

# MaineHealth

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**MAINEHEALTH SYSTEM**  
**(MaineHealth Services and Subsidiaries)**

Annual Disclosure Report

*For the Year Ended September 30, 2020*

**DATED: March 17, 2021**

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# MaineHealth

## MAINEHEALTH SYSTEM (MaineHealth Services and Subsidiaries)

Annual Disclosure Report

*For the Year Ended September 30, 2020*

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MaineHealth System  
(MaineHealth Services and Subsidiaries)  
Fiscal Year 2020  
Financial Results

**Important Notification**

Effective November 21, 2019, the name of the parent organization and sole corporate member of MaineHealth system, Maine Healthcare, was changed to MaineHealth Services. We refer to the overall system as MaineHealth in public communications and to maintain consistency of presentation with prior disclosures, we are describing this presentation as a presentation of and by MaineHealth. Although the former member Maine hospitals have been merged into a single legal entity, we continue to refer to these hospitals using their former legal names as a d/b/a.

Effective March 1, 2020, Mid Coast-Parkview Health (“MCPH”) and its subsidiary companies, including Mid Coast Hospital, became part of the MaineHealth system through a transaction by which MaineHealth Services became the sole corporate member of Mid Coast-Parkview Health. A second transaction occurred on January 1, 2021, in which Mid Coast Hospital merged into MaineHealth. The remaining MCPH subsidiaries, Community Health and Nursing Services (CHANS), Mid Coast Geriatric Services Corporation (MCGSC), Mid Coast Medical Group, Thornton Oaks Development Corp. and Mid Coast Health Management Corporation operate as subsidiaries of MaineHealth.

**Introduction**

The following summary consolidated balance sheets of MaineHealth Services and Subsidiaries as of September 30, 2020 and September 30, 2019 and the summary consolidated statements of operations for the years then ended were derived from the audited consolidated financial statements of MaineHealth Services and Subsidiaries.

**Consolidated Statement of Operations**

For the year ended September 30, 2020, MaineHealth reporting an operating loss of \$20.2 million or a (0.7%) operating margin. The loss from operations was due to the cancellation of elective patient activity for both inpatient and ambulatory sites of service as a result of the state and national response to the COVID-19 pandemic. The loss of revenues resulting from the pandemic was partially offset by the recognition of \$134.8 million in State and Federal COVID-19 relief funds.

The resumption of certain elective surgical cases and time-sensitive provider visits and procedures began at MaineHealth hospitals in early May. Visit and procedural volumes steadily increased through the summer of 2020 with gross patient service revenue returning to pre-COVID levels in the month of September.

When comparing the year ended September 30, 2020 to the year ended September 30, 2019, total unrestricted revenues and other support increased by \$167.5 million or 6.2%. The increase reflects seven months, \$117.7 million, of revenues resulting from the acquisition of Mid Coast-Parkview Health.

When comparing the year ended September 30, 2020 to the year ended September 30, 2019, the combined expenses of the System increased by \$270.6 million or 10.3%. The increase of \$270.6 million can be attributed to MMC's increase in expenses of \$118.9 million and \$135.2 million due to the addition of Mid Coast-Parkview Health in March of 2020. The increase in MMC's expenses was a result of increases in employee compensation rates and unplanned COVID-19 related contract labor and lab testing fees. A System-wide increase in depreciation expense of \$18.6 million was primarily attributable to depreciation related to the building expansion at MMC.

The loss from operations for the year ended September 30, 2020 of \$20.2 million was \$103.1 million less than the income from operations reported for the prior year. The decrease of \$103.1 million can be attributed to the loss of revenue due to the pandemic and additional expenses incurred in response to the pandemic.

### Consolidated Balance Sheet

When combined, cash and cash equivalents, investments, board designated and plant replacement fund balances at September 30, 2020 of \$1.6 billion increased by \$425.2 million or 37.6% from September 30, 2019 balances of \$1.1 billion. This increase was primarily related to additional assets of \$115.7 million from the acquisition of Mid Coast-Parkview Health, \$243.7 million in CMS Accelerated and Advanced Payments and related investment returns.

Other current liabilities of \$492.5 million at September 30, 2020 increased by \$153.0 million or 45.1% over September 30, 2019 balances of \$339.5 million. The acquisition of Mid Coast-Parkview Health represented \$30.3 million of the increase. Current portions of the CMS Accelerated and Advanced Payments of \$60.9 million also contributed to this increase. In addition, accrued earned time increased by \$23.3 million. Finally, MaineHealth adopted ASC 842 Lease Accounting at the start of the fiscal year, which increased other current liabilities by \$21.1 million.

Long-term liabilities of \$1.7 billion at September 30, 2020 increased by \$628.0 million over September 30, 2019 balances of \$1.1 billion. In July 2020, MaineHealth issued new debt in the form of \$212.7 million in tax-exempt bonds before original issue premium of \$39.5 million to support the construction of the Congress Tower on Maine Medical Center's Bramhall campus and renovations to Southern Maine Health Care's inpatient behavioral health unit in Sanford, Maine. The balance also increased by \$182.8 million from amounts received through the CMS Accelerated and Advanced Payment Program. In addition, MaineHealth adopted ASC 842 Lease Accounting at the start of the fiscal year, which increased other long-term liabilities by \$157.6 million. Finally, the acquisition of Mid Coast-Parkview Health represented \$72.5 million of the increase.

**MaineHealth System**  
**(MaineHealth Services and Subsidiaries)**  
**Summary Consolidated Balance Sheets**  
**September 30, 2019 and 2020**  
**(thousands)**

<b>Assets</b>	<u><b>2019</b></u>	<u><b>2020</b></u>
Current assets:		
Cash and cash equivalents	\$ 292,618	\$ 547,872
Investments	781,005	868,416
Patient accounts receivable – net	259,807	286,156
Other current assets	<u>169,823</u>	<u>376,584</u>
Total current assets	<u>1,503,253</u>	<u>2,079,028</u>
Investments whose use is limited		
Board designated & plant replacement funds	57,570	140,099
Other	<u>258,606</u>	<u>308,600</u>
Total investments whose use is limited	316,176	448,699
Property, plant, and equipment – net	1,250,506	1,396,118
Other assets	<u>131,866</u>	<u>348,329</u>
Total assets	<u>\$ 3,201,801</u>	<u>\$ 4,272,174</u>
 <b>Liabilities and Net Assets</b>		
Current liabilities:		
Current portion of long-term debt	\$ 36,621	\$ 42,842
Other current liabilities	<u>339,499</u>	<u>492,544</u>
Total current liabilities	376,120	535,386
Accrued retirement benefits	398,266	411,113
Long-term debt – less current portion	567,287	797,595
Other liabilities	<u>94,625</u>	<u>479,455</u>
Total liabilities	<u>1,436,298</u>	<u>2,223,549</u>
<b>Net assets:</b>		
Net assets without donor restrictions	1,542,445	1,774,871
Net assets with donor restrictions	<u>223,058</u>	<u>273,754</u>
Total net assets	<u>1,765,503</u>	<u>2,048,625</u>
 <b>Total</b>	 <u>\$ 3,201,801</u>	 <u>\$ 4,272,174</u>

**MaineHealth System**  
**(MaineHealth Services and Subsidiaries)**  
**Summary Consolidated Statements of Operations**  
**For the Years Ended September 30, 2019 and 2020**  
**(thousands)**

	<u>2019</u>	<u>2020</u>
Unrestricted revenue and other support:		
Patient service revenue	\$ 2,465,108	\$ 2,474,304
Other revenue	252,229	410,555
Total unrestricted revenue and other support	<u>2,717,337</u>	<u>2,884,859</u>
Operating expenses:		
Salaries & employee benefits	1,653,844	1,840,205
Professional fees, purchased services & supplies	682,954	724,002
Interest	13,981	17,720
Depreciation and amortization	134,993	153,600
Other	148,742	169,564
Total operating expenses	<u>2,634,514</u>	<u>2,905,091</u>
Income (loss) from operations	<u>82,823</u>	<u>(20,232)</u>
Nonoperating gains:		
Gifts and donations – net of related expenses	1,686	2,860
Other	34,608	63,566
Contribution of net assets from acquired entity	-	157,646
Total nonoperating gains – net	<u>36,294</u>	<u>224,072</u>
Excess of revenue and nonoperating gains – net over expenses	119,117	203,840
Retirement benefit plan adjustments	(132,636)	17,092
Net assets released for property, plant and equipment	9,834	11,494
Increase in unrestricted net assets	<u>\$ (3,685)</u>	<u>\$ 232,426</u>

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Entity	In \$000s				% of MaineHealth Consolidated			
	Assets	Unr. Net Assets	Revenues	Operating Income (Loss)	Assets	Unr. Net Assets	Revenues	Operating Income (Loss)
MaineHealth Services	514,487	54,623	31,123	(2,174)	12.0%	3.1%	1.1%	10.7%
MaineHealth	3,899,949	1,401,103	2,716,224	105,693	91.3%	78.9%	94.2%	-522.4%
Coves Edge	9,930	(6,653)	12,019	(478)	0.2%	-0.4%	0.4%	2.4%
Quarry Hill	15,823	345	11,544	(558)	0.4%	0.0%	0.4%	2.8%
Subtotal Designated Affiliates	4,440,189	1,449,418	2,770,909	102,484	103.9%	81.7%	96.1%	-506.5%
MaineHealth - Non-designated	35,498	35,674	172,598	(114,609)	0.8%	2.0%	6.0%	566.5%
Mid Coast-Parkview Health	286,936	152,009	117,725	(17,521)	6.7%	8.6%	4.1%	86.6%
NorDX	62,155	48,924	86,919	11,082	1.5%	2.8%	3.0%	-54.8%
MaineHealth Care at Home	13,871	4,840	31,130	(2,256)	0.3%	0.3%	1.1%	11.2%
The Memorial Hospital	112,379	56,801	80,040	199	2.6%	3.2%	2.8%	-1.0%
Other	17,639	7,321	12,712	1,353	0.4%	0.4%	0.4%	-6.7%
Subtotal Non-Designated Affiliates	528,478	305,569	501,124	(121,752)	12.4%	17.2%	17.4%	601.8%
Eliminations	(696,493)	19,884	(387,175)	(964)	-16.3%	1.1%	-13.4%	4.8%
Total	4,272,174	1,774,871	2,884,859	(20,232)	100.0%	100.0%	100.0%	100.0%

### Indebtedness and Guarantees of System

MaineHealth Services and the other System members had the following outstanding indebtedness and guarantee obligations as of September 30, 2020:

MaineHealth Services (Parent) Bonded Debt. Notes payable related to bonds issued through FAME in the amount of \$105,297,000, which obligations are each supported by a separate SeHR system funding agreement and by a parity pledge of MaineHealth Services and MaineHealth (formerly Maine Medical Center) gross revenues.

Bonded Subsidiary Debt. Notes payable related to bonds issued under Maine Health and Higher Educational Facilities Authority's (MHHEFA's) Reserve Fund Resolution, a New Hampshire Health and Education Facilities Authority bond and a Finance Authority of Maine (FAME) bond in the aggregate amount of \$591,597,000 maturing on various dates through 2050. MaineHealth Services has guaranteed the repayment of \$555,565,000 of such debt issued for the benefit of certain Designated Affiliates, which guarantees are supported by the Second Amended and Restated System Funding Agreement (SFA) dated January 1, 2019 and by a MaineHealth Services and MaineHealth (formerly Maine Medical Center) gross revenues pledge under the Master Trust Indenture (MTI) dated March 1, 1999 as supplemented July 1, 2018. MaineHealth's Series 2020A revenue bonds were issued in July of 2020 for \$212.7 million before original issue premium of \$39.5 million to support the construction of the Congress Tower on Maine Medical Center's Bramhall campus and renovations to Southern Maine Health Care's inpatient behavioral health unit in Sanford, Maine.

MaineHealth Line of Credit. Effective January 1, 2019, following the unification merger, all existing lines of credit for the merged subsidiaries were terminated and replaced with a single System line of credit in the amount of \$50,000,000 which expired on June 30, 2020 and renewed to expire on August 31, 2022. In May 2020, an additional System line of credit of \$100,000,000 was established which expires in May 2021. Both lines of credit are secured by a MaineHealth gross revenue pledge. There were no amounts outstanding on either line of credit as of September 30, 2020.

MaineHealth Services and Subsidiary Term Loan Debt. Various term loans totaling \$72,429,000 maturing on various dates through 2031. These term loans are secured by a variety of collateral including liens on certain MaineHealth property and/or by a parity pledge of MaineHealth Services and MaineHealth (formerly Maine Medical Center) gross revenues. In

September 2020, MaineHealth advanced the defeasement of the 2011A, 2011C and 2012A MHHEFA tax-exempt bonds with the two taxable loans payable to TD Bank. The two TD Bank loans are forward purchase agreements to be held until the MHHEFA bonds can be called, at which time MHHEFA will issue new tax exempt bonds to be purchased by TD Bank at a lower interest cost than the prior bonds. The defeasement of the 2011A and 2011C MHHEFA bonds was financed with a \$21,115,000 TD Bank loan with a forward purchase agreement date of July 1, 2021. The defeasement of the 2012A MHHEFA bonds was financed with a \$15,260,000 TD Bank loan with a forward purchase agreement date of July 1, 2022. Both TD Bank loans are secured by the Master Trust Indenture, the System Funding Agreement and MaineHealth Gross Revenue Pledge.

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Indebtedness and Guaranties of the System

(\*)

Outstanding  
as of 9/30/2020  
(\$000)

Category	Subcategories		Security
Bonded Parent Debt	SeHR I Bonds	60,045,516	Parent General Obligation <sup>(1)</sup> Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)</sup>
	SeHR II Bonds	45,251,520	Parent General Obligation <sup>(3)</sup> Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)</sup>
Bonded Subsidiary Debt	Subsidiary debt guaranteed by Parent under the Master Indenture <sup>(4)</sup>		
	MaineHealth	514,090,339	MaineHealth (formerly MMC) General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) <sup>(2)(5)</sup>
	MaineHealth (Mortgage Liens)	21,540,853	MaineHealth (formerly MMC) General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) Mortgage Lien <sup>(2)(5)</sup>
	LincolnHealth Cove's Edge	1,548,944	LincolnHealth Cove's Edge General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) <sup>(2)(5)</sup>
	Quarry Hill	6,589,300	Quarry Hill General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) Mortgage Liens <sup>(2)(5)</sup>
	Subsidiary debt guaranteed by Parent, but not under the Master Indenture		
	MaineHealth (SMHC FAME Bonds) <sup>(6)</sup>	11,795,595	MaineHealth (formerly MMC) General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) <sup>(2)(5)</sup>
	Subsidiary debt not guaranteed by Parent		
	Memorial Hospital	12,990,000	Memorial Hospital General Obligation Memorial Hospital Gross Revenue Pledge and Mortgage Memorial Foundation Guaranty
	Mid Coast Hospital	23,041,729	Mid Coast Hospital General Obligation Mid Coast Hospital Gross Revenue Pledge
Subsidiary Line of Credit Debt	MaineHealth revolving line of credit	0	\$150,000,000 revolving line of credit MaineHealth (formerly MMC) General Obligation Parent and MaineHealth (formerly known as MMC) Revenue Pledge <sup>(2)(5)</sup>
Parent Term Loan Debt	SeHR I Term Loan	4,257,936	Parent General Obligation <sup>(1)</sup> Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)</sup>
	SeHR II Term Loan	2,986,124	Parent General Obligation <sup>(3)</sup> Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)</sup>
	MaineHealth Forward Purchase Agreements - TD Bank	36,375,000	MaineHealth (formerly MMC) General Obligation Parent Guaranty (secured by Parent and MaineHealth (formerly MMC) Gross Revenue Pledge) <sup>(2)(5)</sup>
	Other Term Loans	17,573,753	Parent General Obligation Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)</sup>
Subsidiary and Other Parent Term Loan Debt	Other Term Loans/Capital Leases - Not TD Bank	17,902,910	Substantially all MaineHealth (formerly known as MMC) General Obligation Liens on certain MaineHealth merged property <sup>(7)</sup>
	Other Term Loans - TD Bank	4,814,777	Substantially all MaineHealth (formerly MMC) General Obligation Parent and MaineHealth (formerly MMC) Gross Revenue Pledge <sup>(2)(8)</sup>
<b>Total</b>		<b>780,804,296</b>	

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**2020 Notes**

(\*) For purposes of this table, all obligations, debts, guaranties or pledges of MaineHealth (parent corporation) / MaineHealth Services will be referred to as a "Parent" obligation, debt, guaranty or pledge.

(1) Parent's obligation to pay the SeHR I Bonds and SeHR I Term Loan is supported by the contractual obligation of each SeHR I Affiliate to pay its Allocable Share under the SeHR I System Funding Agreement. Post-Unification, the remaining SeHR I Affiliates are: MaineHealth (formerly MMC), MaineHealth Care at Home and NorDx.

(2) All references in this table to "Parent and MaineHealth (formerly MMC) Gross Revenue Pledge" reflect a parity pledge of those gross revenues to secure all Obligations issued under the Master Indenture, the SeHR I Bonds and SeHR I Term Loan, the SeHR II Bonds and SeHR II Term Loan, other Term Loans to Parent and a Line of Credit and other Term Loans to MaineHealth (formerly MMC) held by TD Bank, N.A.

(3) Parent's obligation to pay the SeHR II Bonds and SeHR II Term Loan is supported by the contractual obligation of each SeHR II Affiliate to pay its Allocable Share under the SeHR II System Funding Agreement. Post-Unification, the remaining SeHR II Affiliates are: MaineHealth (formerly MMC), MaineHealth Care at Home, Memorial Hospital and NorDx.

(4) Includes loans of \$33,864,897 made under the MHHEFA's Reserve Fund Resolution program, which is further secured by a debt service reserve fund and moral obligation of the State of Maine.

(5) Parent Guaranty is supported by both Parent and MaineHealth (formerly MMC) Gross Revenue Pledge and the contractual obligation of each SFA Designated Affiliate to pay its Allocable Share under the 2019 Second Amended and Restated System Funding Agreement. Post-Unification, the remaining SFA Designated Affiliates are: Parent, MaineHealth (formerly MMC), LincolnHealth Cove's Edge and Quarry Hill. Quarry Hill became an SFA Designated Affiliate as part of the Unification transaction.

(6) FAME Bonded debt held by TD Bank, N.A.

(7) Including one loan from Bank of America, N.A. that is secured by a Parent Guaranty supported by both Parent and MaineHealth (formerly MMC) Gross Revenue Pledge and the contractual obligation of each SFA Designated Affiliate to pay its Allocable Share under the 2019 Second Amended and Restated System Funding Agreement. See footnote (5) for a roster of SFA Designated Affiliates.

(8) Excluding one loan from TD Bank, N.A. to The Memorial Hospital of North Conway which is secured by a Parent corporate guaranty but is not secured by a Parent or MaineHealth (formerly MMC) gross revenue pledge.

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### Debt Service Coverage Ratio

The following chart sets forth the annual debt service on long-term debt of MaineHealth Services and Subsidiaries. The debt service coverage ratio is based on income available for debt service comparing the fiscal years ending September 30, 2019 and 2020. The calculation includes debt service on capital leases.

	<b>\$ in thousands</b>	
	<u><b>2019</b></u>	<u><b>2020</b></u>
Excess of revenue and gains over expenses - adjusted to exclude net unrealized gains and certain other items	\$109,068	\$146,495
Contribution of net assets from acquired affiliates	-	(157,646)
Depreciation and amortization	134,993	153,600
Interest expense	<u>13,981</u>	<u>17,720</u>
Income available for debt service	<u>\$258,042</u>	<u>\$160,169</u>
Total debt service	<u>\$50,602</u>	<u>\$60,562</u>
Debt service coverage ratio	5.10	2.64

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### Cash to Total Debt

The following chart sets forth the cash to total debt ratio for MaineHealth Services and Subsidiaries as of September 30, 2019 and 2020. The calculation includes outstanding line of credit debt, if any.

	<b>\$ in thousands</b>	
	<b>2019</b>	<b>2020</b>
Cash & cash equivalents	\$292,618	\$547,872
Investments (Current Board Designated & Plant)	838,575	1,008,515
Total unrestricted cash & investments	<u>\$1,131,193</u>	<u>\$1,556,387</u>
Total outstanding long term indebtedness	<u>\$603,908</u>	<u>\$840,437</u>
Total unrestricted cash & investments as a percentage of Indebtedness	187.3%	185.2%

### Total Debt as a Percentage of Total Capitalization

The chart below sets forth the System's debt to capitalization ratio for the fiscal years ending September 30, 2019 and 2020. The calculation includes debt service on capital leases.

	<b>\$ in thousands</b>	
	<b>2019</b>	<b>2020</b>
Total outstanding long-term indebtedness	\$603,908	\$840,437
Net assets without donor restrictions	1,542,445	1,774,871
Total capitalization	<u>\$2,146,353</u>	<u>\$2,615,308</u>
Indebtedness as a percentage of total capitalization	28.1%	28.1%

## Days Cash on Hand

The System's liquidity and days' cash on hand for the fiscal years ended September 30, 2019 and 2020 are presented below.

	<b>\$ in thousands</b>	
	<b>2019</b>	<b>2020</b>
Cash and cash equivalents	\$292,618	\$547,872
Investments (Current Board Designated & Plant)	<u>838,575</u>	<u>1,008,515</u>
Total unrestricted cash and investments	<u>\$1,131,193</u>	<u>\$1,556,387</u>
Total Operating Expenses	\$2,634,514	\$3,006,740
Less Depreciation and amortization	<u>134,993</u>	<u>156,800</u>
Adjusted Total Operating Expenses	<u>\$2,499,521</u>	<u>\$2,849,940</u>
Days Cash on Hand	165.2	199.3

During the year ended September 30, 2020, the MaineHealth System received \$243.7 million of accelerated Medicare payments. Payments under the CMS Accelerated and Advanced Payment program are advances that must be repaid. At year-end, no repayments had been made and based on repayment guidelines, \$60.9 million was recorded as a short-term liability and \$182.8 million as a long-term liability. The CARES Act also authorized the deferral of employment tax payment. At year-end, \$34.3 million in deferred payroll taxes was recorded as a long-term liability.

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## Investments

MaineHealth's investment philosophy is to (1) preserve capital and (2) achieve benchmarked returns on investments. The chart below depicts the System's restricted and unrestricted investment allocation (including operating cash) as of September 30, 2019 and 2020.

	<u>2019</u>	<u>2020</u>
Fixed Income	32.6%	25.4%
Equity	27.5%	22.1%
Cash	28.3%	39.1%
Real Assets/Inflation Hedging	6.3%	5.7%
Marketable Alternatives	5.3%	7.7%
	<u>100.0%</u>	<u>100.0%</u>

## Service Area Discharges MaineHealth Services and Subsidiaries

The following table shows hospital discharges (including newborns) for calendar year 2019, which is the most recent data year available. Service Area 1 is comprised of York, Cumberland and Sagadahoc Counties. These three counties are Maine's most populous and prosperous regions.

The System's Service Area 2 is comprised of Lincoln, Knox and Waldo Counties. These counties comprise the mid-coast region of Maine and are dominated by the tourism and fishing industries.

Service Area 3 is comprised of Androscoggin, Oxford, Franklin, Kennebec and Somerset Counties in Maine and Carroll County in New Hampshire. Service Area 3 includes urban centers along the I-95 corridor (e.g.; Lewiston/Auburn and Augusta/Waterville) and large rural areas extending into the mountains of western Maine and New Hampshire.

## Market Share – Hospital Discharges

MaineHealth Local Health Systems accounted for 75.5% of all hospital discharges in Service Area 1 in calendar year 2019. Our share of this market has steadily increased over the past five years. For calendar year 2014 our share of hospital discharges in Service Area 1 was 62.2%. This figure increased each calendar year; this year also includes our newest Local Health System, Mid Coast Parkview Health.

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Hospital Affiliation	Hospital	Service Area 1		Service Area 2		Service Area 3	
		Discharges	% of Total	Discharges	% of Total	Discharges	% of Total
<b>MaineHealth</b>	Maine Medical Center	21,913	47.6%	2,226	18.3%	5,843	14.0%
<b>Local Health</b>	Southern Maine Health Care	6,703	14.6%	17	0.1%	64	0.2%
<b>Systems</b>	Mid Coast Parkview Health	4,283	9.3%	748	6.2%	581	1.4%
	Penobscot Bay Medical Center	79	0.2%	2,916	24.0%	52	0.1%
	Spring Harbor	1,588	3.5%	130	1.1%	381	0.9%
	Franklin Memorial	24	0.1%	4	0.0%	1,797	4.3%
	LincolnHealth	33	0.1%	1,527	12.6%	18	0.0%
	Stephens Memorial	7	0.0%	1,415	11.6%	9	0.0%
	Waldo County General	101	0.2%	1	0.0%	1,355	3.2%
	<b>Total MaineHealth Members</b>		<b>34,731</b>	<b>75.5%</b>	<b>8,984</b>	<b>73.9%</b>	<b>10,100</b>
<b>MaineHealth</b>	MaineGeneral	249	0.5%	927	7.6%	10,010	24.0%
<b>Strategic</b>	St. Mary's Regional Medical Cent	632	1.4%	56	0.5%	5,358	12.8%
	New England Rehabilitation	1,406	3.1%	94	0.8%	203	0.5%
<b>Affiliations</b>							
<b>Total MaineHealth Strategic Affiliations</b>		<b>2,287</b>	<b>5.0%</b>	<b>1,077</b>	<b>8.9%</b>	<b>15,571</b>	<b>37.3%</b>
<b>Nonaligned</b>	Central Maine Medical Center	1,060	2.3%	177	1.5%	8,911	21.4%
	Mercy	4,123	9.0%	118	1.0%	373	0.9%
	York	2,826	6.1%	3	0.0%	21	0.1%
	Eastern Maine Medical Center	85	0.2%	1,283	10.6%	1,718	4.1%
	Other	876	1.9%	513	4.2%	5,011	12.0%
<b>Total Nonaligned</b>		<b>8,970</b>	<b>19.5%</b>	<b>2,094</b>	<b>17.2%</b>	<b>16,034</b>	<b>38.4%</b>
<b>Grand Total</b>		<b>45,988</b>	<b>100.0%</b>	<b>12,155</b>	<b>100.0%</b>	<b>41,705</b>	<b>100.0%</b>

As of the date of this annual filing, calendar year 2020, discharge information for MaineHealth strategic affiliation hospitals and competitor hospitals of MaineHealth was not yet available from the Maine Health Data Organization (MHDO). MaineHealth Service Areas 2 and 3 also reflected increases in hospital discharges from calendar 2018 data to calendar year 2019 due to the merger of Mid Coast-Parkview Health into MaineHealth.

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## Utilization

### Licensed Bed Capacity/In-Service Beds and Bassinets

The current licensed bed capacity (which excludes bassinets) and the total number of beds and bassinets in service for MMC and for all of the other hospitals in the System are as follows:

	<u>MMC Beds</u>	<u>Other System Hospital Beds</u>	<u>Total Combined Beds</u>
<b>Licensed Bed Capacity</b>	637	686	1,323
<b>Beds in Service:</b>			
Medical/Surgical	330	313	643
Intensive Care	93	49	142
Coronary Care	82	0	82
Obstetrics	70	57	127
Pediatrics	37	6	43
Psychiatry	25	143	168
Total Beds in Service	637	568	1,205
<b>Nursery Bassinets</b>	20	67	87
Total Hospital Beds and Bassinets in Service	657	635	1,292

The following table illustrates the System's utilization statistics for the fiscal years ended September 30, 2019 and 2020.

### Maine Health System-Wide Utilization

	<u>2019</u>	<u>2020</u>
Inpatient Discharges (excluding newborns)	48,669	45,310
Acute Care Patient Days (excluding newborns)	272,513	248,201
Observation Bed Days	20,587	18,594
Inpatient Occupancy (beds in service)	69.1%	59.4%
Average Length of Stay (days)	5.60	5.48
Surgical Cases - Inpatient	16,391	16,209
Surgical Cases - Outpatient	37,497	34,695
Births	4,555	4,813
Emergency Visits	206,494	211,311
Urgent Care and Walk-in Visits	87,143	64,570
Radiology	347,627	300,121
CT Scans	105,935	108,792
MRI Studies	35,218	34,132



The impact of the COVID-19 Pandemic resulted in a reduction in volume in many categories when adjusting for the impact of the merger of Mid Coast –Parkview Health. Inpatient discharges for the year ended September 30, 2020 were 45,310 compared to 48,669 for the year ended September 30, 2019, which was a 6.9% decrease. Mid Coast-Parkview Health contributed 2,872 inpatient discharges to the total system discharges for the year ended September 30, 2020. When excluding Mid Coast-Parkview Health’s 2,872 discharges the decrease was 12.8%.

Total inpatient and outpatient surgical cases were 50,904 for the year ended September 30, 2020 compared to 53,888 for the year ended September 30, 2019, which was a 5.5% decrease. Mid Coast-Parkview Health contributed 2,753 total surgical cases for the year ended September 30, 2020. When excluding Mid Coast-Parkview Health’s 2,753 cases the decrease was 10.6%.

Total combined imaging volume of radiology exams, CT scans and MRI studies were 443,045 for the year ended September 30, 2020 compared to 488,780 for the year ended September 30, 2019, which was a 9.4% decrease. Mid Coast-Parkview Health contributed 26,196 exams for the year ended September 30, 2020. When excluding Mid Coast-Parkview Health’s 26,196 procedures the decrease was 14.7%.

#### MMC Medical Staff

Each hospital in the System maintains its own independent medical staff, with associated rules and regulations and distinct privileging requirements. There were approximately 2,000 active medical staff members in the System as of September 30, 2020. The active staff members have clinical and admitting privileges and deliver the majority of medical services within each hospital.

As of September 30, 2020, the MMC medical staff included 1,046 physicians, representing approximately 60 specialties. Nearly 100% of the physicians were Board-certified in their respective specialties. The average age of the physicians was 48.0 years old. The following table identifies MMC medical staff by practice type and whether employed or in private practice as of September 30, 2020. All of such physicians have active or attending status with staff privileges.

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**Maine Medical Center Medical Staff by Practice Type**

<b>Department</b>	<b>Number of Practices</b>	<b>Number of Employed Physicians</b>	<b>Number of Private Practice Physicians</b>	<b>Total Physicians</b>	<b>% of Total Physicians Employed</b>
Allergy Immunology	1	0	4	4	0.0%
Anesthesiology & Perioperative Management	2	1	63	64	1.6%
Cardiothoracic Surgery	1	8	0	8	100.0%
Cardiology	8	60	15	75	80.0%
Pulmonary/Critical Care Medicine	2	0	21	21	0.0%
Dentistry	8	0	17	17	0.0%
Dermatology	2	3	1	4	75.0%
Developmental Pediatrics	2	3	1	4	75.0%
Emergency Medicine	4	40	4	44	90.9%
Endocrinology	1	11	0	11	100.0%
Family Medicine	15	41	25	66	62.1%
Gastroenterology	1	0	15	15	0.0%
Genetics	1	3	0	3	100.0%
Geriatric Medicine	3	14	2	16	87.5%
Hematology/Oncology	3	12	14	26	46.2%
Hospital Medicine - Adult	3	54	3	57	94.7%
Infectious Disease	2	9	1	10	90.0%
Internal Medicine	6	31	13	44	70.5%
Maternal Fetal Medicine	1	4	0	4	100.0%
Neonatology	1	0	9	9	0.0%
Nephrology	2	1	9	10	10.0%
Neurology	1	18	0	18	100.0%
Neurosurgery	2	11	3	14	78.6%
OB/GYN	5	11	23	34	32.4%
Occupational Medicine	2	0	2	2	0.0%
Ophthalmology	3	0	19	19	0.0%
Oral Surgery	5	0	8	8	0.0%
Orthopedic Surgery	7	16	19	35	45.7%
Otolaryngology	1	10	0	10	100.0%
Hospice and Palliative Medicine	3	3	3	6	50.0%
Pathology	1	0	21	21	0.0%
Pediatric Cardiology	1	5	0	5	100.0%
Pediatric Endocrinology	1	5	0	5	100.0%
Pediatric Gastroenterology	1	7	0	7	100.0%
Pediatric Hospitalist	1	8	0	8	100.0%
Pediatric Infectious Disease	1	4	0	4	100.0%
Pediatric Intensive Care	1	7	0	7	100.0%
Pediatric Nephrology	1	3	0	3	100.0%
Pediatric Neurology	1	5	0	5	100.0%
Pediatric Oncology	1	6	0	6	100.0%
Pediatric Pulmonology	1	4	0	4	100.0%
Pediatric Surgery	1	5	0	5	100.0%
Pediatrics	7	33	18	51	64.7%
Plastic Surgery	2	0	9	9	0.0%
Podiatry	8	0	14	14	0.0%
Psychiatry	2	31	1	32	96.9%
Psychology	4	14	2	16	87.5%
Radiation Oncology	1	0	7	7	0.0%
Radiology	1	0	46	46	0.0%
Rehabilitation Medicine	3	11	3	14	78.6%
Rheumatology	1	0	7	7	0.0%
Sports Medicine	1	7	0	7	100.0%
Surgery - General	5	11	5	16	68.8%
Surgery - Colorectal	1	6	0	6	100.0%
Urology	4	11	1	12	91.7%
Vascular Surgery	1	7	0	7	100.0%
Acute Care Surgery	2	12	0	12	100.0%
Gynecologic-Oncology	1	4	0	4	100.0%
Surgical Oncology	1	7	0	7	100.0%
Vascular & Interventional Radiology	1	0	10	10	0.0%
Telemedicine physicians (Radiology & Neurology)	4	0	28	28	0.0%
Pelvic Medicine (Urogynecology)	1	3	0	3	100.0%
<b>Totals</b>	<b>161</b>	<b>580</b>	<b>466</b>	<b>1046</b>	<b>55.4%</b>

## Maine Medical Center Medical Staff by Practice Type

The following table sets forth information regarding the top ten admitting physicians at MMC by specialty and their age for the fiscal year ending September 30, 2020. All of these physicians are employed by MMC. Collectively, the top ten admitting physicians accounted for approximately 11.7% of MMC’s total admissions in fiscal year 2020.

Specialty	Admissions	Age (as of 9/30/20)
Internal Medicine	736	59
Internal Medicine	597	53
Orthopedic Surgery	375	65
Orthopedic Surgery	329	44
Orthopedic Surgery	293	57
Obstetrics and Gynecology	266	50
Trauma Surgery	259	46
Obstetrics and Gynecology	233	60
Surgery	229	53
Obstetrics and Gynecology	223	49
<b>Total</b>	<b><u>3,540</u></b>	

MMC’s Physician Residency and Fellowship Program supports over 280 residents and fellows in 14 accredited residencies and 10 accredited fellowships approved by the Accreditation Council for Graduate Medical Education. Each program is the responsibility of a full-time program director and more than 500 attending physicians who serve as faculty.

### Employees

As of September 30, 2020, there were approximately 8,862 employees and 7,203 full-time equivalent (“FTE”) personnel at MMC – hospital, Maine Medical Partners, Saint Joseph’s Rehabilitation and Residence, and MMC Realty Corporation all f/k/a MMC and Subsidiaries. Currently no employees at MMC are represented by collective bargaining units. As of September 30, 2020, the nursing turnover rate was 8.1% and the vacancy rate was 5.3%.

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### Sources of Patient Service Revenue

MaineHealth’s subsidiaries have agreements with the federal Medicare program (“Medicare”) administered by the Centers for Medicare and Medicaid Services (“CMS”) of the United States Department of Health and Human Services, Anthem Blue Cross and Blue Shield of Maine (“Anthem”), Aetna Health Inc. (“Aetna”), Harvard Pilgrim Health Care (“Harvard Pilgrim”) and various other commercial carriers and managed care organizations for the provision of services to patients covered by those carriers. MaineHealth’s subsidiaries also maintain agreements with the States of Maine and New Hampshire under their respective Medicaid programs. The following table shows the percentage of System-wide net patient service revenue, not including the provision for bad debts, by payer for fiscal year 2019 and 2020.

<u>Payor</u>	<u>2019</u>	<u>2020</u>
Medicare	33%	35%
Medicaid	12%	14%
Anthem Blue Cross & Blue Sheild	23%	22%
Commercial/other	31%	27%
Self-Pay	<u>1%</u>	<u>2%</u>
<b>Total</b>	<u><u>100%</u></u>	<u><u>100%</u></u>

### Construction Update

Retaining walls and excavation work for the planned Congress Tower has continued through the fourth quarter including demolition of the former employee parking garage. The former employee parking garage is now fully removed. Before and during demolition of the garage, more than 135 tiebacks were installed through a field of existing utilities, structures, and foundations in preparation for the construction of the Congress Tower. Steel work on the Congress Tower is expected to begin in the second half of 2021. The project remains on budget and on schedule.

### Adverse Developments

There were no adverse developments related to pension programs, insurance, licensure and accreditation, litigation or environment issues that were not disclosed in the audited financial statements and related notes.