

Houston Methodist

Unaudited Consolidated Financial Statements

June 30, 2024

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Consolidated Balance Sheets

	June 30, 2024	December 31, 2023
<i>(In Thousands)</i>		
Assets		
Current assets		
Cash and cash equivalents	\$ 571,286	\$ 539,693
Investments	1,375,037	1,380,460
Patient accounts receivable, net	956,683	904,123
Inventory and other current assets	224,397	218,574
Total current assets	3,127,403	3,042,850
Investments, net of amounts required to meet current obligations	6,444,514	6,088,716
Property and equipment, net	5,895,875	5,653,521
Other assets	311,512	319,605
Total assets	\$ 15,779,304	\$ 15,104,692
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expense	\$ 1,257,185	\$ 1,263,106
Estimated third-party settlements	239,552	189,310
Short-term bonds payable	1,278,061	1,278,061
Total current liabilities	2,774,798	2,730,477
Long-term bonds payable	829,766	829,816
Other long-term obligations	289,603	288,158
Total liabilities	3,894,167	3,848,451
Net assets		
Without restrictions	10,948,018	10,358,260
Donor restricted	937,119	897,981
Total net assets	11,885,137	11,256,241
Total liabilities and net assets	\$ 15,779,304	\$ 15,104,692

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Consolidated Statements of Operations and
Changes in Net Assets

		Six Months Ended June 30,	
		2024	2023
		<i>(In Thousands)</i>	
Revenue			
Net patient revenue		\$ 3,873,498	\$ 3,516,588
Other revenue		167,604	139,555
	Total revenue	4,041,102	3,656,143
Expense			
Salaries and related personnel costs		2,159,641	1,947,007
Supplies and pharmaceuticals		777,459	709,221
Services and other expense		545,006	505,449
		3,482,106	3,161,677
	Earnings before interest, depreciation, and amortization	558,996	494,466
Depreciation and amortization		209,619	196,646
Interest		35,347	32,759
		244,966	229,405
	Operating income	314,030	265,061
Investment results and other, net		272,067	366,190
	Revenue over expense	\$ 586,097	\$ 631,251

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Consolidated Statements of Operations and
Changes in Net Assets (continued)

	Six Months Ended June 30,	
	2024	2023
	<i>(In Thousands)</i>	
Net assets without restrictions		
Revenue over expense	\$ 586,097	\$ 631,251
Transfer of matching funds to donor restricted net assets	(211)	(195)
Transfer from donor restricted net assets	3,872	547
Increase in net assets without restrictions	589,758	631,603
Donor restricted net assets		
Investment results, net	36,501	45,064
Contributions	20,068	49,241
Transfer from net assets without restrictions	211	195
Other, primarily net assets released from restrictions	(17,642)	(11,175)
Increase in donor restricted net assets	39,138	83,325
Increase in net assets	628,896	714,928
Net assets, beginning of year	11,256,241	9,849,813
Net assets, June 30	\$11,885,137	\$10,564,741

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Consolidated Statements of Cash Flows

	Six Months Ended	
	June 30,	
	2024	2023
	<i>(In Thousands)</i>	
Operating activities		
Cash received from patient services	\$ 3,888,012	\$ 3,597,472
Other receipts from operations	122,235	121,052
Interest, dividends, and other income received	139,409	93,088
Cash paid to or on behalf of employees	(2,194,069)	(1,976,876)
Cash paid for supplies and services	(1,320,725)	(1,232,286)
Interest paid	(35,396)	(32,790)
Net cash provided by operating activities	599,466	569,660
Investing activities		
Purchases of property and equipment	(465,099)	(482,657)
Purchases of investments, net	(118,953)	(159,608)
Net cash used in investing activities	(584,052)	(642,265)
Financing activities		
Contributions received for perpetual in nature restricted net assets	16,179	39,391
Net cash provided by financing activities	16,179	39,391
Net decrease in cash and cash equivalents	31,593	(33,214)
Cash and cash equivalents, beginning of year	539,693	517,284
Cash and cash equivalents, June 30	\$ 571,286	\$ 484,070

HOUSTON METHODIST
KEY HOSPITAL VOLUME INDICATORS

	For the Six Months	
	Ended June 30,	
	2024	2023
Admissions	74,336	70,059
Equivalent Admissions ⁽¹⁾	162,684	149,458
Inpatient Days	393,221	377,535
Total Surgeries	56,513	55,660
Average Length of Stay	5.29	5.39
Percentage of Occupancy ⁽²⁾	79%	78%
Operating Beds	2,730	2,659
Beds Licensed	3,265	3,265
Outpatient Revenue ⁽³⁾	52%	51%
Medicare case mix index	2.06	2.10

⁽¹⁾ Expressed as outpatient revenue / inpatient revenue x inpatient admissions + inpatient admissions

⁽²⁾ Percent occupancy computed based on operating beds.

⁽³⁾ Expressed as a percentage of gross patient revenue.

**HOUSTON METHODIST
PAYOR MIX SUMMARY**

	For the Six Months Ended June 30,	
	2024	2023
Managed Care and Other	38%	39%
Medicare	54%	53%
Medicaid	4%	4%
Self- Pay	4%	4%
Total	100%	100%