



## UWMF Finance Committee

March 16, 2021, 7:00 - 8:30 AM

WebEx: <https://uwhealth.webex.com/uwhealth/onstage/g.php?MTID=e0c5bb71afa130514a361ab0245791ba2>

Meeting number: 120 894 4295 // Password: 031621

Telephone: 1-415-655-0003 US TOLL // Access code: 120 894 4295

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## UWMF Finance Committee - March 16, 2021 - Public Meeting Notice

### Agenda

7:00 AM	<hr/> <b>I. Call to Order</b> Dr. Makeba Williams	
7:00 AM	<hr/> <b>II. Meeting Minutes - Open Session</b> Dr. Makeba Williams	Approval
7:01 AM	<hr/> <b>III. Closed Session</b>  (Materials Available To Members Only) Motion to enter into closed session pursuant to Wisconsin Statutes sections 146.38 and 19.85(1)(e), for the discussion of the following confidential strategic matters, which for competitive reasons require a closed session: review and approval of closed session minutes; review and discussion of financial matters including UW Health's North Central Illinois charge trends, Managed Care contracting update, and peer organization financial metric comparison.	
8:05 AM	<hr/> <b>IV. Return to Open Session</b>	
8:05 AM	<hr/> <b>V. UWMF Financial Indicators for Month Ending February 28, 2021</b> Mr. Aaron Prochaska  Presentation - UWMF Financial Indicators for Month Ending February 28, 2021	Report/Discussion  Page 3
8:15 AM	<hr/> <b>VI. UW Health Consolidated Financial Report - YTD February 28, 2021</b> Ms. Jodi Vitello (Material to be added in advance of meeting)	Report/Discussion
8:25 AM	<hr/> <b>VII. FY22 Budget Process</b> Ms. Jodi Vitello	Informational
8:30 AM	<hr/> <b>VIII. Adjourn</b>	



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**Financial Indicators**  
**As of February 28, 2021**

# UWMF Operating Activity YTD

## As of February 28, 2021

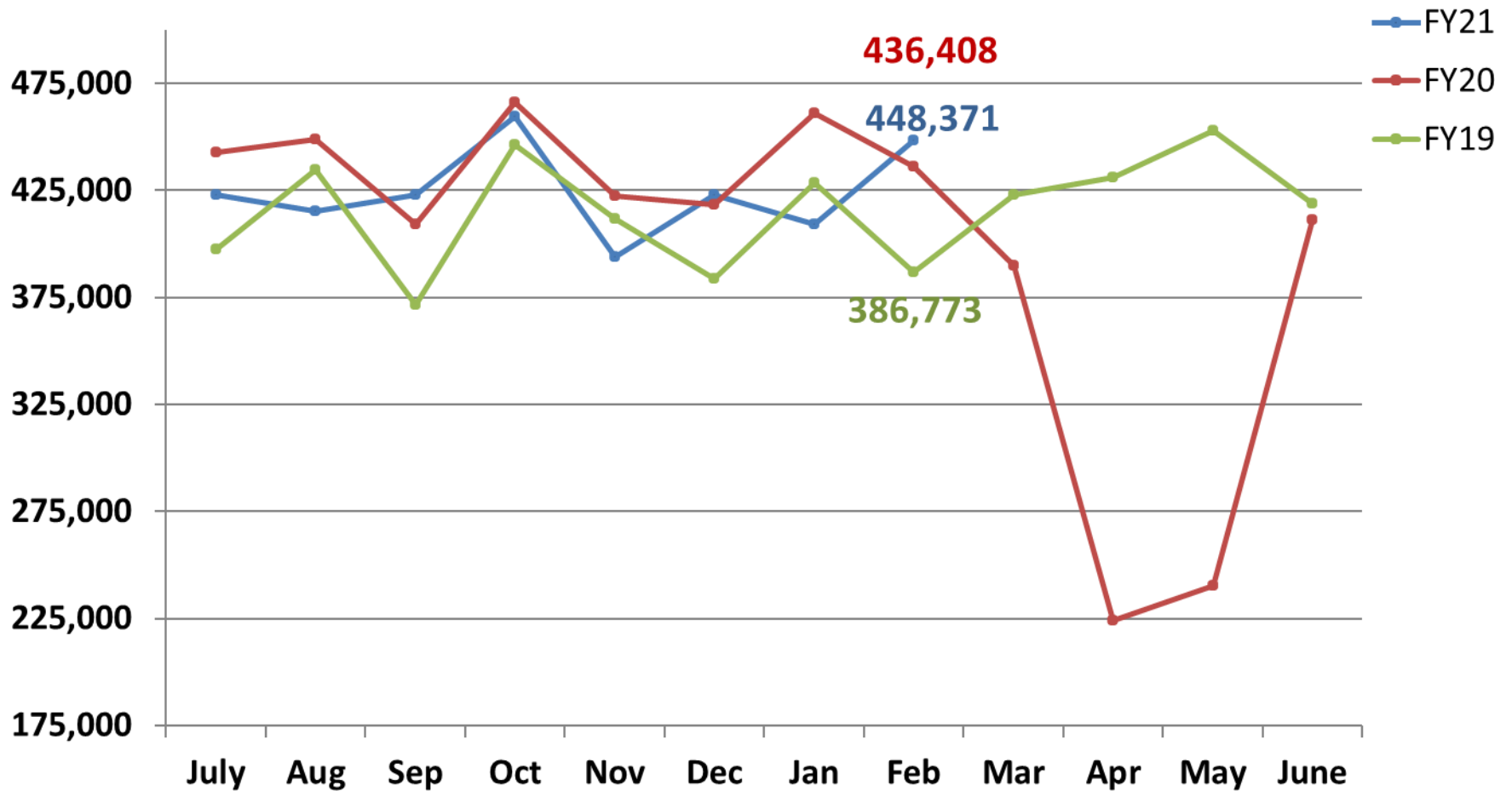
### UWMF Operating Activity: YTD by Posting Period

	<u>FY19</u>	<u>FY20</u>	<u>Growth</u>	<u>FY21</u>	<u>Growth</u>
Avg Physician Count	1,573	1,513	-3.8%	1,559	3.0%
Avg NonPhys Provider Count	610	667	9.3%	721	8.1%
Avg Provider Count	2,183	2,180	-0.1%	2,280	4.6%
Total RVUs*	5,866	6,258	6.7%	6,053	-3.3%
Work RVUs*	3,261	3,505	7.5%	3,395	-3.1%
Charges*	\$1,423,530	\$1,572,789	10.5%	\$1,564,994	-0.5%
Payments*	\$493,993	\$522,470	5.8%	\$519,448	-0.6%
wRVUs / Physician	2,073	2,317	11.7%	2,178	-6.0%
Payment / Physician	\$314,045	\$345,321	10.0%	\$333,193	-3.5%
wRVUs / Provider	1,494	1,608	7.6%	1,489	-7.4%
Payment / Provider	\$226,291	\$239,665	5.9%	\$227,828	-4.9%
Payment / Total RVU	\$84.21	\$83.49	-0.9%	\$85.82	2.8%

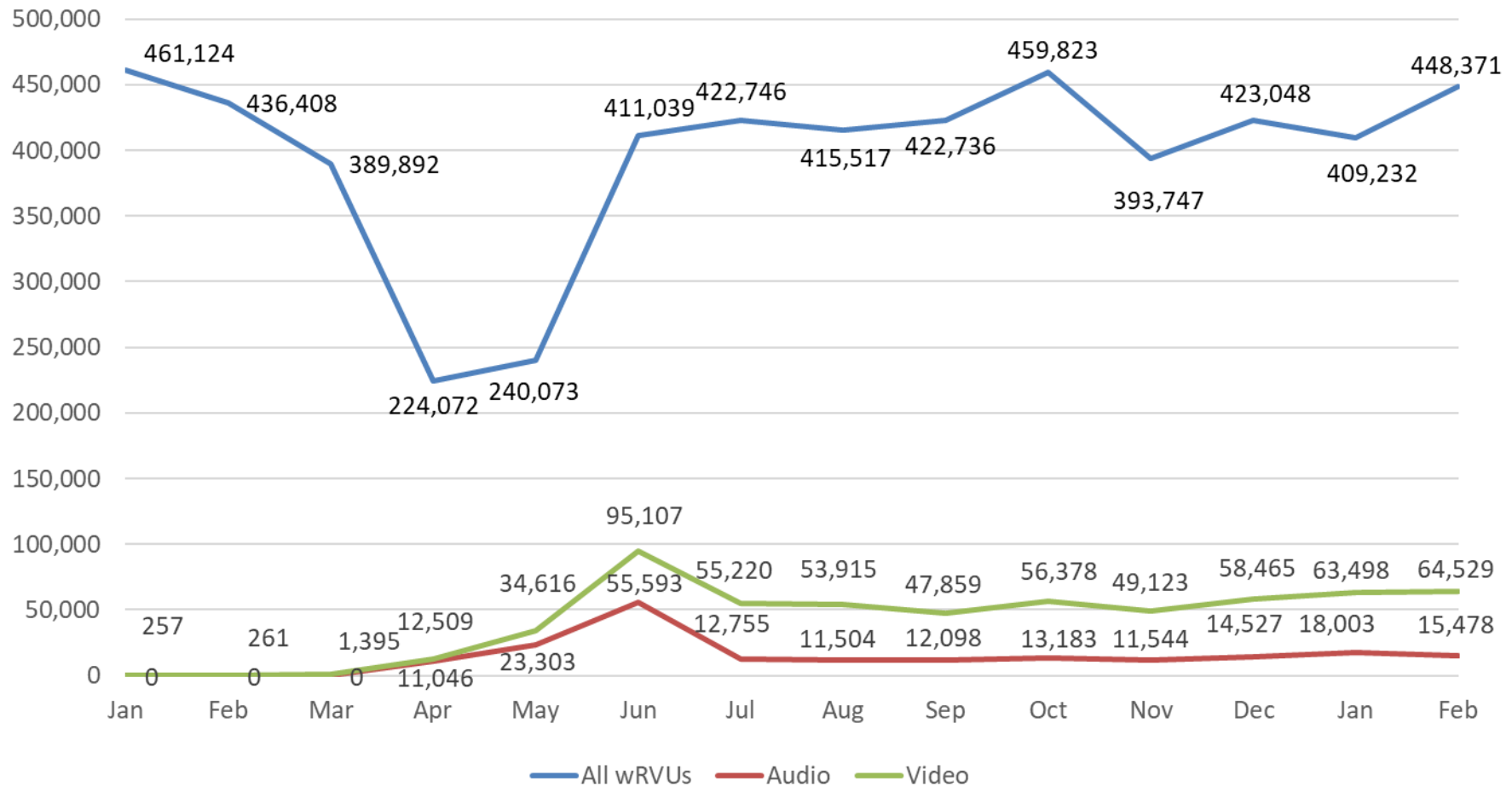
\* in thousands

# Work RVUs by Month

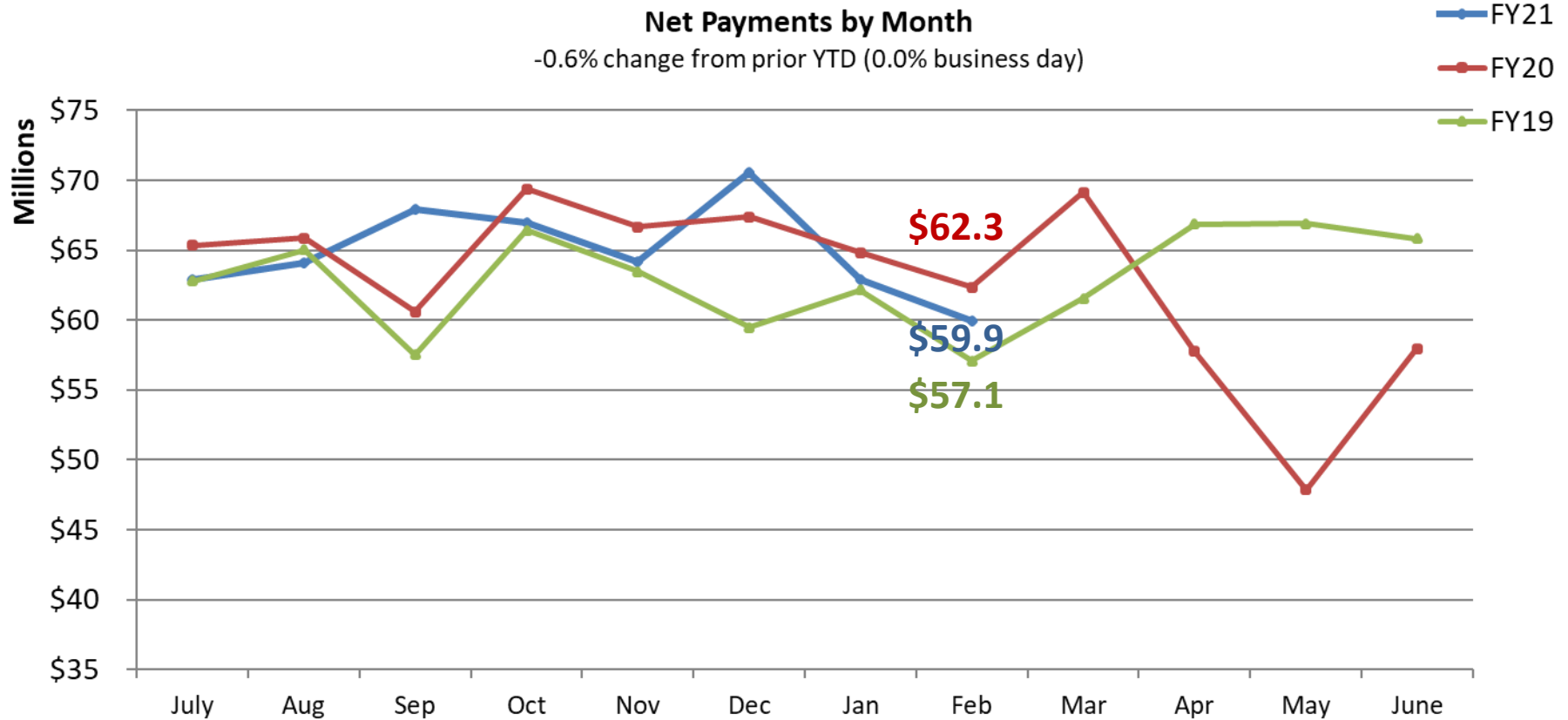
Work RVUs by Month  
-3.1% change from prior YTD (-2.6% per business day)



# Audio and Video wRVUs by Month



# Net Payments by Month



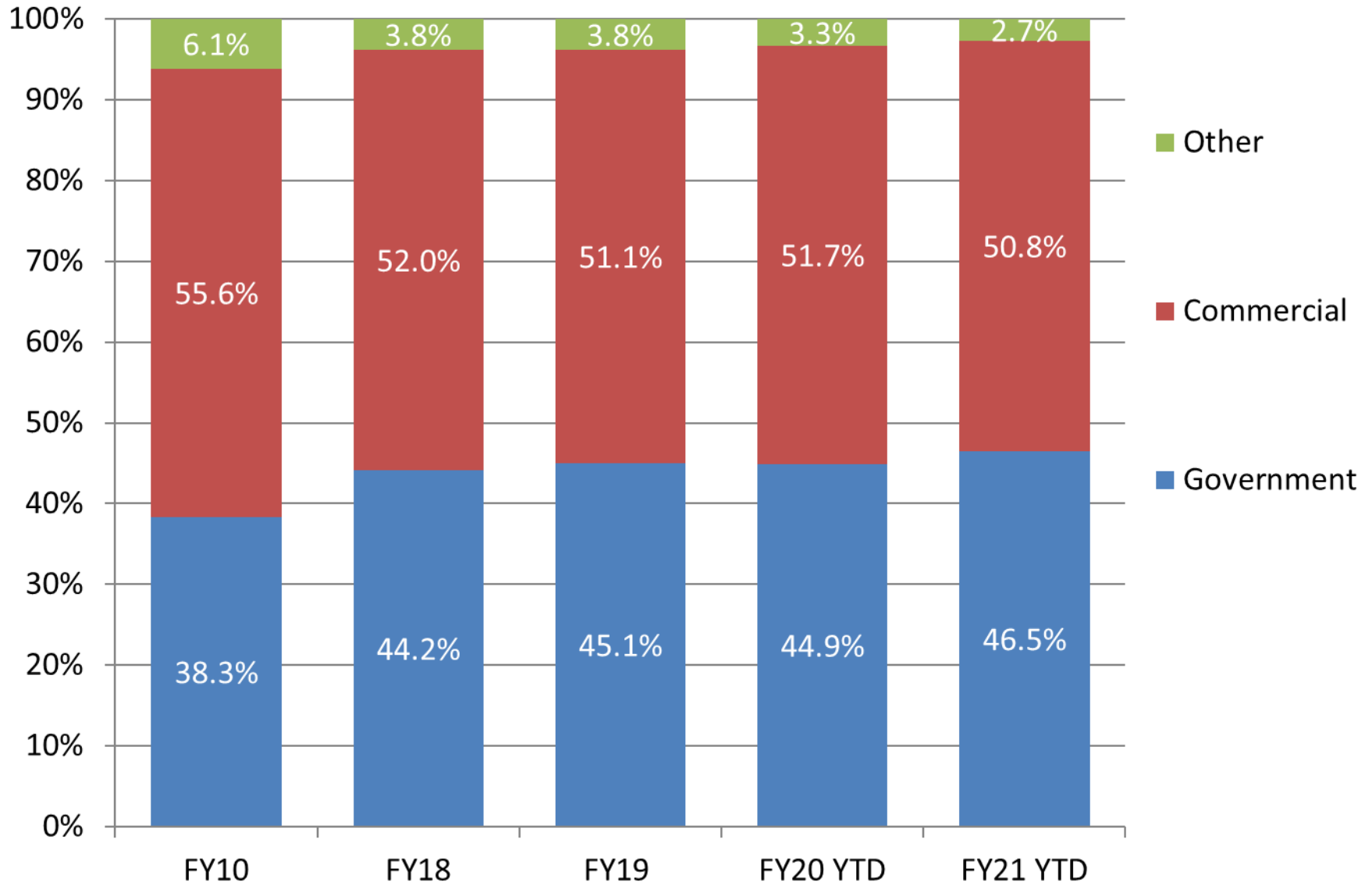
Footnote:

### Collection Rate

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>FY21</b>	32.1%	33.5%	34.2%	31.4%	34.8%	35.4%	34.3%	30.3%				
<b>FY20</b>	33.1%	33.2%	32.8%	33.5%	35.9%	35.5%	30.9%	31.2%	37.2%	53.1%	43.4%	33.0%
<b>FY19</b>	36.1%	35.0%	36.2%	33.9%	35.9%	35.7%	32.5%	32.8%	33.0%	34.8%	33.1%	34.8%

Note: Collection rate as a point in time since charges collected in future months

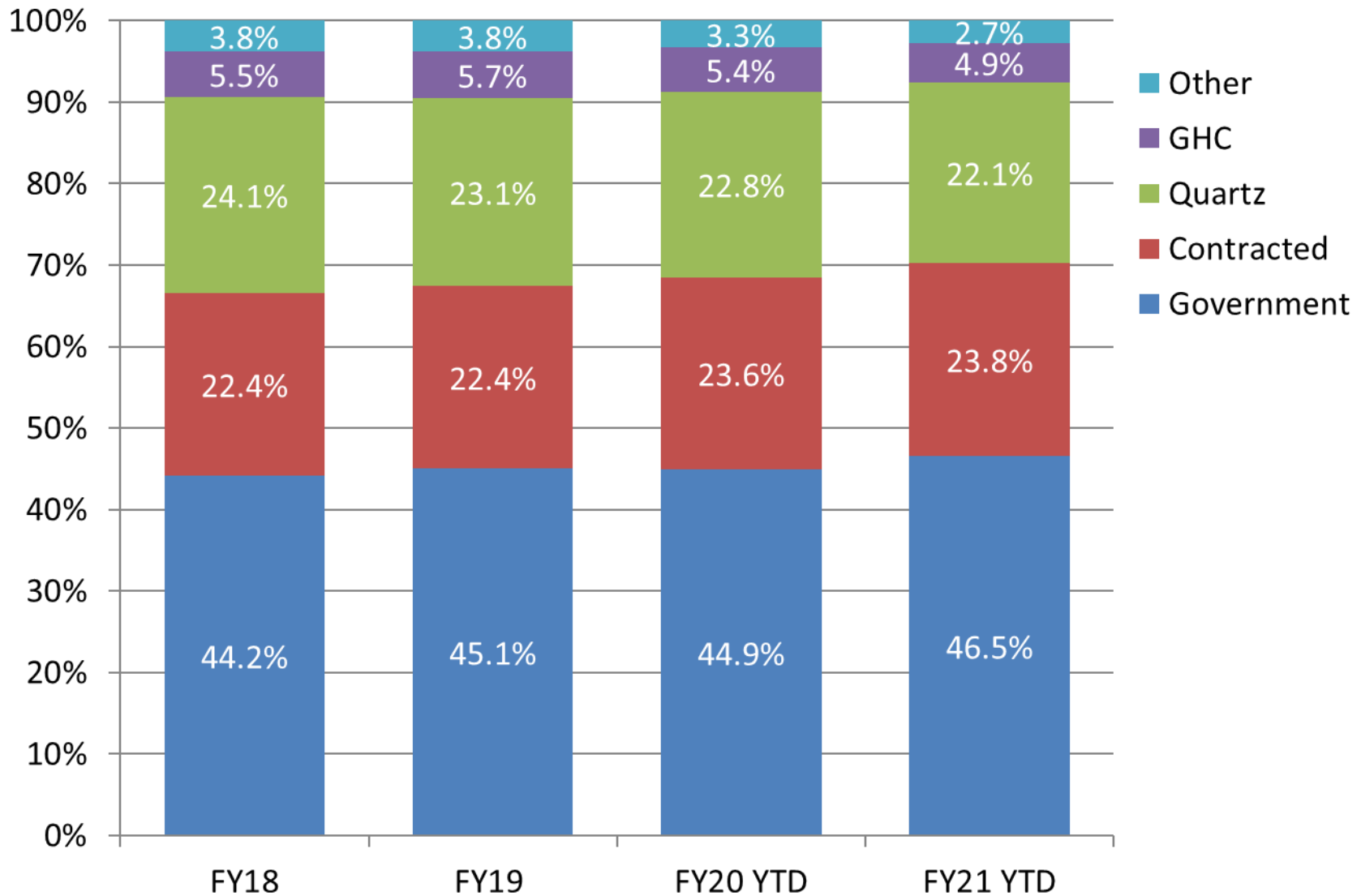
# Payer Mix Trends by Month



Represents gross charges.



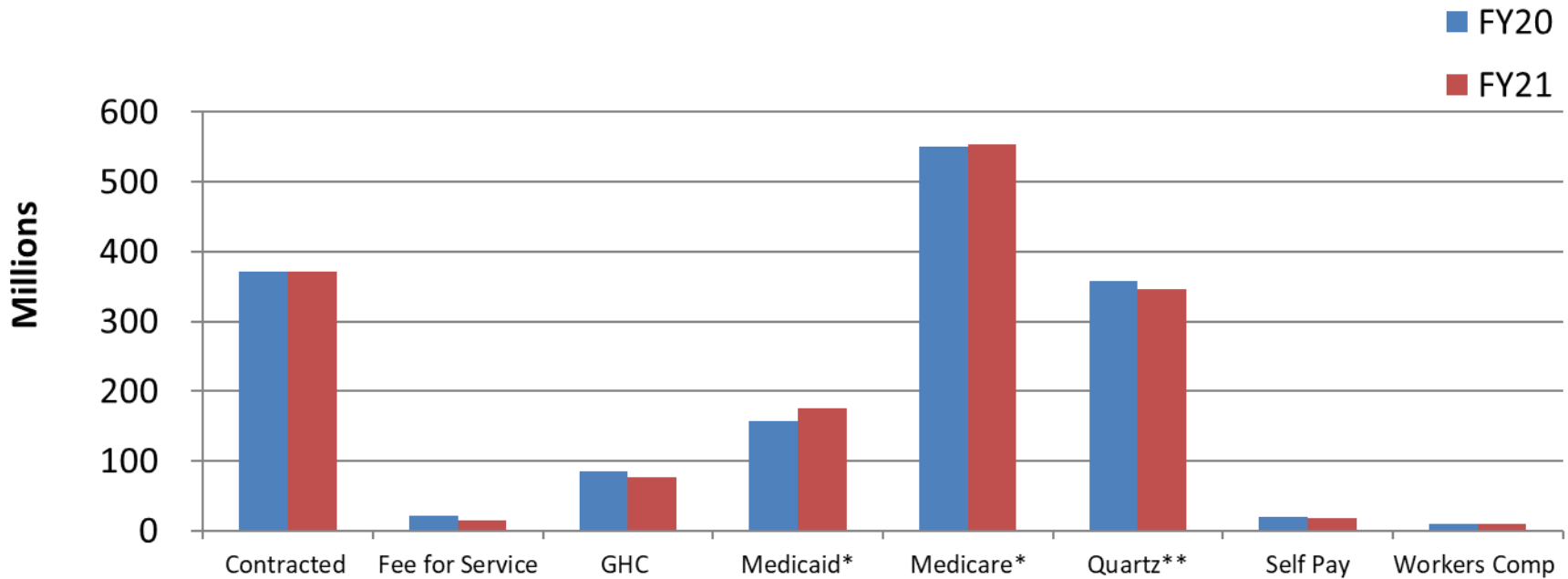
# Payer Mix Trends – Commercial Breakdown



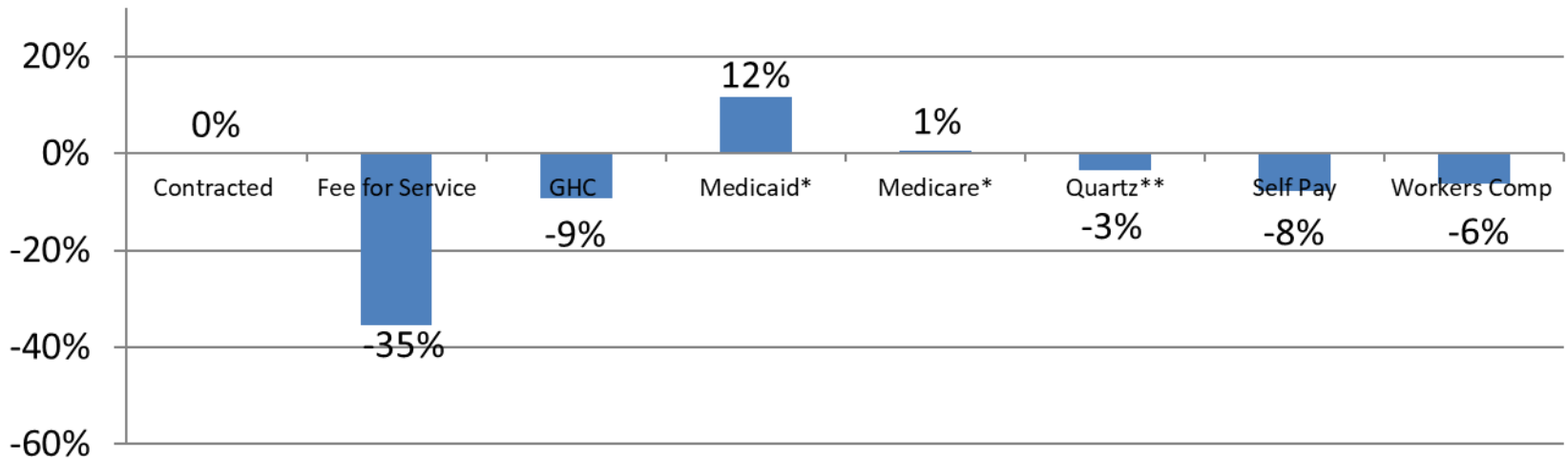
**Represents gross charges.**

\*Quartz includes historical PPIC and Unity data.

# Payer Mix Trends – Gross Charges by Payer – YTD Comparison



**Percent Change: -0.4% UWMF Total (0.2% per business day)**



\*Includes activity from government and commercial plans

\*\*Quartz includes historical PPIC and Unity data.



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**Financial Statements**  
**As of February 28, 2021**

# Summary of YTD February 28, 2021 Operating Results

	Actual Feb_YTD- FY21	Budget Feb_YTD- FY21	Variance vs. Budget	Var. % vs. Budget	Actual Feb_YTD- FY20	Variance vs. PY	Var. % vs. PY
<b><u>TOTAL OPERATING REVENUE</u></b>							
Net patient service revenue	548,553,525	563,829,663	(15,276,138)	(3)	543,319,458	5,234,067	1
Other operating revenues	6,508,306	2,943,637	3,564,668	121	4,252,127	2,256,179	53
<b>Total operating revenues, net</b>	<b>555,061,830</b>	<b>566,773,300</b>	<b>(11,711,470)</b>	<b>(2)</b>	<b>547,571,584</b>	<b>7,490,246</b>	<b>1</b>
<b><u>TOTAL OPERATING EXPENSES</u></b>							
Non-physician salaries and benefits	218,112,961	222,216,934	4,103,973	2	201,477,026	(16,635,935)	(8)
Physician salaries and benefits	327,094,869	328,119,134	1,024,265	0	304,527,922	(22,566,947)	(7)
<b>Salaries and benefits</b>	<b>545,207,830</b>	<b>550,336,068</b>	<b>5,128,238</b>	<b>1</b>	<b>506,004,948</b>	<b>(39,202,882)</b>	<b>(8)</b>
Other expenses	16,105,349	19,918,482	3,813,134	19	17,286,473	1,181,124	7
Purchased services and agency costs	(67,609,436)	(64,137,163)	3,472,273	(5)	(69,112,423)	(1,502,986)	2
Medical materials and supplies	4,038,113	6,452,809	2,414,696	37	4,462,206	424,093	10
Pharmaceuticals	31,506,415	32,912,770	1,406,354	4	30,594,320	(912,096)	(3)
Interest expense	(5,455)	190,389	195,844	103	232,576	238,031	102
Depreciation and amortization	3,232,351	3,703,214	470,863	13	4,438,281	1,205,930	27
Facilities and equipment	28,897,386	22,991,560	(5,905,826)	(26)	31,214,577	2,317,192	7
Nonoperating expenses - academic support	32,949,580	31,496,401	(1,453,179)	(5)	34,551,446	1,601,866	5
<b>Net Operating Expenses</b>	<b>594,322,133</b>	<b>603,864,529</b>	<b>9,542,396</b>	<b>2</b>	<b>559,672,404</b>	<b>(34,649,729)</b>	<b>(6)</b>
<b>Loss from operations</b>	<b>(39,260,303)</b>	<b>(37,091,229)</b>	<b>(2,169,074)</b>	<b>(6)</b>	<b>(12,100,820)</b>	<b>(27,159,483)</b>	<b>(224)</b>
<b><u>NON-OPERATING REVENUE/EXPENSES</u></b>							
Net increase/decrease in fair value of investments	20,991,362	-	20,991,362	-	(833,266)	21,824,628	(2,619)
Investment income	4,785,670	3,815,067	970,603	25	5,185,603	(399,933)	(8)
Equity interest in income/loss of joint ventures	4,003,824	2,642,932	1,360,892	51	5,243,264	(1,239,440)	(24)
Other, net	1,703,893	396,657	1,307,236	330	1,284,256	419,637	33
<b>Net Non-Operating Revenue/Expenses</b>	<b>31,484,749</b>	<b>6,854,656</b>	<b>24,630,094</b>	<b>359</b>	<b>10,879,858</b>	<b>20,604,891</b>	<b>189</b>
<b>Net Loss</b>	<b>(7,775,553)</b>	<b>(30,236,573)</b>	<b>22,461,020</b>	<b>74</b>	<b>(1,220,962)</b>	<b>(6,554,592)</b>	<b>(537)</b>

Favorable

Unfavorable

## February 2021 Key Takeaways

- February MTD Operating Revenues was \$1.5M (2.3%) favorable to budget. February 2021 YTD Operating Revenues were \$11.7M (2.1%) unfavorable to budget. YTD driven primarily by Allowance expense was \$14.5M unfavorable to budget. Due to Organization's process of estimating bad debt expense transitioned to be consistent with UWHC and impact of transition not budgeted July – December 2020.
- February MTD Operating Expenses was \$6.9M (9.6%) unfavorable to budget. February 2021 YTD Operating Expenses were \$16.5M (3.1%) unfavorable to budget.
  - Salaries & Benefits favorable to budget YTD \$5.1M.
    - Physician Salary & Benefits - unfavorable to budget \$2.6M
    - Physician Professional Development favorable to budget 3.6M
    - Staff Salaries favorable to budget \$1.8M; Benefits favorable to budget \$2.3M
  - Facilities and Equipment YTD unfavorable to budget \$5.9M. Primarily driven by a Repair and Maintenance clearing account which was \$8.8M (217%) unfavorable to budget. Accounts for UWMF's share of costs from integrated cost centers incurred by UWHC and allocated to UWMF.

## February 2021 Key Takeaways

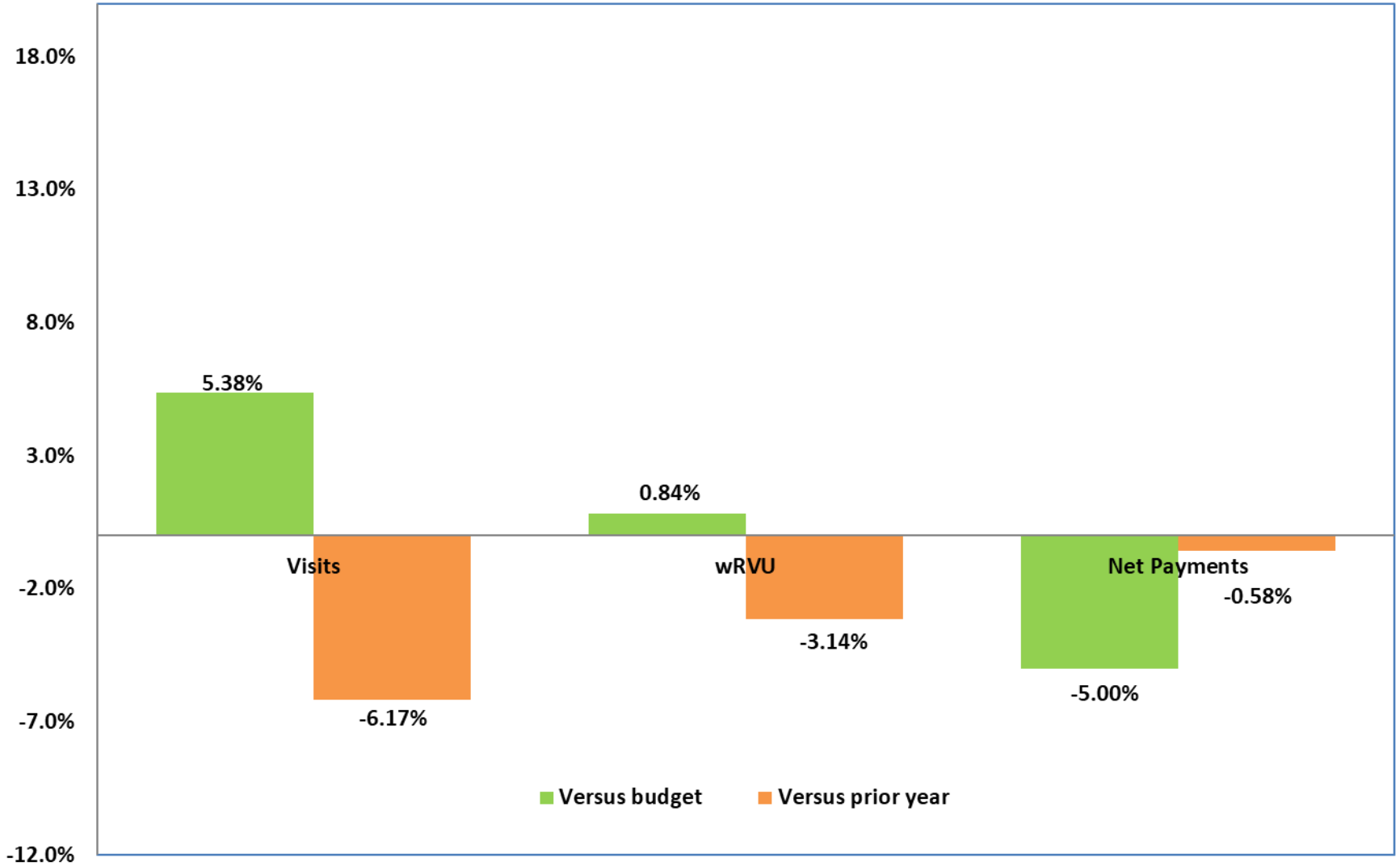
- February MTD net loss from operations was \$5.4M (109.3%) unfavorable to budget. February YTD loss from operations were \$2.2M (5.8%) unfavorable to budget.
- YTD Non operating revenue was \$31.5M. YTD increase in investment portfolio shows \$21.0M gain.
- Overall, February MTD net loss was \$4.1M (100%) unfavorable to budget. February YTD net loss was \$22.4M (74.3%) favorable to budgeted net loss.



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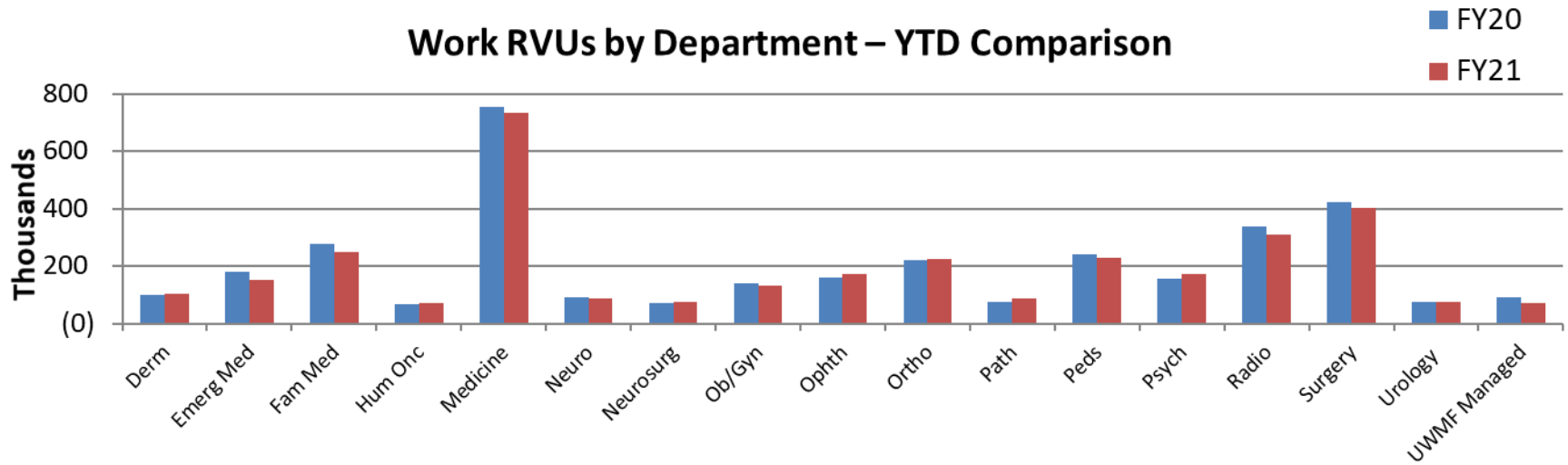
**Appendix**  
**As of February 28, 2021**

# Visits, wRVUs and Payments FY21 February

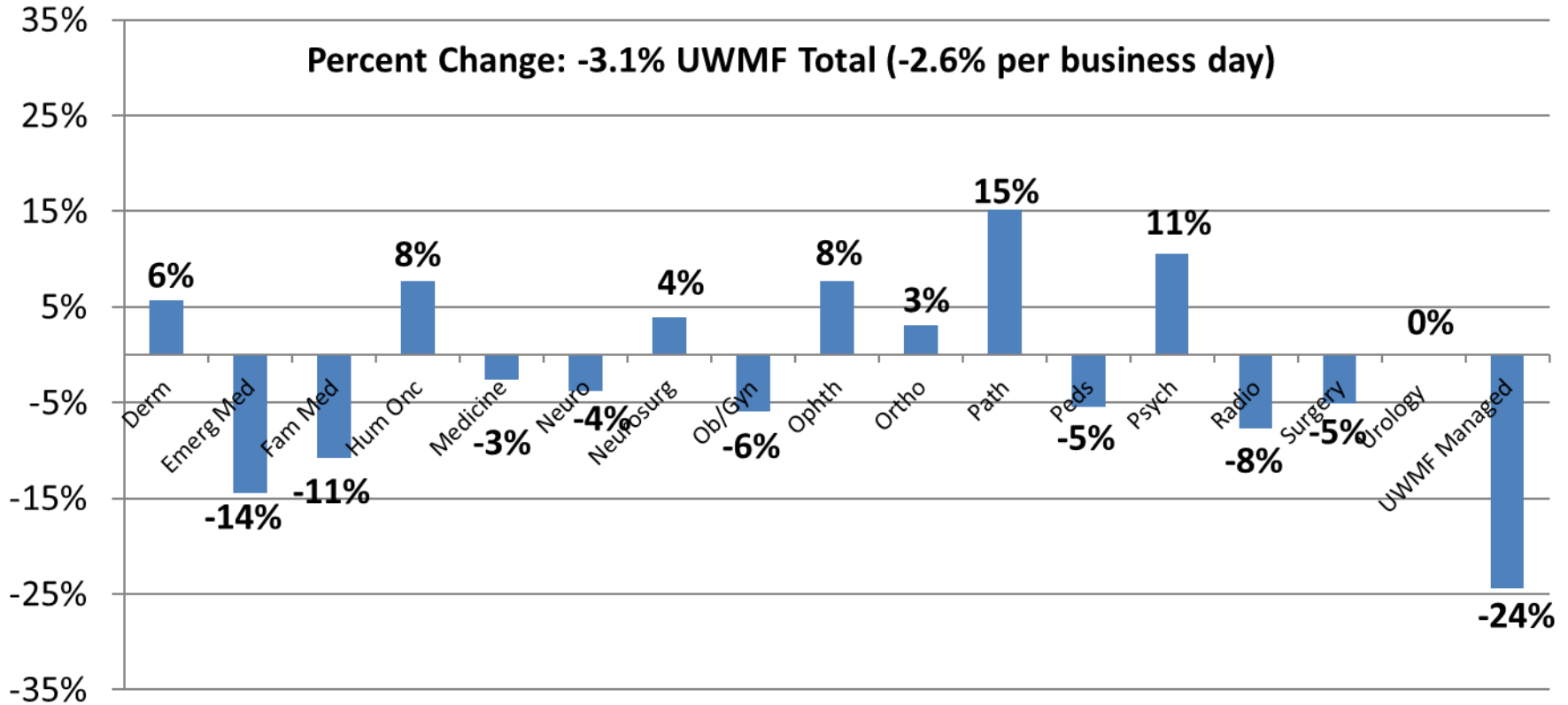




## Work RVUs by Department – YTD Comparison

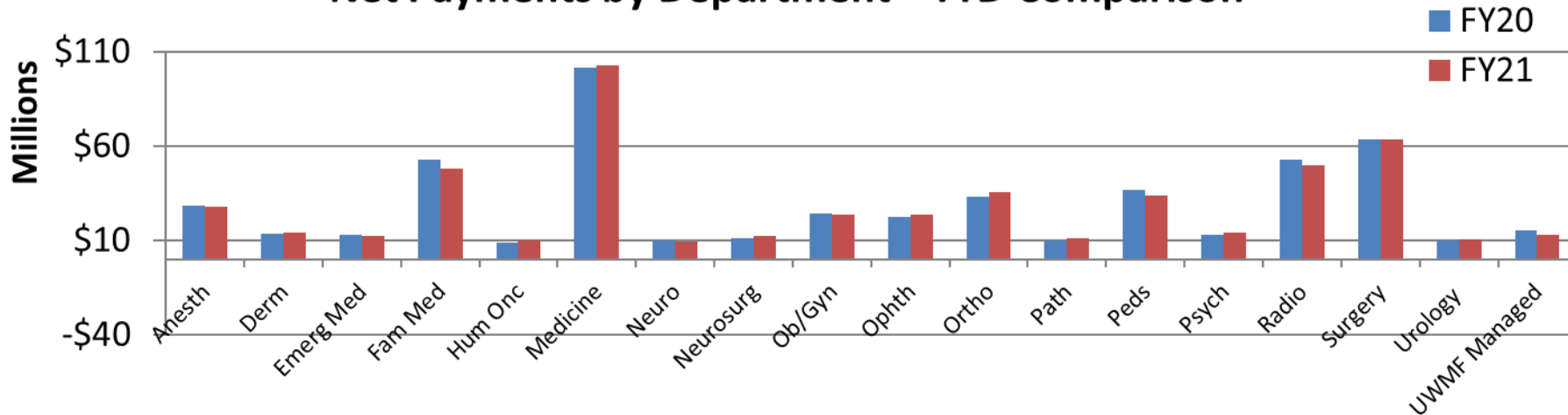


### Percent Change: -3.1% UWMF Total (-2.6% per business day)

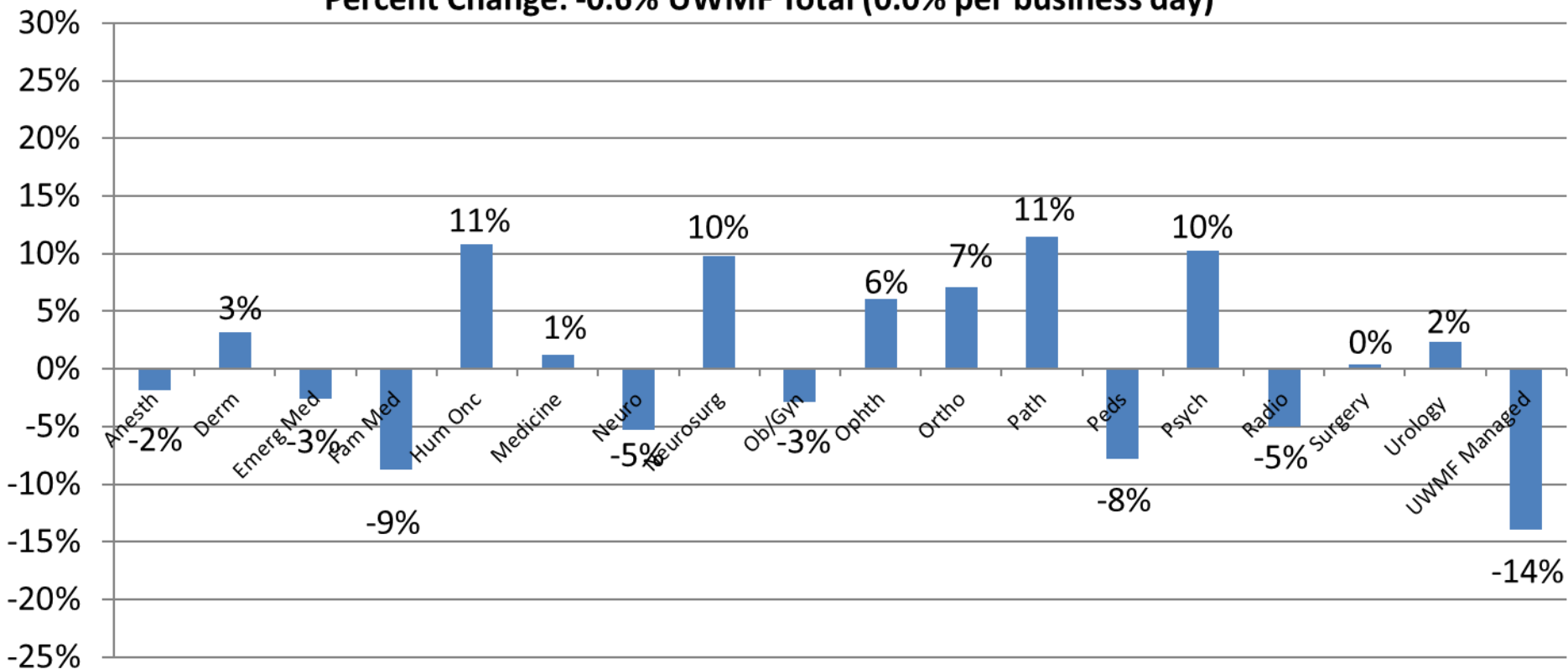


\* UWMF Managed includes Urgent Care and Welcome Center Providers

## Net Payments by Department – YTD Comparison



## Percent Change: -0.6% UWMF Total (0.0% per business day)



# Physician Head Count by Month

