



THE UNIVERSITY OF TEXAS SYSTEM

**PHYSICIAN/DENTAL
PRACTICE PLANS**

QUARTERLY FINANCIAL REPORT
(unaudited)

NOVEMBER 2006

The University of Texas System

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Quarterly Financial Report

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For the Three Months Ending November 30, 2006

TABLE OF CONTENTS

Combined Actual Comparison	4
Year-to-Date Adjusted Income (Loss) Summary	5
Explanation of Variances	6
Glossary of Terms	8
UT Southwestern Medical Center - Dallas	10
UT Southwestern Medical Center - Dallas - Allied Health Faculty Services Plan.....	11
UT Medical Branch - Galveston.....	12
UT Health Science Center - Houston	13
UT Health Science Center - Houston (Dental).....	14
UT Health Science Center - San Antonio (Physician).....	15
UT Health Science Center - San Antonio (Dental)	16
UT Health Science Center - San Antonio (Allied Health).....	17
UT M. D. Anderson Cancer Center.....	18
UT Health Center - Tyler.....	19

The University of Texas System
Physician/Dental Practice Plans Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 672,515,349	620,843,842	51,671,507	8.3%
Less:				
Un-sponsored Charity Care	193,992,020	182,730,574	11,261,446	6.2%
Contractual Adjustments	246,755,468	220,703,417	26,052,051	11.8%
Other Unreimbursed Medical Costs	21,165,647	16,759,866	4,405,781	26.3%
Bad Debt Expense	15,017,679	17,026,441	(2,008,762)	-11.8%
Net Patient Revenue	<u>195,584,536</u>	<u>183,623,545</u>	<u>11,960,991</u>	<u>6.5%</u>
Contractual Revenues	81,984,583	73,273,632	8,710,951	11.9%
Other Operating Revenues	7,316,100	5,504,393	1,811,707	32.9%
Total Operating Revenues Included in Monthly Financial Report	<u>284,885,219</u>	<u>262,401,570</u>	<u>22,483,649</u>	<u>8.6%</u>
Operating Expenses:				
Faculty Salaries	114,222,630	107,755,321	6,467,309	6.0%
Staff Salaries	51,597,259	49,078,579	2,518,681	5.1%
Resident Salaries	2,180,138	1,373,436	806,702	58.7%
Fringe Benefits	56,448,343	52,083,229	4,365,114	8.4%
Maintenance and Operations	48,758,280	45,530,362	3,227,918	7.1%
Professional Liability Insurance	4,331,799	4,036,830	294,969	7.3%
Travel	4,090,386	3,159,849	930,537	29.4%
Official Functions	649,357	471,175	178,182	37.8%
Other Operating Expenses	6,179,159	6,053,053	126,106	2.1%
Total Operating Expenses Included in Monthly Financial Report	<u>288,457,352</u>	<u>269,541,834</u>	<u>18,915,518</u>	<u>7.0%</u>
Operating Income (Loss)	(3,572,133)	(7,140,264)	3,568,131	50.0%
Investment Income	2,833,234	2,232,776	600,458	26.9%
Interest Expense on Debt Service	(655,851)	(384,869)	(270,982)	-70.4%
Adjusted Income (Loss)	(1,394,750)	(5,292,357)	3,897,607	73.6%
Adjusted Income (Loss) - as a percentage	-0.48%	-2.00%		
Other Nonoperating Revenues (Expenses)	1,741,172	1,585,812	155,360	9.8%
Income (Loss) Before Other Items	346,422	(3,706,545)	4,052,967	109.3%
Transfers In	3,393,064	1,730,391	1,662,673	96.1%
Transfers Out	(4,594,479)	(3,841,195)	(753,284)	-19.6%
Debt Service	(1,468,029)	(1,934,242)	466,213	24.1%
Capital Outlay	(1,643,966)	(1,384,694)	(259,272)	-18.7%
Change in Net Assets	(3,966,988)	(9,136,285)	5,169,297	56.6%
Beginning Net Assets - As Previously Reported	<u>406,765,428</u>	<u>371,904,236</u>	<u>34,861,192</u>	<u>9.4%</u>
Ending Net Assets	<u>\$ 402,798,440</u>	<u>362,767,951</u>	<u>40,030,489</u>	<u>11.0%</u>

**The University of Texas System
Physician/Dental Practice Plans
Comparison of Adjusted Income (Loss)
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
UT Southwestern Medical Center - Dallas	\$ 6,630,971	1,958,881	4,672,090 (1)	238.5%
UT Southwestern Medical Center - Dallas (Allied Health)	119,823	23,695	96,128	405.7%
UT Medical Branch - Galveston	(3,103,378)	(192,364)	(2,911,014) (2)	-1,513.3%
UT Health Science Center - Houston (Physician)	(1,222,568) (3)	(776,813)	(445,755)	-57.4%
UT Health Science Center - Houston (Dental)	(7,790)	-	(7,790)	-100.0%
UT Health Science Center - San Antonio (Physician)	(3,080,902)	(1,511,696)	(1,569,206) (4)	-103.8%
UT Health Science Center - San Antonio (Dental)	422,595	474,992	(52,397)	-11.0%
UT Health Science Center - San Antonio (Allied Health)	(1,413)	9,984	(11,397)	-114.2%
UT M. D. Anderson Cancer Center	(914,642)	(5,552,235)	4,637,593 (5)	83.5%
UT Health Center at Tyler	(237,446)	273,199	(510,645) (6)	-186.9%
Total Adjusted Income (Loss)	\$ <u>(1,394,750)</u>	<u>(5,292,357)</u>	<u>3,897,607</u>	<u>73.6%</u>

THE UNIVERSITY OF TEXAS SYSTEM
Explanations of Variances on the
Practice Plans Summary of Operations
For the Three Months Ending November 30, 2006

Explanations are provided for institutions having the largest variances in adjusted income (loss) for current year-to-date as compared to the prior year, both in terms of dollars and percentages. Explanations are also provided for institutions with a current year-to-date adjusted loss.

- (1) UT Southwestern Medical Center - Dallas – The \$4.7 (238.5%) million increase in adjusted income as compared to the same period last year was attributable to a \$10.1 million increase in operating revenues partially offset by a \$5.8 million increase in operating expenses. Operating revenues increased due to higher patient volumes and contractual increases with the Children’s Medical Center and Parkland contracts. Operating expenses increased due to higher staff salaries due to annual pay increases, expanded services and additional full-time equivalent (FTE) employees.
- (2) UT Medical Branch - Galveston – The \$2.9 million (1,513.3%) increase in adjusted income as compared to the same period last year was attributable to a \$4.7 million increase in operating expenses partially offset by a \$1.8 million increase in operating revenues. Operating expenses increased due to higher faculty salaries, staff salaries and fringe benefits. Salaries and fringe benefits increased due to additional FTE’s hired in support of the Austin Initiative. The Austin Initiative is the *UTMB Galveston* teaching program associated with Breckenridge Hospital, which includes programs in Obstetrics and Gynecology, Internal Medicine and Pediatrics. Operating revenues increased due to contractual revenue from the Austin Initiative.

Because of these factors, *UTMB Galveston* had a year-to-date loss of \$3.1 million. *UTMB Galveston* anticipates the physician practice plan will end the year at breakeven.

- (3) UT Health Science Center - Houston – The \$1.2 million year-to-date adjusted loss was due to historically lower net patient revenues in the first six months of the year. Typically, revenues in the first half of the year are approximately 47.5% of total collected revenues for the year; however, expenses occur evenly throughout the year. *UTHSC-Houston* anticipates the physician practice plan will end the year with a positive margin of approximately \$1 million.
- (4) UT Health Science Center - San Antonio – The \$1.6 million (103.8%) decrease in adjusted income as compared to the same period last year was attributable to a \$3.2 million increase in operating expenses partially offset by a \$1.8 million increase in operating revenues. Operating expenses increased due to higher faculty salaries due to new faculty related to recruitment and program expansion efforts. Operating revenues increased due to higher contractual revenue from increased base care contracts with University Health System.

Due to the program expansion efforts and investment of net assets into the plan, *UTHSC-SA* had a year-to-date adjusted loss of \$3.1 million. *UTHSC-SA* anticipates the physician practice plan will end the year with a positive margin of approximately \$2.8 million.

- (5) UT M. D. Anderson Cancer Center – The \$4.6 million (83.5%) decrease in adjusted loss as compared to the same period last year was attributable to an \$8.8 million increase in operating revenues partially offset by a \$4.3 million increase in operating expenses. Operating revenues increased due to higher patient volumes related to the temporary closure of *M. D. Anderson* in the first quarter of 2006 due to Hurricane *Rita*. Operating expenses increased due to higher faculty salaries and increased fringe benefits as a result of merit increases and new positions.

M. D. Anderson had a year-to-date loss of \$915,000. Traditionally, the first half of each year has fewer patient days than the last half of the year. Therefore, professional fees increase in the second half of the year, whereas expenses are more evenly distributed throughout the year. *M. D. Anderson* anticipates the physician practice plan will end the year with a positive margin of approximately \$3.5 million.

- (6) *UT Health Center - Tyler* – The \$511,000 decrease in adjusted income as compared to the same period last year was attributable to a \$921,000 decrease in revenues partially offset by a \$405,000 decrease in expenses. Operating revenues have decreased primarily due to increased bad debt reserves as well as a 10% decrease in outpatient clinic visits. Bad debt reserves have increased due to increased accounts receivable aging as a result of staffing changes. Operating expenses decreased due to reduced maintenance and operation expenses related to renegotiation of professional service contracts with outside physicians.

Because of the increased bad debt reserves, *UTHC-Tyler* had a \$237,000 year-to-date adjusted loss. The aging accounts receivable are expected to be collected and not written-off. *UTHC-Tyler* anticipates the physician practice plan will end the year at breakeven.

GLOSSARY OF TERMS

OPERATING REVENUES:

GROSS CHARGES - Posted charges for patient care services at scheduled rates.

UNSPONSORED CHARITY CARE - Unreimbursed charges to financially or medically indigent patients, including contractual adjustments and other unreimbursed charges to Medicaid, State Children's Health Insurance Program, and other governmental programs indexed to the federal poverty. Contractual adjustments include fee-for-service and capitation.

CONTRACTUAL ADJUSTMENTS - The difference between the gross charge and the discounted amount agreed to by a third party contract, such as Preferred Provider Organizations, Health Maintenance Organizations and Medicare, including the difference between gross charges and the related capitated payments.

OTHER UNREIMBURSED MEDICAL COSTS - All other write-offs (i.e., unbilled charges, discounts for personal courtesy and employees, unreimbursed research expenses, denied charges, missed billing deadlines).

BAD DEBT EXPENSE - Charges that were at one time the responsibility of a private pay patient that are deemed uncollectible.

NET PATIENT REVENUES - Gross charges less all deductions.

CONTRACTUAL REVENUES - Lump sum income for contracted physician services related to affiliated hospitals and organizations, jails, medical director services, and clinical oversight.

OTHER OPERATING REVENUES - Other operating-related revenue items not listed elsewhere.

OPERATING EXPENSES:

FACULTY SALARIES - All faculty salary payments including salary augmentation. Does not include incentive payments or supplemental retirement annuities.

STAFF SALARIES - All nonfaculty salary payments, excluding resident salaries.

RESIDENT SALARIES - Salaries paid to resident physicians.

FRINGE BENEFITS - Group insurance premiums (net of premium sharing) paid by the plan, supplemental retirement payments, incentive payments, and parking fees as authorized by the Medical Services Research and Development Plan/Physicians' Referral Service Bylaws, and mandatory state benefits (retirement, OASI, WCI, premium sharing, etc.).

MAINTENANCE AND OPERATIONS - All expenses not classified elsewhere, i.e., utilities, supplies, repairs and maintenance, shipping and postage, etc.

PROFESSIONAL LIABILITY INSURANCE - Professional liability insurance premiums paid by the institution on behalf of plan members.

TRAVEL - All costs associated with travel.

OFFICIAL FUNCTIONS - Business related events that are of documented benefit to the institution.

OTHER OPERATING EXPENSES - Other operating-related expense items not listed elsewhere.

OPERATING INCOME (LOSS) - Total operating revenues less total operating expenses before other nonoperating adjustments like investment income and interest expense.

OTHER NONOPERATING ADJUSTMENTS:

INVESTMENT INCOME - Income earned from investments.

INTEREST EXPENSE ON DEBT SERVICE - Interest expense only on debt service.

ADJUSTED INCOME (LOSS) - Operating income (loss) adjusted for investment income and interest expense on debt service.

ADJUSTED INCOME (LOSS) AS A PERCENTAGE - Adjusted income (loss) divided by total operating revenues plus investment income.

OTHER NONOPERATING REVENUES (EXPENSES) - Other nonoperating revenue or expense items not identified elsewhere.

INCOME (LOSS) BEFORE OTHER ITEMS - Adjusted income (loss) net of other nonoperating revenues (expenses).

TRANSFERS IN - Transfers from non-practice plan funds.

TRANSFERS OUT - Transfers to non-practice plan funds.

DEBT SERVICE - Principal paid on any debt, i.e., building construction, renovation, lease-purchase agreements, etc.

CAPITAL OUTLAY - Cost of capital acquisitions funded from plan resources.

**The University of Texas Southwestern Medical Center at Dallas
Physician Practice Plan Year-to-Date Summary of Operations*
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 235,986,546	209,202,937	26,783,609	12.8%
Less:				
Un-sponsored Charity Care	94,836,511	82,583,867	12,252,644	14.8%
Contractual Adjustments	67,922,516	59,326,106	8,596,410	14.5%
Other Unreimbursed Medical Costs	5,668,825	4,681,659	987,166	21.1%
Bad Debt Expense	3,876,859	3,944,034	(67,175)	-1.7%
Net Patient Revenues	<u>63,681,835</u>	<u>58,667,271</u>	5,014,564	8.5%
Contractual Revenues	33,668,927	29,744,939	3,923,988	13.2%
Other Operating Revenues	2,342,289	1,180,361	1,161,928	98.4%
Total Operating Revenues Included in Monthly Financial Report	<u>99,693,051</u>	<u>89,592,571</u>	10,100,480	11.3%
Operating Expenses:				
Faculty Salaries	33,650,654	32,395,136	1,255,518	3.9%
Staff Salaries	24,867,192	22,707,473	2,159,719	9.5%
Fringe Benefits	17,635,047	16,785,524	849,523	5.1%
Maintenance and Operations	15,280,362	13,796,314	1,484,048	10.8%
Professional Liability Insurance	983,701	956,724	26,977	2.8%
Travel	801,431	753,412	48,019	6.4%
Official Functions	121,128	130,670	(9,542)	-7.3%
Total Operating Expenses Included in Monthly Financial Report	<u>93,339,515</u>	<u>87,525,253</u>	5,814,262	6.6%
Operating Income (Loss)	6,353,536	2,067,318	4,286,218	207.3%
Investment Income	880,315	275,000	605,315	220.1%
Interest Expense on Debt Service	(602,880)	(383,437)	(219,443)	-57.2%
Adjusted Income (Loss)	6,630,971	1,958,881	4,672,090	238.5%
Adjusted Income (Loss) - as a percentage	6.59%	2.18%		
Income (Loss) Before Other Items	6,630,971	1,958,881	4,672,090	238.5%
Transfers In	2,408,391	1,296,529	1,111,862	85.8%
Transfers Out	(3,524,504)	(3,706,033)	181,529	4.9%
Debt Service	(1,468,029)	(1,934,242)	466,213	24.1%
Capital Outlay	(1,366,339)	(475,915)	(890,424)	-187.1%
Change in Net Assets	2,680,490	(2,860,780)	5,541,270	193.7%
Beginning Net Assets - As Previously Reported	<u>163,810,537</u>	<u>141,951,640</u>	21,858,897	15.4%
Ending Net Assets	<u>\$ 166,491,027</u>	<u>139,090,860</u>	27,400,167	19.7%

*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Southwestern Medical Center at Dallas
Allied Health Faculty Services Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 570,716	558,182	12,534	2.2%
Less:				
Un-sponsored Charity Care	4,467	2,290	2,177	95.1%
Contractual Adjustments	132,424	159,771	(27,347)	-17.1%
Other Unreimbursed Medical Costs	12,086	2,338	9,748	416.9%
Bad Debt Expense	9,295	3,917	5,378	137.3%
Net Patient Revenues	<u>412,444</u>	<u>389,866</u>	<u>22,578</u>	<u>5.8%</u>
Contractual Revenues	91,945	52,611	39,334	74.8%
Other Operating Revenues	6,383	6,951	(568)	-8.2%
Total Operating Revenues Included in Monthly Financial Report	<u>510,772</u>	<u>449,428</u>	<u>61,344</u>	<u>13.6%</u>
Operating Expenses:				
Faculty Salaries	86,050	94,532	(8,482)	-9.0%
Staff Salaries	58,889	77,375	(18,486)	-23.9%
Fringe Benefits	107,141	145,785	(38,644)	-26.5%
Maintenance and Operations	127,891	95,123	32,768	34.4%
Professional Liability Insurance	100	276	(176)	-63.8%
Travel	11,797	12,506	(709)	-5.7%
Official Functions	1,153	1,070	83	7.8%
Total Operating Expenses Included in Monthly Financial Report	<u>393,021</u>	<u>426,667</u>	<u>(33,646)</u>	<u>-7.9%</u>
Operating Income (Loss)	117,751	22,761	94,990	417.3%
Investment Income	2,072	934	1,138	121.8%
Adjusted Income (Loss)	119,823	23,695	96,128	405.7%
Adjusted Income (Loss) - as a percentage	23.36%	5.26%		
Income (Loss) Before Other Items	119,823	23,695	96,128	405.7%
Transfers In	-	290,043	(290,043)	-100.0%
Transfers Out	(36,469)	(100,376)	63,907	63.7%
Change in Net Assets	<u>83,354</u>	<u>213,362</u>	<u>(130,008)</u>	<u>-60.9%</u>
Beginning Net Assets - As Previously Reported	<u>3,590,860</u>	<u>3,314,261</u>	<u>276,599</u>	<u>8.3%</u>
Ending Net Assets	<u>\$ 3,674,214</u>	<u>3,527,623</u>	<u>146,591</u>	<u>4.2%</u>

**The University of Texas Medical Branch at Galveston
Physician Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 77,436,019	82,223,733	(4,787,714)	-5.8%
Less:				
Un-sponsored Charity Care	20,059,363	24,019,088	(3,959,725)	-16.5%
Contractual Adjustments	22,495,051	23,000,629	(505,578)	-2.2%
Other Unreimbursed Medical Costs	6,547,353	5,221,340	1,326,013	25.4%
Bad Debt Expense	<u>2,423,504</u>	<u>3,812,706</u>	<u>(1,389,202)</u>	<u>-36.4%</u>
Net Patient Revenues	25,910,748	26,169,970	(259,222)	-1.0%
Contractual Revenues	11,241,989	8,976,522	2,265,467	25.2%
Other Operating Revenues	<u>398,994</u>	<u>573,134</u>	<u>(174,140)</u>	<u>-30.4%</u>
Total Operating Revenues Included in Monthly Financial Report	<u>37,551,731</u>	<u>35,719,626</u>	<u>1,832,105</u>	<u>5.1%</u>
Operating Expenses:				
Faculty Salaries	17,671,311	15,861,529	1,809,782	11.4%
Staff Salaries	7,497,054	7,145,471	351,583	4.9%
Resident Salaries	2,180,138	1,373,436	806,702	58.7%
Fringe Benefits	5,407,419	4,590,033	817,386	17.8%
Maintenance and Operations	6,378,652	5,607,503	771,149	13.8%
Professional Liability Insurance	1,415,604	1,295,139	120,465	9.3%
Travel	374,321	322,113	52,208	16.2%
Official Functions	<u>16,599</u>	<u>30,638</u>	<u>(14,039)</u>	<u>-45.8%</u>
Total Operating Expenses Included in Monthly Financial Report	<u>40,941,098</u>	<u>36,225,862</u>	<u>4,715,236</u>	<u>13.0%</u>
Operating Income (Loss)	(3,389,367)	(506,236)	(2,883,131)	-569.5%
Investment Income	<u>285,989</u>	<u>313,872</u>	<u>(27,883)</u>	<u>-8.9%</u>
Adjusted Income (Loss)	(3,103,378)	(192,364)	(2,911,014)	-1,513.3%
Adjusted Income (Loss) - as a percentage	-8.20%	-0.53%		
Other Nonoperating Revenues (Expenses)	<u>-</u>	<u>(12,684)</u>	<u>12,684</u>	<u>100.0%</u>
Income (Loss) Before Other Items	(3,103,378)	(205,048)	(2,898,330)	-1,413.5%
Transfers In	-	30,000	(30,000)	-100.0%
Transfers Out	-	(1,500)	1,500	100.0%
Capital Outlay	<u>(57,018)</u>	<u>(168,603)</u>	<u>111,585</u>	<u>66.2%</u>
Change in Net Assets	(3,160,396)	(345,151)	(2,815,245)	-815.7%
Beginning Net Assets - As Previously Reported	<u>46,774,781</u>	<u>42,314,252</u>	<u>4,460,529</u>	<u>10.5%</u>
Ending Net Assets	<u>\$ 43,614,385</u>	<u>41,969,101</u>	<u>1,645,284</u>	<u>3.9%</u>

**The University of Texas Health Science Center at Houston
Physician Practice Plan Year-to-Date Summary of Operations*
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 113,758,782	112,709,577	1,049,205	0.9%
Less:				
Un-sponsored Charity Care	43,535,487	41,071,540	2,463,947	6.0%
Contractual Adjustments	37,824,795	37,374,326	450,469	1.2%
Other Unreimbursed Medical Costs	4,527,600	3,606,706	920,894	25.5%
Bad Debt Expense	<u>3,754,040</u>	<u>5,071,931</u>	<u>(1,317,891)</u>	<u>-26.0%</u>
Net Patient Revenues	24,116,861	25,585,074	(1,468,213)	-5.7%
Contractual Revenues	20,871,751	19,194,604	1,677,147	8.7%
Other Operating Revenues	<u>1,314,206</u>	<u>1,268,510</u>	<u>45,696</u>	<u>3.6%</u>
Total Operating Revenues Included in Monthly Financial Report	<u>46,302,818</u>	<u>46,048,188</u>	<u>254,630</u>	<u>0.6%</u>
Operating Expenses:				
Faculty Salaries	21,514,957	22,434,765	(919,808)	-4.1%
Staff Salaries	6,297,736	5,437,432	860,304	15.8%
Fringe Benefits	5,959,201	5,787,309	171,892	3.0%
Maintenance and Operations	6,802,859	6,457,827	345,032	5.3%
Professional Liability Insurance	598,284	610,252	(11,968)	-2.0%
Travel	351,602	166,584	185,018	111.1%
Official Functions	207,471	170,155	37,316	21.9%
Other Operating Expenses	<u>6,052,000</u>	<u>6,053,053</u>	<u>(1,053)</u>	<u>0.0%</u>
Total Operating Expenses Included in Monthly Financial Report	<u>47,784,111</u>	<u>47,117,377</u>	<u>666,734</u>	<u>1.4%</u>
Operating Income (Loss)	(1,481,293)	(1,069,189)	(412,104)	-38.5%
Investment Income	<u>258,725</u>	<u>292,376</u>	<u>(33,651)</u>	<u>-11.5%</u>
Adjusted Income (Loss)	(1,222,568)	(776,813)	(445,755)	-57.4%
Adjusted Income (Loss) - as a percentage	-2.63%	-1.68%		
Other Nonoperating Revenues (Expenses)	<u>33,000</u>	<u>-</u>	<u>33,000</u>	<u>100.0%</u>
Income (Loss) Before Other Items	(1,189,568)	(776,813)	(412,755)	-53.1%
Transfers Out	(935,537)	170,172	(1,105,709)	-649.8%
Capital Outlay	<u>(48,896)</u>	<u>(498,767)</u>	<u>449,871</u>	<u>90.2%</u>
Change in Net Assets	(2,174,001)	(1,105,408)	(1,068,593)	-96.7%
Beginning Net Assets - As Previously Reported	<u>37,395,886</u>	<u>38,339,279</u>	<u>(943,393)</u>	<u>-2.5%</u>
Ending Net Assets	<u>\$ 35,221,885</u>	<u>37,233,871</u>	<u>(2,011,986)</u>	<u>-5.4%</u>

*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Health Science Center at Houston
Dental Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 289,918	-	289,918	100.0%
Less:				
Contractual Adjustments	5,970	-	5,970	100.0%
Bad Debt Expense	1,031	-	1,031	100.0%
Net Patient Revenues	<u>282,917</u>	<u>-</u>	<u>282,917</u>	<u>100.0%</u>
Contractual Revenues	106,582	-	106,582	100.0%
Other Operating Revenues	651	-	651	100.0%
Total Operating Revenues Included in Monthly Financial Report	<u>390,150</u>	<u>-</u>	<u>390,150</u>	<u>100.0%</u>
Operating Expenses:				
Faculty Salaries	76,422	-	76,422	100.0%
Staff Salaries	145,303	-	145,303	100.0%
Fringe Benefits	46,562	-	46,562	100.0%
Travel	2,737	-	2,737	100.0%
Official Functions	1,300	-	1,300	100.0%
Other Operating Expenses	125,616	-	125,616	100.0%
Total Operating Expenses Included in Monthly Financial Report	<u>397,940</u>	<u>-</u>	<u>397,940</u>	<u>100.0%</u>
Operating Income (Loss)	(7,790)	-	(7,790)	-100.0%
Adjusted Income (Loss)	(7,790)	-	(7,790)	-100.0%
Adjusted Income (Loss) - as a percentage	-2.00%	N/A		
Income (Loss) Before Other Items	(7,790)	-	(7,790)	-100.0%
Change in Net Assets	<u>(7,790)</u>	<u>-</u>	<u>(7,790)</u>	<u>-100.0%</u>
Beginning Net Assets - As Previously Reported	<u>216,617</u>	<u>-</u>	<u>216,617</u>	<u>100.0%</u>
Ending Net Assets	<u>\$ 208,827</u>	<u>-</u>	<u>208,827</u>	<u>100.0%</u>

**The University of Texas Health Science Center at San Antonio
Physician Practice Plan Year-to-Date Summary of Operations*
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 57,875,976	59,588,556	(1,712,580)	-2.9%
Less:				
Un-sponsored Charity Care	23,881,318	23,097,820	783,498	3.4%
Contractual Adjustments	13,421,720	15,731,638	(2,309,918)	-14.7%
Other Unreimbursed Medical Costs	208,686	279,486	(70,800)	-25.3%
Bad Debt Expense	2,785,091	2,840,796	(55,705)	-2.0%
Net Patient Revenues	<u>17,579,161</u>	<u>17,638,816</u>	<u>(59,655)</u>	<u>-0.3%</u>
Contractual Revenues	15,276,981	14,205,415	1,071,566	7.5%
Other Operating Revenues	3,162,385	2,365,755	796,630	33.7%
Total Operating Revenues Included in Monthly Financial Report	<u>36,018,527</u>	<u>34,209,986</u>	<u>1,808,541</u>	<u>5.3%</u>
Operating Expenses:				
Faculty Salaries	15,450,083	13,021,428	2,428,655	18.7%
Staff Salaries	2,941,841	2,862,194	79,647	2.8%
Fringe Benefits	6,716,975	6,416,495	300,480	4.7%
Maintenance and Operations	12,951,677	12,765,078	186,599	1.5%
Professional Liability Insurance	639,241	534,490	104,751	19.6%
Travel	331,162	296,455	34,707	11.7%
Official Functions	156,080	68,650	87,430	127.4%
Total Operating Expenses Included in Monthly Financial Report	<u>39,187,059</u>	<u>35,964,790</u>	<u>3,222,269</u>	<u>9.0%</u>
Operating Income (Loss)	(3,168,532)	(1,754,804)	(1,413,728)	-80.6%
Investment Income	140,601	244,540	(103,939)	-42.5%
Interest Expense on Debt Service	(52,971)	(1,432)	(51,539)	-3,599.1%
Adjusted Income (Loss)	(3,080,902)	(1,511,696)	(1,569,206)	-103.8%
Adjusted Income (Loss) - as a percentage	-8.52%	-4.39%		
Income (Loss) Before Other Items	(3,080,902)	(1,511,696)	(1,569,206)	-103.8%
Transfers In	379,523	113,819	265,704	233.4%
Transfers Out	(96,664)	(200,000)	103,336	51.7%
Capital Outlay	(166,713)	(229,889)	63,176	27.5%
Change in Net Assets	<u>(2,964,756)</u>	<u>(1,827,766)</u>	<u>(1,136,990)</u>	<u>-62.2%</u>
Beginning Net Assets - As Previously Reported	<u>63,447,258</u>	<u>59,775,570</u>	<u>3,671,688</u>	<u>6.1%</u>
Ending Net Assets	<u>\$ 60,482,502</u>	<u>57,947,804</u>	<u>2,534,698</u>	<u>4.4%</u>

*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Health Science Center at San Antonio
Dental Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 2,130,348	1,977,128	153,220	7.7%
Total Operating Revenues Included in Monthly Financial Report	<u>2,130,348</u>	<u>1,977,128</u>	<u>153,220</u>	<u>7.7%</u>
Operating Expenses:				
Faculty Salaries	438,064	347,316	90,748	26.1%
Staff Salaries	405,031	406,502	(1,471)	-0.4%
Fringe Benefits	271,797	257,192	14,605	5.7%
Maintenance and Operations	536,196	442,760	93,436	21.1%
Professional Liability Insurance	17,276	23,790	(6,514)	-27.4%
Travel	41,521	45,210	(3,689)	-8.2%
Official Functions	22,638	17,849	4,789	26.8%
Total Operating Expenses Included in Monthly Financial Report	<u>1,732,523</u>	<u>1,540,619</u>	<u>191,904</u>	<u>12.5%</u>
Operating Income (Loss)	397,825	436,509	(38,684)	-8.9%
Investment Income	24,770	38,483	(13,713)	-35.6%
Adjusted Income (Loss)	422,595	474,992	(52,397)	-11.0%
Adjusted Income (Loss) - as a percentage	19.61%	23.57%		
Income (Loss) Before Other Items	422,595	474,992	(52,397)	-11.0%
Transfers In	585,000	-	585,000	100.0%
Transfers Out	(1,305)	(269)	(1,036)	-385.1%
Capital Outlay	(5,000)	(11,520)	6,520	56.6%
Change in Net Assets	<u>1,001,290</u>	<u>463,203</u>	<u>538,087</u>	<u>116.2%</u>
Beginning Net Assets - As Previously Reported	<u>14,262,431</u>	<u>12,115,310</u>	<u>2,147,121</u>	<u>17.7%</u>
Ending Net Assets	<u>\$ 15,263,721</u>	<u>12,578,513</u>	<u>2,685,208</u>	<u>21.3%</u>

**The University of Texas Health Science Center at San Antonio
Allied Health Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 8,312	16,143	(7,831)	-48.5%
Total Operating Revenues Included in Monthly Financial Report	<u>8,312</u>	<u>16,143</u>	<u>(7,831)</u>	<u>-48.5%</u>
Operating Expenses:				
Faculty Salaries	1,440	-	1,440	100.0%
Staff Salaries	3,694	4,686	(992)	-21.2%
Fringe Benefits	368	-	368	100.0%
Maintenance and Operations	2,249	1,473	776	52.7%
Travel	431	-	431	100.0%
Other Operating Expenses	1,543	-	1,543	100.0%
Total Operating Expenses Included in Monthly Financial Report	<u>9,725</u>	<u>6,159</u>	<u>3,566</u>	<u>57.9%</u>
Operating Income (Loss)	(1,413)	9,984	(11,397)	-114.2%
Adjusted Income (Loss)	(1,413)	9,984	(11,397)	-114.2%
Adjusted Income (Loss) - as a percentage	-17.00%	61.85%		
Income (Loss) Before Other Items	(1,413)	9,984	(11,397)	-114.2%
Change in Net Assets	<u>(1,413)</u>	<u>9,984</u>	<u>(11,397)</u>	<u>-114.2%</u>
Beginning Net Assets - As Previously Reported	<u>55,016</u>	<u>29,917</u>	<u>25,099</u>	<u>83.9%</u>
Ending Net Assets	<u>\$ 53,603</u>	<u>39,901</u>	<u>13,702</u>	<u>34.3%</u>

**The University of Texas M. D. Anderson Cancer Center
Physician Practice Plan Year-to-Date Summary of Operations
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 176,241,978	144,914,259	31,327,719	21.6%
Less:				
Un-sponsored Charity Care	10,398,064	9,809,372	588,692	6.0%
Contractual Adjustments	101,331,529	80,454,842	20,876,687	25.9%
Other Unreimbursed Medical Costs	4,081,216	2,824,609	1,256,607	44.5%
Bad Debt Expense	1,204,669	1,406,742	(202,073)	-14.4%
Net Patient Revenues	<u>59,226,500</u>	<u>50,418,695</u>	<u>8,807,805</u>	<u>17.5%</u>
Other Operating Revenues	36,389	32,197	4,192	13.0%
Total Operating Revenues Included in Monthly Financial Report	<u>59,262,889</u>	<u>50,450,892</u>	<u>8,811,997</u>	<u>17.5%</u>
Operating Expenses:				
Faculty Salaries	23,717,147	21,876,616	1,840,531	8.4%
Staff Salaries	8,802,247	9,710,021	(907,774)	-9.3%
Fringe Benefits	19,971,464	17,937,694	2,033,770	11.3%
Maintenance and Operations	6,018,495	5,391,059	627,436	11.6%
Professional Liability Insurance	614,569	552,953	61,616	11.1%
Travel	2,149,066	1,532,858	616,208	40.2%
Official Functions	122,988	52,143	70,845	135.9%
Total Operating Expenses Included in Monthly Financial Report	<u>61,395,976</u>	<u>57,053,344</u>	<u>4,342,632</u>	<u>7.6%</u>
Operating Income (Loss)	(2,133,087)	(6,602,452)	4,469,365	67.7%
Investment Income	<u>1,218,445</u>	<u>1,050,217</u>	<u>168,228</u>	<u>16.0%</u>
Adjusted Income (Loss)	(914,642)	(5,552,235)	4,637,593	83.5%
Adjusted Income (Loss) - as a percentage	-1.51%	-10.78%		
Other Nonoperating Revenues (Expenses)	<u>1,708,172</u>	<u>1,598,496</u>	<u>109,676</u>	<u>6.9%</u>
Income (Loss) Before Other Items	<u>793,530</u>	<u>(3,953,739)</u>	<u>4,747,269</u>	<u>120.1%</u>
Change in Net Assets	<u>793,530</u>	<u>(3,953,739)</u>	<u>4,747,269</u>	<u>120.1%</u>
Beginning Net Assets - As Previously Reported	<u>75,604,590</u>	<u>72,599,923</u>	<u>3,004,667</u>	<u>4.1%</u>
Ending Net Assets	<u>\$ 76,398,120</u>	<u>68,646,184</u>	<u>7,751,936</u>	<u>11.3%</u>

**The University of Texas Health Center at Tyler
Physician Practice Plan Year-to-Date Summary of Operations*
For the Three Months Ending November 30, 2006**

	<u>Year-to-Date FY 2007</u>	<u>Year-to-Date FY 2006</u>	<u>Variance</u>	<u>Fluctuation Percentage</u>
Operating Revenues:				
Gross Charges	\$ 8,216,754	9,653,327	(1,436,573)	-14.9%
Less:				
Un-sponsored Charity Care	1,276,810	2,146,597	(869,787)	-40.5%
Contractual Adjustments	3,621,463	4,656,105	(1,034,642)	-22.2%
Other Unreimbursed Medical Costs	119,881	143,728	(23,847)	-16.6%
Bad Debt Expense	963,190	(53,685)	1,016,875	1,894.2%
Net Patient Revenues	<u>2,235,410</u>	<u>2,760,582</u>	<u>(525,172)</u>	<u>-19.0%</u>
Contractual Revenues	726,408	1,099,541	(373,133)	-33.9%
Other Operating Revenues	54,803	77,485	(22,682)	-29.3%
Total Operating Revenues Included in Monthly Financial Report	<u>3,016,621</u>	<u>3,937,608</u>	<u>(920,987)</u>	<u>-23.4%</u>
Operating Expenses:				
Faculty Salaries	1,616,502	1,723,999	(107,497)	-6.2%
Staff Salaries	578,272	727,424	(149,152)	-20.5%
Fringe Benefits	332,369	163,198	169,171	103.7%
Maintenance and Operations	659,899	973,225	(313,326)	-32.2%
Professional Liability Insurance	63,024	63,206	(182)	-0.3%
Travel	26,318	30,711	(4,393)	-14.3%
Total Operating Expenses Included in Monthly Financial Report	<u>3,276,384</u>	<u>3,681,763</u>	<u>(405,379)</u>	<u>-11.0%</u>
Operating Income (Loss)	(259,763)	255,845	(515,608)	-201.5%
Investment Income	<u>22,317</u>	<u>17,354</u>	<u>4,963</u>	<u>28.6%</u>
Adjusted Income (Loss)	(237,446)	273,199	(510,645)	-186.9%
Adjusted Income (Loss) - as a percentage	-7.81%	6.91%		
Income (Loss) Before Other Items	(237,446)	273,199	(510,645)	-186.9%
Transfers In	20,150	-	20,150	100.0%
Transfers Out	-	(3,189)	3,189	100.0%
Change in Net Assets	<u>(217,296)</u>	<u>270,010</u>	<u>(487,306)</u>	<u>-180.5%</u>
Beginning Net Assets - As Previously Reported	<u>1,607,452</u>	<u>1,464,084</u>	<u>143,368</u>	<u>9.8%</u>
Ending Net Assets	<u>\$ 1,390,156</u>	<u>1,734,094</u>	<u>(343,938)</u>	<u>-19.8%</u>

*Includes the operations of the nonprofit healthcare corporation.