

# Financial Report (Unaudited)

September 2025, Fiscal Year 2025



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## Consolidated Executive Summary - September 2025 Financial Performance

September closed with consolidated net income of \$13.7 million, exceeding budget by \$5.4 million. Excluding ad valorem revenues, the system reported an operating loss of \$33.6 million, which was \$5.2 million better than plan due to favorable volumes and operational performance.

Year-to-date, net income totaled \$267.1 million, completing the fiscal year ahead of budget despite challenges in payer mix, reduced disproportionate share hospital (DSH) funding, and increased benefit costs in the final quarter.

### Key Drivers of Performance for the Month

1. **Sustained Volume Growth.** Volumes continue to trend upwards with inpatient admissions up 10.3%, emergency visits consistently up over 4%, and surgeries strong at 8.0% and 13.2% above budget for inpatient and outpatient, respectively.
2. **Revenue Strengthened by Volumes.** Net patient revenue outperformed budget by \$7.5 million, driven primarily by higher patient activity. This was partially offset by lower acuity and continued pressure on payment rates from a shift in payer mix toward Medicaid and self-pay.
3. **Retail Pharmacy Momentum.** Retail pharmacy revenue exceeded budget by \$2.1 million for the month and \$15.3 million year-to-date. Both specialty and main pharmacy operations continued to show growth for the system.
4. **Expense Management.** Operating expenses were \$1.2 million unfavorable to budget for the month and \$40.9 million favorable year-to-date. Wages and contract labor performed well due to reduced contract labor and shift incentives, partially offset by higher benefit costs. Purchased services and other operating expenses remained well managed, while supply and pharmaceutical expenses were above budget due to increased patient activity.
5. **Supplemental Medicaid Funding.** The final DSH distribution created a \$9.1 million unfavorable variance for the month, partially offset by favorability of \$3.7 million in Alternate Participating Hospital Reimbursement for Improving Quality Award (APHRIQA) and \$1.2 million in uncompensated care (UC) payments. JPS ended the year \$8.6 million behind the plan, primarily due to the reduction in DSH funding.

### Notable Variances

- Employee pharmacy benefits were unfavorable to budget by \$2.6 million, offset by favorable pension and health plan benefit expense, \$1.3 million and \$0.7 million, respectively.
- Pharmaceutical and supply expenses increased and were unfavorable to budget by \$2.0 million due to higher patient activity and utilization, partially offset by favorable year-end inventory adjustments.
- Other operating revenue was favorable to budget by \$1.2 million due to higher grant revenue and tobacco settlement distributions due to investment performance.

September capped a solid year for JPS, with results ending ahead of budget and reflecting JPS's continued commitment to workforce, access, and financial sustainability. Looking ahead, JPS will continue to adapt to headwinds from federal, state, and local changes while maintaining focus on stability, positioning for the future, and improving the health of Tarrant County residents.

# Consolidated Income Statement

As of September 30, 2025 and 2024 (in Thousands)



	MONTH TO DATE				YEAR TO DATE					
	ACTUAL	BUDGET	VARIANCE	PERCENT CHANGE	ACTUAL	BUDGET	VARIANCE	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
<b><u>OPERATING REVENUES</u></b>										
Net patient service revenue	\$70,711	\$63,223	\$7,488	11.8%	\$811,028	\$752,912	\$58,115	7.7%	\$744,855	8.9%
Supplemental Medicaid funding	18,533	22,995	(4,462)	-19.4%	267,354	275,940	(8,585)	-3.1%	292,901	-8.7%
Retail Pharmacy	11,490	9,347	2,143	22.9%	124,474	109,178	15,296	14.0%	106,749	16.6%
Other operating revenue	6,987	5,743	1,244	21.7%	71,190	60,710	10,479	17.3%	70,420	1.1%
<b>Total operating revenues</b>	<b>107,721</b>	<b>101,308</b>	<b>6,413</b>	<b>6.3%</b>	<b>1,274,045</b>	<b>1,198,740</b>	<b>75,305</b>	<b>6.3%</b>	<b>1,214,924</b>	<b>4.9%</b>
Wages	68,526	70,080	1,554	2.2%	826,007	835,653	9,646	1.2%	772,190	-7.0%
Contract labor	1,233	1,452	220	15.1%	15,063	17,517	2,454	14.0%	21,183	28.9%
Benefits	16,190	15,156	(1,034)	-6.8%	173,303	181,107	7,803	4.3%	168,337	-3.0%
<b>Wages and benefits expenses</b>	<b>85,948</b>	<b>86,688</b>	<b>740</b>	<b>0.9%</b>	<b>1,014,373</b>	<b>1,034,277</b>	<b>19,904</b>	<b>1.9%</b>	<b>961,711</b>	<b>-5.5%</b>
Purchased services	8,276	10,033	1,756	17.5%	224,668	243,212	18,544	7.6%	211,675	-6.1%
Supplies	22,359	22,177	(182)	-0.8%	256,138	254,434	(1,704)	-0.7%	237,571	-7.8%
Depreciation	19,791	15,904	(3,887)	-24.4%	55,678	55,689	10	0.0%	53,934	-3.2%
Other operating expense	4,930	5,324	394	7.4%	57,716	61,854	4,138	6.7%	57,060	-1.2%
<b>Total operating expenses</b>	<b>141,304</b>	<b>140,126</b>	<b>(1,178)</b>	<b>-0.8%</b>	<b>1,608,574</b>	<b>1,649,466</b>	<b>40,892</b>	<b>2.5%</b>	<b>1,521,951</b>	<b>-5.7%</b>
<b>Operating Income (Loss)</b>	<b>(33,583)</b>	<b>(38,818)</b>	<b>5,235</b>	<b>13.5%</b>	<b>(334,529)</b>	<b>(450,726)</b>	<b>116,197</b>	<b>25.8%</b>	<b>(307,026)</b>	<b>-9.0%</b>
<b><u>NONOPERATING REVENUES AND EXPENSES</u></b>										
Ad valorem tax revenue	41,795	41,800	(6)	0.0%	506,372	508,707	(2,335)	-0.5%	535,776	-5.5%
Interest and financing expense	(2,503)	(2,155)	(348)	-16.1%	(20,141)	(19,767)	(373)	-1.9%	(20,692)	2.7%
Other nonoperating revenue	226	274	(48)	-17.6%	9,009	1,488	7,521	505.4%	3,871	132.7%
Investment income	7,801	7,236	565	7.8%	106,349	98,793	7,555	7.6%	124,083	-14.3%
<b>Total Nonoperating Revenues and Expenses</b>	<b>47,318</b>	<b>47,155</b>	<b>163</b>	<b>0.3%</b>	<b>601,589</b>	<b>589,221</b>	<b>12,368</b>	<b>2.1%</b>	<b>643,039</b>	<b>-6.4%</b>
<b>Net Income</b>	<b>\$13,734</b>	<b>\$8,337</b>	<b>\$5,398</b>	<b>64.7%</b>	<b>\$267,060</b>	<b>\$138,494</b>	<b>\$128,566</b>	<b>92.8%</b>	<b>\$336,012</b>	<b>-20.5%</b>

# Consolidated Balance Sheet

As of September 30, 2025 and 2024 (in Thousands)



	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<b><u>CURRENT ASSETS</u></b>		
Cash and temporary cash investments	\$877,280	\$1,013,706
Net patient accounts receivable	115,627	88,444
Assets limited as to use - current portion	313	437
Other current assets	166,949	144,026
<b>Total Current Assets</b>	<b><u>1,160,168</u></b>	<b><u>1,246,612</u></b>
<b><u>NONCURRENT ASSETS</u></b>		
Restricted investments	91,535	132,749
Noncurrent investments	8,867	6,826
Board restricted for Master Facility Plan	1,170,377	818,887
Bond proceeds for Master Facility Plan	273,561	370,629
Other noncurrent assets	17,678	1,532
<b>Investments and Other Assets</b>	<b><u>1,562,018</u></b>	<b><u>1,330,623</u></b>
<b>Net Capital, Lease, and Subscription Assets</b>	<b><u>489,685</u></b>	<b><u>399,452</u></b>
<b>Total Assets</b>	<b><u>\$3,211,871</u></b>	<b><u>\$2,976,687</u></b>
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$68,762	\$63,190
Other accrued liabilities	323,149	279,194
Current maturities of long-term debt	11,285	10,840
<b>Total Current Liabilities</b>	<b><u>403,196</u></b>	<b><u>353,224</u></b>
<b><u>NONCURRENT LIABILITIES</u></b>		
Long-term debt, net of current maturities	435,861	449,037
Other commitments and contingencies	29,764	91,748
<b>Total Noncurrent Liabilities</b>	<b><u>465,626</u></b>	<b><u>540,785</u></b>
<b>Total Liabilities</b>	<b><u>868,821</u></b>	<b><u>894,009</u></b>
<b>Net Assets</b>	<b><u>2,343,050</u></b>	<b><u>2,082,678</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$3,211,871</u></b>	<b><u>\$2,976,687</u></b>

# Consolidated Cash Flow Summary



As of September 30, 2025 (in Thousands)

	FISCAL YEAR TO DATE 10/1 - 9/30	
<b><u>CASH RECEIPTS</u></b>		
Collections on Patient Accounts	\$781,974	
Medicaid Supplemental Programs	246,102	
Net Ad Valorem Taxes	502,832	
Other Operating Revenue	192,933	
Donations	1,985	
Other Non-Operating Revenue	5,581	
Proceeds from Sale of Capital Assets	7,015	
<b>Total Cash Receipts</b>	<b>1,738,421</b>	
<b><u>CASH DISBURSEMENTS</u></b>		
Salaries, Wages and Benefits	1,001,261	
Supplies, Purchased Services, Other	540,869	
Capital Expenditures	147,920	
Debt and Interest Payments	32,928	
Investing Activities, Net	151,870	
<b>Total Cash Disbursements</b>	<b>1,874,848</b>	
<b>Net Change</b>	<b>(136,426)</b>	
Unrestricted Cash, Cash Equivalents and Investments - Beginning of year		\$1,013,706
Net Change		(136,426)
<b>Unrestricted Cash, Cash Equivalents and Investments - End of Period</b>		<b>\$877,280</b>

# Performance Ratios



As of September 30, 2025 and 2024

	MONTH TO DATE		YEAR TO DATE		
	ACTUAL	BUDGET	ACTUAL	BUDGET	PRIOR YEAR
<b><u>OPERATING HEALTH INDICATORS</u></b>					
Operating Margin % with Ad Valorem	3.6%	0.6%	8.1%	2.1%	11.4%
Operating Margin % without Ad Valorem	-31.1%	-38.1%	-26.0%	-36.9%	-25.3%
Total Operating Expense per Day (000)	\$4,050	\$4,141	\$4,255	\$4,367	\$4,011
Salary, Wage and Benefit per APD	\$2,301	\$2,440	\$2,291	\$2,421	\$2,260
Supply Costs per APD	\$308	\$346	\$317	\$324	\$303
Total Expense per APD	\$3,784	\$3,945	\$3,633	\$3,861	\$3,576
Overtime as a % of Total Salaries	4.3%	4.5%	4.4%	4.5%	4.9%
Contract as a % of Total Salaries	1.2%	2.4%	1.8%	2.4%	3.1%
Full-time Equivalent Employees	7,002	6,983	6,952	6,881	6,807
FTE per APD	5.62	5.90	5.73	5.88	5.84
<b><u>FINANCIAL HEALTH INDICATORS</u></b>					
Unrestricted Cash (In Thousands)			\$877,280		\$1,013,706
Days Cash on Hand Total			452		429
Days Cash On Hand Board Restricted			257		191
Days Cash on Hand Operating			195		238
Days Revenue in Accounts Receivable			45		38

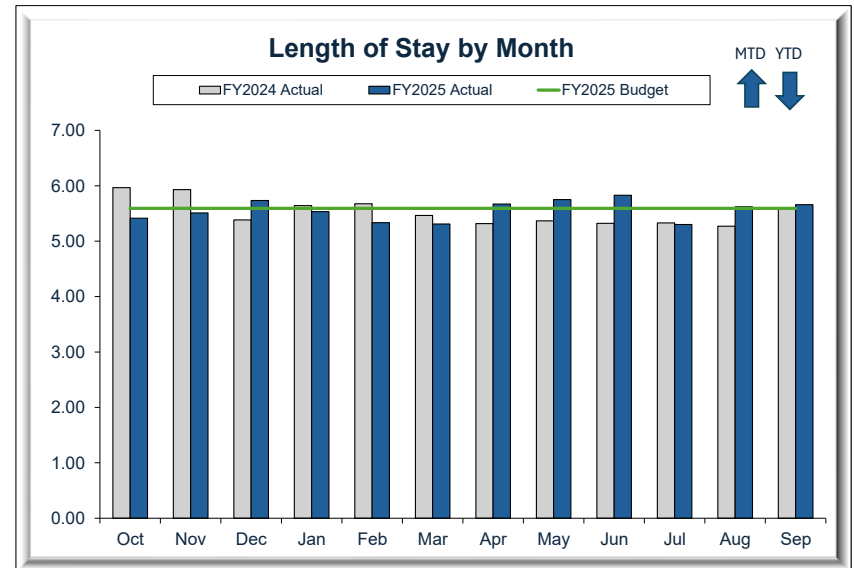
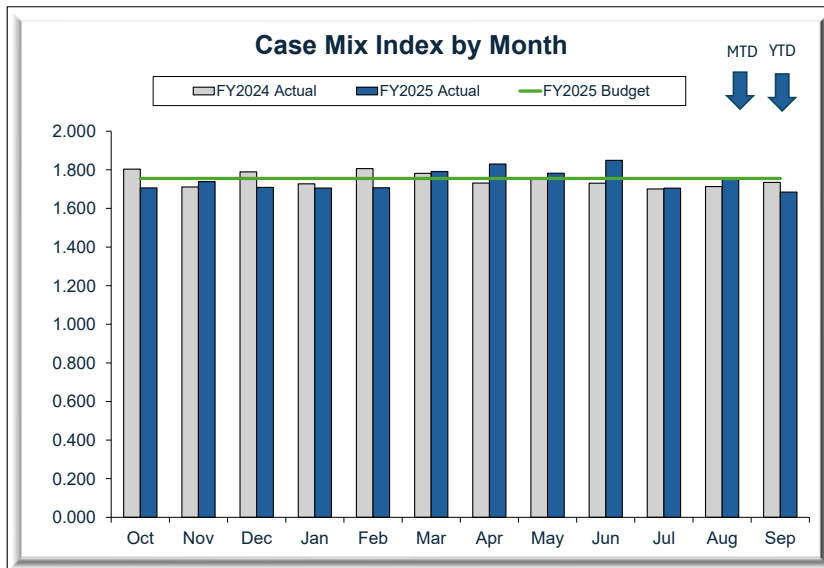
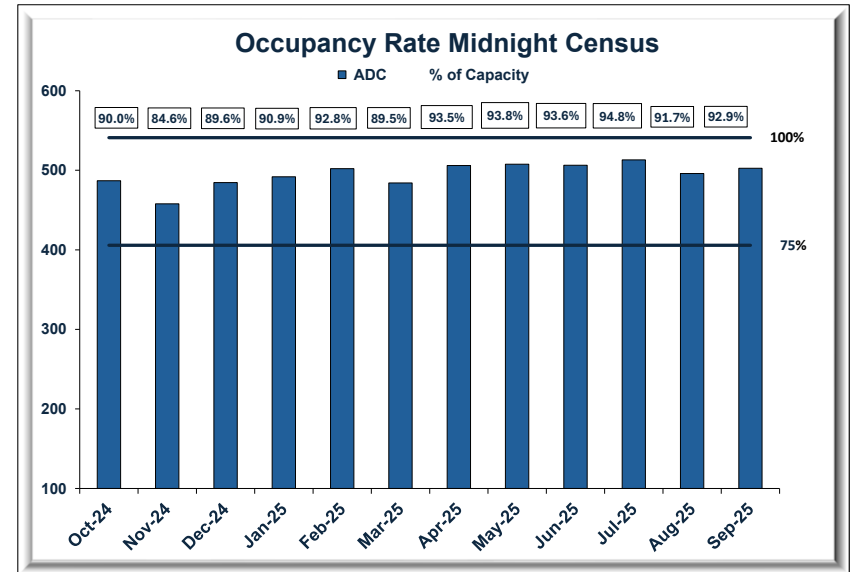
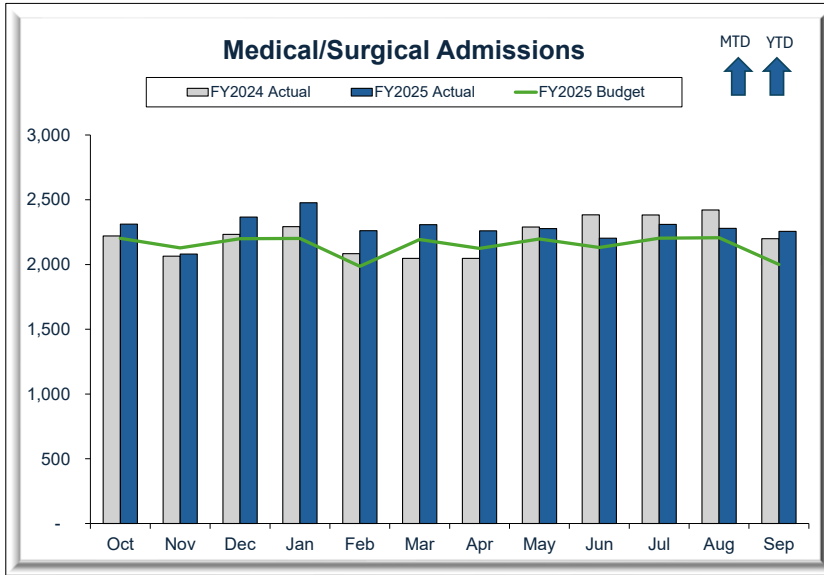
# Statistical Highlights

As of September 30, 2025 and 2024

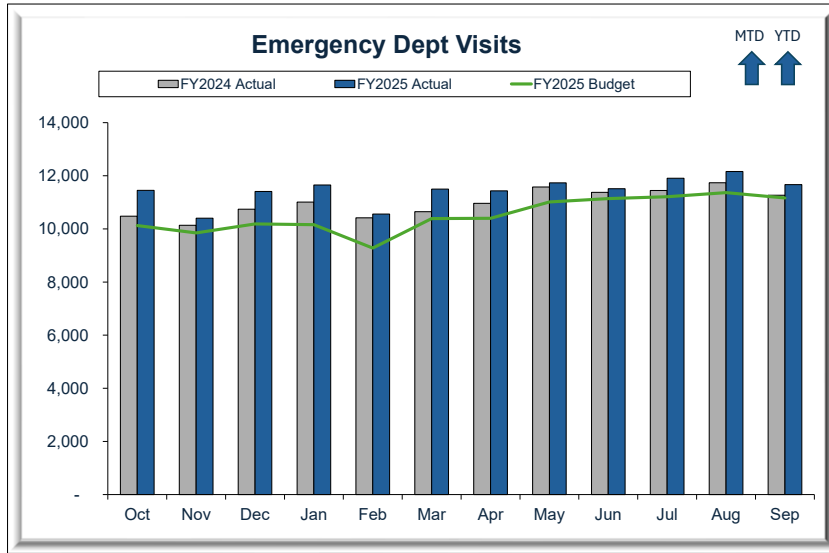


	MONTH TO DATE			YEAR TO DATE				
	ACTUAL	BUDGET	PERCENT CHANGE	ACTUAL	BUDGET	PERCENT CHANGE	PRIOR YEAR	PERCENT CHANGE
Inpatient Discharges including BH & LCA	2,666	2,375	12.3%	32,260	30,319	6.4%	31,381	2.8%
Outpatient Observation Cases	1,440	1,209	19.1%	16,961	14,629	15.9%	15,441	9.8%
<b>Total Cases Occupying Patient Beds</b>	<b>4,106</b>	<b>3,584</b>	<b>14.6%</b>	<b>49,221</b>	<b>44,948</b>	<b>9.5%</b>	<b>46,822</b>	<b>5.1%</b>
Births	414	450	-8.1%	4,583	4,881	-6.1%	4,705	-2.6%
Inpatient Days including BH & LCA	15,732	15,008	4.8%	190,044	182,131	4.3%	185,733	2.3%
Outpatient Observation Days	3,104	2,464	26.0%	35,353	29,813	18.6%	31,471	12.3%
<b>Total Patient Days</b>	<b>18,836</b>	<b>17,472</b>	<b>7.8%</b>	<b>225,397</b>	<b>211,944</b>	<b>6.3%</b>	<b>217,204</b>	<b>3.8%</b>
Average Daily Census	630	588	7.2%	619	586	5.7%	600	3.2%
Average Operating Beds	677	677	0.0%	677	677	0.0%	677	0.0%
Bed Occupancy %	93.0%	86.8%	7.2%	91.5%	86.5%	5.7%	88.6%	3.2%
Acute Discharges	2,296	2,001	14.7%	27,791	25,773	7.8%	26,799	3.7%
Acute Inpatient Average Length of Stay	5.66	5.59	1.2%	5.56	5.59	-0.6%	5.51	0.8%
Inpatient Case Mix Index (CMI)	1.68	1.76	-4.0%	1.75	1.76	-0.5%	1.75	-0.1%
Surgery Cases - Inpatient	491	455	8.0%	6,587	5,451	20.8%	5,924	11.2%
Surgery Cases - Outpatient	939	830	13.2%	11,020	10,438	5.6%	10,476	5.2%
<b>Total Surgery Cases</b>	<b>1,430</b>	<b>1,284</b>	<b>11.3%</b>	<b>17,607</b>	<b>15,889</b>	<b>10.8%</b>	<b>16,400</b>	<b>7.4%</b>
Emergency Room Visits - Admitted	1,659	1,695	-2.1%	21,075	19,174	9.9%	19,846	6.2%
Emergency Room Visits - Outpatient	10,007	9,468	5.7%	116,312	107,107	8.6%	111,952	3.9%
<b>Total Emergency Room Visits</b>	<b>11,666</b>	<b>11,163</b>	<b>4.5%</b>	<b>137,387</b>	<b>126,281</b>	<b>8.8%</b>	<b>131,798</b>	<b>4.2%</b>
Behavioral Health Emergency - Admitted	252	307	-17.9%	3,269	3,762	-13.1%	3,446	-5.1%
Behavioral Health Emergency - Outpatient	1,252	1,112	12.6%	13,612	13,636	-0.2%	14,155	-3.8%
<b>Total Behavioral Health Emergency Visits</b>	<b>1,504</b>	<b>1,419</b>	<b>6.0%</b>	<b>16,881</b>	<b>17,398</b>	<b>-3.0%</b>	<b>17,601</b>	<b>-4.1%</b>
Primary Care Clinic Visits	29,458	30,159	-2.3%	340,291	334,079	1.9%	314,047	8.4%
Specialty Clinic Visits	26,151	24,723	5.8%	293,999	282,735	4.0%	277,166	6.1%
Behavioral Health Clinic Visits	4,823	4,828	-0.1%	57,069	55,576	2.7%	52,438	8.8%
<b>Total Clinic Visits</b>	<b>60,432</b>	<b>59,711</b>	<b>1.2%</b>	<b>691,359</b>	<b>672,390</b>	<b>2.8%</b>	<b>643,651</b>	<b>7.4%</b>
<b>Total Outpatient Visits</b>	<b>105,171</b>	<b>105,443</b>	<b>-0.3%</b>	<b>1,221,611</b>	<b>1,195,279</b>	<b>2.2%</b>	<b>1,165,933</b>	<b>4.8%</b>
Total Unduplicated Patients - Rolling 12				236,669			235,207	0.6%
Total New Patient - Rolling 12				79,541			76,342	4.2%
Adjusted Discharges	6,329	5,620	12.6%	75,154	71,110	5.7%	71,902	4.5%
Adjusted Patient Days	37,346	35,521	5.1%	442,731	427,168	3.6%	425,564	4.0%
Outpatient % of Total Revenue	57.9%	57.7%	0.2%	57.1%	57.4%	-0.5%	56.4%	1.3%
<b>Payer Mix (% of Charges)</b>								
Charity	20.5%	16.8%	22.1%	18.7%	16.7%	11.9%	16.4%	13.8%
Self Pay	20.4%	16.2%	26.0%	16.2%	16.2%	-0.1%	16.3%	-1.1%
Commercial	18.3%	22.2%	-17.6%	19.6%	22.2%	-11.7%	22.0%	-10.8%
Medicaid & Managed Medicaid	13.1%	17.2%	-24.0%	17.2%	17.2%	0.0%	17.5%	-1.5%
Medicare & Managed Medicare	22.6%	22.0%	3.1%	22.7%	22.0%	3.4%	21.9%	3.6%
Other	5.1%	5.6%	-9.2%	5.6%	5.7%	-2.3%	5.9%	-5.8%
<b>Total Payer Mix</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>

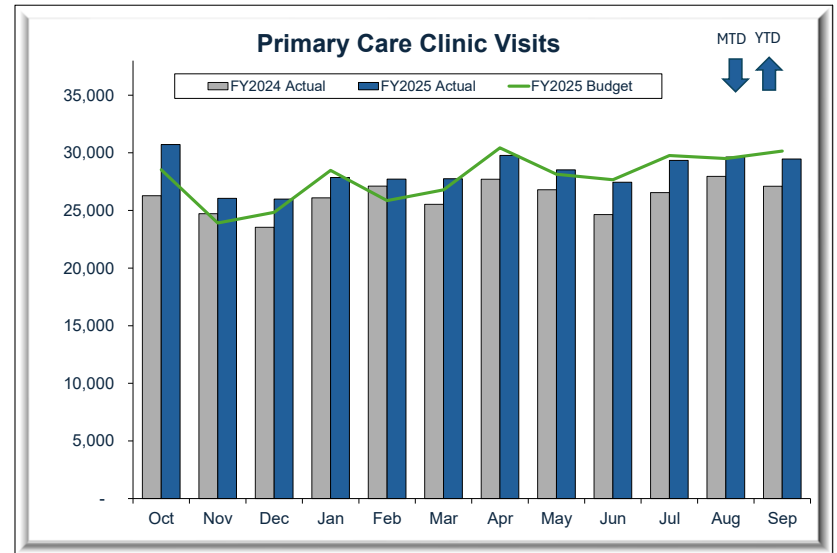
**JPS Health Network  
Inpatient Statistics**



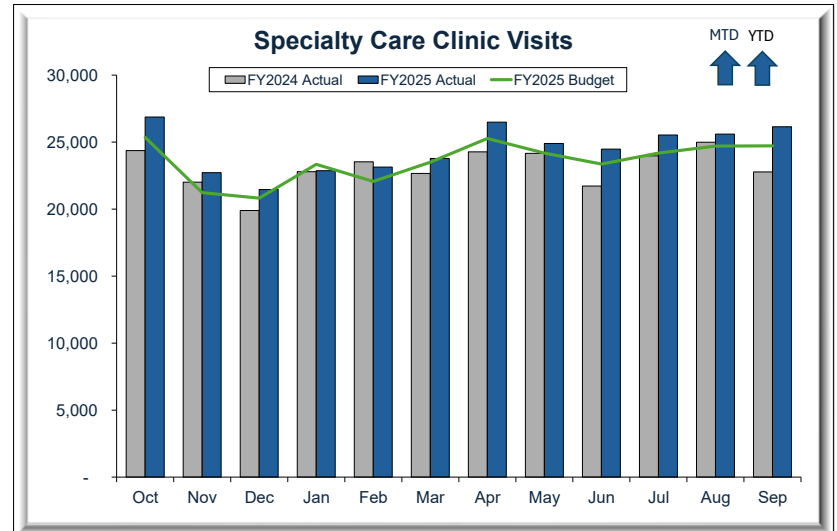
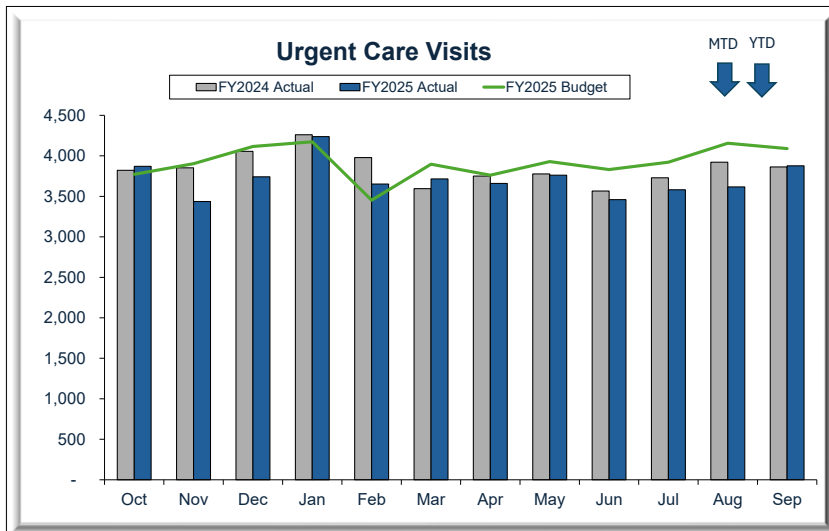
**JPS Health Network  
Outpatient Statistics**



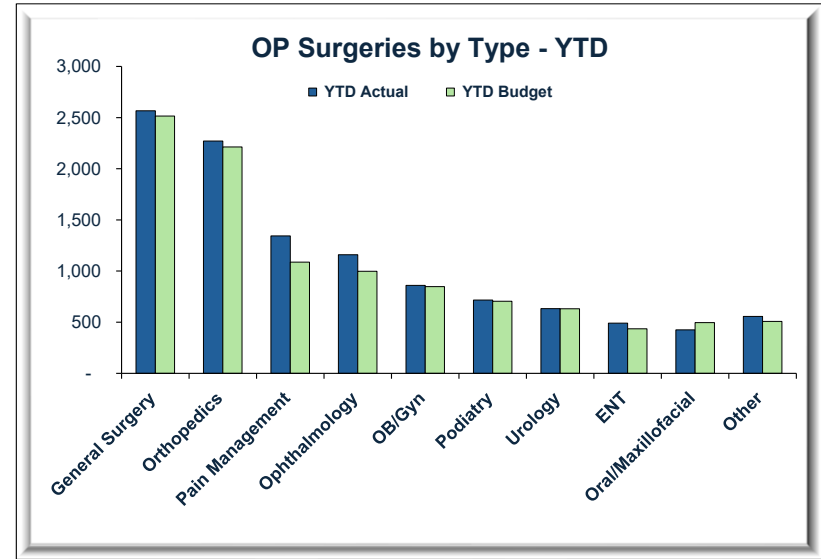
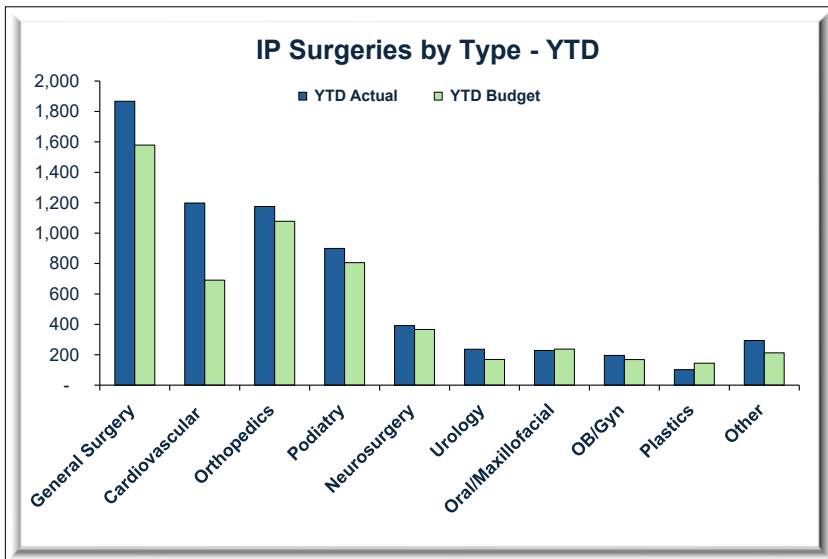
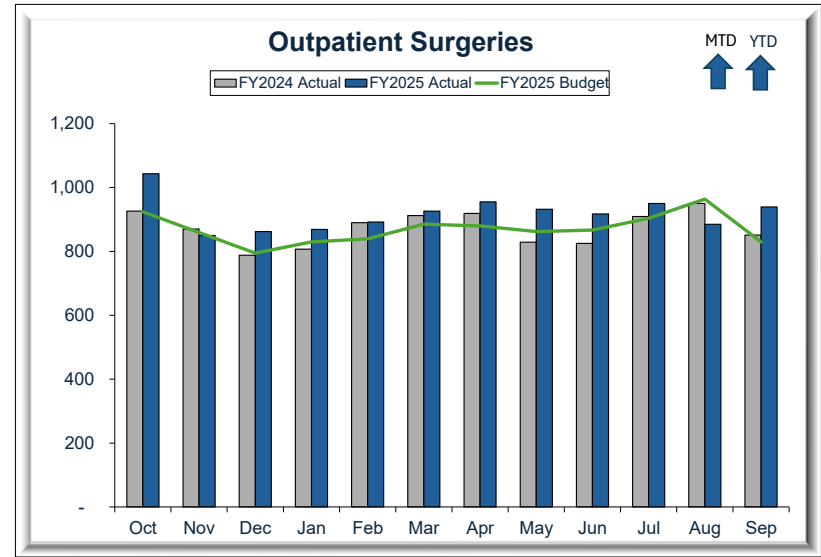
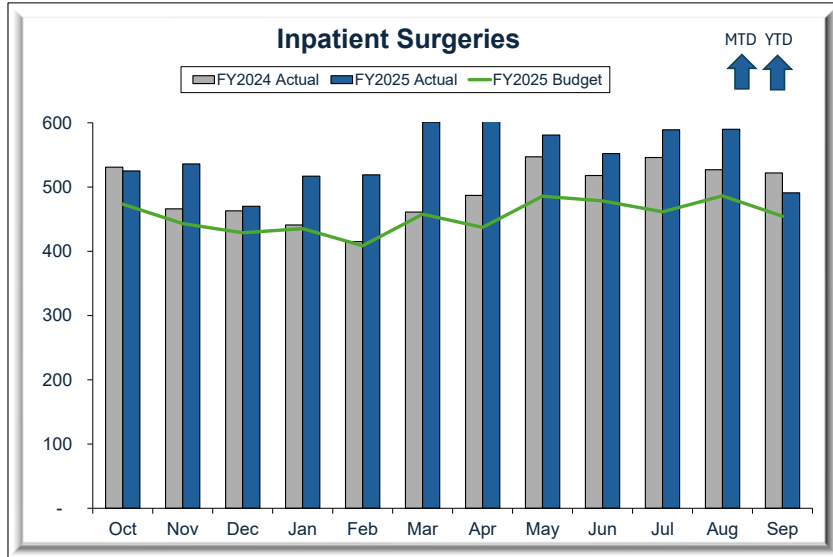
Excludes ER Triage



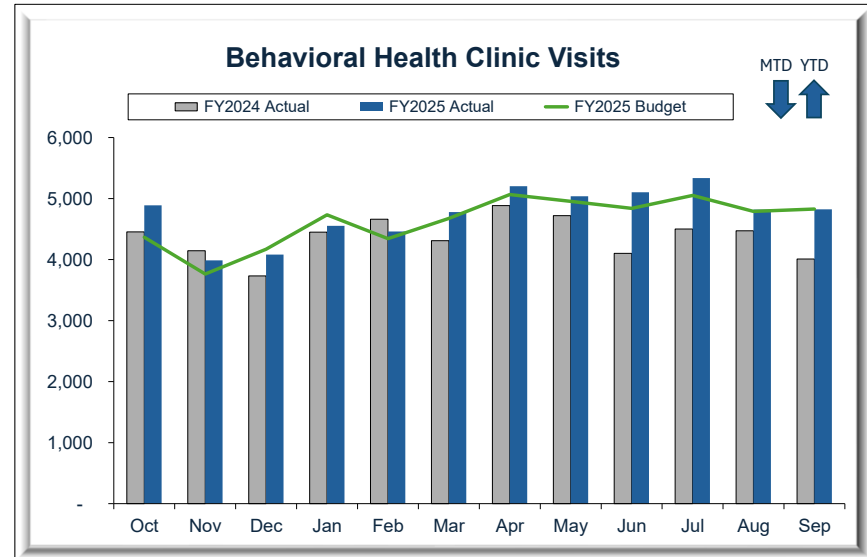
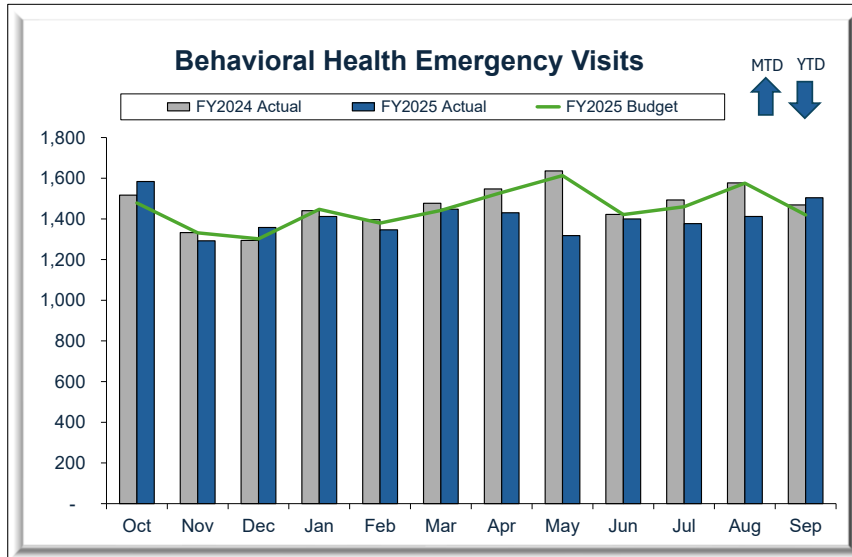
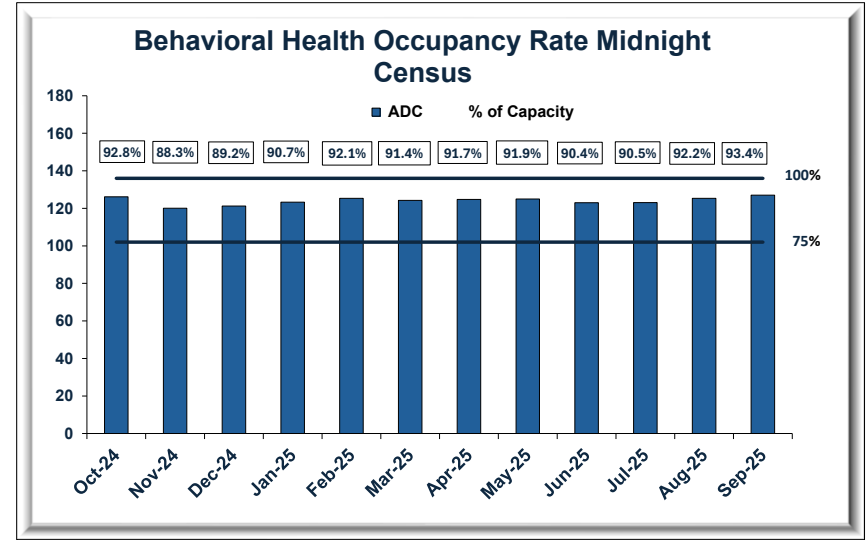
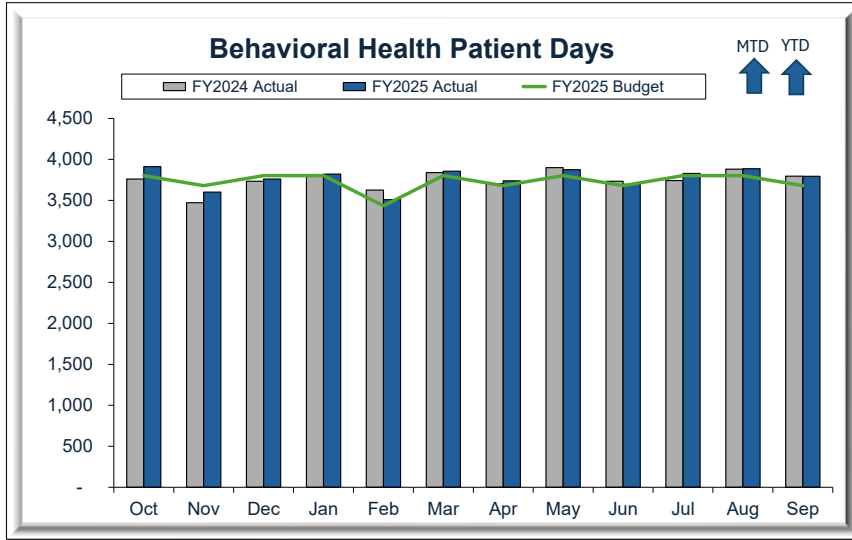
Includes Primary Care and School Based Clinic Visits.



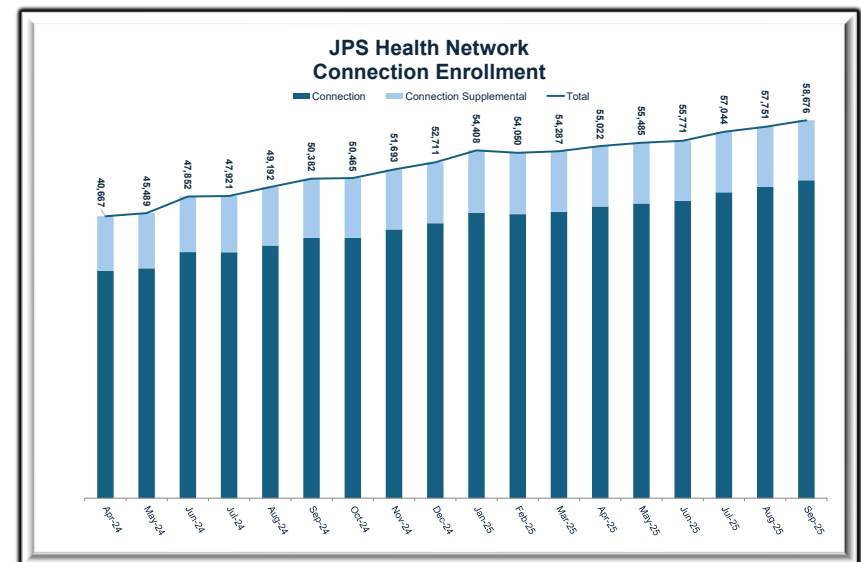
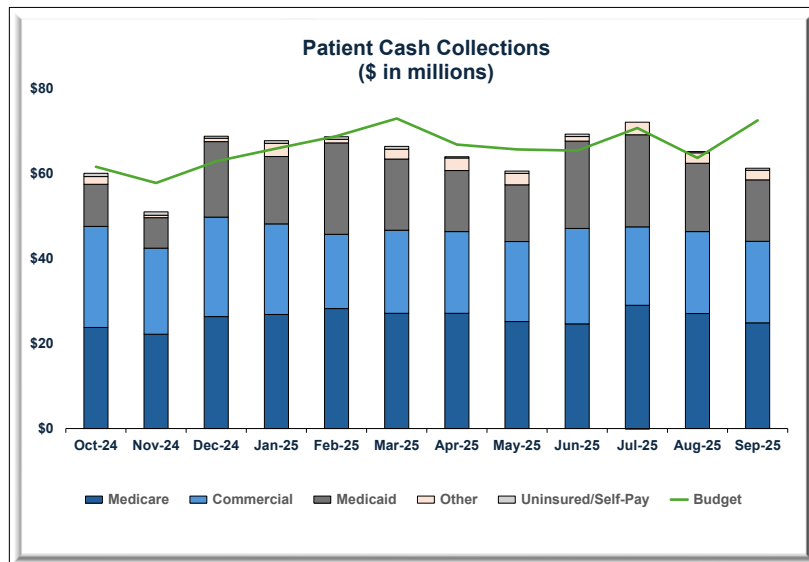
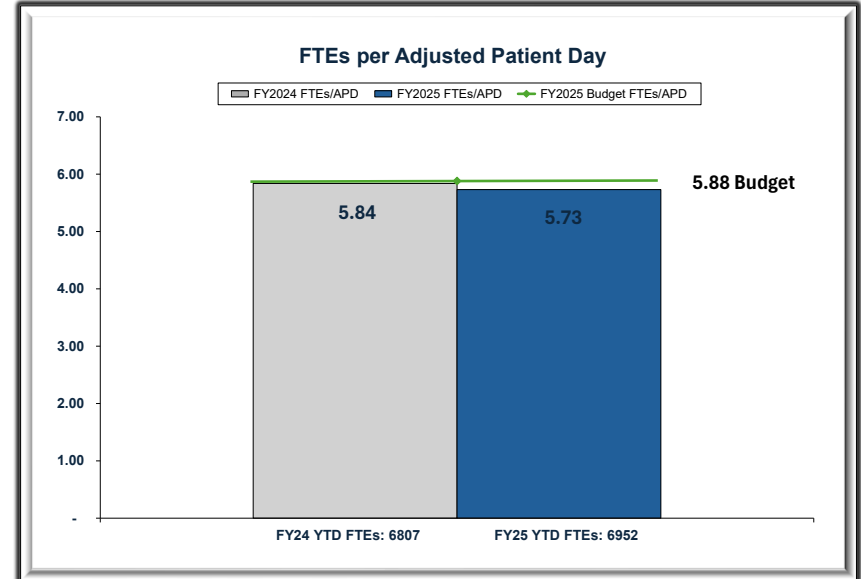
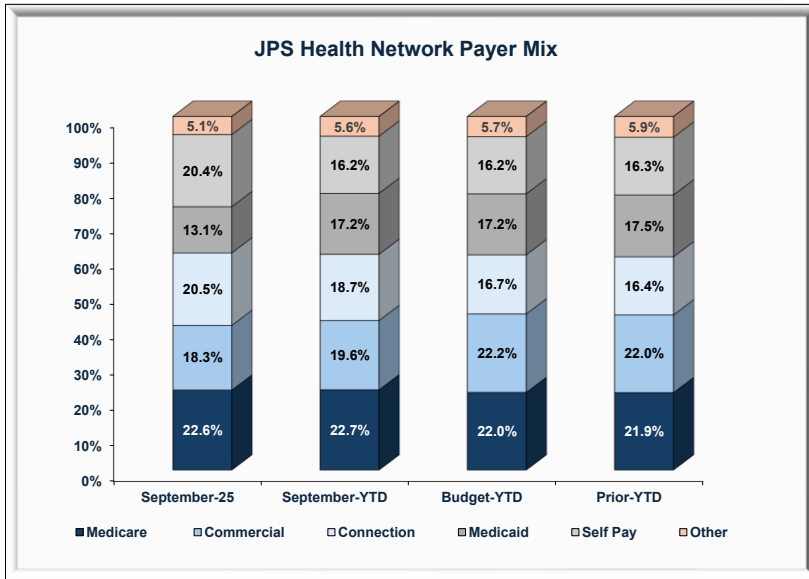
Includes Specialty, Cardiology, Oncology and Women's Health Clinics.  
Excludes Behavioral Health



**JPS Health Network  
Behavioral Health Statistics**



# JPS Health Network Financial Metrics



New Members 3,451    Termined Members 2,526

# Financial Goals



<u>Categories</u>	<u>Goal Description</u>	OBJECTIVES			
		Threshold	Target	Stretch	FY25 YTD
Operating Margin	Organization-wide improvement in margin to support objectives	2.1%	2.9%	4.0%	8.1%
Operating Revenue per Adjusted Patient Day	Increase operating revenue per adjusted patient day	\$2,807	\$2,840	\$2,887	\$2,878
Operating Expense per Adjusted Patient Day	Decrease operating expense per adjusted patient day	\$3,862	\$3,830	\$3,783	\$3,633
Specialty Pharmacy Revenue	Increase Specialty Pharmacy revenue	\$37.9M	\$38.9M	\$39.9M	\$44.1M
Days Cash on Hand	Days cash on hand operating/future fund	180			195/257
Premium Pay - Hours	Reduction in overtime hours as a percentage of total paid hours	4.1%	3.9%	3.7%	3.7%
Medicare Retention - JPS Connection patients without a PCP	Retain JPS Connection patients transitioning to Medicare	35.9%	37.2%	38.5%	47.0%
Left Without Being Seen - ED	Decrease the number of patients who left without being seen in the ED	2.5%	2.3%	2.1%	1.8%
Length of Stay	Reduce the average number of days between a patient's hospital admittance and discharge date	5.51	5.39	5.35	5.56
JPS Connection Membership	Enrolled JPS Connection membership	51,642	52,145	52,649	58,676