

THE UNIVERSITY OF TEXAS

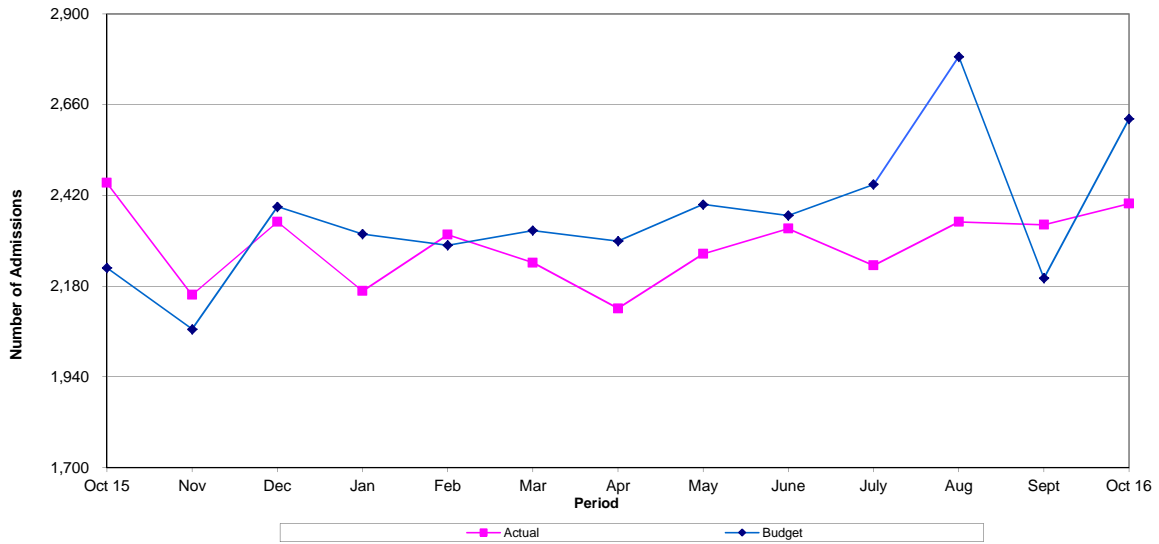
MD Anderson
~~Cancer Center~~

**CONSOLIDATED
INSTITUTIONAL
FINANCIAL REPORT**

October 2016

CONFIDENTIAL

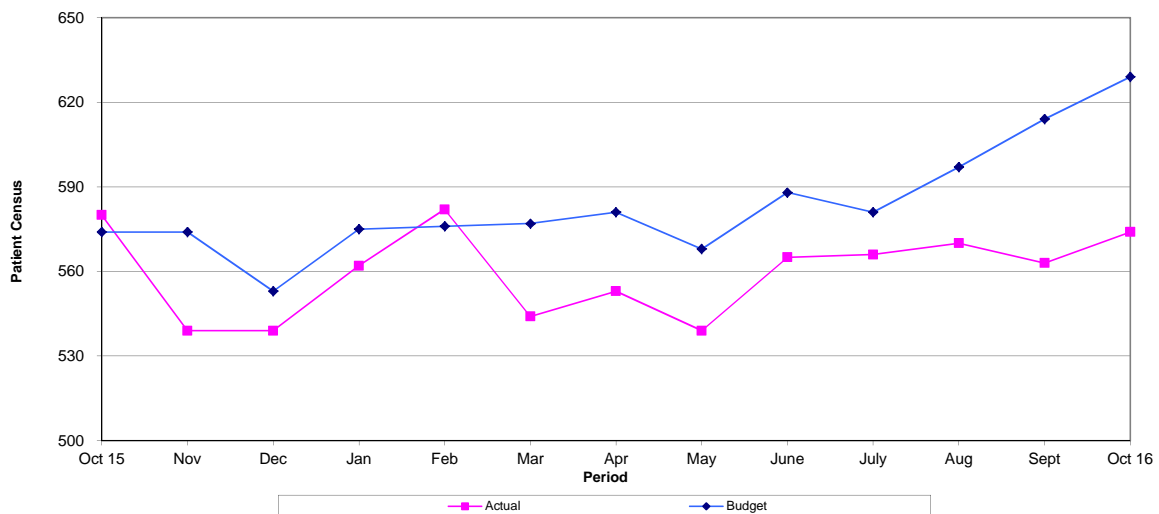
UT M. D. Anderson Cancer Center Admissions



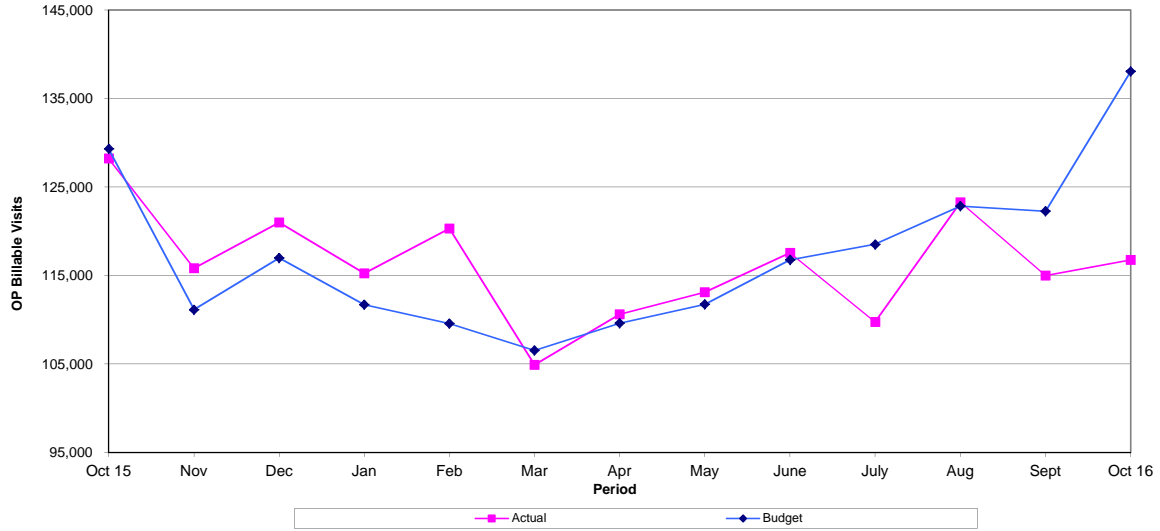
Patient and Observation Days



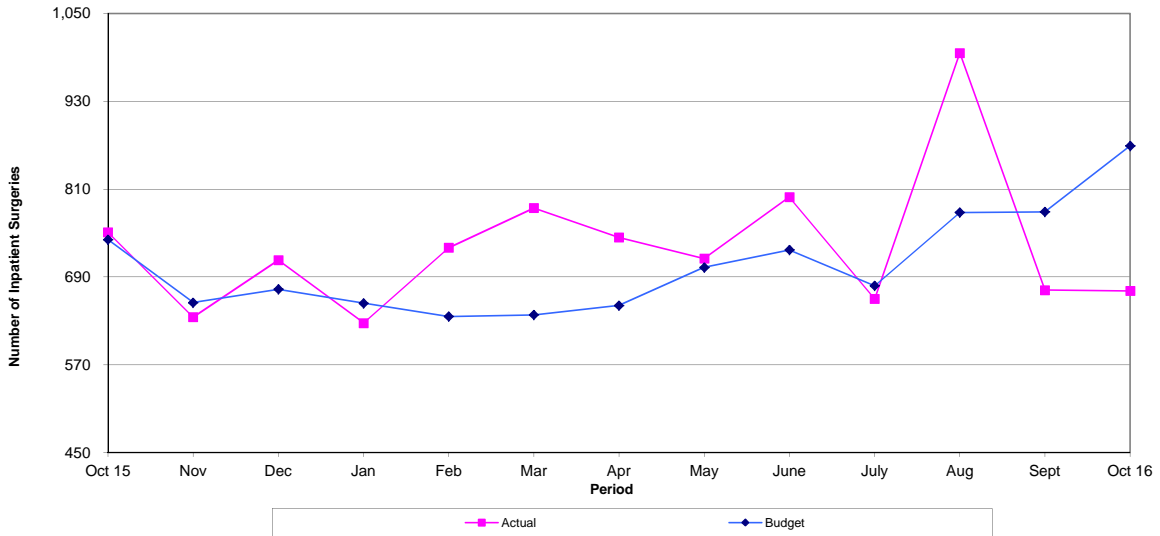
Average Daily Census



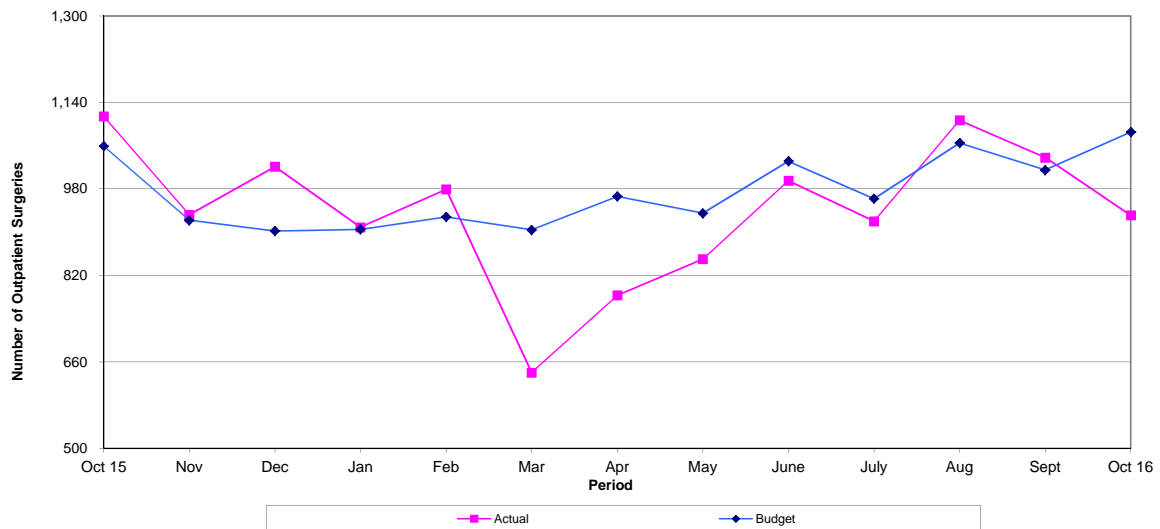
UT M. D. Anderson Cancer Center Outpatient Billable Visits



TMC Inpatient Surgeries

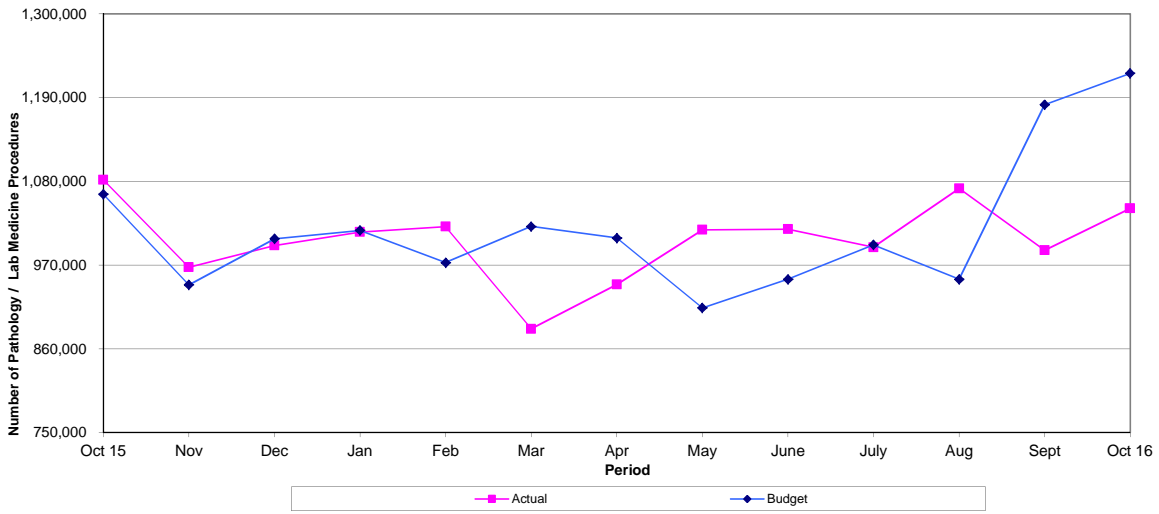


TMC Outpatient Surgeries

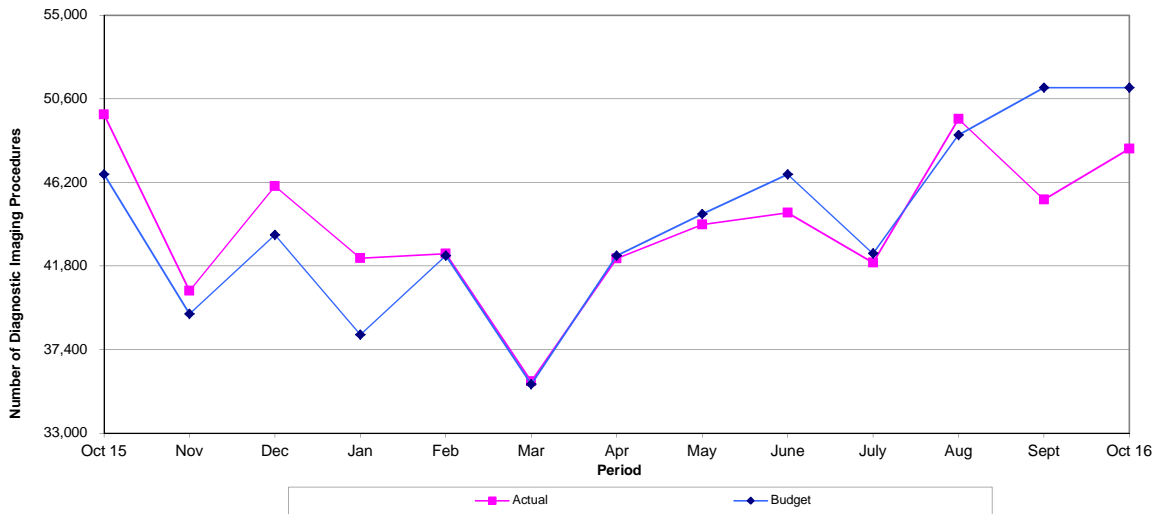


UT M. D. Anderson Cancer Center

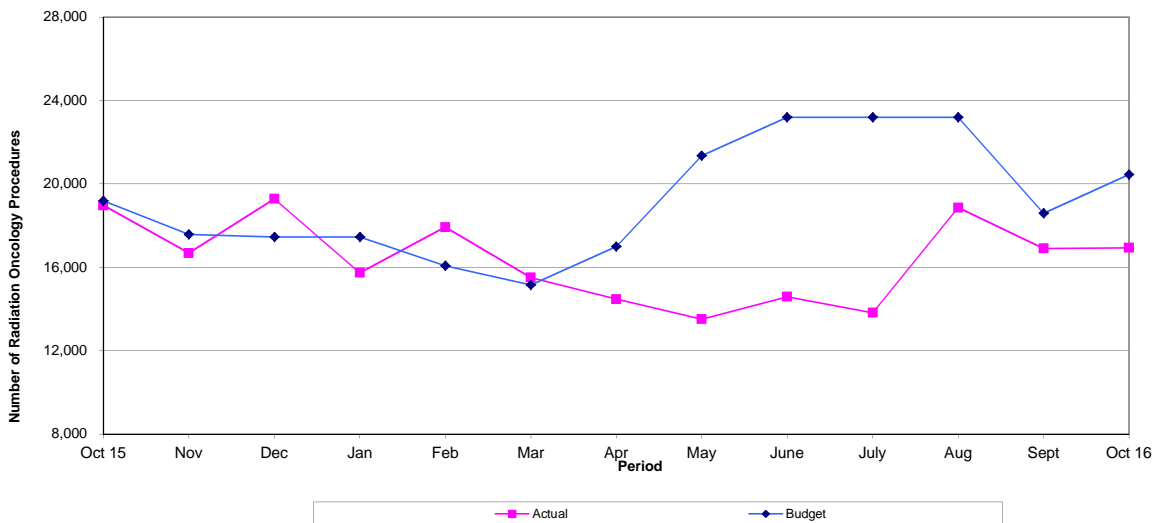
Pathology / Laboratory Medicine Hospital Revenue Units



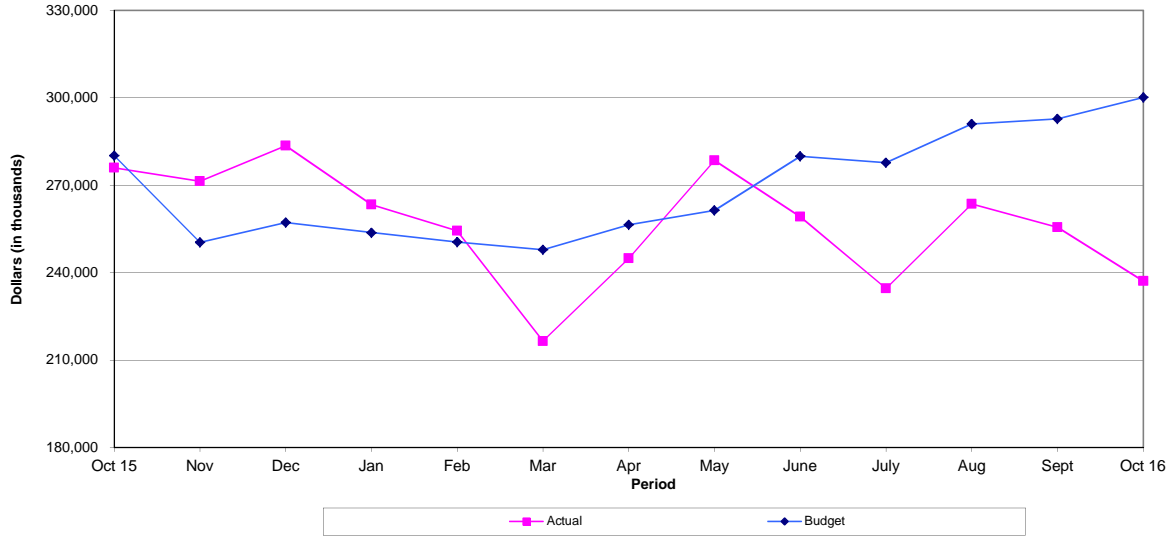
Diagnostic Imaging Hospital Revenue Units



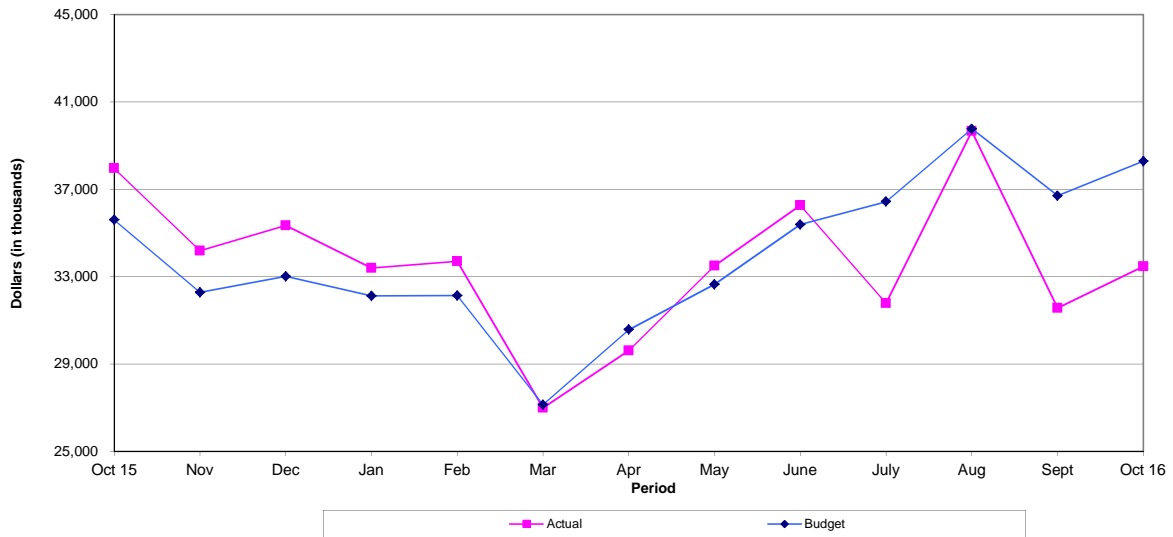
Radiation Oncology Hospital Revenue Units



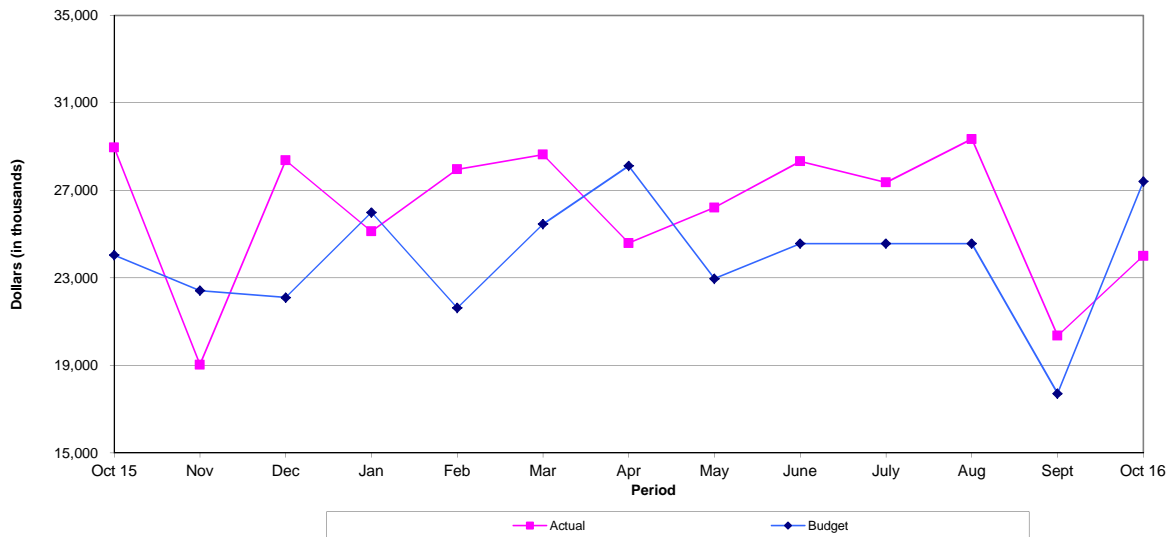
UT M. D. Anderson Cancer Center Total Net Hospital Revenue



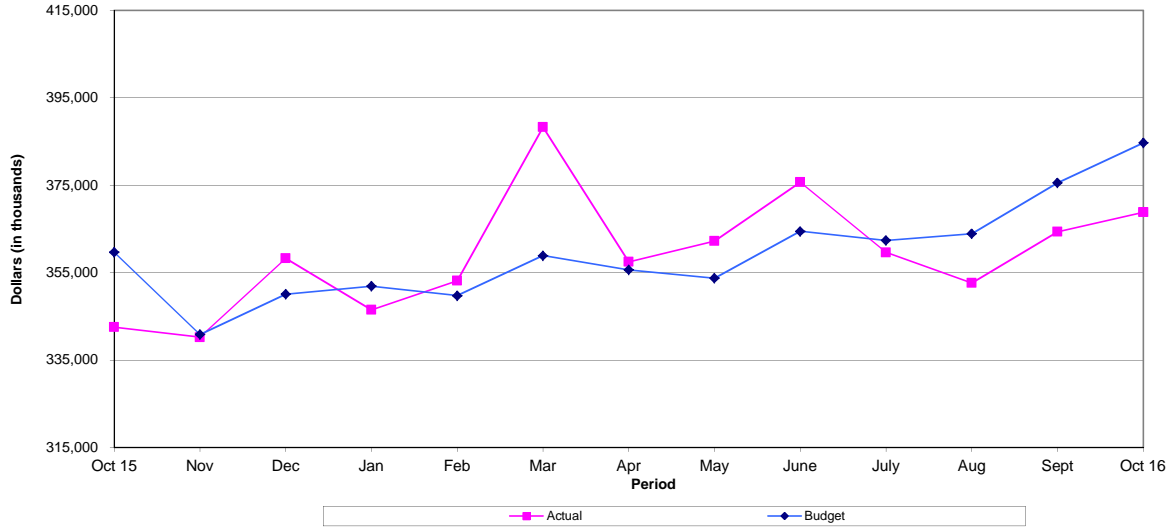
Total Net Professional Fee Revenue



Restricted Grants & Contracts Revenue



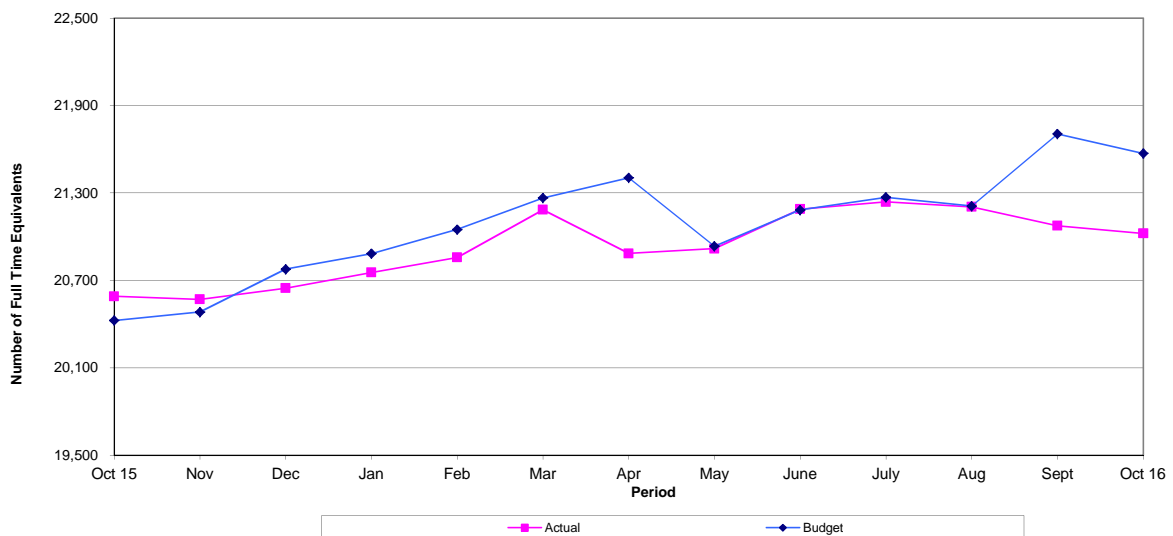
UT M. D. Anderson Cancer Center Total Operating Expense



Total Operating Income / (Loss)



Full Time Equivalents



The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Budget
For the Month to Date Ended October 2016
(Unaudited)

	<u>Actuals</u> <u>October 2016</u>		<u>Budget</u> <u>October 2016</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Percent</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUE						
Hospital Gross Patient Revenue						
Hospital Inpatient	\$ 172,379,673		\$ 185,999,516		\$ (13,619,843)	(7.3%)
Hospital Outpatient	374,762,182		428,176,296		(53,414,114)	(12.5%)
Total Hospital Gross Patient Revenue	<u>547,141,855</u>		<u>614,175,812</u>		<u>(67,033,957)</u>	<u>(10.9%)</u>
Professional Fee Gross Patient Revenue						
Professional Fee Inpatient	27,934,012		37,333,156		(9,399,144)	(25.2%)
Professional Fee Outpatient	79,904,865		85,395,652		(5,490,787)	(6.4%)
Total Professional Fee Gross Patient Revenue	<u>107,838,878</u>		<u>122,728,809</u>		<u>(14,889,931)</u>	<u>(12.1%)</u>
Total Gross Patient Revenue	<u>654,980,732</u>		<u>736,904,620</u>		<u>(81,923,888)</u>	<u>(11.1%)</u>
Deductions from Hospital Gross Revenue						
Medicare	154,086,785	28.2%	151,131,521	24.6%	(2,955,265)	(2.0%)
Medicaid	8,077,128	1.5%	12,591,678	2.1%	4,514,550	35.9%
Managed Care	104,116,534	19.0%	127,015,795	20.7%	22,899,261	18.0%
Charity Care	5,727,670	1.0%	3,516,878	0.6%	(2,210,792)	(62.9%)
Bad Debts	29,043,400	5.3%	16,328,360	2.7%	(12,715,040)	(77.9%)
Self Pay, Other Adjustments & Embassy	8,993,480	1.6%	3,422,676	0.6%	(5,570,804)	(162.8%)
Total Deductions from Hospital Gross Patient Revenue	<u>310,044,998</u>	<u>56.7%</u>	<u>314,006,908</u>	<u>51.1%</u>	<u>3,961,910</u>	<u>1.3%</u>
Deductions from Professional Fee Gross Patient Revenue						
Medicare	32,908,048	30.5%	36,032,914	29.4%	3,124,866	8.7%
Medicaid	2,739,505	2.5%	2,855,327	2.3%	115,822	4.1%
Managed Care	36,547,278	33.9%	40,672,441	33.1%	4,125,163	10.1%
Charity Care	655,637	0.6%	921,936	0.8%	266,299	28.9%
Bad Debts	614,846	0.6%	872,376	0.7%	257,531	29.5%
Self Pay, Other Adjustments & Embassy	908,630	0.8%	3,082,427	2.5%	2,173,797	70.5%
Total Deductions from Professional Fee Gross Patient Revenue	<u>74,373,944</u>	<u>69.0%</u>	<u>84,437,421</u>	<u>68.8%</u>	<u>10,063,477</u>	<u>11.9%</u>
Total Deductions from Gross Patient Revenue	<u>384,418,941</u>	<u>58.7%</u>	<u>398,444,328</u>	<u>54.1%</u>	<u>14,025,387</u>	<u>3.5%</u>
Total Net Hospital Revenue	<u>237,096,857</u>		<u>300,168,904</u>		<u>(63,072,047)</u>	<u>(21.0%)</u>
Total Net Professional Fee Revenue	<u>33,464,934</u>		<u>38,291,388</u>		<u>(4,826,454)</u>	<u>(12.6%)</u>
TOTAL NET PATIENT REVENUE	<u>270,561,791</u>		<u>338,460,292</u>		<u>(67,898,501)</u>	<u>(20.1%)</u>
Other Operating Revenue						
Restricted Grants & Contracts	24,008,834		27,407,561		(3,398,728)	(12.4%)
Auxiliary and Other Revenue	13,332,822		12,233,844		1,098,978	9.0%
Total Other Operating Revenue	<u>37,341,656</u>		<u>39,641,406</u>		<u>(2,299,750)</u>	<u>(5.8%)</u>
TOTAL OPERATING REVENUE	<u>307,903,447</u>		<u>378,101,698</u>		<u>(70,198,251)</u>	<u>(18.6%)</u>

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Budget
For the Month to Date Ended October 2016
(Unaudited)

	<u>Actuals</u> <u>October 2016</u>	<u>Budget</u> <u>October 2016</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Percent</u> <u>Favorable</u> <u>(Unfavorable)</u>
OPERATING EXPENSE				
Personnel Expense				
Classified	106,639,271	109,276,553	2,637,282	2.4%
Administrative and Professional	5,566,883	7,240,911	1,674,028	23.1%
Faculty	42,904,444	43,384,729	480,285	1.1%
Educational	4,690,672	4,977,163	286,491	5.8%
Fringe Benefits	47,913,587	46,948,208	(965,379)	(2.1%)
Total Personnel Expense	<u>207,714,858</u>	<u>211,827,563</u>	<u>4,112,706</u>	<u>1.9%</u>
Other Operating Expense				
Medical and Drug Supplies	73,513,230	81,024,501	7,511,271	9.3%
Other Supplies	7,839,031	9,295,511	1,456,481	15.7%
Purchased Services	28,327,410	26,890,705	(1,436,704)	(5.3%)
Facilities (Maint., Utilities, & Rent)	16,221,689	20,119,274	3,897,585	19.4%
Depreciation	31,676,686	31,709,258	32,572	0.1%
Minor Equipment, Furnishings, Renovations	1,369,354	1,538,822	169,468	11.0%
Travel Expense	2,136,045	2,305,994	169,948	7.4%
TOTAL OPERATING EXPENSE	<u>368,798,302</u>	<u>384,711,629</u>	<u>15,913,326</u>	<u>4.1%</u>
TOTAL OPERATING INCOME / (LOSS)	<u>(60,894,855)</u>	<u>(6,609,931)</u>	<u>(54,284,925)</u>	<u>(821.3%)</u>
NON-OPERATING REVENUE (EXPENSE)				
State Appropriations	17,406,957	17,314,366	92,591	0.5%
Restricted & Designated Gifts	8,120,731	5,435,046	2,685,685	49.4%
Investment Income	11,791,475	10,267,158	1,524,317	14.8%
ADJUSTED INCOME / (LOSS)	<u>(23,575,693)</u>	<u>26,406,639</u>	<u>(49,982,332)</u>	<u>(189.3%)</u>
Change in Investment Value	12,919,239	2,748,481	10,170,757	370.1%
NET INCOME / (LOSS)	<u>\$ (10,656,455)</u>	<u>\$ 29,155,120</u>	<u>\$ (39,811,574)</u>	<u>(136.6%)</u>
Capital Contributions	298,042			
Additions to Endowments	1,760,155			
Transfers	594,923			
Overhead	(14,500)			
Increase in Net Assets	<u>(8,017,835)</u>			
Net Assets - Beginning of Period	<u>7,648,226,583</u>			
Net Assets - End of Period	<u><u>7,640,208,748</u></u>			

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Actual
For the Month to Date Ended October 2016
(Unaudited)

	<u>Actual October 2016</u>		<u>Actual October 2015</u>		<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
REVENUE						
Hospital Gross Patient Revenue						
Hospital Inpatient	\$ 172,379,673		\$ 182,143,653		\$ (9,763,980)	(5.4%)
Hospital Outpatient	374,762,182		389,192,088		(14,429,907)	(3.7%)
Total Hospital Gross Patient Revenue	<u>547,141,855</u>		<u>571,335,742</u>		<u>(24,193,887)</u>	<u>(4.2%)</u>
Professional Fee Gross Patient Revenue						
Professional Fee Inpatient	27,934,012		35,510,638		(7,576,626)	(21.3%)
Professional Fee Outpatient	79,904,865		86,360,900		(6,456,035)	(7.5%)
Total Professional Fee Gross Patient Revenue	<u>107,838,878</u>		<u>121,871,538</u>		<u>(14,032,661)</u>	<u>(11.5%)</u>
Total Gross Patient Revenue	<u>654,980,732</u>		<u>693,207,280</u>		<u>(38,226,547)</u>	<u>(5.5%)</u>
Deductions from Hospital Gross Revenue						
Medicare	154,086,785	28.2%	153,157,723	26.8%	929,062	0.6%
Medicaid	8,077,128	1.5%	13,540,649	2.4%	(5,463,521)	(40.3%)
Managed Care	104,116,534	19.0%	115,392,714	20.2%	(11,276,179)	(9.8%)
Charity Care	5,727,670	1.0%	4,767,570	0.8%	960,100	20.1%
Bad Debts	29,043,400	5.3%	3,296,610	0.6%	25,746,790	781.0%
Self Pay, Other Adjustments & Embassy	8,993,480	1.6%	5,207,143	0.9%	3,786,337	72.7%
Total Deductions from Hospital Gross Patient Revenue	<u>310,044,998</u>	<u>56.7%</u>	<u>295,362,409</u>	<u>51.7%</u>	<u>14,682,589</u>	<u>5.0%</u>
Deductions from Professional Fee Gross Patient Revenue						
Medicare	32,908,048	30.5%	34,057,422	27.9%	(1,149,374)	(3.4%)
Medicaid	2,739,505	2.5%	2,789,743	2.3%	(50,238)	(1.8%)
Managed Care	36,547,278	33.9%	40,782,284	33.5%	(4,235,005)	(10.4%)
Charity Care	655,637	0.6%	1,170,589	1.0%	(514,952)	(44.0%)
Bad Debts	614,846	0.6%	765,214	0.6%	(150,369)	(19.7%)
Self Pay, Other Adjustments & Embassy	908,630	0.8%	4,349,622	3.6%	(3,440,992)	(79.1%)
Total Deductions from Professional Fee Gross Patient Revenue	<u>74,373,944</u>	<u>69.0%</u>	<u>83,914,874</u>	<u>68.9%</u>	<u>(9,540,930)</u>	<u>(11.4%)</u>
Total Deductions from Gross Patient Revenue	<u>384,418,941</u>	<u>58.7%</u>	<u>379,277,282</u>	<u>54.7%</u>	<u>5,141,659</u>	<u>1.4%</u>
Total Net Hospital Revenue	<u>237,096,857</u>		<u>275,973,333</u>		<u>(38,876,475)</u>	<u>(14.1%)</u>
Total Net Professional Fee Revenue	<u>33,464,934</u>		<u>37,956,665</u>		<u>(4,491,731)</u>	<u>(11.8%)</u>
TOTAL NET PATIENT REVENUE	<u>270,561,791</u>		<u>313,929,997</u>		<u>(43,368,206)</u>	<u>(13.8%)</u>
Other Operating Revenue						
Restricted Grants & Contracts	24,008,834		28,958,203		(4,949,369)	(17.1%)
Auxiliary and Other Revenue	13,332,822		11,151,142		2,181,681	19.6%
Total Other Operating Revenue	<u>37,341,656</u>		<u>40,109,344</u>		<u>(2,767,689)</u>	<u>(6.9%)</u>
TOTAL OPERATING REVENUE	<u>307,903,447</u>		<u>354,039,342</u>		<u>(46,135,895)</u>	<u>(13.0%)</u>

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Actual
For the Month to Date Ended October 2016
(Unaudited)

	<u>Actual October 2016</u>	<u>Actual October 2015</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
OPERATING EXPENSE				
Personnel Expense				
Classified	106,639,271	99,764,369	6,874,902	6.9%
Administrative and Professional	5,566,883	6,370,421	(803,538)	(12.6%)
Faculty	42,904,444	41,107,392	1,797,052	4.4%
Educational	4,690,672	4,652,744	37,929	0.8%
Fringe Benefits	47,913,587	42,958,727	4,954,860	11.5%
Total Personnel Expense	<u>207,714,858</u>	<u>194,853,653</u>	<u>12,861,205</u>	<u>6.6%</u>
Other Operating Expense				
Medical and Drug Supplies	73,513,230	61,370,202	12,143,028	19.8%
Other Supplies	7,839,031	9,009,312	(1,170,281)	(13.0%)
Purchased Services	28,327,410	28,098,291	229,119	0.8%
Facilities (Maint., Utilities, & Rent)	16,221,689	16,005,265	216,424	1.4%
Depreciation	31,676,686	28,262,136	3,414,550	12.1%
Minor Equipment, Furnishings, Renovations	1,369,354	1,586,432	(217,078)	(13.7%)
Travel Expense	2,136,045	3,325,406	(1,189,360)	(35.8%)
TOTAL OPERATING EXPENSE	<u>368,798,302</u>	<u>342,510,697</u>	<u>26,287,606</u>	<u>7.7%</u>
TOTAL OPERATING INCOME / (LOSS)	<u>(60,894,855)</u>	<u>11,528,645</u>	<u>(72,423,501)</u>	<u>(628.2%)</u>
NON-OPERATING REVENUE (EXPENSE)				
State Appropriations	17,406,957	16,681,184	725,773	4.4%
Restricted & Designated Gifts	8,120,731	5,973,218	2,147,513	36.0%
Investment Income	11,791,475	11,624,976	166,499	1.4%
ADJUSTED INCOME / (LOSS)	<u>(23,575,693)</u>	<u>45,808,023</u>	<u>(69,383,716)</u>	<u>(151.5%)</u>
Change in Investment Value	12,919,239	(77,775,774)	90,695,013	116.6%
NET INCOME / (LOSS)	<u>\$ (10,656,455)</u>	<u>\$ (31,967,751)</u>	<u>\$ 21,311,297</u>	<u>66.7%</u>
Capital Contributions	298,042			
Additions to Endowments	1,760,155			
Transfers	594,923			
Overhead	(14,500)			
Increase in Net Assets	<u>(8,017,835)</u>			
Net Assets - Beginning of Period	<u>7,648,226,583</u>			
Net Assets - End of Period	<u>7,640,208,748</u>			

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Budget
For the Year to Date Ended October 2016
(Unaudited)

	<u>Actuals</u> <u>October 2016</u>		<u>Budget</u> <u>October 2016</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Percent</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUE						
Hospital Gross Patient Revenue						
Hospital Inpatient	\$ 334,590,452		\$ 366,919,637		\$ (32,329,185)	(8.8%)
Hospital Outpatient	739,605,128		848,636,811		(109,031,683)	(12.8%)
Total Hospital Gross Patient Revenue	<u>1,074,195,580</u>		<u>1,215,556,448</u>		<u>(141,360,868)</u>	<u>(11.6%)</u>
Professional Fee Gross Patient Revenue						
Professional Fee Inpatient	54,851,251		73,315,899		(18,464,648)	(25.2%)
Professional Fee Outpatient	156,945,306		165,470,825		(8,525,519)	(5.2%)
Total Professional Fee Gross Patient Revenue	<u>211,796,557</u>		<u>238,786,724</u>		<u>(26,990,167)</u>	<u>(11.3%)</u>
Total Gross Patient Revenue	<u>1,285,992,137</u>		<u>1,454,343,172</u>		<u>(168,351,035)</u>	<u>(11.6%)</u>
Deductions from Hospital Gross Revenue						
Medicare	272,323,442	25.4%	299,646,827	24.7%	27,323,385	9.1%
Medicaid	18,184,149	1.7%	24,965,383	2.1%	6,781,234	27.2%
Managed Care	207,206,205	19.3%	251,832,838	20.7%	44,626,633	17.7%
Charity Care	9,798,803	0.9%	6,972,876	0.6%	(2,825,927)	(40.5%)
Bad Debts	59,507,967	5.5%	32,374,062	2.7%	(27,133,905)	(83.8%)
Self Pay, Other Adjustments & Embassy	14,541,638	1.4%	6,786,102	0.6%	(7,755,536)	(114.3%)
Total Deductions from Hospital Gross Patient Revenue	<u>581,562,204</u>	<u>54.1%</u>	<u>622,578,088</u>	<u>51.2%</u>	<u>41,015,884</u>	<u>6.6%</u>
Deductions from Professional Fee Gross Patient Revenue						
Medicare	64,314,132	30.4%	70,107,268	29.4%	5,793,135	8.3%
Medicaid	4,900,374	2.3%	5,055,453	2.1%	155,079	3.1%
Managed Care	73,337,949	34.6%	79,134,141	33.1%	5,796,192	7.3%
Charity Care	1,077,907	0.5%	1,793,760	0.8%	715,853	39.9%
Bad Debts	1,037,037	0.5%	1,697,334	0.7%	660,298	38.9%
Self Pay, Other Adjustments & Embassy	2,096,049	1.0%	5,997,310	2.5%	3,901,261	65.1%
Total Deductions from Professional Fee Gross Patient Revenue	<u>146,763,448</u>	<u>69.3%</u>	<u>163,785,266</u>	<u>68.6%</u>	<u>17,021,818</u>	<u>10.4%</u>
Total Deductions from Gross Patient Revenue	<u>728,325,652</u>	<u>56.6%</u>	<u>786,363,354</u>	<u>54.1%</u>	<u>58,037,702</u>	<u>7.4%</u>
Total Net Hospital Revenue	<u>492,633,376</u>		<u>592,978,360</u>		<u>(100,344,984)</u>	<u>(16.9%)</u>
Total Net Professional Fee Revenue	<u>65,033,109</u>		<u>75,001,458</u>		<u>(9,968,349)</u>	<u>(13.3%)</u>
TOTAL NET PATIENT REVENUE	<u>557,666,485</u>		<u>667,979,818</u>		<u>(110,313,333)</u>	<u>(16.5%)</u>
Other Operating Revenue						
Restricted Grants & Contracts	44,370,640		45,126,662		(756,021)	(1.7%)
Auxiliary and Other Revenue	28,761,620		27,351,339		1,410,281	5.2%
Total Other Operating Revenue	<u>73,132,260</u>		<u>72,478,001</u>		<u>654,260</u>	<u>0.9%</u>
TOTAL OPERATING REVENUE	<u>630,798,745</u>		<u>740,457,819</u>		<u>(109,659,073)</u>	<u>(14.8%)</u>

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Budget
For the Year to Date Ended October 2016
(Unaudited)

	<u>Actuals</u> <u>October 2016</u>	<u>Budget</u> <u>October 2016</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Percent</u> <u>Favorable</u> <u>(Unfavorable)</u>
OPERATING EXPENSE				
Personnel Expense				
Classified	216,321,200	218,795,425	2,474,225	1.1%
Administrative and Professional	11,454,402	14,502,258	3,047,855	21.0%
Faculty	87,791,137	86,830,867	(960,270)	(1.1%)
Educational	9,353,025	9,769,038	416,013	4.3%
Fringe Benefits	92,841,029	92,078,346	(762,683)	(0.8%)
Total Personnel Expense	<u>417,760,793</u>	<u>421,975,934</u>	<u>4,215,141</u>	<u>1.0%</u>
Other Operating Expense				
Medical and Drug Supplies	143,952,221	152,487,190	8,534,969	5.6%
Other Supplies	15,016,965	17,523,697	2,506,732	14.3%
Purchased Services	54,781,705	52,951,234	(1,830,470)	(3.5%)
Facilities (Maint., Utilities, & Rent)	32,023,185	44,561,084	12,537,898	28.1%
Depreciation	63,295,127	63,368,905	73,778	0.1%
Minor Equipment, Furnishings, Renovations	2,290,595	3,058,089	767,493	25.1%
Travel Expense	4,040,093	4,316,926	276,833	6.4%
TOTAL OPERATING EXPENSE	<u>733,160,685</u>	<u>760,243,060</u>	<u>27,082,375</u>	<u>3.6%</u>
TOTAL OPERATING INCOME / (LOSS)	<u>(102,361,940)</u>	<u>(19,785,241)</u>	<u>(82,576,698)</u>	<u>(417.4%)</u>
NON-OPERATING REVENUE (EXPENSE)				
State Appropriations	34,160,795	34,628,732	(467,937)	(1.4%)
Restricted & Designated Gifts	12,711,108	7,371,265	5,339,843	72.4%
Investment Income	20,979,850	19,259,331	1,720,519	8.9%
ADJUSTED INCOME / (LOSS)	<u>(34,510,186)</u>	<u>41,474,087</u>	<u>(75,984,273)</u>	<u>(183.2%)</u>
Change in Investment Value	13,281,975	2,836,761	10,445,213	368.2%
NET INCOME / (LOSS)	<u>\$ (21,228,212)</u>	<u>\$ 44,310,848</u>	<u>\$ (65,539,060)</u>	<u>(147.9%)</u>
Capital Contributions	564,368			
Additions to Endowments	1,643,848			
Transfers	123,579,748			
Overhead	-			
Increase in Net Assets	<u>104,559,752</u>			
Net Assets - Beginning of Period	<u>7,535,648,996</u>			
Net Assets - End of Period	<u>7,640,208,748</u>			

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Actual
For the Year to Date Ended October 2016
(Unaudited)

	<u>Actual October 2016</u>		<u>Actual October 2015</u>		<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
REVENUE						
Hospital Gross Patient Revenue						
Hospital Inpatient	\$ 334,590,452		\$ 363,211,705		\$ (28,621,253)	(7.9%)
Hospital Outpatient	739,605,128		759,101,207		(19,496,080)	(2.6%)
Total Hospital Gross Patient Revenue	<u>1,074,195,580</u>		<u>1,122,312,913</u>		<u>(48,117,333)</u>	<u>(4.3%)</u>
Professional Fee Gross Patient Revenue						
Professional Fee Inpatient	54,851,251		63,191,201		(8,339,950)	(13.2%)
Professional Fee Outpatient	156,945,306		158,926,788		(1,981,483)	(1.2%)
Total Professional Fee Gross Patient Revenue	<u>211,796,557</u>		<u>222,117,990</u>		<u>(10,321,433)</u>	<u>(4.6%)</u>
Total Gross Patient Revenue	<u>1,285,992,137</u>		<u>1,344,430,903</u>		<u>(58,438,765)</u>	<u>(4.3%)</u>
Deductions from Hospital Gross Revenue						
Medicare	272,323,442	25.4%	287,577,999	25.6%	(15,254,557)	(5.3%)
Medicaid	18,184,149	1.7%	27,251,748	2.4%	(9,067,599)	(33.3%)
Managed Care	207,206,205	19.3%	226,535,443	20.2%	(19,329,238)	(8.5%)
Charity Care	9,798,803	0.9%	9,011,187	0.8%	787,615	8.7%
Bad Debts	59,507,967	5.5%	9,136,127	0.8%	50,371,840	551.3%
Self Pay, Other Adjustments & Embassy	14,541,638	1.4%	8,848,180	0.8%	5,693,458	64.3%
Total Deductions from Hospital Gross Patient Revenue	<u>581,562,204</u>	<u>54.1%</u>	<u>568,360,685</u>	<u>50.6%</u>	<u>13,201,519</u>	<u>2.3%</u>
Deductions from Professional Fee Gross Patient Revenue						
Medicare	64,314,132	30.4%	62,209,841	28.0%	2,104,291	3.4%
Medicaid	4,900,374	2.3%	5,038,992	2.3%	(138,618)	(2.8%)
Managed Care	73,337,949	34.6%	74,378,168	33.5%	(1,040,219)	(1.4%)
Charity Care	1,077,907	0.5%	2,097,172	0.9%	(1,019,265)	(48.6%)
Bad Debts	1,037,037	0.5%	1,386,759	0.6%	(349,722)	(25.2%)
Self Pay, Other Adjustments & Embassy	2,096,049	1.0%	8,284,035	3.7%	(6,187,987)	(74.7%)
Total Deductions from Professional Fee Gross Patient Revenue	<u>146,763,448</u>	<u>69.3%</u>	<u>153,394,967</u>	<u>69.1%</u>	<u>(6,631,519)</u>	<u>(4.3%)</u>
Total Deductions from Gross Patient Revenue	<u>728,325,652</u>	<u>56.6%</u>	<u>721,755,652</u>	<u>53.7%</u>	<u>6,570,000</u>	<u>0.9%</u>
Total Net Hospital Revenue	<u>492,633,376</u>		<u>553,952,228</u>		<u>(61,318,852)</u>	<u>(11.1%)</u>
Total Net Professional Fee Revenue	<u>65,033,109</u>		<u>68,723,023</u>		<u>(3,689,914)</u>	<u>(5.4%)</u>
TOTAL NET PATIENT REVENUE	<u>557,666,485</u>		<u>622,675,251</u>		<u>(65,008,765)</u>	<u>(10.4%)</u>
Other Operating Revenue						
Restricted Grants & Contracts	44,370,640		46,080,660		(1,710,020)	(3.7%)
Auxiliary and Other Revenue	28,761,620		24,930,125		3,831,495	15.4%
Total Other Operating Revenue	<u>73,132,260</u>		<u>71,010,785</u>		<u>2,121,475</u>	<u>3.0%</u>
TOTAL OPERATING REVENUE	<u>630,798,745</u>		<u>693,686,036</u>		<u>(62,887,291)</u>	<u>(9.1%)</u>

The University of Texas MD Anderson Cancer Center
Consolidated Statement of Operations
Actual vs Actual
For the Year to Date Ended October 2016
(Unaudited)

	<u>Actual October 2016</u>	<u>Actual October 2015</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
OPERATING EXPENSE				
Personnel Expense				
Classified	216,321,200	200,573,897	15,747,303	7.9%
Administrative and Professional	11,454,402	13,952,523	(2,498,121)	(17.9%)
Faculty	87,791,137	81,784,031	6,007,106	7.3%
Educational	9,353,025	9,279,830	73,195	0.8%
Fringe Benefits	92,841,029	84,630,671	8,210,359	9.7%
Total Personnel Expense	<u>417,760,793</u>	<u>390,220,951</u>	<u>27,539,843</u>	<u>7.1%</u>
Other Operating Expense				
Medical and Drug Supplies	143,952,221	122,839,423	21,112,798	17.2%
Other Supplies	15,016,965	17,084,662	(2,067,697)	(12.1%)
Purchased Services	54,781,705	52,707,806	2,073,899	3.9%
Facilities (Maint., Utilities, & Rent)	32,023,185	32,081,525	(58,340)	(0.2%)
Depreciation	63,295,127	56,619,686	6,675,441	11.8%
Minor Equipment, Furnishings, Renovations	2,290,595	3,231,392	(940,797)	(29.1%)
Travel Expense	4,040,093	6,198,952	(2,158,859)	(34.8%)
TOTAL OPERATING EXPENSE	<u>733,160,685</u>	<u>680,984,398</u>	<u>52,176,287</u>	<u>7.7%</u>
TOTAL OPERATING INCOME / (LOSS)	<u>(102,361,940)</u>	<u>12,701,638</u>	<u>(115,063,578)</u>	<u>(905.9%)</u>
NON-OPERATING REVENUE (EXPENSE)				
State Appropriations	34,160,795	33,330,850	829,945	2.5%
Restricted & Designated Gifts	12,711,108	10,488,253	2,222,855	21.2%
Investment Income	20,979,850	20,235,466	744,384	3.7%
ADJUSTED INCOME / (LOSS)	<u>(34,510,186)</u>	<u>76,756,207</u>	<u>(111,266,393)</u>	<u>(145.0%)</u>
Change in Investment Value	13,281,975	(78,745,707)	92,027,681	116.9%
NET INCOME / (LOSS)	<u>\$ (21,228,212)</u>	<u>\$ (1,989,500)</u>	<u>\$ (19,238,712)</u>	<u>(967.0%)</u>
Capital Contributions	564,368			
Additions to Endowments	1,643,848			
Transfers	123,579,748			
Overhead	-			
Increase in Net Assets	<u>104,559,752</u>			
Net Assets - Beginning of Period	<u>7,535,648,996</u>			
Net Assets - End of Period	<u><u>7,640,208,748</u></u>			

The University of Texas MD Anderson Cancer Center
Operating Statistics
Month to Date

	Actuals October 2016	Actuals October 2015	Percent Increase (Decrease)	Budget October 2016	Percent Favorable (Unfavorable)
OVERALL					
ADMISSIONS	2,398	2,453	(2.2%)	2,622	(8.5%)
PATIENT DAYS	17,166	17,384	(1.3%)	18,993	(9.6%)
OBSERVATION DAYS	630	602	4.7%	515	22.3%
PATIENT & OBSERVATION DAYS	17,796	17,986	(1.1%)	19,508	(8.8%)
AVERAGE DAILY CENSUS (Includes Obs Days)	574	580	(1.1%)	629	(8.8%)
AVERAGE OCCUPANCY RATE	85.7%	87.2%	N/A	89.4%	N/A
Average Number of Operating Beds	669	666	0.6%	704	(4.9%)
AVERAGE LENGTH OF STAY (based on admissions)					
Total	7.16	7.09	1.0%	7.24	1.2%
Excluding Stem Cell Transplants	6.08	6.49	(6.4%)	6.72	9.6%
OUTPATIENT BILLABLE VISITS	116,774	128,215	(8.9%)	138,074	(15.4%)
DEPARTMENTAL					
SURGERIES (PATIENTS)					
Inpatient	671	751	(10.7%)	869	(22.8%)
Outpatient	931	1,114	(16.4%)	1,085	(14.2%)
Total	1,602	1,865	(14.1%)	1,954	(18.0%)
SURGERY HOURS - TOTAL	5,600	6,282	(10.9%)	6,604	(15.2%)
BILLED PROCEDURES					
Pathology Lab Med Billable Units	1,044,632	1,081,942	(3.4%)	1,221,796	(14.5%)
Diagnostic Imaging Billable Units	47,969	49,764	(3.6%)	51,179	(6.3%)
Radiation Oncology Billable Units	16,935	18,969	(10.7%)	20,455	(17.2%)
STEM CELL TRANSPLANTS	58	74	(21.6%)	70	(17.1%)

The University of Texas MD Anderson Cancer Center
Operating Statistics
Year to Date

	Actuals October 2016	Actuals October 2015	Percent Increase (Decrease)	Budget October 2016	Percent Favorable (Unfavorable)
OVERALL					
ADMISSIONS	4,740	4,858	(2.4%)	4,823	(1.7%)
PATIENT DAYS	33,442	34,584	(3.3%)	36,932	(9.4%)
OBSERVATION DAYS	1,250	1,172	6.7%	985	26.9%
PATIENT & OBSERVATION DAYS	34,692	35,756	(3.0%)	37,917	(8.5%)
AVERAGE DAILY CENSUS (Includes Obs Days)	569	586	(3.0%)	622	(8.5%)
AVERAGE OCCUPANCY RATE	85.6%	88.0%	N/A	88.3%	N/A
Average Number of Operating Beds	665	666	(0.2%)	704	(5.6%)
AVERAGE LENGTH OF STAY (based on admissions)					
Total	7.06	7.12	(0.9%)	7.66	7.9%
Excluding Stem Cell Transplants	6.53	6.58	(0.8%)	7.15	8.7%
OUTPATIENT BILLABLE VISITS	231,772	252,628	(8.3%)	260,334	(11.0%)
DEPARTMENTAL					
SURGERIES (PATIENTS)					
Inpatient	1,343	1,480	(9.3%)	1,648	(18.5%)
Outpatient	1,969	2,136	(7.8%)	2,100	(6.2%)
Total	3,312	3,616	(8.4%)	3,748	(11.6%)
SURGERY HOURS - TOTAL	11,232	12,421	(9.6%)	12,708	(11.6%)
BILLED PROCEDURES					
Pathology Lab Med Billable Units	2,034,037	2,149,095	(5.4%)	2,402,358	(15.3%)
Diagnostic Imaging Billable Units	93,260	94,942	(1.8%)	102,358	(8.9%)
Radiation Oncology Billable Units	33,843	37,013	(8.6%)	39,051	(13.3%)
STEM CELL TRANSPLANTS	122	137	(10.9%)	142	(14.1%)

The University of Texas MD Anderson Cancer Center

Performance Measures

Year to Date

Operating Activities

	<u>Actuals</u> <u>October 2016</u>	<u>Actuals</u> <u>October 2015</u>	<u>Budget</u> <u>October 2016</u>
Total Deductions from Gross Patient Revenue As a Percent of Total Gross Patient Revenue	56.6%	53.7%	54.1%
Gross Outpatient Revenue as a Percent of Total Patient Revenue	69.7%	68.3%	69.7%
Total Operating Income/(Loss)	(102,361,940)	12,701,638	(19,785,241)
Operating Income/(Loss) Percentage	-16.2%	1.8%	-2.7%
Net Income/(Loss)	(21,228,212)	(1,989,500)	44,310,848
Net Income/(Loss) Percentage	-3.0%	-0.3%	5.5%
As a Percent of Total Revenue			
Personnel Costs	66.2%	56.3%	57.0%
Medical Supplies and Drugs	22.8%	17.7%	20.6%
As a Percent of Operating Expense			
Personnel Costs	57.0%	57.3%	55.5%
Medical Supplies and Drugs	19.6%	18.0%	20.1%

The University of Texas MD Anderson Cancer Center

Hospital Payor Mix Data

October 2016

HOSPITAL & CLINICS

AS A PERCENTAGE OF GROSS PATIENT REVENUE

MONTH ENDED			PAYOR DESCRIPTION	YEAR TO DATE ENDED		
Actual October 2016	Actual October 2015	Budget October 2016		Actual October 2016	Actual October 2015	Budget October 2016
38.9%	35.5%	39.4%	Medicare	38.8%	35.4%	39.4%
2.7%	2.9%	2.8%	Medicaid	2.8%	2.9%	2.8%
53.6%	56.9%	53.1%	Managed Care	53.6%	57.3%	53.1%
0.9%	0.8%	0.6%	Charity Care	0.8%	0.8%	0.6%
2.8%	2.5%	3.0%	Self Pay & Other Adjustments	2.9%	2.2%	3.0%
1.1%	1.3%	1.1%	Embassy	1.1%	1.4%	1.1%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>