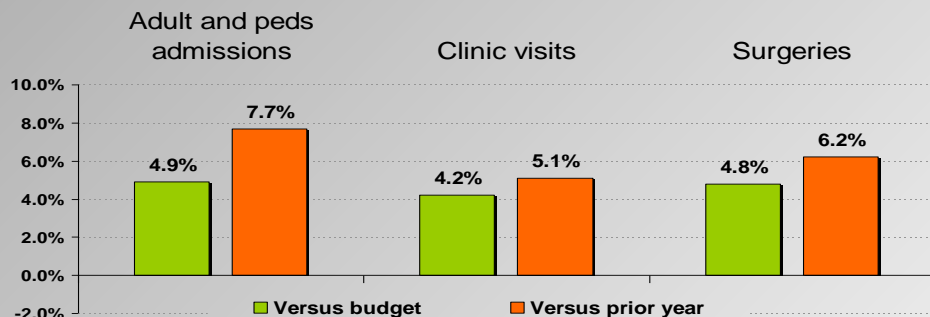


**SUMMARY OF  
OPERATING RESULTS  
April 2015**

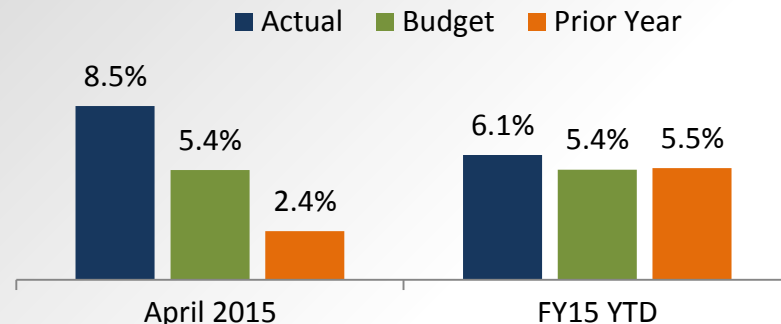
**UW Hospitals & Clinics  
Authority Board & Finance Committee  
June 3, 2015**

# Summary of Year to Date Operating Results

## Volume



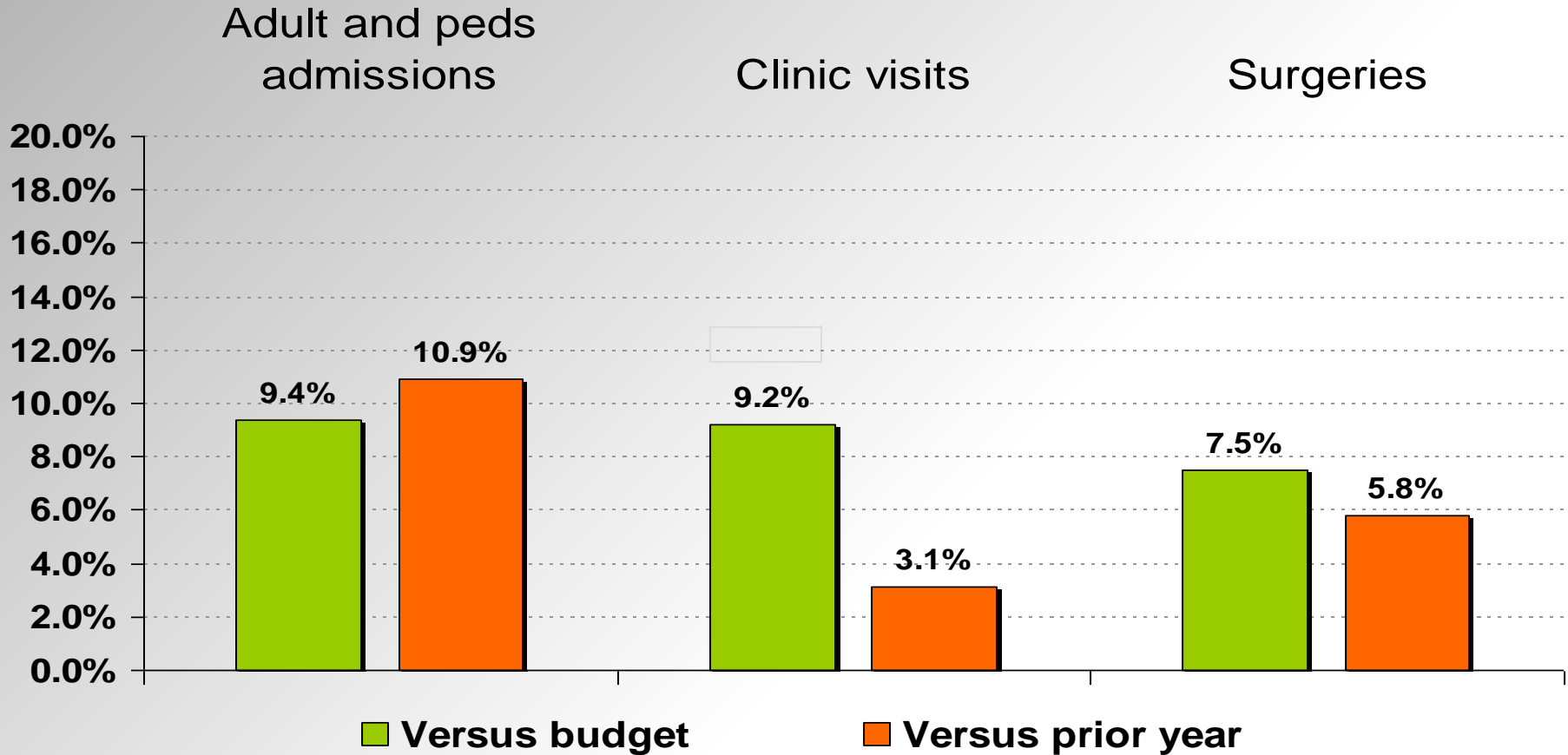
## Margin



	Actual YTD April 2015	Budget YTD April 2015	Actual YTD April 2014	YTD 2015 Variance Vs. Budget 2014	
<b>Operating Revenue</b>	<b>\$ 1,223.7</b>	<b>\$ 1,166.4</b>	<b>\$ 1,109.2</b>	<b>4.9%</b>	<b>10.3%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	562.6	556.3	537.7	-1.1%	-4.6%
Medical materials and supplies	289.4	246.0	237.3	-17.6%	-22.0%
Other expenses	296.8	301.1	273.5	1.4%	-8.5%
<b>Total Operating Expenses</b>	<b>1,148.8</b>	<b>1,103.4</b>	<b>1,048.5</b>	<b>-4.1%</b>	<b>-9.6%</b>
<b>Income from Operations</b>	<b>74.9</b>	<b>63.0</b>	<b>60.7</b>	<b>18.9%</b>	<b>23.4%</b>
Nonoperating Income	0.9	14.6	28.4		
<b>Net Income</b>	<b>\$ 75.8</b>	<b>\$ 77.6</b>	<b>\$ 89.1</b>		

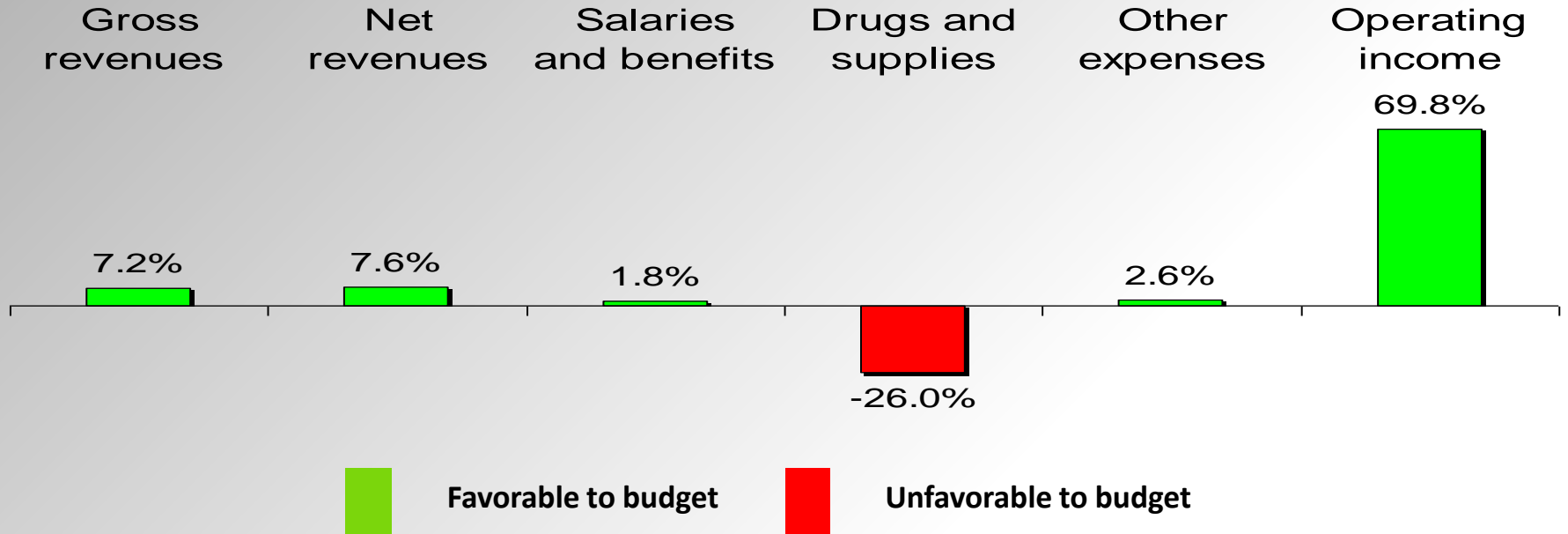
# Selected Volume Statistics

*April 2015*



# Monthly Variances from Budget

*April 2015*



Actual	\$285.9	\$123.8	\$54.9	\$30.5	\$29.6	\$10.7
Budget	\$266.6	\$115.0	\$55.9	\$24.2	\$30.4	\$6.3

# Summary of Operating Results

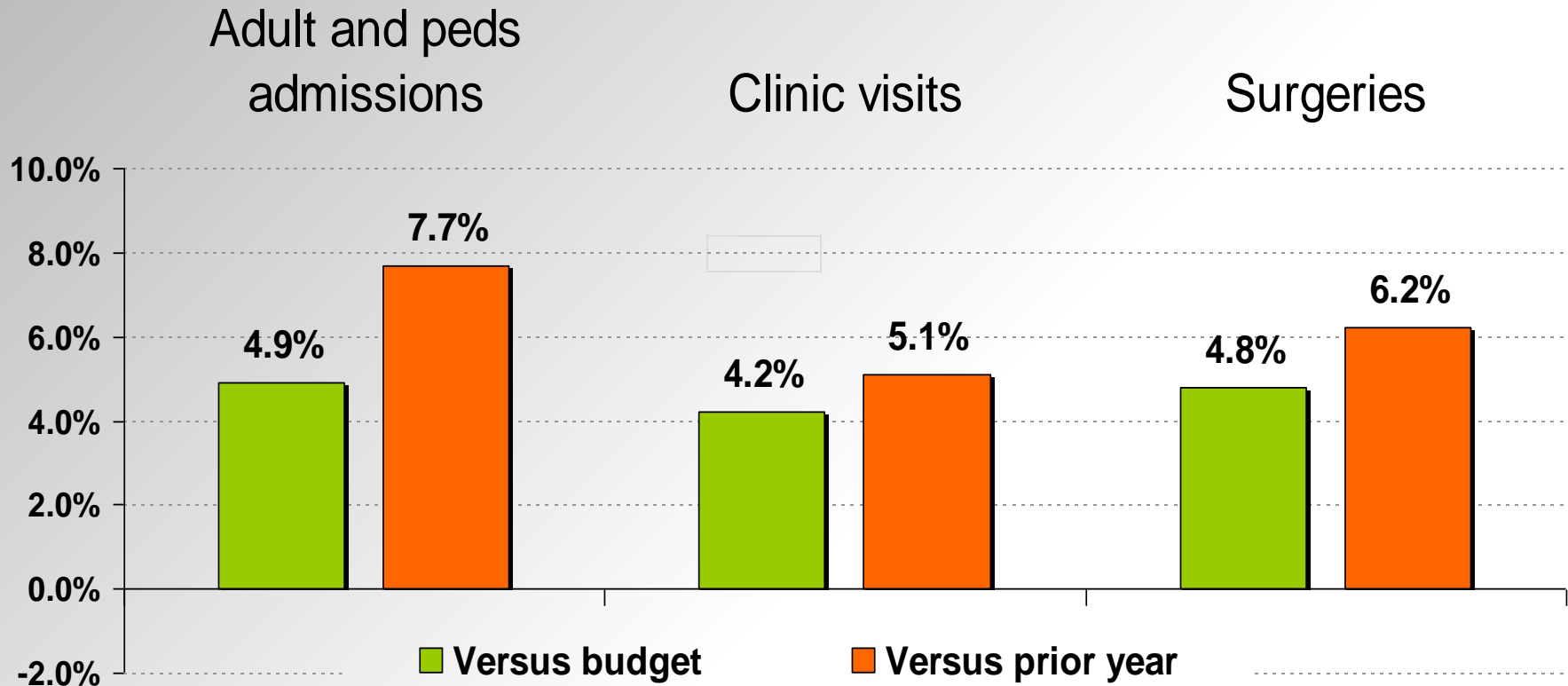
## Month of April 2015

(Amounts in \$\$ Millions)

	Actual	Budget	Actual	2015 Variance Vs.	
	April 2015	April 2015	April 2014	Budget	2014
<b>Operating Revenue</b>	<b>\$ 125.7</b>	<b>\$ 116.8</b>	<b>\$ 110.8</b>	<b>7.6%</b>	<b>13.4%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	54.9	55.9	53.9	1.8%	-1.9%
Medical materials and supplies	30.5	24.2	26.1	-26.0%	-16.9%
Other expenses	29.6	30.4	28.2	2.6%	-5.0%
<b>Total Operating Expenses</b>	<b>115.0</b>	<b>110.5</b>	<b>108.2</b>	<b>-4.1%</b>	<b>-6.3%</b>
<b>Income from Operations</b>	<b>10.7</b>	<b>6.3</b>	<b>2.6</b>	<b>69.8%</b>	<b>311.5%</b>
Nonoperating Income	1.4	1.4	3.1		
<b>Net Income</b>	<b>\$ 12.1</b>	<b>\$ 7.7</b>	<b>\$ 5.7</b>		

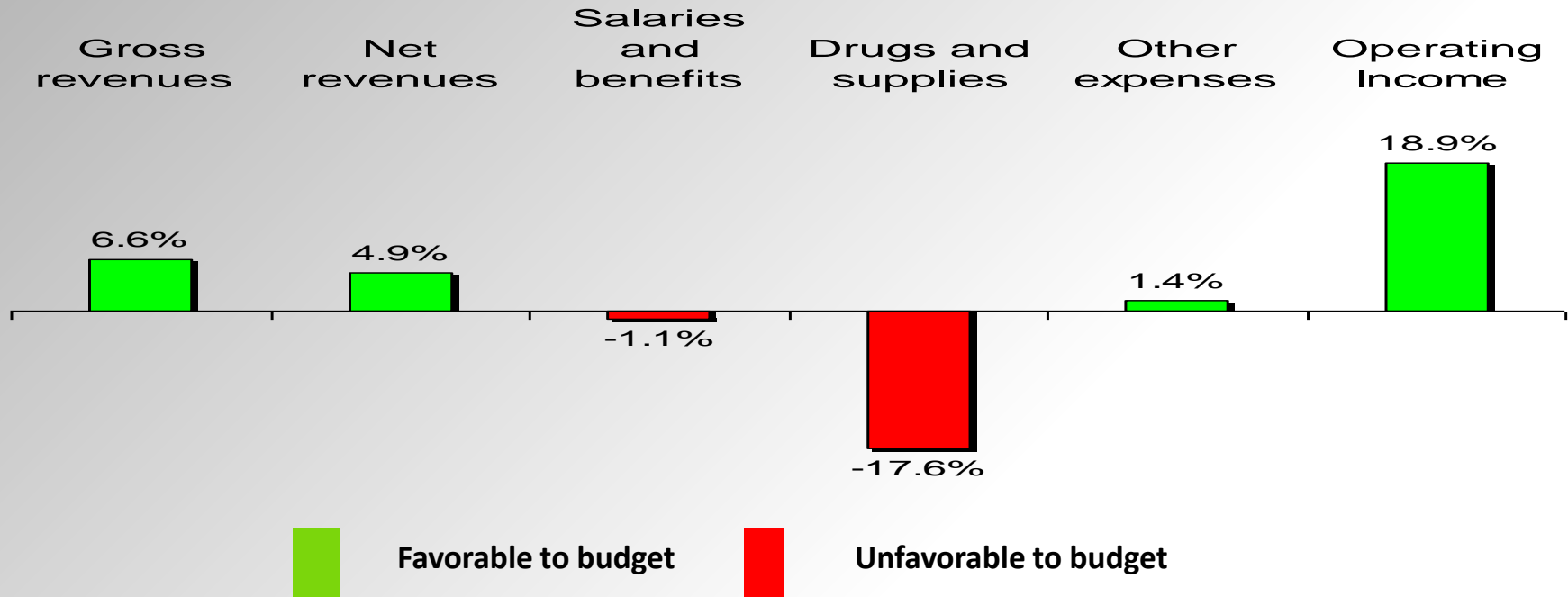
# Selected Volume Statistics

*Ten Months Ended April, 2015*



# YTD Variances from Budget

*Ten Months Ended April 30, 2015*



Actual	\$2,826.4	\$1,203.6	\$562.6	\$289.4	\$296.8	\$74.9
Budget	\$2,652.1	\$1,147.0	\$556.3	\$246.0	\$301.1	\$63.0

# Summary of Operating Results

## Ten Months Ended April 30, 2015

(Amounts in \$\$ Millions)

	Actual YTD April 2015	Budget YTD April 2015	Actual YTD April 2014	YTD 2015 Variance Vs. Budget 2014	
<b>Operating Revenue</b>	<b>\$ 1,223.7</b>	<b>\$ 1,166.4</b>	<b>\$ 1,109.2</b>	<b>4.9%</b>	<b>10.3%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	562.6	556.3	537.7	-1.1%	-4.6%
Medical materials and supplies	289.4	246.0	237.3	-17.6%	-22.0%
Other expenses	296.8	301.1	273.5	1.4%	-8.5%
<b>Total Operating Expenses</b>	<b>1,148.8</b>	<b>1,103.4</b>	<b>1,048.5</b>	<b>-4.1%</b>	<b>-9.6%</b>
<b>Income from Operations</b>	<b>74.9</b>	<b>63.0</b>	<b>60.7</b>	<b>18.9%</b>	<b>23.4%</b>
Nonoperating Income	0.9	14.6	28.4		
<b>Net Income</b>	<b>\$ 75.8</b>	<b>\$ 77.6</b>	<b>\$ 89.1</b>		



# Non-Operating Income (Loss or Expense)

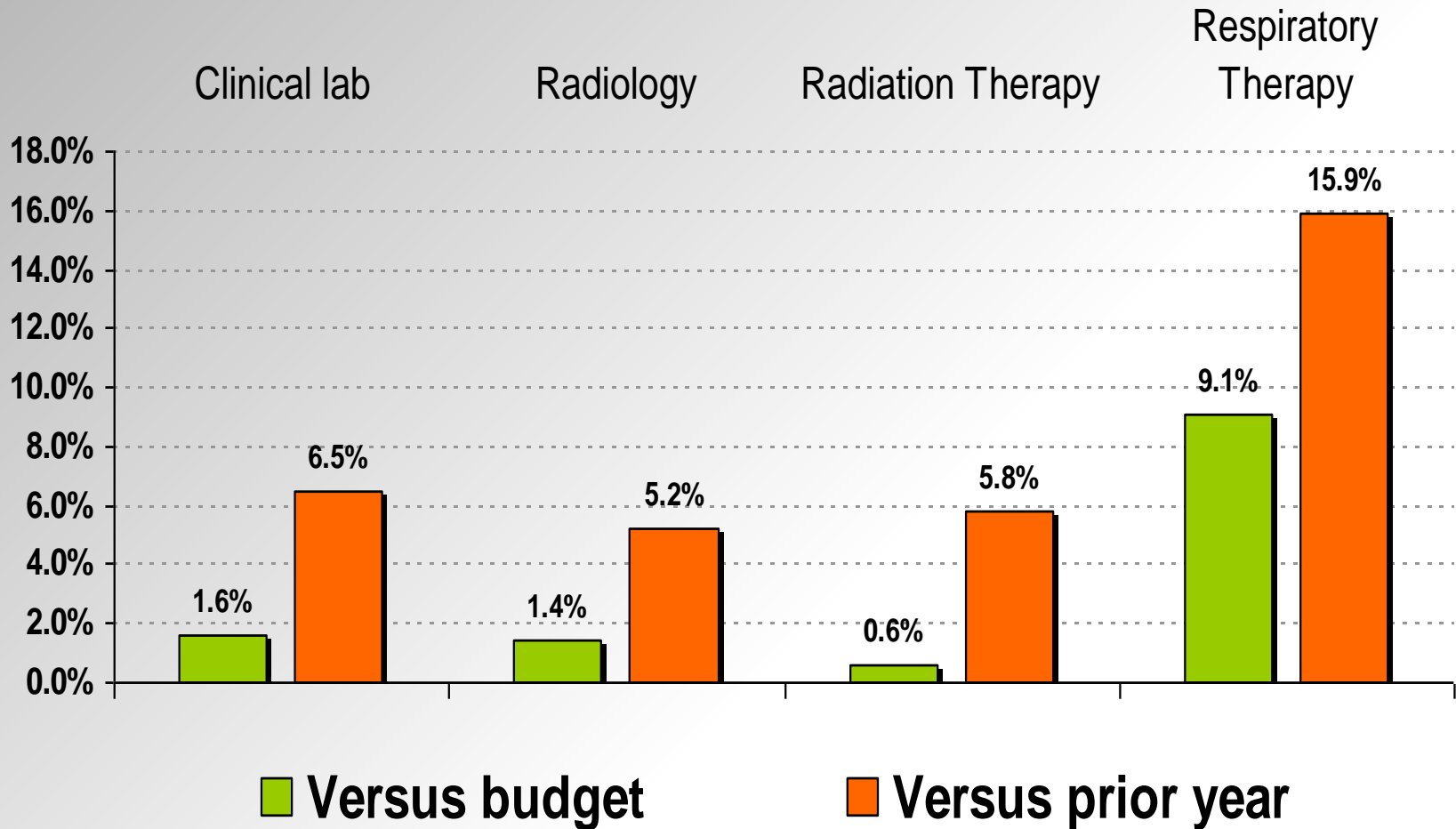
Ten months ended April 30, 2015

(000 Omitted)

	Actual FY '15	Budget FY '15	Actual FY '14	% Variances Actual to Budget	FY 15 to FY 14
<b>Investment Income &amp; Other Non-Operating Income</b>	<b>\$ 13,148</b>	<b>\$ 13,093</b>	<b>\$ 12,538</b>	<b>0.4%</b>	<b>4.9%</b>
<b>Payment to University of WI School of Medicine and Public Health for capital expenditure support</b>	<b>(14,346)</b>	<b>(2,138)</b>	<b>(667)</b>	<b>&gt;-100%</b>	<b>&gt;-100%</b>
<b>Change in Fair Value Gain (Loss) on Investments</b>	<b>(2,451)</b>	<b>-</b>	<b>13,072</b>	<b>-100.0%</b>	<b>&gt;-100%</b>
<b>Change in Fair Value Gain (Loss) on Swap agreements</b>	<b>(1,162)</b>	<b>-</b>	<b>107</b>	<b>-100.0%</b>	<b>&gt;-100%</b>
<b>UWHC portion of Joint Venture Income/Losses:</b>					
<b>Wisconsin Therapies/Chartwell</b>	<b>500</b>	<b>612</b>	<b>716</b>	<b>-18.3%</b>	<b>-30.2%</b>
<b>Wisconsin Dialysis</b>	<b>889</b>	<b>1061</b>	<b>800</b>	<b>-16.2%</b>	<b>11.1%</b>
<b>UHC/Unity</b>	<b>3,092</b>	<b>684</b>	<b>988</b>	<b>&gt;100%</b>	<b>&gt;100%</b>
<b>UHC/e-Care</b>	<b>(429)</b>	<b>(408)</b>	<b>(443)</b>	<b>-5.1%</b>	<b>3.2%</b>
<b>Madison Surgery Center</b>	<b>1,955</b>	<b>2,137</b>	<b>1,551</b>	<b>-8.5%</b>	<b>26.0%</b>
<b>Madison United Healthcare Linen</b>	<b>12</b>	<b>-</b>	<b>51</b>	<b>100.0%</b>	<b>-76.5%</b>
<b>Madison Environmental Resourcing</b>	<b>(35)</b>	<b>-</b>	<b>43</b>	<b>-100.0%</b>	<b>&gt;-100%</b>
<b>Generations Fertility Care</b>	<b>(285)</b>	<b>(427)</b>	<b>(375)</b>	<b>33.3%</b>	<b>24.0%</b>
<b>Total</b>	<b><u>\$ 888</u></b>	<b><u>\$ 14,614</u></b>	<b><u>\$ 28,381</u></b>		

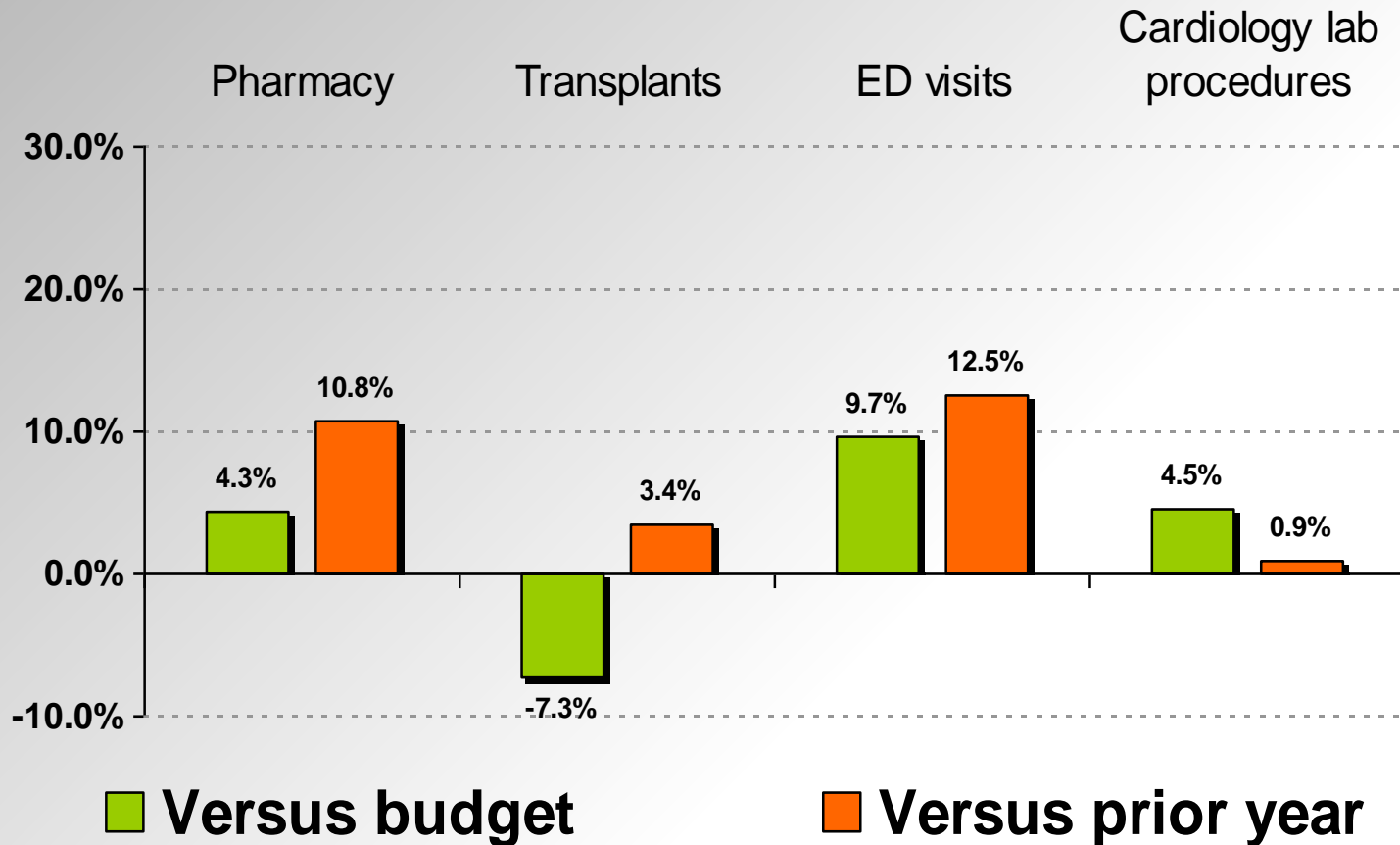
# Selected Other Volume Statistics

*Ten Months Ended April 30, 2015*

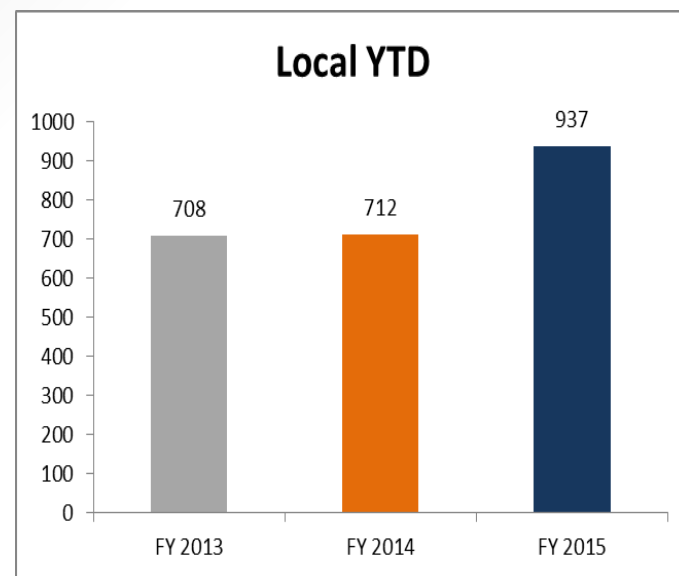
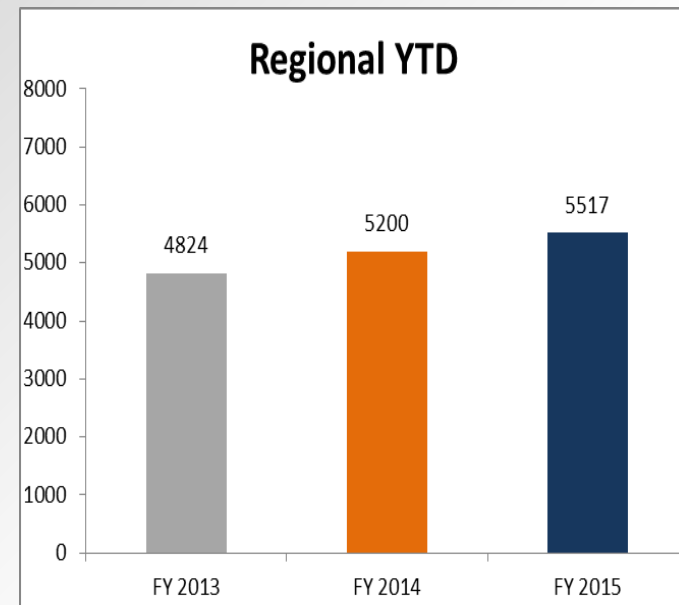
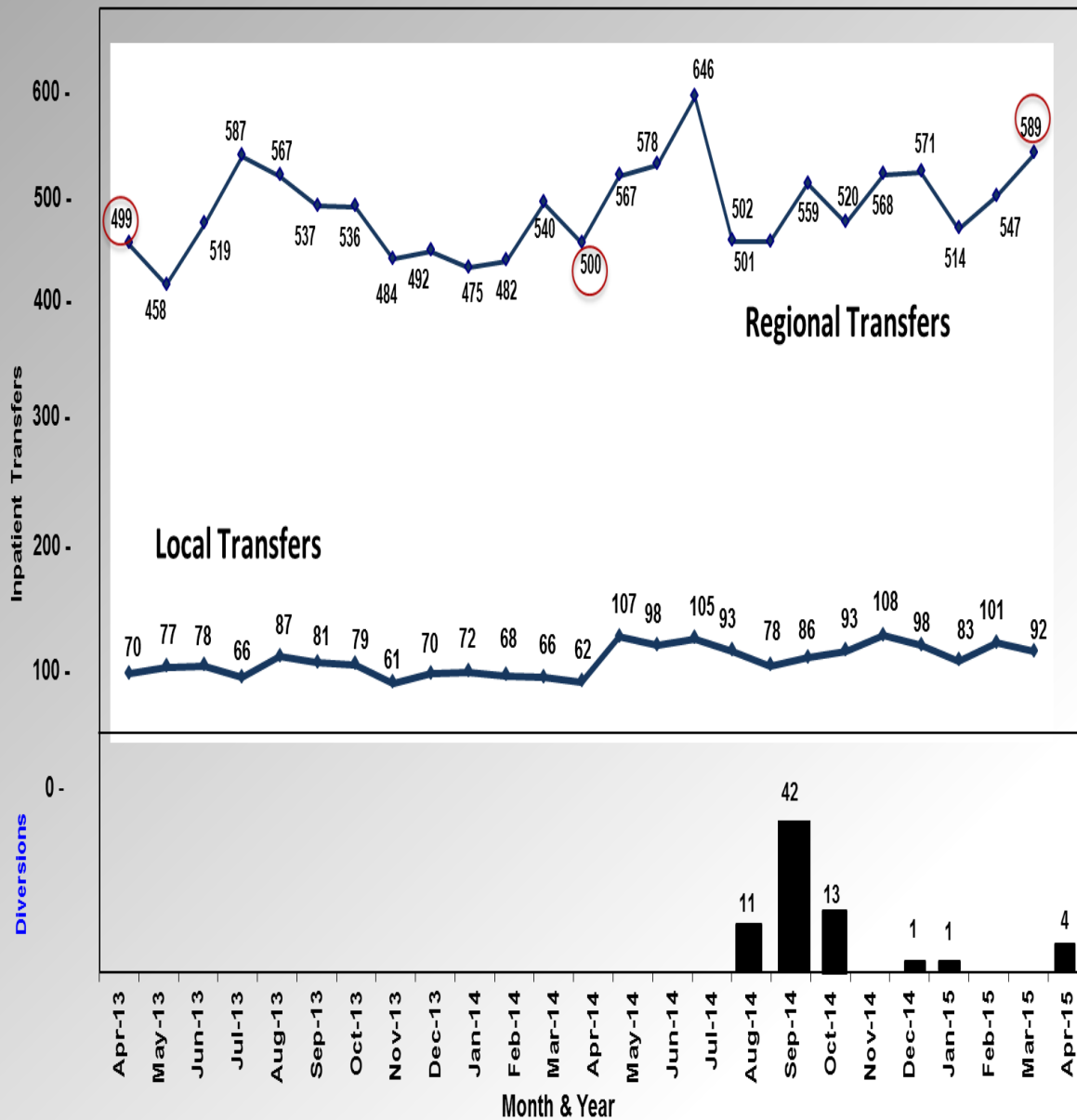


# Selected Other Volume Statistics

*Ten Months Ended April 30, 2015*



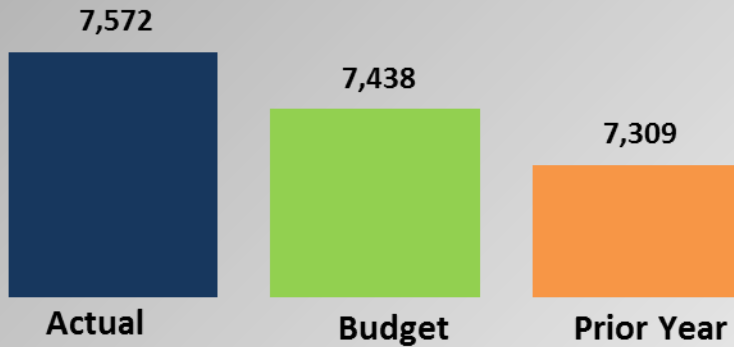
# Interhospital Transfers & Diversions



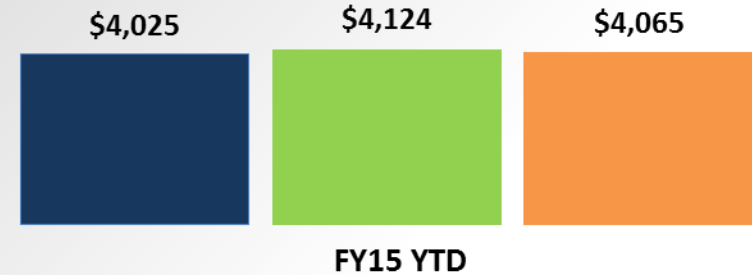
\* Both exclude Local and Regional Transfers to UWHC Emergency Department, not admitted.

# FTE's and Cost per CMI Adjusted Discharge YTD

## FTE's Including Agency & Overtime

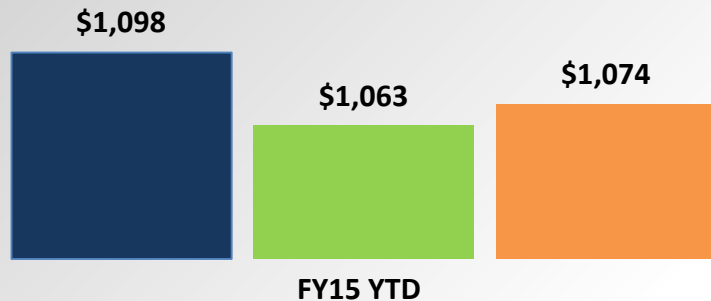


## Salary & Agency

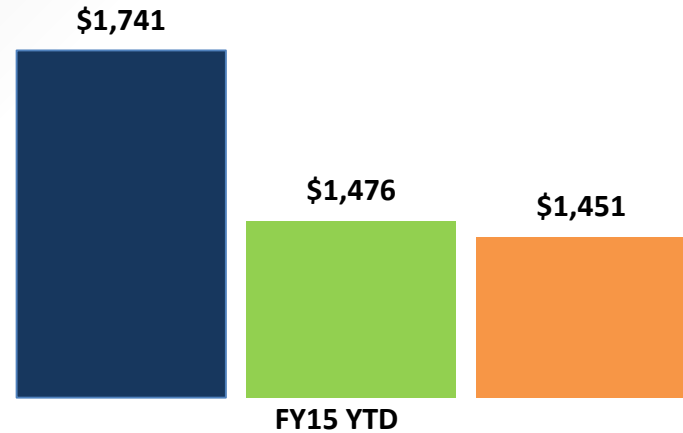


April Agency information is an estimate due to MyTime implementation..  
Information will be updated when available.

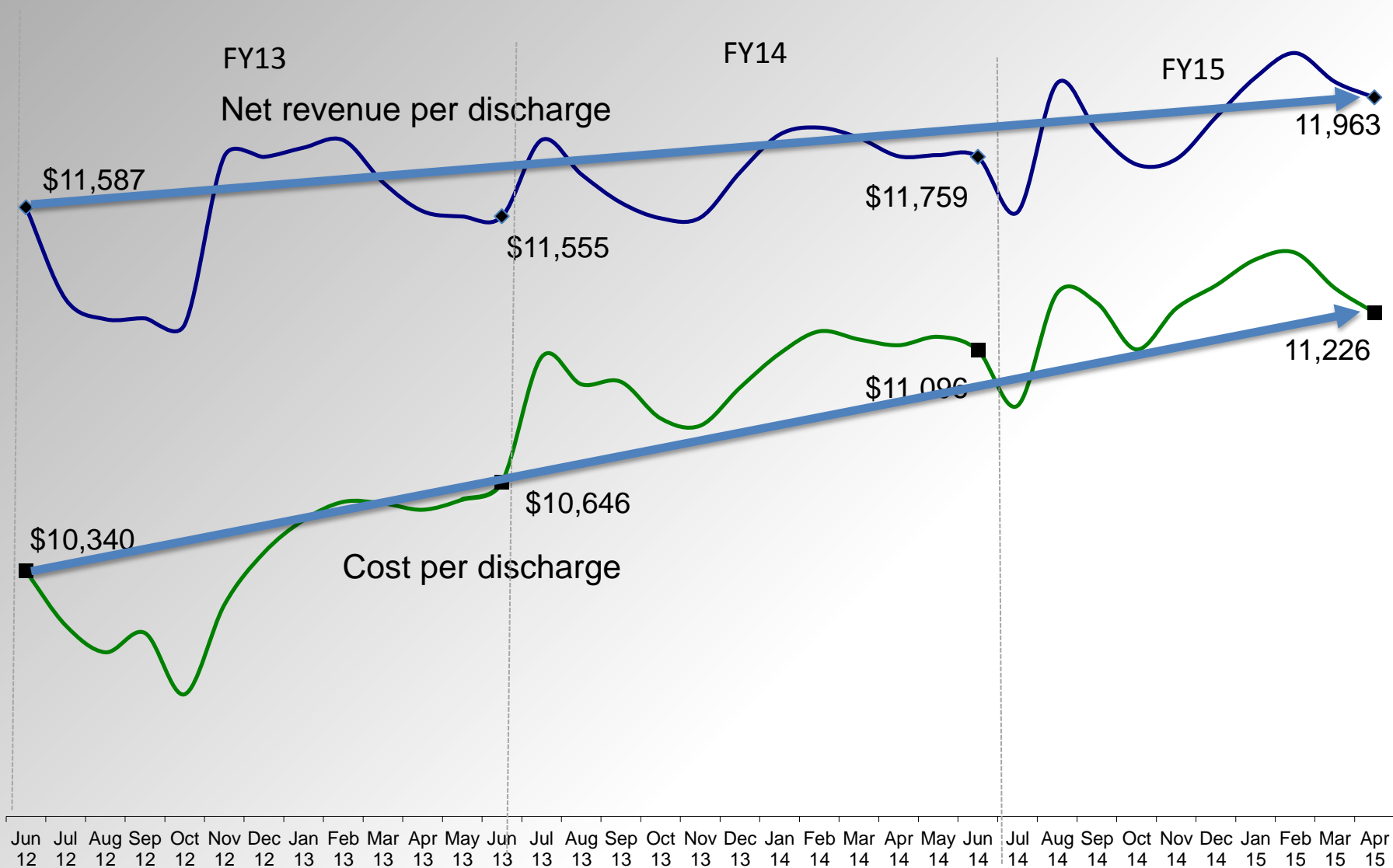
## Medical & Surgical Supplies



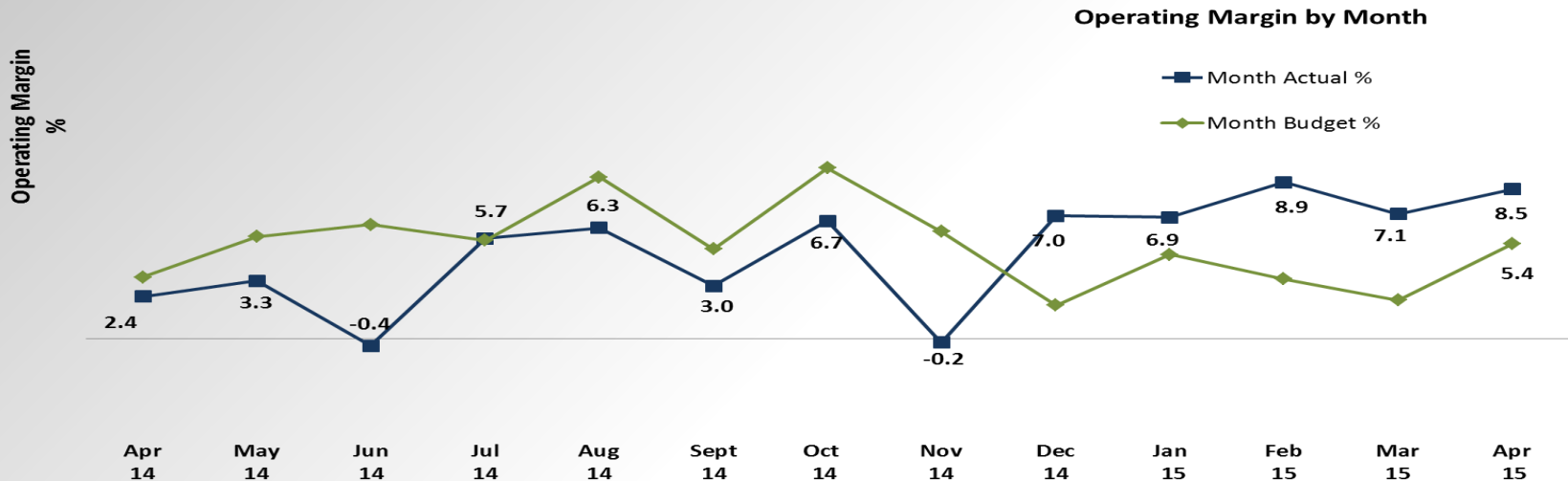
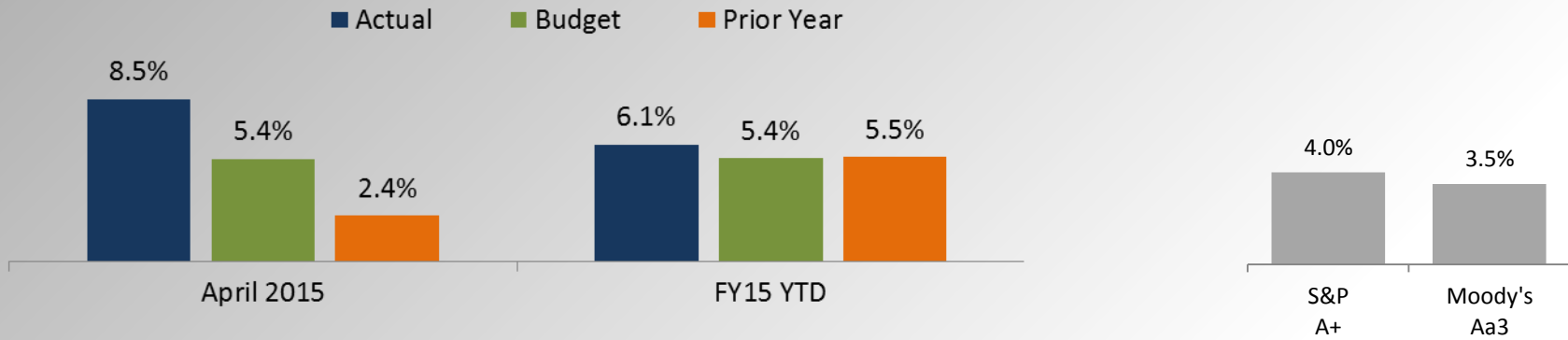
## Pharmaceuticals



# 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%	5.4%	4.0%	3.5%	
Total Margin	↑	6.2%	6.6%	6.6%	7.2%	
Days Cash on Hand *	↑	213	220	291	239	90
Days in Accounts Receivable	↓	37	45	49	52	
Debt Service Coverage Ratio	↑	4.9	4.8	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%	10.1%	10.9%	10.4%	
Cash-to-Debt	↑	173.8%	172.0%	185.8%	177.4%	

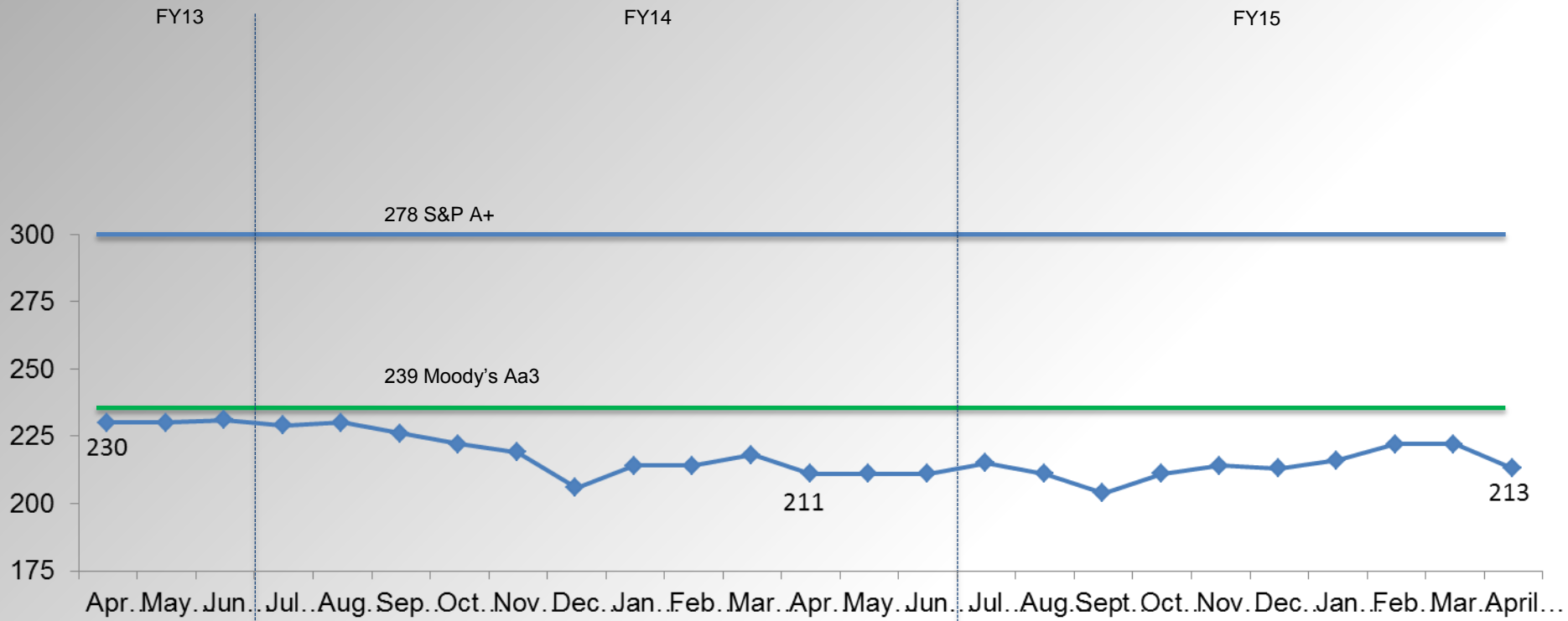
\* Days Cash on Hand calculated as a rolling 12 month average



# Accounts Receivable Monitoring Program

	<b>Net Accounts Receivable</b>	<b>Net Days Revenue Outstanding</b>
<b>May 14</b>	<b>164,286,696</b>	<b>43</b>
<b>June 14</b>	<b>163,776,176</b>	<b>43</b>
<b>July 14</b>	<b>166,934,574</b>	<b>44</b>
<b>August 14</b>	<b>173,533,316</b>	<b>44</b>
<b>September 14</b>	<b>175,808,323</b>	<b>46</b>
<b>October 14</b>	<b>159,867,620</b>	<b>41</b>
<b>November 14</b>	<b>153,577,219</b>	<b>40</b>
<b>December 14</b>	<b>144,759,000</b>	<b>37</b>
<b>January 15</b>	<b>156,989,317</b>	<b>40</b>
<b>February 15</b>	<b>158,420,015</b>	<b>39</b>
<b>March 15</b>	<b>157,981,049</b>	<b>38</b>
<b>April 15</b>	<b>153,236,113</b>	<b>37</b>

# 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	\$ 34,735,315	\$ 54,367,982	\$ (19,632,667)	-36.1%	\$ 50,547,751	\$ (15,812,436)	-31.3%
% of Revenue	1.23%	2.05%			2.05%		
Bad Debt	35,612,745	31,813,848	3,798,897	11.9%	32,467,695	\$3,145,050	9.7%
% of Revenue	1.26%	1.20%			1.32%		
<b>Total</b>	<b>\$ 70,348,060</b>	<b>\$ 86,181,830</b>	<b>\$ (15,833,770)</b>	<b>-18.4%</b>	<b>\$ 83,015,446</b>	<b>\$ (12,667,386)</b>	<b>-15.3%</b>
Gross Revenue	\$ 2,826,391,709	\$ 2,652,096,669	\$ 174,295,040	6.6%	\$ 2,467,811,402	\$ 358,580,307	14.5%
Total Bad Debt & Charity as % of Revenue	2.5%	3.2%			3.4%		

# Summary of Changes in Net Assets

Ten Months Ended April 30, 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	93,776,802
Change in Fair value of investments	(2,451,053)
Change in Fair value of swap agreements	(1,161,638)
Payments to UW School of Medicine and Public Health for capital expenditure support	(14,345,667)
Capital grants, gifts and donations	4,485,432
Additions to permanent gift endowments	8,591
Increase in net assets	<u>\$80,312,467</u>
Net assets at end of period	<u><u>\$1,050,183,618</u></u>

# Comparison to Local Competitors

**\*March 31, 2015 vs. 2014**

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
<b>% Change in Admissions</b>				
<b>Current Month</b>	<b>19.2%</b>	<b>1.3%</b>	<b>6.3%</b>	<b>10.7%</b>
<b>3 Month Rolling Average</b>	<b>14.5%</b>	<b>(3.9)%</b>	<b>(0.2)%</b>	<b>5.2%</b>
<b>12 Month Rolling Average</b>	<b>6.2%</b>	<b>(5.0)%</b>	<b>(0.1)%</b>	<b>1.4%</b>
<b>% Change in Patient Days</b>				
<b>Current Month</b>	<b>12.9%</b>	<b>1.3%</b>	<b>0.3%</b>	<b>6.5%</b>
<b>3 Month Rolling Average</b>	<b>13.1%</b>	<b>(1.5)%</b>	<b>(1.2)%</b>	<b>5.5%</b>
<b>12 Month Rolling Average</b>	<b>9.2%</b>	<b>(0.3)%</b>	<b>3.7%</b>	<b>5.4%</b>

\*April data not yet available

# UWHC Investment Balances & Returns

<u>Account</u>	<u>April Market Value Balances</u>	<u>Investment Allocation</u>	<u>April YTD Investment Return</u>	<u>Benchmark</u>
<b>Operating Account and Commercial Paper</b>				
US Bank	\$ 67,812,323	8.6%	0.08%	0.03% (A)
<b>Short Term Bond Fund</b>				
USBank/Nuveen	\$ 193,573,635	24.6%	0.40%	-1.97% (B)
<b>Intermediate Bond Fund</b>				
USBank/Baird	\$ 237,354,616	30.2%	2.14%	1.26% (C)
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 82,539,329	10.5%	0.16%	0.16% (D)
<b>Endowment Fund</b>				
<b>Securities</b>				
UW Foundation	\$204,171,838	26.0%	2.35%	1.15% (E)
<b>Total Unrestricted Funds</b>	<b>\$ 785,451,741</b>	<b>100.0%</b>	<b>1.4%</b>	<b>0.2%</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<sup>22</sup>