



THE UNIVERSITY OF TEXAS SYSTEM

**PHYSICIAN/DENTAL  
PRACTICE PLANS**

**QUARTERLY FINANCIAL REPORT**  
*(unaudited)*

**MAY 31, 2011**

The University of Texas System

PHYSICIAN/DENTAL PRACTICE PLANS  
Quarterly Financial Report  
(Unaudited)

For the Nine Months Ending May 31, 2011

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**The University of Texas System  
Physician/Dental Practice Plans Year-to-Date Summary of Operations  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 2,870,854,275.95	2,676,245,864.42	194,608,411.53	7.3%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	648,465,526.80	605,280,495.44	43,185,031.36	7.1%
Contractual Allowances - Medicare	494,405,637.57	446,919,202.96	47,486,434.61	10.6%
Contractual Allowances - Managed Care and Other Insurance	609,476,848.88	567,206,617.83	42,270,231.05	7.5%
Other Unreimbursed Medical Charges	196,296,102.66	204,349,675.71	(8,053,573.05)	-3.9%
Bad Debt Expense	53,445,669.46	45,380,998.68	8,064,670.78	17.8%
Total Discounts and Allowances	<u>2,002,089,785.37</u>	<u>1,869,136,990.62</u>	<u>132,952,794.75</u>	<u>7.1%</u>
Net Patient Revenues	868,764,490.58	807,108,873.80	61,655,616.78	7.6%
Contractual Revenues	354,260,575.48	315,846,466.78	38,414,108.70	12.2%
Other Operating Revenues	17,887,805.47	15,226,408.60	2,661,396.87	17.5%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>1,240,912,871.53</u>	<u>1,138,181,749.18</u>	<u>102,731,122.35</u>	<u>9.0%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	558,320,525.27	505,565,159.49	52,755,365.78	10.4%
Staff Salaries	230,802,790.35	213,958,819.75	16,843,970.60	7.9%
Resident Salaries	4,681,814.15	3,945,713.00	736,101.15	18.7%
Fringe Benefits	199,197,655.41	179,097,378.29	20,100,277.12	11.2%
Maintenance and Operations	134,442,211.58	134,484,769.11	(42,557.53)	0.0%
Professional Liability Insurance	4,793,981.02	741,464.38	4,052,516.64	546.6%
Travel	11,594,061.04	9,924,920.99	1,669,140.05	16.8%
Official Functions	2,117,789.55	2,655,468.45	(537,678.90)	-20.2%
Other Operating Expenses	60,660,201.44	40,849,347.92	19,810,853.52	48.5%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>1,206,611,029.81</u>	<u>1,091,223,041.38</u>	<u>115,387,988.43</u>	<u>10.6%</u>
<b>Operating Income (Loss)</b>	34,301,841.72	46,958,707.80	(12,656,866.08)	-27.0%
Investment Income	6,801,967.05	5,892,788.02	909,179.03	15.4%
Gift Contributions for Operations	6,451.15	2,503,084.92	(2,496,633.77)	-99.7%
Interest Expense on Debt Service	<u>(4,272,239.62)</u>	<u>(4,595,884.40)</u>	<u>323,644.78</u>	<u>7.0%</u>
<b>Adjusted Income (Loss)</b>	36,838,020.30	50,758,696.34	(13,920,676.04)	-27.4%
<b>Adjusted Income (Loss) - as a percentage</b>	3.0%	4.4%		
<b>Other:</b>				
Net Increase (Decrease) in Fair Value of Investments	18,046,584.20	9,741,215.13	8,305,369.07	85.3%
Other Nonoperating Revenues (Expenses)	(925,491.82)	(103,055.49)	(822,436.33)	-798.1%
Transfers In	7,947,795.56	18,283,648.84	(10,335,853.28)	-56.5%
Transfers Out	(15,120,119.23)	(27,424,779.16)	12,304,659.93	44.9%
Debt Service	(6,784,277.64)	(6,862,772.38)	78,494.74	1.1%
Capital Outlay	<u>(3,431,425.66)</u>	<u>(5,184,210.09)</u>	<u>1,752,784.43</u>	<u>33.8%</u>
<b>Total Other</b>	(266,934.59)	(11,549,953.15)	11,283,018.56	97.7%
<b>Change in Net Assets</b>	36,571,085.71	39,208,743.19	(2,637,657.48)	-6.7%
<b>Beginning Net Assets - As Previously Reported</b>	<u>578,511,449.99</u>	<u>524,662,186.10</u>	<u>53,849,263.89</u>	<u>10.3%</u>
<b>Ending Net Assets</b>	<u>\$ 615,082,535.70</u>	<u>563,870,929.29</u>	<u>51,211,606.41</u>	<u>9.1%</u>

**The University of Texas System  
Physician/Dental Practice Plans  
Comparison of Adjusted Income (Loss)  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>		<u>Variance Percentage</u>
UT Southwestern Medical Center - Dallas (Physician)	\$ 26,783,974.44	28,226,631.82	(1,442,657.38)		-5.1%
UT Southwestern Medical Center - Dallas (Allied Health)	676,795.43	362,376.47	314,418.96		86.8%
UT Medical Branch - Galveston	(11,978,464.11)	8,943,870.00	(20,922,334.11)	(1)	-233.9%
UT Health Science Center - Houston (Physician)	8,050,706.68	5,279,837.12	2,770,869.56	(2)	52.5%
UT Health Science Center - Houston (Dental)	(505,354.28)	(209,152.00)	(296,202.28)		-141.6%
UT Health Science Center - San Antonio (Physician)	11,791,969.76	(6,184.57)	11,798,154.33	(3)	190,767.6%
UT Health Science Center - San Antonio (Dental)	1,626,402.38	1,489,444.53	136,957.85		9.2%
UT Health Science Center - San Antonio (Allied Health)	9,143.80	(80,436.12)	89,579.92		111.4%
UT Health Science Center - San Antonio (Nursing School)	(102,012.49)	-	(102,012.49)		-100.0%
UT M. D. Anderson Cancer Center	(864,115.70)	7,125,912.44	(7,990,028.14)	(4)	-112.1%
UT Health Science Center - Tyler	1,348,974.39	(373,603.35)	1,722,577.74	(5)	461.1%
Total Adjusted Income (Loss)	\$ <u>36,838,020.30</u>	<u>50,758,696.34</u>	<u>(13,920,676.04)</u>		<u>-27.4%</u>

**THE UNIVERSITY OF TEXAS SYSTEM**  
**Explanations of Variances on the**  
**Practice Plans Summary of Operations**  
**For the Nine Months Ending May 31, 2011**

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 Medical Branch - Galveston – The \$20.9 million (233.9%) decrease in adjusted income as compared to the prior year was due to an increase in operating expenses of \$20.9 million. Other operating expenses increased due to an increase in overhead costs allocated to the practice plan. Staff salaries also increased due to growth in faculty clinical support, as well as merit and other inflationary payroll cost increases. As a result of these factors, *UTMB* incurred a year-to-date adjusted loss of \$12.0 million for the nine months ending May 31, 2011. Management anticipates that the loss will decrease as a result of an expected professional liability insurance rebate, cost savings initiative and program incentives. The practice plan is projected to incur a loss of \$6.1 million for the year.
- (2) UT Health Science Center - Houston (Physician Practice Plan) – The \$2.8 million (52.5%) increase in adjusted income as compared to last year was attributable to an increase in operating revenues of \$21.0 million, which was partially offset by an increase in operating expenses of \$18.5 million. The increase in operating revenues was primarily due to an increase in contractual revenues as a result of an increase in gross charges and contractual revenues primarily attributable to Memorial Hermann Hospital resulting from improved contractual rates and an increase in services provided. The sale of the joint venture, UT Imaging, and related equipment to Memorial Herman Hospital also contributed to the increase in operating revenues. Operating expenses increased as a result of significant faculty recruitment across a number of departments and increases in pay to existing faculty in other departments. Staff salaries also increased mainly due to recruitment efforts for positions such as nurse practitioners, nurse anesthetists, billing and coding specialists, and administrative staff for expanding departments. The increases in faculty and staff salaries caused a corresponding increase in fringe benefits. Other operating expenses increased due to expenses incurred by the nonprofit healthcare corporation, University of Texas Physicians (UTP), which manages *UTHSC-Houston's* clinics.
- (3) UT Health Science Center - San Antonio (Physician Practice Plan) – The \$11.8 million (190,767.6%) increase in adjusted income as compared to the prior year was primarily due to an increase in operating revenues of \$22.7 million, which was partially offset by an increase in operating expenses of \$8.0 million. The increase in operating revenues was primarily attributable to an increase in volumes at UT Medicine clinics, including the new ambulatory surgery center at the Medical Arts and Research Center (MARC), as well as an increase in the average gross per unit fees charged. Contractual revenues also increased due to increases in the Veteran's Administration contract, the University Health System base care contract, and other facility contract income. Operating expenses increased due to increased faculty salaries and fringe benefits as a result of the new ambulatory surgery center at the MARC as well as additional service requirements from hospital contracts and higher incentive payments. Maintenance and operations also increased due to increased patient volume at the MARC.
- (4) UT MD Anderson Cancer Center – The \$8.0 million (112.1%) decrease in adjusted income as compared to the same period last year was largely attributable to an increase in operating expenses of \$26.0 million, which was partially offset by an increase in operating revenues of \$16.7 million. Operating expenses increased primarily due to higher salaries and increased fringe benefits as a result of merit increases and the filling of new and vacant positions. Operating revenues increased due to increased patient activity and volumes, as well as international patient revenue.

*MD Anderson's* physician practice plan incurred a year-to-date adjusted loss of \$0.9 million for the nine months ending May 31, 2011. The first part of each fiscal year has fewer working days than the last half of the fiscal year. Therefore, professional fees typically increase in the second half of the year, whereas expenses are more evenly distributed throughout the year. *MD Anderson* anticipates that the physician practice plan will generate a positive margin of approximately \$0.2 million by the end of the year.

- (5) *UT Health Science Center - Tyler* – The \$1.7 million (461.1%) improvement in adjusted income as compared to last year was due to a decrease in operating expenses of \$2.0 million. Faculty and staff salaries decreased as a result of a larger portion of those salaries paid from Educational and General funds to maximize the General appropriations drawdowns. The operating expenses also decreased as a result of the change in physician commercial billing from a physician based clinic setting to a provider based setting; therefore, the physician practice plan no longer pays the hospital for contract services.

## GLOSSARY OF TERMS

### **OPERATING REVENUES:**

**GROSS PATIENT CHARGES** – Posted charges for patient care services at scheduled rates. This should include all services that are recorded on a per-charge basis.

**CONTRACTUAL ALLOWANCES** – The difference between the gross fee-for-service charge and the discounted amount agreed to in a third-party contract, such as Preferred Provider Organizations (PPOs), HMOs (Health Maintenance Organizations), Medicare, and other insurance companies, including the difference between gross charges and the related capitated payments.

**MEDICAID** – Includes the contractual allowances for services provided under the Medicaid program and the Children with Special Health Care Needs program, services provided under county indigent care contracts, and services provided under other state or local government programs with eligibility indexed to the federal poverty level. The federal portion of the Medicaid Physician Upper Payment Limit (UPL) supplemental payment program should be recorded here as an offset to the Medicaid contractual allowances.

**MEDICARE** – Includes contractual allowances for services provided to patients using Medicare as their primary insurance.

**MANAGED CARE AND OTHER INSURANCE** – Includes contractual allowances provided to patients using a managed care or private insurance program (e.g. Blue Cross/Blue Shield, Aetna, HMO, PPO, Champus, Tri-Care, etc.) as their primary insurance.

**OTHER UNREIMBURSED MEDICAL CHARGES** – All other write-offs, including those that are for charity or are discretionary (i.e., unbilled charges, discounts for personal courtesy and employees, third-party settlements, unreimbursed research expenses, denied charges, missed billing deadlines).

**BAD DEBT EXPENSE** – The portion of charges that were at one time the responsibility of a private pay patient or third party payor that are deemed uncollectible.

**NET PATIENT REVENUES** – Gross charges less all discounts and allowances.

**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 and incentive compensation. Does not include supplemental retirement annuities.

**STAFF SALARIES** – All non-faculty 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, 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** – 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.

INVESTMENT INCOME – Income earned from investments.

GIFT CONTRIBUTIONS FOR OPERATIONS – Gifts from donors received for use in current operations, excluding gifts for capital acquisition and endowment gifts.

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.

NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS – Net change in the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

OTHER NONOPERATING REVENUES (EXPENSES) – Other nonoperating revenue or expense items not identified elsewhere including the change in fair market value.

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  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 969,135,210.76	895,668,861.00	73,466,349.76	8.2%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	324,486,022.71	313,919,129.00	10,566,893.71	3.4%
Contractual Allowances - Medicare	128,742,737.37	113,438,881.00	15,303,856.37	13.5%
Contractual Allowances - Managed Care and Other Insurance	157,198,750.14	139,596,891.00	17,601,859.14	12.6%
Other Unreimbursed Medical Charges	46,482,758.72	50,247,327.00	(3,764,568.28)	-7.5%
Bad Debt Expense	15,402,162.25	10,152,273.00	5,249,889.25	51.7%
Total Discounts and Allowances	<u>672,312,431.19</u>	<u>627,354,501.00</u>	<u>44,957,930.19</u>	<u>7.2%</u>
Net Patient Revenues	296,822,779.57	268,314,360.00	28,508,419.57	10.6%
Contractual Revenues	120,009,891.75	106,341,471.00	13,668,420.75	12.9%
Other Operating Revenues	4,732,235.68	6,914,732.00	(2,182,496.32)	-31.6%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>421,564,907.00</u>	<u>381,570,563.00</u>	<u>39,994,344.00</u>	<u>10.5%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	197,560,107.23	173,306,088.53	24,254,018.70	14.0%
Staff Salaries	101,629,662.75	90,633,368.66	10,996,294.09	12.1%
Fringe Benefits	58,715,658.58	50,463,568.02	8,252,090.56	16.4%
Maintenance and Operations	36,638,868.11	35,461,585.14	1,177,282.97	3.3%
Professional Liability Insurance	1,422,465.00	977,467.00	444,998.00	45.5%
Travel	2,801,100.68	2,406,320.02	394,780.66	16.4%
Official Functions	790,614.43	722,438.96	68,175.47	9.4%
Other Operating Expenses	(5,666,907.92)	(1,771,561.37)	(3,895,346.55)	-219.9%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>393,891,568.86</u>	<u>352,199,274.96</u>	<u>41,692,293.90</u>	<u>11.8%</u>
<b>Operating Income (Loss)</b>	27,673,338.14	29,371,288.04	(1,697,949.90)	-5.8%
Investment Income	855,660.54	871,036.75	(15,376.21)	-1.8%
Interest Expense on Debt Service	(1,745,024.24)	(2,015,692.97)	270,668.73	13.4%
<b>Adjusted Income (Loss)</b>	26,783,974.44	28,226,631.82	(1,442,657.38)	-5.1%
<b>Adjusted Income (Loss) - as a percentage</b>	6.3%	7.4%		
<b>Other:</b>				
Transfers In	6,083,236.75	14,306,909.71	(8,223,672.96)	-57.5%
Transfers Out	(12,528,302.02)	(10,595,038.54)	(1,933,263.48)	-18.2%
Debt Service	(5,344,777.62)	(5,472,022.38)	127,244.76	2.3%
Capital Outlay	(1,340,513.27)	(2,124,788.78)	784,275.51	36.9%
<b>Total Other</b>	<u>(13,130,356.16)</u>	<u>(3,884,939.99)</u>	<u>(9,245,416.17)</u>	<u>-238.0%</u>
<b>Change in Net Assets</b>	13,653,618.28	24,341,691.83	(10,688,073.55)	-43.9%
<b>Beginning Net Assets - As Previously Reported</b>	<u>271,491,563.63</u>	<u>251,694,686.00</u>	<u>19,796,877.63</u>	<u>7.9%</u>
<b>Ending Net Assets</b>	<u>\$ 285,145,181.91</u>	<u>276,036,377.83</u>	<u>9,108,804.08</u>	<u>3.3%</u>

\*Includes the operations of the nonprofit healthcare corporation.

**The University of Texas Southwestern Medical Center**  
**Health Professions Faculty Services Plan Year-to-Date Summary of Operations**  
**For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 2,664,082.49	2,118,112.52	545,969.97	25.8%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	2,661.64	3,628.52	(966.88)	-26.6%
Contractual Allowances - Medicare	347,782.53	283,003.19	64,779.34	22.9%
Contractual Allowances - Managed Care and Other Insurance	292,808.36	244,207.42	48,600.94	19.9%
Other Unreimbursed Medical Charges	(9,952.30)	65,855.25	(75,807.55)	-115.1%
Bad Debt Expense	97,125.54	112,105.14	(14,979.60)	-13.4%
Total Discounts and Allowances	<u>730,425.77</u>	<u>708,799.52</u>	<u>21,626.25</u>	<u>3.1%</u>
Net Patient Revenues	1,933,656.72	1,409,313.00	524,343.72	37.2%
Contractual Revenues	280,711.57	217,575.02	63,136.55	29.0%
Other Operating Revenues	16,311.17	15,932.80	378.37	2.4%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>2,230,679.46</u>	<u>1,642,820.82</u>	<u>587,858.64</u>	<u>35.8%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	354,096.54	370,964.48	(16,867.94)	-4.5%
Staff Salaries	441,192.15	328,357.78	112,834.37	34.4%
Fringe Benefits	223,314.75	184,015.07	39,299.68	21.4%
Maintenance and Operations	433,072.23	308,870.97	124,201.26	40.2%
Professional Liability Insurance	8,027.70	9,735.20	(1,707.50)	-17.5%
Travel	11,481.63	14,621.00	(3,139.37)	-21.5%
Official Functions	8,105.72	10,630.16	(2,524.44)	-23.7%
Other Operating Expenses	80,576.87	57,737.36	22,839.51	39.6%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>1,559,867.59</u>	<u>1,284,932.02</u>	<u>274,935.57</u>	<u>21.4%</u>
<b>Operating Income (Loss)</b>	670,811.87	357,888.80	312,923.07	87.4%
Investment Income	5,983.56	4,487.67	1,495.89	33.3%
<b>Adjusted Income (Loss)</b>	676,795.43	362,376.47	314,418.96	86.8%
<b>Adjusted Income (Loss) - as a percentage</b>	30.3%	22.0%		
<b>Other:</b>				
Transfers In	291.22	10,728.84	(10,437.62)	-97.3%
Transfers Out	(304,519.32)	(161,266.91)	(143,252.41)	-88.8%
Capital Outlay	201,428.34	13,827.02	187,601.32	1356.8%
<b>Total Other</b>	<u>(102,799.76)</u>	<u>(136,711.05)</u>	<u>33,911.29</u>	<u>24.8%</u>
<b>Change in Net Assets</b>	573,995.67	225,665.42	348,330.25	154.4%
<b>Beginning Net Assets - As Previously Reported</b>	<u>6,195,848.84</u>	<u>5,599,683.00</u>	<u>596,165.84</u>	<u>10.6%</u>
<b>Ending Net Assets</b>	<u>\$ 6,769,844.51</u>	<u>5,825,348.42</u>	<u>944,496.09</u>	<u>16.2%</u>

**The University of Texas Medical Branch at Galveston  
Physician Practice Plan Year-to-Date Summary of Operations  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 263,939,504.28	260,588,819.00	3,350,685.28	1.3%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	45,562,058.70	48,850,040.00	(3,287,981.30)	-6.7%
Contractual Allowances - Medicare	36,230,943.90	32,265,140.00	3,965,803.90	12.3%
Contractual Allowances - Managed Care and Other Insurance	64,021,420.07	62,080,467.00	1,940,953.07	3.1%
Other Unreimbursed Medical Charges	13,844,190.60	14,851,374.00	(1,007,183.40)	-6.8%
Bad Debt Expense	6,845,888.83	7,002,125.00	(156,236.17)	-2.2%
Total Discounts and Allowances	<u>166,504,502.10</u>	<u>165,049,146.00</u>	<u>1,455,356.10</u>	<u>0.9%</u>
Net Patient Revenues	97,435,002.18	95,539,673.00	1,895,329.18	2.0%
Contractual Revenues	34,859,466.93	36,697,043.00	(1,837,576.07)	-5.0%
Other Operating Revenues	559,307.16	533,103.00	26,204.16	4.9%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>132,853,776.27</u>	<u>132,769,819.00</u>	<u>83,957.27</u>	<u>0.1%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	59,457,249.12	56,967,564.00	2,489,685.12	4.4%
Staff Salaries	25,365,553.50	22,021,429.00	3,344,124.50	15.2%
Resident Salaries	4,338,161.05	3,945,713.00	392,448.05	9.9%
Fringe Benefits	16,289,029.91	14,945,374.00	1,343,655.91	9.0%
Maintenance and Operations	10,613,448.69	17,642,501.00	(7,029,052.31)	-39.8%
Professional Liability Insurance	895,590.80	(902,501.00)	1,798,091.80	199.2%
Travel	1,146,510.66	986,197.00	160,313.66	16.3%
Official Functions	767.41	48,793.00	(48,025.59)	-98.4%
Other Operating Expenses	26,951,105.12	8,552,202.00	18,398,903.12	215.1%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>145,057,416.26</u>	<u>124,207,272.00</u>	<u>20,850,144.26</u>	<u>16.8%</u>
<b>Operating Income (Loss)</b>	(12,203,639.99)	8,562,547.00	(20,766,186.99)	-242.5%
Investment Income	218,724.73	375,454.00	(156,729.27)	-41.7%
Gift Contributions for Operations	6,451.15	5,869.00	582.15	9.9%
<b>Adjusted Income (Loss)</b>	(11,978,464.11)	8,943,870.00	(20,922,334.11)	-233.9%
<b>Adjusted Income (Loss) - as a percentage</b>	-9.0%	6.7%		
<b>Other:</b>				
Other Nonoperating Revenues (Expenses)	19.78	-	19.78	100.0%
Transfers In	10,743.30	35,806.00	(25,062.70)	-70.0%
Transfers Out	(421,300.00)	(573,297.00)	151,997.00	26.5%
Capital Outlay	(832,494.19)	(906,482.00)	73,987.81	8.2%
<b>Total Other</b>	<u>(1,243,031.11)</u>	<u>(1,443,973.00)</u>	<u>200,941.89</u>	<u>13.9%</u>
<b>Change in Net Assets</b>	(13,221,495.22)	7,499,897.00	(20,721,392.22)	-276.3%
<b>Beginning Net Assets - As Previously Reported</b>	<u>62,927,770.38</u>	<u>52,490,127.00</u>	<u>10,437,643.38</u>	<u>19.9%</u>
<b>Ending Net Assets</b>	<u>\$ 49,706,275.16</u>	<u>59,990,024.00</u>	<u>(10,283,748.84)</u>	<u>-17.1%</u>

**The University of Texas Health Science Center at Houston  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 468,561,209.33	451,454,412.29	17,106,797.04	3.8%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	130,154,229.17	127,767,960.08	2,386,269.09	1.9%
Contractual Allowances - Medicare	62,033,679.00	60,428,938.17	1,604,740.83	2.7%
Contractual Allowances - Managed Care and Other Insurance	86,035,923.00	81,779,201.83	4,256,721.17	5.2%
Other Unreimbursed Medical Charges	63,127,148.65	62,004,849.55	1,122,299.10	1.8%
Bad Debt Expense	19,211,009.58	17,606,722.08	1,604,287.50	9.1%
Total Discounts and Allowances	<u>360,561,989.40</u>	<u>349,587,671.71</u>	<u>10,974,317.69</u>	<u>3.1%</u>
Net Patient Revenues	107,999,219.93	101,866,740.58	6,132,479.35	6.0%
Contractual Revenues	119,409,509.82	107,745,642.07	11,663,867.75	10.8%
Other Operating Revenues	6,758,583.48	3,543,508.04	3,215,075.44	90.7%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>234,167,313.23</u>	<u>213,155,890.69</u>	<u>21,011,422.54</u>	<u>9.9%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	109,389,844.11	97,533,961.69	11,855,882.42	12.2%
Staff Salaries	33,358,963.58	31,012,693.23	2,346,270.35	7.6%
Fringe Benefits	24,296,760.33	22,011,546.63	2,285,213.70	10.4%
Maintenance and Operations	23,558,049.84	25,507,890.34	(1,949,840.50)	-7.6%
Professional Liability Insurance	771,544.00	667,560.00	103,984.00	15.6%
Travel	1,259,260.80	1,446,574.29	(187,313.49)	-12.9%
Official Functions	381,212.99	949,670.25	(568,457.26)	-59.9%
Other Operating Expenses	34,782,610.31	30,184,047.00	4,598,563.31	15.2%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>227,798,245.96</u>	<u>209,313,943.43</u>	<u>18,484,302.53</u>	<u>8.8%</u>
<b>Operating Income (Loss)</b>	6,369,067.27	3,841,947.26	2,527,120.01	65.8%
Investment Income	1,681,639.41	1,437,889.86	243,749.55	17.0%
<b>Adjusted Income (Loss)</b>	8,050,706.68	5,279,837.12	2,770,869.56	52.5%
<b>Adjusted Income (Loss) - as a percentage</b>	3.4%	2.5%		
<b>Other:</b>				
Other Nonoperating Revenues (Expenses)	-	219,000.00	(219,000.00)	-100.0%
Transfers Out	(1,045,914.84)	(966,430.40)	(79,484.44)	-8.2%
Capital Outlay	(1,190,394.23)	(1,330,730.46)	140,336.23	10.5%
<b>Total Other</b>	<u>(2,236,309.07)</u>	<u>(2,078,160.86)</u>	<u>(158,148.21)</u>	<u>-7.6%</u>
<b>Change in Net Assets</b>	5,814,397.61	3,201,676.26	2,612,721.35	81.6%
<b>Beginning Net Assets - As Previously Reported</b>	<u>72,090,498.45</u>	<u>65,612,462.49</u>	<u>6,478,035.96</u>	<u>9.9%</u>
<b>Ending Net Assets</b>	<u>\$ 77,904,896.06</u>	<u>68,814,138.75</u>	<u>9,090,757.31</u>	<u>13.2%</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 Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 3,180,863.78	2,900,660.00	280,203.78	9.7%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	122,774.28	165,165.00	(42,390.72)	-25.7%
Contractual Allowances - Medicare	73,287.96	70,992.00	2,295.96	3.2%
Contractual Allowances - Managed Care and Other Insurance	473,942.45	526,131.00	(52,188.55)	-9.9%
Other Unreimbursed Medical Charges	97,091.58	192,072.00	(94,980.42)	-49.5%
Bad Debt Expense	754,231.00	426,136.00	328,095.00	77.0%
Total Discounts and Allowances	<u>1,521,327.27</u>	<u>1,380,496.00</u>	<u>140,831.27</u>	<u>10.2%</u>
Net Patient Revenues	1,659,536.51	1,520,164.00	139,372.51	9.2%
Contractual Revenues	1,002,631.28	-	1,002,631.28	100.0%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>2,662,167.79</u>	<u>1,520,164.00</u>	<u>1,142,003.79</u>	<u>75.1%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	1,370,457.66	477,925.00	892,532.66	186.8%
Staff Salaries	519,511.18	490,466.00	29,045.18	5.9%
Resident Salaries	343,653.10	-	343,653.10	100.0%
Fringe Benefits	395,614.78	248,532.00	147,082.78	59.2%
Maintenance and Operations	490,330.56	491,533.00	(1,202.44)	-0.2%
Travel	28,200.13	11,876.00	16,324.13	137.5%
Official Functions	19,754.66	8,984.00	10,770.66	119.9%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>3,167,522.07</u>	<u>1,729,316.00</u>	<u>1,438,206.07</u>	<u>83.2%</u>
<b>Adjusted Income (Loss)</b>	(505,354.28)	(209,152.00)	(296,202.28)	-141.6%
<b>Adjusted Income (Loss) - as a percentage</b>	-19.0%	-13.8%		
<b>Other:</b>				
Transfers In	238,625.00	277,349.00	(38,724.00)	-14.0%
<b>Total Other</b>	<u>238,625.00</u>	<u>277,349.00</u>	<u>(38,724.00)</u>	<u>-14.0%</u>
<b>Change in Net Assets</b>	(266,729.28)	68,197.00	(334,926.28)	-491.1%
<b>Beginning Net Assets - As Previously Reported</b>	<u>708,424.82</u>	<u>477,045.00</u>	<u>231,379.82</u>	<u>48.5%</u>
<b>Ending Net Assets</b>	<u>\$ 441,695.54</u>	<u>545,242.00</u>	<u>(103,546.46)</u>	<u>-19.0%</u>

**The University of Texas Health Science Center at San Antonio  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 315,947,695.81	268,244,005.79	47,703,690.02	17.8%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	115,411,778.56	83,656,379.61	31,755,398.95	38.0%
Contractual Allowances - Medicare	48,684,199.09	39,194,357.54	9,489,841.55	24.2%
Contractual Allowances - Managed Care and Other Insurance	37,011,692.52	36,401,853.27	609,839.25	1.7%
Other Unreimbursed Medical Charges	15,510,339.74	20,011,770.39	(4,501,430.65)	-22.5%
Bad Debt Expense	2,965,517.70	2,279,606.15	685,911.55	30.1%
Total Discounts and Allowances	<u>219,583,527.61</u>	<u>181,543,966.96</u>	<u>38,039,560.65</u>	<u>21.0%</u>
Net Patient Revenues	96,364,168.20	86,700,038.83	9,664,129.37	11.1%
Contractual Revenues	77,477,733.48	63,552,591.27	13,925,142.21	21.9%
Other Operating Revenues	1,601,957.19	2,536,147.77	(934,190.58)	-36.8%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>175,443,858.87</u>	<u>152,788,777.87</u>	<u>22,655,081.00</u>	<u>14.8%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	66,552,036.27	61,987,860.63	4,564,175.64	7.4%
Staff Salaries	30,327,901.45	31,245,672.64	(917,771.19)	-2.9%
Fringe Benefits	25,835,944.99	24,284,791.52	1,551,153.47	6.4%
Maintenance and Operations	35,803,417.53	33,609,025.75	2,194,391.78	6.5%
Professional Liability Insurance	815,984.30	(85,739.09)	901,723.39	1,051.7%
Travel	1,168,560.74	1,259,202.48	(90,641.74)	-7.2%
Official Functions	620,828.45	802,677.92	(181,849.47)	-22.7%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>161,124,673.73</u>	<u>153,103,491.85</u>	<u>8,021,181.88</u>	<u>5.2%</u>
<b>Operating Income (Loss)</b>	14,319,185.14	(314,713.98)	14,633,899.12	4,649.9%
Investment Income	-	391,504.92	(391,504.92)	-100.0%
Gift Contributions for Operations	-	2,497,215.92	(2,497,215.92)	-100.0%
Interest Expense on Debt Service	(2,527,215.38)	(2,580,191.43)	52,976.05	2.1%
<b>Adjusted Income (Loss)</b>	11,791,969.76	(6,184.57)	11,798,154.33	190,767.6%
<b>Adjusted Income (Loss) - as a percentage</b>	6.7%	0.0%		
<b>Other:</b>				
Net Increase (Decrease) in Fair Value of Investments	-	54,383.10	(54,383.10)	-100.0%
Transfers In	967,698.50	3,508,690.98	(2,540,992.48)	-72.4%
Transfers Out	(801,025.50)	(15,127,011.55)	14,325,986.05	94.7%
Debt Service	(1,439,500.02)	(1,390,750.00)	(48,750.02)	-3.5%
Capital Outlay	(264,180.81)	(777,745.10)	513,564.29	66.0%
<b>Total Other</b>	<u>(1,537,007.83)</u>	<u>(13,732,432.57)</u>	<u>12,195,424.74</u>	<u>88.8%</u>
<b>Change in Net Assets</b>	10,254,961.93	(13,738,617.14)	23,993,579.07	174.6%
<b>Beginning Net Assets - As Previously Reported</b>	<u>63,288,240.83</u>	<u>74,248,837.00</u>	<u>(10,960,596.17)</u>	<u>-14.8%</u>
<b>Ending Net Assets</b>	<u>\$ 73,543,202.76</u>	<u>60,510,219.86</u>	<u>13,032,982.90</u>	<u>21.5%</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 Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 8,660,371.35	7,857,313.58	803,057.77	10.2%
Other Operating Revenues	348,654.78	487,714.08	(139,059.30)	-28.5%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>9,009,026.13</u>	<u>8,345,027.66</u>	<u>663,998.47</u>	<u>8.0%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	1,800,262.43	1,686,447.70	113,814.73	6.7%
Staff Salaries	621,044.27	1,451,777.88	(830,733.61)	-57.2%
Fringe Benefits	626,408.93	843,388.73	(216,979.80)	-25.7%
Maintenance and Operations	4,092,829.53	2,691,157.35	1,401,672.18	52.1%
Professional Liability Insurance	22,962.00	32,326.34	(9,364.34)	-29.0%
Travel	144,823.13	175,214.21	(30,391.08)	-17.3%
Official Functions	74,293.46	52,590.43	21,703.03	41.3%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>7,382,623.75</u>	<u>6,932,902.64</u>	<u>449,721.11</u>	<u>6.5%</u>
<b>Operating Income (Loss)</b>	1,626,402.38	1,412,125.02	214,277.36	15.2%
Investment Income	-	77,319.51	(77,319.51)	-100.0%
<b>Adjusted Income (Loss)</b>	1,626,402.38	1,489,444.53	136,957.85	9.2%
<b>Adjusted Income (Loss) - as a percentage</b>	18.1%	17.7%		
<b>Other:</b>				
Transfers In	428,473.17	48,741.51	379,731.66	779.1%
Transfers Out	(5,687.61)	(1,734.76)	(3,952.85)	-227.9%
Capital Outlay	(5,271.50)	(58,290.77)	53,019.27	91.0%
<b>Total Other</b>	<u>417,514.06</u>	<u>(11,284.02)</u>	<u>428,798.08</u>	<u>3,800.0%</u>
<b>Change in Net Assets</b>	2,043,916.44	1,478,160.51	565,755.93	38.3%
<b>Beginning Net Assets - As Previously Reported</b>	<u>18,471,898.35</u>	<u>16,116,298.00</u>	<u>2,355,600.35</u>	<u>14.6%</u>
<b>Ending Net Assets</b>	<u>\$ 20,515,814.79</u>	<u>17,594,458.51</u>	<u>2,921,356.28</u>	<u>16.6%</u>

**The University of Texas Health Science Center at San Antonio  
Allied Health Partners Practice Plan Year-to-Date Summary of Operations  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 162,564.21	323,748.75	(161,184.54)	-49.8%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>162,564.21</u>	<u>323,748.75</u>	<u>(161,184.54)</u>	<u>-49.8%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	47,989.00	188,595.92	(140,606.92)	-74.6%
Staff Salaries	11,514.76	83,625.63	(72,110.87)	-86.2%
Fringe Benefits	15,606.08	64,197.27	(48,591.19)	-75.7%
Maintenance and Operations	71,433.82	58,508.15	12,925.67	22.1%
Professional Liability Insurance	101.50	-	101.50	100.0%
Travel	4,900.22	5,354.88	(454.66)	-8.5%
Official Functions	1,875.03	3,957.21	(2,082.18)	-52.6%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>153,420.41</u>	<u>404,239.06</u>	<u>(250,818.65)</u>	<u>-62.0%</u>
<b>Operating Income (Loss)</b>	9,143.80	(80,490.31)	89,634.11	111.4%
Investment Income	-	54.19	(54.19)	-100.0%
<b>Adjusted Income (Loss)</b>	9,143.80	(80,436.12)	89,579.92	111.4%
<b>Adjusted Income (Loss) - as a percentage</b>	5.6%	-24.8%		
<b>Other:</b>				
Transfers In	-	1,000.00	(1,000.00)	-100.0%
<b>Total Other</b>	<u>-</u>	<u>1,000.00</u>	<u>(1,000.00)</u>	<u>-100.0%</u>
<b>Change in Net Assets</b>	9,143.80	(79,436.12)	88,579.92	111.5%
<b>Beginning Net Assets - As Previously Reported</b>	<u>165,554.23</u>	<u>191,416.00</u>	<u>(25,861.77)</u>	<u>-13.5%</u>
<b>Ending Net Assets</b>	<u>\$ 174,698.03</u>	<u>111,979.88</u>	<u>62,718.15</u>	<u>56.0%</u>

**The University of Texas Health Science Center at San Antonio  
Nursing School Practice Plan Year-to-Date Summary of Operations  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 270,799.00	-	270,799.00	100.0%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>270,799.00</u>	<u>-</u>	<u>270,799.00</u>	<u>100.0%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	39,512.69	-	39,512.69	100.0%
Staff Salaries	187,377.52	-	187,377.52	100.0%
Fringe Benefits	47,814.64	-	47,814.64	100.0%
Maintenance and Operations	96,524.24	-	96,524.24	100.0%
Travel	1,452.42	-	1,452.42	100.0%
Official Functions	129.98	-	129.98	100.0%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>372,811.49</u>	<u>-</u>	<u>372,811.49</u>	<u>100.0%</u>
<b>Adjusted Income (Loss)</b>	(102,012.49)	-	(102,012.49)	-100.0%
<b>Adjusted Income (Loss) - as a percentage</b>	-37.7%	N/A		
<b>Other:</b>				
Transfers In	191,500.00	-	191,500.00	100.0%
Transfers Out	(13,369.94)	-	(13,369.94)	-100.0%
<b>Total Other</b>	<u>178,130.06</u>	<u>-</u>	<u>178,130.06</u>	<u>100.0%</u>
<b>Change in Net Assets</b>	76,117.57	-	76,117.57	100.0%
<b>Beginning Net Assets - As Previously Reported</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Net Assets</b>	<u>\$ 76,117.57</u>	<u>-</u>	<u>76,117.57</u>	<u>100.0%</u>

**The University of Texas M. D. Anderson Cancer Center  
Physician Practice Plan Year-to-Date Summary of Operations  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 814,414,112.40	762,938,987.12	51,475,125.28	6.7%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	30,754,051.15	28,800,611.94	1,953,439.21	6.8%
Contractual Allowances - Medicare	211,186,295.90	194,304,941.78	16,881,354.12	8.7%
Contractual Allowances - Managed Care and Other Insurance	261,082,126.85	242,254,916.69	18,827,210.16	7.8%
Other Unreimbursed Medical Charges	56,081,118.97	56,143,808.01	(62,689.04)	-0.1%
Bad Debt Expense	6,215,408.11	5,622,405.24	593,002.87	10.5%
Total Discounts and Allowances	<u>565,319,000.98</u>	<u>527,126,683.66</u>	<u>38,192,317.32</u>	<u>7.2%</u>
Net Patient Revenues	249,095,111.42	235,812,303.46	13,282,807.96	5.6%
Other Operating Revenues	3,806,199.33	361,245.57	3,444,953.76	953.6%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>252,901,310.75</u>	<u>236,173,549.03</u>	<u>16,727,761.72</u>	<u>7.1%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	117,222,322.14	108,060,534.33	9,161,787.81	8.5%
Staff Salaries	37,620,118.64	35,208,965.80	2,411,152.84	6.8%
Fringe Benefits	71,868,244.72	65,121,423.54	6,746,821.18	10.4%
Maintenance and Operations	20,639,136.12	15,852,737.10	4,786,399.02	30.2%
Professional Liability Insurance	809,982.72	112,146.93	697,835.79	622.3%
Travel	4,928,754.11	3,542,449.05	1,386,305.06	39.1%
Official Functions	220,207.42	55,726.52	164,480.90	295.2%
Other Operating Expenses	4,357,744.46	3,679,323.77	678,420.69	18.4%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>257,666,510.33</u>	<u>231,633,307.04</u>	<u>26,033,203.29</u>	<u>11.2%</u>
<b>Operating Income (Loss)</b>	(4,765,199.58)	4,540,241.99	(9,305,441.57)	-205.0%
Investment Income	3,901,083.88	2,585,670.45	1,315,413.43	50.9%
<b>Adjusted Income (Loss)</b>	(864,115.70)	7,125,912.44	(7,990,028.14)	-112.1%
<b>Adjusted Income (Loss) - as a percentage</b>	-0.3%	3.0%		
<b>Other:</b>				
Net Increase (Decrease) in Fair Value of Investments	16,893,174.34	9,253,520.87	7,639,653.47	82.6%
<b>Total Other</b>	<u>16,893,174.34</u>	<u>9,253,520.87</u>	<u>7,639,653.47</u>	<u>82.6%</u>
<b>Change in Net Assets</b>	16,029,058.64	16,379,433.31	(350,374.67)	-2.1%
<b>Beginning Net Assets - As Previously Reported</b>	<u>75,718,274.49</u>	<u>51,713,820.00</u>	<u>24,004,454.49</u>	<u>46.4%</u>
<b>Ending Net Assets</b>	<u>\$ 91,747,333.13</u>	<u>68,093,253.31</u>	<u>23,654,079.82</u>	<u>34.7%</u>

**The University of Texas Health Science Center at Tyler  
Physician Practice Plan Year-to-Date Summary of Operations\*  
For the Nine Months Ending May 31, 2011**

	<u>Year-to-Date FY 2011</u>	<u>Year-to-Date FY 2010</u>	<u>Variance</u>	<u>Variance Percentage</u>
<b>Operating Revenues:</b>				
Gross Patient Charges	\$ 23,917,862.54	24,150,944.37	(233,081.83)	-1.0%
Less: Discounts and Allowances				
Contractual Allowances - Medicaid	1,971,950.59	2,117,581.29	(145,630.70)	-6.9%
Contractual Allowances - Medicare	7,106,711.82	6,932,949.28	173,762.54	2.5%
Contractual Allowances - Managed Care and Other Insurance	3,360,185.49	4,322,949.62	(962,764.13)	-22.3%
Other Unreimbursed Medical Charges	1,163,406.70	832,619.51	330,787.19	39.7%
Bad Debt Expense	1,954,326.45	2,179,626.07	(225,299.62)	-10.3%
Total Discounts and Allowances	<u>15,556,581.05</u>	<u>16,385,725.77</u>	<u>(829,144.72)</u>	<u>-5.1%</u>
Net Patient Revenues	8,361,281.49	7,765,218.60	596,062.89	7.7%
Contractual Revenues	1,220,630.65	1,292,144.42	(71,513.77)	-5.5%
Other Operating Revenues	64,556.68	834,025.34	(769,468.66)	-92.3%
<b>Total Operating Revenues Included in Monthly Financial Report</b>	<u>9,646,468.82</u>	<u>9,891,388.36</u>	<u>(244,919.54)</u>	<u>-2.5%</u>
<b>Operating Expenses:</b>				
Faculty Salaries	4,526,648.08	4,985,217.21	(458,569.13)	-9.2%
Staff Salaries	719,950.55	1,482,463.13	(762,512.58)	-51.4%
Fringe Benefits	883,257.70	930,541.51	(47,283.81)	-5.1%
Maintenance and Operations	2,005,100.91	2,860,960.31	(855,859.40)	-29.9%
Professional Liability Insurance	47,323.00	(69,531.00)	116,854.00	168.1%
Travel	99,016.52	77,112.06	21,904.46	28.4%
Other Operating Expenses	155,072.60	147,599.16	7,473.44	5.1%
<b>Total Operating Expenses Included in Monthly Financial Report</b>	<u>8,436,369.36</u>	<u>10,414,362.38</u>	<u>(1,977,993.02)</u>	<u>-19.0%</u>
<b>Operating Income (Loss)</b>	1,210,099.46	(522,974.02)	1,733,073.48	331.4%
Investment Income	138,874.93	149,370.67	(10,495.74)	-7.0%
<b>Adjusted Income (Loss)</b>	1,348,974.39	(373,603.35)	1,722,577.74	461.1%
<b>Adjusted Income (Loss) - as a percentage</b>	13.8%	-3.7%		
<b>Other:</b>				
Net Increase (Decrease) in Fair Value of Investments	1,153,409.86	433,311.16	720,098.70	166.2%
Other Nonoperating Revenues (Expenses)	(925,511.60)	(322,055.49)	(603,456.11)	-187.4%
Transfers In	27,227.62	94,422.80	(67,195.18)	-71.2%
<b>Total Other</b>	<u>255,125.88</u>	<u>205,678.47</u>	<u>49,447.41</u>	<u>24.0%</u>
<b>Change in Net Assets</b>	1,604,100.27	(167,924.88)	1,772,025.15	1,055.2%
<b>Beginning Net Assets - As Previously Reported</b>	<u>7,453,375.97</u>	<u>6,517,811.61</u>	<u>935,564.36</u>	<u>14.4%</u>
<b>Ending Net Assets</b>	<u>\$ 9,057,476.24</u>	<u>6,349,886.73</u>	<u>2,707,589.51</u>	<u>42.6%</u>

\*Includes the operations of the nonprofit healthcare corporation.