



Financial Statements

As of the Quarter Ended June 30, 2024
Subject to Audit



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Financial Highlights Review

As of the Quarter Ended June 30, 2024 and 2023

Operating income for the quarter ended June 30, 2024 was \$71.3 million compared to budgeted income of \$16.0 million.

Total quarterly net revenue for June of \$664.8 million was \$1.8 million or 0.3% less than budget. Net patient revenue and investment earnings were \$15.7 million and \$6.6 million more than budget, respectively. Medicaid Supplemental programs were \$25.7 million less than expected primarily due to timing.

Total quarterly expenses of \$593.5 million were \$57.1 million or 8.8% less than budget. Total labor costs were \$33.3 million less than budget due to lower benefit expense, primarily lower pension expense based on the recently issued actuarial report. Total services had a favorable variance of \$9.3 million driven mostly by lower non-clinical costs and medical insurance subsidy. Interest expense was \$20.2 million less than planned due to the timing of the new bond issuance shifting to FY 2025.

For the third quarter, total patient days and average daily census increased 6.8% compared to budget. Inpatient case mix index, a measure of patient acuity, was 3.0% higher than budget with length of stay 15.4% over budget. Emergency room visits were 9.7% higher than planned for the quarter. Total clinic visits, including telehealth, were 5.7% lower compared to budget. Births were 3.3% higher than budget for the quarter.

Total cash receipts for the quarter were \$384.6 million. The System has \$1,497.2 million in unrestricted cash, cash equivalents and investments, representing 239.1 days cash on hand. Harris Health System has \$154.7 million in net accounts receivable, representing 76.0 days of outstanding patient accounts receivable at June 30, 2024. The June balance sheet reflects a combined net receivable position of \$232.8 million under the various Medicaid Supplemental programs. The current portion of ad valorem taxes receivable is \$18.6 million, which is offset by ad valorem tax collections as received. Deferred ad valorem tax revenue is \$227.3 million, and is released as ad valorem tax revenue is recognized. As of June 30, 2024, \$877.4 million in ad valorem tax collections were received and \$681.8 million in current ad valorem tax revenue was recognized.

Income Statement

As of the Quarter Ended June 30, 2024 and 2023 (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	\$ 192.1	\$ 176.4	8.9%	\$ 557.9	\$ 525.9	6.1%	\$ 538.3	3.6%
Medicaid Supplemental Programs	178.4	204.1	-12.6%	506.4	612.4	-17.3%	513.0	-1.3%
Other Operating Revenue	30.7	30.1	2.2%	96.7	91.1	6.1%	91.2	6.0%
Total Operating Revenue	\$ 401.2	\$ 410.6	-2.3%	\$ 1,161.0	\$ 1,229.4	-5.6%	\$ 1,142.6	1.6%
Net Ad Valorem Taxes	225.2	224.1	0.5%	678.2	672.4	0.9%	626.3	8.3%
Net Tobacco Settlement Revenue	15.2	15.2	0.2%	15.2	15.2	0.2%	15.2	0.2%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	-	0.0%
Interest Income & Other	23.1	16.6	38.9%	58.9	49.9	18.1%	59.6	-1.2%
Total Nonoperating Revenue	\$ 263.5	\$ 255.9	3.0%	\$ 752.2	\$ 737.5	2.0%	\$ 701.1	7.3%
Total Net Revenue	\$ 664.8	\$ 666.5	-0.3%	\$ 1,913.2	\$ 1,966.8	-2.7%	\$ 1,843.7	3.8%
EXPENSE								
Salaries and Wages	\$ 235.1	\$ 239.1	1.7%	\$ 707.8	\$ 721.6	1.9%	\$ 654.2	-8.2%
Employee Benefits	59.2	88.4	33.1%	224.1	265.3	15.5%	219.5	-2.1%
Total Labor Cost	\$ 294.2	\$ 327.5	10.2%	\$ 931.9	\$ 986.9	5.6%	\$ 873.7	-6.7%
Supply Expenses	79.4	80.6	1.5%	223.6	239.5	6.7%	215.3	-3.8%
Physician Services	122.3	122.8	0.4%	339.3	346.3	2.0%	318.7	-6.5%
Purchased Services	72.1	80.9	10.9%	204.8	241.9	15.3%	184.4	-11.1%
Depreciation & Interest	25.4	38.8	34.4%	75.8	96.8	21.7%	62.8	-20.6%
Total Operating Expense	\$ 593.5	\$ 650.5	8.8%	\$ 1,775.4	\$ 1,911.3	7.1%	\$ 1,654.9	-7.3%
Operating Income (Loss)	\$ 71.3	\$ 16.0		\$ 137.8	\$ 55.5		\$ 188.8	
Total Margin %	10.7%	2.4%		7.2%	2.8%		10.2%	

Balance Sheet

HARRISHEALTH
SYSTEM

As of June 30, 2024 and 2023 (in \$ Millions)

	CURRENT YEAR	PRIOR YEAR
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,497.2	\$ 1,486.3
Net Patient Accounts Receivable	154.7	145.2
Net Ad Valorem Taxes, Current Portion	18.6	7.4
Other Current Assets	350.2	218.0
Total Current Assets	\$ 2,020.7	\$ 1,857.0
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 555.3	\$ 420.8
Construction in Progress	171.0	213.9
Right of Use Assets	38.8	43.8
Total Capital Assets	\$ 765.0	\$ 678.6
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 37.0	\$ 40.8
LPPF Restricted Cash	23.5	24.3
Capital Gift Proceeds	54.3	46.9
Other - Restricted	1.0	1.0
Total Assets Limited As to Use & Restricted Assets	\$ 115.9	\$ 113.0
Other Assets	48.1	43.0
Deferred Outflows of Resources	199.4	210.0
Total Assets & Deferred Outflows of Resources	\$ 3,149.2	\$ 2,901.5
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 227.7	\$ 210.1
Employee Compensation & Related Liabilities	150.0	133.1
Deferred Revenue - Ad Valorem	227.3	210.6
Estimated Third-Party Payor Settlements	29.1	13.1
Current Portion Long-Term Debt and Capital Leases	37.6	20.1
Total Current Liabilities	\$ 671.6	\$ 586.8
Long-Term Debt	280.9	316.9
Net Pension & Post Employment Benefits Liability	724.0	642.8
Other Long-Term Liabilities	6.7	7.6
Deferred Inflows of Resources	114.7	197.0
Total Liabilities	\$ 1,798.0	\$ 1,751.2
Total Net Assets	\$ 1,351.2	\$ 1,150.3
Total Liabilities & Net Assets	\$ 3,149.2	\$ 2,901.5

Cash Flow Summary

As of the Quarter Ended June 30, 2024 and 2023 (in \$ Millions)

	QUARTER-TO-QUARTER		YEAR-TO-DATE	
	CURRENT	PRIOR	CURRENT	PRIOR
	YEAR	YEAR	YEAR	YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 225.9	\$ 169.7	\$ 621.7	\$ 520.7
Medicaid Supplemental Programs	66.9	(0.4)	670.3	859.7
Net Ad Valorem Taxes	11.2	13.5	877.4	820.1
Tobacco Settlement	15.2	15.2	15.2	15.2
Other Revenue	65.3	73.8	192.3	181.4
Total Cash Receipts	\$ 384.6	\$ 271.8	\$ 2,377.0	\$ 2,397.1
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 325.7	\$ 308.5	\$ 995.9	\$ 976.9
Supplies	81.7	78.0	239.5	229.2
Physician Services	107.8	98.3	315.8	297.5
Purchased Services	68.5	67.0	203.6	179.8
Capital Expenditures	46.7	36.9	127.3	101.1
Debt and Interest Payments	0.8	0.8	6.7	19.8
Other Uses	(4.5)	(16.3)	3.7	(70.8)
Total Cash Disbursements	\$ 626.7	\$ 573.3	\$ 1,892.5	\$ 1,733.6
Net Change	\$ (242.1)	\$ (301.4)	\$ 484.6	\$ 663.5
Unrestricted Cash, Cash Equivalents and Investments - Beginning of year			\$ 1,012.6	
Net Change			484.6	
Unrestricted Cash, Cash Equivalents and Investments - End of period			\$ 1,497.2	

Performance Ratios

As of the Quarter Ended June 30, 2024 and 2023 (in \$ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	10.7%	2.4%	7.2%	2.8%	10.2%
Run Rate per Day (In\$ Millions)	\$ 6.3	\$ 7.0	\$ 6.2	\$ 6.8	\$ 5.9
Salary, Wages & Benefit per APD	\$ 2,203	\$ 2,615	\$ 2,352	\$ 2,627	\$ 2,344
Supply Cost per APD	\$ 594	\$ 643	\$ 564	\$ 638	\$ 578
Physician Services per APD	\$ 916	\$ 980	\$ 856	\$ 922	\$ 855
Total Expense per APD	\$ 4,443	\$ 5,195	\$ 4,481	\$ 5,088	\$ 4,440
Overtime as a % of Total Salaries	3.5%	2.9%	3.4%	2.9%	3.6%
Contract as a % of Total Salaries	3.9%	4.4%	4.3%	4.4%	5.2%
Full-time Equivalent Employees	10,420	10,192	10,362	10,189	9,920
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			3.0		3.1
Unrestricted Cash (In \$ Millions)			\$ 1,497.2	\$ 1,076.4	\$ 1,486.3
Days Cash on Hand			239.1	158.2	252.2
Days Revenue in Accounts Receivable			76.0	87.4	73.7
Days in Accounts Payable			46.3		48.3
Capital Expenditures/Depreciation & Amortization			195.5%		187.0%
Average Age of Plant(years)			10.3		11.8

Harris Health System

Key Indicators



Statistical Highlights

As of the Quarter Ended June 30, 2024 and 2023

	QUARTER-TO-DATE			YEAR-TO-DATE				
	CURRENT QUARTER	CURRENT BUDGET	PERCENT CHANGE	CURRENT YEAR	CURRENT BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Adjusted Patient Days	133,587	122,194	9.3%	396,246	372,636	6.3%	373,151	6.2%
Outpatient % of Adjusted Volume	63.0%	61.3%	2.8%	62.5%	60.9%	2.6%	60.7%	3.0%
Primary Care Clinic Visits	128,862	138,482	-6.9%	393,366	407,707	-3.5%	394,671	-0.3%
Specialty Clinic Visits	63,434	62,989	0.7%	183,993	182,048	1.1%	184,215	-0.1%
Telehealth Clinic Visits	27,449	31,532	-12.9%	85,007	98,015	-13.3%	97,226	-12.6%
Total Clinic Visits	219,745	233,003	-5.7%	662,366	687,770	-3.7%	676,112	-2.0%
Emergency Room Visits - Outpatient	37,492	33,861	10.7%	106,313	98,622	7.8%	98,389	8.1%
Emergency Room Visits - Admitted	5,265	5,129	2.7%	16,154	15,000	7.7%	16,466	-1.9%
Total Emergency Room Visits	42,757	38,990	9.7%	122,467	113,622	7.8%	114,855	6.6%
Surgery Cases - Outpatient	2,941	2,910	1.1%	8,570	8,090	5.9%	8,398	2.0%
Surgery Cases - Inpatient	2,838	2,598	9.2%	7,631	7,756	-1.6%	7,153	6.7%
Total Surgery Cases	5,779	5,508	4.9%	16,201	15,846	2.2%	15,551	4.2%
Total Outpatient Visits	377,204	382,405	-1.4%	1,107,118	1,122,365	-1.4%	1,113,723	-0.6%
Inpatient Cases (Discharges)	7,310	8,071	-9.4%	22,885	23,936	-4.4%	23,493	-2.6%
Outpatient Observation Cases	3,012	2,855	5.5%	8,687	8,337	4.2%	7,398	17.4%
Total Cases Occupying Patient Beds	10,322	10,926	-5.5%	31,572	32,273	-2.2%	30,891	2.2%
Births	1,269	1,229	3.3%	3,847	3,960	-2.9%	4,001	-3.8%
Inpatient Days	49,453	47,310	4.5%	148,549	145,593	2.0%	146,641	1.3%
Outpatient Observation Days	10,364	8,688	19.3%	29,685	24,224	22.5%	23,634	25.6%
Total Patient Days	59,817	55,998	6.8%	178,234	169,817	5.0%	170,275	4.7%
Average Daily Census	657.3	615.4	6.8%	650.5	619.8	5.0%	623.7	4.3%
Average Operating Beds	710	702	1.1%	702	702	0.0%	683	2.8%
Bed Occupancy %	92.6%	87.7%	5.6%	92.7%	88.3%	5.0%	91.3%	1.5%
Inpatient Average Length of Stay	6.77	5.86	15.4%	6.49	6.08	6.7%	6.24	4.0%
Inpatient Case Mix Index (CMI)	1.744	1.694	3.0%	1.705	1.694	0.6%	1.708	-0.2%
Payor Mix (% of Charges)								
Charity & Self Pay	43.7%	44.3%	-1.4%	43.6%	44.3%	-1.4%	44.1%	-1.0%
Medicaid & Medicaid Managed	18.6%	22.7%	-17.8%	19.3%	22.7%	-14.7%	23.2%	-16.7%
Medicare & Medicare Managed	11.1%	11.4%	-2.8%	11.6%	11.4%	1.6%	11.6%	0.3%
Commercial & Other	26.6%	21.7%	22.9%	25.5%	21.7%	17.5%	21.2%	20.1%
Total Unduplicated Patients - Rolling 12				247,386			248,628	-0.5%
Total New Patient - Rolling 12				89,510			87,459	2.3%

Harris Health System

Statistical Highlights

As of the Quarter Ended June 30, 2024

Cases Occupying Beds - Q3

Actual	Budget	Prior Year
10,322	10,926	10,133

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
31,572	32,273	30,891

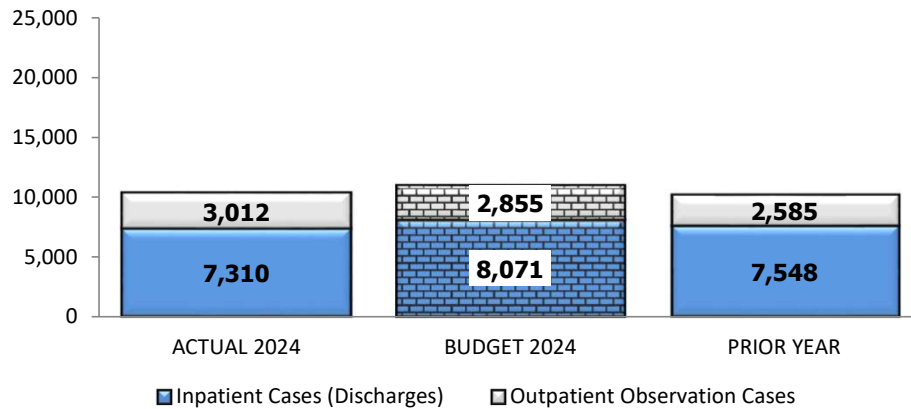
Emergency Visits - Q3

Actual	Budget	Prior Year
42,757	38,990	38,955

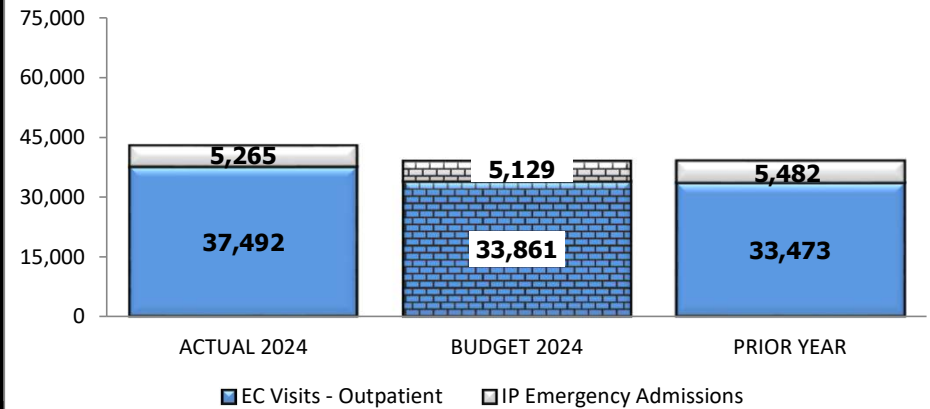
Emergency Visits - YTD

Actual	Budget	Prior Year
122,467	113,622	114,855

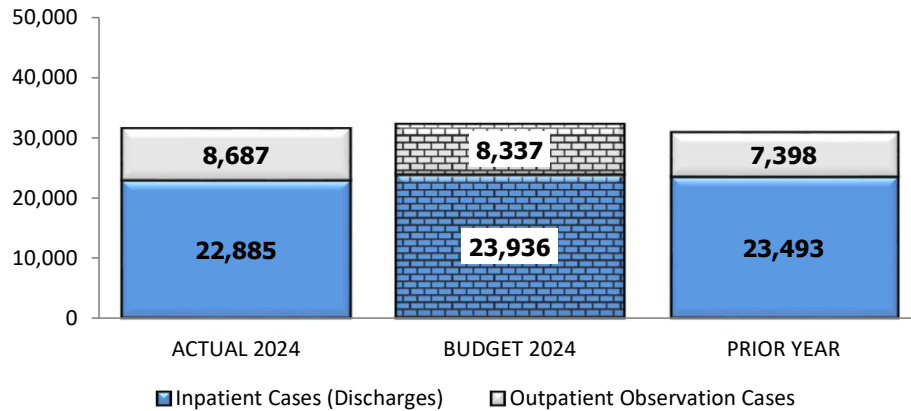
Cases Occupying Beds - Quarter End



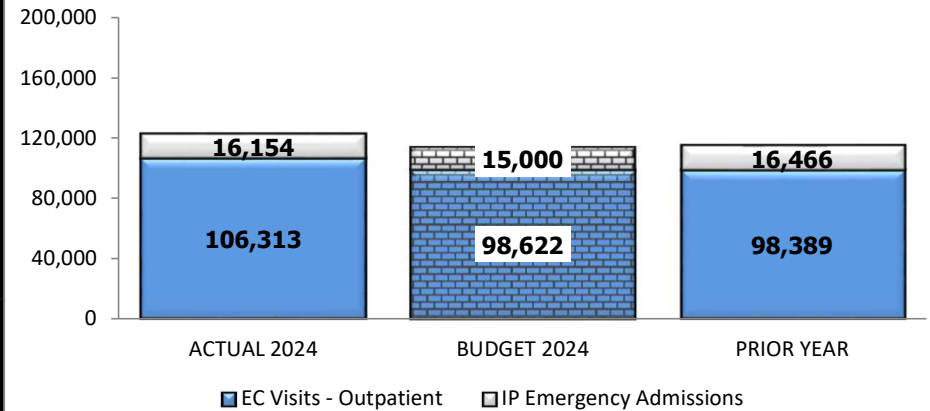
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended June 30, 2024

Surgery Cases - Q3

Actual	Budget	Prior Year
5,779	5,508	5,224

Surgery Cases - YTD

Actual	Budget	Prior Year
16,201	15,846	15,551

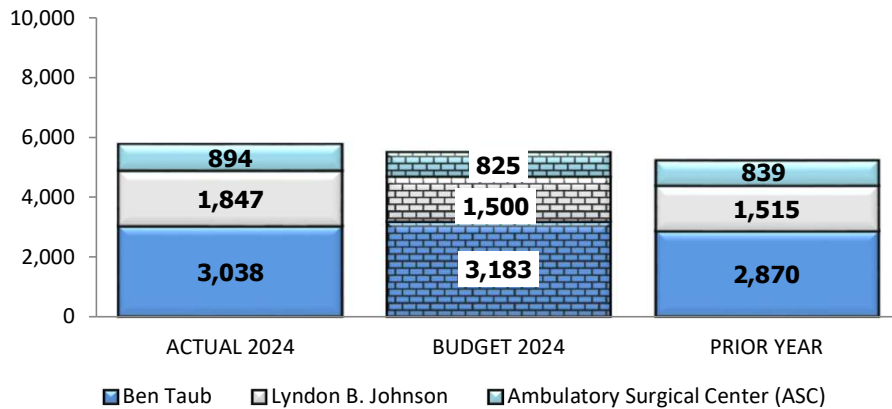
Clinic Visits - Q3

Actual	Budget	Prior Year
219,745	233,003	222,802

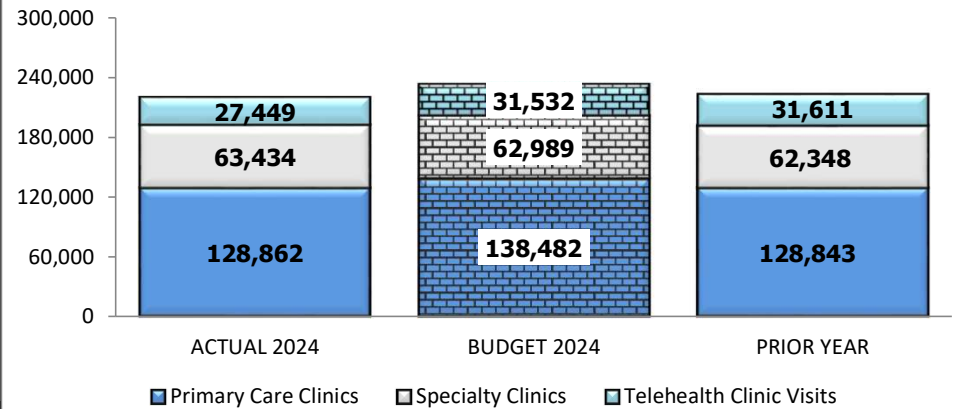
Clinic Visits - YTD

Actual	Budget	Prior Year
662,366	687,770	676,111

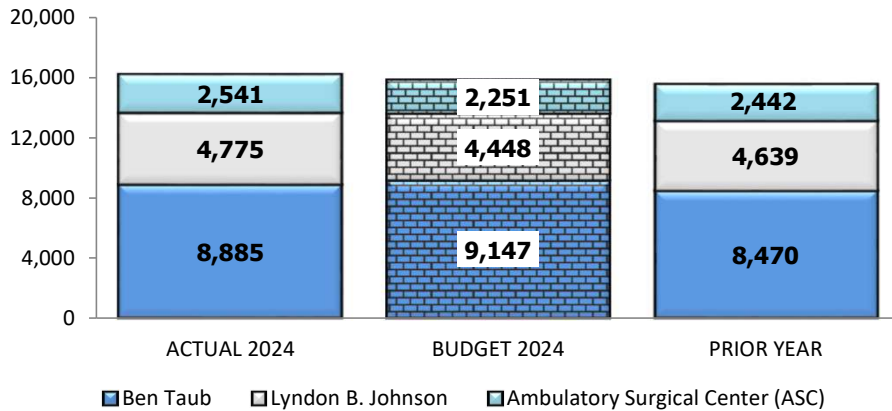
Surgery Cases - Quarter End



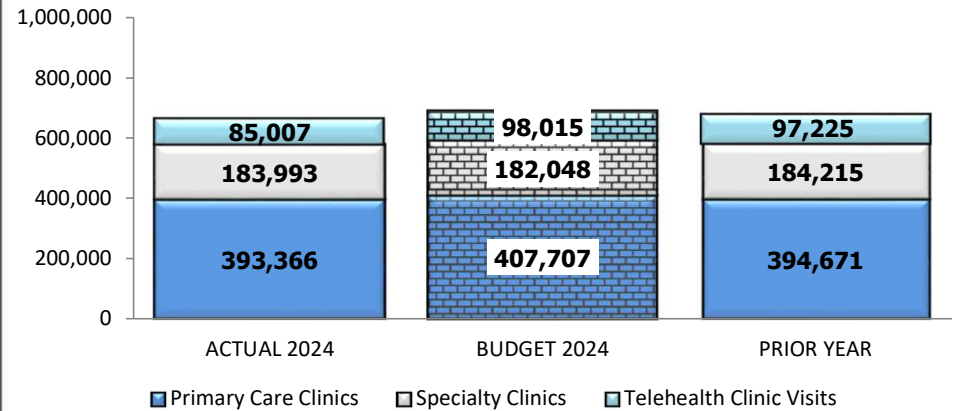
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended June 30, 2024

Adjusted Patient Days - Q3

133,587

Adjusted Patient Days - YTD

396,246

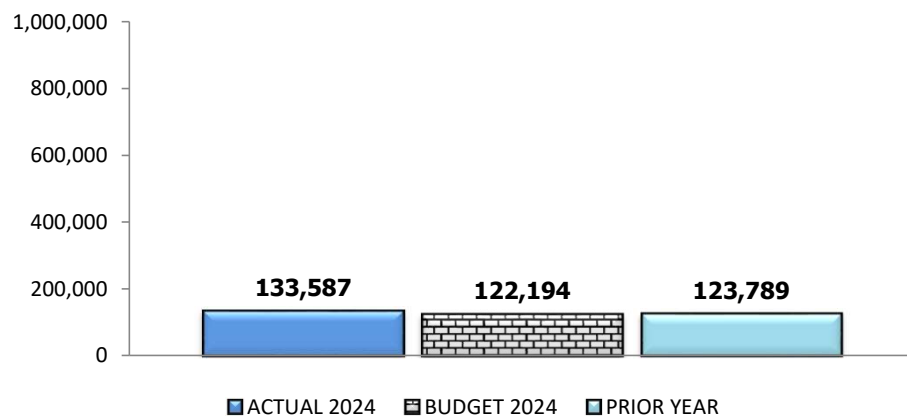
Average Daily Census - Q3

657.3

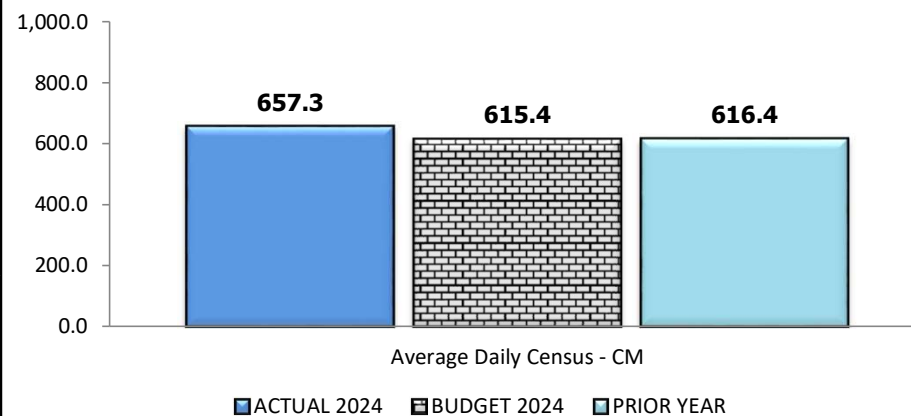
Average Daily Census - YTD

650.5

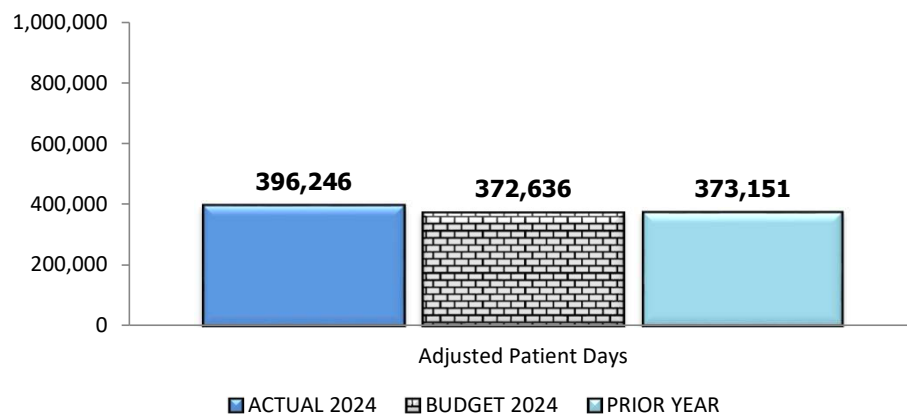
Adjusted Patient Days - Quarter End



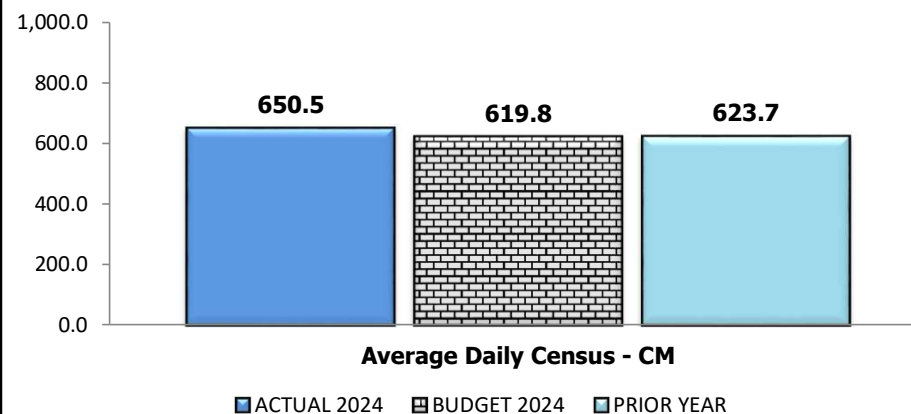
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

As of the Quarter Ended June 30, 2024

Inpatient ALOS - Q3

6.77

Inpatient ALOS - YTD

6.48

Case Mix Index - Q3

Overall

1.744

Excl. Obstetrics

1.923

Case Mix Index (CMI) - YTD

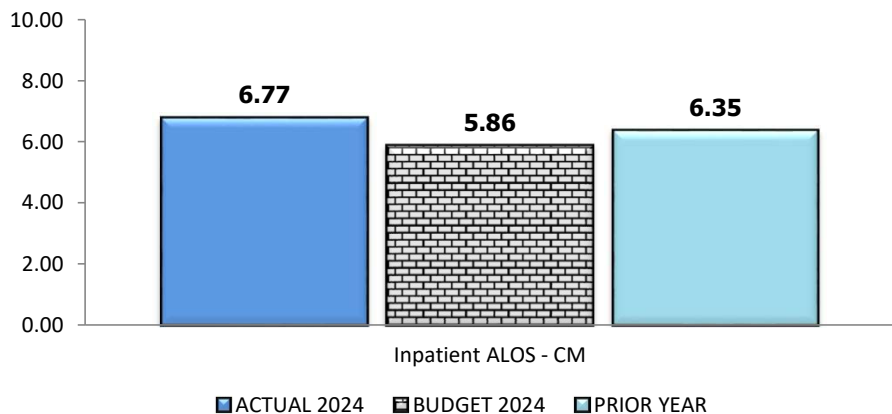
Overall

1.705

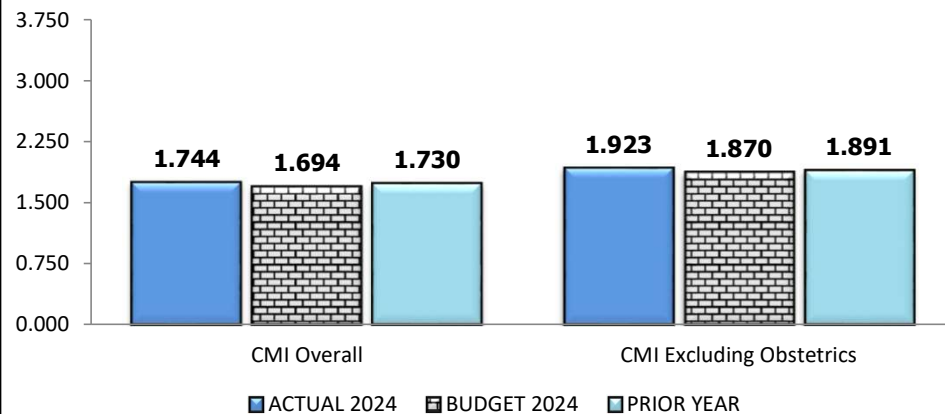
Excl. Obstetrics

1.879

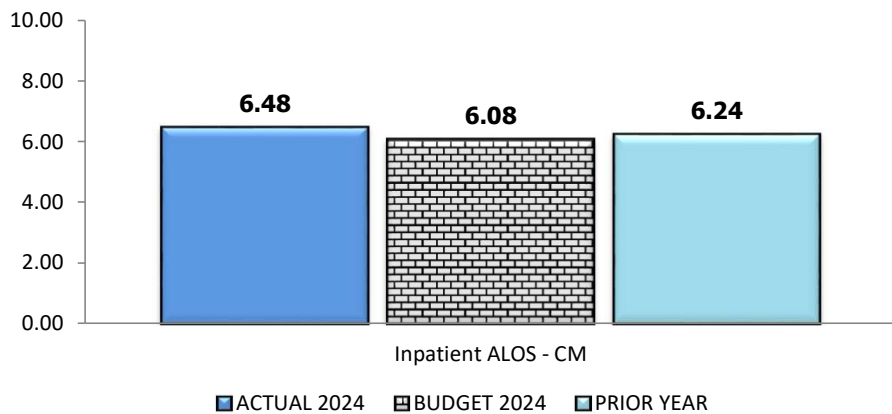
Inpatient ALOS - Quarter End



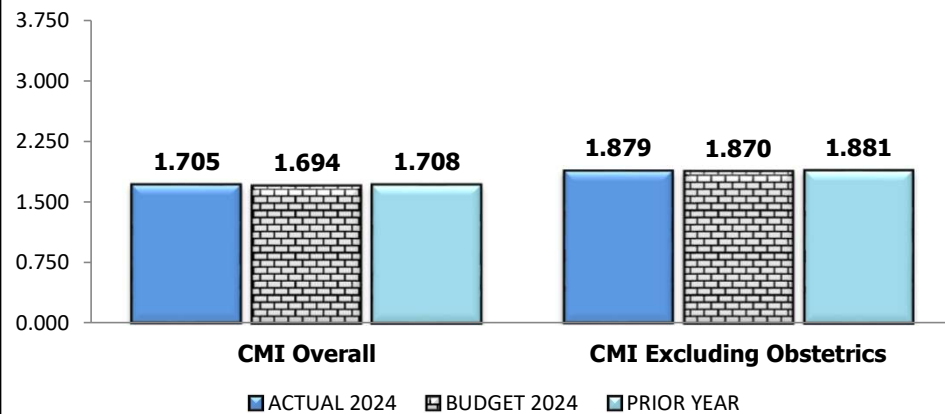
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

As of the Quarter Ended June 30, 2024

BT Cases Occupying Beds - Q3

Actual	Budget	Prior Year
6,124	6,532	6,060

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
18,751	19,370	18,369

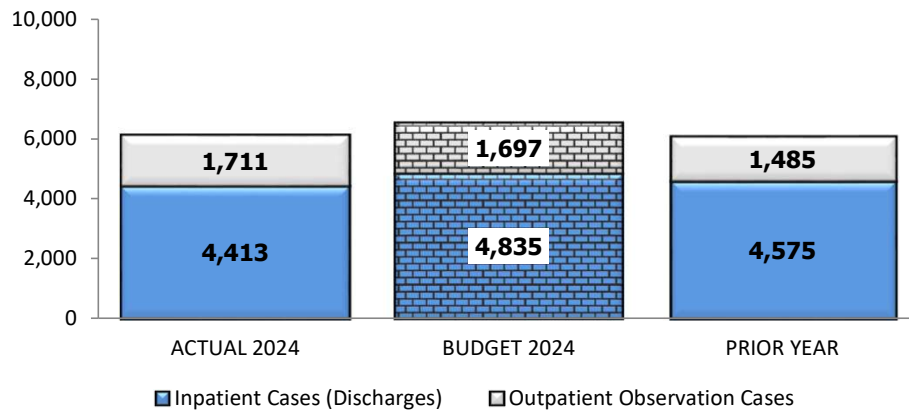
LBJ Cases Occupying Beds - Q3

Actual	Budget	Prior Year
4,187	4,394	4,073

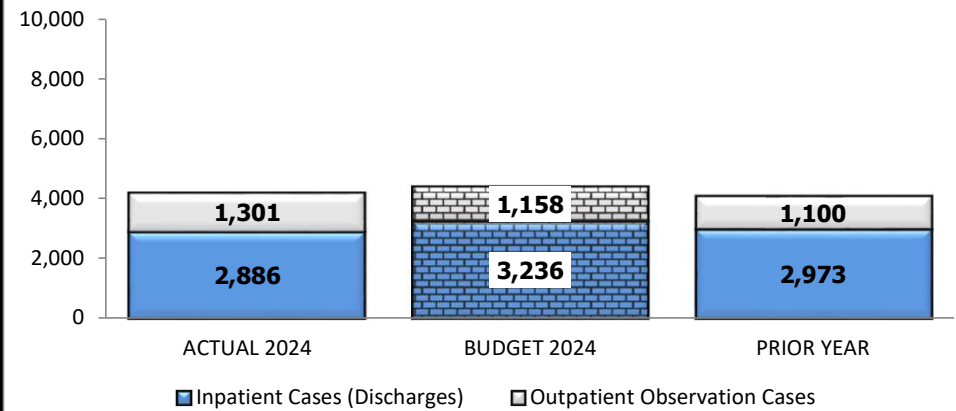
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
12,806	12,903	12,522

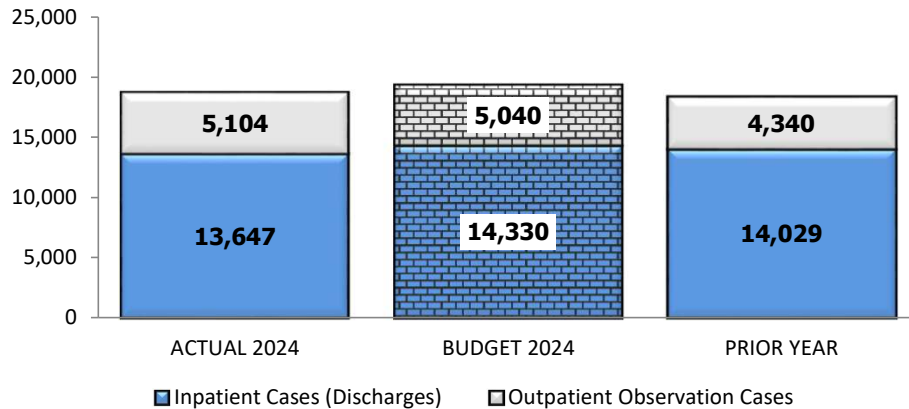
Ben Taub Cases - Quarter End



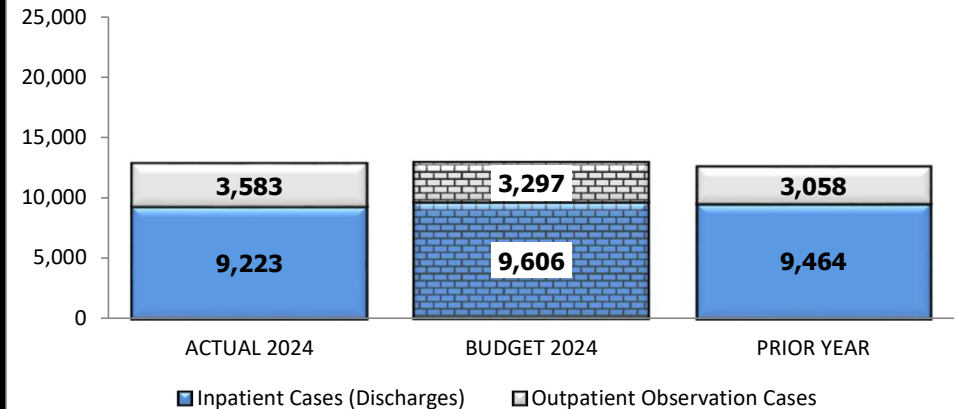
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

As of the Quarter Ended June 30, 2024

BT Surgery Cases - Q3

Actual	Budget	Prior Year
3,038	3,183	2,870

BT Surgery Cases - YTD

Actual	Budget	Prior Year
8,885	9,147	8,470

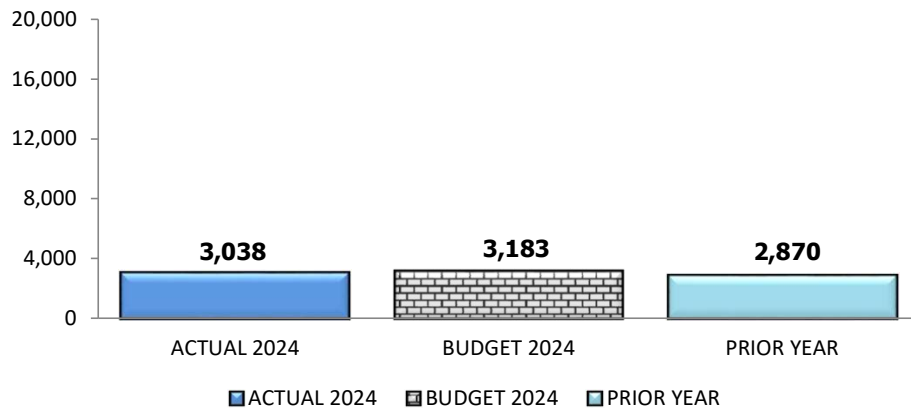
LBJ Surgery Cases - Q3

Actual	Budget	Prior Year
2,741	2,325	2,354

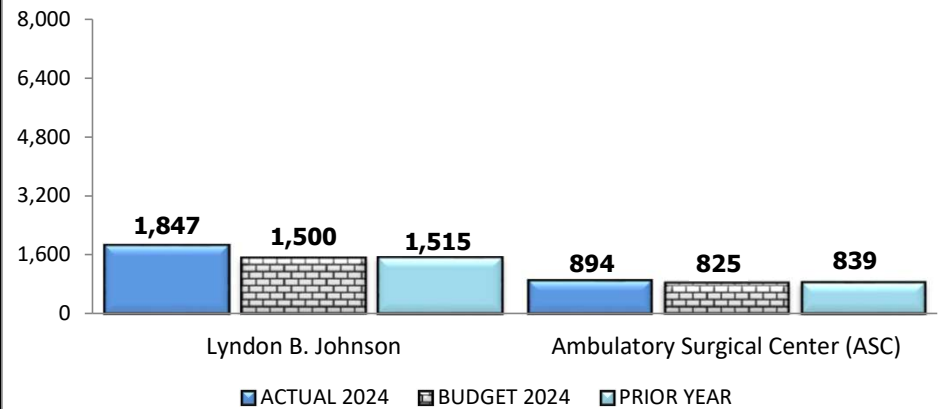
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
7,316	6,699	7,081

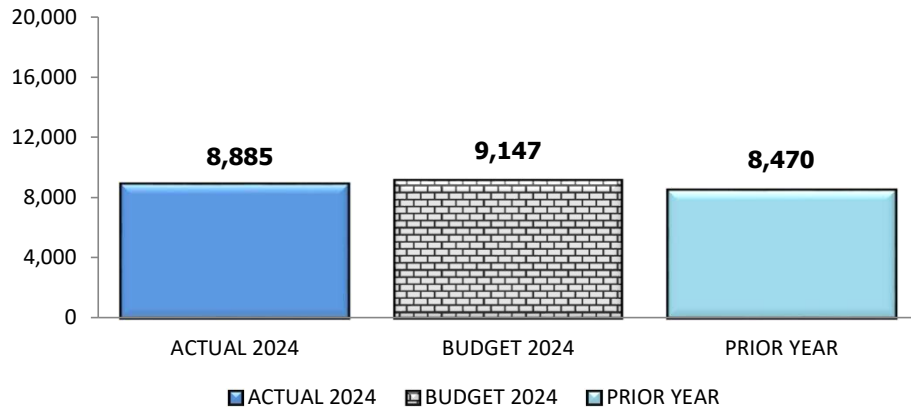
Ben Taub OR Cases - Quarter End



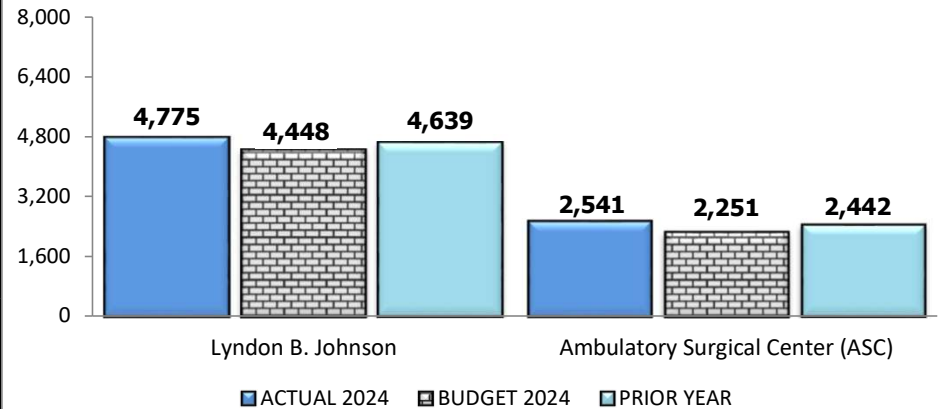
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended June 30, 2024

BT Emergency Visits - Q3

Actual	Budget	Prior Year
21,331	18,827	19,358

BT Emergency Visits - YTD

Actual	Budget	Prior Year
62,391	55,265	56,053

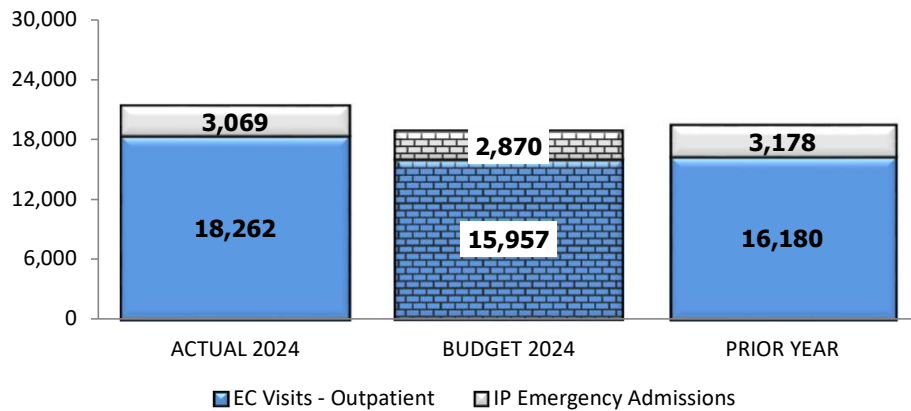
LBJ Emergency Visits - Q3

Actual	Budget	Prior Year
21,426	20,163	19,597

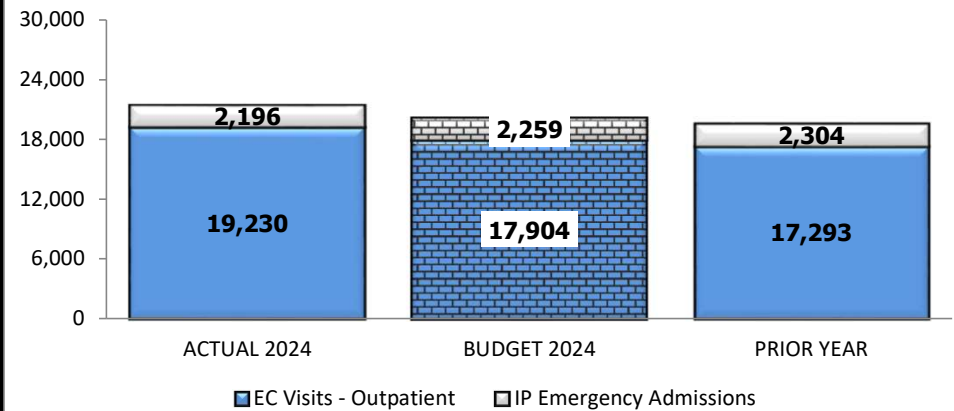
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
60,076	58,357	58,802

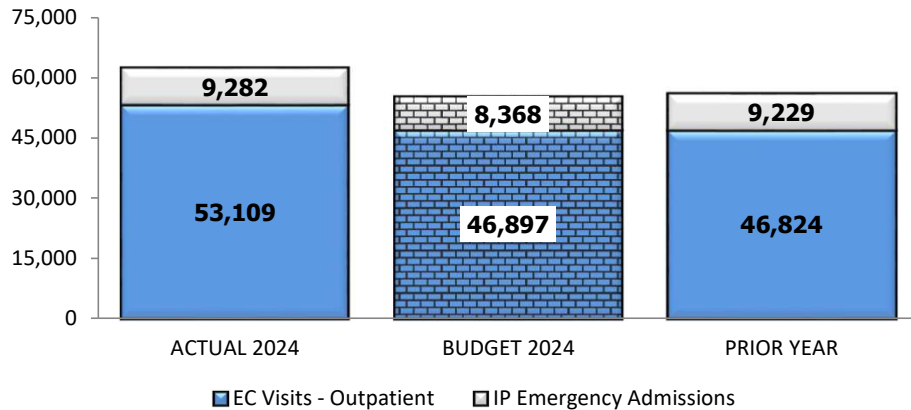
Ben Taub EC Visits - Quarter End



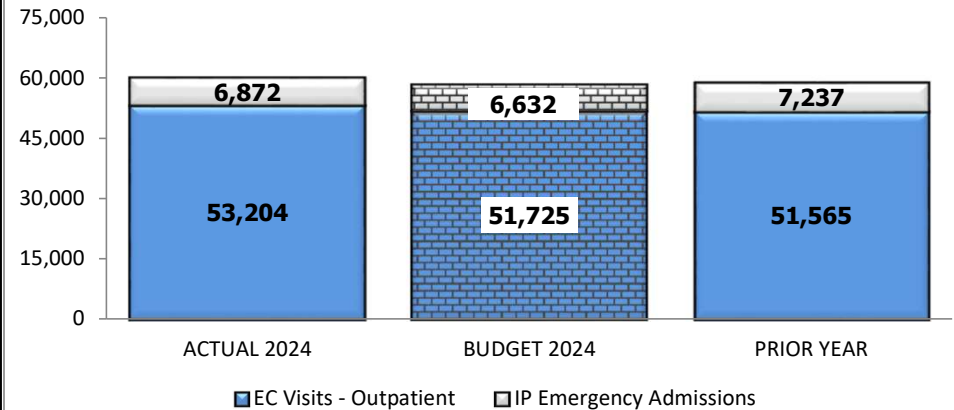
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

As of the Quarter Ended June 30, 2024

BT Births - Q3

Actual	Budget	Prior Year
685	723	706

BT Births - YTD

Actual	Budget	Prior Year
2,106	2,331	2,369

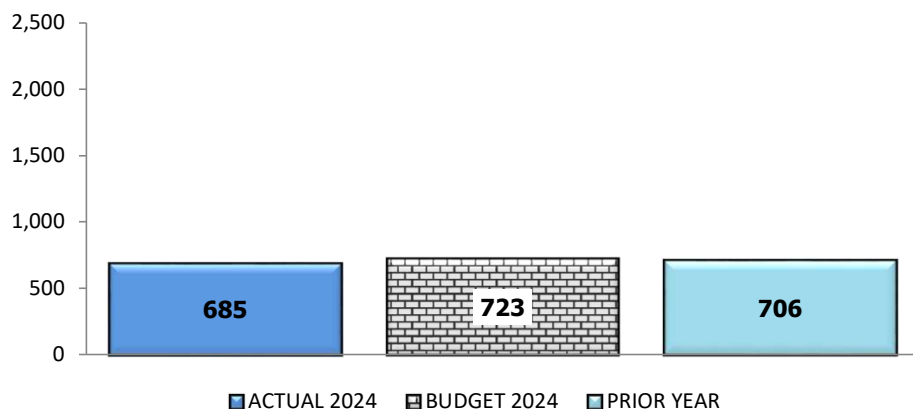
LBJ Births - Q3

Actual	Budget	Prior Year
584	506	494

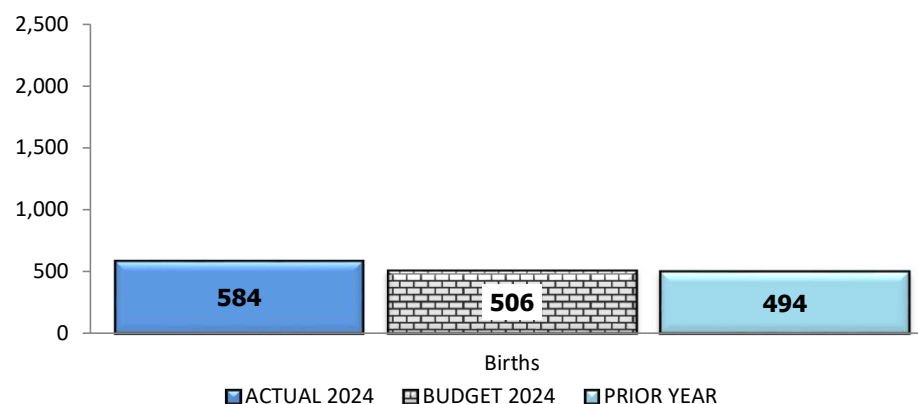
LBJ Births - YTD

Actual	Budget	Prior Year
1,741	1,629	1,632

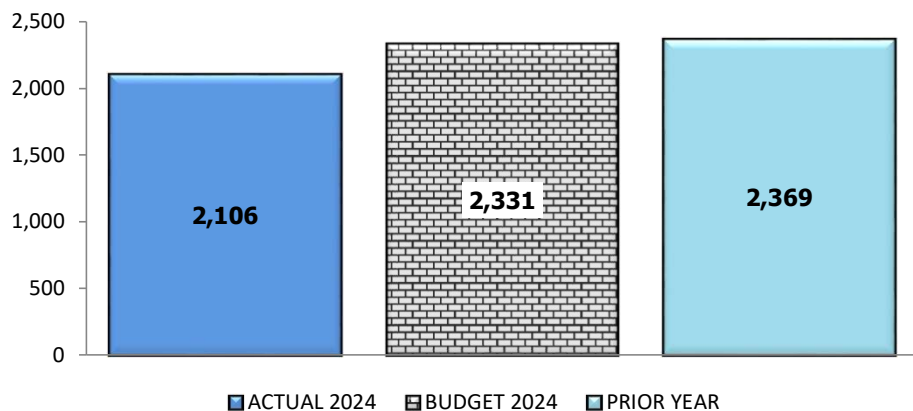
Ben Taub Births - Quarter End



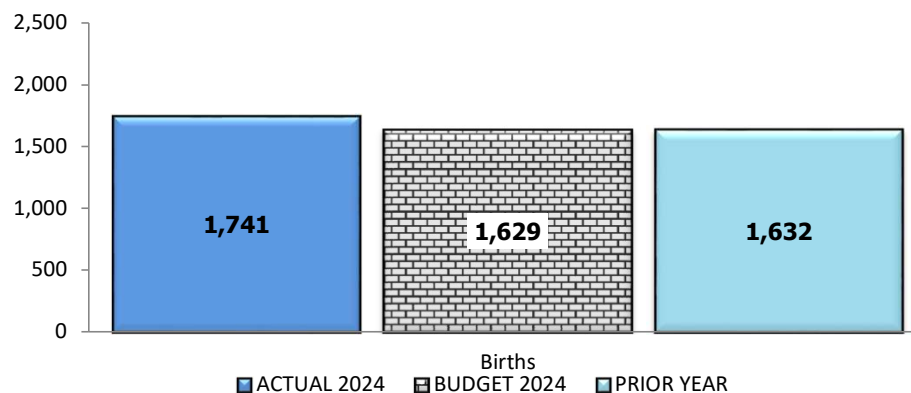
Lyndon B. Johnson Births - Quarter End



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

As of the Quarter Ended June 30, 2024

BT Adjusted Patient Days - Q3

66,487

BT Adjusted Patient Days - YTD

197,292

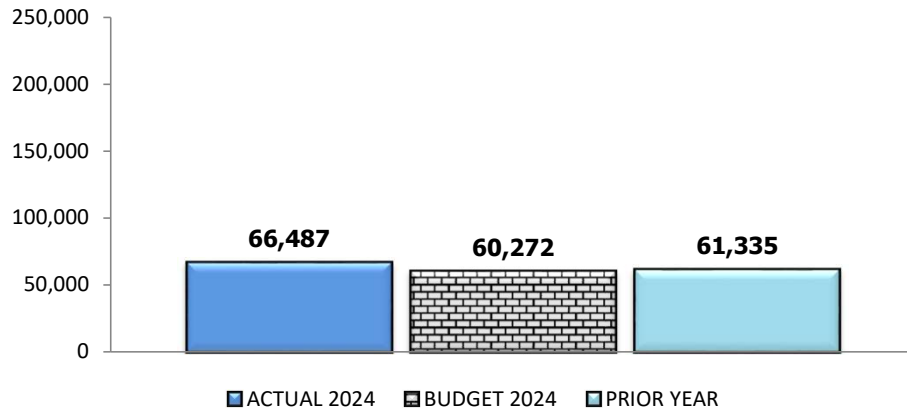
LBJ Adjusted Patient Days - Q3

40,293

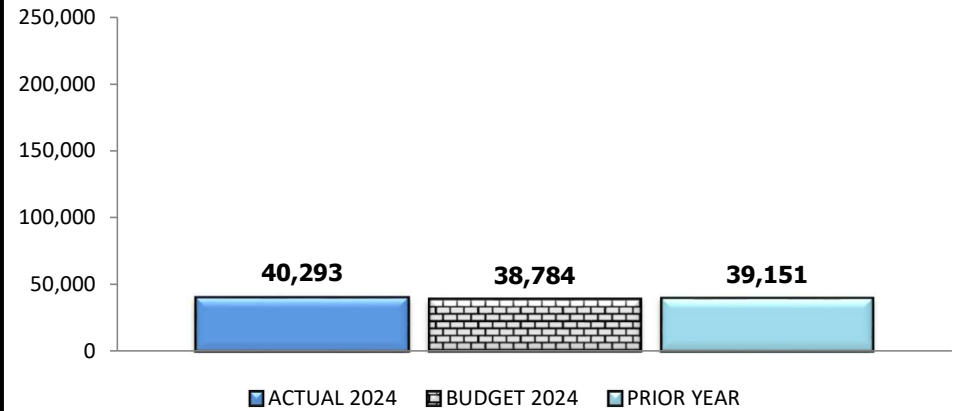
LBJ Adjusted Patient Days - YTD

119,754

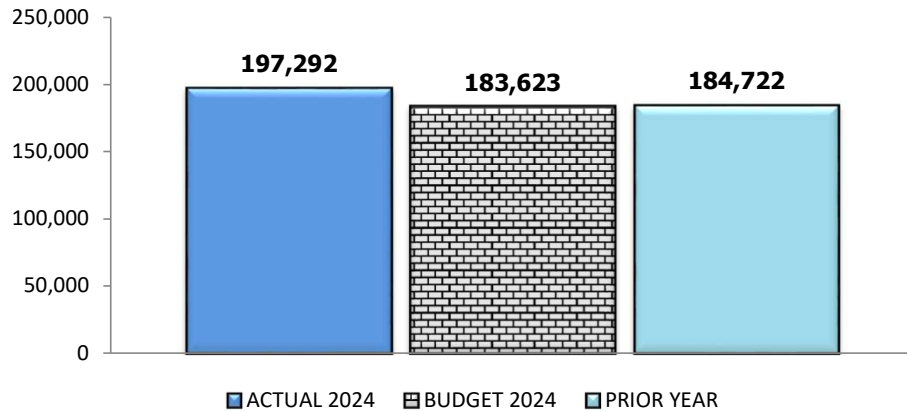
Ben Taub APD - Quarter End



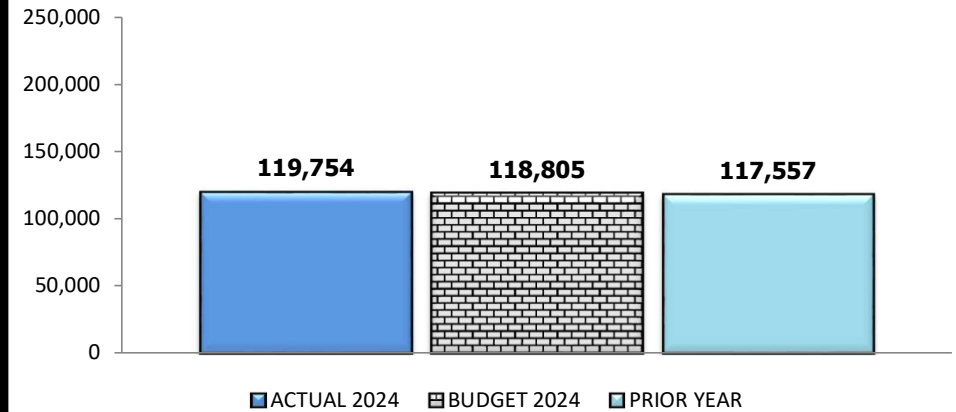
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

As of the Quarter Ended June 30, 2024

BT Average Daily Census - Q3

427.9

BT Average Daily Census - YTD

423.8

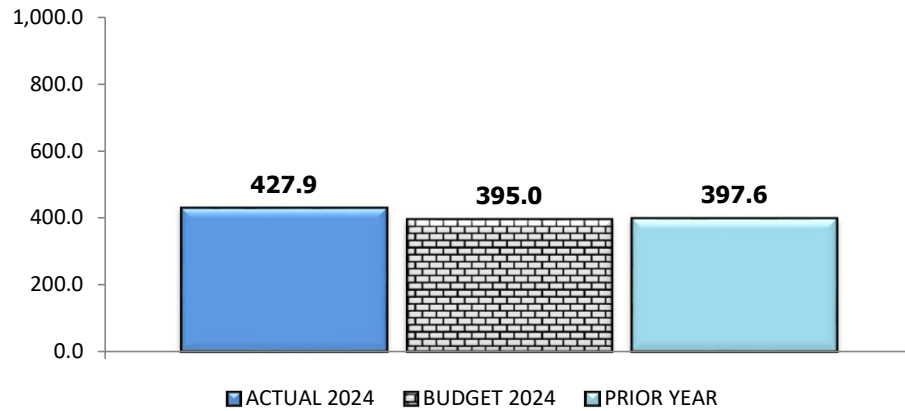
LBJ Average Daily Census - YTD

228.9

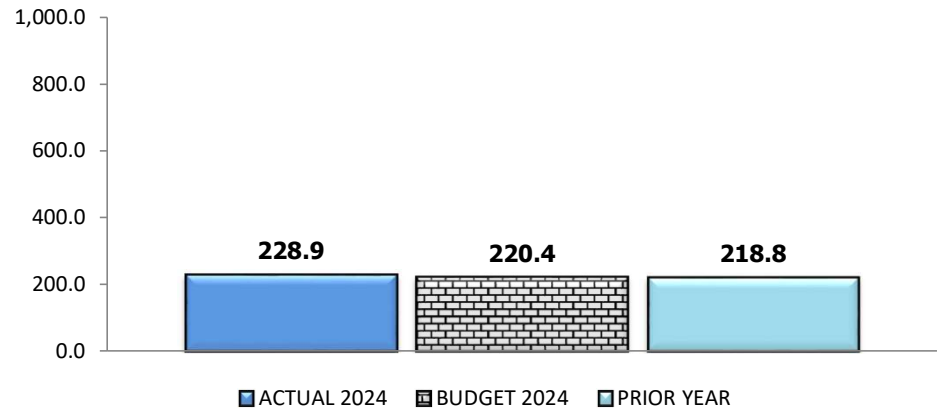
LBJ Average Daily Census - YTD

226.5

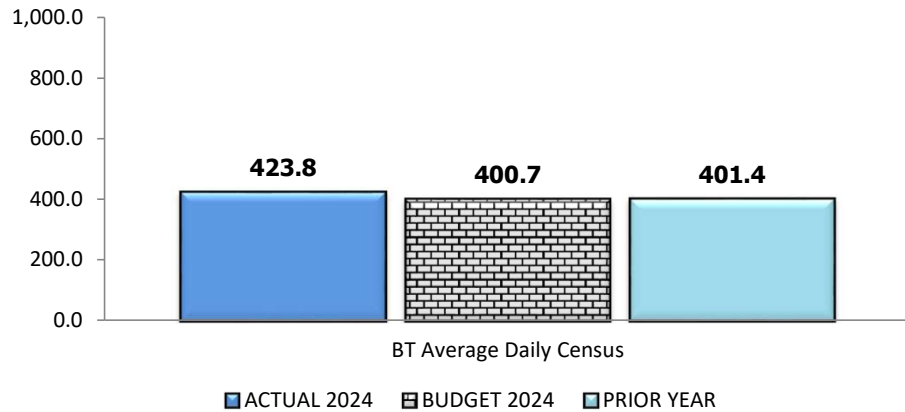
Ben Taub ADC - Quarter End



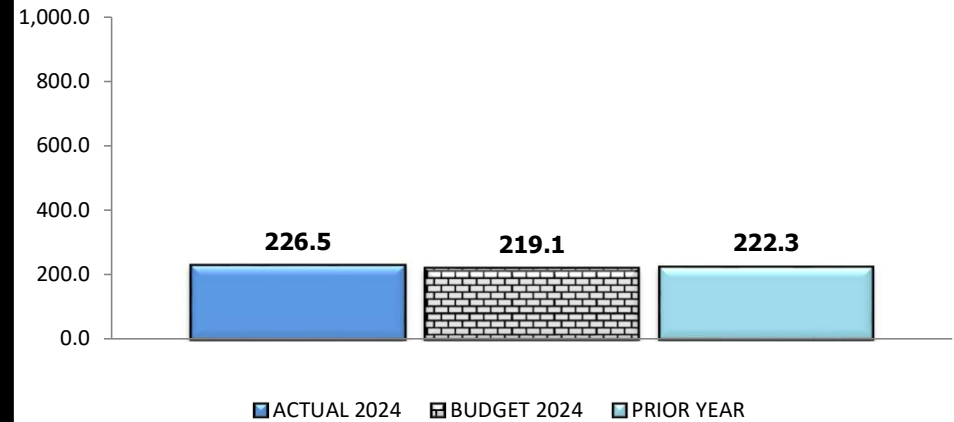
Lyndon B. Johnson ADC - Quarter End



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 June 30, 2024

BT Inpatient ALOS - Q3

7.37

BT Inpatient ALOS - YTD

7.11

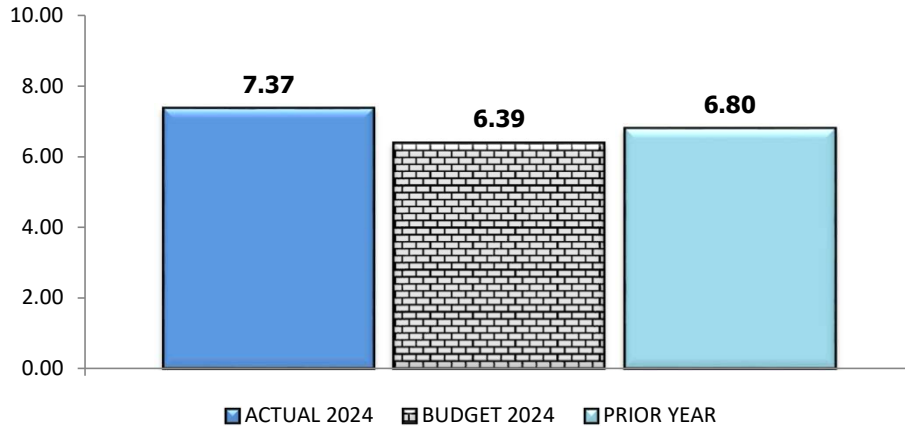
LBJ Inpatient ALOS - Q3

5.84

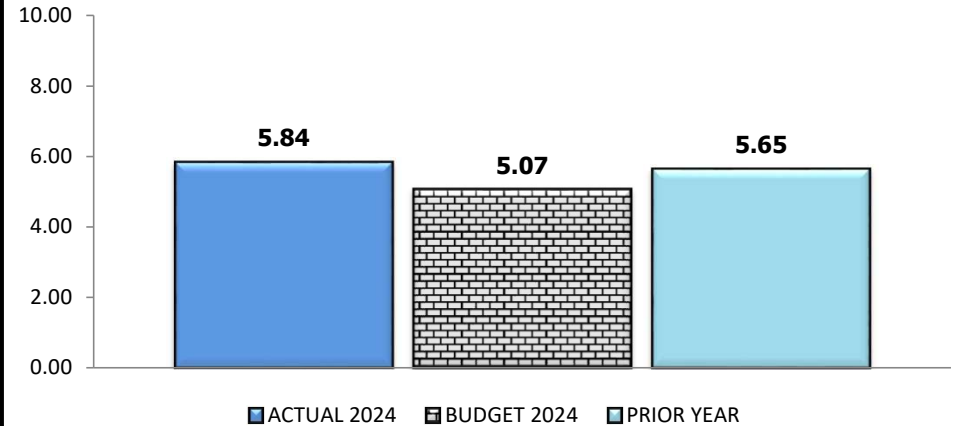
LBJ Inpatient ALOS - YTD

5.58

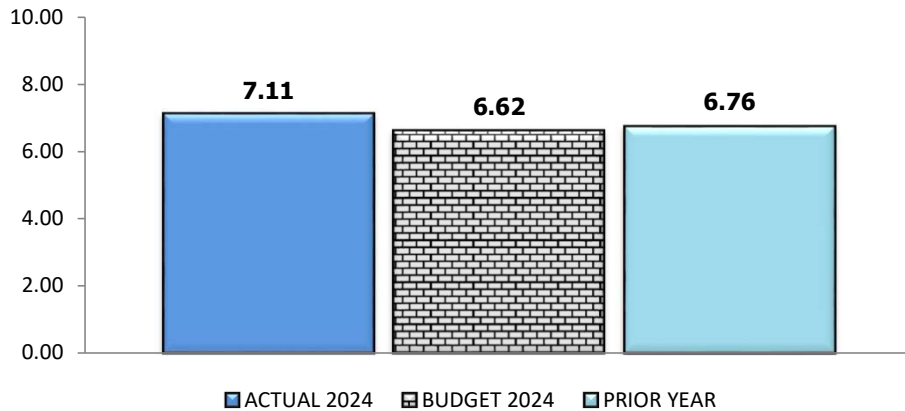
Ben Taub ALOS - Quarter End



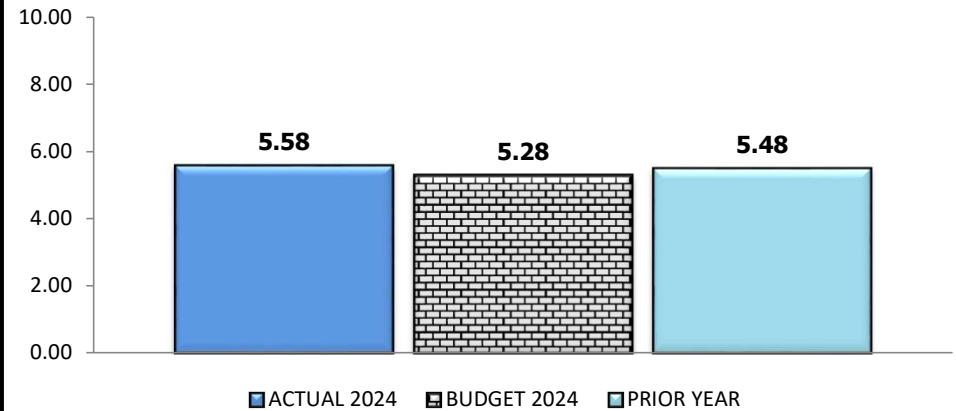
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

As of the Quarter Ended June 30, 2024

BT Case Mix Index (CMI) - Q3

Overall	Excl. Obstetrics
1.853	2.022

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.817	1.994

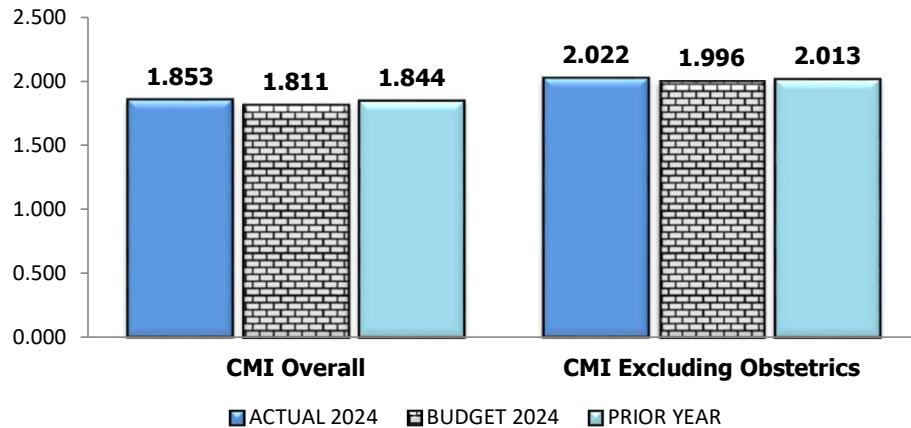
LBJ Case Mix Index (CMI) - Q3

Overall	Excl. Obstetrics
1.577	1.761

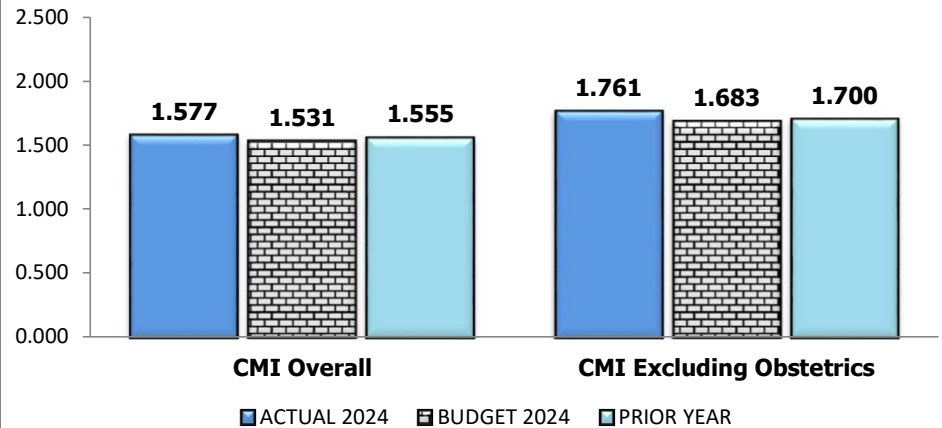
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.540	1.703

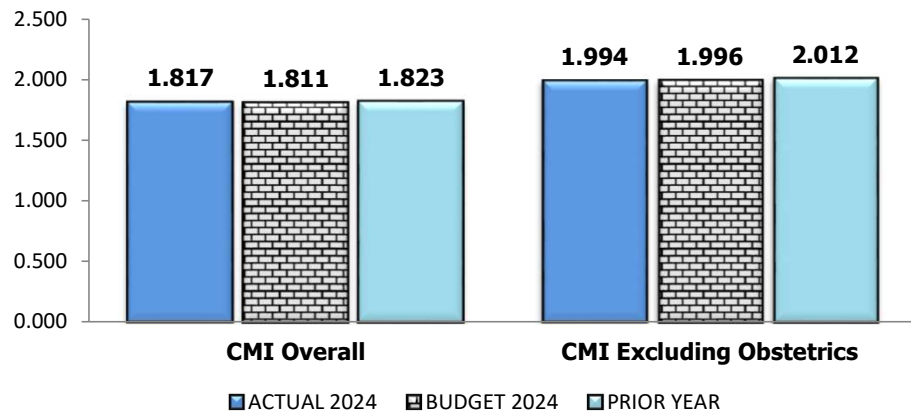
Ben Taub CMI - Quarter End



Lyndon B. Johnson CMI - Quarter End



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

