HARRISHEALTH

BOARD OF TRUSTEES
Budget and Finance Committee

Wednesday, November 11, 2026 I 11:30 AM
(or immediately following the Special Call Board Meeting)
4800 Fournace Place, Bellaire, Texas 77401 I 1st Floor Board Room

*Notice: The meeting may be viewed online at: **http://harrishealthtx.swagit.com/live**, and some Board Members may participate by videoconference.*

Mission

Harris Health is a public, integrated health system dedicated to improving the health of our communities by delivering high-quality, person-centered care in collaboration with community and academic partners.

AGENDA

I.	**Call to Order and Record of Attendance**	**Ms. Ingrid Robinson**	**1 min**
II.	**Approval of the Minutes of Previous Meeting**	**Ms. Ingrid Robinson**	**1 min**
	• Budget and Finance Committee Meeting – May 28, 2026		
III.	**Financial Matters**	**Ms. Ingrid Robinson**	**15 min**
	A. Consideration of Acceptance of the Harris Health Fourth Quarter Fiscal Year 2026 Investment Report – ***Ms. Victoria Nikitin***		*(5 min)*
	B. Consideration of Acceptance of the Harris Health Third Quarter Calendar Year 2026 Pension Plan Report – ***Ms. Victoria Nikitin***		*(5 min)*
	C. Consideration of Acceptance of the Harris Health September 2026 Quarterly Financial Report Subject to Audit – ***Ms. Victoria Nikitin***		*(5 min)*
IV.	**Executive Session**	**Ms. Ingrid Robinson**	**10 min**
	A. Discussion Regarding ACA Marketplace Plan Matters and Calendar Year 2027 Subsidy Payments, Pursuant to Tex. Gov't Code Ann. §551.071, 551.085, Including Consideration of Approval of Subsidy Payments to Community Health Choice, Inc. for the Health Insurance Marketplace Non-Federal Premium Payments for Eligible Harris Health Patients for Calendar Year 2027 Upon Return to Open Session – ***Ms. Pollie Martinez***		
V.	**Reconvene**	**Ms. Ingrid Robinson**	**2 min**
VI.	**Adjournment**	**Ms. Ingrid Robinson**	**1 min**

HARRISHEALTH

HARRIS HEALTH
MINUTES OF THE BOARD OF TRUSTEES
BUDGET & FINANCE COMMITTEE MEETING
Thursday, May 28, 2026 at 9:00 AM

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
I. Call to Order and Record of Attendance	Ms. Ingrid Robinson, Presiding Officer, called the meeting to order at 9:11 a.m. It was noted that a quorum was present, and the attendance was recorded. The meeting may be viewed online through the Harris Health website: http://harrishealthtx.swagit.com/live.	
II. Approval of the Minutes of Previous Meeting • Budget and Finance Committee Meeting – February 28, 2026		**Moved by Ms. Carol Paret, seconded by Ms. Ingrid Robinson, and unanimously approved the minutes of the February 28, 2026, meeting.**
III. Financial Matters		
A. Consideration of Acceptance of the Harris Health Second Quarter Fiscal Year 2026 Investment Report	Mr. Jay Camp, Director, Assistant Controller, presented the Harris Health Second Quarter Fiscal Year 2026 Investment Report. He reviewed the requirements of the Texas Public Funds Investment Act and discussed Harris Health's investment strategy, emphasizing preservation of capital, maintenance of liquidity, and prudent investment management. Mr. Camp reported that the market value of the investment portfolio increased to approximately $2.3 billion, largely attributable to the collection of ad valorem tax revenues during the first quarter. He also discussed restricted funds related to the Strategic Capital Plan bond program and noted expected fluctuations associated with future bond issuances. Additionally, Mr. Camp reported that investment returns declined slightly during the quarter due to geopolitical market conditions. He explained that the portfolio's short-term maturity structure allows Harris Health to remain flexible and adjust investment strategies as market conditions change. Leadership continues to evaluate opportunities to invest available funds in longer-term maturities to capture higher yields while maintaining appropriate liquidity. A copy of the Second Quarter Fiscal Year 2026 Investment Report is available in the permanent record.	**Moved by Ms. Carol Paret, seconded by Ms. Ingrid Robinson, and unanimously accepted that the Committee recommends that the Board approve item III.A. Motion carried.**

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATIONS
B. Consideration of Acceptance of the Harris Health First Quarter Calendar Year 2026 Pension Plan Report	Mr. Camp presented the Harris Health First Quarter Calendar Year 2026 Pension Plan Report. He explained that the pension plan is not governed by the Texas Public Funds Investment Act and therefore utilizes a broader investment strategy with greater exposure to market-based investments. Mr. Camp reported that the pension plan's funded status improved significantly from approximately 86% at December 31, 2024, to approximately 97% based on the most recent actuarial valuation. He attributed the improvement primarily to additional employer contributions and favorable market performance. Mr. Camp further noted that recent market conditions resulted in a decrease of approximately $24 million in pension plan market value during the first quarter, reducing the funded ratio to approximately 96%. He advised that the funded percentage would continue to fluctuate based on market performance and future actuarial assumptions. Committee members discussed the pension funding strategy, target funding levels, employer contributions above actuarially required minimums, and the impact of pension liabilities on Harris Health's long-term financial position and credit profile. Dr. Esmaeil Porsa, President and Chief Executive Officer, and Mr. Camp explained that maintaining a strong funded status helps mitigate future financial risk and supports favorable credit ratings. A copy of the First Quarter Calendar Year 2026 Pension Plan Report is available in the permanent record.	**Moved by Ms. Sima Ladjevardian, seconded by Mr. Paul Puente, and unanimously accepted that the Committee recommends that the Board approve item III.B. Motion carried.**
IV. Information Only		
	A. Annual Interest Rate Management Agreement Disclosure	**No action taken. Information only.**
	B. 2025 Annual Report of the 401k and 457b Administrative Committee Activities	**No action taken. Information only.**
	C. 2025 Annual Report of the Pension and Disability Committee Activities	**No action taken. Information only.**

V. Executive Session		
A. Review of the Community Health Choice, Inc. and Community Health Choice Texas, Inc. Financial Performance for the Four Months Ending April 30, 2026, Pursuant to Tex. Gov't Code Ann. §551.085		**No action taken.**
VI. Reconvene	At 9:26 A.M., Ms. Ingrid Robinson reconvened the meeting in open session, confirmed a quorum, and noted that no action was taken in Executive Session.	
VII. Adjournment	There being no further business and without objection from the Members of the Committee, the meeting adjourned at 9:33 A.M.	

I certify that the foregoing are the Minutes of the Meeting of the Budget and Finance Committee of the Board of Trustees of the Harris Health held on May 28, 2026.

Respectfully submitted,

Ingrid Robinson, MBA, Committee Chair

Recorded by Cherry A. Joseph, MBA

HARRISHEALTH

Board of Trustees
Budget & Finance Committee I Thursday, May 28, 2026
ATTENDANCE RECORD

PRESENT BOARD COMMITTEE MEMBERS	ABSENT BOARD COMMITTEE MEMBERS	OTHER PRESENT BOARD MEMBERS
Carol Paret, BS	Paul Puente	
Ingrid Robinson, MBA *(Chair)*	Sima Ladjevardian, JD (*Vice Chair)*	

PRESENT EXECUTIVE LEADERSHIP, STAFF & GUESTS	
Alexander Barrie	Dr. Jennifer Small
Anna Mateja *(Chief Financial Officer, Community Health Choice)*	Jennifer Zarate
Carolynn Jones	Jerry Summers
Cherry Joseph	John Matcek
Daniel Smith	Lisa Wright *(Chief Executive Officer, Community Health Choice)*
DeWight Dopslauf	Louis Smith
Ebon Swofford *(Harris County Attorney's Office)*	Maria Cowles
Dr. Esmaeil Porsa *(President & Chief Executive Officer)*	Olga Rodriguez
Dr. Glorimar Medina	Patrick Casey
Dr. Jackie Brock	Randy Manarang
Jay Camp	Dr. Thomas Cummins

Virtual Attendee Notice: *If you joined as a group and would like your attendance to be added to the official record, please submit an email to: BoardofTrustees@harrishealth.org before the close of business on the day of the meeting.*

BOARD OF TRUSTEES

Budget and Finance Committee

HARRISHEALTH

Wednesday, November 11, 2026

Consideration of Acceptance of the Harris Health Fourth Quarter Fiscal Year 2026 Investment Report

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Attached for your review and acceptance is the Fourth Quarter Fiscal Year 2026 Investment Report for the period July 2026 through September 2026.

Administration recommends that the Board accept the Fourth Quarter Fiscal Year 2026 Investment Report for the period ended September 30, 2026.

Victoria Nikitin
Executive Vice President – Chief Financial Officer

INVESTMENT REPORT

Harris Health

July 1–September 30, 2026



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Investment Officers Certification

This report is prepared for Harris Health (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). Section 2256.023(a) of the PFIA states that: "Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of the investment transactions for all funds covered by this chapter for the preceding reporting period." This report is signed by the Entity's investment officers and includes the disclosures required in the PFIA.

The portfolio remained in compliance with the Harris Health Investment Policy and Texas Public Funds Investment Act (PFIA) requirements throughout the quarter. The portfolio remains highly liquid and positioned to support operational, capital, and strategic cash requirements.

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EXECUTIVE SUMMARY

The portfolio remains highly liquid and positioned to support operational, capital, and strategic cash requirements.

$2.53B
Market value
Down from $2.77B

3.59%
Yield to maturity
Up 76 basis points

$17.1M
Quarterly net income
July 1–September 30

95.4%
Liquid balances
$2.42B of total portfolio

Governance and compliance

The portfolio remained in compliance with the Harris Health Investment Policy and Texas Public Funds Investment Act (PFIA) requirements throughout the quarter.

Economic and market backdrop

- **Yields rise sharply:** a Fed rate hike, fiscal deficits, and persistent inflation lifted the 30-year Treasury yield to its highest level since 2004; Treasury yields rose 34–86 basis points.
- **Oil prices strain household budgets:** the Iran conflict amplified oil-price volatility and household cost pressure.

Next-quarter watch list

01 Reinvestment
Assess opportunities as short-term holdings mature.

02 Rates
Track long-end Treasury volatility and curve repricing.

Sources: Tracker Holdings Report; Bloomberg

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ECONOMIC OVERVIEW

01

Yields rise sharply

Fiscal deficits, persistent inflation, and a Fed rate hike drove the 30-year Treasury yield to its highest level since 2004.

Key economic indicators

Indicator	Latest	Prior	12M Range	Signal
Real GDP Growth, QoQ (% change)	2.2%	2.5%		STABLE
CPI, YoY (% change)	3.4%	3.4%		STABLE
Non-Farm Payrolls (total change)	162k	-23k		IMPROVING
Unemployment (U-3)	4.1%	4.1%		STABLE
2-Year Treasury Yield	4.89%	4.34%		WATCH
Fed Funds Implied Rate (Jun-27)	4.73%	4.22%		WATCH

Data as of 9.30.2026 • Economic releases use the latest information available. • Sources: U.S. BEA, U.S. Treasury, Bloomberg

02 **Oil prices strain household budgets**

The Iran conflict amplified oil-price volatility and household cost pressure.

03 **AI spending supports growth**

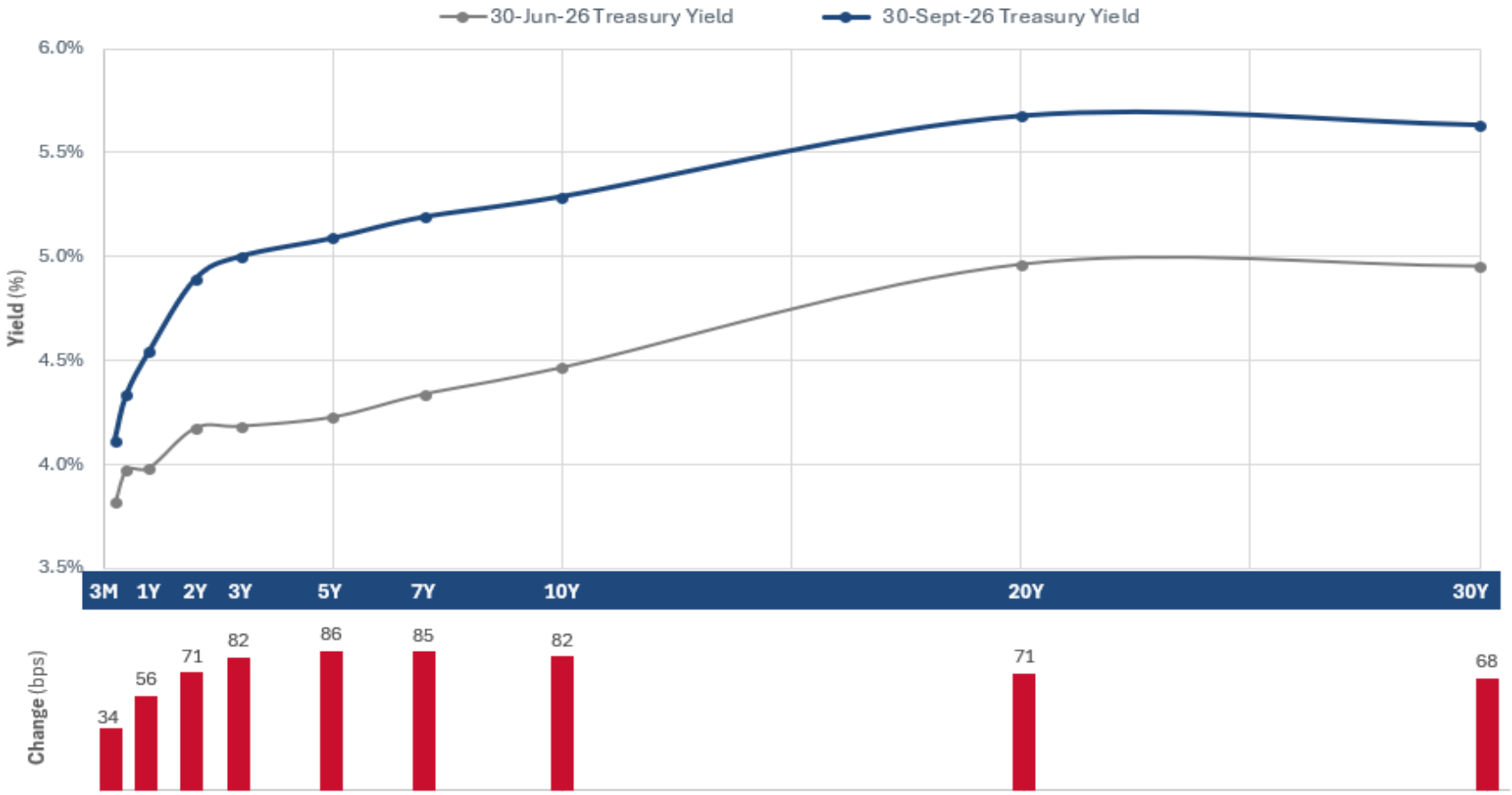
AI investment supported growth, while net trade remained a drag.

Sources: U.S. BEA; U.S. Treasury; Bloomberg

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Treasury yields rose 34–86 basis points; the 5-year led the move

U.S. Active Treasury Yield Curve



Source: Bloomberg

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PORTFOLIO OVERVIEW

$2.53B
Market value

3.59%
Yield to maturity
Up 76 basis points

$17.1M
Quarterly net income
July 1–September 30

Quarter-end snapshot

Portfolio Summary

	Prior 30-Jun-26	Current 30-Sep-26
Par Value	2,770,017,233.31	2,534,661,570.58
Book Value	2,769,204,019.36	2,533,331,588.35
Market Value	2,769,077,628.31	2,533,157,030.58
Accrued Interest	443,435.16	374,116.84
Book Value Plus Accrued	2,769,647,454.52	2,533,705,705.19
Market Value Plus Accrued	2,769,521,063.47	2,533,531,147.42
Net Unrealized Gain/(Loss)	(126,391.05)	(174,557.77)

Income Summary

Current Period	1-Jul-26 to 30-Sep-26
Interest Income	15,964,363.02
Net Amortization/Accretion**	1,123,716.34
Realized Gain/(Loss)	—
Net Income	17,088,079.36

Fiscal Year-to-Date Net Income	
1-Oct-25 to 30-Sep-26	70,133,957.38

Portfolio Characteristics

	Prior 30-Jun-26	Current 30-Sep-26
Yield to Maturity	2.84%	3.59%
Days to Final Maturity	9	7

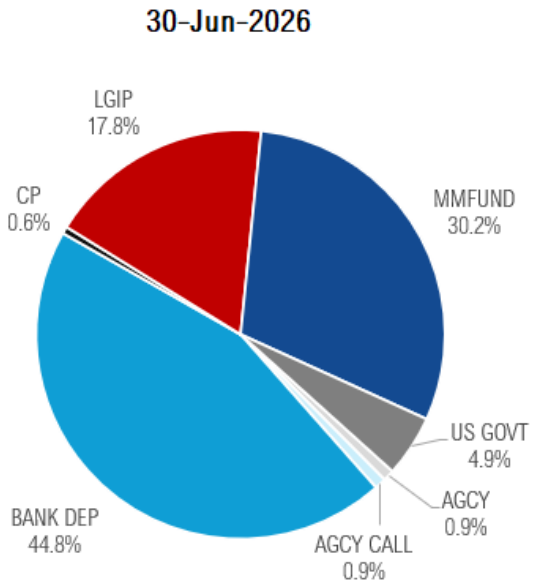
*** Net Amortization/Accretion breakdown for the period: Commercial Paper = $205,511.025 | US Government = $918,205.06*

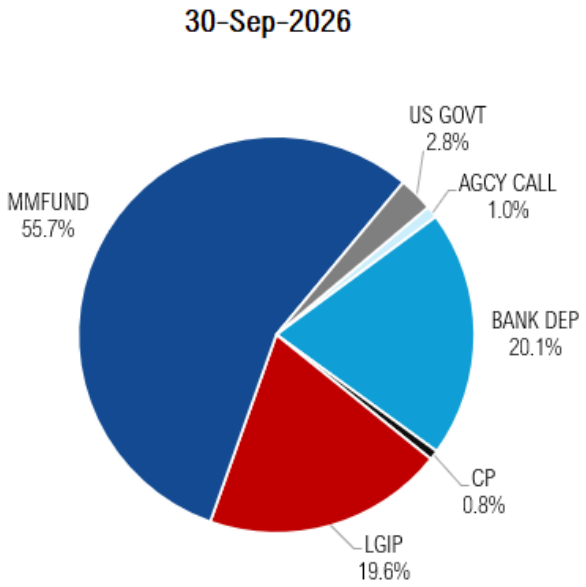
Source: Tracker Holdings Report

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ASSET ALLOCATION

Quarter-end asset allocation by security type





Asset Allocation by Security Type

Security Type	Prior Balance 30-Jun-26	Prior Allocation 30-Jun-26	Change in Allocation	Current Balance 30-Sep-26	Current Allocation 30-Sep-26	Yield to Maturity
AGCY	$24,979,250	0.9%	(0.9%)	$0	0.0%	—
AGCY CALL	$24,968,000	0.9%	0.1%	$24,966,250	1.0%	3.63%
BANK DEP	$1,239,548,131	44.8%	(24.6%)	$509,847,528	20.1%	2.72%
CP	$15,552,654	0.6%	0.2%	$19,664,850	0.8%	4.08%
LGIP	$493,375,869	17.8%	1.8%	$497,301,901	19.6%	3.99%
MMFUND	$835,793,234	30.2%	25.5%	$1,409,812,141	55.7%	3.74%
US GOVT	$134,860,491	4.9%	(2.0%)	$71,564,360	2.8%	3.89%
Portfolio Total	**$2,769,077,628**	**100%**		**$2,533,157,031**	**100%**	**3.59%**

Source: Tracker Holdings Report

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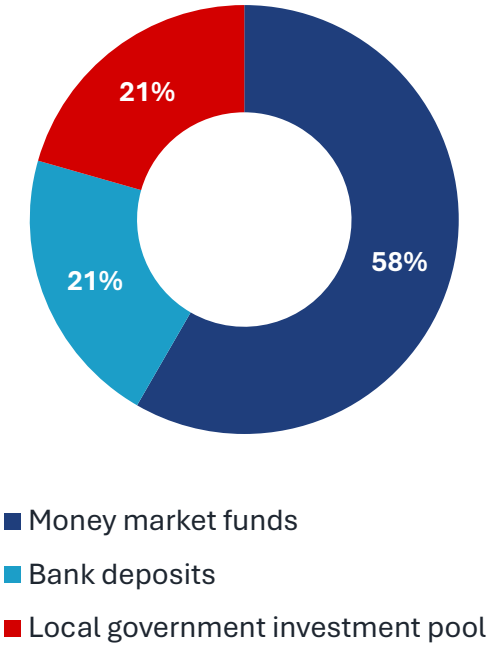
MATURITY ALLOCATION

Quarter-end liquid balances and fixed maturities

Liquid balances

95.4% of total portfolio

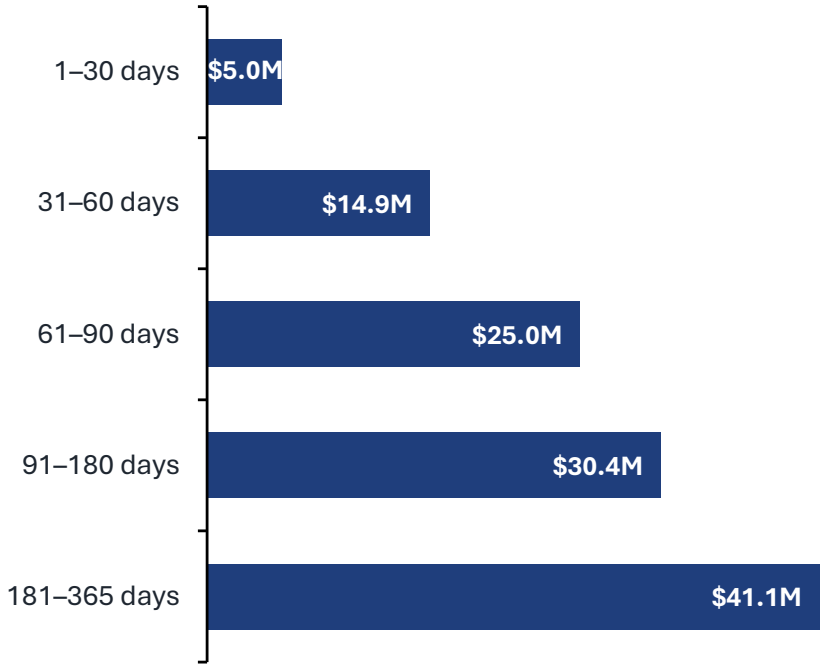
$2.42B total



Fixed maturities

4.6% of total portfolio

$116.4M total



Source: Tracker Holdings Report

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Liquidity and higher income preserve flexibility into the next quarter

95.4%
Liquid balances
Supports near-term cash needs

3.59%
Yield to maturity
Up 76 basis points since June 30

7 days
Days to final maturity
Down from 9 days

Next-quarter watch list

01 Reinvestment

Assess opportunities as short-term holdings mature.

02 Inflation

Monitor energy and fuel-price pass-through.

03 Rates

Track long-end Treasury volatility and curve repricing.

Source: Tracker Holdings Report

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Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices and the values of fixed income securities fall. When interest rates fall, bond prices and the values of fixed income securities rise. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

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Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is the chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry.

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BOARD OF TRUSTEES

Budget and Finance Committee

HARRISHEALTH

Wednesday, November 11, 2026

Consideration of Acceptance of the Harris Health Third Quarter Calendar Year 2026 Pension Plan Report

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Attached for your review and acceptance is the Third Quarter Calendar Year 2026 Pension Plan Report for the period July 2026 through September 2026.

Administration recommends that the Board accept the Third Quarter Calendar Year 2026 Pension Plan Report for the period ended September 30, 2026.

Victoria Nikitin
Executive Vice President – Chief Financial Officer

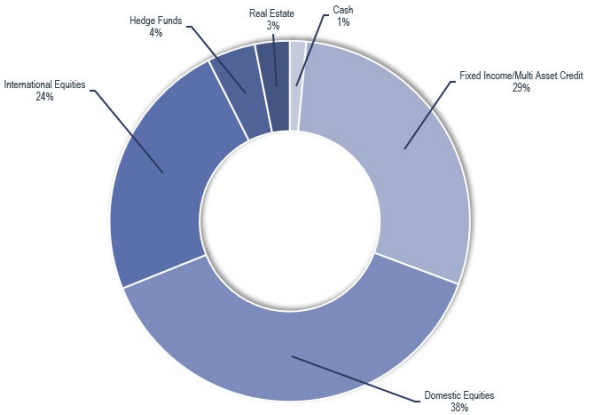
Pension Plan Summary

HARRISHEALTH

For the Quarter Ended and Year to Date September 30, 2026

	YEAR-TO-DATE	QUARTERLY			YEAR-TO-DATE
	12/31/25	03/31/26	06/30/26	09/30/26	12/31/26
Investment Return	**13.1%**	-2.1%	8.6%	-0.6%	**5.9%**
Market Value of Assets (in millions)	**$ 1,191.5**	$ 1,167.0	$ 1,272.3	$ 1,264.3	**$ 1,264.3**
Employer Contributions (in millions)	**$ 71.0**	$ 18.3	$ 18.3	$ 18.2	**$ 54.8**
Benefit Payments (in millions)	**$ 67.2**	$ 17.3	$ 17.3	$ 17.5	**$ 52.1**
Funded Ratio	**97.6%**	95.1%	103.2%	101.9%	**101.9%**

Current Asset Allocation:



*The Plan was in compliance with target asset allocations per the Board approved Pension Plan Investment Policy.

Market Updates:

The market value of the Plan assets decreased $8.0 million this quarter but increased $72.8 million since the beginning of the calendar year. Investment return was -0.6 % for the quarter ended September 30, 2026, due to the following market conditions:

- U.S. equity markets ended the third quarter of 2026 higher, although performance was uneven beneath the surface. Large-cap stocks outperformed small- and mid-cap equities as resilient economic growth, solid corporate earnings, and continued AI-related capital spending supported markets despite higher interest rates and geopolitical uncertainty.
- The S&P 500 advanced 2.3% during the third quarter of 2026 and was up 12.7% year to date. Broader U.S. equities, as measured by the Russell 3000, gained 1.4% for the quarter, with Energy, Technology, and Healthcare leading while rate-sensitive sectors generally lagged.
- International developed equities posted a modest gain, with the MSCI EAFE Index returning 0.8% for the quarter, while emerging markets declined 0.4%. Commodities were a notable outperformer, with the Bloomberg Commodity Index gaining 16.2% amid higher energy prices and geopolitical pressures.
- Inflation remained elevated, and the Federal Reserve raised the federal funds target range by 25 basis points to 3.75%–4.00% in September. The Fed also increased its median 2026 inflation projections, reinforcing expectations that monetary policy may remain restrictive.
- Rising yields weighed heavily on fixed income during the quarter. The Bloomberg U.S. Aggregate Bond Index fell 3.5%, while long-duration bonds experienced larger losses; credit spreads generally widened, particularly in high yield and mortgage-backed securities, as investors adopted a more cautious risk posture.

BOARD OF TRUSTEES

Budget and Finance Committee

HARRISHEALTH

Wednesday, November 11, 2026

Consideration of Acceptance of the Harris Health September 2026 Quarterly Financial Report Subject to Audit

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Attached for your review and acceptance is the September 2026 Financial Report for the quarter and twelve months fiscal year-to-date ended September 30, 2026.

Administration recommends that the Board accept the financial report for the period ended September 30, 2026, subject to final audit.

Victoria Nikitin
Executive Vice President – Chief Financial Officer

HARRISHEALTH



Financial Statements

As of the Year Ended September 30, 2026
Subject to Audit

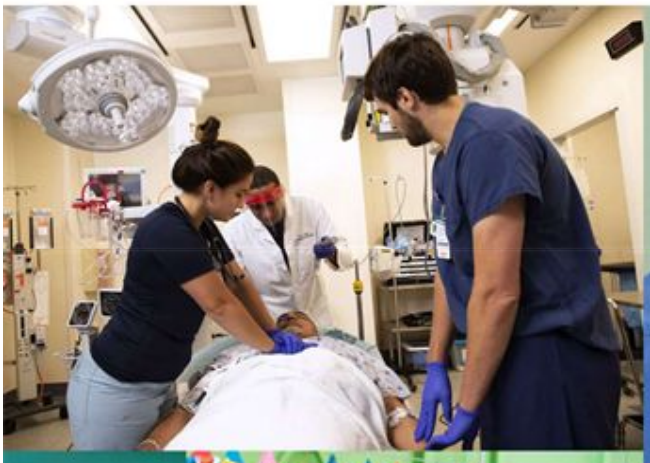






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Financial Highlights Review HARRISHEALTH

As of September 30, 2026

For the year ended September 30, 2026, operating income was $300.4 million, compared to budgeted operating income of $53.1 million, resulting in an operating margin of 10.2%, subject to financial audit of FY 2026.

Total net revenue was $2,934.2 million, which was $95.5 million, or 3.4%, above budget. Net patient revenue exceeded budget by $41.1 million, driven by ongoing revenue cycle optimization efforts. Medicaid supplemental program revenue exceeded budget by $43.5 million. Favorable investment valuation activity and tobacco settlement revenue also contributed to the year-end favorable revenue performance.

Total expenses were $2,633.8 million, which was $151.8 million, or 5.4%, below budget. Labor costs were $115.6 million below budget driven, in part, by ongoing productivity and workforce-management initiatives as well as favorable pension and other post-employment benefit adjustments resulting from the completed annual actuarial valuation. Lower utilization of planned resources associated with reduced patient volumes in certain service lines also contributed to the favorable variance in labor, supplies and purchased services, which were a combined $48.5 million below budget. Ongoing cost-containment initiatives, including expanded enrollment in the pharmaceutical Patient Medical Assistance Program, formulary changes that increased the use of lower-cost drug alternatives, and continued standardization of supplies and implants also contributed to the cost savings. Additional favorable variances resulted from timing differences associated with strategic projects, including delays in the onboarding of incremental FTEs and the procurement of supplies and outside purchased services required to meet project demands.

For the year ended September 30, 2026, total patient days and average daily census were 0.8% below budget. Inpatient case mix index, a measure of patient acuity, was 2.0% below budget while length of stay was 2.5% above budget. Emergency department visits and total clinic visits, including telehealth, were 1.7% and 0.2% below budget, respectively. Births were 23.5% below budget.

The System has $1,821.7 million in unrestricted cash, cash equivalents and investments, net of governmental overpayment, representing 262.5 days cash on hand. Increase in days cash on hand is due to reimbursement from the Series 2025 and 2026 bonds totaling $852.4 million and $301.3 million, respectively, as of September 30, 2026, for capital expenditures tied to the Strategic Capital Plan. The remainder of the $840 million and $830 million issuances is recorded as an asset limited as to use within the balance sheet. The corresponding debt is shown within the long-term debt portion of the balance sheet.

Harris Health has $140.6 million in net accounts receivable, representing 59.6 days of outstanding patient accounts receivable at September 30, 2026. The September balance sheet reflects a combined net receivable position of $53.2 million under the various Medicaid Supplemental programs. As of September 30, 2026, $1,215.2 million in ad valorem tax collections were received and $1,207.9 million in current ad valorem tax revenue was recognized.

Income Statement

HARRISHEALTH

As of the Year Ended September 30, 2026 and 2025 (in $ Millions)

	QUARTER-TO-QUARTER			YEAR-TO-DATE				
	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	CURRENT YEAR	CURRENT BUDGET	PERCENT VARIANCE	PRIOR YEAR	PERCENT VARIANCE
REVENUE								
Net Patient Revenue	$ 213.2	$ 199.6	6.8%	$ 861.5	$ 820.5	5.0%	$ 762.4	13.0%
Medicaid Supplemental Programs	186.9	163.9	14.0%	698.9	655.5	6.6%	729.9	-4.2%
Other Operating Revenue	21.2	13.1	62.3%	52.2	51.5	1.3%	149.1	-65.0%
Total Operating Revenue	**$ 421.3**	**$ 376.6**	**11.9%**	**$ 1,612.6**	**$ 1,527.4**	**5.6%**	**$ 1,641.5**	**-1.8%**
Net Ad Valorem Taxes	288.1	303.9	-5.2%	1,207.9	1,215.6	-0.6%	1,023.3	18.0%
Net Tobacco Settlement Revenue	-	-	0.0%	23.0	15.2	51.6%	19.0	21.2%
Capital Gifts & Grants	10.0	2.5	0.0%	10.0	10.0	0.0%	4.0	150.0%
Interest Income & Other	21.6	17.6	22.9%	80.7	70.4	14.5%	75.4	7.1%
Total Nonoperating Revenue	**$ 319.8**	**$ 324.0**	**-1.3%**	**$ 1,321.6**	**$ 1,311.2**	**0.8%**	**$ 1,121.6**	**17.8%**
Total Net Revenue	**$ 741.1**	**$ 700.6**	**5.8%**	**$ 2,934.2**	**$ 2,838.7**	**3.4%**	**$ 2,763.1**	**6.2%**
EXPENSE								
Salaries and Wages	$ 265.8	$ 278.9	4.7%	$ 1,023.1	$ 1,094.7	6.5%	$ 988.4	-3.5%
Employee Benefits	64.4	86.4	25.5%	301.6	345.6	12.7%	318.8	5.4%
Total Labor Cost	**$ 330.1**	**$ 365.3**	**9.6%**	**$ 1,324.7**	**$ 1,440.3**	**8.0%**	**$ 1,307.1**	**-1.3%**
Supply Expenses	98.7	89.7	-10.0%	334.0	352.1	5.1%	328.2	-1.8%
Physician Services	117.0	118.1	0.9%	486.3	484.5	-0.4%	475.9	-2.2%
Purchased Services	93.9	86.8	-8.2%	315.8	346.2	8.8%	315.8	0.0%
Depreciation & Interest	50.5	44.6	-13.2%	173.1	162.4	-6.6%	123.6	-40.1%
Total Operating Expense	**$ 690.3**	**$ 704.5**	**2.0%**	**$ 2,633.8**	**$ 2,785.6**	**5.4%**	**$ 2,550.5**	**-3.3%**
Operating Income (Loss)	**$ 50.8**	**$ (3.9)**		**$ 300.4**	**$ 53.1**		**$ 212.6**	
Total Margin %	**6.9%**	**-0.6%**		**10.2%**	**1.9%**		**7.7%**	

Balance Sheet

HARRISHEALTH

September 2026 and 2025 (in $ Millions)

	CURRENT YEAR	PRIOR YEAR
CURRENT ASSETS		
Cash, Cash Equivalents and Short Term Investments	$ 1,894.0	$ 1,647.8
Net Patient Accounts Receivable	140.6	145.4
Net Ad Valorem Taxes, Current Portion	-	-
Other Current Assets	128.6	105.0
Total Current Assets	**$ 2,163.3**	**$ 1,898.2**
CAPITAL ASSETS		
Plant, Property, & Equipment, Net of Accumulated Depreciation	$ 615.6	$ 602.5
Construction in Progress	1,382.7	638.7
Right of Use Assets	35.5	36.5
Total Capital Assets	**$ 2,033.7**	**$ 1,277.7**
ASSETS LIMITED AS TO USE & RESTRICTED ASSETS		
Debt Service & Capital Asset Funds	$ 565.9	$ 490.0
LPPF Restricted Cash	71.7	132.5
Capital Gift Proceeds	64.1	57.2
Other - Restricted	5.7	6.1
Total Assets Limited As to Use & Restricted Assets	**$ 707.3**	**$ 685.8**
Other Assets	46.2	40.7
Deferred Outflows of Resources	105.3	138.8
Total Assets & Deferred Outflows of Resources	**$ 5,055.8**	**$ 4,041.3**
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 326.5	$ 397.7
Employee Compensation & Related Liabilities	160.6	161.4
Deferred Revenue - Ad Valorem	-	-
Estimated Third-Party Payor Settlements	100.3	37.3
Current Portion Long-Term Debt and Capital Leases	24.2	36.6
Total Current Liabilities	**$ 611.5**	**$ 633.0**
Long-Term Debt	1,934.2	1,108.2
Net Pension & Post Employment Benefits Liability	453.3	646.6
Other Long-Term Liabilities	5.2	5.8
Deferred Inflows of Resources	185.7	82.2
Total Liabilities	**$ 3,190.0**	**$ 2,475.8**
Total Net Assets	**$ 1,865.9**	**$ 1,565.5**
Total Liabilities & Net Assets	**$ 5,055.8**	**$ 4,041.3**

Cash Flow Summary

HARRISHEALTH

As of the Year Ended September 30, 2026 and 2025 (in $ Millions)

	QUARTER-TO-QUARTER		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	$ 269.1	$ 203.5	$ 986.2	$ 833.6
Medicaid Supplemental Programs	341.3	356.2	662.1	683.6
Net Ad Valorem Taxes	2.7	2.7	1,215.2	1,030.6
Tobacco Settlement	-	-	23.0	19.0
Other Revenue	154.2	181.2	871.3	615.8
Total Cash Receipts	**$ 767.2**	**$ 743.5**	**$ 3,757.8**	**$ 3,182.7**
CASH DISBURSEMENTS				
Salaries, Wages and Benefits	$ 414.6	$ 390.9	$ 1,502.0	$ 1,387.6
Supplies	99.0	83.8	380.9	355.9
Physician Services	126.6	128.9	475.0	465.0
Purchased Services	85.9	78.9	324.4	306.4
Capital Expenditures	182.9	171.8	867.2	482.9
Debt and Interest Payments	24.8	13.2	65.7	33.4
Other Uses	(60.1)	(22.1)	(103.8)	(32.9)
Total Cash Disbursements	**$ 873.8**	**$ 845.3**	**$ 3,511.6**	**$ 2,998.3**
Net Change	**$ (106.6)**	**$ (101.8)**	**$ 246.2**	**$ 184.4**

Unrestricted cash, cash equivalents and investments - Beginning of year	$ 1,647.8
Net Change	$ 246.2
Untrestricted cash, cash equivalents and investments - End of period	**$ 1,894.0**

Performance Ratios

HARRISHEALTH

As of the Year Ended September 30, 2026 and 2025 (in $ Millions)

	QUARTER-TO-DATE		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
OPERATING HEALTH INDICATORS					
Operating Margin %	6.9%	-0.6%	10.2%	1.9%	7.7%
Run Rate per Day (In$ Millions)	$ 7.2	$ 7.4	$ 6.9	$ 7.4	$ 6.7
Salary, Wages & Benefit per APD	$ 2,495	$ 2,705	$ 2,523	$ 2,678	$ 2,438
Supply Cost per APD	$ 746	$ 664	$ 636	$ 655	$ 612
Physician Services per APD	$ 884	$ 875	$ 926	$ 901	$ 887
Total Expense per APD	**$ 5,216**	**$ 5,217**	**$ 5,017**	**$ 5,179**	**$ 4,756**
Overtime as a % of Total Salaries	3.1%	2.6%	3.0%	2.6%	3.2%
Contract as a % of Total Salaries	4.3%	2.7%	3.5%	2.8%	3.2%
Full-time Equivalent Employees	10,511	10,743	10,420	10,733	10,411
FINANCIAL HEALTH INDICATORS					
Quick Ratio			3.5		2.9
Unrestricted Cash (In $ Millions)			$ 1,894.0	$ 1,592.9	$ 1,647.8
Days Cash on Hand			262.5	216.2	244.3
Days Revenue in Accounts Receivable			59.6	64.4	69.6
Days in Accounts Payable			58.4		60.9
Capital Expenditures/Depreciation & Amortization			784.5%		501.7%
Average Age of Plant(years)			9.4		10.1

Harris Health Key Indicators



Statistical Highlights

HARRISHEALTH

As of the Year Ended September 30, 2026 and 2025

	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	132,182	135,031	-2.1%	525,006	537,883	-2.4%	536,239	-2.1%
Outpatient % of Adjusted Volume	60.5%	62.3%	-2.9%	60.9%	62.7%	-2.9%	63.2%	-3.6%
Primary Care Clinic Visits	137,034	143,883	-4.8%	532,318	548,068	-2.9%	547,535	-2.8%
Specialty Clinic Visits	66,189	63,551	4.2%	254,087	247,732	2.6%	252,397	0.7%
Telehealth Clinic Visits	33,424	32,086	4.2%	126,941	119,819	5.9%	124,551	1.9%
Total Clinic Visits	**236,647**	**239,520**	**-1.2%**	**913,346**	**915,619**	**-0.2%**	**924,483**	**-1.2%**
Emergency Room Visits - Outpatient	39,082	37,071	5.4%	141,055	145,977	-3.4%	141,324	-0.2%
Emergency Room Visits - Admitted	6,563	5,512	19.1%	23,486	21,411	9.7%	21,324	10.1%
Total Emergency Room Visits	**45,645**	**42,583**	**7.2%**	**164,541**	**167,388**	**-1.7%**	**162,648**	**1.2%**
Surgery Cases - Outpatient	3,243	2,953	9.8%	12,459	11,580	7.6%	12,413	0.4%
Surgery Cases - Inpatient	2,621	2,929	-10.5%	10,264	11,064	-7.2%	10,697	-4.0%
Total Surgery Cases	**5,864**	**5,882**	**-0.3%**	**22,723**	**22,644**	**0.3%**	**23,110**	**-1.7%**
Total Outpatient Visits	**413,195**	**445,833**	**-7.3%**	**1,575,010**	**1,747,722**	**-9.9%**	**1,576,029**	**-0.1%**
Inpatient Cases (Discharges)	8,306	8,060	3.1%	31,348	31,405	-0.2%	30,241	3.7%
Outpatient Observation Cases	2,605	2,666	-2.3%	10,567	11,527	-8.3%	12,267	-13.9%
Total Cases Occupying Patient Beds	**10,911**	**10,726**	**1.7%**	**41,915**	**42,932**	**-2.4%**	**42,508**	**-1.4%**
Births	1,073	1,391	-22.9%	4,170	5,454	-23.5%	5,148	-19.0%
Inpatient Days	52,212	50,898	2.6%	205,321	200,612	2.3%	197,482	4.0%
Outpatient Observation Days	8,042	9,330	-13.8%	33,957	40,623	-16.4%	42,888	-20.8%
Total Patient Days	**60,254**	**60,228**	**0.0%**	**239,278**	**241,235**	**-0.8%**	**240,370**	**-0.5%**
Average Daily Census	654.9	654.7	0.0%	655.6	660.9	-0.8%	658.5	-0.5%
Average Operating Beds	702	704	-0.3%	702	704	-0.3%	701	0.1%
Bed Occupancy %	93.3%	93.0%	0.3%	93.4%	93.9%	-0.5%	93.9%	-0.6%
Inpatient Average Length of Stay	6.29	6.31	-0.5%	6.55	6.39	2.5%	6.53	0.3%
Inpatient Case Mix Index (CMI)	1.639	1.712	-4.3%	1.678	1.712	-2.0%	1.730	-3.0%
Payor Mix (% of Charges)								
Charity & Self Pay	50.6%	45.5%	11.2%	48.1%	45.5%	5.6%	45.5%	5.6%
Medicaid & Medicaid Managed	17.9%	18.8%	-5.0%	19.0%	18.8%	1.1%	18.8%	1.1%
Medicare & Medicare Managed	10.4%	10.6%	-1.8%	11.0%	10.6%	3.9%	10.6%	3.9%
Commercial & Other	21.1%	25.1%	-15.9%	21.9%	25.1%	-12.6%	25.1%	-12.6%
Total Unduplicated Patients - Rolling 12				**237,816**			**243,424**	**-2.3%**
Total New Patient - Rolling 12				**82,088**			**85,782**	**-4.3%**

Harris Health

Statistical Highlights

As of the Quarter Ended September 30, 2026

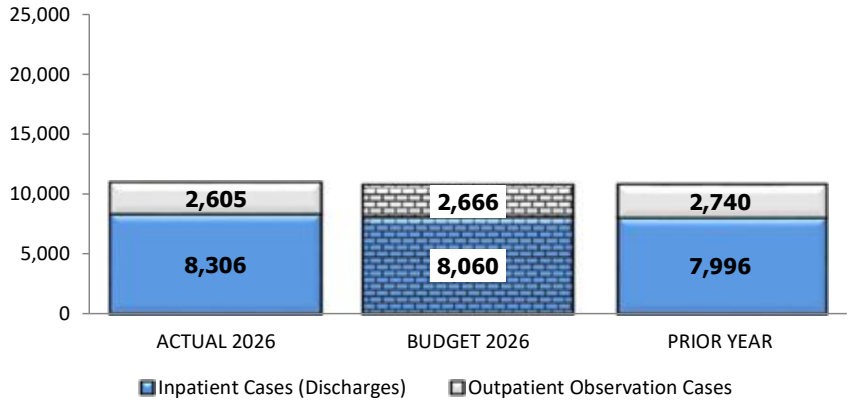
Cases Occupying Beds - Q4		
Actual	Budget	Prior Year
10,911	10,726	10,736

Cases Occupying Beds - YTD		
Actual	Budget	Prior Year
41,915	42,932	42,508

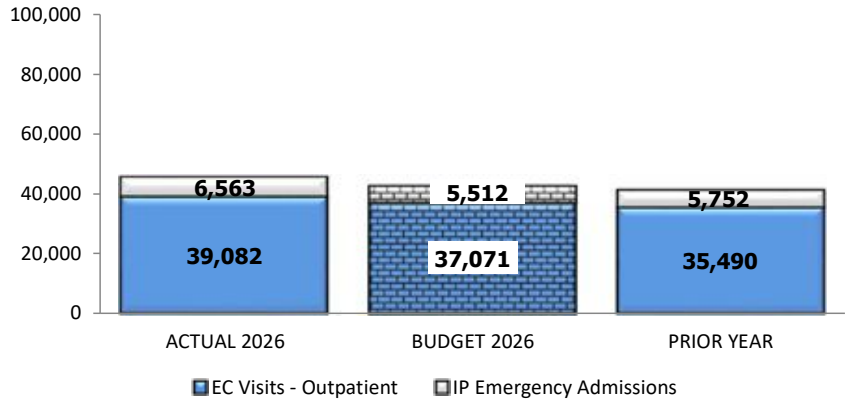
Emergency Visits - Q4		
Actual	Budget	Prior Year
45,645	42,583	41,242

Emergency Visits - YTD		
Actual	Budget	Prior Year
164,541	167,388	162,648

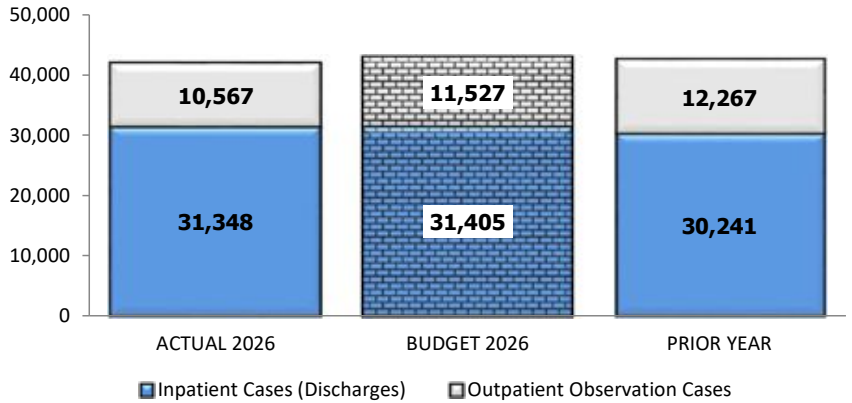
Cases Occupying Beds - Quarter End



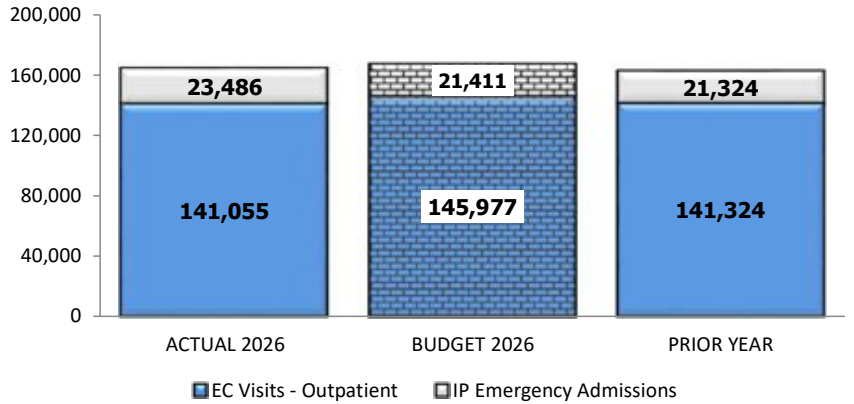
Emergency Visits - Quarter End



Cases Occupying Beds - YTD



Emergency Visits - YTD



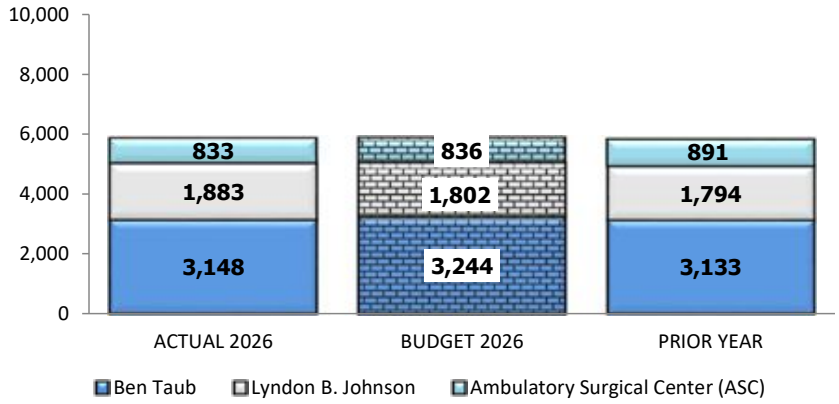
Harris Health

Statistical Highlights

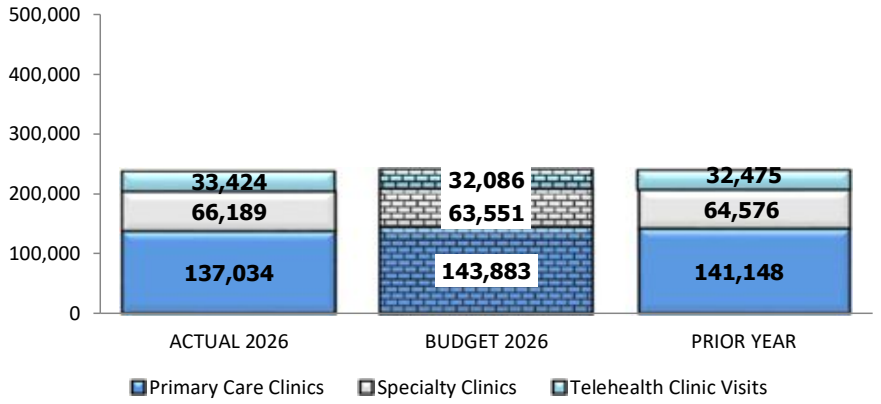
As of the Quarter Ended September 30, 2026

Surgery Cases - Q4			Surgery Cases - YTD			Clinic Visits - Q4			Clinic Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
5,864	5,882	5,818	22,723	22,644	23,110	236,647	239,520	238,199	913,346	915,619	924,483

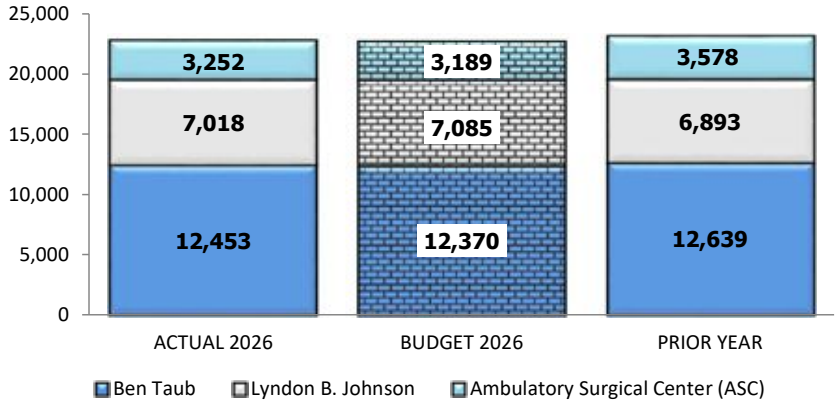
Surgery Cases - Quarter End



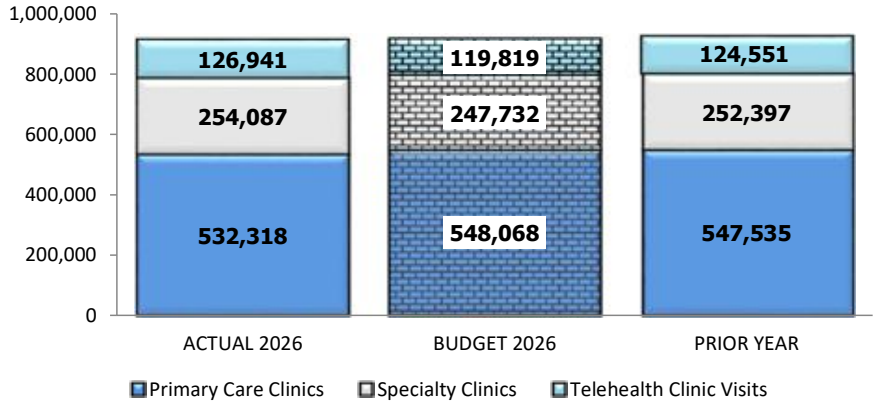
Clinic Visits - Quarter End



Surgery Cases - YTD



Clinic Visits - YTD



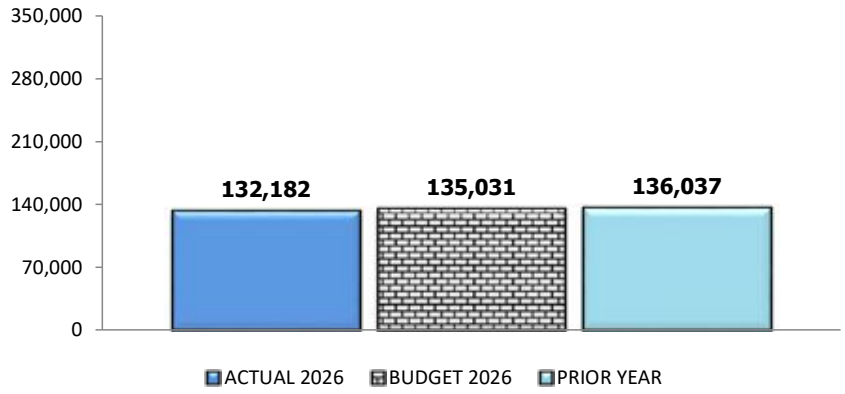
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Statistical Highlights

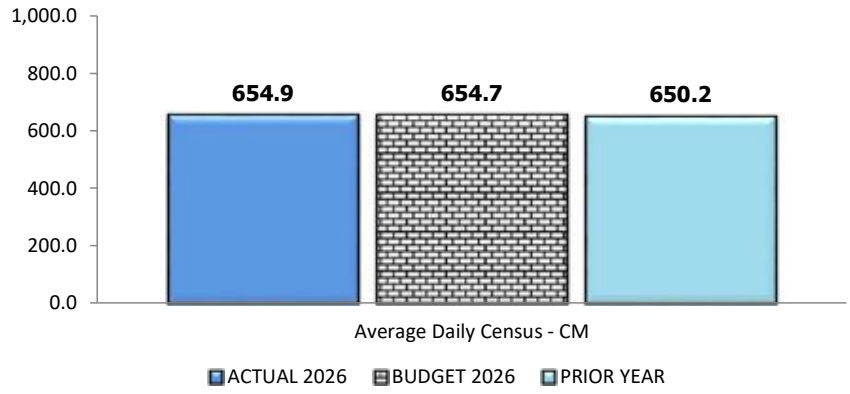
As of the Quarter Ended September 30, 2026

Adjusted Patient Days - Q4	Adjusted Patient Days - YTD	Average Daily Census - Q4	Average Daily Census - YTD
132,182	525,006	654.9	655.6

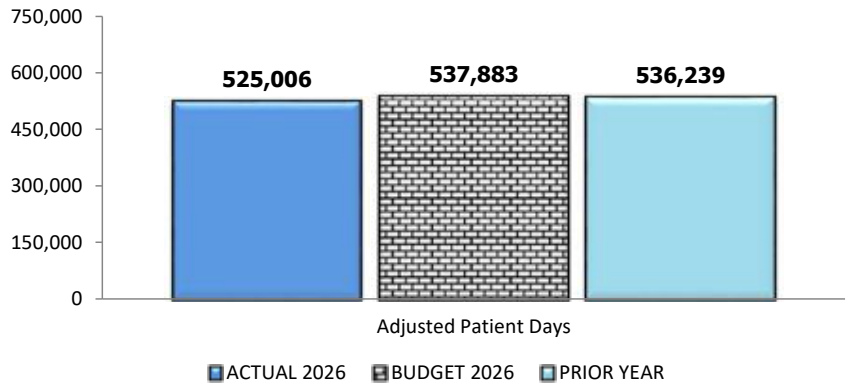
Adjusted Patient Days - Quarter End



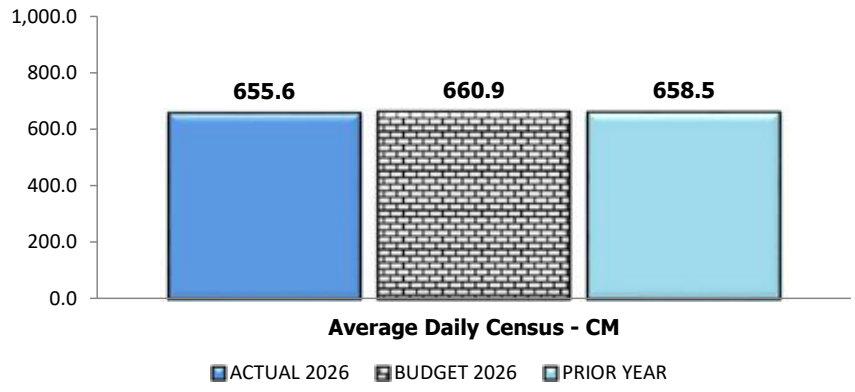
Average Daily Census - Quarter End



Adjusted Patient Days - YTD



Average Daily Census - YTD



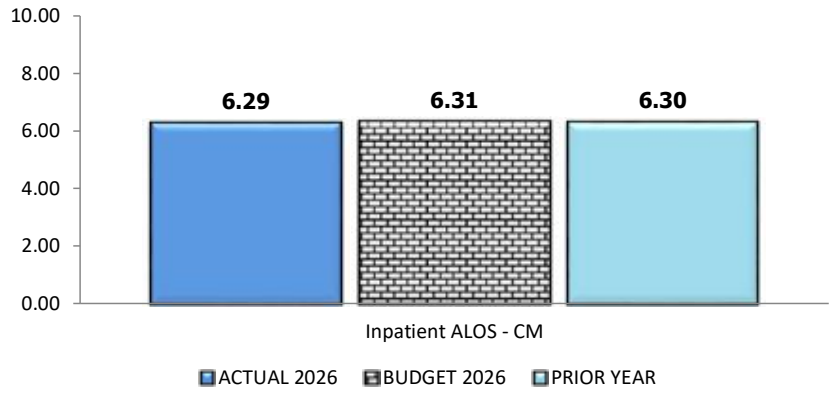
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Statistical Highlights

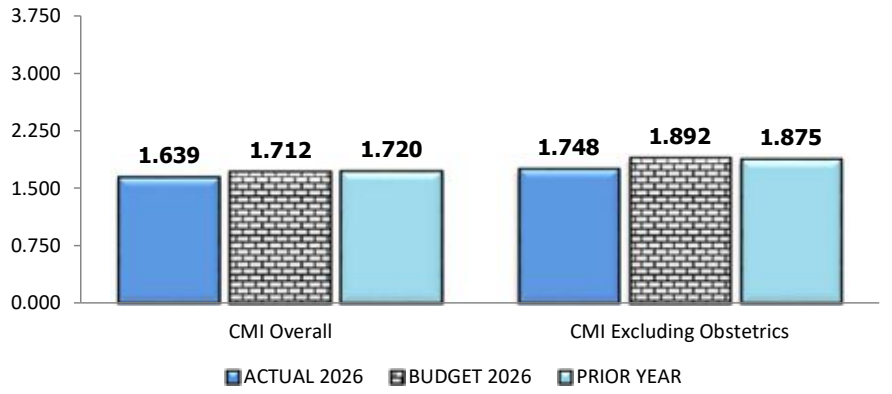
As of the Quarter Ended September 30, 2026

Inpatient ALOS - Q4	Inpatient ALOS - YTD	Case Mix Index - Q4		Case Mix Index (CMI) - YTD	
		Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
6.29	6.55	1.639	1.748	1.678	1.795

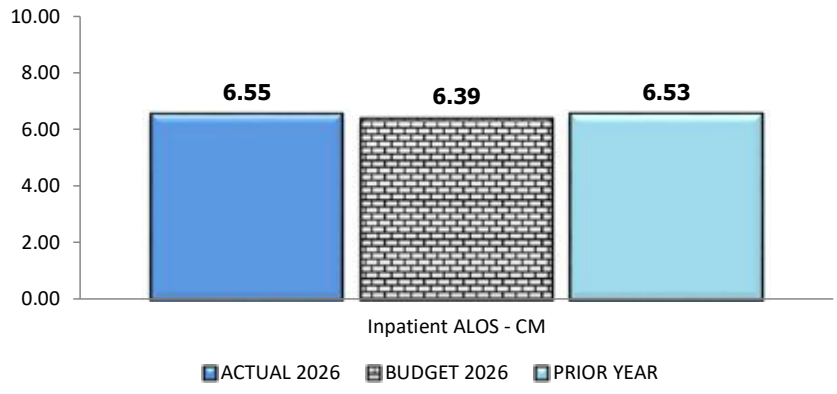
Inpatient ALOS - Quarter End



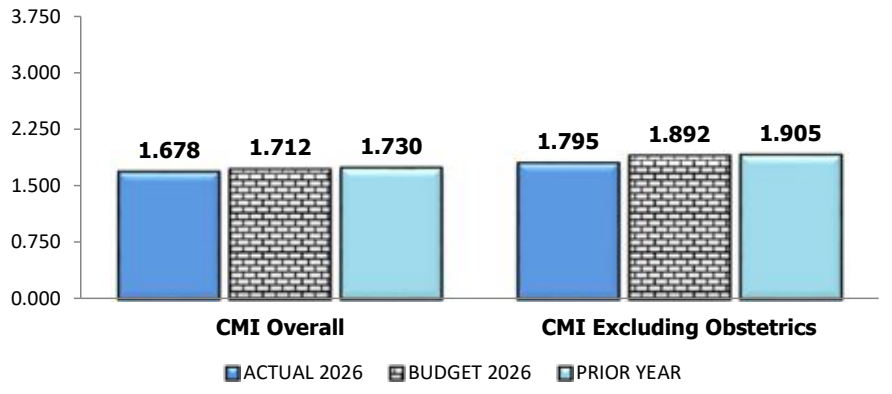
Case Mix Index - Quarter End



Inpatient ALOS - YTD



Case Mix Index - YTD



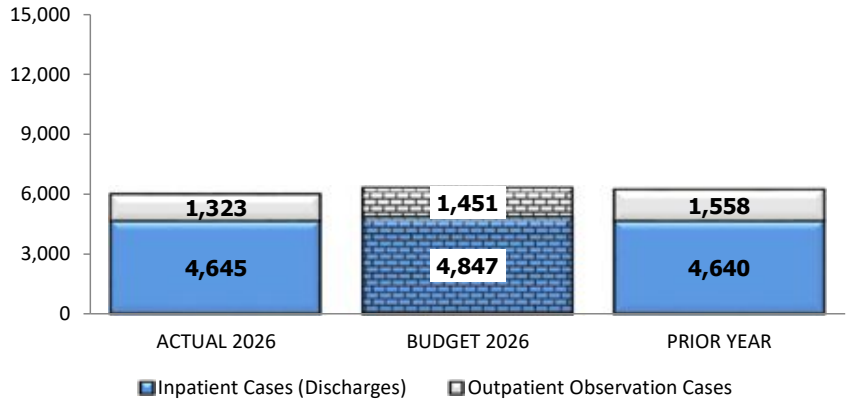
Harris Health

Statistical Highlights - Cases Occupying Beds

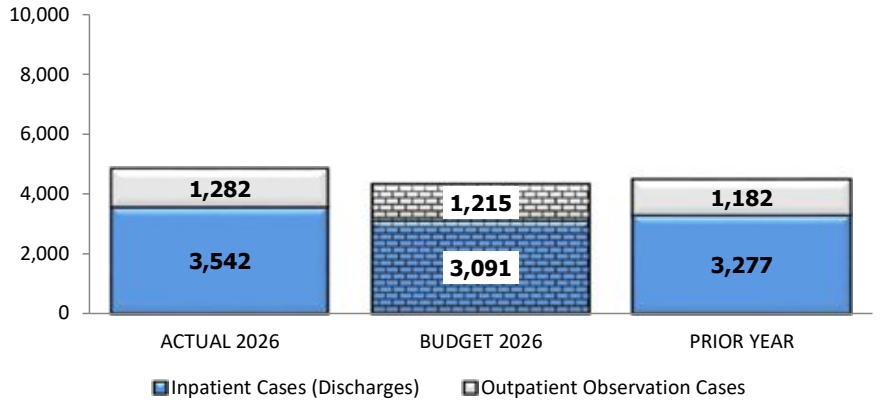
As of the Quarter Ended September 30, 2026

BT Cases Occupying Beds - Q4			BT Cases Occupying Beds - YTD			LBJ Cases Occupying Beds - Q4			LBJ Cases Occupying Beds - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
5,968	6,298	6,198	23,536	25,190	24,500	4,824	4,306	4,459	18,036	17,261	17,773

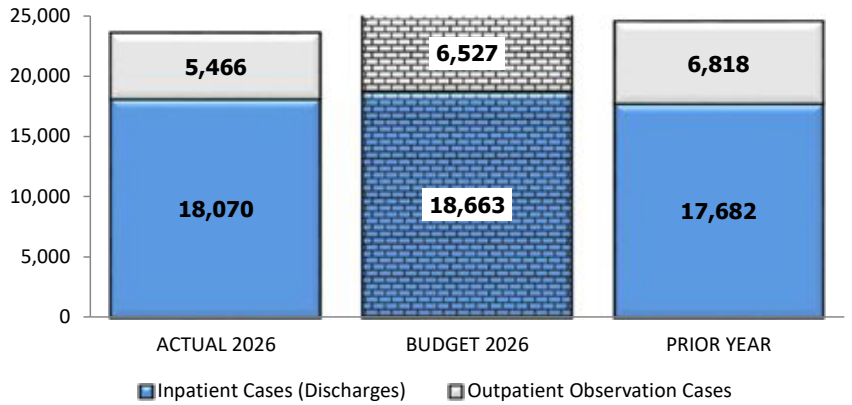
Ben Taub Cases - Quarter End



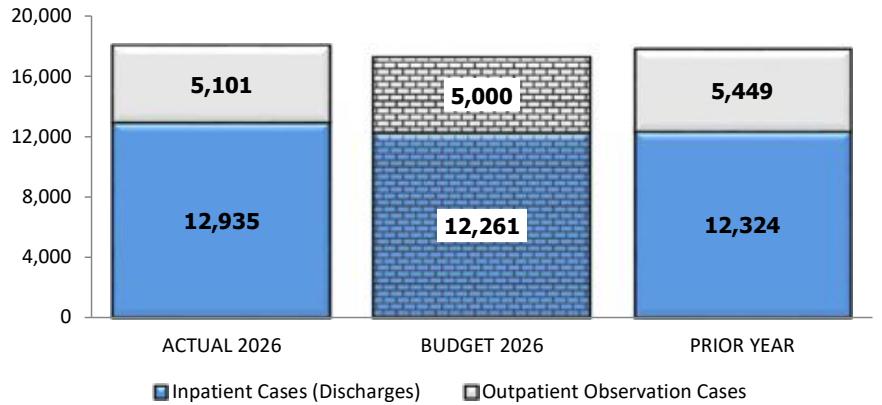
Lyndon B. Johnson Cases - Quarter End



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health

Statistical Highlights - Surgery Cases

As of the Quarter Ended September 30, 2026

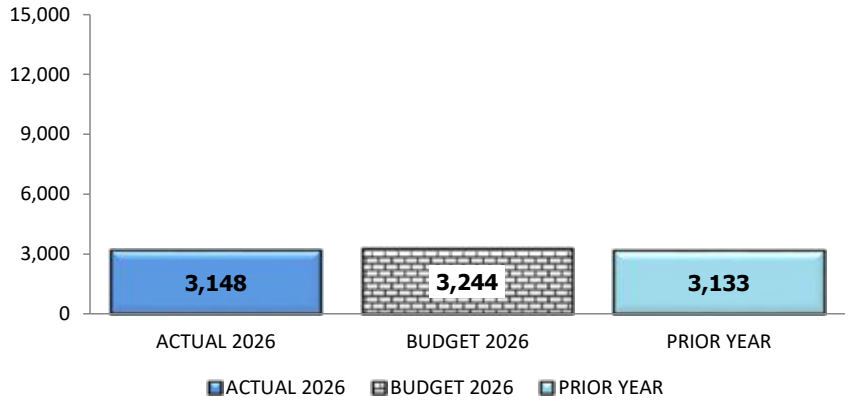
BT Surgery Cases - Q4		
Actual	Budget	Prior Year
3,148	3,244	3,133

BT Surgery Cases - YTD		
Actual	Budget	Prior Year
12,453	12,370	12,639

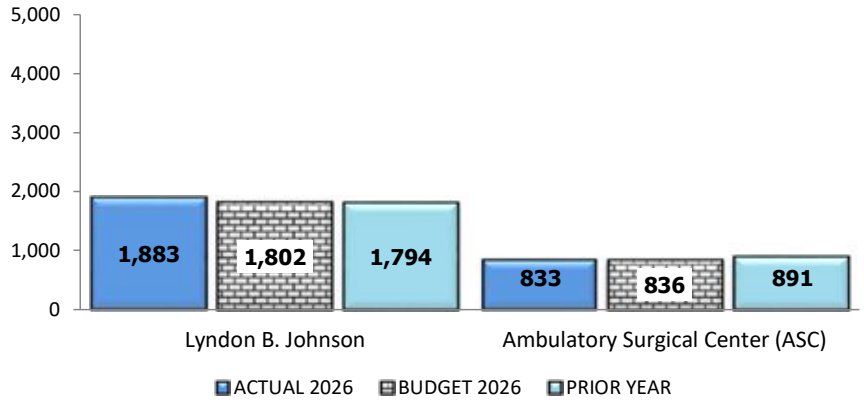
LBJ Surgery Cases - Q4		
Actual	Budget	Prior Year
2,716	2,638	2,685

LBJ Surgery Cases - YTD		
Actual	Budget	Prior Year
10,270	10,274	10,471

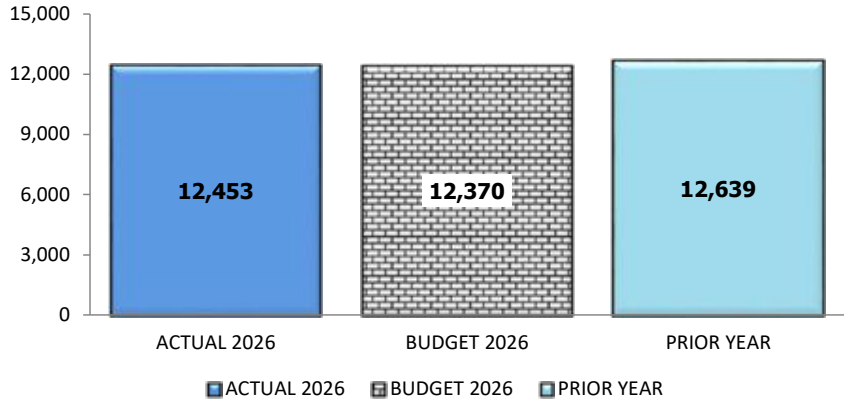
Ben Taub OR Cases - Quarter End



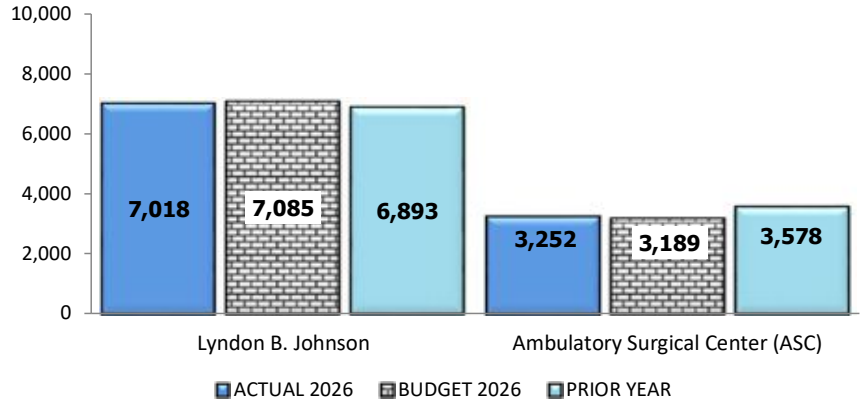
Lyndon B. Johnson OR Cases - Quarter End



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health

Statistical Highlights - Emergency Room Visits

As of the Quarter Ended September 30, 2026

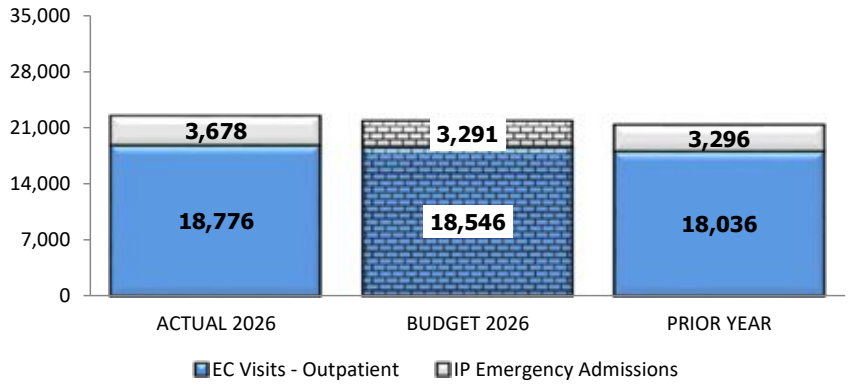
BT Emergency Visits - Q4		
Actual	Budget	Prior Year
22,454	21,837	21,332

BT Emergency Visits - YTD		
Actual	Budget	Prior Year
82,974	84,632	83,178

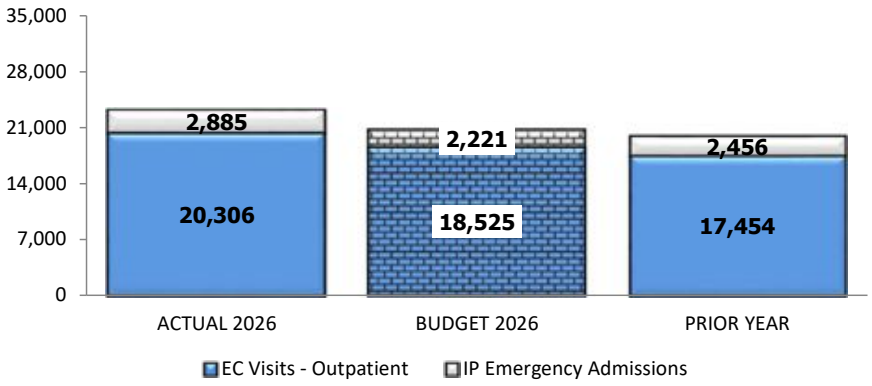
LBJ Emergency Visits - Q4		
Actual	Budget	Prior Year
23,191	20,746	19,910

LBJ Emergency Visits - YTD		
Actual	Budget	Prior Year
81,567	82,756	79,470

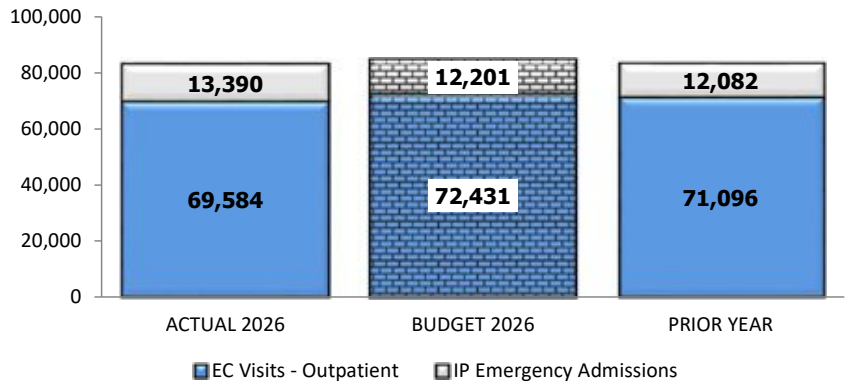
Ben Taub EC Visits - Quarter End



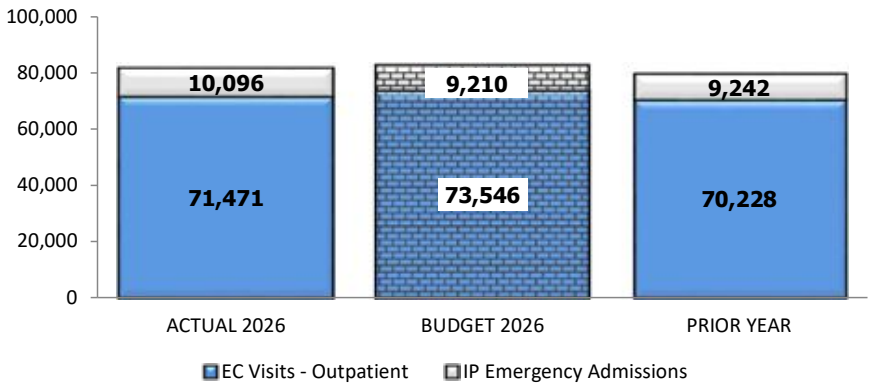
Lyndon B. Johnson EC Visits - Quarter End



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health

Statistical Highlights - Births

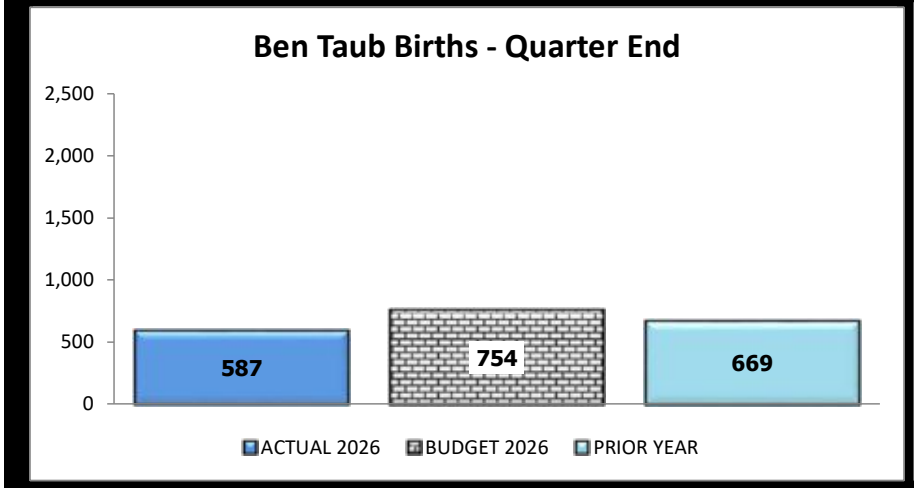
As of the Quarter Ended September 30, 2026

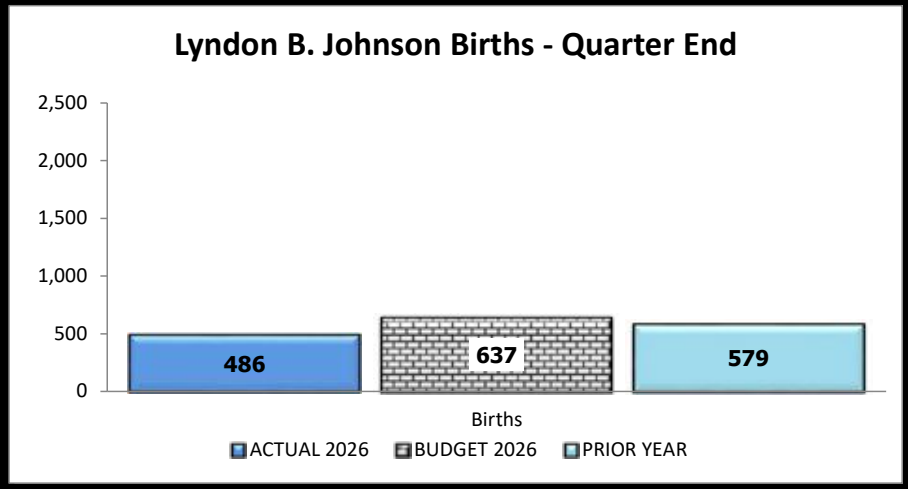
BT Births - Q4		
Actual	Budget	Prior Year
587	754	669

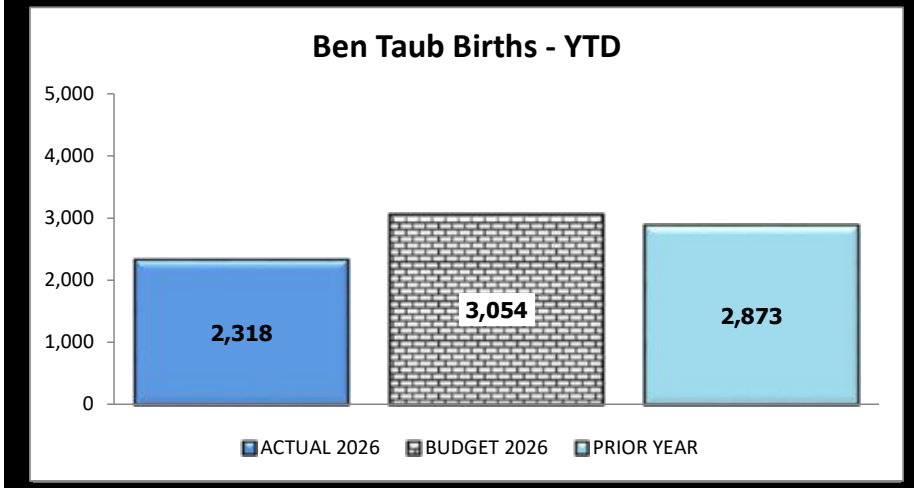
BT Births - YTD		
Actual	Budget	Prior Year
2,318	3,054	2,873

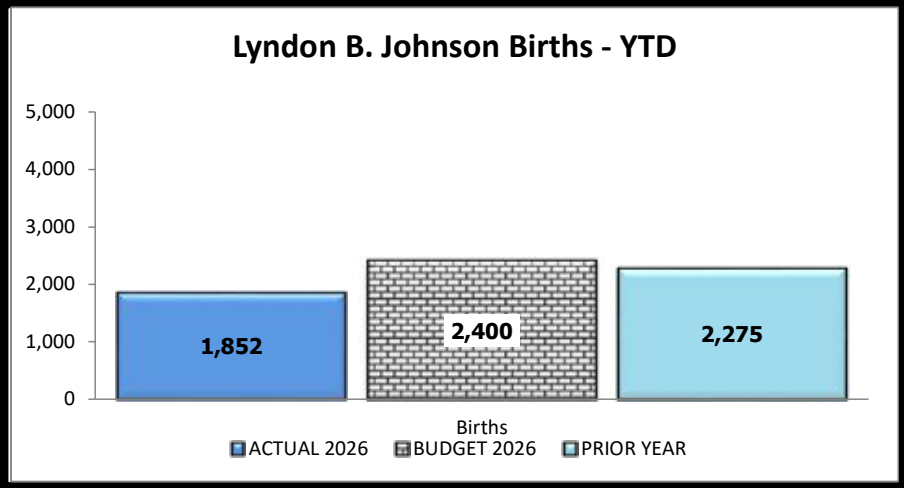
LBJ Births - Q4		
Actual	Budget	Prior Year
486	637	579

LBJ Births - YTD		
Actual	Budget	Prior Year
1,852	2,400	2,275









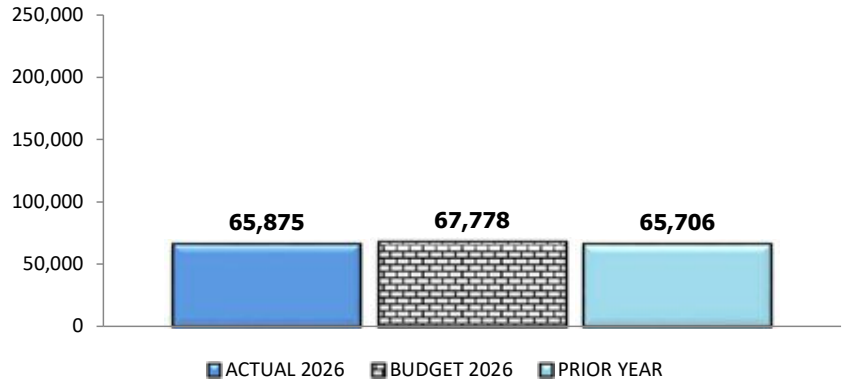
Harris Health

Statistical Highlights - Adjusted Patient Days

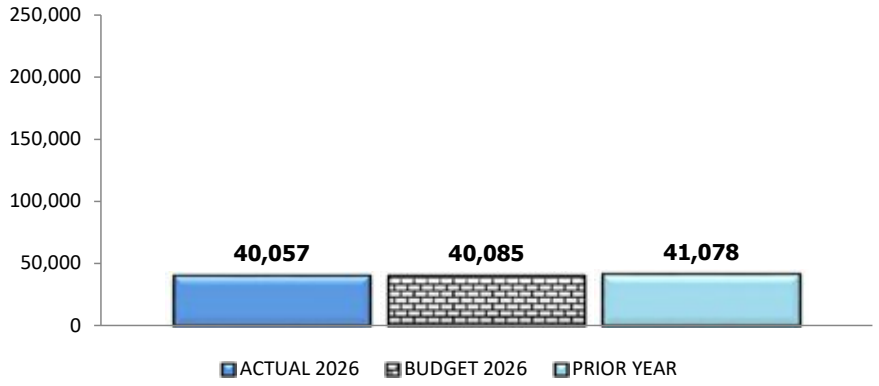
As of the Quarter Ended September 30, 2026

BT Adjusted Patient Days - Q4	BT Adjusted Patient Days - YTD	LBJ Adjusted Patient Days - Q4	LBJ Adjusted Patient Days - YTD
65,875	262,049	40,057	158,650

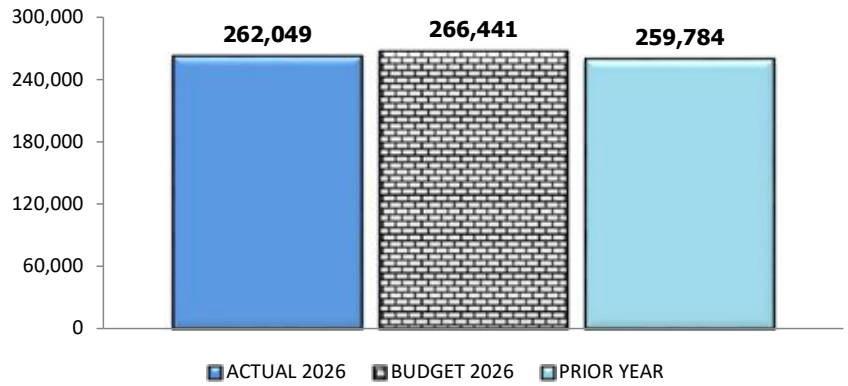
Ben Taub APD - Quarter End



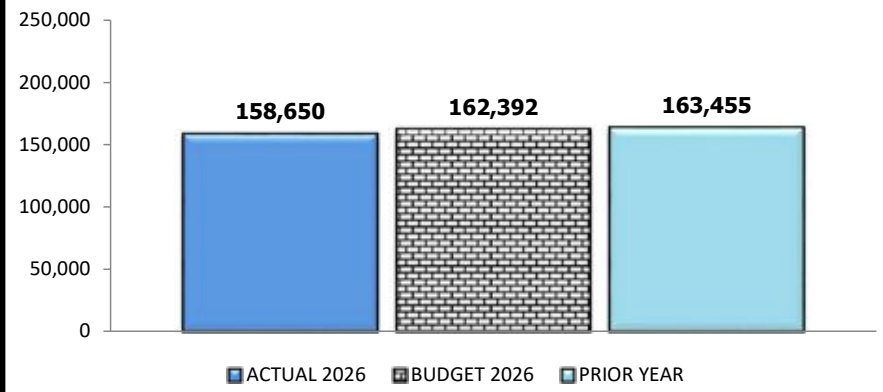
Lyndon B. Johnson APD - Quarter End



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



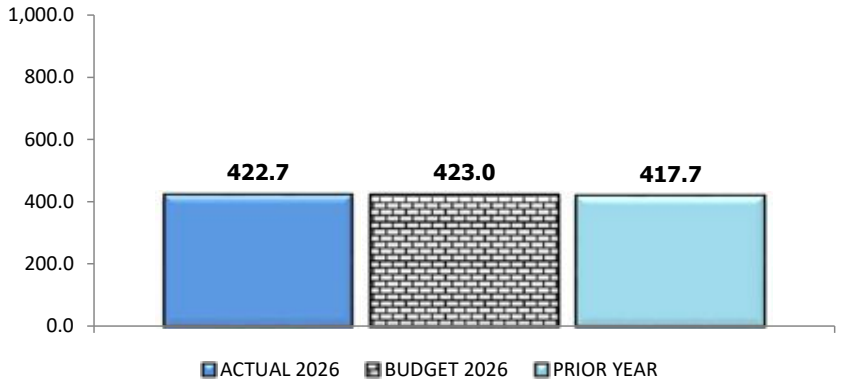
Harris Health

Statistical Highlights - Average Daily Census (ADC)

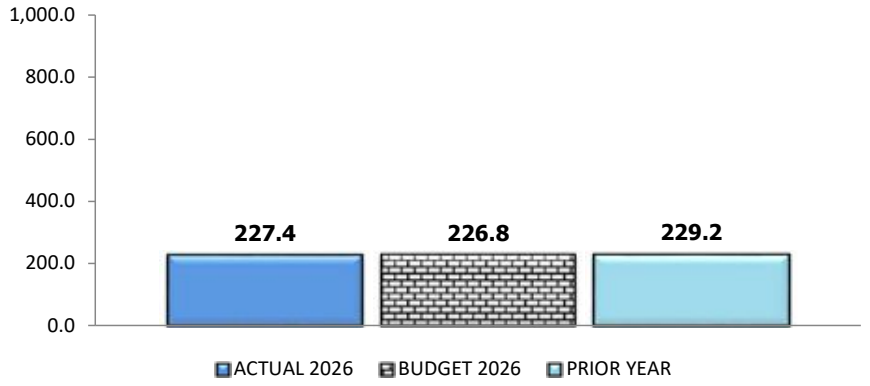
As of the Quarter Ended September 30, 2026

BT Average Daily Census - Q4	BT Average Daily Census - YTD	LBJ Average Daily Census - YTD	LBJ Average Daily Census - YTD
422.7	426.9	227.4	225.1

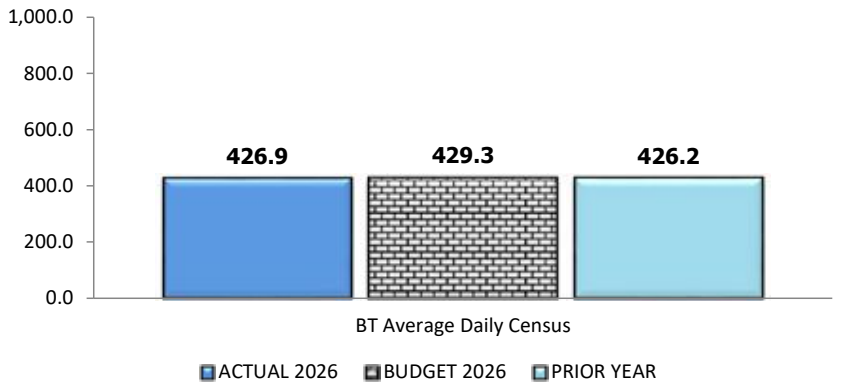
Ben Taub ADC - Quarter End



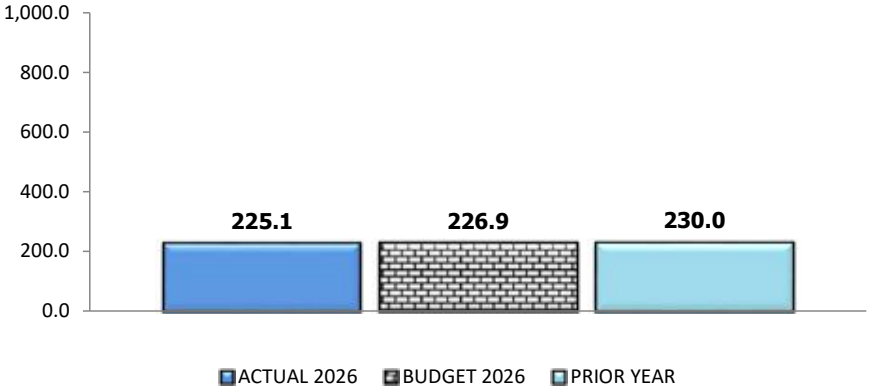
Lyndon B. Johnson ADC - Quarter End



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



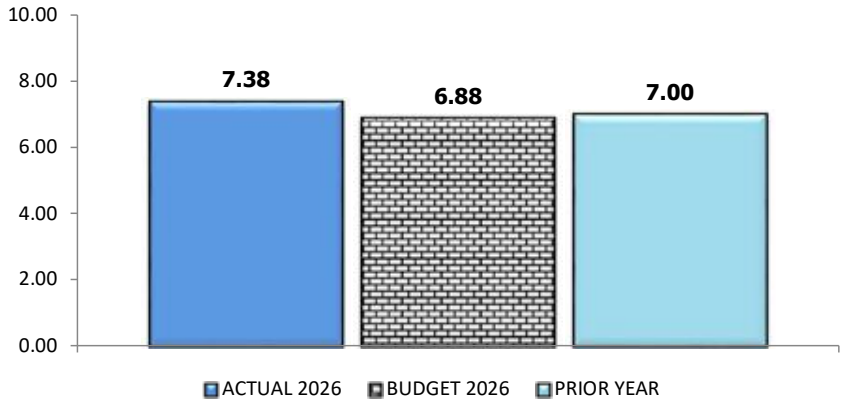
Harris Health

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

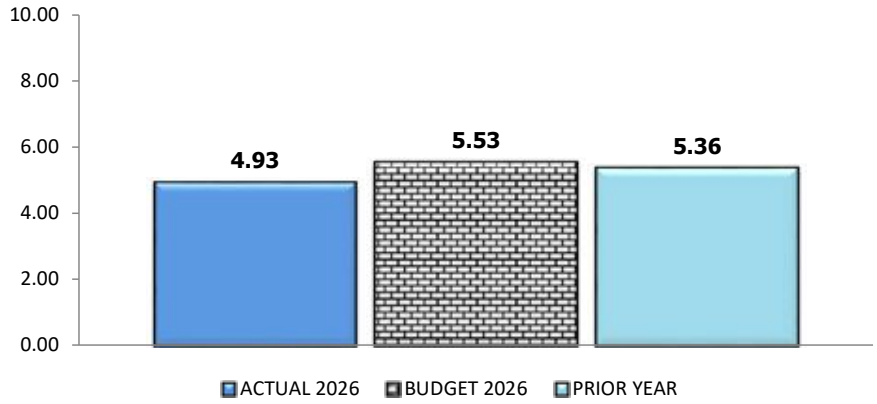
As of the Quarter Ended September 30, 2026

BT Inpatient ALOS - Q4	BT Inpatient ALOS - YTD	LBJ Inpatient ALOS - Q4	LBJ Inpatient ALOS - YTD
7.38	7.54	4.93	5.25

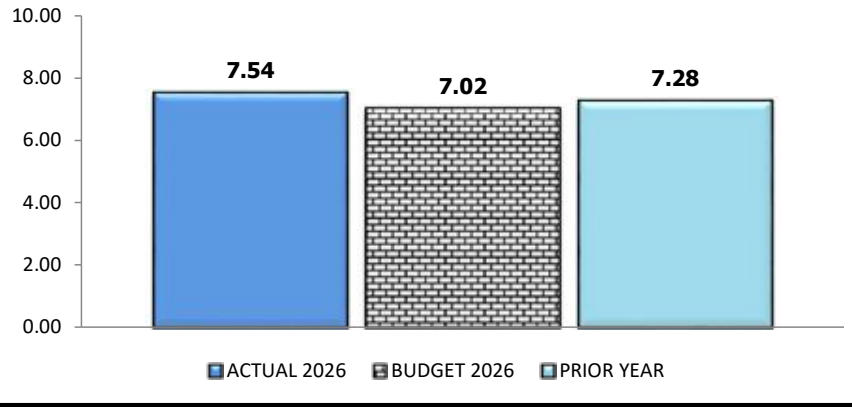
Ben Taub ALOS - Quarter End



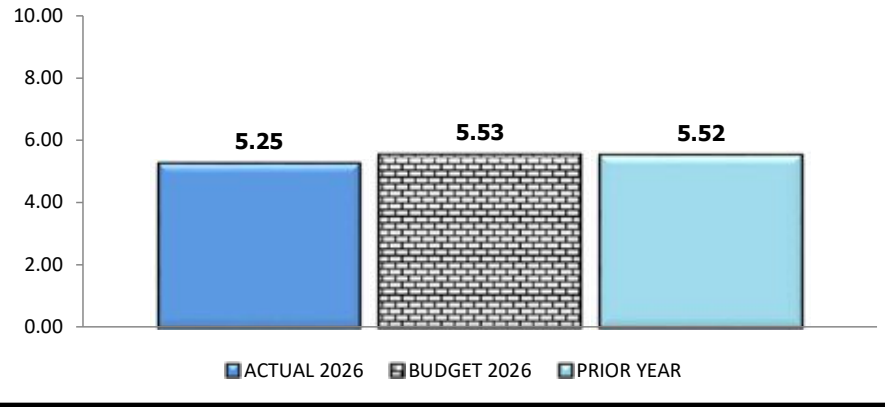
Lyndon B. Johnson ALOS - Quarter End



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



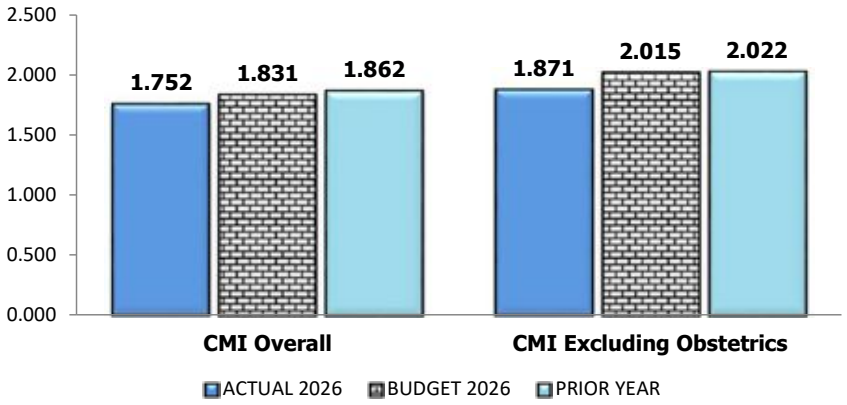
Harris Health

Statistical Highlights - Case Mix Index (CMI)

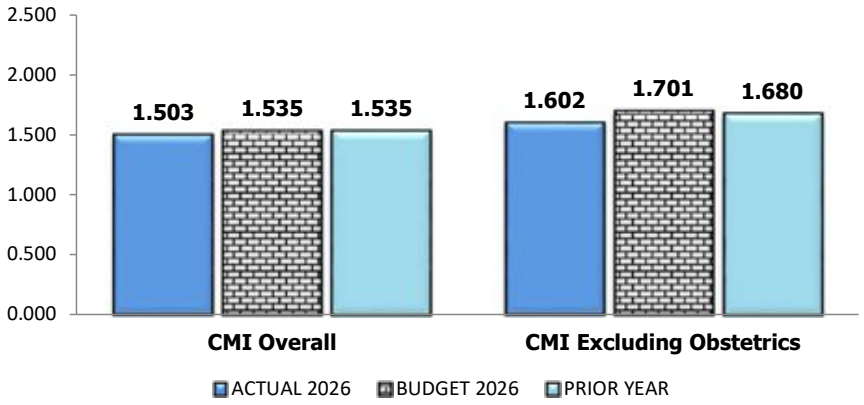
As of the Quarter Ended September 30, 2026

BT Case Mix Index (CMI) - Q4		BT Case Mix Index (CMI) - YTD		LBJ Case Mix Index (CMI) - Q4		LBJ Case Mix Index (CMI) - YTD	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.752	1.871	1.797	1.922	1.503	1.602	1.525	1.632

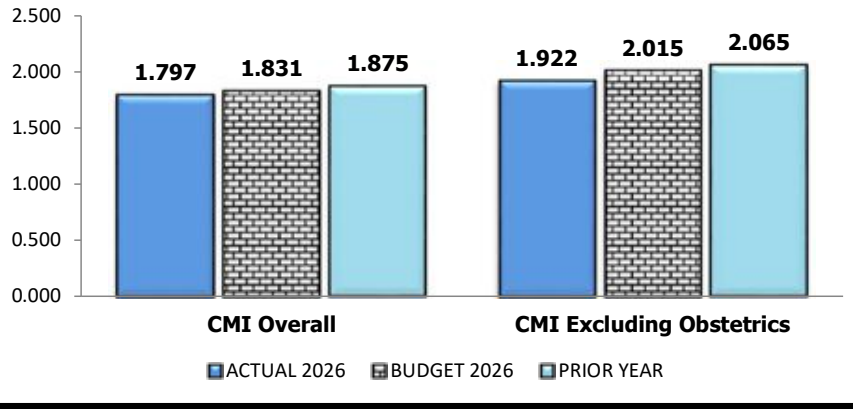
Ben Taub CMI - Quarter End



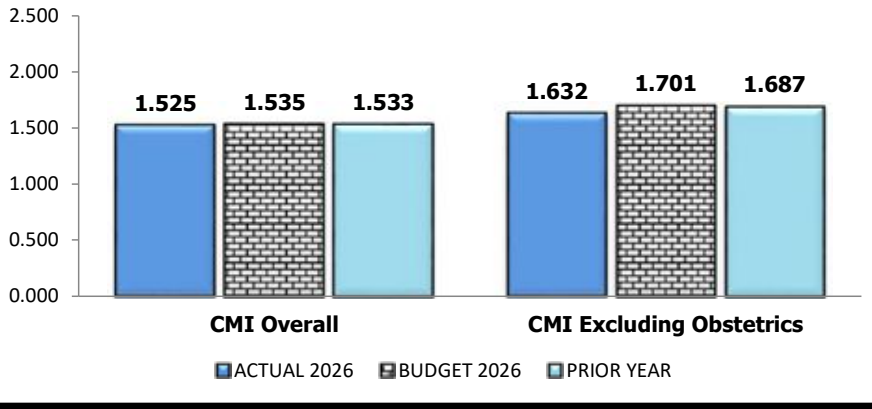
Lyndon B. Johnson CMI - Quarter End



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD



BOARD OF TRUSTEES

Budget and Finance Committee

HARRISHEALTH

Wednesday, November 11, 2026

Executive Session

Discussion Regarding ACA Marketplace Plan Matters and Calendar Year 2027 Subsidy Payments, Pursuant to Tex. Gov't Code Ann. §551.071, 551.085, Including Consideration of Approval of Subsidy Payments to Community Health Choice, Inc. for the Health Insurance Marketplace Non-Federal Premium Payments for Eligible Harris Health Patients for Calendar Year 2027 Upon Return to Open Session.

Pollie Martinez

Pollie Martinez
Senior Vice President – Revenue Cycle

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