



FINANCIAL STATEMENTS
As of March 31, 2013

TABLE OF CONTENTS

FINANCIAL STATEMENTS HIGHLIGHTS

STATISTICAL HIGHLIGHTS	1 – 2
OPERATING STATEMENT	3 - 4
CASH FLOW SUMMARY	5
BALANCE SHEET.....	6 – 7
OPERATING PERFORMANCE PER ADJUSTED PATIENT DAY	8
ANALYSIS OF CASH RECEIPTS	9
OPERATING PERFORMANCE	10
SUPPLEMENTAL INFORMATION	11 – 12
FINANCIAL DASHBOARD INDICATORS	13 - 20

HARRISHEALTH SYSTEM

March 2013 Financial Statement Highlights

Presented for your review, discussion and acceptance are the financial statements for the month ended March 31, 2013.

Statistics

Adjusted patient days were 8.6% ^(Pg1:ln1) greater than budget with approximately 66.3% of the volume representing outpatient care.

Clinic visits ^(Pg1:ln6) of 92,308 were 1.3% less than the budget of 93,494. Primary care clinic visits ^(Pg1:ln4) were 2.7% less than the month's budget. Total specialty clinic visits were 2.5% greater than the March budget ^(Pg1:ln5).

March Emergency Center visits ^(Pg1:ln10) are reported at 14,530 and were 0.5% greater than budget.

System wide, surgery cases were 4.9% less than budget expectations ^(Pg2:ln14).

Deliveries of 505 were 5.6% less than the budget of 535.

Inpatient admissions were driven 55.7% from the Emergency Room, 16.9% from deliveries and 27.4% - other ^(Pg1:ln22,23,&24). Inpatient utilization System wide was greater than budget by 2.9% ^(Pg2:ln5). Inpatient length of stay ^(Pg2:ln8) was 8.2% greater than budget and the inpatient case mix index ^(Pg2:ln9) was 4.6% greater than budget.

Charity and Self Pay payor mix of 63.6% compared favorably to the budget of 63.7% ^(Pg2:ln11). Medicaid represented 22.3% of total patients and compared unfavorably to the budget of 22.5%. Medicare represented 8.5% of all patients and compared unfavorably with the budget of 8.9%. Commercial Insurance and Other represented 5.6% of all patients and compared favorably to the budget of 4.9%.

The Unduplicated Patient count of 88,766 is greater than the budget of 86,140 by 3.0% (Pg2:ln16).

Revenue

Total Net Revenue of \$99.0 million (Pg3:ln23) was \$2.2 million greater than budget. Patient volumes, measured as adjusted patient days (Pg8:ln14), were 8.6% greater than budget. March's estimated reimbursement per adjusted patient day (Pg8:ln1) was 1.1% greater than budget. The resulting Net Patient Service Revenue for March of \$29.3 million (Pg3:ln10) was \$2.6 million greater than budget. Estimated DSH/Uncompensated Care Program Revenues (Pg3:ln11) for the 2013 federal fiscal year are based on the most current data available. Ad valorem tax revenues, net of related expenses, have been reflected in accordance with budget.

Expenses

Total expenses (Pg4:ln13) of \$99.8 million were \$2.5 million greater than the budget of \$97.3 million. Salaries and wages were \$1.7 million greater than budget. Total FTE's (Pg8:ln17) were 4.5% greater than budget; however, as adjusted for volume were 4.1% below the budgeted staffing level. Expenses for benefits were over budget \$1.6 million due to higher than expected employee medical expenses and pension expense. As a result of changes in actuarial assumptions and a lower than expected return on the actuarial value of assets, the required pension contribution for fiscal 2014 increased \$6.5 million over prior year. Supplies expenses were \$0.3 million or 2.3% over budget and when adjusted for volume (Pg8:ln7) were 5.8% less than the budget plan. Total Services (Pg4:ln12) of \$25.7 million were \$1.1 million or 4.2% less than budget due primarily to savings in non-clinical service costs. Total expenses adjusted for volume (Pg8:ln12) were \$1,906 per day compared to the budget of \$2,019 per day, a favorable variance of \$113 per day or 5.6%.

Operating Income

Operating Income (Pg4:ln14) for March is a loss of \$0.8 million compared to a budgeted loss of \$0.5 million. Page 10 of the report analyzes operating performance and reflects a favorable operating run rate as compared to budget due to favorable revenue variances.

Cash Receipts/Disbursements/Balance Sheet

March cash receipts ^(Pg9:ln24) totaled \$38.1 million compared to a budget of \$44.3 million. March disbursements included \$10.0 million in employer contributions to the pension plan. Including board designated funds, the System has \$556.2 million in unrestricted cash, cash equivalents and investments ^(Pg6:ln1,7,9,10,16,18,24), representing 181 days cash on hand compared to the prior year's cash of \$674.9 million and days cash on hand of 232. Harris Health System has ^(Pg6:ln2) \$61.1 million in net accounts receivable, representing 72 days of outstanding accounts receivable. At March 31, 2013 Harris Health System's balance sheet reflects an estimated receivable of \$240.2 million under the Section 1115 Supplemental Medicaid Programs and a related \$78.5 million liability for the Harris regional collaborative program. The financial dashboard indicator report graphs related to these statistics are attached.

HARRIS HEALTH SYSTEM
STATISTICAL HIGHLIGHTS
As Of March 31, 2013

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<u>HEALTH SYSTEM TOTAL</u>								
1. Adjusted Patient Days	52,380	48,212	8.6%	52,380	48,212	8.6%	48,094	8.9%
2. Adjusted Discharges	8,855	8,819	0.4%	8,855	8,819	0.4%	8,560	3.4%
3. Outpatient % of Adjusted Volume	66.3%	65.1%	1.8%	66.3%	65.1%	1.8%	65.7%	0.9%
4. Primary Care Clinic Visits	65,705	67,531	-2.7%	65,705	67,531	-2.7%	65,382	0.5%
5. Specialty Clinic Visits	26,603	25,963	2.5%	26,603	25,963	2.5%	25,981	2.4%
6. Total Clinic Visits	92,308	93,494	-1.3%	92,308	93,494	-1.3%	91,363	1.0%
7. % Primary Care Visits	71.2%	72.2%	-1.5%	71.2%	72.2%	-1.5%	71.6%	-0.5%
8. Emergency Room Visits - Outpatient	12,869	12,853	0.1%	12,869	12,853	0.1%	13,459	-4.4%
9. Emergency Room Visits - Admitted	1,661	1,602	3.7%	1,661	1,602	3.7%	1,589	4.5%
10. Total Emergency Room Visits	14,530	14,455	0.5%	14,530	14,455	0.5%	15,048	-3.4%
11. % ER Visits Admitted	11.4%	11.1%	3.1%	11.4%	11.1%	3.1%	10.6%	8.3%
12. Surgery Cases - Outpatient	862	894	-3.6%	862	894	-3.6%	923	-6.6%
13. Surgery Cases - Inpatient	877	935	-6.2%	877	935	-6.2%	919	-4.6%
14. Total Surgery Cases	1,739	1,829	-4.9%	1,739	1,829	-4.9%	1,842	-5.6%
15. % Outpatient Cases	49.6%	48.9%	1.4%	49.6%	48.9%	1.4%	50.1%	-1.1%
16. Total Outpatient Visits	145,073	144,320	0.5%	145,073	144,320	0.5%	145,070	0.0%
17. Inpatient Cases (Discharges)	2,984	3,076	-3.0%	2,984	3,076	-3.0%	2,937	1.6%
18. Outpatient Observation Cases	1,275	1,195	6.7%	1,275	1,195	6.7%	1,360	-6.3%
19. Total Cases Occupying Patient Beds	4,259	4,271	-0.3%	4,259	4,271	-0.3%	4,297	-0.9%
20. % of Outpatient Cases	29.9%	28.0%	7.0%	29.9%	28.0%	7.0%	31.6%	-5.4%
21. Births	505	535	-5.6%	505	535	-5.6%	538	-6.1%
22. % of IP Admissions from ER	55.7%	52.1%	6.9%	55.7%	52.1%	6.9%	54.1%	2.9%
23. % of IP Admissions from Deliveries	16.9%	17.4%	-2.6%	16.9%	17.4%	-2.6%	18.3%	-7.6%
24. % of IP Admissions - Other	27.4%	30.5%	-10.2%	27.4%	30.5%	-10.2%	27.6%	-0.6%

HARRIS HEALTH SYSTEM
STATISTICAL HIGHLIGHTS
As Of March 31, 2013

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<u>HEALTH SYSTEM TOTAL</u>								
1. Inpatient Days	17,652	16,817	5.0%	17,652	16,817	5.0%	16,502	7.0%
2. Outpatient Observation Days	2,998	3,249	-7.7%	2,998	3,249	-7.7%	3,406	-12.0%
3. Total Patient Days	20,650	20,066	2.9%	20,650	20,066	2.9%	19,908	3.7%
4. % of Outpatient Days	14.5%	16.2%	-10.3%	14.5%	16.2%	-10.3%	17.1%	-15.1%
5. Average Daily Census	666.14	647.29	2.9%	666.14	647.29	2.9%	642.18	3.7%
6. Average Operating Beds	799	802	-0.4%	799	802	-0.4%	814	-1.8%
7. Bed Occupancy %	83.4%	80.7%	3.3%	83.4%	80.7%	3.3%	78.9%	5.7%
8. Inpatient Average Length of Stay	5.92	5.47	8.2%	5.92	5.47	8.2%	5.62	5.3%
9. Inpatient Case Mix Index (CMI)	1.498	1.432	4.6%	1.498	1.432	4.6%	1.434	4.5%
Payor Mix (% of Charges)								
10. Charity & Self Pay	63.6%	63.7%	-0.1%	63.6%	63.7%	-0.1%	64.1%	-0.8%
11. Medicaid & Medicaid Managed	22.3%	22.5%	-1.1%	22.3%	22.5%	-1.1%	23.3%	-4.3%
12. Medicare & Medicare Managed	8.5%	8.9%	-4.4%	8.5%	8.9%	-4.4%	8.0%	6.3%
13. Commercial & Other	5.6%	4.9%	14.5%	5.6%	4.9%	14.5%	4.6%	21.7%
14. Total Unduplicated Patients				88,766	86,140	3.0%	86,659	2.4%

**HARRIS HEALTH SYSTEM
OPERATING STATEMENT
As Of March 31, 2013
(In Thousands)**

	MONTH-TO-MONTH					YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
PATIENT REVENUES:										
1. Routine Services	19,350	19,132	1.1%	18,393	5.2%	19,350	19,132	1.1%	18,393	5.2%
2. Inpatient Ancillary	63,967	63,280	1.1%	62,524	2.3%	63,967	63,280	1.1%	62,524	2.3%
3. Outpatient Ancillary	161,295	150,949	6.9%	152,120	6.0%	161,295	150,949	6.9%	152,120	6.0%
4. Physician Services	2,621	2,905	-9.8%	2,791	-6.1%	2,621	2,905	-9.8%	2,791	-6.1%
5. Gross Patient Charges	247,233	236,266	4.6%	235,828	4.8%	247,233	236,266	4.6%	235,828	4.8%
REVENUE DEDUCTIONS:										
6. Charity Care	(118,523)	(110,759)	-7.0%	(122,763)	3.5%	(118,523)	(110,759)	-7.0%	(122,763)	3.5%
7. Contractual Allowance/Other Discounts	(89,513)	(85,814)	-4.3%	(53,794)	-66.4%	(89,513)	(85,814)	-4.3%	(53,794)	-66.4%
8. Provision for Bad Debt Expense	(9,868)	(13,008)	24.1%	(32,163)	69.3%	(9,868)	(13,008)	24.1%	(32,163)	69.3%
9. Total Patient Revenue Deductions	(217,904)	(209,581)	-4.0%	(208,720)	-4.4%	(217,904)	(209,581)	-4.0%	(208,720)	-4.4%
10. Net Patient Service Revenue	29,329	26,685	9.9%	27,108	8.2%	29,329	26,685	9.9%	27,108	8.2%
OTHER OPERATING REVENUE:										
11. DSH/Uncompensated Care Programs	24,908	24,799	0.4%	21,246	17.2%	24,908	24,799	0.4%	21,246	17.2%
12. DSRIP	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
13. Other Operating Revenue	1,602	1,729	-7.3%	8,293	-80.7%	1,602	1,729	-7.3%	8,293	-80.7%
14. Total Other Operating Revenue	26,510	26,528	-0.1%	29,539	-10.3%	26,510	26,528	-0.1%	29,539	-10.3%
15. Total Operating Revenue	55,839	53,213	4.9%	56,647	-1.4%	55,839	53,213	4.9%	56,647	-1.4%
NONOPERATING REVENUE:										
16. Net Ad Valorem Tax Revenue	42,910	42,917	0.0%	42,096	1.9%	42,910	42,917	0.0%	42,096	1.9%
17. Net Tobacco Settlement Revenue	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
18. Interest Income	263	713	-63.1%	529	-50.3%	263	713	-63.1%	529	-50.3%
19. Other	11	0	0.0%	(16)	-168.8%	11	0	0.0%	(16)	168.8%
20. Total Nonoperating Revenue	43,184	43,630	-1.0%	42,609	1.3%	43,184	43,630	-1.0%	42,609	1.3%
21. Capital Contributions	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
22. Total Capital Contributions	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
23. Total District Net Revenue	99,023	96,843	2.3%	99,256	-0.2%	99,023	96,843	2.3%	99,256	-0.2%

**HARRIS HEALTH SYSTEM
OPERATING STATEMENT
As Of March 31, 2013
(In Thousands)**

	MONTH-TO-MONTH					YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
SALARIES, WAGES, AND BENEFITS:										
1. Regular Salaries	35,239	34,276	-2.8%	32,968	-6.9%	35,239	34,276	-2.8%	32,968	-6.9%
2. PTO & Secondary Sick Leave	4,791	4,626	-3.6%	4,614	-3.8%	4,791	4,626	-3.6%	4,614	-3.8%
3. Contract Salaries	782	592	-32.1%	784	0.3%	782	592	-32.1%	784	0.3%
4. Registry Salaries	2,283	1,972	-15.8%	2,129	-7.2%	2,283	1,972	-15.8%	2,129	-7.2%
5. FICA and Benefits	15,697	14,056	-11.7%	14,837	-5.8%	15,697	14,056	-11.7%	14,837	-5.8%
6. Total Salaries, Wages, and Benefits	58,792	55,522	-5.9%	55,332	-6.3%	58,792	55,522	-5.9%	55,332	-6.3%
7. Supplies	15,374	15,024	-2.3%	14,453	-6.4%	15,374	15,024	-2.3%	14,453	-6.4%
SERVICES:										
8. Physician Services	13,146	12,793	-2.8%	11,974	-9.8%	13,146	12,793	-2.8%	11,974	-9.8%
9. Other Purchased Services	7,425	8,916	16.7%	8,071	8.0%	7,425	8,916	16.7%	8,071	8.0%
10. Depreciation and Amortization	4,623	4,584	-0.9%	3,935	-17.5%	4,623	4,584	-0.9%	3,935	-17.5%
11. Interest	477	504	5.3%	494	3.4%	477	504	5.4%	494	3.4%
12. Total Services	25,671	26,797	4.2%	24,474	-4.9%	25,671	26,797	4.2%	24,474	-4.9%
13. Total Operating Expenses	99,837	97,343	-2.6%	94,259	-5.9%	99,837	97,343	-2.6%	94,259	-5.9%
14. HCHD Operating Income (Loss)	(814)	(500)	-62.9%	4,997	-116.3%	(814)	(500)	62.8%	4,997	-116.3%

**HARRIS HEALTH SYSTEM
CASH FLOW SUMMARY**

As of March 31, 2013

(In Thousands)

<u>CASH RECEIPTS:</u>	CURRENT MONTH	PRIOR YEAR MONTH	FISCAL YTD	PRIOR FISCAL YTD
1. Ad Valorem Taxes	\$ 8,350	13,312	\$ 8,350	\$ 13,312
2. Collections on Patient Accounts	26,670	28,372	26,670	28,372
3. Supplemental Medicaid Programs	0	59,501	-	59,501
4. Tobacco Settlement	0	0	-	0
5. Trauma Fund	0	0	-	0
6. Other Sources (Includes Cost Reimbursement)	3,037	2,333	3,037	2,333
7. Total Cash Receipts	\$ 38,057	\$ 103,518	\$ 38,057	\$ 103,518
<u>CASH DISBURSEMENTS:</u>				
8. Salaries and Wages	\$ 40,183	\$ 39,407	\$ 40,183	\$ 39,407
9. Benefits and Employee Deductions	41,130	35,497	41,130	35,497
10. Drugs and Supplies	19,119	17,990	19,119	17,990
11. Physician Services	119	58	119	58
12. Purchased Services	11,205	11,535	11,205	11,535
13. Capital Expenditures	8,635	10,399	8,635	10,399
14. Debt and Interest Payments	481	442	481	442
15. Other Uses	(3,291)	(5,168)	(3,291)	(5,168)
16. Total Cash Disbursements	\$ 117,581	\$ 110,160	\$ 117,581	\$ 110,160
17. Net Change	\$ (79,524)	\$ (6,642)	\$ (79,524)	\$ (6,642)

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2013	\$ 635,769
Net Change	(79,524)
Unrestricted Cash, Cash Equivalents and Investments - March 31, 2013	\$ 556,245

**HARRIS HEALTH SYSTEM
BALANCE SHEET
As Of March 31, 2013
(In Thousands)**

<u>ASSETS</u>	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
CURRENT ASSETS:		
1. Cash, Cash Equivalents and Short Term Investments	224,427	200,047
2. Net Patient Accounts Receivable	61,145	79,368
3. Net Ad Valorem Taxes, Current Portion	57,954	58,317
4. Prepaid Expenses, Inventories, and Other Current Assets	260,695	82,591
5. Total Current Assets	604,221	420,323
ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION:		
6. Debt Service and Bond Covenants - Restricted	6,438	6,224
7. Board Designated for Future Expansion	245	882
8. Phase 1 Project Fund	0	10,397
9. Board Designated for Legal Reserves	2,324	2,192
10. Board Designated for Self-Insured Programs	24,032	20,275
11. Total Assets Limited as to Use or Restricted, Current Portion	33,039	39,970
PLANT, PROPERTY AND EQUIPMENT:		
12. Plant, Property, & Equipment, Net of Accumulated Depreciation	355,942	284,466
13. Construction in Progress	62,220	72,604
14. Total Plant, Property and Equipment	418,161	357,069
ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION:		
15. Debt Service and Bond Covenants - Restricted	24,390	18,954
16. Board Designated for Future Expansion	146,557	181,351
17. Phase 1 Project Fund	0	24,916
18. Board Designated for Self-Insured Programs	158,660	139,144
19. Other - Restricted	871	860
20. Total Assets Limited as to Use or Restricted, Net of Current Portion	330,479	365,226
OTHER ASSETS:		
21. Net Ad Valorem Taxes, Delinquent	97	727
22. Net Deferred Bond Issue Costs	3,795	4,007
23. Net Pension Asset	9,450	9,359
24. Long-Term Investments	0	131,056
25. Security Deposit	24	24
26. Derivative Asset	0	0
27. Deferred Outflow - Derivative Financial Instrument	10,057	10,904
28. Total Other Assets	23,422	156,076
29. Due to/from CHCI	3,985	3,271
30. TOTAL ASSETS	1,413,307	1,341,935

**HARRIS HEALTH SYSTEM
BALANCE SHEET
As Of March 31, 2013
(In Thousands)**

	ACTUAL	PRIOR YEAR
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
1. Accounts Payable and Accrued Liabilities	108,878	45,831
2. Interest Payable	1,463	1,465
3. Employee Compensation & Related Benefit Liabilities	36,970	31,160
4. Compensated Absences	41,493	40,013
5. Estimated Third-Party Payor Settlements	(3,785)	(3,782)
6. Current Portion Long-Term Debt and Capital Leases	5,889	6,676
7. Total Current Liabilities	190,908	121,361
 OTHER LONG-TERM LIABILITIES:		
8. Pension Payable	0	0
9. Post Employment Health Benefit Liability	158,660	139,144
10. Borrowing Payable	15,207	16,085
11. Derivative Liability	10,057	10,904
12. Arbitrage Rebate Liability	141	0
13. Total Other Long-Term Liabilities	184,065	166,133
 LONG-TERM DEBT:		
14. Series 2007 Revenue Bonds, Including Premium & Deferred Loss	187,830	190,855
15. Series 2010 Revenue Bonds, Including Deferred Loss	81,167	80,890
16. Other Long-Term Obligation	137	2,027
17. Total Long-Term Debt	269,134	273,772
 TOTAL LIABILITIES	 644,107	 561,266
 NET ASSETS:		
18. Invested in Capital Assets, Net of Related Debt	127,931	95,719
19. Restricted Net Assets	32,568	27,433
20. Unrestricted Net Assets	608,701	657,517
21. Total Net Assets	769,200	780,669
 22. TOTAL LIABILITIES & NET ASSETS	 1,413,307	 1,341,935

HARRIS HEALTH SYSTEM
OPERATING PERFORMANCE PER ADJUSTED PATIENT DAY
As of March 31, 2013

	MONTH-TO-MONTH					YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
1. Net Patient Service Revenue	\$ 560	\$ 554	1.1%	\$ 564	-0.7%	\$ 560	\$ 554	1.1%	\$ 564	-0.7%
2. Other Operating Revenue	506	550	-8.0%	614	-17.6%	506	550	-8.0%	614	-17.6%
3. Nonoperating Revenue	824	905	-9.0%	886	-7.0%	824	905	-9.0%	886	-7.0%
4. Capital Contribution	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
5. Total District Net Revenue	1,890	2,009	-5.9%	2,064	-8.4%	1,890	2,009	-5.9%	2,064	-8.4%
6. Salaries, Wages, and Benefits	1,122	1,152	2.6%	1,150	2.4%	1,122	1,152	2.6%	1,150	2.4%
7. Supplies	294	312	5.8%	301	2.3%	294	312	5.8%	301	2.3%
8. Physician Services	251	265	5.3%	249	-0.8%	251	265	5.3%	249	-0.8%
9. Other Purchased Services	142	185	23.2%	168	15.5%	142	185	23.2%	168	15.5%
10. Depreciation and Amortization	88	95	7.4%	82	-7.3%	88	95	7.4%	82	-7.3%
11. Interest	9	10	10.0%	10	10.0%	9	10	10.0%	10	10.0%
12. Total Operating Expenses	1,906	2,019	5.6%	1,960	2.8%	1,906	2,019	5.6%	1,960	2.8%
13. HCHD Operating Income(Loss)	\$ (16)	\$ (10)	-	\$ 104	-115.4%	\$ (16)	\$ (10)	-	\$ 104	-115.4%
14. Adjusted Patient Days	52,380	48,212	8.6%	48,094	8.9%	52,380	48,212	8.6%	48,094	8.9%
15. Average Daily Census	569.4	542.5	5.0%	532.3	7.0%	569.4	542.5	5.0%	532.3	7.0%
16. FTE's(Employee/Contract) per AOB	4.7	4.9	4.1%	4.9	4.1%	4.7	4.9	4.1%	4.9	4.1%
17. FTE's(Employee/Contract) - Total	7,944	7,600	-4.5%	7,643	-3.9%	7,944	7,600	-4.5%	7,643	-3.9%
18. FTE's(Employee/Contract) - Productive	7,012	6,690	-4.8%	6,717	-4.4%	7,012	6,690	-4.8%	6,717	-4.4%

HARRIS COUNTY HOSPITAL DISTRICT
ANALYSIS OF CASH RECEIPTS
March 31, 2013

	MONTH TO MONTH			YEAR TO DATE						
	ACTUAL		BUDGET	ACTUAL				BUDGET		
	CURRENT	PRIOR	CURRENT	CURRENT	PRIOR	VAR	VAR %	YTD	VAR	VAR %
PATIENT REVENUE:										
1. Medicare	\$4,359	\$4,283	\$4,233	\$4,359	\$4,283	\$76	1.8	\$4,233	\$126	3.0
2. Medicaid	8,546	11,023	10,177	8,546	11,023	(2,477)	(22.5)	10,177	(1,631)	(16.0)
3. Texas vendor drug/Medicare Part D	2,557	1,689	2,527	2,557	1,689	868	51.4	2,527	30	1.2
4. Managed Care - Medicaid	6,081	5,909	5,318	6,081	5,909	172	2.9	5,318	763	14.3
5. Commercial insurance	1,160	773	1,284	1,160	773	387	50.1	1,284	(124)	(9.7)
6. Liens	501	213	192	501	213	288	135.2	192	309	160.9
7. Patient pay	2,254	3,089	2,213	2,254	3,089	(835)	(27.0)	2,213	41	1.9
8. Business office	369	437	391	369	437	(68)	(15.6)	391	(22)	(5.6)
9. Other governmental projects/grants	843	956	1,116	843	956	(113)	(11.8)	1,116	(273)	(24.5)
10. SUBTOTAL	26,670	28,372	27,451	26,670	28,372	(1,702)	(6.0)	27,451	(781)	(2.8)
11a. Cost Reimbursements	1,567	168	314	1,567	168	1,399	832.7	314	1,253	399.0
11b. Recoupments	0	0	0	0	0	0	0.0	0	0	0.0
12. Net Patient Revenue Receipts	28,237	28,540	27,765	28,237	28,540	(303)	(1.1)	27,765	472	1.7
13. DSH/UPL/1115 Waiver	0	59,501	0	0	59,501	(59,501)	(100.0)	0	0	0.0
14. Tobacco Settlement	0	0	0	0	0	0	0.0	0	0	0.0
14a. Trauma Fund	0	0	0	0	0	0	0.0	0	0	0.0
15. Total Patient Revenue Receipts	28,237	88,041	27,765	28,237	88,041	(59,804)	(67.9)	27,765	472	1.7
NON-PATIENT OPERATING REVENUE:										
16. Parking	247	246	297	247	246	1	0.4	297	(50)	(16.8)
17. Grants	263	392	684	263	392	(129)	(32.9)	684	(421)	(61.5)
18. Miscellaneous	462	874	748	462	874	(412)	(47.1)	748	(286)	(38.2)
19. Total Non-Patient Operating	972	1,512	1,729	972	1,512	(540)	(35.7)	1,729	(757)	(43.8)
20. Interest income	497	653	713	497	653	(156)	(23.9)	713	(216)	(30.3)
21. Total Non-Tax Receipts	29,706	90,206	30,207	29,706	90,206	(60,500)	(67.1)	30,207	(501)	(1.7)
22. Ad valorem tax receipts/note	8,350	13,312	14,603	8,350	13,312	(4,962)	(37.3)	14,603	(6,253)	(42.8)
23. Commercial Paper Proceeds	0	0	0	0	0	0	0.0	0	0	0.0
24. Total Receipts	\$38,056	\$103,518	\$44,810	\$38,056	\$103,518	(\$65,462)	(63.2)	\$44,810	(\$6,754)	(15.1)

**HARRIS HEALTH SYSTEM
OPERATING PERFORMANCE
AS OF MARCH 31, 2013
(IN MILLIONS)**

	<u>MONTH</u>	<u>YTD</u>
Total Operating Income (Loss) as Reported	\$ (0.8)	\$ (0.8)
Favorable Adjustments:		
Medicaid EHR Incentive Program	\$ 0.4	\$ 0.4
Subtotal of Favorable Adjustments	\$ 0.4	\$ 0.4
Unfavorable Adjustments:		
Donations-CHCI	\$ (0.3)	\$ (0.3)
Pension Expense Based on Actuarial Review	\$ (0.5)	\$ (0.5)
Subtotal of Unfavorable Adjustments	\$ (0.8)	\$ (0.8)
Harris Health System Operating Run Rate as of March	\$ (0.4)	\$ (0.4)
Harris Health System 2014 Budget	\$ (0.5)	\$ (0.5)
Favorable (Unfavorable) Run Rate	\$ 0.1	\$ 0.1
Attributable Factors:		
Favorable (Unfavorable) Revenue Variance	\$ 2.1	\$ 2.1
Favorable (Unfavorable) Expense Variance	\$ (2.0)	\$ (2.0)
Net of Attributable Factors	\$ 0.1	\$ 0.1

HARRIS HEALTH SYSTEM
SUPPLEMENTAL INFORMATION - STATISTICAL HIGHLIGHTS - MONTHLY TREND
As Of March 31, 2013

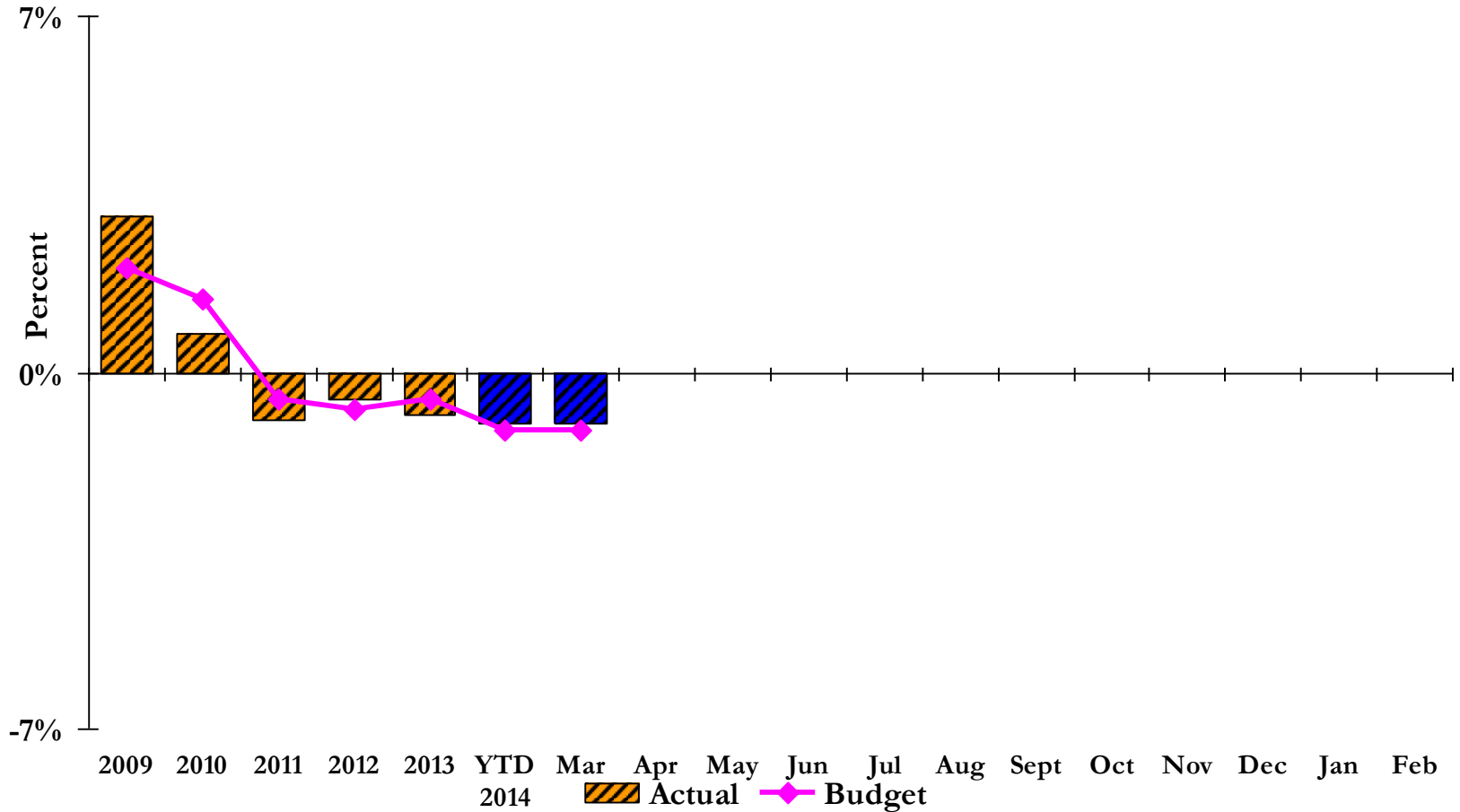
							MONTHLY AVERAGE			
	October	November	December	January	February	March	FY 2012 YTD March	FY 2013 YTD March	FY 2014 YTD March	% Change 14 vs 13
1. ADMISSIONS(A&P)	2,929	2,784	2,824	2,785	2,675	2,984	3,077	2,937	2,984	1.6%
2. PATIENT DAYS(A&P)	16,453	16,129	16,161	17,587	15,596	17,652	16,145	16,502	17,652	7.0%
3. AVERAGE LOS	5.62	5.79	5.72	6.31	5.83	5.92	5.25	5.62	5.92	5.3%
4. AVERAGE LOS, Overall CMI Adjusted	4.06	4.10	4.05	4.28	4.04	3.95	3.77	3.92	3.95	0.8%
5. HCHD PERCENT OCCUPANCY	65.4%	66.2%	64.2%	70.9%	68.9%	71.3%	64.1%	65.4%	71.3%	9.0%
CASE MIX INDEX (CMI)										
6. CMI - Excluding Obstetrics Cases	1.536	1.571	1.584	1.635	1.595	1.649	1.545	1.592	1.649	3.6%
7. CMI - Overall	1.385	1.412	1.413	1.475	1.444	1.498	1.390	1.434	1.498	4.5%
8. BIRTHS	555	541	587	567	489	505	579	538	505	-6.1%
9. OPERATING ROOM CASES	1,921	1,680	1,659	1,799	1,655	1,739	1,925	1,842	1,739	-5.6%
10. Inpatient	1,030	870	935	956	850	877	1,035	919	877	-4.6%
11. Outpatient	891	810	724	843	805	862	890	923	862	-6.6%
12. EMERGENCY VISITS	14,720	14,094	14,320	14,867	13,330	14,530	14,414	15,048	14,530	-3.4%
13. Admitted to Inpatient	1,652	1,560	1,525	1,594	1,565	1,661	1,763	1,589	1,661	4.5%
14. Outpatient Emergency	13,068	12,534	12,795	13,273	11,765	12,869	12,651	13,459	12,869	-4.4%
15. CLINIC VISITS	103,919	89,603	82,061	95,885	90,676	92,308	93,388	91,363	92,308	1.0%
16. Primary Care Clinic Visits	76,251	64,296	59,687	69,460	65,381	65,705	66,762	65,382	65,705	0.5%
17. Specialty Clinic Visits	27,668	25,307	22,374	26,425	25,295	26,603	26,626	25,981	26,603	2.4%
PAYOR MIX										
18. Charity & Self Pay	63.4%	62.1%	67.9%	64.6%	62.7%	63.6%	60.1%	64.1%	63.6%	-0.8%
19. Medicaid & Medicaid Managed	21.8%	23.1%	21.5%	20.4%	23.2%	22.3%	25.9%	23.3%	22.3%	-4.3%
20. Medicare & Medicare Managed	9.1%	9.6%	9.5%	8.9%	9.3%	8.5%	7.8%	8.0%	8.5%	6.3%
21. Commercial & Other	5.7%	5.2%	1.1%	6.1%	4.8%	5.6%	6.2%	4.6%	5.6%	21.7%

HARRIS HEALTH SYSTEM
SUPPLEMENTAL INFORMATION - OPERATING STATEMENT - MONTHLY TREND
As Of March 31, 2013
(In Thousands)

							MONTHLY AVERAGE			
	October	November	December	January	February	March	FY 2012 YTD March	FY 2013 YTD March	FY 2014 YTD March	% Change 14 vs 13
1. Gross Patient Charges	\$ 243,845	\$ 225,012	\$ 217,515	\$ 243,699	\$ 229,157	\$ 247,233	223,765	235,827	247,233	4.8%
2. Total Patient Revenue Deductions	(214,657)	(201,350)	(193,565)	(225,347)	(203,192)	(217,904)	(195,470)	(208,720)	(217,904)	4.4%
3. Net Patient Service Revenue	29,188	23,662	23,950	18,352	25,965	29,330	28,295	27,107	29,330	8.2%
4. Net Revenue % of Gross Charges	12.0%	10.5%	11.0%	7.5%	11.3%	11.9%	12.6%	11.5%	11.9%	3.2%
5. DSH/Uncompensated Care Programs	25,903	25,903	29,858	29,858	29,858	24,908	16,510	21,246	24,908	17.2%
6. DSRIP	0	0	0	0	0	0	0	0	0	0.0%
7. Other Operating Revenue	1,271	1,375	1,445	1,245	1,136	1,602	1,187	8,293	1,602	-80.7%
8. Total Other Operating Revenue	27,174	27,278	31,303	31,103	30,994	26,510	17,697	29,538	26,510	-10.3%
9. Net Ad Valorem Tax Revenue	40,559	40,559	40,559	43,416	50,677	42,910	41,839	42,096	42,910	1.9%
10. Net Tobacco Settlement Revenue	0	0	1	0	0	0	0	0	0	0.0%
11. Interest Income and Other	(212)	1,295	161	249	1,948	273	849	512	273	-46.7%
12. Total Nonoperating Revenue	40,347	41,853	40,720	43,666	52,625	43,183	42,688	42,609	43,183	1.3%
13. Capital Contributions	0	0	0	0	0	0	0	0	0	0.0%
14. Total District Net Revenue	96,709	92,793	95,973	93,120	109,583	99,023	88,680	99,255	99,023	-0.2%
15. Salaries and Wages	42,467	40,892	39,542	41,718	39,882	43,094	39,013	40,495	43,094	6.4%
16. FICA and Benefits	13,835	14,135	15,433	16,023	16,494	15,697	13,842	14,837	15,697	5.8%
17. Total Salaries, Wages, and Benefits	56,302	55,027	54,975	57,741	56,376	58,792	52,855	55,332	58,792	6.3%
18. Supplies	17,209	15,616	13,920	16,114	15,405	15,374	13,777	14,453	15,374	6.4%
19. Physician Services	12,729	12,729	14,671	14,671	14,671	13,146	9,964	11,974	13,146	9.8%
20. Other Purchased Services	9,345	9,505	8,810	8,586	9,060	7,425	8,036	8,071	7,425	-8.0%
21. Depreciation and Amortization	4,562	4,705	4,732	4,870	4,708	4,623	3,981	3,935	4,623	17.5%
22. Interest	562	609	567	567	799	477	569	494	477	-3.4%
23. Total Expenses	100,710	98,192	97,676	102,548	101,019	99,837	89,182	94,258	99,837	5.9%
24. HCHD Total Income (Loss)	\$ (4,001)	\$ (5,399)	\$ (1,703)	\$ (9,428)	\$ 8,565	\$ (814)	\$ (502)	\$ 4,997	\$ (814)	-116.3%
25. Total Margin	-4.1%	-5.8%	-1.8%	-10.1%	7.8%	-0.8%	-0.6%	5.0%	-0.8%	-116.3%
26. Full-Time Equivalent Employees	7,906	7,887	7,361	7,713	8,103	7,944	7,451	7,643	7,944	3.9%
27. Average Salary per FTE	\$63,242	\$63,078	\$63,247	\$63,681	\$64,162	\$63,872	\$61,651	\$62,380	\$63,872	2.4%
28. Adjusted Patient Days	48,060	46,303	45,387	51,039	46,322	52,380	43,408	48,094	52,380	8.9%

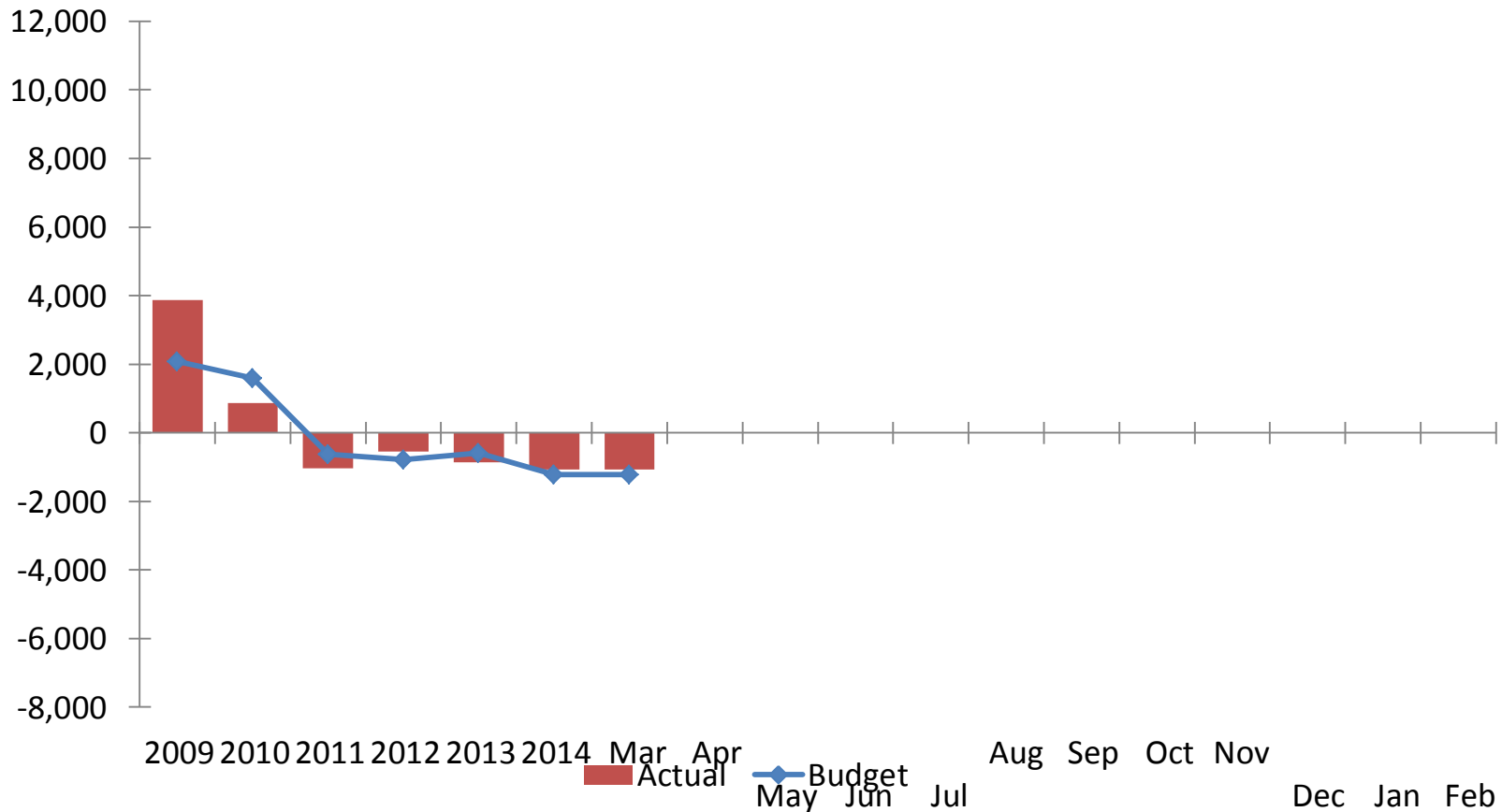
Operating Margin

A measure of hospital profitability with respect to patient care services. Positive values are favorable.



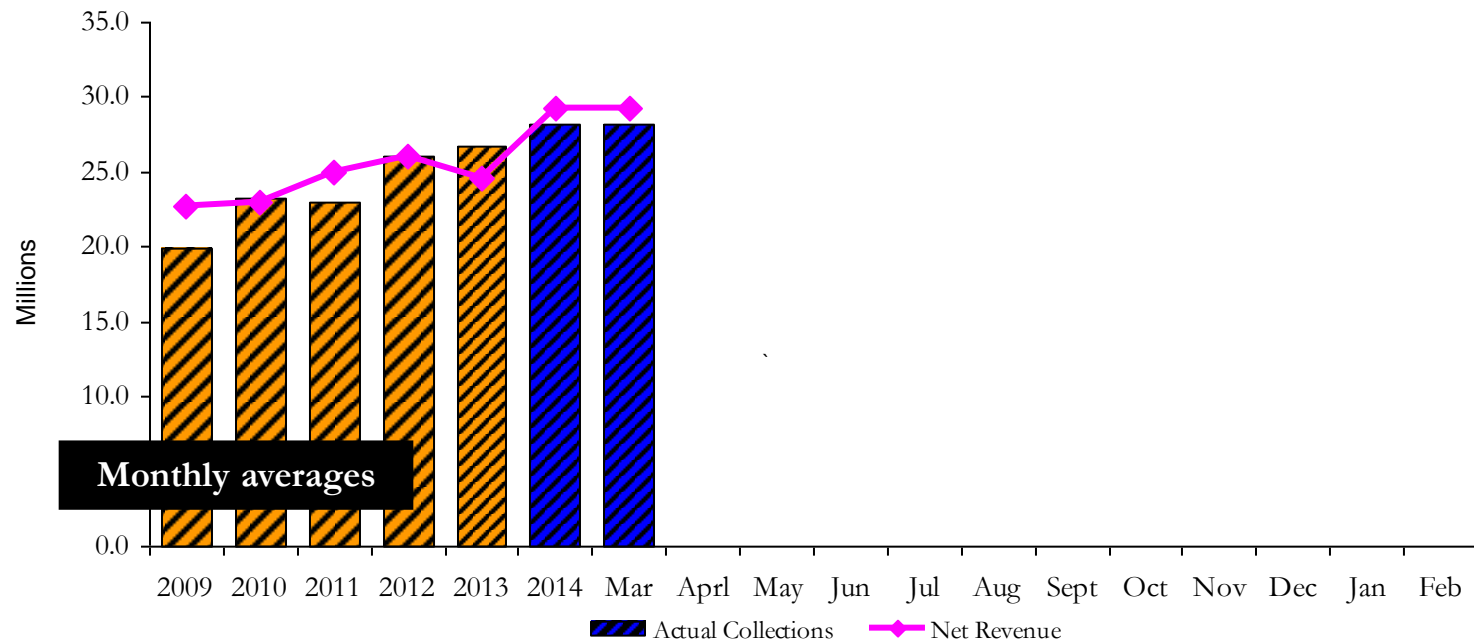
Operating Income

A measure of hospital profitability with respect to patient care services. Positive values are favorable. Values are monthly averages.



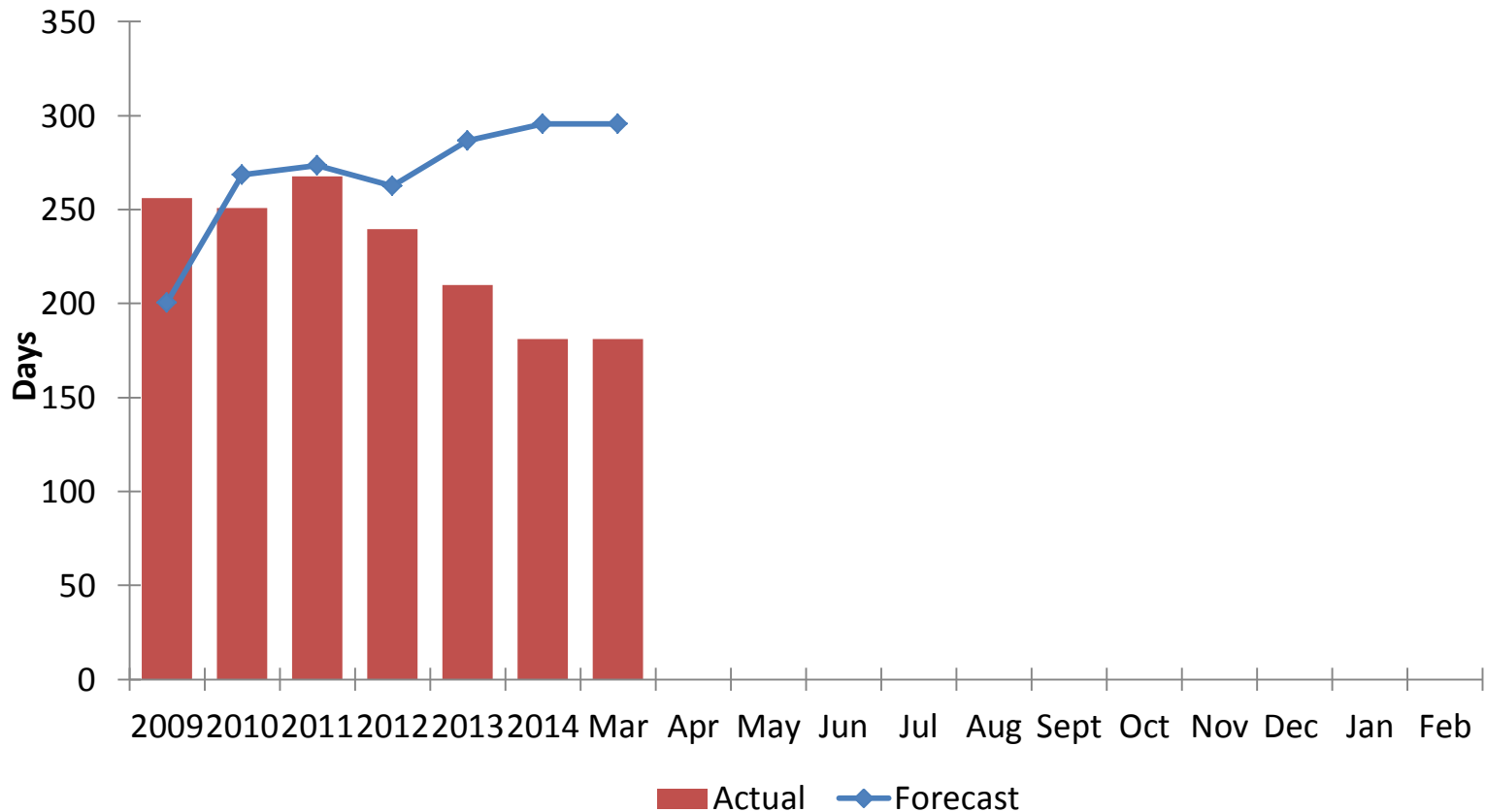
Cash Collections

An absolute value of cash collections. When measured against net revenue, indicates projected strength or weakness in collections. Goal is to equal or exceed net revenue.



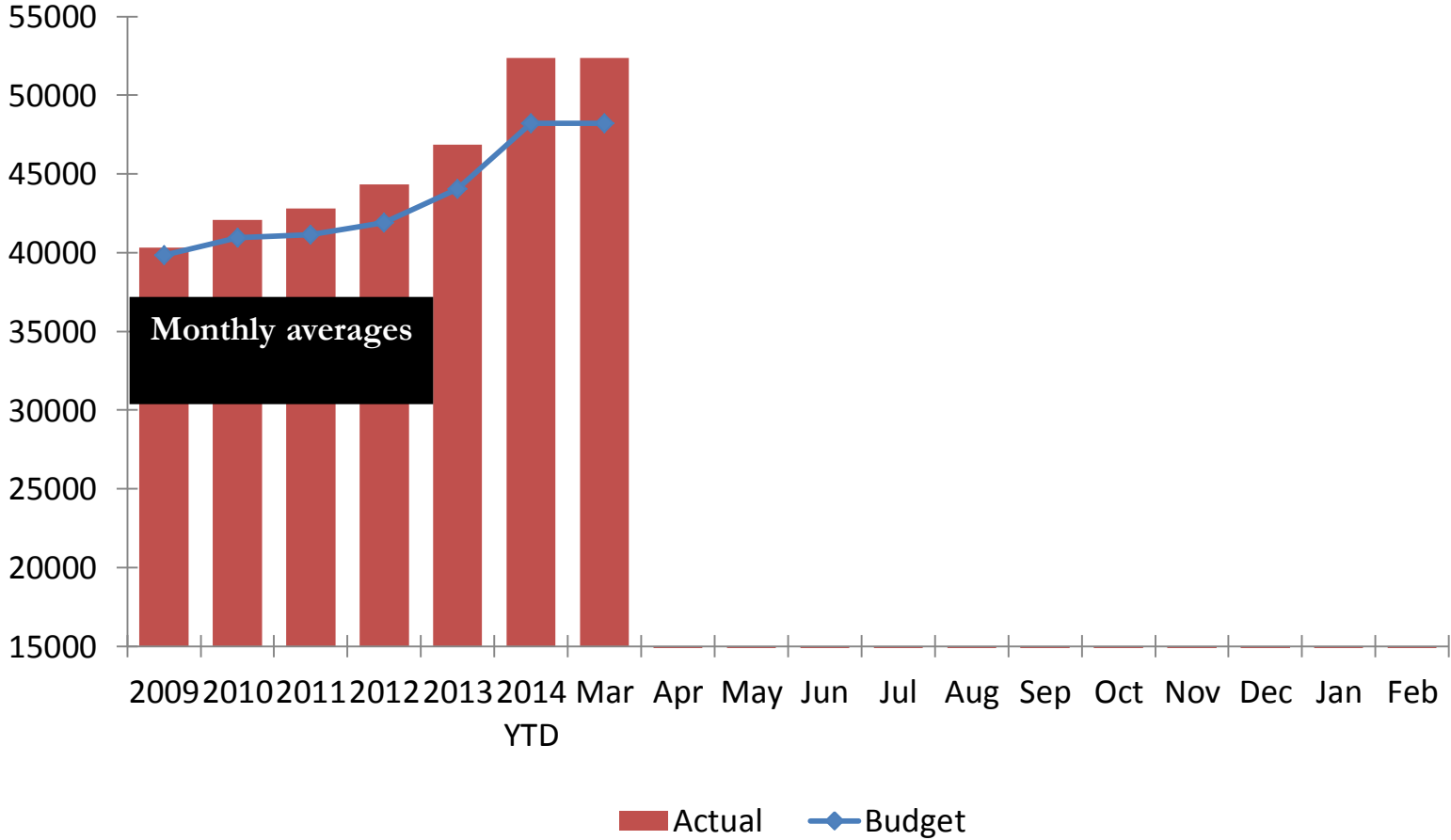
Unrestricted Days Cash on Hand

The number of days the Harris Health System could operate if no further patient revenues were received. Harris Health System's goal is to reach a year-end figure of 180 to 210 days.



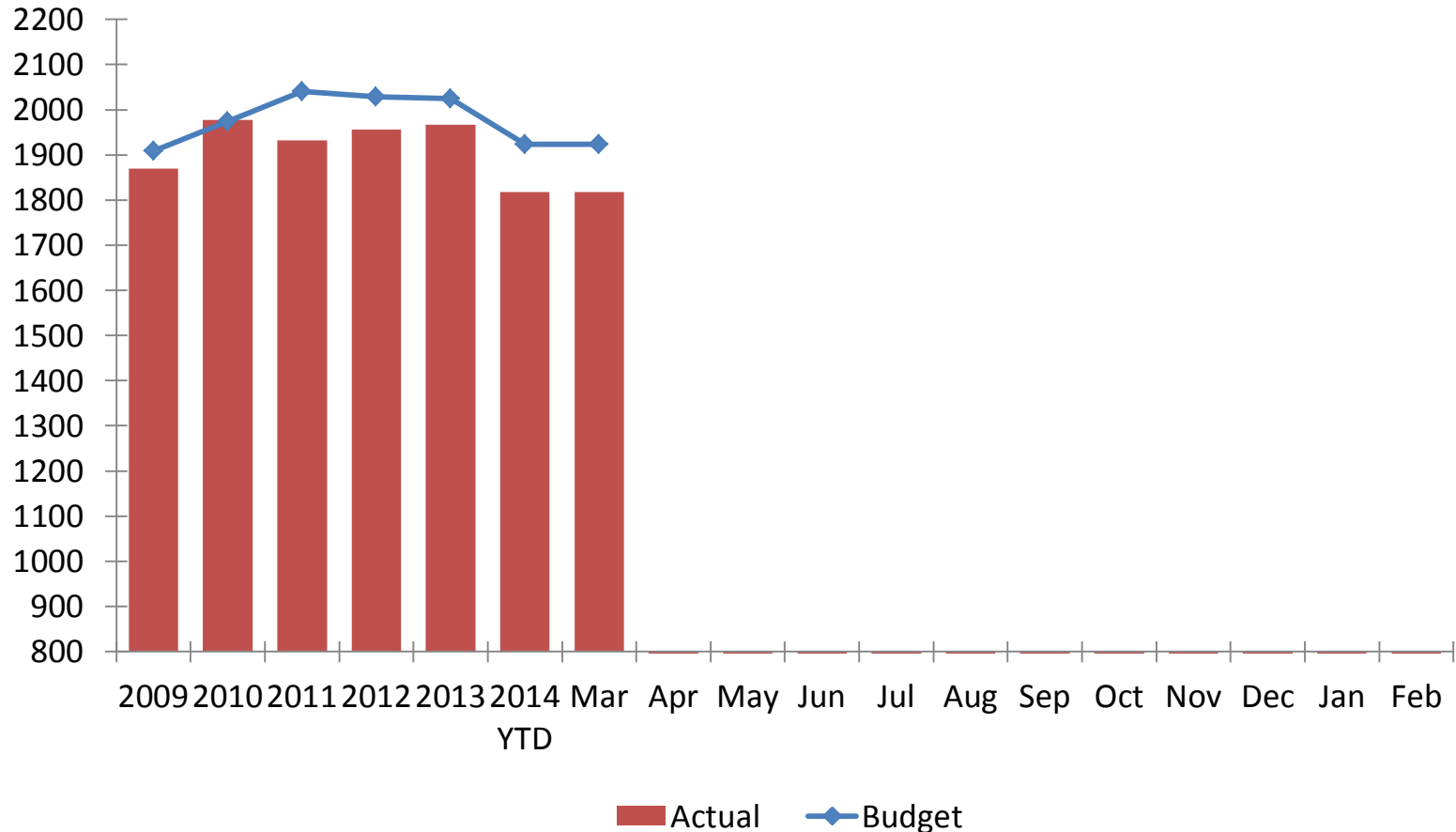
Adjusted Patient Days

A measure of overall volume in the Harris Health System. A denominator of hospital activity.



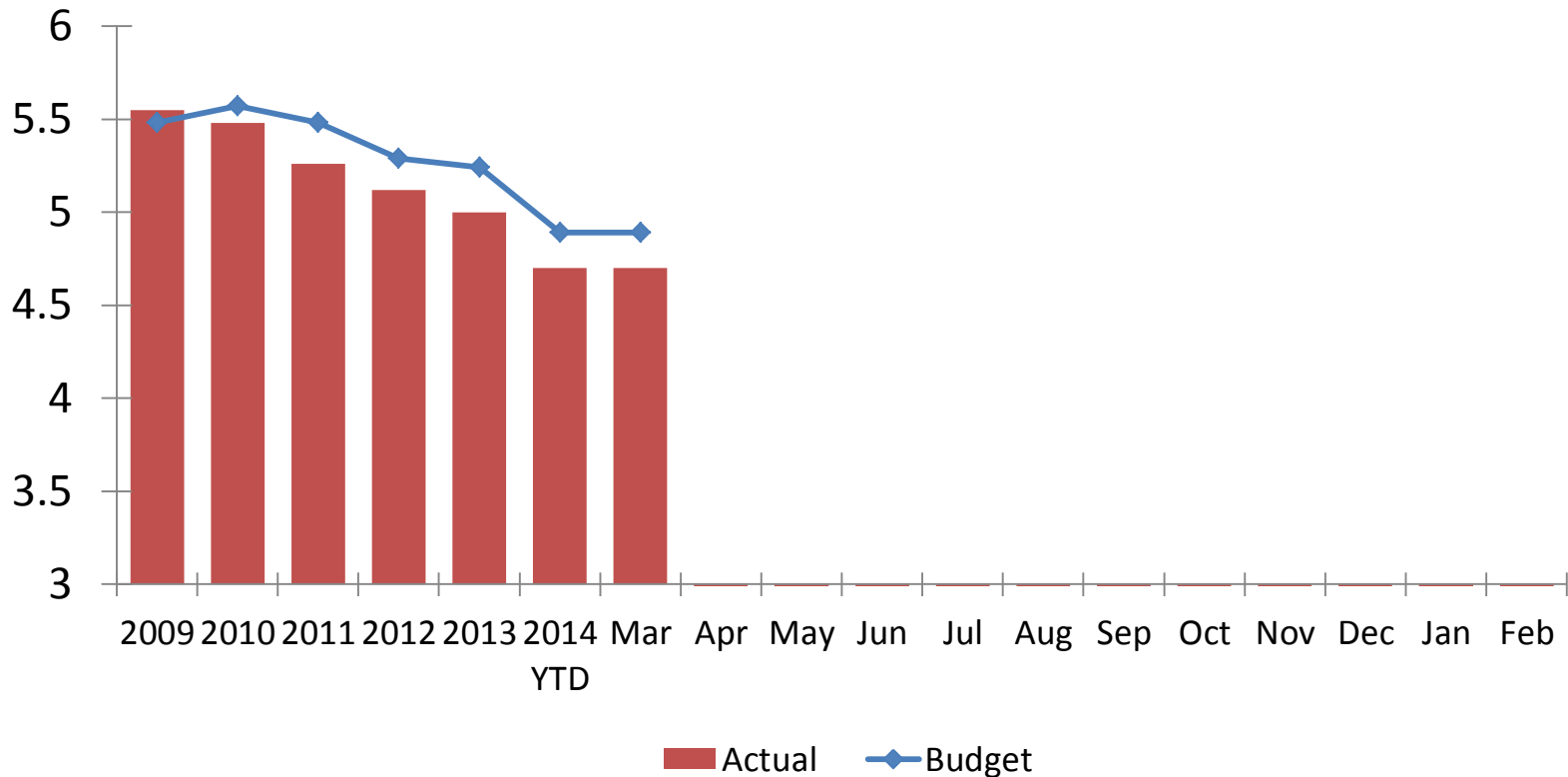
Operating Cost Per Adj. Patient Day

Measures the average cost of delivering care per equivalent inpatient day.
Favorable values are below the budget.



FTEs Per Adj. Occupied Bed

Number of average full-time equivalent personnel divided by the adjusted average daily census. Favorable values are below budget. Goal is 5.24.



Days in Accounts Receivable

The number of days of patient revenue that is due from patient billings after all deductions. Lower numbers are favorable.

