Witness the transformation of healthcare
A message to our community

See Change, Harris Health System’s FY2013 Report to Our Community, shares recent accomplishments and successful efforts to lead the sea change, or transformation, of local healthcare in an era of health reform and social and economic uncertainty. Also, it reflects our strategic focus on primary care, prevention and wellness, efforts to improve patient access to healthcare services and ongoing commitment to deliver the highest quality of patient-centered care to the residents of Harris County.

FY2013 was an important year in the history of the Harris County Hospital District, now doing business as Harris Health System, a name that communicates we are more than a district of hospitals. We are a system of care — with Health at the center of all we do.

Physicians from Baylor College of Medicine and The University of Texas Health Science Center at Houston (UTHealth) provide the medical care in all of our facilities. With an emphasis on treating all patients and their families with dignity and respect, the alliance we have forged to address the many and diverse healthcare needs of our community and to educate the next generation of physicians has never been stronger.

In the coming year, we will expand patient access to healthcare services in our community through the planned addition of several same-day clinics and community-based primary care centers, and through collaboration with other healthcare providers.

Appreciation goes to members of our team, including members of Harris County Commissioners Court, the Harris Health System Board of Managers, Harris County Hospital District Foundation Board of Trustees, Baylor College of Medicine and UTHealth medical staff, and the many employees, volunteers and patient council members for their loyalty, compassion and heartfelt dedication to provide excellent care to our patients.

Sincerely,

Carolyn Truesdell
Chair
Board of Managers

David S. Lopez
President and CEO
Harris Health System
Meeting our mission as responsible stewards

We improve our community’s health by delivering high-quality healthcare to Harris County residents and by training the next generation of health professionals.

Harris Health is transforming our entire health system to respond to the changing needs of our fast-growing and diverse community. We are building an even greater network of primary and specialty care facilities, helping people remain healthy, active and productive. We expect our healthcare system to serve tens of thousands more patients over the next three years. The decision to focus on primary care was based on the notion that a healthier population requires less hospitalization, meaning valuable resources can touch more lives in a primary care setting.

Average cost of outpatient visit $171
Average cost of inpatient admission $11,745
Harris Health System is defining the national healthcare model of the future.

Across the nation, a sweeping transformation, or sea change, in the delivery of healthcare is happening. A transformation that places an emphasis on primary care, prevention and wellness. As the leader in providing healthcare for the uninsured and underinsured of Harris County, we know that primary care is the most effective approach to keep our community healthy. Our expansion of primary care health centers helps us serve a greater number of people in more affordable and convenient neighborhood settings. By doing so, Harris Health is able to keep our patients healthier and minimize the likelihood of a costly hospital stay.

Wisely, Harris Health System began its own transformation to primary care decades ago, not in response to the latest legislative mandates. As healthcare champions determined to increase patient access to high-quality healthcare services, Harris Health is able to better serve our community more cost effectively than ever.

Now the nation is following our progressive lead.

Over the last 10 years, Harris Health has strategically shifted the emphasis on care from inpatient admissions to the outpatient setting.
Harris Health System locations

Harris Health leads the way in providing the right care at the right place at the right time. It’s widely known that about half of all emergency room visits can be treated in a primary care setting. Knowing this, we plan to add 10 new locations over the next two years, including six same-day clinics, three new primary care centers and one new specialty center.
Medical school affiliations

Harris Health is a teaching system for Baylor College of Medicine and The University of Texas Health Science Center at Houston (UTHealth), two of the nation’s top medical schools. Physicians from these prestigious institutions, many of them leaders in their chosen field, staff our health centers, specialty clinics and three hospitals.
Holistic health in our community

To fulfill our mission to improve the community’s health, Harris Health System also offers complete dental and vision care in many locations throughout Harris County.

Harris Health System provides adult patients regular dental exams, cleanings, fillings and extractions, along with full and partial denture services.

Harris Health is the first system in Texas to adopt the most advanced technology available for the screening and diagnosis of retinopathy, a leading cause of preventable blindness in diabetics.
Reaching out to a growing population

A patient-centered environment
Smith Clinic
- New five-story outpatient facility with more than 100 exam rooms, 16 specialty clinics, three linear accelerators, a pharmacy, laboratory and healing garden
- 47,000 patient visits in first five months of operation

Keeping our kids healthy
Pediatric & Adolescent Health Centers
Bear Creek + Pasadena
- Primary and specialty care
- Can accommodate 20,000 patient visits each year
Semi-private rooms, enhanced patient experience

- Conversion to semi-private hospital rooms, providing greater privacy and comfort

Essential medical services, close to home

- Adult and pediatric healthcare services, including primary care, OB/GYN, ophthalmology, podiatry and psychiatry
- On-site pharmacy, laboratory, mammography and x-ray services
- Health education and counseling, including classroom courses in nutrition, weight management, smoking cessation, and social services
Primary care is essential to preventing illness and maintaining wellness. With one of the largest primary care networks in Texas, we keep patients at the center of care. Our physicians lead a team of highly skilled nurses and other health professionals to help patients achieve and enjoy healthier lives.

An advanced electronic health record system allows our healthcare professionals to access and coordinate all aspects of patient care from a single, comprehensive database. It also provides patients unprecedented access to their own medical history and provides an avenue for secure communication with their healthcare providers.

Recognized as one of America’s Most Wired healthcare systems, we were also one of the first to adopt leading-edge information technology.

Harris Health was the first healthcare system in Houston to implement a biometric palm-scanning process to ensure patient safety and confidentiality.
Our financial health

In the last fiscal year, we made tremendous progress in meeting the healthcare needs of our community. Operating with fiscal prudence for many years has permitted us to make significant investments in our health system, which will return great health dividends for decades to come. This resulted in an operating loss of less than 1 percent for fiscal year 2013 (March 1, 2012 - February 28, 2013).

Supported by a tax base of $508.4 million, Harris Health System provided $621.9 million in uncompensated care in FY 2013.

FY 2013 FINANCES

- Property taxes: $508.4 million
- Net patient service: $294.8 million
- Investment and other revenue: $53.2 million
- Medicaid supplemental payment*: $272.4 million

*Disproportionate Share (DSH), Uncompensated Care (UC), Medicaid 1115 Waiver
# Statistical Highlights

Fiscal Year Ended Feb. 28, 2013

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Outpatient Visits</td>
<td>1,742,429</td>
</tr>
<tr>
<td>Major components include:</td>
<td></td>
</tr>
<tr>
<td>Primary Care Visits</td>
<td>786,034</td>
</tr>
<tr>
<td>Specialty Clinic Visits</td>
<td>306,163</td>
</tr>
<tr>
<td>Outpatient Surgery Cases</td>
<td>10,123</td>
</tr>
<tr>
<td>Total Emergency Room Visits</td>
<td>173,651</td>
</tr>
<tr>
<td>Total Cases Occupying Patient Beds</td>
<td>48,544</td>
</tr>
<tr>
<td>Births</td>
<td>6,676</td>
</tr>
<tr>
<td>Total Patient Days</td>
<td>232,525</td>
</tr>
<tr>
<td>Average Daily Census *</td>
<td>637</td>
</tr>
<tr>
<td>*patients in the hospital</td>
<td></td>
</tr>
</tbody>
</table>
### Statement of Revenues and Expenses

**Fiscal Year Ended Feb. 28, 2013** (in thousands)

#### Operating Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net patient service revenue</td>
<td>$294,778</td>
</tr>
<tr>
<td>Medicaid supplemental programs revenue</td>
<td>272,445</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>25,360</td>
</tr>
</tbody>
</table>

**Total operating revenues** 592,583

#### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and benefits</td>
<td>662,389</td>
</tr>
<tr>
<td>Pharmaceuticals and supplies</td>
<td>179,690</td>
</tr>
<tr>
<td>Physician services</td>
<td>154,136</td>
</tr>
<tr>
<td>Other purchased services</td>
<td>105,182</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>51,588</td>
</tr>
</tbody>
</table>

**Total operating expenses** 1,152,985

**Operating (loss) income** (560,402)

#### Non-operating Revenues (expenses)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem tax revenues – net</td>
<td>508,424</td>
</tr>
<tr>
<td>Net tobacco settlement revenues</td>
<td>9,719</td>
</tr>
<tr>
<td>Other</td>
<td>823</td>
</tr>
</tbody>
</table>

**Total non-operating revenues – net** 518,966

#### Capital contributions

10,272

#### Change in net position

$ (31,164)
Since 1992, the Harris County Hospital District Foundation, a private, charitable organization, has assisted Harris Health System by funding programs and services that advance the mission of providing primary care, prevention and wellness to residents of Harris County.

By combining gifts from individuals, corporations, organizations and other foundations, the Harris County Hospital District Foundation supports patient services, facility improvements and wellness education programs. Special events, like the Silver Tea, Mallets and Medicine and the Texas Med 5K, raise money and awareness for programs, such as cancer care, nursing education and outreach projects. The Foundation also actively solicits support for trauma services and mobile medical services.

We greatly appreciate the steadfast support of our many donors and encourage others to help expand the safety net for the benefit of all Harris County residents.

713-566-6409

<table>
<thead>
<tr>
<th>Program Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer Care and Screenings</td>
<td>$ 447,554</td>
</tr>
<tr>
<td>Smith Clinic Capital Campaign</td>
<td>339,977</td>
</tr>
<tr>
<td>Other Program Support</td>
<td>214,062</td>
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<tr>
<td>Outreach Programs</td>
<td>131,873</td>
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<tr>
<td>Nursing Leadership Education</td>
<td>84,866</td>
</tr>
<tr>
<td>Trauma Programs</td>
<td>59,390</td>
</tr>
<tr>
<td>Employee-Directed Contributions</td>
<td>50,022</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 1,327,744</strong></td>
</tr>
</tbody>
</table>
Board of Managers

Carolyn Truesdell / Chair
Elvin Franklin Jr. / Vice Chair
Daisy Stiner / Secretary
Anne Clutterbuck
Stephen H. DonCarlos
Lawrence D. Finder
George D. Santos, MD
Rene “TJ” Tijerina Jr.
E. Dale Wortham

David S. Lopez / President and
Chief Executive Officer

Awards + Special Recognition

Harris Health System

Physician Practice Connections®
Patient-Centered Medical Home
National Committee for Quality Assurance
The first healthcare system in Houston to achieve this designation

Pathway to Excellence®
American Nurses Credentialing Center
Positive environment for nurses to excel

Gage Award for Improving Population Health
National Association of Public Hospitals and Health Systems
Healthy Harvest program

Most Wired Award
American Hospital Association’s Hospitals & Health Networks
Excellence in healthcare information technology

Get With The Guidelines® - Stroke Silver Plus Award
American Heart Association
A higher standard of care for stroke patients

Harry H. Mellon Award of Excellence
The Gordian Group
The construction industry’s highest honor

Leading Edge Element Award
International Facility Management Association/Houston
Advanced technology
We promise

To provide high-quality healthcare by knowledgeable and highly trained staff;
To provide prompt, friendly, and courteous service;
To be sensitive and responsive to your needs and concerns as well as those of your family; and
To provide a clean, comfortable and safe environment, in all of our settings.