

Intermountain Health Care, Inc. and Affiliated Companies

Included is unaudited consolidated financial information of Intermountain Health Care, Inc. and affiliated companies as of and for the nine months ended September 30, 2020. The internally prepared consolidated financial information, although unaudited, does, in the opinion of management, include all normal recurring adjustments necessary to fairly summarize the results of operations for the periods presented. Results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the results that may be achieved for the fiscal year ending December 31, 2020.

Intermountain Health Care, Inc. is the sole corporate member of IHC Health Services, Inc., which is the sole obligor on the bonds included in the following consolidated financial information. Neither Intermountain Health Care, Inc. nor any affiliate other than IHC Health Services, Inc. is obligated on the bonds.

As of September 30, 2020, IHC Health Services, Inc. had received approximately \$198 million from the Provider Relief Fund in connection with the CARES Act to provide reimbursement for expenses and lost revenue attributable to the COVID-19 pandemic. None of these funds have been recognized in the consolidated statements of operations and changes in net assets for the nine months ended September 30, 2020.

The information contained in this document speaks only for the periods and as of the dates stated therein and shall not under any circumstances create any implication that there has been no change since the date of such information.

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Balance Sheets (Unaudited)
(In Millions)

	September 30	December 31
	2020	2019
Assets		
Current assets:		
Cash and equivalents	\$ 604	\$ 376
Assets limited as to use	1,451	1,362
Accounts receivable	642	640
Inventory	185	174
Due from brokers for securities sold	541	444
Other current assets	404	370
Total current assets	<u>3,827</u>	<u>3,366</u>
Assets limited as to use	8,155	7,355
Property and equipment, net	3,396	3,436
Other assets	921	938
Total assets	<u><u>\$ 16,299</u></u>	<u><u>\$ 15,095</u></u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 487	\$ 583
Compensation and related liabilities	404	423
Due to brokers for securities purchased	1,001	916
Medical claims payable	241	256
Unearned revenue	555	58
Other current liabilities	163	164
Current portion of long-term debt	35	33
Long-term debt subject to short-term remarketing arrangements	450	446
Total current liabilities	<u>3,336</u>	<u>2,879</u>
Pension liability	422	462
Long-term debt	2,231	1,862
Other liabilities	1,044	803
Net assets:		
Without donor restrictions	8,946	8,759
With donor restrictions	320	330
	<u>9,266</u>	<u>9,089</u>
Total liabilities and net assets	<u><u>\$ 16,299</u></u>	<u><u>\$ 15,095</u></u>

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(In Millions)

	Nine Months Ended September 30	
	2020	2019
Revenues		
Patient services	\$ 3,275	\$ 3,465
Premiums and capitation	3,317	2,735
Other revenues	334	279
	<u>6,926</u>	<u>6,479</u>
Expenses		
Employee compensation and benefits	2,699	2,475
Medical claims	1,497	1,170
Supplies	1,206	1,136
Other operating expenses	943	896
	<u>6,345</u>	<u>5,677</u>
Earnings before interest, depreciation and amortization	581	802
Depreciation and amortization	301	286
Interest	45	58
	<u>346</u>	<u>344</u>
Net operating income	235	458
Nonoperating income (loss)		
Investment income (loss)	(63)	477
Loss from nonoperating affiliates	(5)	(16)
	<u>(68)</u>	<u>461</u>
Excess of revenues over expenses	<u>\$ 167</u>	<u>\$ 919</u>

(continued)

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(In Millions)

	Nine Months Ended	
	September 30	
	2020	2019
	<hr/>	
Net assets without donor restrictions		
Excess of revenues over expenses	\$ 167	\$ 919
Net assets released from restrictions for the purchase of property and equipment	13	3
Other	7	9
Increase in net assets without donor restrictions	<hr/> 187	<hr/> 931
Net assets with donor restrictions		
Contributions	25	23
Net assets released from restrictions and other	(35)	(15)
Increase (decrease) in net assets with donor restrictions	<hr/> (10)	<hr/> 8
Increase in net assets	177	939
Net assets at beginning of period	9,089	7,877
Net assets at end of period	<hr/> <hr/> \$ 9,266	<hr/> <hr/> \$ 8,816

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Cash Flows (Unaudited)
(In Millions)

	Nine Months Ended	
	September 30	
	2020	2019
Operating activities		
Cash received from patient services	\$ 3,566	\$ 3,438
Cash received from premiums and capitation	3,328	2,810
Other receipts from operations	508	276
Interest and dividends received	63	91
Cash paid for employee compensation and benefits	(2,762)	(2,524)
Cash paid for supplies and other operating expenses	(2,220)	(2,103)
Cash paid for medical claims	(1,512)	(1,201)
Interest paid	(55)	(49)
Net cash provided by operating activities	916	738
Investing activities		
Purchases of property and equipment	(244)	(351)
Assets limited as to use:		
Purchases of investments	(1,282)	(920)
Sales and maturities of investments	612	882
Net purchases of trading securities	(195)	(435)
Change in collateral posted for interest rate swaps	(9)	—
Cash paid for acquisition, net of cash acquired	—	(397)
Net cash used by nonoperating affiliates	(14)	(23)
Other	(11)	—
Net cash used in investing activities	(1,143)	(1,244)
Financing activities		
Proceeds from issuance of debt	647	—
Repayment of debt	(246)	(32)
Borrowings under line of credit agreement	100	100
Repayment of borrowings under line of credit agreement	(100)	(100)
Other	90	—
Net cash provided by (used in) financing activities	491	(32)
Net increase (decrease) in cash and equivalents and cash in assets limited as to use	264	(538)
Cash and equivalents and cash in assets limited as to use at beginning of period	420	755
Cash and equivalents and cash in assets limited as to use at end of period	\$ 684	\$ 217
Reconciliation of cash and equivalents and cash in assets limited as to use		
Cash and equivalents	\$ 604	\$ 150
Cash in assets limited as to use	80	67
Total cash and equivalents and cash in assets limited as to use	\$ 684	\$ 217