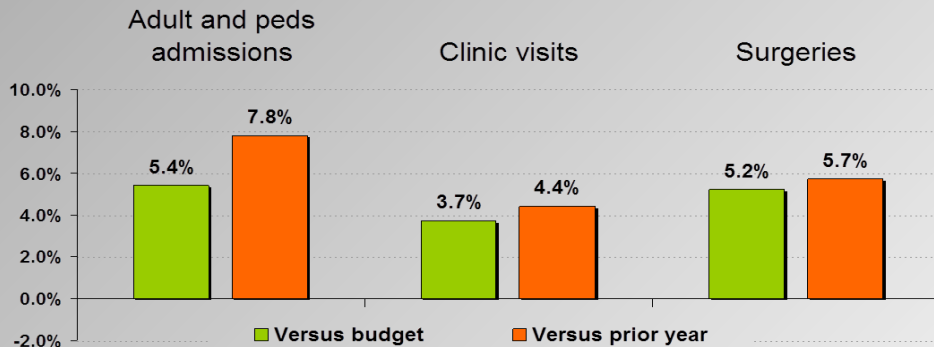


**SUMMARY OF
OPERATING RESULTS
May 2015**

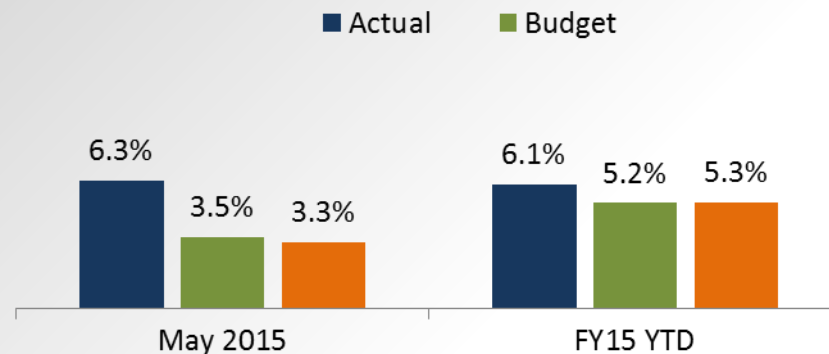
**UW Hospitals & Clinics
Authority Board & Finance
Committee
July 8, 2015**

Summary of Year to Date Operating Results

Volume



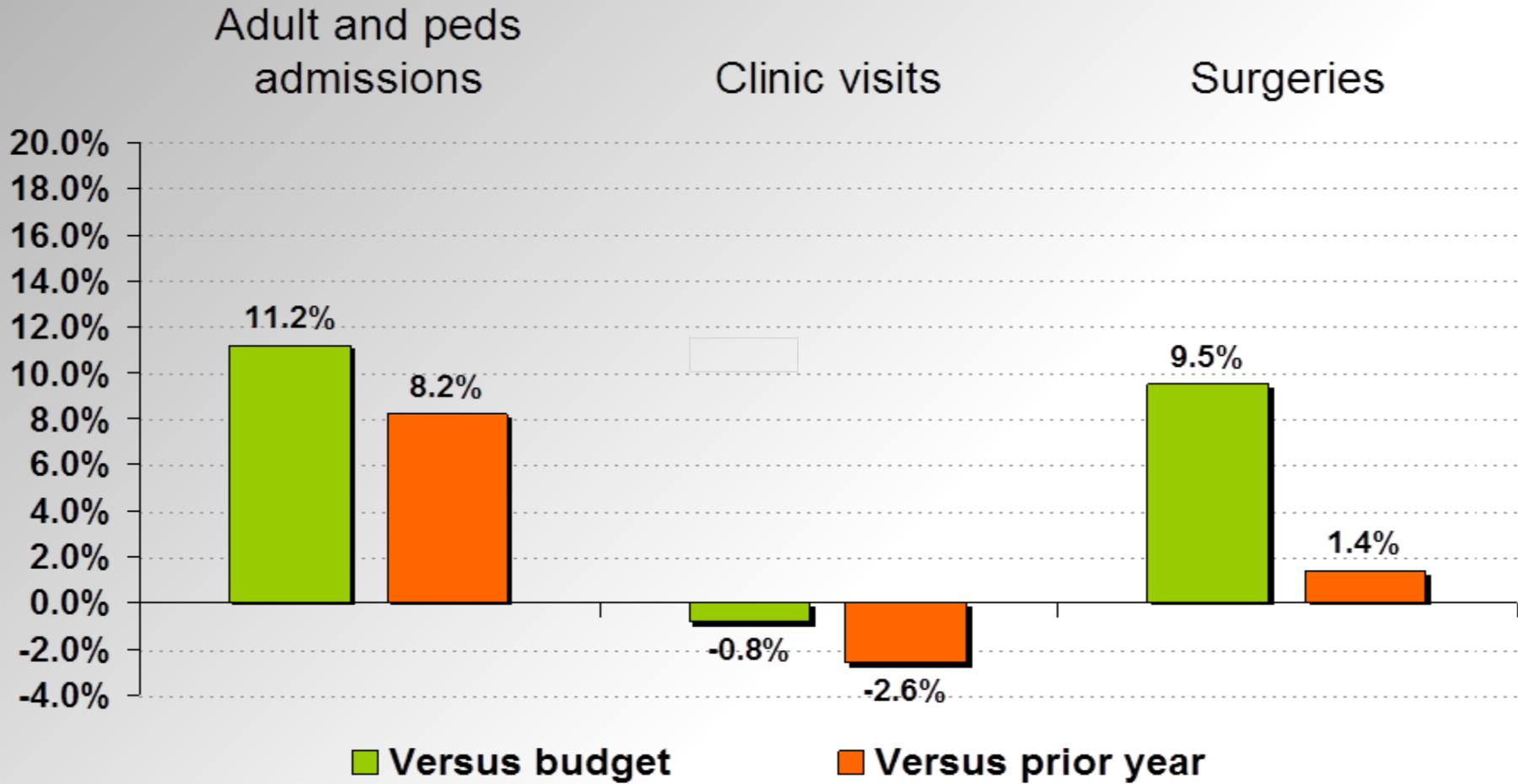
Margin



	Actual YTD May 2015	Budget YTD May 2015	Actual YTD May 2014	YTD 2015 Variance Vs. Budget 2014	
Operating Revenue	\$ 1,349.7	\$ 1,282.9	\$ 1,226.6	5.2%	10.0%
Operating Expenses:					
Salaries and fringe benefits	622.0	613.5	594.5	-1.4%	-4.6%
Medical materials and supplies	318.2	270.8	265.6	-17.5%	-19.8%
Other expenses	326.6	331.5	301.9	1.5%	-8.2%
Total Operating Expenses	1,266.8	1,215.8	1,162.0	-4.2%	-9.0%
Income from Operations	82.9	67.1	64.6	23.5%	28.3%
Nonoperating Income	(0.2)	16.1	32.4		
Net Income	\$ 82.7	\$ 83.2	\$ 97.0		

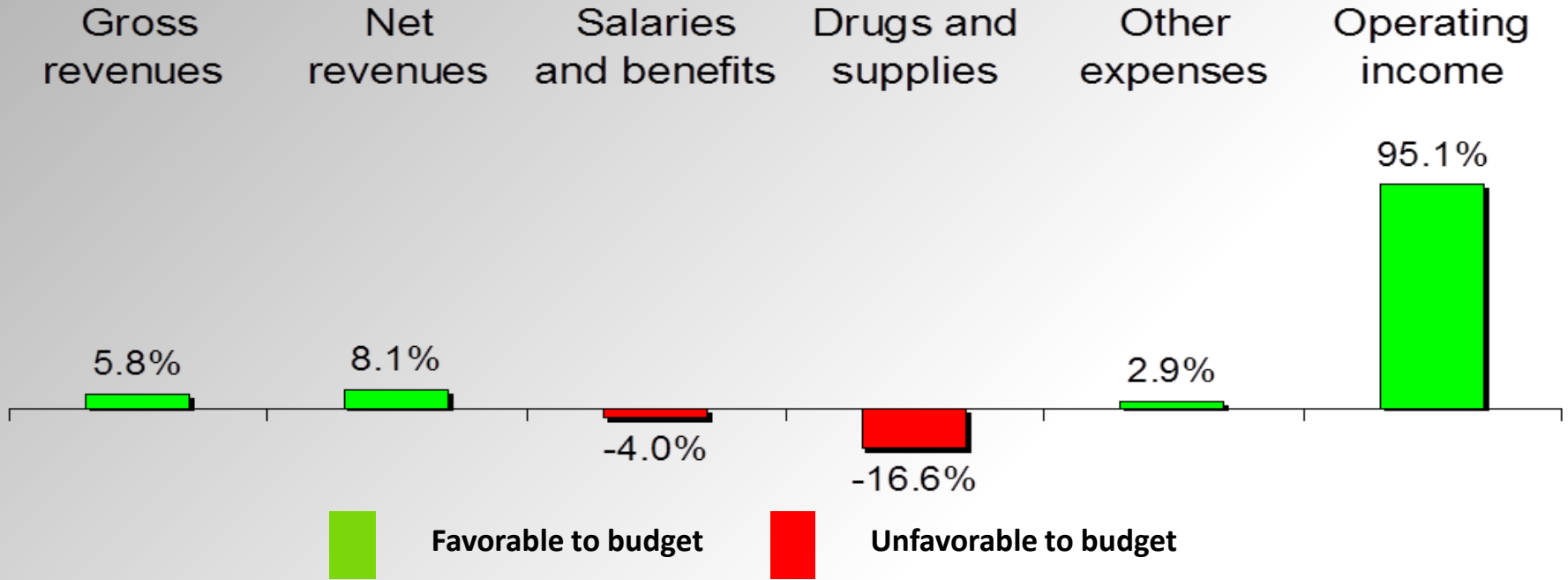
Selected Volume Statistics

May 2015



Monthly Variances from Budget

May 2015



Actual	\$281.1	\$124.0	\$59.4	\$28.8	\$29.7	\$8.0
Budget	\$265.8	\$114.6	\$57.1	\$24.7	\$30.6	\$4.1

Summary of Operating Results

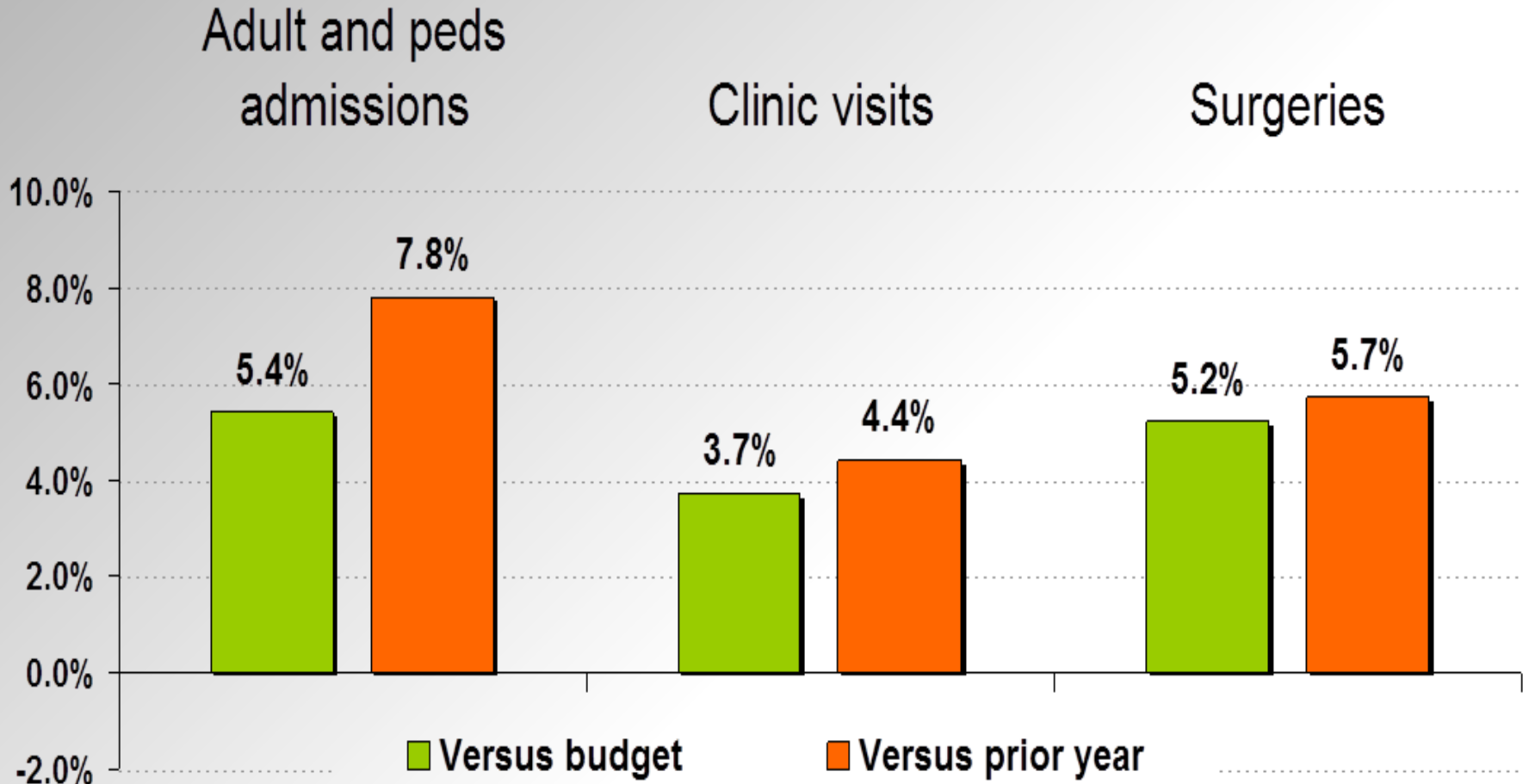
Month of May 2015

(Amounts in \$\$ Millions)

	Actual May 2015	Budget May 2015	Actual May 2014	2015 Variance Vs.	
				Budget	2014
Operating Revenue	\$ 125.9	\$ 116.5	\$ 117.3	8.1%	7.3%
Operating Expenses:					
Salaries and fringe benefits	59.4	57.1	56.8	-4.0%	-4.6%
Medical materials and supplies	28.8	24.7	28.3	-16.6%	-1.8%
Other expenses	29.7	30.6	28.4	2.9%	-4.6%
Total Operating Expenses	117.9	112.4	113.5	-4.9%	-3.9%
Income from Operations	8.0	4.1	3.8	95.1%	110.5%
Nonoperating Income	(1.1)	1.5	4.1		
Net Income	\$ 6.9	\$ 5.6	\$ 7.9		

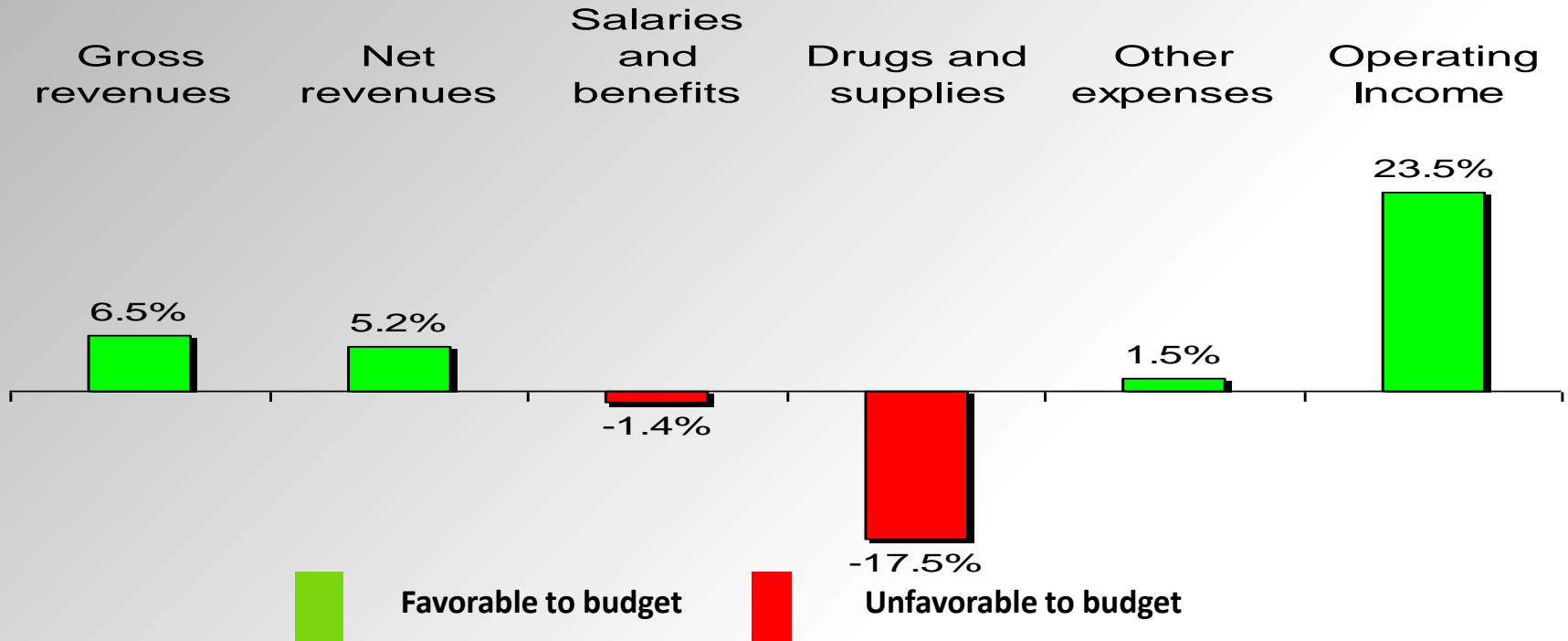
Selected Volume Statistics

Eleven Months Ended May, 2015



YTD Variances from Budget

Eleven Months Ended May 31, 2015



Actual	\$3,107.5	\$1,327.6	\$622.0	\$318.2	\$326.6	\$82.9
Budget	\$2,917.9	\$1,261.6	\$613.5	\$270.8	\$331.5	\$67.1

Summary of Operating Results

Eleven Months Ended May 31, 2015

(Amounts in \$\$ Millions)

	Actual YTD May 2015	Budget YTD May 2015	Actual YTD May 2014	YTD 2015 Variance Vs. Budget 2014	
Operating Revenue	\$ 1,349.7	\$ 1,282.9	\$ 1,226.6	5.2%	10.0%
Operating Expenses:					
Salaries and fringe benefits	622.0	613.5	594.5	-1.4%	-4.6%
Medical materials and supplies	318.2	270.8	265.6	-17.5%	-19.8%
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Nonoperating Income	(0.2)	16.1	32.4		
Net Income	\$ 82.7	\$ 83.2	\$ 97.0		

Non-Operating Income (Loss or Expense)

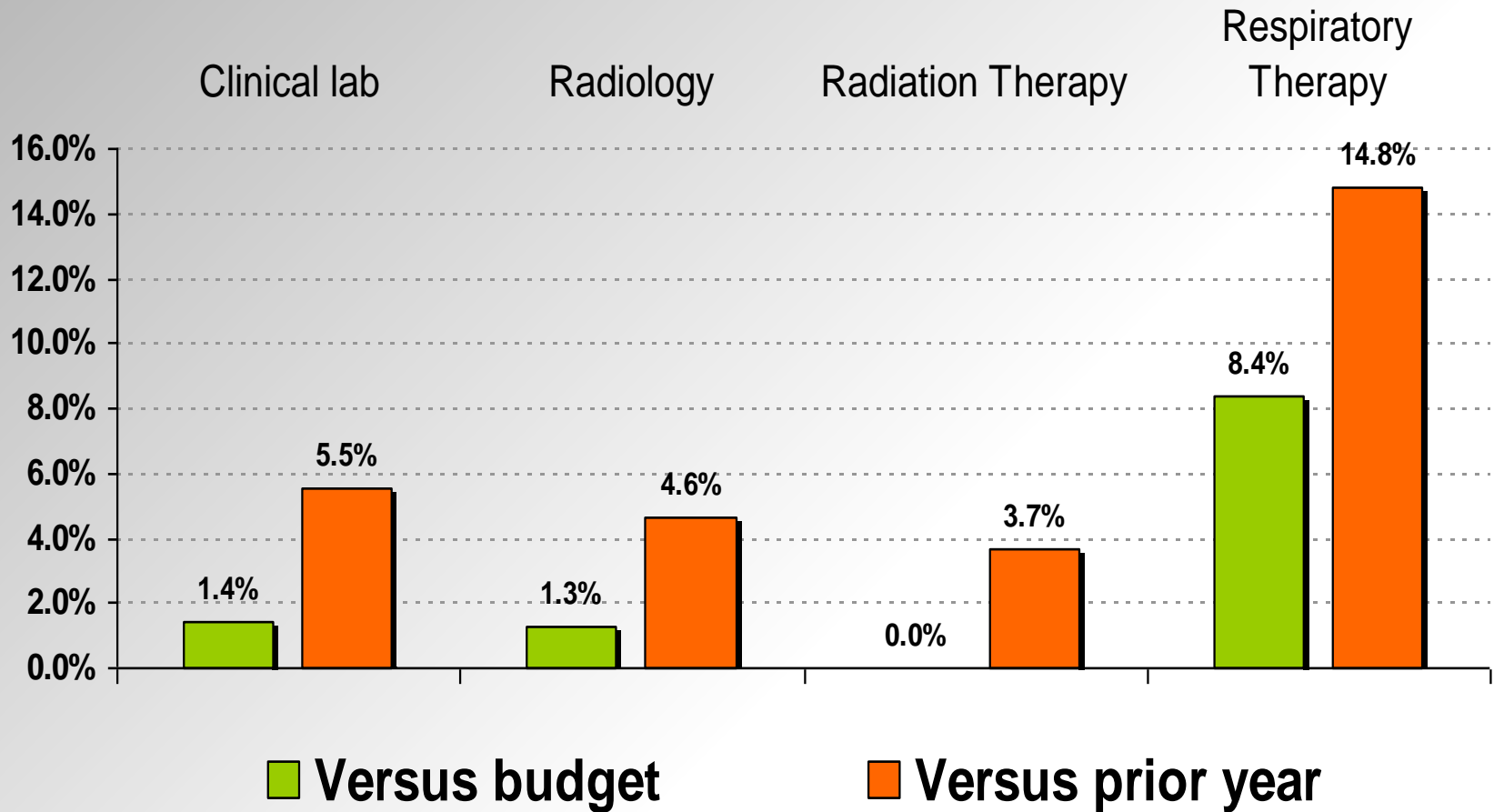
Eleven Months Ended May 31, 2015

(Amounts in \$\$ Millions)

	Actual FY '15	Budget FY '15	Actual FY '14	% Variances Actual to Budget	FY 15 to FY 14
Investment Income & Other Non-Operating Income	\$ 14,330	\$ 14,428	\$ 13,346	-0.7%	7.4%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(16,388)	(2,356)	(667)	>-100%	>-100%
Change in Fair Value Gain (Loss) on Investments	(2,821)	-	16,702	-100.0%	>-100%
Change in Fair Value Gain (Loss) on Swap agreements	(1,008)	-	(292)	-100.0%	>-100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	576	676	737	-14.8%	-21.8%
Wisconsin Dialysis	980	1169	931	-16.2%	5.3%
UHC/Unity	2,731	753	327	>100%	>100%
UHC/e-Care	(478)	(450)	(493)	-6.2%	3.0%
Madison Surgery Center	2,237	2,355	2,182	-5.0%	2.5%
Madison United Healthcare Linen	(14)	-	31	-100.0%	>-100%
Madison Environmental Resourcing	(41)	-	49	-100.0%	>-100%
Generations Fertility Care	(328)	(471)	(405)	30.4%	19.0%
Total	\$ (224)	\$ 16,104	\$ 32,448		

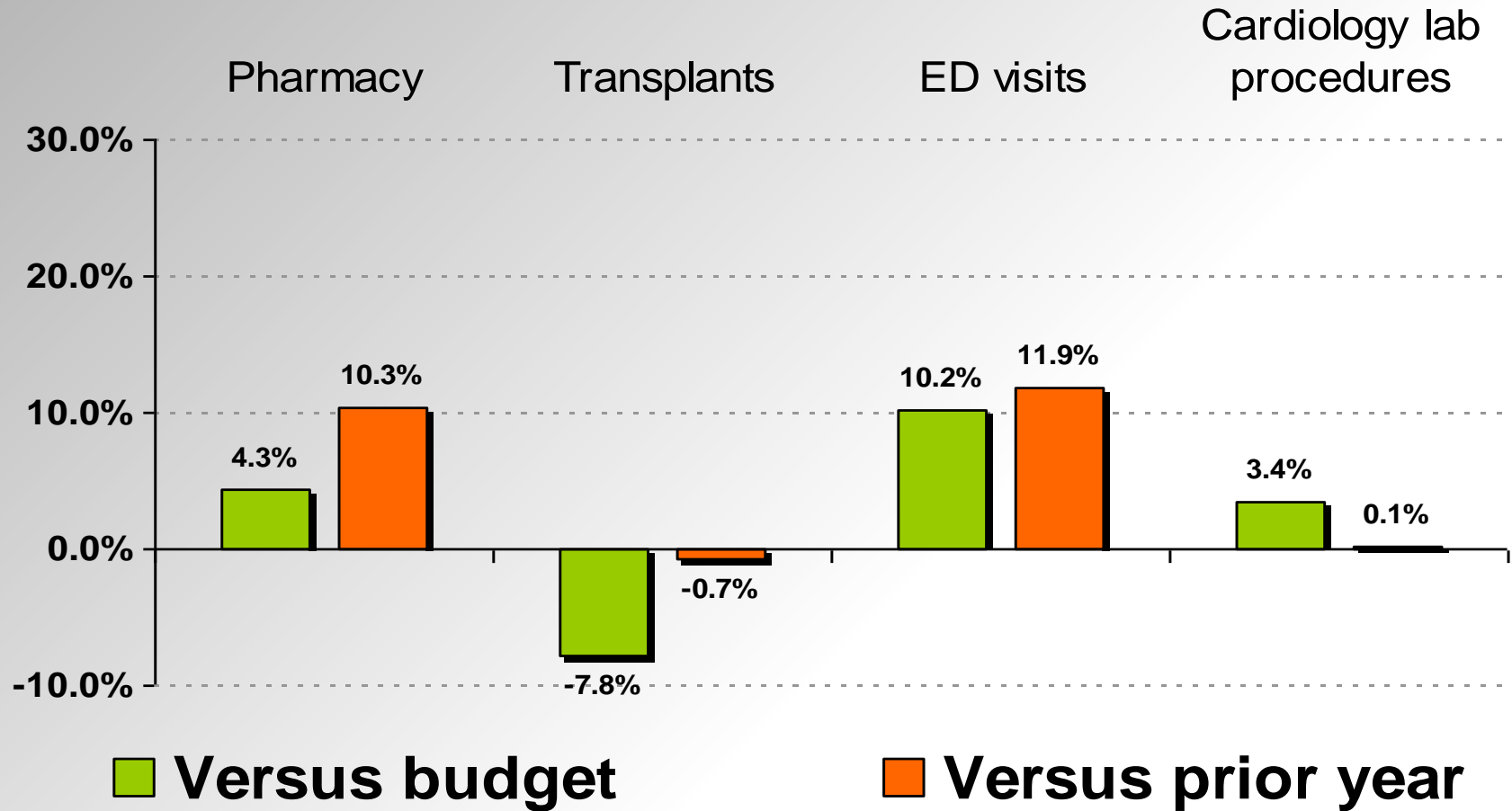
Selected Other Volume Statistics

Eleven Months Ended May 31, 2015

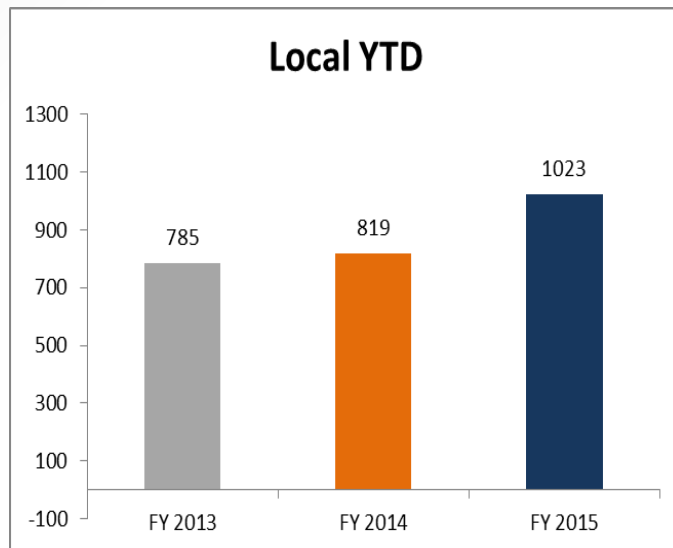
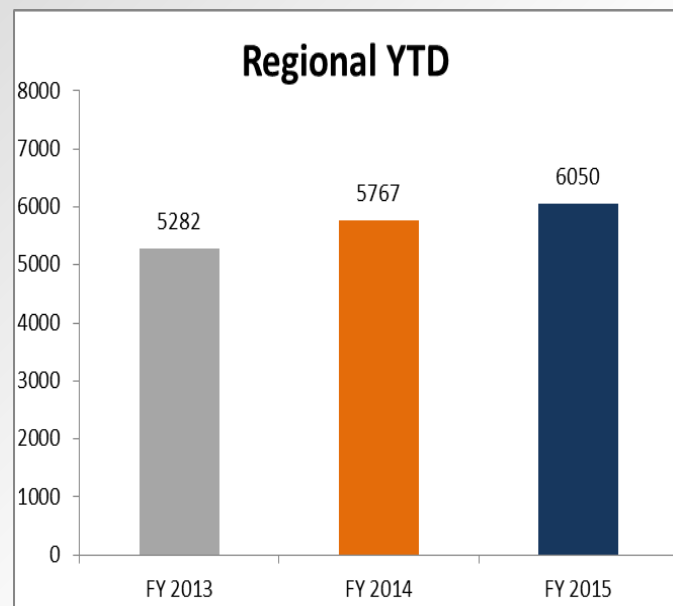
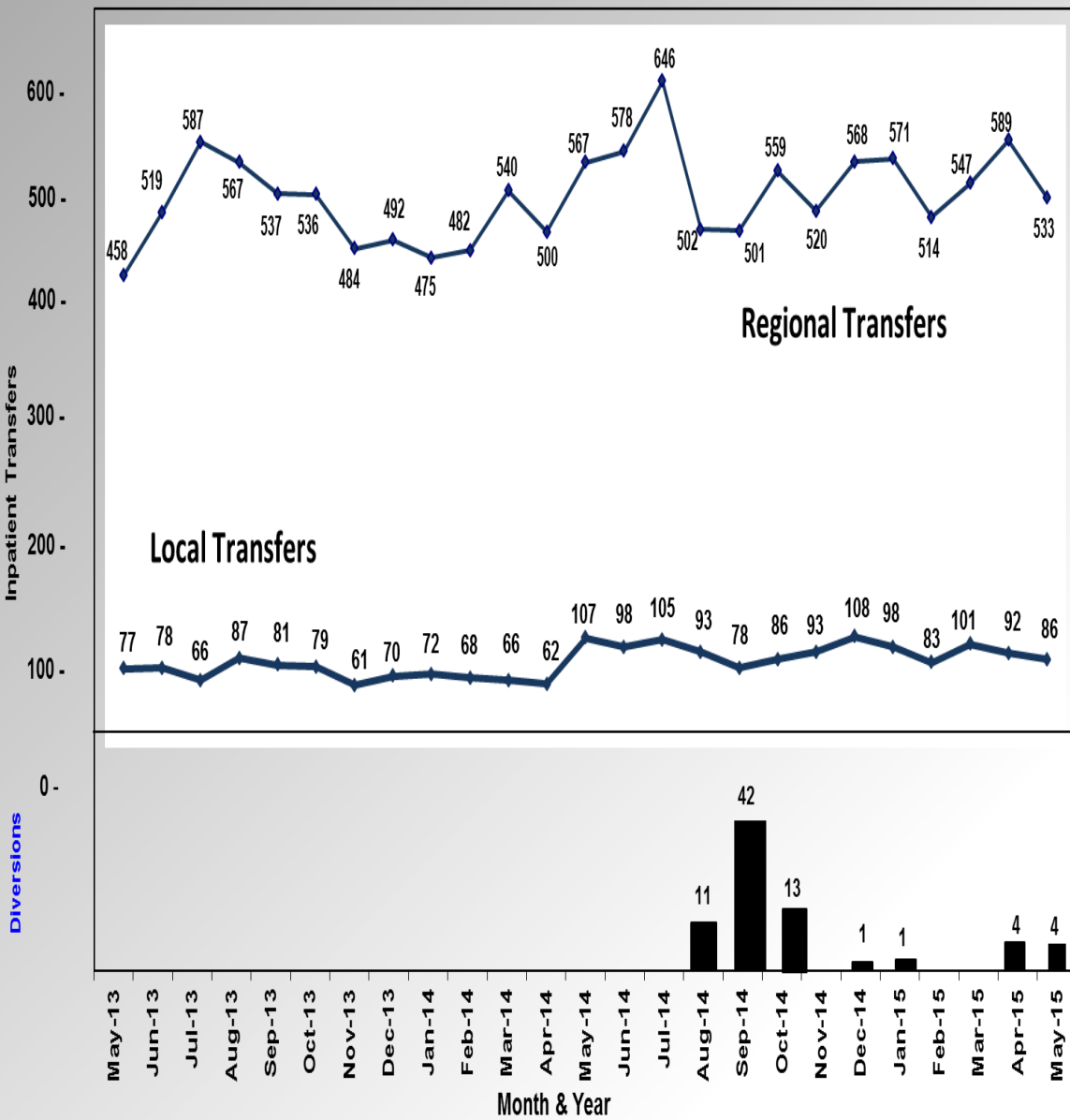


Selected Other Volume Statistics

Eleven Months Ended May 31, 2015



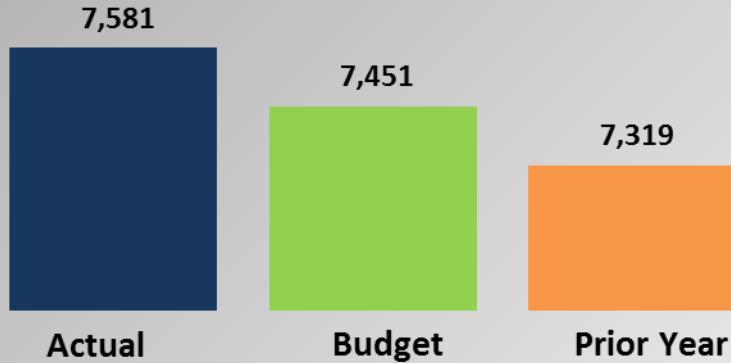
Interhospital Transfers & Diversions



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

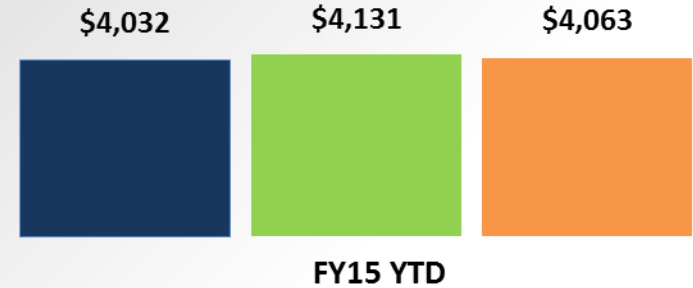
FTE's and Cost per CMI Adjusted Discharge YTD

FTE's Including Agency & Overtime

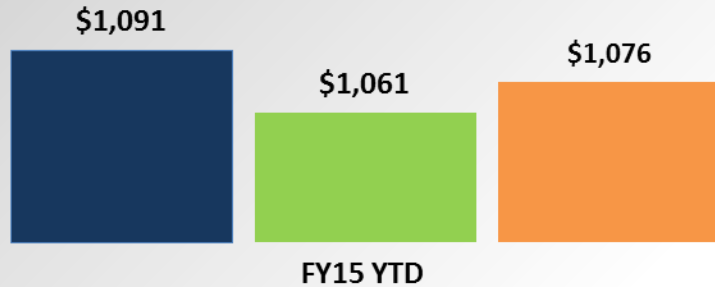


April Agency information is an estimate due to MyTime implementation, Information will be updated when available.

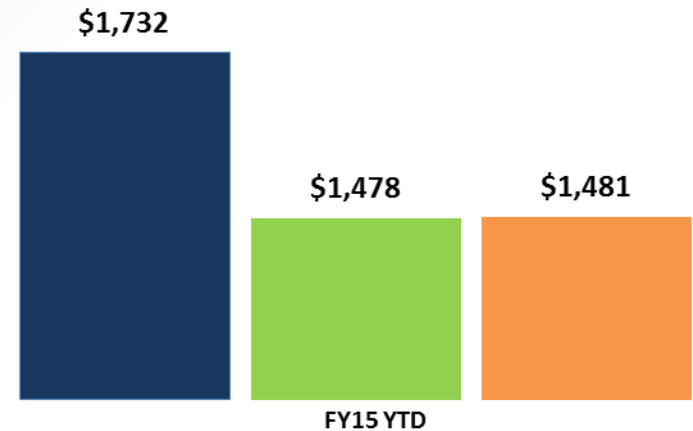
Salary & Agency



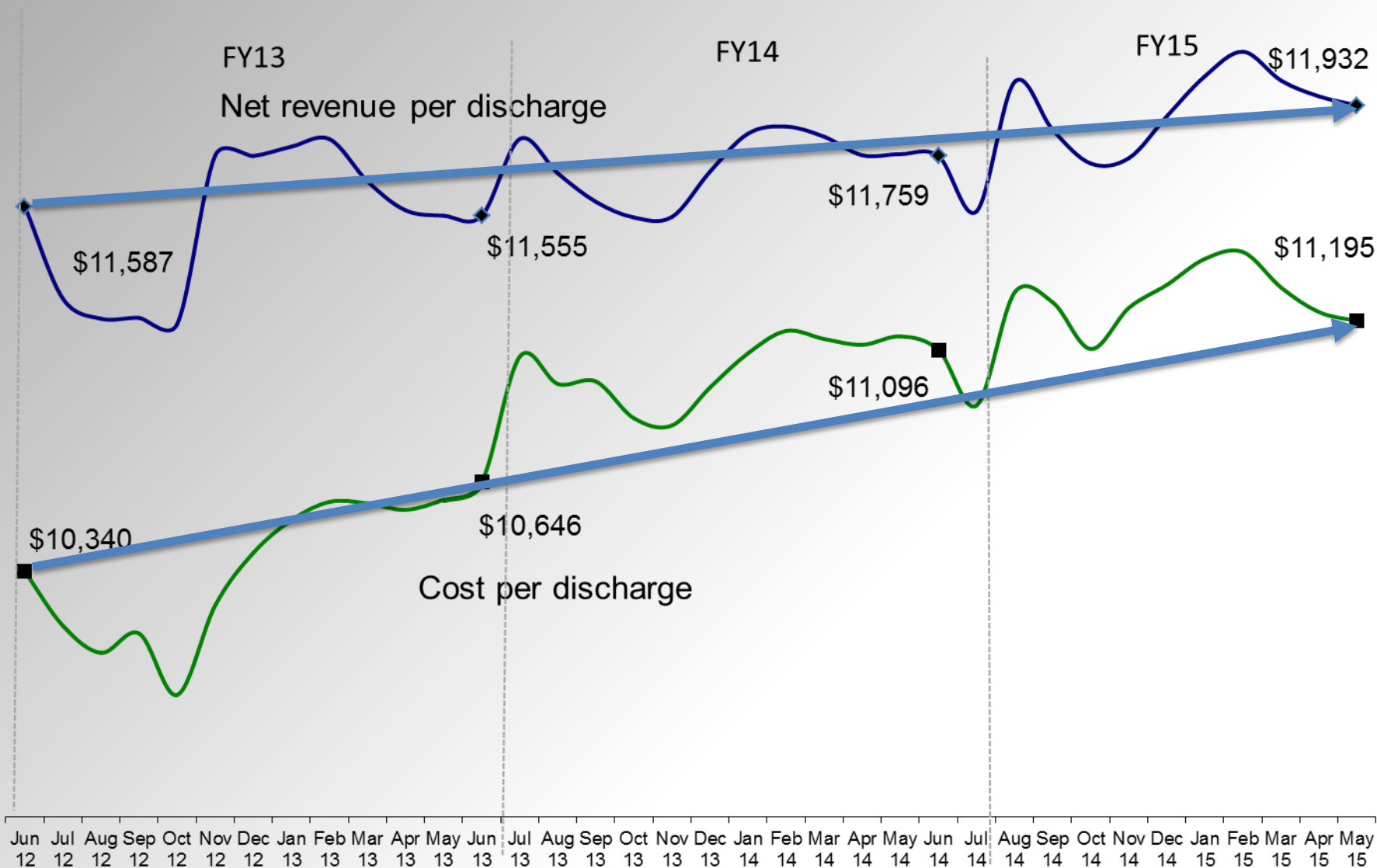
Medical & Surgical Supplies



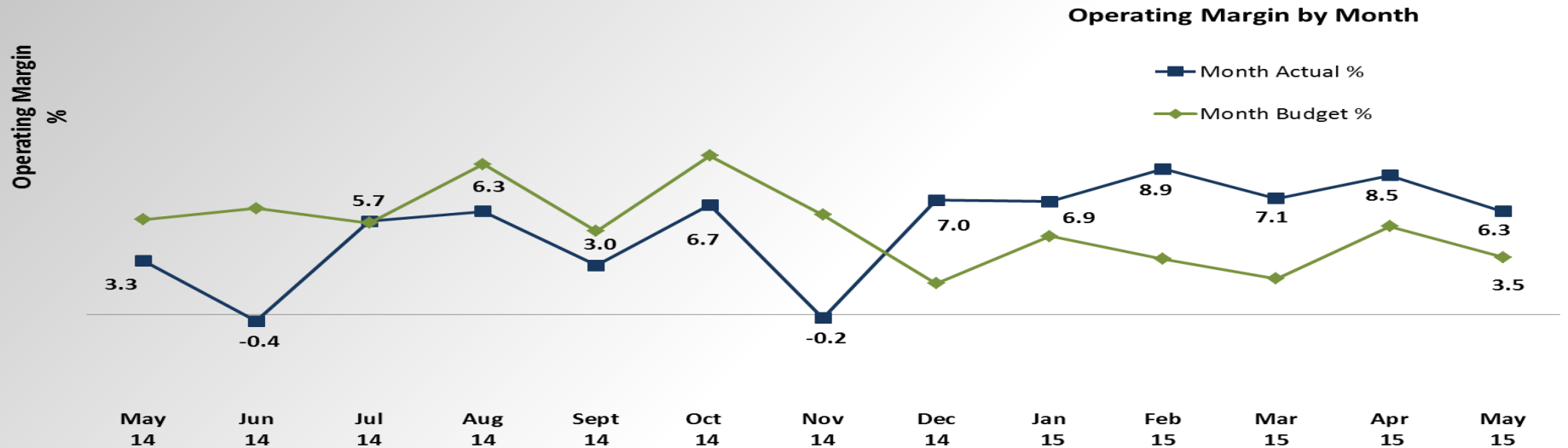
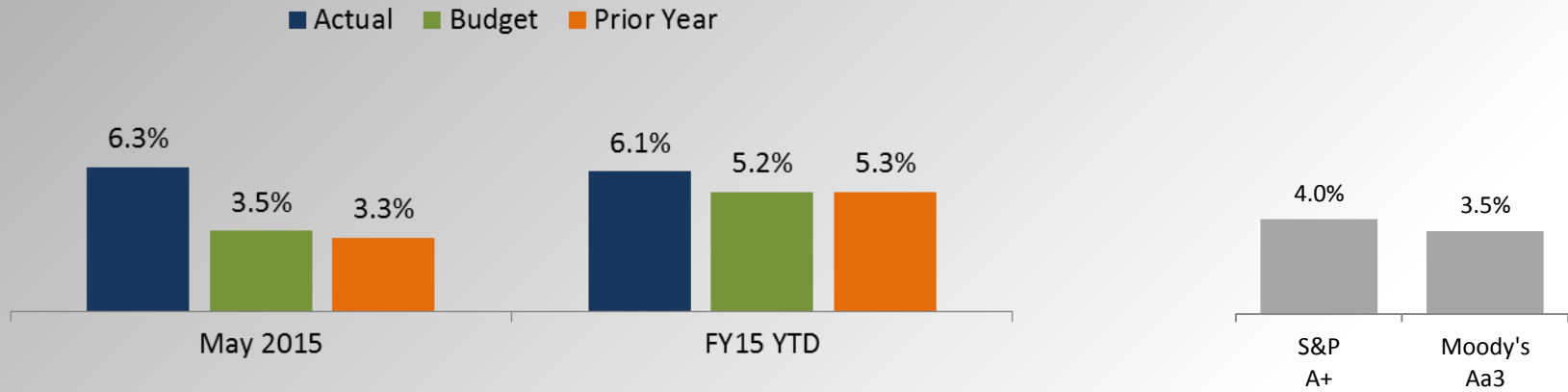
Pharmaceuticals



Revenue and Cost per CMI Adjusted Discharge YTD



Operating Margin %



Performance Ratios

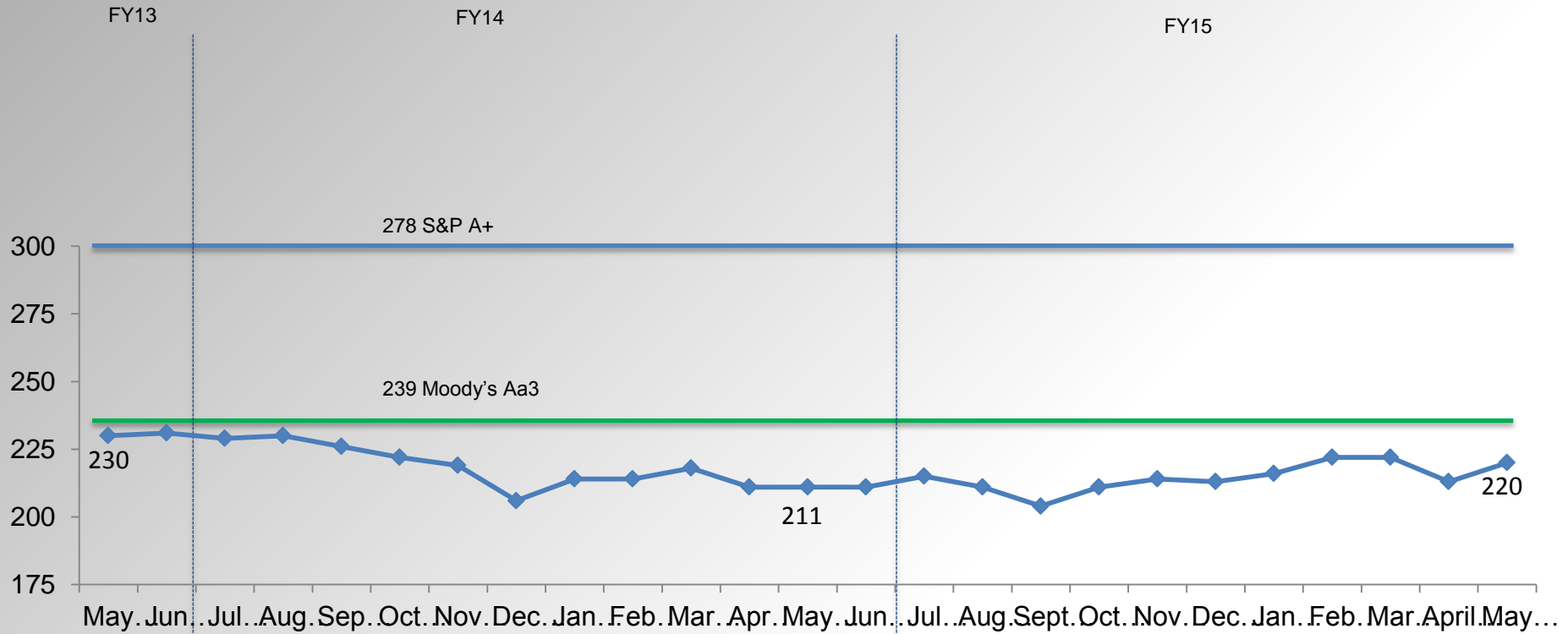
	Favorable Direction	FY 15	Budget or Target	Industry Comparisons		
				S&P "A+" Rated	Moody's "Aa3" Rated	UWHCA Bond Covenant
Operating Margin	↑	6.1%	5.2%	4.0%	3.5%	
Total Margin	↑	6.1%	6.4%	6.6%	7.2%	
Days Cash on Hand *	↑	220	220	291	239	90
Days in Accounts Receivable	↓	39	45	49	52	
Debt Service Coverage Ratio	↑	4.9	4.7	4.9	6.0	1.25
Long Term Debt to Capitalization	↓	30.0%	31.0%	26.7%	31.8%	65%
Operating Cash Flow	↑	10.8%	9.9%	10.9%	10.4%	
Cash-to-Debt	↑	169.8%	172.0%	185.8%	177.4%	

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

Accounts Receivable Monitoring Program

	Net Accounts Receivable	Net Days Revenue Outstanding
June 14	163,776,176	43
July 14	166,934,574	44
August 14	173,533,316	44
September 14	175,808,323	46
October 14	159,867,620	41
November 14	153,577,219	40
December 14	144,759,000	37
January 15	156,989,317	40
February 15	158,420,015	39
March 15	157,981,049	38
April 15	153,236,113	37
May 15	158,073,024	39

Days Cash on Hand



Comparison of Charity Care & Bad Debt Expense

	FY 15 Actual	FY 15 Budget	Variance	% Variance	FY 14 Actual	Variance	% Variance
Charity	\$ 37,229,395	\$ 59,816,376	\$ (22,586,981)	-37.8%	\$ 54,670,777	\$ (17,441,382)	-31.9%
% of Revenue	1.20%	2.05%			2.00%		
Bad Debt	34,804,580	35,014,141	(209,561)	-0.6%	37,391,851	(\$2,587,271)	-6.9%
% of Revenue	1.12%	1.20%			1.36%		
Total	\$ 72,033,975	\$ 94,830,517	\$ (22,796,542)	-24.0%	\$ 92,062,628	\$ (20,028,653)	-21.8%
Gross Revenue	\$ 3,107,502,208	\$ 2,917,872,014	\$ 189,630,194	6.5%	\$ 2,739,702,185	\$ 367,800,023	13.4%
Total Bad Debt & Charity as % of Revenue	2.3%	3.2%			3.4%		

Summary of Changes in Net Assets

Eleven Months Ended May 31, 2015

Net assets at beginning of period	<u>\$969,871,151</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	102,911,578
Change in Fair value of investments	(2,821,033)
Change in Fair value of swap agreements	(1,007,864)
Payments to UW School of Medicine and Public Health for capital expenditure support	(16,388,240)
Capital grants, gifts and donations	4,458,354
Additions to permanent gift endowments	8,741
Increase in net assets	<u>\$87,161,536</u>
Net assets at end of period	<u><u>\$1,057,032,687</u></u>

Comparison to Local Competitors

May 31, 2015 vs. 2014

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	8.2%	(7.0)%	(6.4)%	0.0%
3 Month Rolling Average	12.7%	(2.4)%	(1.4)%	4.5%
12 Month Rolling Average	7.9%	(4.4)%	(0.2)%	2.3%
% Change in Patient Days				
Current Month	2.3%	(10.0)%	(3.8)%	(2.2)%
3 Month Rolling Average	7.5%	(4.4)%	(1.5)%	2.2%
12 Month Rolling Average	9.0%	(1.7)%	2.9%	4.7%

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>
Operating Account and Commercial Paper				
US Bank	\$ 90,797,942	11.2%	0.08%	0.03% (A)
Short Term Bond Fund				
USBank/Nuveen	\$ 231,805,136	28.6%	0.32%	-1.97% (B)
Intermediate Bond Fund				
USBank/Baird	\$ 202,180,215	25.0%	2.34%	1.26% (C)
Equities				
Graystone/Equity Managers	\$ 80,565,351	10.0%	1.37%	-0.13% (D)
Endowment Fund				
Securities				
UW Foundation	\$203,816,968	25.2%	1.99%	1.15% (F)
Total Unrestricted Funds	\$ 809,165,612	100.0%	1.2%	0.0%

(A) 90-day Treasury Bills

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

(C) Barclays Capital Intermediate Gov/ Credit less fees

(D) MSCI All Country

(E) Average 1 Month LIBOR

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