



Financial Statements

As of July 31, 2023



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Financial Highlights Review

As of July 31, 2023

Operating income for July was \$5.8 million compared to a budgeted loss of \$1.3 million.

Total net revenue for July of \$198.3 million was \$7.3 million or 3.8% more than budget. Net patient revenue was \$1.6 million lower than expected, but was offset by Medicaid Supplemental programs income of \$3.3 million. Improved investment returns added \$5.1 million to the favorable variance.

In July, total expenses of \$192.5 million were \$132 thousand or 0.1% less than budget. Staff costs were \$5.3 million greater than budget due to the actuarially calculated adjustment attributed to an increase in pension expense which impacts both FY 2023 and FY 2024. Purchased services decreased \$4.0 million primarily for medical insurance subsidies due to the Marketplace plan pricing effective for calendar year 2023. The change in the Community Health Choice plan pricing, and a corresponding decrease in subsidy, was discussed with the Board of Trustees in November 2022.

Harris Health System adopted Governmental Accounting Standards Board (GASB) Statement No. 96 – Subscription-Based Information Technology Arrangements (GASB 96) for all subscription-based information technology (SBIT) contracts in place and not yet completed at the beginning of the earliest period of the fiscal year, which was October 1, 2022. The statement requires subscribers to recognize a SBIT liability, measured at the present value of payments expected to be made during the subscription term, and an intangible right-to-use SBIT asset. The adoption of GASB 96 did not have a material impact on the financial statements.

Also in July, total patient days and average daily census increased 8.1% compared to budget. Inpatient case mix index, a measure of patient acuity, was 0.4% lower than planned with length of stay 2.1% lower than budget. Emergency room visits were 2.9% higher than planned for the month. Total clinic visits, including telehealth, were 3.9% higher compared to budget. Births were up 13.5% for the month and 11.0% higher year-to-date.

Total cash receipts for July were \$103.4 million. The System has \$1,396.3 million in unrestricted cash, cash equivalents and investments, representing 236.2 days cash on hand. Harris Health System has \$155.6 million in net accounts receivable, representing 79.2 days of outstanding patient accounts receivable at July 31, 2023. The July balance sheet reflects a combined net receivable position of \$142.9 million under the various Medicaid Supplemental programs.

Income Statement

As of the Year To Date July 31, 2023 (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	\$ 59.2	\$ 60.8	-2.6%	\$ 597.5	\$ 602.5	-0.8%	\$ 619.8	-3.6%
Medicaid Supplemental Programs	54.3	51.0	6.5%	567.4	510.2	11.2%	430.0	31.9%
Other Operating Revenue	10.0	9.6	4.3%	101.2	94.6	7.0%	65.9	53.6%
Total Operating Revenue	\$ 123.5	\$ 121.3	1.7%	\$ 1,266.0	\$ 1,207.3	4.9%	\$ 1,115.7	13.5%
Net Ad Valorem Taxes	69.3	69.3	0.0%	695.6	692.6	0.4%	353.5	96.8%
Net Tobacco Settlement Revenue	-	-	0.0%	15.2	13.3	14.2%	16.7	-9.3%
Capital Gifts & Grants	-	-	0.0%	-	-	0.0%	45.9	-100.0%
Interest Income & Other	5.5	0.4	1230.5%	65.2	5.2	1161.1%	44.5	46.5%
Total Nonoperating Revenue	\$ 74.8	\$ 69.7	7.4%	\$ 775.9	\$ 711.0	9.1%	\$ 460.6	68.4%
Total Net Revenue	\$ 198.3	\$ 191.0	3.8%	\$ 2,041.9	\$ 1,918.3	6.4%	\$ 1,576.3	29.5%
EXPENSE								
Salaries and Wages	\$ 73.2	\$ 77.6	5.7%	\$ 727.5	\$ 755.5	3.7%	\$ 702.0	-3.6%
Employee Benefits	33.8	24.2	-39.7%	253.3	242.3	-4.5%	217.3	-16.6%
Total Labor Cost	\$ 107.1	\$ 101.9	-5.1%	\$ 980.8	\$ 997.8	1.7%	\$ 919.3	-6.7%
Supply Expenses	22.0	23.4	5.9%	237.3	233.7	-1.5%	227.7	-4.2%
Physician Services	36.6	35.8	-2.2%	355.3	369.3	3.8%	331.7	-7.1%
Purchased Services	19.7	24.1	18.2%	204.0	233.7	12.7%	224.8	9.3%
Depreciation & Interest	7.1	7.2	1.5%	69.9	74.4	6.0%	65.6	-6.5%
Total Operating Expense	\$ 192.5	\$ 192.3	-0.1%	\$ 1,847.3	\$ 1,908.9	3.2%	\$ 1,769.1	-4.4%
Operating Income (Loss)	\$ 5.8	\$ (1.3)		\$ 194.6	\$ 9.5		\$ (192.8)	
Total Margin %	2.9%	-0.7%		9.5%	0.5%		-12.2%	

Balance Sheet

As of July 31, 2023 and 2022 (in \$ Millions)

	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<u>CURRENT ASSETS</u>		
Cash, Cash Equivalents and Short Term Investments	\$ 1,396.3	\$ 1,172.3
Net Patient Accounts Receivable	155.6	118.2
Net Ad Valorem Taxes, Current Portion	4.1	0.8
Other Current Assets	233.8	156.0
Total Current Assets	\$ 1,789.9	\$ 1,447.3
<u>CAPITAL ASSETS</u>		
Plant, Property, & Equipment, Net of Accumulated Depreciation	\$ 421.2	\$ 422.8
Construction in Progress	221.7	142.9
Right of Use Assets	43.8	44.7
Total Capital Assets	\$ 686.7	\$ 610.4
<u>ASSETS LIMITED AS TO USE & RESTRICTED ASSETS</u>		
Debt Service & Capital Asset Funds	\$ 41.1	\$ 46.2
LPPF Restricted Cash	35.1	11.2
Capital Gift Proceeds	47.1	45.2
Other - Restricted	1.0	1.1
Total Assets Limited As to Use & Restricted Assets	\$ 124.3	\$ 103.7
Other Assets	46.2	18.3
Deferred Outflows of Resources	231.4	152.7
Total Assets & Deferred Outflows of Resources	\$ 2,878.5	\$ 2,332.4
<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Liabilities	\$ 355.4	\$ 210.6
Employee Compensation & Related Liabilities	138.9	123.1
Estimated Third-Party Payor Settlements	16.9	13.5
Current Portion Long-Term Debt and Capital Leases	19.9	20.0
Total Current Liabilities	\$ 531.1	\$ 367.2
Long-Term Debt	316.6	333.1
Net Pension & Post Employment Benefits Liability	691.9	597.5
Other Long-Term Liabilities	7.6	17.9
Deferred Inflows of Resources	175.2	218.7
Total Liabilities	\$ 1,722.5	\$ 1,534.4
Total Net Assets	\$ 1,156.1	\$ 797.9
Total Liabilities & Net Assets	\$ 2,878.5	\$ 2,332.4

Cash Flow Summary

As of the Year To Date July 31, 2023 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
<u>CASH RECEIPTS</u>				
Collections on Patient Accounts	\$ 51.8	\$ 55.1	\$ 572.4	\$ 579.8
Medicaid Supplemental Programs	(2.0)	82.1	857.8	599.4
Net Ad Valorem Taxes	3.1	0.0	823.2	805.1
Tobacco Settlement	-	-	15.2	16.7
Other Revenue	50.5	4.9	231.8	127.1
Total Cash Receipts	\$ 103.4	\$ 142.1	\$ 2,500.5	\$ 2,128.3
<u>CASH DISBURSEMENTS</u>				
Salaries, Wages and Benefits	\$ 100.7	\$ 103.7	\$ 1,077.6	\$ 927.3
Supplies	27.3	30.4	256.4	235.9
Physician Services	45.3	42.6	342.8	323.8
Purchased Services	14.9	23.6	194.7	182.3
Capital Expenditures	10.9	6.9	112.0	82.8
Debt and Interest Payments	0.2	0.3	20.1	19.6
Other Uses	(5.8)	(9.1)	(76.6)	36.8
Total Cash Disbursements	\$ 193.4	\$ 198.5	\$ 1,927.0	\$ 1,808.5
Net Change	\$ (90.0)	\$ (56.4)	\$ 573.5	\$ 319.7
Unrestricted Cash, Cash Equivalents and Investments - Beginning of year			\$ 822.8	
Net Change			573.5	
Unrestricted Cash, Cash Equivalents and Investments - End of period			\$ 1,396.3	

Performance Ratios

As of Year To Date July 31, 2023 (In \$ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
<u>OPERATING HEALTH INDICATORS</u>					
Operating Margin %	2.9%	-0.7%	9.5%	0.5%	-12.2%
Run Rate per Day (In\$ Millions)	\$ 6.0	\$ 6.0	\$ 5.9	\$ 6.1	\$ 5.6
Salary, Wages & Benefit per APD	\$ 2,474	\$ 2,596	\$ 2,358	\$ 2,644	\$ 2,485
Supply Cost per APD	\$ 509	\$ 596	\$ 570	\$ 619	\$ 616
Physician Services per APD	\$ 846	\$ 913	\$ 854	\$ 979	\$ 897
Total Expense per APD	\$ 4,446	\$ 4,900	\$ 4,441	\$ 5,059	\$ 4,782
Overtime as a % of Total Salaries	3.3%	1.9%	3.5%	1.9%	3.4%
Contract as a % of Total Salaries	5.3%	7.3%	5.2%	7.4%	8.6%
Full-time Equivalent Employees	10,144	10,244	9,942	10,168	9,481
<u>FINANCIAL HEALTH INDICATORS</u>					
Quick Ratio			3.3		3.9
Unrestricted Cash (In \$ Millions)			\$ 1,396.3	\$ 752.8	\$ 1,172.3
Days Cash on Hand			236.2	128.9	208.3
Days Revenue in Accounts Receivable			79.2	54.1	58.0
Days in Accounts Payable			47.7		45.4
Capital Expenditures/Depreciation & Amortization			186.2%		146.8%
Average Age of Plant(years)			11.8		12.0

Harris Health System Key Indicators



Statistical Highlights

As of Year To Date July 31, 2023 (In \$ Millions)

	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	43,285	39,246	10.3%	416,436	377,321	10.4%	369,934	12.6%
Outpatient % of Adjusted Volume	61.0%	61.5%	-0.8%	60.7%	61.7%	-1.6%	62.2%	-2.3%
Primary Care Clinic Visits	42,553	38,789	9.7%	437,224	405,532	7.8%	395,455	10.6%
Specialty Clinic Visits	19,078	19,378	-1.5%	203,292	196,768	3.3%	193,981	4.8%
Telehealth Clinic Visits	9,319	10,114	-7.9%	106,538	108,183	-1.5%	135,297	-21.3%
Total Clinic Visits	70,950	68,281	3.9%	747,054	710,483	5.1%	724,733	3.1%
Emergency Room Visits - Outpatient	11,723	11,581	1.2%	110,112	112,504	-2.1%	107,919	2.0%
Emergency Room Visits - Admitted	1,859	1,621	14.7%	18,325	16,402	11.7%	14,929	22.7%
Total Emergency Room Visits	13,582	13,202	2.9%	128,437	128,906	-0.4%	122,848	4.5%
Surgery Cases - Outpatient	788	1,146	-31.2%	9,186	10,915	-15.8%	8,290	10.8%
Surgery Cases - Inpatient	809	976	-17.1%	7,962	9,328	-14.6%	7,461	6.7%
Total Surgery Cases	1,597	2,122	-24.7%	17,148	20,243	-15.3%	15,751	8.9%
Total Outpatient Visits	119,581	119,145	0.4%	1,233,297	1,213,615	1.6%	1,255,890	-1.8%
Inpatient Cases (Discharges)	2,694	2,362	14.1%	26,187	24,175	8.3%	23,028	13.7%
Outpatient Observation Cases	884	1,153	-23.3%	8,282	11,984	-30.9%	11,420	-27.5%
Total Cases Occupying Patient Beds	3,578	3,515	1.8%	34,469	36,159	-4.7%	34,448	0.1%
Births	489	431	13.5%	4,490	4,046	11.0%	4,196	7.0%
Inpatient Days	16,894	15,129	11.7%	163,535	144,500	13.2%	139,868	16.9%
Outpatient Observation Days	3,267	3,523	-7.3%	26,901	36,373	-26.0%	36,420	-26.1%
Total Patient Days	20,161	18,652	8.1%	190,436	180,873	5.3%	176,288	8.0%
Average Daily Census	650.3	601.7	8.1%	626.4	595.0	5.3%	579.9	8.0%
Average Operating Beds	695	681	2.1%	684	681	0.4%	683	0.1%
Bed Occupancy %	93.6%	88.4%	5.9%	91.6%	87.4%	4.8%	84.9%	7.9%
Inpatient Average Length of Stay	6.27	6.41	-2.1%	6.24	5.98	4.5%	6.07	2.8%
Inpatient Case Mix Index (CMI)	1.699	1.706	-0.4%	1.707	1.706	0.0%	1.768	-3.5%
Payor Mix (% of Charges)								
Charity & Self Pay	46.5%	46.2%	0.6%	44.3%	46.7%	-5.1%	46.5%	-4.6%
Medicaid & Medicaid Managed	22.5%	23.5%	-4.4%	23.1%	22.7%	1.8%	22.0%	5.1%
Medicare & Medicare Managed	9.4%	11.6%	-18.8%	11.3%	11.0%	3.1%	11.6%	-1.8%
Commercial & Other	21.6%	18.7%	15.6%	21.2%	19.5%	9.0%	20.0%	6.1%
Total Unduplicated Patients - Rolling 12				249,349			248,277	0.4%
Total New Patient - Rolling 12				87,959			82,215	7.0%

Harris Health System

Statistical Highlights

July FY 2023

Cases Occupying Beds - CM

Actual	Budget	Prior Year
3,578	3,515	3,504

Cases Occupying Beds - YTD

Actual	Budget	Prior Year
34,469	36,159	34,448

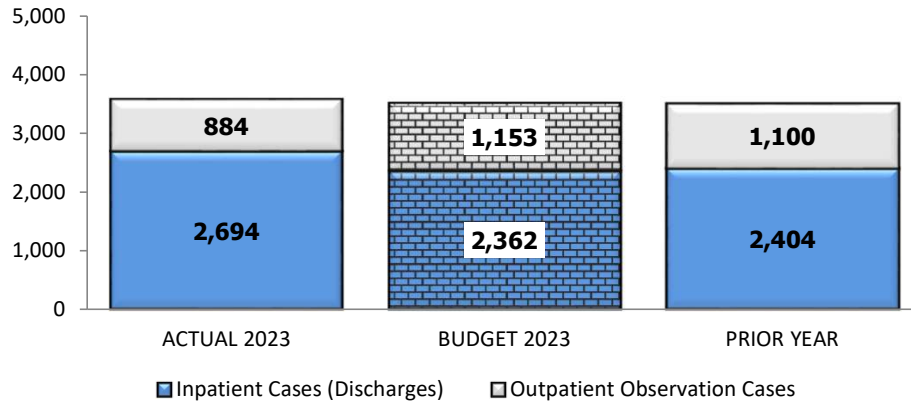
Emergency Visits - CM

Actual	Budget	Prior Year
13,582	13,202	12,832

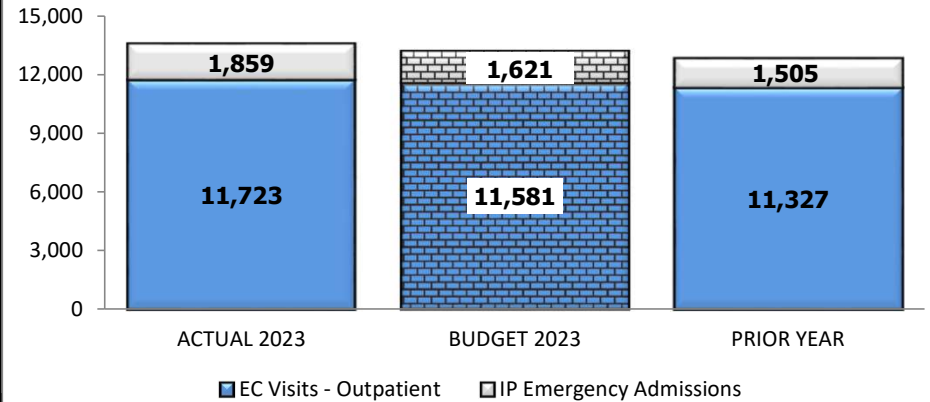
Emergency Visits - YTD

Actual	Budget	Prior Year
128,437	128,906	122,848

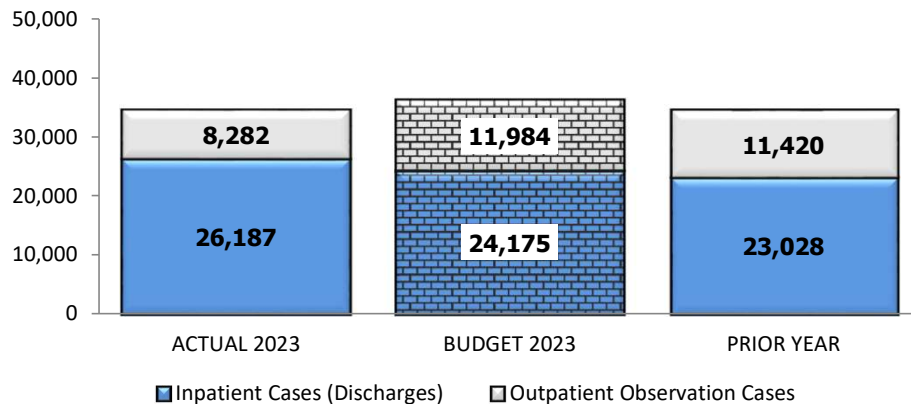
Cases Occupying Beds - Current Month



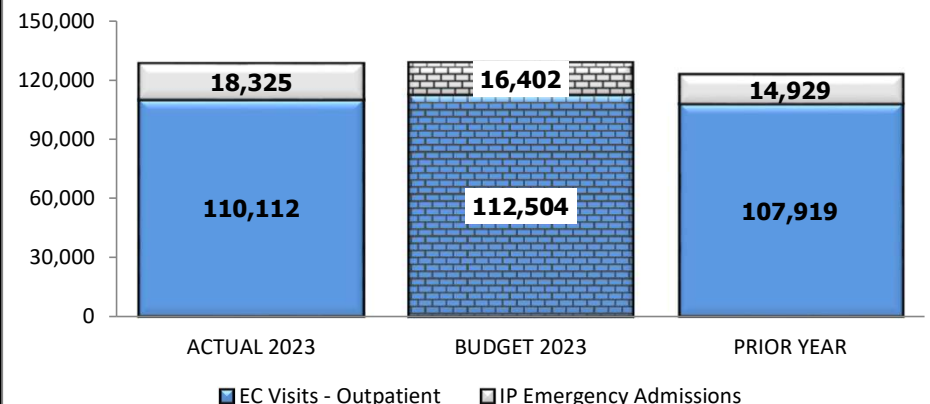
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



Harris Health System

Statistical Highlights

July FY 2023

Surgery Cases - CM

Actual	Budget	Prior Year
1,597	2,122	1,584

Surgery Cases - YTD

Actual	Budget	Prior Year
17,148	20,243	15,751

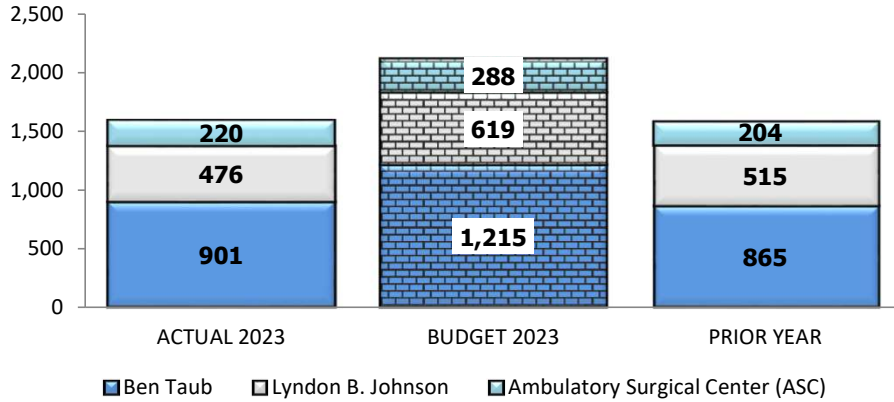
Clinic Visits - CM

Actual	Budget	Prior Year
70,950	68,281	68,469

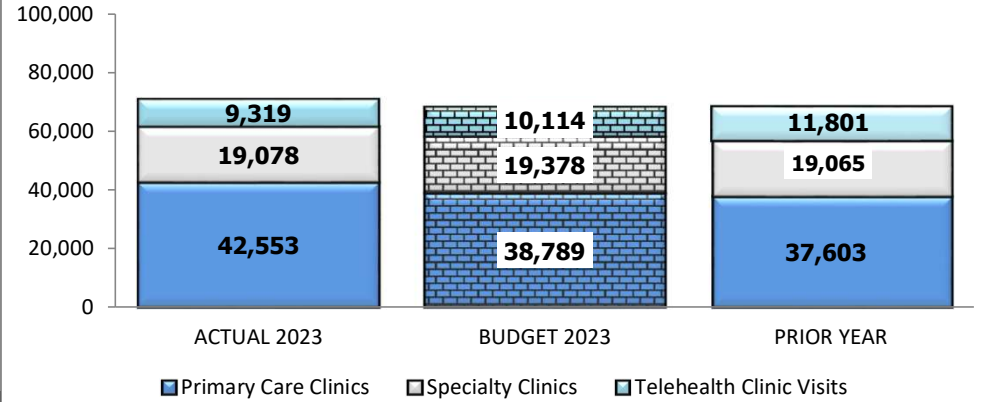
Clinic Visits - YTD

Actual	Budget	Prior Year
747,054	710,483	724,733

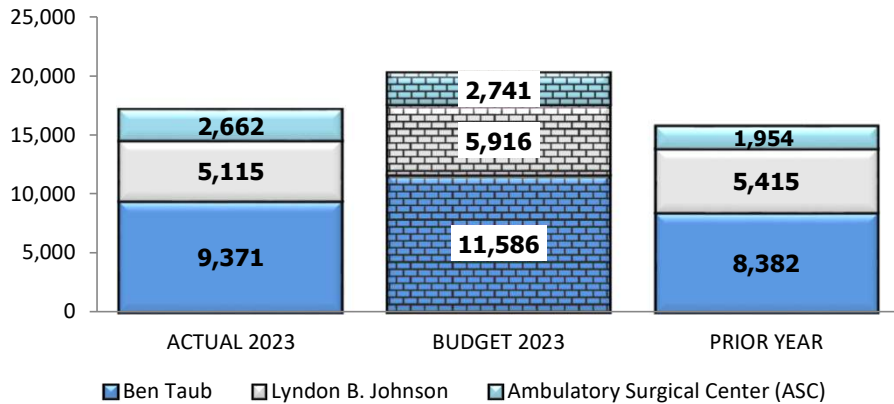
Surgery Cases - Current Month



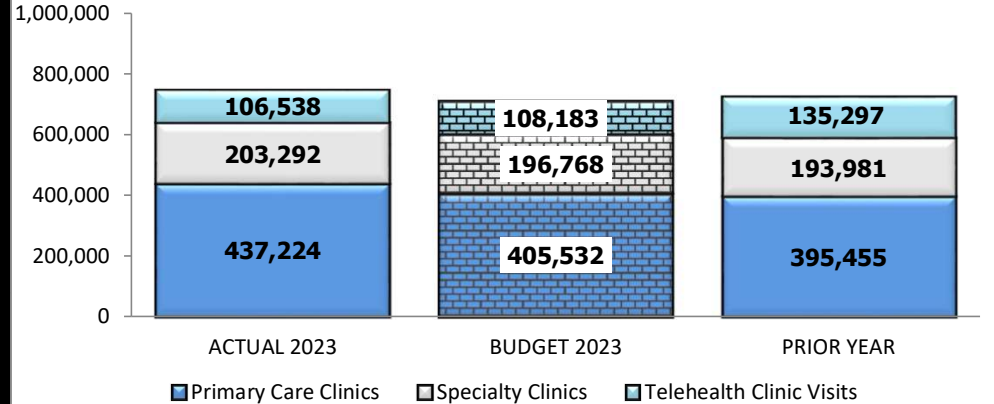
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



Harris Health System

Statistical Highlights

July FY 2023

Adjusted Patient Days - CM

43,285

Adjusted Patient Days - YTD

416,436

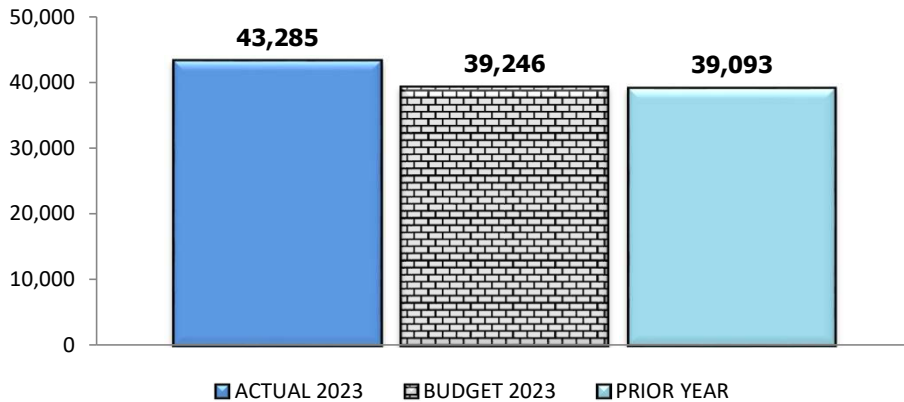
Average Daily Census - CM

650.3

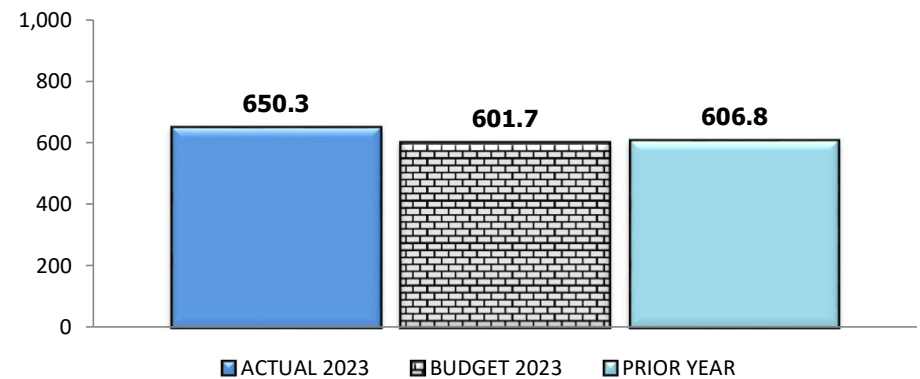
Average Daily Census - YTD

626.4

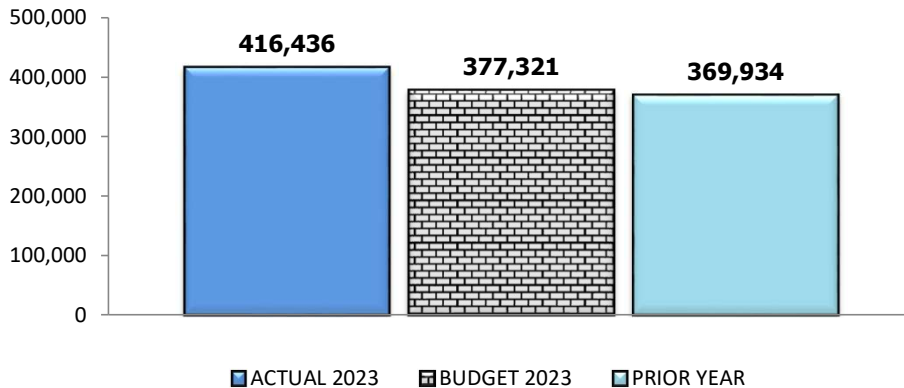
Adjusted Patient Days - Current Month



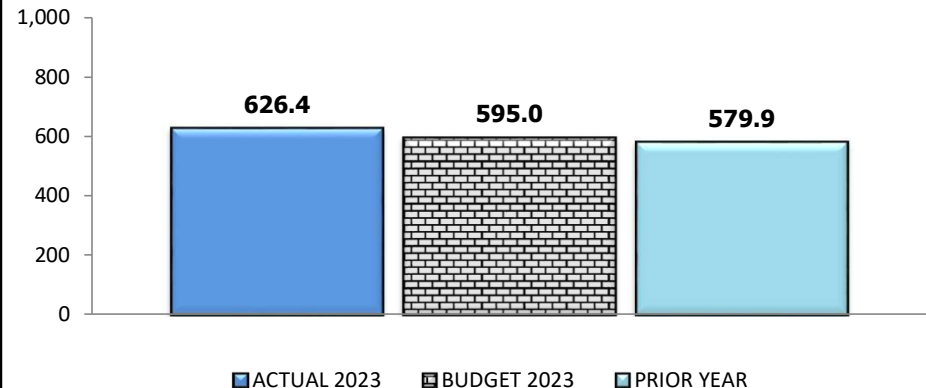
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



Harris Health System

Statistical Highlights

July FY 2023

Inpatient ALOS - CM

6.27

Inpatient ALOS - YTD

6.24

Case Mix Index (CMI) - CM

Overall

Excl. Obstetrics

1.699

1.890

Case Mix Index (CMI) - YTD

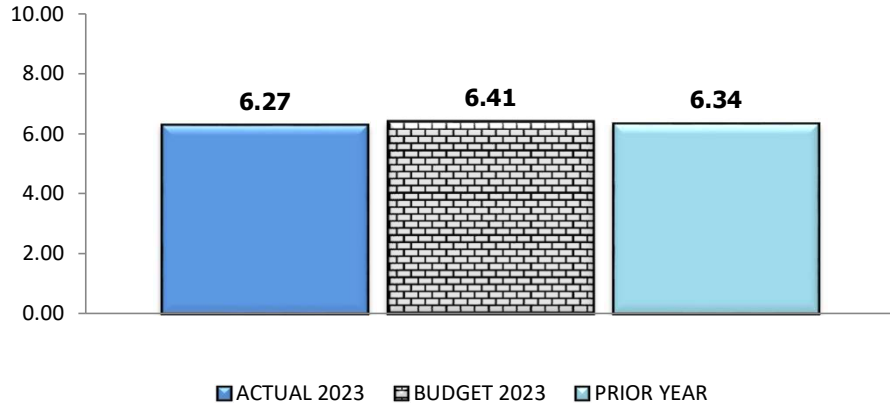
Overall

Excl. Obstetrics

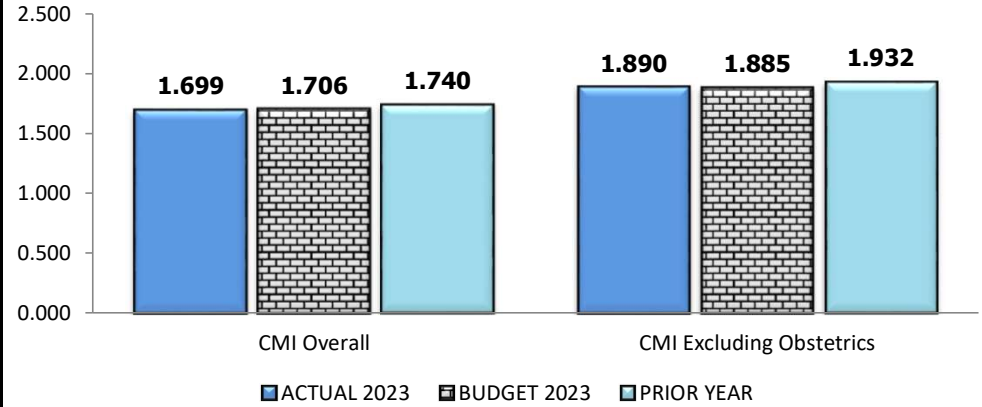
1.707

1.882

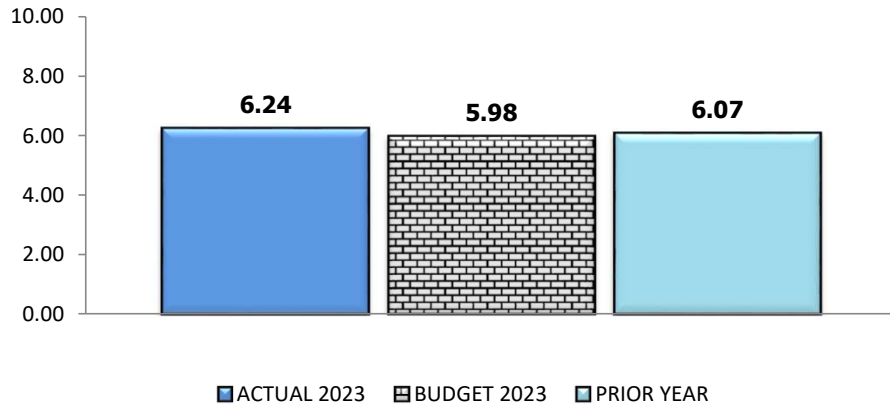
Inpatient ALOS - Current Month



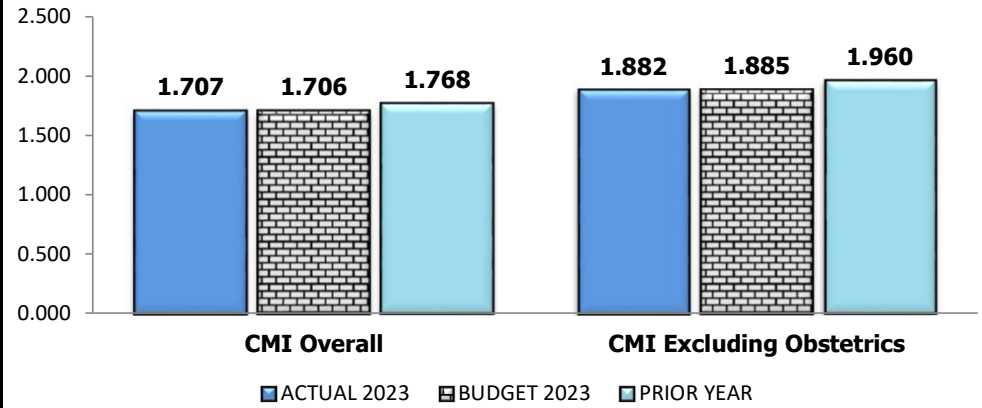
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

Statistical Highlights - Cases Occupying Beds

July FY 2023

BT Cases Occupying Beds - CM

Actual	Budget	Prior Year
2,124	2,114	2,103

BT Cases Occupying Beds - YTD

Actual	Budget	Prior Year
20,493	21,248	20,432

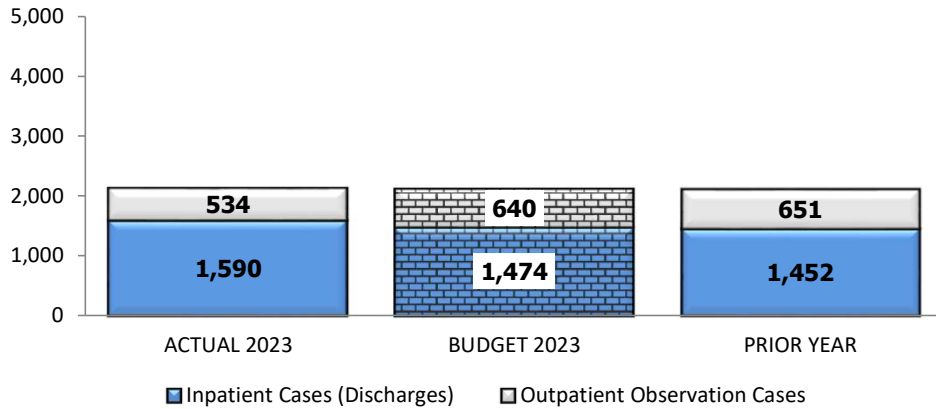
LBJ Cases Occupying Beds - CM

Actual	Budget	Prior Year
1,454	1,401	1,401

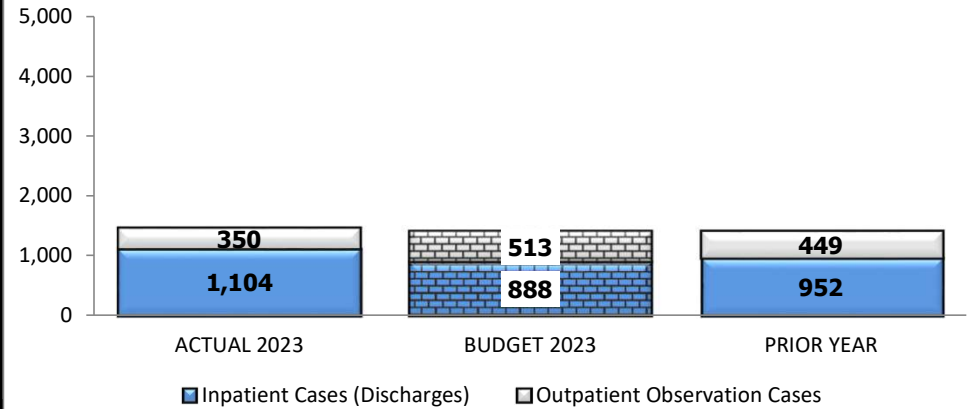
LBJ Cases Occupying Beds - YTD

Actual	Budget	Prior Year
13,976	14,911	14,016

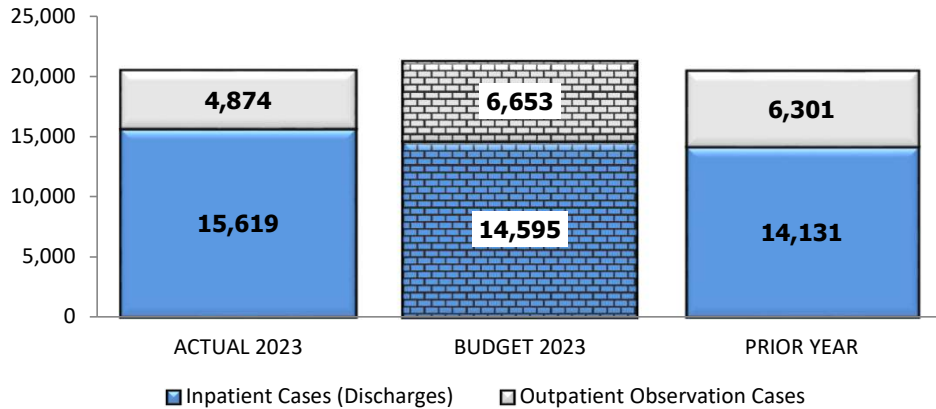
Ben Taub Cases - Current Month



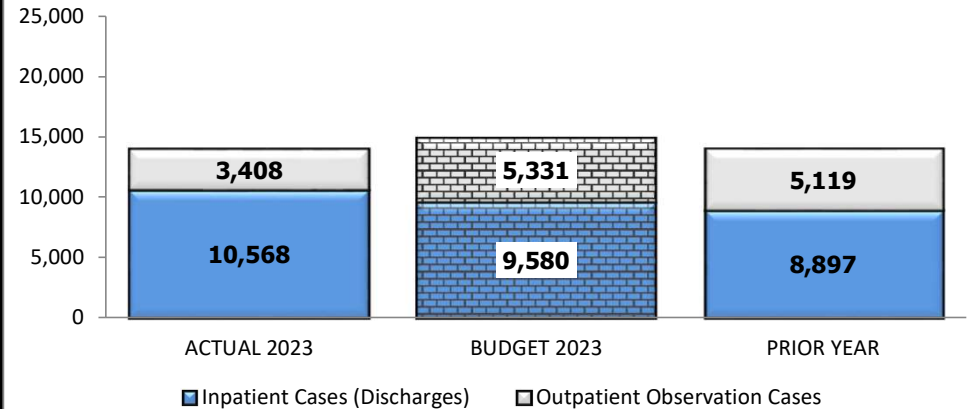
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



Harris Health System

Statistical Highlights - Surgery Cases

July FY 2023

BT Surgery Cases - CM

Actual	Budget	Prior Year
901	1,215	865

BT Surgery Cases - YTD

Actual	Budget	Prior Year
9,371	11,586	8,382

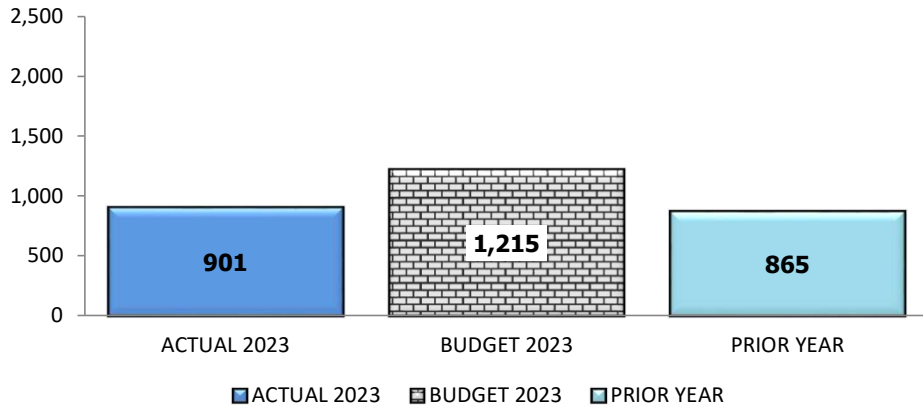
LBJ Surgery Cases - CM

Actual	Budget	Prior Year
696	907	719

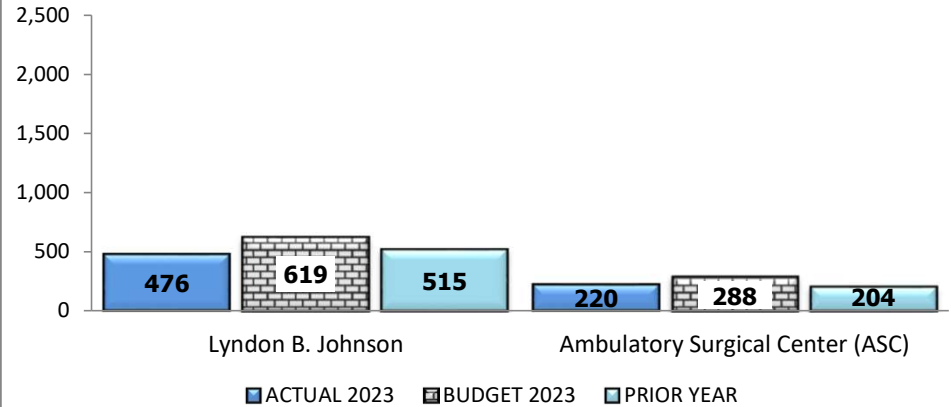
LBJ Surgery Cases - YTD

Actual	Budget	Prior Year
7,777	8,657	7,369

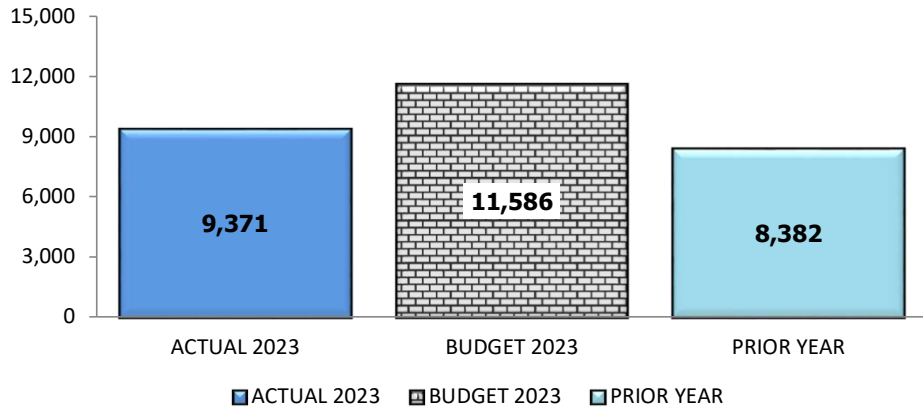
Ben Taub OR Cases - Current Month



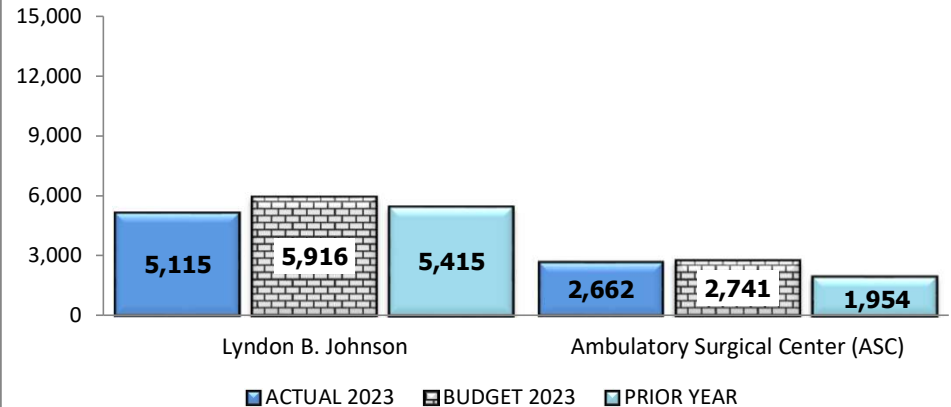
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



Harris Health System

Statistical Highlights - Emergency Room Visits

July FY 2023

BT Emergency Visits - CM

Actual	Budget	Prior Year
6,819	6,422	6,211

BT Emergency Visits - YTD

Actual	Budget	Prior Year
62,872	63,225	60,737

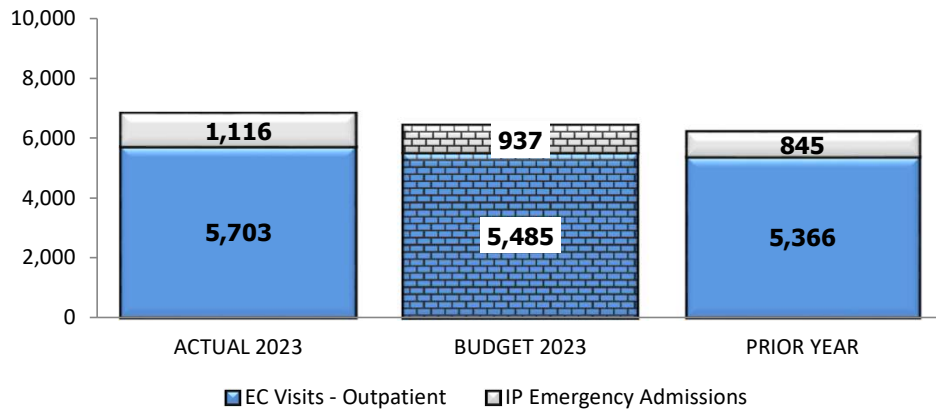
LBJ Emergency Visits - CM

Actual	Budget	Prior Year
6,763	6,780	6,621

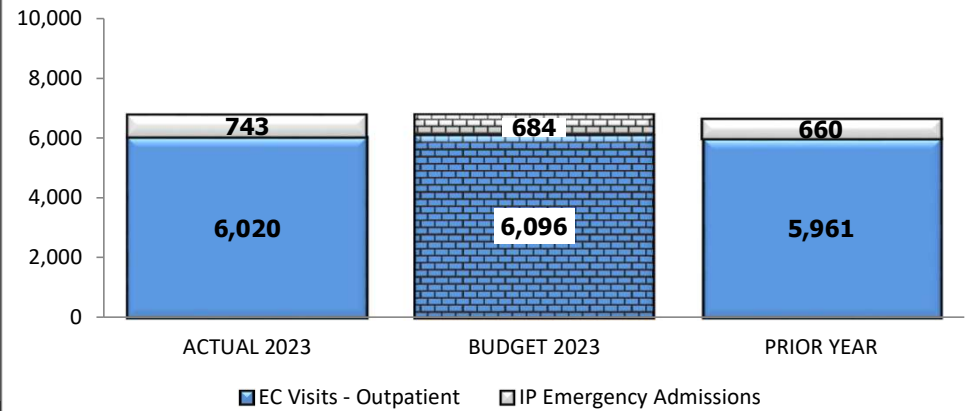
LBJ Emergency Visits - YTD

Actual	Budget	Prior Year
65,565	65,681	62,111

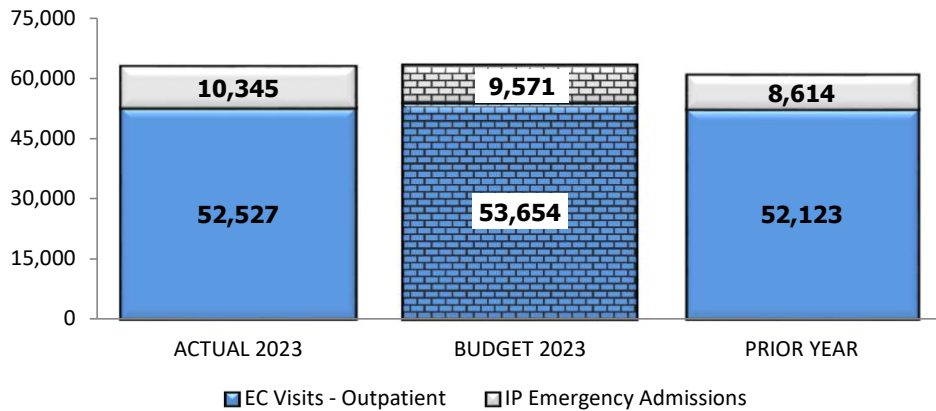
Ben Taub EC Visits - Current Month



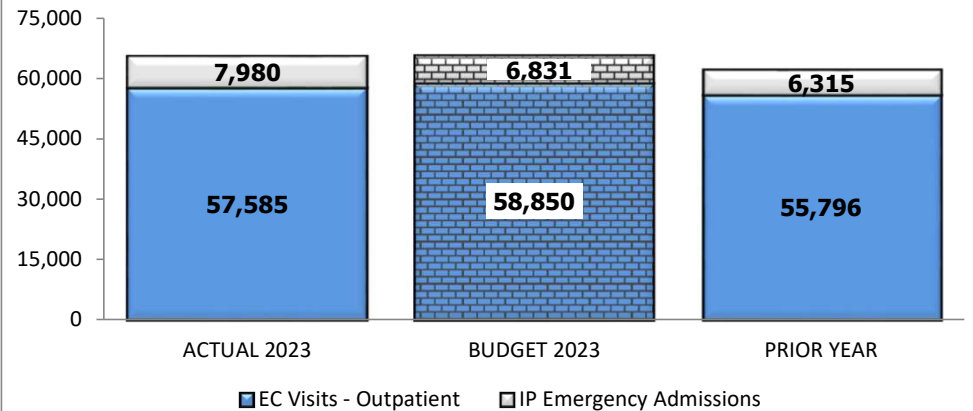
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD



Harris Health System

Statistical Highlights - Births

July FY 2023

BT Births - CM

Actual	Budget	Prior Year
256	219	251

BT Births - YTD

Actual	Budget	Prior Year
2,625	2,311	2,398

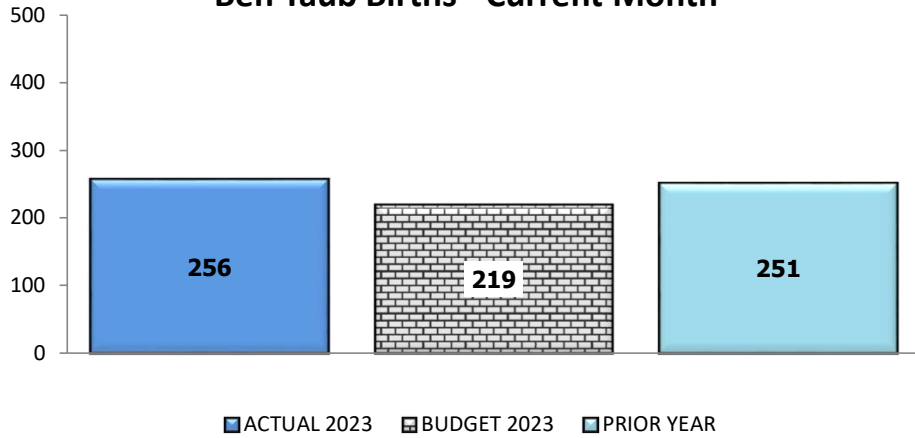
LBJ Births - CM

Actual	Budget	Prior Year
233	212	197

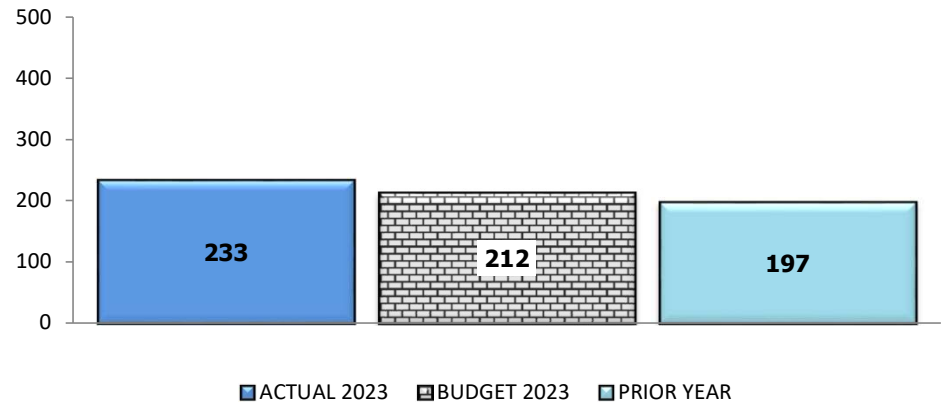
LBJ Births - YTD

Actual	Budget	Prior Year
1,865	1,735	1,798

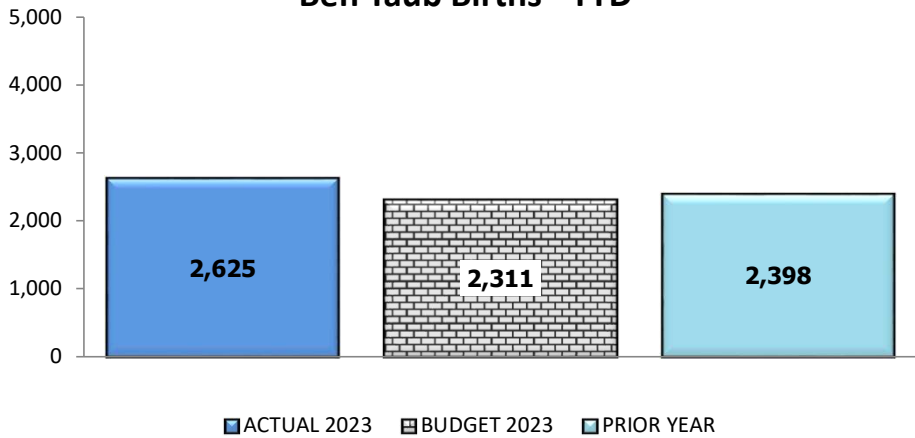
Ben Taub Births - Current Month



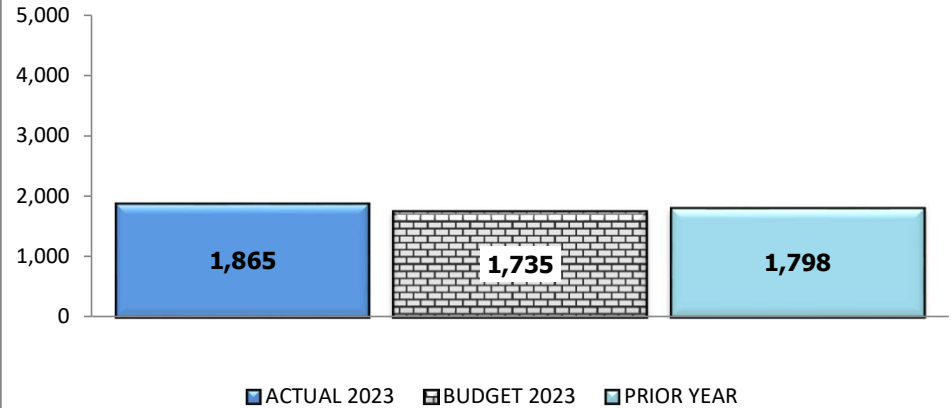
Lyndon B. Johnson Births - Current Month



Ben Taub Births - YTD



Lyndon B. Johnson Births - YTD



Harris Health System

Statistical Highlights - Adjusted Patient Days

July FY 2023

BT Adjusted Patient Days - CM

21,411

BT Adjusted Patient Days - YTD

206,133

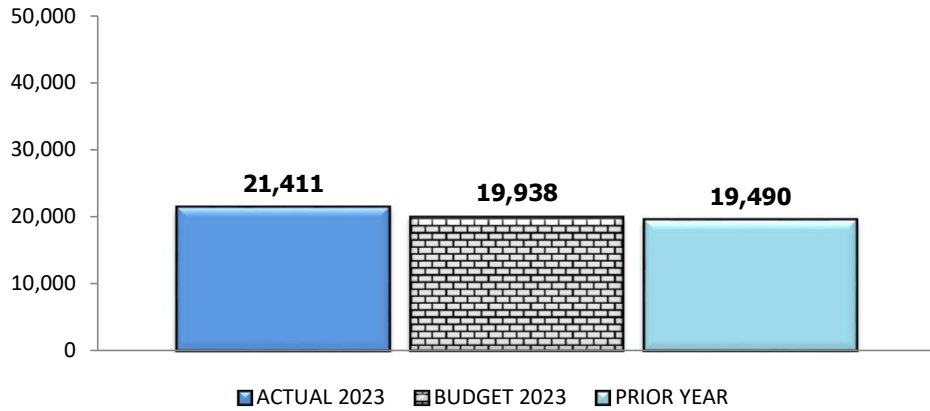
LBJ Adjusted Patient Days - CM

13,976

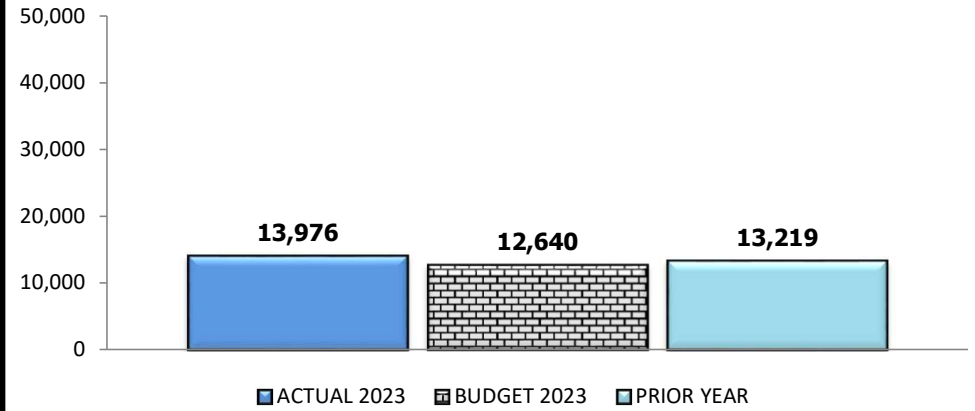
LBJ Adjusted Patient Days - YTD

131,533

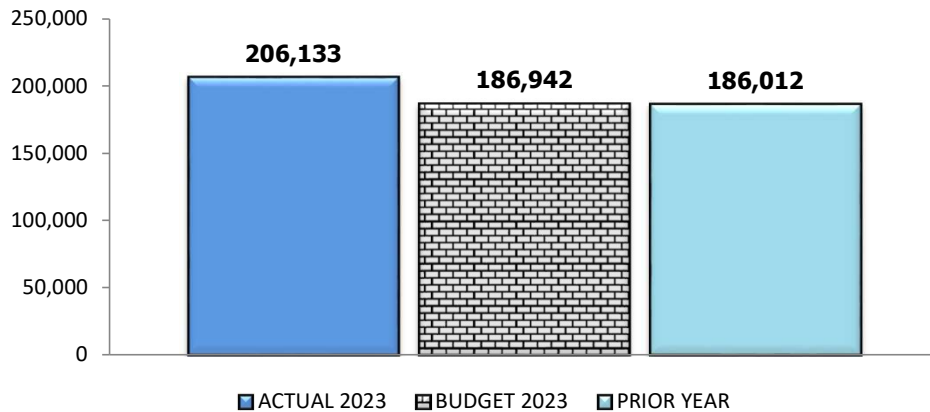
Ben Taub APD - Current Month



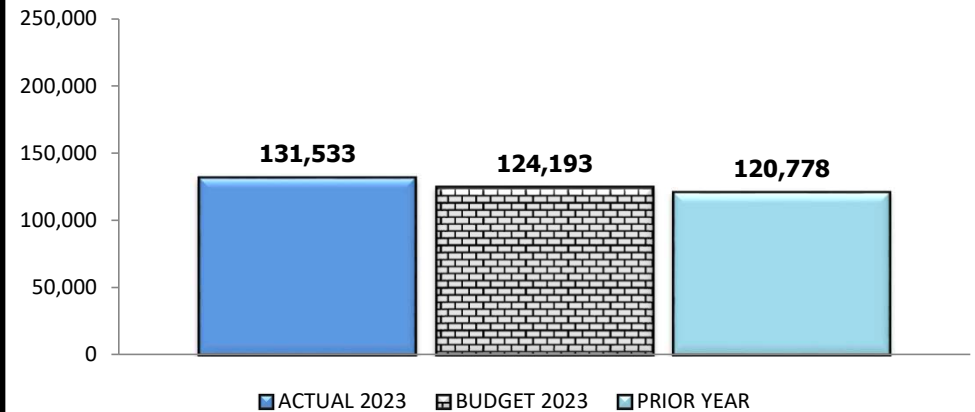
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



Harris Health System

Statistical Highlights - Average Daily Census (ADC)

July FY 2023

BT Average Daily Census - CM

414.1

BT Average Daily Census - YTD

402.7

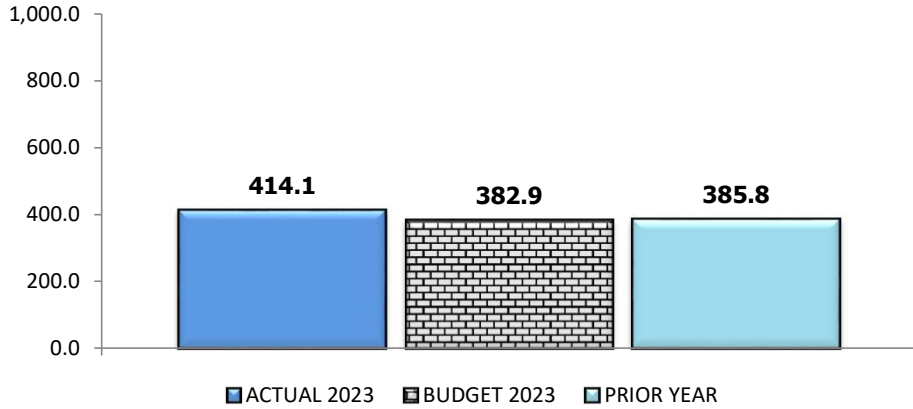
LBJ Average Daily Census - CM

236.3

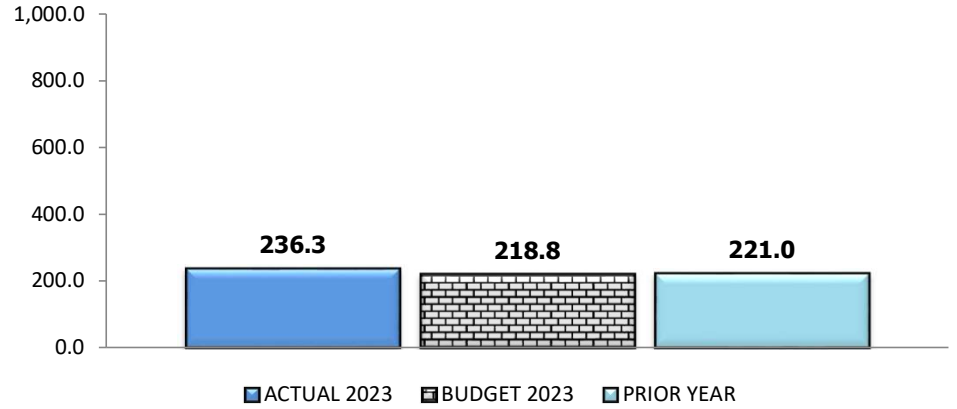
LBJ Average Daily Census - YTD

223.8

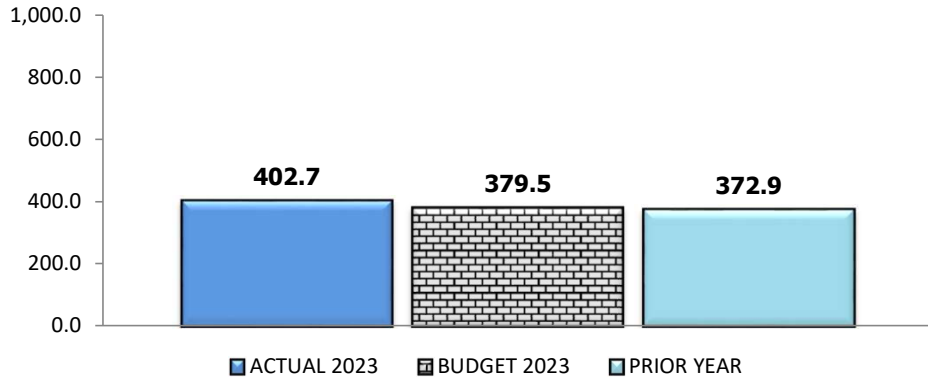
Ben Taub ADC - Current Month



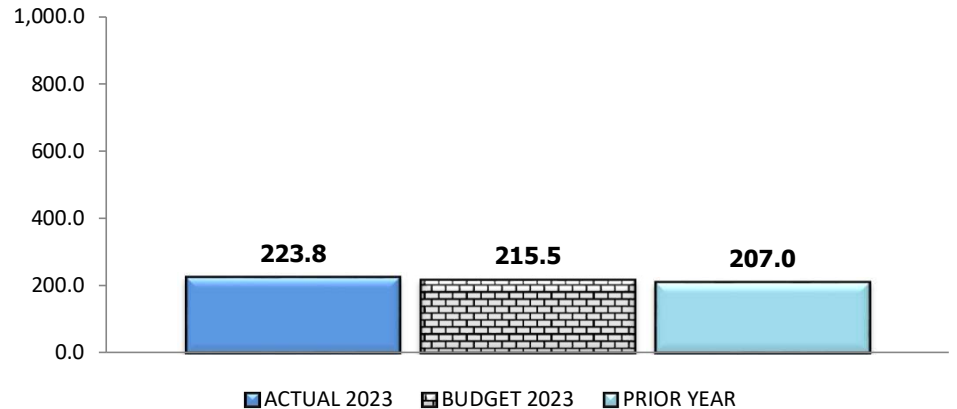
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

July FY 2023

BT Inpatient ALOS - CM

6.72

BT Inpatient ALOS - YTD

6.75

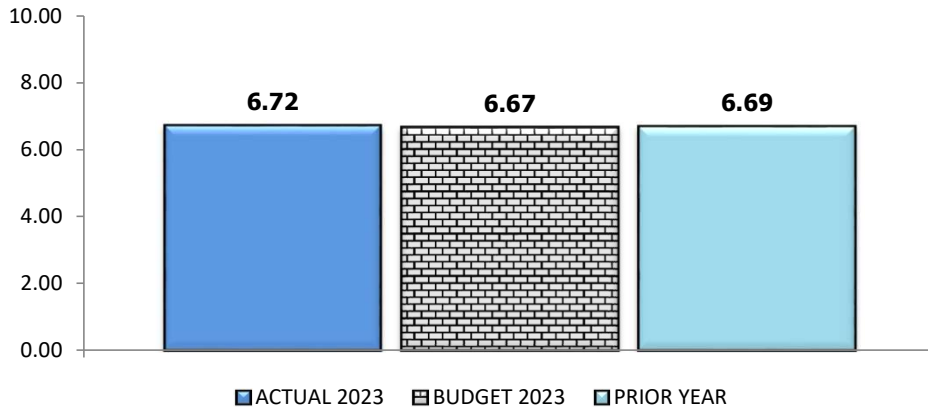
LBJ Inpatient ALOS - CM

5.63

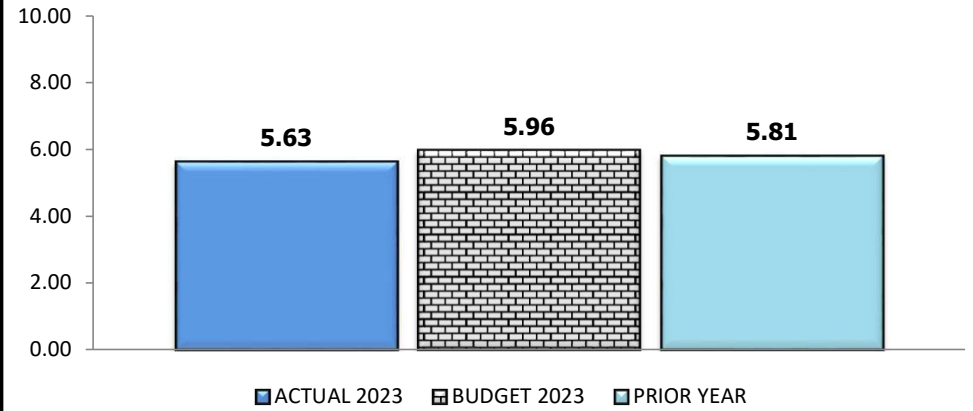
LBJ Inpatient ALOS - YTD

5.49

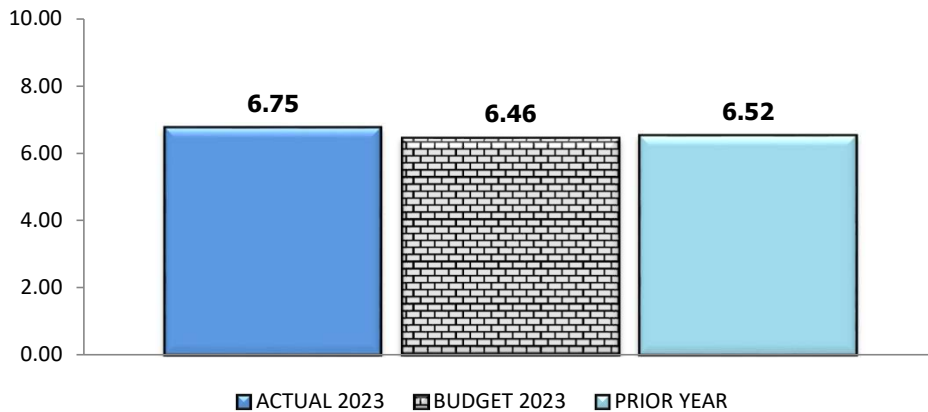
Ben Taub ALOS - Current Month



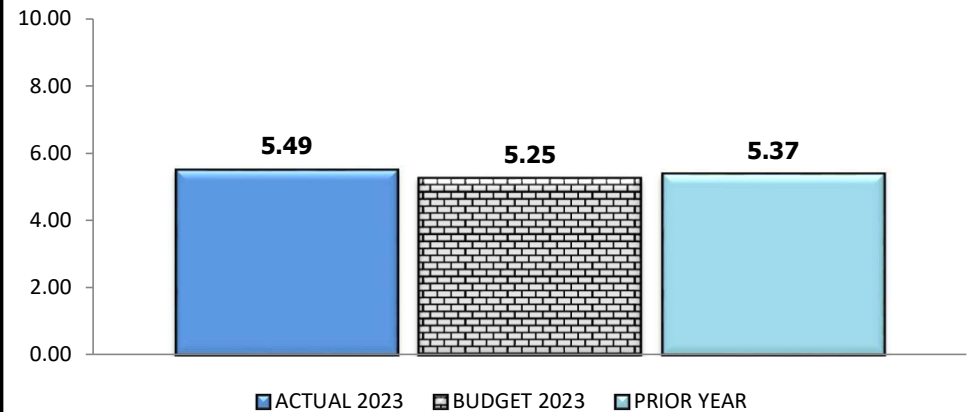
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



Harris Health System

Statistical Highlights - Case Mix Index (CMI)

July FY 2023

BT Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.833	2.019

BT Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.824	2.013

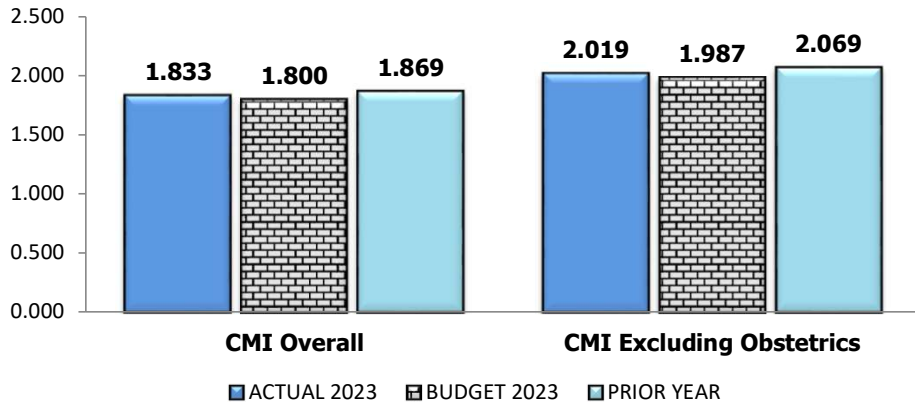
LBJ Case Mix Index (CMI) - CM

Overall	Excl. Obstetrics
1.507	1.693

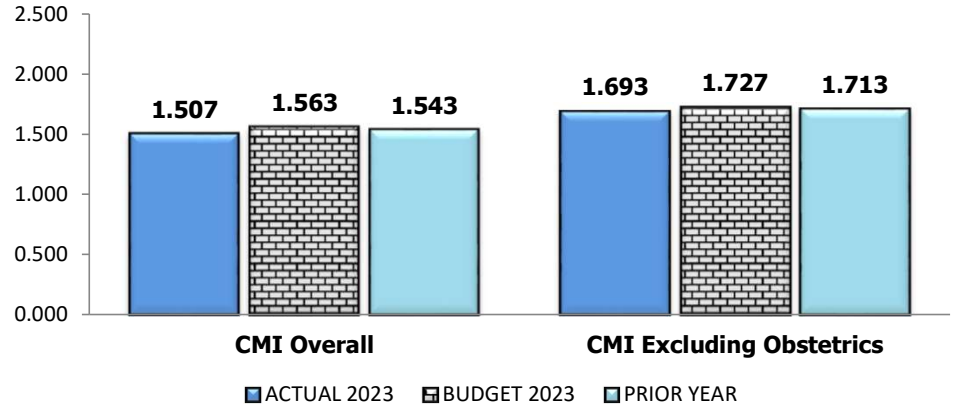
LBJ Case Mix Index (CMI) - YTD

Overall	Excl. Obstetrics
1.534	1.685

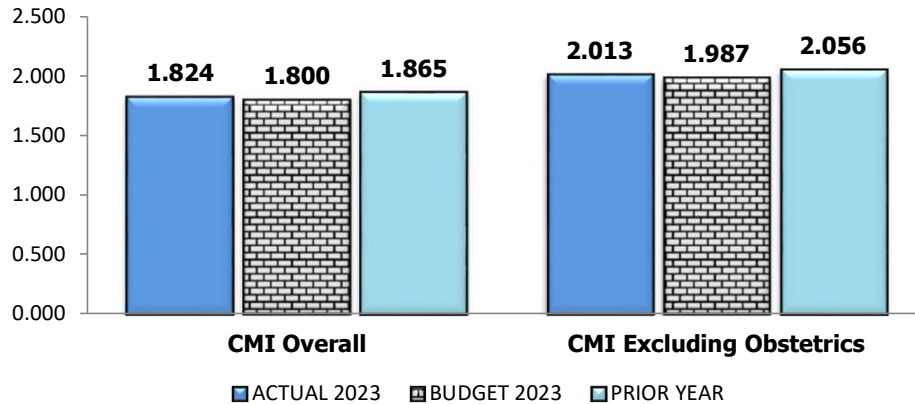
Ben Taub CMI - Current Month



Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD

