

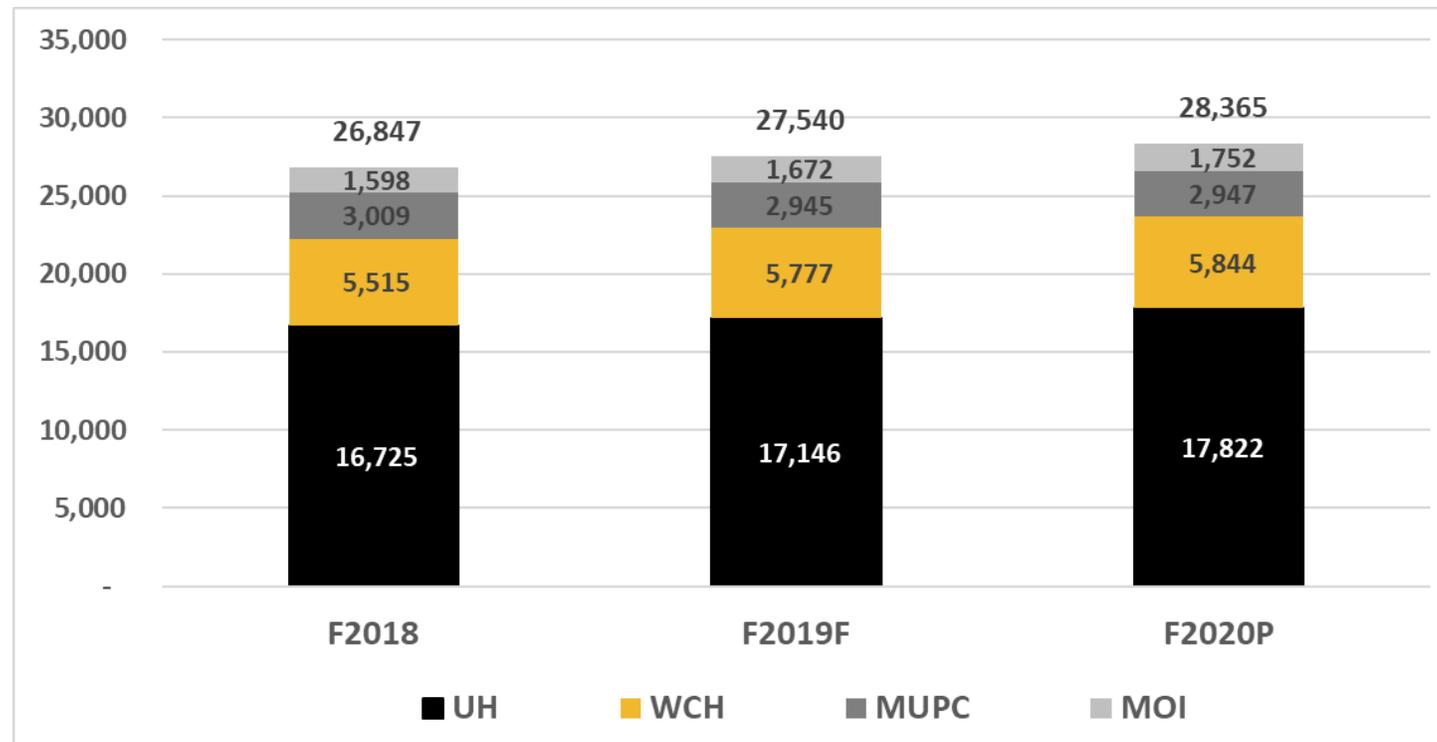
MU Health Care F2020 Financial Plan

Mike Blair, Chief Financial Officer



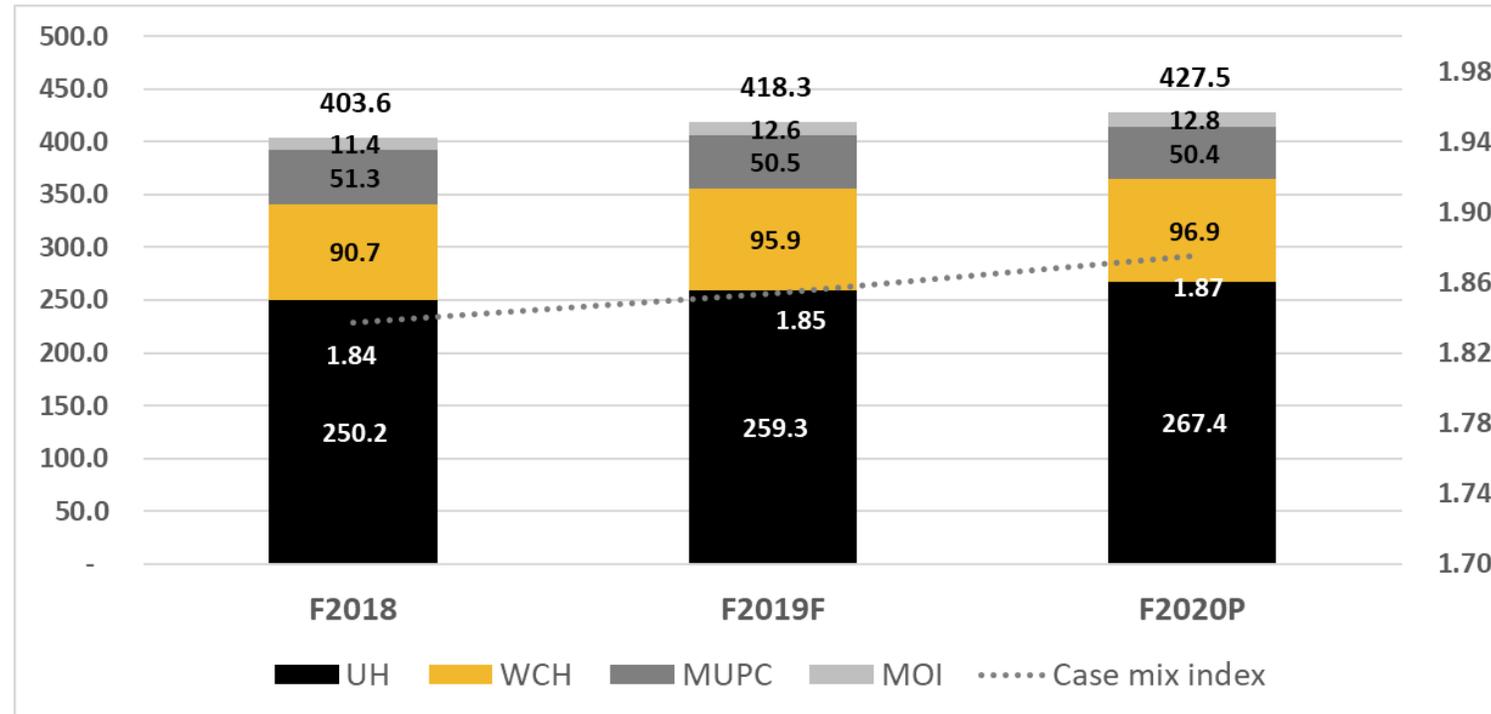
Patient Utilization: Discharges

- Discharges are projected to increase by 825 discharges, or 3.0%, to 28,365
- The increase in discharges reflects an expected increase in internal medicine patients with the opening of the new medicine – psychiatric unit



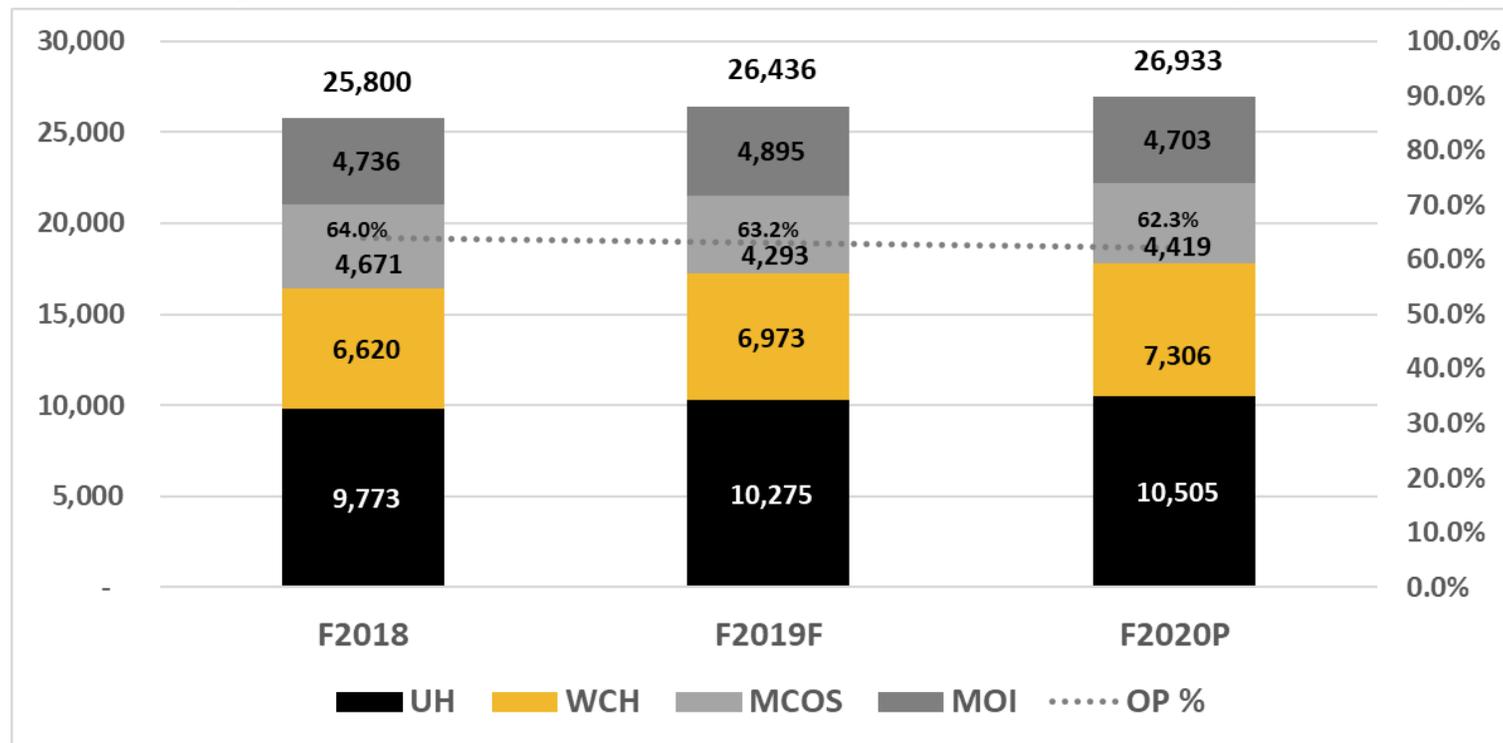
Patient Utilization: Average Daily Census

- Average Daily Census is projected to increase by 9.2 per day, or 2.2%, to 427.5
- The increase reflects the addition of the new medicine – psychiatric unit
- Patient acuity is projected to increase reflecting higher growth in tertiary service lines



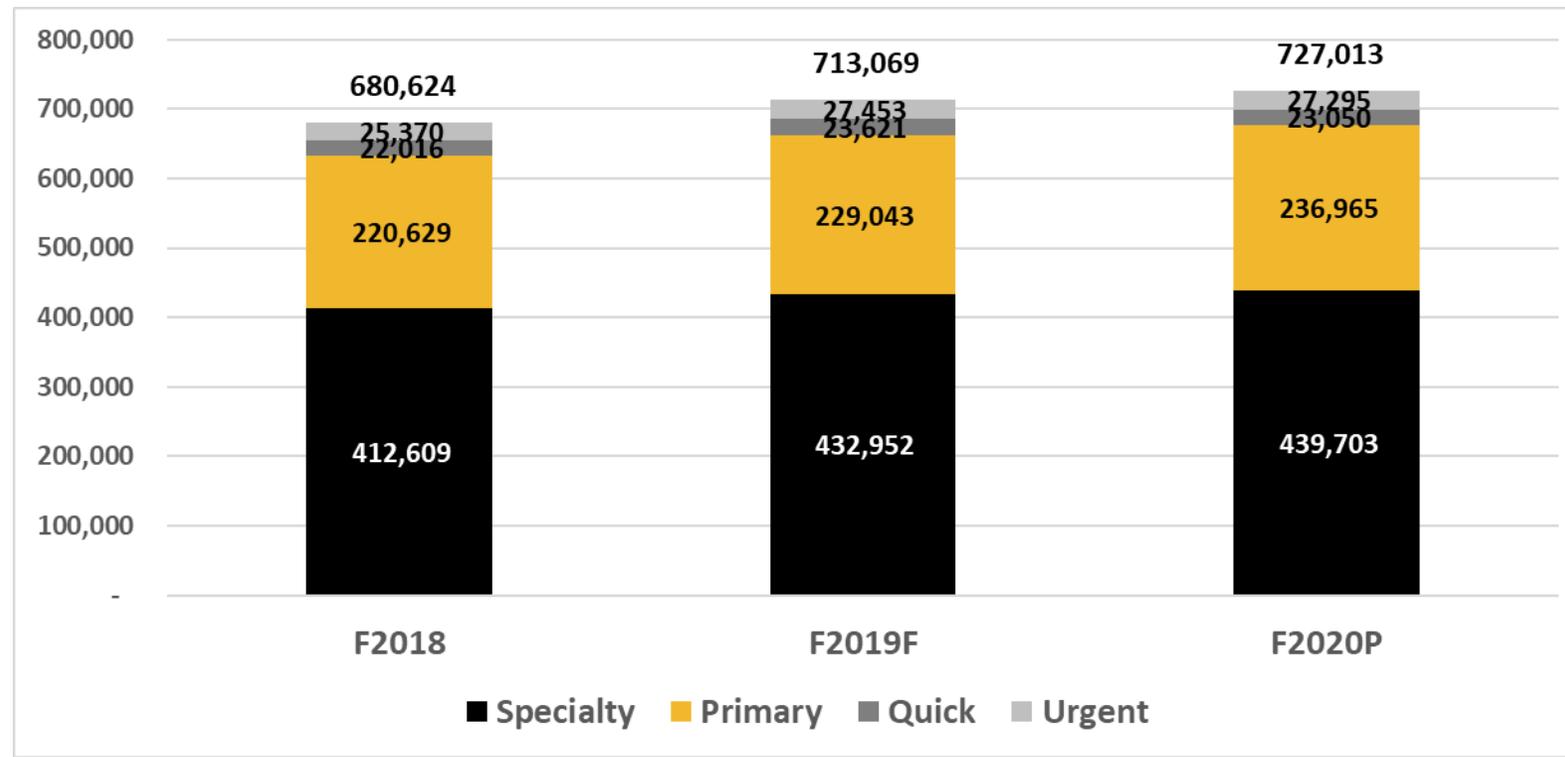
Patient Utilization: Surgeries

- Total surgeries are projected to increase by 497 surgeries, or 1.9% to 26,933
- The increase reflects improved access to certain service lines, such as general surgery
- Cases at MOI are projected to decrease due to two recent orthopedic surgeon departures



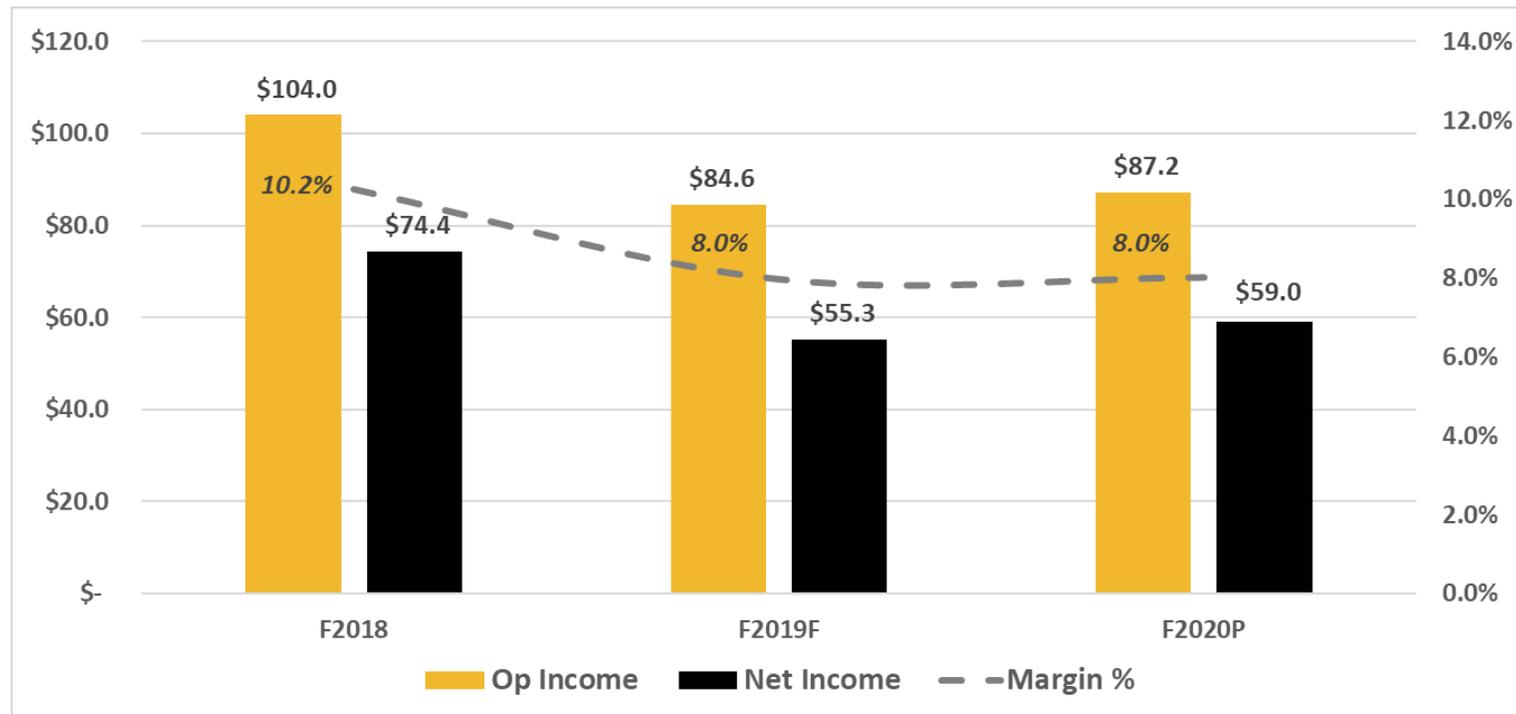
Patient Utilization: Clinic Visits

- Clinic visits are projected to increase by 13,944 visits, or 2.0%, to 727,013
- The increase in clinic visits reflects on-going initiatives to increase access to primary care and specialty care, such as ENT, cardiovascular, and oncology



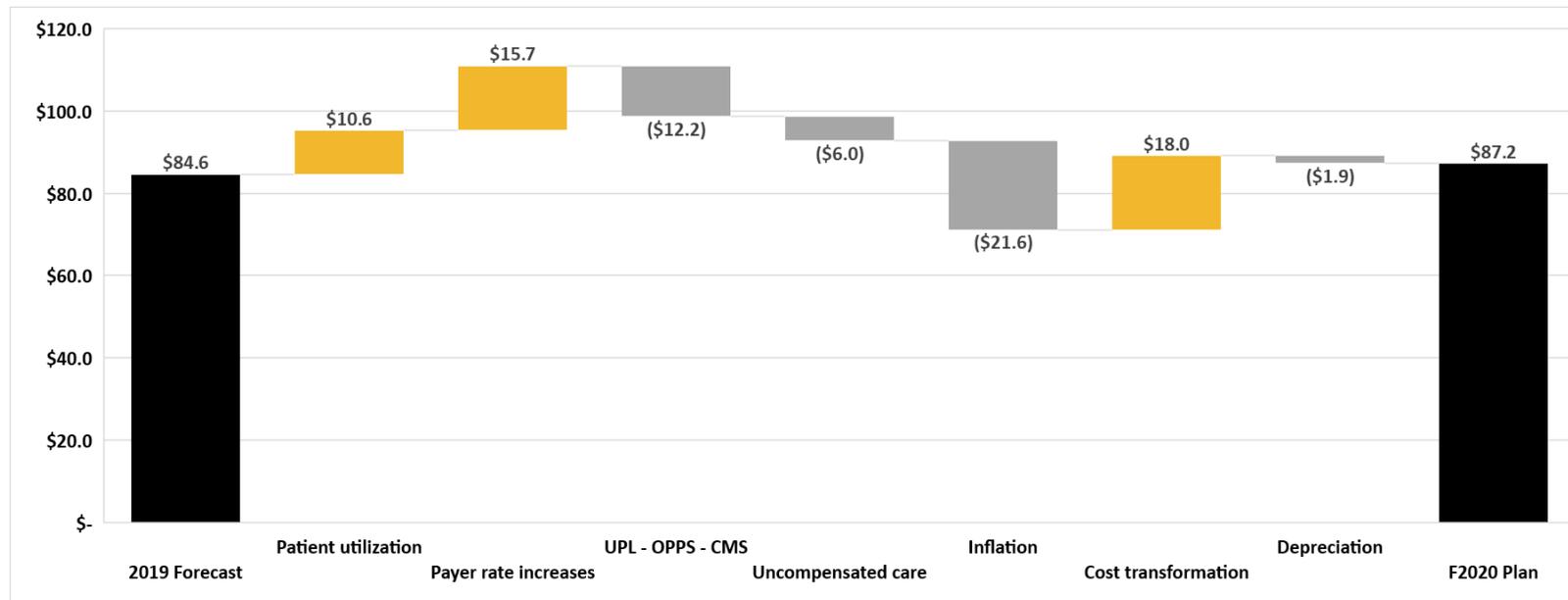
Financial Plan: Historical Comparison

- Total operating revenue is targeted to increase from \$1,061M to \$1,088M, or 2.5%
- Operating income is targeted to increase from \$84.6M to \$87.2M, or 3.1%
- Operating margin of 8.0% is inline with MUHC's long-range financial targets



Financial Plan: Variances to F2019 Forecast

- Expense inflation is projected to exceed net payer reimbursements by (\$18.1M)
- Cost transformation initiatives and growth strategies, \$28.6M in aggregate, have been developed to maintain an 8% operating margin
- We are expecting a (\$12M) upper payment limit (UPL) repayment in F2020 for F2019 Medicare reimbursements, which is an increase of (\$9.1M) as compared to F2019 forecast



Financial Plan Summary

- We have targeted an operating margin of 8% and operating income of \$87.2M, which is inline with our long-range financial targets
- Cost transformation initiatives and growth strategies developed and implemented in F2019 will be integral to achieving our F2020 financial targets
- We are expecting a \$12M UPL repayment in F2020 for F2019. The \$12M estimate is based on a very preliminary calculation provided by the Missouri Medicaid Office and could vary significantly from this estimate
- The inpatient facilities are projected to operate near capacity in F2020, magnifying the importance of meeting our operational efficiency targets