



**SUMMA HEALTH OBLIGATED GROUP
CONTINUING DISCLOSURE**

MARCH 31, 2018

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS
AND FINANCIAL POSITION – SUMMA HEALTH OBLIGATED GROUP**

The Summa Health Obligated Group (Obligated Group) includes Summa Health and Summa Health System.

Payor Mix and Provider Statistics of the Obligated Group

The following includes payer mix and utilization statistics for the members of the Obligated Group for the three months ended March 31, 2018 and March 31, 2017.

	<u>3/31/2018</u>	<u>3/31/2017</u>
<u>Payor Mix %:</u>		
Medicare Traditional & Managed Care	49.9%	49.8%
Medicaid Traditional & Managed Care	21.3%	20.3%
Commercial & Managed Care	25.7%	26.8%
Self Pay and Other	3.1%	3.1%
 <u>Utilization Statistics</u>		
Available beds-weighted average	634	661
Adult patient days	37,468	36,178
Adult Admissions	8,114	8,119
Average length of stay	4.62	4.46
Occupancy	66%	61%
 Surgical Cases:		
Inpatient	1,327	1,550
Outpatient	<u>3,928</u>	<u>3,654</u>
Total Surgical Cases	5,255	5,204
 Observation patients		
Observation patients	3,400	3,293
Total emergency cases	38,077	40,058
Outpatient visits (non Emergency and Surgical)	80,472	82,925

For the three months ended March 31, 2018 compared to the prior year, inpatient admissions decreased (0.1%), observation cases increased 3%, surgical cases increased 1%, emergency visits decreased (5%) and other outpatient visits decreased (3%).

Obligated Group Operating Results

Management prepared the following Statements of Operations for the Obligated Group for the three months ended March 31, 2018 and March 31, 2017 on a consistent basis with the audited consolidated financial statements.

	<u>2018</u>	<u>2017</u>
Unrestricted revenues, gains, and other support:		
Net patient service revenue less bad debts	\$ 202,619	197,342
Other operating revenue	16,329	12,142
Net assets released from restriction	1,430	1,055
Total unrestricted revenues, gains, and other support	<u>220,378</u>	<u>210,539</u>
Expenses:		
Salaries and wages	76,629	80,832
Employee benefits	11,927	13,466
Materials and supplies	57,292	57,130
Contracts and professional fees	38,960	40,947
Depreciation and amortization	15,172	14,793
Interest	6,013	5,045
Total expenses	<u>205,993</u>	<u>212,213</u>
Operating income (loss)	<u>14,385</u>	<u>(1,674)</u>
Other income (expense):		
Investment income	2,659	10,691
Unrealized (loss) gain on trading securities	(10,488)	9,194
Venture (loss) income	(418)	2,250
Derivative instrument gain	2,089	49
Total other (expense) income	<u>(6,158)</u>	<u>22,184</u>
Excess of revenue over expenses	<u>\$ 8,227</u>	<u>20,510</u>

The Obligated Group generated operating income of \$14 million compared to a (\$2) million operating loss in 2017. Net patient service revenues, net of provision for doubtful accounts, totaled \$203 million, a \$6 million increase compared to 2017.

Operating expenses totaled \$206 million, a decrease of (\$6) million compared to 2017. The increase in interest expense is primarily associated with the borrowing that occurred in December 2017.

The Obligated Group reported other expense of (\$6) million for 2018 compared to other income of \$22 million in 2017. Investment returns, both realized and unrealized, accounted for the decline.

Excess of revenue over expenses totaled \$8 million, a decrease of (\$12) million from the previous year.

Obligated Group Financial Ratios

Liquidity Position and Cash to Debt – Obligated Group - 12-month rolling basis

The table below sets forth the liquidity position for the rolling 12-month period ending March 31, 2018 and March 31, 2017. Cash and cash equivalents for both periods reported exclude monies drawn from bond proceeds not yet used for the facility plan.

	Dollars in Thousands	
	<u>3/31/2018</u>	<u>3/31/2017</u>
Cash and cash equivalents	\$ 60,847	\$ 34,820
Unrestricted investments	<u>695,532</u>	<u>679,786</u>
Total cash and unrestricted investments	\$ 756,379	\$ 714,606
Total expenses	\$ 828,783	\$ 821,576
Depreciation and amortization	<u>(58,176)</u>	<u>(56,941)</u>
Total expenses less depreciation and amortization	\$ 770,607	\$ 764,635
Days cash on hand	358	342
Total debt	\$ 631,829	\$ 501,917
Cash to debt (x's)	1.2	1.4

Maximum Annual Debt Service Coverage – Obligated Group - 12-month rolling basis

The following sets forth the maximum annual debt service coverage for the rolling 12-month period ending March 31, 2018 and March 31, 2017.

	Dollars in Thousands	
	<u>3/31/2018</u>	<u>3/31/2017</u>
Excess of revenues over expenses	\$ 71,249	\$ 83,408
Depreciation expense	58,176	56,941
Interest expense	21,232	15,733
Change in value of derivative instruments	(772)	(2,874)
Unrealized (gains)/losses on investments	<u>(4,092)</u>	<u>(18,781)</u>
Income available for debt service	\$ 145,793	\$ 134,427
Maximum annual debt service	\$ 40,633	\$ 34,029
Maximum debt service coverage	3.6	4.0

Debt to Capitalization – Obligated Group

The table below sets forth the debt to capitalization at March 31, 2018 and March 31, 2017.

	Dollars in Thousands	
	<u>3/31/2018</u>	<u>3/31/2017</u>
Current installments of long-term debt	\$ 9,436	\$ 10,045
Long-term debt less current installments	<u>622,393</u>	<u>491,872</u>
Total debt	\$ 631,829	\$ 501,917
Unrestricted net assets	\$ 1,126,398	\$ 1,016,404
Total debt and unrestricted net assets	\$ 1,758,227	\$ 1,518,321
Debt to capitalization	36%	33%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF OPERATIONS AND FINANCIAL POSITION – CONSOLIDATED SUMMA HEALTH

Consolidated System Operating Results

Management prepared the Statements of Operations for the Consolidated System for the three months ended March 31, 2018 and March 31, 2017 on a consistent basis with the audited consolidated financial statements.

Summa Health and Subsidiaries
Consolidated Statements of Operations
For the Three Months Ending March 31, 2018 and 2017
(Dollars in Thousands)

		2018	2017
Net patient service revenue less bad debts	\$	214,075	203,809
Premiums earned		105,118	104,647
Other operating revenue		15,163	12,891
Net assets released from restrictions		1,430	1,055
Total revenue, gains, and other support		335,786	322,402
Expenses:			
Salaries and wages		122,316	124,145
Employee benefits		18,980	20,479
Healthcare claims		66,066	70,045
Materials and supplies		63,468	62,307
Contracts and professional fees		38,922	39,791
Depreciation and amortization		15,830	15,458
Interest		6,013	5,047
Total expenses		331,595	337,272
Operating income (loss)		4,191	(14,870)
Other income (expense):			
Investment income		(8,398)	21,572
Investment Income Joint Ventures		(562)	(294)
Derivative instrument gain (loss)		2,089	49
Provision for income tax		204	(163)
Other		(793)	(850)
Total other income (expense)		(7,460)	20,314
Excess (Deficiency) of revenue over expenses	\$	(3,269)	5,444

Summa Health generated an operating income of \$4 million compared to operating loss of (\$15) million in 2017. Net patient service revenue, net of provision for doubtful accounts, totaled \$214 million, an increase of \$10 million for the same period in 2017.

Premiums earned totaled \$105 million, slightly more than 2017. Other operating revenue was \$15 million, an increase of \$2 million from 2017.

Operating expenses totaled \$332 million, a (\$6) million decrease from 2017. Salaries and benefits decreased (\$3) million, healthcare claims decreased (\$4) million and materials and supplies increased \$1 million from 2017. Interest expense increased \$1 million primarily due to the impact of the Series 2017 borrowing.

Other income and expense decreased by (\$28) million from 2017. Unrealized investment losses in 2018 versus unrealized investment gains in 2017 accounted for this decline. The quarter ended with a deficiency of revenue over expenses totaling (\$3) million, compared to \$5 million excess of revenues over expenses for the same time-period in 2017.

Consolidated System's Financial Ratios

Liquidity Position and Cash to Debt – Consolidated System - 12-month rolling basis

The table below sets forth the liquidity position at March 31, 2018 and March 31, 2017. Cash and cash equivalents excludes monies drawn from bond proceeds not yet used for the facility plan.

	Dollars in Thousands	
	<u>3/31/2018</u>	<u>3/31/2017</u>
Cash and cash equivalents	\$ 140,312	\$ 110,424
Short term investments	20,304	33,878
Long term investments	<u>747,203</u>	<u>739,576</u>
Total unrestricted cash and investments	\$ 907,819	\$ 883,878
Total expenses	\$ 1,329,268	\$ 1,324,286
Depreciation and amortization	<u>(60,793)</u>	<u>(61,305)</u>
Total expenses less depreciation and amortization	\$ 1,268,475	\$ 1,262,981
Days cash on hand	261	256
Total Debt	\$ 631,829	\$ 502,090
Cash to debt (x's)	1.4	1.8

Debt to Capitalization – Consolidated System

The table below sets forth the Debt to Capitalization at March 31, 2018 and March 31, 2017.

	Dollars in Thousands	
	<u>3/31/2018</u>	<u>3/31/2017</u>
Current installments of long-term debt	\$ 9,436	\$ 10,218
Long-term debt less current installments	<u>622,393</u>	<u>491,872</u>
Total debt	\$ 631,829	\$ 502,090
Unrestricted net assets	<u>969,491</u>	<u>960,162</u>
Total debt and unrestricted net assets	\$ 1,601,320	\$ 1,462,252
Debt to capitalization	39%	34%



Obligated Group
Financial Statements
March 31, 2018

SUMMA HEALTH OBLIGATED GROUP
Consolidated Statements of Financial Position
March 31, 2018 and December 31, 2017
(In thousands of dollars)

Assets	2018	December 31 2017
Current assets:		
Cash and cash equivalents	\$ 105,893	87,008
Investments	-	2,501
Patient accounts receivable, net	110,234	119,107
Receivable from affiliated organization	220,162	203,049
Other receivables	3,778	3,903
Due from third party payors	4,841	2,908
Inventories	14,448	14,295
Prepaid expenses and other	11,830	8,889
Total current assets	471,186	441,660
Assets whose use is limited:		
Under bond indenture agreements	174,747	188,767
Restricted by donors	37,953	36,391
Total assets whose use is limited	212,700	225,158
Contributions receivable, net	6,169	6,274
Property and equipment, net	475,825	471,960
Other assets:		
Investment in ventures	6,869	7,431
Long-Term Investments	695,532	719,264
Other assets	103,784	98,945
Total noncurrent assets	806,185	825,640
Total assets	\$ 1,972,065	1,970,692

SUMMA HEALTH OBLIGATED GROUP

Consolidated Statements of Financial Position

March 31, 2018 and December 31, 2017

(In thousands of dollars)

Liabilities and Net Assets	2018	December 31 2017
Current liabilities:		
Current portion of long term-debt	\$ 8,175	8,175
Current portion of capital lease obligation	1,261	1,261
Accounts payable	42,749	61,289
Accrued salaries, wages, and benefits	47,158	36,782
Payable to affiliated organization	3,270	3,262
Due to third party payors	4,653	2,622
Other current liabilities	11,804	8,041
Total current liabilities	<u>119,070</u>	<u>121,432</u>
Noncurrent liabilities:		
Accrued pension	12,437	12,859
Malpractice liability	12,118	12,176
Long-term debt, net of current portion	594,950	595,561
Capital lease obligation, net of current portion	27,443	27,758
Accrued postretirement benefits	692	692
Interest rate swap	8,632	11,124
Due to third party payors	12,101	12,101
Other noncurrent liabilities	12,465	12,441
Total Liabilities	<u>799,908</u>	<u>806,144</u>
Net assets:		
Unrestricted	1,126,398	1,118,226
Temporarily restricted	22,675	23,236
Permanently restricted	23,084	23,086
Total net assets	<u>1,172,157</u>	<u>1,164,548</u>
Total liabilities and net assets	<u>\$ 1,972,065</u>	<u>1,970,692</u>

SUMMA HEALTH OBLIGATED GROUP
Consolidated Statements of Operation
For the three months ended March 31, 2018 and 2017
(In thousands of dollars)

	<u>2018</u>	<u>2017</u>
Unrestricted revenues, gains, and other support:		
Net patient service revenue less bad debts	\$ 202,619	197,342
Other operating revenue	16,329	12,142
Net assets released from restriction	<u>1,430</u>	<u>1,055</u>
Total unrestricted revenues, gains, and other support	<u>220,378</u>	<u>210,539</u>
Expenses:		
Salaries and wages	76,629	80,832
Employee benefits	11,927	13,466
Materials and supplies	57,292	57,130
Contracts and professional fees	38,960	40,947
Depreciation and amortization	15,172	14,793
Interest	<u>6,013</u>	<u>5,045</u>
Total expenses	<u>205,993</u>	<u>212,213</u>
Operating income (loss)	<u>14,385</u>	<u>(1,674)</u>
Other income (expense):		
Investment income	2,659	10,691
Unrealized (loss) gain on trading securities	(10,488)	9,194
Venture (loss) income	(418)	2,250
Derivative instrument gain	<u>2,089</u>	<u>49</u>
Total other (expense) income	<u>(6,158)</u>	<u>22,184</u>
Excess of revenue over expenses	<u>\$ 8,227</u>	<u>20,510</u>

SUMMA HEALTH OBLIGATED GROUP

Consolidated Statements of Cash Flows

March 31, 2018 and December 31, 2017

(In thousands of dollars)

	<u>2018</u>	<u>December 31 2017</u>
Operating activities		
Increase in net assets	\$ 7,609	75,994
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized loss (gain) on investment	7,829	(48,736)
Depreciation and amortization	15,172	57,796
Net (gain) on disposal of fixed assets	-	(8,926)
Pension adjustment	54	594
Postretirement benefit adjustment	-	(104)
Change in value of derivative instruments	(2,492)	1,669
Changes in operating assets and liabilities:		
Patient accounts receivable	8,873	8,831
Receivable from affiliates	(17,113)	(31,590)
Other receivables	125	148
Due to (from) third-party payors	98	(4,677)
Prepaid and other assets	(7,266)	5,204
Accounts payable	(18,540)	15,512
Payable to affiliates	8	663
Other current liabilities	14,139	145
Other long-term liabilities	<u>(510)</u>	<u>(10,513)</u>
Net cash provided by operating activities	7,986	62,010
Cash flows from investing activities:		
Expenditures for property and equipment	(19,037)	(87,296)
Sale of property and equipment	-	16,228
Net Purchases/Sales of investments	18,404	(1,278)
Net Purchases/Sales of assets whose use is limited	<u>12,458</u>	<u>(105,879)</u>
Net cash provided by (used in) investing activities	11,825	(178,225)
Cash flows from financing activities:		
Proceeds from long term debt issuance	-	140,000
Repayment of short and long-term debt and capital lease obligations	<u>(926)</u>	<u>2,641</u>
Net cash (used in) provided by financing activities	(926)	142,641
Net increase in cash and cash equivalents	18,885	26,426
Cash and cash equivalents at beginning of period	<u>87,008</u>	<u>60,582</u>
Cash and cash equivalents at end of period	\$ <u>105,893</u>	<u>87,008</u>



Consolidating Statement of Financial Position
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Health System	Consolidating and eliminating entries	Obligated Group Total	Non-Obligated Group	Consolidating and eliminating entries	System total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ (359,919)	465,812	-	105,893	79,465	-	185,358
Short-term investments	-	-	-	-	20,304	-	20,304
Assets whose use is limited	-	-	-	-	9,276	-	9,276
Patient accounts receivable, net	-	110,234	-	110,234	22,793	(11,563)	121,464
Premium receivables	-	-	-	-	1,162	-	1,162
Receivable from affiliated organization	163,450	56,712	-	220,162	4,321	(224,483)	-
Other receivables, net	532	3,246	-	3,778	21,069	-	24,847
Due from third party payors	-	4,841	-	4,841	-	-	4,841
Inventories	984	13,464	-	14,448	107	-	14,555
Prepaid expenses and other	7,033	4,797	-	11,830	5,560	(597)	16,793
Total current assets	<u>(187,920)</u>	<u>659,106</u>	<u>-</u>	<u>471,186</u>	<u>164,057</u>	<u>(236,643)</u>	<u>398,600</u>
Assets whose use is limited							
Assets under bond indenture agr	-	174,747	-	174,747	-	-	174,747
Self insurance funding requirement	-	-	-	-	52,823	-	52,823
Assets - temp donor restrictions	22,107	8	-	22,115	-	-	22,115
Permanent donor restrictions	15,446	392	-	15,838	-	-	15,838
Total assets whose use is limited	<u>37,553</u>	<u>175,147</u>	<u>-</u>	<u>212,700</u>	<u>52,823</u>	<u>-</u>	<u>265,523</u>
LTD use asst rqd for current liab	-	-	-	-	9,276	-	9,276
Noncurrent assets whose use is limited	<u>37,553</u>	<u>175,147</u>	<u>-</u>	<u>212,700</u>	<u>43,547</u>	<u>-</u>	<u>256,247</u>
Contributions receivable	6,169	-	-	6,169	-	-	6,169
Property and equipment, net	52,772	423,053	-	475,825	6,903	-	482,728
Other assets:							
Investment in subsidiaries	54,624	8,528	-	63,152	-	(63,152)	-
Investment in ventures	-	6,869	-	6,869	-	-	6,869
Long-term investments	695,532	-	-	695,532	51,671	-	747,203
Other	18,133	22,499	-	40,632	3,213	-	43,845
Total other assets	<u>768,289</u>	<u>37,896</u>	<u>-</u>	<u>806,185</u>	<u>54,884</u>	<u>(63,152)</u>	<u>797,917</u>
Total Assets	<u>\$ 676,863</u>	<u>1,295,202</u>	<u>-</u>	<u>1,972,065</u>	<u>269,391</u>	<u>(299,795)</u>	<u>1,941,661</u>
LIABILITIES							
Current Liabilities:							
Current portion of long-term debt	\$ -	8,175	-	8,175	-	-	8,175
Current portion of capital lease obligation	705	556	-	1,261	-	-	1,261
Accounts payable	26,286	16,463	-	42,749	7,488	-	50,237
Accrued salaries, wages, and benefits	35,034	12,124	-	47,158	6,542	(189)	53,511
Medical claims payable	-	-	-	-	48,392	(11,374)	37,018
Current estimated professional liability	-	-	-	-	9,276	-	9,276
Payable to affiliated organizations	-	3,270	-	3,270	220,018	(223,288)	-
Due to third party payors	-	4,653	-	4,653	-	-	4,653
Other current liabilities	266	11,538	-	11,804	15,392	-	27,196
Total Current Liabilities	<u>62,291</u>	<u>56,779</u>	<u>-</u>	<u>119,070</u>	<u>336,682</u>	<u>(235,448)</u>	<u>220,304</u>
Noncurrent liabilities:							
Estimated malpractice liability	-	12,118	-	12,118	17,699	(2,641)	27,176
Long-term debt, net of current portion	-	594,950	-	594,950	-	-	594,950
Capital lease obligation	3,041	24,402	-	27,443	-	-	27,443
Accrued postretirement benefits	-	692	-	692	-	-	692
Accrued pension	-	12,437	-	12,437	626	-	13,063
Interest Rate Swap	-	8,632	-	8,632	-	-	8,632
Due to third party payors	-	12,101	-	12,101	-	-	12,101
Other noncurrent liabilities	1,617	10,848	-	12,465	15,968	(12,068)	16,365
Total Liabilities	<u>66,949</u>	<u>732,959</u>	<u>-</u>	<u>799,908</u>	<u>370,975</u>	<u>(250,157)</u>	<u>920,726</u>
Net assets:							
Unrestricted	564,555	561,843	-	1,126,398	(107,269)	(49,638)	969,491
Noncontrolling ownership interest in subsidiaries	-	-	-	-	5,685	-	5,685
Temporarily restricted	22,667	8	-	22,675	-	-	22,675
Permanently restricted	22,692	392	-	23,084	-	-	23,084
Total Net Assets	<u>609,914</u>	<u>562,243</u>	<u>-</u>	<u>1,172,157</u>	<u>(101,584)</u>	<u>(49,638)</u>	<u>1,020,935</u>
Total Liabilities & Fund Balance	<u>\$ 676,863</u>	<u>1,295,202</u>	<u>-</u>	<u>1,972,065</u>	<u>269,391</u>	<u>(299,795)</u>	<u>1,941,661</u>

CONSOLIDATING OPERATING STATEMENT - ACTUAL YEAR-TO-DATE ENDED
March 31, 2018
(In thousands of dollars)



	Summa Health	Summa Health System	Consolidating and eliminating entries	Obligated Group Total	Non- Obligated Group	Consolidating and eliminating entries	System Totals
Unrestricted revenue, gains, and other support							
Net patient service revenue less bad debts	-	207,653	(5,034)	202,619	35,796	(24,340)	214,075
Premiums earned	-	-	-	-	108,071	(2,953)	105,118
Other operating revenue	33,943	12,861	(30,475)	16,329	24,710	(25,876)	15,163
Net assets released from restriction	1,430	-	-	1,430	-	-	1,430
Total Unrestricted Revenue	<u>35,373</u>	<u>220,514</u>	<u>(35,509)</u>	<u>220,378</u>	<u>168,577</u>	<u>(53,169)</u>	<u>335,786</u>
Expenses							
Salaries and wages	14,081	62,548	-	76,629	51,511	(5,824)	122,316
Employee benefits	2,569	14,392	(5,034)	11,927	9,607	(2,554)	18,980
Healthcare claims	-	-	-	-	89,737	(23,671)	66,066
Materials and supplies	10,331	46,961	-	57,292	6,962	(786)	63,468
Contracts and professional fees	5,805	44,598	(30,475)	19,928	17,734	(18,687)	18,975
Physician services	14	19,018	-	19,032	915	-	19,947
Depreciation and amortization	3,991	11,181	-	15,172	658	-	15,830
Interest	78	5,935	-	6,013	-	-	6,013
Total expenses	<u>36,869</u>	<u>204,633</u>	<u>(35,509)</u>	<u>205,993</u>	<u>177,124</u>	<u>(51,522)</u>	<u>331,595</u>
Operating income (loss)	<u>(1,496)</u>	<u>15,881</u>	<u>-</u>	<u>14,385</u>	<u>(8,547)</u>	<u>(1,647)</u>	<u>4,191</u>
Other income (expense)							
Investment income	2,295	364	-	2,659	369	(86)	2,942
Unrealized gain (loss)	(10,488)	-	-	(10,488)	(853)	-	(11,341)
Venture income	(632)	214	-	(418)	-	(144)	(562)
Derivative Instrument gain (loss)	-	2,089	-	2,089	-	-	2,089
Minority interest	-	-	-	-	(793)	-	(793)
Provision for income taxes	-	-	-	-	204	-	204
Total other income (expense)	<u>(8,825)</u>	<u>2,667</u>	<u>-</u>	<u>(6,158)</u>	<u>(1,073)</u>	<u>(230)</u>	<u>(7,461)</u>
Excess (Deficiency) of revenue over expenses	<u>\$ (10,321)</u>	<u>18,548</u>	<u>-</u>	<u>8,227</u>	<u>(9,620)</u>	<u>(1,877)</u>	<u>(3,270)</u>

SUMMA HEALTH

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 2018



SUMMA HEALTH AND SUBSIDIARIES
Consolidated Statements of Financial Position
March 31, 2018 and December 31, 2017
(In thousands of dollars)

Assets	2018	December 31 2017
	2018	2017
Current assets:		
Cash and cash equivalents	\$ 185,358	144,214
Assets whose use is limited	9,276	9,276
Investments	20,304	19,712
Patient accounts receivable, net	121,464	119,925
Premiums receivable	1,162	2,604
Other receivables	24,847	20,960
Due from third party payors	4,841	2,908
Inventories	14,555	14,402
Prepaid expenses and other	16,793	14,208
Total current assets	398,600	348,209
Assets whose use is limited:		
Under bond indenture agreements	174,747	188,767
Under self-insurance funding requirements	52,823	53,607
Restricted by donors	37,953	36,391
Total noncurrent assets whose use is limited	265,523	278,765
Less assets whose use is limited - required for current liabilities	9,276	9,276
Noncurrent assets whose use is limited	256,247	269,489
Contributions receivable, net	6,169	6,274
Property and equipment, net	482,728	479,264
Other assets:		
Investment in ventures	6,869	7,431
Long-Term Investments	747,203	774,545
Other assets	43,845	41,077
Total noncurrent assets	797,917	823,053
Total assets	\$ 1,941,661	1,926,289

SUMMA HEALTH AND SUBSIDIARIES
Consolidated Statements of Financial Position
March 31, 2018 and December 31, 2017
(In thousands of dollars)

Liabilities and Net Assets	2018	December 31 2017
	2018	2017
Current liabilities:		
Current portion of long term-debt	\$ 8,175	8,175
Current portion of capital lease obligation	1,261	1,261
Accounts payable	50,237	67,485
Accrued salaries, wages, and benefits	53,512	45,734
Medical claims payable	37,018	37,946
Unearned premium revenue	28,977	8,965
Current portion of estimated malpractice liability	9,276	9,276
Due to third party payors	4,653	2,622
Other current liabilities	27,196	19,241
Total current liabilities	220,305	200,705
Noncurrent liabilities:		
Accrued pension	13,063	13,485
Malpractice liability	27,176	27,173
Long-term debt, net of current portion	594,950	595,561
Capital lease obligation, net of current portion	27,443	27,758
Accrued postretirement benefits	692	692
Interest rate swap	8,632	11,124
Due to third party payors	12,101	12,101
Other noncurrent liabilities	16,364	14,732
Total Liabilities	926,571	903,331
Net assets:		
Unrestricted	969,491	974,760
Noncontrolling ownership interest in subsidiaries	5,685	1,876
Temporarily restricted	22,675	23,236
Permanently restricted	23,084	23,086
Total net assets	1,020,935	1,022,958
Total liabilities and net assets	\$ 1,941,661	1,926,289

SUMMA HEALTH AND SUBSIDIARIES

Consolidated Statements of Operation

March 31, 2018

(In thousands of dollars)

Current Month			Year to Date			
Actual	Budget	Variance to Budget		Actual	Budget	Variance to Budget
\$ 73,570	73,497	73	Unrestricted revenue:	\$ 214,075	213,122	953
34,597	35,927	(1,330)	Net patient service revenue less bad debts	105,118	107,885	(2,767)
3,534	4,129	(595)	Premiums earned	15,163	12,247	2,916
592	455	137	Other operating revenue	1,430	893	537
112,293	114,008	(1,715)	Net assets released from restrictions	335,786	334,147	1,639
			Total revenue, gains, and other support			
			Expenses:			
43,785	40,227	3,558	Salaries and wages	122,316	115,536	6,780
6,816	6,430	386	Employee benefits	18,980	19,104	(124)
21,368	20,816	552	Healthcare claims	66,066	65,815	251
21,892	21,804	88	Materials and supplies	63,468	63,222	246
12,739	14,802	(2,063)	Contracts and professional fees	38,922	45,298	(6,376)
5,291	5,575	(284)	Depreciation and amortization	15,830	16,171	(341)
2,048	1,906	142	Interest	6,013	5,537	476
113,939	111,560	2,379	Total expenses	331,595	330,683	912
(1,646)	2,448	(4,094)	Operating income (loss)	4,191	3,464	727
			Other income (expense):			
884	2,089	(1,205)	Investment income	(8,398)	6,267	(14,665)
(561)	2	(563)	Investment Income Joint Ventures	(562)	(91)	(471)
2,374	(176)	2,550	Derivative instrument gain (loss)	2,089	(529)	2,618
314	-	314	Provision for income tax	204	(5)	209
(375)	(298)	(77)	Other	(793)	(808)	15
2,636	1,617	1,019	Total other income (expense)	(7,460)	4,834	(12,294)
\$ 990	4,065	(3,075)	Excess (Deficiency) of revenue over expenses	\$ (3,269)	8,298	(11,567)

SUMMA HEALTH AND SUBSIDIARIES

Consolidated Statements of Operation

March 31, 2018

(In thousands of dollars)

Current Month			Year to Date			
Actual	Prior Year	Variance to Prior Year		Actual	Prior Year	Variance to Prior Year
\$ 73,570	68,555	5,015	Unrestricted revenue:	\$ 214,075	203,809	10,266
34,597	34,626	(29)	Net patient service revenue less bad debts	105,118	104,647	471
3,534	4,155	(621)	Premiums earned	15,163	12,891	2,272
592	251	341	Other operating revenue	1,430	1,055	375
112,293	107,587	4,706	Net assets released from restrictions	335,786	322,402	13,384
			Total revenue, gains, and other support			
			Expenses:			
43,785	42,652	1,133	Salaries and wages	122,316	124,145	(1,829)
6,816	5,821	995	Employee benefits	18,980	20,479	(1,499)
21,368	22,387	(1,019)	Healthcare claims	66,066	70,045	(3,979)
21,892	22,658	(766)	Materials and supplies	63,468	62,307	1,161
12,739	15,018	(2,279)	Contracts and professional fees	38,922	39,791	(869)
5,291	5,161	130	Depreciation and amortization	15,830	15,458	372
2,048	1,674	374	Interest	6,013	5,047	966
113,939	115,371	(1,432)	Total expenses	331,595	337,272	(5,677)
(1,646)	(7,784)	6,138	Operating income (loss)	4,191	(14,870)	19,061
			Other income (expense):			
884	3,249	(2,365)	Investment income	(8,398)	21,572	(29,970)
(561)	(81)	(480)	Investment Income Joint Ventures	(562)	(294)	(268)
2,374	431	1,943	Derivative instrument gain (loss)	2,089	49	2,040
314	(105)	419	Provision for income tax	204	(163)	367
(375)	(274)	(101)	Other	(793)	(850)	57
2,636	3,220	(584)	Total other income (expense)	(7,460)	20,314	(27,774)
\$ 990	(4,564)	5,554	Excess (Deficiency) of revenue over expenses	\$ (3,269)	5,444	(8,713)

SUMMA HEALTH AND SUBSIDIARIES

Consolidated Statement of Net Assets

March 31, 2018

(In thousands of dollars)

	<u>MTD</u>	<u>YTD</u>
Unrestricted Net Assets:		
Excess of revenues over expenses	\$ 990	(3,269)
Change in net unrealized gain (loss) on investments	13	(431)
Post retirement benefit adjustment	(18)	(54)
Net assets released from restriction for capital	-	-
Other	(5,478)	2,291
Increase in unrestricted net assets	<u>(4,493)</u>	<u>(1,463)</u>
Temporarily Restricted Net Assets:		
Income on investments, including unrealized gains and losses	(221)	(60)
Contributions, grants and other, net	442	930
Net assets released from restrictions	(592)	(1,430)
Increase in temporarily restricted net assets	<u>(371)</u>	<u>(560)</u>
Permanently Restricted Net Assets:		
Income on investments, including unrealized gains and losses	(1)	(1)
Contributions and grants, net	-	1
Increase (decrease) in permanently restricted net assets	<u>(1)</u>	<u>-</u>
Increase in Net Assets	(4,865)	(2,023)
Net Assets at Beginning of Month and Year	<u>1,025,800</u>	<u>1,022,958</u>
Net Assets at End of Period	\$ <u><u>1,020,935</u></u>	<u><u>1,020,935</u></u>

Summa Health and Subsidiaries
Consolidated Statements of Cash Flows
March 31, 2018
(In thousands of dollars)

Operating activities	<u>MTD</u>	<u>YTD</u>
Decrease in net assets	(4,865)	(2,023)
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains and losses:		
Change in noncontrolling interest in subsidiaries	(369)	3,809
Net realized and unrealized loss (gain) on investment	(884)	8,398
Depreciation and amortization	5,291	15,830
Provision for doubtful accounts	7,425	24,075
Restricted contributions and other	(442)	(931)
Changes in operating assets and liabilities:		
Patient accounts receivable	(3,674)	(25,614)
Premiums receivable	664	1,442
Other receivables	1,527	(3,887)
Due to (from) third-party payors	(112)	98
Prepaid and other assets	2,035	(8,648)
Accounts payable	(8,169)	(17,248)
Medical claims payable	(3,658)	(928)
Unearned premium revenue	21,689	20,012
Other current liabilities	1,605	15,733
Other long-term liabilities	<u>6,040</u>	<u>1,213</u>
Net cash provided by operating activities	21,611	28,839
Cash flows from investing activities:		
Expenditures for property and equipment	(3,516)	(19,294)
Net Purchases/Sales of investments	53	18,352
Net Purchases/Sales of assets whose use is limited	<u>(177)</u>	<u>13,242</u>
Net cash (used in) provided by investing activities	(3,640)	12,300
Cash flows from financing activities:		
Repayment of short and long-term debt and capital lease obligations	(310)	(926)
Restricted contributions and other	<u>442</u>	<u>931</u>
Net cash provided by financing activities	132	5
Net increase in cash and cash equivalents	18,103	41,144
Cash and cash equivalents at beginning of period	<u>167,255</u>	<u>144,214</u>
Cash and cash equivalents at end of period	<u><u>185,358</u></u>	<u><u>185,358</u></u>

SUMMA HEALTH
Consolidated Net Income
March 31, 2018
(In thousands of dollars)

MONTH-TO-DATE					YEAR-TO-DATE					
Actual	Budget	Variance From Budget	Prior Year	Variance From Prior Year		Actual	Budget	Variance From Budget	Prior Year	Variance From Prior Year
\$ 4,089	\$ 5,275	\$ (1,186)	\$ (2,298)	\$ 6,387	Summa Health System	\$ 15,881	\$ 12,890	\$ 2,991	\$ (1,200)	\$ 17,081
297	319	(22)	289	8	Summa Rehab Hospital (1)	776	864	(88)	903	(127)
(3,808)	(3,256)	(552)	(3,516)	(292)	Summa Health Medical Group	(10,628)	(9,943)	(685)	(10,502)	(126)
(520)	1,373	(1,893)	(584)	64	SummaCare and Subsidiary	940	3,090	(2,150)	(2,018)	2,958
92	27	65	205	(113)	Summa Integrated Service Organization	393	75	318	621	(228)
(58)	(44)	(14)	(172)	114	Summa Health Network	(158)	(113)	(45)	(192)	34
28	12	16	31	(3)	Ohio Health Choice, Inc. (1)	75	42	33	57	18
(185)	(118)	(67)	(332)	147	NewHealth Collaborative	(291)	(326)	35	(864)	573
141	260	(119)	-	141	Summa Health at Home and Hospice	84	313	(229)	-	84
(994)	122	(1,116)	(172)	(822)	Summa Health & related (2)	(669)	873	(1,542)	1,364	(2,033)
(918)	3,970	(4,888)	(6,549)	5,631	Subtotal	6,403	7,765	(1,362)	(11,831)	18,234
(179)	(210)	31	(332)	153	Summa Foundation	(565)	(690)	125	(927)	362
-	-	-	(300)	300	Middlebury Assurance Co.	-	-	-	(300)	300
(549)	(1,312)	763	(603)	54	Consolidating Adjustments (3)	(1,647)	(3,611)	1,964	(1,812)	165
(1,646)	2,448	(4,094)	(7,784)	6,138	Total Operating Income (Loss)	4,191	3,464	727	(14,870)	19,061
1,279	1,059	220	4,308	(3,029)	Realized Investment Income	2,943	3,177	(234)	11,582	(8,639)
(561)	2	(563)	(81)	(480)	Investment Income Joint Ventures	(562)	(91)	(471)	(294)	(268)
(395)	1,030	(1,425)	(1,059)	664	Unrealized Gains/Losses on Investments	(11,341)	3,090	(14,431)	9,990	(21,331)
2,374	(176)	2,550	431	1,943	Derivative Instrument gain (loss)	2,089	(529)	2,618	49	2,040
(61)	(298)	237	(379)	318	All Other (4)	(589)	(813)	224	(1,013)	424
2,636	1,617	1,019	3,220	(584)	Subtotal	(7,460)	4,834	(12,294)	20,314	(27,774)
\$ 990	\$ 4,065	\$ (3,075)	\$ (4,564)	\$ 5,554	Grand Total	\$ (3,269)	\$ 8,298	\$ (11,567)	\$ 5,444	\$ (8,713)

This presentation is not in accordance with GAAP.

- (1) Joint Venture income/loss represents SHS share.
- (2) Summa Health & related includes the parent company, SHS Corp, SMSO, and minority interests.
- (3) Consolidating adjustments pertain to Middlebury Assurance Company and other.
- (4) Minority interest, provision for income taxes and other.

Summa Health
Consolidated Net Income
(In thousands of dollars)
March 31, 2018

Current Month					Year To Date					
Actual	Budget	Variance to Budget	Prior Year	Variance to Last Year		Actual	Budget	Variance to Budget	Prior Year	Variance to Last Year
\$ 719	\$ 2,598	\$ (1,879)	\$ (5,525)	\$ 6,244	Operating income (loss)	\$ 6,113	\$ 4,124	\$ 1,989	\$ (10,799)	\$ 16,912
(458)	1,368	(1,826)	(520)	62	Providers (a,d)	1,250	3,094	\$ (1,844)	(1,532)	2,782
(1,907)	(1,518)	(389)	(1,739)	(168)	Insurance and support companies (b)	(3,172)	(3,754)	582	(2,539)	(633)
\$ (1,646)	\$ 2,448	\$ (4,094)	\$ (7,784)	\$ 6,138	All other (c)	\$ 4,191	\$ 3,464	\$ 727	\$ (14,870)	\$ 19,061
1,279	1,059	220	4,308	(3,029)	Subtotal operating income (loss)	2,943	3,177	(234)	11,582	(8,639)
(561)	2	(563)	(81)	(480)	Investment income (g)	(562)	(91)	(471)	(294)	(268)
(395)	1,030	(1,425)	(1,059)	664	Investment Income Joint Ventures (d)	(11,341)	3,090	(14,431)	9,990	(21,331)
2,374	(176)	2,550	431	1,943	Unrealized (loss) gain on trading securities	2,089	(529)	2,618	49	2,040
(61)	(298)	237	(379)	318	Derivative Instrument gain (loss) (e)	(589)	(813)	224	(1,013)	424
\$ 990	\$ 4,065	\$ (3,075)	\$ (4,564)	\$ 5,554	All other (f)	\$ (3,269)	\$ 8,298	\$ (11,567)	\$ 5,444	\$ (8,713)
					Excess revenues over expense					

a) SHS, SRH, SEG and SHMG.

b) SC, SHN, SMSO, SISO and OHC.

c) SH Parent, SF, MAC, and NHC.

d) Includes SHS share of SWRH income or loss.

e) Mark-to-Market change in value of derivative instrument and interest expense due to counterparty.

f) Minority interest, provision for income taxes and other.

g) Includes SHS share of ARIS and Cornerstone Midwest.



Consolidating Statement of Financial Position
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Health	Summa Rehab	Summa Health	Summa Health	SummaCare and	Summa	Summa	Ohio Health	NewHealth	Summa Health at	Middlebury	Summa	Consolidating	
	System	Hospital	Medical Group	Network	Subsidiary	Organization	Integrated	Management	Choice, Inc.	Collaborative	Home and	Assurance	Foundation	and eliminating	System total
							Service	Service			Hospice	Company		entries	
ASSETS															
Current assets:															
Cash and cash equivalents	\$ (359,919)	465,812	1,813	1,703	1,409	44,100	4,962	9,431	7,336	1,085	2,109	5,517	-	-	185,358
Short-term investments	-	-	-	-	2,359	17,945	-	-	-	-	-	-	-	-	20,304
Assets whose use is limited	-	-	-	-	-	-	-	-	-	-	-	9,276	-	-	9,276
Patient accounts receivable, net	-	110,234	2,599	11,085	-	-	-	-	-	-	9,109	-	-	(11,563)	121,464
Premium receivables	-	-	-	-	-	1,111	51	-	-	-	-	-	-	-	1,162
Receivable from affiliated organization	163,450	56,712	-	-	-	62	400	2,625	-	1,226	-	8	-	(224,483)	-
Other receivables, net	532	3,246	-	212	101	18,464	702	-	223	1,304	-	63	-	-	24,847
Due from third party payors	-	4,841	-	-	-	-	-	-	-	-	-	-	-	-	4,841
Inventories	984	13,464	107	-	-	-	-	-	-	-	-	-	-	-	14,555
Prepaid expenses and other	7,033	4,797	283	1,250	-	3,689	100	191	13	-	17	17	-	(597)	16,793
Total current assets	(187,920)	659,106	4,802	14,250	3,869	85,371	6,215	12,247	7,572	3,615	11,235	14,881	-	(236,643)	398,600
Assets whose use is limited															
Assets under bond indenture agr	-	174,747	-	-	-	-	-	-	-	-	-	-	-	-	174,747
Self insurance funding requirement	-	-	-	-	-	63	-	-	-	-	-	52,760	-	-	52,823
Assets - temp donor restrictions	22,107	8	-	-	-	-	-	-	-	-	-	-	-	-	22,115
Permanent donor restrictions	15,446	392	-	-	-	-	-	-	-	-	-	-	-	-	15,838
Total assets whose use is limited	37,553	175,147	-	-	-	63	-	-	-	-	-	52,760	-	-	265,523
LTD use asst rqd for current liab	-	-	-	-	-	-	-	-	-	-	-	9,276	-	-	9,276
Noncurrent assets whose use is limited	37,553	175,147	-	-	-	63	-	-	-	-	-	43,484	-	-	256,247
Contributions receivable	6,169	-	-	-	-	-	-	-	-	-	-	-	-	-	6,169
Property and equipment, net	52,772	423,053	547	2,814	6	953	2,509	-	3	-	71	-	-	-	482,728
Other assets:															
Investment in subsidiaries	54,624	8,528	-	-	-	-	-	-	-	-	-	-	-	(63,152)	-
Investment in ventures	-	6,869	-	-	-	-	-	-	-	-	-	-	-	-	6,869
Long-term investments	695,532	-	-	-	8,004	43,667	-	-	-	-	-	-	-	-	747,203
Other	18,133	22,499	10	-	-	3,203	-	-	-	-	-	-	-	-	43,845
Total other assets	768,289	37,896	10	-	8,004	46,870	-	-	-	-	-	-	-	(63,152)	797,917
Total Assets	\$ 676,863	1,295,202	5,359	17,064	11,879	133,257	8,724	12,247	7,575	3,615	11,306	58,365	-	(299,795)	1,941,661
LIABILITIES															
Current Liabilities:															
Current portion of long-term debt	\$ -	8,175	-	-	-	-	-	-	-	-	-	-	-	-	8,175
Current portion of capital lease obligation	705	556	-	-	-	-	-	-	-	-	-	-	-	-	1,261
Accounts payable	26,286	16,463	907	2,255	514	-	2	-	61	1,998	1,430	173	148	-	50,237
Accrued salaries, wages, and benefits	35,034	12,124	710	3,044	224	1	-	1,619	66	366	321	-	192	(189)	53,512
Medical claims payable	-	-	-	-	-	45,024	-	-	-	3,368	-	-	-	(11,374)	37,018
Unearned premium revenue	-	-	-	-	-	27,331	102	-	-	-	-	2,141	-	(597)	28,977
Current estimated professional liability	-	-	-	-	-	-	-	-	-	-	-	9,276	-	-	9,276
Payable to affiliated organizations	-	3,270	-	205,129	-	3,096	225	5,465	425	22	-	156	5,500	(223,288)	-
Due to third party payors	-	10,498	-	-	-	-	-	-	-	-	-	-	-	-	10,498
Other current liabilities	266	11,538	1,079	-	508	11,309	1,482	295	707	-	12	-	-	-	27,196
Total Current Liabilities	62,291	62,624	2,696	210,428	1,246	86,761	1,811	7,379	1,259	5,754	1,763	11,746	5,840	(235,448)	226,150
Noncurrent liabilities:															
Estimated malpractice liability	-	12,118	-	-	-	-	-	-	-	-	-	17,699	-	(2,641)	27,176
Long-term debt, net of current portion	-	594,950	-	-	-	-	-	-	-	-	-	-	-	-	594,950
Capital lease obligation	3,041	24,402	-	-	-	-	-	-	-	-	-	-	-	-	27,443
Accrued postretirement benefits	-	692	-	-	-	-	-	-	-	-	-	-	-	-	692
Accrued pension	-	12,437	-	-	-	626	-	-	-	-	-	-	-	-	13,063
Interest Rate Swap	-	8,632	-	-	-	-	-	-	-	-	-	-	-	-	8,632
Due to third party payors	-	6,256	-	-	-	-	-	-	-	-	-	-	-	-	6,256
Other noncurrent liabilities	1,617	10,848	1,403	325	-	203	323	-	-	(2)	-	13,715	-	(12,068)	16,364
Total Liabilities	66,949	732,959	4,099	210,753	1,246	87,990	2,134	7,379	1,259	5,752	1,763	43,160	5,840	(250,157)	920,726
Net assets:															
Unrestricted	564,555	561,843	655	(193,689)	10,633	45,667	6,590	4,868	5,053	(2,137)	5,726	15,205	(5,840)	(49,638)	969,491
Noncontrolling ownership interest in subsidiaries	-	-	605	-	-	-	-	-	1,263	-	3,817	-	-	-	5,685
Temporarily restricted	22,667	8	-	-	-	-	-	-	-	-	-	-	-	-	22,675
Permanently restricted	22,692	392	-	-	-	-	-	-	-	-	-	-	-	-	23,084
Total Net Assets	609,914	562,243	1,260	(193,689)	10,633	45,667	6,590	4,868	6,316	(2,137)	9,543	15,205	(5,840)	(49,638)	1,020,935
Total Liabilities & Fund Balance	\$ 676,863	1,295,202	5,359	17,064	11,879	133,257	8,724	12,247	7,575	3,615	11,306	58,365	-	(299,795)	1,941,661



COMPARATIVE OPERATING STATEMENT - ACTUAL PERIOD-TO-DATE ENDED
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Health System	Summa Rehab Hospital	Summa Health Medical Group	Summa Health Network	SummaCare and Subsidiary	Summa Integrated Service Organization	Summa Management Service Organization	Ohio Health Choice, Inc.	NewHealth Collaborative	Summa Health at Home and Hospice	Middlebury Assurance Company	Summa Foundation	Consolidating and eliminating entries	System Totals
Unrestricted revenue, gains, and other support															
Net patient service revenue less bad debts	\$ -	70,964	2,383	8,394	-	-	-	-	-	-	2,601	-	-	(10,772)	73,570
Premiums earned	-	-	-	-	-	34,727	-	-	-	-	-	850	-	(980)	34,597
Other operating revenue	11,317	2,782	8	4,537	161	7	590	2,589	181	373	-	-	-	(19,011)	3,534
Net assets released from restriction	592	-	-	-	-	-	-	-	-	-	-	-	-	-	592
Total Unrestricted Revenue	11,909	73,746	2,391	12,931	161	34,734	590	2,589	181	373	2,601	850	-	(30,763)	112,293
Expenses															
Salaries and wages	5,633	21,465	856	11,729	140	1,906	157	2,015	88	254	1,461	-	144	(2,063)	43,785
Employee benefits	908	5,317	180	1,776	30	506	19	574	20	44	151	-	26	(2,735)	6,816
Healthcare claims	-	-	-	-	-	30,166	-	-	-	-	-	-	-	(8,798)	21,368
Materials and supplies	3,612	16,095	527	1,419	33	43	1	-	18	14	394	-	3	(267)	21,892
Contracts and professional fees	1,725	14,728	242	1,469	15	2,631	162	-	16	246	359	850	6	(16,351)	6,098
Physician services	5	6,331	-	305	-	-	-	-	-	-	-	-	-	-	6,641
Depreciation and amortization	1,373	3,699	15	41	1	2	159	-	-	-	1	-	-	-	5,291
Interest	26	2,022	-	-	-	-	-	-	-	-	-	-	-	-	2,048
Total expenses	13,282	69,657	1,820	16,739	219	35,254	498	2,589	142	558	2,366	850	179	(30,214)	113,939
Operating income (loss)	(1,373)	4,089	571	(3,808)	(58)	(520)	92	-	39	(185)	235	-	(179)	(549)	(1,646)
Other income (expense)															
Investment income	1,004	147	-	-	15	80	-	-	-	-	-	33	-	-	1,279
Unrealized gain (loss)	(390)	-	-	-	(33)	-	-	-	-	-	-	28	-	-	(395)
Investment Income Joint Ventures	90	(124)	-	-	-	-	-	-	-	-	-	-	-	(527)	(561)
Derivative Instrument gain (loss)	-	2,374	-	-	-	-	-	-	-	-	-	-	-	-	2,374
Minority interest	-	-	(274)	-	-	-	-	-	(7)	-	(94)	-	-	-	(375)
Provision for income taxes	-	-	-	-	-	338	(20)	-	(4)	-	-	-	-	-	314
Total other income (expense)	704	2,397	(274)	-	(18)	418	(20)	-	(11)	-	(94)	61	-	(527)	2,636
Excess (Deficiency) of revenue over expenses	\$ (669)	6,486	297	(3,808)	(76)	(102)	72	-	28	(185)	141	61	(179)	(1,076)	990



COMPARATIVE OPERATING STATEMENT - BUDGET PERIOD-TO-DATE ENDED
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Rehab	Summa Health	Summa Health	SummaCare	Summa	Summa	Summa	Summa Health	Middlebury	Summa	Consolidating			
	System	Hospital	Medical	Network	and	Integrated	Management	Ohio Health	NewHealth	at Home and	Assurance	Summa	and		
			Group		Subsidiary	Service	Service	Choice, Inc.	Collaborative	Hospice	Company	Foundation	eliminating	System Totals	
Unrestricted revenue, gains, and other support															
Net patient service revenue less bad debts	\$ -	69,942	2,391	8,658	-	-	-	-	-	2,980	-	-	(10,474)	73,497	
Premiums earned	-	-	-	-	-	36,083	-	-	-	-	846	-	(1,002)	35,927	
Other operating revenue	11,691	2,914	10	4,528	166	9	598	2,463	181	396	-	-	(18,827)	4,129	
Net assets released from restriction	455	-	-	-	-	-	-	-	-	-	-	-	-	455	
Total Unrestricted Revenue	12,146	72,856	2,401	13,186	166	36,092	598	2,463	181	396	2,980	846	(30,303)	114,008	
Expenses															
Salaries and wages	4,033	20,214	866	11,301	145	1,796	135	1,930	99	211	1,383	-	134	(2,020)	40,227
Employee benefits	853	4,639	179	1,778	26	497	36	533	19	35	162	-	22	(2,349)	6,430
Healthcare claims	-	-	-	-	-	29,432	-	-	-	-	-	-	-	(8,616)	20,816
Materials and supplies	4,069	15,215	405	1,475	30	37	1	-	23	19	743	-	42	(255)	21,804
Contracts and professional fees	1,969	14,985	319	1,546	8	2,928	213	-	14	249	432	846	12	(15,751)	7,770
Physician services	4	6,725	-	303	-	-	-	-	-	-	-	-	-	-	7,032
Depreciation and amortization	1,374	3,926	18	39	1	29	186	-	2	-	-	-	-	-	5,575
Interest	29	1,877	-	-	-	-	-	-	-	-	-	-	-	-	1,906
Total expenses	12,331	67,581	1,787	16,442	210	34,719	571	2,463	157	514	2,720	846	210	(28,991)	111,560
Operating income (loss)	(185)	5,275	614	(3,256)	(44)	1,373	27	-	24	(118)	260	-	(210)	(1,312)	2,448
Other income (expense)															
Investment income	884	42	-	-	22	69	-	-	-	-	-	42	-	-	1,059
Unrealized gain (loss)	884	-	-	-	21	-	-	-	-	-	-	125	-	-	1,030
Investment Income Joint Ventures	167	320	-	-	-	-	-	-	-	-	-	-	-	(485)	2
Derivative Instrument gain (loss)	-	(176)	-	-	-	-	-	-	-	-	-	-	-	-	(176)
Minority interest	-	-	(295)	-	-	-	-	-	(3)	-	-	-	-	-	(298)
Provision for income taxes	-	-	-	-	-	-	9	-	(9)	-	-	-	-	-	-
Total other income (expense)	1,935	186	(295)	-	43	69	9	-	(12)	-	-	167	-	(485)	1,617
Excess (Deficiency) of revenue over expenses	\$ 1,750	5,461	319	(3,256)	(1)	1,442	36	-	12	(118)	260	167	(210)	(1,797)	4,065



COMPARATIVE OPERATING STATEMENT - BUDGET YEAR-TO-DATE ENDED
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Rehab	Summa Health Medical	Summa Health Network	SummaCare and Subsidiary	Summa Integrated Service Organization	Summa Management Service Organization	Ohio Health Choice, Inc.	NewHealth Collaborative	Summa Health at Home and Hospice	Middlebury Assurance Company	Summa Foundation	Consolidating and eliminating entries	System Totals
Unrestricted revenue, gains, and other support														
Net patient service revenue less bad debts	\$ -	204,395	6,875	25,164	-	-	-	-	-	5,251	-	-	(28,563)	213,122
Premiums earned	-	-	-	-	108,354	-	-	-	-	-	2,537	-	(3,006)	107,885
Other operating revenue	35,072	8,738	26	13,469	497	1,853	7,319	542	1,187	-	-	-	(56,483)	12,247
Net assets released from restriction	893	-	-	-	-	-	-	-	-	-	-	-	-	893
Total Unrestricted Revenue	35,965	213,133	6,901	38,633	497	108,381	7,319	542	1,187	5,251	2,537	-	(88,052)	334,147
Expenses														
Salaries and wages	11,463	59,283	2,558	32,631	415	5,309	398	5,706	287	604	2,553	-	388	115,536
Employee benefits	2,254	13,736	511	5,833	77	1,506	106	1,612	55	104	290	-	66	19,104
Healthcare claims	-	-	-	-	-	89,380	-	-	-	-	-	-	-	65,815
Materials and supplies	11,817	44,581	1,177	4,442	90	190	66	-	67	58	1,338	-	161	63,222
Contracts and professional fees	6,310	45,505	942	4,644	24	8,839	670	-	44	747	757	-	75	24,088
Physician services	11	20,291	-	908	-	-	-	-	-	-	-	-	-	21,210
Depreciation and amortization	3,989	11,398	52	118	4	67	538	-	5	-	-	-	-	16,171
Interest	88	5,449	-	-	-	-	-	-	-	-	-	-	-	5,537
Total expenses	35,932	200,243	5,240	48,576	610	105,291	1,778	7,318	458	1,513	4,938	2,537	690	330,683
Operating income (loss)	33	12,890	1,661	(9,943)	(113)	3,090	75	1	84	(326)	313	-	(690)	3,464
Other income (expense)														
Investment income	2,651	125	-	-	67	208	1	-	-	-	125	-	-	3,177
Unrealized gain (loss)	2,651	-	-	-	64	-	-	-	-	-	375	-	-	3,090
Investment Income Joint Ventures	500	864	-	-	-	-	-	-	-	-	-	-	(1,455)	(91)
Derivative Instrument gain (loss)	-	(529)	-	-	-	-	-	-	-	-	-	-	-	(529)
Minority interest	-	-	(797)	-	-	-	-	-	(11)	-	-	-	-	(808)
Provision for income taxes	-	-	-	-	-	26	-	-	(31)	-	-	-	-	(5)
Total other income (expense)	5,802	460	(797)	-	131	208	27	-	(42)	-	500	-	(1,455)	4,834
Excess (Deficiency) of revenue over expenses	\$ 5,835	13,350	864	(9,943)	18	3,298	102	1	42	(326)	313	500	(690)	8,298



Consolidating Statement of Operations and Changes in Net Assets
March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Health System	Summa Rehab Hospital	Summa Health Medical Group	Summa Health Network	SummaCare and Subsidiary	Summa Integrated Service Organization	Ohio Health Choice, Inc.	NewHealth Collaborative	Summa Management Services Organization	Summa Health at Home and Hospice	Middlebury Assurance Company	Summa Foundation	Consolidating and eliminating entries	System Totals
Unrestricted Net Assets:															
Excess of revenues over expenses	\$ (669)	6,486	297	(3,808)	(76)	(102)	72	28	(185)	-	141	61	(179)	(1,076)	990
Change in net unrealized gain (loss) on investments	-	-	-	-	-	13	-	-	-	-	-	-	-	-	13
Post retirement benefit adjustment	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-	(18)
Net assets released from restriction for capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net asset contribution to/from Affiliated Organization	-	-	-	-	-	3,000	(3,000)	-	-	-	-	-	-	-	-
Other	1	(4)	(1,276)	(1)	1	(206)	-	8	-	-	94	-	1	(4,096)	(5,478)
Increase (decrease) in unrestricted net assets	(668)	6,464	(979)	(3,809)	(75)	2,705	(2,928)	36	(185)	-	235	61	(178)	(5,172)	(4,493)
Temporarily Restricted Net Assets:															
Income on investments, including unrealized gains and losses	(221)	-	-	-	-	-	-	-	-	-	-	-	-	-	(221)
Contributions, grants and other, net	442	-	-	-	-	-	-	-	-	-	-	-	-	-	442
Net assets released from restrictions	(592)	-	-	-	-	-	-	-	-	-	-	-	-	-	(592)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in temporarily restricted net assets	(371)	-	-	-	-	-	-	-	-	-	-	-	-	-	(371)
Permanently Restricted Net Assets:															
Income on investments, including unrealized gains and losses	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Contributions and grants, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in donor designation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Increase (decrease) in Net Assets	(1,040)	6,464	(979)	(3,809)	(75)	2,705	(2,928)	36	(185)	-	235	61	(178)	(5,172)	(4,865)
Net Assets at Beginning of Month	610,954	555,779	2,239	(189,880)	10,708	42,962	9,518	6,280	(1,952)	4,868	9,308	15,144	(5,662)	(44,466)	1,025,800
Net Assets at End of Period	\$ 609,914	562,243	1,260	(193,689)	10,633	45,667	6,590	6,316	(2,137)	4,868	9,543	15,205	(5,840)	(49,638)	1,020,935



Consolidating Statement of Operations and Changes in Net Assets
Year to Date March 31, 2018
(In thousands of dollars)

	Summa Health	Summa Health System	Summa Rehab Hospital	Summa Health Medical Group	Summa Health Network	SummaCare and Subsidiary	Summa Integrated Service Organization	Ohio Health Choice, Inc.	NewHealth Collaborative	Summa Management Services Organization	Summa Health at Home and Hospice	Middlebury Assurance Company	Summa Foundation	Consolidating and eliminating entries	System Totals
Unrestricted Net Assets:															
Excess of revenues over expenses	\$ (10,321)	18,549	776	(10,628)	(193)	1,486	311	75	(274)	17	84	(709)	(565)	(1,877)	(3,269)
Change in net unrealized gain (loss) on investments	-	-	-	-	(25)	(406)	-	-	-	-	-	-	-	-	(431)
Post retirement benefit adjustment	-	(54)	-	-	-	-	-	-	-	-	-	-	-	-	(54)
Net assets released from restriction for capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net asset contribution to(from) Affiliated Organization	-	-	-	-	-	3,000	(3,000)	-	-	-	-	-	-	-	-
Other	(1)	(4)	(833)	-	-	(205)	-	20	(2)	1	9,459	-	-	(6,144)	2,291
Increase (decrease) in unrestricted net assets	<u>(10,322)</u>	<u>18,491</u>	<u>(57)</u>	<u>(10,628)</u>	<u>(218)</u>	<u>3,875</u>	<u>(2,689)</u>	<u>95</u>	<u>(276)</u>	<u>18</u>	<u>9,543</u>	<u>(709)</u>	<u>(565)</u>	<u>(8,021)</u>	<u>(1,463)</u>
Temporarily Restricted Net Assets:															
Income on investments, including unrealized gains and losses	(60)	-	-	-	-	-	-	-	-	-	-	-	-	-	(60)
Contributions, grants and other, net	930	-	-	-	-	-	-	-	-	-	-	-	-	-	930
Net assets released from restrictions	(1,430)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,430)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in temporarily restricted net assets	<u>(560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560)</u>
Permanently Restricted Net Assets:															
Income on investments, including unrealized gains and losses	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Contributions and grants, net	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Change in donor designation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net Assets	(10,882)	18,491	(57)	(10,628)	(218)	3,875	(2,689)	95	(276)	18	9,543	(709)	(565)	(8,021)	(2,023)
Net Assets at Beginning of Year	<u>620,796</u>	<u>543,752</u>	<u>1,317</u>	<u>(183,061)</u>	<u>10,851</u>	<u>41,792</u>	<u>9,279</u>	<u>6,221</u>	<u>(1,861)</u>	<u>4,850</u>	<u>-</u>	<u>15,914</u>	<u>(5,275)</u>	<u>(41,617)</u>	<u>1,022,958</u>
Net Assets at End of Period	<u>\$ 609,914</u>	<u>562,243</u>	<u>1,260</u>	<u>(193,689)</u>	<u>10,633</u>	<u>45,667</u>	<u>6,590</u>	<u>6,316</u>	<u>(2,137)</u>	<u>4,868</u>	<u>9,543</u>	<u>15,205</u>	<u>(5,840)</u>	<u>(49,638)</u>	<u>1,020,935</u>