

HARRISHEALTH SYSTEM

PROGRESS & COMPASSION

2022 ANNUAL REPORT TO OUR COMMUNITY





CONTENTS

Progress + compassion
in our hearts **3**

Progress + compassion
in the community **7**

Progress + compassion
within our ranks **12**

Progress + compassion
across our system **14**

Progress + compassion
for the future **16**

Progress + compassion
in collaboration **19**

Progress + compassion
by the numbers **28**

INVESTING IN TODAY, READY FOR TOMORROW

Harris Health System is here to serve those for whom quality healthcare and social services are too often out of reach. In fiscal year 2022, our teams, leadership and community partners and supporters continued to battle the ebb and flow of the pandemic. At the same time, we remained steadfast in providing exceptional medical care, expanded community outreach services and genuine compassion to our neighbors in need—all in alignment with our 2021-2025 Strategic Plan.



PROGRESS + COMPASSION IN OUR HEARTS

MISSION

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care and education.

VISION

Harris Health will become the premier public academic healthcare system in the nation.

VALUES

- Q – quality and patient safety
- U – united as One Harris Health System
- A – accountable and just culture
- L – leadership and integrity
- I – innovation, research and education
- T – trust, respect and recognition
- Y – you: patients, employees and medical staff



TO OUR COMMUNITY

It is with great pleasure that we present this 2022 report, dedicated to all our Harris Health System employees and medical staff partners. Your devotion and contribution to our community as healers continue to inspire us.

Despite the challenges of a persistent coronavirus, we're enthusiastically optimistic about the progress our One Harris Health System is making toward reaching our 2021-2025 Strategic Plan goals. We remain laser-focused on becoming a high-reliability organization with quality and patient safety as a core value. On the following pages are shining examples of innovative ways we are improving care and making it more accessible.

As the public health and hospital system for Harris County, we proudly serve our community's most vulnerable. We are determined to base any plans affecting our hospitals, health centers and outreach services on the needs of those who rely on us most, seeking their input and feedback and keeping them well informed. The process we've implemented to replace Harris Health Lyndon B. Johnson Hospital is a perfect example of this. We are also committed to helping our community thrive by supporting small, local and minority-owned businesses.

Harris Health is well on the way to transforming the organization according to our ambitious plan. This is thanks to our teams and partners who help us fulfill our responsibilities to the health of our community and each other with professionalism and the utmost respect. It is also, of course, only made possible by the leadership of our board of trustees and the financial support of Harris County taxpayers.

Arthur W. Bracey, MD
Chair
Harris Health System Board of Trustees

Esmaeil Porsa, MD, MBA, MPH
President and Chief Executive Officer
Harris Health System

As the public health and hospital system for Harris County, we proudly serve our community's most vulnerable.



PROGRESS + COMPASSION IN THE COMMUNITY

BETTER CARE AND ACCESS FOR ALL

In fiscal year 2022, our teams across the system made big things happen for patients from all walks and stages of life by recognizing special challenges and developing resourceful solutions.



“I was home, walking my dogs and playing music, the day after my surgery.”

Ernesto Zenteno

Cutting-edge treatments for the underserved

In August 2021, Harris Health, in partnership with Baylor College of Medicine, launched a minimally invasive valve procedure to treat severe aortic stenosis (narrowing of the aortic valve). An alternative to traditional open-heart surgery, this new transcatheter aortic valve implantation, or TAVI, minimizes hospital stays and recovery time.

Musician Ernesto Zenteno's failing heart caused him breathing difficulties, fatigue, chest pain and memory loss. Wishing to avoid open-heart surgery, he gladly became Harris Health Ben Taub Hospital's fifth patient to undergo the TAVI procedure. His doctors successfully replaced his damaged heart valve through a tiny catheter inserted into an artery in his groin and upper thigh.

Onsite correctional health program

Harris Health has always provided care for detainees from the Harris County Jail. In 2022, the Harris County Sheriff's Department engaged us to expand our services to include oversight of a new medical partnership offering onsite primary and limited specialty care services. This partnership will reduce the need for escorted inmate transfers to Harris Health and improve health outcomes. We will provide telehealth services, testing, new exam tables and hospital beds, enhanced monitoring of controlled substances and electronic medication administration and health records. Upon their release, we will also help these individuals transition to continuing care at Harris Health.

Expanded mental health services

In January 2022, Ben Taub Hospital opened a dedicated psychiatric unit in the Emergency Center. With 13 single-occupancy rooms, the unit offers a therapeutic, calming environment for both families and patients suffering a mental health crisis, including medical care resources for psychiatric patients who experience medical issues while there. New private consultation rooms allow medical teams and families to discuss the well-being of their loved ones in confidence.

"This new state-of-the-art unit was specifically designed to provide the peaceful, healing environment our psychiatric patients need."

Glorimar Medina, MD
Executive Vice President
Ben Taub Hospital





“This place is a blessing to me.”

Sampson Collins

Open Door Mission Respite and Recuperative Care Center

Where do the homeless go after surgery? In the past, Lyndon B. Johnson and Ben Taub hospitals routinely kept patients, rather than releasing them to the street. Now, Open Door Mission's new Respite and Recuperative Care Center offers a safe place for many qualified patients to recover, while freeing up hospital beds for others in need.

Sampson Collins was one of the first homeless men to be admitted to the new center after surgery at Ben Taub to repair his broken ankle. He was able to heal physically and emotionally, as he cleared his head and reconnected with his faith and a daughter he hadn't seen in nearly 20 years.

SEEING AND SERVING HOUSTON'S HOMELESS

Harris Health is committed to finding innovative ways to help people move off the streets and into safe housing environments through creative community partnerships.

800+

homeless patients discharged to respite care



Harmony House

A valued Harris Health partner for 10+ years, Harmony House is a communal residential program for working homeless men. Together, we provide medical, dental and behavioral health services and health education. The new three-story, 128-unit Harmony House facility, built to replace the original building destroyed in a fire, opened in April 2022.

3

stories

128

units

2,000

annual encounters

Health Care for the Homeless Program (HCHP)

Harris Health's HCHP earned numerous community health quality recognitions from the Health Resources and Services Administration: Health Center Quality Leaders (top 10%), Advancing Health Information Technology for Quality, COVID-19 Data Reporter and Patient Centered Medical Home.



8

homeless shelter clinics + mobile medical, dental and immunization units

4,714

unduplicated patients annually

22,000+

health encounters



The HCHP outreach team and mobile medical van participated in various decommissioning efforts in encampment areas led by the Coalition for the Homeless with The Way Home partners. HCHP provided medical care as other organizations helped connect people to opportunities for placement in supportive or permanent housing programs.



PROGRESS + COMPASSION WITHIN OUR RANKS

GETTING BETTER ALL THE TIME

Harris Health is committed to continuous improvement in all aspects of the human experience—from creating a diverse, equitable and inclusive working environment to ensuring the safety of our patients as we provide high-quality care. Across our system, Harris Health teams have taken these goals to heart, earning impressive recognition for their achievements along the way.

Fostering diversity, equity and inclusion

Over the last 12 months, we have introduced several progressive programs and initiatives and, more recently, hired the system's first vice president and chief diversity officer. Additionally, we created employee workgroups in the areas of:

- Women empowerment
- Embracing multi-religious and faith-based backgrounds
- Promoting employees with disabilities
- Fostering a work environment that understands and embraces multigenerational differences
- Promoting a diverse and culturally competent workforce
- Recruitment, retention and professional development for our nation's veterans
- Creating a safe and inclusive work environment for the LGBTQIA+ community

Zero Harm

Ben Taub and Lyndon B. Johnson hospitals celebrated our journey in becoming a high-reliability organization by awarding Zero Harm recognition to more than 40 inpatient units for achieving 12 months with no incidents of catheter-associated urinary tract infections, central line-associated bloodstream infections or patient falls.

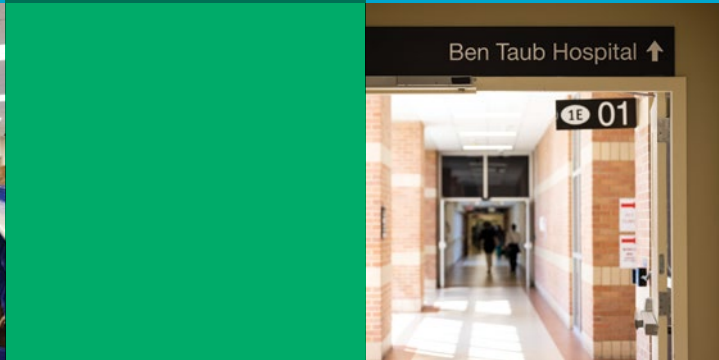
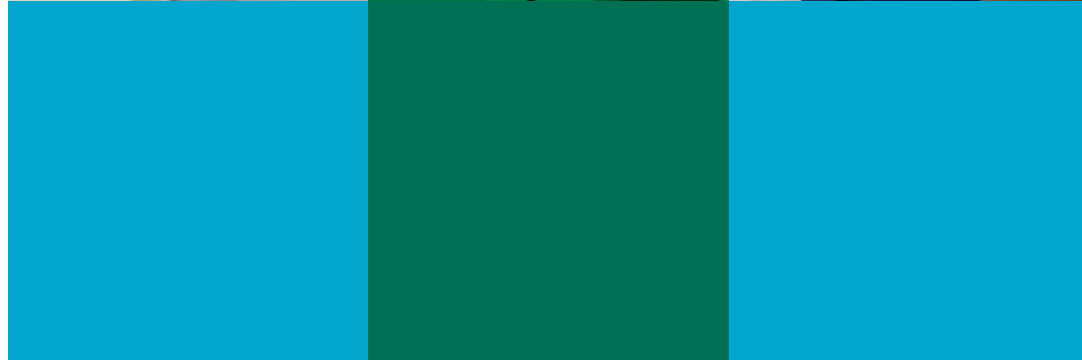


“The last two years have been really difficult. It’s important to celebrate the things we do well.”

Patricia Darnauer
Executive Vice President
Lyndon B. Johnson Hospital

The Harris Center for Mental Health and IDD

In Spring 2021, Harris Health strengthened our collaborative relationship with The Harris Center for Mental Health and IDD by bringing our Epic electronic health records to their operations. This was no easy feat, but for those needing mental health and intellectual and developmental disability services, it's a major innovation. Allowing providers at both health systems to see patients' latest medical and mental health information improves care coordination and health outcomes and, in turn, reduces healthcare expenses.



PROGRESS + COMPASSION ACROSS OUR SYSTEM

CONTINUOUS IMPROVEMENT

Our responsibility to our community's health requires that we maintain safe, well-equipped environments across our system and continue to expand our service offerings to meet the unique needs of the people we serve. To that end, here are some of the highlights from fiscal year 2022.



Ambulatory Care Services

Renovations underway at Casa de Amigos Health Center will increase the clinic's footprint by 3,000 square feet and offer patients greater convenience and efficiencies, along with a safer parking and clinic access area. The new clinic will have an expanded outpatient pharmacy, as well as a new clinic area for pediatrics and women's services (OB/GYN and midwifery). Construction is expected to be completed by July 2024.

The former Quentin Mease Hospital is undergoing major reconstruction to transform it into a much-needed outpatient center for clinical services. The new center, scheduled to open mid 2023, includes outpatient chronic hemodialysis and peritoneal dialysis, as well as HIV care and additional specialty care services. The improved Quentin Mease footprint will increase

endoscopic services by an estimated 400 percent, as well as create a more efficient and friendlier environment for HIV patients and their families and those seeking more in-depth specialty care.

Nursing Center of Excellence

We converted a former eligibility center into a premiere nursing educational center featuring a full simulation lab. Open in August 2022, the center is named for Lois J. Moore, who began her career as a nurse at Jefferson Davis Hospital and eventually became president and CEO of what is Harris Health System today. As a priority, the center will promote better health outcomes, increased patient safety and zero patient harm.

Ben Taub Hospital

Given the age of Ben Taub Hospital, we are focusing our maintenance and renovation activities to ensure a safe and efficient environment. Emergency center renovations are halfway completed. The new "pod" format gives us space for more private patient rooms, easier access to equipment and provides a quieter, more calming environment of particular benefit to patients with both physical and mental health needs. We have also begun upgrading our air-handler systems to ensure a more comfortable healing environment and, most



recently, worked to upgrade our electrical distribution system. The goal of these renovations is to extend the life of the hospital to meet the projected patient and operational demands for the next 12 to 15 years.

Lyndon B. Johnson Hospital

Opened in 1989, this hospital continues to serve as an oasis of care and compassion in an area where residents otherwise have little access to quality healthcare. As it stands, however, LBJ Hospital is approaching the end of its useful life. Harris Health has begun planning for a total replacement of the hospital on the same campus. Read more about this exciting project on the following pages.

In the meantime, we addressed critical hospital plumbing issues in 2022 to protect the safety of our patients and maintain stable operations.



PROGRESS + COMPASSION FOR THE FUTURE

THE NEW HARRIS HEALTH LYNDON B. JOHNSON HOSPITAL

In March 2022, the Harris Health Board of Trustees hired JLL, a global commercial real estate services company, to lead the transformation of the LBJ Hospital campus in alignment with our strategic plan. HKS is the lead architect and engineering design team, and PPG Global has been selected for their experience in community engagement.

Proposed timeline



Ultimately, the new campus will have two new towers and a parking garage to provide a more comprehensive range of high-level care and services.

As highlighted in our strategic plan, many issues make this hospital-replacement project imperative for us to more fully support residents of northeast Harris County.

- The current hospital is not equipped to meet increasing needs for mental health and psychiatric care.
- Houston needs many more Level I trauma centers with helipads; this campus is an ideal location for one.
- The LBJ campus currently lacks cardiac catheterization and neurosurgery services.

- Community assessments show we need 350-450 licensed beds (versus our current 215) to accommodate current and projected needs.
- While industry standards call for hospital saturation at 85 percent to reserve space for emergency and trauma cases, LBJ routinely operates at 90-105 percent.
- Cancer care is extremely limited at LBJ, and with no radiation therapy available, cancer patients in the area must travel 15 to 20 miles to Smith Clinic for care.

Priority One: Community engagement

Perhaps what's most exciting about the plans for the new campus is the mutual commitment of Harris Health and all our project partners to engage the local community and our staff—through ongoing tours and forums, and with a custom microsite where area residents can provide feedback online—to ensure we meet the community's needs and expectations for their new healthcare destination.



PROGRESS + COMPASSION IN COLLABORATION

STRATEGIC PARTNERSHIPS

Harris Health is proud of our academic partnerships with other leading medical authorities in the Texas Medical Center and with community organizations, nonprofits, social service agencies and community health workers who enable us to provide high-quality care and vital resources to so many of our neighbors in need.

“We consider it a privilege to help develop our community’s next generation of pharmacists and look forward to welcoming them into the workforce.”

Michael Nnadi, PharmD
Senior Vice President and Chief Pharmacy and Lab Officer
Harris Health System

New pharmacy partnership with Texas Southern University

Harris Health recently partnered with TSU to provide pharmacy students in their final year a longitudinal advanced pharmacy practice experience (LAPPE).

LAPPE is a cumulative learning experience designed to help students gain a foundational clinical education and prepare for independent practice and their residency program. Students participate in various learning opportunities, including managing a project, presentation skills, effective communication, critical thinking and preparing a curriculum vitae.

“The inaugural class was very successful and went a long way toward getting young people interested in nursing.”

Maureen Padilla, DNP
Senior Vice President of Nursing Affairs
Harris Health System

Patient care assistant externship

As an innovative way to solve healthcare staffing shortages, Harris Health partnered with nonprofit job-placement organization Capital IDEA Houston to launch a fully funded eight-week training program for students at Barbara Jordan High School and Houston Community College. Students receive 100 hours of classroom and clinical training at Ben Taub and LBJ hospitals to kickstart a career as patient care assistants (PCA)—a valuable pathway to becoming a full-fledged nurse.

Inaugural class highlights:

27 students	25 completed the program	21 accepted full-time PCA positions at Harris Health
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Training the next generation

In fiscal year 2022, Harris Health launched a partnership with the new University of Houston Tilman J. Fertitta Family College of Medicine to serve as a training ground for primary care physicians performing their clinical studies. This is an exciting addition to our longstanding collaborative agreements with some of the nation’s top academic institutions and nursing schools, through which our hospitals, pharmacies, labs, clinics and health centers provide exceptional real-life training.

5,500+ physicians, nurses and allied medical professionals trained	40+ partnerships with highly ranked nursing programs
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Academic partners



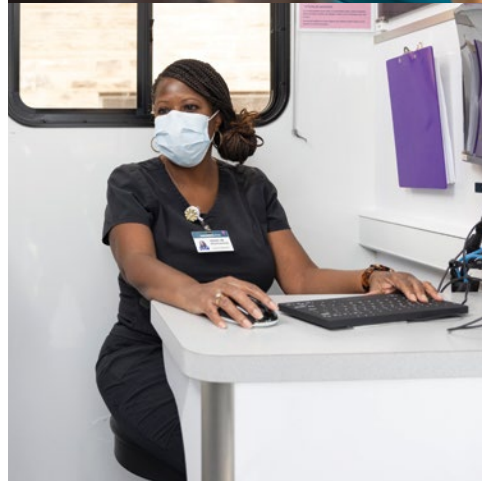
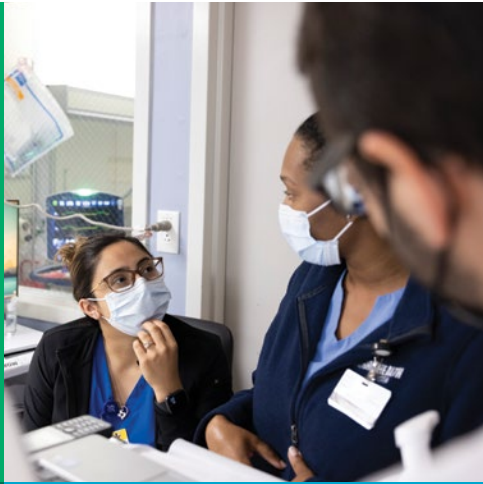
LBJ Hospital Community Farm

The Community Farm on the LBJ campus has grown to three-quarters of an acre and, during peak season, produces 200 to 350 pounds of vegetables a week. The farm also hosts the Northeast Community Farmers Market every first and third Saturday. Thanks to wonderful partnerships with Northeast Houston Redevelopment Council, Urban Harvest, SNAP and their Double Up Food Bucks program, our northeast neighbors have access to healthy produce as local farmers benefit too.

“Hosting the Farmers Market on its campus from the beginning of the pandemic, LBJ Hospital has provided a lifeline to Northeast Houston with affordable produce. This relationship is producing great fruit for our community.”

Huey German-Wilson
President
Northeast Houston Redevelopment Council





“This is life changing for the family and so greatly appreciated.”

Aracely Khand
Community Health Worker, Population Health
Harris Health System

Community outreach partnership

One of Harris Health’s Home Visit staff members had a patient who was unable to keep up with his mortgage payments due to a family tragedy and a COVID-19 emergency. The man was in tears when he received word that he was approved for six months of assistance with the possibility of receiving five more.



GAGE AWARDS
Innovation and Excellence

Award-winning population health initiatives

The Harris Health Population Health team developed a Home Visit program to address the negative health outcomes of disengaged patients with uncontrolled diabetes. After identifying patients’ individual social needs, knowledge and understanding of their diabetes diagnosis and ability to manage the disease on their own, community health workers developed personalized care plans to establish reliable access to care and connect them to local social services that can address non-medical needs, such as rental assistance, reliable food sources and public transportation. The program earned the 2022 Gage Award for Population Health, America’s Essential Hospitals’ highest honor, for innovation and success in improving health outcomes.

Another example of our dedication to community outreach through our Population Health program is our partnership with Harris County Community Services Department, which provides access to certain special funds for people experiencing hardships. Over the last two years, their case management staff has helped with a variety of social needs at 11 Harris Health locations in response to our staff and clinical case managers referring patients who struggle to pay for housing or utilities.

800+

referrals over the last 2 years



Community Health Choice

As trusted stewards of public tax dollars, Harris Health launched Community Health Choice, a local nonprofit managed care organization in 1997 as a cost-effective way to provide STAR Medicaid coverage to uninsured families. Since that time, we've expanded our partnership with Community to help more of our most vulnerable neighbors live a healthy life.

In 2019, for example, Community and Harris Health collaborated to create an innovative initiative to enroll qualified low-income Harris Health patients in Community's Marketplace plans. Harris Health covers the cost of their premiums, which lets them continue to receive the care they need and saves the system the higher cost of providing charity care.

Harris Health was one of the first health systems in the nation and is one of three in Texas to use this groundbreaking solution to address the increasing demand and strain on safety net institutions.

Patients enrolled in the Marketplace plan have access to free 24/7 telehealth services and a large portion

of Community's network of high-quality physicians, greatly expanding access to care for our patients. This was a godsend during the worst of the pandemic, allowing us to free up beds by moving covered COVID-19 and critically ill patients to other hospitals. As needed, we can do the same for covered patients seeking routine screenings, giving them faster connections to preventive and specialty care.

In addition to case management programs that help Members manage their diabetes and other chronic conditions, Community aims to improve the health and wellbeing of their Members by addressing their unmet social needs. As examples, Community provides college scholarships, job training and life coach support to eligible Members.

Through our combined efforts, Harris Health and Community Health Choice have provided coverage and healthcare for 697,674 low-income Harris County residents annually, as of April 2022. We have exciting plans in the works to continue our work together to address population health in our community for the long term.

"We're so proud of this collaborative partnership. It means faster, better care for those in need, and fewer uninsured Texans. And that's why our organization was born."

Lisa Wright
CEO
Community Health Choice

24,000
individuals receiving
Harris Health premium
subsidies

\$94.5M
reimbursements

\$31M
paid in Member
premiums

GENEROUS COMMUNITY INVOLVEMENT

Our volunteer teams, working remotely and onsite, made it possible for us to offer special comforts to our patients and employees in fiscal year 2022.

Thank you to all who shared your time and gifts.

To donate in-kind items, visit harrishealth.org/give/in-kind-donations.

To make a monetary donation, please visit harrishealth.org.

We greatly appreciate your support.

Harris Health also gratefully acknowledges the Harris County Hospital District Foundation for its recent capital campaign contribution of \$45.9 million, included in the figures shown above.

DONATIONS AND GIFTS

34,189
donated items

\$48.5M
total value
donations/gifts

\$48.2M
monetary gifts

GIFTS OF TIME

261
volunteers

18,240
volunteer hours

\$475,563
value of
volunteered time

EXCEPTIONAL LEADERSHIP

Board of Trustees



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County Judge

Rodney Ellis

Commissioner, Precinct 1

Adrian Garcia

Commissioner, Precinct 2



Tom S. Ramsey

Commissioner, Precinct 3

R. Jack Cagle

Commissioner, Precinct 4

Executive Leadership



Esmaeil Porsa, MD

President and Chief Executive Officer

Steven Brass, MD

Executive Vice President and Chief Medical Executive

Jacqueline Brock, DNP

Executive Vice President and Chief Nursing Executive



Patricia Darnauer

Executive Vice President
Lyndon B. Johnson Hospital

Michael Hill

Executive Vice President and Chief Strategy and Integration Officer

Carolynn Jones, JD

Executive Vice President and Chief Compliance and Risk Officer



Glorimar Medina, MD

Executive Vice President
Ben Taub Hospital

Victoria Nikitin

Executive Vice President and Chief Financial Officer

Omar C. Reid

Executive Vice President and Chief People Officer

Jennifer Small, AuD

Executive Vice President
Ambulatory Care Services

Louis Smith Jr.

Senior Executive Vice President and Chief Operating Officer



PROGRESS + COMPASSION BY THE NUMBERS



FINANCIAL HIGHLIGHTS

As a result of the continuing COVID-19 surge, Harris Health's fiscal year 2022 operating expenses grew by over \$254 million (14.3 percent) compared to the previous fiscal year.

Salaries, wages and benefits alone accounted for \$158 million of this increase, which covered higher staff needs and the loss of personnel due to poaching from contract nursing agencies and burnout among many experienced healthcare workers. We received \$92 million from the Health Resource and Service Administration for our role in caring for uninsured COVID-19 patients.

Harris Health System Fiscal Year 2022 Revenues and Expenses

Fiscal year ended February 28, 2022. All numbers shown in thousands.

Operating revenues

Net patient service revenue	\$ 822,096
Medicaid supplemental programs	\$ 561,109
Other operating	\$ 42,552
Total operating revenues	\$ 1,425,757

Operating expenses

Salaries, wages and benefits	\$ 1,052,089
Purchased services, supplies and other	\$ 922,249
Depreciation and amortization	\$ 61,159
Total operating expenses	\$ 2,035,497

Operating loss **\$ (609,740)**

Non-operating revenues

Ad valorem tax—net	\$ 814,846
Net tobacco settlement	\$ 13,273
Investment income	\$ 1,553
Provider Relief Fund revenue*	\$ 34,027
Total non-operating revenues	\$ 863,699

Non-operating expenses

Interest expense	\$ (10,727)
Other	\$ 5,136
Total non-operating expenses	\$ (5,591)

Capital gifts and grants **\$ 45,900**

Change in net position **\$ 294,268**

*COVID-19-related federal funding



COVID-19 vaccines shared with our community

Harris Health also shared 106,510 COVID-19 vaccines with 27 hospitals, pharmacies, clinics, schools, public health venues, wellness centers and more throughout the community.

100,460
Pfizer

4,600
Moderna

1,450
Janssen

FISCAL YEAR 2022 BY THE NUMBERS

Financial health

\$2.29B

total revenue

\$814.8M

ad valorem tax

\$822M

net patient service revenue

\$561.1M

Medicaid supplemental programs

\$96.5M

investment and other

\$795.3M

charity care

Patient services

1,662,493

total outpatient visits

431,813

primary care clinic visits

228,773

specialty clinic visits

236,968

telehealth clinic visits

897,554

total clinic visits

18,207

total surgery cases

Patient numbers

261,901

total unique patients

46,451

self-pay patients

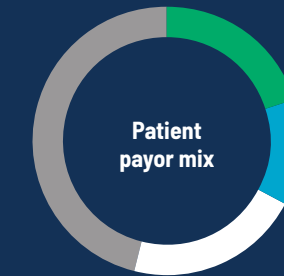
85,821

charity patients

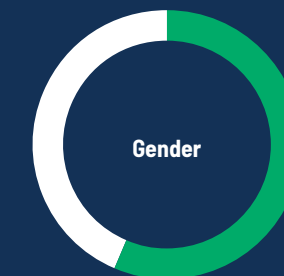
572.9

Average number of patients occupying beds in the hospital(s) each day

Patient demographics



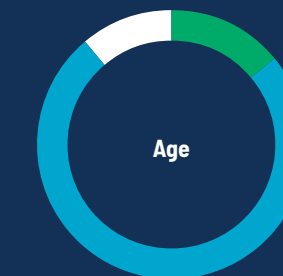
Commercial and other funding **19.9%**
 Medicare and Medicare managed **12.9%**
 Medicaid and CHIP **21.2%**
 Uninsured **45.9%**



Female **56.3%**
 Male **43.7%**



Hispanic/Latino **52.9%**
 African American **24.0%**
 Caucasian **14.4%**
 Asian and other **8.7%**



0-19 **14.5%**
 20-64 **74.6%**
 65+ **10.8%**

COVID-19 across our system

8,439

number of COVID-19 patients

84,794

individuals receiving COVID-19 vaccine

148,415

doses of COVID-19 vaccine distributed

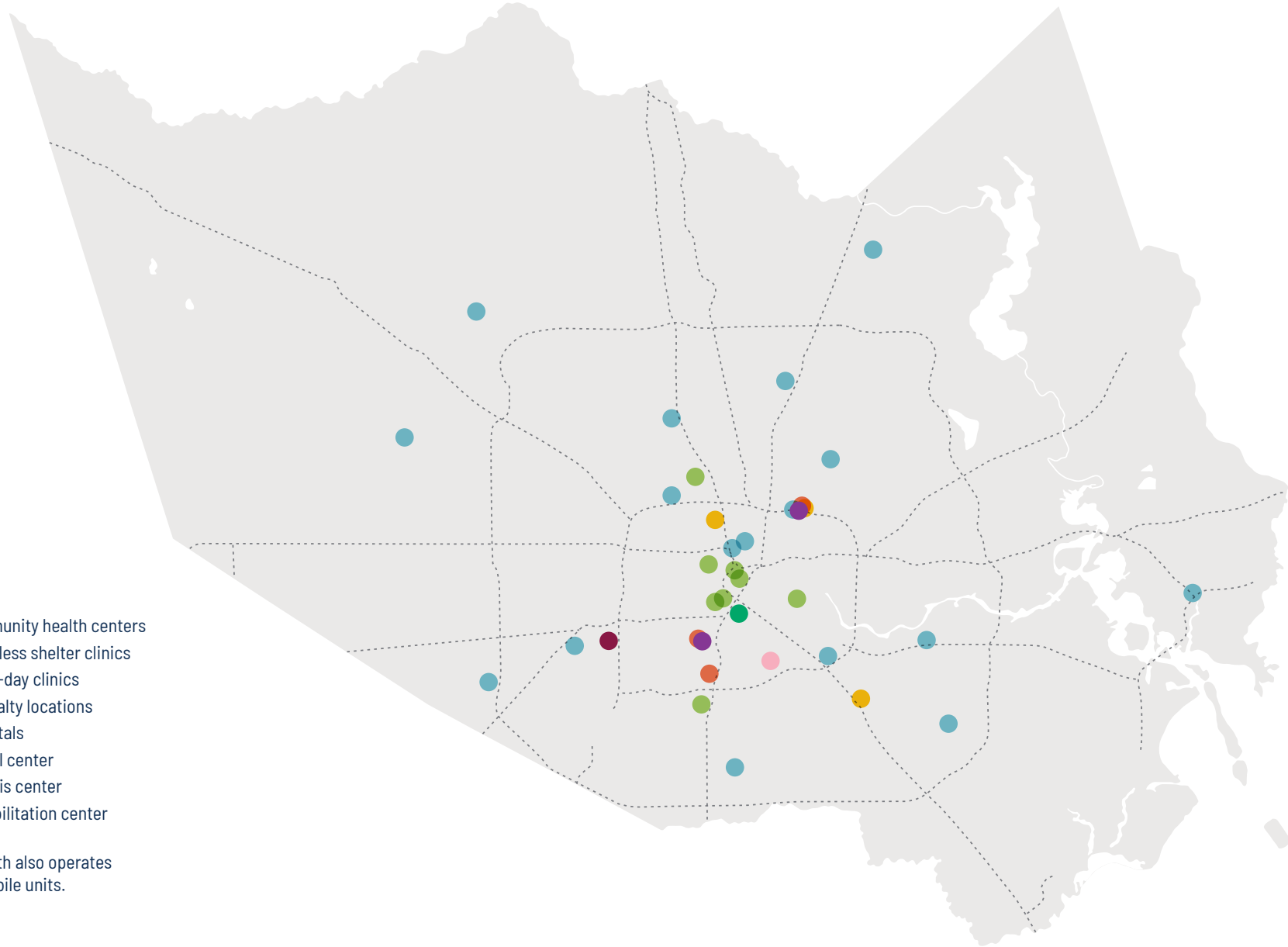
Vaccines were distributed through our community health centers, hospitals and House Call Service.

Recognitions



Harris Health Ben Taub and Lyndon B. Johnson hospitals

HARRIS HEALTH SYSTEM LOCATIONS



- 17 Community health centers
- 8 Homeless shelter clinics
- 3 Same-day clinics
- 3 Specialty locations
- 2 Hospitals
- 1 Dental center
- 1 Dialysis center
- 1 Rehabilitation center

Harris Health also operates several mobile units.



HARRISHEALTH.ORG