



University of Connecticut  
*Financial Planning and Management*

August 1, 2007

TO: Members, Board of Trustees

FROM: Lorraine M. Aronson  
Vice President and Chief Financial Officer

Daniel L. Upton  
Chief Financial Officer

**SUBJECT: Spending Plan for the University of Connecticut Health Center for Fiscal Year 2008.**

**RECOMMENDATION:**

That the Board of Trustees approves the University of Connecticut Health Center Spending Plan for the Fiscal Year 2008.

**BACKGROUND:**

The Fiscal Year 2008 Spending Plan for the Health Center includes \$712.91 million of revenue, including a state appropriation of \$95.8 million, to cover \$712.86 million in expenses, yielding a \$50,210 net gain. This budget includes planned revenue enhancements and expenditure reductions, which will be implemented during Fiscal Year 2008 to provide funding for strategic initiatives.

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University of Connecticut  
Health Center

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# **Fiscal Year 2008 Budget Presentation**



# Strategic Priorities

FY2008

## Signature Programs

- **Musculoskeletal Institute**
  - **Dental Implant Center to start April 2008**
  - **Four Faculty Recruitments (Spine, Joint, Foot & Ankle, & Neurosurgeon)**
- **Cancer**
  - **Tomotherapy Center**
  - **2 Faculty Recruitments**
- **Cardiology**
  - **Electrophysiology Lab Operations**
  - **2 Faculty Recruitments ( Cardiologist and EP Lab)**
- **Connecticut and Public Health**
  - **Masters of Public Health Accreditation**
  - **Expansion of the Center for Public Health**



## Research

- **Clinical and Translational Science Institute**
- **Stem Cell Core**
- **New Program Viral Vector Core**
- **Expansion of the Molecular Core Freezer Program**
- **Biophysical Core**

## Clinical Enhancements

- **UMG**
  - **Faculty Recruitment and Hiring Plan**
- **John Dempsey Hospital**
  - **Internal Focus : Operations - Access, Throughput, Safety & Service**

**University of Connecticut Health Center  
Consolidated Statement of Revenues and Expenses (with Eliminations)  
Operating Budget - Fiscal Year 2008**

	Fiscal Year 2007	Fiscal Year 2008	FY 07 Cur Services vs FY08 Prop'd Budget Variance	Percent Variance
<b>Revenues:</b>				
Tuitions	\$ 8,968,000	\$ 9,810,498	\$ 842,498	9.4%
Fees	5,226,000	5,287,267	61,267	1.2%
Federal Research Grants and Contracts	67,600,000	68,100,000	500,000	0.7%
Non-Federal Research Grants and Contracts	23,403,000	25,700,000	2,297,000	9.8%
Auxiliary Enterprises	14,923,000	13,273,704	(1,649,296)	-11.1%
Interns and Residents	31,078,000	34,237,825	3,159,825	10.2%
Net Patient Care	290,365,454	312,603,752	22,238,298	7.7%
Correctional Managed Health Care	93,000,000	99,694,982	6,694,982	7.2%
Endowment/Foundation Income	3,450,000	5,700,281	2,250,281	65.2%
Investment Income	2,217,923	3,580,070	1,362,147	61.4%
Other Income	2,979,823	4,770,499	1,790,676	60.1%
<b>Total Revenues</b>	<b>\$ 543,211,200</b>	<b>\$ 582,758,878</b>	<b>\$ 39,547,678</b>	<b>7.3%</b>
<b>Expenses:</b>				
Personal Services	\$ 330,792,938	\$ 348,156,931	\$ 17,363,993	5.2%
State Supported Fringe Benefits	26,494,000	34,380,090	7,886,090	29.8%
Fringe Benefits	66,995,302	63,563,572	(3,431,730)	-5.1%
Medical Contractual Support	8,401,000	14,948,956	6,547,956	77.9%
Medical/Dental House Staff	32,601,000	34,858,933	2,257,933	6.9%
Outside Agency Per Diems	2,266,000	2,202,152	(63,848)	-2.8%
Drugs	31,065,591	32,501,398	1,435,807	4.6%
Medical Supplies	38,395,006	40,365,184	1,970,178	5.1%
Utilities	17,618,000	19,587,461	1,969,461	11.2%
Outside & Other Purchased Services	44,827,120	50,005,338	5,178,218	11.6%
Insurance	4,655,308	4,644,913	(10,395)	-0.2%
Repairs & Maintenance	10,697,733	11,329,508	631,775	5.9%
Provision for Bad Debts	6,384,079	7,205,826	821,747	12.9%
Other Expenses	21,818,869	21,873,957	55,088	0.3%
Depreciation	27,222,000	27,238,634	16,634	0.1%
<b>Total Expenses</b>	<b>\$ 670,233,946</b>	<b>\$ 712,862,853</b>	<b>\$ 42,628,907</b>	<b>6.4%</b>
<b>Excess/(Deficiency) of Revenues over Expenses Prior to State Appropriations</b>	<b>\$ (127,022,746)</b>	<b>\$ (130,103,975)</b>	<b>(3,081,229)</b>	<b>-2.4%</b>
State Appropriation-Block Grant/Academic Gap	100,528,746	95,774,095	(4,754,651)	-4.7%
State Supported Fringe Benefits & Other Adjustments	26,494,000	34,380,090	7,886,090	29.8%
Fringe Benefit Support-JDH	-	-	-	100.0%
<b>Excess/(Deficiency)</b>	<b>\$ -</b>	<b>\$ 50,210</b>	<b>\$ 50,210</b>	
Total State Support	127,022,746	130,154,185	3,131,439	2.5%
Percent of Total Revenues	18.95%	18.26%	-0.70%	-3.7%



**University of Connecticut Health Center  
Summary of Expense Variance  
Operating Budget - Fiscal Year 2008  
Total Expenses**

	<u>Amount</u>
<b>Personal Services &amp; Fringe Benefits</b>	
Contractual Salary Increases including Fringe Benefits	10,145,289
Fringe Benefit - Estimated increases	2,809,000
Other Salary and Fringe Benefit increases (Delayed to January 1 and Other restrictions applied)	
Managerial & Confidential	190,350
Academic Merit School of Medicine & School of Dental Medicine	542,000
Promotional & Equity Increases	177,400
JDH Faculty Promotional & Equity Increases	178,600
UMG Faculty Promotional & Equity Increases	294,000
UMG Incentive Plan	998,700
School of Medicine - New Positions - Salary & F/B (2.06 fte's)	500,000
School of Dental Medicine - New Positions - Salary & F/B (.90 fte's)	76,000
Dental Implant Center	712,000
Dental Clinics	40,000
Research - New Positions to support new Grant Revenues	1,567,000
John Dempsey Hospital	
Farmington Surgery Center - full year impact	1,000,000
UConn Medical Group - New Faculty and support staff	1,561,000
Institutional Support	1,027,000
<b>Total Personal Services &amp; Fringe Benefits</b>	<hr/> 21,818,339
<b>Medical Contractual Support</b>	6,548,000
UMG - Anesthesiology - Contracted Faculty	
SOM - Interns and Residents	
<b>Medical House/Dental Staff</b>	2,258,000
Increase in overall cost and an increase in the number of residents	
<b>Outside Agency Per Diems</b>	
JDH - Reduction in Staff from Agencies	(64,000)
<b>Drugs</b>	
CMHC - Increase due to inflation and inmate utilization	1,436,000
JDH - increase due to volume increase and inflation	
<b>Medical Supplies</b>	1,970,000
JDH - increase due to move of Cytogenetics/Human Genetics and full year of Farmington Surgery Center	
UMG - decrease due to move of Cytogenetics/Human Genetics	
Dental Implant Center	
<b>Utilities - Rate Increases</b>	1,969,461
<b>Outside &amp; Other Purchased Services</b>	5,177,000
Dental Implant Center	
JDH - Farmington Surgery Center, Cytogenetics/Human Genetics, PET, PAC Software Maintenance	
Research - F&A Cost Study	
Dental Clinics - Advanced Education in General Dentistry	
Connecticut Health Information Network (CHIN)	
Institutional Support - Development, Compliance, IT Hardware/software Maint	
<b>Insurance</b>	(10,400)
<b>Repairs &amp; Maintenance</b>	632,000
<b>Provision for Bad Debts</b>	822,000
<b>Other Expenses</b>	55,000
<b>Depreciation</b>	16,600
<b>Total Expense Variance</b>	<hr/> <b>42,628,000</b> <hr/>

**University Of Connecticut Health Center**  
**Summary of Sources and Uses of Funds**  
**Academic Gap - FY 2008 Budget**

	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Actual	Fiscal Year 2005 Actual	Fiscal Year 2006 Actual	Fiscal Year 2007 Forecasted	Fiscal Year 2008 Budget	FY 08 vs, FY 07 Variance
<b>Academic Revenues</b>								
Tuition & Fees	7,002,435	8,531,647	9,445,586	11,061,138	12,520,330	14,194,000	15,097,765	903,765
Research	64,980,659	79,934,329	88,473,628	90,843,339	90,552,562	91,003,000	93,800,000	2,797,000
Auxiliary Revenue	17,729,731	13,328,910	14,362,312	13,907,475	14,414,635	14,923,000	13,273,704	(1,649,296)
Residents & Interns	23,853,441	27,090,425	28,633,447	28,903,697	29,174,479	31,078,000	34,237,825	3,159,825
Net Patient Revenue Dental School	1,631,962	2,049,069	2,255,906	1,852,573	2,131,980	2,136,816	3,760,293	1,623,477
Net Patient Revenue -UMG	60,866,548	65,791,429	66,943,238	68,558,947	70,123,877	76,671,595	85,014,474	8,342,879
Endowment Income	1,784,474	2,749,704	1,622,438	1,283,710	2,765,490	3,450,000	5,191,719	1,741,719
Investment Income	1,887,101	973,956	480,352	766,658	1,641,998	1,324,000	2,480,070	1,156,070
Other	1,304,471	1,261,847	520,586	1,756,448	1,396,722	1,740,000	1,443,384	(296,616)
<b>Total Academic Revenues</b>	<b>181,040,822</b>	<b>201,711,316</b>	<b>212,737,493</b>	<b>218,933,985</b>	<b>224,722,073</b>	<b>236,520,411</b>	<b>254,299,234</b>	<b>17,778,823</b>
<b>Academic Expenses</b>								
School of Medicine	85,658,137	87,403,687	89,428,165	93,412,917	94,301,608	96,918,056	102,111,185	5,193,129
School of Dental Medicine	15,986,292	17,981,614	18,560,003	19,341,324	20,043,191	19,654,000	22,483,728	2,829,728
Research	69,388,531	84,503,089	92,923,423	98,611,522	97,560,886	101,739,102	104,017,449	2,278,347
UConn Medical Group	67,424,852	65,711,997	66,898,570	68,659,750	71,731,849	77,252,000	88,340,182	11,088,182
Institutional Support	41,104,054	41,786,024	44,762,859	47,317,785	55,139,489	58,680,000	62,169,539	3,489,539
<b>Total Academic Expenses</b>	<b>279,561,866</b>	<b>297,386,411</b>	<b>312,573,020</b>	<b>327,343,298</b>	<b>338,777,023</b>	<b>354,243,158</b>	<b>379,122,083</b>	<b>24,878,925</b>
<b>Academic Deficiency</b>	<b>(98,521,044)</b>	<b>(95,675,095)</b>	<b>(99,835,527)</b>	<b>(108,409,313)</b>	<b>(114,054,950)</b>	<b>(117,722,747)</b>	<b>(124,822,849)</b>	<b>(7,100,102)</b>
<b>Total State Support</b>								
Block Grant	74,102,850	74,231,213	73,748,844	73,238,772	76,161,417	100,528,747	95,774,095	(4,754,652)
Fringe Benefits	23,425,603	21,091,611	23,520,176	27,487,278	25,730,691	26,494,000	34,380,090	7,886,090
Total	97,528,453	95,322,824	97,269,020	100,726,050	101,892,108	127,022,747	130,154,185	3,131,438
Shortfall ( Academic GAP)	(992,591)	(352,271)	(2,566,507)	(7,683,263)	(12,162,842)	9,300,000	5,331,336	(3,968,664)
<b>Hospital Support</b>								
JDH	1,122,070	1,173,849	3,275,858	8,134,796	5,563,565	(9,300,000)	(5,281,126)	4,018,874
<b>Other Programs:</b>								
CMHC	0	(568,476)	(135,141)	(44,928)	(274,409)	0	0	0
<b>Total Results from Operations</b>	<b>129,479</b>	<b>253,102</b>	<b>574,210</b>	<b>406,605</b>	<b>(6,873,686)</b>	<b>0</b>	<b>50,210</b>	<b>50,210</b>





# ***Budget Assumptions***

## ***FY 2008***

- State Support for the “Academic Gap”, Current Services, and Correctional Managed Health Care
- Investment in the Signature Programs
- Research Facilities and Administration Recovery Rate
- Endowment/ Foundation Income
- Utilities Expense
- Repairs and Maintenance
- Depreciation
- Investment Income Interest Expense
- Salary and Fringe Benefits Wage Commitments.
- Farmington Surgery Center
- John Dempsey Hospital Net Patient Revenues
- UConn Medical Group



- State Support for the “Academic Gap”, Current Services, and Correctional Managed Health Care
  - The FY 08 budget includes the increases above the FY 07 amounts included in the State Budget passed by the General Assembly.
    - Academic Gap \$ 13,500,000
    - Current Services 2,245,000
    - Correctional Managed Health Care 6,695,000
- Investment in the Signature Programs
  - The FY 08 budget includes an increase investment in the signature programs.
    - MSI \$ 2,300,000
    - Cancer 500,000
    - Cardiology 500,000
    - Public Health 450,000

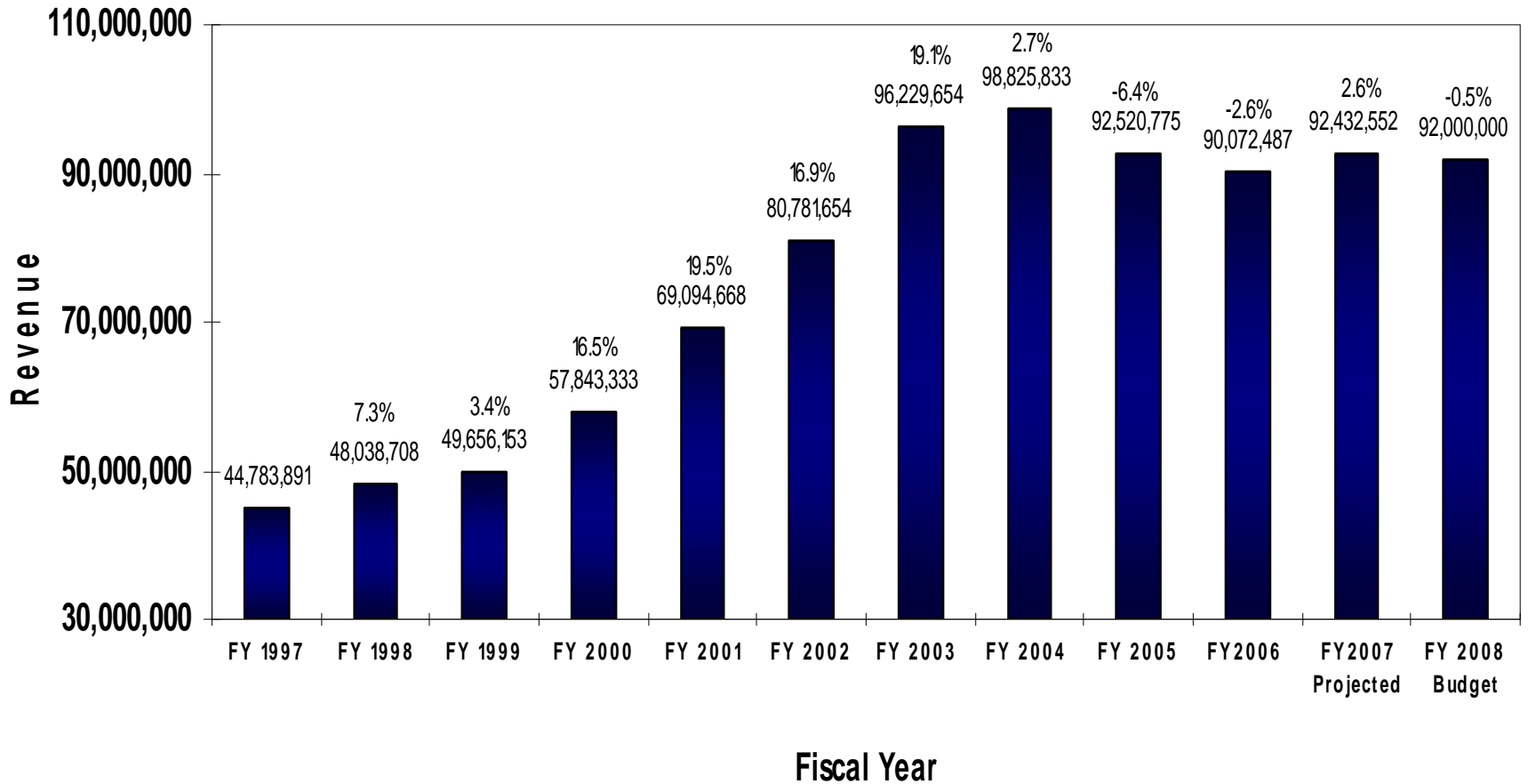


- Research Facilities and Administration Recovery Rate
  - The overall research budget deficiency is anticipated to improve by \$1.8 million.
    - The F&A recovery is budgeted to increase due to the 25% F&A recovery on the Stem Cell grants (estimated to be \$700,000). The Effective rate for Federal Grants is assumed to remain at FY 07's rate.

# UNIVERSITY OF CONNECTICUT HEALTH CENTER

## RESEARCH AWARDS BY FISCAL YEAR

Note: This graph includes the full grant amount (even if multi-year) in the year of the award





- Endowment / Foundation Income

The overall Endowment/Foundation revenue is anticipated to increase by \$2.2 million for the following reasons:

- A pledge from the Neag family of \$2.5 million towards the purchase of the Tomotherapy Unit. The pledge is to be paid in five \$500,000 installments. The first installment will be received in FY 2008.
- A pledge from the Gladstein family of \$250,000.
- The Dental Implant Center budget includes a commitment of \$300,000 in donations.
- A review of the Foundation restricted and unrestricted accounts calculates a drawdown of funds for FY 08 that will increase by \$1.15 million over FY 07.



- Utilities
  - Based on current consumption, costs, and rate structures, we are estimating an increase of 11.2% over FY 07. The growth in the Utility budget is 54% over the last two year period.
- Repairs and Maintenance
  - Based on the FY 07 experience, we are estimating an increase of 6.8% for FY 08.
- Depreciation
  - The FY 08 budget is based on up-to-date data and also takes into consideration the anticipated capital expenditures and assets that will be fully depreciated by FY 08.
- Investment Income
  - The overall investment revenue is anticipated to increase by \$1.3 million for the following reasons:
    - The FY 08 Budget assumes that the cash position will improve during the fiscal year with a current year (FY 07) deficiency appropriation and an increase in state support in FY 08.
    - The interest rate is assumed to be the current rate of 5.5%, which is higher than the FY 07 average of 5.0%



- Salary and Fringe Benefit Commitments
  - The salary and fringe benefit commitment to collective bargaining agreements, managerial and faculty pools totals \$15.4 million of the total salary and fringe benefits increase of \$21.8 million
    - Collective Bargaining - \$ 10.2 million
    - Managerial and Faculty Pools \$ 2.4 million
    - Fringe Benefits rate increase \$ 2.8 million
  
- Farmington Surgery Center
  - The forecasted results of operations for the Farmington Surgery Center as a JDH department have improved by \$2.1 million annually, principally due to improved reimbursement (\$400 per case) and increased volume in the course of FY07.





## ***FY 2008 Budget Assumptions***

- John Dempsey Hospital – Net Patient Revenues
  - Overall net patient revenue is anticipated to increase by \$11.8 million for the following reasons:
    - o The FY 08 budget includes an increase in Medicaid rates based on legislative action. The impact is an increase in net revenue of \$1.4 million.
    - o The FY 08 budget includes the annualized impact of the renegotiated Managed Care contracts. The impact is an increase in net revenue of \$2.6 million.
    - o Medicare has published new regulations that will reduce net revenues by \$1.1 million.
    - o Increase hospital payments from the Correctional Managed Health Care program. The impact is an increase in net revenue of \$1.2 million.
    - o Transfer of Cytogenetics/Human Genetics Lab to JDH from UMG. This transfer adds \$2.6 million of revenue to JDH.
    - o **Volume increases:** Budgeted increases for inpatient admissions and outpatient visits increase the budgeted net revenue by \$5.1 million. A more detailed explanation follows.



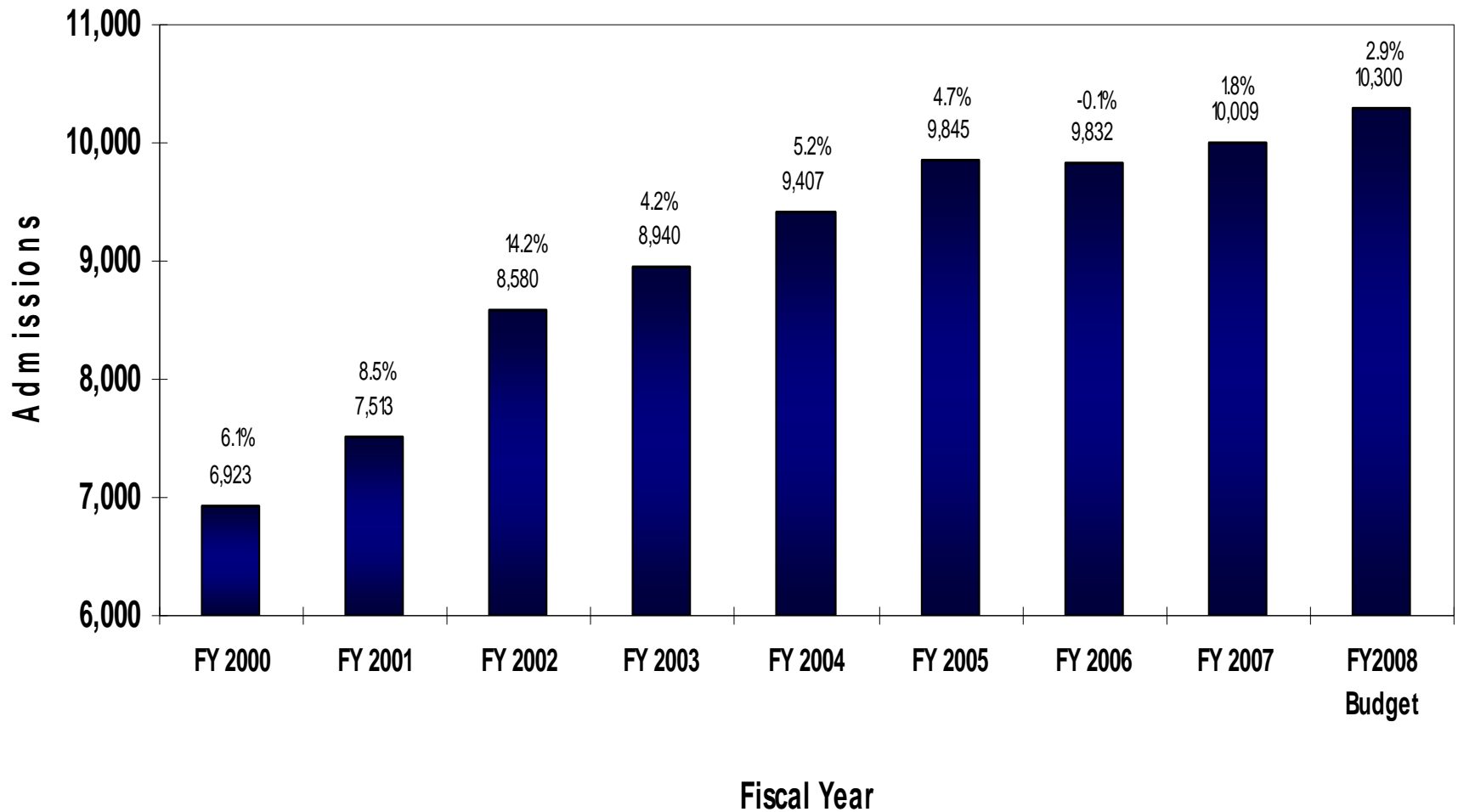


- John Dempsey Hospital – Net Patient Revenues (cont.)

- **Inpatient Volume increase: Total increase of 291 cases or 2.9%**
  - The strategic priorities continue to be the Signature Programs. The UMG recruitment plan includes recruitment for Cardiology (EP replacement and Cardiologist), New England Musculoskeletal Institute (Spine Surgeon, Joint Surgeon, Neurosurgeon & Foot and Ankle Surgeon) and Cancer ( 2 new faculty).
  - Admissions are targeted to increase based on the above plan as follows however the calculation for net revenue assumed the FY 07 service line mix:
    - Cardiology – an anticipated increase of 48 cases from the new cardiologist with a scheduled start date. EP lab is held stable from FY 07 since the EP replacement has not been hired.
    - Cancer - an anticipated increase of 25 cases from the new faculty with scheduled start dates.
    - Neurosurgery – A replacement Neurosurgeon is scheduled to start August 2007 and the budget anticipates an increase of 60 cases.
    - Orthopedics – The spine surgeon is scheduled to start August 2007 and the annualized impact of the MSI director is budgeted to increase 70 cases.
    - Other Services – The budget anticipates an increase in General Surgery due to operational improvements in the Operating Room. The other service lines are budgeted to stay stable from FY 07 levels. The strategic priorities will focus on the Signature Programs; increases in other service lines will be due to market changes versus targeted initiatives.
- **Payor Mix**
  - The budget for FY 08 will keep the payor mix assumptions at FY 07's level except for the impact of the 291 cases above. The service line payor mix is assumed to remain at FY 07's level for to calculate net patient revenue.

# JOHN DEMPSEY HOSPITAL

## ADMISSIONS BY FISCAL YEAR





- John Dempsey Hospital – Net Patient Revenues (cont.)

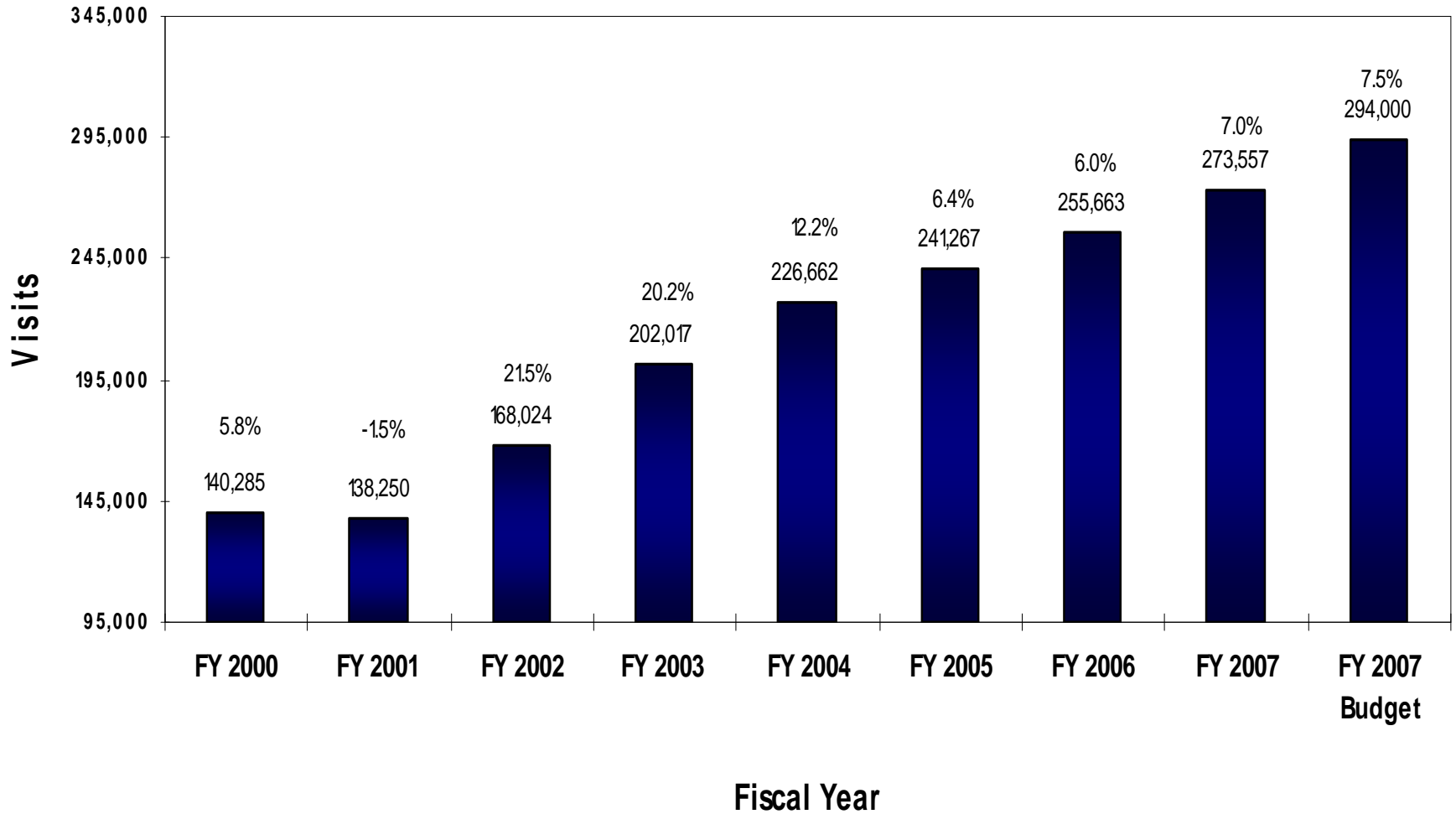
- **Outpatient Volume increase: Total increase of 20,443 visits or 7.5%**

- This assumption is based on a review of key outpatient service data.
- Volume increases are based on the following assumptions:

▪ Emergency Department – Renovate adjacent space to expand capacity	1,700
▪ Diagnostic Radiology – New recruitments and a new chairman	1,600
▪ Radiation Oncology – TomoTherapy Unit operational November, 2007	1,050
▪ CTT Scans - New recruitments and a new chairman	1,100
▪ MRI – Expanded hours started April 2007	600
▪ Pet Scans – Adding two days a month	120
▪ Laboratory – Historical trend and expected increase from UMG recruits	7,600
▪ Outpatient Surgery – Farmington Surgery Center	1,000
▪ Cancer Center – New faculty recruitments	1,000
▪ Physical Therapy – Anticipated volume from new Orthopedic recruits	1,600

# JOHN DEMPSEY HOSPITAL

## OUTPATIENT VISITS BY FISCAL YEAR





- UConn Medical Group – Net Patient Revenues

- The overall net patient revenue (with bad debt expense reducing revenues) is anticipated to increase by \$7.9 million for the following reasons:
  - o The FY 08 budget includes an increase in Medicaid rates based on the Appropriations Committee proposal. The impact is an increase in net revenue of \$600,000.
  - o The FY 08 budget includes the annualized impact of the renegotiated Managed Care contracts. The impact is an increase in net revenue of \$1.2 million
  - o Medicare is expected to publish new regulations effective January 2008 that will reduce net revenues by \$600,000.
  - o Transfer of Cytogenetics/Human Genetics Lab to JDH from UMG. This transfer decreases revenue to UMG by \$2.6 million.
  - o The agreement for Anesthesiology services is changing effective July 1. This new arrangement will increase revenues by 6.6 million.
  - o **Volume increases:** Budgeted increases for ambulatory visits will increase the budgeted net revenue by \$2.6 million. The UMG recruitment schedule on the next slide outlines the 22.3 FTE's that are targeted for recruitment. The committed hires total 11.0 FTE's were included in the budget and the faculty under recruitment total to 11.3 FTE's were not. The next two slides illustrate the impact.

# UCONN Medical Group

## New Faculty - Unique Visit Analysis

### FY 2008 Budget

	<u>Department</u>	<b>FY08 Encounters</b>	<b>FY08 FTE</b>
<b><u>New Faculty Hired for FY08</u></b>			
363999 Spine Mohr	Orthopedics	2,500	0.75
363999 Total Joint Clohisy	Orthopedics	2,250	0.38
375999 Dunn	Nephrology	452	0.30
353999 Sloane	Dermatology	1,277	0.90
370999 Mongragon	Infectious Disease	3,524	0.80
369999 Urology P Smith	Urology	1,539	0.90
369999 Urology C. Gjertson	Urology	1,539	0.83
Sub-Total		<u>13,080</u>	<u>4.86</u>
<b><u>Replacement Faculty hired for FY08</u></b>			
378999 Senatus	Neurosurgery	1,524	0.83
353999 Kristoff, A	Dermatology	594	0.33
354999 Kristoff, A	Dermatopathology	2,689	0.33
360999 Abeles,A	Rheumatology	1,069	0.00
356845 SIROP,A - INTERNAL MEDICINE	Internal Medicine	2,635	1.00
356849 Berger	Internal Medicine	1,913	0.60
356999 Morkowsky	Internal Medicine	1,156	0.50
356999 Dunn	Internal Medicine	2,750	0.60
368999 Singh	Cardiology	5,677	0.80
371999 Andremerian	Cancer Center	1,253	0.45
371999 Anderson	Cancer Center	2,468	0.68
Sub-Total		<u>23,727</u>	<u>6.12</u>
<b><u>New Faculty under Recruitment</u></b>			
379999 Otolaryngology	ENT	1,214	0.45
363999 Foot & Ankle	Orthopedics	1,502	0.45
362999 MFM	OB/GYN	1,684	0.72
359999 NEUROLOGY-EEG	Neurology	2,085	0.68
356999 APRN	Internal Medicine	1,379	0.00
361999 GI-Div Chief	Gastroenterology	577	0.45
377999 Pulm Med	Pulmonary Medicine	1,112	0.70
371999 Hem/Onc	Cancer Center	1,141	0.53
371999Dep Director	Cancer Center	537	0.68
366999 PSYCHIATRY-Child/Adol	Psychiatry	663	0.50
367999 Bone Radiologist	Radiology	2,551	0.75
367999 Interventionalist	Radiology	3,832	0.68
364999 Bloodbank	Pathology	1,142	0.80
364999 Hematopathologist	Pathology	1,143	0.80
Sub-Total		<u>20,561</u>	<u>8.19</u>
<b><u>Replacement Faculty under Recruitment</u></b>			
361999 Aziz replacement	Gastroenterology	642	0.40
360999 Parke replacement	Rheumatology	492	0.25
368999 Ep	Cardiology	2,122	0.68
365999 PEDIATRICS-NNICU	NNICU	2,193	0.90
367999 Gen Radiology	Radiology	5,537	0.83
Sub-Total		<u>10,986</u>	<u>3.06</u>
		<u>68,354</u>	<u>22.23</u>

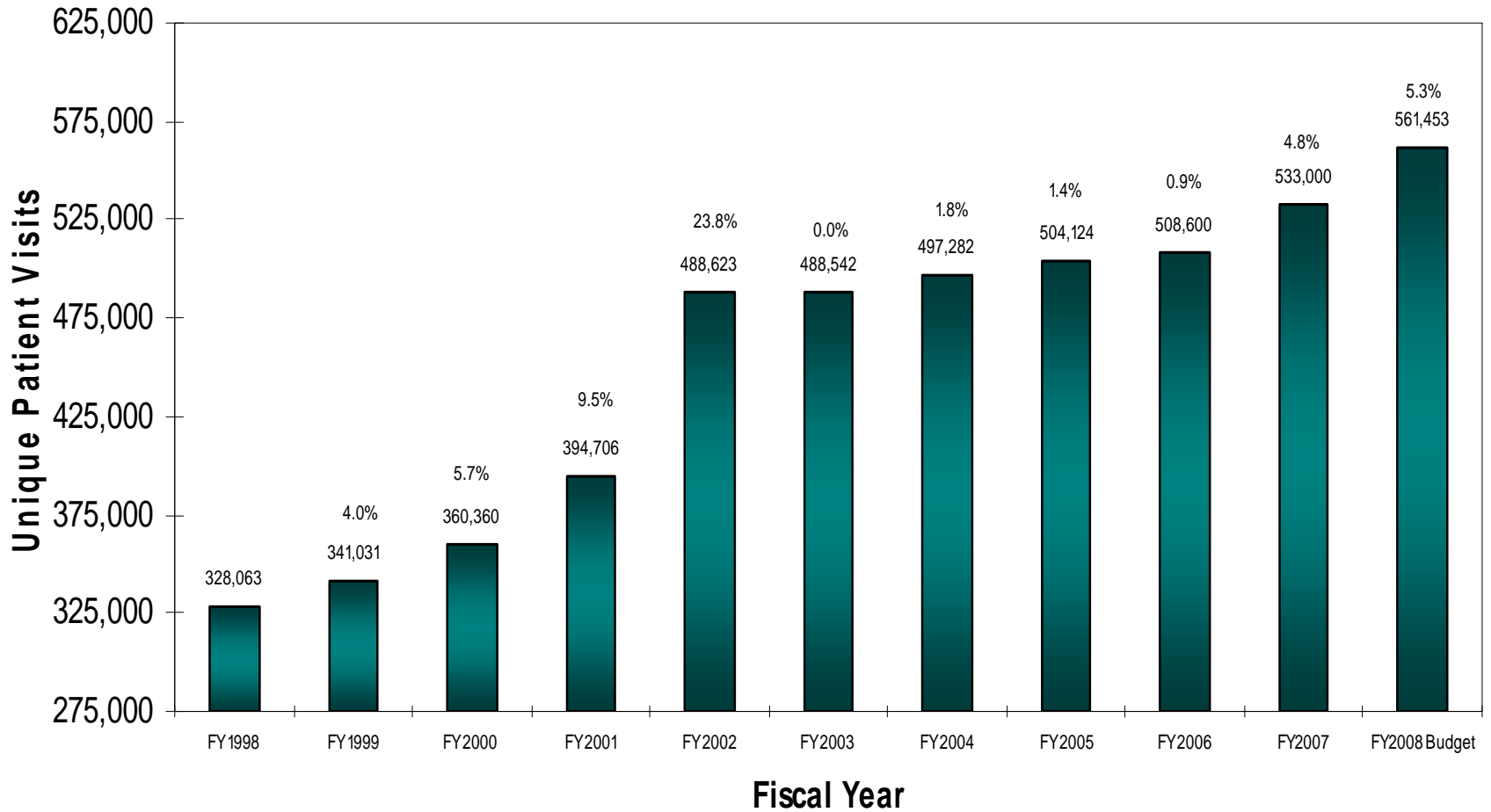
# UConn Medical Group

## Schedule of Physician Recruitment and Activity

### Fiscal Year 2008 Budget - Encounters- Unique visits

Department	Budget FY 2008	Forecasted FY 2007	Variance	Percent
Physician Currently on Staff	447,198	452,576	(5,378)	-1.19%
Physician that have terminated or reducing clinical time	0	35,363	(35,363)	-100.00%
Physicians that have been hired during FY 2007	67,158	34,715	32,443	93.46%
Replacement Physicians that have been hired for FY 2008	23,727	0	23,727	100.00%
New Faculty that have been hired for FY 2008	13,080	0	13,080	100.00%
Cytogenetics/Human Genetics move to JDH	0	10,346	(10,346)	-100.00%
Anesthesiology	10,300	0	10,300	100.00%
Total of all Current Faculty & Identified Recruitments	561,463	533,000	28,463	5.34%
Replacement Physicians under recruitment	0	0	0	
New Faculty under recruitment	0	0	0	
Total Visits	561,463	533,000	28,463	5.34%

## UConn Medical Group VOLUME BY FISCAL YEAR (Unique Patient Visits)





**University of Connecticut Health Center  
Consolidated Statement of Revenues and Expenses (with Eliminations)  
FY 2007 Forecast compared to FY 2007 Budget**

	Fiscal Year 2007	Fiscal Year 2007	FY 07 Forecast vs. FY07 Budget Variance	Percent Variance
	Forecast	Budget		
<b><u>Revenues:</u></b>				
Tuitions	\$ 8,968,000	\$ 9,267,881	\$ (299,881)	-3.2%
Fees	5,226,000	5,512,506	(286,506)	-5.2%
Federal Research Grants and Contracts	67,600,000	70,399,614	(2,799,614)	-4.0%
Non-Federal Research Grants and Contracts	23,403,000	21,250,305	2,152,695	10.1%
Auxiliary Enterprises	14,923,000	17,139,985	(2,216,985)	-12.9%
Interns and Residents	31,078,000	29,639,998	1,438,002	4.9%
Net Patient Care	290,365,454	306,295,803	(15,930,349)	-5.2%
Correctional Managed Health Care	93,000,000	90,677,037	2,322,963	2.6%
Endowment/Foundation Income	3,450,000	4,021,681	(571,681)	-14.2%
Investment Income	2,217,923	2,706,284	(488,361)	-18.0%
Other Income	2,979,823	4,833,316	(1,853,493)	-38.3%
<b>Total Revenues</b>	<b>\$ 543,211,200</b>	<b>\$ 561,744,410</b>	<b>\$ (18,533,210)</b>	<b>-3.3%</b>
<b><u>Expenses:</u></b>				
Personal Services	\$ 330,792,938	\$ 331,186,409	\$ (393,471)	-0.1%
State Supported Fringe Benefits	26,494,000	27,063,736	(569,736)	-2.1%
Fringe Benefits	66,995,302	65,623,957	1,371,345	2.1%
Medical Contractual Support	8,401,000	8,180,038	220,962	2.7%
Medical/Dental House Staff	32,601,000	32,557,720	43,280	0.1%
Outside Agency Per Diems	2,266,000	3,716,109	(1,450,109)	-39.0%
Drugs	31,065,591	32,973,815	(1,908,224)	-5.8%
Medical Supplies	38,395,006	40,117,901	(1,722,895)	-4.3%
Utilities	17,618,000	13,489,194	4,128,806	30.6%
Outside & Other Purchased Services	44,827,120	43,123,391	1,703,729	4.0%
Insurance	4,655,308	4,962,149	(306,841)	-6.2%
Repairs & Maintenance	10,697,733	9,961,698	736,035	7.4%
Provision for Bad Debts	6,384,079	6,783,188	(399,109)	-5.9%
Other Expenses	21,818,869	21,708,352	110,517	0.5%
Depreciation	27,222,000	25,044,980	2,177,020	8.7%
<b>Total Expenses</b>	<b>\$ 670,233,946</b>	<b>\$ 666,492,637</b>	<b>\$ 3,741,309</b>	<b>0.6%</b>
<b><u>Excess/(Deficiency) of Revenues over Expenses Prior to State Appropriations</u></b>	<b>\$ (127,022,746)</b>	<b>\$ (104,748,227)</b>	<b>(22,274,519)</b>	<b>21.3%</b>
State Appropriation-Block Grant/Academic Gap	100,528,746	76,920,245	23,608,501	23.5%
State Supported Fringe Benefits & Other Adjustments	26,494,000	27,841,309	(1,347,309)	-5.1%
	-	-	-	
<b><u>Excess/(Deficiency)</u></b>	<b>\$ -</b>	<b>\$ 13,327</b>	<b>\$ (13,327)</b>	<b>-100.0%</b>
Total State Support	127,022,746	104,761,554	22,261,192	21.2%
Percent of Total Revenues	18.95%	15.72%	3.23%	20.6%



## ***Significant Drivers for the FY 2007 Deficit***

• Research Facilities & Administration Recovery Amounts	\$ ( 640,000)
• Dental Clinics	\$ (451,000)
• Utilities Expense	\$ (4,128,000)
• Repairs and Maintenance	\$ (736,000)
• Depreciation	\$ (2,177,000)
• Interest Expense	\$ (1,200,000)
– State charge for funds fronted to cover academic program negative cash position	
• Fringe Benefits (not state supported)	\$ (1,371,000)
• Farmington Surgery Center Deficit	\$ (1,500,000)
• John Dempsey Hospital Net Patient Revenues	\$(10,864,000)
• State Support from Reserve for Salary Account	\$ 731,000

**Total** \$ **(22,100,000)**

**Deficiency Appropriation received June 29** \$**22,100,000**