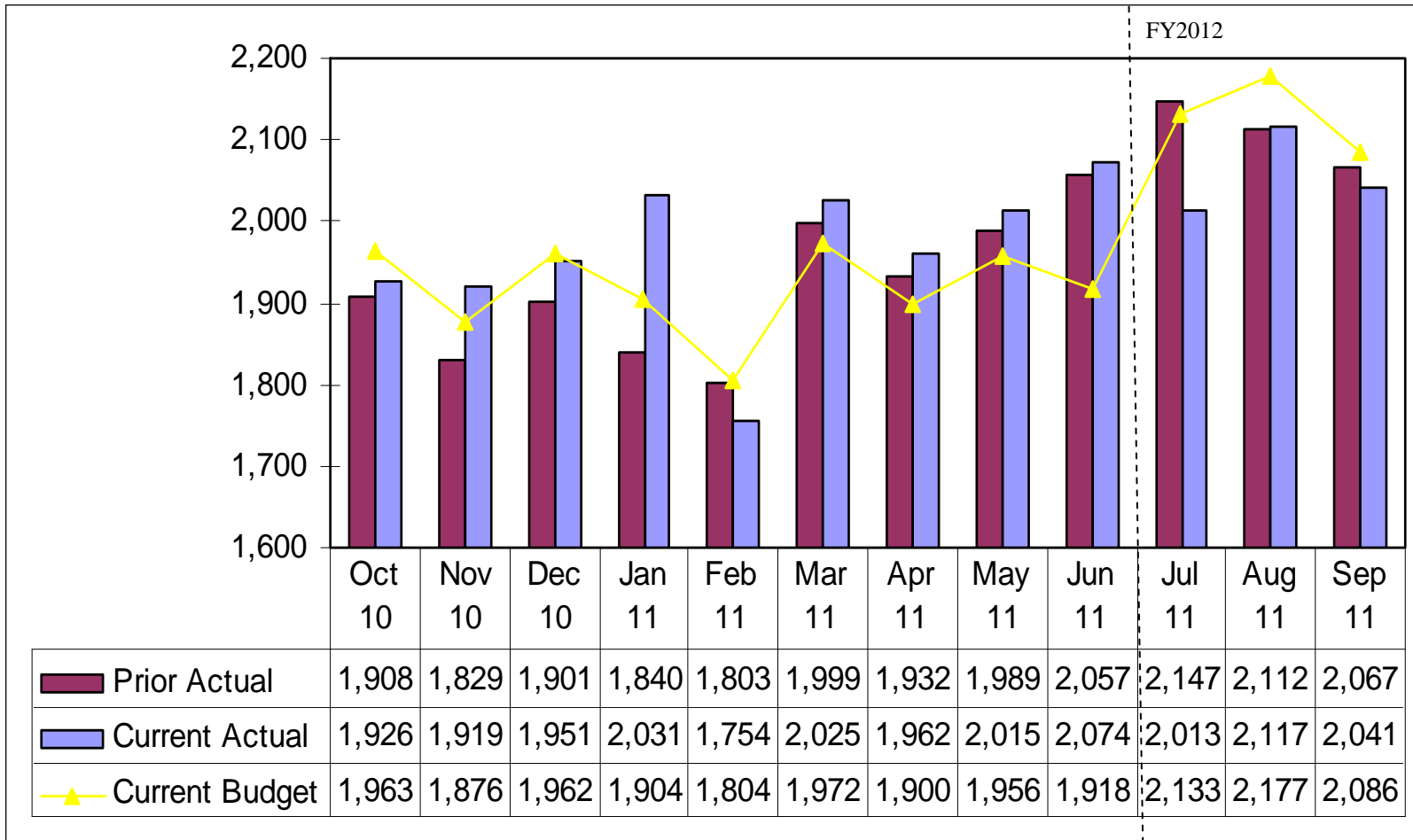


SUMMARY OF OPERATING RESULTS

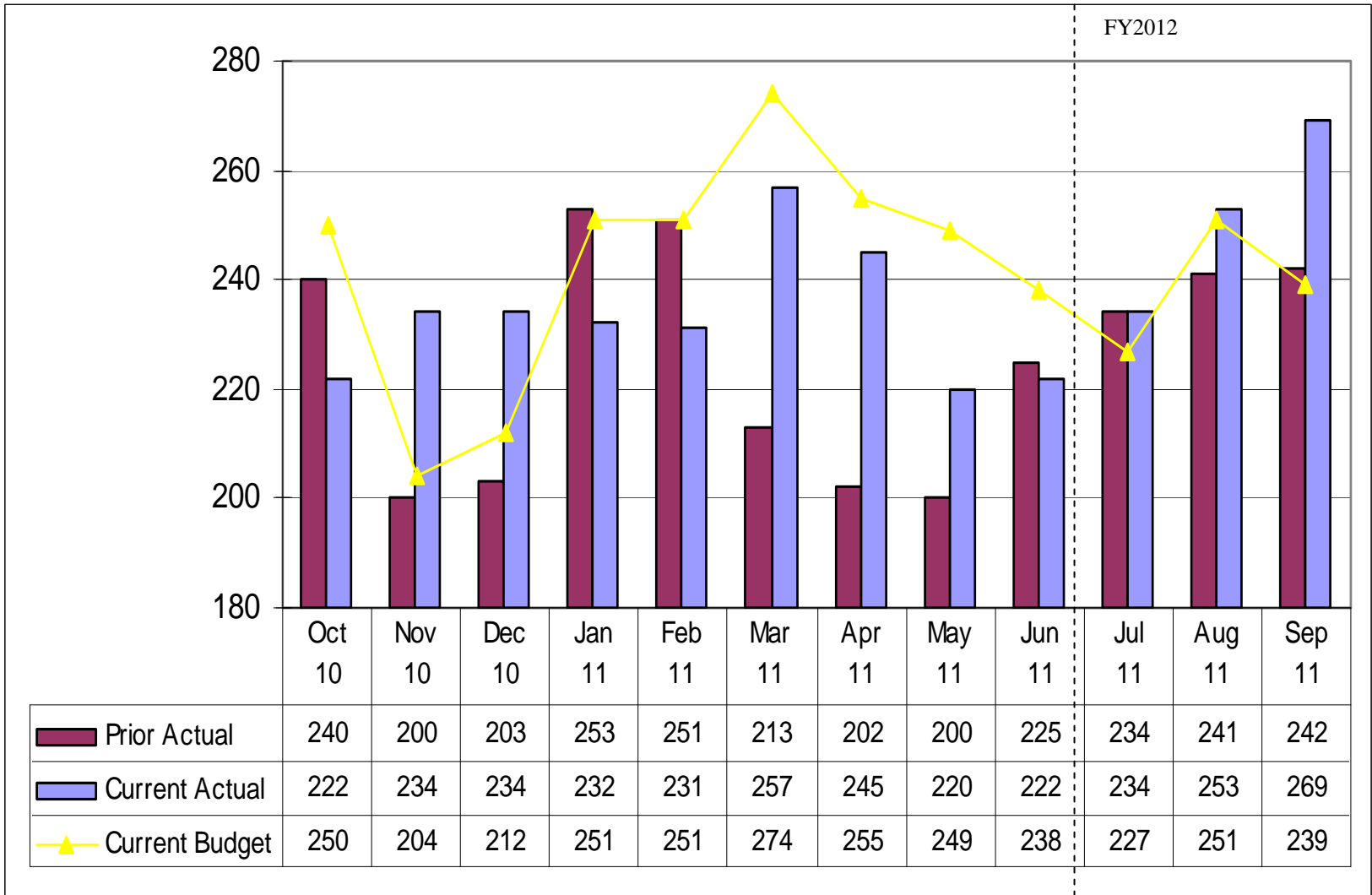
September 30, 2011



Adult Admissions (rolling 12 months)

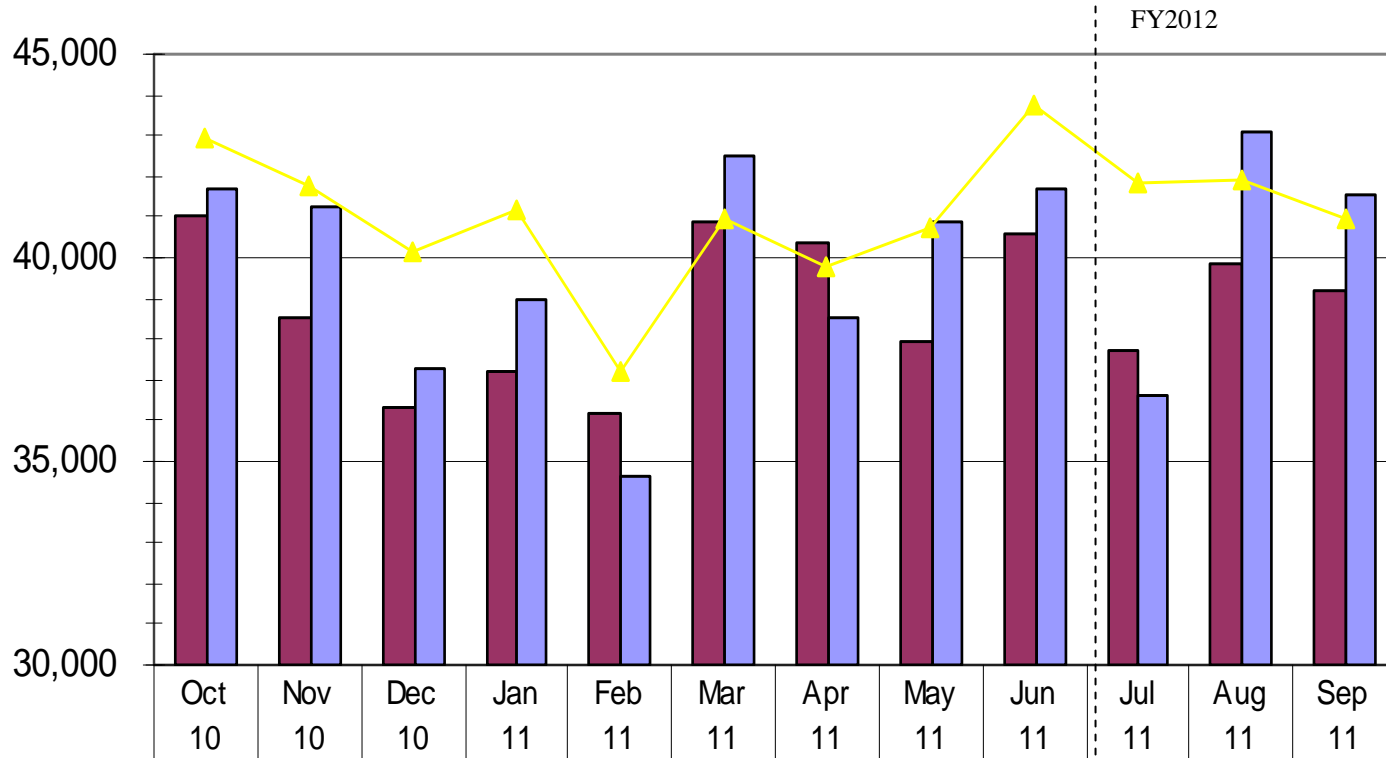


Pediatric Admissions (rolling 12 months)



YTD
717
756
717

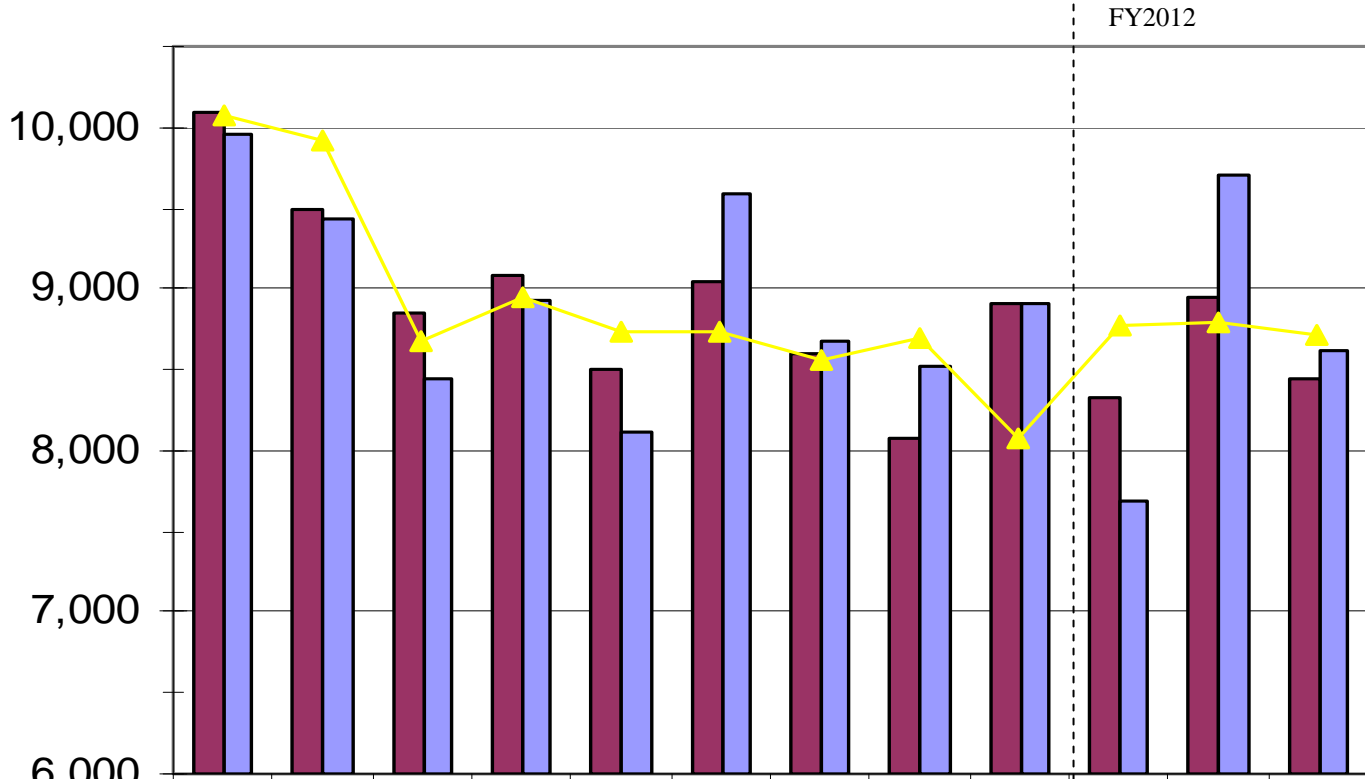
Adult Clinic Visits (rolling 12 months)



Prior Actual	41,014	38,508	36,314	37,201	36,201	40,877	40,353	37,906	40,617	37,693	39,821	39,162
Current Actual	41,677	41,256	37,285	38,990	34,616	42,485	38,550	40,849	41,661	36,613	43,077	41,534
Current Budget	42,948	41,750	40,137	41,162	37,238	40,964	39,812	40,744	43,758	41,842	41,890	40,952

YTD
116,676
121,224
124,684

Pediatric Clinic Visits (rolling 12 months)



	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11
■ Prior Actual	10,083	9,496	8,847	9,084	8,503	9,053	8,591	8,068	8,915	8,325	8,940	8,444
■ Current Actual	9,956	9,439	8,449	8,938	8,107	9,597	8,678	8,513	8,912	7,678	9,703	8,625
▲ Current Budget	10,065	9,924	8,670	8,955	8,742	8,739	8,551	8,692	8,068	8,765	8,790	8,714

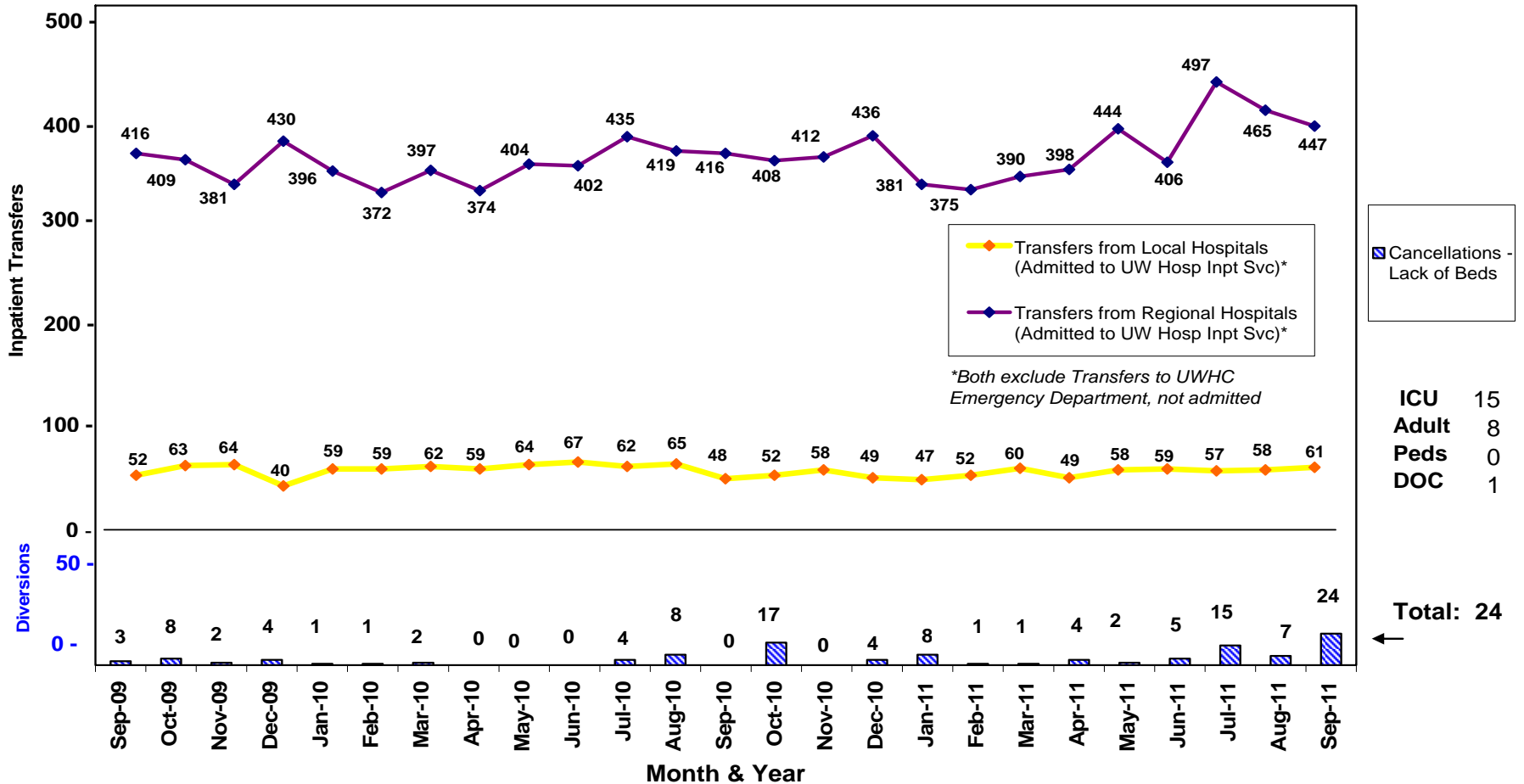
YTD
25,709
26,006
26,269

Other Key Ancillary Service Activity Indicators

Month of September 2011

	Actual 2011	Budget 2011	Actual 2010	% Variances Actual to Budget	2011 to 2010
Inpatient Gross Revenues	\$ 110,637,734	\$ 105,239,487	\$ 97,503,833	5.1%	13.5%
Outpatient Gross Revenues	\$ 97,164,487	\$ 93,119,812	\$ 85,215,950	4.3%	14.0%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	1,124	1,017	983	10.5%	14.3%
Outpatient	698	686	655	1.7%	6.6%
AFCH	403	417	352	-3.4%	14.5%
Subtotal	2,225	2,120	1,990	5.0%	11.8%
Misc./Out of OR	261	238	231	9.7%	13.0%
Total Surgical Procedures	2,486	2,358	2,221	5.4%	11.9%
Transplants					
Deceased Donor	29	31	23	-6.5%	26.1%
Living	9	8	11	12.5%	-18.2%
Total	38	39	34	-2.6%	11.8%
Emergency Room Visits	3,969	3,869	3,712	2.6%	6.9%
Radiology Procedures:					
MRI	2,377	2,343	2,288	1.5%	3.9%
CT Scans	5,473	4,887	4,988	12.0%	9.7%
Other	20,582	19,658	19,967	4.7%	3.1%
Total Radiology Procedures	28,432	26,888	27,243	5.7%	4.4%
Radiotherapy Procedures	2,900	2,826	2,757	2.6%	5.2%

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



Summary of Operating Results

Month of September 2011

	Actual September 2011	Budget September 2011	Variance Favorable (Unfavorable)	% Variance	Actual September 2010
Operating Revenue	\$ 96,463,928	\$ 90,577,571	\$ 5,886,357	6.5%	\$ 86,716,190
Operating Expenses:					
Salary & Fringe Benefits	45,927,462	47,033,325	1,105,863	2.4%	43,757,531
Supplies & Other expenses	39,625,912	38,050,216	(1,575,696)	-4.1%	37,057,972
Total Operating Expenses	85,553,374	85,083,541	(469,833)	-0.6%	80,815,503
Income from Operations <i>(Operating Margin)</i>	\$ 10,910,554	\$ 5,494,030	\$ 5,416,524	98.6%	\$ 5,900,687
Non-Operating Income	(6,328,785)	1,069,355	(7,398,140)	-691.8%	5,189,923
Net Income <i>(Total Margin)</i>	\$ 4,581,769	\$ 6,563,385	\$ (1,981,616)	-30.2%	\$ 11,090,610

Non Operating Income (Loss)

Month of September 2011

	Actual September 2011	Budget September 2011	Variance Favorable (Unfavorable)	% Variance	Actual September 2010
Investment Income & Other Non-Operating Income	\$ 1,592,069	\$ 925,133	\$ 666,936	72.1%	\$ 1,159,531
Fair Value Gain/Loss on Investments	(6,591,539)	-	(6,591,539)	-100.0%	3,001,845
Fair Value Gain/Loss on Swap Agreements	(1,478,068)	-	(1,478,068)	-100.0%	513,226
Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	75,432	100,410	(24,978)	-24.9%	85,112
Wisconsin Dialysis	78,220	10,246	67,974	> 100%	(17,602)
UHC/Unity	(238,251)	(9,426)	(228,825)	> -100%	389,650
UHC/e-Care	(45,902)	(35,041)	(10,861)	-31.0%	(131,139)
Madison Surgery Center	198,206	138,402	59,804	43.2%	164,257
Madison United Healthcare Linen	125,678	16	125,662	> 100%	36,408
Madison Environmental Resourcing	(365)	(3,008)	2,643	87.9%	(11,365)
Generations Fertility Care	(44,265)	(57,377)	13,112	22.9%	-
Total	\$ (6,328,785)	\$ 1,069,355	\$ (7,398,140)	-691.8%	\$ 5,189,923

Other Key Ancillary Service Activity Indicators

Three Months Ended September 30, 2011

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11 to
Inpatient Gross Revenues	\$ 329,446,305	\$ 324,329,970	\$ 303,978,381	1.6%	8.4%
Outpatient Gross Revenues	\$ 293,570,327	\$ 283,829,836	\$ 255,497,136	3.4%	14.9%
Surgical Procedures:					
Inpatient (excludes Misc/Out of OR)	3,256	3,101	3,039	5.0%	7.1%
Outpatient	2,088	2,092	1,951	-0.2%	7.0%
AFCH	1,298	1,272	1,272	2.0%	2.0%
Subtotal	6,642	6,465	6,262	2.7%	6.1%
Misc./Out of OR	820	724	716	13.3%	14.5%
Total	7,462	7,189	6,978	3.8%	6.9%
Transplants					
Cadaver	92	98	97	-6.1%	-5.2%
Living	32	24	28	33.3%	14.3%
Total	124	122	125	1.6%	-0.8%
Emergency Room Visits	11,953	11,795	11,259	1.3%	6.2%
Radiology Procedures:					
MRI	7,136	7,127	6,842	0.1%	4.3%
CT Scans	16,255	14,976	14,998	8.5%	8.4%
Other	61,733	60,221	59,164	2.5%	4.3%
Total Radiology Procedures	85,124	82,324	81,004	3.4%	5.1%
Radiotherapy Procedures	9,061	8,627	8,602	5.0%	5.3%

Summary of Operating Results

Three Months Ended September 30, 2011

(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11 to
Operating Revenue	\$288,118	\$277,708	\$266,644	3.7%	8.1%
Operating Expenses:					
Salary & Fringe Benefits	141,288	143,579	132,774	1.6%	6.4%
Supplies & Other expenses	116,118	114,922	110,254	-1.0%	5.3%
Total Operating Expenses	257,406	258,501	243,028	0.4%	5.9%
Income from Operations <i>(Operating Margin of 10.7%)</i>	\$ 30,712	\$ 19,207	\$ 23,616	59.9%	30.0%
Non-Operating Income	(10,653)	719	5,587	-1581.6%	-290.7%
Net Income	\$20,059	\$19,926	\$29,203	0.7%	-31.3%

Non-Operating Income (Loss)

Three Months Ended September 30, 2011
(000) Omitted

	Actual FY '12	Budget FY '12	Actual FY '11	% Variances	
				Actual to Budget	FY 12 to FY 11 to
Investment Income & Other Non-Operating Income	\$ 3,918	\$ 2,777	\$ 3,345	41.1%	17.1%
Payment to University of WI School of Medicine and Public Health for capital expenditure support	(2,500)	(2,500)	(2,500)	0.0%	0.0%
Fair Value Gain (Loss) on Investments	(6,670)	-	5,257	-100.0%	> -100%
Fair Value Gain (Loss) on Swap agreements	(5,965)	-	(2,591)	-100.0%	> -100%
UWHC portion of Joint Venture Income/Losses:					
Wisconsin Therapies/Chartwell	182	308	289	-40.9%	-37.0%
Wisconsin Dialysis	189	31	54	> 100%	> 100%
UHC/Unity	(186)	(29)	1,614	> -100%	> -100%
UHC/e-Care	(170)	(107)	(342)	-58.9%	50.3%
Madison Surgery Center	588	424	382	38.7%	53.9%
Madison United Healthcare Linen	122	-	77	100.0%	58.4%
Madison Environmental Resourcing	6	(9)	2	> 100%	> 100%
Generations Fertility Care	(167)	(176)	-	5.1%	-100.0%
Total	\$ (10,653)	\$ 719	\$ 5,587	-1581.6%	-290.7%

Performance Ratios

	Industry Comparisons						UWHCA Bond Covenants
	Favorable Direction	FY 12	Budget or Target	S&P 500 "A" Rated	Moody's "A" Rated	Fitch "A" Rated	
Operating Margin	↑	10.7%	6.9%	2.8%	2.6%	2.6%	
Total Margin **	↑	11.3%	7.2%	4.6%	5.3%	4.1%	
Days Cash on Hand *	↑	195	183	202	180	194	90, 75 & 45
Days in Accounts Receivable	↓	47	48	44	44	44	
Debt Service Coverage Ratio **	↑	10.4	7.5	4.2	4.6	2.9	1.25 & 1.0
Long Term Debt to Capitalization	↓	26.0%	24.0%	32.6%	38.6%	41.9%	65%
Operating Cash Flow	↑	15.1%	11.6%	10.1%	10.0%	11.0%	
Cash-to-Debt	↑	222.5%	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

	<u>Net Accounts Receivable</u>	<u>Net Days Revenue Outstanding</u>
September 10	136,464,752	48
October 10	134,925,285	48
November 10	125,470,874	45
December 10	119,859,156	44
January 11	128,139,016	47
February 11	117,739,968	45
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

Comparison of Charity Care & Bad Debt Expense

	FY 12 Actual	FY 12 Budget	Variance	% Variance	FY 11 Actual	Variance	% Variance
Charity	\$ 9,004,846	\$ 15,203,995	\$ (6,199,149)	-40.8%	\$ 9,619,067	\$ (614,221)	-6.4%
% of Revenue	1.45%	2.50%			1.72%		
Bad Debt	15,878,944	9,122,397	6,756,547	74.1%	12,705,044	\$3,173,900	25.0%
% of Revenue	2.55%	1.50%			2.27%		
Total	\$ 24,883,790	\$ 24,326,392	\$ 557,398	2.3%	\$ 22,324,111	\$ 2,559,679	11.5%
Gross Revenue	\$ 623,016,632	\$ 608,159,805	\$ 14,856,827	2.4%	\$ 559,475,516	\$ 63,541,116	11.4%
Total Bad Debt & Charity as % of Revenue	4.0%	4.0%			4.0%		

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	\$35,194	\$19,926
Depreciation	10,645	10,899
Interest Expense	2,172	2,193
EBITDA	\$ 48,011	\$ 33,018
<u>Cash (Used) for Capital Expenditures, Debt Service and Working Capital:</u>		
Capital Expenditures	(11,894)	(19,475)
Est Annual Debt Service	(2,492)	(3,110)
Capital Contribution to UW for Capital Expenditures	(2,500)	(2,500)
Capital Contribution in Joint Ventures	(900)	(600)
Decrease (increase) in Working Capital	(18,983)	335
Total (Used) Provided	(\$36,769)	(\$25,350)
Cash Available for Temporary Investment and Future Capital Expenditures	\$ 11,242	\$ 7,668

Summary of Changes in Net Assets

Three Months Ended September 30, 2011

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	35,193,922
Fair value of investments	(6,670,105)
Fair value of swap agreements	(5,964,716)
Payments to UW School of Medicine and Public Health for capital expenditure support	(2,500,000)
Capital grants, gifts and donations	584,973
Additions to permanent gift endowments	1,650
Increase in net assets	<u>\$20,645,724</u>
Net assets at end of period	<u><u>\$689,465,472</u></u>

Comparison to Local Competitors September 30, 2011 vs. 2010

	<u>UWHC</u>	<u>Meriter</u>	<u>St. Mary's</u>	<u>Total</u>
% Change in Admissions				
Current Month	0.0%	(0.5)%	0.6%	0.1%
3 Month Rolling Average	(1.6)%	1.3%	0.5%	(0.2)%
12 Month Rolling Average	1.5%	(1.1)%	(0.3)%	0.2%
% Change in Average Daily Census				
Current Month	0.8%	(3.0)%	(4.5)%	(1.7)%
3 Month Rolling Average	(2.6)%	(2.7)%	0.6%	(1.7)%
12 Month Rolling Average	(0.2)%	(1.6)%	2.1%	0.2%

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	\$ 61,962,167	11.9%	0.07%	0.03% (A)
Intermediate Bond Fund				
USBank/ Baird	\$ 211,970,531	40.6%	2.48%	1.90% (B)
Capital Replacement Fund				
Account - UW Foundation	\$ 156,450,165	30.0%	0.21%	0.21% (C)
Endowment Fund - Equity Securities				
UW Foundation	\$91,300,327	17.5%	-8.55%	-14.21% (D)
Total Unrestricted Funds	\$ 521,683,190	100.0%		

(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