



## UWMF Finance Committee

May 19, 2020, 7:00 - 8:30 AM

Via WebEx: <https://uwhealth.webex.com/uwhealth/onstage/g.php?MTID=ea7809a8699088d8e3970bf1a37a101f8>

Meeting number: 196 949 670 // Password: uwmffinpublic

Telephone: 1-415-655-0003 US TOLL // Access code: 196 949 670

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# UWMF Finance Committee - May 19, 2020 - PUBLIC MEETING NOTICE

## Agenda

- |         |   |                   |
|---------|---|-------------------|
| 7:00 AM | <hr/> <b>I. Call to Order</b><br>Dr. Christopher Meyer  |                   |
| 7:00 AM | <hr/> <b>II. Meeting Minutes - Open Session</b><br>Dr. Christopher Meyer  | Approval          |
| 7:02 AM | <hr/> <b>III. UWMF Financial Statements for Month Ending April 30, 2020</b><br>Mr. Aaron Prochaska  | Review/Discussion |
|         | Attachment - Financial Information  |                   |
| 7:11 AM | <hr/> <b>IV. Closed Session</b><br><br>(Materials Available To Members Only)<br>Motion to enter into closed session pursuant to Wisconsin Statutes section 19.85(1)(e) for discussion of the following confidential strategic matters, which for competitive reasons require a closed session: review and approval of closed session minutes; managed care update, UW Health Pharmacy financial update, and COVID-19 financial impact update. |                   |
| 8:30 AM | <hr/> <b>V. Adjourn</b>   |                   |

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**Financial Indicators**  
**As of April 30, 2020**

# UWMF Operating Activity YTD

## As of April 30, 2020

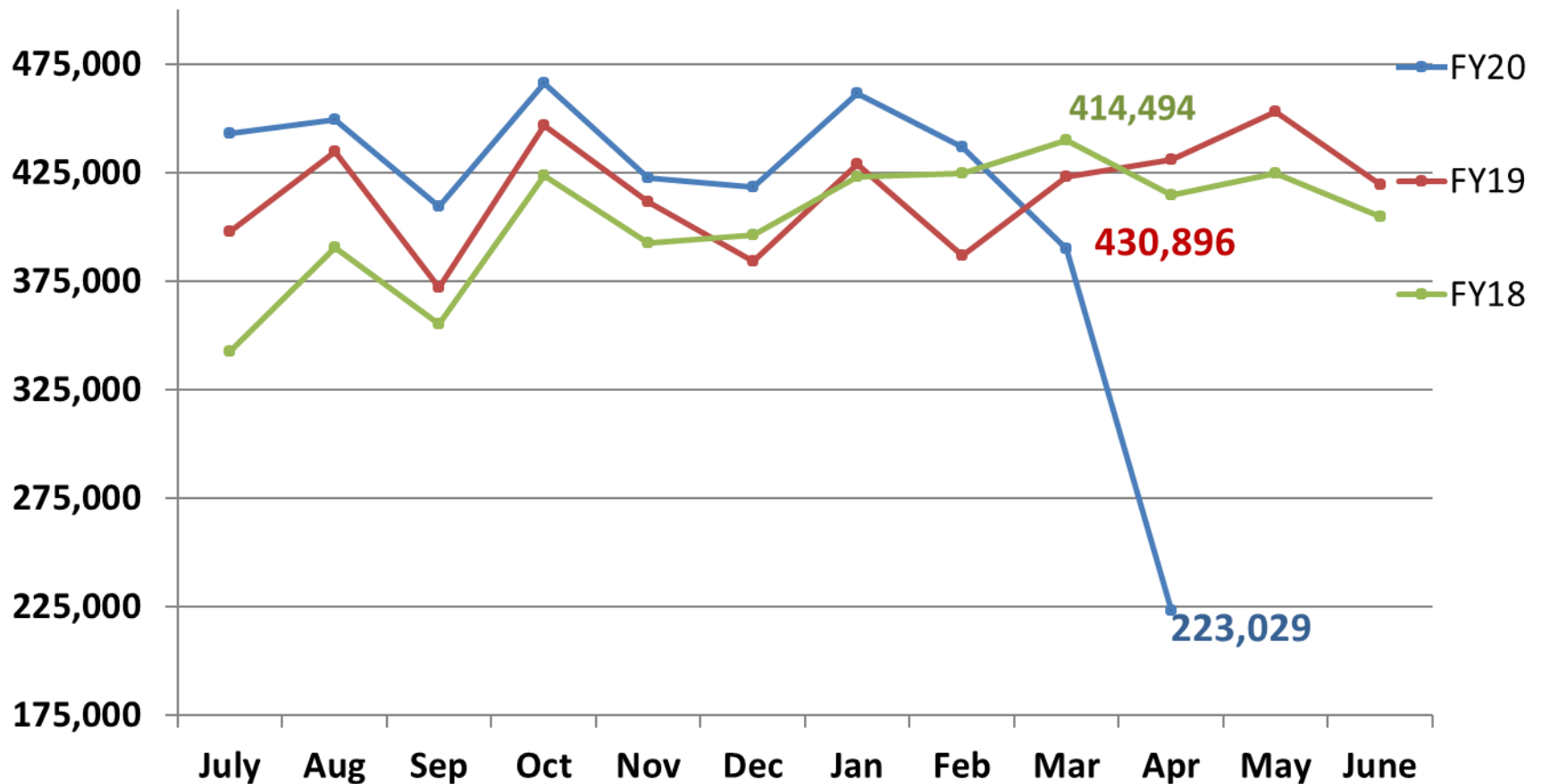
### UWMF Operating Activity: YTD by Posting Period

	<u>FY18</u>	<u>FY19</u>	<u>Growth</u>	<u>FY20</u>	<u>Growth</u>
Avg Physician Count	1,438	1,473	2.4%	1,514	2.8%
Avg NonPhys Provider Count	561	612	9.1%	693	13.2%
Avg Provider Count	1,999	2,085	4.3%	2,207	5.9%
Total RWUs*	7,284	7,393	1.5%	7,307	-1.2%
Work RWUs*	4,002	4,115	2.8%	4,118	0.1%
Charges*	\$1,721,555	\$1,802,369	4.7%	\$1,867,238	3.6%
Payments*	\$596,863	\$622,425	4.3%	\$649,346	4.3%
wRWUs / Physician	2,783	2,794	0.4%	2,720	-2.6%
Payment / Physician	\$415,065	\$422,556	1.8%	\$428,894	1.5%
wRWUs / Provider	2,002	1,974	-1.4%	1,866	-5.5%
Payment / Provider	\$298,581	\$298,525	0.0%	\$294,221	-1.4%
Payment / Total RWU	\$81.94	\$84.19	2.7%	\$88.87	5.6%

\* in thousands

# Work RVU's by Month

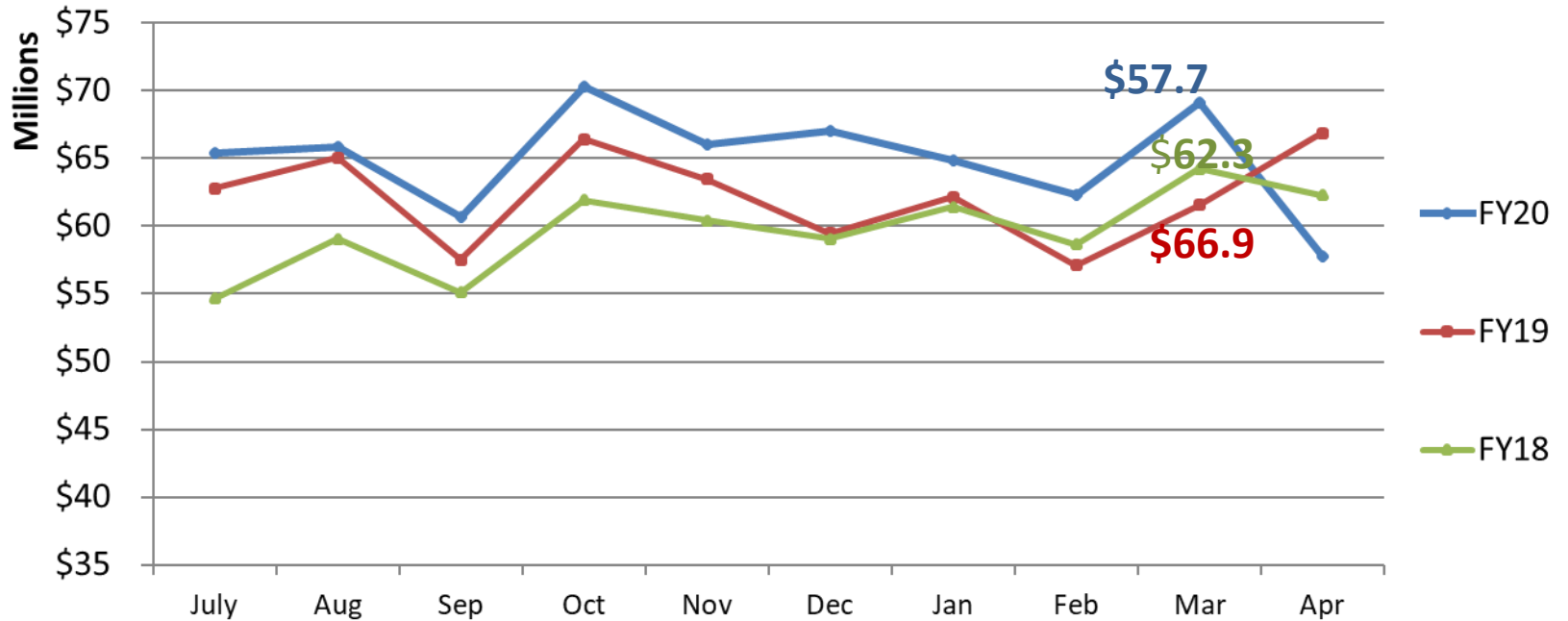
Work RVUS's by Month  
0.1% change from prior YTD (-0.9% per business day)



# Net Payments by Month

## Net Payments by Month

4.3% change from prior YTD (3.3% per business day)



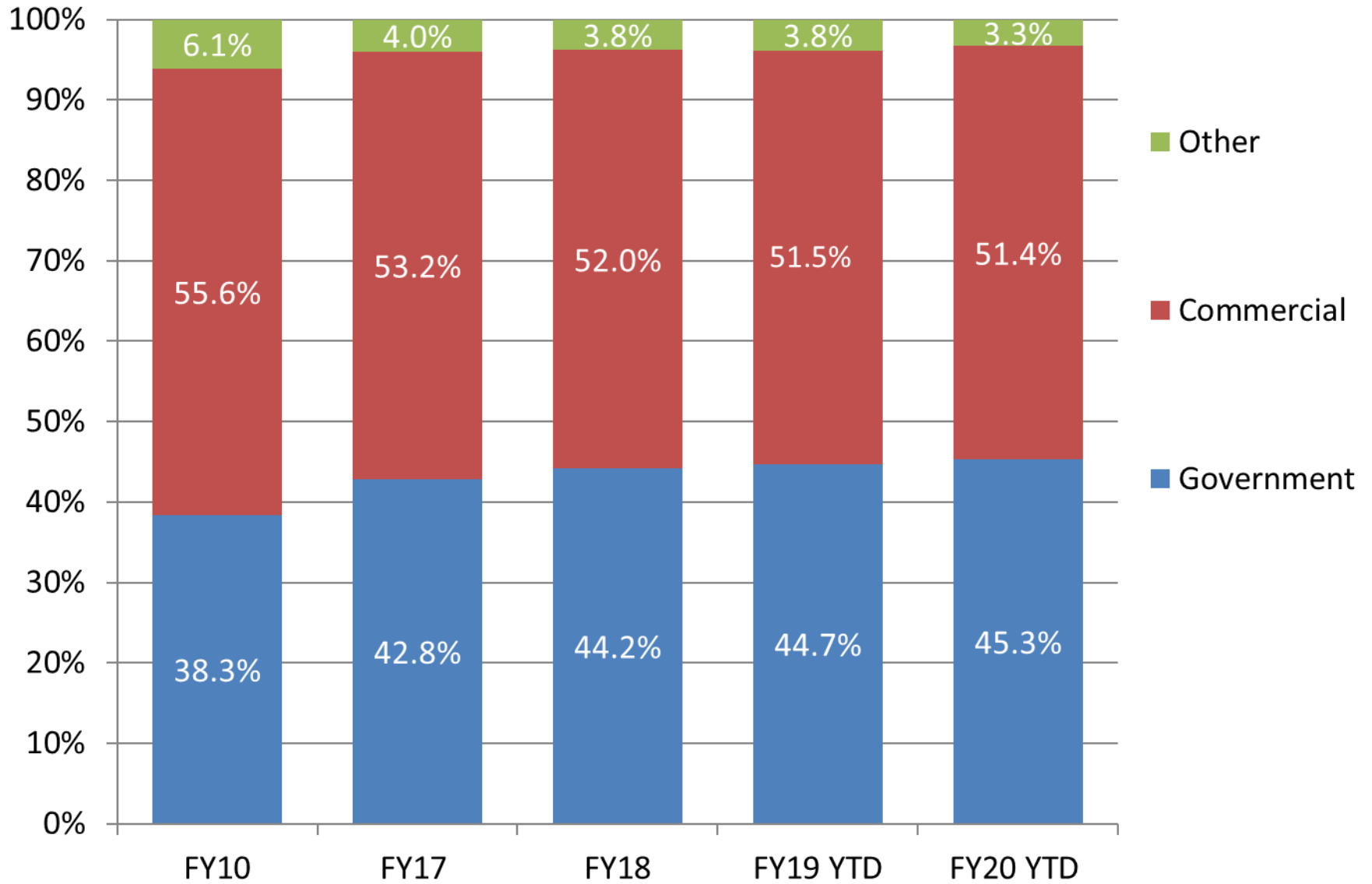
**Footnote:**

**Collection Rate**

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY20	33.2%	33.2%	32.8%	33.9%	35.6%	35.3%	30.9%	31.2%	37.2%	53.1%	0.0%	0.0%
FY19	36.1%	35.0%	36.2%	33.9%	35.9%	35.7%	32.5%	32.8%	33.0%	34.8%	33.1%	34.8%
FY18	37.2%	35.2%	35.2%	34.2%	36.0%	35.2%	33.7%	31.8%	33.7%	35.5%	36.1%	34.4%

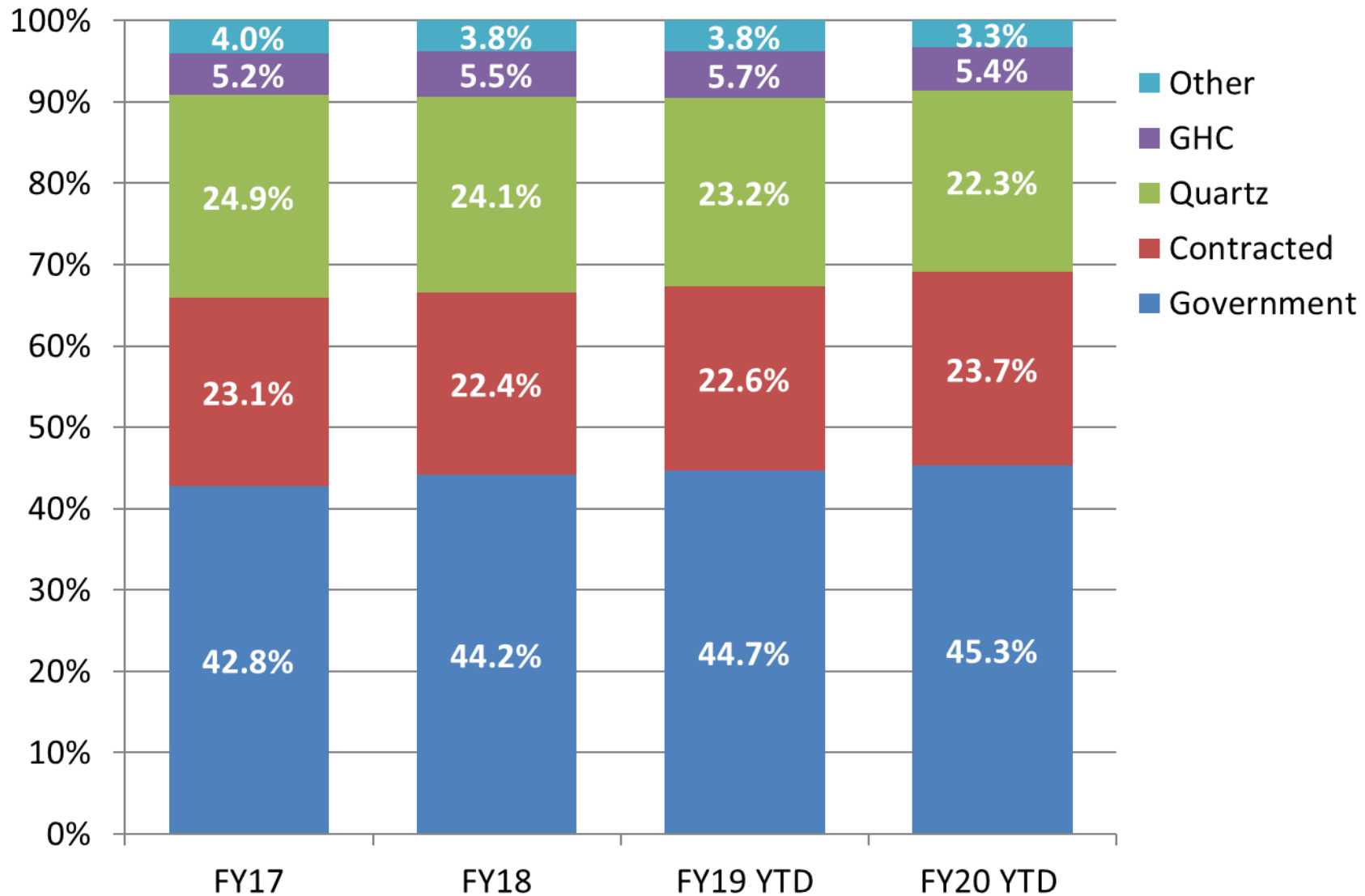
Note: Collection rate as a point in time since charges collected in future months

# Payer Mix Trends by Month



Represents gross charges.

# Payer Mix Trends – Commercial Breakdown

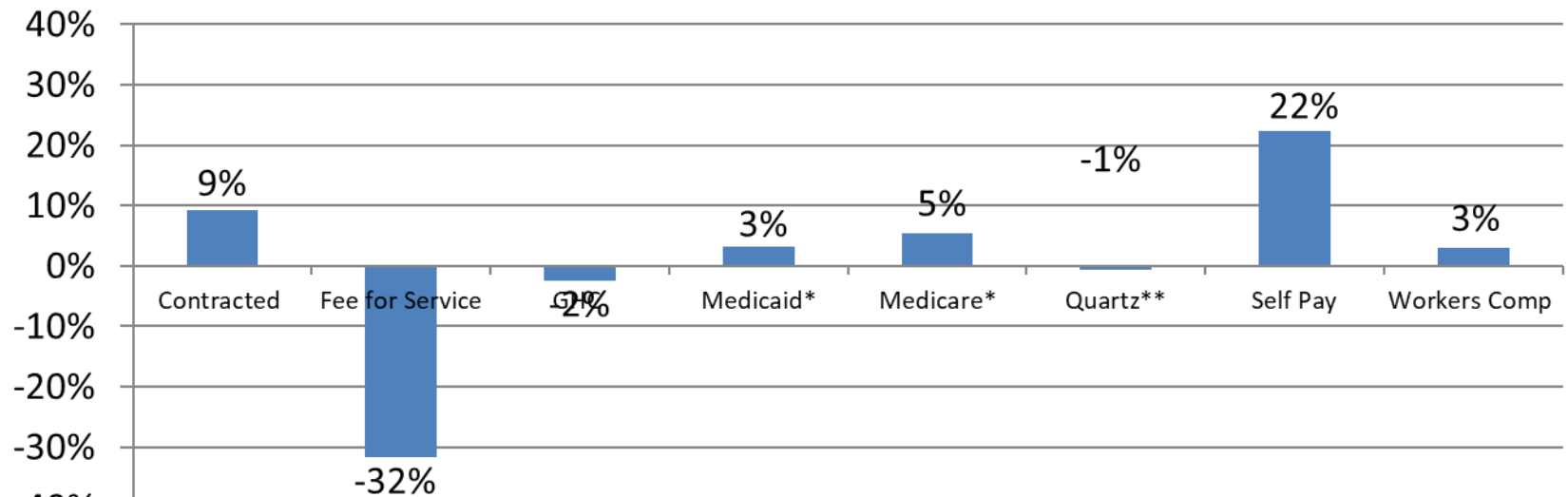
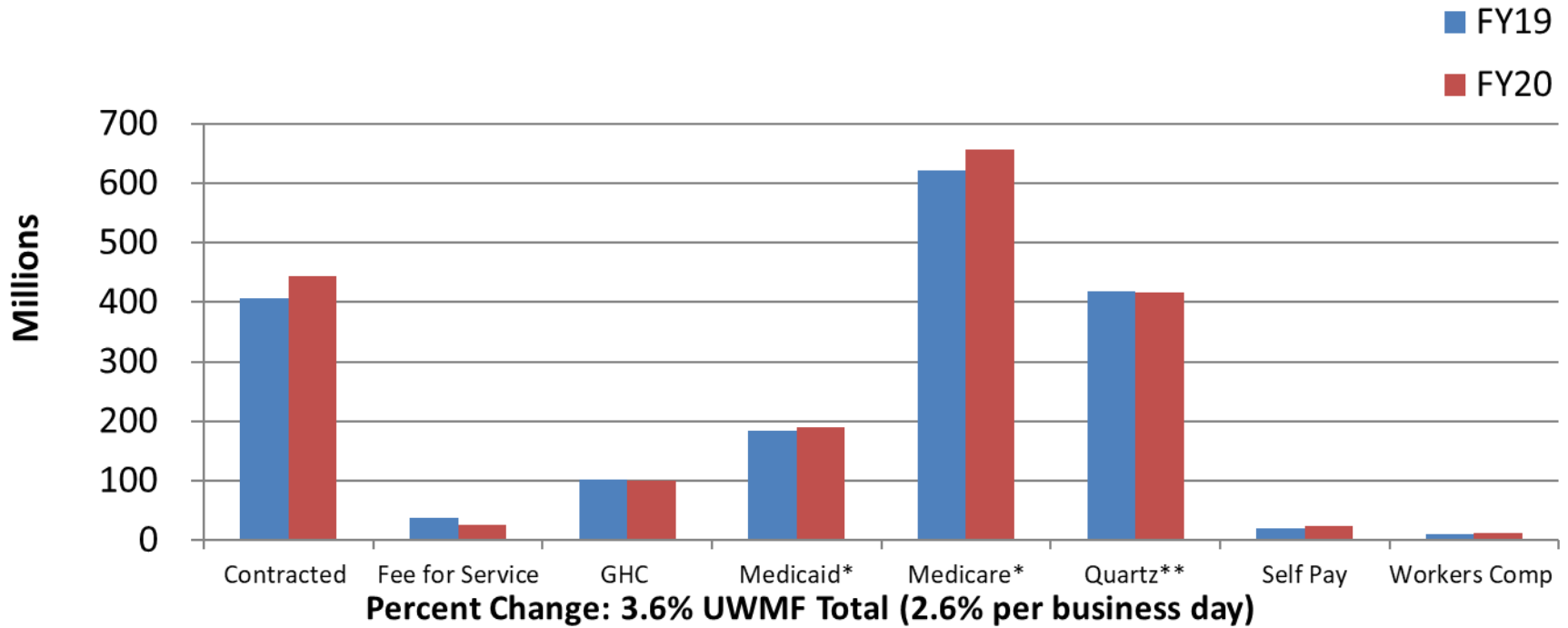


**Represents gross charges.**

\*Quartz includes historical PPIC and Unity data.



# Payer Mix Trends – Gross Charges by Payer – YTD Comparison



\*Includes activity from government and commercial plans

\*\*Quartz includes historical PPIC and Unity data.



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**Financial Statements**  
**As of April 30, 2020**

# Summary of YTD April 30, 2020 Operating Results

	Actual Apr_YTD- FY20	Budget Apr_YTD- FY20	Variance vs. Budget	Var. % vs. Budget	Actual Apr_YTD- FY19	Variance vs. PY	Var. % vs. PY
<b><u>TOTAL OPERATING REVENUE</u></b>							
Net patient service revenue	657,993,428	718,714,253	(60,720,824)	(8)	647,798,710	10,194,718	2
Other operating revenues	11,004,531	5,501,412	5,503,120	100	5,110,708	5,893,824	115
<b>Total operating revenues, net</b>	<b>668,997,960</b>	<b>724,215,665</b>	<b>(55,217,705)</b>	<b>(8)</b>	<b>652,909,418</b>	<b>16,088,542</b>	<b>2</b>
<b><u>TOTAL OPERATING EXPENSES</u></b>							
Non-physician salaries and benefits	249,113,213	268,631,206	19,517,993	7	220,590,231	(28,522,982)	(13)
Physician salaries and benefits	380,765,479	368,787,280	(11,978,199)	(3)	243,935,973	(136,829,506)	(56)
<b>Salaries and benefits</b>	<b>629,878,693</b>	<b>637,418,486</b>	<b>7,539,794</b>	<b>1</b>	<b>464,526,204</b>	<b>(165,352,489)</b>	<b>(36)</b>
Other expenses	25,979,929	25,825,618	(154,311)	(1)	31,184,174	5,204,245	17
Purchased services and agency costs	(86,999,034)	(68,089,456)	18,909,578	(28)	42,349,321	129,348,355	305
Medical materials and supplies	5,274,095	9,732,380	4,458,285	46	4,278,491	(995,604)	(23)
Pharmaceuticals	36,048,583	35,620,732	(427,851)	(1)	28,630,715	(7,417,867)	(26)
Interest expense	321,697	542,461	220,764	41	571,951	250,254	44
Depreciation and amortization	5,442,352	5,559,007	116,655	2	6,088,161	645,809	11
Facilities and equipment	41,574,975	25,739,883	(15,835,093)	(62)	23,221,342	(18,353,633)	(79)
Nonoperating expenses - academic support	43,043,545	42,968,584	(74,961)	0	44,691,837	1,648,292	4
<b>Net Operating Expenses</b>	<b>700,564,835</b>	<b>715,317,694</b>	<b>14,752,859</b>	<b>2</b>	<b>645,542,196</b>	<b>(55,022,638)</b>	<b>(9)</b>
<b>Income from operations</b>	<b>(31,566,875)</b>	<b>8,897,971</b>	<b>(40,464,845)</b>	<b>(455)</b>	<b>7,367,222</b>	<b>(38,934,096)</b>	<b>(528)</b>
<b><u>NON-OPERATING REVENUE/EXPENSES</u></b>							
Net increase/decrease in fair value of investments	(8,762,119)	-	(8,762,119)	-	4,410,391	(13,172,509)	(299)
Investment income	7,332,312	3,436,566	3,895,745	113	3,077,693	4,254,619	138
Equity interest in income/loss of joint ventures	6,513,086	3,303,665	3,209,422	97	8,765,808	(2,252,722)	(26)
Other, net	1,567,464	1,585,810	(18,345)	(1)	1,689,992	(122,528)	(7)
<b>Net Non Operating Revenue/Expenses</b>	<b>6,650,744</b>	<b>8,326,041</b>	<b>(1,675,297)</b>	<b>(20)</b>	<b>17,943,884</b>	<b>(11,293,141)</b>	<b>(63)</b>
<b>Net Profit</b>	<b>(24,916,131)</b>	<b>17,224,011</b>	<b>(42,140,142)</b>	<b>(245)</b>	<b>25,311,106</b>	<b>(50,227,237)</b>	<b>(198)</b>

# Summary of YTD April 30, 2020 Balance Sheet - Assets

## Assets

### Current assets:

EXT_101001 Cash and cash equivalents_EXT	243,143,262
EXT_102001 Patient accounts receivable_EXT	83,178,077
EXT_103001 Other receivables_EXT	6,625,318
EXT_104000 Due from related entities_EXT	345,702,313
EXT_105000 Supply inventory_EXT	4,102,340
EXT_106000 Prepaid expenses_EXT	714,513
<b>Total current assets_EXT</b>	<b>683,465,823</b>

### Noncurrent cash and investments:

EXT_112000 Other long-term investments_EXT	164,226,796
<b>Total noncurrent cash and investments_EXT</b>	<b>164,226,796</b>

### Capital assets:

EXT_121000 Nondepreciable, including construction in progress_EXT	10,103,846
EXT_122000 Depreciable, net_EXT	50,433,163
<b>Total capital assets, net_EXT</b>	<b>60,537,009</b>

EXT_130000 Investment in joint ventures_EXT	71,581,046
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EXT_140000 Other assets_EXT	916,344
<b>Total assets_EXT</b>	<b>980,727,017</b>

# Summary of YTD April 30, 2020 Balance Sheet – Liabilities

## Liabilities and Net Position

### Current liabilities:

EXT_206001 Current installments of long-term debt_EXT	2,785,000
EXT_202001 Other payable accrued expenses_EXT	55,518,158
EXT_204000 Due to related entities_EXT	485,777,166
EXT_203000 Payroll and related accruals_EXT	<u>58,341,896</u>
<b>Total current liabilities_EXT</b>	<b>602,422,220</b>

EXT_211000 Long-term debt, less current installments_EXT	25,305,000
EXT_212001 Other long-term liabilities_EXT	<u>29,000,000</u>
<b>Total liabilities_EXT</b>	<b><u>656,727,220</u></b>

### Net position:

EXT_300001 Net investment in capital assets_EXT	-
EXT_301000 Restricted - expendable for donor specified purposes_EXT	-
EXT_302000 Restricted - nonexpendable_EXT	-
EXT_303001 Restricted - expendable for pension participants_EXT	-
EXT_304000 Unrestricted_EXT	<u>323,999,797</u>
<b>Total net position_EXT</b>	<b><u>323,999,797</u></b>

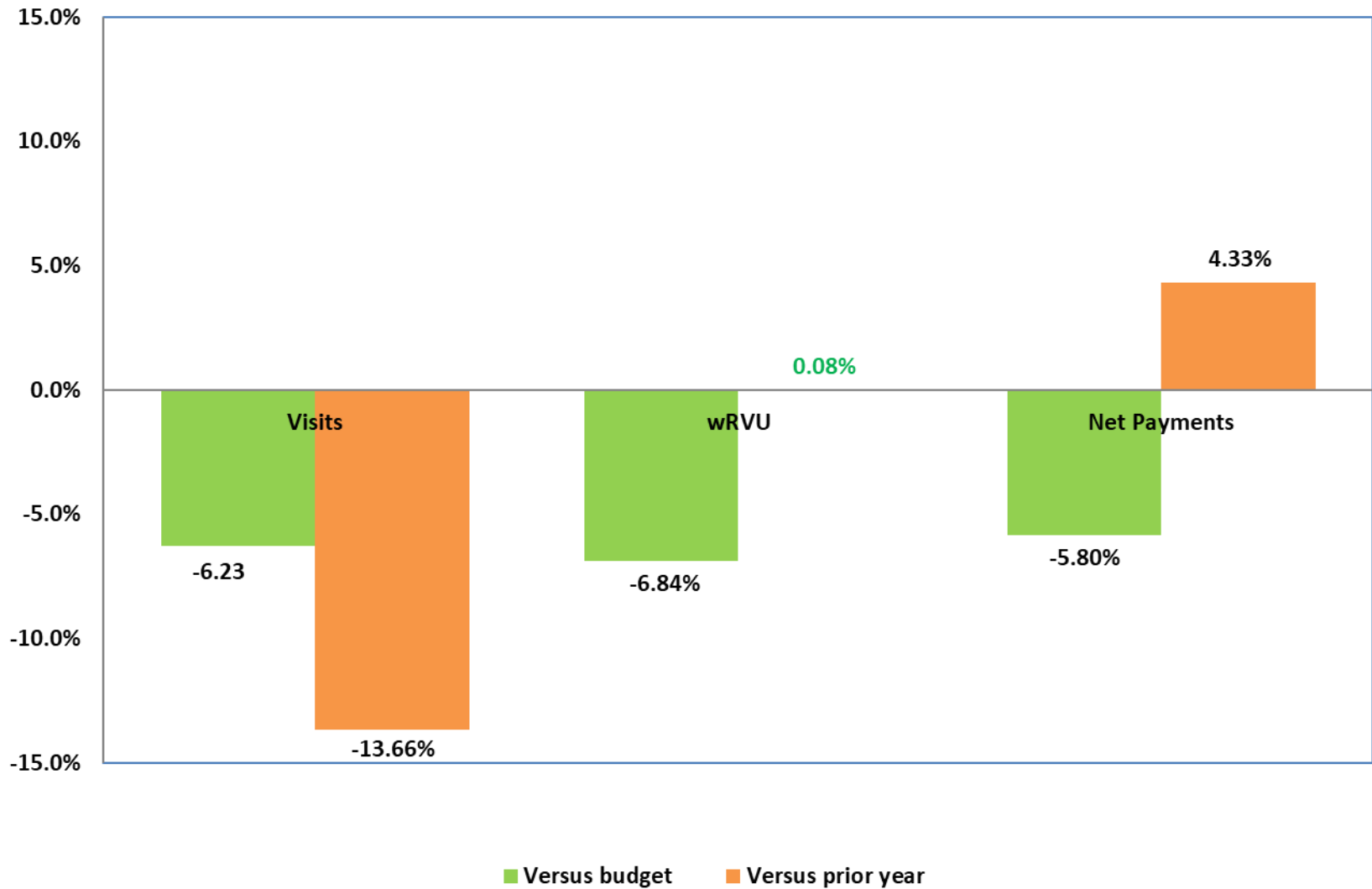
<b>Total Liabilities and net position_EXT</b>	<b><u><u>980,727,017</u></u></b>
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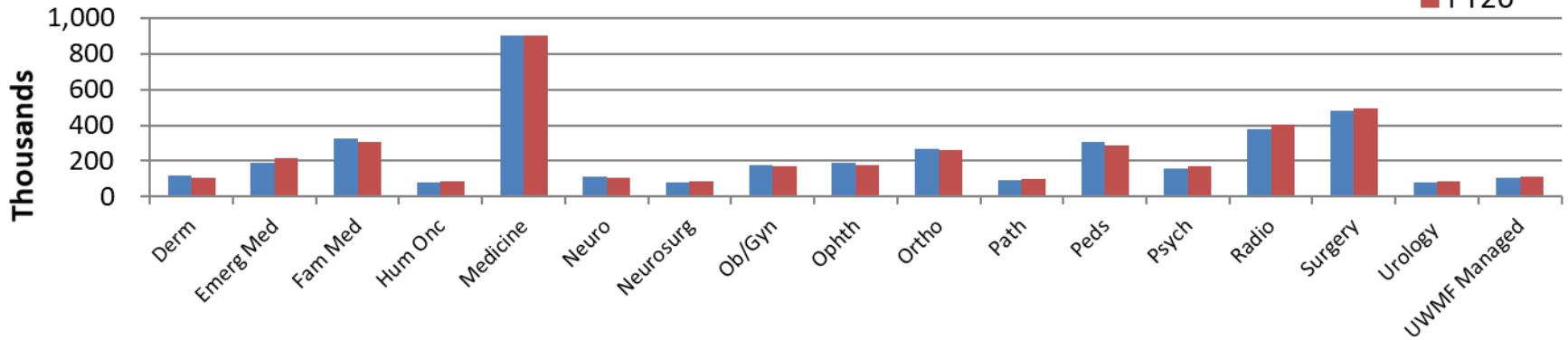
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**Appendix**  
**As of April 30, 2020**

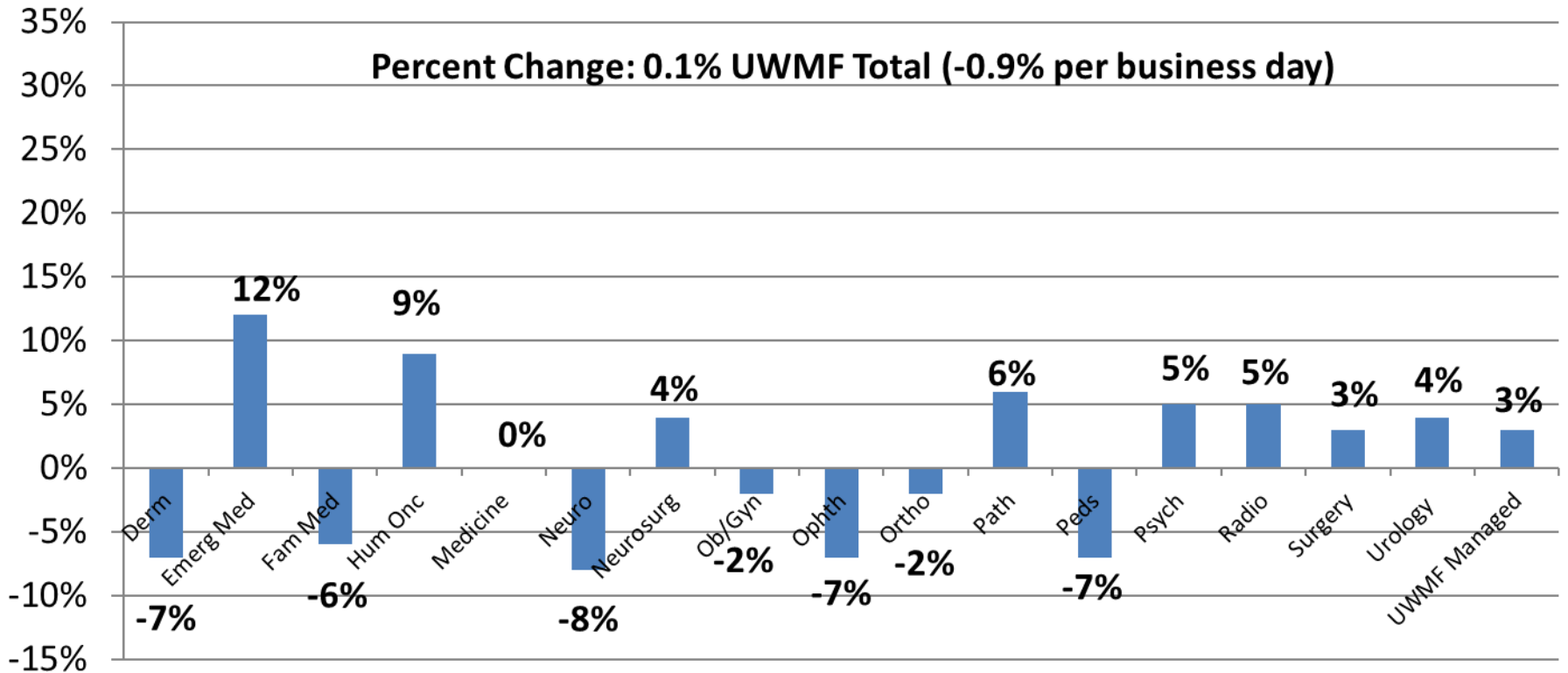
### Visits, wRVUs and Payments FY20 April



## Work RVUs by Department – YTD Comparison



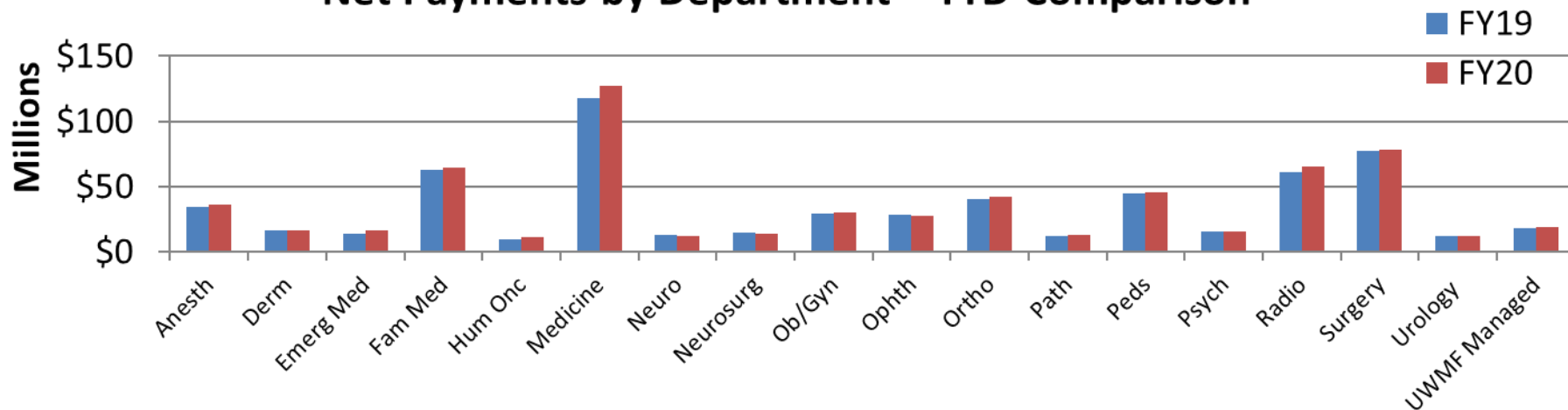
## Percent Change: 0.1% UWMF Total (-0.9% per business day)



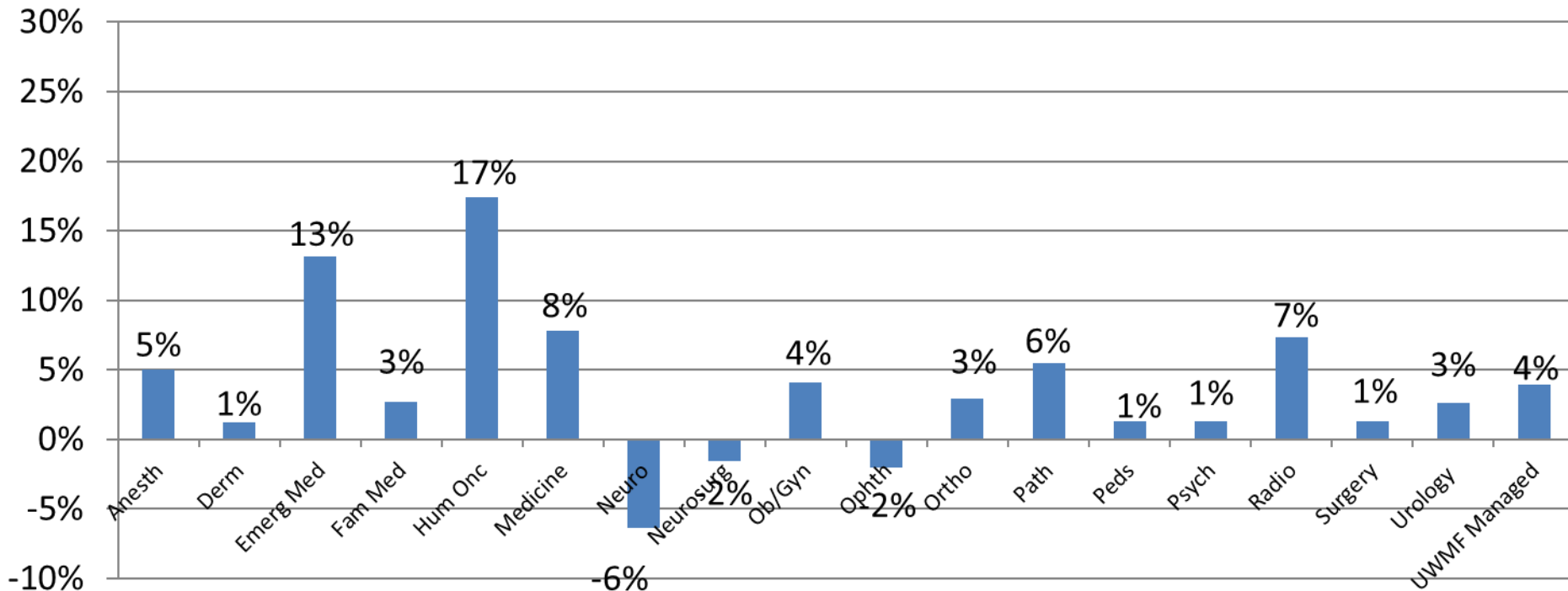
\* UWMF Managed includes Urgent Care and Welcome Center Providers



## Net Payments by Department – YTD Comparison



## Percent Change: 4.3% UWMF Total (3.3% per business day)



# Physician Head Count by Month

