
CONTINUING DISCLOSURE QUARTERLY REPORT

Information Concerning PROVIDENCE ST. JOSEPH HEALTH AND THE OBLIGATED GROUP

The Continuing Disclosure Quarterly Report (the Quarterly Report) is intended solely to provide certain limited financial and operating data in accordance with undertakings of Providence and the Members of the Obligated Group under Rule 15c2-12 (the Undertaking) and does not constitute a reissuance of any Official Statement relating to the bonds referenced above or a supplement or amendment to such Official Statement.

The Quarterly Report contains certain financial and operating data for the quarter ended March 31, 2021. Providence has undertaken no responsibility to update such data since March 31, 2021, except as set forth herein. This Quarterly Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Quarterly Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

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About Providence

Our Organization

Providence St. Joseph Health (Providence) is a national, not-for-profit Catholic health system comprising a diverse family of organizations driven by a belief that health is a human right. With 52 hospitals, nearly 1,000 clinics, and many other health and educational services, our health system employs nearly 121,000 caregivers serving patients in communities across seven Western states - Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. Our caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay.



Continuing an enduring commitment to world-class care and serving all, especially those who are poor and vulnerable, Providence uses scale to create Health for a Better World, one community at a time. We have been pioneering health care for hundreds of years and have a history of responding with compassion and innovation during challenging health care environments, including the current pandemic. Together, we are reimagining the future of health care delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality care at affordable prices, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic, contiguous markets with growing populations, which has led to consistent increases in service utilization. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 29 long-term care facilities, 16 supportive housing facilities, over 8,000 directly employed providers and more than 25,000 affiliated providers, a health plan, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

Providence, with headquarters in Renton, Washington, and Irvine, California, is governed by a sponsorship council comprising members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. We are dedicated to ensuring the continued vibrancy of not-for-profit, Catholic health care in the United States. As one of the largest health systems in the United States, our Mission and values call us to serve each person with love, dignity, and compassion, reflecting the legacy of the Sisters of St. Joseph and the Sisters of Providence.

The Mission

*As expressions of God's healing love, witnessed
through the ministry of Jesus, we are steadfast in serving all,
especially those who are poor and vulnerable ®*

Our Values

Compassion | Dignity | Justice | Excellence | Integrity

Our Vision

Health for a Better World

Our Promise

"Know me, care for me, ease my way."

COVID-19: From Response to Vaccinations and Beyond

In early 2020, Providence admitted the first known patient with COVID-19 in the United States. Providence continues to pursue a three-part plan to keep caregivers and patients safe; serve those in need; and accelerate the transformation of health care. Providence's plan is comprised of these key strategies:

Respond. Ensuring the safety of caregivers and patients, securing access to PPE, testing and other resources and pioneering promising treatments have been central to our COVID-19 response since the pandemic began. We made significant investments in new and innovative ways to deliver care inside and outside the hospital setting, including digitally, in the clinic and outpatient setting, and in the home. We leveraged data analytics, artificial intelligence, and other innovative tools to triage patients, predict trends and plan resources. This important work prepared us for COVID-19 cases throughout 2020 and into 2021.

Recover. The ability to continue meeting the health needs of patients is critical. As our COVID-19 volumes recover across markets, delivering these services safely is important. A more affordable delivery model will be necessary in responding to multiple revenue pressures from economic payer shifts.

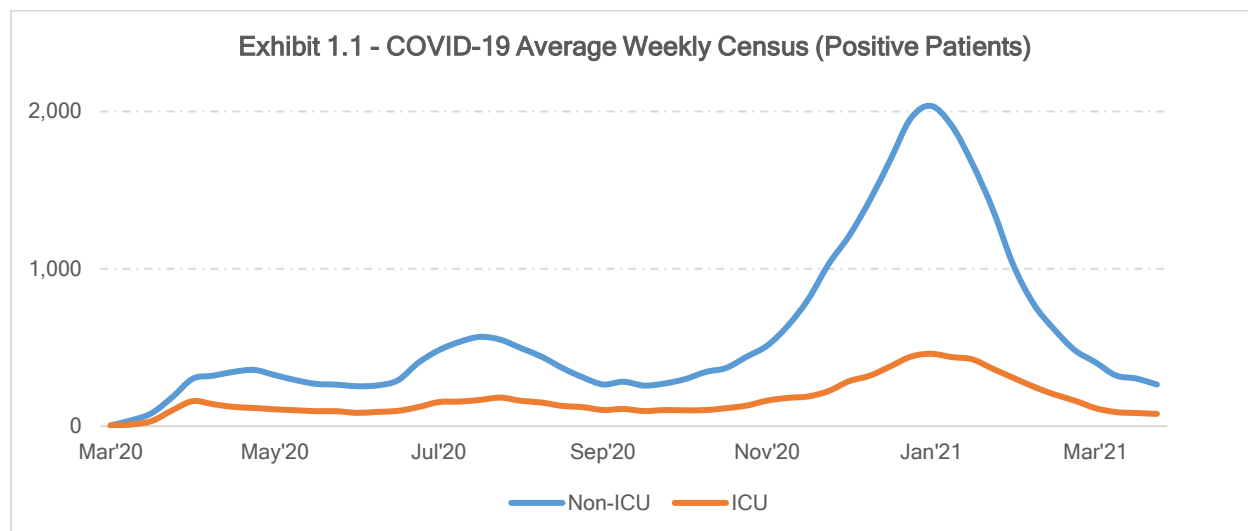
Renew. Our vision - Health for a Better World - is a roadmap for health care transformation. The investments we made in innovation prior to COVID-19 have made it possible for us to respond to the pandemic quickly and nimbly, including developing an artificial intelligence chat bot to triage patients virtually, scaling telehealth visits and implementing home monitoring through existing intensive care unit telemedicine services. The U.S. Food and Drug Administration's (FDA) emergency use authorization of multiple COVID-19 vaccines has strengthened our mass vaccination efforts, which began with our highest-risk, front-line caregivers and has since expanded to the wider population.

Some of the highlights of Providence's response to COVID-19 include:

- Supporting mass vaccination efforts in communities across the Western United States. To date, Providence has administered nearly 700,000 doses of the vaccine to caregivers, patients, and those in our communities.
- Developing the Testing our Heroes immunity testing program to study the prevalence of COVID-19 antibodies among front-line health care workers.
- Supporting hospitals and staffing vaccination sites in our communities through thousands of volunteer hours from our clinical and administrative caregivers.
- Updating COVID-19 screening protocols in Epic across our health system within 24 hours of admitting the first COVID-19 patient in the country.
- Dramatically accelerating our telehealth services, increasing from an average of 50 visits a day to a peak of more than 12,000 per day, totaling more than 1.7 million virtual visits in 2020. In the first three months of 2021, our telehealth visits totaled 530,000.
- Expanding our electronic intensive care unit capabilities to remotely monitor patients on home quarantine.
- Operating some of the largest clinical trials in the country for drug therapies, including Remdesivir, and antibody testing. Providence is also conducting genomics research to understand why the virus affects some people more than others.
- Leveraging technology to deliver a coronavirus consumer awareness hub, assessment, and triage chatbot, urgent virtual visit platform, live testing locations, and remote patient monitoring for COVID-19 patients.
- Building the COVID-19 Detection Map, using artificial intelligence and natural language processing, to visually display the current state of the pandemic by community.

Pursuant to guidance from state authorities and federal agencies including the Centers for Medicare & Medicaid Services (CMS), Providence began rescheduling non-emergent surgeries in early 2020 to later in the year, which resulted in significant declines in daily volumes as shown in exhibit 1.1 below. In coordination with state authorities, we reopened services in mid-2020 which resulted in volumes and profitability recovering across markets. The year 2020 ended with a surge of COVID-19 cases that continued through early January 2021 with a gradual downward trend across the quarter, reaching pre-surge levels by mid-March 2021. We continue to manage ongoing trends in COVID-19 cases while maintaining access to

other comprehensive care in a safe manner for both caregivers and patients. The System's average weekly COVID-19 positive patients are presented through the first quarter of 2021:



Providence has received relief in the form of grants and loans from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. We received \$1.1 billion in total grants from the federal CARES Act, of which \$180 million remains in deferred revenue, including an additional \$58 million received during the first quarter of 2021. As of March 31, 2021, Providence has received \$1.6 billion in advance payments from Medicare under the CMS Advance Payment Program. The advance payments from CMS will be offset by services provided by Providence in future quarters.

Each of our regions and lines of business have developed detailed recovery plans for how to safely deliver much needed care to patients whose procedures were delayed voluntarily or by state mandates. We have taken steps to preserve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety and COVID-19. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As cases continue to come online and as demand returns to pre-pandemic levels, we will balance our labor and supply costs to allow us to efficiently and safely provide the services required by our patients.

Our Integrated Strategic & Financial Plan

Guided by our Mission and values, Providence has developed and adopted an Integrated Strategic & Financial Plan that serves as our roadmap for accelerating progress toward our vision of Health for a Better World. Supported by three areas of strategic focus, our plan ensures integration between our strategic aspirations and financial capacity:

Strengthen the core. We are focused on delivering outstanding, affordable health care, housing, education and other essential services to our patients and communities by:

- Creating a diverse workforce reflecting the communities we serve and a caregiver experience where all caregivers are included, developed, and inspired to carry on the Mission
- Delivering safe, compassionate, high-value quality health care
- Making Providence the provider partner of choice in all our communities
- Stewarding our resources to improve operational earnings
- Fostering community commitment to our Mission via philanthropy

Be our communities' health partner. We are focused on being our communities' health partner, aiming for physical, spiritual, and emotional well-being of all. We seek to ease the way of our communities by:

- Transforming care, improving population health outcomes, and reducing health disparities, especially for poor and vulnerable populations
- Leading the way in improving our nation's mental and emotional well-being
- Extending our commitment to whole person care for people at every age and stage of life
- Engaging with partners in ensuring health equity for all by addressing systemic racism and the social determinants of health, with a focus on education, housing, and the environment
- Being the preferred health partner for those we serve

Transform our future. We are focused on responding to the signs of the times, pursuing new opportunities that transform our services. We seek to expand and sustain our Mission by:

- Diversifying sources of earnings to ensure sustainability of the ministry
- Digitally enabling, simplifying, and personalizing the health experience
- Creating an integrated scientific wellness, clinical research and genomics program that is nationally recognized for breakthrough advances
- Utilizing insights and value from data to drive strategic transformation
- Activating the voice and presence of Providence locally and nationally to improve health for all

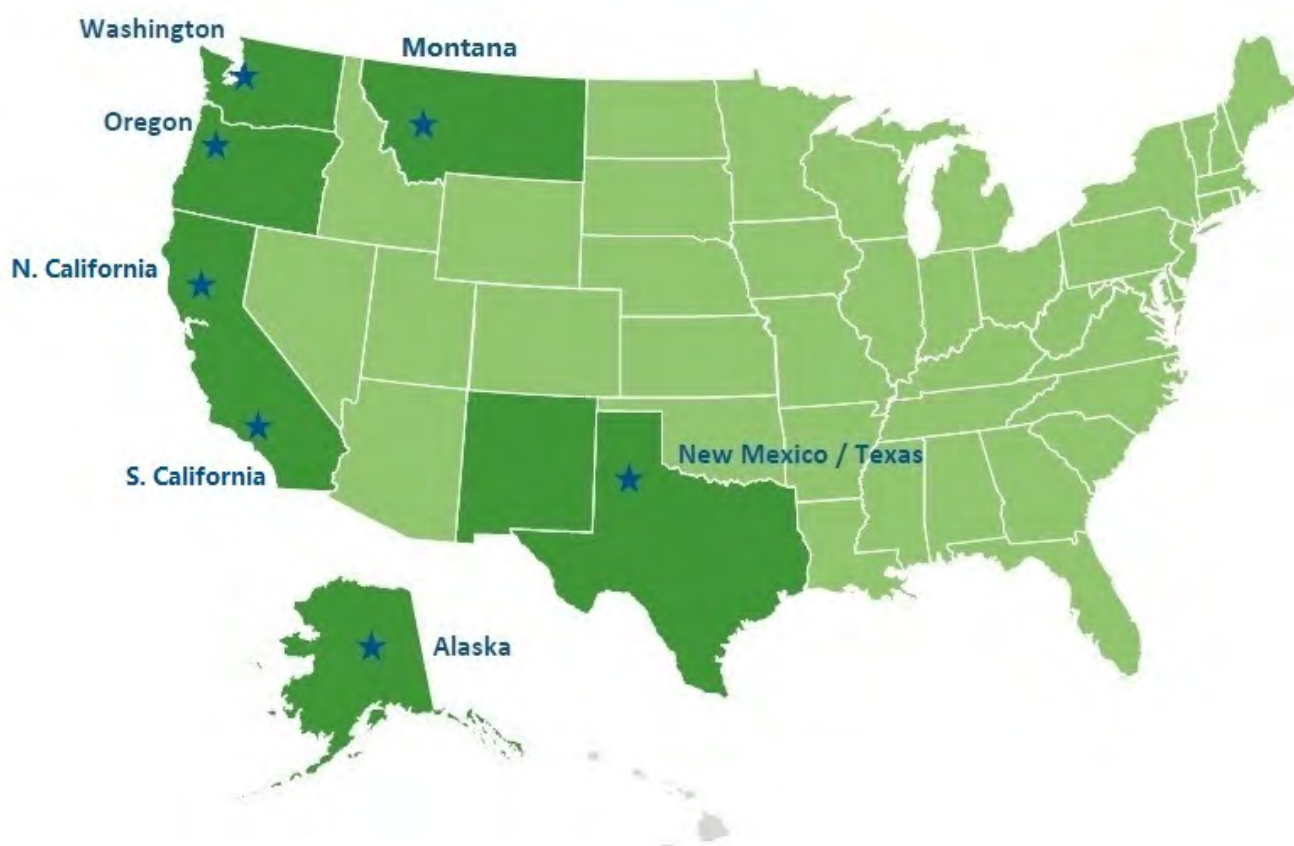
Strategic affiliations. As part of our overall strategic planning and development process, Providence regularly evaluates and, if deemed beneficial, selectively pursues opportunities to affiliate with other service providers and invest in new facilities, programs, or other health care related entities. Likewise, we are frequently presented with opportunities from, and conduct discussions with, third parties regarding potential affiliations, partnerships, mergers, acquisitions, joint operating arrangements, or other forms of collaboration, including some that could affect the Obligated Group Members. It is common for several such discussions to be in process concurrently. System management pursues arrangements when there is a perceived strategic or operational benefit that is expected to enhance our ability to achieve the Mission and/or deliver on our strategic objectives. As a result, it is possible that the current organization and assets of the Obligated Group may change.

Providence will continue to evaluate opportunities for strategic growth. Providence does not typically disclose such discussions unless and until it appears likely that an agreement will be reached, and any required regulatory approvals will be forthcoming.

Region Information

The System is organized into the geographic regions spanning seven states across the western United States shown in the graphic below.

Exhibit 1.2 - Areas We Serve



The System's operating revenue share by geographic region is presented for the periods indicated:

EXHIBIT 1.3 - REGIONAL OPERATING REVENUE SHARE	Three Months Ended	
	3-31-2020	3-31-2021
Alaska	4%	4%
Swedish	10%	10%
Washington and Montana	19%	19%
Oregon	19%	18%
Northern California ⁽¹⁾	7%	6%
Southern California ⁽¹⁾	33%	31%
West Texas and Eastern New Mexico	4%	5%
Other (including Home & Community Care) ⁽²⁾	4%	7%

⁽¹⁾ Includes recognition of revenue from California provider fee program of \$129 million in 2021 and \$372 million in 2020.

⁽²⁾ Includes Home & Community Care entities in 2021 that previously were reported under the Northern California region and Tegria, our technology services and solutions company launched in 2020.

Alaska

In the Alaska region, the System includes five hospitals and 22 clinics with a 31 percent inpatient market share statewide in 2019, as reported by the Alaska Health Facilities Data Reporting Program. The System's Alaska facilities are in the greater Anchorage area, with 53 percent inpatient market share, and in the remote communities of Kodiak, Seward, and Valdez, as reported by the Alaska Health Facilities Data Reporting Program. Providence Alaska Medical Center is an acute care facility located in Anchorage and

the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a long-term acute care hospital (the only one in the state) is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward, and Valdez, all co-located with skilled nursing facilities.

Swedish

In the greater Puget Sound area of Washington, Swedish Health Services operates five hospital campuses: First Hill, Cherry Hill, Ballard, Edmonds, and Issaquah which are in King and Snohomish counties. The inpatient market share for Swedish was 25 percent in 2019, as reported by the Comprehensive Hospital Abstract Reporting System. Swedish also has ambulatory care centers in Redmond and Mill Creek, and a network of more than 100 primary care and specialty clinics throughout the Seattle area.

Washington and Montana

In the Washington-Montana region, the System includes 12 hospitals, with a 45 percent inpatient market share in their service areas in 2019, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of five geographic markets: Northwest Washington, Southwest Washington, Eastern Washington, Southeast Washington, and Western Montana, with medical groups in the region employing nearly 2,500 providers. The region provides a variety of services, including home health and hospice care, primary and immediate care services, inpatient rehabilitation, skilled nursing and transitional care, and general acute care services.

Oregon

The Oregon region includes eight hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 29 percent in their service areas in 2019, as reported by Apprise Health Insights. Providence St. Vincent Medical Center and Providence Portland Medical Center provide tertiary care to the Portland metropolitan market. The region also provides nearly 200 primary care, specialty and immediate care clinics, home health care, and housing. The Health Plans are based in Oregon, and the majority of its more than 750,000 members live in the region.

Northern California

In the Northern California region, the System serves the North Coast, Humboldt, Napa, and Sonoma communities with six hospitals, ambulatory surgery centers, urgent care centers, wellness centers, physician offices, home health, hospice, and rehabilitation sites. The acute care hospitals in Northern California had 37 percent inpatient market share in their service areas in 2019, as reported by the Office of Statewide Health Planning and Development. Providence Medical Foundation, a medical foundation, operates clinics in the region with its contracted physician partners. In January 2021, the System acquired Healdsburg District Hospital, an acute care facility serving Healdsburg and surrounding areas in Sonoma County.

Southern California

The Southern California region includes 13 acute care hospitals in Los Angeles, Orange and San Bernardino counties, and the High Desert, with a total inpatient market share of 24 percent in their service areas in 2019, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, the System includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank. The System also includes hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Medical Foundation operates over 50 practice locations in the market, including the Facey, PMI, and Providence St. John's medical foundations. In addition, the System includes seven acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, Newport Beach, Irvine, and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region's level II trauma center, as well as a women's center. Hoag Hospital, which also is composed of two campuses, in Newport Beach and Irvine, also includes Hoag Orthopedic Institute. Providence Medical Foundation, a medical foundation, operates clinics in the region with its contracted physician partners.

West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates is the market's largest health system with seven licensed hospitals; the inpatient market share was 33 percent in their service areas in 2019, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children's Hospital, Covenant Health Plainview, and Covenant Health Levelland, and Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Surgical Hospital. CHS also operates Covenant Medical Group, a medical foundation physician network of employed and aligned physicians, a joint venture acute rehabilitation facility, and Hospice of Lubbock. In January 2021, Covenant Health System acquired Lea Regional Medical Center an acute care facility located in eastern New Mexico serving Hobbs and the surrounding area. Subsequent to the acquisition, the hospital was renamed Hobbs Hospital.

Financial Information

The summary unaudited combined financial information as of and for the three-month periods ended March 31, 2021 and 2020, presented below has been derived by management of Providence from the internal unaudited financial information of the System. The summary audited combined financial information as of and for the fiscal year ended December 31, 2020, presented below, has been derived by management of Providence from audited financial information of the System. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates and judgments that affect the amounts reported in the combined financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. System management considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its combined financial statements, including the following: recognition of net patient service revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; accounting for expenses in connection with restructuring activities; and reserves for losses and expenses related to health care professional and general liability risks. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

Summary Unaudited Combined Statements of Operations

Three Months Ended

EXHIBIT 2.1 - COMBINED STATEMENTS OF OPERATIONS \$ PRESENTED IN MILLIONS	3-31-2020	3-31-2021
Net Patient Service Revenues	\$4,981	\$4,934
Premium Revenues	586	567
Capitation Revenues	416	454
Other Revenues	359	488
Total Operating Revenues	6,342	6,443
Salaries and Benefits	3,206	3,357
Supplies	948	970
Purchased Healthcare Services	528	507
Interest, Depreciation, and Amortization	335	340
Purchased Services, Professional Fees, and Other	1,601	1,491
Total Operating Expenses	6,618	6,665
Deficit of Revenues Over Expenses from Operations	(276)	(222)
Total Net Non-Operating (Losses) Gains	(837)	307
(Deficit) Excess of Revenues Over Expenses	\$(1,113)	\$85
Operating EBIDA ⁽¹⁾	\$59	\$150

⁽¹⁾ Includes \$32 million in amortization of software as a service asset included on the balance sheet prospectively as of the third quarter of 2020.

Summary Audited and Unaudited Combined Balance Sheets

As of

EXHIBIT 2.2 - COMBINED BALANCE SHEET \$ PRESENTED IN MILLIONS	12-31-2020	3-31-2021
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$3,230	\$1,844
Accounts Receivable, Net	2,365	2,691
Supplies Inventory	361	380
Other Current Assets	1,480	1,628
Current Portion of Assets Whose Use is Limited ⁽¹⁾	1,228	1,952
Total Current Assets	8,664	8,495
Assets Whose Use is Limited ⁽¹⁾	11,506	11,919
Property, Plant & Equipment	11,033	11,080
Other Assets	3,451	3,366
Total Assets	\$34,654	\$34,860
<u>Current Liabilities:</u>		
Current Portion of Long-Term Debt	\$127	\$125
Master Trust Debt Classified as Short-Term	934	684
Accounts Payable	1,155	1,236
Accrued Compensation	1,453	1,633
Other Current Liabilities ⁽¹⁾	3,020	3,344
Total Current Liabilities	6,689	7,022
Long-Term Debt, Net of Current Portion	6,061	6,043
Pension Benefit Obligation	1,203	1,187
Other Liabilities ⁽¹⁾	3,985	3,691
Total Liabilities	\$17,938	\$17,943
<u>Net Assets:</u>		
Controlling Interests	14,857	14,995
Noncontrolling Interest	309	312
Net Assets without Donor Restrictions	15,166	15,307
Net Assets with Donor Restrictions	1,550	1,610
Total Net Assets	16,716	16,917
Total Liabilities and Net Assets	\$34,654	\$34,860

⁽¹⁾ Includes \$1.6 billion from the CMS Advanced Payment Program in 2020.

Management's Discussion and Analysis: Three Months Ended March 31, 2021

Management's discussion and analysis provides additional narrative explanation of the financial condition, operational results, and cash flow of the System to assist in increasing understanding of the combined financial statements. The summary unaudited combined financial information as of and for the three-month periods ended March 31, 2021 and 2020, respectively, are presented below.

Results of Operations

Operations Summary

Operating earnings before interest, depreciation, and amortization ("EBIDA") were \$150 million for the three-month period ended March 31, 2021, or 2.3 percent of operating revenues, compared with \$59 million and 0.9 percent in 2020. Deficit of revenues over expenses from operations was \$222 million for the three months ended March 31, 2021, compared with deficit of revenues over expenses from operations of \$276 million in 2020.

Operating results varied across the first quarter of 2021. The System experienced a peak in COVID-19 census in January 2021 resulting in increased costs driven by higher patient acuity and higher labor costs as compared to the same period in the prior year. As COVID-19 caseloads receded, admissions and outpatient volumes rebounded, while affected by historically low cases of influenza and impacts from inclement weather. Prior year operating results also include the impact of a work stoppage experienced by our Swedish affiliate for a two-week period in early January 2020.

The results include the net recognition of reimbursements from provider fee programs of \$66 million (revenue of \$217 million and expense of \$151 million) for the three months ended March 31, 2021, compared with \$156 million (revenue of \$457 million and expense of \$301 million) in comparable period of the prior year. The current year amount is based on ratable recognition of the provider fee programs versus the prior year amount which included \$93 million in prior period adjustments.

The System's key financial indicators are presented for the periods indicated:

EXHIBIT 3.1 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2020	3-31-2021
Operating Revenues	\$6,342	\$6,443
Operating Expenses	6,618	6,665
Excess (Deficit) of Revenues Over Expenses from Operations	(276)	(222)
Operating Margin %	(4.4)	(3.4)
Operating EBIDA	59	150
Operating EBIDA Margin %	0.9	2.3
Premium and Capitation Revenues	1,002	1,021
Net Service Revenue/Case Mix Adjusted Admits	12,935	13,147
Net Expense/Case Mix Adjusted Admits	13,590	13,681
Total Community Benefit	\$450	\$400
Full-Time Equivalents (thousands)	106	104

Volumes

Case mix adjusted admissions (CMAA) declined 2 percent for the three months ended March 31, 2021, compared with the same period in 2020 as the System experienced peak COVID-19 census in January 2021 that subsequently declined across the rest of the quarter. Volumes continued to improve as capacity for non-COVID-19 care increased, resulting in higher outpatient and admission volumes through the end of the quarter. The System's key volume indicators are presented for the periods indicated:

EXHIBIT 3.2 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Three Months Ended	
	3-31-2020	3-31-2021
Inpatient Admissions	118	110
Acute Adjusted Admissions	242	222
Acute Patient Days	607	626
Long-Term Patient Days	96	78
Outpatient Visits (incl. Physicians)	6,533	6,650
Emergency Room Visits	511	414
Surgeries and Procedures	154	149
Acute Average Daily Census (Actual)	6,666	6,960
Providence Health Plan Members	698	752

Operating Revenues

Operating revenues were \$6.4 billion, an increase of 2 percent for the three months ended March 31, 2021, compared with the same period in 2020, driven by capitation revenue growth of 9 percent as the System shifts to value-based care and diversified revenue growth of 57 percent. Net patient service revenues were \$4.9 billion for the three months ended March 31, 2021; 1 percent decline compared to \$5.0 billion in 2020.

The System's operating revenues by state are presented for the periods indicated (footnotes appear beneath last table):

EXHIBIT 3.3 - OPERATING REVENUES BY STATE \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2020	3-31-2021
Alaska	\$210	\$211
Washington	1,641	1,740
Montana	104	111
Oregon	1,282	1,270
California	2,492	2,345
Texas	254	278
Total Revenues from Contracts with Customers	5,983	5,955
Other Revenues	359	488
Total Operating Revenues	\$6,342	\$6,443

The System's operating revenues by line of business are presented for the periods indicated:

Three Months Ended

EXHIBIT 3.4 - OPERATING REVENUES BY LINE OF BUSINESS \$ PRESENTED IN MILLIONS	3-31-2020	3-31-2021
Hospitals ⁽¹⁾	\$4,251	\$4,175
Health Plans and Accountable Care	666	627
Physician and Outpatient Activities	668	764
Long-term Care, Home Care, and Hospice	315	318
Other Services ⁽¹⁾	83	71
Total Revenues from Contracts with Customers	5,983	5,955
Other Revenues	359	488
Total Operating Revenues	\$6,342	\$6,443

The System's operating revenues by payor are presented for the periods indicated:

Three Months Ended

EXHIBIT 3.5 - OPERATING REVENUES BY PAYOR ⁽²⁾ \$ PRESENTED IN MILLIONS	3-31-2020	3-31-2021
Commercial	\$2,870	\$2,868
Medicare	1,977	2,197
Medicaid	1,062	865
Self-pay and Other	74	25
Total Revenues from Contracts with Customers	5,983	5,955
Other Revenues	359	488
Total Operating Revenues	\$6,342	\$6,443

⁽¹⁾ Includes reclassification of prior period provider tax adjustments recognized in 2020.

⁽²⁾ Represents total payor net patient service revenues received, including premium and capitation revenues in accordance with ASC 606, Revenue from Contracts with Customers. Refer to Exhibit 7.3 within Exhibit 7 attached hereto for supplementary information on net patient service revenue payor mix driven by patient utilization.

Operating Expenses

Operating expenses were \$6.7 billion, an increase of 1 percent for the three months ended March 31, 2021, compared with the same period in 2020, driven by costs to support caregivers and to serve existing patients, including labor costs and increased PPE and pharmaceutical spend. Overall, salaries and benefits expenses increased 5 percent for the three months ended March 31, 2021, compared with the same period in 2020, however, labor productivity improved 5 percent on an adjusted occupied bed volumes basis. Medical supply costs per CMAA were higher by 4 percent, compared with the prior year. Supplies expense increased by 2 percent compared to the prior year, driven by a 5 percent increase in pharmaceutical spend and COVID-19 related expenses, partially offset by a 11 percent decrease in non-medical supply costs.

Non-Operating Activity

Non-operating gains totaled \$307 million for the three months ended March 31, 2021, compared with losses that totaled \$837 million for the same period in 2020, offsetting the deficit of revenues over expenses from operations. The increase was driven by strong investment gains of \$208 million for the three months ended March 31, 2021, compared with investment losses of \$763 million in 2020.

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately \$14.9 billion as of March 31, 2021, compared to \$15.3 billion as of December 31, 2020. The decrease was primarily driven by \$250 million repaid on our short-term revolver. As of December 31, 2020, Providence received approximately \$1.6 billion in advance payments from Medicare under the CMS Advance Payment Program and \$1.1 billion in grants from the federal CARES Act, of which \$180 million remains in deferred revenue, including an additional \$58 million received during the first quarter of 2021. The advance payments from CMS will be offset by services provided by Providence in future quarters. The System's liquidity is presented for the periods indicated:

As of		
EXHIBIT 4.1 - INVESTMENTS BY DURATION \$ PRESENTED IN MILLIONS	12-31-2020	3-31-2021
Cash and Cash Equivalents ⁽¹⁾	\$3,230	\$1,844
Short-Term Investments	1,082	1,739
Long-Term Investments	10,950	11,326
Total Unrestricted Cash and Investments	\$15,262	\$14,909

⁽¹⁾ Includes \$1.6 billion from the CMS Advanced Payment Program in 2020.

The System maintains a long-term investment portfolio comprised of operating and foundation investment assets. The System's target asset allocation for the long-term portfolio, by general asset class, is presented for the periods indicated:

As of		
EXHIBIT 4.2 - INVESTMENTS BY TYPE	12-31-2020	3-31-2021
Cash and Cash Equivalents	2%	0%
Domestic and International Equities	45%	45%
Debt Securities	38%	40%
Other Securities	15%	15%

Financial Ratios

The System's financial ratios presented for the periods indicated:

As of		
EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	12-31-2020	3-31-2021
Total Debt to Capitalization %	31.6	30.5
Cash to Debt Ratio %	218.2	221.6
Days Cash on Hand ⁽¹⁾	226	218
Maximum Annual Debt Service	395	395
Cash to Net Assets Ratio	1.01	0.97

⁽¹⁾ Days Cash on Hand, a measure of cash in relation to monthly operating expenses, is calculated as follows: (unrestricted cash & investments) / (total operating expenses - depreciation and amortization expenses)/days outstanding during the periods).

System Capitalization

The System's capitalization is presented for the periods indicated:

As of		
EXHIBIT 4.4 - SYSTEM CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	3-31-2021
Long-Term Indebtedness	\$6,188	\$6,168
Less: Current Portion of Long-Term Debt	127	125
Net Long-Term Debt	6,061	6,043
Net Assets - Unrestricted	15,166	15,307
Total Capitalization	\$21,227	\$21,350
Long-term Debt to Capitalization %	28.6	28.3

System Debt Service Coverage

The System's coverage of Maximum Annual Debt Service ("MADS") on indebtedness is presented for the periods indicated:

As of		
EXHIBIT 4.5 - SYSTEM DEBT SERVICE COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	Rolling 12-Months Ended 3-31-2021 ⁽¹⁾
Income Available for Debt Service:		
Excess of Revenues Over Expenses	\$740	\$1,937
Less: Unrealized (Gains) on Trading Securities	(692)	(1,612)
Plus: Loss on Extinguishment of Debt	-	-
Plus: Loss on Pension Settlement Costs and Other	19	5
Plus: Depreciation	1,097	1,101
Plus: Interest and Amortization	278	278
Total	\$1,442	\$1,709
Debt Service Requirements: ⁽²⁾		
MADS	\$395	\$395
Coverage of Debt Service Requirements ⁽²⁾	3.7x	4.3x

⁽¹⁾ Represents 12 consecutive months of financial results for an annualized discourse for interim periods.

⁽²⁾ Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

System Governance and Management

Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state health care systems of PH&S and the SJHS, which was effective on July 1, 2016 (the "Combination"). Providence has been determined to be an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the "Sponsors Council"). The Sponsors Council retains certain reserved rights with respect to Providence. Among the powers reserved to the Sponsors Council are the following powers over the affairs of Providence (excluding certain affiliates, such as: Providence - Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, Kadlec, and Hoag Hospital): to amend or repeal the articles of incorporation or bylaws of Providence; the appointment and

removal, with or without cause, of the directors of Providence; the appointment and removal, with or without cause, of the President and Chief Executive Officer of Providence; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property; the approval of operating and capital budgets, upon recommendation of the Providence Board of Directors; and the approval of dissolution, consolidation or merger. Providence has reserved rights over PH&S and SJHS, which powers may be exercised by the Board of Providence. Given the complexity of the System's governance structure, Providence routinely evaluates and considers alternative governance models to best meet the System's governance needs.

The following table lists the current members of the Board of Directors of Providence and the Sponsors Council.

<u>Board of Directors</u>	<u>Term Expires (December 31)</u>	<u>Sponsors Council</u>	<u>Term Expires (December 31)</u>
David Olsen, Chair †	2021	Ned Dolejsi	2021
Richard Blair †	2022	Jeff Flocken	2025
Isiaah Crawford, PhD ‡	2022	Barbara Savage	2021
Lucille Dean, SP †	2021	Bill Cox	2022
Diane Hejna, CSJ, RN. ‡	2022	Russell Danielson	2027
Phyllis Hughes, RSM, PhD. ‡	2022	Sr. Sharon Becker, CSJ	2027
Mary Lyons, PhD. ‡	2022	Mark Koenig	2027
Charles W. Sorenson, M.D. Δ	2021	Sr. Margaret Pastro, SP	2028
Michael Murphy Δ	2022	Sr. Mary Therese Sweeney, CSJ	2028
Katharin S. Dyer Δ	2022		
Sr. Carol Pacini, LCM Δ	2023		
Rod Hochman, M.D.	Ex-officio		

† Not eligible for an additional term.

‡ Eligible for one additional three-year term.

Δ Eligible for up to two.

Executive Leadership Team

The following are key members of Providence's executive leadership team.

<u>Name</u>	<u>Title</u>
Rod Hochman, M.D.	President and CEO
John Whipple	Interim Executive Vice President and Chief Legal Officer
Greg Hoffman	Executive Vice President and CFO

In February 2021, Verona Dorch, Executive Vice President and Chief Legal Officer, passed away in Seattle. Verona joined Providence in June 2020 and onboarded in the midst of the COVID-19 pandemic. For the immediate future, Verona's responsibilities will be assumed by other leadership team members as we determine next steps. John Whipple will lead the department of legal affairs as the interim Chief Legal Officer and Deb Canales will temporarily assume responsibilities for governance.

Support Services

Corporate officers and supporting staff oversee the management activities performed on a day-to-day basis by the management staff of each region. Each regional Chief Executive oversees their management with emphasis on the service area's achievements in responding to unmet health care needs in the community, especially the unmet needs of the poor and vulnerable, productivity, developing integrated delivery systems, meeting financial guidelines, and maintaining or increasing market share. The Chief Financial Officer of Providence and Finance staff coordinate the annual budget and multi-year forecasts of the service areas and manage the capital acquisition and management activities of the Obligated Group. Other areas in which the corporate staff provides centralized services or coordinates the activities of the service areas include legal affairs, insurance and risk management, treasury services, real estate strategy and operations, marketing, supplies management, technical support, fund-raising, quality of care, medical ethics, pastoral services, mission effectiveness, human resources, planning and policy development, and public affairs.

Obligated Group

Providence and the other entities so designated in the Glossary are currently Obligated Group Members under the Master Indenture.

Providence is the Obligated Group Agent under the Master Indenture. Under the Master Indenture, debt incurred or secured through the issuance of Obligations under the Master Indenture are the responsibility, jointly and severally, of the Obligated Group Members. Pursuant to the Master Indenture, Obligated Group Members may be added to and withdrawn from the Obligated Group under certain conditions described in the Master Indenture. Indebtedness evidenced or secured by obligations issued under the Master Indenture is solely the obligation of the Obligated Group, and such obligations are not guaranteed by, or the liabilities of, Sisters of Providence, Mother Joseph Province, any other Province of the Sisters of Providence, Sisters of St. Joseph of Orange, the Roman Catholic Church, or any affiliate of the System that is not an Obligated Group Member.

Obligated Group Utilization

The Obligated Group's key volume indicators are presented for the periods indicated:

Three Months Ended		
EXHIBIT 5.1 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	3-31-2020	3-31-2021
<u>Obligated Group</u>		
Inpatient Admissions	116	105
Acute Adjusted Admissions	228	204
Acute Patient Days	595	601
Long-Term Patient Days	94	74
Outpatient Visits (incl. Physicians)	5,068	5,150
Emergency Room Visits	504	398
Surgeries and Procedures	124	120
Acute Average Daily Census (Actual)	6,534	6,677

Obligated Group Capitalization

The Obligated Group's capitalization is presented for the periods indicated:

As of		
EXHIBIT 5.2 - OBLIGATED GROUP CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	3-31-2021
<u>Obligated Group</u>		
Long-Term Indebtedness	\$5,809	\$5,848
Less: Current Portion of Long-Term Debt	110	110
Net Long-Term Debt	5,699	5,738
Net Assets - Unrestricted	12,741	12,742
Total Capitalization	\$18,440	\$18,480
Long-Term Debt to Capitalization %	30.9	31.1

Obligated Group Debt Service Coverage

The Obligated Group's coverage of MADS on indebtedness is presented for the periods indicated:

	As of	
EXHIBIT 5.3 - OBLIGATED GROUP DEBT SERVICE COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	Rolling 12-Months Ended 3-31-2021 ⁽¹⁾
Obligated Group		
Income Available for Debt Service:		
Excess of Revenues Over Expenses	\$1,140	\$2,175
Less: Unrealized (Gains) on Trading Securities	(561)	(1,338)
Plus: Loss on Extinguishment of Debt	-	-
Plus: Loss on Pension Settlement Costs and Other	19	5
Plus: Depreciation	1,001	1,001
Plus: Interest and Amortization	257	250
Total	\$1,856	\$2,093
Debt Service Requirements: ⁽²⁾		
MADS	\$395	\$395
Coverage of Debt Service Requirements ⁽²⁾	4.7x	5.3x

⁽¹⁾ Represents 12 consecutive months of financial results for an annualized discourse for interim periods.

⁽²⁾ Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

For the three months ended March 31, 2021, the unaudited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 80 percent and 83 percent, respectively, of the System totals. For the fiscal year ended December 31, 2020, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 83 percent, respectively, of the System totals. Refer to Exhibit 7 for supplementary information on the Obligated Group Members.

Control of Certain Obligated Group Members

General

Providence is the sole corporate member of PH&S and SJHS. PH&S is the sole corporate member, directly or indirectly, of each of Providence - Washington, Providence - Southern California, LCMASC, Providence - St. John's, Providence - SJMC Montana, Providence - Montana, Providence - Oregon, Swedish, Swedish Edmonds, Pac Med, Western Health Connect and Kadlec, and co-corporate member of Providence - Western Washington.

SJHS is the sole corporate member of SJHNC and, as more fully described hereinafter, a corporate member of St. Joseph Orange, St. Jude, Mission Hospital, St. Mary and CHS.

Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which operates the hospital facilities known as Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital. The corporate entities of Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital, each a California nonprofit public benefit corporation (collectively, the "Hospitals") transferred their assets to SJHNC effective as of April 1, 2018. Effective December 31, 2019 the remaining corporate entities in connection with this reorganization were dissolved.

Southern California Region

In connection with the March 2013 affiliation of SJHS and Hoag Hospital, a new entity known as Covenant Health Network, Inc. ("CHN"), a California nonprofit public benefit corporation, was created. CHN is a corporate member of Hoag Hospital and St. Joseph Orange, St. Jude, Mission Hospital and St. Mary

(the “SJHS Southern California Hospitals”). CHN, The George Hoag Family Foundation (Hoag Family Foundation) and the constituent churches of the Los Ranchos Presbytery of the Presbyterian Church (USA), as represented by the Association of Presbyterian Ministers (APM), are the corporate members of Hoag Hospital. None of CHN, Hoag Family Foundation or APM is an Obligated Group Member or is obligated for payment with respect to the Bonds.

SJHS, CHN, Hoag Hospital, and the SJHS Southern California Hospitals entered into an affiliation pursuant to the terms of an Affiliation Agreement dated as of October 15, 2012 (the “CHN Affiliation Agreement”). The CHN Affiliation Agreement, which became effective as of March 1, 2013, is designed to allow SJHS and each of the SJHS Southern California Hospitals on the one hand, and Hoag Hospital on the other hand, to preserve their respective Catholic and Presbyterian heritages and identities while creating an integrated community health care delivery system. The Affiliation Agreement was amended as of June 1, 2017 and Providence became a party to the arrangement. In addition, a Supplemental Agreement and two amendments were also entered into between the parties in 2017.

CHN does not have any corporate members, and neither Providence, SJHS, its affiliates, nor Hoag Hospital have any ownership interest in CHN. CHN’s governing board consists of seven members, four of whom are designated by Providence in its sole discretion from persons who are members of the governing boards of SJHS, SJHS Southern California Hospitals, St. Joseph Health Ministry and/or Sisters of St Joseph of Orange, and/or members of Providence or SJHS management. The remaining three members are designated by Hoag Family Foundation and APM, acting jointly, in their sole discretion from members of the governing board of Hoag Hospital. The CHN board provides strategic planning leadership and oversight for the Southern California region.

CHN and SJHS have certain reserved powers with respect to the governance, management, and operation of each of the SJHS Southern California Hospitals and Hoag Hospital. Some of these powers may be exercised only by a supermajority vote of the CHN Board of Directors, meaning the affirmative vote of at least three of the four members designated by Providence, and of at least two of the three members designated by Hoag Family Foundation and APM. Such reserved powers and powers that require a supermajority vote may be reviewed and revised from time to time. These reserved powers include, among others, certain actions relating to: (i) changes in articles and bylaws, (ii) certain board member and management appointments and removals; and (iii) certain hospital mergers, acquisitions, joint ventures, asset sales, cash transfers and financings. Hoag Family Foundation and APM also have reserved powers with respect to certain management and operating matters and transactions involving Hoag Hospital.

West Texas/Eastern New Mexico Region

SJHS and Lubbock Methodist Hospital System (“LMHS”) are the corporate members of CHS. CHS is the sole corporate member of CMC, Covenant Levelland and Covenant Plainview. LMHS is not an Obligated Group Member and is not obligated for payment with respect to the Bonds.

CHS was formed in 1998 pursuant to an affiliation between SJHS and LMHS and its affiliates, pursuant to which CHS became the sole corporate member of certain entities previously affiliated with LMHS and, together with certain of such entities, joined the obligated group to which SJHS and its affiliates were party.

CHS is governed by a 19-member board of directors. LMHS and SJHS each appoint eight directors. SJHS also appoints the Chief Executive Officer of CHS, who is an ex-officio voting director. The CMC Chief of Staff and Covenant Children’s Hospital Chief of Staff also serve as ex-officio voting directors. SJHS has extensive authority with respect to the financial affairs of CHS and its subsidiaries, including, but not limited to, the approval of budgets of CHS and its subsidiaries and selection and retention of auditors.

As part of the affiliation, SJHS, CHS and LMHS entered into an agreement that significantly restricts the ability of SJHS to sever its relationship with CHS and the entities formerly affiliated with LMHS. Under certain circumstances, it also restricts CHS and SJHS from a wide variety of transactions (the “Covered Transactions”), including: (i) certain management agreements, leases, joint ventures and other transactions that might have the effect of transferring control of Covenant Medical Center or all assets of CHS and its subsidiaries to an unrelated third party, or in a manner that voids or reduces LMHS’s right, as a member, to appoint directors; (ii) a sale, transfer or conveyance of all or substantially all of CHS’ assets (including all of

CHS' affiliates, taken in the aggregate); (iii) an affiliation, management agreement, lease or joint venture under which a third party acquires the right to control CHS, as a whole; or (iv) any other transaction in which the ability to appoint and remove more than 50 percent of the directors of CHS is transferred to a third party.

In the event SJHS or CHS undertakes a Covered Transaction, they are obligated to provide notice and information to LMHS and to make a "reciprocal offer" to LMHS, including an offer to purchase LMHS's membership rights in CHS and a simultaneous obligation to offer CHS' membership rights to LMHS at the same purchase price, adjusted upward by a formula that reflects the dissolution percentages Pursuant to the terms of the affiliation, the dissolution percentages are SJHS - 57 percent; LMHS - 43 percent.

Other Information

Ambulatory Care Network

The Ambulatory Care Network (ACN) partners in the well-being of all people by creating personalized, convenient, affordable health solutions. Currently, ACN provides over 2.5 million visits annually in 330 access points across seven states, and consists of ambulatory surgery centers, imaging centers, urgent care centers, retail clinics and active wellness sites. ACN ended 2020 with over 40 active growth projects that will support Providence at scale, as well as secured funding approval for over 30 new sites in 2021. We believe ambulatory care networks offer advantages to patients and physicians, including greater affordability, predictability, flexibility, and convenience, while offering a seamless connection to our full continuum of care. We are expanding our ambulatory care network through strategic partnerships that improve patient access and reduce costs for consumers and employers, including increased same-day access through our retail and urgent care clinics.

Population Health Management

Population Health models and initiatives form a vital pillar in achieving our strategic plan of transforming care, delivering value-based care, and creating healthier communities together. Our goal is to maximize the health outcomes of the people in our defined populations and communities through the design, delivery and coordination of affordable quality health care and services. We integrate solutions to improve social determinants of health, identify health disparities, and provide care management for complex patients. We are building community partnerships to increase access to health services, transportation, housing, education, food banks, mental health services, and support needed by vulnerable communities to achieve health equity.

Our Population Health Management division is composed of a family of services, including Population Health Informatics, Value-Based Care, Payer Contracting, Risk Sharing & Payments Models, Care Management, Mental Health Improvement, and Health Equity that support our Providence regional care delivery systems; and two businesses: Providence Health Plans and Ayin Health Solutions.

Providence Health Plan ("PHP"), a 501(c)(4) Oregon non-profit health care service contractor, and Providence Health Assurance ("PHA"), a wholly owned subsidiary of PHP, are collectively referred to as the Health Plans. Providence Plan Partners ("PPP") is a 501(c)(4) Washington non-profit corporation.

The Health Plans provide services to a wide range of clients, including self-funded employers, and insurance coverage for large group employers, small group employers, individual and family coverage under the Affordable Care Act, Medicare Commercial, Medicare Advantage, Managed Medicaid risk administration, pharmacy benefits management, workers compensation services, and network access services under preferred plans. Providence Health Plan members reside in 49 states nationwide.

Ayin Health Solutions is our population health management company that provides a comprehensive suite of services to employer, payer, provider, and government clients. Ayin is a for-profit, non-risk bearing entity providing administrative and clinical services in multiple states and incorporated in Delaware.

Home & Community Care

As a trusted partner for individuals and families, our community-based care and services are geared to help in times of need, aging and illness, and at the end of life. We provide a full range of post-acute services, including assisted living, skilled nursing and rehabilitation, home health, home infusion and pharmacy services, home medical equipment, hospice and palliative care, Program of All-Inclusive Care for the Elderly locations, supportive housing, and personal home care services. As our Mission calls us to serve the most vulnerable and poor members of our community, we provide a full range of services and support more to than 30,000 patients, participants, and residents each day. The demand for these services continues to increase in the markets we serve, creating opportunities for continued growth, innovation, and investment.

Physician Enterprises

Providence's Physician Enterprise creates health for a better world by serving patients across the Western United States with quality, compassionate, coordinated care. Collectively, our medical groups and affiliate practices make up the third largest group in the country. This includes: Providence Medical Group, serving Alaska, Washington, Montana, and Oregon; Swedish Medical Group, with staffed clinics throughout Washington's greater Puget Sound area; Pacific Medical Centers in western Washington; Kadlec, serving southeast Washington; Providence St. John's Medical Foundation in Southern California; Providence Medical Institute ("PMI") in Southern California; Providence Facey Medical Foundation ("Facey") in Southern California; Providence Medical Foundation in Northern and Southern California; and Covenant Medical Group, and Covenant Health Partners in west Texas and eastern New Mexico.

Tegria

Tegria is a Providence-owned technology and solutions company that combines select Providence investments and acquisitions into a comprehensive portfolio of solutions to accelerate technological, clinical, and operational advances in health care. Tegria focuses on three key initiatives-healthcare consulting and technology services, revenue cycle management solutions, and software technology and platforms. Tegria is comprised of more than 3,000 strategists, technologists, service providers and scientists who currently serve more than 500 organizations across North America.

Non-Obligated Group System Affiliates

In addition to the Obligated Group Members, the System includes: health plans; a provider network; numerous fundraising foundations; Providence Ventures, Inc., a Washington corporation that invests in health care activities; Tegria, a company that provides technologies and services to the health care sector, various not-for-profit corporations that own and operate assisted living facilities and low-income housing projects, including housing facilities for the elderly; and the University of Providence formerly known as University of Great Falls, located in Great Falls, Montana. The System also includes multiple operations involving or supporting home health, outpatient surgery, imaging services and other professional services provided through for-profit and non-profit entities that are not part of the Obligated Group. These entities are organized as subsidiaries of the System, partnerships, or joint ventures with other entities. Obligated Group Members also may engage in informal alliances and/or contract-based physician relationships. Affiliates that are not Obligated Group Members are referred to in this Quarterly Report as the Non-Obligated Group System Affiliates. Certain Non-Obligated Group System Affiliates that are of significant operational or strategic importance and other Non-Obligated Group System Affiliates are discussed elsewhere in this Quarterly Report only to the extent they are viewed by System management to be of particular operational or strategic importance.

Outstanding Master Trust Indenture Obligations

As of March 31, 2021, the System had Obligations outstanding under the Master Indenture totaling \$6,034,000,000. This excludes Obligations that secure interest rate or other swap transactions, bank liquidity or credit facilities. The Obligations outstanding under the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

Certain of the outstanding Obligations secure tax-exempt bonds previously issued for the benefit of one or more Obligated Group Members (collectively, the “Direct Placement Bonds”) that were purchased directly by commercial banks. Certain other of the outstanding Obligations secure taxable loans and lines of credit previously incurred on behalf of the Obligated Group (the “Taxable Loans”) from one or more commercial banks or a syndicate of banks. Certain other of the outstanding Obligations secure payment obligations relating to bank liquidity or letter of credit facilities (the “Credit Facilities”) issued by credit banks to secure the payment of principal of, interest on and purchase price for certain tax-exempt and taxable bonds issued for the benefit of, or by, certain Obligated Group Members. The financial covenants relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities are substantially consistent with the covenants in the Master Indenture. In addition to financial covenants, the Direct Placement Bonds, the Taxable Loans, and the Credit Facilities include events of default that may cause an acceleration of the Obligations secured thereby, and, in turn, all Obligations secured by the Master Indenture. Certain documents relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities containing these financial covenants and events of default are available for review on EMMA (<http://emma.msrb.org>).

Interest Rate Swap Arrangements

The System and/or certain of its affiliates may enter into interest rate swap contracts from time to time to increase or decrease variable rate debt exposure, to achieve a targeted mix of fixed and floating rate indebtedness and for other purposes.

At March 31, 2021, SJHS was party to seven interest rate swap agreements with a current notional amount totaling approximately \$418 million and with varying expiration dates. The swap agreements require SJHS to make fixed rate payments in exchange for variable rate payments made by the counterparties. SJHS’s payment obligations under such swap agreements are secured by Obligations issued under the Master Indenture.

Below is a summary of those swap agreements, including the fair value of the swaps as of March 31, 2021. Fair values are based on independent valuations obtained and are determined by calculating the value of the discounted cash flows of the differences between the fixed interest rate of the interest rate swaps and the counterparty’s forward London Interbank Offered Rate curve, which is the input used in the valuation, also taking into account any nonperformance risk. Changes in the fair value of the interest rate swaps are included within non-operating gains and losses. See also the discussion under “Other Information - Interest Rate Swap Agreements” and Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

DESCRIPTION	NOTIONAL	TERM	COUNTERPARTY	RECEIVE	PAY	FAIR VALUE
Fixed Payor	\$6,900,000	Jul-21	Morgan Stanley	68% of 3 Month LIBOR	3.305%	(\$55,000)
Fixed Payor	\$170,635,000	Jul-47	MUFG Union	68% of 3 Month LIBOR	3.529%	(\$53,227,000)
Fixed Payor	\$45,305,000	Jul-47	Wells Fargo	68% of 3 Month LIBOR	3.520%	(\$13,900,000)
Fixed Payor	\$62,800,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(\$12,646,000)
Fixed Payor	\$62,850,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(\$12,633,000)
Fixed Payor	\$69,390,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(\$13,976,000)

Entering into derivative agreements including those described above creates a variety of risks to the System. Pursuant to certain of these agreements, both SJHS and the counterparty are required to deliver collateral in certain circumstances in order to secure their respective obligations under the agreements. As of March 31, 2021, SJHS posted collateral in the amount of approximately \$10,393,000. The amount of collateral delivered by SJHS over the term of the agreements could increase or decrease based upon SJHS’ credit ratings and movements of United States dollar swap rates and could be substantial. Under certain circumstances, the derivative agreements are subject to termination prior to their scheduled termination date and prior to the maturity of the related revenue bonds. Payments due upon early termination may be substantial. In the event of an early termination of an agreement, there can be no assurance that (i) SJHS or any other Obligated Group Member will receive any termination payment payable to it by the provider, (ii) SJHS or any other Obligated Group Member will have sufficient amounts to pay a termination payment

payable by it to the provider, or (iii) SJHS or the other Obligated Group Members will be able to obtain a replacement agreement with comparable terms. For financial reporting purposes, the System has generally not treated its swap agreements as effective hedges against the interest cost of underlying debt. To the extent that swaps are not treated as effective hedges, the System must recognize any changes in the fair market value of the swaps agreements and the related debt as non-operating gains or losses. See Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

Litigation

Certain material litigation may result in an adverse outcome to the Obligated Group. Obligated Group Members are involved in litigation and regulatory investigations arising in the course of doing business. After consultation with legal counsel, except as described below, management estimates that these matters will be resolved without material adverse effect on the Obligated Group's future consolidated financial position or results of operations.

In 2019, the U.S. Department of Justice served Swedish Health Services with a Civil Investigative Demand requesting documents pertaining to certain arrangements and joint ventures and physician organizations. Swedish is cooperating with the Department and compiling the responsive documents.

Several civil actions are pending or threatened against certain affiliates, including Obligated Group Members, alleging medical malpractice. In the opinion of management of Providence, based upon the advice of legal counsel and risk management personnel, the currently estimated costs and related expenses of defense will be within applicable insurance limits or will not materially adversely affect the financial condition or operations of the System.

In early May 2020, Hoag Family Foundation and APM, two of the three corporate members of Hoag Hospital, filed a complaint under a California Corporations Code statute seeking to involuntarily dissolve CHN, the third corporate member. The complaint seeks to remove Hoag Hospital as an Obligated Group Member through this involuntary dissolution claim. There has been no allegation that the Affiliation Agreement creating CHN has been breached, and there is no provision in the agreement for its termination or dissolution. The System believes that the complaint is without merit and believes the legal process will vindicate this position. Hoag accounts for less than 6 percent of the Obligated Group's unaudited total operating revenues for the three months ended March 31, 2021 and less than 7 percent of the System's unaudited total operating revenues for the three months ended March 31, 2021.

Employees

As of March 31, 2021, the System included approximately 121,000 employed caregivers (excluding Hoag), representing 104,061 FTEs. Of the total employees in the System, approximately 32 percent are represented by 19 different labor unions.

Providence management strives to provide market-competitive salaries and benefits to all employees in all markets. Management of Providence believes the salary levels and benefits packages for its employees are competitive in all the respective markets. At the same time, management understands that the health care industry is rapidly evolving. The leadership of each of the separate employers within the System is working to ensure the compensation and benefits are modern and reflect competitive market practices. This will require continued negotiations at the various employers within the System throughout 2021. In the past two years, the System has experienced strikes at different facilities, as a result of contract negotiations. In each situation, the facility operated with qualified replacement employees and experienced limited disruption to hospital operations or patient service. Management is also aware of ongoing organizing efforts by labor unions within the health care industry, including in markets where the separate employers within the System operate.

The separate employers across the System have implemented new programs and procedures for all employees, including temporary supplemental pay programs, accelerated hiring processes and procedures that support employee redeployment to ensure continued patient care during the COVID-19 pandemic, and will revisit as appropriate. In December, after the Pfizer and Moderna COVID-19 vaccines received emergency use authorization from the FDA, Providence began a campaign to vaccinate its caregivers.

Providence also rolled out pay programs to support caregivers who must receive their vaccine dose(s) on their days off and those who experience adverse vaccine side effects which keep them from work.

In 2020, Providence management established a social responsibility platform that includes a stronger commitment to diversity, equity, and inclusion, and has begun accelerating this important work. We updated our Integrated Strategic & Financial Plan to more clearly express our commitment to address racial disparities in health care and the social determinants of health.

Community Benefit

Our community benefit program is a vital part of our vision. It includes free or low-cost care (charity care) and the costs of uncompensated care for Medicaid and other government-funded programs, along with proactive investments such as subsidized health services, education, and community health improvement. Each year, we take a holistic approach to community building by identifying unmet needs and responding with tailored community benefit investments designed to improve health and well-being.

Building on our commitment to care for those who are poor and vulnerable, we have invested \$400 million in community benefit in the three months ended March 31, 2021, compared with \$450 million in the same period in 2020. Because more of our patients covered by Medicaid who needed higher acuity and more complex care in the first quarter of 2021, our unpaid costs of Medicaid totaled \$270 million for the three months ended March 31, 2021, compared with \$281 million for the same period in 2020.

Insurance

Providence has developed insurance programs that provide coverage for various insurable risks. The program uses benchmarking and insurance analytics to guide its decisions regarding both the type of coverage it purchases and the limits of that insurance. The analytics use claims and historical data to estimate the cost and likelihood of certain events occurring such as an earthquake. The premium for an additional limit can then be compared to the probability of the event to pinpoint when the purchase of an additional insurance limit no longer provides a value to the System. The insurance team and brokers negotiate all types of insurance to obtain the most favorable terms of coverage possible. Insurers must have an A rating or better from A.M. Best to be on the System program. Management meets with its key underwriters at least once a year to obtain updates on any changes in business strategy or capacity. Providence currently self-insures a portion of its professional and general liability. Such claims are paid either through a trust arrangement or captive insurance company funded to a 75 percent confidence level based on projections from outside independent actuaries. The major lines of insurance that are renewed yearly include property, directors and officers, employment practices, auto, fiduciary, cyber liability/information security, workers' compensation, crime, and reinsurance for professional and general liability.

Accreditation and Memberships

The System's acute care hospital facilities are appropriately licensed by applicable state licensing agencies, certified for Medicare and Medicaid/Medi-Cal reimbursement, and (except Covenant Levelland, Providence Seward Medical Center, and Providence Valdez Medical Center) accredited by The Joint Commission. The System's five hospitals operated by Swedish Health Services are accredited by DNV. Each long-term care facility or unit is licensed by applicable state licensing agencies and is appropriately certified for Medicare and Medicaid/Medi-Cal reimbursement.

Glossary of Terms

Credit Group: Obligated Group Members, Designated Affiliates, and Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.

Obligated Group or Obligated Group Members: Obligated Group Members under the Master Indenture and currently:

Providence	St. Joseph Orange
PH&S	St. Jude
Providence - Washington	Mission Hospital
Providence - Southern California	St. Mary
LCMASC	Hoag Hospital
Providence - Saint John's	SJHNC
Providence - SJMC Montana	Queen of the Valley
Providence - Montana	Santa Rosa Memorial
Providence - Oregon	St. Joseph Eureka
Providence - Western Washington	Redwood Memorial
Swedish	CHS
Swedish Edmonds	CMC
PacMed	Covenant Children's
Western HealthConnect	Covenant Levelland
Kadlec	Covenant Plainview
SJHS	

Designated Affiliates: Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.

Limited Credit Group Participants: Limited Credit Group Participants under the Master Indenture. There are currently no Limited Credit Group Participants.

Unlimited Credit Group Participants: Unlimited Credit Group Participants under the Master Indenture. There are currently no Unlimited Credit Group Participants.

CHS: Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.

CMC: Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.

Covenant Children's: Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.

Covenant Levelland: Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Lovelland Hospital.

Covenant Plainview: Methodist Hospital Plainview, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.

Hoag Hospital: Hoag Memorial Hospital Presbyterian, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Kadlec: Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.

LCMASC: Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Mission Hospital: Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.

PacMed: PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.

PH&S: Providence Health & Services, a Washington nonprofit corporation and currently an Obligated Group Member.

<i>Providence - Montana:</i>	Providence Health & Services - Montana, a Montana nonprofit corporation and currently an Obligated Group Member.
<i>Providence - Oregon:</i>	Providence Health & Services - Oregon, an Oregon nonprofit corporation and currently an Obligated Group Member.
<i>Providence - Saint John's:</i>	Providence Saint John's Health Center, a California nonprofit religious corporation and currently an Obligated Group Member.
<i>Providence - SJMC Montana:</i>	Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.
<i>Providence - Southern California:</i>	Providence Health System - Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.
<i>Providence - Washington:</i>	Providence Health & Services - Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
<i>Providence - Western Washington:</i>	Providence Health & Services - Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
<i>Providence St. Joseph Health, Providence, we, us, our:</i>	Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.
<i>Queen of the Valley:</i>	Queen of the Valley Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>Redwood Memorial:</i>	Redwood Memorial Hospital of Fortuna, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>Santa Rosa Memorial:</i>	Santa Rosa Memorial Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>SJHNC:</i>	St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.
<i>SJHS:</i>	St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>St. Joseph Eureka:</i>	St. Joseph Hospital of Eureka, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>St. Joseph Orange:</i>	St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>St. Jude:</i>	St. Jude Hospital, Inc., a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.
<i>St. Mary:</i>	St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<i>Swedish:</i>	Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.
<i>Swedish Edmonds:</i>	Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.
<i>System:</i>	Providence and all entities that are included within the combined financial statements of Providence.
<i>Western HealthConnect:</i>	Western HealthConnect, a Washington nonprofit corporation and currently an Obligated Group Member.

Exhibit 6 - Obligated Group Facilities

Exhibit 6.1 Acute Care Facilities by Region

A list of the System's acute care facilities in each region as of March 31, 2021, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Alaska	Providence Health & Services-Washington	Providence Alaska Medical Center	Anchorage	401
		Providence Kodiak Island Medical Center ⁽¹⁾	Kodiak	25
		Providence Seward Medical and Care Center ⁽²⁾	Seward	6
		Providence Valdez Medical Center ⁽²⁾	Valdez	11
		St. Elias Specialty Hospital ⁽⁹⁾	Anchorage	56
Swedish	Swedish Edmonds	Swedish Edmonds ⁽¹⁾ Swedish Medical Center Campuses ⁽³⁾ :	Edmonds	217
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
		Swedish First Hill	Seattle	697
Washington and Montana	Providence Health & Services-Washington	Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	571
		Providence St. Peter Hospital ⁽⁴⁾	Olympia	372
	Providence Health & Services-Washington	Providence St. Joseph's Hospital	Chewelah	65
		Providence Mount Carmel Hospital	Colville	55
		Providence Sacred Heart Medical Center and Children's Hospital	Spokane	691
		Providence Holy Family Hospital	Spokane	197
		Providence St. Mary Medical Center	Walla Walla	142
	Kadlec Regional Medical Center	Kadlec Regional Medical Center	Richland	337
	Providence Health & Services-Montana Providence St. Joseph Medical Center	St. Patrick Hospital	Missoula (MT)	253
		Providence St. Joseph Medical Center	Polson (MT)	22
Oregon	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	168
		Providence Milwaukie Hospital	Milwaukie	77
		Providence Newberg Medical Center	Newberg	40
		Providence Willamette Falls Medical Center	Oregon City	143
		Providence St. Vincent Medical Center	Portland	539
		Providence Portland Medical Center	Portland	483
		Providence Seaside Hospital ⁽¹⁾	Seaside	25

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Northern California				
	St. Joseph Health Northern California, LLC.	St. Joseph Hospital	Eureka	153
		Redwood Memorial Hospital	Fortuna	35
		Queen of the Valley Medical Center	Napa	200
		Santa Rosa Memorial Hospital	Santa Rosa	298
		Petaluma Valley Hospital ⁽²⁾	Petaluma	80
		Healdsburg District Hospital ⁽⁹⁾	Healdsburg	43
Southern California				
	Providence Health System-Southern California	Providence St. Joseph Medical Center	Burbank	392
		Providence Holy Cross Medical Center	Mission Hills	329
		Providence Little Company of Mary Medical Center San Pedro	San Pedro	183
		Providence Tarzana Medical Center ⁽²⁾	Tarzana	249
		Providence Little Company of Mary Medical Center Torrance	Torrance	327
		Providence Saint John's Health Center	Santa Monica	266
	St. Mary Medical Center St. Jude Medical Hospital, Inc.	St. Mary Medical Center	Apple Valley	213
		St. Jude Medical Center	Fullerton	320
		Mission Hospital Regional Medical Center Campuses ⁽⁵⁾ :		504
	Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center	Mission Viejo	
		Mission Hospital Laguna Beach	Laguna Beach	
		Hoag Memorial Hospital Presbyterian Campuses ⁽⁶⁾ :		530
	Hoag Memorial Hospital Presbyterian	Hoag Memorial Hospital Presbyterian	Newport Beach	
		Hoag Hospital Irvine	Irvine	
	St. Joseph Hospital of Orange	St. Joseph Hospital of Orange ⁽⁷⁾	Orange	463
Texas and New Mexico				
	Methodist Hospital Levelland	Covenant Hospital Levelland ⁽⁸⁾	Levelland	48
	Covenant Health System	CHS Campuses:		381
		Covenant Medical Center	Lubbock	
		Covenant Medical Center - Lakeside	Lubbock	
		Grace Surgical Hospital ⁽⁹⁾	Lubbock	32
		Hobbs Hospital ⁽⁹⁾	Hobbs (NM)	118
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	275
	Methodist Hospital Plainview	Covenant Hospital Plainview ⁽⁸⁾	Plainview	68
TOTAL				11,910

* Includes all acute care licensure categories except for normal newborn bassinets and partial hospitalization psychiatric beds

⁽¹⁾ Leased by an obligated group member

⁽²⁾ Managed by an obligated group member, however not a member of the obligated group

⁽³⁾ Four campuses with three licenses

⁽⁴⁾ Includes a 50-bed chemical dependency center

⁽⁵⁾ Two campuses on one license, including 36 acute care psychiatric beds in Laguna Beach

⁽⁶⁾ Two campuses on one license

⁽⁷⁾ Includes 37 acute care psychiatric beds

⁽⁸⁾ Leased facility and obligated group member

⁽⁹⁾ Consolidated and not an obligated group member

Exhibit 6.2
Long-Term Care Facilities by Region

The System's principal owned or leased long-term care facilities as of March 31, 2021, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Long-Term Care Beds
Alaska				
	Providence Health & Services-Washington	Providence Kodiak Island Medical Center ⁽¹⁾	Kodiak	22
		Providence Seward Medical and Care Center ⁽¹⁾	Seward	40
		Providence Valdez Medical Center ⁽²⁾	Valdez	10
		Providence Extended Care	Anchorage	96
		Providence Transitional Care Center	Anchorage	50
Washington and Montana				
	Providence Health & Services-Washington	Providence Marionwood	Issaquah	117
		Providence Mother Joseph Care Center	Olympia	152
		Providence Mount St. Vincent	Seattle	215
	Providence Health & Services-Washington	Providence St. Joseph Care Center	Spokane	113
Oregon				
	Providence Health & Services-Oregon	Providence Benedictine Nursing Center	Mt. Angel	98
		Providence Child Center	Portland	58
Northern California				
	St. Joseph Health Northern California, LLC.	Santa Rosa Memorial Hospital	Santa Rosa	31
Southern California				
	Providence Health System-Southern California	Providence Holy Cross Medical Center	Mission Hills	48
		Providence Little Company of Mary Subacute Care Center San Pedro	San Pedro	125
		Providence Little Company of Mary Transitional Care Center	Torrance	115
		Providence St. Elizabeth Care Center	North Hollywood	52
Texas				
	Covenant Health System	Covenant Long-term Acute Care ⁽²⁾	Lubbock	56
TOTAL				1,398

⁽¹⁾ Lease by an obligated group member

⁽²⁾ Managed or owned by an obligated group member, however not a member of the obligated group

Exhibit 7 - Supplementary Information

[ATTACHED]



EXHIBIT 7.1 - SUMMARY UNAUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended March 31, 2021 (in 000's of dollars)		Ended March 31, 2020 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
<u>Operating Revenues:</u>				
Net Patient Service Revenues	\$ 4,933,559	4,582,149	4,981,282	4,741,280
Premium Revenues	567,037	74,925	585,752	62,246
Capitation Revenues	454,358	206,713	415,789	183,810
Other Revenues	488,222	317,222	358,842	286,262
Total Operating Revenues	6,443,176	5,181,009	6,341,665	5,273,598
<u>Operating Expenses:</u>				
Salaries and Benefits	3,356,949	2,897,393	3,205,548	2,840,593
Supplies	970,329	887,616	947,925	885,855
Purchased Healthcare Services	506,658	116,686	528,067	99,220
Interest, Depreciation, and Amortization	339,700	305,596	335,400	312,308
Purchased Services, Professional Fees, and Other	1,491,458	1,067,753	1,600,936	1,241,938
Total Operating Expenses	6,665,094	5,275,044	6,617,876	5,379,914
Deficit of Revenues Over Expenses From Operations	(221,918)	(94,035)	(276,211)	(106,316)
Total Net Non-Operating (Losses) Gains	306,543	284,491	(836,501)	(738,275)
Excess (Deficit) of Revenues Over Expenses	\$ 84,625	190,456	(1,112,712)	(844,591)

EXHIBIT 7.2 - SUMMARY UNAUDITED AND AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended March 31, 2021 (in 000's of dollars)		Ended December 31, 2020 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by Operating Activities	\$ (116,543)	47,823	3,148,727	3,525,593
Net Cash Used in Investing Activities	(1,090,745)	(1,096,185)	(1,741,794)	(1,129,877)
Net Cash Provided by (Used in) Financing Activities	(179,269)	(408,495)	507,062	(748,447)
Increase (Decrease) in Cash and Cash Equivalents	(1,386,557)	(1,456,857)	1,913,995	1,647,269
Cash and Cash Equivalents, Beginning of Period	3,230,204	2,280,747	1,316,209	633,478
Cash and Cash Equivalents, End of Period	\$ 1,843,647	823,890	3,230,204	2,280,747

EXHIBIT 7.3 - SUMMARY UNAUDITED NET PATIENT SERVICE REVENUE PAYOR MIX

	Ended March 31, 2021 (in 000's of dollars)		Ended March 31, 2020 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	48%	47%	47%	46%
Medicare	33%	34%	30%	31%
Medicaid	15%	16%	19%	20%
Self-pay and Other	4%	3%	4%	3%



EXHIBIT 7.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS

	As of March 31, 2021		As of December 31, 2020	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	\$ 1,843,647	823,890	3,230,204	2,280,747
Accounts Receivable, Net	2,690,792	2,464,046	2,365,360	2,183,641
Supplies Inventory	379,646	360,403	361,272	343,909
Other Current Assets	1,628,481	1,499,617	1,479,535	1,283,925
Current Portion of Assets Whose Use is Limited	1,952,499	1,608,244	1,227,531	885,284
Total Current Assets	8,495,065	6,756,200	8,663,902	6,977,506
Assets Whose Use is Limited	11,918,534	8,717,672	11,505,848	8,308,067
Property, Plant, and Equipment, Net	11,080,449	9,864,566	11,033,440	9,866,197
Other Assets	3,365,504	3,652,890	3,451,231	3,687,795
Total Assets	\$ 34,859,552	28,991,328	34,654,421	28,839,565
Current Liabilities:				
Current Portion of Long-Term Debt	\$ 124,972	109,927	127,107	110,353
Master Trust Debt Classified as Short-Term	683,860	683,860	933,860	933,860
Accounts Payable	1,235,772	1,057,823	1,155,330	978,443
Accrued Compensation	1,633,283	1,491,047	1,452,606	1,321,568
Other Current Liabilities	3,344,484	2,446,202	3,020,050	2,106,505
Total Current Liabilities	7,022,371	5,788,859	6,688,953	5,450,729
Long-Term Debt, Net of Current Portion	6,043,301	5,738,532	6,061,327	5,698,916
Pension Benefit Obligation	1,186,842	1,187,222	1,202,762	1,202,862
Other Liabilities	3,690,504	2,505,203	3,985,353	2,739,486
Total Liabilities	17,943,018	15,219,816	17,938,395	15,091,993
Net Assets:				
Controlling Interests	14,995,432	12,742,214	14,857,133	12,741,287
Noncontrolling Interests	311,597	(533)	308,509	(533)
Net Assets Without Donor Restrictions	15,307,029	12,741,681	15,165,642	12,740,754
Net Assets With Donor Restrictions	1,609,505	1,029,831	1,550,384	1,006,818
Total Net Assets	16,916,534	13,771,512	16,716,026	13,747,572
Total Liabilities and Net Assets	\$ 34,859,552	28,991,328	34,654,421	28,839,565



EXHIBIT 7.5 - KEY PERFORMANCE METRICS

	Ended March 31, 2021		Ended March 31, 2020	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	110,113	105,267	118,410	116,362
Acute Patient Days	626,356	600,972	606,619	594,603
Acute Outpatient Visits	3,123,836	2,914,743	3,137,322	2,968,921
Primary Care Visits	3,234,826	2,044,277	3,101,580	1,910,862
Inpatient Surgeries	45,707	43,867	49,400	48,274
Outpatient Surgeries	103,316	75,704	104,571	75,850
Long-Term Care Admissions	1,142	1,047	1,802	1,700
Long-Term Care Patient Days	77,998	74,097	96,403	93,846
Long-Term Care Average Daily Census	235	191	230	202
Home Health Visits	290,841	191,193	294,538	188,705
Hospice Days	277,969	165,168	259,597	148,233
Housing and Assisted Living Days	106,960	46,917	153,729	58,912
Health Plan Members	751,958	n/a	698,466	n/a
Acute Average Daily Census	6,960	6,677	6,666	6,534
Acute Licensed Beds	11,963	11,315	12,020	11,688
FTEs	104,061	90,406	105,859	94,642



EXHIBIT 7.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended March 31, 2021								
	(in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
<u>Operating Revenues:</u>									
Net Patient Service Revenues	\$ 211,055	605,075	1,149,389	575,905	344,782	1,535,311	282,220	229,822	4,933,559
Premium Revenues	-	-	-	499,834	-	-	-	67,203	567,037
Capitation Revenues	-	-	43,886	8,672	21,906	378,561	-	1,333	454,358
Other Revenues	18,448	37,635	56,393	87,426	12,217	107,472	18,897	149,734	488,222
Total Operating Revenues	229,503	642,710	1,249,668	1,171,837	378,905	2,021,344	301,117	448,092	6,443,176
<u>Operating Expenses:</u>									
Salaries and Benefits	93,477	331,284	585,179	421,156	150,687	767,459	122,713	884,994	3,356,949
Supplies	30,318	105,524	205,726	112,759	55,477	284,095	57,610	118,820	970,329
Purchased Healthcare Services	2,000.00	310	24,434	279,864	12,788	157,854	-	31,406	506,658
Interest, Depreciation, and Amortization	14,252	33,684	41,737	28,267	16,150	90,875	19,454	95,281	339,700
Purchased Services, Professional Fees, and Other	75,759	225,427	417,273	313,820	148,436	816,214	101,442	(606,913)	1,491,458
Total Operating Expenses	213,808	696,229	1,274,349	1,155,866	383,538	2,116,497	301,219	523,588	6,665,094
(Deficit) Excess of Revenues Over Expenses From Operations	15,695	(53,519)	(24,681)	15,971	(4,633)	(95,153)	(102)	(75,496)	(221,918)
Total Net Non-Operating Losses	15,851	13,531	17,655	26,425	7,346	109,323	4,323	112,089	306,543
Excess (Deficit) of Revenues Over Expenses	\$ 31,546	(39,988)	(7,026)	42,396	2,713	14,170	4,221	36,593	84,625



EXHIBIT 7.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION

	As of March 31, 2021								
	(in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Current Assets:									
Cash and Cash Equivalents	\$ 512,863	37,232	285,570	1,312,734	83,131	(606,284)	283,765	(65,364)	1,843,647
Accounts Receivable, Net	150,721	344,996	575,531	244,533	162,745	901,589	188,152	122,525	2,690,792
Supplies Inventory	15,295	44,996	63,180	48,640	23,802	88,759	20,274	74,700	379,646
Other Current Assets	20,948	45,229	118,896	193,352	173,008	695,310	(9,115)	390,853	1,628,481
Current Portion of Assets Whose Use is Limited	69,978	79,975	39,987	99,968	90,213	680,828	-	891,550	1,952,499
Total Current Assets	769,805	552,428	1,083,164	1,899,227	532,899	1,760,202	483,076	1,414,264	8,495,065
Assets Whose Use is Limited	1,102,177	680,053	1,064,564	2,466,640	483,240	3,406,797	292,710	2,422,353	11,918,534
Property, Plant, and Equipment, Net	436,342	1,230,458	1,559,130	1,014,973	752,391	3,955,552	733,077	1,398,526	11,080,449
Other Assets	64,705	394,302	316,463	142,127	26,940	1,224,627	107,458	1,088,882	3,365,504
Total Assets	\$ 2,373,029	2,857,241	4,023,321	5,522,967	1,795,470	10,347,178	1,616,321	6,324,025	34,859,552
Current Liabilities:									
Current Portion of Long-Term Debt	1,937	16,096	810	(1,244)	42,524	55,354	9,290	205	124,972
Master Trust Debt Classified as Short-Term	-	-	-	-	-	85,397	-	598,463	683,860
Accounts Payable	27,464	93,615	137,857	76,337	44,809	387,785	34,871	433,034	1,235,772
Accrued Compensation	48,073	132,239	238,710	202,050	58,285	402,927	66,712	484,287	1,633,283
Other Current Liabilities	72,924	171,500	518,959	565,363	190,742	932,494	132,784	759,718	3,344,484
Total Current Liabilities	150,398	413,450	896,336	842,506	336,360	1,863,957	243,657	2,275,707	7,022,371
Long-Term Debt, Net of Current Portion	266,827	993,107	1,105,530	132,766	302,611	1,966,589	469,277	806,594	6,043,301
Pension Benefit Obligation	-	412,571	-	8,927	-	-	-	765,344	1,186,842
Other Liabilities	85,639	408,658	332,841	232,001	119,389	848,256	122,340	1,541,380	3,690,504
Total Liabilities	\$ 502,864	2,227,786	2,334,707	1,216,200	758,360	4,678,802	835,274	5,389,025	17,943,018
Net Assets:									
Controlling Interests	1,839,490	508,550	1,607,432	4,043,316	959,747	4,497,252	717,423	822,222	14,995,432
Noncontrolling Interests	3,681	3,079	-	1,206	-	258,336	19,721	25,574	311,597
Net Assets Without Donor Restrictions	1,843,171	511,629	1,607,432	4,044,522	959,747	4,755,588	737,144	847,796	15,307,029
Net Assets With Donor Restrictions	26,994	117,826	81,182	262,245	77,363	912,788	43,903	87,204	1,609,505
Total Net Assets	1,870,165	629,455	1,688,614	4,306,767	1,037,110	5,668,376	781,047	935,000	16,916,534
Total Liabilities and Net Assets	\$ 2,373,029	2,857,241	4,023,321	5,522,967	1,795,470	10,347,178	1,616,321	6,324,025	34,859,552



EXHIBIT 7.8 - KEY PERFORMANCE METRICS BY REGION

	Ended March 31, 2021							
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	3,803	11,740	28,898	13,617	6,378	40,035	5,642	110,113
Acute Patient Days	29,957	68,392	167,825	77,772	36,995	212,143	33,272	626,356
Acute Outpatient Visits	114,925	225,489	786,955	869,034	186,880	759,284	179,630	3,123,836
Primary Care Visits	30,013	409,414	916,884	546,542	186,467	859,348	133,270	3,234,826
Inpatient Surgeries	2,083	6,015	13,207	6,274	1,740	14,861	1,527	45,707
Outpatient Surgeries	2,874	13,664	25,990	29,785	4,171	20,746	4,447	103,316
Long-Term Care Admissions	52	n/a	n/a	10	n/a	395	94	1,142
Long-Term Care Patient Days	12,387	n/a	n/a	2,656	n/a	17,312	2,458	77,998
Long-Term Care Average Daily Census	111	n/a	n/a	30	n/a	n/a	27	235
Home Health Visits	3,850	n/a	1,287	n/a	-	n/a	n/a	290,841
Hospice Days	6,177	n/a	n/a	n/a	-	179	16,355	277,969
Housing and Assisted Living Days	6,673	n/a	2,430	7,706	n/a	n/a	n/a	106,960
Health Plan Members	n/a	n/a	n/a	751,958	n/a	n/a	n/a	751,958
Average Daily Census	333	760	1,865	864	411	2,357	370	6,960
Acute Licensed Beds	482	1,571	2,833	1,500	809	3,846	922	11,963
FTEs	3,656	10,271	20,995	15,114	4,643	25,789	5,438	104,061