

HARRIS COUNTY HOSPITAL DISTRICT

dba HARRIS HEALTH SYSTEM

FINANCIAL STATEMENTS

As of August 31, 2017

HARRIS HEALTH SYSTEM

FINANCIAL STATEMENTS

As of August 31, 2017

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--------------------------------------|-------------|
| FINANCIAL STATEMENT HIGHLIGHTS | 1 |
| VARIANCE ANALYSIS NARRATIVE | 2 |
| STATISTICAL HIGHLIGHTS | 3 |
| OPERATING STATEMENT | 4 |
| BALANCE SHEET | 5 |
| CASH FLOW SUMMARY | 6 |
| ANALYSIS OF CASH RECEIPTS | 7 |

HARRIS HEALTH SYSTEM
FINANCIAL STATEMENT HIGHLIGHTS
As of August 31, 2017

| | Month | | | Year-to-Date | | |
|---|------------------|-----------------|--------------|-----------------|-----------------|--------------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| 1. Adjusted Patient Days | 43,817 | 53,173 | -17.6% | 285,848 | 306,547 | -6.8% |
| 2. Total Clinic Visits | 82,760 | 109,511 | -24.4% | 577,803 | 630,804 | -8.4% |
| 3. Total Emergency Room Visits | 11,378 | 14,645 | -22.3% | 79,004 | 86,618 | -8.8% |
| 4. Total Patient Days | 16,358 | 19,453 | -15.9% | 102,932 | 110,882 | -7.2% |
| 5. Unfunded Payor Mix (% of Charges) | 59.0% | 58.2% | 1.4% | 60.4% | 58.2% | 3.8% |
| <u>Revenues (\$ in millions):</u> | | | | | | |
| 6. Ad Valorem Taxes | \$ 58.5 | \$ 58.5 | -0.1% | \$ 352.3 | \$ 350.9 | 0.4% |
| 7. Net Patient Revenue | 28.5 | 36.2 | -21.2% | 191.6 | 210.9 | -9.1% |
| 8. DSH and UC Revenue | 10.7 | 12.5 | -14.5% | 76.8 | 75.0 | 2.4% |
| 9. DSRIP - 1115 Waiver Revenue | 0.0 | 0.0 | 0.0% | 19.3 | 18.0 | 7.3% |
| 10. Other Revenue | 7.3 | 6.3 | 16.6% | 46.4 | 38.7 | 19.9% |
| 11. Total Revenue | <u>105.0</u> | <u>113.5</u> | <u>-7.5%</u> | <u>686.4</u> | <u>693.5</u> | <u>-1.0%</u> |
| <u>Expenses (\$ in millions):</u> | | | | | | |
| 12. Salaries and Wages | 46.2 | 47.0 | 1.8% | 273.5 | 271.9 | -0.6% |
| 13. Employee Benefit Costs | 18.4 | 17.9 | -2.5% | 110.4 | 106.9 | -3.3% |
| 14. Supply Expenses | 16.9 | 18.2 | 7.2% | 103.8 | 108.2 | 4.0% |
| 15. Physician & Purchased Services | 28.2 | 28.8 | 2.3% | 170.8 | 173.3 | 1.5% |
| 16. Depreciation & Interest | 5.4 | 5.6 | 3.7% | 31.7 | 33.8 | 6.4% |
| 17. Total Expenses | <u>115.1</u> | <u>117.6</u> | <u>2.2%</u> | <u>690.1</u> | <u>694.1</u> | <u>0.6%</u> |
| 18. Operating Income (Loss) | <u>\$ (10.1)</u> | <u>\$ (4.2)</u> | | <u>\$ (3.7)</u> | <u>\$ (0.6)</u> | |
| 19. Margin % | -9.6% | -3.7% | | -0.5% | -0.1% | |
| 20. Total Expense / Adj Patient Day | \$ 2,626 | \$ 2,213 | -18.7% | \$ 2,414 | \$ 2,264 | -6.6% |
| 21. Full-time Equivalent Employees | 8,180 | 8,247 | 0.8% | 8,170 | 8,129 | -0.5% |
| 22. Unrestricted Cash (\$ in millions) | | | | \$ 513.7 | \$ 488.4 | 5.2% |
| 23. Days Cash on Hand | | | | 142.3 | 134.9 | 5.5% |
| 24. Days Revenue in Accounts Receivable | | | | 59.2 | 64.8 | 8.6% |

HARRISHEALTH SYSTEM

August 2017 Financial Statement Summary Variance Discussion

Operating Income for August was a loss of \$10.1 million compared to a budgeted loss of \$4.2 million, an unfavorable variance of \$5.9 million.

Total August Revenue of \$105.0 million was \$8.5 million or 7.5% less than budget. Unfavorable revenue variances were reported in net patient revenue and the Medicaid supplemental programs. Other Operating Revenue reflected a favorable variance of \$1.4 million. Although anticipated trauma funds of \$1.7 million were not distributed, finalization of the 2017 NAIP program resulted in \$2.9 million of additional funds. Total August expenses of \$115.1 million were \$2.5 million or 2.2% less than the budget of \$117.6 million. Favorable expense variances were reflected in supplies and services costs.

Patient volumes were under budget throughout the System primarily due to Hurricane Harvey and the closure of most outpatient facilities during the last week of the month. Adjusted patient days were 17.6% less than budget for the month of August. Clinic visits were 24.4% less than budget and inpatient days were 15.9% less than budget. Emergency room visits were 22.3% less than budget and total surgery cases were 14.4% less than budget. Births for the month were 21.4% less than budget. The volume adjusted expense per adjusted patient day for August 2017 was \$2,414 per day compared to the budget of \$2,264 per day, and the prior year expense of \$2,191 per adjusted patient day.

Total cash receipts for the month of August were \$2.9 million greater than budget. Harris Health has \$52.3 million on deposit with the County for Board approved projects to be managed by the County. The System has \$513.7 million in unrestricted cash, cash equivalents and investments, representing 142.3 days cash on hand, compared to budgeted cash of \$488.4 million representing 134.9 days cash on hand. Harris Health System has \$61.6 million in net accounts receivable, representing 59 days of outstanding patient accounts receivable at August 31, 2017. Harris Health System's August 31, 2017 balance sheet reflects a liability of \$77.1 million under the Harris Collaborative Program. The August 31, 2017 balance sheet reflects a net receivable of \$22.5 million under the DSH/UC programs.

HARRIS HEALTH SYSTEM
STATISTICAL HIGHLIGHTS
As of August 31, 2017

| | 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 | 43,817 | 53,173 | -17.6% | 285,848 | 306,547 | -6.8% | 297,728 | -4.0% |
| 2. Outpatient % of Adjusted Volume | 67.7% | 68.3% | -0.8% | 69.3% | 68.7% | 0.8% | 68.6% | 1.0% |
| 3. Primary Care Clinic Visits | 59,490 | 81,414 | -26.9% | 419,616 | 467,684 | -10.3% | 456,206 | -8.0% |
| 4. Specialty Clinic Visits | 23,270 | 28,097 | -17.2% | 158,187 | 163,120 | -3.0% | 165,016 | -4.1% |
| 5. Total Clinic Visits | 82,760 | 109,511 | -24.4% | 577,803 | 630,804 | -8.4% | 621,222 | -7.0% |
| 6. % Primary Care Visits | 71.9% | 74.3% | -3.3% | 72.6% | 74.1% | -2.0% | 73.4% | -1.1% |
| 7. Emergency Room Visits - Outpatient | 9,292 | 11,893 | -21.9% | 64,239 | 70,575 | -9.0% | 68,908 | -6.8% |
| 8. Emergency Room Visits - Observation | 702 | 894 | -21.5% | 5,247 | 5,408 | -3.0% | 5,036 | 4.2% |
| 9. Emergency Room Visits - Admitted | 1,384 | 1,858 | -25.5% | 9,518 | 10,635 | -10.5% | 10,626 | -10.4% |
| 10. Total Emergency Room Visits | 11,378 | 14,645 | -22.3% | 79,004 | 86,618 | -8.8% | 84,570 | -6.6% |
| 11. Surgery Cases - Outpatient | 984 | 1,106 | -11.0% | 6,573 | 6,681 | -1.6% | 6,584 | -0.2% |
| 12. Surgery Cases - Inpatient | 805 | 985 | -18.3% | 5,296 | 5,678 | -6.7% | 5,547 | -4.5% |
| 13. Total Surgery Cases | 1,789 | 2,091 | -14.4% | 11,869 | 12,359 | -4.0% | 12,131 | -2.2% |
| 14. % Outpatient Cases | 55.0% | 52.9% | 4.0% | 55.4% | 54.1% | 2.4% | 54.3% | 2.0% |
| 15. Total Outpatient Visits | 133,951 | 166,504 | -19.6% | 903,706 | 976,421 | -7.4% | 959,587 | -5.8% |
| 16. Inpatient Cases (Discharges) | 2,573 | 3,134 | -17.9% | 16,007 | 18,105 | -11.6% | 17,360 | -7.8% |
| 17. Outpatient Observation Cases | 992 | 1,312 | -24.4% | 7,012 | 7,810 | -10.2% | 7,199 | -2.6% |
| 18. Total Cases Occupying Patient Beds | 3,565 | 4,446 | -19.8% | 23,019 | 25,915 | -11.2% | 24,559 | -6.3% |
| 19. % of Total Cases from Emergency Room | 58.5% | 61.9% | -5.5% | 64.1% | 61.9% | 3.6% | 63.8% | 0.6% |
| 20. % of Outpatient Cases | 27.8% | 29.5% | -5.7% | 30.5% | 30.1% | 1.1% | 29.3% | 3.9% |
| 21. Births | 448 | 570 | -21.4% | 2,685 | 3,092 | -13.2% | 3,120 | -13.9% |
| 22. Inpatient Days | 14,138 | 16,869 | -16.2% | 87,761 | 95,812 | -8.4% | 93,526 | -6.2% |
| 23. Outpatient Observation Days | 2,220 | 2,584 | -14.1% | 15,171 | 15,070 | 0.7% | 13,847 | 9.6% |
| 24. Total Patient Days | 16,358 | 19,453 | -15.9% | 102,932 | 110,882 | -7.2% | 107,373 | -4.1% |
| 25. % of Outpatient Days | 13.6% | 13.3% | 2.2% | 14.7% | 13.6% | 8.4% | 12.9% | 14.3% |
| 26. Average Daily Census | 527.68 | 627.52 | -15.9% | 559.41 | 602.62 | -7.2% | 583.55 | -4.1% |
| 27. Average Operating Beds | 722 | 751 | -3.9% | 728 | 741 | -1.8% | 741 | -1.8% |
| 28. Bed Occupancy % | 73.1% | 83.6% | -12.5% | 76.8% | 81.3% | -5.5% | 78.8% | -2.4% |
| 29. Inpatient Average Length of Stay | 5.49 | 5.38 | 2.1% | 5.48 | 5.29 | 3.6% | 5.39 | 1.8% |
| 30. Inpatient Case Mix Index (CMI) | 1.467 | 1.551 | -5.4% | 1.507 | 1.551 | -2.8% | 1.547 | -2.6% |
| Payor Mix (% of Charges) | | | | | | | | |
| 31. Charity & Self Pay | 59.0% | 58.2% | 1.4% | 60.4% | 58.2% | 3.8% | 61.2% | -1.3% |
| 32. Medicaid & Medicaid Managed | 21.8% | 20.5% | 6.3% | 20.2% | 20.5% | -1.5% | 19.7% | 2.5% |
| 33. Medicare & Medicare Managed | 9.2% | 9.8% | -6.1% | 9.2% | 9.8% | -6.1% | 9.6% | -4.2% |
| 34. Commercial & Other | 10.1% | 11.5% | -12.2% | 10.2% | 11.5% | -11.3% | 9.5% | 7.4% |
| NETWORK REFERRAL SERVICES | | | | | | | | |
| 35. Primary Care | 99 | 0 | 0.0% | 1,077 | 0 | 0.0% | 674 | 59.8% |
| 36. Specialty Care Visits | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0.0% |
| 37. Surgery Cases | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0.0% |
| 38. GI Procedures | 144 | 100 | 44.0% | 533 | 600 | -11.2% | 0 | 0.0% |
| 39. Hemodialysis Treatments | 186 | 200 | -7.0% | 1,163 | 1,200 | -3.1% | 1,226 | -5.1% |
| HEALTH SYSTEM TOTALS | | | | | | | | |
| 40. Primary Care | 59,589 | 81,414 | -26.8% | 420,693 | 467,684 | -10.0% | 456,880 | -7.9% |
| 41. Specialty Care Visits | 23,270 | 28,097 | -17.2% | 158,187 | 163,120 | -3.0% | 165,016 | -4.1% |
| 42. Surgery Cases | 1,789 | 2,091 | -14.4% | 11,869 | 12,359 | -4.0% | 12,131 | -2.2% |
| 43. Total Unduplicated Patients - Rolling 12 | | | | 311,832 | | | 322,393 | -3.3% |
| 44. Total New Patient - Rolling 12 | | | | 101,052 | | | 108,091 | -6.5% |

HARRIS HEALTH SYSTEM
OPERATING STATEMENT
As of August 31, 2017
(In Thousands)

| | MONTH-TO-MONTH | | | YEAR-TO-DATE | | | | |
|--|------------------|------------------|----------------|--------------------|--------------------|----------------|--------------------|----------------|
| | CURRENT YEAR | CURRENT BUDGET | PERCENT CHANGE | CURRENT YEAR | CURRENT BUDGET | PERCENT CHANGE | PRIOR YEAR | PERCENT CHANGE |
| PATIENT REVENUES: | | | | | | | | |
| 1. Routine Services | 15,627 | 18,325 | -14.7% | 96,668 | 104,003 | -7.1% | 102,161 | -5.4% |
| 2. Inpatient Ancillary | 58,535 | 68,575 | -14.6% | 374,548 | 394,549 | -5.1% | 388,006 | -3.5% |
| 3. Outpatient Ancillary | 153,238 | 183,395 | -16.4% | 1,046,143 | 1,075,951 | -2.8% | 1,051,835 | -0.5% |
| 4. Physician Services | 2,444 | 3,200 | -23.6% | 18,169 | 18,431 | -1.4% | 18,308 | -0.8% |
| 5. Gross Patient Charges | 229,844 | 273,495 | -16.0% | 1,535,529 | 1,592,934 | -3.6% | 1,560,310 | -1.6% |
| REVENUE DEDUCTIONS: | | | | | | | | |
| 6. Charity Care | (105,870) | (132,800) | 20.3% | (734,057) | (773,484) | 5.1% | (749,191) | 2.0% |
| 7. Contractual Allowance/Other Discounts | (89,857) | (96,914) | 7.3% | (580,341) | (564,460) | -2.8% | (564,455) | -2.8% |
| 8. Provision for Bad Debt Expense | (5,589) | (7,570) | 26.2% | (29,481) | (44,091) | 33.1% | (48,203) | 38.8% |
| 9. Total Patient Revenue Deductions | (201,316) | (237,284) | 15.2% | (1,343,879) | (1,382,035) | 2.8% | (1,361,849) | 1.3% |
| 10. Net Patient Service Revenue | 28,528 | 36,211 | -21.2% | 191,649 | 210,899 | -9.1% | 198,461 | -3.4% |
| OTHER OPERATING REVENUE: | | | | | | | | |
| 11. DSH/UPL/1115 Waiver | 10,684 | 12,499 | -14.5% | 76,800 | 74,995 | 2.4% | 82,119 | -6.5% |
| 12. Other Operating Revenue | 7,282 | 5,854 | 24.4% | 28,809 | 26,195 | 10.0% | 24,325 | 18.4% |
| 13. Total Other Operating Revenue | 17,966 | 18,354 | -2.1% | 105,609 | 101,189 | 4.4% | 106,443 | -0.8% |
| 14. Total Operating Revenue | 46,494 | 54,565 | -14.8% | 297,258 | 312,088 | -4.8% | 304,904 | -2.5% |
| NONOPERATING REVENUE: | | | | | | | | |
| 15. Net Ad Valorem Tax Revenue | 58,454 | 58,484 | -0.1% | 352,286 | 350,907 | 0.4% | 330,122 | 6.7% |
| 16. DSRIP | 0 | 0 | 0.0% | 19,304 | 17,984 | 7.3% | 18,522 | 4.2% |
| 17. Net Tobacco Settlement Revenue | 0 | 0 | 0.0% | 13,424 | 9,000 | 49.2% | 7,847 | 71.1% |
| 18. Interest Income | 17 | 404 | -95.7% | 4,262 | 3,006 | 41.8% | 3,229 | 32.0% |
| 19. Other | (5) | 0 | 0.0% | (101) | 500 | -120.2% | 467 | 121.6% |
| 20. Total Nonoperating Revenue | 58,467 | 58,888 | -0.7% | 389,175 | 381,396 | 2.0% | 360,187 | 8.0% |
| 21. Capital Contributions | 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% |
| 23. Total Net Revenue | 104,961 | 113,453 | -7.5% | 686,433 | 693,485 | -1.0% | 665,091 | 3.2% |
| SALARIES, WAGES, AND BENEFITS: | | | | | | | | |
| 24. Regular Salaries | 38,670 | 39,998 | 3.3% | 228,296 | 229,952 | 0.7% | 214,156 | -6.6% |
| 25. PTO & Secondday Sick Leave | 5,460 | 5,160 | -5.8% | 32,365 | 31,179 | -3.8% | 29,901 | -8.2% |
| 26. Contract Salaries | 229 | 154 | -48.7% | 2,106 | 878 | -140.0% | 1,306 | -61.3% |
| 27. Registry Salaries | 1,802 | 1,686 | -6.9% | 10,724 | 9,873 | -8.6% | 11,734 | 8.6% |
| 28. FICA and Benefits | 18,389 | 17,944 | -2.5% | 110,368 | 106,874 | -3.3% | 101,539 | -8.7% |
| 29. Total Salaries, Wages, and Benefits | 64,549 | 64,942 | 0.6% | 383,859 | 378,755 | -1.3% | 358,636 | -7.0% |
| 30. Supplies | 16,924 | 18,241 | 7.2% | 103,813 | 108,179 | 4.0% | 101,875 | -1.9% |
| SERVICES: | | | | | | | | |
| 31. Physician Services | 18,223 | 18,400 | 1.0% | 109,586 | 110,400 | 0.7% | 108,413 | -1.1% |
| 32. Other Purchased Services | 9,929 | 10,425 | 4.8% | 61,210 | 62,929 | 2.7% | 57,394 | -6.6% |
| 33. Depreciation and Amortization | 4,471 | 4,545 | 1.6% | 25,925 | 27,278 | 5.0% | 27,572 | 6.0% |
| 34. Interest | 960 | 1,095 | 12.4% | 5,753 | 6,552 | 12.2% | 6,808 | 15.5% |
| 35. Total Services | 33,583 | 34,465 | 2.6% | 202,474 | 207,159 | 2.3% | 200,187 | -1.1% |
| 36. Total Operating Expenses | 115,056 | 117,648 | 2.2% | 690,146 | 694,093 | 0.6% | 660,698 | -4.5% |
| 37. Operating Income (Loss) | (10,095) | (4,195) | - | (3,713) | (608) | - | 4,394 | -184.5% |

**HARRIS HEALTH SYSTEM
BALANCE SHEET
As of August 31, 2017
(In Thousands)**

| | ACTUAL | PRIOR YEAR |
|---|------------------|-------------------|
| <u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u> | | |
| CURRENT ASSETS: | | |
| 1. Cash, Cash Equivalents and Short Term Investments | 413,961 | 314,829 |
| 2. Net Patient Accounts Receivable | 61,597 | 67,316 |
| 3. Net Ad Valorem Taxes, Current Portion | 351,174 | 327,696 |
| 4. Prepaid Expenses, Inventories, and Other Current Assets | 58,761 | 66,258 |
| 5. Total Current Assets | 885,494 | 776,098 |
| ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION: | | |
| 6. Debt Service and Bond Covenants - Restricted | 6,129 | 7,666 |
| 7. Ben Taub Level 1 Trauma | 0 | 70,475 |
| 9. Total Assets Limited as to Use or Restricted, Current Portion | 6,129 | 78,141 |
| PLANT, PROPERTY AND EQUIPMENT: | | |
| 10. Plant, Property, & Equipment, Net of Accumulated Depreciation | 394,493 | 394,910 |
| 11. Construction in Progress | 18,982 | 41,797 |
| 12. Total Plant, Property and Equipment | 413,475 | 436,707 |
| ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION: | | |
| 13. Debt Service and Bond Covenants - Restricted | 17,438 | 23,688 |
| 14. Ben Taub Level 1 Trauma | 56,952 | 0 |
| 15. Cash on Deposit with County | 52,297 | 0 |
| 16. Other - Restricted | 821 | 817 |
| 17. Total Assets Limited as to Use or Restricted, Net of Current Portion | 127,509 | 24,505 |
| OTHER ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: | | |
| 18. Net Ad Valorem Taxes, Delinquent | 5,689 | 3,049 |
| 19. Net Deferred Bond Issue Costs | 0 | 1,334 |
| 20. Long-Term Investments | 99,776 | 144,952 |
| 21. Security Deposit | 70 | 70 |
| 24. Deferred Outflow - Derivative Financial Instrument | 9,388 | 18,949 |
| 25. Deferred Outflow - Resources Related to Pension | 35,499 | 43,318 |
| 26. Total Other Assets and Deferred Outflows of Resources | 150,421 | 211,672 |
| 27. Due from/to CHCI | 9,328 | 8,959 |
| 28. TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | 1,592,357 | 1,536,082 |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u> | | |
| CURRENT LIABILITIES: | | |
| 29. Accounts Payable and Accrued Liabilities | 125,139 | 101,796 |
| 30. Interest Payable | 571 | 811 |
| 31. Employee Compensation & Related Benefit Liabilities | 45,738 | 43,230 |
| 32. Compensated Absences | 36,872 | 35,950 |
| 33. Estimated Third-Party Payor Settlements | 6,455 | 5,393 |
| 34. Current Portion Long-Term Debt and Capital Leases | 7,864 | 6,906 |
| 35. Total Current Liabilities | 222,640 | 194,088 |
| OTHER LONG-TERM LIABILITIES: | | |
| 36. Post Employment Health Benefit Liability | 273,041 | 236,848 |
| 37. Net Pension Liability | 232,227 | 235,831 |
| 38. Borrowing Payable | 11,532 | 12,334 |
| 39. Derivative Liability | 9,388 | 18,949 |
| 40. Arbitrage Rebate Liability | 39 | 40 |
| LONG-TERM DEBT: | | |
| 41. Series 2007 Revenue Bonds, Including Premium & Deferred Loss | 0 | 177,820 |
| 42. Series 2010 Revenue Bonds, Including Deferred Loss | 78,928 | 80,382 |
| 43. Series 2016 CO Bonds, Including Premium | 66,722 | 69,481 |
| 44. Series 2016 Refunding Revenue Bonds, Including Premium & Deferred Loss | 168,537 | 0 |
| 45. Other Long-Term Obligation | 174 | 128 |
| 46. Total Liabilities | 1,063,227 | 1,025,901 |
| 48. Deferred Inflow - Resources Related to Pension | 2,547 | 0 |
| NET POSITION: | | |
| 50. Invested in Capital Assets, Net of Related Debt | 136,670 | 160,131 |
| 51. Restricted | 24,389 | 32,154 |
| 52. Unrestricted | 365,524 | 317,897 |
| 53. Total Net Position | 526,583 | 510,182 |
| 54. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | 1,592,357 | 1,536,082 |

**HARRIS HEALTH SYSTEM
CASH FLOW SUMMARY
As of August 31, 2017
(In Thousands)**

| | <u>CURRENT MONTH</u> | <u>PRIOR YEAR MONTH</u> | <u>FISCAL YTD</u> | <u>PRIOR FISCAL YTD</u> |
|--|--------------------------|-----------------------------|-----------------------|-----------------------------|
| <u>CASH RECEIPTS:</u> | | | | |
| 1. Ad Valorem Taxes | \$ 1,160 | 2,102 | 29,940 | \$ 29,798 |
| 2. Collections on Patient Accounts | 30,950 | 32,226 | 202,514 | 192,606 |
| 3. DSH & UC - 1115 Waiver | 544 | 2,776 | 40,278 | 113,738 |
| 3a. DSRIP - 1115 Waiver | 0 | 777 | 19,304 | 18,572 |
| 3b. NAIP Program | 4,799 | 1,087 | 14,383 | 8,542 |
| 4. Tobacco Settlement | 0 | 0 | 13,424 | 7,847 |
| 5. Trauma Fund | 0 | 1,684 | 104 | 1,684 |
| 6. Other Sources (Includes Cost Reimbursement) | 5,815 | 4,202 | 22,831 | 20,190 |
| 7. Total Cash Receipts | \$ 43,268 | \$ 44,854 | \$ 342,778 | \$ 392,977 |
| <u>CASH DISBURSEMENTS:</u> | | | | |
| 8. Salaries and Wages | 30,443 | \$ 29,724 | \$ 196,523 | \$ 183,238 |
| 9. Benefits and Employee Deductions | 27,419 | 36,260 | 201,261 | 190,173 |
| 10. Drugs and Supplies | 16,307 | 14,525 | 108,933 | 102,626 |
| 11. Physician Services | 1,630 | 1,808 | 10,309 | 74,110 |
| 12. Purchased Services | 11,449 | 8,264 | 85,050 | 73,608 |
| 13. Capital Expenditures | 11,553 | 1,172 | 49,732 | 39,237 |
| 14. Debt and Interest Payments | 5,008 | 5,019 | 6,621 | 6,656 |
| 15. Other Uses | (6,344) | (5,727) | (53,781) | (39,920) |
| 16. Total Cash Disbursements | \$ 97,463 | \$ 91,045 | \$ 604,646 | \$ 629,728 |
| 17. Net Change | \$ (54,195) | \$ (46,191) | \$ (261,868) | \$ (236,751) |

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2017

\$ 775,605

Net Change

(261,868)

Unrestricted Cash, Cash Equivalents and Investments - August 31, 2017

\$ 513,737

**HARRIS HEALTH SYSTEM
ANALYSIS OF CASH RECEIPTS
August 31, 2017**

| | MONTH TO MONTH | | | YEAR TO DATE | | | | |
|---|-----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|--------------|
| | ACTUAL | | BUDGET | ACTUAL | | | BUDGET | |
| | CURRENT | PRIOR | CURRENT | CURRENT | PRIOR | YTD | VAR | VAR % |
| PATIENT REVENUE: | | | | | | | | |
| 1. Medicare | \$4,533 | \$5,853 | \$5,769 | \$29,294 | \$30,759 | \$32,606 | (\$3,312) | (10.2) |
| 2. Managed Care - Medicare | 3,184 | 3,164 | 3,339 | 19,248 | 18,468 | 18,874 | 374 | 2.0 |
| 3. Medicaid | 7,135 | 7,607 | 8,302 | 52,376 | 52,151 | 53,963 | (1,587) | (2.9) |
| 4. Managed Care - Medicaid | 4,708 | 4,363 | 4,098 | 33,000 | 26,694 | 26,636 | 6,363 | 23.9 |
| 5. Texas vendor drug/Medicare Part D | 2,853 | 2,484 | 2,873 | 16,130 | 15,448 | 16,241 | (112) | (0.7) |
| 6. Commercial insurance | 4,880 | 4,231 | 5,722 | 29,465 | 23,870 | 32,343 | (2,878) | (8.9) |
| 7. Liens | 425 | 1,084 | 306 | 1,181 | 2,598 | 1,730 | (548) | (31.7) |
| 8. Patient pay | 1,005 | 1,370 | 1,384 | 8,091 | 7,954 | 7,825 | 266 | 3.4 |
| 9. Pharmacy Copay | 861 | 1,271 | 1,181 | 6,224 | 7,496 | 6,676 | (452) | (6.8) |
| 10. Agency | 1,366 | 799 | 0 | 7,506 | 7,167 | 6,307 | 1,199 | 19.0 |
| 11. SUBTOTAL | 30,950 | 32,226 | 32,975 | 202,514 | 192,605 | 203,201 | (687) | (0.3) |
| 12. Cost Reimbursements | 514 | 513 | 0 | 3,558 | 3,333 | 2,969 | 588 | 19.8 |
| 13. Net Patient Revenue Receipts | 31,464 | 32,739 | 32,975 | 206,072 | 195,938 | 206,170 | (98) | (0.0) |
| 14. DSH | 544 | 2,776 | 0 | 40,278 | 55,642 | 25,960 | 14,318 | 55.2 |
| 15. UC - 1115 Waiver | 0 | 0 | 0 | 0 | 58,096 | 0 | 0 | 0.0 |
| 16. DSRIP - 1115 Waiver | 0 | 777 | 0 | 19,304 | 18,573 | 17,984 | 1,321 | 7.3 |
| 17. NAIP Program | 4,799 | 1,087 | 1,904 | 14,383 | 8,543 | 11,423 | 2,961 | 25.9 |
| 18. Tobacco Settlement | 0 | 0 | 0 | 13,424 | 7,847 | 9,000 | 4,424 | 49.2 |
| 19. Trauma Fund | 0 | 1,684 | 1,680 | 104 | 1,684 | 1,680 | (1,576) | (93.8) |
| 20. SUBTOTAL | 5,343 | 6,324 | 3,584 | 87,493 | 150,385 | 66,046 | 21,447 | 32.5 |
| NON-PATIENT OPERATING REVENUE: | | | | | | | | |
| 21. Grants | 2,576 | 1,540 | 1,385 | 9,324 | 8,444 | 8,308 | 1,016 | 12.2 |
| 22. Miscellaneous | 1,420 | 1,078 | 1,028 | 6,968 | 6,668 | 6,168 | 801 | 13.0 |
| 23. Total Non-Patient Operating | 3,996 | 2,618 | 2,413 | 16,292 | 15,112 | 14,475 | 1,817 | 12.6 |
| 24. Interest income | 1,304 | 1,071 | 0 | 2,981 | 1,744 | 2,159 | 822 | 38.1 |
| 25. Ad valorem tax receipts/note | 769 | 2,102 | 1,404 | 27,593 | 29,797 | 31,459 | (3,866) | (12.3) |
| 26. Current Tax Revenue - CO Debt Svc | 391 | 0 | 0 | 2,347 | 0 | 203 | 2,144 | 1,054.3 |
| 27. Total Receipts | \$43,268 | \$44,854 | \$40,376 | \$342,778 | \$392,976 | \$320,513 | \$22,266 | 6.9 |