


MetroHealth Midyear Update

July 14, 2011





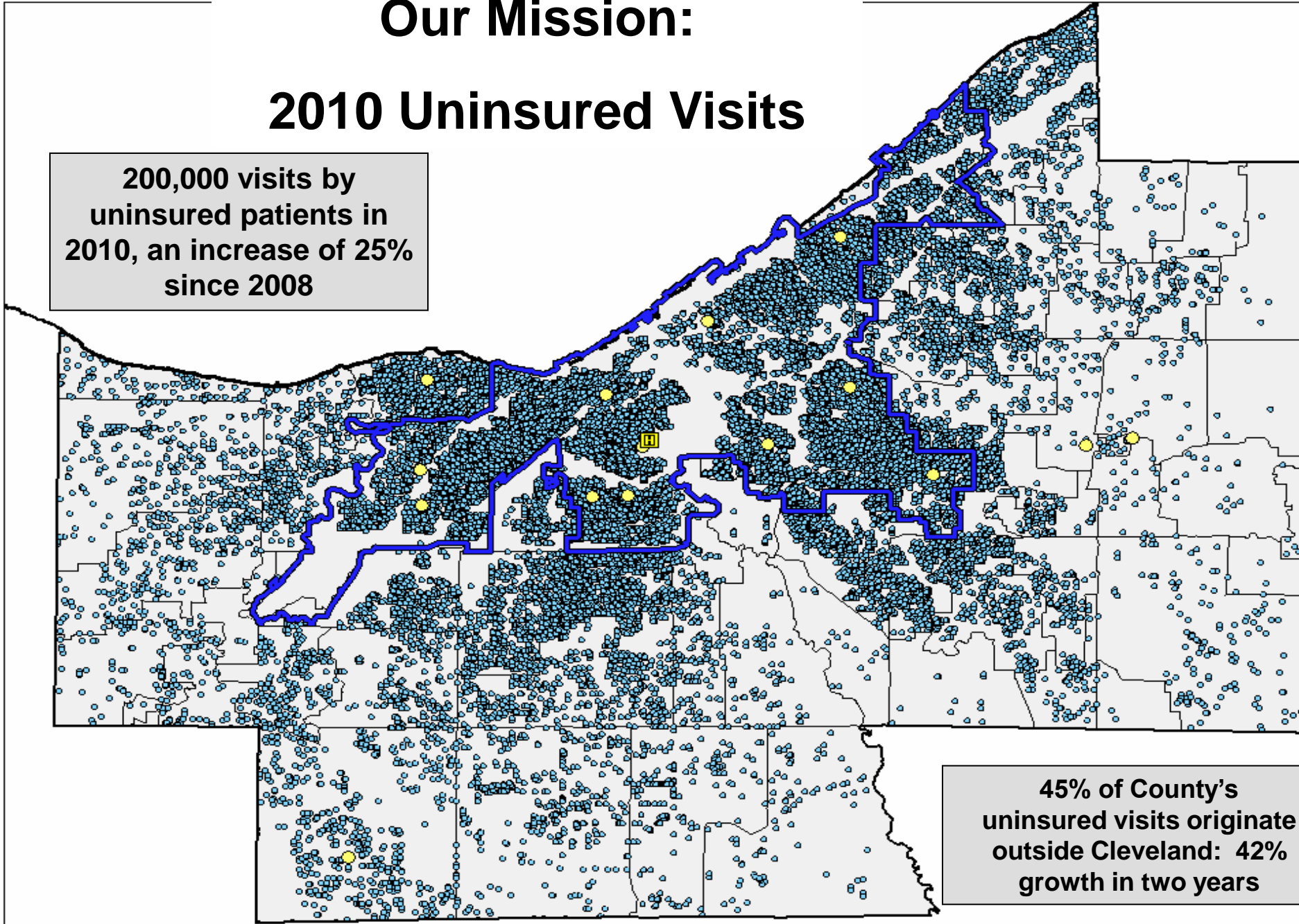
Today's Update

- Our Mission
- Volumes
- Financial Snapshot
- Challenges
- Key Strategic Initiatives

Our Mission:

2010 Uninsured Visits

200,000 visits by
uninsured patients in
2010, an increase of 25%
since 2008



45% of County's
uninsured visits originate
outside Cleveland: 42%
growth in two years

Volumes

Year-to-Date
Trends & Statistics

May YTD 2011 Volume/Performance Metrics vs. Budget and Prior Year

Statistic	YTD May'11 Discharges & Visits				YTD May'10 Discharges & Visits		
	YTD May '11	Variance to Budget			YTD May '10	Y-o-Y Variance	
		YTD Bud.	Var	Var %		Var	Var %
Inpatient Acute	9,072	10,131	● (1,059)	-10.5%	9,959	● (887)	-8.9%
Inpatient Rehab	352	399	● (47)	-11.8%	377	● (25)	-6.6%
Inpatient Newborns	991	1,090	● (99)	-9.1%	1,055	● (64)	-6.1%
Inpatient Subacute	234	267	● (33)	-12.4%	270	● (36)	-13.3%
Long-Term Care	281	302	● (21)	-7.0%	304	● (23)	-7.6%
Outpatient - Main	248,092	251,291	● (3,199)	-1.3%	237,410	● 10,682	4.5%
Outpatient CCH East	54,542	52,312	● 2,230	4.3%	46,771	● 7,771	16.6%
Outpatient CCH West	45,073	45,498	● (425)	-0.9%	41,887	● 3,186	7.6%
Emergency Room *	43,439	40,893	● 2,546	6.2%	40,766	● 2,673	6.6%
Inpatient Surgeries	2,142	2,154	● (12)	-0.6%	2,128	● 14	0.7%
Ambulatory Surgeries	5,704	5,383	● 321	6.0%	5,189	● 515	9.9%
Deliveries	1,176	1,243	● (67)	-5.4%	1,191	● (15)	-1.3%
Life Flight - Helicopter	667	672	● (5)	-0.7%	646	● 21	3.3%
Observations	4,748	3,892	● 856	22.0%	3,869	● 879	22.7%

* Includes 'Triage Only'

The MetroHealth System Consolidated Income Statement

May 2011 Year-to-Date				
	Actual	Budget	Fav/(Un-Fav)	Prior Yr
OPERATING REVENUES				
Inpatient Revenue	336,082	343,717	(7,635)	324,493
Outpatient Revenue	487,873	473,461	14,412	428,624
Gross Patient Revenue	823,955	817,178	6,777	753,117
Care Assurance	12,707	12,675	32	13,600
Upper Payment Limit	10,343	10,680	(337)	8,371
Contractual Adjustment	440,453	425,310	(15,143)	393,949
Charity Care	109,523	112,475	2,952	105,234
Denials and Write-Offs	5,724	5,297	(427)	8,651
Prior Year Settlements	(1,376)	(886)	490	(4,225)
Total Deductions	554,324	542,196	(12,128)	503,609
Net Patient Revenue	292,681	298,337	(5,656)	271,479
Incidental Sales	3,125	3,139	(14)	2,917
Other Income	9,964	10,716	(752)	13,092
Other Operating Revenue	13,089	13,855	(766)	16,009
County Appropriations	15,042	15,042	-	16,667
Total Operating Revenue	320,812	327,234	(6,422)	304,155
OPERATING EXPENSES				
Salaries and Wages	169,350	169,294	(56)	153,960
Employee Benefits	40,267	41,124	857	36,292
Medical Supplies	18,531	16,203	(2,328)	16,621
Pharmaceuticals	13,245	13,718	473	13,030
Plant Operations	11,072	11,037	(35)	10,686
Supplies & Other Expenses	29,918	29,772	(146)	25,503
Franchise Fee & Prop Taxes	2,249	2,460	211	2,938
Gen & Prof Liab Insurance	4,240	4,500	260	5,520
Provision for Bad Debt	12,728	11,701	(1,027)	10,308
Depreciation	12,165	14,453	2,288	13,571
Interest Expense	4,955	4,919	(36)	4,683
Total Operating Expense	318,720	319,181	461	293,112
Operating Income / (Loss)	2,092	8,053	(5,961)	11,043
Interest Income/Realized Gains	2,323	2,408	(85)	2,792
Operating Indicator Inc (Loss)	4,415	10,461	(6,046)	13,835

Challenges

- Shift in payor mix towards more self pay and Medicaid
- Population decline impacting volumes, e.g. obstetrics, pediatrics
- Downward pressure on government reimbursement, e.g. long term care, inpatient care
- Ongoing pressure on cost structure in all service lines and System administration
- Unknown impact of Huron Road closure and Ahuja/Seidman/Twinsburg/Avon/Medina openings
- Capital requirements to modernize: technology, site location, facility upgrades

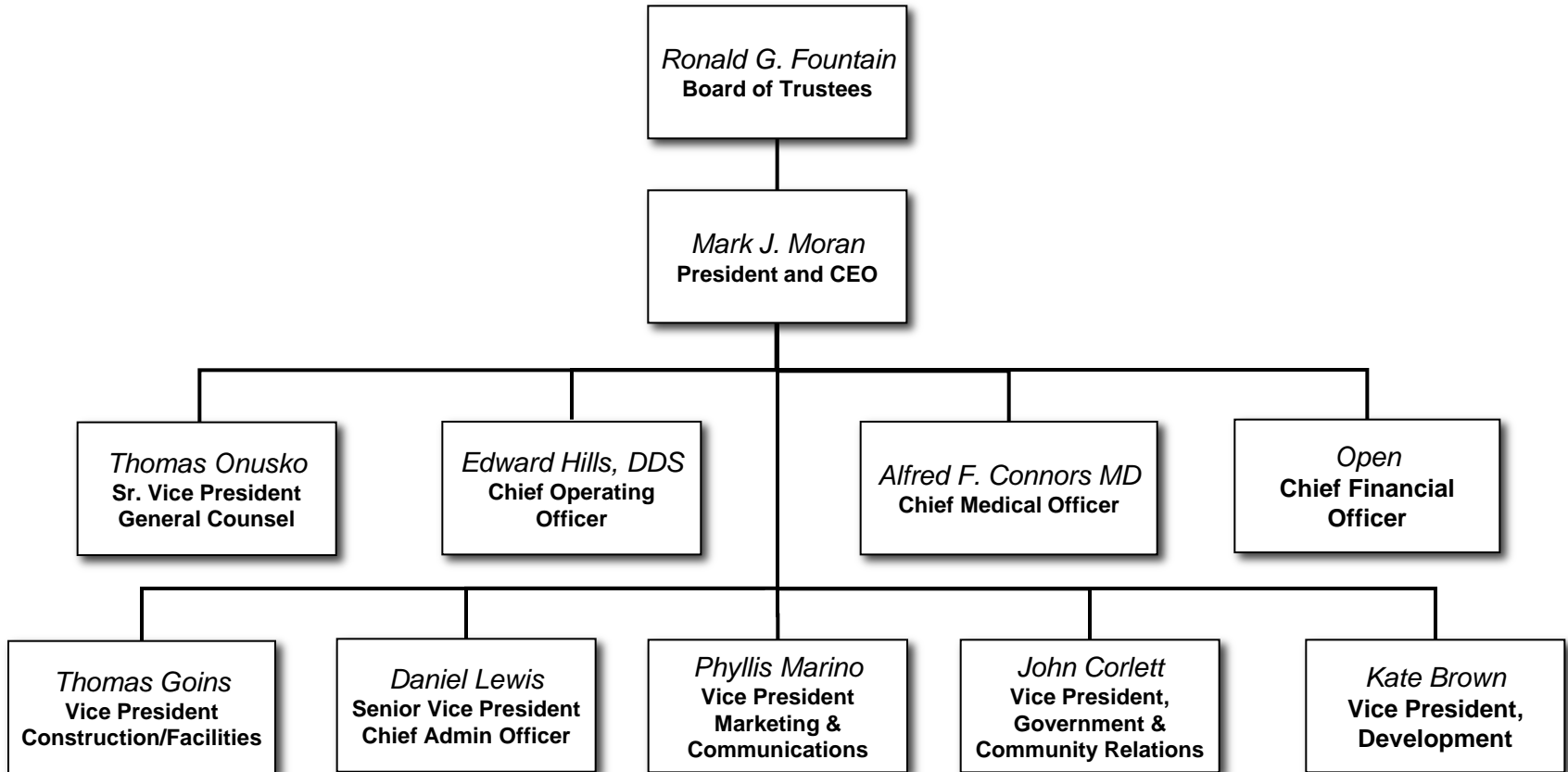
Key Strategic Initiatives

Current
Strategic
Campaigns
2011

- ▶ *Improve Access & Patient Satisfaction*
- ▶ *Expand Ambulatory Network*
- ▶ *Reduce Costs*
- ▶ *Prepare for Health Reform*
- ▶ *Prepare for Campus Renewal*

Organization Structure

July 1, 2011



Note: Excludes Compliance

Medical Operations Organization

July 1, 2011

Edward Hills, DDS
Chief Operating Officer



2010 Net Revenue (M)	\$43.4	\$122.5	\$56.7	\$67.7	\$73.0	\$65.1	\$51.9	\$164.4	\$24.3
2010 FTEs	539.9	922.3	536.6	290.7	296.9	391.5	634.2	445.0	465.5

