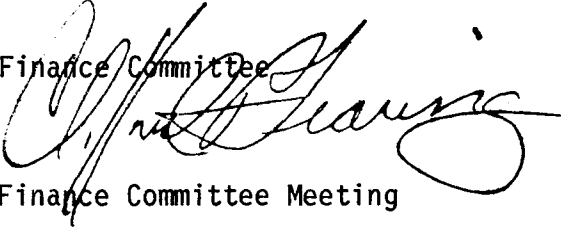




UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

August 31, 1989

TO: Board of Governors Finance Committee  
FROM: Clifford P. Fearing   
SUBJECT: September 27, 1989 Finance Committee Meeting

Nancy Janda recently sent you a memo indicating there will not be a Board of Governors meeting on September 27th. This memo is to inform you the Board of Governors Finance Committee meeting of September 27 is also cancelled.

/th



UNIVERSITY OF MINNESOTA  
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The October 25, 1989 Board of Governors Finance Committee was cancelled due to lack of quorum.



UNIVERSITY OF MINNESOTA  
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Minneapolis, Minnesota 55455

**MEETING OF THE  
BOARD OF GOVERNORS FINANCE COMMITTEE  
Wednesday, October 25, 1989  
12:00 - 2:00 p.m.\*  
8-106 University Hospital**

**COMMITTEE MEMBERS**

Jerry Meilahn, Chair  
Carol Campbell  
Edward Ciriacy, M.D.  
Robert Dickler  
Clifford Fearing  
Elwin Fraley, M.D.  
Erwin Goldfine  
Barbara O'Grady  
Vic Vikmanis

**A G E N D A**

- |       |  |                    |
|-------|--|--------------------|
| I.    | <b>Opening of Meeting and Approval of Minutes of Finance Committee meeting held 8/23/89 (Approval) pp. 1-4</b> | Mr. Jerry Meilahn  |
| II.   | <b>August 31, 1989 and September 30, 1989 Financial Statements (Information) pp. 5-18</b>                      | Mr. Cliff Fearing  |
| III.  | <b>1988-89 Capital Expenditure Report (Endorsement) pp. 19-20</b>  | Mr. Greg Hart      |
| IV.   | <b>Major Capital Expenditure (Information) pp. 21-24</b>   | Mr. Al Dees        |
| V.    | <b>UMCA Update (Information)</b>   | Dr. Edward Ciriacy |
| VI.   | <b>Personnel Policy Amendment (Information) pp. 25-38</b>  | Mr. Greg Hart      |
| VII.  | <b>First Quarter, 1989-90 Bad Debts (Endorsement) pp. 39-67</b>  | Mr. Cliff Fearing  |
| VIII. | <b>Other</b>   |                    |

**\*A buffet lunch will be served at 11:30 p.m. in the Board Room.**

THE UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC  
BOARD OF GOVERNORS FINANCE COMMITTEE  
August 23, 1989

MINUTES

**ATTENDANCE:**

Present: Robert Dickler  
Clifford Fearing  
Elwin Fraley, M.D.  
Jerry Meilahn  
Barbara O'Grady

Not Present: Carol Campbell  
Edward Ciriacy, M.D.  
Erwin L. Goldfine  
Vic Vikmanis

Staff: Greg Hart  
Teri Holberg  
Nancy Janda  
Mark Koenig  
Shannon Lorbiecki  
Nels Larson  
Barbara Tebbitt

**CALL TO ORDER:**

The Finance Committee was called to order by Mr. Jerry Meilahn on August 23, 1989 at 12:10 P.M.

**APPROVAL OF THE MINUTES:**

The Board of Governors Finance Committee seconded and passed a motion to approve the minutes of the July 26, 1989 meeting as written.

**JULY 1, 1988 THROUGH JULY 31, 1989 FINANCIALS:**

Mr. Clifford P. Fearing reported to the Committee the month of July had a net operating loss of \$232,312, which was \$742,124 below budget. Mr. Fearing stated inpatient admissions for July totaled 1,576, which was 3.3% below budget. The overall average length of stay for July was 8.4 days and patient days were 710 days under budget. The average daily census for July was reported to be 444, which was 5% below budget. Mr. Fearing reported the first 21 days of August had an average daily census of 448, the average length of stay was 8.17 days, and admissions were 6% over budget. Outpatient visits for July totaled 23,933 which was 5.6% below budget. CUHCC visits were reported to be 11.4% over budget, while Home Health visits were 13.7% below budget for the month of July.

Lastly, Mr. Fearing reported the balance of accounts receivable as of July 31, 1989 totaled \$90,078,678 and represented 100.8 days of revenue outstanding. Mr. Fearing stated the collections in the first 21 days in month of August were at a higher level on a per day basis and the accounts receivables should turn around in the month of August.

Mr. Fearing informed the Committee that the University of Minnesota decided not to issue UMHC \$1,600,000 in fringe benefit expense reduction on the June 30, 1989 financial statement as was reported in the July Finance Committee meeting. The University has decided instead to credit UMHC for \$800,000 for the fringe benefit costs. Therefore, since the Hospital had earlier made the \$1,600,000 adjustment, the Hospital financial statement throughout the 1989-90 year will show a \$800,000 prepaid fringe benefit asset. This will also create a year end net loss of \$345,000.

#### **HOSPITAL ADMISSIONS POLICY:**

Mr. Fearing presented to the Finance Committee, for information purposes, the first draft of the admissions policies which had been requested by the Board of Governors. The policy will be brought before the Medical Staff Hospital Council and the Clinical Chiefs for their review and comments. After incorporating those comments, the admissions policies will then be brought before the Board for approval. The admissions policies are anticipated to improve the Hospital's bad debt write-offs, yet maintain a charitable posture regarding patient care.

Mr. Fearing stated UMHC's Hill-Burton Community Service and Emergency Service obligations requires UMHC to treat all people within the state of Minnesota for emergency services. The proposed policy for emergency services would not change the way UMHC has operated in the past. UMHC would continue to give medical care until the emergency condition is eliminated and that medical care beyond that point would be dictated by the patient's condition, the patient's desires, and the requirements of the patient's third party payer.

The following is the proposed policy for non-emergency admissions.

1. Foreign patients must have a deposit, verified credit line or have insurance coverage equal to the estimated procedure expense, and such deposits credit lines or insurance must be accepted and/or confirmed prior to the day of admission.
2. Out-of-state patients, except Medicare patients, must make a deposit, verify a credit line and/or have written confirmation of insurance or public assistance coverage equivalent to at least 85% of the estimated procedure expense prior to admission. The remaining 15% would be paid under a payment plan established prior to admission.
3. State of MN patients will be given care without regard to their ability to pay, but residents are expected to contribute to the cost of their care at levels consistent with their ability to pay.

Prior to admission Minnesota residents who come to UMHC for non-emergency care and who are eligible for a public assistance program must complete the application and be certified by the county welfare department that they and are eligible for medical

assistance. Non-emergency admissions will be deferred until such certification is complete.

When a patient's medical assistance approval is about to lapse while the patient is hospitalized at UMHC, UMHC will pursue continuance of coverage on the patient's behalf. Emergency patients whose coverage must depend on medical assistance will work with the UMHC staff in the efforts made in applying for medical assistance prior to their discharge.

4. When a patient makes a deposit they must sign a statement stating they understand that the deposit is based on an estimated expense of the procedure.

Mr. Meilahn requested a clause be added to the policy stating where an exception had been made, or the proper procedure had not been followed, a review/audit will be made of those cases. Mr. Fearing stated it would be incorporated into the admissions policies.

#### **MAJOR CAPITAL EXPENDITURE:**

Mr. Greg Hart reviewed, for information purposes, a major capital expenditure report in the \$100,000 - \$600,000 range. The major capital expenditure would be for two implantable pneumatic ventricular assist devices at a total cost of \$108,000. Mr. Hart stated the implantable device would be used primarily with patients on the transplant waiting list who have severe left ventricular failure and who are not responding to conventional procedures. Mr. Hart stated there will be a review of this program within the next six to twelve months.

The manufacturer, Thermo Cardiosystems Inc., was granted investigational device exemption. The device is currently approved by the FDA for use in a number of institutions; UMHC would be an additional approved site. Mr. Hart stated because the device will be used on a clinical trial basis there will not be reimbursement for its use by insurance companies or third party payers during this initial phase. The purchase of the two units was budgeted for the 1989-90 fiscal year.

#### **AFSME Negotiations**

Mr. Hart reported to the Committee the status of the AFSME negotiations. Mr. Hart stated the University is attempting to structure the various pay plans, unionized and non-unionized, around a 6% total package. The State AFSME employees recently settled with a 5% base increase plus 1% increase in economic items, and the University's Teamsters Union settled with a 5% base increase plus a 1% increase in economic items. In addition to these settlements, the University will recommend to the Regents a 4% increase for Civil Service employees, with an additional 2% for comparable worth. Mr. Hart stated negotiations were still underway with the Hospital and AFSME and he will keep the Committee informed of any further developments.

#### **MAJOR CAPITAL EXPENDITURE:**

Mr. Robert Dickler reviewed, for information purposes, a major capital expenditure report in the \$100,000 - \$600,000 range. The major capital

expenditure would be for 40 PC-communication software licenses and 30 network communication workstations at a total cost of \$225,000. Last year the Upper Midwest Healthcare Network was created to facilitate the exchange of patient information between the University Hospital and outstate referring physicians with the use of a computer communication network. Mr. Dickler stated the project has proven to be successful and has created a positive impact on inpatient admissions. The purchasing of this equipment and software would be used to expand to other medical groups who have expressed a desire to join the Network. The purchase of the software and equipment has been budgeted for the 1989-90 fiscal year.

#### Masonic III Budget Status

Mr. Mark Koenig reported to the Finance Committee the Masonic III renovation project would exceed the Board approved budget of \$1,161,000 by at least 10%. Mr. Koenig stated the reason for this was unanticipated expenses in removing the asbestos in Masonic III. The unforeseen expenses were:


1. Fiberglass insulation became contaminated while asbestos was being removed and need to be replace.
2. The original estimate of the removal of the asbestos was exceeded by \$42,000.
3. Environmental Health and Safety recommended that additional precautions be made in areas where asbestos remained undisturbed. This could be done either by enclosing the ceiling areas or removing the asbestos and replacing existing ceilings.

Mr. Koenig reported the Planning and Development Committee voted for the more aggressive approach in removing all asbestos and replacing the ceilings. Mr. Koenig stated this was the more expensive option, but it would eliminate the possibility of having to contend with the problem in the future. The total additional funds that would be needed for this option would be \$235,000.

The Financial Committee seconded and passed a motion to increase the Masonic III renovation project by \$235,000.

There being no further discussion, the August 23, 1989 meeting was adjourned at 1:50 P.M.

Respectfully submitted,



Teri Holberg  
Recording Secretary



September 27, 1989

**TO:** Board of Governors Finance Committee  
**FROM:** Clifford P. Fearing  
**SUBJECT:** Report of Operations for the Period  
July 1, 1989 through August 31, 1989

The Hospital's operations for the month of August reflect both inpatient admissions and outpatient visit activity that are above budgeted levels. Similarly, both routine and ancillary revenue are above budgeted levels for the month.

**INPATIENT CENSUS:** For the month of August inpatient admissions totaled 1,722, which was 101 above budgeted admissions of 1,621. Our overall average length of stay for the month was 7.8 days. Patient days for August totaled 13,551 and were 258 days below budget. The increase in admission levels over budget was primarily in the areas of Pediatrics, Neurosurgery, Gynecology, and Surgery.

To recap our year-to-date inpatient census:

	1988-89	1989-90	1989-90		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var</u>
Admissions	3,307	3,250	3,298	48	1.5
Patient Days	27,882	27,569	26,601	(968)	(3.5)
Avg Length of Stay	8.4	8.5	8.1	(0.4)	(4.7)
Avg Daily Census	449.7	444.7	429.0	(15.7)	(3.5)
Percent Occupancy	77.5	75.9	73.3	(2.6)	(3.4)

**OUTPATIENT CENSUS:** Clinic visits for the month of August totaled 25,637 which was 1,799, or 7.5%, above budgeted visits of 23,838. Visits were above budget in almost all areas with the most significant increases occurring in Family Practice, Radiation Therapy, Medicine, and Ophthalmology. Areas that reported visits significantly below budgeted levels were Adult Psych, OB/GYN, and Dermatology. Community University Health Care Center (CUHCC) visits for the month of August totaled 4,681 which was 402, or 9.4%, over budgeted visits of 4,279, while Home Health visits of 974 for the month were 28, or 2.8%, below budgeted visits of 1,002.



REPORT OF OPERATIONS  
AUGUST 1989  
PAGE 2

To recap our year-to-date outpatient census:

	1988-89	1989-90	1989-90		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var</u>
Clinic Visits	46,955	47,080	47,570	490	1.0
CUHCC Visits	7,291	8,000	8,827	827	10.3
HHA Visits	1,733	2,004	1,839	(165)	(8.2)

**FINANCIAL OPERATIONS:** The Hospital's Statement of Operations shows revenues over expenses by \$3,271,066, a favorable variance of \$1,589,549.

Patient care charges through August totaled \$57,283,072, which was 2.3% under budget. Routine revenue was .9% under budget and reflects our unfavorable inpatient census variance.

Ancillary revenue was \$1,203,028 below budget (2.9%) and reflected a decrease in our outpatient ancillary utilization. Inpatient ancillary revenue averaged \$9,030 per admission compared to the budgeted average of \$8,922 per admission. Outpatient revenue per clinic visit averaged \$226 compared to the budgeted average of \$271.

Operating expenditures through August totaled \$47,220,691 and were \$1,941,624 (3.9%) below budgeted levels of \$49,162,315. The overall favorable variance relates primarily to the decreased demand for patient services, and is reflected across most expense categories.

**ACCOUNTS RECEIVABLE:** The balance in patient accounts receivable as of August 31, 1989, totaled \$89,829,283 and represented 95.2 days of revenue outstanding. The overall decrease in our patient receivables in August of 5.6 days occurred primarily in Medicare, Blue Cross Contracts and Medical Assistance.

**CONCLUSION:** The Hospital's overall operating position is positive and above budgeted levels for the first time since March 1989. While we are reporting a very good financial position in August, the first three weeks of September have seen a return to the lower admission levels experienced in previous months. In light of this trend, we are continuing to identify and implement measures that will lower our expenditures to levels that are in line with net revenues.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC

EXECUTIVE SUMMARY OF FINANCIAL ACTIVITY

FOR THE PERIOD JULY 1, 1989 TO AUGUST 31, 1989

	1989-90 Budgeted	1989-90 Actual	Variance Over/-Under Budget	Variance %
Patient Care Charges	\$58,635,765	\$57,283,072	(\$1,352,693)	-2.3%
Deductions from Charges	13,745,170	12,606,591	(1,138,579)	-8.3%
Other Operating Revenue	1,696,124	1,610,591	(85,533)	-5.0%
<b>Total Operating Revenue</b>	<b>46,586,719</b>	<b>46,287,072</b>	<b>(299,647)</b>	<b>-0.6%</b>
Total Expenditures	49,162,315	47,220,691	(1,941,624)	-3.9%
<b>Net Operating Revenue</b>	<b>(2,575,596)</b>	<b>(933,619)</b>	<b>1,641,977</b>	<b>63.8%</b>
Non-Operating Revenue and Expenses	4,257,113	4,204,685	(52,428)	-1.2%
<b>Revenue Over/Under Expense</b>	<b>1,681,517</b>	<b>3,271,066</b>	<b>1,589,549</b>	

	1989-90 Budgeted	1989-90 Actual	Variance Over/-Under Budget	Variance %
Admissions	3,250	3,298	48	1.5%
Patient Days	27,569	26,601	(968)	-3.5%
Average Daily Census	444.7	429	(15.7)	-3.5%
Average Length of Stay	8.5	8.1	(0.4)	-4.7%
Percentage Occupancy	75.9	73.3	(2.6)	-3.4%
Outpatient Clinic Visits	23,838	25,637	1,799	7.5%

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED JULY 1, 1989 TO AUGUST 31, 1989

ANNUAL BUDGET	PATIENT CARE CHARGES	BUDGETED	ACTUAL	OVER/(UNDER) BUDGET	VARIANCE %
\$87,616,000	ROUTINE	\$16,885,445	\$16,735,780	(\$149,665)	-0.9%
252,851,000	ANCILLARY	41,750,320	40,547,292	(\$1,203,028)	-2.9%
\$340,467,000	GROSS CHARGES	\$58,635,765	\$57,283,072	(\$1,352,693)	-2.3%
	DEDUCTIONS FROM CHARGES				
\$11,479,000	BILLING ADJUSTMENTS	\$1,975,997	\$1,946,855	(\$29,142)	-1.5%
15,080,000	HMO/PPO DISCOUNTS	2,595,873	3,178,050	\$582,177	22.4%
48,573,000	GOVERNMENTAL CONTRACTUAL ADJUST	8,361,363	6,673,254	(\$1,688,109)	-20.2%
550,000	CHARITABLE CARE	93,941	106,949	\$13,008	13.8%
4,171,000	PROVISION FOR UNCOLLECTABLES	717,996	701,482	(\$16,514)	-2.3%
\$79,853,000	TOTAL DEDUCTIONS	\$13,745,170	\$12,606,591	(\$1,138,579)	-8.3%
	OTHER OPERATING REVENUE				
\$1,627,000	FOOD SERVICES	\$278,955	\$272,124	(\$6,831)	-2.4%
714,000	PARKING SERVICES	122,417	143,641	\$21,224	17.3%
77,000	DEPARTMENT NON-PATIENT	17,637	24,210	\$6,573	37.3%
	NURSING GRANT		37,399		
1,269,000	CUHCC GRANTS	211,500	208,044	(\$3,456)	-1.6%
1,958,000	REFERENCE LAB INCOME	335,535	313,732	(\$21,803)	-6.5%
2,056,000	PRO FEES--NET REVENUE	353,920	263,526	(\$90,394)	-25.5%
40,000	SILVER SALVAGE	6,794	(8,196)	(\$14,990)	-220.6%
2,124,684	INCOME FROM BOND PROCEEDS	369,366	356,111	(\$13,255)	-3.6%
\$9,865,684	TOTAL OTHER REVENUE	\$1,696,124	\$1,610,591	(\$85,533)	-5.0%
\$270,479,684	TOTAL REVENUE FROM OPERATIONS	\$46,586,719	\$46,287,072	(\$299,647)	-0.6%
	EXPENDITURES				
\$123,859,000	SALARIES	\$20,753,960	\$20,035,391	(\$718,569)	-3.5%
27,976,000	FRINGE BENEFITS	4,546,323	4,776,715	\$230,392	5.1%
2,235,000	ACADEMIC CONTRACTS	372,500	364,205	(\$8,295)	-2.2%
6,242,000	RESIDENT CONTRACTS	1,017,104	1,017,103	(\$1)	0.0%
3,167,000	PHYSICIAN COMPENSATION	527,833	527,899	\$66	0.0%
163,479,000	TOTAL SALARY, F.B., & FEES	27,217,720	26,721,313	(\$496,407)	-1.8%
2,395,000	LAUNDRY & LINEN	415,499	397,283	(\$18,216)	-4.4%
1,946,000	RAW FOOD	336,060	309,325	(\$26,735)	-8.0%
20,366,000	DRUGS	3,514,055	3,369,672	(\$144,383)	-4.1%
11,343,000	BLOOD & BLOOD DERIVATIVES	1,944,797	1,550,185	(\$394,612)	-20.3%
26,628,000	MEDICAL SUPPLIES & SERVICES	4,565,463	4,369,017	(\$196,446)	-4.3%
6,256,000	UTILITIES	1,142,623	1,086,403	(\$56,220)	-4.9%
992,000	INSURANCE	126,200	124,408	(\$1,792)	-1.4%
3,866,000	RENTAL	655,892	628,163	(\$27,729)	-4.2%
5,101,000	MAINTENANCE & REPAIR	866,471	819,561	(\$46,910)	-5.4%
24,000	NET LOSS ON DISPOSAL OF ASSETS	4,076	8,556	\$4,480	109.9%
282,000	CAMPUS ADMINISTRATION EXPENSE	47,901	47,964	\$63	0.1%
18,283,000	DEPRECIATION	2,892,720	2,850,915	(\$41,805)	-1.4%
13,038,000	INTEREST	2,183,489	2,207,620	\$24,131	1.1%
19,129,000	GENERAL SUPPLIES & EXPENSE	3,249,349	2,730,306	(\$519,043)	-16.0%
\$293,128,000	TOTAL EXPENDITURES	\$49,162,315	\$47,220,691	(\$1,941,624)	-3.9%
(\$22,648,316)	NET REVENUE FROM OPERATIONS	(\$2,575,596)	(\$933,619)	\$1,641,977	-63.8%
	NON-OPERATING REVENUE				
\$15,579,000	APPROPRIATIONS & SUPPORT	\$2,596,500	\$2,562,755	(\$33,745)	-1.3%
0	ACCRUED INTEREST ON APPROPRIATIONS	0	0	\$0	
6,906,000	INTEREST INCOME ON RESERVES	1,355,716	1,342,687	(\$13,029)	-1.0%
181,000	SHARED SERVICES	30,745	28,073	(\$2,672)	-8.7%
1,484,316	INVESTMENT INCOME HELD BY TRUSTEE	252,070	245,499	(\$6,571)	-2.6%
130,000	OTHER INVESTMENT INCOME	22,082	25,671	\$3,589	16.3%
\$24,280,316	TOTAL NON-OPERATING REVENUE	\$4,257,113	\$4,204,685	(\$52,428)	-1.2%
1,632,000	REVENUE OVER/(UNDER) EXPENSE	1,681,517	\$3,271,066	\$1,589,549	94.5%

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
BALANCE SHEETS

AUGUST 31, 1989 AND JUNE 30, 1989

ASSETS	08/31/89	6/30/89	LIABILITIES AND FUND BALANCES	08/31/89	6/30/89
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Operating Cash	\$72,282	\$72,282	Accounts payable	\$9,672,985	\$10,233,385
Reserve Cash- Third Party Payable	5,454,585	4,994,382	Payable to Third Party Contr. Payors	8,352,708	8,265,862
Reserve Cash- Current Indebtedness	3,853,254	8,484,143	Salaries, Wages and Payroll Taxes	7,529,223	4,820,284
Reserve Cash- Fringe Benefits		798,151	Accrued Vacation	7,845,016	8,187,806
Accounts Receivable			Accrued Professional Fees and Physician Compensation	1,690,532	741,071
Patient Receivables	89,829,283	85,706,462	Contracts Payable	1,063,769	40,000
Other Receivables	2,735,652	2,473,790	Construction Retainages	0	215,074
Third Party Receivable	4,863,123	4,863,123	Interest Payable	1,271,697	5,085,184
Appropriation Receivable	1,281,378	1,235,467	Current Portion of Long-Term Debt	2,670,911	2,724,624
	98,709,436	94,278,842	Promissory Notes Payable	1,300,000	2,500,000
Less Allowances for Losses in Collection	(6,314,430)	(5,933,101)			
Less Allowances for Discounts to Third Party Payors	(20,776,748)	(18,482,268)			
	71,618,258	69,863,473			
Inventories of Drugs & Supplies	4,800,095	4,928,266			
Prepaid Expenses	914,733	657,134			
	\$86,713,207	\$89,797,831	<b>TOTAL CURRENT LIABILITIES</b>	\$41,396,841	\$42,813,290
<b>TOTAL CURRENT ASSETS</b>					
<b>ASSETS WHOSE USE IS LIMITED</b>					
Board Designated Assets Available for Assignment					
Cash & Investments	\$63,699,794	\$63,557,755			
Accrued Interest	1,494,364	148,243			
	65,194,158	63,705,998			
Cash & Invest for Debt Service					
Cash & Invest for Debt Service	13,000,000	13,000,000	<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	\$168,269,298	\$169,579,547
Cash & Invest for Working Capital	21,569,641	16,000,000			
	\$99,763,799	\$92,705,998			
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>					
Land, Buildings & Improvements	\$183,806,827	\$184,168,980			
Equipment	83,956,417	83,089,362			
	267,763,244	267,258,342			
Less Accumulated Depreciation	(102,793,888)	(100,371,670)			
	164,969,356	166,886,672			
Construction in Progress	8,906,912	9,057,288			
	173,876,268	\$175,943,960			
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>					
Assigned Cash & Investments for Construction/Equipment	5,611,798	7,006,734			
	\$179,488,066	182,950,694			
<b>TOTAL</b>					
INVESTMENTS HELD BY BOND TRUSTEE	\$18,970,119	\$18,870,093	<b>UNRESTRICTED FUND BALANCE</b>	\$184,915,670	\$181,633,900
<b>OTHER ASSETS</b>					
Deferred Third Party Reimbursement	\$7,794,792	\$7,850,345			
Deferred Debt Expense	1,162,052	\$1,175,980			
Deposits and Other	689,773	\$675,796			
	\$9,646,617	\$9,702,121	<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	\$394,581,808	\$394,026,737
<b>TOTAL ASSETS</b>	\$394,581,808	\$394,026,737			
	\$394,581,808	\$394,026,737			
<b>RESTRICTED ASSETS</b>			<b>RESTRICTED FUND BALANCES</b>		
			Endowment Funds	\$3,795,251	\$2,109,876
			Gift Funds	2,226,660	3,704,653
Cash and Investments	\$6,021,911	\$5,814,529		\$6,021,911	\$5,814,529
	\$6,021,911	\$5,814,529		\$6,021,911	\$5,814,529

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC

OPERATING CASH FLOW

FOR THE PERIOD JULY 1, 1989 THRU AUGUST 31, 1989

Source of Funds

Beginning Operating Cash Balance		\$72,282
Net Income from Operations	(933,618)	
Non-Operating Revenue	4,204,683	
Excess of Revenue over Expense		3,271,066
Items not Requiring the Outlay of Cash		
Depreciation		2,850,915
University Support: G & A		47,964
Loss on Disposal of Assets		8,556
Deferred Third Party Reimbursement		55,553
Renewal Project Interest Expense		1,800,012
Increase in Accrued Expenses		3,765,801
Decrease in Third Party Payable		86,846
Decrease in Inventory		128,171
Transfer from Fringe Benefit Reserve		798,151
Total Funds Provided from Operations		\$12,885,316

Funds Applied

Increase in Prepaid Expenses	271,575
Transfer Third Party Reserve	460,203
Increase in Other Receivables	261,862
Capital Expenditures	1,037,276
Appropriation Receivable	45,911
Increase in Accounts Receivable	1,446,380
Investment Income - Trustee-held Assets	245,499
Transfers to Reserves - Bond Retirement	2,132,000
Total Funds Applied	\$5,900,706
Operating Cash Made Available from Operations	\$6,984,610

Total Operating Cash Available of \$6,984,610 plus Transfers for Bond Retirement of \$2,132,000; plus Transfers to Plant of \$1,037,276 equals Cash Generated from Operations of \$10,153,886.

Current Cash Summary

Operating Cash	\$6,984,610
Operating Cash from Working Capital Reserve	(5,569,641)
Reserve Cash for Liability to Third Party Payors	5,454,585
Reserve Cash for Short Term Debt Retirement	2,500,000
Reserve Cash for Bond Principal & Interest Payment	1,353,254
	10,722,808
Less Interest Income on Reserves	(1,342,687)
Total Current Cash	\$9,380,121

University of Minnesota Hospital & Clinic  
Statement of Changes in Fund Balance  
For the Period July 1, 1989 through August 31, 1989

	OPERATING FUND	CURRENT DEBT SERVICE FUND	BOARD DESIGNATED FUND	PLANT FUND	TRUSTEE FUND	TOTAL UNRESTRICTED FUNDS
<b>UNRESTRICTED FUNDS</b>						
Beginning Balance	\$42,329,098	\$8,484,143	\$92,705,998	\$19,244,569	\$18,870,092	\$181,633,900
<b>Net Income</b>						
Excess of Revenue over Expense	4,223,418					
Interest Income on Reserves			1,342,687			
Accrued Interest on Appropriations			0			
Depreciation Expense				(2,850,915)		
Gain on Disposal of Assets				(8,556)		
Interest Income on Trustee Held Fund					245,499	
Amortization of Deferred Bond Expense				(37,178)		
Interest income on Bond Proceeds			0		356,111	
<b>Total Income</b>						<b>3,271,066</b>
<b>Less Expense</b>						
University Support: G & A	47,964					47,964
<b>Transfers Between Funds</b>						
Capital Expenditures	(949,808)			949,808		0
Adjustment to Shared Buildings				(37,260)		(37,260)
Major Equipment Requisition	(87,470)			87,470		0
Bond Interest Payment	5,919,000	(5,919,000)				0
Bond Interest Expense Funding	(1,762,834)	2,118,945	0		(356,111)	0
Bond Principal Funding	(369,166)	369,166				0
Decrease in Short Term Note Funding		(1,200,000)		1,200,000		0
Trsf Trustee Funds to Campus			145,473		(145,473)	0
Funding Working Capital	(5,569,641)		5,569,641			0
<b>Ending Balance</b>	<b>\$43,780,561</b>	<b>\$3,853,253</b>	<b>\$99,763,799</b>	<b>\$18,547,938</b>	<b>\$18,970,118</b>	<b>\$184,915,670</b>

RESTRICTED FUNDS	GIFT	ENDOWMENT	TOTAL
Beginning Balance	3,289,414	2,161,347	5,450,761
Income	517,770	65,607	583,377
Disbursement	(11,933)	(293)	(12,227)
<b>Ending Balance</b>	<b>\$3,795,251</b>	<b>\$2,226,660</b>	<b>\$6,021,911</b>

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED JULY 1, 1989 TO AUGUST 31, 1989

AUGUST BUDGETED	AUGUST ACTUAL	AUGUST VARIANCE	VARIANCE %		BUDGETED	ACTUAL	OVER/(UNDER) BUDGET	VARIANCE %
\$8,457,884	\$8,555,832	\$97,948	1.2%	ROUTINE	\$16,885,445	\$16,735,780	(\$149,665)	-0.9%
\$20,920,204	\$21,312,634	\$392,430	1.9%	ANCILLARY	41,750,320	40,547,292	(\$1,203,028)	-2.9%
\$29,378,088	\$29,868,466	\$490,378	1.7%	GROSS CHARGES	\$58,635,765	\$57,283,072	(\$1,352,693)	-2.3%
				DEDUCTIONS FROM CHARGES				
\$990,037	\$1,051,277	\$61,240	6.2%	BILLING ADJUSTMENTS	\$1,975,997	\$1,946,855	(\$29,142)	-1.5%
\$1,300,615	\$1,585,216	\$284,601	21.9%	HMO/PPO DISCOUNTS	2,595,873	3,178,050	\$582,177	22.4%
\$4,189,308	\$3,076,777	(\$1,112,531)	-26.6%	GOVERNMENTAL CONTRACTUAL ADJUST	8,361,363	6,673,254	(\$1,688,109)	-20.2%
\$46,411	\$44,778	(\$1,633)	-3.5%	CHARITABLE CARE	93,941	106,949	\$13,008	13.8%
\$359,739	\$365,795	\$6,056	1.7%	PROVISION FOR UNCOLLECTABLES	717,996	701,482	(\$16,514)	-2.3%
\$6,886,110	\$6,123,844	(\$762,266)	-11.1%	TOTAL DEDUCTIONS	\$13,745,170	\$12,606,591	(\$1,138,579)	-8.3%
				OTHER OPERATING REVENUE				
\$139,565	\$141,790	\$2,225	1.6%	FOOD SERVICES	\$278,955	\$272,124	(\$6,831)	-2.4%
\$61,247	\$73,354	\$12,107	19.8%	PARKING SERVICES	122,417	143,641	\$21,224	17.3%
\$8,832	\$17,588	\$8,756	99.1%	DEPARTMENT NON-PATIENT NURSING GRANT	17,637	24,210	\$6,573	37.3%
\$105,750	\$102,859	(\$2,891)	-2.7%	CUHCC GRANTS	211,500	208,044	(\$3,456)	-1.6%
\$168,129	\$163,122	(\$5,007)	-3.0%	REFERENCE LAB INCOME	335,535	313,732	(\$21,803)	-6.5%
\$177,325	\$110,821	(\$66,504)	-37.5%	PRO FEES--NET REVENUE	353,920	263,526	(\$90,394)	-25.5%
\$3,397	(\$983)	(\$4,380)	-128.9%	SILVER SALVAGE	6,794	(8,196)	(\$14,990)	-220.6%
\$184,778	\$168,680	(\$16,098)	-8.7%	INCOME FROM BOND PROCEEDS	369,366	356,111	(\$13,255)	-3.6%
\$849,023	\$814,630	(\$34,393)	-4.1%	TOTAL OTHER REVENUE	\$1,696,124	\$1,610,591	(\$85,533)	-5.0%
\$23,341,001	\$24,559,252	\$1,218,251	5.2%	TOTAL REVENUE FROM OPERATIONS	\$46,586,719	\$46,287,072	(\$299,647)	-0.6%
				EXPENDITURES				
\$10,159,205	\$9,659,496	(\$499,709)	-4.9%	SALARIES	\$20,753,960	\$20,035,391	(\$718,569)	-3.5%
\$2,169,389	\$2,408,354	\$238,965	11.0%	FRINGE BENEFITS	4,546,323	4,776,715	\$230,392	5.1%
\$186,250	\$177,947	(\$8,303)	-4.5%	ACADEMIC CONTRACTS	372,500	364,205	(\$8,295)	-2.2%
\$508,552	\$508,552	\$0	0.0%	RESIDENT CONTRACTS	1,017,104	1,017,103	(\$1)	0.0%
\$263,917	\$263,950	\$33	0.0%	PHYSICIAN COMPENSATION	527,833	527,899	\$66	0.0%
\$13,287,313	\$13,018,299	(\$269,014)	-2.0%	TOTAL SALARY, F.B., & FEES	27,217,720	26,721,313	(\$496,407)	-1.8%
\$208,047	\$218,994	\$10,947	5.3%	LAUNDRY & LINEN	415,499	397,283	(\$18,216)	-4.4%
\$168,219	\$160,166	(\$8,053)	-4.8%	RAW FOOD	336,060	309,325	(\$26,735)	-8.0%
\$1,765,542	\$1,566,995	(\$198,547)	-11.2%	DRUGS	3,514,055	3,369,672	(\$144,383)	-4.1%
\$973,011	\$720,108	(\$252,903)	-26.0%	BLOOD & BLOOD DERIVATIVES	1,944,797	1,550,185	(\$394,612)	-20.3%
\$2,284,169	\$2,314,948	\$30,779	1.3%	MEDICAL SUPPLIES & SERVICES	4,565,463	4,369,017	(\$196,446)	-4.3%
\$585,599	\$547,188	(\$38,411)	-6.6%	UTILITIES	1,142,623	1,086,403	(\$56,220)	-4.9%
\$63,100	\$64,803	\$1,703	2.7%	INSURANCE	126,200	124,408	(\$1,792)	-1.4%
\$328,165	\$332,049	\$3,884	1.2%	RENTAL	655,892	628,163	(\$27,729)	-4.2%
\$433,236	\$405,640	(\$27,596)	-6.4%	MAINTENANCE & REPAIR	866,471	819,561	(\$46,910)	-5.4%
\$2,038	\$8,337	\$6,299	309.1%	NET LOSS ON DISPOSAL OF ASSETS	4,076	8,556	\$4,480	109.9%
\$23,951	\$23,982	\$31	0.1%	CAMPUS ADMINISTRATION EXPENSE	47,901	47,964	\$63	0.1%
\$1,446,360	\$1,420,638	(\$25,722)	-1.8%	DEPRECIATION	2,892,720	2,850,915	(\$41,805)	-1.4%
\$1,089,823	\$1,103,207	\$13,384	1.2%	INTEREST	2,183,489	2,207,620	\$24,131	1.1%
\$1,624,694	\$1,254,236	(\$370,458)	-22.8%	GENERAL SUPPLIES & EXPENSE	3,249,349	2,730,306	(\$519,043)	-16.0%
\$24,283,267	\$23,159,590	(\$1,123,677)	-4.6%	TOTAL EXPENDITURES	\$49,162,315	\$47,220,691	(\$1,941,624)	-3.9%
(\$942,266)	\$1,399,662	\$2,341,928	-248.5%	NET REVENUE FROM OPERATIONS	(\$2,575,596)	(\$933,619)	\$1,641,977	-63.8%
				NON-OPERATING REVENUE				
\$1,298,250	\$1,264,470	(\$33,780)	-2.6%	APPROPRIATIONS & SUPPORT	\$2,596,500	\$2,562,755	(\$33,745)	-1.3%
\$0	\$0	\$0	0.0%	ACCRUED INTEREST ON APPROPRIATIONS	0	0	\$0	0.0%
\$663,268	\$686,976	\$23,708	3.6%	INTEREST INCOME ON RESERVES	1,355,716	1,342,687	(\$13,029)	-1.0%
\$15,373	\$13,905	(\$1,468)	-9.5%	SHARED SERVICES	30,745	28,073	(\$2,672)	-8.7%
\$126,035	\$122,579	(\$3,456)	-2.7%	INVESTMENT INCOME HELD BY TRUSTEE	252,070	245,499	(\$6,571)	-2.6%
\$11,041	\$15,786	\$4,745	43.0%	OTHER INVESTMENT INCOME	22,082	25,671	\$3,589	16.3%
\$2,113,967	\$2,103,716	(\$10,251)	-0.5%	TOTAL NON-OPERATING REVENUE	\$4,257,113	\$4,204,685	(\$52,428)	-1.2%
\$1,171,701	\$3,503,378	\$2,331,677		REVENUE OVER/(UNDER) EXPENSE	1,681,517	\$3,271,066	\$1,589,549	94.5%



UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

October 25, 1989

**TO:** Board of Governors Finance Committee  
**FROM:** Clifford P. Fearing  
**SUBJECT:** Report of Operations for the Period  
July 1, 1989 through September 30, 1989

The Hospital's operations for the month of September reflect both inpatient admissions and outpatient visit activity that are below budgeted levels. Similarly, both routine and ancillary revenue are below budgeted levels for the month.

**INPATIENT CENSUS:** For the month of September, inpatient admissions totaled 1,482, which was 96 below budgeted admissions of 1,578. Our overall average length of stay for the month was 7.9 days. Patient days for September totaled 11,876 and were 847 days below budget. The decrease in admission levels from budget was primarily in the areas of Medicine and Orthopedics.

To recap our year-to-date inpatient census:

	1988-89	1989-90	1989-90		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var</u>
Admissions	4,906	4,828	4,780	(48)	(1.0)
Patient Days	41,019	40,292	38,477	(1,815)	(4.5)
Avg Length of Stay	8.3	8.3	8.0	(0.3)	(3.6)
Avg Daily Census	445.9	438.0	418.2	(19.8)	(4.5)
Percent Occupancy	76.5	74.7	71.7	(3.0)	(4.0)

**OUTPATIENT CENSUS:** Clinic visits for the month of September totaled 21,420 which was 1,368, or 6.0%, below budgeted visits of 22,788. Visits were below budget in almost all areas with the most significant decreases occurring in OB/GYN, Orthopedic, Adult-Psych, Urology, Dental, and Dermatology. Areas that reported visits significantly above budgeted levels were Emergency Room and Family Practice. Community University Health Care Center (CUHCC) visits for the month of September totaled 4,161 which was 440, or 11.8%, over budgeted visits of 3,721, while Home Health visits of 970 for the month were right on budget.



REPORT OF OPERATIONS  
 SEPTEMBER 1989  
 PAGE 2

To recap our year-to-date outpatient census:

	1988-89	1989-90	1989-90		%
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Var</u>
Clinic Visits	69,375	69,868	68,990	(878)	(1.3)
CUHCC Visits	10,745	11,722	13,095	1,373	11.7
HHA Visits	2,609	2,974	2,809	(165)	(5.6)

**FINANCIAL OPERATIONS:** The Hospital's Statement of Operations shows revenues over expenses by \$2,895,172, a favorable variance of \$700,550.

Patient care charges through September totaled \$81,711,171, which was 5.7% under budget. Routine revenue was 2.6% under budget and reflects our unfavorable inpatient census variance.

Ancillary revenue was \$4,339,266 below budget (7.0%) and reflected a decrease in our outpatient ancillary utilization. Inpatient ancillary revenue averaged \$8,754 per admission compared to the budgeted average of \$8,922 per admission. Outpatient revenue per clinic visit averaged \$229 compared to the budgeted average of \$271.

Operating expenditures through September totaled \$68,941,505 and were \$4,052,772 (5.6%) below budgeted levels of \$72,994,276. The overall favorable variance relates primarily to the decreased demand for patient services, and is reflected across most expense categories.

**ACCOUNTS RECEIVABLE:** The balance in patient accounts receivable as of September 30, 1989, totaled \$88,163,177 and represented 95.0 days of revenue outstanding. The overall decrease in our patient receivables in September of .2 days occurred primarily in Minnesota Medical Assistance.

**CONCLUSION:** The Hospital's overall operating position is positive and above budget through the first quarter of the 1989-90 fiscal year. Our operating position for the month of September, however, shows a small loss due to the decline in census levels. We have put into place expenditure reductions in response to this fluctuating census and are continuing to identify and implement measures that will lower our expenditures to levels that are in line with net revenues.

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC

EXECUTIVE SUMMARY OF FINANCIAL ACTIVITY

FOR THE PERIOD JULY 1, 1989 TO SEPTEMBER 30, 1989

	1989-90 Budgeted	1989-90 Actual	Variance Over/-Under Budget	Variance %
Patient Care Charges	\$86,680,748	\$81,711,171	(\$4,969,577)	-5.7%
Deductions from Charges	20,328,205	18,514,454	(1,813,751)	-8.9%
Other Operating Revenue	2,520,642	2,438,354	(82,288)	-3.3%
Total Operating Revenue	68,873,185	65,635,071	(3,238,114)	-4.7%
Total Expenditures	72,994,276	68,941,505	(4,052,771)	-5.6%
Net Operating Revenue	(4,121,091)	(3,306,434)	814,657	19.8%
Non-Operating Revenue and Expenses	6,315,713	6,201,605	(114,108)	-1.8%
Revenue Over/Under Expense	2,194,622	2,895,172	700,550	

	1989-90 Budgeted	1989-90 Actual	Variance Over/-Under Budget	Variance %
Admissions	4,828	4,780	(48)	-1.0%
Patient Days	40,292	38,477	(1,815)	-4.5%
Average Daily Census	438.0	418.2	(19.8)	-4.5%
Average Length of Stay	8.3	8.0	(0.3)	-3.6%
Percentage Occupancy	74.7	71.7	(3.0)	-4.0%
Outpatient Clinic Visits	22,788	21,420	(1,368)	-6.0%

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED JULY 1, 1989 TO SEPTEMBER 30, 1989

ANNUAL BUDGET	PATIENT CARE CHARGES	BUDGETED	ACTUAL	OVER/(UNDER) BUDGET	VARIANC %
\$87,616,000	ROUTINE	\$24,678,317	\$24,048,006	(\$630,311)	-2.6%
252,851,000	ANCILLARY	62,002,431	57,663,165	(\$4,339,266)	-7.0%
\$340,467,000	GROSS CHARGES	\$86,680,748	\$81,711,171	(\$4,969,577)	-5.7%
	DEDUCTIONS FROM CHARGES				
\$11,479,000	BILLING ADJUSTMENTS	\$2,922,369	\$2,936,383	\$14,014	0.5%
15,080,000	HMO/PPO DISCOUNTS	3,839,126	3,999,655	\$160,529	4.2%
48,573,000	GOVERNMENTAL CONTRACTUAL ADJUST	12,365,908	10,388,613	(\$1,977,295)	-16.0%
550,000	CHARITABLE CARE	138,932	188,460	\$49,528	35.6%
4,171,000	PROVISION FOR UNCOLLECTABLES	1,061,870	1,001,343	(\$60,527)	-5.7%
\$79,853,000	TOTAL DEDUCTIONS	\$20,328,205	\$18,514,454	(\$1,813,751)	-8.9%
	OTHER OPERATING REVENUE				
\$1,627,000	FOOD SERVICES	\$414,820	\$388,132	(\$26,688)	-6.4%
714,000	PARKING SERVICES	182,041	210,807	\$28,766	15.8%
77,000	DEPARTMENT NON-PATIENT	26,354	31,001	\$4,647	17.6%
	NURSING GRANT	0	37,399	\$37,399	
1,269,000	CUHCC GRANTS	317,250	308,039	(\$9,211)	-2.9%
1,958,000	REFERENCE LAB INCOME	498,295	467,112	(\$31,183)	-6.3%
2,056,000	PRO FEES--NET REVENUE	523,425	430,954	(\$92,471)	-17.7%
40,000	SILVER SALVAGE	10,082	16,422	\$6,340	62.9%
2,124,684	INCOME FROM BOND PROCEEDS	548,375	548,488	\$113	0.0%
\$9,865,684	TOTAL OTHER REVENUE	\$2,520,642	\$2,438,354	(\$82,288)	-3.3%
\$270,479,684	TOTAL REVENUE FROM OPERATIONS	\$68,873,185	\$65,635,071	(\$3,238,114)	-4.7%
	EXPENDITURES				
\$123,859,000	SALARIES	\$30,776,398	\$29,217,463	(\$1,558,935)	-5.1%
27,976,000	FRINGE BENEFITS	6,716,579	6,940,391	\$223,812	3.3%
2,235,000	ACADEMIC CONTRACTS	558,750	546,308	(\$12,442)	-2.2%
6,242,000	RESIDENT CONTRACTS	1,525,656	1,523,533	(\$2,123)	-0.1%
3,167,000	PHYSICIAN COMPENSATION	791,750	791,849	\$99	0.0%
163,479,000	TOTAL SALARY, F.B., & FEES	40,369,133	39,019,544	(\$1,349,589)	-3.3%
2,395,000	LAUNDRY & LINEN	610,448	568,887	(\$41,561)	-6.8%
1,946,000	RAW FOOD	495,041	445,882	(\$49,159)	-9.9%
20,366,000	DRUGS	5,167,994	4,626,835	(\$541,159)	-10.5%
11,343,000	BLOOD & BLOOD DERIVATIVES	2,892,013	2,143,225	(\$748,789)	-25.9%
26,628,000	MEDICAL SUPPLIES & SERVICES	6,789,078	6,294,119	(\$494,959)	-7.3%
6,256,000	UTILITIES	1,709,563	1,688,339	(\$21,224)	-1.2%
992,000	INSURANCE	190,010	191,472	\$1,462	0.8%
3,866,000	RENTAL	974,406	958,879	(\$15,527)	-1.6%
5,101,000	MAINTENANCE & REPAIR	1,285,732	1,153,501	(\$132,231)	-10.3%
24,000	NET LOSS ON DISPOSAL OF ASSETS	6,049	8,759	\$2,710	44.8%
282,000	CAMPUS ADMINISTRATION EXPENSE	71,079	71,173	\$94	0.1%
18,283,000	DEPRECIATION	4,339,080	4,287,755	(\$51,325)	-1.2%
13,038,000	INTEREST	3,273,094	3,364,391	\$91,297	2.8%
19,129,000	GENERAL SUPPLIES & EXPENSE	4,821,556	4,118,744	(\$702,812)	-14.6%
\$293,128,000	TOTAL EXPENDITURES	\$72,994,276	\$68,941,505	(\$4,052,772)	-5.6%
(\$22,648,316)	NET REVENUE FROM OPERATIONS	(\$4,121,091)	(\$3,306,434)	\$814,658	-19.8%
	NON-OPERATING REVENUE				
\$15,579,000	APPROPRIATIONS & SUPPORT	\$3,894,750	\$3,844,132	(\$50,618)	-1.3%
0	ACCRUED INTEREST ON APPROPRIATIONS	0	0	\$0	
6,906,000	INTEREST INCOME ON RESERVES	1,964,548	1,919,281	(\$45,267)	-2.3%
181,000	SHARED SERVICES	45,622	41,414	(\$4,208)	-9.2%
1,484,316	INVESTMENT INCOME HELD BY TRUSTEE	378,026	367,619	(\$10,407)	-2.8%
130,000	OTHER INVESTMENT INCOME	32,767	29,159	(\$3,608)	-11.0%
\$24,280,316	TOTAL NON-OPERATING REVENUE	\$6,315,713	\$6,201,605	(\$114,108)	-1.8%
1,632,000	REVENUE OVER/(UNDER) EXPENSE	\$2,194,622	\$2,895,172	\$700,550	31.9%

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
BALANCE SHEETS

SEPTEMBER 30, 1989 AND JUNE 30, 1989

ASSETS	09/30/89	6/30/89	LIABILITIES AND FUND BALANCES	09/30/89	6/30/89
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Operating Cash	\$72,282	\$72,282	Accounts payable	\$9,036,174	\$8,926,779
Reserve Cash- Third Party Payable	6,311,190	4,994,382	Payable to Third Party Contr. Payors	11,494,653	10,071,821
Reserve Cash- Current Indebtedness	4,895,611	8,484,143	Salaries, Wages and Payroll Taxes	8,047,631	4,820,284
Reserve Cash- Fringe Benefits	0	798,151	Accrued Vacation	7,696,339	8,187,806
Accounts Receivable			Accrued Professional Fees and Physician Compensation	883,084	741,071
Patient Receivables	88,163,180	87,672,463	Contracts Payable	1,573,533	40,000
Other Receivables	1,735,091	1,167,188	Construction Retainages	0	215,074
Third Party Receivable	9,963,463	6,333,531	Interest Payable	2,128,898	5,085,186
Appropriation Receivable	1,281,378	1,235,467	Current Portion of Long-Term Debt	2,644,805	2,724,624
	-----	-----	Promissory Notes Payable	1,300,000	2,500,000
Less Allowances for Losses in Collection	(6,483,476)	(5,933,101)			
Less Allowances for Discounts to Third Party Payors	(22,082,060)	(19,160,666)			
	-----	-----			
	72,577,576	71,314,882			
Inventories of Drugs & Supplies	4,723,442	4,928,266			
Prepaid Expenses	1,050,436	657,135			
	-----	-----			
<b>TOTAL CURRENT ASSETS</b>	<b>\$89,630,537</b>	<b>\$91,249,241</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$44,805,117</b>	<b>\$43,312,645</b>
<b>ASSETS WHOSE USE IS LIMITED</b>					
Board Designated Assets Available for Assignment					
Cash & Investments	\$61,647,451	\$63,557,757			
Accrued Interest	2,070,853	148,244			
	-----	-----			
Cash & Invest for Debt Service	63,718,304	63,706,001			
Cash & Invest for Debt Service	13,000,000	13,000,000	<b>LONG-TERM DEBT, LESS CURRENT PORTION</b>	<b>\$168,264,023</b>	<b>\$169,579,548</b>
Cash & Invest for Working Capital	23,094,023	16,000,000			
	-----	-----			
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>\$99,812,327</b>	<b>\$92,706,001</b>			
Land, Buildings & Improvements	\$183,809,705	\$184,168,980			
Equipment	84,196,613	83,089,361			
	-----	-----			
Less Accumulated Depreciation	(268,006,318)	(267,258,341)			
	-----	-----			
Construction in Progress	163,809,931	166,886,671			
	9,377,943	9,057,292			
	-----	-----			
<b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b>	<b>173,187,874</b>	<b>\$175,943,963</b>			
Assigned Cash & Investments for Construction/Equipment	7,655,304	7,006,734			
	-----	-----			
<b>TOTAL</b>	<b>\$180,843,178</b>	<b>182,950,697</b>			
INVESTMENTS HELD BY BOND TRUSTEE	\$18,760,867	\$18,870,093			
<b>OTHER ASSETS</b>					
Deferred Third Party Reimbursement	\$7,571,134	\$7,737,794			
Deferred Debt Expense	1,155,088	\$1,175,980			
Deposits and Other	697,871	\$675,798			
	-----	-----			
<b>TOTAL</b>	<b>\$9,424,093</b>	<b>\$9,589,572</b>	<b>UNRESTRICTED FUND BALANCE</b>	<b>\$185,401,862</b>	<b>\$182,473,411</b>
<b>TOTAL ASSETS</b>	<b>\$398,471,002</b>	<b>\$395,365,604</b>	<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>\$398,471,002</b>	<b>\$395,365,604</b>
	=====	=====		=====	=====
<b>RESTRICTED ASSETS</b>			<b>RESTRICTED FUND BALANCES</b>		
Cash and Investments	\$6,017,043	\$5,450,761	Endowment Funds	\$2,226,660	\$2,161,348
	-----	-----	Gift Funds	3,790,383	3,289,413
	=====	=====		-----	-----
				\$6,017,043	\$5,450,761
				=====	=====

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC

OPERATING CASH FLOW

FOR THE PERIOD JULY 1, 1989 TO SEPTEMBER 30, 1989

Source of Funds

Beginning Operating Cash Balance		\$72,282
Net Income from Operations	(3,306,434)	
Non-Operating Revenue	6,201,605	
Excess of Revenue over Expense		2,895,172
Items not Requiring the Outlay of Cash		
Depreciation		4,287,755
University Support: G & A		71,173
Loss on Disposal of Assets		8,759
Deferred Third Party Reimbursement		166,660
Renewal Project Interest Expense		2,754,824
Increase in Accrued Expenses		4,506,815
Increase in Third Party Payable		1,422,832
Decrease in Inventory		204,824
Transfer from Fringe Benefit Reserve		798,151
Decrease in Accounts Receivable		2,981,052
Total Funds Provided from Operations		\$20,170,298

Funds Applied

Transfer Third Party Reserve	1,316,808
Increase in Third Party Receivable	3,629,932
Increase in Prepaid Expenses	415,374
Increase in Other Receivables	567,903
Capital Expenditures	1,488,358
Appropriation Receivable	45,911
Investment Income - Trustee-held Assets	367,619
Transfers to Reserves - Bond Retirement	3,252,807
Total Funds Applied	\$11,084,712
Operating Cash Made Available from Operations	\$9,085,586

Total Operating Cash Available of \$9,085,586 plus Transfers for Bond Retirement of \$3,252,807; plus Transfers to Plant of \$1,488,358 equals Cash Generated from Operations of \$13,826,751.

Current Cash Summary

Operating Cash	\$9,085,586
Operating Cash from Working Capital Reserve	(7,094,023)
Reserve Cash for Liability to Third Party Payors	6,311,190
Reserve Cash for Short Term Debt Retirement	2,500,000
Reserve Cash for Bond Principal & Interest Payment	2,395,611
	13,198,364
Less Interest Income on Reserves	(1,919,281)
Total Current Cash	\$11,279,083

University of Minnesota Hospital & Clinic  
Statement of Changes in Fund Balance  
For the Period July 1, 1989 through September 30, 1989

	OPERATING FUND	CURRENT DEBT SERVICE FUND	BOARD DESIGNATED FUND	PLANT FUND	TRUSTEE FUND	TOTAL UNRESTRICTED FUNDS
<b>UNRESTRICTED FUNDS</b>						
Beginning Balance	\$42,910,805	\$8,484,143	\$92,706,001	\$19,502,374	\$18,870,093	182,473,416
<b>Net Income</b>						
Excess of Revenue over Expense	4,412,065					
Interest Income on Reserves			1,919,281			
Interest on Appropriations			0			
Depreciation Expense				(4,287,755)		
Loss on Disposal of Assets				(8,759)		
Interest Income on Trustee Held Fund					367,619	
Amortization of Deferred Bond Expense				(55,767)		
Interest Income on Bond Proceeds					548,488	
<b>Total Income</b>						<b>2,895,172</b>
<b>Less Expense</b>						
University Support: G & A	71,173					71,173
<b>Transfers Between Funds</b>						
Major Building Projects- Hosp. Capital Expenditures	(1,358,140)		(2,383,823)	2,383,823		0
Major Equipment Requisition	(130,219)			1,358,140		0
Adjustment to Shared Buildings				130,219		0
Bond Interest Payment	6,189,827	(5,919,000)			(270,827)	
Bond Interest Expense Funding	(2,699,057)	2,976,718			(277,661)	0
Bond Principal Funding	(553,750)	553,750				0
Decrease in Short Term Note Funding		(1,200,000)		1,200,000		0
Trsf Trustee Funds to Campus Funding Working Capital	(7,094,023)		476,845 7,094,023		(476,845)	0
<b>Ending Balance</b>	<b>\$41,748,681</b>	<b>\$4,895,611</b>	<b>\$99,812,327</b>	<b>\$20,184,376</b>	<b>\$18,760,867</b>	<b>\$185,401,862</b>

<b>RESTRICTED FUNDS</b>	GIFT	ENDOWMENT	TOTAL
Beginning Balance	3,289,413	2,161,348	5,450,761
Income	518,624	65,606	584,230
Disbursement	(17,654)	(294)	(17,948)
<b>Ending Balance</b>	<b>\$3,790,383</b>	<b>\$2,226,660</b>	<b>\$6,017,043</b>

UNIVERSITY OF MINNESOTA HOSPITAL & CLINIC  
STATEMENT OF OPERATIONS  
FOR THE PERIOD ENDED JULY 1, 1989 TO SEPTEMBER 30, 1989

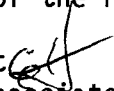
SEPTEMBER BUDGETED	SEPTEMBER ACTUAL	SEPTEMBER VARIANCE	VARIANCE %	PATIENT CARE CHARGES	BUDGETED	ACTUAL	OVER/(UNDER) BUDGET	VARIANC %
\$7,792,872	\$7,312,226	(\$480,646)	-6.2%	ROUTINE	\$24,678,317	\$24,048,006	(\$630,311)	-2.6%
\$20,252,111	\$17,115,873	(\$3,136,238)	-15.5%	ANCILLARY	62,002,431	57,663,165	(\$4,339,266)	-7.0%
\$28,044,983	\$24,428,099	(\$3,616,884)	-12.9%	GROSS CHARGES	\$86,680,748	\$81,711,171	(\$4,969,577)	-5.7%
				DEDUCTIONS FROM CHARGES				
\$946,373	\$989,528	\$43,155	4.6%	BILLING ADJUSTMENTS	\$2,922,369	\$2,936,383	\$14,014	0.5%
\$1,243,253	\$821,605	(\$421,648)	-33.9%	HMO/PPO DISCOUNTS	3,839,126	3,999,655	\$160,529	4.2%
\$4,004,545	\$3,715,359	(\$289,186)	-7.2%	GOVERNMENTAL CONTRACTUAL ADJUST	12,365,908	10,388,613	(\$1,977,295)	-16.0%
\$44,991	\$81,511	\$36,520	81.2%	CHARITABLE CARE	138,932	188,460	\$49,528	35.6%
\$343,873	\$299,861	(\$44,012)	-12.8%	PROVISION FOR UNCOLLECTABLES	1,061,870	1,001,343	(\$60,527)	-5.7%
\$6,583,035	\$5,907,864	(\$675,171)	-10.3%	TOTAL DEDUCTIONS	\$20,328,205	\$18,514,454	(\$1,813,751)	-8.9%
				OTHER OPERATING REVENUE				
\$135,865	\$116,008	(\$19,857)	-14.6%	FOOD SERVICES	\$414,820	\$388,132	(\$26,688)	-6.4%
\$59,624	\$67,166	\$7,542	12.6%	PARKING SERVICES	182,041	210,807	\$28,766	15.8%
\$8,717	\$6,791	(\$1,926)	-22.1%	DEPARTMENT NON-PATIENT	26,354	31,001	\$4,647	17.6%
0	0	\$0	0.0%	NURSING GRANT	0	37,399	\$37,399	
\$105,750	\$99,995	(\$5,755)	-5.4%	CUHCC GRANTS	317,250	308,039	(\$9,211)	-2.9%
\$162,760	\$153,380	(\$9,380)	-5.8%	REFERENCE LAB INCOME	498,295	467,112	(\$31,183)	-6.3%
\$169,505	\$167,428	(\$2,077)	-1.2%	PRO FEES--NET REVENUE	523,425	430,954	(\$92,471)	-17.7%
\$3,288	\$24,618	\$21,330	648.7%	SILVER SALVAGE	10,082	16,422	\$6,340	62.9%
\$179,009	\$192,377	\$13,368	7.5%	INCOME FROM BOND PROCEEDS	548,375	548,488	\$113	0.0%
\$824,518	\$827,763	\$3,245	0.4%	TOTAL OTHER REVENUE	\$2,520,642	\$2,438,354	(\$82,288)	-3.3%
\$22,286,466	\$19,347,998	(\$2,938,468)	-13.2%	TOTAL REVENUE FROM OPERATIONS	\$68,873,185	\$65,635,071	(\$3,238,114)	-4.7%
				EXPENDITURES				
\$10,022,437	\$9,182,072	(\$840,365)	-8.4%	SALARIES	\$30,776,398	\$29,217,463	(\$1,558,935)	-5.1%
\$2,170,256	\$2,163,676	(\$6,580)	-0.3%	FRINGE BENEFITS	6,716,579	6,940,391	\$223,812	3.3%
\$186,250	\$182,103	(\$4,147)	-2.2%	ACADEMIC CONTRACTS	558,750	546,308	(\$12,442)	-2.2%
\$508,552	\$506,430	(\$2,122)	-0.4%	RESIDENT CONTRACTS	1,525,656	1,523,533	(\$2,123)	-0.1%
\$263,917	\$263,950	\$33	0.0%	PHYSICIAN COMPENSATION	791,750	791,849	\$99	0.0%
\$13,151,412	\$12,298,231	(\$853,181)	-6.5%	TOTAL SALARY, F.B., & FEES	40,369,133	39,019,544	(\$1,349,589)	-3.3%
\$194,950	\$171,604	(\$23,346)	-12.0%	LAUNDRY & LINEN	610,448	568,887	(\$41,561)	-6.8%
\$158,981	\$136,557	(\$22,424)	-14.1%	RAW FOOD	495,041	445,882	(\$49,159)	-9.9%
\$1,653,939	\$1,257,163	(\$396,776)	-24.0%	DRUGS	5,167,994	4,626,835	(\$541,159)	-10.5%
\$947,216	\$593,040	(\$354,177)	-37.4%	BLOOD & BLOOD DERIVATIVES	2,892,013	2,143,225	(\$748,789)	-25.9%
\$2,223,616	\$1,925,102	(\$298,514)	-13.4%	MEDICAL SUPPLIES & SERVICES	6,789,078	6,294,119	(\$494,959)	-7.3%
\$566,939	\$601,936	\$34,997	6.2%	UTILITIES	1,709,563	1,688,339	(\$21,224)	-1.2%
\$63,810	\$67,064	\$3,254	5.1%	INSURANCE	190,010	191,472	\$1,462	0.8%
\$318,513	\$330,716	\$12,203	3.8%	RENTAL	974,406	958,879	(\$15,527)	-1.6%
\$419,260	\$333,940	(\$85,320)	-20.4%	MAINTENANCE & REPAIR	1,285,732	1,153,501	(\$132,231)	-10.3%
\$1,973	\$203	(\$1,770)	-89.7%	NET LOSS ON DISPOSAL OF ASSETS	6,049	8,759	\$2,710	44.8%
\$23,178	\$23,209	\$31	0.1%	CAMPUS ADMINISTRATION EXPENSE	71,079	71,173	\$94	0.1%
\$1,446,360	\$1,436,840	(\$9,520)	-0.7%	DEPRECIATION	4,339,080	4,287,755	(\$51,325)	-1.2%
\$1,089,605	\$1,156,771	\$67,166	6.2%	INTEREST	3,273,094	3,364,391	\$91,297	2.8%
\$1,572,247	\$1,388,438	(\$183,809)	-11.7%	GENERAL SUPPLIES & EXPENSE	4,821,556	4,118,744	(\$702,812)	-14.6%
\$23,831,999	\$21,720,814	(\$2,111,186)	-8.9%	TOTAL EXPENDITURES	\$72,994,276	\$68,941,505	(\$4,052,772)	-5.6%
(\$1,545,533)	(\$2,372,816)	(\$827,283)	53.5%	NET REVENUE FROM OPERATIONS	(\$4,121,091)	(\$3,306,434)	\$814,658	-19.8%
				NON-OPERATING REVENUE				
\$1,298,250	\$1,281,377	(\$16,873)	-1.3%	APPROPRIATIONS & SUPPORT	\$3,894,750	\$3,844,132	(\$50,618)	-1.3%
\$0	\$0	\$0	0.0%	ACCRUED INTEREST ON APPROPRIATIONS	0	0	\$0	
\$608,832	\$576,594	(\$32,238)	-5.3%	INTEREST INCOME ON RESERVES	1,964,548	1,919,281	(\$45,267)	-2.3%
\$14,877	\$13,341	(\$1,536)	-10.3%	SHARED SERVICES	45,622	41,414	(\$4,208)	-9.2%
\$125,956	\$122,120	(\$3,836)	-3.0%	INVESTMENT INCOME HELD BY TRUSTEE	378,026	367,619	(\$10,407)	-2.8%
\$10,685	\$3,488	(\$7,197)	-67.4%	OTHER INVESTMENT INCOME	32,767	29,159	(\$3,608)	-11.0%
\$2,058,600	\$1,996,920	(\$61,680)	-3.0%	TOTAL NON-OPERATING REVENUE	\$6,315,713	\$6,201,605	(\$114,108)	-1.8%
\$513,067	(\$375,896)	(\$888,963)	-173.3%	REVENUE OVER/(UNDER) EXPENSE	\$2,194,622	\$2,895,172	\$700,550	31.9%



UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

October 19, 1989

TO: Members of the Finance Committee  
FROM: Greg Hart   
Senior Associate Director  
SUBJECT: 1988-89 Capital Expenditure Report

Attached is the 1988-89 Capital Expenditure Report. This report is presented to you for endorsement.

We look forward to discussing this item with you at the Board of Governors meeting on October 25, 1989.

GH:th

Attachment



UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC  
CAPITAL EXPENDITURES - 7/1/88 thru 6/30/89

RECURRING EQUIP & REMODEL:	ANNUAL BUDGET AND ROLLFORWARD			ACTUAL	EXPENDITURES	
	BUDGET	ROLL FORWARD FROM 6-30-88	TOTAL	88-89 ACTUAL	87-88 ROLL FORWARD	TOTAL
EQUIPMENT PURCHASES						
88-89 Budget	\$6,718,513		\$6,718,513	\$3,630,812		\$3,630,812
Rollforward		\$2,847,693	\$2,847,693		\$2,239,010	\$2,239,010
	\$6,718,513	\$2,847,693	\$9,566,206	\$3,630,812	\$2,239,010	\$5,869,822
REMODELING PROJECTS	\$1,272,650		\$1,272,650	601071.00	\$158,515	\$759,586
	\$7,991,163	\$2,847,693	\$10,838,856	\$4,231,883	\$2,397,525	\$6,629,408
EQUIPMENT PRINCIPLE PAYMENTS						
CT SCANNER	\$179,800		\$179,800			\$179,800
COMPUTER EQUIP	\$665,795		\$665,795			\$543,477
LITHOTRIPTOR	\$288,405		\$288,405			\$288,405
	\$1,134,000		\$1,134,000			\$1,011,682
TOTAL:	\$9,125,163	\$2,847,693	\$11,972,856			\$7,641,090
BOND PAYMENTS ON UNIT J:	\$2,815,000					\$2,815,000
CAPITAL PROJECTS:	AUTHORIZED BUDGET	EXPENDITURES 1988-89	TOTAL EXPEND. TO DATE	REMAINING BUDGET BALANCE		
MRI II	\$3,600,000	\$2,737,725	\$2,737,725	\$862,275		
DERMATOLOGY**	\$793,374	\$655,064	\$715,958	\$77,416		
MAYO 4 SURG	\$1,029,350	\$813,623	\$813,623	\$215,727		
CUHCC	\$1,350,000	\$346,000	\$346,000	\$1,004,000		
MASONIC HOSP	\$1,100,000	\$533,277	\$533,277	\$566,723		
COMPUTER UPGRADE	\$850,000	--	--	\$850,000		
NEURORADIOLOGY UPGRADE	\$909,000	--	--	\$909,000		
TOTAL	\$9,631,724	\$5,085,689	\$5,146,583	\$4,485,141		
MISC. CAPITAL EXPEND		\$115,234				
		\$5,200,923				

\*\* Includes loan to the Dermatology Department of \$221,980.



UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

October 19, 1989

TO: Members of the Finance Committee  
FROM: Greg Hart  
Senior Associate Director  
SUBJECT: Major Capital Expenditures

Attached are two major capital expenditure reports for items whose acquisition costs fall in the \$100,000 - \$600,000 range required for Board reporting. This is presented for information consistent with Board of Governors' policy.

We look forward to discussing these items with you at the Board of Governors meeting on October 25, 1989.

GH:th

Attachment

## MAJOR CAPITAL EXPENDITURE REPORT

**EQUIPMENT:** 6 Computer Tape Drives, 2 Controllers

**PURCHASE PRICE:** \$246,000

### DESCRIPTION:

The Information Services Department (ISD) proposes to replace tape drives for the IBM and UNISYS computers.

The tape drives for the UNISYS computers were purchased in 1981. They need to be replaced for the following reasons:

A. Increasing Failure Rate

Older equipment breaks down more often. Our current equipment, as recorded on our Incident Reporting System, had over 2 incidents more per month in 1988 than in 1986. Each incident can cost downtime and downtime is costly to our schedule.

B. Increasing Maintenance Cost

As the mechanical parts of our current tape drives become older they have become less reliable and require more maintenance. The manufacturer recognizes this and passes on the cost to us. The proposed equipment realizes a maintenance savings of over \$14,000 in the first year alone.

C. Inadequate Speed and Capacity

The older equipment is slow by today's standards. Tape drives are generally used to back up data that is stored on disk. In the event of disk failure or data contamination, the last "backup to tape" is used to reload the disk files. Since our last purchase of tape drives in 1981, the capacity of our disk storage has at least quadrupled. The increased volume of data, slowness of the tape drives, and demand for more user uptime, are all converging at the same time. Tape drives are needed that will accept data from disk at a faster rate.

The drives for the IBM computer were purchased in 1987, premised on use of the machine for financial software only. With the addition of Pharmacy software, additional tape drive speed and capacity is now required.

Finally, we have a tape storage problem. All tapes are supposed to be stored in a vault secured from fire, theft, vandalism and any other form of destruction. The tape vault, constructed in 1981, was designed for no more than 2,500 tapes. Our current tape library contains over 3,000 tapes. More than 500 tapes are

Submitted By: Al Dees

Approved By: \_\_\_\_\_

Title: Associate Director

Title: \_\_\_\_\_

located on racks, in the computer room, outside of the tape vault. This is inadequate and unsafe storage. Cassette or cartridge tape drives are proposed because there is over a 50% reduction in the physical size of each tape. This will solve the space problem for the foreseeable future.

ISD originally planned to replace the tape drives in several installments and to purchase fire-safe file cabinets to house the excess tapes. However, new controller technology enables sharing tape drives between the IBM and UNISYS computers, reduces the number of units required, reduces total cost and results in a more satisfactory resolution of the storage problem. The estimated cost for this alternative is within the funds budgeted.

## MAJOR CAPITAL EXPENDITURE REPORT

**EQUIPMENT:** Digital Acquisition and Processing System

**PURCHASE PRICE:** \$346,000

**DESCRIPTION:**

The Diagnostic Radiology Department currently does not have digital imaging equipment in its Cardiovascular Division. Addition of a digital system to the existing equipment in Room J2-551 will provide the capability to:

- A. Obtain the additional images required when traditional angiography does not provide adequate images of lower extremity anatomy while minimizing patients' exposure to additional radiation, decreasing the amount of contrast media utilized and shortening procedure times. Additional imaging is required in about 20% of the approximately 1000 lower extremity evaluations performed annually by UMHC's cardiovascular radiologists.
- B. Use digital imaging as an alternative to angiography for any patients for whom angiography is expected to be particularly painful.
- C. Utilize digital imaging for pediatric patients for whom limiting use of contrast media is critical and control of movement during painful contrast media injections is difficult, or for those cases requiring rapid film sequences.
- D. Perform "road mapping" for all angiographic and venographic interventional procedures.
- E. Utilize digital subtraction techniques to enable frequent observation of the extent of embolization without the use of large doses of contrast media during embolization procedures. This should eliminate the 3 to 4 cases which occur each year in which extended hospitalization is required following the procedure to treat renal function complications arising from the need to use large amounts of contrast media.

The annual savings resulting from decreased film, chemistry and contrast media is projected to be \$13,500. In addition, the shortening of procedure times is projected to free up 50-60 hours of room time for performance of additional procedures.

This equipment and the estimated purchase price are included in the current capital budget.

Submitted By: Al Dees

Title: Assoc. Dir.

Approved By: [Signature]

Title: \_\_\_\_\_



UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

October 19, 1989

TO: Finance Committee  
FROM: Robert Dickler *RD*  
General Director  
SUBJECT: Personnel Policy Change

The Hospital's personnel policies indicate that changes in personnel policy or major personnel procedures require the approval of the Board of Governors. We are recommending that the Board approve the changes noted in the attached version of Personnel Policy #12, Authorized Leaves of Absence.

There are numerous minor changes to the policy, generally adding clarification or simplification. There is one significant change. The addition of the section on "parental leave" (page 6) represents an increase in benefits for our employees. We are recommending this change to bring the Hospital's policies and procedures in line with changes made earlier in University Civil Service Rules and union contracts.

The changes presented have been reviewed by the Hospital's Employee Advisory Committee. In fact, the Employee Advisory Committee has, at their own initiative, spent a great deal of time on this policy, and should receive credit for the helpful clarifications made throughout the policy. The Employee Advisory Committee did make an additional recommendation that we are not bringing forward to you. It was the Committee's feeling that leave benefits should be expanded by broadening the definition of "immediate family". Because we believe the leave benefits provided to our employees are already quite generous, we do not believe this expanded definition of "immediate family" is necessary.

We will be happy to answer any questions you may have at next week's meetings.

/kj

attachment

SUBJECT: Authorized Leaves of Absence

POLICY NUMBER: 12

POLICY

Leaves of absences from the work site shall be authorized for purposes of vacation, military leave, maternity/paternity leave, jury duty, appearance before a court, educational leave and sick leave. Sick leave is provided to protect employees against loss of income as a result of illness or injury. It is not an extension of vacation. Abuse of sick leave shall be just cause for disciplinary action. Approved sick leave allowance may be used by employees who are unable to perform their duties because of illness or injury, who would expose fellow employees, patients, or the public to contagious or infectious disease, who must keep medical or dental appointments, or who need to provide or arrange for care for a member of the employee's immediate family who is ill. Immediate family as used in this portion of the policy shall mean spouse, dependent children, or parents of the employee living in the same household.

PROCEDURE

Section 1

General Regulations Governing Leaves of Absences

Leaves of absence may be granted only when employees submit requests within a reasonable time in advance of the desired leave, or in the case of sick leave or emergencies, as soon after the illness or emergency arises as it is possible to communicate with the supervisor or department head.

Department heads or supervisors may grant sick leave. Department heads or supervisors may grant leaves of absence without pay. Department heads or supervisors shall grant vacation leave and leave for use of accumulated overtime, with discretion as to dates of leave.

Use of vacation leave, sick leave, accumulated overtime (time back), and holiday leave shall be charged in units rounded to the nearest tenth (1/10) of an hour.

An employee shall earn vacation and sick leave during a paid leave of absence.

## Section 2

### Vacation

General Provisions for Vacation Leave. ~~Eligible employees shall earn vacation with pay at the following rates:~~ The base rate, 0-10,440 hours (approximately 0-5 years), for vacation leave accumulation is 3 minutes for each hour worked (to a maximum of 80 hours per pay period). Increments for longevity are added to the base rate as follows:

~~3 minutes of vacation leave accumulation for each straight-time paid work hour (13.05 days per year) during the first 10,440 hours of continuous service (the equivalent of 5 years of full-time employment);~~

~~3.75 minutes of vacation leave accumulation for each straight-time paid work hour (16.31 days per year) for 10,441 hours through 16,704 hours of continuous service (the equivalent of 6 through 8 years of full-time employment);~~

~~5.25 minutes of vacation leave accumulation for each straight-time paid work hour (22.84 days per year) for 16,705 hours through 25,056 hours of continuous service (the equivalent of 9 through 12 years of full-time employment);~~

~~5.625 minutes of vacation leave accumulation for each straight-time paid work hour (24.47 days per year) for 25,057 hours through 41,760~~



~~hours of continuous service (the equivalent of 13 through 20 years of full-time employment);~~

~~6.00 minutes of vacation leave accumulation for each straight-time paid work hour (26.10 days per year) for 41,761 through 52,200 hours of continuous service (the equivalent of 21 through 25 years or more of full-time employment);~~

~~6.375 minutes of vacation leave accumulation for each straight-time paid work hour (27.73 days per year) for 52,201 through 62,640 hours of continuous service (the equivalent of 26 through 30 years of full-time employment);~~

~~6.75 minutes of vacation leave accumulation for each straight-time paid work hour (29.36 days per year) for over 62,641 hours of continuous service (the equivalent of 31 years of full-time service);~~

Base + .75 minutes/hour for 10,441-16,704 hours of University service (approximately 6-8 years full time);

Base + 2.25 minutes/hour for 16,705-25,056 hours of University service (approximately 9-12 years full time);

Base + 2.625 minutes/hour for 25,057-41,760 hours of University service (approximately 13-20 years full time);

Base + 3.00 minutes/hour for 41,761-52,200 hours of University service (approximately 21-25 years full time);

Base + 3.375 minutes/hour for 52,201-62,640 hours of University service (approximately 26-30 years full time);

Base + 3.75 minutes/hour for over 62,641 hours of University service  
(approximately 31 years full time).

The Hospital Director shall designate positions which shall accrue  
vacation benefits in addition to the above. Vacation accrual rates shall be  
considered part of the Compensation Plan and shall be processed according to  
the Compensation System Policy (Policy No. 8).

Vacation leave accumulated for any one pay period is not available for use until the following pay period.

When any leave accumulation rate period of service ends within a pay period, the new vacation accrual rate starts the following pay period.

~~Employees regularly working a five and one-half or six day week, at the request of The University Hospital and Clinic, shall earn an extra .75 minutes per hour for each straight-time paid work hour of service.~~

Subject to the staffing needs of the department concerned, vacations shall be granted at such times as desired by the employee. Within a department, choice of available vacation time shall be determined by seniority with the exception of ~~last-minute requests~~; requests entered less than 30 days prior to the requested time.

~~The Hospital Director shall designate positions which shall accrue additional vacation benefits. Vacation accrual rates shall be considered part of the Compensation Plan and shall be processed according to the Compensation System Policy (Policy No. 8).~~

The maximum amount of accumulated vacation time may not exceed the amount of vacation time that may be earned within a two-year period of work.

~~Full-time Employees:~~ Eligibility. Eligible ~~e~~Employees (including those on temporary appointments) who are employed on a pre-arranged and assigned

schedule of 75 percent time or more shall accrue vacation leave from their date of eligibility appointment. However, it shall not be available for use until the pay period following the completion of six months of total University employment (appointed at 50 percent time or more) and 1,044 straight time paid work hours or proportional part thereof.

~~Part-time-Employees---Eligible-e~~Employees (excluding those on temporary appointments) who are employed on a pre-arranged and assigned schedule of 50-~~to~~-74 percent time shall accrue vacation leave beginning with the pay period following three consecutive years of total University employment at 50% time or more.

Employees who are employed on a pre-arranged and assigned schedule of less than 50% are not eligible for vacation benefits.

Employees who change from one eligible status as defined above to a non-eligible status will have their accrued vacation time paid out. If such an employee continues to be employed and later returns to an eligible status, the hours spent in a non-eligible status will be counted in determining the vacation accrual rate of the employee.

### Section 3

#### Pay for Vacation Leave

An employee with vacation available for use shall be entitled to be paid for any unused portion of vacation leave whenever the employee is separated from University employment or who changes to a work schedule of less than 75 percent time unless the employee continues at 50 percent to 74 percent time and has met the three-year requirement. Accrued vacation shall be lost if the employee has not met the six month eligibility requirement (1,044 straight time paid work hours or proportional part thereof).

Section 4

Parental Leave

A two-week paid parental leave of absence shall be granted to male and female employees who are biological or adoptive parents, when requested in conjunction with the birth or adoption of their child. Eligible employees must have completed nine (9) consecutive months of employment and at an average of twenty (20) hours or more paid work time per week.

This parental leave shall not be charged against the employee's accumulated vacation or sick leave. The parental leave shall begin at a time requested by the employee, at least four (4) weeks in advance, except under unusual circumstances, although the leave may not begin more than six weeks after the birth or adoption.

A female biological parent may also use up to 20 days of accumulated sick leave immediately following the parental leave. When a woman is unable to perform the duties of her job due to pregnancy, additional accumulated sick leave may be used with physician's verification.

An unpaid leave of absence for maternity, paternity, or adoption shall be granted to an employee for a period of up to six months, when requested in conjunction with the birth or adoption of the employee's child. This leave of absence without pay may be extended up to an additional six months upon the employee's request and with supervisor's approval.

Section 5

Sick Leave

Full-time employees (including those on temporary appointments) who are employed on a pre-arranged and assigned schedule of 75 percent time or more shall accumulate sick leave with pay at the rate of three minutes per basic straight time paid work hour.

Part-time employees on continuing appointments who are employed on a pre-arranged and assigned schedule of 50-~~to~~-74 percent time shall earn sick leave at the same rate, after three years of continuous University employment at 50 percent time or more.

Employees who are employed on a pre-arranged and assigned schedule of less than 50% are not eligible for sick leave benefits.

Sick leave accumulated during any pay period is not available for use until the following pay period.

An employee with sick leave available for use who terminates from University employment or who changes to a work schedule of less than 75 percent time, shall lose unused sick leave unless the employee continues at 50 percent to 74 percent time and has met the initial three-year requirement. Reinstatement of sick leave balance is in accordance with the layoff policy.

When a sick/leave accumulation of 400 hours has been reached, one-quarter of any sick/leave accumulated thereafter (.75 minutes per hour) may be credited to the employee's vacation accumulation as long as the employee maintains his/her sick leave accumulation at 400 or more hours, and three-quarters of such sick leave accumulated thereafter may continue to be credited to sick leave. Sick leave accumulated prior to July 1, 1970, cannot be transferred to vacation under the provisions of this paragraph.

When sick/leave accumulation of 800 hours has been reached, one-half of any sick leave accumulated thereafter (1.5 minutes per hour) may be credited to the employee's vacation accumulation as long as the employee maintains his/her sick/leave accumulation at 800 or more hours, and one-half of such sick leave accumulated thereafter may continue to be credited to sick leave.

Employees must request the use of sick leave as soon after the onset of illness as it is possible to communicate with the supervisor or department head, utilizing the mechanism and time frames established in the employee's department. Supervisors or department heads who have reason to believe that a grant of sick leave is not warranted may require a statement from a medical practitioner before approving use of accumulated sick leave. In the case of extended illness, the supervisor or department head may require repeated proof of illness, including statements from a physician or dentist, before granting sick leave.

Sick leave for more than five consecutive work days shall not be granted to an employee for illness without satisfactory proof of illness or injury as evidenced by a statement of the attending physician or by other proof satisfactory to the supervisor or department head. Satisfactory proof of good health may also be required after an employee misses five consecutive work days.

A supervisor may require an employee to return home-~~or,~~ to see a physician, ~~or both,~~ and/or to go to Employee Health if the employee is unable to perform his/her duties due to an apparent health condition and such time shall be charged against sick leave if available.

Accumulated sick leave may be used to supplement Worker's Compensation benefits during periods of lost work time due to on-the-job accidents.

If sick leave is exhausted, an employee may use vacation leave, compensatory time, or holiday leave subject to the conditions of the Hours of Work Attendance and Holiday Policies.

The amount of sick leave approved for use is dependent on the cause. Normally, sick leave granted for medical and dental appointments is limited to the appointment and travel time. Sick leave granted for providing care or making arrangements for care for members of the immediate family will be for a period of not more than three days.

Sick leave usage (not related to parental leave) of more than 30 consecutive days shall require a physician's verification. ~~Accumulated sick leave usage of up to 30 consecutive days shall be granted during maternity leave. -- More than 30 days sick leave may be used during maternity leave if the employee is unable to perform job duties as identified by physician verification.~~ See Section 4 for sick leave usage during parental leave.

Sick leave may be granted when a death occurs in the employee's family. The time shall be limited to what is reasonably necessary to make funeral arrangements and/or to attend funeral services. Employee's family in this instance shall mean spouse or co-habitor; parents of spouse; and the parents, grandparents, guardian, children, brothers, sisters, or wards of the employee. Additionally, sick leave may be granted for serving as pallbearer at a funeral.

If an employee becomes ill while on properly approved vacation leave and can present satisfactory proof of illness or injury, the supervisor or department head may approve the use of sick leave for those days for which the evidence establishes sound proof of serious illness.

Section-5 6Sick Leave Without Pay

Upon application, a leave of absence without pay may be granted by a department head for the entire period of disability due to sickness, injury or pregnancy. The duration of such leave shall be subject to the recommendation of the department head.

Sick leave without pay may be granted to employees who are considered permanently and totally disabled according to any disability insurance program the University participates in. Should employees on such leave recover to the point where they are employable, they shall be treated as if they were laid off and be eligible to compete for vacancies in accordance with the policies and regulations covering laid-off employees. An employee on this type of leave will not be allowed to replace or "bump" an incumbent in his/her most recently held position unless approved by the hiring authority.

The supervisor or department head or the Human Resources Director may from time to time require that the employee submit a certificate from the attending physician or from a designated physician. In the event of failure or refusal to supply such certificate, or if the certificate does not clearly show sufficient disability to prevent the employee from performing his/her duties, the supervisor or department head, with the approval of the Human Resources Director, may cancel such leave and require the employee to report for work on a specified date.



Section-6 7Other Leaves Without Pay

An employee may be sent from work without pay on the basis of application for leave without pay submitted in advance, approved by the supervisor or department head. Seniority and vacation and sick leave are not earned during unpaid leave.

Employees who are drafted shall be entitled to military leave of absence without pay, not to exceed four years of service in the Armed Forces of the United States or of the State of Minnesota. Employees shall accumulate seniority during periods of military service.

For determining vacation accumulation rate, military leave without pay shall be counted the same as normal straight hours that would have been worked. Vacation leave is accumulated during a military leave of absence without pay for all military service in time of war or declared emergency, be it with a reserve component or regular armed service component. Additionally, vacation leave is accumulated during a reservist's initial period of active duty for training (boot camp) of not less than three consecutive months and during all active duty and inactive duty for training in the military forces. Sick leave is accumulated during a military leave of absence without pay for all military services in time of war or declared emergency, be it with a reserve component or regular armed service component and during a reservist's initial period of active duty for training (boot camp) of not less than three consecutive months. Contact the Human Resources Department for the complete policy on military leave.

~~A maternity/paternity or adoption unpaid leave of absence shall be granted to a Hospital and Clinic staff birth parent or adoptive parent for a~~

~~period not to exceed six months, when requested in conjunction with the birth or adoption of a child.~~

Section-7 8

Leaves of Absence With Pay

Upon approval by his/her department head, an employee shall be granted a leave of absence with pay for:

-- Service on a jury, provided he/she is regularly employed at a designated percentage of time of 50 percent or more. An employee serving on a jury is expected to report for work during any work hours when the jury is recessed. He/she may be requested to render some additional services to the department in order to minimize the interruption of service caused by his/her absence, but is not to be paid overtime or be otherwise compensated in addition to regular pay for such services.

-- Appearance before court, legislative committee, or other judicial or quasi-judicial body as a witness in action involving the federal government, the State of Minnesota, a political subdivision thereof, or the University, in response to a subpoena or other direction by proper authority.

-- Attendance in court in connection with an employee's official duty. Such attendance shall include the time required in going to the court and returning to the employee's headquarters. Any absence, whether voluntary or in response to a legal order to appear and testify in private litigation, not as an officer or employee of the University, but as an individual, shall be taken as vacation leave, or as leave of absence without pay, or as deduction from authorized accumulated overtime.

-- Tour of duty in the reserve armed forces of the United States or National Guard, not to exceed 15 work days per Military Year (October 1-September 30).

-- Attendance at professional and scientific meetings and other approved educational activities.

-- Educational leave may be granted for not more than four hours per week (or more if make-up schedule for additional time is approved by supervisor); to be used for such purposes as attending class on a Regents' scholarship.

Section-8 9

Reinstatement From Leave of Absence

Except as otherwise provided by these policies, an employee granted a leave of absence must be returned to his/her employment in the same classification, percentage of appointment and department at the expiration of the leave. Such employee may return to employment before the leave expires upon approval of the supervisor or department head.

An employee who is laid off before his/her leave expires because his/her position has been abolished shall be entitled to re-employment consideration in accordance with these policies.



UNIVERSITY OF MINNESOTA  
TWIN CITIES

The University of Minnesota Hospital and Clinic  
Harvard Street at East River Road  
Minneapolis, Minnesota 55455

October 17, 1989

TO: UMHC Board of Governors

FROM: Clifford P. Fearing  
Senior Associate Director, UMHC

SUBJECT: Bad Debts - First Quarter  
Fiscal Year 1989-90

The total amount recommended for bad debt for Hospital and Clinic accounts receivable during the first quarter of 1989-90 is \$460,921.24 represented by 1238 accounts. Bad debt recoveries during the period amounted to \$9,952.31 leaving a net charge-off of \$450,968.93.

The net bad debts of \$450,968.93 for the quarter were 0.55% of gross charges. This compares to a budgeted level of bad debts of 1.23% (\$1,061,870.00)

A statistical summary is attached along with a detailed description of losses over \$2,000.00 and recoveries over \$200 for each month of the first quarter.

Along with the quarter attachments, we have also included a fiscal year statistical summary and a breakdown of bad debts by residence and admitting clinical services.

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CPF:slw

Attachments

**UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC**

**BAD DEBT STATISTICS**

**JULY 1989 THROUGH SEPTEMBER 1989**

	Less Than \$2000	# of Accounts	More Than \$2000	# of Accounts	TOTAL AMOUNT	TOTAL # of ACCOUNTS
<b>INPATIENT</b>						
Bad Debt (701) Write-Offs	30,787.35	79	109,852.56	17	140,639.91	96
Bad Debt (702) Charity Care	<u>23,740.63</u>	44	<u>91,637.39</u>	16	<u>115,378.02</u>	60
Total	54,527.98	123	201,489.95	33	256,017.93	156
Recoveries	(778.23)	4	(3,031.46)	1	(3,809.69)	5
Net Total	<u>\$ 53,749.75</u>	123*	<u>\$ 198,458.49</u>	33*	<u>\$ 252,208.24</u>	156*
<b>OUTPATIENT</b>						
Bad Debt (701) Write-Offs	87,246.92	816	46,023.38	10	133,270.30	826
Bad Debt (702) Charity Care	<u>54,210.02</u>	249	<u>17,422.99</u>	7	<u>71,633.01</u>	256
Total	141,456.94	1065	63,446.37	17	204,903.31	1082
Recoveries	(3,823.83)	50	(2,318.79)	1	(6,142.62)	51
Net Total	<u>\$ 137,633.11</u>	1065*	<u>\$ 61,127.58</u>	17*	<u>\$ 198,760.69</u>	1082*
<b>INPATIENT AND OUTPATIENT</b>						
<b>TOTAL</b>	<u>\$ 191,382.86</u>	1188*	<u>\$ 259,586.07</u>	50*	<u>\$ 450,968.93</u>	1238*
<b>TOTAL BAD DEBTS</b>						
Bad Debt (701) Write-offs	\$ 118,034.27	895	\$ 155,875.94	27	\$ 273,910.21	922
Bad Debt (702) Charity Care	<u>77,950.65</u>	293	<u>109,060.38</u>	23	<u>187,011.03</u>	316
Total	195,984.92	1188	264,936.32	50	460,921.24	1238
Recoveries	(4,602.06)	54	(5,350.25)	2	(9,952.31)	56
<b>TOTAL NET BAD DEBT</b>	<u>\$ 191,382.86</u>	1188*	<u>\$ 259,586.07</u>	50*	<u>\$ 450,968.93</u>	1238*

NOTE: More than \$2,000 amount includes legal settlements totaling \$13,612.80

**DOLLARS BUDGETED**

**\$1,061,869.00**

\*Net total of accounts do not include recoveries.

UNIVERSITY OF MINNESOTA HOSPITAL AND CLINIC

BAD DEBT STATISTICS

JULY 1989 THROUGH SEPTEMBER 1989

	LESS THAN \$100	# OF ACCOUNTS	\$100 - \$999	# OF ACCOUNTS	\$1000 - \$1999	# OF ACCOUNTS	\$2000 - \$9,999	# OF ACCOUNTS	\$10,000 +	# OF ACCOUNTS	TOTAL AMOUNT	TOTAL # OF ACCOUNTS
<b>INPATIENT</b>												
Bad Debt (701) Write-Offs	\$633.32	19	\$23,678.93	56	\$6,483.10	4	\$60,185.32	14	\$49,667.24	3	\$140,639.91	96
Bad Debt (702) Charity Care	\$624.41	13	\$11,092.93	23	\$12,023.29	8	\$54,540.94	15	\$37,096.45	1	\$115,378.02	60
<b>Total</b>	<b>\$1,257.73</b>	<b>32</b>	<b>\$34,763.86</b>	<b>79</b>	<b>\$18,506.39</b>	<b>12</b>	<b>\$114,726.26</b>	<b>29</b>	<b>\$86,763.69</b>	<b>4</b>	<b>\$256,017.93</b>	<b>156</b>
Recoveries	(\$24.00)	3	(\$754.23)	1	\$0.00	0	(\$3,031.46)	1	\$0.00	0	(\$3,809.69)	5
<b>Net Total</b>	<b>\$1,233.73</b>	<b>32 *</b>	<b>\$34,009.63</b>	<b>79 *</b>	<b>\$18,506.39</b>	<b>12 *</b>	<b>\$111,694.80</b>	<b>29 *</b>	<b>\$86,763.69</b>	<b>4 *</b>	<b>\$252,208.24</b>	<b>156</b>
<b>OUTPATIENT</b>												
Bad Debt (701) Write-Offs	\$19,162.61	570	\$61,278.82	240	\$6,813.49	6	\$46,023.38	10	\$0.00	0	\$133,278.30	826
Bad Debt (702) Charity Care	\$4,538.00	119	\$36,200.35	120	\$13,471.67	10	\$17,422.99	7	\$0.00	0	\$71,633.01	256
<b>Total</b>	<b>\$23,700.61</b>	<b>689</b>	<b>\$97,471.17</b>	<b>360</b>	<b>\$20,285.16</b>	<b>16</b>	<b>\$63,446.37</b>	<b>17</b>	<b>\$0.00</b>	<b>0</b>	<b>\$204,903.31</b>	<b>1082</b>
Recoveries	(\$1,132.82)	45	(\$613.00)	3	(\$2,078.01)	2	(\$2,318.79)	1	\$0.00	0	(\$6,142.62)	51
<b>Net Total</b>	<b>\$22,567.79</b>	<b>689 *</b>	<b>\$96,858.17</b>	<b>360 *</b>	<b>\$18,207.15</b>	<b>16 *</b>	<b>\$61,127.58</b>	<b>17 *</b>	<b>\$0.00</b>	<b>0 *</b>	<b>\$198,760.69</b>	<b>1082</b>
<b>TOTAL IP AND OP BAD DEBT</b>												
Bad Debt (701) Write-offs	\$19,795.93	589	\$84,941.75	296	\$13,296.59	10	\$106,208.70	24	\$49,667.24	3	\$273,910.21	922
Bad Debt (702) Charity Care	\$5,162.41	132	\$47,293.28	143	\$25,494.96	18	\$71,963.93	22	\$37,096.45	1	\$187,011.03	316
<b>Total</b>	<b>\$24,958.34</b>	<b>721</b>	<b>\$132,235.03</b>	<b>439</b>	<b>\$38,791.55</b>	<b>28</b>	<b>\$178,172.63</b>	<b>46</b>	<b>\$86,763.69</b>	<b>4</b>	<b>\$460,921.24</b>	<b>1238</b>
Recoveries	(\$1,156.82)	48	(\$1,367.23)	4	(\$2,078.01)	2	(\$5,350.25)	2	\$0.00	0	(\$9,952.31)	56
<b>TOTAL NET BAD DEBT</b>	<b>\$23,801.52</b>	<b>721 *</b>	<b>\$130,867.80</b>	<b>439 *</b>	<b>\$36,713.54</b>	<b>28 *</b>	<b>\$172,822.38</b>	<b>46 *</b>	<b>\$86,763.69</b>	<b>4 *</b>	<b>\$450,968.93</b>	<b>1238</b>

DOLLARS BUDGETED

\$1,061,869.00

\* Net total of accounts do not include recoveries.

**FIRST QUARTER FISCAL YEAR - 1990  
and YEAR-TO-DATE BAD DEBTS**

**BY SERVICE**

ADMITTING SERVICE	FIRST QUARTER NUMBER	FIRST QUARTER AMOUNT	TOTAL FSY 90 NUMBER	TOTAL FSY 90 AMOUNT
Anesthesiology				
Clinical Research	1	16.98	1	16.98
Dentistry				
Dermatology				
Family Practice				
OB				
NB				
GYN	3	3,955.84	3	3,955.84
GYN-Oncology	4	495.78	4	495.78
Lab Medicine & Pathology				
Medicine-Blue	5	6,138.64	5	6,138.64
Green	6	2,883.23	6	2,883.23
Masonic (Onc)	12	14,724.76	12	14,724.76
Purple				
Red A	6	6,525.18	6	6,525.18
Red B	2	3,964.15	2	3,964.15
Rose A	1	297.22	1	297.22
Rose B	2	672.70	2	672.70
White A	6	6,814.09	6	6,814.09
White B	6	8,722.20	6	8,722.20
Yellow A	2	4,880.96	2	4,880.96
Yellow B	5	2,107.22	5	2,107.22
Neurology	9	7,402.43	9	7,402.43
Neuro-epilepsy				
Neurosurgery	4	3,963.58	4	3,963.58
New Born-General	1	2,538.87	1	2,538.87
Obstetrics-General	2	15,597.12	2	15,597.12
-Midwife				
Ophthalmology	3	3,731.16	3	3,731.16
Orthopaedic Surgery	3	1,586.71	3	1,586.71
Otolaryngology	2	865.14	2	865.14
Pediatrics-General	14	4,667.92	14	4,667.92
Dermatology				
Neurology	4	43,005.83	4	43,005.83
Neurosurgery				
Ophthalmology	3	7,448.94	3	7,448.94
Orthopaedics	1	360.00	1	360.00
Otolaryngology	1	343.02	1	343.02
Surgery Green	4	4,766.82	4	4,766.82
Surgery Orange				
Surg. Transplant				
Urology				
Physical Med. & Rehab.				
Psychiatry-Child	1	746.75	1	746.75
-Adult	17	32,859.93	17	32,859.93
Radiology				

continued on next page

**FIRST QUARTER FISCAL YEAR - 1990  
and YEAR-TO-DATE BAD DEBTS**

**BY SERVICE/Page Two**

ADMITTING SERVICE	FIRST QUARTER NUMBER	FIRST QUARTER AMOUNT	TOTAL FSY 90 NUMBER	TOTAL FSY 90 AMOUNT
Surgery-Blue	10	11,906.90	10	11,906.90
Orange	7	5,573.12	7	5,573.12
Purple	6	9,089.15	6	9,089.15
Red	3	6,236.90	3	6,236.90
White	4	3,200.81	4	3,200.81
Therapeutic Radiology				
Urology	6	21,834.84	6	21,834.84
Unknown	5	13,853.04	5	13,853.04
Outpatient	1143	193,631.17	1143	193,631.17
 Total	 1314	 457,409.10	 1314	 457,409.10
 Medicare Bad Debt*	 -85	 -21,239.33	 -85	 -21,239.33
Legal Settlements	3	13,612.80	3	13,612.80
Bad Debt Agcy Und \$50	3	227.28	3	227.28
Bad Debt - Med NC Chgs	3	10,911.39	3	10,911.39
 GRAND TOTAL	 1238	 460,921.24	 1238	 460,921.24
 RECOVERIES	 56	 -9,952.31	 56	 -9,952.31
 NET TOTAL	 1238	 450,968.93	 1238	 450,968.93

\*NOTE: Medicare Bad Debts are included in Service  
breakdown but are no longer included as a bad debt.



**FIRST QUARTER FISCAL YEAR - 1990  
and YEAR-TO-DATE BAD DEBITS**

**BY STATE**

STATE	FIRST QUARTER NUMBER	FIRST QUARTER AMOUNT	TOTAL FSY 90 NUMBER	TOTAL FSY 90 AMOUNT
Alabama	1	643.13	1	643.13
Alaska	1	48.96	1	48.96
Arizona	1	540.06	1	540.06
Arkansas				
California	28	4,880.51	28	4,880.51
Colorado	9	751.53	9	751.53
Connecticut				
Delaware				
Dist. of Columbia	1	74.00	1	74.00
Florida				
Georgia	3	40.60	3	40.60
Hawaii				
Idaho				
Illinois	19	5,934.21	19	5,934.21
Indiana	1	.44	1	.44
Iowa	7	1,139.82	7	1,139.82
Kansas	2	156.82	2	156.82
Kentucky				
Louisiana	1	20.00	1	20.00
Maine				
Maryland				
Massachusetts				
Michigan	9	1,113.36	9	1,113.36
Minnesota	1107	309,764.16	1107	309,764.16
Mississippi				
Missouri				
Montana				
Nebraska				
Nevada				
New Hampshire				
New Jersey				
New Mexico				
New York	13	5,723.50	13	5,723.50
North Carolina	1	340.52	1	340.52
North Dakota	15	5,059.24	15	5,059.24
Ohio	2	175.44	2	175.44
Oklahoma	1	4,770.92	1	4,770.92
Oregon				
Pennsylvania	3	4,903.96	3	4,903.96
Puerto Rico				

continued on next page

**FIRST QUARTER FISCAL YEAR - 1990  
and YEAR-TO-DATE BAD DEBTS**

**BY STATE/Page Two**

STATE	FIRST QUARTER NUMBER	FIRST QUARTER AMOUNT	TOTAL FSY 90 NUMBER	TOTAL FSY 90 AMOUNT
Rhode Island				
South Carolina				
South Dakota	30	62,740.57	30	62,740.57
Tennessee				
Texas	8	13,440.24	8	13,440.24
Utah				
Vermont				
Virginia	1	23.30	1	23.30
Washington				
West Virginia				
Wisconsin	50	35,123.81	50	35,123.81
Wyoming				
Out-of-Country				
<b>TOTAL</b>	<b>1314</b>	<b>457,409.10</b>	<b>1314</b>	<b>457,409.10</b>
Medicare Bad Debt*	-85	-21,239.33	-85	-21,239.33
Legal Settlements	3	13,612.80	3	13,612.80
Bad Debt Agcy Und \$50	3	227.28	3	227.28
Bad Debt - Med NC Chgs	3	10,911.39	3	10,911.39
<b>GRAND TOTAL</b>	<b>1238</b>	<b>460,921.24</b>	<b>1238</b>	<b>460,921.24</b>
<b>RECOVERIES</b>	<b>56</b>	<b>-9,952.31</b>	<b>56</b>	<b>-9,952.31</b>
<b>NET TOTAL</b>	<b>1238</b>	<b>450,968.93</b>	<b>1238</b>	<b>450,968.93</b>

NOTE: Medicare Bad Debts are included in the State Breakdown but are no longer included as a Bad Debt.