FY2024 Budget Considerations

- JPS Strategic Plan
- Organizational Priorities
- Capital and Operational Needs
- Homestead Exemption and Property Tax Rate
- Federal Sources
- Ending of Public Health Emergency
JPS Strategic Plan
Alignment of FY24 Priorities with Strategic Plan

WORKFORCE
- Be the Best Place to Work, Learn, and Practice Medicine

ACCESS
- Building a Data-Driven Technology-Enabled Organization
- Reimagining Facilities and Virtual Access
- Partnering Purposefully to Connect Patients to the Services They Need
- Leading in Shaping Healthy Communities

FINANCIAL SUSTAINABILITY
- Sustaining Financial Strength
- Partnerships
- Revenue Diversification
- Foundation
Workplace

• Continued commitment to retention and recruitment (salary, benefits)
• Market adjustment and merit increase for employees
• Funding engagement, recruitment activities
• Workplace safety and cybersecurity

Access

• Capital improvements
• Technology optimization and communication
• Access Center upgrades
• New facilities (Psychiatric Emergency Center, Medical Home Southwest, Las Vegas Trail Neighborhood Health Clinic)
• Quality efforts (preparation for Joint Commission)

Financial Sustainability

• Continued commitment to improve operational efficiencies
• Evaluation of strategic partnerships and revenue diversification strategies
• Foundation
• Increase overall in patient volumes for FY24

• Decline in medical/surgery inpatient admissions following end of Public Health Emergency

• Increase behavioral health inpatient admissions

• Increase in outpatient and inpatient surgical procedures

• Increase in urgent care and ED volumes

• Increase in primary care, specialty, and behavioral health outpatient volumes
Operating Revenues
FY2024 Budget

Net patient service revenue 42%

Ad valorem tax revenue 35%

Supplemental Medicaid funding 13%

Retail pharmacy 6%

Other operating revenue 4%

Operating revenues = $1.57 billion
Operating Expenses
FY2024 Budget

Operating expenses = $1.54 billion

- Salaries and related expenses: 63%
- Purchased services: 16%
- Supplies: 14%
- Depreciation: 3%
- Other operating expense: 4%
- Salaries and related expenses: 63%

JPS Health Network
Fort Worth, Texas
Total capital budget = $41 million
## Consolidated Income Statement

### FY2024 Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 2024 Budget</th>
<th>FY 2023 Projected</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
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</tr>
<tr>
<td>Net patient service revenue</td>
<td>$659,714,728</td>
<td>$634,630,352</td>
<td>$25,084,376</td>
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<tr>
<td>Ad valorem tax revenue*</td>
<td>543,359,654</td>
<td>569,283,739</td>
<td>(25,924,085)</td>
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<tr>
<td>Supplemental Medicaid funding</td>
<td>211,501,716</td>
<td>255,154,495</td>
<td>(43,652,779)</td>
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<td>Retail pharmacy</td>
<td>99,001,947</td>
<td>96,238,634</td>
<td>2,763,313</td>
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<tr>
<td>Other operating revenue</td>
<td>56,453,313</td>
<td>56,186,252</td>
<td>267,061</td>
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<tr>
<td><strong>Total operating revenues</strong></td>
<td>1,570,031,358</td>
<td>1,611,493,472</td>
<td>(41,462,114)</td>
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<tr>
<td><strong>Operating Expenses</strong></td>
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<tr>
<td>Salaries and related expenses</td>
<td>968,317,662</td>
<td>903,075,881</td>
<td>65,241,781</td>
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<td>Purchased services</td>
<td>246,317,238</td>
<td>229,236,150</td>
<td>17,081,088</td>
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<td>Supplies</td>
<td>221,931,118</td>
<td>215,572,447</td>
<td>6,358,671</td>
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<td>Depreciation</td>
<td>42,340,312</td>
<td>36,953,304</td>
<td>5,387,008</td>
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<td>Other operating expense</td>
<td>61,675,513</td>
<td>59,772,544</td>
<td>1,902,969</td>
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<tr>
<td><strong>Total operating expenses</strong></td>
<td>1,540,581,843</td>
<td>1,444,610,326</td>
<td>95,971,517</td>
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<td><strong>Operating Income</strong></td>
<td>29,449,515</td>
<td>166,883,146</td>
<td>(137,433,631)</td>
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<td>Operating Margin</td>
<td>1.9%</td>
<td>10.4%</td>
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<td>Interest and financing expense</td>
<td>(19,287,413)</td>
<td>(14,032,252)</td>
<td>(5,255,161)</td>
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<td>Other nonoperating revenue</td>
<td>3,419,005</td>
<td>8,231,346</td>
<td>(4,812,341)</td>
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<td>Investment income</td>
<td>95,362,345</td>
<td>67,045,240</td>
<td>28,317,105</td>
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<td><strong>Nonoperating Revenues and Expenses</strong></td>
<td>79,493,937</td>
<td>61,244,334</td>
<td>18,249,603</td>
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<td><strong>Net Income</strong></td>
<td>$108,943,452</td>
<td>$228,127,480</td>
<td>($119,184,028)</td>
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</table>

*Ad valorem tax rate is .1945 per $100 of assessed value*