



CONDENSED FINANCIAL REPORT

December 2016



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December 31, 2016

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FINANCIAL PERFORMANCE REVIEW

Change in Net Assets (000s)

	Current Month		
	Actual	Budget	Variance
University and Women's and Children's Hospitals & Clinics			
University Hospitals & Clinics (UH)*	\$ 8,673	\$ 2,751	\$ 5,922
Women's and Children's Hospital & Clinics (WCH)	4,188	949	3,239
Operating Income After State Appropriations	12,861	3,700	\$ 9,161
NonOperating Revenues (Expenses)	1,695	(907)	2,602
Transfers In (Out) and Other Additions	(2,343)	(134)	(2,210)
Consolidated Change in Net Assets	\$ 12,213	\$ 2,659	\$ 9,553

	Year-to-Date			
	Actual	Budget	Variance	Prior Year
University and Women's and Children's Hospitals & Clinics				
University Hospitals & Clinics (UH)*	\$ 26,936	\$ 10,575	\$ 16,360	\$ 20,200
Women's and Children's Hospital & Clinics (WCH)	16,026	7,382	8,645	10,520
Operating Income After State Appropriations	42,962	17,957	25,005	30,720
NonOperating Revenues (Expenses)	4,235	(5,612)	9,847	(7,258)
Transfers In (Out) and Other Additions	(9,902)	(802)	(9,100)	(5,868)
Consolidated Change in Net Assets	\$ 37,295	\$ 11,543	\$ 25,752	\$ 17,594

*Includes Shared Services

Operations Overview (YTD)

MUHC has a Consolidated Change in Net Assets of \$37.3 million which is \$25.8 million above budget for the period. Operating Income of \$43.0 million is \$25.0 million above the budgeted amount of \$18.0 million. The positive operating income results at University Hospital & Clinics, and Women's and Children's Hospital & Clinics are principally due to higher than budgeted utilizations.

-University Hospitals & Clinics had an Operating Income of \$27.0 million, which is above the budgeted gain of \$10.6 million. The Excess Margin was 6.9%, as compared to a budgeted 1.7%. Discharges at University Hospitals and Clinics are above budget 191 and Patient Days are above budget 3,004. Compared to the prior year, Discharges are above 280 and Patient Days are above 4,120.

-Women's and Children's Hospital & Clinics generated an Operating Income of \$16.0 million compared to a budgeted gain of \$7.4. The Excess Margin was 12.4%, as compared to a budgeted 6.5%. Discharges at Women's and Children's Hospital & Clinics are above budget 94 and Patient Days are below budget 275. Compared to prior year, Discharges are above 157 and Patient Days are below 495.

Ratios

MUHC Consolidated	Current YTD Actual	Current YTD Budget	Prior YTD Actual	FY 17 Annual Budget	Moody's A-Rated
Excess Margin	8.1%	2.7%	4.3%	3.0%	6.7%
Annualized Return on Total Assets	6.6%	2.2%	3.3%	2.2%	5.1%
Cash to Total Debt	143.7%	136.2%	119.0%	140.9%	125.5%
Debt to Capitalization	32.0%	32.7%	35.0%	31.8%	32.8%
Maximum Annual Debt Service Coverage	5.4	3.3	3.3	3.3	5.1
Days Cash on Hand	216	210	203	210	228
Net Days Revenue in AR	50	46	49	49	49

FINANCIAL REPORT BY OPERATING ENTITY

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget	Prior Year to Date
University Hospitals and Clinics:					
Discharges	1,829	1,759	10,819	10,628	10,539
Patient Days	9,525	8,884	55,284	52,280	51,164
Intensity - Case Mix Index (excludes Psychiatry)	2.02	2.02	1.96	2.02	2.00
Intensity - Average Length of Stay	5.21	5.05	5.11	4.92	4.85
Staffing Volumes - Fully Allocated FTE	3,505	3,408	3,424	3,438	3,338
Staffing Indicator - Paid FTE per Adj Occupied Bed	6.50	6.82	6.35	6.85	6.90
Net Patient Revenues* (In Thousands)	\$ 63,713	\$ 53,902	\$ 346,161	\$ 317,885	\$ 305,025
Operating Income (Loss) After State Appropriations* (In Thousands)	\$ 8,673	\$ 2,751	\$ 26,936	\$ 10,575	\$ 20,200
Net Revenue Per Adjusted Discharge*	\$ 20,371	\$ 18,258	\$ 18,341	\$ 17,449	\$ 17,154
Costs per Adjusted Discharge*	\$ 17,666	\$ 17,413	\$ 16,963	\$ 16,938	\$ 16,052
Profitability - Excess Margin Percent*	13.4%	3.5%	6.9%	1.7%	3.2%
Women's and Children's Hospital and Clinics:					
Discharges	398	419	2,605	2,511	2,448
Patient Days	1,979	2,153	13,986	14,261	14,481
Intensity - Case Mix Index	1.40	1.42	1.45	1.42	1.44
Intensity - Average Length of Stay	4.97	5.14	5.37	5.68	5.92
Staffing Volumes - Fully Allocated FTE	984	910	957	953	926
Staffing Indicator - Paid FTE per Adj Occupied Bed	6.27	5.95	5.84	5.85	5.72
Net Patient Revenues (In Thousands)	\$ 18,842	\$ 14,888	\$ 100,973	\$ 92,164	\$ 91,371
Operating Income (Loss) After State Appropriations (In Thousands)	\$ 4,188	\$ 949	\$ 16,026	\$ 7,382	\$ 10,520
Net Revenue Per Adjusted Discharge	\$ 19,379	\$ 16,373	\$ 18,067	\$ 17,601	\$ 18,263
Costs per Adjusted Discharge	\$ 15,097	\$ 15,341	\$ 15,221	\$ 16,202	\$ 16,177
Profitability - Excess Margin Percent	18.3%	4.7%	12.4%	6.5%	8.2%
MUHC Consolidated:					
Discharges	2,227	2,178	13,424	13,139	12,987
Patient Days	11,504	11,037	69,270	66,541	65,645
Intensity - Case Mix Index (Excluding MRC)	1.88	1.87	1.83	1.87	1.86
Clinic Visits	50,619	52,587	317,137	326,536	314,961
Staffing Volumes - Fully Allocated FTE	4,489	4,318	4,381	4,391	4,265
Staffing Indicator - Paid FTE per Adj Occupied Bed	6.54	6.69	6.29	6.67	6.66
Net Patient Revenues (In Thousands)	\$ 82,555	\$ 68,790	\$ 447,134	\$ 410,049	\$ 396,397
Operating Income (Loss) After State Appropriations (In Thousands)	\$ 12,861	\$ 3,700	\$ 42,962	\$ 17,957	\$ 30,720
Change in Net Assets (In Thousands)	\$ 12,213	\$ 2,659	\$ 37,295	\$ 11,543	\$ 17,594

*Includes Shared System Services

UNIVERSITY OF MISSOURI HEALTH CARE
CONSOLIDATED BALANCE SHEET
(Dollars in Thousands)

	<u>December 2016</u>	<u>December 2015</u>
ASSETS		
Current Assets:		
Cash and Temp Investments	\$ 54,397	\$ 52,141
Bond Proceeds	629	20,572
Committed Funds	12,068	4,090
Accounts Receivable		
Patients	\$ 381,071	\$ 307,448
Less: Allowances	<u>(281,591)</u>	<u>(219,220)</u>
Net Patient	99,481	88,228
Other Receivables	21,508	14,639
Inventories	20,067	18,701
Prepaid Expense	<u>9,440</u>	<u>9,074</u>
Total Current Assets	217,589	207,445
Noncurrent Assets:		
Deferred Charges and Other Assets	3,141	3,915
Long Term Investments	401,596	339,763
Property, Plant & Equipment	\$ 979,475	\$ 943,758
Accumulated Depreciation	<u>(475,475)</u>	<u>(442,753)</u>
Net Property, Plant & Equipment	503,999	501,005
Total Noncurrent Assets	908,736	\$ 844,684
TOTAL ASSETS	<u>\$ 1,126,325</u>	<u>\$ 1,052,129</u>
LIABILITIES AND FUND BALANCES		
Current Liabilities:		
Accounts Payable	\$ 17,287	\$ 13,337
Accounts Payable to Third Parties	22,487	14,456
Accrued Payroll	8,781	6,875
Accrued Vacation	17,955	17,498
Internal Debt Obligations & Capital Lease, current	6,006	5,709
Deferred Revenue- current portion	43	56
Columbia Campus Payable	<u>12,068</u>	<u>4,090</u>
Total Current Liabilities	84,626	\$ 62,021
Noncurrent Liabilities:		
Amount Due System	55,000	55,000
Capital Lease Obligations	2,488	3,454
Internal Debt Obligations	<u>308,850</u>	<u>320,169</u>
Total Noncurrent Liabilities	366,338	\$ 378,623
TOTAL LIABILITIES	450,965	\$ 440,644
NET ASSETS	675,360	611,485
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,126,325</u>	<u>\$ 1,052,129</u>

University of Missouri Health Care
Statement of Revenues, Expenses and Changes in Net Assets
Consolidated
December 2016

	Current Month					Year-to-Date				
	Actual 17	Budget 17	Variance	% Var	Actual 16	Actual 17	Budget 17	Variance	% Var	Actual 16
Revenues										
Inpatient Revenue	\$ 115,141,562	\$ 112,480,538	\$ 2,661,024	2.4%	\$ 102,587,656	\$ 674,566,763	\$ 666,456,368	\$ 8,110,395	1.2%	\$ 627,276,178
FRA	6,668,969	5,929,135	739,834	12.5%	5,937,988	40,022,049	35,574,810	4,447,239	12.5%	35,527,537
Total Inpatient Revenues	121,810,531	118,409,673	3,400,858	2.9%	108,525,644	714,588,812	702,031,178	12,557,634	1.8%	662,803,715
Ancillary Outpatient	82,684,976	77,356,846	5,328,131	6.9%	74,581,246	481,355,651	461,971,560	19,384,091	4.2%	425,063,084
Emergency	10,332,710	10,592,805	(260,095)	-2.5%	8,942,168	62,784,860	64,533,958	(1,749,098)	-2.7%	54,590,440
Pharmacy Sales	4,762,282	3,422,824	1,339,457	39.1%	4,257,211	30,275,666	20,536,946	9,738,720	47.4%	17,561,143
Total Outpatient Revenues	97,779,969	91,372,476	6,407,493	7.0%	87,780,625	574,416,177	547,042,464	27,373,714	5.0%	497,214,668
Total Patient Revenues	219,590,500	209,782,148	9,808,352	4.7%	196,306,269	1,289,004,990	1,249,073,642	39,931,348	3.2%	1,160,018,383
Deductions from Revenues	(137,035,785)	(140,991,756)	3,955,971	2.8%	(128,482,350)	(840,897,371)	(839,024,624)	(1,872,747)	-0.2%	(763,533,642)
Prior Period Adjustments	-	-	-	-	-	(973,605)	-	(973,605)	-	(88,011)
Net Patient Revenues	82,554,715	68,790,392	13,764,322	20.0%	67,823,919	447,134,013	410,049,017	37,084,996	9.0%	396,396,730
Other Operating Revenues	1,707,459	2,235,491	(528,032)	-23.6%	1,596,269	10,524,031	10,234,408	289,623	2.8%	10,114,453
Total Net Revenues	84,262,174	71,025,883	13,236,291	18.6%	69,420,188	457,658,045	420,283,425	37,374,619	8.9%	406,511,182
Expenses										
Salary & Wages	23,227,103	22,632,222	(594,881)	-2.6%	21,138,511	132,904,939	133,676,414	771,475	0.6%	123,151,956
Benefits	7,668,404	7,751,867	83,462	1.1%	7,197,511	44,214,840	45,788,312	1,573,472	3.4%	42,132,502
Medical Supplies	9,139,446	7,994,159	(1,145,287)	-14.3%	8,395,756	52,749,064	47,115,620	(5,633,444)	-12.0%	47,013,058
Drug Supplies	7,573,918	6,817,726	(756,192)	-11.1%	6,311,762	43,799,854	40,801,969	(2,997,884)	-7.3%	36,000,178
Non Medical Supplies	961,020	980,350	19,331	2.0%	546,548	5,455,644	5,916,421	460,778	7.8%	4,990,030
Shared System Services	-	0	0	100.0%	-	-	0	0	100.0%	-
Purchased Services and Support	6,332,135	5,357,040	(975,095)	-18.2%	5,150,769	38,286,706	31,950,372	(6,336,334)	-19.8%	30,619,654
FRA	3,619,034	3,552,815	(66,219)	-1.9%	3,358,846	21,695,519	21,316,893	(378,626)	-1.8%	20,041,448
Depreciation	3,923,961	3,977,916	53,955	1.4%	3,719,589	22,699,065	23,867,496	1,168,431	4.9%	22,936,680
Other Expenses	8,956,448	8,423,561	(532,887)	-6.3%	8,651,421	53,084,852	52,863,262	(221,590)	-0.4%	48,905,933
Total Operating Expenses	71,401,469	67,487,657	(3,913,812)	-5.8%	64,470,712	414,890,483	403,296,760	(11,593,723)	-2.9%	375,791,440
Operating Income (Loss) before State Appropriations	12,860,705	3,538,226	9,322,478	263.5%	4,949,476	42,767,561	16,986,665	25,780,896	151.8%	30,719,742
State Appropriations	-	161,667	(161,667)	-100.0%	-	194,001	970,000	(775,999)	-80.0%	-
Operating Income (Loss) after State Appropriations	12,860,705	3,699,893	9,160,812	247.6%	4,949,476	42,961,562	17,956,665	25,004,897	139.3%	30,719,742
NonOperating Rev (Exp)										
Investment Income	2,526,032	138,916	2,387,116	1000.0%	(1,074,894)	9,735,855	749,003	8,986,851	1000.0%	(1,325,425)
Gift Income	316,827	-	316,827	0.0%	125,090	701,181	-	701,181	0.0%	660,701
Gain (Loss) on Disposal	3,721	(17,814)	21,535	120.9%	3,867	64,601	(114,293)	178,894	156.5%	(44,179)
Interest Expense	(1,150,779)	(1,028,828)	(121,951)	-11.9%	(1,087,538)	(6,325,070)	(6,246,544)	(78,526)	-1.3%	(6,584,926)
Income (Loss) before Capital Additions and Transfers	14,556,505	2,792,167	11,764,338	421.3%	2,916,000	47,138,129	12,344,831	34,793,298	281.8%	23,425,913
Capital Gift Income	229	-	229	0.0%	16,222	58,936	-	58,936	0.0%	35,853
School Support and Transfers	(2,343,388)	(133,654)	(2,209,734)	-1000.0%	(1,047,401)	(9,902,434)	(801,921)	(9,100,513)	-1000.0%	(5,867,938)
Change in Net Assets	\$ 12,213,347	\$ 2,658,513	\$ 9,554,834	359.4%	\$ 1,884,821	\$ 37,294,631	\$ 11,542,910	\$ 25,751,721	223.1%	\$ 17,593,829

DEFINITIONS OF TERMS

Adjusted Discharges = Inpatient Discharges times Total Charges divided by Inpatient Charges

Adjusted Occupied Beds = (Inpatient Days times (Total Charges divided by Inpatient Charges)) divided by days in period

Annualized Return on Net Assets = Net Income (Loss) divided by Total Assets

Case Mix Index = Average case mix index for all patients based on Medicare intensity calculations

Cash to Total Debt = Unrestricted Cash and Investments divided by Long Term and Short Term Debt

Days Cash on Hand = (Cash and Investments) divided by ((Total Operating Expenses minus Depreciation and Amortization plus Interest Expense) divided by days in period)

Debt to Capitalization = (Long-term Debt + short-term debt) / (Long term debt + short-term debt + unrestricted fund balance)

FTEs = Total paid hours divided by 2080 (annual, or for monthly, number of normal working hours in the month)

Fully Allocated FTEs = Operating entity FTEs including allocation of corporate staff

Maximum Annual Debt Service Coverage = (Net Income plus Depreciation and Interest) divided by (estimated future peak principal and interest payments)

Net Days Revenue in Accounts Receivable = Net Patient Accounts Receivable divided by Rolling 12 month average Net Patient Revenue

Excess Margin = Change in Net Assets divided by Net Revenues

Costs per Adjusted Discharge = Total Operating Expenses divided by Adjusted Discharges