



**FINANCIAL STATEMENTS**  
**As of May 31, 2013**

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**FINANCIAL STATEMENTS HIGHLIGHTS**

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# HARRISHEALTH SYSTEM

## May 2013 Financial Statement Highlights

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

### Statistics

Adjusted patient days were 6.3% <sup>(Pg1:ln1)</sup> greater than budget with approximately 68.0% of the volume representing outpatient care.

Clinic visits <sup>(Pg1:ln6)</sup> of 98,993 were 1.8% greater than the budget of 97,265. Primary care clinic visits <sup>(Pg1:ln4)</sup> were 0.4% less than the month's budget and total specialty clinic visits were 7.6% greater than the May budget <sup>(Pg1:ln5)</sup>.

May Emergency Center visits <sup>(Pg1:ln10)</sup> are reported at 15,675 and were 8.4% greater than budget.

System wide, surgery cases were 5.3% less than budget expectations <sup>(Pg2:ln14)</sup>.

Deliveries of 495 were 8.2% less than the budget of 539.

Inpatient admissions were driven 62.8% from the Emergency Room, 17.3% from deliveries and 20.0% - other <sup>(Pg1:ln22,23,&24)</sup>. Inpatient utilization System wide was less than budget by 2.5% <sup>(Pg2:ln3)</sup>. Inpatient length of stay <sup>(Pg2:ln8)</sup> was 1.5% greater than budget and the inpatient case mix index <sup>(Pg2:ln9)</sup> was 1.6% greater than budget.

Charity and Self Pay payor mix of 63.7% was in line with the budget of 63.7% <sup>(Pg2:ln11)</sup>. Medicaid represented 22.5% of total patients and compared unfavorably to the budget of 22.6%. Medicare represented 8.1% of all patients and compared unfavorably with the budget of 8.9%. Commercial Insurance and Other represented 5.7% of all patients and compared favorably to the budget of 4.9%.

The Unduplicated Patient count of 165,062 is greater than the budget of 164,418 by 0.4% (Pg2:ln16).

### **Revenue**

Total Net Revenue of \$119.2 million (Pg3:ln23) was \$1.7 million less than budget. Patient volumes, measured as adjusted patient days (Pg8:ln14), were 6.3% greater than budget. May's estimated reimbursement per adjusted patient day (Pg8:ln1) was 10.5% less than budget. The resulting Net Patient Service Revenue for May of \$25.9 million (Pg3:ln10) was \$1.3 million less 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. The first payment under the DSRIP program was received in May for a net \$23.7 million in revenue for Demonstration Year 1 (Pg3:ln16).

### **Expenses**

Total expenses (Pg4:ln13) of \$106.3 million were \$7.0 million greater than the budget of \$99.3 million. Salaries and wages were \$2.8 million greater than budget. Total FTE's (Pg8:ln17) were 3.6% greater than budget; however, as adjusted for volume were in line with the budgeted staffing level. Expenses for benefits were over budget \$1.0 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 \$0.8 million or 5.4% over budget and when adjusted for volume (Pg8:ln7) were 0.6% less than the budget plan. Total Services (Pg4:ln12) of \$29.0 million were \$2.5 million or 9.2% greater than budget. The month's unfavorable services variance was related primarily to physician services. Total expenses adjusted for volume (Pg8:ln12) were \$2,061 per day compared to the budget of \$2,045 per day, an unfavorable variance of \$16 per day or 0.8%.

### **Operating Income**

Operating Income (Pg4:ln14) for May is a gain of \$12.8 million compared to a budgeted gain of \$21.6 million. Page 10 of the report analyzes operating

performance and reflects an unfavorable operating run rate as compared to budget due to unfavorable expense variances.

### **Cash Receipts/Disbursements/Balance Sheet**

May cash receipts <sup>(Pg9:ln24)</sup> netted \$11.8 million compared to a budget of \$13.2 million. Including board designated funds, the System has \$361.3 million in unrestricted cash, cash equivalents and investments <sup>(Pg6:ln1,7,9,10,16,18,24)</sup>, representing 110 days cash on hand compared to the prior year's cash of \$590.5 million and days cash on hand of 199. Harris Health System has <sup>(Pg6:ln2)</sup> \$59.2 million in net accounts receivable, representing 67 days of outstanding accounts receivable. At May 31, 2013 Harris Health System's balance sheet reflects an estimated receivable of \$316.1 million under the Section 1115 Supplemental Medicaid Programs and a related \$25.9 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 May 31, 2013

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<b><u>HEALTH SYSTEM TOTAL</u></b>								
1. Adjusted Patient Days	51,586	48,539	6.3%	152,362	144,086	5.7%	140,490	8.5%
2. Adjusted Discharges	8,975	8,923	0.6%	26,152	26,417	-1.0%	24,753	5.7%
3. Outpatient % of Adjusted Volume	68.0%	65.3%	4.1%	67.0%	65.3%	2.5%	65.0%	3.1%
4. Primary Care Clinic Visits	70,252	70,564	-0.4%	208,682	208,087	0.3%	197,470	5.7%
5. Specialty Clinic Visits	28,741	26,701	7.6%	84,487	79,094	6.8%	76,971	9.8%
6. Total Clinic Visits	98,993	97,265	1.8%	293,169	287,181	2.1%	274,441	6.8%
7. % Primary Care Visits	71.0%	72.5%	-2.2%	71.2%	72.5%	-1.8%	72.0%	-1.1%
8. Emergency Room Visits - Outpatient	13,875	12,853	8.0%	39,797	38,145	4.3%	39,537	0.7%
9. Emergency Room Visits - Admitted	1,800	1,602	12.4%	5,174	4,754	8.8%	4,908	5.4%
10. Total Emergency Room Visits	15,675	14,455	8.4%	44,971	42,899	4.8%	44,445	1.2%
11. % ER Visits Admitted	11.5%	11.1%	3.6%	11.5%	11.1%	3.8%	11.0%	4.2%
12. Surgery Cases - Outpatient	883	913	-3.3%	2,622	2,698	-2.8%	2,711	-3.3%
13. Surgery Cases - Inpatient	894	964	-7.3%	2,729	2,853	-4.3%	2,799	-2.5%
14. Total Surgery Cases	1,777	1,877	-5.3%	5,351	5,551	-3.6%	5,510	-2.9%
15. % Outpatient Cases	49.7%	48.6%	2.2%	49.0%	48.6%	0.8%	49.2%	-0.4%
16. Total Outpatient Visits	157,432	154,056	2.2%	461,783	455,140	1.5%	440,414	4.9%
17. Inpatient Cases (Discharges)	2,868	2,971	-3.5%	8,629	8,825	-2.2%	8,672	-0.5%
18. Outpatient Observation Cases	1,282	1,195	7.3%	3,682	3,548	3.8%	3,570	3.1%
19. Total Cases Occupying Patient Beds	4,150	4,166	-0.4%	12,311	12,373	-0.5%	12,242	0.6%
20. % of Outpatient Cases	30.9%	28.7%	7.7%	29.9%	28.7%	4.3%	29.2%	2.6%
21. Births	495	539	-8.2%	1,436	1,532	-6.2%	1,551	-7.4%
22. % of IP Admissions from ER	62.8%	53.9%	16.4%	60.0%	53.9%	11.3%	56.6%	5.9%
23. % of IP Admissions from Deliveries	17.3%	18.1%	-4.9%	16.6%	17.4%	-4.1%	17.9%	-7.0%
24. % of IP Admissions - Other	20.0%	27.9%	-28.5%	23.4%	28.8%	-18.7%	25.5%	-8.3%

HARRIS HEALTH SYSTEM  
 STATISTICAL HIGHLIGHTS  
 As Of May 31, 2013

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<b><u>HEALTH SYSTEM TOTAL</u></b>								
1. Inpatient Days	16,485	16,825	-2.0%	50,286	49,951	0.7%	49,219	2.2%
2. Outpatient Observation Days	3,058	3,219	-5.0%	8,743	9,576	-8.7%	9,294	-5.9%
3. Total Patient Days	19,543	20,044	-2.5%	59,029	59,527	-0.8%	58,513	0.9%
4. % of Outpatient Days	15.6%	16.1%	-2.6%	14.8%	16.1%	-7.9%	15.9%	-6.8%
5. Average Daily Census	630.41	646.58	-2.5%	641.62	647.03	-0.8%	636.01	0.9%
6. Average Operating Beds	802	802	0.0%	801	802	-0.1%	814	-1.6%
7. Bed Occupancy %	78.6%	80.6%	-2.5%	80.1%	80.7%	-0.7%	78.1%	2.5%
8. Inpatient Average Length of Stay	5.75	5.66	1.5%	5.83	5.66	3.0%	5.68	2.7%
9. Inpatient Case Mix Index (CMI)	1.455	1.432	1.6%	1.465	1.432	2.3%	1.436	2.0%
Payor Mix (% of Charges)								
10. Charity & Self Pay	63.7%	63.7%	0.0%	64.0%	63.7%	0.5%	63.3%	1.1%
11. Medicaid & Medicaid Managed	22.5%	22.6%	-0.2%	21.9%	22.5%	-2.8%	23.4%	-6.4%
12. Medicare & Medicare Managed	8.1%	8.9%	-8.9%	8.8%	8.9%	-1.0%	8.3%	6.0%
13. Commercial & Other	5.7%	4.9%	16.6%	5.5%	4.9%	12.5%	5.0%	10.0%
15. Total Unduplicated Patients				165,062	164,418	0.4%	157,061	5.1%

**HARRIS HEALTH SYSTEM  
OPERATING STATEMENT**

As Of May 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
<b>PATIENT REVENUES:</b>										
1. Routine Services	18,003	19,178	-6.1%	18,500	-2.7%	55,133	56,847	-3.0%	54,824	0.6%
2. Inpatient Ancillary	62,133	64,139	-3.1%	65,351	-4.9%	190,998	190,894	0.1%	188,678	1.2%
3. Outpatient Ancillary	167,930	154,012	9.0%	150,181	11.8%	491,573	457,962	7.3%	443,270	10.9%
4. Physician Services	2,700	3,033	-11.0%	2,727	-1.0%	8,066	8,958	-10.0%	8,278	-2.6%
<b>5. Gross Patient Charges</b>	<b>250,767</b>	<b>240,362</b>	<b>4.3%</b>	<b>236,759</b>	<b>5.9%</b>	<b>745,770</b>	<b>714,661</b>	<b>4.4%</b>	<b>695,049</b>	<b>7.3%</b>
<b>REVENUE DEDUCTIONS:</b>										
6. Charity Care	(122,500)	(112,818)	-8.6%	(116,112)	-5.5%	(370,351)	(335,437)	-10.4%	(343,181)	-7.9%
7. Contractual Allowance/Other Discounts	(93,429)	(87,072)	-7.3%	(77,566)	-20.5%	(263,701)	(259,192)	-1.7%	(209,523)	-25.9%
8. Provision for Bad Debt Expense	(8,936)	(13,237)	32.5%	(13,766)	35.1%	(29,794)	(39,356)	24.3%	(61,847)	51.8%
<b>9. Total Patient Revenue Deductions</b>	<b>(224,865)</b>	<b>(213,126)</b>	<b>-5.5%</b>	<b>(207,444)</b>	<b>-8.4%</b>	<b>(663,846)</b>	<b>(633,985)</b>	<b>-4.7%</b>	<b>(614,551)</b>	<b>-8.0%</b>
<b>10. Net Patient Service Revenue</b>	<b>25,902</b>	<b>27,236</b>	<b>-4.9%</b>	<b>29,315</b>	<b>-11.6%</b>	<b>81,924</b>	<b>80,676</b>	<b>1.5%</b>	<b>80,498</b>	<b>1.8%</b>
<b>OTHER OPERATING REVENUE:</b>										
11. DSH/UPL/1115 Waiver	24,908	24,799	0.4%	21,230	17.3%	74,724	74,396	0.4%	63,712	17.3%
12. Other Operating Revenue	1,459	2,222	-34.3%	1,240	17.6%	6,435	6,177	4.2%	9,852	-34.7%
<b>13. Total Other Operating Revenue</b>	<b>26,367</b>	<b>27,020</b>	<b>-2.4%</b>	<b>22,470</b>	<b>17.3%</b>	<b>81,159</b>	<b>80,573</b>	<b>0.7%</b>	<b>73,564</b>	<b>10.3%</b>
<b>14. Total Operating Revenue</b>	<b>52,269</b>	<b>54,256</b>	<b>-3.7%</b>	<b>51,785</b>	<b>0.9%</b>	<b>163,082</b>	<b>161,249</b>	<b>1.1%</b>	<b>154,063</b>	<b>5.9%</b>
<b>NONOPERATING REVENUE:</b>										
15. Net Ad Valorem Tax Revenue	42,967	42,917	0.1%	42,100	2.1%	128,812	128,750	0.0%	126,296	2.0%
16. DSRIP	23,714	23,060	2.8%	0	0.0%	23,714	23,060	2.8%	0	0.0%
17. Net Tobacco Settlement Revenue	0	0	0.0%	0	0.0%	9,774	12,210	-20.0%	10,126	-3.5%
18. Interest Income	182	645	-71.8%	1,857	-90.2%	689	2,021	-65.9%	2,913	-76.3%
19. Other	19	0	0.0%	13	42.8%	21	0	0.0%	(117)	118.0%
<b>20. Total Nonoperating Revenue</b>	<b>66,881</b>	<b>66,622</b>	<b>0.4%</b>	<b>43,970</b>	<b>52.1%</b>	<b>163,010</b>	<b>166,041</b>	<b>-1.8%</b>	<b>139,218</b>	<b>17.1%</b>
21. Capital Contributions	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>22 Total Capital Contributions</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>23. Total District Net Revenue</b>	<b>119,151</b>	<b>120,878</b>	<b>-1.4%</b>	<b>95,756</b>	<b>24.4%</b>	<b>326,092</b>	<b>327,289</b>	<b>-0.4%</b>	<b>293,281</b>	<b>11.2%</b>

**HARRIS HEALTH SYSTEM  
OPERATING STATEMENT**

As Of May 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
<b>SALARIES, WAGES, AND BENEFITS:</b>										
1. Regular Salaries	37,616	35,640	-5.5%	33,592	-12.0%	107,706	104,248	-3.3%	99,382	-8.4%
2. PTO & Secondday Sick Leave	4,578	4,653	1.6%	4,284	-6.9%	13,350	13,784	3.2%	12,733	-4.8%
3. Contract Salaries	1,170	653	-79.3%	712	-64.2%	2,799	1,876	-49.2%	2,453	-14.1%
4. Registry Salaries	2,352	1,960	-20.0%	2,155	-9.1%	6,869	5,836	-17.7%	6,395	-7.4%
5. FICA and Benefits	15,576	14,621	-6.5%	14,984	-3.9%	46,698	43,217	-8.1%	45,136	-3.5%
<b>6. Total Salaries, Wages, and Benefits</b>	<b>61,292</b>	<b>57,526</b>	<b>-6.5%</b>	<b>55,728</b>	<b>-10.0%</b>	<b>177,422</b>	<b>168,962</b>	<b>-5.0%</b>	<b>166,099</b>	<b>-6.8%</b>
7. Supplies	16,084	15,263	-5.4%	15,000	-7.2%	48,474	45,358	-6.9%	43,418	-11.6%
<b>SERVICES:</b>										
8. Physician Services	15,146	12,793	-18.4%	11,974	-26.5%	41,438	38,380	-8.0%	35,921	-15.4%
9. Other Purchased Services	9,001	8,637	-4.2%	8,995	-0.1%	24,666	26,224	5.9%	25,216	2.2%
10. Depreciation and Amortization	4,345	4,584	5.2%	3,983	-9.1%	13,557	13,753	1.4%	11,918	-13.8%
11. Interest	476	504	5.5%	493	3.4%	1,441	1,494	3.6%	1,491	3.4%
<b>12. Total Services</b>	<b>28,968</b>	<b>26,518</b>	<b>-9.2%</b>	<b>25,444</b>	<b>-13.9%</b>	<b>81,102</b>	<b>79,852</b>	<b>-1.6%</b>	<b>74,547</b>	<b>-8.8%</b>
<b>13. Total Operating Expenses</b>	<b>106,344</b>	<b>99,307</b>	<b>-7.1%</b>	<b>96,172</b>	<b>-10.6%</b>	<b>306,998</b>	<b>294,172</b>	<b>-4.4%</b>	<b>284,064</b>	<b>-8.1%</b>
<b>14. HCHD Operating Income (Loss)</b>	<b>12,807</b>	<b>21,571</b>	<b>-40.6%</b>	<b>(416)</b>	<b>-3178.9%</b>	<b>19,094</b>	<b>33,118</b>	<b>-42.3%</b>	<b>9,217</b>	<b>107.2%</b>



**HARRIS HEALTH SYSTEM  
CASH FLOW SUMMARY**

As of May 31, 2013

(In Thousands)

<b><u>CASH RECEIPTS:</u></b>	<b>CURRENT MONTH</b>	<b>PRIOR YEAR MONTH</b>	<b>FISCAL YTD</b>	<b>PRIOR FISCAL YTD</b>
1. Ad Valorem Taxes	\$ 3,302	4,039	\$ 17,267	\$ 22,374
2. Collections on Patient Accounts	29,568	31,683	81,569	85,327
3. Disproportionate Share III/1115 Waiver UC & DSRIP	(24,665)	1,607	(24,665)	65,907
4. Tobacco Settlement	0	0	9,774	10,126
5. Trauma Fund	0	0	1,665	0
6. Other Sources (Includes Cost Reimbursement)	3,622	9,727	8,324	14,155
<b>7. Total Cash Receipts</b>	<b>\$ 11,827</b>	<b>\$ 47,056</b>	<b>\$ 93,934</b>	<b>\$ 197,889</b>
<b><u>CASH DISBURSEMENTS:</u></b>				
8. Salaries and Wages	\$ 27,570	\$ 26,118	\$ 94,495	\$ 91,601
9. Benefits and Employee Deductions	24,636	22,113	92,125	81,545
10. Drugs and Supplies	19,069	14,400	53,130	45,265
11. Physician Services	80,840	33,163	81,084	33,349
12. Purchased Services	14,209	9,655	33,901	29,799
13. Capital Expenditures	8,612	9,607	22,088	33,310
14. Debt and Interest Payments	880	551	1,450	1,545
15. Other Uses	(3,873)	(13,475)	(9,878)	(27,426)
<b>16. Total Cash Disbursements</b>	<b>\$ 171,943</b>	<b>\$ 102,132</b>	<b>\$ 368,395</b>	<b>\$ 288,988</b>
<b>17. Net Change</b>	<b>\$ (160,116)</b>	<b>\$ (55,076)</b>	<b>\$ (274,461)</b>	<b>\$ (91,099)</b>

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2013	\$ 635,769
Net Change	(274,461)
Unrestricted Cash, Cash Equivalents and Investments - May 31, 2013	<b>\$ 361,308</b>

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

<u>ASSETS</u>	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
<b>CURRENT ASSETS:</b>		
1. Cash, Cash Equivalents and Short Term Investments	37,818	151,180
2. Net Patient Accounts Receivable	59,200	76,190
3. Net Ad Valorem Taxes, Current Portion	135,722	134,880
4. Prepaid Expenses, Inventories, and Other Current Assets	341,139	113,058
5. <b>Total Current Assets</b>	<b>573,880</b>	<b>475,308</b>
<b>ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION:</b>		
6. Debt Service and Bond Covenants - Restricted	8,089	7,901
7. Board Designated for Future Expansion	697	0
8. Phase 1 Project Fund	0	889
9. Board Designated for Legal Reserves	2,324	2,192
10. Board Designated for Self-Insured Programs	23,835	18,581
11. <b>Total Assets Limited as to Use or Restricted, Current Portion</b>	<b>34,945</b>	<b>29,563</b>
<b>PLANT, PROPERTY AND EQUIPMENT:</b>		
12. Plant, Property, & Equipment, Net of Accumulated Depreciation	353,778	286,986
13. Construction in Progress	71,550	87,434
14. <b>Total Plant, Property and Equipment</b>	<b>425,328</b>	<b>374,421</b>
<b>ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION:</b>		
15. Debt Service and Bond Covenants - Restricted	22,594	17,302
16. Board Designated for Future Expansion	134,743	181,108
17. Phase 1 Project Fund	0	18,704
18. Board Designated for Self-Insured Programs	161,891	144,582
19. Other - Restricted	877	884
20. <b>Total Assets Limited as to Use or Restricted, Net of Current Portion</b>	<b>320,106</b>	<b>362,581</b>
<b>OTHER ASSETS:</b>		
21. Net Ad Valorem Taxes, Delinquent	93	0
22. Net Deferred Bond Issue Costs	3,760	3,971
23. Net Pension Asset	3,781	4,451
24. Long-Term Investments	0	92,848
25. Security Deposit	24	24
26. Derivative Asset	0	0
27. Deferred Outflow - Derivative Financial Instrument	10,057	10,904
28. <b>Total Other Assets</b>	<b>17,715</b>	<b>112,198</b>
29. Due to/from CHCI	4,555	4,366
30. <b>TOTAL ASSETS</b>	<b>1,376,528</b>	<b>1,358,437</b>

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

	<b>ACTUAL</b>	<b>PRIOR YEAR</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
1. Accounts Payable and Accrued Liabilities	59,704	43,143
2. Interest Payable	3,104	3,125
3. Employee Compensation & Related Benefit Liabilities	47,067	35,949
4. Compensated Absences	43,004	41,652
5. Estimated Third-Party Payor Settlements	(2,182)	(2,212)
6. Current Portion Long-Term Debt and Capital Leases	5,684	6,476
<b>7. Total Current Liabilities</b>	<b>156,380</b>	<b>128,133</b>
 <b>OTHER LONG-TERM LIABILITIES:</b>		
8. Pension Payable	0	0
9. Post Employment Health Benefit Liability	161,891	144,582
10. Borrowing Payable	15,062	15,938
11. Derivative Liability	10,057	10,904
12. Arbitrage Rebate Liability	141	0
<b>13. Total Other Long-Term Liabilities</b>	<b>187,152</b>	<b>171,423</b>
 <b>LONG-TERM DEBT:</b>		
14. Series 2007 Revenue Bonds, Including Premium & Deferred Loss	187,830	190,855
15. Series 2010 Revenue Bonds, Including Deferred Loss	81,413	81,137
16. Other Long-Term Obligation	114	1,771
<b>17. Total Long-Term Debt</b>	<b>269,357</b>	<b>273,764</b>
 <b>TOTAL LIABILITIES</b>	 <b>612,889</b>	 <b>573,319</b>
 <b>NET ASSETS:</b>		
18. Invested in Capital Assets, Net of Related Debt	135,225	106,323
19. Restricted Net Assets	32,443	27,685
20. Unrestricted Net Assets	595,971	651,109
<b>21. Total Net Assets</b>	<b>763,640</b>	<b>785,117</b>
 <b>22. TOTAL LIABILITIES &amp; NET ASSETS</b>	 <b>1,376,528</b>	 <b>1,358,437</b>

**HARRIS HEALTH SYSTEM**  
**OPERATING PERFORMANCE PER ADJUSTED PATIENT DAY**  
As of May 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	\$ 502	\$ 561	-10.5%	\$ 628	-20.1%	\$ 538	\$ 560	-3.9%	\$ 573	-6.1%
2. Other Operating Revenue	511	557	-8.3%	481	6.2%	533	559	-4.7%	524	1.7%
3. Nonoperating Revenue	1,297	1,373	-5.5%	941	37.8%	1,070	1,152	-7.1%	991	8.0%
4. Capital Contribution	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
<b>5. Total District Net Revenue</b>	<b>2,310</b>	<b>2,491</b>	<b>-7.3%</b>	<b>2,050</b>	<b>12.7%</b>	<b>2,141</b>	<b>2,271</b>	<b>-5.7%</b>	<b>2,088</b>	<b>2.5%</b>
6. Salaries, Wages, and Benefits	1,188	1,185	-0.3%	1,193	0.4%	1,164	1,173	0.8%	1,182	1.5%
7. Supplies	312	314	0.6%	321	2.8%	318	315	-1.0%	309	-2.9%
8. Physician Services	294	264	-11.4%	256	-14.8%	272	266	-2.3%	256	-6.3%
9. Other Purchased Services	174	178	2.2%	193	9.8%	162	182	11.0%	179	9.5%
10. Depreciation and Amortization	84	94	10.6%	85	1.2%	89	95	6.3%	85	-4.7%
11. Interest	9	10	10.0%	11	18.2%	9	10	10.0%	11	18.2%
<b>12. Total Operating Expenses</b>	<b>2,061</b>	<b>2,045</b>	<b>-0.8%</b>	<b>2,059</b>	<b>-0.1%</b>	<b>2,014</b>	<b>2,041</b>	<b>1.3%</b>	<b>2,022</b>	<b>0.4%</b>
<b>13. HCHD Operating Income(Loss)</b>	<b>\$ 249</b>	<b>\$ 446</b>	<b>-44.2%</b>	<b>\$ (9)</b>	<b>0.0%</b>	<b>\$ 127</b>	<b>\$ 230</b>	<b>-44.8%</b>	<b>\$ 66</b>	<b>92.4%</b>
14. Adjusted Patient Days	51,586	48,539	6.3%	46,711	10.4%	152,362	144,086	5.7%	140,490	8.5%
15. Average Daily Census	531.8	542.7	-2.0%	533.9	-0.4%	546.6	543.0	0.7%	535.0	2.2%
16. FTE's(Employee/Contract) per AOB	4.9	4.9	0.0%	5.1	3.9%	4.8	5.0	4.0%	5.0	4.0%
17. FTE's(Employee/Contract) - Total	8,084	7,800	-3.6%	7,681	-5.3%	8,008	7,737	-3.5%	7,672	-4.4%
18. FTE's(Employee/Contract) - Productive	7,224	6,885	-4.9%	6,823	-5.9%	7,142	6,823	-4.7%	6,811	-4.9%

**HARRIS HEALTH SYSTEM  
ANALYSIS OF CASH RECEIPTS  
May 31, 2013**

	MONTH TO MONTH			YEAR TO DATE						
	ACTUAL		BUDGET	ACTUAL				BUDGET		
	CURRENT	PRIOR	CURRENT	CURRENT	PRIOR	VAR	VAR %	YTD	VAR	VAR %
<b>PATIENT REVENUE:</b>										
1. Medicare	\$4,730	\$4,591	\$4,293	\$13,591	\$12,710	\$881	6.9	\$12,764	\$827	6.5
2. Medicaid	10,299	11,922	10,177	26,877	31,670	(4,793)	(15.1)	28,495	(1,618)	(5.7)
3. Texas vendor drug/Medicare Part D	3,161	3,307	2,579	8,136	7,363	773	10.5	7,668	468	6.1
4. Managed Care - Medicaid	5,554	6,072	5,403	17,242	16,521	721	4.4	16,065	1,177	7.3
5. Commercial insurance	1,928	1,246	1,302	4,466	2,850	1,616	56.7	3,871	595	15.4
6. Liens	415	262	196	949	716	233	32.5	581	368	63.3
7. Patient pay	2,116	2,827	2,255	6,604	8,652	(2,048)	(23.7)	6,705	(101)	(1.5)
8. Business office	415	417	398	1,229	1,275	(46)	(3.6)	1,184	45	3.8
9. Other governmental projects/grants	950	1,039	1,124	2,475	3,570	(1,095)	(30.7)	3,340	(865)	(25.9)
10. SUBTOTAL	29,568	31,683	27,727	81,569	85,327	(3,758)	(4.4)	80,675	894	1.1
11a. Cost Reimbursements	2,119	1,907	471	4,289	2,412	1,877	77.8	1,099	3,190	290.1
11b. Recoupments	0	0	0	0	0	0	0.0	0	0	0.0
12. <b>Net Patient Revenue Receipts</b>	31,687	33,590	28,199	85,858	87,739	(1,881)	(2.1)	81,774	4,084	5.0
13. DSH/UPL/1115 Waiver	(24,665)	1,607	(23,355)	(24,665)	65,907	(90,572)	(137.4)	(48,832)	24,167	49.5
14. Tobacco Settlement	0	0	0	9,774	10,126	(352)	(3.5)	12,210	(2,436)	(20.0)
14a. Trauma Fund	0	0	0	1,665	0	1,665	0.0	0	1,665	0.0
15. <b>Total Patient Revenue Receipts</b>	7,022	35,197	4,844	72,632	163,772	(91,140)	(55.7)	45,152	27,480	60.9
<b>NON-PATIENT OPERATING REVENUE:</b>										
16. Parking	182	245	297	668	647	21	3.2	891	(223)	(25.0)
17. Grants	254	6,594	686	681	7,951	(7,270)	(91.4)	2,053	(1,372)	(66.8)
18. Miscellaneous	703	947	748	1,796	1,996	(200)	(10.0)	2,252	(456)	(20.3)
19. <b>Total Non-Patient Operating</b>	1,139	7,786	1,731	3,145	10,594	(7,449)	(70.3)	5,196	(2,051)	(39.5)
20. Interest income	364	34	645	890	1,149	(259)	(22.5)	2,022	(1,132)	(56.0)
21. <b>Total Non-Tax Receipts</b>	8,525	43,017	7,220	76,667	175,515	(98,848)	(56.3)	52,369	24,298	46.4
22. Ad valorem tax receipts/note	3,302	4,039	6,006	17,267	22,374	(5,107)	(22.8)	29,533	(12,266)	(41.5)
23. Commercial Paper Proceeds	0	0	0	0	0	0	0.0	0	0	0.0
24. <b>Total Receipts</b>	\$11,827	\$47,056	\$13,227	\$93,934	\$197,889	(\$103,955)	(52.5)	\$81,902	\$12,032	14.7

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

	<u>MONTH</u>	<u>YTD</u>
Total Operating Income (Loss) as Reported	\$ 12.8	\$ 19.1
Favorable Adjustments:		
Trauma Funds	\$ -	\$ 1.6
Subtotal of Favorable Adjustments	\$ -	\$ 1.6
Unfavorable Adjustments:		
Donations-CHCI	\$ (0.3)	\$ (0.9)
Pension Expense Based on Actuarial Review	\$ (0.3)	\$ (1.1)
Tobacco Revenue	\$ -	\$ (2.4)
Subtotal of Unfavorable Adjustments	\$ (0.6)	\$ (4.4)
Harris Health System Operating Run Rate as of May	\$ 13.4	\$ 21.9
Harris Health System 2014 Budget	\$ 21.6	\$ 33.1
Favorable (Unfavorable) Run Rate	\$ (8.2)	\$ (11.2)
Attributable Factors:		
Favorable (Unfavorable) Revenue Variance	\$ (1.5)	\$ 0.5
Favorable (Unfavorable) Expense Variance	\$ (6.7)	\$ (11.7)
Net of Attributable Factors	\$ (8.2)	\$ (11.2)

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

							<b>MONTHLY AVERAGE</b>			
	December	January	February	March	April	May	FY 2012 YTD May	FY 2013 YTD May	FY 2014 YTD May	% Change 14 vs 13
1. ADMISSIONS(A&P)	2,824	2,785	2,675	2,984	2,777	2,868	2,930	2,891	2,876	-0.5%
2. PATIENT DAYS(A&P)	16,161	17,587	15,596	17,652	16,149	16,485	15,787	16,406	16,762	2.2%
3. AVERAGE LOS	5.72	6.31	5.83	5.92	5.82	5.75	5.39	5.68	5.83	2.7%
4. AVERAGE LOS, Overall CMI Adjusted	4.05	4.28	4.04	3.95	4.04	3.95	3.91	3.95	3.98	0.6%
5. HCHD PERCENT OCCUPANCY	64.2%	70.9%	68.9%	71.3%	67.1%	66.3%	63.4%	65.7%	68.2%	3.8%
<b>CASE MIX INDEX (CMI)</b>										
6. CMI - Excluding Obstetrics Cases	1.584	1.635	1.595	1.649	1.565	1.599	1.528	1.586	1.605	1.2%
7. CMI - Overall	1.413	1.475	1.444	1.498	1.440	1.455	1.379	1.436	1.465	2.0%
8. BIRTHS	587	567	489	505	436	495	543	517	479	-7.4%
9. OPERATING ROOM CASES	1,659	1,799	1,655	1,739	1,835	1,777	1,879	1,837	1,784	-2.9%
10. Inpatient	935	956	850	877	958	894	1,024	933	910	-2.5%
11. Outpatient	724	843	805	862	877	883	855	904	874	-3.3%
12. EMERGENCY VISITS	14,320	14,867	13,330	14,530	14,766	15,675	14,201	14,815	14,990	1.2%
13. Admitted to Inpatient	1,525	1,594	1,565	1,661	1,713	1,800	1,660	1,636	1,725	5.4%
14. Outpatient Emergency	12,795	13,273	11,765	12,869	13,053	13,875	12,541	13,179	13,266	0.7%
15. CLINIC VISITS	82,061	95,885	90,676	92,308	101,868	98,993	91,112	91,480	97,723	6.8%
16. Primary Care Clinic Visits	59,687	69,460	65,381	65,705	72,725	70,252	64,723	65,823	69,561	5.7%
17. Specialty Clinic Visits	22,374	26,425	25,295	26,603	29,143	28,741	26,390	25,657	28,162	9.8%
<b>PAYOR MIX</b>										
18. Charity & Self Pay	67.9%	64.6%	62.7%	63.6%	64.9%	63.7%	60.6%	63.3%	64.0%	1.1%
19. Medicaid & Medicaid Managed	21.5%	20.4%	23.2%	22.3%	20.7%	22.5%	24.7%	23.4%	21.9%	-6.4%
20. Medicare & Medicare Managed	9.5%	8.9%	9.3%	8.5%	9.1%	8.1%	8.0%	8.3%	8.8%	6.0%
21. Commercial & Other	1.1%	6.1%	4.8%	5.6%	5.3%	5.7%	6.7%	5.0%	5.5%	10.0%

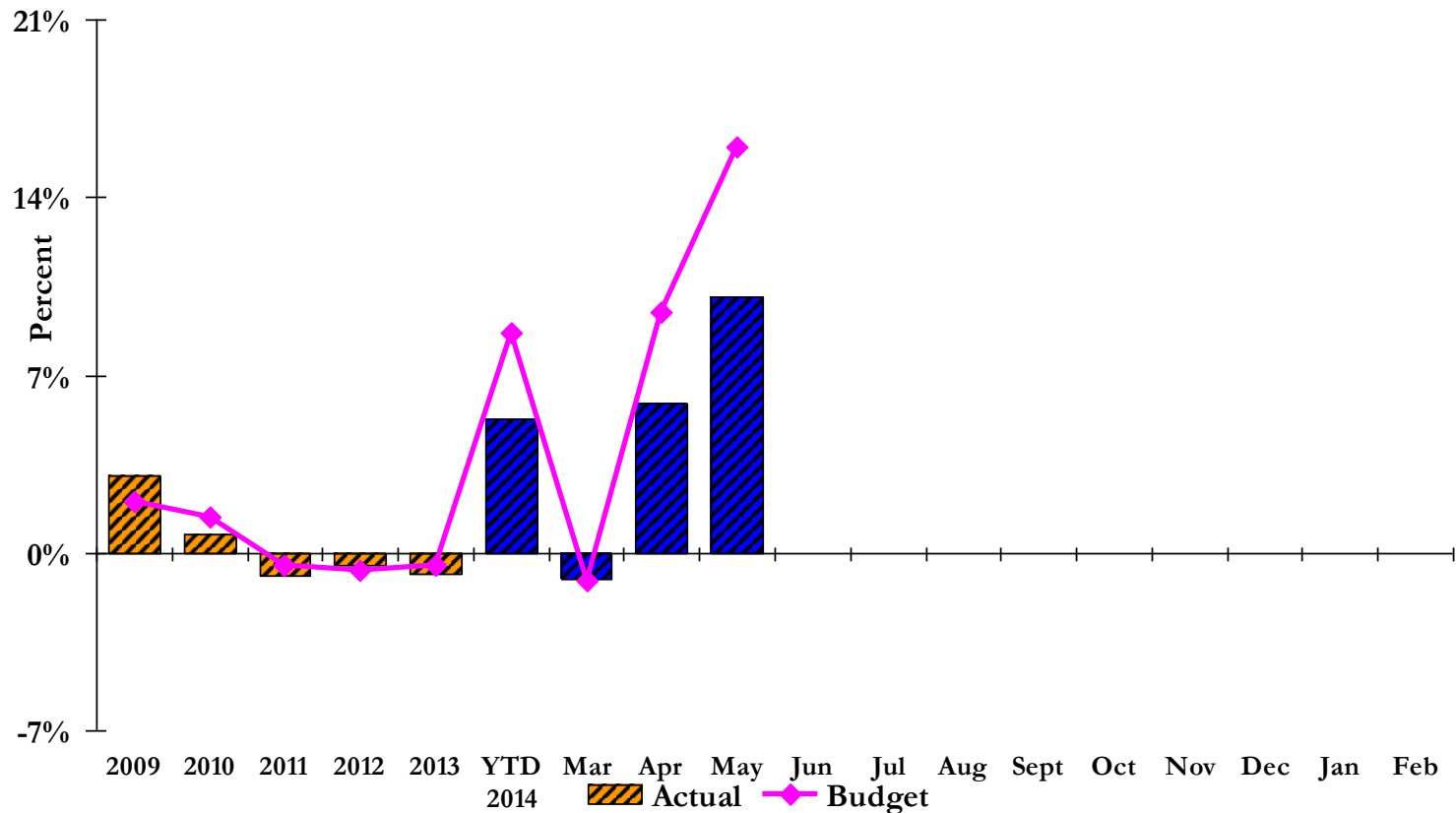
**HARRIS HEALTH SYSTEM**  
**SUPPLEMENTAL INFORMATION - OPERATING STATEMENT - MONTHLY TREND**  
As Of May 31, 2013  
(In Thousands)

							<b>MONTHLY AVERAGE</b>			
	December	January	February	March	April	May	FY 2012 YTD May	FY 2013 YTD May	FY 2014 YTD May	% Change 14 vs 13
1. Gross Patient Charges	\$ 217,515	\$ 243,699	\$ 229,157	\$ 247,233	\$ 247,770	\$ 250,767	215,388	231,683	248,590	7.3%
2. Total Patient Revenue Deductions	(193,565)	(225,347)	(203,192)	(217,904)	(221,078)	(224,865)	(189,081)	(204,850)	(221,282)	8.0%
3. Net Patient Service Revenue	23,950	18,352	25,965	29,330	26,692	25,902	26,307	26,833	27,308	1.8%
4. Net Revenue % of Gross Charges	11.0%	7.5%	11.3%	11.9%	10.8%	10.3%	12.2%	11.6%	11.0%	-5.2%
5. DSH/UPL Program Revenue	29,858	29,858	7,582	24,908	24,908	24,908	16,510	21,237	24,908	17.3%
6. Other Operating Revenue	1,445	1,245	1,136	1,602	3,374	1,459	1,249	3,284	2,145	-34.7%
7. Total Other Operating Revenue	31,303	31,103	8,718	26,510	28,282	26,367	17,759	24,521	27,053	10.3%
8. Net Ad Valorem Tax Revenue	40,559	43,416	50,677	42,910	42,935	42,967	41,636	42,099	42,937	2.0%
9. DSRIP	0	0	0	0	0	23,714	0	0	7,905	0.0%
10. Net Tobacco Settlement Revenue	1	0	0	0	9,774	0	3,584	3,375	3,258	-3.5%
11. Interest Income and Other	161	249	(8,342)	273	236	201	2,198	932	237	-74.6%
12. Total Nonoperating Revenue	40,720	43,666	42,334	43,183	52,945	66,881	47,418	46,406	54,337	17.1%
13. Capital Contributions	0	0	10,272	0	0	0	0	0	0	0.0%
14. Total District Net Revenue	95,973	93,120	87,289	99,023	107,919	119,151	91,485	97,760	108,697	11.2%
15. Salaries and Wages	39,542	41,718	43,082	43,094	41,914	45,716	38,591	40,321	43,575	8.1%
16. FICA and Benefits	15,433	16,023	16,494	15,697	15,425	15,576	13,801	15,045	15,566	3.5%
17. Total Salaries, Wages, and Benefits	54,975	57,741	59,576	58,792	57,339	61,292	52,392	55,366	59,141	6.8%
18. Supplies	13,920	16,114	15,405	15,374	17,016	16,084	13,348	14,473	16,158	11.6%
19. Physician Services	14,671	14,671	14,671	13,146	13,146	15,146	10,176	11,974	13,813	15.4%
20. Other Purchased Services	8,810	8,586	9,060	7,425	8,239	9,001	8,530	8,405	8,222	-2.2%
21. Depreciation and Amortization	4,732	4,870	4,708	4,623	4,589	4,345	3,980	3,973	4,519	13.7%
22. Interest	567	567	799	477	488	476	564	497	480	-3.4%
23. Total Expenses	97,676	102,548	104,219	99,837	100,817	106,344	88,989	94,688	102,333	8.1%
24. HCHD Total Income (Loss)	\$ (1,703)	\$ (9,428)	\$ (16,930)	\$ (814)	\$ 7,102	\$ 12,807	\$ 2,496	\$ 3,072	\$ 6,365	107.2%
25. Total Margin	-1.8%	-10.1%	-19.4%	-0.8%	6.6%	10.7%	2.7%	3.1%	5.9%	86.3%
26. Full-Time Equivalent Employees	7,361	7,713	8,103	7,944	7,993	8,084	7,436	7,672	8,008	4.4%
27. Average Salary per FTE	\$63,247	\$63,681	\$69,310	\$63,872	\$63,797	\$66,581	\$61,766	\$62,554	\$64,769	3.5%
28. Adjusted Patient Days	45,387	51,039	46,322	52,380	48,396	51,586	42,459	46,830	50,787	8.5%



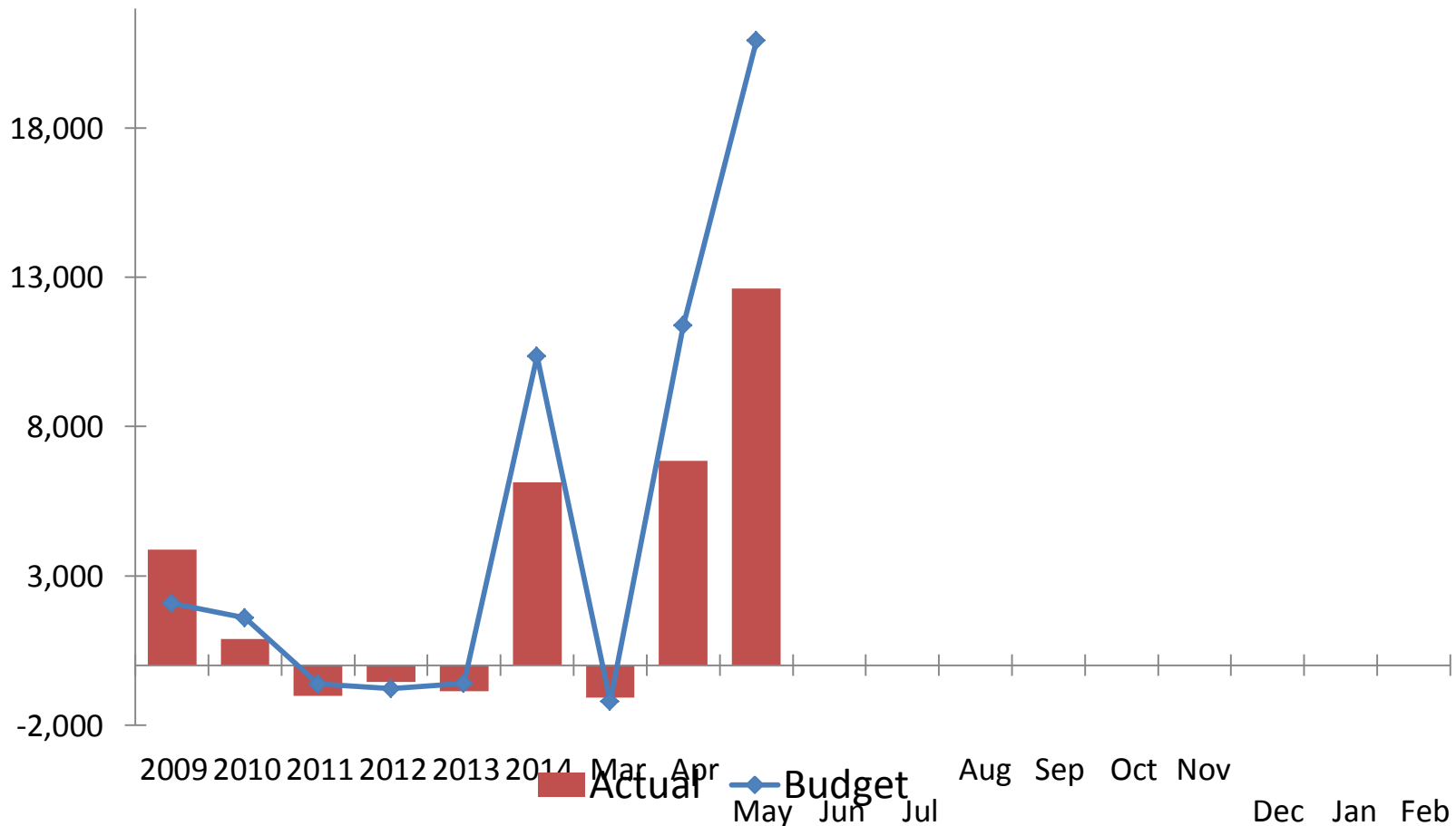
# Operating Margin

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



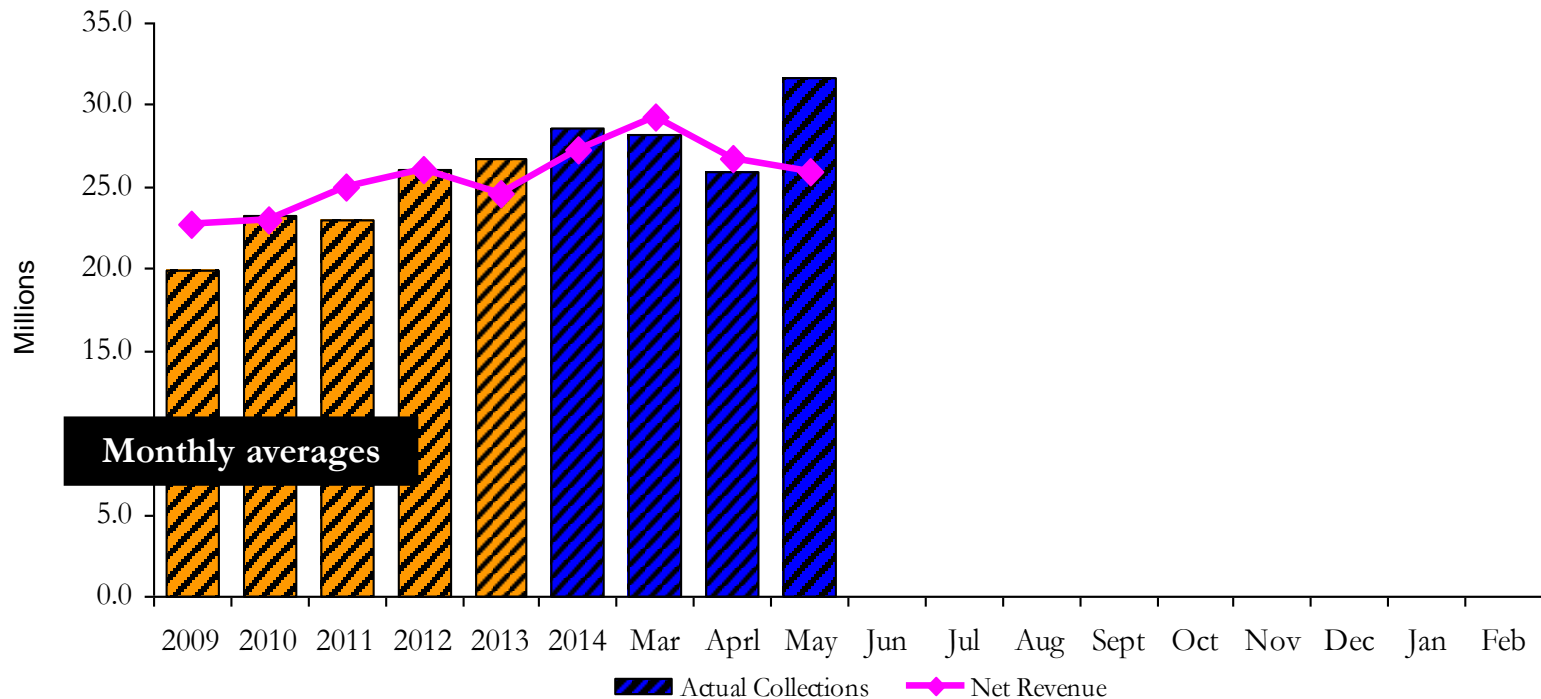
# Operating Income

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



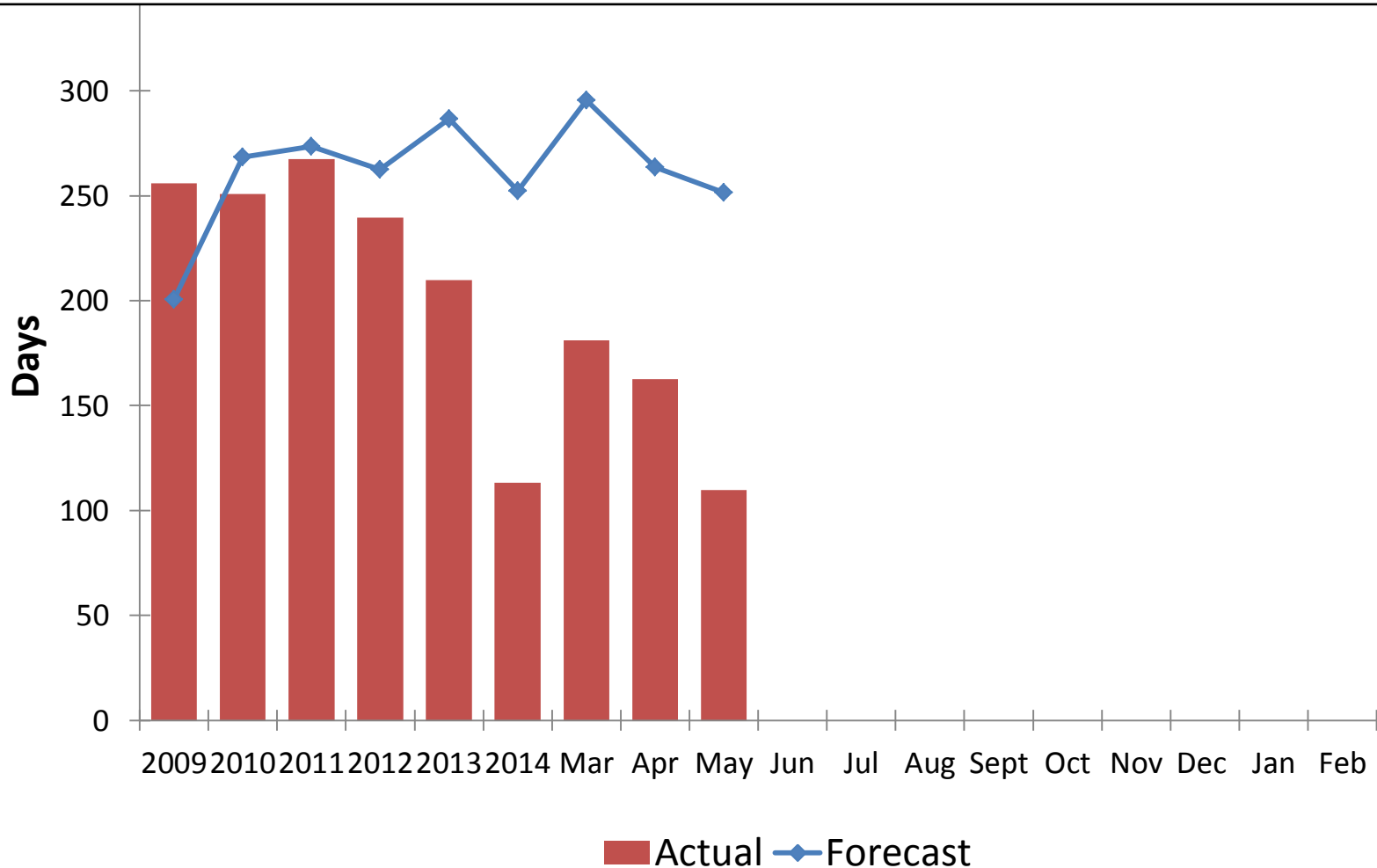
# Cash Collections

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.



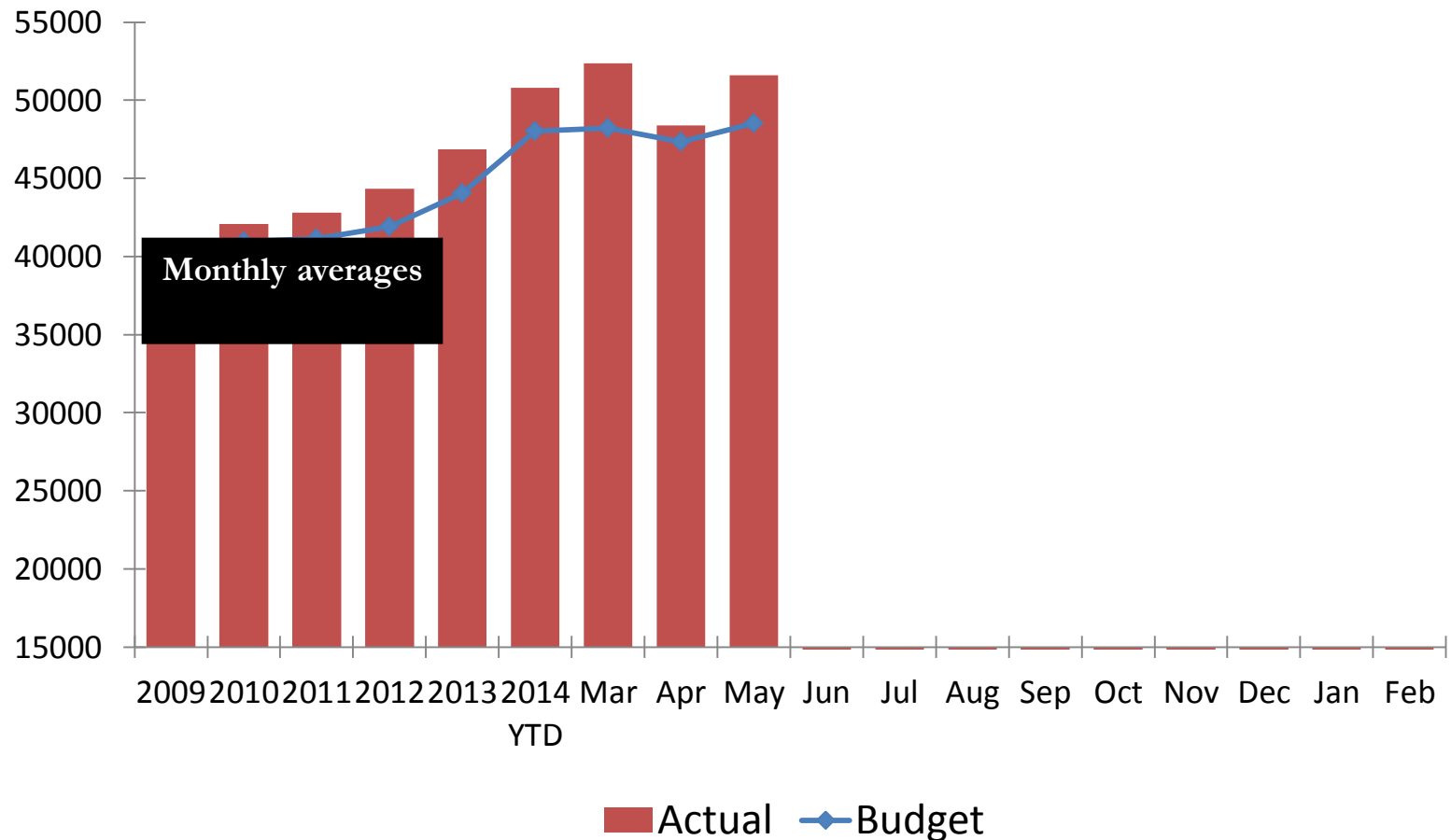
# Unrestricted Days Cash on Hand

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.



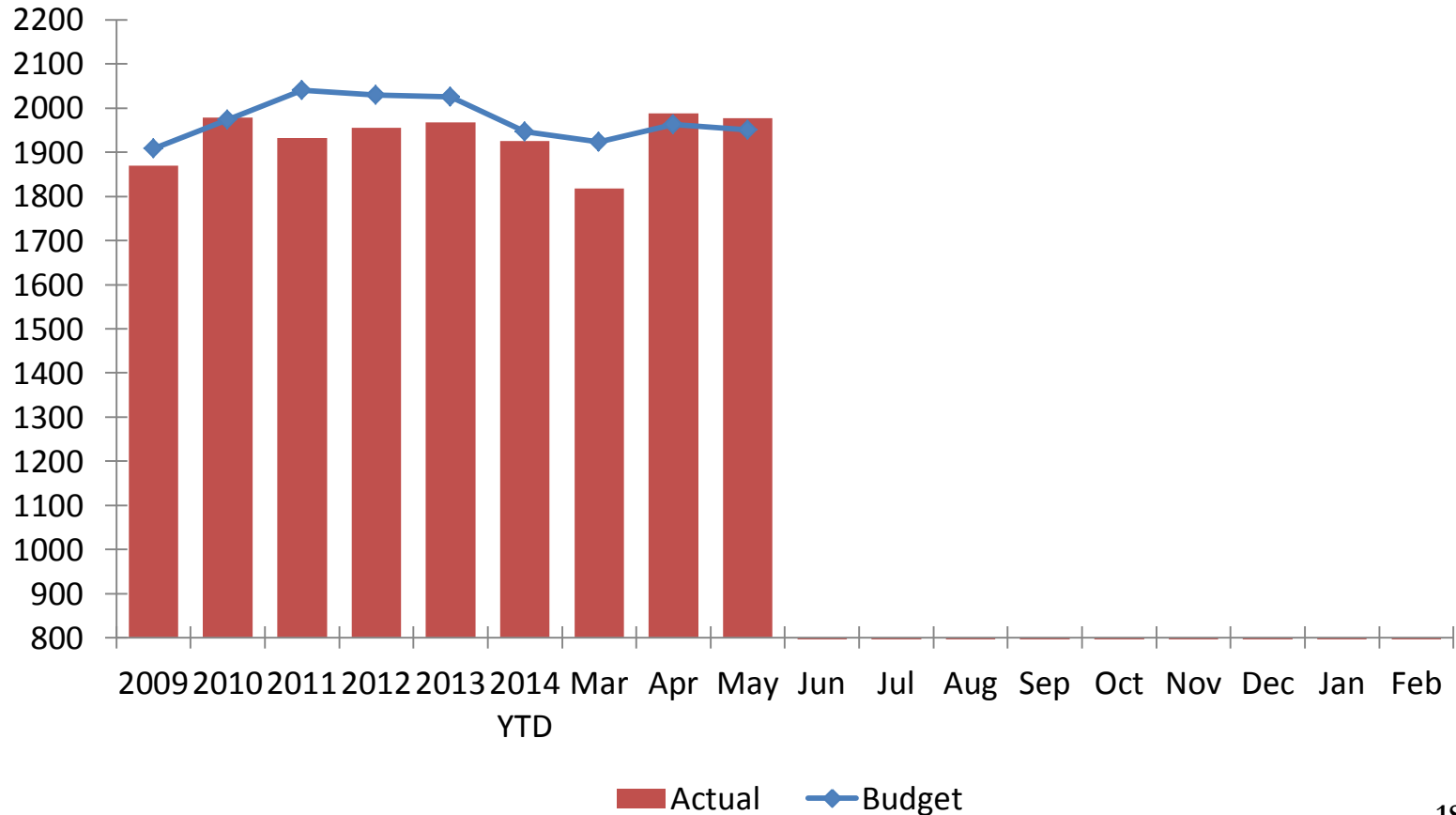
# Adjusted Patient Days

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



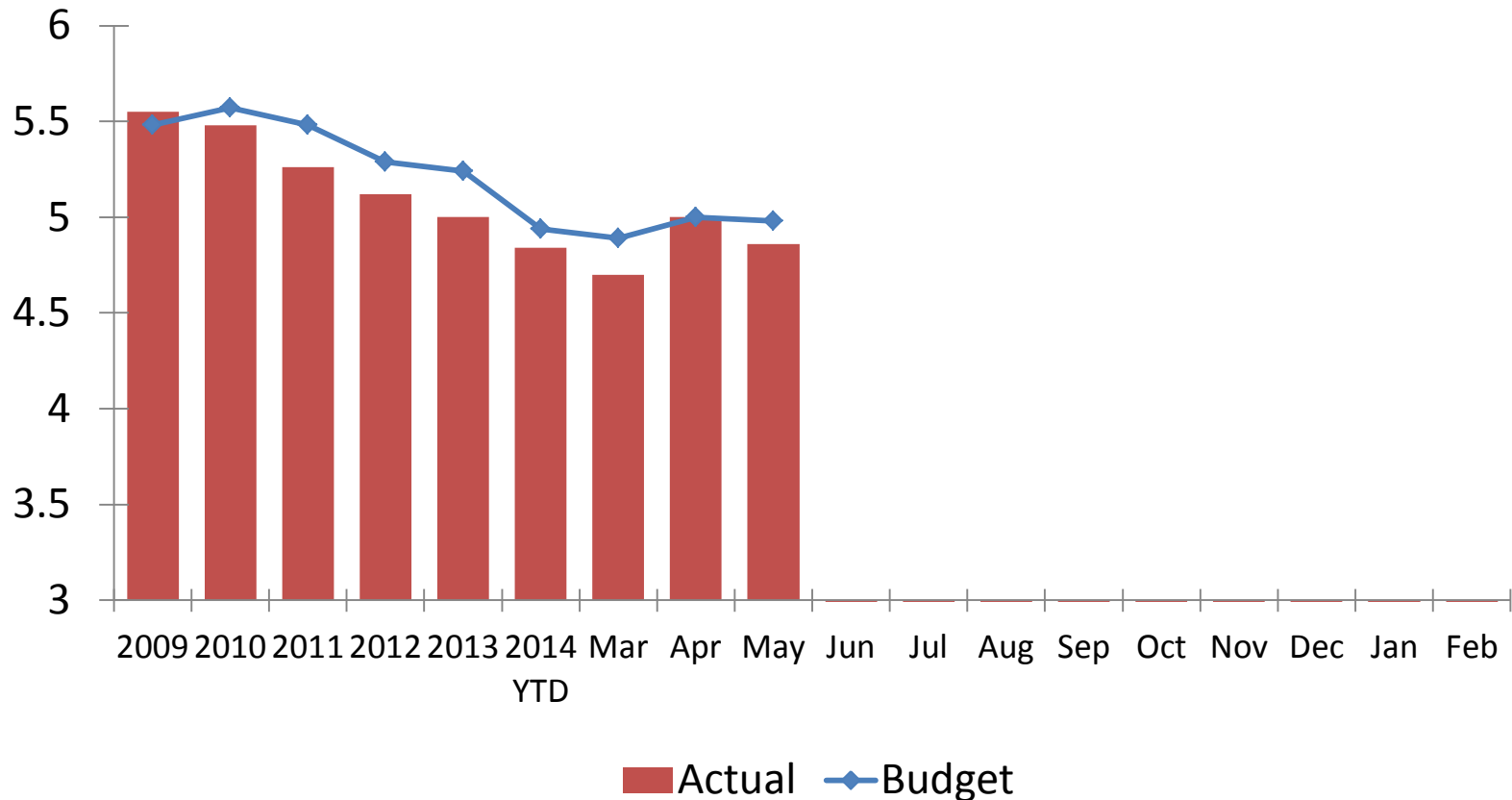
# Operating Cost Per Adj. Patient Day

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.

