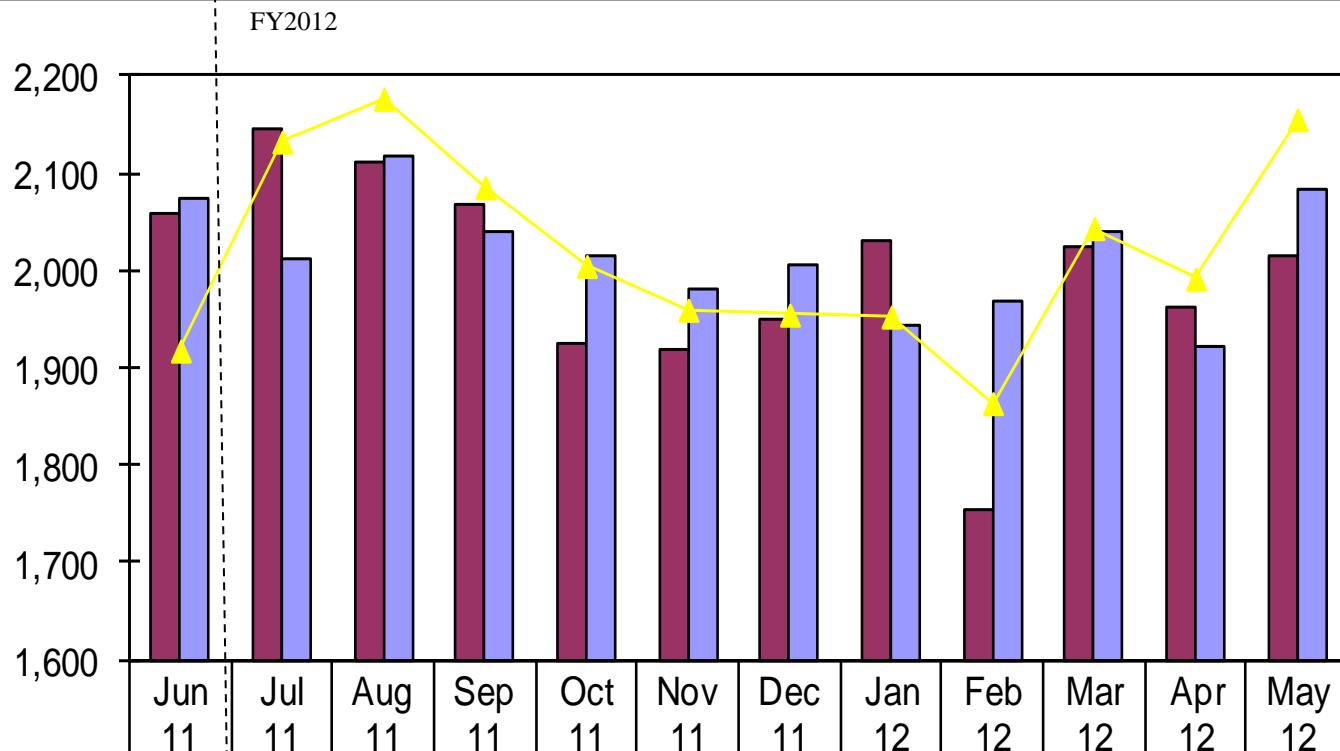


# SUMMARY OF OPERATING RESULTS

May 31, 2012

# Adult Admissions

(rolling 12 months)

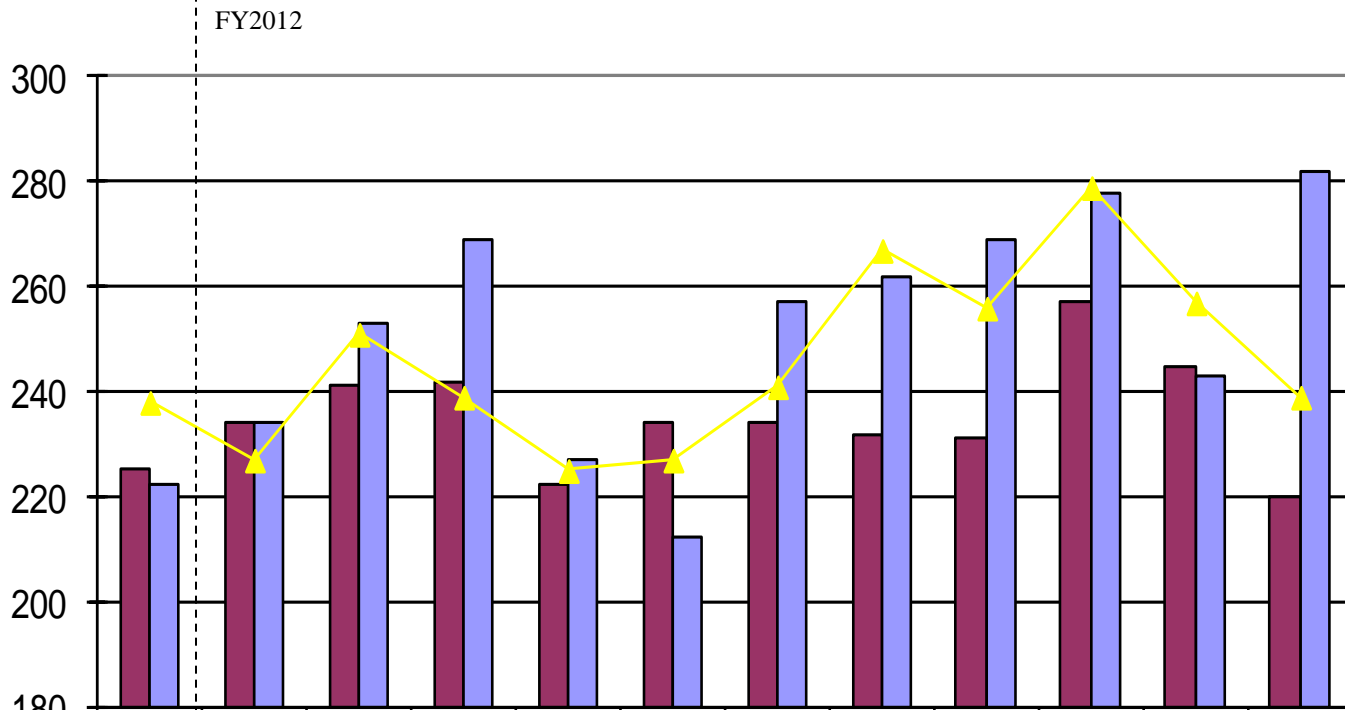


<span style="display: inline-block; width: 15px; height: 10px; background-color: maroon; border: 1px solid black;"></span> Prior Actual	2,057	2,147	2,112	2,067	1,926	1,919	1,951	2,031	1,754	2,025	1,962	2,015
<span style="display: inline-block; width: 15px; height: 10px; background-color: lightblue; border: 1px solid black;"></span> Current Actual	2,074	2,013	2,117	2,041	2,015	1,982	2,007	1,945	1,968	2,041	1,921	2,084
<span style="display: inline-block; width: 15px; height: 10px; background-color: yellow; border: 1px solid black; clip-path: polygon(50% 0%, 61% 35%, 98% 35%, 68% 57%, 98% 57%, 79% 91%, 50% 70%, 21% 91%, 32% 57%, 2% 57%, 39% 35%, 2% 35%);"></span> Current Budget	1,918	2,133	2,177	2,086	2,005	1,960	1,955	1,953	1,864	2,044	1,992	2,156

YTD
21,909
22,134
22,325

# Pediatric Admissions

(rolling 12 months)

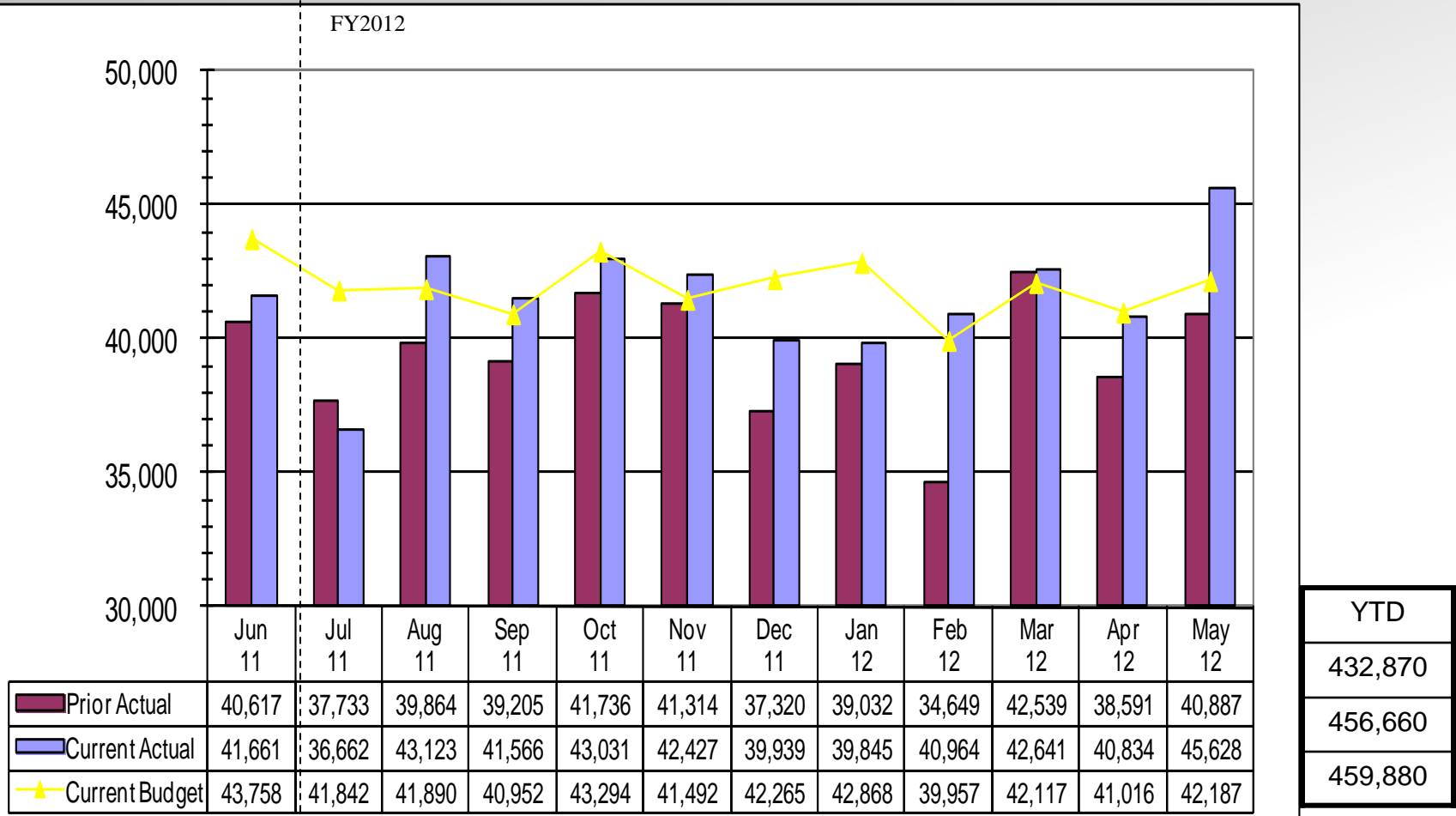


	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12
■ Prior Actual	225	234	241	242	222	234	234	232	231	257	245	220
■ Current Actual	222	234	253	269	227	212	257	262	269	278	243	282
▲ Current Budget	238	227	251	239	225	227	241	267	256	279	257	239

YTD	2,592
	2,786
	2,708

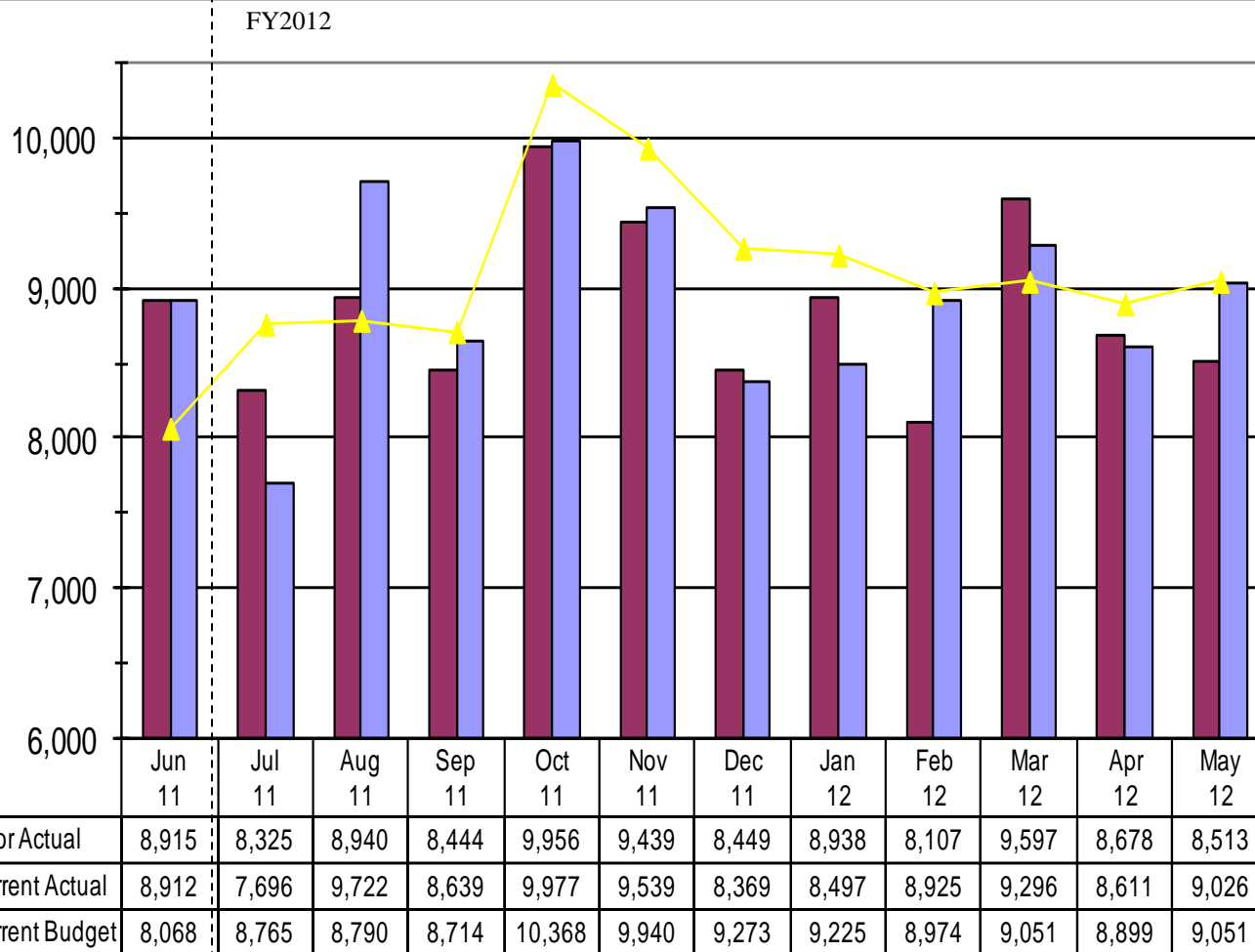
# Adult Clinic Visits

(rolling 12 months)



# Pediatric Clinic Visits

(rolling 12 months)



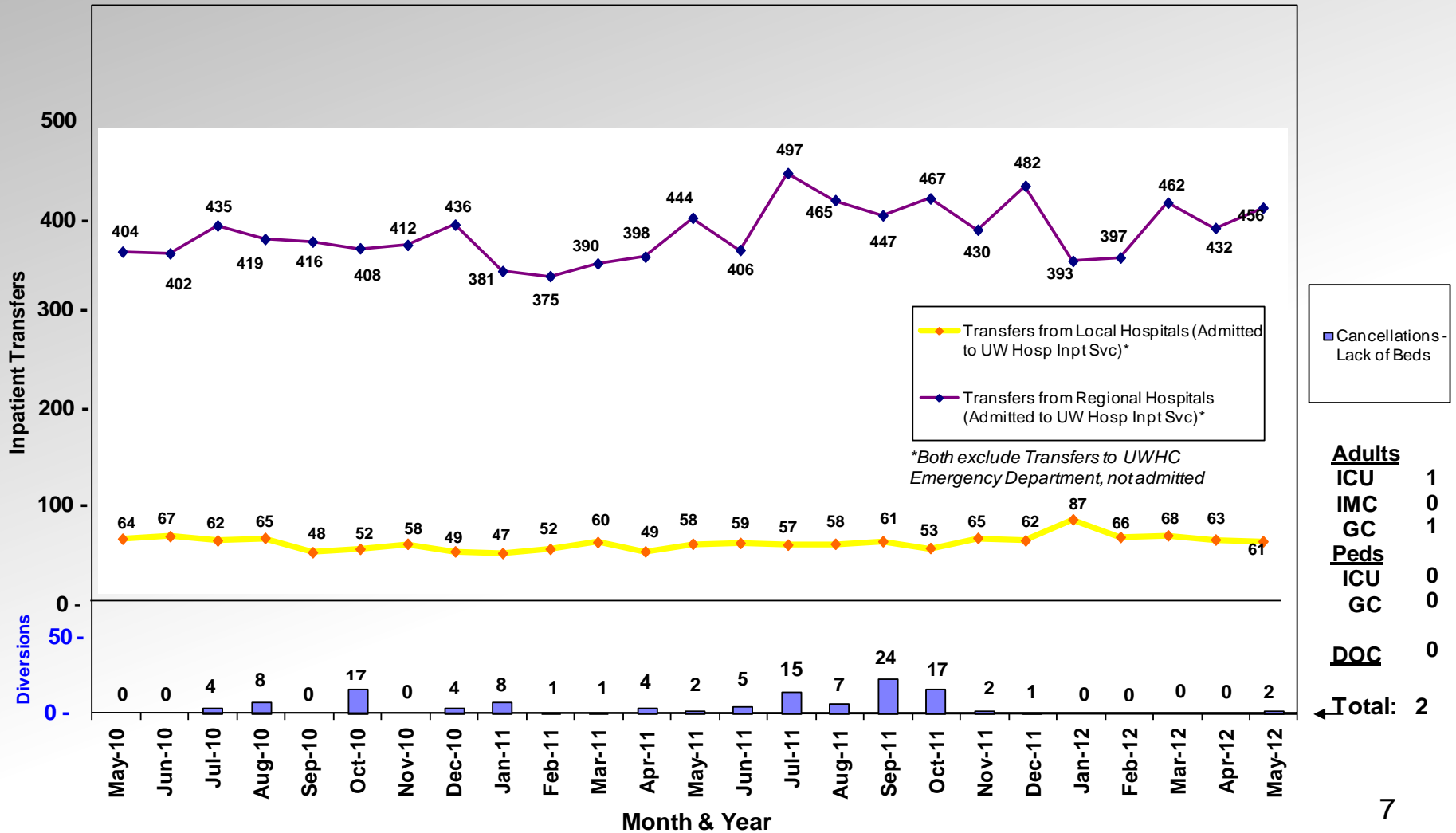
YTD
97,386
98,297
101,050

# Other Key Ancillary Service Activity Indicators

Month of May 2012

	Actual 2012	Budget 2012	Actual 2011	% Variances Actual to Budget	2012 to 2011
<b>Inpatient Gross Revenues</b>	\$ 110,797,622	\$ 108,988,219	\$ 98,393,959	1.7%	12.6%
<b>Outpatient Gross Revenues</b>	\$ 110,304,454	\$ 97,270,965	\$ 89,305,285	13.4%	23.5%
<b>Surgical Procedures:</b>					
<b>Inpatient (excludes Misc/Out of OR)</b>	1,130	1,066	1,007	6.0%	12.2%
<b>Outpatient</b>	742	717	715	3.5%	3.8%
<b>AFCH</b>	470	431	439	9.0%	7.1%
<b>Subtotal</b>	2,342	2,214	2,161	5.8%	8.4%
<b>Misc./Out of OR</b>	296	247	256	19.8%	15.6%
<b>Total Surgical Procedures</b>	2,638	2,461	2,417	7.2%	9.1%
<b>Transplants</b>					
<b>Deceased Donor</b>	20	33	48	-39.4%	-58.3%
<b>Living</b>	11	8	12	37.5%	-8.3%
<b>Total</b>	31	41	60	-24.4%	-48.3%
<b>Cardiology Invasive Lab Procedures</b>					
<b>Cardiovascular Lab</b>	566	597	570	-5.2%	-0.7%
<b>Electrophysiology Lab</b>	170	143	149	18.9%	14.1%
<b>Total</b>	736	740	719	-0.5%	2.4%
<b>Emergency Room Visits</b>	4,011	3,886	3,800	3.2%	5.6%
<b>Radiology Procedures:</b>					
<b>MRI</b>	2,613	2,431	2,495	7.5%	4.7%
<b>CT Scans</b>	5,400	5,090	4,899	6.1%	10.2%
<b>Other</b>	21,416	20,469	19,581	4.6%	9.4%
<b>Total Radiology Procedures</b>	29,429	27,990	26,975	5.1%	9.1%
<b>Radiotherapy Procedures</b>	3,273	2,960	2,764	10.6%	18.4%

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



# Summary of Operating Results

Month of May 2012

	Actual May 2012	Budget May 2012	Variance Favorable (Unfavorable)	% Variance	Actual May 2011
Operating Revenue	\$ 102,783,480	\$ 94,190,835	\$ 8,592,645	9.1%	\$ 94,171,336
Operating Expenses:					
Salary & Fringe Benefits	48,682,387	48,861,353	178,966	0.4%	46,329,587
Supplies & Other expenses	42,138,968	39,084,991	(3,053,977)	-7.8%	40,225,009
Total Operating Expenses	90,821,355	87,946,344	(2,875,011)	-3.3%	86,554,596
Income from Operations (Operating Margin)	\$ 11,962,125	\$ 6,244,491	\$ 5,717,634	91.6%	\$ 7,616,740
Non-Operating Income/(Loss or Expense)	(3,836,388)	1,074,444	(4,910,832)	>-100%	564,999
Net Income/ Loss (Total Margin)	\$ 8,125,737	\$ 7,318,935	\$ 806,802	11.0%	\$ 8,181,739



# Non Operating Income (Loss)

Month of May 2012

	Actual May 2012	Budget May 2012	Variance Favorable (Unfavorable)	% Variance	Actual May 2011
Investment Income & Other Non-Operating Income	\$ 1,261,356	\$ 925,415	\$ 335,941	36.3%	\$ 1,019,321
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(20,684)	-	(20,684)	-100.0%	-
Change in Fair Value Gain/Loss on Investments	(4,496,830)	-	(4,496,830)	-100.0%	63,408
Change in Fair Value Gain/Loss on Swap Agreements	(1,306,408)	-	(1,306,408)	-100.0%	(1,127,189)
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	98,861	103,757	(4,896)	-4.7%	30,580
Wisconsin Dialysis	52,940	10,587	42,353	> 100%	67,937
UHC/Unity	372,723	(9,740)	382,463	> 100%	335,783
UHC/e-Care	(32,751)	(36,209)	3,458	9.6%	(49,000)
Madison Surgery Center	279,485	143,015	136,470	95.4%	173,485
Madison United Healthcare Linen	(4,089)	17	(4,106)	> -100%	1,397
Madison Environmental Resourcing	(447)	(3,108)	2,661	85.6%	3,537
Generations Fertility Care	(40,544)	(59,290)	18,746	31.6%	45,740
<b>Total</b>	<b>\$ (3,836,388)</b>	<b>\$ 1,074,444</b>	<b>\$ (4,910,832)</b>	<b>&gt;-100%</b>	<b>\$ 564,999</b>

# Other Key Ancillary Service Activity Indicators

Eleven Months Ended May 31, 2012

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
<b>Inpatient Gross Revenues</b>	<b>\$ 1,164,819,237</b>	<b>\$ 1,162,409,069</b>	<b>\$ 1,062,295,965</b>	<b>0.2%</b>	<b>9.7%</b>
<b>Outpatient Gross Revenues</b>	<b>\$ 1,108,861,534</b>	<b>\$ 1,033,089,894</b>	<b>\$ 940,494,883</b>	<b>7.3%</b>	<b>17.9%</b>
<b>Surgical Procedures:</b>					
<b>Inpatient (excludes Misc/Out of OR)</b>	<b>11,764</b>	<b>11,153</b>	<b>10,970</b>	<b>5.5%</b>	<b>7.2%</b>
<b>Outpatient</b>	<b>7,714</b>	<b>7,521</b>	<b>7,489</b>	<b>2.6%</b>	<b>3.0%</b>
<b>AFCH</b>	<b>4,729</b>	<b>4,566</b>	<b>4,643</b>	<b>3.6%</b>	<b>1.9%</b>
<b>Subtotal</b>	<b>24,207</b>	<b>23,240</b>	<b>23,102</b>	<b>4.2%</b>	<b>4.8%</b>
<b>Misc./Out of OR</b>	<b>2,898</b>	<b>2,603</b>	<b>2,482</b>	<b>11.3%</b>	<b>16.8%</b>
<b>Total</b>	<b>27,105</b>	<b>25,843</b>	<b>25,584</b>	<b>4.9%</b>	<b>5.9%</b>
<b>Transplants</b>					
<b>Cadaver</b>	<b>271</b>	<b>346</b>	<b>329</b>	<b>-21.7%</b>	<b>-17.6%</b>
<b>Living</b>	<b>92</b>	<b>86</b>	<b>82</b>	<b>7.0%</b>	<b>12.2%</b>
<b>Total</b>	<b>363</b>	<b>432</b>	<b>411</b>	<b>-16.0%</b>	<b>-11.7%</b>
<b>Cardiology Invasive Lab Procedures</b>					
<b>Cardiovascular Lab</b>	<b>6,390</b>	<b>6,414</b>	<b>N/A *</b>	<b>-0.4%</b>	<b>N/A</b>
<b>Electrophysiology Lab</b>	<b>1,631</b>	<b>1,492</b>	<b>N/A *</b>	<b>9.3%</b>	<b>N/A</b>
<b>Total</b>	<b>8,021</b>	<b>7,906</b>	<b>N/A</b>	<b>1.5%</b>	<b>N/A</b>
<b>Emergency Room Visits</b>	<b>42,272</b>	<b>41,012</b>	<b>40,047</b>	<b>3.1%</b>	<b>5.6%</b>
<b>Radiology Procedures:</b>					
<b>MRI</b>	<b>26,754</b>	<b>25,836</b>	<b>25,476</b>	<b>3.6%</b>	<b>5.0%</b>
<b>CT Scans</b>	<b>57,022</b>	<b>54,001</b>	<b>52,641</b>	<b>5.6%</b>	<b>8.3%</b>
<b>Other</b>	<b>225,868</b>	<b>217,279</b>	<b>210,802</b>	<b>4.0%</b>	<b>7.1%</b>
<b>Total Radiology Procedures</b>	<b>309,644</b>	<b>297,116</b>	<b>288,919</b>	<b>4.2%</b>	<b>7.2%</b>
<b>Radiotherapy Procedures</b>	<b>33,981</b>	<b>31,357</b>	<b>29,838</b>	<b>8.4%</b>	<b>13.9%</b>

\* Change in Chargemaster billing effective January 2011 makes prior year not applicable

# Summary of Operating Results

Eleven Months Ended May 31, 2012  
(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
Operating Revenue	\$1,050,044	\$1,002,733	\$957,173	4.7%	9.7%
Operating Expenses:					
Salary & Fringe Benefits	522,952	527,115	490,311	0.8%	6.7%
Supplies & Other expenses	439,368	425,542	407,329	-3.2%	7.9%
Total Operating Expenses	962,320	952,657	897,640	-1.0%	7.2%
Income from Operations (Operating Margin of 8.4%)	\$ 87,724	\$ 50,076	\$ 59,533	75.2%	47.4%
Non-Operating Income/(Loss or Expense)	(841)	5,293	27,006	>-100%	>-100%
Net Income	\$86,883	\$55,369	\$86,539	56.9%	0.4%

# Non Operating Income (Loss)

Eleven Months Ended May 31, 2012

(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
Investment Income & Other Non-Operating Income	\$ 14,900	\$ 10,178	\$ 10,354	46.4%	43.9%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(8,599)	(6,500)	(2,500)	-32.3%	> -100%
Change in Fair Value Gain (Loss) on Investments	(3,248)	-	12,746	-100.0%	> -100%
Change in Fair Value Gain (Loss) on Swap agreements	(6,919)	-	1,330	-100.0%	> -100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	673	1,125	821	-40.2%	-18.0%
Wisconsin Dialysis	722	115	273	> 100%	> 100%
UHC/Unity	416	(106)	2,949	> 100%	> -100%
UHC/e-Care	(801)	(392)	(753)	> -100%	-6.4%
Madison Surgery Center	2,363	1,550	2,012	52.5%	17.4%
Madison United Healthcare Linen	190	-	209	100.0%	-9.1%
Madison Environmental Resourcing	18	(34)	30	> 100%	-40.0%
Generations Fertility Care	(556)	(643)	(465)	13.5%	-19.6%
<b>Total</b>	<b>\$ (841)</b>	<b>\$ 5,293</b>	<b>\$ 27,006</b>	<b>&gt;-100%</b>	<b>&gt;-100%</b>

# Performance Ratios

	Favorable Direction	FY 12	Budget or Target	Industry Comparisons			UWHCA Bond Covenant
				S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	
Operating Margin	↑	8.4%	5.0%	2.8%	2.6%	2.6%	
Total Margin **	↑	9.2%	6.1%	4.6%	5.3%	4.1%	
Days Cash on Hand *	↑	215	183	202	180	194	90, 75 & 45
Days in Accounts Receivable	↓	40	48	44	44	44	
Debt Service Coverage Ratio **	↑	8.9	6.8	4.2	4.6	2.9	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	23.0%	24.0%	32.6%	38.6%	41.9%	65%
Operating Cash Flow	↑	12.9%	9.8%	10.1%	10.0%	11.0%	
Cash-to-Debt	↑	268.1%	223.5%	145.2%	127.3%	113.8%	

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

\*\* Excludes unrealized gain/loss on investments

# Accounts Receivable Monitoring Program

	<b>Net Accounts Receivable</b>	<b>Net Days Revenue Outstanding</b>
<b>May 11</b>	<b>113,154,847</b>	<b>39</b>
<b>June 11</b>	<b>125,692,595</b>	<b>43</b>
<b>July 11</b>	<b>132,783,942</b>	<b>45</b>
<b>August 11</b>	<b>138,635,907</b>	<b>45</b>
<b>September 11</b>	<b>143,462,902</b>	<b>47</b>
<b>October 11</b>	<b>143,334,591</b>	<b>46</b>
<b>November 11</b>	<b>149,398,672</b>	<b>49</b>
<b>December 11</b>	<b>146,725,562</b>	<b>48</b>
<b>January 12</b>	<b>139,900,481</b>	<b>47</b>
<b>February 12</b>	<b>134,929,011</b>	<b>45</b>
<b>March 12</b>	<b>130,269,352</b>	<b>43</b>
<b>April 12</b>	<b>121,953,391</b>	<b>39</b>
<b>May 12</b>	<b>126,177,981</b>	<b>40</b>

# Comparison of Charity Care & Bad Debt Expense

	FY 12 Actual	FY 12 Budget	Variance	% Variance	FY 11 Actual	Variance	% Variance
Charity	\$ 48,648,215	\$ 54,887,868	\$ (6,239,653)	-11.4%	\$ 40,663,051	\$ 7,985,164	19.6%
% of Revenue	2.14%	2.50%			2.03%		
Bad Debt	36,489,697	32,932,484	3,557,213	10.8%	25,842,984	\$10,646,713	41.2%
% of Revenue	1.60%	1.50%			1.29%		
<b>Total</b>	<b>\$ 85,137,912</b>	<b>\$ 87,820,352</b>	<b>\$ (2,682,440)</b>	<b>-3.1%</b>	<b>\$ 66,506,035</b>	<b>\$ 18,631,877</b>	<b>28.0%</b>
Gross Revenue	\$ 2,273,680,771	\$ 2,195,498,963	\$ 78,181,808	3.6%	\$2,002,790,848	\$ 270,889,923	13.5%
Total Bad Debt & Charity as % of Revenue	3.7%	4.0%			3.3%		

# EBITDA Compared to 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	\$105,649	\$61,869
Depreciation	39,838	40,758
Interest Expense	7,861	7,908
EBITDA	<u>\$ 153,348</u>	<u>\$ 110,535</u>
<b><u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u></b>		
Capital Expenditures	(45,964)	(67,833)
Est Annual Debt Service	(15,590)	(17,403)
Capital Contribution to UW for Capital Expenditures	(8,599)	(6,500)
Capital Contribution in Joint Ventures	(2,200)	(1,300)
Decrease (increase) in Working Capital	15,160	1,228
Total (Used) Provided	<u>(\$57,193)</u>	<u>(\$91,808)</u>
Cash Available for Temporary Investment and Future Capital Expenditures	<u>\$ 96,155</u>	<u>\$ 18,727</u>



# Summary of Changes in Net Assets

Ten Months Ended April 30, 2012

<b>Net assets at beginning of period</b>	<b><u>\$668,819,748</u></b>
<b>Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support</b>	<b>105,648,503</b>
<b>Change in Fair value of investments</b>	<b>(3,247,809)</b>
<b>Change in Fair value of swap agreements</b>	<b>(6,918,895)</b>
<b>Payments to UW School of Medicine and Public Health for capital expenditure support</b>	<b>(8,599,456)</b>
<b>Capital grants, gifts and donations</b>	<b>3,436,594</b>
<b>Additions to permanent gift endowments</b>	<b>27,578</b>
<b>Increase in net assets</b>	<b><u>\$90,346,515</u></b>
<b>Net assets at end of period</b>	<b><u><u>\$759,166,263</u></u></b>

# Comparison to Local Competitors

May 31, 2012 vs. 2011

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
<b>% Change in Admissions</b>				
Current Month	5.9%	0.3%	(14.8)%	(2.6)%
3 Month Rolling Average	1.9%	(4.3)%	(8.1)%	(3.1)%
12 Month Rolling Average	1.6%	1.1%	0.1%	1.0%
<b>% Change in Average Daily Census</b>				
Current Month	3.8%	(9.5)%	(15.8)%	(5.7)%
3 Month Rolling Average	1.1%	(8.0)%	(12.2)%	(5.3)%
12 Month Rolling Average	0.2%	(2.9)%	(3.6)%	(1.7)%

# UWHC Investment Balances & Returns

<u>Account</u>	<u>May Market Value Balances</u>	<u>Investment Allocation</u>	<u>May YTD Investment Return</u>	<u>Benchmark</u>
<b>Operating Account and Commercial Paper</b>				
US Bank	\$ 136,217,168	22.3%	0.18%	0.07% (A)
<b>Intermediate Bond Fund</b>				
USBank/Baird	\$ 219,976,151	36.1%	5.98%	3.68% (B)
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 156,715,492	25.7%	0.24%	0.24% (C)
<b>Endowment Fund</b>				
<b>Securities</b>				
UW Foundation	\$96,619,032	15.9%	1.65%	-7.62% (D)
<b>Total Unrestricted Funds</b>	<u>\$ 609,527,843</u>	<u>100.0%</u>		

(A) 90-day Treasury Bills

(B) Barclays Capital Intermediate Gov/ Credit less fees

(C) Average 1 Month LIBOR

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