HMA

HEALTH MANAGEMENT ASSOCIATES

Finance Excerpt from the Tarrant County Long Range Planning Report

PREPARED FOR
THE CITIZENS BLUE RIBBON COMMITTEE

BY
HEALTH MANAGEMENT ASSOCIATES

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Research and Consulting in the Fields of Health and Human Services Policy, Health Economics and Finance, Program Evaluation, Data Analysis, and Health System Restructuring

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7. Market Assessment – Financial Perspectives

Introduction

A financial review provides a baseline to assess performance and trends related to JPS, establishes a benchmark against other facilities, and creates a context for the strategic assessment of strengths, weaknesses, opportunities, and threats (SWOT) necessary to assess the key role that JPS serves in Tarrant County. To conduct this assessment, HMA interviewed key stakeholders including Tarrant County and JPS personnel; and reviewed internal statistical and financial JPS information, JPS audited financial statements, comparisons to other Texas public hospitals, and comparisons to other facilities within Tarrant County. HMA also assessed JPS' profile and service capacity and utilization within Tarrant County.

The analysis looked at the following six issues affecting JPS' role in Tarrant County's long range plan:

1. **Services & Expenditures to Medically Needy Populations** – Provides context for overall strategic assessment.
2. **Medicaid and Exchange Managed Care** – External factors related to Medicaid and Exchange managed care likely will impact the local environment.
3. **Role of MCOs in System of Care for Medically Needy Populations** – How will managed care organizations (MCOs) and integrated delivery systems bring value to managing the health of a population with complex medical needs?
4. **Delivery System Reform Incentive Payment (DSRIP)/Medicaid Waivers/Disproportionate Share Hospitals (DSH)/Uncompensated Care** – Factors that are material to the continued fiscal and operational integrity of public health care delivery systems.
5. **JPS Health Network Positioning-JPS Connection** – The link between JPS and those individuals who might otherwise not have access to health care services.
6. **Viable Academic Public Hospital Models** –Key characteristics of JPS and its local environment within Tarrant County, and the challenges of public hospitals in general.

Overall Approach and Data Sources

Our financial review took a very broad approach to gain a better understanding of JPS Health Network and its environment including:

- Insight from meetings with key JPS financial representatives, along with review of notes from other JPS, Tarrant County, and community stakeholders;
- Analysis of JPS financial and statistical trends, current status, and service profile within Tarrant County;
- Review of JPS financial performance and challenges compared to other Texas public hospitals; and
- Conformity with HMA's experience with other public hospital systems, safety net environments, as well as subject matter experts' knowledge of Medicaid, supplemental funding, and waivers in Texas.

HMA acquired and analyzed data and other information as follows:

- We interviewed key JPS executives, including but not limited to: Bill Whitman, CEO, Sharon Clark, EVP/CFO; Jeanna Adler, VP Finance; and Wayne Young, Senior Vice President Operations and Administrator - Trinity Springs Pavilion.
- We examined data including, but not limited to:
  - **JPS** – JPS provided audited financial statements, internal financial statements and statistical information, including pertinent departmental data. HMA reviewed and analyzed Emergency Department (ED) trauma, behavioral health (BH), maternity, pediatrics, and neonatal intensive care unit (NICU) activity levels by county and zip code.
  - **Dallas Fort Worth Hospital Council (DFWHC) reports** – HMA requested and examined data from DFWHC related to ED and BH inpatient and outpatient activity by Tarrant County hospital. Analysis was conducted comparing patients age 18 years old and over vs. those under age 18 years old; high-level readmission metrics by hospital; inpatient billed charges, days, and discharges by Tarrant County hospital for each of the four major payor types; and outpatient billed charges and visits/discharges by Tarrant County hospitals for each of the four major payor types.
  - **American Hospital Association (AHA) database**[i]– HMA collected data including beds in service by type for all Tarrant County hospitals; service line profiles, by Tarrant County hospital, of available services related to behavioral health, trauma, women's services, pediatric services, community services, and extended services; case mix indices for Texas public hospitals; uncompensated care costs; net income from services to patients for Texas public hospitals during the most recent 4-year period; utilization profiles of the top eight Texas public hospitals; comparison of JPS operating expenses per adjusted patient day (APD) vs. (1) those of other Tarrant County hospitals and (2) those of the top 8 Texas public hospital systems plus Brackenridge Hospital in Austin, Texas.
  - **Texas Health Care Information Collection (THCIC) database**.[ii]
- Internet research and other Texas public reports, including
  - Charity policies of Tarrant County non-profit hospitals, and
  - News articles.

Health Care Provider Services & Expenditures to Medically Needy Populations

What is being addressed?

HMA's review and evaluation included, but was not limited to, JPS internal statistical and financial information, JPS audited financial statements, comparisons to other Texas public hospitals, and comparisons to other facilities within Tarrant County. HMA also assessed JPS' profile and service capacity and utilization within Tarrant County.

Why are these issues important?

These issues are essential to provide sufficient context for the strategic assessment of strengths, weaknesses, opportunities and threats (SWOT), baseline performance and trends related to JPS, benchmarking against other facilities, and central to assessing the key role that JPS serves in Tarrant County.

How did HMA acquire and analyze the information?

Over the course of this engagement, JPS has been very helpful in providing historical and FY2016 financial and statistical data at both detail and summary levels, as well as audited financial statements for FY2011 through FY2016. This includes a special request related to service line data by county and zip code of patients receiving services at JPS. In addition, HMA submitted two special data requests to the DFW Hospital Council related to: (1) Tarrant County hospital ER and BH activity by inpatient and outpatient, including a breakdown for those age 18 years old and over vs. those under age 18 years old, and (2) Tarrant County inpatient and outpatient activity by major payor type covering Medicare, Medicaid, Insured, and Uninsured. From the AHA database, HMA also obtained data related to uncompensated care, case mix, and various revenues and expenses for comparisons against other Texas public hospitals, as well as comparisons to all Tarrant County hospitals as appropriate.

What are the key findings and interpretations?

We will discuss key findings and interpretations by category.

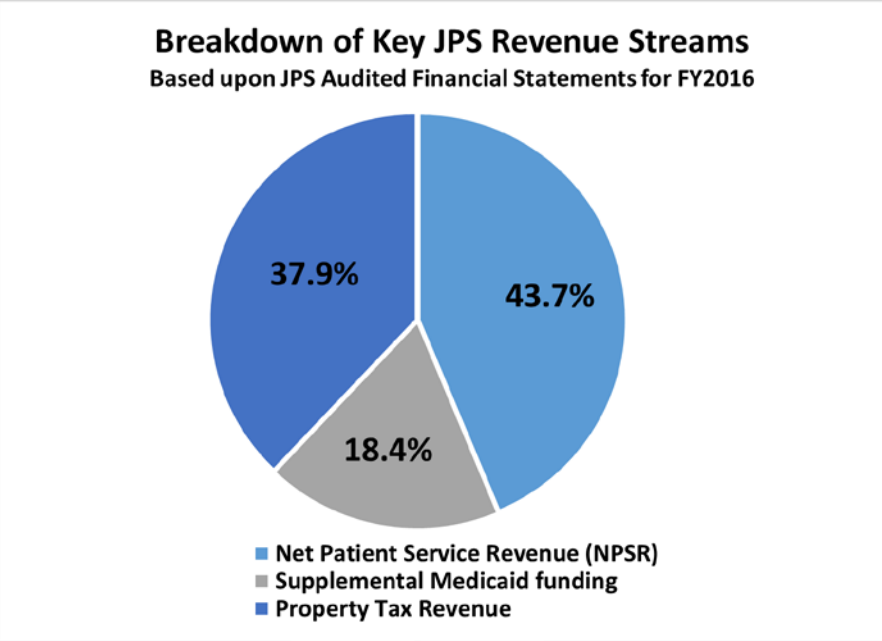
JPS Financial Performance Trends

From FY2011 to FY2016, the following changes were noted:

- Net patient service revenues (NPSR) increased by more than 39% at a reasonably steady rate, although the percentage increase between FY2014 and FY2016 was at a much faster rate (23% over two years).
- Supplemental Medicaid funding in the aggregate increased significantly from FY2011 and FY2013, but has been lower since then, with the 2016 figure of $155 million being 50% higher than the FY2011 figure of $103 million. Components of those funding streams are described in a later section of this narrative.
- Property tax revenues allocated to JPS also increased at fairly steadily rate, with a total increase of slightly more than 16% during that time period, much less than the rate of increase for NPSR.

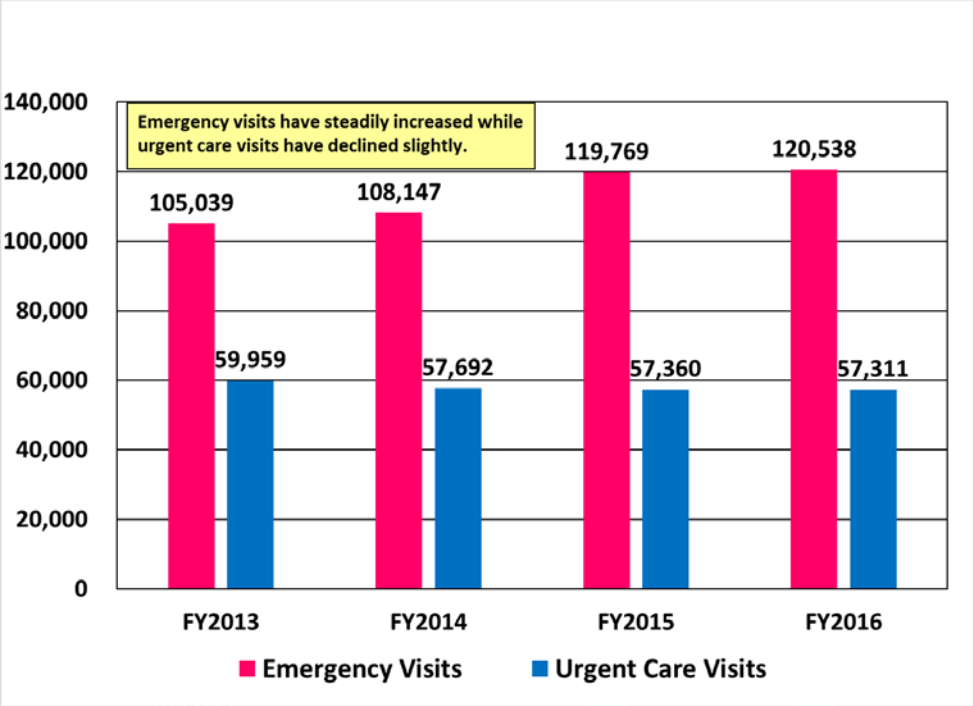
Each of these three key revenue streams plays a significant role in supporting the revenue base as evidenced by their relative proportions reflected in the pie chart below.

Table 53: Breakdown of Key JPS Revenue Streams



HMA also examined the activity levels for emergency visits and emergency care visits from FY2013 to FY2016, noting that emergency visits have increased by nearly 15% during that time period, while emergency care visits have declined by more than 4%. These trends are likely not consistent with the goals of operating an emergency care component, although facility constraints likely impede the redirection of non-Emergency cases to the Emergency care Clinic, an observation reinforced by HMA's physical tour of JPS facilities.

Table 54: Emergency and Urgent Care Visits
FY2013 through FY2016



Based upon information from JPS, some statistics – particularly those related to outpatient and ancillary departments – may be somewhat distorted during the 4-year trend period due to changes in the methodology for counting those statistics. HMA did, however, observe the high-level trends of various JPS patient revenue streams. For the 4-year period in question, HMA noted changes in the billed charges for various service areas, recognizing that pricing changes for selected services could inappropriately suggest changes in volume for those services. Given that, HMA observed the following key changes in gross revenues from FY2013 to FY2016:

- Inpatient acute billed charges increased by approximately 8%, a fairly modest increase in terms of historical national increases in hospital pricing.
- Inpatient psychiatric billed charges increased by 23%, primarily due to the opening of a new unit in 2016 and the corresponding demand for those services.
- Emergency billed charges increased by 36%, due in part to the 15% increase in visits mentioned above.
- Revenue cycle management – Despite the increase in NPSR of more than 39% from FY2011 to FY2016, Patient Accounts Receivable (A/R) declined by more than 7% during the same time period, with the A/R turnover rate increasing from less than 5 in FYs 2011-2013 to well over 7 in FYs 2015 and 2016, due to what appears to be a significant improvement in revenue cycle management (see Appendix 11: Exhibit F-1).
- Salaries and related expenses grew at a fairly steady rate, increasing by 39% from FY2011 to FY2016, with the biggest increase of approximately 11% occurring in FY2016 (see Appendix 11: Exhibit F-1).

- And, long-term debt steadily declined from FY2011 to FY2016, with a cumulative decrease of nearly 29% (see Appendix 11: Exhibit F-1).

Comparison to other Texas Public Hospitals

JPS Health Network's financial performance is generally comparable with that of other Texas public hospital systems based upon information accessible from the American Hospital Association (AHA) database, with the biggest differentiator between the various public systems being their size. For example:

- JPS' loss from service to patients is significantly less than the corresponding figures for the public hospital systems in Houston, Dallas, and San Antonio, but higher than that of El Paso, and significantly higher than those of the much smaller public hospital systems in Texas (see Appendix 11: Exhibit F-4), all due to differences in bed size and outpatient total visit volume.
- JPS' uncompensated care cost for the most recently reported year per the AHA database was less than half and less than one-third of the corresponding amounts for the public hospital systems in Harris and Dallas counties, respectively, and it was between the corresponding figures for San Antonio and El Paso (see table below).

*Table 55: Texas Public Hospitals: Uncompensated Care Cost: AHA Database**

Hospital Name	City	Most Current Year	First Historical Year	Second Historical Year	Oldest Historical Year
Harris Health System	Houston	$656,000,784	$695,291,978	$502,205,793	$480,680,901
Parkland Health & Hospital System	Dallas	$445,213,713	$417,420,346	$415,414,262	$381,261,289
University Health System	San Antonio	$228,766,993	$165,401,312	$145,399,634	$145,763,998
JPS Health Network	Fort Worth	$198,625,999	$252,675,244	$130,809,731	$184,687,549
University Medical Center of El Paso	El Paso	$189,702,483	$188,678,854	$187,370,892	$189,122,285
University Medical Center	Lubbock	$66,943,212	$50,125,723	$70,647,924	$47,409,121
Medical Center Health System	Odessa	$24,016,448	$31,798,393	$29,761,505	$29,803,583
Midland Memorial Hospital	Midland	$20,272,732	$23,226,466	$17,204,510	$16,768,995
Wise Regional Health System	Decatur	$16,955,290	$11,236,107	$10,724,061	$9,920,536
OakBend Medical Center	Richmond	$13,567,328	$11,996,035	$10,575,889	$10,694,939

** Sort is by "most current year", which could be either 2014 or 2015, depending upon the hospital/system's reporting and fiscal year.*

- Amongst the top 8 Texas public health systems plus Brackenridge (Travis County), JPS' operating expenses of $2,791 per adjusted patient day (APD) were equal to the median within that group, with the highest and lowest figures being $4,033 and $2,112 for San Antonio and Odessa, respectively.
- The overall Case Mix Index reported for JPS for the most recent year in the AHA database was slightly less than 1.85, third highest amongst Texas public hospital systems, and higher than the case mix indices reported for the public hospital systems in Harris and Dallas counties).

Statistical and Financial Performance Profile within Tarrant County

Within Tarrant County, it should be noted that JPS Health System provides more than three times the amount of total uncompensated care as the Tarrant County hospital providing the second greatest amount of such care, based upon data from the AHA databases. Meanwhile, JPS' expenses per adjusted patient day (APD) were nearly 10% above the mean for all County hospitals, but JPS' patient acuity is more complex than that of the typical hospital. In addition,

JPS expenses per APD are only slightly higher than that of Texas Health Harris Methodist Hospital Fort Worth ($2,721) and significantly lower than that of Cook Children's Medical Center ($5,047).

HMA also received some high-level information on readmission rates from the DFW Hospital Council. In examining that data, HMA noted that JPS' reported readmission rate of 12.2% is only slightly higher than the Tarrant County mean (12.0%). All of these rates seem favorable compared to May 2015 readmission rates of 17.8% and 13.1% for targeted and non-targeted conditions, respectively, as described in a study reported in the New England Journal of Medicine.[iii] JPS's readmission rate as reported through this database was lower than expected given that JPS serves some of the sickest and most indigent patients

What are the key recommendations, conclusions and validations?

JPS Health System has a significant health care presence in Tarrant County, and its activity levels, payor mix, and service profiles are indicative of an organization that plays a critical role in keeping the County healthy. JPS' roles in emergency and behavioral health services are particularly noteworthy. Its performance amongst other Texas public hospitals is in line with what would be expected, with expenses per APD comparing favorably to Texas public hospitals and within Tarrant County. As the JPS management team implements both productivity and cost accounting systems, there will be opportunities for enhanced efficiency levels to the extent not impeded by the facility configuration and logistics. Both productivity and cost accounting systems are essential to future value-based payment (VBP) models, including block grants and possible capitation by managed care organizations (aka "health plans") as further discussed in the following Finance sections, as well as other sections of this report. Finally, the combination of a very high case mix index amongst Texas public hospitals with a readmission rate that is near the Tarrant County median should be viewed in a favorable light.

Medicaid and Exchange Managed Care

What is being addressed?

As the county and JPS move forward with the long term strategic planning for the Tarrant County health care delivery system, external factors related to Medicaid and Exchange managed care likely will impact the local environment and require monitoring.

Why are these issues important?

As with all counties and health entities, Tarrant County and JPS have some control over their own destiny in terms of factors they can realistically manage. However, there are many factors that also are beyond their control. These include but are not limited to:

- Ongoing and ever-changing health care industry trends
- National, state and local priorities, policies, and budget constraints

Community Health Needs Assessments (CHNAs) and JPS' mission reinforce both the responsibilities and opportunities for JPS in serving Medicaid and Exchange populations, where

population health management becomes a more important objective. Whatever approaches are implemented as a result of the 2016 federal election to reshape Medicaid and the private market exchanges, there likely will be a significant impact upon states, counties and local health care providers, both public and private. These changes will create opportunities as well as challenges.

How did HMA acquire and analyze the information?

Much of this information is acquired and updated as part of HMA's day-to-day commitment to staying abreast of key issues regarding health care across the country, as well as in each of the individual states where HMA serves its clients. Information is gleaned from many sources, and then it is compiled, analyzed, and updated on a fairly regular basis. During the course of this engagement, HMA further identified, through additional research and discussions with stakeholders, issues that are pertinent to the long term strategic planning process for which HMA were engaged.

To augment the knowledge of publicly financed health care and Texas Medicaid, HMA conducted interviews with a number of key stakeholders, including the CEOs of various hospitals in Tarrant County

What are the key findings and interpretations?

The key issues discussed in this section are as much qualitative as they quantitative. Some of the potential impacts issues are:

- The Texas Comptroller projects a biennial revenue estimate of approximately $104.9 billion during the 2018-2019 biennium.[iv] This represents a 2.7 percent decrease from the amounts available for the 2016-2017 biennium. This shortfall could impact the funding available to JPS for the Medicaid program if the decision is made to cut reimbursement to hospitals and other providers. It is too early in the legislative process to determine if the final budget will include any types of cuts to Medicaid providers.
- Under the Affordable Care Act (ACA), Texas did not expand the Medicaid program for low-income adults. With the ACA Exchange, Texas' uninsured rate has decreased from approximately 25% to 19%, but the rate is still the highest in the nation.[v]
- Texas has one of the largest unauthorized immigrant populations who are not eligible for Medicaid or Exchange coverage.
- Texas currently experiences significant population growth relative to other states.

Taken together, all of these elements will continue to cause challenges for the state due to increasing health care needs and costs of care, and the current environment suggests that it will experience what some have labeled as the "unseen cost of losing federal support of uncompensated care."[vi]

There may be opportunities for JPS to more strongly embrace Medicaid managed care, which would provide opportunities to increase activity and efficiency, while more broadly serving Tarrant County and enhancing JPS NPSR as well. For example, Cook Children's Health Plan currently contracts with JPS for inpatient care and with the physician group Acclaim. JPS

provides primary care medical home services and is a substantial backbone for the adult medical population. There also might be an opportunity for JPS to partner with Cook Children's Health Plan regarding STAR+PLUS, Texas' Medicaid managed care program for people who have disabilities or are age 65 or older. People in STAR+PLUS get Medicaid health-care and long-term services and support through a health plan, one that could partner with JPS by providing the platform and creating a JPS STAR+PLUS product. This is just one example of how Cook Children's or another MCO could function as an ASO similar to the Aetna/Parkland arrangement in Dallas County.

The Network Access Improvement Program (NAIP), which the Texas Legislature put forth to further the state's goal of ensuring primary care access for the Medicaid population, could be another opportunity to generate additional funding for JPS. However, it is important to note that the funding Intergovernmental Transfer (IGT) for NAIP is in question by CMS and the issue is currently pending.

What are the key recommendations, conclusions and validations?

The state has requested an additional 21 months of level funding for the UC and DSRIP pools in the 1115 Waiver renewal. The additional 21 months allows for the Texas 86th Legislature (which will convene in January of 2019) to respond to any federal changes and sufficient time for Texas to develop a new 1115 Waiver proposal. This extension also provides financial and operational certainty for Texas providers to continue to serve Medicaid and low-income uninsured populations that benefit from the waiver while the Trump administration determines its policies.

Tarrant County and JPS should pursue discussions with Cook Children's, Texas Health Resources, other Tarrant County hospitals, and other community stakeholders as appropriate to determine whether there are opportunities to collaborate on service delivery, coordinate on broader county issues such as transportation, and determine whether there are ways to bring additional funding into the County.

Role of MCOs in System of Care for Medically Needy Populations

What is being addressed?

We need to consider how the integration of JPS' role within one or more managed care organizations (MCOs) and integrated delivery systems could bring value to JPS, value to Tarrant County, and enhanced performance in effectively managing the health of a defined population, particularly more vulnerable populations.

Why are these issues important?

MCOs throughout the country have been entrusted in managing population health for an enrolled group of beneficiaries. Medicaid managed care is the prime example of this, and it has the capacity to employ innovative approaches utilizing Integrated Care Management (ICM) teams to deliver person-centered care that addresses physical health, behavioral health (BH), and social determinants of health (SDOH) for vulnerable populations. Although not an MCO, JPS

Health Network is a publicly funded delivery system that serves significant numbers of Medicaid beneficiaries and uninsured persons. As a result, it might be able to enhance its long term strategic viability by partnering with MCOs and other integrated delivery systems to achieve the Triple Aim goals of improved patient experience of care, improved health of populations, and reduced per capita cost of health care.

How did HMA acquire and analyze the information?

Through HMA's review of data and the stakeholder interview process, HMA gained a better understanding of JPS' current role within the community, the expectations that others have of JPS, and the opportunities that JPS may have to partner with payors and other providers to improve the delivery of care, maintain and improve the health of Tarrant County residents, and slow or even reduce the per capita costs of health care in the county.

What are the key findings and interpretations?

JPS Health System clearly is committed to serving medically needy populations. JPS inpatient and outpatient activity across a number of service lines predominantly serves the residents of Tarrant County. Trauma services is the most notable area where residents of other counties rely heavily on the services provided by JPS. In fact, more than 42% of inpatient trauma charges were rendered on behalf of patients residing in other counties, including 22.6% for Johnson, Wise, Parker, Dallas, and Hood counties collectively, and the remaining 19.7% spread across more than 75 other counties. JPS is one of only 17 Level I trauma centers in Texas, and only two of the other 16 – namely those in Lubbock and El Paso – are west of Tarrant County. Thus, JPS's trauma center services might be more heavily impacted as a result of this geographic distribution. The geographic service profiles for inpatient and outpatient billed charges related to all six service lines are summarized below.

Table 56: Geographic Service Profiles for Inpatient and Outpatient Billed Charges by Service Line

JPS Service Line	% of Inpatient Charges on Behalf of Tarrant County Residents	% of Outpatient Charges on Behalf of Tarrant County Residents
Behavioral Health	88.1%	89.9%
Emergency-related (including trauma)	87.3%	90.7%
Maternity	95.1%	97.5%
Neonatal Intensive Care	93.2%	N/A
Pediatrics	89.6%	93.3%
Trauma	57.7%	69.8%

Source: JPS Health Network.

In terms of volume of services provided in comparison to other Tarrant County hospitals, JPS carries a heavy workload for emergency room services and behavioral health services. Specifically, for a recent 12-month period, JPS provided:

- More than 90,000 non-ED outpatient visits for those age 18 and over, more than any other facility in Tarrant County;
- More than 1,200 BH ED inpatient admissions for those age 18 and over, more than any other facility in Tarrant County;
- More than 350 BH ED inpatient admissions for those under age 18, more than any other facility in Tarrant County;
- More than 17,200 ED inpatient admissions for those age 18 and over, second only to Texas Health Resources, Fort Worth;
- Nearly 7,200 ED inpatient admissions for those under age 18, second only to Cook Children's Hospital; and
- More than 110,000 ED outpatient visits for those age 18 and over, second only to Texas Health Resources, Fort Worth.

Despite the relatively significant role that JPS plays in providing the health care services described above in relation to those provided by other Tarrant County facilities, JPS lacks the managed care contracts that are risk-based and offer incentives for maximizing value to the consumer and the payor. Transition to more value-based reimbursement methodologies could help JPS transition to a more integrated model that focuses on population health.

What are the key recommendations, conclusions and validations?

JPS has an opportunity to gradually but progressively move from a hospital-centric, episode-based fee-for-service model to an integrated delivery system model in which Tarrant County and JPS provide leadership for a full County commitment that includes the private sector hospitals, community advocates, and other community stakeholders. Such a process should address not just the availability and delivery of clinical services but also the social determinants of health and countywide issues such as transportation. Achieving these goals will require key strategic, financial, and operational changes including: (1) migration to value-based contracting, (2) accelerated commitment to improving productivity and monitoring costs, and (3) the development of community partnerships that leverage JPS' services and capabilities.

DSRIP/Medicaid Waivers/DSH/Uncompensated Care

What is being addressed?

It is critical that HMA discuss Medicaid waivers and Medicaid supplemental funding streams, which have been a cornerstone of state, county, and local resources across the country to ensure the financial integrity of public health systems and, to a lesser degree, private hospitals that also serve safety net populations.

Why are these issues important?

Even with 1115 state waivers, innovative local initiatives, and Medicaid supplemental funding, the vast majority of public health systems are hard pressed to finance health care services for populations they serve without also receiving county general fund revenues, property taxes, private sector funding, grants, and/or other resources to ensure the continued delivery of health care to the safety net populations they serve. Therefore, it is important to highlight the dynamic

and sometimes severe healthcare financial climate that exists, since those factors are material threats to the continued fiscal and operational integrity of public health care delivery systems.

How did HMA acquire and analyze the information?

For this topic, HMA utilized subject matter experts' knowledge of publicly financed health care and Texas Medicaid and the 1115 Transformation Waiver including the two pools of financing: uncompensated care and delivery system reform incentive payments (DSRIP). This institutional knowledge was supplemented by interviews with key JPS staff as well as data sources from JPS, DFWHC, and AHA. Analysis focused on the following priorities:

- Insight from the EVP/CFO and VP Finance in terms of key concerns related to the Texas 1115 waiver, Medicaid supplemental funding streams, recent CMS actions, and future concerns they might have with respect to regulatory actions or other reimbursement impacts.
- Insight and detailed information from the JPS DSRIP coordinator regarding JPS' role as the lead DSRIP entity within Tarrant County, the DSRIP projects currently under management, and the uncertainties that exist relative to the State's waiver and future IGT funding for and uncompensated care and DSRIP projects.
- Comparison of JPS to other Texas public hospital systems relative to the Net Income (Loss) from Services to Patients.

What are the key findings and interpretations?

DSRIP

Background

In 2011 Texas developed and the federal government approved a five year 1115 Medicaid Waiver to transform the Texas Medicaid health care delivery system that included two pools of funds: 1) uncompensated care; and 2) Delivery System Reform Incentive Payments (DSRIP). The state created an administrative governance structure for twenty (20) Regional Healthcare Partnerships (RHP) throughout the state, and those leadership anchors work directly with the state in the development of the DSRIP project structure, metrics, measures, and value of each project. The RHPs are anchored by public hospitals, academic institutions, and county governments. Tarrant County Hospital District – dba John Peter Smith Hospital (JPS) – is the anchor for the RHP 10 region that includes nine counties: Tarrant, Ellis, Hood, Navarro, Somervell, Erath, Johnson, Parker, and Wise. Approximately 30% of the DSRIP clients are Medicaid eligible and 45% are low income, uninsured.

For the Demonstration Year (DY) 6 time period, the state negotiated a 15-month extension to the waiver which covers October 1, 2016 through December 31, 2017. The state is currently in negotiations with the federal government for a waiver renewal to continue the waiver through September 2019.

Performance to Date

In addition to the JPS anchor responsibilities, JPS is also a DSRIP participant and has 27 active DSRIP projects that include improving access to care, integration of primary care and behavioral

health, disease specific projects, and coordination with other regional providers. In Demonstration Year (DY) 5 JPS' estimated DSRIP funds was $135 million. JPS has been successful in achieving more than 88% of their metrics in each DY. In DY 6, JPS expects to meet 86% of its metrics which would result in payment of $142 million.

Table 57: JPS DSRIP Accomplishments

JPS + Cat 4 (no PG)	DY2	DY3	DY4	DY5
Total Valuation	$ 85,123,856	$ 118,105,543	$ 126,426,980	$ 135,563,116
DY $ Received	$ 80,218,708	$ 107,649,060	$ 115,316,023	$ 118,964,686
CF $ Delayed *	$ 4,905,148	$ 10,456,483	$ 11,110,957	$ 16,598,430
CF $ Received *	$ 4,905,148	$ 8,432,238	$ 7,669,195	
Total Received	**$ 85,123,856**	**$ 116,081,298**	**$ 122,985,218**	**$ 118,964,686**
Achieved %	100.0%	98.3%	97.3%	87.8%*

Note: CF = carryforward.

** The achieved percentage for DY5 will increase once the delayed dollars are achieved in the current year.*

JPS also provides the intergovernmental transfers (IGT) for 17 DSRIP providers (see Appendix 11: Exhibit F-1) in Tarrant County and other surrounding counties. The aggregate IGT amounts for these 17 providers total $235 million.

For more detail on the RHP 10 DSRIP projects, please see Appendix 11: Exhibit F-1 in the Appendix. In that exhibit, HMA grouped the hospitals into the following four categories:

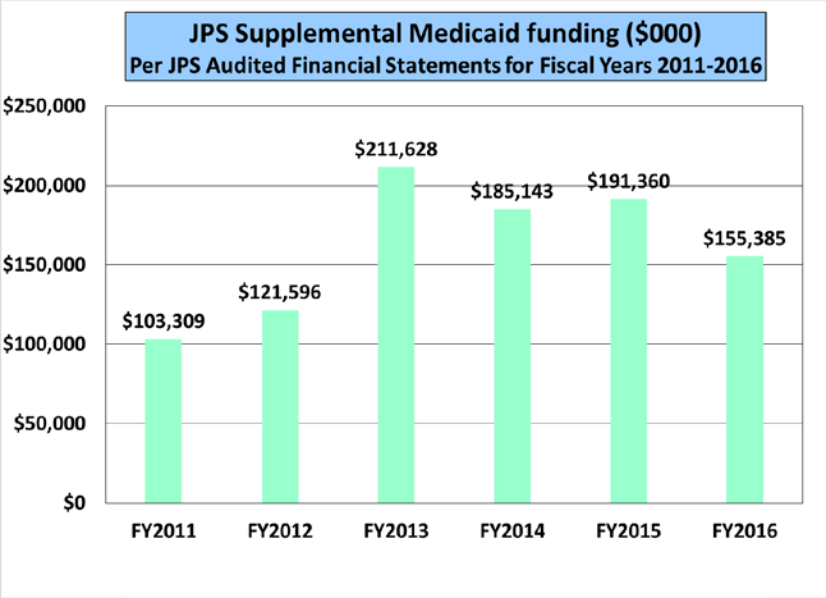
1. JPS DSRIP projects including JPS Physician Network
2. Texas Health Resources (THR) – includes 10 hospitals in the community that are part of THR
3. Other Hospitals – 4 hospitals that have 1-7 projects each
4. Academic Institution (University of North Texas Health Science Center)

For items 2-4 above, JPS puts up the IGT for these Tarrant County hospitals (dollars represent total IGT funds). The JPS total dollar listed in Appendix 11: Exhibit F-1 described above represents all funds (state and federal expected revenue from the DSRIP projects if all metrics are met).

Supplemental Funding Streams in Total

Taken together, the three key Medicaid supplemental funding streams of disproportionate share hospital (DSH) dollars, uncompensated care (UC) dollars, and Texas Delivery System Reform Incentive Payment (DSRIP) dollars are a significant source of JPS revenues, representing the third key revenue source behind NPSR and Ad Valorem taxes. The supplemental funding amounts shown in the graph below are based upon their presentation in the JPS audited financial statements for the years in question.

Table 58: JPS Supplemental Medicaid Funding FY2011 through FY2016



As might be expected, Supplemental Medicaid Funding showed significant variation across the six years delineated above, with a low in FY2011 and a high in FY2013. It also should be noted that year-to-year delineation of such funding can vary between audited and unaudited data due to timing and recognition issues. For simplicity, HMA has chosen to display the audited data. It is important to recognize that these funding streams can show considerable variation year over year, and are likely to become increasingly uncertain in future years. (See also Appendix 11: Exhibit F-1)

While the funding streams summarized above are generally predictable within a modest range over the next 12 months, the multi-year trend is unclear and subject to many unanswered questions to say the least. As an example, there is uncertainty regarding approval – by The Centers for Medicare & Medicaid Services (CMS) – of the Texas 1115 waiver renewal for Demonstration Year 7-10. Texas has requested another 21-month extension to negotiate a full renewal. If denied by CMS, DSRIP would not stop immediately but rather would be reduced by 25% per over a 4-year period. In addition, CMS' withhold of Intergovernmental Transfer (IGT) funding related to uncompensated care costs moves the decision to the CMS appeals process for ultimate resolution, creating yet further uncertainty related to UC funding streams.

Through the Tarrant County Indigent Care Corporation, JPS is able to IGT approximately $30 million annually on behalf of other Tarrant County hospitals, which also has the impact of reducing JPS' own DSH funding by about $5 million per year. Thus, to the extent that IGT funding approaches are challenged by CMS, the supplemental funding streams for other Tarrant County facilities could be at risk as well.

Taking a broader view, public hospitals throughout Texas, and across the nation for that matter, heavily rely on supplemental funding because their other NPSR typically falls short of the dollars needed to cover salaries and related expenses, and far short of their total operating expenses which include non-labor expenses such as supplies, purchased services, etc. This is further highlighted by the graph included later in this section (see also Appendix 11: Exhibit F-1).

What are the key recommendations, conclusions and validations?

As both Medicaid basic funding streams and Medicaid supplemental funding streams continue to be put under pressure, and the burden of uncompensated care continues to exist, public hospitals in general – and JPS Health System in particular – will need to adapt both strategically and financially to the shifting landscape. For Tarrant County, JPS cannot shoulder the entire burden of uninsured and underinsured care. However, JPS can maintain and even enhance the fulfillment of its mission by continued investment in its physical plant, operational infrastructure, and collaborative partnerships with the other hospitals and community stakeholders in Tarrant County.

JPS Health Network Positioning—JPS Connection

What is being addressed?

JPS Connection is a program that was designed to assist Tarrant County residents in having a medical home to keep them healthy. There are four such programs as follows:

1. **JPS Connection** – Provides assistance to patient without health insurance.
2. **JPS Connection Homeless Program** – Provides assistance to patients without health insurance who are experiencing homelessness.
3. **JPS Connection Supplemental to Medicare** – Provides assistance with copayments and deductibles for those patients who have Medicare Parts A & B, or a Medicare Plan contracted with JPS Health Network.
4. **JPS Connection Supplemental to Insurance** – Provides assistance to patients with a primary insurance plan contracted with JPS.

Why are these issues important?

JPS Connection is the payor of last resort, thus providing a vital link between JPS and those individuals who might otherwise not have access to health care services at all. The program offers retroactive eligibility when there is an unpaid medical bill for a service received from JPS within three full months immediately before the month of application, provided that eligibility requirements are met. To be eligible for this program, a patient must, at a minimum:

- ❑ Be a Tarrant County resident

- Be a U.S. citizen, naturalized citizen, or legal permanent resident
- Meet income guidelines, with income up to 250% or less of the federal poverty income levels, adjusted according to family size
- Pursue all available health insurance options prior to receiving JPS Connection assistance

In summary, non-Tarrant County residents receiving services from JPS Health Network are not eligible for JPS Connection and therefore not eligible for services that might otherwise be considered as charity care for a Tarrant County resident.

How did HMA acquire and analyze the information?

HMA had several discussions regarding JPS Connection with Sharon Clark, JPS Executive Vice President and CFO. Ms. Clark and other key JPS representatives were very helpful in explaining the JPS Connection program, including the key role that it plays in the delivery of services by JPS Health Network. JPS provided HMA with internal financial data for all 12 months of FY2016, including revenues by major payor type. Those payor types included Medicare, Medicaid, Commercial, JPS Connection, Self-Pay, and Other Government. HMA also examined population growth estimates for Tarrant County, along with projections of other demographics including stratified income levels across the County through the year 2037.

What are the key findings and interpretations?

For FY2016, JPS Connection clearly shows as a significant payor type across each of the key service categories, accounting for the following proportions of billed charges for the respective services below:

- 13.4% of acute inpatient
- 12.7% of psychiatric inpatient
- 14.4% of emergency services
- 33.7% of non-ER outpatient services
- 28.2% of clinic services
- 12.6% of outpatient pharmacy

Based upon the above service category percentages for JPS Connection, it has a much greater presence for the ambulatory services (non-ED outpatient and clinic) than it does for the inpatient services and pharmacy. Thus, in terms of helping those without other insurance sources find and receive services through a medical home, JPS Connection may, in fact, be providing a significant benefit for those individuals and families. In addition, due to the requirements of the Emergency Medical Treatment and Active Labor Act (EMTALA), other Tarrant County hospitals also provide access for emergency care that represent demand for safety net care by persons who also have obtained JPS Connection services.

HMA also assessed future growth potential for JPS Connection. Based upon the calculations of population growth and income over the next 20 years, it appears that the Tarrant County population that is eligible for the JPS Connection program could increase from approximately 425,000 in 2017 to more than 621,000 in 2037.

In terms of long range strategic planning, the more relevant question centers around the potential capacity of the program to fulfill an even greater role than does its current and projected footprints. The increasing uncertainty with respect to CMS policy related to Texas IGTs and the looming and somewhat unpredictable changes to federal health care policy in general suggest that Tarrant County and JPS should explore as many strategic options as possible while keeping in mind potential financial impacts to the hospital district and how to make improvements in a systematic manner. One of those options would be to consider whether there are opportunities involving JPS Connection that could enhance access to even greater numbers of people. HMA will briefly identify some of those possibilities below.

What are the key recommendations, conclusions and validations?

The JPS Connection program is a great service to Tarrant County residents that also meet other criteria required by the program. In addition, however, it is a database that likely is filled with a wealth of information as a result of individuals and families entering and leaving the program. From a strategic planning standpoint, much could be gained by considering the following options:

- Conducting a formal and detailed analysis of the program data, both as a current snapshot and longitudinally, to gain additional insight. In fact, as countywide collaborations develop regarding safety net care strategies, Tarrant County hospitals' common use of EPIC's electronic health record platform – including the option for its population health management module – could facilitate such an analysis.
- Analyzing a small but statistically meaningful sample of data to validate that the level of historical vetting of JPS Connection applications supports the basic requirement that JPS Connection is truly serving as the payor of last resort.
- Stratifying and analyzing data by age to support long range strategic objectives for building Medicare business. For instance, nearly all JPS Connection members between the ages of 55 and 64 will likely become Medicare beneficiaries over the ensuing 10 years. Committed outreach to that population hopefully would help JPS retain a decent percentage of those individuals once they are eligible for Medicare coverage. In addition, perhaps a partnership could be developed with JPS contracted Medicare plans to offer a commercial plan sooner at a reduced cost to JPS Connection members age 62 and over (for instance) if they are willing to commit to at least two years of coverage under the payor's Medicare Advantage plan upon reaching age 65. Obviously, there are legal and logistical issues that would need to be explored, but there might be options here worth considering.
- Conducting additional demographic analysis of the JPS Connection population to determine if there are opportunities to support a potential partnership with the Medicaid MCOs, as mentioned earlier. Under such an arrangement, the MCO could serve as either an Administrative Services Organization (ASO) or a Third Party Administrator (TPA). This likely would be much easier and more practical for JPS than attempting to create its own MCO, particularly given that JPS likely would have a difficult time competing for members solely on its own.

- Also, as mentioned earlier, Cook Children's Hospital might be interested in a partnership with JPS to be their TPA for the STAR+PLUS population (adults).

Depending upon the fate of the Affordable Care Act and any replacement legislation, both the Medicaid and Insurance Exchange programs likely will be heavily impacted. That could result in an opportunity for JPS to expand its income eligibility threshold above 250% of the federal poverty limit. This could allow JPS to potentially enhance its role within Tarrant County and extend its outreach at the same time, both of which could have long range strategic benefits for the population health of the County and the growth of JPS. JPS would need to also consider the operating expense that impacts the hospital district.

Viable Academic Public Hospital Models

What is being addressed?

HMA believes it is important to highlight the payor mix and service profiles of JPS Health System, particularly in relation to Tarrant County as a whole and to other Texas public hospital systems.

Why are these issues important?

HMA must consider the key characteristics of JPS, the local environment within Tarrant County, and the challenges of public hospitals in general. It is imperative that data from multiple sources is examined, that context is provided for that data, and consideration is given to how the interpretation of that data pragmatically affects the observations and recommendations related to the collaborative strategic approach being developed by Tarrant County and JPS.

How did HMA acquire and analyze the information?

In addition to the overall data sources that HMA mention early in this narrative, HMA particularly focused on the following three sources of data for the purposes of the findings and interpretations that follow:

1. JPS Health System provided internal payor mix data for FY2016;
2. The Dallas Fort Worth Hospital Council provided data for the 12 months ending September 30, 2016, comparing the breakdown of inpatient and outpatient activity by major payor type for JPS compared to other Tarrant County hospitals; and
3. We accessed the Texas Health Care Information Collection (THCIC) 2014 database to obtain information related to inpatient self-pay/charity activity by major diagnostic category (MDC) for purposes of identifying which types of diagnostic and clinical services are the most likely to have higher percentages of self-pay/charity funded.

What are the key findings and interpretations?

The JPS payor mix, as would be expected for a public health system, is heavily oriented toward uninsured and underinsured patients, with the following breakdown of Medicaid, JPS Connection, Self-Pay, and other non-Medicare Government patients based upon FY2016 financial data (see Appendix 11: Exhibit F2):

Table 59: JPS FY2016: Uninsured and Underinsured Percentages

Payor Category	Inpatient	Psychiatric	Emergency Room
Medicaid	31.4%	20.9%	17.6%
JPS Connection	13.4%	12.7%	14.4%
Self-Pay	16.4%	31.2%	40.6%
Other Government	4.5%	13.3%	2.4%
Total	**65.7%**	**78.1%**	**75.0%**

Source: JPS Health Network.

As evidenced by the above table, the majority of JPS inpatient revenues, as well as the vast majority of JPS psychiatric and emergency revenues, are generated for services provided to Medicaid, JPS Connection, Self-Pay, and Other non-Medicare Government patients. This has particular significance since, as mentioned earlier in the financial discussion, JPS' role in Tarrant County is significant. For instance, JPS is:

- Second only to Texas Health Resources, Fort Worth in terms of the numbers of adult ED inpatient admissions and adult ED outpatient visits.
- Second only to Cook Children's Hospital for ER inpatient admissions for those under age 18.
- First in Tarrant County in terms of the numbers of BH inpatient admissions for both adults and children.

Next, HMA considered the breakdown of inpatient discharges and outpatient visits for the four major payor categories of Insured, Medicare, Medicaid, and Uninsured.

Table 60: JPS and Tarrant County Inpatient/Outpatient Payor Mix: 12 Months Ending 9/30/16

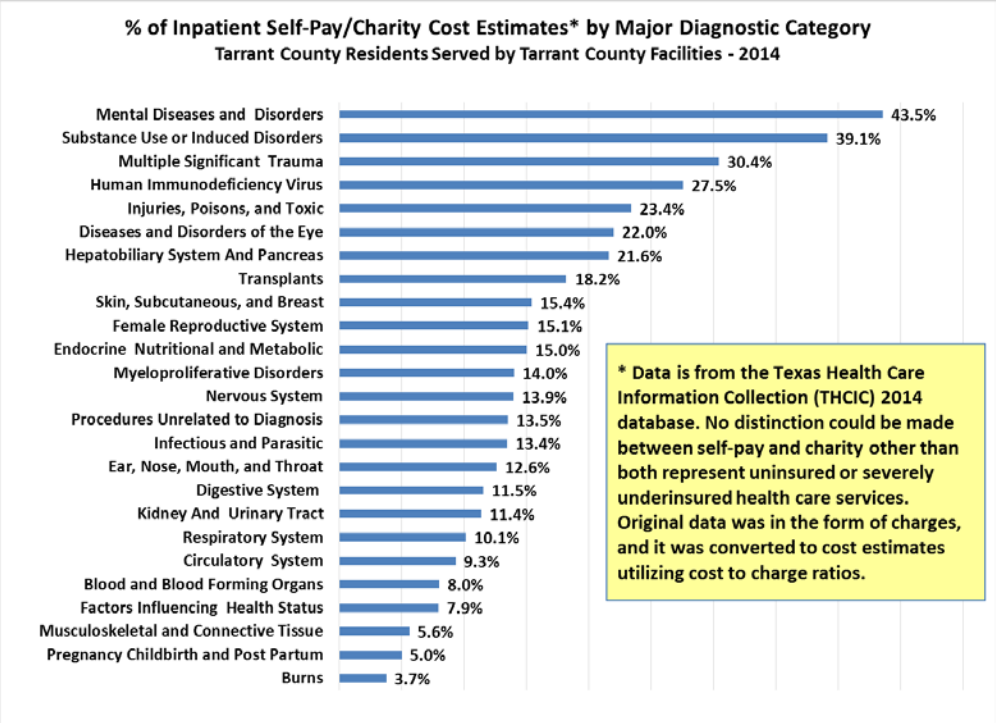
Category	JPS Percentage of TC Total
Inpatient – Insured	13.7%
Inpatient – Medicare	6.1%
Inpatient - Medicaid	21.7%
Inpatient - Uninsured	32.0%
Outpatient – Insured	**18.5%**
Outpatient – Medicare	**8.9%**
Outpatient - Medicaid	**8.6%**
Outpatient - Uninsured	**39.8%**

Source: DFW Hospital Council Database.

In evaluating the data, it is striking but not particularly surprising that JPS accounts for 21.7% and 32.0% of the total Tarrant County Medicaid and Uninsured discharges (respectively) but only 13.7% and 6.1% of the corresponding Insured and Medicare discharges (respectively). On the outpatient side, JPS accounts for nearly 40% of the Uninsured outpatient visits (likely including JPS Connection) but only 8.9% and 8.6% (respectively) of the Medicare and Medicaid outpatient activity.

Additionally, HMA examined inpatient self-pay/charity cost estimates based upon an analysis that was completed using 2014 data obtained from the Texas Health Care Information Collection (THCIC). This is summarized in the table below.

Table 61: Inpatient Self-Pay/Charity Cost Estimates by Diagnostic Category

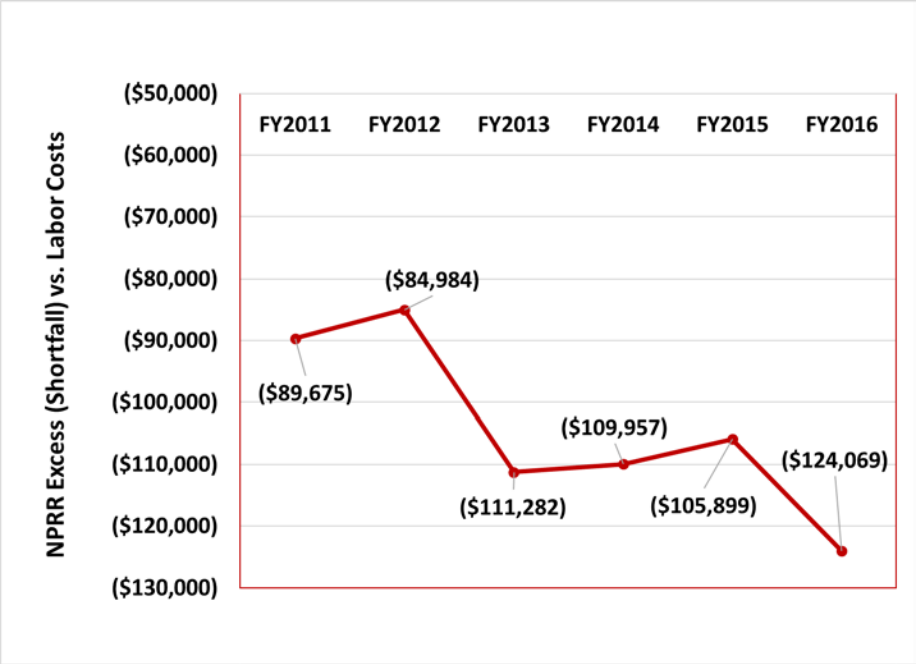


From the above graph, the key finding appears to be that the first and third highest inpatient services in terms of self-pay/charity care percentages throughout Tarrant County are (A) Mental Diseases and Disorders and (B) Multiple Significant Trauma, respectively. As a public hospital system, these two services are a particularly heavy load for Tarrant Count and, with respect for trauma, beyond Tarrant County.

Providing a number of complex services that are heavily used by those who are uninsured or underinsured is a challenge for most public hospital systems and this is certainly reflected by public systems in Texas. In fact, looking at the Top 10 Texas Public Hospital Systems and their Net Income (Loss) from Services to Patients as self-reported in the American Hospital Association (AHA) database, JPS' loss from service to patients has remained relatively flat while the corresponding losses of the public hospitals in Houston, Dallas and San Antonio have increased considerably over the past three to four years based upon reported data. (See Appendix 11: Exhibit F-1). JPS has the potential to avoid such trends by (1) fulfilling its commitment to implementing productivity and cost accounting systems, (2) maintaining the gains that have been made in revenue cycle management, and (3) collaborating with MCOs, other hospitals, and community stakeholders to further enhance JPS' service profile and reputation in Tarrant County.

Such a commitment to ongoing improvement and collaboration is critical because JPS does experience funding and expenditure realities that are similar to those of other public health care delivery systems. For example, based upon JPS audited financial statements, its annual shortfall of NPSR relative to labor costs increased from less than $90 million in FY2011 to slightly more than $124 million in FY2016, as indicated by the graph below.

*Table 62: Excess (Shortfall) of NPSR vs. Labor Costs**



Source: JPS audited financial statements

Based upon HMA's experience, the shortfall described above is fairly typical for many public health care systems. This is due in large part to the historically unfavorable payor mix that public health systems experience, and it accounts for the heavy reliance on Medicaid Supplemental Funding and other local revenue streams to support these public entities.

Each of the issues discussed above present challenges to being a financially viable academic public model. These issues are further complicated by the great uncertainty relative to the future of the Affordable Care Act (ACA) and its full or partial replacement, including what such replacement will mean for Medicaid supplemental funding streams, not to mention the future of Medicaid funding in general. Medicaid could very well move to a block grant process, with the likelihood of shifting both the financial burden and the financial risk from the federal government to the states and ultimately the counties. In addition, it is unknown to what extent the levels of uncompensated care could increase depending upon whether repeal, replacement, or modification of the ACA has the potential to increase the numbers of uninsured as a result of reductions in either pre-ACA Medicaid eligibility or coverage through the insurance exchange.

What are the key recommendations, conclusions and validations?

JPS' mission to serve the uninsured populations and those with Medicaid coverage is clear. However, JPS' long-term viability would be significantly improved if it were to increase its market share of Medicare, Exchange, and private sector revenues, including county staff benefit plan incentives. This would allow JPS to develop and sustain a patient-based revenue flow that is not dependent upon ever-increasing property taxes/property levels or increasing Medicaid supplemental funding. Without bringing some type of balance to its payor mix, JPS will not be able to serve its constituents properly and its financial shortfalls with respect to NPSR and supplemental funding streams will increase. Thus putting its future at risk or putting pressure to significantly increase the share of ad valorem taxes required to sustain JPS into the future. In addition, operational efficiency and effectiveness must continue to improve, which needs to be reflected in JPS' commitment and current efforts toward implementing productivity and cost accounting systems. Without more modern, efficient facilities that allow it to better serve its clientele in a more operationally efficient manner, there will be significant obstacles to improvement.

HMA recognizes that an in-depth review of existing JPS facilities and prioritization of needs is required to complete the long range strategic planning process. HMA also believes that redirecting the delivery of care to a great ambulatory focus is essential. As Tarrant County and JPS have expressed, HMA supports a collaborative public-private process that fosters partnerships and addresses countywide issues such as transportation.

Appendix 11: Financial Exhibits

Exhibit F—1

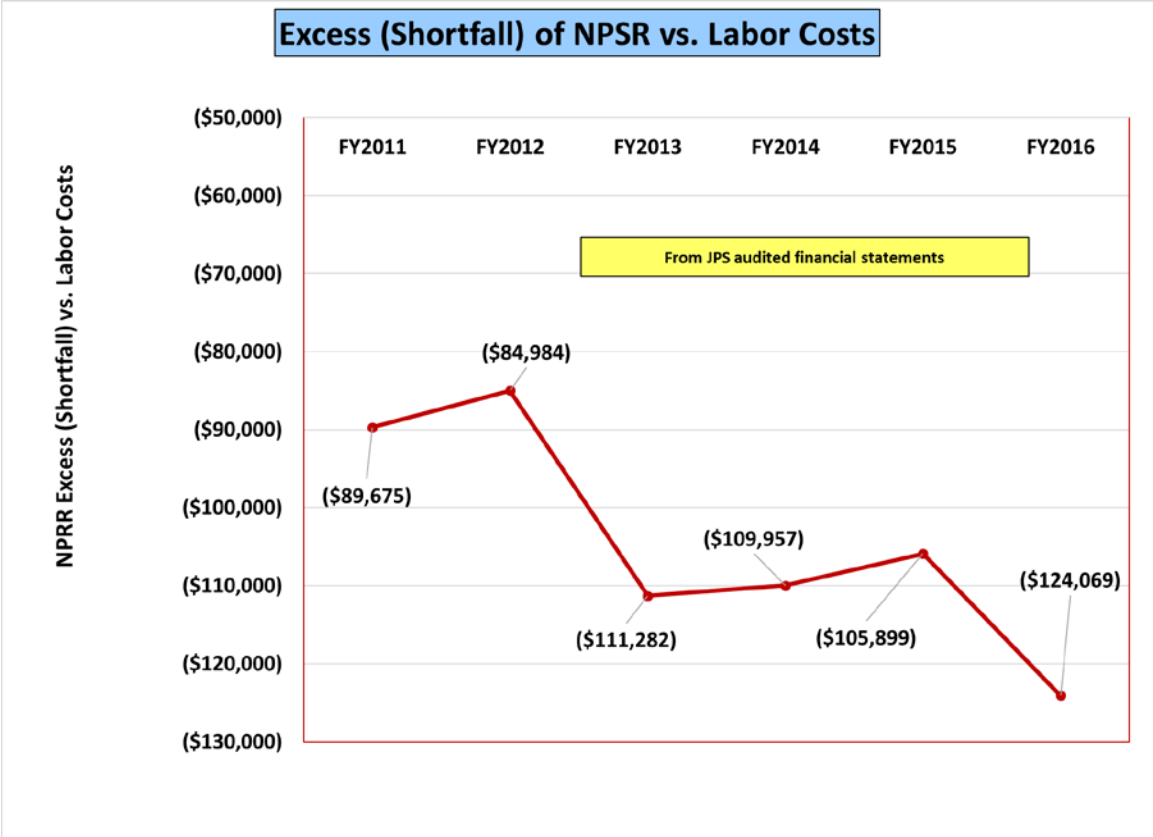


Exhibit F—2

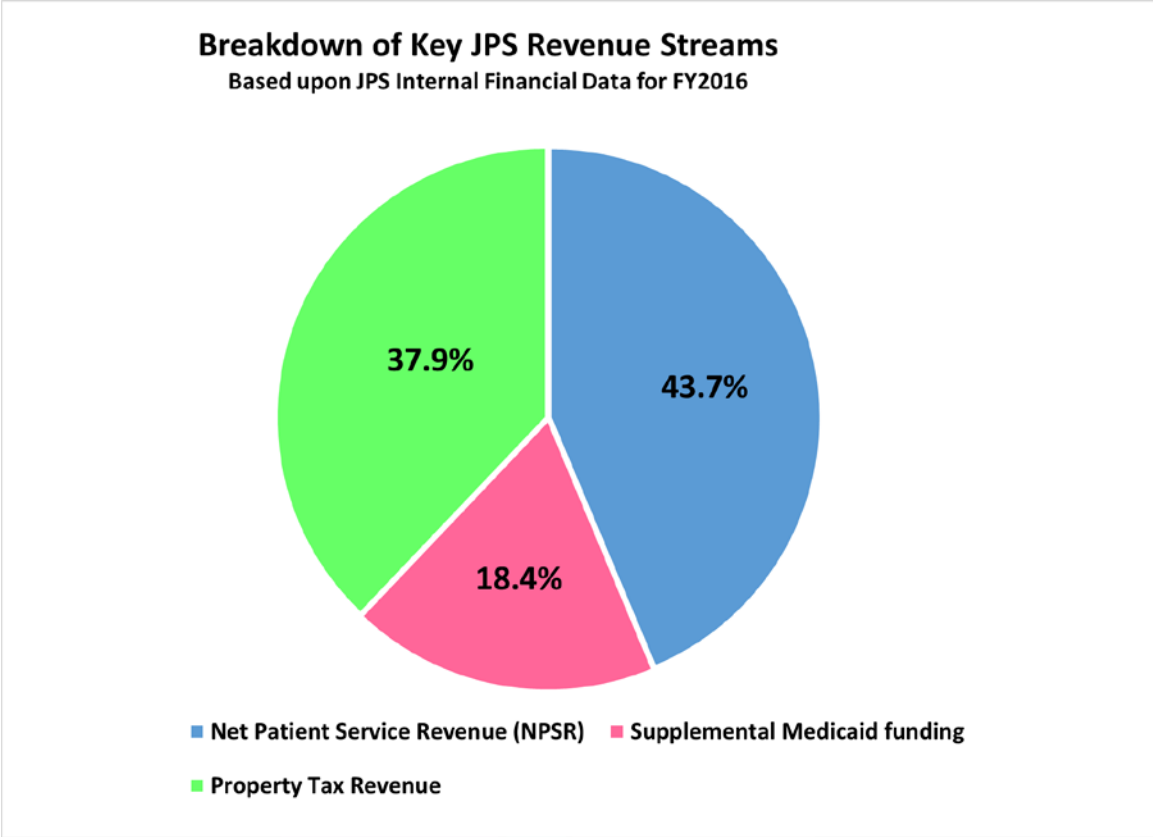

Breakdown of Key JPS Revenue Streams
Based upon JPS Internal Financial Data for FY2016
37.9%
43.7%
18.4%
Net Patient Service Revenue (NPSR)
Supplemental Medicaid funding
Property Tax Revenue

Exhibit F—3

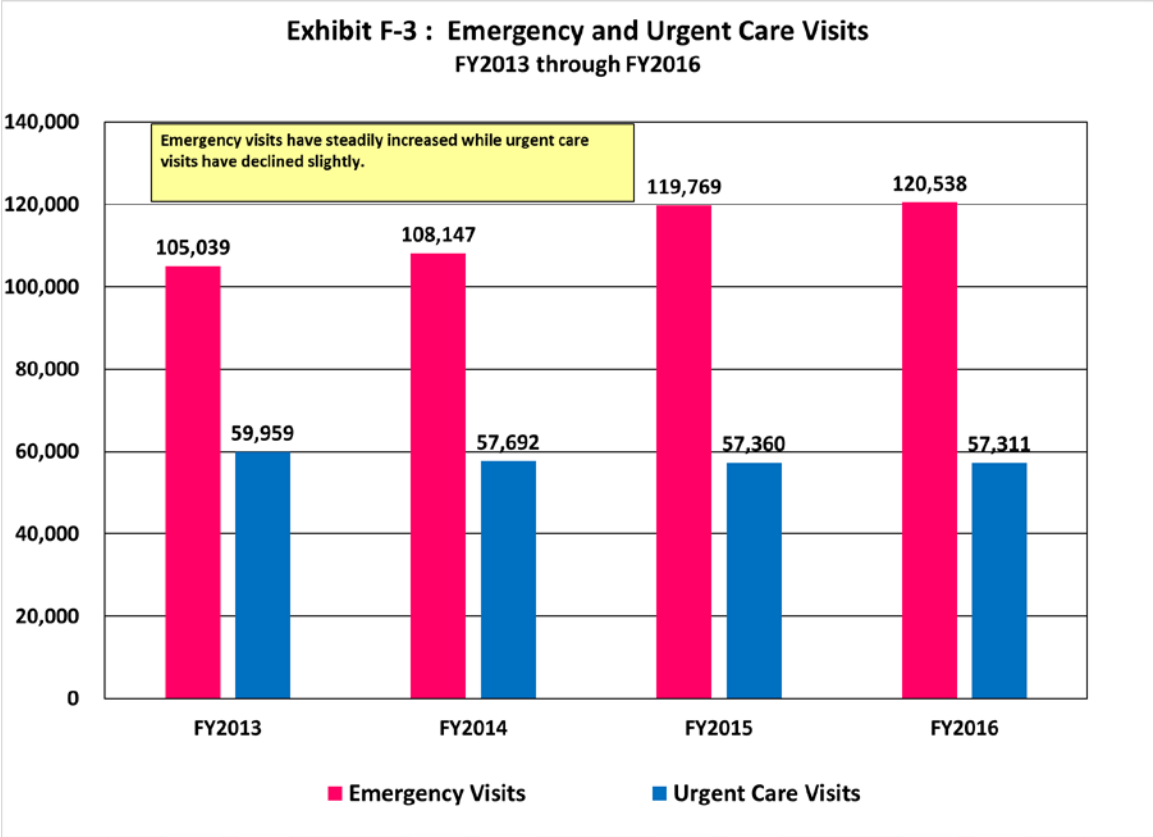


Exhibit F-3 : Emergency and Urgent Care Visits
FY2013 through FY2016
Emergency visits have steadily increased while urgent care visits have declined slightly.
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
105,039
59,959
108,147
57,692
119,769
57,360
120,538
57,311
FY2013
FY2014
FY2015
FY2016
Emergency Visits
Urgent Care Visits

Exhibit F—4

Top 10 Texas Public Hospitals: Net Income (Loss) from Service to Patients: AHA Database *					
Hospital/System	**City**	**Most Current Year**	**First Historical Year**	**Second Historical Year**	**Oldest Historical Year**
Harris Health System	Houston	$ (932,087,270)	$ (918,427,877)	$ (865,261,908)	$ (539,152,431)
Parkland Health & Hospital System	Dallas	$ (864,886,626)	$ (560,407,910)	$ (525,496,870)	$ (524,658,815)
University Health System	San Antonio	$ (813,486,838)	$ (672,088,221)	$ (338,472,353)	$ (269,200,039)
JPS Health Network	**Fort Worth**	**$ (236,895,446)**	**$ (483,418,674)**	**$ (474,741,720)**	**$ (429,750,278)**
University Medical Center of El Paso	El Paso	$ (166,205,206)	$ (175,393,845)	$ (155,521,672)	$ (147,546,126)
Medical Center Health System	Odessa	$ (75,076,303)	$ (62,718,394)	$ (65,852,908)	$ (61,720,564)
University Medical Center	Lubbock	$ (54,661,006)	$ (107,639,298)	$ (34,716,785)	$ (42,243,840)
Midland Memorial Hospital	Midland	$ (26,593,624)	$ (16,597,311)	$ (7,859,580)	$ (193,472)
Nacogdoches Memorial Hospital	Nacogdoches	$ (23,259,851)	$ (20,846,726)	$ (23,476,490)	$ (32,752,155)
Hunt Regional Medical Center	Greenville	$ (22,117,847)	$ (18,918,948)	$ (16,501,470)	$ (6,391,963)
*** Sort is by "Most Current Year", which is either 2014 or 2015 depending upon the reporting hospital and its fiscal year.**					

Exhibit F—5

Texas Public Hospitals: Uncompensated Care Cost: AHA Database *					
Hospital Name	**City**	**Most Current Year**	**First Historical Year**	**Second Historical Year**	**Oldest Historical Year**
Harris Health System	Houston	$ 656,000,784	$ 695,291,978	$ 502,205,793	$ 480,680,901
Parkland Health & Hospital System	Dallas	$ 445,213,713	$ 417,420,346	$ 415,414,262	$ 381,261,289
University Health System	San Antonio	$ 228,766,993	$ 165,401,312	$ 145,399,634	$ 145,763,998
JPS Health Network	Fort Worth	$ 198,625,999	$ 252,675,244	$ 130,809,731	$ 184,687,549
University Medical Center of El Paso	El Paso	$ 189,702,483	$ 188,678,854	$ 187,370,892	$ 189,122,285
University Medical Center	Lubbock	$ 66,943,212	$ 50,125,723	$ 70,647,924	$ 47,409,121
Medical Center Health System	Odessa	$ 24,016,448	$ 31,798,393	$ 29,761,505	$ 29,803,583
Midland Memorial Hospital	Midland	$ 20,272,732	$ 23,226,466	$ 17,204,510	$ 16,768,995
Wise Regional Health System	Decatur	$ 16,955,290	$ 11,236,107	$ 10,724,061	$ 9,920,536
OakBend Medical Center	Richmond	$ 13,567,328	$ 11,996,035	$ 10,575,889	$ 10,694,939
*** Sort is by "most current year", which could be either 2014 or 2015, depending upon the hospital/system's reporting and fiscal year.**					

Exhibit F—6

Operating Expenses per APD - Top 8 Texas Public + Brackenridge *				
Hospital Name	City	Oper. Expenses per APD	Operating expenses	Adjusted patient days
University Health System	San Antonio	$ 4,033	$ 1,220,559,188	302,677
University Medical Center at Brackenridge	Austin	$ 3,063	$ 387,991,174	126,681
Parkland Health & Hospital System	Dallas	$ 2,890	$ 1,530,686,240	529,658
University Medical Center of El Paso	El Paso	$ 2,798	$ 343,376,755	122,723
JPS Health Network	Fort Worth	$ 2,791	$ 794,570,167	284,652
University Medical Center	Lubbock	$ 2,350	$ 527,764,652	224,600
Midland Memorial Hospital	Midland	$ 2,215	$ 256,277,650	115,702
Harris Health System	Houston	$ 2,127	$ 1,298,172,555	610,325
Medical Center Health System	Odessa	$ 2,112	$ 265,004,199	125,463

*** Based upon most current year reported in American Hospital Association database.**

Exhibit F—7

Texas Public Hospitals by Case Mix Index for Most Current Year (Descending): AHA Database *			
Medicare Provider ID	**Hospital/System**	**City**	**Case Mix Index for Most Current Year ****
450213	University Health System	San Antonio	2.0910
450686	University Medical Center	Lubbock	1.8751
450039	JPS Health Network	Fort Worth	1.8485
450271	Wise Regional Health System	Decatur	1.7433
450024	University Medical Center of El Paso	El Paso	1.7309
450289	Harris Health System	Houston	1.7195
450015	Parkland Health & Hospital System	Dallas	1.7015
450132	Medical Center Health System	Odessa	1.6863
670091	ContinueCARE Hospital at Midland Memorial	Midland	1.6750
450133	Midland Memorial Hospital	Midland	1.6270
450330	OakBend Medical Center	Richmond	1.5428
450508	Nacogdoches Memorial Hospital	Nacogdoches	1.4600
450465	Matagorda Regional Medical Center	Bay City	1.4507
450352	Hunt Regional Medical Center	Greenville	1.3846
450236	CHRISTUS Mother Frances Hospital - Sulphur Springs	Sulphur Springs	1.3439
450154	Val Verde Regional Medical Center	Del Rio	1.3267
450090	North Texas Medical Center	Gainesville	1.2967
450080	Titus Regional Medical Center	Mount Pleasant	1.2911
450597	Cuero Community Hospital	Cuero	1.2366
450177	Uvalde Memorial Hospital	Uvalde	1.2285
450055	Rolling Plains Memorial Hospital	Sweetwater	1.2106
450584	Wilbarger General Hospital	Vernon	1.2048
450369	Childress Regional Medical Center	Childress	1.1959
450586	Seymour Hospital	Seymour	1.1629
450235	Memorial Hospital	Gonzales	1.1478
450565	Palo Pinto General Hospital	Mineral Wells	1.1373
450221	Moore County Hospital District	Dumas	1.1307
450108	Connally Memorial Medical Center	Floresville	1.1220
450641	Nocona General Hospital	Nocona	1.1181
450694	El Campo Memorial Hospital	El Campo	1.1087
450451	Glen Rose Medical Center	Glen Rose	1.0756
450144	Permian Regional Medical Center	Andrews	1.0628
450411	Eastland Memorial Hospital	Eastland	1.0575
450399	Brownfield Regional Medical Center	Brownfield	1.0537
450746	Knox County Hospital	Knox City	1.0341

450155	Hereford Regional Medical Center	Hereford	1.0312
450654	Starr County Memorial Hospital	Rio Grande City	1.0248
450489	Medical Arts Hospital	Lamesa	1.0242
450754	Hamilton General Hospital	Hamilton	1.0169
450243	Hamlin Memorial Hospital	Hamlin	0.9927
450578	Hemphill County Hospital	Canadian	0.9488
450460	Tyler County Hospital	Woodville	0.9467
450241	Faith Community Hospital	Jacksboro	0.9351
450306	Stamford Memorial Hospital	Stamford	0.9034

*** Data was reported for only "Most Current Year", which is 2014 or 2015 based upon a hospital's fiscal year.**

**** Of 90 Public Hospitals, 44 reported a case mix index for the most current fiscal year while 46 did not.**

Exhibit F—8

Tarrant County Hospitals: 4-Year Trends for Total Uncompensated Care Costs					
Hospital	**Current Year**	**First Historical Year**	**Second Historical Year**	**Oldest Historical Year**	**Current Year % of TC Total**
Total for Tarrant County	**$ 424,615,587**	**$ 458,138,463**	**$ 302,230,659**	**$ 333,033,172**	**100.0%**
JPS Health Network	$ 198,625,999	$ 252,675,244	$ 130,809,731	$ 184,687,549	**46.8%**
Texas Health Harris Methodist Hospital Fort Worth	$ 59,032,073	$ 41,900,651	$ 34,408,693	$ 33,417,106	**13.9%**
Methodist Mansfield Medical Center	$ 18,664,453	$ 16,804,024	$ 18,297,945	$ 10,212,150	**4.4%**
Texas Health Harris Methodist Hospital Hurst-Euless-Bedford	$ 18,627,168	$ 13,132,386	$ 6,491,583	$ 6,244,306	**4.4%**
Baylor All Saints Medical Center at Fort Worth	$ 18,313,809	$ 19,071,353	$ 31,339,700	$ 35,358,612	**4.3%**
Texas Health Huguley Hospital Fort Worth South	$ 17,162,166	$ 15,517,010	$ 18,067,474	$ 11,358,995	**4.0%**
Texas Health Arlington Memorial Hospital	$ 15,127,082	$ 29,942,320	$ 12,879,539	$ 13,571,793	**3.6%**
Baylor Regional Medical Center at Grapevine	$ 10,814,791	$ 11,814,226	$ 14,382,168	$ 11,042,169	**2.5%**
Texas Health Harris Methodist Hospital Southwest Fort Worth	$ 10,789,053	$ 12,240,088	$ 7,918,061	$ 7,157,048	**2.5%**
Medical City Arlington	$ 10,168,084	$ 10,626,222	$ 5,314,500	$ 1,908,122	**2.4%**
Cook Children's Northeast Hospital	$ 7,592,845	$ 8,400,715	$ 4,911,392	$ 2,688,674	**1.8%**
Medical City Fort Worth	$ 6,774,478	$ 3,449,500	$ 3,095,440	$ 3,399,119	**1.6%**
Medical City North Hills	$ 6,634,152	$ 8,985,411	$ 3,707,900	$ 2,873,145	**1.6%**
Texas Health Harris Methodist Hospital Alliance	$ 6,326,589	$ 2,054,497			**1.5%**
Medical City Alliance	$ 5,998,685				**1.4%**
Texas Health Harris Methodist Hospital Azle	$ 5,263,504	$ 3,424,372	$ 3,678,010	$ 3,658,924	**1.2%**
USMD Hospital at Arlington	$ 3,566,333	$ 2,946,065	$ 2,961,244	$ 635,915	**0.8%**
Texas Health Heart & Vascular Hospital Arlington	$ 2,707,704	$ 2,905,621	$ 1,541,195	$ 2,376,075	**0.6%**

Baylor Emergency Medical Centers - Burleson	$ 780,921				**0.2%**
Baylor Orthopedic and Spine Hospital at Arlington	$ 707,183	$ 459,359	$ 511,213	$ 426,285	**0.2%**
Texas Health Harris Methodist Hospital Southlake	$ 442,795	$ 1,203,187	$ 1,052,672	$ 930,449	**0.1%**
USMD Hospital at Fort Worth	$ 356,419	$ 421,388	$ 400,251	$ 384,432	**0.1%**
Baylor Surgical Hospital at Fort Worth	$ 323,413	$ 349,177	$ 659,411	$ 892,070	**0.1%**
Kindred Hospital-Mansfield	$ -	$ -	$ -	$ (70,040)	**0.0%**
Kindred Hospital-Fort Worth	$ -	$ -	$ (60,419)	$ -	**0.0%**
Kindred Rehabilitation Hospital Arlington	$ -	$ -	$ -	$ (12,711)	**0.0%**
Ethicus Hospital - Grapevine	$ -	$ -	$ -	$ -	**0.0%**
Texas Rehabilitation Hospital of Fort Worth	$ -	$ -	$ -	$ -	**0.0%**
Cook Children's Medical Center	$ -	$ -	$ -	$ -	**0.0%**
Texas Health Specialty Hospital	$ (558)	$ -	$ (369)	$ -	**0.0%**
HEALTHSOUTH Rehabilitation Hospital - Mid-Cities	$ (13,739)	$ -	$ -	$ -	**0.0%**
HEALTHSOUTH City View Rehabilitation Hospital	$ (31,730)	$ (41,464)	$ (28,272)	$ (21,596)	**0.0%**
Baylor Institute for Rehabilitation at Fort Worth	$ (38,736)	$ (30,764)	$ (22,471)	$ (22,941)	**0.0%**
HEALTHSOUTH Rehabilitation Hospital of Fort Worth	$ (47,824)	$ (66,417)	$ (18,111)	$ (31,140)	**0.0%**
HEALTHSOUTH Rehabilitation Hospital of Arlington	$ (51,525)	$ (45,708)	$ (67,821)	$ (31,338)	**0.0%**

Exhibit F—9

Level 1 Trauma Designations in Texas
Baylor University Medical Center **Dallas, 75246 (TSA-E)** **Expires 04/01/2018**
Children's Medical Center of Dallas **Dallas, 75235 (TSA-E)** **Expires 2/1/2017 (Extended 5/1/2017)**
Dell Children's Medical Center **Austin, 78723 (TSA-O)** **Expires 8/1/2018**
East Texas Medical Center - Tyler **Tyler, 75711 (TSA-G)** **Expires 5/1/2019**
Harris Health System Ben Taub Hospital **Houston, 77030 (TSA-Q)** **Expires 9/1/2018**
John Peter Smith Hospital **Fort Worth, 76114 (TSA-E)** **Expires 8/1/2018**
Memorial Hermann Hospital **Houston, 77030 (TSA-Q)** **Expires 11/1/2018**
Methodist Dallas Medical Center **Dallas, 75203 (TSA-E)** **Expires 11/1/2017**
Parkland Memorial Hospital **Dallas, 75235 (TSA-E)** **Expires 7/1/2018**
San Antonio Military Medical Center **Fort Sam Houston, 78234 (TSA-P)** **Expires 4/1/2018**

Scott and White Memorial Hospital **Temple, 76508 (TSA-L)** **Expires 12/1/2018**
Texas Children's Hospital **Houston , TX 77030 (TSA-Q)** **Expires 11/1/2019**
University Hospital **San Antonio, 78229 (TSA-P)** **Expires 7/1/2017**
University Medical Center at Brackenridge **Austin, 78701 (TSA-O)** **Expires 9/1/2018**
University Medical Center **Lubbock, 79415 (TSA-B)** **Expires 6/1/2019**
University Medical Center of El Paso **El Paso, 79905 (TSA-I)** **Expires 9/1/2017**
University of Texas Medical Branch **Galveston, 77555-0128 (TSA-R)** **Expires 4/1/2017**

Exhibit F—10

JPS DSRIP

TOTAL: $ 407,138,957

Project	Description	Cost
Behavioral health expanding hours JPS Hospital	Increase patient visits and hours of operation, establish urgent outpatient consult service	$ 8,168,564
Call center JPS Hospital	Decrease utilization of ED for preventable ambulatory care conditions	$ 31,101,501
Expanded specialty care JPS Hospital	Incorporate ophthalmologist into primary care	$ 14,360,016
PHP JPS Hospital	Operate 4 partial hospitalization programs and/or intensive outpatient programs	$ 15,796,379
Innovation and Transformation Center JPS Hospital	Establish a System Transformation Center to be the central authority for organizing, evaluating and documenting change efforts.	$ 20,652,313
Expand pain management care services JPS Health Network Physician Group	Increase access to specialized pain management	$ 16,428,515
Diabetes JPS Hospital	Establish chronic care model for patients with diabetes	$ 36,018,686
PCMH JPS Hospital	Decrease avoidable ED admissions by implementing a patient-centered medical home in JPS' primary care sites	$ 40,435,589

Homeless Connect JPS Hospital	Station multidisciplinary team on the street to provide care to homeless populations to reduce admissions and improve chronic care conditions	$ 2,998,984
CHF Program JPS Hospital	Establish dedicated CHF clinic	$ 1,360,094
Care transitions JPS Hospital	Develop standardized clinical protocols to improve care following inpatient/ED visits by connecting patients with access to key resources	$ 10,643,884
Integrated behavioral health care JPS Hospital	Embed 5 behavioral health care managers	$ 19,534,166
Discharge management JPS Hospital	Implement discharge management program	$ 13,396,292
MedStar patient navigation JPS Hospital	Expand 911 Nurse Triage program and MedStar CHF program	$ 6,091,181
Virtual psychiatric JPS Hospital	Increase adherence to guidelines for specific behavioral health conditions	$ 33,048,146
Community Connect JPS Hospital	Provide care to underserved population	$ 5,083,246
Patient experience: JPS Cares JPS Hospital	Establish a patient experience team to improve patient satisfaction scores	$ 10,665,513
Sepsis JPS Hospital	Increase compliance with application of sepsis bundles	$ 33,663,843
Palliative Program JPS Hospital	Implement a comprehensive palliative care consultation program for patients with serious or life-threatening illnesses.	$ 25,666,438

Integrated care model with outcome based payments JPS Hospital	Establish an integrated care model with outcome based payments	$ 22,482,696
Journey to Life: prenatal care and healthy babies initiative JPS Hospital	Provide Perinatal Services Program for low-income women of childbearing age in Tarrant County	$ 22,091,380
School Based Care JPS Hospital	Expand chronic disease management services in schools to serve underserved children and adolescents.	$ 1,023,016

JPS HEALTH NETWORK PHYSICIAN GROUP

Project	Description	Cost
162334001.1.1 Expand pain management care services JPS Health Network Physician Group 162334001	Increase access to specialized pain management	$ 16,428,515
	TOTAL:	**$ 407,138,957**

TEXAS HEALTH RESOURCES

TOTAL: $ 71,056,933

METHODIST MANSFIELD MEDICAL CENTER

Project	Description	Cost
186221101.2.1 Establish a patient care navigation program Methodist Mansfield Medical Center 186221101	Develop patient navigators to engage and guide patients through integrated health care delivery systems	$ 2,143,422
186221101.2.2 Expand chronic care management models Methodist Mansfield Medical Center 186221101	Develop and implement chronic disease management interventions	$ 1,048,372

TEXAS HEALTH ARLINGTON MEMORIAL HOSPITAL		
Project	**Description**	**Cost**
130614405.1.100 Implement a new, hospital-based behavioral health services department to provide care to adolescent and adult community members with mental health and/or substance abuse disorders. Texas Health Arlington Memorial 130614405	Implement a new, hospitalbased behavioral health services department to provide care to adolescent and adult community members with mental health and/or substance abuse disorders. The project would include an inpatient unit and outpatient services (partial hospitalization) as well as a behavioral health intake center and a response team to assist in the evaluation and navigation of patients presenting to the emergency department with behavioral health needs.	$ 9,349,366

TEXAS HEALTH HARRIS METHODIST HOSPITAL AZLE		
Project	**Description**	**Cost**
127304703.1.1 Walk-in Care Center Texas Health Harris Methodist Hospital Azle 127304703	Create walk-in primary care/non-emergency care clinic	$ 565,714

127304703.2.1 Health education and lifestyles program and the chronic disease selfmanagement program Texas Health Harris Methodist Hospital Azle 127304703	Establish HELP to offer team-based outpatient care to patients	$ 1,534,516
127304703.2.100 The project will implement an ED-based case management program. Texas Health Harris Methodist Hosptial Azle 127304703	The project will implement an ED-based case management program to identify patients who are frequent users of the ED and assist them in more effective and appropriate utilization of health care resources.	$ 3,127,864

TEXAS HEALTH HARRIS METHODIST HOSPITAL FORT WORTH

Project	Description	Cost
112677302.2.1 Redesign the outpatient delivery system to coordinate care for patients with diabetes Texas Health Harris Methodist Hospital Fort Worth 112677302	Partner with primary care clinicians to improve outpatient diabetes education	$ 1,405,151
112677302.2.2 Heart failure clinic Texas Health Harris Methodist Hospital Fort Worth 112677302	Prevention of potentially avoidable heart failure readmissions	$ 1,864,620

112677302.2.3 Establish/expand a patient care navigation program Texas Health Harris Methodist Hospital Fort Worth 112677302	Assign nurse case managers to lead process to reduce inappropriate ED utilization	$ 9,853,560
112677302.2.4 Sepsis Texas Health Harris Methodist Hospital Fort Worth 112677302	Implementation of sepsis resuscitation bundle	$ 8,704,759
112677302.2.5 Wellness for life mobile health services Texas Health Harris Methodist Hospital Fort Worth 112677302	Create a mobile health service	$ 4,907,001
112677302.1.100 Increase access and availability to equipment and physical therapy staff for patients with cystic fibrosis (CF). Texas Health Harris Methodist Hospital Fort Worth 112677302	Increase access and availability to equipment and physical therapy staff for patients with cystic fibrosis (CF).Having more access to staff and equipment allows patients to direct their care and participate in their treatment plan.	$ 1,609,028
112677302.2.100 Early intervention with a Child Life Specialist will be part of the weeCare Palliative care team consultation Texas Health Harris Methodist Hospital Fort Worth 112677302	Early intervention with a Child Life Specialist will be part of the weeCare Palliative care team consultation. The Child Life Specialist will assess the needs of the family and base a care plan from this assessment.	$ 1,609,028

112677302.2.101 This project will create unique intervention opportunities to improve the management of medications. Texas Health Harris Methodist Hospital Fort Worth 112677302	This project will create unique intervention opportunities to improve the management of medications in the target population to prevent or reduce admissions for conditions that should be treated through the ambulatory care environment.	$ 3,764,739

TEXAS HEALTH HARRIS METHODSIT HOSPITAL HURST-EULESS-BEDFORD

Project	Description	Cost
136326908.2.1 Diabetes management program Texas Health Harris Methodist Hospital Hurst Euless Bedford 136326908	Establish program to transition ED patients to primary care providers, and decrease length of stay for diabetes inpatients	$ 508,160
136326908.2.2 Expand chronic care management models: redesign the outpatient delivery system to coordinate care for patients with chronic disease (CHF) Texas Health Harris Methodist Hospital Hurst Euless Bedford 136326908	Develop process to identify heart failure patients and improve health via reduction in acute readmission	$ 508,416
136326908.2.3 Expand chronic care management model Texas Health Harris Methodist Hospital Hurst Euless Bedford 136326908	Develop care management program for behavioral health and primary care	$ 2,617,836

136326908.2.4 Establish patient care navigation program Texas Health Harris Methodist Hospital Hurst Euless Bedford 136326908	Provide navigation services to targeted patients who are at high risk of disconnect from institutionalized health care (the seniors, self-pay, frequent flyers chronically ill and the mentally ill)	$ 1,915,333

TEXAS HEALTH HARRIS METHODIST HOSPITAL SOUTHWEST FORT WORTH

Project	Description	Cost
120726804.2.1 Redesign the outpatient delivery system to coordinate care for patients with diabetes Texas Health Harris Methodist Hospital Southwest Fort Worth 120726804	Partner with primary care clinicians to improve outpatient diabetes patient education	$ 342,906
120726804.2.2 Sepsis Texas Health Harris Methodist Hospital Southwest Fort Worth 120726804	Implementation of sepsis resuscitation bundles	$ 1,508,076
120726804.2.3 Identify frequent ED utilizers and use navigators as part of a preventable ED reduction program Texas Health Harris Methodist Hospital Southwest Fort Worth 120726804	Develop and expansion of ED liaison collaboration	$ 1,842,478

120726804.2.4 NTSP extensivist clinic Texas Health Harris Methodist Hospital Southwest Fort Worth 120726804	Apply the extensivist chronic care model to patients with chronic conditions (CHF, MI)	$ 3,485,670

TEXAS HEALTH HARRIS METHODIST HOSPITAL CLEBURNE

Project	Description	Cost
131036903.1.1 Johnson County Hope Clinic and APRN Urgent Care Clinic Texas Health Harris Methodist Hospital Cleburne 131036903	Increase HOPE clinic resources, improve access to care for patients, and augment access for under insured	$ 1,120,653

TEXAS HEALTH HARRIS METHODIST HOSPITAL STEPHENVILLE

Project	Description	Cost
121794503.2.1 Redesign the outpatient delivery system to coordinate care for patients with diabetes Texas Health Harris Methodist Hospital Stephenville 121794503	Partner with primary care clinicians to improve outpatient diabetes education	$ 106,906

TEXAS HEALTH HARRIS METHODIST ALLIANCE

Project	Description	Cost

316296801.2.100 Improved management of patient health care needs resulting in a reduction of inappropriate ED utilization for nonemergent conditions Texas Health Harris Methodist Alliance 316296801	Improved management of patient health care needs resulting in a reduction of inappropriate ED utilization for non-emergent conditions and increased navigation of patients to appropriate health care resources, including establishing a PCP.	$ 3,785,736

HUGULEY MEMORIAL MEDICAL CENTER

Project	Description	Cost
109574702.2.1 CHF project THR – Huguley Memorial Medical Center 109574702	Improve health of patients with CHF	$ 818,747
109574702.2.2 Apply process improvement methodology to improve quality/efficiency – sepsis THR – Huguley Memorial Medical Center 109574702	Reduce the number of sepsis-related deaths	$ 1,008,876
	TOTAL :	**$ 71,056,933**

OTHER HOSPITAL PROVIDERS

TOTAL $ 62,539,753

BAYLOR MEDICAL CENTER AT SOUTHWEST FORT WORTH

Project	Description	Cost
135036506.1.1 Expand existing primary care capacity Baylor All Saints Medical Center Fort Worth 135036506	Open PCMH/primary care services to new patients	$ 3,511,421

135036506.1.2 Improve access to specialty care Baylor All Saints Medical Center Fort Worth 135036506	Expand specialty care services and referrals to increase access to specialty care and procedures/ diagnostics	$ 2,891,377
135036506.2.1 Expand chronic care management models Baylor All Saints Medical Center Fort Worth 135036506	Increase patients served with better clinical outcomes	$ 3,124,889
135036506.2.4 Develop care management function that integrates primary and behavioral health needs of individuals Baylor All Saints Medical Center Fort Worth 135036506	Unduplicated patients will receive behavioral health services	$ 3,010,479
135036506.2.5 Establish/expand a patient care navigation program Baylor All Saints Medical Center Fort Worth 135036506	Increase patients served, and increase confirmed appointments within 14 days post discharge	$ 2,869,724

135036506.2.100 This project will provide medication management and reconciliation services to uninsured and Medicaid patients at the Baylor Clinic on the Baylor All Saints campus. Baylor All Saints Medical Center at Fort Worth 135036506	This project will provide medication management and reconciliation services to uninsured and Medicaid patients at the Baylor Clinic on the Baylor All Saints campus. A clinical pharmacist will be responsible for oversight of prescriptions, educate patients about how and why to take their medications and review utilization, appropriateness and efficacy of medications that patients have been prescribed.	$ 1,788,078
135036506.1.1 Expand existing primary care capacity Baylor All Saints Medical Center Fort Worth 135036506	Open PCMH/primary care services to new patients	$ 3,511,421
135036506.1.2 Improve access to specialty care Baylor All Saints Medical Center Fort Worth 135036506	Expand specialty care services and referrals to increase access to specialty care and procedures/ diagnostics	$ 2,891,377

COOK CHILDRENS MEDICAL CENTER

021184901.1.1 Establish 1 additional Cook Children's pediatric neighborhood clinic in an identified area of need Cook Children's Medical Center 021184901	Expand pediatric primary care by adding 1 additional clinic	$ 12,071,608

021184901.1.2 Develop 1 additional Cook Children's pediatric urgent care clinic Cook Children's Medical Center 021184901	Establish 1 additional pediatric urgent care which will see increased visits annually	$ 10,753,314
021184901.1.3 Increase, expand and enhance oral health services (Establish one new Cook Children's pediatric dental clinic) Cook Children's Medical Center 021184901	Establish pediatric dental clinic which will see increased visits annually	$ 8,196,015

PLAZA MEDICAL CENTER OF FORT WORTH

Project	Description	Cost
094193202.2.1 Redesign to improve patient experience Plaza Medical Center Fort Worth 094193202	Increase percentile on CMA HCAPS grand composite scores	$ 4,353,261
094193202.2.2 Apply process improvement methodology to improve quality/efficiency Plaza Medical Center Fort Worth 094193202	Increase compliance in identification/diagnosis of sepsis, increase compliance with sepsis bundles application	$ 2,442,514

ENNIS REGIONAL MEDICAL CENTER

Project	Description	Cost

121822403.1.1 Expand primary care capacity in Ennis Regional Medical Center primary service area Ennis Regional Medical Center 121822403	Increase access to primary care services	$ 1,124,275
	TOTAL:	**$ 62,539,753**

ACADEMIC INSTITUTIONS

TOTAL: $ 13,415,990

UNIVERSITY OF NORTH TEXAS HEALTH SCIENCE CENTER (UNTHSC)

138980111.1.7 Expansion of Plaza/UNTHSC/TCOM Family Medicine Residency program University of North Texas Health Science Center (UNTHSC) 138980111	Increase primary care providers through expanding the 4-4-4 Plaza Hospital/UNTHSC Family Medicine Residency Program to a 6-6-6 program	$ 13,415,990
	TOTAL:	**$ 13,415,990**

Exhibit F—11

JPS Health Network
FY2016

Inpatient Revenue	Billed Charges ($ Millions)	Payor Mix
Medicare	$ 214.5	22.7%
Medicaid	$ 295.8	31.4%
Commercial	$ 109.1	11.6%
JPS Connection	$ 126.2	13.4%
Self Pay	$ 155.2	16.4%
Other Government	$ 42.7	4.5%
Total	**$ 943.4**	**100.0%**

Psychiatric Revenue	Billed Charges ($ Millions)	Payor Mix
Medicare	$ 8.1	11.8%
Medicaid	$ 14.4	20.9%
Commercial	$ 7.0	10.2%
JPS Connection	$ 8.7	12.7%
Self Pay	$ 21.5	31.2%
Other Government	$ 9.1	13.3%
Total	**$ 68.7**	**100.0%**

ER Revenue	Billed Charges ($ Millions)	Payor Mix
Medicare	$ 30.9	10.6%
Medicaid	$ 51.5	17.6%
Commercial	$ 41.9	14.4%

JPS Connection	$ 42.1	14.4%
Self Pay	$ 118.5	40.6%
Oher Government	$ 7.1	2.4%
Total	**$ 292.1**	**100.0%**

Outpatient Revenue	**Billed Charges ($ Millions)**	**Payor Mix**
Medicare	$ 95.8	21.6%
Medicaid	$ 90.8	20.5%
Commercial	$ 61.1	13.8%
JPS Connection	$ 149.7	33.7%
Self Pay	$ 34.6	7.8%
Oher Government	$ 11.8	2.7%
	$ 443.8	**100.0%**

Clinic Revenue	**Billed Charges ($ Millions)**	**Payor Mix**
Medicare	$ 32.0	15.5%
Medicaid	$ 60.7	29.4%
Commercial	$ 23.1	11.2%
JPS Connection	$ 58.2	28.2%
Self Pay	$ 18.5	9.0%
Other Government	$ 14.0	6.8%
	$ 206.6	**100.0%**

Outpatient Pharmacy Revenue	**Billed Charges ($ Millions)**	**Payor Mix**
Medicare	$ 14.4	33.6%
Medicaid	$ 3.5	8.2%
Commercial	$ 10.9	25.4%

JPS Connection	$ 5.4	12.6%
Self Pay	$ 3.3	7.6%
Other Government	$ 5.3	12.4%
	$ 43.0	**100.0%**

Supplemental Funding	Dollars	Percentage
Disproportionate Share	$ 34.5	19.6%
Uncompensated Care	$ 65.0	37.0%
DSRIP Revenue	$ 52.9	30.1%
Other Professional Fees	$ 23.4	13.3%
	$ 175.8	**100.0%**

[i] HMA license access to AHA online database ("AHA DATA\VIEWER")

[ii] Created by the 74th Texas Legislature in 1995, THCIC's mission is to collect data and report on health care activity to provide information that enables consumers to have an impact on the cost and quality of health care in Texas.

[iii] Zuckerman, Rachael, MPH, et al; *Readmissions, Observation, and the Hospital Readmissions Reduction Program*; New England Journal of Medicine, April 2016.

[iv] "Texas Comptroller Glenn Hegar Releases Biennial Estimate". Jan. 9 2017 News Release. Texas Comptroller of Public Accounts. [Online] https://www.comptroller.texas.gov/about/media-center/news/2017/170109-bre.php.

[v] "Evaluation of Uncompensated Care and Medicaid Payments in Texas Hospitals and the Role of Texas' Uncompensated Care Pool", prepared by Health Management Associates, August 2016 with correction, reissued on September 13, 2016. HHSC:[Online] https://hhs.texas.gov/sites/hhs/files/documents/laws-regulations/policies-rules/1115-docs/DY5/UC-Study-Report-091316-FINAL-corrected.pdf

[vi] "Rocks in the Water: The Unseen Cost of Losing Federal Support for Uncompensated Care", Study by Texas Association of Community Health Plans, Texas Hospital Association, Texas Interfaith Center for Public Policy, and Texas Association of Business, Dec. 2016.[Online] http://texasimpact.org/sites/default/files/resource-files/Rocks_in_the_Water_Uncompensated_Care_Report.pdf