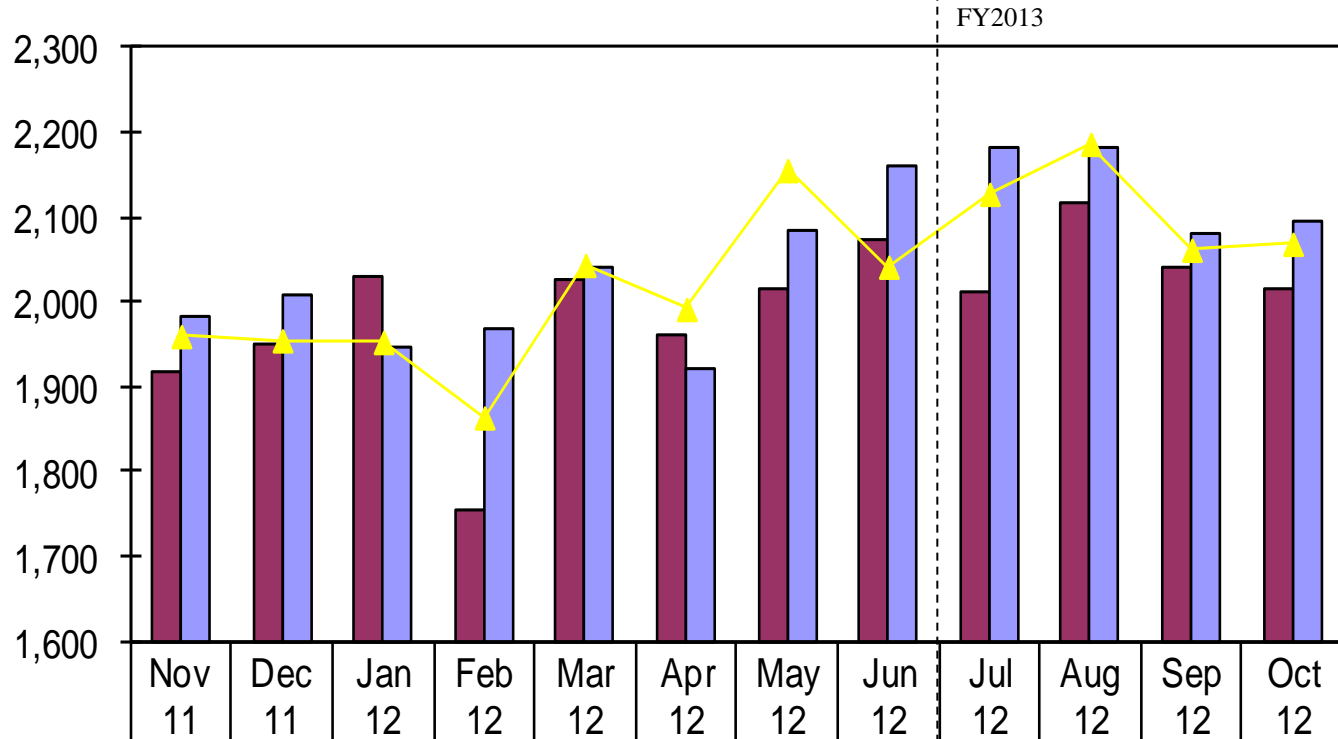


SUMMARY OF OPERATING RESULTS

October 30, 2012

Adult Admissions

(rolling 12 months)

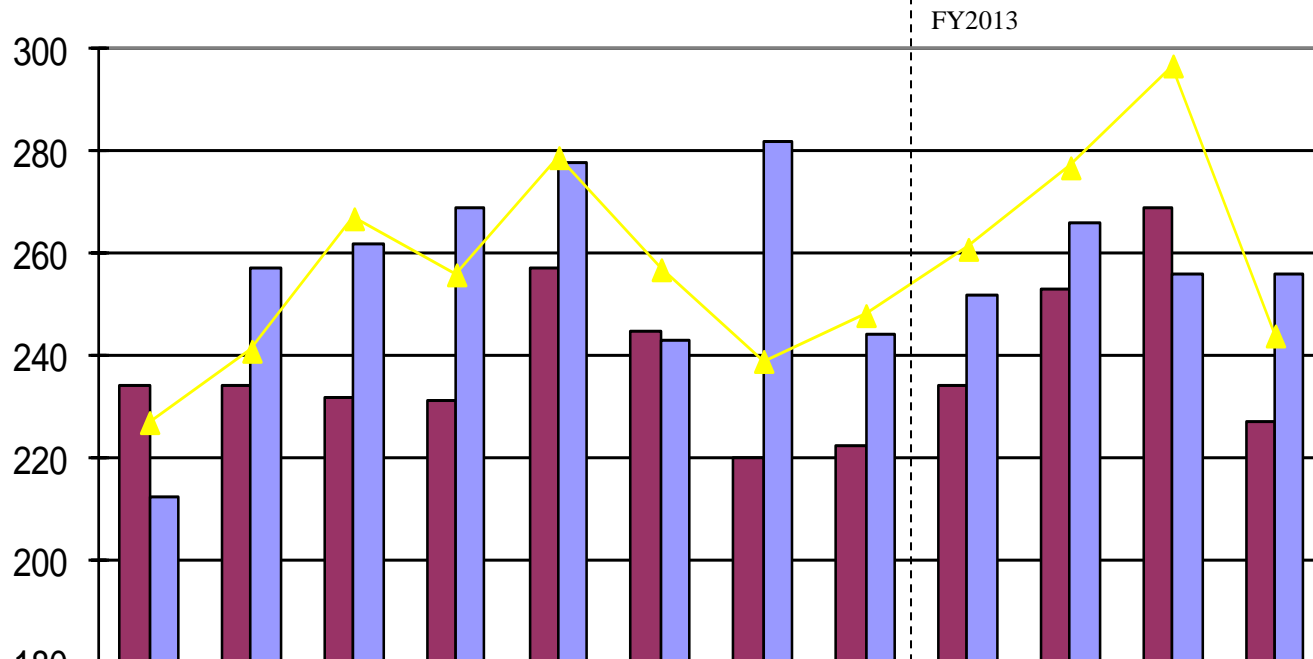


	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
■ Prior Actual	1,919	1,951	2,031	1,754	2,025	1,962	2,015	2,074	2,013	2,117	2,041	2,015
■ Current Actual	1,982	2,007	1,945	1,968	2,041	1,921	2,084	2,161	2,183	2,182	2,082	2,096
▲ Current Budget	1,960	1,955	1,953	1,864	2,044	1,992	2,156	2,042	2,128	2,187	2,062	2,069

YTD
8,186
8,543
8,446

Pediatric Admissions

(rolling 12 months)

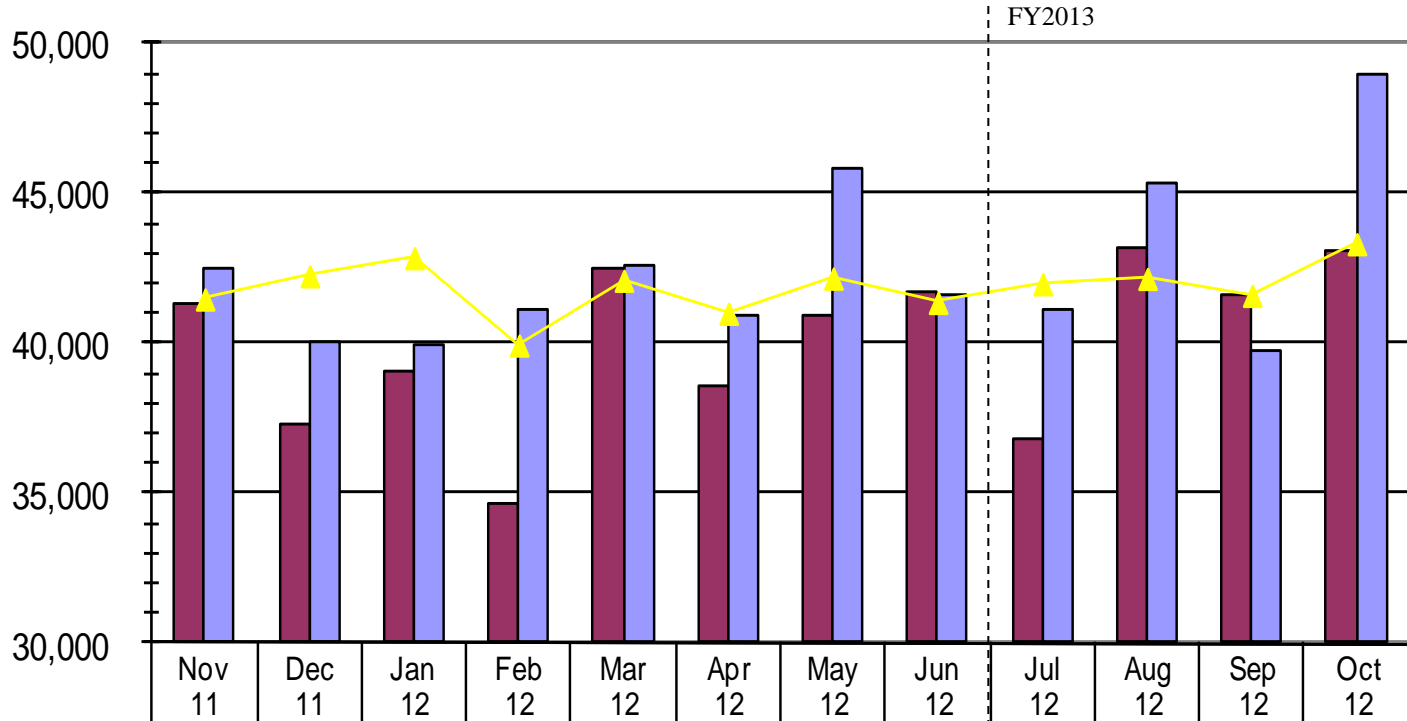


	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12
■ Prior Actual	234	234	232	231	257	245	220	222	234	253	269	227
■ Current Actual	212	257	262	269	278	243	282	244	252	266	256	256
▲ Current Budget	227	241	267	256	279	257	239	248	261	277	297	244

YTD	983
	1,030
	1,079

Adult Clinic Visits

(rolling 12 months)

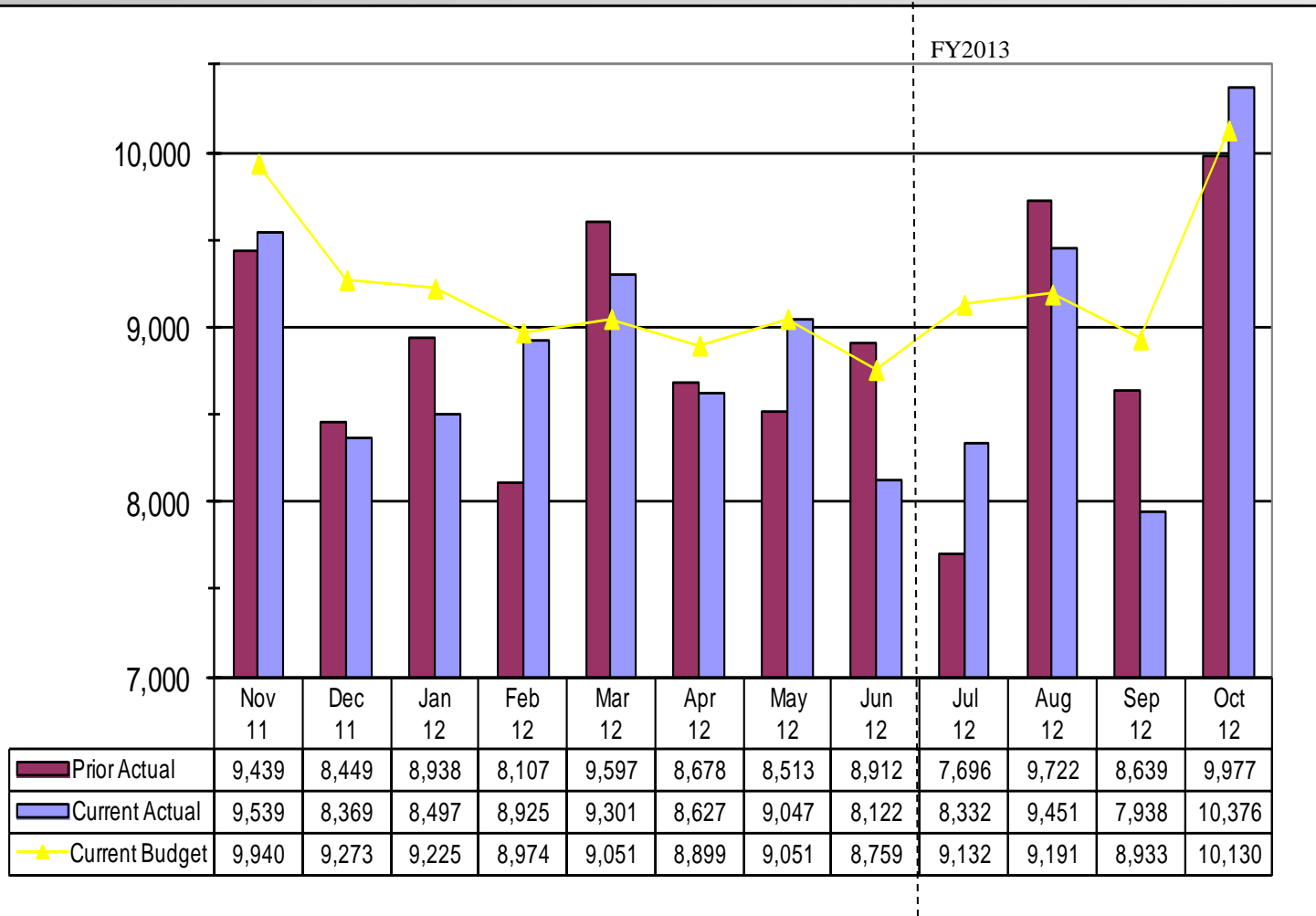


■ Prior Actual	41,314	37,320	39,032	34,649	42,539	38,591	40,887	41,713	36,775	43,214	41,663	43,127
■ Current Actual	42,520	40,053	39,980	41,112	42,622	40,926	45,801	41,614	41,112	45,296	39,767	48,964
▲ Current Budget	41,492	42,265	42,868	39,957	42,117	41,016	42,187	41,377	42,001	42,179	41,613	43,335

YTD	164,779
	175,139
	169,128

Pediatric Clinic Visits

(rolling 12 months)



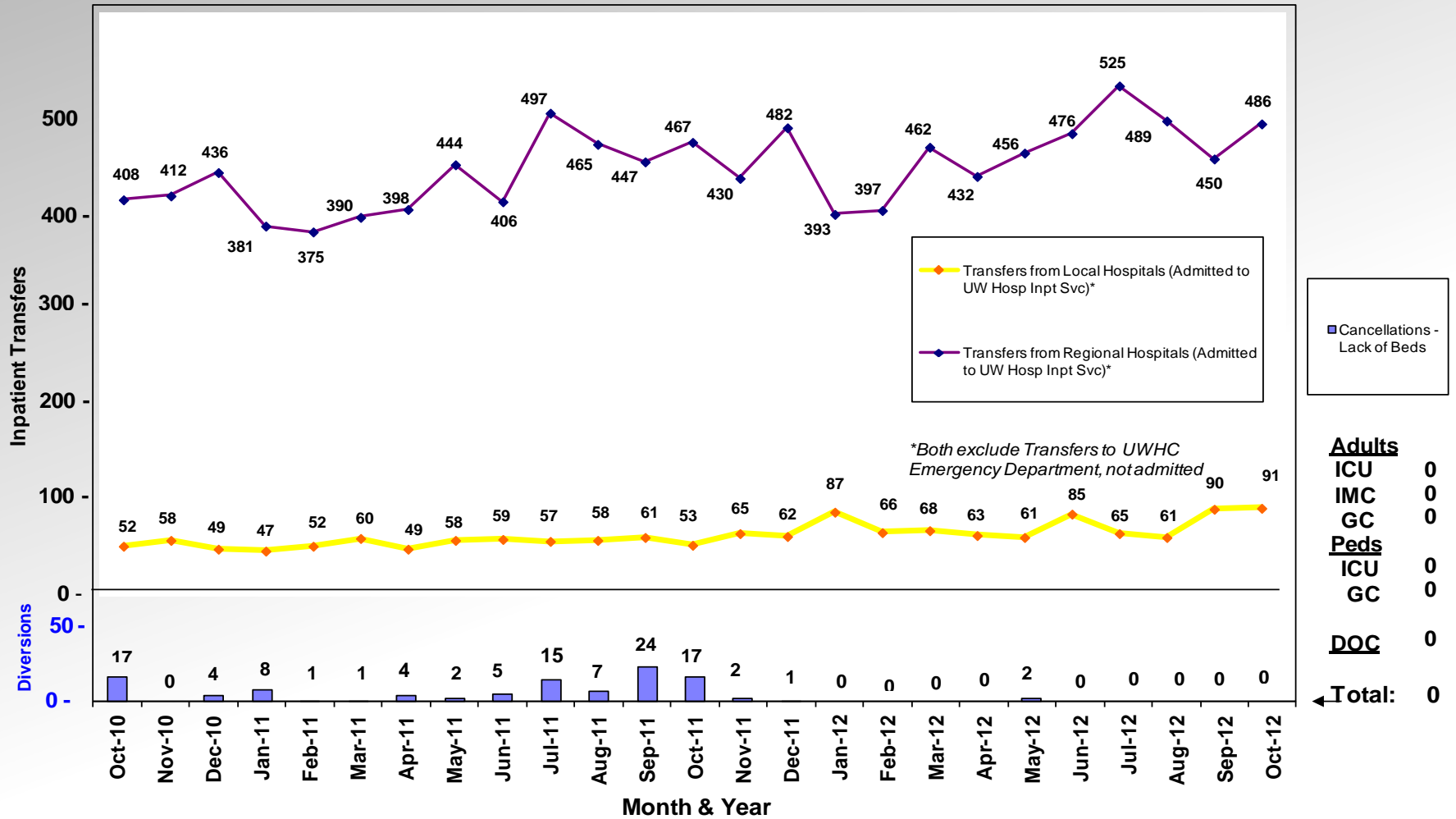
YTD
36,034
36,097
37,386

Other Key Ancillary Service Activity Indicators

Month of October 2012

	Actual 2012	Budget 2012	Actual 2011	% Variances Actual to Budget	2012 to 2011
Inpatient Gross Revenues	\$ 119,003,057	\$ 121,804,356	\$ 107,793,647	-2.3%	10.4%
Outpatient Gross Revenues	\$ 117,491,765	\$ 114,604,787	\$ 98,507,337	2.5%	19.3%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,130	1,128	1,015	0.2%	11.3%
Outpatient	729	707	630	3.1%	15.7%
AFCH	416	444	403	-6.3%	3.2%
Subtotal	2,275	2,279	2,048	-0.2%	11.1%
Misc./Out of OR	322	264	214	22.0%	50.5%
Total Surgical Procedures	2,597	2,543	2,262	2.1%	14.8%
Transplants					
Deceased Donor	44	30	13	46.7%	238.5%
Living	10	9	9	11.1%	11.1%
Total	54	39	22	38.5%	145.5%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	684	595	581	15.0%	17.7%
Electrophysiology Lab	164	131	157	25.2%	4.5%
Total	848	726	738	16.8%	14.9%
Emergency Room Visits	3,930	4,114	3,924	-4.5%	0.2%
Radiology Procedures:					
MRI	2,615	2,597	2,416	0.7%	8.2%
CT Scans	5,592	5,772	5,481	-3.1%	2.0%
Other	22,322	22,834	21,638	-2.2%	3.2%
Total Radiology Procedures	30,529	31,203	29,535	-2.2%	3.4%
Radiation Therapy Procedures	3,653	3,425	2,931	6.7%	24.6%

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



Summary of Operating Results

Month of October 2012

	Actual October 2012	Budget October 2012	Variance Favorable (Unfavorable)	% Variance	Actual October 2011
Operating Revenue	\$ 106,296,601	\$ 103,938,011	\$ 2,358,590	2.3%	\$ 95,668,881
Operating Expenses:					
Salary & Fringe Benefits	45,881,532	50,831,530	4,949,998	9.7%	48,458,860
Supplies & Other expenses	43,155,735	43,208,808	53,073	0.1%	38,451,934
Total Operating Expenses	89,037,267	94,040,338	5,003,071	5.3%	86,910,794
Income from Operations (Operating Margin)	\$ 17,259,334	\$ 9,897,673	\$ 7,361,661	74.4%	\$ 8,758,087
Non-Operating Income/(Loss or Expense)	3,411,885	(166,461)	3,578,346	>100%	6,997,504
Net Income/ Loss (Total Margin)	\$ 20,671,219	\$ 9,731,212	\$ 10,940,007	>100%	\$ 15,755,591

Non Operating Income (Loss)

Month of October 2012

	Actual October 2012	Budget October 2012	Variance Favorable (Unfavorable)	% Variance	Actual October 2011
Investment Income & Other Non-Operating Income	\$ 4,029,209	\$ 985,485	\$ 3,043,724	>100%	\$ 1,910,900
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(166,667)	(1,375,537)	1,208,870	87.9%	-
Change in Fair Value Gain/Loss on Investments	(626,312)	-	(626,312)	-100.0%	4,135,824
Change in Fair Value Gain/Loss on Swap Agreements	107,301	-	107,301	100.0%	1,138,306
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	113,258	36,623	76,635	>100%	45,553
Wisconsin Dialysis	42,186	38,219	3,967	10.4%	55,719
UHC/Unity	(261,109)	(2,378)	(258,731)	>-100%	(363,650)
UHC/e-Care	(35,000)	(42,211)	7,211	17.1%	(52,942)
Madison Surgery Center	231,206	239,116	(7,910)	-3.3%	155,682
Madison United Healthcare Linen	16,815	-	16,815	100.0%	20,544
Madison Environmental Resourcing	9,824	1,699	8,125	>100%	7,583
Generations Fertility Care	(48,826)	(47,477)	(1,349)	-2.8%	(56,015)
Total	\$ 3,411,885	\$ (166,461)	\$ 3,578,346	>100%	\$ 6,997,504

Other Key Ancillary Service Activity Indicators

Four Months Ended October 31, 2012

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Inpatient Gross Revenues	\$ 480,092,136	\$ 478,043,903	\$ 437,239,952	0.4%	9.8%
Outpatient Gross Revenues	\$ 447,818,548	\$ 437,535,714	\$ 392,077,664	2.4%	14.2%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	4,591	4,546	4,271	1.0%	7.5%
Outpatient	2,807	2,844	2,718	-1.3%	3.3%
AFCH	1,745	1,789	1,701	-2.5%	2.6%
Subtotal	9,143	9,179	8,690	-0.4%	5.2%
Misc./Out of OR	1,161	1,064	1,030	9.1%	12.7%
Total	10,304	10,243	9,720	0.6%	6.0%
Transplants					
Cadaver	156	119	105	31.1%	48.6%
Living	33	38	41	-13.2%	-19.5%
Total	189	157	146	20.4%	29.5%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	2,401	2,343	2,260	2.5%	6.2%
Electrophysiology Lab	650	508	650	28.0%	0.0%
Total	3,051	2,851	2,910	7.0%	4.8%
Emergency Room Visits	16,116	16,323	15,877	-1.3%	1.5%
Radiology Procedures:					
MRI	9,939	9,931	9,552	0.1%	4.1%
CT Scans	21,720	22,201	21,736	-2.2%	-0.1%
Other	86,785	87,744	83,556	-1.1%	3.9%
Total Radiology Procedures	118,444	119,876	114,844	-1.2%	3.1%
Radiation Therapy Procedures	13,398	12,731	11,992	5.2%	11.7%

Summary of Operating Results

Four Months Ended October 31, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Operating Revenue	\$412,366	\$409,632	\$383,787	0.7%	7.4%
Operating Expenses:					
Salary & Fringe Benefits	193,675	201,857	189,747	4.1%	-2.1%
Supplies & Other expenses	171,983	171,830	154,569	-0.1%	-11.3%
Total Operating Expenses	365,658	373,687	344,316	2.1%	-6.2%
Income from Operations <i>(Operating Margin of 11.3%)</i>	\$ 46,708	\$ 35,945	\$ 39,471	29.9%	18.3%
Non-Operating Income/(Loss or Expense)	12,053	(93)	(3,656)	>100%	>100%
Net Income	\$58,761	\$35,852	\$35,815	63.9%	64.1%

Non-Operating Income (Loss)

Four Months Ended October 31, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Investment Income & Other Non-Operating Income	\$ 8,981	\$ 3,910	\$ 5,829	>100%	54.1%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(3,514)	(4,890)	(2,500)	-28.1%	-40.6%
Change in Fair Value Gain (Loss) on Investments	5,442	-	(2,534)	100.0%	>100%
Change in Fair Value Gain (Loss) on Swap agreements	198	-	(4,826)	100.0%	>100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	320	144	227	>100%	41.0%
Wisconsin Dialysis	238	152	245	56.6%	-2.9%
UHC/Unity	(299)	(9)	(550)	>-100%	45.6%
UHC/e-Care	(145)	(167)	(223)	13.2%	35.0%
Madison Surgery Center	988	949	743	4.1%	33.0%
Madison United Healthcare Linen	73	-	143	100.0%	-49.0%
Madison Environmental Resourcing	8	6	13	>-100%	-38.5%
Generations Fertility Care	(237)	(188)	(223)	-26.1%	-6.3%
Total	\$ 12,053	\$ (93)	\$ (3,656)	>100%	>100%

Performance Ratios

	Favorable Direction	FY 13	Budget or Target	Industry Comparisons			UWHCA Bond Covenant
				S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	
Operating Margin	↑	11.3%	8.8%	2.8%	2.7%	2.8%	
Total Margin **	↑	12.7%	8.8%	5.2%	5.7%	4.5%	
Days Cash on Hand *	↑	233	201	210	187	191	90
Days in Accounts Receivable	↓	44	45	44	45	44	
Debt Service Coverage Ratio **	↑	12.0	9.0	4.3	4.6	4.1	1.25
Long Term Debt to Capitalization	↓	22.0%	32.0%	32.1%	37.9%	40.7%	65%
Operating Cash Flow	↑	15.4%	12.9%	10.2%	9.8%	9.8%	
Cash-to-Debt	↑	298.2%	153.4%	146.0%	128.4%	116.4%	

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

** Excludes unrealized gain/loss on investments

Accounts Receivable Monitoring Program

	Net Accounts Receivable	Net Days Revenue Outstanding
October 11	143,334,591	46
November 11	149,398,672	49
December 11	146,725,562	48
January 12	139,900,481	47
February 12	134,929,011	45
March 12	130,269,352	43
April 12	121,953,391	39
May 12	126,177,981	40
June 12	149,863,427	44
July 12	149,854,133	43
August 12	145,041,891	41
September 12	149,307,660	46
October 12	145,739,946	44

Comparison of Charity Care & Bad Debt Expense

	FY 13 Actual	FY 13 Budget	Variance	% Variance	FY 12 Actual	Variance	% Variance
Charity	\$ 15,920,538	\$ 21,058,331	\$ (5,137,793)	-24.4%	\$ 11,292,804	\$ 4,627,734	41.0%
% of Revenue	1.72%	2.30%			1.36%		
Bad Debt	15,534,082	10,986,955	4,547,127	41.4%	21,826,717	(\$6,292,635)	-28.8%
% of Revenue	1.67%	1.20%			2.63%		
Total	\$ 31,454,620	\$ 32,075,541	\$ (620,921)	-1.9%	\$ 33,119,521	\$ (1,664,901)	-5.0%
Gross Revenue	\$ 927,910,684	\$ 915,579,617	\$ 12,331,067	1.3%	\$ 829,317,616	\$ 98,593,068	11.9%
Total Bad Debt & Charity as % of Revenue	3.4%	3.5%			4.0%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$56,635	\$40,742
Depreciation	14,252	14,135
Interest Expense	2,628	2,769
EBITDA	\$ 73,515	\$ 57,646
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(20,488)	(43,933)
Est Annual Debt Service	(3,985)	(4,127)
Capital Contribution to UW for Capital Expenditures	(3,514)	(4,890)
Capital Contribution in Joint Ventures	0	0
Decrease (increase) in Working Capital	5,870	2,057
Total (Used) Provided	(\$22,117)	(\$50,893)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ 51,398	\$ 6,753

Summary of Changes in Net Assets

Four Months Ended October 31, 2012

Net assets at beginning of period	<u>\$774,796,822</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	56,634,795
Change in Fair value of investments	5,442,135
Change in Fair value of swap agreements	198,213
Payments to UW School of Medicine and Public Health for capital expenditure support	(3,514,463)
Capital grants, gifts and donations	560,702
Additions to permanent gift endowments	(116,522)
Increase in net assets	<u>\$59,204,860</u>
Net assets at end of period	<u><u>\$834,001,682</u></u>

Comparison to Local Competitors

October 31, 2012 vs. 2011

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	4.9%	(8.7)%	0.5%	(0.3)%
3 Month Rolling Average	3.1%	(7.7)%	(3.8)%	(2.0)%
12 Month Rolling Average	3.6%	(3.1)%	(3.0)%	(0.4)%
% Change in Average Daily Census				
Current Month	(0.4)%	0.0%	7.1%	1.9%
3 Month Rolling Average	2.5%	1.3%	(1.0)%	1.2%
12 Month Rolling Average	1.0%	(2.5)%	(5.9)%	(1.9)%

UWHC Investment Balances & Returns

<u>Account</u>	<u>October Market Value Balances</u>	<u>Investment Allocation</u>	<u>October YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 98,585,608	14.6%	0.31%	0.10% (A)
Short Term Bond Fund				
USBank/Nuveen	\$ 91,774,478	13.6%	1.97%	-0.27% (B)
Intermediate Bond Fund				
USBank/Baird	\$ 225,649,034	33.5%	2.32%	0.98% (C)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,865,989	23.3%	0.23%	0.23% (D)
Endowment Fund				
Securities				
UW Foundation	<u>\$100,989,969</u>	<u>15.0%</u>	3.37%	5.32% (E)
Total Unrestricted Funds	<u><u>\$ 673,865,078</u></u>	<u><u>100.0%</u></u>		

(A) 90-day Treasury Bills

(B) Barclays 1-3 year Gov/ Credit less fees

(C) Barclays Capital Intermediate Gov/ Credit less fees

(D) Average 1 Month LIBOR

(E) 75% of Russell Global plus 25% of Barclays Global Aggregate Bond less fees