

CATHOLIC HEALTH SYSTEM
CONSOLIDATED BALANCE SHEET
(IN THOUSANDS)

As of	June 30, 2021	May 31, 2021	Audited 2020	Audited 2019
CURRENT ASSETS				
Cash and cash equivalents	\$ 158,335	\$ 163,617	\$ 223,453	\$ 298,841
Patient/resident accounts receivable	174,689	178,158	170,230	119,254
Other receivables	9,459	9,055	5,701	6,754
Inventories	22,848	22,540	23,675	22,458
Prepaid expenses and other current assets	16,077	17,248	17,347	7,824
Due from affiliates	-	-	-	-
Total current assets	381,408	390,618	440,406	455,131
Interest in net assets of related foundation	-	-	-	-
Assets limited as to use	69,676	69,616	87,138	161,717
Investments	242,359	239,758	226,085	143,713
Property and equipment, net	468,733	470,967	465,186	422,109
Operating lease right-of-use assets	31,748	32,394	40,039	45,124
Other assets	119,664	119,026	119,736	118,098
Due from affiliates	-	-	-	-
Total assets	\$ 1,313,588	\$ 1,322,379	\$ 1,378,590	\$ 1,345,892
CURRENT LIABILITIES				
Current portion of long-term obligations	\$ 10,369	\$ 10,383	\$ 11,318	\$ 12,475
Operating lease current liabilities	6,100	6,302	8,084	9,542
Accounts payable	63,089	74,745	68,351	69,473
Accrued expenses	102,568	100,588	113,433	106,014
Due to third-party payers	123,476	127,843	125,209	48,841
Due to affiliates	-	-	-	-
Total current liabilities	305,602	319,861	326,395	246,345
Long-term obligations, net	310,053	310,441	311,570	322,985
Operating lease noncurrent liabilities	26,125	26,556	32,318	35,610
Pension liability	438,799	437,707	432,502	360,501
Other long-term liabilities	197,802	197,042	198,778	187,986
Due to affiliates	-	-	-	-
Total liabilities	1,278,381	1,291,607	1,301,563	1,153,427
Net assets without donor restrictions	29,567	25,132	69,009	184,873
Net assets with donor restrictions	5,640	5,640	8,018	7,592
Total net assets	35,207	30,772	77,027	192,465
Total liabilities and net assets	\$ 1,313,588	\$ 1,322,379	\$ 1,378,590	\$ 1,345,892

CATHOLIC HEALTH SYSTEM
CONSOLIDATED STATEMENT OF OPERATIONS
(IN THOUSANDS)

	For the Month of June			For the Six Months Ended June 30,		
	2021	Budget	2020	2021	Budget	2020
Revenues and other support without donor restrictions:						
Net patient/resident service revenue	\$ 101,561	\$ 99,498	\$ 88,695	\$ 564,992	\$ 600,154	\$ 499,190
Other revenue	2,698	2,720	14,435	31,555	16,305	85,418
Net assets released from donor restrictions	-	-	-	-	-	-
Total revenues and other support without donor restrictions	\$ 104,259	\$ 102,218	\$ 103,130	\$ 596,547	\$ 616,459	\$ 584,608
Expenses:						
Salaries and wages	49,729	48,264	46,911	302,518	294,747	280,117
Employee benefits	12,087	12,969	13,967	82,358	83,467	87,776
Medical and professional fees	4,526	4,076	5,030	24,404	24,719	28,359
Purchased services	10,918	10,821	11,059	66,354	67,124	67,359
Supplies	19,860	18,681	17,258	113,103	112,473	92,783
Depreciation and amortization	4,801	4,806	3,834	28,919	29,076	23,289
Interest	925	1,031	1,033	5,774	6,248	6,486
Insurance	(1,633)	1,469	1,233	5,600	8,783	7,030
Other expenses	2,512	2,616	3,894	23,880	16,313	21,505
CHS Allocation	-	-	-	-	-	-
Loss from discontinued operations	-	-	-	-	-	-
Total expenses	103,725	104,733	104,219	652,910	642,950	614,704
Income from operations	\$ 534	\$ (2,515)	\$ (1,089)	\$ (56,363)	\$ (26,491)	\$ (30,096)
Nonoperating revenues and expenses:						
Interest, dividends and realized gain/(loss) on investments	133	115	180	1,099	688	19,320
Change in unrealized gain/(loss) on investments	2,502	549	3,558	15,573	3,296	(27,330)
Other net periodic pension costs	(1,055)	(1,444)	(953)	(6,330)	(8,663)	(5,718)
Other nonoperating income	516	34	70	817	204	203
Total nonoperating revenues and expenses	2,096	(746)	2,855	11,159	(4,475)	(13,525)
Excess of revenues over expenses	\$ 2,630	\$ (3,261)	\$ 1,766	\$ (45,204)	\$ (30,966)	\$ (43,621)

RECONCILIATION OF GAAP OPERATING RESULTS TO ON-GOING OPERATIONS

Income from operations	\$ 534	\$ (2,515)	\$ (1,089)	\$ (56,363)	\$ (26,491)	\$ (30,096)
Less other items:						
Interest Rate Swap Termination	-	-	-	-	-	-
Restructuring Charges	-	-	-	-	-	-
Electronic Health Record Implementation	(1,339)	(1,170)	(1,294)	(6,542)	(7,011)	(8,765)
Income from operations before other items	\$ 1,873	\$ (1,345)	\$ 205	\$ (49,821)	\$ (19,480)	\$ (21,331)

Contributions to foundations	485	-	-	1,469	-	-
Contributions for purchase of property and equipment	-	-	-	-	-	-
Grant revenues	1,289	-	-	1,340	-	-
Change in pension obligation	-	-	-	-	-	-
Change in unrealized gain/(loss) on interest rate swaps	(24)	-	-	232	-	-
Equity transfers to affiliates	-	-	-	-	-	-
Change in interest in net assets of foundations	-	-	-	-	-	-
Gain/(Loss) from discontinued operations	2	-	-	40	-	-
Unrealized GL on Investment	(5)	-	-	5	-	-
Other changes in net assets	58	-	-	298	-	-
Change in net assets	4,435	-	-	(41,820)	-	-
Net assets, beginning of period	30,772	-	-	77,027	-	-
Net assets, end of period	\$ 35,207	\$ -	\$ -	\$ 35,207	\$ -	\$ -

CATHOLIC HEALTH SYSTEM
CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS)

	For the Six Months Ended June 30, 2021	For the Twelve Months Ended December 31, 2020
OPERATING ACTIVITIES		
Change in net assets	\$ (41,820)	\$ (115,437)
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	28,919	47,958
Change in minimum pension liability adjustment	-	67,375
Change in unrealized (gain) loss on investments	(15,573)	-
Realized (gain) loss on investments	(1,099)	182
Other	(3,041)	(1,210)
Decrease/(increase) in assets:		
Patient/resident accounts receivable	(4,459)	(50,977)
Other receivables	(3,758)	1,053
Inventories	827	(1,217)
Prepaid expenses and other current assets	1,270	(9,523)
Other assets	8,363	(328)
Increase/(decrease) in liabilities:		
Accounts payable	(5,262)	4,835
Accrued expenses	(10,865)	7,286
Due to third-party payers	(1,733)	76,368
Other liabilities	(2,856)	7,683
Net cash provided by/(used in) operating activities	(51,087)	34,048
INVESTING ACTIVITIES		
Purchase of property and equipment	(32,466)	(95,582)
Net change in investments	398	-
Net change in assets whose use is limited	17,462	-
Other	-	(566)
Net cash provided by/(used in) investing activities	(14,606)	(96,148)
FINANCING ACTIVITIES		
Proceeds from issuance long term debt less repayments	(2,466)	(13,288)
Other	3,041	-
Net cash provided by/(used in) financing activities	575	(13,288)
Net change in cash and cash equivalents	(65,118)	(75,388)
Cash and cash equivalents, beginning of period	223,453	298,841
Cash and cash equivalents, end of period	\$ 158,335	\$ 223,453

CATHOLIC HEALTH SYSTEM
CONSOLIDATED UTILIZATION STATISTICS
(IN THOUSANDS)

	For the Month of June			For the Six Months Ended June 30,		
	2021	Budget	2020	2021	Budget	2020
DISCHARGES						
Medical	2,203	2,074	2,427	13,118	13,379	15,137
Surgical	977	1,136	1,065	5,360	6,657	5,515
Acute	3,180	3,210	3,492	18,478	20,036	20,652
Newborn	512	487	498	2,669	2,690	2,772
Rehabilitation	114	105	104	554	623	626
Total Discharges	3,806	3,802	4,094	21,701	23,349	24,050
PATIENT DAYS						
Acute	14,012	13,813	12,653	88,025	89,121	85,641
Newborn	1,950	1,944	1,755	9,658	11,768	11,184
Rehabilitation	1,774	2,014	1,639	10,104	11,873	10,422
Total Patient Days	17,736	17,771	16,047	107,787	112,762	107,247
Average Daily Census	591.2	592.4	534.9	595.5	623.0	589.3
AVERAGE LENGTH OF STAY (DAYS)						
Acute	4.41	4.30	3.62	4.76	4.45	4.15
Newborn	3.81	3.99	3.52	3.62	4.37	4.03
Rehabilitation	15.56	19.18	15.76	18.24	19.06	16.65
OUTPATIENT SERVICES						
Emergency	11,389	12,324	8,750	59,603	72,904	60,492
Observation	968	837	768	5,268	4,711	4,583
Ambulatory Surgery	3,650	4,280	3,569	18,558	24,882	16,915
Primary Care Visits	9,093	13,693	26,044	57,675	85,970	137,906
Clinic Visits	21,186	29,916	5,125	132,026	175,552	25,071
Referred Ambulatory	39,014	44,532	40,821	244,501	269,039	198,725
Home Care Visits	20,587	24,533	21,915	124,177	148,015	131,898
Total Outpatient Services	105,887	130,115	106,992	641,808	781,073	575,590
Substance Use Disorder Equivalent Patient Days Equivalent Patient Discharges	40,113	39,221	40,236	243,980	233,673	250,980
FTEs (based on 1950 Hrs)	7,445	7,816	7,283	7,480	7,868	7,359
Case-Mix Index - Medicare	-	-	-	-	-	-
Case-Mix Index - Non-Medicare	-	-	-	-	-	-
SNF/RHCF:						
Certified Beds	631	634	629	628	634	635
Subacute Days	2,244	2,517	1,329	13,415	16,531	14,321
Resident Days	13,739	14,546	11,548	85,253	87,189	81,663

CATHOLIC HEALTH SYSTEM
CONSOLIDATED FINANCIAL RATIOS
(IN THOUSANDS)

	For the Month of June			As Of and For the YTD Ended		
	2021	Budget	2020	6/30/2021	Budget	12/31/2020
LIQUIDITY						
Days Cash on Hand				120.6		139.1
Days Revenue in A/R				57.0		60.8
Cash-to-Debt				1.3		1.4
LEVERAGE						
Debt Service Coverage				(2.7)		0.1
Debt-to-Capitalization				0.9		0.8
Debt-to-Equity				9.1		4.0
PROFITABILITY						
Operating Margin	0.5%	-2.5%	-1.1%	-9.4%	-4.3%	-6.0%
Operating EBIDA Margin	6.0%	3.2%	3.7%	-3.6%	1.4%	-0.8%
Return on Assets				-5.1%		-4.5%
Return on Equity				-190.0%		-77.2%
OTHER						
FTEs per Adjusted Occupied Bed						
FTEs per 100 Adjusted Discharges						
Net Revenue per Adjusted Discharge						
Expense per Adjusted Discharge						
Net Revenue per Adjusted Patient Day						
Expense per Adjusted Patient Day						
Salary & Benefits per FTE	\$ 101,017	\$ 95,315	\$ 101,974	\$ 103,757	\$ 96,939	\$ 100,531
Salaries As % of Total Operating Revenue	47.7%	47.2%	45.5%	50.7%	47.8%	47.9%
Salaries & Benefits As % Of Total Operating Revenue	59.3%	59.9%	59.0%	64.5%	61.4%	62.9%
Supplies As % Of Total Operating Revenue	19.0%	18.3%	16.7%	19.0%	18.2%	15.9%

Catholic Health System Liquidity

DAYS CASH ON HAND		
		For the Quarter Ended June 30, 2021
Unrestricted Cash and Cash Equivalents	\$	390,364
Total Operating Expenses		1,286,252
Less: Depreciation and Amortization		54,267
Total Operating Expenses less Depreciation/Amortization	\$	<u>1,231,985</u>
Year-to-Date Days		365
Days Cash on Hand		116

CASH-TO-DEBT		
		For the Quarter Ended June 30, 2021
Unrestricted Cash and Cash Equivalents	\$	390,364
Total Long-Term Debt		320,422
Cash-to-Debt		1.2x

**Catholic Health System
Utilization Statistics**

	For the Years Ended December 31,			For the Quarter
	2018	2019	2020	Ended June 30, 2021
Discharges				
Medical	29,041	25,859	23,702	13,118
Surgical	16,055	14,385	11,278	5,360
Acute	45,096	40,244	34,980	18,478
Newborn	5,857	5,763	5,562	2,669
Rehab	1,344	1,486	1,210	554
Total Discharges	52,297	47,493	41,752	21,701
Patient Days				
Acute	196,701	171,370	160,339	88,025
Newborn	25,222	23,761	21,210	9,658
Rehab	23,307	25,699	19,504	10,104
SNF	164,739	161,646	145,052	98,668
Total Patient Days	409,969	382,476	346,105	206,455
Average Length of Stay				
Acute	4.43	4.26	4.58	4.76
Newborn	4.31	4.12	3.81	3.62
Rehab	17.34	17.29	16.12	18.24
Outpatient Services				
Emergency	168,908	168,718	120,794*	59,603*
Observation	8,676	11,634	9,787	5,268
Ambulatory Surgery	41,319	41,502	31,659	18,558
Primary Care Visits	259,535	270,188	344,882	57,675
Clinic Visits	39,759	45,617	46,161	132,026
Referred Ambulatory	519,036	505,583	452,877	244,501
Home Care Visits	308,820	297,400	262,778	124,177
Total Outpatient Services	1,346,053	1,340,642	1,268,938	641,808

* Reported Net of Admissions effective 11/01/2020.

**Catholic Health System
Payor Mix**

**For the Quarter Ended
June 30, 2021**

Payor

Medicare (Inc. HMOs)	46.6%
Medicaid (Inc. HMOs)	17.4
HealthNow (Inc. Blue Cross)	20.6
Independent Health	9.7
Univera	1.4
Other Commercial	2.7
Other*	0.7
Self-Pay	0.9
Total	100%

* Other Includes: Hospice, Worker's Compensation and No Fault, among others

Source: CHS Records

**Catholic Health System Obligated Group
Debt Service Coverage**

<i>(Dollars in Thousands)</i>	6/30/2021
Excess of revenues over expenses	\$ (49,099)
Plus: Depreciation and amortization	51,090
Plus: Interest expense	11,229
Less: The change in unrealized gains on investments	(38,197)
<i>Income Available for Debt Service</i>	\$ (24,977)
Current Maximum Annual Debt Service Requirements on All Long-term Debt	\$ 14,476
<i>Coverage of Current Maximum Annual Debt Service Requirement</i>	-1.73x

***Notes: Calculated based upon a 12-month timeframe, July 2020 - June 2021
Level debt service based upon June 30, 2021 long-term indebtedness***