



Financial Statements

As of December 31, 2022



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 December 31, 2022

Operating income for the quarter ended December 31, 2022 was \$55.0 million compared to budgeted income of \$10.9 million.

Total quarterly net revenue for December of \$598.6 million was \$26.0 million or 4.5% more than budget. Improved investment returns contributed \$9.2 million to the positive variance. Medicaid Supplemental programs were \$13.8 million greater than expected primarily due to the updated Hospital Augmented Reimbursement Program projections received from the State.

Total quarterly expenses of \$543.6 million were \$18.1 million or 3.2% less than budget. Staff costs were \$12.0 million under budget as a result of a reduction in contract labor utilization and decreases in benefits expense. Physician services were \$7.3 million less than projected mostly due to the unfilled faculty vacancies and prior period adjustments.

For the first quarter, total patient days and average daily census increased 5.7% compared to budget. Inpatient case mix index, a measure of patient acuity, was 2.7% lower while length of stay was 4.7% higher than budget. Emergency room visits were 1.0% higher than planned for the quarter. Total clinic visits, including telehealth, were 4.8% higher compared to budget. Births were up 21.1%.

Total cash receipts for the quarter were \$889.7 million. The System has \$1,151.7 million in unrestricted cash, cash equivalents and investments, representing 200.4 days cash on hand. Harris Health System has \$146.4 million in net accounts receivable, representing 73.0 days of outstanding patient accounts receivable at December 31, 2022. The December balance sheet reflects a combined net receivable position of \$162.9 million under the various Medicaid Supplemental programs.

Income Statement

As of the Quarter Ended December 31, 2022 (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	\$ 184.7	\$ 182.9	1.0%	\$ 184.7	\$ 182.9	1.0%	\$ 199.0	-7.2%
Medicaid Supplemental Programs	166.9	153.1	9.0%	166.9	153.1	9.0%	92.9	79.7%
Other Operating Revenue	29.1	27.6	5.6%	29.1	27.6	5.6%	7.1	311.2%
Total Operating Revenue	\$ 380.7	\$ 363.6	4.7%	\$ 380.7	\$ 363.6	4.7%	\$ 298.9	27.3%
Net Ad Valorem Taxes	207.8	207.8	0.0%	207.8	207.8	0.0%	201.5	3.1%
Net Tobacco Settlement Revenue	-	-	0.0%	-	-	0.0%	-	0.0%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	10.1	1.3	711.7%	10.1	1.3	711.7%	17.2	-41.0%
Total Nonoperating Revenue	\$ 218.0	\$ 209.0	4.3%	\$ 218.0	\$ 209.0	4.3%	\$ 218.7	-0.3%
Total Net Revenue	\$ 598.6	\$ 572.6	4.5%	\$ 598.6	\$ 572.6	4.5%	\$ 517.6	15.7%
EXPENSE								
Salaries and Wages	\$ 215.8	\$ 220.8	2.2%	\$ 215.8	\$ 220.8	2.2%	\$ 207.5	-4.0%
Employee Benefits	66.1	73.2	9.6%	66.1	73.2	9.6%	68.8	3.9%
Total Labor Cost	\$ 282.0	\$ 293.9	4.1%	\$ 282.0	\$ 293.9	4.1%	\$ 276.4	-2.0%
Supply Expenses	72.9	69.9	-4.2%	72.9	69.9	-4.2%	71.6	-1.8%
Physician Services	100.6	107.9	6.8%	100.6	107.9	6.8%	89.2	-12.7%
Purchased Services	66.5	66.9	0.5%	66.5	66.9	0.5%	71.9	7.5%
Depreciation & Interest	21.6	23.0	6.2%	21.6	23.0	6.2%	18.4	-17.0%
Total Operating Expense	\$ 543.6	\$ 561.7	3.2%	\$ 543.6	\$ 561.7	3.2%	\$ 527.6	-3.0%
Operating Income (Loss)	\$ 55.0	\$ 10.9		\$ 55.0	\$ 10.9		\$ (10.0)	
Total Margin %	9.2%	1.9%		9.2%	1.9%		-1.9%	

Balance Sheet

HARRISHEALTH
SYSTEM

the Quarter Ended December 31, 2022 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,151.7	\$ 1,005.0
Net Patient Accounts Receivable	146.4	90.7
Net Ad Valorem Taxes, Current Portion	(2.9)	434.3
Other Current Assets	260.2	150.6
Total Current Assets	\$ 1,555.4	\$ 1,680.6
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 415.1	\$ 438.4
Construction in Progress	181.0	103.3
Right of Use Assets	44.9	-
Total Capital Assets	\$ 640.9	\$ 541.7
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 40.1	\$ 50.4
LPPF Restricted Cash	24.7	29.7
Capital Gift Proceeds	45.8	-
Other - Restricted	1.0	1.0
Total Assets Limited As to Use & Restricted Assets	\$ 111.6	\$ 81.2
Other Assets	30.4	12.0
Deferred Outflows of Resources	188.5	179.3
Total Assets & Deferred Outflows of Resources	\$ 2,526.9	\$ 2,494.8
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 186.3	\$ 187.8
Employee Compensation & Related Liabilities	132.6	117.3
Estimated Third-Party Payor Settlements	14.9	13.5
Current Portion Long-Term Debt and Capital Leases	20.3	12.3
Total Current Liabilities	\$ 354.0	\$ 330.8
Long-Term Debt	331.5	307.8
Net Pension & Post Employment Benefits Liability	598.2	737.7
Other Long-Term Liabilities	8.0	24.1
Deferred Inflows of Resources	218.7	112.4
Total Liabilities	\$ 1,510.4	\$ 1,512.9
Total Net Assets	\$ 1,016.5	\$ 981.9
Total Liabilities & Net Assets	\$ 2,526.9	\$ 2,494.8

Cash Flow Summary

As of the Quarter Ended December 31, 2022 (In \$ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 156.9	\$ 208.2	\$ 156.9	\$ 208.2
Medicaid Supplemental Programs	462.0	228.8	462.0	228.8
Net Ad Valorem Taxes	204.0	221.6	204.0	221.6
Tobacco Settlement	-	-	-	-
Other Revenue	66.8	39.7	66.8	39.7
Total Cash Receipts	\$ 889.7	\$ 698.3	\$ 889.7	\$ 698.3
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 313.1	\$ 268.2	\$ 313.1	\$ 268.2
Supplies	73.8	69.5	73.8	69.5
Physician Services	96.4	90.7	96.4	90.7
Purchased Services	52.5	50.5	52.5	50.5
Capital Expenditures	32.5	25.9	32.5	25.9
Debt and Interest Payments	0.9	0.9	0.9	0.9
Other Uses	(8.5)	40.3	(8.5)	40.3
Total Cash Disbursements	\$ 560.8	\$ 545.9	\$ 560.8	\$ 545.9
Net Change	\$ 328.9	\$ 152.4	\$ 328.9	\$ 152.4

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

\$ 822.8

Net Change

328.9

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

\$ 1,151.7

Performance Ratios

As of the Quarter Ended December 31, 2022

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	9.2%	1.9%	9.2%	1.9%	-1.9%
Run Rate per Day (In\$ Millions)	\$ 5.7	\$ 5.9	\$ 5.7	\$ 5.9	\$ 5.6
Salary, Wages & Benefit per APD	\$ 2,265	\$ 2,568	\$ 2,265	\$ 2,568	\$ 2,488
Supply Cost per APD	\$ 586	\$ 611	\$ 586	\$ 611	\$ 645
Physician Services per APD	\$ 808	\$ 943	\$ 808	\$ 943	\$ 803
Total Expense per APD	\$ 4,367	\$ 4,908	\$ 4,367	\$ 4,908	\$ 4,749
Overtime as a % of Total Salaries	3.7%	1.6%	3.7%	1.6%	3.1%
Contract as a % of Total Salaries	5.8%	7.2%	5.8%	7.2%	7.1%
Full-time Equivalent Employees	9,866	10,168	9,866	10,168	9,271
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			4.3		5.0
Unrestricted Cash (In \$ Millions)			\$ 1,151.7	\$ 610.4	\$ 1,005.0
Days Cash on Hand			200.4	107.6	180.4
Days Revenue in Accounts Receivable			73.0	53.7	41.9
Days in Accounts Payable			44.6		37.6
Capital Expenditures/Depreciation & Amortization			174.8%		164.3%
Average Age of Plant(years)			11.1		12.4

Harris Health System

Key Indicators



Statistical Highlights

As of the Quarter Ended December 31, 2022

	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	124,480	114,445	8.8%	124,480	114,445	8.8%	111,089	12.1%
Outpatient % of Adjusted Volume	60.1%	62.1%	-3.2%	60.1%	62.1%	-3.2%	63.0%	-4.7%
Primary Care Clinic Visits	131,474	120,974	8.7%	131,474	120,974	8.7%	118,050	11.4%
Specialty Clinic Visits	60,377	57,990	4.1%	60,377	57,990	4.1%	57,377	5.2%
Telehealth Clinic Visits	32,466	35,045	-7.4%	32,466	35,045	-7.4%	46,887	-30.8%
Total Clinic Visits	224,317	214,009	4.8%	224,317	214,009	4.8%	222,314	0.9%
Emergency Room Visits - Outpatient	32,891	33,248	-1.1%	32,891	33,248	-1.1%	31,001	6.1%
Emergency Room Visits - Admitted	5,410	4,677	15.7%	5,410	4,677	15.7%	4,098	32.0%
Total Emergency Room Visits	38,301	37,925	1.0%	38,301	37,925	1.0%	35,099	9.1%
Surgery Cases - Outpatient	2,565	3,181	-19.4%	2,565	3,181	-19.4%	2,292	11.9%
Surgery Cases - Inpatient	2,375	2,680	-11.4%	2,375	2,680	-11.4%	2,163	9.8%
Total Surgery Cases	4,940	5,861	-15.7%	4,940	5,861	-15.7%	4,455	10.9%
Total Outpatient Visits	366,093	364,095	0.5%	366,093	364,095	0.5%	371,733	-1.5%
Inpatient Cases (Discharges)	8,292	7,584	9.3%	8,292	7,584	9.3%	6,773	22.4%
Outpatient Observation Cases	2,419	3,595	-32.7%	2,419	3,595	-32.7%	3,449	-29.9%
Total Cases Occupying Patient Beds	10,711	11,179	-4.2%	10,711	11,179	-4.2%	10,222	4.8%
Births	1,507	1,244	21.1%	1,507	1,244	21.1%	1,371	9.9%
Inpatient Days	49,666	43,366	14.5%	49,666	43,366	14.5%	41,053	21.0%
Outpatient Observation Days	7,687	10,905	-29.5%	7,687	10,905	-29.5%	10,592	-27.4%
Total Patient Days	57,353	54,271	5.7%	57,353	54,271	5.7%	51,645	11.1%
Average Daily Census	623.4	589.9	5.7%	623.4	589.9	5.7%	561.4	11.1%
Average Operating Beds	681	681	0.0%	681	681	0.0%	677	0.6%
Bed Occupancy %	91.5%	86.6%	5.7%	91.5%	86.6%	5.7%	82.9%	10.4%
Inpatient Average Length of Stay	5.99	5.72	4.7%	5.99	5.72	4.7%	6.06	-1.2%
Inpatient Case Mix Index (CMI)	1.661	1.706	-2.7%	1.661	1.706	-2.7%	1.797	-7.6%
Payor Mix (% of Charges)								
Charity & Self Pay	46.6%	46.7%	-0.3%	46.6%	46.7%	-0.2%	46.7%	-0.3%
Medicaid & Medicaid Managed	22.9%	22.7%	1.1%	22.9%	22.7%	1.1%	21.0%	9.5%
Medicare & Medicare Managed	10.8%	11.0%	-1.5%	10.8%	11.0%	-1.5%	12.0%	-9.6%
Commercial & Other	19.6%	19.5%	0.7%	19.6%	19.5%	0.7%	20.3%	-3.4%
Total Unduplicated Patients - Rolling 12				241,493			261,095	-7.5%
Total New Patient - Rolling 12				84,727			82,647	2.5%

Harris Health System

Statistical Highlights

As of the Quarter Ended December 31, 2022

Cases Occupying Beds - Q1

Actual	Budget	Prior Year
10,711	11,179	10,222

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
10,711	11,179	10,222

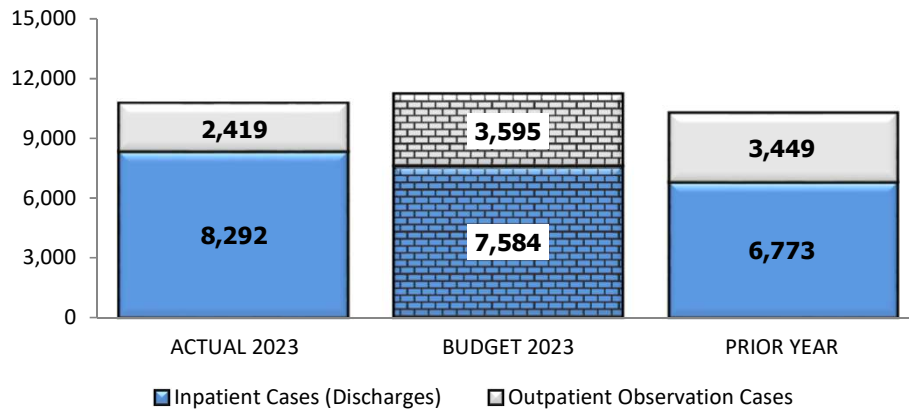
Emergency Visits - Q1

Actual	Budget	Prior Year
38,301	37,925	35,099

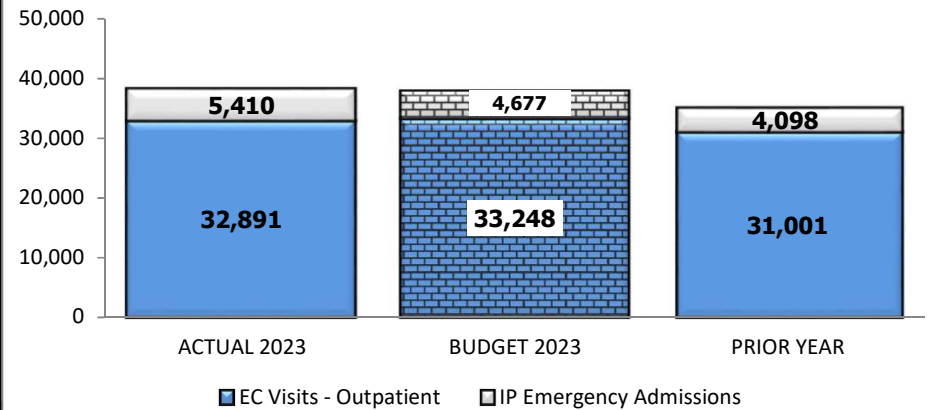
Emergency Visits - YTD

Actual	Budget	Prior Year
38,301	37,925	35,099

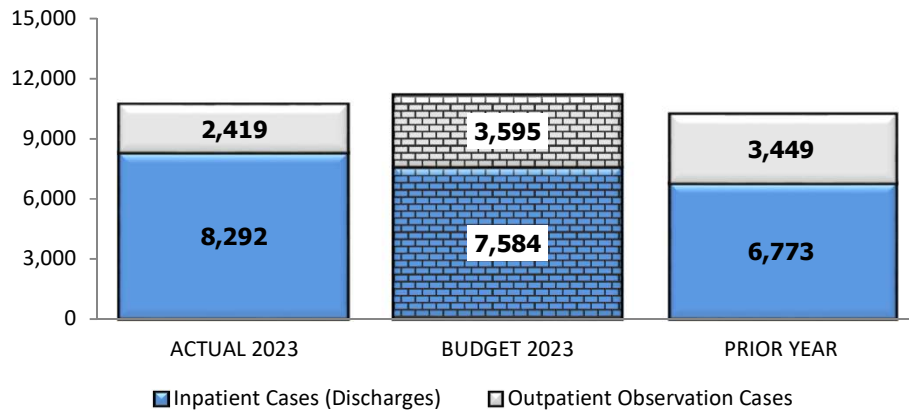
Cases Occupying Beds - Quarter End



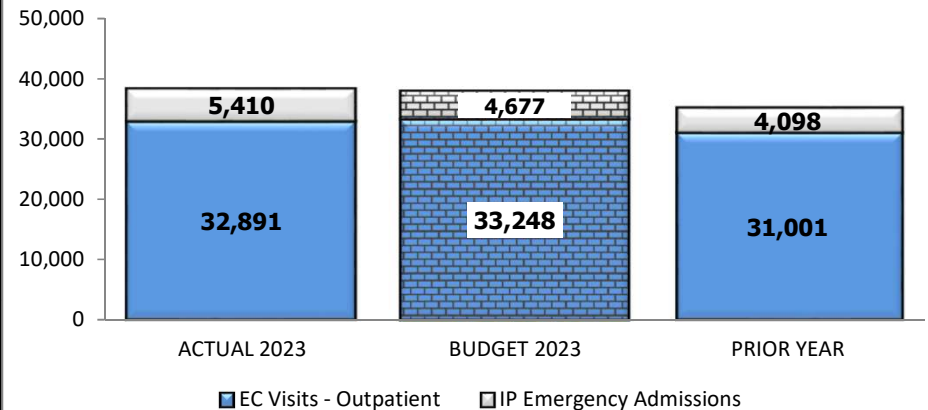
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended December 31, 2022

Surgery Cases - Q1

Actual	Budget	Prior Year
4,940	5,861	4,455

Surgery Cases - YTD

Actual	Budget	Prior Year
4,940	5,861	4,455

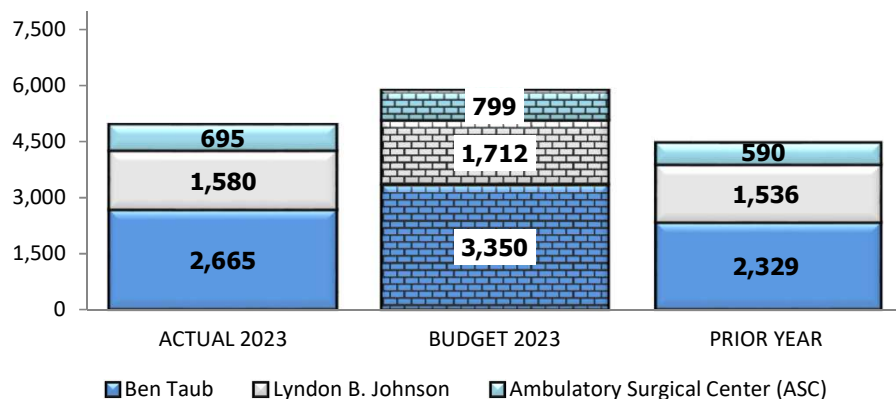
Clinic Visits - Q1

Actual	Budget	Prior Year
224,317	214,009	222,314

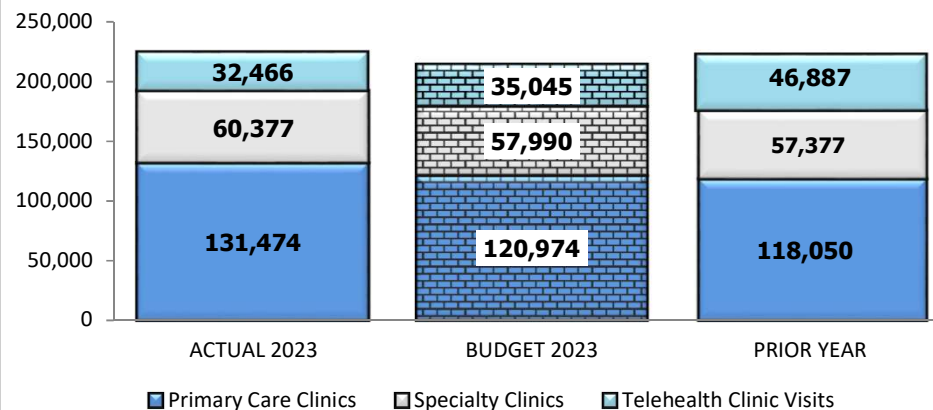
Clinic Visits - YTD

Actual	Budget	Prior Year
224,317	214,009	222,314

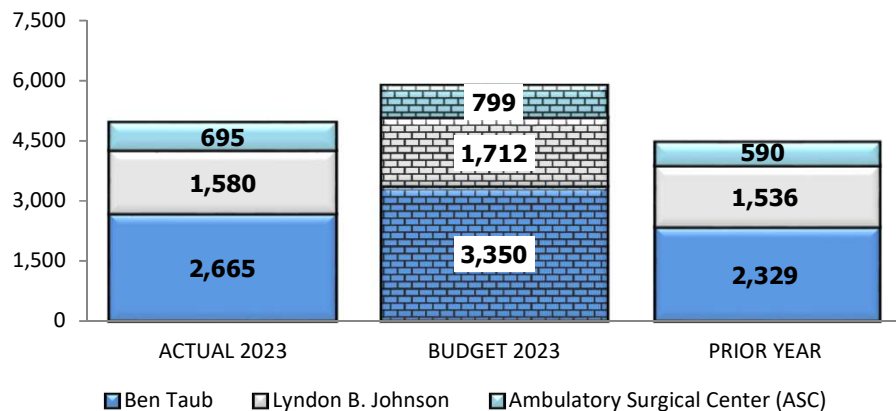
Surgery Cases - Quarter End



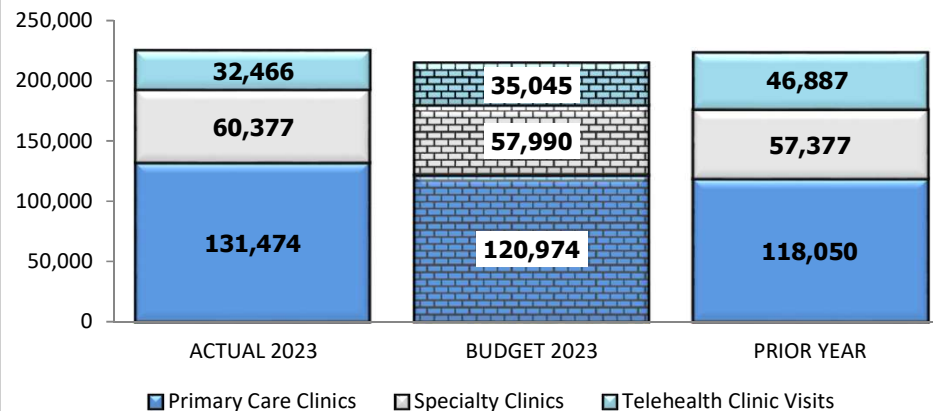
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended December 31, 2022

Adjusted Patient Days - Q1

124,480

Adjusted Patient Days - YTD

124,480

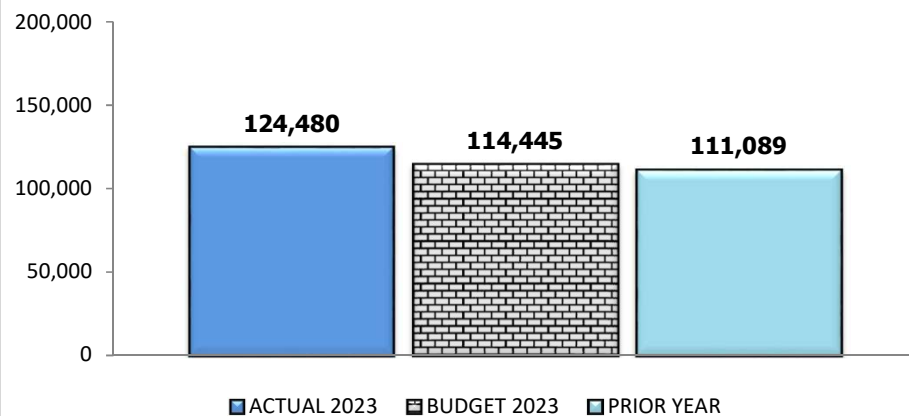
Average Daily Census - Q1

623.4

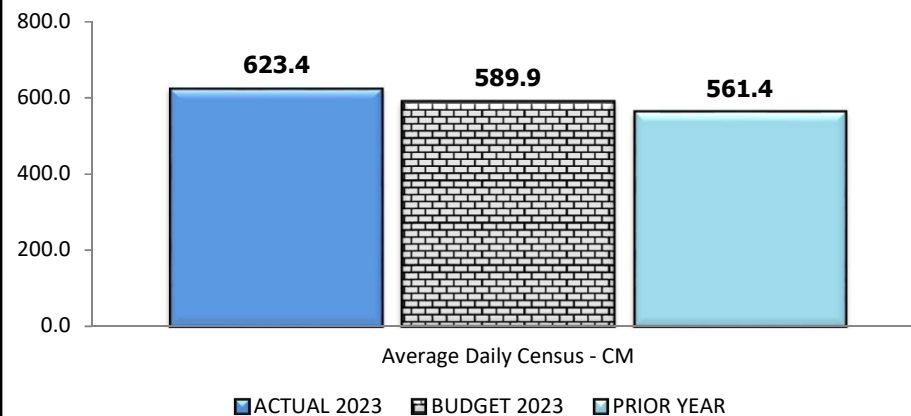
Average Daily Census - YTD

623.4

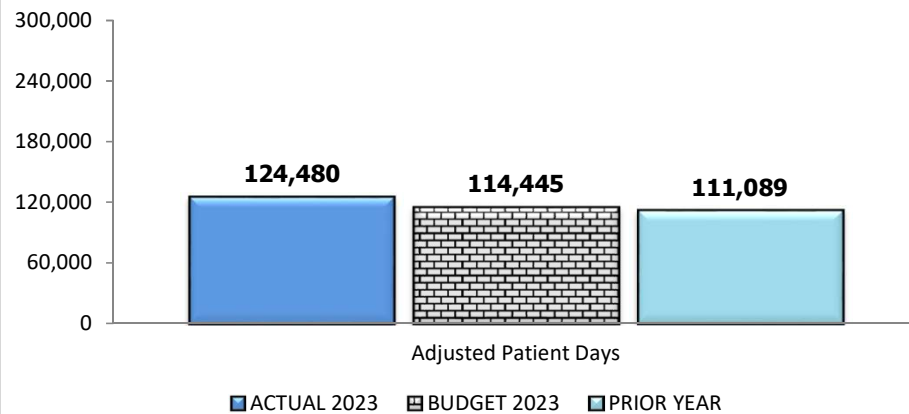
Adjusted Patient Days - Quarter End



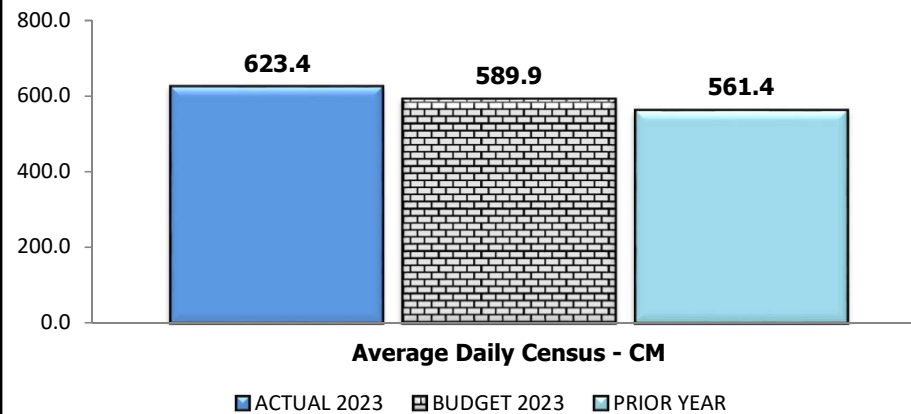
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended December 31, 2022

Inpatient ALOS - Q1

5.99

Inpatient ALOS - YTD

5.99

Case Mix Index - Q1

Overall

1.661

Excl. Obstetrics

1.841

Case Mix Index (CMI) - YTD

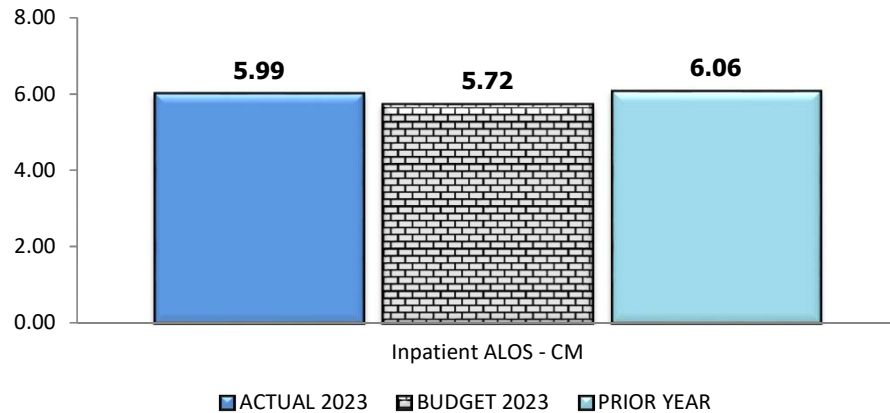
Overall

1.661

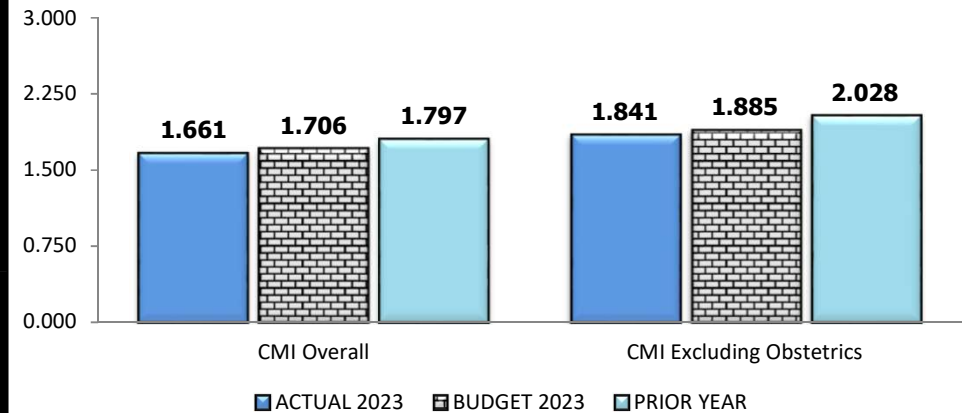
Excl. Obstetrics

1.841

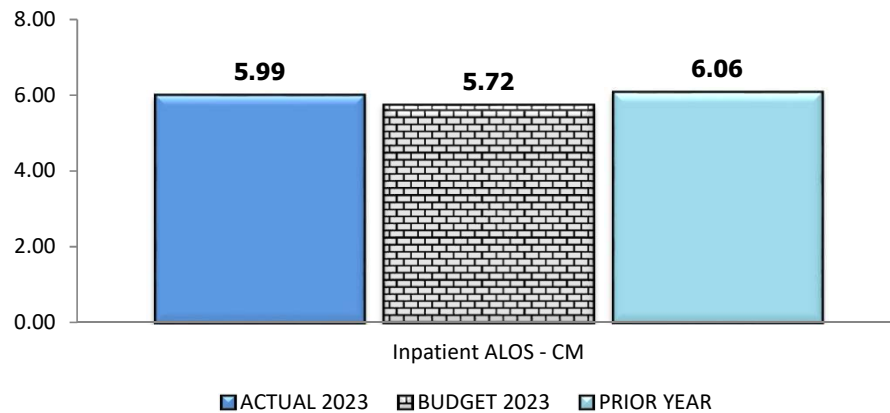
Inpatient ALOS - Quarter End



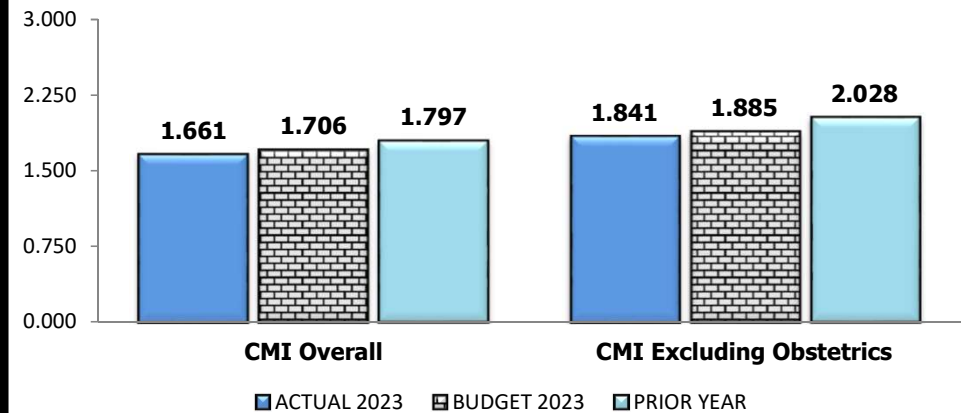
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

As of the Quarter Ended December 31, 2022

BT Cases Occupying Beds - Q1

Actual	Budget	Prior Year
6,324	6,455	6,218

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
6,324	6,455	6,218

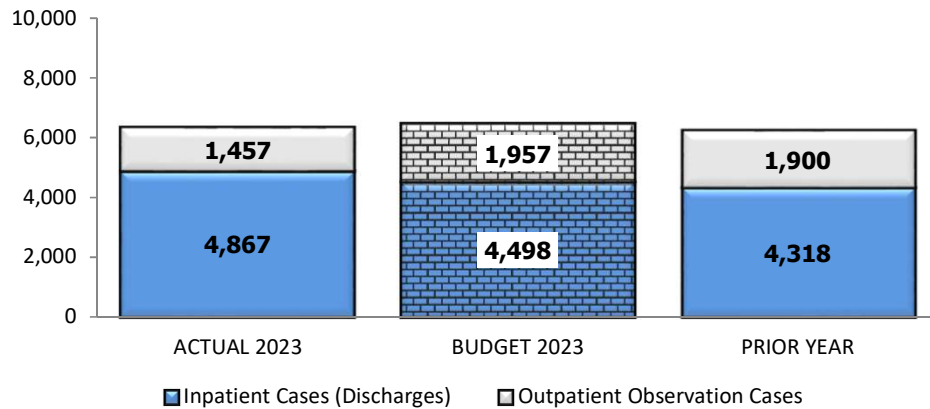
LBJ Cases Occupying Beds - Q1

Actual	Budget	Prior Year
4,387	4,724	4,004

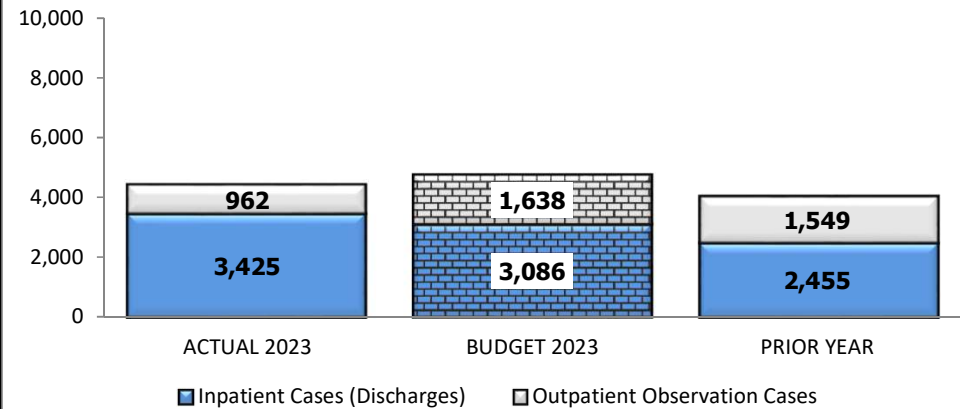
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
4,387	4,724	4,004

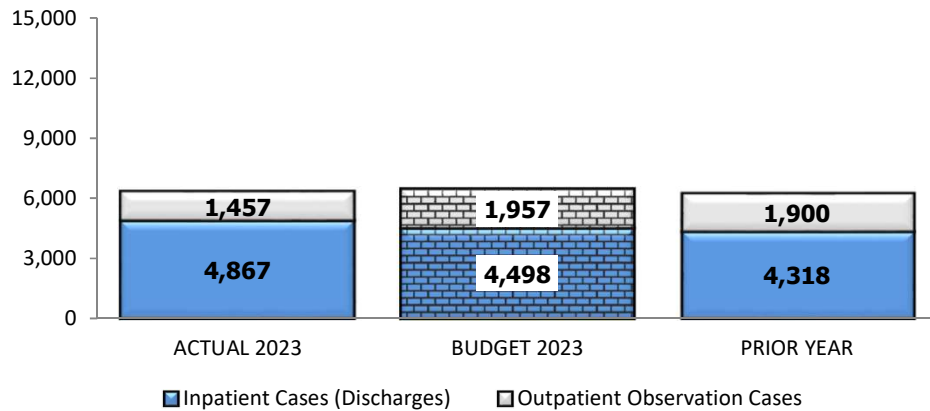
Ben Taub Cases - Quarter End



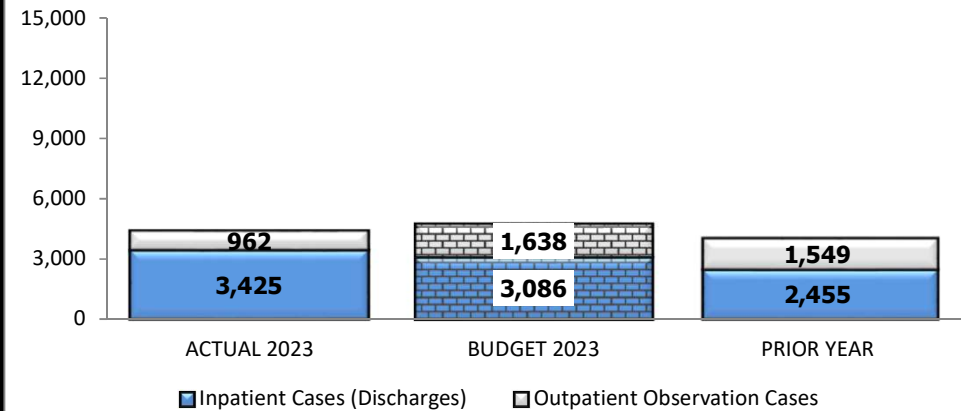
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

As of the Quarter Ended December 31, 2022

BT Surgery Cases - Q1

Actual	Budget	Prior Year
2,665	3,350	2,329

BT Surgery Cases - YTD

Actual	Budget	Prior Year
2,665	3,350	2,329

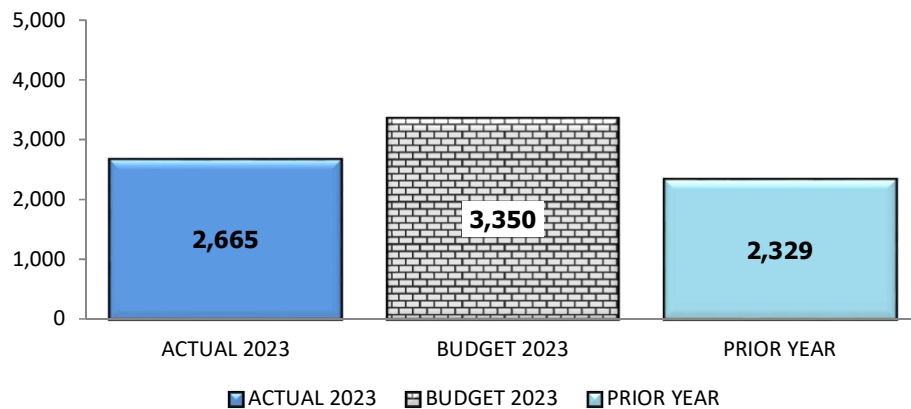
LBJ Surgery Cases - Q1

Actual	Budget	Prior Year
2,275	2,511	2,126

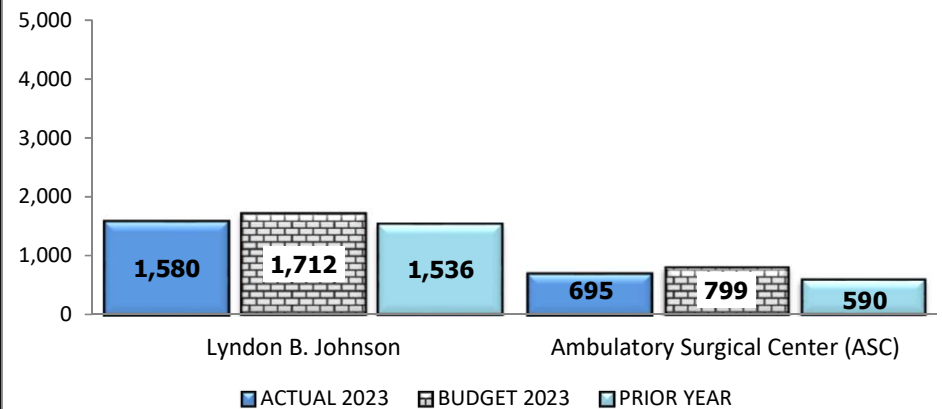
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
2,275	2,511	2,126

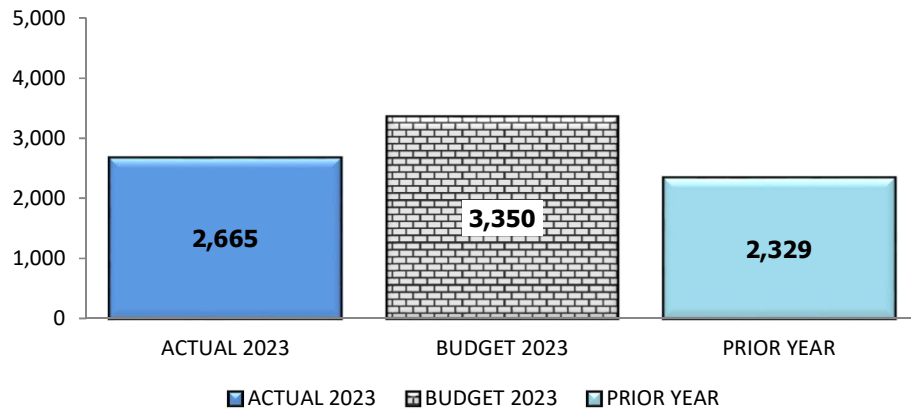
Ben Taub OR Cases - Quarter End



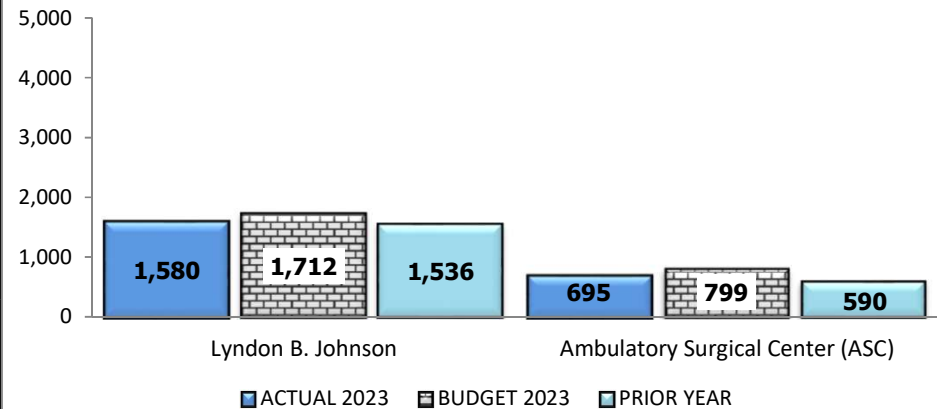
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended December 31, 2022

BT Emergency Visits - Q1

Actual	Budget	Prior Year
18,462	18,791	17,528

BT Emergency Visits - YTD

Actual	Budget	Prior Year
18,462	18,791	17,528

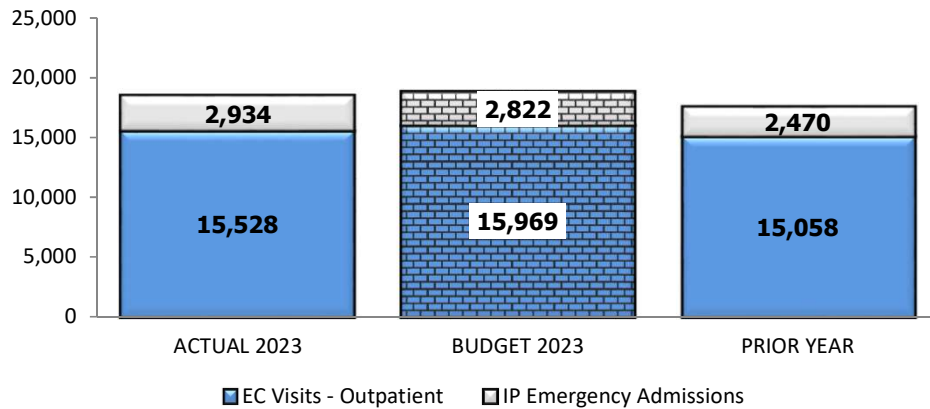
LBJ Emergency Visits - Q1

Actual	Budget	Prior Year
19,839	19,134	17,571

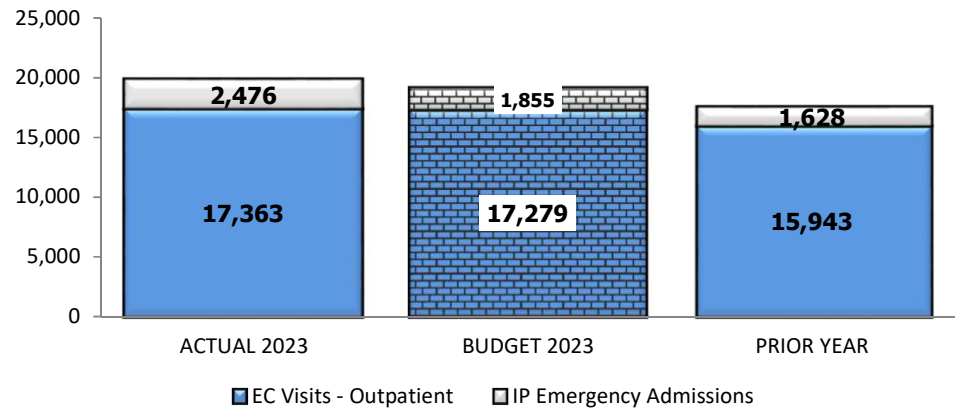
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
19,839	19,134	17,571

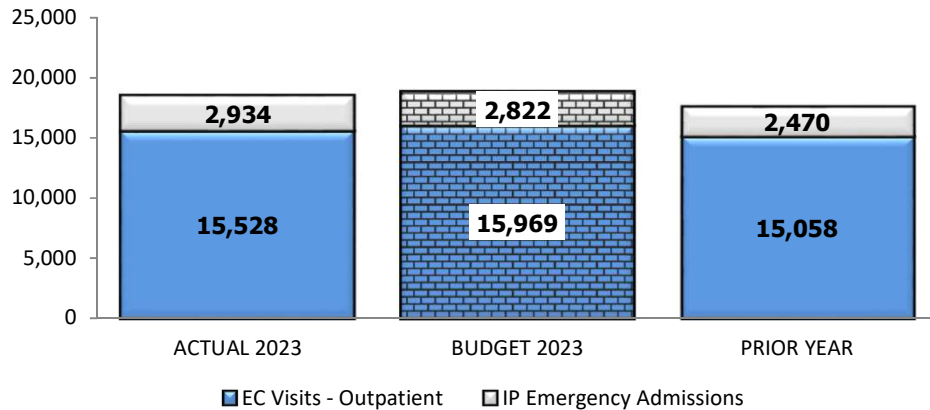
Ben Taub EC Visits - Quarter End



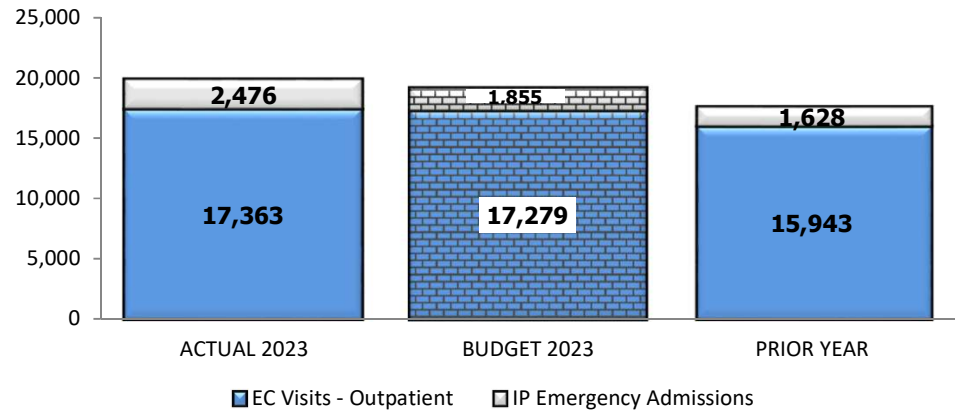
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

As of the Quarter Ended December 31, 2022

BT Births - Q1

Actual	Budget	Prior Year
908	726	800

BT Births - YTD

Actual	Budget	Prior Year
908	726	800

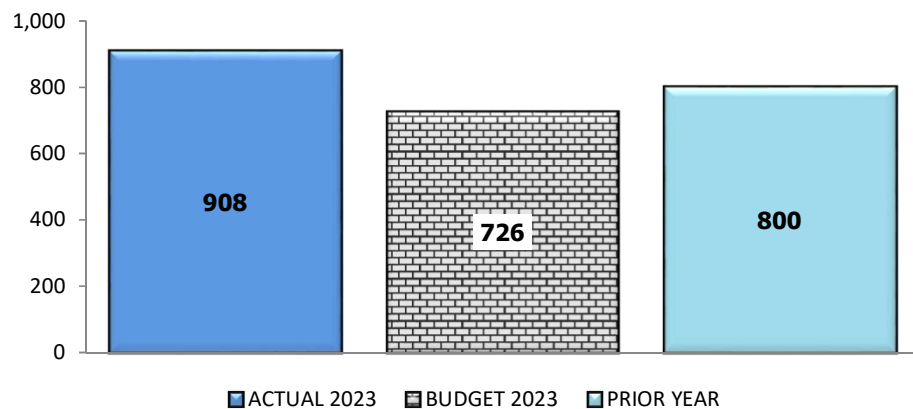
LBJ Births - Q1

Actual	Budget	Prior Year
599	518	571

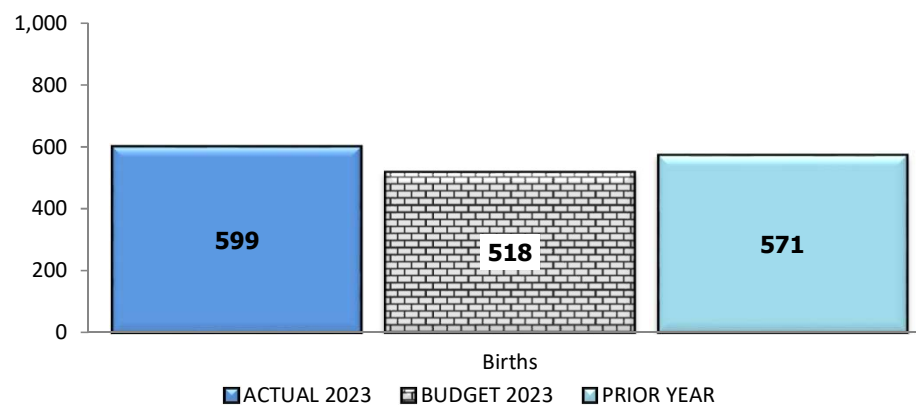
LBJ Births - YTD

Actual	Budget	Prior Year
599	518	571

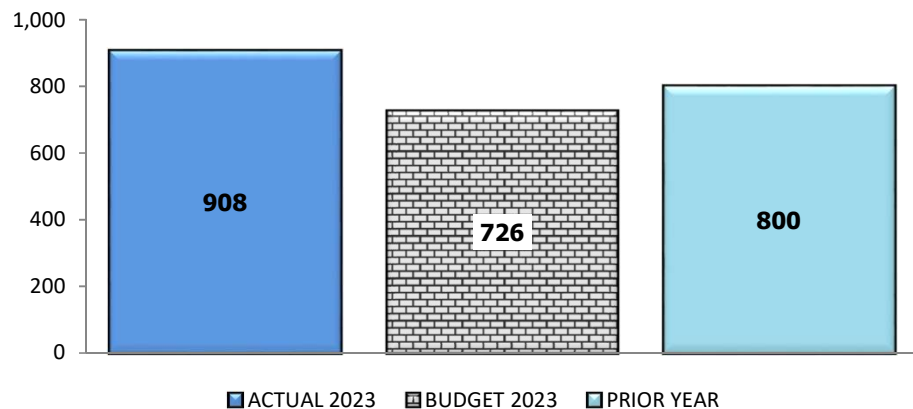
Ben Taub Births - Quarter End



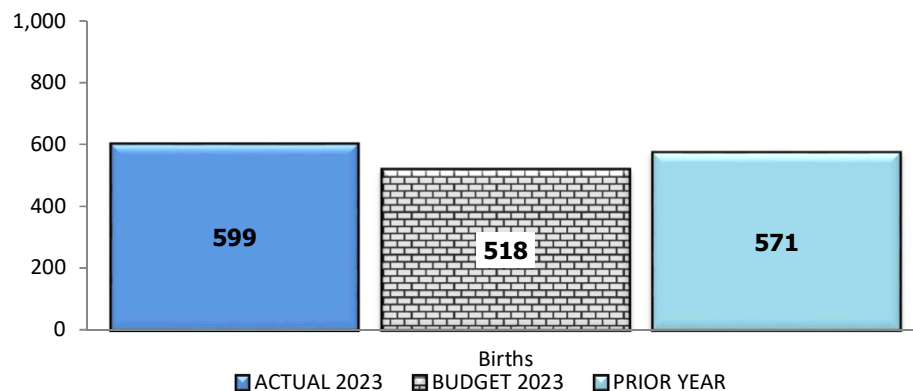
Lyndon B. Johnson Births - Quarter End



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

As of the Quarter Ended December 31, 2022

BT Adjusted Patient Days - Q1

61,397

BT Adjusted Patient Days - YTD

61,397

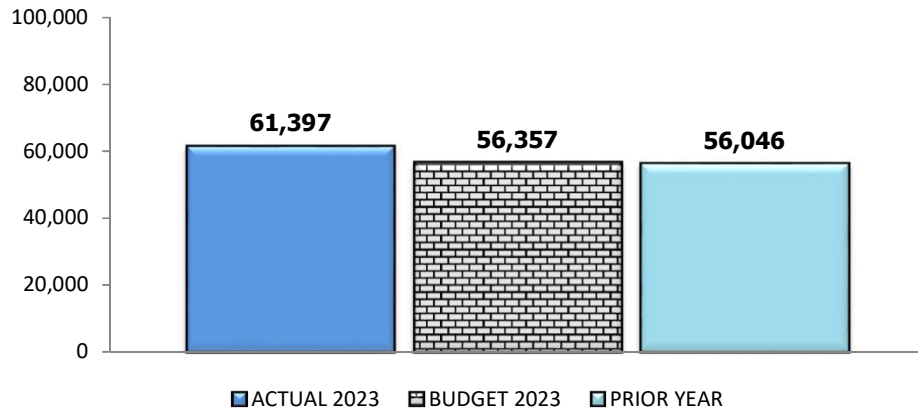
LBJ Adjusted Patient Days - Q1

39,221

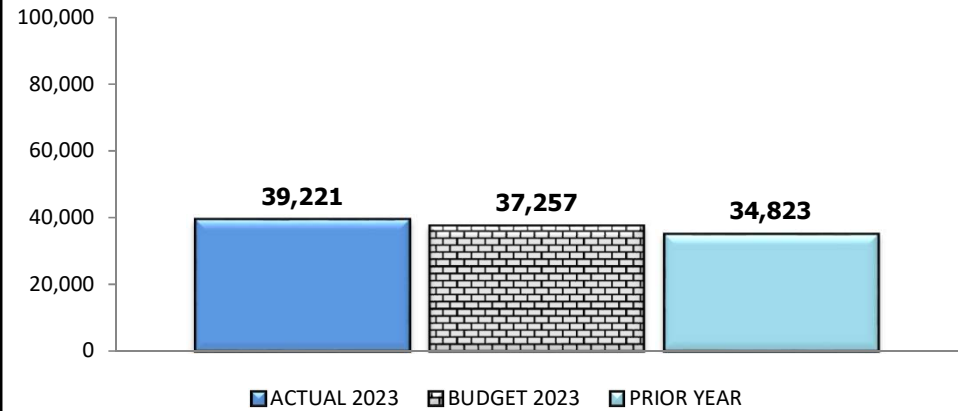
LBJ Adjusted Patient Days - YTD

39,221

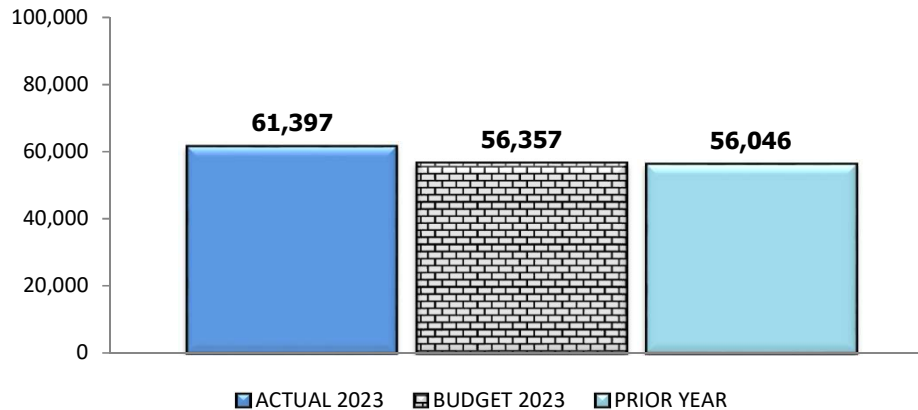
Ben Taub APD - Quarter End



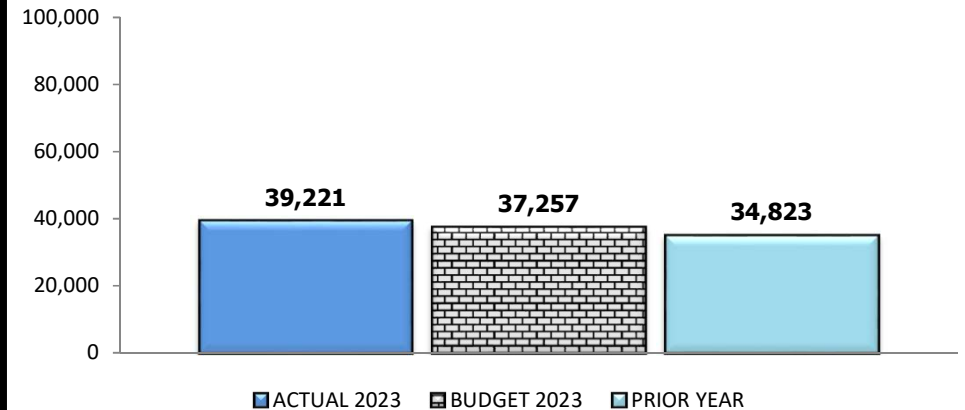
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

As of the Quarter Ended December 31, 2022

BT Average Daily Census - Q1

402.0

BT Average Daily Census - YTD

402.0

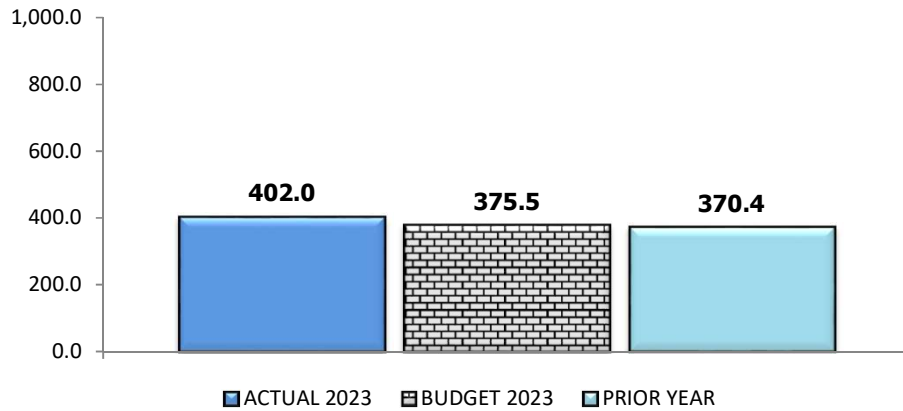
LBJ Average Daily Census - YTD

221.4

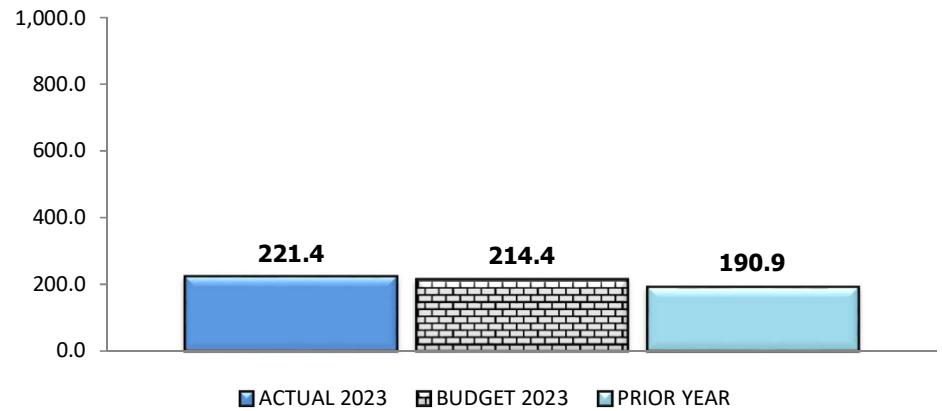
LBJ Average Daily Census - YTD

221.4

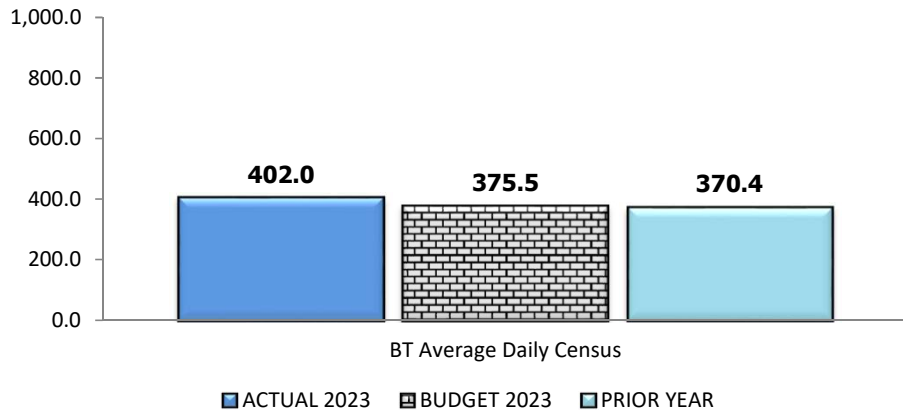
Ben Taub ADC - Quarter End



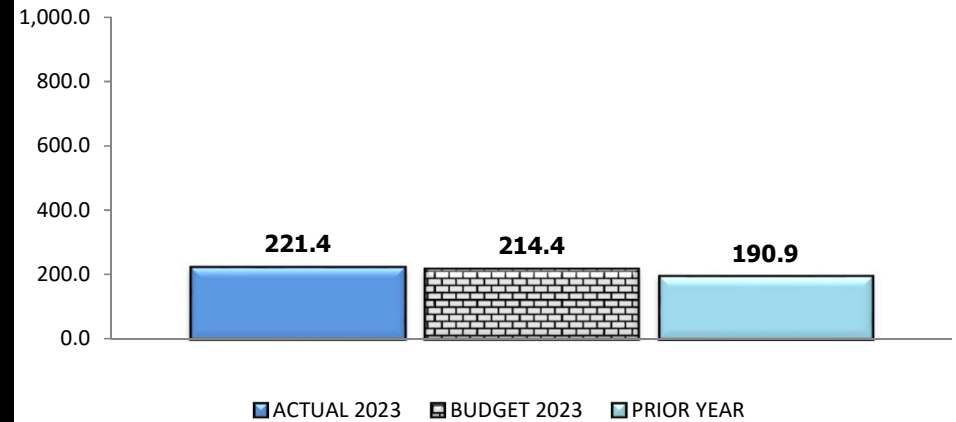
Lyndon B. Johnson ADC - Quarter End



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 December 31, 2022

BT Inpatient ALOS - Q1

6.58

BT Inpatient ALOS - YTD

6.58

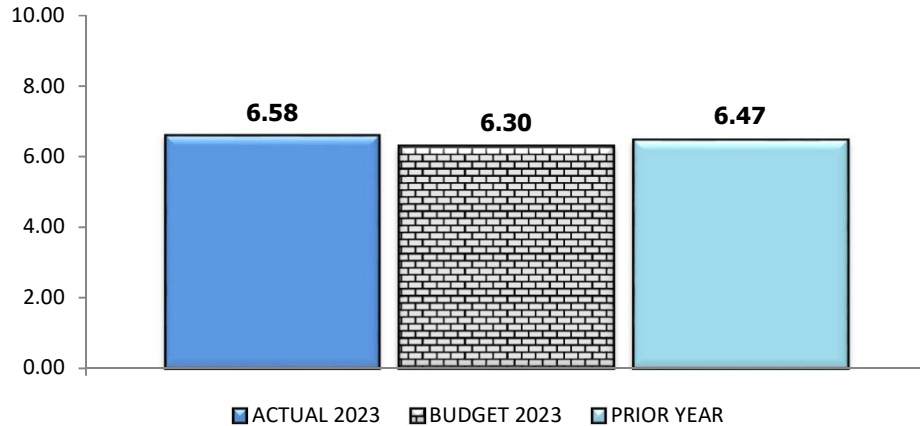
LBJ Inpatient ALOS - Q1

5.16

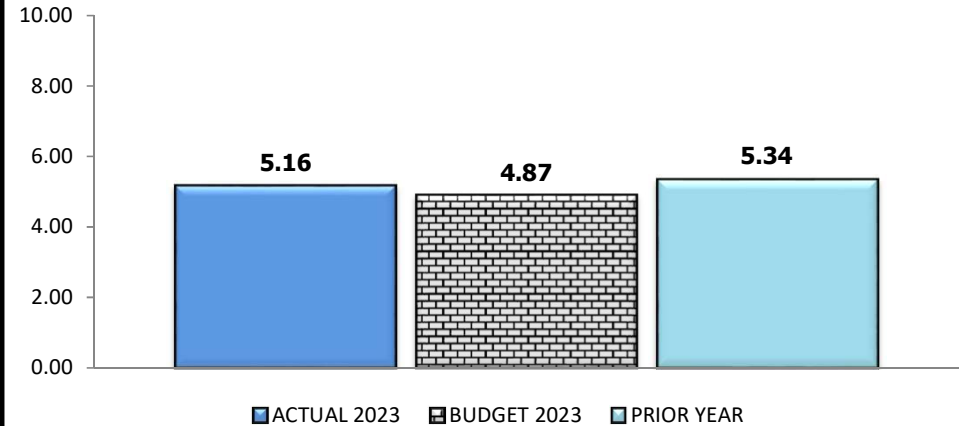
LBJ Inpatient ALOS - YTD

5.16

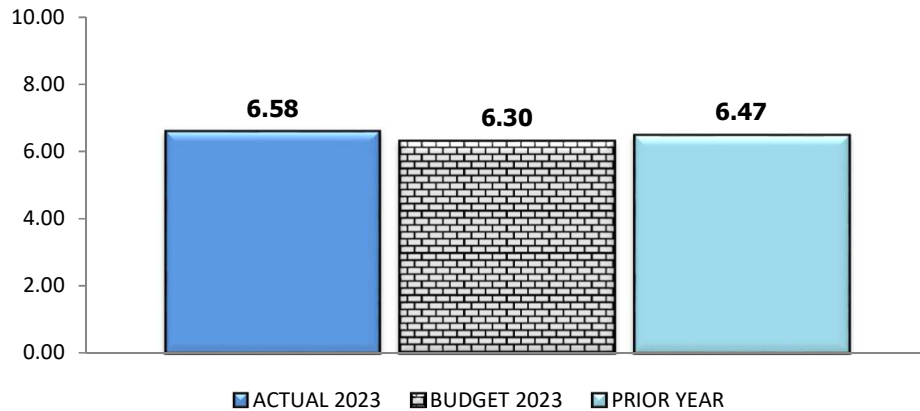
Ben Taub ALOS - Quarter End



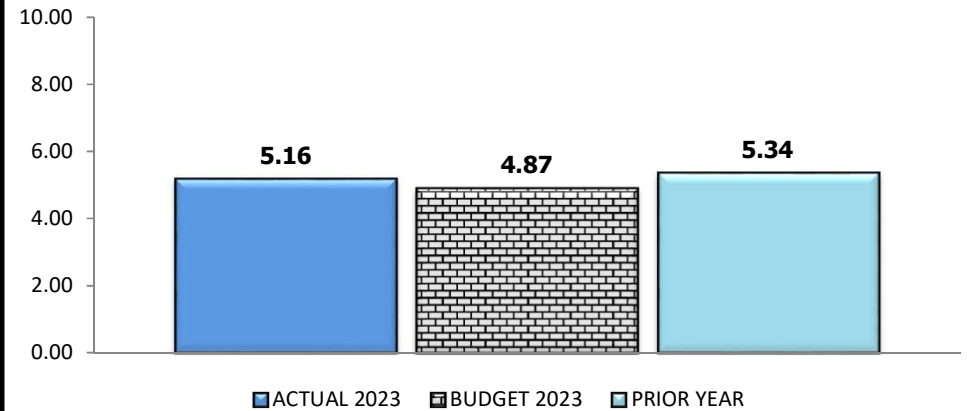
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

As of the Quarter Ended December 31, 2022

BT Case Mix Index (CMI) - Q1

Overall	Excl. Obstetrics
1.758	1.961

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.758	1.961

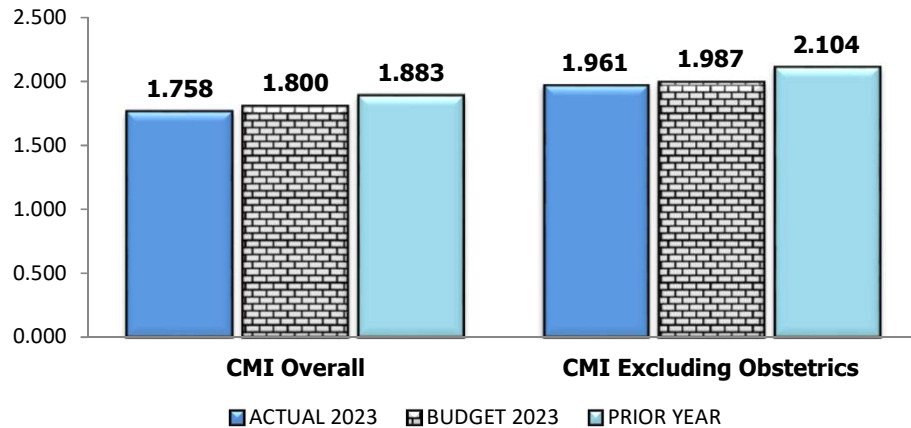
LBJ Case Mix Index (CMI) - Q1

Overall	Excl. Obstetrics
1.524	1.672

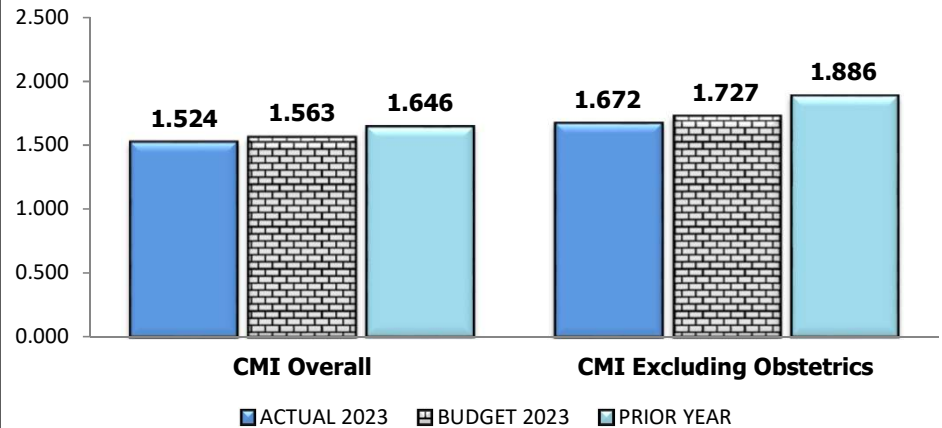
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.524	1.672

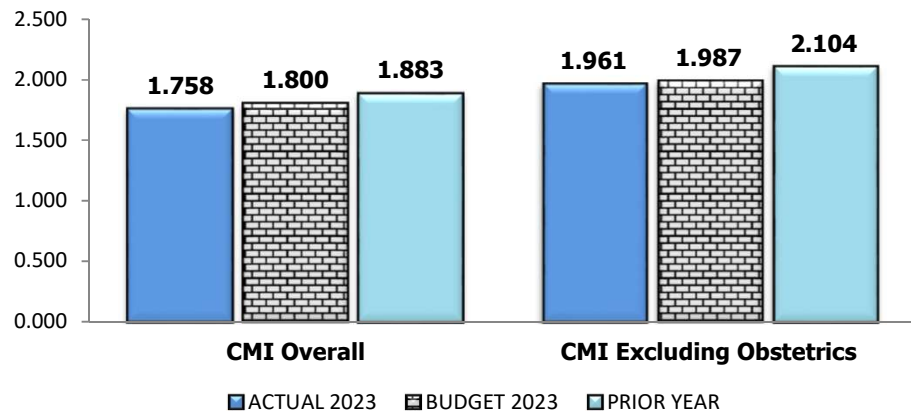
Ben Taub CMI - Quarter End



Lyndon B. Johnson CMI - Quarter End



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

