



HARRISHEALTH SYSTEM

Harris County Commissioners Court
Fiscal Year 2022-23 Budget Hearings
January 11-14, 2022

Budget Presentation Stub Year & Fiscal Year 2023

Esmaeil Porsa, MD, President & CEO

Victoria Nikitin, Senior Vice President, Finance

HARRIS HEALTH SYSTEM

Harris Health is a hospital district established to provide healthcare to the indigent residents of Harris County. As a political subdivision and unit of local government of the State of Texas created pursuant to the Texas Constitution, Article IX, Section 4, it is a distinct governmental entity with responsibility for providing medical and hospital care to needy inhabitants of Harris County, Texas.

MISSION:

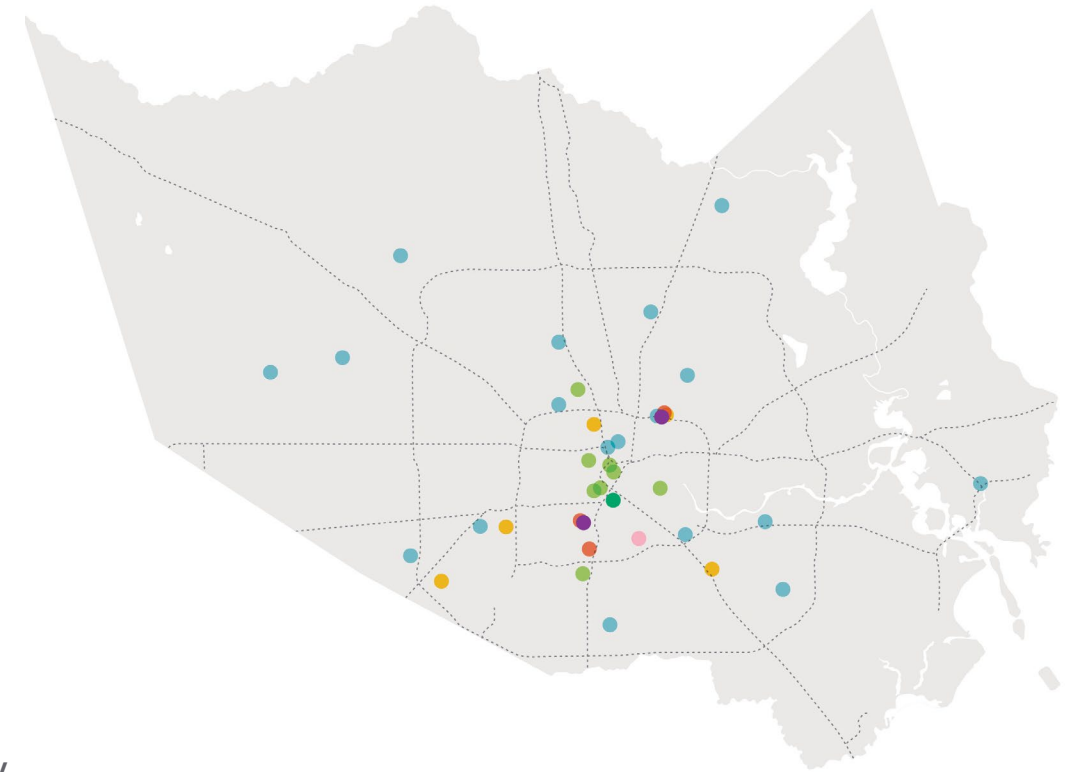
to improve the health of those most in need in Harris County through quality care delivery, coordination of care and education

VISION:

to become the premier public academic healthcare system in the nation

VALUES:

Q – quality and patient safety
 U – united as ONE Harris Health System
 A – accountable and just culture
 L – leadership and integrity
 I – innovation, research and education
 T – trust, respect and recognition
 Y – you: patients, employees and medical staff



18 Community Health Centers
 8 Homeless Clinics
 5 Same Day Clinics
 3 Specialty Locations
 2 Hospitals
 1 Dental Center
 1 Dialysis Center

Plus several school based clinics
 and mobile health care units

HARRIS HEALTH SYSTEM: FY21 STATISTICS

234,784

Total Unique Patients

47,778

Self Pay Patients

79,139

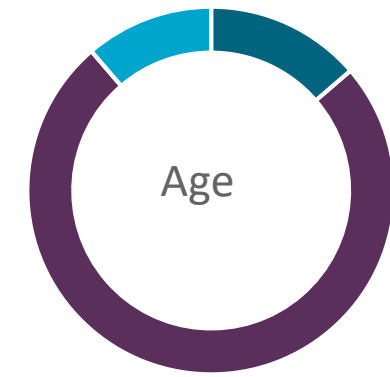
Charity Patients

\$720.3 million

Cost of Charity Care



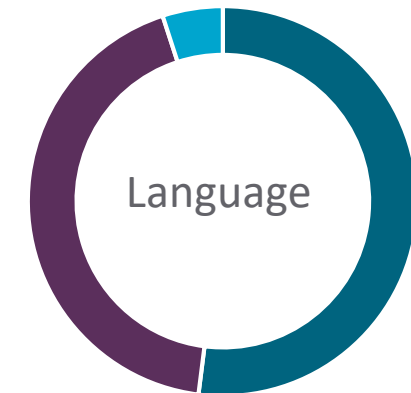
Commercial 14.7%
Medicare & Managed Medicare 11.9%
Medicaid & CHIP 22.3%
Uninsured 51.2%



0-19 13.7%
20-64 75%
65+ 11.3%



Hispanic / Latina 54.1%
African American 25.9%
Caucasian 11.3%
Asian & Other 8.7%



English 52%
Spanish 43%
Other 5%

COVID HIGHLIGHTS

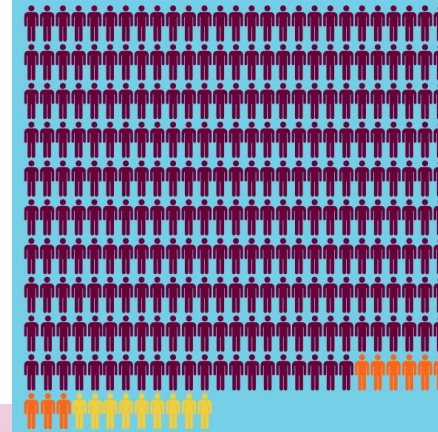
Much of fiscal year 2022 was focused on caring for the community during the pandemic. Over the last year Harris Health has:

- Administered 171K+ COVID vaccine doses
- Vaccinated 85k+ patients & staff
- Cared for 2,400 COVID+ hospitalized patients

COST OF COVID:
\$275 million over calendar 2020-2021

Vaccinations Save Lives HARRISHEALTH SYSTEM

Jan. 1, 2021- Jan. 5, 2022



282 Patient Deaths from COVID-19

266



Unvaccinated

7



Partially Vaccinated

9



Fully Vaccinated

Patient Age Range



Race and Ethnicity

Hispanic/Latino
49.16%

Black/African American
20.29%

Asian
4.20%

White
11.19%

Middle Eastern
1.98%

Other/Unknown/
Declined to Answer
13.18%

Source: Harris Health System's Ambulatory Care Services /
Vaccine information from Dec. 15, 2020-Dec. 12, 2021

Of those who died during their hospitalization, 9 were fully vaccinated.

FY2022 ACHIEVEMENT HIGHLIGHTS

Despite the pandemic, Harris Health stayed focused on achievement of its goals as outlined in its 2021 – 2025 Strategic Plan.

QUALITY	PEOPLE	ONE HARRIS HEALTH SYSTEM	POPULATION HEALTH	INFRASTRUCTURE OPTIMIZATION
<ul style="list-style-type: none"> *2.9 percentage point reduction in harmful events as a % of total events over prior year as the result of new Red Rule policies. *3.5 hours reduction of average transfer time between Harris Health hospitals for Acute Coronary Syndrome *Implementation of bundles focused on CAUTI, CLABSI and SSI with the aim of reducing these Hospital Acquired Conditions (HACs) that have negative reputational as well as financial impacts on Harris Health 	<ul style="list-style-type: none"> *Achievement of Magnet Status at LBJ and Ben Taub hospitals *Implementation of a Patient Care Assistant (PCA) Externship Program with 78% of the inaugural class successfully completing the program and being hired full time at Harris Health *Development of a competitive compensation strategy aimed at retention of key clinical staff *Implementation of patient engagement action plans developed in conjunction with our PFACs, resulting in an increase in top-box score for 'Would Recommend Facility' for Ambulatory Care Services of 1.1 percentage points 	<ul style="list-style-type: none"> *Development of three key clinical service lines (Cardiology, Women's Services and GI) *Implementation of a Meds-to-Beds program that resulted in a statistically significant 17% reduction in readmissions 	<ul style="list-style-type: none"> *Expansion of the Food Pharmacy program to Acres Home and LBJ Hospital. On average, Food Rx graduates experienced an average decrease in their HbA1C of 0.72 percentage points *Redesign of the Community Health Worker (CHW) home visit program for high risk diabetic patients, with an average decrease in HbA1c of 2.20 percentage points for enrolled patients *Expansion of the medication home delivery program to improve access to medications with an increase in medication adherence achieved (measured by the % of initial and refill medications dispensed) 	<ul style="list-style-type: none"> *Completion of Phase I master plan for replacement hospitals for LBJ and Ben Taub *Remediation of significant plumbing issues on the LBJ campus *Renovation of the Ben Taub Emergency Center *Implementation of Epic at the Harris County Jail

STUB YEAR AND FY2023 GOALS AND OUTCOMES

STRATEGIC FOCUS AREA	SY AND FY23 OUTCOME MEASURES	FIVE YEAR GOALS
Quality and Patient Safety	<ol style="list-style-type: none"> 1. Reduction in the number of safety events (high harm and never events) 2. Reduction in the number of Hospital Acquired Conditions (HACs) 	<ol style="list-style-type: none"> 1. Zero high harm and never events. 2. Zero Hospital Acquired Conditions
People (Patients, Employees, Medical Staff)	<ol style="list-style-type: none"> 1. Reduction in staff turnover for employees with less than two years of tenure 2. Improvement in patient experience score 	<ol style="list-style-type: none"> 1. 15% reduction in two year turnover 2. 90th percentile performance
One Harris Health System	<ol style="list-style-type: none"> 1. Improvement in patient throughput and remediation of gaps to ensure one consistent framework for all support services 2. Demonstrate fiscal responsibility and stewardship by controlling costs and maximizing efficiency to achieve a 2% annual margin 	<ol style="list-style-type: none"> 1. Expansion of service lines across all specialty services 2. 2% annual margin
Population Health Management	<ol style="list-style-type: none"> 1. Expansion of Food Pharmacies and chronic disease management model in two new locations with the goal of reducing HbA1c levels in highest and high risk diabetic patients enrolled 2. Reduction of wait time for appointments in key specialties/procedures <u>Pending approval of the interlocal agreement by Harris Health's Board of Trustees and the Harris County Commissioners Court:</u> <ol style="list-style-type: none"> 1. Expansion of on-site services at HCJ thus reducing the number of detainees transported to outside facilities 2. Reduction in time to first provider visit after intake at HCJ 3. Reduction in time to first dose medication after intake at HCJ 	<ol style="list-style-type: none"> 1. Expansion by 1-2 Food Pharmacies annually with 10% decrease in HbA1c in participants 2. 30 day wait time for specialty appointments <ol style="list-style-type: none"> 1. 40% reduction in the number of detainees transported to outside facilities for medical care 2. First provider visit within 24 hours after intake 3. First dose medication within 24 hours after intake
Infrastructure Optimization	<ol style="list-style-type: none"> 1. Completion of phase two facility master plans for replacement hospitals for LBJ and Ben Taub 2. Increase in the number of inpatient beds available (through internal utility failure mitigation strategies and external partnerships) 	<ol style="list-style-type: none"> 1. Completion of long term facilities master plan 2. Zero boarding hours due to capacity limitations

LARGE TEXAS HOSPITAL DISTRICT COMPARISON

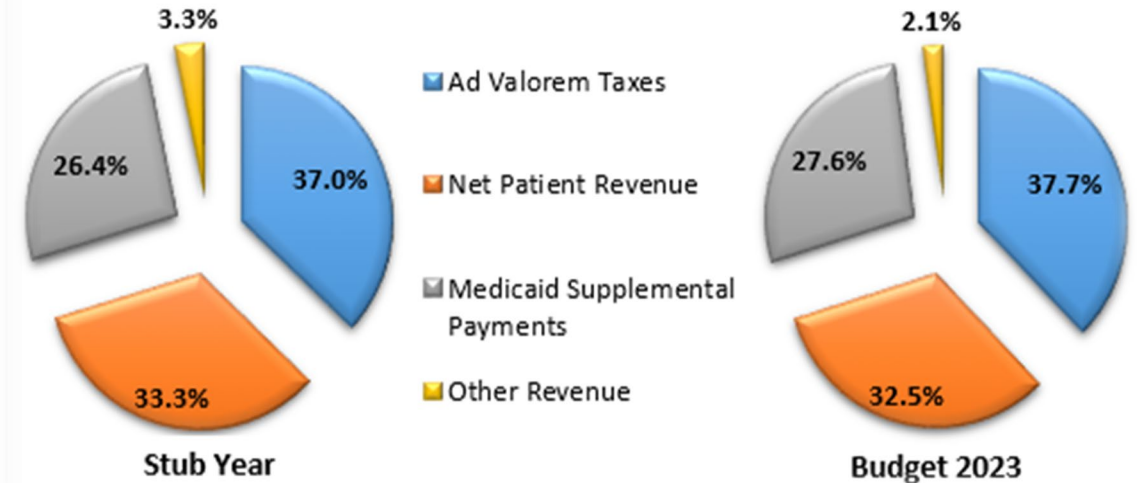
	Harris	Dallas	Bexar	Tarrant
Hospital District Tax Rates (2020 Tax Rates)				
Maintenance & Operations Rate	\$0.16491	\$0.25270	\$0.23675	\$0.22349
Debt Service Rate	\$0.00180	\$0.01340	\$0.03948	\$0.00094
Hospital District Rate - Cents per \$100 Valuation	\$0.16671	\$0.26610	\$0.27624	\$0.22443
Taxable Value of Property (\$ Billions)	\$500.10	\$285.90	\$188.20	\$221.50
Total Population of County (US Census - April 2020)	4,731,145	2,613,539	2,009,324	2,110,640
Average Taxable Property Value / Resident	\$105,704	\$109,392	\$93,663	\$104,944
Hospital District Property Tax Levy (\$ Millions)	\$833.70	\$760.80	\$519.90	\$497.00
Uninsured Population (US Census – April 2020)	1,048,228	600,318	322,400	347,813
Percentage Uninsured	22.20%	23.00%	16.00%	16.50%
Hospital District Tax Levy / Resident	\$176	\$291	\$259	\$235
Hospital District Tax Levy / Uninsured Resident	\$795	\$1,267	\$1,613	\$1,429

BUDGETED REVENUES (\$ Millions)

	Projected FY 2022	Budget Stub Year	Budget FY 2023
Revenue:			
Net Patient Revenue	\$ 822.3	\$ 431.4	\$ 723.7
Medicaid Supplemental Programs	551.2	341.0	614.3
Other Operating Revenue	54.8	27.7	32.0
Total Operating Revenue	\$ 1,428.3	\$ 800.1	\$ 1,370.0
Net Ad Valorem Taxes	805.6	479.4	838.2
Net Tobacco Settlement Revenue	13.3	13.3	13.3
Interest Income & Other	1.9	1.1	2.0
Total Nonoperating Revenue	\$ 820.8	\$ 493.8	\$ 853.4
Total Net Revenue	\$ 2,249.1	\$ 1,293.8	\$ 2,223.5

CURRENTLY AT RISK (subject to change):
\$400 million annualized in Medicaid Supplemental payments,
Uncompensated Care and DSRIP.

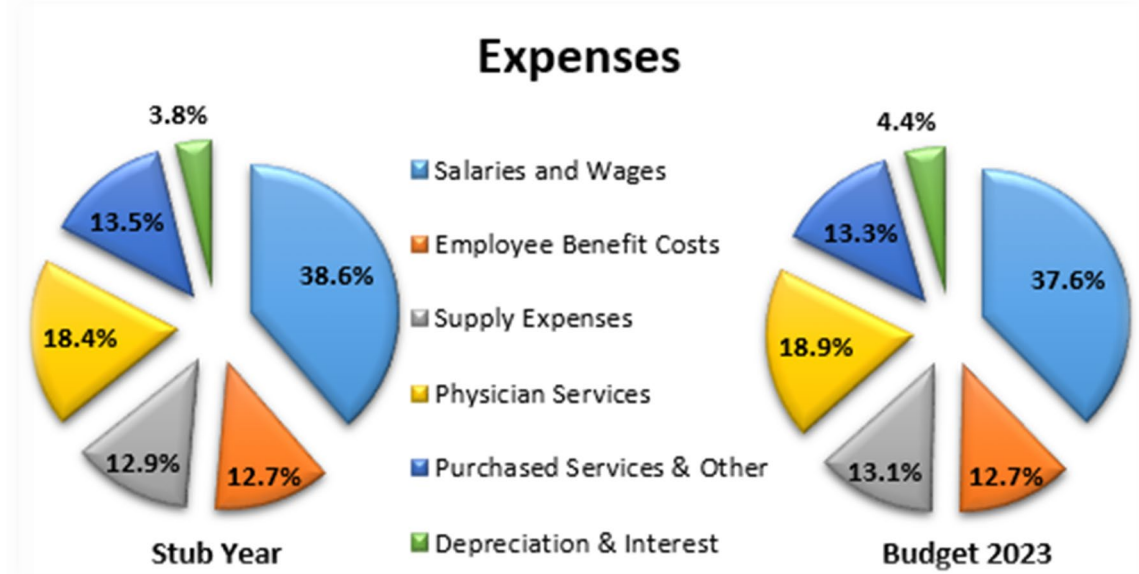
Sources of Revenue



This budget does not reflect revenue or expenditures for correctional health services, because payment for these services is under negotiation by Harris County and Harris Health. Any budgetary impact associated with these services will be incorporated following the interlocal agreement's approval by Harris Health's Board of Trustees and Harris County Commissioners Court.

BUDGETED EXPENSES (\$ Millions)

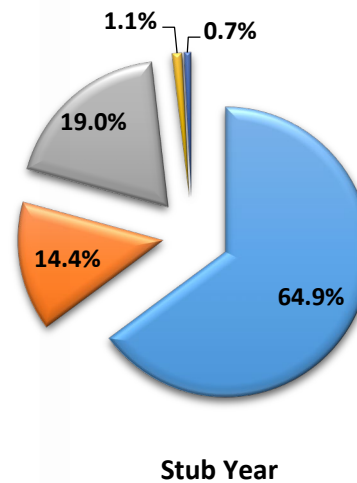
Expense:	Projected FY 2022	Budget Stub Year	Budget FY 2023
Salaries and Wages	\$ 807.9	\$ 489.4	\$ 819.9
Employee Benefits	266.6	161.4	277.6
Total Labor Cost	\$ 1,074.6	\$ 650.8	\$ 1,097.5
Supplies	269.6	163.5	284.8
Physician Services	369.7	233.7	412.7
Purchased Services	283.6	171.3	289.6
Depreciation, Amortization & Interest	70.0	48.4	95.5
Total Operating Expense	\$ 2,067.5	\$ 1,267.6	\$ 2,180.1
Operating Income (Loss)	\$ 181.6	\$ 26.2	\$ 43.4



CAPITAL BUDGETS (\$ Millions)

Category Totals	Budget Stub Year	Budget FY 2023
Facility Projects	\$ 87.7	\$ 107.8
Information Technology	19.4	21.9
Medical Equipment	25.7	31.7
Other	1.4	2.7
Emergency Capital	1.0	2.0
Total Capital Budget	\$ 135.3	\$ 166.1

Capital Expenditures



- Facility Projects
- Information Technology
- Medical Equipment
- Other
- Emergency Capital

