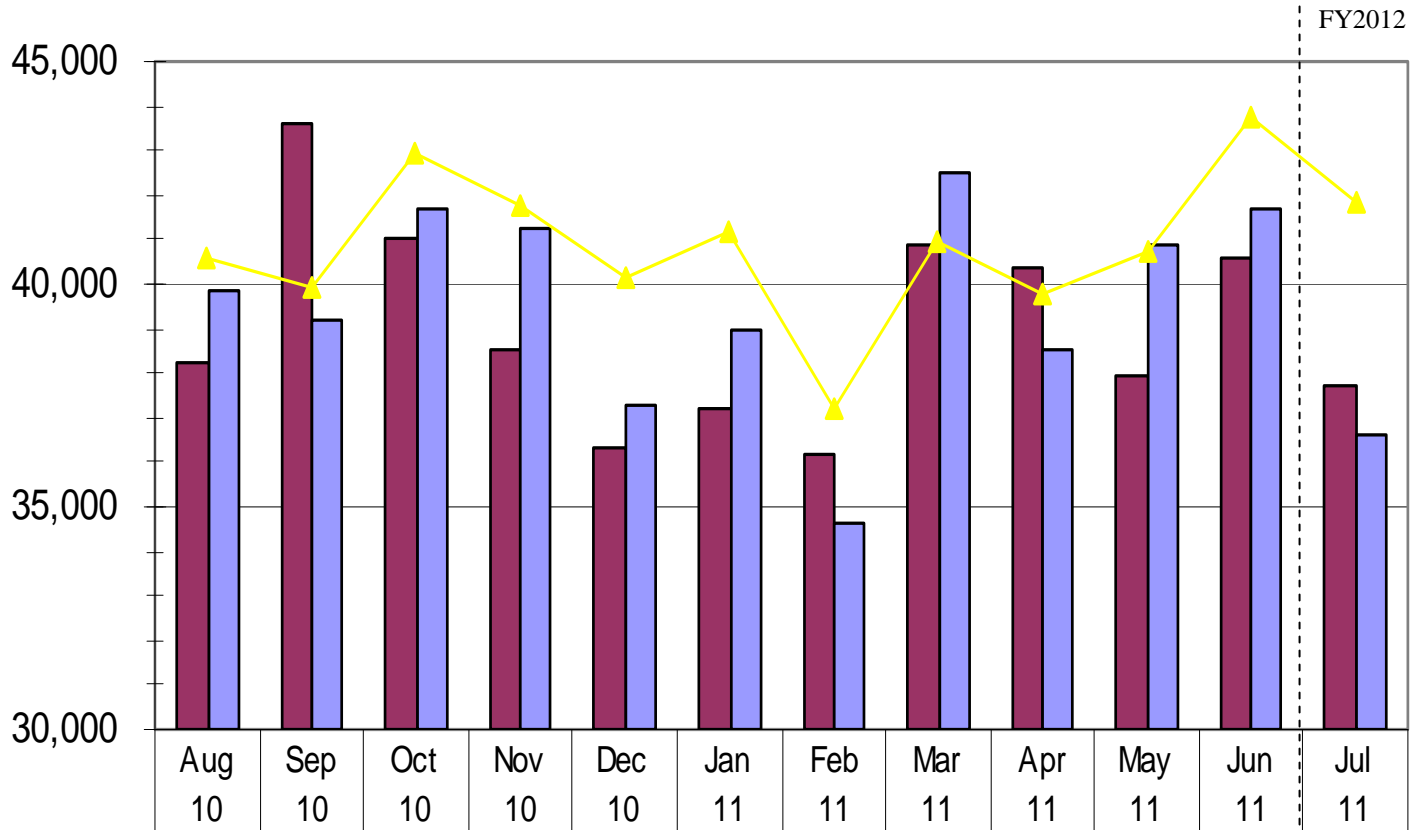
 Prior Actual	1,931	1,981	1,908	1,829	1,901	1,840	1,803	1,999	1,932	1,989	2,057	2,147
 Current Actual	2,112	2,067	1,926	1,919	1,951	2,031	1,754	2,025	1,962	2,015	2,074	2,013
 Current Budget	2,010	2,041	1,963	1,876	1,962	1,904	1,804	1,972	1,900	1,956	1,918	2,133

Pediatric Admissions

(rolling 12 months)



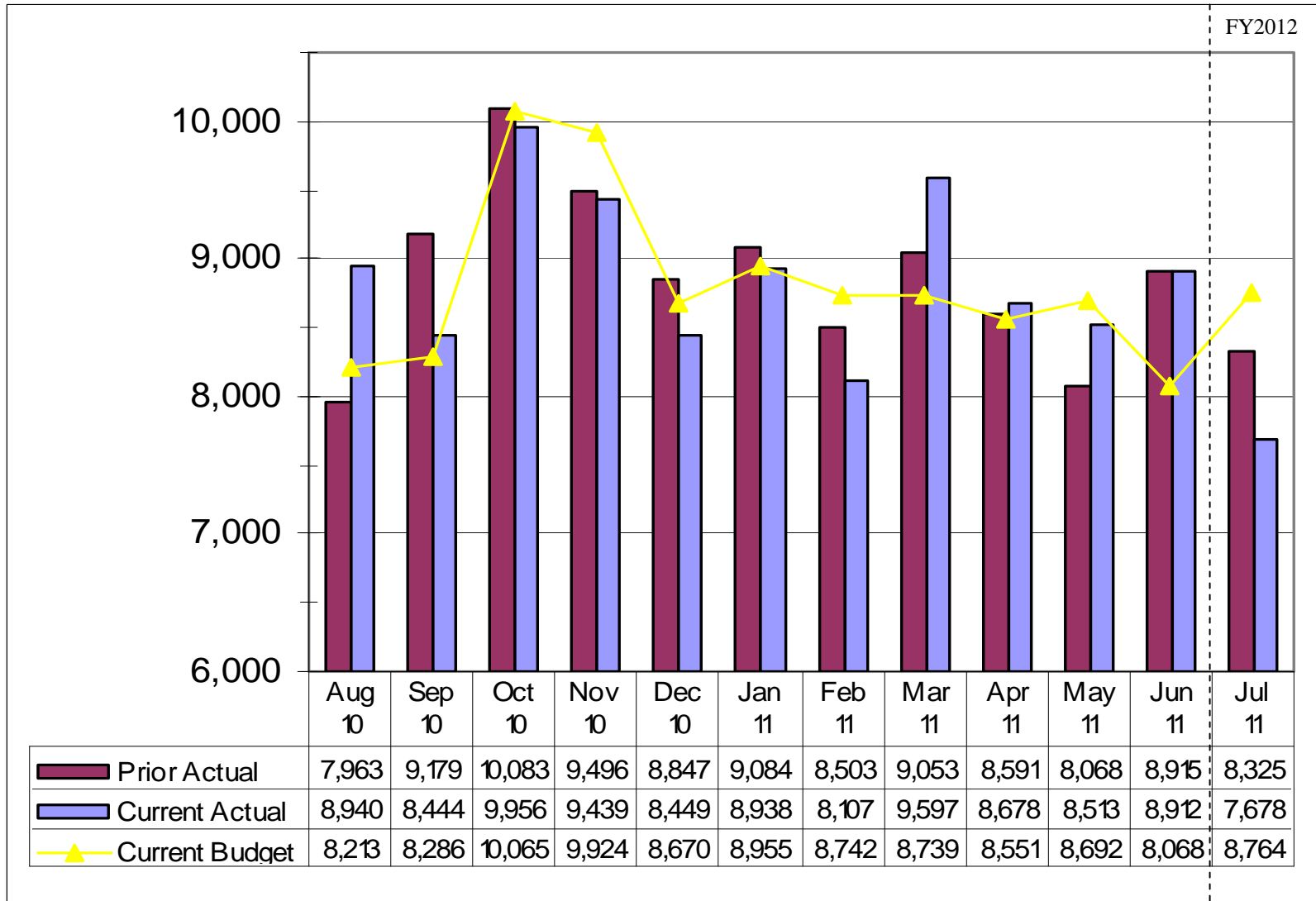
Adult Clinic Visits (rolling 12 months)



 Prior Actual	38,209	43,570	41,014	38,508	36,314	37,201	36,201	40,877	40,353	37,906	40,617	37,693
 Current Actual	39,821	39,162	41,677	41,256	37,285	38,990	34,616	42,485	38,550	40,849	41,661	36,613
▲ Current Budget	40,574	39,936	42,948	41,750	40,137	41,162	37,238	40,964	39,812	40,744	43,758	41,843

Pediatric Clinic Visits

(rolling 12 months)

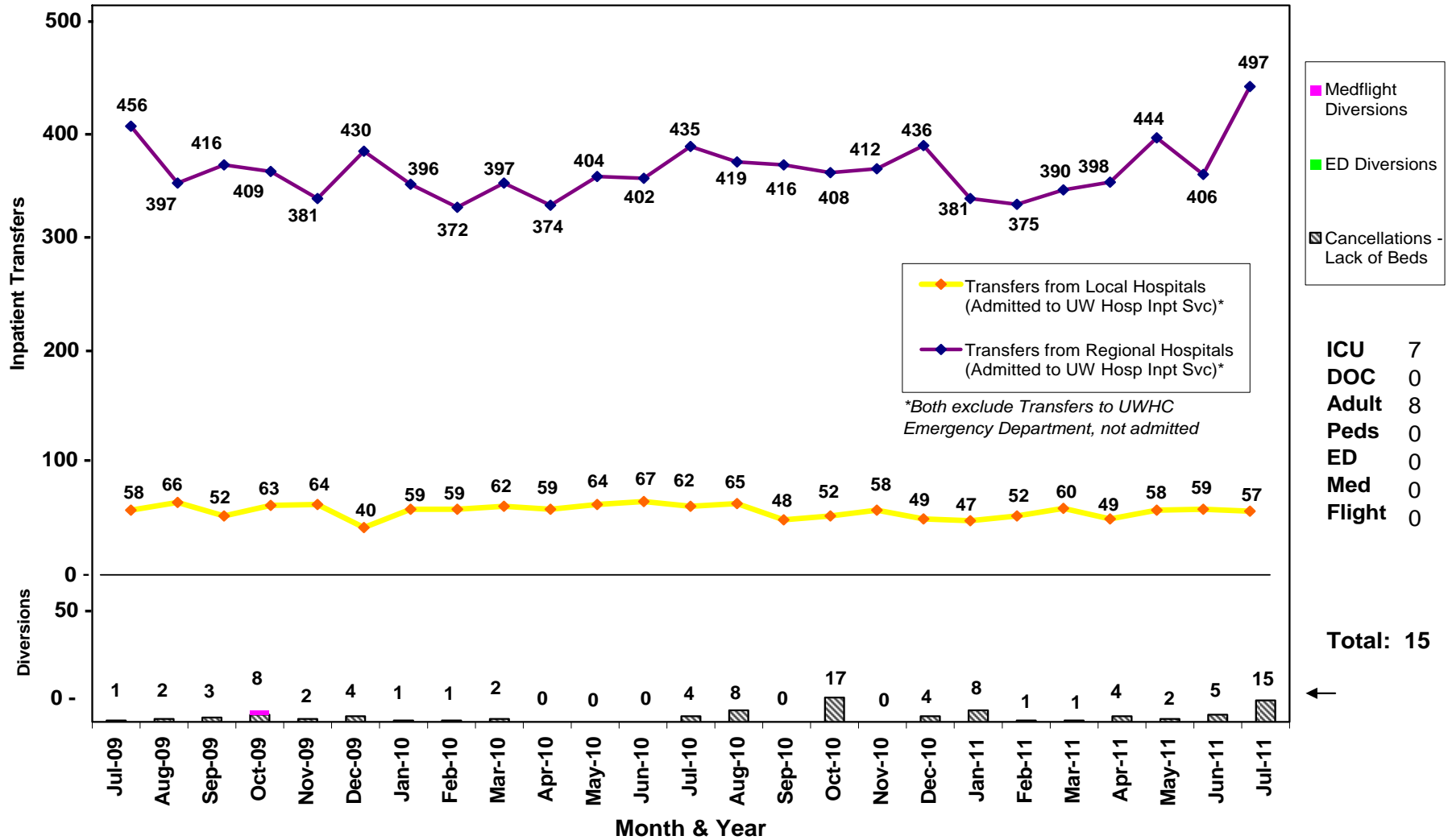


Other Key Ancillary Service Activity Indicators

Month of July 2011

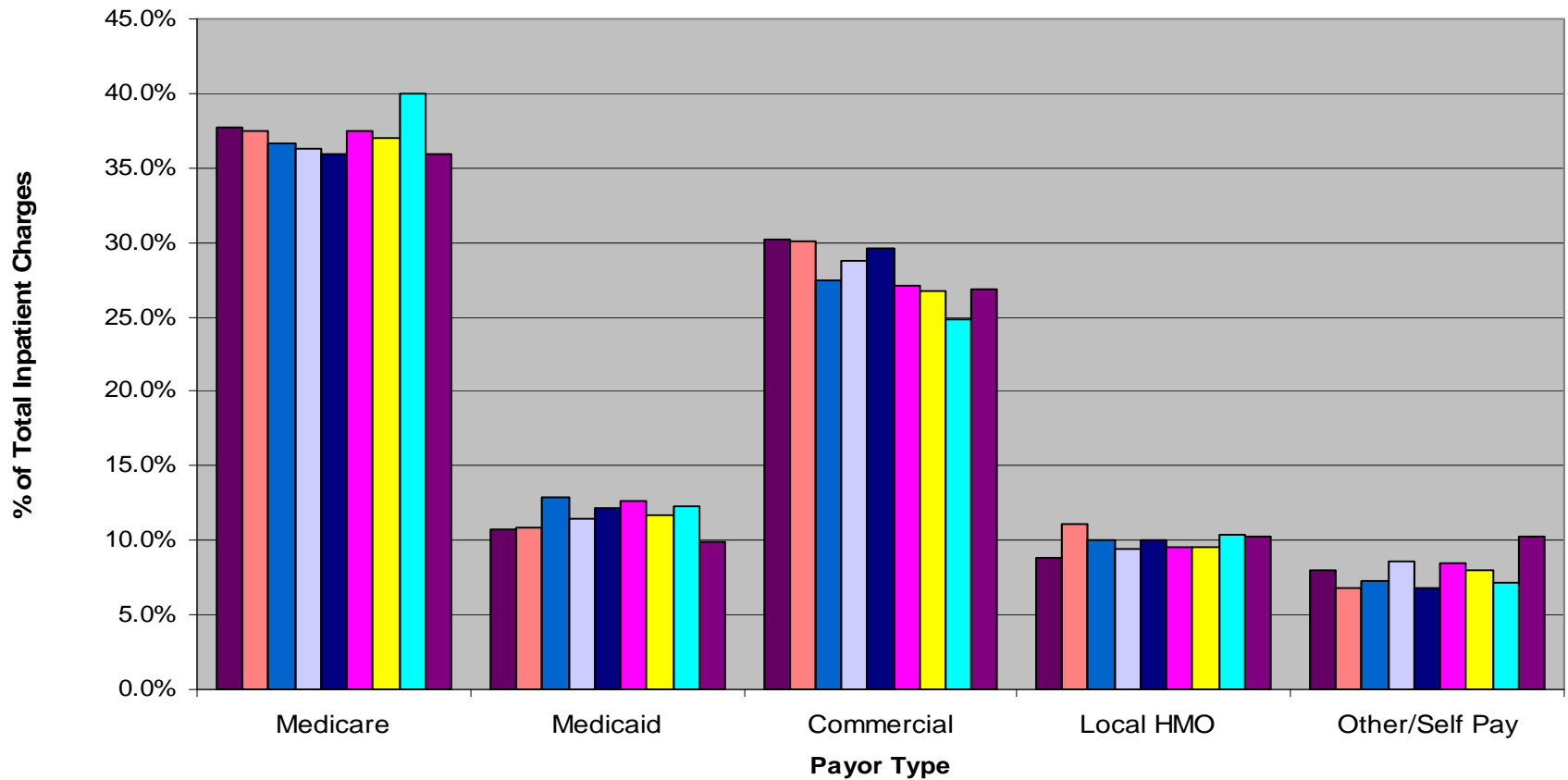
			% Variances		
	Actual 2011	Budget 2011	Actual 2010	Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 105,511,370	\$ 107,044,098	\$ 102,779,386	-1.4%	2.7%
Outpatient Gross Revenues	\$ 91,063,675	\$ 90,470,757	\$ 84,883,945	0.7%	7.3%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,025	970	1,045	5.7%	-1.9%
Outpatient	630	654	620	-3.7%	1.6%
AFCH	395	397	464	-0.5%	-14.9%
Subtotal	<u>2,050</u>	<u>2,021</u>	<u>2,129</u>	1.4%	-3.7%
Misc./Out of OR	273	226	224	20.8%	21.9%
Total Surgical Procedures	<u>2,323</u>	<u>2,247</u>	<u>2,353</u>	3.4%	-1.3%
Transplants					
Deceased Donor	16	33	40	-51.5%	-60.0%
Living	11	8	8	37.5%	37.5%
Total	<u>27</u>	<u>41</u>	<u>48</u>	-34.1%	-43.8%
Emergency Room Visits	4,006	3,968	3,792	1.0%	5.6%
Radiology Procedures:					
MRI	2,150	2,249	2,202	-4.4%	-2.4%
CT Scans	5,188	4,803	4,836	8.0%	7.3%
Other	19,298	19,291	19,041	0.0%	1.3%
Total Radiology Procedures	<u>26,636</u>	<u>26,343</u>	<u>26,079</u>	1.1%	2.1%
Radiotherapy Procedures	2,934	2,705	3,029	8.5%	-3.1%

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



In Patient Charges Payor Mix

FY 2010 - FY 2012 1st Quarter Projected



Summary of Operating Results

Month of July 2011

	Actual July 2011	Budget July 2011	Variance Favorable (Unfavorable)	% Variance	Actual July 2010
Operating Revenue	\$ 91,097,919	\$ 90,250,782	\$ 847,137	0.9%	\$ 89,200,756
Operating Expenses:					
Salary & Fringe Benefits	48,303,715	48,247,306	(56,409)	-0.1%	44,947,413
Supplies & Other expenses	36,542,793	38,415,919	1,873,126	4.9%	36,417,583
Total Operating Expenses	84,846,508	86,663,225	1,816,717	2.1%	81,364,996
Income from Operations <i>(Operating Margin)</i>	\$ 6,251,411	\$ 3,587,557	\$ 2,663,854	74.3%	\$ 7,835,760
Non-Operating Income	972,316	1,074,444	(102,128)	-9.5%	4,128,034
Net Income <i>(Total Margin)</i>	\$ 7,223,727	\$ 4,662,001	\$ 2,561,726	54.9%	\$ 11,963,794

Non Operating Income (Loss)

Month of July 2011

	Actual July 2011	Budget July 2011	Variance Favorable (Unfavorable)	% Variance	Actual July 2010
Investment Income & Other Non-Operating Income	\$ 748,892	\$ 925,415	(176,523)	-19.1%	\$ 1,272,298
Fair Value Gain/Loss on Investments	1,546,976	-	1,546,976	100.0%	2,627,953
Fair Value Gain/Loss on Swap Agreements	(1,767,184)	-	(1,767,184)	-100.0%	(676,991)
Joint Venture Income/Losses:		\$ -			
Wisconsin Therapies/Chartwell	66,758	103,757	(36,999)	-35.7%	50,000
Wisconsin Dialysis	62,340	10,587	51,753	> 100%	27,122
UHC/Unity	289,886	(9,740)	299,626	> 100%	755,238
UHC/e-Care	(63,268)	(36,209)	(27,059)	-74.7%	(101,500)
Madison Surgery Center	130,147	143,015	(12,868)	-9.0%	143,333
Madison United Healthcare Linen	5,702	17	5,685	> 100%	21,760
Madison Environmental Resourcing	2,067	(3,108)	5,175	> 100%	8,821
Generations Fertility Care	(50,000)	(59,290)	9,290	15.7%	-
Total	\$ 972,316	\$ 1,074,444	\$ (102,128)	-9.5%	\$ 4,128,034

Performance Ratios

	Industry Comparisons						
	Favorable Direction	FY 12	Budget or Target	S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	UWHCA Bond Covenants
Operating Margin	↑	6.9%	4.0%	2.9%	3.0%	3.0%	
Total Margin **	↑	8.1%	5.1%	3.0%	5.1%	3.5%	
Days Cash on Hand *	↑	193	183	193	170	184	90, 75 & 45
Days in Accounts Receivable	↓	44	48	46	46	45	
Debt Service Coverage Ratio **	↑	7.8	6.1	3.3	4.6	3.0	1.25 & 1.0
Long Term Debt to Capitalization	↓	26.0%	24.0%	34.3%	38.9%	42.1%	65%
Operating Cash Flow	↑	11.6%	8.8%	10.0%	9.9%	9.4%	
Cash-to-Debt	↑	216.5%	223.5%	137.2%	117.6%	105.5%	

* 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 10	132,736,256	48
August 10	134,925,121	46
September 10	136,464,752	48
October 10	134,925,285	48
November 10	125,470,874	45
December 10	119,859,156	44
January 11	128,139,016	47
February 11	117,739,968	45
March 11	114,394,570	41
April 11	112,755,932	40
May 11	113,154,847	39
June 11	125,692,595	43
July 11	132,783,942	44

Comparison of Charity Care & Bad Debt Expense

	FY 12 Actual	FY 12 Budget	Variance	% Variance	FY 11 Actual	Variance	% Variance
Charity	\$ 1,964,141	\$ 4,937,871	\$ (2,973,730)	-60.2%	\$ 3,215,365	\$ (1,251,224)	-38.9%
% of Revenue	1.00%	2.50%			1.71%		
Bad Debt	5,890,731	2,962,723	2,928,008	98.8%	4,272,702	\$1,618,029	37.9%
% of Revenue	3.00%	1.50%			2.28%		
Total	\$ 7,854,872	\$ 7,900,594	\$ (45,722)	-0.6%	\$ 7,488,067	\$ 366,805	4.9%
Gross Revenue	\$ 196,575,044	\$ 197,514,855	\$ (939,811)	-0.5%	\$ 187,663,331	\$ 8,911,713	4.7%
Total Bad Debt & Charity as % of Revenue	4.0%	4.0%			4.0%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding Fair Value gains/losses	\$7,444	\$4,662
Depreciation	3,555	3,613
Interest Expense	723	733
EBITDA	\$ 11,722	\$ 9,008
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(4,815)	(6,492)
Est Annual Debt Service	(829)	(1,037)
Capital Contribution to UW for Capital Expenditures	(2,500)	(2,500)
Capital Contribution in Joint Ventures	(900)	(600)
Decrease (increase) in Working Capital	(14,391)	112
Total (Used) Provided	(\$23,435)	(\$10,517)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ (11,713)	\$ (1,509)

Summary of Changes in Net Assets

Month of July 2011

Net assets at beginning of period	<u>\$668,819,748</u>
Net income	7,443,935
Fair value of investments	1,546,976
Fair value of swap agreements	(1,767,184)
Capital grants, gifts and donations	8,443
Additions to permanent gift endowments	400
Payments to UW School of Medicine and Public Health for capital expenditure support	(2,500,000)
Increase in net assets	<u>\$4,732,570</u>
Net assets at end of period	<u><u>\$673,552,318</u></u>

UWHC Investment Balances & Returns

<u>Account</u>	<u>July Market Value Balances</u>	<u>Investment Allocation</u>	<u>July YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 43,105,234	8.5%	0.00%	0.00% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 209,451,700	41.2%	1.32%	1.43% (D)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,393,260	30.8%	0.19%	0.19% (B)
Endowment Fund - Equity Securities				
UW Foundation	<u>\$98,963,602</u>	<u>19.5%</u>	-0.60%	-3.94% (C)
Total Unrestricted Funds	<u><u>\$ 507,913,796</u></u>	<u><u>100.0%</u></u>		

(A) Average Financial and Non-Financial Commercial Paper less

(B) Average 1 Month LIBOR

(C) Average S & P 500 Index

(D) Barclays Capital Intermediate Gov/ Credit-YTD