



Health Care

Financial Update

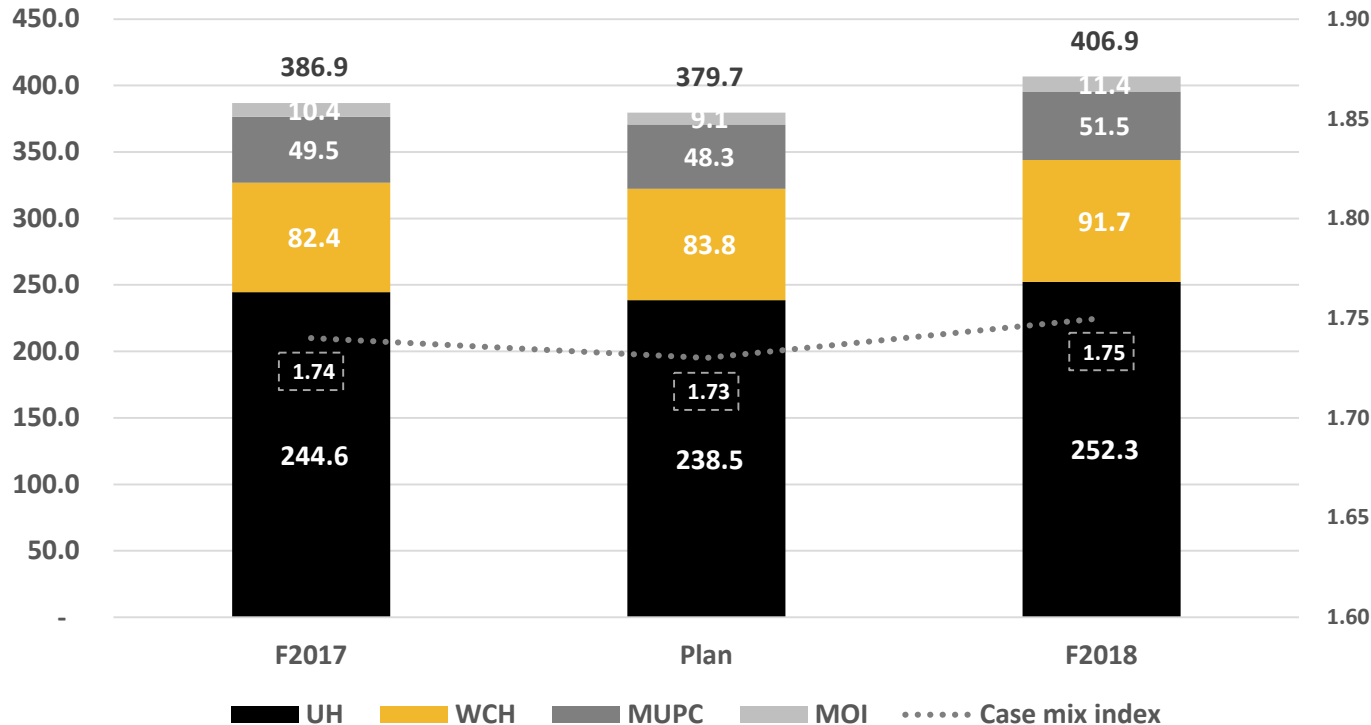
June 11, 2018

OPERATING RESULTS

April F2018

Patient utilization – average daily census

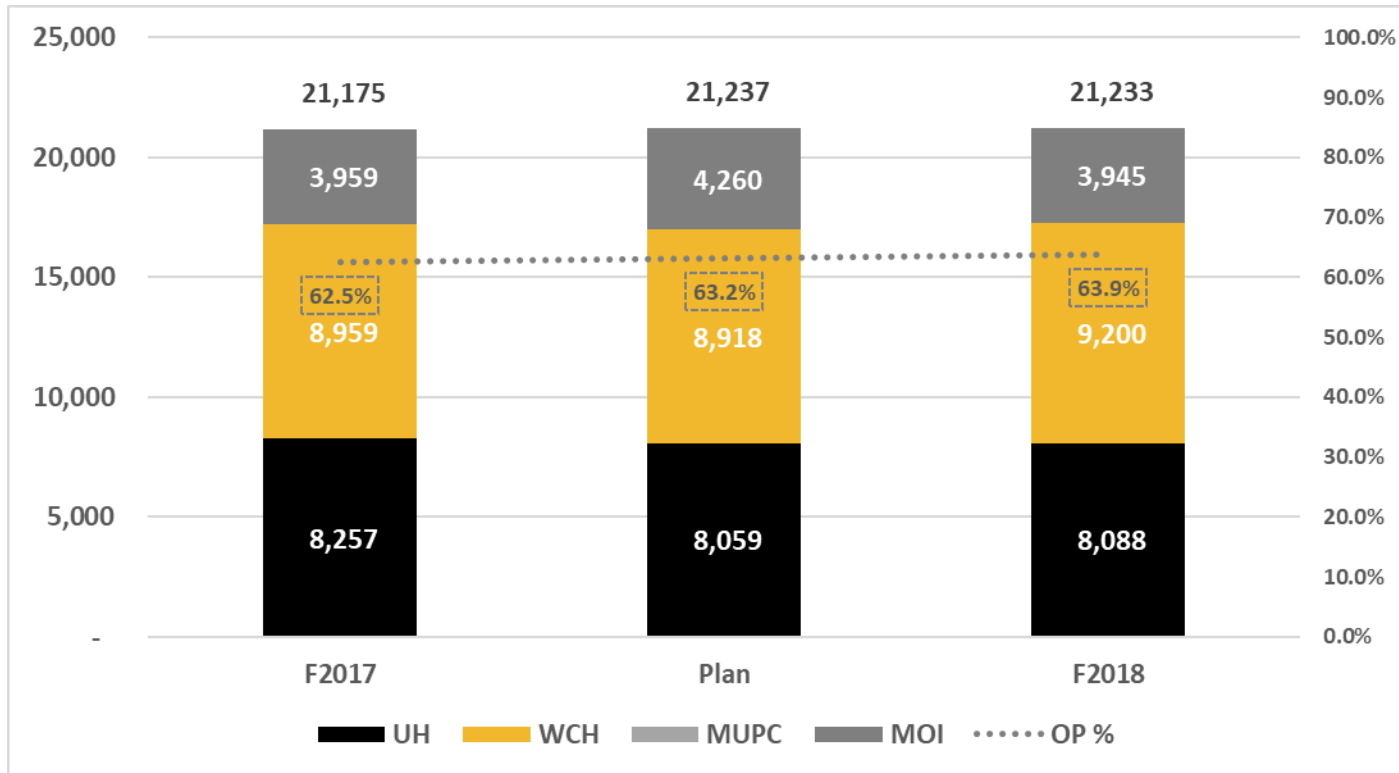
April F18



- Average Daily Census was 7.2% higher than plan reflecting a higher census at all hospitals
- The higher census at University Hospital reflected a more severe infectious disease season, additional staffed beds, and market share growth
- The higher census at the Women’s and Children’s Hospital reflected a higher neonatal census
- Patient acuity as measured by case-mix-index was higher than plan reflecting an increase in acuity at the Orthopaedic Institute and Psychiatric Hospital

Patient utilization – surgical volume

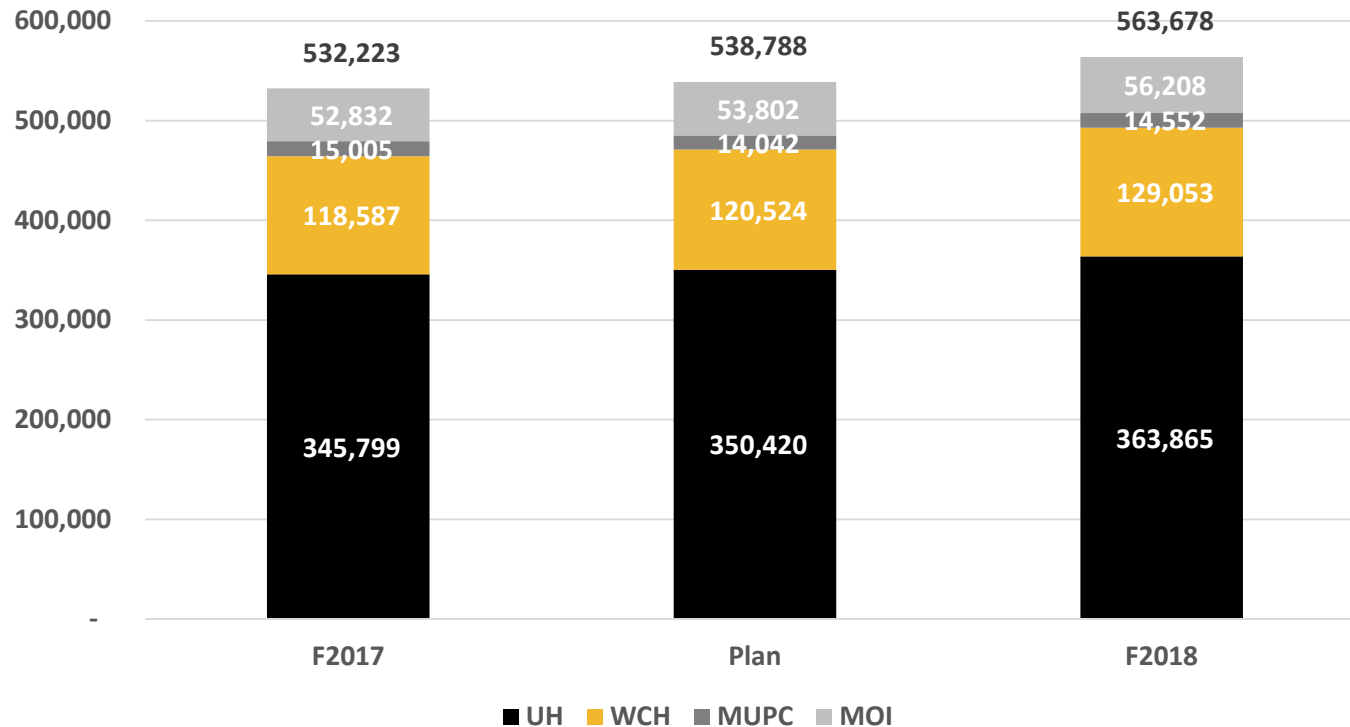
April F18



- Surgical volume was near plan and slightly favorable to prior year
- Higher volume at the Women’s & Children’s Hospital, due mostly to Ophthalmology, offset unfavorable volume at the Orthopaedic Institute due primarily to the timing of surgeon ramp-up
- The mix of outpatient to inpatient surgical cases was 63.9% compared to a plan of 63.2% reflecting higher outpatient activity at both University Hospital and Women’s & Children’s Hospital

Patient utilization – clinic visits

April F18



- Clinic visits were 4.6%, or 24,890 visits, favorable to plan with favorable visits at all operating units
- The favorability at University Hospital reflected higher visits at various Family Medicine clinics, Eye Institutes and the Ellis Fischel Cancer center due to additional physicians and productivity
- The favorability at the Women’s & Children’s Hospital reflected higher visits at the Autism and Hearing centers

Financial performance

April F18

Actual	Plan	Consolidated Financial Results	Prior Year	FY18 Annual Plan	Moody's A Rated
(\$000'S)					
\$838,504	\$780,494	Total Operating Revenue	\$770,858	\$938,952	
748,163	737,186	Operating Expenses*	692,426	886,446	
90,341	43,308	Operating Income	78,432	52,506	
(22,230)	(16,047)	Non-operating Expenses, Net	(16,651)	(17,739)	
\$68,111	\$27,261	Change in Net Assets	\$61,781	\$34,767	
*Includes University purchased clinical services annual budget of \$44 million.					
Financial Ratios and Benchmarks					
10.8%	5.5%	Margin Percent	10.2%	5.6%	3.2%
6.7%	2.9%	Annualized Return on Total Assets	6.4%	2.9%	4.6%
177.7%	166.3%	Cash to Total Debt	151.3%	169.6%	121.5%
27.9%	29.0%	Debt to Capitalization	30.9%	28.6%	33.9%
5.4	3.6	Maximum Annual Debt Service Coverage	5.2	3.6	5.0
228.7	216.4	Days Cash on Hand	224.3	217.8	215.5
48.9	51.0	Net Days Revenue in AR	53.9	51.0	48.1

- Operating Income of \$90 million was \$47 million favorable to plan driven primarily by higher patient utilization, favorable service-mix, and labor cost efficiencies
- Net Income of \$68 million was \$41 million favorable to plan driven by favorable operating income and investment income, reduced by higher performance based academic mission support