

FINANCIAL STATEMENTS
As of March 31, 2014

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FINANCIAL STATEMENTS HIGHLIGHTS

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HARRISHEALTH SYSTEM

March 2014 Financial Statement Highlights

Presented for your review, discussion and acceptance are the financial statements for the month ended March 31, 2014.

Statistics

Adjusted patient days were 1.4% ^(Pg1:ln1) less than budget with approximately 67.7% of the volume representing outpatient care.

Clinic visits ^(Pg1:ln5) of 98,933 were 2.8% greater than the budget of 96,210. Primary care clinic visits ^(Pg1:ln3) were 0.1% less than the month's budget and total specialty clinic visits were 10.2% greater than the March budget ^(Pg1:ln4).

March Emergency Center visits ^(Pg1:ln10) are reported at 15,154 and were 1.6% greater than budget.

System wide, surgery cases were 15.9% less than budget expectations ^(Pg1:ln13). The negative variance is partially attributed to a delay in the planned opening of additional operating room suites at the LBJ campus.

Deliveries of 527 were 8.7% greater than the budget of 485 ^(Pg1:ln21).

61.6% of total cases occupying patient beds entered through the emergency room ^(Pg1:ln19). Inpatient utilization System wide was 1.9% less than budget ^(Pg2:ln3). Inpatient length of stay ^(Pg2:ln8) was 2.0% less than budget and the inpatient case mix index ^(Pg2:ln9) was 3.0% less than budget.

Charity and Self Pay payor mix of 65.2% was 0.8% greater than the budget of 64.7% ^(Pg2:ln10). Medicaid represented 20.8% of total patients, 3.7% less than the budget of 21.6%. Medicare represented 8.9% of all patients and agreed with the budget of 8.9%. Commercial Insurance and Other represented 5.1% of all patients and compared favorably to the budget of 4.8%.

The Unduplicated Patient count, calculated on a rolling twelve months basis, of 313,461, is 3.7% greater than the prior year count of 302,188 ^(Pg2:ln17).

New Patients seen during the past twelve month period total 108,778 ^(Pg2:ln18) and are 4.3% greater than the prior year count of 104,301.

Revenue

Total Net Revenue of \$100.2 million ^(Pg3:ln23) was \$2.9 million or 2.8% less than budget. Patient volumes, measured as adjusted patient days ^(Pg8:ln14), were 1.4% less than budget. March's estimated reimbursement per adjusted patient day ^(Pg8:ln1) was 1.8% less than budget. The resulting Net Patient Service Revenue for March of \$29.8 million ^(Pg3:ln10) was \$1.0 million or 3.2% less than budget. Estimated DSH/Uncompensated Care Program Revenues ^(Pg3:ln11) for the 2014 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 \$109.7 million were \$1.4 million greater than the budget of \$108.4 million. Salaries and wages were \$0.7 million greater than the budget. Total FTE's ^(Pg8:ln17) were 1.9% greater than budget and when adjusted for volume were 4.3% greater than the budgeted staffing level. Employee benefit expenses were \$0.5 million less than budget for the month. Supplies expenses were 1.8% greater than budget and when adjusted for volume ^(Pg8:ln7) were 3.3% greater than the budget plan. Unfavorable expense variances were reported primarily in medical supplies. Total Services ^(Pg4:ln12) of \$31.1 million were \$0.9 million or 2.9% greater than budget, mostly in non-clinical services. Total expenses adjusted for volume ^(Pg8:ln12) were \$2,043 per day compared to the budget of \$1,988 per day, an unfavorable variance of \$55 per day or 2.8%.

Operating Income

Operating Income ^(Pg4:ln14) for March is a loss of \$9.6 million compared to a budgeted loss of \$5.3 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

March cash receipts ^(Pg9:ln24) totaled \$42.1 million compared to a budget of \$41.3 million. Including board designated funds, the System has \$471.3 million in unrestricted cash, cash equivalents and investments ^(Pg6:ln1,7,9,10,16,18,24), representing 139 days cash on hand compared to the prior year's cash of \$556.2 million and days cash on hand of 181. Harris Health System has ^(Pg6:ln2) \$80.6 million in net accounts receivable, representing 75 days of outstanding accounts receivable. At March 31, 2014 Harris Health System's balance sheet reflects estimated receivables of \$275.7 million under the Section 1115 Supplemental Medicaid Programs and a \$99.2 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 March 31, 2014



	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
HEALTH SYSTEM FACILITIES								
1. Adjusted Patient Days	53,715	54,485	-1.4%	53,715	54,485	-1.4%	52,380	2.5%
2. Outpatient % of Adjusted Volume	67.7%	68.0%	-0.4%	67.7%	68.0%	-0.4%	66.3%	2.2%
3. Primary Care Clinic Visits	68,853	68,909	-0.1%	68,853	68,909	-0.1%	65,705	4.8%
4. Specialty Clinic Visits	30,080	27,301	10.2%	30,080	27,301	10.2%	26,603	13.1%
5. Total Clinic Visits	98,933	96,210	2.8%	98,933	96,210	2.8%	92,308	7.2%
6. % Primary Care Visits	69.6%	71.6%	-2.8%	69.6%	71.6%	-2.8%	71.2%	-2.2%
7. Emergency Room Visits - Outpatient	12,347	12,317	0.2%	12,347	12,317	0.2%	11,829	4.4%
8. Emergency Room Visits - Observation	1,017	933	9.0%	1,017	933	9.0%	1,040	-2.2%
9. Emergency Room Visits - Admitted	1,790	1,660	7.8%	1,790	1,660	7.8%	1,661	7.8%
10. Total Emergency Room Visits	15,154	14,910	1.6%	15,154	14,910	1.6%	14,530	4.3%
11. Surgery Cases - Outpatient	878	1,182	-25.7%	878	1,182	-25.7%	862	1.9%
12. Surgery Cases - Inpatient	867	892	-2.8%	867	892	-2.8%	877	-1.1%
13. Total Surgery Cases	1,745	2,074	-15.9%	1,745	2,074	-15.9%	1,739	0.3%
14. % Outpatient Cases	50.3%	57.0%	-11.7%	50.3%	57.0%	-11.7%	49.6%	1.5%
15. Total Outpatient Visits	155,911	152,538	2.2%	155,911	152,538	2.2%	145,073	7.5%
16. Inpatient Cases (Discharges)	3,114	3,071	1.4%	3,114	3,071	1.4%	2,984	4.4%
17. Outpatient Observation Cases	1,441	1,238	16.4%	1,441	1,238	16.4%	1,275	13.0%
18. Total Cases Occupying Patient Beds	4,555	4,309	5.7%	4,555	4,309	5.7%	4,259	6.9%
19. % of Total Cases from Emergency Room	61.6%	60.2%	2.4%	61.6%	60.2%	2.4%	63.4%	-2.8%
20. % of Outpatient Cases	31.6%	28.7%	10.1%	31.6%	28.7%	10.1%	29.9%	5.7%
21. Births	527	485	8.7%	527	485	8.7%	505	4.4%

Statistical Highlights

As of March 31, 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	17,328	17,446	-0.7%	17,328	17,446	-0.7%	17,652	-1.8%
2. Outpatient Observation Days	2,891	3,170	-8.8%	2,891	3,170	-8.8%	2,998	-3.6%
3. Total Patient Days	20,219	20,616	-1.9%	20,219	20,616	-1.9%	20,650	-2.1%
4. % of Outpatient Days	14.3%	15.4%	-7.0%	14.3%	15.4%	-7.0%	14.5%	-1.5%
5. Average Daily Census	652.21	665.03	-1.9%	652.21	665.03	-1.9%	666.14	-2.1%
6. Average Operating Beds	773	792	-2.4%	773	792	-2.4%	799	-3.3%
7. Bed Occupancy %	84.4%	84.0%	0.5%	84.4%	84.0%	0.5%	83.4%	1.2%
8. Inpatient Average Length of Stay	5.56	5.68	-2.0%	5.56	5.68	-2.0%	5.92	-5.9%
9. Inpatient Case Mix Index (CMI)	1.421	1.465	-3.0%	1.421	1.465	-3.0%	1.498	-5.1%
<u>Payor Mix (% of Charges)</u>								
10. Charity & Self Pay	65.2%	64.7%	0.8%	65.2%	64.7%	0.8%	63.6%	2.5%
11. Medicaid & Medicaid Managed	20.8%	21.6%	-3.7%	20.8%	21.6%	-3.7%	22.3%	-6.7%
12. Medicare & Medicare Managed	8.9%	8.9%	0.0%	8.9%	8.9%	0.0%	8.5%	4.7%
13. Commercial & Other	5.1%	4.8%	6.3%	5.1%	4.8%	6.3%	5.6%	-8.9%
<u>NETWORK REFERRAL SERVICES</u>								
14. Primary Care	952	1,481	-35.7%	952	1,481	-35.7%	0	0.0%
15. Specialty Care Visits	83	250	-66.8%	83	250	-66.8%	0	0.0%
16. Surgery Cases	126	58	117.2%	126	58	117.2%	56	125.0%
17. GI Procedures	90	37	143.2%	90	37	143.2%	55	63.6%
18. Hemodialysis Treatments	546	975	-44.0%	546	975	-44.0%	0	0.0%
<u>HEALTH SYSTEM TOTALS</u>								
19. Primary Care	69,805	70,390	-0.8%	69,805	70,390	-0.8%	65,705	6.2%
20. Specialty Care Visits	30,163	27,551	9.5%	30,163	27,551	9.5%	26,603	13.4%
21. Surgery Cases	1,871	2,132	-12.2%	1,871	2,132	-12.2%	1,795	4.2%
17. Total Unduplicated Patients - Rolling 12				313,461			302,188	3.7%
18. Total New Patient - Rolling 12				108,778			104,301	4.3%

Operating Statement As of March 31, 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
PATIENT REVENUES:										
1. Routine Services	18,865	19,215	-1.8%	19,350	-2.5%	18,865	19,215	-1.8%	19,350	-2.5%
2. Inpatient Ancillary	65,208	66,691	-2.2%	63,967	1.9%	65,208	66,691	-2.2%	63,967	1.9%
3. Outpatient Ancillary	174,382	178,908	-2.5%	161,295	8.1%	174,382	178,908	-2.5%	161,295	8.1%
4. Physician Services	2,161	3,477	-37.8%	2,621	-17.6%	2,161	3,477	-37.8%	2,621	-17.6%
5. Gross Patient Charges	260,616	268,292	-2.9%	247,233	5.4%	260,616	268,292	-2.9%	247,233	5.4%
REVENUE DEDUCTIONS:										
6. Charity Care	(138,197)	(142,383)	2.9%	(118,523)	-16.6%	(138,197)	(142,383)	2.9%	(118,523)	-16.6%
7. Contractual Allowance/Other Discounts	(85,844)	(85,187)	-0.8%	(89,513)	4.1%	(85,844)	(85,187)	-0.8%	(89,513)	4.1%
8. Provision for Bad Debt Expense	(6,808)	(9,988)	31.8%	(9,868)	31.0%	(6,808)	(9,988)	31.8%	(9,868)	31.0%
9. Total Patient Revenue Deductions	(230,849)	(237,558)	2.8%	(217,904)	-5.9%	(230,849)	(237,558)	2.8%	(217,904)	-5.9%
10. Net Patient Service Revenue	29,767	30,734	-3.1%	29,330	1.5%	29,767	30,734	-3.1%	29,330	1.5%
OTHER OPERATING REVENUE:										
11. DSH/UPL/1115 Waiver	21,704	23,210	-6.5%	24,908	-12.9%	21,704	23,210	-6.5%	24,908	-12.9%
12. Other Operating Revenue	1,455	1,927	-24.5%	1,602	-9.2%	1,455	1,927	-24.5%	1,602	-9.2%
13. Total Other Operating Revenue	23,158	25,137	-7.9%	26,510	-12.6%	23,158	25,137	-7.9%	26,510	-12.6%
14. Total Operating Revenue	52,925	55,871	-5.3%	55,840	-5.2%	52,925	55,871	-5.3%	55,840	-5.2%
NONOPERATING REVENUE:										
15. Net Ad Valorem Tax Revenue	47,061	47,005	0.1%	42,910	9.7%	47,061	47,005	0.1%	42,910	9.7%
16. DSRIP	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
17. Net Tobacco Settlement Revenue	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
18. Interest Income	194	198	-1.7%	263	-26.0%	194	198	-1.9%	263	-26.2%
19. Other	(24)	0	0.0%	11	-330.7%	(24)	0	0.0%	11	326.9%
20. Total Nonoperating Revenue	47,231	47,203	0.1%	43,183	9.4%	47,231	47,203	0.1%	43,183	9.4%
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 Net Revenue	100,156	103,074	-2.8%	99,023	1.1%	100,156	103,074	-2.8%	99,023	1.1%

**Operating Statement
As of March 31, 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
SALARIES, WAGES, AND BENEFITS:										
1. Regular Salaries	36,751	37,039	0.8%	35,239	-4.3%	36,751	37,039	0.8%	35,239	-4.3%
2. PTO & Secondday Sick Leave	5,327	4,994	-6.7%	4,791	-11.2%	5,327	4,994	-6.7%	4,791	-11.2%
3. Contract Salaries	1,022	893	-14.4%	782	-30.8%	1,022	893	-14.4%	782	-30.7%
4. Registry Salaries	2,623	2,052	-27.8%	2,283	-14.9%	2,623	2,052	-27.8%	2,283	-14.9%
5. FICA and Benefits	16,043	16,579	3.2%	15,697	-2.2%	16,043	16,579	3.2%	15,697	-2.2%
6. Total Salaries, Wages, and Benefits	61,767	61,558	-0.3%	58,792	-5.1%	61,766	61,558	-0.3%	58,792	-5.1%
7. Supplies	16,868	16,576	-1.8%	15,374	-9.7%	16,868	16,576	-1.8%	15,374	-9.7%
SERVICES:										
8. Physician Services	16,145	15,512	-4.1%	13,146	-22.8%	16,145	15,512	-4.1%	13,146	-22.8%
9. Other Purchased Services	9,031	8,571	-5.4%	7,425	-21.6%	9,031	8,571	-5.4%	7,425	-21.6%
10. Depreciation and Amortization	4,700	4,875	3.6%	4,623	-1.7%	4,700	4,875	3.6%	4,623	-1.7%
11. Interest	1,220	1,259	3.1%	477	-155.7%	1,220	1,259	3.1%	477	-155.8%
12. Total Services	31,096	30,217	-2.9%	25,671	-21.1%	31,096	30,217	-2.9%	25,671	-21.1%
13. Total Operating Expenses	109,730	108,350	-1.3%	99,837	-9.9%	109,730	108,350	-1.3%	99,837	-9.9%
14. Operating Income (Loss)	(9,574)	(5,276)	-	(814)	-	(9,574)	(5,276)	-	(814)	-

Cash Flow Summary
As of March 31, 2014
(In Thousands)

CASH RECEIPTS:

1. Ad Valorem Taxes	
2. Collections on Patient Accounts	
3. Disproportionate Share III/1115 Waiver UC & DSRIP	
4. Tobacco Settlement	
5. Trauma Fund	
6. Other Sources (Includes Cost Reimbursement)	
7. Total Cash Receipts	

	CURRENT MONTH	PRIOR YEAR MONTH	FISCAL YTD	PRIOR FISCAL YTD
	\$ 11,025	8,350	\$ 11,025	\$ 8,350
	28,705	26,670	28,705	26,670
	0	0	-	0
	0	0	-	0
	0	0	-	0
	2,397	3,037	2,397	3,037
	\$ 42,127	\$ 38,057	\$ 42,127	\$ 38,057

CASH DISBURSEMENTS:

8. Salaries and Wages	
9. Benefits and Employee Deductions	
10. Drugs and Supplies	
11. Physician Services	
12. Purchased Services	
13. Capital Expenditures	
14. Debt and Interest Payments	
15. Other Uses	
16. Total Cash Disbursements	
17. Net Change	

	\$ 28,873	\$ 40,183	\$ 28,873	\$ 40,183
	43,757	41,130	43,757	41,130
	17,631	19,119	17,631	19,119
	1,254	119	1,254	119
	9,622	11,205	9,622	11,205
	6,052	8,635	6,052	8,635
	446	481	446	481
	(3,709)	(3,291)	(3,709)	(3,291)
	\$ 103,926	\$ 117,581	\$ 103,926	\$ 117,581
	\$ (61,799)	\$ (79,524)	\$ (61,799)	\$ (79,524)

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2014

Net Change

Unrestricted Cash, Cash Equivalents and Investments - March 31, 2014

\$ 533,090

(61,799)

\$ 471,291

Balance Sheet
As of March 31, 2014
(In Thousands)



	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
1. Cash, Cash Equivalents and Short Term Investments	158,917	224,427
2. Net Patient Accounts Receivable	80,637	61,145
3. Net Ad Valorem Taxes, Current Portion	60,418	57,954
4. Prepaid Expenses, Inventories, and Other Current Assets	298,257	238,419
5. Total Current Assets	598,229	581,945
ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION:		
6. Debt Service and Bond Covenants - Restricted	6,629	6,438
7. Board Designated for Future Expansion	7,357	245
8. Phase 1 Project Fund	0	0
9. Board Designated for Legal Reserves	4,031	2,324
10. Board Designated for Self-Insured Programs	23,181	24,032
11. Total Assets Limited as to Use or Restricted, Current Portion	41,198	33,039
PLANT, PROPERTY AND EQUIPMENT:		
12. Plant, Property, & Equipment, Net of Accumulated Depreciation	432,053	355,942
13. Construction in Progress	31,638	62,220
14. Total Plant, Property and Equipment	463,691	418,161
ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION:		
15. Debt Service and Bond Covenants - Restricted	23,783	24,390
16. Board Designated for Future Expansion	98,327	146,557
17. Phase 1 Project Fund	0	0
18. Board Designated for Self-Insured Programs	179,478	158,660
19. Other - Restricted	867	871
20. Total Assets Limited as to Use or Restricted, Net of Current Portion	302,455	330,479
OTHER ASSETS:		
21. Net Ad Valorem Taxes, Delinquent	1,204	97
22. Net Deferred Bond Issue Costs	1,543	3,795
23. Net Pension Asset	10,619	9,450
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. Total Other Assets	13,707	23,422
29. Due to/from CHCI	4,635	3,985
30. TOTAL ASSETS	1,423,915	1,391,031

Balance Sheet
As of March 31, 2014
(In Thousands)

HARRISHEALTH
SYSTEM

	<u>ACTUAL</u>	<u>PRIOR YEAR</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
1. Accounts Payable and Accrued Liabilities	152,609	108,878
2. Interest Payable	1,436	1,463
3. Employee Compensation & Related Benefit Liabilities	37,967	40,170
4. Compensated Absences	41,567	41,493
5. Estimated Third-Party Payor Settlements	3,386	(3,785)
6. Current Portion Long-Term Debt and Capital Leases	5,632	5,889
7. Total Current Liabilities	242,597	194,108
OTHER LONG-TERM LIABILITIES:		
8. Pension Payable	0	0
9. Post Employment Health Benefit Liability	179,478	158,660
10. Borrowing Payable	14,345	15,207
11. Derivative Liability	271	10,057
12. Arbitrage Rebate Liability	151	141
13. Total Other Long-Term Liabilities	194,245	184,065
LONG-TERM DEBT:		
14. Series 2007 Revenue Bonds, Including Premium & Deferred Loss	184,655	187,830
15. Series 2010 Revenue Bonds, Including Deferred Loss	80,930	81,167
16. Other Long-Term Obligation	431	137
17. Total Long-Term Debt	266,015	269,134
TOTAL LIABILITIES	702,857	647,307
NET ASSETS:		
18. Invested in Capital Assets, Net of Related Debt	177,698	127,931
19. Restricted Net Assets	31,279	32,568
20. Unrestricted Net Assets	512,082	583,226
21. Total Net Assets	721,058	743,724
22. TOTAL LIABILITIES & NET ASSETS	1,423,915	1,391,031

Operating Performance Per Adjusted Patient Day
As of March 31, 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	\$ 554	\$ 564	-1.8%	\$ 560	-1.1%	\$ 554	\$ 564	-1.8%	\$ 560	-1.1%
2. Other Operating Revenue	431	461	-6.5%	506	-14.8%	431	461	-6.5%	506	-14.8%
3. Nonoperating Revenue	879	866	1.5%	824	6.7%	879	866	1.5%	824	6.7%
4. Capital Contribution	0	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%
5. Total District Net Revenue	1,864	1,891	-1.4%	1,890	-1.4%	1,864	1,891	-1.4%	1,890	-1.4%
6. Salaries, Wages, and Benefits	1,150	1,130	-1.8%	1,122	-2.5%	1,150	1,130	-1.8%	1,122	-2.5%
7. Supplies	314	304	-3.3%	294	-6.8%	314	304	-3.3%	294	-6.8%
8. Physician Services	301	285	-5.6%	251	-19.9%	301	285	-5.6%	251	-19.9%
9. Other Purchased Services	168	157	-7.0%	142	-18.3%	168	157	-7.0%	142	-18.3%
10. Depreciation and Amortization	87	89	2.2%	88	1.1%	87	89	2.2%	88	1.1%
11. Interest	23	23	0.0%	9	-155.6%	23	23	0.0%	9	-155.6%
12. Total Operating Expenses	2,043	1,988	-2.8%	1,906	-7.2%	2,043	1,988	-2.8%	1,906	-7.2%
13. Operating Income(Loss)	\$ (179)	\$ (97)	-	\$ (16)	-	\$ (179)	\$ (97)	-	\$ (16)	-
14. Adjusted Patient Days	53,715	54,485	-1.4%	52,380	2.5%	53,715	54,485	-1.4%	52,380	2.5%
15. Average Daily Census	559.0	562.8	-0.7%	569.4	-1.8%	559.0	562.8	-0.7%	569.4	-1.8%
16. FTE's(Employee/Contract) per AOB	4.9	4.7	-4.3%	4.7	-4.3%	4.9	4.7	-4.3%	4.7	-4.3%
17. FTE's(Employee/Contract) - Total	8,448	8,287	-1.9%	7,944	-6.3%	8,448	8,287	-1.9%	7,944	-6.3%
18. FTE's(Employee/Contract) - Productive	7,437	7,354	-1.1%	7,012	-6.1%	7,437	7,354	-1.1%	7,012	-6.1%

Analysis of Cash Receipts
As of March 31, 2014

	MONTH TO MONTH			YEAR TO DATE						
	ACTUAL		BUDGET	ACTUAL				BUDGET		
	CURRENT	PRIOR	CURRENT	CURRENT	PRIOR	VAR	VAR %	YTD	VAR	VAR %
PATIENT REVENUE:										
1. Medicare	\$6,373	\$4,359	\$5,796	\$6,373	\$4,359	\$2,014	46.2	\$5,796	\$577	10.0
2. Medicaid	7,230	8,546	8,785	7,230	8,546	(1,316)	(15.4)	8,785	(1,555)	(17.7)
3. Texas vendor drug/Medicare Part D	2,493	2,557	2,978	2,493	2,557	(64)	(2.5)	2,978	(485)	(16.3)
4. Managed Care - Medicaid	6,243	6,081	6,103	6,243	6,081	162	2.7	6,103	140	2.3
5. Commercial insurance	2,272	1,160	1,470	2,272	1,160	1,112	95.9	1,470	802	54.6
6. Liens	384	501	294	384	501	(117)	(23.4)	294	90	30.7
7. Patient pay	2,163	2,254	2,297	2,163	2,254	(91)	(4.0)	2,297	(134)	(5.8)
8. Business office	333	369	364	333	369	(36)	(9.8)	364	(31)	(8.6)
9. Other governmental projects/grants	1,214	843	1,321	1,214	843	371	44.0	1,321	(107)	(8.1)
10. SUBTOTAL	28,705	26,670	29,407	28,705	26,670	2,035	7.6	29,407	(702)	(2.4)
11a. Cost Reimbursements	516	1,567	667	516	1,567	(1,051)	(67.1)	667	(151)	(22.6)
11b. Recoupments	0	0	0	0	0	0	0.0	0	0	0.0
12. Net Patient Revenue Receipts	29,221	28,237	30,074	29,221	28,237	984	3.5	30,074	(853)	(2.8)
13. DSH/UPL/1115 Waiver	0	0	0	0	0	0	0.0	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	29,221	28,237	30,074	29,221	28,237	984	3.5	30,074	(853)	(2.8)
NON-PATIENT OPERATING REVENUE:										
16. Parking	192	247	345	192	247	(55)	(22.3)	345	(153)	(44.3)
17. Grants	904	263	681	904	263	641	243.7	681	223	32.8
18. Miscellaneous	729	462	901	729	462	267	57.8	901	(172)	(19.1)
19. Total Non-Patient Operating	1,825	972	1,927	1,825	972	853	87.8	1,927	(102)	(5.3)
20. Interest income	56	497	198	56	497	(441)	(88.7)	198	(142)	(71.7)
21. Total Non-Tax Receipts	31,102	29,706	32,198	31,102	29,706	1,396	4.7	32,198	(1,096)	(3.4)
22. Ad valorem tax receipts/note	11,025	8,350	9,092	11,025	8,350	2,675	32.0	9,092	1,933	21.3
23. Commercial Paper Proceeds	0	0	0	0	0	0	0.0	0	0	0.0
24. Total Receipts	\$42,127	\$38,056	\$41,291	\$42,127	\$38,056	\$4,071	10.7	\$41,291	\$836	2.0

HARRISHEALTH SYSTEM

Operating Performance As of March 31, 2014 (In Millions)

	<u>MONTH</u>	<u>YTD</u>
Total Operating Income (Loss) as Reported	\$ (9.6)	\$ (9.6)
Favorable Adjustments:		
Subtotal of Favorable Adjustments	\$ -	\$ -
Unfavorable Adjustments:		
Subtotal of Unfavorable Adjustments	\$ -	\$ -
Harris Health System Operating Run Rate as of March	\$ (9.6)	\$ (9.6)
Harris Health System 2015 Budget	\$ (5.3)	\$ (5.3)
Favorable (Unfavorable) Run Rate	\$ (4.3)	\$ (4.3)
Attributable Factors:		
Favorable (Unfavorable) Revenue Variance	\$ (2.9)	\$ (2.9)
Favorable (Unfavorable) Expense Variance	\$ (1.4)	\$ (1.4)
Net of Attributable Factors	\$ (4.3)	\$ (4.3)

Supplemental Information - Statistical Highlights - Monthly Trend
As of March 31, 2014



							MONTHLY AVERAGE			
	October	November	December	January	February	March	FY2013 YTD March	FY2014 YTD March	FY2015 YTD March	% Change 15 vs 14
1. ADMISSIONS(A&P)	3,139	2,897	3,196	3,120	2,866	3,114	2,937	2,984	3,114	4.4%
2. PATIENT DAYS(A&P)	17,906	17,007	18,101	18,175	16,369	17,328	16,502	17,652	17,328	-1.8%
3. AVERAGE LOS	5.70	5.87	5.66	5.83	5.71	5.56	5.62	5.92	5.56	-5.9%
4. AVERAGE LOS, Overall CMI Adjusted	3.78	3.97	3.88	4.01	3.91	3.92	3.92	3.95	3.92	-0.8%
5. PERCENT OCCUPANCY	72.4%	73.2%	76.1%	76.4%	76.2%	72.3%	65.4%	71.3%	72.3%	1.4%
CASE MIX INDEX (CMI)										
6. CMI - Excluding Obstetrics Cases	1.663	1.647	1.609	1.637	1.596	1.563	1.592	1.649	1.563	-5.2%
7. CMI - Overall	1.509	1.480	1.461	1.451	1.459	1.421	1.434	1.498	1.421	-5.1%
8. BIRTHS	567	557	529	583	482	527	538	505	527	4.4%
9. OPERATING ROOM CASES	1,909	1,575	1,779	1,656	1,640	1,745	1,842	1,739	1,745	0.3%
10. Inpatient	1,007	840	979	904	852	867	919	877	867	-1.1%
11. Outpatient	902	735	800	752	788	878	923	862	878	1.9%
12. EMERGENCY VISITS	15,304	14,056	14,987	14,574	13,353	15,154	15,048	14,530	15,154	4.3%
13. Emergency Room Visits-Admitted	1,888	1,612	1,863	1,698	1,728	1,790	1,589	1,661	1,790	7.8%
14. Emergency Room Visits-Outpatient	12,428	11,561	12,203	11,895	10,690	12,347	12,472	11,829	12,347	4.4%
15. Emergency Room Visits-Observation	988	883	921	981	935	1,017	987	1,040	1,017	-2.2%
16. CLINIC VISITS	107,916	89,471	90,201	91,433	96,789	98,933	91,363	92,308	98,933	7.2%
17. Primary Care Clinic Visits	76,911	63,454	63,864	64,166	68,264	68,853	65,382	65,705	68,853	4.8%
18. Specialty Clinic Visits	31,005	26,017	26,337	27,267	28,525	30,080	25,981	26,603	30,080	13.1%
PAYOR MIX										
19. Charity & Self Pay	64.8%	64.6%	64.4%	62.2%	63.4%	65.2%	64.1%	63.6%	65.2%	2.5%
19. Medicaid & Medicaid Managed	21.2%	21.2%	21.7%	21.9%	21.9%	20.8%	23.3%	22.3%	20.8%	-6.7%
20. Medicare & Medicare Managed	9.3%	9.2%	9.0%	9.5%	9.5%	8.9%	8.0%	8.5%	8.9%	4.7%
21. Commercial & Other	4.7%	5.0%	4.9%	6.4%	5.2%	5.1%	4.6%	5.6%	5.1%	-8.9%

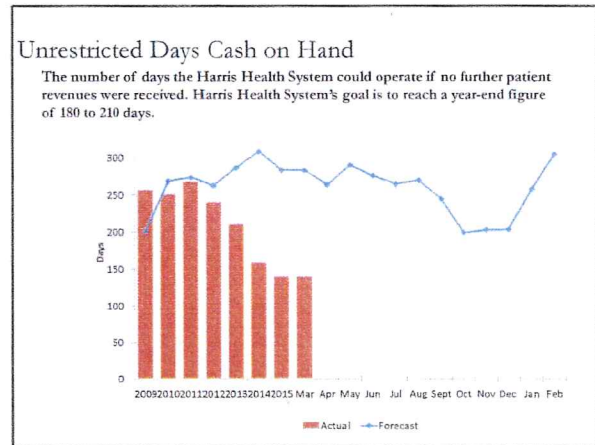
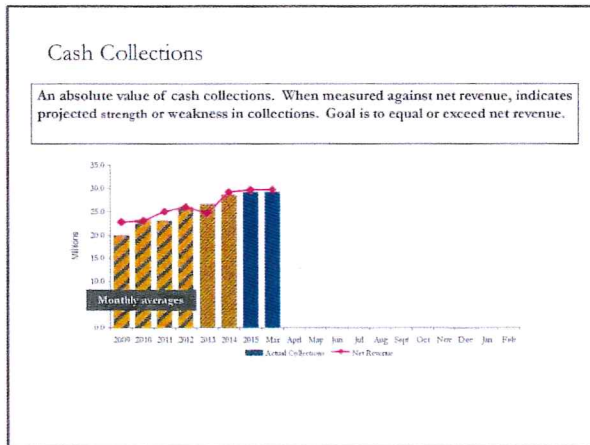
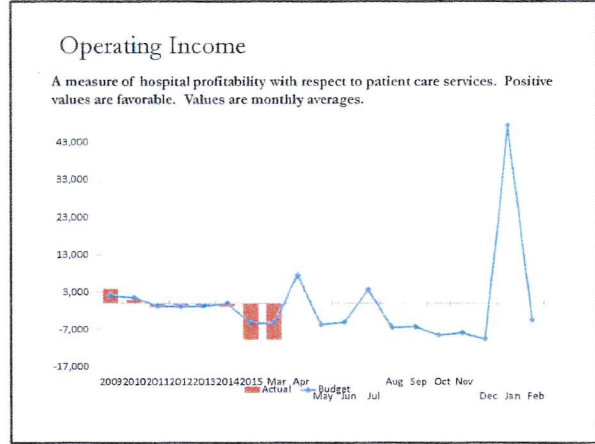
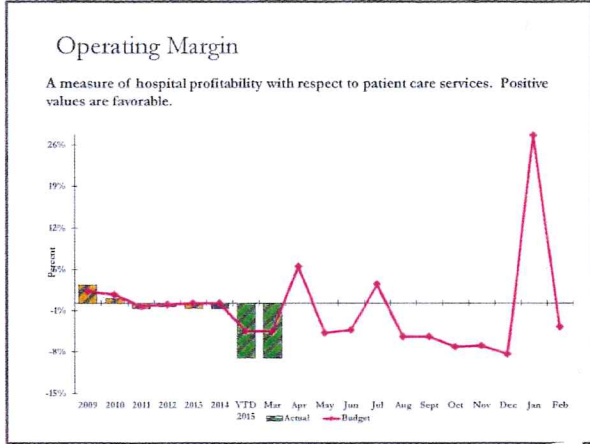
Supplemental Information - Statistical Highlights - Monthly Trend
As of March 31, 2014



	October	November	December	January	February	March
1. Gross Patient Charges	\$ 275,640	\$ 238,472	\$ 253,608	\$ 248,930	\$ 245,775	\$ 260,616
2. Total Patient Revenue Deductions	(243,913)	(209,176)	(223,326)	(215,989)	(212,390)	(230,849)
3. Net Patient Service Revenue	31,727	29,296	30,283	32,941	33,385	29,767
4. Net Revenue % of Gross Charges	11.5%	12.3%	11.9%	13.2%	13.6%	11.4%
5. DSH/UPL Program Revenue	19,415	19,415	19,415	19,415	19,415	21,704
6. Other Operating Revenue	1,327	1,668	1,625	1,936	1,311	1,455
7. Total Other Operating Revenue	20,742	21,083	21,040	21,351	20,726	23,158
8. Net Ad Valorem Tax Revenue	42,340	42,563	43,066	42,648	45,149	47,061
9. DSRIP	8,871	0	57,538	0	(0)	0
10. Net Tobacco Settlement Revenue	0	0	0	0	0	0
11. Interest Income and Other	788	(231)	117	(24)	906	170
12. Total Nonoperating Revenue	51,999	42,332	100,722	42,624	46,055	47,231
13. Capital Contributions	0	0	0	0	0	0
14. Total Net Revenue	104,469	92,710	152,044	96,917	100,166	100,156
15. Salaries and Wages	46,182	43,402	43,936	43,719	42,156	45,723
16. FICA and Benefits	15,562	13,630	15,621	16,002	12,796	16,043
17. Total Salaries, Wages, and Benefits	61,744	57,032	59,557	59,720	54,952	61,767
18. Supplies	19,076	13,669	17,686	18,003	15,796	16,868
19. Physician Services	15,139	15,139	16,336	15,492	16,362	16,145
20. Other Purchased Services	11,307	9,881	9,535	10,582	15,102	9,031
21. Depreciation and Amortization	4,298	4,442	4,251	4,386	4,507	4,700
22. Interest	1,257	1,542	1,757	1,757	2,094	1,220
23. Total Expenses	112,820	101,704	109,122	109,939	108,813	109,730
24. Total Income (Loss)	\$ (8,351)	\$ (8,994)	\$ 42,922	\$ (13,023)	\$ (8,646)	\$ (9,574)
25. Total Margin	-8.0%	-9.7%	28.2%	-13.4%	-8.6%	-9.6%
26. Full-Time Equivalent Employees	8,436	8,203	8,084	8,021	8,462	8,448
27. Average Salary per FTE	\$64,454	\$64,372	\$63,993	\$64,174	\$64,943	\$63,723
28. Adjusted Patient Days	55,565	51,467	50,228	52,609	49,814	53,715

MONTHLY AVERAGE			
FY2013	FY2014	FY2015	% Change
YTD March	YTD March	YTD March	15 vs 14
235,827	247,233	260,616	5.4%
(208,720)	(217,904)	(230,849)	5.9%
27,107	29,330	29,767	1.5%
11.5%	11.9%	11.4%	-3.7%
21,246	24,908	21,704	-12.9%
8,293	1,602	1,455	-9.2%
29,538	26,510	23,158	-12.6%
42,096	42,910	47,061	9.7%
0	0	0	0.0%
0	0	0	0.0%
512	273	170	-37.8%
42,609	43,183	47,231	9.4%
0	0	0	0.0%
99,255	99,023	100,156	1.1%
40,495	43,094	45,723	6.1%
14,837	15,697	16,043	2.2%
55,332	58,792	61,767	5.1%
14,453	15,374	16,868	9.7%
11,974	13,146	16,145	22.8%
8,071	7,425	9,031	21.6%
3,935	4,623	4,700	1.7%
494	477	1,220	155.7%
94,258	99,837	109,730	9.9%
\$ 4,997	\$ (814)	\$ (9,574)	1076.5%
5.0%	-0.8%	-9.6%	1063.2%
7,643	7,944	8,448	6.3%
\$62,380	\$63,872	\$63,723	-0.2%
48,094	52,380	53,715	2.5%

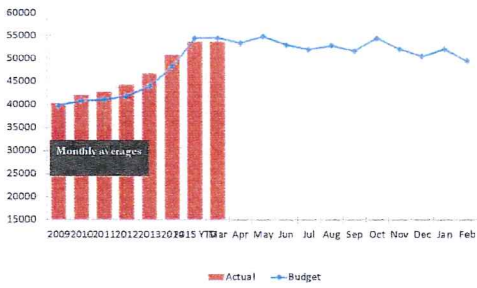
HARRIS HEALTH SYSTEM FINANCIAL DASHBOARD INDICATORS



HARRIS HEALTH SYSTEM FINANCIAL DASHBOARD INDICATORS

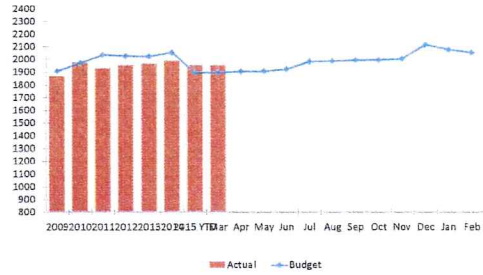
Adjusted Patient Days

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



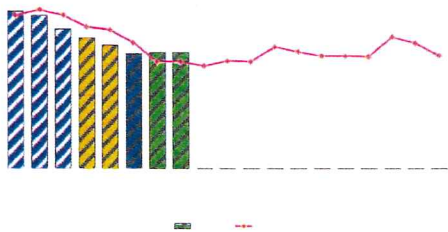
Operating Cost Per Adj. Patient Day

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.

