



One Robert Wood Johnson Place, New Brunswick, NJ 08901

The principal teaching hospital for  
Rutgers Robert Wood Johnson Medical School

FINANCIAL STATEMENT AND OPERATING REPORT  
FOR THE PERIOD ENDED

JUNE 30, 2016

**RWJ New Brunswick and Somerset Hospital**

Consolidated Balance Sheets

*(in thousands)*

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Balance</b>	<b>Balance</b>
	<hr/>	<hr/>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 8,190	\$ 31,070
Assets limited or restricted as to use		
Patient accounts receivable, net of allowance for doubtful accounts		
of \$10,845 and \$12,251	195,136	166,475
Estimated amounts due from third-party payors, net		-
Due from affiliates	9,272	7,886
Other current assets	72,675	64,119
Total current assets	<hr/>	<hr/>
	285,273	269,550
Assets limited or restricted as to use, non-current portion:		
Under bond indenture agreements	72,381	92,416
Board designated funds	-	584,810
Foundation restricted funds	-	-
Capital campaign funds	-	-
Self-insurance funds	24,644	24,999
Supplemental employee and other retirement assets	-	-
Other limited use assets	-	11,262
Externally designated or restricted	11,440	3
Total noncurrent assets limited or restricted as to use	<hr/>	<hr/>
	108,465	713,490
Investments	591,598	-
Property, plant and equipment, net	599,735	579,833
Due from affiliates	9,527	6,878
Other assets, net	94,477	96,206
	<hr/>	<hr/>
	1,689,075	1,665,957
	<hr/>	<hr/>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	194,673	178,669
Current portion of estimated amounts due to third-party payors	16,920	15,220
Current portion of long-term debt	9,425	9,425
Current portion of self-insurance liabilities	8,216	12,892
Due to affiliates	4,202	-
Total current liabilities	<hr/>	<hr/>
	233,437	216,206
Estimated amounts due to third-party payors, net of current portion	18,714	29,277
Long-term debt, net of current portion	413,595	415,940
Self insurance claims liabilities, net of current portion	-	-
Accrued pension liability	29,264	29,358
Due to affiliates	-	-
Other liabilities	87,743	86,900
Total liabilities	<hr/>	<hr/>
	782,753	777,682
Net assets:		
Unrestricted	861,219	843,320
Temporarily restricted	40,897	40,762
Permanently restricted	4,207	4,193
Total net assets	<hr/>	<hr/>
	906,323	888,275
Total liabilities and net assets	<hr/>	<hr/>
	\$ 1,689,075	\$ 1,665,957
	<hr/>	<hr/>

## RWJ New Brunswick and Somerset Hospital

### Consolidated Statements of Operations and Changes in Net Assets

(in thousands)

(unaudited)

	Six months ended	
	June 30, 2016	June 30, 2015
Revenue:		
Patient service revenue (net of contractual allowances and discounts)	\$ 687,381	\$ 644,470
Provision for bad debts	(33,024)	(34,311)
Net patient service revenue less provision for bad debts	654,357	610,159
Other revenue, net	22,103	16,279
Total revenue	676,460	626,438
Expenses:		
Salaries and wages	242,690	228,567
Physician fees and salaries	43,052	43,487
Employee benefits	60,054	57,687
Supplies	145,139	135,554
Other expenses	116,050	96,066
Interest	7,641	7,096
Depreciation	33,220	31,260
Total expenses	647,846	599,717
Income from operations	28,614	26,721
Nonoperating revenue (expenses):		
Interest income	48,534	7,123
Realized gains (losses) on investments	-	-
Unrealized gains on trading investments	(39,166)	8,925
Other, net	(20,057)	(11,671)
Total nonoperating revenue, net	(10,689)	4,377
Excess of revenue over expenses	17,925	31,098
Net change in unrealized gains on available for sale investments	-	-
Pension and postretirement changes other than net periodic benefit cost	-	-
Net assets released from restriction for purchase of property and equipment	-	-
Net asset transfer from Foundation	-	-
Other	(34)	611
Total other changes in net assets	(34)	611
Increase in net assets	\$ 17,891	\$ 31,709

ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL  
COMPARATIVE STATISTICS REPORT  
JUNE 2016 AND SIX MONTHS YEAR-TO-DATE

	<u>FISCAL YEAR-TO-DATE</u>	
	<u>ACT</u>	<u>FY2015</u>
	<u>(E)</u>	<u>(H)</u>
<b><u>OCCUPIED BEDS</u></b>		
INPATIENT ADMISSIONS	17,051	17,629
SAME DAY SURGICAL PROCEDURES	4,927	4,573
SAME DAY MEDICAL PROCEDURES	4,954	4,400
OBSERVATION PATIENTS	3,609	2,699
<b>TOTAL</b>	<b>30,541</b>	<b>29,301</b>
<b><u>INPATIENT ADMISSIONS</u></b>		
ADULTS with ICU	12,906	13,316
PEDs with PICU	1,498	1,781
MATERNITY	1,376	1,298
NEWBORN NURSERY	1,085	1,049
NICU	186	185
<b>TOTAL</b>	<b>17,051</b>	<b>17,629</b>
<b><u>AVERAGE LENGTH OF STAY</u></b>		
ADULTS with ICU	6.29	6.36
PEDs with PICU	5.07	4.55
MATERNITY	3.16	3.20
NEWBORN NURSERY	2.46	2.76
NICU with SCN	17.46	17.62
<b>TOTAL</b>	<b>5.80</b>	<b>5.84</b>
<b><u>AVERAGE DAILY CENSUS</u></b>		
ADULTS with ICU	445.69	467.56
PEDs with PICU	41.76	44.74
MATERNITY	23.87	22.93
NEWBORN NURSERY	14.66	15.99
NICU with SCN	17.84	18.01
<b>TOTAL</b>	<b>543.82</b>	<b>569.23</b>
<b>OCCUPANCY PERCENT</b>	<b>83.7%</b>	<b>87.6%</b>
<b><u>CASE MIX (INTENSITY) INDEX</u></b>		
MEDICARE CMI	2.08	2.02
HOSPITAL INTENSITY INDEX	1.74	1.66
<b><u>EMERGENCY DEPARTMENT</u></b>		
ADULT Total Visits	36,028	35,041
ADULT Admits thru ED	11,378	10,901
PEDIATRIC Total Visits	12,768	12,830
PEDIATRIC Admits thru ED	1,393	1,511
Rapid Admit Unit	595	661
<b><u>SURGERIES (MAIN OR)</u></b>		
ADULT Inpatient	4,409	4,457
ADULT Outpatient	3,148	3,010
PEDIATRIC Inpatient	582	715
PEDIATRIC Outpatient	1,779	1,589
<b>TOTAL</b>	<b>9,918</b>	<b>9,771</b>
<b><u>CVI-RELATED PROGRAMS</u></b>		
OPEN HEART Surgeries	628	640
HEART Transplantations	7	3
CARDIAC Catheterizations	2,252	2,216
CORONARY Angioplasties	1,125	1,095
PACEMAKERS Implanted	184	154
AICDs Implanted	302	323
PERIPHERALS	105	108
<b><u>OTHER MAJOR PROGRAMS</u></b>		
RADIATION ONCOLOGY Treatments	8,156	7,605
CHEMOTHERAPY Treatments	14,442	14,268
KIDNEY/PANCREAS Transplantations	35	37

ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL SOMERSET  
 COMPARATIVE STATISTICS REPORT  
 JUNE 2016 AND SIX MONTHS YEAR-TO-DATE

	<i>FISCAL YEAR-TO-DATE</i>	
	ACT (E)	FY2015 (H)
<b>OCCUPIED BEDS</b>		
INPATIENT ADMISSIONS	7,113	7,181
SAME DAY SURGICAL PROCEDURES	1,843	1,971
SAME DAY MEDICAL PROCEDURES	1,867	1,817
OBSERVATION PATIENTS	1,712	1,451
<b>TOTAL</b>	<b>12,535</b>	<b>12,420</b>
<b>INPATIENT ADMISSIONS</b>		
ADULTS with ICU	5,992	5,919
EATING DISORDERS	86	89
PSYCH	259	290
MATERNITY	404	469
NEWBORN NURSERY	372	414
<b>TOTAL</b>	<b>7,113</b>	<b>7,181</b>
<b>AVERAGE LENGTH OF STAY</b>		
ADULTS with ICU	4.66	5.05
EATING DISORDERS	17.90	19.25
PSYCH	8.47	6.74
MATERNITY	2.55	2.45
NEWBORN NURSERY	2.51	2.50
<b>TOTAL</b>	<b>4.73</b>	<b>4.98</b>
<b>AVERAGE DAILY CENSUS</b>		
ADULTS with ICU	153.46	165.14
EATING DISORDERS	8.46	9.46
PSYCH	12.06	10.80
MATERNITY	5.66	6.35
NEWBORN NURSERY	5.13	5.73
<b>TOTAL</b>	<b>184.77</b>	<b>197.48</b>
<b>OCCUPANCY PERCENT</b>	<b>52.0%</b>	<b>55.6%</b>
<b>CASE MIX (INTENSITY) INDEX</b>		
MEDICARE CMI	<b>1.49</b>	<b>1.53</b>
HOSPITAL INTENSITY INDEX	<b>1.34</b>	<b>1.37</b>
<b>EMERGENCY DEPARTMENT</b>		
ADULT Total Visits	27,763	27,419
ADULT Admits thru ED	5,465	5,490
<b>SURGERIES (MAIN OR)</b>		
Inpatient	1,284	1,454
Outpatient	1,843	1,971
<b>TOTAL</b>	<b>3,127</b>	<b>3,425</b>
<b>OTHER MAJOR PROGRAMS</b>		
RADIATION ONCOLOGY Outpatient Treatments	2,740	3,108
PHYSICAL THERAPY Outpatient Treatments	82,104	83,554
SPT Princeton	24,258	26,243
SPT Flemington	4,935	3,681
SPT Hillsborough	21,562	22,205
Ballpark	19,306	18,683
Hospital	12,043	12,742
PSYCH Outpatient Treatments	3,520	4,046
EATING DISORDERS Outpatient Treatments	4,008	4,710

EXHIBIT A

ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL

Section 6.03 of the Third Supplement to the Loan Agreement

Debt Service Coverage Ratio

For the twelve months ended June 30, 2016

1. Funds Available for Debt Service	12-month period Ended 6/30/2016
Operating Income (Loss)	\$ 60,687,000
Investment Income	41,195,000
Interest expense from operation	12,370,890
Depreciation expense	62,706,884
Amortization of financing charges	(275,785)
Unrestricted Gifts and Bequests	-
<b>Total:</b>	<b>\$ 176,683,989</b>

2. Maximum Annual Debt Service Requirement (year 2017; year 2020 used for highest MADD)	Maximum Annual Debt Service Requirement
<u>Long Term Obligations</u>	
a. Series 2003	1,001,386
b. Series 2004	2,180,236
c. Series 2010	9,900,150
d. Series 2013 A	7,625,313
e. Series 2013 B	33,600
f. Capital Leases Payable	718,262
g. Rahway Guarantee	-
h. Series 2014 A	2,856,250
i. Series 2014 B	18,000
<b>Total:</b>	<b>\$ 24,333,197</b>

3. Debt Service Coverage Ratio		
Funds Available for Debt Service	\$ 176,683,989	=
Maximum Annual Debt Service Requirements	\$ 24,333,197	7.26

Minimum required is 1.25

Exhibit B

ROBERT WOOD JOHNSON UNIVERSITY HOSPITAL

Section 6.03 of the Third Supplement to the Loan Agreement

Cushion Ratio

For the twelve-month period ended June 30, 2016

	<u>6/30/16</u>
1. Assets Available for Debt Service	
Cash and Marketable Securities	\$ 8,190,000
Board Designated funds (excl. donor restricted)	<u>591,598,000</u>
<b>Total:</b>	<u><u>\$ 599,788,000</u></u>
2. Maximum Annual Debt Service Requirement (year 2017; year 2020 used for highest MADD)	
<u>Long Term Obligations</u>	
a. Series 2003	1,001,386
b. Series 2004	2,180,236
c. Series 2010	9,900,150
d. Series 2013 A	7,625,313
e. Series 2013 B	33,600
f. Capital Leases Payable	718,262
g. Rahway Guarantee	-
h. Series 2014 A	2,856,250
i. Series 2014 B	<u>18,000</u>
<b>Total:</b>	<u><u>\$ 24,333,197</u></u>

Cushion Ratio:

Assets Available for Debt Service	\$ 599,788,000	=	24.65
Maximum Annual Debt Service Requirements	<u>\$ 24,333,197</u>		

Minimum required is 1.25