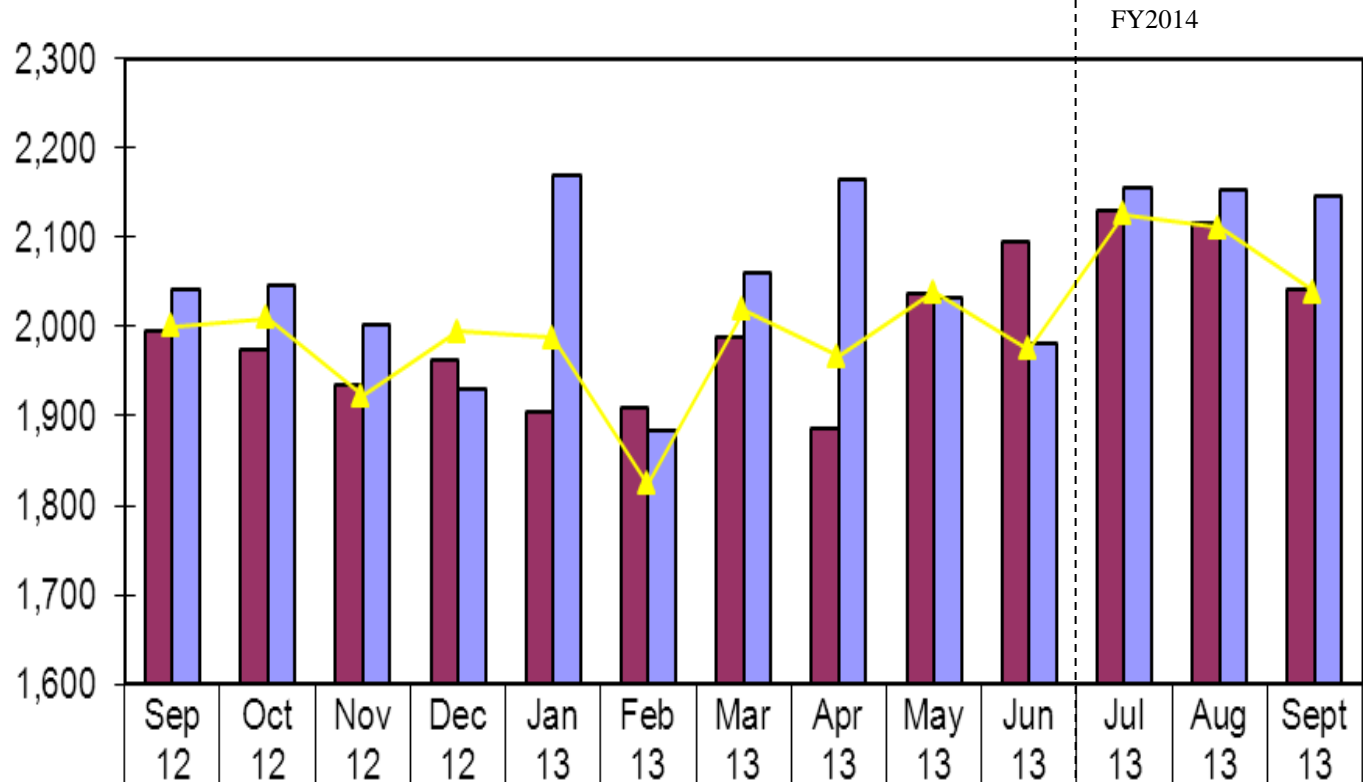


SUMMARY OF OPERATING RESULTS

September 30, 2013

Adult Admissions (rolling 12 months)

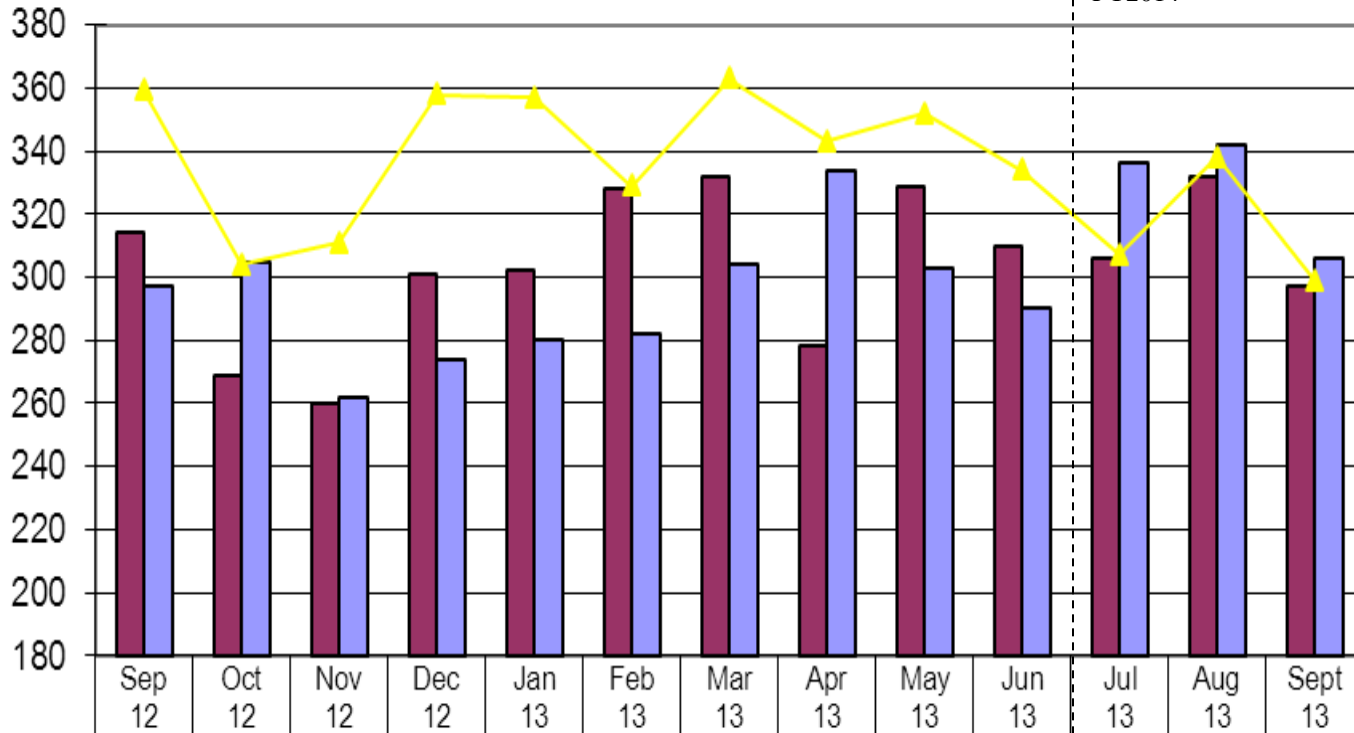


 Prior Actual	1,996	1,973	1,934	1,963	1,905	1,909	1,987	1,886	2,037	2,095	2,129	2,116	2,041
 Current Actual	2,041	2,047	2,001	1,929	2,169	1,883	2,059	2,165	2,032	1,980	2,155	2,152	2,146
 Current Budget	2,000	2,009	1,923	1,994	1,988	1,824	2,019	1,967	2,038	1,975	2,126	2,111	2,038

YTD
6,286
6,453
6,275

Pediatric Admissions

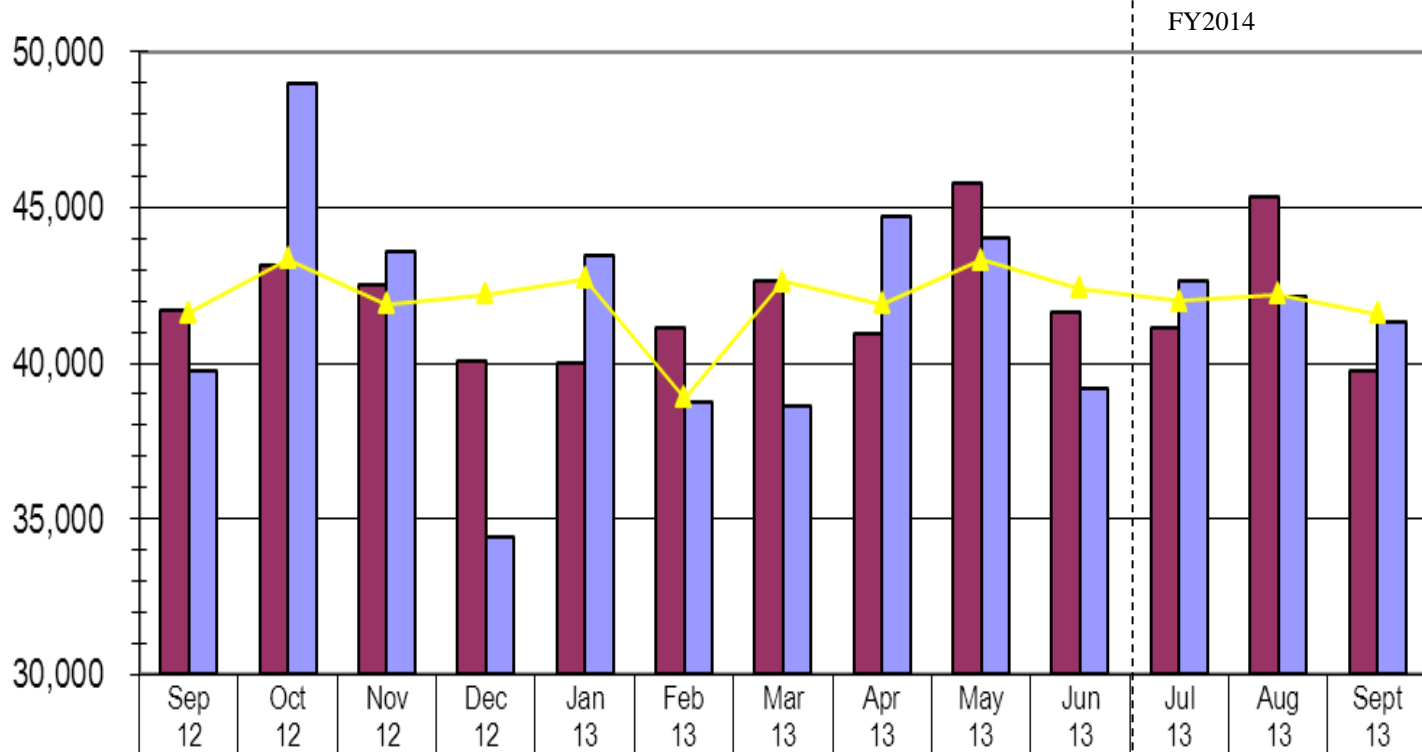
(rolling 12 months)



Prior Actual	314	269	260	301	302	328	332	278	329	310	306	332	297
Current Actual	297	305	262	274	280	282	304	334	303	290	336	342	306
Current Budget	359	304	311	358	357	329	363	343	352	334	307	338	299

YTD
935
984
944

Adult Clinic Visits (rolling 12 months)

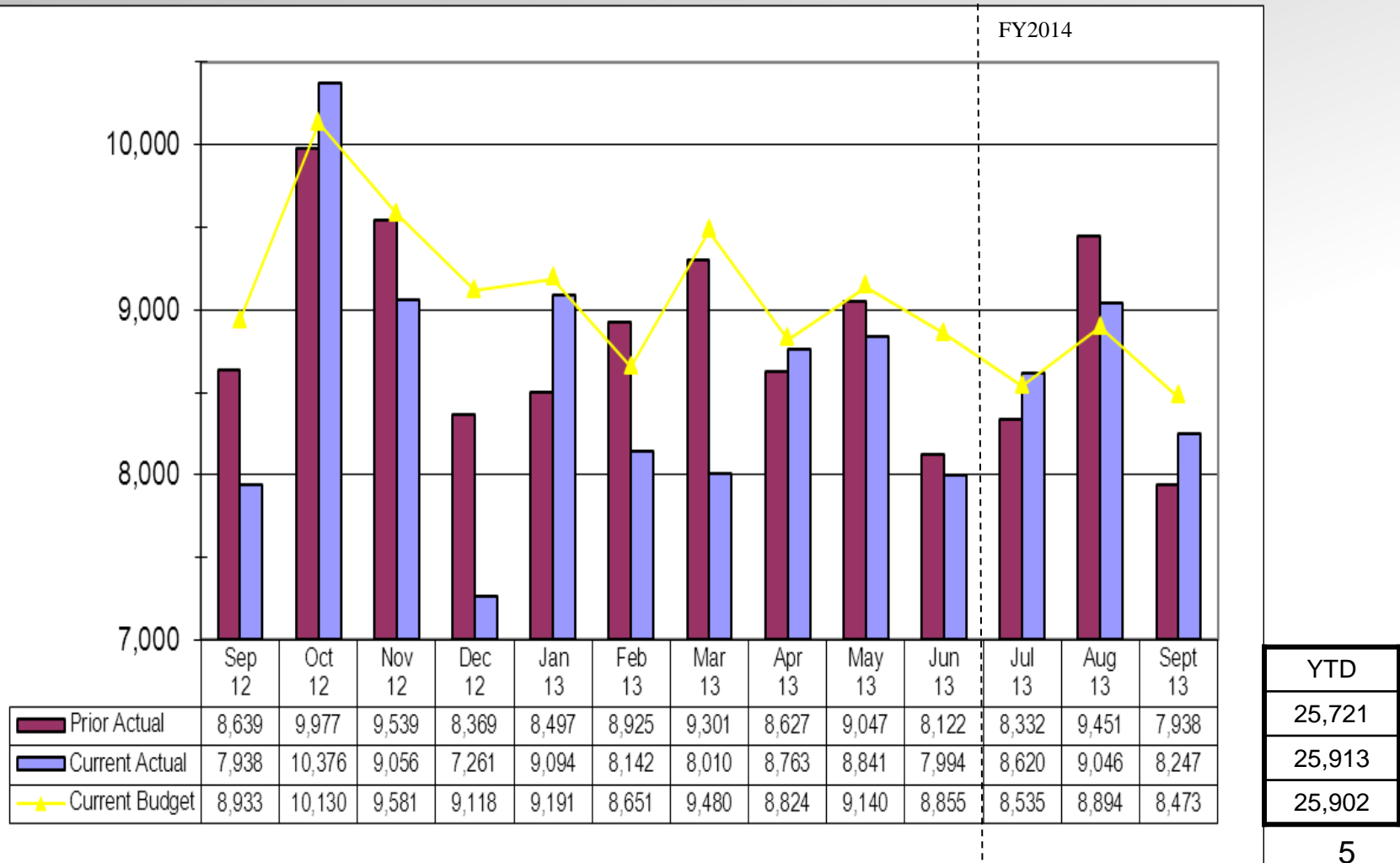


■ Prior Actual	41,663	43,127	42,520	40,053	39,980	41,112	42,622	40,926	45,801	41,614	41,117	45,303	39,770
■ Current Actual	39,770	48,967	43,593	34,423	43,426	38,724	38,644	44,720	44,047	39,182	42,604	42,113	41,341
▲ Current Budget	41,613	43,335	41,905	42,223	42,727	38,875	42,629	41,910	43,311	42,407	41,983	42,201	41,590

YTD	126,190
	126,058
	125,774

Pediatric Clinic Visits

(rolling 12 months)

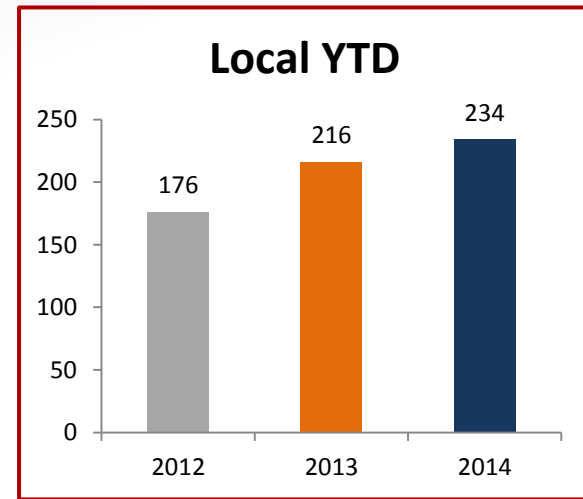
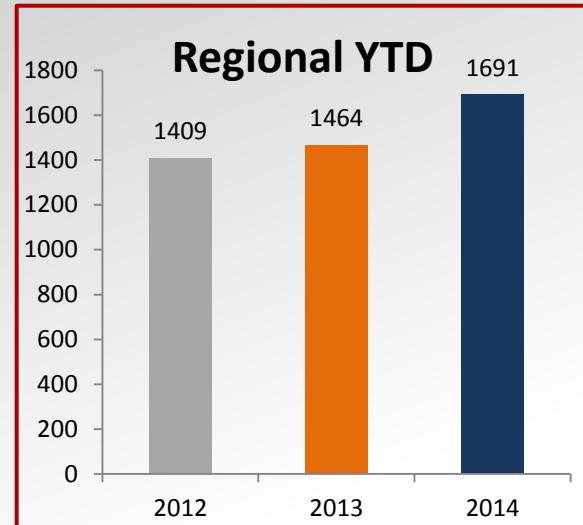
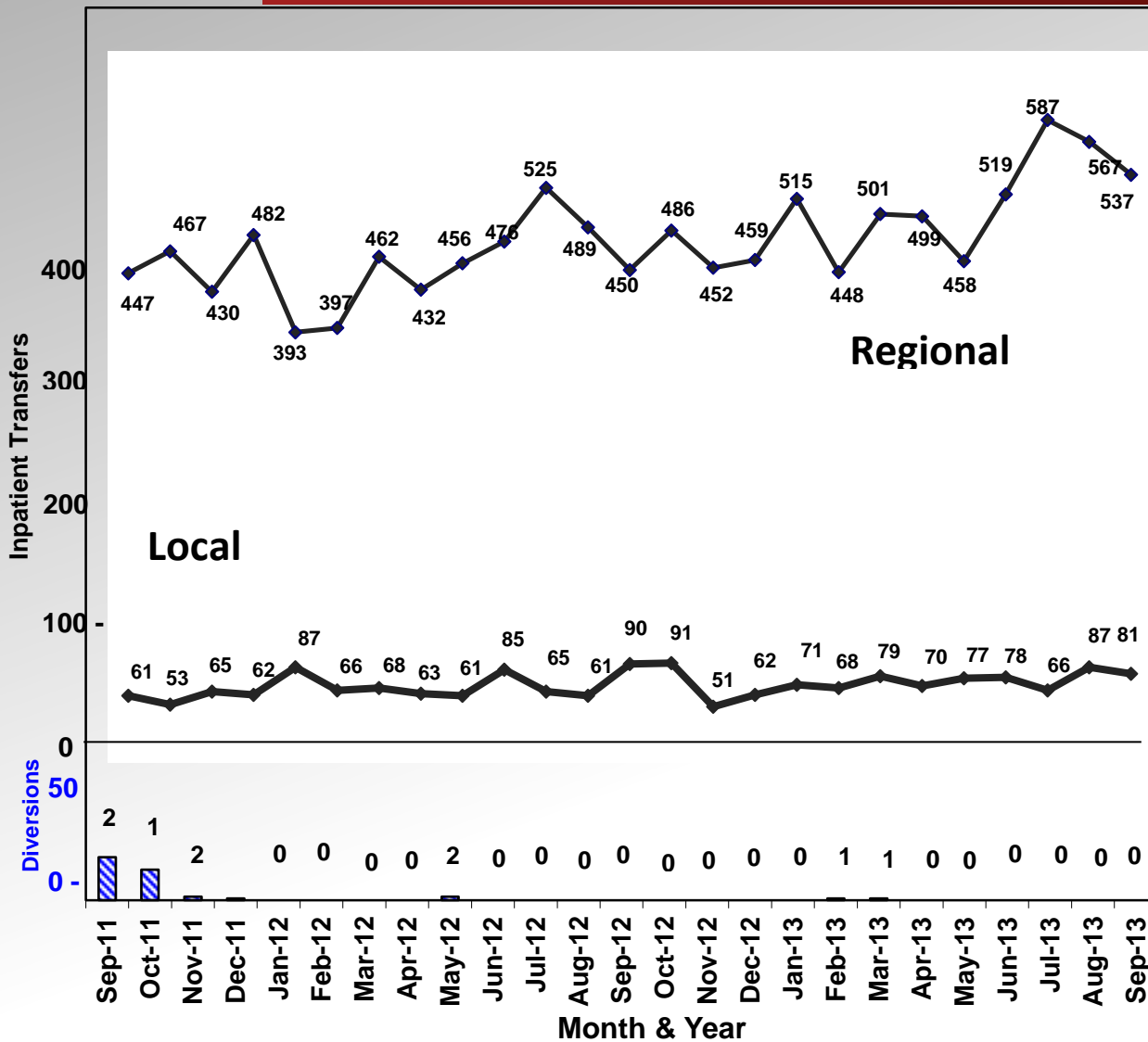


Other Key Ancillary Service Activity Indicators

Month of September 2013

	Actual 2014	Budget 2014	Actual 2013	% Variances Actual to Budget	2014 to 2013
Inpatient Gross Revenues	\$ 125,091,457	\$ 122,019,925	\$ 118,735,740	2.5%	5.4%
Outpatient Gross Revenues	\$ 114,131,624	\$ 113,301,192	\$ 102,370,723	0.7%	11.5%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,122	1,031	1,133	8.8%	-1.0%
Outpatient	638	632	633	0.9%	0.8%
AFCH	405	426	351	-4.9%	15.4%
Subtotal	2,165	2,089	2,117	3.6%	2.3%
Misc./Out of OR	313	264	251	18.6%	24.7%
Total Surgical Procedures	2,478	2,353	2,368	5.3%	4.6%
Transplants					
Deceased Donor	35	33	27	6.1%	29.6%
Living	9	8	6	12.5%	50.0%
Total	44	41	33	7.3%	33.3%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	514	523	523	-1.7%	-1.7%
Electrophysiology Lab	158	140	139	12.9%	13.7%
Total	672	663	662	1.4%	1.5%
Emergency Room Visits	4,213	4,158	4,057	1.3%	3.8%
Radiology Procedures:					
MRI	2,536	2,165	2,228	17.1%	13.8%
CT Scans	5,320	5,052	5,248	5.3%	1.4%
Other	20,747	19,422	20,561	6.8%	0.9%
Total Radiology Procedures	28,603	26,639	28,037	7.4%	2.0%
Radiation Therapy Procedures	2,666	2,871	2,814	-7.1%	-5.3%

Interhospital Transfers & Diversions



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

Summary of Operating Results

Month of September 2013

	Actual September 2013	Budget September 2013	Variance Favorable (Unfavorable)	% Variance	Actual September 2012
Operating Revenue	\$ 104,411,540	\$ 104,010,347	\$ 401,193	0.4%	\$ 98,522,496
Operating Expenses:					
Salary & Fringe Benefits	52,654,939	51,562,329	(1,092,610)	-2.1%	48,450,715
Supplies & Other expenses	48,020,010	48,205,505	185,495	0.4%	41,771,406
Total Operating Expenses	100,674,949	99,767,834	(907,115)	-0.9%	90,222,121
Income from Operations <i>(Operating Margin of 3.6%)</i>	\$ 3,736,591	\$ 4,242,513	\$ (505,922)	-11.9%	\$ 8,300,375
Non-Operating Income/(Loss or Expense)	6,425,237	1,267,009	5,158,228	>100%	4,848,897
Net Income/ Loss <i>(Total Margin)</i>	\$ 10,161,828	\$ 5,509,522	\$ 4,652,306	84.4%	\$ 13,149,272

Non Operating Income (Loss)

Month of September 2013

	Actual September 2013	Budget September 2013	Variance Favorable (Unfavorable)	% Variance	Actual September 2013
Investment Income & Other Non-Operating Income	\$ 1,251,035	\$ 1,239,146	\$ 11,889	1.0%	\$ 2,265,244
Payment to University of WI School of Medicine and Public Health for capital expenditure support	170,000	(157,726)	327,726	>100%	-
Change in Fair Value Gain/Loss on Investments	4,549,940	-	4,549,940	100.0%	1,970,385
Change in Fair Value Gain/Loss on Swap Agreements	(283,941)	-	(283,941)	-100.0%	329,827
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	132,054	79,479	52,575	66.1%	68,484
Wisconsin Dialysis	97,835	18,493	79,342	>100%	81,126
UHC/Unity	493,086	(31,233)	524,319	>100%	(27,434)
UHC/e-Care	(51,514)	(46,027)	(5,487)	-11.9%	(27,965)
Madison Surgery Center	83,926	195,781	(111,855)	-57.1%	250,171
Madison United Healthcare Linen	7,128	-	7,128	100.0%	(8,465)
Madison Environmental Resourcing	6,791	3,370	3,421	>100%	3,386
Generations Fertility Care	(31,103)	(34,274)	3,171	9.3%	(55,862)
Total	\$ 6,425,237	\$ 1,267,009	\$ 5,158,228	>100%	\$ 4,848,897

Other Key Ancillary Service Activity Indicators

Three Months Ended September 30, 2013

	Actual FY '14	Budget FY '14	Actual FY '13	% Variances	
				Actual to Budget	FY 14 to FY 13
Inpatient Gross Revenues	\$ 379,474,934	\$ 378,772,508	\$ 361,089,079	0.2%	5.1%
Outpatient Gross Revenues	\$ 356,069,940	\$ 357,365,348	\$ 330,326,783	-0.4%	7.8%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	3,335	3,416	3,461	-2.4%	-3.6%
Outpatient	1,952	2,096	2,078	-6.9%	-6.1%
AFCH	1,442	1,409	1,329	2.3%	8.5%
Subtotal	6,729	6,921	6,868	-2.8%	-2.0%
Misc./Out of OR	971	876	839	10.8%	15.7%
Total	7,700	7,797	7,707	-1.2%	-0.1%
Transplants					
Cadaver	91	102	112	-10.8%	-18.8%
Living	25	26	23	-3.8%	8.7%
Total	116	128	135	-9.4%	-14.1%
Cardiology Invasive Lab Procedures					
Cardiovascular Lab	1,631	1,656	1,717	-1.5%	-5.0%
Electrophysiology Lab	465	452	486	2.9%	-4.3%
Total	2,096	2,108	2,203	-0.6%	-4.9%
Emergency Room Visits	12,684	12,466	12,186	1.7%	4.1%
Radiology Procedures:					
MRI	7,816	6,844	7,324	14.2%	6.7%
CT Scans	17,006	15,852	16,115	7.3%	5.5%
Other	63,140	60,970	64,187	3.6%	-1.6%
Total Radiology Procedures	87,962	83,666	87,626	5.1%	0.4%
Radiation Therapy Procedures	8,922	9,063	9,745	-1.6%	-8.4%

Summary of Operating Results

Three Months Ended September 30, 2013

(000) Omitted

	Actual FY '14	Budget FY '14	Actual FY '13	% Variances	
				Actual to Budget	FY 14 to FY 13
Operating Revenue	\$ 327,182	\$ 323,692	\$ 306,069	1.1%	6.9%
Operating Expenses:					
Salary & Fringe Benefits	160,397	157,905	147,794	-1.6%	-8.5%
Supplies & Other expenses	149,340	146,691	128,826	-1.8%	-15.9%
Total Operating Expenses	309,737	304,596	276,620	-1.7%	-12.0%
Income from Operations <i>(Operating Margin of 5.3%)</i>	\$ 17,445	\$ 19,096	\$ 29,449	-8.6%	-40.8%
Non-Operating Income/(Loss or Expense)	9,621	3,885	8,641	>100%	11.3%
Net Income	\$27,066	\$22,981	\$38,090	17.8%	-28.9%

Non-Operating Income (Loss)

Three Months Ended September 30, 2013

(000) Omitted

	Actual FY '14	Budget FY '14	Actual FY '13	% Variances	
				Actual to Budget	FY 14 to FY 13
Investment Income & Other Non-Operating Income	\$ 3,896	\$ 3,800	\$ 4,953	2.5%	-21.3%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	-	(484)	(3,348)	100.0%	100.0%
Change in Fair Value Gain (Loss) on Investments	4,323	-	6,068	100.0%	28.8%
Change in Fair Value Gain (Loss) on Swap agreements	267	-	91	100.0%	>100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	318	244	206	30.3%	54.4%
Wisconsin Dialysis	252	57	196	>100%	28.6%
UHC/Unity	449	(96)	(38)	>100%	>100%
UHC/e-Care	(141)	(141)	(110)	0.0%	-28.2%
Madison Surgery Center	318	600	756	-47.0%	-57.9%
Madison United Healthcare Linen	27	-	57	100.0%	-52.6%
Madison Environmental Resourcing	11	10	(2)	10.0%	>100%
Generations Fertility Care	(99)	(105)	(188)	5.7%	47.3%
Total	\$ 9,621	\$ 3,885	\$ 8,641	>100%	11.3%

Performance Ratios

	Favorable Direction	FY 14	Budget or Target	Industry Comparisons		
				S&P 500 "A+" Rated	Moody's "A1" Rated	UWHCA Bond Covenant
Operating Margin	↑	5.3%	5.9%	3.7%	3.6%	
Total Margin	↑	8.0%	7.0%	6.3%	6.4%	
Days Cash on Hand *	↑	226	229	246	204	90
Days in Accounts Receivable	↓	43	45	44	45	
Debt Service Coverage Ratio **	↑	5.5	5.6	4.9	5.1	1.25
Long Term Debt to Capitalization	↓	49.0%	34.0%	29.4%	33.7%	65%
Operating Cash Flow	↑	10.0%	10.4%	10.5%	10.7%	
Cash-to-Debt	↑	150.9%	161.0%	183.7%	146.9%	

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

Accounts Receivable Monitoring Program

	<u>Net Accounts Receivable</u>	<u>Net Days Revenue Outstanding</u>
September 12	149,307,660	46
October 12	145,739,946	44
November 12	148,992,105	42
December 12	147,177,847	42
January 13	156,947,749	45
February 13	156,973,659	49
March 13	157,122,579	47
April 13	151,039,643	45
May 13	139,691,893	43
June 13	142,670,990	43
July 13	146,327,298	43
August 13	149,852,744	43
September 13	150,400,506	43

Comparison of Charity Care & Bad Debt Expense

	FY 14 Actual	FY 14 Budget	Variance	% Variance	FY 13 Actual	Variance	% Variance
Charity	\$ 13,538,620	\$ 16,931,171	\$ (3,392,551)	-20.0%	\$ 9,640,812	\$ 3,897,808	40.4%
% of Revenue	1.84%	2.30%			1.39%		
Bad Debt	11,273,236	8,833,654	2,439,582	27.6%	13,822,097	(\$2,548,861)	-18.4%
% of Revenue	1.53%	1.20%			2.00%		
Total	\$ 24,811,856	\$ 25,764,825	\$ (952,969)	-3.7%	\$ 23,462,909	\$ 1,348,947	5.7%
Gross Revenue	\$ 735,544,875	\$ 736,137,855	\$ (592,980)	-0.1%	\$ 691,415,863	\$ 44,129,012	6.4%
Total Bad Debt & Charity as % of Revenue	3.4%	3.5%			3.4%		

EBITDA Compared to Debt Service & Capital Expenditures

(000) Omitted

	Actual	Budget
<u>Cash Provided:</u>		
Net Income, excluding change in fair value gains/losses & payment to UWSMPH for capital expenditure support	\$22,476	\$23,465
Depreciation	12,387	11,887
Interest Expense	2,878	2,740
EBITDA	\$ 37,741	\$ 38,092
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(34,005)	(50,025)
Est Annual Debt Service	(6,027)	(7,987)
Capital Contribution to UW for Capital Expenditures	0	0
Capital Contribution in Joint Ventures	0	0
Decrease (increase) in Working Capital	(705)	3,068
Total (Used) Provided	(\$40,737)	(\$54,944)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ (2,996)	\$ (16,852)

Summary of Changes in Net Assets

Three Months Ended September 30, 2013 ts

Net assets at beginning of period	<u>\$861,819,653</u>
Net income, excluding change in fair value gains/losses and payments to UWMSPH for capital expenditure support	22,475,732
Change in Fair value of investments	4,322,575
Change in Fair value of swap agreements	267,232
Payments to UW School of Medicine and Public Health for capital expenditure support	-
Capital grants, gifts and donations	260,489
Additions to permanent gift endowments	4,429
Increase in net assets	<u>\$27,330,457</u>
Net assets at end of period	<u><u>\$889,150,110</u></u>

Comparison to Local Competitors

September 30, 2013* vs. 2012

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	4.9%	1.2%	(1.2)%	2.1%
3 Month Rolling Average	3.0%	(3.5)%	(0.3)%	0.3%
12 Month Rolling Average	2.6%	(4.3)%	0.2%	0.0%
% Change in Average Daily Census				
Current Month	(2.1)%	5.6%	(4.3)%	(1.0)%
3 Month Rolling Average	(0.6)%	(2.8)%	(1.4)%	(1.3)%
12 Month Rolling Average	2.8%	1.1%	(0.1)%	1.5%

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	\$ 60,797,687	8.4%	0.23%	0.03% (A)
Short Term Bond Fund				
USBank/Nuveen	\$ 163,283,984	22.7%	0.62%	-0.21% (B)
Intermediate Bond Fund				
USBank/Baird	\$ 225,403,816	31.3%	0.90%	0.20% (C)
Capital Replacement Fund				
Account - UW Foundation	\$ 157,150,275	21.8%	0.19%	0.19% (D)
Endowment Fund				
Securities				
UW Foundation	\$113,961,761	15.8%	4.30%	6.84% (E)
Total Unrestricted Funds	\$ 720,597,523	100.0%	1.2%	1.1%

(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