



**Report 1A**

**University of New Mexico-Health Sciences Center  
Cost to Charge Ratio Calculations  
for the fiscal years ended June 30 2011, 2012 and 2013 (unaudited)**

<b>Operating Expenses from Published Fin Stmt</b>	<u><b>FY11</b></u>	<u><b>FY12</b></u>	<u><b>FY13</b></u>
University of New Mexico Hospital/YCHC/Carrie Tingley	667,655,495	693,028,692	726,361,454
University of New Mexico-Psychiatric Center/ASAP/Children's Psychiatric Center	<u>48,990,686</u>	<u>49,381,288</u>	<u>48,001,699</u>
	716,646,181	742,409,980	774,363,153
Sandoval Regional Medical Center	-	-	49,206,822
UNM Cancer Center	36,134,908	34,400,026	37,134,142
UNM Medical Group	<u>161,309,242</u>	<u>163,037,199</u>	<u>190,173,882</u>
Total Operating Expenses	<u><u>914,090,331</u></u>	<u><u>939,847,205</u></u>	<u><u>1,050,877,999</u></u>
<b>Annual Operating Expense Increase</b>		<b>2.8%</b>	<b>11.8%</b>
<b>Three-year Cumulative Operating Expense Increase</b>			<b>15.0%</b>
<b>Gross Patient Charges</b>	<u><b>FY11</b></u>	<u><b>FY12</b></u>	<u><b>FY13</b></u>
University of New Mexico Hospital	1,437,947,244	1,484,058,283	1,571,081,705
Sandoval Regional Medical Center	-	-	59,249,376
UNM Cancer Center	32,564,711	28,513,028	39,403,338
UNM Medical Group	<u>343,478,626</u>	<u>358,717,696</u>	<u>403,766,200</u>
Total Gross Patient Charges	<u><u>1,813,990,581</u></u>	<u><u>1,871,289,007</u></u>	<u><u>2,073,500,619</u></u>
<b>Cost to Charge Ratio</b>	<u><b>FY11</b></u>	<u><b>FY12</b></u>	<u><b>FY13</b></u>
University of New Mexico Hospital	49.8%	50.0%	49.3%
Sandoval Regional Medical Center	N/A	N/A	83.1%
UNM Cancer Center	111.0% *	120.6% *	94.2% *
UNM Medical Group	47.0%	45.5%	47.1%
<b>Weighted Average Costs</b>	<b>914,090,331</b>	<b>939,847,205</b>	<b>1,050,877,999</b>
<b>Weighted Average HSC Cost to Charge Ratio Gross Charges (CCRGC)</b>	50.4%	50.2%	50.7%

This method of apportioning costs to charges uses gross patient charges as the denominator, and operating expenses per the University Hospitals' published financial statements as the numerator. Also included in the numerator are UNMMG costs for Physician's Professional Charges that include physicians payroll and benefits apportioned according to each physicians self-reported clinical effort %, UNMCC direct costs that were taken from the Banner systems, and overhead costs that were allocated based on the UNM F&A proposal.

According to the Centers for Medicare and Medicaid Services, Department of Health and Human Services:

"Charges refer to the regular rates established by the provider for services rendered to both beneficiaries and to other paying patients. Charges should be related consistently to the cost of services and uniformly applied to all patients...All patients' charges used in the development of apportionment ratios should be recorded at the gross value; i.e., charges before the application of allowances and discounts deductions."

\* FY11 through FY13 exclude Infusion Suite