

HARRIS COUNTY HOSPITAL DISTRICT

dba HARRIS HEALTH SYSTEM

FINANCIAL STATEMENTS

As of March 31, 2020

HARRIS HEALTH SYSTEM

FINANCIAL STATEMENTS

As of March 31, 2020

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HARRIS HEALTH SYSTEM
FINANCIAL STATEMENT HIGHLIGHTS
As of March 31, 2020

	Month			Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance
1. Adjusted Patient Days	32,635	43,503	-25.0%	32,635	43,503	-25.0%
2. Total Clinic Visits	61,004	96,549	-36.8%	61,004	96,549	-36.8%
3. Total Emergency Room Visits	12,388	14,576	-15.0%	12,388	14,576	-15.0%
4. Total Patient Days	14,225	17,357	-18.0%	14,225	17,357	-18.0%
5. Unfunded Payor Mix (% of Charges)	53.0%	53.4%	-0.7%	53.0%	53.4%	-0.8%
Revenues (\$ in millions):						
6. Ad Valorem Taxes	\$ 65.2	\$ 65.2	0.0%	\$ 65.2	\$ 65.2	0.0%
7. Net Patient Revenue	44.6	51.0	-12.5%	44.6	51.0	-12.5%
8. Medicaid Supplemental Programs	27.1	16.2	67.1%	27.1	16.2	67.1%
9. Other Revenue	4.0	3.9	4.0%	4.0	3.9	4.0%
10. Total Revenue	<u>140.8</u>	<u>136.2</u>	<u>3.4%</u>	<u>140.8</u>	<u>136.2</u>	<u>3.4%</u>
Expenses (\$ in millions):						
11. Salaries and Wages	52.2	52.1	-0.2%	52.2	52.1	-0.2%
12. Employee Benefit Costs	18.8	18.1	-4.0%	18.8	18.1	-4.0%
13. Supply Expenses	17.9	19.5	8.4%	17.9	19.5	8.4%
14. Physician Services	26.4	26.0	-1.9%	26.4	26.0	-1.9%
15. Other Purchased Services	16.2	17.1	5.3%	16.2	17.1	5.3%
16. Depreciation & Interest	5.7	5.6	-1.5%	5.7	5.6	-1.5%
17. Total Expenses	<u>137.2</u>	<u>138.4</u>	<u>0.9%</u>	<u>137.2</u>	<u>138.4</u>	<u>0.9%</u>
18. Operating Income (Loss)	<u>\$ 3.6</u>	<u>\$ (2.3)</u>		<u>\$ 3.6</u>	<u>\$ (2.3)</u>	
19. Margin %	2.5%	-1.7%		2.5%	-1.7%	
20. Total Expense / Adj Patient Day	\$ 4,205	\$ 3,182	-32.2%	\$ 4,205	\$ 3,182	-32.2%
21. Full-time Equivalent Employees	8,575	8,754	2.0%	8,575	8,754	2.0%
22. Unrestricted Cash (\$ in millions)				\$ 837.2	\$ 838.8	-0.2%
23. Days Cash on Hand				196.1	194.5	0.8%
24. Days Revenue in Accounts Receivable				51.0	47.6	-7.1%

HARRISHEALTH SYSTEM

March 2020 Financial Statement Summary Variance Discussion

Operating Income for March was \$3.6 million compared to a budgeted loss of \$2.3 million.

Overall March net revenue of \$140.8 million was \$4.6 million or 3.4% greater than budget. Net patient revenue resulted in a negative variance of \$6.4 million due to a decrease in patient volumes from the COVID-19 pandemic. Income from Medicaid Supplemental programs was \$10.9 million higher than expected primarily due to resizing of the Uncompensated Care program under the Medicaid 1115 Waiver effective for state fiscal year 2020.

Total operating expenses of \$137.2 million were \$1.2 million or 0.9% less than budget. Supplies were \$1.6 million or 8.4% favorable variance compared to budget primarily due to decreased patient volumes.

Adjusted patient days for the month of March were 25.0% lower than budget. Clinic visits and patient days were down 36.8% and 18.0%, respectively. Emergency room visits and births were down 15.0% and 12.3%, respectively. The volume adjusted expense per adjusted patient day was \$4,205 compared to the budget of \$3,182 per day and the prior year expense of \$2,873 per adjusted patient day.

Total cash receipts for March were \$72.5 million. The System has \$837.2 million in unrestricted cash, cash equivalents and investments, representing 196.1 days cash on hand. Harris Health System has \$73.4 million in net accounts receivable, representing 51.0 days of outstanding patient accounts receivable at March 31, 2020. The March balance sheet reflects a combined receivable position of \$30.5 million under the various Medicaid Supplemental programs.

At March 31, 2020 Harris Health has \$21.7 million on deposit with the County for Board approved projects managed by the County. March expenses incurred by Harris Health for Foundation personnel and other costs were \$41,000.

**HARRIS HEALTH SYSTEM
STATISTICAL HIGHLIGHTS
As of March 31, 2020**

	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. Adjusted Patient Days	32,635	43,503	-25.0%	32,635	43,503	-25.0%	41,834	-22.0%
2. Outpatient % of Adjusted Volume	65.4%	66.5%	-1.7%	65.4%	66.5%	-1.7%	66.9%	-2.3%
3. Primary Care Clinic Visits	42,156	68,225	-38.2%	42,156	68,225	-38.2%	63,664	-33.8%
4. Specialty Clinic Visits	18,848	28,324	-33.5%	18,848	28,324	-33.5%	25,370	-25.7%
5. Total Clinic Visits	61,004	96,549	-36.8%	61,004	96,549	-36.8%	89,034	-31.5%
6. % Primary Care Visits	69.1%	70.7%	-2.2%	69.1%	70.7%	-2.2%	71.5%	-3.4%
7. Emergency Room Visits - Outpatient	9,988	12,066	-17.2%	9,988	12,066	-17.2%	11,611	-14.0%
8. Emergency Room Visits - Observation	1,024	975	5.0%	1,024	975	5.0%	936	9.4%
9. Emergency Room Visits - Admitted	1,376	1,535	-10.4%	1,376	1,535	-10.4%	1,387	-0.8%
10. Total Emergency Room Visits	12,388	14,576	-15.0%	12,388	14,576	-15.0%	13,934	-11.1%
11. Surgery Cases - Outpatient	821	1,212	-32.3%	821	1,212	-32.3%	1,070	-23.3%
12. Surgery Cases - Inpatient	616	854	-27.9%	616	854	-27.9%	784	-21.4%
13. Total Surgery Cases	1,437	2,066	-30.4%	1,437	2,066	-30.4%	1,854	-22.5%
14. % Outpatient Cases	57.1%	58.7%	-2.6%	57.1%	58.7%	-2.6%	57.7%	-1.0%
15. Total Outpatient Visits	97,997	154,610	-36.6%	97,997	154,610	-36.6%	138,397	-29.2%
16. Inpatient Cases (Discharges)	2,113	2,651	-20.3%	2,113	2,651	-20.3%	2,463	-14.2%
17. Outpatient Observation Cases	1,244	1,198	3.8%	1,244	1,198	3.8%	1,331	-6.5%
18. Total Cases Occupying Patient Beds	3,357	3,849	-12.8%	3,357	3,849	-12.8%	3,794	-11.5%
19. % of Total Cases from Emergency Room	71.5%	65.2%	9.6%	71.5%	65.2%	9.6%	61.2%	16.8%
20. % of Outpatient Cases	37.1%	31.1%	19.1%	37.1%	31.1%	19.1%	35.1%	5.6%
21. Births	350	399	-12.3%	350	399	-12.3%	383	-8.6%
22. Inpatient Days	11,308	14,594	-22.5%	11,308	14,594	-22.5%	13,857	-18.4%
23. Outpatient Observation Days	2,917	2,763	5.6%	2,917	2,763	5.6%	3,150	-7.4%
24. Total Patient Days	14,225	17,357	-18.0%	14,225	17,357	-18.0%	17,007	-16.4%
25. % of Outpatient Days	20.5%	15.9%	28.8%	20.5%	15.9%	28.8%	18.5%	10.7%
26. Average Daily Census	458.86	559.90	-18.0%	458.86	559.90	-18.0%	548.61	-16.4%
27. Average Operating Beds	668	671	-0.4%	668	671	-0.4%	667	0.1%
28. Bed Occupancy %	68.7%	83.4%	-17.7%	68.7%	83.4%	-17.7%	82.3%	-16.5%
29. Inpatient Average Length of Stay	5.35	5.51	-2.8%	5.35	5.51	-2.8%	5.63	-4.9%
30. Inpatient Case Mix Index (CMI)	1.596	1.626	-1.9%	1.596	1.626	-1.9%	1.639	-2.6%
Payor Mix (% of Charges)								
31. Charity & Self Pay	53.0%	53.4%	-0.7%	53.0%	53.4%	-0.8%	54.0%	-1.9%
32. Medicaid & Medicaid Managed	20.6%	21.8%	-5.5%	20.6%	21.8%	-5.7%	19.7%	4.4%
33. Medicare & Medicare Managed	14.4%	11.7%	23.1%	12.1%	11.7%	3.1%	12.6%	-4.3%
34. Commercial & Other	14.4%	13.1%	9.9%	14.4%	13.1%	10.1%	13.7%	5.3%
<u>NETWORK REFERRAL SERVICES</u>								
35. Telehealth Visits	62	0	0.0%	62	0	0.0%	0	0.0%
36. Telephonic Visits	1,135	0	0.0%	1,135	0	0.0%	0	0.0%
37. GI Procedures	70	161	-56.5%	70	161	-56.5%	104	-32.7%
38. Hemodialysis Treatments	2,535	932	172.0%	2,535	932	172.0%	75	3280.0%
<u>HEALTH SYSTEM TOTALS</u>								
39. Primary Care	42,156	68,225	-38.2%	42,156	68,225	-38.2%	63,664	-33.8%
40. Specialty Care Visits	18,848	28,324	-33.5%	18,848	28,324	-33.5%	25,370	-25.7%
41. Surgery Cases	1,437	2,066	-30.4%	1,437	2,066	-30.4%	1,854	-22.5%
42. Total Unduplicated Patients - Rolling 12				284,424			296,387	-4.0%
43. Total New Patient - Rolling 12				89,588			92,238	-2.9%

**HARRIS HEALTH SYSTEM
OPERATING STATEMENT
As of March 31, 2020
(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. Net Patient Service Revenue	44,578	50,962	-12.5%	44,578	50,962	-12.5%	48,126	-7.4%
OTHER OPERATING REVENUE:								
2. Medicaid Supplemental Programs	27,062	16,194	67.1%	27,062	16,194	67.1%	14,140	91.4%
3. Other Operating Revenues	1,967	2,535	-22.4%	1,967	2,535	-22.4%	2,302	-14.6%
4. Total Other Operating Revenue	29,029	18,729	55.0%	29,029	18,729	55.0%	16,442	76.6%
5. Total Operating Revenue	73,606	69,692	5.6%	73,606	69,692	5.6%	64,568	14.0%
NONOPERATING REVENUE:								
6. Net Ad Valorem Tax Revenue	65,173	65,175	0.0%	65,173	65,175	0.0%	63,214	3.1%
7. Net Tobacco Settlement Revenue	0	0	0.0%	0	0	0.0%	0	0.0%
8. Interest Income	2,044	1,318	55.1%	2,044	1,318	55.1%	3,130	-34.7%
9. Other	(2)	0	0.0%	(2)	0	0.0%	16	112.4%
10. Total Nonoperating Revenue	67,215	66,493	1.1%	67,215	66,493	1.1%	66,360	1.3%
11. Capital Contributions	0	0	0.0%	0	0	0.0%	0	0.0%
12. Total Capital Contributions	0	0	0.0%	0	0	0.0%	0	0.0%
13. Total Net Revenue	140,822	136,185	3.4%	140,821	136,185	3.4%	130,929	7.6%
SALARIES, WAGES, AND BENEFITS:								
14. Regular Salaries	43,438	44,446	2.3%	43,438	44,446	2.3%	39,964	-8.7%
15. PTO & Secondary Sick Leave	5,944	5,965	0.3%	5,944	5,965	0.3%	5,789	-2.7%
16. Contract Salaries	1,127	273	-313.0%	1,127	273	-313.0%	280	-302.0%
17. Registry Salaries	1,677	1,423	-17.8%	1,677	1,423	-17.8%	1,539	-9.0%
18. FICA and Benefits	18,812	18,092	-4.0%	18,812	18,092	-4.0%	17,235	-9.1%
19. Total Salaries, Wages, and Benefits	70,998	70,199	-1.1%	70,998	70,199	-1.1%	64,807	-9.6%
20. Supplies	17,887	19,533	8.4%	17,887	19,533	8.4%	16,171	-10.6%
SERVICES:								
21. Physician Services	26,440	25,958	-1.9%	26,440	25,958	-1.9%	21,017	-25.8%
22. Other Purchased Services	16,232	17,147	5.3%	16,232	17,147	5.3%	13,078	-24.1%
23. Depreciation and Amortization	4,804	4,720	-1.8%	4,804	4,720	-1.8%	4,204	-14.3%
24. Interest	878	878	0.0%	878	878	0.0%	908	3.3%
25. Total Services	48,354	48,702	0.7%	48,354	48,702	0.7%	39,207	-23.3%
26. Total Operating Expenses	137,239	138,435	0.9%	137,239	138,435	0.9%	120,185	-14.2%
27. Operating Income (Loss)	3,583	(2,250)	-	3,582	(2,250)	-	10,744	-66.7%

**HARRIS HEALTH SYSTEM
BALANCE SHEET
As of March 31, 2020
(In Thousands)**

	ACTUAL	PRIOR YEAR
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
1. Cash, Cash Equivalents and Short Term Investments	837,173	722,495
2. Net Patient Accounts Receivable	73,427	74,737
3. Net Ad Valorem Taxes, Current Portion	86,487	81,690
4. Medicaid Supplemental Programs Receivable	30,507	26,539
5. Third Party Receivable	37,859	41,668
6. Prepaid Expenses, Inventories, and Other Current Assets	37,238	22,123
7. Total Current Assets	1,102,691	969,252
ASSETS LIMITED AS TO USE OR RESTRICTED, CURRENT PORTION:		
8. Debt Service and Bond Covenants - Restricted	7,364	7,139
9. Total Assets Limited as to Use or Restricted, Current Portion	7,364	7,139
PLANT, PROPERTY AND EQUIPMENT:		
10. Plant, Property, & Equipment, Net of Accumulated Depreciation	451,253	402,961
11. Construction in Progress	39,199	60,576
12. Total Plant, Property and Equipment	490,452	463,537
ASSETS LIMITED AS TO USE OR RESTRICTED, NET OF CURRENT PORTION:		
13. Debt Service and Bond Covenants - Restricted	25,230	24,628
14. Ben Taub Level 1 Trauma	7,906	29,521
15. Cash on Deposit with County	21,738	39,955
16. LPPF Restricted Cash	43,000	0
17. Other - Restricted	927	844
18. Total Assets Limited as to Use or Restricted, Net of Current Portion	98,801	94,947
OTHER ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:		
19. Net Ad Valorem Taxes, Delinquent	0	0
20. Long-Term Investments	0	0
21. TECO Investment	4,594	0
22. Security Deposit	66	66
23. Deferred Outflow - Derivative Financial Instrument	19,115	7,918
24. Deferred Outflow - Resources Related to Pension	25,659	60,122
25. Deferred Outflow - Resources Related to OPEB	53,026	0
26. Total Other Assets and Deferred Outflows of Resources	102,459	68,105
27. Investment in Subsidiary	0	0
28. Due from/to CHCI	14,328	10,236
29. TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,816,095	1,613,217
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
28. Accounts Payable and Accrued Liabilities	141,131	58,026
29. Interest Payable	1,192	1,272
30. Employee Compensation & Related Benefit Liabilities	72,991	36,989
31. Compensated Absences	47,472	36,262
32. Estimated Third-Party Payor Settlements	6,406	15,287
33. Current Portion Long-Term Debt and Capital Leases	8,927	8,546
34. Total Current Liabilities	278,119	156,382
OTHER LONG-TERM LIABILITIES:		
35. Post Employment Health Benefit Liability	470,879	448,365
36. Net Pension Liability	224,676	284,161
37. Borrowing Payable	9,550	10,302
38. Derivative Liability	19,115	7,918
39. Arbitrage Rebate Liability	32	16
LONG-TERM DEBT:		
40. Series 2010 Revenue Bonds, Including Deferred Loss	73,691	75,446
41. Series 2016 CO Bonds, Including Premium	58,170	61,203
42. Series 2016 Refunding Revenue Bonds, Including Premium & Deferred Loss	155,687	160,654
43. Other Long-Term Obligation	45	92
44. Total Liabilities	1,289,964	1,204,538
45. Deferred Inflow - Resources Related to Pension	30,310	0
46. Deferred Inflow - Resources Related to OPEB	25,003	0
NET POSITION:		
47. Invested in Capital Assets, Net of Related Debt	192,286	176,815
48. Restricted	33,520	32,612
49. Unrestricted	245,012	199,252
50. Total Net Position	470,818	408,679
51. TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	1,816,095	1,613,217

**HARRIS HEALTH SYSTEM
CASH FLOW SUMMARY
As of March 31, 2020
(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	\$ 12,299	\$ 13,309	\$ 12,299	\$ 13,309
2. Collections on Patient Accounts	47,093	50,109	47,093	50,109
3. DSH & UC	7,956	9,677	7,956	9,677
4. DSRIP	53	0	53	0
5. NAIP Program	2,048	1,987	2,048	1,987
6. UHRIP	0	3,505	0	3,505
7. GME	0	8,076	0	8,076
8. Tobacco Settlement	0	0	0	0
9. Trauma Fund	0	0	0	0
10. Other Sources	3,071	3,670	3,071	3,670
11. Total Cash Receipts	<u>\$ 72,520</u>	<u>\$ 90,333</u>	<u>\$ 72,520</u>	<u>\$ 90,333</u>
<u>CASH DISBURSEMENTS:</u>				
12. Salaries and Wages	37,511	31,032	37,511	31,032
13. Benefits and Employee Deductions	30,972	28,913	30,972	28,913
14. Drugs and Supplies	24,617	21,284	24,617	21,284
15. Physician Services	27,462	7,889	27,462	7,889
16. Purchased Services	15,797	20,745	15,797	20,745
17. Capital Expenditures	9,399	6,062	9,399	6,062
18. Debt and Interest Payments	292	302	292	302
19. Other Uses	(5,138)	(7,399)	(5,138)	(7,399)
20. Total Cash Disbursements	<u>\$ 140,912</u>	<u>\$ 108,828</u>	<u>\$ 140,912</u>	<u>\$ 108,828</u>
21. Net Change	<u>\$ (68,392)</u>	<u>\$ (18,495)</u>	<u>\$ (68,392)</u>	<u>\$ (18,495)</u>

Unrestricted Cash, Cash Equivalents and Investments - February 29, 2020
Net Change
Unrestricted Cash, Cash Equivalents and Investments - March 31, 2020

\$ 905,565
(68,392)
\$ 837,173