



## **CONDENSED FINANCIAL REPORT**

**June 2018**

**Unaudited**



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## FINANCIAL PERFORMANCE REVIEW

### Change in Net Assets (000s)

	Current Month		
	Actual	Budget	Variance
<b>University and Women's and Children's Hospitals &amp; Clinics</b>			
University Hospitals & Clinics (UH)*	\$ (496)	\$ 2,980	\$ (3,476)
Women's and Children's Hospital & Clinics (WCH)	2,377	2,174	203
<b>Operating Income After State Appropriations</b>	1,881	5,154	\$ (3,273)
NonOperating Revenues (Expenses)	(1,779)	399	(2,178)
Transfers In (Out)	(1,731)	(777)	(954)
<b>Consolidated Change in Net Assets</b>	<b>\$ (1,629)</b>	<b>\$ 4,776</b>	<b>\$ (6,405)</b>

	Year-to-Date			
	Actual	Budget	Variance	Prior Year
<b>University and Women's and Children's Hospitals &amp; Clinics</b>				
University Hospitals & Clinics (UH)*	\$ 71,678	\$ 29,292	\$ 42,386	\$ 58,518
Women's and Children's Hospital & Clinics (WCH)	32,281	23,214	9,066	40,191
<b>Operating Income After State Appropriations</b>	103,958	52,506	51,452	98,709
NonOperating Revenues (Expenses)	(602)	(7,986)	7,385	1,094
Transfers In (Out)	(28,963)	(9,753)	(19,210)	(30,382)
<b>Consolidated Change in Net Assets</b>	<b>\$ 74,394</b>	<b>\$ 34,767</b>	<b>\$ 39,627</b>	<b>\$ 69,421</b>

\*Includes Shared Services

### Operations Overview (YTD)

MUHC has a Consolidated Change in Net Assets of \$74.4 million which is \$39.6 million above budget for the period. Operating Income of \$104.0 million is \$51.5 million above the budgeted amount of \$52.5 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 \$71.7 million, which is \$42.4 million above budget for the period. The Operating Margin was 8.9%, as compared to a budgeted 4.0%. Discharges at University Hospitals and Clinics are below budget by 279 and Patient Days are above budget by 6,426. Compared to the prior year, Discharges are below budget by 270 and Patient Days are above budget by 2,698.

-Women's and Children's Hospital & Clinics had an Operating Income of \$32.3 million, which is \$9.1 million above budget for the period. The Operating Margin was 14.5%, as compared to a budgeted 10.9%. Discharges at Women's and Children's Hospital & Clinics are above budget by 11 and Patient Days are above budget by 2,378. Compared to prior year, Discharges are above budget by 122 and Patient Days are above budget by 2,313.

### Ratios

MUHC Consolidated	Current YTD Actual	Current YTD Budget	Prior YTD Actual	FY 18 Annual Budget	Moody's A-Rated
Operating Margin	10.2%	5.6%	10.4%	5.6%	3.2%
Annualized Return on Total Assets	6.2%	2.9%	6.4%	2.9%	4.6%
Cash to Total Debt	170.9%	166.3%	153.3%	169.6%	121.5%
Debt to Capitalization	27.6%	29.0%	30.7%	28.6%	33.9%
Maximum Annual Debt Service Coverage	5.1	3.6	5.0	3.6	5.0
Days Cash on Hand	211.1	217.8	208.1	217.8	215.5
Net Days Revenue in AR	51.3	51.0	54.4	51.0	48.1

## FINANCIAL REPORT BY OPERATING ENTITY

	Current Month Actual	Current Month Budget	Year to Date Actual	Year to Date Budget	Prior Year to Date
<b>University Hospitals and Clinics:</b>					
Discharges	1,802	1,798	21,332	21,611	21,602
Patient Days	9,256	8,955	114,219	107,793	111,521
Intensity - Case Mix Index (excludes Psychiatry)	1.98	1.97	1.98	1.97	1.97
Intensity - Average Length of Stay	5.14	4.98	5.35	4.99	5.16
Staffing Volumes - Fully Allocated FTE	3,696	3,687	3,737	3,626	3,466
Staffing Indicator - Paid FTE per Adj Occupied Bed	6.29	6.67	6.42	6.65	6.26
Net Patient Revenues* (In Thousands)	\$ 63,847	\$ 59,838	\$ 769,299	\$ 706,907	\$ 704,942
Operating Income (Loss) After State Appropriations* (In Thousands)	\$ (496)	\$ 2,980	\$ 71,678	\$ 29,292	\$ 58,518
Net Revenue Per Adjusted Discharge*	\$ 19,221	\$ 18,517	\$ 19,948	\$ 18,190	\$ 18,530
Costs per Adjusted Discharge*	\$ 19,366	\$ 17,622	\$ 18,142	\$ 17,457	\$ 17,038
Operating Margin*	-0.8%	4.8%	9.1%	4.0%	8.1%
<b>Women's and Children's Hospital and Clinics:</b>					
Discharges	488	456	5,515	5,504	5,393
Patient Days	2,544	2,522	33,094	30,716	30,781
Intensity - Case Mix Index	1.52	1.44	1.47	1.44	1.44
Intensity - Average Length of Stay	5.21	5.53	6.00	5.58	5.71
Staffing Volumes - Fully Allocated FTE	1,081	1,023	1,049	1,008	980
Staffing Indicator - Paid FTE per Adj Occupied Bed	5.72	5.67	5.52	5.65	5.50
Net Patient Revenues (In Thousands)	\$ 19,461	\$ 17,976	\$ 221,569	\$ 211,253	\$ 218,789
Operating Income (Loss) After State Appropriations (In Thousands)	\$ 2,377	\$ 2,174	\$ 32,281	\$ 23,214	\$ 40,191
Net Revenue Per Adjusted Discharge	\$ 18,583	\$ 18,318	\$ 19,298	\$ 18,078	\$ 19,332
Costs per Adjusted Discharge	\$ 16,329	\$ 16,120	\$ 16,507	\$ 16,105	\$ 15,806
Operating Margin*	12.1%	12.0%	14.5%	10.9%	18.2%
<b>MUHC Consolidated:</b>					
Discharges	2,290	2,254	26,847	27,115	26,995
Patient Days	11,800	11,477	147,313	138,509	142,302
Intensity - Case Mix Index (Excluding MRC)	1.86	1.83	1.84	1.83	1.83
Clinic Visits Arrived	55,644	54,652	680,624	648,047	644,073
Staffing Volumes - Fully Allocated FTE	4,777	4,710	4,786	4,633	4,446
Staffing Indicator - Paid FTE per Adj Occupied Bed	6.20	6.47	6.24	6.44	6.12
Net Patient Revenues (In Thousands)	\$ 83,308	\$ 77,814	\$ 990,868	\$ 918,160	\$ 923,732
Operating Income (Loss) After State Appropriations (In Thousands)	\$ 1,881	\$ 5,154	\$ 103,958	\$ 52,506	\$ 98,709
Change in Net Assets (In Thousands)	\$ (1,629)	\$ 4,776	\$ 74,394	\$ 34,767	\$ 69,421

\*Includes Shared System Services

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

	<u>June 2018</u>	<u>June 2017</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Temp Investments	\$ 40,464	\$ 65,743
Accounts Receivable		
Patients	\$ 431,907	\$ 449,563
Less: Allowances	(314,624)	(333,662)
Net Patient	117,283	115,901
Other Receivables	22,545	28,569
Inventories	22,060	21,367
Prepaid Expense	10,481	10,326
<b>Total Current Assets</b>	<b>212,832</b>	<b>242,502</b>
<b>Noncurrent Assets:</b>		
Deferred Charges and Other Assets	2,587	2,917
Long Term Investments	468,999	397,233
Property, Plant & Equipment	\$ 1,037,194	\$ 1,000,061
Accumulated Depreciation	(521,189)	(492,787)
Net Property, Plant & Equipment	516,004	507,274
<b>Total Noncurrent Assets</b>	<b>987,590</b>	<b>907,424</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,200,423</b>	<b>\$ 1,149,925</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 25,725	\$ 28,506
Accounts Payable to Third Parties	10,471	19,966
Accrued Payroll	10,188	8,755
Accrued Vacation	19,026	18,485
Internal Debt Obligations & Capital Lease, current	13,224	12,482
Deferred Revenue- current portion	7	657
<b>Total Current Liabilities</b>	<b>78,640</b>	<b>88,851</b>
<b>Noncurrent Liabilities:</b>		
Amount Due System	55,000	55,000
Capital Lease Obligations	300	1,439
Internal Debt Obligations	284,600	297,148
<b>Total Noncurrent Liabilities</b>	<b>339,900</b>	<b>353,587</b>
<b>TOTAL LIABILITIES</b>	<b>418,540</b>	<b>442,438</b>
<b>NET ASSETS</b>	<b>781,882</b>	<b>707,488</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,200,423</b>	<b>\$ 1,149,925</b>

## 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

**Operating Margin** = Operating Income (Loss) after State Appropriations divided by Net Revenues

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

University of Missouri Health Care  
Statement of Revenues, Expenses and Changes in Net Assets  
Consolidated  
June 2018  
**Unaudited**

	Current Month					Year-to-Date				
	Actual 18	Budget 18	Variance	% Var	Actual 17	Actual 18	Budget 18	Variance	% Var	Actual 17
<b>Revenues</b>										
Inpatient Revenue	\$ 132,535,027	\$ 120,787,879	\$ 11,747,148	9.7%	\$ 126,011,445	\$ 1,500,927,481	\$ 1,388,922,948	\$ 112,004,532	8.1%	\$ 1,393,428,569
FRA	6,237,762	6,313,874	(76,112)	-1.2%	6,475,222	85,592,684	75,642,416	9,950,268	13.2%	79,799,890
Total Inpatient Revenues	138,772,789	127,101,753	11,671,036	9.2%	132,486,667	1,586,520,165	1,464,565,364	121,954,801	8.3%	1,473,228,459
Ancillary Outpatient	105,763,413	91,712,000	14,051,413	15.3%	96,900,761	1,134,413,431	1,045,039,934	89,373,497	8.6%	1,007,621,275
Emergency	15,070,745	11,861,101	3,209,644	27.1%	12,348,183	144,300,274	132,455,604	11,844,670	8.9%	133,133,813
Retail Pharmacy	6,400,969	5,434,665	966,305	17.8%	5,378,967	72,146,968	65,425,299	6,721,668	10.3%	61,276,794
Total Outpatient Revenues	127,235,127	109,007,766	18,227,361	16.7%	114,627,911	1,350,860,673	1,242,920,837	107,939,836	8.7%	1,202,031,882
Total Patient Revenues	266,007,916	236,109,519	29,898,397	12.7%	247,114,578	2,937,380,838	2,707,486,202	229,894,636	8.5%	2,675,260,340
Deductions from Revenues	182,072,212	158,295,766	23,776,446	15.0%	161,155,552	1,943,474,975	1,789,326,582	154,148,393	8.6%	1,756,677,237
Prior Period Adjustments	(627,426)	-	(627,426)		(163,534)	(3,037,888)	-	(3,037,888)		5,148,427
Net Patient Revenues	83,308,278	77,813,753	5,494,524	7.1%	85,795,492	990,867,976	918,159,620	72,708,356	7.9%	923,731,530
Other Operating Revenues	2,302,346	1,947,086	355,260	18.2%	1,833,981	23,744,760	20,792,736	2,952,024	14.2%	20,958,543
Total Net Revenues	85,610,624	79,760,839	5,849,784	7.3%	87,629,474	1,014,612,735	938,952,356	75,660,380	8.1%	944,690,073
<b>Expenses</b>										
Salary & Wages	25,669,570	24,173,102	(1,496,468)	-6.2%	26,319,882	296,141,660	287,957,936	(8,183,724)	-2.8%	273,069,491
Benefits	8,301,746	8,342,597	40,851	0.5%	7,620,607	96,841,741	98,344,528	1,502,787	1.5%	89,695,972
Medical Supplies	9,335,640	9,096,756	(238,884)	-2.6%	10,437,661	112,239,375	106,632,072	(5,607,303)	-5.3%	108,181,993
Drug Supplies	7,472,495	8,104,590	632,095	7.8%	6,485,535	100,639,700	97,530,312	(3,109,388)	-3.2%	86,607,165
Non Medical Supplies	1,120,222	1,036,490	(83,732)	-8.1%	1,120,672	12,408,649	12,279,131	(129,518)	-1.1%	11,442,055
Shared System Services	(49,685)	0	49,685	1000.0%	(0)	(49,685)	0	49,685	1000.0%	(0)
Purchased Services and Support	8,326,536	5,578,159	(2,748,377)	-49.3%	5,483,040	74,052,157	67,014,414	(7,037,743)	-10.5%	68,467,034
FRA	3,567,484	3,915,330	347,845	8.9%	3,619,184	43,138,399	46,983,954	3,845,556	8.2%	43,395,809
Depreciation	4,524,394	3,833,612	(690,782)	-18.0%	4,385,609	46,622,876	46,003,344	(619,532)	-1.3%	46,935,235
Other Expenses	15,461,116	10,525,889	(4,935,227)	-46.9%	15,704,390	128,619,419	123,700,312	(4,919,107)	-4.0%	118,380,271
Total Operating Expenses	83,729,517	74,606,525	(9,122,992)	-12.2%	81,176,581	910,654,291	886,446,004	(24,208,287)	-2.7%	846,175,024
Operating Income (Loss) before State Appropriations	1,881,106	5,154,314	(3,273,208)	-63.5%	6,452,892	103,958,444	52,506,352	51,452,092	98.0%	98,515,049
State Appropriations	-	-	-	0.0%	-	-	-	-	0.0%	194,001
Operating Income (Loss) after State Appropriations	1,881,106	5,154,314	(3,273,208)	-63.5%	6,452,892	103,958,444	52,506,352	51,452,092	98.0%	98,709,050
Operating Margin	2.2%	6.5%			7.4%	10.2%	5.6%			10.4%
<b>NonOperating Rev (Exp)</b>										
Investment Income	(1,557,368)	83,322	(1,640,690)	-1000.0%	(1,758,406)	10,006,853	2,335,587	7,671,266	328.5%	11,256,366
Gift Income	299,489	422,196	(122,707)	-29.1%	427,744	1,597,926	1,500,779	97,147	6.5%	1,948,929
Gain (Loss) on Disposal	(344,878)	(20,833)	(324,044)	-1000.0%	(129,099)	(294,862)	(250,000)	(44,862)	-17.9%	(57,368)
Interest Expense	(1,030,169)	(1,087,243)	57,074	5.2%	(1,089,363)	(12,807,184)	(12,582,378)	(224,807)	-1.8%	(12,892,510)
Income (Loss) before Capital Additions and Transfers	(751,820)	4,551,755	(5,303,575)	-116.5%	3,903,767	102,461,177	43,510,340	58,950,836	135.5%	98,964,467
Capital Gift Income	853,676	1,001,125	(147,449)	-14.7%	779,184	895,558	1,009,618	(114,060)	-11.3%	838,794
School Support and Transfers	(1,730,501)	(776,822)	(953,679)	-122.8%	(2,676,577)	(28,962,675)	(9,753,130)	(19,209,545)	-197.0%	(30,381,942)
Change in Net Assets	\$ (1,628,645)	\$ 4,776,058	\$ (6,404,703)	-134.1%	\$ 2,006,374	\$ 74,394,059	\$ 34,766,828	\$ 39,627,231	114.0%	\$ 69,421,319

Utilization Statistics:

	Current Month					Year-to-Date				
	Actual 18	Budget 18	Variance	% Var	Actual 17	Actual 18	Budget 18	Variance	% Var	Actual 17
Discharges Excluding Newborns	2,290	2,254	36	1.6%	2,222	26,847	27,115	(268)	-1.0%	26,995
Total Pt. Days Excluding Newborns	11,800	11,477	323	2.8%	12,113	147,313	138,509	8,804	6.4%	142,302
Total Surgery Cases Billed - Inpatient	848	824	24	2.9%	835	9,287	9,436	(149)	-1.6%	9,594
Total Surgery Cases Billed - Outpatient	1,468	1,399	69	4.9%	1,445	16,513	16,134	379	2.3%	16,049
Total Emergency Dept. Visits Billed	6,495	6,763	(268)	-4.0%	6,446	79,464	77,016	2,448	3.2%	78,297
Total Clinic Visits Arrived	55,644	54,652	992	1.8%	54,625	680,624	648,047	32,577	5.0%	644,073
Adjusted Discharges	4,459	4,298	161	3.7%	4,184	51,000	51,472	(472)	-0.9%	50,214
Adjusted Patient Days (APD)	23,120	21,950	1,170	5.3%	22,810	279,724	262,930	16,794	6.4%	264,700
Net Patient Rev./Adjusted Discharge	15,989	15,371	618	4.0%	17,711	16,395	15,097	1,298	8.6%	15,484
Net Patient Revenue/APD	3,084	3,010	74	2.5%	3,249	2,989	2,956	34	1.1%	2,937
Salaries & Wages/APD	1,110	1,101	(9)	-0.8%	1,154	1,059	1,095	36	3.3%	1,032
Premium Pay/APD	103	48	(55)	-113.5%	112	85	48	(36)	-75.3%	80
Total Expense/APD	3,622	3,399	(223)	-6.5%	3,559	3,256	3,371	116	3.4%	3,197
Total Supplies/APD	775	831	55	6.7%	791	805	823	18	2.2%	779
Total Supplies/Total Net Revenue	20.9%	22.9%	1.9%		20.6%	22.2%	23.1%	0.8%		21.8%
Days Cash on Hand	189.6	207.3	18	8.5%	178.3	211.1	217.8	7	3.1%	208.1