



This document is dated October 31, 2022

ANNUAL SUPPLEMENTAL CONTINUING
DISCLOSURE REPORT

As of and for the Year Ended
June 30, 2022

The information in this report
has been provided by
CommonSpirit Health

COMMONSPIRIT HEALTH
ANNUAL SUPPLEMENTAL CONTINUING DISCLOSURE REPORT

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This Continuing Disclosure Fiscal Year End Report, together with the Annual Report dated September 22, 2022, has been prepared by CommonSpirit Health, a Colorado nonprofit corporation (the “Corporation”), and contains certain information to fulfill existing continuing disclosure requirements for the Corporation, its affiliates and subsidiaries (collectively, “CommonSpirit”, or the “System”), including (“Dignity Health”). The financial information for CommonSpirit for the fiscal years ended June 30, 2022 and 2021, included in this report is derived from the consolidated financial statements of CommonSpirit. Information contained in this report should be read in conjunction with the audited consolidated financial statements as of and for the years ended June 30, 2022 and June 30, 2021, which can be found at <https://emma.msrb.org>. This report also provides certain supplemental information to comply with certain prior continuing disclosure undertakings, and the Corporation undertakes no obligation to continue to provide this supplemental information once those prior continuing disclosure agreements are no longer in place.

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I. OVERVIEW

CommonSpirit owns and operates health care facilities in 21 states. The System's clinical enterprise is organized across nine operating divisions¹ (the "Divisions"), and as of June 30, 2022, included 142 hospitals and approximately 2,200 care centers, including 31 critical access facilities and 17 long-term care facilities. The Corporation, Dignity Health and certain other entities listed in Appendix A are the current Obligated Group Members under the Master Indenture. The Obligated Group comprised approximately 85% of the total operating revenue of the System for the fiscal year ended June 30, 2022, and approximately 84% of total System assets as of June 30, 2022.

II. SELECTED FINANCIAL DATA AND UTILIZATION STATISTICS

For the years ended June 30, 2022 and 2021, the following tables reflect financial and operating statistics, excluding discontinued operations.¹

Consolidated Revenues, Expenses and Key Operating Metrics (\$ in millions)	Years Ended June 30,	
	2022	2021
Total operating expenses before special charges and other costs	\$35,127	\$32,180
Operating income (loss) excluding special charges and other costs	\$(1,220)	\$1,073
Operating margin before special charges and other costs	(3.6)%	3.2%
Operating EBITDA excluding special charges and other costs	\$702	\$3,011
Operating EBITDA margin excluding special charges and other costs	2.1%	9.1%

Utilization Statistics	Years Ended June 30,	
	2022	2021
Acute average length of stay Medicare PPS	5.33	5.14
Long-term care days ²	510,275	491,170
Medicare case-mix index	2.02	2.03
Inpatient ED visits	519,255	494,394
Inpatient surgeries	199,560	203,375
Outpatient ED visits	3,354,299	2,866,858
Outpatient non-ED visits	24,779,606	23,565,203
Outpatient surgeries	350,234	333,314
Operating beds ²	17,578	17,614

¹ Includes MercyOne. On September 1, 2022, CommonSpirit and Trinity Health closed the MercyOne Transaction. MercyOne was operated as a joint operating company between CommonSpirit and Trinity Health. Effective with the closing of the transaction, CommonSpirit has eight operating divisions.

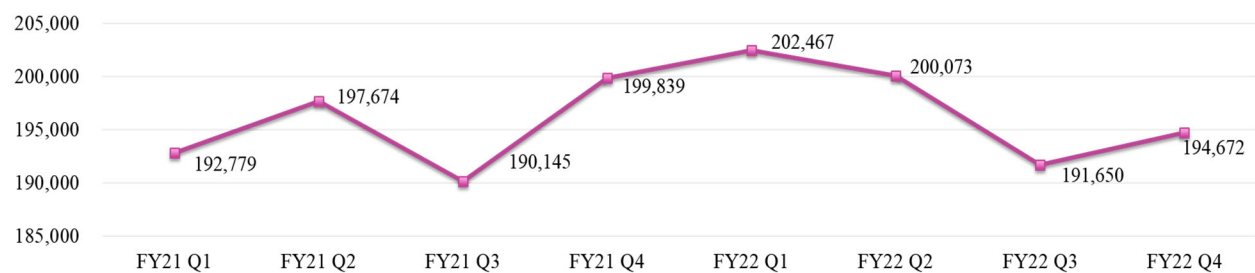
² Includes skilled nursing facilities.

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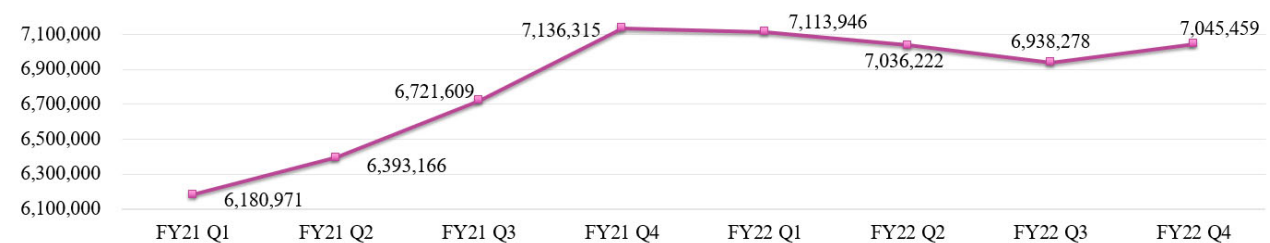
Utilization Statistics	Years Ended June 30,	
	2022	2021
Licensed acute beds ¹	21,609	21,722
Home health visits	1,109,144	1,306,588

The following charts represent quarterly patient volume activity for CommonSpirit's operations for the fiscal years ended June 30, 2022 and June 30, 2021.

Quarterly Acute Admissions



Quarterly Outpatient Visits



III. EMPLOYEES

As of June 30, 2022, CommonSpirit employed approximately 150,000 employees. Approximately 29% of CommonSpirit employees are covered under collective bargaining agreements.

¹ Includes skilled nursing facilities.

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IV. OPERATING REVENUES AND OPERATING EBITDA BY DIVISION

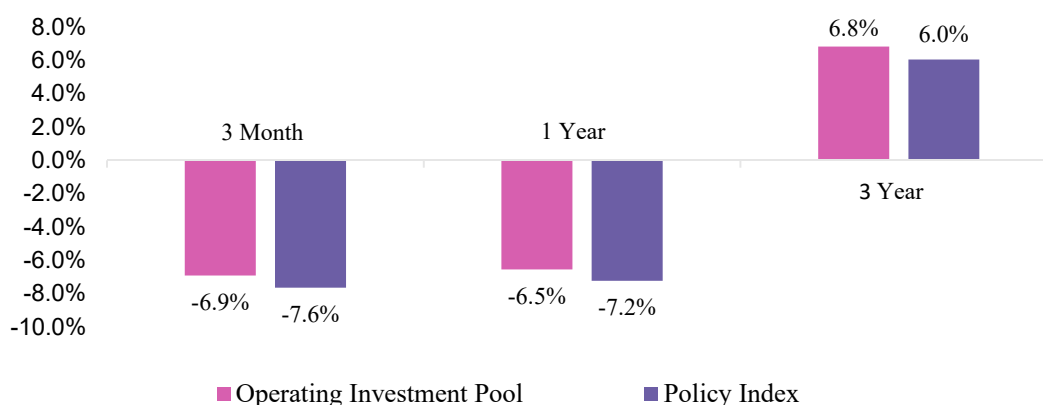
CommonSpirit has significant geographic diversification across 21 states and among its Divisions. Net revenue and operating EBITDA for each operating Division for the twelve months ended June 30, 2022, is shown below¹, exclusive of corporate and other entities.

(\$ in millions)

Division ⁽²⁾	Operating Revenues	EBITDA
Southern California	\$6,400	\$316
Northern California	\$5,288	\$85
Southwest	\$4,431	\$308
Pacific Northwest	\$4,401	(\$9)
Southeast	\$3,838	(\$33)
Midwest	\$2,939	\$56
Colorado	\$2,906	\$451
Texas	\$2,645	(\$139)
Iowa	\$1,123	(\$52)

V. INVESTMENT PERFORMANCE

The long-term policy asset allocation of the Operating Investment Pool is 38% equity securities, 20% fixed-income securities, 18.5% hedge funds, 13% private equity, 8% real assets and 2.5% cash and cash equivalents. As of June 30, 2022, the actual asset allocation of the operating investment pool was 38.7% equity securities, 20.5% fixed-income securities, 18.6% hedge funds, 9.9% private equity, 9.0% real assets and 3.3% cash and cash equivalents. Performance is described below.



¹ Normalized for timing differences of California Provider Fee approvals by CMS.

² On September 1, 2022, CommonSpirit and Trinity Health closed the MercyOne Transaction. MercyOne was operated as a JOC between CommonSpirit and Trinity Health. Effective with the closing of the transaction, CommonSpirit has eight operating divisions, and its remaining operations in Iowa remain in the Midwest Division.

VI. DEBT SERVICE COVERAGE AND CAPITALIZATION

Historical Debt Service Coverage

The following table sets forth the Historical debt service coverage of CommonSpirit as of June 30, 2022 and June 30, 2021.

Income Available for Debt Service (\$ in millions)	Years Ended June 30,	
	2022	2021
Excess/(deficit) of revenues over expenses	(\$1,847)	\$ 5,450
Plus: Depreciation and amortization	1,463	1,487
Plus: Interest expense on long-term indebtedness	440	438
Plus: Losses/(gains) from sale, exchange or other disposition of capital assets	52	(957)
Plus: Net periodic pension income operating and restructuring	(324)	(86)
Plus: Unrealized losses/(gains) on investments and other financial products	1,814	(2,201)
Total income available for debt service	\$1,598	\$4,131
Historical annual debt service ¹	\$650	\$963
Debt service coverage	2.5x	4.3x

Debt to Capitalization

The following table sets forth debt to capitalization of CommonSpirit as of June 30, 2022 and June 30, 2021.

Debt to Capitalization (\$ in millions)	Years Ended June 30,	
	2022	2021
Total debt ²	\$15,427	\$15,542
Net assets without donor restrictions – attributable to CommonSpirit Health	18,808	19,646
Total capitalization	\$34,235	\$35,188
Percent of total debt to capitalization	45.1%	44.2%

¹ Includes indebtedness not secured by the Master Indenture in the approximate principal amount of \$1.0 billion. Actual debt service includes impact of outstanding commercial paper

² Includes premium and discount on existing System indebtedness.

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VII. DAYS CASH ON HAND

Unrestricted Cash and Investments (\$ in millions)	Years Ended June 30,	
	2022	2021
Cash and cash equivalents	\$2,592	\$3,329
Short-term investments	596	1,124
Long-term investments, excluding assets limited to use	13,059	16,210
Unrestricted cash and investments	\$16,247	\$20,663
Total operating expenses ¹	\$33,740	\$30,768
Days cash on hand²	176³	245⁴

¹ Excludes depreciation and amortization.

² Calculated as total cash and unrestricted investments divided by an amount equal to total operating expenses divided by the number of days in the period (365 for the fiscal years ending June 30, 2022 and 2021, respectively).

³ Includes \$793 million of remaining Medicare advance payments and \$208 million of deferred payroll taxes as of June 30, 2022.

⁴ Includes \$2,417 million of remaining Medicare advance payments and \$416 million of deferred payroll taxes as of June 30, 2021.

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APPENDIX A

Obligated Group Members (including State of organization)

	Arkansas
1.	St. Vincent Infirmary Medical Center
2.	CHI St. Vincent Hot Springs
3.	CHI St. Vincent Hospital Hot Springs
4.	CHI St. Vincent Medical Group Hot Springs
5.	St. Anthony's Hospital Association
6.	St. Vincent Medical Group
	California
7.	Bakersfield Memorial Hospital
8.	Community Hospital of San Bernardino
9.	Dignity Health
10.	Dignity Health Medical Foundation
11.	Mercy McMahon Terrace
12.	Sierra Nevada Memorial – Miners Hospital
13.	Saint Francis Memorial Hospital
	Colorado
14.	Catholic Health Initiatives Colorado
15.	CHI National Services
16.	CommonSpirit Health
17.	Dignity Community Care
	Iowa
18.	Alegent Health - Community Memorial Hospital of Missouri Valley, Iowa
19.	Alegent Health-Mercy Hospital, Corning, Iowa
	Kansas
20.	St. Catherine Hospital
	Kentucky
21.	CHI Kentucky, Inc.
22.	KentuckyOne Health, Inc.
23.	Flaget Healthcare, Inc.
24.	Saint Joseph Health System, Inc.
25.	Memorial Health Care System, Inc. (Chattanooga)

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	Minnesota
26.	LakeWood Health Center
27.	St. Francis Home
28.	St. Francis Medical Center
29.	St. Joseph's Area Health Services
30.	Unity Family Healthcare
	Nebraska
31.	CHI Nebraska dba CHI Health
32.	Alegent Creighton Health
33.	Alegent Health - Bergan Mercy Health System
34.	Alegent Health - Immanuel Medical Center
35.	Alegent Health - Memorial Hospital, Schuyler
36.	Good Samaritan Hospital, Kearney, Nebraska
37.	Nebraska Heart Hospital
38.	Saint Elizabeth Regional Medical Center
39.	Saint Francis Medical Center
40.	St. Mary's Community Hospital
	North Dakota
41.	Carrington Health Center
42.	Lisbon Area Health Services
43.	The Mercy Hospital of Devils Lake
44.	Mercy Hospital of Valley City
45.	Mercy Medical Center
46.	Oakes Community Hospital
47.	St. Alexius Medical Center
48.	Garrison Memorial Hospital
49.	St. Joseph's Hospital and Health Center
	Ohio
50.	Sylvania Franciscan Health
51.	CHI Living Communities
52.	Trinity Health System
53.	Trinity Hospital Twin City
54.	The Good Samaritan Hospital of Cincinnati, Ohio
	Oregon
55.	Mercy Medical Center, Inc.
56.	St. Anthony Hospital

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	Tennessee
57.	CHI Memorial Hospital - Georgia
	Texas
58.	St. Joseph Services Corporation
59.	Burleson St. Joseph Health Center of Caldwell, Texas
60.	Burleson St. Joseph Manor
61.	Madison St. Joseph Health Center
62.	St. Joseph Regional Health Center
63.	The Community Hospital of Brazosport
64.	St. Luke's Health System Corporation
65.	Memorial Health System of East Texas
66.	Memorial Hospital of Polk County
67.	Memorial Medical Center-San Augustine
68.	St. Luke's Community Development Corporation-Sugar Land
69.	St. Luke's Community Health Services
70.	St. Luke's Hospital at The Vintage
71.	St. Luke's Properties Corporation
	Washington
72.	Franciscan Health System
73.	Enumclaw Regional Hospital Association
74.	Franciscan Medical Group
75.	Harrison Medical Center

Restricted Affiliates (including state of organization)

	Texas
1.	CHI St. Luke's Health Baylor College of Medicine Medical Center