



Financial Statements

As of September 30, 2020



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Financial Highlights Review

As of September 30, 2020

Operating Income for September was \$27.1 million compared to budgeted loss of \$3.8 million.

Overall September net revenue of \$176.1 million was \$41.1 million or 30.4% greater than budget. The increase was due to the \$16.5 million in HRSA Relief Funds received this month, and income from Medicaid Supplemental programs that was \$25.6 million higher than expected. As previously discussed, most of the overage was due to the final resizing of the Uncompensated Care program under the Medicaid 1115 Waiver effective for federal fiscal year 2020.

Total operating expenses of \$149.0 million were \$10.2 million or 7.4% greater than budget. The \$8.5 million variance in provider cost was due to the updated physician agreements, including the annual inflationary increases effective July 1 of each year. Services costs reported an unfavorable variance of \$2.2 million driven by an increase in purchased clinical services. In addition, a net increase of \$1.0 million in lease expense and depreciation combined resulted from a delay in implementing governmental accounting standard 87 related to leases. In May 2020, the Governmental Accounting Standards Board (GASB) postponed the effective date of the new standard in response to COVID-19. Because of the delay, GASB 87 will not be effective for Harris Health until FY 2022-2023.

Adjusted patient days, the overall measure of patient volume, were 24.4% lower than budget in September consistent with previous volume losses since March. In-person clinic visits were down 76.3%; overall clinic visits including telehealth were 16.0% lower compared to budget. Patient days were down 13.1% in September. Emergency room visits and births were down 15.0% and 26.8%, respectively. The volume adjusted expense per adjusted patient day was \$4,823 compared to the budget of \$3,396 per day and the prior year expense of \$3,618 per adjusted patient day.

Total cash receipts for September were \$77.8 million. The System has \$802.5 million in unrestricted cash, cash equivalents and investments, representing 177.2 days cash on hand. Harris Health System has \$74.1 million in net accounts receivable, representing 54.2 days of outstanding patient accounts receivable at September 30, 2020. The September balance sheet reflects a combined net receivable position of \$5.1 million under the various Medicaid Supplemental programs.

September expenses incurred by Harris Health for Foundation personnel and other costs were \$46,000.

Income Statement

As of September 30, 2020 (In \$ Millions)

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	51.1	50.4	1.5%	292.3	355.4	-17.7%	330.7	-11.6%
Medicaid Supplemental Programs	41.8	16.2	157.9%	352.2	147.4	139.0%	132.6	165.7%
Other Operating Revenue	18.3	2.6	600.4%	89.0	17.7	401.6%	20.2	339.6%
Total Operating Revenue	\$ 111.2	\$ 69.2	60.7%	\$ 733.5	\$ 520.5	40.9%	\$ 483.5	51.7%
Net Ad Valorem Taxes	65.2	65.2	0.0%	456.4	456.2	0.0%	442.2	3.2%
Net Tobacco Settlement Revenue	-	-	0.0%	12.9	13.8	-6.3%	13.8	-6.3%
Interest Income & Other	(0.2)	0.7	-127.0%	3.4	7.1	-52.7%	10.4	-67.7%
Total Nonoperating Revenue	\$ 65.0	\$ 65.9	-1.4%	\$ 472.7	\$ 477.1	-0.9%	\$ 466.4	1.3%
Total Net Revenue	\$ 176.1	\$ 135.1	30.4%	\$ 1,206.2	\$ 997.6	20.9%	\$ 949.9	27.0%
EXPENSE								
Salaries and Wages	52.2	52.1	-0.1%	375.7	369.1	-1.8%	341.8	-9.9%
Employee Benefits	18.5	18.1	-2.1%	130.7	126.6	-3.2%	121.2	-7.9%
Total Labor Cost	\$ 70.6	\$ 70.2	-0.7%	\$ 506.4	\$ 495.8	-2.1%	\$ 463.0	-9.4%
Supply Expenses	17.4	19.0	8.5%	128.1	134.7	4.9%	125.3	-2.2%
Physician Services	34.5	26.0	-32.7%	191.8	181.7	-5.5%	155.9	-23.0%
Purchased Services	21.0	10.5	-100.6%	137.1	115.6	-18.6%	111.2	-23.3%
Depreciation & Interest	5.6	13.2	57.8%	39.7	46.7	15.0%	36.4	-9.0%
Total Operating Expense	\$ 149.0	\$ 138.8	-7.3%	\$ 1,003.2	\$ 974.5	-2.9%	\$ 891.9	-12.5%
Operating Income (Loss)	\$ 27.1	\$ (3.8)		\$ 203.0	\$ 23.1		\$ 57.9	
Total Margin %	15.4%	-2.8%		16.8%	2.3%		6.1%	

Balance Sheet

As of September 30, 2020 and 2019 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	802.5	418.1
Net Patient Accounts Receivable	74.1	73.7
Net Ad Valorem Taxes, Current Portion	462.5	446.0
Other Current Assets	107.5	117.6
Total Current Assets	\$ 1,446.6	\$ 1,055.5
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	441.0	444.3
Construction in Progress	62.8	35.0
Total Capital Assets	\$ 503.9	\$ 479.3
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	64.5	44.3
LPPF Restricted Cash	18.6	41.8
Other - Restricted	0.9	27.8
Total Assets Limited As to Use & Restricted Assets	\$ 84.0	\$ 113.9
Other Assets	24.5	10.3
Deferred Outflows of Resources	97.8	68.0
Total Assets & Deferred Outflows of Resources	\$ 2,156.8	\$ 1,727.0
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	214.3	130.3
Employee Compensation & Related Liabilities	123.6	91.4
Estimated Third-Party Payor Settlements	7.6	6.2
Current Portion Long-Term Debt and Capital Leases	11.0	8.5
Total Current Liabilities	\$ 356.5	\$ 236.5
Long-Term Debt	321.0	296.9
Net Pension & Post Employment Benefits Liability	701.1	716.5
Other Long-Term Liabilities	28.3	17.9
Deferred Inflows of Resources	55.3	-
Total Liabilities	\$ 1,462.3	\$ 1,267.7
Total Net Assets	\$ 694.6	\$ 459.3
Total Liabilities & Net Assets	\$ 2,156.8	\$ 1,727.0

Cash Flow Summary

As of September 30, 2020 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	57.6	42.0	358.1	324.7
Medicaid Supplemental Programs	16.1	36.2	376.7	144.3
Net Ad Valorem Taxes	0.0	1.6	25.6	30.0
Tobacco Settlement	0.0	0.0	12.9	13.8
Other Revenue	4.1	4.2	102.7	26.0
Total Cash Receipts	\$ 77.8	\$ 84.0	\$ 876.0	\$ 538.8
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	74.4	68.5	531.6	493.4
Supplies	16.5	21.2	141.5	136.7
Physician Services	27.1	24.8	191.4	68.6
Purchased Services	13.0	17.4	119.2	133.5
Capital Expenditures	4.8	6.9	52.2	35.8
Debt and Interest Payments	0.3	0.3	6.8	6.6
Other Uses	0.9	(20.2)	(63.6)	(13.0)
Total Cash Disbursements	\$ 137.0	\$ 118.8	\$ 979.0	\$ 861.6
Net Change	\$ (59.1)	\$ (34.8)	\$ (103.0)	\$ (322.8)
Unrestricted Cash, Cash Equivalents and Investments - February 29, 2020			\$	905.6
Net Change			\$	(103.0)
Unrestricted Cash, Cash Equivalents and Investments - September 30, 2020			\$	802.5

Performance Ratios

As of September 30, 2020

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	15.4%	-2.8%	16.8%	2.3%	6.1%
Run Rate per Day (In \$ Millions)	\$ 4.8	\$ 4.2	\$ 4.5	\$ 4.4	\$ 4.0
Salary, Wages & Benefit per APD	\$ 2,286	\$ 1,717	\$ 2,395	\$ 1,674	\$ 1,621
Supply Cost per APD	\$ 563	\$ 465	\$ 606	\$ 455	\$ 439
Physician Services Cost per APD	\$ 1,115	\$ 635	\$ 907	\$ 614	\$ 546
Total Expense per APD	\$ 4,823	\$ 3,396	\$ 4,744	\$ 3,291	\$ 3,123
Overtime as a % of Total Salaries	2.1%	1.3%	2.7%	1.4%	3.0%
Contract as a % of Total Salaries	1.8%	0.4%	1.5%	0.4%	0.7%
Full-time Equivalent Employees	8,674	8,733	8,617	8,719	8,199
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			4.0	--	4.3
Unrestricted Cash (In \$ Millions)			\$ 802.5	\$ 451.6	\$ 418.1
Days Cash on Hand			177.3	103.4	103.9
Days Revenue in Accounts Receivable			54.2	46.4	47.7
Days in Accounts Payable			35.0	--	23.6
Capital Expenditures/Depreciation & Amortization			156.5%	--	119.0%
Average Age of Plant (years)			12.7	--	13.7

Harris Health System

Key Indicators



Statistical Highlights

As of September 30, 2020

	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	30,901	40,883	-24.4%	211,474	296,111	-28.6%	285,637	-26.0%
Outpatient % of Adjusted Volume	60.9%	66.1%	-7.8%	60.4%	66.1%	-8.6%	66.5%	-9.2%
Primary Care Clinic Visits	11,669	66,094	-82.3%	125,073	456,661	-72.6%	430,240	-70.9%
Specialty Clinic Visits	10,441	27,070	-61.4%	86,086	193,534	-55.5%	185,293	-53.5%
Telehealth Clinic Visits	56,151	0	100.0%	277,533	0	100.0%	0	100.0%
Total Clinic Visits	78,261	93,164	-16.0%	488,692	650,195	-24.8%	615,533	-20.6%
Emergency Room Visits - Outpatient	9,900	11,838	-16.4%	66,908	91,204	-26.6%	88,621	-24.5%
Emergency Room Visits - Admitted	1,357	1,402	-3.2%	9,485	10,829	-12.4%	10,463	-9.3%
Total Emergency Room Visits	11,257	13,240	-15.0%	76,393	102,033	-25.1%	99,084	-22.9%
Surgery Cases - Outpatient	835	1,180	-29.2%	4,404	8,662	-49.2%	7,888	-44.2%
Surgery Cases - Inpatient	737	911	-19.1%	4,381	6,394	-31.5%	5,686	-23.0%
Total Surgery Cases	1,572	2,091	-24.8%	8,785	15,056	-41.7%	13,574	-35.3%
Total Outpatient Visits	107,029	148,011	-27.7%	760,135	1,048,267	-27.5%	996,306	-23.7%
Inpatient Cases (Discharges)	2,019	2,490	-18.9%	14,193	18,075	-21.5%	17,095	-17.0%
Outpatient Observation Cases	922	1,278	-27.9%	6,802	8,673	-21.6%	8,873	-23.3%
Total Cases Occupying Patient Beds	2,941	3,768	-21.9%	20,995	26,748	-21.5%	25,968	-19.2%
Births	383	523	-26.8%	2,526	3,213	-21.4%	3,189	-20.8%
Inpatient Days	12,077	13,872	-12.9%	83,701	100,456	-16.7%	95,591	-12.4%
Outpatient Observation Days	2,519	2,929	-14.0%	17,833	19,974	-10.7%	21,746	-18.0%
Total Patient Days	14,596	16,801	-13.1%	101,534	120,430	-15.7%	117,337	-13.5%
Average Daily Census	486.5	560.0	-13.1%	474.5	562.8	-15.7%	548.3	-13.5%
Average Operating Beds	623	671	-7.2%	658	671	-1.9%	673	-2.2%
Bed Occupancy %	78.1%	83.5%	-6.4%	72.1%	83.9%	-14.0%	81.5%	-11.5%
Inpatient Average Length of Stay	6.0	5.6	7.4%	5.9	5.6	6.1%	5.6	5.5%
Inpatient Case Mix Index (CMI)	1.778	1.626	9.3%	1.731	1.626	6.4%	1.616	7.1%
<u>Payor Mix (% of Charges)</u>								
Charity & Self Pay	51.5%	53.4%	-3.6%	51.7%	53.4%	-3.2%	53.9%	-4.1%
Medicaid & Medicaid Managed	23.1%	21.8%	5.9%	22.9%	21.8%	4.9%	21.8%	5.0%
Medicare & Medicare Managed	11.9%	11.7%	1.8%	11.9%	11.7%	1.9%	11.7%	2.1%
Commercial & Other	13.5%	13.1%	3.3%	13.5%	13.1%	3.4%	12.7%	6.7%
Total Unduplicated Patients - Rolling 12				257,355			293,372	-12.3%
Total New Patient - Rolling 12				73,800			91,661	-19.5%

Harris Health System

Statistical Highlights

September FY 2021

Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,941	3,768	3,516

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
20,995	26,748	25,968

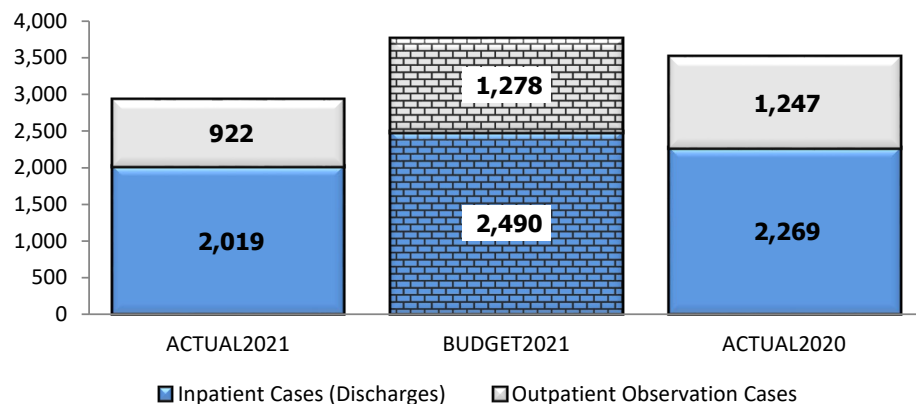
Emergency Visits - CM

Actual	Budget	Prior Year
11,257	13,240	12,320

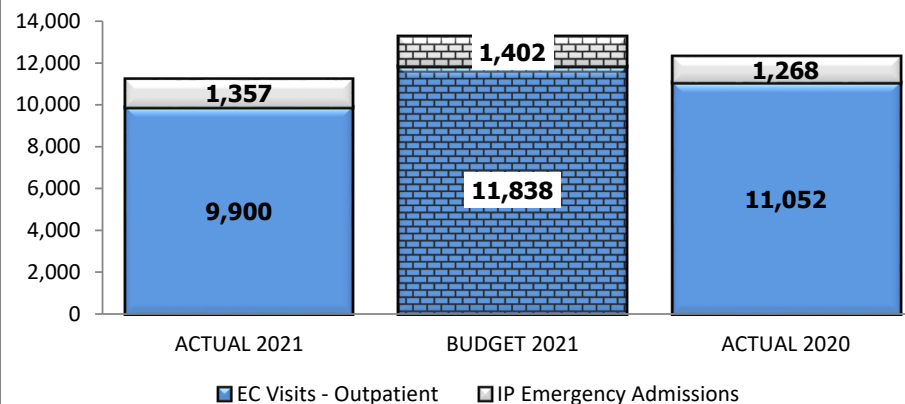
Emergency Visits - YTD

Actual	Budget	Prior Year
76,393	102,033	99,084

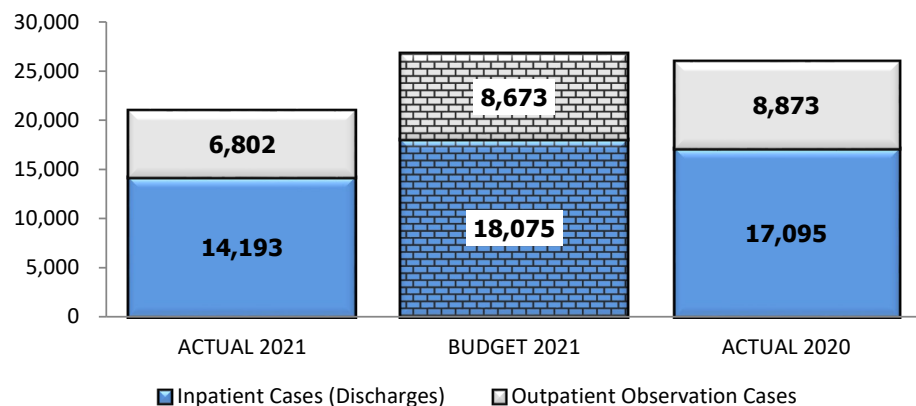
Cases Occupying Beds - Current Month



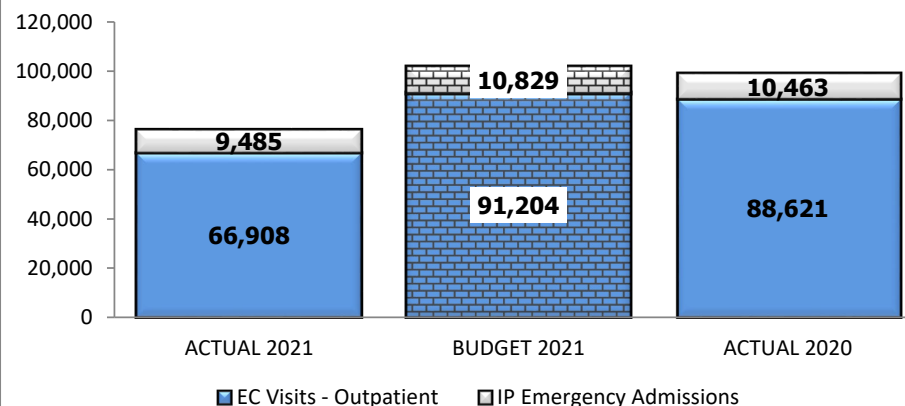
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

September FY 2021

Surgery Cases - CM

Actual	Budget	Prior Year
1,572	2,091	1,765

Surgery Cases - YTD

Actual	Budget	Prior Year
8,785	15,056	13,574

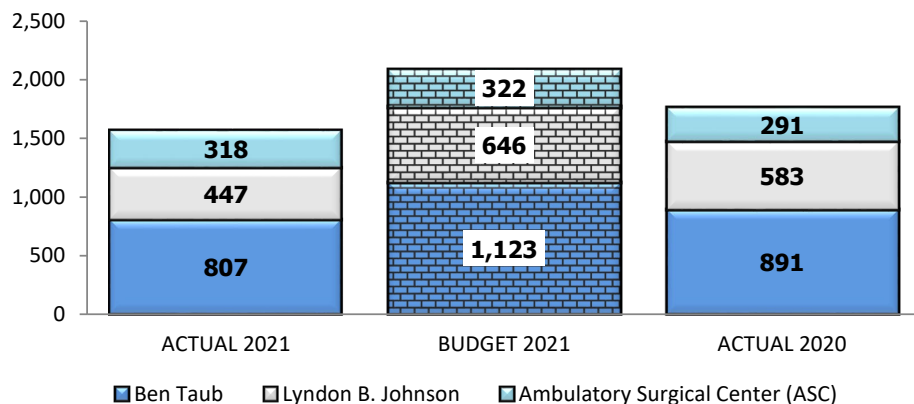
Clinic Visits - CM

Actual	Budget	Prior Year
78,261	93,164	80,016

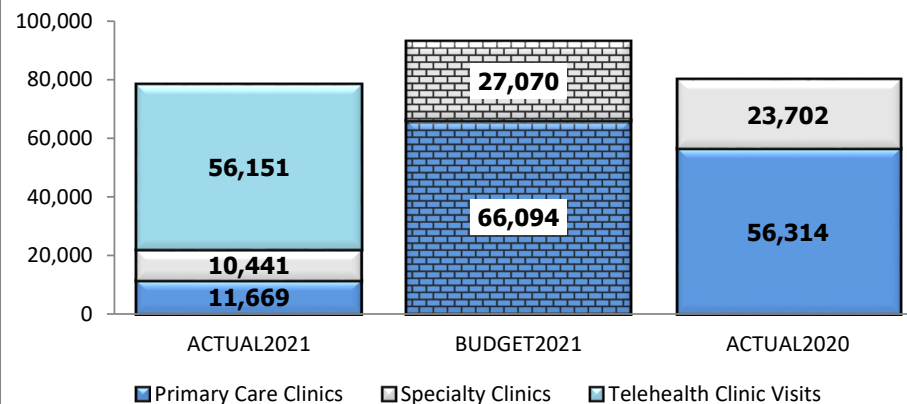
Clinic Visits - YTD

Actual	Budget	Prior Year
488,692	650,195	615,533

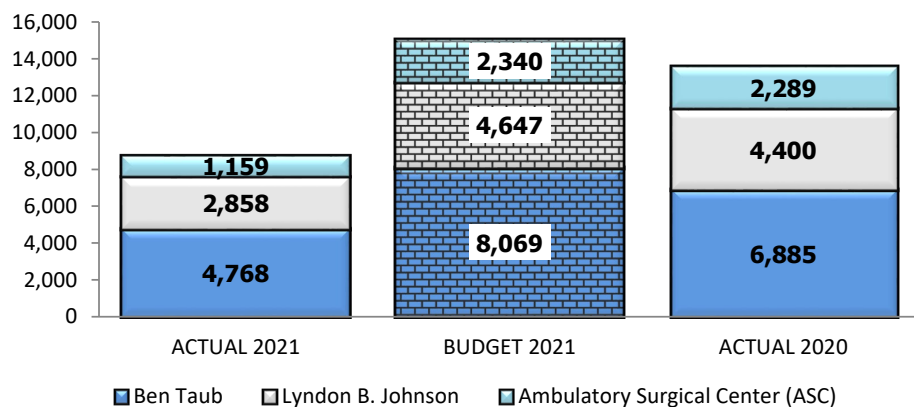
Surgery Cases - Current Month



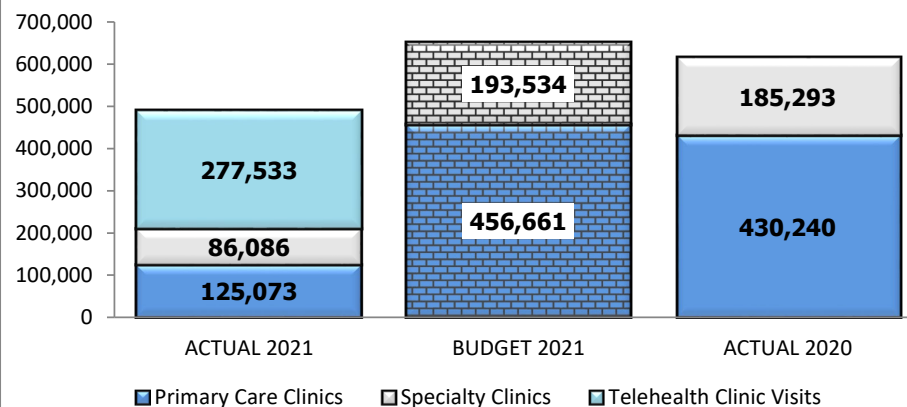
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

September FY 2021

Adjusted Patient Days - CM

30,901

Adjusted Patient Days - YTD

211,474

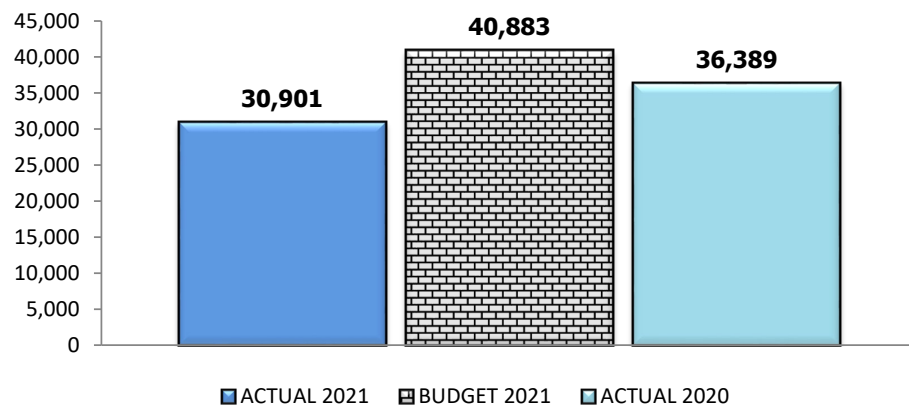
Average Daily Census - CM

486.5

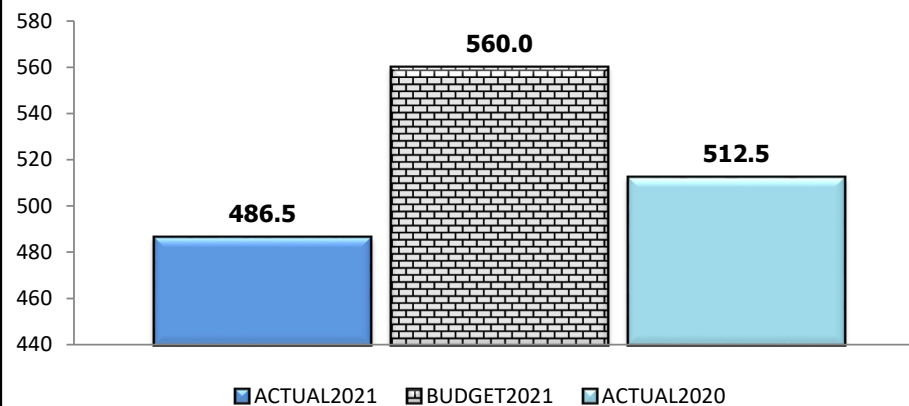
Average Daily Census - YTD

474.5

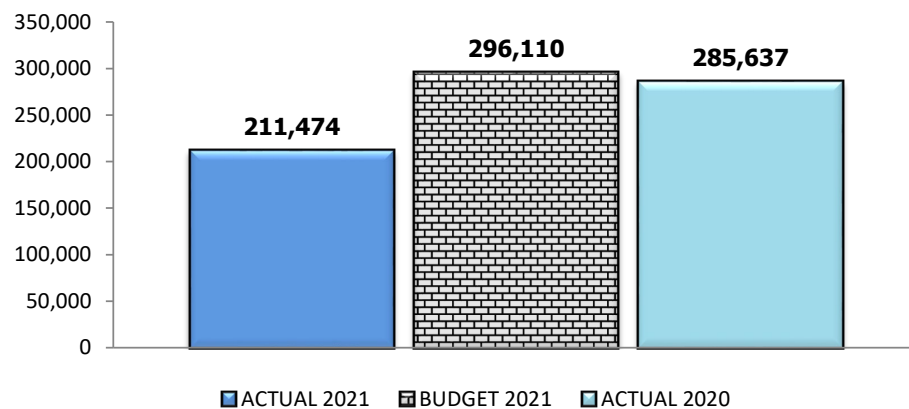
Adjusted Patient Days - Current Month



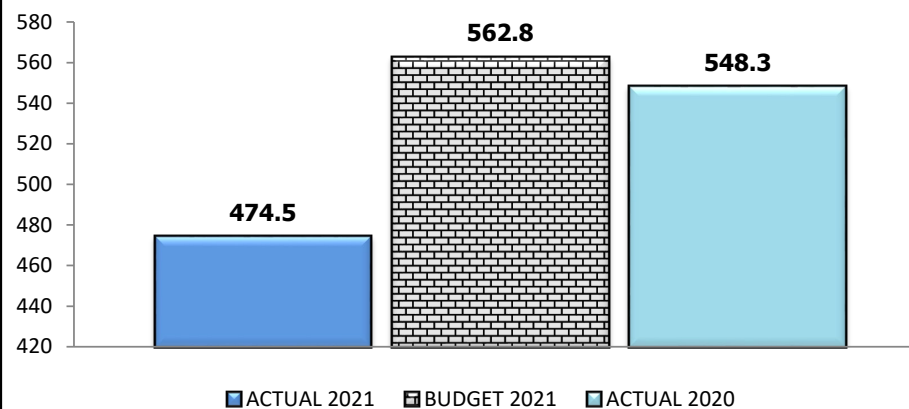
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

September FY 2021

Inpatient ALOS - CM

5.98

Inpatient ALOS - YTD

5.90

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.778

1.981

Case Mix Index (CMI) - YTD

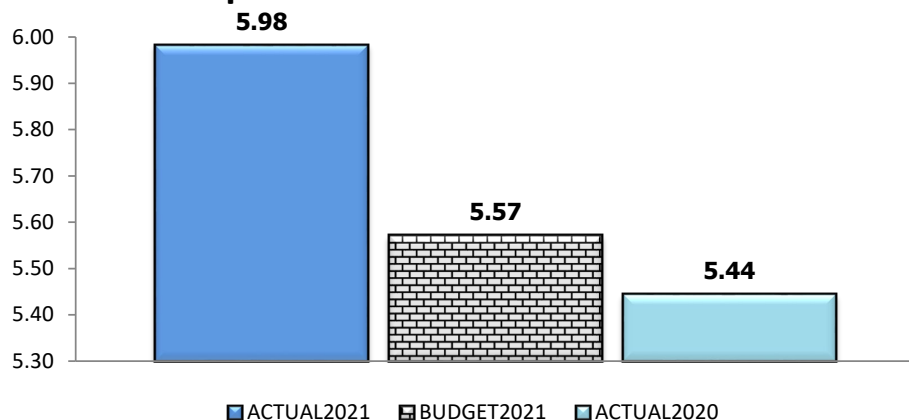
Overall

Excl. Obstetrics

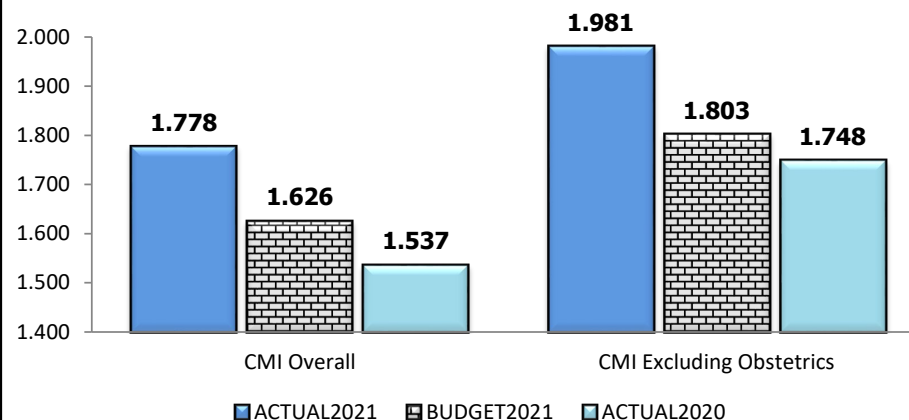
1.731

1.909

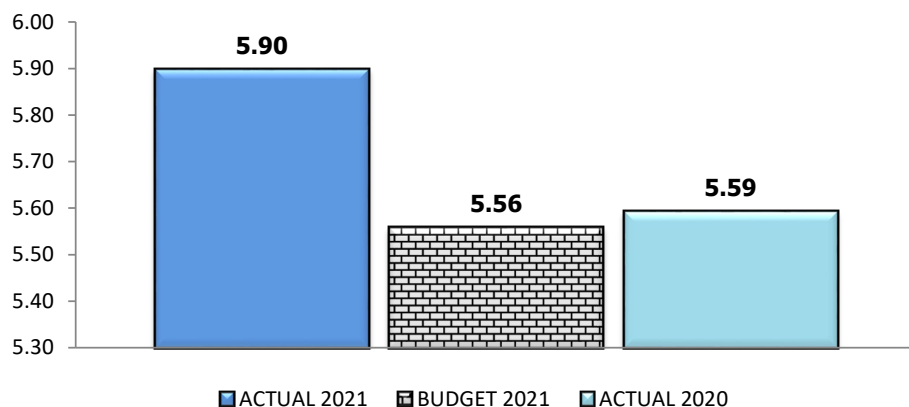
Inpatient ALOS - Current Month



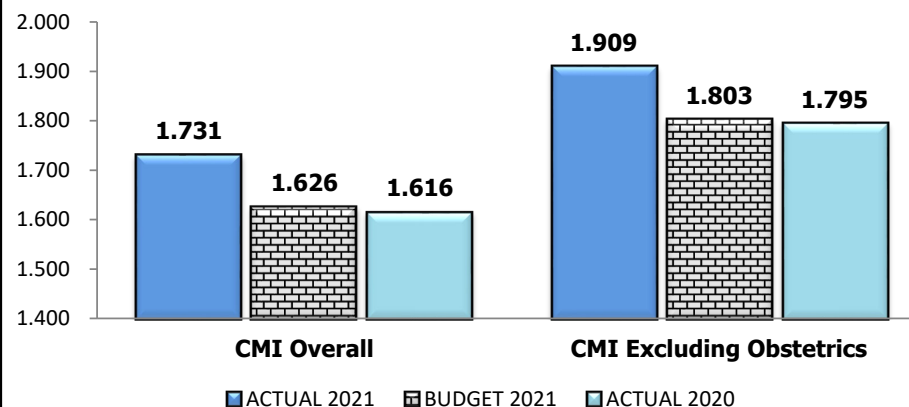
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

September FY 2021

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,941	2,254	2,043

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
13,229	16,117	15,559

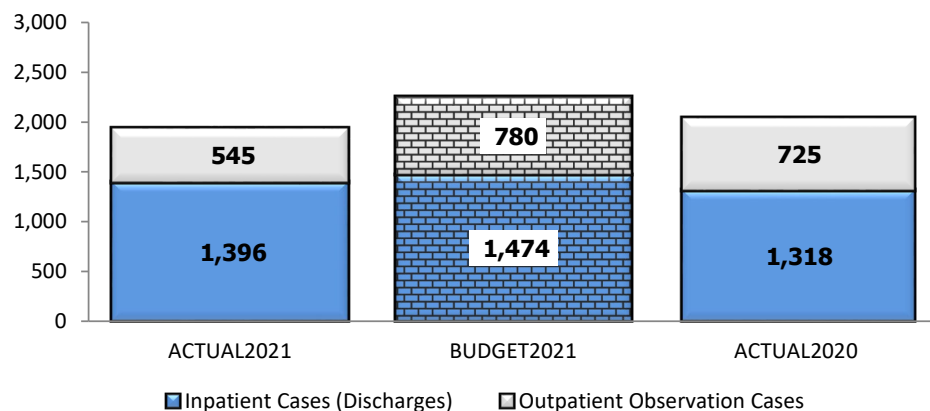
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,000	1,514	1,473

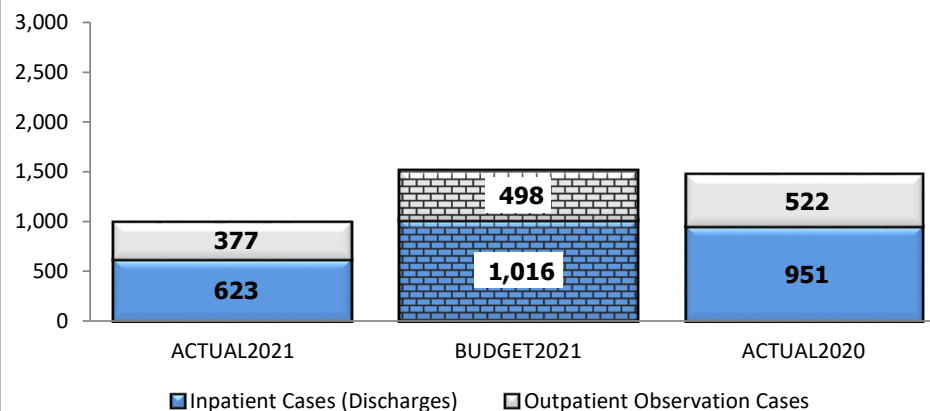
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
7,766	10,631	10,409

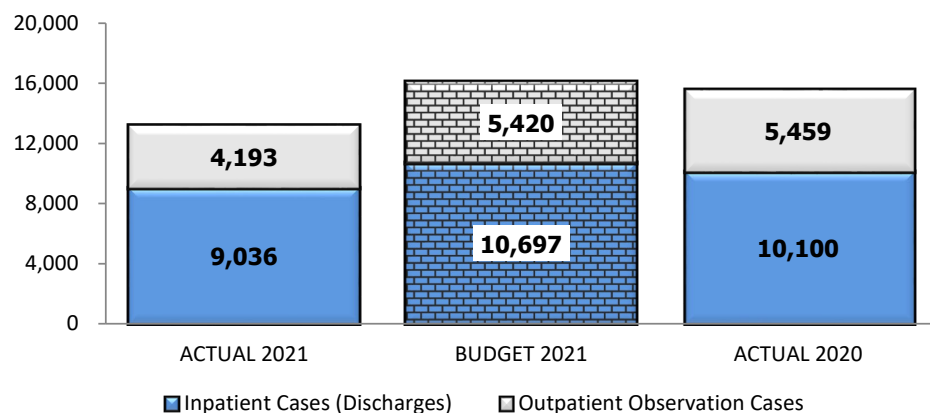
Ben Taub Cases - Current Month



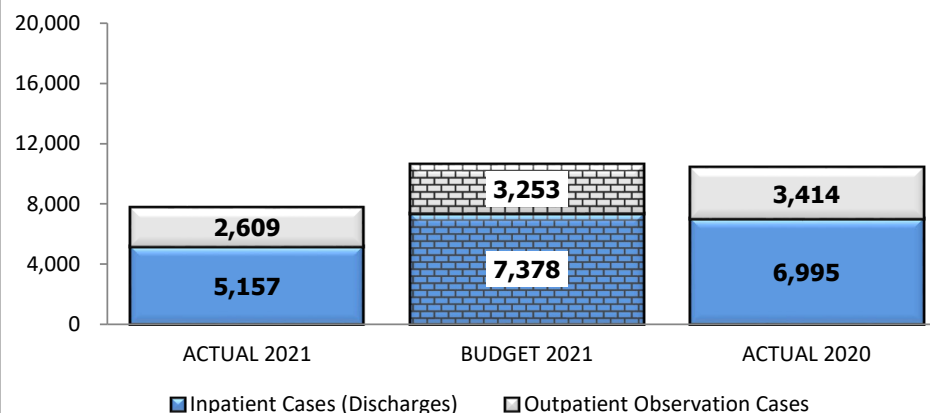
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

September FY 2021

BT Surgery Cases - CM

Actual	Budget	Prior Year
807	1,123	891

BT Surgery Cases - YTD

Actual	Budget	Prior Year
4,768	8,069	6,885

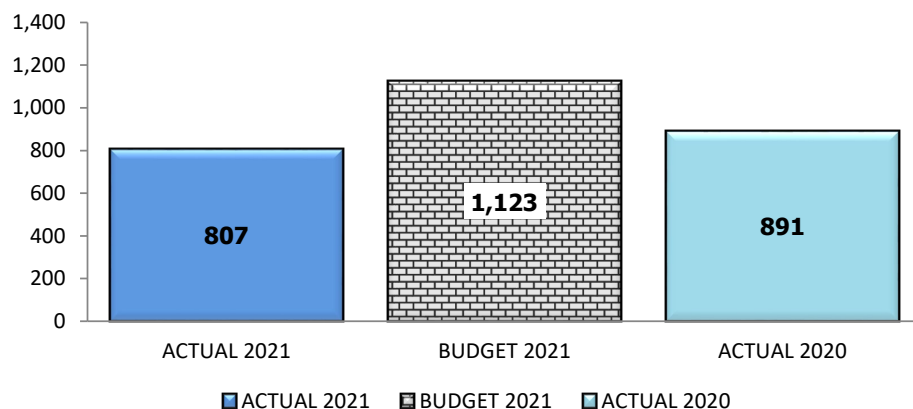
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
765	968	874

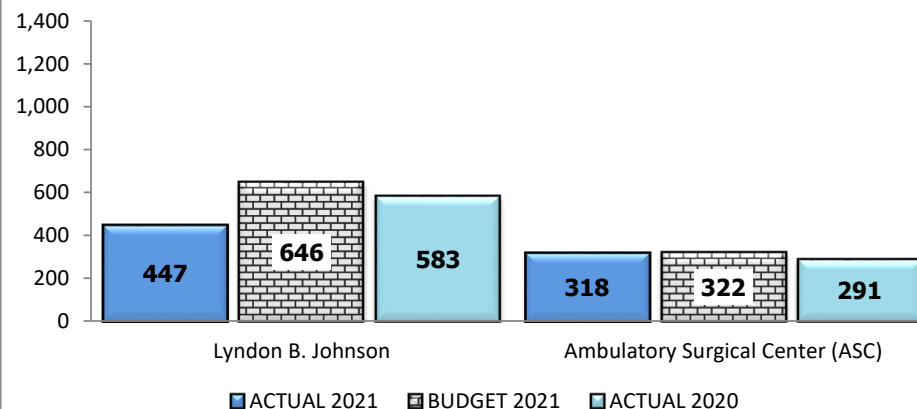
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
4,017	6,987	6,689

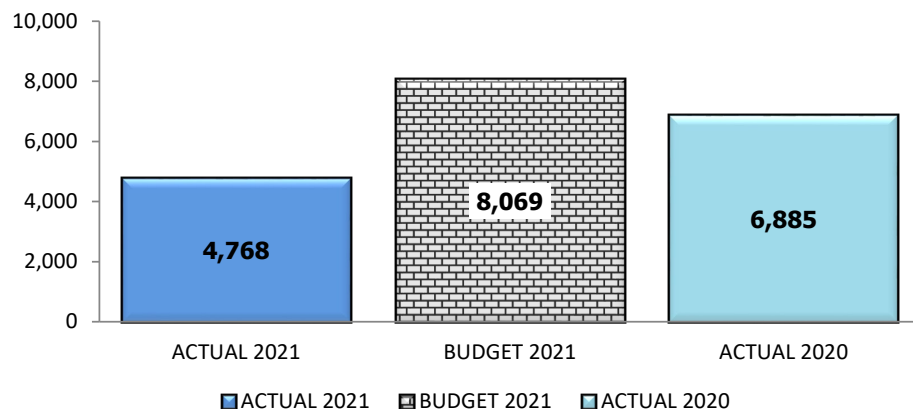
Ben Taub OR Cases - Current Month



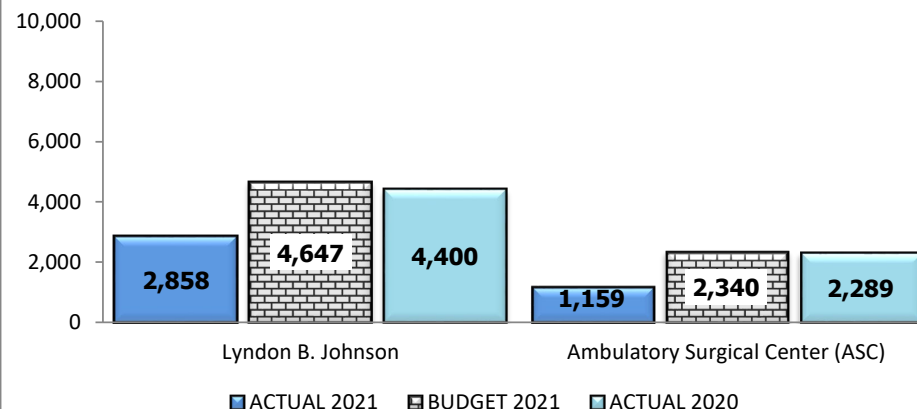
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

September FY 2021

BT Emergency Visits - CM

Actual	Budget	Prior Year
5,746	6,280	5,827

BT Emergency Visits - YTD

Actual	Budget	Prior Year
37,881	49,188	47,652

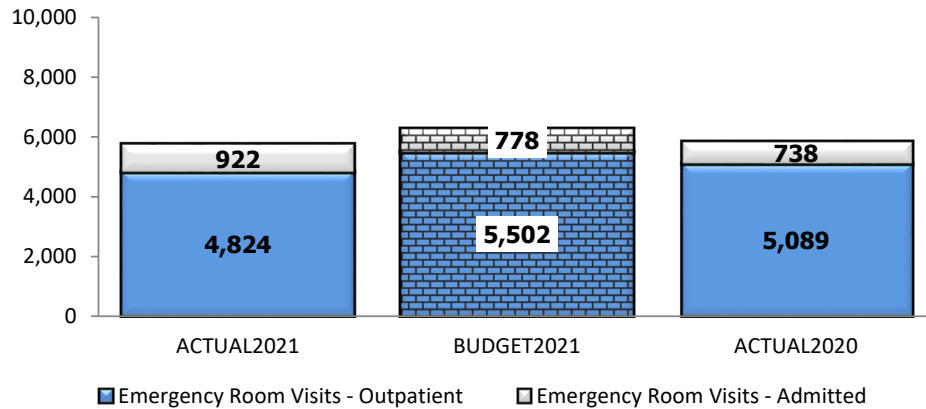
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
5,511	6,960	6,493

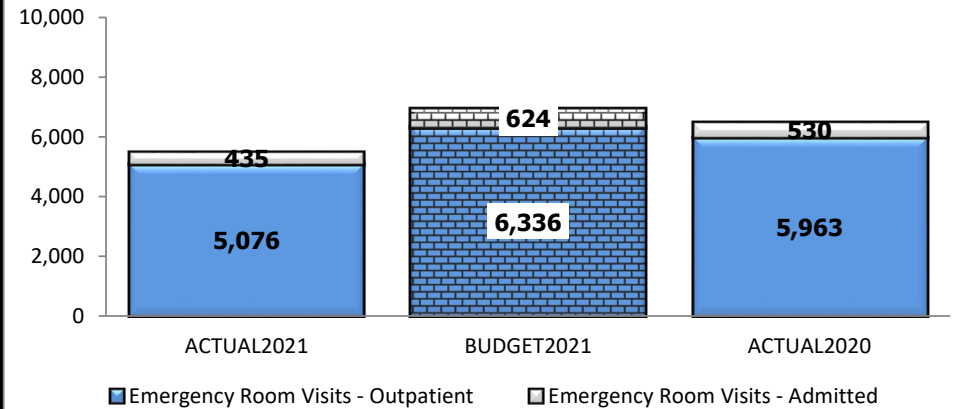
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
38,512	52,845	51,432

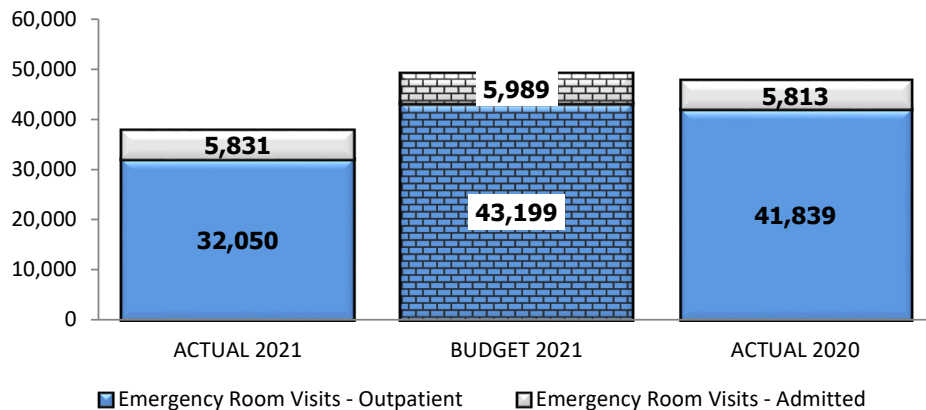
Ben Taub EC Visits - Current Month



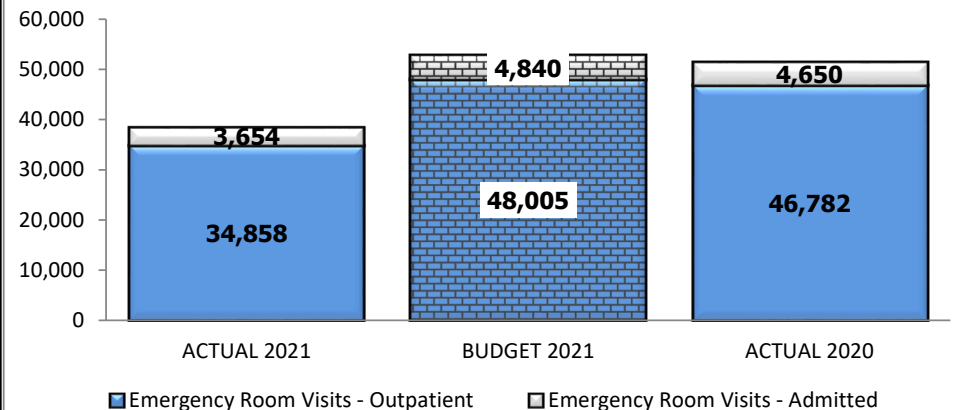
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

September FY 2021

BT Births - CM

Actual	Budget	Prior Year
232	306	288

BT Births - YTD

Actual	Budget	Prior Year
1,459	1,840	1,804

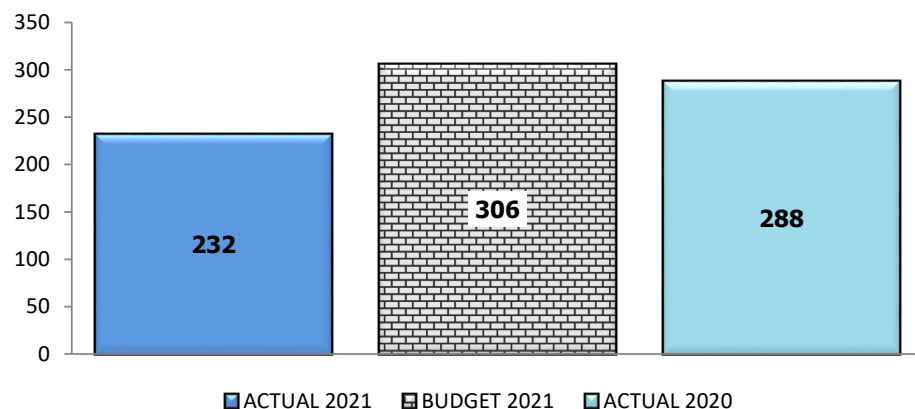
LBJ Births - CM

Actual	Budget	Prior Year
151	217	232

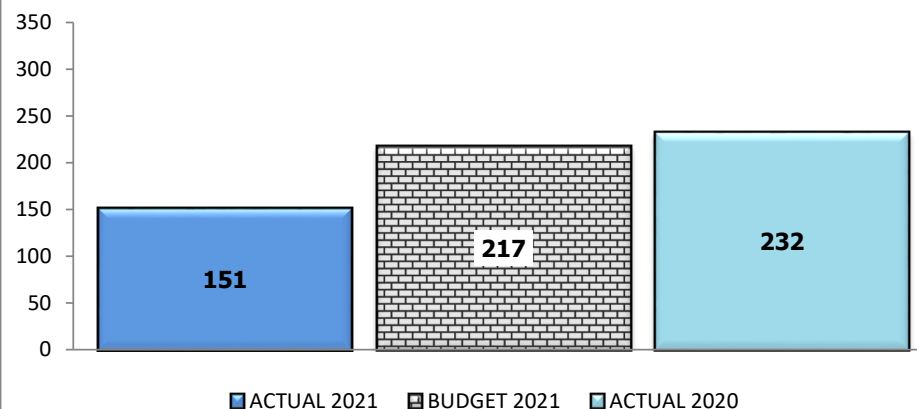
LBJ Births - YTD

Actual	Budget	Prior Year
1,067	1,373	1,385

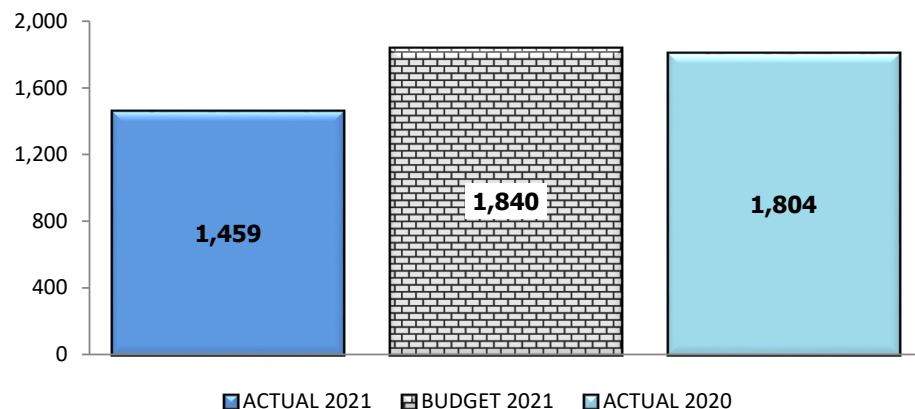
Ben Taub Births - Current Month



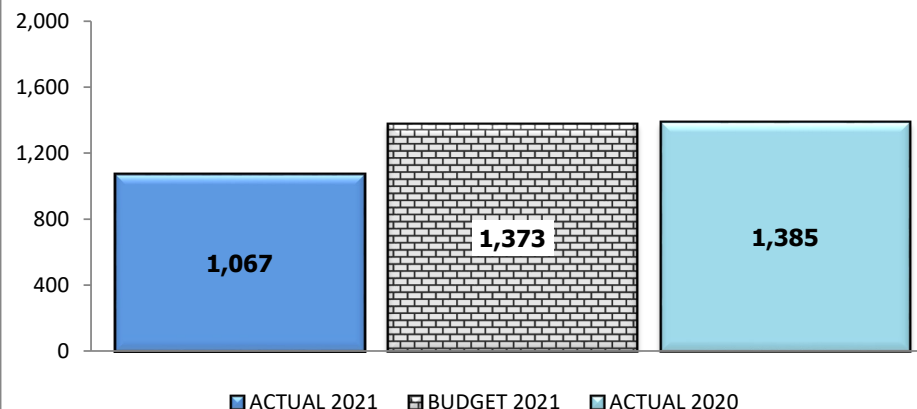
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

September FY 2021

BT Adjusted Patient Days - CM

16,555

BT Adjusted Patient Days - YTD

104,919

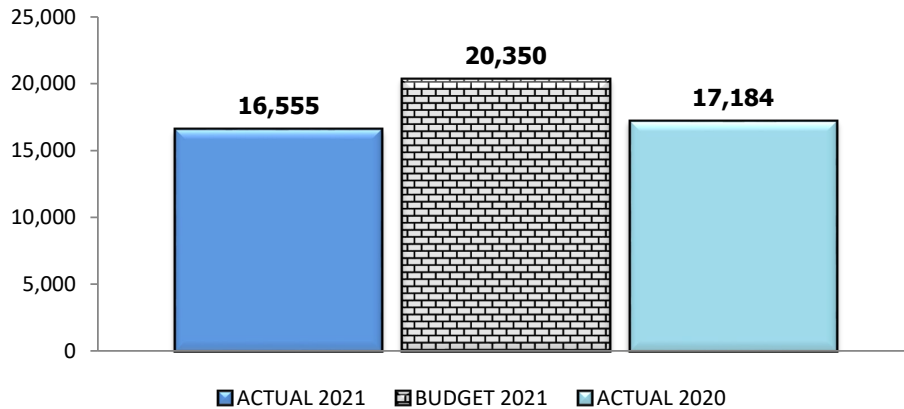
LBJ Adjusted Patient Days - CM

9,320

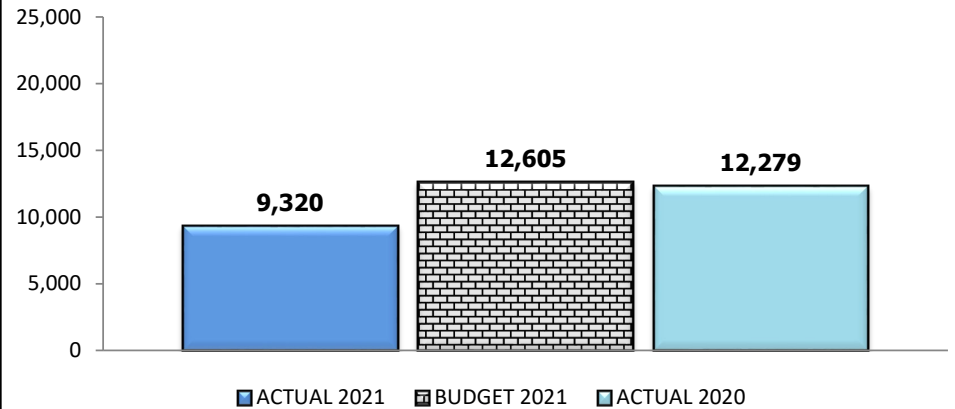
LBJ Adjusted Patient Days - YTD

70,469

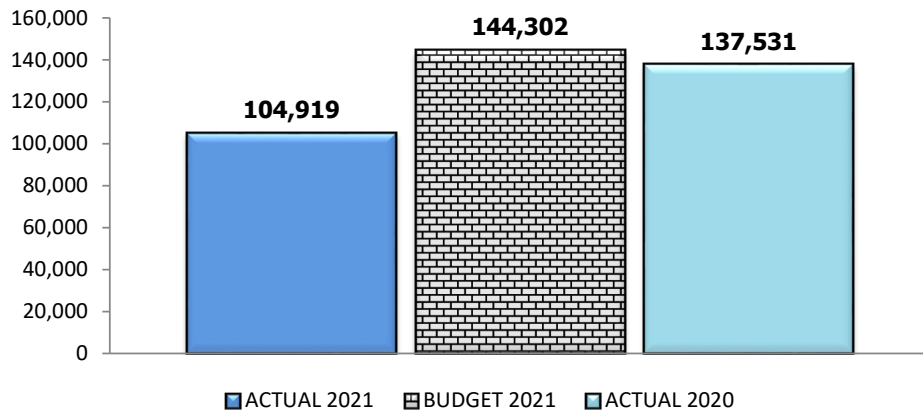
Ben Taub APD - Current Month



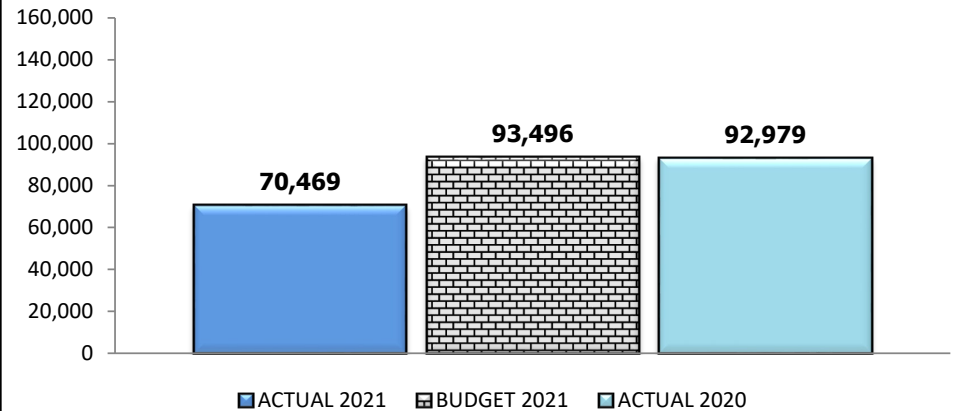
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

September FY 2021

BT Average Daily Census - CM

343.4

BT Average Daily Census - YTD

308.3

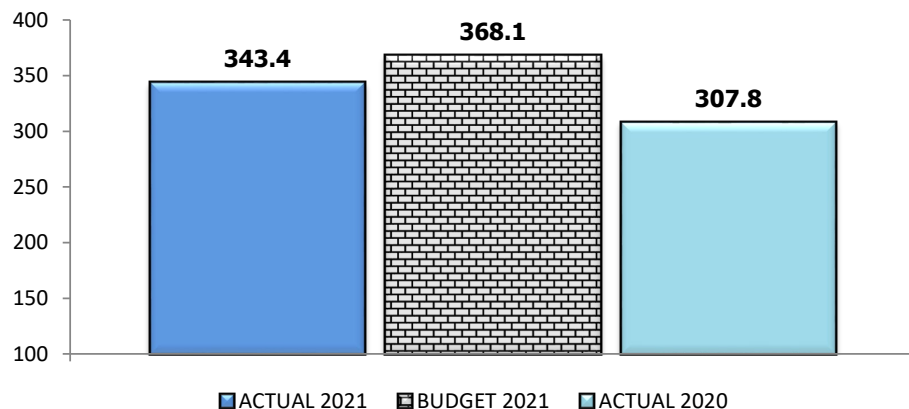
LBJ Average Daily Census - CM

143.1

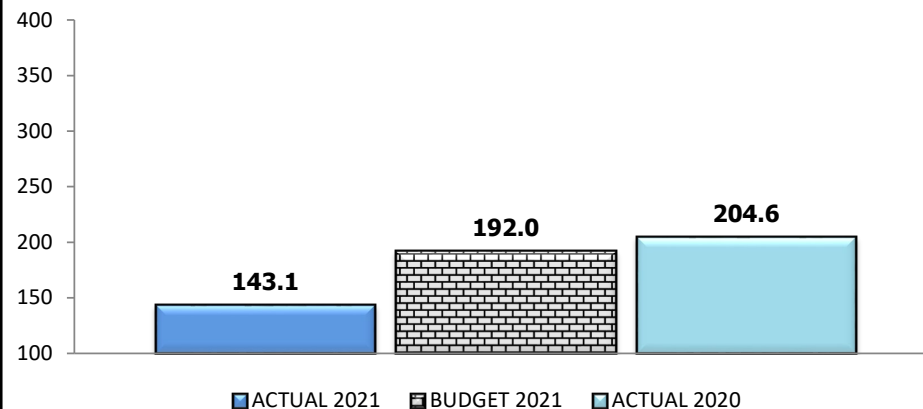
LBJ Average Daily Census - YTD

166.1

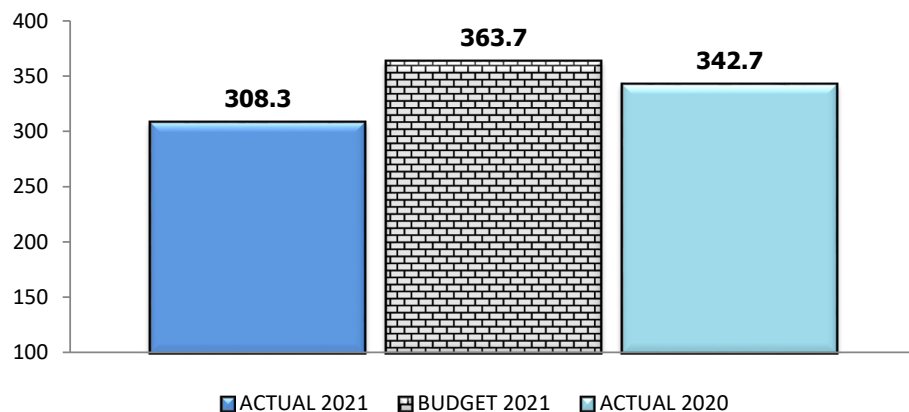
Ben Taub ADC - Current Month



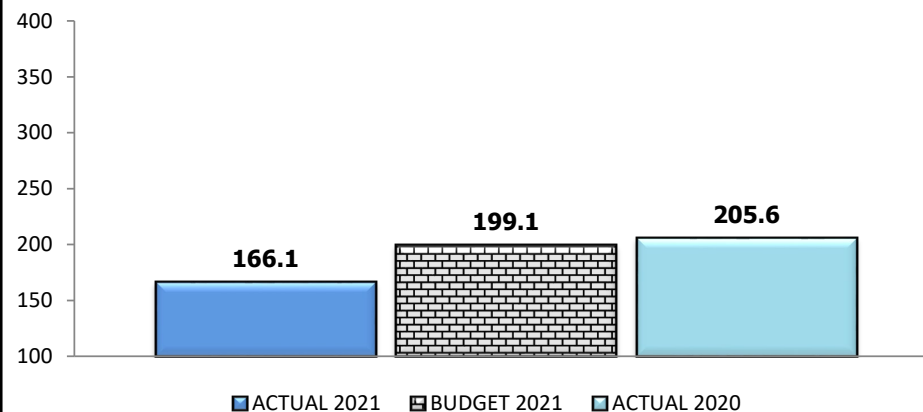
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

September FY 2021

BT Inpatient ALOS - CM

6.22

BT Inpatient ALOS - YTD

6.06

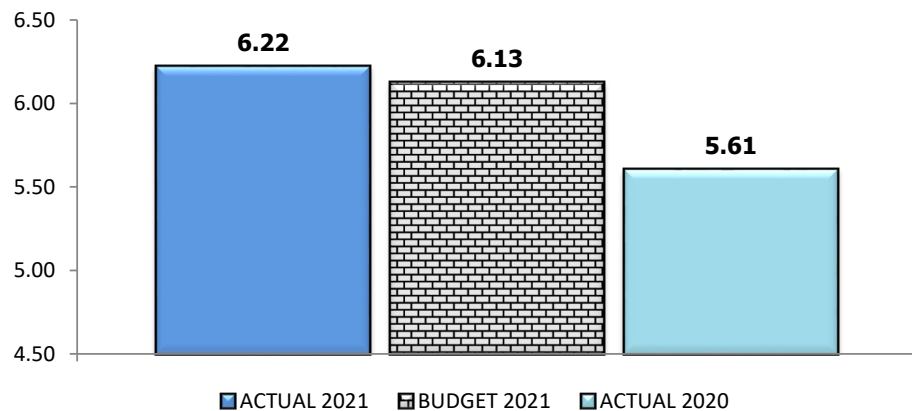
LBJ Inpatient ALOS - CM

5.44

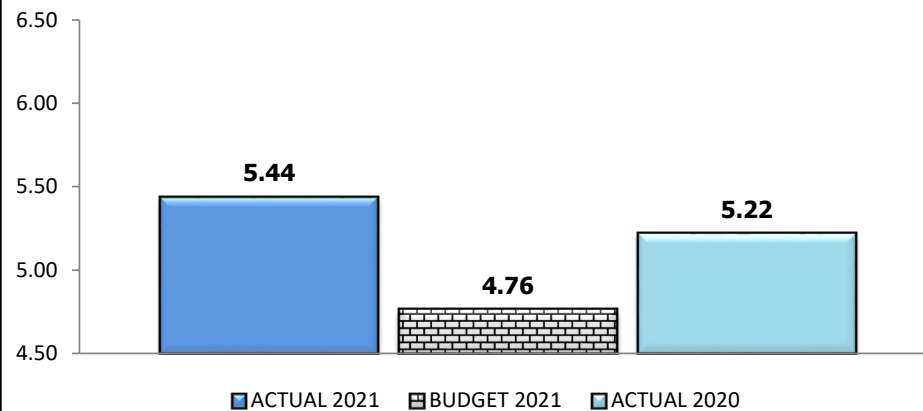
LBJ Inpatient ALOS - YTD

5.62

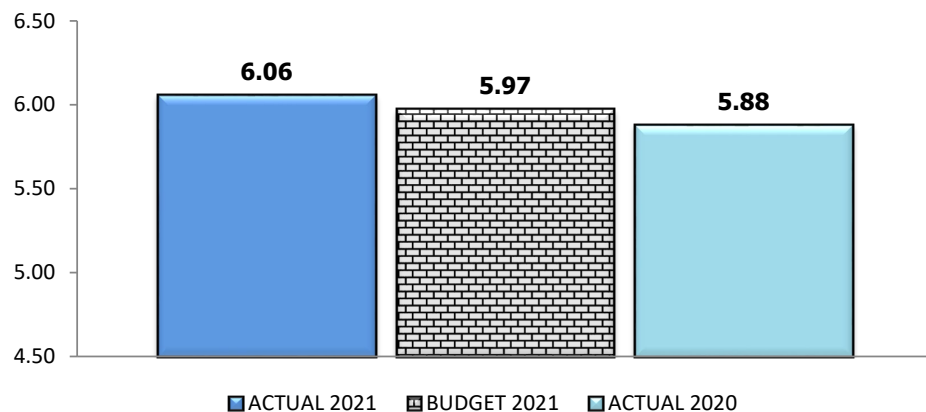
Ben Taub ALOS - Current Month



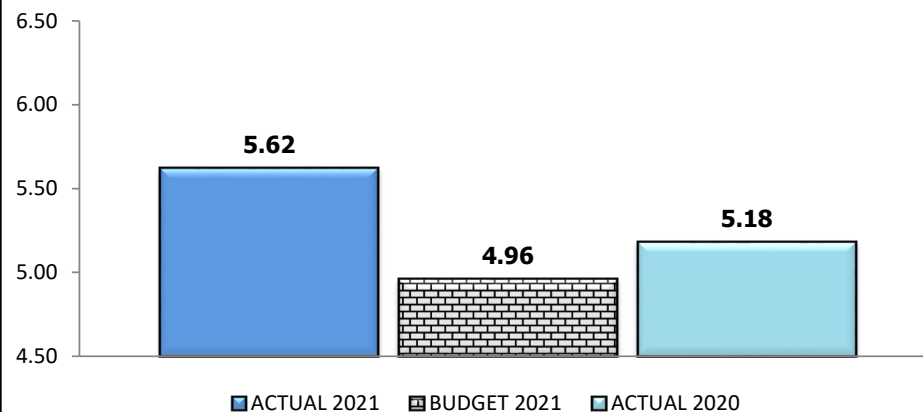
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

September FY 2021

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.813	1.984

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.780	1.939

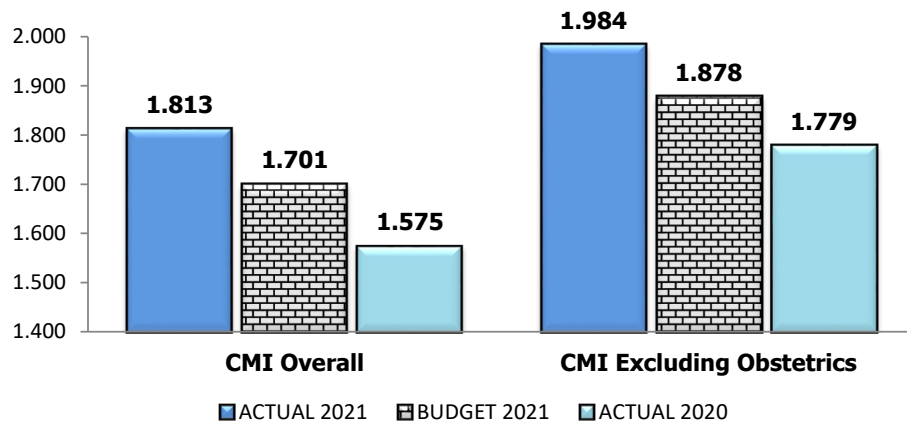
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.697	1.971

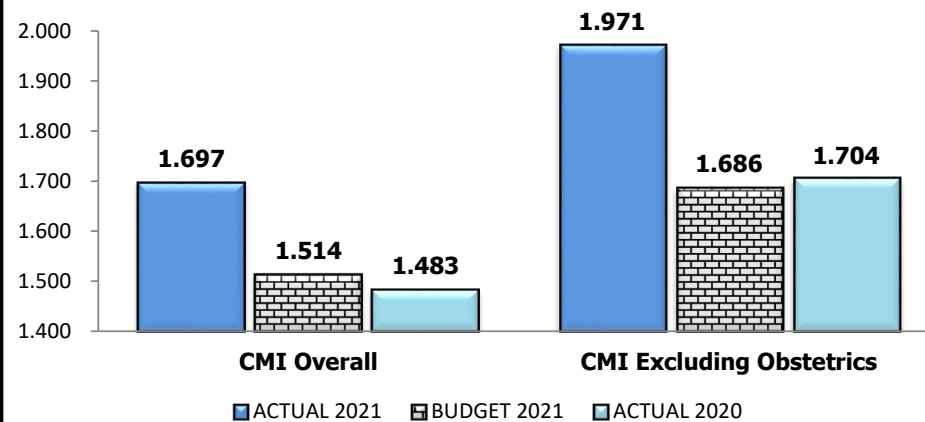
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.646	1.854

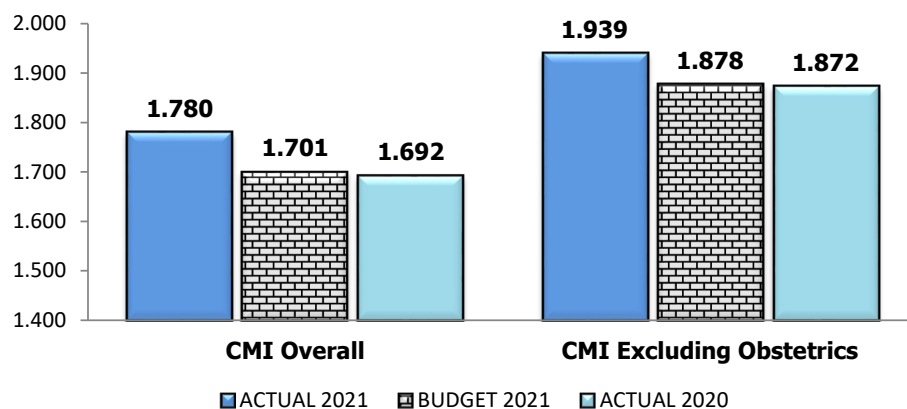
Ben Taub CMI - Current Month



Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

