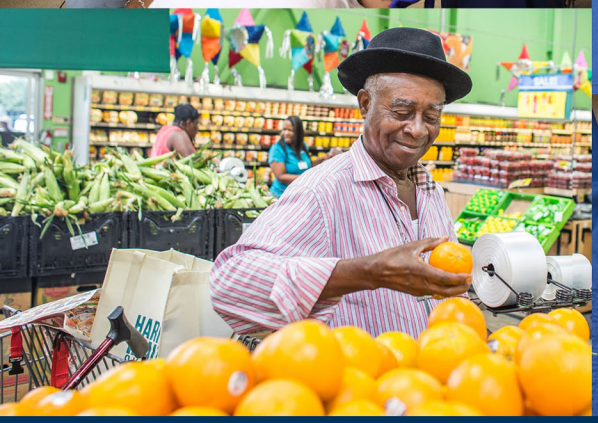
HARRISHEALTH SYSTEM

Financial Statements

As of August 31, 2020



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Financial Highlights Review

HARRISHEALTH SYSTEM

As of August 31, 2020

Operating Income for August was $25.3 million compared to budgeted loss of $4.3 million.

Overall August net revenue of $174.9 million was $39.5 million or 29.2% greater than budget. Net patient revenue resulted in a negative variance of $18.6 million due to a decrease in patient volumes from the COVID-19 pandemic, yet again. This gap in patient revenues was closed by receipt of $29.5 million in HRSA Relief Funds in August. Income from Medicaid Supplemental programs was $23.4 million higher than expected, most of which was due to the final resizing of the Uncompensated Care program under the Medicaid 1115 Waiver effective for federal fiscal year 2020, as previously discussed.

Total operating expenses of $149.6 million were $9.9 million or 7.1% greater than budget largely due to the effects of the pandemic. Salaries and benefits were $3.0 million greater primarily due to increased utilization of premium labor and emergency facility closure expense in response to hurricane preparedness. Physician services and clinical purchased services reported a combined unfavorable variance of $7.8 million driven by the demands related to patient care.

Adjusted patient days, the overall measure of patient volume, were 31.1% lower than budget in August consistent with previous volume losses since March. In-person clinic visits were down 72.2%; overall clinic visits including telehealth were 22.2% lower compared to budget. Patient days were down 15.6% in August. Emergency room visits and births were down 27.3% and 20.1%, respectively. The volume adjusted expense per adjusted patient day was $5,056 compared to the budget of $3,251 per day and the prior year expense of $3,206 per adjusted patient day.

Total cash receipts for August were $98.9 million. The System has $861.6 million in unrestricted cash, cash equivalents and investments, representing 192.3 days cash on hand. Harris Health System has $58.1 million in net accounts receivable, representing 44.3 days of outstanding patient accounts receivable at August 31, 2020. The August balance sheet reflects a combined net payable position of $18.7 million under the various Medicaid Supplemental programs.

August expenses incurred by Harris Health for Foundation personnel and other costs were $45,000.

Income Statement

HARRISHEALTH SYSTEM

As of August 31, 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	32.1	50.7	-36.7%	241.2	305.0	-20.9%	289.1	-16.6%
Medicaid Supplemental Programs	39.6	16.2	144.4%	310.5	131.2	136.7%	124.5	149.4%
Other Operating Revenue	38.1	2.5	1451.5%	70.7	15.1	367.4%	17.6	300.8%
Total Operating Revenue	**$ 109.8**	**$ 69.4**	**58.3%**	**$ 622.4**	**$ 451.3**	**37.9%**	**$ 431.2**	**44.3%**
Net Ad Valorem Taxes	65.2	65.2	0.0%	391.2	391.0	0.0%	378.8	3.3%
Net Tobacco Settlement Revenue	-	-	0.0%	12.9	13.8	-6.3%	13.8	-6.3%
Interest Income & Other	(0.1)	0.8	-108.0%	3.6	6.4	-44.3%	10.6	-66.4%
Total Nonoperating Revenue	**$ 65.1**	**$ 66.0**	**-1.4%**	**$ 407.7**	**$ 411.2**	**-0.9%**	**$ 403.2**	**1.1%**
Total Net Revenue	**$ 174.9**	**$ 135.4**	**29.2%**	**$ 1,030.0**	**$ 862.6**	**19.4%**	**$ 834.4**	**23.4%**
EXPENSE								
Salaries and Wages	54.5	53.6	-1.8%	323.5	317.0	-2.0%	293.9	-10.1%
Employee Benefits	20.1	18.1	-11.3%	112.3	108.6	-3.4%	104.6	-7.3%
Total Labor Cost	**$ 74.7**	**$ 71.6**	**-4.2%**	**$ 435.8**	**$ 425.6**	**-2.4%**	**$ 398.5**	**-9.3%**
Supply Expenses	16.6	19.6	15.2%	110.7	115.7	4.3%	106.9	-3.6%
Physician Services	31.1	26.0	-19.7%	157.3	155.7	-1.0%	132.2	-19.0%
Purchased Services	21.5	16.9	-27.2%	116.2	105.1	-10.5%	92.0	-26.3%
Depreciation & Interest	5.7	5.6	-2.5%	34.1	33.5	-1.9%	30.7	-11.3%
Total Operating Expense	**$ 149.6**	**$ 139.7**	**-7.1%**	**$ 854.1**	**$ 835.7**	**-2.2%**	**$ 760.3**	**-12.3%**
Operating Income (Loss)	**$ 25.3**	**$ (4.3)**		**$ 175.9**	**$ 26.9**		**$ 74.1**	
Total Margin %	**14.5%**	**-3.2%**		**17.1%**	**3.1%**		**8.9%**	

Balance Sheet

HARRISHEALTH SYSTEM

As of August 31, 2020 and 2019 (In $ Millions)

	CURRENT YEAR	PRIOR YEAR
CURRENT ASSETS		
Cash, Cash Equivalents and Short Term Investments	861.6	453.0
Net Patient Accounts Receivable	58.1	75.9
Net Ad Valorem Taxes, Current Portion	396.3	381.9
Other Current Assets	118.7	145.7
Total Current Assets	**$ 1,434.8**	**$ 1,056.5**
CAPITAL ASSETS		
Plant, Property, & Equipment, Net of Accumulated Depreciation	443.1	399.3
Construction in Progress	59.7	78.3
Total Capital Assets	**$ 502.9**	**$ 477.7**
ASSETS LIMITED AS TO USE & RESTRICTED ASSETS		
Debit Service & Captial Asset Funds	64.5	56.3
LPPF Restricted Cash	1.0	98.8
Other - Restricted	0.9	28.3
Total Assets Limited As to Use & Restricted Assets	**$ 66.4**	**$ 183.4**
Other Assets	23.7	12.8
Deferred Outflows of Resources	97.8	68.0
Total Assets & Deferred Outflows of Resources	**$ 2,125.5**	**$ 1,798.4**
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	213.0	188.0
Employee Compensation & Related Liabilities	121.6	89.5
Estimated Third-Party Payor Settlements	7.4	6.2
Current Portion Long-Term Debt and Capital Leases	11.0	8.5
Total Current Liabilities	**$ 353.0**	**$ 292.2**
Long-Term Debt	321.1	297.0
Net Pension & Post Employment Benefits Liability	700.2	715.8
Other Long-Term Liabilities	28.4	17.9
Deferred Inflows of Resources	55.3	-
Total Liabilities	**$ 1,458.1**	**$ 1,323.0**
Total Net Assets	**$ 667.5**	**$ 475.5**
Total Liabilities & Net Assets	**$ 2,125.5**	**$ 1,798.4**

Cash Flow Summary

HARRISHEALTH SYSTEM

As of August 31, 2020 (In $ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	72.3	51.6	300.5	282.8
Medicaid Supplemental Programs	2.9	4.6	360.5	108.1
Net Ad Valorem Taxes	2.3	0.9	25.6	28.4
Tobacco Settlement	0.0	0.0	12.9	13.8
Other Revenue	21.4	4.2	98.6	21.7
Total Cash Receipts	**$ 98.9**	**$ 61.4**	**$ 798.1**	**$ 454.8**
CASH DISBURSEMENTS				
Salaries, Wages and Benefits	73.4	70.4	457.1	424.9
Supplies	18.6	22.0	125.0	115.5
Physician Services	35.0	19.8	164.2	43.9
Purchased Services	14.5	19.3	106.2	116.1
Capital Expenditures	5.5	7.3	47.4	28.9
Debt and Interest Payments	5.0	4.7	6.5	6.3
Other Uses	(11.3)	(11.5)	(64.5)	7.2
Total Cash Disbursements	**$ 140.6**	**$ 132.1**	**$ 842.0**	**$ 742.8**
Net Change	**$ (41.7)**	**$ (70.8)**	**$ (43.9)**	**$ (288.0)**

Unrestricted Cash, Cash Equivalents and Investments - February 29, 2020	$ 905.6
Net Change	$ (43.9)
Unrestricted Cash, Cash Equivalents and Investments - August 31, 2020	**$ 861.6**

Performance Ratios

HARRISHEALTH SYSTEM

As of August 31, 2020

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
OPERATING HEALTH INDICATORS					
Operating Margin %	14.5%	-3.2%	17.1%	3.1%	8.9%
Run Rate per Day (In $ Millions)	$ 4.7	$ 4.4	$ 4.5	$ 4.4	$ 4.0
Salary, Wages & Benefit per APD	$ 2,524	$ 1,668	$ 2,413	$ 1,667	$ 1,599
Supply Cost per APD	$ 562	$ 456	$ 613	$ 453	$ 429
Physician Services Cost per APD	$ 1,050	$ 604	$ 871	$ 610	$ 530
Total Expense per APD	**$ 5,056**	**$ 3,251**	**$ 4,730**	**$ 3,274**	**$ 3,050**
Overtime as a % of Total Salaries	2.7%	1.4%	2.8%	1.4%	3.0%
Contract as a % of Total Salaries	1.6%	0.4%	1.5%	0.4%	0.6%
Full-time Equivalent Employees	8,451	8,643	8,607	8,716	8,198
FINANCIAL HEALTH INDICATORS					
Quick Ratio			4.0	--	3.5
Unrestricted Cash (In $ Millions)			$ 903.3	$ 483.3	$ 453.0
Days Cash on Hand			192.3	110.1	113.5
Days Revenue in Accounts Receivable			44.3	46.3	48.3
Days in Accounts Payable			21.7	--	20.7
Capital Expenditures/Depreciation & Amortization			165.3%	--	114.7%
Average Age of Plant (years)			12.7	--	14.0

Harris Health System Key Indicators

Statistical Highlights

HARRISHEALTH SYSTEM

As of August 31, 2020

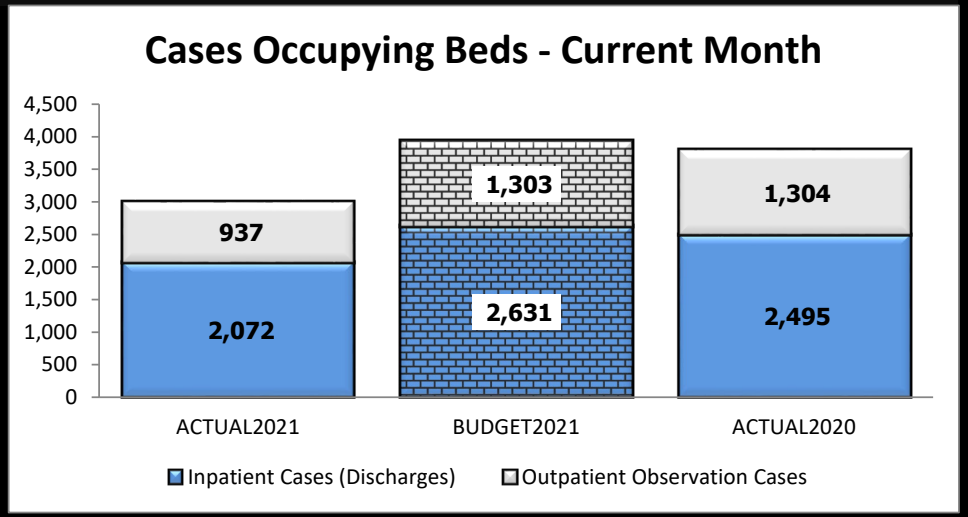
	MONTH-TO-MONTH			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	29,590	42,966	-31.1%	180,573	255,228	-29.3%	249,248	-27.6%
Outpatient % of Adjusted Volume	58.5%	66.4%	-11.9%	60.3%	66.1%	-8.7%	66.6%	-9.4%
Primary Care Clinic Visits	13,165	62,289	-78.9%	113,404	390,565	-71.0%	373,926	-69.7%
Specialty Clinic Visits	11,720	27,137	-56.8%	75,644	166,464	-54.6%	161,591	-53.2%
Telehealth Clinic Visits	44,733	-	100.0%	221,382	-	100.0%	-	100.0%
Total Clinic Visits	**69,618**	**89,426**	**-22.2%**	**410,430**	**557,029**	**-26.3%**	**535,517**	**-23.4%**
Emergency Room Visits - Outpatient	9,224	12,916	-28.6%	57,008	79,366	-28.2%	77,569	-26.5%
Emergency Room Visits - Admitted	1,313	1,584	-17.1%	8,128	9,427	-13.8%	9,195	-11.6%
Total Emergency Room Visits	**10,537**	**14,500**	**-27.3%**	**65,136**	**88,793**	**-26.6%**	**86,764**	**-24.9%**
Surgery Cases - Outpatient	577	1,223	-52.8%	3,569	7,482	-52.3%	6,884	-48.2%
Surgery Cases - Inpatient	662	927	-28.6%	3,644	5,483	-33.5%	4,925	-26.0%
Total Surgery Cases	**1,239**	**2,150**	**-42.4%**	**7,213**	**12,965**	**-44.4%**	**11,809**	**-38.9%**
Total Outpatient Visits	**113,949**	**145,225**	**-21.5%**	**653,106**	**900,256**	**-27.5%**	**865,666**	**-24.6%**
Inpatient Cases (Discharges)	2,072	2,631	-21.2%	12,174	15,585	-21.9%	14,826	-17.9%
Outpatient Observation Cases	937	1,303	-28.1%	5,880	7,395	-20.5%	7,626	-22.9%
Total Cases Occupying Patient Beds	**3,009**	**3,934**	**-23.5%**	**18,054**	**22,980**	**-21.4%**	**22,452**	**-19.6%**
Births	397	497	-20.1%	2,143	2,690	-20.3%	2,669	-19.7%
Inpatient Days	12,279	14,436	-14.9%	71,624	86,584	-17.3%	83,240	-14.0%
Outpatient Observation Days	2,456	3,024	-18.8%	15,314	17,045	-10.2%	18,724	-18.2%
Total Patient Days	**14,735**	**17,460**	**-15.6%**	**86,938**	**103,629**	**-16.1%**	**101,964**	**-14.7%**
Average Daily Census	475.3	563.2	-15.6%	472.5	563.2	-16.1%	554.2	-14.7%
Average Operating Beds	656	671	-2.2%	663	671	-1.2%	679	-2.4%
Bed Occupancy %	72.5%	83.9%	-13.7%	71.3%	83.9%	-15.1%	81.6%	-12.7%
Inpatient Average Length of Stay	5.9	5.5	8.0%	5.9	5.6	5.9%	5.6	4.8%
Inpatient Case Mix Index (CMI)	1.764	1.626	8.5%	1.723	1.626	5.9%	1.628	5.8%
Payor Mix (% of Charges)								
Charity & Self Pay	51.7%	53.4%	-3.3%	51.4%	53.4%	-3.7%	53.8%	-4.3%
Medicaid & Medicaid Managed	23.0%	21.8%	5.3%	23.2%	21.8%	6.3%	21.8%	6.5%
Medicare & Medicare Managed	11.9%	11.7%	1.4%	11.8%	11.7%	1.2%	11.7%	1.2%
Commercial & Other	13.5%	13.1%	3.3%	13.6%	13.1%	3.4%	12.8%	6.0%
Total Unduplicated Patients - Rolling 12				**261,428**			**293,957**	**-11.1%**
Total New Patient - Rolling 12				**75,869**			**91,868**	**-17.4%**

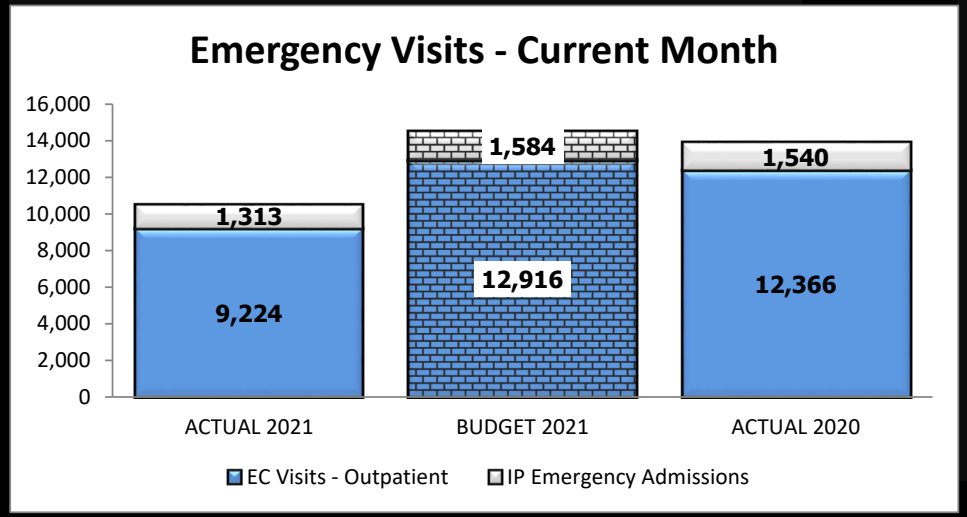
Harris Health System

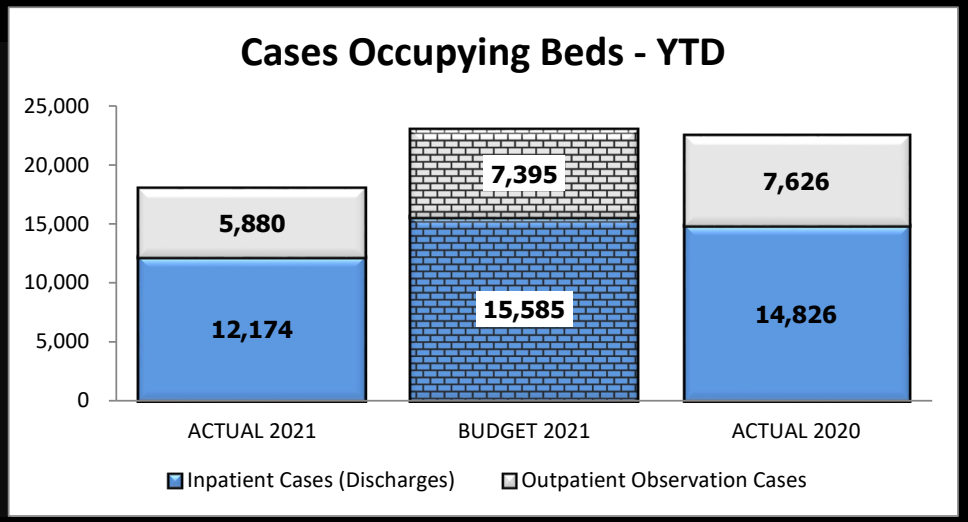
Statistical Highlights

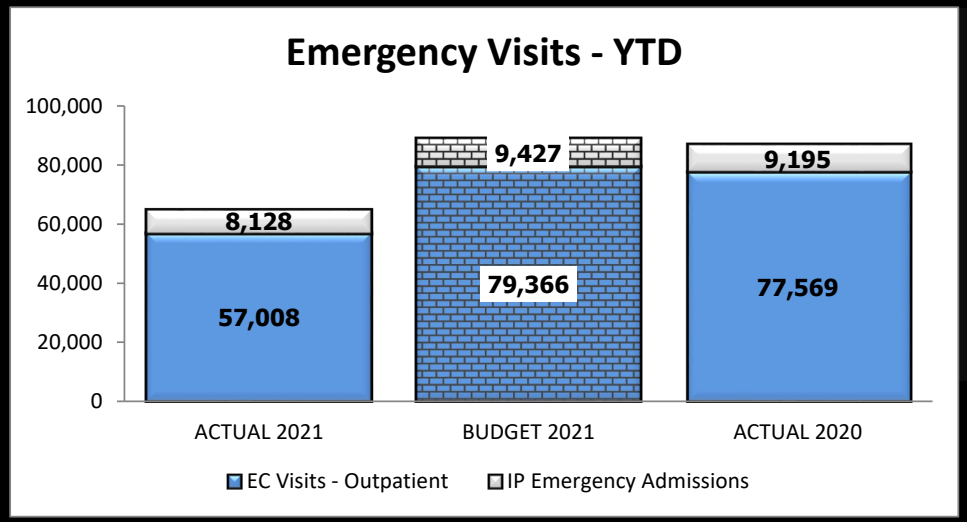
August FY 2021

Cases Occupying Beds - CM			Cases Occupying Beds - YTD			Emergency Visits - CM			Emergency Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
3,009	3,934	3,799	18,054	22,980	22,452	10,537	14,500	13,906	65,136	88,793	86,764







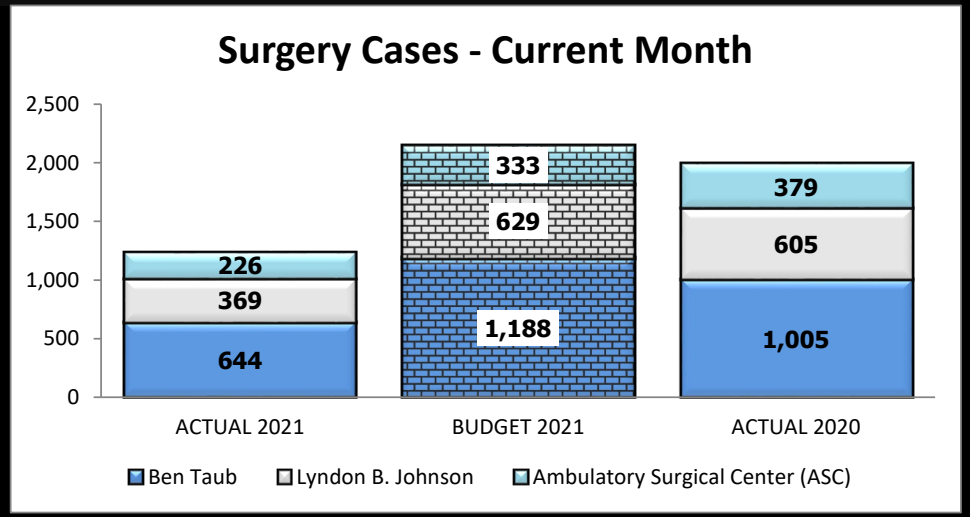


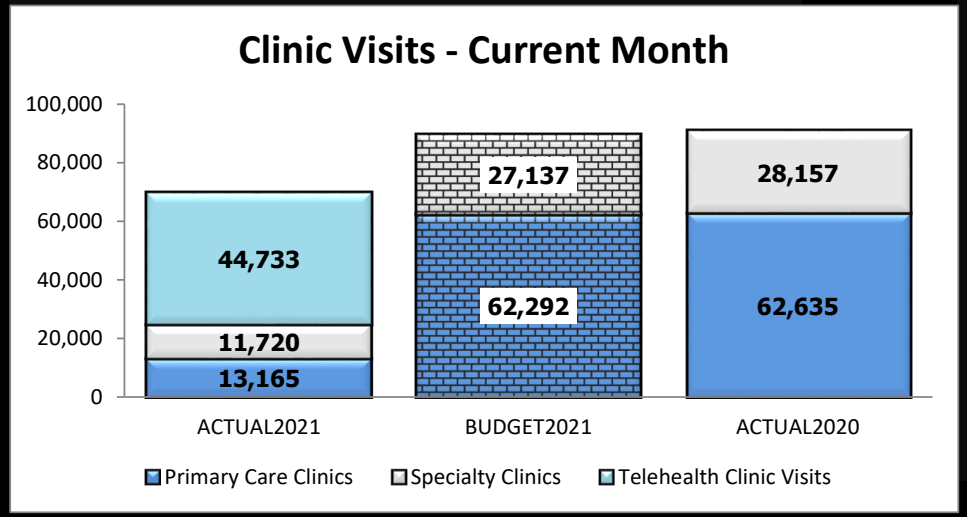
Harris Health System

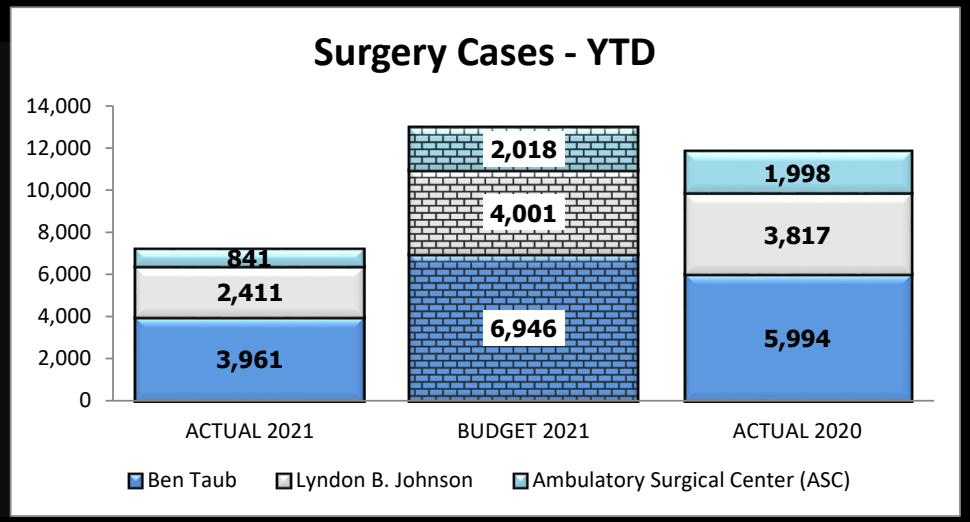
Statistical Highlights

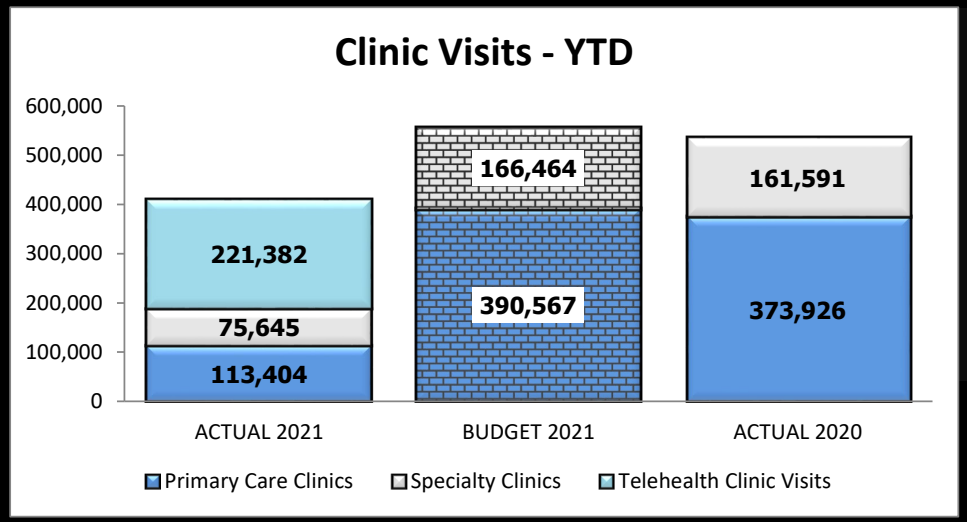
August FY 2021

Surgery Cases - CM			Surgery Cases - YTD			Clinic Visits - CM			Clinic Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
1,239	2,150	1,989	7,213	12,965	11,809	69,618	89,429	90,792	410,431	557,031	535,517









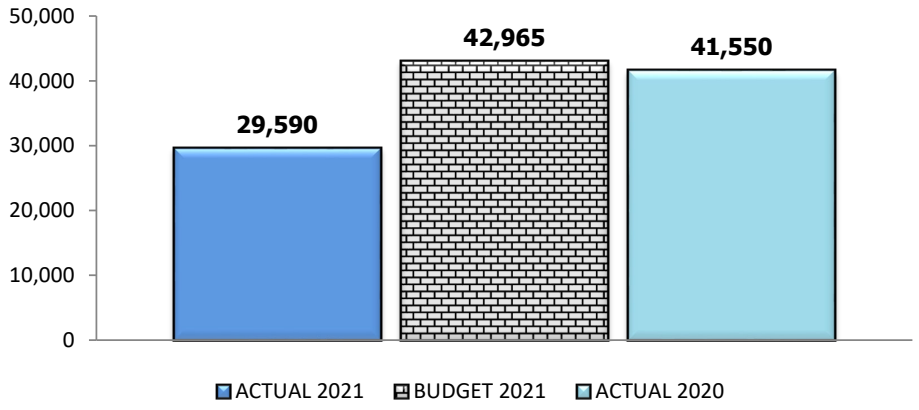
Harris Health System

Statistical Highlights

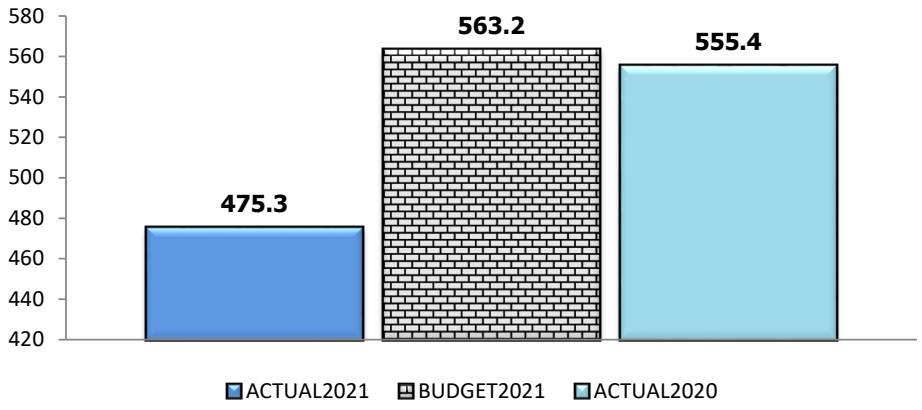
August FY 2021

Adjusted Patient Days - CM	Adjusted Patient Days - YTD	Average Daily Census - CM	Average Daily Census - YTD
29,590	180,573	475.3	472.5

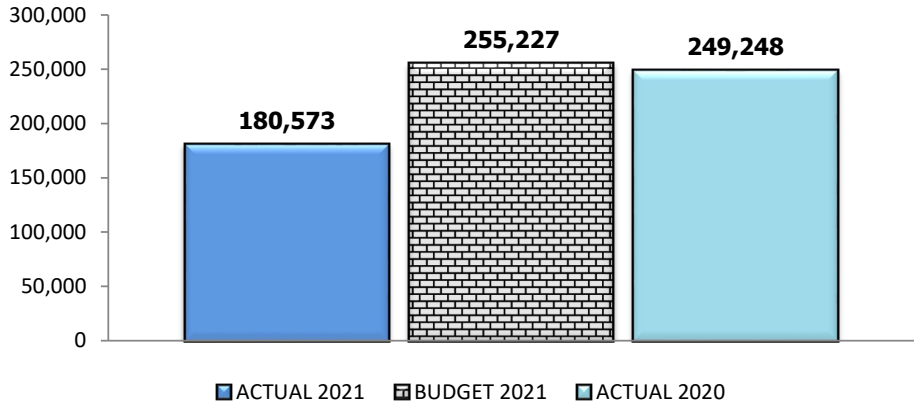
Adjusted Patient Days - Current Month



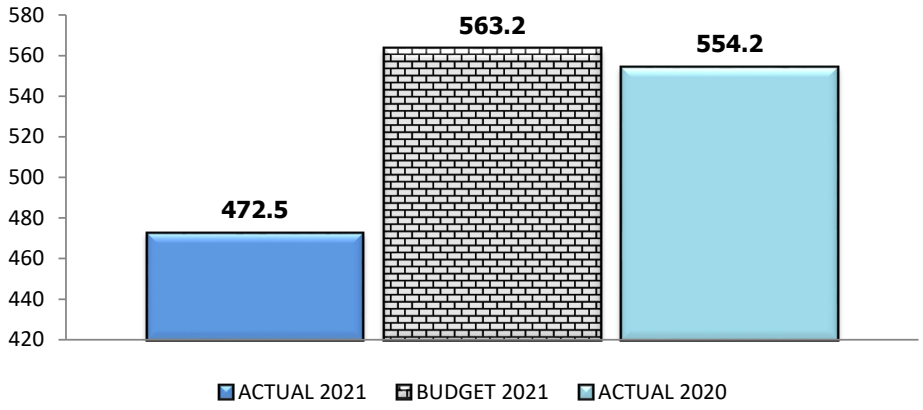
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



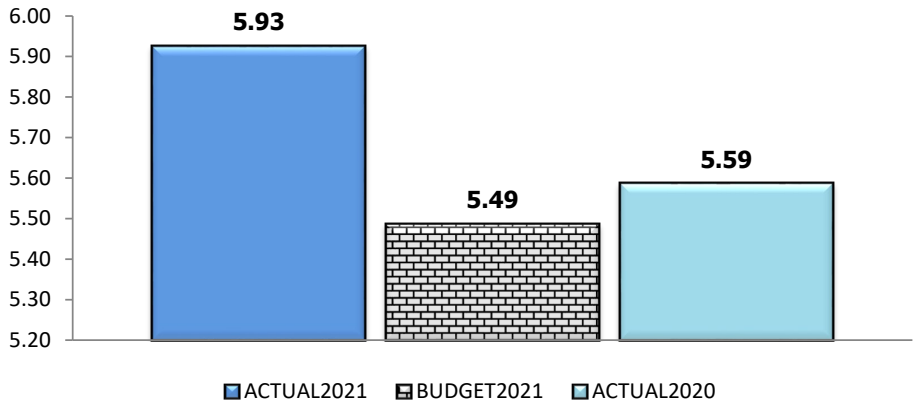
Harris Health System

Statistical Highlights

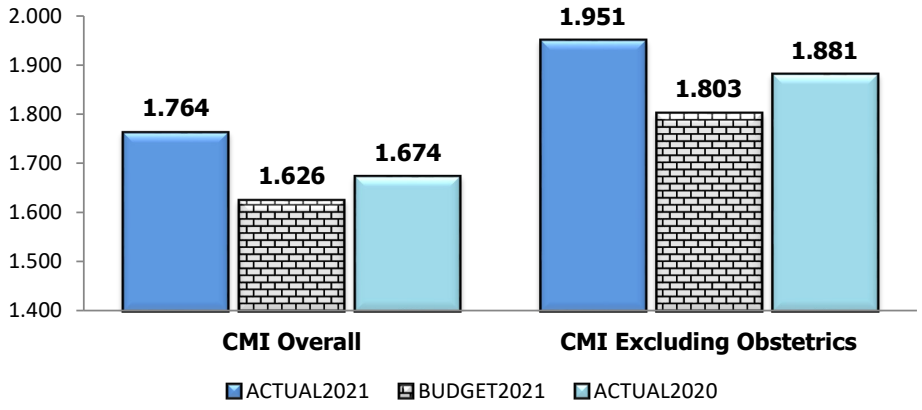
August FY 2021

Inpatient ALOS - CM	Inpatient ALOS - YTD	Case Mix Index (CMI) - CM		Case Mix Index (CMI) - YTD	
		Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
5.93	5.88	1.764	1.951	1.723	1.898

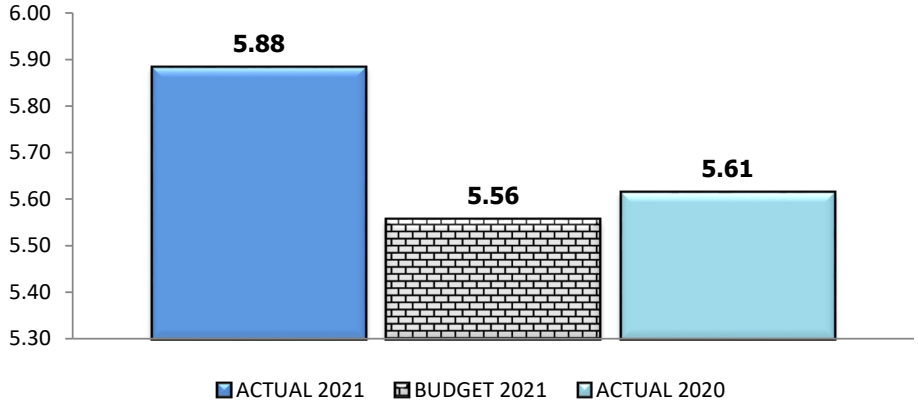
Inpatient ALOS - Current Month



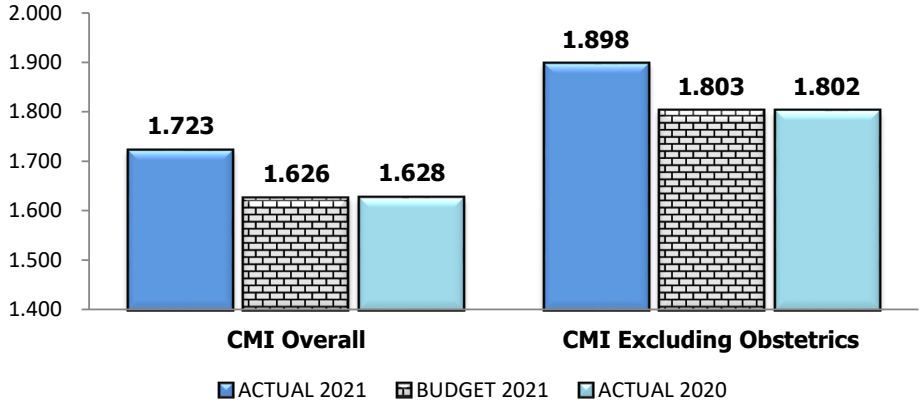
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD

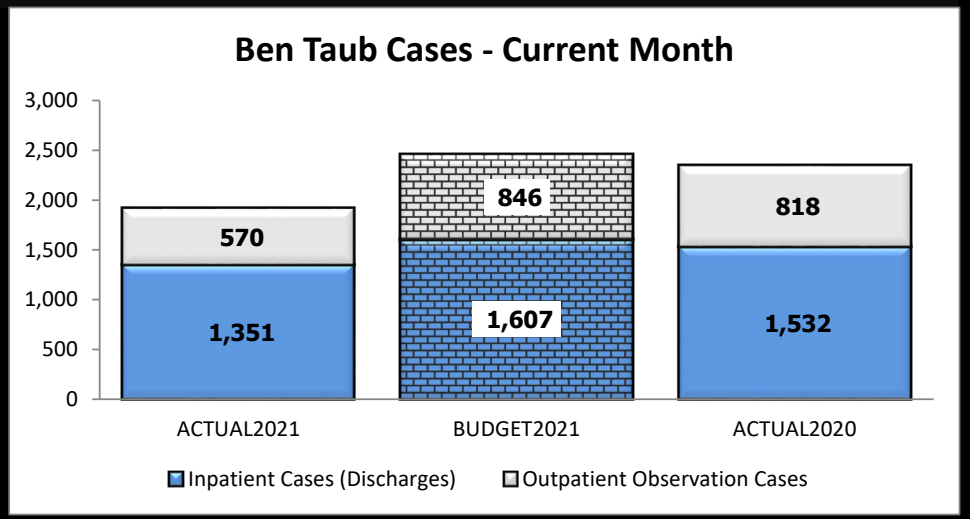


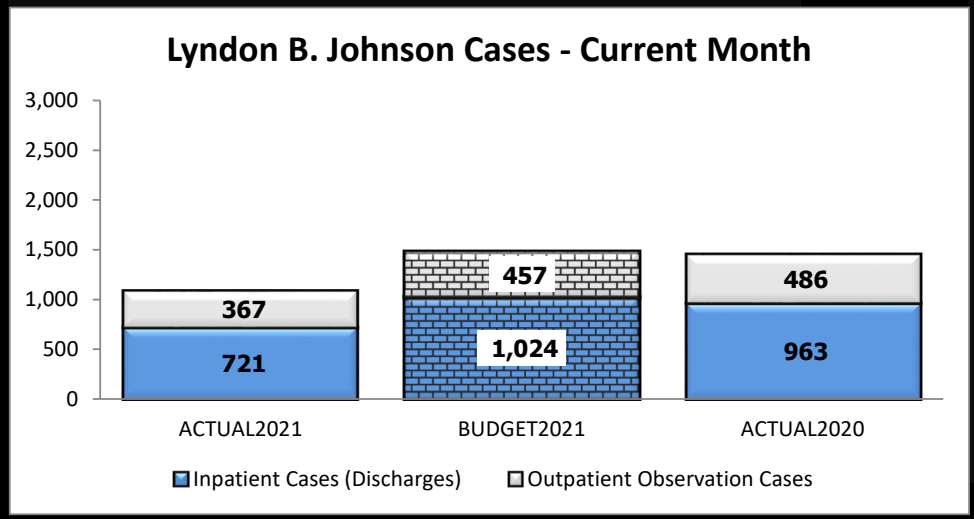
Harris Health System

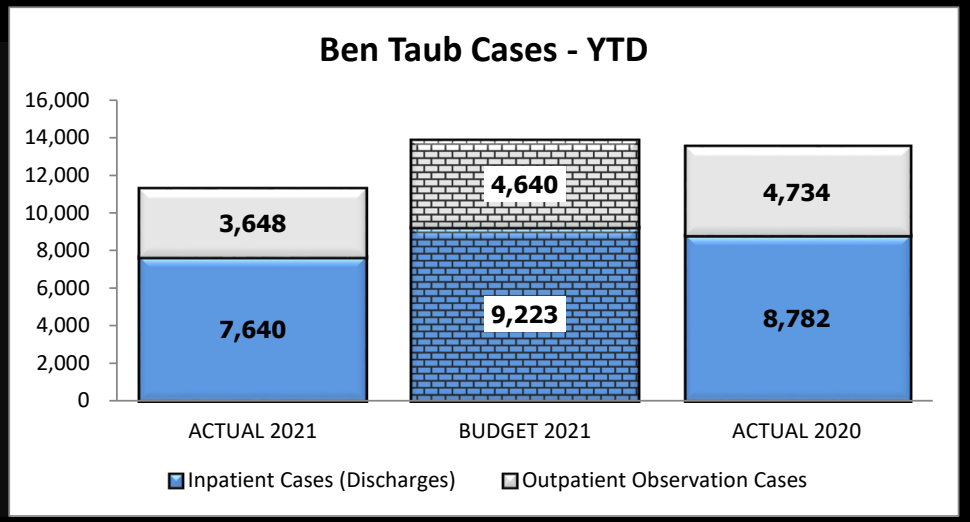
Statistical Highlights - Cases Occupying Beds

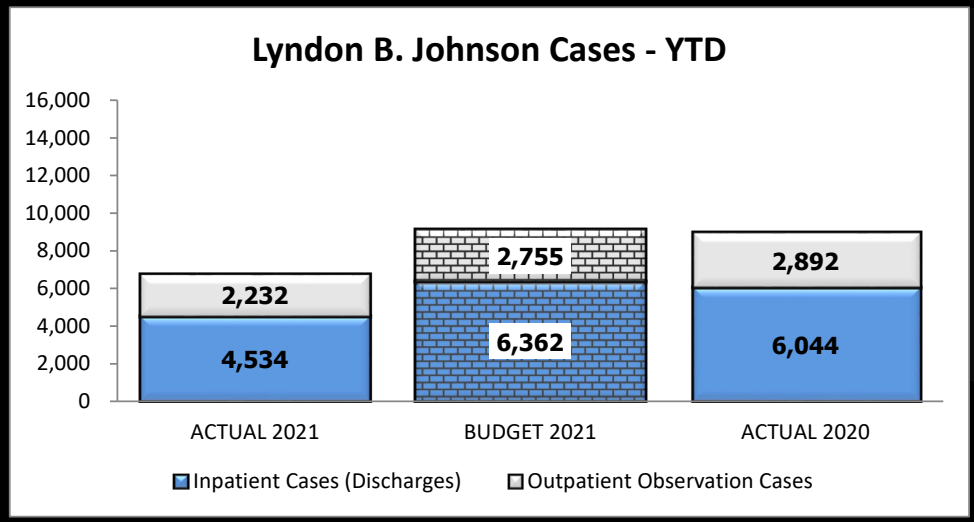
August FY 2021

BT Cases Occupying Beds - CM			BT Cases Occupying Beds - YTD			LBJ Cases Occupying Beds - CM			LBJ Cases Occupying Beds - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
1,921	2,453	2,350	11,288	13,863	13,516	1,088	1,481	1,449	6,766	9,117	8,936







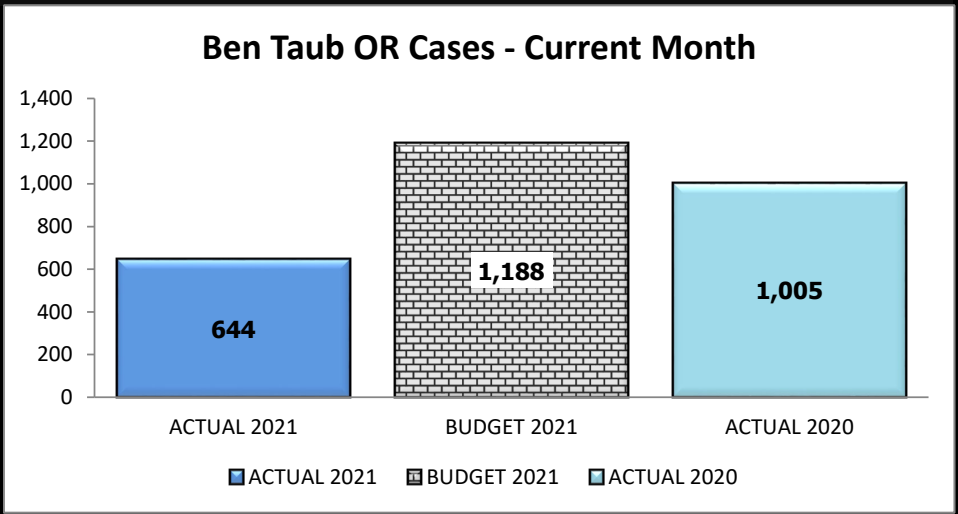


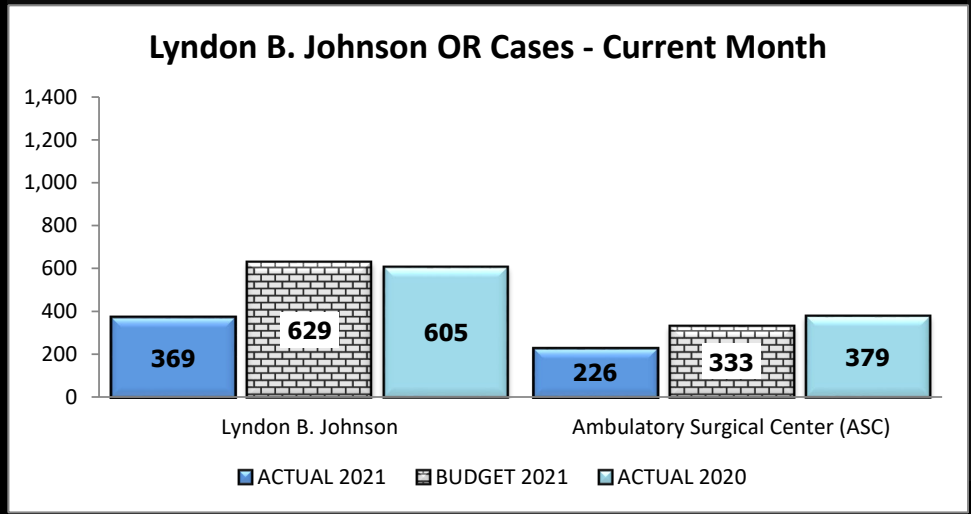
Harris Health System

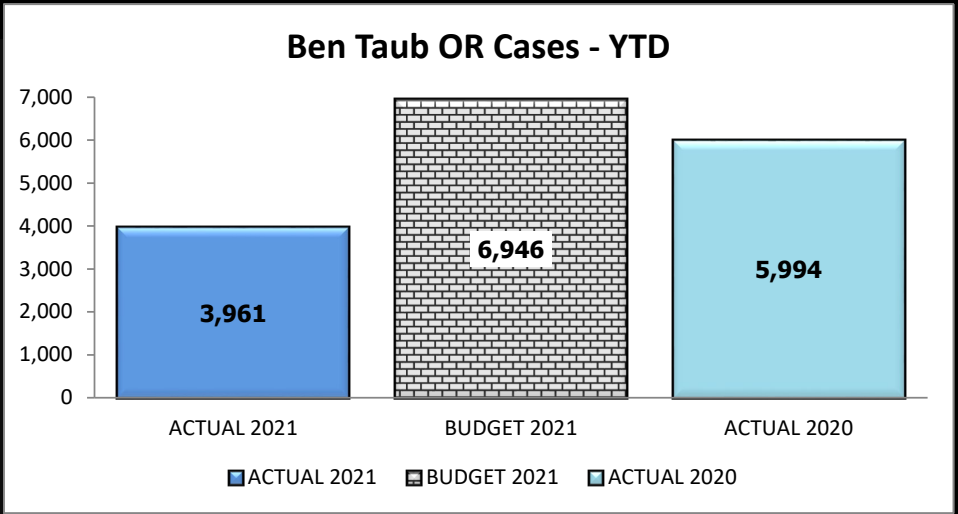
Statistical Highlights - Surgery Cases

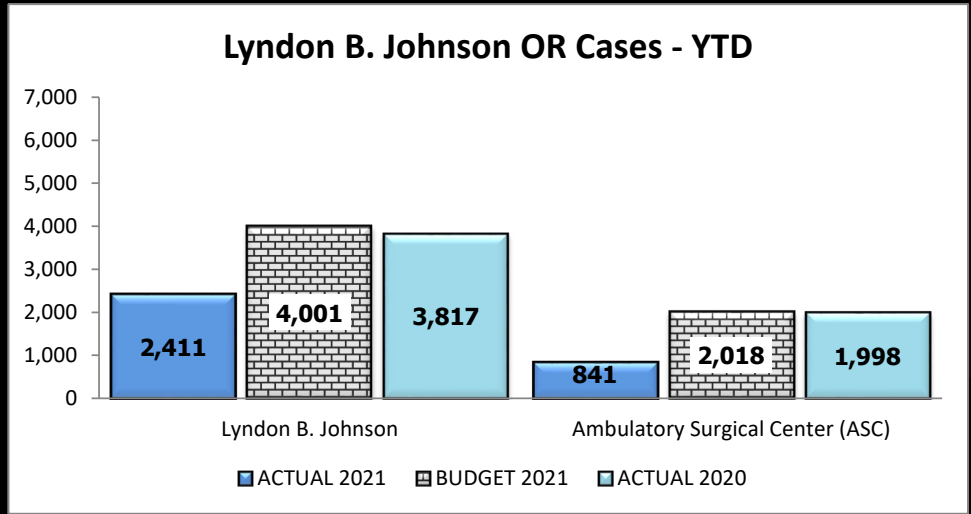
August FY 2021

BT Surgery Cases - CM			BT Surgery Cases - YTD			LBJ Surgery Cases - CM			LBJ Surgery Cases - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
644	1,188	1,005	3,961	6,946	5,994	595	962	984	3,252	6,019	5,815







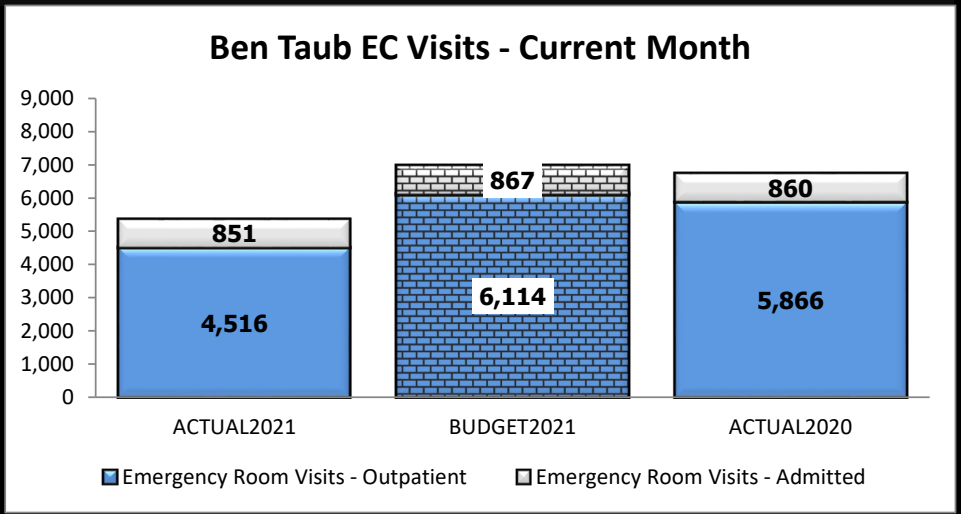


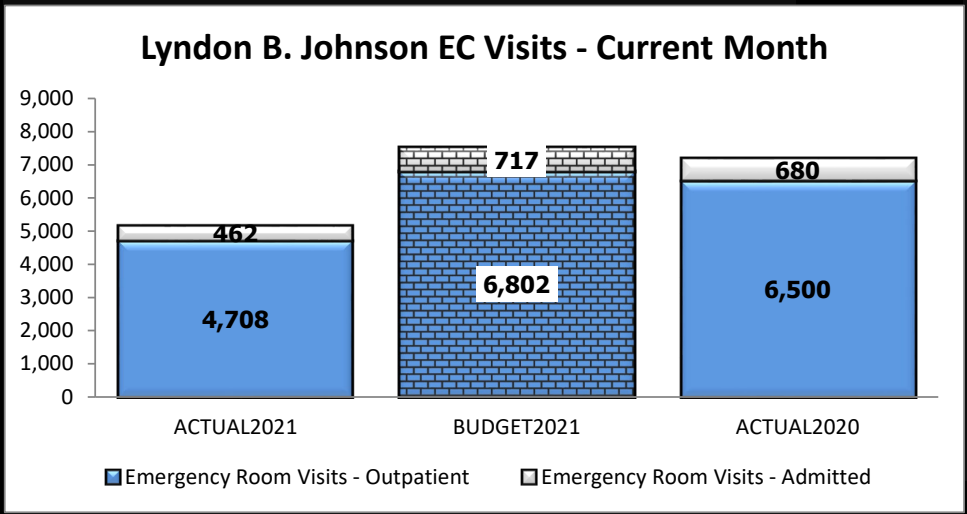
Harris Health System

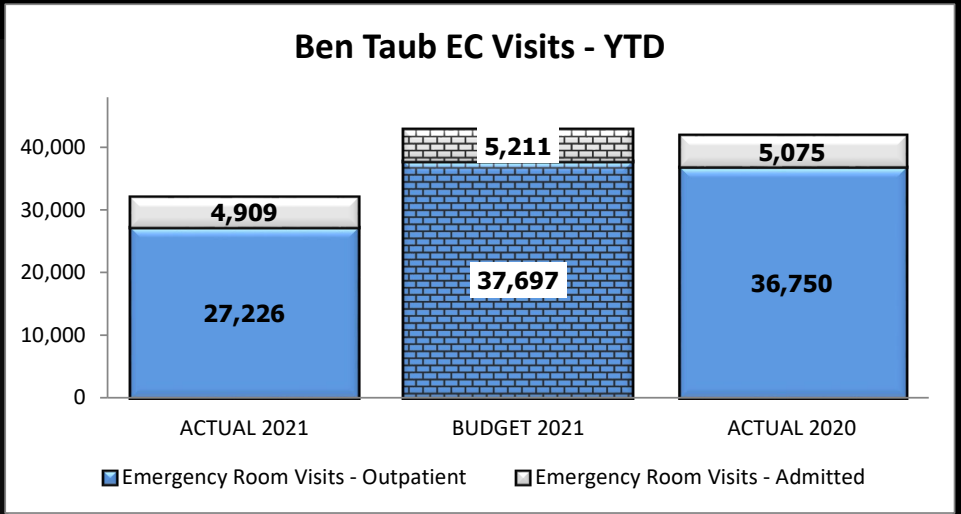
Statistical Highlights - Emergency Room Visits

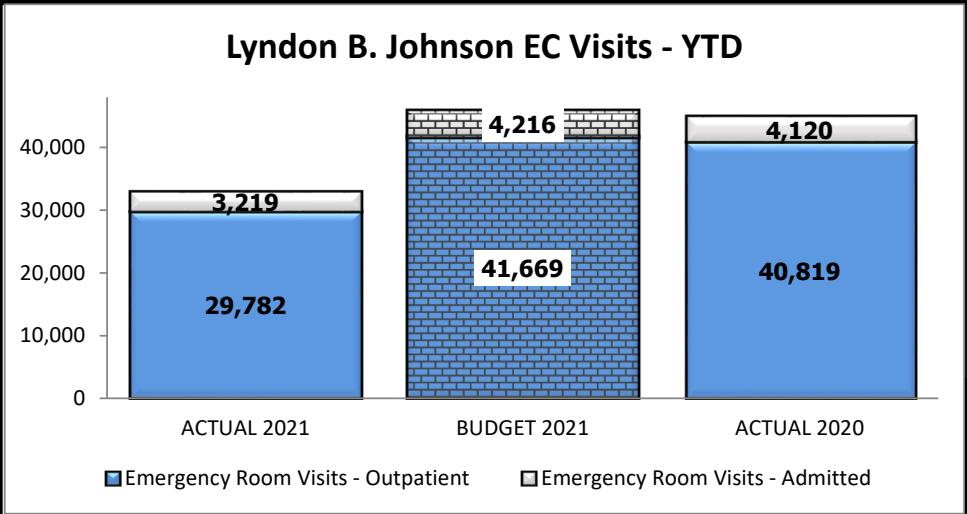
August FY 2021

BT Emergency Visits - CM			BT Emergency Visits - YTD			LBJ Emergency Visits - CM			LBJ Emergency Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
5,367	6,981	6,726	32,135	42,908	41,825	5,170	7,519	7,180	33,001	45,885	44,939







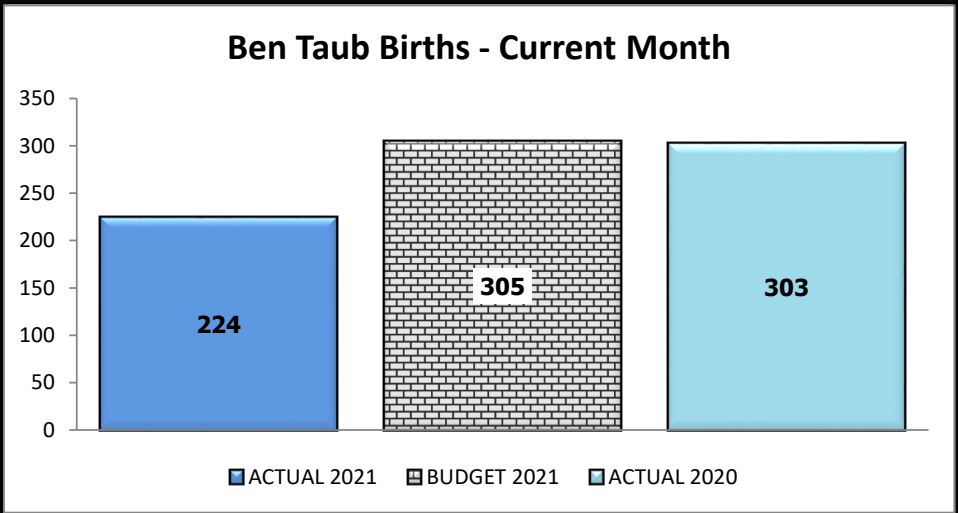


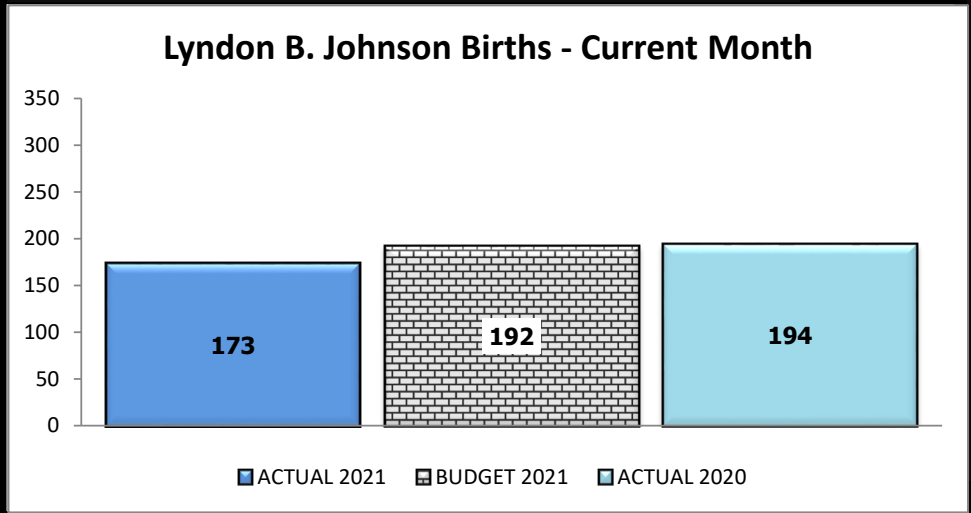
Harris Health System

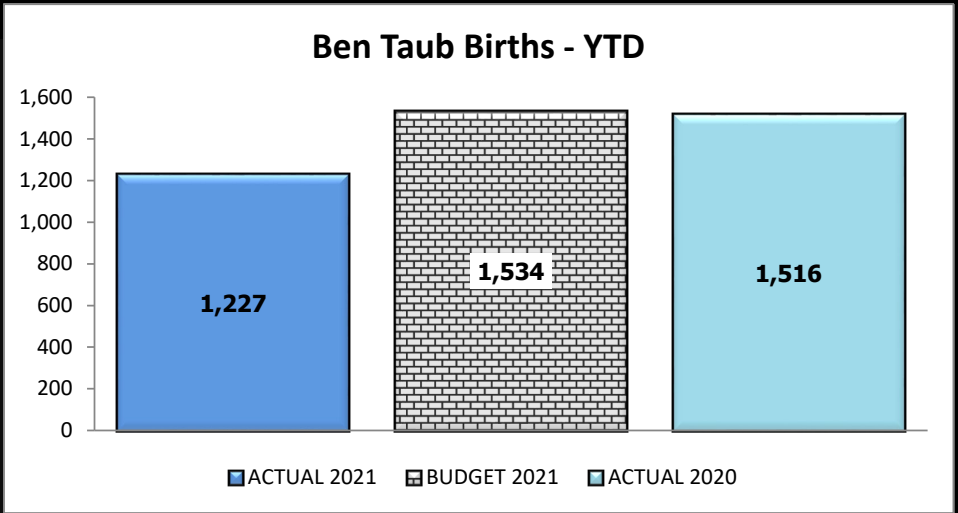
Statistical Highlights - Births

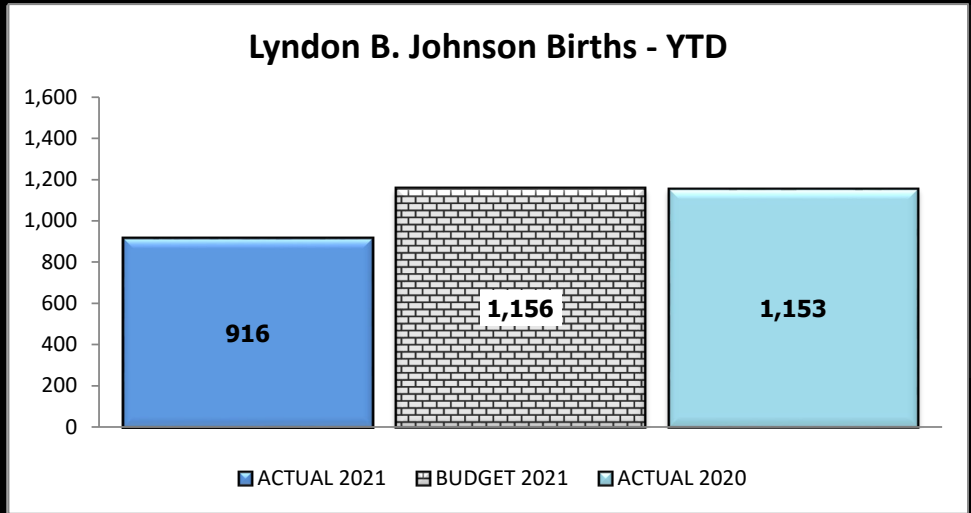
August FY 2021

BT Births - CM			BT Births - YTD			LBJ Births - CM			LBJ Births - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
224	305	303	1,227	1,534	1,516	173	192	194	916	1,156	1,153







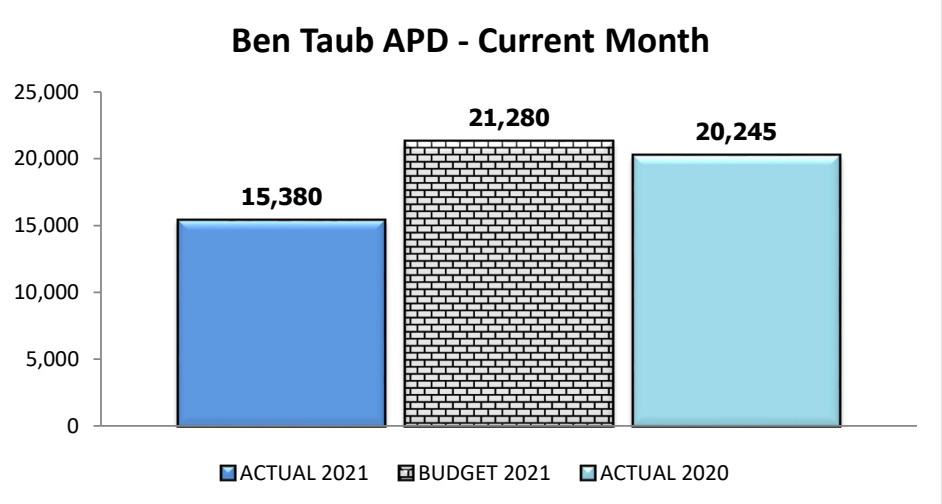


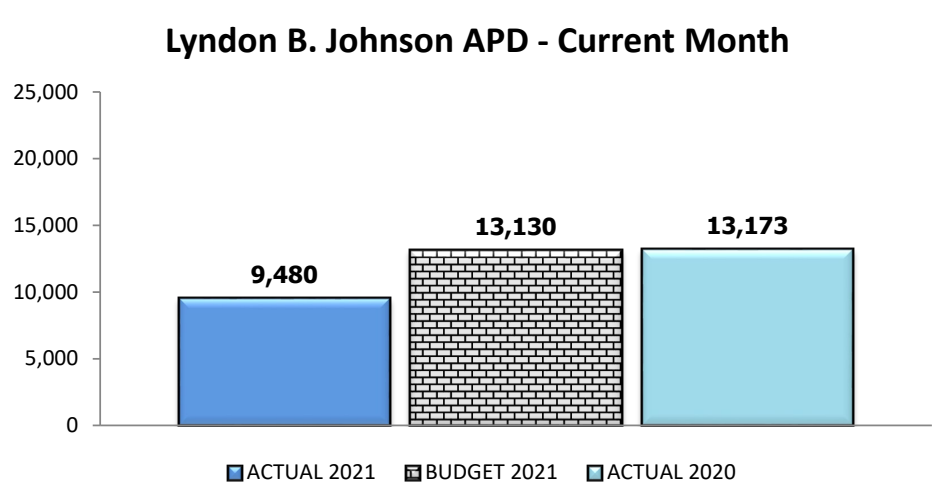
Harris Health System

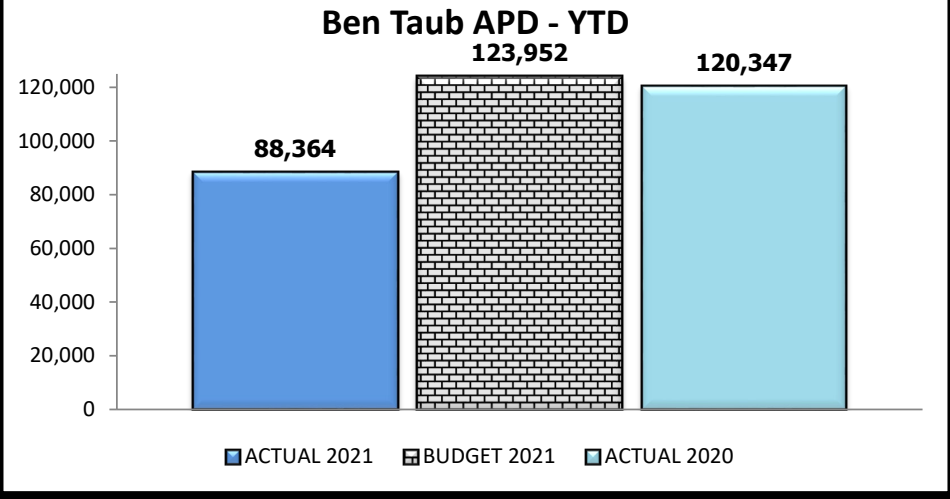
Statistical Highlights - Adjusted Patient Days

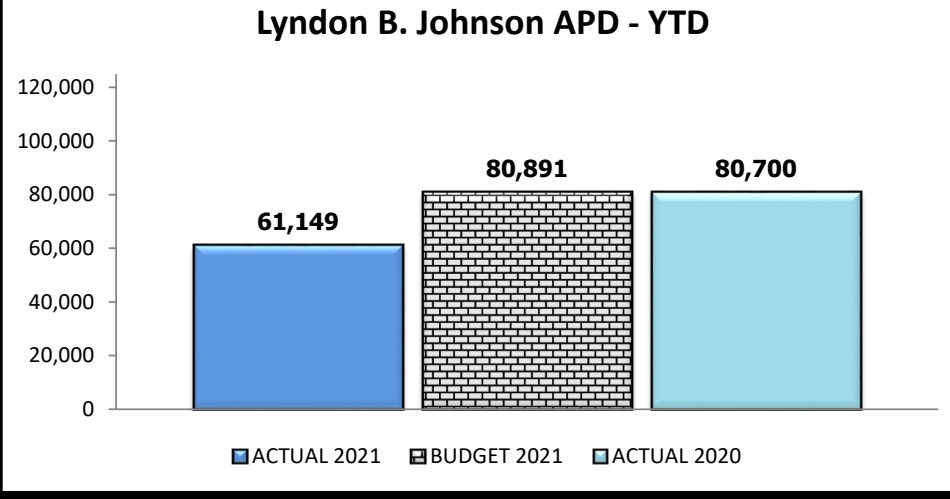
August FY 2021

BT Adjusted Patient Days - CM	BT Adjusted Patient Days - YTD	LBJ Adjusted Patient Days - CM	LBJ Adjusted Patient Days - YTD
15,380	88,364	9,480	61,149







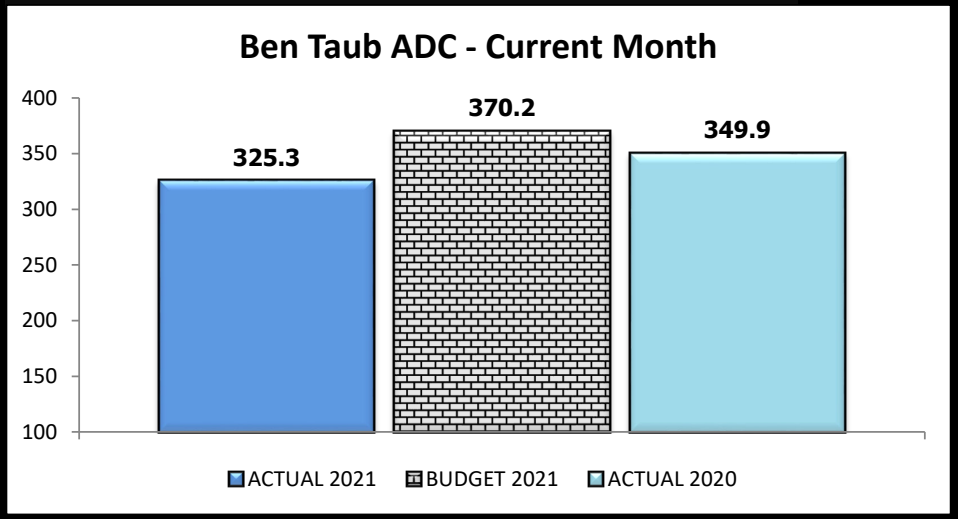


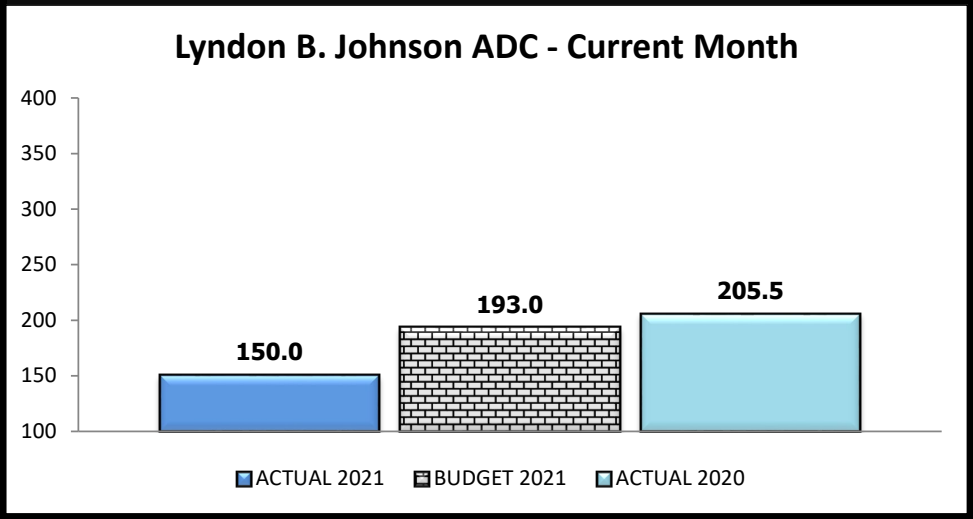
Harris Health System

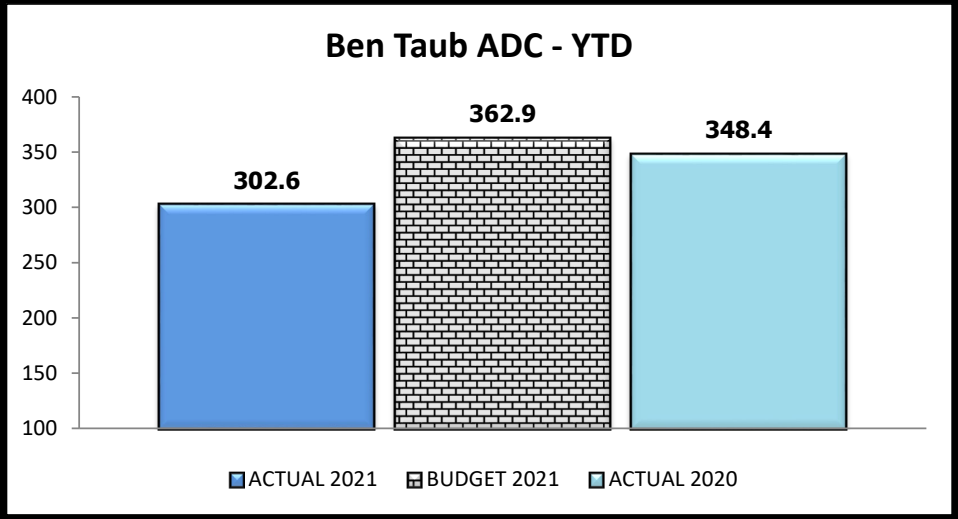
Statistical Highlights - Average Daily Census (ADC)

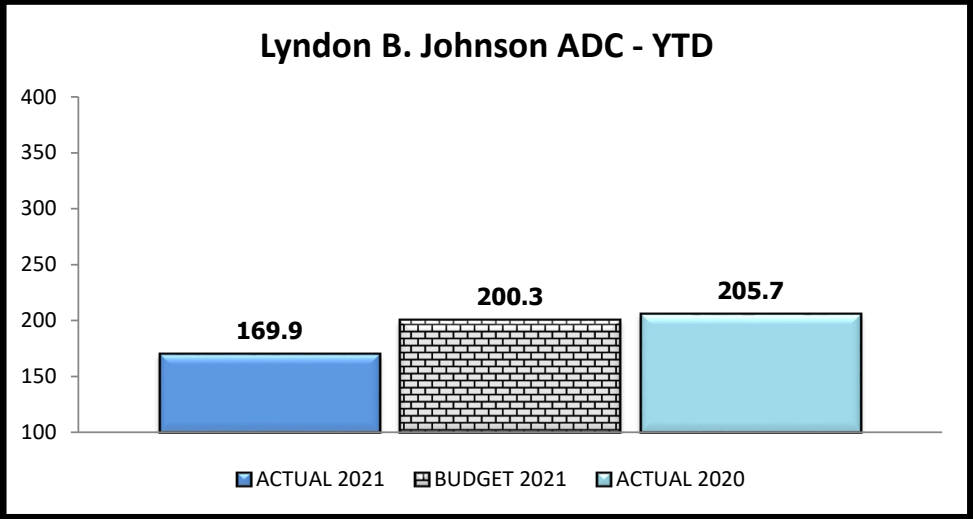
August FY 2021

BT Average Daily Census - CM	BT Average Daily Census - YTD	LBJ Average Daily Census - CM	LBJ Average Daily Census - YTD
325.3	302.6	150.0	169.9







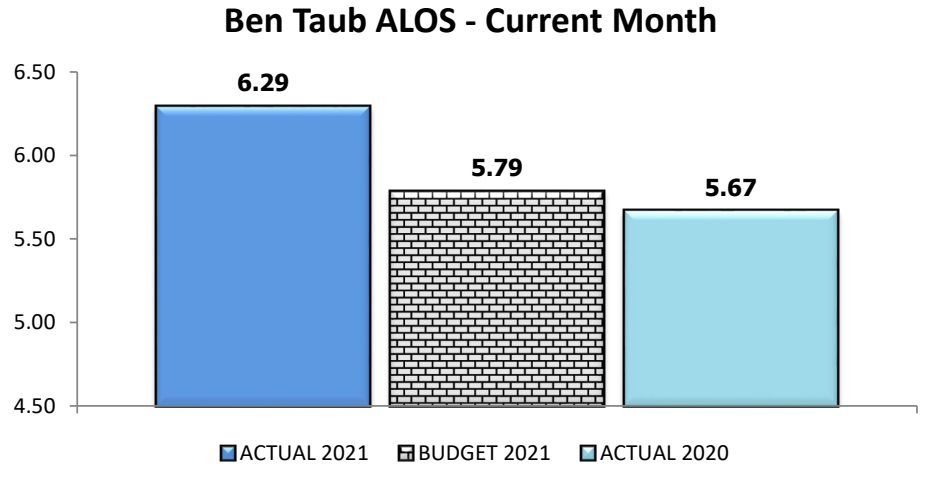


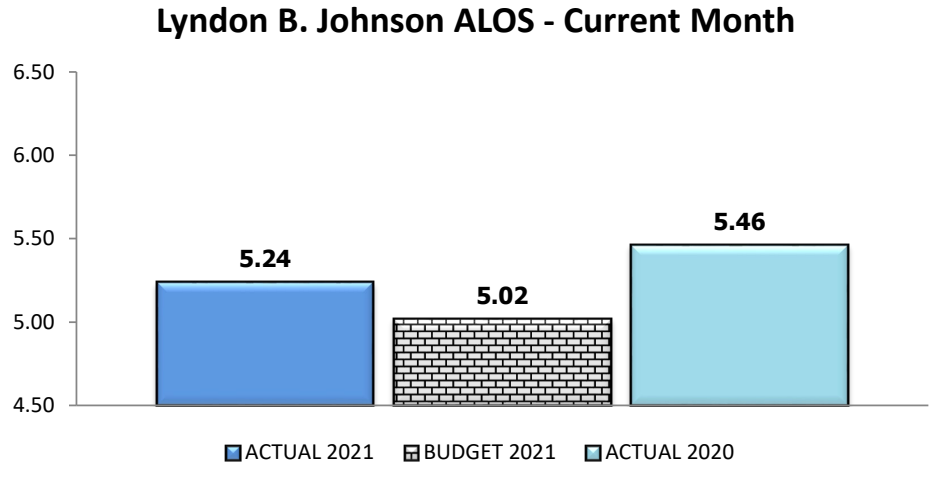
Harris Health System

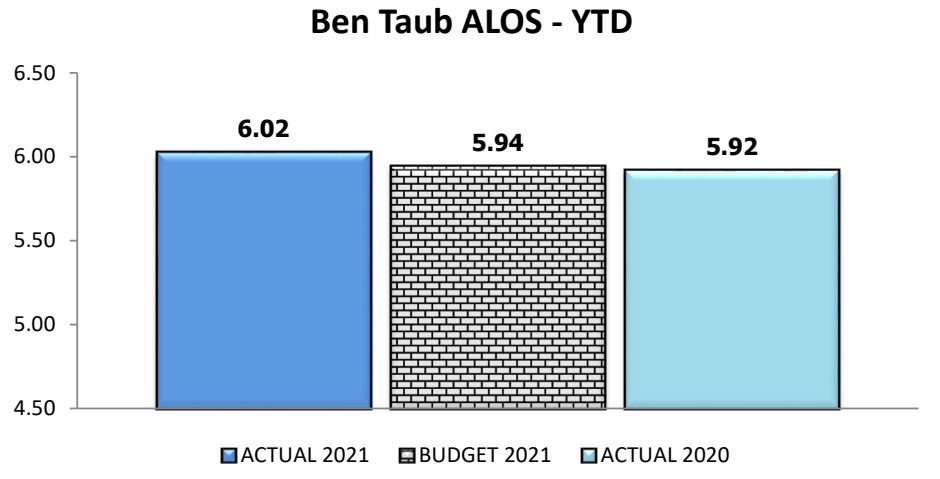
Statistical Highlights - Inpatient Average Length of Stay (ALOS)

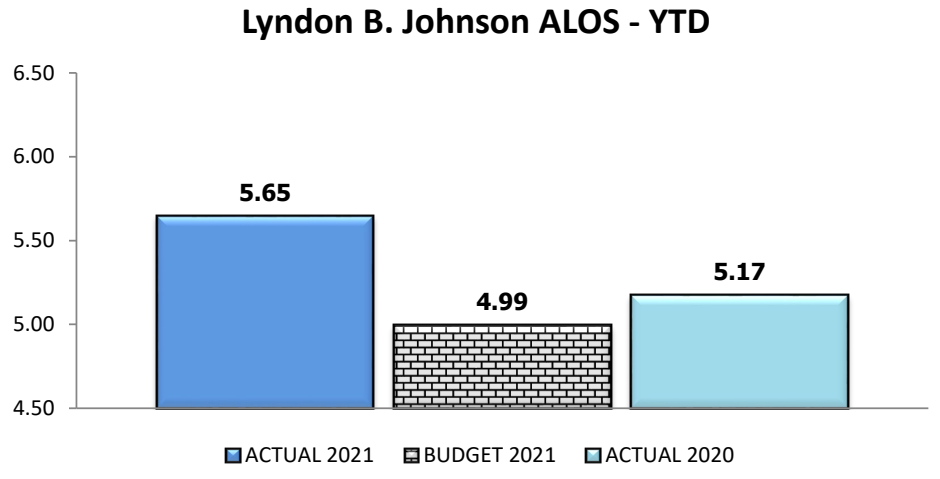
August FY 2021

BT Inpatient ALOS - CM	BT Inpatient ALOS - YTD	LBJ Inpatient ALOS - CM	LBJ Inpatient ALOS - YTD
6.29	6.02	5.24	5.65



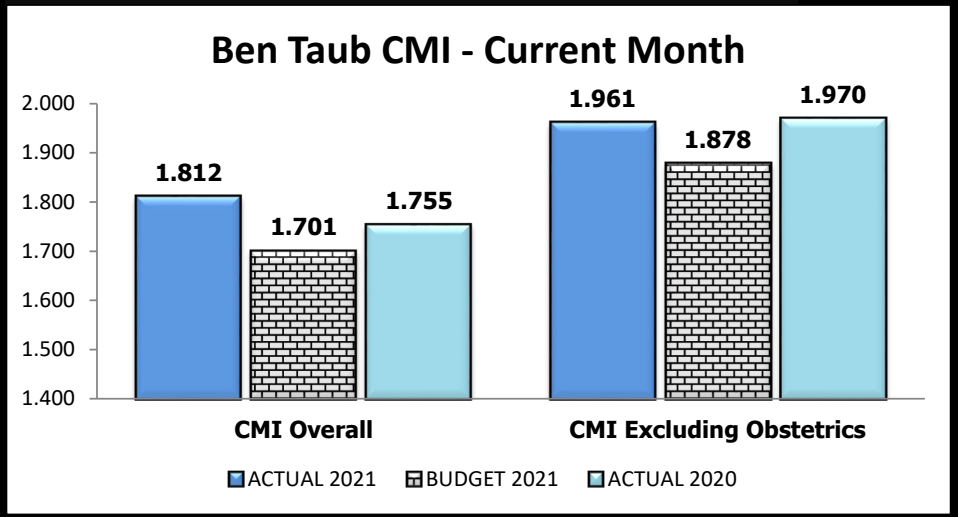
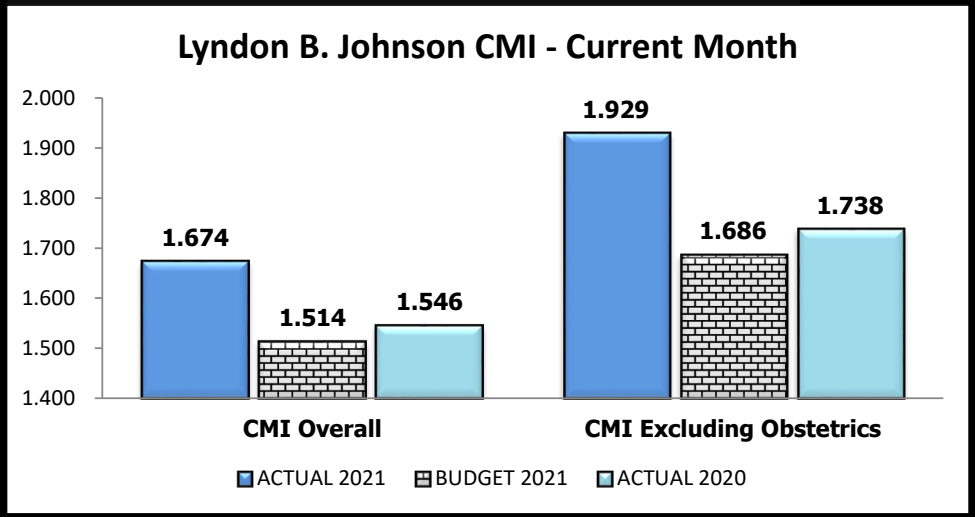
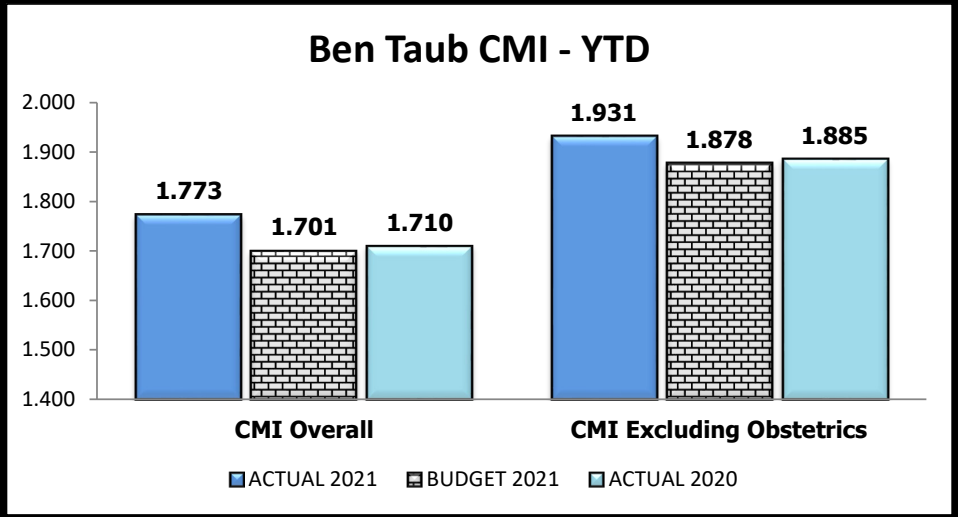
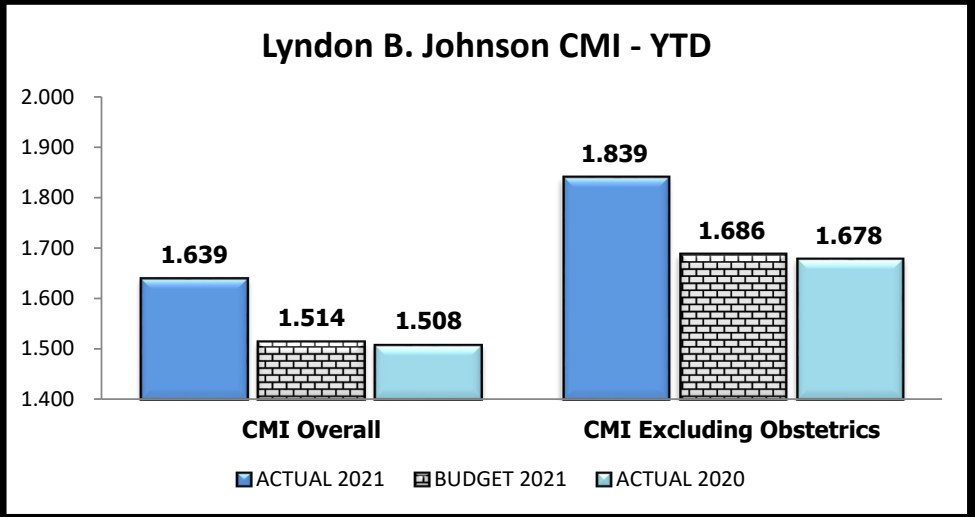






Harris Health System

Statistical Highlights - Case Mix Index (CMI)

August FY 2021

BT Case Mix Index (CMI) - CM		BT Case Mix Index (CMI) - YTD		LBJ Case Mix Index (CMI) - CM		LBJ Case Mix Index (CMI) - YTD	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.812	1.961	1.773	1.931	1.674	1.929	1.639	1.839