



Financial Statements

As of the Quarter Ended May 31, 2021



Table of Contents



Financial Highlights Review.....3

FINANCIAL STATEMENTS

Income Statement.....4

Balance Sheet.....5

Cash Flow Summary.....6

Performance Ratios.....7

KEY STATISTICAL INDICATORS

Statistical Highlights.....9

Statistical Highlights Graphs.....10 – 21

Financial Highlights Review

As of the Quarter Ended May 31, 2021

Operating income for quarter ended May 31, 2021 was \$42.8 million compared to budgeted income of \$5.6 million.

Overall net revenue of \$523.0 million for the same period was \$57.4 million or 12.3% greater than budget. Net patient revenue, including HRSA Relief Fund revenue, contributed \$42.2 million to the positive variance. Income from Medicaid Supplemental programs was \$12.9 million higher primarily due to UHRIP program quality payments received and increased federal matching in effect for the public health emergency.

Total quarter operating expenses of \$480.2 million were \$20.2 million or 4.4% greater than budget. Total salaries and benefits accounted equally for the \$10.4 million variance. Half the variance was caused by increases in premium labor and nursing incentives effective for the ongoing response to the COVID-19 pandemic, and the other half by increases in health insurance claims. Provider costs were \$4.9 million higher than anticipated due to physician incentives partially accrued for the first contract year. Supplies reported an unfavorable variance of \$3.1 million primarily due to the increased pharmaceutical supplies kept on hand for COVID patients. Purchased services reported an unfavorable variance of \$2.7 million driven by an increase in outside medical services and consulting fees.

Overall inpatient volumes continued to trend higher in the first quarter of FY 2022, with the average daily census only 2.1% below budget. Likewise, inpatient case mix index, a measure of patient acuity, was 2.1% higher for the quarter and year to date. Consistent with the previous trend, in-person clinic visits were 31.1% lower as several clinic locations remained closed. However, overall clinic visits including telehealth were only 16.7% lower compared to budget. Emergency room visits and births were down 6.0% and 15.0%, respectively.

Total cash receipts for the quarter were \$472.5 million. The System has \$1,067.5 million in unrestricted cash, cash equivalents and investments, representing 210.7 days cash on hand. Harris Health System has \$118.6 million in net accounts receivable, representing 57.7 days of outstanding patient accounts receivable at May 31, 2021. The May balance sheet reflects a combined net receivable position of \$78.1 million under the various Medicaid Supplemental programs.

Total quarter expenses incurred by Harris Health for Foundation personnel and other costs were \$140,000.

Income Statement

As of the Quarter Ended May 31, 2021 (In \$ Millions)

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	\$ 189.1	\$ 146.9	28.7%	\$ 189.1	\$ 146.9	28.7%	\$ 122.3	54.7%
Medicaid Supplemental Programs	110.2	97.3	13.3%	110.2	97.3	13.3%	104.0	6.0%
Other Operating Revenue	12.3	9.2	33.8%	12.3	9.2	33.8%	8.6	42.3%
Total Operating Revenue	\$ 311.6	\$ 253.4	23.0%	\$ 311.6	\$ 253.4	23.0%	\$ 234.9	32.7%
Net Ad Valorem Taxes	197.6	196.5	0.5%	197.6	196.5	0.5%	195.7	1.0%
Net Tobacco Settlement Revenue	13.3	12.9	2.9%	13.3	12.9	2.9%	12.9	2.7%
Interest Income & Other	0.6	2.9	-79.2%	0.6	2.9	-79.2%	12.9	-95.4%
Total Nonoperating Revenue	\$ 211.4	\$ 212.3	-0.4%	\$ 211.4	\$ 212.3	-0.4%	\$ 221.5	-4.6%
Total Net Revenue	\$ 523.0	\$ 465.6	12.3%	\$ 523.0	\$ 465.6	12.3%	\$ 456.4	14.6%
EXPENSE								
Salaries and Wages	\$ 173.9	\$ 168.9	-3.0%	\$ 173.9	\$ 168.9	-3.0%	\$ 156.6	-11.0%
Employee Benefits	64.5	59.1	-9.2%	64.5	59.1	-9.2%	55.6	-15.9%
Total Labor Cost	\$ 238.4	\$ 228.0	-4.6%	\$ 238.4	\$ 228.0	-4.6%	\$ 212.3	-12.3%
Supply Expenses	62.3	59.2	-5.2%	62.3	59.2	-5.2%	51.9	-20.1%
Physician Services	93.4	88.5	-5.6%	93.4	88.5	-5.6%	77.4	-20.7%
Purchased Services	68.8	66.3	-3.8%	68.8	66.3	-3.8%	52.5	-30.9%
Depreciation & Interest	17.3	18.1	4.2%	17.3	18.1	4.2%	17.1	-1.0%
Total Operating Expense	\$ 480.2	\$ 460.0	-4.4%	\$ 480.2	\$ 460.0	-4.4%	\$ 411.3	-16.8%
Operating Income (Loss)	\$ 42.8	\$ 5.6		\$ 42.8	\$ 5.6		\$ 45.2	
Total Margin %	8.2%	1.2%		8.2%	1.2%		9.9%	

Balance Sheet

As of May 31, 2021 and 2020 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,067.5	\$ 721.0
Net Patient Accounts Receivable	118.6	54.8
Net Ad Valorem Taxes, Current Portion	190.4	212.8
Other Current Assets	187.3	196.0
Total Current Assets	\$ 1,563.8	\$ 1,184.6
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 444.1	\$ 450.7
Construction in Progress	83.6	47.5
Total Capital Assets	\$ 527.8	\$ 498.2
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 53.2	\$ 76.5
LPPF Restricted Cash	274.2	180.5
Other - Restricted	0.9	0.9
Total Assets Limited As to Use & Restricted Assets	\$ 328.3	\$ 258.0
Other Assets	15.6	15.3
Deferred Outflows of Resources	179.3	97.8
Total Assets & Deferred Outflows of Resources	\$ 2,614.7	\$ 2,053.8
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 452.4	\$ 290.0
Employee Compensation & Related Liabilities	103.5	105.3
Estimated Third-Party Payor Settlements	8.6	7.4
Current Portion Long-Term Debt and Capital Leases	12.0	11.0
Total Current Liabilities	\$ 576.5	\$ 413.8
Long-Term Debt	308.1	321.6
Net Pension & Post Employment Benefits Liability	735.5	697.9
Other Long-Term Liabilities	24.6	28.6
Deferred Inflows of Resources	112.4	55.3
Total Liabilities	\$ 1,757.1	\$ 1,517.1
Total Net Assets	\$ 857.6	\$ 536.7
Total Liabilities & Net Assets	\$ 2,614.7	\$ 2,053.8

Cash Flow Summary

As of the Quarter Ended May 31, 2021 (In \$ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 179.4	\$ 136.7	\$ 179.4	\$ 136.7
Medicaid Supplemental Programs	213.9	57.5	213.9	57.5
Net Ad Valorem Taxes	43.8	17.5	43.8	17.5
Tobacco Settlement	13.3	12.9	13.3	12.9
Other Revenue	22.1	19.3	22.1	19.3
Total Cash Receipts	\$ 472.5	\$ 243.9	\$ 472.5	\$ 243.9
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 234.9	\$ 236.4	\$ 234.9	\$ 236.4
Supplies	68.0	68.9	68.0	68.9
Physician Services	90.9	79.5	90.9	79.5
Purchased Services	60.2	62.1	60.2	62.1
Capital Expenditures	21.4	27.7	21.4	27.7
Debt and Interest Payments	0.9	0.9	0.9	0.9
Other Uses	19.4	(47.1)	19.4	(47.1)
Total Cash Disbursements	\$ 495.7	\$ 428.4	\$ 495.7	\$ 428.4
Net Change	\$ (23.1)	\$ (184.6)	\$ (23.1)	\$ (184.6)
Unrestricted Cash, Cash Equivalents and Investments - February 28, 2021			\$ 1,090.6	
Net Change			\$ (23.1)	
Unrestricted Cash, Cash Equivalents and Investments - As of the Quarter Ended May 31, 2021			\$ 1,067.5	

Performance Ratios

As of the Quarter Ended May 31, 2021

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	8.2%	1.2%	8.2%	1.2%	9.9%
Run Rate per Day (In \$ Millions)	\$ 5.1	\$ 4.8	\$ 5.1	\$ 4.8	\$ 4.3
Salary, Wages & Benefit per APD	\$ 2,149	\$ 1,810	\$ 2,149	\$ 1,810	\$ 2,507
Supply Cost per APD	\$ 562	\$ 470	\$ 562	\$ 470	\$ 613
Physician Services Cost per APD	\$ 842	\$ 702	\$ 842	\$ 702	\$ 914
Total Expense per APD	\$ 4,329	\$ 3,652	\$ 4,329	\$ 3,652	\$ 4,857
Overtime as a % of Total Salaries	3.2%	2.6%	3.2%	2.6%	2.8%
Contract as a % of Total Salaries	2.7%	0.4%	2.7%	0.4%	1.4%
Full-time Equivalent Employees	8,744	9,124	8,744	9,124	8,501
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			2.7		2.8
Unrestricted Cash (In \$ Millions)			\$ 1,067.5	\$ 834.4	\$ 721.0
Days Cash on Hand			210.7	172.7	167.0
Days Revenue in Accounts Receivable			57.7	64.0	41.2
Days in Accounts Payable			37.6		33.2
Capital Expenditures/Depreciation & Amortization			146.6%		191.1%
Average Age of Plant (years)			12.9		12.4

Harris Health System

Key Indicators



Statistical Highlights

As of the Quarter Ended May 31, 2021

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	110,930	125,969	-11.9%	110,930	125,969	-11.9%	84,682	31.0%
Outpatient % of Adjusted Volume	63.1%	64.8%	-2.7%	63.1%	64.8%	-2.7%	60.4%	4.3%
Primary Care Clinic Visits	89,392	147,148	-39.3%	89,392	147,148	-39.3%	65,475	36.5%
Specialty Clinic Visits	56,165	64,006	-12.3%	56,165	64,006	-12.3%	34,852	61.2%
Telehealth Clinic Visits	87,989	69,149	27.2%	87,989	69,149	27.2%	75,762	16.1%
Total Clinic Visits	233,546	280,303	-16.7%	233,546	280,303	-16.7%	176,089	32.6%
Emergency Room Visits - Outpatient	32,440	34,710	-6.5%	32,440	34,710	-6.5%	28,180	15.1%
Emergency Room Visits - Admitted	4,649	4,766	-2.5%	4,649	4,766	-2.5%	3,952	17.6%
Total Emergency Room Visits	37,089	39,476	-6.0%	37,089	39,476	-6.0%	32,132	15.4%
Surgery Cases - Outpatient	2,482	3,685	-32.6%	2,482	3,685	-32.6%	1,641	51.2%
Surgery Cases - Inpatient	2,208	2,651	-16.7%	2,208	2,651	-16.7%	1,665	32.6%
Total Surgery Cases	4,690	6,336	-26.0%	4,690	6,336	-26.0%	3,306	41.9%
Total Outpatient Visits	484,011	444,088	9.0%	484,011	444,088	9.0%	290,073	66.9%
Inpatient Cases (Discharges)	6,814	7,728	-11.8%	6,814	7,728	-11.8%	5,784	17.8%
Outpatient Observation Cases	3,642	3,447	5.7%	3,642	3,447	5.7%	3,056	19.2%
Total Cases Occupying Patient Beds	10,456	11,175	-6.4%	10,456	11,175	-6.4%	8,840	18.3%
Births	1,026	1,207	-15.0%	1,026	1,207	-15.0%	992	3.4%
Inpatient Days	40,981	44,356	-7.6%	40,981	44,356	-7.6%	33,497	22.3%
Outpatient Observation Days	10,611	8,325	27.5%	10,611	8,325	27.5%	7,963	33.3%
Total Patient Days	51,592	52,681	-2.1%	51,592	52,681	-2.1%	41,460	24.4%
Average Daily Census	560.8	572.6	-2.1%	560.8	572.6	-2.1%	450.7	24.4%
Average Operating Beds	665	618	7.6%	665	618	7.6%	659	0.9%
Bed Occupancy %	84.3%	92.7%	-9.0%	84.3%	92.7%	-9.0%	68.4%	23.3%
Inpatient Average Length of Stay	6.0	5.7	4.8%	6.0	5.7	4.8%	5.8	3.8%
Inpatient Case Mix Index (CMI)	1.775	1.738	2.1%	1.775	1.738	2.1%	1.667	6.5%
Payor Mix (% of Charges)								
Charity & Self Pay	48.5%	51.2%	-5.2%	48.5%	51.2%	-5.2%	52.0%	-6.7%
Medicaid & Medicaid Managed	21.1%	22.7%	-7.2%	21.1%	22.7%	-7.2%	22.1%	-4.8%
Medicare & Medicare Managed	12.3%	11.8%	4.6%	12.3%	11.8%	4.6%	12.1%	2.0%
Commercial & Other	18.1%	14.3%	26.3%	18.1%	14.3%	26.3%	13.8%	31.1%
Total Unduplicated Patients - Rolling 12				250,119			271,366	-7.8%
Total New Patient - Rolling 12				73,286			82,499	-11.2%

Note: Prior year Clinic Visits have been restated; E&M & Telehealth Visits were aligned with Clinic and Ancillary Visits as appropriate. This shift represents a decrease of ~ 7% to Total Clinic Visits but no change to Total Outpatient Visits reported in FY21.

Harris Health System

Statistical Highlights

As of the Quarter Ended May 31, 2021

Cases Occupying Beds - Q1

Actual	Budget	Prior Year
10,456	11,175	8,840

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
10,456	11,175	8,840

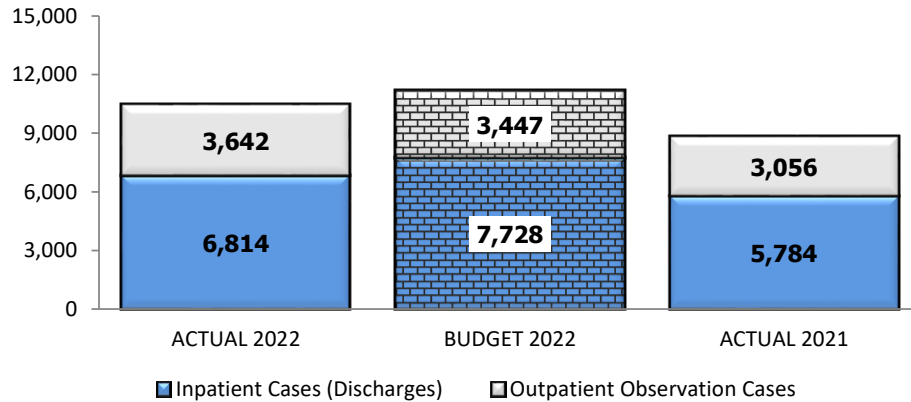
Emergency Visits - Q1

Actual	Budget	Prior Year
37,089	39,476	32,132

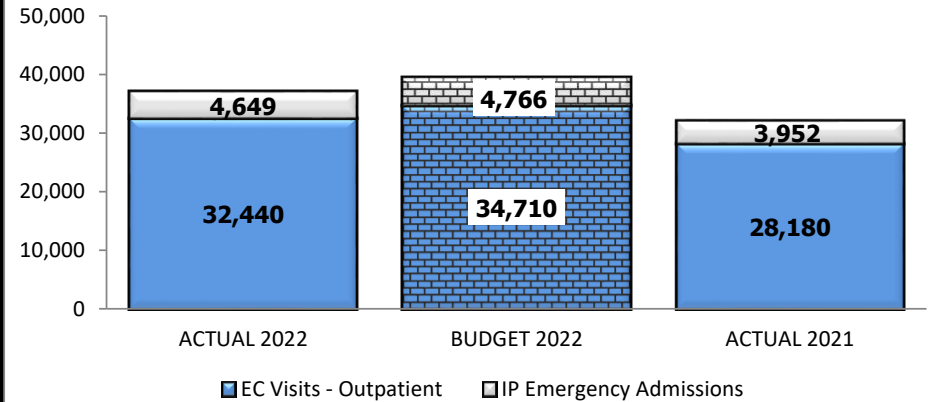
Emergency Visits - YTD

Actual	Budget	Prior Year
37,089	39,476	32,132

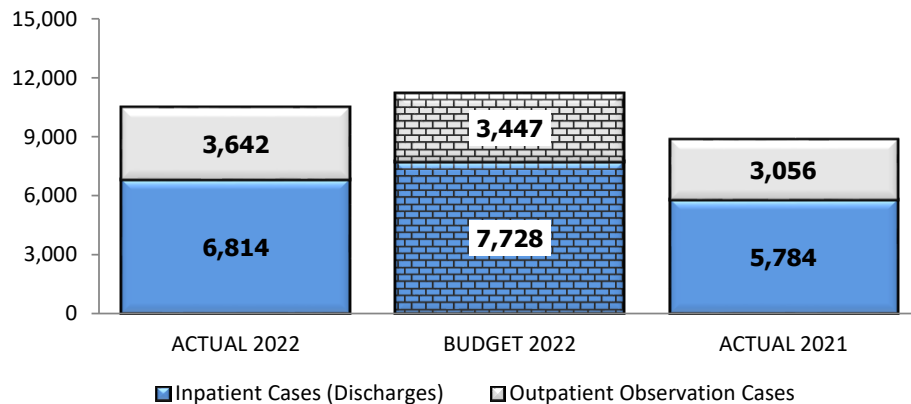
Cases Occupying Beds - Quarter End



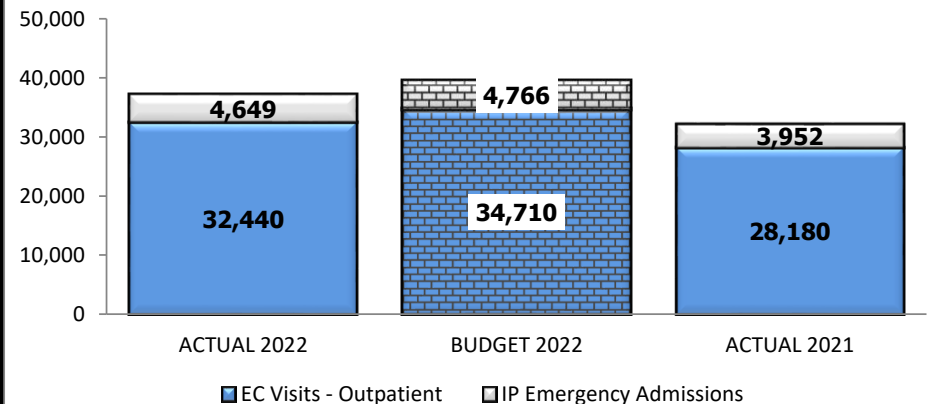
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended May 31, 2021

Surgery Cases - Q1

Actual	Budget	Prior Year
4,690	6,336	3,306

Surgery Cases - YTD

Actual	Budget	Prior Year
4,690	6,336	3,306

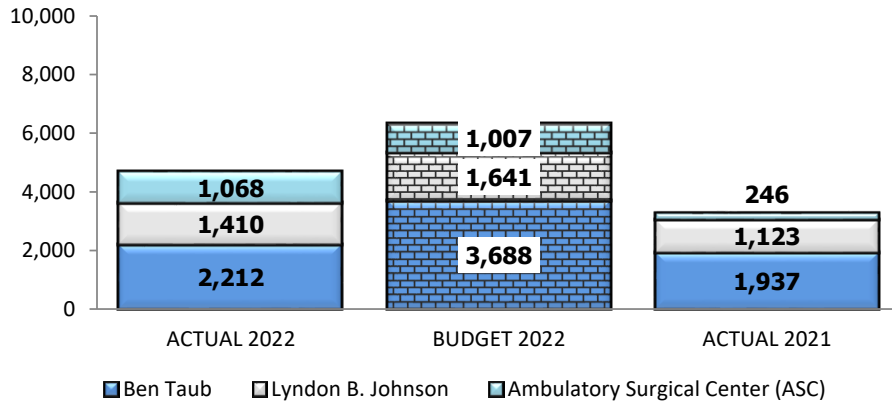
Clinic Visits - Q1

Actual	Budget	Prior Year
233,546	280,303	176,089

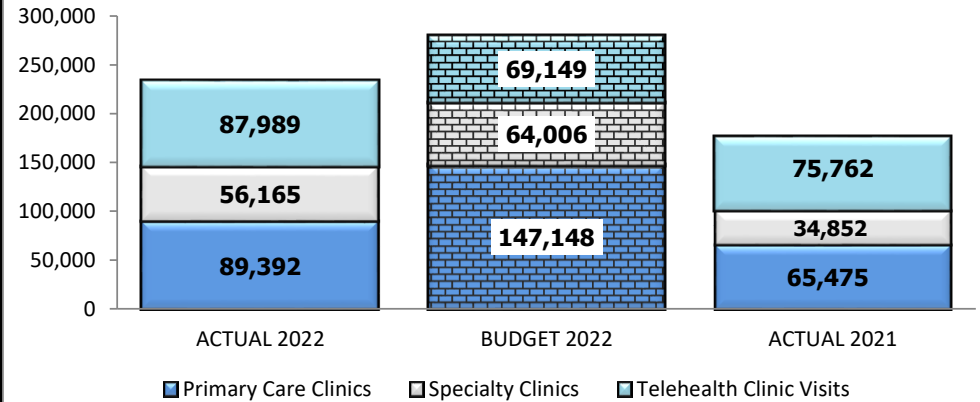
Clinic Visits - YTD

Actual	Budget	Prior Year
233,546	280,303	176,089

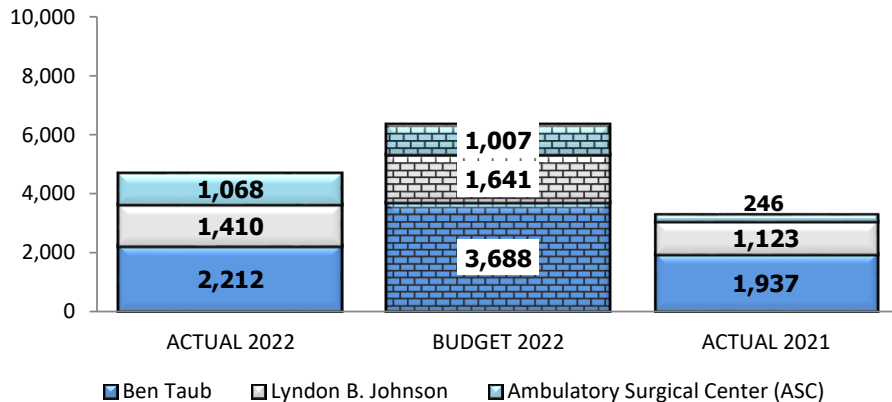
Surgery Cases - Quarter End



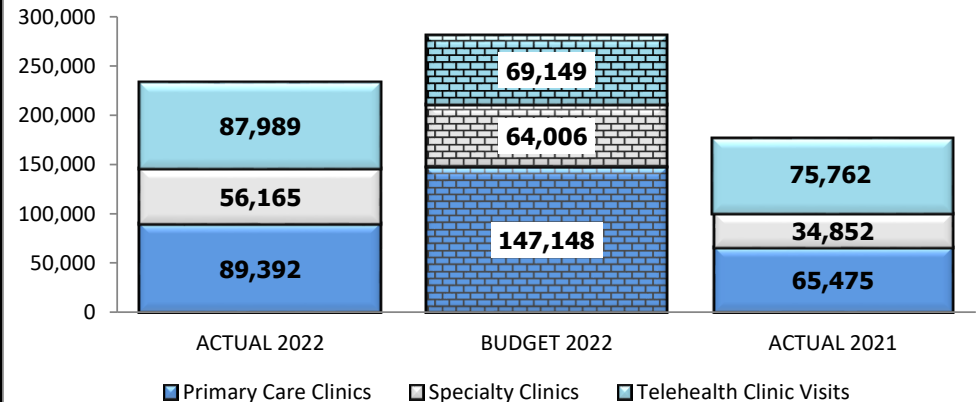
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended May 31, 2021

Adjusted Patient Days - Q1

110,930

Adjusted Patient Days - YTD

110,930

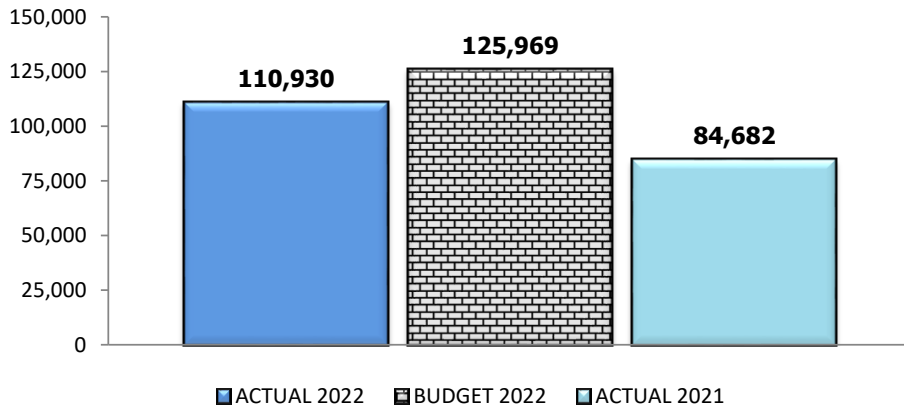
Average Daily Census - Q1

560.8

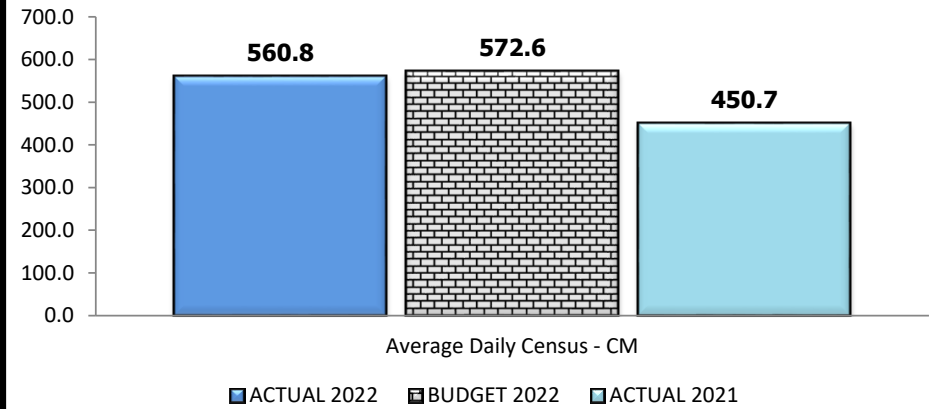
Average Daily Census - YTD

560.8

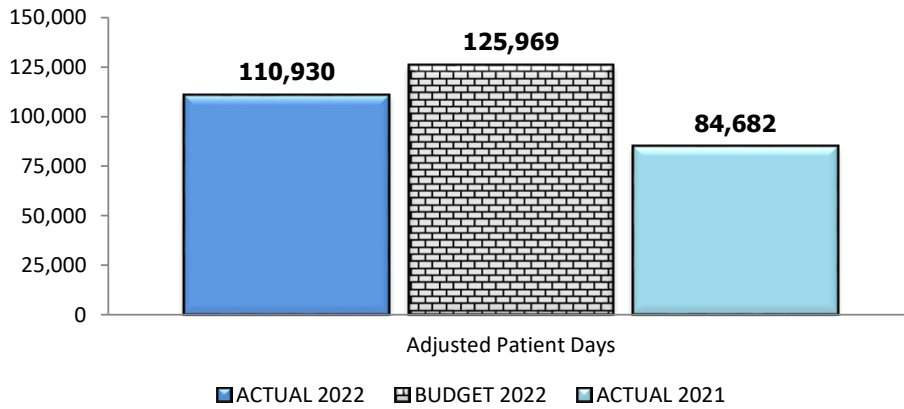
Adjusted Patient Days - Quarter End



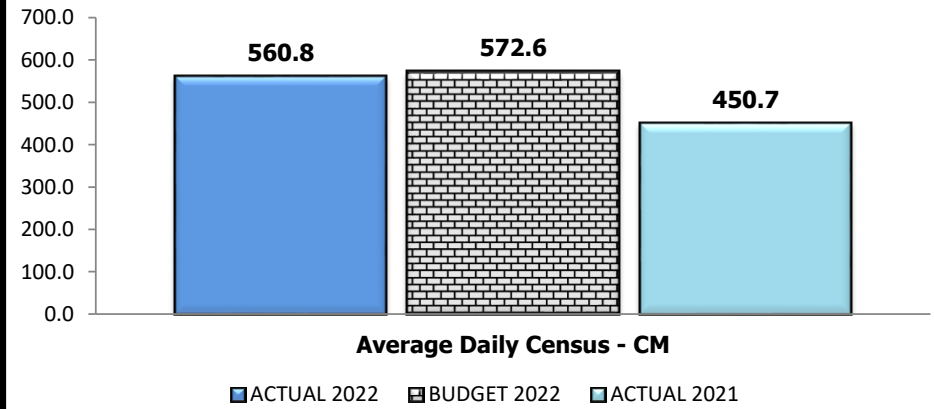
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended May 31, 2021

Inpatient ALOS - Q1

6.01

Inpatient ALOS - YTD

6.01

Case Mix Index (CMI) - Q1

Overall

Excl. Obstetrics

1.775

1.932

Case Mix Index (CMI) - YTD

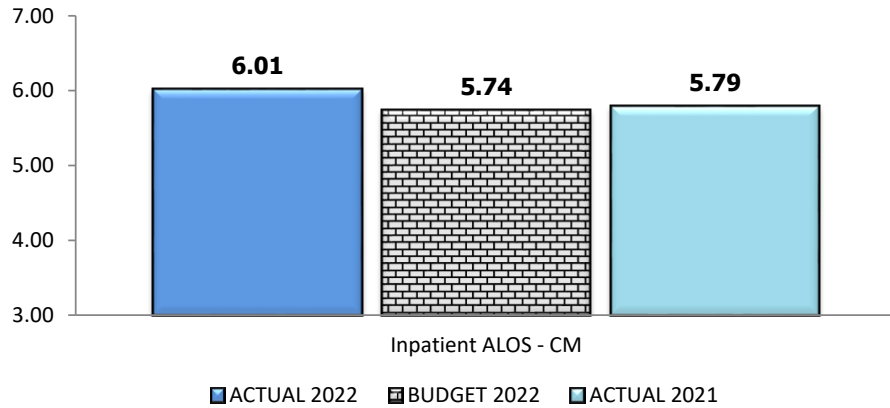
Overall

Excl. Obstetrics

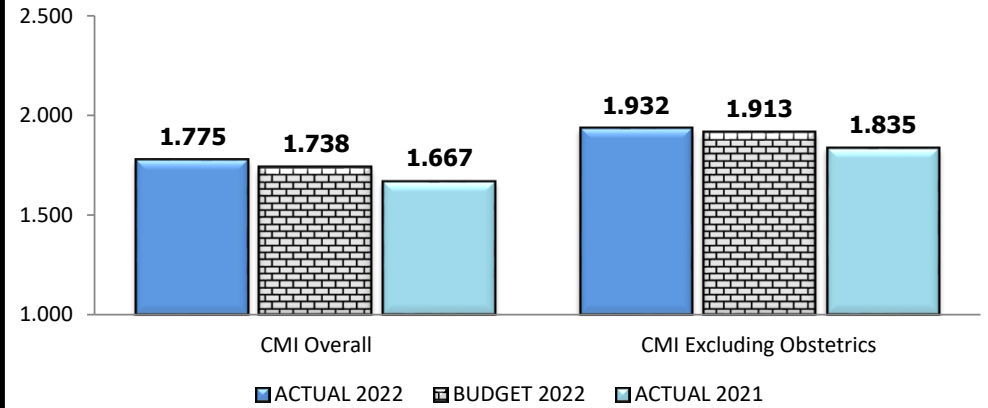
1.775

1.932

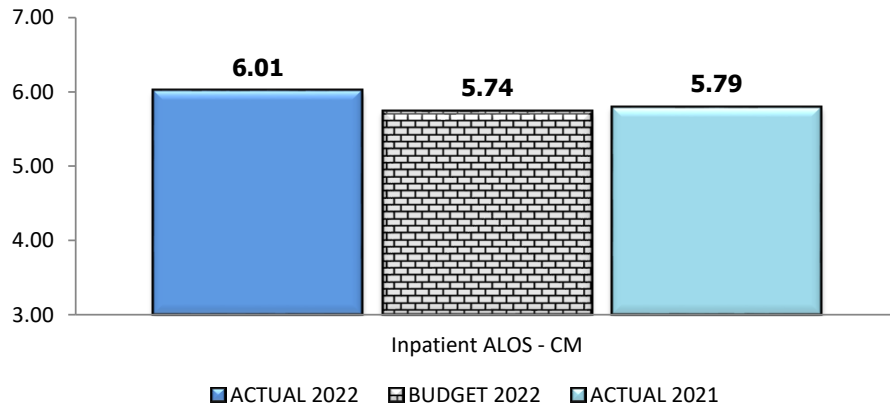
Inpatient ALOS - Quarter End



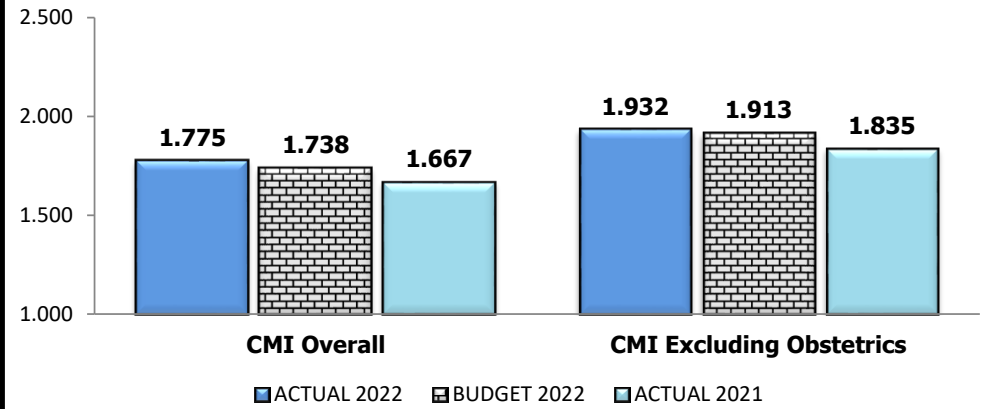
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

As of the Quarter Ended May 31, 2021

BT Cases Occupying Beds - Q1

Actual	Budget	Prior Year
6,386	7,581	5,511

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
6,386	7,581	5,511

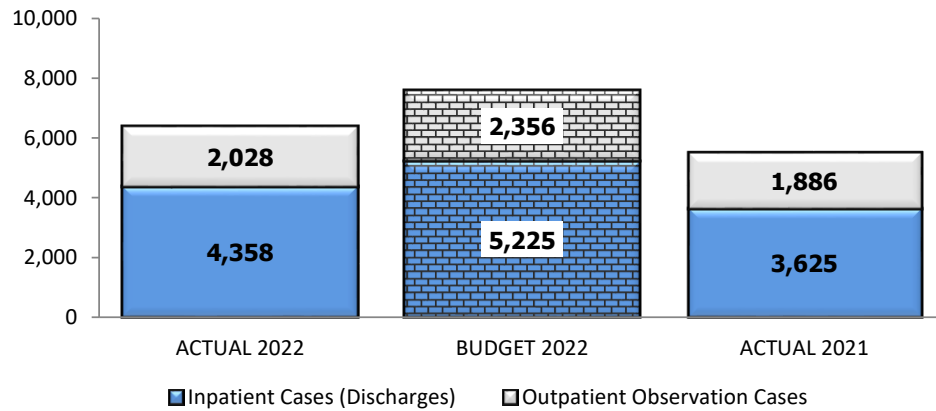
LBJ Cases Occupying Beds - Q1

Actual	Budget	Prior Year
4,070	3,594	3,329

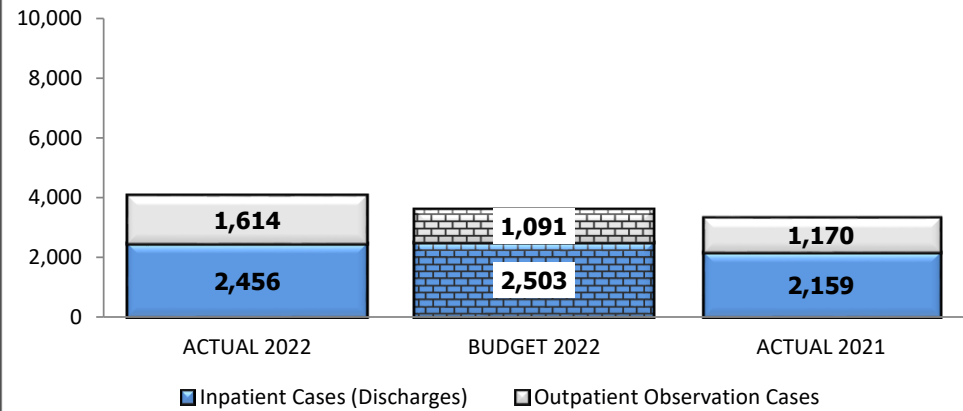
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
4,070	3,594	3,329

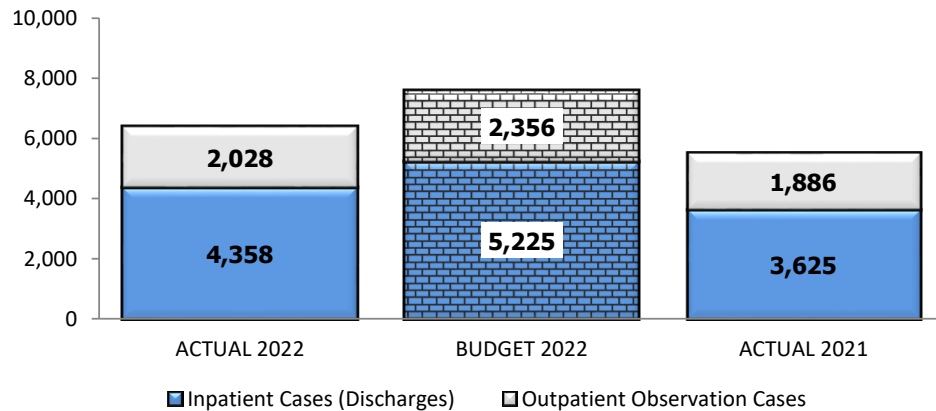
Ben Taub Cases - Quarter End



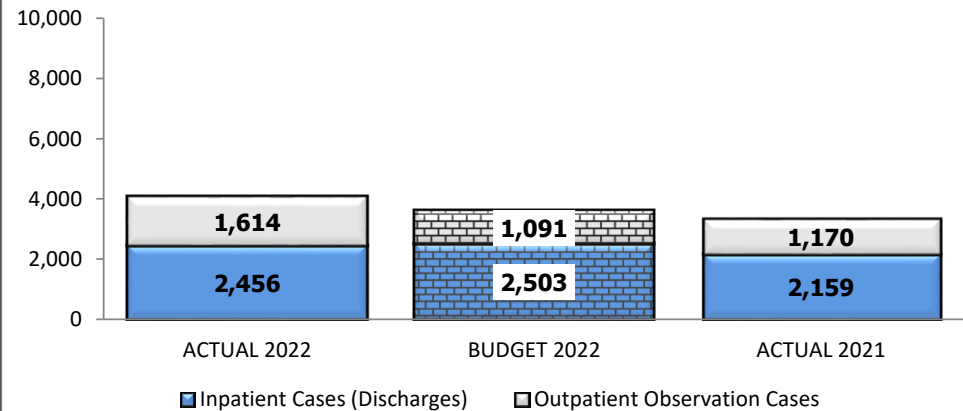
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

As of the Quarter Ended May 31, 2021

BT Surgery Cases - Q1

Actual	Budget	Prior Year
2,212	3,688	1,937

BT Surgery Cases - YTD

Actual	Budget	Prior Year
2,212	3,688	1,937

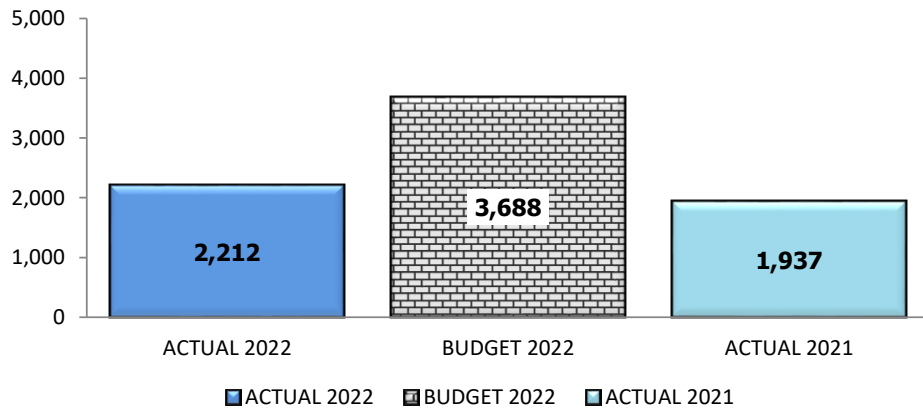
LBJ Surgery Cases - Q1

Actual	Budget	Prior Year
2,478	2,648	1,369

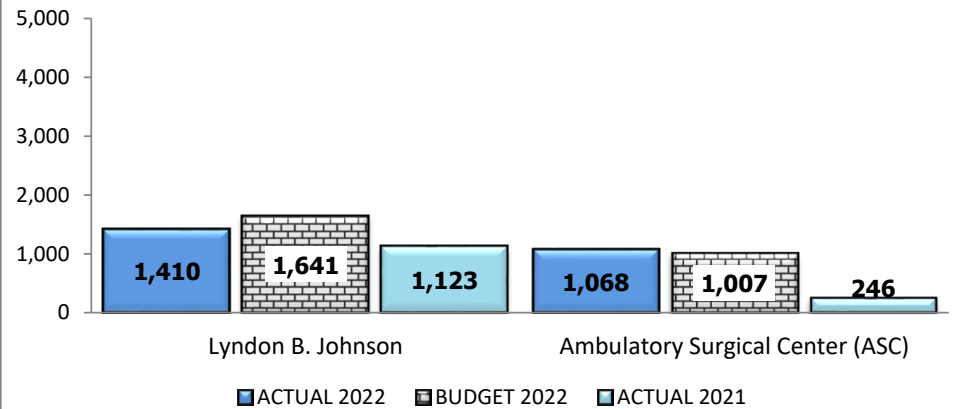
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
2,478	2,648	1,369

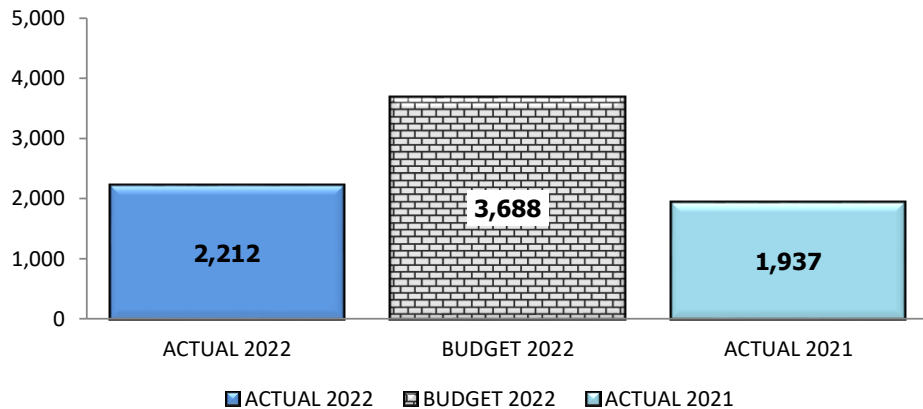
Ben Taub OR Cases - Quarter End



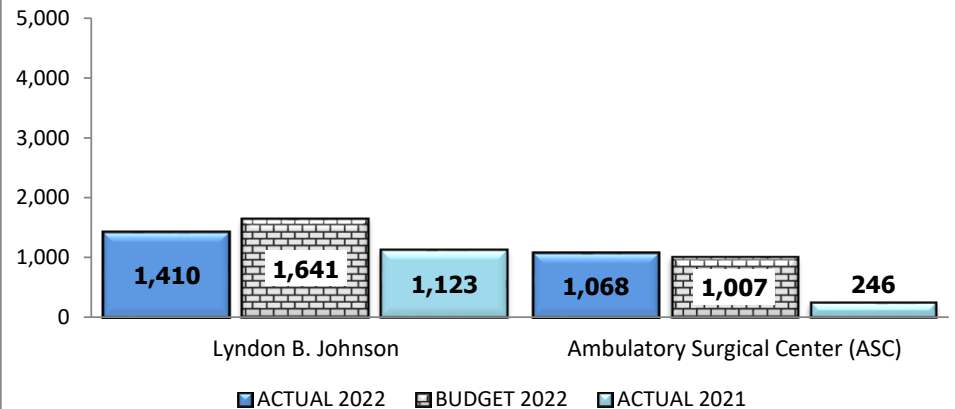
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended May 31, 2021

BT Emergency Visits - Q1

Actual	Budget	Prior Year
18,139	19,251	15,812

BT Emergency Visits - YTD

Actual	Budget	Prior Year
18,139	19,251	15,812

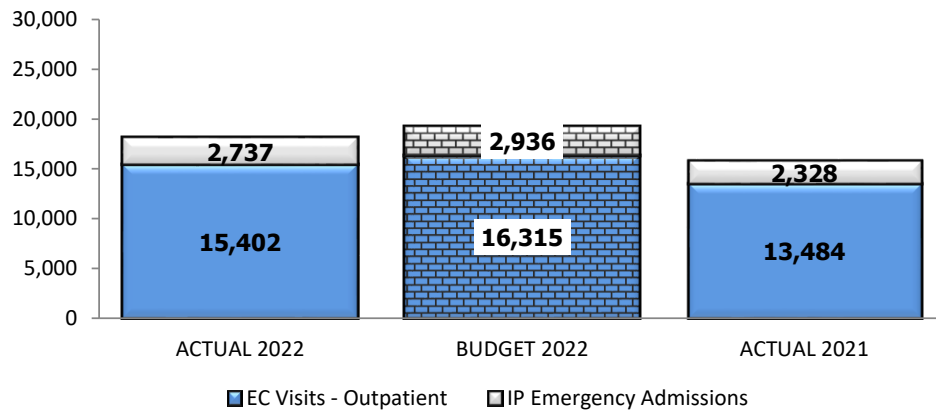
LBJ Emergency Visits - Q1

Actual	Budget	Prior Year
18,950	20,225	16,320

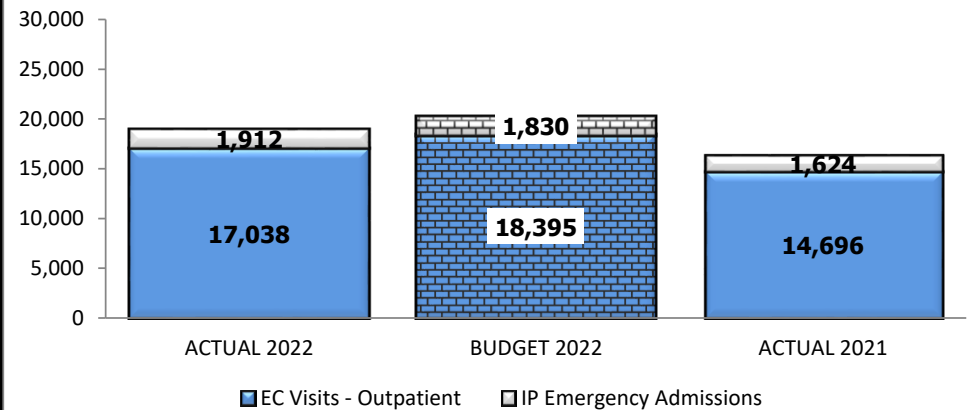
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
18,950	20,225	16,320

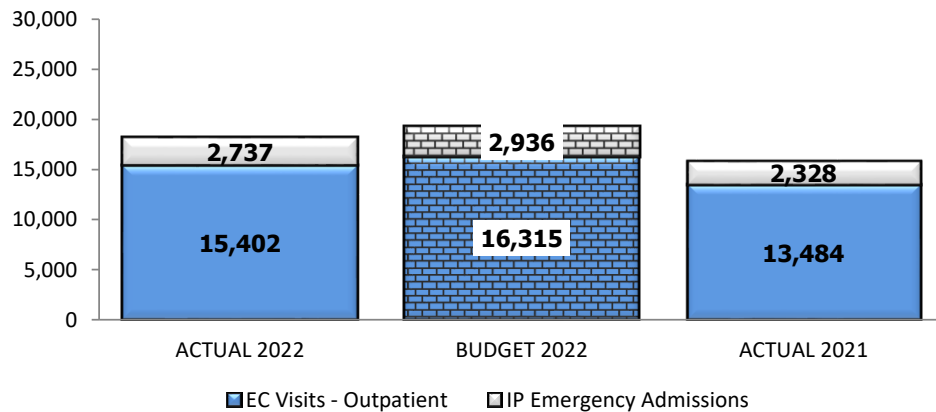
Ben Taub EC Visits - Quarter End



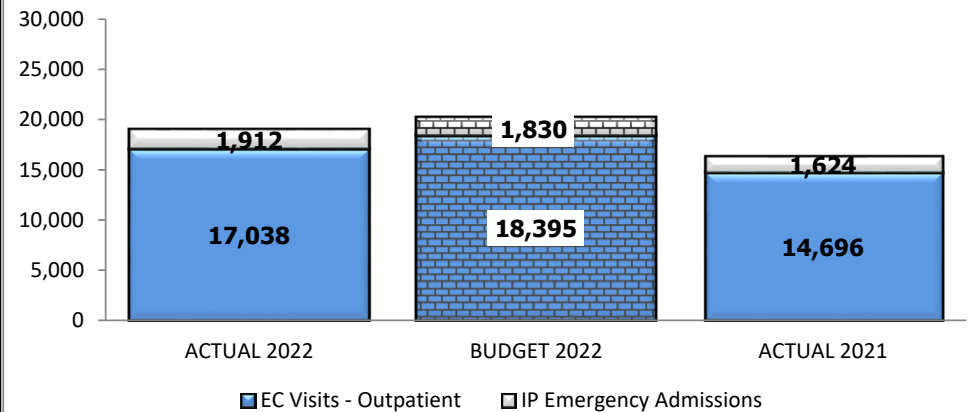
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

As of the Quarter Ended May 31, 2021

BT Births - Q1

Actual	Budget	Prior Year
617	829	596

BT Births - YTD

Actual	Budget	Prior Year
617	829	596

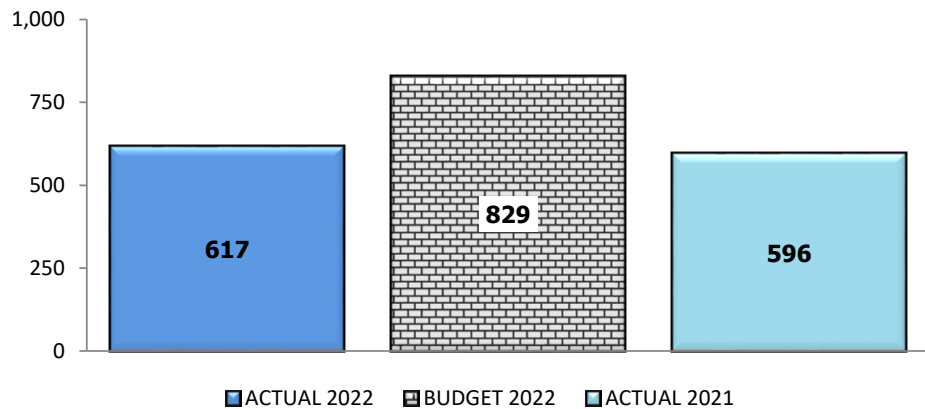
LBJ Births - Q1

Actual	Budget	Prior Year
409	377	396

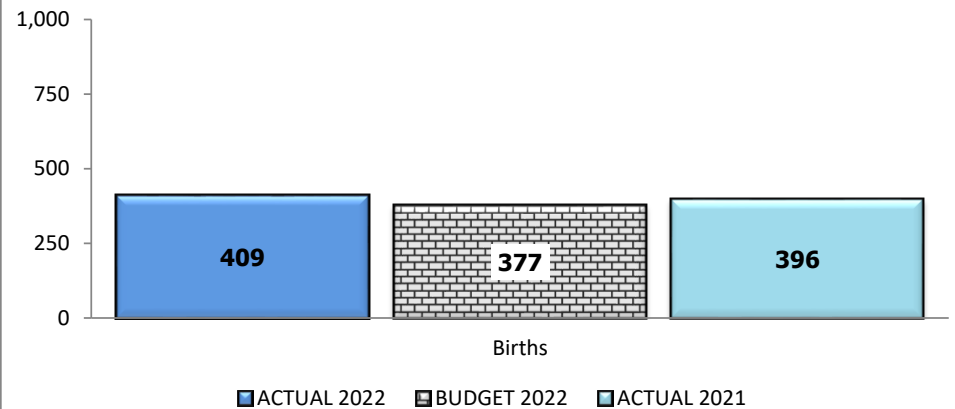
LBJ Births - YTD

Actual	Budget	Prior Year
409	377	396

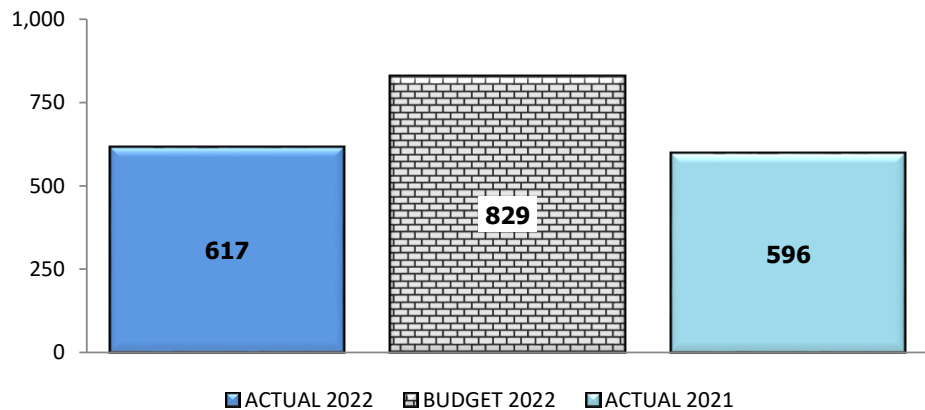
Ben Taub Births - Quarter End



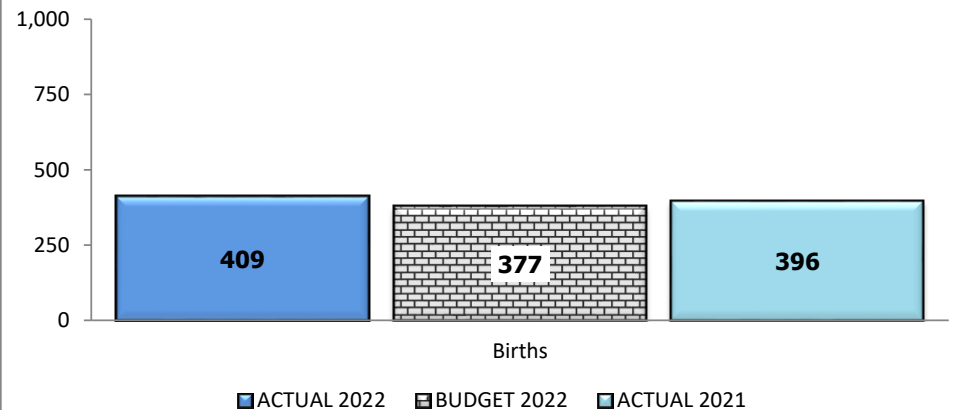
Lyndon B. Johnson Births - Quarter End



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

As of the Quarter Ended May 31, 2021

BT Adjusted Patient Days - Q1

56,142

BT Adjusted Patient Days - YTD

56,142

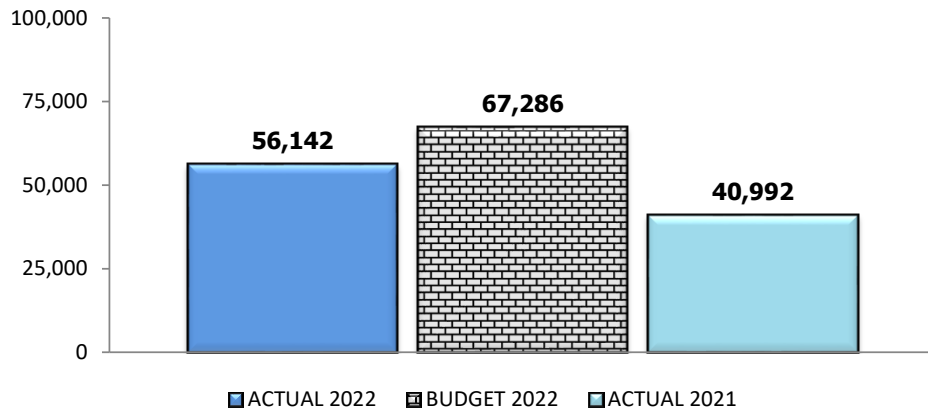
LBJ Adjusted Patient Days - Q1

33,838

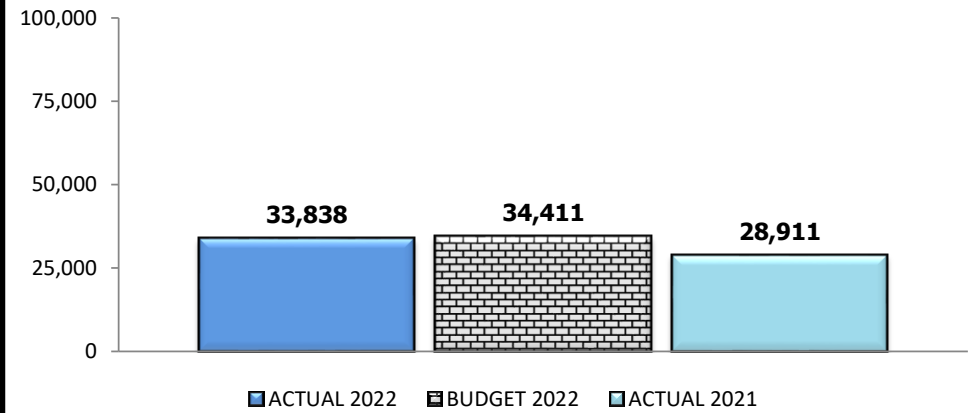
LBJ Adjusted Patient Days - YTD

33,838

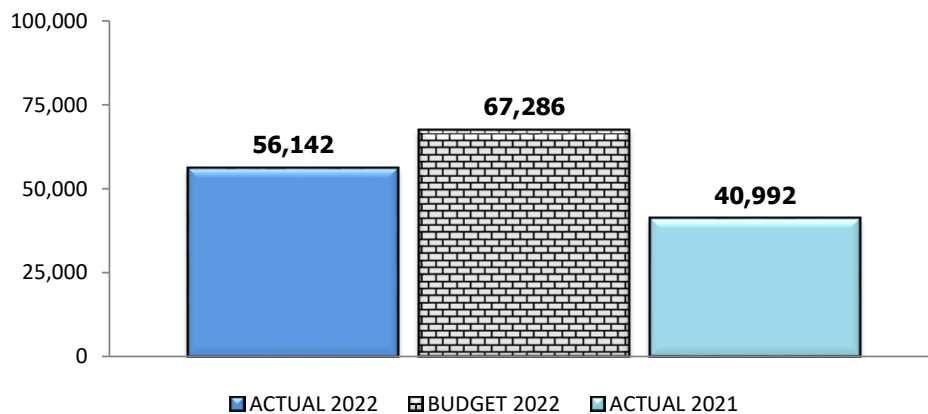
Ben Taub APD - Quarter End



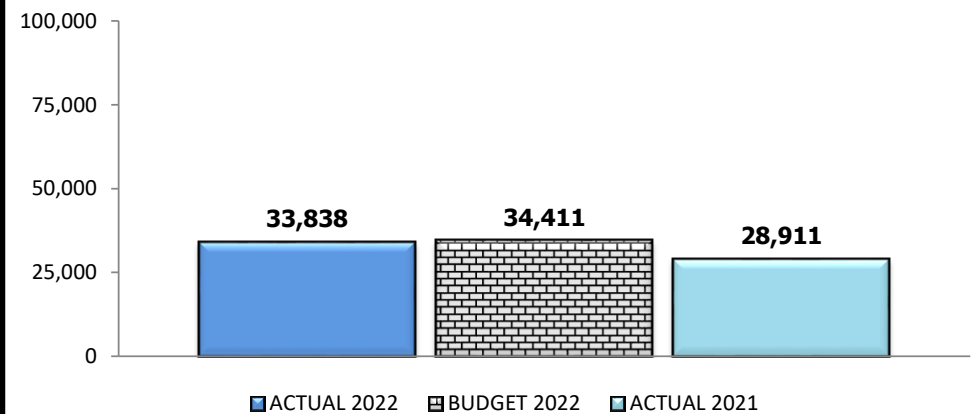
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

As of the Quarter Ended May 31, 2021

BT Average Daily Census - Q1

370.7

BT Average Daily Census - YTD

370.7

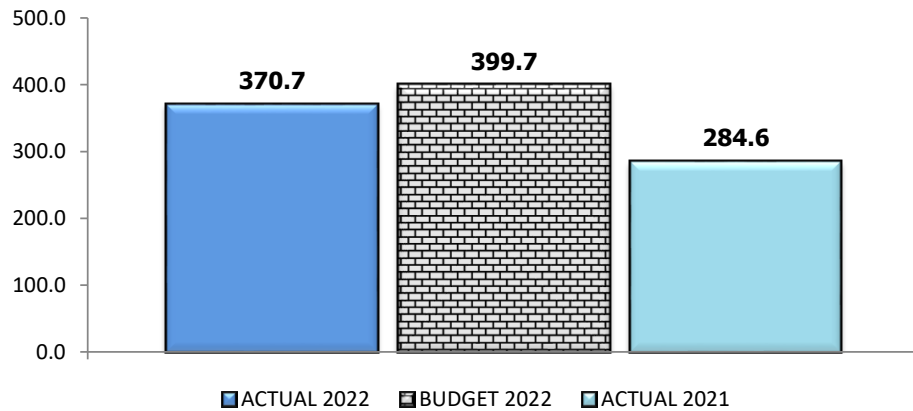
LBJ Average Daily Census - Q1

190.1

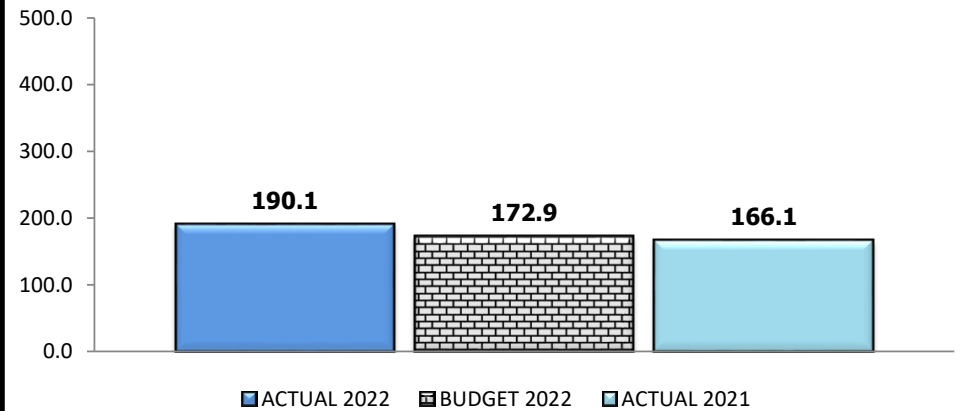
LBJ Average Daily Census - YTD

190.1

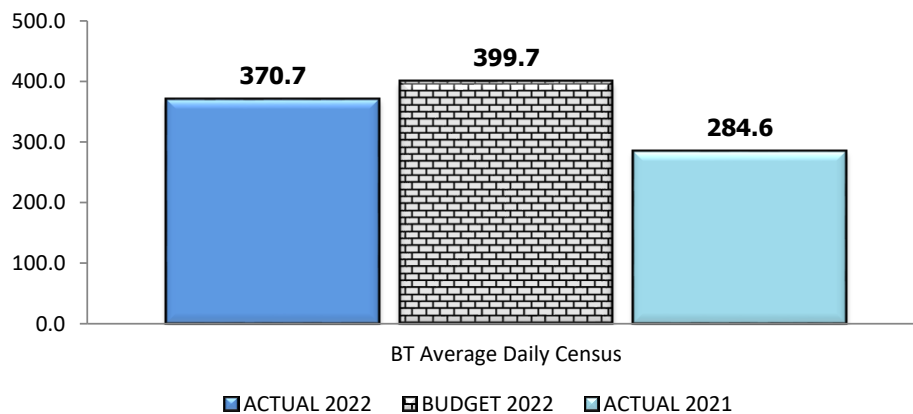
Ben Taub ADC - Quarter End



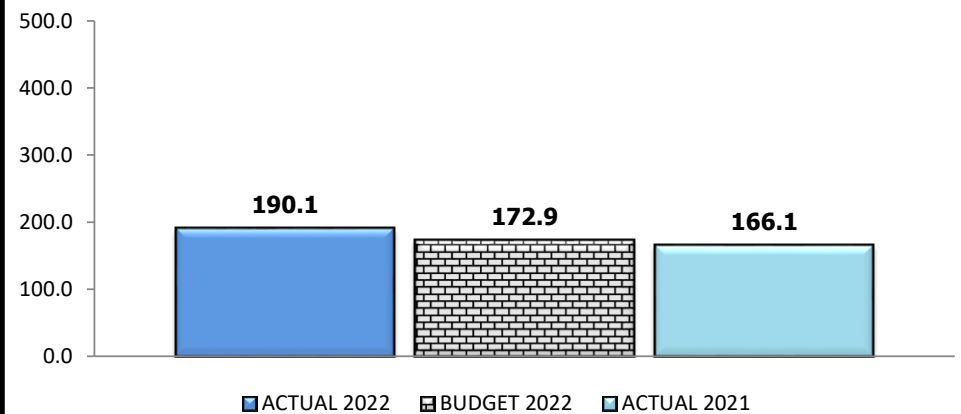
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

As of the Quarter Ended May 31, 2021

BT Inpatient ALOS - Q1

6.41

BT Inpatient ALOS - YTD

6.41

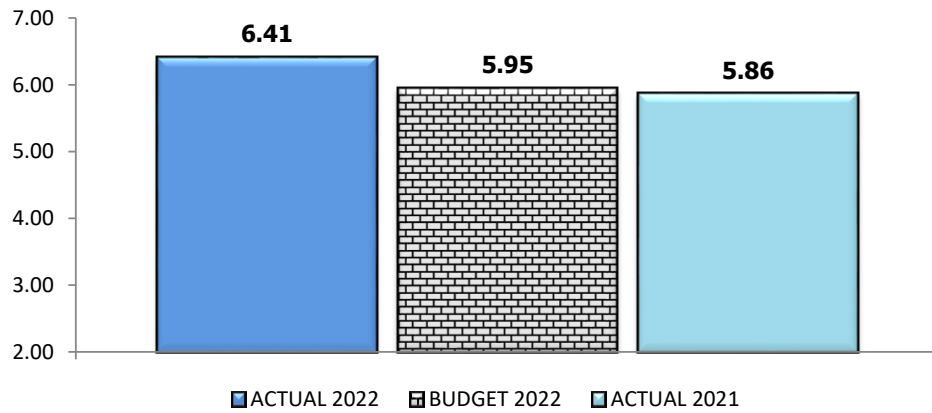
LBJ Inpatient ALOS - Q1

5.31

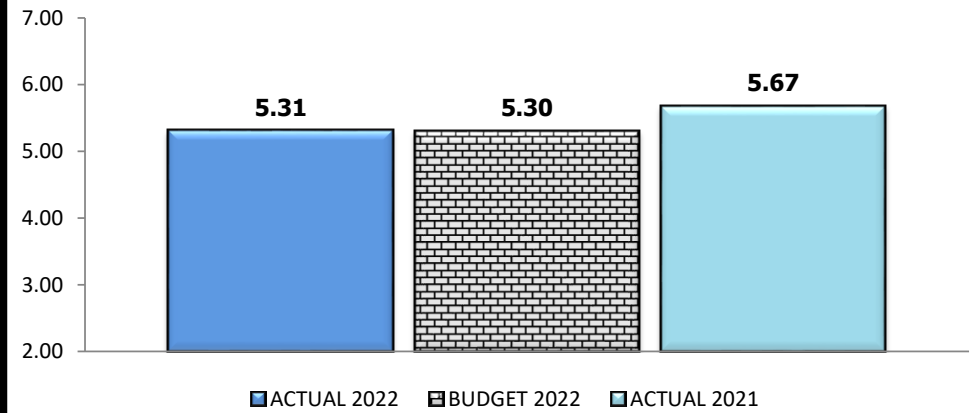
LBJ Inpatient ALOS - YTD

5.31

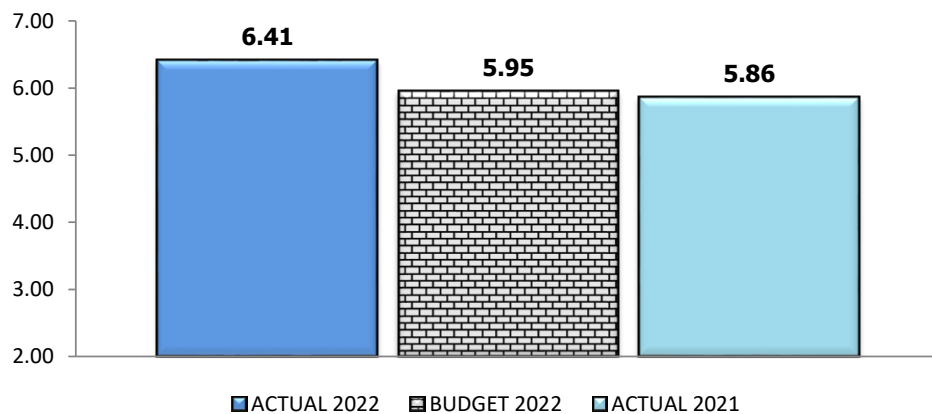
Ben Taub ALOS - Quarter End



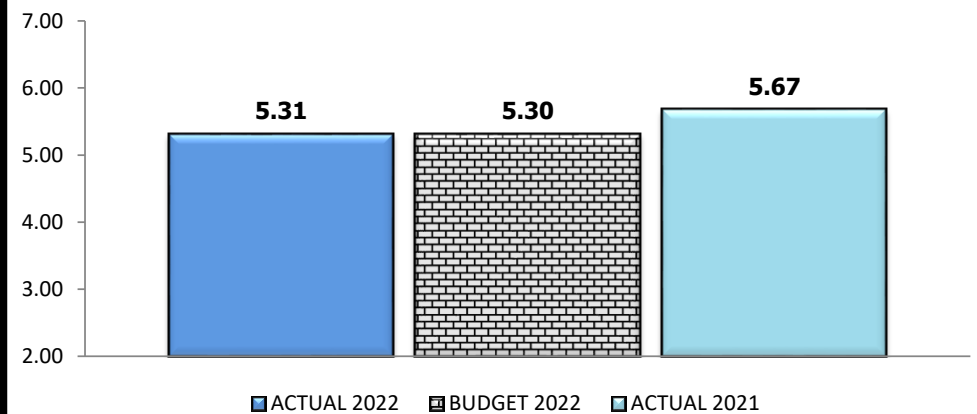
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

As of the Quarter Ended May 31, 2021

BT Case Mix Index (CMI) - Q1

Overall	Excl. Obstetrics
1.815	1.964

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.815	1.964

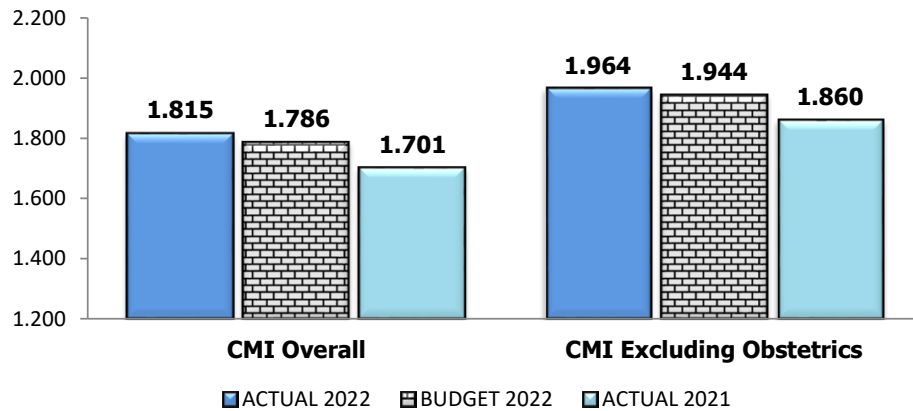
LBJ Case Mix Index (CMI) - Q1

Overall	Excl. Obstetrics
1.705	1.873

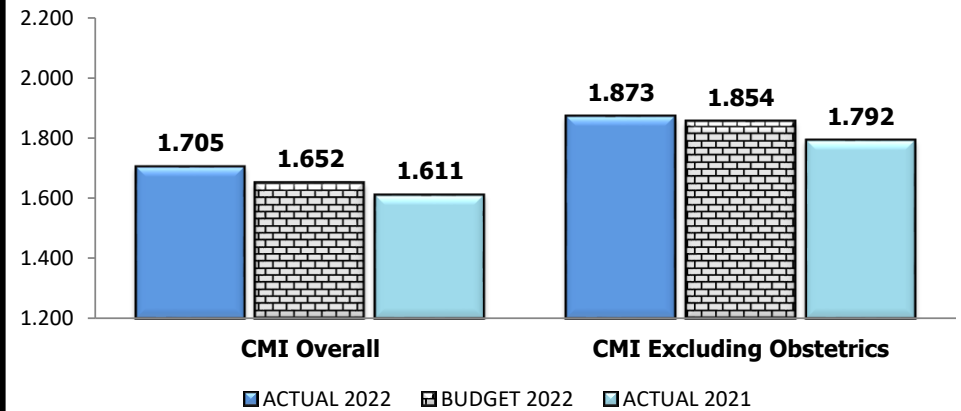
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.705	1.873

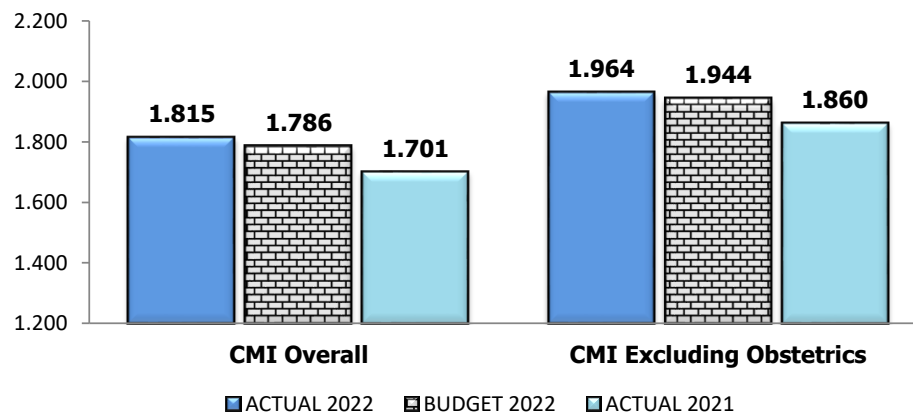
Ben Taub CMI - Quarter End



Lyndon B. Johnson CMI - Quarter End



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

