

BOARD OF TRUSTEES

Compliance and Audit Committee

Thursday, February 10, 2022
8:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, Texas 77401

The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>

Notice: Some Board Members may participate by videoconference.

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.

AGENDA

- | | | |
|--|------------------------------|-----------------|
| I. Call to Order and Record of Attendance | Dr. Andrea Caracostis | 1 min |
| II. Approval of the Minutes of Previous Meeting
Compliance and Audit Committee Meeting – October 14, 2021 | Dr. Andrea Caracostis | 2 min |
| III. Compliance and Audit Committee Deliverable for Calendar Year 2022
– <i>Ms.Carolynn Jones</i> | | 5 min |
| IV. Presentation of Harris Health System Independent Financial Auditor’s Pre-audit Communication for the Fiscal Year Ended February 28, 2022 – <i>Mr. Chris Clark, BKD</i> | | 10 min |
| V. Presentation of Harris Health System Internal Audit Annual Status Update
– <i>Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director</i> | | 10 min |
| VI. Consideration of Approval of the Internal Audit Charter – <i>Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director</i> | | 5 min |
| VII. Executive Session | Dr. Andrea Caracostis | 55 min |
| A. Report by the Senior Vice President, Chief Cyber & Information Security Officer, Regarding Harris Health System’s Cybersecurity Year End Review, Pursuant to Tex. Gov’t Code §418.183, Tex. Gov’t Code §551.089, and Tex. Health & Safety Code §161.032, and Possible Action Upon Return to Open Session – <i>Mr. Jeffrey Vinson</i> | | <i>(10 min)</i> |
| B. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA, Other Federal and State Healthcare Program Requirements, and an Update on the Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding This Matter Upon Return to Open Session – <i>Ms. Carolynn Jones</i> | | <i>(10 min)</i> |

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- C. Discussion Regarding Internal Audit Plan, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Upon Return to Open Session (5 min)
 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director**

 - D. Discussion Regarding Harris County Internal Audit Report on Harris Health System Patient Safety Incident Review and Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002, and Tex. Gov’t Code Ann. §551.071 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (10 min)

 - E. Discussion Regarding Harris County Internal Audit Report on Harris Health System Cash Management Review and Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (10 min)

 - F. Discussion Regarding Harris County Auditor’s Report on Harris Health System Outstanding Management Action Plans, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (5 min)

 - G. Discussion Regarding Harris County Auditor’s Status Update on Harris Health’s Implementation of Recommendations from Alvarez and Marsal’s Gap Assessment, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov’t Code Ann. §551.071, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 – **Ms. Errika Perkins, Chief Assistant County Auditor and Ms. Sharon Brantley Smith, Audit Director** (5 min)
- VIII. Reconvene Dr. Andrea Caracostis 1 min
- IX. Adjournment Dr. Andrea Caracostis 1 min

**HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF TRUSTEES
COMPLIANCE & AUDIT COMMITTEE MEETING**

Thursday, October 14, 2021

8:00 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	Dr. Andrea Caracostis, Chair, called the meeting to order at 8:01 a.m. It was noted there was a quorum present and the attendance was recorded. Dr. Caracostis announced that while some board members are in the room, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. Only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live .	
II. Approval of the Minutes of Previous Meeting Compliance Committee Meeting – August 12, 2021		Moved by Ms. Linda Morales, seconded by Dr. Arthur Bracey, and unanimously approved the minutes of the August 12, 2021 committee meeting.
III. Update by the Harris County Auditor's Office on Recent Audit Results, Status of the Audit Plan and Outstanding Management Action Plans from Prior Engagements	Ms. Errika Perkins, Chief Assistant County Auditor, Harris County Auditor's Office, presented recent audit results, status of the audit plan and outstanding management action plans from prior engagements. She began with audit results for engagements that were completed since the last meeting. The first was Human Resources Contractor Onboarding-Excluded Vendors, in which Ms. Perkin's team looked at federally excluded vendors and the process surrounding that in regards to the Purchasing team and Corporate Compliance. During that audit review, there were a couple observations that would be discussed further in executive	As reported. Ms. Linda Morales requested an HR Assessment update to be include in the weekly CEO report to the Board.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>session. The next completed project was Patient Access and Registration, in which the internal auditors focused on patient access and registration processes, including eligibility and point of service collections. Ms. Perkins highlighted several significant issues impacting the effectiveness of certain patient access and registration processes. The third project was Thomas Street Eligibility Processes, in which the auditors observed eligibility controls and data for the 12 months ending April 30, 2021 for the Ryan White HIV/AIDS Program, the Harris Health Financial Assistance Program, and Healthcare for the Homeless Program. Ms. Perkins reported that the follow-up on Alvarez & Masrsal recommendations is ongoing. She provided an update on the audit plan status stating that the Patient Safety Incident project was completed and the Cash Management Audit is wrapping up. She also reported that the Protiviti consultants have already begun interviews for the HR Assessment. There were no high priority items passed due. Ms. Perkins shared that her team was approved for an additional senior auditor, which will help alleviate some of the burden on the team. She also informed the committee that the auditors are beginning the annual risk assessment, for which surveys are being distributed and interviews will begin soon. The internal auditors will also be working with the compliance team on Enterprise Risk Management (ERM), which is one of the pillars of the HHS Strategic Plan. Discussion ensued regarding developing and implementing an enterprise risk management (ERM) framework to address safety/ quality risks throughout the organization. A copy of the report is available in the permanent record.</p>	
<p>IV. Executive Session</p>	<p>At 8:20 a.m., Dr. Andrea Caracostis stated that the Compliance & Audit Committee would enter Executive Session as permitted by law.</p>	
<p>V. Reconvene</p>	<p>At 9:31 a.m. Dr. Andrea Caracostis reconvened the meeting and</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	stated that no action was taken in Executive Session.	
<p>A. Report by the Senior Vice President, Chief Cyber & Information Security Officer, Regarding Harris Health System's Information Security Program Update, Pursuant to Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, and Tex. Health & Safety Code §161.032, and Possible Action Upon Return to Open Session</p>		No action taken.
<p>B. Harris County Auditor's Report on the Thomas Street Eligibility Processes, Pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Gov't Code Ann. §551.071</p>		No action taken.
<p>C. Harris County Auditor's Report on HR Contractor Onboarding, Excluded Vendors, Pursuant to Tex. Health & Safety Code Ann. §161.032</p>		No action taken.
<p>D. Harris County Auditor's Status Update on the Engagement to Facilitate Harris Health's</p>		No action taken.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
<p>Implementation of Recommendations from Alvarez and Marsal's Gap Assessment, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002, and Possible Action Regarding this Matter Upon Return to Open Session</p>		
<p>E. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA, Other Federal and State Healthcare Program Requirements, and an Update on the Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, and Possible Action Regarding This Matter Upon Return to Open Session</p>		<p>No action taken.</p>
<p>VI. Adjournment</p>	<p>Moved by Mr. Lawrence Finder, seconded by Ms. Alicia Reyes, and unanimously approved to adjourn the meeting. There being no further business, the meeting adjourned at 9:32 a.m.</p>	

I certify that the foregoing are the Minutes of the Meeting of the Compliance and Audit Committee of the Board of Trustees of the Harris Health System held on October 14, 2021.

Respectfully submitted,

Andrea Caracostis, MD, Chair

Recorded by Yasmin Othman

Thursday, October 14, 2021

Harris Health System Board of Trustees Board Meeting – Compliance & Audit Committee Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

COMPLIANCE & AUDIT COMMITTEE BOARD MEMBERS PRESENT	COMPLIANCE & AUDIT COMMITTEE BOARD MEMBERS ABSENT	OTHER BOARD MEMBERS PRESENT
Dr. Andrea Caracostis (Chair)		Ms. Anne Clutterbuck
Dr. Arthur Bracey (Ex-Officio)		Dr. Ewan Johnson
Mr. Lawrence Finder		
Ms. Linda Morales		

EXECUTIVE LEADERSHIP
Dr. Ann Barnes, Executive Vice President & Chief Medical Executive
Ms.Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer
Mr. David Chou, Senior Vice President & Chief Information Officer
Ms. Errika Perkins, Chief Assistant County Auditor, Harris County Auditor’s Office
Dr. Esmaeil Porsa, President & Chief Executive Officer
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive
Mr. Jeffrey Vinson, Senior Vice President, Chief Information Security Officer
Dr. Jennifer Small, Interim Executive Vice President, Ambulatory Care Services
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer
Ms. Maria Cowles, Senior Vice President, Chief of Staff
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services
Mr. Michael Norby, Executive Vice President & Chief Financial Officer
Ms. Monica Carbajal, Vice President, Contract Administration
Mr. Omar Reid, Senior Vice President, Human Resources
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney’s Office
Ms. Sharon Brantley Smith, Assistant County Auditor, Harris County Auditor’s Office

Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital

OTHERS PRESENT	
Nowell Agent (FBI Agent)	Jennifer Zarate
Antoinette Cotton	Jerald Summers
Anthony Williams	Nicholas Bell
Cherry Pierson	Paul Lopez
Daniel Smith	Randy Manarang
David Attard	Tai Nguyen
Derek Curtis	Vinh Truong
Ebon Swofford	Xylia Rosenzweig
Elizabeth Winn	Yasmin Othman

Thursday, February 10, 2022

Compliance and Audit Committee Deliverable for Calendar Year 2022

**Board of Trustees
Compliance and Audit Committee Deliverables – CY 2022**

Standing Items (at Each Committee Meeting)

Compliance Program Update	<p>Will Include, at a Minimum:</p> <ol style="list-style-type: none"> 1. Allegation Summary 2. Exclusion/Sanction Check 3. Audit Plan Status, including any Final Audit Reports 4. Overpayments Disclosure, if Any 5. Survey Readiness Activity 6. Regulatory Updates 7. Knowledge Sharing
Internal Audit Update	<p>Will Include, at a Minimum:</p> <ol style="list-style-type: none"> 1. Audit Results 2. A&M Update 3. Audit Plan Status, including any Final Audit Reports 4. Follow-up on Management Action Plans 5. Knowledge Sharing

Annual Reports and/or Approvals

Internal Audit - Charter – Approval Needed (February)	
Internal Audit and Compliance – Risk Assessment (February and August – due to change in FY)	
Internal Audit – Audit Plan – Approval Needed (February and August– due to change in FY)	
Compliance – Audit Plan – Approval Needed (February and August– due to change in FY)	
Internal Audit – Team Metrics (February)	
Compliance – Compliance Program Effectiveness Self-Assessment, to include Team Metrics, and a Proposal for Compliance Program Metrics to be Reported Going Forward (May)	
External Financial Auditor Pre-Audit Communication – (February and August – due to change in FY)	
External Financial Auditor Audit Report (August)	

Biannual Reports

Cybersecurity/Information Security Update (February & November)	
Controlled Substances Oversight Committee (CSOC) Update (May & November)	
340B Governance Committee Update (May & November)	
Workplace Safety Task Force Update (May & November)	

Miscellaneous Reports

Special Reports as Needed, including updates on Enterprise Risk Management Framework Implementation	
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Thursday, February 10, 2022

**Presentation of the Harris Health System Independent Auditor's Pre-audit
Communication for the Fiscal Year Ended February 28, 2022**

Representatives from the external audit firm BKD, LLP, will provide an overview of the risk assessment and audit plan for the fiscal year ended February 28, 2022.

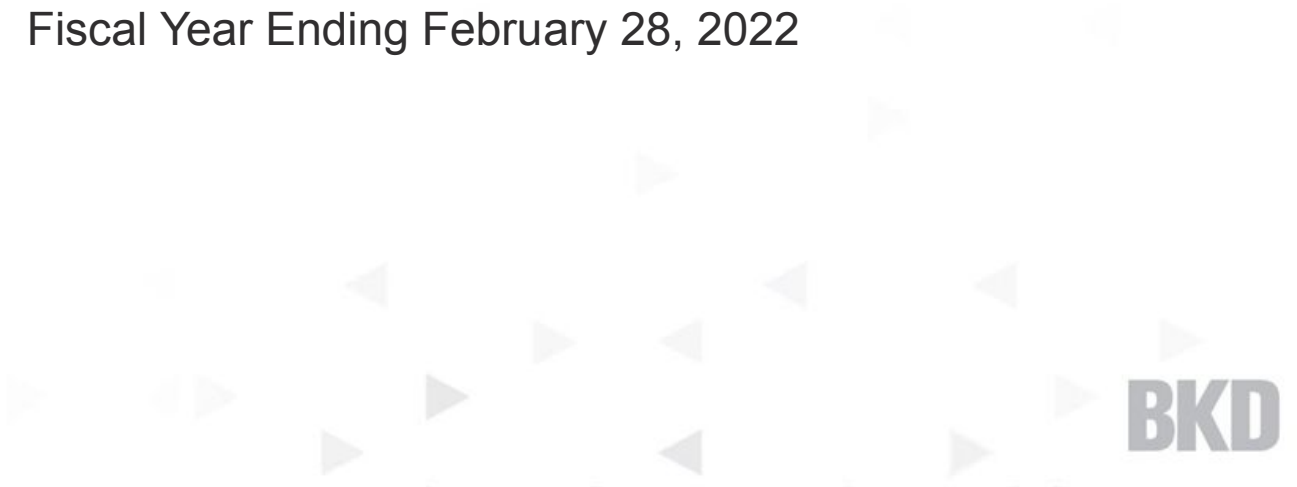
A copy of the presentation is attached.



Harris Health

External Audit Plan

Fiscal Year Ending February 28, 2022



BKD

Scope of Work

- Our services will include:
 - Audit of:
 - Harris Health
 - Community Health Choice, Inc & Community Health Choice Texas, Inc.
 - 401k Plan
 - Pension Plan
 - Audit of compliance with federal awards programs (CARES Act Funding)

Qualifications

- External reviews
 - Copies of our AICPA peer review report and PCAOB inspection report are included in your handouts
- BKD Quality Report
- Health care experience
 - Health care continues to be our firm's largest industry niche
 - BKD provides audit and consulting services to nearly 100 hospitals in Texas
 - BKD audits all of the major hospital districts in Texas

The Importance of Quality:
Our Commitment to Integrity & Excellence



Audit Scope and Timing – Key Points

- Significant Risk Areas
 - Regulatory environment
 - Revenue recognition
 - Management estimates
 - Information Technology
 - Provider Relief Funds
- Timing
 - Planning in January/February 2022
 - Fieldwork begins in April 2022
 - Board presentation in June 2022

Independence Discussion

- BKD routinely conducts independence checks for our partners and professionals
- We confirm that BKD is independent to Harris Health and that there are no impediments to our ability to conduct the 2022 financial statement audit

Questions?

Thank You!

BKD
CPAs & Advisors

Harris Health System

Report to the Board of Trustees

December 29, 2021

Risk Assessment and Audit Plan for the Year Ended February 28, 2022



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Fiscal Year 2022 Audit Planning

The purpose of this report is to summarize various matters relating to our approach for the February 28, 2022 audit of the financial statements of Harris County Hospital District d/b/a Harris Health System (System) and its compliance with specified requirements applicable to its major federal and state awards programs as well as the financial statement audits of Harris County Hospital District 401(k) Plan, Harris County Hospital District Pension Plan, Community Health Choice, Inc. and Community Health Choice Texas, Inc. as of and for the years ended December 31, 2021.

We will conduct our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We will conduct our audit(s) in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the state of Texas *Uniform Grant Management Standards* (UGMS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Uniform Guidance and UGMS requires that we perform the audit of compliance with types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that are applicable to each major federal and state award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal or state award program occurred.

Service Provided	Scope
Independent Audit	For the purpose of rendering an opinion on the financial statements
Issue Management Letter	To provide details of our findings and recommendations over internal controls, financial reporting, and operational best practices for consideration
Post-Audit Communication	To provide the Board of Trustees a qualitative summary of audit results

Our audit approach emphasizes the areas of higher risk, focusing on the unique characteristics of the System's operating environment, the effectiveness of its internal control and its financial statement amounts and disclosures.

Based on our understanding of both the System's and our assessment of your internal control, we plan our audits to achieve the appropriate level of assurance regarding material misstatements and material weaknesses in internal control over financial reporting.

Planned Scope & Timing

Significant **External** Risks and Matters

Risk Area	Audit Approach
<ul style="list-style-type: none"><li data-bbox="261 405 771 653">• <i>Economic risk</i> - the current healthcare environment continues to be a potential threat and presents difficult circumstances and challenges for the health care industry. The funding received through the Medicaid Section 1115 program also continues to present a challenge to Texas hospitals in estimating revenue.	<ul style="list-style-type: none"><li data-bbox="857 394 1386 678">☞ Challenge estimates prepared by management, including the estimated values of patient accounts receivable and settlements from supplemental funding programs. Challenge disclosures regarding Medicaid revenue concentrations and impact of potential changes on future operating results. Challenge disclosures related to supplemental payment programs.

Planned Scope & Timing

Significant Internal Risks and Matters

Risk Area	Audit Approach
<ul style="list-style-type: none">• <i>Management override of controls</i> – the risk that management may override existing and functioning accounting controls is an inherent risk to the System. • <i>Revenue recognition</i> – revenue cut-off and recognition of supplemental Medicaid payments and Provider Relief Payments pursuant to the <i>Coronavirus Aid, Relief, and Economic Security Act (CARES Act)</i> significantly impact the financial statements of the System.	<ul style="list-style-type: none">➤ Review accounting estimates for bias, review selected journal entries and evaluate business rationale for unusual transactions. ➤ Test revenue cut-off and review the status of open cost reports, review correspondence with intermediaries, review management’s estimate of the fiscal year 2022 cost report settlement. We will also review estimates associated with Medicaid supplemental funding related balances in conjunction with available external data and subsequent receipts. Review COVID-19 specific expenses and measurement of lost revenue as it relates to the recognition of Provider Relief Fund revenue association with the CARES Act.

Planned Scope & Timing

<ul style="list-style-type: none"> • <i>Management estimates</i> – estimates and judgments made by management materially impact financial statement amounts. The following financial statement areas include material estimates made by management: <ul style="list-style-type: none"> ■ <i>Net realizable value of patient accounts receivable</i> ■ <i>Estimated third-party payer settlements, including Medicaid Waiver settlements</i> ■ <i>Estimated professional and general liability accruals.</i> ■ <i>Estimated incurred, but not reported, health claims for employees</i> ■ <i>Estimated incurred, but not reported, health claims for the Community Health Choice HMOs</i> ■ <i>Net pension liability</i> ■ <i>OPEB liability</i> 	<ul style="list-style-type: none"> ➔ Review management’s estimates and challenge methods and assumptions used. Review historical data and consider this data in light of new economic and other developments that might impact the future collections received or payments made. Perform a “look-back” test to challenge management’s past estimates, looking for both bias and historical accuracy. Review actuarial valuations, challenge the data used by review of open claims listings and assess actuaries’ qualifications.
<ul style="list-style-type: none"> • <i>Information Technology</i> – The System has a sophisticated and complex ERP which affects multiple areas related to financial reporting 	<ul style="list-style-type: none"> ➔ Use BKD IT specialists to review controls surrounding the implementation process, security and data integrity. Challenge access controls to identify segregation of duties conflicts.
<ul style="list-style-type: none"> • <i>Compliance with Federal and State Funding Requirements</i> – the System will be subject to the Uniform Guidance and UGMS audit requirements due to receiving and expending federal and state funds. 	<ul style="list-style-type: none"> ➔ Evaluate compliance with major program’s requirements, which will include obtaining an understanding of the internal controls related to the compliance and sampling of populations for compliance in relation to regulations set forth by Uniform Guidance and UGMS.

We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion or other matters you believe warrant attention during the audit.

Accounting and Auditing Matters

We wish to communicate the following significant matters related to the financial statement audit to you that are, in our judgment, relevant to your responsibilities in overseeing the financial reporting process:

Critical Accounting Policies and Practices

- ✓ Accounting for supplemental Medicaid funding
- ✓ Accounting for Provider Relief Funds
- ✓ Internal controls and how those controls are serving to prevent or detect fraudulent activity

Critical Audit Areas

- ✓ Significant estimates
- ✓ Provider Relief Funds and other COVID-19 related sources of revenues and expenses
- ✓ Internal control structure

Nonaudit Services Performed During the Fiscal Year Ending February 28, 2022

- ✓ Routine advice regarding new audit standards and unusual accounting matters
- ✓ Assistance with strategic planning forecasting

Consideration of Errors and Fraud

One of the most common questions we receive from those charged with governance is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

▲ Engagement Team Brainstorming

- Discussions include how and where the engagement team believe the System’s financial statements might be susceptible to material misstatement due to errors or fraud, how management could perpetrate and conceal fraudulent financial reporting and how assets of the entity could be misappropriated
- An emphasis is placed on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatement due to errors or fraud

▲ Inquiries of Management and Others

- Personnel interviewed will include the Board of Trustees Chair, the chief executive officer, chief financial officer, controller and others
- Inquiries are directed toward the risks of errors or fraud and whether personnel have knowledge of any fraud or suspected fraud affecting the entity

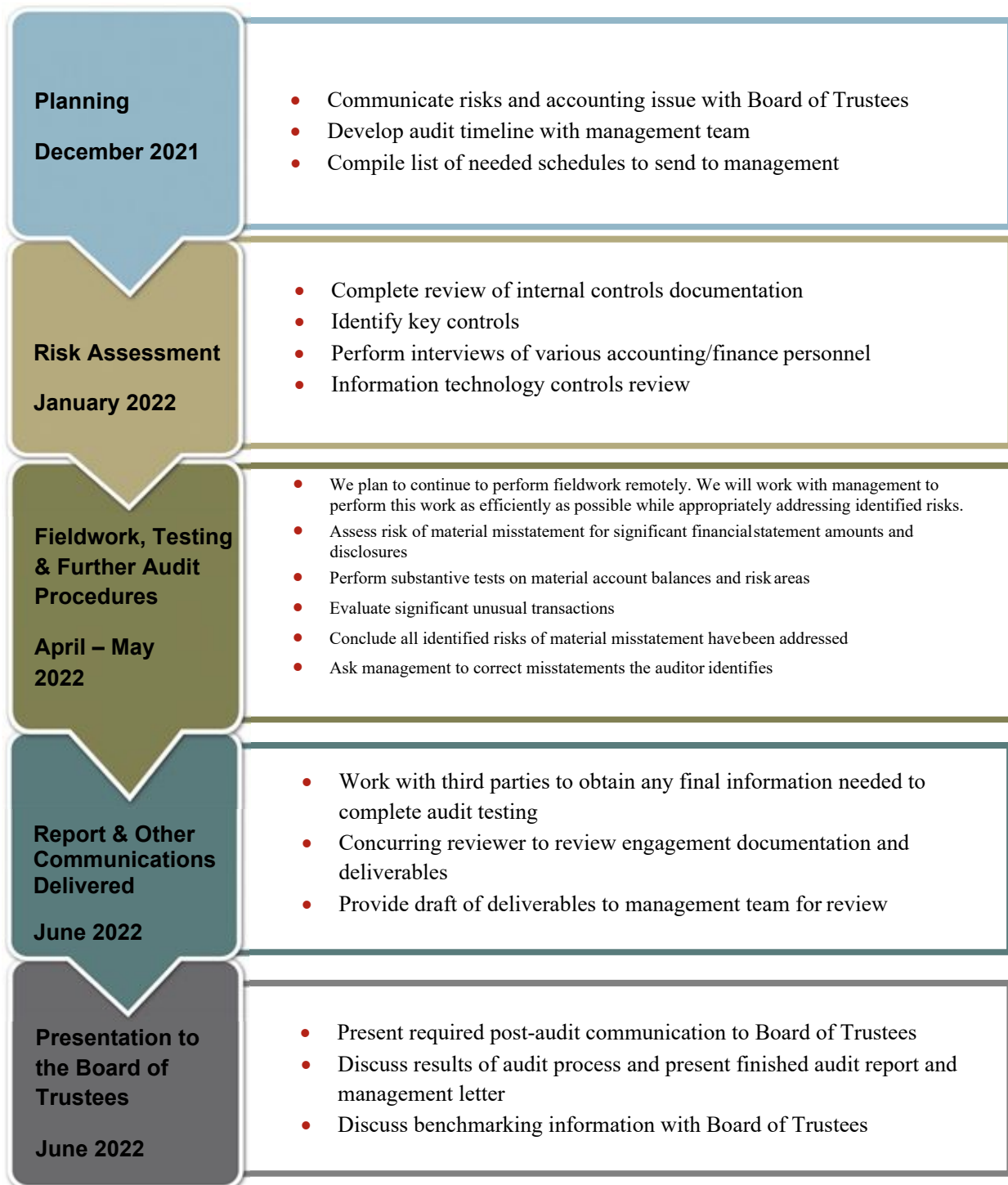
▲ Reviewing Accounting Estimates for Bias

▲ Evaluating Business Rationale for Significant Unusual Transactions

▲ Incorporating an Element of Unpredictability Into the Audit Each Year

Audit Timeline

Our Five Phase Approach to Financial Statement Audits



Required Communications with the Board of Trustees

Communication when event occurs:

- Major issues discussed with management in connection with initial or recurring retention
- Disagreements with management
- Consultations with other accountants
- Serious difficulties encountered in dealing with management when performing the audit
- The adoption of, or change in, an accounting principle
- Methods of accounting for significant unusual transactions and for controversial or emerging areas
- Fraud and illegal acts involving senior management and fraud and illegal acts that cause a material misstatement of the financial statements
- Events or conditions that cause us to conclude that there is substantial doubt about the System's ability to continue as a going concern

Communication on a timely basis, at least annually:

- Our responsibility under GAAS including other information in documents containing audited financial statements
- Significant audit adjustments
- Unrecorded audit differences considered by management to be immaterial
- Sensitive accounting estimates
- Significant deficiency and/or material weakness in internal control
- Overview of planned scope and timing of audit
- Representations the auditor requests from management
- Significant findings or issues arising from the audit that were discussed with management

Thursday, February 10, 2022

Presentation of Internal Audit Annual Status Update

Harris County Auditor's Office presentation to the Compliance and Audit Committee of the Internal Audit Annual Status Update



Internal Audit Annual Status Update

- February 10, 2022



Our Mission



Mission

Provide independent audit and consulting services, utilizing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Goal

Serve as a trusted assurance partner by completing at least 75% of the annual Audit Plan by fiscal year-end and providing deliverables that add value and support Harris Health's achievement of its Strategic Plan.

About Our Team



Staff Credentials

Professional credentialing provides a basis for evaluating an auditor's proficiency and enforces continuing education to maintain the credentials. Seven team members (including the Chief Assistant) maintain at least one professional certification.



Staffing Levels

HHSIA is comprised of eight dedicated positions from the Harris County Auditor's Office (HCAO), plus the Chief Assistant Auditor who splits her time between Harris County and Harris Health.

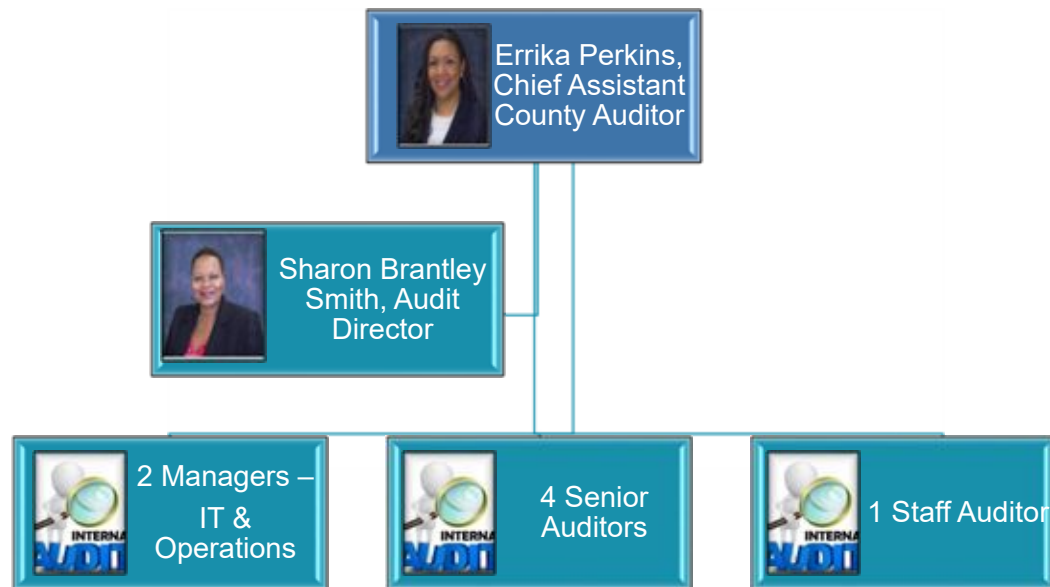


Quality Assurance

Per the Institute of Internal Auditors (IIA) Standards, the IIA's Quality Services conducted a peer review of a random sample of HCAO audits in May 2021. They provided us the highest possible rating of *Generally Conforms*.

Staffing and Credentials

Credentials Held by Team	Count
Certified Internal Auditor - CIA	4
Certified Public Accountant - CPA	3
Certified Healthcare Internal Audit Professional - CHIA	1
Certified Information Systems Auditor - CISA	2
Certified Fraud Examiner - CFE	3
Certified in Risk Management Assurance	1
Certified Government Auditing Professional	2



Healthcare Years of Experience





Audit Results



Project Name: *Alvarez & Marsal (A&M) Recommendation Follow-up*

Objective: Facilitate the development of corrective action plans (CAPs) and timelines to address A&M's recommendations; track action plan status; and determine whether there is sufficient evidence of the completed actions.



Background

This is a continuous monitoring engagement to facilitate Harris Health System's implementation of 272 recommendations related to 21 topics from Alvarez and Marsal's gap assessment.



Summary Status

<p>CAPs Documented (272/272) 100%</p>	<p>Validations Completed (123/272) 45%</p>	<p>Validations In Progress (149/272) 55%</p>
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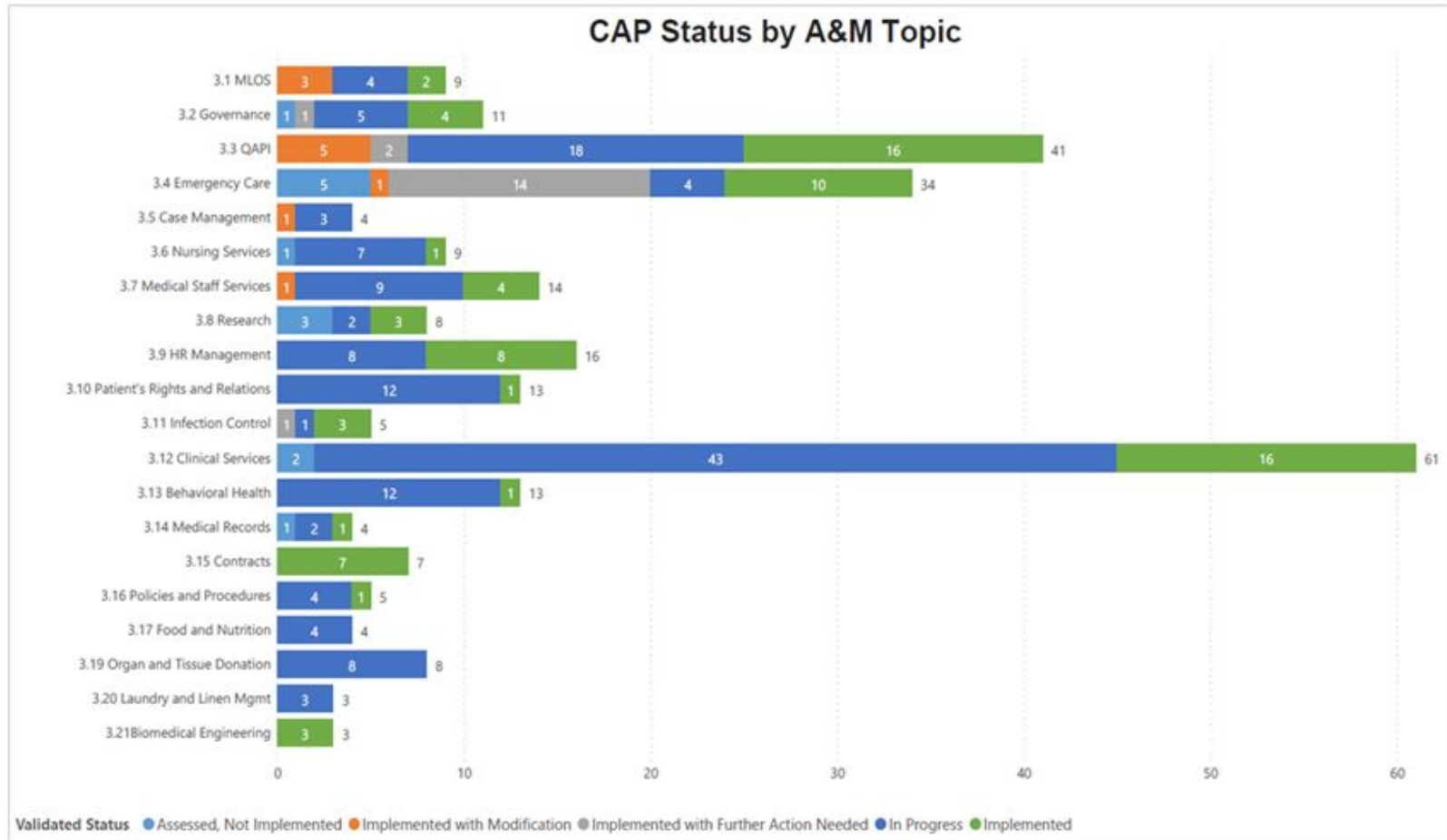


Completion Timeline

Based on the due dates established by management for several of the action plans, validation work is expected to continue through calendar year 2022 and minimal work will be required in 2023.

A&M Corrective Action Plan Status by Topic

The full audit report will be presented in Executive Session.



Project Name: *Cash Management*

Scope: The audit focused on processes and information for the period September 2020 to August 2021.

Scope Exclusion: The audit did not include controls over credit card payments.



Overall Conclusion

Enhanced cash management controls are needed, including a system-level cash handling policy, additional system-level oversight, routine reconciliations, improved documentation, and security enhancements.



Objectives

Evaluate cash controls within Food and Nutrition Services, Patient Access Management, and Pharmacy



Significant Issues

There are opportunities for improvement related to departmental reconciliations, segregation of duties, security, system downtime processes, and refund documentation.

The full audit report will be presented in Executive Session.

Project Name: *Human Resources Process Review and Audit*

Scope: Transactions for the audit period March 1, 2020 to February 28, 2021 related to the following processes:

- Manage HR Strategy
- Develop HR Plans and Strategy
- Acquire Workforce
- Manage Workforce
- Develop Workforce
- Transition Workforce
- Organization Architecture
- Performance Management
- Employee Relations / Communications

Scope Exclusion: The scope did not include Payroll and other processes outside HR's control.



Overall Conclusion

Overall, the HR processes demonstrate some levels of a “defined” maturity level. However, Harris Health has an opportunity to implement better practices more consistently to solidify a “defined” maturity level and begin entering into a “managed” maturity level.



Objectives

Review of Harris Health System's current Human Resources (HR) processes to assess the processes through interviews, walkthroughs, and select control testing; identify observations; and develop recommendations to improve effectiveness and efficiency of the processes



Significant Issues

Strengths: HR Strategic Planning; Use and Leverage of Technology; Focus on Development; Willingness to Change/Implementation of Projects and Programs; Compensation Management

Gaps: Workforce Planning; Reporting & Communication; Manager Development

Process Improvements: Recruitment Enhancement; Advancement Opportunities / Retention; Employee Relations; Benefits; Record Retention; Project / Change Management; HR Outside Relationships; Technology Enhancement

The full audit report was presented at the January 27, 2022, Board of Trustees meeting.

Project Name: *Patient Safety Incident Reporting*

Scope: The audit focused on processes and data for the period January 2020 through May 2021, related to patient safety incidents reported for Ben Taub and Lyndon B. Johnson (LBJ) hospitals. The scope did not include incidents reported for the Ambulatory Surgical Center at LBJ, patient complaints and grievances, or mandatory reporting requirements for departments outside of Risk Management and Patient Safety.



Overall Conclusion

There are key issues impacting the effectiveness of certain patient safety incident reporting processes.



Objectives

Evaluate the processes and controls for managing reported patient safety incidents and ensuring related requirements are met.

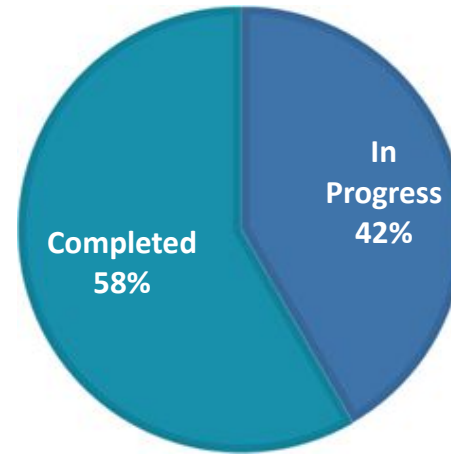


Significant Issues

Process improvements are needed to accurately identify high-level incidents in eIRS prior to closure and report patient safety metrics to various committees. Additionally, standard operating procedures should be developed, and Harris Health's Patient Safety Plan and policies should be reviewed for consistency and alignment with state guidelines.

The full audit report will be presented in Executive Session.

FY 22 Audit Plan Status



In Progress Engagements	
Physician Credentialing	Planning
Business Continuity and Disaster Recovery	Planning
Follow-up on Alvarez and Marsal Recommendations	Fieldwork
Harris County Sheriff's Office (HCSO) Pharmacy Assessment	Wrap-up, pending action plans from HCSO
Management Action Plan Follow-up	Ongoing

Outstanding Management Action Plans

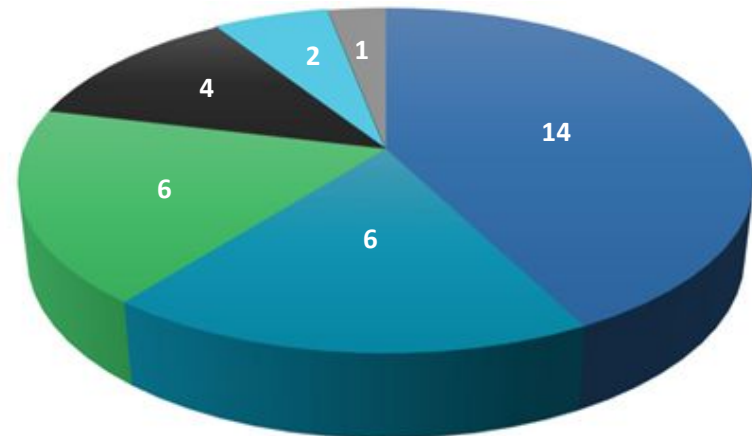
At the end of each audit engagement, HHSIA requests action plans and definitive implementation dates from management for remediating the risks associated with the issues identified during the audit.

HHSIA follows up to confirm implementation of the management action plans (MAPs) and provides additional details to the Compliance and Audit Committee on any past-due MAPs with a **HIGH** priority for implementation and revised due dates.

STATUS:

- There are **33** outstanding MAPs related to six engagements.
- Of these, **five are high-priority with revised implementation dates** to allow additional time for corrective action. *These five high-priority MAPs will be discussed in Executive Session.*
- The remaining 28 MAPs are currently being validated or have future implementation dates.

33 Outstanding MAPs by Engagement



Thank You



- **Errika Perkins, CPA, CIA, CFE**
Chief Assistant County Auditor, Audit Division
Errika.Perkins@harrishealth.org
713-274-5673
- **Sharon Brantley Smith, MBA, CIA, CFE, CISA**
Audit Director, Audit Division
Sharon.BrantleySmith@harrishealth.org
713-274-5689



Thursday, February 10, 2022

Consideration of Approval of the Internal Audit Charter

CHARTER

Consideration for approval: Internal Audit Charter



Per the Harris Health System Board of Trustees Compliance and Audit Committee Charter, the **Board is required to annually review and recommend approval of the Internal Audit Activity Charter.** This charter is included on the subsequent pages for the Board's review and approval, with changes highlighted in yellow.

1200 – HARRIS HEALTH SYSTEM AUDIT CHARTER

INTRODUCTION

An interlocal agreement between Harris County and Harris Health System dedicates a portion of the Harris County Auditor's Office Audit Division to Harris Health. While serving in this capacity as Harris Health Internal Auditors, the Audit Executive reports to the Harris Health Board of Trustees (Board). As a result, a separate audit charter has been created for this team.

1200.01 PURPOSE

The purpose of Harris Health's internal audit department is to provide independent, objective assurance and consulting services designed to add value and improve Harris Health System's operations.

The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit department helps Harris Health accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of governance, risk management, and control processes.

1200.02 STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The internal audit department is governed by adherence to the mandatory elements of The Institute of Internal Auditor's Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (Standards), and the Definition of Internal Auditing. Internal Audit will also consider the IPPF's recommended and supplemental guidance for insight on how to execute compliance efficiently and effectively with the mandatory elements of the IPPF. The Chief Assistant County Auditor of the internal audit department, as appointed by the Harris County Auditor, is the Chief Audit Executive for Harris Health. The Chief Audit Executive will report periodically to the County Auditor, senior management, and the Board regarding the internal audit department's conformance to the Code of Ethics and the Standards.

1200.03 AUTHORITY

The Chief Audit Executive will report functionally to the Board and administratively to the County Auditor. To establish, maintain, and assure that Harris Health's Internal Audit has sufficient authority to fulfill its duties, the Board will:

- Approve the internal audit department's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit department's budget and resource plan.
- Receive communications from the Chief Audit Executive on the internal audit department's performance relative to its plan and other matters.

- Make appropriate inquiries of County Officials and the Audit Executive to determine whether there are inappropriate scope or resource limitations.

The Chief Audit Executive will have unrestricted access to communicate and interact directly with the Board of Trustees, including private meetings without management present as allowed by statute.

The Board authorizes the internal audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of Harris Health, as well as other specialized services from within or outside Harris Health, to complete the engagement.

1200.04 INDEPENDENCE AND OBJECTIVITY

The Chief Audit Executive will ensure that the internal audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Audit Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous two years
- Performing any operational duties for Harris Health or its affiliates
- Initiating or approving transactions external to the internal audit department
- Directing the activities of any Harris Health employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors

Where the Chief Audit Executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to Board, at least annually, the organizational independence of the internal audit department.

1200.05 SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the, Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Harris Health. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Harris Health’s financial strategic objectives are appropriately identified and managed
- The actions of Harris Health’s officers, directors, employees, and contractors comply with Harris Health’s policies, procedures, and applicable laws, regulations, and governance standards
- The results of operations or programs are consistent with established goals and objectives
- Operations or programs are being carried out effectively and efficiently
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Harris Health
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity
- Resources and assets are acquired economically, used efficiently, and protected adequately

The Chief Audit Executive will report periodically to senior management and the Board regarding:

- The internal audit department’s purpose, authority, and responsibility
- The internal audit department’s plan and performance relative to its plan
- The internal audit department’s conformance with The IIA’s Code of Ethics and Standards, and action plans to address any significant conformance issues
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the County Auditor, and/or the Board

- Results of audit engagements or other activities
- Resource requirements
- Any response to risk by management that may be unacceptable to Harris Health

The Chief Audit Executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

1200.06 RESPONSIBILITY

The Chief Audit Executive has the responsibility to:

- Submit, at least annually, to the County Auditor and the Board a risk-based internal audit plan for review and approval.
- Communicate to the County Auditor and the Board the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in Harris Health's statutory requirements, risks, operations, programs, systems, and controls.
- Communicate to the County Auditor, senior management, and the Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact Harris Health are considered and communicated to the County Auditor, senior management, and the Board, as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.

- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to Harris Health's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the County Auditor, senior management, and the Board.
- Ensure the internal audit department's conformance with the Standards, with the following qualifications:
 - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Audit Executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.

1200.07 QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The internal audit department will maintain a quality assurance and improvement program that covers all aspects of the internal audit department. The program will include an evaluation of the internal audit department's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit department and identify opportunities for improvement.

The Chief Audit Executive will communicate to the County Auditor, senior management and the Board on the internal audit department's quality assurance and improvement program, including results of external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Harris Health.

Thursday, February 10, 2022

Executive Session

Report by the Senior Vice President, Chief Cyber & Information Security Officer, Regarding Harris Health System's Cybersecurity Year End Review, Pursuant to Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, and Tex. Health & Safety Code §161.032, and Possible Action Upon Return to Open Session.

This information is being presented for informational purposes only.

-Pages 52-60 Were Intentionally Left Blank -

Thursday, February 10, 2022

Executive Session

Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Texas Health & Safety Code §161.032, and Possible Action Regarding This Matter Upon Return to Open Session

This information is being presented for informational purposes only.

- Pages 62-92 Were Intentionally Left Blank -

Thursday, February 10, 2022

Executive Session Agenda Item

Discussion Regarding Internal Audit Plan, Pursuant to Tex. Health & Safety Code Ann.

§161.032, and Possible Action Upon Return to Open Session

- Pages 94-95 Were Intentionally Left Blank -

Thursday, February 10, 2022
Executive Session Agenda Item

Discussion Regarding Harris County Internal Audit Report on Harris Health System Patient Safety Incident Review and Audit, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071

- Pages 97-108 Were Intentionally Left Blank -

Thursday, February 10, 2022
Executive Session Agenda Item

Discussion Regarding Harris County Internal Audit Report on Harris Health System
Cash Management Review and Audit, Pursuant to Tex. Health & Safety Code Ann.
§161.032

- Pages 110-129 Were Intentionally Left Blank -

Thursday, February 10, 2022
Executive Session Agenda Item

Discussion Regarding Harris County Auditor's Report on Harris Health System Outstanding Management Action Plans, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002

- Pages 131-133 Were Intentionally Left Blank -

Thursday, February 10, 2022
Executive Session Agenda Item

Discussion Regarding Harris County Auditor's Status Update on Harris Health's Implementation of Recommendations from Alvarez and Marsal's Gap Assessment, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code Ann. §551.071, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002

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BOARD OF TRUSTEES

Budget and Finance Committee

Thursday, February 10, 2022
9:30 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, Texas 77401

The meeting may be viewed online at: <http://harrishealthtx.swagit.com/live>

Notice: Some Board Members may participate by videoconference.

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.

AGENDA

- | | |
|---|---------------------------------|
| I. Call to Order and Record of Attendance | Dr. Arthur Bracey 2 min |
| II. Approval of the Minutes of Previous Meeting
Budget and Finance Committee Meeting – November 11, 2021 | Dr. Arthur Bracey 1 min |
| III. Board Education | Dr. Arthur Bracey 15 min |
| A. Presentation of Medicaid and Medicare Supplemental Programs
– Ms. Victoria Nikitin | |
| IV. Building and Properties | Dr. Arthur Bracey 10 min |
| A. Presentation of Harris Health System Capital Program Overview
– Mr. David Attard | |
| V. Financial Matters | Dr. Arthur Bracey 20 min |
| A. Consideration of Approval to Appoint Mr. Mark Smith, Human Resources, as a Committee Member to the Harris County Hospital District 401K and 457(b) Administrative Committee and the Pension and Disability Administrative Committee, Effective as of February 1, 2022 – Mr. Michael Norby | <i>(5 min)</i> |
| B. Consideration of Acceptance of the Harris Health System Third Quarter Fiscal 2022 Investment Report – Ms. Victoria Nikitin | <i>(5 min)</i> |
| C. Consideration of Acceptance of the Harris Health System Fourth Quarter Calendar Year 2021 Pension Plan Report – Ms. Victoria Nikitin | <i>(5 min)</i> |
| D. Consideration of Acceptance of the Harris Health System November 2021 Quarterly Financial Report Subject to Audit – Ms. Victoria Nikitin | <i>(5 min)</i> |

- VI. **Executive Session** Dr. Arthur Bracey 10 min
 - A. Consultation with Attorney Regarding Board Approval Process for Naming Opportunities, Pursuant to Tex. Gov't Code Ann. §551.071 – ***Ms. Sara Thomas***
- VII. **Reconvene** Dr. Arthur Bracey 1 min
- VIII. **Adjournment** Dr. Arthur Bracey 1 min

HARRIS HEALTH SYSTEM
MINUTES OF THE BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE MEETING
Thursday, November 11, 2021
9:00 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	<p>Ms. Anne Clutterbuck, Chair, called the meeting to order at 9:59 a.m. It was noted there was a quorum present and the attendance was recorded. Ms. Clutterbuck announced that while some board members are in the room, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. Only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live.</p>	
II. Approval of the Minutes of Previous Meeting Budget and Finance Committee Meeting – October 14, 2021		<p>Moved by Mr. Lawrence Finder, seconded by Dr. Arthur Bracey, and unanimously approved the minutes of the October 14, 2021 committee meeting.</p>
III. Financial Matters		
A. Review and Discussion of the Budget Assumptions for Harris Health System for the Fiscal Year Transition Period ended September 2022 and Fiscal Year 2023 Ended	<p>Ms. Victoria Nikitin, Senior Vice President, Finance, led discussion of the budget assumptions for Harris Health System (HHS) for the Fiscal Year Transition Period ended September 2022 and Fiscal Year 2023 ended September 30, 2023. She reviewed the changes initiated by Harris County to align with the Federal Government’s fiscal year. Phase One will be a shortened seven-month long budget called the “Transition Period” or “Stub Period” ending in September 2022. Phase</p>	<p>As reported.</p>

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
<p>September 30, 2023</p>	<p>Two will be a 12-month Planning Budget also referred to as Fiscal Year 2023. She noted that the Board will vote to approve Phases One and Two in January 2022, but will also approve FY23 separately in August 2022 in alignment with the County’s timeline. Ms. Nikitin presented the financial forecasting process, stating that the process uses FY22 data to develop assumptions. She noted that the FY23 Planning Budget (Phase Two) would be updated during the preceding seven-month period (Phase One).</p> <p>Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer, presented how HHS is integrating strategic plan goals into the budget and he also highlighted the following goals:</p> <ul style="list-style-type: none"> • Quality and Patient Safety • People (Patients, Employees, Medical Staff) • One Harris Health • Population Health Management • Infrastructure Optimization • Correctional Health Care <p>Additionally, Mr. Smith noted several significant initiatives with budget impact over the next nineteen months. Major initiatives include specialty care expansion, enhancing inpatient and primary care, telehealth development, and the marketplace insurance exchange.</p> <p>Ms. Nikitin presented the budget assumptions pertaining to patient volume, ad valorem taxes, net patient revenue, Medicaid Supplemental Payments, salaries and benefits, physician services, and pharmaceuticals. She highlighted the uncertainties that will continue to affect the System such as the COVID-19 pandemic and federal government flexibilities in support of the healthcare industry during</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	<p>the pandemic, which may be expiring in early 2022. She stated that the target for the Stub Year and FY23 is currently projected at 2.0% margin, while the proposed capital budget is estimated at \$137M for the Stub Year and \$153M for FY23. Ms. Nikitin emphasized the System’s commitment to funding the strategic plan, and reported that management proposes to earmark \$300M as the internal investment for financing capital and construction costs of future strategic initiatives. A copy of the presentation is available in the permanent record.</p>	
<p>B. Consideration of Approval of the Amendments to the 2010 and 2016 Revenue Bond Orders in Conjunction with Fiscal Year Change</p>	<p>Ms. Victoria Nikitin led discussion regarding the approval of the amendments to the 2010 and 2016 revenue bond orders in conjunction with fiscal year change. She noted that this is a procedural change and the resolution adopted by the HHS Board will go to Commissioners Court for approval. A copy of the material is available in the permanent record.</p>	<p><u>RECOMMENDATION</u> Moved by Ms. Linda Morales, seconded by Mr. Lawrence Finder and unanimously accepted that the committee recommends that the Board accept item III.B.</p>
<p>C. Discussion Regarding Deutsche Bank Request for Change in the Counterparty for the Interest Rate Swap Agreement Supporting the 2010 Variable Rate Bonds</p>	<p>Mr. Michael Norby, Executive Vice President & Chief Financial Officer, led discussion regarding the Deutsche Bank request for change in the Counterparty for the Interest Rate Swap Agreement supporting the 2010 Variable Rate Bonds. He explained that Harris Health spoke with Deutsche Bank’s Capital Release Group, and highlighted two possible courses of action. The first involves replacing Deutsche Bank with a new party, and the second would be to terminate the interest rate swap. Mr. Norby stated that discussion was ongoing and that he would keep the Committee informed. A copy of the executive summary is available in the permanent record.</p>	<p>As reported.</p>
<p>IV. Adjournment</p>	<p>Moved by Dr. Arthur Bracey, seconded by Ms. Linda Morales, and unanimously approved to adjourn the meeting.</p>	

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
	There being no further business, the meeting adjourned at 11:19 a.m.	

I certify that the foregoing are the Minutes of the Meeting of the Budget and Finance Committee of the Board of Trustees of the Harris Health System held on November 11, 2021.

Respectfully submitted,

Anne Clutterbuck, Chair

Recorded by Yasmin Othman

Thursday, November 11, 2021

Harris Health System Board of Trustees Board Meeting – Budget and Finance Committee Attendance

Note: For Zoom meeting attendance, if you joined as a group and would like to be counted as present, please submit an email to: BoardofTrustees@harrishealth.org before close of business the day of the meeting.

BUDGET & FINANCE BOARD MEMBERS PRESENT	BUDGET & FINANCE BOARD MEMBERS ABSENT	OTHER BOARD MEMBERS PRESENT
Ms. Anne Clutterbuck (Chair)		Ms. Linda Morales
Ms. Alicia Reyes		
Dr. Arthur Bracey (Ex-Officio)		
Dr. Ewan Johnson		
Ms. Lawrence Finder		
Ms. Marcia Johnson		
EXECUTIVE LEADERSHIP		
Dr. Ann Barnes, Executive Vice President & Chief Medical Executive		
Ms.Carolynn Jones, Executive Vice President & Chief Compliance and Risk Officer		
Mr. Christopher Okezie, Vice President, Operations		
Dr. Esmail Porsa, President & Chief Executive Officer		
Dr. Glorimar Medina-Rivera, Executive Vice President, Ben Taub Hospital		
Mr. Jack Adger, Assistant Purchasing Agent, Harris County Purchasing Office		
Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive		
Dr. Jason Chung, Associate Chief Medical Officer & Senior Vice President, Medical Affairs and Utilization		
Dr. Jennifer Small, Interim Executive Vice President, Ambulatory Care Services		
Dr. John Foringer, Chair, Medical Executive Board		
Mr. Louis Smith, Senior Executive Vice President & Chief Operating Officer		
Ms. Maria Cowles, Senior Vice President, Chief of Staff		
Dr. Martha Mims, Vice Chair, Medical Executive Board		
Dr. Matasha Russell, Chief Medical Officer, Ambulatory Care Services		
Mr. Michael Hill, Executive Vice President, Chief Strategy & Integration Officer		
Mr. Michael Norby, Executive Vice President & Chief Financial Officer		
Ms. Olga Rodriguez, Vice President, Community Engagement & Corporate Communications		

Mr. Omar Reid, Senior Vice President, Human Resources
Ms. Patricia Darnauer, Executive Vice President, Lyndon B. Johnson Hospital
Mr. R. King Hillier, Vice President, Public Policy & Government Relations
Dr. Sandeep Markan, Chief of Staff, Ben Taub Hospital
Ms. Sara Thomas, Vice President Legal Affairs/Managing Attorney, Harris County Attorney’s Office
Dr. Steven Brass, Executive Vice President & Chief Medical Executive
Dr. Tien Ko, Chief of Staff, Lyndon B. Johnson Hospital
Ms. Victoria Nikitin, Senior Vice President, Finance
Dr. Yashwant Chathampally, Associate Chief Medical Officer & Senior Vice President, Quality and Patient Safety

OTHERS PRESENT	
Alison Perez	Jerald Summers
Bryan McLeod	Nicholas Bell
Cherry Pierson	Paul Lopez
Daniel Smith	Randy Manarang
David Attard	Tai Nguyen
Ebon Swofford	Xylia Rosenzweig
Jay Aiyer (1 st Assistant County Attorney)	Yasmin Othman
Jennifer Zarate	

Thursday, February 10, 2022

Board Education: Medicaid and Medicare Supplemental Programs

The attached report provides an overview of the largest Medicaid and Medicare Supplemental Programs in which Harris Health System participates. The presentation is for information and discussion only.



HARRISHEALTH SYSTEM

Overview of Medicaid and Medicare Supplemental Payment Programs

February 24, 2022

Victoria Nikitin, Sr. VP - Finance



Texas Medicaid

- Texas Medicaid is a joint federal and state health insurance program. It serves over 5 million Texans in the most vulnerable low income groups: children, pregnant mothers, elderly, disabled and the indigent.
- It is financed by the state and federal share.
- Base Medicaid covers up to 50% of cost of providing services.
- Medicaid supplemental programs are designed to fill the gap between base reimbursement and the cost of care for Medicaid and uninsured.

Medicaid Supplemental Programs

- Last year, Texas paid \$9 billion in supplemental payments to hospitals.
- Harris County providers received over \$2.6 billion; Dallas County – \$1.4 billion.
- Harris Health participated in seven Medicaid Supplemental programs in FFY/SFY 2021:
 - Medicaid Disproportionate Share (DSH)
 - Uncompensated Care (UC)
 - Delivery System Reform Incentive Payment (DSRIP) program
 - Uniform Hospital Rate Increase Program (UHRIP)
 - Network Access Improvement Program (NAIP)
 - Public Hospital Graduate Medical Education (GME) Program
 - Quality Incentive Payment Program (QIPP) for nursing facilities

Medicaid Disproportionate Share (DSH)

- The program was first implemented in Texas in 1989. Based on the State rules, about 40% of Texas hospitals are DSH eligible.
- However, the state share of the funding to draw down federal funds is provided primarily by the five large public hospital districts.
- As a result, in FFY 2021 Harris Health provided intergovernmental transfers (IGTs) to the state of \$114.7 million to receive \$170.3 million, for a net of \$55.6 million.

Medicaid Disproportionate Share (DSH)

- In late December 2020, Congress passed the Consolidated Appropriations Act 2021. The Act eliminated reductions in Medicaid DSH in FFY 2021 and delayed the remaining four years of cuts until FFY 2024.
- If not repealed, the available future distributions to Harris Health could drop up to 20% in FFY 2024 and beyond. However, such reductions have been continually postponed by Congress before.
- At this time, Harris Health's Medicaid DSH revenue reflects a stable trend until FFY 2024.

Texas Medicaid 1115 Waiver

- In December 2011, the Centers for Medicare and Medicaid Services (CMS) approved the 1115 Waiver consisting of two payment programs:
 - An uncompensated care (UC) pool to help offset the costs of uncompensated care, limited by each provider's actual uncompensated care costs reported in the annual UC Tool.
 - A Delivery System Reform Incentive Payment (DSRIP) pool to incentivize providers to transform their service delivery practices to improve quality, health status, patient experience, coordination, and cost-effectiveness.

Uncompensated Care (UC)

- Beginning in FFY 2020, the State's UC allocation methodology was changed to reflect charity and uninsured care reflected on the Medicare S-10 schedule. In addition, the statewide UC pool was increased by CMS from \$3.1 to 3.8 billion.
- As the largest provider of uncompensated care in Texas, Harris Health recorded a net benefit of \$322.6 million in UC revenue for FFY 2021.
- The program is set to expire in September 2022 unless the ten-year Waiver extension is approved by CMS.

Delivery System Reform Incentive Payments (DSRIP)

- The DSRIP program officially expired on September 30, 2021 and is currently negotiated between the State and CMS as part of the Waiver extension for ten years.
- If approved as proposed by CMS, the DSRIP funding pool for DY10 of \$2.49 billion will extend into DY11, or SFY 2022, for one additional (last) year.
- By program design, Harris Health's IGTs support not only Harris Health but also private providers in the region. The gross distribution in FY2021 reflects \$220 million, for the net benefit of \$123.6 million after \$97 million in combined IGTs.

UHRIP, NAIP, and GME Programs

- The Uniform Hospital Rate Increase Program (UHRIP) program is designed to increase the base Medicaid managed care payment rates for all Medicaid eligible hospitals. The net annual benefit to the System in SFY2021 was \$22 million.
- The Network Access Improvement Program (NAIP) is a pass-through program based on MCO-provider agreements. The net annual benefit to Harris Health for SFY2021 was \$29 million. NAIP is scheduled to wind down in SFY2027.
- The Graduate Medical Education (GME) funding program allows for recovery of some GME costs by public teaching hospitals. The net benefit to Harris Health in FFY 2021 was \$18 million.



Hospital Augmented Reimbursement Program (HARP)

- HARP is a new statewide supplemental program providing Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service (FFS) patients.
- In September, HHSC submitted a separate proposal to CMS to implement the program outside of the 1115 Waiver which will help health systems like Harris Health that do not benefit from the DSRIP replacement programs. The State is currently in the window to respond to CMS' technical questions.
- If approved, the program will bring over \$100 million in additional net revenue to Harris Health.

Medicare DSH ACA Add-on

- Medicare DSH dollars are an add-on to the Medicare inpatient claim reimbursement. In FFY2018, Medicare updated its methodology to allocate $\frac{3}{4}$ of the federal pool based on uncompensated care reported on Schedule S-10 of the Cost Report.
- In FFY2021, Harris Health received \$161 million in traditional Medicare DSH UC payments. In FFY2022, the ACA-mandated reduction in the uncompensated care pool specific to the Medicare DSH program will result in a corresponding payment reduction of \$25 million.
- In addition, Medicare managed care plans are contractually obligated to reimburse Harris Health at the same rates. That has translated to over \$100 million in annual reimbursement. However, those contracts are subject to termination or renegotiation by the managed care companies.

Thursday, February 10, 2022

Presentation of Harris Health System Capital Program Overview

Thursday, February 10, 2022

Harris Health System Capital Program Overview – Executive Summary

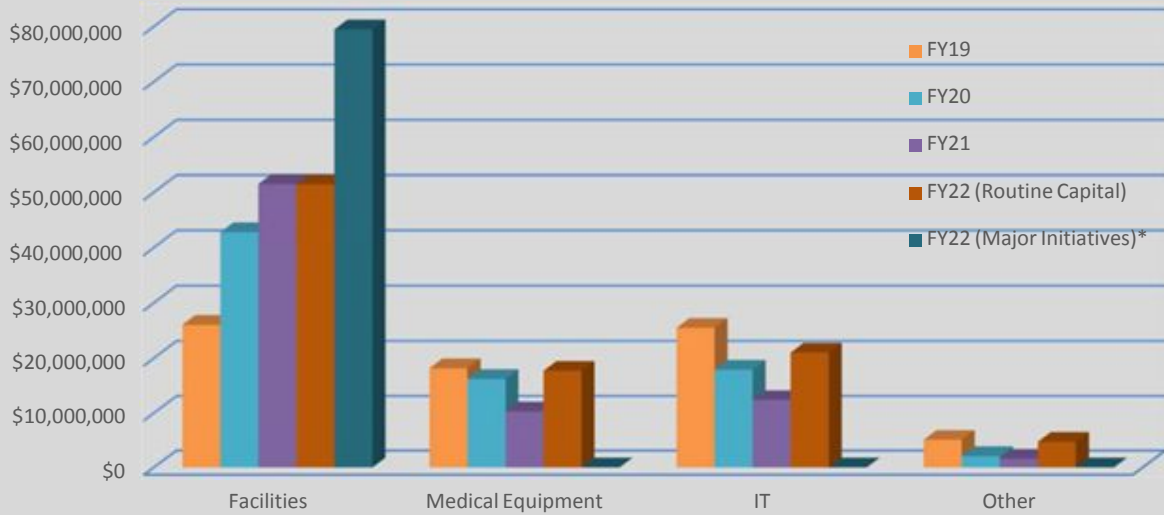
Harris Health System’s fiscal year (FY) 2022 capital budget was approved at \$176,300,000. Consistent with our mid-year review in June 2021, all projects submitted for consideration are aligned with the current Organizational Strategic Plan to ensure the program’s focus supports the Organization’s strategic pillars, goals, key objectives and strategies. The year to date (YTD) capital funding obligations are slightly below the total budgeted amount at \$168,956,371 based on funding commitments as of 1/21/2022.

This unallocated variance is due to several project related factors such as risk based allocation for owner contingency allowances, budgeted cost of work performed versus actual cost of work performed, product price adjustments, adjustments to project scope, delays or deferrals in project execution, and cancellation of projects. Projects delayed or deferred will need to be “re-budgeted” in future fiscal years for funding and execution.

Supply chain delays, material availability, lack of cost predictability, human resource capacity (internal and external), and timely issuance of construction permits are all factors contributing to delays. As we transition into our FY 22 Stub Year and FY 2023 forecasts, contractors continue to identify pricing exceptions for project bids because they cannot hold costs consistent for more than 30 – 45 days at a time creating cost variability and budget uncertainty for numerous project initiatives. This will continue to impact accuracy of projected budgets and timelines requiring focused prioritization and agility within our program development and tightly aligned with our organizational strategy.

The attached charts provide comparative capital allocation for FY 19-22 for key categories and the current year-to-date (YTD) distribution of capital projects and related costs by strategic goals, capital category, and priority.

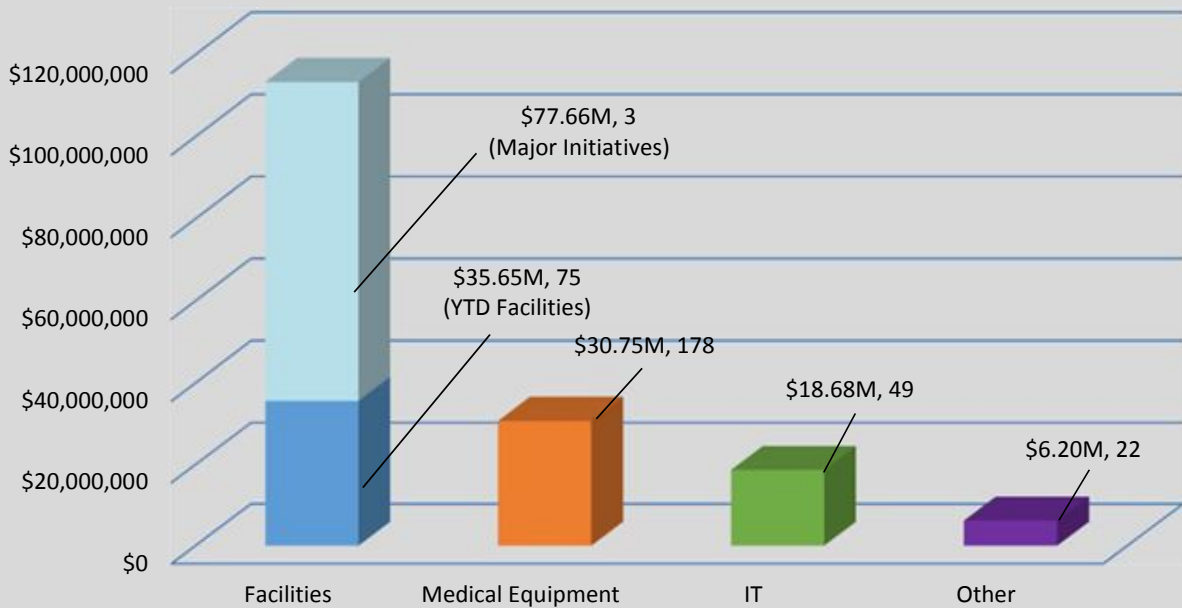
FY19 - FY22 Distribution by Capital Category



	FY19 (\$77.486M)	FY20 (\$81.467M)	FY21 (\$73.8M)	FY22 (\$94.84M - Routine Capital)	FY22 (\$79.46M - Major Initiatives)*
Facilities	35%	53%	68%	54%	46%
Medical Equipment	24%	21%	13%	19%	0%
IT	34%	23%	17%	22%	0%
Other	7%	3%	2%	5%	0%

* FY22 Major Initiatives that were funded to include: QM Renovation, Casa de Amigos Expansion, and LBJ Staff Parking Garage

FY22 YTD Distribution by Capital Category



Total Project Cost = \$168.94M
Total Number of Projects = 327

FY22 YTD Distribution - Facilities (Project Cost)



Total Project Cost = \$113.31M
Total Number of Projects = 78

Infrastructure	--- Projects associated with MEP (Mechanical, Electrical, and Plumbing)
New Construction	--- Projects that will have an impact on increasing net usable square footage
Renovation	--- Refresh/modernization projects
Transformation	--- Projects associated with space re-purposing

Highlighted Projects:

New Construction:

- 1A - LBJ Pharmacy USP (\$1.12M)
- 2A - QM Renovation (\$37.22M)
- 2A - LBJ Staff Parking Garage (\$26.73M)
- 2A - Casa de Amigos Expansion (\$13.71M)

Infrastructure:

- 1C - Aldine Rooftop Units (\$1.30M)
- 2A - LBJ Replacement Main Air Handling Units – Phase II (\$3.98M)
- 2A - BT Electrical Distribution (\$3.70M)
- 2A - BT Replacement Main Air Handling Units (\$2.5M)

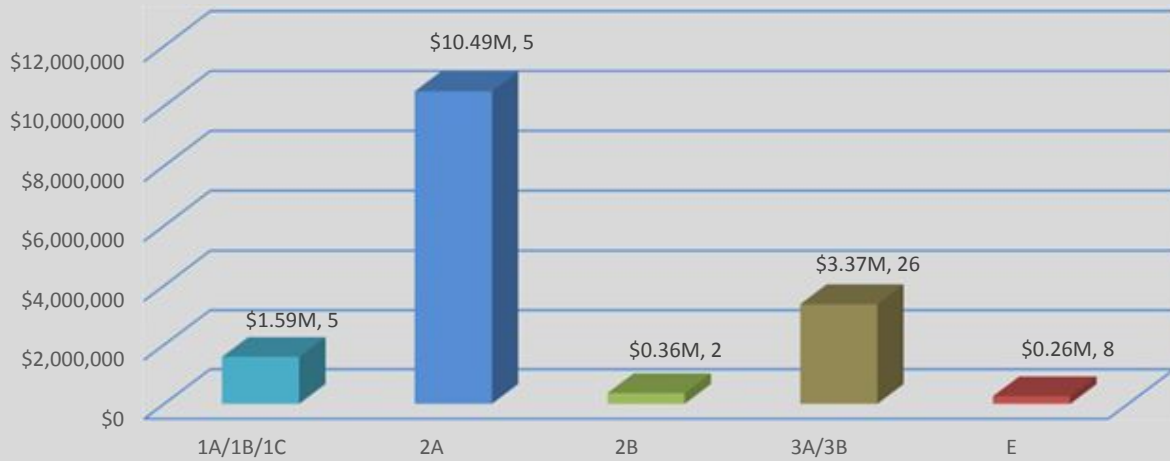
Renovation:

- 1A - LBJ Clean Supply Storage (\$1.28M)
- 2A - BT Building Glazing Systems (\$4.94M)
- 2A - BT Emergency Center Modernization (\$2.36M)

Transformation:

- 2A - Lois J Moore Nursing Center of Excellence (\$1.99M)

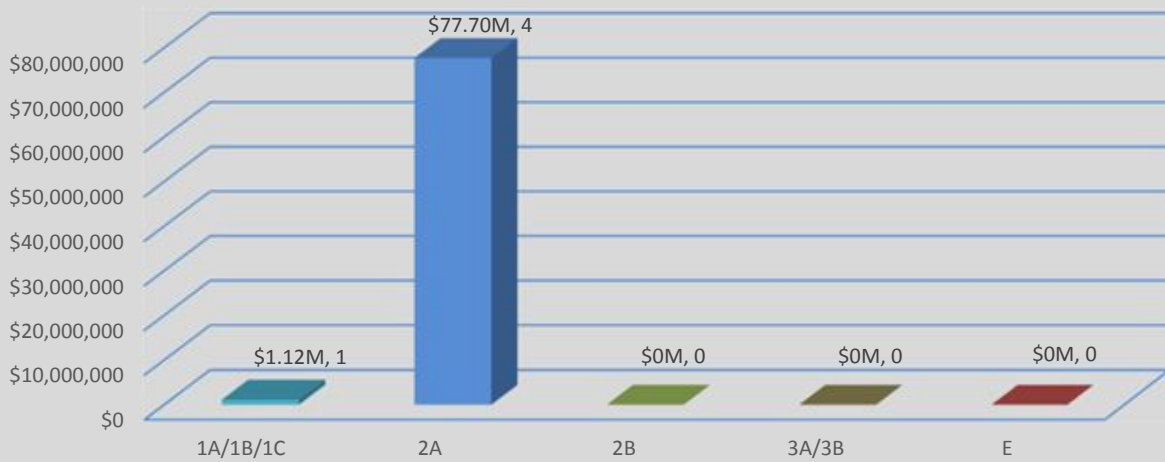
FY22 YTD Distribution - Infrastructure



Total Project Cost = \$16.07M
Total Number of Projects = 46

- | | |
|---|---|
| 1A – Regulatory | 2B – Pavilion Mission Essentials |
| 1B – Life-Safety/Organic Growth | 3A – Refresh/Medium Risk |
| 1C – Non-Support/High Risk/IT Tech Refresh | 3B – Pavilion Ranked/Prioritized/Non-Strategic New Request |
| 2A – Strategic/Harris Health Initiatives | E – Emergency |

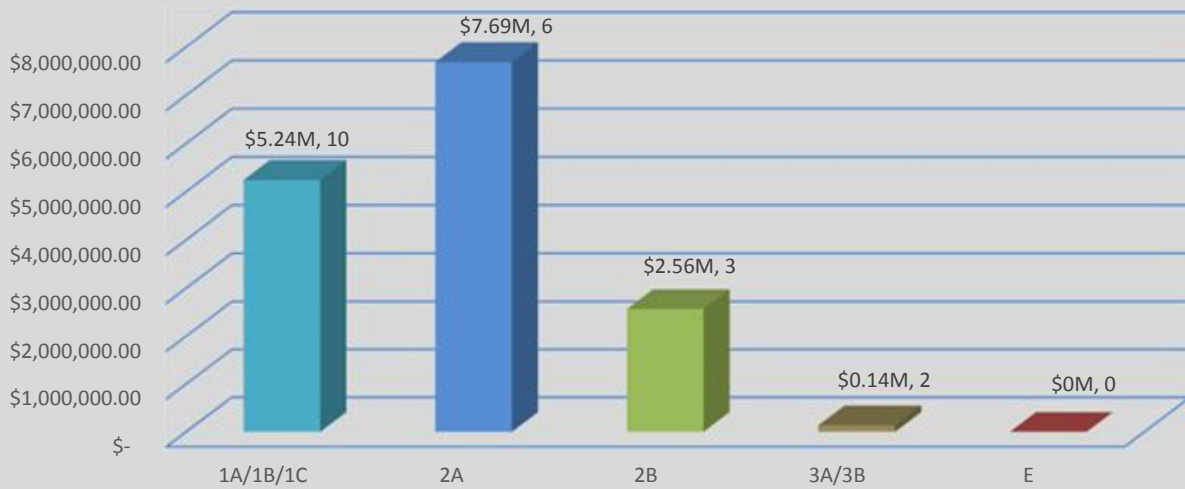
FY22 YTD Distribution - New Construction



Total Project Cost = \$78.82M
Total Number of Projects = 5

- | | |
|---|---|
| 1A – Regulatory | 2B – Pavilion Mission Essentials |
| 1B – Life-Safety/Organic Growth | 3A – Refresh/Medium Risk |
| 1C – Non-Support/High Risk/IT Tech Refresh | 3B – Pavilion Ranked/Prioritized/Non-Strategic New Request |
| 2A – Strategic/Harris Health Initiatives | E – Emergency |

FY22 YTD Distribution - Renovation



Total Project Cost = \$15.63M
Total Number of Projects = 21

- | | |
|---|---|
| 1A – Regulatory | 2B – Pavilion Mission Essentials |
| 1B – Life-Safety/Organic Growth | 3A – Refresh/Medium Risk |
| 1C – Non-Support/High Risk/IT Tech Refresh | 3B – Pavilion Ranked/Prioritized/Non-Strategic New Request |
| 2A – Strategic/Harris Health Initiatives | E – Emergency |

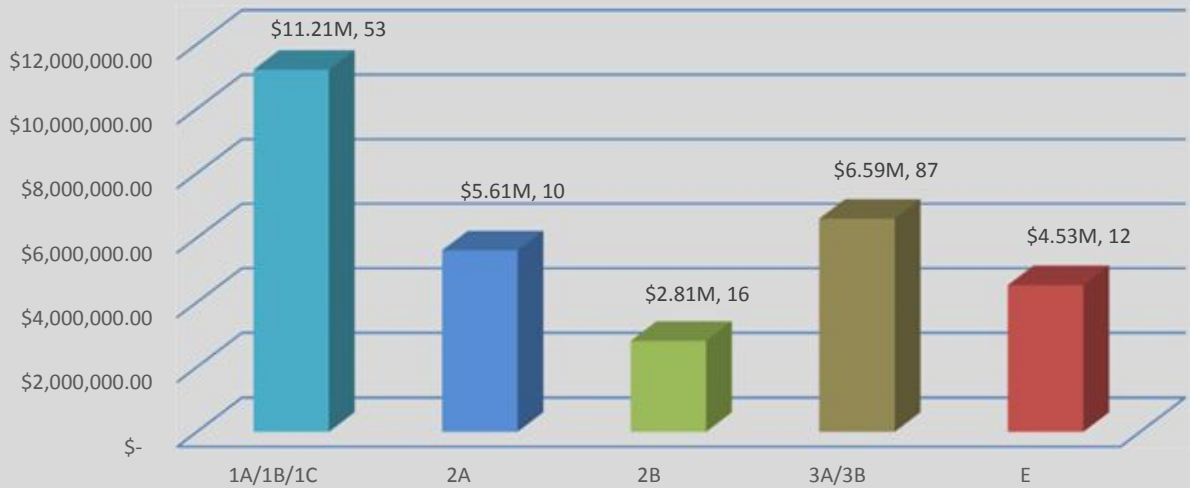
FY22 YTD Distribution - Transformation



Total Project Cost = \$2.78M
Total Number of Projects = 6

- | | |
|---|---|
| 1A – Regulatory | 2B – Pavilion Mission Essentials |
| 1B – Life-Safety/Organic Growth | 3A – Refresh/Medium Risk |
| 1C – Non-Support/High Risk/IT Tech Refresh | 3B – Pavilion Ranked/Prioritized/Non-Strategic New Request |
| 2A – Strategic/Harris Health Initiatives | E – Emergency |

FY22 YTD Distribution - Medical Equipment



Total Project Cost = \$30.75M
Total Number of Projects = 178

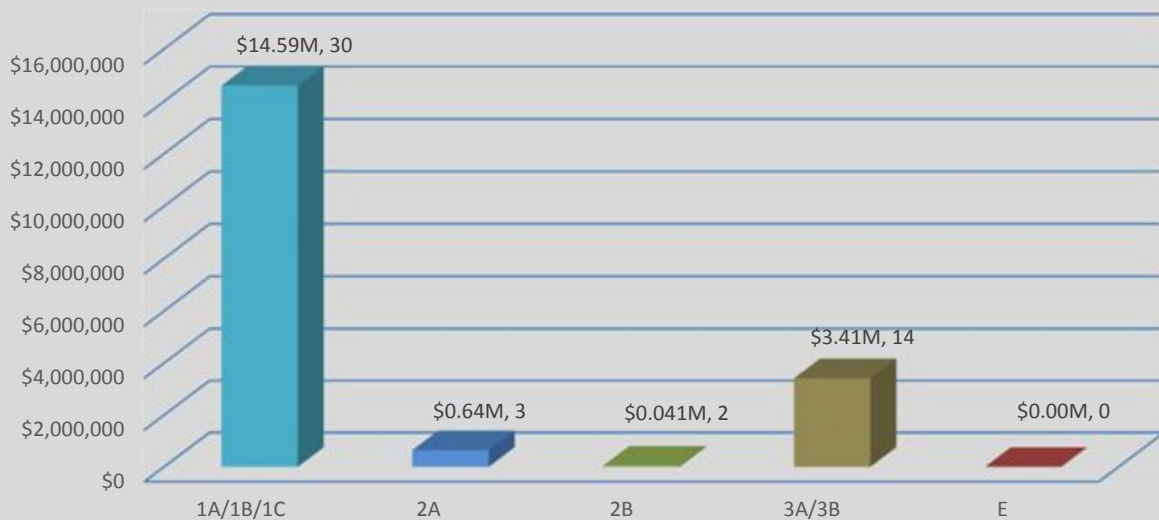
1A – Regulatory
1B – Life-Safety/Organic Growth
1C – Non-Support/High Risk/IT Tech Refresh
2A – Strategic/Harris Health Initiatives

2B – Pavilion Mission Essentials
3A – Refresh/Medium Risk
3B – Pavilion Ranked/Prioritized/Non-Strategic New Request
E – Emergency

Highlighted Projects:

- Emergency - COVID-19 Medical Equipment (\$4.27M)
- 1C - BT/LBJ Physiological Monitor Upgrade (\$3.6M)
- 1C - ACS Mobile Mammography Van (\$1.1M)
- 1C - BT/LBJ/ACS EKG Machines (\$0.78M)
- 1C - BT OR Surgical Navigation System (\$0.57M)
- 1C - BT/LBJ OR Drills (\$0.51M)
- 1C - BT/LBJ Ventilator (\$0.42M)
- 2A - BT/LBJ/ACS Ultrasound (\$2.19M)
- 2A - BT/LBJ Infant Incubators (\$0.62M)
- 2A - BT/LBJ/ACS Endoscope Project (\$0.52M)
- 2B - Acres Home Mammography Unit (\$0.9M)
- 2B - Baytown Mammography Unit (\$0.9M)
- 3A – BT Ophthalmology Surgical Microscope (\$0.37M)
- 3A - Baytown Radiographic System (\$0.31M)
- 3A - El Franco Lee Radiographic System (\$0.31M)
- 3B – LBJ Radio/Fluoro System (RAD Room 8) (\$0.67M)

FY22 YTD Distribution - IT



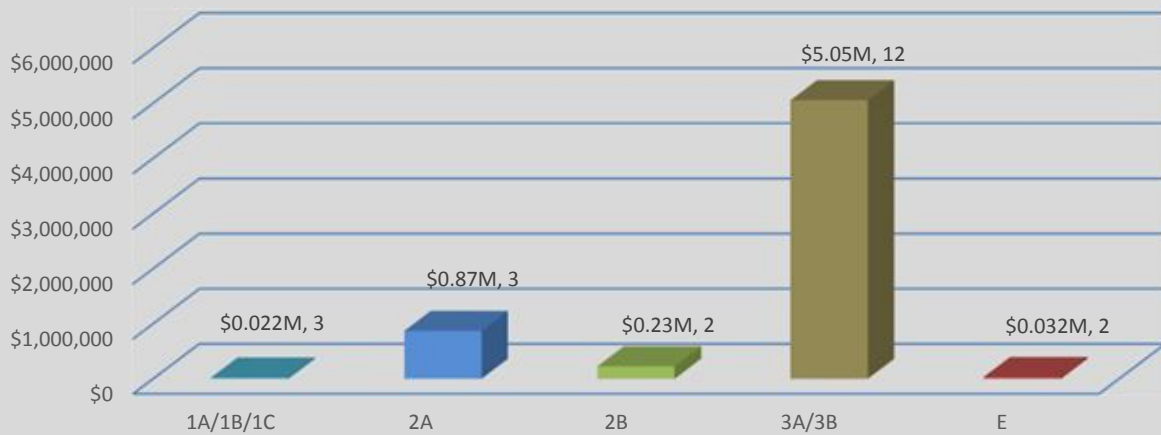
Total Project Cost = \$18.68MM
Total Number of Projects = 49

1A – Regulatory	2B – Pavilion Mission Essentials
1B – Life-Safety/Organic Growth	3A – Refresh/Medium Risk
1C – Non-Support/High Risk/IT Tech Refresh	3B – Pavilion Ranked/Prioritized/Non-Strategic New Request
2A – Strategic/Harris Health Initiatives	E – Emergency

Highlighted Projects:

- 1C - IT Treatment Planning System (TPS) (\$2.03M)
- 1C - IT 3M 360 (\$1.39M)
- 1C - IT BT Tower Network Technology Refresh (\$1.28M)
- 1C - IT Office Productivity Tools: Microsoft 365 Exchange Online Migration (\$1.2M)
- 1C - IT Smith Clinic Network Technology Refresh (\$1.07M)
- 1C - IT Workstation-on-Wheel Technology Refresh (\$0.85M)
- 1C - IT Information Security Firepower Technology Refresh (\$0.84M)
- 1C - IT UC Program – CISCO Phone System Migration Project (\$0.56M)
- 1C - IT VSNAP Servers and Storage to Support Spectrum Project Plus (\$0.52M)
- 3B - IT Epic Population Health Modules (\$0.90M)

FY22 YTD Distribution - Other



Total Project Cost = \$6.20M
Total Number of Projects = 22

1A – Regulatory	2B – Pavilion Mission Essentials
1B – Life-Safety/Organic Growth	3A – Refresh/Medium Risk
1C – Non-Support/High Risk/IT Tech Refresh	3B – Pavilion Ranked/Prioritized/Non-Strategic New Request
2A – Strategic/Harris Health Initiatives	E – Emergency

Highlighted Projects:

- 2A – BT/LBJ/ACS Vehicle Refresh (Capital Lease) (\$0.56M)
- 2A - Pharmacy Pyxis (\$0.3M)
- 3B – BT/LBJ/ACS Supply Pyxis System (\$3.7M)
- 3B - Ambulances (\$0.92M)
- 3B - BT Pyxis Anesthesia System ES (\$0.20M)
- 2B - Shuttle Bus (Capital Lease) (\$0.19M)
- 3B - BT/LBJ Metal Detectors (\$0.065M)

Thursday, January 13, 2022

Consideration of Approval to Appoint Mr. Mark Smith as a Committee Member to the Harris County Hospital District 401K and 457(b) Administrative Committee and the Pension and Disability Administrative Committee Effective as of February 1, 2022

The Board of Trustees appoints and removes members of the Harris County Hospital District 401K/457(b) and Pension and Disability Administrative Committees (Committees). The Plan Administrator and the Committees share administrative responsibility of the Harris County Hospital District 401K, 457(b), and Pension Plans. Administrative responsibility can be found in Appendix B of the plan document.

The Plan Administrator and the Committees recommend Mr. Mark Smith to be approved as a 401K/457(b) and Pension and Disability Committee member to be effective February 1, 2022.

Attachments: 2

- 401K and 457(b) Administrative Committee Membership Roster effective 02/01/2022.
- Pension and Disability Administrative Committee Membership Roster effective 02/01/2022.

Thank you.

Harris Health System
P.O. Box 66769, Houston, Texas 77266-6769

401K and 457(b) Administrative Committee Members

(As of 02/01/2022)

Lady Barrs	Sr. Ops Manager - ACS	Lady.Barrs@harrishealth.org
Kari McMichael	VP – Controller	Kari.McMichael@harrishealth.org
Victoria Nikitin	Sr. Vice President, Finance	Victoria.Nikitin@harrishealth.org
Michael Norby	Executive Vice President - CFO <i>Plan Administrator</i>	Michael.Norby@harrishealth.org
Amy Salinas	Director, Total Rewards <i>Committee Chairperson</i>	Amy.Salinas@harrishealth.org
Lorena Sandoval	Executive Assistant	Lorena.Sanchez@harrishealth.org
Mark Smith	HR Shared Services Supervisor	Mark.Smith@harrishealth.org
Nakiea Williams	Director, Supply Chain Mgmt	Nakiea.Williams@harrishealth.org
<u>Advisory Personnel</u>		
Ron Adzgery	Attorney, Norton Rose Fulbright	Ronald.Adzgery@nortonrosefulbright.com
Jason Bleeker	VP - Managing Director, Fidelity	Jason.Bleeker@fmr.com
Justin Coddington	Attorney, Norton Rose Fulbright	Justin.Coddington@nortonrosefulbright.com
John Flagel	Partner, Aon	John.Flagel@aon.com
Omar C. Reid	Sr. Vice President, Human Resources	Omar.Reid@harrishealth.org
Stephanie Schroepfer	Attorney, Norton Rose Fulbright	Stephanie.Schroepfer@nortonrosefulbright.com
Elizabeth Winn	Assistant Harris County Attorney	Elizabeth.Winn@harrishealth.org

Committee Secretary

TBD

Harris Health System
P.O. Box 66769, Houston, Texas 77266-6769

Pension and Disability Committee Members

(As of 02/01/2022)

Kari McMichael	VP – Controller	Kari.McMichael@harrishealth.org
Victoria Nikitin	Sr. Vice President, Finance	Victoria.Nikitin@harrishealth.org
Michael Norby	Executive Vice President - CFO <i>Plan Administrator</i>	Michael.Norby@harrishealth.org
Amy Salinas	Director, Total Rewards <i>Committee Chairperson</i>	Amy.Salinas@harrishealth.org
Mark Smith	HR Shared Services Supervisor	Mark.Smith@harrishealth.org
Yvonne Toney	Program Coordinator	Yvonne.Toney@harrishealth.org
Jennifer Wylie	Mgr Patient Access	Jennifer.Wylie@harrishealth.org
Lorraine Zachariah	Social Worker Case Manager II	Lorraine.Zachariah@harrishealth.org
<u>Advisory Personnel</u>		
Ron Adzger	Attorney, Norton Rose Fulbright	Ronald.Adzger@nortonrosefulbright.com
Justin Coddington	Attorney, Norton Rose Fulbright	Justin.Coddington@nortonrosefulbright.com
John Flagel	Partner, Aon	John.Flagel@aon.com
Omar C. Reid	Sr. Vice President, Human Resources	Omar.Reid@harrishealth.org
Stephanie Schroepfer	Attorney, Norton Rose Fulbright	Stephanie.Schroepfer@nortonrosefulbright.com
Elizabeth Winn	Assistant Harris County Attorney	Elizabeth.Winn@harrishealth.org

Committee Secretary

TBD

Thursday, January 13, 2022

**Consideration of Acceptance of the Harris Health System
Third Quarter Fiscal 2022 Investment Report**

Attached for your review and acceptance is the Third Quarter Fiscal Year 2022 Investment Report for the period September– November 2021.

Administration recommends that the Board accept the Third Quarter Investment Report for the period ended November 30, 2021.



HARRIS COUNTY BUDGET MANAGEMENT DEPARTMENT

(713) 274-1100
1001 Preston St. #500 Houston TX 77002
<http://budget.harriscountytx.gov/>

To: Harris County Hospital District

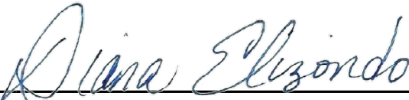
Date: December 9, 2021

Attached is the quarterly Investment Report for the Third Quarter of Fiscal Year 2021-22 (September through November). Please address any questions to Diana Elizondo at 713-274-1156.


The report is presented in accordance with the Texas Government Code Title 10 Section 2256.023. Financial Management certifies that to the best of our knowledge the Harris County Hospital District is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of the Harris County Hospital District.



Amy Perez
Director, Financial Management



Diana Elizondo
Investment Manager, Office of Financial Management



Mark LaRue
Financial Analyst

Distribution:
Michael Norby, Hospital District
Lori Dochoda, Hospital District
Victoria Nikitin, Hospital District
Kari McMichael, Hospital District

HARRISHEALTH SYSTEM

QUARTERLY INVESTMENT REPORT THIRD QUARTER 2021-22

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- Section 1: Portfolio Composition
- Section 2: Book & Market Value Summary
- Section 3: Portfolio Holdings
- Section 4: Transactions
- Section 5: Portfolio Earnings

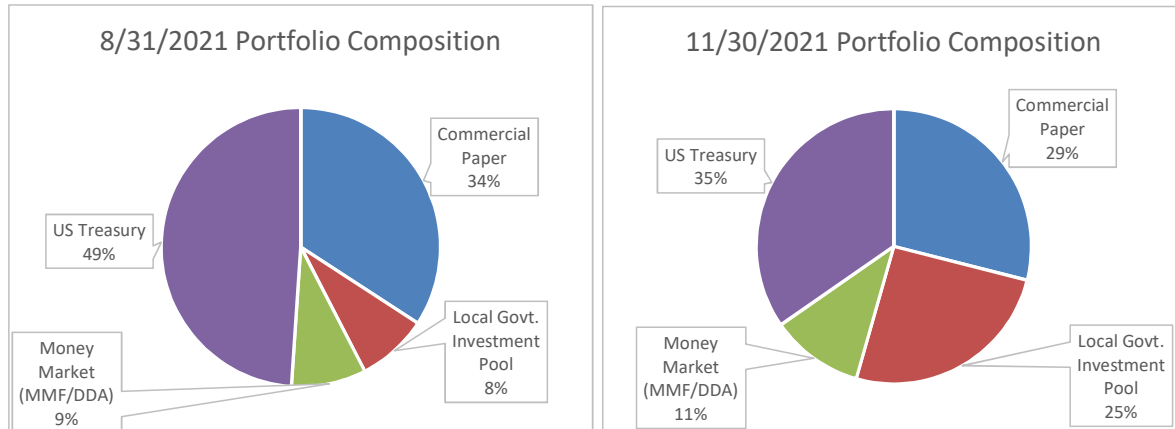
PREPARED BY:
OFFICE OF MANAGEMENT AND BUDGET
FINANCIAL MANAGEMENT

SECTION 1
PORTFOLIO COMPOSITION

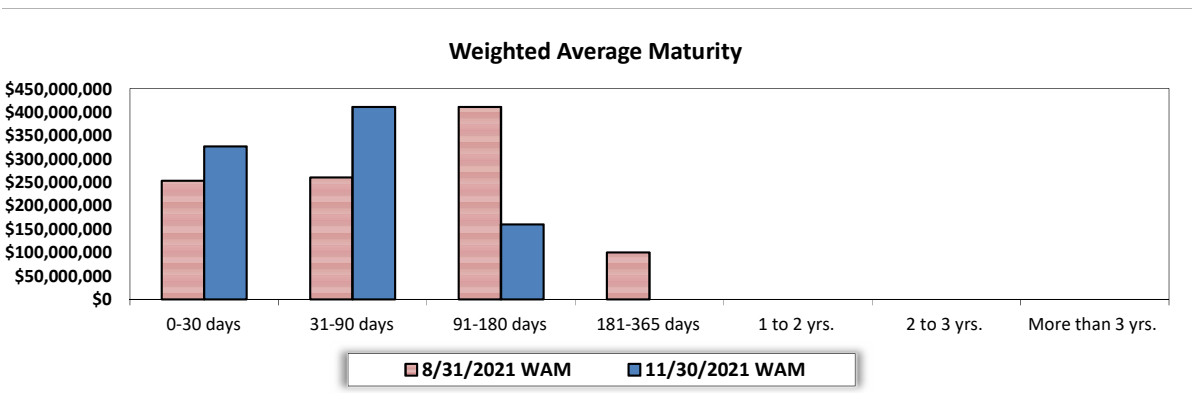
HARRIS HEALTH SYSTEM INVESTMENT REPORT

THIRD QUARTER
SEPTEMBER THROUGH NOVEMBER
FISCAL YEAR 2021-22

Portfolio interest earned and/or accrued for this quarter, including MMF/DDA interest: \$137,494.73



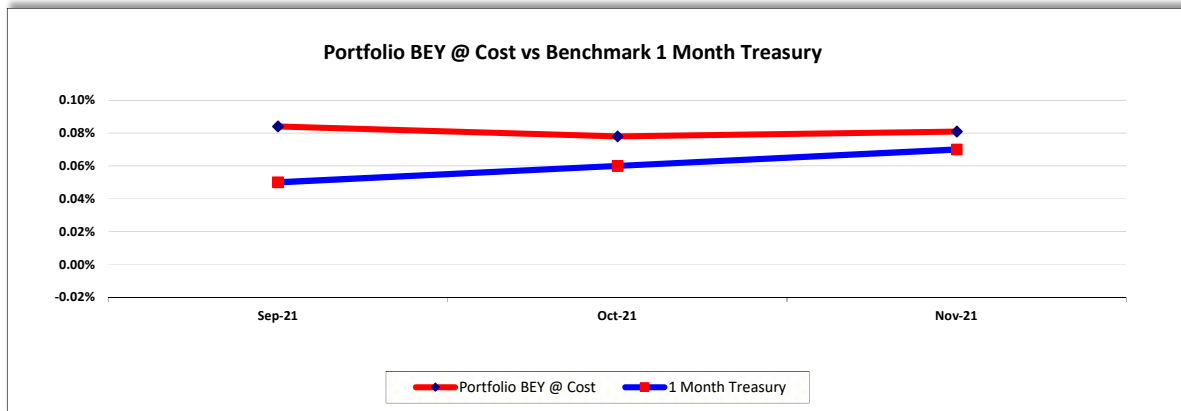
Total Par Value of Portfolio: \$ 1,023,957,163.79 Total Par Value of Portfolio: \$ 897,385,542.35



Portfolio's effective weighted average maturity for this quarter (in days): 56

SECTION 2
BOOK & MARKET VALUE SUMMARY

**HARRIS HEALTH SYSTEM
INVESTMENT REPORT
THIRD QUARTER
SEPTEMBER THROUGH NOVEMBER
FISCAL YEAR 2021-22**



The book value of the portfolio as of August 31, 2021 was \$1,023,718,328 and the book value as of November 30, 2021 was \$897,269,547.

The market value of the portfolio as of August 31, 2021 was \$1,023,778,464 and the market value as of November 30, 2021 was \$897,287,271.

The weighted average bond equivalent yield at cost for this quarter was 0.08% while the quarterly average for the benchmark 1 month constant maturity Treasury was 0.06%. This resulted in the portfolio exceeding the benchmark by 2 basis points.

SECTION 3
PORTFOLIO HOLDINGS

Harris County
Portfolio Holdings
ML - MR Portfolio Holdings
Report Format: By Transaction
Group By: Portfolio Name
Average By: Face Amount / Shares
Portfolio / Report Group: Harris County Hospital District
As of 11/30/2021

Security Type	CUSIP/Ticker	Description	Face Amount/Shares	Maturity Date	YTM @ Cost	Settlement Date	Days To Maturity	Cost Value	Book Value	Market Value	Accrued Interest	% of Portfolio
H9902 Hospital - General Fund												
Money Market	M3951	H9902 Hospital - FSA Plan MMF MM	1,011,973.23	N/A	0.030	3/31/2020	1	1,011,973.23	1,011,973.23	1,011,973.23		0.11
Money Market	D5899	H9902 Hospital - Donations MM	0.01	N/A	0.040	4/15/2020	1	0.01	0.01	0.01		0.00
Money Market	M3845	H9902 Hospital - HRA Sweep MMF MM	346,368.90	N/A	0.030	3/30/2020	1	346,368.90	346,368.90	346,368.90		0.04
Local Government Investment Pool	TXCLASSH9902	TexasCLASS H9902 LGIP	80,005,732.96	N/A	0.062	4/28/2020	1	80,005,732.96	80,005,732.96	80,005,732.96		8.92
Money Market	M3944	H9902 Hospital - Cigna Health Benefits MMF MM	9,443,681.88	N/A	0.030	3/30/2020	1	9,443,681.88	9,443,681.88	9,443,681.88		1.05
Money Market	M3837	H9902 Hospital - Cadence General Funds MMF MM	35,224,699.50	N/A	0.030	3/30/2020	1	35,224,699.50	35,224,699.50	35,224,699.50		3.93
Money Market	D3837	H9902 Hospital - Cadence General Funds DDA MM	50,001,636.34	N/A	0.040	3/31/2020	1	50,001,636.34	50,001,636.34	50,001,636.34		5.57
Local Government Investment Pool	LONESTARH9902	LoneStar H9902 LGIP	110,009,135.10	N/A	0.067	8/5/2020	1	110,009,135.10	110,009,135.10	110,009,135.10		12.26
Commercial Paper	89233HA38	TMCC DISC CP 0 1/3/2022	100,000,000.00	1/3/2022	0.180	5/7/2021	34	99,879,500.00	99,983,000.00	99,993,100.00	0.00	11.14
Treasury Bill	912796K81	T-Bill 0 1/20/2022	100,000,000.00	1/20/2022	0.046	8/2/2021	51	99,978,625.00	99,993,625.00	99,993,400.00	0.00	11.14
Treasury Bill	912796K81	T-Bill 0 1/20/2022	100,000,000.00	1/20/2022	0.046	8/2/2021	51	99,978,625.00	99,993,625.00	99,993,400.00	0.00	11.14
Treasury Bill	912796K81	T-Bill 0 1/20/2022	100,000,000.00	1/20/2022	0.046	8/2/2021	51	99,978,625.00	99,993,625.00	99,993,400.00	0.00	11.14
Commercial Paper	89233HCA0	TMCC DISC CP 0 3/10/2022	40,000,000.00	3/10/2022	0.120	8/13/2021	100	39,972,133.33	39,986,666.66	39,988,520.00	0.00	4.46
Commercial Paper	63873KD12	NATX DISC CP 0 4/1/2022	30,000,000.00	4/1/2022	0.150	11/2/2021	122	29,981,250.00	29,984,750.00	29,981,490.00	0.00	3.34
Commercial Paper	89233HD19	TMCC DISC CP 0 4/1/2022	30,000,000.00	4/1/2022	0.150	11/2/2021	122	29,981,250.00	29,984,750.00	29,988,690.00	0.00	3.34
Commercial Paper	89233HD84	TMCC DISC CP 0 4/8/2022	30,000,000.00	4/8/2022	0.140	8/13/2021	129	29,972,233.33	29,984,950.00	29,987,850.00	0.00	3.34
Commercial Paper	89233HE91	TMCC DISC CP 0 5/9/2022	30,000,000.00	5/9/2022	0.150	8/13/2021	160	29,966,375.00	29,980,000.00	29,982,660.00	0.00	3.34
Sub Total / Average		H9902 Hospital - General Fund	846,043,227.92		0.083		46	845,731,844.58	845,928,219.58	845,945,737.92	0.00	94.28
H9906 Hospital - SPFC												
Money Market	M3936	H9906 Hospital - SPFC Money Market MM	49,502.92	N/A	0.030	3/30/2020	1	49,502.92	49,502.92	49,502.92		0.01
Local Government Investment Pool	TXCLASSH9906	TexasCLASS H9906 LGIP	872,263.42	N/A	0.062	5/22/2020	1	872,263.42	872,263.42	872,263.42		0.10
Sub Total / Average		H9906 Hospital - SPFC	921,766.34		0.061		1	921,766.34	921,766.34	921,766.34	0.00	0.10
H9917 Hospital - Debt Service 2010												
Money Market	M3993	H9917 Hospital - Series 2010 DS Sweep MMF MM	829,692.17	N/A	0.030	3/30/2020	1	829,692.17	829,692.17	829,692.17		0.09
Local Government Investment Pool	TXCLASSH9917	TexasCLASS H9917 LGIP	6,016,425.11	N/A	0.062	5/15/2020	1	6,016,425.11	6,016,425.11	6,016,425.11		0.67
Sub Total / Average		H9917 Hospital - Debt Service 2010	6,846,117.28		0.058		1	6,846,117.28	6,846,117.28	6,846,117.28	0.00	0.76
H9918 Hospital - Debt Service Reserve 2010												
Local Government Investment Pool	TXCLASSH9918	TexasCLASS H9918 LGIP	6,818,615.13	N/A	0.062	5/15/2020	1	6,818,615.13	6,818,615.13	6,818,615.13		0.76
Money Market	M4017	H9918 Hospital - Series 2010 DSR Sweep MMF MM	274,124.06	N/A	0.030	3/30/2020	1	274,124.06	274,124.06	274,124.06		0.03
Sub Total / Average		H9918 Hospital - Debt Service Reserve 2010	7,092,739.19		0.061		1	7,092,739.19	7,092,739.19	7,092,739.19	0.00	0.79

Security Type	CUSIP/Ticker	Description	Face Amount/Shares	Maturity Date	YTM @ Cost	Settlement Date	Days To Maturity	Cost Value	Book Value	Market Value	Accrued Interest	% of Portfolio
H9920 Hospital - Debt Service 2016 Rev & Ref												
Local Government Investment Pool	TXCLASSH9920	TexasCLASS H9920 LGIP	7,019,162.68	N/A	0.062	5/15/2020	1	7,019,162.68	7,019,162.68	7,019,162.68		0.78
Money Market	M4009	H9920 Hospital - Series 2016 DS Sweep MMF MM	280,361.70	N/A	0.030	3/30/2020	1	280,361.70	280,361.70	280,361.70		0.03
Sub Total / Average			7,299,524.38		0.061		1	7,299,524.38	7,299,524.38	7,299,524.38	0.00	0.81
H9921 Hospital - Debt Service Reserve 2016 Rev & am												
Money Market	M4033	H9921 Hospital - Series 2016 DSR Sweep MMF MM	432,208.39	N/A	0.030	3/30/2020	1	432,208.39	432,208.39	432,208.39		0.05
Treasury Bill	912796C31	T-Bill 0 1/27/2022	11,000,000.00	1/27/2022	0.057	2/8/2021	58	10,993,905.85	10,999,013.16	10,999,219.00	0.00	1.23
Sub Total / Average			11,432,208.39		0.056		56	11,426,114.24	11,431,221.55	11,431,427.39	0.00	1.27
H9924 Hospital - Capital Assets Series 2020												
Money Market	M6228	H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	253,166.62	N/A	0.030	11/29/2020	1	253,166.62	253,166.62	253,166.62		0.03
Local Government Investment Pool	TXCLASSH9924	TexasCLASS H9924 LGIP	17,496,792.23	N/A	0.062	7/8/2020	1	17,496,792.23	17,496,792.23	17,496,792.23		1.95
Sub Total / Average			17,749,958.85		0.062		1	17,749,958.85	17,749,958.85	17,749,958.85	0.00	1.98
Total / Average			897,385,542.35		0.081		44	897,068,064.86	897,269,547.17	897,287,271.35	0.00	100

SECTION 4
TRANSACTIONS

Harris County
 Transactions Summary
 ML - Mthly or Qtrly Report Transaction Summary
 Group By: Action
 Portfolio / Report Group: Harris County Hospital District
 Begin Date: 08/31/2021, End Date: 11/30/2021

Description	CUSIP/Ticker	Coupon Rate	YTM @ Cost	Trade Date	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Price	Interest/Dividends	Total	Security Type	Broker/Dealer
Buy													
NATX DISC CP 0 4/1/2022	63873KD12	0.000	0.150	11/1/2021	11/2/2021	4/1/2022	30,000,000.00	29,981,250.00	99.9375	0.00	29,981,250.00	Commercial Paper	Natix New York 067
TMCC DISC CP 0 4/1/2022	89233HD19	0.000	0.150	11/1/2021	11/2/2021	4/1/2022	30,000,000.00	29,981,250.00	99.9375	0.00	29,981,250.00	Commercial Paper	Toyota Motor Credit Corp [D] 022
Buy													
							60,000,000.00	59,962,500.00		0.00	59,962,500.00		
Deposit													
LoneStar H9902 LGIP	LONESTARH9902	N/A	0.000	10/21/2021	10/21/2021	N/A	130,000,000.00	130,000,000.00	100	0.00	130,000,000.00	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A	0.000	10/21/2021	10/21/2021	N/A	100,000,000.00	100,000,000.00	100	0.00	100,000,000.00	Local Government Investment Pool	None
Deposit													
							350,659,354.21	350,659,354.21		0.00	350,659,354.21		
Interest													
H9902 Hospital - Cadence General Funds DDA MM	D3837	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		1,636.34	1,636.34	Money Market	None
H9902 Hospital - Cadence General Funds DDA MM	D3837	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		1,682.48	1,682.48	Money Market	None
H9902 Hospital - Cadence General Funds DDA MM	D3837	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		1,640.62	1,640.62	Money Market	None
H9902 Hospital - Cadence General Funds MMF MM	M3837	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		2,271.11	2,271.11	Money Market	None
H9902 Hospital - Cadence General Funds MMF MM	M3837	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		1,142.06	1,142.06	Money Market	None
H9902 Hospital - Cadence General Funds MMF MM	M3837	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		2,715.81	2,715.81	Money Market	None
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		147.85	147.85	Money Market	None
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		145.87	145.87	Money Market	None
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		148.78	148.78	Money Market	None
H9902 Hospital - Donations MM	D5899	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		0.01	0.01	Money Market	None
H9902 Hospital - Donations MM	D5899	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		0.03	0.03	Money Market	None
H9902 Hospital - Donations MM	D5899	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		0.01	0.01	Money Market	None
H9902 Hospital - FSA Plan MMF MM	M3951	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		13.21	13.21	Money Market	None
H9902 Hospital - FSA Plan MMF MM	M3951	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		16.04	16.04	Money Market	None
H9902 Hospital - FSA Plan MMF MM	M3951	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		17.46	17.46	Money Market	None
H9902 Hospital - HRA Sweep MMF MM	M3845	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		7.93	7.93	Money Market	None
H9902 Hospital - HRA Sweep MMF MM	M3845	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		7.99	7.99	Money Market	None
H9902 Hospital - HRA Sweep MMF MM	M3845	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		8.57	8.57	Money Market	None
H9906 Hospital - SPFC Money Market MM	M3936	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		1.13	1.13	Money Market	None
H9906 Hospital - SPFC Money Market MM	M3936	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		1.12	1.12	Money Market	None
H9906 Hospital - SPFC Money Market MM	M3936	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		1.14	1.14	Money Market	None
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		18.32	18.32	Money Market	None
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		17.72	17.72	Money Market	None
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		18.32	18.32	Money Market	None
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		6.05	6.05	Money Market	None
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		5.86	5.86	Money Market	None
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		6.05	6.05	Money Market	None
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		6.19	6.19	Money Market	None
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		5.99	5.99	Money Market	None
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		6.19	6.19	Money Market	None
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		9.54	9.54	Money Market	None
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		9.23	9.23	Money Market	None
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		9.54	9.54	Money Market	None
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		5.59	5.59	Money Market	None
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		1.48	1.48	Money Market	None
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		0.29	0.29	Money Market	None
LoneStar H9902 LGIP	LONESTARH9902	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		6,605.73	6,605.73	Local Government Investment Pool	None
LoneStar H9902 LGIP	LONESTARH9902	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		2,224.49	2,224.49	Local Government Investment Pool	None
LoneStar H9902 LGIP	LONESTARH9902	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		304.88	304.88	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		4,395.54	4,395.54	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		1,331.30	1,331.30	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A	0.000	9/23/2021	9/23/2021	N/A	0.00	0.00		6.12	6.12	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A	0.000	9/22/2021	9/22/2021	N/A	0.00	0.00		172.75	172.75	Local Government Investment Pool	None
TexasCLASS H9906 LGIP	TXCLASSH9906	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		38.64	38.64	Local Government Investment Pool	None
TexasCLASS H9906 LGIP	TXCLASSH9906	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		32.25	32.25	Local Government Investment Pool	None
TexasCLASS H9906 LGIP	TXCLASSH9906	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		31.72	31.72	Local Government Investment Pool	None
TexasCLASS H9917 LGIP	TXCLASSH9917	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		266.51	266.51	Local Government Investment Pool	None
TexasCLASS H9917 LGIP	TXCLASSH9917	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		222.52	222.52	Local Government Investment Pool	None
TexasCLASS H9917 LGIP	TXCLASSH9917	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		218.79	218.79	Local Government Investment Pool	None
TexasCLASS H9918 LGIP	TXCLASSH9918	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		302.05	302.05	Local Government Investment Pool	None
TexasCLASS H9918 LGIP	TXCLASSH9918	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		252.15	252.15	Local Government Investment Pool	None
TexasCLASS H9918 LGIP	TXCLASSH9918	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		247.94	247.94	Local Government Investment Pool	None
TexasCLASS H9920 LGIP	TXCLASSH9920	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		310.89	310.89	Local Government Investment Pool	None
TexasCLASS H9920 LGIP	TXCLASSH9920	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		259.59	259.59	Local Government Investment Pool	None
TexasCLASS H9920 LGIP	TXCLASSH9920	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		255.27	255.27	Local Government Investment Pool	None
TexasCLASS H9924 LGIP	TXCLASSH9924	N/A	0.000	11/30/2021	11/30/2021	N/A	0.00	0.00		775.00	775.00	Local Government Investment Pool	None
TexasCLASS H9924 LGIP	TXCLASSH9924	N/A	0.000	10/31/2021	10/31/2021	N/A	0.00	0.00		647.09	647.09	Local Government Investment Pool	None
TexasCLASS H9924 LGIP	TXCLASSH9924	N/A	0.000	9/30/2021	9/30/2021	N/A	0.00	0.00		717.23	717.23	Local Government Investment Pool	None
Interest													
							0.00	0.00		31,350.36	31,350.36		
Matured													
T-Bill 0 11/4/2021	9127964W6	0.000	0.000	11/4/2021	11/4/2021	11/4/2021	30,000,000.00	30,000,000.00	0	0.00	30,000,000.00	Treasury Bill	Cantor Fitzgerald & Company 064
T-Bill 0 9/21/2021	912796L49	0.000	0.000	9/21/2021	9/21/2021	9/21/2021	40,000,000.00	40,000,000.00	0	0.00	40,000,000.00	Treasury Bill	Loop Capital Markets 045
T-Bill 0 9/9/2021	9127964L0	0.000	0.000	9/9/2021	9/9/2021	9/9/2021	40,000,000.00	40,000,000.00	0	0.00	40,000,000.00	Treasury Bill	Loop Capital Markets 045
TMCC DISC CP 0 10/4/2021	89233GX43	0.000	0.000	10/4/2021	10/4/2021	10/4/2021	75,000,000.00	75,000,000.00	0	0.00	75,000,000.00	Commercial Paper	Toyota Motor Credit Corp [D] 022
TMCC DISC CP 0 11/2/2021	89233GY26	0.000	0.000	11/2/2021	11/2/2021	11/2/2021	75,000,000.00	75,000,000.00	0	0.00	75,000,000.00	Commercial Paper	Toyota Motor Credit Corp [D] 022

Matured							260,000,000.00	260,000,000.00		0.00	260,000,000.00			
Sell														
T-Bill 0 10/19/2021	912796M48		0.000	0.000	9/22/2021	9/23/2021	10/19/2021	80,000,000.00	79,997,544.44	0	0.00	79,997,544.44	Treasury Bill	Wells Fargo Securities 044
Sell								80,000,000.00	79,997,544.44		0.00	79,997,544.44		
Withdraw														
LoneStar H9902 LGIP	LONESTARH9902	N/A		0.000	11/30/2021	11/30/2021	N/A	20,000,000.00	20,000,000.00	0	0.00	20,000,000.00	Local Government Investment Pool	None
LoneStar H9902 LGIP	LONESTARH9902	N/A		0.000	9/23/2021	9/23/2021	N/A	7,918,940.69	7,918,940.69	0	0.00	7,918,940.69	Local Government Investment Pool	None
LoneStar H9902 LGIP	LONESTARH9902	N/A		0.000	9/3/2021	9/3/2021	N/A	15,000,000.00	15,000,000.00	0	0.00	15,000,000.00	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A		0.000	11/30/2021	11/30/2021	N/A	20,000,000.00	20,000,000.00	0	0.00	20,000,000.00	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A		0.000	9/23/2021	9/23/2021	N/A	5,243,552.73	5,243,552.73	0	0.00	5,243,552.73	Local Government Investment Pool	None
TexasCLASS H9902 LGIP	TXCLASSH9902	N/A		0.000	9/3/2021	9/3/2021	N/A	15,000,000.00	15,000,000.00	0	0.00	15,000,000.00	Local Government Investment Pool	None
TexasCLASS H9924 LGIP	TXCLASSH9924	N/A		0.000	9/23/2021	9/23/2021	N/A	3,000,000.00	3,000,000.00	0	0.00	3,000,000.00	Local Government Investment Pool	None
Withdraw								197,230,975.65	197,230,975.65		0.00	197,230,975.65		

SECTION 4
PORTFOLIO EARNINGS

Harris County
Date To Date
ML - Portfolio Earnings for Monthly Report
Report Format: By Transaction
Group By: Portfolio Name
Portfolio / Report Group: Harris County Hospital District
Begin Date: 8/31/2021, End Date: 11/30/2021

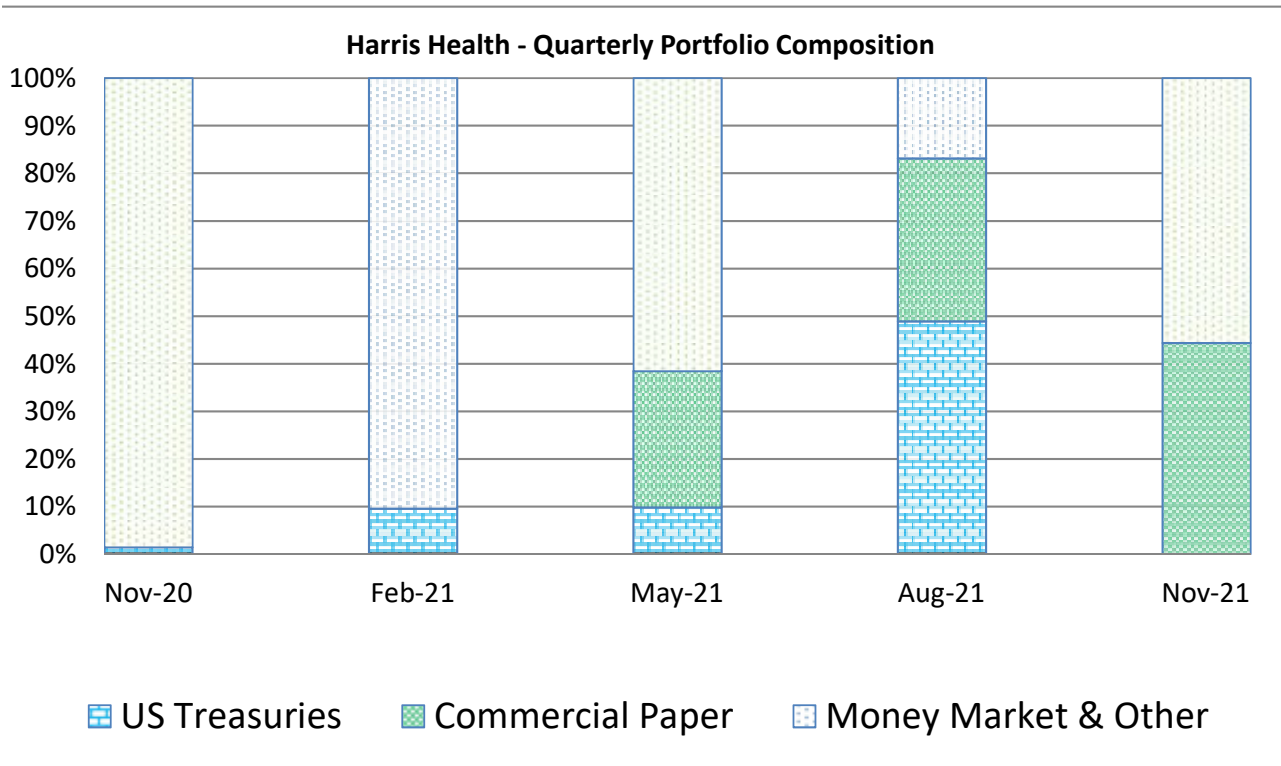
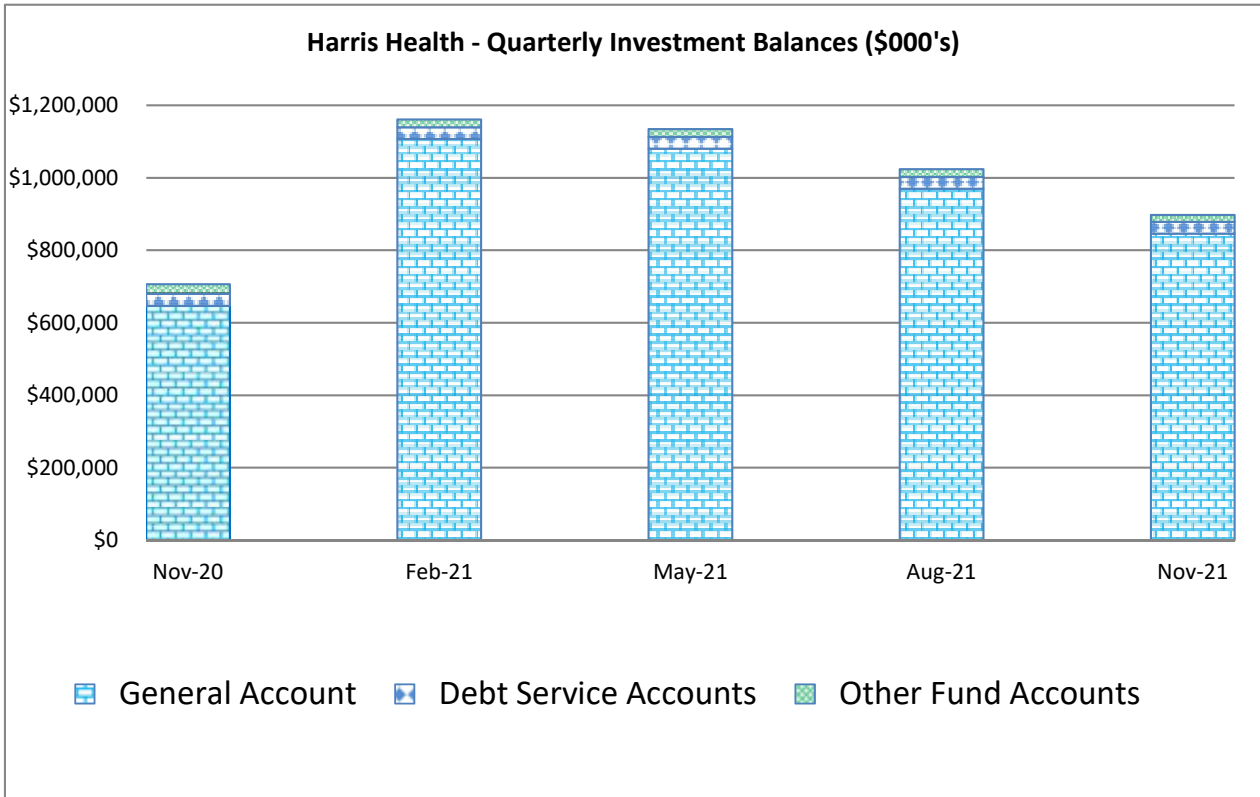
Description	CUSIP/Ticker	Buy Accrued Interest	Sell Accrued Interest	Interest/Dividends	Amortized Discount	Amortized Premium	Difference in Accrued Interest	Interest Earned During Period-BV	Investment Income-BV
H9902 Hospital - General Fund									
H9902 Hospital - Cadence General Funds DDA MM	D3837	0.00	0.00	4,959.44	0.00	0.00	0.00	4,959.44	4,959.44
H9902 Hospital - Cadence General Funds MMF MM	M3837	0.00	0.00	6,128.98	0.00	0.00	0.00	6,128.98	6,128.98
H9902 Hospital - Cigna Health Benefits MMF MM	M3944	0.00	0.00	442.50	0.00	0.00	0.00	442.50	442.50
H9902 Hospital - Donations MM	D5899	0.00	0.00	0.05	0.00	0.00	0.00	0.05	0.05
H9902 Hospital - FSA Plan MMF MM	M3951	0.00	0.00	46.71	0.00	0.00	0.00	46.71	46.71
H9902 Hospital - HRA Sweep MMF MM	M3845	0.00	0.00	24.49	0.00	0.00	0.00	24.49	24.49
LoneStar H9902 LGIP	LONESTARH9902	0.00	0.00	9,135.10	0.00	0.00	0.00	9,135.10	9,135.10
NATX DISC CP 0 4/1/2022	63873KD12	0.00	0.00	0.00	3,500.00	0.00	0.00	3,500.00	3,500.00
T-Bill 0 1/20/2022	912796K81	0.00	0.00	0.00	11,375.00	0.00	0.00	11,375.00	11,375.00
T-Bill 0 1/20/2022	912796K81	0.00	0.00	0.00	11,375.00	0.00	0.00	11,375.00	11,375.00
T-Bill 0 1/20/2022	912796K81	0.00	0.00	0.00	11,375.00	0.00	0.00	11,375.00	11,375.00
T-Bill 0 10/19/2021	912796M48	0.00	0.00	0.00	2,121.11	0.00	0.00	2,121.11	2,063.33
T-Bill 0 11/4/2021	9127964W6	0.00	0.00	0.00	4,281.48	0.00	0.00	4,281.48	4,281.48
T-Bill 0 9/21/2021	912796L49	0.00	0.00	0.00	911.46	0.00	0.00	911.46	911.46
T-Bill 0 9/9/2021	9127964L0	0.00	0.00	0.00	719.76	0.00	0.00	719.76	719.76
TexasCLASS H9902 LGIP	TXCLASSH9902	0.00	0.00	5,905.71	0.00	0.00	0.00	5,905.71	5,905.71
TMCC DISC CP 0 1/3/2022	89233HA38	0.00	0.00	0.00	45,500.00	0.00	0.00	45,500.00	45,500.00
TMCC DISC CP 0 10/4/2021	89233GX43	0.00	0.00	0.00	9,208.34	0.00	0.00	9,208.34	9,208.34
TMCC DISC CP 0 11/2/2021	89233GY26	0.00	0.00	0.00	18,375.00	0.00	0.00	18,375.00	18,375.00
TMCC DISC CP 0 3/10/2022	89233HCA0	0.00	0.00	0.00	12,133.33	0.00	0.00	12,133.33	12,133.33
TMCC DISC CP 0 4/1/2022	89233HD19	0.00	0.00	0.00	3,500.00	0.00	0.00	3,500.00	3,500.00
TMCC DISC CP 0 4/8/2022	89233HD84	0.00	0.00	0.00	10,616.67	0.00	0.00	10,616.67	10,616.67
TMCC DISC CP 0 5/9/2022	89233HE91	0.00	0.00	0.00	11,375.00	0.00	0.00	11,375.00	11,375.00
Sub Total/Average H9902 Hospital - General Fund		0.00	0.00	26,642.98	156,367.15	0.00	0.00	183,010.13	182,952.35
H9906 Hospital - SPFC									
H9906 Hospital - SPFC Money Market MM	M3936	0.00	0.00	3.39	0.00	0.00	0.00	3.39	3.39
TexasCLASS H9906 LGIP	TXCLASSH9906	0.00	0.00	102.61	0.00	0.00	0.00	102.61	102.61
Sub Total/Average H9906 Hospital - SPFC		0.00	0.00	106.00	0.00	0.00	0.00	106.00	106.00
H9917 Hospital - Debt Service 2010									
H9917 Hospital - Series 2010 DS Sweep MMF MM	M3993	0.00	0.00	54.36	0.00	0.00	0.00	54.36	54.36
TexasCLASS H9917 LGIP	TXCLASSH9917	0.00	0.00	707.82	0.00	0.00	0.00	707.82	707.82
Sub Total/Average H9917 Hospital - Debt Service 2010		0.00	0.00	762.18	0.00	0.00	0.00	762.18	762.18
H9918 Hospital - Debt Service Reserve 2010									
H9918 Hospital - Series 2010 DSR Sweep MMF MM	M4017	0.00	0.00	17.96	0.00	0.00	0.00	17.96	17.96
TexasCLASS H9918 LGIP	TXCLASSH9918	0.00	0.00	802.14	0.00	0.00	0.00	802.14	802.14
Sub Total/Average H9918 Hospital - Debt Service Reserve 2010		0.00	0.00	820.10	0.00	0.00	0.00	820.10	820.10
H9920 Hospital - Debt Service 2016 Rev & Ref									
H9920 Hospital - Series 2016 DS Sweep MMF MM	M4009	0.00	0.00	13 18.37	0.00	0.00	0.00	18.37	18.37

Description	CUSIP/Ticker	Buy Accrued Interest	Sell Accrued Interest	Interest/Dividends	Amortized Discount	Amortized Premium	Difference in Accrued Interest	Interest Earned During Period-BV	Investment Income-BV
TexasCLASS H9920 LGIP	TXCLASSH9920	0.00	0.00	825.74	0.00	0.00	0.00	825.74	825.74
Sub Total/Average H9920 Hospital - Debt Service 2016 Rev & Ref		0.00	0.00	844.11	0.00	0.00	0.00	844.11	844.11
H9921 Hospital - Debt Service Reserve 2016 Rev &am									
H9921 Hospital - Series 2016 DSR Sweep MMF MM	M4033	0.00	0.00	28.31	0.00	0.00	0.00	28.31	28.31
T-Bill 0 1/27/2022	912796C31	0.00	0.00	0.00	1,575.47	0.00	0.00	1,575.47	1,575.47
Sub Total/Average H9921 Hospital - Debt Service Reserve 2016 Rev &am		0.00	0.00	28.31	1,575.47	0.00	0.00	1,603.78	1,603.78
H9924 Hospital - Capital Assets Series 2020									
H9924 Hospital - Capital Assets Ser 2020 Sweep MMF	M6228	0.00	0.00	7.36	0.00	0.00	0.00	7.36	7.36
TexasCLASS H9924 LGIP	TXCLASSH9924	0.00	0.00	2,139.32	0.00	0.00	0.00	2,139.32	2,139.32
Sub Total/Average H9924 Hospital - Capital Assets Series 2020		0.00	0.00	2,146.68	0.00	0.00	0.00	2,146.68	2,146.68
Total / Average		0.00	0.00	31,350.36	157,942.62	0.00	0.00	189,292.98	189,235.20

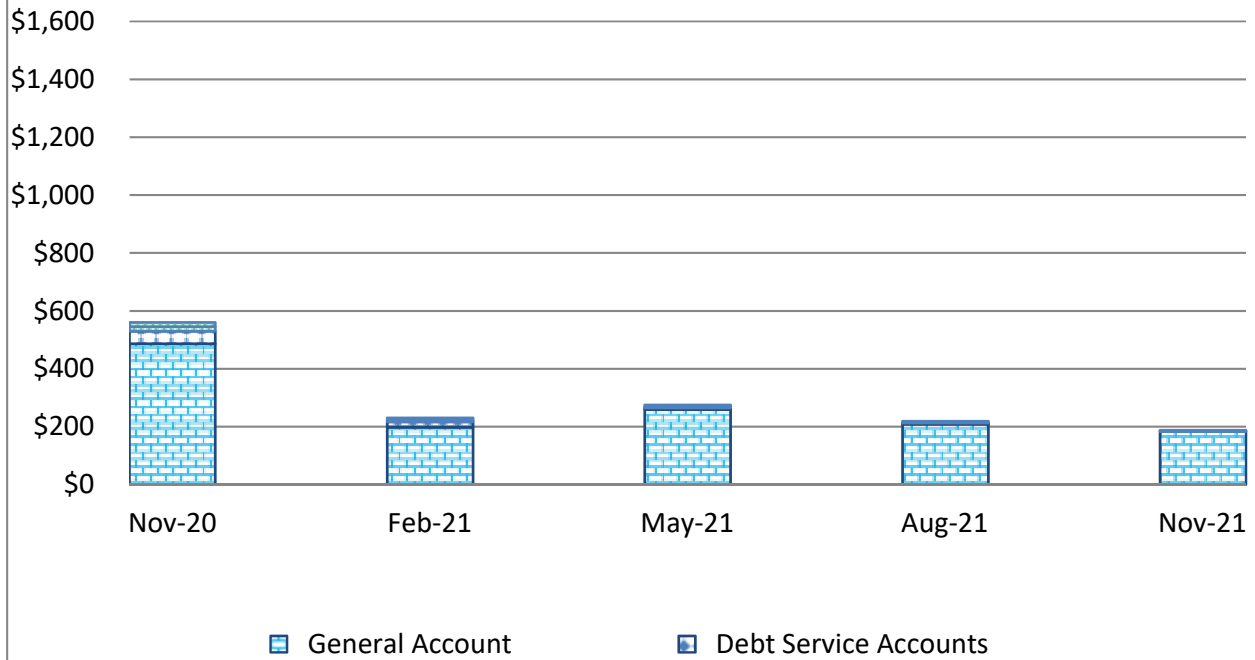
**HARRIS COUNTY HOSPITAL DISTRICT
dba HARRIS HEALTH SYSTEM**

**INVESTMENT REPORT
As of November 30, 2021**

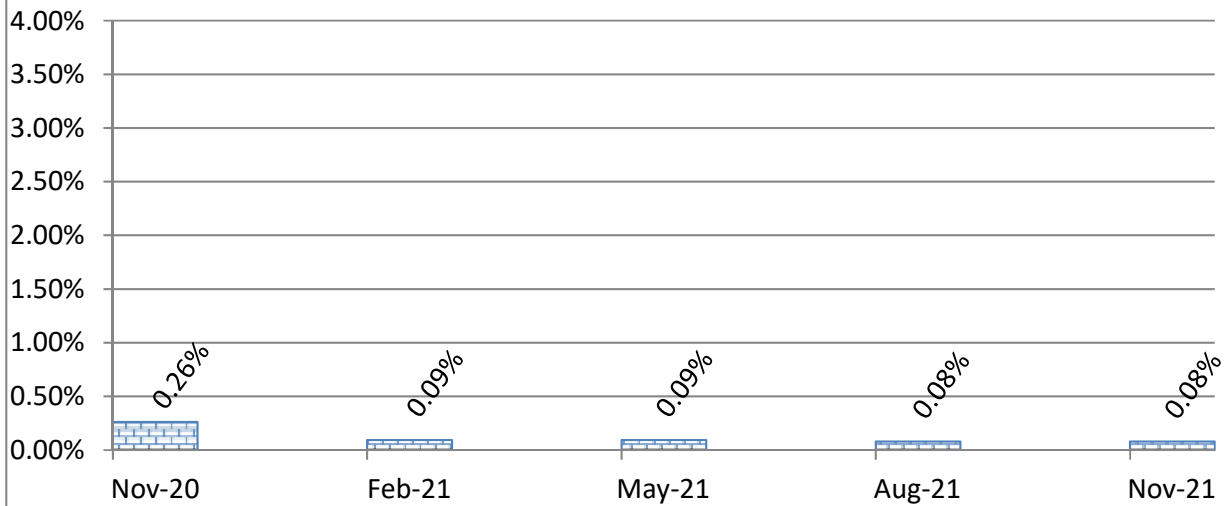
- Executive Summary Charts and Quarterly Trend Schedule for Harris Health System
- Quarter End Investment Report from Harris County Office of Financial Management



Harris Health - Quarterly Earnings (\$000's)



Harris Health - Quarterly Average Earnings %



Thursday, February 10, 2022

**Consideration of Acceptance of the Harris Health System Fourth Quarter
Calendar Year 2021 Pension Plan Report.**

Attached for your review and acceptance is the Fourth Quarter Calendar Year 2021 Pension Plan Report for the period October–December 2021.

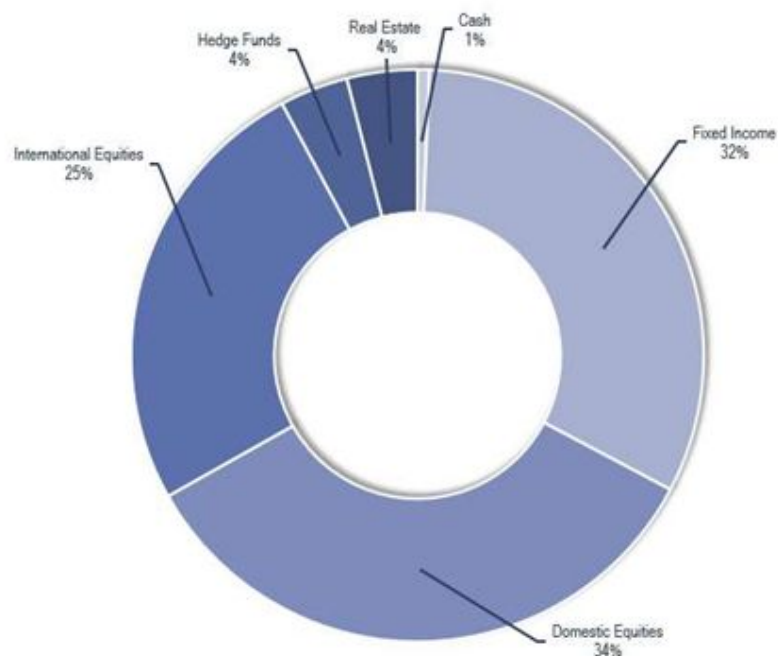
Administration recommends that the Board accept the Fourth Quarter Pension Plan Report for the period ended December 31, 2021.

Pension Plan Summary

For the Quarter Ended and Year Ended December 31, 2021

	YEAR-TO-DATE	QUARTERLY				YEAR-TO-DATE
	12/31/20	03/31/21	06/30/21	09/30/21	12/31/21	12/31/21
Investment Return	17.1%	2.6%	5.8%	-0.6%	1.8%	9.7%
Market Value of Assets (in millions)	\$ 876.6	\$ 899.4	\$ 953.5	\$ 948.3	\$ 966.4	\$ 966.4
Employer Contributions (in millions)	\$ 53.8	\$ 13.4	\$ 14.3	\$ 14.7	\$ 14.7	\$ 57.0
Benefit Payments (in millions)	\$ 50.2	\$ 13.1	\$ 13.3	\$ 13.3	\$ 13.5	\$ 53.3
Funded Ratio	84.9%	86.0%	90.7%	89.6%	90.8%	90.8%

Current Asset Allocation:



*The Plan was in compliance with target asset allocations per the Board approved Pension Plan Investment Policy.

Market Updates:

The market value of the Plan assets increased \$89.8 million since the beginning of the calendar year. Investment return was 1.8% for the quarter ended December 31, 2021, due to the following market conditions:

- U.S. equities and real estate ended the year strong despite renewed concerns around the latest COVID-19 variant Omicron, continued strain on already fractured supply chains, and global inflation pressures intensifying. Economic growth trends remained positive, helping global equities close the fourth quarter higher, as the S&P 500 Index rose 11.0% over the final three months of the year.
- A flattening of the U.S. Treasury yield curve was present during the quarter as longer-dated rates fell back due to heightened uncertainty surrounding Omicron and the Federal Reserve, which elected to increase its pace of balance sheet tapering. This led to mixed results for bond investors across sectors and durations, with longer-dated issues benefitting and credit markets continuing to underwhelm.
- The total Pension Plan return for the final quarter of 2021 was 1.8%, which trailed the Policy Index return of 3.6%. Despite a strong overall absolute return for the quarter, weak performance from the Plan's U.S. large cap equity allocation largely contributed to the negative relative results. When looking more broadly at returns for the full year, the Plan return of 9.7% is just slightly behind that of the Policy Index of 10.4%.

Thursday, January 13, 2022

**Consideration of Acceptance of the Harris Health System November 2021
Quarterly Financial Report Subject to Audit**

Attached for your review and consideration is the November 2021 Financial Report for the quarter and nine months fiscal year-to-date ended November 30, 2021.

Administration recommends that the Board accept the financial report for the period ended November 30, 2022, subject to final audit.



Financial Statements

As of the Quarter Ended November 30, 2021



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Financial Highlights Review

As of Quarter Ended November 30, 2021

Operating Income for the quarter ended November 30, 2021 was \$34.7 million compared to budgeted loss of \$12.2 million.

Overall quarterly net revenue of \$568.3 million was \$118.6 million or 26.4% greater than budget. Net patient revenue, including HRSA Relief Fund revenue, contributed \$76.5 million to the positive variance. Income from Medicaid Supplemental programs was \$25.2 million higher than expected due to the additional revenues from the projected final distribution of the Uncompensated Care program for federal fiscal year 2021. In addition, the first submission for the Provider Relief Fund resulted in \$16.0 million in COVID CARES Act income recognized.

Total quarterly operating expenses of \$533.6 million were \$71.8 million or 15.5% greater than budget. Staff costs were \$56.3 million over budget as a result of market salary increases and bonuses for all personnel, continued premium labor utilization, and increases in health insurance claims. Medical supplies and pharmaceuticals increased \$9.8 million over budget as a result of the pandemic supply management.

Total patient days and average daily census decreased slightly the third quarter of FY 2022, with a 1.7% variance to budget. However, inpatient case mix index, a measure of patient acuity, was 6.8% higher for the quarter and 2.5% higher for the year. Emergency room visits in the third quarter stabilized at a lower level and were 4.7% lower than budget. Total clinic visits including telehealth were 17.7% lower than budget and births were down 4.6%. Adjusted patient days, a measure of overall patient volume, posted a 21.5% recovery compared to the same period for prior year.

Total cash receipts for the quarter were \$419.7 million. The System has \$831.8 million in unrestricted cash, cash equivalents and investments, representing 153.1 days cash on hand. Harris Health System has \$108.4 million in net accounts receivable, representing 48.1 days of outstanding patient accounts receivable at November 30, 2021. The November balance sheet reflects a combined net receivable position of \$34.9 million under the various Medicaid Supplemental programs.

The quarterly expenses incurred by Harris Health for Foundation personnel and other costs were \$144,000.

Income Statement



As of the Quarter Ended November 30, 2021 (In \$ Millions)

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 222.2	\$ 145.7	52.5%	\$ 620.3	\$ 438.2	41.5%	\$ 417.2	48.7%
Medicaid Supplemental Programs	122.5	97.3	25.9%	442.7	351.7	25.9%	415.6	6.5%
Other Operating Revenue	9.9	8.9	11.4%	29.2	27.2	7.2%	21.7	34.7%
Total Operating Revenue	\$ 354.5	\$ 251.8	40.8%	\$ 1,092.1	\$ 817.1	33.7%	\$ 854.4	27.8%
Net Ad Valorem Taxes	196.5	196.5	"0.0%"	590.8	589.5	0.2%	586.7	0.7%
Net Tobacco Settlement Revenue	-	-		13.3	12.9	2.9%	12.9	2.7%
Interest Income & Other	17.3	1.3	1191.5%	18.3	6.0	204.2%	2.9	532.2%
Total Nonoperating Revenue	\$ 213.7	\$ 197.8	8.0%	\$ 622.4	\$ 608.4	2.3%	\$ 602.5	3.3%
Total Net Revenue	\$ 568.3	\$ 449.7	26.4%	\$ 1,714.5	\$ 1,425.5	20.3%	\$ 1,456.9	17.7%
EXPENSE								
Salaries and Wages	\$ 215.1	\$ 171.7	-25.3%	\$ 590.3	\$ 514.8	-14.7%	\$ 481.8	-22.5%
Employee Benefits	72.1	59.1	-21.9%	202.1	177.4	-13.9%	170.2	-18.8%
Total Labor Cost	\$ 287.1	\$ 230.8	-24.4%	\$ 792.5	\$ 692.2	-14.5%	\$ 652.0	-21.5%
Supply Expenses	68.6	58.9	-16.6%	202.3	177.4	-14.0%	166.7	-21.4%
Physician Services	89.1	88.5	-0.7%	275.9	265.4	-4.0%	250.2	-10.3%
Purchased Services	70.4	65.1	-8.1%	213.2	200.9	-6.2%	176.1	-21.1%
Depreciation & Interest	18.3	18.6	1.6%	53.3	55.1	3.4%	51.1	-4.2%
Total Operating Expense	\$ 533.6	\$ 461.8	-15.5%	\$ 1,537.2	\$ 1,391.0	-10.5%	\$ 1,296.2	-18.6%
Operating Income (Loss)	\$ 34.7	\$ (12.2)		\$ 177.2	\$ 34.6		\$ 160.7	
Total Margin %	6.1%	-2.7%		10.3%	2.4%		11.0%	

Balance Sheet

HARRISHEALTH
SYSTEM

November 30, 2021 and 2020 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 831.8	\$ 625.9
Net Patient Accounts Receivable	108.4	91.2
Net Ad Valorem Taxes, Current Portion	579.4	593.5
Other Current Assets	172.9	165.2
Total Current Assets	\$ 1,692.6	\$ 1,475.9
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 440.5	\$ 440.8
Construction in Progress	99.6	68.5
Total Capital Assets	\$ 540.1	\$ 509.3
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 50.4	\$ 58.5
LPPF Restricted Cash	28.3	30.0
Other - Restricted	1.1	0.9
Total Assets Limited As to Use & Restricted Assets	\$ 79.8	\$ 89.4
Other Assets	7.8	25.4
Deferred Outflows of Resources	179.3	97.8
Total Assets & Deferred Outflows of Resources	\$ 2,499.6	\$ 2,197.8
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 192.0	\$ 237.0
Employee Compensation & Related Liabilities	112.9	106.9
Estimated Third-Party Payor Settlements	8.6	7.4
Current Portion Long-Term Debt and Capital Leases	12.2	11.0
Total Current Liabilities	\$ 325.7	\$ 362.3
Long-Term Debt	307.8	320.7
Net Pension & Post Employment Benefits Liability	737.4	702.4
Other Long-Term Liabilities	24.2	28.2
Deferred Inflows of Resources	112.4	55.3
Total Liabilities	\$ 1,507.6	\$ 1,468.9
Total Net Assets	\$ 992.0	\$ 728.9
Total Liabilities & Net Assets	\$ 2,499.6	\$ 2,197.8

Cash Flow Summary

As of the Quarter Ended November 30, 2021 (In \$ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	\$ 194.7	\$ 179.8	\$ 605.7	\$ 480.6
Medicaid Supplemental Programs	228.7	32.4	580.1	393.0
Net Ad Valorem Taxes	7.6	1.6	57.7	27.2
Tobacco Settlement	-	-	13.3	12.9
Other Revenue	(11.4)	12.5	19.2	109.3
Total Cash Receipts	\$ 419.7	\$ 226.4	\$ 1,276.0	\$ 1,022.9
CASH DISBURSEMENTS				
Salaries, Wages and Benefits	\$ 273.8	\$ 250.8	\$ 714.9	\$ 707.9
Supplies	73.9	58.0	208.7	183.0
Physician Services	89.0	85.8	279.0	250.0
Purchased Services	49.8	49.7	161.5	155.9
Capital Expenditures	23.2	21.7	63.5	69.1
Debt and Interest Payments	0.9	1.1	7.1	7.6
Other Uses	35.5	(5.0)	100.2	(71.0)
Total Cash Disbursements	\$ 546.0	\$ 462.1	\$ 1,534.8	\$ 1,302.6
Net Change	\$ (126.3)	\$ (235.8)	\$ (258.8)	\$ (279.7)

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2021

\$ 1,090.6

Net Change

\$ (258.8)

Unrestricted Cash, Cash Equivalents and Investments - As of the Quarter Ended November 30, 2021

\$ 831.8

Performance Ratios

As of the Quarter Ended November 30, 2021

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	6.1%	-2.7%	10.3%	2.4%	15.5%
Run Rate per Day (In \$ Millions)	\$ 5.7	\$ 4.9	\$ 5.4	\$ 4.9	\$ 4.6
Salary, Wages & Benefit per APD	\$ 2,476	\$ 1,873	\$ 2,334	\$ 1,855	\$ 2,334
Supply Cost per APD	\$ 592	\$ 478	\$ 596	\$ 475	\$ 597
Physician Services Cost per APD	\$ 769	\$ 718	\$ 813	\$ 711	\$ 896
Total Expense per APD	\$ 4,602	\$ 3,747	\$ 4,528	\$ 3,727	\$ 4,639
Overtime as a % of Total Salaries	3.6%	2.5%	3.5%	2.6%	2.7%
Contract as a % of Total Salaries	5.9%	0.4%	4.4%	0.4%	1.7%
Full-time Equivalent Employees	9,278	9,178	9,148	9,161	8,589
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			5.1		4.0
Unrestricted Cash (In \$ Millions)			\$ 831.8	\$ 466.8	\$ 625.9
Days Cash on Hand			153.1	95.5	137.1
Days Revenue in Accounts Receivable			48.1	66.7	50.8
Days in Accounts Payable			39.0		39.3
Capital Expenditures/Depreciation & Amortization			140.4%		161.1%
Average Age of Plant (years)			12.9		12.8

Harris Health System Key Indicators



Statistical Highlights

As of the Quarter Ended November 30, 2021

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	111,204	123,238	-9.8%	339,500	373,227	-9.0%	279,413	21.5%
Outpatient % of Adjusted Volume	61.5%	64.8%	-5.0%	62.8%	64.6%	-2.8%	61.2%	2.7%
Primary Care Clinic Visits	114,961	141,355	-18.7%	322,549	435,668	-26.0%	164,463	96.1%
Specialty Clinic Visits	56,935	62,108	-8.3%	174,718	191,080	-8.6%	114,456	52.7%
Telehealth Clinic Visits	50,240	66,383	-24.3%	194,113	204,957	-5.3%	323,482	-40.0%
Total Clinic Visits	222,136	269,846	-17.7%	691,380	831,705	-16.9%	602,401	14.8%
Emergency Room Visits - Outpatient	30,237	31,769	-4.8%	97,841	100,537	-2.7%	86,961	12.5%
Emergency Room Visits - Admitted	4,315	4,506	-4.2%	13,771	14,106	-2.4%	12,328	11.7%
Total Emergency Room Visits	34,552	36,275	-4.7%	111,612	114,643	-2.6%	99,289	12.4%
Surgery Cases - Outpatient	2,213	3,500	-36.8%	7,142	10,838	-34.1%	6,404	11.5%
Surgery Cases - Inpatient	2,134	2,666	-20.0%	6,715	8,157	-17.7%	5,870	14.4%
Total Surgery Cases	4,347	6,166	-29.5%	13,857	18,995	-27.0%	12,274	12.9%
Total Outpatient Visits	398,525	426,571	-6.6%	1,300,898	1,313,266	-0.9%	1,030,625	26.2%
Inpatient Cases (Discharges)	6,810	7,652	-11.0%	20,497	23,307	-12.1%	18,482	10.9%
Outpatient Observation Cases	3,287	3,879	-15.3%	10,341	11,070	-6.6%	8,937	15.7%
Total Cases Occupying Patient Beds	10,097	11,531	-12.4%	30,838	34,377	-10.3%	27,419	12.5%
Births	1,346	1,411	-4.6%	3,603	4,099	-12.1%	3,270	10.2%
Inpatient Days	42,783	43,411	-1.4%	126,288	132,017	-4.3%	108,499	16.4%
Outpatient Observation Days	9,774	10,029	-2.5%	30,907	27,600	12.0%	23,572	31.1%
Total Patient Days	52,557	53,440	-1.7%	157,195	159,617	-1.5%	132,071	19.0%
Average Daily Census	577.5	587.3	-1.7%	571.6	580.4	-1.5%	480.3	19.0%
Average Operating Beds	682	618	10.4%	665	618	7.6%	655	1.5%
Bed Occupancy %	84.7%	95.0%	-10.9%	86.0%	93.9%	-8.5%	73.3%	17.2%
Inpatient Average Length of Stay	6.3	5.7	10.7%	6.2	5.7	8.8%	5.9	5.0%
Inpatient Case Mix Index (CMI)	1.857	1.738	6.8%	1.782	1.738	2.5%	1.734	2.8%
Payor Mix (% of Charges)								
Charity & Self Pay	46.9%	51.2%	-8.4%	47.8%	51.2%	-6.6%	51.6%	-7.3%
Medicaid & Medicaid Managed	20.7%	22.7%	-8.9%	20.5%	22.7%	-9.6%	22.5%	-8.8%
Medicare & Medicare Managed	12.1%	11.8%	2.1%	12.3%	11.8%	4.5%	11.8%	4.5%
Commercial & Other	20.4%	14.3%	42.4%	19.3%	14.3%	35.3%	14.1%	37.2%
Total Unduplicated Patients - Rolling 12				260,062			248,199	4.8%
Total New Patient - Rolling 12				83,648			69,983	19.5%

Note: Prior year Clinic Visits have been restated; E&M & Telehealth Visits were aligned with Clinic and Ancillary Visits as appropriate. This shift represents a decrease of ~ 7% to Total Clinic Visits but no change to Total Outpatient Visits reported in FY21.

Harris Health System

Statistical Highlights

As of the Quarter Ended November 30, 2021

Cases Occupying Beds - Q3

Actual	Budget	Prior Year
10,097	11,531	9,365

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
30,838	34,377	27,419

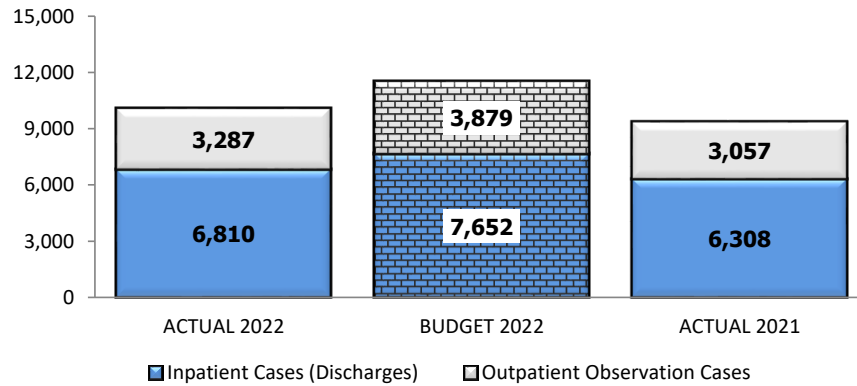
Emergency Visits - Q3

Actual	Budget	Prior Year
34,552	36,275	34,153

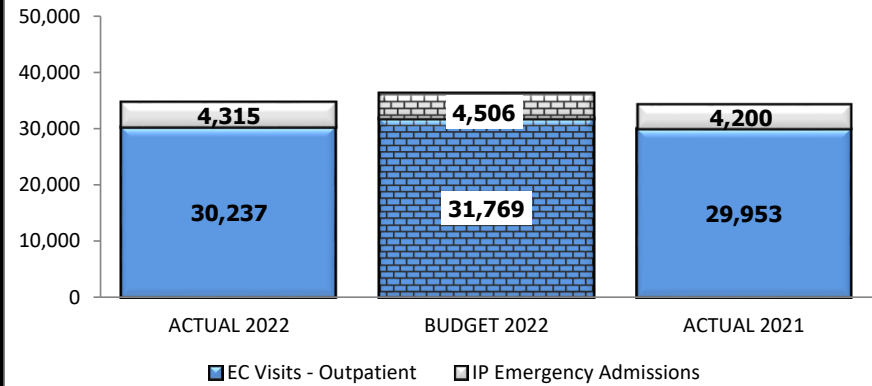
Emergency Visits - YTD

Actual	Budget	Prior Year
111,612	114,643	99,289

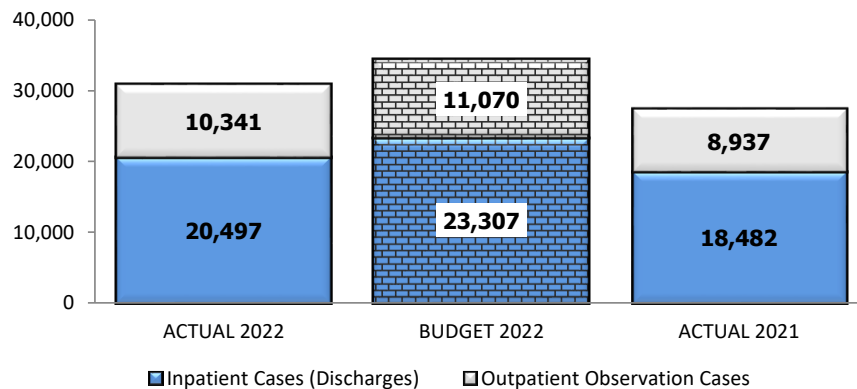
Cases Occupying Beds - Quarter End



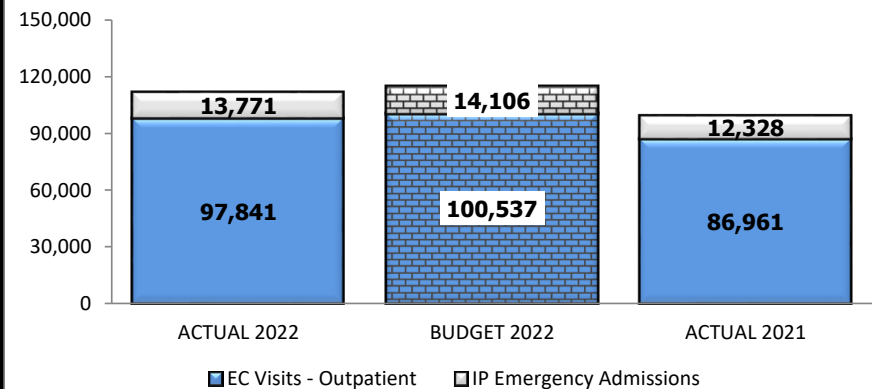
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended November 30, 2021

Surgery Cases - Q3

Actual	Budget	Prior Year
4,347	6,166	5,061

Surgery Cases - YTD

Actual	Budget	Prior Year
13,857	18,995	12,274

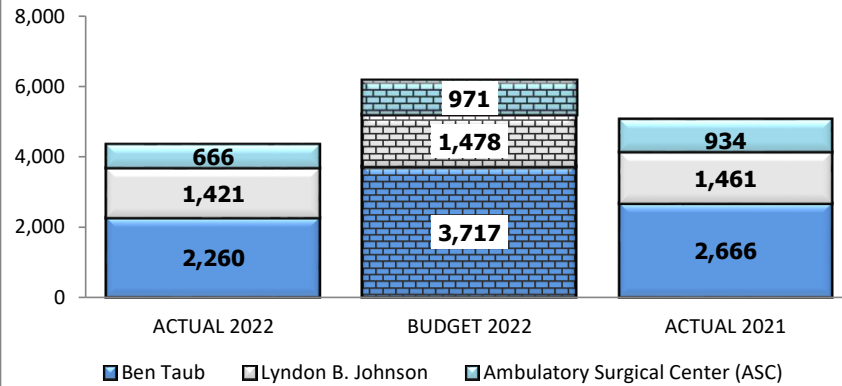
Clinic Visits - Q3

Actual	Budget	Prior Year
222,136	269,846	211,826

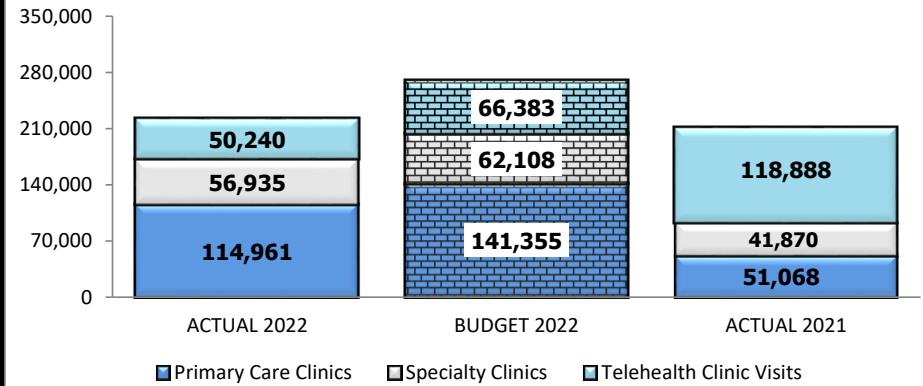
Clinic Visits - YTD

Actual	Budget	Prior Year
691,380	831,705	602,410

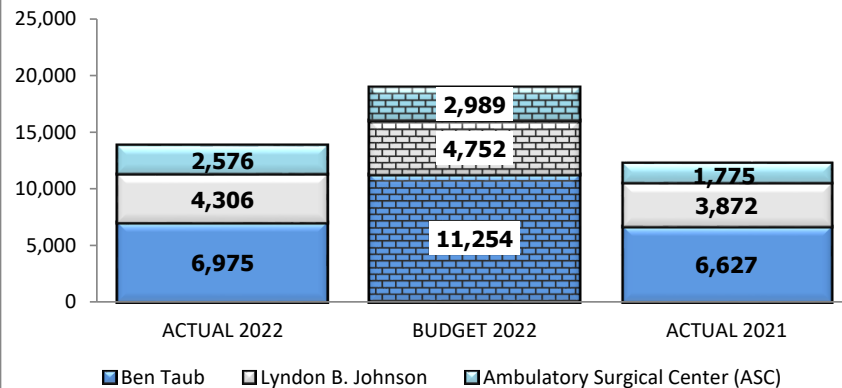
Surgery Cases - Quarter End



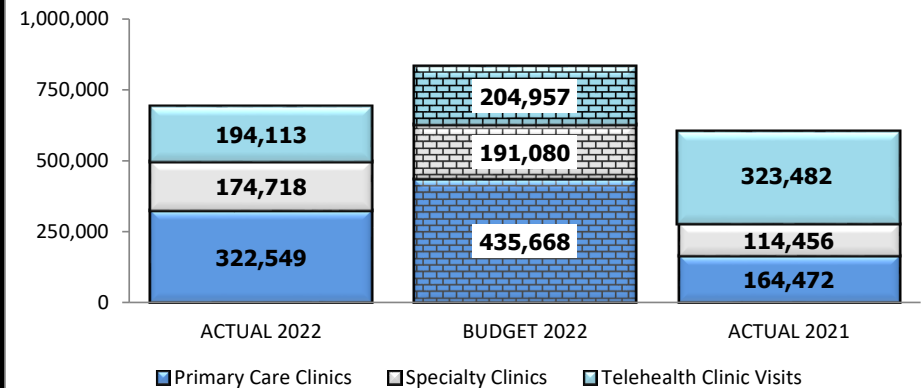
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended November 30, 2021

Adjusted Patient Days - Q3

111,204

Adjusted Patient Days - YTD

339,500

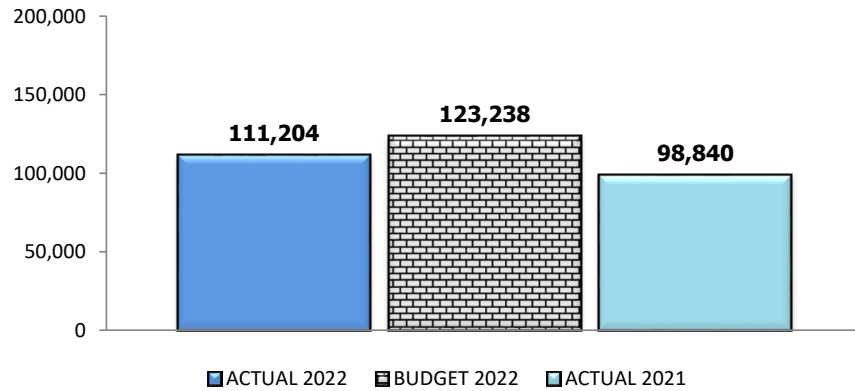
Average Daily Census - Q3

577.5

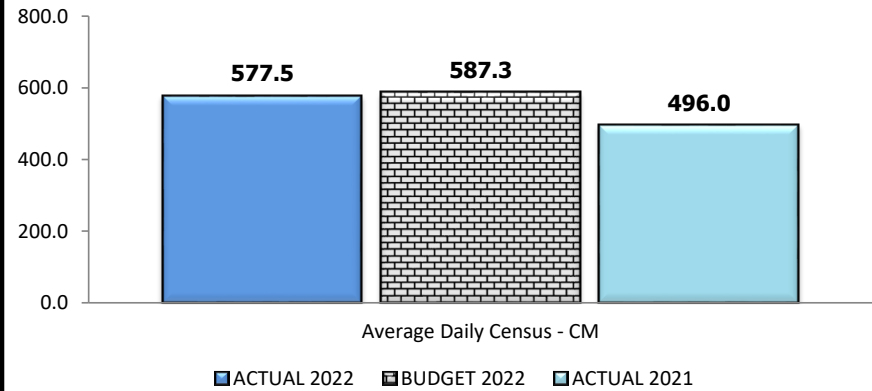
Average Daily Census - YTD

571.6

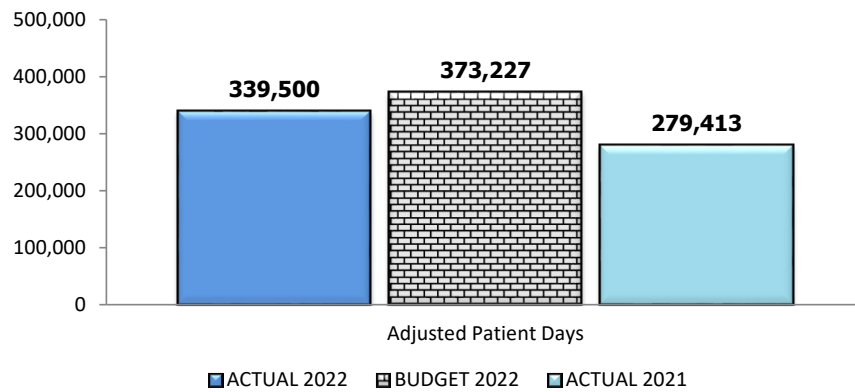
Adjusted Patient Days - Quarter End



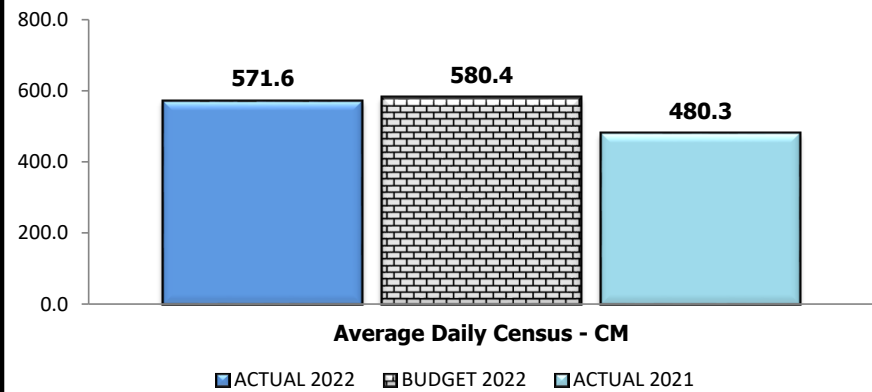
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended November 30, 2021

Inpatient ALOS - Q3

6.28

Inpatient ALOS - YTD

6.16

Case Mix Index - Q3

Overall

Excl. Obstetrics

1.857

2.094

Case Mix Index (CMI) - YTD

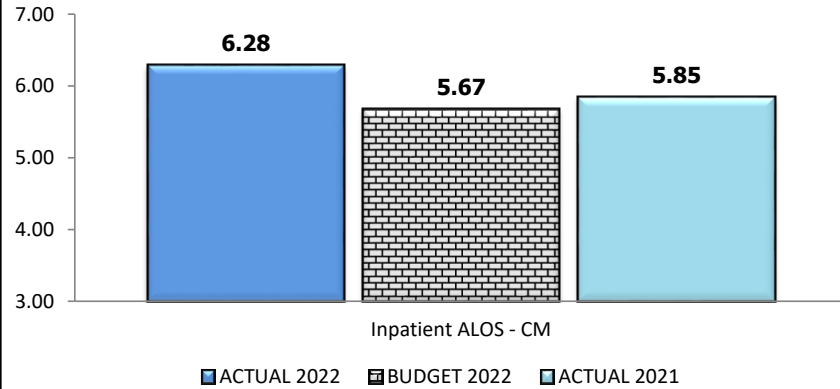
Overall

Excl. Obstetrics

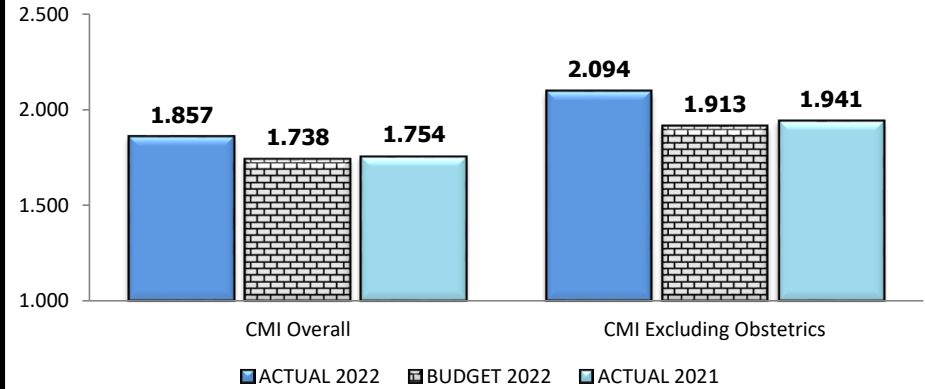
1.782

1.973

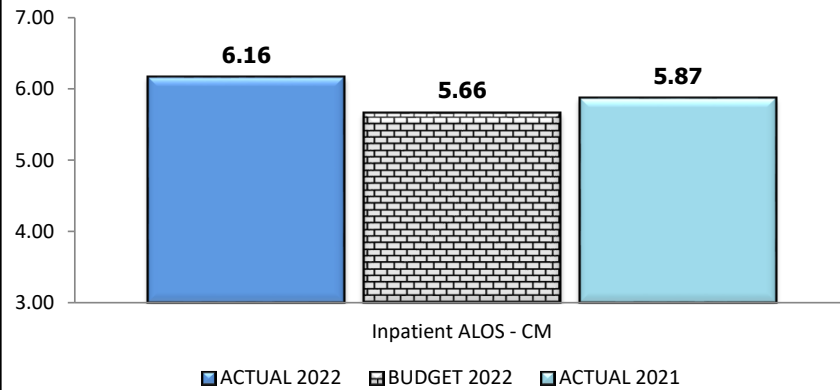
Inpatient ALOS - Quarter End



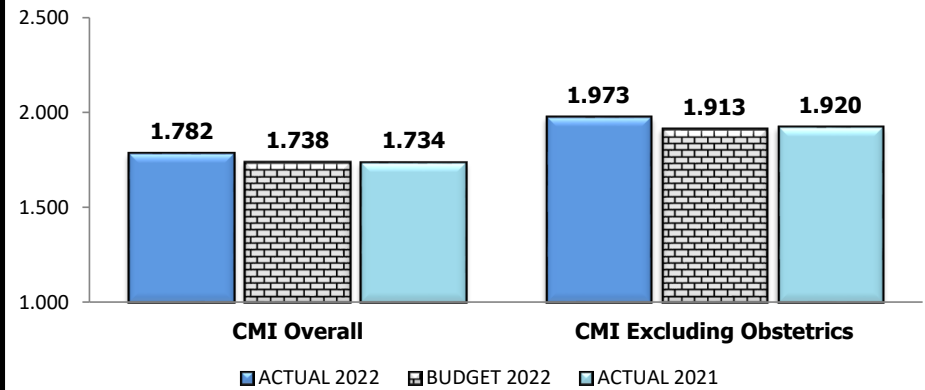
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

As of the Quarter Ended November 30, 2021

BT Cases Occupying Beds - Q3

Actual	Budget	Prior Year
6,150	7,859	6,048

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
18,843	23,440	17,336

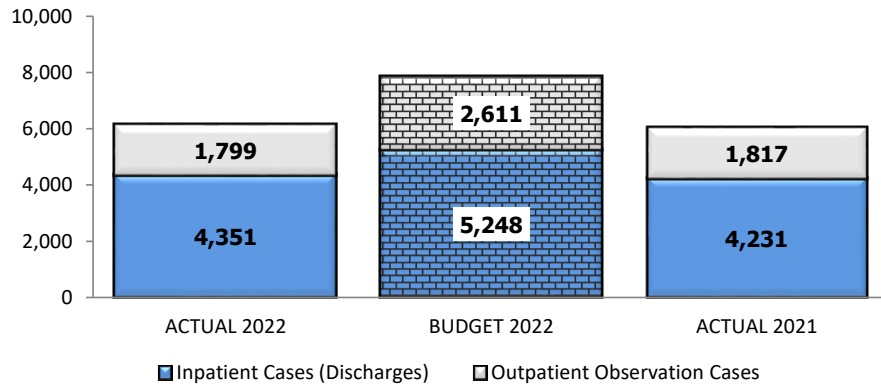
LBJ Cases Occupying Beds - Q3

Actual	Budget	Prior Year
3,947	3,672	3,317

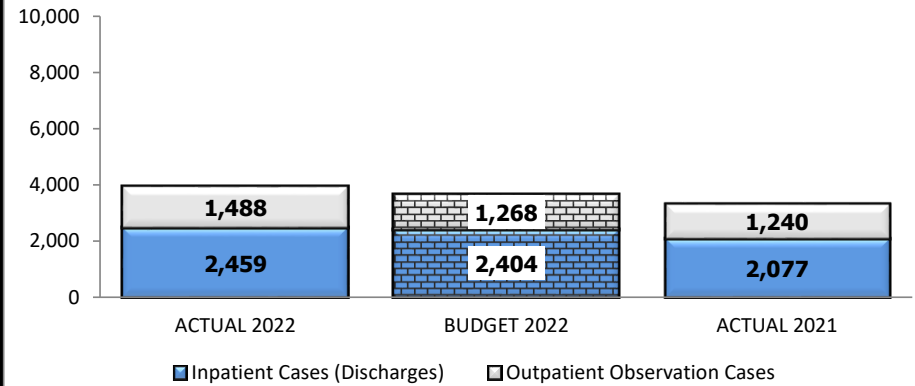
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
11,995	10,937	10,083

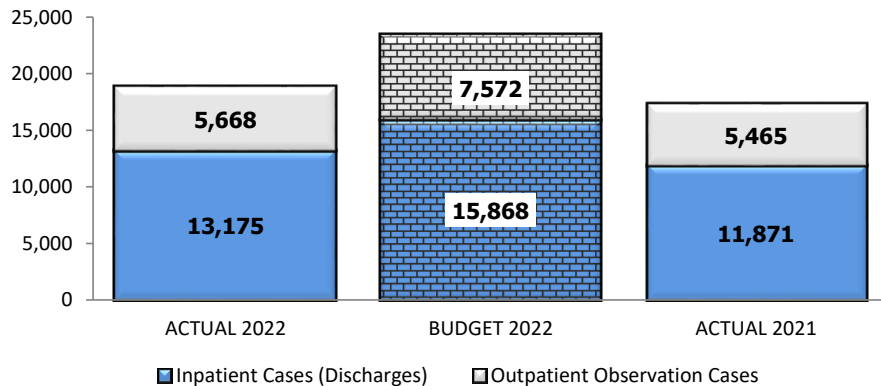
Ben Taub Cases - Quarter End



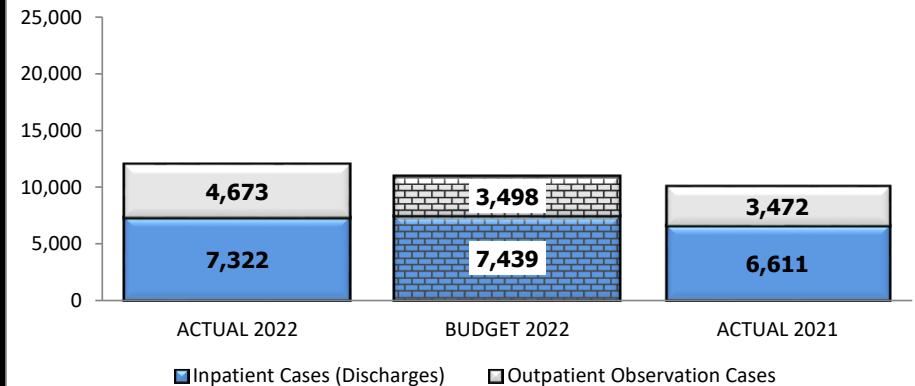
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

As of the Quarter Ended November 30, 2021

BT Surgery Cases - Q3

Actual	Budget	Prior Year
2,260	3,717	2,666

BT Surgery Cases - YTD

Actual	Budget	Prior Year
6,975	11,254	6,627

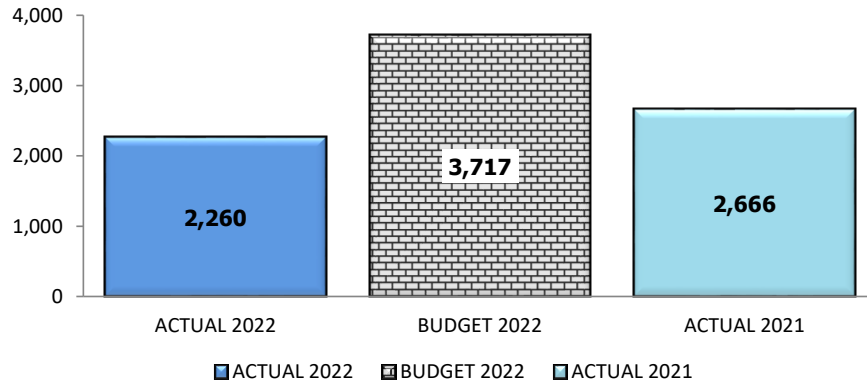
LBJ Surgery Cases - Q3

Actual	Budget	Prior Year
2,087	2,449	2,395

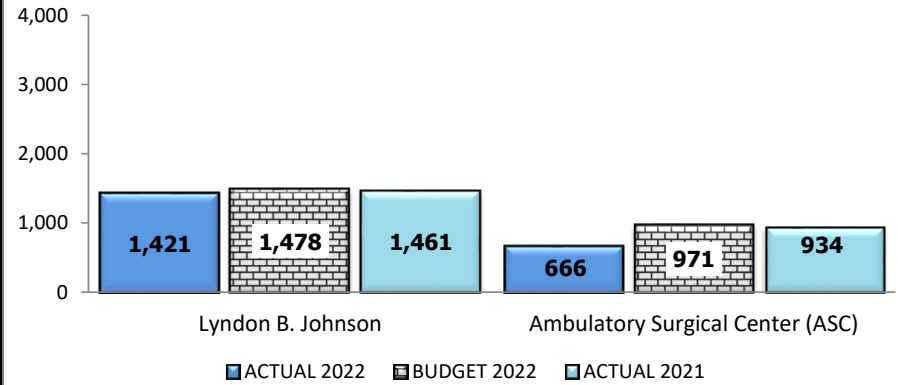
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
6,882	7,741	5,647

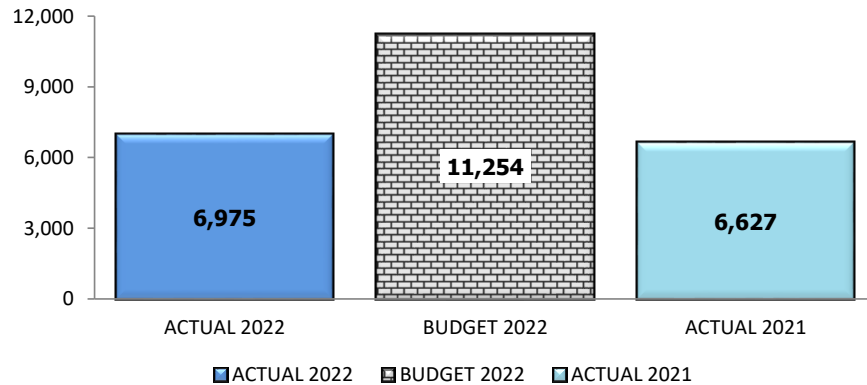
Ben Taub OR Cases - Quarter End



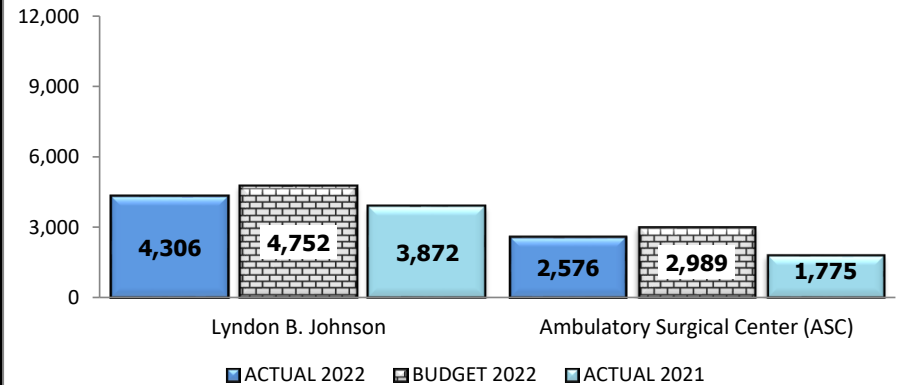
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended November 30, 2021

BT Emergency Visits - Q3

Actual	Budget	Prior Year
17,238	17,454	17,317

BT Emergency Visits - YTD

Actual	Budget	Prior Year
55,441	55,606	49,452

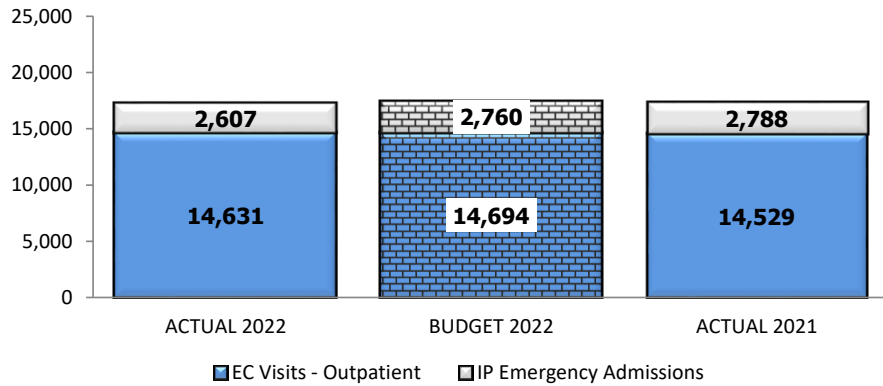
LBJ Emergency Visits - Q3

Actual	Budget	Prior Year
17,314	18,821	16,836

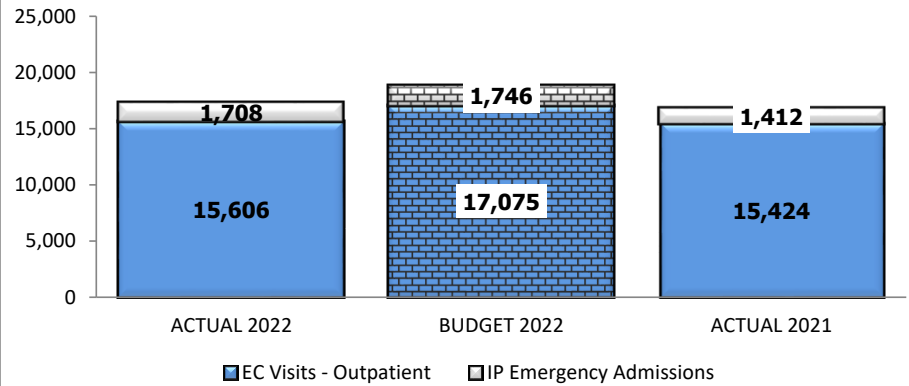
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
56,171	59,037	49,837

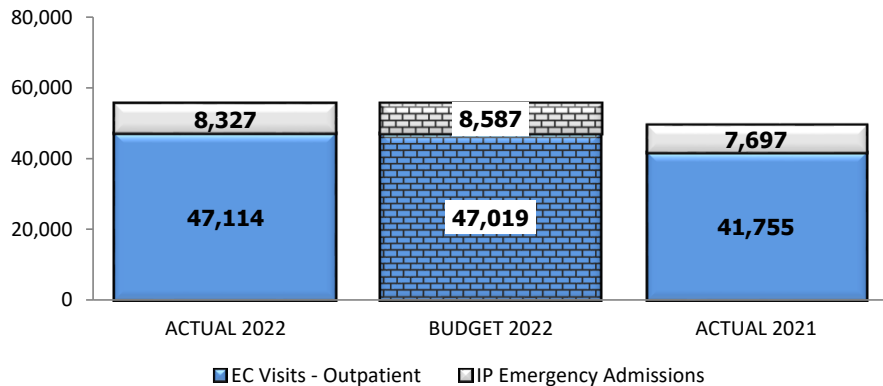
Ben Taub EC Visits - Quarter End



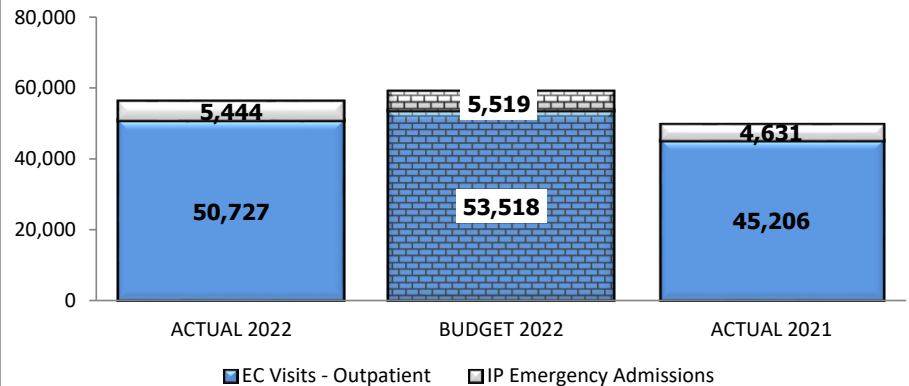
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



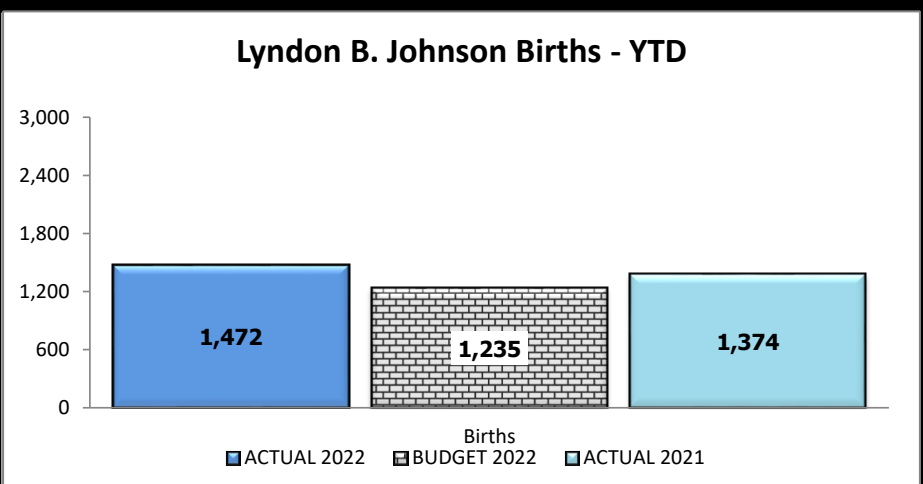
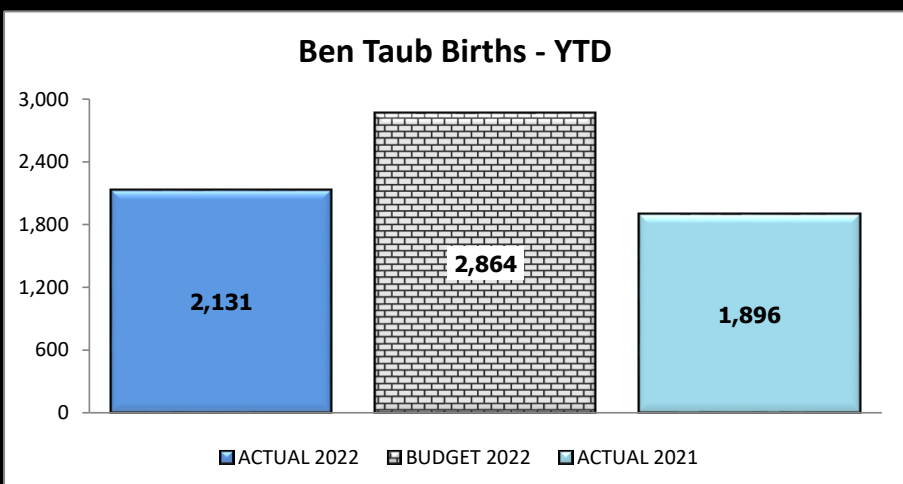
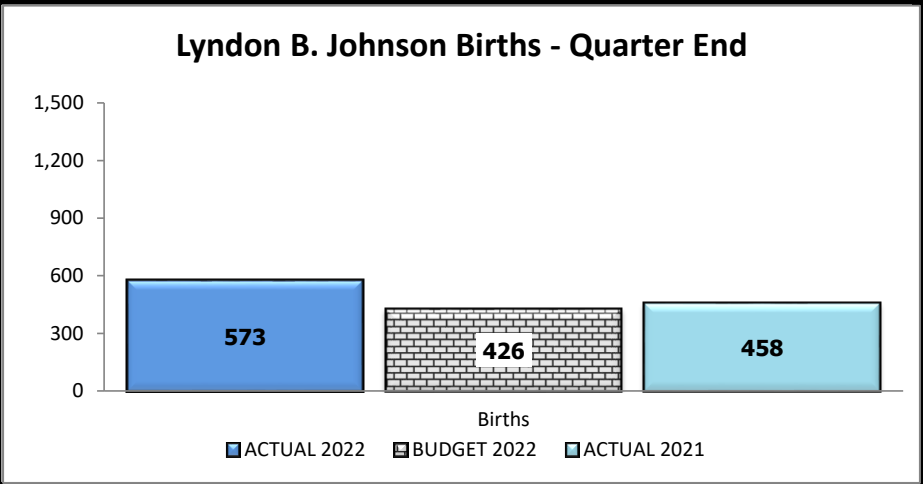
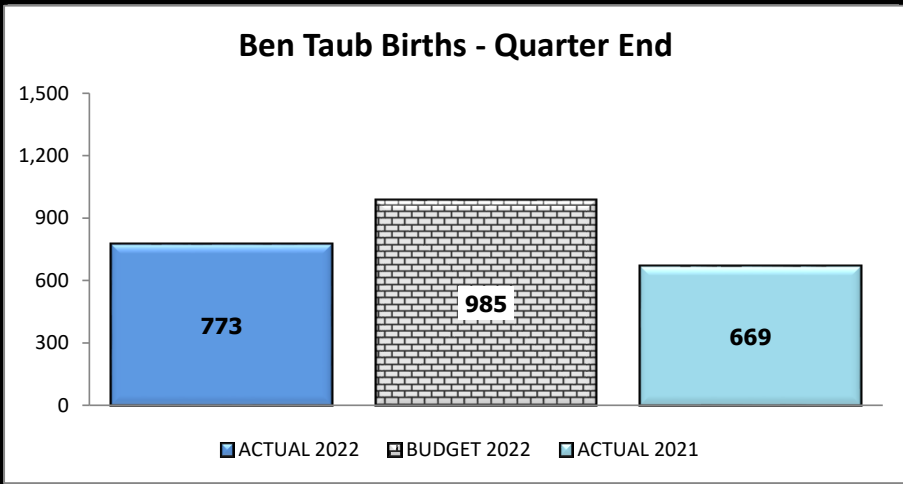
Harris Health System

Statistical Highlights - Births

As of the Quarter Ended November 30, 2021

<u>BT Births - Q3</u>			<u>BT Births - YTD</u>		
Actual	Budget	Prior Year	Actual	Budget	Prior Year
773	985	669	2,131	2,864	1,896

<u>LBJ Births - Q3</u>			<u>LBJ Births - YTD</u>		
Actual	Budget	Prior Year	Actual	Budget	Prior Year
573	426	458	1,472	1,235	1,374



Harris Health System

Statistical Highlights - Adjusted Patient Days

As of the Quarter Ended November 30, 2021

BT Adjusted Patient Days - Q3

56,987

BT Adjusted Patient Days - YTD

173,272

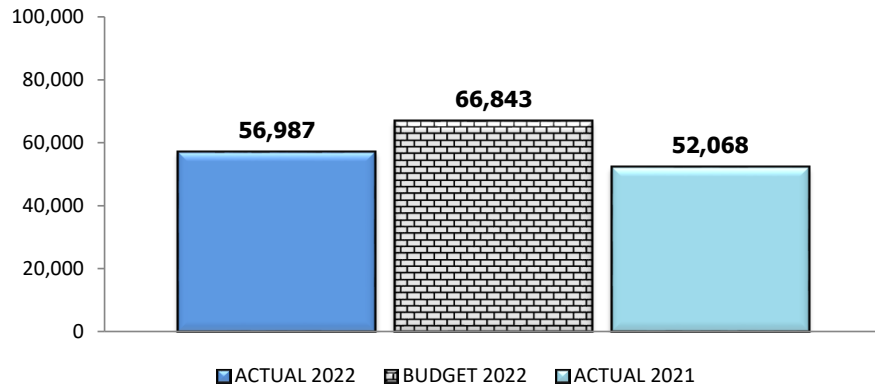
LBJ Adjusted Patient Days - Q3

34,701

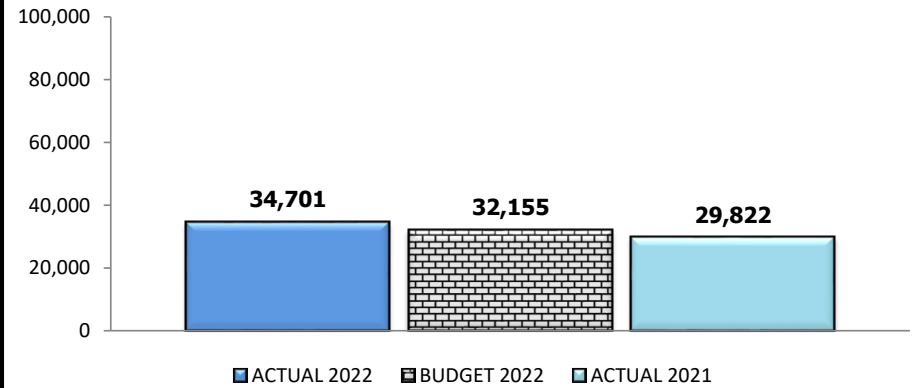
LBJ Adjusted Patient Days - YTD

103,290

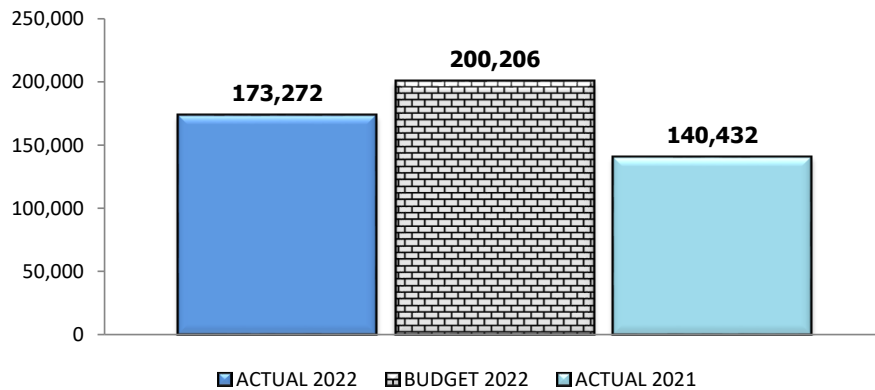
Ben Taub APD - Quarter End



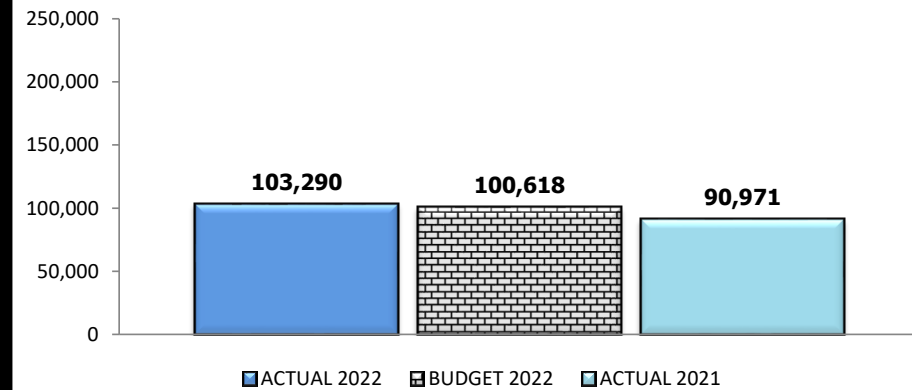
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

As of the Quarter Ended November 30, 2021

BT Average Daily Census - Q3

381.1

BT Average Daily Census - YTD

378.3

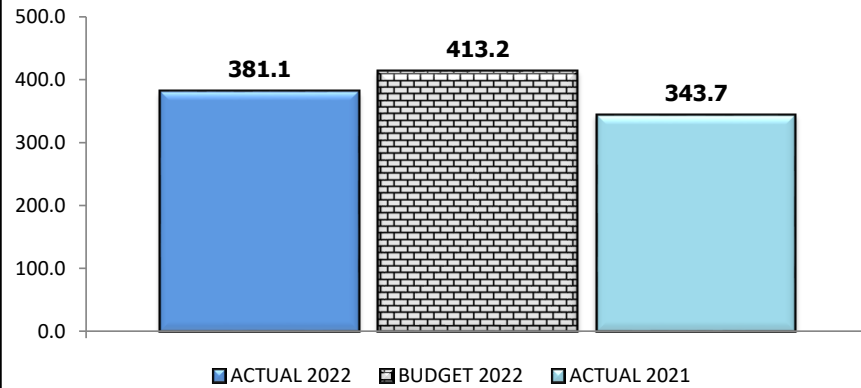
LBJ Average Daily Census - YTD

196.5

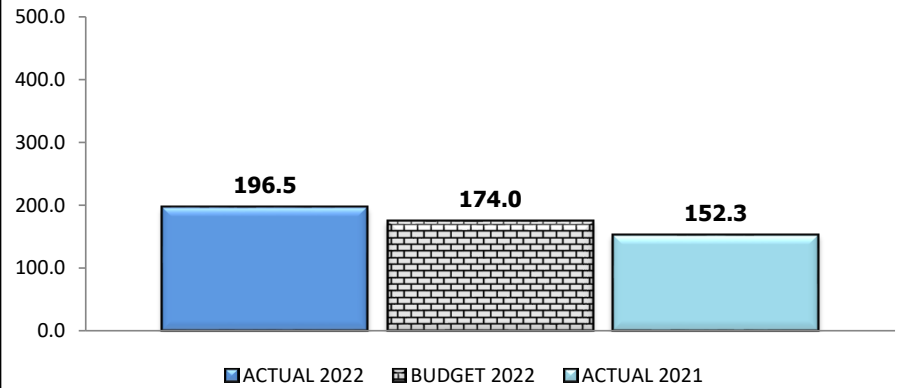
LBJ Average Daily Census - YTD

193.3

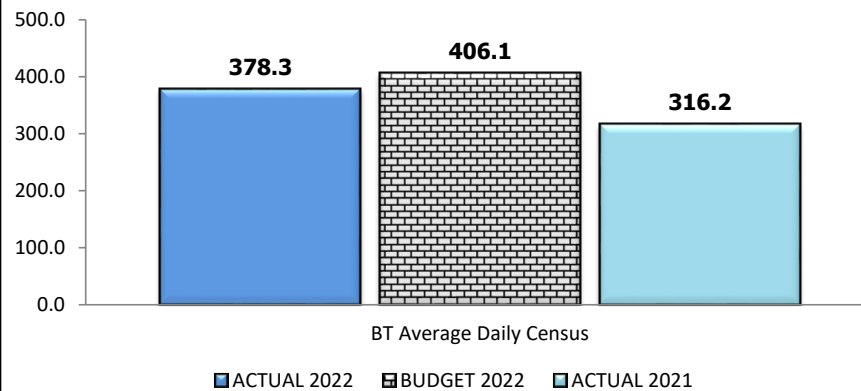
Ben Taub ADC - Quarter End



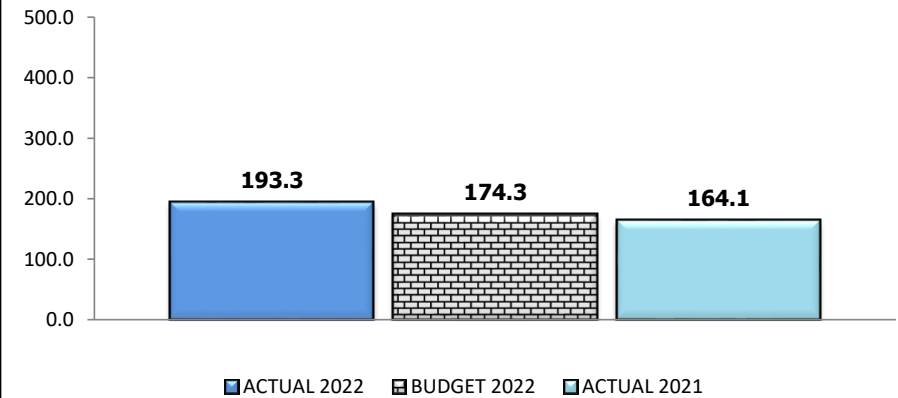
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

As of the Quarter Ended November 30, 2021

BT Inpatient ALOS - Q3

6.68

BT Inpatient ALOS - YTD

6.57

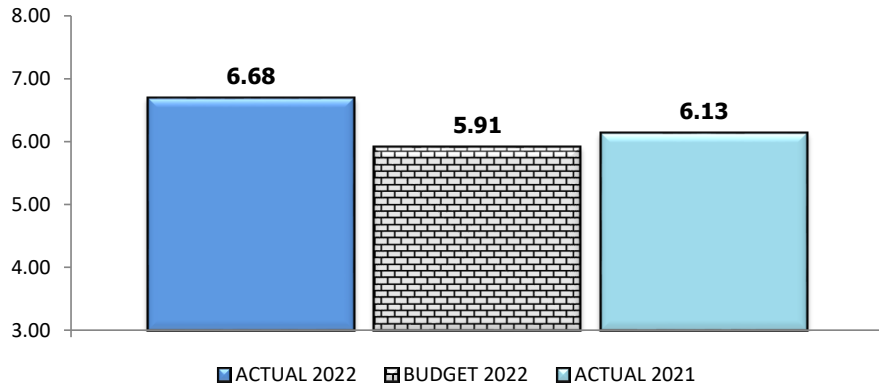
LBJ Inpatient ALOS - Q3

5.57

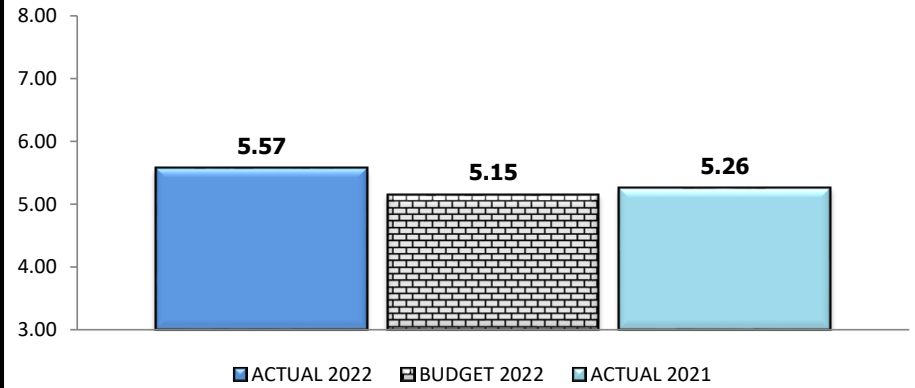
LBJ Inpatient ALOS - YTD

5.43

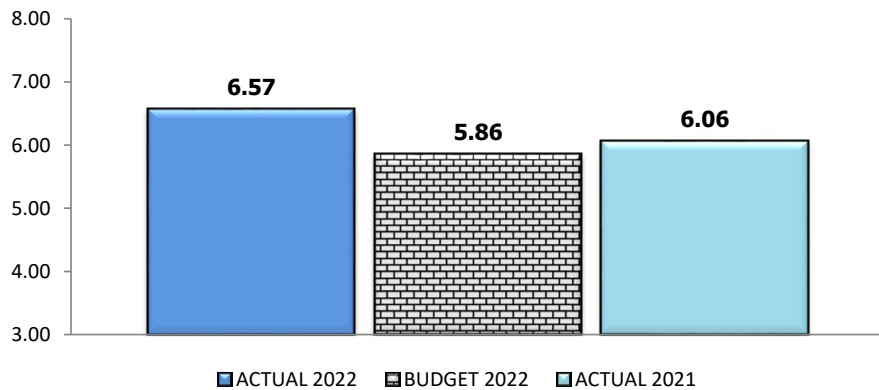
Ben Taub ALOS - Quarter End



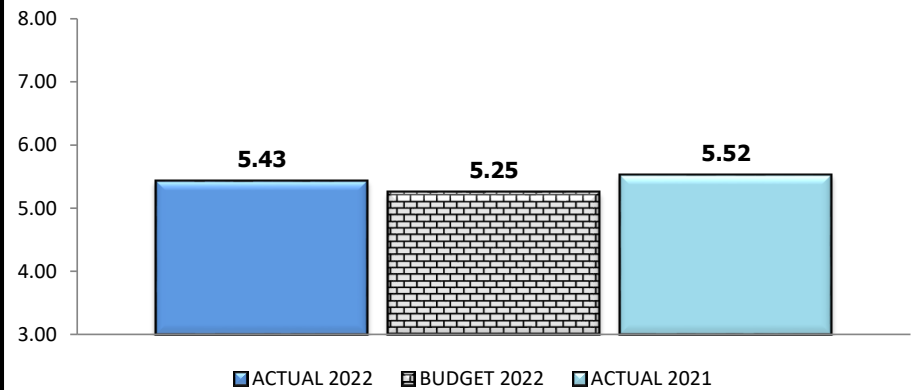
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD

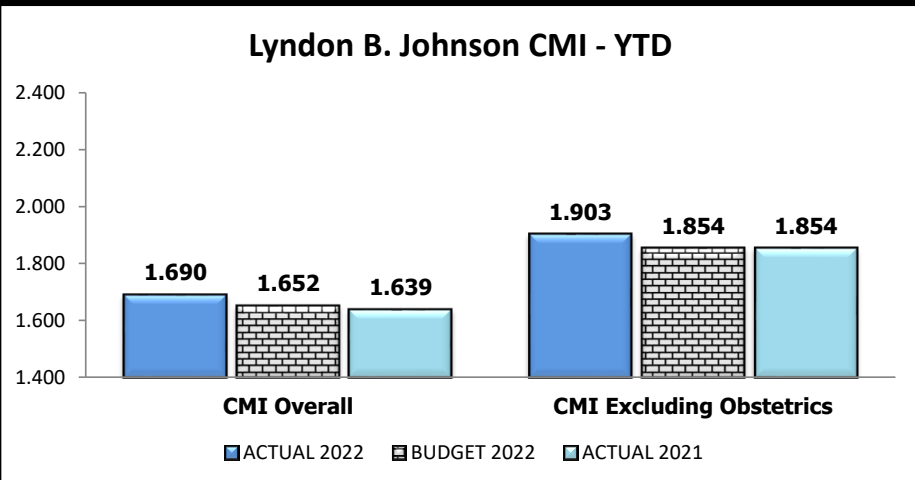
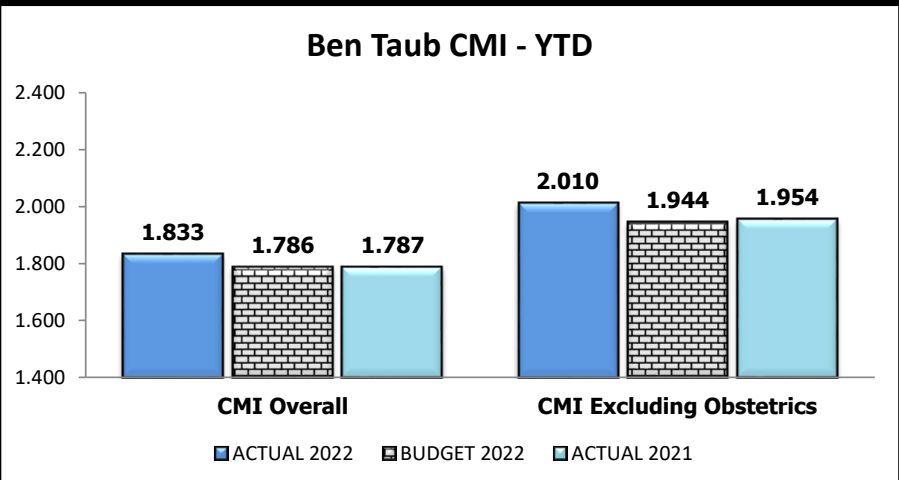
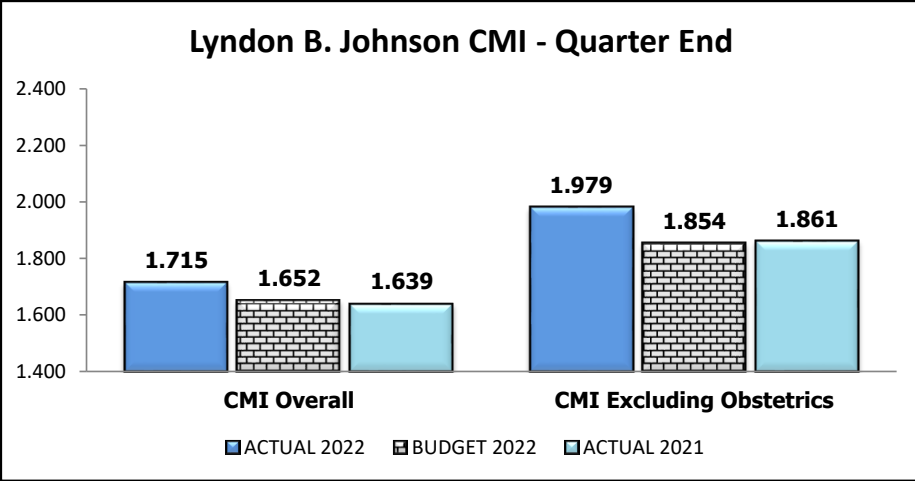
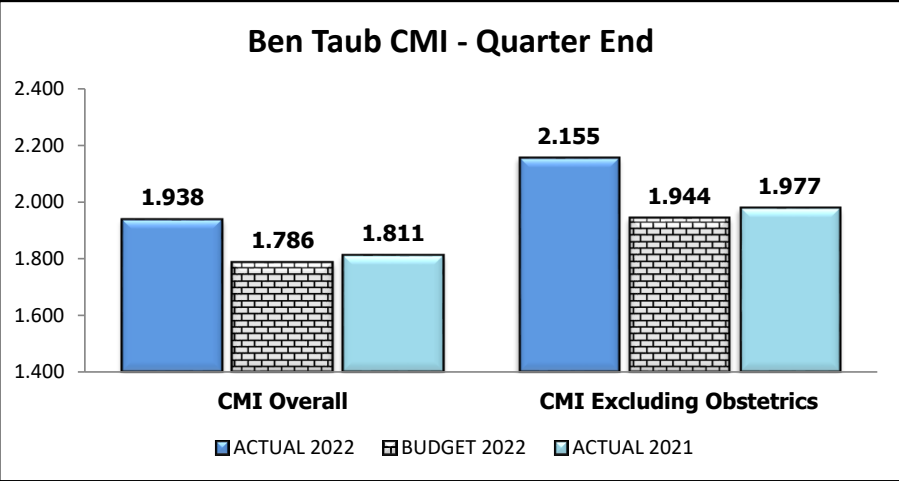


Harris Health System

Statistical Highlights - Case Mix Index (CMI)

As of the Quarter Ended November 30, 2021

<u>BT Case Mix Index (CMI) - Q3</u>		<u>BT Case Mix Index (CMI) - YTD</u>		<u>LBJ Case Mix Index (CMI) - Q3</u>		<u>LBJ Case Mix Index (CMI) - YTD</u>	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.938	2.155	1.833	2.010	1.715	1.979	1.690	1.903



Thursday, February 10, 2022

Executive Session

Consultation with Attorney Regarding Board Approval Process for Naming Opportunities,
Pursuant to Tex. Gov't Code Ann. §551.071.