

**FINANCIAL STATEMENTS**  
**As of April 30, 2014**

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**FINANCIAL STATEMENTS HIGHLIGHTS**

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# HARRISHEALTH SYSTEM

## April 2014 Financial Statement Highlights

Presented for your review, discussion and acceptance are the financial statements for the month ended April 30, 2014.

### Statistics

Adjusted patient days were 1.7% <sup>(Pg1:ln1)</sup> less than budget with approximately 68.0% of the volume representing outpatient care.

Clinic visits <sup>(Pg1:ln5)</sup> of 106,611 were 2.4% greater than the budget of 104,110. Primary care clinic visits <sup>(Pg1:ln3)</sup> were 2.6% greater than the month's budget and total specialty clinic visits were 1.9% greater than the April budget <sup>(Pg1:ln4)</sup>.

April Emergency Center visits <sup>(Pg1:ln10)</sup> are reported as 14,769 and were 0.3% greater than budget.

System wide, surgery cases were 11.6% less than budget expectations <sup>(Pg1:ln13)</sup>. The negative variance is partially attributed to a delay in the planned opening of additional operating room suites at the LBJ campus.

Deliveries of 474 were 12.1% greater than the budget of 423 <sup>(Pg1:ln21)</sup>.

60.8% of total cases occupying patient beds entered through the emergency room <sup>(Pg1:ln19)</sup>. Inpatient utilization System wide was 0.4% greater than budget <sup>(Pg2:ln3)</sup>. Inpatient length of stay <sup>(Pg2:ln8)</sup> was 4.0% less than budget and the inpatient case mix index <sup>(Pg2:ln9)</sup> was 2.0% greater than budget.

Charity and Self Pay payor mix of 64.2% was 0.8% less than the budget of 64.7% <sup>(Pg2:ln10)</sup>. Medicaid represented 20.3% of total patients, 6.0% less than the budget of 21.6%. Medicare represented 9.4% of all patients, 5.6% greater than the budget of 8.9%. Commercial Insurance and Other represented 6.1% of all patients and compared favorably to the budget of 4.8%.

The Unduplicated Patient count, calculated on a rolling twelve months basis, of 314,160 is 3.5% greater than the prior year count of 303,398 <sup>(Pg2:ln17)</sup>.

<sup>(Pg2:ln18)</sup> New Patients seen during the past twelve month period total 109,240 and are 4.3% greater than the prior year count of 104,774.

### **Revenue**

Total Net Revenue of \$110.2 million <sup>(Pg3:ln23)</sup> was \$4.0 million or 3.5% less than budget. Patient volumes, measured as adjusted patient days <sup>(Pg8:ln14)</sup>, were 1.7% less than budget. April's estimated reimbursement per adjusted patient day <sup>(Pg8:ln1)</sup> was 0.3% greater than budget. The resulting Net Patient Service Revenue for April of \$30.2 million <sup>(Pg3:ln10)</sup> was \$0.4 million or 1.3% less than budget. Estimated DSH/Uncompensated Care Program Revenues <sup>(Pg3:ln11)</sup> for the 2014 federal fiscal year are based on the most current data available. Other Operating Revenues <sup>(Pg3:ln12)</sup> were \$1.8 million less than budget due to budgeted trauma funds that have not been received. Ad valorem tax revenues, net of related expenses, have been reflected in accordance with budget.

### **Expenses**

Total expenses <sup>(Pg4:ln13)</sup> of \$108.3 million were \$1.7 million greater than the budget of \$106.6 million. Salaries and wages were \$1.4 million greater than the budget. Total FTE's <sup>(Pg8:ln17)</sup> were 3.5% greater than budget and when adjusted for volume were 4.3% greater than the budgeted staffing level. Employee benefit expenses were \$0.4 million less than budget for the month. Supplies expenses were \$0.9 million or 5.4% greater than budget and when adjusted for volume <sup>(Pg8:ln7)</sup> were 7.2% greater than the budget plan. Unfavorable expense variances were reported primarily in medical supplies. Total Services <sup>(Pg4:ln12)</sup> of \$30.7 million were \$0.1 million or 0.4% less than budget. Total expenses adjusted for volume <sup>(Pg8:ln12)</sup> were \$2,061 per day compared to the budget of \$1,996 per day, an unfavorable variance of \$65 per day or 3.3%.

## **Operating Income**

Operating Income <sup>(Pg4:ln14)</sup> for April is a gain of \$1.9 million compared to a budgeted gain of \$7.6 million, an unfavorable variance of \$5.7 million. Page 10 of the report analyzes operating performance and reflects an unfavorable operating run rate as compared to budget due to unfavorable variances in both revenues and expenses.

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

April cash receipts <sup>(Pg9:ln24)</sup> totaled \$47.0 million compared to a budget of \$49.5 million. Including board designated funds, the System has \$432.3 million in unrestricted cash, cash equivalents and investments <sup>(Pg6:ln1,7,9,10,16,18,24)</sup>, representing 125 days cash on hand compared to the prior year's cash of \$521.4 million and days cash on hand of 163. Harris Health System has <sup>(Pg6:ln2)</sup> \$83.8 million in net accounts receivable, representing 79 days of outstanding accounts receivable. At April 30, 2014 Harris Health System's balance sheet reflects estimated receivables of \$297.4 million under the Section 1115 Supplemental Medicaid Programs and a \$114.3 million liability related to the Harris regional collaborative program. The financial dashboard indicator report graphs related to these statistics are attached.

# Statistical Highlights As of April 2014



	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<b>HEALTH SYSTEM FACILITIES</b>								
1. Adjusted Patient Days	52,506	53,388	-1.7%	106,221	107,873	-1.5%	100,776	5.4%
2. Outpatient % of Adjusted Volume	68.0%	69.1%	-1.6%	67.9%	68.5%	-1.0%	66.5%	2.1%
3. Primary Care Clinic Visits	76,537	74,592	2.6%	145,390	143,501	1.3%	138,430	5.0%
4. Specialty Clinic Visits	30,074	29,518	1.9%	60,154	56,819	5.9%	55,746	7.9%
5. Total Clinic Visits	106,611	104,110	2.4%	205,544	200,320	2.6%	194,176	5.9%
6. % Primary Care Visits	71.8%	71.6%	0.2%	70.7%	71.6%	-1.3%	71.3%	-0.8%
7. Emergency Room Visits - Outpatient	11,983	12,112	-1.1%	24,330	24,429	-0.4%	24,037	1.2%
8. Emergency Room Visits - Observation	1,074	922	16.5%	2,091	1,855	12.7%	1,885	10.9%
9. Emergency Room Visits - Admitted	1,712	1,697	0.9%	3,502	3,357	4.3%	3,374	3.8%
10. Total Emergency Room Visits	14,769	14,731	0.3%	29,923	29,641	1.0%	29,296	2.1%
11. Surgery Cases - Outpatient	892	1,180	-24.4%	1,770	2,362	-25.1%	1,739	1.8%
12. Surgery Cases - Inpatient	952	907	5.0%	1,819	1,799	1.1%	1,835	-0.9%
13. Total Surgery Cases	1,844	2,087	-11.6%	3,589	4,161	-13.7%	3,574	0.4%
14. % Outpatient Cases	48.4%	56.5%	-14.4%	49.3%	56.8%	-13.1%	48.7%	1.4%
15. Total Outpatient Visits	167,495	163,101	2.7%	323,406	315,639	2.5%	304,351	6.3%
16. Inpatient Cases (Discharges)	3,095	2,918	6.1%	6,209	5,989	3.7%	5,761	7.8%
17. Outpatient Observation Cases	1,487	1,223	21.6%	2,928	2,461	19.0%	2,400	22.0%
18. Total Cases Occupying Patient Beds	4,582	4,141	10.6%	9,137	8,450	8.1%	8,161	12.0%
19. % of Total Cases from Emergency Room	60.8%	63.2%	-3.9%	61.2%	61.7%	-0.8%	64.4%	-5.0%
20. % of Outpatient Cases	32.5%	29.5%	9.9%	32.0%	29.1%	10.0%	29.4%	9.0%
21. Births	474	423	12.1%	1,001	908	10.2%	941	6.4%

# Statistical Highlights As of April 2014



	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 FACILITIES</u>								
1. Inpatient Days	16,790	16,492	1.8%	34,118	33,938	0.5%	33,801	0.9%
2. Outpatient Observation Days	2,659	2,883	-7.8%	5,550	6,053	-8.3%	5,685	-2.4%
3. Total Patient Days	19,449	19,375	0.4%	39,668	39,991	-0.8%	39,486	0.5%
4. % of Outpatient Days	13.7%	14.9%	-8.1%	14.0%	15.1%	-7.6%	14.4%	-2.8%
5. Average Daily Census	648.31	645.83	0.4%	650.29	655.59	-0.8%	647.31	0.5%
6. Average Operating Beds	790	792	-0.3%	781	792	-1.4%	800	-2.4%
7. Bed Occupancy %	82.1%	81.5%	0.6%	83.3%	82.8%	0.6%	80.9%	2.9%
8. Inpatient Average Length of Stay	5.42	5.65	-4.0%	5.49	5.67	-3.0%	5.87	-6.3%
9. Inpatient Case Mix Index (CMI)	1.494	1.465	2.0%	1.457	1.465	-0.5%	1.470	-0.9%
Payor Mix (% of Charges)								
10. Charity & Self Pay	64.2%	64.7%	-0.8%	64.7%	64.7%	0.0%	64.3%	0.6%
11. Medicaid & Medicaid Managed	20.3%	21.6%	-6.0%	20.6%	21.6%	-4.6%	21.5%	-4.2%
12. Medicare & Medicare Managed	9.4%	8.9%	5.6%	9.1%	8.9%	2.2%	8.8%	3.4%
13. Commercial & Other	6.1%	4.8%	27.1%	5.6%	4.8%	16.7%	5.4%	3.7%
<u>NETWORK REFERRAL SERVICES</u>								
14. Primary Care	960	1,552	-38.1%	1,912	3,033	-37.0%	0	0.0%
15. Specialty Care Visits	152	250	-39.2%	235	500	-53.0%	0	0.0%
16. Surgery Cases	150	61	145.9%	276	119	131.9%	108	155.6%
17. GI Procedures	121	56	116.1%	211	93	126.9%	138	52.9%
18. Hemodialysis Treatments	546	975	-44.0%	1,092	1,950	-44.0%	0	0.0%
<u>HEALTH SYSTEM TOTALS</u>								
19. Primary Care	77,497	76,144	1.8%	147,302	146,534	0.5%	138,430	6.4%
20. Specialty Care Visits	30,226	29,768	1.5%	60,389	57,319	5.4%	55,746	8.3%
21. Surgery Cases	1,994	2,148	-7.2%	3,865	4,280	-9.7%	3,682	5.0%
17. Total Unduplicated Patients - Rolling 12				314,160			303,398	3.5%
18. Total New Patient - Rolling 12				109,240			104,774	4.3%

**Operating Statement**  
**As of April 30, 2014**  
**(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	18,048	18,109	-0.3%	17,779	1.5%	36,913	37,324	-1.1%	37,129	-0.6%
2. Inpatient Ancillary	66,454	64,403	3.2%	64,898	2.4%	131,661	131,095	0.4%	128,865	2.2%
3. Outpatient Ancillary	177,456	180,894	-1.9%	162,347	9.3%	351,838	359,802	-2.2%	323,643	8.7%
4. Physician Services	2,295	3,705	-38.1%	2,745	-16.4%	4,456	7,182	-38.0%	5,366	-17.0%
<b>5. Gross Patient Charges</b>	<b>264,252</b>	<b>267,111</b>	<b>-1.1%</b>	<b>247,770</b>	<b>6.7%</b>	<b>524,868</b>	<b>535,402</b>	<b>-2.0%</b>	<b>495,003</b>	<b>6.0%</b>
<b>REVENUE DEDUCTIONS:</b>										
6. Charity Care	(136,294)	(141,756)	3.9%	(129,328)	-5.4%	(274,491)	(284,139)	3.4%	(247,851)	-10.7%
7. Contractual Allowance/Other Discounts	(88,803)	(84,812)	-4.7%	(80,760)	-10.0%	(174,647)	(169,999)	-2.7%	(170,273)	-2.6%
8. Provision for Bad Debt Expense	(8,957)	(9,944)	9.9%	(10,991)	18.5%	(15,765)	(19,932)	20.9%	(20,859)	24.4%
<b>9. Total Patient Revenue Deductions</b>	<b>(234,055)</b>	<b>(236,512)</b>	<b>1.0%</b>	<b>(221,078)</b>	<b>-5.9%</b>	<b>(464,903)</b>	<b>(474,070)</b>	<b>1.9%</b>	<b>(438,982)</b>	<b>-5.9%</b>
<b>10. Net Patient Service Revenue</b>	<b>30,198</b>	<b>30,598</b>	<b>-1.3%</b>	<b>26,692</b>	<b>13.1%</b>	<b>59,965</b>	<b>61,332</b>	<b>-2.2%</b>	<b>56,021</b>	<b>7.0%</b>
<b>OTHER OPERATING REVENUE:</b>										
11. DSH/UPL/1115 Waiver	21,704	23,210	-6.5%	24,908	-12.9%	43,407	46,421	-6.5%	49,816	-12.9%
12. Other Operating Revenue	1,620	3,427	-52.7%	3,374	-52.0%	3,075	5,354	-42.6%	4,976	-38.2%
<b>13. Total Other Operating Revenue</b>	<b>23,323</b>	<b>26,637</b>	<b>-12.4%</b>	<b>28,282</b>	<b>-17.5%</b>	<b>46,482</b>	<b>51,774</b>	<b>-10.2%</b>	<b>54,792</b>	<b>-15.2%</b>
<b>14. Total Operating Revenue</b>	<b>53,521</b>	<b>57,236</b>	<b>-6.5%</b>	<b>54,973</b>	<b>-2.6%</b>	<b>106,447</b>	<b>113,107</b>	<b>-5.9%</b>	<b>110,813</b>	<b>-3.9%</b>
<b>NONOPERATING REVENUE:</b>										
15. Net Ad Valorem Tax Revenue	46,906	47,005	-0.2%	42,935	9.2%	93,966	94,011	0.0%	85,845	9.5%
16. DSRIP	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
17. Net Tobacco Settlement Revenue	9,512	9,775	-2.7%	9,774	-2.7%	9,512	9,775	-2.7%	9,774	-2.7%
18. Interest Income	220	198	11.1%	245	-10.2%	414	395	4.7%	507	-18.4%
19. Other	17	0	0.0%	(9)	-297.2%	(7)	0	0.0%	2	457.8%
<b>20. Total Nonoperating Revenue</b>	<b>56,655</b>	<b>56,978</b>	<b>-0.6%</b>	<b>52,945</b>	<b>7.0%</b>	<b>103,885</b>	<b>104,181</b>	<b>-0.3%</b>	<b>96,129</b>	<b>8.1%</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 Net Revenue</b>	<b>110,176</b>	<b>114,214</b>	<b>-3.5%</b>	<b>107,919</b>	<b>2.1%</b>	<b>210,332</b>	<b>217,288</b>	<b>-3.2%</b>	<b>206,942</b>	<b>1.6%</b>

**Operating Statement**  
**As of April 30, 2014**  
**(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	36,797	35,656	-3.2%	34,851	-5.6%	73,548	72,696	-1.2%	70,090	-4.9%
2. PTO & Secondday Sick Leave	4,297	4,838	11.2%	3,981	-7.9%	9,623	9,832	2.1%	8,772	-9.7%
3. Contract Salaries	1,325	877	-51.0%	847	-56.4%	2,347	1,771	-32.5%	1,629	-44.1%
4. Registry Salaries	2,334	1,989	-17.3%	2,235	-4.4%	4,957	4,042	-22.7%	4,517	-9.7%
5. FICA and Benefits	15,653	16,098	2.8%	15,425	-1.5%	31,696	32,677	3.0%	31,123	-1.8%
<b>6. Total Salaries, Wages, and Benefits</b>	<b>60,405</b>	<b>59,459</b>	<b>-1.6%</b>	<b>57,339</b>	<b>-5.3%</b>	<b>122,171</b>	<b>121,017</b>	<b>-1.0%</b>	<b>116,131</b>	<b>-5.2%</b>
<b>7. Supplies</b>	<b>17,247</b>	<b>16,359</b>	<b>-5.4%</b>	<b>17,016</b>	<b>-1.4%</b>	<b>34,114</b>	<b>32,935</b>	<b>-3.6%</b>	<b>32,390</b>	<b>-5.3%</b>
<b>SERVICES:</b>										
8. Physician Services	15,089	15,555	3.0%	13,146	-14.8%	31,235	31,066	-0.5%	26,292	-18.8%
9. Other Purchased Services	9,505	9,276	-2.5%	8,239	-15.4%	18,536	17,847	-3.9%	15,664	-18.3%
10. Depreciation and Amortization	4,834	4,718	-2.5%	4,589	-5.3%	9,533	9,593	0.6%	9,212	-3.5%
11. Interest	1,223	1,218	-0.4%	488	-150.8%	2,443	2,477	1.4%	965	-153.2%
<b>12. Total Services</b>	<b>30,652</b>	<b>30,766</b>	<b>0.4%</b>	<b>26,462</b>	<b>-15.8%</b>	<b>61,747</b>	<b>60,983</b>	<b>-1.3%</b>	<b>52,133</b>	<b>-18.4%</b>
<b>13. Total Operating Expenses</b>	<b>108,303</b>	<b>106,584</b>	<b>-1.6%</b>	<b>100,817</b>	<b>-7.4%</b>	<b>218,032</b>	<b>214,934</b>	<b>-1.4%</b>	<b>200,654</b>	<b>-8.7%</b>
<b>14. Operating Income (Loss)</b>	<b>1,873</b>	<b>7,630</b>	<b>-75.5%</b>	<b>7,102</b>	<b>-73.6%</b>	<b>(7,700)</b>	<b>2,353</b>	<b>-427.2%</b>	<b>6,288</b>	<b>-222.5%</b>



**Cash Flow Summary**  
**As of April 30, 2014**  
**(In Thousands)**

	<b>CURRENT MONTH</b>	<b>PRIOR YEAR MONTH</b>	<b>FISCAL YTD</b>	<b>PRIOR FISCAL YTD</b>
<b><u>CASH RECEIPTS:</u></b>				
1. Ad Valorem Taxes	\$ 6,881	5,615	\$ 17,906	\$ 13,965
2. Collections on Patient Accounts	27,237	25,331	55,942	52,001
3. Disproportionate Share III/1115 Waiver UC & DSRIP	0	0	-	0
4. Tobacco Settlement	10,984	9,774	10,984	9,774
5. Trauma Fund	0	1,665	-	1,665
6. Other Sources (Includes Cost Reimbursement)	1,798	1,666	4,195	4,702
7. <b>Total Cash Receipts</b>	<b>\$ 46,900</b>	<b>\$ 44,051</b>	<b>\$ 89,027</b>	<b>\$ 82,107</b>
<b><u>CASH DISBURSEMENTS:</u></b>				
8. Salaries and Wages	\$ 28,683	\$ 26,742	\$ 57,556	\$ 66,925
9. Benefits and Employee Deductions	26,275	26,359	70,032	67,489
10. Drugs and Supplies	16,457	14,942	34,088	34,061
11. Physician Services	551	125	1,805	244
12. Purchased Services	9,199	8,487	18,821	19,692
13. Capital Expenditures	9,319	4,841	15,371	13,476
14. Debt and Interest Payments	443	89	889	570
15. Other Uses	(5,080)	(2,713)	(8,789)	(6,005)
16. <b>Total Cash Disbursements</b>	<b>\$ 85,847</b>	<b>\$ 78,872</b>	<b>\$ 189,773</b>	<b>\$ 196,452</b>
17. <b>Net Change</b>	<b>\$ (38,947)</b>	<b>\$ (34,821)</b>	<b>\$ (100,746)</b>	<b>\$ (114,345)</b>
Unrestricted Cash, Cash Equivalents and Investments - February 28, 2014		\$ 533,090		
Net Change		(100,746)		
Unrestricted Cash, Cash Equivalents and Investments - April 30, 2014		<b>\$ 432,344</b>		

**Balance Sheet**  
**As of April 30, 2014**  
**(In Thousands)**

**HARRISHEALTH**  
**SYSTEM**

	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
<b>CURRENT ASSETS:</b>		
1. Cash, Cash Equivalents and Short Term Investments	119,394	194,977
2. Net Patient Accounts Receivable	83,751	63,194
3. Net Ad Valorem Taxes, Current Portion	101,967	95,703
4. Prepaid Expenses, Inventories, and Other Current Assets	319,227	264,454
5. <b>Total Current Assets</b>	<b>624,339</b>	<b>618,328</b>
<b>ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION:</b>		
6. Debt Service and Bond Covenants - Restricted	7,436	7,256
7. Board Designated for Future Expansion	5,393	243
8. Phase 1 Project Fund	0	0
9. Board Designated for Legal Reserves	4,031	2,324
10. Board Designated for Self-Insured Programs	23,105	23,021
11. <b>Total Assets Limited as to Use or Restricted, Current Portion</b>	<b>39,966</b>	<b>32,844</b>
<b>PLANT, PROPERTY AND EQUIPMENT:</b>		
12. Plant, Property, & Equipment, Net of Accumulated Depreciation	433,811	357,423
13. Construction in Progress	31,718	65,310
14. <b>Total Plant, Property and Equipment</b>	<b>465,529</b>	<b>422,732</b>
<b>ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION:</b>		
15. Debt Service and Bond Covenants - Restricted	23,036	23,632
16. Board Designated for Future Expansion	99,124	140,753
17. Phase 1 Project Fund	0	0
18. Board Designated for Self-Insured Programs	181,297	160,106
19. Other - Restricted	869	878
20. <b>Total Assets Limited as to Use or Restricted, Net of Current Portion</b>	<b>304,326</b>	<b>325,369</b>
<b>OTHER ASSETS:</b>		
21. Net Ad Valorem Taxes, Delinquent	0	0
22. Net Deferred Bond Issue Costs	1,536	3,777
23. Net Pension Asset	8,007	6,615
24. Long-Term Investments	0	0
25. Security Deposit	70	24
26. Derivative Asset	0	0
27. Deferred Outflow - Derivative Financial Instrument	271	10,057
28. <b>Total Other Assets</b>	<b>9,884</b>	<b>20,474</b>
29. Due to/from CHCI	6,019	4,009
30. <b>TOTAL ASSETS</b>	<b>1,450,063</b>	<b>1,423,757</b>

**Balance Sheet**  
**As of April 30, 2014**  
**(In Thousands)**

**HARRISHEALTH**  
**SYSTEM**

	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
1. Accounts Payable and Accrued Liabilities	169,945	129,958
2. Interest Payable	2,242	2,279
3. Employee Compensation & Related Benefit Liabilities	41,114	41,580
4. Compensated Absences	42,390	42,245
5. Estimated Third-Party Payor Settlements	3,683	(3,785)
6. Current Portion Long-Term Debt and Capital Leases	5,614	5,963
<b>7. Total Current Liabilities</b>	<b>264,989</b>	<b>218,241</b>
<b>OTHER LONG-TERM LIABILITIES:</b>		
8. Pension Payable	0	0
9. Post Employment Health Benefit Liability	181,297	160,106
10. Borrowing Payable	14,276	15,136
11. Derivative Liability	271	10,057
12. Arbitrage Rebate Liability	151	141
<b>13. Total Other Long-Term Liabilities</b>	<b>195,994</b>	<b>185,440</b>
<b>LONG-TERM DEBT:</b>		
14. Series 2007 Revenue Bonds, Including Premium & Deferred Loss	184,655	187,830
15. Series 2010 Revenue Bonds, Including Deferred Loss	81,073	81,288
16. Other Long-Term Obligation	418	126
<b>17. Total Long-Term Debt</b>	<b>266,146</b>	<b>269,244</b>
<b>TOTAL LIABILITIES</b>	<b>727,129</b>	<b>672,924</b>
<b>NET ASSETS:</b>		
18. Invested in Capital Assets, Net of Related Debt	179,493	132,389
19. Restricted Net Assets	31,341	32,644
20. Unrestricted Net Assets	512,100	585,800
<b>21. Total Net Assets</b>	<b>722,934</b>	<b>750,833</b>
<b>22. TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,450,063</b>	<b>1,423,757</b>

**Operating Performance Per Adjusted Patient Days  
As of April 30, 2014**



	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	\$ 575	\$ 573	0.3%	\$ 552	4.2%	\$ 565	\$ 569	-0.7%	\$ 556	1.6%
2. Other Operating Revenue	444	499	-11.0%	584	-24.0%	438	480	-8.8%	544	-19.5%
3. Nonoperating Revenue	1,079	1,067	1.1%	1,094	-1.4%	978	966	1.2%	954	2.5%
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>2,098</b>	<b>2,139</b>	<b>-1.9%</b>	<b>2,230</b>	<b>-5.9%</b>	<b>1,981</b>	<b>2,015</b>	<b>-1.7%</b>	<b>2,054</b>	<b>-3.6%</b>
6. Salaries, Wages, and Benefits	1,150	1,114	-3.2%	1,185	3.0%	1,150	1,122	-2.5%	1,152	0.2%
7. Supplies	328	306	-7.2%	352	6.8%	321	305	-5.2%	321	0.0%
8. Physician Services	287	291	1.4%	272	-5.5%	294	288	-2.1%	261	-12.6%
9. Other Purchased Services	181	174	-4.0%	170	-6.5%	175	165	-6.1%	155	-12.9%
10. Depreciation and Amortization	92	88	-4.5%	95	3.2%	90	89	-1.1%	91	1.1%
11. Interest	23	23	0.0%	10	-130.0%	23	23	0.0%	10	-130.0%
<b>12. Total Operating Expenses</b>	<b>2,061</b>	<b>1,996</b>	<b>-3.3%</b>	<b>2,084</b>	<b>1.1%</b>	<b>2,053</b>	<b>1,992</b>	<b>-3.1%</b>	<b>1,990</b>	<b>-3.2%</b>
<b>13. Operating Income(Loss)</b>	<b>\$ 37</b>	<b>\$ 143</b>	<b>-74.1%</b>	<b>\$ 146</b>	<b>-74.7%</b>	<b>\$ (72)</b>	<b>\$ 23</b>	<b>-413.0%</b>	<b>\$ 64</b>	<b>-212.5%</b>
14. Adjusted Patient Days	52,506	53,388	-1.7%	48,396	8.5%	106,221	107,873	-1.5%	100,776	5.4%
15. Average Daily Census	559.7	549.7	1.8%	538.3	4.0%	559.3	556.4	0.5%	554.1	0.9%
16. FTE's(Employee/Contract) per AOB	4.9	4.7	-4.3%	5.0	2.0%	4.9	4.7	-4.3%	4.8	-2.1%
17. FTE's(Employee/Contract) - Total	8,573	8,283	-3.5%	7,993	-7.2%	8,510	8,285	-2.7%	7,968	-6.8%
18. FTE's(Employee/Contract) - Productive	7,703	7,347	-4.8%	7,190	-7.1%	7,568	7,351	-3.0%	7,100	-6.6%

Analysis of Cash Receipts  
As of April 30, 2014



	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	\$5,507	\$4,502	\$5,770	\$11,880	\$8,861	\$3,019	34.1	\$11,567	\$314	2.7
2. Medicaid	7,680	8,032	8,785	14,910	16,578	(1,668)	(10.1)	17,570	(2,660)	(15.1)
3. Texas vendor drug/Medicare Part D	3,158	2,418	2,964	5,651	4,975	676	13.6	5,942	(291)	(4.9)
4. Managed Care - Medicaid	5,888	5,607	6,076	12,131	11,688	443	3.8	12,179	(48)	(0.4)
5. Commercial insurance	1,704	1,378	1,463	3,976	2,538	1,438	56.7	2,933	1,043	35.5
6. Liens	225	33	292	609	534	75	14.0	586	23	3.9
7. Patient pay	2,063	2,234	2,287	4,226	4,488	(262)	(5.8)	4,584	(358)	(7.8)
8. Business office	324	445	363	657	814	(157)	(19.3)	727	(70)	(9.6)
9. Other governmental projects/grants	688	682	1,315	1,902	1,525	377	24.7	2,635	(733)	(27.8)
10. SUBTOTAL	27,237	25,331	29,316	55,942	52,001	3,941	7.6	58,723	(2,781)	(4.7)
11a. Cost Reimbursements	516	603	667	1,032	2,170	(1,138)	(52.4)	1,333	(301)	(22.6)
11b. Recoupments	0	0	0	0	0	0	0.0	0	0	0.0
12. <b>Net Patient Revenue Receipts</b>	27,753	25,934	29,983	56,974	54,171	2,803	5.2	60,057	(3,083)	(5.1)
13. DSH/UPL/1115 Waiver	0	0	0	0	0	0	0.0	0	0	0.0
14. Tobacco Settlement	10,984	9,774	9,775	10,984	9,774	1,210	12.4	9,775	1,209	12.4
14a Trauma Fund	0	1,665	1,500	0	1,665	(1,665)	(100.0)	1,500	(1,500)	(100.0)
15. <b>Total Patient Revenue Receipts</b>	38,737	37,373	41,258	67,958	65,610	2,348	3.6	71,332	(3,374)	(4.7)
<b>NON-PATIENT OPERATING REVENUE:</b>										
16. Parking	262	239	345	454	486	(32)	(6.6)	690	(236)	(34.2)
17. Grants	190	164	681	1,094	427	667	156.2	1,362	(268)	(19.7)
18. Miscellaneous	915	631	901	1,644	1,093	551	50.4	1,803	(159)	(8.8)
19. <b>Total Non-Patient Operating</b>	1,367	1,034	1,927	3,192	2,006	1,186	59.1	3,854	(662)	(17.2)
20. Interest income	5	29	198	61	526	(465)	(88.4)	395	(334)	(84.6)
21. <b>Total Non-Tax Receipts</b>	40,109	38,436	43,383	71,211	68,142	3,069	4.5	75,581	(4,370)	(5.8)
22. Ad valorem tax receipts/note	6,881	5,615	6,114	17,906	13,965	3,941	28.2	15,207	2,699	17.8
23. Commercial Paper Proceeds	0	0	0	0	0	0	0.0	0	0	0.0
24. <b>Total Receipts</b>	\$46,990	\$44,051	\$49,497	\$89,117	\$82,107	\$7,010	8.5	\$90,788	(\$1,671)	(1.8)

**Operating Performance**  
**As of April 30, 2014**  
**(In Millions)**



	<u>MONTH</u>	<u>YTD</u>
Total Operating Income (Loss) as Reported	\$ 1.9	\$ (7.7)
Favorable Adjustments:		
Subtotal of Favorable Adjustments	\$ -	\$ -
Unfavorable Adjustments:		
Trauma Funds	\$ (1.5)	\$ (1.5)
Tobacco Revenue	\$ (0.2)	\$ (0.2)
Medicare Cost Report Settlement	\$ (0.3)	\$ (0.3)
Subtotal of Unfavorable Adjustments	\$ (2.0)	\$ (2.0)
Harris Health System Operating Run Rate as of April	\$ 3.9	\$ (5.7)
Harris Health System 2015 Budget	\$ 7.6	\$ 2.3
Favorable (Unfavorable) Run Rate	\$ (3.7)	\$ (8.0)
Attributable Factors:		
Favorable (Unfavorable) Revenue Variance	\$ (2.0)	\$ (4.9)
Favorable (Unfavorable) Expense Variance	\$ (1.7)	\$ (3.1)
Net of Attributable Factors	\$ (3.7)	\$ (8.0)

Supplemental Information - Statistical Highlights - Monthly Trend  
As of April 30, 2014



							MONTHLY AVERAGE			
	November	December	January	February	March	April	FY 2013 YTD April	FY 2014 YTD April	FY 2015 YTD April	% Change 15 vs 14
1. ADMISSIONS(A&P)	2,897	3,196	3,120	2,866	3,114	3,095	2,873	2,881	3,105	7.8%
2. PATIENT DAYS(A&P)	17,007	18,101	18,175	16,369	17,328	16,790	16,335	16,901	17,059	0.9%
3. AVERAGE LOS	5.87	5.66	5.83	5.71	5.56	5.42	5.69	5.87	5.49	-6.3%
4. AVERAGE LOS, Overall CMI Adjusted	3.97	3.88	4.01	3.91	3.92	3.63	3.95	3.99	3.77	-5.5%
5. PERCENT OCCUPANCY	73.2%	76.1%	76.4%	76.2%	72.3%	70.8%	65.8%	69.3%	71.6%	3.3%
CASE MIX INDEX (CMI)										
6. CMI - Excluding Obstetrics Cases	1.647	1.609	1.637	1.596	1.563	1.630	1.588	1.608	1.597	-0.7%
7. CMI - Overall	1.480	1.461	1.451	1.459	1.421	1.494	1.440	1.470	1.457	-0.9%
8. BIRTHS	557	529	583	482	527	474	503	471	501	6.4%
9. OPERATING ROOM CASES	1,575	1,779	1,656	1,640	1,745	1,844	1,811	1,787	1,795	0.4%
10. Inpatient	840	979	904	852	867	952	906	918	910	-0.9%
11. Outpatient	735	800	752	788	878	892	905	870	885	1.8%
12. EMERGENCY VISITS	14,056	14,987	14,574	13,353	15,154	14,769	14,719	14,648	14,962	2.1%
13. Emergency Room Visits-Admitted	1,612	1,863	1,698	1,728	1,790	1,712	1,618	1,687	1,751	3.8%
14. Emergency Room Visits-Outpatient	11,561	12,203	11,895	10,690	12,347	11,983	12,227	12,019	12,165	1.2%
15. Emergency Room Visits-Observation	883	921	981	935	1,017	1,074	874	943	1,046	10.9%
16. CLINIC VISITS	89,471	90,201	91,433	96,789	98,933	106,611	90,192	97,088	102,772	5.9%
17. Primary Care Clinic Visits	63,454	63,864	64,166	68,264	68,853	76,537	64,804	69,215	72,695	5.0%
18. Specialty Clinic Visits	26,017	26,337	27,267	28,525	30,080	30,074	25,389	27,873	30,077	7.9%
PAYOR MIX										
19. Charity & Self Pay	64.6%	64.4%	62.2%	63.4%	65.2%	64.2%	63.5%	64.3%	64.7%	0.6%
19. Medicaid & Medicaid Managed	21.2%	21.7%	21.9%	21.9%	20.8%	20.3%	23.6%	21.5%	20.6%	-4.2%
20. Medicare & Medicare Managed	9.2%	9.0%	9.5%	9.5%	8.9%	9.4%	8.2%	8.8%	9.1%	3.4%
21. Commercial & Other	5.0%	4.9%	6.4%	5.2%	5.1%	6.1%	4.7%	5.4%	5.6%	3.7%

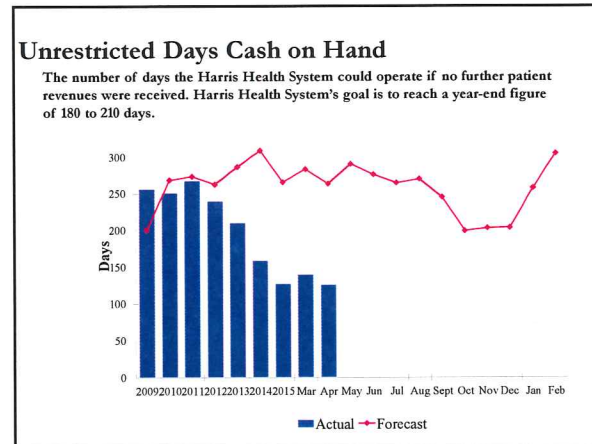
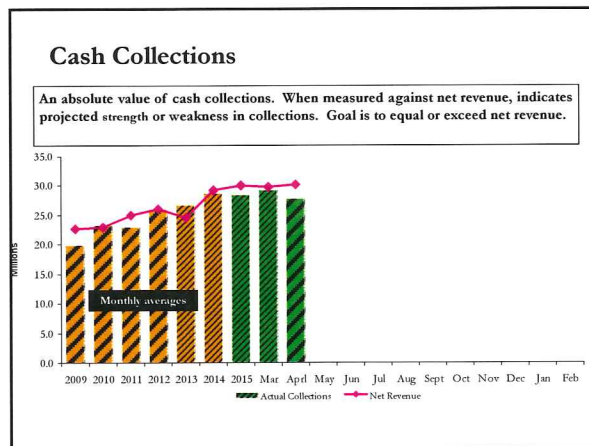
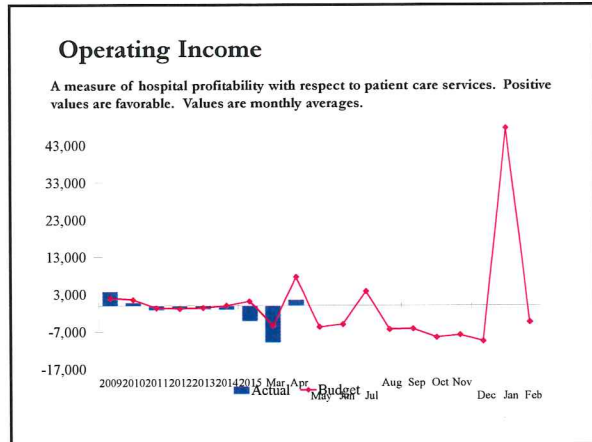
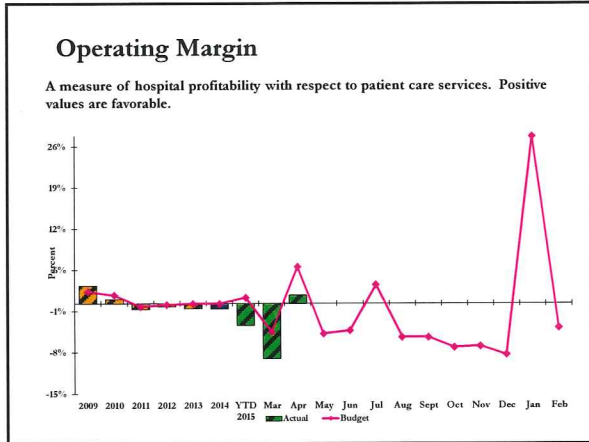
Supplemental Information - Statistical Highlights - Monthly Trend  
As of April 30, 2014



	MONTHLY AVERAGE						% Change 15 vs 14			
	FY 2013 YTD April	FY 2014 YTD April	FY 2015 YTD April							
	November	December	January	February	March	April				
1. Gross Patient Charges	\$ 238,472	\$ 253,608	\$ 248,930	\$ 245,775	\$ 260,616	\$ 264,252	229,145	247,502	262,434	6.0%
2. Total Patient Revenue Deductions	(209,176)	(223,326)	(215,989)	(212,390)	(230,849)	(234,055)	(203,553)	(219,491)	(232,452)	5.9%
3. Net Patient Service Revenue	29,296	30,283	32,941	33,385	29,767	30,198	25,592	28,011	29,982	7.0%
4. Net Revenue % of Gross Charges	12.3%	11.9%	13.2%	13.6%	11.4%	11.4%	11.2%	11.3%	11.4%	0.9%
5. DSH/UPL Program Revenue	19,415	19,415	19,415	19,415	21,704	21,704	21,241	24,908	21,704	-12.9%
6. Other Operating Revenue	1,668	1,625	1,936	1,311	1,455	1,620	4,306	2,488	1,537	-38.2%
7. Total Other Operating Revenue	21,083	21,040	21,351	20,726	23,158	23,323	25,547	27,396	23,241	-15.2%
8. Net Ad Valorem Tax Revenue	42,563	43,066	42,648	45,149	47,061	46,906	42,098	42,923	46,983	9.5%
9. DSRIP	0	57,538	0	(0)	0	0	0	0	0	0.0%
10. Net Tobacco Settlement Revenue	0	0	0	0	0	9,512	5,063	4,887	4,756	-2.7%
11. Interest Income and Other	(231)	117	(24)	906	170	237	463	255	203	-20.2%
12. Total Nonoperating Revenue	42,332	100,722	42,624	46,055	47,231	56,655	47,624	48,064	51,943	8.1%
13. Capital Contributions	0	0	0	0	0	0	0	0	0	0.0%
14. Total Net Revenue	92,710	152,044	96,917	100,166	100,156	110,176	98,763	103,471	105,166	1.6%
15. Salaries and Wages	43,402	43,936	43,719	42,156	45,723	44,752	40,110	42,504	45,238	6.4%
16. FICA and Benefits	13,630	15,621	16,002	12,796	16,043	15,653	15,076	15,561	15,848	1.8%
17. Total Salaries, Wages, and Benefits	57,032	59,557	59,720	54,952	61,767	60,405	55,186	58,065	61,086	5.2%
18. Supplies	13,669	17,686	18,003	15,796	16,868	17,247	14,209	16,195	17,057	5.3%
19. Physician Services	15,139	16,336	15,492	16,362	16,145	15,089	11,974	13,146	15,617	18.8%
20. Other Purchased Services	9,881	9,535	10,582	15,102	9,031	9,505	8,111	7,832	9,268	18.3%
21. Depreciation and Amortization	4,442	4,251	4,386	4,507	4,700	4,834	3,967	4,606	4,767	3.5%
22. Interest	1,542	1,757	1,757	2,094	1,220	1,223	499	482	1,222	153.2%
23. Total Expenses	101,704	109,122	109,939	108,813	109,730	108,303	93,946	100,327	109,016	8.7%
24. Total Income (Loss)	\$ (8,994)	\$ 42,922	\$ (13,023)	\$ (8,646)	\$ (9,574)	\$ 1,873	\$ 4,817	\$ 3,144	\$ (3,850)	-222.5%
25. Total Margin	-9.7%	28.2%	-13.4%	-8.6%	-9.6%	1.7%	4.9%	3.0%	-3.7%	-220.5%
26. Full-Time Equivalent Employees	8,203	8,084	8,021	8,462	8,448	8,573	7,667	7,968	8,510	6.8%
27. Average Salary per FTE	\$64,372	\$63,993	\$64,174	\$64,943	\$63,723	\$63,513	\$62,603	\$63,834	\$63,619	-0.3%
28. Adjusted Patient Days	51,467	50,228	52,609	49,814	53,715	52,506	46,890	50,388	53,111	5.4%



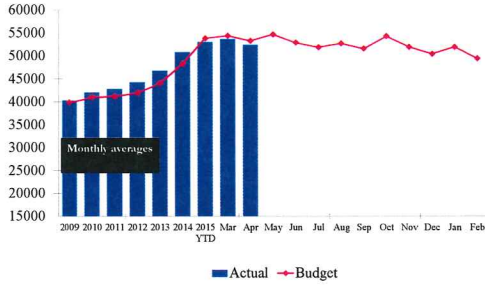
# HARRIS HEALTH SYSTEM FINANCIAL DASHBOARD INDICATORS



# HARRIS HEALTH SYSTEM FINANCIAL DASHBOARD INDICATORS

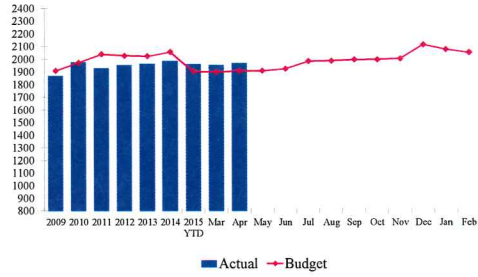
## Adjusted Patient Days

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



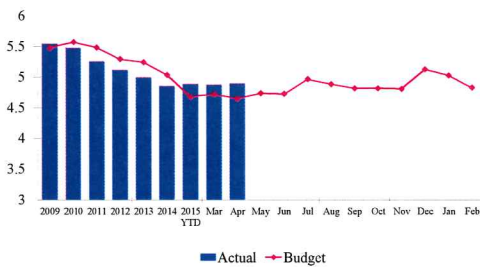
## Operating Cost Per Adj. Patient Day

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 4.8.



## Days in Accounts Receivable

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

