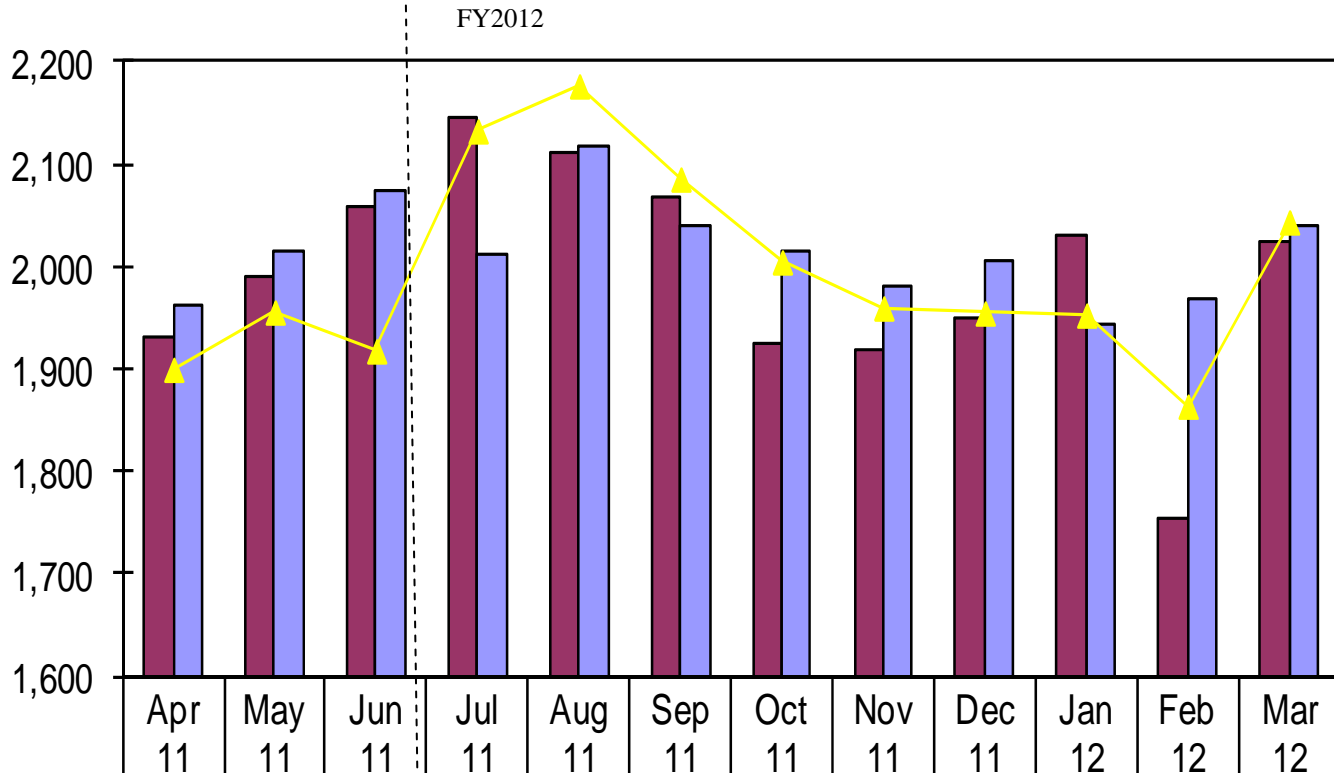


SUMMARY OF OPERATING RESULTS

March 31, 2012



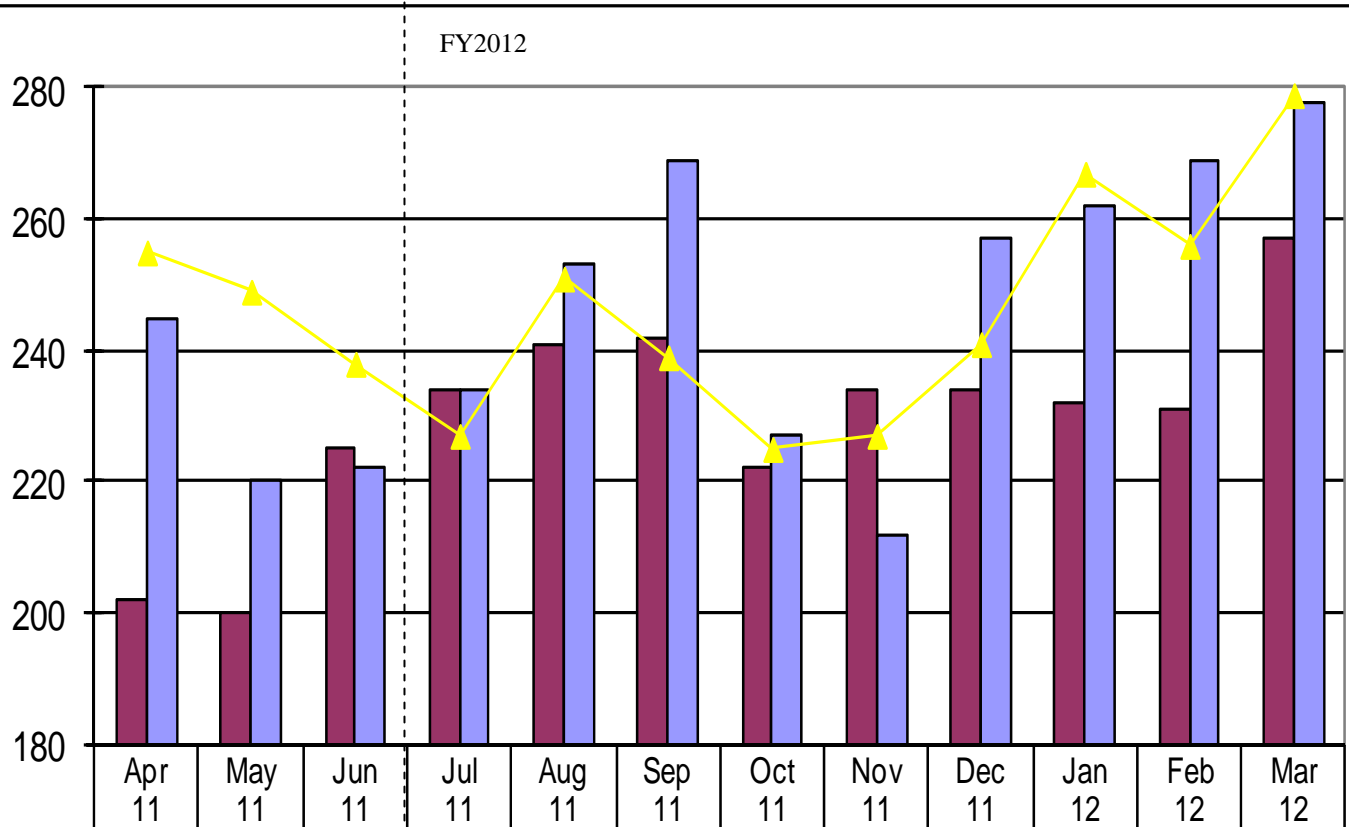
Adult Admissions (rolling 12 months)



 Prior Actual	1,932	1,989	2,057	2,147	2,112	2,067	1,926	1,919	1,951	2,031	1,754	2,025
 Current Actual	1,962	2,015	2,074	2,013	2,117	2,041	2,015	1,982	2,007	1,945	1,968	2,041
 Current Budget	1,900	1,956	1,918	2,133	2,177	2,086	2,005	1,960	1,955	1,953	1,864	2,044

YTD	17,932
	18,129
	18,177

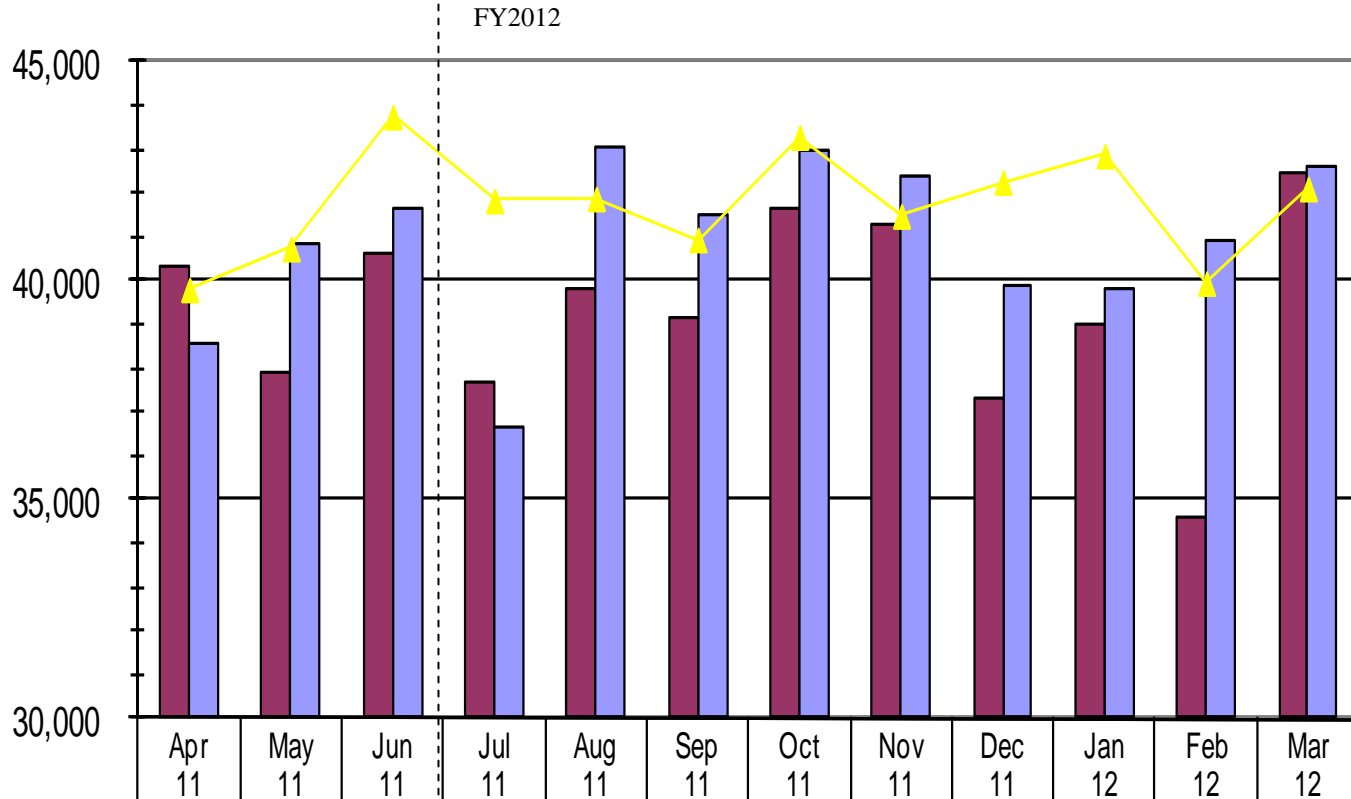
Pediatric Admissions (rolling 12 months)



■ Prior Actual	202	200	225	234	241	242	222	234	234	232	231	257
■ Current Actual	245	220	222	234	253	269	227	212	257	262	269	278
▲ Current Budget	255	249	238	227	251	239	225	227	241	267	256	279

YTD
2,127
2,261
2,212

Adult Clinic Visits (rolling 12 months)



YTD
352,985
369,828
376,677

Pediatric Clinic Visits (rolling 12 months)



	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
■ Prior Actual	8,591	8,068	8,915	8,325	8,940	8,444	9,956	9,439	8,449	8,938	8,107	9,597
■ Current Actual	8,678	8,513	8,912	7,696	9,722	8,639	9,977	9,539	8,369	8,497	8,925	9,367
▲ Current Budget	8,551	8,692	8,068	8,765	8,790	8,714	10,368	9,940	9,273	9,225	8,974	9,051

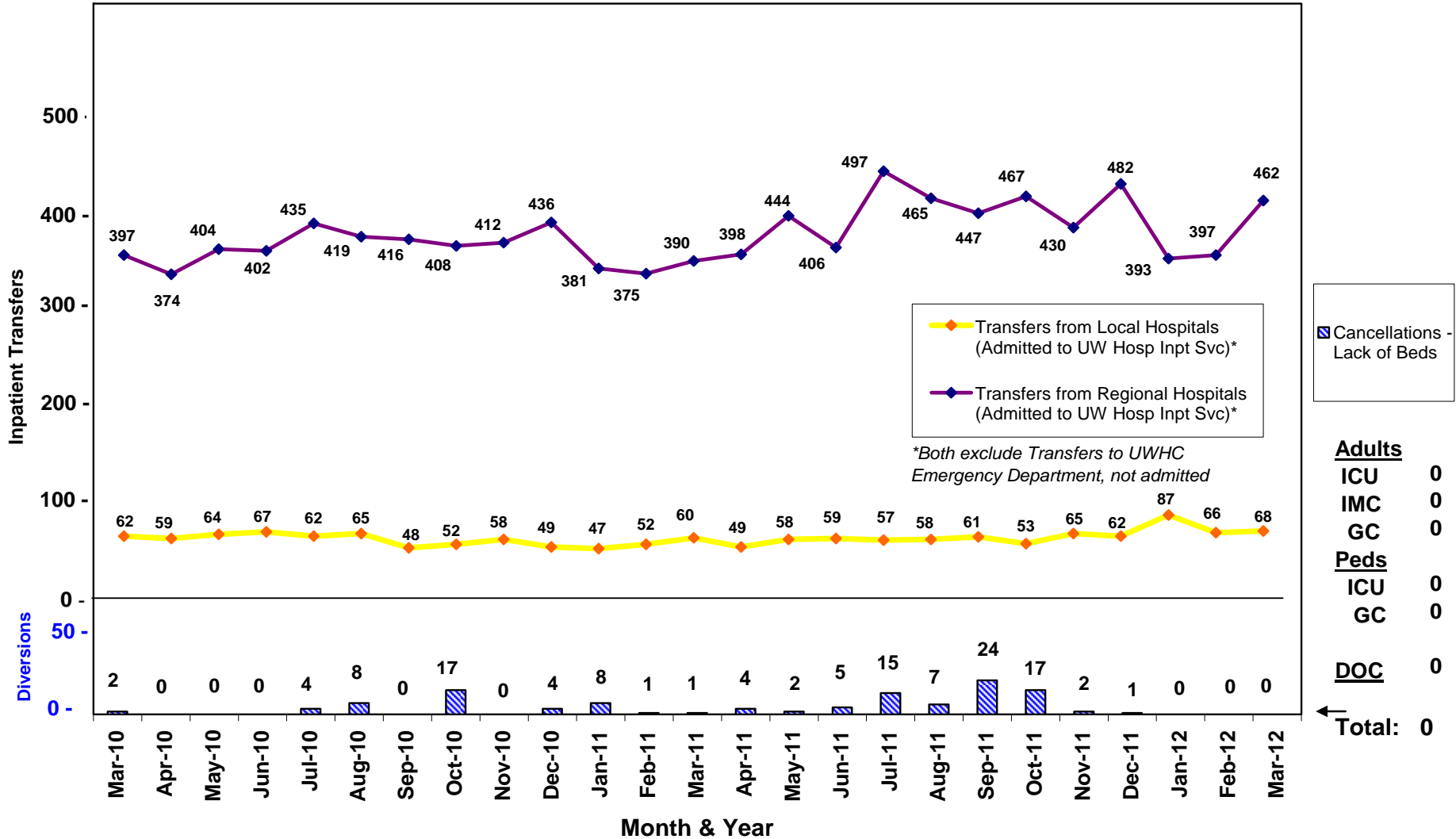
YTD
80,195
80,731
83,100

Other Key Ancillary Service Activity Indicators

Month of March 2012

	Actual 2012	Budget 2012	Actual 2011	% Variances Actual to Budget	2012 to 2011
Inpatient Gross Revenues	\$ 107,027,163	\$ 108,315,119	\$ 98,611,377	-1.2%	8.5%
Outpatient Gross Revenues	\$ 108,588,302	\$ 97,066,611	\$ 93,412,964	11.9%	16.2%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,140	1,067	1,004	6.8%	13.5%
Outpatient	759	719	756	5.6%	0.4%
AFCH	451	437	460	3.2%	-2.0%
Subtotal	2,350	2,223	2,220	5.7%	5.9%
Misc./Out of OR	277	249	234	11.2%	18.4%
Total Surgical Procedures	2,627	2,472	2,454	6.3%	7.0%
Transplants					
Deceased Donor	21	31	24	-32.3%	-12.5%
Living	9	8	5	12.5%	80.0%
Total	30	39	29	-23.1%	3.4%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	642	600	636	7.0%	0.9%
Electrophysiology Lab	143	146	124	-2.1%	15.3%
Total	785	746	760	5.2%	3.3%
Emergency Room Visits	3,909	3,651	3,829	7.1%	2.1%
Radiology Procedures:					
MRI	2,679	2,427	2,541	10.4%	5.4%
CT Scans	5,066	5,068	4,731	0.0%	7.1%
Other	20,781	20,402	20,219	1.9%	2.8%
Total Radiology Procedures	28,526	27,897	27,491	2.3%	3.8%
Radiotherapy Procedures	3,103	2,958	3,042	4.9%	2.0%

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



Summary of Operating Results

Month of March 2012

	Actual March 2012	Budget March 2012	Variance Favorable (Unfavorable)	% Variance	Actual March 2011
Operating Revenue	\$ 100,911,982	\$ 93,790,453	\$ 7,121,529	7.6%	\$ 92,585,514
Operating Expenses:					
Salary & Fringe Benefits	48,949,577	48,765,881	(183,696)	-0.4%	45,917,651
Supplies & Other expenses	42,418,457	39,164,490	(3,253,967)	-8.3%	38,945,270
Total Operating Expenses	91,368,034	87,930,371	(3,437,663)	-3.9%	84,862,921
Income from Operations <i>(Operating Margin)</i>	\$ 9,543,948	\$ 5,860,082	\$ 3,683,866	62.9%	\$ 7,722,593
Non-Operating Income/(Loss or Expense)	1,946,811	1,074,445	872,366	81.2%	1,896,937
Net Income/ Loss <i>(Total Margin)</i>	\$ 11,490,759	\$ 6,934,527	\$ 4,556,232	65.7%	\$ 9,619,530

Non Operating Income (Loss)

Month of March 2012

	Actual March 2012	Budget March 2012	Variance Favorable (Unfavorable)	% Variance	Actual March 2011
Investment Income & Other Non-Operating Income	\$ 1,025,125	\$ 925,416	\$ 99,709	10.8%	\$ 826,251
Payment to University of WI School of Medicine and Public Health for capital expenditure support	-	-	-	0.0%	-
Fair Value Gain/Loss on Investments	(909,415)	-	(909,415)	-100.0%	444,762
Fair Value Gain/Loss on Swap Agreements	1,230,660	-	1,230,660	100.0%	240,542
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	116,231	103,757	12,474	12.0%	40,000
Wisconsin Dialysis	61,662	10,587	51,075	> 100%	9,533
UHC/Unity	271,602	(9,740)	281,342	> 100%	238,162
UHC/e-Care	(94,351)	(36,209)	(58,142)	> -100%	(60,516)
Madison Surgery Center	264,320	143,015	121,305	84.8%	223,438
Madison United Healthcare Linen	26,883	17	26,866	> 100%	(2,607)
Madison Environmental Resourcing	8,989	(3,108)	12,097	> 100%	3,686
Generations Fertility Care	(54,895)	(59,290)	4,395	7.4%	(66,314)
Total	\$ 1,946,811	\$ 1,074,445	\$ 872,366	81.2%	\$ 1,896,937

Other Key Ancillary Service Activity Indicators

Nine Months Ended March 31, 2012

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
Inpatient Gross Revenues	\$ 955,620,187	\$ 949,452,911	\$ 868,610,393	0.6%	10.0%
Outpatient Gross Revenues	\$ 896,202,799	\$ 842,911,897	\$ 764,843,652	6.3%	17.2%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	9,623	9,069	9,002	6.1%	6.9%
Outpatient	6,269	6,117	6,077	2.5%	3.2%
AFCH	3,845	3,717	3,738	3.4%	2.9%
Subtotal	19,737	18,903	18,817	4.4%	4.9%
Misc./Out of OR	2,357	2,118	2,003	11.3%	17.7%
Total	22,094	21,021	20,820	5.1%	6.1%
Transplants					
Cadaver	229	283	261	-19.1%	-12.3%
Living	74	70	63	5.7%	17.5%
Total	303	353	324	-14.2%	-6.5%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	5,299	5,237	N/A *	1.2%	N/A
Electrophysiology Lab	1,288	1,217	N/A *	5.8%	N/A
Total	6,587	6,454	N/A *	2.1%	N/A
Emergency Room Visits	34,537	33,576	32,590	2.9%	6.0%
Radiology Procedures:					
MRI	21,670	21,077	20,637	2.8%	5.0%
CT Scans	46,503	44,063	43,062	5.5%	8.0%
Other	184,748	177,273	172,506	4.2%	7.1%
Total Radiology Procedures	252,921	242,413	236,205	4.3%	7.1%
Radiotherapy Procedures	27,483	25,572	24,181	7.5%	13.7%

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

Summary of Operating Results

Nine Months Ended March 31, 2012

(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11
Operating Revenue	\$856,649	\$818,657	\$776,836	4.6%	10.3%
Operating Expenses:					
Salary & Fringe Benefits	427,883	430,987	399,451	0.7%	7.1%
Supplies & Other expenses	356,219	347,912	330,138	-2.4%	7.9%
Total Operating Expenses	784,102	778,899	729,589	-0.7%	7.5%
Income from Operations <i>(Operating Margin of 8.5%)</i>	\$ 72,547	\$ 39,758	\$ 47,247	82.5%	53.5%
Non-Operating Income/(Loss or Expense)	3,397	3,150	21,308	7.8%	-84.1%
Net Income	\$75,944	\$42,908	\$68,555	77.0%	10.8%

Non-Operating Income (Loss)

Nine Months Ended March 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	\$ 12,475	\$ 8,328	\$ 8,576	49.8%	45.5%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(6,448)	(6,500)	(2,500)	0.8%	> -100%
Fair Value Gain (Loss) on Investments	(144)	-	7,826	-100.0%	> -100%
Fair Value Gain (Loss) on Swap agreements	(4,458)	-	3,403	-100.0%	> -100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	486	920	737	-47.2%	-34.1%
Wisconsin Dialysis	591	94	162	> 100%	> 100%
UHC/Unity	(57)	(86)	2,607	33.7%	> -100%
UHC/e-Care	(723)	(321)	(656)	> -100%	-10.2%
Madison Surgery Center	1,917	1,269	1,428	51.1%	34.2%
Madison United Healthcare Linen	200	-	196	100.0%	2.0%
Madison Environmental Resourcing	18	(28)	22	> 100%	-18.2%
Generations Fertility Care	(460)	(526)	(493)	12.5%	6.7%
Total	\$ 3,397	\$ 3,150	\$ 21,308	7.8%	-84.1%

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	↑	8.5%	4.9%	2.8%	2.6%	2.6%	
Total Margin **	↑	9.3%	5.2%	4.6%	5.3%	4.1%	
Days Cash on Hand *	↑	217	183	202	180	194	90, 75 & 45
Days in Accounts Receivable	↓	43	48	44	44	44	
Debt Service Coverage Ratio **	↑	9.0	6.2	4.2	4.6	2.9	2.0, 1.25 & 1.0
Long Term Debt to Capitalization	↓	24.0%	24.0%	32.6%	38.6%	41.9%	65%
Operating Cash Flow	↑	13.0%	9.7%	10.1%	10.0%	11.0%	
Cash-to-Debt	↑	261.4%	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

	Net Accounts Receivable	Net Days Revenue Outstanding
March 11	114,394,570	41
April 11	112,755,932	40
May 11	113,154,847	39
June 11	125,692,595	43
July 11	132,783,942	45
August 11	138,635,907	45
September 11	143,462,902	47
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

Comparison of Charity Care & Bad Debt Expense

	FY 12 Actual	FY 12 Budget	Variance	% Variance	FY 11 Actual	Variance	% Variance
Charity	\$ 38,656,083	\$ 44,808,753	\$ (6,152,670)	-13.7%	\$ 35,464,988	\$ 3,191,095	9.0%
% of Revenue	2.09%	2.50%			2.17%		
Bad Debt	32,204,463	26,885,472	5,318,991	19.8%	23,299,527	\$8,904,936	38.2%
% of Revenue	1.74%	1.50%			1.43%		
Total	\$ 70,860,546	\$ 71,694,225	\$ (833,679)	-1.2%	\$ 58,764,515	\$ 12,096,031	20.6%
Gross Revenue	\$ 1,851,822,986	\$ 1,792,364,808	\$ 59,458,178	3.3%	\$ 1,633,454,045	\$ 218,368,941	13.4%
Total Bad Debt & Charity as % of Revenue	3.8%	4.0%			3.6%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding Fair Value gains/losses & payment to UWSMPH for capital expenditure support	\$86,994	\$49,408
Depreciation	32,300	33,253
Interest Expense	6,469	6,514
EBITDA	\$ 125,763	\$ 89,175
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(38,998)	(55,500)
Est Annual Debt Service	(8,966)	(9,330)
Capital Contribution to UW for Capital Expenditures	(6,448)	(6,500)
Capital Contribution in Joint Ventures	(1,900)	(1,300)
Decrease (increase) in Working Capital	18,446	1,005
Total (Used) Provided	(\$37,866)	(\$71,625)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ 87,897	\$ 17,550

Summary of Changes in Net Assets

Nine Months Ended March 31, 2012

Net assets at beginning of period	<u>\$668,819,748</u>
Net income, excluding fair value gains/losses and payments to UWMSPH for capital expenditure support	86,994,077
Fair value of investments	(144,224)
Fair value of swap agreements	(4,457,751)
Payments to UW School of Medicine and Public Health for capital expenditure support	(6,447,796)
Capital grants, gifts and donations	3,050,606
Additions to permanent gift endowments	27,578
Increase in net assets	<u>\$79,022,490</u>
Net assets at end of period	<u><u>\$747,842,238</u></u>

Comparison to Local Competitors

March 31, 2012 vs. 2011

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	1.6%	(4.0)%	(1.8)%	(1.1)%
3 Month Rolling Average	3.6%	0.3%	2.6%	2.4%
12 Month Rolling Average	1.7%	1.3%	3.2%	2.1%
% Change in Average Daily Census				
Current Month	5.0%	(0.4)%	(10.6)%	(1.3)%
3 Month Rolling Average	0.4%	(1.6)%	(6.0)%	(2.1)%
12 Month Rolling Average	0.5%	(0.1)%	(0.2)%	0.1%

UWHC Investment Balances & Returns

<u>Account</u>	<u>March Market Value Balances</u>	<u>Investment Allocation</u>	<u>March YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
USBank	\$ 133,636,298	22.0%	0.18%	0.07% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 217,047,959	35.7%	4.75%	2.56% (B)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,653,888	25.8%	0.24%	0.24% (C)
Endowment Fund - Equity Securities				
UW Foundation	<u>\$100,460,055</u>	<u>16.5%</u>	0.94%	-0.01% (D)
Total Unrestricted Funds	<u><u>\$ 607,798,201</u></u>	<u><u>100.0%</u></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