



Financial Statements

As of April 30, 2022



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Financial Highlights Review

As of April 30, 2022

Operating Loss for April was \$62.9 million compared to budgeted income of \$13.2 million.

Total net revenue for April of \$124.2 million was \$72.7 million or 36.9% less than budget. Net patient revenue was \$4.4 million less than planned primarily due to patient volumes being less than budget. Ad valorem tax revenue was \$69.0 million less than budget due to the change in the accounting practice (revenue recognition) related to the fiscal year transition by Harris County and Harris Health System. This transition is required to align the related tax rate approval process in September—October 2022 with the new fiscal year October 2022—September 2023. Because the 2022 tax levy is deemed to cover the new fiscal year above, no ad valorem tax revenue will be recognized during the stub period of April 2022 to September 2022. The change in the accounting practice does not impact the System's ad valorem cash collections practice, which remains unchanged. Detailed discussion of the accounting change adopted by Harris County and Harris Health System was provided by the System's external auditor, BKD CPAs and Advisors, at the May 2022 meeting of the Compliance and Audit Committee.

In April, total expenses of \$187.1 million were \$3.4 million or 1.8% higher than budget. Contract labor continues to be heavily utilized by nursing to combat the turnover and labor shortages and was the single largest contributor to the unfavorable budget variance.

Also in April, total patient days and average daily census decreased 0.5% compared to budget. Inpatient case mix index, a measure of patient acuity, was 4.6% lower; similarly, length of stay was 8.4% lower to budget. Emergency room visits were 3.2% lower than planned for the month and only 0.6% off from budget year-to-date. Total clinic visits, including telehealth, were 18.7% lower compared to budget; however, births were up 19.2%.

Total cash receipts for April were \$102.9 million. The System has \$1,422.3 million in unrestricted cash, cash equivalents and investments, representing 248.1 days cash on hand. Harris Health System has \$128.2 million in net accounts receivable, representing 64.9 days of outstanding patient accounts receivable at April 30, 2022. The April balance sheet reflects a combined net liability position of \$70.1 million under the various Medicaid Supplemental programs.

April expenses incurred by Harris Health for Foundation personnel and other costs were \$47,000.

Income Statement

As of April 30, 2022 (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	\$ 62.3	\$ 66.7	-6.6%	\$ 120.5	\$ 134.2	-10.2%	\$ 134.2	-10.2%
Medicaid Supplemental Programs	34.6	37.7	-8.3%	69.0	75.4	-8.4%	73.4	-5.9%
Other Operating Revenue	10.3	10.6	-2.5%	19.8	21.5	-8.1%	8.1	144.6%
Total Operating Revenue	\$ 107.2	\$ 115.0	-6.8%	\$ 209.3	\$ 231.1	-9.4%	\$ 215.6	-2.9%
Net Ad Valorem Taxes	(0.5)	68.5	-100.7%	(0.0)	137.0	-100.0%	132.1	-100.0%
Net Tobacco Settlement Revenue	16.7	13.3	26.2%	16.7	13.3	26.2%	13.3	26.2%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	0.7	0.2	388.1%	1.2	0.3	292.8%	0.4	202.9%
Total Nonoperating Revenue	\$ 17.0	\$ 81.9	-79.3%	\$ 17.9	\$ 150.5	-88.1%	\$ 145.8	-87.7%
Total Net Revenue	\$ 124.2	\$ 196.9	-36.9%	\$ 227.2	\$ 381.6	-40.5%	\$ 361.4	-37.1%
EXPENSE								
Salaries and Wages	\$ 75.1	\$ 71.3	-5.3%	\$ 147.5	\$ 144.3	-2.2%	\$ 117.8	-25.2%
Employee Benefits	22.7	23.5	3.7%	43.1	47.6	9.3%	42.5	-1.4%
Total Labor Cost	\$ 97.8	\$ 94.8	-3.1%	\$ 190.6	\$ 191.9	0.7%	\$ 160.4	-18.9%
Supply Expenses	23.7	24.6	3.8%	46.4	49.5	6.2%	41.8	-11.2%
Physician Services	36.2	32.8	-10.2%	67.1	65.6	-2.3%	59.6	-12.6%
Purchased Services	22.5	24.5	8.2%	43.3	49.1	11.9%	46.9	7.8%
Depreciation & Interest	6.9	6.9	-0.2%	13.9	13.8	-0.8%	11.6	-20.1%
Total Operating Expense	\$ 187.1	\$ 183.7	-1.8%	\$ 361.3	\$ 370.0	2.3%	\$ 320.3	-12.8%
Operating Income (Loss)	\$ (62.9)	\$ 13.2		\$ (134.1)	\$ 11.6		\$ 41.1	
Total Margin %	-50.7%	6.7%		-59.0%	3.1%		11.4%	

Balance Sheet

April 30, 2022 and 2021 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,422.3	\$ 1,157.0
Net Patient Accounts Receivable	128.2	130.4
Net Ad Valorem Taxes, Current Portion	8.0	128.2
Other Current Assets	89.3	151.9
Total Current Assets	\$ 1,647.7	\$ 1,567.5
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 431.9	\$ 446.5
Construction in Progress	125.0	80.8
Right of Use Assets	46.8	-
Total Capital Assets	\$ 603.8	\$ 527.3
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 46.0	\$ 53.2
LPPF Restricted Cash	25.8	55.8
Capital Gift Proceeds	45.0	-
Other - Restricted	0.4	0.9
Total Assets Limited As to Use & Restricted Assets	\$ 117.3	\$ 109.9
Other Assets	18.4	14.4
Deferred Outflows of Resources	152.7	175.2
Total Assets & Deferred Outflows of Resources	\$ 2,539.9	\$ 2,394.4
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 260.3	\$ 252.9
Employee Compensation & Related Liabilities	113.7	100.1
Estimated Third-Party Payor Settlements	13.6	8.6
Current Portion Long-Term Debt and Capital Leases	20.0	12.0
Total Current Liabilities	\$ 407.6	\$ 373.5
Long-Term Debt	335.3	308.2
Net Pension & Post Employment Benefits Liability	599.0	737.4
Other Long-Term Liabilities	18.1	24.6
Deferred Inflows of Resources	218.7	109.9
Total Liabilities	\$ 1,578.6	\$ 1,553.6
Total Net Assets	\$ 961.3	\$ 840.7
Total Liabilities & Net Assets	\$ 2,539.9	\$ 2,394.4

Cash Flow Summary

As of April 30, 2022 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 39.7	\$ 61.1	\$ 97.0	\$ 126.0
Medicaid Supplemental Programs	3.8	3.7	389.7	208.9
Net Ad Valorem Taxes	5.3	8.5	19.2	40.0
Tobacco Settlement	16.7	13.3	16.7	13.3
Other Revenue	37.3	6.5	42.7	14.4
Total Cash Receipts	\$ 102.9	\$ 93.0	\$ 565.3	\$ 402.7
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 123.4	\$ 104.0	\$ 219.7	\$ 193.1
Supplies	27.5	26.6	46.6	48.3
Physician Services	32.0	28.9	63.6	60.2
Purchased Services	21.0	21.3	37.7	36.4
Capital Expenditures	12.7	7.9	20.6	14.1
Debt and Interest Payments	0.3	0.3	0.6	0.6
Other Uses	(8.5)	(2.9)	(12.9)	(16.4)
Total Cash Disbursements	\$ 208.5	\$ 186.1	\$ 376.0	\$ 336.2
Net Change	\$ (105.5)	\$ (93.0)	\$ 189.4	\$ 66.4

Unrestricted Cash, Cash Equivalents and Investments - February 28, 2022

\$ 1,232.9

Net Change

189.4

Unrestricted Cash, Cash Equivalents and Investments - April 30, 2022

\$ 1,422.3

Performance Ratios

As of April 30, 2022

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	-50.7%	6.7%	-59.0%	3.1%	11.4%
Run Rate per Day (In\$ Millions)	\$ 6.0	\$ 5.9	\$ 5.7	\$ 5.9	\$ 5.1
Salary, Wages & Benefit per APD	\$ 2,683	\$ 2,404	\$ 2,523	\$ 2,425	\$ 2,177
Supply Cost per APD	\$ 650	\$ 624	\$ 615	\$ 626	\$ 567
Physician Services per APD	\$ 992	\$ 832	\$ 888	\$ 829	\$ 809
Total Expense per APD	\$ 5,133	\$ 4,658	\$ 4,783	\$ 4,676	\$ 4,348
Overtime as a % of Total Salaries	3.2%	3.0%	3.4%	3.0%	3.2%
Contract as a % of Total Salaries	9.4%	5.2%	9.6%	5.2%	2.3%
Full-time Equivalent Employees	9,681	10,103	9,671	10,085	8,923
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			4.0		4.1
Unrestricted Cash (In \$ Millions)			\$ 1,422.3	\$ 1,037.9	\$ 1,157.0
Days Cash on Hand			248.1	176.9	227.0
Days Revenue in Accounts Receivable			64.9	52.2	59.3
Days in Accounts Payable			42.5		40.0
Capital Expenditures/Depreciation & Amortization			171.5%		143.7%
Average Age of Plant (years)			11.1		12.8

Harris Health System

Key Indicators



Statistical Highlights

As of April 30, 2022

	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	36,445	39,441	-7.6%	75,540	79,129	-4.5%	73,662	2.5%
Outpatient % of Adjusted Volume	63.1%	63.8%	-1.0%	63.3%	63.6%	-0.6%	62.9%	0.6%
Primary Care Clinic Visits	39,125	44,751	-12.6%	80,887	90,933	-11.0%	58,787	37.6%
Specialty Clinic Visits	19,892	22,652	-12.2%	40,754	45,306	-10.0%	37,391	9.0%
Telehealth Clinic Visits	11,576	19,412	-40.4%	24,628	39,519	-37.7%	61,770	-60.1%
Total Clinic Visits	70,593	86,815	-18.7%	146,269	175,758	-16.8%	157,948	-7.4%
Emergency Room Visits - Outpatient	10,887	11,239	-3.1%	21,968	22,085	-0.5%	21,850	0.5%
Emergency Room Visits - Admitted	1,549	1,614	-4.0%	3,109	3,135	-0.8%	3,195	-2.7%
Total Emergency Room Visits	12,436	12,853	-3.2%	25,077	25,220	-0.6%	25,045	0.1%
Surgery Cases - Outpatient	935	1,117	-16.3%	1,885	2,148	-12.2%	1,574	19.8%
Surgery Cases - Inpatient	745	832	-10.5%	1,560	1,597	-2.3%	1,480	5.4%
Total Surgery Cases	1,680	1,949	-13.8%	3,445	3,745	-8.0%	3,054	12.8%
Total Outpatient Visits	119,607	157,490	-24.1%	248,347	316,323	-21.5%	340,745	-27.1%
Inpatient Cases (Discharges)	2,401	2,338	2.7%	4,879	4,712	3.5%	4,523	7.9%
Outpatient Observation Cases	1,202	1,066	12.8%	2,501	2,209	13.2%	2,408	3.9%
Total Cases Occupying Patient Beds	3,603	3,404	5.8%	7,380	6,921	6.6%	6,931	6.5%
Births	403	338	19.2%	833	677	23.0%	662	25.8%
Inpatient Days	13,445	14,291	-5.9%	27,750	28,776	-3.6%	27,317	1.6%
Outpatient Observation Days	3,806	3,053	24.7%	7,636	6,433	18.7%	6,947	9.9%
Total Patient Days	17,251	17,344	-0.5%	35,386	35,209	0.5%	34,264	3.3%
Average Daily Census	575.0	578.1	-0.5%	580.1	577.2	0.5%	561.7	3.3%
Average Operating Beds	698	689	1.3%	698	689	1.3%	664	5.1%
Bed Occupancy %	82.4%	83.9%	-1.8%	83.1%	83.8%	-0.8%	84.6%	-1.8%
Inpatient Average Length of Stay	5.60	6.11	-8.4%	5.69	6.11	-6.9%	6.04	-5.8%
Inpatient Case Mix Index (CMI)	1.716	1.799	-4.6%	1.728	1.799	-3.9%	1.813	-4.7%
Payor Mix (% of Charges)								
Charity & Self Pay	47.9%	47.8%	0.2%	48.1%	47.8%	0.6%	47.6%	0.9%
Medicaid & Medicaid Managed	22.3%	20.5%	8.5%	21.5%	20.5%	4.6%	21.6%	-0.7%
Medicare & Medicare Managed	11.2%	12.4%	-10.1%	10.7%	12.4%	-13.8%	12.7%	-16.0%
Commercial & Other	18.7%	19.2%	-2.5%	19.8%	19.2%	2.9%	18.0%	9.6%
Total Unduplicated Patients - Rolling 12				254,499			246,376	3.3%
Total New Patient - Rolling 12				83,506			70,801	17.9%

Harris Health System

Statistical Highlights

Stub Year - April, 2022

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,603	3,404	3,400

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
7,380	6,921	6,931

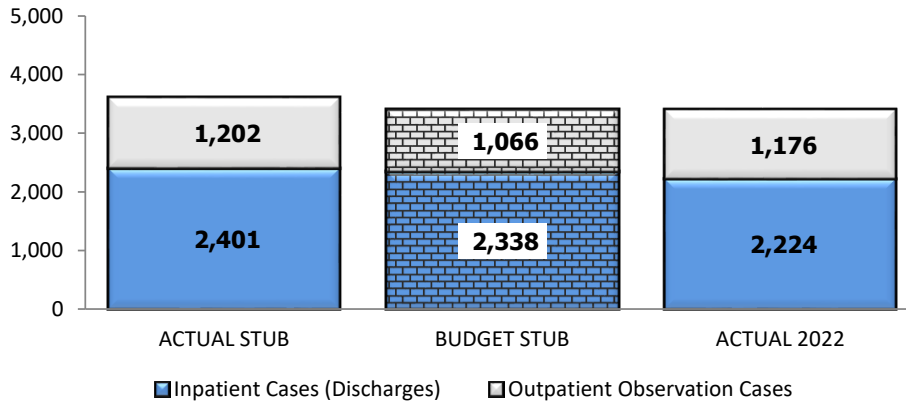
Emergency Visits - CM

Actual	Budget	Prior Year
12,436	12,853	12,653

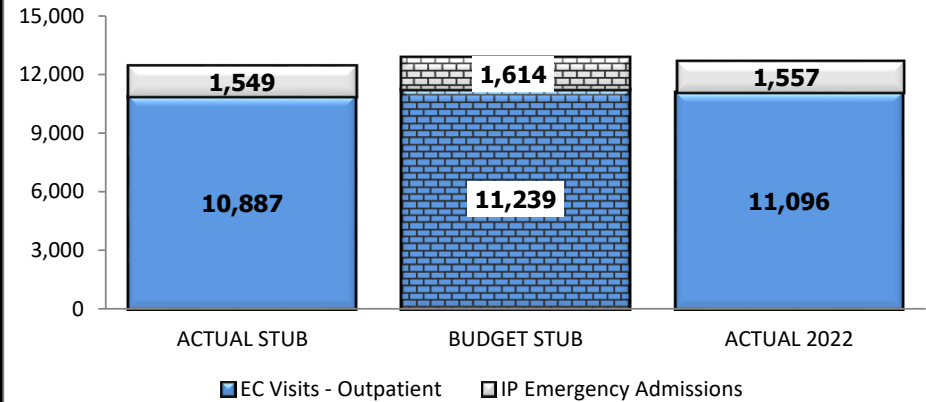
Emergency Visits - YTD

Actual	Budget	Prior Year
25,077	25,220	25,045

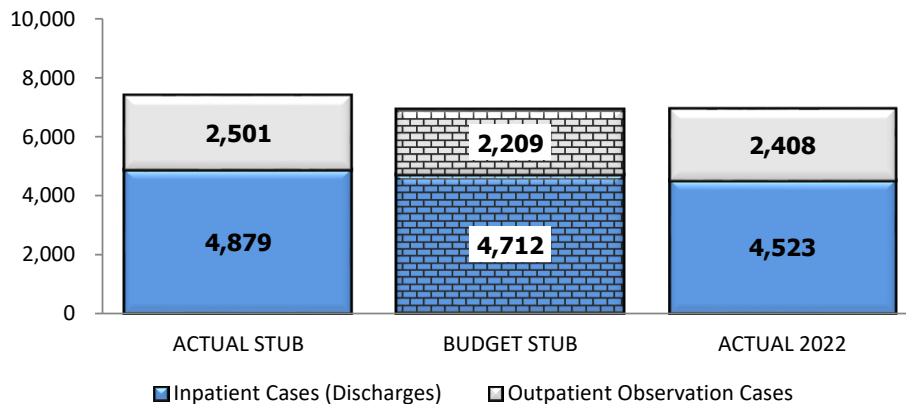
Cases Occupying Beds - Current Month



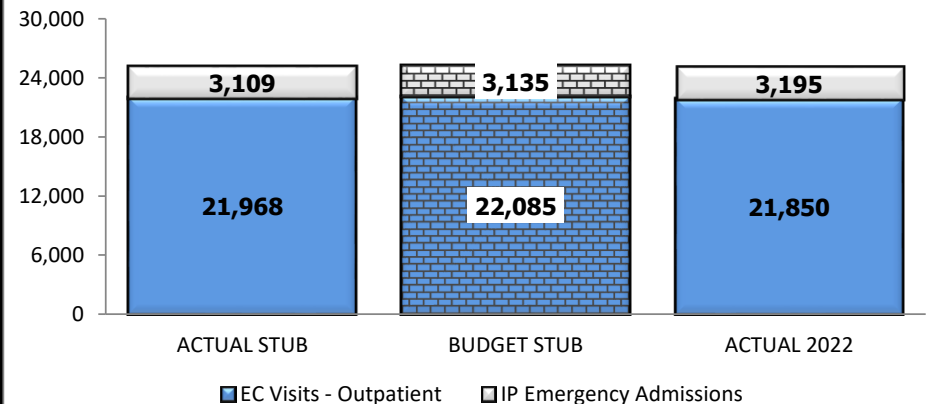
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

Stub Year - April, 2022

Surgery Cases - CM

Actual	Budget	Prior Year
1,680	1,949	1,711

Surgery Cases - YTD

Actual	Budget	Prior Year
3,445	3,745	3,054

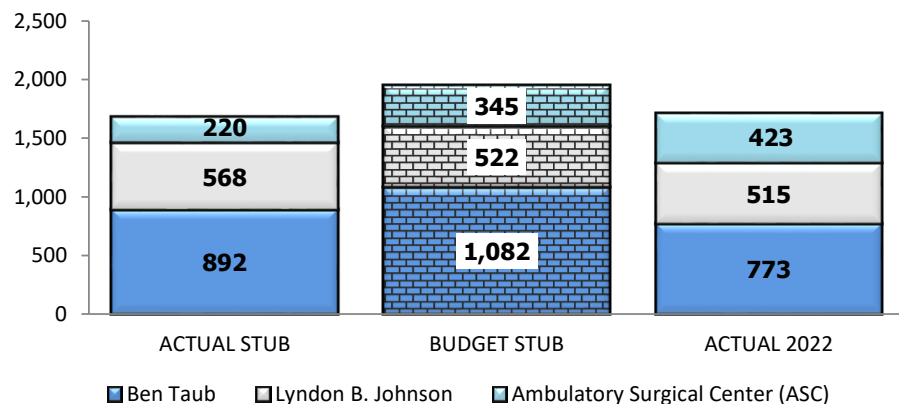
Clinic Visits - CM

Actual	Budget	Prior Year
70,593	86,815	80,140

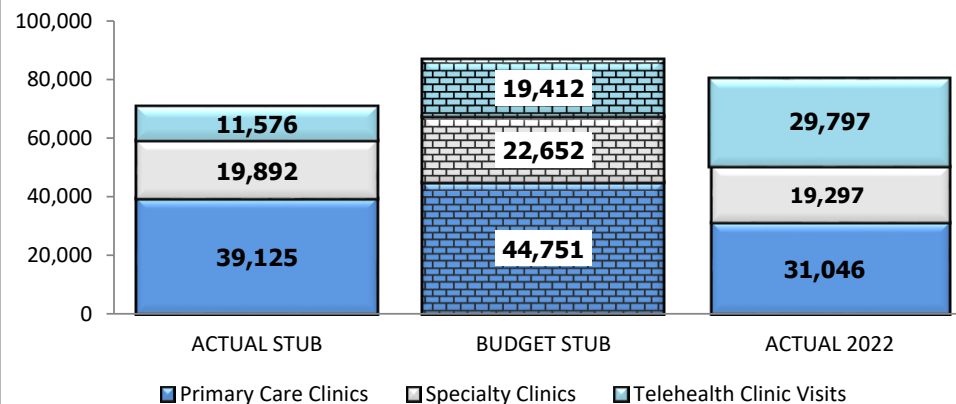
Clinic Visits - YTD

Actual	Budget	Prior Year
146,269	175,758	157,948

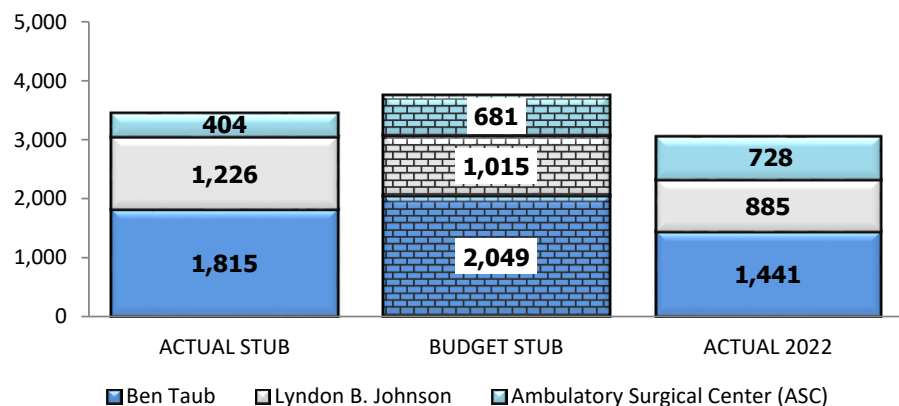
Surgery Cases - Current Month



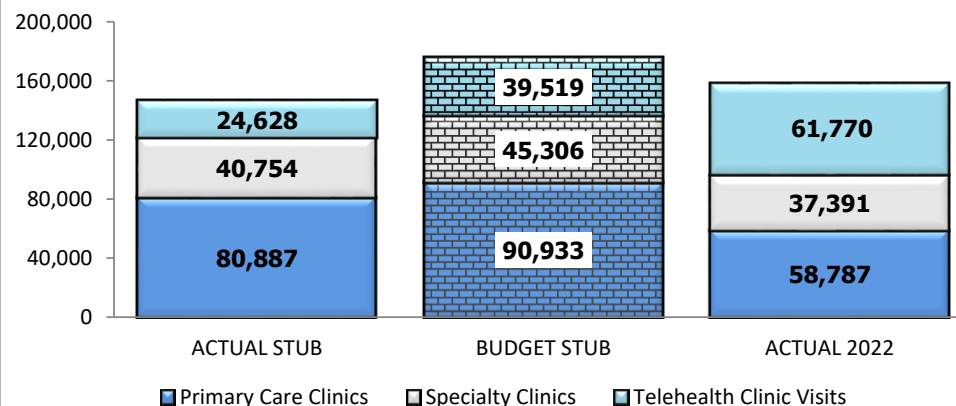
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

Stub Year - April, 2022

Adjusted Patient Days - CM

36,445

Adjusted Patient Days - YTD

75,540

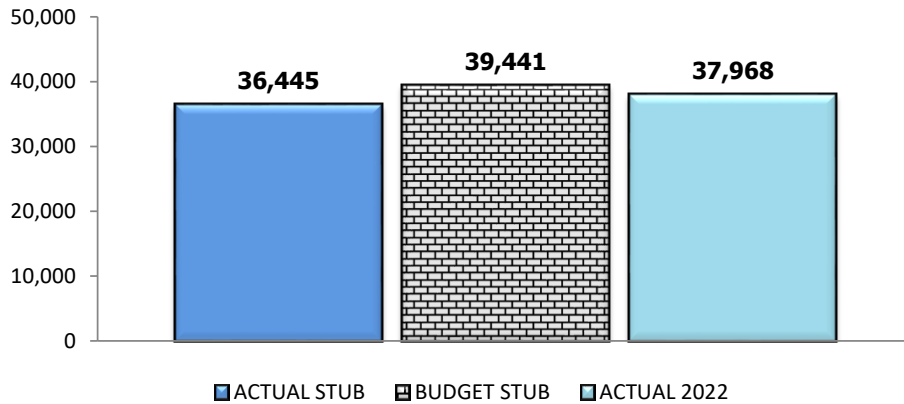
Average Daily Census - CM

575.0

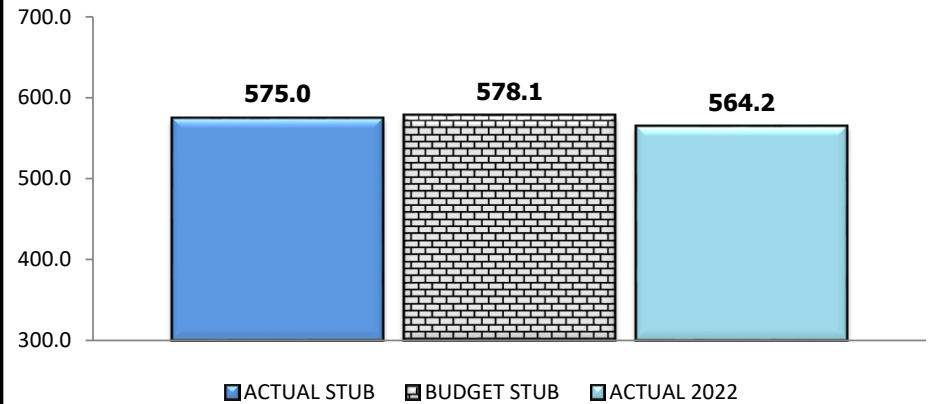
Average Daily Census - YTD

580.1

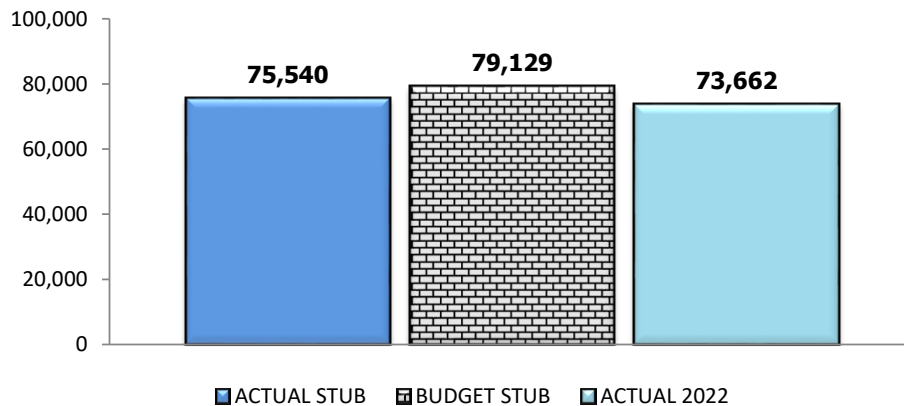
Adjusted Patient Days - Current Month



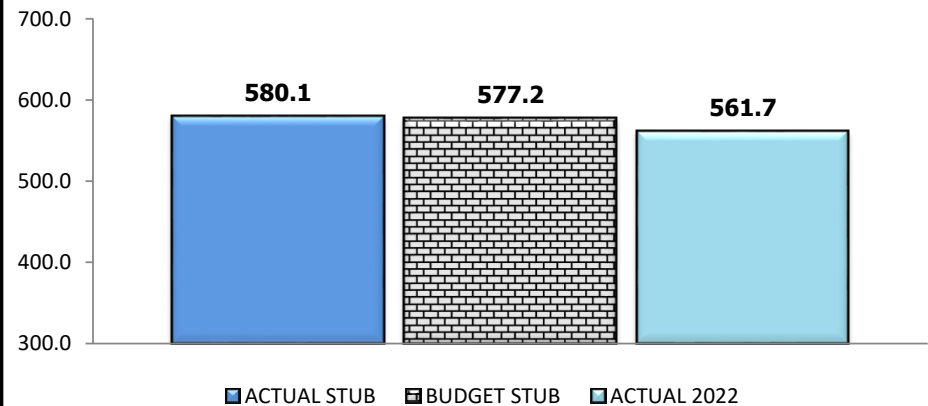
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

Stub Year - April, 2022

Inpatient ALOS - CM

5.60

Inpatient ALOS - YTD

5.69

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.716

1.886

Case Mix Index (CMI) - YTD

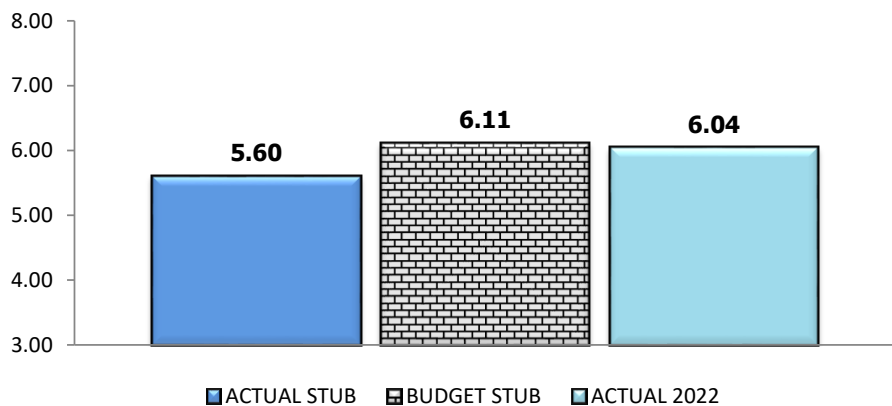
Overall

Excl. Obstetrics

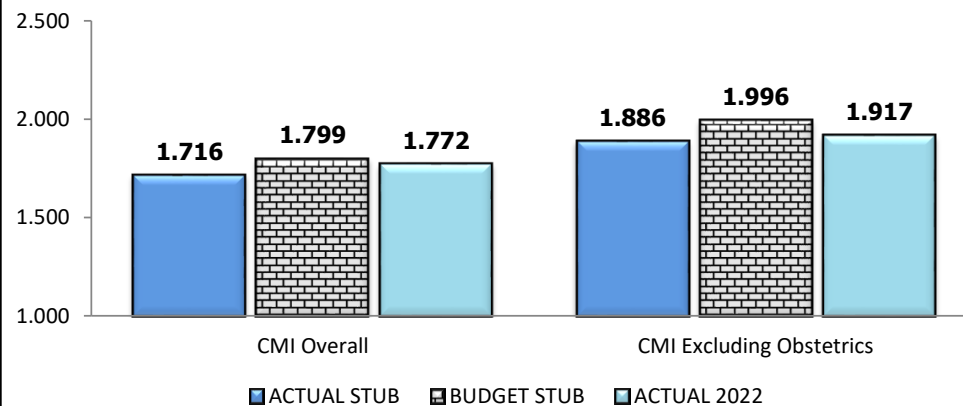
1.728

1.902

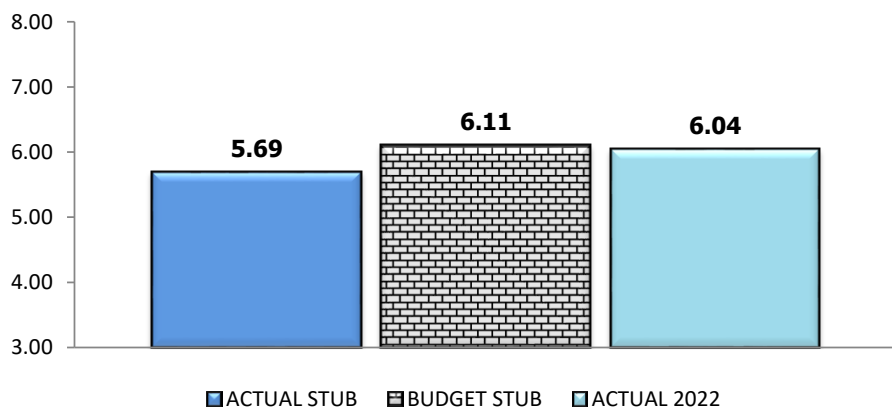
Inpatient ALOS - Current Month



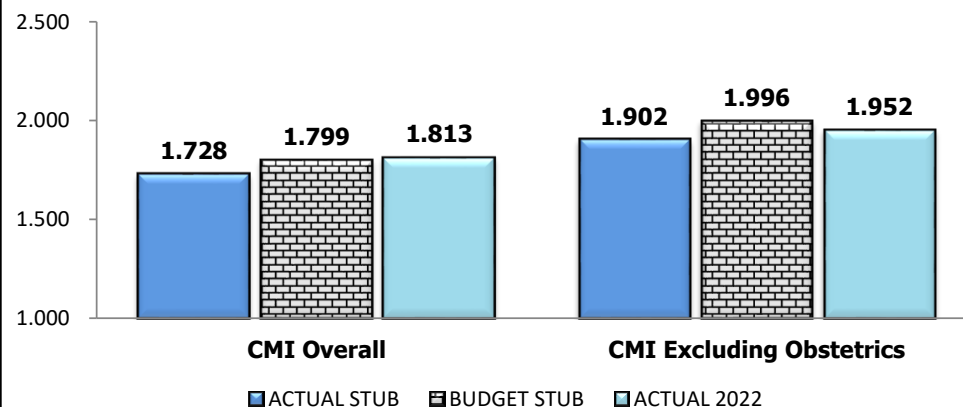
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

Stub Year - April, 2022

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,094	2,054	2,094

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
4,365	4,188	4,272

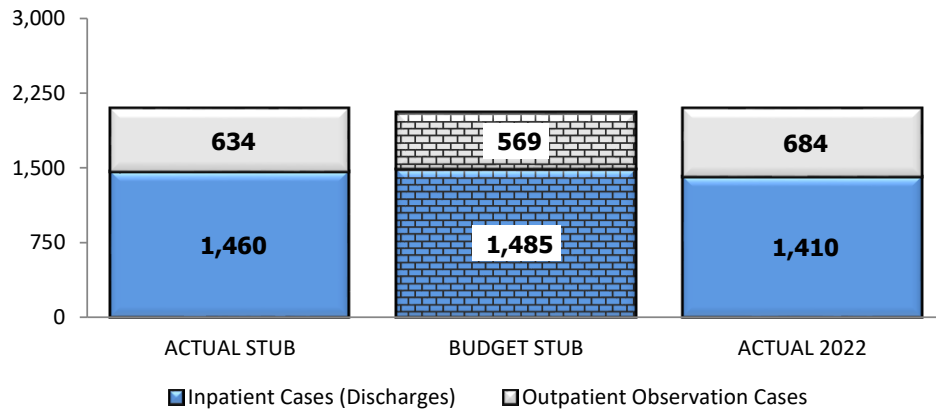
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,509	1,350	1,306

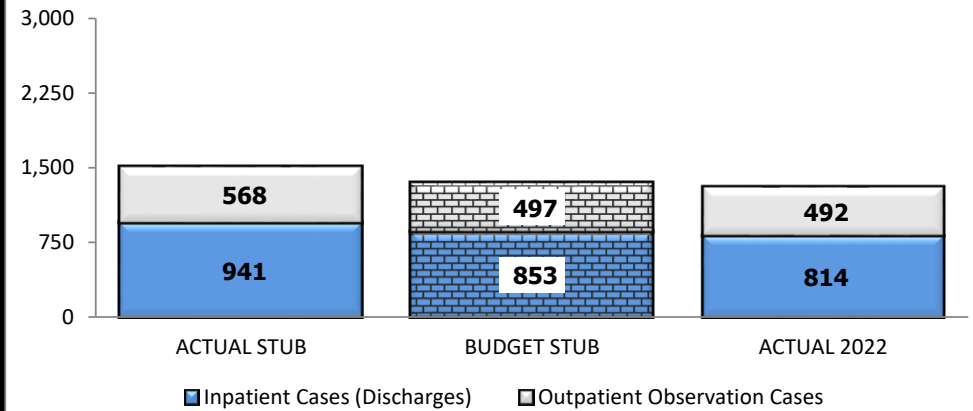
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
3,015	2,733	2,659

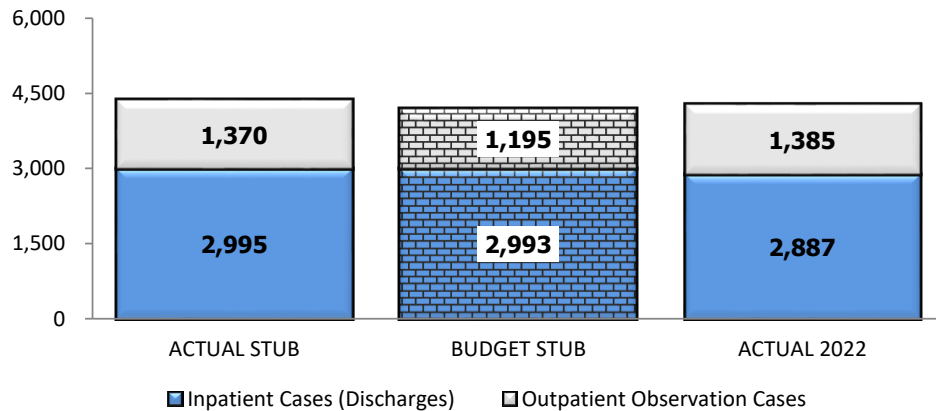
Ben Taub Cases - Current Month



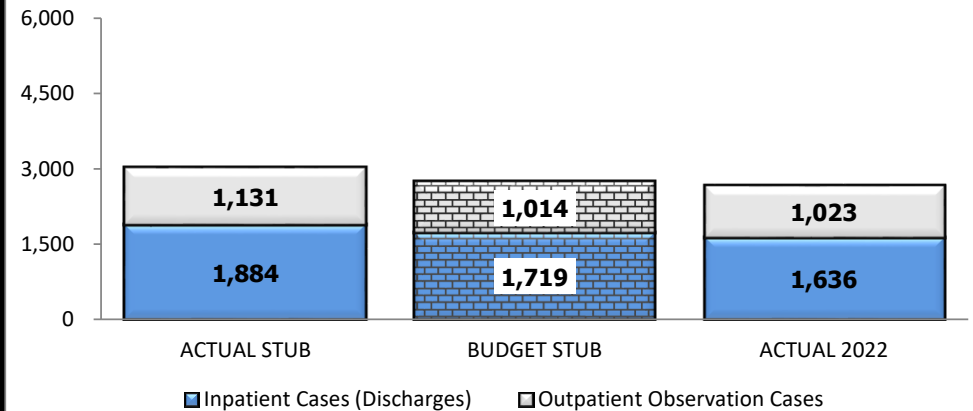
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

Stub Year - April, 2022

BT Surgery Cases - CM

Actual	Budget	Prior Year
892	1,082	773

BT Surgery Cases - YTD

Actual	Budget	Prior Year
1,815	2,049	1,441

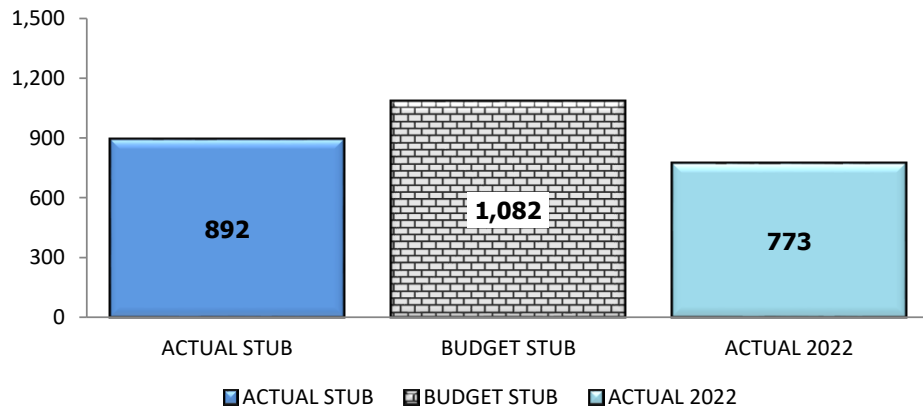
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
788	867	938

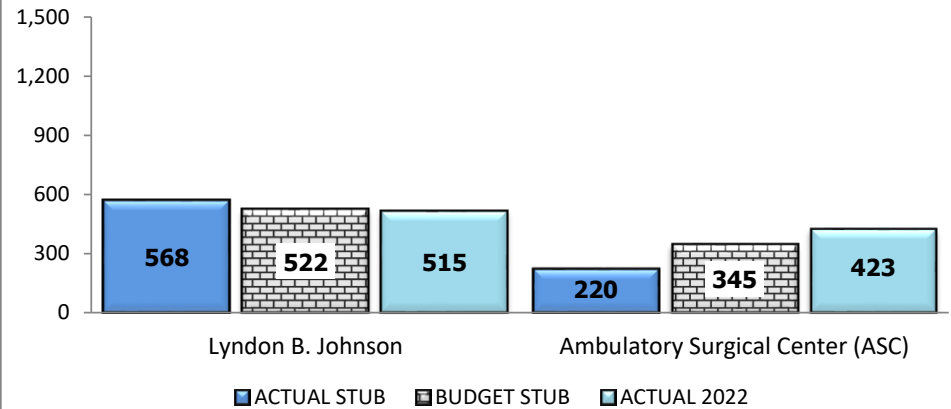
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
1,630	1,696	1,613

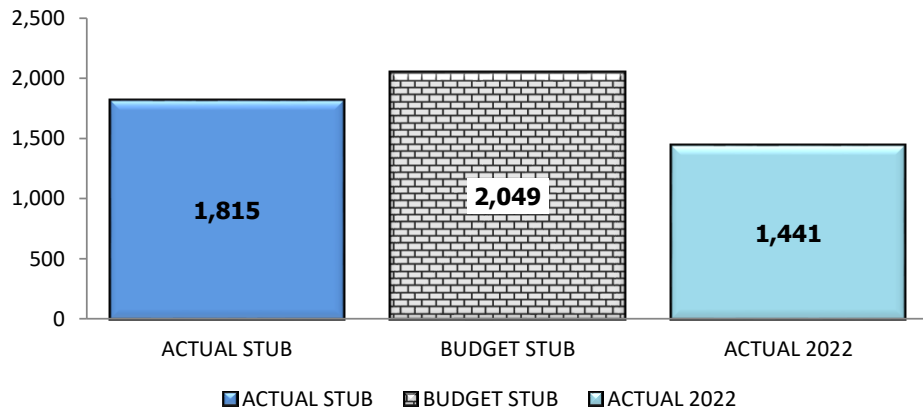
Ben Taub OR Cases - Current Month



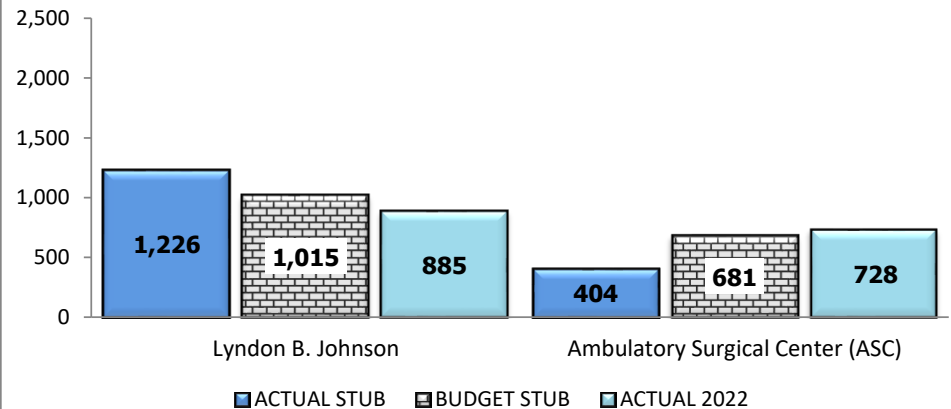
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

Stub Year - April, 2022

BT Emergency Visits - CM

Actual	Budget	Prior Year
6,009	6,428	6,102

BT Emergency Visits - YTD

Actual	Budget	Prior Year
12,413	12,648	12,236

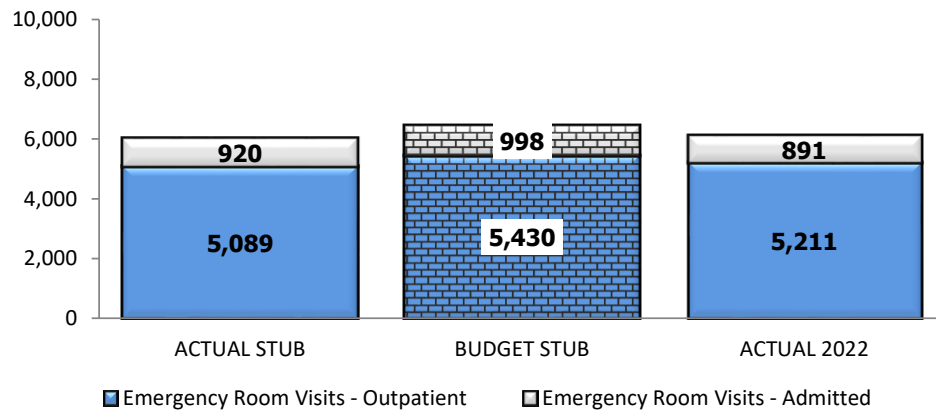
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
6,427	6,425	6,551

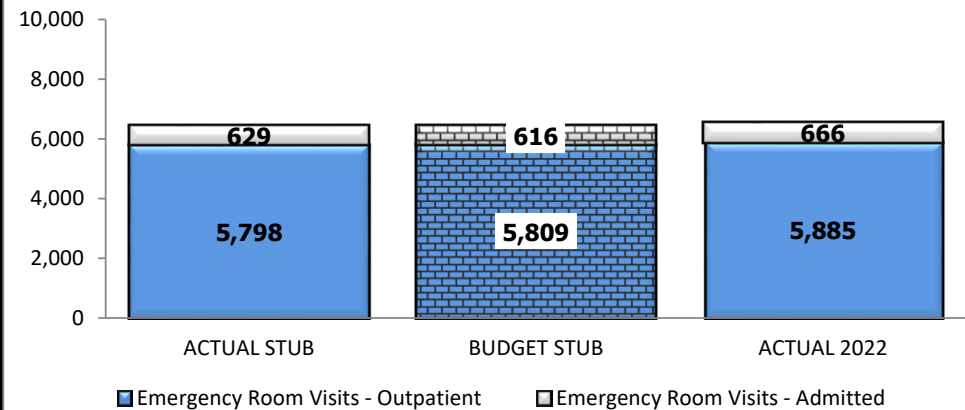
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
12,664	12,572	12,809

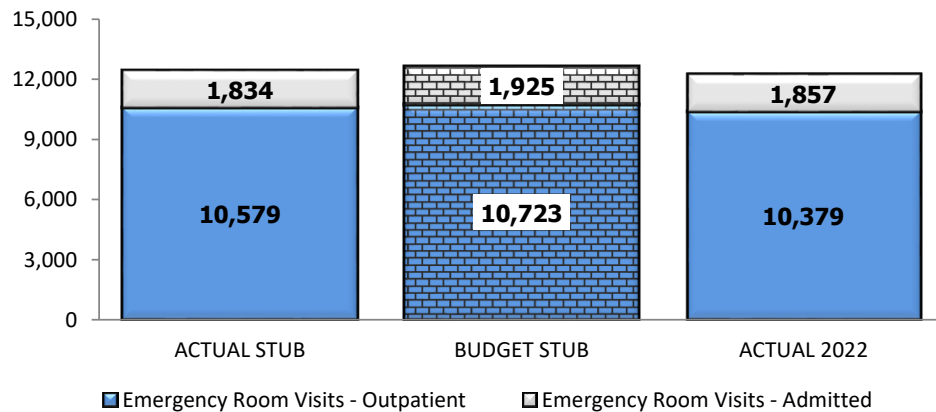
Ben Taub EC Visits - Current Month



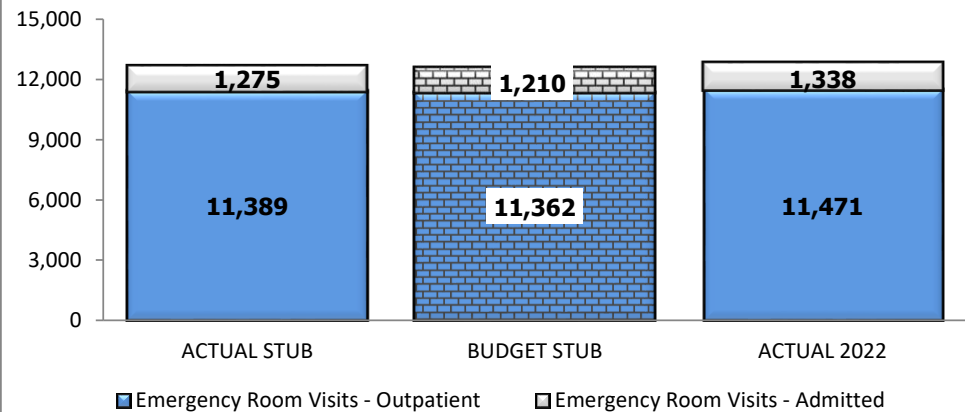
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

Stub Year - April, 2022

BT Births - CM

Actual	Budget	Prior Year
228	208	185

BT Births - YTD

Actual	Budget	Prior Year
468	430	393

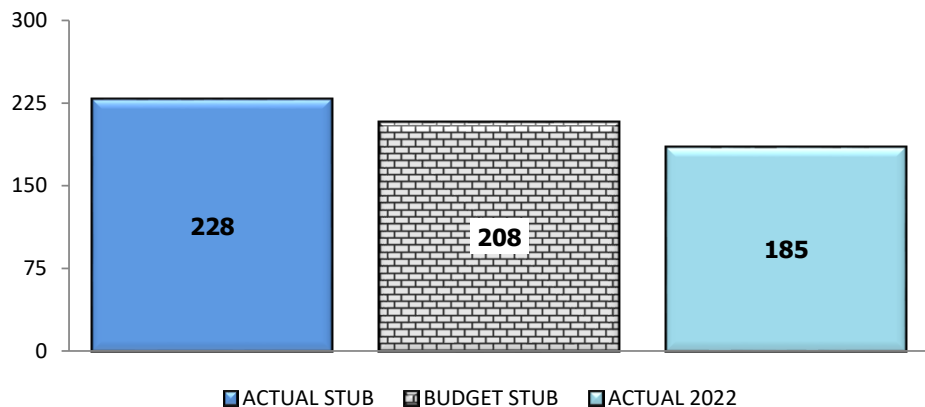
LBJ Births - CM

Actual	Budget	Prior Year
175	130	136

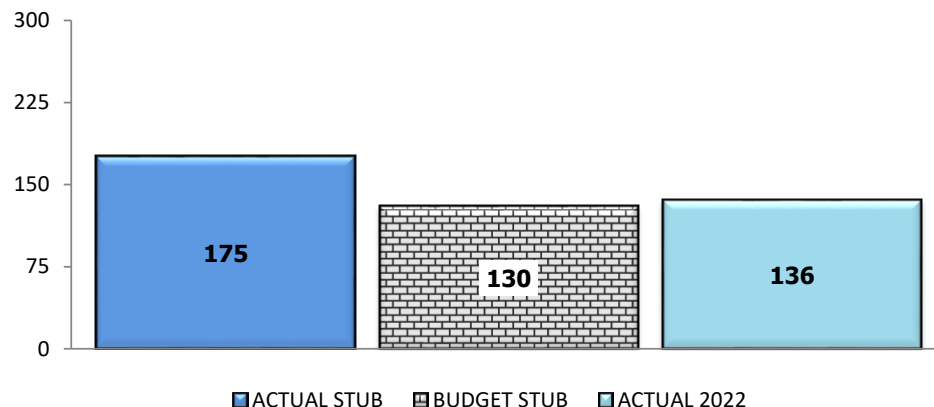
LBJ Births - YTD

Actual	Budget	Prior Year
365	247	269

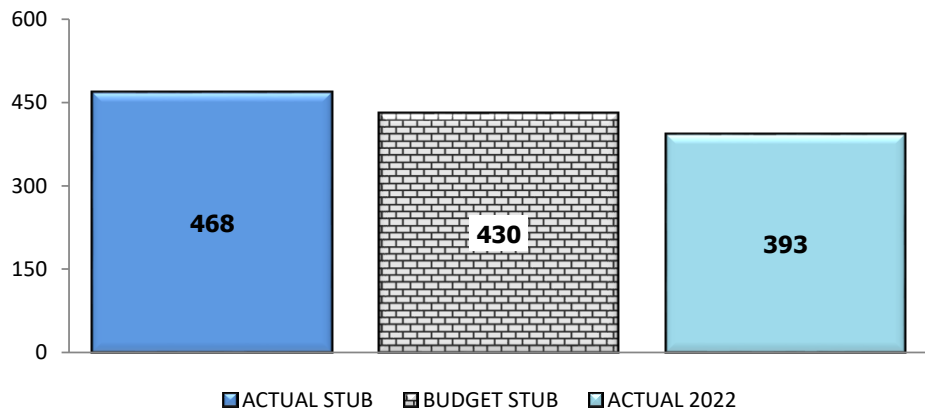
Ben Taub Births - Current Month



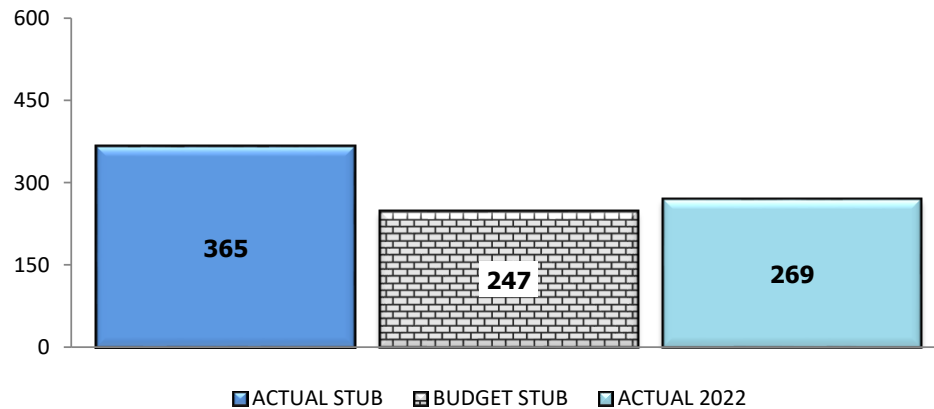
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

Stub Year - April, 2022

BT Adjusted Patient Days - CM

18,125

BT Adjusted Patient Days - YTD

37,569

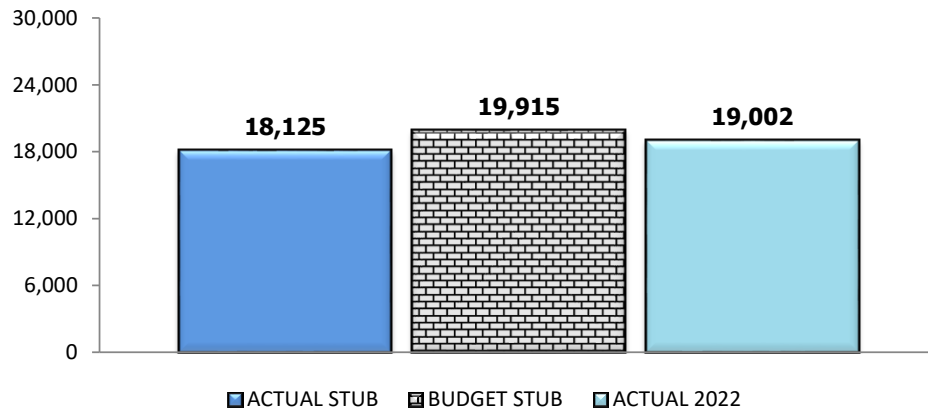
LBJ Adjusted Patient Days - CM

12,249

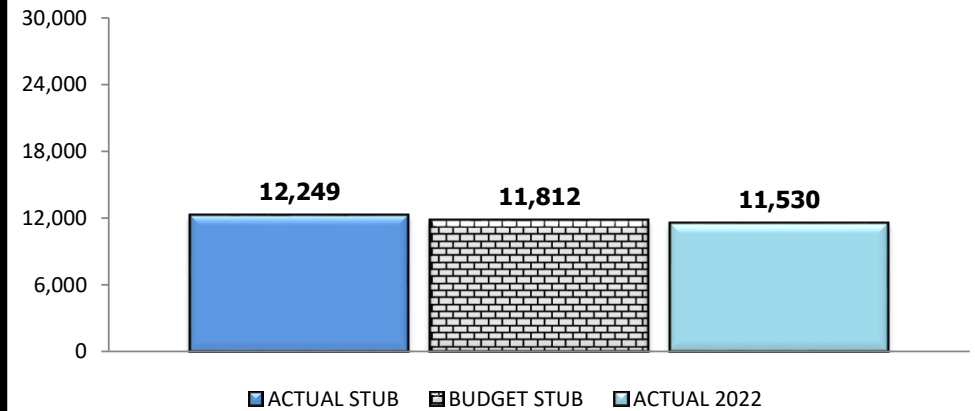
LBJ Adjusted Patient Days - YTD

24,988

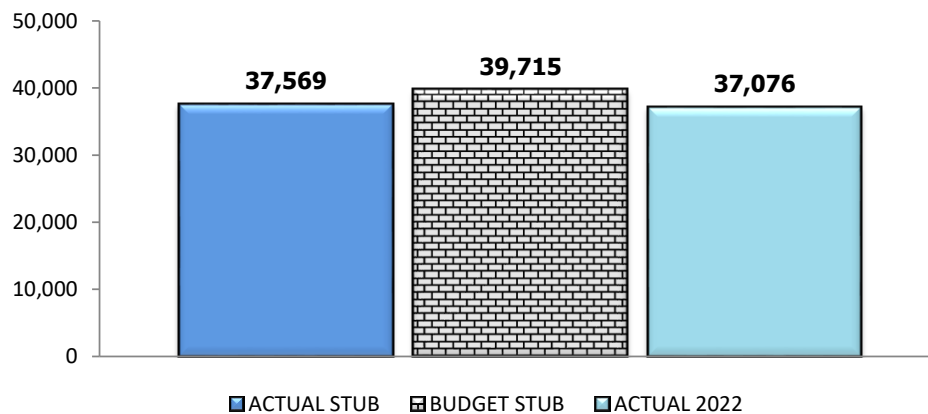
Ben Taub APD - Current Month



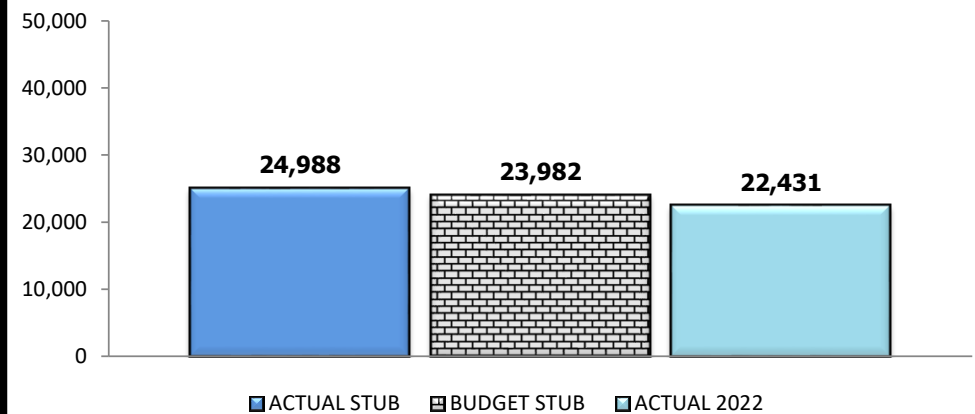
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

Stub Year - April, 2022

BT Average Daily Census - CM

363.5

BT Average Daily Census - YTD

364.7

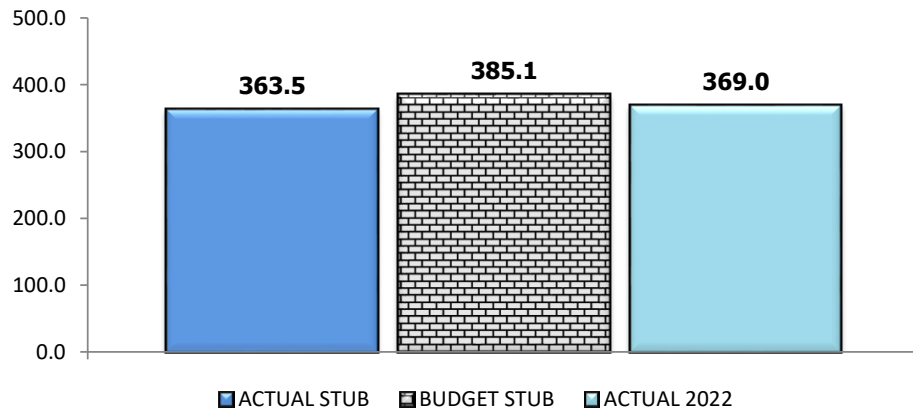
LBJ Average Daily Census - CM

211.5

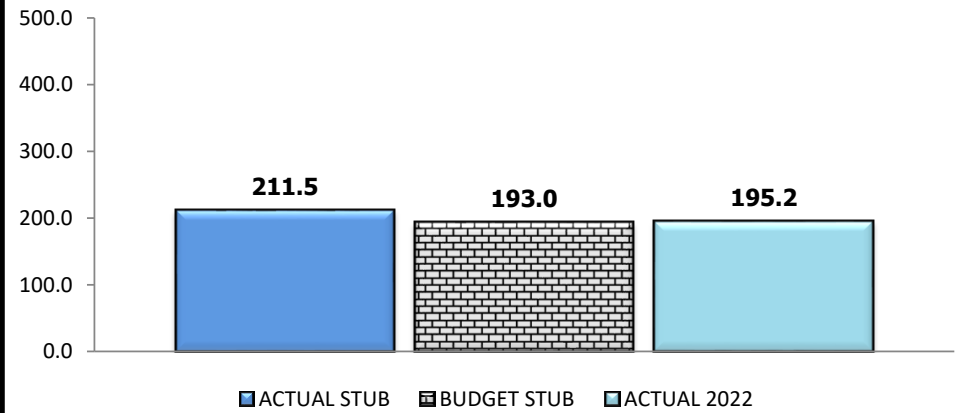
LBJ Average Daily Census - YTD

215.4

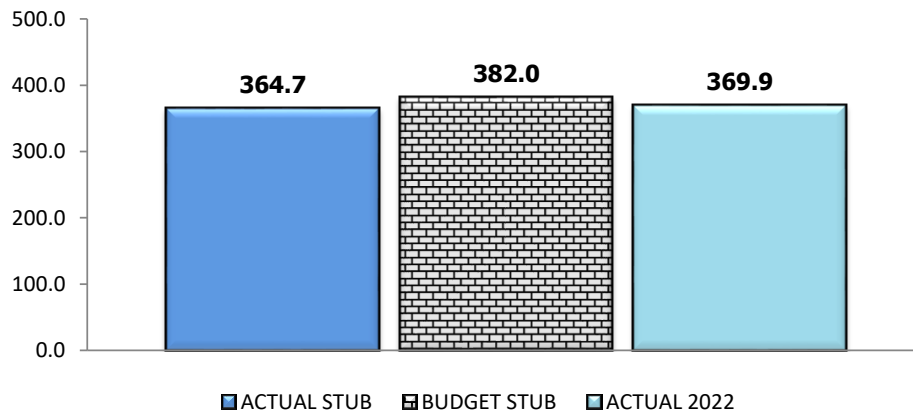
Ben Taub ADC - Current Month



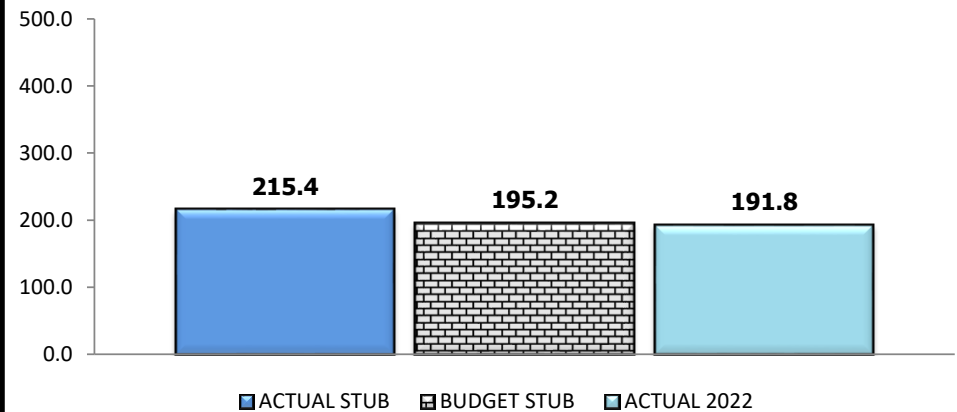
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

Stub Year - April, 2022

BT Inpatient ALOS - CM

6.02

BT Inpatient ALOS - YTD

5.99

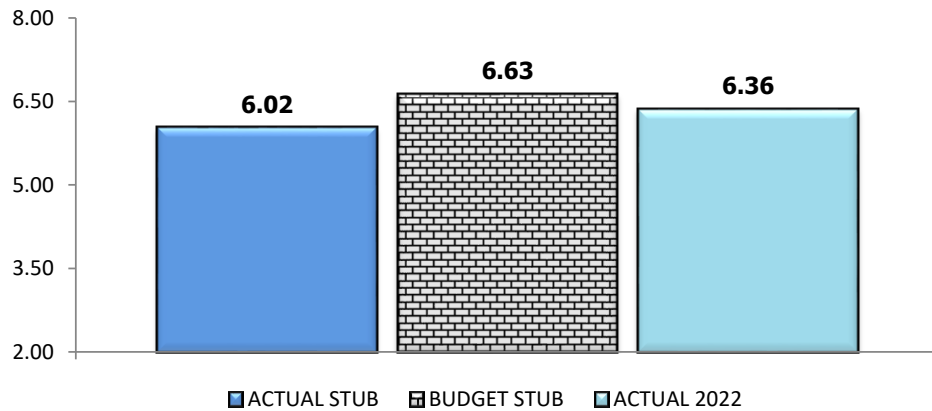
LBJ Inpatient ALOS - CM

4.94

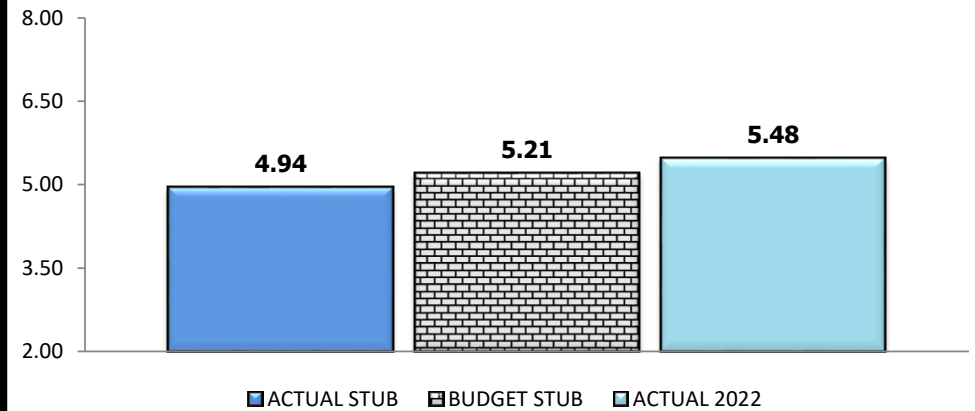
LBJ Inpatient ALOS - YTD

5.21

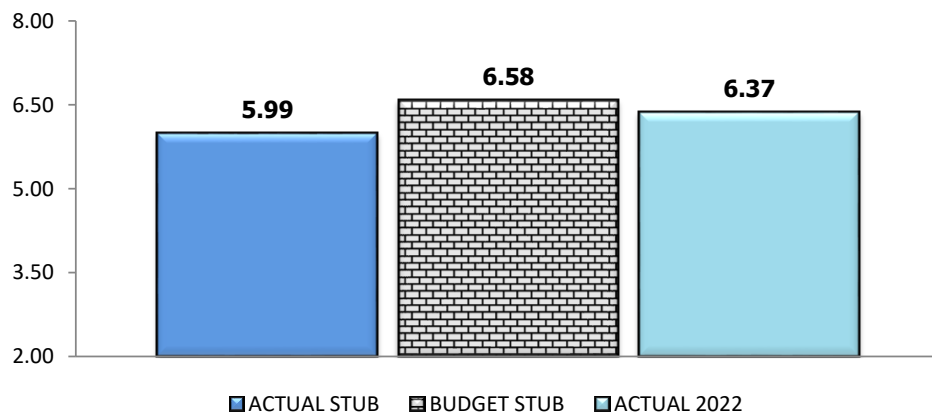
Ben Taub ALOS - Current Month



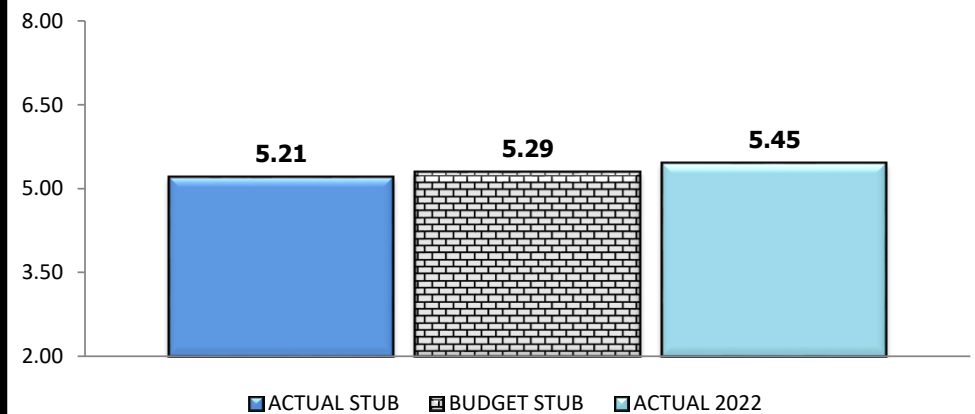
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

Stub Year - April, 2022

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.810	1.972

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.822	1.987

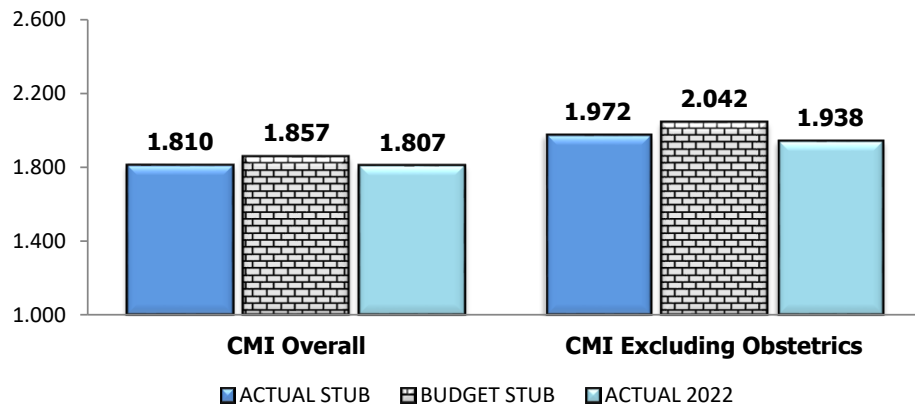
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.570	1.747

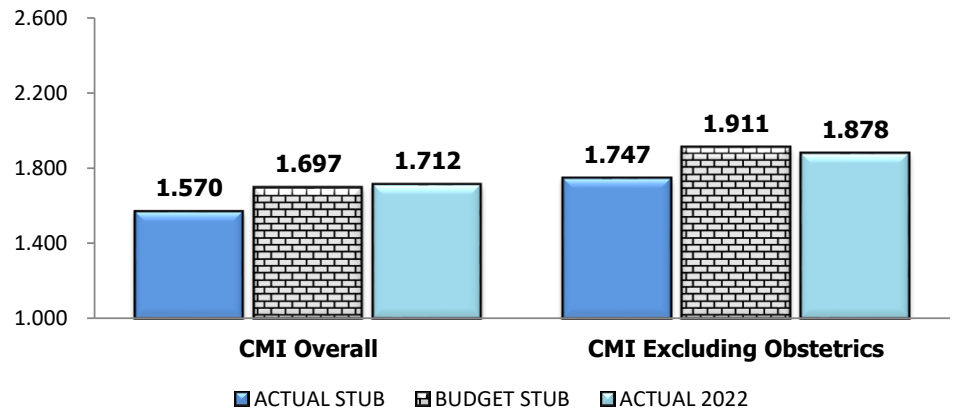
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.578	1.760

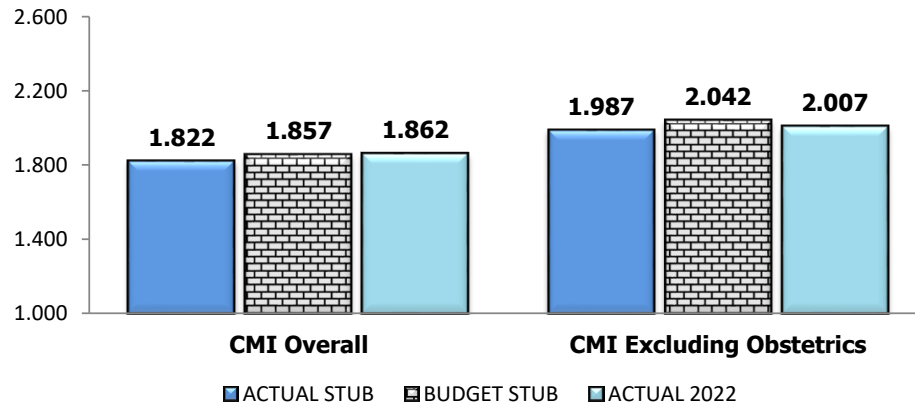
Ben Taub CMI - Current Month



Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

