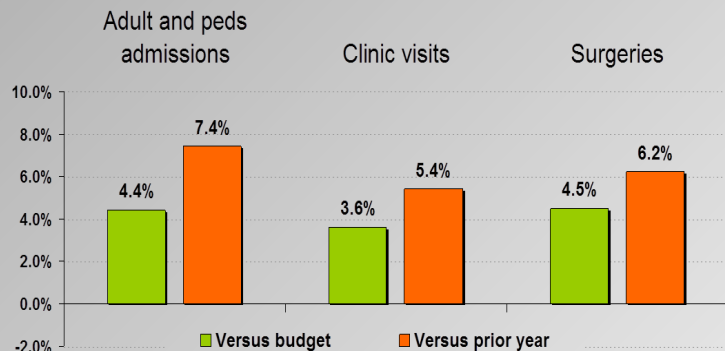


**SUMMARY OF  
OPERATING RESULTS  
March 2015**

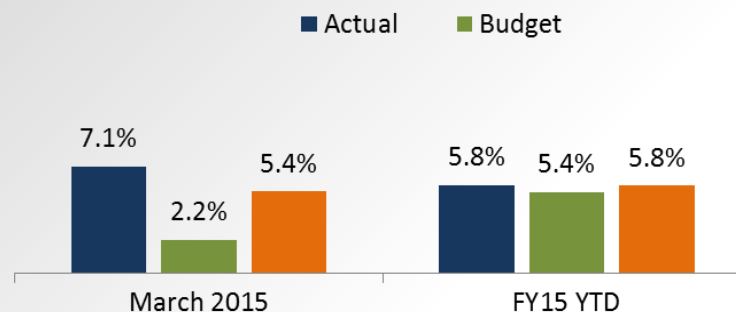
**UW Hospitals & Clinics  
Authority Board & Finance Committee  
May 6, 2015**

# Summary of Year to Date Operating Results

## Volume



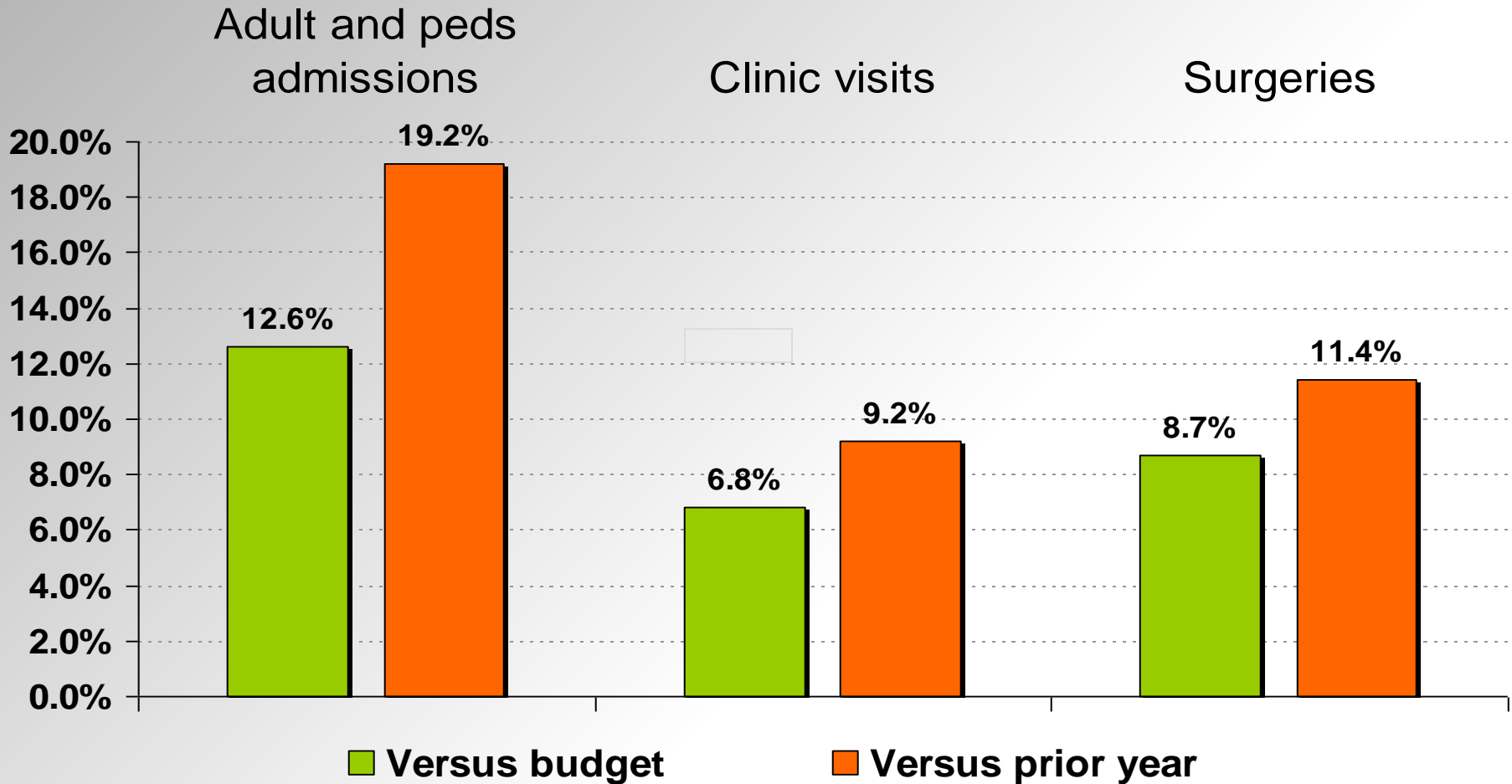
## Margin



	Actual YTD March 2015	Budget YTD March 2015	Actual YTD March 2014
<b>Operating Revenue</b>	<b>\$ 1,098.0</b>	<b>\$ 1,049.6</b>	<b>\$ 998.4</b>
<b>Operating Expenses:</b>			
Salaries and fringe benefits	507.7	500.4	483.8
Medical materials and supplies	258.9	221.8	211.2
Other expenses	267.2	270.7	245.3
<b>Total Operating Expenses</b>	<b>1,033.8</b>	<b>992.9</b>	<b>940.3</b>
<b>Income from Operations</b>	<b>64.2</b>	<b>56.7</b>	<b>58.1</b>
Nonoperating Income	(0.5)	13.2	25.3
<b>Net Income</b>	<b>\$ 63.7</b>	<b>\$ 69.9</b>	<b>\$ 83.4</b>

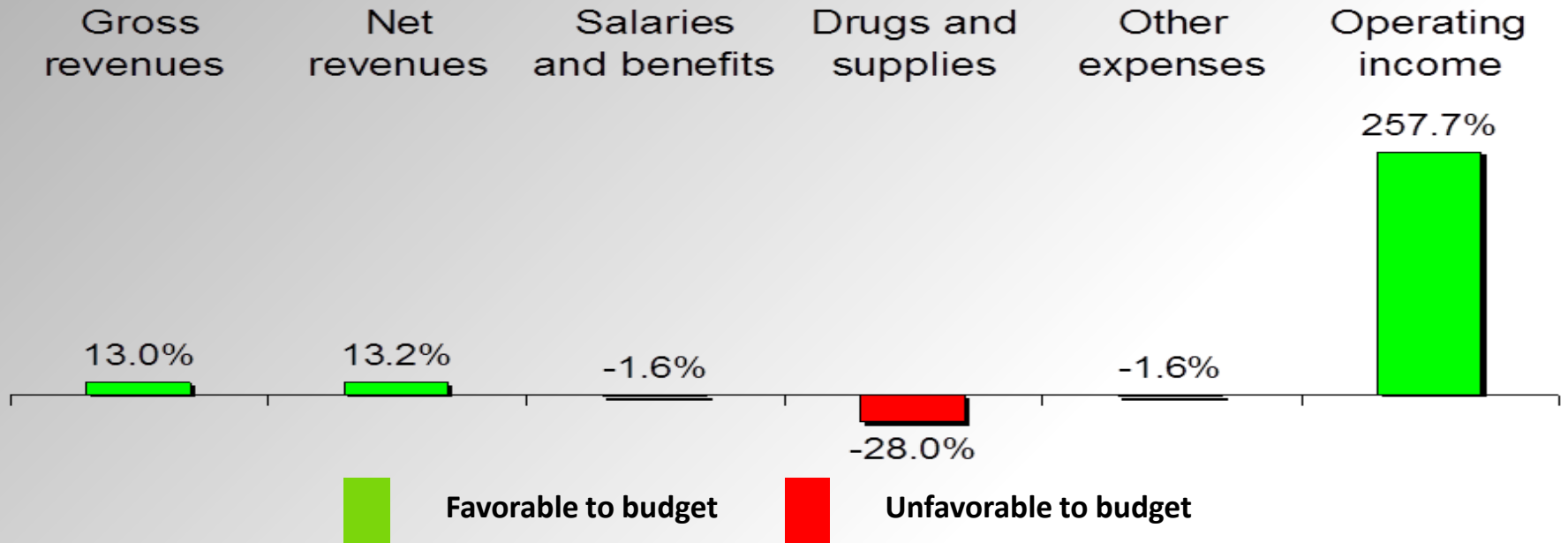
# Selected Volume Statistics

March 2015



# Monthly Variances from Budget

March 2015



Actual	\$296.1	\$128.5	\$58.6	\$31.5	\$31.1	\$9.3
Budget	\$262.0	\$113.6	\$57.7	\$24.6	\$30.6	\$2.6

# Summary of Operating Results

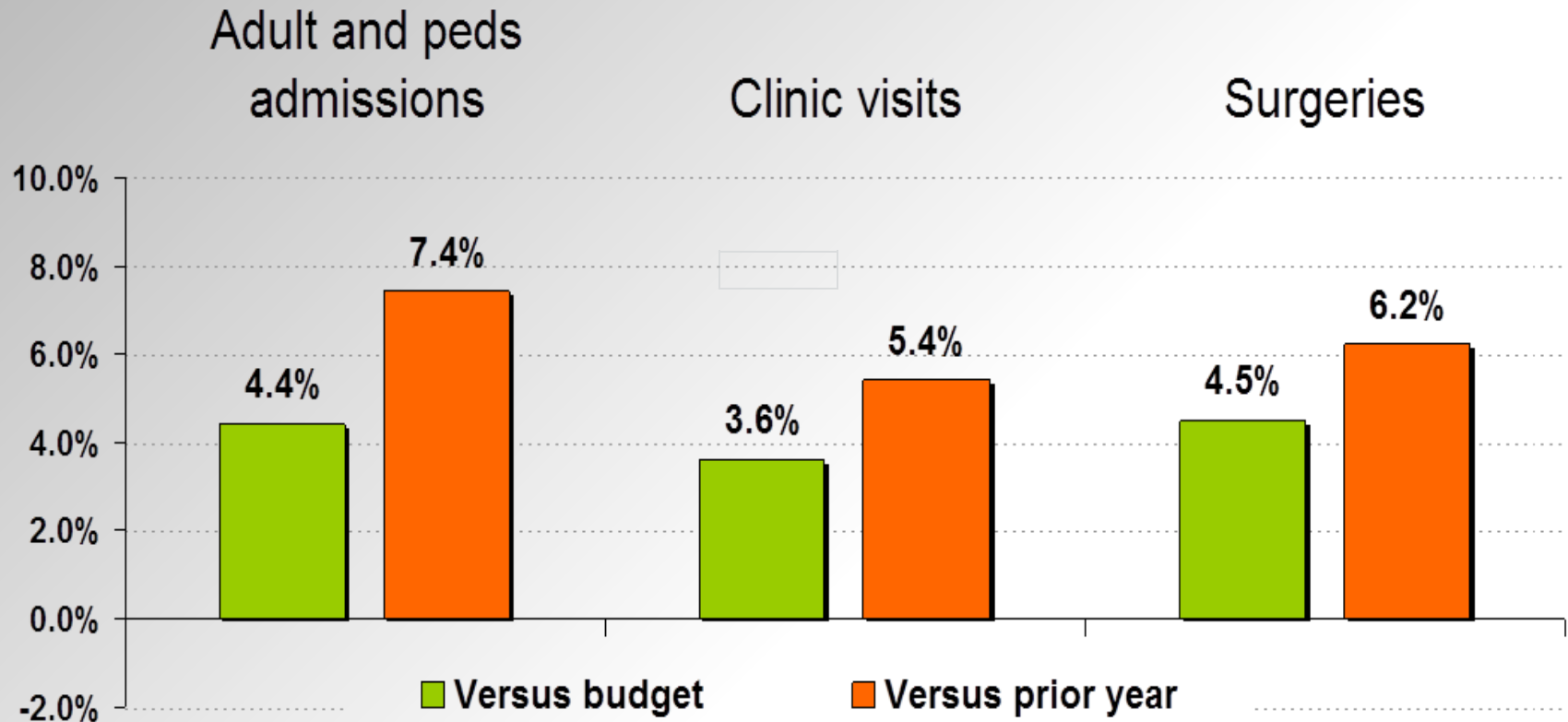
## Month of March 2015

(Amounts in \$\$ Millions)

	Actual Mar 2015	Budget Mar 2015	Actual Mar 2014	2015 Variance Vs. Budget 2014	
<b>Operating Revenue</b>	<b>\$ 130.5</b>	<b>\$ 115.5</b>	<b>\$ 114.5</b>	<b>13.0%</b>	<b>14.0%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	58.6	57.7	55.4	-1.6%	-5.8%
Medical materials and supplies	31.5	24.6	25.4	-28.0%	-24.0%
Other expenses	31.1	30.6	27.5	-1.6%	-13.1%
<b>Total Operating Expenses</b>	<b>121.2</b>	<b>112.9</b>	<b>108.3</b>	<b>-7.4%</b>	<b>-11.9%</b>
<b>Income from Operations</b>	<b>9.3</b>	<b>2.6</b>	<b>6.2</b>	<b>257.7%</b>	<b>50.0%</b>
Nonoperating Income	(3.2)	1.5	1.3		
<b>Net Income</b>	<b>\$ 6.1</b>	<b>\$ 4.0</b>	<b>\$ 7.5</b>		

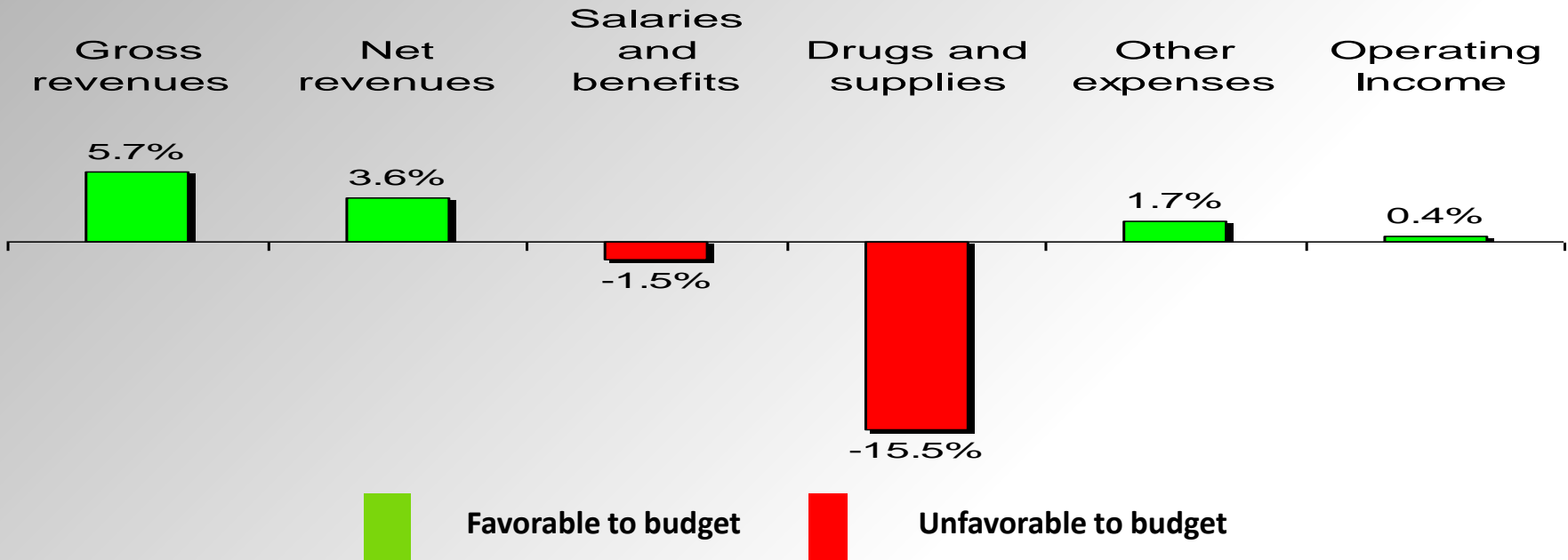
# Selected Volume Statistics

*Nine Months Ended March, 2015*



# YTD Variances from Budget

*Nine Months Ended March 31, 2015*



Actual	\$2,540.5	\$1,079.8	\$507.7	\$258.9	\$267.2	\$64.2
Budget	\$2,385.5	\$1,031.9	\$500.4	\$221.8	\$270.7	\$56.7

# Summary of Operating Results

## Nine Months Ended March 31, 2015

(Amounts in \$\$ Millions)

	Actual YTD March 2015	Budget YTD March 2015	Actual YTD March 2014	YTD 2015 Variance Vs. Budget 2014	
<b>Operating Revenue</b>	<b>\$ 1,098.0</b>	<b>\$ 1,049.6</b>	<b>\$ 998.4</b>	<b>4.6%</b>	<b>10.0%</b>
<b>Operating Expenses:</b>					
Salaries and fringe benefits	507.7	500.4	483.8	-1.5%	-4.9%
Medical materials and supplies	258.9	221.8	211.2	-16.7%	-22.6%
Other expenses	267.2	270.7	245.3	1.3%	-8.9%
<b>Total Operating Expenses</b>	<b>1,033.8</b>	<b>992.9</b>	<b>940.3</b>	<b>-4.1%</b>	<b>-9.9%</b>
<b>Income from Operations</b>	<b>64.2</b>	<b>56.7</b>	<b>58.1</b>	<b>13.2%</b>	<b>10.5%</b>
Nonoperating Income	(0.5)	13.2	25.3		
<b>Net Income</b>	<b>\$ 63.7</b>	<b>\$ 69.9</b>	<b>\$ 83.4</b>		



# Non-Operating Income (Loss or Expense)

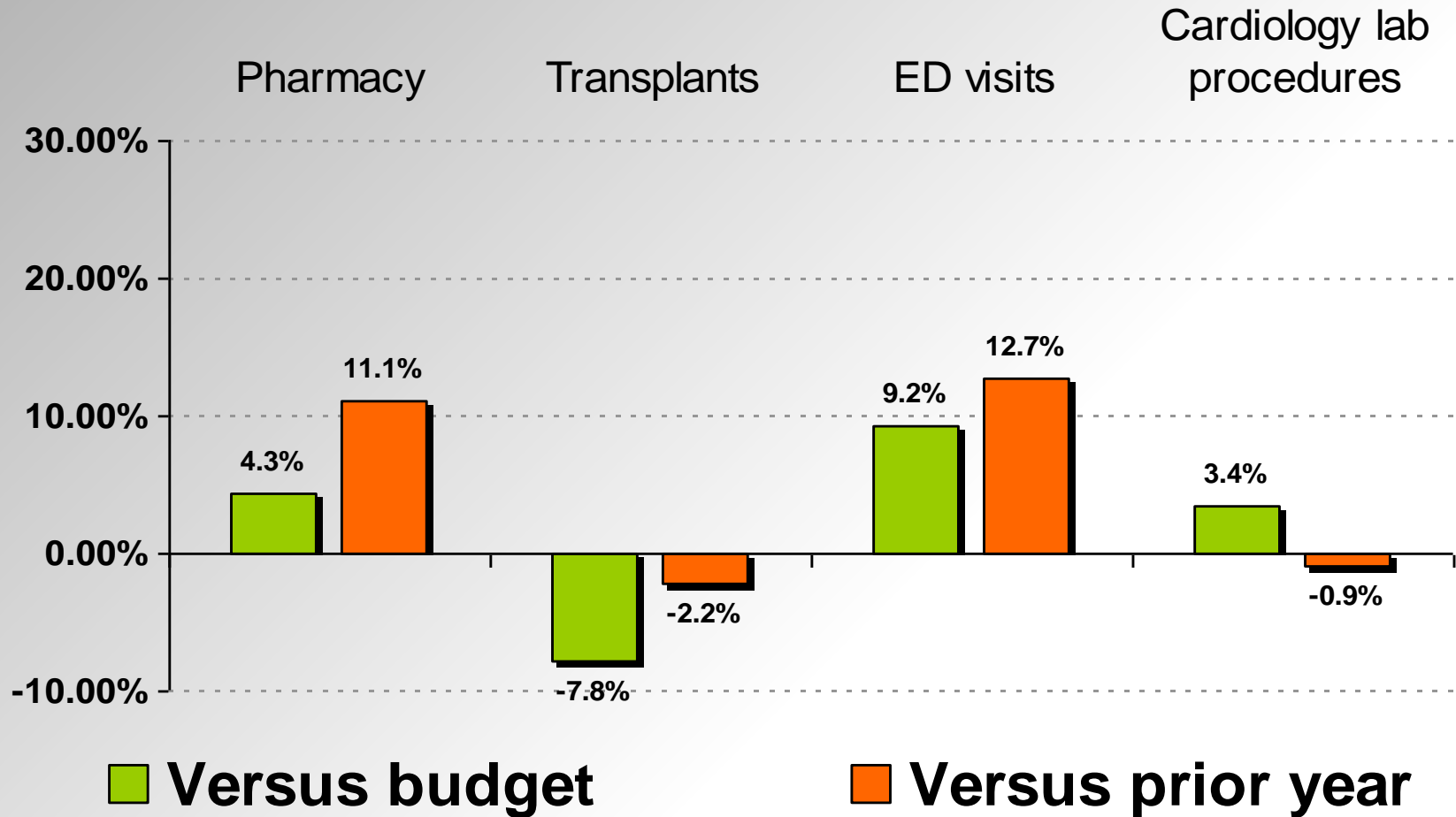
Nine months ended March 31, 2015

(000 Omitted)

	Actual FY '15	Budget FY '15	Actual FY '14	% Variances Actual to Budget	FY 15 to FY 14
Investment Income & Other Non-Operating Income	\$ 11,536	\$ 11,802	\$ 11,599	-2.3%	-0.5%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(10,310)	(1,927)	(667)	>-100%	>-100%
Change in Fair Value Gain (Loss) on Investments	(4,374)	-	10,903	-100.0%	>-100%
Change in Fair Value Gain (Loss) on Swap agreements	(1,409)	-	321	-100.0%	>-100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	471	552	670	-14.7%	-29.7%
Wisconsin Dialysis	737	956	736	-22.9%	0.1%
UHC/Unity	1,830	616	1,141	>100%	60.4%
UHC/e-Care	(391)	(368)	(404)	-6.3%	3.2%
Madison Surgery Center	1,695	1,926	1,203	-12.0%	40.9%
Madison United Healthcare Linen	(7)		61	-100.0%	>-100%
Madison Environmental Resourcing	(31)	-	38	-100.0%	>-100%
Generations Fertility Care	(277)	(385)	(318)	28.1%	12.9%
<b>Total</b>	<b>\$ (530)</b>	<b>\$ 13,172</b>	<b>\$ 25,283</b>		

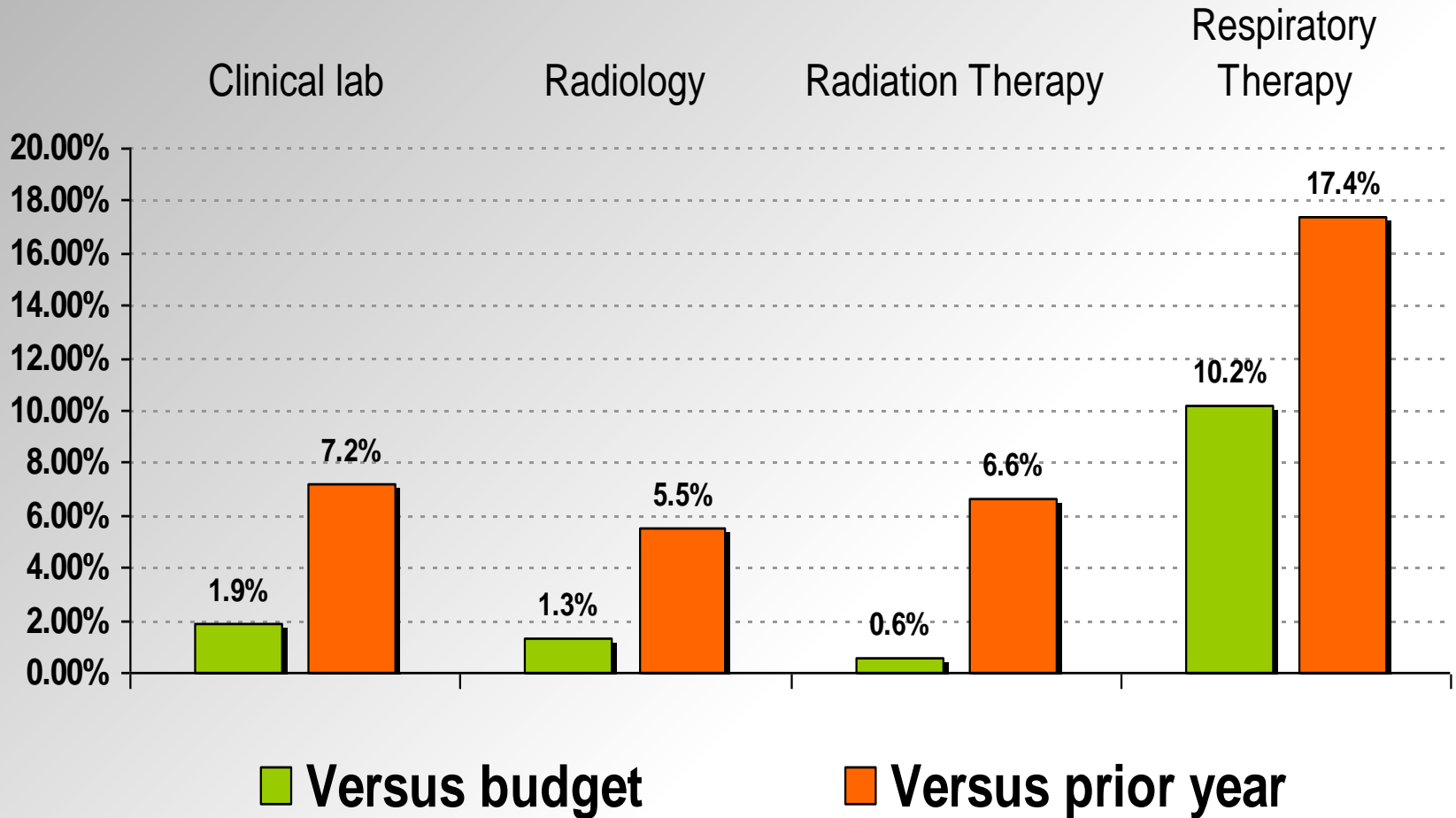
# Selected Other Volume Statistics

*Nine Months Ended March 31, 2015*

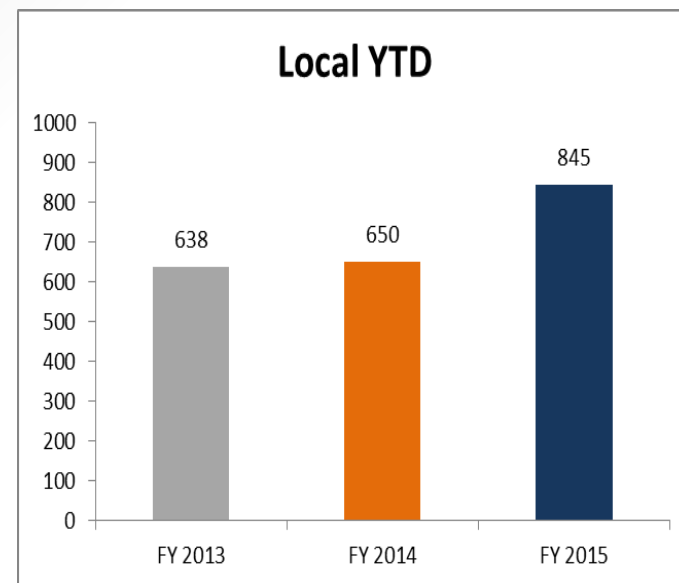
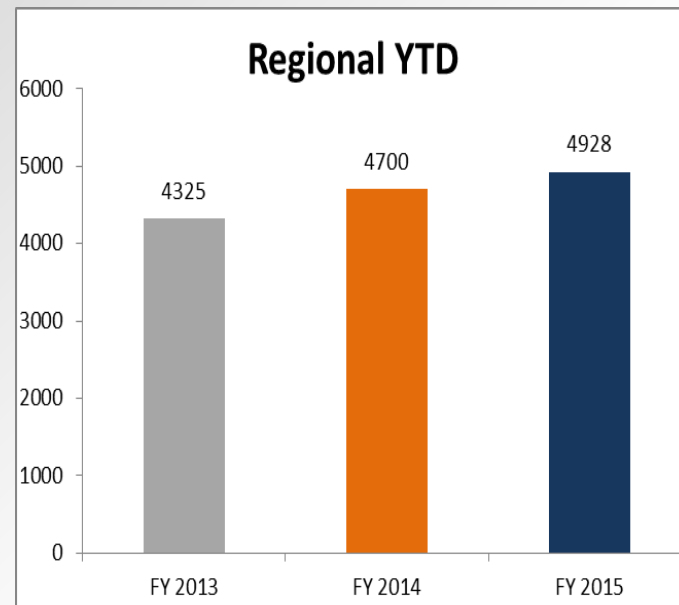
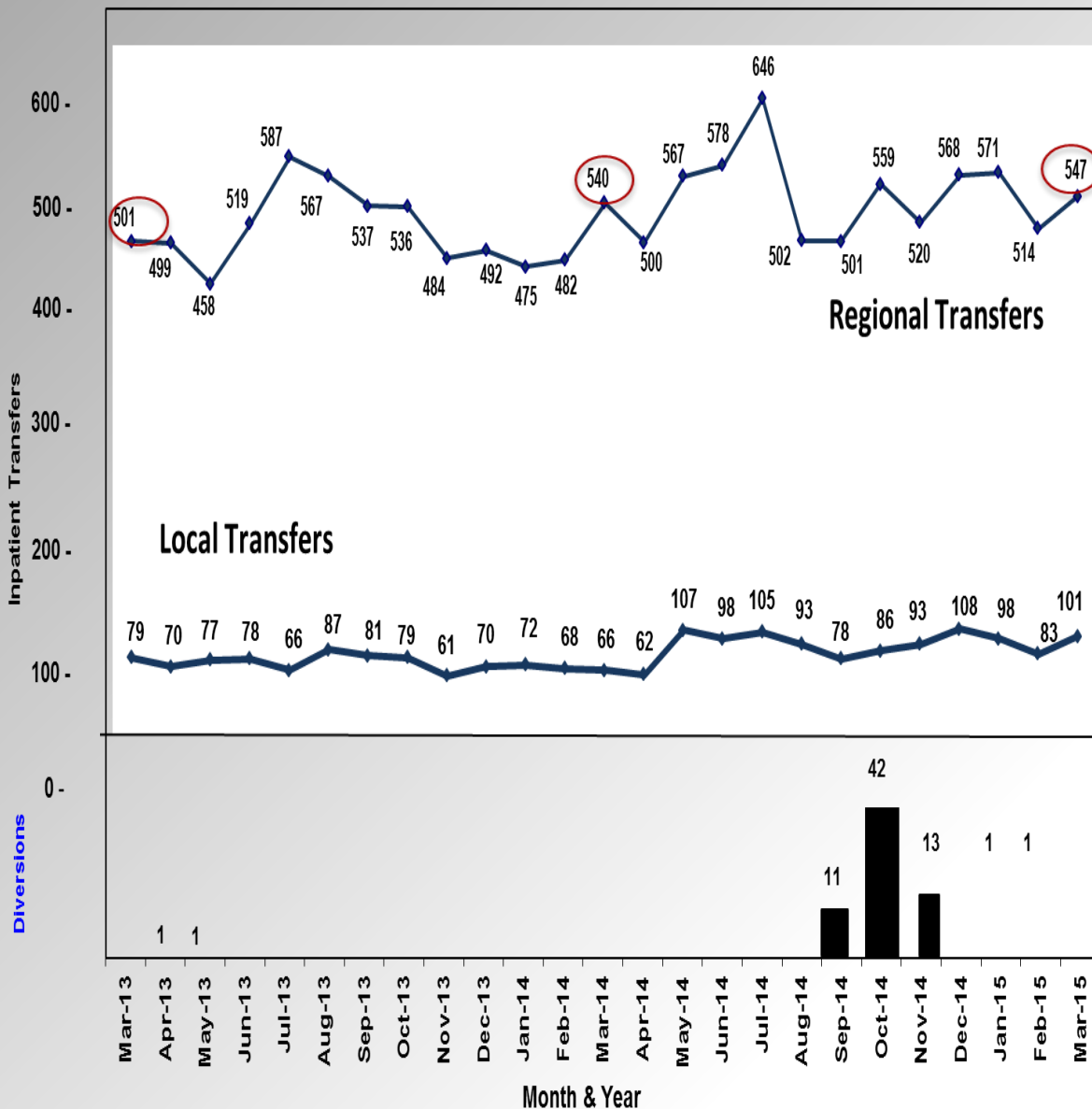


# Selected Other Volume Statistics

*Nine Months Ended March 31, 2015*



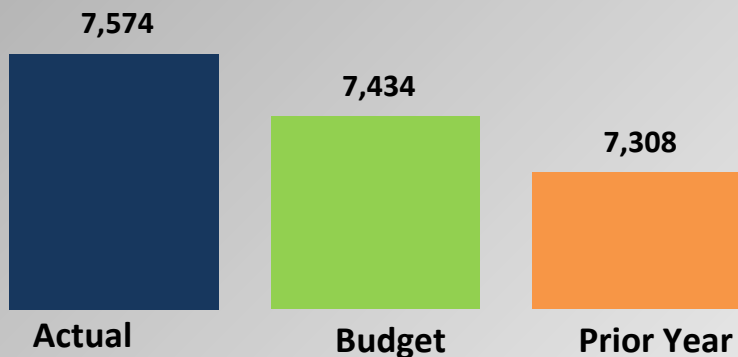
# Interhospital Transfers & Diversions



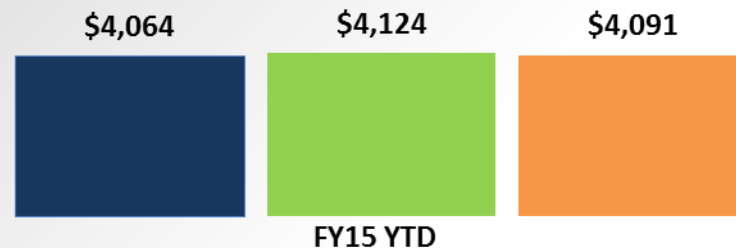
\* Both exclude Local and Regional Transfers to UWHC Emergency Department, not admitted.

# FTE's and Cost per CMI Adjusted Discharge YTD

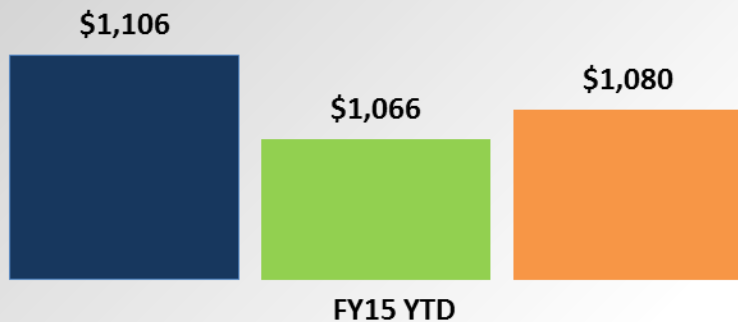
## FTE's Including Agency & Overtime



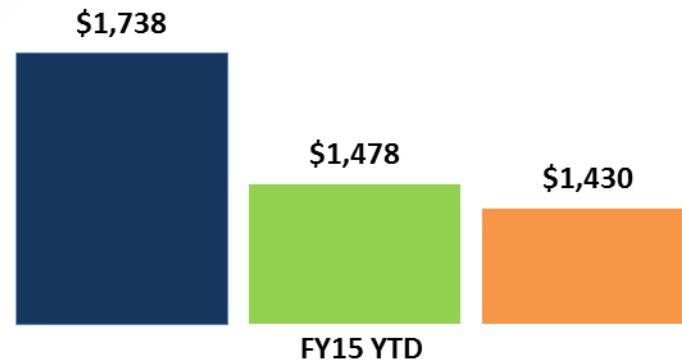
## Salary & Agency



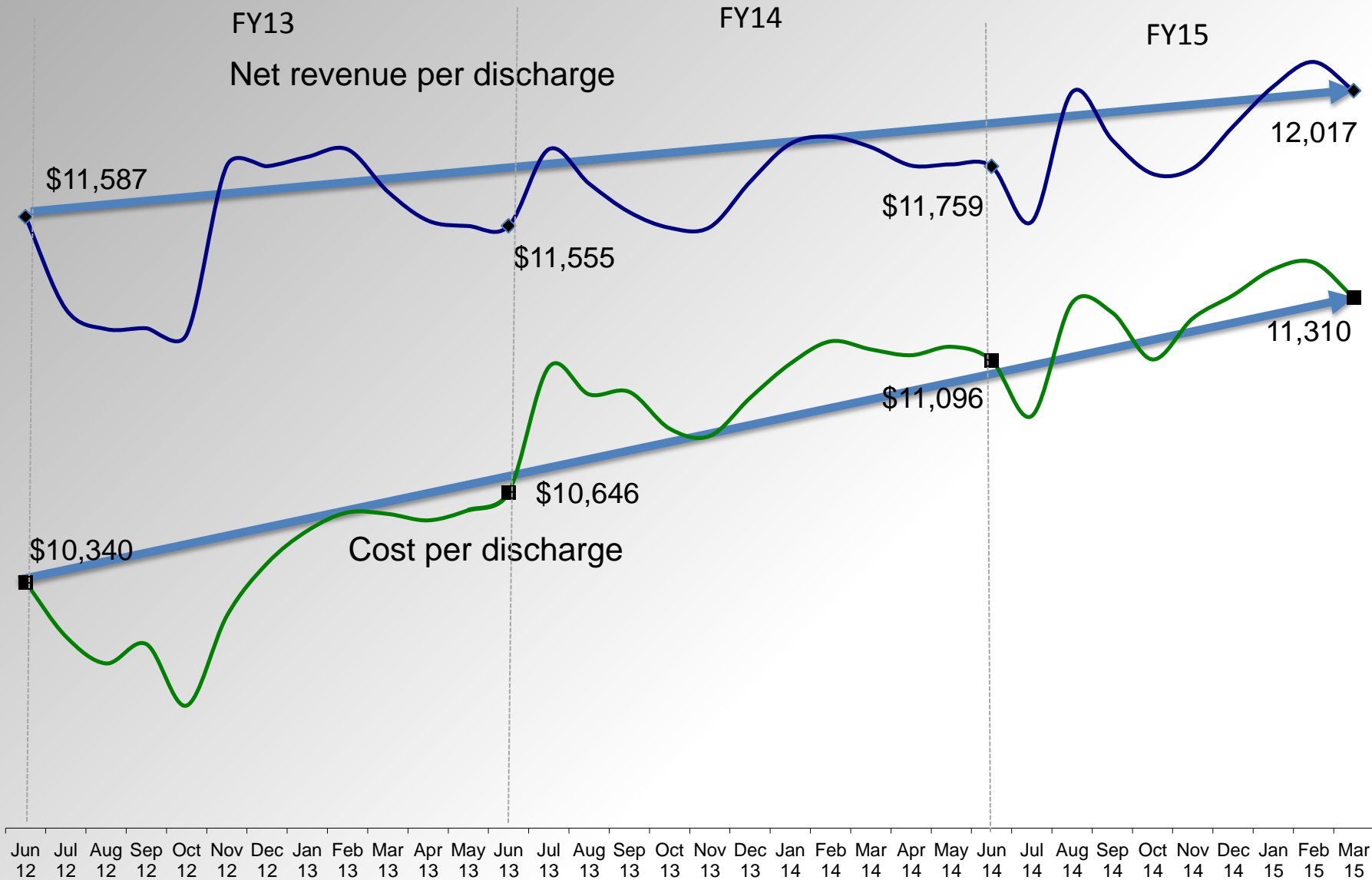
## Medical & Surgical Supplies



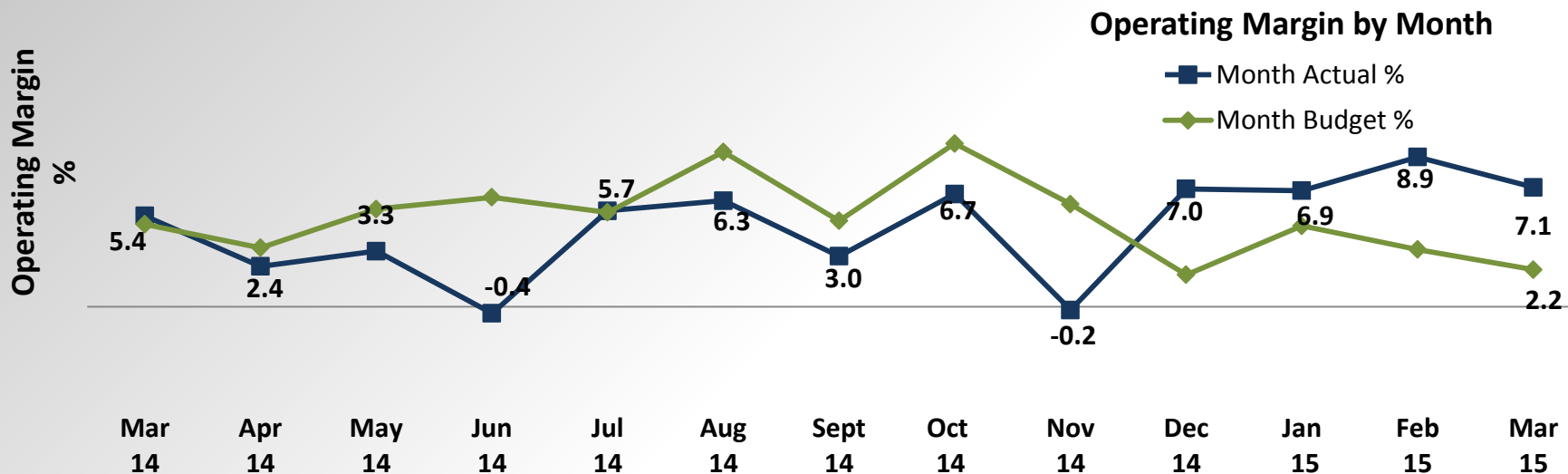
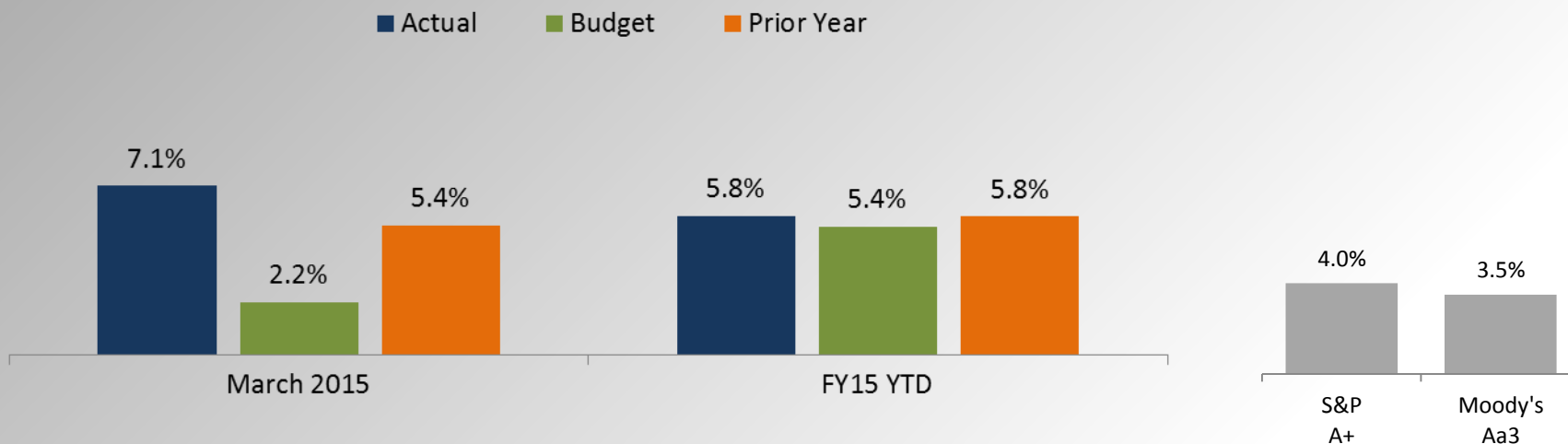
## Pharmaceuticals



# Revenue and Cost per CMI Adjusted Discharge YTD



# Operating Margin %



# Performance Ratios

## Performance Ratios

	Favorable Direction	FY 15	Budget or Target	Industry Comparisons		
				S&P "A+" Rated	Moody's "Aa3" Rated	UWHCA Bond Covenant
Operating Margin	↑	5.8%	5.4%	4.0%	3.5%	
Total Margin	↑	5.8%	6.6%	6.6%	7.2%	
Days Cash on Hand *	↑	221	220	291	239	90
Days in Accounts Receivable	↓	38	45	49	52	
Debt Service Coverage Ratio	↑	4.8	4.8	4.9	6.0	1.25
Long Term Debt to Capitalization	↓	31.0%	31.0%	26.7%	31.8%	65%
Operating Cash Flow	↑	10.5%	10.1%	10.9%	10.4%	
Cash-to-Debt	↑	176.9%	172.0%	185.8%	177.4%	

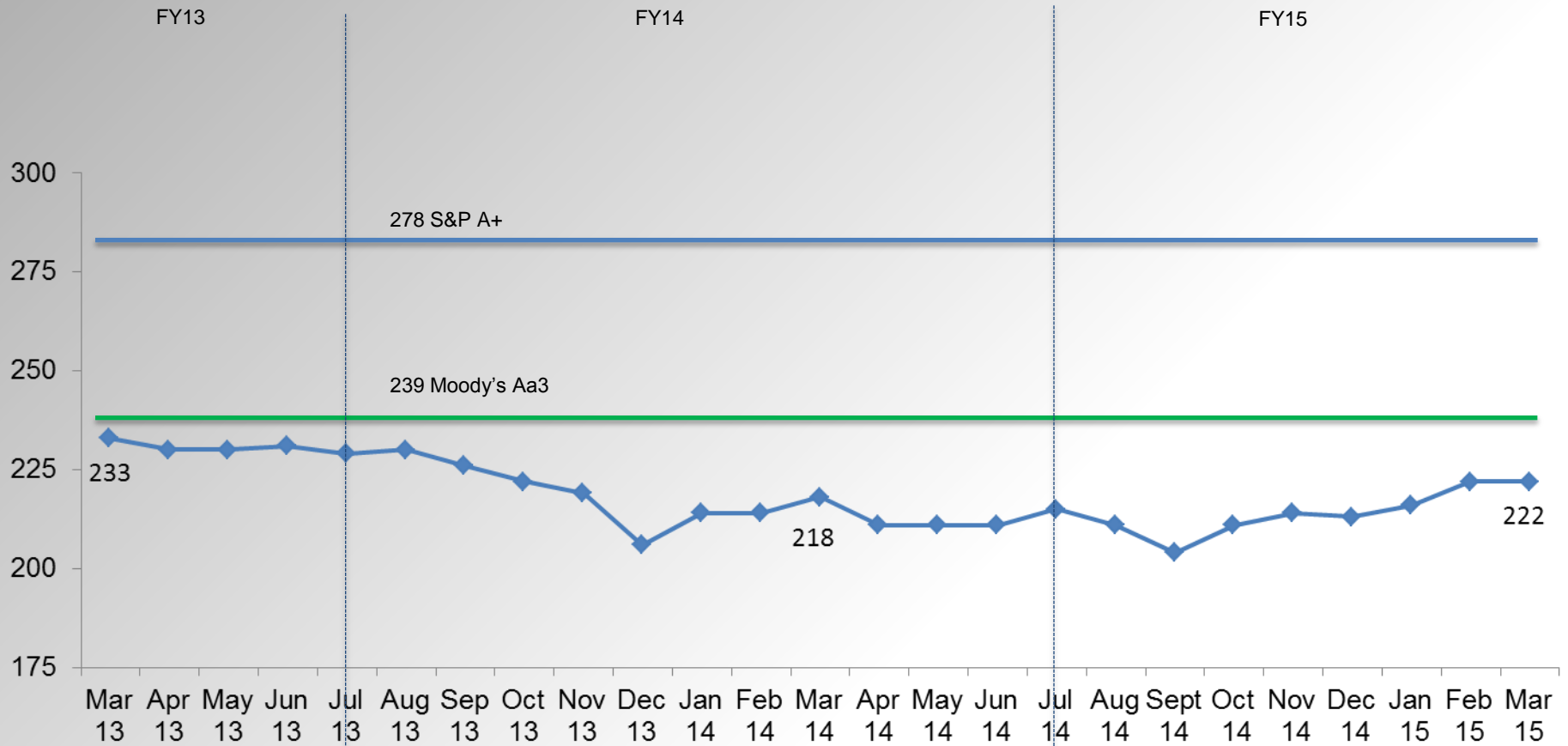
\* Days Cash on Hand calculated as a rolling 12 month average



# Accounts Receivable Monitoring Program

	<b>Net Accounts Receivable</b>	<b>Net Days Revenue Outstanding</b>
April 14	160,729,322	44
May 14	164,286,696	43
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

# 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	\$ 31,583,745	\$ 48,902,217	\$ (17,318,472)	-35.4%	\$ 44,116,037	\$ (12,532,292)	-28.4%
% of Revenue	1.24%	2.05%			1.99%		
Bad Debt	34,944,781	28,607,630	6,337,151	22.2%	30,471,556	\$4,473,225	14.7%
% of Revenue	1.38%	1.20%			1.38%		
<b>Total</b>	<b>\$ 66,528,526</b>	<b>\$ 77,509,847</b>	<b>\$ (10,981,321)</b>	<b>-14.2%</b>	<b>\$ 74,587,593</b>	<b>\$ (8,059,067)</b>	<b>-10.8%</b>
Gross Revenue	\$ 2,540,532,593	\$ 2,385,474,017	\$ 155,058,576	6.5%	\$ 2,214,862,214	\$ 325,670,379	14.7%
Total Bad Debt & Charity as % of Revenue	2.6%	3.2%			3.4%		

# Summary of Changes in Net Assets

Nine Months Ended March 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	79,776,799
Change in Fair value of investments	(4,373,644)
Change in Fair value of swap agreements	(1,408,955)
Payments to UW School of Medicine and Public Health for capital expenditure support	(10,310,000)
Capital grants, gifts and donations	4,473,742
Additions to permanent gift endowments	8,441
Increase in net assets	<u>\$68,166,383</u>
Net assets at end of period	<u><u>\$1,038,037,534</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>				
Current Month	19.2%	1.3%	6.3%	10.7%
3 Month Rolling Average	14.5%	(3.9)%	(0.2)%	5.2%
12 Month Rolling Average	6.2%	(5.0)%	(0.1)%	1.4%
<b>% Change in Patient Days</b>				
Current Month	12.9%	1.3%	0.3%	6.5%
3 Month Rolling Average	13.1%	(1.5)%	(1.2)%	5.5%
12 Month Rolling Average	9.2%	(0.3)%	3.7%	5.4%

# 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>
<b>Operating Account and Commercial Paper</b>				
US Bank	\$ 138,983,982	17.1%	0.07%	0.03% (A)
<b>Short Term Bond Fund</b>				
USBank/Nuveen	\$ 153,063,149	18.8%	0.09%	-1.85% (B)
<b>Intermediate Bond Fund</b>				
USBank/Baird	\$ 237,365,744	29.2%	2.16%	1.44% (C)
<b>Capital Replacement Fund</b>				
Account - UW Foundation	\$ 157,527,229	19.4%	0.16%	0.16% (D)
<b>Endowment Fund</b>				
<b>Securities</b>				
UW Foundation	\$126,204,809	15.5%	0.13%	-1.12% (E)
<b>Total Unrestricted Funds</b>	<b>\$ 813,144,913</b>	<b>100.0%</b>	<b>0.7%</b>	<b>-0.1%</b>