



**University
Health System**

**Proposed 2009 Operating, Debt Service and
Capital Budget**

December 3, 2008



University Health System

2009 Budget Summary Briefing

2009 Operating and Capital Budgets:

- The University Health System's Board of Managers approved the Health System's 2009 Budget at its November 18th meeting. A net operating gain of \$1.6 million and a bottom line gain of \$39.4 million after adding investment income, property taxes dedicated to pay debt service and interest expense on the 2008 outstanding Certificates of Obligation. The 2009 Budget was prepared utilizing the key Strategic Issues developed by senior staff which include: implementation of the Master Facility (MFP) and Financing Plans; development of plans to assure workforce and skill mix to optimize efficiency and improve performance; assure adequate medical resources for inpatient and outpatient services; and creation of a system-wide prevention plan aimed at standardizing best practices across inpatient and ambulatory settings. Specific strategic initiatives were developed, prioritized and assigned to responsible staff. These initiatives and priorities have framed the 2009 operating and capital budget process.
- The positive margins reflected in the 2008 Budget are due to the concerted and continued efforts by staff to increase revenue and reduce expenses. Since 2001, \$88.2 million of improvements have been implemented. In 2009, \$8.2 million in additional improvements are planned. Without these initiatives the Health System could not have maintained positive operating results in light of the impact of a multitude of State and Federal reimbursement cuts that have been experienced.

Legislative and Administrative Issues and their 2009 Budget Impact:

- A Center's for Medicare and Medicaid Services (CMS) regulation in which the Federal Government proposes to limit un-reimbursed Medicaid costs puts at risk approximately \$31 million of Upper Payment Limit Program (UPL) funding the Health System now receives. On June 30, 2008 the President signed the 2008 Supplemental Appropriations bill which included an extension of the moratorium on the public provider UPL cost limit proposed by CMS until April 1, 2009. This budget assures a favorable extension for 2009 by the Obama administration.
- The Texas Health and Human Services Commission (HHSC) identified public hospital DSH and UPL as a source of funding for a Health Opportunity Pool (HOP) proposed under SB 10 passed last legislative session. SB 10 provides for public hospitals to be "kept whole" and only incremental DSH funding and Medicaid payment rate increases be used to fund the HOP. A waiver is currently being pursued by HHSC with CMS. The Health System did not project any significant increase in DSH and did not include any increase in Medicaid payment rates so no impact of SB 10 has been included in the 2009 Budget.
- The 1011 program aimed at providing reimbursement for stabilization services for undocumented persons expired on September 30, 2008. Actions are being taken nationally to work with congressional champions and national associations to support reauthorization during the next Federal Congress. This budget assumes a loss of \$1.2 million for 2009.

- On March 1, 2009 Medicare will be rolling out in Texas, the Recovery Audit Contractor (RAC) project that has resulted in pay backs of Medicare funding retro to October of 2007. The 2009 budget reflects an estimated 2.5% impact (the average experienced to date) of the RAC or \$800,000. The annual estimate is \$1.2 million. Staff has taken action to put in place a team to mitigate the impact of the RAC project.
- The Regional UPL Program was approved by CMS for Bexar County, on July 26, 2006. The Bexar Regional UPL Program was initiated in October of 2006. In October 2007 HHSC suspended payments under the program as CMS took advantage of an administrative rule to defer a portion of Medicaid payments made while it collected more information about the program on a State-wide basis. An agreement was reached between CMS and HHSC, and the Health System worked with its affiliated hospital partners to comply with the modified conditions of participation stipulated in the agreement. The program has resumed and the cost relief estimated for 2008 is \$13.5 million. For 2009, the Health System has included \$13.4 million in cost relief from this important program.

Key Facts/Assumptions:

- A full year of operations is reflected for the preventive health services transferred from the San Antonio Metropolitan Health District (SAMHD) on February 4, 2008. Tax revenues were transferred from the City of San Antonio (COSA) in the amount of \$4.7 million and all grants were successfully transitioned to the Health System with a slight increase in funding for FY 2009. In addition, new grant funding in the amount of \$6.2 million has been secured over the next six years. Preventive services offered include well child and immunization care, patient navigators that assist high risk mothers and babies and comprehensive senior health and a comprehensive health and prevention program for seniors. In addition a Breast Health Program is being developed to assure early detection and diagnosis of breast cancer for women 40 years or older regardless of their socio economic status.
- Overall clinical activity projected to grow slightly by 0.9%. Inpatient capacity at University Hospital is limited and will remain so until the new facilities are opened the first half of 2012. Growth for inpatients slight at 1.8% to 21,000 cases in light of operating efficiencies planned. Outpatient access for primary and specialty care will be improved by 6.9% as will access for preventive health services. Included is the opening of the Southside Dialysis Center located within Centro Med's new Health and Wellness Center. Outpatient visits to grow to 517,000 visits.
- Physician salary market adjustments in critical specialties such as anesthesia, trauma, radiology, OB/GYN, residents and additional support for hospital based services such as trauma, surgery, hematology / oncology and surgical GYN oncology and hospitalists. Funding also provided for the continued development of a trauma center based stroke program. Texas Diabetes Institute (TDI) medicine and endocrinology clinics to be leased through Community Medicine Associates (CMA).
- AirLife operations to be expanded into Kerrville.
- CFHP membership will grow by 8.7%. Major goals for the health plan include growing membership in government and commercial products and achieving cash flow from operations greater than 1.5% of revenue. Continued investment in IT systems will enhance operations. CFHP will relocate its corporate offices to less expensive space at The Oaks and will improve member case management by opening a new office at Avenida Guadalupe.
- No service cuts are reflected. Only change in service is a relocation of patients from the Pecan Valley clinic to nearby clinics due to inadequate space required to meet JCAHO patient care standards.

- The property tax rate was increased 9.9% to \$0.261022 per \$100 valuation from the existing rate of \$0.237408. Of this increase \$.019 or 8.0% was due to the new tax levy for the establishment of the I&S tax rate and \$0.004614 or 1.9% was related to the tax levy transferred from COSA for the preventive health services. No increase was provided for existing operations and as agreed upon under the approved plan of finance for the MFP, \$0.006788 was transferred from the existing M&O tax rate and moved to the I&S tax rate bringing the total I&S tax rate for FY 2009 to \$0.025788.
- Proposed budget provides \$30.6 million for on going capital expenditures funded through depreciation and available cash flow. MFP dedicated staff are being capitalized and are included as capital costs in FY 2009 in the amount of \$958,000.
- The Health System’s medication assistance program will bring in \$13.0 million in no cost medication for Health System patients.

Budget Summary:

(Dollars in Millions)

Consolidated Health System	2007 Audited	2008 Projected	2009 Budget
Operating Revenue	\$758.7	\$817.4	\$849.9
Operating Expense	<u>\$745.7</u>	<u>\$805.5</u>	<u>\$848.3</u>
Gain (Loss) from Operations	\$13.0	\$11.9	\$1.6
Nonoperating Revenues (Expenses)	<u>\$24.0</u>	<u>\$15.7</u>	<u>\$37.8</u>
Gain (Loss) in Excess of Expenses	<u>\$37.1</u>	<u>\$27.6</u>	<u>\$39.4</u>
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<i>Gain (Loss) in Excess of Expenses</i>	<u><i>\$37.1</i></u>	<u><i>\$27.6</i></u>	<u><i>\$15.9</i></u>
<i>less Debt Service</i>			

<u>Debt Service Cash Flow</u>	
Principal Payment	\$12.9
Interest Expense	\$2.2
<u>Capitalized Interest</u>	<u>\$10.6</u>
Total Debt Service	\$25.7

Percentage Change Operating Revenue	7.7%	4.0%
Percentage Change Operating Expense	(8.0%)	(5.3%)
Capital Requirements	\$31.7	\$33.3
		\$30.6

In summary, the Health System is committed to responding to fiscal challenges by working to improve service delivery, access to care and patient satisfaction. **For more information on the University Health System 2009 budget please call 210-358-2335 or email leni.kirkman@uhs-sa.com.**



University Health System

2009 Operating, Debt Service and Capital Budget Fiscal Note

Consolidated UHS

The FY 2009 Proposed Consolidated Operating Budget for the University Health System (UHS) totals \$848.3 million. The total amount of operating revenue budgeted is \$849.9 million, resulting in a gain from operations of \$1.6 million. Non-operating revenue and expense is budgeted in the amount of \$37.8 million and includes \$25.7 million in property tax levy for the interest and sinking fund (I&S) payments due in 2009 for the 2008 Series Certificates of Obligation (CO's). Interest expense of \$2.2 million in interest expense is included as a non-operating expense and it represents the interest of portion of the project that is expected to be placed in service in 2009. After considering the non-operating revenue and expense, the bottom line is a gain of \$39.4 million. From this bottom line, the Health System will pay \$25.7 million in debt service on the 2008 CO's. Property tax revenues for operations are budgeted at \$236.9 million generated by an M&O ad valorem property tax rate of \$0.235234 per \$100 of valuation. This rate includes \$0.004614 transferred from the City of San Antonio for the preventive health services. The newly established I&S tax rate is \$0.025788 to cover the debt service payments due in FY 2009. This rate includes a \$0.019 new tax levy and a \$0.006788 contribution from the Health System's M&O tax rate, consistent with the approved plan of finance. The total tax rate is \$0.261022 per \$100 of valuation and this rate is 9.9% higher than the existing tax rate as adopted in FY 2009.

UHS Budget excluding Community First Health Plans (CFHP)

The UHS budget (excluding CFHP) is projected to incur a bottom line gain of \$36.6 million in FY 2009. This represents a \$3.8 million improvement to the bottom line compared to the one presented to the Commissioners Court for Tax Rate approval on August 19, 2008. The main factors contributing to the improvement were the net impacts of: a decrease in net patient revenue (\$5.2 million) given a new Medicare Recovery Audit Contractor (RAC) program, the discontinuation of the 1011 program that funds undocumented emergency stabilization care and the exclusion of one time revenue adjustments from 2008; lower employee compensation (\$5.0 million) in light of improved productivity and overtime savings; higher Disproportionate Share (DSH) and Upper Payment Level (UPL) estimates (\$3.8 million); greater savings under the Regional UPL Program (\$2.4 million); higher depreciation expense (\$2.4 million); greater savings from supply savings initiatives (\$1.5 million); net higher grants, other revenue and Center for Healthcare Services funding, and lower tobacco funds and purchased services (\$800,000); decrease in property taxes (\$100,000) given increased collection fees and a lower penalty and interest estimate; and lower investment income (\$2.0 million) given the impact on investments of lower interest rates caused by the overall state of the economy.

No service cuts are being reflected or planned at this time. In addition, the Health System's 2009 plans include the development of a Living Related Donor Transplant program and developing a Breast Health Program focusing on the early detection and diagnosis of breast cancer. Overall clinical activity is projected to increase 0.9%. University Hospital operates near or at capacity and can grow only through operating efficiencies. Inpatient cases are projected to grow by 1.8% to 21,000 by reducing the average length of stay by .04 days. Access to ambulatory care will be enhanced and clinic visits to grow by 6.9% to 355,000. Included is the opening in March of the Southside Dialysis service located within Centro

Med's new Health and Wellness Center. Preventive health services will be enhanced and will grow by 6.9% to 36,000. The Health System continues to focus on cost and revenue improvements and has reflected \$8.2 million in savings from management initiatives to improve efficiencies and productivity and to standardize and reduce the price paid for supplies. Overall clinical cost per adjusted discharge is going up 1.3% and this compares favorably to healthcare inflation of 3.2%.

Community First Health Plans

CFHP is projected to maintain its profitable position with a net bottom line gain of \$2.8 million in FY 2009. Both operating revenues and expenditures are anticipated to increase considering a planned 8.7% growth in membership. The growth in membership will be driven by initiatives to target community outreach and further development of the commercial product line and infrastructure. Initiatives to improve medical management include use of the TCS Acuity software, improved web communications and enhanced IT systems to support business continuity. CFHP also plans to move its corporate offices to less expensive space and open a community office at Avenida Guadalupe to improve member case management.

Debt Service

The plan of finance calls for the MFP calls for three debt issuances. The first issuance closed on September 4, 2008. This issuance was a Series 2008 Certificates of Obligation for \$290,000,000 and it covers the costs associated with the first phase of the University Health Center Downtown projects, the parking facilities at University Hospital and the consulting and architectural and engineering fees associated with the new trauma tower. I&S taxes were levied to cover the 2009 debt service payments of \$25.7 million. A second debt issuance is planned in 2009 in the approximate amount of \$268,705,000 and it will be funded by an additional transfer of the Health System's M&O tax of .66 cents in 2010 to the I&S tax rate and will address the construction of the new trauma tower at UH. The Health System will also contribute \$120,000,000 from existing cash reserves as well as interest earnings on construction funds to reduce the overall cost to be financed.

Capital Budget

The FY 2009 proposed Capital Budget for the Health System is \$30.6 million. Of this total, \$29.9 million is being requested for the Health System excluding CFHP for on-going capital requirements. This amount is \$2.7 million over the depreciation level of \$27.2 million to provide some level of flexibility and will be funded from cash flow from operations. Included in this amount is \$954,000 of costs being capitalized in support of the Master Facility Plan. CFHP has proposed \$0.7 million in capital requests which will be funded from the health plans cash flow from operations.

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Consolidated 2009 Budget Summary

The consolidated bottom line for the Health System reflected in the 2009 Budget is \$39.4 million. This is an increase of \$11.8 million or 42.8% from the 2008 projection. New in 2009 is a levy of property taxes for an Interest and Sinking (I&S) fund to support 2009 principal and interest obligations of \$25.7 million on the Series 2008 Bonds. The I&S taxes levied and the interest expense associated with the debt are included in non-operating revenues and expenses. A debt service cash flow is presented so that the impact of the debt service requirements can be highlighted. For 2009, excluding the debt service, there is a decline in the consolidated bottom line of \$11.7 million or 42.3% from the 2008 projection.

The information in this summary is initially presented on a consolidated basis (Attachment 2) to include the clinical operations plus Community First Health Plans (CFHP). The clinical operations (including the hospital, clinics, outpatient pharmacy, Community Medicine Associates (CMA) physician group and tax fund) of the Health System are presented separately and exclude CFHP (Attachment 3) so that respective operations and major assumptions can be analyzed in terms of volume and activity that drives their financial results and plans. A cross walk of major initiatives included in the 2009 Budget shows the changes for each initiative by revenue and expense category from 2008 year end projection to the 2009 Budget (Attachment 4). Because of the magnitude of operations for the health plan and the important differences in the type of business that it is, CFHP is also presented separately (Attachment 5) so that its major assumptions, plans and analysis can be more easily understood in terms of its respective membership.

Underlying the consolidated projections and plan presented are the following key assumptions:

- The 2009 Budget was prepared utilizing the key Strategic Issues that continue to be addressed and that were developed by senior staff members at their retreat on March 7, 2008 (Attachment 9). Implementation teams worked throughout the second and third quarters in 2008 to refine the strategic objectives identify champions and set priorities for 2009. These initiatives and priorities have framed the 2009 operating and capital budget process. Priorities for 2009 include:
 - Implementation of the Master Facility and Financing Plans;
 - Development of plans to assure workforce and skill mix to optimize efficiency and improve performance;
 - Assure adequate medical resources for inpatient and outpatient services; and
 - Creation of a system-wide prevention plan aimed at standardizing best practices across inpatient and ambulatory settings.

A list of items added to the budget in support of these initiatives is provided in Attachment 10. Progress on implementation of the overall Strategic Issues is being tracked and will be reported periodically to the Board of Managers.

- The 2009 Budget is based on assumptions and management actions aimed at offsetting changes being faced by the health care industry in general, State and Federal Legislative cuts, and within

the local Bexar County market. The challenges have been intensified in light of the state of the economy at present. Staff realizes that changes will occur throughout the year and actions will need to be taken as necessary to adapt. In an effort to stay on top of the financial impact of changes, staff shares with the Board Key Performance Indicators as well as performance improvement plans to address areas identified for improvement and to offset the negative impact of changes. A list of the performance improvement plans that have been considered in the development of the 2009 Budget is provided in Attachment 11.

- Several items that are known Legislative changes and their potential impact for 2009 include:
 - A Center's for Medicare and Medicaid Services (CMS) regulation in which the Federal Government proposes to limit un-reimbursed Medicaid costs puts at risk approximately \$31 million of Upper Payment Limit Program (UPL) funding the Health System now receives. On June 30, 2008 the President signed the 2008 Supplemental Appropriations bill which included an extension of the moratorium on the public provider UPL cost limit proposed by CMS until April 1, 2009. It is not known how these issues will be addressed under the Obama administration.
 - The Texas Health and Human Services Commission (HHSC) identified public hospital DSH and UPL as a source of funding for a Health Opportunity Pool (HOP) proposed under SB 10 passed last legislative session. SB 10 provides for public hospitals to be "kept whole" and only incremental DSH funding and Medicaid payment rate increases be used to fund the HOP. A waiver is currently being pursued by HHSC with CMS. The Health System did not project any significant increase in DSH and did not include any increase in Medicaid payment rates so no impact of SB 10 has been included in the 2009 Budget.
 - The 1011 program aimed at providing reimbursement for stabilization services for undocumented persons expired on September 30, 2008. Actions are being taken nationally to work with congressional champions and national associations to support reauthorization during the next Federal Congress. The cash flow impact in 2009 is a loss of \$1.2 million. The annual impact is a loss of \$2.4 million.
 - On March 1, 2009 Medicare will be rolling out in Texas, the Recovery Audit Contractor (RAC) project that has resulted in recoupment of Medicare payments back to October of 2007 that have averaged 2.5% in states where the program has already gone into effect. The 2009 budget reflects an estimated 2.5% impact of this program of \$800,000. The annual estimate is \$1.2 million. Staff has taken action to put in place a team to mitigate the impact of the RAC project.
- The Regional UPL Program was approved by CMS for specified Texas regions including Bexar County, on July 26, 2006. The Bexar Regional UPL Program was initiated in October of 2006. In October 2007 HHSC suspended payments under the program as CMS took advantage of an administrative rule to defer a portion of Medicaid payments made while it collected more information about the program on a State-wide basis. An agreement was reached between CMS and HHSC, and the Health System worked with its affiliated hospital partners to comply with the modified conditions of participation stipulated in the agreement. The program has resumed and the cost relief estimated for 2008 is \$13.5 million. For 2009, the Health System has included \$13.4 million in cost relief from the Bexar Regional UPL Program.

- The tax rate approved in support of operating, debt service and capital requirements for the Health System's 2009 fiscal year totals \$0.261022 per \$100 valuation. This tax rate reflects several new components including the establishment of an I&S tax rate \$0.025788 (2.57 cents) for the first time since 1965, the transfer of tax rate from the City of San Antonio (COSA) to the Health System \$0.004614 (.46 of a cent) for the operations of the preventive health services and a transfer of Maintenance and Operations (M&O) tax rate to the I&S tax rate of \$0.006788 (.68 of a cent) consistent with the approved MFP financing plan. The total rate is \$0.023614 (2.36 cents) higher than last year's tax rate or an increase of 9.9%. The total tax rate is \$0.037212 (\$3.72 cents) higher than the effective tax rate or an increase of 16.6%. The additional 2.36 cents over the existing tax rate reflects 1.9 cents for new debt service in support of the trauma tower and downtown capital improvements as well as the .46 of a cent adjustment for the preventive health services. This represents an increase of \$23.61 per year or \$1.97 a month for a \$100,000 home value. The new tax rate will contribute an incremental \$17.6 million (\$4.7 million from the COSA transfer, \$8.8 million for new properties and \$4.1 million net of the I&S transfer to fund operations) and \$25.7 million (\$6.8 million transferred from M&O and \$18.9 million for 1.9 cent levy) to meet the debt service requirements for 2009. The total projected tax levy in support of 2009 Health System operations is \$262.6 million including debt service. Excluding the \$25.7 million in taxes for debt service, the \$236.9 million levy for operations accounts for 39.5% of the Health Systems total operating revenue excluding CFHP.
- The 2009 Budget includes \$8.2 million in firm accountable management actions to lower expenses (Attachment 8). These initiatives coordinate with our physician partners to standardize and reduce the price and use of expensive supplies and to work with management staff to help improve processes and efficiencies.
- The 2009 Budget includes the first full year of operations for the preventive health clinics that the Health System assumed operations from the City of San Antonio (COSA) and the San Antonio Metropolitan Health District (SAMHD). All previous grants with the SAMHD have been successfully transferred to the Health System with a slight funding increase of \$250,000 from the Department of Health & Human Services (DHHS). In addition, new grant funding in the amount of \$1.5 million has been successfully obtained for fiscal year 2009 for the Male Health, Nurse-Family Partnership, and Family Planning Title X programs. In sum, the Health System has secured new funding in the amount of \$6.2 million dollars for the next 6 years. The Health System is currently operating nine of the preventive health clinics. The Pecan Valley clinic has difficulty meeting JCAHO requirements for patient care; therefore, a plan will be implemented in 2009 to redistribute patient activity from this clinic to UFHC-Southeast and the Eastside Clinics. Both of these clinics are within 5 miles of the Pecan Valley Clinic and have ample bus lines. The Health System will continue to offer walk-in / appointed immunization services at Pecan Valley. Successes that the preventive health services will carry over into the 2009 Budget include ambulatory wide Well Child and Immunization programs, patient navigators that assist high risk moms and babies and a comprehensive health promotion and preventive program for senior health at the Bob Ross Multi-Service Senior Resource center.
- On December 1, 2007 the Board approved a long term facility lease arrangement with Centro Med for the Dialysis – South service. This expanded dialysis service is expected to open in March of 2009 and it will be located within Centro Med's new Health and Wellness Center. Activity, revenue and expenses have been included in the 2009 Budget for this service expansion.

- There will be no cuts in the level of service or programs now provided by the Health System. It has been determined that all services currently provided are key and instrumental in carrying out the stated mission of the Health System.
- Hospital and clinic utilization will be improved .9% (Attachment 1) in light of initiatives reflected to decongest University Hospital's emergency center, improving access to ambulatory care and enhancing preventive care. University Hospital currently operates near or at capacity and increases in inpatient stays can only be achieved through operating efficiencies. The MFP being implemented will provide an opportunity to expand desperately needed hospital capacity.
- A Joint Planning and Operations Council has been formed and is actively working to plan for and develop the Health System's response to a Request for Proposal (RFP) to become part of the local mental health provider network through the Center for Health Care Services. The final RFP will be released in February 2009 with responses due in March 2009. The Health System's critical success factors in reaching a decision are budget neutrality and assuring access to a seamless system of care for patients with mental health needs.
- In order to implement the MFP, the Health System has hired Mark Webb (formerly the aviation director with the City of San Antonio) to serve as the Vice President of Facilities Development & Project Management. Mr. Webb has developed a staffing plan that includes up to 11 FTE's (3 are existing positions). In addition to the VP, the plan includes an executive assistant; an Assistant VP to backup the VP and provide project management oversight; a project/engineer (and later a second one) to oversee all architectural and engineering project tasks; a Director of Project Controls to oversee all administrative functions of the office, maintain project controls and oversee the payment process; a Director of Contract Administration & Compliance to oversee all contract requirements of the projects; a Director of Project Budget & Schedule to perform detailed reviews of the contractor and consultant pay applications and oversee the project scheduling system; and 3 Project Coordinator/Generalists to ensure that all design and construction aspects of the project are in compliance with project requirements and UHS needs. The staff of this new department will coordinate efforts with the Finance, Purchasing and Supplier Diversity staff. The planned 2009 departmental expense includes 10 FTE's and supplies with a total budget of approximately \$958,454. This cost is 100% related to the Master Facility Plan and will be capitalized as part of the total project cost. This cost is included as a committed capital item for 2009.
- The plan of finance calls for the MFP calls for three debt issuances. The first issuance closed on September 4, 2008. This issuance was a Series 2008 Certificates of Obligation for \$290,000,000 and it covers the costs associated with the first phase of the UHCD projects, the parking facilities at UH and the consulting and architectural and engineering fees associated with the new trauma tower. Taxes were levied and I&S fund has been established to cover the 2009 debt service payments of \$25.7 million that has been included in the 2009 budget. The Health System has included \$3,500 in the budget for a contract to assist with continuing disclosure requirements of this debt issuance. A second debt issuance is planned in 2009 in the approximate amount of \$268,705,000 and it will be funded by an additional transfer of the Health System's M&O tax of .66 cents in 2010 to the I&S tax rate and will address the construction of the new trauma tower at UH. The Health System will also contribute \$120,000,000 from existing cash reserves as well as interest earnings on construction funds to reduce the overall cost to be financed.

- CFHP is focused on the following goals for 2009: growing membership in government programs to 89,700; growing membership in commercial products to 15,400; and achieving cash flow from operations greater than 1.5% of revenue. By the end of 2009, CFHP expects an 8.7% overall growth in membership compared to the 2008 projections. Initiatives in place to successfully meet these goals include: targeted community outreach; further development of the commercial product line and infrastructure; improved medical management with TCS Acuity software functionality; improved web communications; and enhanced IT systems to support business continuity. In addition, CFHP will relocate its corporate offices to The Oaks and open a community office at Avenida Guadalupe.
- In October a task force was formed to develop a comprehensive plan to assure early detection and diagnosis of breast cancer for women age 40 and older regardless of their socio economic status. The task force was charged with addressing how the Health System currently addresses breast cancer detection within existing grant funded programs and within newly acquired preventive health clinics and for identifying what changes will be needed to improve mammography services. A draft white paper has been developed and an internal focus group has been selected to review and critique the white paper for preparing an agenda for a breast health conference tentatively scheduled for December. The conference will have an external focus group of community women to create necessary “preventive publicity” regarding breast cancer awareness, highlight the importance of mammography and breast cancer detection and critique the white paper. Through the development of the white paper Breast Health Program it has been noted that the Health System has many resources that need to be re-evaluated and re-aligned to develop a formal comprehensive Breast Health Program. In 2008, the Board approved digital mammography equipment that will help screening and diagnostic mammography substantially throughout the Health System and CTSC. Nonetheless, studies indicate that women of different socioeconomic status (SES) utilize screening programs differently. In particular women of lower SES do not utilize such services. The Health System plan will develop effective strategies to reach and assure that all women avail themselves of screening mammography and assure the early detection of breast cancer.
- The Health System will develop a Living Related donor Transplant program utilizing existing resources. This effort will be developed jointly with UTHSC-SA. Currently, 18% of all kidney transplants performed by our program are from living donors (14). The national average is 30%, with competitors performing 56% of all of their transplants from living donors. The initial goal is to increase the number of living donor up to 30%, when accomplished this would be approximately an increase to 25 living donor transplants. The clinical outcomes are far superior with an average 5 year survival of 80% compared to only 60% for patients who received a kidney from someone who passed away.

The summarized consolidated financial results as audited for 2007, as projected for 2008 and as budgeted for 2009 follows. Attachment 2 contains the detailed consolidated income statement.

(Dollars in Millions)

Consolidated Health System	2007 Audited	2008 Projected	2009 Budget
Operating Revenue	\$758.7	\$817.4	\$849.9
Operating Expense	<u>\$745.7</u>	<u>\$805.5</u>	<u>\$848.3</u>
Gain (Loss) from Operations	\$13.0	\$11.9	\$1.6
Nonoperating Revenues (Expenses)	<u>\$24.0</u>	<u>\$15.7</u>	<u>\$37.8</u>
Gain (Loss) in Excess of Expenses	<u>\$37.1</u>	<u>\$27.6</u>	<u>\$39.4</u>

<i>Gain (Loss) in Excess of Expenses less Debt Service</i>	<u>\$37.1</u>	<u>\$27.6</u>	<u>\$15.9</u>
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<u>Debt Service Cash Flow</u>	
Principal Payment	\$12.9
Interest Expense	\$2.2
<u>Capitalized Interest</u>	<u>\$10.6</u>
Total Debt Service	\$25.7

Percentage Change Operating Revenue	7.7%	4.0%
Percentage Change Operating Expense	(8.0%)	(5.3%)

Capital Requirements	\$31.7	\$33.3	\$30.6
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A net operating gain of \$11.9 million is projected in 2008 and a gain of \$1.6 million is reflected in 2009. The positive margins reflected are due to the concerted and continued effort by staff to increase revenue and reduce expenses that began in 2001. Since 2001, \$88.2 million of improvements have been implemented. In 2009, \$8.2 million in additional improvements are planned. The fiscal year 2009 is one that the Health System plans to take action to implement the MFP while addressing near term initiatives. These initiatives focus on improving capacity within existing facilities; decongesting University Hospital's Emergency Center; improving operating efficiencies; and enhancing primary prevention efforts. The MFP that was approved by the Board of Managers on June 24, 2008 lays the foundation for right sizing and modernizing the Health System to meet future health service needs, for both ambulatory and hospital patients.



Health System excluding CFHP 2009 Budget Summary

The Health System budget excluding CFHP is projected to reflect a bottom line gain of \$36.6 million which is a \$3.8 million improvement to the bottom line and a \$5.8 million improvement from operations before the reclassification of the debt service as presented in the Health System's 2008 Tax Rate Budget approved by Commissioners Court on August 19, 2008. The following is a reconciliation of the changes made to the Tax Rate Budget:

(Dollars in Millions)

Health System Budget excluding CFHP	Operating Margin	Non Operating Income	Bottom Line Gain
Tax Rate Budget	\$17.9	\$14.9	\$32.8
2009 Operating Budget	\$0.2	\$36.4	\$36.6
Total Change	(\$17.7)	\$21.5	\$3.8
Reconciling Items:			
Decrease in Net Patient Service Revenue due to RAC, 1011 and one time adjustments	(\$5.2)		(\$5.2)
Net of ↓ of UPL and ↑ of Disproportionate Share	\$3.8		\$3.8
Increase in Property Tax collection fees and lower P&I	(\$0.1)		(\$0.1)
No increase in Tobacco funds	(\$0.2)		(\$0.2)
Higher grants and other revenue	\$1.1		\$1.1
Higher labor productivity and overtime savings and associated benefits	\$5.0		\$5.0
Greater Medical Services savings under Regional UPL program	\$2.4		\$2.4
Supply cost saving initiatives	\$1.5		\$1.5
Lower Purchased Services	\$0.2		\$0.2
Higher Depreciation	(\$2.4)		(\$2.4)
Higher CHCS match and other	(\$0.3)		(\$0.3)
Improvement before the Reclassification of debt service	\$5.8	\$0.0	\$5.8
Property Taxes I&S Reclassified to Non Operating Income	(\$25.7)	\$25.7	\$0.0
Interest Expense Reclassified to Non Operating Income	\$2.2	(\$2.2)	\$0.0
Interest Income decline given subsequent economic decline		(\$2.0)	(\$2.0)
Total Change	(\$17.7)	\$21.5	\$3.8

Presented below are the summarized results excluding CFHP and reflect audited for 2007, projected for 2008 and budgeted for 2009. Attachment 3 contains a detailed income statement and Attachment 4 contains a cross walk showing detail of the changes reflected by initiative from 2008 Projected to 2009.

(Dollars in Millions)

Health System Budget excluding CFHP	2007 Audited	2008 Projected	2009 Budget
Operating Revenue	\$550.8	\$593.2	\$599.0
Operating Expense	<u>\$540.3</u>	<u>\$585.9</u>	<u>\$598.8</u>
Gain (Loss) from Operations	\$10.5	\$7.3	\$2
Nonoperating Revenues (Expenses)	<u>\$22.0</u>	<u>\$15.0</u>	<u>\$36.4</u>
Gain (Loss) in Excess of Expenses	<u>\$32.5</u>	<u>\$22.2</u>	<u>\$36.6</u>
<i>Gain (Loss) in Excess of Expenses less Debt Service</i>	<u><i>\$32.5</i></u>	<u><i>\$22.2</i></u>	<u><i>\$13.1</i></u>
Debt Service Cash Flow			
Principal Payment			\$12.9
Interest Expense			\$2.2
Capitalized Interest			<u>\$10.6</u>
Total Debt Service			<u>\$25.7</u>
Percentage Change Operating Revenue		7.7%	1.0%
Percentage Change Operating Expense		(8.4%)	(2.2%)
Adjusted Discharges (AD)	39,318	38,826	39,156
Percentage Change Adjusted Discharges		(1.3%)	0.9%
Health System Budget excluding CFHP Capital Requirements	\$30.9	\$30.0	\$29.9

Reflected below are overall costs, operational and productivity indicators. These measures serve as high level indicators for operational and financial performance.

Productivity and Cost Indicators	Health System Budget excluding CFHP			Variance	Var %
	2007 Audited	2008 Projected	2009 Budget		
Average Occupied Bed	357.3	346.7	351.4	4.8	1.4%
Adjusted Occupied Beds (AOB)	642.4	654.7	657.6	2.9	0.5%
FTE's	4,257.7	4,564.8	4,579.5	14.7	0.3%
FTE's per AOB	6.63	6.97	6.96	0.0	0.1%
Net Patient Revenue per AD	\$6,475.7	\$6,843.4	\$6,827.5	(\$15.9)	(0.2%)
Total Revenue per AD	\$14,009.4	\$15,278.0	\$15,296.5	\$18.5	0.1%
Employee Comp per AD	\$6,337.7	\$6,870.9	\$6,908.3	(\$37.4)	(0.5%)
Salary Cost per AD	\$5,119.1	\$5,662.2	\$5,705.7	(\$43.5)	(0.8%)
Benefit Cost per AD	\$1,218.6	\$1,208.7	\$1,202.6	\$6.1	0.5%
Medical Services per AD	\$2,316.3	\$2,517.3	\$2,651.8	(\$134.5)	(5.3%)
Purchased Services per AD	\$1,873.6	\$2,151.9	\$2,218.8	(\$66.9)	(3.1%)
Supply Cost per AD	\$2,489.6	\$2,764.0	\$2,712.2	\$51.8	1.9%
Total Cost per AD	\$13,017.1	\$14,304.1	\$14,491.1	(\$186.9)	(1.3%)

Note the overall healthcare inflation index is 3.2%

Activity Plan

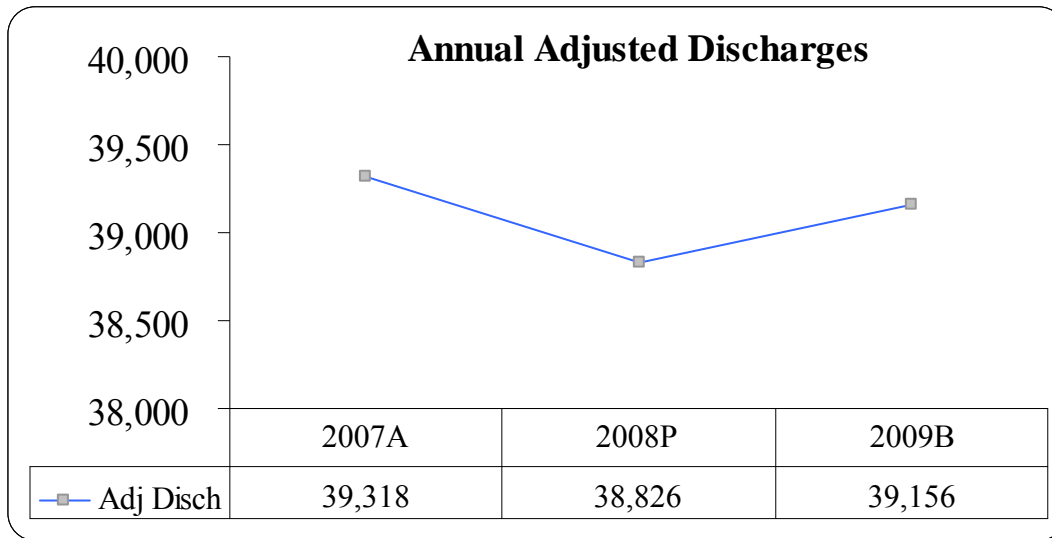
The 2009 Activity Plan is one of transition bridging the Master Facility Planning effort and high priority near term initiatives. The near term initiatives included in the 2009 Budget that had activity implication include the following:

- Conversion on the Dermatology and Renal Clinics to hospital based at UCCH
- Lease of the Endocrinology and Internal Medicine physicians at UCCH to CMA to better align patient care needs
- Opening of the South Side Dialysis Center March 2009.
- Full year impact of the downtown radiology service

Overall activity projections (Attachment 1) reflect a projected growth of .9% on an adjusted discharge basis for 2009 over 2008 projected. Below are the highlights of the incremental activity increases reflected in the 2009 operating budget:

2009 Incremental activity	Cases / Visits	Percent Increase	Patient Days	ALOS
Increased Overall Indicator				
Adjusted Discharges	330	0.9%		
Inpatient Increased Activity				
Discharges and Patient Days	365		1,389	3.8
	<u>365</u>	3.1%	<u>1,389</u>	<u>3.8</u>
Outpatient Increased Activity				
UH ExpressMed	1,049	4.0%		
Ambulatory Clinic Activity				
UHCD Outpatient Visits	5,813	4.6%		
UCCH Visits	10,150	19.5%		
UFHC-SW Outpatient Visits	1,763	3.5%		
UFHC-SE Outpatient Visits	137	0.2%		
UFHC-NW Outpatient Visits	1,616	13.4%		
UFHC-North Outpatient Visits	3,425	10.1%		
Total Ambulatory Clinic Increases	<u>22,904</u>	6.9%		
Preventive Health Care Clinic Visits	2,333	6.9%		

Summarized trends in adjusted discharges are as follows:

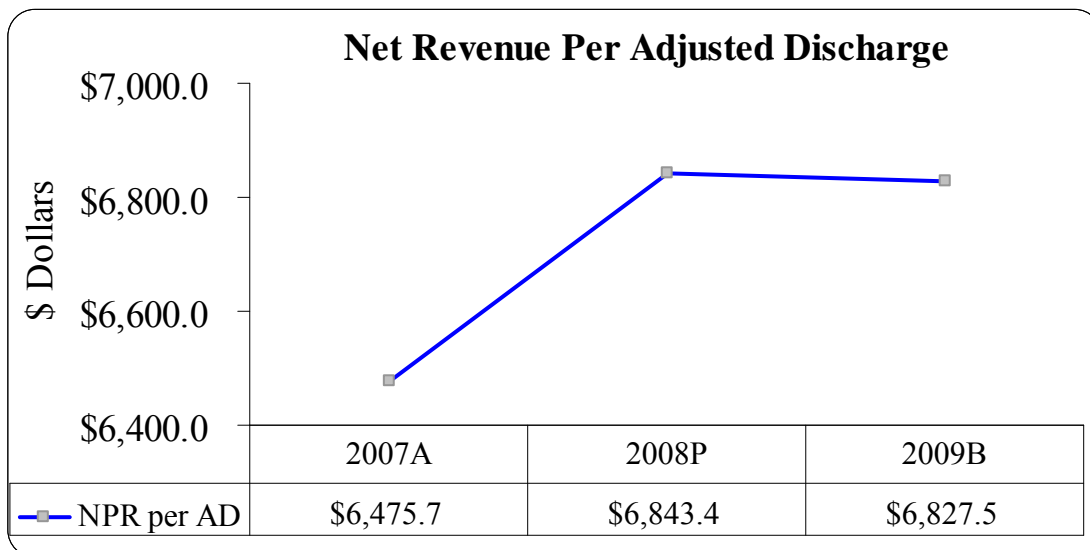


Total Operating Revenue

The 2009 Operating Budget reflects total operating revenue of \$599.0 million which is an increase of \$5.8 million or 1.0% over the 2008 Projection. The following is a summary of the increases by revenue category.

Net Patient Revenue

Net patient revenue (NPR) is projected to be \$267.3 million in 2009. This is an increase of \$1.6 million or .6% from 2008 Projected. Summarized trends in NPR per AD are as follows:



Significant items contributing to this increase are as follows:

Incremental Net Patient Revenue

(Dollars in Millions)

One Time in 2008

Appeals of Medicare Cost Reports	(\$2.2)	
Appeal of High Dollar Medicaid Transplant	(\$0.9)	
Medicare Transplant Drugs Revenue from Prior Year	(\$0.4)	
Recapture of Old Accounts from 2002 to 2007	(\$2.0)	
Total One Time Impacts		<u>(\$5.5)</u>

Activity Impacts

Inpatient Admissions Increase	\$2.1	
New Dialysis South for Ten Months	\$0.2	
AirLife Increases for McKenna Helicopter	\$1.3	
Outpatient Activity	\$0.2	
CMA Increased Activity and Collections	\$0.3	
CMA MD Endocrinology Clinic	\$0.4	
CMA MD Internal Medicine Clinic	\$0.2	
Preventive Health Care Clinics	\$0.6	
Carelink & CareLink Plus Collection Decrease given economy	(\$0.1)	
Dermatology & Renal Clinics Conversion	<u>\$0.2</u>	
Total Activity Impacts		<u>\$5.4</u>

Rate and Regulatory Changes

Medicare Capital IME Cut	(\$0.4)	
Medicare Inpatient Rate Impact from 2008	\$1.6	
Medicare Outpatient Rate Increases	\$1.0	
Medicaid Secondary Reduction in Co-payments	(\$0.1)	
Commercial Payers Rate Increases	\$2.3	
Increase of Charity for Self Pay	(\$0.7)	
Reserve for Medicare Regional Audit Contractor at 2.5%	(\$0.8)	
Elimination of of 1011 Program for Two Quarters	(\$1.2)	
Total Rate and Regulatory Changes		<u>\$1.7</u>

Total Incremental Net Patient Revenue		<u><u>\$1.6</u></u>
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Property Taxes

To meet the needs reflected in the 2009 Operating Budget for operations as well as the debt service obligations of the Series 2008 bonds, the Board of Managers and Commissioners Court supported the Health System increasing its existing tax rate by 2.36 cents to \$0.261022 per \$100 in property valuation. Of the 2.36 cent increase 1.9 cents was provided in support of the 2009 debt service and .47 of a cent for

the transfer of taxes from COSA for the preventive health services. A decrease of .68 cents was provided from operations to contribute to the 2009 debt service as provided in the plan of finance for the 2008 bonds. The new tax rate resulted in a total increase in taxes of \$43.3 million of which \$25.7 is included in non operating income in support of the debt service payment due in 2009. \$17.6 of the increase is for operations over the taxes levied in 2008. Within the \$17.6 million increase, \$8.8 million was due to new properties, \$4.7 million transfer from the COSA for the preventive health services, and \$4.1 million was due to increased valuations. Attachment 6 is provided in support of the tax rate calculation.

Disproportionate Share and Upper Payment Limit Funds (DSH/UPL)

DSH funding is estimated to increase slightly by \$44,000 or 0.3% given the impact of an increase in SFY 09 pool allotment for non-State owned hospitals. UPL revenue is projected to decline in 2008 by 16.3% or \$9.3 million. The 2008 UPL included the impact of revenue deferred from 2006 given an overpayment that was not recouped as well as a 2007 supplemental payment. Neither of these is reflected in 2009. The SFY 2009 estimate provided is also lower than the SFY 2008 amount.

Tobacco Settlement Fund

No increase in Tobacco funding is budgeted in 2009 and it is estimated to remain at the same level as in 2008 of \$8.3 million. It is anticipated that the fund stabilization provisions will kick in when the 2009 distribution is calculated in light of declines in equity performance. The intent of this provision is to protect providers who rely on the tobacco settlement funds against significant swings in market performance.

Other Revenue

- Trauma funding is projected to decrease \$1.5 million from the level as that received in 2008.
- Other revenue is expected to decrease by \$508,700 due to lower research revenue and fund revenue.
- Physician Rental Income is projected to decrease \$106,500 due to conversion on Renal and Dermatology Clinics
- SAMHD transition of general revenue of \$4.2 million to Property Taxes
- A \$2.1 million increase in total grants

Total Operating Expenses

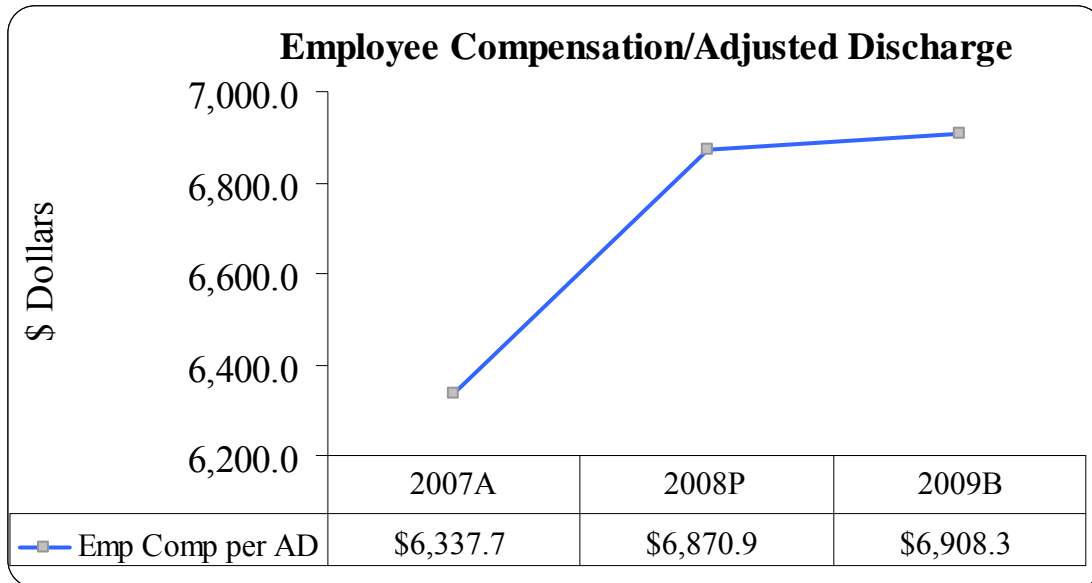
The 2009 Operating Budget reflects total operating expenses of \$598.8 million which is an increase of \$12.9 million or 2.2% from the 2008 projection. The following is a summary of the increases by expense category.

Employee Compensation

Employee compensation is the combination of salaries and benefits and is budgeted at \$270.5 million for 2009 which is an increase of \$3.7 million or 1.4% over the 2008 projection.

Health System Budget excluding CFHP			
	2007	2008	2009
	Audited	Projected	Budget
(Dollars in Millions)			
Employee Compensation	\$249.2	\$266.8	\$270.5
Percentage Change		(7.1%)	(1.4%)

A summary of the trends in Employee Compensation per adjusted discharge is as follows:

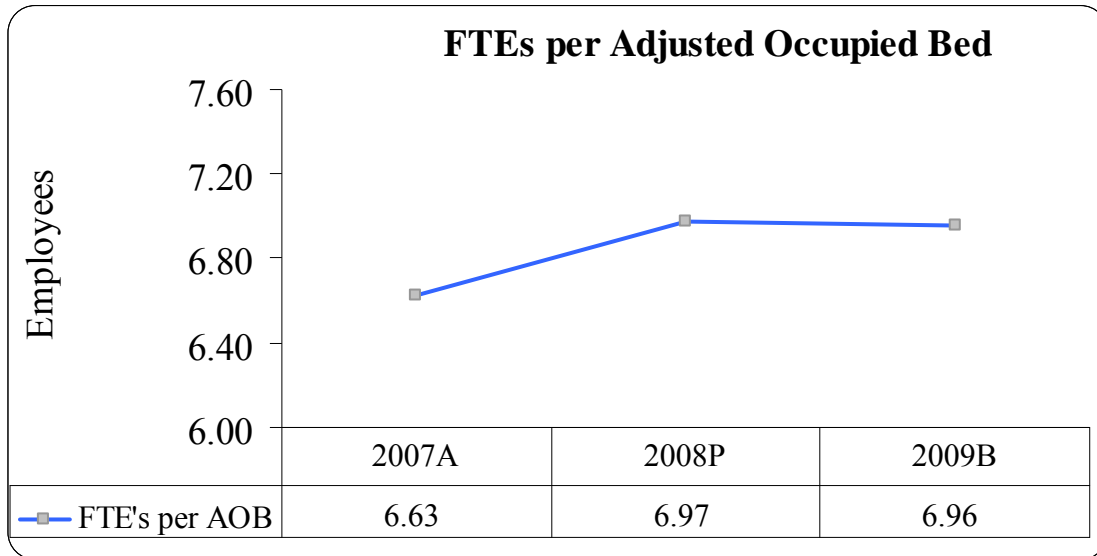


Salaries

Salaries are expected to grow to \$223.4 million in 2009 representing a \$3.6 million or 1.6% increase over the 2008 projection.

Health System Budget excluding CFHP			
	2007	2008	2009
	Audited	Projected	Budget
(Dollars in Millions)			
Salaries	\$201.3	\$219.8	\$223.4
Percentage Change		(9.2%)	(1.6%)
FTE's	4,257.7	4,564.8	4,579.5
Percentage Change		(7.2%)	(0.3%)
Average Salary per FTE (in 000's)	\$47,272.5	\$48,160.3	\$48,785.5
Percentage Change		(1.9%)	(1.3%)
Salaries per AD	\$5,119.1	\$5,662.2	\$5,705.7
Percentage Change		(10.6%)	(0.8%)

The following summary reflects the trend in FTE's per adjusted occupied bed which is an overall productivity indicator.



Contributing to the increase in salary cost in the 2009 Budget over the 2008 projection are the following:

Incremental FTE and Salaries
(Dollars in Millions)

	FTE's	Salary
Staffing Increases in support of Strategic Initiatives	7.5	\$0.3
Dermatology and Renal Clinic Conversion at UCCH	7.5	\$0.2
Radiology Staffing Improvements	11.0	\$0.4
Chief Operating Officer	1.0	\$0.3
Nursing Productivity Improvements	(94.3)	(\$5.1)
Management Process Improvement Delta Consulting		(\$1.3)
Ancillary Support		
South Dialysis Center	11.0	\$0.3
Magistrate Court additions (reimbursed) and Adult		
Detention Health Care vacancies filled	25.7	\$1.1
Net Filled Vacancies CMA, PHC, OR, Housekeeping and support areas, vacancy Credit, Bonus and PTO	45.3	\$0.3
Total FTE's	14.7	(\$3.6)

Other items impacting salary costs included in the 2009 Operating Budget are:

- Merit increase of \$2.9 million including lump sum bonus averaging 3% were included. This is the second year of the new award scale and performance evaluation tool, and preliminary estimates reflect an additional 20.0% reduction over 2008 projections. The changes align the performance evaluation merit structure to the local market.

- A system-wide market adjustment was recommended and approved for distribution on November 17, 2008. This major salary enhancement impacted key clinical staff in nursing, pharmacy, and radiology in order to recruit and retain staff due to shortages for these very valuable human resources. An incremental impact of \$1.9 million over the 2008 projection is reflected in the 2009 budget.
- Annualized salary impact of \$2.1 million for merit, other pay increases is included.
- Also included is a benefit enhancement of \$289,000 for Premium Holiday Pay.

Benefits

Employee benefits are expected to be \$47.1 million which is an increase of \$.2 million or .3%.

Health System Budget excluding CFHP			
	2007	2008	2009
(Dollars in Millions)	Audited	Projected	Budget
Benefits	\$47.9	\$46.9	\$47.1
Percentage Change		2.1%	(0.3%)

Contributing to this increase are the following:

- Pension plan contributions will increase \$1.2 million (UHS plan will increase \$834,000 and other plans \$348,000).
- Social Security expense is expected to increase \$383,000.
- OPEB expense is budgeted to decrease \$172,000.
- Worker's Compensation expense is anticipated to decrease \$433,000.
- Employee health expense will decrease \$760,000.

Medical Services

Medical Services are budgeted at \$103.8 million which is an increase of \$6.1 million from the 2008 projection or 6.2%

	Health System Budget excluding CFHP		
(Dollars in Millions)	2007 Audited	2008 Projected	2009 Budget
Medical Services	\$91.1	\$97.7	\$103.8
Percentage Change		(7.3%)	(6.2%)
Medical Services per AD	\$2,316.3	\$2,517.3	\$2,651.8

Under the Bexar County Regional UPL Program the Health System will be alleviated of approximately \$55.1 million of medical care and other services to indigent patients. This will allow the Health System to use property tax dollars to fund an estimated \$40.9 million of Supplemental Medicaid Services in 2008. The net change in savings between 2008 Projection and the 2009 Budget is a \$74,000 reduction.

The changes impacting Medical Services in 2009 is summarized on the following page.

Changes in Medical Services

(Dollars in Thousands)

Reconciling Changes

Incremental Impact of approved changes & unfilled positions	\$890
Additional residents and salary increases	\$1,131
Increase in supplement Medicaid Payment	(\$6,471)

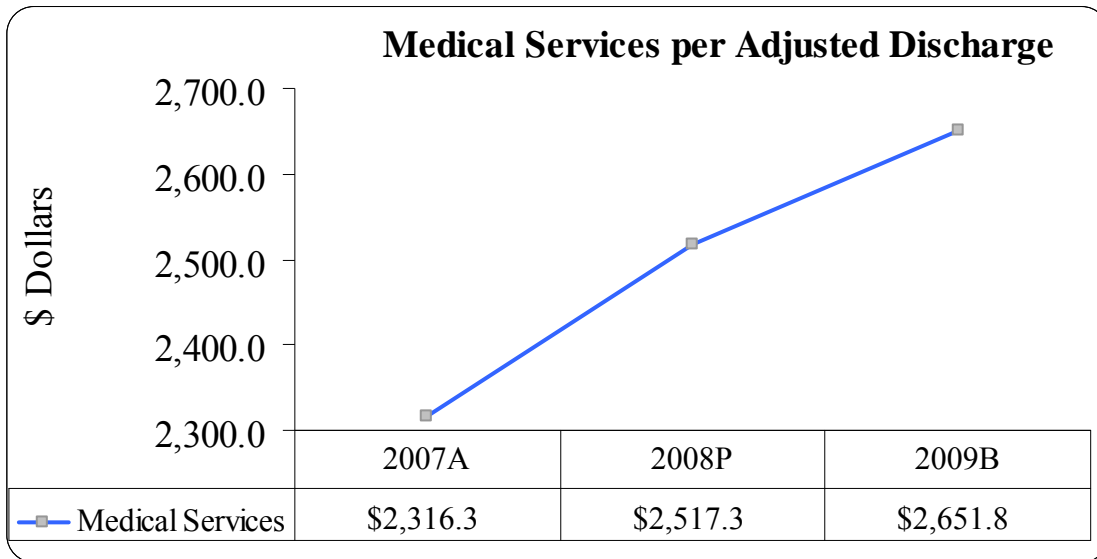
Increases to Support CMA Priorities

Incremental impact of conversion of the TDI medicine and endocrinology clinics to CMA	\$1,046
CMA Physician Compensation Increases \$.3 million and \$.6 filled vacancies	\$855

Increases to Address Patient Care Priorities

Increase providers to market rates (Ortho Trauma, Anesthesia, Radiology, OB/GYN, and Podiatry)	\$964
Incremental Trauma MD and Physician Support	\$974
Increase Hematology and Oncology Inpatient and Infusion support	\$254
Enhancement to ENT surgery services	\$144
Incremental Hospitalist support	\$400
Enhance Emergency Center Radiology services	\$393
Enhanced Oral Maxiofacial Call Coverage	\$335
Support for Radiology Residents working at UHS facilities	\$420
Enhance Cardiology consulting services and Pulmonary Call Coverage	\$871
Support for Neurosurgery Stroke Program	\$718
Support for additional services by Physician Assistants and Fellows	\$696
Transplant - Merit increases to annualize physician cost	\$195
Janie Briscoe Pediatric Staff realignment	\$242
Enhanced Detention Center Medical Direction and MD and PA support	\$261
Incremental Surgical Specialty Support	\$205
Support of Surgical and Gyn Oncology Program	\$641
Enhanced Surgical Intensive Care Unit Support	\$339
Salary increases for professional staff support and supervision	\$61
Medical Director and PA support for Southside Dialysis Center	\$185
Support of Family Medicine services at UHS treatment and prevention clinics and medical direction	\$172
Enhanced Endoscopy Services	<u>\$175</u>
Total Medical Services Increases	<u>\$6,096</u>

A summary of the trends in Medical Services per adjusted discharge is as follows:



Purchased Services

The 2009 Operating Budget reflects purchased services of \$86.9 million which is an increase of \$3.3 million or 4.0% from the 2008 projection.

	Health System Budget excluding CFHP		
(Dollars in Millions)	2007 Audited	2008 Projected	2009 Budget
Purchased Services	\$73.7	\$83.5	\$86.9
Percentage Change		(13.4%)	(4.0%)
Purchased Services per AD	\$1,873.6	\$2,151.9	\$2,218.8

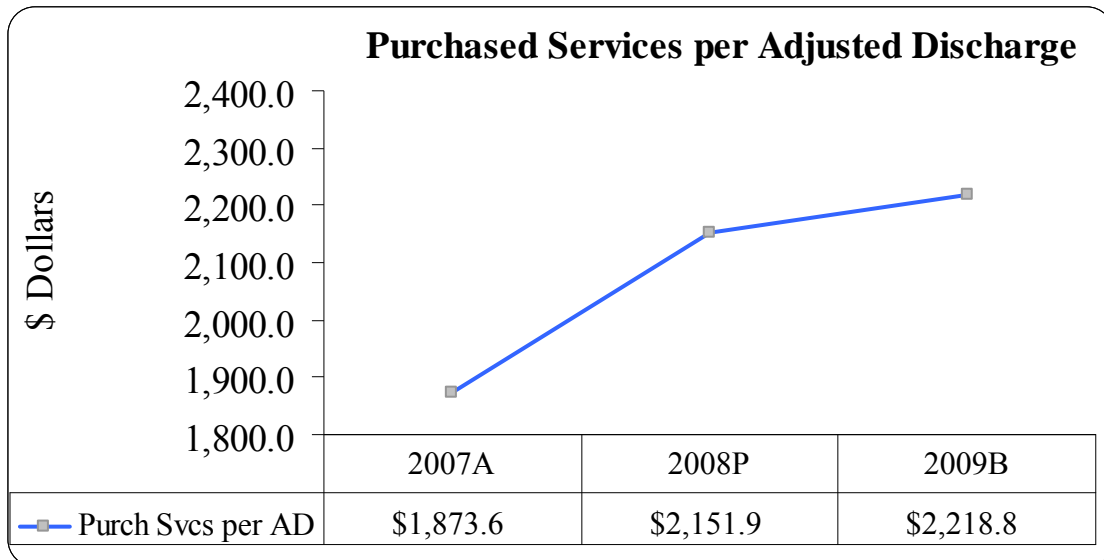
The following is a summary of the increases in purchased services:

Incremental Purchased Services

(Dollars in Millions)

	Purchased Services
Methadone Services	(\$0.1)
Decrease in equipment repairs	(\$0.7)
Airlife addition of Kerrville operations and Power by the Hour increase	\$1.4
IS Maintenance Contracts	\$1.7
Clinic Lease Expense (CMA NW and North and Bob Ross)	\$0.1
Transplant Program organ acquisition costs	\$0.2
Media and Advertising (Living Proof campaign)	\$0.6
Annual Operating Agreement increases for services	\$0.3
Reduction of Temporary Personnel	(\$0.7)
Reduction of Maintenance Contracts for Cardiology Services	(\$0.4)
Business and Management Fees (lower payments for Delta, e-scan brought in-house and CMA)	(\$1.0)
Legal and Prof Svcs Patient Care (Pathology, radiation therapy CTRC, PHC labs and radiology and Bexar UPL)	\$0.8
Telephone and Circuits	\$0.4
Maintenance Contracts for Radiology equipment	\$1.0
Utilities (including refuse disposal and sewage)	(\$0.4)
Total Purchased Service Increases	\$3.3

On the following page is a summary of the trends in purchased services per adjusted discharge:



Supplies

Supplies in the 2009 Operating Budget are \$106.2 million which is a decrease of \$1.1 million or 1.0% from the 2008 projection.

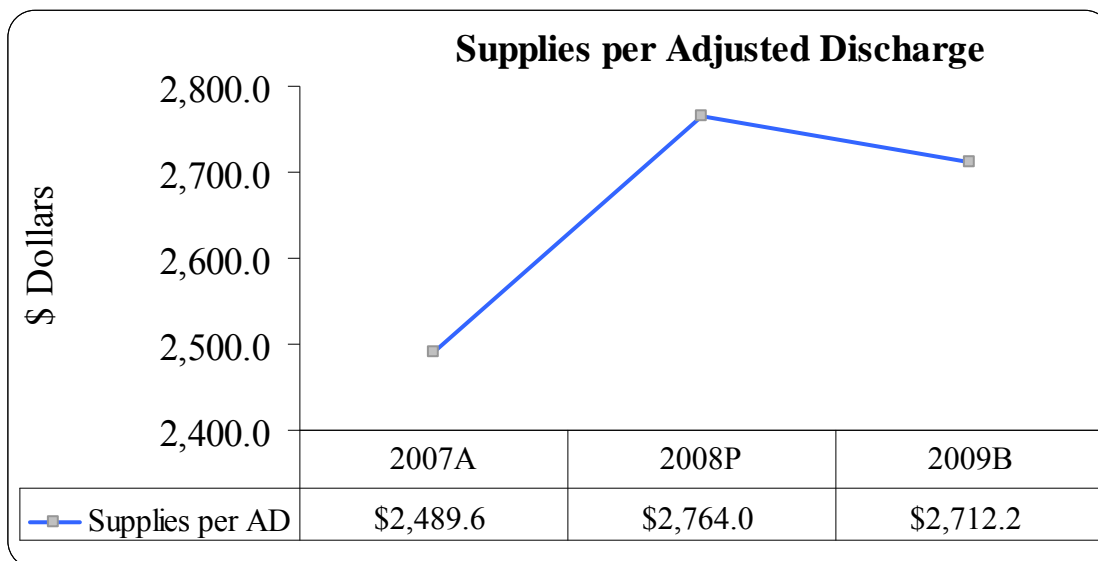
(Dollars in Millions)	Health System Budget excluding CFHP		
	2007 Audited	2008 Projected	2009 Budget
Supplies	\$97.9	\$107.3	\$106.2
Percentage Change		(9.6%)	1.0%
Supplies per AD	\$2,489.6	\$2,764.0	\$2,712.2

The following is a summary of the decreases in supplies:

Incremental Supply Decrease (Dollars in Thousands)

	Supplies
Growth in pharmaceuticals	\$581
Opening of Dialysis South	\$130
Operations Support tool and minor equipment	(\$148)
Aspen Healthcare Metrics Physician Preference Items	(\$300)
Value Analysis Program	(\$1,000)
Net change remaining supply requests	(\$363)
Total Supply Decreases	(\$1,100)

The following is a summary of the trend of supply cost per adjusted discharges:



Depreciation and Amortization

Depreciation expense is budgeted to change based on the level of capital expenditures less changes to assets that become fully depreciated, and includes the depreciation on the downtown modular imaging center. The 2009 Budget reflects depreciation expense of \$27.2 million which is an increase of \$243,000 or 0.9% from the 2008 projection.

Other

- The Bexar Appraisal District (BAD) is projected to be \$1.5 million which is an increase of \$191,000 or 14.1% from the 2008 projection. This increase is due to a higher pro rata allocation of the budgeted fees provided by BAD to the Health System due to the impact of lower taxes for school districts under school tax reform efforts and the addition of the debt rate to UHS tax rate.
- The combined CHCS / AACOG match is \$2.1 million. This is an increase of 14.1% from the 2008 projection. The amount being paid as general revenue match to CHCS increases in 2009 to \$1,699,000 from \$1,424,000 in 2008. The increase of \$275,000 is due to increase for crisis redesign and outpatient competency restoration. The amount being paid to AACOG for mental retardation services in 2009 is \$392,600 which is a decrease of \$17,700 from the amount funded in 2008.
- TIRZ fee based on schedules provided by the City of San Antonio and is \$509,000 for 2009 which is a \$135,000 or 35.9% increase from the 2008 projection. The significant increase is due to increased property values in the Houston St. development zone.

Non Operating Revenue and Expense

Interest Income

- Investment income of \$12.9 million is reflected in the 2009 Budget. This is a decrease of \$2.4 million or 15.8% from the 2008 projection. The decrease is the result of significant decline in interest rates related to the global credit crisis. Investment income was calculated by considering cash flows from operations, receipt of tax and other funding and capital expenditures, and applying the current rate of return on investments. The current rate of return used was 2.00%. The 2008 projection includes an unrealized loss of \$385,000 and unrealized gains and losses are not included in the budget.

Debt Service

- Included in the 2009 budget is a principal payment of \$12.9 million due February 15, 2009. There are two interest payments due in 2009 the first being on February 15th and the second on August 15th. The total interest due in 2009 is \$12.8 million. Of this amount, \$2.2 million is estimated to be expensed as interest cost as it relates to the portion of the project cost that is scheduled to be placed in service in 2009. The remaining \$10.6 million in interest will be capitalized as it relates to portions of the project that are in process.

Outsourced Services

Attachment 7 presents a list of services that the Health System does not provide or are not available due to capacity constraints. These services are necessary to cover a full continuum of care for the needy and indigent in Bexar County for 2009. The total reflected is \$17.8 million and is an increase of \$5,000 or .03% over year end projection. Included are increases to the Center for Health Care Services for CHCS

match and funding for operations of the Substance Abuse Intensive Outpatient Unit offered at the Restoration Center.

Capital

For 2009, the Health System is requesting funding for on-going capital expenditures up to \$29.9 million. This level is \$2.7 million over the depreciation level of \$27.2 million and will provide some level of flexibility for capital items. A detailed listing of capital requests amounting to \$80.9 million is reflected in Attachment 12. These items have not been ranked and scored to reach the requested funding level of up to \$29.9 million in the Capital Advisor System. Committed and mandated items will be focused on by the capital committee comprised of staff and our physician partners. Capital costs related to the Master Facility Plan (Facilities Development and Project Management Department costs being capitalized) are included and total \$954,000 as committed funds.



University Health System

Community First Health Plans 2009 Budget

In 2009, Community First Health Plans (CFHP) should remain profitable primarily due to a 12% overall increase in premium revenue and maintaining administrative expenses at 11.3% of total revenue. The bottom line reflected in 2009 is \$2.8 million.

The summarized CFHP financial results as audited for 2007, as projected for 2008 and budgeted for 2009 are presented below.

(Dollars in Millions)

Community First Health Plans	2007 Audited	2008 Projected	2009 Budget
Operating Revenue	\$207.9	\$224.2	\$251.0
Operating Expense	<u>\$205.4</u>	<u>\$219.6</u>	<u>\$249.6</u>
Gain (Loss) from Operations	\$2.5	\$4.6	\$1.4
Non Operating Income	<u>\$2.1</u>	<u>\$.8</u>	<u>\$1.4</u>
Gain (Loss) in Excess of Expenses	<u>\$4.6</u>	<u>\$5.4</u>	<u>\$2.8</u>
Percentage Change Operating Revenue		7.9%	11.9%
Percentage Change Operating Expense		(7.0%)	(13.6%)
CFHP Risk Members (YE)	93,555	95,866	105,141
CFHP ASO Members (YE)	36,719	11,127	11,127
Total CFHP Members (YE)	<u>130,274</u>	<u>106,993</u>	<u>116,268</u>
Membership Growth		(17.9%)	8.7%
CFHP Capital Requirements	\$.8	\$3.3	\$.7

General Assumptions for the CFHP 2009 Budget

The following is a summary of the general assumptions used to develop the 2009 Budget. The CFHP 2009 Budget is being presented for UHS Board consideration. CFHP presented for approval a budget draft to its Board of Directors on November 7, 2009.

With input from the CFHP Board, the Board's Strategic Financial Planning Committee and UHS executive leadership, three goals have been established as broad planning parameters for 2009:

GOAL 1: Grow membership in government programs to 89,700

- Implement Strategic Alliance Development plan
- Implement "You Have the Power" campaign"
- Assess use of current value adds and identify/implement new value adds as needed
- Pursue legislative initiatives to improve maternal outcomes and expand coverage and/or continuous eligibility

GOAL 2: Grow commercial membership (HMO/PPO) to 15,400

- Enhance underwriting capability
- Enhance rating process to improve turn-around time for proposals
- Develop and implement standardized reporting tools for employers
- Transition to FirstHealth for PPO network
- Develop product and sales approach to provide health insurance to businesses with employees not currently under coverage

GOAL 3: Achieve cash flow from operations greater than 1.5% of revenue

- **Ensure appropriate utilization of healthcare resources**
- Reduce medical benefits expense through implementation of TCS Acuity functionality
- Coordinate data analysis for improved decision support
- Pursue new initiatives around birth records study findings
- Enhance outreach activities to improve Texas Health Step compliance
- Analyze declining medical margin in CHIP product line

- **Enhance communication with members and providers**
- Implement/Enhance web tools for members, providers, and employers
- Develop and implement phone technology plan
- Improve process for fulfillment of member communication materials

Improve business processes and ensure contract compliance

- Conduct successful move to new office
- Enhance IT infrastructure for business continuity
- Enhance business risk management and change control processes to drive efficiencies and improvement of CFHP processes
- Enhance process for management of contractual/regulatory deliverables
- Test and implement AA upgrade patch

MEMBERSHIP: Membership assumptions by product line follows:

Medicaid STAR (TANF)

- Medicaid membership at December 31, 2008 is anticipated to be 64,750 with growth to 66,711 by year end 2009.
- This growth is expected to come from an increase in Medicaid enrollees resulting from the recent economic downturn, as well as CFHP efforts aimed at strategic community outreach and a marketing campaign focused on increasing membership in government programs.
- A change to the default methodology for Medicaid members who do not select a health plan went into effect on Oct 1, 2008 and will continue for six months. Normally, beneficiaries are defaulted according to each health plan's share of the market. The temporary methodology requires new beneficiaries to be defaulted equally to health plans. Whereas CFHP normally receives 45% of the defaults, CFHP will instead receive 33% of the defaults during this six month period.
- In its upcoming session, Texas may pass legislation that could impact Medicaid enrollment positively or negatively. Numerous entities and coalitions will be lobbying the State for 12 months continuous eligibility for Medicaid children. CFHP has drafted bills to expand coverage beyond 60 days for Medicaid women who deliver preterm or low birth weight infants. None of these opportunities, or possible changes from a new Federal administration were factored into the 2009 membership forecast.
- The State's Medicaid waiver, submitted in April 2008, is expected to be approved by CMS. The first phase of this plan is intended to cover parents of current Medicaid/CHIP members. It is still unclear if this new benefit package will be designed as a Medicaid or Commercial product.

Children's Health Insurance Program (CHIP)

- Total CHIP membership at December 31, 2008 is anticipated to be 20,258 with growth to 22,308 by year end 2009.
- This growth is expected to come from an increase in CHIP enrollees resulting from the recent economic downturn, as well as CFHP efforts aimed at strategic community outreach and a marketing campaign focused on increasing membership in government programs.
- In its upcoming session, Texas may pass legislation that could impact CHIP enrollment positively or negatively.
- A Democratic victory in the national election could generate a rapid expansion of CHIP.

CHIP Perinate

- The CHIP Perinate membership is anticipated to be 1,600 at December 31, 2008. Beginning in January 2009, membership is expected to decrease to 1,400, and decrease again to 700 in September 2009.
- CHIP Perinate began in January 2007 as a new program authorized by the 79th Legislature to provide benefits under CHIP to unborn children of low income women who do not qualify for Medicaid due to income or immigration status. This legislation may expire on 8/31/09 but CFHP believes there is a 50% chance of renewal during the upcoming legislative session. Based on this expectation, the 2009 budget assumes a significant reduction in both membership and premium during the last four months of 2009.
- Benefits and eligible services are limited to prenatal care, labor, delivery, and postpartum care associated with the birth of the child. CHIP Perinate children will receive full CHIP benefits upon delivery.

Commercial

- **HMO:** We anticipate our HMO membership to increase by 2,450 for a total projected membership of 9,985. The ERS membership growth in '08 was relatively flat with less than 250 members being added to the rolls. We are forecasting 50 new groups (HMO, PPO, and dual offering) added to our existing 30 by end of 2009. The tables below reflect the current and projected membership by case size and number of groups.
- **PPO:** Due to the addition of our new PPO product offering and increased marketing activities, we are anticipating our PPO membership to increase by 3,714 new members by the end of 2009.
- **Self funded Administrative Services Only (ASO):** The renewal of UHS will provide an ASO base of approximately 11,127 members for 2009. We are not expecting any growth in 2009; however we will bid the product when appropriate.

REVENUE:

Premium Revenue: Premium revenue by product line to be as follows:

- It is anticipated that premium increases per year, by product line will be as follows:
- Medicaid premiums were increased 6.7% effective September 2008 and are anticipated to increase another 4% upon contract renewal in September 2009.
- CHIP premiums were decreased 1.4% effective September 2008 but are anticipated to increase at a rate of 4% upon contract renewal in September 2009. This is the second year base rates have been lowered as a result of level per capita expenses in Bexar County across all CHIP plans.
- Commercial premium rates are anticipated to increase by 5.0% between 2008 and 2009 on current clients. New group premium is budgeted at \$300 PMPM. The ERS MBR may support a CFHP premium rate increase request greater than 5.0%.
- PPO premiums are anticipated to increase by 8% between 2008 and 2009 on current clients. New group premium is budgeted at \$290 PMPM.

Other Operating Revenue: ASO revenue consists of \$1,570,417 of fees paid to CFHP by UHS for administration of their self funded employee health insurance plan. ASO PEPM went up from \$11.17 in 2008 to \$12.00 for 2009.

Interest Income: Investment income in 2009 is anticipated to decrease to a monthly average of \$116,267 from a 2008 monthly average (excluding realized and unrealized gains) of \$132,477. The decrease is due to additional cash and investments earning much lower interest rates.

MEDICAL CLAIMS EXPENSE:

Specific Assumptions for 2009 Operating Budget

The medical benefits ratio (MBR) percentages, i.e., medical claims as percent of premium are trended forward as shown:

Product	2007 Actual	2008 Forecast	2009 Budget
Medicaid	92.5%	89.4%	89.7%
CHIP	72.3%	79.4%	83.6%
CHIP Perinate	51.6%	60.1%	63.8%
Commercial	86.4%	92.0%	91.6%
PPO	89.6%	93.9%	89.0%

ADMINISTRATIVE EXPENSES:

Salaries: The budgeted increase in salaries over last year is primarily attributable to initiatives and programs required to increase compliance with mandated pediatric health exams and screenings and increase membership in government and commercial programs.

The 2009 budget assumes 259.3 FTE's an increase of 3.0 compared to the 2008 budget.

Benefits: The increase in the benefits line is directly correlated to the increase in FTE's and associated costs of retirement and health benefits.

Purchased Services: The increase in purchased services over last year can be attributed to the increased maintenance and premium taxes, increased broker commissions due to the anticipated growth in the commercial portfolio, retained consultants supporting utilization management and increased license and maintenance costs for hardware and software.

Administrative expenses: As a percent of revenue (which includes both premium and ASO revenues), administrative expenses are budgeted in 2009 at 11.3% compared to the 2008 projection of 11.0%. This increase is due to an increase in depreciation expense of \$958,000.

Depreciation: Depreciation will increase significantly from 2008 levels as a new transaction processing system was placed in service in July 2008, which will increase 2009 depreciation by \$336,000 due to annualization. The Oaks corporate office project will increase depreciation by \$370,000 and the Avenida Guadalupe satellite office project will add \$123,000.

CAPITAL EXPENDITURES:

Capital: The capital budget for 2009 is \$725,000 and reflected in Attachment 13 for consideration. Funding for this level of capital will be provided from operating cash flow.



Activity	2007 Actual	2008 Budget	2008 Projected	2009 Budget	Variance 2009B vs 2008P	Var %
University Hospital						
Inpatient Activity						
Patient Days	130,413	134,044	126,885	128,274	1,389	1.1%
Discharges	21,869	22,994	20,561	20,926	365	1.8%
Average Length of Stay (ALOS)	6.0	5.8	6.17	6.13	0.04	0.7%
Births	3,092	2,947	2,792	2,797	5	0.2%
Observation Days	9,397	8,997	10,457	10,457	0	0.0%
Total IP (Patient Days plus Observation Days)	139,810	143,041	137,342	138,731	1,389	1.0%
University Hospital Outpatient Visits						
Emergency Center	66,262	68,959	64,392	64,392	0	0.0%
Express Med Clinic	24,547	25,705	26,246	27,295	1,049	4.0%
UH Clinics *	31,243	30,613	33,939	33,960	21	0.1%
Total UH Outpatient Visits	122,052	125,277	124,577	125,647	1,070	0.9%
Ambulatory Outpatient Visits						
UHCD Outpatient Visits	120,810	133,745	125,837	131,650	5,813	4.6%
UCCH Visits	60,034	58,749	52,165	62,315	10,150	19.5%
UFHC-SW Outpatient Visits	46,160	52,825	49,797	51,560	1,763	3.5%
UFHC-SE Outpatient Visits	58,723	55,592	58,020	58,157	137	0.2%
UFHC-NW Outpatient Visits	11,346	11,314	12,087	13,703	1,616	13.4%
UFHC-North Outpatient Visits	33,808	36,069	33,952	37,377	3,425	10.1%
Ambulatory Clinic Visits without PHC	330,881	348,294	331,858	354,762	22,904	6.9%
Preventive Health Care Clinic Visits		36,245	33,912	36,245	2,333	6.9%
Ambulatory & Preventive Health Care Clinic Visits	330,881	384,539	365,770	391,007	25,237	6.9%
University Hospital OP & Ambulatory Clinic Visits w/o PHC	452,933	473,571	456,435	480,409	23,974	5.3%
University Hospital OP & Ambulatory Clinic Visits	452,933	509,816	490,347	516,654	26,307	5.4%
Adjusted Discharges	39,318	41,159	38,826	39,156	330	0.9%

Statement of Revenues and Expenses

Consolidated Health System (Dollars in Thousands)	2007 Audited	2008 Budget	2008 Projected	2009 Budget	Variance from 2008 Projected	% Variance
Revenues						
Net Patient Service Revenue	\$254,611	\$264,564	\$265,702	\$267,337	\$1,635	0.6%
Property Taxes M & O	194,071	\$216,185	\$219,223	236,853	17,630	8.0%
Disproportionate Share Revenue	30,846	\$27,732	\$15,560	15,604	44	0.3%
Upper Payment Limit Revenue	45,707	\$31,429	\$56,990	47,676	(9,314)	(16.3%)
Tobacco Settlement Fund	7,266	\$7,484	\$8,266	8,266	0	0.0%
CFHP Premium Revenue	205,145	\$240,686	\$222,543	249,425	26,882	12.1%
Other Revenue	<u>21,053</u>	<u>\$27,026</u>	<u>\$29,119</u>	<u>24,784</u>	<u>(4,335)</u>	<u>(14.9%)</u>
Total Operating Revenues	\$758,699	\$815,106	\$817,403	\$849,945	\$32,542	4.0%
Expenses						
Salaries	\$211,285	\$230,063	\$231,169	\$235,528	(\$4,359)	(1.9%)
Benefits	49,488	46,770	49,075	49,336	(261)	(0.5%)
Medical Services	91,073	98,929	97,736	103,832	(6,096)	(6.2%)
Supplies	97,884	100,857	107,317	106,200	1,117	1.0%
Purchased Services	84,022	92,746	93,941	99,209	(5,268)	(5.6%)
Depreciation and Amortization	25,615	26,189	27,772	28,973	(1,201)	(4.3%)
Other	1,352	1,632	1,725	2,050	(325)	(18.9%)
Medical Claims Expense	183,105	215,676	194,960	221,115	(26,155)	(13.4%)
CHCS Expense / AACOG	<u>1,831</u>	<u>1,834</u>	<u>1,834</u>	<u>2,092</u>	<u>(258)</u>	<u>(14.1%)</u>
Total Operating Expenses	\$745,655	\$814,696	\$805,529	\$848,335	(42,806)	(5.3%)
Gain (Loss) from Operations	\$13,044	\$410	\$11,874	\$1,610	(\$10,264)	(86.4%)
Nonoperating Revenues (Expenses)						
Interest Income	\$20,029	\$22,835	\$17,027	\$14,308	(2,719)	(16.0%)
Market Adjustments	\$4,020	\$0	(\$1,289)	\$0	1,289	100.0%
Interest Expense	\$0	\$0	\$0	(\$2,202)	(2,202)	(100.0%)
Property Taxes I & S	\$0	\$0	\$0	\$25,719	25,719	100.0%
Total Nonoperating Revenues (Expenses)	\$24,049	\$22,835	\$15,738	\$37,825	\$22,087	84.0%
Gain (Loss) In Excess of Expenses	\$37,093	\$23,245	\$27,612	\$39,435	\$11,823	42.8%
<i>Gain (Loss) In Excess of Expenses Less Debt Service</i>	<i>\$37,093</i>	<i>\$23,245</i>	<i>\$27,612</i>	<i>\$15,918</i>	<i>(\$11,694)</i>	<i>-42.3%</i>
Debt Service Cash Flow						
Principal Payment				\$12,935		
Interest Expense				\$2,202		
Capitalized Interest				<u>\$10,582</u>		
Total Debt Service				\$25,719		

Statement of Revenues and Expenses

Health System Budget excluding CFHP (Dollars in Thousands)	2007 Audited	2008 Budget	2008 Projected	2009 Budget	Variance from 2008 Projected	% Variance
Revenues						
Net Patient Service Revenue	\$254,611	\$264,564	\$265,702	\$267,337	\$1,635	0.6%
Property Taxes M & O	194,071	\$216,185	\$219,223	236,853	17,630	8.0%
Disproportionate Share Revenue	30,846	\$27,732	\$15,560	15,604	44	0.3%
Upper Payment Limit Revenue	45,707	\$31,429	\$56,990	47,676	(9,314)	-16.3%
Tobacco Settlement Fund	7,266	\$7,484	\$8,266	8,266	0	0.0%
CFHP Premium Revenue						
Other Revenue	18,319	\$25,075	\$27,443	23,214	(4,229)	-15.4%
Total Operating Revenues	\$550,820	\$572,469	\$593,184	\$598,950	\$5,766	1.0%
Expenses						
Salaries	\$201,272	\$217,950	\$219,842	\$223,413	(\$3,571)	-1.6%
Benefits	47,912	44,685	46,929	47,089	(160)	-0.3%
Medical Services	91,073	98,929	97,736	103,832	(6,096)	-6.2%
Supplies	97,884	100,857	107,317	106,200	1,117	1.0%
Purchased Services	73,666	81,422	83,548	86,878	(3,330)	-4.0%
Depreciation and Amortization	25,309	25,112	26,963	27,206	(243)	-0.9%
Other	1,352	1,632	1,725	2,050	(325)	-18.9%
Medical Claims Expense	0	0	0			
CHCS Expense /AACOG Match	1,831	1,834	1,834	2,092	(258)	-14.1%
Total Operating Expenses	\$540,299	\$572,421	\$585,894	\$598,760	(\$12,866)	-2.2%
Gain (Loss) from Operations	\$10,521	\$48	\$7,290	\$190	(\$7,100)	-97.4%
Nonoperating Revenues (Expenses)						
Interest Income	\$18,091	\$20,725	\$15,337	\$12,913	(\$2,424)	-15.8%
Market Adjustments	3,898	\$0	(\$385)	0	385	100.0%
Interest Expense				(2,202)	(2,202)	100.0%
Property Taxes I & S				25,719	25,719	100.0%
Total Nonoperating Revenues (Expenses)	\$21,989	\$20,725	\$14,952	\$36,430	\$21,478	143.6%
Gain (Loss) In Excess of Expenses	\$32,510	\$20,773	\$22,242	\$36,620	\$14,378	64.6%
<i>Gain (Loss) In Excess of Expenses Less Debt Service</i>	<i>\$32,510</i>	<i>\$20,773</i>	<i>\$22,242</i>	<i>\$13,103</i>	<i>(\$9,139)</i>	<i>-41.1%</i>
Debt Service Cash Flow						
Principal Payment				\$12,935		
Interest Expense				\$2,202		
Capitalized Interest				\$10,582		
Total Debt Service				\$25,719		

**Statement of Revenues and Expenses
Crosswalk from 2008 Projected to 2009 Budget**

Consolidated excluding CFHP				Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	2009 Budget
(Dollars in Thousands)				Activity/ Annualized	Merit/ Comp Enhance	State & Federal Legislative Impact	Property Taxes	CO 2008 Issue	UT / Dental School Physician Services	Preventive Health Clinics	South Dialysis Center	Strategic Initiatives	Management Actions	
	2008 Budget	Impact to YEV	2008 Projected											
Revenues														
Net Patient Service Revenue	\$264,564	\$1,138	\$265,702	\$2,815		(\$2,428)			\$620	\$310	\$165	\$154		\$267,337
Property Taxes M & O	216,185	3,038	219,223				12,943			4,687				236,853
Disproportionate Share Revenue	27,732	(12,172)	15,560			44								15,604
Upper Payment Limit Revenue	31,429	25,561	56,990			(9,314)								47,676
Tobacco Settlement Fund	7,484	782	8,266											8,266
CFHP Premium Revenue														
Other Revenue	25,075	2,368	27,443	(443)	0	(1,487)	0	0	0	(2,396)	0	97		23,214
Total Operating Revenues	\$572,469	\$20,715	\$593,184	\$2,371	\$0	(\$13,185)	\$12,943	\$0	\$620	\$2,601	\$165	\$251	\$0	\$598,950
Expenses														
Salaries	\$217,950	\$1,892	219,842	2,726	\$4,789					\$1,296	\$335	\$854	(\$6,429)	\$223,413
Benefits	44,685	2,244	46,929	307						103	68	173	(491)	47,089
Medical Services	98,929	(1,193)	97,736	3,408		(6,471)			8,467	98	185	409		103,832
Supplies	100,857	6,460	107,317	(190)						59	236	78	(1,300)	106,200
Purchased Services	81,422	2,126	83,548	2,149		165			344	592	34	46		86,878
Depreciation and Amortization	25,112	1,851	26,963	243										27,206
Other	1,632	93	1,725				325							2,050
Medical Claims Expense														
CHCS Expense /AACOG Match	1,834	(0)	1,834	258										2,092
Total Operating Expenses	\$572,421	\$13,473	\$585,894	\$8,901	\$4,789	(\$6,306)	\$325	\$0	\$8,811	\$2,148	\$858	\$1,560	(\$8,220)	\$598,760
Gain (Loss) from Operations	\$48	\$7,242	\$7,290	(\$6,530)	(\$4,789)	(\$6,879)	\$12,618	\$0	(\$8,191)	\$454	(\$693)	(\$1,309)	\$8,220	\$190
Overall Inflation														
Nonoperating Revenues (Expenses)														
Interest Income	\$20,725	(\$5,388)	\$15,337	(\$2,424)										\$12,913
Market Adjustments		(385)	(385)	385										0
Interest Expense								(2,202)						(2,202)
Property Taxes I & S								25,719						25,719
Total Nonoperating Revenues (Expenses)	\$20,725	(\$5,773)	\$14,952	(\$2,039)	\$0	\$0	\$0	\$23,517	\$0	\$0	\$0	\$0	\$0	\$36,430
Gain (Loss) In Excess of Expenses	\$20,773	\$1,469	\$22,242	(\$8,569)	(\$4,789)	(\$6,879)	\$12,618	\$23,517	(\$8,191)	\$454	(\$693)	(\$1,309)	\$8,220	\$36,620
Gain (Loss) In Excess of Expenses	\$20,773	\$1,469	\$22,242	(\$8,569)	(\$4,789)	(\$6,879)	\$12,618	\$0	(\$8,191)	\$454	(\$693)	(\$1,309)	\$8,220	\$13,103
Less Debt Service														
Debt Service Cash Flow														
Principal Payment								\$12,935						
Interest Expense								\$2,202						
Capitalized Interest								\$10,582						
Total Debt Service								\$25,719						

Statement of Revenues and Expenses

CFHP (Dollars in Thousands)	2007 Audited	2008 Budget	2008 Projected	2009 Budget	Variance from 2008 Projected	% Variance
Revenues						
CFHP Premium Revenue	\$205,145	\$240,686	\$222,543	\$249,425	\$26,882	12.1%
Other Revenue	<u>2,734</u>	<u>1,951</u>	<u>1,676</u>	<u>1,570</u>	<u>(106)</u>	<u>-6.3%</u>
Total Operating Revenues	207,879	242,637	224,219	250,995	26,776	11.9%
Expenses						
Salaries	\$10,013	\$12,113	\$11,327	\$12,115	(\$788)	-7.0%
Benefits	1,576	2,085	2,146	2,247	(101)	-4.7%
Medical Services						
Supplies						
Purchased Services	10,356	11,324	10,393	12,331	(1,938)	-18.6%
Depreciation and Amortization	306	1,077	809	1,767	(958)	-118.4%
Other						
Medical Claims Expense	183,105	215,676	194,960	221,115	(26,155)	-13.4%
CHCS Expense / AACO						
Total Operating Expenses	\$205,356	\$242,275	\$219,635	\$249,575	(\$29,940)	-13.6%
Gain (Loss) from Operations	\$2,523	\$362	\$4,584	\$1,420	(\$3,164)	-69.0%
Nonoperating Revenues (Expenses)						
Interest Income	1,938	2,110	1,690	1,395	(295)	-17.5%
Market Adjustments	<u>122</u>		<u>(904)</u>	<u>0</u>	<u>904</u>	<u>-100.0%</u>
Total Nonoperating Revenues (Expenses)	<u>\$2,060</u>	<u>\$2,110</u>	<u>\$786</u>	<u>\$1,395</u>	<u>\$609</u>	<u>-117.5%</u>
Gain (Loss) In Excess of Expenses	<u>\$4,583</u>	<u>\$2,472</u>	<u>\$5,370</u>	<u>\$2,815</u>	<u>(\$2,555)</u>	<u>-47.6%</u>

University Health System
2009 Operating Budget Tax Rate Calculation
(Dollars in Thousands)

2008	2009	2009	2009	2009
Projected Year End View	Projected Total Tax	Projected M&O Excluding COSA	Projected M&O for COSA / Other	Projected I&S Rate per Effective Tax Rate Publication Uncoll 98.17%
New Properties	\$3,781,857	\$3,781,857	\$3,781,857	\$3,781,857
Existing Properties	\$97,807,798	\$97,807,798	\$97,807,798	\$97,807,798
Total Assessed Values	\$92,066,070	\$101,589,655	\$101,589,655	\$101,589,655
Tax Rate per \$100	0.237408	0.261022	0.230620	0.004614
Adjustment for TIRZ & refunds	135			
Tax Role Value	\$218,707	\$265,171	\$234,286	\$4,687
Less:				
No Early Payment Discount	\$0	\$0	\$0	\$0
Collection Fee (Per County \$1.06 per act.)	\$593	\$664	\$664	\$0
Reserve for Uncollectible (5 yr avg.)	\$1,005	\$4,555	\$4,075	\$0
Add:				
Deferred Tax Revenue (to reconcile County Tax Office Receivables to UHS Tax P&I)	\$0 \$2,114	\$0 \$2,619	\$0 \$2,619	\$0 \$0
Net Collections	\$219,223	\$262,572	\$232,166	\$4,687
		\$236,853		

2009 Operating Budget

Outsourced Services

Service/ Purpose	Current Vendor	Resp.Staff	2008		2009 Budget	Variance	% Variance
			2008 Budget	Projected			
Social Services							
Children's Physical & Sexual Abuse	Alamo Children's Advocacy Center	DeLaHaya	187,500	187,500	187,500	0	0.0%
Methadone Program	Center for Healthcare Services	Ray	0	594,413	450,000	144,413	24.3%
Total Social Services			<u>187,500</u>	<u>781,913</u>	<u>637,500</u>	<u>144,413</u>	<u>18.5%</u>
Emergency Preparedness							
Immunizations & Well-Baby							
Services (Unincorporated Bexar)	San Antonio Metro Health District	Peters	395,000	449,944	310,543	139,401	31.0%
EMS - Unincorporated Bexar County	Amer.Medical Response (AMR)	Peters	1,600,000	1,541,581	1,534,647	6,934	0.4%
EMS Medical Direction	UTHSCSA	Peters	115,000	115,000	115,000	0	0.0%
Total Emergency Preparedness			<u>2,110,000</u>	<u>2,106,525</u>	<u>1,960,190</u>	<u>146,335</u>	<u>6.9%</u>
Inpatient/Outpatient support							
Respiratory DME	Med Mart	Dr. Villarreal	399,110	391,101	418,112	(27,011)	(6.9%)
Primary Care	Barrio Comprehensive (FQHC)	Dr. Villarreal	627,610	618,917	676,787	(57,870)	(9.4%)
Oncology Physician Services	Cancer Health Associates (UPG)	Dr. Villarreal	366,781	22,584	29,580	(6,996)	(31.0%)
Therapeutic Radiology Services	Cancer Therapy Research Center	Dr. Villarreal	1,402,061	1,369,909	1,450,000	(80,091)	(5.8%)
Primary Care	El Centro del Barrio (FQHC)	Dr. Villarreal	918,890	942,133	1,025,435	(83,302)	(8.8%)
Primary Care	South Alamo	Dr. Villarreal	563,857	568,886	568,942	(56)	(0.0%)
Primary Care	Holy Cross	Dr. Villarreal	58,025	46,885	50,052	(3,167)	(6.8%)
Primary Care	Dr. Ruiz	Dr. Villarreal	25,315	11,899	13,564	(1,665)	(14.0%)
Radiology Services	Sendero, Other Comm. Radiology	Dr. Villarreal	59,352	85,022	89,273	(4,251)	(5.0%)
Specialty Care	Community Physicians	Dr. Villarreal	1,133,543	2,514,185	2,639,895	(125,710)	(5.0%)
Hospital Care	Contracted Community Hospitals	Dr. Villarreal	957,934	1,408,307	976,776	431,531	30.6%
Facility Care	Ambulatory Surgery Centers	Dr. Villarreal	69,766	241,767	222,604	19,163	7.9%
Outpatient Pharmacy	El Centro del Barrio (FQHC)	Dr. Villarreal	41,904	46,018	48,318	(2,300)	(5.0%)
Primary Care for the Homeless	El Centro del Barrio (FQHC)	Dr. Villarreal	50,000	50,000	100,000	(50,000)	(100.0%)
Home Health Care	Interim (contract expired 05/08)	Dr. Villarreal	201,285	53,480		53,480	100.0%
	Medical Team-contract 6/08-5/10	Dr. Villarreal		55,200	114,114	(58,914)	(106.7%)
Detoxification & Rehab	Patrician Movement	Dr. Villarreal	500,000	500,000	500,000	0	0.0%
	S. Texas Injury Prev Research Ctr.						
DWI & Injury Prevention	(transitioned to UHS Staff under Dr. Villarreal)	Dr. Villarreal	150,000			0	
HIV Hospice / Residential Services	San Antonio AIDS Foundation	DeLaHaya	375,000	375,000	375,000	0	0.0%
Dental Services - Carelink	UTHSCSA - Dental School	Dr. Villarreal	346,665	0	0	0	
Dental Services - Sponsored	UTHSCSA - Dental School	Dr. Villarreal	24,924	624,883	450,000	174,883	28.0%
Prosthetics / Orthotics	UTHSCSA	Dr. Villarreal	400,000	474,372	497,986	(23,614)	(5.0%)
MEDCON	Level 1 MEDCOM 24 hr Operation	Ray	142,500	142,500	141,200	1,300	0.9%
Behavioral Health	CHCS	Dr. Villarreal	2,100,000	1,770,000	1,770,000	0	0.0%
Wound Care	KCI	Dr. Villarreal	184,597	189,797	199,287	(9,490)	(5.0%)
Outpatient Chemo	Infusystem	Dr. Villarreal	103,979	113,640	128,048	(14,408)	(12.7%)
Carelink lab services	Reference lab	Dr. Villarreal	136,764	64,398	69,448	(5,050)	(7.8%)
Carelink lab services	Myriad Lab	Dr. Villarreal	18,000	25,650	33,666	(8,016)	(31.3%)
Back Up Ambulance Service	Gemini and Metro Ambulance	Peters	198,540	185,754	242,010	(56,256)	(30.3%)
Total Inpatient/Outpatient Support Services			<u>11,556,402</u>	<u>12,892,287</u>	<u>12,830,097</u>	<u>62,190</u>	<u>0.5%</u>
Matched Services							
CHCS MH - CHCS Match	Center for Health Care Services	Dr. Villarreal	1,424,217	1,423,608	1,699,291	(275,683)	(19.4%)
CHCS MR-AACOG	Center for Health Care Services	Dr. Villarreal	410,392	410,388	392,642	17,746	4.3%
Sub-total CHCS MH and MR			<u>1,834,609</u>	<u>1,833,996</u>	<u>2,091,933</u>	<u>(257,937)</u>	<u>(14.1%)</u>
Restoraton Center Match	Center for Health Care Services	Dr. Villarreal	0	0	250,000	(250,000)	(100.0%)
Children's Type II Diab	Bienstar Program - Social Health						
Prev/Trmt	Research Ctr.	DeLaHaya	62,500	150,000	0	150,000	100.0%
Community Health Initiatives			<u>62,500</u>	<u>150,000</u>	<u>250,000</u>	<u>(100,000)</u>	<u>(66.7%)</u>
Total Outsourced Services			<u>\$ 15,751,011</u>	<u>\$ 17,764,721</u>	<u>\$ 17,769,720</u>	<u>\$ (4,999)</u>	<u>(0.03%)</u>



University Health System

2009 Management Actions	Accountable Staff	Area of Savings	Impact of Management Actions
<u>Firm Initiatives</u>			
Aspen Healthcare Metrics Physician Preference Items	F.Crockett	Supplies	\$300,000
Delta Productivity Enhancement Program	M.Mote/ Admin.Staff	Employee Compensation	\$6,920,000
Value Analysis Program and Employee Suggestion Program	F.Crockett	Supplies	\$1,000,000
			\$8,220,000
<u>Initiatives not reflected but under consideration</u>			
Pension Plan Enhancements (Pending results of Experience Study)	T.Scepanski	Benefits	
Pediatric Burn Therapy New Program (Business Plan needed)	G. Rufe	Revenues/Expenses	
Outpatient Therapy program Enhancement (Business Plan needed)	G. Rufe	Revenues/Expenses	
Center for Health Care Services Local Mental Health Provider (Pending RFP process results)	Admin Staff	Revenues/Expenses	
Procurement Card (P-Card) Program	F.Crockett	Salaries / Purchased Services	

UHS Strategic Issues 2008-2009 –Priorities

September 2008

1 Sustain Planning and Fiscal Strength to Support UHS Mission	2 Human Capital Enhancement	3 Address Clinical Capacity, Services and Quality	4 Continuously Improve the Health of the Community
<p>>#1 Priority: Implement UHS Master Facility and Business Plan (including Financing Plan) to meet current & future community & trauma region needs, maximizing partnership opportunities. (C/R)</p> <p>>Assure Efficiency of Current Operations. (C)</p> <p>>Retain & Strengthen Core and Signature Services, marketing as existing capacity permits. (C/R)</p> <p>>Articulate and activate contingency plans to offset losses of funding due to legislative changes, including: pursuit of new grants, advocacy for reinstatement of Medically Needy Program & development of programs to extend health coverage for the uninsured. (R)</p> <p>>Refine UHS Supplier Diversity Plan to reflect regional supplier diversity study.</p>	<p>>#1 Priority: Identify workforce and skill mix to optimize efficiency & improve performance. (C)</p> <p>>Expand Succession Plan & Improve retention. (C)</p> <p>>Expand Programs that cultivate a UHS culture of health & wellness. (C)</p> <p>>Expand the workforce pipeline through strategies including local health care professional development starting at the primary level. (C)</p> <p>>Implement comprehensive retirement management program.(C)</p>	<p>>#1 Priority: Insure Adequate Medical Resources for inpatient & outpatient services (C/R)</p> <p>>Replicate the “Expecting Success” Quality & Process Improvement model to include CMS quality indicators & decreasing ALOS by one day by the end of 2009. (C/R)</p> <p>>Achieve Magnet Status Recognition for Clinical Excellence as designated by the American Nurses Credentialing Center. (C/R)</p> <p>>Develop & implement a joint UH & UT Emergency Dept. plan to achieve a high performing service, improving patient throughput & satisfaction. (C/R)</p> <p>>Maximize the capabilities of technology & the EMR & increase utilization by all professionals. (C/R)</p>	<p>>#1 Priority: Develop, implement, & maximize funding for a UHS wide Strategic Prevention Plan aimed at standardizing evidence based practices (EBP) across the Health System. (C/R)</p> <p>Plan to include:</p> <ul style="list-style-type: none"> - Comprehensive Child Health - Senior Health - Behavioral Health - High Risk Mothers & Babies - Healthy Hints & Lifestyles - key aspects of public health culture & practices <p>>Implement chronic disease & case management programs, utilizing EBP, targeting CareLink & other patients residing in those census tracts with higher rates of disease burden and high utilization of UHS services. (C)</p> <p>> Realign health care services, facilities, & resources, both internal & external to the Health System, to optimize patient access for preventive, primary, acute & chronic care. (C/R)</p>
<p>C= Cost Savings R= Revenue Generating</p>			

Budget Additions in Support of Strategic Issues

Title	Strategic Issue	Detail Description	Accountable VP	Start Date	Activity	Net Patient Revenue	Other Revenue	FTE's		Salaries	Benefits	Supplies	Purchased Services	Medical Services	Other Expenses	Net Impact to Bottom-line
								Operations	MD's							
Environmental Contract Services for new Info Services Location	1	Contract for Environmental Services to clean the new Information Systems Location on Callaghan Road	Michelle Ryerson	Jan-09									20,000			(20,000)
New FTE for Materials Mgmt	1	Add a full-time position: Materials Management Clerk	Francine Crockett	Jan-09				1.0		45,000	9,158					(54,158)
Reorganize Safety Department	2	Safety Coordinator & Sr. Admin Assistant	Thomas Peters / Anthony LoBasso	Jan-09				1.0		11,100	2,259					(13,359)
CMA Physician Compensation Increases	2	Increases to base salaries for CMA physicians to remain competitive in the market; for 46.6 physicians	McWilliams/ Moody Bailey/ Enders	Jan-09	NA						0			276,750		(276,750)
HouseStaff Rate Increase	2	Working Environment Subcommittee resident salary recommended increase	Thomas Peters	Jul-09							0			230,806		(230,806)
Position Modification and transfer	2	Modify Staff Nurse II position to Cardiac Sonographer	Michelle Ryerson	Jan-09				0.5		19,968	4,063					(24,031)
Upgrade 4 Asst. Tech Radiology to Tech Med-Surg	2	Two in cost center 001762 and two in 001766	Michelle Ryerson	Jan-09						6,656	1,354					(8,010)
Add 2 New Positions for Physician Credentialing Department Look at CFHP moving over credentialing FTE as one of the two positions.	3	Spec, Verification, Coord., Med-Den Staff, Coord, Data	Thomas Peters / Anthony LoBasso/ Betty Flowers	Jan-09			103,245	2.0		72,800	14,815					15,630
Add new position Protective Services weekends	3	Add a full-time position: Police/Security Dispatcher	Thomas Peters / Anthony LoBasso	Jan-09				1.0		27,227	5,541					(32,768)
Create 5 full-time Radiologic Technologist I	3	New Position for cost center 001761	Michelle Ryerson	Jan-09				5.0		184,600	37,566					(222,166)
Create 6 full-time Positions for cost center 001769 related to CTSC	3	2, Technologist Mammographic, 2 Asst. Tech Radiology and 2 Customer Svc Reps	Michelle Ryerson	Jan-09				6.0		195,894	39,864					(235,758)

Budget Additions in Support of Strategic Issues

Title	Strategic Issue	Detail Description	Accountable VP	Start Date	Activity	Net Patient Revenue	Other Revenue	FTE's		Salaries	Benefits	Supplies	Purchased Services	Medical Services	Other Expenses	Net Impact to Bottom-line
								Operations	MD's							
Nurse Practitioner & Med Assistant	3	NP and Med Assistant for Gyn	Greg Rufe	Jan-09				2.0		90,084	18,332					(108,416)
Dermatology Clinic Conversion	4	This is a proposal to change the Dermatology Clinic at TDI from a 'lease agreement' clinic to an additional base care location.	Theresa De La Haya	Jan-09	6,154	101,541	(44,632)	3.2		85,530	17,405	52,042	16,360	(98,996)		(15,432)
Renal Clinic Conversion	4	This is a proposal to change the Renal Clinic at TDI from a 'lease agreement' clinic to an additional base care location.	Theresa De La Haya	Jan-09	3,166	52,239	38,587	4.3		114,930	23,388	26,121	9,180			(82,794)
										0						0
										0						0
Total Impact					9,320	153,780	97,200	26.0	0	853,789	173,746	78,163	45,540	408,560	0	(1,308,818)

2009 Performance Improvement Plans

Overall Operations

- Develop Clinical Operations Team to meet monthly focus on specific improvements to operations

Improve Market Share and Activity Where Capacity Exists

- Operations team to present plans for improvement
- Identify and take action on vacancies in medical staff particularly surgery
- Evaluate OB focus at particular ambulatory sites more likely to deliver at UH

Reduce LOS

- Multi disciplinary team formed and meets weekly
- Presentation will be provided to Board of Managers to present challenges and initiatives underway as well as metrics that will be tracked

Salary Cost

- Delta Strategic Cost Management Program
CEO & CFO will utilize Delta management reporting system to track progress and meet with staff in areas where progress not being made to develop corrective action plans

Supplies

- Increase UHS blood donor program by 10%
- Standardization Program
- Lean Six Sigma Initiative
- Value Analysis program
- Aspen Metric program for pricing
- Setting the Standard Employee Suggestion program
- Monthly reviews with accountable staff to discuss variances over \$100,000
- Physician peer reviews of supply consumption in high cost areas
- Tie revenue potential to high cost supplies
- Reduce carrying level of implants
- Staff will develop a presentation for the board of Managers that will include metrics for improvements

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Greg Rufe	Surgery Operating Room	Heater Cooler Unit	Essential	Committed	32,400
Michelle Ryerson	Radiology Diagnostic	Digital Fluoroscopy Machine	Essential	Committed	540,300
Michelle Ryerson	MRI	MRI Coil Package	Essential	Committed	340,300
Michelle Ryerson	MRI	Built In Storage Cabinets and Shelving for Downtow	Essential	Committed	18,000
Michelle Ryerson	Special Procedures	Bronchoscope Reprocessing equipment	Essential	Committed	85,000
Michelle Ryerson	Inpatient Renal Dialysis	Inpatient water treatment room	Essential	Committed	72,977
Theresa De La Haya	Women's Health Services SW	Clinic Space Renovation OB/GYN	Essential	Committed	156,040
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Committed	52,500
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Committed	24,500
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Committed	137,500
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Committed	153,222
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Committed	12,000
Theresa De La Haya	General Administration	North Clinic Renovation	Essential	Committed	1,350,000
Steve Enders	Plant & Oper Maint	Roof Replacement	Essential	Committed	400,000
Mark Webb	Facilities Dev & Project Mgmt	Master Facility Plan Overhead Support	Essential	Committed	958,454
Tony LoBasso	Contingency	Contingency	Essential	Committed	2,000,000
Michelle Ryerson	Mammography	Breast Specific Gamma Imaging System	Important	Committed	260,000
Greg Rufe	In-House Main.& Mnr.Cnst	Centralized Registration	Important	Committed	250,000
Steve Enders	Plant Operations & Maint. SE	SE Roof Repair	Important	Committed	330,000
Bill Phillips	Support Service Admin.	Data Center Build Out	Proactive	Committed	7,000,000
Nancy Ray	Neonatal ICU	Laser Indirect Ophthalmoscope	Essential	Mandated	23,500
Greg Rufe	Surgery Operating Room	OR Solution Fluid Warmers	Essential	Mandated	180,000
Greg Rufe	Surgery Operating Room	Ophthalmology Cryomachine	Essential	Mandated	20,000
Greg Rufe	Anesthesiology	Fluid Warmers	Essential	Mandated	138,000
Nancy Ray	Respiratory Therapy	HEPA Filters	Essential	Mandated	17,800
Nancy Ray	Anesthesiology OB	Glidescope	Essential	Mandated	20,000
Michelle Ryerson	Radiology Diagnostic	Digital X-ray Room	Essential	Mandated	540,000
Michelle Ryerson	Radiology Diagnostic	Portable X-ray Unit	Essential	Mandated	81,000
Michelle Ryerson	Radiology Diagnostic	C-Arm	Essential	Mandated	388,000
Michelle Ryerson	Radiology Diagnostic	C-arm with Vascular Package	Essential	Mandated	270,500
Michelle Ryerson	Radiology Diagnostic	Lead Aprons	Essential	Mandated	10,000
Michelle Ryerson	MRI	MRI Compatible Ventilator	Essential	Mandated	35,300
Michelle Ryerson	MRI	Ferro Magnetic Detector Systems	Essential	Mandated	75,000
Michelle Ryerson	Nuclear Medicine	Nuclear Medicine Radiation Safety Equipment	Essential	Mandated	48,000
Michelle Ryerson	Cardiac Lab	EP Diagnostic Physiological System	Essential	Mandated	150,000
Greg Rufe	EEG/Sleep Disorders	Refurbish EEG/Sleep Lab	Essential	Mandated	250,000
Greg Rufe	EEG/Sleep Disorders	Upgrade Neurodiagnostic Remote Review Capacity	Essential	Mandated	125,000
Greg Rufe	Chill Water Plant	Building Energy Management Control	Essential	Mandated	100,000
Greg Rufe	Plant Oper. & Mainte.	Crane	Essential	Mandated	30,000
Greg Rufe	Plant Oper. & Mainte.	Scissor Scaffold	Essential	Mandated	25,000
Greg Rufe	In-House Main.& Mnr.Cnst	Back Dock Canopy	Essential	Mandated	50,000
Greg Rufe	In-House Main.& Mnr.Cnst	Cat Walk	Essential	Mandated	60,000
Bill Phillips	Communication Services	Power-failure telephone system	Essential	Mandated	120,000

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Thomas Peters	Protective Services UHC-DT	Police/Protective Services	Essential	Mandated	100,000
Theresa De La Haya	Women's Health Services SW	High Low Electronic Exam Table	Essential	Mandated	6,500
Michelle Ryerson	Radiology Diagnostic	Digital X-ray Machines for Clinic sites	Essential	Mandated	1,620,000
Steve Enders	Plant Oper. & Mainte.	Mold Remediation	Essential	Mandated	75,000
Theresa De La Haya	Women's Health Services SE	Ultrasound HD11 WHC, Phillips	Essential	Mandated	60,359
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Mandated	11,000
Steve Enders	South Dialysis	New South Dialysis Clinic	Essential	Mandated	6,500
Theresa De La Haya	Maintenance Admin	Create Drainage System under TDI	Essential	Mandated	65,000
Theresa De La Haya	General Administration	Sidewalk Repair-Ground Shifting	Essential	Mandated	30,000
Theresa De La Haya	Women's and Preventive Health Services	Ultrasound 7 WHC, Phillips	Essential	Mandated	121,840
Theresa De La Haya	Women's and Preventive Health Services	Ultrasound HD11 WHC, Phillips	Essential	Mandated	60,359
Theresa De La Haya	Women's and Preventive Health Services	Complete Ceiling Tile and Light Replacement	Essential	Mandated	25,000
Theresa De La Haya	Eastside Branch Clinic	Correcting Walkway due to Ground Shifting	Essential	Mandated	10,000
Theresa De La Haya	Zarzamora Clinic	Sidewalk Construction at Zarzamora clinic	Essential	Mandated	16,000
Theresa De La Haya	Kenwood Clinic	HVAC Replacement	Essential	Mandated	45,000
Bill Phillips	Biomedical Engineering	Tele CIC Upgrade	Essential	Mandated	129,265
Bill Phillips	Biomedical Engineering	Bedside Monitors to v5.0	Essential	Mandated	128,235
Bill Phillips	Biomedical Engineering	Medtester Module Interface	Essential	Mandated	27,000
Michelle Ryerson	Radiology Support	Replacement Voice Dictation System	Essential	Mandated	250,000
Bill Phillips	Application Systems	Performax Upgrade	Essential	Mandated	25,400
Bill Phillips	Data Security	Additional Laptop Encryption Licenses	Essential	Mandated	43,310
Bill Phillips	Disaster Recovery	Radiology EC monitor	Essential	Mandated	20,000
Bill Phillips	Disaster Recovery	Onbase Document Management System additional li	Essential	Mandated	100,000
Bill Phillips	Technical Services	Upgrade Wireless Networks	Essential	Mandated	118,000
Bill Phillips	Technical Services	Expand and Upgrade Enterprise Storage	Essential	Mandated	1,530,000
Greg Rufe	Follow-Up Clinic	Bariatric Exam Table	Important	Mandated	7,000
Nancy Ray	Int. Prog. Care Unit	Nurse Call System	Important	Mandated	72,000
Michelle Ryerson	Radiology Diagnostic	Digital Panoramic Dental X-ray system	Important	Mandated	35,500
Michelle Ryerson	Radiology Diagnostic	Dry Laser Film Printers	Important	Mandated	80,000
Michelle Ryerson	Radiology Diagnostic	High Resolution CR Reader	Important	Mandated	140,173
Michelle Ryerson	MRI	UPS - Battery Back UP for 3T MRI	Important	Mandated	310,000
Michelle Ryerson	MRI	Security Camera and Access Control Repairs/Upgra	Important	Mandated	15,000
Michelle Ryerson	Special Procedures	Bi-Plane Angiography Systems	Important	Mandated	2,700,000
Michelle Ryerson	Special Procedures	Intravascular Ultrasound System	Important	Mandated	130,000
Michelle Ryerson	Special Procedures	Storage carts/system for Angiography Suites	Important	Mandated	109,764
Michelle Ryerson	Cafeteria	Baker Ovens	Important	Mandated	85,200
Michelle Ryerson	Cafeteria	Steam Kettles 20 Gallons wit Stand	Important	Mandated	40,000
Thomas Peters	Safety	Fire Extinguisher Simulator	Important	Mandated	11,000
Greg Rufe	Plant Oper. & Mainte.	Replace AHU 67 and 68	Important	Mandated	650,000
Greg Rufe	In-House Main.& Mnr.Cnst	12th floor East Wing Roof replacement	Important	Mandated	100,000
Greg Rufe	In-House Main.& Mnr.Cnst	Service Road	Important	Mandated	100,000
Theresa De La Haya	Ob/Gyn Clinic	High Low Exam Table	Important	Mandated	13,000
Theresa De La Haya	Ob/Gyn Clinic	Hysteroscope, Flexible HYF-XP	Important	Mandated	9,500

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Greg Rufe	UFHC-SW Lab	Laboratory Renovation	Important	Mandated	18,000
Theresa De La Haya	Women's Health Services SE	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Eastside Branch Clinic	Reception and Waiting Area Remodeling	Important	Mandated	15,000
Theresa De La Haya	Eastside Branch Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	South Flores Clinic	Reception and Waiting Area Remodeling	Important	Mandated	15,000
Theresa De La Haya	South Flores Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	South Flores Clinic	Sidewalk Construction Project at South Flores	Important	Mandated	16,000
Theresa De La Haya	Salinas Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Zarzamora Clinic	Reception and Waiting Room Remodeling	Important	Mandated	15,000
Theresa De La Haya	Zarzamora Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Kenwood Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Kenwood Clinic	Immunization and Education Room	Important	Mandated	12,000
Theresa De La Haya	Old Hwy 90 Clinic	Reception and Waiting Area Remodeling	Important	Mandated	15,000
Theresa De La Haya	Old Hwy 90 Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Westend Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Theresa De La Haya	Naco-Perrin Clinic	High Low Electronic Exam Table	Important	Mandated	6,500
Richard Rodriguez	Facilities Devel. Prog.	IV Isolation Rooms 9th Floor	Important	Mandated	1,200,000
Richard Rodriguez	Facilities Devel. Prog.	ADA Ramp at Main Garage	Important	Mandated	40,000
Richard Rodriguez	Facilities Devel. Prog.	Care Link Office Renovation 1st Floor	Important	Mandated	150,000
Michelle Ryerson	Radiology Support	Dry Laser Film Printers for Downtime Procedure	Important	Mandated	80,000
Bill Phillips	Disaster Recovery	PACS Performance Monitoring Tool	Important	Mandated	64,000
Thomas Peters	Patient Relations	Patient Grievance Tracking System	Important	Mandated	36,200
Nancy Ray	Controlled Access Unit	Nurse CallSystem	Proactive	Mandated	35,000
Nancy Ray	GYN O/P Procedures	Sono Machine	Essential	Replacement	60,000
Nancy Ray	Labor And Delivery	Sono Machine	Essential	Replacement	60,000
Nancy Ray	Labor And Delivery	Gyn Probes	Essential	Replacement	16,000
Greg Rufe	Surgery Operating Room	OR Lights	Essential	Replacement	300,000
Greg Rufe	Surgery Operating Room	XPS Straight Shot System & M4 Handpiece	Essential	Replacement	56,000
Greg Rufe	Surgery Operating Room	ENT Endoscopic Scopes and Instruments	Essential	Replacement	49,000
Greg Rufe	Surgery Operating Room	Laparoscopic Camera Towers	Essential	Replacement	225,000
Greg Rufe	Surgery Operating Room	Stryker TPS Drills	Essential	Replacement	576,000
Greg Rufe	Surgery Operating Room	Stryker Drills Small	Essential	Replacement	400,000
Greg Rufe	Surgery Operating Room	Stryker Drills Large	Essential	Replacement	120,000
Greg Rufe	Surgery Operating Room	Heart Lung Machine	Essential	Replacement	87,500
Greg Rufe	Surgery Operating Room	OPS Hydraulic Stretchers	Essential	Replacement	32,000
Greg Rufe	Surgery Operating Room	Nerve Integrity Monitor (NIM 2)	Essential	Replacement	56,000
Greg Rufe	Surgery Operating Room	Storz/ACMI//Wolf Scopes and Instruments	Essential	Replacement	24,000
Greg Rufe	Surgery Operating Room	Anspach Drill (Dr. Otto)	Essential	Replacement	30,000
Greg Rufe	Surgery Operating Room	Patient Transport Stretchers	Essential	Replacement	24,800
Greg Rufe	Surgery Operating Room	Iridex Opthomic Laser	Essential	Replacement	33,000
Greg Rufe	Surgery Operating Room	Argon Bovine Machine	Essential	Replacement	70,000
Greg Rufe	Surgery Operating Room	Argon Machine 7550	Essential	Replacement	21,369
Greg Rufe	Surgery Operating Room	Stammbarger Bipolar Suction Forceps w/ Sterilizati	Essential	Replacement	5,685

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Greg Rufe	Surgery Operating Room	Endo Digital Tower (Cardiothoracic)	Essential	Replacement	75,000
Greg Rufe	Anesthesiology	TEE Probes	Essential	Replacement	25,000
Greg Rufe	Anesthesiology	Large Bronchoscopes	Essential	Replacement	64,000
Greg Rufe	Anesthesiology	LED Laryngoscopes	Essential	Replacement	23,200
Greg Rufe	Anesthesiology	3D TEE Machine	Essential	Replacement	247,900
Greg Rufe	Anesthesiology	Bronchoscopes	Essential	Replacement	32,895
Nancy Ray	Respiratory Therapy	Ventilators	Essential	Replacement	234,000
Greg Rufe	Anatomic Pathology	Processor	Essential	Replacement	52,850
Greg Rufe	Anatomic Pathology	Coverslipper	Essential	Replacement	51,850
Greg Rufe	Anatomic Pathology	Ultralow freezer	Essential	Replacement	14,500
Greg Rufe	Chemical Pathology	Centrifuge	Essential	Replacement	8,300
Greg Rufe	Chemical Pathology	Freezer (Referral Lab)	Essential	Replacement	12,850
Greg Rufe	Chemical Pathology	Refrigerator (for Isotemp Automation & Urinalysis)	Essential	Replacement	12,500
Greg Rufe	Chemical Pathology	Osmometer	Essential	Replacement	10,500
Greg Rufe	Chemical Pathology	Urinalysis Analyzers	Essential	Replacement	300,000
Greg Rufe	Chemical Pathology	Immunoassay Analyzer (Centaur)	Essential	Replacement	401,200
Greg Rufe	Chemical Pathology	Toxicology Analyzer (Architect)	Essential	Replacement	60,600
Greg Rufe	Chemical Pathology	Processing Hood	Essential	Replacement	7,500
Greg Rufe	Histocompatibility & Immunogenetics	ABI 3130 Avant Sequencer	Essential	Replacement	85,600
Greg Rufe	Histocompatibility & Immunogenetics	Subscope Stage	Essential	Replacement	13,750
Greg Rufe	Histocompatibility & Immunogenetics	Ultra-Low Freezer	Essential	Replacement	8,750
Greg Rufe	Hematologic Lab	Phase Contrast Microscope	Essential	Replacement	12,400
Greg Rufe	Hematologic Lab	Centrifuge	Essential	Replacement	16,600
Greg Rufe	Hematologic Lab	Refrigerator	Essential	Replacement	6,300
Greg Rufe	Transfusion Services	RBC Cell Washer	Essential	Replacement	60,500
Greg Rufe	Transfusion Services	Ultralow Freezer	Essential	Replacement	7,000
Greg Rufe	Transfusion Services	Double-door Refrigerator	Essential	Replacement	11,150
Greg Rufe	Transfusion Services	Plasma Thawer	Essential	Replacement	8,000
Greg Rufe	Transfusion Services	Refrigerator, Single-door	Essential	Replacement	8,900
Greg Rufe	Transfusion Services	Platelet Incubator	Essential	Replacement	12,650
Greg Rufe	Donor Services	Apheresis System (Spectra)	Essential	Replacement	65,650
Greg Rufe	Donor Services	Platelet Incubator	Essential	Replacement	12,650
Michelle Ryerson	Cardiac Lab	High Resolution Monitors (Flat-Panel)	Essential	Replacement	30,000
Michelle Ryerson	Cardiac Lab	ICE (Intra Cardiac Ultrasonic Echo) System Upgrade	Essential	Replacement	20,000
Greg Rufe	EEG/Sleep Disorders	Neurodiagnostic Center Equipment Replacement	Essential	Replacement	750,000
Michelle Ryerson	Inpatient Renal Dialysis	Dialysis Machines	Essential	Replacement	180,000
Greg Rufe	Gastro Intestinal Lab	endoscopy	Essential	Replacement	25,000
Michelle Ryerson	Renal Dialysis -- Outpatient	Dialysis Machines	Essential	Replacement	65,250
Greg Rufe	Non-Invasive V.I.Lab	Vascular	Essential	Replacement	220,000
Michelle Ryerson	Cafeteria	Steam Kettles 40 Galons with stand	Essential	Replacement	12,000
Thomas Peters	Protective Services UH	Police/Protective Services	Essential	Replacement	150,000
Greg Rufe	Chill Water Plant	Control Air Compressor	Essential	Replacement	25,000
Greg Rufe	Chill Water Plant	Variable Speed Drives	Essential	Replacement	90,000

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Bill Phillips	Communication Services	Phone Switch Upgrade	Essential	Replacement	1,200,000
Theresa De La Haya	Ob/Gyn Clinic	Ultrasound HD11 WHC, Phillips	Essential	Replacement	60,359
Steve Enders	Oral Surgery Clinic	Stryker Drills	Essential	Replacement	34,500
Steve Enders	Oral Surgery Clinic	Digital Imaging System	Essential	Replacement	180,000
Steve Enders	Ambulance Service	Type 3 Ambulance	Essential	Replacement	60,000
Greg Rufe	UFHC-SE Lab	Microscope	Essential	Replacement	6,350
Steve Enders	SE Dialysis	Dialysis Machines	Essential	Replacement	193,750
Greg Rufe	UCCH Lab	Microscope	Essential	Replacement	6,250
Steve Enders	Dialysis West	Dialysis Machines	Essential	Replacement	154,500
Bill Phillips	Biomedical Engineering	CIC Bedrock Upgrade	Essential	Replacement	17,904
Bill Phillips	Biomedical Engineering	Replace bedside monitors slave units	Essential	Replacement	139,400
Bill Phillips	Application Systems	Replace SSI	Essential	Replacement	100,000
Bill Phillips	Application Systems	Avega Report Distribution Upgrade	Essential	Replacement	200,000
Bill Phillips	Application Systems	PeopleSoft Upgrade	Essential	Replacement	400,000
Bill Phillips	Clinical Systems	Cerner Lab Remote Hosting	Essential	Replacement	170,000
Bill Phillips	Clinical Systems	Integration	Essential	Replacement	200,000
Bill Phillips	Technical Services	Upgrade Network Core	Essential	Replacement	1,099,000
Bill Phillips	Technical Services	Upgrade Network Closets	Essential	Replacement	596,000
Bill Phillips	Technical Services	Windows Server Upgrades and Consolidation	Essential	Replacement	930,000
Bill Phillips	Technical Services	Upgrade Unix Environment	Essential	Replacement	535,000
Nancy Ray	Neonatal ICU	Automatic Door	Important	Replacement	30,000
Nancy Ray	Pediatric ICU	Codman Intracranial Pressure Monitor	Important	Replacement	8,000
Nancy Ray	Int. Prog. Care Unit	Nurses Station	Important	Replacement	10,000
Greg Rufe	Surgery Operating Room	OR Endoscopic Systems (OR 1)	Important	Replacement	750,000
Greg Rufe	Surgery Operating Room	Storz OR 1 System DVD Recorders	Important	Replacement	48,000
Greg Rufe	Surgery Operating Room	Storz OR 1 System Printers	Important	Replacement	25,500
Greg Rufe	Surgery Operating Room	O.R. Tables	Important	Replacement	135,000
Greg Rufe	Surgery Operating Room	Malis Bipolar Coagulating Machine	Important	Replacement	64,000
Greg Rufe	Surgery Operating Room	Endoscopic Brow Instrument Set (Ophthalmology)	Important	Replacement	33,960
Greg Rufe	Surgery Operating Room	C-Arms	Important	Replacement	180,000
Greg Rufe	Surgery Operating Room	ENT Microscope	Important	Replacement	40,000
Greg Rufe	Surgery Operating Room	Greenburg Retractor	Important	Replacement	25,000
Greg Rufe	Surgery Operating Room	Flat Panel Monitors For Lap Towers	Important	Replacement	45,250
Greg Rufe	Surgery Operating Room	Ligasure Force Triad	Important	Replacement	28,339
Greg Rufe	Surgery Operating Room	Bronc Instrumentation	Important	Replacement	28,000
Nancy Ray	Respiratory Therapy	3100B HFO Ventilators	Important	Replacement	62,000
Michelle Ryerson	Radiology Diagnostic	Bone Densitometer	Important	Replacement	71,706
Michelle Ryerson	Radiology Diagnostic	Digital Portable X-ray machines	Important	Replacement	720,000
Michelle Ryerson	MRI	1.5 Telsa MRI	Important	Replacement	2,500,000
Michelle Ryerson	Cardiac Lab	Cardiac Hemodynamic Physiological System	Important	Replacement	295,000
Michelle Ryerson	Cardiac Lab	OMNI/CELL Inventory Management	Important	Replacement	295,000
Michelle Ryerson	Cafeteria	Convection Oven for Cafeteria	Important	Replacement	8,000
Steve Enders	Medicine Clinic	Dual Head microscope	Important	Replacement	8,000

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Steve Enders	Motor Services	Courier / Transport vehicle	Important	Replacement	76,000
Theresa De La Haya	Core Lab, Diabetes Research	Glucose Analyzer	Important	Replacement	19,600
Theresa De La Haya	Adult Diabetes Clinic	Linear Array Probe	Important	Replacement	6,000
Theresa De La Haya	Podiatry Clinic	Reception Desk - Renovation	Important	Replacement	25,000
Theresa De La Haya	Maintenance Admin	Window Repairs at UCCH	Important	Replacement	75,000
Steve Enders	Plant & Oper Maint	North Floor replacement	Important	Replacement	80,000
Theresa De La Haya	Kenwood Clinic	Roof Replacement - Kenwood	Important	Replacement	60,000
Bill Phillips	Disaster Recovery	PACS workstation refresh, CPUs	Important	Replacement	140,000
Bill Phillips	Disaster Recovery	PACS workstation refresh, Monitors	Important	Replacement	60,000
Bill Phillips	Disaster Recovery	PACS workstation refresh, 6MP Monitors	Important	Replacement	225,000
Bill Phillips	Disaster Recovery	PACS workstation refresh, 5MP Monitors	Important	Replacement	100,000
Bill Phillips	Disaster Recovery	Voice Recognition	Important	Replacement	550,000
Nancy Ray	Transplant ICU	Nurses Station	Proactive	Replacement	180,000
Nancy Ray	Psychiatry	Floor Tile	Proactive	Replacement	15,000
Greg Rufe	Surgery Operating Room	Portable Instrument Sterilizers	Proactive	Replacement	66,000
Greg Rufe	Surgery Operating Room	Micro Drill System (ENT)	Proactive	Replacement	22,000
Greg Rufe	Surgery Operating Room	Ultrasound Probes BK/Aloka (GU, GSA, Transplant)	Proactive	Replacement	40,000
Greg Rufe	Surgery Operating Room	Micro Drill System (Podiatry)	Proactive	Replacement	27,000
Greg Rufe	Surgery Operating Room	Surgical Head Lights	Proactive	Replacement	75,000
Greg Rufe	Surgery Operating Room	Laparoscopic Satinsky Clamp/Trocar Instruments (C)	Proactive	Replacement	18,000
Greg Rufe	Surgery Operating Room	GS Laparoscopic Instrument Trays	Proactive	Replacement	75,000
Greg Rufe	Surgery Operating Room	CO2 Laser	Proactive	Replacement	148,000
Greg Rufe	Surgery Operating Room	Neurosurgery Instrumentation	Proactive	Replacement	85,000
Greg Rufe	Surgery Operating Room	Cauteries Valley Lab	Proactive	Replacement	90,000
Nancy Ray	Surgery ICU	Mattresses	Proactive	Replacement	250,000
Nancy Ray	Anesthesiology OB	Floor Tiles	Proactive	Replacement	25,000
Greg Rufe	Gastro Intestinal Lab	Endoscopy	Proactive	Replacement	110,100
Steve Enders	Family Health Clinic	Digital Colposcope	Proactive	Replacement	8,200
Theresa De La Haya	Podiatry Clinic	Podiatry Exam Chair	Proactive	Replacement	5,790
Theresa De La Haya	Maintenance Admin	Painting of Exterior Building	Proactive	Replacement	75,000
Nancy Ray	Nursing Administration	Transnasal Esphago Videoscope	Essential	Strategic/New/Expansion	45,000
Nancy Ray	Nursing Administration	Rigid Nasal Endoscope w/tower	Essential	Strategic/New/Expansion	25,000
Nancy Ray	Neonatal ICU	Laparoscopic Equipment	Essential	Strategic/New/Expansion	120,547
Nancy Ray	Neonatal ICU	Radiant Warmers	Essential	Strategic/New/Expansion	88,560
Nancy Ray	Neonatal ICU	Isolettes	Essential	Strategic/New/Expansion	69,200
Greg Rufe	Surgery Operating Room	Kuhn Frontal Sinus Set	Essential	Strategic/New/Expansion	26,370
Greg Rufe	Surgery Operating Room	OPS Security	Essential	Strategic/New/Expansion	9,500
Greg Rufe	Anesthesiology	Mobile Anesthesia Machine	Essential	Strategic/New/Expansion	27,330
Nancy Ray	Respiratory Therapy	Transcutaneous Monitor	Essential	Strategic/New/Expansion	28,200
Greg Rufe	Immunology	Biohazard Hood	Essential	Strategic/New/Expansion	17,500
Greg Rufe	Immunology	Ultralow Freezer	Essential	Strategic/New/Expansion	14,500
Greg Rufe	Immunology	Lab Refrigerators	Essential	Strategic/New/Expansion	12,400
Greg Rufe	Immunology	Microtiter Plate Reader	Essential	Strategic/New/Expansion	7,300

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Greg Rufe	Immunology	Ultra Low Freezer	Essential	Strategic/New/Expansion	13,500
Greg Rufe	Immunology	Microfuge	Essential	Strategic/New/Expansion	9,400
Michelle Ryerson	Soft Tissue Diagnostic Lab	Ultrasound Stretchers	Essential	Strategic/New/Expansion	12,844
Michelle Ryerson	Cardiac Lab	FFR & Doppler Wire System	Essential	Strategic/New/Expansion	75,000
Michelle Ryerson	Cardiac Lab	Computerized Tomography Unit - 1024 Slice	Essential	Strategic/New/Expansion	2,200,000
Greg Rufe	UHCD Lab	Interface for Urinalysis Analyzer	Essential	Strategic/New/Expansion	7,000
Thomas Peters	Protective Services UHC-DT	Police/Protective Services	Essential	Strategic/New/Expansion	240,000
Thomas Peters	Protective Services UHC-DT	Police/Protctive Services	Essential	Strategic/New/Expansion	300,000
Thomas Peters	Protective Services UHC-DT	Police/Protective Services	Essential	Strategic/New/Expansion	100,000
Thomas Peters	Protective Services UHC-DT	Police/Protective Services	Essential	Strategic/New/Expansion	150,000
Greg Rufe	UFHC-SW Lab	Microscope	Essential	Strategic/New/Expansion	12,500
Greg Rufe	UFHC-SW Lab	Interface for Urinalysis Analyzer	Essential	Strategic/New/Expansion	7,000
Greg Rufe	UFHC-SE Lab	Interface for Urinalysis Analyzer	Essential	Strategic/New/Expansion	7,050
Greg Rufe	UCCH Lab	Inerface for Urinalysis Analyzer	Essential	Strategic/New/Expansion	7,000
Steve Enders	Plant & Oper Maint	North Parking Lot	Essential	Strategic/New/Expansion	1,100,000
Steve Enders	Plant & Oper Maint	North Communication Hardware	Essential	Strategic/New/Expansion	36,500
Greg Rufe	Lab Administration & Support	Rolling File System	Essential	Strategic/New/Expansion	27,000
Greg Rufe	Lab Administration & Support	Deviation Module Software	Essential	Strategic/New/Expansion	28,260
Bill Phillips	Biomedical Engineering	L&D Fiber Installation	Essential	Strategic/New/Expansion	12,208
Bill Phillips	Disaster Recovery	DiskXtender Additional Licenses	Essential	Strategic/New/Expansion	60,000
Bill Phillips	Clinical Systems	Pharmacist for Eclipsys Pharmacy System	Essential	Strategic/New/Expansion	127,667
Nancy Ray	MICU/CICU	Artic Sun Cooling System	Important	Strategic/New/Expansion	40,000
Nancy Ray	Hem/Onc/Bmt	Tele Monitoring	Important	Strategic/New/Expansion	186,000
Nancy Ray	Neonatal ICU	Transcutaneous CO2 Monitor	Important	Strategic/New/Expansion	28,104
Nancy Ray	Int. Prog. Care Unit	Bladder Scanner	Important	Strategic/New/Expansion	15,000
Greg Rufe	Surgery Operating Room	Ellman Surgical Unit w/ Smoke Evacuator (Ophthalm	Important	Strategic/New/Expansion	85,000
Greg Rufe	Surgery Operating Room	Patient Lift	Important	Strategic/New/Expansion	75,000
Greg Rufe	Surgery Operating Room	30 Degree 4mm Rigid Endoscope (9 inch Ophthalm	Important	Strategic/New/Expansion	14,900
Greg Rufe	Surgery Operating Room	Vaginal Bookwater Set (G.U.)	Important	Strategic/New/Expansion	18,000
Greg Rufe	Surgery Operating Room	Greenburg Retractors (Radiolucent)	Important	Strategic/New/Expansion	18,000
Greg Rufe	Surgery Operating Room	Intravascular Ultrasound Unit	Important	Strategic/New/Expansion	185,000
Greg Rufe	Surgery Operating Room	Temporomadibular Joint Scope System	Important	Strategic/New/Expansion	15,800
Nancy Ray	Surgery ICU	Aluis Patient Cooling Unit	Important	Strategic/New/Expansion	75,000
Greg Rufe	Anesthesiology	McGrath Video Laryngoscope	Important	Strategic/New/Expansion	9,000
Nancy Ray	Respiratory Therapy	Vision BiPAP	Important	Strategic/New/Expansion	30,000
Greg Rufe	Immunology	Genexpert Analyzer	Important	Strategic/New/Expansion	70,800
Greg Rufe	Histocompatibility & Immunogenetics	QIAxcel Molecular Gel System	Important	Strategic/New/Expansion	34,820
Greg Rufe	Donor Services	Software Program for Blood Donor Registration For	Important	Strategic/New/Expansion	15,150
Greg Rufe	Physical Therapy	Balance System SD	Important	Strategic/New/Expansion	11,595
Greg Rufe	Physical Therapy	Car Transfer Simulator	Important	Strategic/New/Expansion	8,065
Greg Rufe	Physical Therapy	Wave Pro Elite	Important	Strategic/New/Expansion	12,800
Michelle Ryerson	Cardiac Lab	Table Mounted Excerise Bicycle	Important	Strategic/New/Expansion	30,000
Michelle Ryerson	Cardiac Lab	Cyro-ablation EP System	Important	Strategic/New/Expansion	250,000

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Michelle Ryerson	Cardiac Lab	Carto Sound Unit	Important	Strategic/New/Expansion	180,000
Michelle Ryerson	Cardiac Lab	Tandem Heart Unit	Important	Strategic/New/Expansion	55,000
Michelle Ryerson	Cardiac Lab	Chili RF Ablation Cooling System	Important	Strategic/New/Expansion	30,000
Greg Rufe	Gastro Intestinal Lab	Endoscopy	Important	Strategic/New/Expansion	60,000
Greg Rufe	Gastro Intestinal Lab	Endoscopy	Important	Strategic/New/Expansion	35,050
Thomas Peters	Protective Services UH	Police/Protective Services	Important	Strategic/New/Expansion	100,000
Steve Enders	Plant Oper. & Mainte.	20 ton chiller	Important	Strategic/New/Expansion	34,000
Steve Enders	Plant Oper. & Mainte.	West Annex Perimeter Fence	Important	Strategic/New/Expansion	35,500
Steve Enders	SE Dialysis	Southeast dialysis	Important	Strategic/New/Expansion	180,000
Steve Enders	Plant Operations & Maint. SE	SE Renal Expansion	Important	Strategic/New/Expansion	180,000
Steve Enders	Plant Operations & Maint. SE	SE Parking Lot	Important	Strategic/New/Expansion	1,300,000
Theresa De La Haya	Podiatry Clinic	Versajet Hydrosurgery System	Important	Strategic/New/Expansion	20,000
Theresa De La Haya	Maintenance Admin	Outdoor Signage for 5 purchased PHCs	Important	Strategic/New/Expansion	25,000
Steve Enders	Plant & Oper Maint	NW Health Center Finish Out Project	Important	Strategic/New/Expansion	210,000
Steve Enders	Plant & Oper Maint	North Reception Center	Important	Strategic/New/Expansion	22,000
Roberto Villareal	CareLink Member Services	Modular Furniture for Care Link	Important	Strategic/New/Expansion	18,000
Steve Enders	Oper ENT Clinic UHCD	ENT Strobe System	Important	Strategic/New/Expansion	30,500
Theresa De La Haya	Kenwood Clinic	Reception and Waiting Area Remodeling	Important	Strategic/New/Expansion	15,000
Bill Phillips	Biomedical Engineering	Motorola Mobile for TMS	Important	Strategic/New/Expansion	40,600
Bill Phillips	Biomedical Engineering	Patient Data Server	Important	Strategic/New/Expansion	156,457
Bill Phillips	Biomedical Engineering	Aware Gateway	Important	Strategic/New/Expansion	126,942
Bill Phillips	Biomedical Engineering	Impulse 4000 Defibrillator analyzer	Important	Strategic/New/Expansion	6,026
Bill Phillips	Data Center Ops	COWS	Important	Strategic/New/Expansion	130,000
Bill Phillips	Data Center Ops	Thin Clients	Important	Strategic/New/Expansion	500,000
Bill Phillips	Application Systems	OnBase Document Management System	Important	Strategic/New/Expansion	1,275,000
Bill Phillips	Application Systems	Kiosk for Patient Identification	Important	Strategic/New/Expansion	375,000
Bill Phillips	Application Systems	Increase Patient Portal Functionality	Important	Strategic/New/Expansion	75,000
Bill Phillips	Application Systems	Carelink Case Management	Important	Strategic/New/Expansion	120,000
Bill Phillips	Application Systems	E-Recruitment	Important	Strategic/New/Expansion	50,000
Bill Phillips	Application Systems	Lawson Grants Management system	Important	Strategic/New/Expansion	85,000
Bill Phillips	Application Systems	Nursing NIQ	Important	Strategic/New/Expansion	50,000
Bill Phillips	Application Systems	3M Ambulatory Revenue Management	Important	Strategic/New/Expansion	375,000
Bill Phillips	Application Systems	E-manager Desktop	Important	Strategic/New/Expansion	40,000
Bill Phillips	Application Systems	Vein Scanning Patient Identification	Important	Strategic/New/Expansion	337,552
Bill Phillips	Clinical Systems	Telemedicine Expansion	Important	Strategic/New/Expansion	100,000
Bill Phillips	Clinical Systems	Expand Point of Care Testing	Important	Strategic/New/Expansion	50,000
Bill Phillips	Technical Services	New Data Center Core Infrastructure	Important	Strategic/New/Expansion	2,180,000
Greg Rufe	Surgery Operating Room	Medtronic Retractor	Proactive	Strategic/New/Expansion	10,000
Greg Rufe	Surgery Operating Room	Leica OH 5 Microscope	Proactive	Strategic/New/Expansion	326,401
Greg Rufe	Surgery Operating Room	Maquet Rotaflow Pump	Proactive	Strategic/New/Expansion	32,755
Greg Rufe	Surgery Operating Room	ABACUS System PriorityONE	Proactive	Strategic/New/Expansion	115,600
Greg Rufe	Surgery Operating Room	Rigid Telescopes and Bridges for Pediatric Airway	Proactive	Strategic/New/Expansion	9,000
Greg Rufe	Surgery Operating Room	Video Mediastinoscope	Proactive	Strategic/New/Expansion	17,466

2009 Capital List

Vice President	Dept Name	Request Item	Priority	Class	2009 Requested
Greg Rufe	Surgery Operating Room	ARC Surgical Wrist Traction Tower	Proactive	Strategic/New/Expansion	25,000
Greg Rufe	Surgery Operating Room	Davinci Robot	Proactive	Strategic/New/Expansion	2,100,000
Greg Rufe	Surgery Operating Room	Bookwalter Anal Retractor Set	Proactive	Strategic/New/Expansion	21,590
Greg Rufe	Surgery Operating Room	Brain Lab Guided Imaging Unit	Proactive	Strategic/New/Expansion	685,000
Greg Rufe	Surgery Operating Room	Site Rite Ultrasound Monitor	Proactive	Strategic/New/Expansion	15,000
Greg Rufe	Surgery Operating Room	Upgrade Video Monitor	Proactive	Strategic/New/Expansion	10,400
Greg Rufe	Surgery Operating Room	Constellation Vision System	Proactive	Strategic/New/Expansion	115,900
Greg Rufe	Anesthesiology	Fabius GS Anesthesia Monitors	Proactive	Strategic/New/Expansion	92,358
Greg Rufe	Anesthesiology	Anesthesia Monitors	Proactive	Strategic/New/Expansion	75,022
Greg Rufe	Anesthesiology	Monitors for Portable Anesthesia Machine	Proactive	Strategic/New/Expansion	13,533
Greg Rufe	Anesthesiology	Sonosite M-Turbo	Proactive	Strategic/New/Expansion	52,763
Michelle Ryerson	MRI	Functional MRI Package/ Advanced MRI Workstation	Proactive	Strategic/New/Expansion	288,236
Michelle Ryerson	Cardiac Lab	Exercise Stress Testing Bike	Proactive	Strategic/New/Expansion	8,000
Thomas Peters	Protective Services UH	Police/Protective Services	Proactive	Strategic/New/Expansion	70,800
Steve Enders	Plant Oper. & Mainte.	SW Parking lot fence	Proactive	Strategic/New/Expansion	55,000
Greg Rufe	Surgery Operating Room	Intraop MRI (Neuro)	Nice to have	Strategic/New/Expansion	8,240,000
Greg Rufe	Surgery Operating Room	New HD Towers	Nice to have	Strategic/New/Expansion	75,000
Greg Rufe	Surgery Operating Room	Overhead Surgical Camera	Nice to have	Strategic/New/Expansion	16,600
Greg Rufe	Surgery Operating Room	Laparoscopic Tower and Slave	Nice to have	Strategic/New/Expansion	95,440
Greg Rufe	Anatomic Pathology	Voice Recognition System	Nice to have	Strategic/New/Expansion	280,500
Greg Rufe	Chemical Pathology	HPLC System	Nice to have	Strategic/New/Expansion	40,450
Greg Rufe	UHCD Lab	Immunoassay Analyzer	Nice to have	Strategic/New/Expansion	153,150
Greg Rufe	UHCD Lab	Semen Analyzer	Nice to have	Strategic/New/Expansion	19,950
Theresa De La Haya	General Administration	Exam Room Expansion Project-CMA	Nice to have	Strategic/New/Expansion	150,000
Theresa De La Haya	General Administration	UCCH 3rd Floor Expansion	Nice to have	Strategic/New/Expansion	4,300,000
Theresa De La Haya	South Flores Clinic	Education and Staff Break Room Renovation	Nice to have	Strategic/New/Expansion	5,000
Bill Phillips	Clinical Systems	U.T. Interfaces	Nice to have	Strategic/New/Expansion	400,000
					80,906,417

2009 Identified Capital Needs by Class and Vice President/Administrator

Vice President	Committed	Mandated	Replacement	Strategic/New/Expansion	Total
Bill Phillips	7,000,000	2,305,210	6,662,304	6,672,452	22,639,966
Greg Rufe	282,400	1,853,000	7,122,649	13,541,468	22,799,517
Mark Webb	958,454	0	0	0	958,454
Michelle Ryerson	1,316,577	7,193,437	4,196,956	3,129,080	15,836,049
Nancy Ray	0	168,300	950,000	750,611	1,868,911
Richard Rodriguez	0	1,390,000	0	0	1,390,000
Roberto Villareal	0	0	0	18,000	18,000
Steve Enders	1,109,722	92,500	794,950	3,183,500	5,180,672
Theresa De La Haya	1,506,040	609,058	326,749	4,515,000	6,956,847
Thomas Peters	0	147,200	150,000	960,800	1,258,000
Tony LoBasso	2,000,000	0	0	0	2,000,000
Totals	14,173,193	13,758,705	20,203,608	32,770,911	80,906,417

CFHP Capital Budget 2009**2009 Capital Request**

Business Continuity – Phase II	\$297,000
PBX-CMS-Call Management	\$188,500
Citrix Project – Post Test	\$75,000
Help Desk Software	\$44,000
Anti-Virus/Spy ware Software	\$25,000
Compliance Software	\$50,625
Desktop Scanners (3)	\$5,200
Laptop Computers (7/3)	\$20,000
Desktop Computers (19/21)	<u>\$20,000</u>
Total	\$725,325