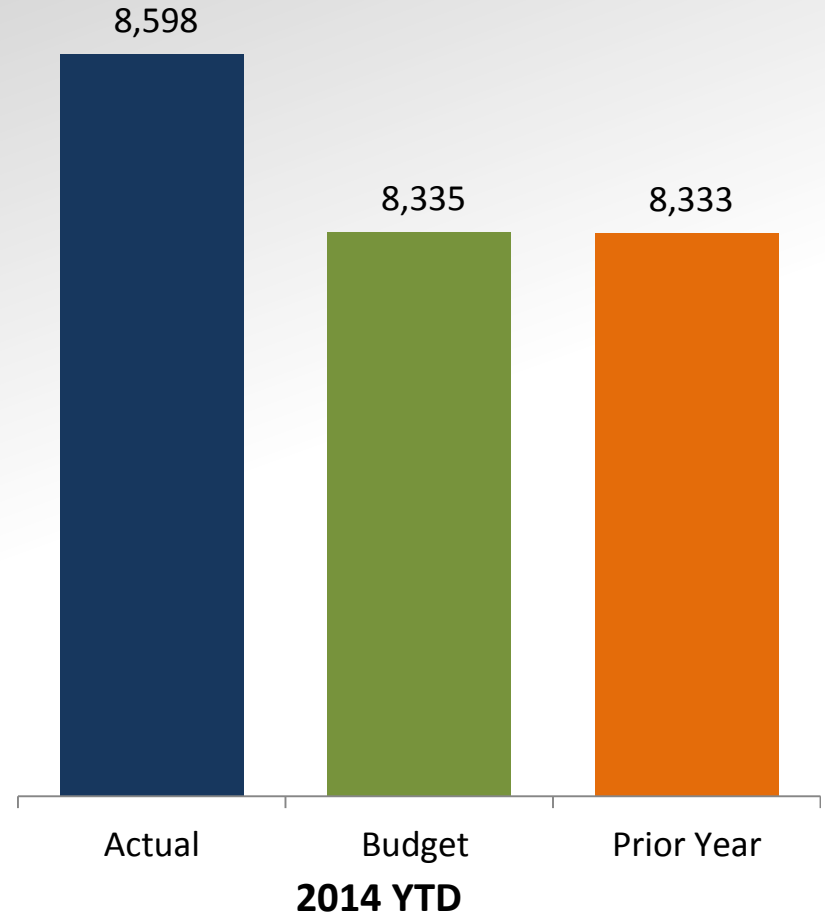
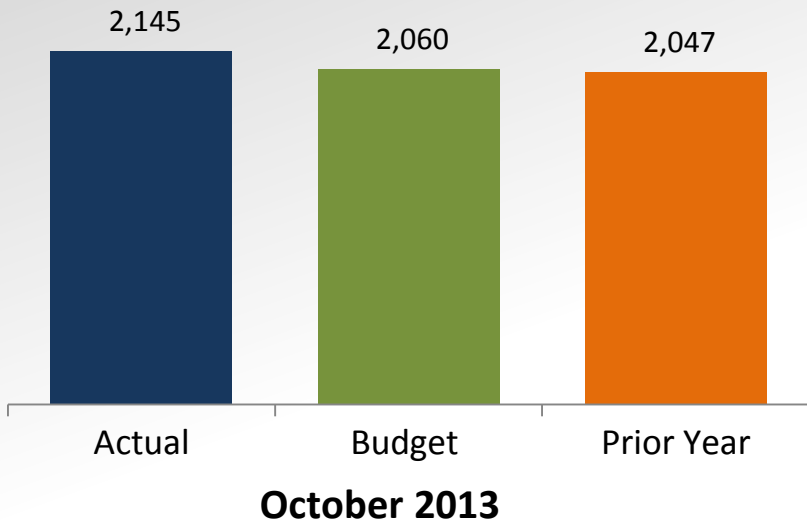


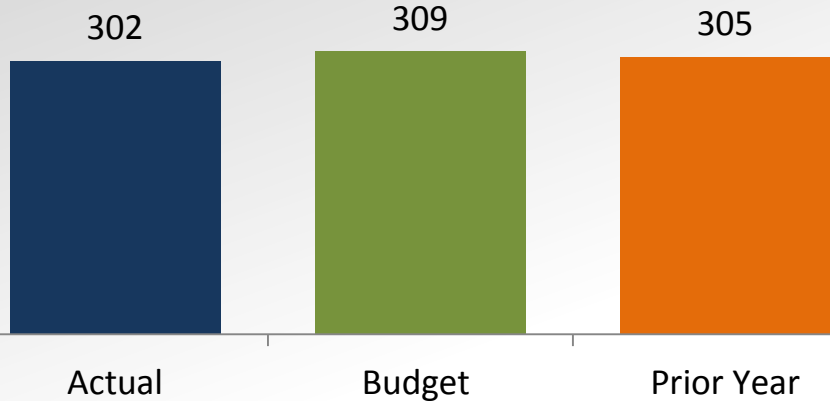
**SUMMARY OF  
OPERATING RESULTS  
OCTOBER 2013**

UWHC Finance Committee  
& Authority Board

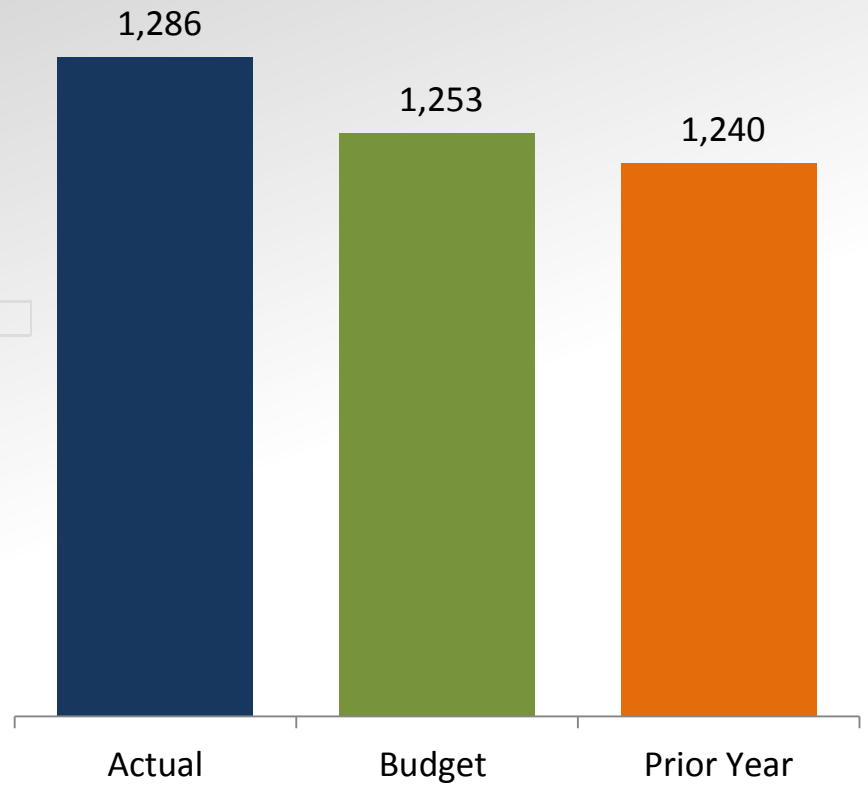
# Adult Admissions



# Pediatrics Admissions



**October 2013**

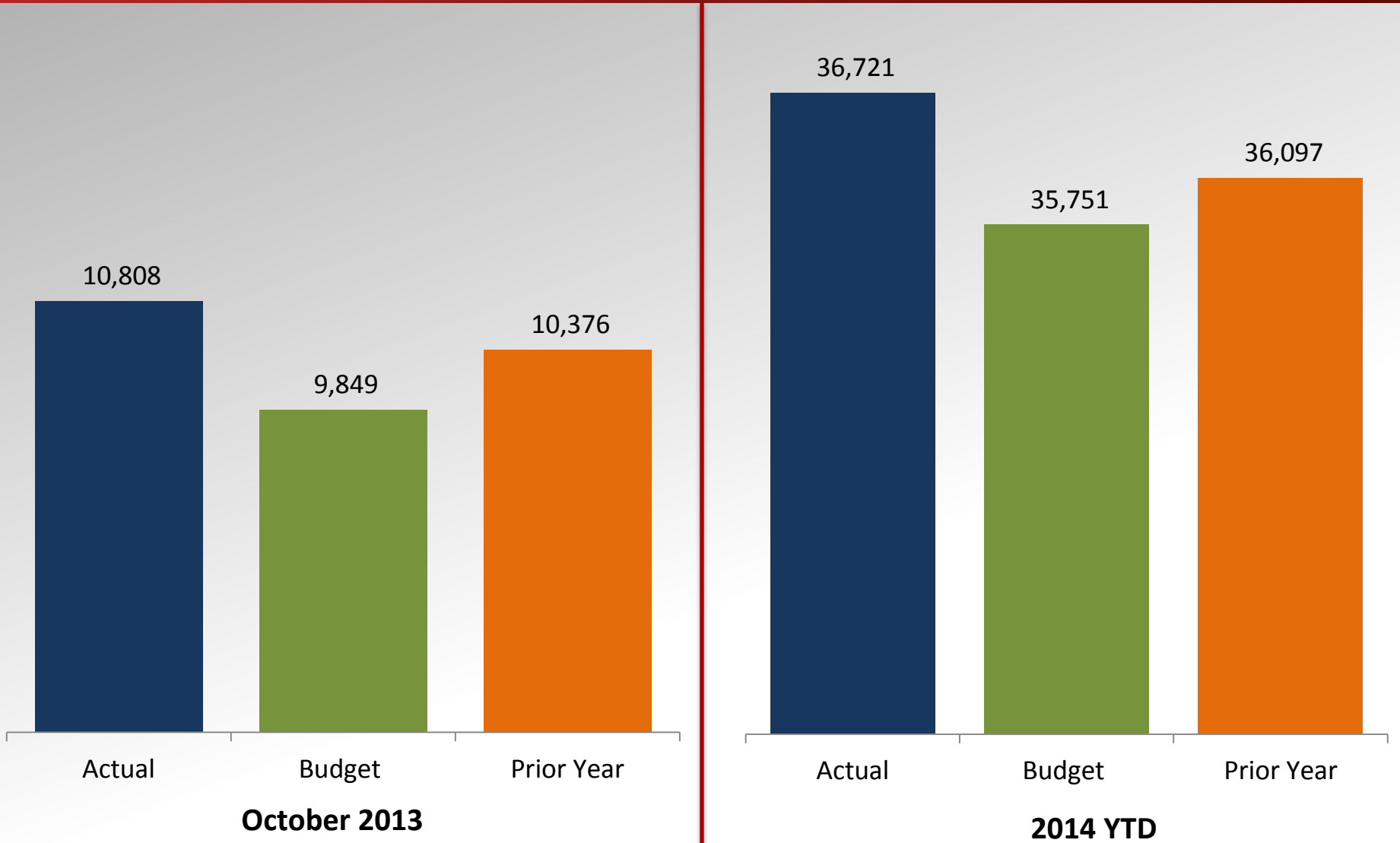


**2014 YTD**

# Adult Clinic Visits



# Pediatric Clinic Visits



# Other Key Service Activity Indicators

## Surgical Procedures

October

2,486

2,579

2,597

Actual

Budget

Prior Year

YTD

10,186

10,376

10,304

Actual

Budget

Prior Year

## Transplant Procedures

October

32

43

54

Actual

Budget

Prior Year

YTD

148

171

189

Actual

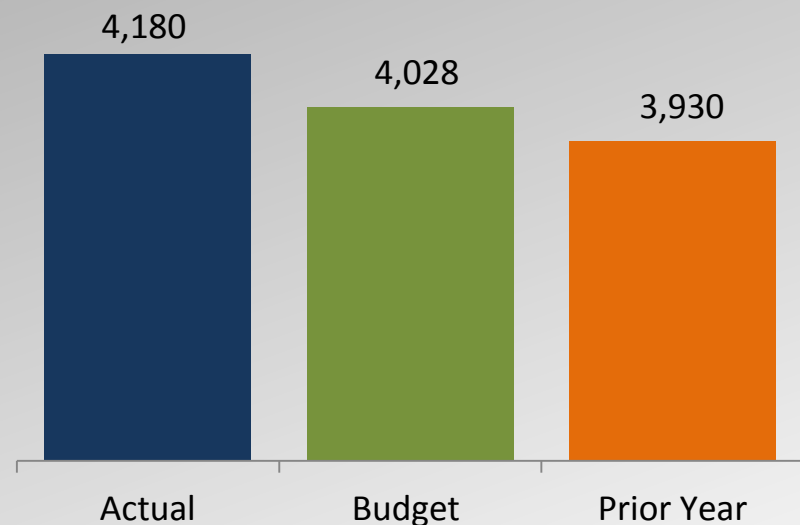
Budget

Prior Year

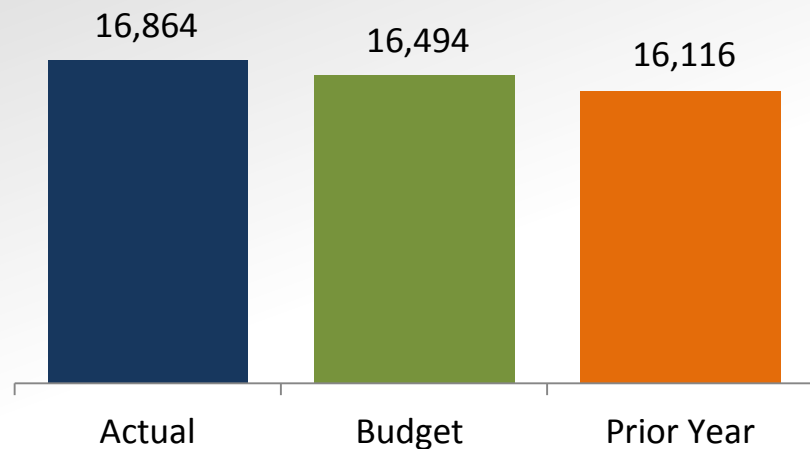
# Other Key Service Activity Indicators

## Emergency Room Visits

October

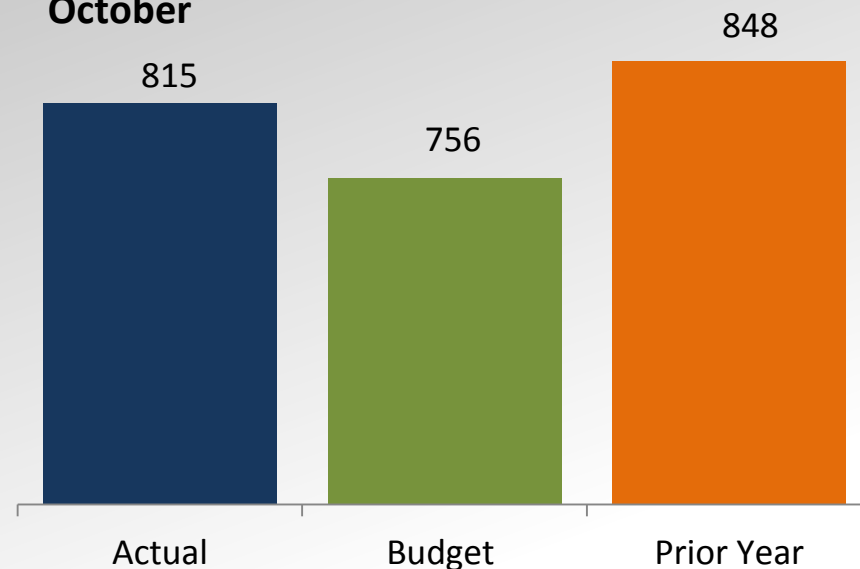


YTD

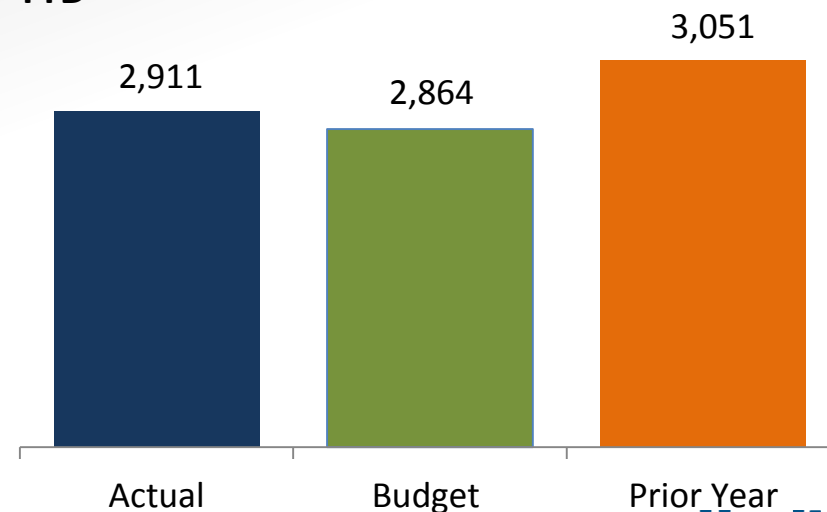


## Cardiology Lab Procedures

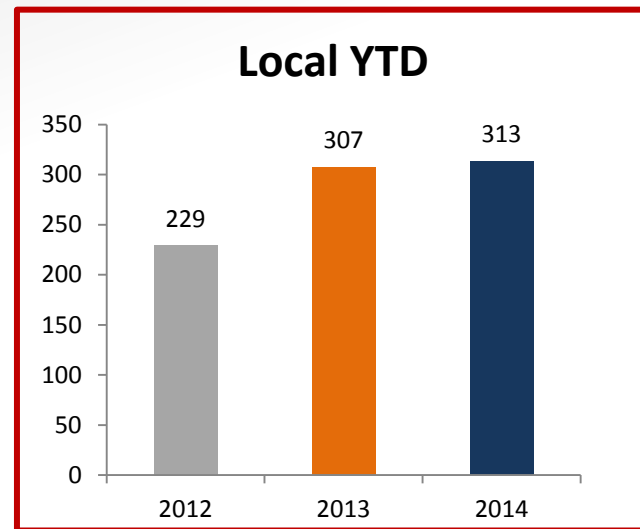
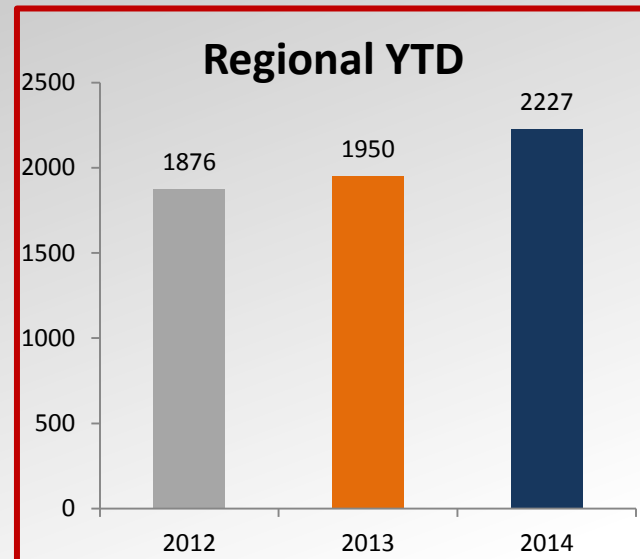
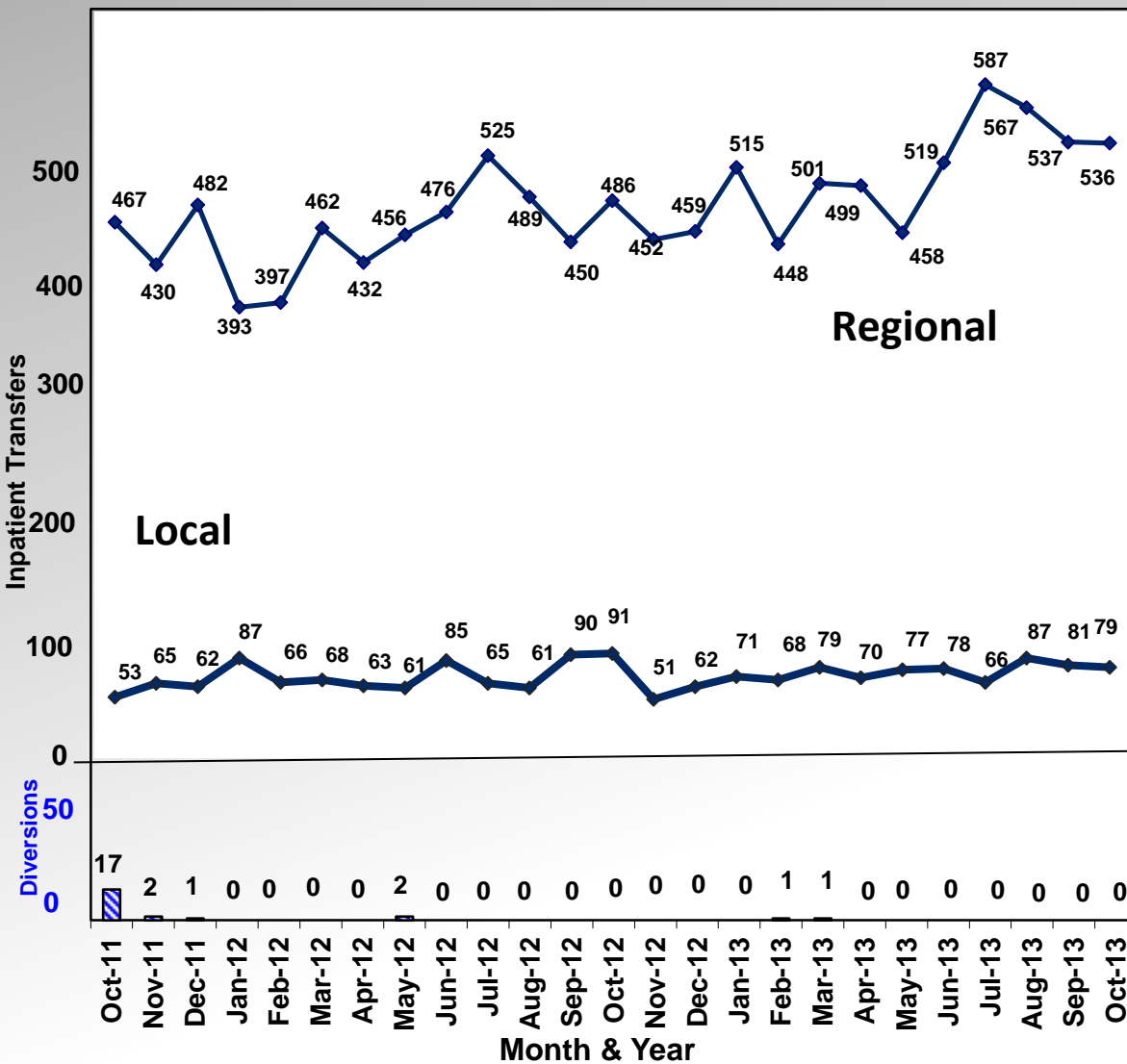
October



YTD



# Interhospital Transfers & Diversions



\* Both exclude Local and Regional Transfers to UWHC Emergency Department, not admitted.



# Summary of Operating Results

## Month of October 2013

(Amounts in \$\$ Millions)

	Actual Oct 2013	Budget Oct 2013	Actual Oct 2012	2013 Variance Vs. Budget      2012	
<b>Operating Revenue</b>	<b>\$ 113.7</b>	<b>\$ 110.1</b>	<b>\$ 106.3</b>	<b>3.3%</b>	<b>7.0%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	54.2	53.0	45.9	2.3%	18.1%
Medical materials and supplies	23.0	22.4	21.5	2.7%	7.0%
Other expenses	27.6	26.5	21.6	4.2%	27.8%
<b>Total Operating Expenses</b>	<b>104.8</b>	<b>101.9</b>	<b>89.0</b>	<b>2.8%</b>	<b>17.8%</b>
<b>Income from Operations</b>	<b>8.9</b>	<b>8.2</b>	<b>17.3</b>		
Nonoperating Income	5.8	1.3	3.4		
<b>Net Income</b>	<b>\$ 14.7</b>	<b>\$ 9.5</b>	<b>\$ 20.7</b>		

# Non Operating Income (Loss)

Month of October 2013

(000) Omitted

			Variance		Actual Oct 2012
	Actual Oct 2013	Budget Oct 2013	Favorable (Unfavorable)	% Variance	
Investment Income & Other Non-Operating Income	\$ 1,097,721	\$ 1,280,450	\$ (182,729)	-14.3%	\$ 4,029,209
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(500,000)	(162,984)	(337,016)	>-100%	(166,667)
Change in Fair Value Gain/Loss on Investments	4,115,653	-	4,115,653	100.0%	(626,312)
Change in Fair Value Gain/Loss on Swap Agreements	(171,058)	-	(171,058)	-100.0%	107,301
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	115,009	82,129	32,880	40.0%	113,258
Wisconsin Dialysis	109,145	19,110	90,035	>100%	42,186
UHC/Unity	1,009,142	(32,274)	1,041,416	>100%	(261,109)
UHC/e-Care	(45,802)	(47,562)	1,760	3.7%	(35,000)
Madison Surgery Center	25,196	202,307	(177,111)	-87.5%	231,206
Madison United Healthcare Linen	13,609	-	13,609	100.0%	16,815
Madison Environmental Resourcing	4,933	3,482	1,451	41.7%	9,824
Generations Fertility Care	(33,998)	(35,416)	1,418	4.0%	(48,826)
<b>Total</b>	<u>\$ 5,739,550</u>	<u>\$ 1,309,242</u>	<u>\$ 4,430,308</u>	<u>&gt;100%</u>	<u>\$ 3,411,885</u>

# Summary of Operating Results

## Four Months Ended October 31, 2013

(Amounts in \$\$ Millions)

	Actual YTD Oct 2013	Budget YTD Oct 2013	Actual YTD Oct 2012	YTD 2014 Variance Vs. Budget 2013	
<b>Operating Revenue</b>	<b>\$ 440.9</b>	<b>\$ 433.8</b>	<b>\$ 412.4</b>	<b>1.6%</b>	<b>6.9%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	214.6	210.9	193.7	1.8%	10.8%
Medical materials and supplies	91.9	88.3	84.4	4.1%	8.9%
Other expenses	108.0	107.3	87.6	0.7%	23.3%
<b>Total Operating Expenses</b>	<b>414.5</b>	<b>406.5</b>	<b>365.7</b>	<b>2.0%</b>	<b>13.3%</b>
<b>Income from Operations</b>	<b>26.4</b>	<b>27.3</b>	<b>46.7</b>		
Nonoperating Income	15.3	5.2	12.1		
<b>Net Income</b>	<b>\$ 41.7</b>	<b>\$ 32.5</b>	<b>\$ 58.8</b>		

# Non-Operating Income (Loss)

Four Months Ended October 31, 2013

(000) Omitted

	Actual FY '14	Budget FY '14	Actual FY '13	% Variances Actual to Budget	FY 14 to FY 13
Investment Income & Other Non-Operating Income	\$ 4,994	\$ 5,081	\$ 8,981	-1.7%	-44.4%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(500)	(647)	(3,514)	22.7%	85.8%
Change in Fair Value Gain (Loss) on Investments	8,438	-	5,442	100.0%	55.1%
Change in Fair Value Gain (Loss) on Swap agreements	96	-	198	100.0%	-51.5%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	434	326	320	33.1%	35.6%
Wisconsin Dialysis	361	76	238	>100%	51.7%
UHC/Unity	1,458	(128)	(299)	>100%	>100%
UHC/e-Care	(187)	(189)	(145)	1.1%	-29.0%
Madison Surgery Center	343	803	988	-57.3%	-65.3%
Madison United Healthcare Linen	40	-	73	100.0%	-45.2%
Madison Environmental Resourcing	16	14	8	14.3%	100.0%
Generations Fertility Care	(133)	(141)	(237)	5.7%	43.9%
<b>Total</b>	<b>\$ 15,360</b>	<b>\$ 5,195</b>	<b>\$ 12,053</b>	<b>&gt;100%</b>	<b>27.4%</b>

# Performance Ratios

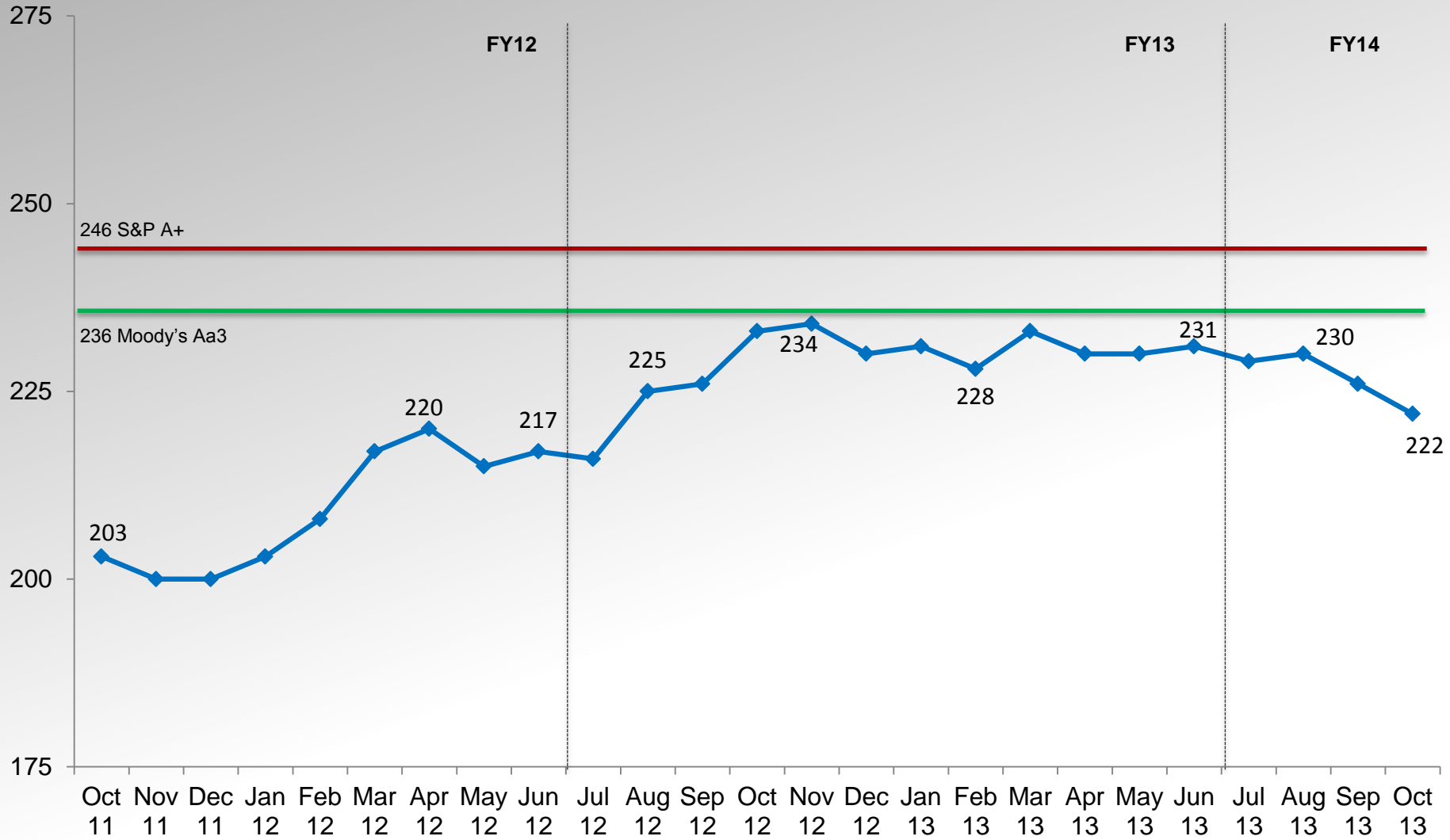
	Favorable Direction	FY 14	Budget or Target	Industry Comparisons		
				S&P 500 "A+" Rated	Moody's "A1" Rated	UWHCA Bond Covenant
Operating Margin	↑	6.0%	6.3%	3.7%	3.6%	
Total Margin	↑	9.1%	7.4%	6.3%	6.4%	
Days Cash on Hand *	↑	222	229	246	204	90
Days in Accounts Receivable	↓	42	45	44	45	
Debt Service Coverage Ratio **	↑	5.8	5.8	4.9	5.1	1.25
Long Term Debt to Capitalization	↓	49.0%	34.0%	29.4%	33.7%	65%
Operating Cash Flow	↑	10.6%	10.8%	10.5%	10.7%	
Cash-to-Debt	↑	150.0%	161.0%	183.7%	146.9%	

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

# Accounts Receivable Monitoring Program

	<b>Net Accounts Receivable</b>	<b>Net Days Revenue Outstanding</b>
<b>October 12</b>	<b>145,739,946</b>	<b>44</b>
<b>November 12</b>	<b>148,992,105</b>	<b>42</b>
<b>December 12</b>	<b>147,177,847</b>	<b>42</b>
<b>January 13</b>	<b>156,947,749</b>	<b>45</b>
<b>February 13</b>	<b>156,973,659</b>	<b>49</b>
<b>March 13</b>	<b>157,122,579</b>	<b>47</b>
<b>April 13</b>	<b>151,039,643</b>	<b>45</b>
<b>May 13</b>	<b>139,691,893</b>	<b>43</b>
<b>June 13</b>	<b>142,670,990</b>	<b>43</b>
<b>July 13</b>	<b>146,327,298</b>	<b>43</b>
<b>August 13</b>	<b>149,852,744</b>	<b>43</b>
<b>September 13</b>	<b>150,400,506</b>	<b>43</b>
<b>October 13</b>	<b>148,359,360</b>	<b>42</b>

# Days Cash on Hand



# Comparison of Charity Care & Bad Debt Expense

	FY 14 Actual	FY 14 Budget	Variance	% Variance	FY 13 Actual	Variance	% Variance
Charity	\$ 19,821,339	\$ 22,809,527	\$ (2,988,188)	-13.1%	\$ 15,900,529	\$ 3,920,810	24.7%
% of Revenue	1.99%	2.30%			1.71%		
Bad Debt	13,752,846	11,900,623	1,852,223	15.6%	15,554,091	(\$1,801,245)	-11.6%
% of Revenue	1.38%	1.20%			1.68%		
<b>Total</b>	<b>\$ 33,574,185</b>	<b>\$ 34,710,150</b>	<b>\$ (1,135,965)</b>	<b>-3.3%</b>	<b>\$ 31,454,620</b>	<b>\$ 2,119,565</b>	<b>6.7%</b>
Gross Revenue	\$ 995,304,520	\$ 991,718,566	\$ 3,585,954	0.4%	\$ 927,910,684	\$ 67,393,836	7.3%
Total Bad Debt & Charity as % of Revenue	3.4%	3.5%			3.4%		



# EBITDA vs. Debt Service & Capital Expenditures

(000) Omitted

	<u>Actual</u>	<u>Budget</u>
<b><u>Cash Provided:</u></b>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$33,684	\$33,154
Depreciation	16,442	15,850
Interest Expense	3,840	3,684
EBITDA	<u>\$ 53,966</u>	<u>\$ 52,688</u>
<b><u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u></b>		
Capital Expenditures	(49,228)	(66,700)
Est Annual Debt Service	(9,864)	(10,649)
Capital Contribution to UW for Capital Expenditures	(500)	(500)
Capital Contribution in Joint Ventures	(600)	(600)
Decrease (increase) in Working Capital	(16,255)	4,091
Total (Used) Provided	<u>(\$76,447)</u>	<u>(\$74,358)</u>
Cash Available for Temporary Investment and Future Capital Expenditures	<u>\$ (22,481)</u>	<u>\$ (21,670)</u>

# Summary of Changes in Net Assets

Four Months Ended October 31, 2013

Net assets at beginning of period	<u>\$861,819,653</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	33,683,999
Change in Fair value of investments	8,438,228
Change in Fair value of swap agreements	96,174
Payments to UW School of Medicine and Public Health for capital expenditure support	(500,000)
Capital grants, gifts and donations	356,858
Additions to permanent gift endowments	4,479
Increase in net assets	<u>\$42,079,738</u>
Net assets at end of period	<u><u>\$903,899,391</u></u>

# Comparison to Local Competitors

## \*September 30, 2013 vs. 2012

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
<b>% Change in Admissions</b>				
Current Month	4.9%	1.2%	(1.2)%	2.1%
3 Month Rolling Average	3.0%	(3.5)%	(0.3)%	0.3%
12 Month Rolling Average	2.6%	(4.3)%	0.2%	0.0%
<b>% Change in Average Daily Census</b>				
Current Month	(2.1)%	5.6%	(4.3)%	(1.0)%
3 Month Rolling Average	(0.6)%	(2.8)%	(1.4)%	(1.3)%
12 Month Rolling Average	2.8%	1.1%	(0.1)%	1.5%

\* October data unavailable.

# 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>
<b>Operating Account and Commercial Paper</b>				
US Bank	\$ 50,544,328	7.1%	0.25%	0.03% (A)
<b>Short Term Bond Fund</b>				
USBank/Nuveen	\$ 163,997,256	22.9%	1.04%	-0.21% (B)
<b>Intermediate Bond Fund</b>				
USBank/Baird	\$ 227,099,840	31.7%	1.64%	0.20% (C)
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 157,172,286	22.0%	0.18%	0.19% (D)
<b>Endowment Fund Securities</b>				
UW Foundation	\$ 116,547,769	16.3%	6.56%	6.84% (E)
<b>Total Unrestricted Funds</b>	<b>\$ 715,361,479</b>	<b>100.0%</b>	<b>1.9%</b>	<b>1.2%</b>

(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