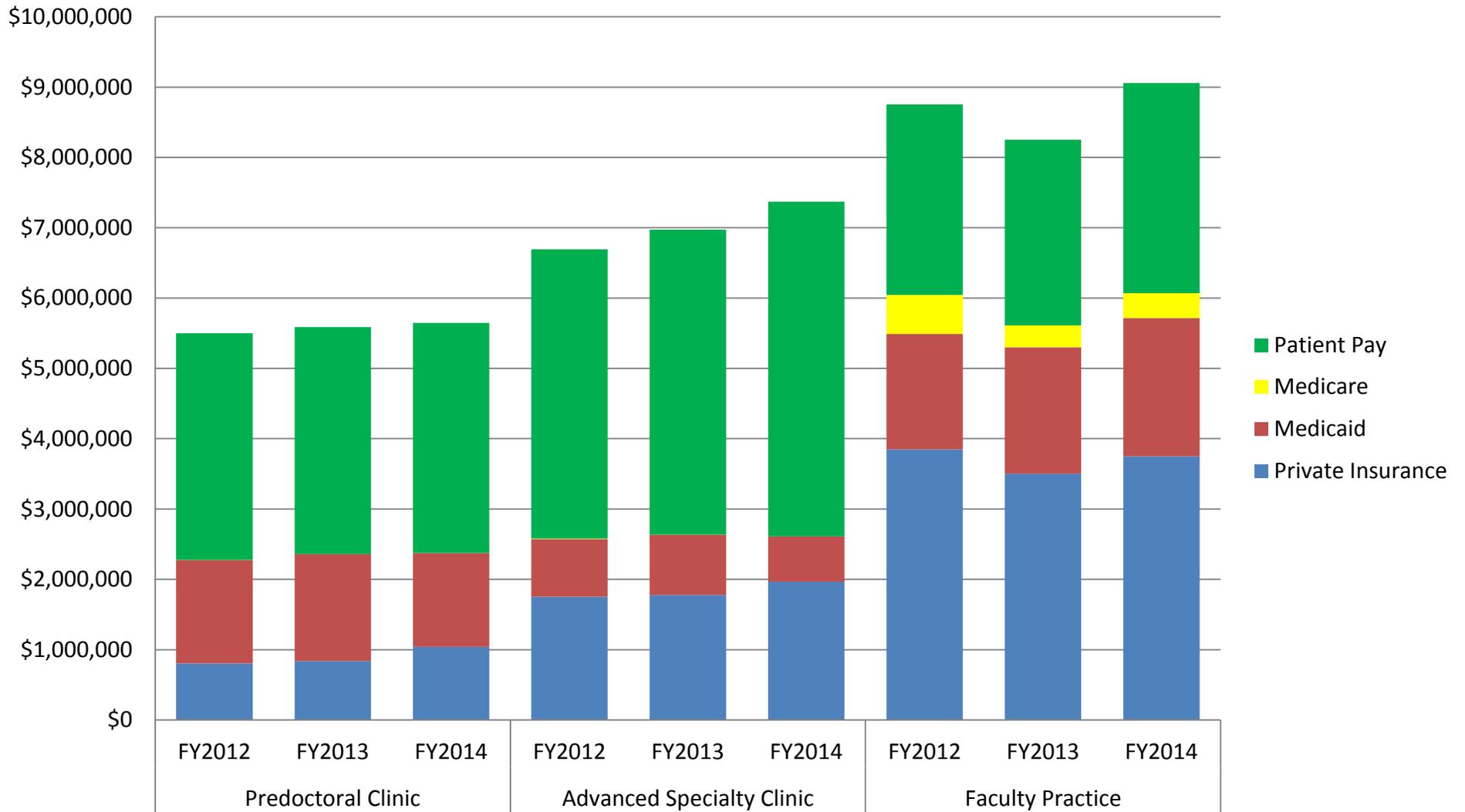


Financial Transparency Initiative

Clinic Operations

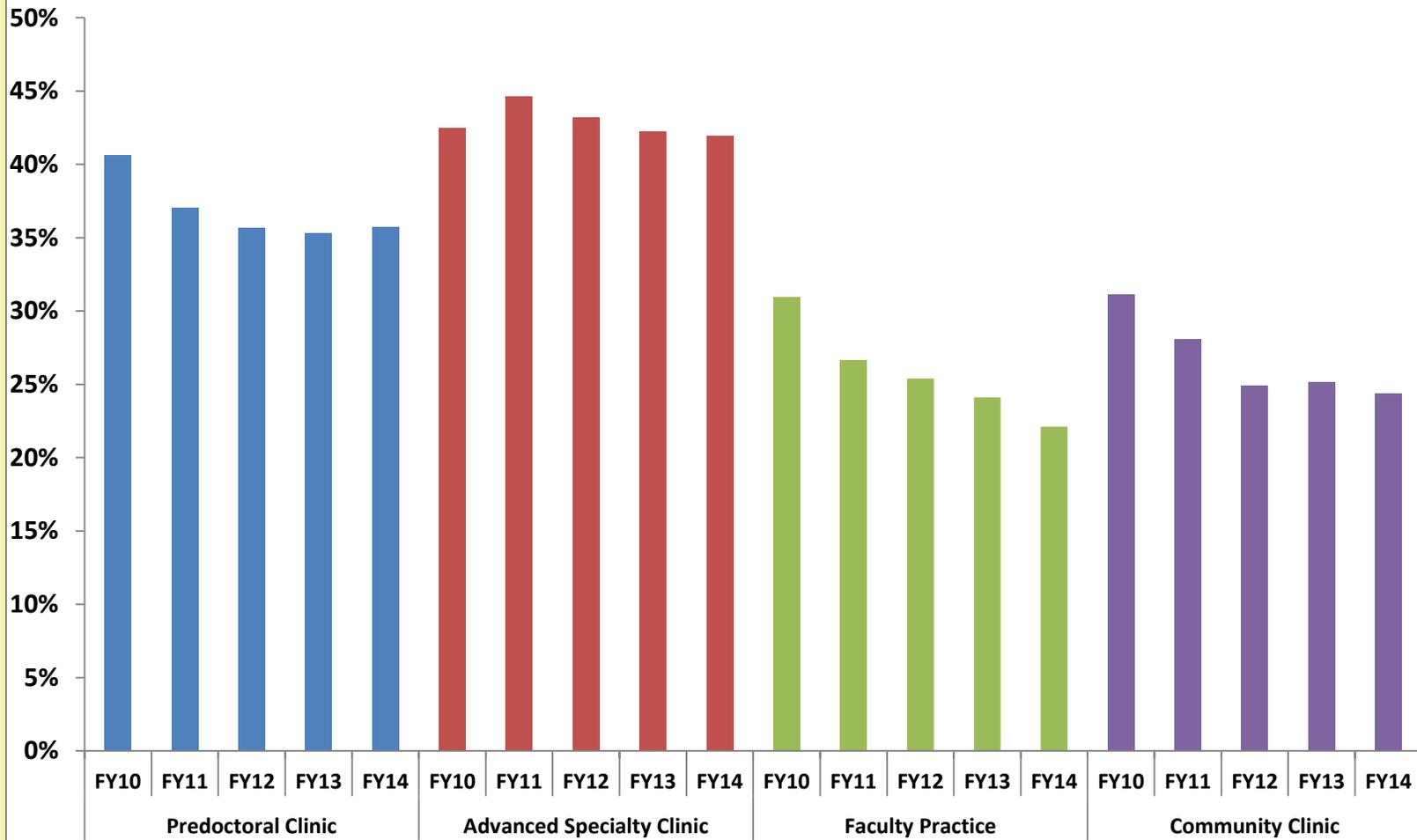


Payor Mix, Based on Cash Collected



Predoctoral (DDS students) and Advanced Specialty (Graduate students) Clinics mostly see patients that pay for procedures directly with their own funds. The level of patients paying for their care is growing in Advanced Specialty Clinics. Faculty practice sees more patients that are paying with private insurance. The majority of Medicaid patients are seen by oral surgeons and hospital dentists in the hospital.

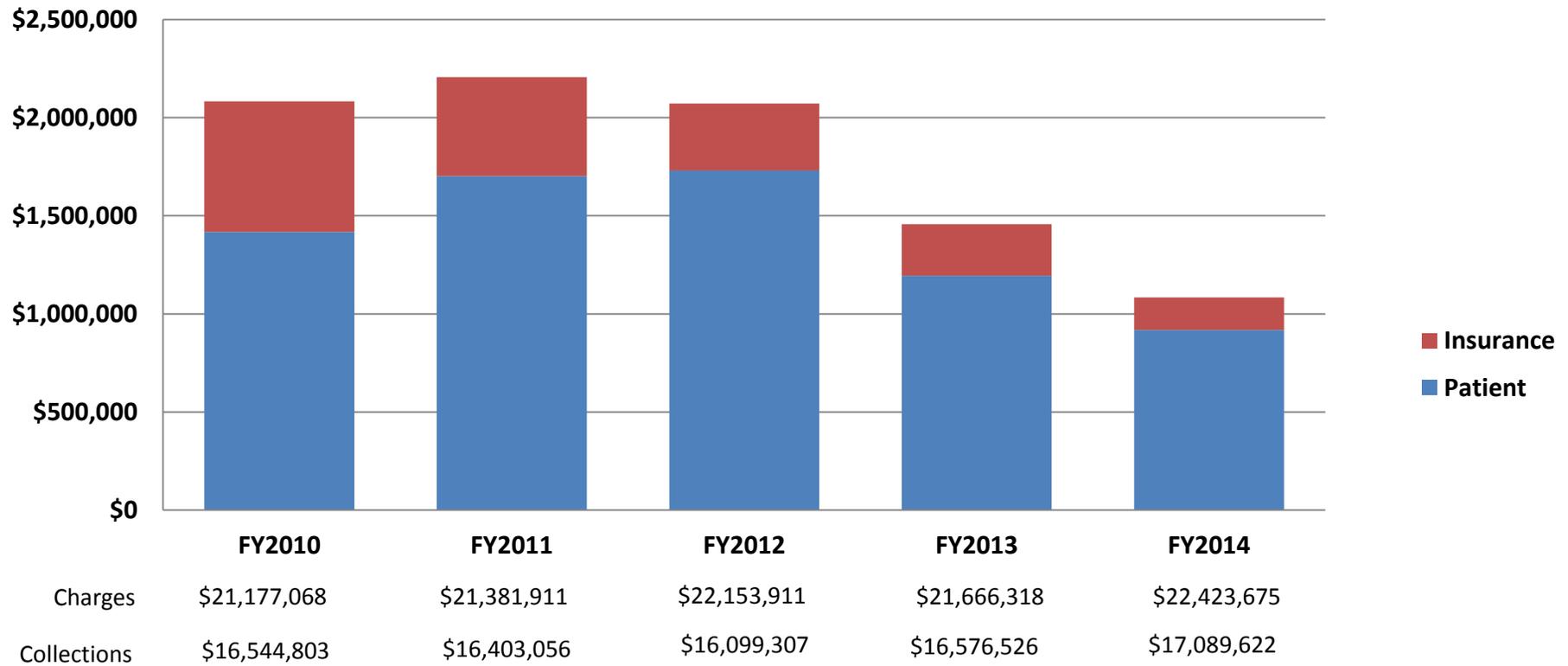
Medicaid Collections as % of Medicaid Charges



The School normally collects about 30% of charges for Medicaid patients. Amounts charged for procedures have increased each year for all clinics. Medicaid pays a set amount for each procedure; that amount has not increased over the past five years.

Each clinic charges a different amount for the same procedure. The chart shows the resulting percentage differences. Faculty practice percent is influenced by the extent of care provided in the hospital setting.

Accounts Receivable Over 120 Days

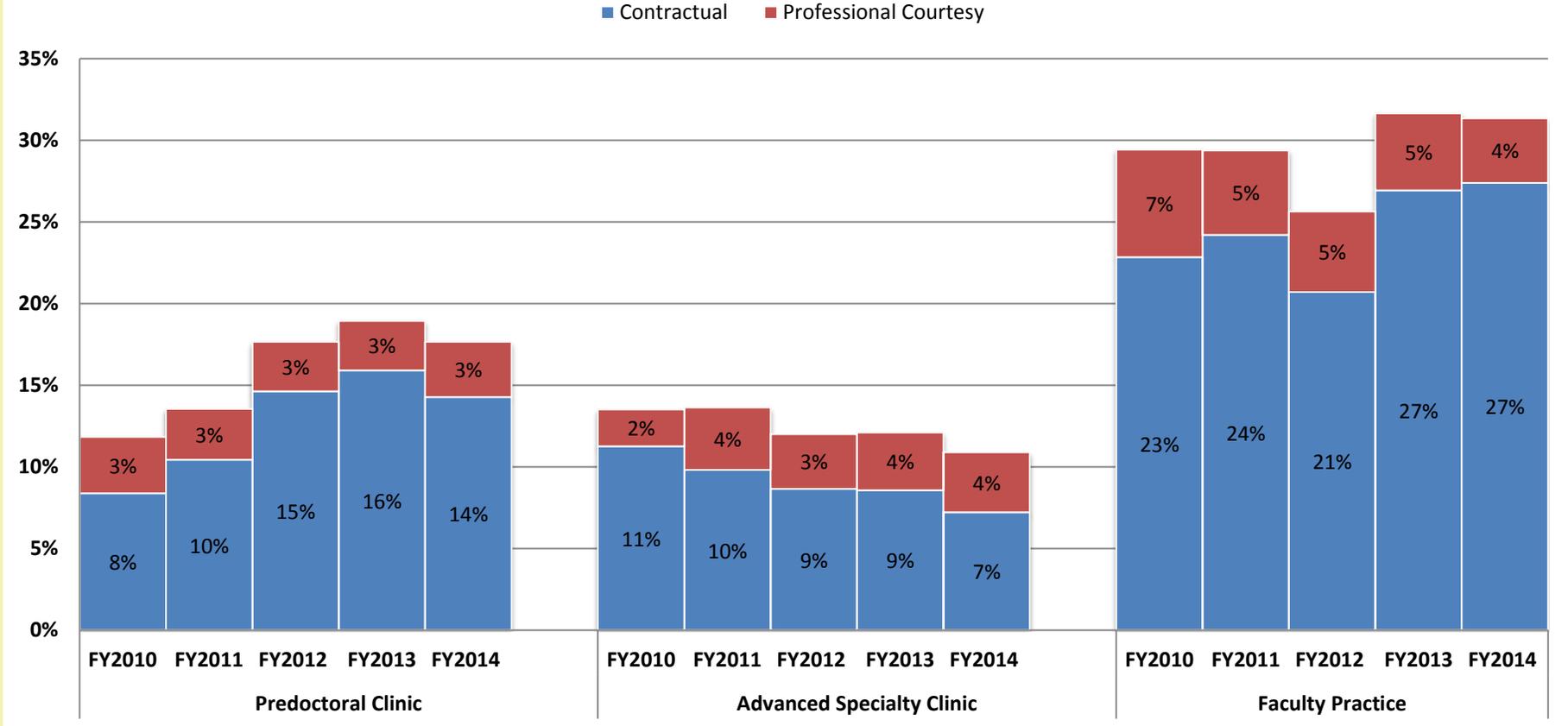


The School's Clinic Billing Office collects for patient services performed. These critical resources are only available for academic departments' use if they are collected. The older an account gets, the less likely it will be collected.

Receivables over 120 days old are an indication as to how well the collections process is working. There is progress over the past four years in collecting from patients directly and from those paying through insurance. Aged (over 120 days from the time of service) receivables for patients paying through insurance have improved more than 60% over that time. Receivables from patients paying directly have improved by over 18%. Charges over that period have not declined, yet overall collections have improved.

There are a set of patients that make modest payments over an extended period of time, knowing that their accounts cannot be sent to collection as long as regular payments are made at any level.

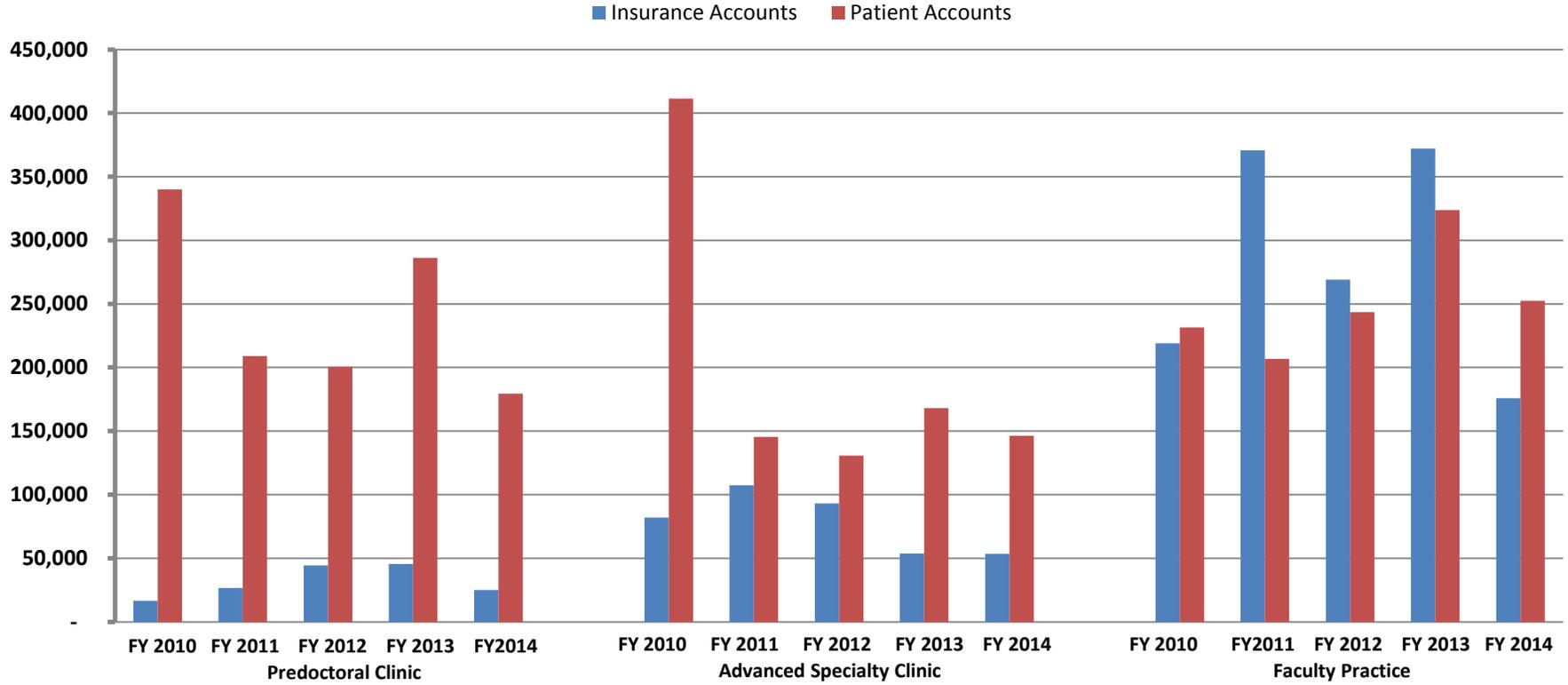
Adjustments as % of Gross Clinic Revenues



When patients are billed for services, there are typically a couple factors that lower the amounts the School can collect. One is a contractual deduction from the charge that is determined with the insurance provider (contractual adjustment). The other is a professional courtesy reduction from the gross charge, done by a service provider at their own discretion. The volume of each for a clinic is presented as a percent of the gross charges for that clinic. Faculty practice experiences the highest volume of commercial and Medicaid patients, therefore its contractual adjustments will be highest. Most of the Medicaid activity takes place in the hospital clinic, where patients are treated by oral surgeons and hospital dentists. In terms of discretionary decisions to lower gross amounts charged, faculty practice has made progress while Advanced Specialty Clinics are writing down larger volumes over this five year period.

Activity from the Community Dental Center and clinical research operations is excluded from the analysis.

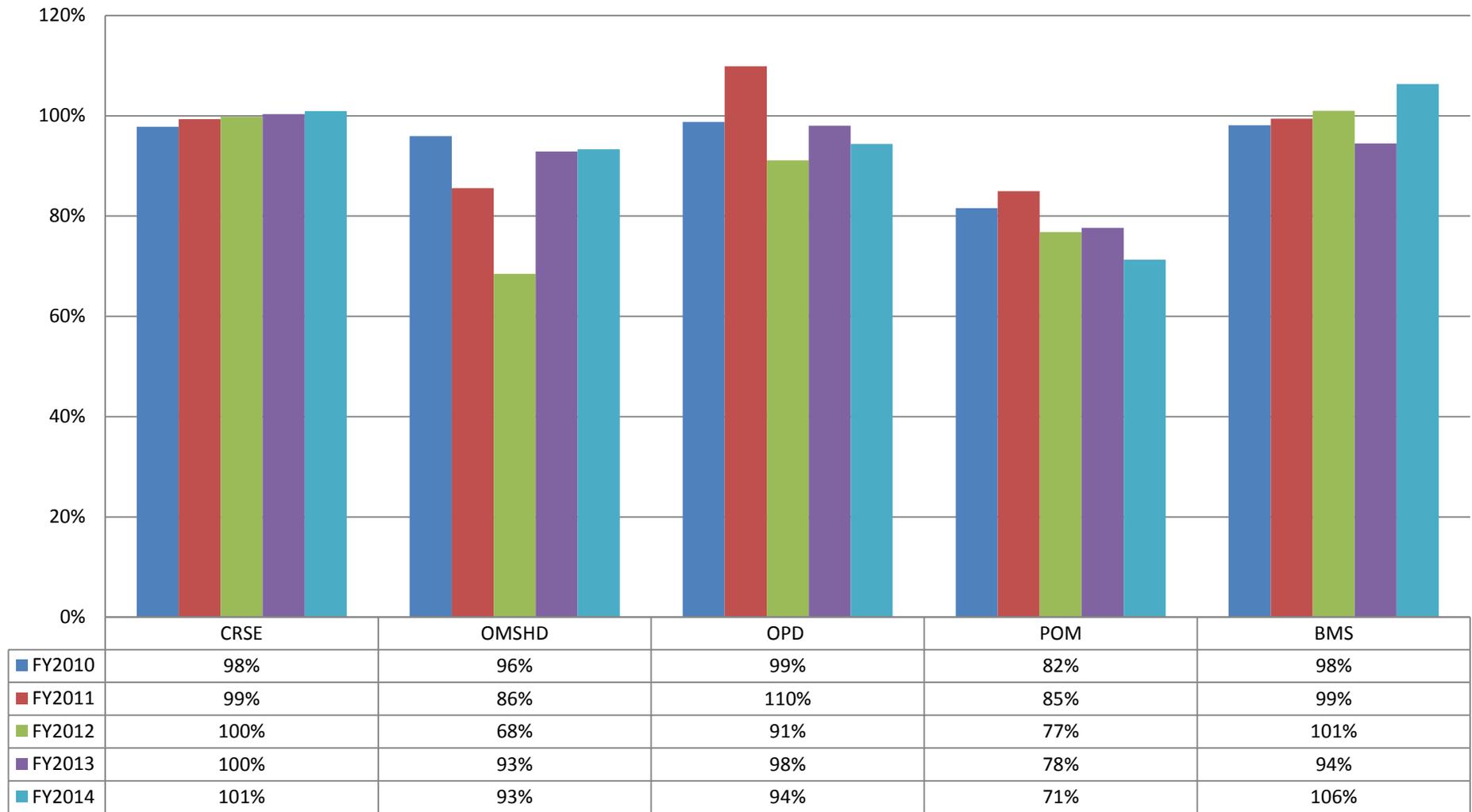
Write Offs by Clinics



Net Charges (Thousands)	4,823	4,827	4,635	4,579	4,546	7,334	6,022	5,913	6,112	6,391	4,417	5,709	6,425	5,481	5,963
Collections (Thousands)	4,550	4,537	4,369	4,505	4,478	6,771	5,905	5,730	5,929	6,327	4,318	5,128	5,484	5,522	5,838

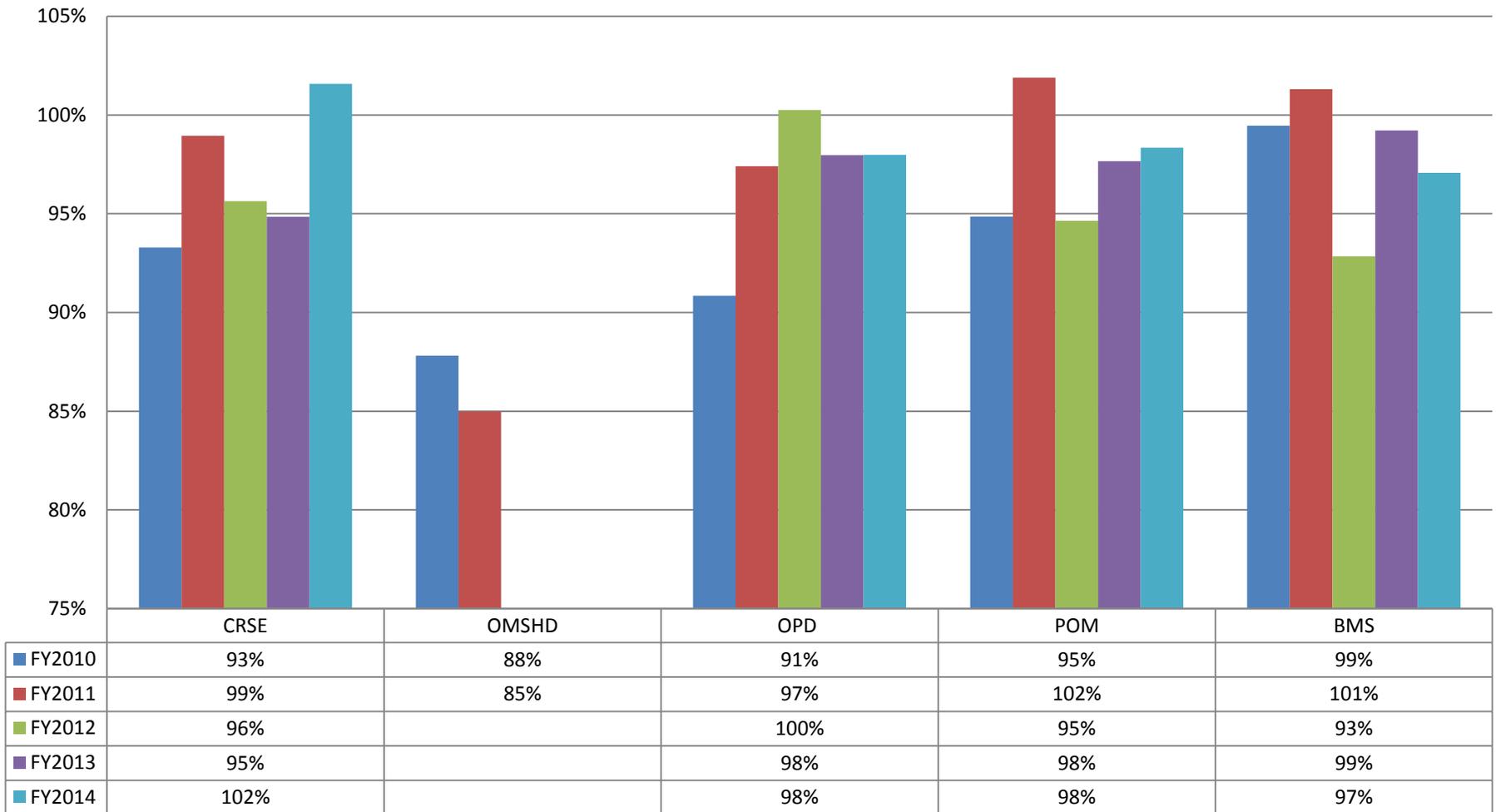
The dollar level of write offs for insurance related patients and for those without insurance is shown by clinic. Net charges and cash collected for each clinic are shown to provide some perspective for how the Clinic Billing Office is performing. The total write-offs in FY14

Cash Collections as % of Net Charges Faculty Practice



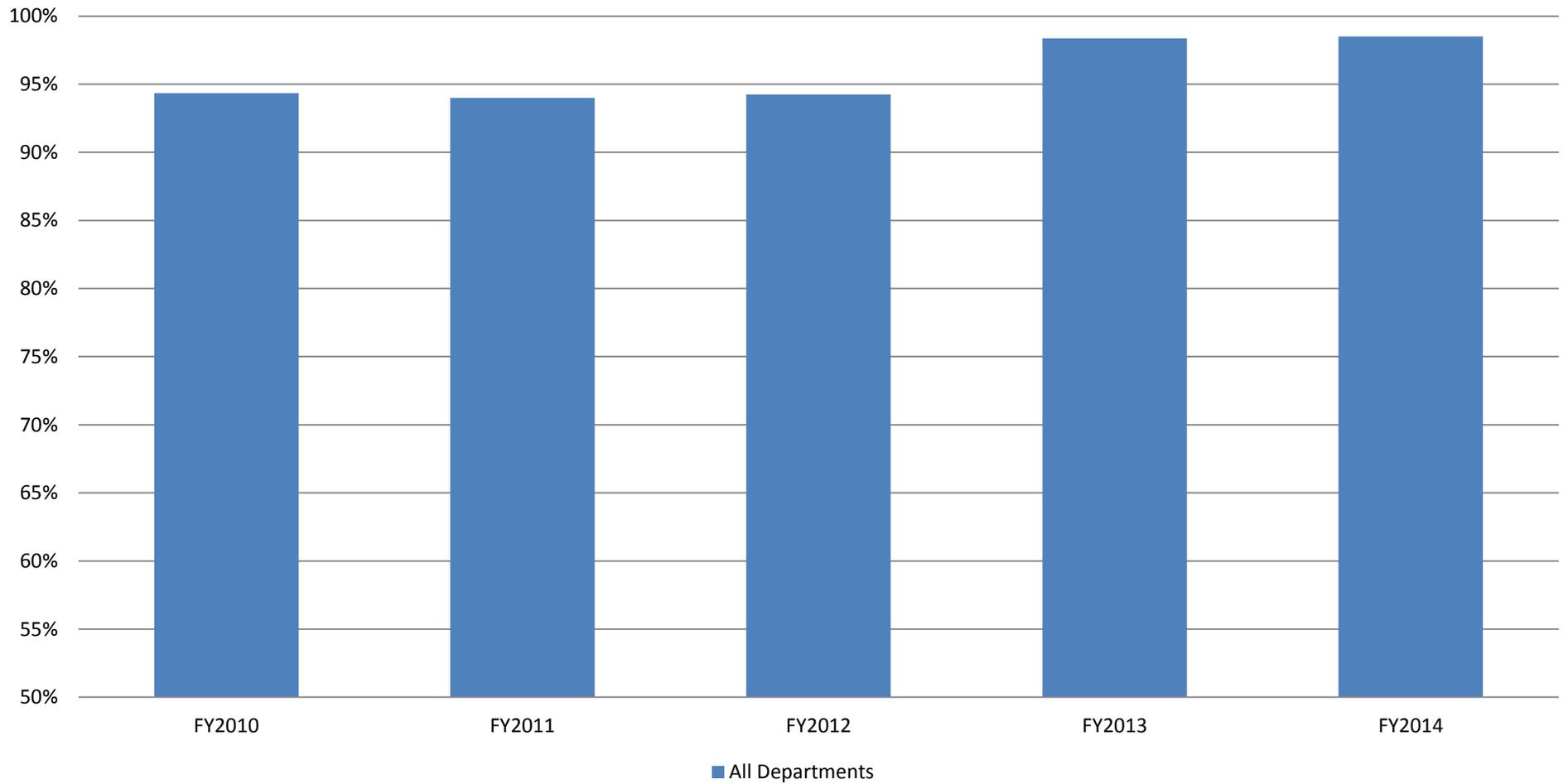
The industry standard for collections is to collect 95% of net charges to patients. The Clinic Billing Office (CBO) has been fairly consistent in meeting that standard. Collections for faculty practice in POM are done by an outside firm.

Cash Collections as % of Net Charges Advanced Specialty Clinic



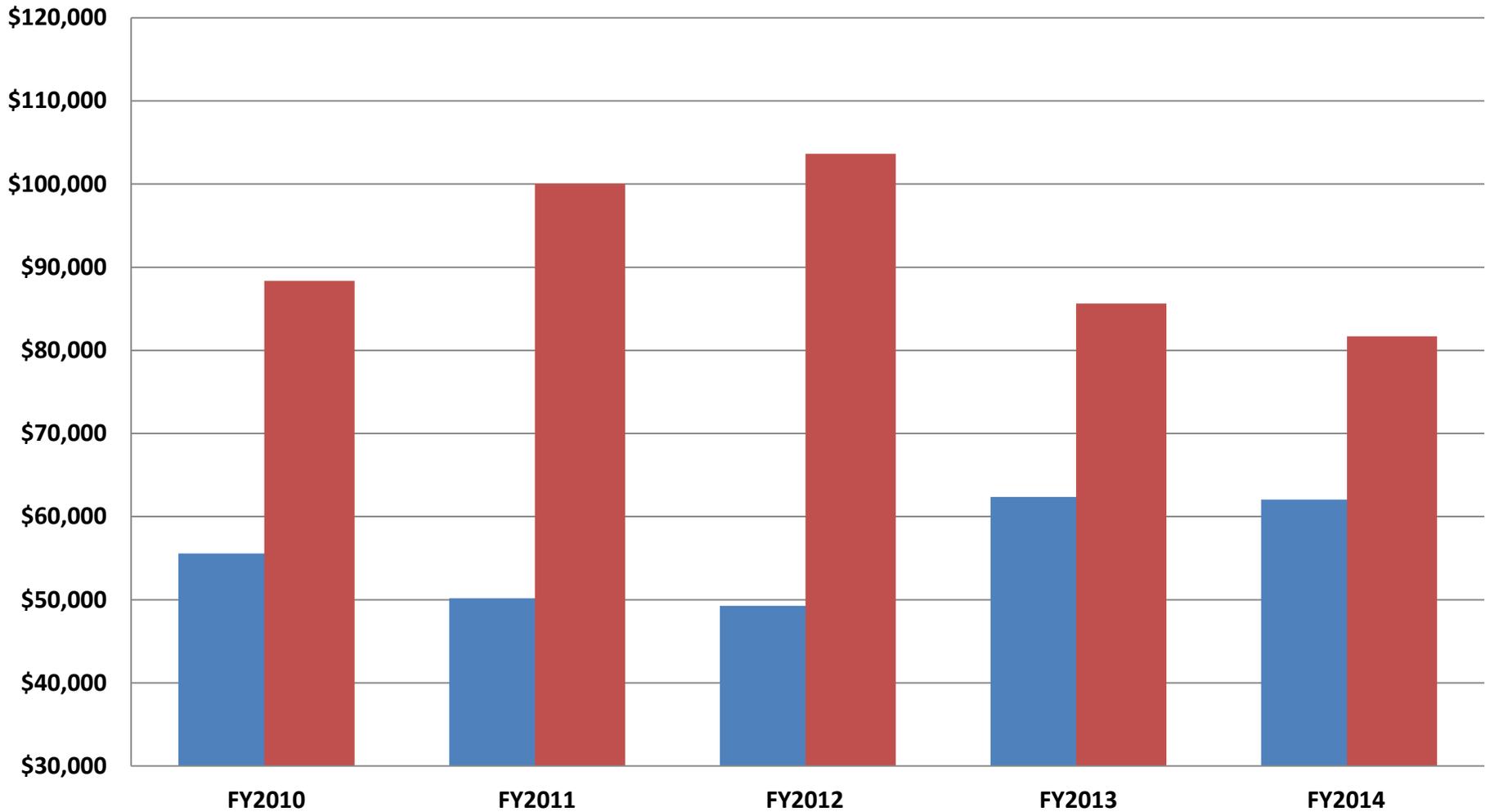
Each department received funds in Advanced Specialty Clinics and Faculty Practice Clinics only to the extent that cash is collected on procedures performed.

Cash Collections as % of Net Charges Predoctoral Clinic



Net Charges per Provider

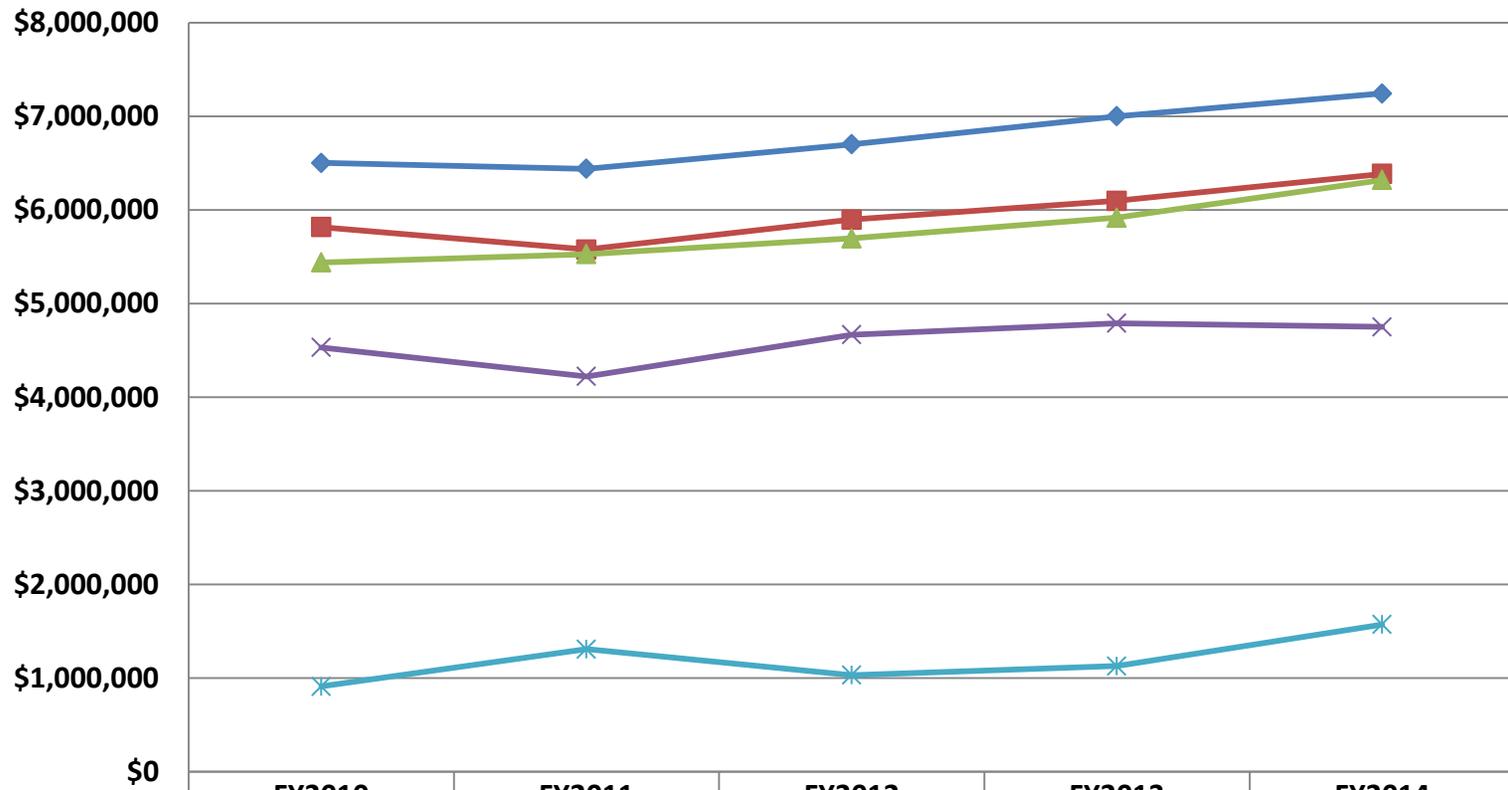
■ Advanced Specialty ■ Faculty Practice



Advanced Specialty service providers (graduate students) have seen the average dollar level of service provided grow by over 20% in two years.

Average charges generated by faculty practice member have declined by 20% over that time.

Summary Advanced Specialty Clinic Activity

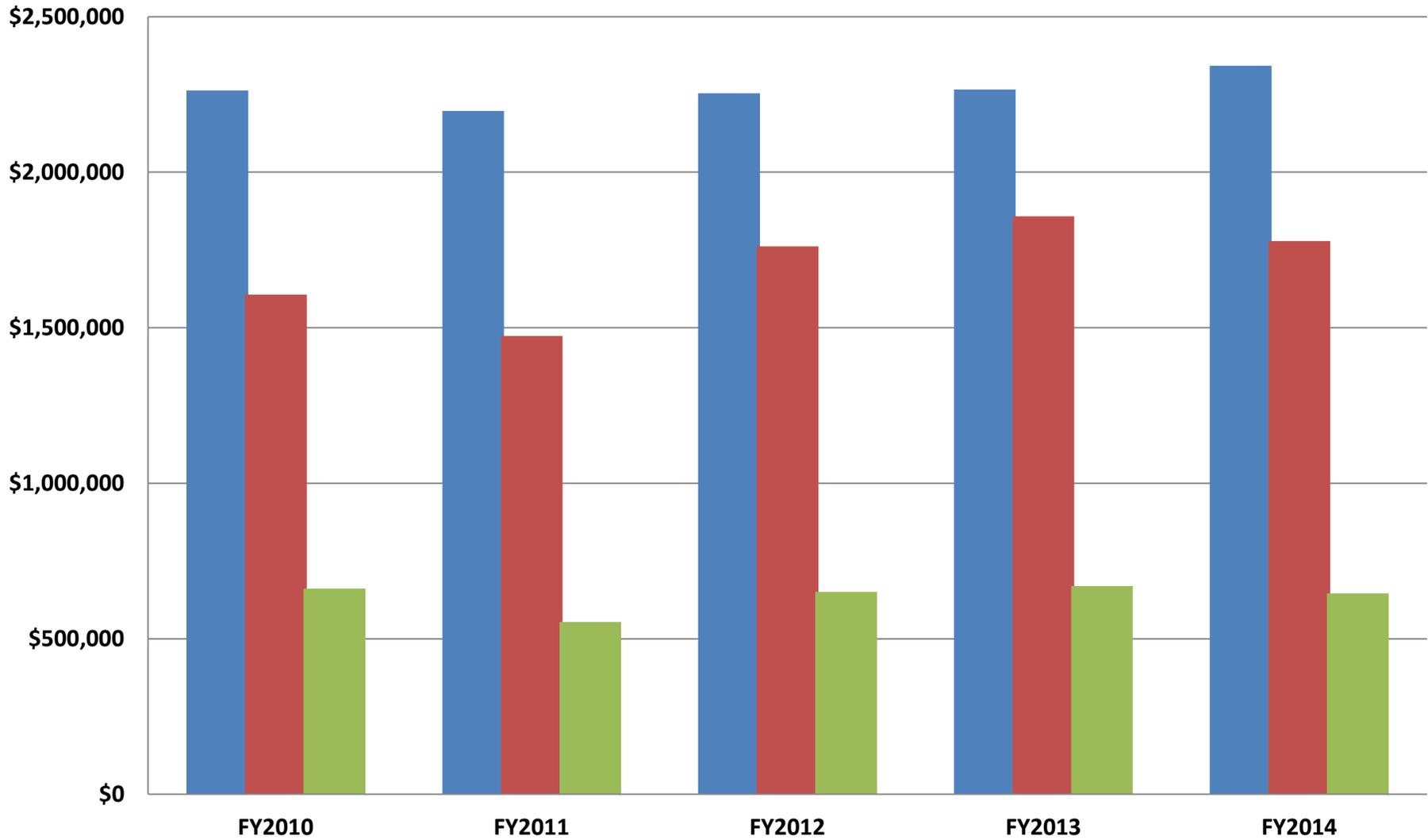


	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	6,502,543	6,438,054	6,701,292	6,999,310	7,243,332
■ Net Charges	5,816,089	5,577,204	5,896,546	6,097,377	6,384,064
▲ Cash	5,438,348	5,527,753	5,695,408	5,915,921	6,320,601
× Direct Operating Expense	4,529,859	4,220,646	4,665,927	4,788,169	4,749,932
* Contribution Margin	908,488	1,307,107	1,029,480	1,127,751	1,570,667

Combined results for all Advanced Specialty Clinics have seen charges grow 11.4% in five years. Contribution margin (revenues, or cash, less direct expenses) has grown by about 73%, while direct operating expenses have risen by just under 5% during that time.

Summary Advanced Specialty Clinic Expenses

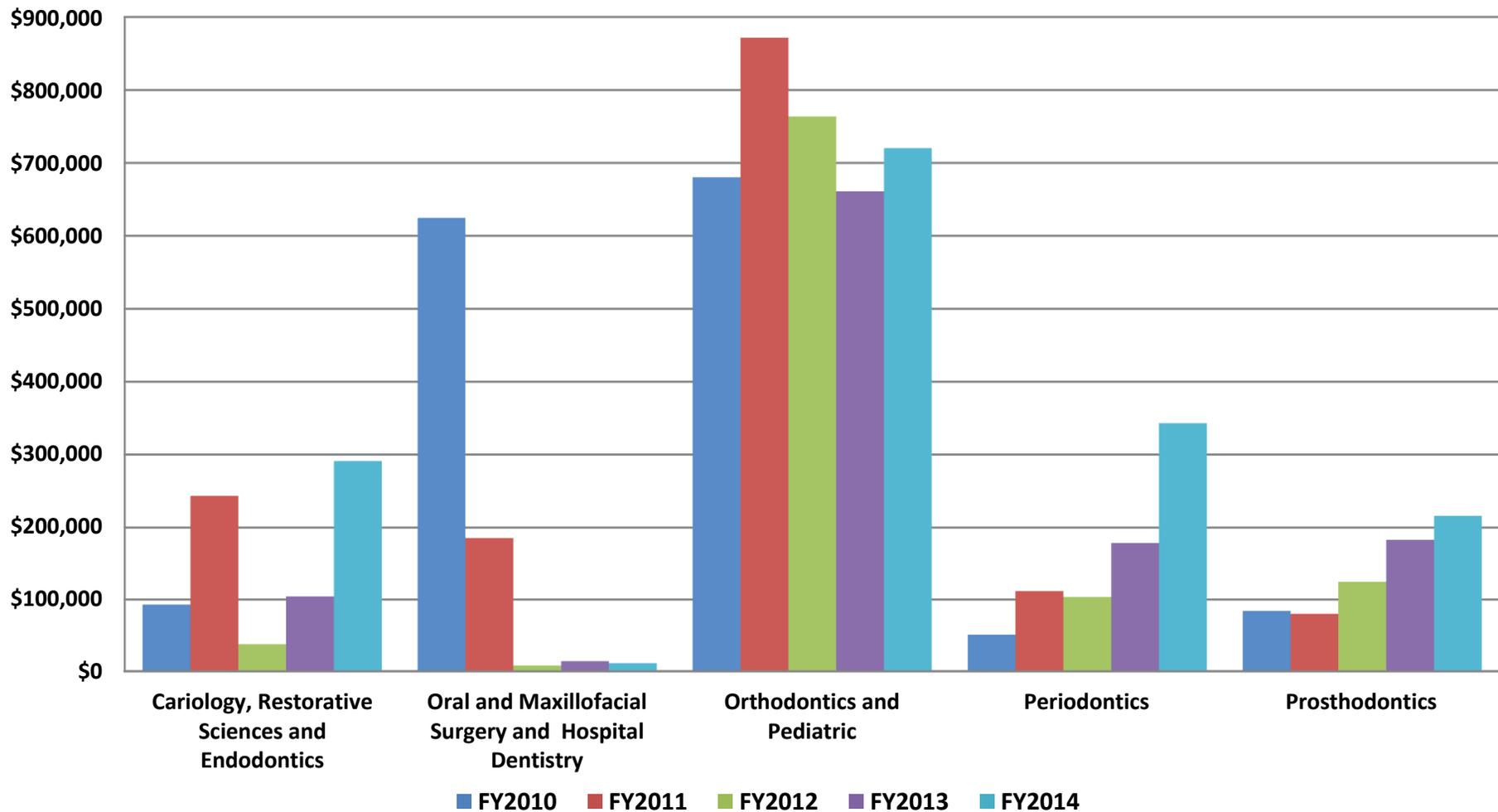
■ Salary & Fringe Benefits ■ Commodities ■ Dental Lab



Wages and benefits for all Advanced Specialty Clinics have risen over 5 years by only 3.5%.

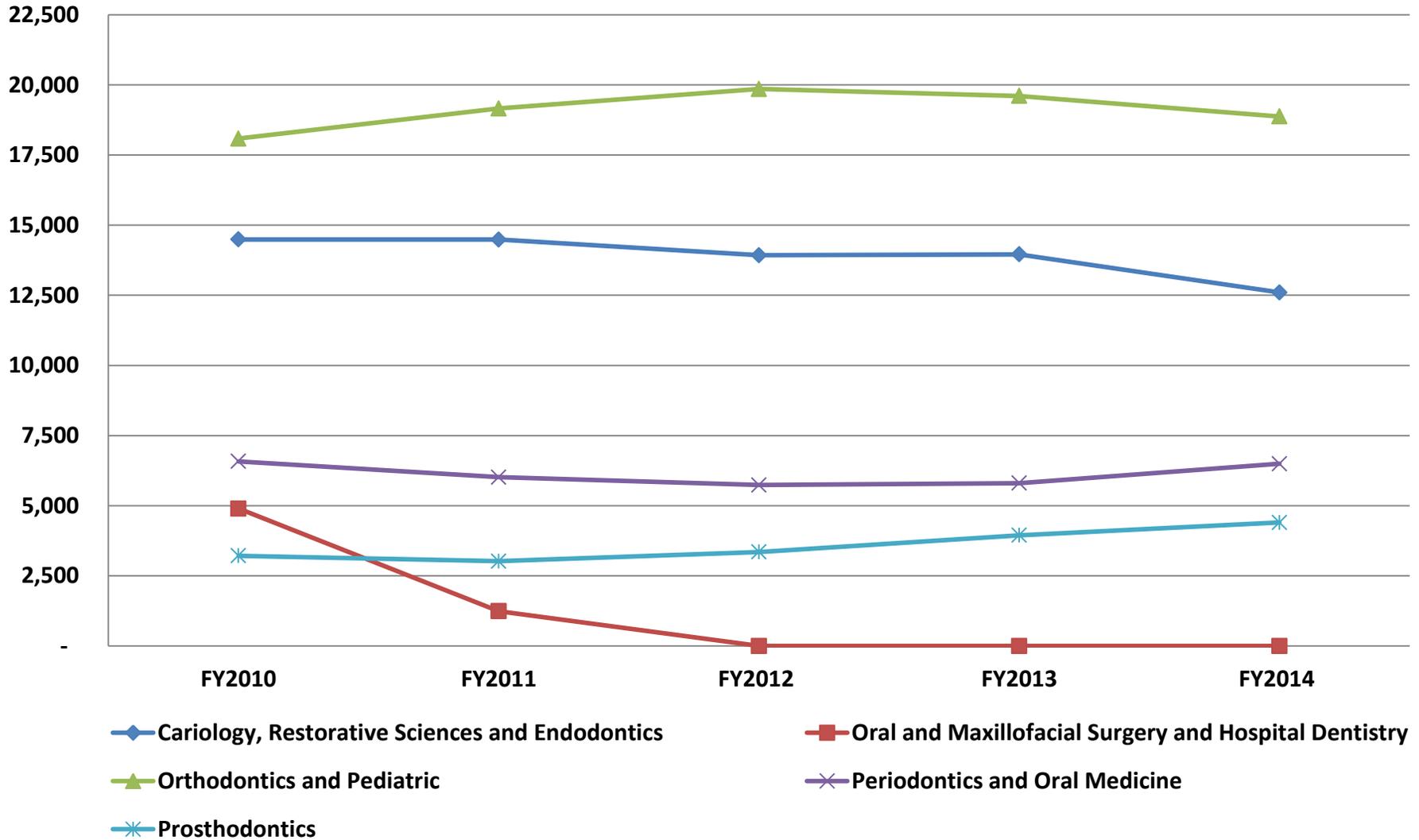
Advanced Specialty Clinic Contribution Margin

(revenue less expense)



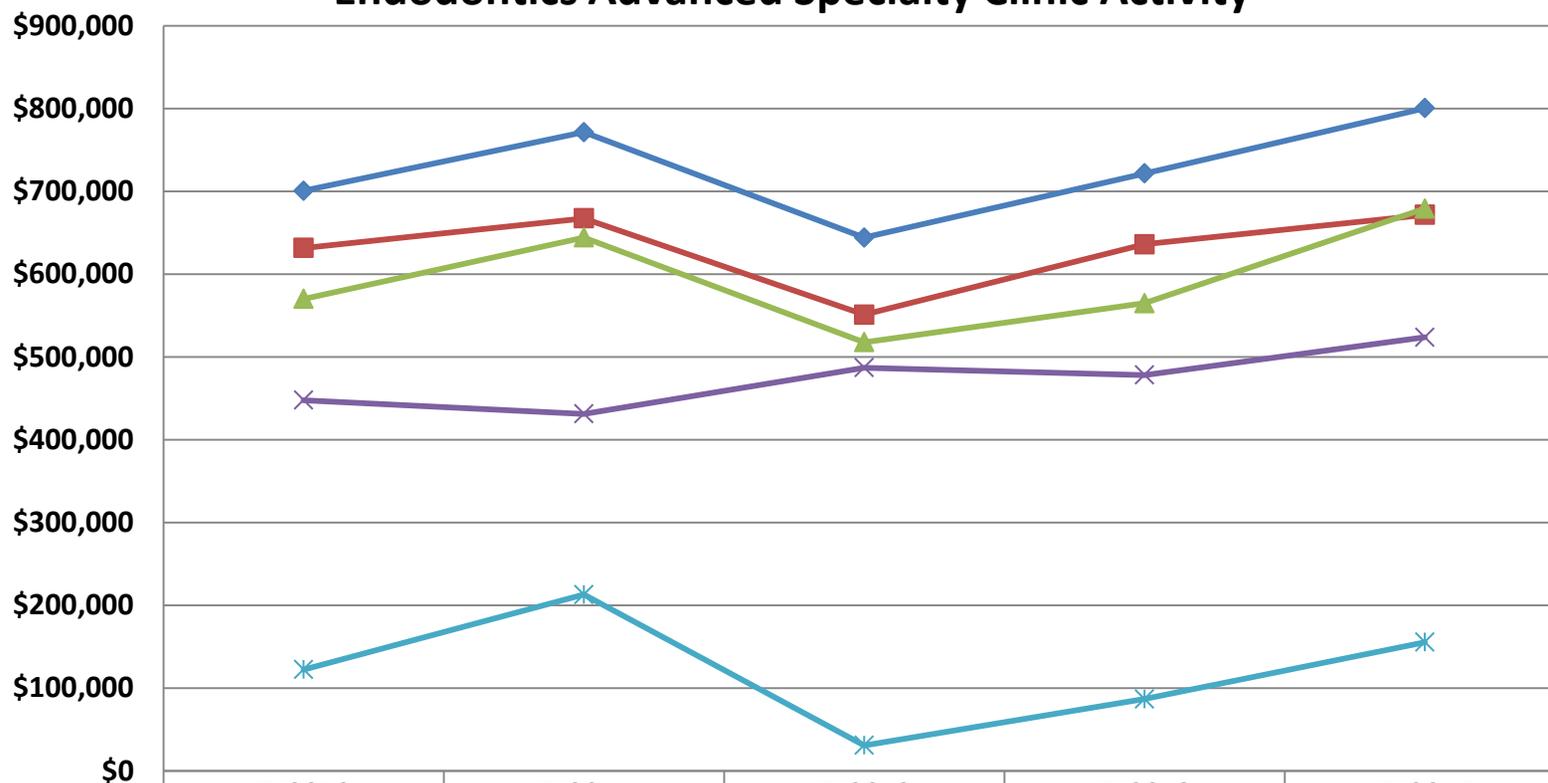
Advanced Specialty Clinics overall revenues less direct expenses (contribution margin) by academic discipline are shown over 5 years. Orthodontics and Pediatrics by far generate the largest dollars within the School, in the range of \$800K annually for department use. Periodontics, Prosthodontics, and Cariology have seen growth over the 5 years. Oral surgery moved all of their activity to faculty practice in 2012.

Advanced Specialty Clinic Patient Visits



Prosthodontics (BMS) and Periodontics are the two areas seeing additional patients in Advanced Specialty Clinics in the past three years. As noted previously, oral surgery moved all of their activity to faculty practice in 2012.

Endodontics Advanced Specialty Clinic Activity

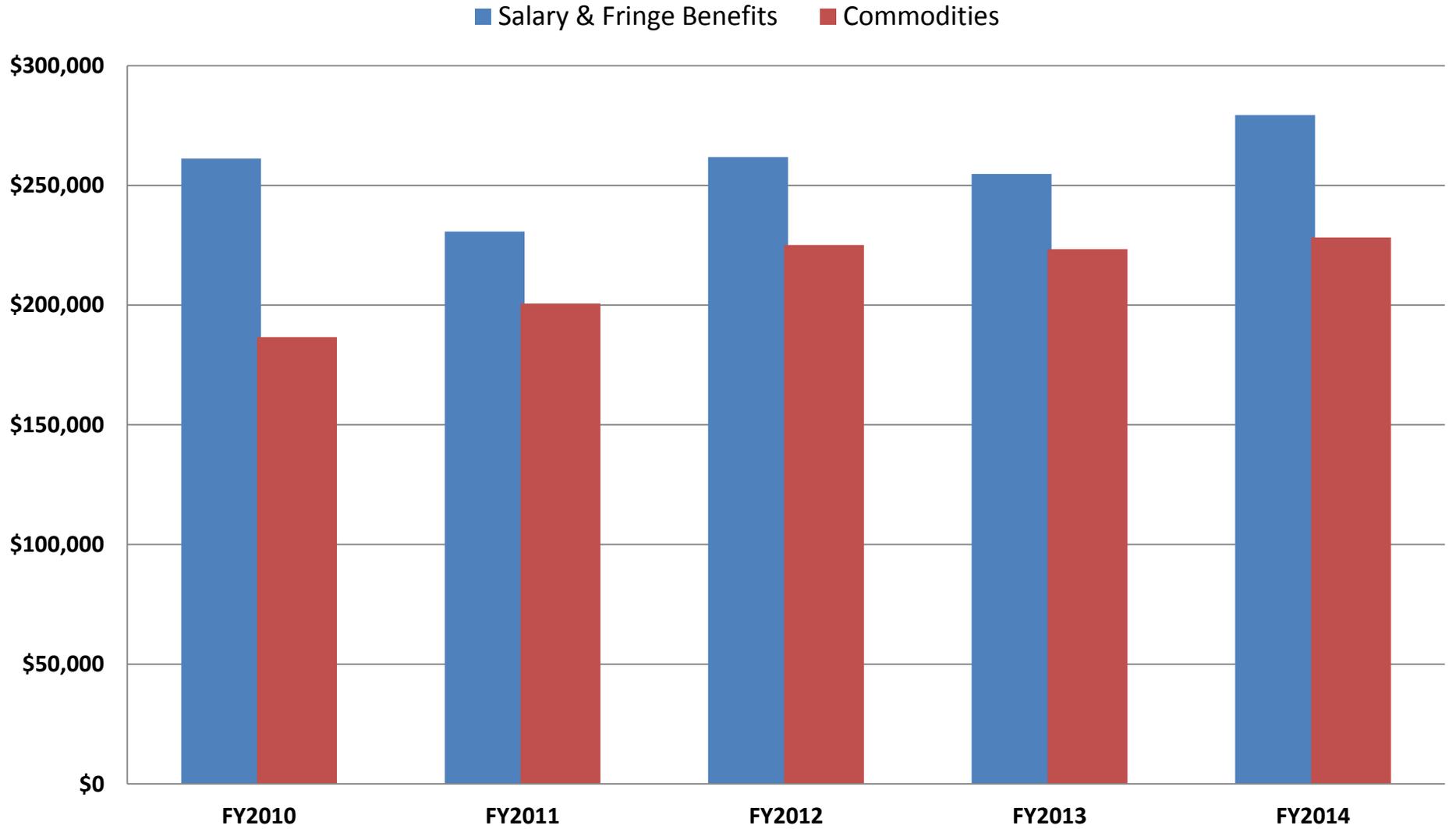


	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	700,794	771,591	644,177	721,663	800,547
■ Net Charges	631,663	667,549	551,175	636,089	671,762
▲ Cash	570,056	644,300	517,800	564,858	679,137
× Direct Operating Expense	447,773	431,311	486,978	478,122	523,733
* Contribution Margin	122,282	212,989	30,821	86,736	155,404

Advanced Specialty Clinics for Endodontics has experienced healthy growth in charges generated and cash collected over the past 5 years, with charges increasing over 24% in the past three years.

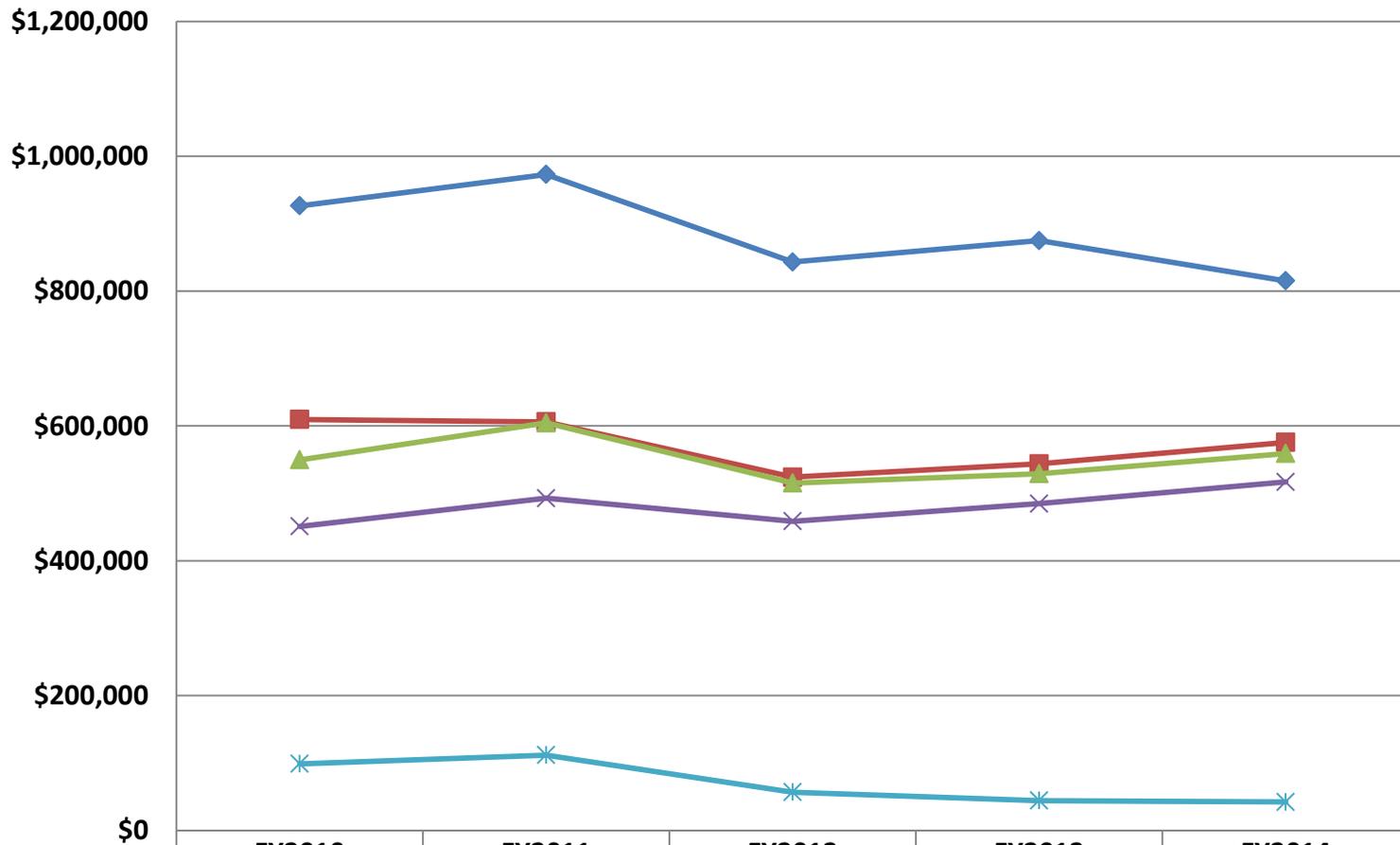
As charges grew by \$156K in the last three years, contribution margin grew by \$125K.

Endodontics Advanced Specialty Clinic Expenses



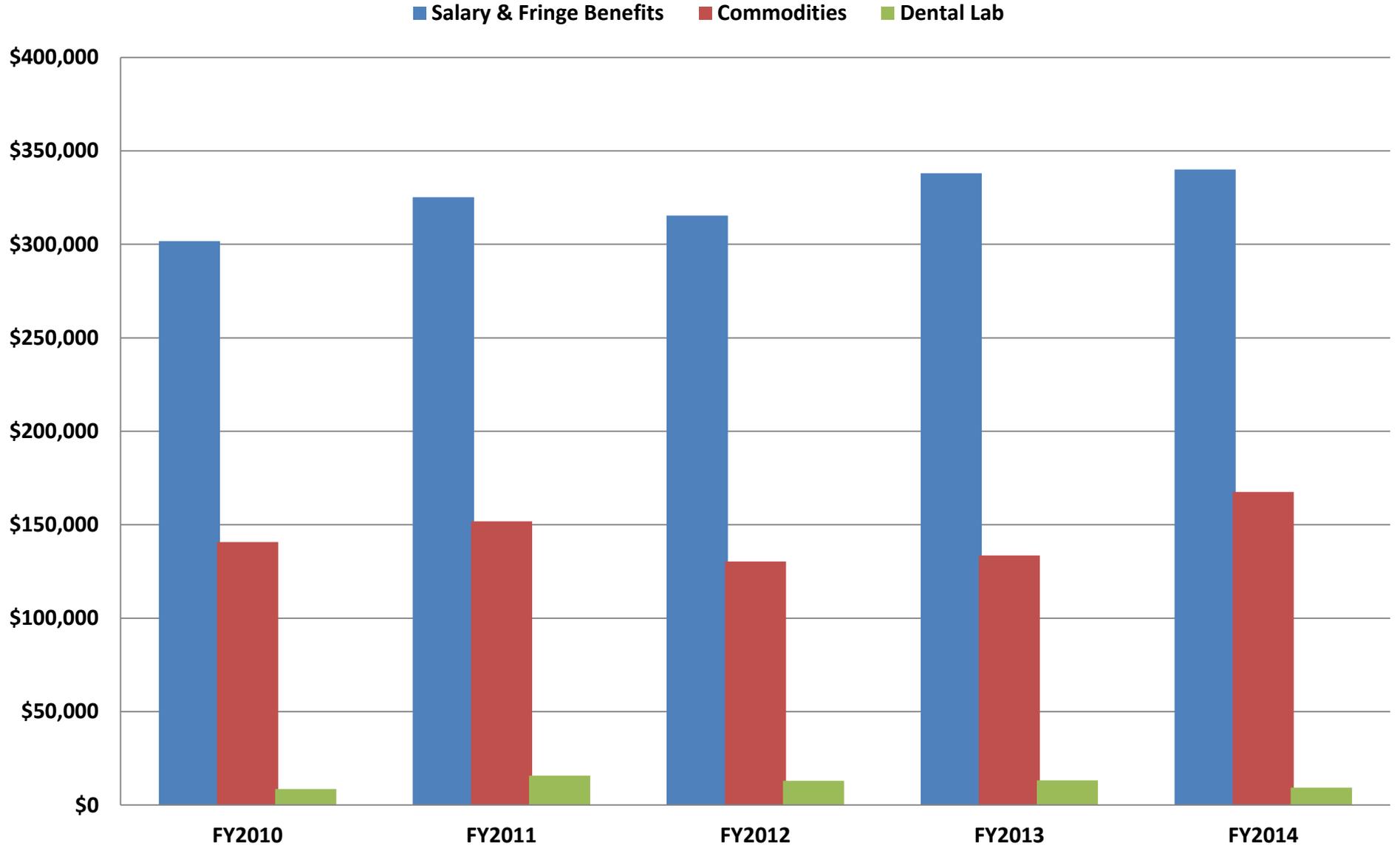
Personnel costs (wages and benefits) and other expenses (commodities) within the Advanced Specialty Clinics for endodontics have risen at a reasonable pace given the increase in activity in the clinic.

Pediatrics Advanced Specialty Clinic Activity

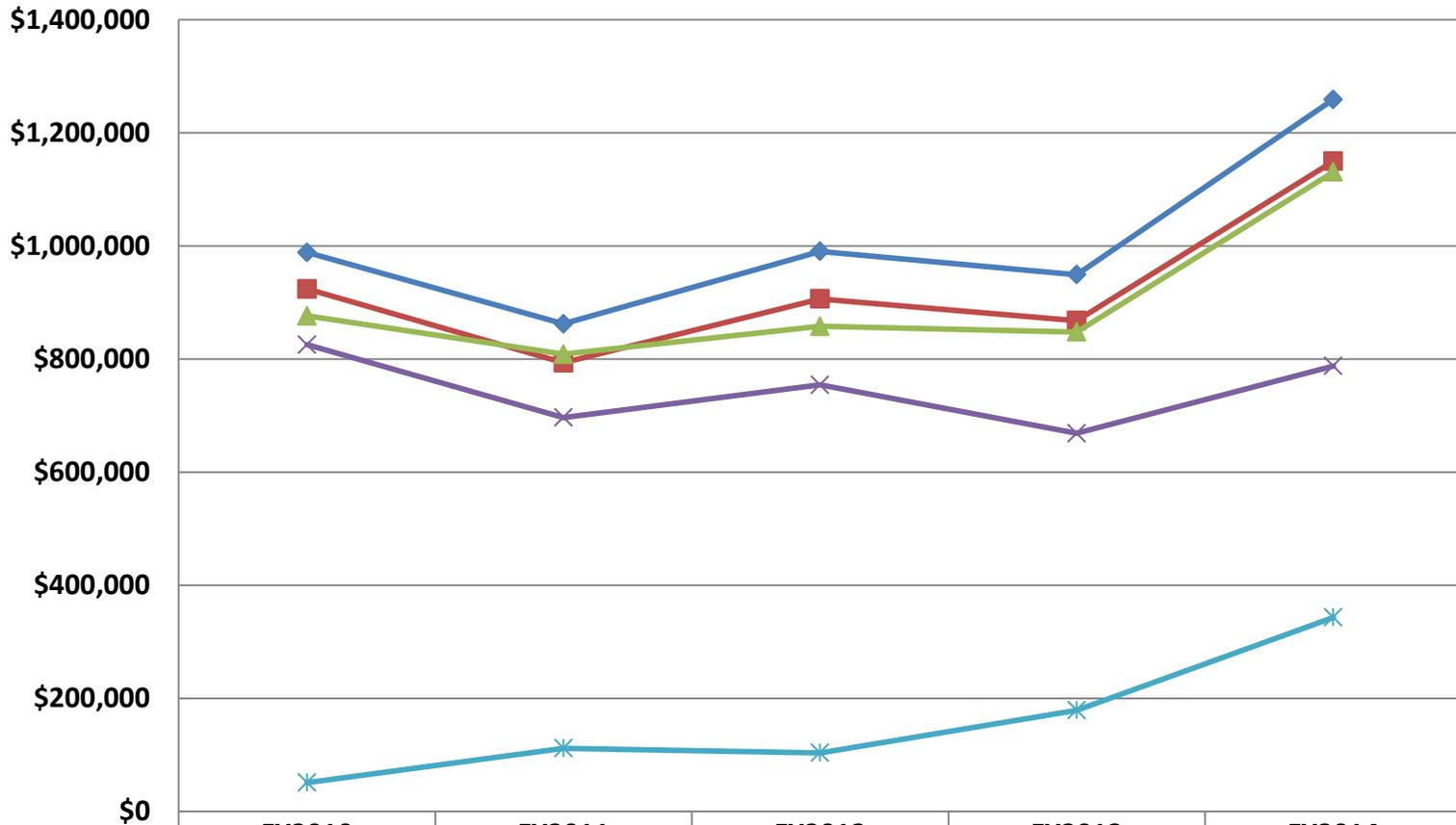


	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	926,506	972,961	843,272	874,890	815,360
■ Net Charges	609,729	606,110	524,143	543,702	575,740
▲ Cash	549,805	604,577	515,367	529,131	559,160
✕ Direct Operating Expense	451,049	492,819	458,620	484,781	516,885
* Contribution Margin	98,757	111,757	56,747	44,350	42,275

Pediatrics Advanced Specialty Clinic Expenses



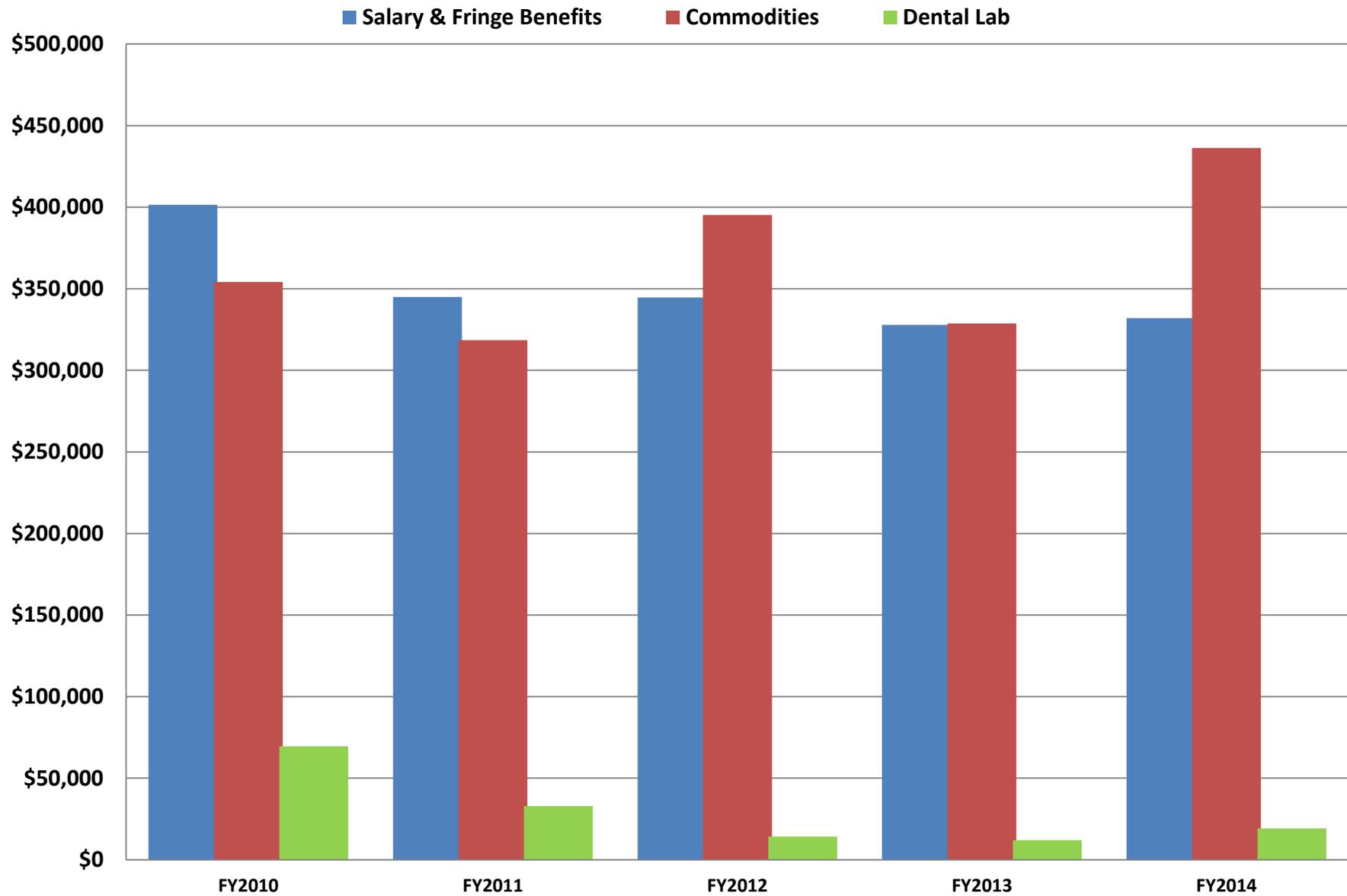
Periodontics Advanced Specialty Clinic Activity



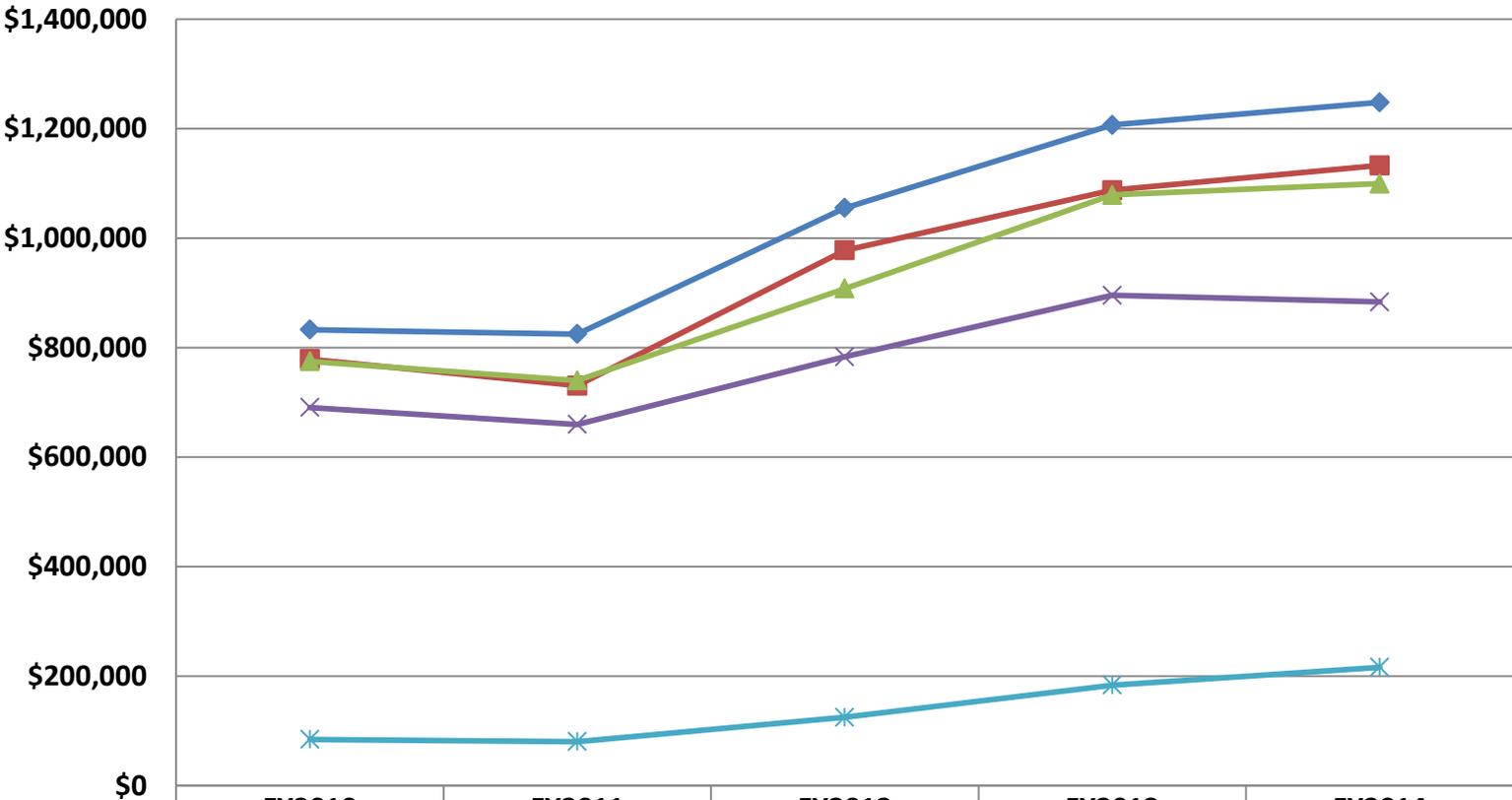
	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	988,430	862,208	990,252	948,975	1,258,859
■ Net Charges	923,810	793,329	906,244	867,879	1,149,553
▲ Cash	876,286	808,301	857,701	847,601	1,130,641
✕ Direct Operating Expense	825,278	696,546	754,160	668,610	787,606
* Contribution Margin	51,008	111,756	103,541	178,990	343,035

The Periodontics Advance Specialty Clinics revenues and contribution margin have grown substantially over the past three years, with the growth in contribution margin over 200%.

Periodontics Advanced Specialty Clinic Expenses



Prosthodontics Advanced Specialty Clinic Activity



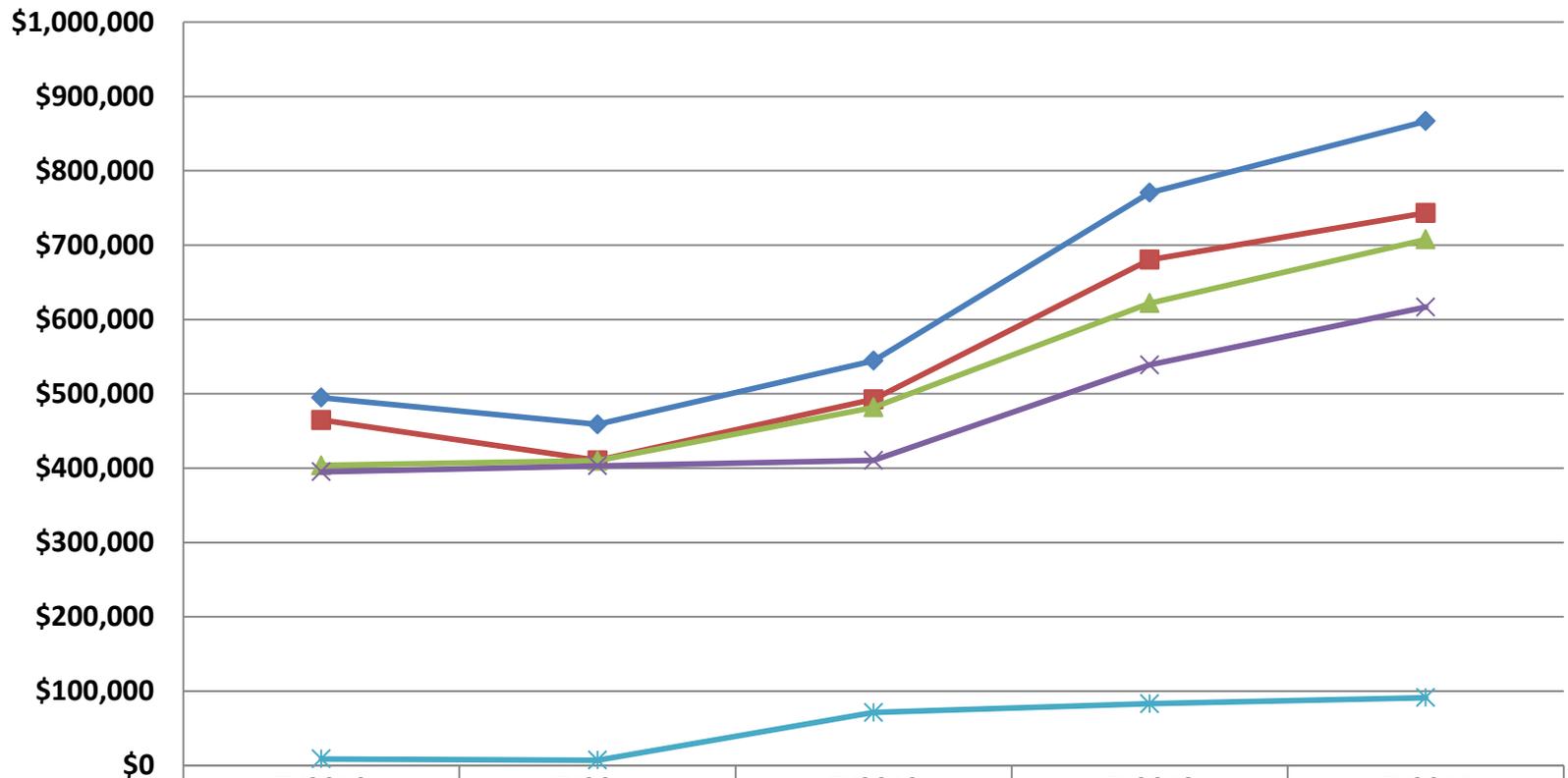
	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	832,576	824,710	1,055,100	1,206,749	1,247,968
■ Net Charges	778,924	730,261	977,693	1,087,324	1,132,751
▲ Cash	774,756	739,836	907,800	1,078,703	1,099,559
✕ Direct Operating Expense	690,556	659,732	783,157	895,420	883,497
* Contribution Margin	84,200	80,104	124,643	183,283	216,062

The Prosthodontics Advance Specialty Clinic's revenues and contribution margin have grown substantially over the past three years. Charges are up 18% over that period; contribution margin has grown by 74%.

Prosthodontics Advanced Specialty Clinic Expenses



Restorative Dentistry Advanced Specialty Clinic Activity

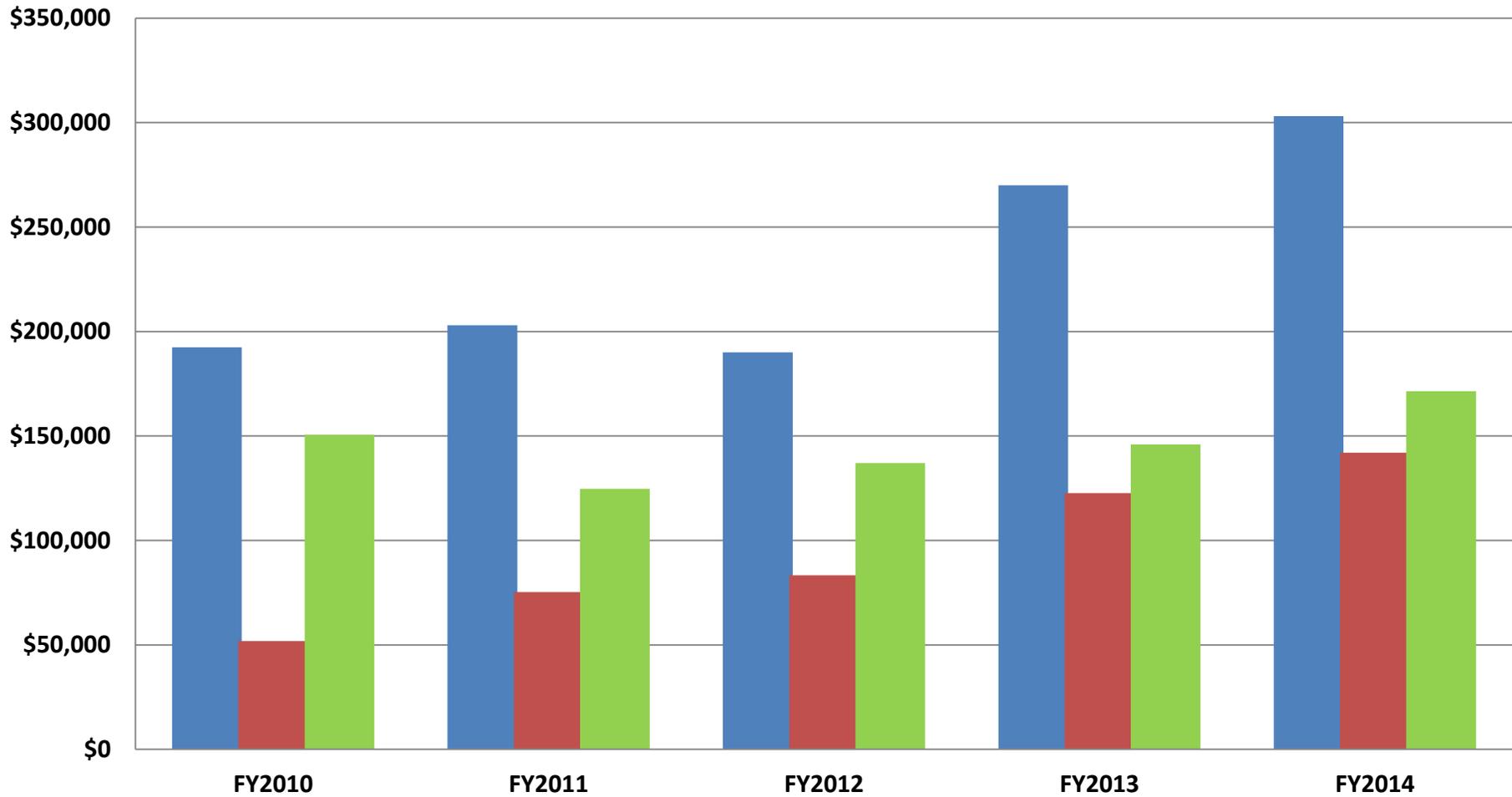


	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	494,644	458,785	544,271	770,204	866,740
■ Net Charges	464,537	410,449	492,403	680,221	743,266
▲ Cash	403,705	409,941	481,704	621,795	707,625
✕ Direct Operating Expense	394,890	402,953	410,427	538,764	616,518
* Contribution Margin	8,815	6,988	71,277	83,031	91,106

Contribution margin for Restorative Dentistry Advanced Specialty Clinics have grown by \$80K annually. Total costs have risen \$220K over that period, as gross charges have grown \$370K.

Restorative Dentistry Advanced Specialty Clinic Expenses

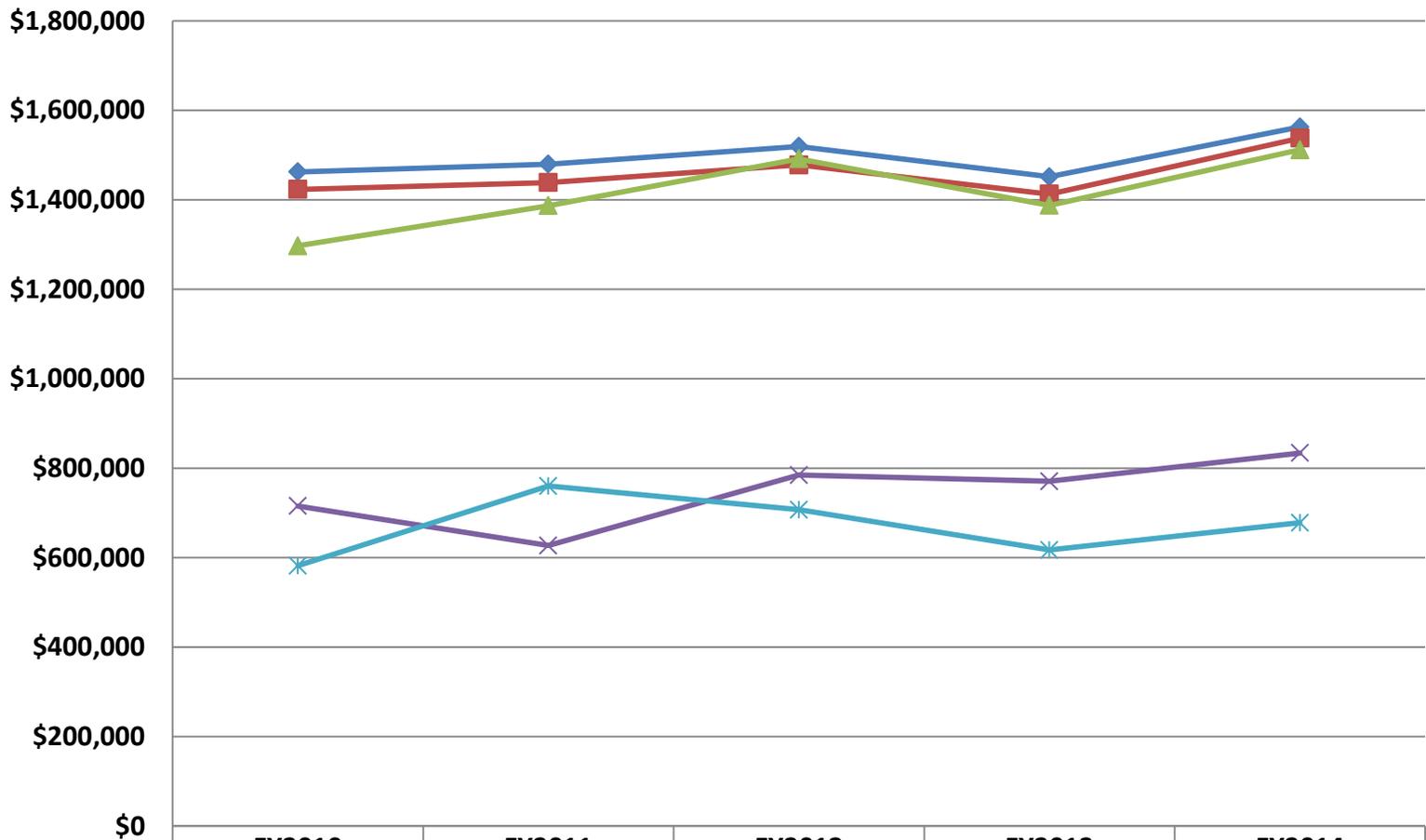
■ Salary & Fringe Benefits ■ Commodities ■ Dental Lab



Wages in the Restorative Dentistry Advanced Specialty Clinics have grown by just over 57% in five years.

Commodities costs to run the clinic have jumped 173%, while lab related costs have risen only 14%.

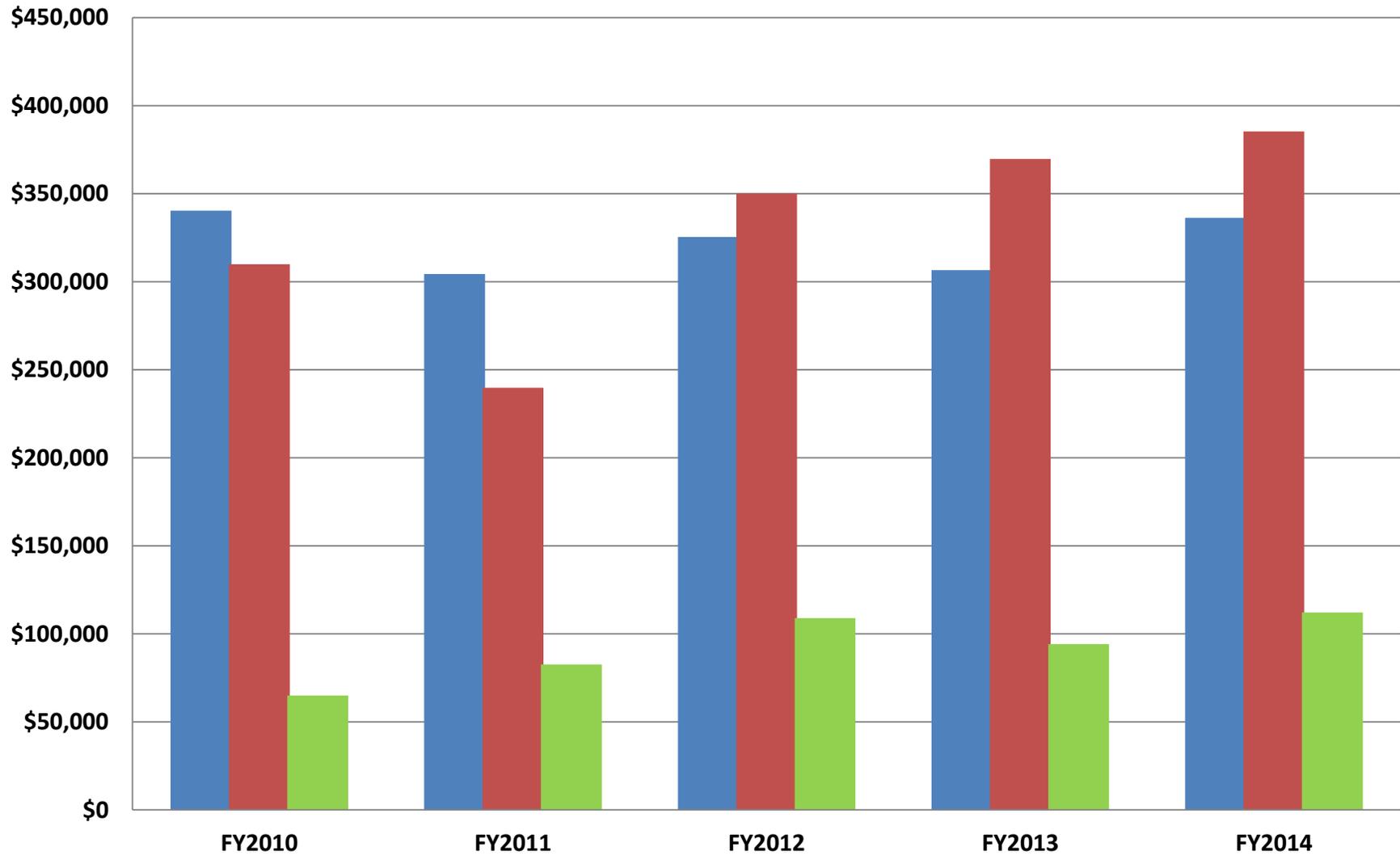
Orthodontics Advanced Specialty Clinic Activity



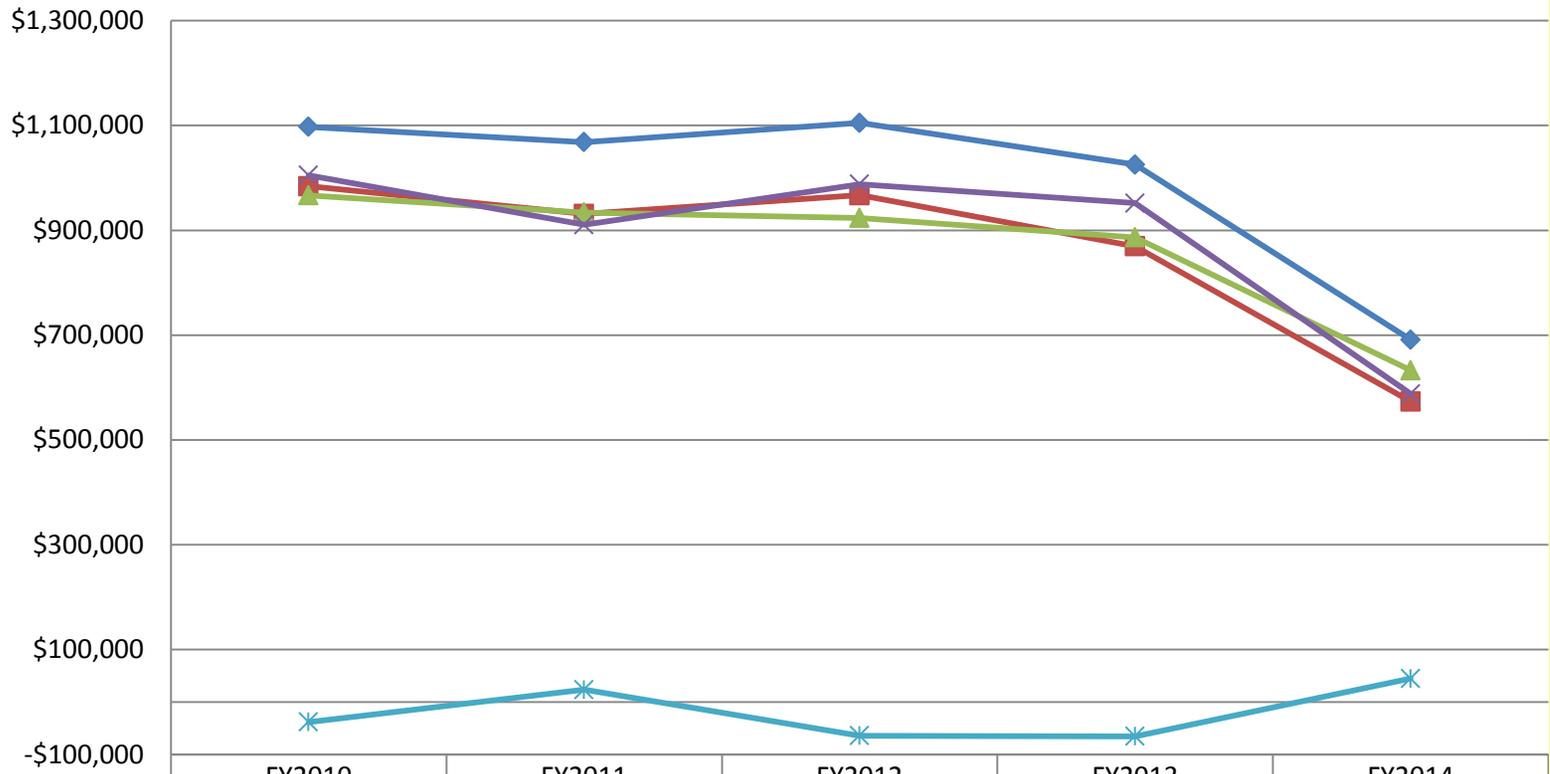
	FY2010	FY2011	FY2012	FY2013	FY2014
◆ Gross Charges	1,462,283	1,479,552	1,519,170	1,451,430	1,562,579
■ Net Charges	1,423,356	1,438,326	1,477,715	1,412,534	1,537,781
▲ Cash	1,297,065	1,386,949	1,491,401	1,387,303	1,511,709
× Direct Operating Expense	715,369	626,841	784,582	770,492	833,736
* Contribution Margin	581,696	760,108	706,819	616,811	677,972

Orthodontics Advanced Specialty Clinic Expenses

■ Salary & Fringe Benefits ■ Commodities ■ Dental Lab



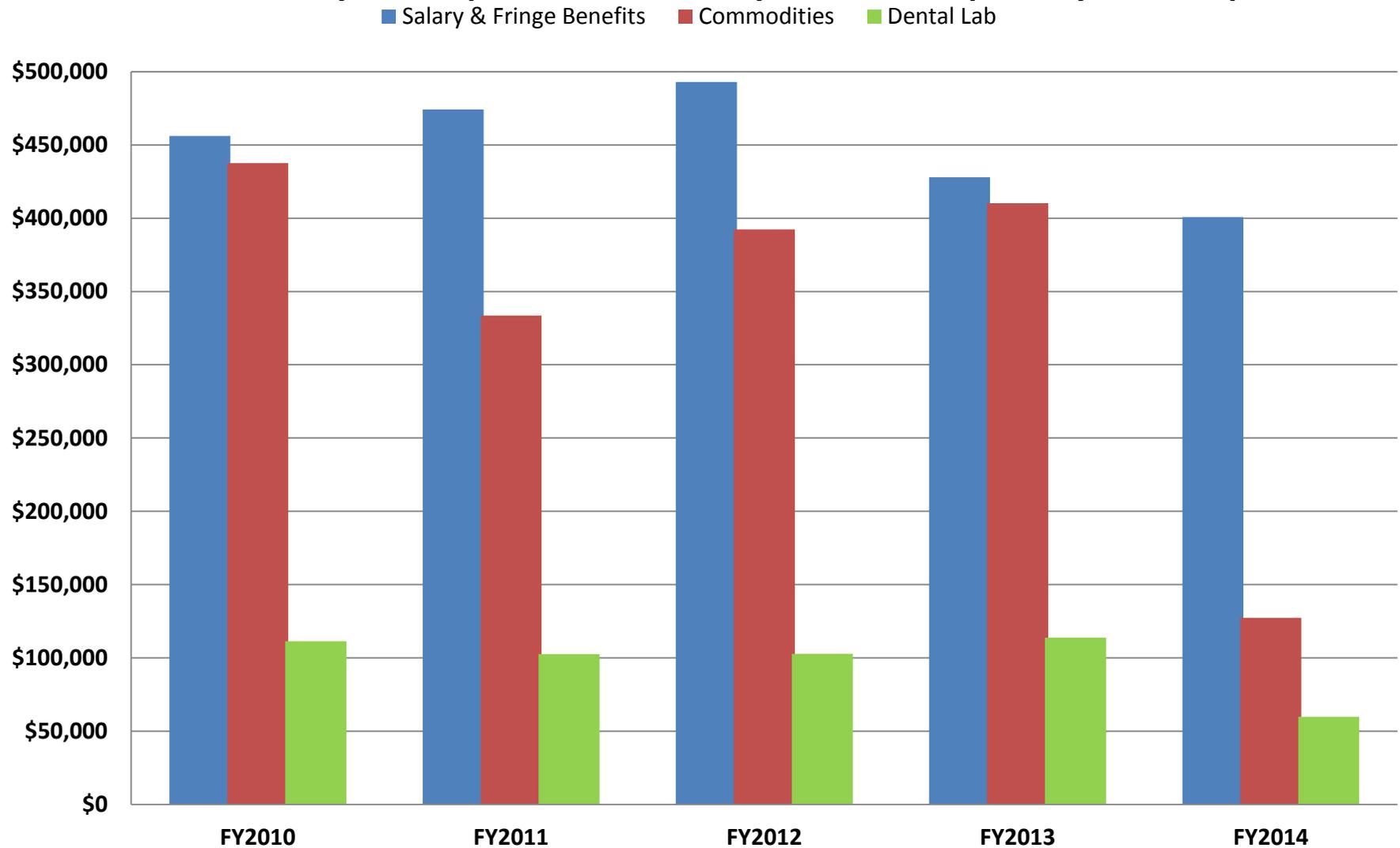
General Dentistry & Computerized Dentistry Advanced Specialty Clinic Activity



	FY2010	FY2011	FY2012	FY2013	FY2014
Gross Charges	1,097,310	1,068,247	1,105,050	1,025,399	691,279
Net Charges	984,069	931,180	967,173	869,628	573,211
Cash	966,675	933,849	923,635	886,530	632,770
Direct Operating Expense	1,004,943	910,444	988,003	951,980	587,957
Contribution Margin	(38,268)	23,405	(64,368)	(65,450)	44,813

The Advanced Specialty Clinic for General Dentistry has shifted to Computerized Dentistry in the last two years. The number of providers has declined, along with charges generated. The combined contribution margin, though, has grown from a negative result for three of the prior four years to \$45K in FY 14. Updated equipment will soon be added to this unique program to maintain its distinction and cutting edge practices.

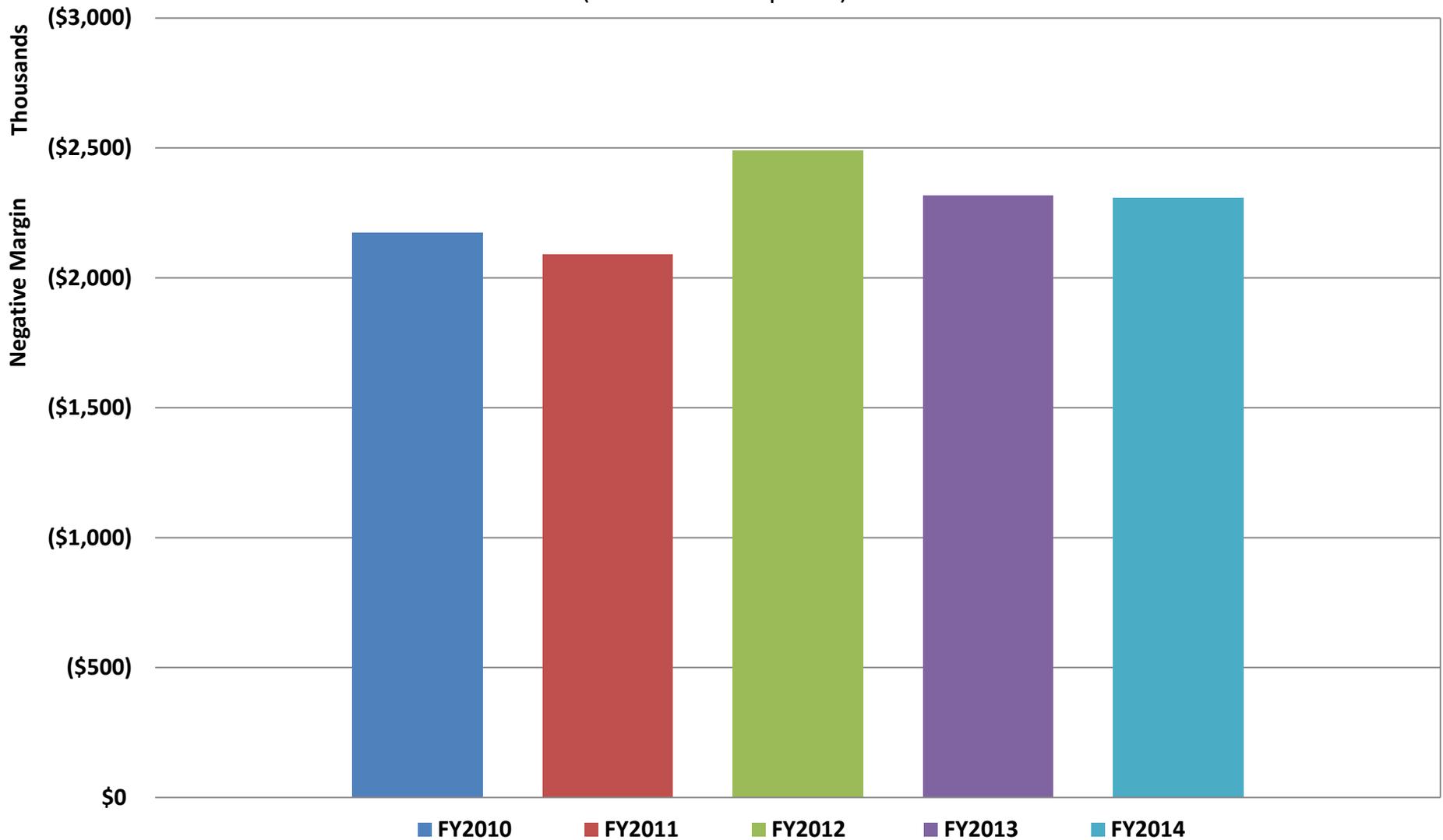
General Dentistry & Computerized Dentistry Advanced Specialty Clinic Expenses



As the clinic's activity has declined in the transition from general dentistry, expenses to run the clinic have fallen.

Predoctoral Clinic Contribution Margin (loss)

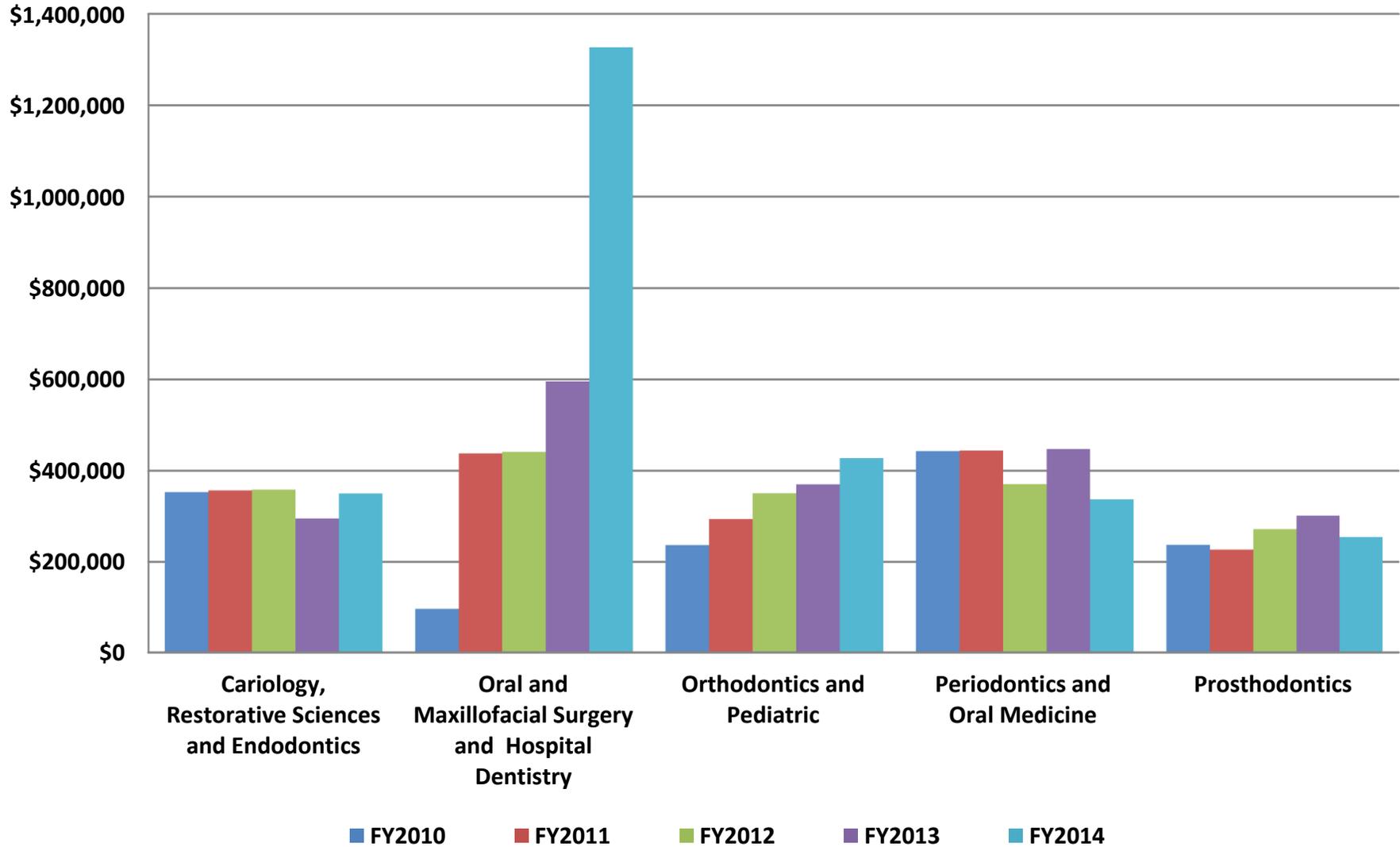
(revenue less expense)



Predoctoral clinics cost much more than the revenue they generate. Students charge their services at a much lower rate than faculty and students in the advanced specialty clinics. Also, they work at a much slower pace to complete the same procedures.

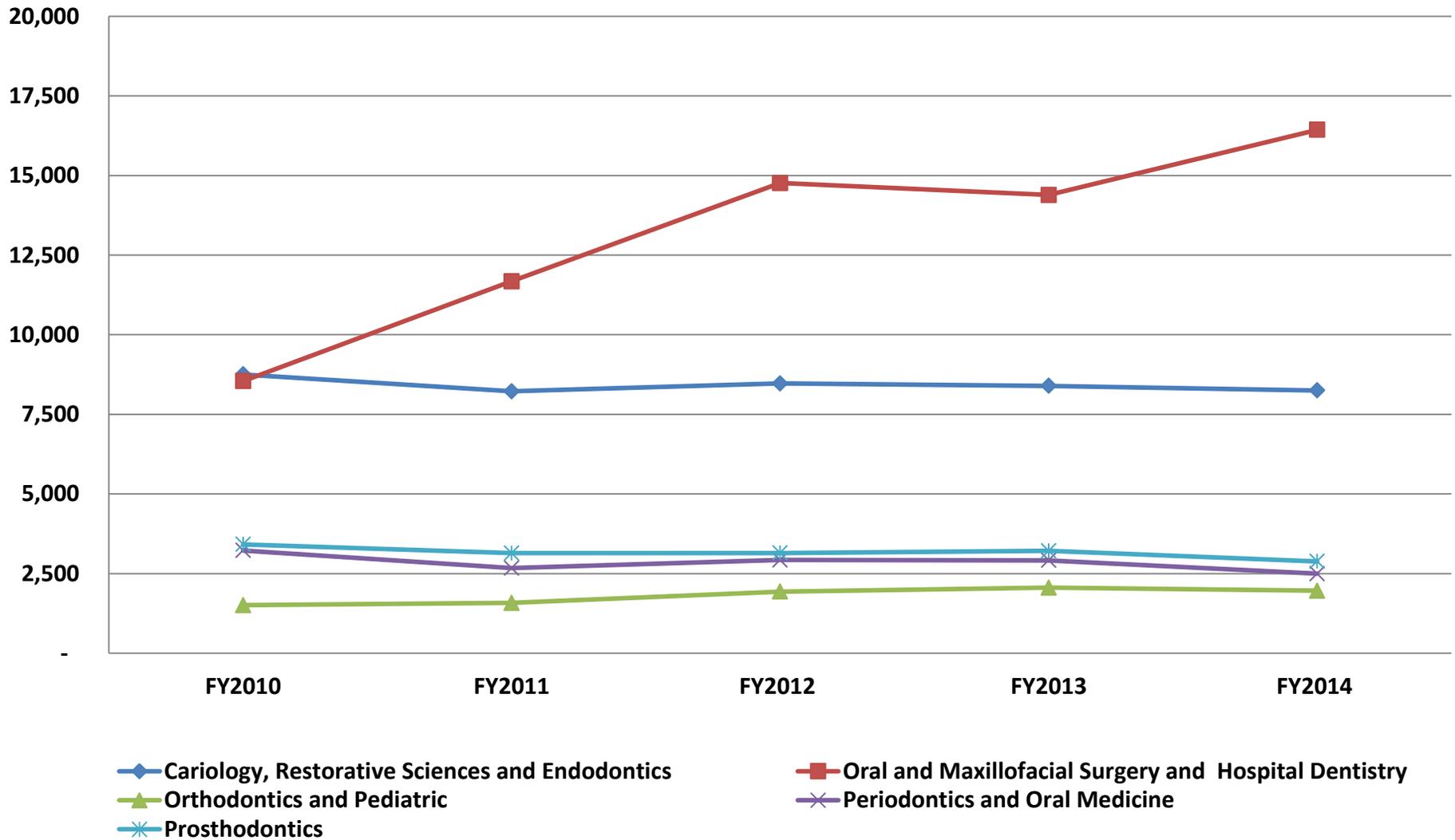
Faculty Practice Contribution Margin

(revenue less expense)



The spike in activity for Oral & Maxillofacial Surgery/Hospital Dentistry was due to a shift in scheduling of wisdom teeth and implant patients from Predoctoral clinics to faculty practice.

Faculty Practice Patient Visits



The spike in activity for Oral & Maxillofacial Surgery/Hospital Dentistry was due to a shift in scheduling of wisdom teeth and implant patients from Predoctoral clinics to faculty practice.