



# Mass General Brigham

## **Interim Unaudited Consolidated Financial Statements and Other Information**

**For the Period Ended December 31, 2022**

Conduit Issuer: MassDevelopment Finance Agency

Obligor: Mass General Brigham (f/k/a Partners HealthCare System)

Voluntary Filing of Interim Financial & Operating Information Posted February 10, 2023

# Contents

- Organization ..... 3
- Management’s Discussion and Analysis of Financial Results ..... 4
- Strategic Initiatives ..... 6
- Consolidated financial statements, notes to the consolidated financial statements and utilization statistics as of and for the three months ended December 31, 2022 and 2021 ..... 9
- Consolidated investment liquidity and debt backed by self-liquidity as well as selected statistics on investments identified to support debt backed by self-liquidity as of December 31, 2022 ..... 19

## **Forward-Looking Statements**

*This disclosure contains certain “forward-looking statements” concerning financial and operating plans and results which involve known and unknown risks and uncertainties. In particular, statements preceded or followed by, or that include the words, “projects,” “believes,” “expects,” “estimates,” “anticipates,” “plans,” “intends,” “scheduled,” or similar expressions are forward-looking statements. Various factors could cause Mass General Brigham’ actual results to differ materially including, but not limited to the impact of the COVID-19 pandemic, federal and state regulation of healthcare providers, changes in reimbursement policies of state and federal government and managed care organizations, competition in the healthcare industry in our market, general economic and capital market conditions, and changes in our labor and supply costs and in our ability to retain personnel. For more information on these and other risk factors, please refer to our most recent bond official statement or annual disclosure statement filed on the Electronic Municipal Market Access (EMMA) website maintained by the Municipal Securities Rulemaking Board. We undertake no responsibility to update any such forward-looking statements except as expressly required by law.*

## Organization

Mass General Brigham Incorporated (the Company) is the parent organization and sole corporate member of numerous organizations whose financial conditions and operations are described in Management's Discussion and Analysis of Financial Performance and the consolidated financial statements that follow. The terms Mass General Brigham, system, we, our, or us as used herein, unless otherwise stated or indicated by context, refer collectively to the Company and its affiliated organizations.

Mass General Brigham operates academic medical centers, community acute care hospitals, inpatient and outpatient mental health services facilities, urgent care centers, facilities that provide rehabilitation medicine and long-term care services, physician organizations, home health services, nursing homes and a graduate level program for health professions. Our mission is to provide world class health care services to the local communities in which we operate as well as to patients across the United States and the world. In addition, we are a nonuniversity-based non-profit private medical research enterprise and a principal teaching affiliate of the medical and dental schools of Harvard University. Our licensed, not-for-profit managed care organization and licensed, for-profit insurance company (collectively referred to as Mass General Brigham Health Plan) provide health insurance products and administrative services to the Massachusetts Medicaid program (MassHealth), ConnectorCare (a state subsidized program for adults who meet income and immigration guidelines) and commercial populations.

### **Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal and recurring nature. For further information, refer to the audited financial statements and notes thereto for the year ended September 30, 2022.

## Management's Discussion and Analysis of Financial Results

Mass General Brigham reported a loss from operations of \$1 million for the first quarter of fiscal year 2023, which ended on December 31, 2022. This includes \$52 million in healthcare provider revenue related to prior year activity, of which the largest component was a \$22 million permanent grant from the American Rescue Plan Act of 2021 (ARPA), the federal government's economic stimulus bill intended to partially offset lost revenues and accelerate recovery from the COVID-19 pandemic. Excluding the revenue attributable to prior year activity, the system reported an operating loss of \$53 million (-1.2% operating margin), including losses from provider activity of \$46 million (-1.1% operating margin) and a loss from insurance activity of \$7 million (-3.1% operating margin).

Mass General Brigham's financial performance continues to be impacted by external pressures, including a severe capacity crisis, elevated cost inflation and significant workforce vacancies. Notwithstanding those intense pressures, the system remains focused on executing plans to ensure its [long-term sustainable future](#), including advancing integration initiatives to improve patient care and identify efficiencies, addressing the labor shortage by building workforce pipelines, and reducing expenses.

The system generated total operating revenue of \$4.5 billion in the first quarter of fiscal year 2023. Patient care revenue grew to \$3.2 billion, an increase of \$176 million (6%) over the 2022 first quarter. Favorable third-party settlements of \$30 million and \$4 million were recorded in the 2023 and 2022 quarters, respectively. The underlying revenue growth (5%) reflects increases in patient acuity and overall utilization of services at Mass General Brigham's academic and community sites. This was facilitated by ongoing systemwide efforts to coordinate capacity management, resulting in a modest increase in system-wide discharges (1%) despite the average acute care length of stay remaining above 6 days through the first quarter of fiscal year 2023.

The system continues to staff as many beds as possible to help meet patient need, which requires the ongoing use of contract labor. The associated costs may temper operating margins over the short term but over time, management anticipates reaping benefits from clinical integration and resource stewardship initiatives. Through provider-payer integration with Mass General Brigham Health Plan, the system is also advancing key initiatives to improve health equity, outcomes, and affordability, including through Medicare Advantage and the state's approval of an integrated Mass General Brigham Accountable Care Organization to support its Medicaid population.

Premium revenue increased \$9 million (4%) to \$231 million, reflecting membership growth of 9,572 (4%) to 265,614. As of December 31, 2022, approximately 31% of the members were in commercial fully-insured plans, 17% were in managed Medicaid and 52% were in self-insured plans (including approximately 105,000 Mass General Brigham employees and family members).

Research and academic revenue grew \$56 million (10%) to \$637 million. Other revenue increased \$104 million (32% increase, including \$22 million ARPA funds) to \$433 million, driven by outpatient pharmacy revenue.

Operating expenses totaled \$4.5 billion, an increase of \$356 million (9%) over the 2022 first quarter and remain elevated due to increases in wages (9%, including increased use and cost of temporary staffing), and costs and use of clinical (15%) and pharmaceutical (24%) supplies.

Medical claims expense increased \$1 million (0.5%) to \$170 million and the medical loss ratio (the percentage of insurance premiums that were used to pay medical claims) decreased to 90.2% in the 2023 quarter from 91.8% in the 2022 quarter. The administrative expense ratio (the percentage of insurance premiums that were used to pay general and administrative expenses) was 13.1% in the 2023 quarter and 10.8% in the 2022 quarter, reflecting costs associated with the launch of the Medicare Advantage plan.

Depreciation and interest expense increased \$10 million (4%) to \$233 million.

For the three months ended December 31, 2022, the system absorbed \$574 million in Medicare, Medicaid, and Health Safety Net shortfalls due to certain government reimbursements that do not cover the full cost of providing care to Medicare, low-income, and uninsured patients, an increase of \$79 million (16%) compared to the shortfall absorbed in the comparable prior year period.

The system reported an overall gain of \$480 million for the three months ended December 31, 2022, including a nonoperating gain of \$481 million. Nonoperating activity includes gains and losses on investments and interest rate swaps, which can vary significantly year to year due to volatility in the financial markets, and philanthropic activity.

In the first quarter of fiscal year 2022, the system reported income from operations of \$10 million (0.2% operating margin). This includes income from provider activity of \$16 million (0.4% operating margin) and a loss

from insurance activity of \$6 million (-2.5% operating margin). The system reported an overall gain of \$105 million, including a nonoperating gain of \$95 million.

For the three months ended December 31, 2022 and 2021, operating cash flow, consisting of operating income before interest expense, depreciation and amortization, totaled \$232 million (5.2% cash flow margin, including the \$52 million revenue related to prior year activity) and \$234 million (5.7% cash flow margin) and capital expenditures totaled \$227 million and \$163 million, respectively.

## **Strategic Initiatives**

### **Streamlining operations at community hospitals**

As part of ongoing efforts to further integrate our academic health system and better serve patients, Mass General Brigham is evolving the organization and management structure of its community hospitals and physicians to be unified under a new leadership structure. This will provide more coordinated, accessible care for patients, enable sharing of best practices in quality and safety, and streamline hospital operations across the division. Recent challenges including the COVID-19 pandemic and the ongoing capacity crisis have underscored the need for close strategic coordination among hospitals to more effectively serve our communities and these changes will support Mass General Brigham in providing the very best in patient care.

### **Growing Home Hospital capacity**

With the goal of improving patient outcomes, increasing access, and lowering costs, Mass General Brigham is continuing to expand its Home Hospital program, allowing patients with chronic illness to safely receive hospital-level care in their homes. Research shows that home-based care can provide more patient-centered and satisfying care, lower complication rates, reduce Emergency Department utilization, and lead to improved patient outcomes for patients who can safely be transitioned out of a hospital setting. Mass General Brigham delivered nearly 5,000 Home Hospital patient days in 2022.

### **National leader in research and innovation**

Mass General Brigham continues to be a national leader in driving research to find new treatments and cures. Several recent high-profile research studies have been published by Mass General Brigham researchers. Myocarditis, a condition in which the heart muscle becomes inflamed, is an exceedingly rare complication that can occur after mRNA COVID vaccination. In [a new study](#) by researchers from Brigham and Women's Hospital

and Massachusetts General Hospital, a team [extensively investigated](#) the immune response of 16 adolescents and young adults who developed myocarditis after receipt of the COVID mRNA vaccine. Among adolescents and young adults who developed this rare complication, researchers found no differences in antibody production, auto-antibodies, T cell profiles, or prior viral exposures, but detected elevated levels of spike protein. Findings point to potential treatment to prevent or reverse post-vaccine myocarditis.

In another COVID related study, Mass General Brigham researchers leveraged observational data from nearly 45,000 patients to show that even in highly vaccinated populations, treatment with the antiviral drug nirmatrelvir plus ritonavir (Paxlovid) [reduced hospitalization](#) and death by nearly half. The results, now published in [Annals of Internal Medicine](#), suggest that Paxlovid can offer a substantial benefit even to vaccinated patients diagnosed with COVID-19 in the outpatient setting, and can contribute to ongoing efforts to reduce COVID-19 hospitalizations.

Another [new study](#), published in [The New England Journal of Medicine](#), underscores the continued importance of patient safety measures more than 30 years after the landmark Harvard Medical Practice Study (HMPS). Since the publication of the HMPS results, measuring the longitudinal impact of safety strategies has been challenging. The new team, led by Mass General Brigham investigators, looked at 11 regional hospitals to provide an estimate of adverse events in the inpatient environment. Their finding shed light on the progress of two decades of work focused on improving patient safety and highlighting the need for continued improvement.

### **Making clinical care more equitable**

Two years ago, Mass General Brigham's [United Against Racism](#) initiative was born out of the [civil unrest and protests against racist violence](#) that began in Minneapolis and spread globally. Like so many across the world, we were outraged and driven to take decisive action to do our part in helping to eradicate racial inequities. United Against Racism was the first time that Mass General Brigham, together as a system, formalized a higher level of leadership and accountability in addressing and dismantling racism. For UAR's two-year anniversary, Mass General Brigham highlighted the vast number of projects and initiatives happening across the system, including how the system is [combatting racial inequities in our clinical settings](#).

### **Strengthening diversity and inclusion in the health care workforce**

To strengthen and support these initiatives and other diversity, equity, and inclusion programs, [Anna Brown](#) has been named Senior Vice President and Chief Diversity, Equity, and Inclusion (DE&I) Officer for Mass General Brigham. In this role, Brown, who has over 20 years of experience as a DE&I professional, will work

collaboratively with senior leadership and all members of the organization to provide vision and drive systemwide [DE&I](#) and [United Against Racism](#) strategies and goals.

**Furthering provider-payer integration to improve outcomes and reduce costs**

Mass General Brigham Health Plan executed on a series of initiatives that advance the vision and strategy of Mass General Brigham to improve access, outcomes, and affordability through provider-payer integration. Specific initiatives include introducing a Medicare Advantage product into the market, receiving approval from the state to support the Mass General Brigham Accountable Care Organization, and launching a robust mental health solution with Lyra Health that offers more access, options, and customized navigation. Supported by a new, unified brand identity, these initiatives are transforming the member experience while addressing health disparities and social determinants of health.



**Mass General Brigham and Affiliates**  
**Consolidated Balance Sheets**  
(In Thousands)

	<u>December 31, 2022</u> (unaudited)	<u>September 30, 2022</u> (audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and equivalents	\$ 198,223	\$ 193,919
Investments	2,585,063	2,390,217
Current portion of investments limited as to use	3,998,542	4,144,531
Patient accounts receivable, net	1,484,507	1,438,412
Research grants receivable, net	220,275	215,462
Other current assets	783,877	722,486
<b>Total current assets</b>	<b>9,270,487</b>	<b>9,105,027</b>
Investments limited as to use, less current portion	5,256,060	4,961,378
Long-term investments	2,755,169	2,582,271
Property and equipment, net	6,479,387	6,442,260
Right-of-use operating lease assets	1,101,927	1,135,787
Other assets	1,995,871	1,981,608
<b>Total assets</b>	<b>\$ 26,858,901</b>	<b>\$ 26,208,331</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Current portion of long-term obligations	\$ 469,323	\$ 519,354
Accounts payable and accrued expenses	1,257,416	1,183,843
Accrued medical claims and related expenses	100,983	119,237
Accrued employee compensation and benefits	1,033,268	1,203,729
Current portion of operating lease obligations	210,002	206,350
Unexpended funds on research grants	373,673	355,934
<b>Total current liabilities</b>	<b>3,444,665</b>	<b>3,588,447</b>
<b>Other liabilities</b>		
Accrued professional liability	572,210	570,862
Accrued employee benefits	682,712	633,894
Interest rate swaps liability	166,683	156,705
Accrued other	277,640	274,931
Operating lease obligations, less current portion	766,915	801,038
Long-term obligations, less current portion	5,645,522	5,557,177
<b>Total liabilities</b>	<b>11,556,347</b>	<b>11,583,054</b>
<b>Net assets</b>		
Without donor restrictions	12,089,665	11,577,802
With donor restrictions	3,212,889	3,047,475
<b>Total net assets</b>	<b>15,302,554</b>	<b>14,625,277</b>
<b>Total liabilities and net assets</b>	<b>\$ 26,858,901</b>	<b>\$ 26,208,331</b>

**Mass General Brigham and Affiliates**  
**Consolidated Statements of Operations**  
(In Thousands)

	First Quarter Ended December 31,	
	2022	2021
<b>Operating revenues</b>		
Net patient service revenue	\$ 3,161,924	\$ 2,986,325
Premium revenue	230,775	221,804
Direct academic and research revenue	487,180	446,185
Indirect academic and research revenue	149,413	134,808
Other revenue	433,370	329,512
<b>Total operating revenues</b>	<b>4,462,662</b>	<b>4,118,634</b>
<b>Operating expenses</b>		
Employee compensation and benefit expenses	2,373,113	2,235,883
Supplies and other expenses	1,200,730	1,033,947
Medical claims and related expenses	169,767	168,990
Direct academic and research expenses	487,180	446,185
Depreciation and amortization expenses	190,438	183,540
Interest expense	42,863	40,010
<b>Total operating expenses</b>	<b>4,464,091</b>	<b>4,108,555</b>
<b>(Loss) income from operations</b>	<b>(1,429)</b>	<b>10,079</b>
<b>Nonoperating (loss) gains</b>		
Income from investments	403,769	37,841
Change in fair value of interest rate swaps	1,004	(64,029)
Other nonoperating (expenses) income	(29,569)	(32,894)
Academic and research gifts, net of expenses	39,020	103,710
Non-service related pension income	67,200	50,250
<b>Total nonoperating gains, net</b>	<b>481,424</b>	<b>94,878</b>
<b>Excess of revenues over expenses</b>	<b>479,995</b>	<b>104,957</b>
<b>Other changes in net assets</b>		
Funds utilized for property and equipment	6,937	13,808
Other changes in net assets	24,931	10,807
<b>Increase in net assets without donor restrictions</b>	<b>\$ 511,863</b>	<b>\$ 129,572</b>

**Mass General Brigham and Affiliates**  
**Consolidated Statements of Cash Flows**  
(In Thousands)

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:	677,277	251,034
Change in net assets		
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Change in fair value of interest rate swaps	(1,004)	64,029
Depreciation and amortization	190,438	183,540
Amortization of bond discount, premium and issuance costs	(2,723)	(2,901)
Gain on disposal of property	-	(216)
Change in right-of-use operating lease assets	46,920	41,406
Net realized and unrealized change in investments	(501,475)	(102,586)
Restricted contributions and investment income	(137,042)	(130,322)
Increases (decreases) in cash resulting from a change in		
Patient accounts receivable	(46,095)	(46,589)
Other assets	(47,527)	(1,300)
Accounts payable and other accrued expenses	(46,678)	(165,818)
Accrued medical claims and related expenses	(18,254)	5,483
Operating lease obligations	(43,531)	(48,935)
Settlements with third-party payers	(1,965)	(43,189)
Medicare accelerated payments	-	(154,625)
<b>Net cash provided by (used in) operating activities</b>	<b>68,341</b>	<b>(150,989)</b>
Cash flows from investing activities:		
Purchases of property and equipment	(227,154)	(162,811)
Proceeds from sale of property	-	217
Net (purchases) sales of investments	(23,962)	115,862
<b>Net cash used for investing activities</b>	<b>(251,116)</b>	<b>(46,732)</b>
Cash flows from financing activities:		
Borrowing under taxable commercial paper	50,015	-
Payments on long-term obligations	(155)	(160)
Proceeds from long-term obligations	100,230	5,000
Deposits into refunding trusts	(100,053)	-
Restricted contributions and investment income	137,042	130,322
<b>Net cash provided by financing activities</b>	<b>187,079</b>	<b>135,162</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>4,304</b>	<b>(62,559)</b>
<b>Cash and equivalents at beginning of period</b>	<b>193,919</b>	<b>177,259</b>
<b>Cash and equivalents at end of period</b>	<b>\$ 198,223</b>	<b>\$ 114,700</b>

**Notes to Consolidated Financial Statements**  
**(In Thousands)**

1. The accompanying consolidated quarterly financial statements have been prepared on the accrual basis of accounting and include the accounts of the Company and its affiliates. The financial statements do not include all the information and footnote disclosures required by generally accepted accounting principles. These statements should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended September 30, 2022.

The consolidated quarterly financial statements are unaudited. These statements include all adjustments (consisting of normal recurring accruals) considered necessary by management to present a fair statement of the results of operations, financial position and cash flows. The results reported in these consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

2. Income from investments (including realized gains and losses, unrealized change in value of investments, interest, dividends and endowment income distributions) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law. Income from investments is reported net of investment-related expenses.
3. We recognize changes in third-party payer settlements and other estimates in the year of the change in estimate. For the three months ended December 31, 2022 and 2021, adjustments to prior year estimates resulted in an increase to net patient service revenue of \$30,441 and \$4,215, respectively.
4. Risk-based capital (RBC) is a methodology adopted by the National Association of Insurance Commissioners for determining the minimum level of capital and surplus deemed necessary for an insurer based upon the types of assets held and business written. The Company has guaranteed to the Massachusetts Division of Insurance (DOI) (the RBC Guaranty) to maintain the Mass General Brigham Health Plan, Inc.'s and Mass General Brigham Health Insurance Company's capital and surplus at a specified minimum level, measured quarterly in accordance with an RBC methodology permitted by DOI. The RBC Guaranty may be enforced by the DOI. For the three months ended December 31, the Company provided capital to Mass General Brigham Health Plan Holding Company, Inc. of \$20,000 in 2022 and Mass General Health Insurance Company of \$1,000 in 2021.
5. The current portion of long-term obligations includes payments scheduled to be made over the next twelve months of \$153,923, bonds supported by self-liquidity that can be tendered prior to December 31, 2023 of \$276,650 and bonds supported by bank facilities with financial institutions (standby bond purchase agreements or letters of credit) that expire prior to December 31, 2023 of \$38,750. The bonds supported by self-liquidity provide the bondholder with an option to tender the bonds to the Company. Accordingly, these bonds are classified as a current liability. The bonds supported by bank facilities provide the bondholder with an option to tender the bonds to the liquidity provider. Generally accepted accounting principles require bonds backed by bank facilities expiring within one year of the balance sheet date as well as potential principal amortization under bank facilities' term out provisions due within one year of the balance sheet date to be classified as a current liability.
6. The Company maintains two lines of credit aggregating \$375,000 that provide access to same day funds. Advances under the lines of credit bear a variable rate of interest based on the Bloomberg Short-Term Bank Yield Index rate (BSBY) for the \$250,000 line of credit and the Secured Overnight Financing Rate (SOFR) for the \$125,000 line of credit. As of December 31, 2022, there were no amounts outstanding under the lines of credit. The \$250,000 line of credit expires in July 2025. The \$125,000 line of credit expires in July 2024.

The Company maintains a \$500,000 Taxable Commercial Paper (CP) program. As of December 31, 2022, there was \$50,015 outstanding under the CP Program.

7. In October 2022, we issued \$100,230 of Mass General Brigham Series 2022 B Revenue Bonds. The bond proceeds were used to refund Partners HealthCare System Series 2016 R-1 Revenue Bonds (\$50,000) and Taxable Commercial Paper Notes (\$50,230) that refinanced, on an interim basis, Partners HealthCare System Series 2017 S-5 Revenue Bonds.

**Notes to Consolidated Financial Statements**  
**(In Thousands)**

8. We lease property and equipment under both finance and operating lease agreements. We recognize leases with a term greater than twelve months on the balance sheet.

Some lease agreements require us to pay variable costs including property taxes, insurance, maintenance and repairs. Variable costs are excluded from the right-of-use assets and liability. Lease and non-lease components of agreements are not separated. Some leases contain rental escalation clauses and renewal options that are included in lease payment calculations when appropriate. The estimated incremental borrowing rate is used to discount the lease payment amounts. All operating and finance leases have a weighted discount rate of 4.05%.

The components of lease expense consist of the following:

<b>Three months ended December 31, 2022</b>					
	<b>Supplies and Other Expenses</b>		<b>Academic and Research Gifts, Net of Expenses</b>		<b>Total</b>
Operating lease expense	\$	55,729	\$	1,791	\$ 57,520
Short-term lease expense		3,334		85	3,419
Variable lease expense		18,632		682	19,314
Finance lease expense		-		-	-
Amortization of leased assets		3,452		48	3,500
Interest on lease liabilities		901		7	908
Total lease expense	\$	82,048	\$	2,613	\$ 84,661

Lease related assets and liabilities are as follows:

	<b>Balance Sheet Classification</b>	<b>December 31, 2022</b>
Operating lease assets	Right-of-use operation lease assets	\$ 1,101,927
Finance lease assets	Property and equipment, net	70,551
Total lease assets		<u>\$ 1,172,478</u>
Current operating lease liability	Current portion of operating lease obligations	\$ 210,002
Current finance lease liability	Accounts payable and accrued expenses	16,119
Noncurrent operating lease liability	Operating lease obligations, less current portion	766,915
Noncurrent finance lease liability	Accrued other	75,725
Total lease liabilities		<u>\$ 1,068,761</u>

Commitments related to noncancelable operating and finance leases for each of the next five years and thereafter are as follows:

	<b>Operating Leases</b>	<b>Finance Leases</b>
2024	\$ 196,308	\$ 15,300
2025	178,779	11,791
2026	163,322	6,758
2027	130,390	3,406
2028	106,801	2,759
Thereafter	225,077	97,542
Total minimum future payments	<u>\$ 1,000,677</u>	<u>\$ 137,556</u>

**Notes to Consolidated Financial Statements**  
**(In Thousands)**

**8. COVID-19 Pandemic and Government Funding**

On March 11, 2020, the World Health Organization designated COVID-19 as a global pandemic resulting in an extraordinary impact to patient activity in 2020. In response to COVID-19, the Coronavirus Aid Relief and Economic Security (CARES) Act was enacted which provided different types of economic support to a wide variety of companies and individuals. Mass General Brigham employed several CARES Act provisions, with the most significant impacts summarized below.

**Medicare Accelerated Payments (MAP)**

As of September 30, 2020, we received approximately \$1,018,093 in MAP funding which was recorded in accounts payable and accrued expenses. Medicare started to recoup these payments beginning in April 2021 based upon the terms and conditions of this program. As of September 30, 2022, we had repaid all MAP funding and had no amounts recorded in accounts payable and accrued expenses.

**Deferred Payment of Employer Payroll Taxes**

As of September 30, 2022 and 2021, we have accumulated \$123,604 and \$239,466, respectively, of deferred employer payroll taxes within accrued employee compensation and benefits. The CARES Act allows for deferred payments of only the employer share of payroll taxes through December 31, 2020 and requires payment of 50% of these deferred taxes by December 31, 2021 and 50% by December 31, 2022. These deferred taxes were fully repaid as of December 31, 2022.

**Provider Relief Funds (PRF)**

For the three months ended December 31, 2022 and 2021, we recognized no permanent grants from the PRF within other operating revenue. PRF were used to prevent, prepare for and respond to COVID-19. Based on our interpretation of available information as of December 31, 2022 and 2021, we have deferred \$86,487 of PRF we received in prior years.

**American Rescue Plan Funding (ARPA)**

For the three months ended December 31, 2022 and 2021, we recognized approximately \$21,811 and \$0, respectively of ARPA funding.

**MASS GENERAL BRIGHAM: ACUTE CARE SECTOR <sup>(1)</sup>**  
**UTILIZATION STATISTICS**

	First Quarter Ended December 31,	
	2022	2021
<b>INPATIENT:</b>		
Discharges	41,643	41,448
% Change	0.5%	
Discharge Days	257,887	251,534
% Change	2.5%	
Average Length of Stay (Days)	6.19	6.07
% Change	2.0%	
Patient Days	242,663	237,299
% Change	2.3%	
Births	4,623	4,560
% Change	1.4%	
<b>OUTPATIENT:</b>		
ATO's	5,933	5,476
% Change	8.3%	
ED Observations	6,995	6,279
% Change	11.4%	
Day Surgery	28,345	26,760
% Change	5.9%	
Ambulatory visits	538,924	519,926
% Change	3.7%	
ER Visits	112,609	108,717
% Change	3.6%	
Procedures	472,569	475,439
% Change	-0.6%	
Major Imaging	132,777	123,430
% Change	7.6%	
Minor Imaging	347,979	333,829
% Change	4.2%	
Treatments	281,854	278,765
% Change	1.1%	
Therapies	384,125	376,991
% Change	1.9%	
Lab Services	3,272,509	3,408,448
% Change	-4.0%	
<b>CASE MIX INDEX (CMI)<sup>(2)</sup>:</b>		
Combined Academic (The General & BWH)	2.19	2.18
	0.5%	
Combined Community (BWFH, Salem & NWH)	1.31	1.31
	0.0%	

<sup>(1)</sup> Includes data from The General, BWH, BWFH, Salem, NWH, Cooley Dickinson, Nantucket, Martha's Vineyard, Wentworth-Douglass and Mass Eye and Ear.

<sup>(2)</sup> CMI based on APR-DRG version 30, NY weight.

**MASS GENERAL BRIGHAM:  
REHABILITATION & PSYCHIATRIC CARE SECTORS  
UTILIZATION STATISTICS**

	First Quarter Ended December 31,	
	2022	2021
<b>REHABILITATION</b>		
<b>Inpatient:</b>		
Discharges	1,097	999
% Change	9.8%	
Discharge Days	25,864	22,820
% Change	13.3%	
Average Length of Stay (Days)	23.58	22.84
% Change	3.2%	
Patient Days	24,926	24,104
% Change	3.4%	
<b>Outpatient:</b>		
Home Health	110,668	114,270
% Change	-3.2%	
Therapies	275,366	266,889
% Change	3.2%	

Note: Rehabilitation sector includes Spaulding Boston, Spaulding Cambridge, Spaulding Cape Cod and Mass General Brigham Home Care.

**PSYCHIATRIC**

<b>Inpatient:</b>		
Discharges	1,549	1,471
% Change	5.3%	
Discharge Days	22,935	21,030
% Change	9.1%	
Average Length of Stay (Days)	14.81	14.30
% Change	3.6%	
Patient Days	23,285	21,159
% Change	10.0%	
<b>Outpatient:</b>		
Psychiatric Services	31,227	32,848
% Change	-4.9%	



**MASS GENERAL BRIGHAM: INSURANCE SECTOR  
STATISTICS**

	<b>First Quarter Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Medical loss ratio</b>	90.2%	91.8%
% Change	-1.6%	
<b>Administrative expense ratio</b>	13.1%	10.8%
% Change	2.3%	
<b>Total members</b>	265,614	256,042
% Change	3.7%	

<b>Statistic</b>	<b>Definition</b>
Discharges	The total number of patients discharged from a hospital bed in a given time period
Discharge Days	The total number of days each discharged patient occupied a bed during the duration of their hospital stay
Average Length of Stay	Patient days divided by the number of patient discharges
Patient Days	Total number of days a patient occupied a hospital bed in a given time period
ATO's	Patients admitted under observation status and generally discharged within 24 hours
ED Observations	Patients admitted under observation status in the ER (at GH and BWH) and generally discharged within 24 hours
Day Surgery	Surgical procedures performed on an outpatient basis
Ambulatory visits	Includes office/outpatient services, consults, preventive medicine and psychiatric visit - clinic O/P
ER Visits	Emergency room visits
Procedures	Includes integumentary, musculoskeletal, oral & maxillofacial surg, respiratory, cardiovascular, hemic/lymphatic, mediastinum/disphragm, digestive, urinary, female/male genital, endocrine, nervous system, eye/ocular adnexa and auditory
Major Imaging	Includes MRI, CT Scan, nuclear medicine and PET Scan
Minor Imaging	Includes radiology diagnostic, ultrasound, breast imaging and 3D reconstruction
Treatments	Includes chemotherapy, radiation therapy, non chemo infusions, dialysis, electroconvulsive therapy and dental
Therapies	Includes respiratory/pulmonary therapy, physical therapy, occupational therapy, speech language pathology, cardiac rehabilitation and nutrition
Lab Services	Lab services
Home Health	Nurse visits, aide visits, physical therapy, occupational therapy, speech-language pathology, registered dietician, medical social work, telemedicine and private duty converted hours
Psychiatric Services	Includes partial days, ART days, individual therapy, group therapy, family therapy, child and adolescent days and other therapies
Case Mix Index	The average diagnosis-related-group weight for all of a hospital's inpatient volume
Medical Loss Ratio	Medical expense as a percentage of premium revenue

**MASS GENERAL BRIGHAM: INVESTMENT LIQUIDITY & DEBT BACKED BY SELF LIQUIDITY**  
as of December 31, 2022  
(In Thousands)

**INVESTMENT LIQUIDITY<sup>(1)</sup>**

**Funds Available**

<b>Investment Pool</b>	<b>Same Day</b>	<b>1 Week</b>	<b>1 Month</b>	<b>3 Months</b>	<b>1 Year</b>	<b>&gt;1 Year</b>	<b>Total</b>
Money Market	\$398,575	-	-	-	-	-	\$398,575
Aggregate Bond	423,557	2,958	-	-	-	-	426,514
Long Term	47,655	707,995	2,125,207	2,097,296	1,815,294	5,904,343	12,697,791
<b>Total</b>	<b>\$869,787</b>	<b>\$710,953</b>	<b>\$2,125,207</b>	<b>\$2,097,296</b>	<b>\$1,815,294</b>	<b>\$5,904,343</b>	<b>\$13,522,881</b>
Cumulative Total	\$869,787	\$1,580,740	\$3,705,947	\$5,803,244	\$7,618,538	\$13,522,881	

**DEBT BACKED BY SELF LIQUIDITY**

**Funds Required**

<b>Debt Mode</b>	<b>Same Day</b>	<b>1 Week</b>	<b>1 Month</b>	<b>3 Months</b>	<b>1 Year</b>	<b>&gt;1 Year</b>	<b>Total</b>
Flexible Rate <sup>(2)</sup>	-	\$50,525	\$49,975	\$59,285	-	-	\$159,785
Index Floating Rate	-	-	69,870	50,000	-	265,030	384,900
Term Rate	-	-	-	-	-	207,205	207,205
<b>Total</b>	<b>-</b>	<b>\$50,525</b>	<b>\$119,845</b>	<b>\$109,285</b>	<b>-</b>	<b>\$472,235</b>	<b>\$751,890</b>
Cumulative Total	-	\$50,525	\$170,370	\$279,655	\$279,655	\$751,890	

<sup>(1)</sup> Excludes ERISA.

<sup>(2)</sup> Mass General Brigham limits daily maturities on its flexible rate bonds to \$20 million.



# Mass General Brigham

## Money Market Pool

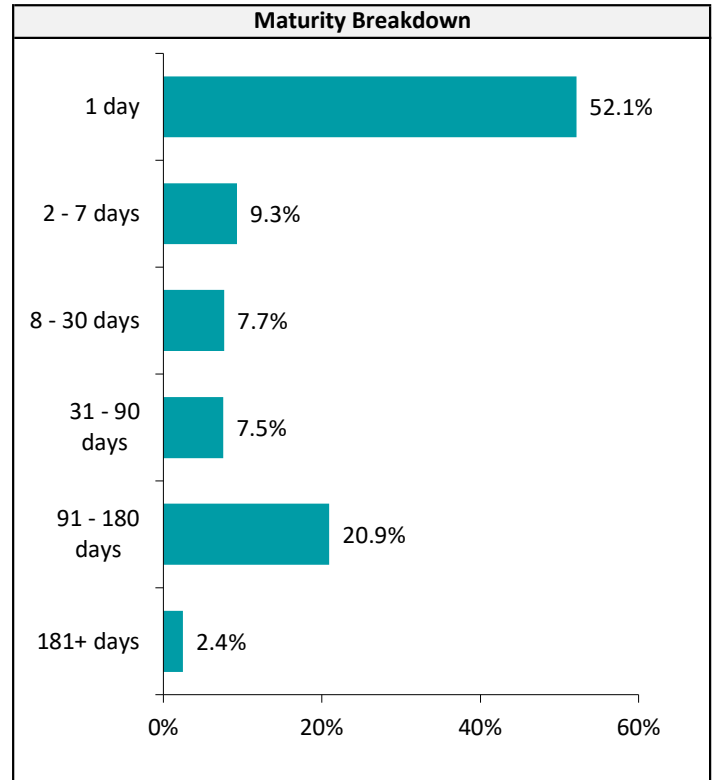
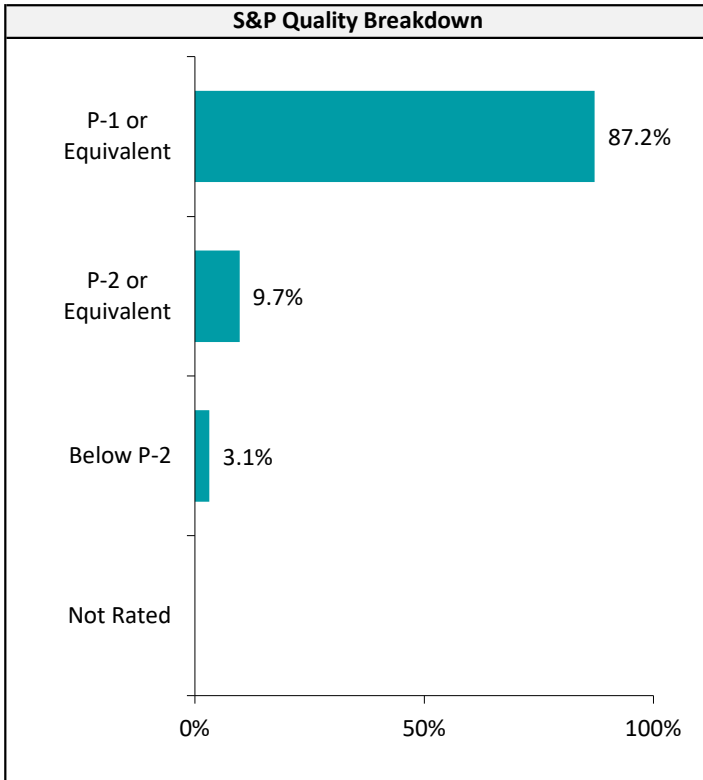
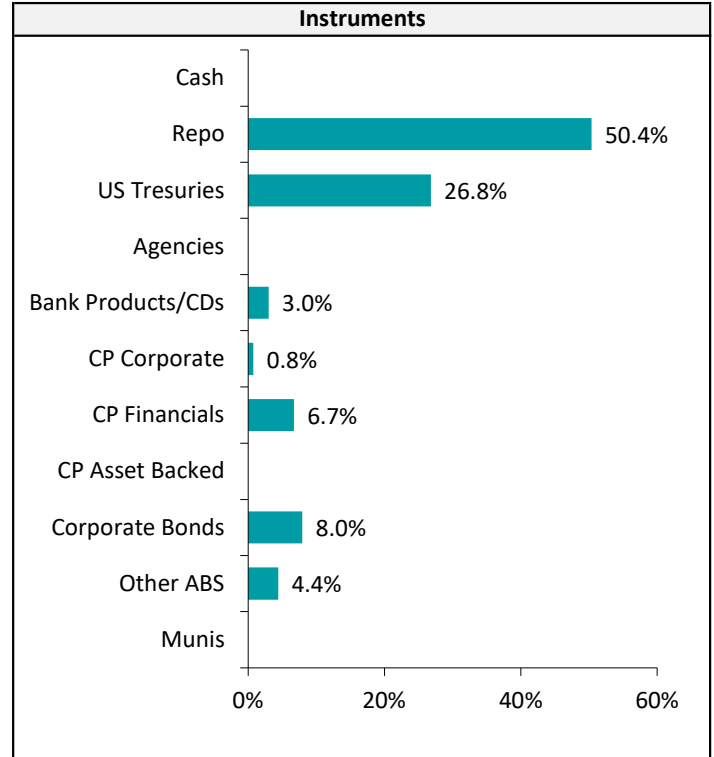
12/31/2022

Portfolio Manager **Wellington Management Co. - Tim Smith**  
 Benchmark **iMoneyNet Money Market Fund Average/All Taxable**

Characteristics	Portfolio	Benchmark
Market Value (\$000)	\$ 398,575	n/a
Avg Rating	P-1	P-1
Avg Maturity (Days)	45.3	n/a
Avg Life (Days)	58.5	n/a
Current Yield	5.86%	n/a
Daily Liquidity (%)	77.18%	n/a
Weekly Liquidity (%)	77.18%	n/a
144A Securities (%)	5.61%	n/a
Floating Rate (%)	9.41%	n/a

Net Asset Value 1.00

Annualized Returns	Portfolio	Benchmark	Relative
Month	0.38%	0.32%	+ 0.06%
Quarter	0.86%	0.82%	+ 0.03%
FYTD	0.86%	0.82%	+ 0.03%
CYTD	1.41%	1.38%	+ 0.03%
1 Year	1.41%	1.38%	+ 0.03%
3 Year	0.61%	0.57%	+ 0.05%
5 Year	1.20%	1.01%	+ 0.19%
Inception (12/31/94)	2.43%	2.03%	+ 0.40%





# Mass General Brigham

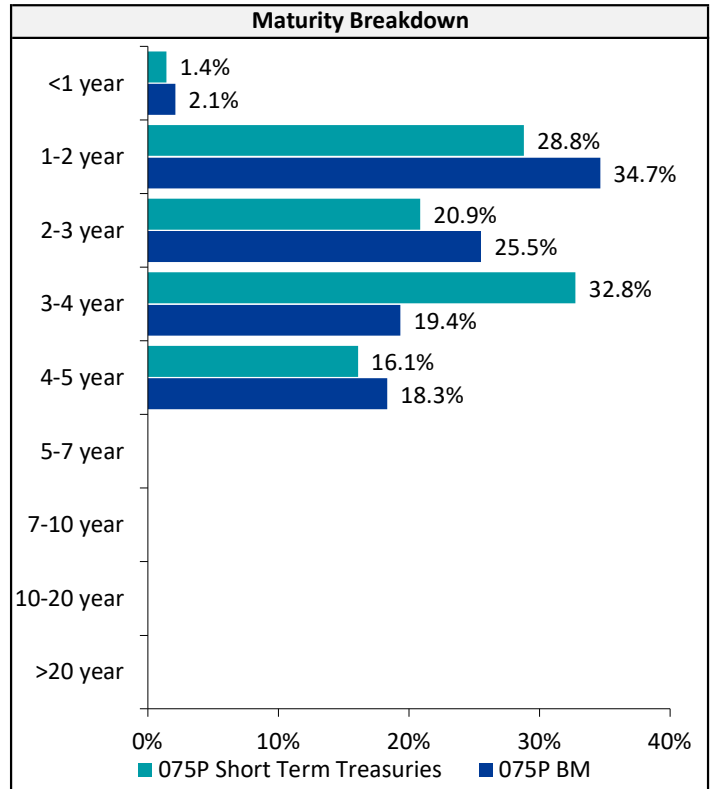
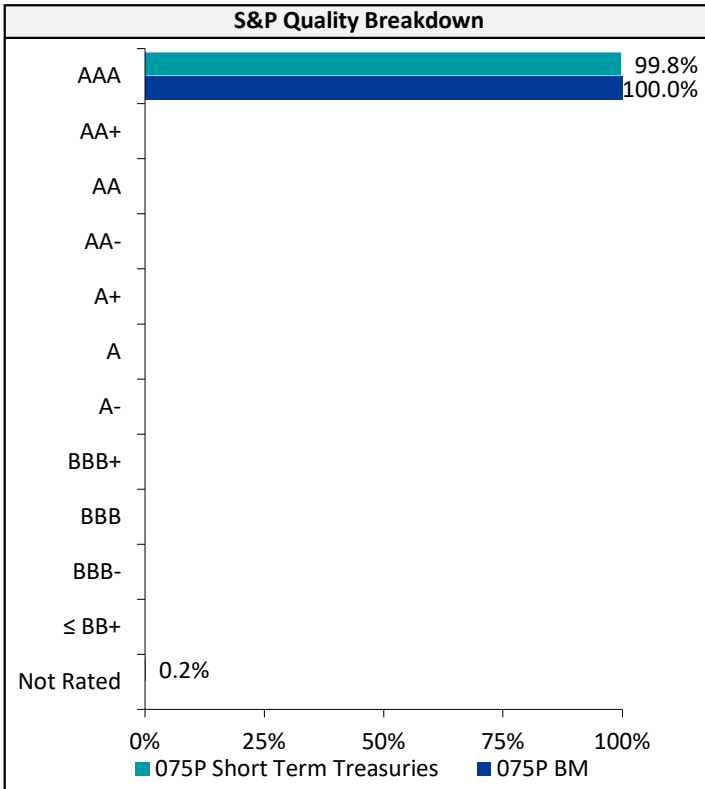
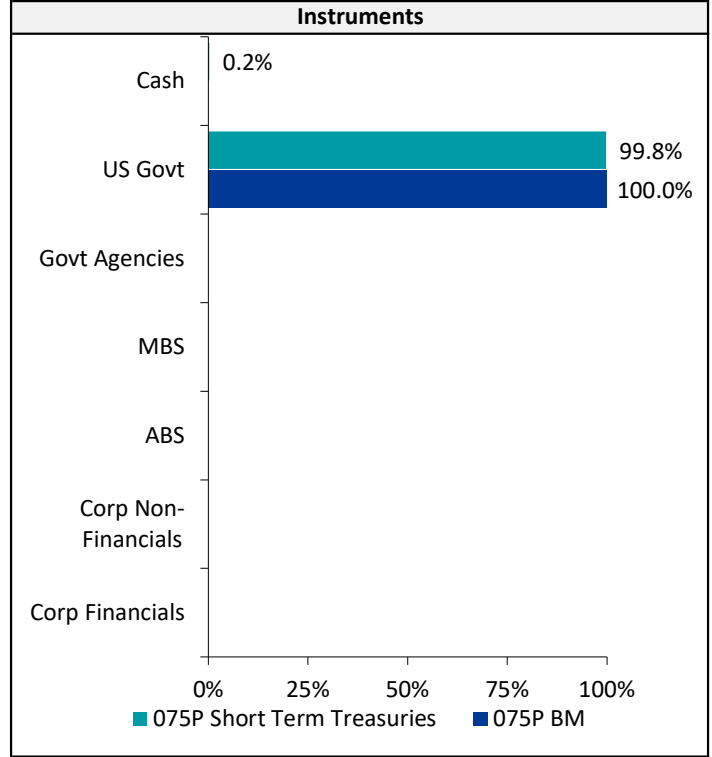
## Short Term Treasury Fund

12/31/2022

Portfolio Manager **Congress Asset Management - Jeff Porter**  
 Benchmark **Barc. US Treas 1-5 yr**

	Portfolio	Benchmark
Market Value (\$000)	\$ 158,371	n/a
# Issues	13	154
Avg Coupon	1.80%	1.73%
Avg Rating	AAA	AAA
Avg Maturity	2.79	2.70
Avg Yield	4.34%	4.34%
Avg Mod. Duration	2.64	2.64
Avg. Convexity	0.10	0.09

Annualized Returns	Portfolio	Benchmark	Relative
Month	-0.02%	0.02%	- 0.04%
Quarter	0.89%	0.94%	- 0.05%
FYTD	0.89%	0.94%	- 0.05%
CYTD	-5.46%	-5.47%	+ 0.02%
1 Year	-5.46%	-5.47%	+ 0.02%
3 Year	-0.60%	-0.85%	n/a
5 Year	0.74%	0.62%	n/a
Inception (4/1/14)	0.80%	0.76%	+ 0.04%





# Mass General Brigham

## Intermediate Domestic Bond Fund

12/31/2022

Portfolio Manager **Congress Asset Management - Jeff Porter**  
 Benchmark **Barc. Intermediate US Govt/Credit**

	Portfolio	Benchmark
Market Value (\$000)	\$ 265,014	n/a
# Issues	38	5,652
Avg Coupon	2.50%	2.28%
Avg Rating	AA	AA
Avg Maturity	4.31	4.21
Avg Yield	4.48%	4.58%
Avg Mod. Duration	3.86	3.82
Avg. Convexity	0.23	0.22

Annualized Returns	Portfolio	Benchmark	Relative
Month	-0.41%	-0.18%	- 0.23%
Quarter	1.32%	1.54%	- 0.22%
FYTD	1.32%	1.54%	- 0.22%
CYTD	-7.93%	-8.23%	+ 0.31%
1 Year	-7.93%	-8.23%	+ 0.31%
3 Year	-1.15%	-1.26%	+ 0.12%
5 Year	0.80%	0.73%	+ 0.07%
Inception (5/31/02)	3.50%	3.12%	+ 0.38%

