



University Health System

Bexar County Hospital District d/b/a
University Health System's Operating,
Debt Service and Capital Budgets for Fiscal Year 2016

Bexar County Commissioners Court

Tuesday, December 8, 2015
Double-Height Courtroom, Suite 2.01
Bexar County Courthouse
100 Dolorosa
San Antonio, Texas 78205-3038



**University Health System
2016 Operating, Debt Service, and Capital Budget**

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University Health System

Preliminary 2016 Budget Summary

Strategic Vision

University Health System (Health System) continues to pursue its strategic vision to be the premier health system in South Texas, committed to delivering patient-centered, culturally competent and high quality healthcare, based on a strong foundation of outcomes-based research and innovative teaching. This vision serves to guide decision-making and operational execution. The 2016 Budget was developed with the strategic vision in mind. For 2015, US News & World Report named University Health System best hospital in the San Antonio region, sixth best hospital in Texas, and Top 50 in the country for treating kidney disease.

Triple-Aim Plus

The Triple-Aim *Plus* concept continues to be the guiding principles of how the Health System executes its strategy to serve the community. The Health System continues to be successful in executing the aims of:

- Improving quality, safety and outcomes
- Improving the patient experience
- Improving efficiencies
- Improving access to care

These principles are the foundation of healthcare transformation and all initiatives pursued are developed in the spirit of transforming care using the Triple Aim *Plus* goals.

Challenges in the 2016 Budget

- Expiration of the current 1115 Waiver on September 30, 2016
- Growing activity and improving operating efficiencies
- Achieving the metrics for the 1115 Waiver projects
- Implementing new State funding programs NAIP, QIPP
- Continue executing the Pediatric Transition Plan including a new Pedi ER
- Mitigating the impact of changes to State and Federal funding sources

Strategic Plans included in the 2016 Budget to meet these challenges

- Continuing to maximize the Lean Management System (LMS) aimed at:
 - Incorporating lean continuous process improvement principles and techniques into daily management processes to deliver value to our patients with minimum wasted time, supplies and effort
 - Facilitating rapid improvements
 - Executing across all operational and support departments as well as across hospital and ambulatory services
 - Assuring a mechanism is in place to develop, sustain and improve processes over time
- Development and construction of the new East Side Clinic and a replacement facility in the Medical Center for dialysis and clinic services.
- Continued construction activities on the main campus to accommodate our growing Pediatric service line.
- Implementing strategic tactics to fulfill projected activity by:
 - Focusing on key service lines
 - Trauma
 - Transplant
 - Cardiovascular
 - Neurosciences
 - Pediatrics / Children's Health
 - Women's Health Services including perinatal and neonatal care
 - Oncology
 - Enhancing marketing, outreach and referral development
 - Executing planned clinical integration and physician alignment initiatives with key service line physicians
- Leveraging current technology, data and tools
- Enhancing human capital through recognition programs and continuous learning
- Produce positive financial results in order to prefund our annual capital budget (currently routine capital expenditures are funded in the year the capital is expended).

2016 Consolidated Budget Summary Briefing

Following is a summary of the 2016 Consolidated Budget and a comparison to Projected 2015:

(Dollars in Millions)

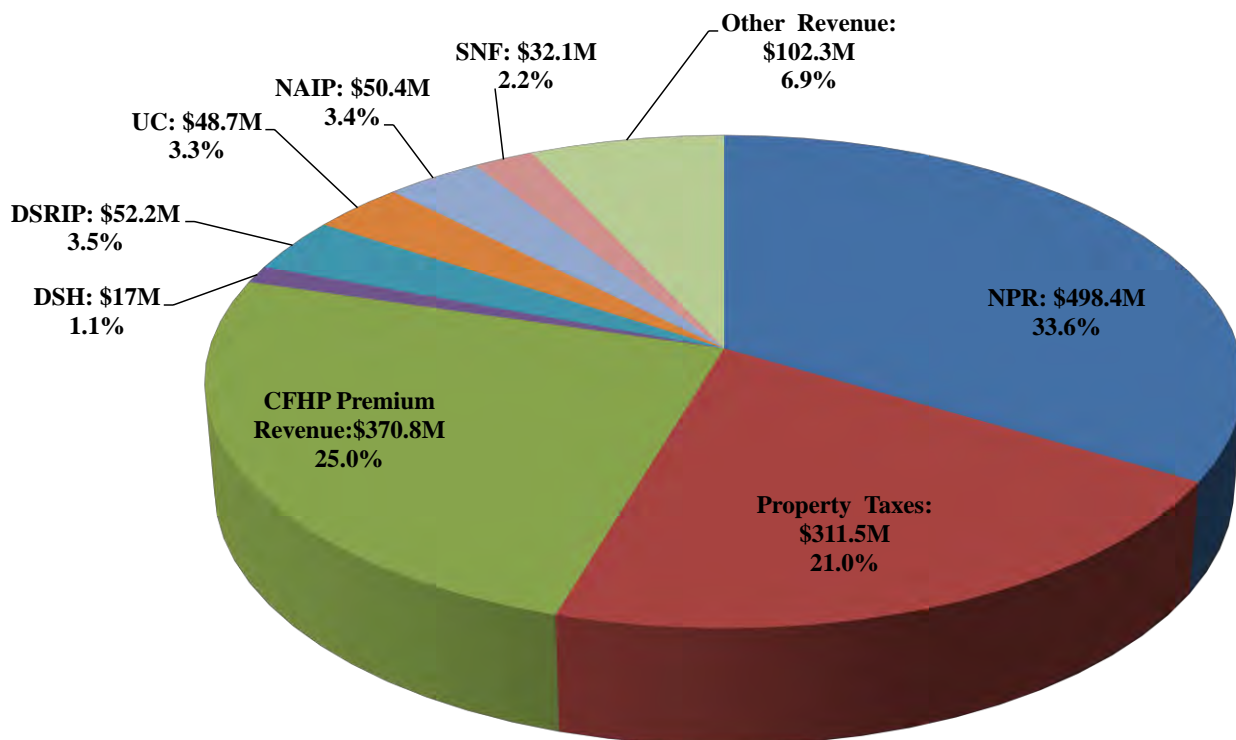
Consolidated	2014 Audited	2015 Projected	2016 Budget	Variance 2016 B vs 2015 P	Var %
Total Operating Revenue	\$1,189.1	\$1,361.4	\$1,483.4	\$121.9	9.0%
Total Operating Expense	<u>\$1,117.3</u>	<u>\$1,255.5</u>	<u>\$1,379.8</u>	<u>(\$124.4)</u>	<u>(9.9%)</u>
Operating Gain	\$71.9	\$106.0	\$103.5	(\$2.4)	(2.3%)
Nonoperating Revenue/(Expense):					
Depreciation/Amortization	\$73.7	\$82.5	\$89.2	(\$6.6)	(8.0%)
Meaningful Use Incentive	\$.7	\$.2	\$.0	(\$.2)	(98.2%)
Investment Income	\$1.9	\$2.5	\$2.9	\$.4	14.8%
Market Adjustments	<u>\$.4</u>	<u>\$.2</u>	<u>\$.0</u>	<u>(\$.2)</u>	<u>100.0%</u>
Total Nonoperating Revenue	(\$70.7)	(\$79.6)	(\$86.3)	(\$6.7)	(8.4%)
Bottom Line	<u>\$1.2</u>	<u>\$26.4</u>	<u>\$17.3</u>	<u>(\$9.1)</u>	<u>(34.6%)</u>
Debt Service Revenue	\$43.2	\$43.9	\$53.8	\$9.9	22.6%
Debt Service	<u>\$43.2</u>	<u>\$43.9</u>	<u>\$53.8</u>	<u>\$9.9</u>	<u>22.6%</u>
Net Debt Service	\$.0	\$.0	\$.0	\$.0	0.0%
Capital Requirements	<u>\$29.8</u>	<u>\$31.2</u>	<u>\$33.6</u>	<u>(\$2.4)</u>	<u>(7.8%)</u>

- The Health System Consolidated Preliminary 2016 Budget (Exhibit 2A) reflects a gain from operations of \$103.5 million and a bottom line gain of \$17.3 million after including non-operating income/expense of (\$86.3) million. A portion of the bottom line gain will be used to fund future routine capital needs.
- University Health System (excluding Community First Health Plan), the Clinical Services Division (Exhibit 2B) reflects a \$99 million gain from operations and a bottom line gain of \$13.1 million. The Health System will have strong cash flow due primarily to depreciation expense of \$88.3 million, up \$6.5 million from 2015.

- CFHP (Exhibit 2C) reflects a gain from operations of \$4.5million and a bottom line gain of \$4.2 million after non-operating income of -\$0.3 million.
- The budget includes \$53.8 million in debt service (*page 20*) for University Health System’s Capital Improvement Program (CIP). The tax rate set to fund required debt service for 2016 is \$0.040455 per \$100 valuation (Exhibit 7). The BABs savings reflected in the 2016 debt service budget is \$8.3 million which includes a 7.2% Sequestration cut.
- The 2016 Health System on-going capital budget for the Clinical Services division includes \$32.3 million (Exhibit 9) in items that have been prioritized and approved by the capital committee. These capital items will be funded by cash flow from operations from the Clinical Services division. Capital requests for CFHP are \$1.3 million (*page 28*).

A summary of Consolidated sources of funding (TOR) is as follows:

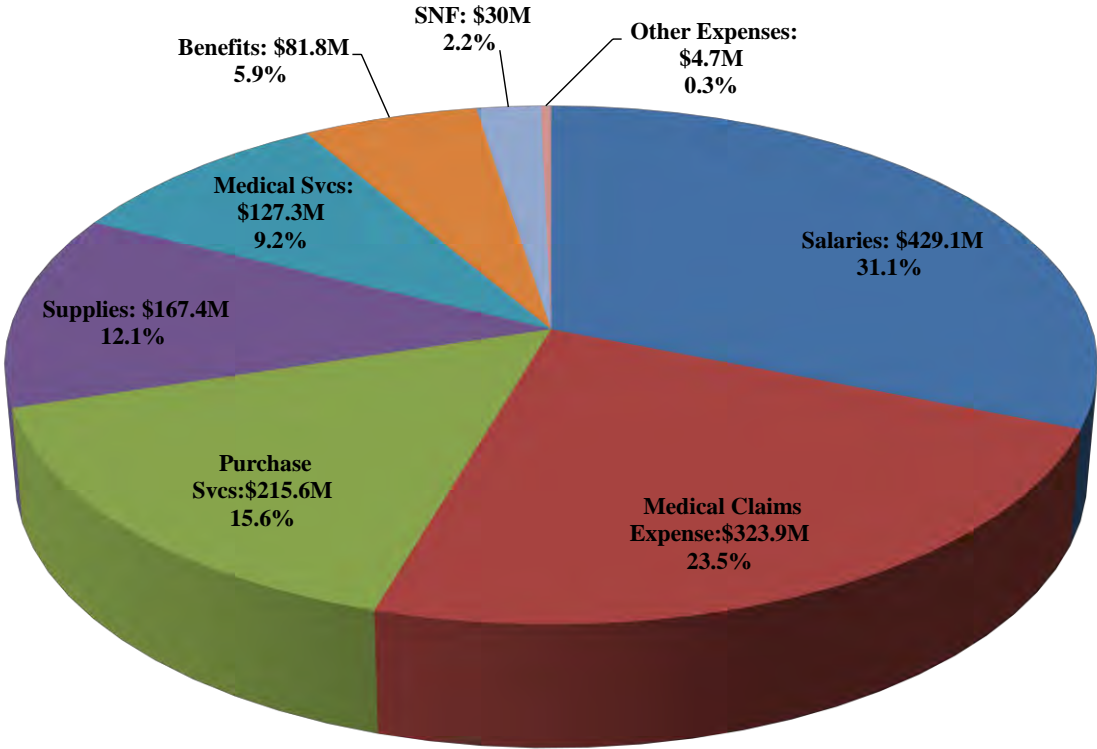
Consolidated Total Operating Revenue: \$1.5B



On a consolidated basis, TOR is \$1.5 billion. Net Patient Revenue, (NPR) or collections from third party payors and patients represents the largest percent of TOR at 33.6%. Premium revenue from CFHP follows at 25%. Property taxes account for 21% of total operating revenue (a decline of 2% from the previous year) and NAIP, DSH, DSRIP and UC account for 11.3%.

- Summary of Consolidated Total Operating Expense (TOE) is as follows:

Consolidated Total Operating Expenses: \$1.4B



On a consolidated basis, TOE is \$1.4 billion. Salaries and benefits represent the largest percentage at 37% followed by medical claims for CFHP at 23.5%. Purchased Services at 15.6%, Supplies are 12.1% and Medical Services are at 9.2%. SNF expenses of \$30 million (included in Purchased Services in the financials but broken out here) accounts for 2.2% of TOE.

2016 Clinical Services Division

The Health System developed the 2016 Clinical Services Division Budget to incorporate the strategies and initiatives described in the preceding sections. The Operating profit of \$99 million and Bottom Line of \$13.1 million reflects an improvement from the 2015 Budget.

Below is a summary of the 2016 Preliminary Budget and a comparison to Projected 2015:

(Dollars in Millions)

Clinical Services	2014 Audited	2015 Projected	2016 Budget	Variance 2016 B vs 2015 P	Var %
Total Operating Revenue	\$874.9	\$1,000.3	\$1,071.9	\$71.6	7.2%
Total Operating Expense	<u>\$815.4</u>	<u>\$900.4</u>	<u>\$972.9</u>	<u>(\$72.5)</u>	<u>(8.1%)</u>
Operating Gain	\$59.5	\$100.0	\$99.0	(\$.9)	(0.9%)
Nonoperating Revenue/(Expense):					
Depreciation/Amortization	\$73.0	\$81.9	\$88.3	(\$6.5)	(7.9%)
Meaningful Use Incentive	\$.7	\$.2	\$.0	(\$.2)	(98.2%)
Investment Income	\$1.7	\$1.9	\$2.4	\$.4	21.6%
Market Adjustments					
Total Nonoperating Revenue	(\$70.4)	(\$79.5)	(\$86.0)	(\$6.5)	(8.1%)
Bottom Line	(\$10.8)	\$20.5	\$13.1	(\$7.4)	(36.2%)
Debt Service Revenue	\$43.2	\$43.9	\$53.8	\$9.9	22.6%
Debt Service	<u>\$43.2</u>	<u>\$43.9</u>	<u>\$53.8</u>	\$9.9	22.6%
Net Debt Service	\$.0	\$.0	\$.0	\$.0	0.0%
Capital Requirements	\$29.3	\$30.5	\$32.3	(\$1.8)	(6.0%)

The Projected 2015 and 2016 Summary Statement of Revenues and Expenses is presented in **Exhibit 2B**.

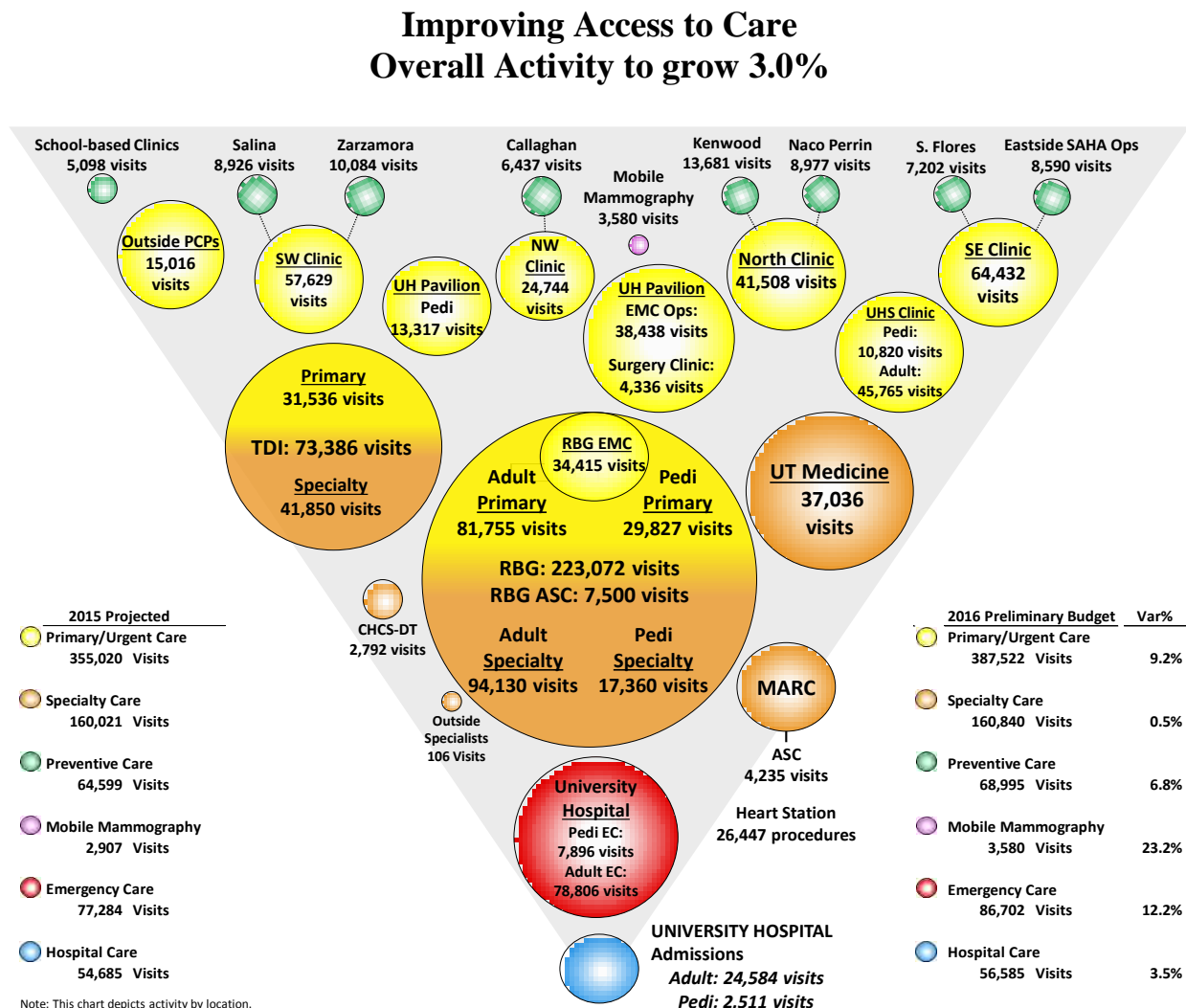
Access (Activity) Assumptions

UHS anticipates that activity in the 2016 Budget (Exhibit 1) will increase 3.0% based on adjusted discharges over levels projected for 2015.

The major factors contributing to this growth include:

- Improved Emergency Department throughput; documentation enhanced by the scribe program started 3Q2015
- Overall Pediatric growth of 6%
- Improved relationships with referring facilities
- Increasing activity at the Ambulatory Surgery Centers (ASC's); new growth in interventional radiology and cystology procedures at the Robert B. Green ASC.

A detail of Activity in the Preliminary 2016 Budget can be found in **Exhibit 1**. The following chart illustrates the relative magnitude of the activity projections.

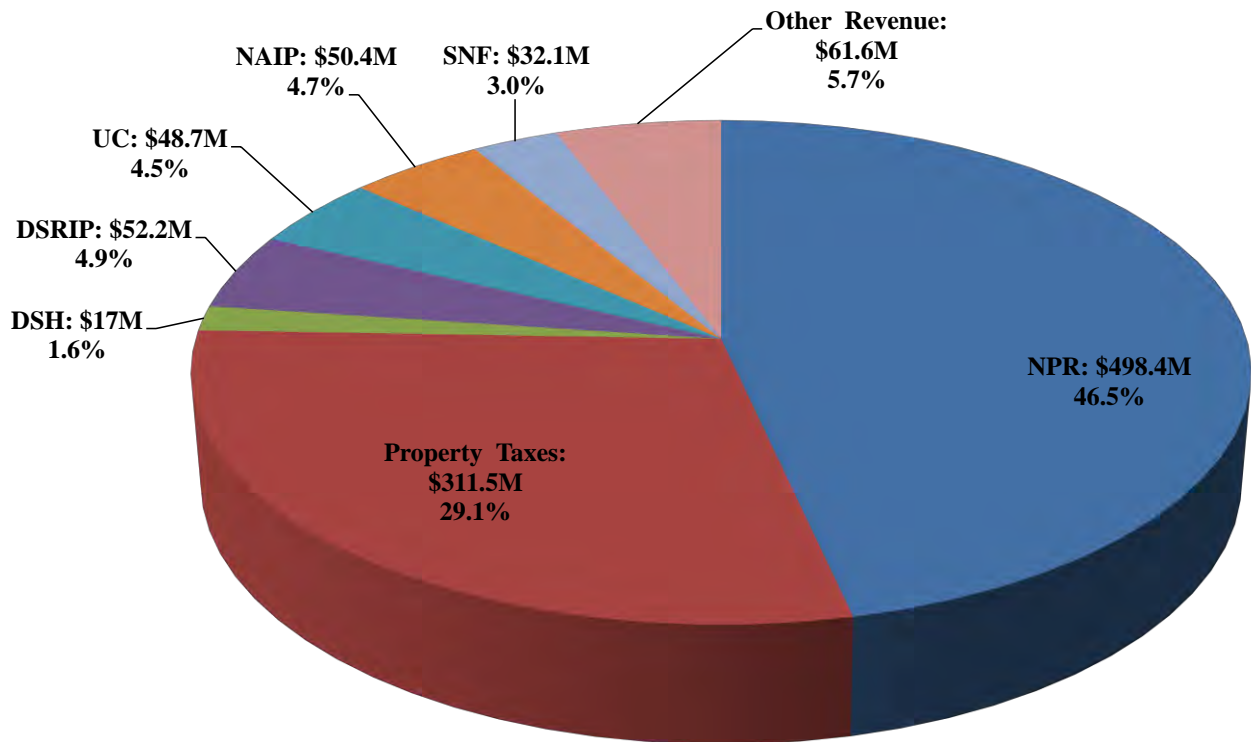


Total Operating Revenue (TOR)

TOR is budgeted at \$1.1 billion, which is \$71.6 million or 7.2% higher than the 2015 projected total. There is always uncertainty in State and Federal funding and it is a challenge to predict, with the 1115 Waiver scheduled to end in September of 2016 the budget has several large assumptions. Based on current information we anticipate the Waiver will be extended but at a lower level of funding. We have budgeted the last quarter of 2016 at 50% of the current Waiver funding level. There are new funding sources that will offset some of the budgeted reductions in waiver funding.

A chart summarizing the changes in TOR by category and drivers that impact the changes is provided in **Exhibit 7A and B**.

Clinical Services Division Operating Revenue: \$1.1B



Net Patient Revenue (NPR)

The NPR was budgeted at the strategic service line level using the projected activity, gross revenue and actual payments by payer. The impact of the legislative changes have been estimated in light of information currently available. The following is a summary of the key NPR assumptions:

- Updated and renegotiated contract rates and improved charge rate increases are estimated to have a positive impact of \$6 million.
- We've experienced a slight uptick in funded payer mix due to improved input through our Emergency Department, steady Pediatric growth and consistent ACA (Affordable Care Act) volume. Our anticipated funded mix for Preliminary Budget 2016 is 73%, up from 72% projected for 2015. This one percent growth in funded volume translates to \$6.7 million.
- The sale of airfile October 2015 will result in a reduction in collections of \$5 million in 2016. There is a corresponding decrease in operating expenses offsetting the reduction in revenue.
- **Exhibit 3** provides a detail by service line for both Inpatient and Outpatient Net Patient Revenue (NPR) highlighting the changes due to increased activity levels. **Exhibit 7A** details the changes to NPR showing the impacts due to volume as well as improved case mix, rates, and collection processes. Actual inpatient payment rates by service line from late 2014 and mid 2015 were utilized as the base for NPR. These rates were adjusted for known payment changes including State and Federal Legislative updates.

Legislative and Regulatory Assumptions Impacting Operating Revenue

Regulations related to implementation of the Texas Medicaid Waiver program and the Federal Affordable Care Act (ACA) continue to evolve. The Health System utilized the best information available as of November 2015 to prepare the impact of Regulatory and Legislative impacts (Exhibit 4). All of the changes reflected in this chart, which total a negative \$31.3 million have been reflected in the Projected 2015 and Preliminary 2016 Budget. The following are the key assumptions relative to legislative impacts on net patient revenue:

- Federal Sequestration reductions of 2% will continue throughout 2016 and impacts all Medicare payments.
- In anticipation of hospitals having more patients with Medicaid or insurance products, ACA mandated a change in Medicare disproportion share payments reducing Medicare payments by \$2.8 million.

- As an offset to the elimination of the state’s funding of Medicaid DSH, Medicaid DRG rates will increase by \$11.5 million.

Property Tax for M&O

- Property tax revenue for operations (M&O) is projected to increase \$30.4 million in light of higher property values for Bexar County. Of this increase, \$9.0 million relates to taxes on new property values. Excluding CFHP, property taxes for operations as a percent of TOR increase from 27.9% projected for 2015 to 29.1% in the 2016 Budget.

A summary of the property taxes reflected is as follows:

Recommendation: Maintain Existing Tax Rate	Existing Tax Rate	Proposed Tax Rate	Tax Rate Change from Existing Rate	% Change from Existing Tax Rate	2015 Estimated Net Taxes	2016 Proposed Net Taxes	Proposed Net Change From Prior Year	% Increase
Dollars in 000's								
Operating Rate	0.238601	0.235780	(0.002821)	-1.18%	\$281,111	\$311,524	\$30,413	10.82%
Debt Rate	0.037634	0.040455	0.002821	7.50%	\$43,854	\$53,776	\$9,922	22.62%
Total Tax Rate	0.276235	0.276235	-	0.00%	\$324,966	\$365,301	\$40,335	12.41%

Exhibit 5 reflects the tax rate calculation and **Exhibit 6** reflects the impact of the tax rate change to the average homeowner and per \$100,000 home.

Supplemental Medicaid Funding

DSRIP Funding

DSRIP funding for 2016 is budgeted at \$52.2 million for 2016, DSRIP is part of the Texas 1115 Waiver and could change dramatically starting in October of 2016.

- Net DSRIP payments budgeted for 2016 are estimated to slightly decrease by \$3 million due to a conservative assumption that private hospitals will complete 100% of their projects while the Health System will only complete 80% of our projects.

DSH and UC

Estimates for DSH and UC were made based on information known to date.

- DSH for 2016 is projected to drop by \$7 million due to the State no longer funding \$140 million from General Revenue.
- The current waiver will end September 2016. It is assumed that UC will be approved at 50% of its current size. Combined with formula changes, this will reduce UC by \$30 million.
- The end of the Waiver will also impact the UC payments for local hospitals.
- In 2015 there was a one-time allocation from the private UC pool to the public UC pool resulting in a \$12 million increase for 2015.

New State Programs

- The Network Access Improvement Program (NAIP) is projected to increase by \$22 million because of increased projects for 2016.
- The Nursing Home Minimum Payment Amount Program (MPAP) will be replaced by a project-based Quality Incentive Payment Program (QIPP) in September 2016. This new program is budgeted to produce \$2.1 million in incremental Net Revenue for 2016.

Tobacco Settlement Fund

Tobacco funding is unchanged at \$6.0 million.

Other Revenue

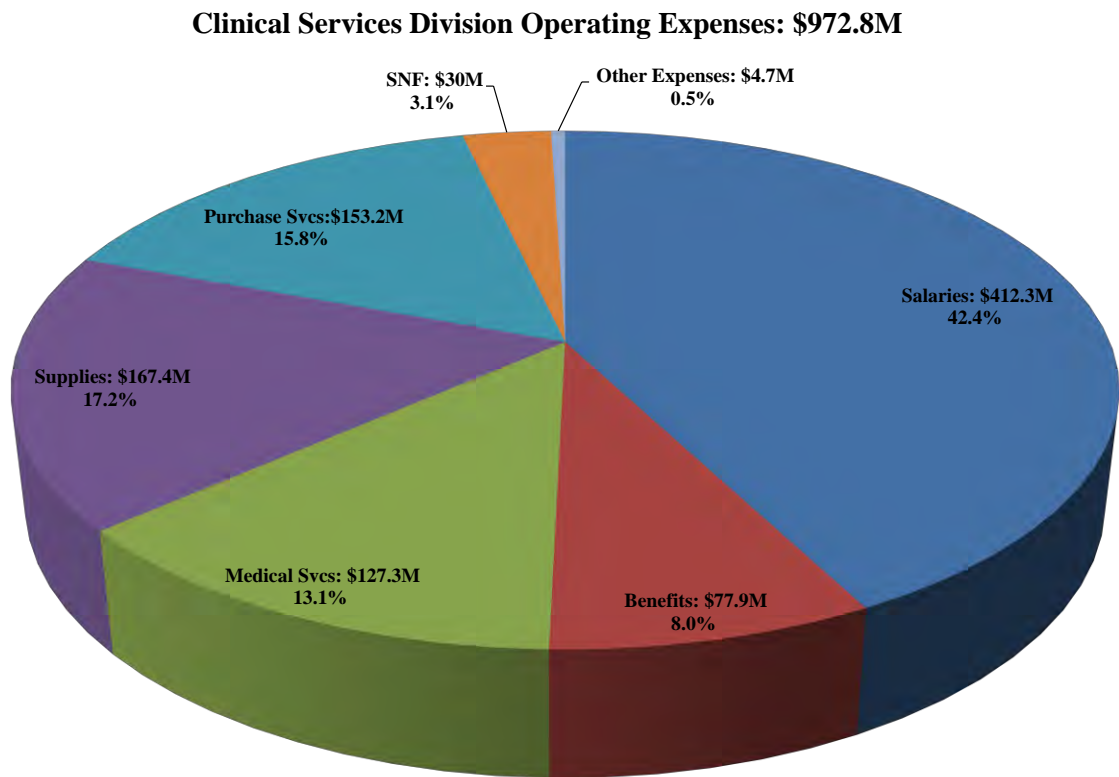
Other Revenue			
(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Other Revenue	\$48.0	\$55.6	
Change		\$7.7	16.0%
Other Revenue per AD	\$978.4	\$1,101.5	
Change		\$123.1	12.6%

Other Revenue of \$55.3 million includes reimbursement for residents that work in non UHS systems, Grants, Foundation revenue, cafeteria sales for visitors and staff, sundry revenue from parking, disposal of assets, clinical research studies, UT leased space at UH and TDI, pharmacy rebates, vendor rebates, medical records copies, facility lease at UHCDT reimbursement under the waiver for anchor administrative costs, and other miscellaneous items.

- The increase in Other Revenue is related to various minor changes to include but not limited to: Grant revenue associated with the absorption of the UT Pediatric Research Department, increases in the Foundation and 340B revenue.

Total Operating Expense (TOE)

TOE is budgeted at \$973 million which is a \$72.5 million or 8.1% increase over the 2015 projected total. For Clinical Services, salaries and benefits make up 50.4% of TOE. Medical Services, Purchased Services, and Supplies make up 13%, 19%, 17%, respectively. A chart summarizing the changes in TOE by category and drivers that impact the changes is provided in **Exhibit 8**.



Salaries

Salaries

(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Salaries	\$381.8	\$412.2	
Change		(\$30.4)	(8.0%)
Salaries per AD	\$7,790.6	\$8,166.1	
Change		(\$375.5)	(4.8%)
FTE's	6,548.0	7,002.1	
Change		(454.1)	(6.9%)
AOB	811.8	839.3	
Change		27.6	3.4%
FTE's per AOB	8.1	8.3	
Change		(0.3)	(3.4%)

Salary cost of \$412 million is \$30.4 million or 8% higher than 2015 projected.

- The staffing budget was built in EPSI (the UHS budgeting and financial reporting system) using historical and benchmark productivity standards at the cost center / job class level. The salary budget was built based on the departmental activity budgets specific to each department, multiplied by the productivity targets and average hourly rates for each job class.
- Overall Activity is budgeted to increase by 3% with activity based FTE's projected to increase by 205 which is an increase of 3.1% over 2015.
- Increased activity was the largest driver of the increase in salary expense at \$13.9 million.
- The Health System has budgeted a \$2 million dollar increase in wages to match the County's new living wage of \$13 per hour.
- An additional \$600,000 is budgeted for decompression in other salaries due to the living wage adjustment.
- The budget includes a 2% or \$7.6 million dollar merit increase.
- The new Network Access Improvement Plan projects will increase salary expense by \$2 million, this is offset by additional revenue.

Employee Benefits

Benefits			
(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Benefits	\$74.5	\$77.9	
Change		(\$3.5)	(4.6%)
Benefits % of salaries	19.5%	18.9%	
Change		0.6%	

Benefits of \$77.9 million are \$3.4 million or 4.6% higher than in 2015 projected.

- Employee Health insurance is budgeted to increase by \$1.4 million due to increased membership.
- Increase in social security by \$2 million based on increased salaries.

Medical Services

Medical Services			
(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Medical Services	\$116.7	\$127.3	
Change		(\$10.6)	(9.1%)
Medical Services per AD	\$2,381.4	\$2,521.5	
Change		(\$140.2)	(5.9%)

Medical Services of \$127.3 million reflects an increase of \$10.6 million or 9.1% from the estimated 2015 amount. An increase in Base Care contracts for physician services is the main factor for the overall increase.

Purchased Services

Purchased Services			
(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Purchased Services	\$159.6	\$183.2	
Change		(\$23.6)	(14.8%)
Purchased Services per AD	\$3,257.3	\$3,629.9	
Change		(\$372.6)	(11.4%)

Purchased Services are budgeted overall at \$183.2 million and this is \$23.6 million or a 15% increase over the 2015 projection. Contributing to this increase are the following:

- SNF expense \$20.4 million, which is offset by increased revenue
- Information services and medical equipment maintenance contracts are up \$4.9 million over 2015 projected associated with end-of-warranty for equipment in the Sky Tower that is no longer covered under warranty
- \$2.7 million increase in advertising and media
- Professional Services are budgeted with a \$2.9 million dollar increase over 2015 levels due to additional contracts with Behavioral Medicine, Emergency Center, Pathology, and Mommies Program
- Increase of \$2.1 million in Management Fees associated with Strategic Planning/Waiver, Ryan White, Grants, Information Services, and Outreach
- Decrease of \$1.8 million due to reduction of temporary personnel agency expenses
- Relieved of \$7.2 million of helicopter maintenance due to sale of Airline

Supplies

Supplies			
(Dollars in Millions)	2015 Projected	2016 Budget	% Var
Supplies	\$163.6	\$167.4	
Change		(\$3.8)	(2.3%)
Supplies per AD	\$3,338.0	\$3,316.5	
Change		\$21.5	0.6%

In 2016, supplies are budgeted at \$167.4 million which is a \$3.8 million or 2.3% increase over the estimate for 2015. The increase in supply cost is due to the following:

- \$4 million increase in Pharmaceuticals due to change in mix of drugs for cancer, rheumatoid arthritis, blood disorders, etc.
- \$200 thousand decrease in non-medical supplies

Other Expenses are budgeted at \$4.7 million and reflect a 15.5% increase over 2015 Projected.

Dollars are in millions	2015 Projected	2016 Budget	Var	Var %
Bexar County Appraisal District	\$1.7	\$1.8	(\$0.1)	(5.9%)
TIRZ	\$0.3	\$0.2	\$0.0	0.0%
CHCS Expense	\$2.1	\$2.7	(\$0.6)	(29.4%)
Total	\$4.1	\$4.7	(\$0.6)	(15.5%)

- The Bexar County Appraisal District fee provided their budget allocation to the Health System.
- Tax Investment Redevelopment Zone (TIRZ) fee was estimated from information provided by the City of San Antonio.
- Center for Health Care Services (CHCS) and Alamo Area Council of Governments (AACOG) expense is budgeted at the UHS sponsorship obligation level.

Non-Operating Revenue/Expense Assumptions

- Depreciation is budgeted at \$88.3 million and is up \$6.5 million or 7.9%. The completion of additional projects including the new Pedi ER and Cath Lab improvements are driving the increase.
- Decrease in Meaningful Use funding consistent with Medicare and Medicaid funding expectations.
- Investment Income projected to increase based on a projected increase in interest rates.
- Unrealized Gains/Losses are not budgeted.

On-Going Capital

The original list of items to be considered for the 2016 capital budget totaled \$75 million. The Capital Committee had the various area Vice Presidents prioritize their request down to a level which was close to what was presented in the original 2016 tax rate budget which was \$30 million. The capital budget for 2016 is recommended to be set at \$32.3 million. In prioritizing the capital needs for 2016, the Capital Committee met and focused on items that were considered as “Essential: Cannot Function Without”, “Important: Necessary for Improvement”, and “Proactive: Necessary to Avoid Problems”.

The capital budget includes \$1 million in contingency funds to cover unplanned capital expenditures. A summary of the capital by priority category is as follows:

2016 Ongoing Capital Requirements					
Priority	Contingency	Mandated (Regulatory Safety & Required Maintenance)	Replacement	Strategic (New Service / Expansion)	Grand Total
Essential: Cannot Function Without	\$ 1,000,000	\$ 11,471,823	\$ 9,146,287	\$ 2,484,959	\$ 24,103,069
Important: Necessary For Improvement		\$ 531,210	\$ 2,955,290	\$ 3,661,754	\$ 7,148,254
Proactive: Necessary To Avoid Problems		\$ 16,000	\$ 562,025	\$ 499,880	\$ 1,077,905
Total Clinical Services	\$ 1,000,000	\$ 12,019,033	\$ 12,663,602	\$ 6,646,593	\$ 32,329,228

A detailed listing of capital requests can be found in **Exhibit 9**.

Debt Service Requirement

The required principal and interest payments on the Health Systems outstanding bonds due in 2016, is \$53.8 million. Included are the savings from the Build America Bond (BAB) subsidy of \$8.3 million which is net of a 7.2% sequestration reduction (\$640,000). A Debt Service tax levy of \$53.8 million to cover payments due in 2016 was approved by Commissioners Court on September 15, 2015. The increase over 2015 is related to \$18.5 million in new debt issued in 2015 for capital projects related to Pediatrics, Heart and Vascular Institute, and a replacement building in the Medical Center for Dialysis and clinic services.

	Preliminary			
	Projected	Budget	Incr(Decr)	%
	2015	2016		Change
Debt Service				
Debt Service I&S Tax Funds	\$ 43.9	\$ 53.8	\$ 9.9	22.6%
Debt Service Payment	\$ 43.9	\$ 53.8	\$ 9.9	22.6%
Net Debt Service Revenue	\$ -	\$ -	\$ -	0.0%
Note: Of the Debt Service payment, these interest amounts no longer capitalized	\$ 37.7	\$ 38.6	\$ 0.9	2.4%

2016 Community First Health Plans (CFHP) Budget

Strategic Focus:

In 2015, Community First Health Plans (CFHP) was successful in achieving several key milestones, including NCQA certification, ICD-10 conversion, medical cost savings initiatives and several operational efficiencies. To build on the success of 2015, and to effectively grow CFHP's footprint in the Bexar service area, in 2016 CFHP has planned the following initiatives to be completed in the 2016 budget year:

- Continue to explore new business opportunities, and to assess information systems for that readiness. The budget includes consulting dollars totaling \$455,000 for IT system needs assessment, product development, and business opportunity assessment as CFHP prepares itself for future growth opportunities.
- The 2016 budget includes \$3.5 million in start-up costs for the STAR Kids line of business and will add between \$100 million and \$120 million in premium revenue, based on CFHP capturing 40% market share. Membership at 40% market share is anticipated to be 6,920 or 83,040 member months annualized. STAR Kids is the new Medicaid product for disabled children. The line of business will require different IT capabilities for the long term support services. Program begins in November of 2016. The 2016 budget includes 105 new employees for this line of business as well as new information technology capabilities. Total additional administrative cost for this program, including start-up cost is \$5.4 million.
- Grow Health Exchange business in the individual market. The 2016 budget includes 16 new employees for this line of business as information systems struggle to automate the new regulatory requirements of this business. Total increase in administrative cost due to growth of Health Exchange market is \$2.2 million.
- New office space for 51% growth in staffing due primarily to STAR Kids and Health Exchange. Capital development cost of the new building is budgeted to be \$459,000, along with additional rent of \$154,000 for the second half of the year.

Consolidated Operating Budget

Community First Health Plans, Inc. 2014 Actual, 2015 Budget, 2015 Outlook and 2016 Budget

	2014 Actual	pmpm	% premium	2015 Budget	pmpm	% premium	2015 Outlook	pmpm	% premium	2016 Budget	pmpm	% premium
Membership	148,455			158,328			150,482			163,098		
Member Months	1,679,995			1,861,210			1,780,885			1,874,680		
Revenue:												
Premium Revenue	\$ 325,868,690	\$	194	\$ 351,720,978	\$	189	\$ 336,993,671	\$	189	\$ 370,775,286	\$	198
NAIP Receipts	-			-			27,875,065			40,647,118		
Prem at Risk/Exp Rebate	(11,607,353)			(3,244,039)			(3,776,854)			-		
Total Revenue	314,261,337			348,476,939			361,091,882			411,422,404		
Expenses:												
Medical Expense	268,196,141	\$	160	310,062,130	\$	167	295,057,923	\$	166	323,940,566	\$	173
NAIP Funding to UHS	-			-			26,983,277			39,326,087		
Incentives	1,842,769			2,000,000			1,946,731			1,600,000		
Administrative	32,405,318	\$	19	33,255,261	\$	18	31,755,353	\$	18	42,896,827	\$	23
Total Expenses	302,444,228		9.9%	345,317,391		9.5%	355,743,284		9.4%	407,763,480		11.6%
Net Underwriting Gain/ (Loss)	11,817,109			3,159,548			5,348,598			3,658,924		
Investment Income	265,427			325,000			580,638			532,270		
Net Income	\$ 12,082,536			\$ 3,484,548			\$ 5,929,236			\$ 4,191,194		

- The budget projects \$411 million in premium revenue, a growth of \$50.3 million or 14% over 2015 projected revenue. \$16.6 million is due to the addition of STAR Kids in November and December of 2016. \$12.8 million is due to additional Network Access Improvement Program (NAIP) money. \$14 million is due to additional growth in the Health Exchange business.
- The budget projects \$324 million in medical expense, a growth of \$28.9 million or 10% from 2015's projected medical expense. \$14.1 million increase is due to the addition of the STAR Kids line of business beginning in November of 2016. \$13.8 million is due to growth in Health Exchange members.
- The budget includes a net of \$5.1 million in contracting and utilization savings initiatives (\$6.9 million in savings initiatives offset by \$1.8 million higher state facility reimbursement rates) that will lower medical expense in Medicaid and CHIP.
- Administrative costs are projected to increase from a current per member per month (PMPM) rate of \$18 to \$23 in 2016. Of the \$5 PMPM increase, \$2 PMPM is due to the impact of start-up costs for STAR Kids. \$1.19 PMPM was due to additional administrative costs in Health Exchange business. \$.58 PMPM is due to additional premium taxes due to increased premium in 2016. Increased Marketing costs added \$.31 PMPM.

Overall, the CFHP budget for 2016 projects a net income of \$4,191,194, 20% favorable to the 2015 budgeted net income.

Operating Budget by Line of Business

Medicaid:

	2014 Actual	pmpm	MLR %	2015 Budget	pmpm	MLR %	2015 Outlook	pmpm	MLR %	2016 Budget	pmpm	MLR %
Membership	112,654			121,533			111,090			113,440		
Member months	1,179,986			1,418,466			1,320,546			1,346,823		
Revenue:												
Premium Revenue	\$ 264,931,204	\$ 225		\$ 297,202,887	\$ 210		\$ 279,788,827	\$ 212		\$ 281,870,445	\$ 209	
NAIP Receipts	-			-			27,875,065	\$ 233	21	40,647,118	\$ 239	30
Prem at Risk/Exp Rebate	(10,275,307)			(2,972,028)			(3,776,854)			-		
Total Revenue	254,655,897			294,230,859			303,887,038	\$ 230		322,517,563	\$ 239	
Expenses:												
Medical Expense	221,156,996	\$ 187	83%	266,387,845	\$ 188	90%	246,824,676	\$ 187	88%	245,598,127	\$ 182	87%
NAIP Funding to UHS	-			-			26,983,277			39,326,087		
Physician Incentives	1,284,518			1,637,312			1,419,282			1,480,000		
Administrative	23,547,246	\$ 20		24,788,087	\$ 17		24,177,449	\$ 18		27,895,721	\$ 21	
Total Expenses	245,988,760			292,813,244			299,404,684			314,299,935		
Underwriting Gain/ (Loss)	8,667,137			1,417,615			4,482,354			8,217,628		
Investment Income	63,909			83,329			137,735			136,472		
Net Income	\$ 8,731,046			\$ 1,500,944			\$ 4,620,089			\$ 8,354,100		

- Premiums, excluding Network Access Improvement Program (NAIP) decreased \$3 PMPM, primarily due to a projected growth trend of members age 6–14, who have a lower premium. NAIP Premium increased \$8 PMPM, but also due to selective projected premium declines listed below.
- Medical premium for Newborns is projected to decline 2% in March and another 3% in September of 2016.
- Medical premium for TANF Adults is projected to decline 1% in March and 2% in September of 2016.
- Medical premium for Pregnant Women is projected to decline 2% in March and 3% in September of 2016.
- Pharmacy premium for children age 6–14 is projected to decline 1% in March and 1% in September of 2016.
- Pharmacy premium for TANF Adults is projected to decline 1% in March and 1% in September of 2016.
- Network Access Improvement Program (NAIP) receipts are projected to remain at \$30 PMPM for all of 2016. This represents an increase over 2015 as the premium for NAIP increased from \$22 to \$30 in September of 2015.
- In 2016, CFHP is projected to meet all performance measures, for which premium is at risk.
- Medical Expense includes a net \$4.4 million in estimated savings from both contracting initiatives as well as utilization initiatives.
- Administrative cost increase over 2015 Outlook of \$3.7 million.

CHIP:

	2014 Actual	pmpm	MLR %	2015 Budget	pmpm	MLR %	2015 Outlook	pmpm	MLR %	2016 Budget	pmpm	MLR %
Membership	16,588			17,825			18,336			19,054		
Member months	271,379			214,114			210,710			225,208		
Revenue:												
Premium Revenue	\$ 34,784,088	\$ 128		\$ 27,201,586	\$ 127		\$ 26,455,417	\$ 126		\$ 27,899,933	\$ 124	
Prem at Risk/Exp Rebate	(1,093,996)			(272,011)			-			-		
Total Revenue	33,690,092			26,929,575			26,455,417			27,899,933		
Expenses:												
Medical Expense	28,202,799	\$ 104	81%	22,690,646	\$ 106	83%	22,338,484	\$ 106	84%	23,675,402	\$ 105	85%
Physician Incentives	558,251			362,688			527,449			120,000		
Administrative	3,468,235	\$ 13		3,768,665	\$ 18		2,596,307	\$ 12		2,724,375	\$ 12	
Total Expenses	32,229,285			26,821,999			25,462,240			26,519,777		
Underwriting Gain/ (Loss)	1,460,807			107,576			993,177			1,380,156		
Investment Income	8,025			11,405			11,075			18,679		
Net Income	1,468,832			118,981			1,004,252			1,398,835		

- Medical premium for members age 15 – 18 is projected to decline 1% at September 2016
- Pharmacy premium for members age 15 – 18 is projected to decline 1% at September 2016.
- In 2016, CFHP is projected to meet all performance measure, for which premium is at risk.
- Medical Expense includes \$718,000 in estimated savings from both contracting initiatives as well as utilization initiatives.

Commercial/Health Exchange:

	2014 Actual	pmpm	MLR %	2015 Budget	pmpm	MLR %	2015 Outlook	pmpm	MLR %	2016 Budget	pmpm	MLR %
Membership	5,339			5,443			6,314			8,869		
Member months	65,228			66,306			76,124			111,319		
Revenue:												
Premium Revenue	\$ 23,997,881	\$ 368		\$ 25,173,058	\$ 380		\$ 28,457,704	\$ 374		\$ 42,052,800	\$ 378	
Experience Rebate	(238,050)			-			-			-		
Total Revenue	23,759,831			25,173,058			28,457,704			42,052,800		
Expenses:												
Medical Expense	18,836,346	\$ 289	78%	20,983,639	\$ 316	83%	25,894,763	\$ 340	91%	40,550,237	\$ 364	96%
Administrative	3,057,484	\$ 47		2,657,160	\$ 40		2,833,732	\$ 37		4,896,695	\$ 44	
Total Expenses	21,893,830			23,640,799			28,728,495			45,446,932		
Underwriting Gain/ (Loss)	1,866,001			1,532,259			(270,791)			(3,394,132)		
Investment Income	191,958			230,278			427,828			370,119		
Net Income	\$ 2,057,959			\$ 1,762,537			\$ 157,037			\$ (3,024,013)		

- 2016 Underwriting losses do not include income from risk adjustment program. The impact of 2014 additional premium from risk adjustment was \$375 PMPM. A risk adjustment premium 25% of what was received for 2014 would result in a profit of \$2,062,225 for Commercial/Health Insurance line of business.
- Premium includes 3% increase for Commercial large group business.

- Increased medical loss ratio is due to growth in health exchange market with higher than average medical loss experience.
- Administrative percentage of premium is 10% in 2015 Outlook, and 11.6% in 2016 Budget due to increased employees in the health exchange business to handle the administrative complexity of the program.

STAR Kids:

	2014 Actual	pmpm	MLR %	2015 Budget	pmpm	MLR %	2015 Outlook	pmpm	MLR %	2016 Budget	pmpm	MLR %
Membership	-			-			-			6,920		
Member months	-			-			-			13,840		
Revenue:												
Premium Revenue	\$ -			\$ -			\$ -			\$ 16,608,000	\$ 1,200	
Prem at Risk/Exp Rebate	-			-			-			-		
Total Revenue	-			-			-			16,608,000		
Expenses:												
Medical Expense	-			-			-			14,116,800	\$ 1,020	85%
Physician Incentives	-			-			-			-		
Administrative	-			-			225,000			5,392,343	\$ 390	
Total Expenses	-			-			225,000			19,509,143		
Underwriting Gain/ (Loss)	-			-			(225,000)			(2,901,143)		
Investment Income	-			-			-			-		
Net Income	\$ -			\$ -			\$ (225,000)			\$ (2,901,143)		

- New Medicaid program for disabled pediatric children, with both acute services as well as long term support services. Program starts in November 2016.
- Annualized premium for 6,920 members is \$100 million, with conservative premium of \$1200 PMPM.
- Start-up administrative expenses total \$3.5 million, with \$1.9 million in ongoing costs in November and December of 2016. Administrative costs excluding start-up costs are 11.4% PMPM and within the state administrative allowance for similar state programs.
- 105 new employees in 2016 due to STAR Kids, of which 83 are clinical.

University Family Care Plan:

	2014 Actual	pmpm	2015 Budget	pmpm	2015 Outlook	pmpm	2016 Budget	pmpm
Membership	13,874		13,527		14,742		14,815	
Member months	163,402		162,324		173,505		177,490	
Revenue:								
Premium Revenue	\$ 2,148,291	\$ 13	\$ 2,137,447	\$ 13	\$ 2,284,500	\$ 13	\$ 2,336,908	\$ 13
Total Revenue	2,148,291		2,137,447		2,284,500		2,336,908	
Expenses:								
Medical Expense	-		-		-		-	
Administrative	2,329,775	\$ 14	2,037,803	\$ 13	1,918,866	\$ 11	1,984,147	\$ 11
Total Expenses	2,329,775		2,037,803		1,918,866		1,984,147	
Underwriting Gain/ (Loss)	(181,484)		99,644		365,634		352,761	
Investment Income	-		-		-		-	
Net Income	\$ (181,484)		\$ 99,644		\$ 365,634		\$ 352,761	

- No increase in TPA fee is budgeted in 2016 for University Family Care Plan.

PPO:

	2014 Actual	2015 Budget	2015 Outlook	2016 Budget
Revenue:				
Premium Revenue	\$ 7,226	\$ 6,000	\$ 7,223	\$ 7,200
Total Revenue	7,226	6,000	7,223	7,200
Expenses:				
Medical Expense	-	-	-	-
Administrative	2,578	3,546	4,000	3,546
Total Expenses	2,578	3,546	4,000	3,546
Underwriting Gain/ (Loss)	4,648	2,454	3,223	3,654
Investment Income	1,535	(12)	4,000	7,000
Net Income	\$ 6,183	\$ 2,442	\$ 7,223	\$ 10,654

- PPO still has one group accident policy for UHS employees who are hospitalized for non-work related accidents. While claims are occasionally filed, benefit is limited to \$100/day for 18 days and reserves are adequate and no additional medical expense is budgeted at this time.

Administrative Costs

Administrative Cost in the 2016 budget represents an \$11.1 million increase over 2015 Outlook. By line of business, the increases in administrative costs are in three lines of business:

- STAR Kids - \$5.4 million
 - Salaries and benefits accounted for \$2.9 million
 - IT infrastructure accounted for \$1 million
 - Consulting services to prepare for readiness review accounted for \$592,000

- Premium tax accounted for \$294,000
- Marketing accounted for \$348,000
- Postage/Printing accounted for \$102,000
- Medicaid – Additional Costs of \$3.7 million
 - Additional premium taxes due to growth in membership and growth in NAIP \$260,000
 - 13 additional employees \$913,000
 - Additional fees for consulting related to SSI member conversions, Model Audit Rule and Risk Adjustment coding initiatives \$598,000
 - Salary increases \$314,000
 - Additional Marketing \$371,000
 - Increased Depreciation Expense \$207,000
 - New building rent and services \$200,000
 - Additional Printing due to replacement of stock \$402,000
 - Increased staff training \$219,000
 - Additional new member kits \$144,000
 - Elimination of Sales Tax Receipts \$121,000
- Health Exchange – Additional Costs of \$2.2 million
 - \$768,000 accounted for additional salaries
 - \$930,000 is for additional taxes and fees for growth in membership
 - \$357,000 is for additional marketing and giveaways
 - \$148,000 is for additional professional services of maintaining the program

Additional Employees:

2015 Budget	Departmental changes	Increases in 2016 due to StarKids	Increases in 2016 due to Health Exchange	Other Increases in 2016	Total 2016 Budget Increases	2016 Budget
251	(4)	105	16	13	134	381

- STAR Kids - The 2016 budget includes an additional 105 (83 clinical) employees at various times of the year in order to successfully implement STAR Kids by November of 2016.
- The total cost of those employees that will be incurred prior to start of the program is \$1.8 million.
- The monthly salary cost once the program begins is budgeted at \$551,000 and \$557,000 for November and December of 2016 respectively.

- Health Exchange – 16 employees are to be added in order to accommodate the growth in volume from 3,600 member months budgeted in 2015 up to 52,045 member months budgeted in 2016, as the program has proven to be difficult to automate, with frequent regulatory changes.
- Remaining 13 employees are added to strengthen the management structure of the organization, build additional physician network capacity and to deal with the added regulatory requirements.

Capital Budget

Community First Health Plans, Inc.	
Capital Budget Items	
Year 2016	
Item	Total Cost
Computer Equipment Replacements - Existing Employees	\$ 48,862
Furniture & Fixtures - Existing Building	\$ 4,278
Set up costs for new employees	\$ 381,552
Build Out Costs - Additional Office Space	\$ 458,564
Infrastructure Enhancement Upgrades - Server, VM Ware, Virtual Desktop	\$ 304,184
Security Infrastructure Improvements- Audit & Malware Software	\$ 46,582
Software Efficiencies/Upgrades - General Ledger/Automated Call System / Data Warehouse	\$ 65,616
Totals	\$ 1,309,638

- Of the \$820,000 budgeted for Depreciation Expense in 2016, \$308,000 is for assets to be acquired in 2016.
- Set up costs for new employees includes PCs and Monitors \$97,843; iPads, laptops, docking stations \$160,685; additional licensing \$123,024.
- Build out costs for additional office space includes furniture and fixtures \$320,535; licensing \$6,869; and wiring/infrastructure setup \$131,660.

Key Indicators

	2015 Outlook	2016 Budget	% Increase (Decrease)
Members (excluding ASO)	135,740	148,283	9%
Member Months (excluding ASO)	1,607,380	1,697,190	6%
Premium (excluding ASO and NAIP)	\$334.7 Million	\$368.4 Million	10%
Premium/Member Month (excluding ASO and NAIP)	\$ 208	\$ 217	4%
Medical Expense/Member Month (excluding ASO)	\$ 184	\$ 191	4%
Medical Loss Ratio	88.2%	87.9%	0%
Administrative Expense/Mbr month (excl incentives)	\$ 17.83	\$ 22.88	28%
Excess of Revenue over Expenses	\$ 5,929,236	\$ 4,191,194	-29%

Membership

Medicaid: Assumptions for Medicaid enrollment are as follows:

- Bexar Service area will grow by 1.5%
- CFHP market share will increase to 44% from 43.7%, and CFHP growth rate would be 2.4%

Currently, of the new members that come to CFHP, 79.4% actively select CFHP as their plan, as opposed to being defaulted. This is compared to Superior, Aetna and Amerigroup, whose percentages are 74.8%, 76.8% and 72.5% respectively. CFHP projects that this trend will continue in 2016.

Below summarizes 2015 actual, projected and 2016 budgeted Medicaid enrollment:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	110,873	110,067	109,504	108,965	109,636	109,041	109,970	109,202	110,477	110,981	111,087	111,121
2016	110,435	110,959	111,684	112,157	112,182	112,207	112,132	112,157	113,365	113,040	113,065	113,440

CHIP: Assumptions for CHIP enrollment are as follows:

- Bexar service area will grow by 2.4%
- CFHP market share will grow consistent with the service area trend, with a flat 62.7% market share

Below summarizes 2015 actual, projected and 2016 budgeted CHIP enrollment (including Perinate members):

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	16,690	16,524	17,247	17,189	17,194	17,260	17,590	17,866	18,199	18,301	18,550	18,605
2016	18,439	18,508	18,556	18,641	18,703	18,735	18,816	18,863	18,951	18,948	18,994	19,054

Commercial:

- ERS enrollment will continue to steadily lose membership as in past years. Health Exchange enrollment will grow to a peak of 5,000 members in February of 2016, and will steadily decline to around 4,000 members by year end as members do not pay their premiums and lose coverage.

Below summarizes 2015 actual, projected and 2016 budgeted Commercial enrollment:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	5,679	5,923	6,674	6,545	6,779	6,346	6,325	6,484	6,376	6,311	6,300	6,289
2016	8,011	9,998	9,935	9,675	9,568	9,463	9,360	9,258	9,158	9,060	8,964	8,869

CFHP management believes that the resources in the 2016 budget will allow the Plan to build on past success for future growth in the Bexar County service area.

EXHIBITS

Exhibit 1

UNIVERSITY HEALTH SYSTEM ACTIVITY	2013 Actual	2014 Actual	2015 Budget	Projected 2015	Preliminary Budget 2016	Var. 2016 vs 2015 Proj.	Var %
In-Patient Activity							
Heart Vascular	2,912	2,789	2,762	3,279	3,417	138	4.2%
Women Services	3,710	3,967	3,967	4,248	4,375	127	3.0%
Neonates	820	865	970	825	850	25	3.0%
Neurology	1,662	1,455	1,347	2,010	2,071	61	3.0%
Orthopedics	1,565	1,380	1,282	1,578	1,645	67	4.2%
Trauma	1,585	1,158	1,158	1,337	1,394	57	4.3%
Transplant	146	164	171	193	201	8	4.1%
All Other	9,367	8,574	9,138	10,201	10,631	430	4.2%
Sub-Total: Adult Discharges	21,767	20,352	20,795	23,671	24,584	913	3.9%
Heart Vascular	124	332	317	408	420	12	2.9%
Neurology	199	265	231	244	255	11	4.5%
Orthopedics	169	196	200	212	225	13	6.1%
Trauma	397	399	389	467	481	14	3.0%
Transplant	16	17	12	12	15	3	25.0%
All Other	348	848	953	1,028	1,115	87	8.5%
Sub-Total: PEDI Discharges	1,253	2,057	2,102	2,371	2,511	140	5.9%
Total Discharges	23,020	22,409	22,897	26,042	27,095	1,053	4.0%
Heart Vascular	20,887	20,907	19,573	23,755	24,774	1,019	4.3%
Women Services	9,896	10,881	12,163	11,892	12,249	357	3.0%
Neonates	14,820	17,307	17,522	18,776	18,980	204	1.1%
Neurology	8,068	7,472	7,278	10,078	10,509	431	4.3%
Orthopedics	7,171	7,113	6,572	8,096	8,443	347	4.3%
Trauma	7,518	7,242	7,443	7,880	8,218	338	4.3%
Transplant	1,159	1,878	1,531	2,155	2,247	92	4.3%
All Other	56,741	58,163	54,948	60,557	63,145	2,588	4.3%
Sub-Total: Adult Days	126,260	130,963	127,030	143,189	148,565	5,376	3.8%
Heart Vascular	1,448	4,497	4,994	5,174	5,653	479	9.3%
Neurology	1,200	1,235	1,129	1,115	1,125	10	0.9%
Orthopedics	630	567	600	710	763	53	7.5%
Trauma	2,008	2,100	2,373	2,554	2,731	177	6.9%
Transplant	128	113	74	120	92	(28)	(23.3%)
All Other	1,675	4,886	5,399	5,006	5,500	494	9.9%
Sub-Total: PEDI Days	7,089	13,398	14,569	14,679	15,864	1,185	8.1%
Total: Days	133,349	144,361	141,599	157,868	164,429	6,561	4.2%
Births	2,895	2,836	2,964	2,737	3,217	480	17.5%
ALOS Adult	5.8	6.4	6.1	6.0	6.0	(0)	(0.1%)
ALOS PEDI	5.7	6.5	6.9	6.2	6.3	0	2.0%
Total ALOS	5.8	6.4	6.2	6.1	6.1	0	0.1%

Exhibit 1 continued

Other UH Volume: EC, Surgery, & Observations							
Total EC (IP - Adult/Main)	15,401	15,469	15,014	17,676	18,708	1,032	5.8%
Total EC (OP - Adult/Main)	45,515	53,856	55,130	55,010	60,098	5,088	9.2%
Surgery (UHS IP - Adult/Main) ²	6,167	8,153	7,450	8,506	9,032	526	6.2%
Surgery (UHS OP - Adult/Main) ²	6,461	5,342	4,630	5,203	5,775	572	11.0%
Sub-Total: OP EC & Surg - Adult	73,544	82,820	82,224	86,395	93,613	7,218	8.4%
Total EC (IP - Pedi) ¹	979	1,220	1,130	1,296	1,374	78	6.0%
Total EC (OP - Pedi) ¹	3,990	5,577	6,126	6,152	6,522	370	6.0%
Surgery (UHS IP - Pedi) ³	563	640	1,213	1,334	1,414	80	6.0%
Surgery (UHS OP - Pedi) ³	573	804	948	1,079	1,144	65	6.0%
Sub-Total: OP EC & Surg - Pedi	6,105	8,241	9,417	9,861	10,454	593	6.0%
Observation - UHS (Days)	11,522	10,098	13,201	7,633	8,618	985	12.9%
Total Other Vol: (EC, Surg, & Observations)	91,171	101,159	104,842	103,889	112,685	8,796	8.5%
Ambulatory Surgery Center Volume and other Outpatient Visits (includes PHC's)							
RBG ASC (Surg) ⁴	79	704	1,200	472	1,200	728	154.2%
RBG ASC (Endo) ⁵	1,185	4,858	5,500	5,193	6,300	1,107	21.3%
MARC ASC (Surg)	402	2,990	3,656	2,628	2,707	79	3.0%
MARC ASC (Endo)	220	1,453	1,645	1,483	1,528	45	3.0%
Clinics (UH - Adult)	38,762	42,167	45,037	44,181	45,765	1,584	3.6%
Clinics (Pavilion)	39,009	37,685	44,542	40,426	42,774	2,348	5.8%
Dialysis (Adult)	76,674	74,376	75,048	71,778	72,443	665	0.9%
Clinics Ambulatory Ops (Adult)	404,701	444,092	424,105	431,488	443,534	12,046	2.8%
Clinics (PHCs)	53,672	56,987	54,912	60,200	63,897	3,697	6.1%
Sub-Total: OP Clinics - Adult	614,704	665,312	655,645	657,849	680,148	22,299	3.4%
Clinics (UH - Pedi)	2,378	7,347	10,821	10,505	10,820	315	3.0%
Clinics (Pavilion - Pedi) ⁶	-	4,847	14,059	13,644	13,317	(327)	(2.4%)
Dialysis (Pedi) ⁶	-	2,453	2,813	2,730	2,810	80	2.9%
Clinics Ambulatory Ops (Pedi)	13,501	40,900	42,762	45,821	50,835	5,014	10.9%
Sub-Total: OP Clinics - Pedi	15,879	55,547	70,455	72,700	77,782	5,082	7.0%
Ancillary Support (Encounters)	273,870	194,982	175,686	178,247	183,594	5,347	3.0%
Total Other Vol: (OP ASCs, OP Clinics, PHCs)	904,453	915,841	901,786	908,796	941,524	32,728	3.6%
Total Outpatient Volume	995,624	1,017,000	1,006,628	1,012,685	1,054,209	41,524	4.1%
Adjusted Discharges	42,241	45,392	46,959	49,012	50,483	1,471	3.0%
1. Pediatric EC to Open April 2016; prior to 2016 volume had been recorded in Main EC 2. Pediatric volume transitions out of the Main OR to Pediatric OR Jan 2016 3. Pediatric Surgery; separate OR starting Jan 2016 4. RBG ASC (Surgery); includes Interventional Radiology starting 08/2015 5. RBG ASC (Endo); includes Cysto starting 06/2015 6. Service started CY2014							



University Health System

Statement of Revenues and Expenses

Consolidated (Dollars are in Thousands)	2014 Audited	2015 Budget	2015 Projected	2016 Preliminary Budget	Variance from Projected	% Variance
Revenues						
Net Patient Service Revenue	\$418,803	\$442,500	\$458,235	\$498,368	\$40,133	8.8%
Property Taxes M & O	\$260,617	\$279,104	\$279,232	\$311,524	\$32,292	11.6%
Disproportionate Share Revenue	\$30,301	\$29,936	\$23,999	\$16,986	(\$7,013)	(29.2%)
DSRIP Revenue	\$45,977	\$55,164	\$55,596	\$52,218	(\$3,378)	(6.1%)
NAIP Revenue	\$	\$11,999	\$27,998	\$50,358	\$22,359	79.9%
SNF Revenue	\$	\$	\$9,587	\$32,124	\$22,536	235.1%
Uncompensated Care (UC) Revenue	\$77,089	\$79,538	\$91,700	\$48,725	(\$42,976)	(46.9%)
Tobacco Settlement Fund	\$5,982	\$5,982	\$6,050	\$6,026	(\$25)	(0.4%)
CFHP Premium Revenue	\$314,204	\$348,477	\$361,092	\$411,422	\$50,331	13.9%
Other Revenue	<u>\$36,175</u>	<u>\$55,740</u>	<u>\$47,951</u>	<u>\$55,605</u>	<u>\$7,654</u>	<u>16.0%</u>
Total Operating Revenues	\$1,189,148	\$1,308,439	\$1,361,442	\$1,483,355	\$121,914	9.0%
Expenses						
Salaries	\$325,752	\$393,497	\$394,588	\$429,053	(\$34,464)	(8.7%)
Benefits	\$62,658	\$71,497	\$77,489	\$81,809	(\$4,320)	(5.6%)
Medical Services	\$148,506	\$115,698	\$116,716	\$127,294	(\$10,578)	(9.1%)
Supplies	\$146,490	\$154,768	\$163,601	\$167,428	(\$3,827)	(2.3%)
Purchased Services	\$160,152	\$176,771	\$203,927	\$245,573	(\$41,646)	(20.4%)
Medical Claims Expense	\$269,579	\$310,062	\$295,058	\$323,941	(\$28,883)	(9.8%)
BAD/TIRZ	\$1,792	\$1,876	\$2,008	\$2,027	(\$18)	(0.9%)
CHCS Expense /AACOG Match	<u>\$2,342</u>	<u>\$2,065</u>	<u>\$2,101</u>	<u>\$2,720</u>	<u>(\$618)</u>	<u>(29.4%)</u>
Total Operating Expenses	<u>\$1,117,270</u>	<u>\$1,226,234</u>	<u>\$1,255,489</u>	<u>\$1,379,844</u>	<u>(\$124,354)</u>	<u>(9.9%)</u>
Gain (Loss) from Operations	\$71,878	\$82,206	\$105,952	\$103,512	(\$2,441)	(2.3%)
Non-operating Revenue/(Expense):						
Depreciation and Amortization	\$73,665	\$84,233	\$82,530	\$89,165	(\$6,635)	(8.0%)
Meaningful Use Funds	\$662	\$190	\$191	\$3	(\$188)	(98.2%)
Interest Income	\$1,941	\$1,998	\$2,529	\$2,903	\$373	14.8%
Realized Gain/Loss						
Unrealized Gain/Loss	<u>\$352</u>	<u>\$</u>	<u>\$250</u>	<u>\$</u>	<u>(\$250)</u>	<u>(100.0%)</u>
Total Non-operating Revenue/Expense	<u>(\$70,710)</u>	<u>(\$82,046)</u>	<u>(\$79,560)</u>	<u>(\$86,259)</u>	<u>(\$6,700)</u>	<u>(8.4%)</u>
Bottom Line	<u>\$1,169</u>	<u>\$160</u>	<u>\$26,393</u>	<u>\$17,253</u>	<u>(\$9,140)</u>	<u>(34.6%)</u>
Debt Service						
Debt Service Revenue (Property Tax I & S)	\$43,200	\$43,900	\$43,900	\$53,800	\$9,900	22.6%
Debt Service	<u>\$43,200</u>	<u>\$43,900</u>	<u>\$43,900</u>	<u>\$53,800</u>	<u>\$9,900</u>	<u>22.6%</u>
Net Debt Service	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
Ongoing Capital Requirements	\$29,754	\$30,704	\$31,204	\$33,638	(\$2,434)	(7.8%)



University Health System

Statement of Revenues and Expenses

Clinical Services (Dollars are in Thousands)	2014 Audited	2015 Budget	2015 Projected	2016 Preliminary Budget	Variance from Projected	% Variance
Adjusted Discharges	45,392	46,959	49,012	50,483	1,471	3.0%
Revenues						
Net Patient Service Revenue	\$418,803	\$442,500	\$458,235	\$498,368	\$40,133	8.8%
Property Taxes M & O	\$260,617	\$279,104	\$279,232	\$311,524	\$32,292	11.6%
Disproportionate Share Revenue	\$30,301	\$29,936	\$23,999	\$16,986	(\$7,013)	(29.2%)
DSRIP Revenue	\$45,977	\$55,164	\$55,596	\$52,218	(\$3,378)	(6.1%)
NAIP Revenue	\$	\$11,999	\$27,998	\$50,358	\$22,359	79.9%
SNF Revenue	\$	\$	\$9,587	\$32,124	\$22,536	235.1%
Uncompensated Care (UC) Revenue	\$77,089	\$79,538	\$91,700	\$48,725	(\$42,976)	(46.9%)
Tobacco Settlement Fund	\$5,982	\$5,982	\$6,050	\$6,026	(\$25)	(0.4%)
Other Revenue	\$36,175	\$55,740	\$47,951	\$55,605	\$7,654	16.0%
Total Operating Revenues	\$874,945	\$959,962	\$1,000,350	\$1,071,933	\$71,583	7.2%
Expenses						
Employee Compensation	\$373,691	\$449,021	\$456,318	\$490,185	(\$33,867)	(7.4%)
Salaries	\$313,483	\$380,117	\$381,834	\$412,250	(\$30,416)	(8.0%)
Benefits	\$60,208	\$68,904	\$74,484	\$77,935	(\$3,451)	(4.6%)
Medical Services	\$148,506	\$115,698	\$116,716	\$127,294	(\$10,578)	(9.1%)
Supplies	\$146,490	\$154,768	\$163,601	\$167,428	(\$3,827)	(2.3%)
Purchased Services	\$142,576	\$158,222	\$159,645	\$183,247	(\$23,602)	(14.8%)
BAD/TIRZ	\$1,792	\$1,876	\$2,008	\$2,027	(\$18)	(0.9%)
CHCS Expense /AACOG Match	\$2,342	\$2,065	\$2,101	\$2,720	(\$618)	(29.4%)
Total Operating Expenses	\$815,396	\$881,649	\$900,390	\$972,900	(\$72,510)	(8.1%)
Gain (Loss) from Operations	\$59,549	\$78,313	\$99,959	\$99,033	(\$927)	(0.9%)
Non-operating Revenue/(Expense):						
Depreciation and Amortization	\$73,040	\$83,500	\$81,886	\$88,345	(\$6,459)	(7.9%)
Meaningful Use Funds	\$662	\$190	\$191	\$3	(\$188)	(98.2%)
Interest Income	\$1,660	\$1,673	\$1,949	\$2,370	\$422	21.6%
Unrealized Gain/Loss	\$367		\$250	\$0	(\$250)	100.0%
Total Non-operating Revenue/Expense	(\$70,351)	(\$81,638)	(\$79,496)	(\$85,971)	(\$6,475)	8.1%
Bottom Line Excluding Debt Service	(\$10,802)	(\$3,324)	\$20,464	\$13,062	(\$7,402)	(36.2%)
Debt Service						
Debt Service Revenue (Property Tax I & S)	\$43,200	\$43,900	\$43,900	\$53,800	\$9,900	22.6%
Debt Service	\$43,200	\$43,900	\$43,900	\$53,800	\$9,900	22.6%
Net Debt Service	\$0	\$0	\$0	\$0	\$0	0.0%
Ongoing Capital Requirements	\$29,324	\$30,000	\$30,500	\$32,329	(\$1,829)	(6.0%)



University Health System

Statement of Revenues and Expenses

CFHP (Dollars are in Thousands)	2014 Audited	2015 Budget	2015 Projected	2016 Budget	Variance from Projected	% Variance
Revenues						
CFHP Premium Revenue	\$323,655	\$349,584	\$337,173	\$370,775	\$33,603	10.0%
Other Revenue	<u>\$2,279</u>	<u>(\$1,107)</u>	<u>\$23,919</u>	<u>\$40,647</u>	<u>\$16,728</u>	69.9%
Total Operating Revenues	\$314,204	\$348,477	\$361,092	\$411,422	\$50,331	13.9%
Expenses						
Salaries	\$12,269	\$13,380	\$12,755	\$16,803	(\$4,048)	(31.7%)
Benefits	\$2,450	\$2,593	\$3,005	\$3,874	(\$869)	(28.9%)
Purchased Services	\$17,576	\$18,549	\$44,281	\$62,325	(\$18,044)	(40.7%)
Medical Claims Expense	\$269,579	\$310,062	\$295,058	\$323,941	(\$28,883)	(9.8%)
Total Operating Expenses	<u>\$301,874</u>	<u>\$344,585</u>	<u>\$355,099</u>	<u>\$406,943</u>	<u>(\$51,844)</u>	<u>(14.6%)</u>
Gain (Loss) from Operations	\$12,330	\$3,892	\$5,993	\$4,479	(\$1,514)	(25.3%)
Non-operating Revenue/(Expense):						
Depreciation and Amortization	\$625	\$733	\$644	\$820	(\$176)	(27.3%)
Meaningful Use Funds	\$	\$	\$	\$		
Interest Income	\$281	\$325	\$581	\$532	(\$48)	(8.3%)
Realized Gain/Loss	\$	\$	\$	\$		
Unrealized Gain/Loss	<u>(\$16)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>		
Total Non-operating Revenue/Expense	<u>(\$359)</u>	<u>(\$408)</u>	<u>(\$64)</u>	<u>(\$288)</u>	<u>(\$224)</u>	<u>(351.4%)</u>
Bottom Line	<u>\$11,970</u>	<u>\$3,485</u>	<u>\$5,929</u>	<u>\$4,191</u>	<u>(\$1,738)</u>	<u>(29.3%)</u>
Ongoing Capital Requirements	<u>\$430</u>	<u>\$704</u>	<u>\$704</u>	<u>\$1,309</u>	<u>(\$605)</u>	<u>(85.9%)</u>

Exhibit 3

Net Patient Revenue: 2015 Projected to 2016 Preliminary Budget

Service Line	Total 2015 Projected		Total 2016 Preliminary		Total Variance		% Variance	
	Discharges	Net Patient Revenue	Discharges	Net Patient Revenue	Discharges	Net Patient Revenue	Discharges	Net Patient Revenue
Net Inpatient Revenue by Service Line								
Heart Vascular	3,279	44,699,463	3,417	49,886,106	138	5,186,642	4.2%	11.6%
Women Services	4,248	11,839,140	4,375	13,059,104	127	1,219,963	3.0%	10.3%
Neonates	825	23,411,561	850	25,824,004	25	2,412,443	3.0%	10.3%
Neurology	2,010	20,135,955	2,071	22,233,523	61	2,097,567	3.0%	10.4%
Orthopedics	1,578	16,351,918	1,645	18,250,721	67	1,898,803	4.2%	11.6%
Trauma	1,337	21,421,372	1,394	23,914,705	57	2,493,333	4.3%	11.6%
Transplant	193	20,278,309	201	22,615,395	8	2,337,086	4.1%	11.5%
All Other	10,201	86,089,205	10,631	96,884,661	430	10,795,456	4.2%	12.5%
Subtotal IP Adult Service	23,671	244,226,924	24,584	272,668,218	913	28,441,294	3.9%	11.6%
Subtotal Pediatrics	2,371	32,579,065	2,511	35,382,592	140	2,803,527	5.9%	8.6%
Total Inpatient	26,042	276,805,989	27,095	308,050,809	1,053	31,244,820	4.0%	11.3%
Net Outpatient Revenue								
OP Emergency Room	61,162	19,819,162	66,620	22,607,650	5,458	2,788,488	8.9%	14.1%
OP Observation	7,633	12,027,295	8,618	14,220,877	985	2,193,582	12.9%	18.2%
OP Surgery (Hospital)	6,282	9,796,643	6,919	11,299,777	637	1,503,134	10.1%	15.3%
Marc ASC	4,111	3,618,781	4,235	3,904,051	124	285,270	3.0%	7.9%
RBG ASC	5,665	2,077,826	7,500	2,880,830	1,835	803,004	32.4%	38.6%
CMA	375,335	18,283,769	384,549	18,800,976	9,214	517,207	2.5%	2.8%
Other Amb/OP SVCs	526,455	52,665,383	548,673	58,203,861	22,218	5,538,477	4.2%	10.5%
Subtotal OP Services	986,643	118,288,859	1,027,114	131,918,022	40,471	13,629,162	4.1%	11.5%
Total IP & OP	1,012,685	395,094,848	1,054,209	439,968,831	41,524	44,873,983	4.1%	11.4%
Additional Fixed Net Revenue								
CareLink		11,799,633		12,500,000		700,367		5.9%
Pharmacy		13,162,556		13,569,646		407,090		3.1%
Pharmacy Vendor Drugs		12,213,852		13,347,096		1,133,244		9.3%
Projects Research and Lab		1,066,447		1,099,430		32,983		3.1%
Airlife/Ambulance		5,986,368		972,000		(5,014,368)		(83.8%)
Cost Report Pass Through		13,924,704		12,924,704		(1,000,000)		(7.2%)
Medicare Settlement		4,986,269		3,986,269		(1,000,000)		(20.1%)
Subtotal		63,139,829		58,399,144		(4,740,684)		(7.5%)
TOTAL NET PATIENT REVENUE		458,234,677		498,367,976		40,133,299		8.8%
		458,234,677		498,367,976				

Exhibit 4

2016 Budget
Legislative Changes Assumptions

In \$ Millions	2015 Year-end View	2016 Budget	Change	% Change	Notes
Rate Impacts					
Hospital Medicare Rates	\$106.3	\$102.9	(\$3.4)	(3.2%)	Medicare rate decrease due to large \$2.8 million reduction in Uncompensated Care adjustment
Medicare Organ Transplant	\$14.9	\$12.9	(\$2.0)	(13.4%)	Medicare / Medicaid Patients moved to HMOs and no longer qualify for additional payments
Medicaid Rate Increase	\$77.6	\$89.1	\$11.5	14.8%	Medicaid SDA increased by leveraging Trauma funds
Disproportionate Share Funding					
DSH	\$24.0	\$17.0	(\$7.1)	(29.3%)	The State Plan changed completely for SFY 9/30/14, assume similar for SFY 9/30/15 no state general revenue of \$140M and all six hospitals transfer
Uncompensated Care and Waiver					
Hospital UC	\$87.0	\$46.4	(\$40.6)	(46.6%)	No one-time reallocation from private to public as there was in SFY 9/30/15; Waiver assumed to continue past 9/30/16 at 50% of current size
CMA	\$4.7	\$2.3	(\$2.4)	(50.8%)	Reduction due to new formula
Bexar UC Program	(\$74.8)	(\$82.5)	(\$7.7)	10.3%	This is not revenue but the expense of IGTs; assumes program ends Sept 2016
DSRIP Revenue	\$55.6	\$52.2	(\$3.4)	(6.1%)	Waiver ends Sept 2016; assumes smaller (50%) program might replace it
Other					
NAIP Revenue	\$28.0	\$50.4	\$22.4	80.0%	This program will increased dramatically Sept 2015 and is assumed to continue at that level.
MPAP Revenue	\$0.8	\$2.1	\$1.3	150.0%	SNF QIPP program starts Sept 2016 assumed to 50% of current amount.
Total	\$324.2	\$292.9	(\$31.3)	(9.6%)	

Exhibit 5

University Health System
Proposed 2015 Property Tax Summary for 2016 Outlook

Prior Year 2014 Certified 07/14		Actual Year 2015 as of 07/25/15		Change	% Change
Property Value Certified - 2014 Values	117,656,187,301	Certified 2015 Existing Property Value 7/25/15	133,015,888,368	15,359,701,067	13.05%
Bx Tx Off & 25.25 D Adj	7,662,400	TIRZ Property Value (excluded in computing the effective tax rate)	(88,544,318)		
Value lost to ARB decisions	309,156,698				
Value lost due to first time exemptions	(186,023,284)				
Value lost due to first time Ag appraisals	(6,998,523)				
2013 Adjusted Value	117,779,984,592	2015 Adjusted Value	132,927,344,050	15,147,359,458	12.861%
Memo Only : new property reported in 2012 values	2,160,015,579	Certified 2014 New Property 7/31/14	3,824,169,335	1,664,153,756	77.04%
		Add Expiring Abatements	-		
		Adjusted New Property	3,824,169,335		
Existing 2014 Adjusted Value for Effective Tax Rate Calculation	117,779,984,592	Existing 2015 Adjusted Property Value less Adjusted New Property for Effective Tax Rate Calculation	129,103,174,715	11,323,190,123	9.61%
Existing Tax Rate		Proposed Tax Rate		Change from Existing Tax Rate	
Existing Operating (M & O) Rate	0.238601	Computed Operating Rate	0.235780	-0.002821	-1.18%
Existing Debt Rate	0.037634	Debt Rate	0.040455	0.002821	7.50%
Total Existing Tax Rate	0.276235	Proposed Tax Rate	0.276235	0.000000	0.00%
Adjusted Gross M&O Existing Property	281,024,221	Adjusted Gross M&O Existing Property	304,398,996	23,374,775	
	281,024,221				
Adjustments to M&O	894,039	Adjusted M&O New Property	9,016,613	8,122,574	
Adjusted Gross M & O Revenue	281,918,260	Adjusted Gross M & O Revenue	313,415,608	31,497,348	
Gross Debt Service Revenue	44,325,319	Gross Debt Service Revenue	53,776,240	9,450,921	
	326,243,579				
Taxes refunded for years preceding tx yr 2013	1,250,176				
Taxes in TIF for tax year 2013	(250,223)				
Total Tax Revenue	327,243,532	Total Tax Revenue	367,191,849	(4,377,003)	
	-	Increase in M&O on existing property	23,374,775		
	894,039	Increase in M & O on new property	9,016,613		
	894,039	Increase/(Decrease) in Total Gross M & O	32,391,387		
	43,431,280	Decrease In Debt Service	9,450,921		
	371,568,852	Total Increase	(4,377,003)		
M&O Adjustments					
Collection Fee (\$1.56)	(1,011,396)		(1,060,784)		
Bad Debt (1.00%)	(2,819,183)		(3,134,156)		
P&I (.8%)	3,023,607		2,303,640		
Net Adjustments	(806,972)		(1,891,300)		
Debt Service Adjustments					
Bad Debt (1.29%)	(470,874)				
Net M&O Existing Prop + TIRZ of \$352,644	280,217,249	Net M&O Existing Prop	302,507,696	22,290,446	
Net M&O New Prop	894,039	Net M&O New Prop	9,016,613	8,122,574	
Total Net M&O Rev + TIRZ	281,111,288	Total Net M&O Rev	311,524,308	30,413,020	
Net Debt Service Revenue	43,854,445	Net Debt Service Revenue	53,776,240	9,921,795	
Net Total Tax Rev	324,965,733	Net Total Tax Rev	365,300,549	40,334,815	
Net M&O including TIRZ for comparability	281,111,288	Net M&O	311,524,308	30,413,020	
Net Debt Service	43,854,445	Net Debt Service	53,776,240	9,921,795	
Total Taxes Including Debt Service and TIRZ	324,965,733	Total Taxes Including Debt Service and M&O	365,300,549	40,334,815	
				(54,201,205)	

Exhibit 6

University Health System
Analysis of Tax Rate in Support of the 2016 Outlook

Recommendation: Maintain Existing Tax Rate	Existing Tax Rate	Proposed Tax Rate	Tax Rate Change from Existing Rate	% Change from Existing Tax Rate	2015 Estimated Net Taxes	2016 Proposed Net Taxes	Proposed Net Change From Prior Year	% Increase
Dollars in 000's								
Existing Operating (M&O) and Effective Operating Rates	0.238601	0.235780	(0.002821)	-1.18%	\$281,111	\$311,524	\$30,413	10.82%
Requested Debt Rate	0.037634	0.040455	0.002821	7.50%	\$43,854	\$53,776	\$9,922	22.62%
Total Tax Rate	0.276235	0.276235	-	0.00%	\$324,966	\$365,301	\$40,335	12.41%
Total Effective Tax Rate Published		0.218367						
Increase from Effective Rate		0.017413						
Notice Impact		Two public hearings required						

	2015 Estimated		2016 Proposed		
M&O Analysis					
Impact of a 1% Increase in M&O			\$	2,801	
Impact of a one cent increase in M&O			\$	11,748	
Average Home Value	\$	156,342	\$	170,024	\$
M&O Tax per Homestead	\$	373.03	\$	400.88	\$
Annual M&O Increase per Homestead from last year per month			\$	27.85	\$
				2.32	
\$100,000 Home Value	\$	100,000	\$	100,000	\$
M&O Tax per \$100,000 home	\$	238.60	\$	235.78	\$
Annual M&O Increase per \$100,000 home from last year			\$	(2.82)	\$
M&O Increase per \$100,000 home from last year per month			\$	(0.24)	\$
Debt Service Analysis					
Average Home Value	\$	156,342	\$	170,024	\$
Debt Service Tax per Homestead	\$	58.84	\$	68.78	\$
Annual Debt Service Decrease per Homestead from last year			\$	9.95	\$
Debt Service Decrease per Homestead from last year per month			\$	0.83	\$
\$100,000 Home Value		100,000	\$	100,000	\$
Debt Service Tax per \$100,000 home		37.63	\$	40.46	\$
Annual Debt Service Decrease per \$100,000 home from last year			\$	2.82	\$
Debt Service Decrease per \$100,000 home from last year per month			\$	0.24	\$
Total Debt Service Analysis					
Average Home Value	\$	156,342	\$	170,024	\$
Total Tax per Homestead	\$	431.87	\$	469.67	\$
Annual Total Tax Decrease per Homestead from last year			\$	37.79	\$
Total Tax Decrease per Homestead from last year per month			\$	3.15	\$
\$100,000 Home Value	\$	100,000	\$	100,000	\$
Total Tax per \$100,000 home	\$	276.24	\$	276.24	\$
Annual Total Tax Decrease per \$100,000 home from last year			\$	-	\$
Annual Total Tax Decrease per \$100,000 home from last year per month			\$	-	\$

UNIVERSITY HEALTH SYSTEM CHANGES TO NET PATIENT REVENUE

Total Net Patient Revenue	Incremental Increase/Decrease in Millions	% of Total	Driver
2015 Projected Net Patient Revenue		\$458	
Inpatient Volume			
Cardiac	2.3		Includes TAVR volume
Trauma	1.0		Includes Pediatric Trauma; Overall Peds growth at 6%
Orthopedics	0.8		
General Surgery	0.5		
Oncology	0.5		
Neonatal	0.7		
Other Service Lines	5.9		Overall inpatient growth at 4%
Subtotal: Inpatient Volume	\$11.7	29%	
Outpatient Volume			
Pediatric Emergency Center	0.3		Anticipated Opening date Apr 2016
Surgery at Hospital (Main OR)	1.1		11% Outpatient Surgery growth
MARC & RBG ASC's	0.8		Increased volume at RBG; Cysto and Interventional Radiology
Emergency Center	1.3		Reduce LWBS, improved throughput; efficiencies with Scribes
Observation	1.6		Expected increase in observation
Clinics and Other	1.9		Impact of overall outpatient growth at 3%
Subtotal: Outpatient Volume	\$7.0	17%	
Rate Changes			
Medicare Reductions	(3.4)		Uncompensated care adjustment; impacts Medicare and Medicare Managed Care
Medicare Cost Report	(2.0)		Forced movement to Medicare Managed care; reduces organ pass through \$'s
Medicaid Inpatient Rate Increase	11.5		Medicaid Standard Dollar Amount (SDA) increase funded through Trauma Program
Commercial Rate Improvements	4.5		Contract updates; renegotiated rates and improved billing
Subtotal: Rate Changes	\$10.6	26%	
Other			
Payer Mix	6.7		Funded Percentage growth consistent with current trends
Air Life	(5.0)		Airlife sold October 2015
Carelink	0.7		Slight uptick in membership; trend expected to continue
Revenue Cycle	3.4		Documentation and denial improvement
Charge Master Improvement	1.5		Charge master rate increase
Other	3.5		Ongoing Initiatives
Subtotal: Other	\$10.8	27%	
Total Changes to Net Patient Revenue	\$40.1	100%	
2016 Preliminary Budget Net Patient Revenue		\$498	

*Positive numbers indicate an increase in Net Patient Revenue

Exhibit 7B

UNIVERSITY HEALTH SYSTEM CHANGES TO OTHER OPERATING REVENUE

Total Operating Revenue	Incremental Increase/ Decrease in Millions	% of Total	Driver
2015 Projected Other Operating Revenue		\$903	
Property Taxes	32.3	39%	Kept existing tax rate; property values increased
Disproportionate Share Funding	(7.0)	(9%)	Large decrease due to loss of \$140M state general revenue
NAIP	22.4	27%	Sept 2015; program increased dramatically, due to growth in number of projects
DSRIP Revenue	(3.4)	(4%)	Assumes waiver end Dec. 2016
Uncompensated Care (UC)	(43.0)	(52%)	Program ends Dec. 2016; reduction in public hospital UC pool
Skilled Nursing Facility (MPAP/QIPP)	22.5	27%	\$21M is offset by expense; \$1.5 is net revenue. Program moves to QIPP Sep 2016
Other Revenue	2.0	2%	Combination of Tobacco, Cafeteria, MD support reimbursement and Foundation
Sundry Revenue	2.8	3%	Projected 340B revenue is below 2015 budget
Grant Revenue	3.4	4%	Absorbed UT Pediatric Research Department
CFHP Operating Revenue	50.3	61%	
Total Changes to Other Operating Revenue	\$82.3	100%	
2016 Preliminary Budget Other Operating Revenue		\$985	

*Positive numbers indicate an increase in Other Operating Revenue

Preliminary 2016 Budget, Changes to the Total Operating Expense

Total Operating Expense	Change in Millions	% of Total	Driver
Employee Compensation	(\$33.9)	46.7%	
Increased Activity	-\$14.0		Activity increase (3% overall)
New Fixed FTEs	-\$6.4		Env Svcs. Ambulatory Coding, Pedi Researchers, etc.
Merit	-\$7.6		Merit
Living Wage Adjustment	-\$2.6		Living Wage (\$2M), Decompression (\$600k)
NAIP	-\$2.0		New NAIP FTEs
DSRIP	-\$0.5		New DSRIP FTEs
Vacancies	\$2.6		Vacancy Credit
Benefits	-\$3.5		Health Insurance, Social Security
Medical Services	(\$10.6)	14.6%	
BCCS	-\$32.2		Take back of Base Care contracts
Medicaid Supplemental Med Svcs	\$15.9		Net reduction BCCS IGT
Medical Services Carelink	\$2.5		Carelink
Medical Services General	\$3.2		Reduction from projection
Purchased Services	(\$23.6)	32.5%	
SNF Expense	-\$20.4		Nursing Home
Maintenance Contracts	-\$4.9		Biomed, Information Services, Plant/Facility Admin
Media & Advertising	-\$2.7		Corporate Communications
Prof Svcs Patient Care	-\$2.9		Behavioral Med, EC, Pathology, Mommies Program
Management Fees	-\$2.1		Strategic Planning/Waiver, Ryan White, Grants, I.S., Outreach
Other Purchased Services	-\$0.4		Various other purchased services increases
Organ Acquisition	\$0.8		Transplant Services budget less than 2015 projected
Temporary Personnel	\$1.8		Agency expenses
Maintenance Helicopter	\$7.2		Sale of Airlife
Supplies	(\$3.8)	5.3%	
Medical Supplies	-\$4.0		Pharmaceuticals change in mix of drugs for cancer, rheumatoid arthritis, blood disorders, etc.
Non-Medical Supplies	\$0.2		Reduction office supplies \$1.5M, Increase Tools/Minor Equip \$1.0M, Textiles, Direct Food Purch, and Fuels \$0.3M
Other Expense	(\$0.6)	0.9%	CHCS Match
Total Variance to 2015 Projected	(\$72.5)	100.0%	
CFHP Increase in Total Operating Expense	(\$51.8)		Medical Claims (28.9), Purchased Services (18), Employee Comp (4.9)
UHS Consolidated Operating Expense	(\$124.4)		

Exhibit 9

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Allen Strickland	Special Procedures	IR Angio Suite replacement with room renovation	Essential: Cannot Function Without	Replacement	2,500,000	Construction/ Major Renovation
Allen Strickland	Surgery Operating Room	Instrument BRN	Essential: Cannot Function Without	Replacement	2,600,000	Clinical Equipment
Allen Strickland	In-House Main & Mnr.Cnst	Substation Upgrade	Essential: Cannot Function Without	Replacement	900,000	Construction/ Major Renovation
Allen Strickland	Chill Water Plant	Cooling Tower	Important: Necessary For Improvement	Replacement	900,000	Construction/ Major Renovation
Allen Strickland	Surgery Operating Room	Stryker Core Drills	Important: Necessary For Improvement	Strategic (New Service / Expansion)	614,448	Clinical Equipment
Allen Strickland	Surgery Operating Room	Leica Microscope	Essential: Cannot Function Without	Strategic (New Service / Expansion)	345,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Synthes Small Battery Drills	Essential: Cannot Function Without	Strategic (New Service / Expansion)	237,079	Clinical Equipment
Allen Strickland	Surgery Operating Room	TEE Machine	Essential: Cannot Function Without	Replacement	215,000	Clinical Equipment
Allen Strickland	Chemical Pathology	Urinalysis analyzers	Essential: Cannot Function Without	Replacement	200,000	Clinical Equipment
Allen Strickland	Radiology Diagnostic	Mobile c-arm fluoroscopic unit	Essential: Cannot Function Without	Strategic (New Service / Expansion)	200,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Plasmajet	Important: Necessary For Improvement	Strategic (New Service / Expansion)	200,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Zeiss Lumera Microscope	Important: Necessary For Improvement	Replacement	190,000	Clinical Equipment
Allen Strickland	ASC at the MARC	CF HQ190L adult colon scope	Essential: Cannot Function Without	Strategic (New Service / Expansion)	169,200	Clinical Equipment
Allen Strickland	In-House Main & Mnr.Cnst	Six 20 ton unit	Important: Necessary For Improvement	Replacement	150,000	Construction/ Minor Renovation
Allen Strickland	Surgery Operating Room	OR Furniture/Equipment	Proactive: Necessary To Avoid Problems	Replacement	150,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Argon ESU	Essential: Cannot Function Without	Strategic (New Service / Expansion)	140,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Midas Drills	Essential: Cannot Function Without	Strategic (New Service / Expansion)	131,600	Clinical Equipment
Allen Strickland	Radiology Diagnostic	Upgrade Radiologic Fluoroscopic room	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	104,000	Clinical Equipment
Allen Strickland	Plant Oper. & Mainte.	AC unit	Important: Necessary For Improvement	Replacement	100,000	Construction/ Minor Renovation
Allen Strickland	Anatomic Pathology	H&E Stainer and glass coverslipper	Essential: Cannot Function Without	Replacement	100,000	Clinical Equipment
Allen Strickland	Heart Station	Exercise Stress Testing Equipment	Essential: Cannot Function Without	Replacement	90,000	Clinical Equipment
Allen Strickland	ASC at the MARC	Fluoroscopy Table	Essential: Cannot Function Without	Strategic (New Service / Expansion)	85,000	Clinical Equipment
Allen Strickland	ASC at the MARC	Centurion Phaco Machine	Essential: Cannot Function Without	Strategic (New Service / Expansion)	85,000	Clinical Equipment
Allen Strickland	Radiology Diagnostic	Large Digital Detector	Essential: Cannot Function Without	Replacement	85,000	Clinical Equipment
Allen Strickland	ASC at the MARC	Pedi colonoscopes	Essential: Cannot Function Without	Strategic (New Service / Expansion)	84,600	Clinical Equipment
Allen Strickland	Surgery Operating Room	Automatic Doors for Ors	Important: Necessary For Improvement	Replacement	82,000	Construction/ Minor Renovation
Allen Strickland	Radiology Diagnostic	Large digital detectors	Essential: Cannot Function Without	Strategic (New Service / Expansion)	80,000	Clinical Equipment

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Allen Strickland	ASC at the MARC	Adult upper scope	Essential: Cannot Function Without	Strategic (New Service / Expansion)	78,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Sonosite	Essential: Cannot Function Without	Strategic (New Service / Expansion)	78,000	Clinical Equipment
Allen Strickland	ASC at the MARC	Cooled radiofrequency ablation machine	Essential: Cannot Function Without	Strategic (New Service / Expansion)	75,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	BodyTom (Contrast Function)	Important: Necessary For Improvement	Strategic (New Service / Expansion)	75,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Hysteroscopy Tray	Important: Necessary For Improvement	Strategic (New Service / Expansion)	71,380	Clinical Equipment
Allen Strickland	ASC at the MARC	Optima scope processor	Essential: Cannot Function Without	Strategic (New Service / Expansion)	64,000	Clinical Equipment
Allen Strickland	Gastro Intestinal Lab	2 Video Doudenoscopes	Essential: Cannot Function Without	Replacement	64,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Allegro Table	Important: Necessary For Improvement	Replacement	62,623	Clinical Equipment
Allen Strickland	In-House Main & Mnr.Cnst	Schneider Struxure Ware Power Monitoring	Essential: Cannot Function Without	Replacement	50,000	Administrative Equipment
Allen Strickland	Non-Invasive Cardiology	Vital Signs Monitors	Essential: Cannot Function Without	Replacement	50,000	Clinical Equipment
Allen Strickland	Anatomic Pathology	Cryostat	Proactive: Necessary To Avoid Problems	Replacement	45,000	Clinical Equipment
Allen Strickland	Histocompatibility & Immunogenetics	EZ1 advance XL	Essential: Cannot Function Without	Replacement	44,231	Clinical Equipment
Allen Strickland	Surgery Operating Room	Skytron Bed	Important: Necessary For Improvement	Strategic (New Service / Expansion)	43,700	Clinical Equipment
Allen Strickland	ASC at the MARC	Flexible Urteroscope	Essential: Cannot Function Without	Strategic (New Service / Expansion)	42,000	Clinical Equipment
Allen Strickland	ASC at the MARC	Cool Touch CTEV laser	Essential: Cannot Function Without	Strategic (New Service / Expansion)	40,000	Clinical Equipment
Allen Strickland	Radiology Diagnostic	Panorex Machine	Essential: Cannot Function Without	Replacement	40,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Resectoscope/Hystoscope	Important: Necessary For Improvement	Strategic (New Service / Expansion)	40,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	ATS Machine	Important: Necessary For Improvement	Strategic (New Service / Expansion)	38,000	Clinical Equipment
Allen Strickland	Gastro Intestinal Lab	Therapeutic gastrocope	Important: Necessary For Improvement	Strategic (New Service / Expansion)	35,000	Clinical Equipment
Allen Strickland	MRI	Breast Biopsy Unit	Essential: Cannot Function Without	Replacement	35,000	Clinical Equipment
Allen Strickland	Cafeteria	Combi Oven	Important: Necessary For Improvement	Replacement	28,750	Administrative Equipment
Allen Strickland	ASC at the MARC	Microair Machine	Important: Necessary For Improvement	Replacement	28,330	Clinical Equipment
Allen Strickland	ASC at the MARC	Iridex CycloG6/Micropulse	Essential: Cannot Function Without	Strategic (New Service / Expansion)	25,000	Clinical Equipment
Allen Strickland	Radiology Support	PACS Cube CD Burner	Essential: Cannot Function Without	Replacement	25,000	Clinical Equipment
Allen Strickland	Surgery Operating Room	Straight Shot (Microdebrider)	Important: Necessary For Improvement	Replacement	22,931	Clinical Equipment

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Allen Strickland	Microbial Pathology	Ultra low freezer	Essential: Cannot Function Without	Replacement	22,500	Clinical Equipment
Allen Strickland	Microbial Pathology	Centrifuge Refrigerated	Essential: Cannot Function Without	Replacement	22,050	Clinical Equipment
Allen Strickland	Microbial Pathology	Centrifuge Refrigerator	Essential: Cannot Function Without	Replacement	22,050	Clinical Equipment
Allen Strickland	Immunology	Ultra low freezer	Essential: Cannot Function Without	Replacement	20,550	Clinical Equipment
Allen Strickland	Hematologic Lab	Scimetrics Manual Stainer	Essential: Cannot Function Without	Replacement	20,000	Clinical Equipment
Allen Strickland	Cafeteria	Merrychef Oven	Important: Necessary For Improvement	Replacement	16,000	Administrative Equipment
Allen Strickland	ASC at the MARC	OEV-262 -H monitors	Essential: Cannot Function Without	Strategic (New Service / Expansion)	16,000	Clinical Equipment
Allen Strickland	Cafeteria	Tilt skillet	Important: Necessary For Improvement	Replacement	15,200	Administrative Equipment
Allen Strickland	Surgery Operating Room	Iron Intern Accessory	Important: Necessary For Improvement	Strategic (New Service / Expansion)	15,174	Clinical Equipment
Allen Strickland	Surgery Operating Room	Laparoscopic Tray	Important: Necessary For Improvement	Strategic (New Service / Expansion)	14,907	Clinical Equipment
Allen Strickland	Surgery Operating Room	Colposcope	Important: Necessary For Improvement	Replacement	13,000	Clinical Equipment
Allen Strickland	Microbial Pathology	Laboratory Refrigerator 3 door	Essential: Cannot Function Without	Replacement	12,500	Clinical Equipment
Allen Strickland	Cafeteria	Open Display Merchandiser	Important: Necessary For Improvement	Replacement	11,100	Administrative Equipment
Allen Strickland	Cafeteria	Electric Range	Important: Necessary For Improvement	Replacement	10,000	Administrative Equipment
Allen Strickland	Surgery Operating Room	External Pacemaker	Essential: Cannot Function Without	Strategic (New Service / Expansion)	8,000	Clinical Equipment
Allen Strickland	Cafeteria	Bakery Display Refrigerator	Important: Necessary For Improvement	Replacement	6,500	Administrative Equipment
Bill Phillips	Technical Services	Cyber Security	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	3,335,423	Information Systems
Bill Phillips	Technical Services	Monitors	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	3,000,000	Information Systems
Bill Phillips	Technical Services	Infrastructure	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	2,194,000	Information Systems
Bill Phillips	Support Service Admin.	Data Warehouse	Important: Necessary For Improvement	Strategic (New Service / Expansion)	1,500,000	Information Systems
Bill Phillips	Technical Services	Enterprise class storage	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	1,038,000	Information Systems
Bill Phillips	Application Systems	Infor Upgrade from 9.0 to either the cloud or V10.	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	900,000	Information Systems
Bill Phillips	Application Systems	BMC Footprints Discovery Tool	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	250,000	Information Systems
Bill Phillips	IT Imaging Services	Radiology Clinical Decision Support Software	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	135,000	Information Systems
Bill Phillips	Application Systems	3M Chart Release	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	118,800	Information Systems

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Bill Phillips	Communication Services	Conference Room Upgrades	Important: Necessary For Improvement	Strategic (New Service / Expansion)	100,000	Information Systems
Bill Phillips	Application Systems	GE Physician Interface from Echo Credentialing	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	80,000	Information Systems
Bill Phillips	Application Systems	Onbase Upgrade	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	65,000	Information Systems
Bill Phillips	Technical Services	Citrix Performance Tool	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	51,265	Information Systems
Bill Phillips	Application Systems	Additional Onbase Scan License	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	37,500	Information Systems
Ed Banos	Protective Services UH	UHS Security Cameras Upgrade (Analog to Digital)	Important: Necessary For Improvement	Replacement	250,000	Administrative Equipment
Ed Banos	Protective Services UH	UH Emergency Call Boxes Compatibility Upgrade	Important: Necessary For Improvement	Replacement	123,726	Administrative Equipment
Ed Banos	Protective Services UH	Pavilion-Emergency Call Boxes	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	90,000	Construction/ Minor Renovation
Ed Banos	Protective Services UH	Protective Servies-TEK Order Management System	Important: Necessary For Improvement	Strategic (New Service / Expansion)	5,968	Administrative Equipment
Francine Wilson	Materials Management & Inventory Control	PAR Excellence Installations	Essential: Cannot Function Without	Strategic (New Service / Expansion)	200,000	Construction/ Minor Renovation
Francine Wilson	Hospital Supply	Heavy Duty Reach, Walkie Stacker	Essential: Cannot Function Without	Replacement	27,538	Administrative Equipment
Francine Wilson	Printing Services	Duplo modules; rotary tool, cros cut, pcb kit	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	19,630	Administrative Equipment
Mark Webb	Facilities Devel. Prog.	UH-South Dock Repaving	Proactive: Necessary To Avoid Problems	Replacement	350,000	Construction/ Minor Renovation
Mark Webb	Facilities Devel. Prog.	RBG Building A Renovations & Code Compliance	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	250,000	Construction/ Major Renovation
Mark Webb	Facilities Devel. Prog.	Parking Facilities Corrections-UHS Sites	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	150,000	Construction/ Minor Renovation
Mary Ann Mote	Inpatient Pharmacy	Controlled Substance Transaction Monitoring System	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	56,495	Information Systems
Michelle Ryerson	Pediatric Specialty Clinic	ENT Ear Microscope	Important: Necessary For Improvement	Strategic (New Service / Expansion)	28,850	Clinical Equipment
Michelle Ryerson	Pedi Transport	Aeronox	Important: Necessary For Improvement	Strategic (New Service / Expansion)	23,650	Clinical Equipment
Michelle Ryerson	PICU-5	Panda Warmer	Important: Necessary For Improvement	Strategic (New Service / Expansion)	19,550	Clinical Equipment
Michelle Ryerson	Pediatric Specialty Clinic	ENT Telepack with Camera	Important: Necessary For Improvement	Strategic (New Service / Expansion)	16,850	Clinical Equipment
Michelle Ryerson	Pediatric Specialty Clinic	ENT Flexible Laryngoscope	Important: Necessary For Improvement	Strategic (New Service / Expansion)	14,350	Clinical Equipment
Michelle Ryerson	Pedi Echo Lab	Micro Tee Probe	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	12,950	Clinical Equipment
Michelle Ryerson	Pedi Echo Lab	Fetal Echo Report Configuration (FujiFilm)	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	10,250	Information Systems
Michelle Ryerson	Pedi Cath Lab	Medtronic Pacemaker	Important: Necessary For Improvement	Strategic (New Service / Expansion)	7,700	Clinical Equipment
Michelle Ryerson	PICU-5	Stretcher Chair	Important: Necessary For Improvement	Strategic (New Service / Expansion)	6,049	Clinical Equipment

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Nancy Ray	Nursing Administration	Linet Beds	Essential: Cannot Function Without	Replacement	582,800	Clinical Equipment
Nancy Ray	Respiratory Therapy	Ventilators	Essential: Cannot Function Without	Replacement	338,275	Clinical Equipment
Nancy Ray	skytower	x3 bronchoscope	Important: Necessary For Improvement	Replacement	310,000	Clinical Equipment
Nancy Ray	medicine/MCCU	4 sonosite	Essential: Cannot Function Without	Replacement	240,000	Clinical Equipment
Nancy Ray	Labor And Delivery	Bariatric/surgical OR table	Essential: Cannot Function Without	Replacement	240,000	Clinical Equipment
Nancy Ray	8th Floor Sky Tower- Neuro ICU	Codman ICP monitors	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	175,000	Clinical Equipment
Nancy Ray	skytower	Invasive Cooling	Essential: Cannot Function Without	Strategic (New Service / Expansion)	144,000	Clinical Equipment
Nancy Ray	8th Floor Sky Tower- Neuro ICU	LiquoGard pump	Important: Necessary For Improvement	Strategic (New Service / Expansion)	135,000	Clinical Equipment
Nancy Ray	Inpatient Rehabilitation Clinic	EKSO	Important: Necessary For Improvement	Strategic (New Service / Expansion)	125,000	Clinical Equipment
Nancy Ray	Neonatal ICU	Neonatal defibrillators	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	104,000	Clinical Equipment
Nancy Ray	Center of Excellence	SimMan 3G	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	85,815	Clinical Equipment
Nancy Ray	Neonatal ICU	Giraffe Omnibeds	Essential: Cannot Function Without	Strategic (New Service / Expansion)	75,000	Clinical Equipment
Nancy Ray	Int. Prog. Care Unit	Vital Sign Machines	Essential: Cannot Function Without	Replacement	72,000	Clinical Equipment
Nancy Ray	Labor And Delivery	Infant Radiant Warmer	Essential: Cannot Function Without	Replacement	65,000	Clinical Equipment
Nancy Ray	6th Floor Sky Tower- Trauma ICU	Belmont Rapid Infuser	Important: Necessary For Improvement	Replacement	50,000	Clinical Equipment
Nancy Ray	Neonatal ICU	Giraffe Incubators	Essential: Cannot Function Without	Strategic (New Service / Expansion)	48,900	Clinical Equipment
Nancy Ray	Labor And Delivery	OR Surgical Light	Essential: Cannot Function Without	Replacement	45,000	Clinical Equipment
Nancy Ray	Neonatal ICU	Hearing Screeners	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	28,835	Clinical Equipment
Nancy Ray	Neonatal ICU	Blanket Warmers	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	27,000	Clinical Equipment
Nancy Ray	Physical Medicine Admin- UH	Audio/Visual Projector	Essential: Cannot Function Without	Replacement	25,000	Administrative Equipment
Nancy Ray	Pedi ECMO	System M Monitoring	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	22,650	Clinical Equipment
Nancy Ray	Neonatal ICU	Freezers	Essential: Cannot Function Without	Strategic (New Service / Expansion)	22,580	Clinical Equipment
Nancy Ray	Transplant ICU	Defibrillator	Essential: Cannot Function Without	Replacement	18,500	Clinical Equipment
Nancy Ray	EMG	Natus UltraPro S100	Essential: Cannot Function Without	Replacement	15,887	Clinical Equipment
Nancy Ray	10th Floor Sky Tower- Ortho/Oth Sur/GYN ACU	Glidescope	Important: Necessary For Improvement	Mandated (Regulatory Safety & Required Maintenance)	13,300	Clinical Equipment

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Nancy Ray	8th Floor Sky Tower- Neuro ICU	Stretcher Chairs	Essential: Cannot Function Without	Strategic (New Service / Expansion)	11,000	Clinical Equipment
Nancy Ray	Inpatient Rehabilitation Clinic	Moveo XP Exercise Platform	Proactive: Necessary To Avoid Problems	Replacement	10,625	Clinical Equipment
Nancy Ray	Physical Therapy	Saralift	Essential: Cannot Function Without	Mandated (Regulatory Safety & Required Maintenance)	8,000	Clinical Equipment
Nancy Ray	Physical Therapy	Matrix T5x Treadmill	Important: Necessary For Improvement	Strategic (New Service / Expansion)	7,267	Clinical Equipment
Nancy Ray	Inpatient Rehabilitation Clinic	Tri W-G Inc Tilt Table	Proactive: Necessary To Avoid Problems	Replacement	6,400	Clinical Equipment
Reed Hurley	Contingency	Contingency	Essential: Cannot Function Without	Contingency	1,000,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Police Vehicle	Important: Necessary For Improvement	Replacement	37,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Police Vehicle	Important: Necessary For Improvement	Replacement	37,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Police Vehicle	Important: Necessary For Improvement	Replacement	37,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Full Size Van	Important: Necessary For Improvement	Replacement	30,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Full Size Van	Important: Necessary For Improvement	Replacement	30,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Full Size Van	Important: Necessary For Improvement	Replacement	30,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Transit Van	Important: Necessary For Improvement	Replacement	25,000	Administrative Equipment
Richard Rodriguez	Fleet Services	Van	Important: Necessary For Improvement	Replacement	25,000	Administrative Equipment
Sergio Farrell	Hearing & Balance Ctr	Equitest System	Important: Necessary For Improvement	Replacement	124,000	Clinical Equipment
Sergio Farrell	RBG ASC OR	UROLOGY URETERSCOPIES AND ATTACHING HARDWARE	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	70,000	Clinical Equipment
Sergio Farrell	RBG ASC Endoscopy	ENDOSCOPY SCOPES	Important: Necessary For Improvement	Strategic (New Service / Expansion)	70,000	Clinical Equipment
Sergio Farrell	RBG ASC Endoscopy	COLONOSCOPES	Proactive: Necessary To Avoid Problems	Strategic (New Service / Expansion)	70,000	Clinical Equipment
Sergio Farrell	CMA Operations - SE	Signage, Monument	Important: Necessary For Improvement	Replacement	28,990	Construction/ Minor Renovation
Sergio Farrell	UH Outpatient Physical Therapy	Bioness Integrative Therapy System	Important: Necessary For Improvement	Strategic (New Service / Expansion)	25,500	Clinical Equipment
Sergio Farrell	CMA ENT Clinic	RHINO SCOPE	Important: Necessary For Improvement	Strategic (New Service / Expansion)	25,000	Clinical Equipment
Sergio Farrell	General Administration	Kenwood ADA Parking	Important: Necessary For Improvement	Replacement	25,000	Construction/ Minor Renovation
Sergio Farrell	CMA ENT Clinic	ENT MICROSCOPE	Important: Necessary For Improvement	Strategic (New Service / Expansion)	24,000	Clinical Equipment
Sergio Farrell	Medicine Clinic	EKG	Essential: Cannot Function Without	Replacement	16,500	Clinical Equipment
Sergio Farrell	RBG ASC OR	BLADDER SCANNER	Proactive: Necessary To Avoid Problems	Mandated (Regulatory Safety & Required Maintenance)	16,000	Clinical Equipment

2016 Ongoing Capital Requirements

VP	Dept Name	Items Request Name	Priority	Class	2016 Request	Category
Sergio Farrell	Medicine Clinic	Bladder Scan	Important: Necessary For Improvement	Strategic (New Service / Expansion)	15,965	Clinical Equipment
Sergio Farrell	Hearing & Balance Ctr	Natus Navigator Pro Scout OAE	Important: Necessary For Improvement	Replacement	11,570	Clinical Equipment
Theresa De La Haya	Perinatal/Neonatal Program	GE Viewpoint Software, ultrasound & Trophon	Important: Necessary For Improvement	Strategic (New Service / Expansion)	247,000	Clinical Equipment
Theresa De La Haya	General Administration	Zarzamora Roof Renovation	Essential: Cannot Function Without	Replacement	230,000	Construction/ Major Renovation
Theresa De La Haya	Mammography	IU22 Ultrasound	Important: Necessary For Improvement	Replacement	144,570	Clinical Equipment
Theresa De La Haya	Mammography	Reading Workstation	Important: Necessary For Improvement	Strategic (New Service / Expansion)	77,000	Clinical Equipment
Theresa De La Haya	Hyperbaric Medicine	Transcutaneous Oxygen Continour Monitoring Machine	Essential: Cannot Function Without	Replacement	61,906	Clinical Equipment
Theresa De La Haya	General Administration	Zarzamora AC Unit	Essential: Cannot Function Without	Replacement	50,000	Construction/ Major Renovation
Theresa De La Haya	PHC Admin	Access High Low Exam T table	Important: Necessary For Improvement	Strategic (New Service / Expansion)	22,928	Clinical Equipment
Theresa De La Haya	Women's Health Center	Urodynamic Instrument Set	Important: Necessary For Improvement	Strategic (New Service / Expansion)	16,518	Clinical Equipment

Total 2016 Ongoing Capital Requirements

32,329,228