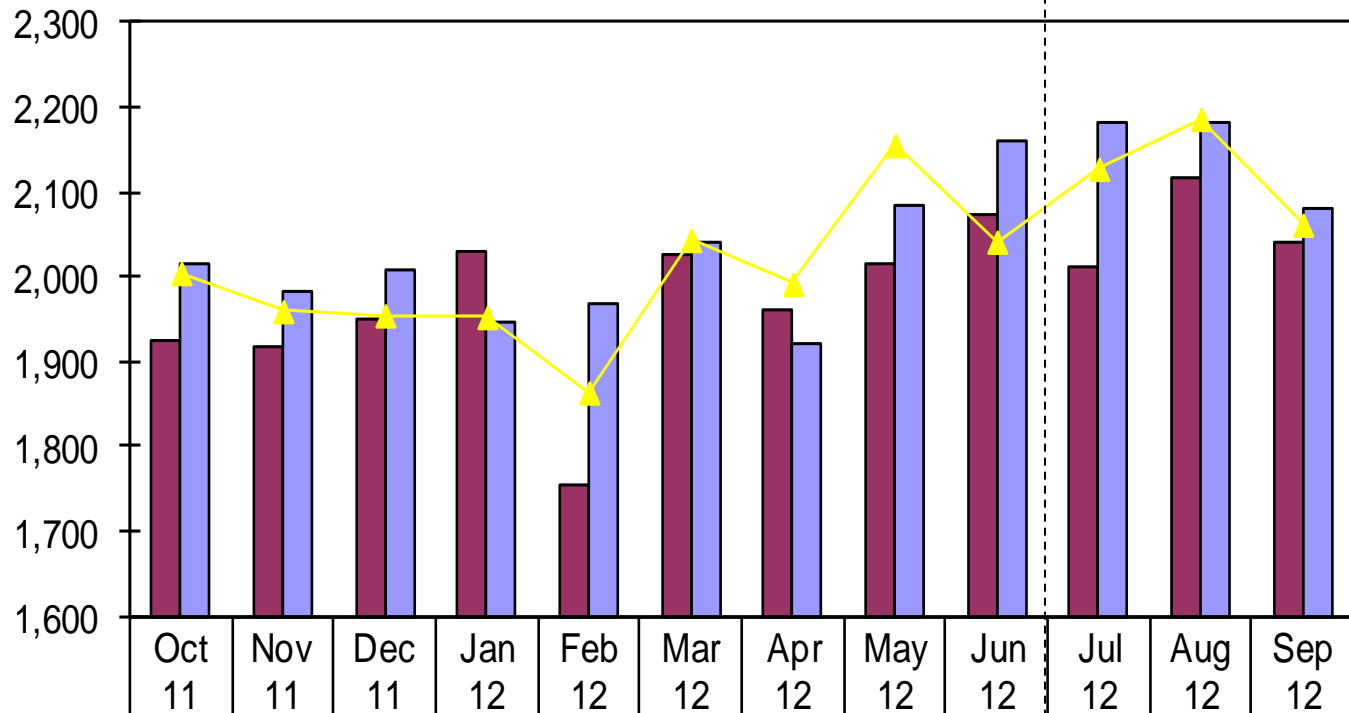


SUMMARY OF OPERATING RESULTS

September 30, 2012

Adult Admissions

(rolling 12 months)

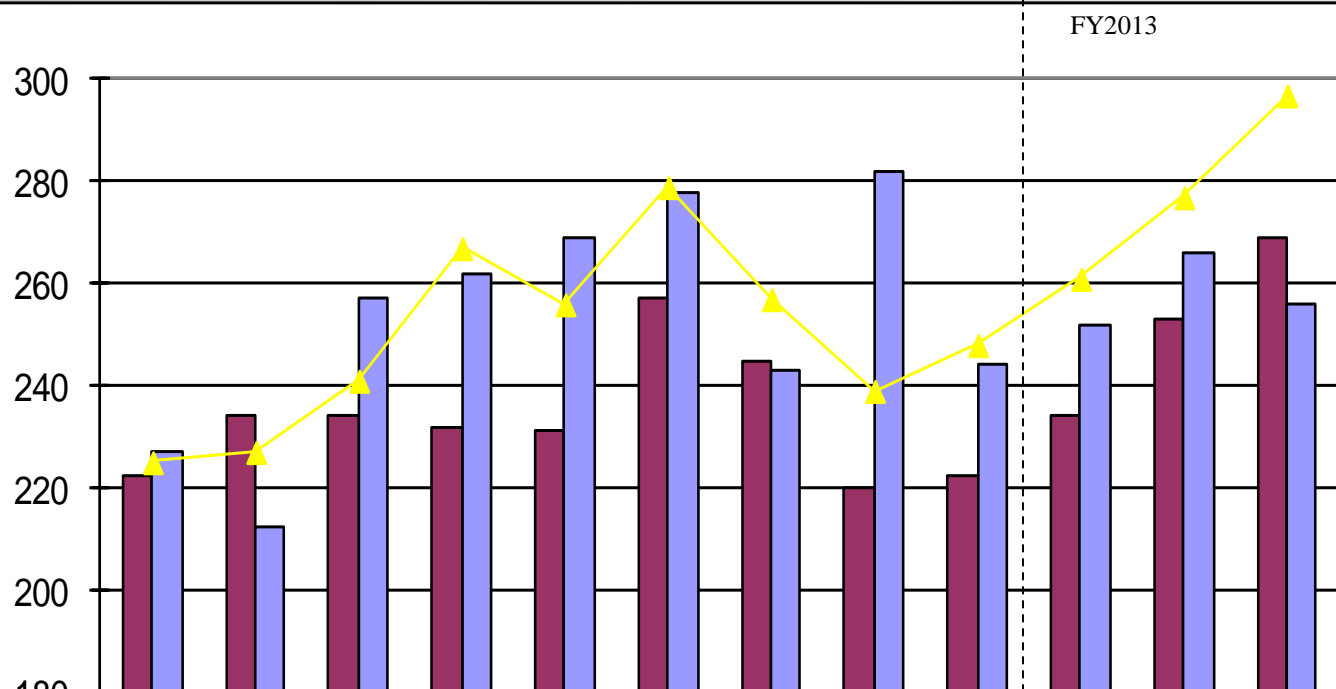


	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12
■ Prior Actual	1,926	1,919	1,951	2,031	1,754	2,025	1,962	2,015	2,074	2,013	2,117	2,041
■ Current Actual	2,015	1,982	2,007	1,945	1,968	2,041	1,921	2,084	2,161	2,183	2,182	2,082
▲ Current Budget	2,005	1,960	1,955	1,953	1,864	2,044	1,992	2,156	2,042	2,128	2,187	2,062

YTD
6,171
6,447
6,377

Pediatric Admissions

(rolling 12 months)

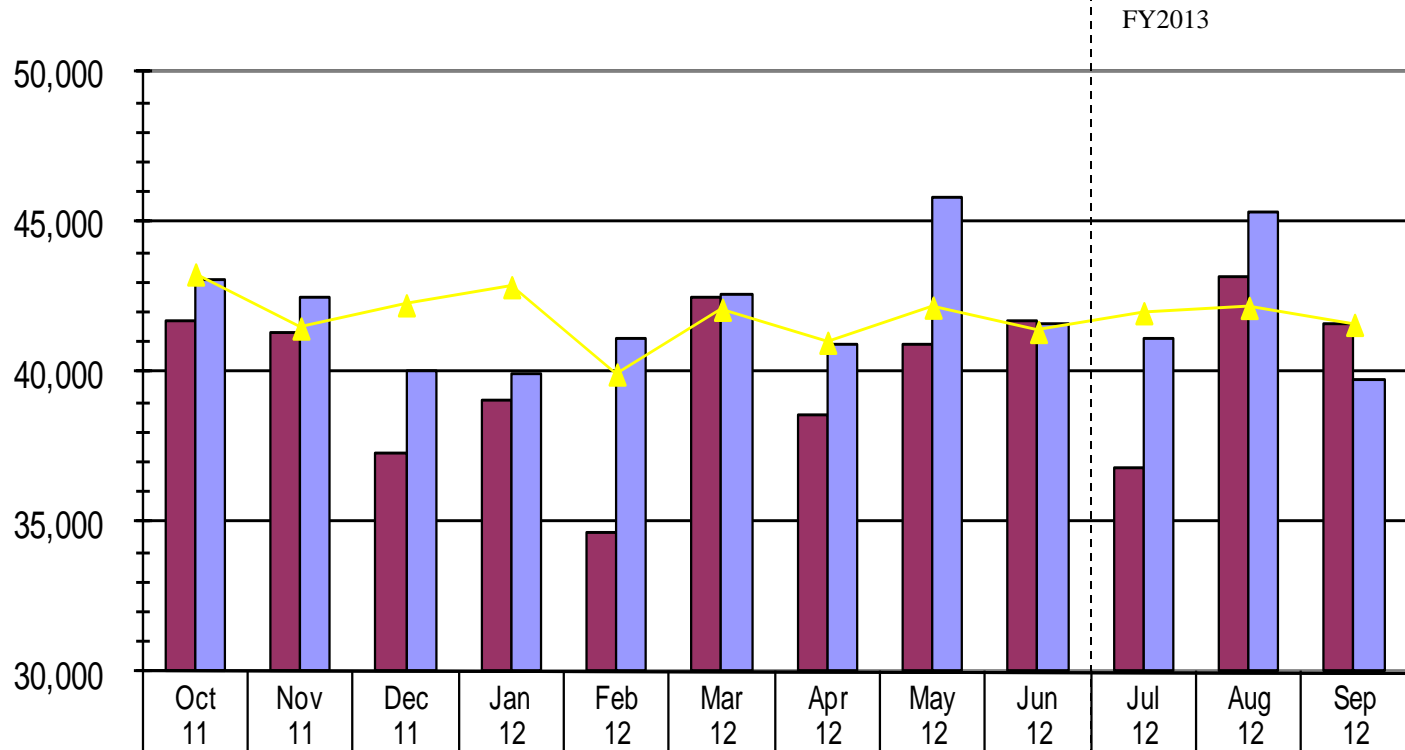


	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12
■ Prior Actual	222	234	234	232	231	257	245	220	222	234	253	269
■ Current Actual	227	212	257	262	269	278	243	282	244	252	266	256
▲ Current Budget	225	227	241	267	256	279	257	239	248	261	277	297

YTD	756
	774
	835

Adult Clinic Visits

(rolling 12 months)

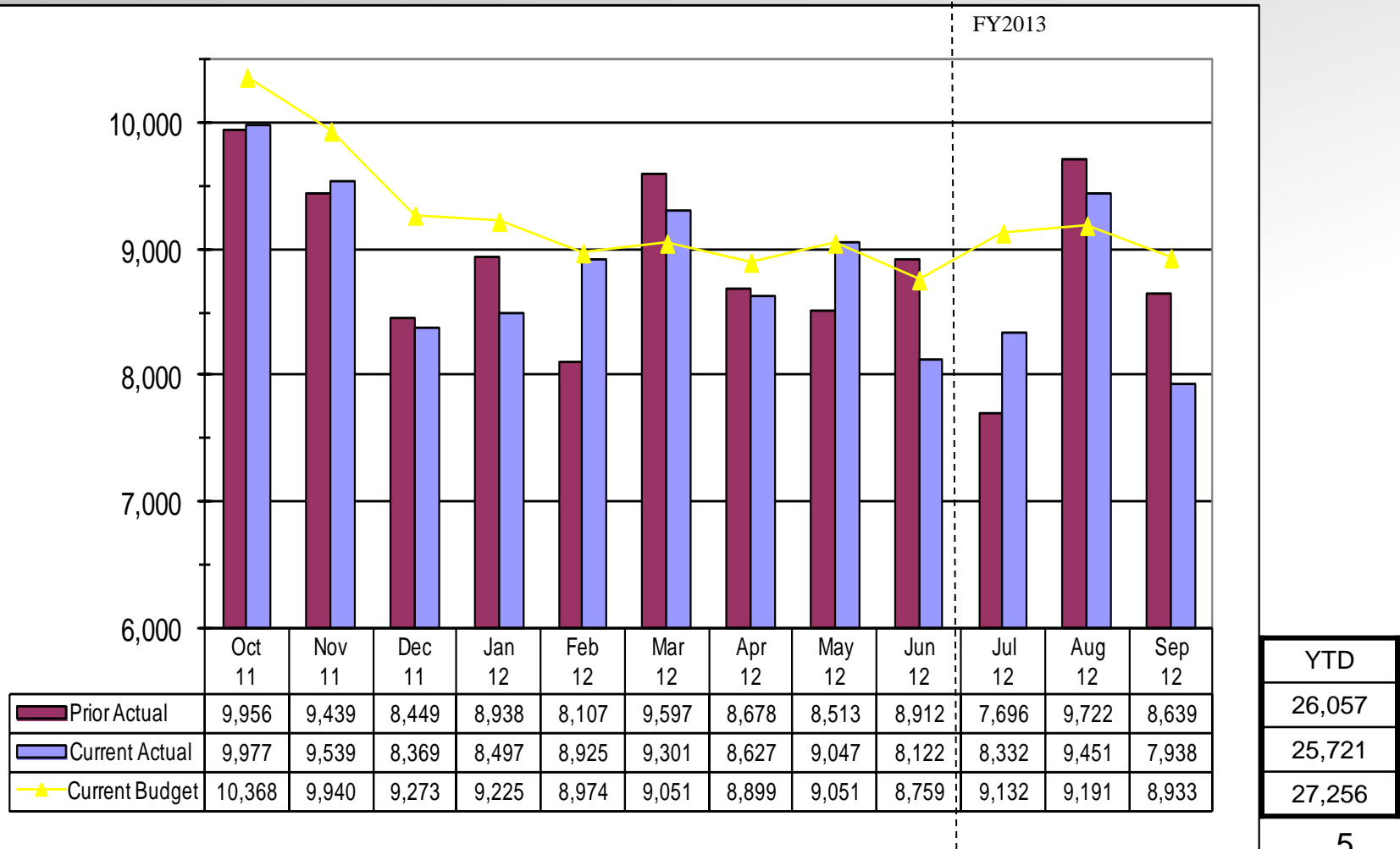


■ Prior Actual	41,736	41,314	37,320	39,032	34,649	42,539	38,591	40,887	41,713	36,775	43,214	41,663
■ Current Actual	43,127	42,520	40,053	39,980	41,112	42,622	40,926	45,801	41,614	41,112	45,296	39,767
▲ Current Budget	43,294	41,492	42,265	42,868	39,957	42,117	41,016	42,187	41,377	42,001	42,179	41,613

YTD	121,652
	126,175
	125,793

Pediatric Clinic Visits

(rolling 12 months)

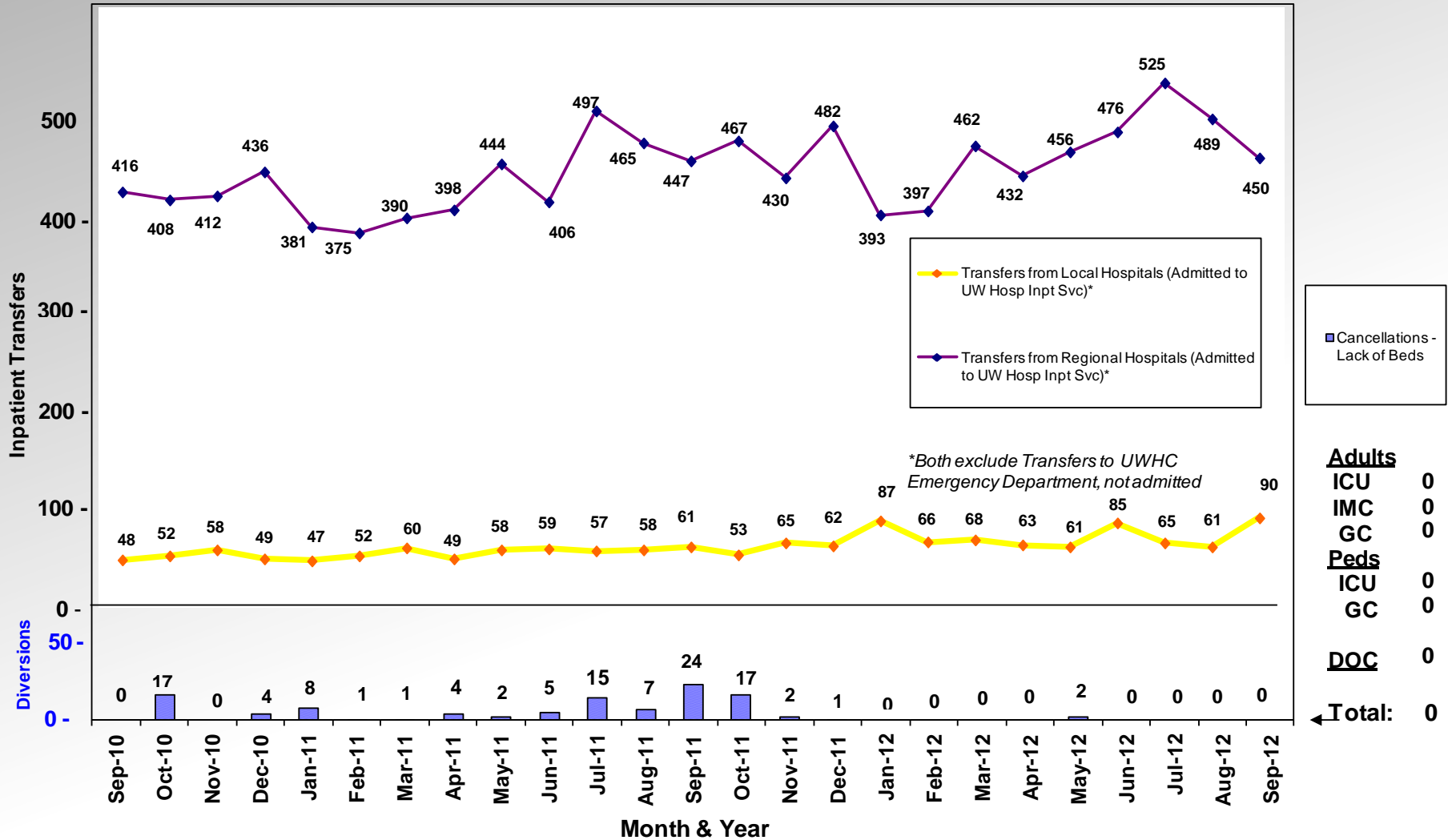


Other Key Ancillary Service Activity Indicators

Month of September 2012

			% Variances		
	Actual 2012	Budget 2012	Actual 2011	Actual to Budget	2012 to 2011
Inpatient Gross Revenues	\$ 118,735,740	\$ 113,948,658	\$ 110,637,734	4.2%	7.3%
Outpatient Gross Revenues	\$ 102,370,723	\$ 99,789,327	\$ 97,164,487	2.6%	5.4%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,133	1,031	1,124	9.9%	0.8%
Outpatient	633	646	698	-2.0%	-9.3%
AFCH	351	406	403	-13.5%	-12.9%
Subtotal	2,117	2,083	2,225	1.6%	-4.9%
Misc./Out of OR	251	241	257	4.1%	-2.3%
Total Surgical Procedures	2,368	2,324	2,482	1.9%	-4.6%
Transplants					
Deceased Donor	27	29	29	-6.9%	-6.9%
Living	6	9	9	-33.3%	-33.3%
Total	33	38	38	-13.2%	-13.2%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	523	549	540	-4.7%	-3.1%
Electrophysiology Lab	139	116	150	19.8%	-7.3%
Total	662	665	690	-0.5%	-4.1%
Emergency Room Visits	4,057	3,981	3,969	1.9%	2.2%
Radiology Procedures:					
MRI	2,228	2,254	2,377	-1.2%	-6.3%
CT Scans	5,254	5,100	5,473	3.0%	-4.0%
Other	20,643	20,163	20,641	2.4%	0.0%
Total Radiology Procedures	28,125	27,517	28,491	2.2%	-1.3%
Radiation Therapy Procedures	2,814	2,850	2,900	-1.3%	-3.0%

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



Summary of Operating Results

Month of September 2012

	Actual September 2012	Budget September 2012	Variance Favorable (Unfavorable)	% Variance	Actual September 2011
Operating Revenue	\$ 98,522,496	\$ 98,031,933	\$ 490,563	0.5%	\$ 96,463,928
Operating Expenses:					
Salary & Fringe Benefits	48,450,715	49,317,741	867,026	1.8%	45,927,462
Supplies & Other expenses	41,771,406	42,448,875	677,469	1.6%	39,625,912
Total Operating Expenses	90,222,121	91,766,616	1,544,495	1.7%	85,553,374
Income from Operations (Operating Margin)	\$ 8,300,375	\$ 6,265,317	\$ 2,035,058	32.5%	\$ 10,910,554
Non-Operating Income/(Loss or Expense)	4,848,897	1,170,074	3,678,823	>100%	(6,328,785)
Net Income/ Loss (Total Margin)	\$ 13,149,272	\$ 7,435,391	\$ 5,713,881	76.8%	\$ 4,581,769

Non Operating Income (Loss)

Month of September 2012

	Actual September 2012	Budget September 2012	Variance Favorable (Unfavorable)	% Variance	Actual September 2011
Investment Income & Other Non-Operating Income	\$ 2,265,244	\$ 953,696	\$ 1,311,548	>100%	\$ 1,592,069
Payment to University of WI School of Medicine and Public Health for capital expenditure support	-	-	-	0.0%	-
Change in Fair Value Gain/Loss on Investments	1,970,385	-	1,970,385	100.0%	(6,591,539)
Change in Fair Value Gain/Loss on Swap Agreements	329,827	-	329,827	100.0%	(1,478,068)
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	68,484	35,440	33,044	93.2%	75,432
Wisconsin Dialysis	81,126	36,986	44,140	>100%	78,220
UHC/Unity	(27,434)	(2,301)	(25,133)	>-100%	(238,251)
UHC/e-Care	(27,965)	(40,849)	12,884	31.5%	(45,902)
Madison Surgery Center	250,171	231,403	18,768	8.1%	198,206
Madison United Healthcare Linen	(8,465)	-	(8,465)	-100.0%	125,678
Madison Environmental Resourcing	3,386	1,644	1,742	>100%	(365)
Generations Fertility Care	(55,862)	(45,945)	(9,917)	-21.6%	(44,265)
Total	\$ 4,848,897	\$ 1,170,074	\$ 3,678,823	>100%	\$ (6,328,785)

Other Key Ancillary Service Activity Indicators

Three Months Ended September 30, 2012

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Inpatient Gross Revenues	\$ 361,089,079	\$ 356,239,547	\$ 329,446,305	1.4%	9.6%
Outpatient Gross Revenues	\$ 330,326,783	\$ 322,930,927	\$ 293,570,327	2.3%	12.5%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	3,461	3,418	3,256	1.3%	6.3%
Outpatient	2,078	2,137	2,088	-2.8%	-0.5%
AFCH	1,329	1,345	1,298	-1.2%	2.4%
Subtotal	6,868	6,900	6,642	-0.5%	3.4%
Misc./Out of OR	839	800	816	4.9%	2.8%
Total	7,707	7,700	7,458	0.1%	3.3%
Transplants					
Cadaver	112	89	92	25.8%	21.7%
Living	23	29	32	-20.7%	-28.1%
Total	135	118	124	14.4%	8.9%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	1,717	1,751	1,679	-1.9%	2.3%
Electrophysiology Lab	486	377	493	28.9%	-1.4%
Total	2,203	2,128	2,172	3.5%	1.4%
Emergency Room Visits	12,186	12,209	11,953	-0.2%	1.9%
Radiology Procedures:					
MRI	7,324	7,334	7,136	-0.1%	2.6%
CT Scans	16,128	16,429	16,255	-1.8%	-0.8%
Other	64,463	64,910	61,918	-0.7%	4.1%
Total Radiology Procedures	87,915	88,673	85,309	-0.9%	3.1%
Radiation Therapy Procedures	9,745	9,306	9,061	4.7%	7.5%

Summary of Operating Results

Three Months Ended September 30, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Operating Revenue	\$306,069	\$305,694	\$288,118	0.1%	6.2%
Operating Expenses:					
Salary & Fringe Benefits	147,794	151,026	141,288	2.1%	-4.6%
Supplies & Other expenses	128,826	128,620	116,118	-0.2%	-10.9%
Total Operating Expenses	276,620	279,646	257,406	1.1%	-7.5%
Income from Operations <i>(Operating Margin of 9.6%)</i>	\$ 29,449	\$ 26,048	\$ 30,712	13.1%	-4.1%
Non-Operating Income/(Loss or Expense)	8,640	240	(10,653)	>100%	>100%
Net Income	\$38,089	\$26,288	\$20,059	44.9%	89.9%

Non-Operating Income (Loss)

Three Months Ended September 30, 2012

(000) Omitted

	Actual FY '13	Budget FY '13	Actual FY '12	% Variances	
				Actual to Budget	FY 13 to FY 12
Investment Income & Other Non-Operating Income	\$ 4,952	\$ 2,925	\$ 3,918	69.3%	26.4%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(3,348)	(3,348)	(2,500)	0.0%	-33.9%
Change in Fair Value Gain (Loss) on Investments	6,068	-	(6,670)	100.0%	>100%
Change in Fair Value Gain (Loss) on Swap agreements	91	-	(5,965)	100.0%	>100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	206	108	182	90.7%	13.2%
Wisconsin Dialysis	196	113	189	73.5%	3.7%
UHC/Unity	(38)	(7)	(186)	>-100%	79.6%
UHC/e-Care	(110)	(125)	(170)	12.0%	35.3%
Madison Surgery Center	756	710	588	6.5%	28.6%
Madison United Healthcare Linen	57	-	122	100.0%	-53.3%
Madison Environmental Resourcing	(2)	5	6	>-100%	>-100%
Generations Fertility Care	(188)	(141)	(167)	-33.3%	-12.6%
Total	\$ 8,640	\$ 240	\$(10,653)	>100%	>100%

Performance Ratios

	Favorable Direction	FY 13	Budget or Target	Industry Comparisons			UWHCA Bond Covenant
				S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	
Operating Margin	↑	9.6%	8.5%	2.8%	2.7%	2.8%	
Total Margin **	↑	10.3%	8.6%	5.2%	5.7%	4.5%	
Days Cash on Hand *	↑	226	201	210	187	191	90
Days in Accounts Receivable	↓	46	45	44	45	44	
Debt Service Coverage Ratio **	↑	10.1	8.8	4.3	4.6	4.1	1.25
Long Term Debt to Capitalization	↓	22.0%	32.0%	32.1%	37.9%	40.7%	65%
Operating Cash Flow	↑	13.7%	12.7%	10.2%	9.8%	9.8%	
Cash-to-Debt	↑	288.4%	153.4%	146.0%	128.4%	116.4%	

* 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
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
April 12	121,953,391	39
May 12	126,177,981	40
June 12	149,863,427	44
July 12	149,854,133	43
August 12	145,041,891	41
September 12	149,307,660	46

Comparison of Charity Care & Bad Debt Expense

	FY 13 Actual	FY 13 Budget	Variance	% Variance	FY 12 Actual	Variance	% Variance
Charity	\$ 9,642,522	\$ 15,620,921	\$ (5,978,399)	-38.3%	\$ 9,004,846	\$ 637,676	7.1%
% of Revenue	1.39%	2.30%			1.45%		
Bad Debt	13,820,387	8,150,046	5,670,341	69.6%	15,878,944	(\$2,058,557)	-13.0%
% of Revenue	2.00%	1.20%			2.55%		
Total	\$ 23,462,909	\$ 23,793,257	\$ (330,348)	-1.4%	\$ 24,883,790	\$ (1,420,881)	-5.7%
Gross Revenue	\$ 691,415,863	\$ 679,170,473	\$ 12,245,390	1.8%	\$ 623,016,632	\$ 68,399,231	11.0%
Total Bad Debt & Charity as % of Revenue	3.4%	3.5%			4.0%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	<u>Actual</u>	<u>Budget</u>
<u>Cash Provided:</u>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$35,278	\$29,636
Depreciation	10,651	10,601
Interest Expense	1,938	2,079
EBITDA	<u>\$ 47,867</u>	<u>\$ 42,316</u>
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(14,511)	(32,950)
Est Annual Debt Service	(2,273)	(2,045)
Capital Contribution to UW for Capital Expenditures	(3,348)	(3,348)
Capital Contribution in Joint Ventures	0	0
Decrease (increase) in Working Capital	1,979	1,543
Total (Used) Provided	<u>(\$18,153)</u>	<u>(\$36,800)</u>
Cash Available for Temporary Investment and Future Capital Expenditures	<u>\$ 29,714</u>	<u>\$ 5,516</u>

Summary of Changes in Net Assets

Three Months Ended September 30, 2012

Net assets at beginning of period	<u>\$774,796,822</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	35,277,897
Change in Fair value of investments	6,068,447
Change in Fair value of swap agreements	90,912
Payments to UW School of Medicine and Public Health for capital expenditure support	(3,347,796)
Capital grants, gifts and donations	318,168
Additions to permanent gift endowments	(116,672)
Increase in net assets	<u>\$38,290,956</u>
Net assets at end of period	<u><u>\$813,087,778</u></u>

Comparison to Local Competitors

September 30, 2012 vs. 2011

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	1.2%	(8.6)%	(7.9)%	(4.3)%
3 Month Rolling Average	4.2%	(4.6)%	(6.7)%	(1.7)%
12 Month Rolling Average	3.5%	(1.8)%	(2.8)%	0.0%
% Change in Average Daily Census				
Current Month	2.2%	0.0%	(2.0)%	0.5%
3 Month Rolling Average	1.9%	1.3%	(6.3)%	(0.8)%
12 Month Rolling Average	1.2%	(2.6)%	(6.6)%	(2.1)%

UWHC Investment Balances & Returns

<u>Account</u>	<u>September Market Value Balances</u>	<u>Investment Allocation</u>	<u>September YTD Investment Return</u>	<u>Benchmark</u>
Operating Account and Commercial Paper				
US Bank	\$ 80,095,795	12.2%	0.33%	0.21% (A)
Short Term Bond Fund				
USBank/Nuveen	\$ 91,498,299	14.0%	1.69%	-0.09% (B)
Intermediate Bond Fund				
USBank/Baird	\$ 225,030,898	34.4%	2.06%	0.98% (C)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,837,727	24.0%	0.24%	0.24% (D)
Endowment Fund				
Securities				
UW Foundation	\$ 101,279,827	15.5%	3.67%	5.47% (E)
Total Unrestricted Funds	\$ 654,742,546	100.0%		

(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