

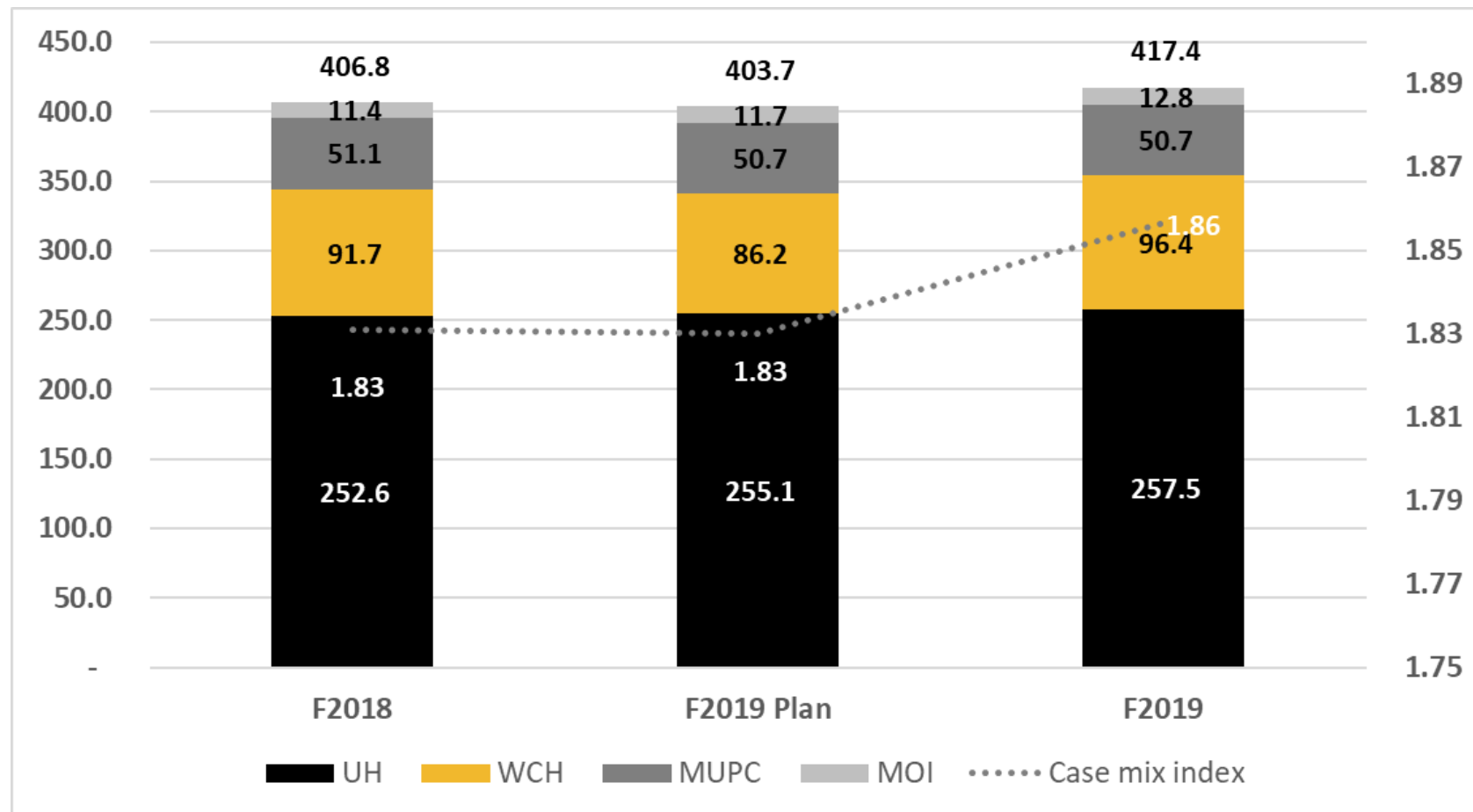


Financial Update

Mike Blair, Chief Financial Officer

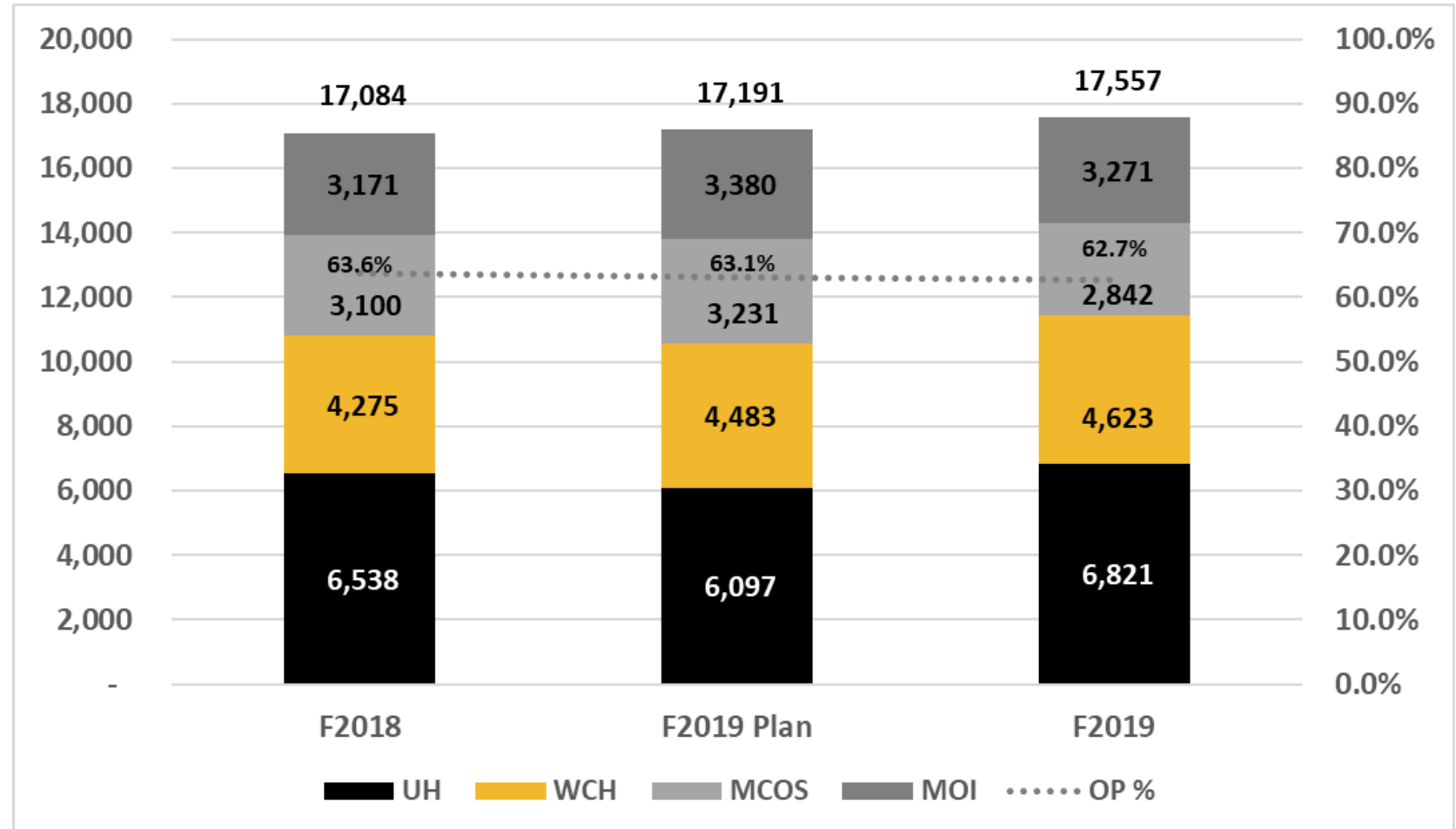
Patient Utilization: Average Daily Census

- Average daily census was 3.4% higher than plan and 2.6% higher than prior year.
- The increase in census as compared to prior year primarily due to an increase in average length of stay and higher admissions in internal medicine, cardiovascular, neuro ICU, behavioral health and pediatrics.
- Patient acuity increased, reflecting a higher mix of surgery, medicine and orthopaedics cases and increased complexity within these service lines.



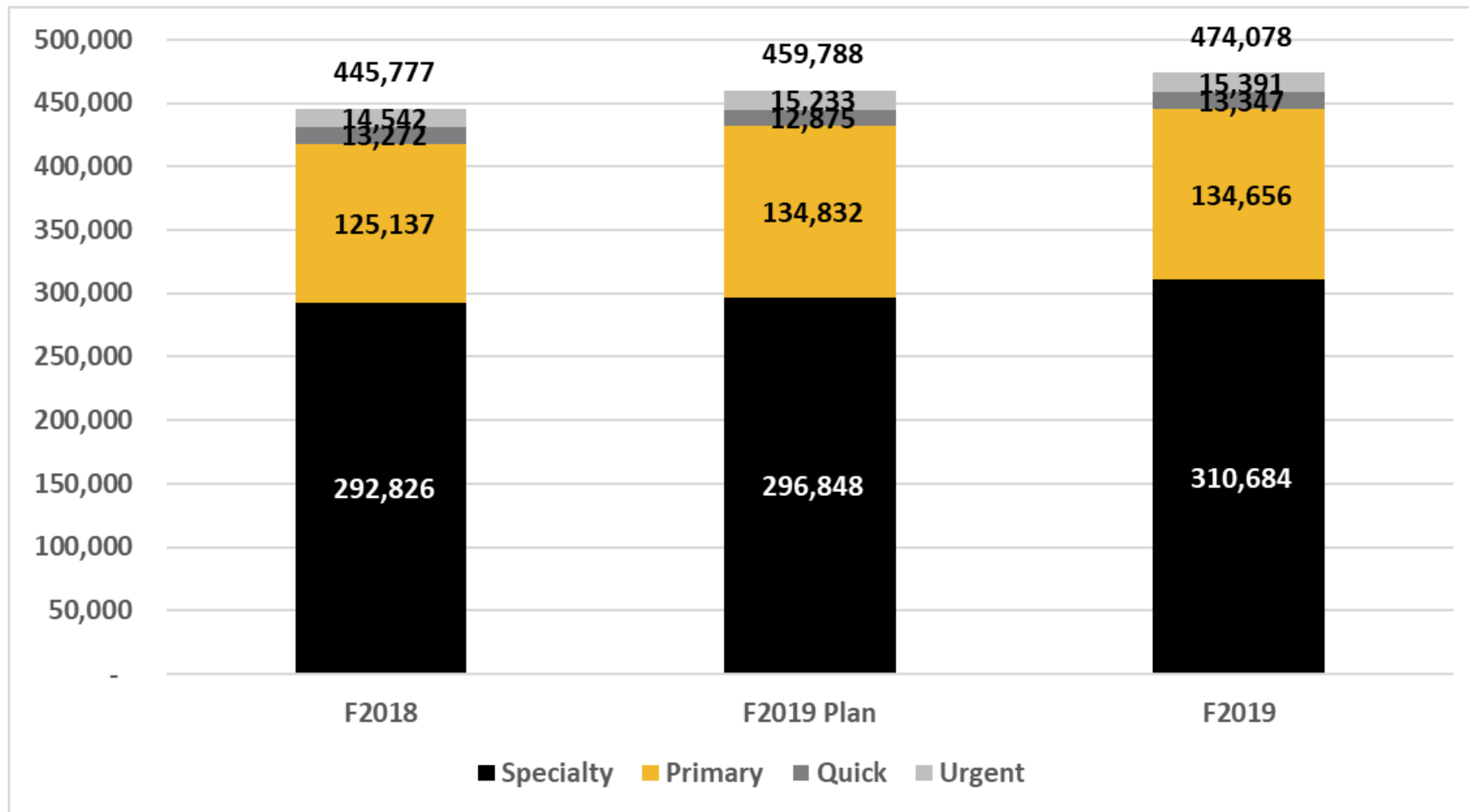
Patient Utilization: Surgeries

- Total surgeries were 2.1% higher than plan and 2.8% higher than prior year.
- The increase was primarily driven by new surgeons in the areas of bariatric and vascular/thoracic surgery.
- The higher inpatient mix reflected increased inpatient orthopaedics and thoracic cases.



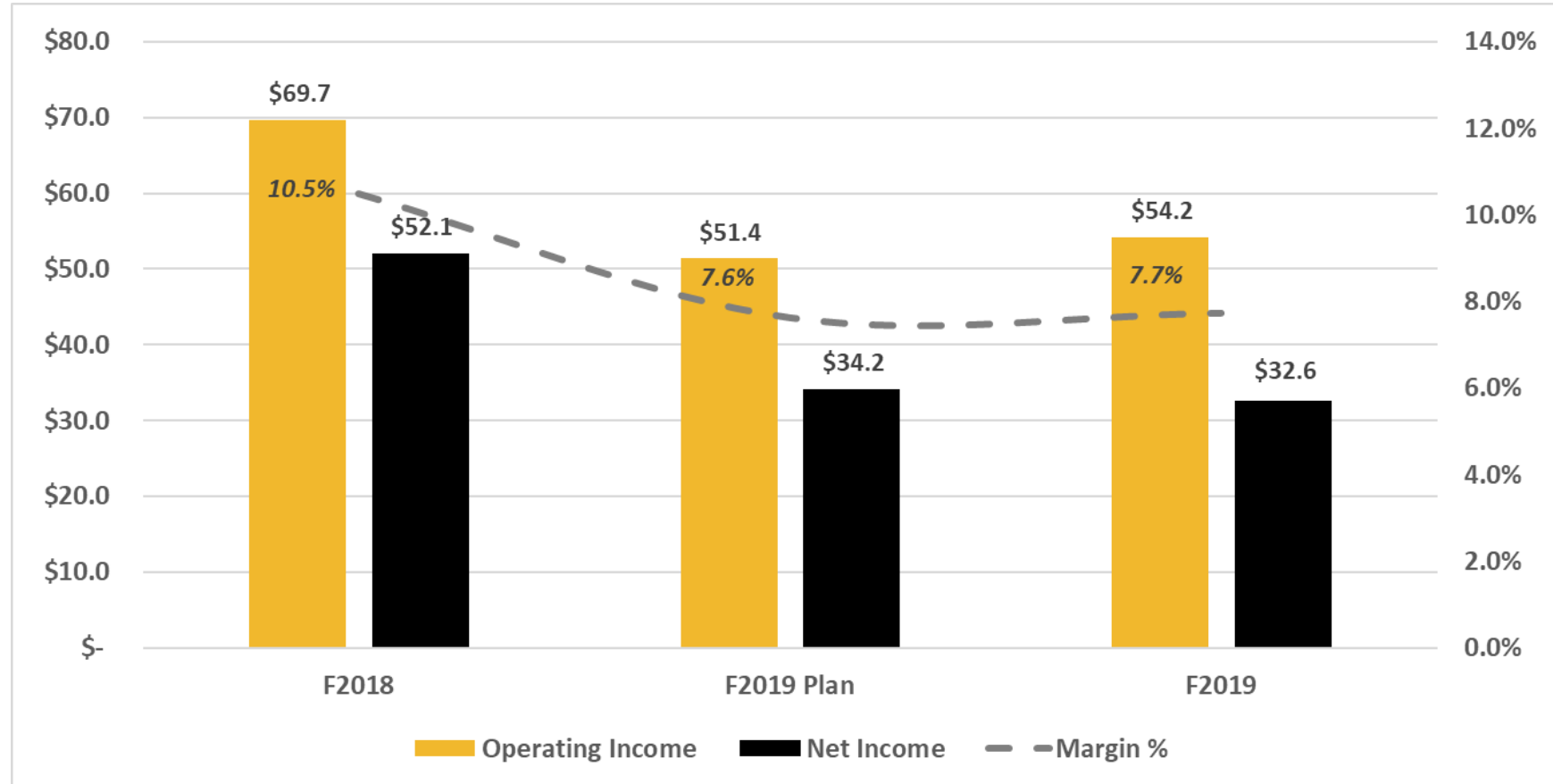
Patient Utilization: Clinic Visits

- Clinic visits were 3.2% higher than plan and 6.8% higher than prior year.
- The growth in clinic visits as compared to prior year reflects initiatives to increase access to primary care, Mizzou Quick Care/ Mizzou Urgent Care and certain specialties.



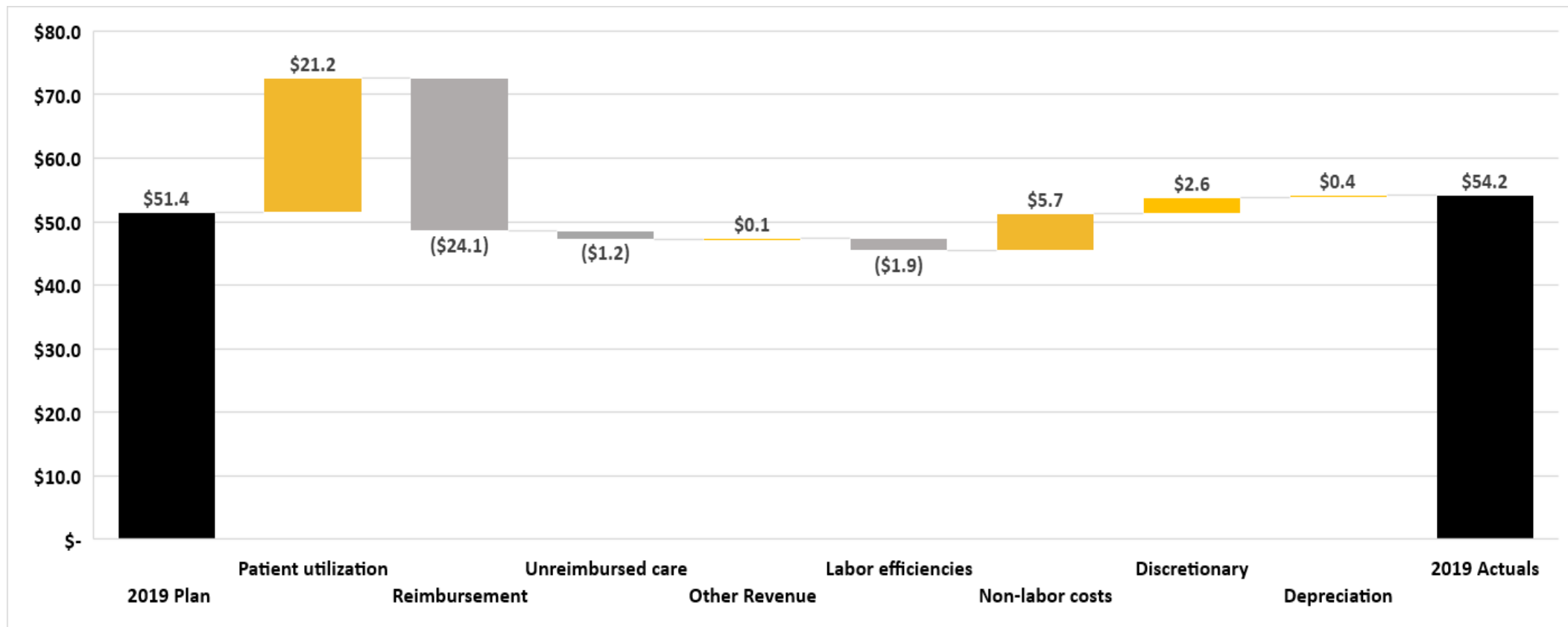
Financial Results: February YTD

- Total operating revenue of \$701.2M was 3.9% higher than plan and 5.5% higher than prior year of \$664.8M.
- Operating income of \$54.2M was \$2.7M favorable to plan with an operating margin of 7.7%.



Financial Results: Variances to Plan

- Incremental margin from higher patient utilization was offset by unfavorable reimbursements.
- Unfavorable reimbursements included a (\$4.6M) Upper Payment Limit adjustment from F2018.
- Utilization adjusted expenses were favorable due to efficiencies and delayed discretionary spending.



Financial Results: Ratios and Benchmarks

Ratios and benchmarks continue to track inline with Moody's A rated medians.

Actual	Plan	Consolidated Financial Results	Prior Year	FY19 Annual Plan	Moody's A Rated
(\$000's)					
\$701,297	\$675,042	Net Revenues	\$664,826	\$1,013,800	
(647,131)	(623,624)	Operating Expenses	(595,082)	(939,400)	
54,167	51,417	Operating Income	69,744	73,400	
(21,602)	(17,198)	Non-operating Revenues, Net	(17,680)	(25,800)	
\$32,565	\$34,220	Change in Net Assets	\$52,064	\$47,600	
FINANCIAL RATIOS AND BENCHMARKS					
7.7%	7.6%	Operating Margin Percent	10.5%	7.2%	2.3%
3.9%	3.9%	Annualized Return on Total Assets	6.5%	3.9%	4.0%
183.8%	184.5%	Cash to Total Debt	169.1%	190.5%	132.8%
26.2%	26.0%	Debt to Capitalization	28.5%	25.5%	32.9%
4.2	4.1	Maximum Annual Debt Service Coverage	5.3	4.1	4.7
208.9	215.9	Days Cash on Hand	218.9	218.6	226.5
52.4	50.0	Net Days Revenue in AR	49.4	50.0	48.4

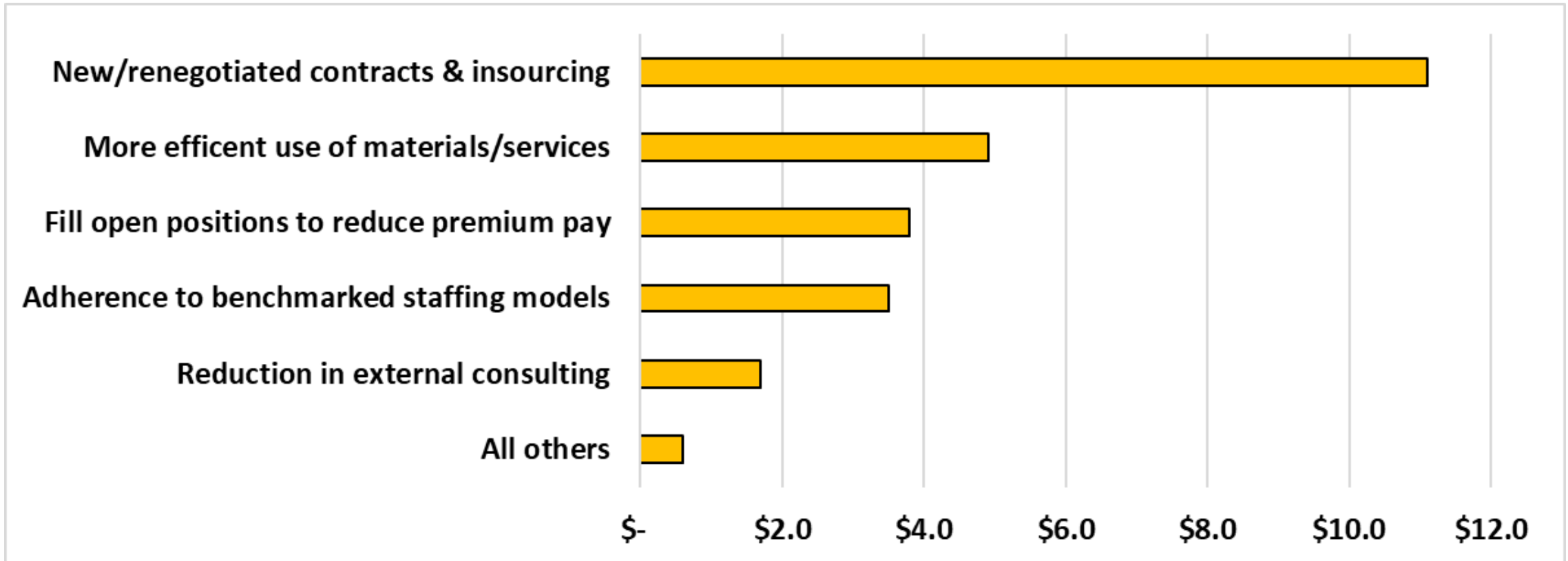
Cost Transformation: Progress Update

- **MU Health Care, like health systems nationwide, is finding ways to lower the cost of care and reinvest in clinical capabilities, people, facilities and technology.**
- **Goal to decrease our cost of care by \$25 million – about 3 percent of our operating expenses – over the next 3 to 5 years.**
- **Cross-functional team of physicians, nursing leadership and administration formed to identify potential opportunities.**



Cost Transformation: Progress Update

- We have identified \$25 million of targeted efficiencies as follows:



- Our people continue to be our greatest asset. These cost efficiencies do not include a reduction in workforce, and do not impact patient care.