

MINUTES
Finance Committee
University of Minnesota Hospitals and Clinics
October 15, 1980

Members Present: David Cost, Chairman
John Quistgard, Vice Chairman
JoAnn Barr
David Brown
Debbie Gruye
Clint Johnson
Fannie Kakela
Seymour Levitt
Virgil Moline
Cliff Fearing
John Westerman

Absent: Al France
John Tiede
David Preston

Staff: Nels Larson
Terry Rosecke

Guests: John Diehl
Johnelle Foley
Kevin Moore
Don Van Hulzen

The meeting of the Finance Committee was called to order by Chairman Cost at 10:10 a.m. in the Dale Shepherd Room of the Campus Club.

I Approval September 17, 1980 Minutes

A motion to approve the minutes was made by John Quistgard, seconded, and approved unanimously by the committee.

II September YTD Financial Statements

Mr. Larson stated that, during the month of September, admissions totaled 1,861, the length of stay was 9.8 days, and patient days totaled 17,450 days. These figures are above projections due primarily to increased census on general service routine stations. Mr. Larson went on to note that the clinic visits for September totaled 17,219 or 4.4% above projected visits of 16,499.

The operating position September YTD showed revenues over expense of \$2,963,450 which is a favorable variance of \$937,150. Mr. Larson added that patient care charges totaled \$32,543,000 (1.8% above budgeted levels) through the first quarter. Operating expenses totaled \$29,325,000 which is a 1.7% favorable variance.

Mr. Larson mentioned that, on the recommendation of Touche Ross and Company, the malpractice settlement made during this fiscal year will be reflected in the 1979-80 financial statements.

He also noted that the balance in accounts receivable at the end of September was \$27,304,538 which represents 77 days of outstanding revenue. Mr. Larson mentioned that several new items were included on the balance sheet, i.e., contractual adjustments payable to third party payors - \$1,764,691; notes payable-current - \$5,000,000; and the malpractice settlement - \$964,000.

Next month the Finance Committee will be presented with year end projections based on changes in volume, mix and intensity through September 30, 1980.

III Analysis of Change in Average Length of Stay for Psych & Rehab

The committee members received a handout explaining the variance in the average length of stay for Psych and Rehab between the current year and the prior year. Mr. Larson reported that the variance is due mainly to the effect of the discharge pattern on a small patient population which skews the statistics and a small number of renal studies done with Rehab patients in which the average length of stay is about four days.

IV Renewal Project Update

Mr. Fearing informed the committee that members of management have participated in two meetings with the Metropolitan Health Board in the process of presenting the Certificate of Need data for the Renewal Project and will be meeting with

them again to address any specific questions or concerns the Health Board may have.

Mr. Fearing then noted that Ernst & Whinney has analyzed the impact of a drop in the projected census on the financial feasibility of the Renewal Project. Conclusions were that a census drop in 1990 to 188,810 patient days would result in a \$25,000,000 shortfall. The two variables which were analyzed to determine if changes could prevent this shortfall were project costs and state loan amounts. The results of the analysis showed that either a decrease in the project size of \$14,500,000 or an increase in the state loan amount of \$20,000,000 would result in approximately the same cash position in 1989 as projected in the Certificate of Need application. Ernst & Whinney also determined that an increase in rates by 2.5% in 1986 and 1.0% in 1987 through 1989 in excess of previously used rate increases would maintain the same cash position. Mr. Fearing stated that Mr. Dickler and the Ellerbe architects are exploring the possibility of a \$14,500,000 decrease in the project size. Mr. Fearing added that, using the 7/30/80 state general obligation bond financial model, existing calculation techniques for debt coverage, and the financing requirements associated with a 7% interest rate, it was found that a 1.5 to 1 debt coverage ratio could be maintained with a maximum interest rate of 9.046%. The Ernst & Whinney financial feasibility study, which will be used to obtain financing and will take into consideration such significant variables as patient days, cost of construction, and interest rates, will be available for review by the Finance Committee in late February or early March.

It was suggested that a representative from Ernst & Whinney be invited to attend a joint meeting of the Finance and Planning Committees in November or December to discuss the approaches which will be used in the financial feasibility study.

V Federal Cost Limit Pass-Through Resolution

The second draft of the federal cost limit pass-through resolution, which was provided to the committee in a handout and reviewed by Mr. Fearing, was recommended for approval by Mr. Quistgard, seconded by Ms. Kakela, and unanimously approved.

VI Other

A. Mr. Cost noted that he is the co-chairman of the Nominations Committee this year and will be speaking to various committee members with regard to attendance at meetings.

B. Mr. Cost also noted that each committee member was provided with a copy of the response sent to Mr. Mason regarding his concerns on financing of the Renewal Project.

He added that, as a result of a meeting with Mr. Mason, it was determined that compliance with the Board of Governors April 16, 1980 budget resolution would be reported regularly to the Finance Committee by management.

C. Mr. Diehl gave a brief overview of the settlement on the Stein case and noted that there are a very small number of pending malpractice cases at the present time but that the Finance Committee will be advised of any future developments.

There being no further business, the meeting of the Finance Committee was adjourned at 12:15 p.m.

Respectfully submitted,


Terry Rosecke

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
STATEMENT OF OPERATIONS
FOR PERIOD JULY 1, 1980 TO SEPTEMBER 30, 1980

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under) Budget</u>	<u>Variance %</u>
Gross Patient Charges	\$31,971,470	\$32,542,544	\$571,074	1.8
Deductions from Charges	3,575,603	3,695,992	120,389	3.4
Other Operating Revenue	<u>497,214</u>	<u>472,777</u>	<u>(24,437)</u>	(4.9)
Total Revenue from Operations	\$28,893,081	\$29,319,329	\$426,248	1.5
Expenditures				
Salaries	\$14,182,688	\$14,463,126	\$280,438	2.0
Fringe Benefits	2,532,363	2,507,471	(24,892)	(1.0)
Contract Compensation	2,333,456	2,321,464	(11,992)	(0.5)
Med. Supplies, Drugs, Blood	4,282,604	4,051,490	(231,114)	(5.4)
Campus Admin. Expense	1,049,934	1,049,934	-0-	-
Depreciation	983,164	877,922	(105,242)	(10.7)
General Supplies & Expense	<u>4,479,012</u>	<u>4,053,470</u>	<u>(425,542)</u>	(9.5)
Total Expenditures	\$29,843,221	\$29,324,877	\$518,344	(1.7)
Net Revenue from Operations	\$ (950,140)	\$ (5,548)	\$944,592	
Non-Operating Revenue				
Appropriations/Univ. Support	\$ 2,640,187	\$ 2,640,187	-0-	-
Accrued Interest Income	284,591	284,591	-0-	-
Shared Services	<u>51,662</u>	<u>44,220</u>	<u>(7,442)</u>	(14.4)
Total Non-Oper. Revenue	\$ 2,976,440	\$ 2,968,998	\$ (7,442)	(0.3)
Revenue Over/(Under) Expense	\$ 2,026,300	\$ 2,963,450	\$937,150	(1)

(1) Variance equals 3.2% of Total Budgeted Revenue.



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

November 19, 1980

TO: Board of Governors Finance Committee

FROM: Nels E. Larson *Nels E. Larson*
Assistant Controller

SUBJECT: Report of Operations for the Period July 1, 1980
through October 31, 1980

The overall operating position of the Hospital through the fourth month of the year continues to reflect the change in the inpatient census mix and increase in ancillary source utilization experienced during the first quarter of the year. To highlight our portion:

Inpatient Census - During the month of October, admissions totaled 1,796 and our average length of stay was 9.3 days. The resulting inpatient census totaled 17,385 patient days, 147 days above our projections. October's average daily census of 563 patients produced an overall occupancy rate of 76.6%.

The increased census is due to the increase in the utilization of Medical/Surgical and Pediatric beds. While our overall census variance is favorable, the revenue variance for routine services is unfavorable due to the change in mix of bed utilization. The use of the higher priced intensive care beds has not been as high as anticipated due to temporary staffing shortages on our Bone Marrow unit and also because the Septic ICU planned for this year is not yet opened.

To recap our year-to-date inpatient census:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>
Admissions	7,436	7,338	(98)	(1.3)
Avg Length of Stay	9.5	9.5	-	-
Patient Days	69,195	70,023	828	1.2
Percent Occupancy	76.6	77.5	0.9	1.2

Outpatient Census - October clinic visits totaled 18,965. This is 815 visits (4.5%) over projected visits of 18,150. Year to date clinic visits continues to show a favorable variance. Total visits are 71,060 or 2,044 visits (3.0%) above projected visits of 69,016. October YTD visits are 2,311 visits (3.4%) ahead of last year at this time.

Financial Operations - Our October YTD operating position shows revenues over expense of \$3,707,797 a favorable variance of \$1,024,347. Favorable variances in both patient care charges and total expenditures account for our current position.

Patient care charges through October totaled \$43,178,983 and are 2.3% above budgeted levels. The increased level of charges is due to higher than anticipated ancillary service utilization. This increase has occurred in most of the ancillary departments, the larger increases however continue to be within the Blood Bank, Pharmacy and Outpatient clinics.

Expenditures through October totaled \$39,432,124, and results in a favorable variance of \$295,912 (0.7%). This favorable variance continues to reflect (1) that we have not yet incurred the cost of periodic purchases primarily within the general supply categories, (2) the Hospital has not experienced the anticipated price increase in some of the medical supply categories (primarily X-Ray film) and telephone costs and (3) the University has not yet increased its billing rate for fringe benefits to the anticipated level.

Accounts Receivable - The balance in patient accounts receivable at the end of October was \$27,675,676 which is a \$5,488,048 increase from June 30, 1980. The balance represents 78 days of outstanding revenue, an increase of 1 day from June 30, 1980.

1980-81 Year - End Projection - The Hospitals financial position has been projected to the end of the current fiscal year based on the operations of the first quarter. In making the projections, current mix and utilization levels were trended to year end on the basis of historic seasonal relationships. On the basis of these projections, we could anticipate a reduction in our planned cash flow of approximately \$332,000. However, recognizing that this is a projection from only three months of activity and that the projected variance is small, no specific action is recommended at this time. Activity through the second quarter will be monitored closely and if the projected year-end position based on two quarters activity still indicates a potential problem, appropriate action will be taken to achieve our budgeted position. Hospital management is aware of these projections and is committed to achieving the 1980-81 financial objective.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
 INPATIENT CENSUS DATA BY MAJOR CATEGORY
 OCTOBER, 1980 YEAR TO DATE




	Available Beds	Inpatient Days		Admissions		% Occupancy		Average L.O.S.	
		Current Bud	Actual	Current Bud	Actual	Current Bud	Actual	Prior Yr	Current Actual
Medical/Surgical	409	40,202	40,728	4,949	4,848	79.1	80.2	8.4	8.4
Pediatrics	85	7,591	8,098	914	866	71.8	76.6	8.5	9.3
Obstetrics	24	1,965	2,312	402	423	66.6	78.3	5.1	5.3
Newborn	20	1,432	1,615	330	353	58.2	65.7	4.5	4.5
Psychiatry	60	5,854	5,660	172	176	79.3	76.7	33.8	33.9
Rehabilitation	40	2,830	3,082	92	115	57.5	62.6	30.7	25.3
Intensive Care-Adult	57	5,764	5,160	365	363	81.2	72.7	12.8	14.1
Intensive Care-Peds	<u>34</u>	<u>3,557</u>	<u>3,368</u>	<u>212</u>	<u>194</u>	<u>85.1</u>	<u>80.5</u>	<u>22.5</u>	<u>17.5</u>
Total	729	69,195	70,023	7,436	7,338	76.6	77.5	9.4	9.5
Total (excluding Psych and Rehab)	629	60,511	61,281	7,172	7,047	77.5	78.5	8.5	8.7

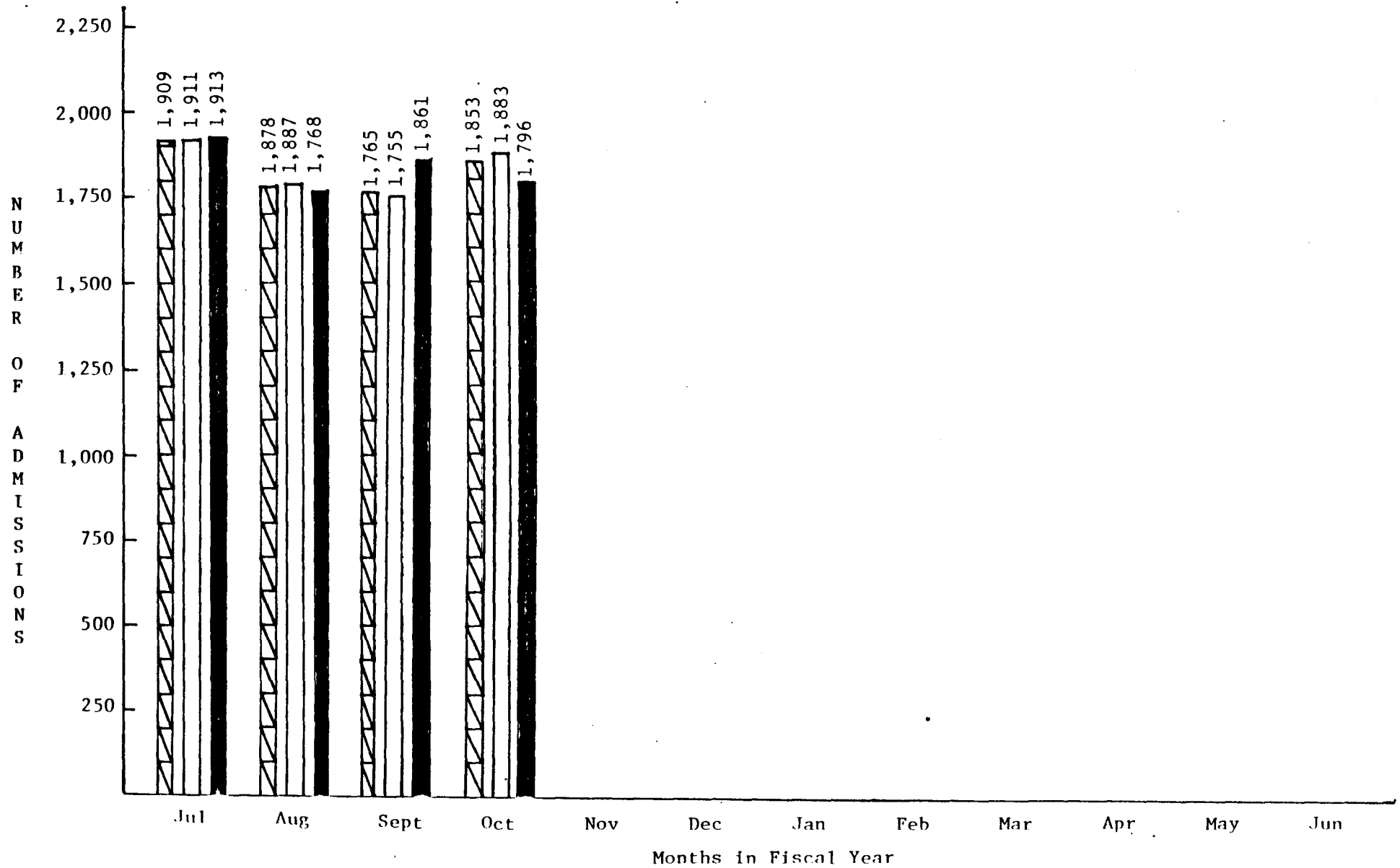
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ADMISSIONS

MONTHLY AND YEAR TO DATE COMPARATIVE

1979-80 TO 1980-81

 PRIOR YEAR ACTUAL - 7,405
 CURRENT YEAR BUDGET - 7,436
 CURRENT YEAR ACTUAL - 7,338






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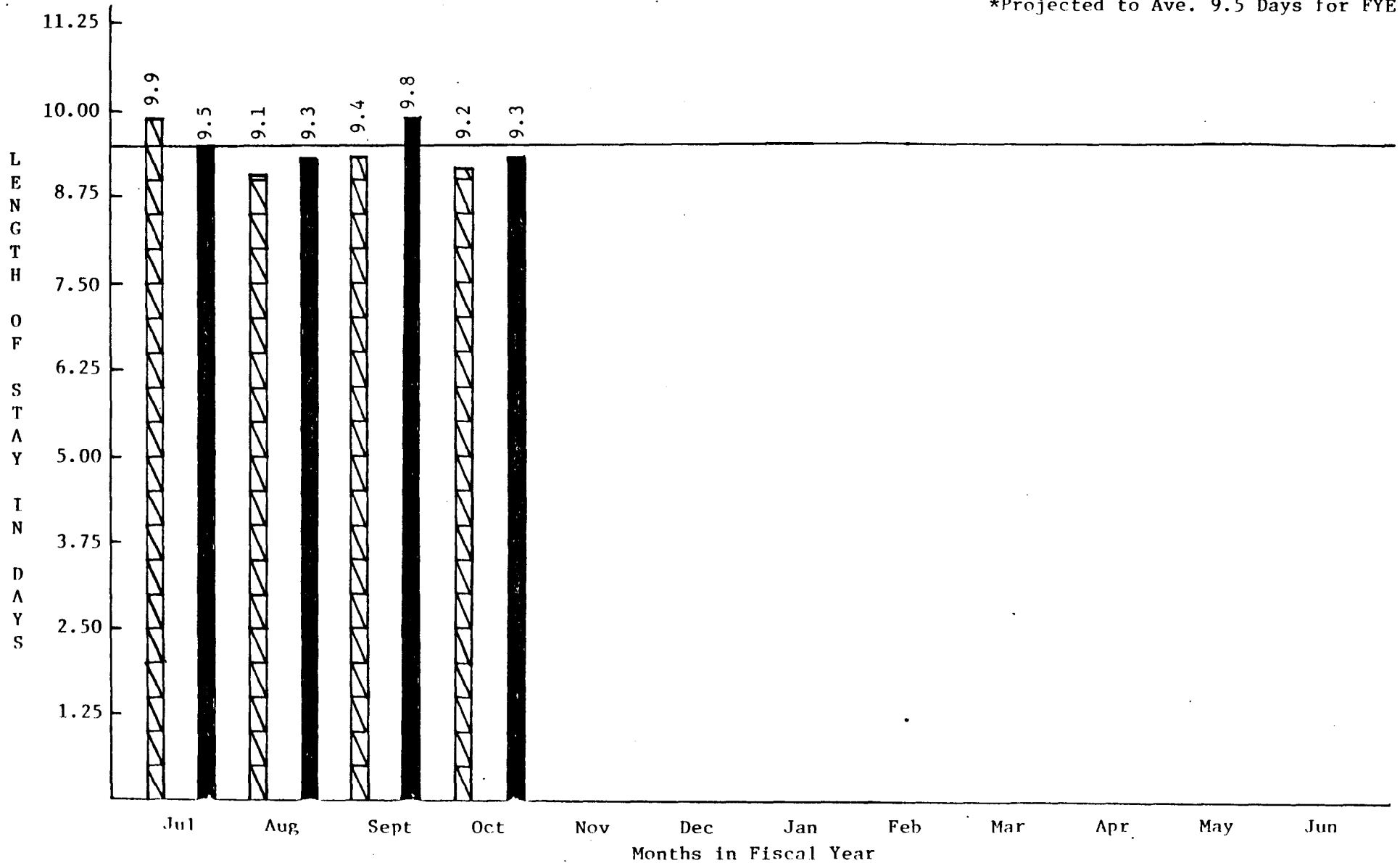
LENGTH OF STAY

MONTHLY AND YEAR TO DATE COMPARATIVE

1979-80 TO 1980-81

-  PRIOR YEAR ACTUAL - 9.4
-  CURRENT YEAR BUDGET - *
-  CURRENT YEAR ACTUAL - 9.5

*Projected to Ave. 9.5 Days for FYE 81.






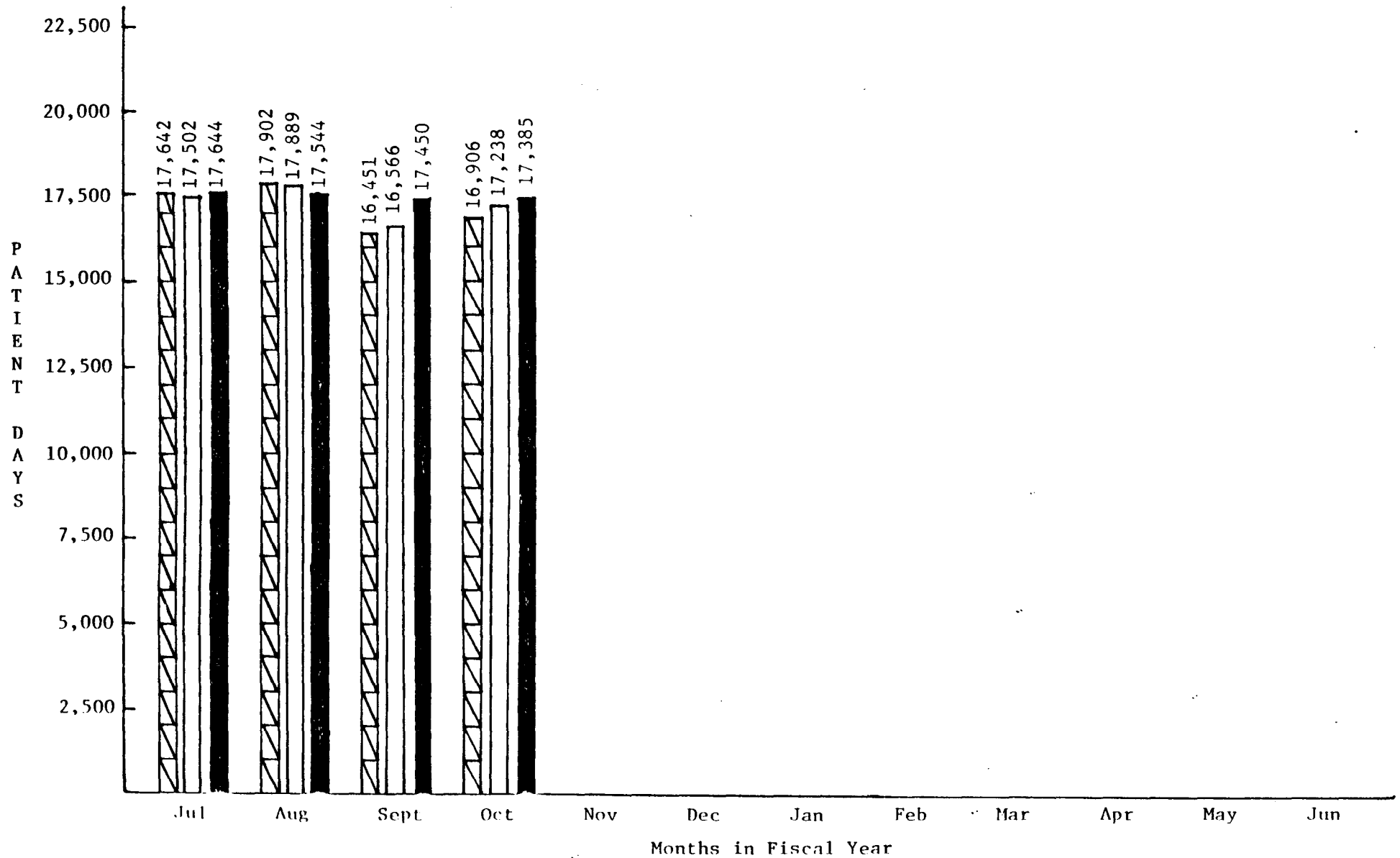
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PATIENT DAYS




MONTHLY AND YEAR TO DATE COMPARATIVE

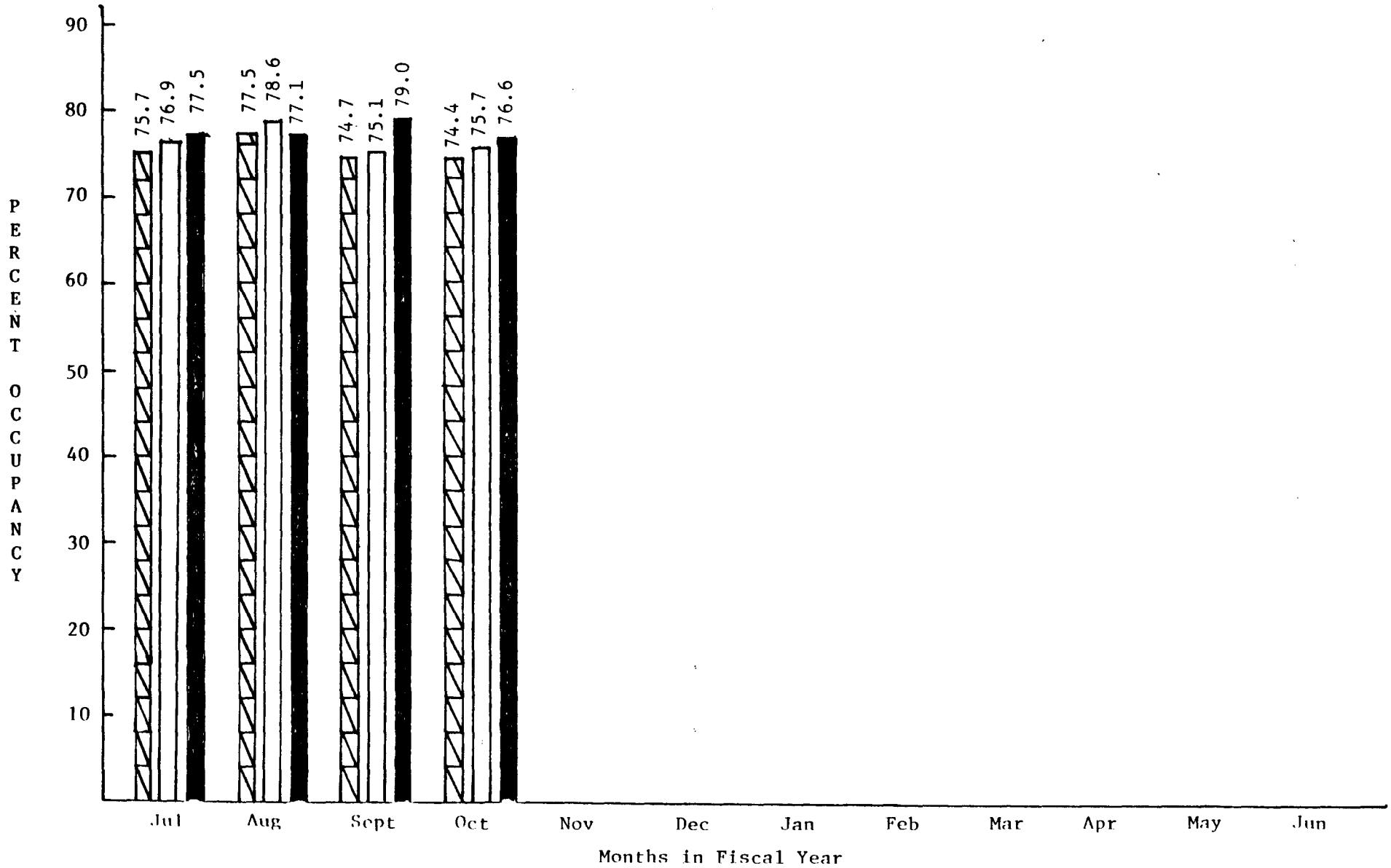
1979-80 TO 1980-81

-  PRIOR YEAR ACTUAL - 68,901
-  CURRENT YEAR BUDGET - 69,195
-  CURRENT YEAR ACTUAL - 70,023



UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
 PERCENT OCCUPANCY
 MONTHLY AND YEAR TO DATE COMPARATIVE
 1979-80 TO 1980-81




 PRIOR YEAR ACTUAL - 75.5
 CURRENT YEAR BUDGET - 76.6
 CURRENT YEAR ACTUAL - 77.5

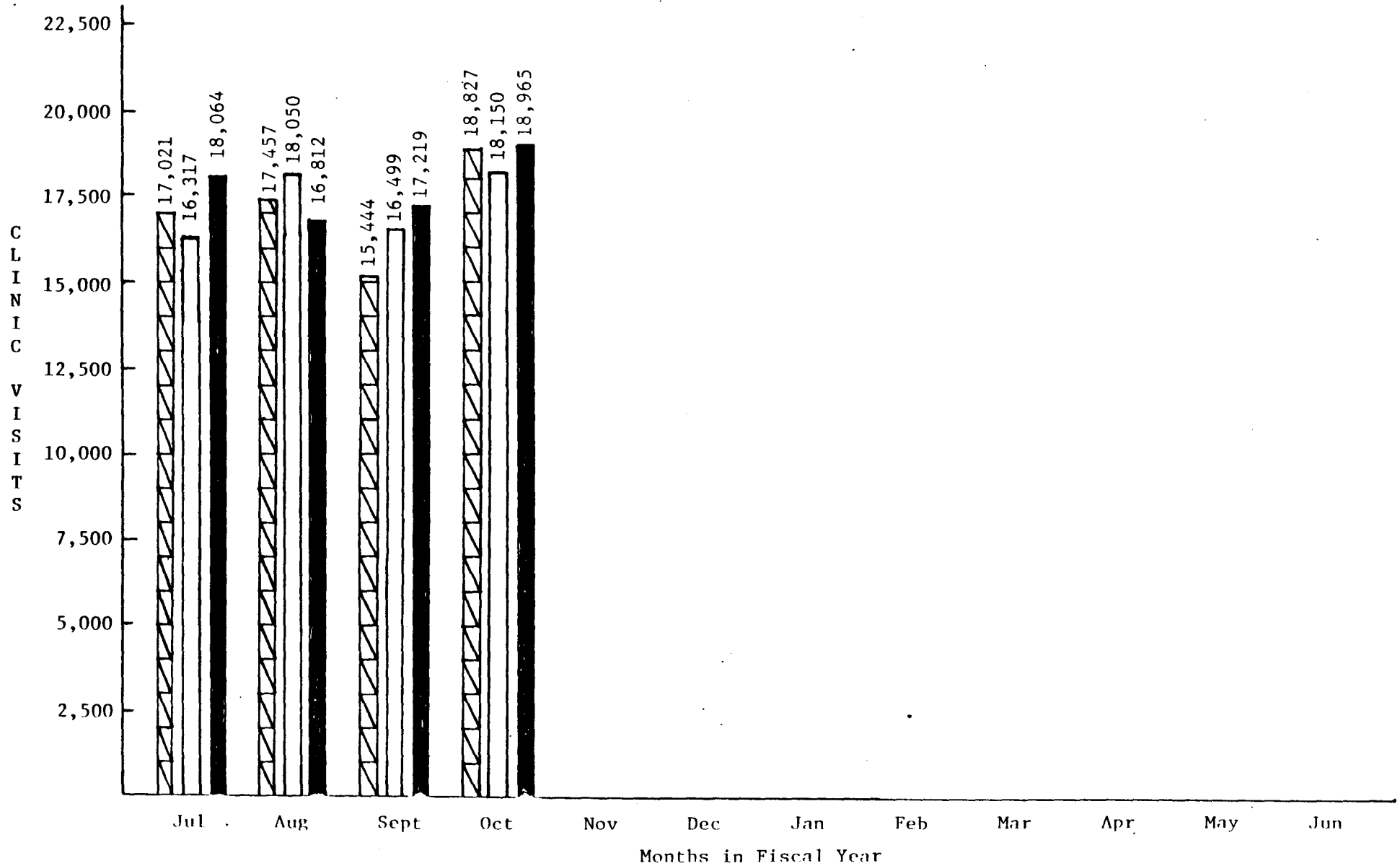


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CLINIC VISITS

MONTHLY AND YEAR TO DATE COMPARATIVE
1979-80 TO 1980-81

 PRIOR YEAR ACTUAL - 68,749
 CURRENT YEAR BUDGET - 69,016
 CURRENT YEAR ACTUAL - 71,060



UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
STATEMENT OF OPERATIONS
FOR PERIOD JULY 1, 1980 TO OCTOBER 31, 1980

	<u>Budgeted</u>	<u>Actual</u>	Variance Over/(Under) Budget	Variance %
<u>PATIENT CARE CHARGES</u>				
Routine	\$17,775,587	\$17,559,239	\$ (216,348)	(1.2)
Ancillary	<u>24,452,342</u>	<u>25,619,744</u>	<u>1,167,402</u>	4.8
Gross Charges	\$42,227,929	\$43,178,983	\$ 951,054	2.3
<u>DEDUCTIONS FROM CHARGES</u>				
Third Party Contract Adj.	\$ 2,435,041	\$ 2,432,203	\$ (2,838)	0.1
Billing Adjustments & Employee Benefits	712,634	572,820	(139,814)	(19.6)
Charitable Care	377,276	608,777	231,501	61.4
Other Contract Adj.	523,082	637,109	114,027	21.8
Allow for Uncoll Accts	467,660	478,701	11,041	2.4
Donations from Restricted Funds		(4)	(4)	
Total Deductions	\$ 4,515,693	\$ 4,729,606	\$ 213,913	4.7
<u>OTHER OPERATING REVENUE</u>				
Food Services	\$ 336,012	\$ 324,505	\$ (11,507)	(3.4)
Powell Hall Motel	107,343	92,342	(15,001)	(14.0)
Departmental Non-Patient	48,404	41,529	(6,875)	(14.2)
Reference Lab Income	184,086	164,451	(19,635)	(10.7)
Pro Fees - Net Revenue	42,988	69,892	26,904	62.6
Donations to Operations from Restricted Funds		6,017	6,017	
Total Other Revenue	\$ 718,833	\$ 698,736	\$ (20,097)	(2.8)
Total Revenue from Operations	\$38,431,069	\$39,148,113	\$ 717,044	1.9
<u>EXPENDITURES</u>				
Salaries	\$18,889,068	\$19,219,953	\$ 330,885	1.8
Fringe Benefits	3,372,701	3,305,666	(67,035)	(2.0)
Academic Contracts	462,442	462,442	-0-	-
Resident Contracts	1,163,491	1,163,491	-0-	-
Physician Compensation	<u>1,493,794</u>	<u>1,498,260</u>	<u>4,466</u>	0.3
Total Salaries, Wages, F.B., and Fees	25,381,496	25,649,812	268,316	1.1
Laundry - Linen	600,978	592,088	(8,890)	(1.5)
Raw Food	472,270	456,985	(15,285)	(3.2)
Drugs	2,072,752	2,042,694	(30,058)	(1.5)
Blood & Blood Derivatives	976,386	1,153,295	176,909	18.1
Medical Supplies	2,656,321	2,353,581	(302,740)	(11.4)
Utilities	527,174	530,916	3,742	0.7
Insurance	454,418	449,069	(5,349)	(1.2)
Rental	232,207	223,671	(8,536)	(3.7)
Maintenance & Repair	583,493	545,429	(38,064)	(6.5)
Communications	341,718	246,204	(95,514)	(28.0)
Net Loss on Disposal of Assets	-	13,928	13,928	
Campus Adm Expense	1,403,716	1,403,716	-0-	-
Depreciation	1,314,406	1,283,597	(30,809)	(2.3)
Gen Supplies and Expense	<u>2,710,701</u>	<u>2,487,139</u>	<u>(223,562)</u>	(8.2)
Total Expenditures	\$39,728,036	\$39,432,124	\$ (295,912)	(0.7)
Net Revenue from Operations	\$(1,296,967)	\$ (284,011)	\$1,012,958	-
<u>NON-OPERATING REVENUE</u>				
Appropriations & Support	\$ 3,529,815	\$ 3,529,815	-0-	-
Accrued Interest on Approp	127,020	127,020	-0-	-
Interest Income on Reserves	253,466	253,466	-0-	-
Shared Services	<u>70,116</u>	<u>81,507</u>	<u>11,391</u>	16.2
Total Non-Oper. Revenue	\$ 3,980,417	\$ 3,991,808	\$ 11,391	0.3
Net Revenue Over/(Under) Expenses	\$ 2,683,450	\$ 3,707,797	\$1,024,347 (1)	

(1) Variance equals 2.7% of Total Budgeted Revenue.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
STATEMENT OF OPERATIONS
FOR PERIOD JULY 1, 1980 TO OCTOBER 31, 1980

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/(Under) Budget</u>	<u>Variance %</u>
Gross Patient Charges	\$42,227,929	\$43,178,983	\$ 951,054	2.3
Deductions from Charges	4,515,693	4,729,606	213,913	4.7
Other Operating Revenue	<u>718,833</u>	<u>698,736</u>	<u>(20,097)</u>	(2.8)
Total Revenue from Operations	\$38,431,069	\$39,148,113	\$ 717,044	1.9
Expenditures				
Salaries	\$18,889,068	\$19,219,953	\$ 330,885	1.8
Fringe Benefits	3,372,701	3,305,666	(67,035)	(2.0)
Contract Compensation	3,119,727	3,124,193	4,466	0.1
Med. Supplies, Drugs, Blood	5,705,459	5,549,570	(155,889)	(2.7)
Campus Admin. Expense	1,403,716	1,403,716	-0-	-
Depreciation	1,314,406	1,283,597	(30,809)	(2.3)
General Supplies & Expense	<u>5,922,959</u>	<u>5,545,429</u>	<u>(377,530)</u>	(6.4)
Total Expenditures	\$39,728,036	\$39,432,124	\$ (295,912)	(0.7)
Net Revenue from Operations	\$(1,296,967)	\$ (284,011)	\$1,012,956	-
Non-Operating Revenue				
Appropriations/Univ. Support	\$ 3,529,815	\$ 3,529,815	-0-	-
Accrued Interest Income	380,486	380,486	-0-	-
Shared Services	<u>70,116</u>	<u>81,507</u>	<u>11,391</u>	16.2
Total Non-Oper. Revenue	\$ 3,980,417	\$ 3,991,808	\$ 11,391	0.3
Revenue Over/(Under) Expenses	\$ 2,683,450	\$ 3,707,797	\$1,024,347 (1)	

(1) Variance equals 2.7% of Total Budgeted Revenue.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
 OPERATING CASH FLOW
 FOR PERIOD JULY 1, 1980 TO OCTOBER 31, 1980

Source of Funds		
Beginning Cash Balance		\$ 506,903
Loss from Operations	(284,011)	
Non-Operating Revenue	<u>3,991,808</u>	
Excess of Revenue over Expense		3,707,797
Items not Requiring the Outlay of Cash:		
Depreciation		1,283,597
University Support: G&A		1,403,716
K/E Utilities		27,513
Increase in Accrued Expenses		1,551,097
Other Adjustments		<u>126,432</u>
Total Funds Provided from Operations		\$8,607,055
Funds Applied		
Transfers to Plant:		
Capital Expenditures	677,172	
Increase in Capital Encumbrances	<u>1,089,021</u>	
Total Transfers to Plant		1,766,193
Increase in Accounts Receivable		5,415,136
Increase in Accrued Revenue		371,561
Increase in Inventory		<u>114,090</u>
Total Funds Applied		\$7,666,980
Total Net Operating Cash Available		\$ <u>940,075</u> (1)

(1) Available for offsetting future cash need of \$1,551,097 for increase in accrued expenses. The resulting net deficit of \$611,022 is offset by the increase in accounts receivable of \$5,415,136. The net working capital increase is \$4,804,114.

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
 PROJECTED CASH FLOW
 FOR YEAR ENDING JUNE 30, 1981

	<u>Planned</u>	<u>Projected</u>	<u>Variance</u>
Excess of Revenue over Expense	\$4,938,730	\$4,673,390	\$ (265,340)
Add: Non-Cash Outlays			
Depreciation	\$3,900,208	\$4,023,925	\$ 123,717
Campus General & Admin. Exp.	3,165,780	3,165,780	-0-
Increase in Accrued Expense	1,512,108	1,523,348	11,240
K/E Utilities	<u>81,650</u>	<u>81,650</u>	<u>-0-</u>
Total Non-Cash Outlays	\$8,659,746	\$8,794,703	\$ 134,957
Add: Decrease in Accrued Revenue	<u>296,149</u>	<u>240,494</u>	<u>(55,655)</u>
Total Cash Provided	\$13,894,625	\$13,708,587	\$ (186,038)
Cash Applied:			
Increase in Accounts Receivable	\$3,492,338	\$3,638,726	\$ 146,388
Increase in Inventories	<u>505,667</u>	<u>505,667</u>	<u>-0-</u>
Total Cash Applied	\$3,998,005	\$4,144,393	\$ 146,388
Cash Available from Operations	\$9,896,620	\$9,564,194	\$ (332,426)

November 10, 1980

UNIVERSITY OF MINNESOTA HOSPITALS AND CLINICS
STATEMENT OF OPERATIONS
PROJECTED FOR YEAR ENDING JUNE 30, 1981

	<u>Budget</u>	<u>Projected</u>	<u>Variance</u>	<u>% Variance</u>
Gross Patient Charges	\$124,352,231	\$124,821,616	\$ 469,385	0.4
Deductions from Charges	13,380,809	13,537,950	157,141	1.2
Other Operating Revenue	<u>2,021,395</u>	<u>2,081,654</u>	<u>60,259</u>	3.0
Total Revenue from Operations	\$112,992,817	\$113,365,320	\$ 372,503	0.3
Expenditures				
Salaries	\$ 57,721,059	\$ 58,351,049	\$ 629,990	1.1
Fringe Benefits	10,307,235	10,269,785	(37,450)	(0.4)
Contract Compensation	9,257,724	9,286,042	28,318	0.3
Med Supplies, Drugs, Blood	16,800,907	16,347,264	(453,643)	(2.7)
Campus Admin Expense	4,165,500	4,165,500	-0-	-0-
Depreciation	3,900,208	4,023,925	123,717	3.2
General Supplies & Expense	<u>17,719,990</u>	<u>17,749,223</u>	<u>29,233</u>	0.2
Total Expenditures	\$119,872,623	\$120,192,788	\$ 320,165	0.3
Net Revenue from Operations	\$ (6,879,806)	\$ (6,827,468)	\$ 52,338	
Non-Operating Revenue				
Appropriations/Univ Support	\$ 10,474,652	\$ 10,139,836	\$(334,816)	(3.2)
Accrued Interest Income	1,129,084	1,068,237	(60,847)	(5.4)
Shared Services	<u>214,800</u>	<u>292,785</u>	<u>77,985</u>	36.3
Total Non-Operating Rev	\$ 11,818,536	\$ 11,500,858	\$(317,678)	(2.7)
Revenue Over/(Under) Expense	\$ 4,938,730	\$ 4,673,390	\$(265,340)	

November 10, 1980



UNIVERSITY OF MINNESOTA
TWIN CITIES

University Hospitals and Clinics
420 Delaware Street S.E.
Minneapolis, Minnesota 55455

November 19, 1980

TO: Finance Committee

FROM: Clifford Fearing

A handwritten signature in cursive script, appearing to read 'Clifford Fearing', written over the printed name.

SUBJECT: Bad Debts - First Quarter 1980-81

The total amount recommended for bad debt during the first quarter of 1980-81 is \$322,010.65 represented by 879 accounts. Bad debt recoveries during this period amounted to \$28,717.54 leaving a net charge off of \$293,293.11.

Attached is a statistical summary with detailed descriptions of losses over \$2,000 and recoveries over \$200.

The total bad debts for the first quarter of 1980-81 are 0.9% of the total charges. This compares to a budgeted level of bad debts of 1.1%.

/tr

enc.