



**University of Connecticut Health Center**

**Proposed Operating Budget**

**Fiscal Year Ending 2012**

**and**

**Review of Fiscal Year Ending 2011**

**Finance Subcommittee Meeting**

**June 13, 2011**

# **Fiscal Year 2011**

## **RESULTS**

# University of Connecticut Health Center

## Consolidated Statement of Revenues and Expenses

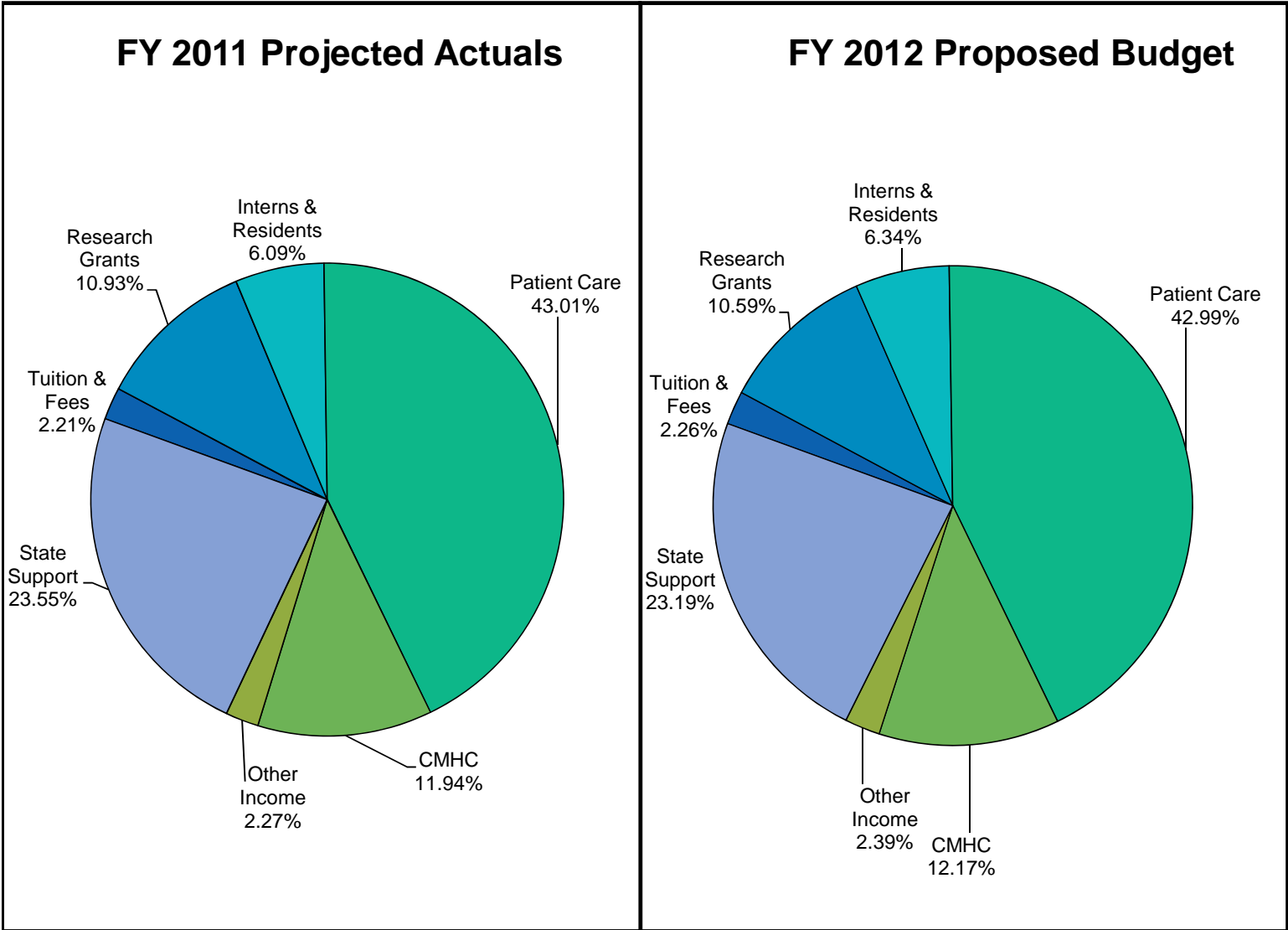
### Fiscal Year 2011 Budget & Fiscal Year 2011 Projection

	Fiscal Year 2011	Fiscal Year 2011	FY 2011 Budget vs FY 2011 Proj. Actual	
	Approved Budget	Projected Actual	Variance	Percent Variance
<b>Revenues:</b>				
Tuitions & Fees	\$ 16,961,546	\$ 17,268,031	\$ 306,485	1.8%
Federal Research Grants and Contracts	67,378,937	68,239,571	860,634	1.3%
Non-Federal Research Grants and Contracts	20,881,096	17,110,816	(3,770,280)	-18.1%
Interns and Residents	47,783,802	47,535,238	(248,564)	-0.5%
Net Patient Care	335,078,322	335,813,408	735,086	0.2%
Correctional Managed Health Care	98,624,000	93,224,902	(5,399,098)	-5.5%
Endowment/Foundation Income	3,223,488	2,447,801	(775,687)	-24.1%
Other Income	15,700,231	15,243,218	(457,013)	-2.9%
<b>Total Revenues</b>	<b>\$ 605,631,422</b>	<b>\$ 596,882,985</b>	<b>\$ (8,748,437)</b>	<b>-1.4%</b>
<b>Expenses:</b>				
Personal Services	\$ 314,160,978	\$ 311,238,505	\$ (2,922,473)	-0.9%
Fringe Benefits	120,240,834	121,474,818	1,233,984	1.0%
Medical Contractual Support	13,510,755	16,066,582	2,555,827	18.9%
Medical/Dental House Staff	41,427,653	42,699,924	1,272,271	3.1%
Correctional Managed Health Care	98,624,000	93,228,431	(5,395,569)	-5.5%
Outside Agency Per Diems	1,447,615	1,979,098	531,483	36.7%
Drugs	18,581,834	17,006,035	(1,575,799)	-8.5%
Medical Supplies	49,291,918	47,887,368	(1,404,550)	-2.8%
Utilities	14,046,923	14,177,250	130,327	0.9%
Outside & Other Purchased Services	44,247,384	40,271,336	(3,976,048)	-9.0%
Insurance	6,964,379	6,901,882	(62,497)	-0.9%
Repairs & Maintenance	9,516,161	11,587,340	2,071,179	21.8%
Other Expenses	23,810,498	24,013,220	202,722	0.9%
Depreciation	30,016,843	29,009,366	(1,007,477)	-3.4%
<b>Total Expenses</b>	<b>\$ 785,887,775</b>	<b>\$ 777,541,155</b>	<b>\$ (9,580,604)</b>	<b>-1.2%</b>
<b>Excess/(Deficiency) of Revenues over Expenses Prior to State Appropriations</b>	<b>\$ (180,256,353)</b>	<b>\$ (180,658,170)</b>	<b>(401,817)</b>	<b>-0.2%</b>
State Appropriation-Block Grant	119,346,347	119,346,347	-	0.0%
State Supported Fringe Benefits	47,452,299	51,014,349	3,562,050	7.5%
JDH Fringe Benefit Allotment	13,500,000	13,500,000	-	0.0%
<b>Excess/(Deficiency)</b>	<b>\$ 42,293</b>	<b>\$ 3,202,526</b>	<b>\$ 3,160,233</b>	<b>7472.2%</b>
Total State Support	180,298,646	183,860,696	3,562,050	2.0%
Percent of Total Revenues	22.94%	23.55%	0.61%	2.7%

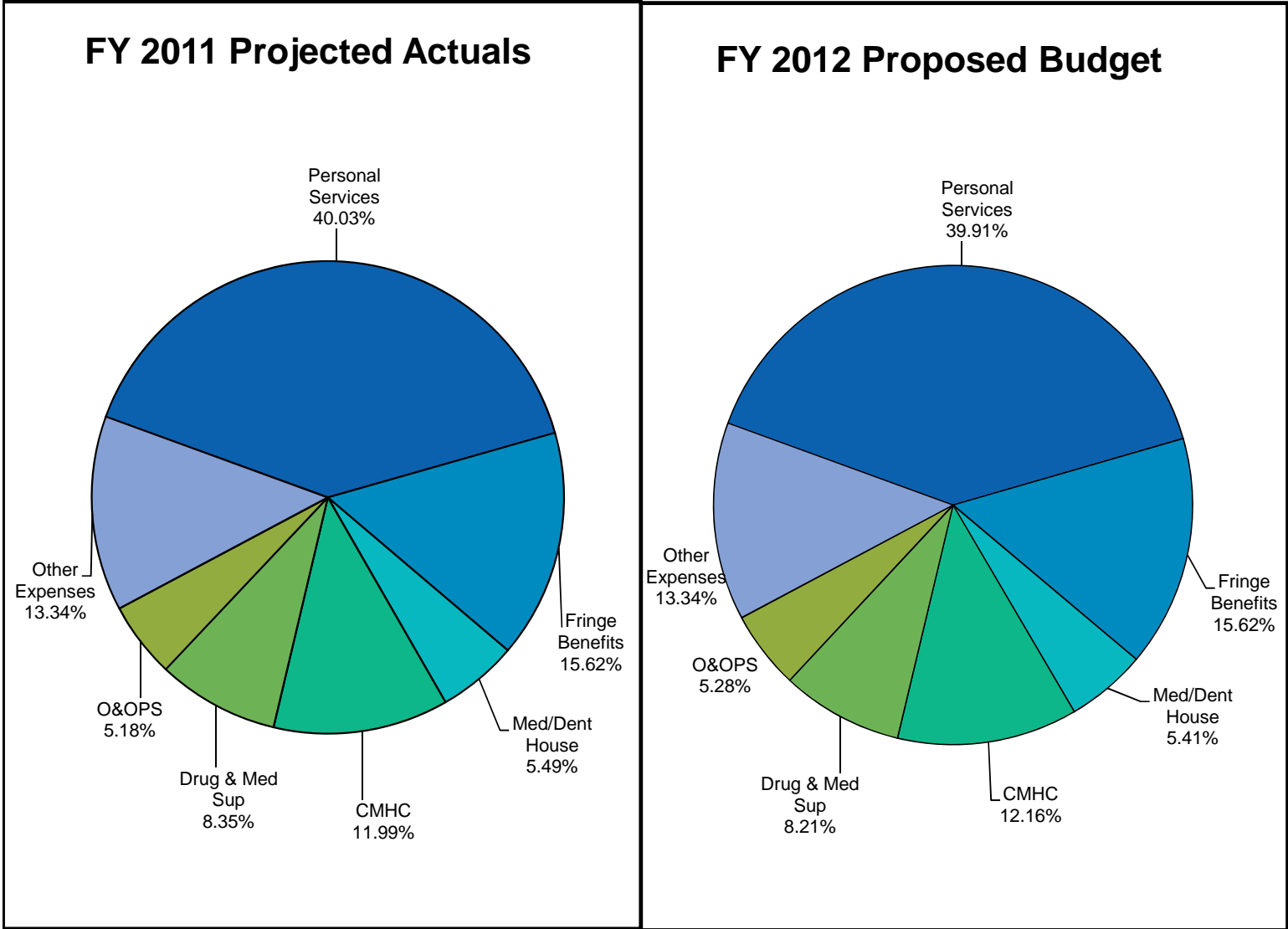
**Fiscal Year 2012**

**BUDGET**

**University of Connecticut Health Center  
Revenues by Source**



**University of Connecticut Health Center  
Expenses by Source**



# University of Connecticut Health Center

## FY 2012 Budget Assumptions

### Overall Budget Assumptions

- Increase in health insurance and retirement fringe benefits (6% health and 1% retirement)
- Increase in state appropriation
- Assumes no bargaining unit increases for unionized employees based on SEBAC agreement
- Includes salary increases that were provided in FY 2011 and fully recognized in FY2012
- Increase in salary expense due to furlough day savings in FY 2011 not continuing

### Education, Research, & Institutional Support Assumptions

- Tuition and Fees for the School of Medicine (SOM) and School of Dental Medicine (SODM) assumes a 5% rate increase
- Grants and contracts revenues increase by 1.4%
- Full year of operating expenses related to the newly renovated 400 Farmington research building (increases to utilities, information technology, public safety, depreciation, repairs and maintenance)
- Increase in expenses related to the Connecticut Institute for Clinical and Translational Science (CICATS)
- Interns and Residents revenue increase of \$4.3m due to higher fees and expenses
- Increase in auxiliary revenue and other expenses related to increase in SOM & SODM contracts, higher capacity in Creative Child Care services and Paramedic cost recovery
- Repairs & maintenance increase due to ISS custodial services, clinical engineering and the DaVinci robot maintenance agreement

**University of Connecticut Health Center**  
**Consolidated Statement of Revenues and Expenses**  
**Fiscal Year 2011 Projected Actuals & Fiscal Year 2012 Proposed Budget**

	Fiscal Year 2011	Fiscal Year 2012	FY 2011 Proj. Actual vs FY 2012 Proposed Budget	
	Projected Actuals	Proposed Budget	Variance	Percent Variance
<b>Revenues:</b>				
Tuitions & Fees	\$ 17,268,031	\$ 18,480,875	\$ 1,212,844	7.0%
Federal Research Grants and Contracts	68,239,571	67,500,120	(739,451)	-1.1%
Non-Federal Research Grants and Contracts	17,110,816	19,053,152	1,942,336	11.4%
Interns and Residents	47,535,238	51,853,411	4,318,173	9.1%
Net Patient Care	335,813,408	351,802,702	15,989,294	4.8%
Correctional Managed Health Care	93,224,902	99,500,000	6,275,098	6.7%
Endowment/Foundation Income	2,447,801	2,215,054	(232,747)	-9.5%
Other Income	15,243,218	17,306,857	2,063,639	13.5%
<b>Total Revenues</b>	<b>\$ 596,882,985</b>	<b>\$ 627,712,171</b>	<b>\$ 30,829,186</b>	<b>5.2%</b>
<b>Expenses:</b>				
Personal Services	\$ 311,238,505	\$ 326,598,578	\$ 15,360,073	4.9%
Fringe Benefits	121,474,818	127,652,672	6,177,854	5.1%
Medical Contractual Support	16,066,582	16,172,375	105,793	0.7%
Medical/Dental House Staff	42,699,924	44,212,613	1,512,689	3.5%
Correctional Managed Health Care	93,228,431	99,500,000	6,271,569	6.7%
Outside Agency Per Diems	1,979,098	1,339,607	(639,491)	-32.3%
Drugs	17,006,035	17,351,534	345,499	2.0%
Medical Supplies	47,887,368	49,745,352	1,857,984	3.9%
Utilities	14,177,250	15,086,778	909,528	6.4%
Outside & Other Purchased Services	40,271,336	43,144,360	2,873,024	7.1%
Insurance	6,901,882	7,275,508	373,626	5.4%
Repairs & Maintenance	11,587,340	13,786,861	2,199,521	19.0%
Other Expenses	24,013,220	25,732,952	1,719,732	7.2%
Depreciation	29,009,366	29,619,542	610,176	2.1%
<b>Total Expenses</b>	<b>\$ 777,541,155</b>	<b>\$ 817,218,732</b>	<b>\$ 39,677,577</b>	<b>5.1%</b>
<b>Excess/(Deficiency) of Revenues</b>				
<b>over Expenses Prior to State Appropriations</b>	<b>\$ (180,658,170)</b>	<b>\$ (189,506,561)</b>	<b>(8,848,391)</b>	<b>-4.9%</b>
State Appropriation-Block Grant	119,346,347	123,515,400	4,169,053	3.5%
State Supported Fringe Benefits	51,014,349	52,544,779	1,530,430	3.0%
JDH Fringe Benefit Allotment	13,500,000	13,500,000	-	0.0%
<b>Excess/(Deficiency)</b>	<b>\$ 3,202,526</b>	<b>\$ 53,618</b>	<b>\$ (3,148,908)</b>	<b>-98.3%</b>
Total State Support	183,860,696	189,560,179	5,699,483	3.1%
Percent of Total Revenues	23.55%	23.19%	-0.36%	-1.5%



# University of Connecticut Health Center

## FY 2012 Budget Assumptions - Clinical

### Clinical - John Dempsey Hospital/Dental Clinics Assumptions

- Net Patient Revenue assumes a 5.3% increase, including the move of Dermatology to Hospital Provider Based Volume increase of 2% Inpatient Discharges, Outpatient Equivalents no increases  
Patient volume for Dental Clinics will increase mainly due to new GP3 Program concept
- Personal services and fringe benefits include Dermatology FTE's that are now charged to the Hospital
- Fringe Benefit Differential (per Approved Budget)
- Malpractice insurance based on historical payouts
- Medical/dental house staff expense reflects the expected wage increase (primarily Consortium)
- Assumes a reduction to outside agency due to budgeting at necessary staffing needs based on patient census
- Increase in Medical Supplies due to DaVinci instrumentation and estimated inflation increase
- Increase in other expenses related to nursing education and Magnet Status

### Clinical - UConn Medical Group Assumptions

- Net Patient Revenue assumes a 4.4% increase (rate 2.2% and volume 2.9%) offset by the Dermatology move to Hospital Provider Based
- Malpractice insurance based on historical payouts
- Drugs decrease due to savings from 340B pricing
- Clinical faculty recruitment in Urology, Musculoskeletal, Dermatology and Cancer Center (primarily to refill vacant positions)

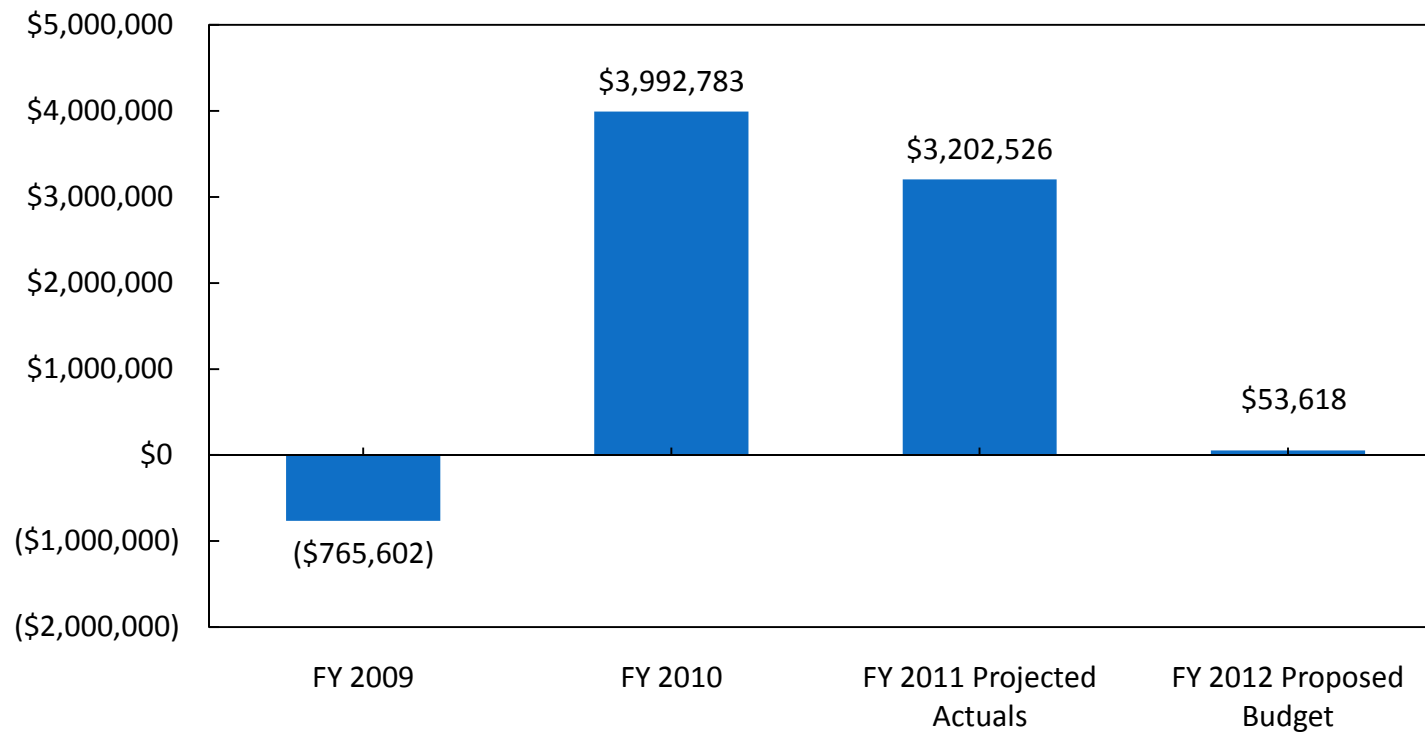
**University of Connecticut Health Center-John Dempsey Hospital/Dental Clinics**  
**Statement of Revenues and Expenses**  
**Fiscal Year 2011 Projected Actuals & Fiscal Year 2012 Proposed Budget**

	Fiscal Year 2011 Projected Actuals	Fiscal Year 2012 Proposed Budget	FY 2011 Projected Actuals vs FY 2012 Proposed Budget Variance	Percent Variance
<b><u>Revenues:</u></b>				
Net Patient Care	\$ 261,482,470	\$ 275,467,758	\$ 13,985,288	5.3%
Internal Income	1,954,926	2,227,990	273,064	14.0%
Endowment/Foundation Income	871	734	(137)	-15.7%
Other Income	2,038,993	2,364,405	325,412	16.0%
<b>Total Revenues</b>	<b>265,515,758</b>	<b>280,093,747</b>	<b>14,577,989</b>	<b>5.5%</b>
<b><u>Expenses:</u></b>				
Personal Services	93,760,586	99,861,651	6,101,065	6.5%
Fringe Benefits	41,344,032	43,455,994	2,111,962	5.1%
Medical Contractual Support	4,792,338	5,235,539	443,201	9.2%
Internal Contractual Support	17,220,939	18,120,855	899,916	5.2%
Medical/Dental House Staff	16,424,570	16,301,644	(122,926)	-0.7%
Outside Agency Per Diems	1,676,791	1,032,213	(644,578)	-38.4%
Drugs	14,944,667	15,691,145	746,478	5.0%
Medical Supplies	37,549,554	39,106,867	1,557,313	4.1%
Utilities	2,744,464	2,952,506	208,042	7.6%
Outside & Other Purchased Services	28,987,829	31,557,077	2,569,248	8.9%
Insurance	4,460,666	4,688,319	227,653	5.1%
Repairs & Maintenance	5,836,558	6,630,125	793,567	13.6%
Other Expenses	3,239,483	3,629,142	389,659	12.0%
Depreciation	9,600,186	9,897,724	297,538	3.1%
<b>Total Expenses</b>	<b>282,582,663</b>	<b>298,160,801</b>	<b>15,578,138</b>	<b>5.5%</b>
<b><u>Excess/(Deficiency) of Revenues over Expenses</u></b>	<b>(17,066,905)</b>	<b>(18,067,054)</b>	<b>(1,000,149)</b>	<b>-5.9%</b>
JDH Fringe Benefit Differential	13,500,000	13,500,000	-	0.0%
Excess/(Deficiency) of Revenue over Expenses	<b>\$ (3,566,905)</b>	<b>\$ (4,567,054)</b>	<b>\$ (1,000,149)</b>	<b>28.0%</b>

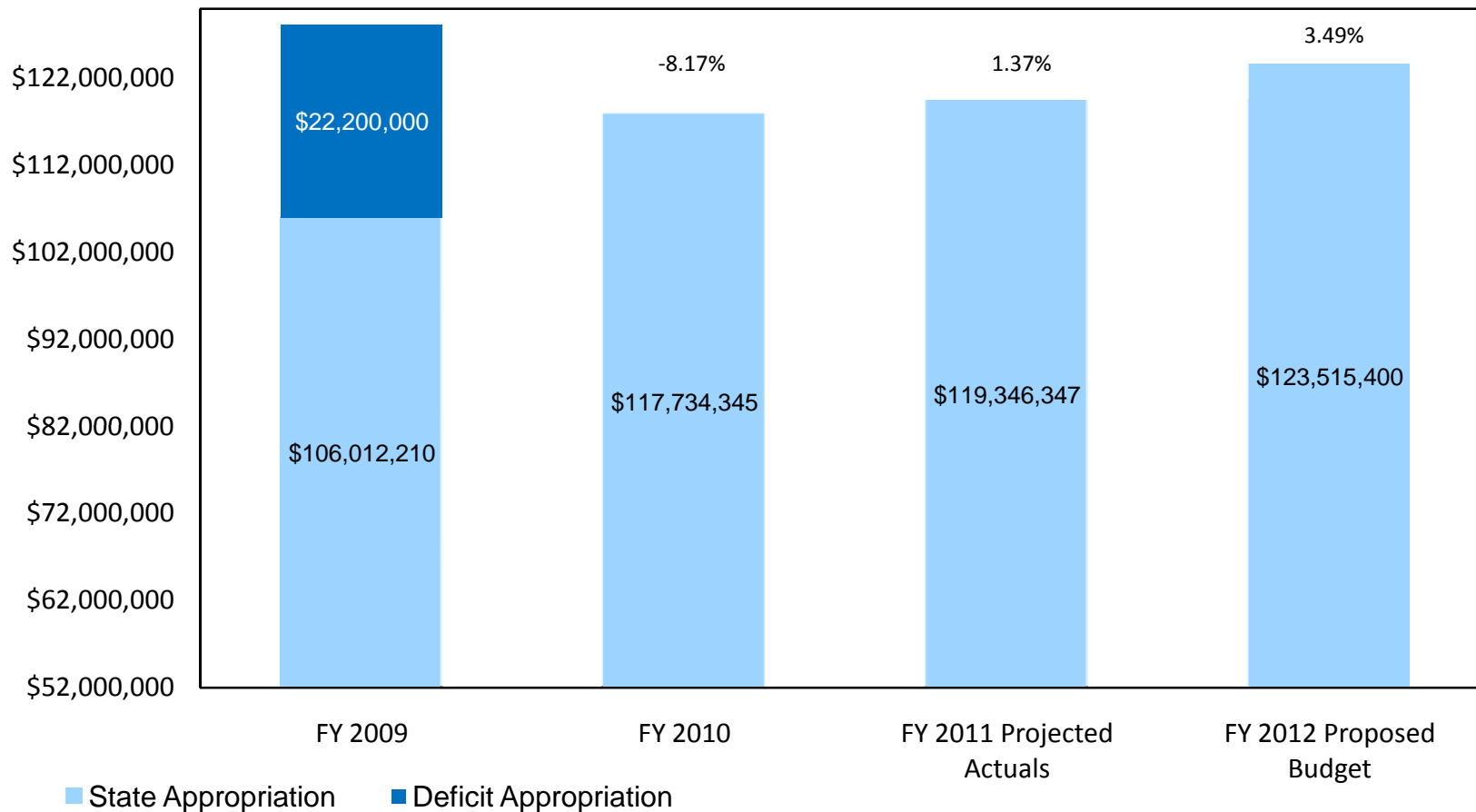
<b>University of Connecticut Health Center - UConn Medical Group</b> <b>Statement of Revenue and Expenses</b> <b>Fiscal Year 2011 Projected Actuals &amp; Fiscal Year 2012 Proposed Budget</b>
--

	Fiscal Year 2011 Projected Actuals	Fiscal Year 2012 Proposed Budget	FY 2011 Projected Actuals vs FY 2012 Proposed Budget Variance	Percent Variance
<b><u>REVENUES:</u></b>				
Net Patient Revenue	\$ 79,214,789	\$ 80,977,280	\$ 1,762,491	2.2%
Other Revenues	7,666,894	7,762,417	95,523	1.2%
<b>Total Revenues</b>	<b>86,881,683</b>	<b>88,739,697</b>	<b>1,858,014</b>	<b>2.1%</b>
<b><u>EXPENSES:</u></b>				
Personal Services	54,453,219	55,799,102	1,345,883	2.5%
Fringe Benefits	18,957,322	19,806,683	849,361	4.5%
Medical Contractual Support	7,558,109	7,440,579	(117,530)	-1.6%
Outside Agency Per Diems	220,712	240,786	20,074	9.1%
Drugs	1,830,891	1,478,814	(352,077)	-19.2%
Medical Supplies	1,287,730	1,186,202	(101,528)	-7.9%
Utilities	264,788	198,031	(66,757)	-25.2%
Outside & Other Purchased Services	10,932,863	10,180,874	(751,989)	-6.9%
Insurance	604,013	623,172	19,159	3.2%
Repairs & Maintenance	496,250	470,332	(25,918)	-5.2%
Other Expenses	795,484	820,429	24,945	3.1%
Depreciation	1,089,536	1,026,034	(63,502)	-5.8%
<b>Total Expenses</b>	<b>98,490,917</b>	<b>99,271,038</b>	<b>780,121</b>	<b>0.8%</b>
<b>Excess/(Deficiency) of Revenues over Expenses</b>	<b>\$ (11,609,234)</b>	<b>\$ (10,531,341)</b>	<b>\$ 1,077,893</b>	<b>9.3%</b>

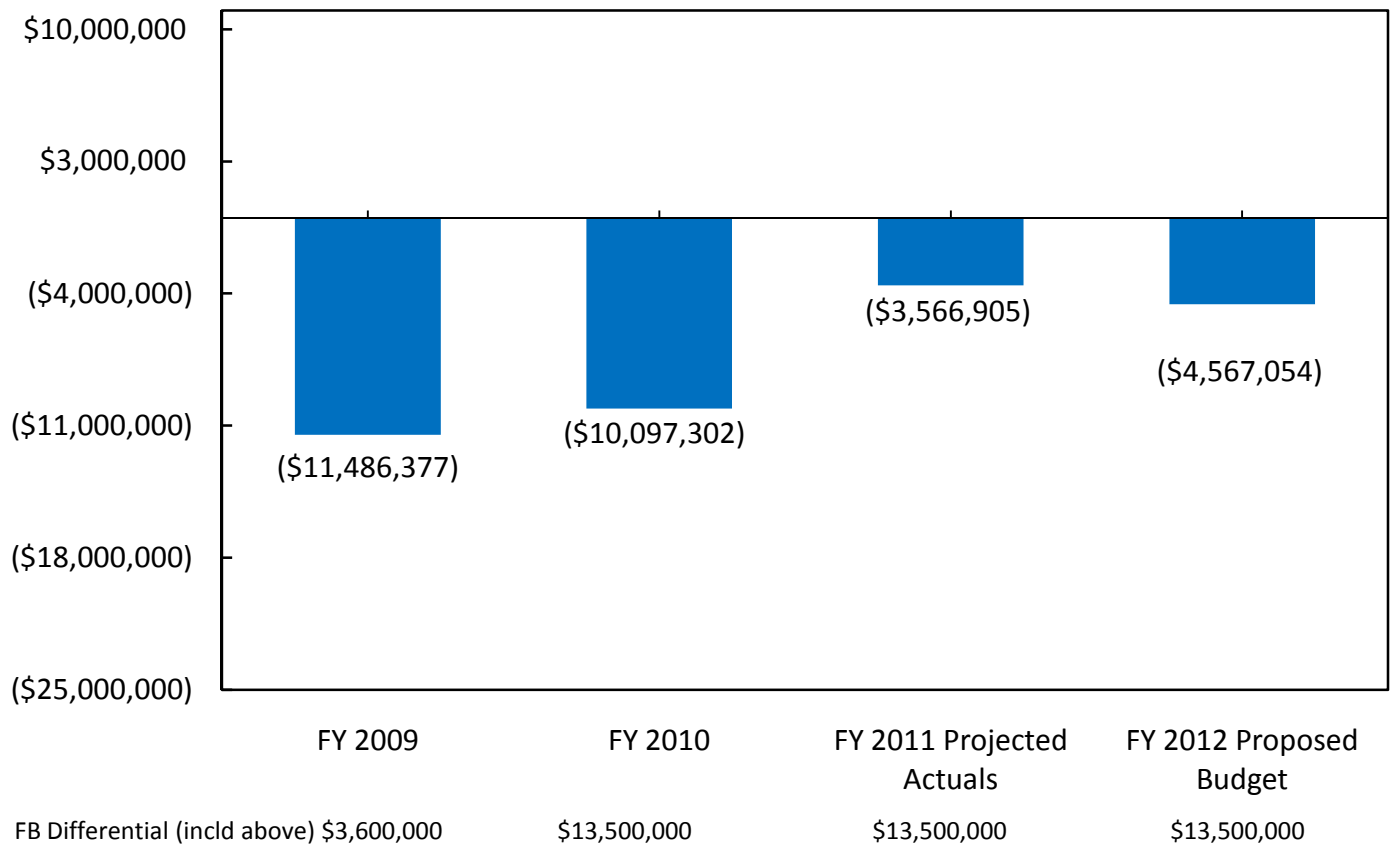
**University of Connecticut Health Center  
Profit (Deficiency) By Fiscal Year**



## University of Connecticut Health Center State Appropriation w/o Fringe Benefits By Fiscal Year

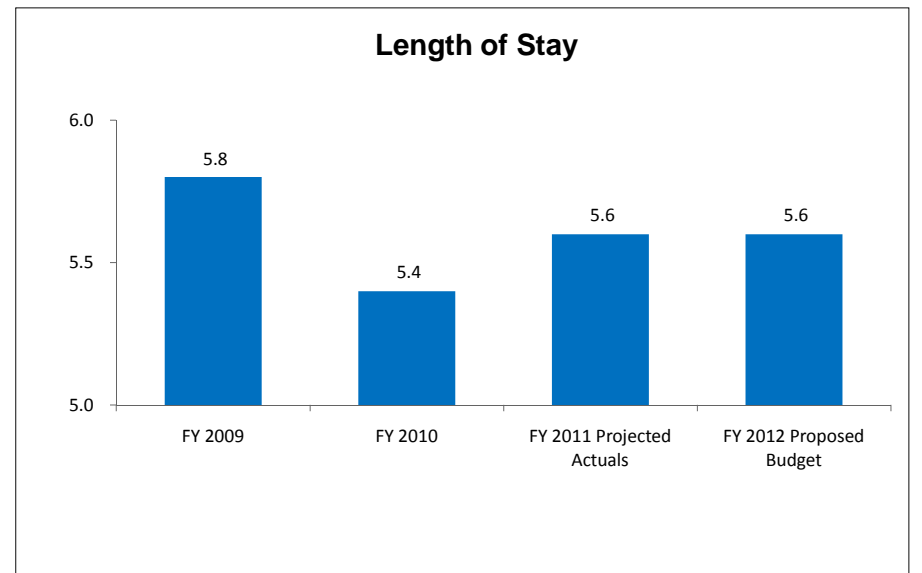
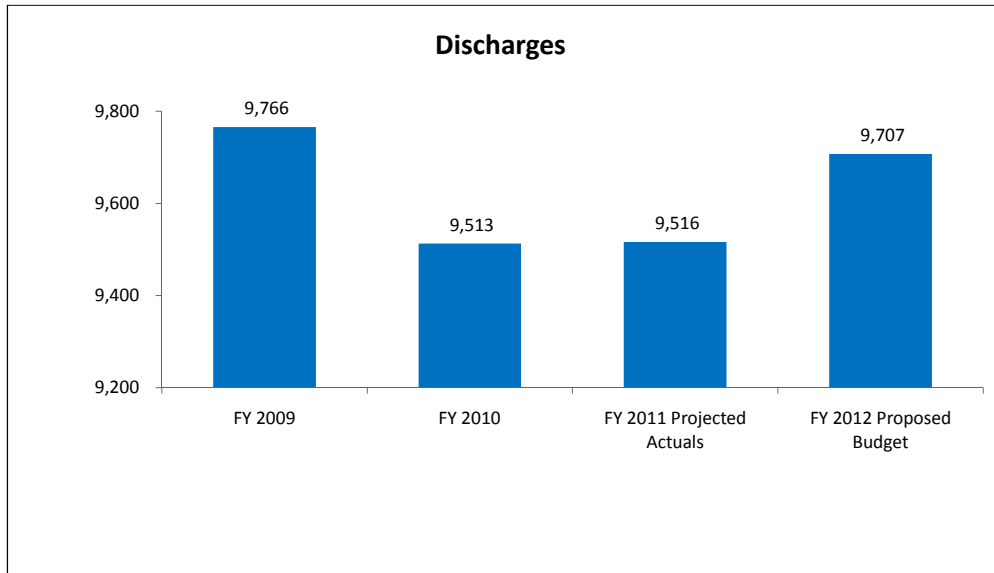
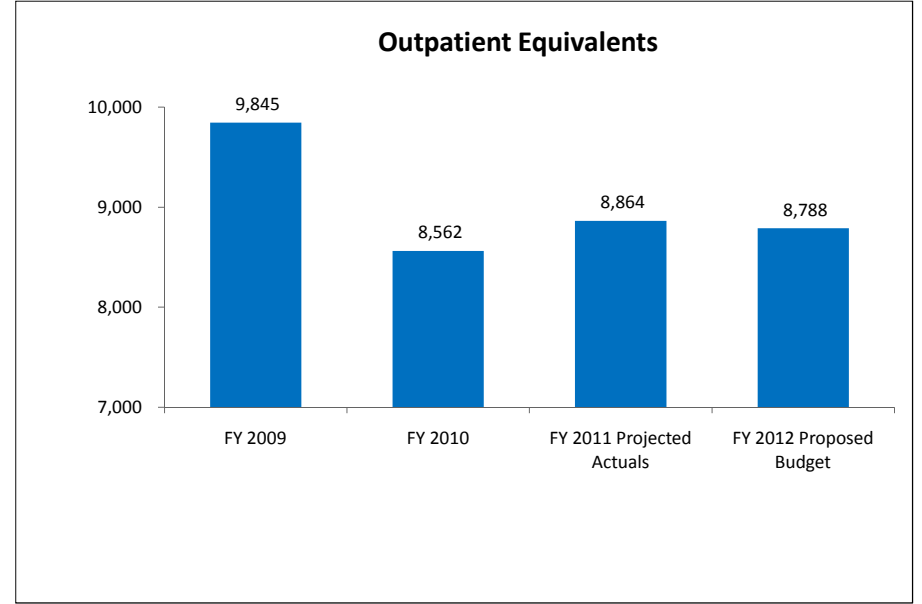
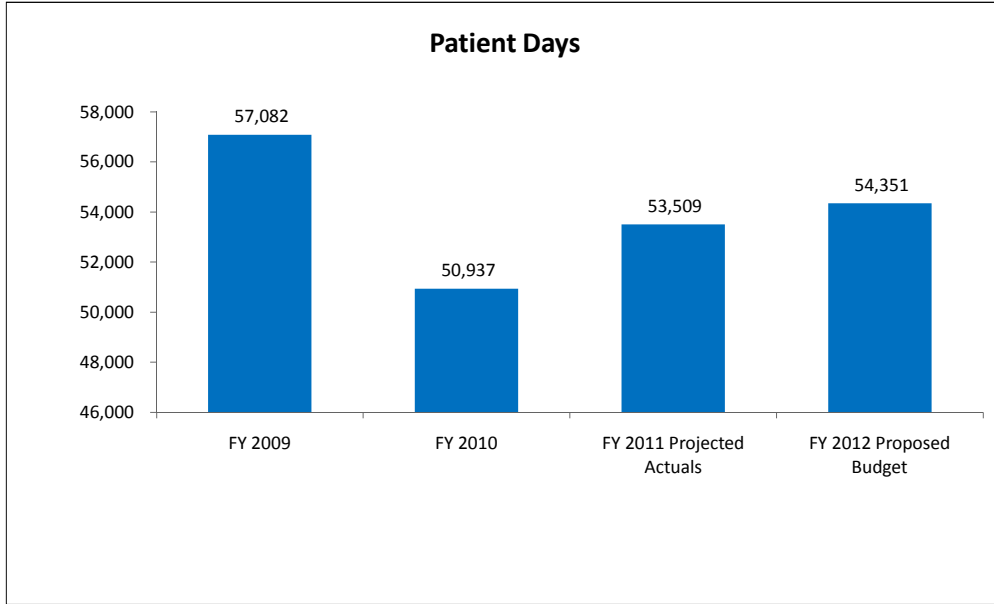


## John Dempsey Hospital/Dental Clinics Deficiency by Fiscal Year

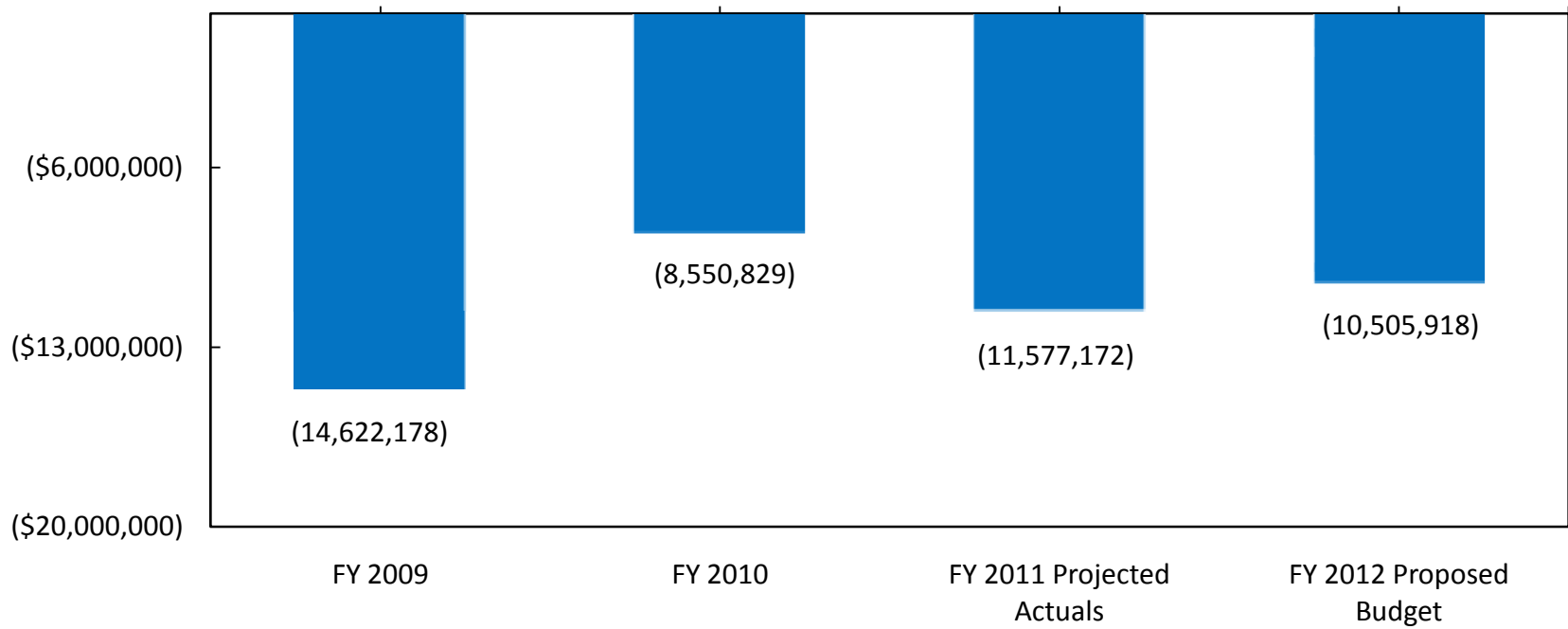


# JOHN DEMPSEY HOSPITAL

## Statistical Graphs

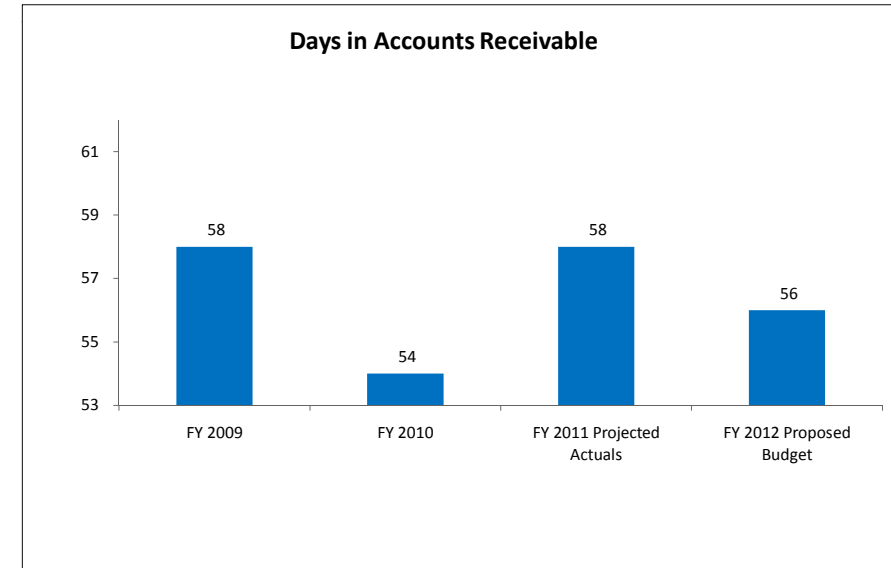
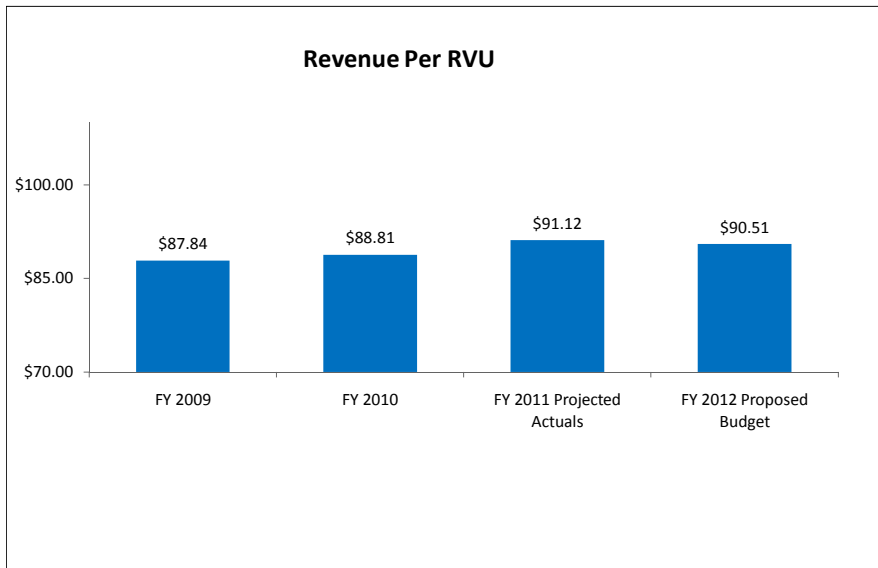
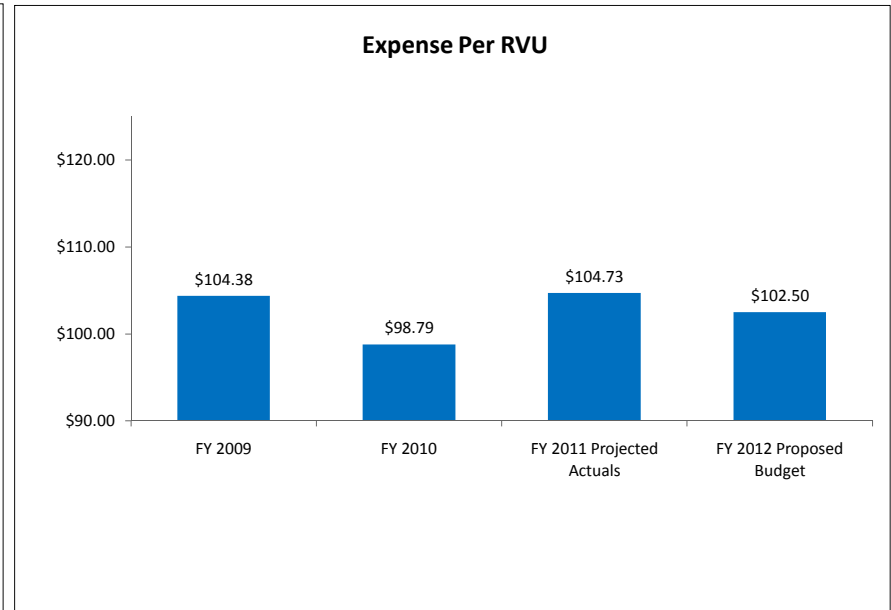
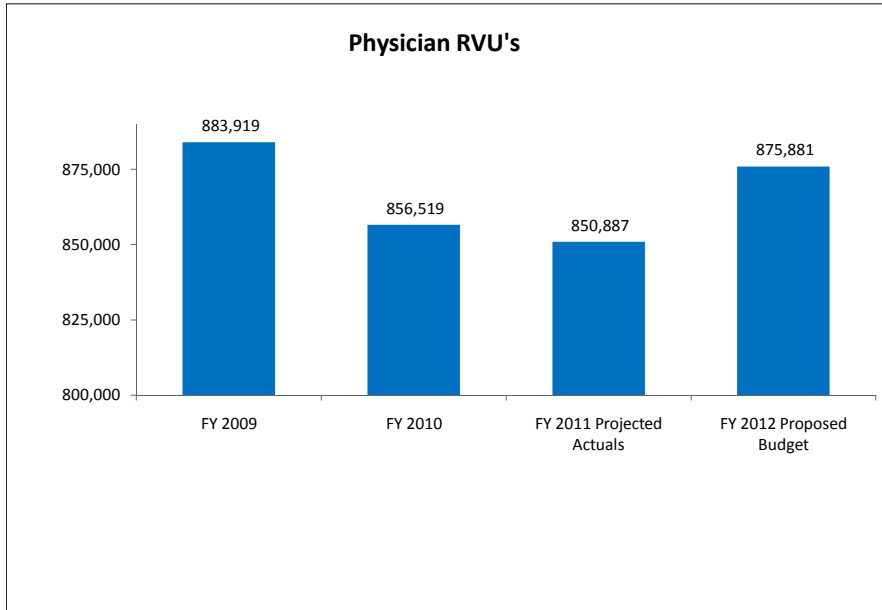


### UConn Medical Group Deficiency By Fiscal Year





## UConn Medical Group Statistical Graphs



**UNIVERSITY OF CONNECTICUT HEALTH CENTER**  
**Research Awards and Revenue Recognition By Fiscal Year**  
 Note: This graph includes the full grant amount (even if multi-year) in the year of the award

