



Gary F. Conner  
Executive Vice President  
Chief Financial Officer

February 12, 2019

**COMPLIANCE CERTIFICATE – DECEMBER 2018**

Manufacturers and Traders Trust Company  
Corporate Trust Administration  
Mail Code PA1-HM22  
213 Market St., 2<sup>nd</sup> Floor  
Harrisburg, PA 17101  
Attention: Alphonse Miller

Dear Mr. Miller:

This Compliance Certificate is furnished to (the “Holder”) pursuant to [Section 5(a)(i) for quarterly financial statements] [Section 5(a)(ii) for annual financial statements] of that certain Purchaser’s Agreement dated February 1, 2010 (as extended, renewed, amended or restated from time to time, the “Purchaser’s Agreement”), among Tower Health (formerly Reading Health System) (the “System”), Reading Hospital, Brandywine Hospital, Chestnut Hill Hospital, Phoenixville Hospital, Pottstown Hospital, Jennersville Hospital (“Hospitals” and together with the System, collectively referred to herein as the “Members”), Manufacturers and Traders Trust Company, as bond trustee. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Purchaser’s Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the Executive Vice President and CFO of the Obligated Group;
2. I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Tower Health and its consolidated Affiliates during the accounting period covered by the attached financial statements and report;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;
4. The financial statements and report on the utilization and payer mix of Tower Health and its consolidated Affiliates being furnished to you concurrently with this Compliance Certificate are true, correct and complete as of the date and for the periods covered thereby;

February 12, 2019

5. The unaudited financial statements being furnished to you concurrently with this Compliance Certificate have been prepared on substantially the same basis as the most recent financial statements delivered to the Bank and the financial statements theretofore furnished to the Bank. Each Member of the Obligated Group has made a review of the activities during the preceding fiscal year for the purpose of determining whether or not each Member of the Obligated Group has complied with all of the terms, provisions and conditions of the Master Indenture, the Supplemental Master Indenture, the Bond Indentures, the Loan Agreements and the other Transactional Documents to which such Member is a party and to the best of my knowledge, each Member of the Obligated Group has kept, observed, performed and fulfilled each and every covenant, provision and condition of the Master Indentures, the Supplemental Master Indenture, the Bond Indentures, the Loan Agreements and the other Transactional Documents to which it is a party and all projects are being used in accordance with the terms of these documents; and

6. Schedule I attached hereto sets forth financial data and computations evidencing the Members' compliance with certain covenants, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant covenants.

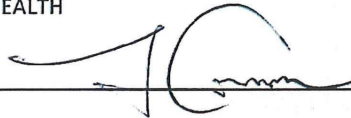
Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Members has taken, is taking, or proposes to take with respect to each such condition or event:

N/A

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered on **February 12, 2019.**

TOWER HEALTH

By



Name: Gary Conner  
Executive Vice President and CFO

Schedule I  
to Compliance Certificate  
Tower Health System and Controlled Entities  
Compliance Calculations  
Calculations as of December/31/2018 Unaudited (Dollars in 000's)

	<u>Consolidated</u>	<u>Obligated Group</u>
<b>A. Days' Cash on Hand Ratio (Section 7.26(a))</b>		
1. Sum of cash, cash equivalents and marketable securities	718,221	718,396
2. Line A1 times 365	262,150,840	262,214,522
3. Total operating expenses (excluding depreciation and amortization, non-cash expenses relating to uncollectible accounts and expenses paid or payable from restricted funds) incurred during the 12-month period ending on such date of calculation		
	1,736,601	1,387,310
4. Quotient of Line A2 divided by Line A3 (Days Cash on Hand)	151	189
5. The Obligated Group is in compliance of <b>80 Days</b> (yes, no or NA)	<u>Yes</u>	<u>Yes</u>
<b>B. Long-Term Debt Service Coverage Ratio (Section 7.26(b))</b>		
1. Income Available for Debt Service		
	86,538	232,086
2. Maximum Annual Debt Service	67,992	67,992
3. Ratio of Line B1 to B2		
	1.27	3.41
4. Line B3 must not be less than	1.1	1.1
5. The Obligated Group is in compliance (yes or no)	<u>Yes</u>	<u>Yes</u>

# For the Period Ended December 31, 2018

## Unaudited Quarterly Disclosure



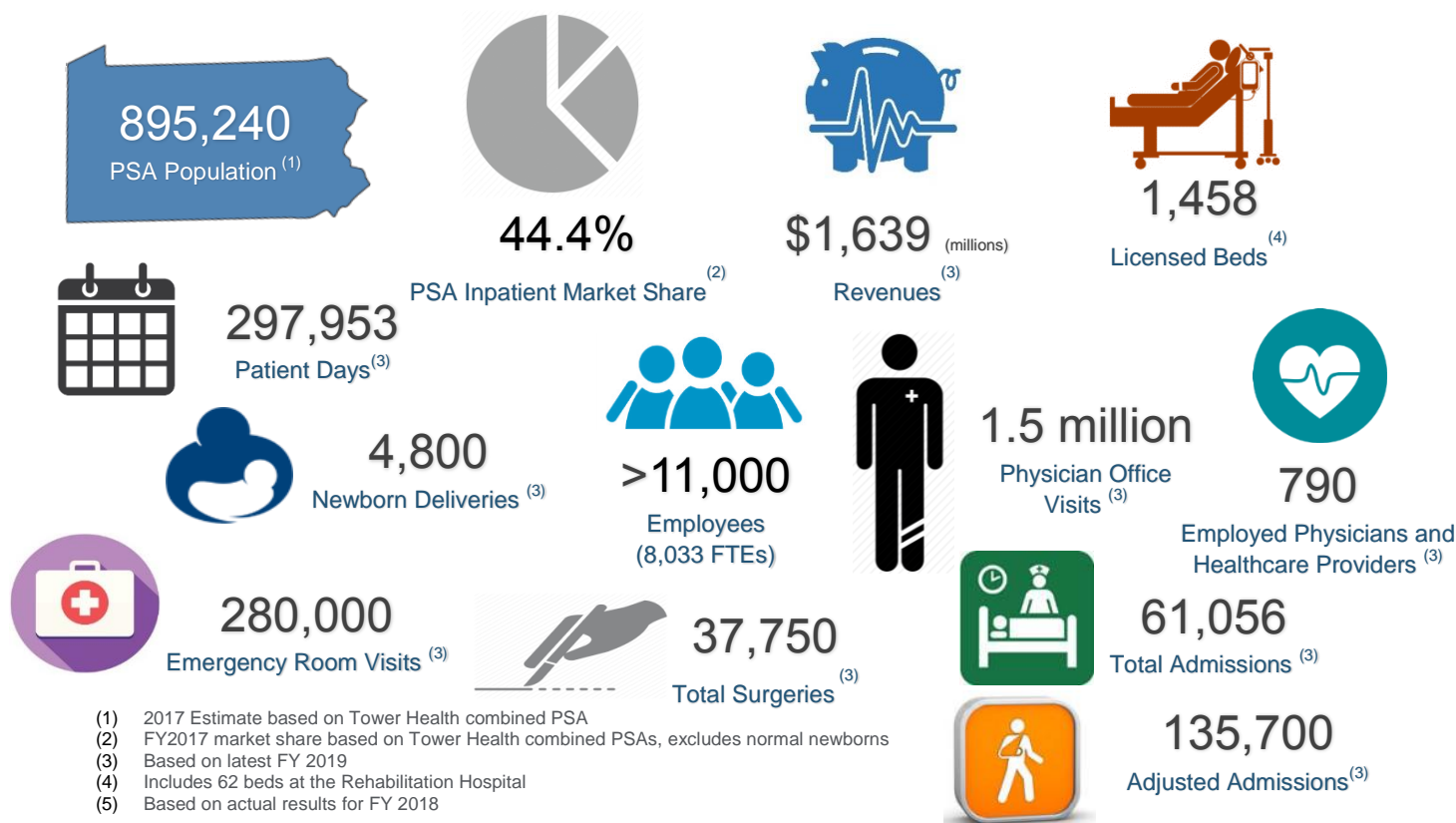


## Tower Health Overview

Tower Health ("Tower Health" or the "System") is a Pennsylvania nonprofit corporation that serves as the parent organization of six acute care hospitals and related facilities that have formed an integrated healthcare system located in the Counties of Berks, Chester and Montgomery, Pennsylvania and the City of Philadelphia, Pennsylvania.


- Reading Hospital in Reading (714 licensed beds);
- Brandywine Hospital in Coatesville (171 licensed beds);
- Phoenixville Hospital in Phoenixville (139 licensed beds);
- Pottstown Memorial Medical Center in Pottstown (232 licensed beds);
- Jennersville Regional Hospital in West Grove (63 licensed beds); and
- Chestnut Hill Hospital in Philadelphia (148 licensed beds)
- Tower Health Medical Group – 505 employed physicians
- Tower Health Partners – 1,300 physicians in Clinically Integrated Network
- Tower Health – UPMC Health Plan

## Tower Health at a Glance



# Awards

## Reading Hospital



**Reading Hospital received Healthgrades®  
100 Best Hospitals' Award™**  
3 Consecutive Years  
(2017-2019)








**healthgrades™**  
America's 100 Best Specialty Care: Stroke Care  
Recipient of Excellence Award™: Stroke Care,  
Neurosciences, Pulmonary Care,  
and Critical Care



























Verrass' Medical Value Index™:  
One of 10 Best Value Hospitals in Pennsylvania

### Healthgrades

- 100 Best Hospitals' Award™ (2017-2019)
- America's 250 Best Hospitals

Ranked #1 in Pennsylvania by ProPublica for  
Knee and Hip Replacements

US News & World Report: 6th best hospital in PA

Becker's Hospital Review: One of 50 of the greenest  
hospitals in America

Centers for Medicare & Medicaid Services: 5-Star  
Rating for Overall Hospital Quality

Hospitals and Health Network: HealthCare's Most  
Wired

## Awards (cont'd)

**Brandywine Hospital, Chestnut Hill Hospital, Jennersville Hospital, Phoenixville Hospital, Pottstown Hospital**



Chestnut Hill  
Pottstown



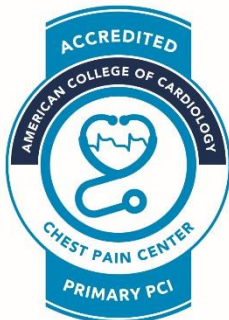
Brandywine  
Chestnut Hill  
Phoenixville  
Pottstown



Phoenixville



Phoenixville  
Pottstown



Brandywine  
Chestnut Hill  
Phoenixville  
Pottstown



Pottstown



Brandywine



Chestnut Hill



Pottstown

ACC  
Accreditation  
Services



Phoenixville



Phoenixville



Brandywine



Brandywine  
Phoenixville

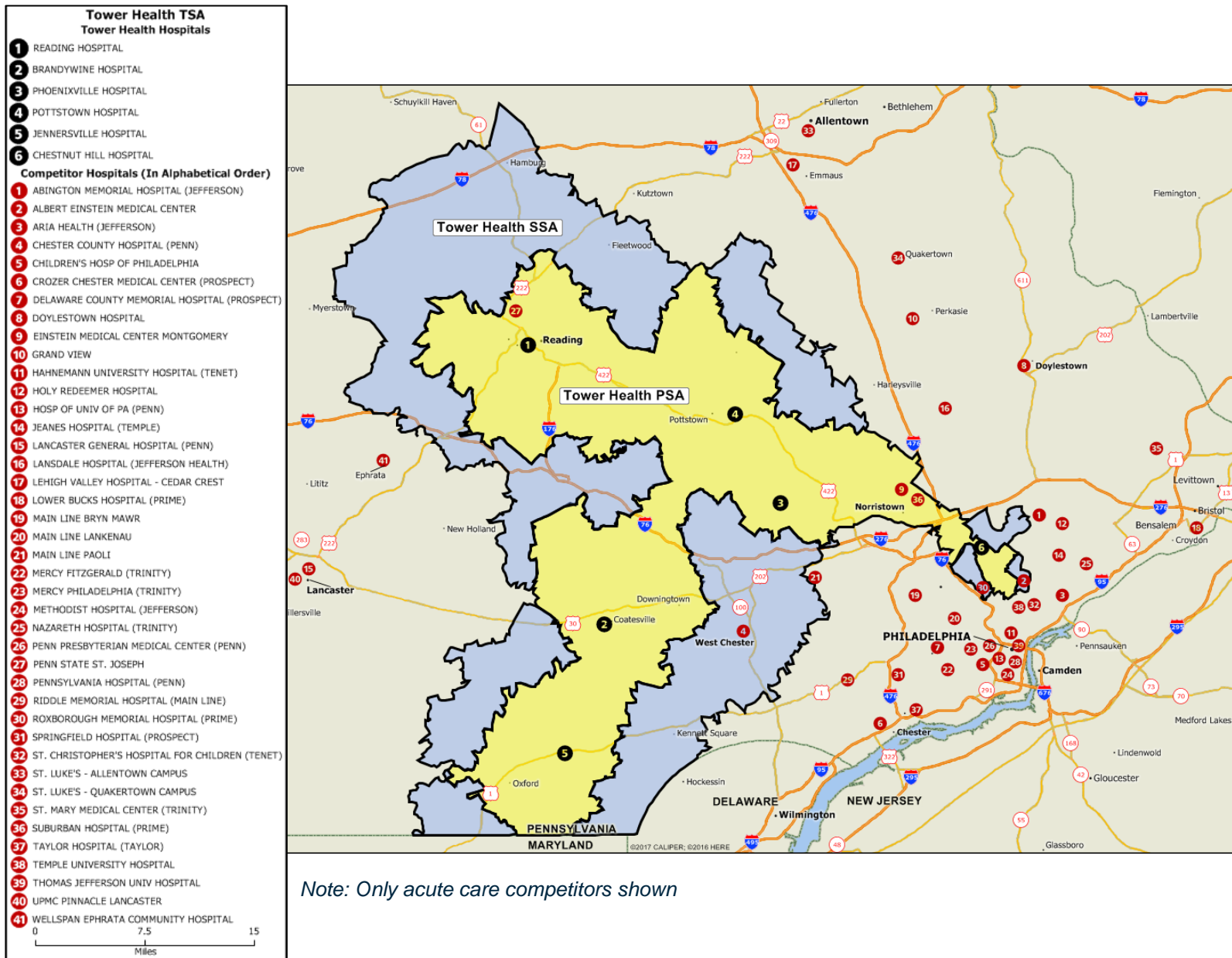


Brandywine



Brandywine

# Service Area – Primary Service Area and Secondary Service Area



- The PSA accounts for 75% of the six hospitals' combined inpatient discharges for CY2016, using the top-volume zip codes and adjusting for contiguous zip codes
- The SSA accounts for an additional 15% of combined inpatient discharges from all six Tower Health hospitals





## Recent Events

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### Tower Health Strategic Highlights

#### **Tower Health Expands and Strengthens Home Health Services**

Tower Health advanced the quality and value of its home health services across the region with the launch of Tower Health at Home on January 1, 2019. Home health plays a vitally important role in the continuum of care, and Tower Health at Home expands the health system's ability to better manage the healthcare needs of the communities it serves. Working together, the Tower Health at Home team provides seamless home health services, thus enabling patients to recover, or live with an illness, in the comfort of their homes, surrounded by family and friends.

Affilia Home Health, whose partners included Tower Health, Lancaster General Health-Penn Medicine and UPMC Pinnacle amicably dissolved the partnership and reorganized home health services in their respective service areas on December 31, 2018. Employees of the Affilia Berks branch became employees of Home Health Care Management (HHCM), the parent company of Berks VNA, Pottstown VNA, and Advantage Home Care. Effective January 1, 2019, HHCM became part of Tower Health.

#### **Tower Health Acquires Premier Urgent Care, Effective December 1, 2018**

Tower Health acquired Premier Urgent Care, officially forming "Tower Health Urgent Care," on, December 1, 2018. Now, when patients access any of the 19 locations, they have access to advanced, comprehensive care by Tower Health providers — when and where they need it. Each of the new facilities is open 365 days a year, and offers patients access to advanced, comprehensive care from 9 am to 9 pm. Tower Health's acquisition of the 19 urgent care locations has expanded Tower Health's network of urgent care facilities to a total of 22 locations throughout its service area. Tower Health is now the largest provider of Urgent Care Services, based on weekly visits, in the Philadelphia region. The 19 sites are located primarily in Tower Health's southeast service area, including Chester, Montgomery and Bucks County, with one location in Berks County, Delaware County, Northampton County, and one in the state of Delaware.

#### **Tower Health and Independence Blue Cross sign Letter of Intent Exploring Collaboration**

Independence Blue Cross (Independence) and Tower Health signed a Letter of Intent (LOI) on October 23, 2018 to explore innovative programs that will better manage care, improve outcomes and lower costs for patients across southeastern Pennsylvania. Working together, Tower Health and Independence will build upon existing approaches and develop new methods to ensure that patients receive care in the most appropriate, high-quality and cost-effective settings. The collaboration also will include exploring new opportunities to engage with Tandigm Health and Tower Health Partners.

The LOI does not impact Tower Health's joint venture with UPMC Health Plan. This is an important and successful relationship in Tower Health's 5-county primary service area. The Tower Health team will continue to work with the UPMC Health Plan team on providing high quality low cost care to members.

## Recent Events (cont'd)

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### **Tower Health/Drexel University College of Medicine New Campus Site Selected**

Tower Health has selected a location for construction of a four-year regional campus of Drexel University College of Medicine at Tower Health. A memorandum of understanding has been signed by Tower Health with Equus Capital Partners, Ltd., to build the new campus on Parcel 9 of The Knitting Mills redevelopment, which was formally known as The VF Outlets. The site, which is 0.6 miles from Reading Hospital and selected in part for its proximity to the hospital, will be operational in time for the 2021-22 academic year. Tower Health's affiliation with Drexel University College of Medicine will help Tower Health address projected physician shortages in the region, bring improved access and services to local patients, and provide significant economic benefit to the Reading area.

### **Tower Health Lowers Charges at Five of Its Area Hospitals, Effective December 1, 2018**

Effective December 1, 2018, Tower Health lowered charges for a wide range of services, procedures, tests, medications and supplies at Brandywine, Chestnut Hill, Jennersville, Phoenixville and Pottstown Hospitals. Across the five hospitals, reductions averaged approximately 30 percent. The unprecedented move comes after Tower Health hired an independent, third-party reviewer to analyze the "charge master" at each hospital, comparing it against other hospitals in its region. Based on that analysis, Tower Health lowered charges at these five hospitals to make them more competitive within the market. Charges for Reading Hospital already were consistent with the regional market and did not change. When founded in 2017, one of Tower Health's goals was to maximize the value of healthcare by providing high quality care at the lowest possible cost. Reducing charges at these five hospitals is yet another way Tower Health demonstrates its commitment to being a trusted partner in the communities it serves.

### **Tower Health Breaks Ground on Behavioral Care Campus on December 12, 2018**

Tower Health broke ground on December 12<sup>th</sup> on its Tower Health Behavioral Care Campus, which will be operated in partnership with Acadia Healthcare. The new inpatient facility will enhance Tower Health's ability to address a significant community health need for behavioral healthcare and chemical dependency treatment services. Scheduled to open in 2020, the scope of services will include inpatient adolescent, adult and geriatric psychiatric care; partial hospitalization; intensive outpatient program services; outpatient counseling; physician professional services and consultations; and chemical dependency treatment.

### **Tower Health to Support Current and Future Community Needs with Agreement of Sale on Portion of its Broadcasting Road Property**

Tower Health announced in November 2018 that it has executed an agreement of sale to a partnership consisting of The Goldenberg Group and TCH Realty & Development Co., LLC, for the sale of 80 acres of a 103-acre parcel owned by Tower Health on Broadcasting Road. The parcel, currently undeveloped, is bordered by Broadcasting Road, Paper Mill Road, and Route 222, and located in Spring Township, Berks County. Tower Health will retain ownership of 23 acres for future healthcare related services. The parcel is located in a growing area of mixed residential, commercial and institutional uses. Development plans and timetables have not been determined but are expected to include a mixture of big-box retailers as well as high-end retail shops and restaurants. Tower Health anticipates that the 23 acres it retains could be developed to improve access to a variety of ambulatory and specialty services.

## Recent Events (cont'd)

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### **Tower Health Plastic Surgery and MedSpa Opens New Location**

Tower Health Plastic Surgery and MedSpa opened its state-of-the-art destination for aesthetic and plastic surgery services in November 2018. The new location in Wyomissing, Pennsylvania offers both surgical and non-surgical aesthetic and reconstructive services. The team at this new location includes Amir Behnam, MD, Chief of Plastic and Reconstructive Surgery, and he brings a passion for high quality care to his patients backed by 10 years of dedication and expertise in plastic and reconstructive surgery. He is joined by Christine Cho, DO, a double board-certified, fellowship trained plastic and reconstructive surgeon known for her compassion and effective communication with patients, and Thomas Dooley, MD, a board-certified, fellowship trained plastic and reconstructive surgeon who has been treating patients with unique and innovative clinical techniques for 30 years. The beautiful new facility provides patients with a relaxed, comfortable and discreet environment where they can receive a personalized treatment plan. MedSpa offers premier non-surgical procedures, some of which are not offered elsewhere in the region.

### **Tower Health Urgent Care Opens Facility in Conshohocken**

Tower Health Urgent Care opened a new urgent care facility at 400 Fayette St. in Conshohocken, Pa., on December 10. The convenient Conshohocken location offers patients access to advanced, comprehensive care 365 days a year. Walk-in care is available at the new urgent care location for a variety of conditions, including colds, flu, allergies, asthma, sore throat, sports injuries, minor lacerations, sprains, earaches and ear infections, and preventive services such as physicals, vaccines and occupational health. Urgent Care is an essential link in Tower Health's continuum of care, providing convenient access if a patient lacks a regular primary care doctor or if the patient's regular provider is not available.

### **Tower Health Leadership/Physicians Taking the Lead**

#### **Reading Hospital's Chair of Emergency Medicine Named to Becker's Healthcare List of Physician Leaders to Know**

Becker's Healthcare named Charles Barbera, MD, MBA, FACEP, Reading Hospital's Chair, Department of Emergency Medicine, to its 2018 list of "112 hospital and health system physician leaders to know." Dr. Barbera is recognized for spearheading the "warm handoff" initiative in the Reading Hospital Emergency Department (ED), which provides resources and encouragement for opioid patients to be sent directly to a substance-abuse rehabilitation program after their stay in the hospital. Statistics show that warm handoffs correlate to a higher likelihood of recovery for patients with drug addictions, because they are more receptive to drug-abuse treatment immediately after an overdose.

#### **Jennersville Hospital announced several leadership changes**

Jennersville Hospital announced several leadership changes that became effective November 19, 2018. Claire Mooney, DNP, MBA, RN, CCRN, NEA-BC, Chief Nursing Officer (CNO), assumed the role of Interim President and CEO, Jennersville Hospital. Valeriana Hoffman, MSN, RN, assumed the role of Interim CNO, Jennersville Hospital. Michael Szymanski, CPA, assumed the role of Chief Financial Officer (CFO) at Jennersville Hospital.



## Recent Events (cont'd)

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### **Tower Health Hospitals Recruit New Physicians, Enhances Services**

Tower Health continues to expand access to care across its service area. Two surgeons have joined Jennersville Hospital's staff in December 2018. James Tayoun, DO, is a board-certified vascular and general surgeon specializing in minimally invasive vascular and endovascular surgeries. Andrew DeMichele, MD, is board-certified in laparoscopic surgery and specializes in breast surgery, gallbladder surgery and hernia repairs. Brandywine Hospital recently hired Rebecca Steinberg, MD, an occupational medicine physician.

### **Main Line Fertility Expands to Reading Hospital and Welcomes New Physician to Practice**

Main Line Fertility (MLF), the Greater Philadelphia region's leading reproductive medicine practice, has expanded its services to West Reading and has welcomed a former Tower Health Medical Group physician, Shahab Minassian, M.D., to its group. Dr. Minassian brings more than 35 years of experience in fertility and reproductive medicine to the Main Line Fertility at Tower Health office which opened Jan. 1, 2019 at Reading Hospital. Dr. Minassian remains Chief, Section of Reproductive Endocrinology/Infertility, at Reading Hospital.

### **Tower Health Successfully Reaches Agreements with PASNAP and SEIU Unions**

In October and November 2018, Tower Health reached agreements on three-year contracts with the Pennsylvania Association of Staff Nurses and Allied Professionals (PASNAP) and the Service Employees International Union (SEIU). At Pottstown Hospital, full-time, regular part-time and per diem registered nurses (333 members) are represented by PASNAP, and 290 full-time, regular part-time, and certain per diem staff in selected service, technical, clerk, and support/aide positions are represented by the SEIU. At Chestnut Hill Hospital, 191 full-time, regular part-time, and certain per diem staff in service and maintenance positions are also represented by the SEIU. These important accomplishments mark the beginning of a new era of positive change and growth for the benefit of the Hospitals' patients, employees and the communities they serve.

## **Advancing Health. Transforming Lives. In Our Communities**

### **Health Records on iPhone Now Available to Reading Hospital and Tower Health Medical Group Patients**

Reading Hospital and Tower Health Medical Group now support Health Records on iPhone, which brings together hospitals, clinics and the existing Apple Health app to make it easy for patients to see their available medical data from multiple providers whenever they choose. The integration of MyChart and Health Records on iPhone provides another opportunity for individuals to easily access their health information and allows them to be an active participant on their healthcare team. Patients authenticate using their MyChart patient portal credentials to directly download their available Health Records onto their iPhone. Now, patients can access secure medical information from any participating institution in one view on their phone.

### **Reading Hospital Unveils 150<sup>th</sup> Anniversary Legacy Wall**

On December 6<sup>th</sup>, Reading Hospital marked the end of its 150th anniversary unveiling an interactive Legacy Wall. The 52-foot, permanent display is dedicated to the story of Reading Hospital and those who helped make it what it is today – the nationally recognized flagship hospital of Tower Health. The wall chronicles major events spanning the last 150 years and features five interactive touch screens, educational puzzles and quizzes, videos, historical photos, and the 150<sup>th</sup> Anniversary Commemorative Painting.

## Recent Events (cont'd)

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### **Tower Health Donates to Three Area Food Banks**

Tower Health presented donations to several area food banks on behalf of its six hospitals during the month of December. The donations followed a Tower Health social media wellness campaign designed to promote the benefits of healthy eating as well as raise money for these local food banks. The “TowerGimmeFive” campaign encouraged individuals to eat more fruits and vegetables. This effort generated more than 1 million impressions on Facebook, Twitter and Instagram. The three area food banks which included the Greater Berks Food Bank, Chester County Food Bank, and Share Food Program, each received a \$5,000 donation.

### **Tower Health Hosts ‘Healthy in Heels’ Wellness Program for Women**

In October 2018, Tower Health hosted more than 150 women at its “Healthy in Heels,” community education program which offered “a day of wellness from head to toe.” Held at Reading Hospital, the program served to celebrate, inform, and inspire women of all ages to live healthier lives. The program included presentations and activities related to lifestyle and fitness, weight management, breast health, the latest advancement in cancer care, and an opportunity to interact with physicians. Blood pressure, cholesterol and bone density screenings were also offered.

### **State Senator Andy Dinniman Joins Jennersville Hospital’s Recognition of Its 100th Anniversary Serving Southern Chester County Residents**

State Senator Andy Dinniman joined local officials, other dignitaries, and the hospital’s medical staff and employees to recognize the 100th anniversary of Jennersville Hospital. Dinniman presented members of the hospital’s Board of Directors with a special Senate citation in honor of the centennial anniversary.

## **Demonstrated Clinical Excellence**

### **Phoenixville Hospital Cancer Center Attains Three-Year Re-Accreditation By Commission on Cancer (COC)**

The Commission on Cancer (CoC) of the American College of Surgeons has granted 3-year re-accreditation to the Phoenixville Hospital Cancer Center. A facility receives a “Three-Year Accreditation” following the on-site evaluation of the cancer program (cancer committee leadership, cancer data management, clinical services, research, community outreach, and quality improvement) by a physician surveyor.

### **Pottstown Hospital Receives Joint Commission Re-certification**

Pottstown Hospital recently received re-certification as a Joint Commission Primary Stroke Center specializing in the rapid treatment of stroke patients. Pottstown Hospital has demonstrated expertise in the early assessment, rapid diagnosis and treatment of stroke emergencies.

### **Phoenixville Hospital Receives Advanced Certifications from Joint Commission**

Phoenixville Hospital announced in November 2018 that it earned The Joint Commission’s Gold Seal of Approval® for Advanced Certification for Total Hip and Total Knee Replacement. In October 2018, Phoenixville Hospital earned The Joint Commission’s Gold Seal of Approval® for Heart Failure Program. The advanced certification is for Joint Commission-accredited hospitals, critical access hospitals and ambulatory surgery centers seeking to elevate the quality, consistency and safety of their services and patient care.

# Management Discussion and Analysis

## YTD Consolidated Statement of Operations for the Six-Months Ended December 31, 2018 and 2017

(dollars in thousands)

	Tower Health		Obligated Group	
	2018	2017	2018	2017
Unrestricted revenues and other support:				
Net patient revenue	875,355	700,715	774,143	615,134
Residential revenue	-	9,174		
Other revenue	29,749	19,142	24,816	15,513
Total revenues and other support	905,104	729,030	798,960	630,647
Expenses:				
Salaries and benefits	498,153	389,534	351,675	264,468
Supplies	147,234	111,551	141,361	106,014
Utilities	10,003	8,574	9,464	7,987
Interest	20,867	16,006	20,866	15,719
Depreciation	46,779	46,638	45,503	44,368
Purchased services	65,288	36,003	59,887	33,100
Repairs and maintenance	28,374	24,028	27,601	23,528
Other	102,973	85,798	78,741	64,557
Transaction related expenses	7,386	12,673	6,646	12,673
Total expenses	927,056	730,805	741,744	572,414
Income (loss) from operations	(21,952)	(1,775)	57,216	58,234
Nonoperating gains:				
Investment income	(19,230)	113,841	(19,209)	111,160
Other (losses) gains	(1,746)	(943)	(1,746)	(966)
Nonoperating gains, net	(20,976)	112,898	(20,955)	110,194
Excess of revenues, Gains and other support over expenses	(42,928)	111,123	36,261	168,428
Operating margin	-2.4%	-0.2%	7.2%	9.2%
Operating cash flow*	53,080	73,542	130,230	130,993
Operating cash flow margin**	5.9%	10.1%	16.3%	20.8%

\*Operating cash flow = Income (loss) from operations + interest + depreciation + transaction related expenses

\*\*Operating cash flow margin = Operating cash flow / total revenues and other support

This interim financial information is unaudited and may not include all adjustments necessary to conform to generally accepted accounting principals (GAAP). All recent accounting pronouncement may not be reflected in interim financial information, but these pronouncements may be adopted, if applicable at that time for annual audited financial statements.

# Management Discussion and Analysis (cont'd)

## Operational Performance Summary

Tower Health ("Tower" or "System") year-to-date operating performance through December 31, 2018 was challenging. Net revenue increased by 24.2% compared with the six-month period ending December 31, 2017. The revenue increase is primarily attributable to the October 1, 2017 acquisition of five hospitals and related physician groups from Community Health Systems ("CHS"). The System generated a negative operating margin of 2.4% during the six-month period ending December 31, 2018. The six-month period ending December 31, 2018 includes \$7.4 million of one-time, non-recurring expenses. Of the \$7.4 million, \$4.6 million was related to EPIC implementation costs at the newly acquired hospitals, with the remainder related to other one-time transaction costs. Excluding the \$7.4 million in one-time, non-recurring expenses, the System's operating income for the six-month period ending December 31, 2018 was negative \$14.6 million, resulting in an operating margin of negative 1.6%, compared with positive 1.5% for the six-month period ending December 31, 2017. Excluding the \$7.4 million in one-time, non-recurring expenses, the System's operating cash flow margin\* was 5.9%, compared with 10.1% for the six-month period ending December 31, 2017. The five acquired hospitals generated operating cash flow income of \$7.9 million for the six-month period ended December 31, 2018.

Operating income at Reading Hospital was strong at \$72.7 million, resulting in an operating margin for the six-month period ending December 31, 2018 of 14.4%, compared with 15.3% for the six-month period ending December 31, 2017. Reading Hospital's operating cash flow margin\* was 22.2%, compared with 23.0% for the six-month period ending December 31, 2017.

Reading Hospital's net patient revenue per adjusted discharge increased .9% to \$13,858 for the six-month period ending December 31, 2018, compared with \$13,731 for the six-month period ending December 31, 2017. Management has implemented thorough processes to monitor budgeted volume on a month-to-month basis.

Challenges faced in the first quarter continued into the second quarter. Utilization continued to be lower than expected at the newly acquired five hospitals. Upon acquisition of these hospitals, management invested capital in infrastructure to address significant and greatly needed maintenance that had been deferred under previous ownership, and implemented numerous quality initiatives to meet system-wide standards. In addition, management made a salary adjustment to nursing staff to retain staff. These steps provide the foundation to support successful volume improvement plans. System revenue and liquidity was also lower due to an unanticipated large number of delayed and denied claims from commercial insurance payors, particularly at the new hospitals which continue to operate with a manual electronic medical record ("EMR") system. A majority of denials that management is challenging relate to provider identity, inpatient to observation downgrades and medical necessity issues, which are automated items in an EPIC environment. Management is addressing this issue with an implementation of the EPIC EMR at the five new hospitals. This will result in a substantial improvement in processing speed and coding accuracy from the current manual system that Tower inherited through the acquisition of the former CHS hospitals. Management expects EPIC to be fully installed by August 3, 2019. In addition, Tower Health's new Chief Revenue Cycle Officer, who has extensive EPIC experience at several large health systems, has retained a leading revenue cycle consulting firm to support the new five hospitals' revenue cycle operation.

Tower Health has spent \$63 million to date with the EPIC installation at the five new hospitals and will spend another \$51 million to complete the implementation, for a total of \$114 million.

The System operates under a recently completed new strategic plan focused on improving operating performance and increasing utilization via successful recruitment of employed and independent physicians in key planned specialty areas. Effective December 1, 2018 Tower finalized the acquisition of Premier Urgent



## Management Discussion and Analysis (cont'd)

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Care, the largest urgent care provider in the metropolitan Philadelphia market, with 19 urgent care centers, 15 of which are located across the Tower Health service area. In addition, Tower has plans to expand its ambulatory surgical care and home health service lines, which are further expected to increase revenue.

Rigorous financial management through Tower's Operations Excellence Plan continues to contribute to operating performance, particularly in the areas of revenue cycle, labor, benefits, and supply expenses. The Operations Excellence Plan for Reading Hospital has realized \$19.4 million of savings for the six-month period ending December 31, 2018. Tower has identified an additional \$20.0 million in cost savings and initiatives which will favorably impact operations in fiscal 2019.

Management has implemented several corrective actions by investing resources to address deferred maintenance at the acquired hospitals, initiated a market positioning and branding strategy, and developed consumer engagement initiatives. In addition, management continues to pursue review opportunities to monetize non-core assets, expand philanthropy and grants, and explore partnership opportunities to advance system goals in an efficient manner.

Investment income was especially challenged in the three months ended December 31, 2018 driven by turmoil in domestic and world investment markets particularly in October and December 2018. Some equity investment indices decreased 13-20% in the December quarter. This volatility lead to a \$19.2 Million investment loss in the first half of FY2019 in contrast to the first half of FY2018 gain of \$113.8 million when investment markets were strong. In the first half of FY2018, the System also booked a one-time gain of \$85 million due to the liquidation and redeployment of its unrestricted long-term capital fund.

*\*as defined on page 11*

**Tower Health System**  
**YTD Consolidating Income Statement**  
**Dec-18**

	Reading Hospital	M/C Hospitals	THP	THMG	RHF	THE	Parent	Eliminating	Consolidated
Net Revenue	\$ 485,518,439	\$ 308,712,678	\$ -	\$ 98,936,304	\$ -	\$ 2,275,273	\$ -	\$ (20,087,638)	\$ 875,355,056
Other Operating Income	19,061,640	4,190,030	872,676	2,016,538	1,896,864	146,651	3,545,997	(1,981,525)	29,748,871
<b>Total Other Operating Revenues</b>	<u>19,061,640</u>	<u>4,190,030</u>	<u>872,676</u>	<u>2,016,538</u>	<u>1,896,864</u>	<u>146,651</u>	<u>3,545,997</u>	<u>(1,981,525)</u>	<u>29,748,871</u>
<b>Net Revenues</b>	504,580,079	312,902,708	872,676	100,952,842	1,896,864	2,421,924	3,545,997	(22,069,163)	905,103,927
<b>Expenses</b>									
Salaries and Wages	182,537,230	108,619,450	949,631	123,469,176	329,243	1,396,210	-	170,154	417,471,094
Benefits	46,499,452	26,957,409	213,042	19,672,084	25,897	176,152	-	(20,784,266)	72,759,769
Contract Labor	3,740,500	3,934,763	-	246,384	-	-	-	-	7,921,647
Physician Fees	13,208,518	17,422,200	-	10,253,271	-	-	-	-	40,883,989
Professional Fees	14,061,406	764,277	59,073	3,589,185	15,492	27,533	(34,309)	(31,904)	18,450,754
Purchased Services	130,373	59,736,809	895	5,381,908	-	17,708	20,017	-	65,287,709
Billable Medical Supplies	27,453,343	23,271,428	-	690,709	-	-	-	-	51,415,481
Non Billable Medical Supplies	14,023,246	18,771,383	5,990	650,161	991	71,973	-	-	33,523,743
Other Supplies	5,601,643	1,532,348	-	568,567	-	17,261	-	-	7,719,819
Drugs	31,394,422	19,313,388	-	3,867,591	-	-	-	-	54,575,400
Repairs/Maintenance	18,594,590	9,006,606	323,289	426,389	17,302	5,399	-	-	28,373,575
Rental/Leases	4,589,487	6,641,093	50,157	5,575,937	-	260,693	-	(1,423,146)	15,694,221
Utilities	6,044,311	3,410,785	-	501,794	-	36,624	9,000	-	10,002,515
Taxes Licenses and Permits	954,253	(129,787)	-	209,847	-	-	-	-	1,034,313
Insurance	(2,879,154)	3,242,351	4,167	(786,780)	-	29,309	-	-	(390,107)
Other Expenses	19,821,596	2,515,864	59,484	2,933,858	1,885,876	64,951	18,023	-	27,299,653
Transaction and Integration Costs	6,645,519	-	-	740,179	-	-	-	-	7,385,698
<b>Total Expenses</b>	<u>392,420,736</u>	<u>305,010,367</u>	<u>1,665,729</u>	<u>177,990,259</u>	<u>2,274,800</u>	<u>2,103,814</u>	<u>12,731</u>	<u>(22,069,163)</u>	<u>859,409,271</u>
<b>EBIDA</b>	112,159,343	7,892,341	(793,053)	(77,037,416)	(377,936)	318,110	3,533,266	-	45,694,656
Interest Expense	6,446,541	14,419,587	-	-	-	1,289	-	-	20,867,417
Depreciation	32,990,601	12,512,240	414,814	819,760	-	41,791	-	-	46,779,206
<b>Operating Income/(Loss)</b>	<u>72,722,201</u>	<u>(19,039,486)</u>	<u>(1,207,867)</u>	<u>(77,857,176)</u>	<u>(377,936)</u>	<u>275,031</u>	<u>3,533,266</u>	<u>-</u>	<u>(21,951,967)</u>
Contributions	(697,962)	92,338	-	-	-	-	-	-	(605,624)
Investment Income	(100,854)	-	-	(21,545)	-	-	(19,107,753)	-	(19,230,153)
Other Non Oper Income/(Expense)	(1,122,698)	(17,954)	-	-	-	-	-	-	(1,140,653)
<b>Total Income / (Loss)</b>	<u>\$ 70,800,686</u>	<u>\$ (18,965,102)</u>	<u>\$ (1,207,867)</u>	<u>\$ (77,878,722)</u>	<u>\$ (377,936)</u>	<u>\$ 275,031</u>	<u>\$ (15,574,487)</u>	<u>\$ -</u>	<u>\$ (42,928,397)</u>



**Tower Health System**  
**Consolidating Balance Sheet**  
**Dec-18**

	Reading Hospital	M/C Hospitals	THP	THMG	RHF	THE	Parent	Eliminating	Consolidated
<b>Current Assets</b>									
Cash & Cash Equivalents	\$ (10,383,360)	\$ (5,007,629)	\$ -	\$ 92,824	\$ -	\$ (267,296)	\$ 4,883,481	\$ -	\$ (10,681,980)
Patient Accounts Receivable Net	158,624,274	184,961,888	-	27,739,677	-	1,846,029	-	-	373,171,868
Other Receivables	25,549,247	2,523,509	47,559	3,638,102	182,000	-	366,940	-	32,307,356
Affiliates Recv / (Payable)	(55,160,125)	(41,213,943)	(806,302)	(93,345,767)	(2,060,192)	(976,767)	200,645,690	(6,312,050)	770,544
Estimated Third Party Receivables	9,939,842	8,133,858	-	-	-	-	-	-	18,073,701
Inventory of Supplies	19,976,623	20,429,902	-	514,482	-	-	-	-	40,921,008
Prepaid Expenses & Other Assets	24,848,786	6,818,874	2,778	1,577,171	17,302	-	7,395,999	-	40,660,910
Self Insurance Fund Current	11,732,020	-	-	-	-	-	-	-	11,732,020
Board Capital Improvements	-	-	-	-	-	-	2,786	-	2,786
<b>Total Current Assets</b>	<b>185,127,307</b>	<b>176,646,458</b>	<b>(755,966)</b>	<b>(59,783,511)</b>	<b>(1,860,890)</b>	<b>601,967</b>	<b>213,294,896</b>	<b>(6,312,050)</b>	<b>506,958,212</b>
<b>Assets Limited Use</b>									
Self Insurance Fund	7,482,000	-	-	-	-	-	-	-	7,482,000
Other Investments	-	-	-	-	-	-	-	-	-
Regulatory Restricted Funds	-	-	-	-	-	-	2,000,000	-	2,000,000
Board Restricted	41,323	-	-	-	-	-	728,903,459	-	728,944,781
<b>Total Assets Limited Use</b>	<b>7,523,323</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>730,903,459</b>	<b>-</b>	<b>738,426,781</b>
<b>Property, Plant &amp; Equipment Net</b>	<b>762,078,120</b>	<b>289,660,238</b>	<b>414,814</b>	<b>10,409,912</b>	<b>-</b>	<b>2,361,984</b>	<b>36,595,607</b>	<b>-</b>	<b>1,101,520,676</b>
<b>Other Assets</b>									
Permanently Restricted Funds	-	-	-	-	17,354,109	-	-	-	17,354,109
Temporarily Restricted Funds	-	-	-	-	14,091,401	-	-	-	14,091,401
Long Term Recv Affiliate	-	-	-	-	-	-	381,804,389	(381,804,389)	-
Deferred Financing Costs	-	-	-	-	-	-	-	-	-
Deferred Compensation	805,801	-	-	-	-	-	-	-	805,801
Investments in Joint Ventures	(69,251)	-	-	-	-	3,676,077	15,600,678	-	19,207,503
Other Assets	2,695,000	140,418,552	-	(2,099,622)	1,039,200	(13,496)	3,348,342	-	145,387,975
<b>Total Other Assets</b>	<b>3,431,550</b>	<b>140,418,552</b>	<b>-</b>	<b>(2,099,622)</b>	<b>32,484,710</b>	<b>3,662,580</b>	<b>400,753,409</b>	<b>(381,804,389)</b>	<b>196,846,789</b>
<b>Total Assets</b>	<b>\$ 958,160,300</b>	<b>\$ 606,725,249</b>	<b>\$ (341,151)</b>	<b>\$ (51,473,221)</b>	<b>\$ 30,623,820</b>	<b>\$ 6,626,531</b>	<b>\$ 1,381,547,371</b>	<b>\$ (388,116,439)</b>	<b>\$ 2,543,752,459</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 49,217,526	\$ 29,545,510	\$ 42,061	\$ 2,961,597	\$ -	\$ (43,057)	\$ -	\$ -	\$ 81,723,638
Accrued Expenses	14,226,520	9,595,829	86,610	19,695,498	-	439,108	6,810,671	-	50,854,236
Accrued Vacation	19,139,681	8,794,962	79,083	13,146,114	-	469,272	-	-	41,629,111
Current Portion of Self Insurance Liability	8,726,143	-	-	-	-	-	-	-	8,726,143
Due to Third Parties	7,778,120	7,168,335	-	-	-	-	-	-	14,946,454
Other Current Liabilities	13,024,569	5,500,784	-	501,135	-	-	139	-	19,026,627
Current Portion Bonds Payable Affiliates	6,312,050	-	-	-	-	-	-	(6,312,050)	-
Current Portion of Notes and Bonds Payable	-	-	-	-	-	-	6,312,050	-	6,312,050
<b>Total Current Liabilities</b>	<b>118,424,608</b>	<b>60,605,420</b>	<b>207,754</b>	<b>36,304,344</b>	<b>-</b>	<b>865,323</b>	<b>13,122,860</b>	<b>(6,312,050)</b>	<b>223,218,259</b>
Long Term Affiliate Payable	381,804,389	-	-	-	-	-	-	(381,804,389)	-
Long Term Debt	-	-	-	-	-	-	1,119,261,244	-	1,119,261,244
Capital Lease Obligations	-	21,682,491	-	-	-	1,801,077	-	-	23,483,568
Accrued Post Retirement Liabilities	193,171,769	-	-	-	-	-	-	-	193,171,769
Self Insurance Liability	12,792,774	-	-	-	-	-	(147,134)	-	12,645,640
Gift Annuities	41,323	-	-	-	-	-	-	-	41,323
Deferred Compensation Liability	208,935	-	45,625	142,052	23,245	-	-	-	419,857
Deferred Revenue	5,177,300	-	-	-	-	-	-	-	5,177,300
Swap Liability	-	-	-	-	-	-	30,182,087	-	30,182,087
<b>Total Liabilities</b>	<b>711,621,098</b>	<b>82,287,910</b>	<b>253,378</b>	<b>36,446,397</b>	<b>23,245</b>	<b>2,666,400</b>	<b>1,162,419,056</b>	<b>(388,116,439)</b>	<b>1,607,601,046</b>
Unrestricted Fund Balance	242,693,966	524,426,236	(594,530)	(87,919,617)	(2,038,878)	3,960,130	219,128,315	-	899,655,622
Temporarily Restricted	3,845,236	11,102	-	-	15,285,344	-	-	-	19,141,683
Permanently Restricted Donor Funds	-	-	-	-	17,354,109	-	-	-	17,354,109
<b>Total Net Assets</b>	<b>246,539,202</b>	<b>524,437,338</b>	<b>(594,530)</b>	<b>(87,919,617)</b>	<b>30,600,575</b>	<b>3,960,130</b>	<b>219,128,315</b>	<b>-</b>	<b>936,151,413</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 958,160,300</b>	<b>\$ 606,725,249</b>	<b>\$ (341,151)</b>	<b>\$ (51,473,221)</b>	<b>\$ 30,623,820</b>	<b>\$ 6,626,531</b>	<b>\$ 1,381,547,371</b>	<b>\$ (388,116,439)</b>	<b>\$ 2,543,752,459</b>

**Tower Health**  
**Consolidated Statement of Cash Flow**  
**For The Six Month Period Ending December 31, 2018**

Cash flows from operating activities and gains:	
Change in net assets	(33,983,000)
Adjustments to reconcile change in net assets to net cash provided by operating activities and gains:	-
Change in unrealized gain on investments	1,323,000
Change in fair value of interest rate swaps	(2,353,000)
Change in pension liability	(8,802,000)
Change in deferred revenue	(211,000)
Amortization of bond discount	30,000
Amortization of bond premium	(1,189,000)
Amortization of deferred financing expense	263,000
Depreciation	46,780,000
Amortization of entrance fees	-
Proceeds from entrance fees and deposits	-
(Gain) loss on disposal of fixed assets	71,000
Provision for uncollectible accounts	58,544,000
Realized gains on investments	15,401,000
Equity in (income) loss of affiliate	(4,734,000)
Restricted contributions and investment income received	(4,347,000)
Goodwill	(2,672,000)
Change in cash due to changes in operating assets & liabilities:	-
Receivables from patients and others	(120,303,000)
Receivables from affiliates	(628,000)
Capital Lease	(323,000)
Inventories	(3,788,000)
Prepaid expenses and other current assets	(12,897,000)
Deferred financing	-
Deferred Compensation	(1,246,000)
Other assets	2,120,000
Long term debt	-
Third-party settlements	1,996,000
Accounts payable and other liabilities	8,701,000
Accrued vacation	632,000
Other liabilities	-
Self-insurance cost	(20,832,000)
Net cash provided (used) by operating activities and gains	\$ (82,447,000)
Cash flows from investing activities:	
Acquisition of property, plant and equipment	(83,822,000)
Proceeds from sale of PP&E	(71,000)
Distribution to/from equity investees	5,465,000
Distribution from investments	-
Acquisition of Affiliate(s)	(24,400,000)
Goodwill-Acquisition of Affiliate(s)	-
Divestiture of Affiliate(s)	-
Sales from assets whose use is limited	201,500,000
Purchases from assets whose use is limited	(95,835,000)
Net Settlement payment on Swap Contracts	2,411,000
Net cash provided (used) by investing activities	\$ 5,248,000
Cash flows from financing activities:	
Restricted contributions and investment income received	4,347,000
Extinguishment of debt	-
New Issuance	-
Increase in Deferred Financing costs	-
Payments of long-term debt (including current portion)	(5,324,000)
Refunds of entrance fees and deposits	-
Increase in Gift Annuities	(7,000)
Net cash provided (used) in financing activities	\$ (984,000)
Net change in cash and cash equivalents	\$ (78,183,000)
Cash and cash equivalents at beginning of year	\$ 67,502,000
Cash and cash equivalents at end of year	\$ (10,681,000)



# Tower Health

## Consolidated Statement of Changes in Net Assets

### For The Six Month Period Ending December 31, 2018

#### Unrestricted net assets

Excess (deficit) of revenues, gains, and other support over expenses	\$ (42,929,000)
Net assets released from restrictions	-
Change in unrealized (losses) gains on investments	25,000
Change in pension liability	-
Change in deferred compensation	-
Adjustment of Minor Equip	7,299,000
Other net assets	(84,000)
Increase/(Decrease) in unrestricted net assets	<u>\$ (35,689,000)</u>

#### Temporarily restricted net assets

Contributions	\$ 4,347,000
Net assets released from restrictions	(2,004,000)
Net assets transfer to Foundation	-
Net realized (losses) gains on investments	711,000
Net unrealized (losses) gains on investments	(1,715,000)
Net assets released from restrictions for operations	-
Pledge receivable	-
Increase/(Decrease) in temporarily restricted net assets	<u>\$ 1,339,000</u>

#### Permanently restricted net assets

Contributions	\$ -
Net assets released from restrictions	0
Net unrealized (losses) gains on investments	367,000
Change in beneficial in trusts	-
Increase/(Decrease) in permanently restricted net assets	<u>\$ 367,000</u>

Change in net assets	\$ (33,983,000)
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#### Net assets

Beginning of year	\$ 970,133,000
End of year	<u>\$ 936,150,000</u>

Change in Net Assets per Financial Statement	<u>\$ (33,983,000)</u>
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**Tower Health**  
**Historical Utilization of Services**  
**For the Years Ended 2015 through 2018**  
**December 31, 2018**

	2016	2017	2018	Six Mos. FY 2019 Reading	Six Mos. M/C Hospitals	FYTD Consolidated
<b>Beds in Service:</b>						
Adults & Critical Care	418	503	1,109	503	606	1,109
Obstetrics/Gynecology	60	60	60	60	0	60
NICU	30	30	30	30	0	30
Pediatrics	19	19	19	19	0	19
Skilled Nursing	50	50	50	50	0	50
Acute Rehab	62	62	76	62	14	76
Psych	40	40	152	40	112	152
Subtotal	679	764	1,496	764	732	1,496
Newborn	34	34	73	34	39	73
Total	713	798	1,569	798	771	1,569
<b>Admissions:</b>						
Medical/Surgical	23,216	24,625	45,552	12,794	12,362	25,156
Obstetrics/Gynecology	3,911	3,804	4,758	1,816	678	2,494
NICU	335	395	395	218	-	218
Pediatrics	1,127	1,296	1,296	669	-	669
Skilled Nursing	1,407	1,274	1,274	594	-	594
Acute Rehab	1,496	1,410	1,613	628	134	762
Psych	1,368	1,214	2,174	519	1,426	1,945
Subtotal	32,860	34,018	57,062	17,238	14,600	31,838
Newborn	3,235	3,214	3,994	1,559	550	2,109
Total	36,095	37,232	61,056	18,797	15,150	33,947
<b>Patient Days:</b>						
Medical/Surgical	100,027	111,745	207,722	57,844	50,794	108,638
Obstetrics/Gynecology	9,911	9,059	12,141	4,137	2,318	6,455
NICU	8,515	7,529	7,529	4,855	-	4,855
Pediatrics	2,541	2,289	2,289	1,365	-	1,365
Skilled Nursing	17,500	17,006	17,006	8,165	-	8,165
Acute Rehab	16,923	17,948	20,052	8,750	1,421	10,171
Psych	11,367	12,746	23,119	6,418	15,809	22,227
Subtotal	166,784	178,322	289,858	91,534	70,342	161,876
Newborn	6,052	6,202	8,095	3,146	1,278	4,424
Total	172,836	184,524	297,953	94,680	71,620	166,300
<b>Acuity:</b>						
Case Mix Index	1.40	1.44	1.43	1.45	1.41	1.43
<b>Length of Stay:</b>						
Medical/Surgical	4.31	4.54	4.56	4.52	4.11	4.32
Obstetrics/Gynecology	2.53	2.38	2.55	2.28	3.42	2.59
NICU	25.42	19.06	19.06	22.27	-	22.27
Pediatrics	2.25	1.77	1.77	2.04	-	2.04
Skilled Nursing	12.44	13.35	13.35	13.75	-	13.75
Acute Rehab	11.31	12.73	12.43	13.93	10.60	13.35
Psych	8.31	10.50	10.63	12.37	11.09	11.43
Total	5.08	5.24	5.08	5.31	4.82	5.08
Newborn	1.87	1.93	2.03	2.02	2.32	2.10
<b>Occupancy Rates:</b>						
Medical/Surgical	65.4%	60.9%	59.5%	62.5%	47.6%	53.2%
Obstetrics/Gynecology	45.1%	41.4%	55.4%	37.5%	0.0%	58.5%
NICU	77.6%	68.8%	68.8%	88.0%	0.0%	88.0%
Pediatrics	36.5%	33.0%	33.0%	39.0%	0.0%	39.0%
Skilled Nursing	95.6%	93.2%	93.2%	88.8%	0.0%	88.8%
Acute Rehab	74.6%	79.3%	75.8%	76.7%	55.2%	72.7%
Psych	77.6%	87.3%	51.2%	87.2%	76.7%	79.5%
Total	67.1%	63.9%	60.6%	65.1%	52.2%	58.8%
Newborn	48.6%	50.0%	35.1%	50.3%	17.8%	32.9%

\*The M/C Hospitals do not segregate beds among Med/Surg and OBGYN  
Note: 2015 - 2017 are the former Reading Health System

**Tower Hospitals**  
**Gross to Net Patient Revenue**  
**December 31, 2018**

	Quarter to Date			Year to Date		
	Gross	Net	Net %	Gross	Net	Net %
Medicare	1,267,862,865	222,755,213	17.6%	2,584,373,668	429,382,951	16.6%
Medicaid	315,617,949	39,609,072	12.5%	641,873,903	75,406,983	11.7%
Highmark & Blue Cross	287,053,909	72,714,678	25.3%	577,547,666	144,374,535	25.0%
Other Commercial	155,553,962	73,232,312	47.1%	309,053,329	144,551,260	46.8%
Self Pay	31,515,312	33,324,170	105.7%	78,698,578	66,308,596	84.3%
Subtotal	2,057,603,996	441,635,444	21.5%	4,191,547,144	860,024,325	20.5%
Less: Eliminations		(10,474,528)			(20,087,638)	
Less: Uncompensated Care		(29,233,127)			(65,793,208)	
Total	2,057,603,996	401,927,789		4,191,547,144	774,143,479	