



Financial Statements

As of March 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 March 31, 2022

Operating Loss for March was \$71.2 million compared to budgeted loss of \$1.5 million.

Total net revenue for March of \$103.1 million was \$81.7 million or 44.2% less than budget. Net patient revenue was \$9.3 million less than planned primarily due to HRSA ending the COVID-19 Uninsured Program in March. Ad valorem tax revenue was \$68.0 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 March 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 will be provided by the System's external auditor, BKD CPAs and Advisors, at the May 2022 meeting of the Compliance and Audit Committee.

In March, total expenses of \$174.3 million were \$12.0 million or 6.5% less than budget. Supplies and service costs were \$7.9 million down overall with the decrease in COVID cases and the lessening effects of the pandemic. Salaries and benefits contributed \$4.2 million to the favorable variance.

Also in March, total patient days and average daily census increased 1.5% compared to budget. Inpatient case mix index, a measure of patient acuity, was 3.3% lower; similarly, length of stay decreased 5.4% lower than budget. Emergency room visits were 2.2% higher than budget, continuing to increase and stabilize over prior months. Total clinic visits, including telehealth, were 14.9% lower than budget; births were up 26.8%.

Total cash receipts for March were \$462.4 million. The System has \$1,527.8 million in unrestricted cash, cash equivalents and investments, representing 281.2 days cash on hand. Harris Health System has \$109.5 million in net accounts receivable, representing 58.3 days of outstanding patient accounts receivable at March 31, 2022. The March balance sheet reflects a combined net liability position of \$108.4 million under the various Medicaid Supplemental programs.

March expenses incurred by Harris Health for Foundation personnel and other costs were \$46,000.

Income Statement

As of March 31, 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	\$ 58.2	\$ 67.5	-13.8%	\$ 58.2	\$ 67.5	-13.8%	\$ 74.3	-21.7%
Medicaid Supplemental Programs	34.4	37.7	-8.6%	34.4	37.7	-8.6%	37.6	-8.4%
Other Operating Revenue	9.4	10.9	-13.5%	9.4	10.9	-13.5%	2.0	379.5%
Total Operating Revenue	\$ 102.1	\$ 116.1	-12.1%	\$ 102.1	\$ 116.1	-12.1%	\$ 113.9	-10.4%
Net Ad Valorem Taxes	0.5	68.5	-99.3%	0.5	68.5	-99.3%	66.6	-99.3%
Net Tobacco Settlement Revenue	-	-	0.0%	-	-	0.0%	-	0.0%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	0.5	0.2	197.6%	0.5	0.2	197.6%	0.2	182.0%
Total Nonoperating Revenue	\$ 0.9	\$ 68.6	-98.6%	\$ 0.9	\$ 68.6	-98.6%	\$ 66.8	-98.6%
Total Net Revenue	\$ 103.1	\$ 184.8	-44.2%	\$ 103.1	\$ 184.8	-44.2%	\$ 180.7	-43.0%
EXPENSE								
Salaries and Wages	\$ 72.4	\$ 73.0	0.9%	\$ 72.4	\$ 73.0	0.9%	\$ 61.1	-18.5%
Employee Benefits	20.5	24.0	14.8%	20.5	24.0	14.8%	19.5	-4.9%
Total Labor Cost	\$ 92.8	\$ 97.1	4.4%	\$ 92.8	\$ 97.1	4.4%	\$ 80.6	-15.2%
Supply Expenses	22.7	24.9	8.7%	22.7	24.9	8.7%	25.4	10.6%
Physician Services	31.0	32.8	5.7%	31.0	32.8	5.7%	27.9	-10.8%
Purchased Services	20.7	24.6	15.7%	20.7	24.6	15.7%	21.6	4.1%
Depreciation & Interest	7.0	6.9	-1.3%	7.0	6.9	-1.3%	5.9	-19.2%
Total Operating Expense	\$ 174.3	\$ 186.3	6.5%	\$ 174.3	\$ 186.3	6.5%	\$ 161.4	-8.0%
Operating Income (Loss)	\$ (71.2)	\$ (1.5)		\$ (71.2)	\$ (1.5)		\$ 19.3	
Total Margin %	-69.1%	-0.8%		-69.1%	-0.8%		10.7%	

Balance Sheet

March 31, 2022 and 2021 (In \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,527.8	\$ 1,250.0
Net Patient Accounts Receivable	109.5	135.2
Net Ad Valorem Taxes, Current Portion	12.7	70.6
Other Current Assets	100.2	113.0
Total Current Assets	\$ 1,750.2	\$ 1,568.8
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 433.4	\$ 445.7
Construction in Progress	122.9	77.6
Right of Use Assets	45.5	-
Total Capital Assets	\$ 601.8	\$ 523.3
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 46.0	\$ 53.2
LPPF Restricted Cash	7.3	46.6
Capital Gift Proceeds	45.0	-
Other - Restricted	1.9	0.9
Total Assets Limited As to Use & Restricted Assets	\$ 100.2	\$ 100.7
Other Assets	27.5	19.2
Deferred Outflows of Resources	152.7	175.2
Total Assets & Deferred Outflows of Resources	\$ 2,632.4	\$ 2,387.2
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 270.7	\$ 248.6
Employee Compensation & Related Liabilities	133.1	119.4
Estimated Third-Party Payor Settlements	13.6	8.6
Current Portion Long-Term Debt and Capital Leases	12.9	12.0
Total Current Liabilities	\$ 430.2	\$ 388.5
Long-Term Debt	341.7	308.2
Net Pension & Post Employment Benefits Liability	599.5	737.1
Other Long-Term Liabilities	18.1	24.7
Deferred Inflows of Resources	218.7	109.9
Total Liabilities	\$ 1,608.2	\$ 1,568.4
Total Net Assets	\$ 1,024.2	\$ 818.9
Total Liabilities & Net Assets	\$ 2,632.4	\$ 2,387.2

Cash Flow Summary

As of March 31, 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	\$ 57.2	\$ 64.9	\$ 57.2	\$ 64.9
Medicaid Supplemental Programs	385.9	205.2	385.9	205.2
Net Ad Valorem Taxes	13.9	31.6	13.9	31.6
Tobacco Settlement	-	-	-	-
Other Revenue	5.3	7.9	5.3	7.9
Total Cash Receipts	\$ 462.4	\$ 309.6	\$ 462.4	\$ 309.6
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 96.3	\$ 89.1	\$ 96.3	\$ 89.1
Supplies	19.2	21.7	19.2	21.7
Physician Services	31.6	31.2	31.6	31.2
Purchased Services	16.6	15.0	16.6	15.0
Capital Expenditures	7.9	6.2	7.9	6.2
Debt and Interest Payments	0.3	0.3	0.3	0.3
Other Uses	(4.4)	(13.4)	(4.4)	(13.4)
Total Cash Disbursements	\$ 167.5	\$ 150.2	\$ 167.5	\$ 150.2
Net Change	\$ 294.9	\$ 159.5	\$ 294.9	\$ 159.5

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

\$ 1,232.9

Net Change

294.9

Unrestricted Cash, Cash Equivalents and Investments - March 31, 2022

\$ 1,527.8

Performance Ratios

As of March 31, 2022

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	-69.1%	-0.8%	-69.1%	-0.8%	10.7%
Run Rate per Day (In\$ Millions)	\$ 5.4	\$ 5.8	\$ 5.4	\$ 5.8	\$ 5.0
Salary, Wages & Benefit per APD	\$ 2,374	\$ 2,446	\$ 2,374	\$ 2,446	\$ 2,257
Supply Cost per APD	\$ 582	\$ 628	\$ 582	\$ 628	\$ 713
Physician Services per APD	\$ 792	\$ 827	\$ 792	\$ 827	\$ 783
Total Expense per APD	\$ 4,458	\$ 4,694	\$ 4,458	\$ 4,694	\$ 4,522
Overtime as a % of Total Salaries	3.5%	3.0%	3.5%	3.0%	3.4%
Contract as a % of Total Salaries	9.7%	5.2%	9.7%	5.2%	1.9%
Full-time Equivalent Employees	9,663	10,067	9,663	10,067	9,006
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			4.0		4.0
Unrestricted Cash (In \$ Millions)			\$ 1,527.8	\$ 1,140.9	\$ 1,250.0
Days Cash on Hand			281.2	196.2	247.4
Days Revenue in Accounts Receivable			58.3	53.1	56.4
Days in Accounts Payable			48.8		41.3
Capital Expenditures/Depreciation & Amortization			131.1%		125.2%
Average Age of Plant (years)			11.0		12.5

Harris Health System Key Indicators



Statistical Highlights

As of March 31, 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	39,095	39,688	-1.5%	39,095	39,688	-1.5%	35,694	9.5%
Outpatient % of Adjusted Volume	63.4%	63.5%	-0.1%	63.4%	63.5%	-0.1%	61.1%	3.8%
Primary Care Clinic Visits	41,762	46,182	-9.6%	41,762	46,182	-9.6%	27,741	50.5%
Specialty Clinic Visits	20,862	22,654	-7.9%	20,862	22,654	-7.9%	18,094	15.3%
Telehealth Clinic Visits	13,052	20,107	-35.1%	13,052	20,107	-35.1%	31,973	-59.2%
Total Clinic Visits	75,676	88,943	-14.9%	75,676	88,943	-14.9%	77,808	-2.7%
Emergency Room Visits - Outpatient	11,081	10,846	2.2%	11,081	10,846	2.2%	10,754	3.0%
Emergency Room Visits - Admitted	1,560	1,521	2.6%	1,560	1,521	2.6%	1,638	-4.8%
Total Emergency Room Visits	12,641	12,367	2.2%	12,641	12,367	2.2%	12,392	2.0%
Surgery Cases - Outpatient	950	1,031	-7.9%	950	1,031	-7.9%	588	61.6%
Surgery Cases - Inpatient	815	765	6.5%	815	765	6.5%	755	7.9%
Total Surgery Cases	1,765	1,796	-1.7%	1,765	1,796	-1.7%	1,343	31.4%
Total Outpatient Visits	128,740	143,773	-10.5%	128,740	143,773	-10.5%	174,957	-26.4%
Inpatient Cases (Discharges)	2,478	2,374	4.4%	2,478	2,374	4.4%	2,299	7.8%
Outpatient Observation Cases	1,299	1,143	13.6%	1,299	1,143	13.6%	1,232	5.4%
Total Cases Occupying Patient Beds	3,777	3,517	7.4%	3,777	3,517	7.4%	3,531	7.0%
Births	430	339	26.8%	430	339	26.8%	341	26.1%
Inpatient Days	14,305	14,485	-1.2%	14,305	14,485	-1.2%	13,891	3.0%
Outpatient Observation Days	3,830	3,380	13.3%	3,830	3,380	13.3%	3,447	11.1%
Total Patient Days	18,135	17,865	1.5%	18,135	17,865	1.5%	17,338	4.6%
Average Daily Census	585.0	576.3	1.5%	585.0	576.3	1.5%	559.3	4.6%
Average Operating Beds	698	689	1.3%	698	689	1.3%	661	5.6%
Bed Occupancy %	83.8%	83.6%	0.2%	83.8%	83.6%	0.2%	84.6%	-1.0%
Inpatient Average Length of Stay	5.77	6.10	-5.4%	5.77	6.10	-5.4%	6.04	-4.5%
Inpatient Case Mix Index (CMI)	1.739	1.799	-3.3%	1.739	1.799	-3.3%	1.853	-6.2%
Payor Mix (% of Charges)								
Charity & Self Pay	48.3%	47.8%	1.0%	48.3%	47.8%	1.0%	47.2%	2.3%
Medicaid & Medicaid Managed	20.7%	20.5%	0.8%	20.7%	20.5%	0.8%	22.0%	-6.0%
Medicare & Medicare Managed	10.2%	12.4%	-17.4%	10.2%	12.4%	-17.4%	13.3%	-22.9%
Commercial & Other	20.8%	19.2%	8.3%	20.8%	19.2%	8.3%	17.5%	18.7%
Total Unduplicated Patients - Rolling 12				259,948			238,341	9.1%
Total New Patient - Rolling 12				84,720			66,034	28.3%

Harris Health System

Statistical Highlights

March FY STUB

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,777	3,517	3,531

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
3,777	3,517	3,531

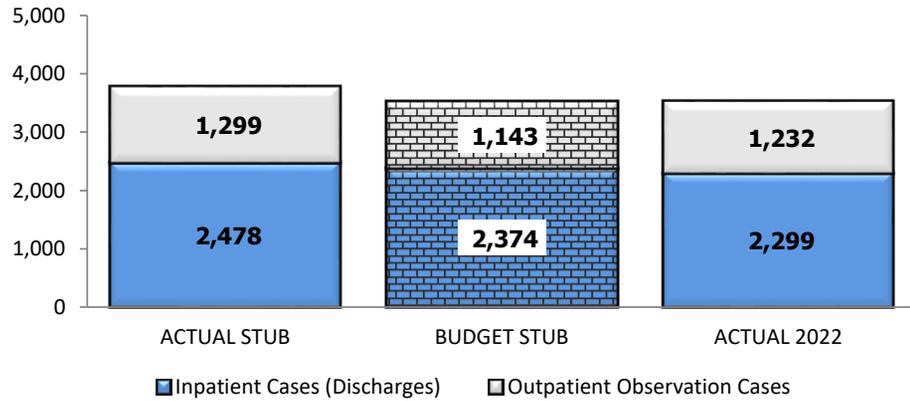
Emergency Visits - CM

Actual	Budget	Prior Year
12,641	12,367	12,392

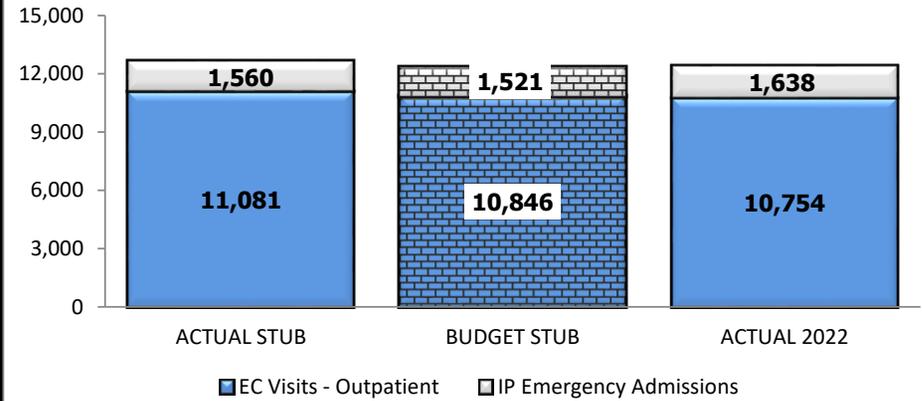
Emergency Visits - YTD

Actual	Budget	Prior Year
12,641	12,367	12,392

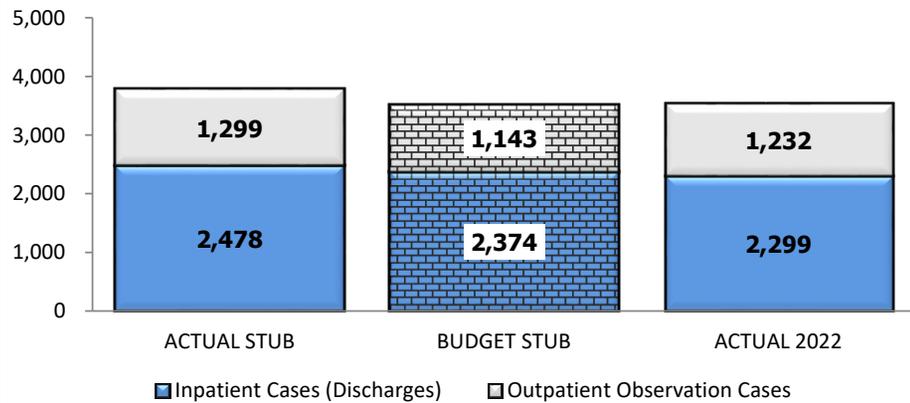
Cases Occupying Beds - Current Month



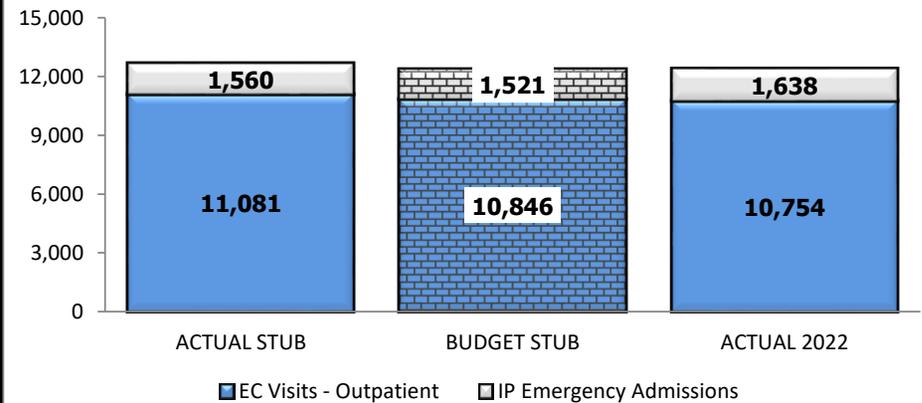
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

March FY STUB

Surgery Cases - CM

Actual	Budget	Prior Year
1,765	1,796	1,343

Surgery Cases - YTD

Actual	Budget	Prior Year
1,765	1,796	1,343

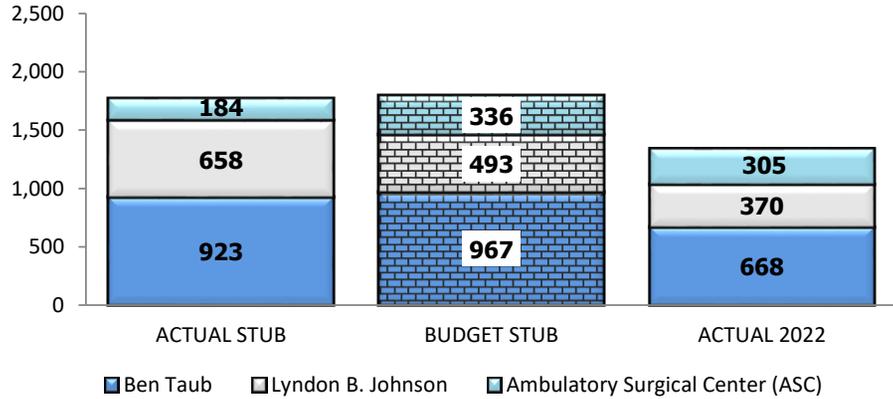
Clinic Visits - CM

Actual	Budget	Prior Year
75,676	88,943	77,808

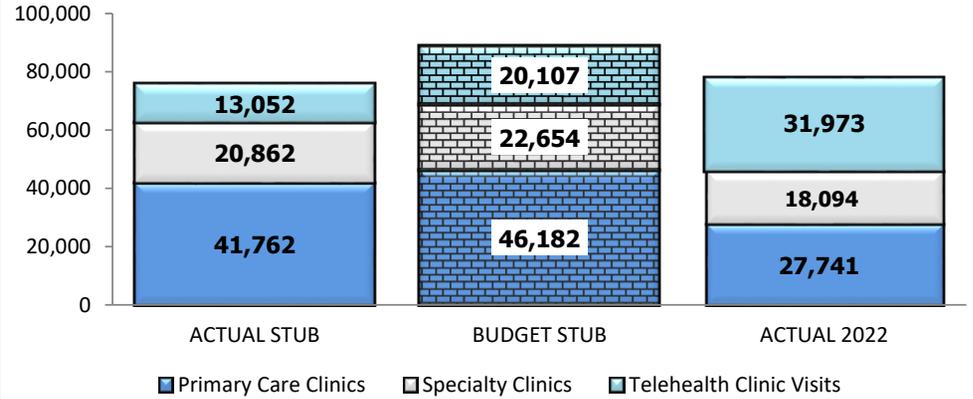
Clinic Visits - YTD

Actual	Budget	Prior Year
75,676	88,943	77,808

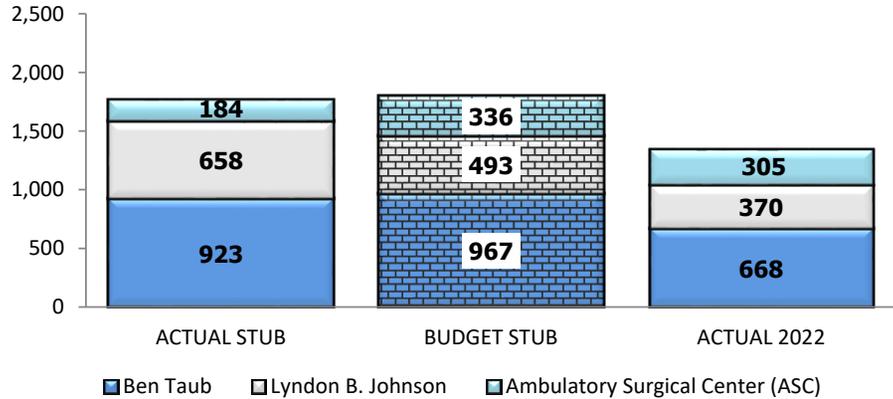
Surgery Cases - Current Month



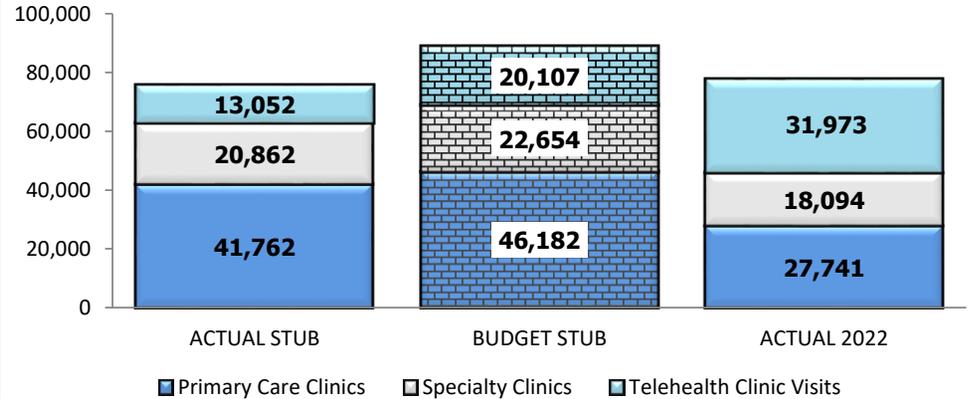
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

March FY STUB

Adjusted Patient Days - CM

39,095

Adjusted Patient Days - YTD

39,095

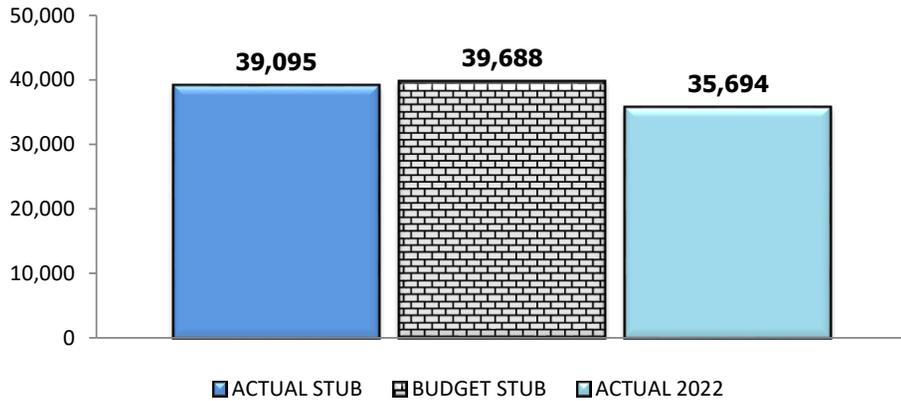
Average Daily Census - CM

585.0

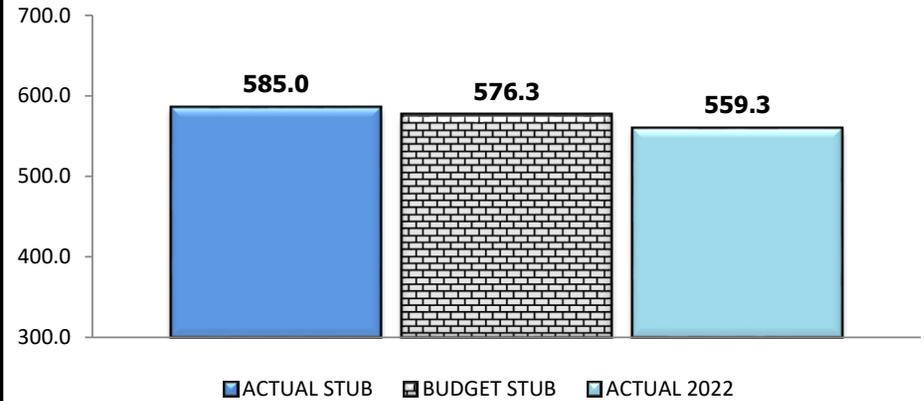
Average Daily Census - YTD

585.0

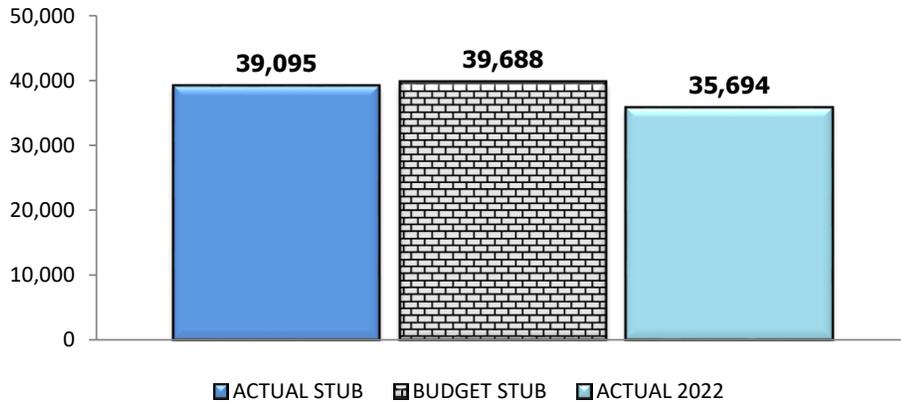
Adjusted Patient Days - Current Month



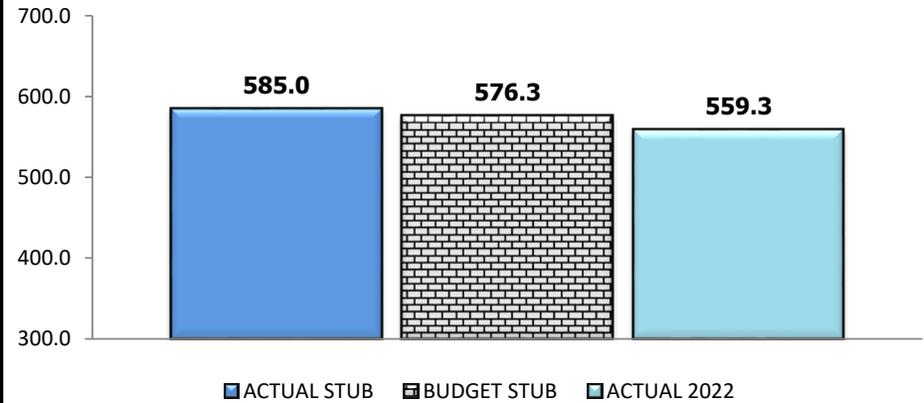
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

March FY STUB

Inpatient ALOS - CM

5.77

Inpatient ALOS - YTD

5.77

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.739

1.918

Case Mix Index (CMI) - YTD

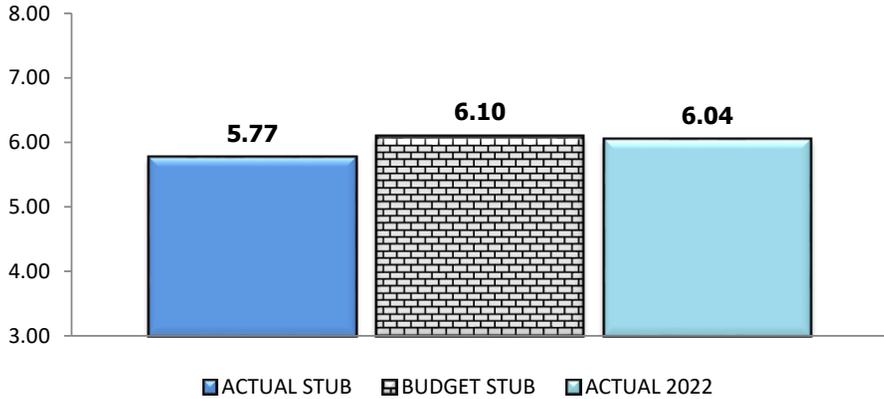
Overall

Excl. Obstetrics

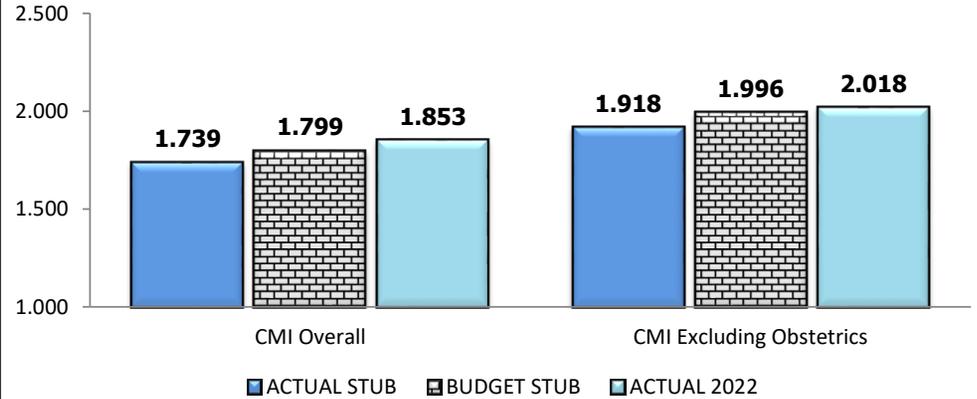
1.739

1.918

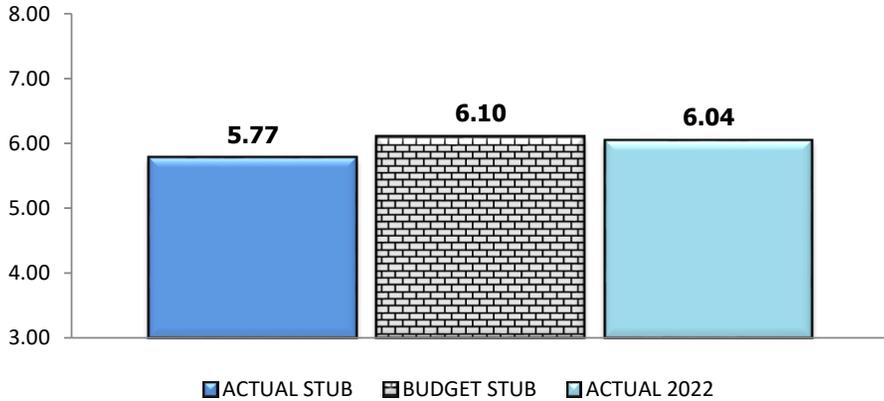
Inpatient ALOS - Current Month



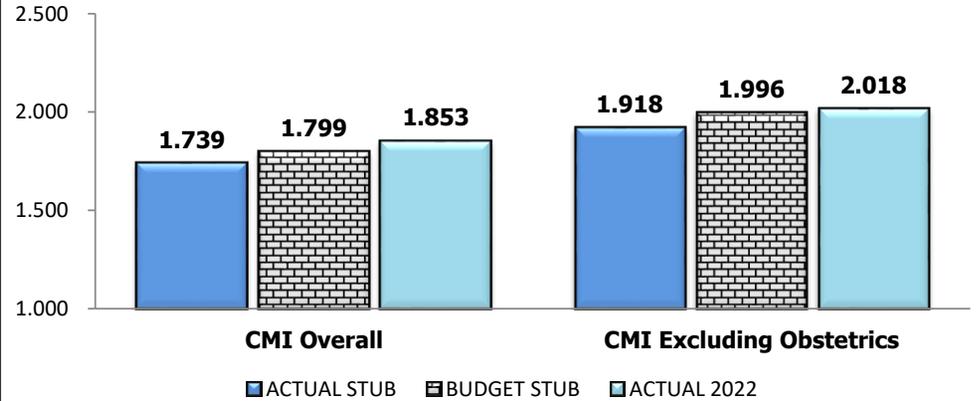
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

March FY STUB

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,271	2,134	2,178

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
2,271	2,134	2,178

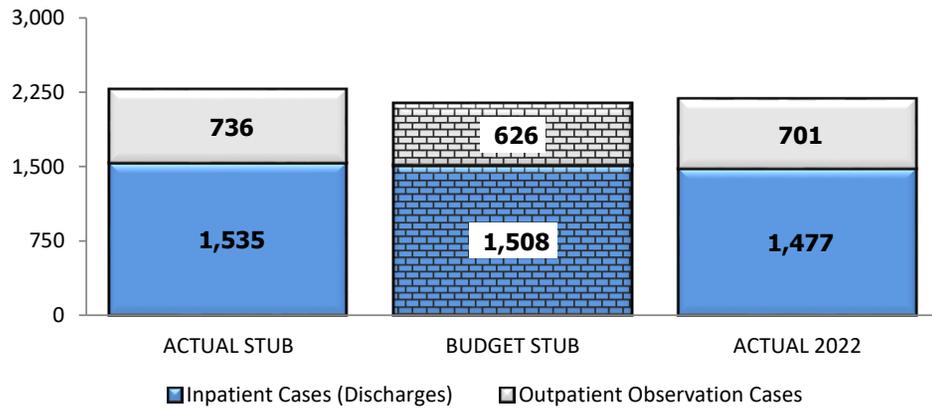
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,506	1,383	1,353

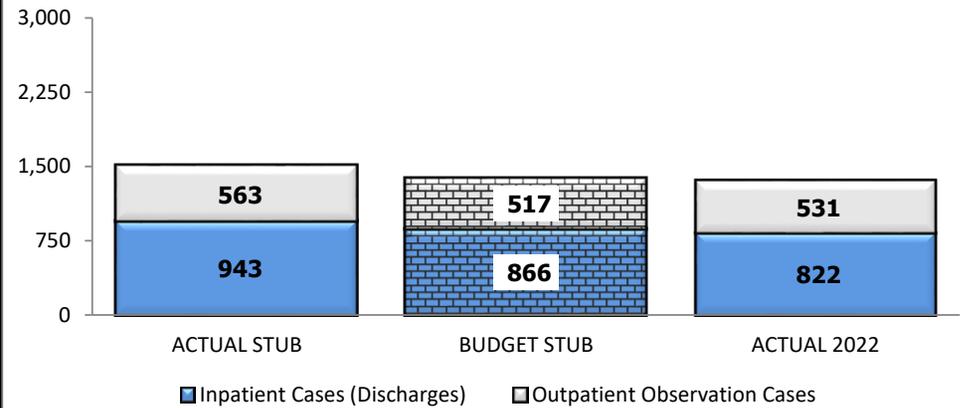
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
1,506	1,383	1,353

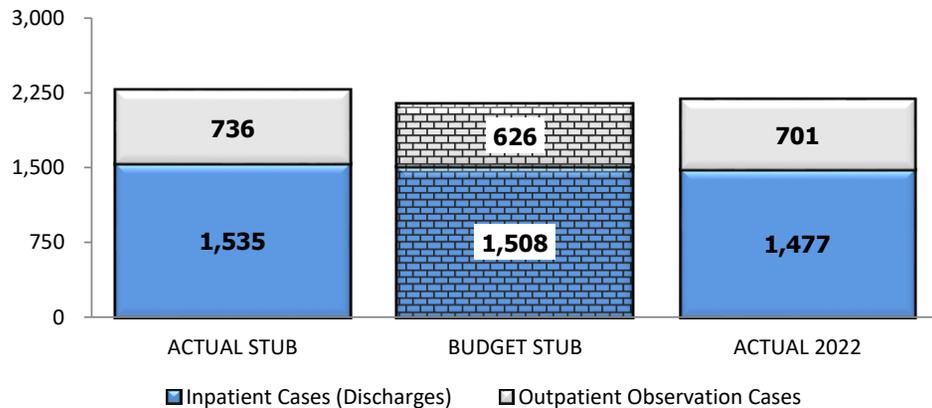
Ben Taub Cases - Current Month



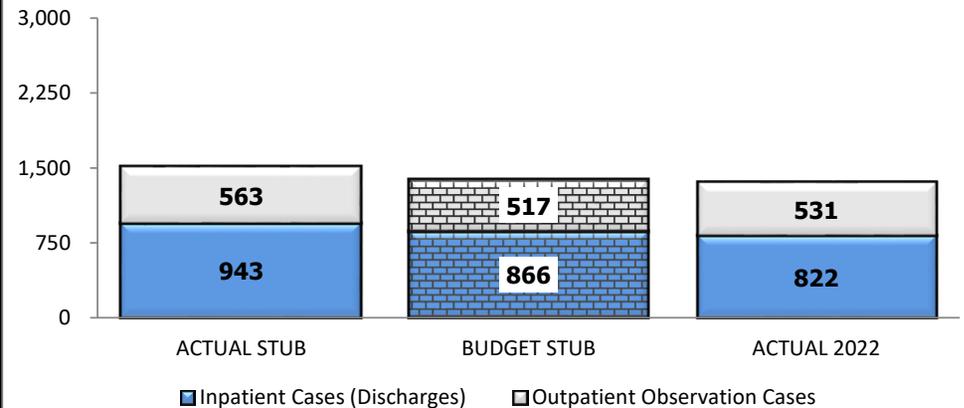
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

March FY STUB

BT Surgery Cases - CM

Actual	Budget	Prior Year
923	967	668

BT Surgery Cases - YTD

Actual	Budget	Prior Year
923	967	668

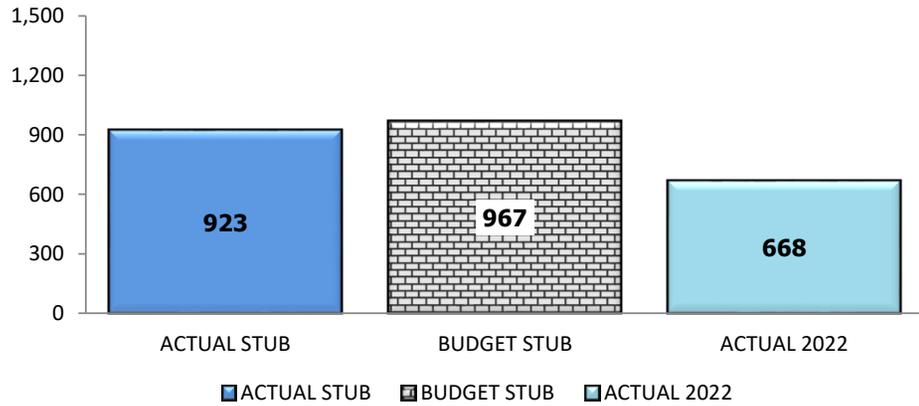
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
842	829	675

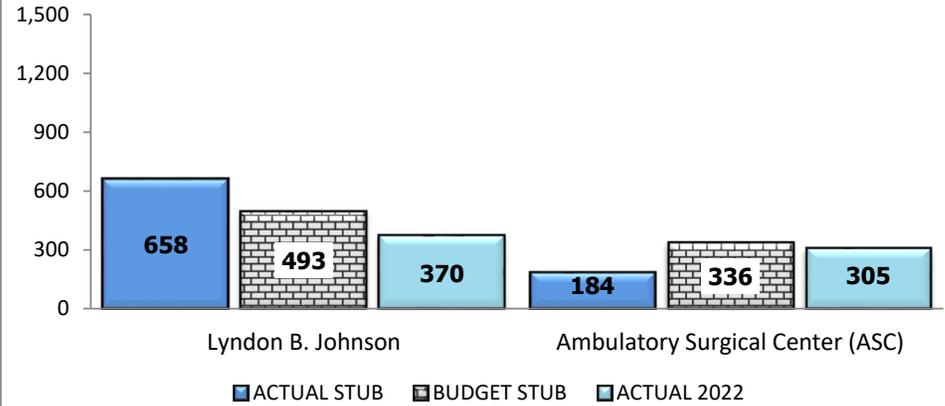
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
842	829	675

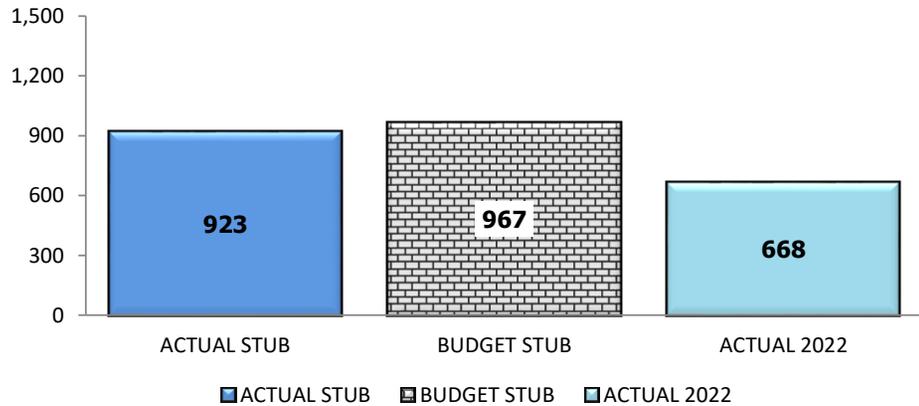
Ben Taub OR Cases - Current Month



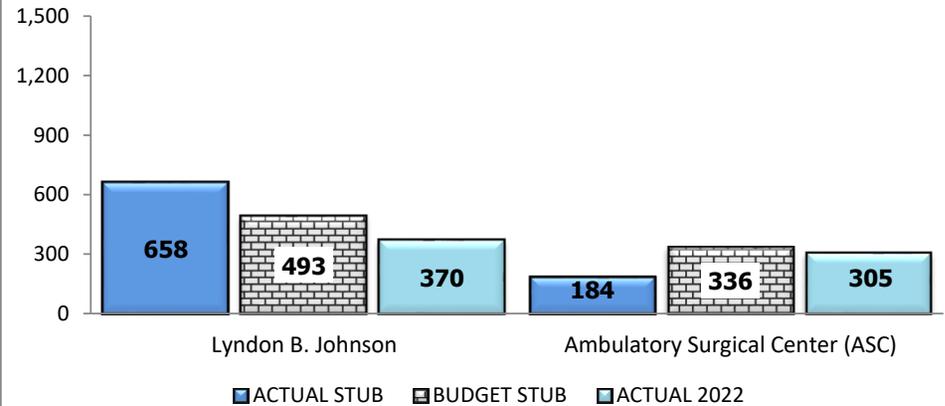
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

March FY STUB

BT Emergency Visits - CM

Actual	Budget	Prior Year
6,404	6,220	6,134

BT Emergency Visits - YTD

Actual	Budget	Prior Year
6,404	6,220	6,134

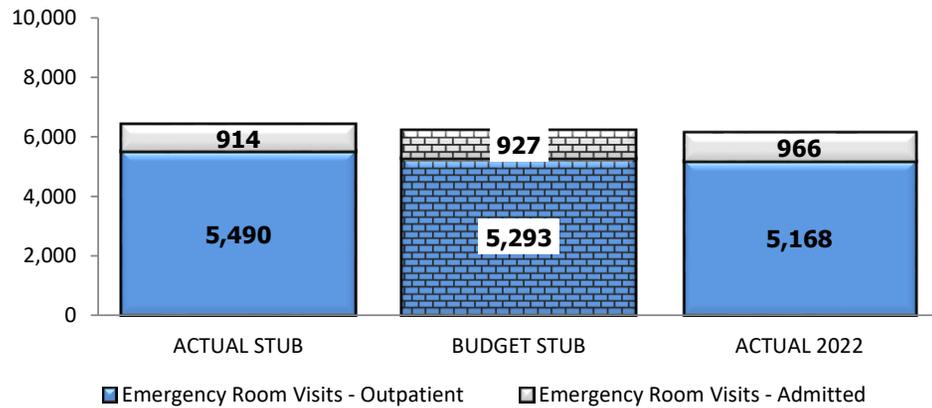
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
6,237	6,147	6,258

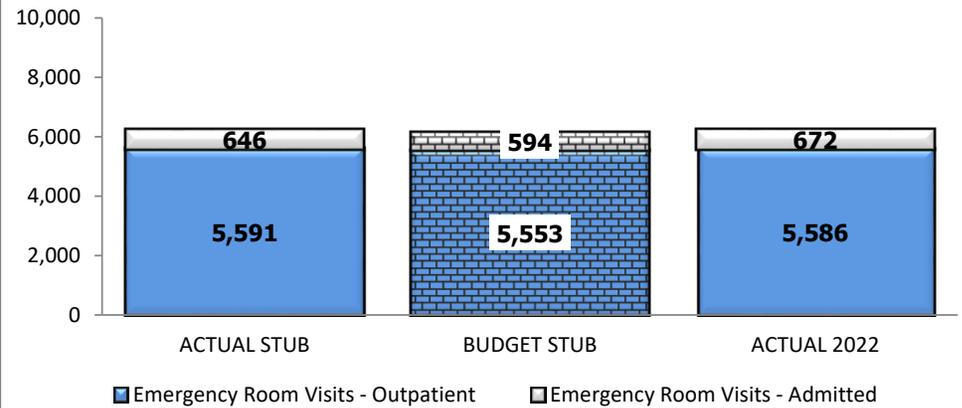
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
6,237	6,147	6,258

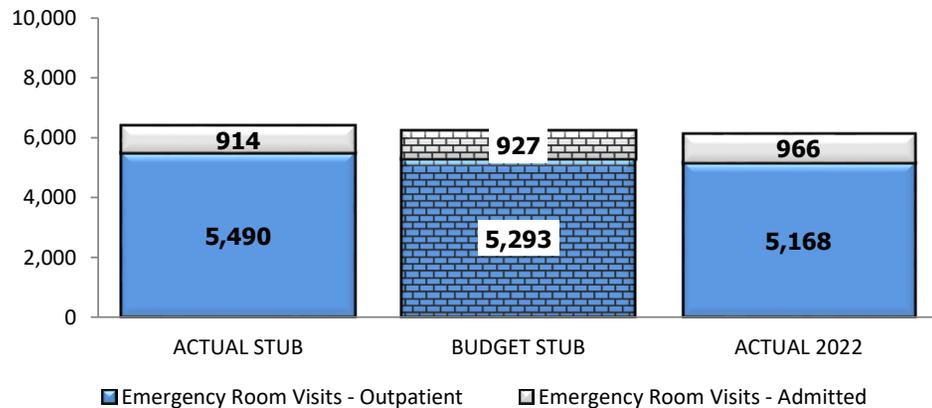
Ben Taub EC Visits - Current Month



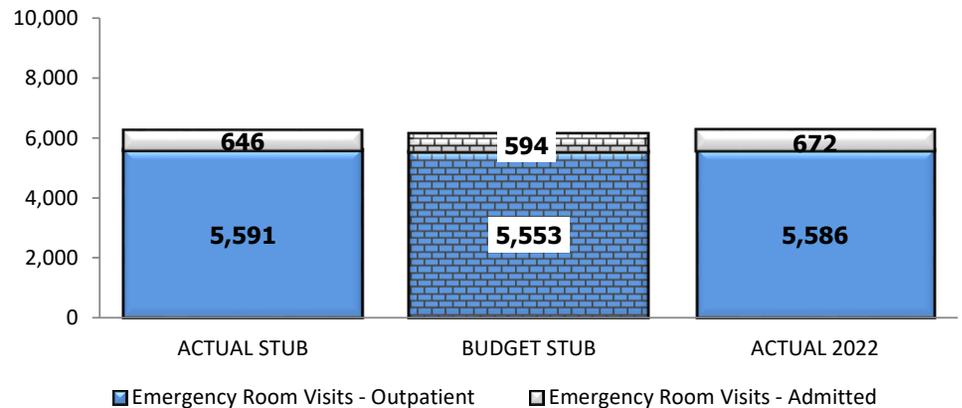
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

March FY STUB

BT Births - CM

Actual	Budget	Prior Year
240	222	208

BT Births - YTD

Actual	Budget	Prior Year
240	222	208

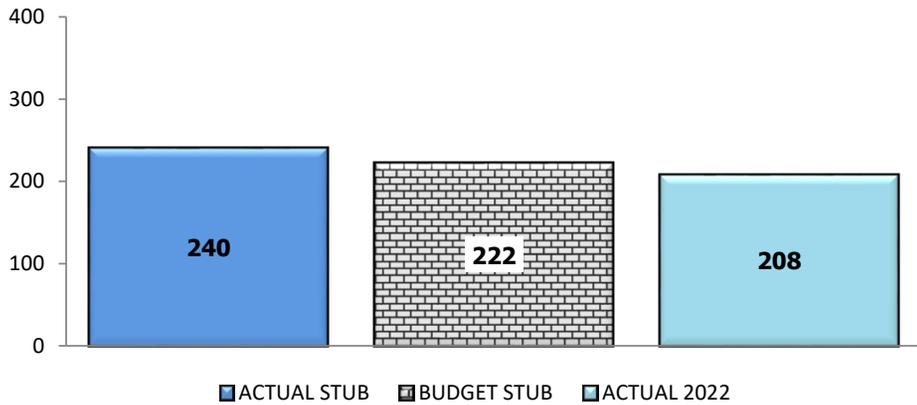
LBJ Births - CM

Actual	Budget	Prior Year
190	117	133

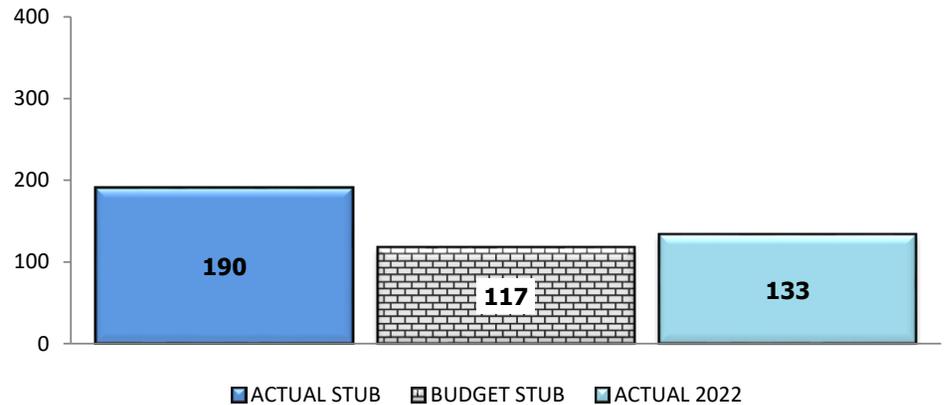
LBJ Births - YTD

Actual	Budget	Prior Year
190	117	133

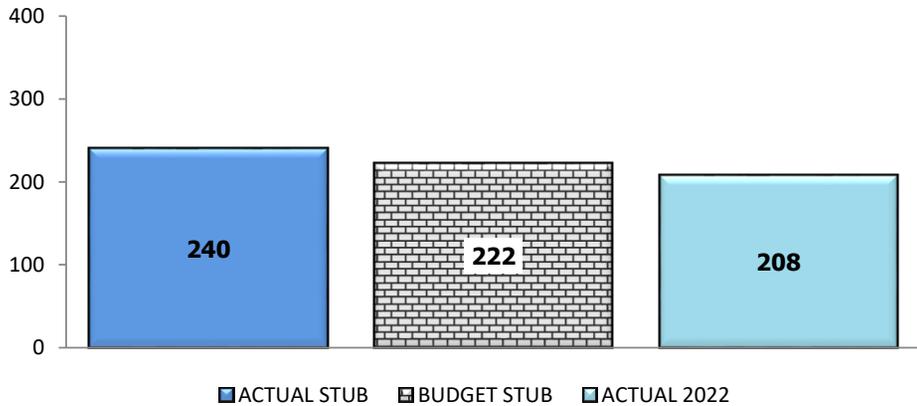
Ben Taub Births - Current Month



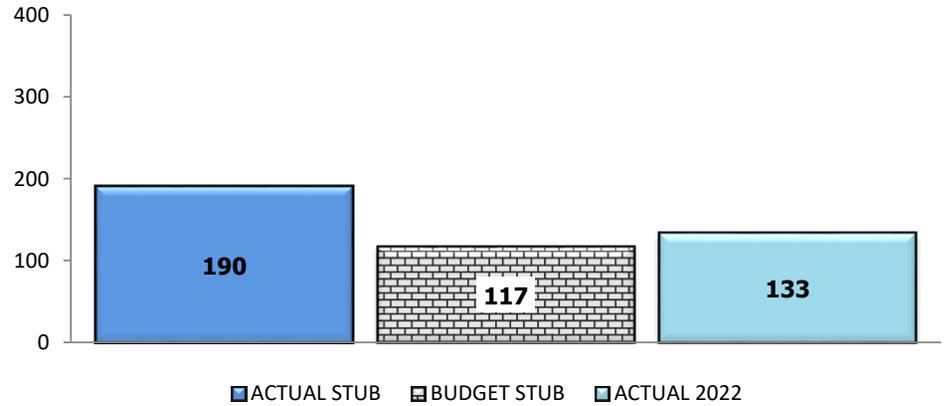
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

March FY STUB

BT Adjusted Patient Days - CM

19,444

BT Adjusted Patient Days - YTD

19,444

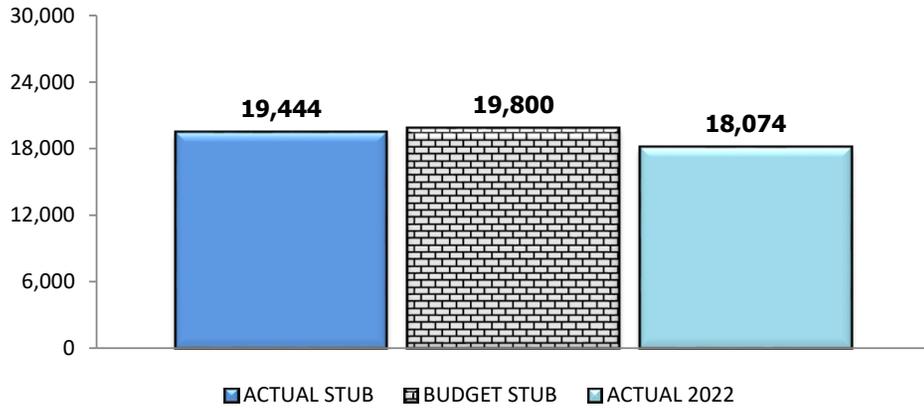
LBJ Adjusted Patient Days - CM

12,739

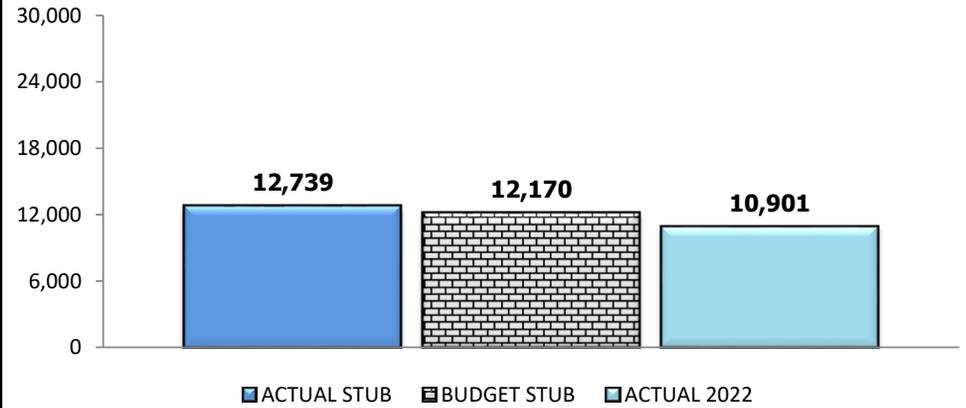
LBJ Adjusted Patient Days - YTD

12,739

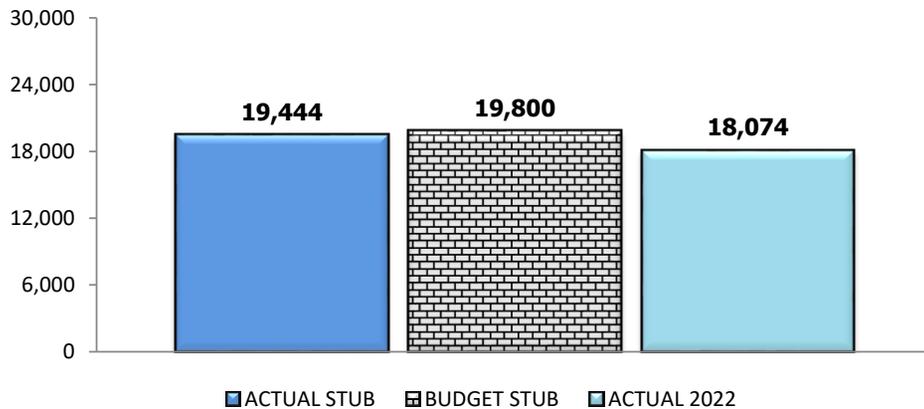
Ben Taub APD - Current Month



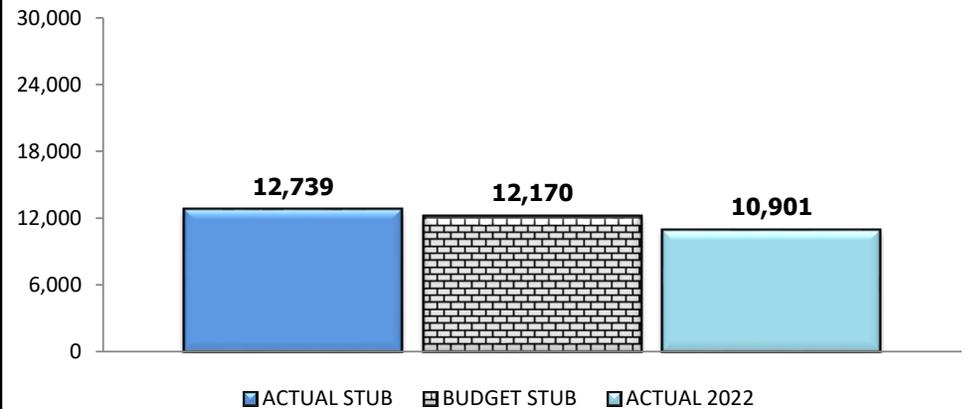
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

March FY STUB

BT Average Daily Census - CM

365.8

BT Average Daily Census - YTD

365.8

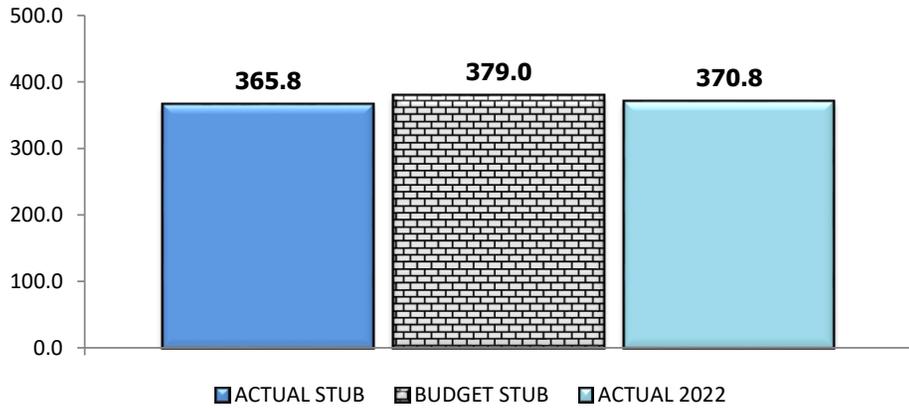
LBJ Average Daily Census - CM

219.2

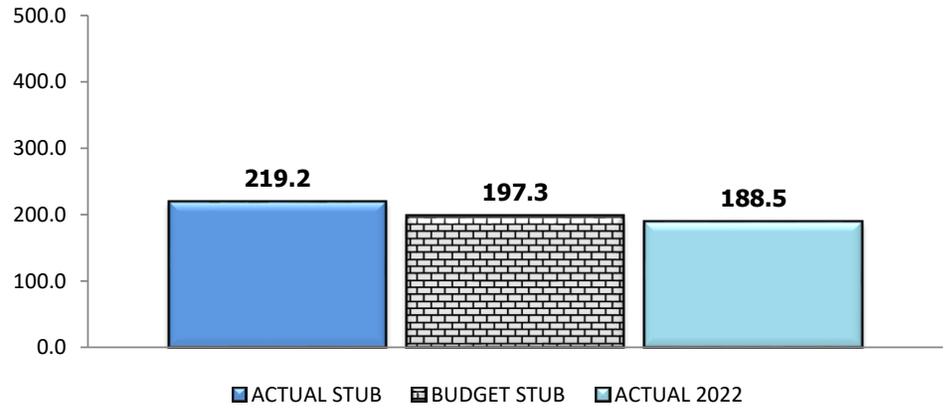
LBJ Average Daily Census - YTD

219.2

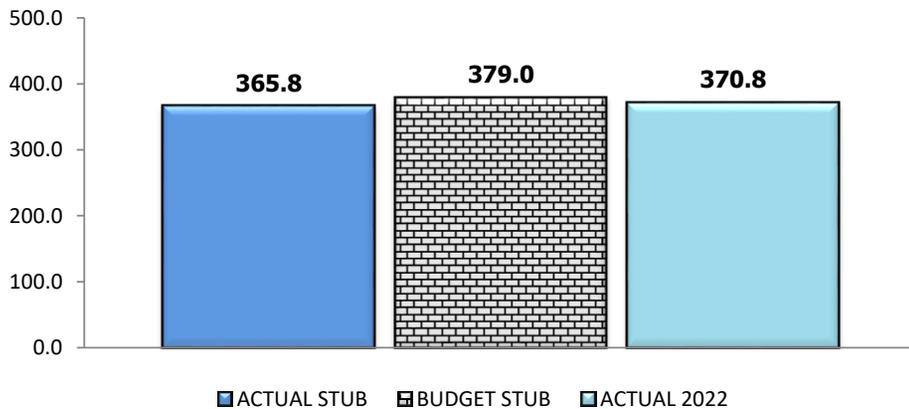
Ben Taub ADC - Current Month



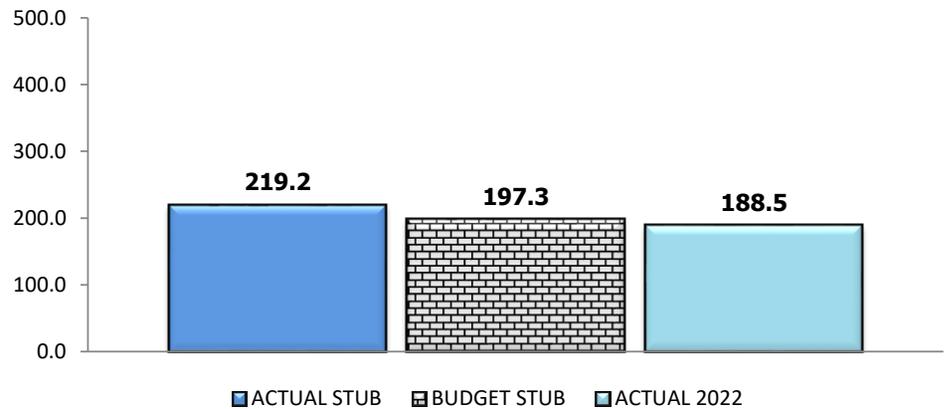
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

March FY STUB

BT Inpatient ALOS - CM

5.96

BT Inpatient ALOS - YTD

5.96

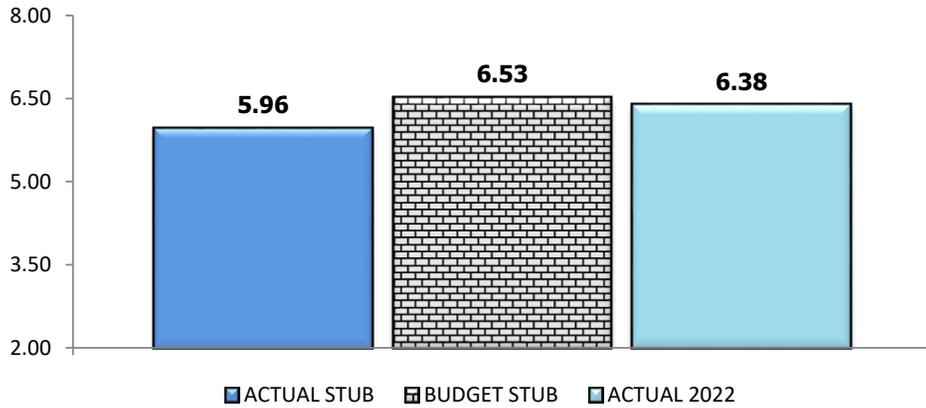
LBJ Inpatient ALOS - CM

5.47

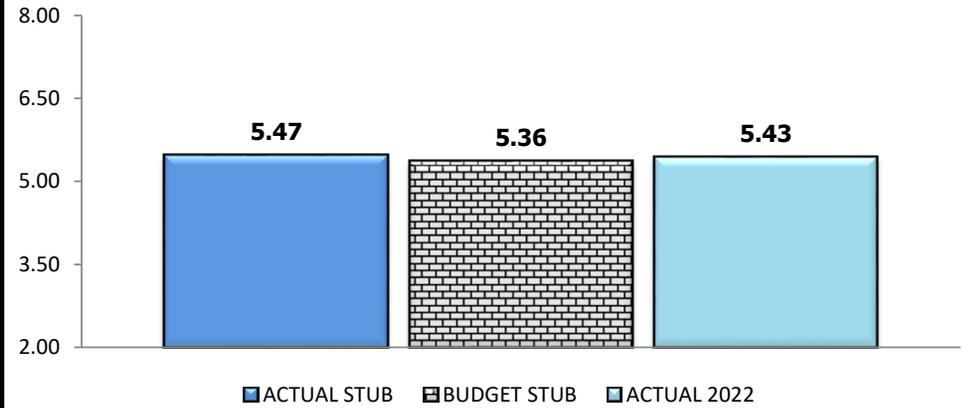
LBJ Inpatient ALOS - YTD

5.47

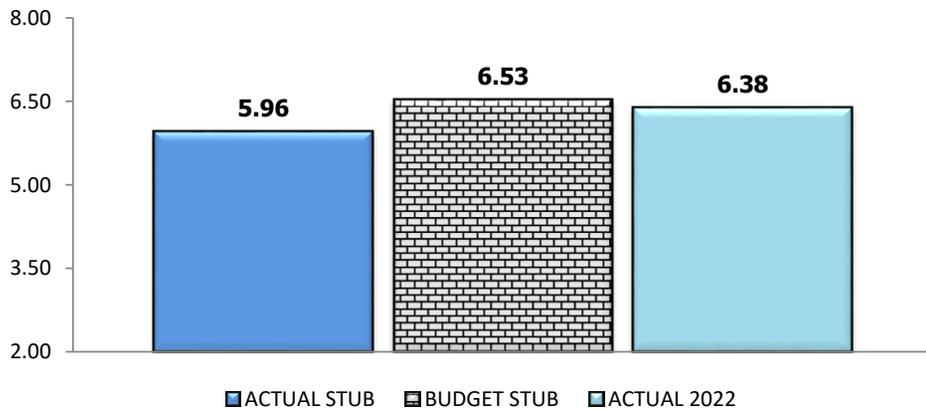
Ben Taub ALOS - Current Month



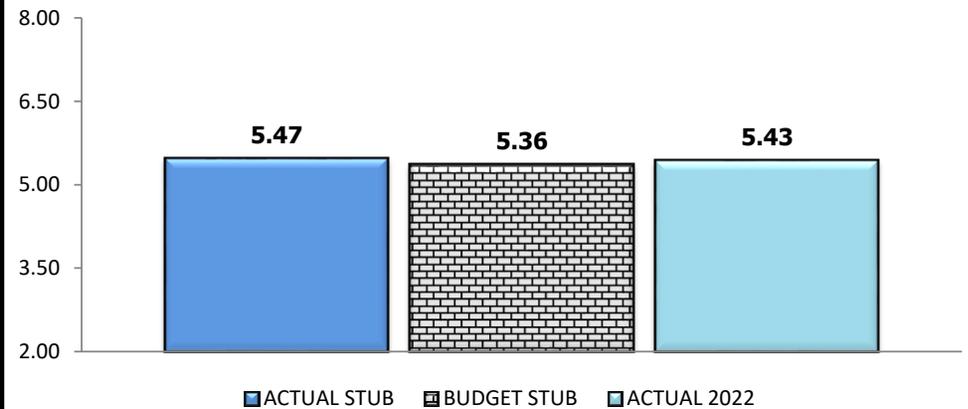
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

March FY STUB

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.832	2.001

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.832	2.001

LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.586	1.773

LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.586	1.773

