



UNAUDITED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
For the Six-Month Periods Ended March 31, 2023, and 2022

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	(Unaudited) March 31, 2023	(Audited) September 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 427,092	\$ 223,232
Short-term investments	2,815,747	3,262,571
Net patient receivables	722,017	733,071
Professional liabilities insurance recoveries receivable	85,542	85,542
Other assets	312,896	308,875
Assets limited as to use-debt service fund	13,596	6,749
Total current assets	<u>4,376,890</u>	<u>4,620,040</u>
Assets limited as to use	184,683	174,612
Long-term investments	618,064	351,747
Interest in the net assets of Greenwich Hospital Endowment Fund, Inc.	115,855	110,932
Professional liabilities insurance recoveries receivable	176,764	176,764
Other assets	145,375	135,740
Right of use assets	305,914	324,277
Property, plant, and equipment, net	2,095,839	2,078,678
Goodwill	184,995	184,995
Total assets	<u>\$ 8,204,379</u>	<u>\$ 8,157,785</u>

See accompanying notes to consolidated financial statements.

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Balance Sheets
(In Thousands)

	(Unaudited) March 31, 2023	(Audited) September 30, 2022
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 977,535	\$ 1,071,291
Current portion of long-term debt	20,440	20,440
Current portion of finance lease obligation	6,191	5,935
Current portion of professional liabilities	85,542	85,542
Variable rate debt classified as current	186,298	186,276
Operating lease liability - short term	48,706	49,786
Other liabilities	116,571	146,990
Total current liabilities	<u>1,441,283</u>	<u>1,566,260</u>
Long-term debt, net of current portion and deferred financing costs	1,408,443	1,409,154
Long-term finance lease obligation net of current portion	109,117	112,362
Accrued pension and postretirement benefit obligations	157,541	148,210
Professional liabilities, net of current portion	279,426	275,936
Operating lease liability - long term	266,641	281,352
Other liabilities	345,517	349,031
Total liabilities	<u>4,007,968</u>	<u>4,142,305</u>
Net assets:		
Net assets without donor restrictions	3,703,797	3,579,778
Net assets with donor restrictions	492,614	435,702
Total net assets	<u>4,196,411</u>	<u>4,015,480</u>
Total liabilities and net assets	<u>\$ 8,204,379</u>	<u>\$ 8,157,785</u>

See accompanying notes to consolidated financial statements.

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(In Thousands)

	Six Months Ended March 31,	
	2023	2022
Net assets without donor restrictions:		
Net patient service revenue	\$ 2,867,366	\$ 2,750,196
Other revenue	356,947	334,249
Total operating revenue	<u>3,224,313</u>	<u>3,084,445</u>
Operating expenses:		
Salaries and benefits	1,704,634	1,641,713
Supplies and other	1,472,653	1,400,940
Depreciation and amortization	107,292	105,675
Insurance	45,312	35,822
Interest	16,734	14,512
Total operating expenses	<u>3,346,625</u>	<u>3,198,662</u>
(Loss) income from operations	<u>(122,312)</u>	<u>(114,217)</u>
Non-operating gains (losses), net		
Income from investments, donations, and other, net	259,358	(26,095)
Pension cost other than service cost, net	(2,434)	289
Change in fair value of swap, including counterparty payments	(2,828)	13,437
Total non-operating gains, net	<u>254,096</u>	<u>(12,369)</u>
Excess of revenue over expenses	<u><u>\$ 131,784</u></u>	<u><u>\$ (126,586)</u></u>

See accompanying notes to consolidated financial statements.

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(continued)
(In Thousands)

	Six Months Ended March 31,	
	2023	2022
Net assets without donor restrictions:		
Excess of revenue over expenses	\$ 131,784	\$ (126,586)
Other changes in net assets	(11,720)	89
Net assets released from restrictions for purchases of fixed assets	3,955	2,322
Increase in net assets without donor restrictions	<u>124,019</u>	<u>(124,175)</u>
Net assets with donor restrictions:		
Income from investments	2,643	2,194
Net realized and unrealized gains on investments	25,178	(8,630)
Bequests and contributions	40,083	13,047
Net assets released from restrictions for purchases of fixed assets	(4,680)	(2,289)
Net assets released from restrictions for operations	(9,139)	(10,027)
Net assets released from restrictions for clinical programs	(1,676)	(1,873)
Change in beneficial interest in perpetual trusts	1,966	(1,213)
Other changes in net assets	2,537	(702)
Increase in net assets with donor restrictions	<u>56,912</u>	<u>(9,493)</u>
Increase in net assets	180,931	(133,668)
Net assets at beginning of period	4,015,480	4,482,105
Net assets at the end of period	<u>\$ 4,196,411</u>	<u>\$ 4,348,437</u>

See accompanying notes to consolidated financial statements.

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(In Thousands)

	Six Months Ended March 31,	
	2023	2022
Operating activities		
Increase in net assets	\$ 180,931	\$ (133,668)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	107,292	105,675
Net realized and change in net unrealized (gains) losses on investments	(297,616)	46,154
Change in fair value of interest rate swap agreements	3,175	(17,881)
Amortization of long-term debt premium and deferred financing costs	(687)	(787)
Change in beneficial interest in perpetual trusts	(10,186)	12,224
Bequests and contributions	(40,083)	(13,047)
CARES Act Medicare cash recoupments	(8,373)	(133,550)
Changes in operating assets and liabilities:		
Accounts receivable	11,054	(86,750)
Other assets	(25,412)	3,421
Accounts payable and accrued expenses	(122,095)	(11,957)
Professional insurance recoveries and liabilities	3,489	2,085
Reduction in carrying amount of right of use assets	30,120	17,882
Other liabilities, accrued pension and postretirement benefit obligations and deferred revenue	(6,857)	(44,016)
Net cash used in operating activities	<u>(175,248)</u>	<u>(254,215)</u>
Investing activities		
Net acquisitions of property, plant and equipment	(124,453)	(71,207)
Purchase of investments, net	473,313	56,847
Amounts deposited with trustee in debt service fund	(6,846)	(7,895)
Net cash provided by (used in) investing activities	<u>342,014</u>	<u>(22,255)</u>
Financing activities		
Payments on capital lease obligations	(2,989)	(2,969)
Bequests and contributions	40,083	13,047
Net cash provided by financing activities	<u>37,094</u>	<u>10,078</u>
Net decrease in cash and cash equivalents	203,860	(266,392)
Cash and cash equivalents at beginning of period	223,232	439,777
Cash and cash equivalents at end of period	<u>\$ 427,092</u>	<u>\$ 173,385</u>

See accompanying notes to consolidated financial statements.

1. Organization and Significant Accounting Policies

Organization

Yale New Haven Health Services Corporation (YNHHSC), formed in 1983, was incorporated under the Not-for-Profit Corporation Law to coordinate the activities of the members of the Yale New Haven Health Services Corporation, d/b/a Yale New Haven Health System and Subsidiaries (collectively, the System), and is an integrated regional healthcare delivery system.

The System currently includes the following entities:

YNHHSC is the parent company of Yale New Haven Hospital, Inc. (YNHH), Corporate Professional Business Services, Inc. (CPBS), Bridgeport Hospital and subsidiaries (BH), Greenwich Hospital and subsidiaries (GH), Lawrence + Memorial Corporation and subsidiaries (LMC), and Northeast Medical Group, Inc. (NEMG).

YNHH is a voluntary association incorporated under the General Statutes of the State of Connecticut. The Board of Trustees of YNHH, appointed by YNHHSC, controls the operations of YNHH. YNHH is the parent of the following entities:

Yale New Haven Care Continuum Corporation (YNHCCC), a Connecticut nonstock corporation, is a wholly owned subsidiary of YNHH. YNHCCC provides long-term care for those unable to live independently and short-term rehabilitation for patients who have experienced elective surgery, an injury, or a traumatic major illness. Its services include respite care for family members and caregivers, stroke recovery for victims of strokes, orthopedic recovery services, medications, and diagnostic services (such as radiological services). YNHCCC is the sole member of Home Care Plus, Inc. (HCP). HCP provides home healthcare services to local residents. HCP is the sole member of Lifetime Care at Home, LLC which was acquired on May 22, 2022. Lifetime Care at Home, LLC provides healthcare services to local residents.

Yale New Haven Ambulatory Services Corporation and subsidiaries (YNHASC), a Connecticut nonstock, taxable corporation, is a wholly owned subsidiary of YNHH, and sole owners of Shoreline Endoscopy Center, LLC and SSC II, LLC.

Medical Center Pharmacy and Home Care, Inc. (MCP) is a Connecticut stock, for-profit company and is a wholly owned subsidiary of YNHH.

BH is a voluntary association incorporated under the General Statutes of the State of Connecticut. The Board of Trustees of BH, appointed by YNHHSC, controls the operations of BH. BH is the parent of the following entities:

Bridgeport Hospital Foundation (Foundation) solicits contributions for the benefit of BH and all other tax-exempt healthcare organizations associated with BH.

Southern Connecticut Health System Properties, Inc. is a real estate holding company, which sold primarily all of its assets to Bridgeport Hospital during 1998.

NEMG is a tax-exempt medical organization that provides physician-related services to BH, GH, YNHH, and LMC and their surrounding communities. NEMG operates autonomously with a separate board, management, and medical staff. YNHHSC must approve the strategic plans, operating budgets, capital budgets, and board appointments of NEMG.

GH is a voluntary association incorporated under the General Statutes of the State of Connecticut. The Board of Trustees of GH, appointed by YNHHSC, controls the operations of GH.

GH is the parent corporation of a group of wholly owned subsidiaries, including The Perryridge Corporation and Greenwich Ambulatory Surgery Center, LLC. YNHHSC is the sole member of GH. GH and its subsidiaries are Section 501(c)(3) not-for-profit organizations and are exempt from federal income taxes under Section 501(a) of the Code.

The Greenwich Hospital Endowment Fund, Inc., is a Section 501(c)(3) not-for-profit organization that has a charitable purpose to solicit, receive, maintain, hold, manage, and administer funds, including, without limitations, endowment funds, for the benefit of GH. The board of GHEF is not required to comprise of all members of GH's investment oversight committee and due to this governance structure, the financial statements of GHEF are not consolidated into the financial statements of GH.

Greenwich Hospital, a nonstock Connecticut corporation, provides healthcare services to the lower Fairfield County, and Westchester County, New York communities.

CPBS, a for-profit stock corporation, manages physician practices and provides third-party administration services on certain managed care contracts. The capital stock of CPBS consists of 20,000 shares of common stock, par value of one one-hundredth of a dollar per share. The Board of Directors of CPBS is appointed by YNHHS, the sole shareholder, who controls CPBS's operations.

YNHHS is the sole corporate member of LMC, a system of healthcare that provides a wide array of services throughout the region including Lawrence + Memorial Hospital (L+M), L+M Systems, Inc., L+M Healthcare, Visiting Nurse Association of Southeastern Connecticut Inc. (VNA), and LMW Healthcare Inc. (Westerly Hospital). LMC is the parent of the following entities:

L+M is a nonprofit organization incorporated under the General Statutes of the State of Connecticut.

Westerly Hospital is a nonprofit organization incorporated under the General Statutes of the State of Rhode Island.

VNA is a not-for-profit organization under the general statutes of the State of Connecticut that provides home healthcare services.

Concurrent with the issuance of the Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Yale New Haven Health Obligated Group, Series A, B, C, D, and E dated May 20, 2014, six members of the System were combined to form an Obligated Group. The Obligated Group comprises YNHHS, YNH, YNHCC, BH, the Foundation, and NEMG. On September 18, 2018, GH joined the Obligated Group. Concurrent with Yale New Haven Health Obligated Group entering into a term loan agreement with Bank of America, N.A., dated June 28, 2018, LMC, L+M, and Westerly Hospital joined the obligated group. The members of the Obligated Group have adopted certain governance provisions in their certificates of incorporation and bylaws pursuant to which YNHHS retains the authority to directly take certain actions on behalf of each Obligated Group member without the approval of the board of trustees of the applicable Obligated Group member, including the incurrence of indebtedness on behalf of each Obligated Group member, the management and control of the liquid assets of each, and the appointment of the president and chief executive officer of each Obligated Group member.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles applied on a basis consistent with that of the September 30, 2022 audited consolidated financial statements for the System. The System presumes that the users of this interim financial information have read or have access to the System's audited consolidated financial statements and that the adequacy of additional disclosures needed for a fair presentation may be determined in that context. Information contained in the System's audited consolidated financial statements for the years ended September 30, 2022, and 2021 is incorporated herein. Footnotes and other disclosures that would substantially duplicate the disclosures contained in the System's most recent audited consolidated financial statements have been omitted. Accordingly, these financial statements do not include all the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all transactions considered necessary for a fair presentation have been included.

Patient volumes and net operating revenue and results are subject to seasonal variations caused by several factors. Monthly and periodic operating results are not necessarily representative of operations for a full year for various reasons, including levels of occupancy and other patient volumes, interest rates, unusual or infrequent items and other seasonal fluctuations. These same considerations apply to year-to-year comparisons.

Principles of Consolidation

The accompanying consolidated financial statements present the accounts and transactions of the System and its subsidiaries. All significant intercompany revenue and expenses and intercompany balance sheet accounts have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectible accounts receivable for services to patients, and liabilities, including estimated net settlements with third-party payors and professional liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the amounts of revenue and expenses reported during the reporting period. Actual results could differ from those estimates.

For the six-months ended March 31, 2023 and 2022 the System recorded changes in estimate including amounts related to third-party payor settlements.

Interest Rate Swap Agreements

The System utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value with changes in fair value during the year recorded as nonoperating gains (losses), net. The System is exposed to credit risk in the event of nonperformance by the counterparties to its interest rate swap agreements. The System is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate receipts do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the System.

2. Investments and Assets Limited as to Use

The composition of investments, including investments held by the Trust, amounts on deposit with trustee in debt service fund, and assets limited as to use is set forth in the following table (in thousands):

	<u>March 31, 2023</u>	<u>September 30, 2022</u>
Money market funds	\$ 48,101	\$ 59,773
U.S. equity securities	432,230	381,499
International equity funds ^(a)	565,938	443,828
Fixed income:		
U.S. government	805,016	1,229,343
Corporate bonds	1,453	1,314
Commodities ^(b)	4,055	4,155
Hedge funds:		
Absolute return ^(c)	220,394	206,053
Long/short equity ^(d)	105,338	113,484
Long/-only equity ^(d)	136,144	115,505
Private equity	47,827	41,326
Real estate ^(e)	63,055	54,661
Interest in Yale University endowment pool ^(f)	1,065,296	1,008,195
Interest in MCIC ^(g)	87,888	92,012
Perpetual trusts ^(h)	49,355	44,531
Total investments	<u>\$ 3,632,090</u>	<u>\$ 3,795,679</u>

(a) Investments with external international equity and bond managers that are domiciled in the United States. Investment managers may invest in American or Global Depository Receipts (ADR, GDR) or in direct foreign securities.

(b) Investments with external commodities futures manager.

(c) Investment with external multi-strategy fund of funds manager investing in publicly traded equity and credit holdings, which may be long or short positions.

(d) Investment with an external long-short equity fund of funds manager with underlying portfolio investments consisting of publicly traded equity positions.

(e) Investments with external direct real estate managers and fund of funds managers. Investment vehicles include both closed end Real Estate Investment Trusts (REITs) and limited partnerships.

(f) Yale University Endowment Pool maintains a diversified investment portfolio, using external investment managers operating in a variety of investment vehicles, including separate accounts, limited partnerships, and commingled funds. The pool combines an orientation to equity investments with an allocation to nontraditional asset classes such as an absolute return, private equity, and real assets.

(g) YNHH controls less than 20% of the Class A stock of MCIC (as described in note 11 of the audited financial statements); however, for accounting purposes, the investment in the insurance companies is recorded on the equity method because of contractual agreements.

(h) Investments consist of several domestic and international equity and fixed-income mutual funds, REITs, commodities, and money market funds. There is also an investment in a hedge fund of funds.

3. Fair Value Measurements

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers nonperformance risk in the overall assessment of fair value.

ASC 820-10, *Fair Value Measurements and Disclosures*, establishes a valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The levels are defined as follows:

- Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.
- Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.
- Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

Financial assets carried at fair value as of March 31, 2023 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

March 31, 2023				
	Investments measured at NAV*	Investments classified in the fair value hierarchy		Total
		Level 1	Level 2	
Cash and cash equivalents	\$ -	\$ 427,092	\$ -	\$ 427,092
Money market funds	-	48,101	-	48,101
U.S. equity securities	-	432,230	-	432,230
International equity funds	499,064	66,874	-	565,938
Fixed income funds:				
U.S. government	-	805,016	-	805,016
Corporate bonds	-	1,453	-	1,453
Commodities	4,055	-	-	4,055
Hedge Funds:				
Absolute return	220,394	-	-	220,394
Long/short equity	105,338	-	-	105,338
Long only equity		136,144	-	136,144
Private Equity	47,827	-	-	47,827
Real estate	62,305	-	-	62,305
Interest in Yale University endowment pool	1,065,296	-	-	1,065,296
Perpetual trusts	49,355	-	-	49,355
Beneficial interest in remainder trust	2,004	-	-	2,004
Total investments	<u>\$ 2,055,638</u>	<u>\$ 1,916,910</u>	<u>\$ -</u>	<u>\$ 3,972,548</u>
Interest rate swaps	\$ -	\$ -	\$ 11,992	\$ 11,992

*Certain investments that are measured at fair value using NAV per share (or its equivalent practical expedient) have not been classified in the fair value hierarchy.

Financial assets carried at fair value as of September 30, 2022 are classified in the following table by level within the fair value hierarchy as described above (in thousands):

	September 30, 2022			
	Investments measured at NAV*	Investments classified in the fair value hierarchy		Total
		Level 1	Level 2	
Cash and cash equivalents	\$ -	\$ 223,232	\$ -	\$ 223,232
Money market funds	-	59,773	-	59,773
U.S. equity securities	131,265	250,234	-	381,499
International equity funds	369,016	74,812	-	443,828
Fixed income funds:				
U.S. government	-	1,229,343	-	1,229,343
Corporate bonds	-	1,314	-	1,314
Commodities	4,155	-	-	4,155
Hedge Funds:				
Absolute return	206,053	-	-	206,053
Long/short equity	113,484	-	-	113,484
Long-only equity	115,505	-	-	115,505
Private Equity	41,326	-	-	41,326
Real estate	53,911	-	-	53,911
Interest in Yale University endowment pool	1,008,195	-	-	1,008,195
Perpetual trusts	44,531	-	-	44,531
Beneficial interest in remainder trust	2,004	-	-	2,004
Total investments	<u>\$ 2,089,445</u>	<u>\$ 1,838,708</u>	<u>\$ -</u>	<u>\$ 3,928,153</u>
Interest rate swaps	\$ -	\$ -	\$ 14,869	\$ 14,869

*Certain investments that are measured at fair value using NAV per share (or its equivalent practical expedient) have not been classified in the fair value hierarchy.

The amounts reported in the tables as detailed above do not include assets invested in the System's defined benefit pension plans.

There are no assets or liabilities that are measured at fair value based on Level 3 inputs at March 31, 2023 or September 30, 2022.

The interest rate swaps listed above are classified in the accompanying balance sheets as other long-term liabilities at March 31, 2023 and September 30, 2022.

4. Long-term Debt

Long-term debt consists of the following:

	March 31, 2023	September 30, 2022
Revenue bonds financed with the State of Connecticut		
Health and Educational Facilities Authority (CHEFA):		
Tax-exempt	\$ 568,680	568,680
Taxable	21,660	21,660
Loans payable	1,021,505	1,021,505
	<u>1,611,845</u>	<u>1,611,845</u>
 Add premium	 13,678	 14,620
Less:		
Current portion	(206,738)	(206,716)
Deferred costs of issuance, net	(10,342)	(10,594)
	<u>1,408,443</u>	<u>1,409,154</u>
Long-term portion	\$	

5. Subsequent Events

Management has evaluated subsequent events through May 18, 2023 for potential recognition or disclosure in the accompanying consolidated financial statements for the six-months ended March 31, 2023. No events occurred in this period that require disclosure or adjustment to the consolidated financial statements.

Supplementary Information (Unaudited)

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Unaudited Consolidating Balance Sheet

March 31, 2023

	Yale New Haven Health Services Corporation	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Greenwich Hospital and Subsidiaries	Lawrence Memorial Corp and Subsidiaries	Eliminations	Obligated Group	Other Non-Obligated Entities	Eliminations	System
Assets											
Current assets:											
Cash and cash equivalents	\$ 335,451	\$ -	\$ 44,927	\$ -	\$ 7,023	\$ 39,691	\$ -	\$ 427,092	\$ 1,559	\$ (1,559)	\$ 427,092
Short-term investments	517,390	-	1,928,123	79,456	227,551	63,227	-	2,815,747	8,725	(8,725)	2,815,747
Net patient receivables	-	33,257	402,019	110,073	81,018	95,650	-	722,017	2,852	(2,852)	722,017
Professional liabilities insurance recoveries receivables	-	-	48,690	16,578	13,550	6,724	-	85,542	-	-	85,542
Other assets	227,664	17,099	297,511	25,456	34,197	39,428	(331,267)	310,088	73,861	(71,053)	312,896
Assets limited as to use-debt service fund	8	-	12,167	1,421	-	-	-	13,596	-	-	13,596
Total current assets	1,080,513	50,356	2,733,437	232,984	363,339	244,720	(331,267)	4,374,082	86,997	(84,189)	4,376,890
Assets limited as to use	-	-	134,997	695	17,798	31,193	-	184,683	17,235	(17,235)	184,683
Long-term investments	97,048	-	364,851	68,303	57,074	30,788	-	618,064	-	-	618,064
Interest in the net assets of Greenwich Hospital Endowment Fund, Inc.	-	-	-	-	115,855	-	-	115,855	-	-	115,855
Investment in LMC	277,307	-	-	-	-	-	(277,307)	-	-	-	-
Professional liabilities insurance recoveries receivables	-	-	111,563	31,502	19,923	13,776	-	176,764	-	-	176,764
Other assets	785,057	1	157,753	5,925	11,592	8,265	(823,218)	145,375	13,527	(13,527)	145,375
Right of use assets	29,041	43,990	146,075	22,706	57,686	6,416	-	305,914	784	(784)	305,914
Property, plant, and equipment, net	181,465	19,163	1,138,619	294,847	219,180	242,565	-	2,095,839	13,608	(13,608)	2,095,839
Goodwill	52,050	-	45,040	75,743	-	12,162	-	184,995	-	-	184,995
Total assets	\$ 2,502,481	\$ 113,510	\$ 4,832,335	\$ 732,705	\$ 862,447	\$ 589,885	\$ (1,431,792)	\$ 8,201,571	\$ 132,151	\$ (129,343)	\$ 8,204,379

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Unaudited Consolidating Balance Sheet

March 31, 2023

	Yale New Haven Health Services Corporation	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Greenwich Hospital and Subsidiaries	Lawrence Memorial Corp and Subsidiaries	Eliminations	Obligated Group	Other Non-Obligated Entities	Eliminations	System
Liabilities											
Current liabilities:											
Accounts payable and accrued expenses	\$ 345,371	\$ 52,178	\$ 583,155	\$ 105,445	\$ 50,859	\$ 64,415	\$ (228,254)	\$ 973,169	\$ 59,741	\$ (55,375)	\$ 977,535
Current portion of long-term debt	20,440	-	11,537	1,458	3,415	4,030	(20,440)	20,440	-	-	20,440
Current portion of finance lease obligation	-	-	3,469	2,722	-	-	-	6,191	-	-	6,191
Current portion of professional liabilities	-	-	48,690	16,578	13,550	6,724	-	85,542	-	-	85,542
Variable rate debt classified as current	186,298	-	175,439	-	10,859	-	(186,298)	186,298	-	-	186,298
Operating lease liability - short term	5,925	6,265	21,449	6,003	7,489	1,575	-	48,706	235	(235)	48,706
Other liabilities	97	-	80,888	16,983	11,163	8,599	(1,159)	116,571	1,115	(1,115)	116,571
Total current liabilities	558,131	58,443	924,627	149,189	97,335	85,343	(436,151)	1,436,917	61,091	(56,725)	1,441,283
Long-term debt, net of current portion and deferred financing costs	1,408,444	-	527,852	26,573	-	68,106	(622,532)	1,408,443	-	-	1,408,443
Long-term finance lease liabilities, net of current portion	-	-	26,141	82,976	-	-	-	109,117	-	-	109,117
Accrued pension and postretirement benefit obligation	18,481	-	141,600	-	-	3,975	(6,515)	157,541	-	-	157,541
Professional liabilities, net of current portion	-	-	177,606	51,231	32,646	17,943	-	279,426	-	-	279,426
Operating lease liability, net of current portion	23,115	38,182	126,613	16,702	57,018	5,011	-	266,641	549	(549)	266,641
Other liabilities	56,734	53	317,205	27,896	13,884	19,032	(89,287)	345,517	14,372	(14,372)	345,517
Total liabilities	2,064,905	96,678	2,241,644	354,567	200,883	199,410	(1,154,485)	4,003,602	76,012	(71,646)	4,007,968
Net assets											
Net assets without donor restrictions	401,375	16,832	2,415,029	300,981	468,929	343,315	(241,106)	3,705,355	56,027	(57,585)	3,703,797
Net assets with donor restrictions	36,201	-	175,662	77,157	192,635	47,160	(36,201)	492,614	112	(112)	492,614
Total net assets	437,576	16,832	2,590,691	378,138	661,564	390,475	(277,307)	4,197,969	56,139	(57,697)	4,196,411
Total liabilities and net assets	\$ 2,502,481	\$ 113,510	\$ 4,832,335	\$ 732,705	\$ 862,447	\$ 589,885	\$ (1,431,792)	\$ 8,201,571	\$ 132,151	\$ (129,343)	\$ 8,204,379

Yale New Haven Health Services Corporation
d/b/a Yale New Haven Health System and Subsidiaries

Unaudited Consolidating Statement of Operations

Six-months ended March 31, 2023

	Yale New Haven Health Services Corporation	NEMG	Yale New Haven Hospital and Subsidiaries	Bridgeport Hospital and Subsidiaries	Greenwich Hospital and Subsidiaries	Lawrence Memorial Corp and Subsidiaries	Eliminations	Obligated Group	Other Non-Obligated Entities	Eliminations	System
Net assets without donor restrictions:											
Net patient service revenue	\$ -	\$ 158,306	\$ 1,797,799	\$ 392,638	\$ 258,793	\$ 294,909	\$ (35,079)	\$ 2,867,366	\$ 12,671	\$ (12,671)	\$ 2,867,366
Other revenue	486,158	160,580	311,698	37,492	10,316	12,273	(666,903)	351,614	165,391	(160,058)	356,947
Total operating revenue	486,158	318,886	2,109,497	430,130	269,109	307,182	(701,982)	3,218,980	178,062	(172,729)	3,224,313
Operating expenses:											
Salaries and benefits	247,678	202,151	835,725	177,115	103,502	145,423	(11,532)	1,700,062	27,161	(22,589)	1,704,634
Supplies and other	158,764	104,957	1,289,648	254,704	153,784	157,775	(647,740)	1,471,892	149,256	(148,495)	1,472,653
Depreciation and amortization	20,346	1,055	52,347	15,445	9,524	8,575	-	107,292	447	(447)	107,292
Insurance	46,572	6,692	19,856	6,915	4,336	3,651	(42,710)	45,312	159	(159)	45,312
Interest	60	-	12,048	3,224	195	1,207	-	16,734	386	(386)	16,734
Total operating expenses	473,420	314,855	2,209,624	457,403	271,341	316,631	(701,982)	3,341,292	177,409	(172,076)	3,346,625
Income (loss) from operations	12,738	4,031	(100,127)	(27,273)	(2,232)	(9,449)	-	(122,312)	653	(653)	(122,312)
Non-operating gains (losses), net:											
Income from investments, donations, and other, net	14,041	160	210,066	5,129	23,147	6,816	-	259,358	356	(356)	259,358
Pension cost other than service cost, net	(81)	-	(3,757)	1,292	-	111	-	(2,434)	-	-	(2,434)
Change in fair value of swap, including counterparty payments	1,746	-	(4,561)	-	(13)	-	-	(2,828)	-	-	(2,828)
Total non-operating gains (losses), net	15,706	160	201,748	6,421	23,134	6,927	-	254,096	356	(356)	254,096
(Deficiency) excess of revenue over expenses	\$ 28,444	\$ 4,191	\$ 101,621	\$ (20,852)	\$ 20,902	\$ (2,522)	\$ -	\$ 131,784	\$ 1,009	\$ (1,009)	\$ 131,784

Yale New Haven Health Obligated Group
Operating Data
Six Months Ended March 31, 2023 and 2022

Current Reporting Period	
Six Months Ended 3/31/2023	Six Months Ended 3/31/2022

1) Operating Data

# of Licensed Beds	2,681	2,681
# of Beds in Service	2,525	2,498
Admissions	60,545	58,896
Inpatient Days ⁽²⁾	399,762	399,464
Average Length of Stay ⁽²⁾	6.60	6.78
Occupancy Rate ⁽¹⁾	87%	88%
Outpatient Encounters	1,351,808	1,675,294
Emergency Encounters	174,463	165,378
Inpatient Surgeries	13,895	14,413
Ambulatory Surgeries	30,261	27,739
Medicare Case Mix Index	1.91	1.98
Hospital Wide Case Mix Index	1.70	1.76
FTEs per Adjusted Occupied ⁽²⁾	6.7	6.6

⁽¹⁾ Based on acute beds in service.

⁽²⁾ Effective Q2 of 2023, in-house patients excluded from calculation

2) Payor Mix

Nongovernmental	51.7%	52.9%
Medicare (includes Medicare Managed Care)	33.1%	32.6%
Medicaid	15.2%	14.5%
Total	100.0%	100.0%

3) Occupancy % By Payor Type

Nongovernmental	25.1%	25.0%
Medicare (includes Medicare Managed Care)	50.3%	49.3%
Medicaid	24.6%	25.7%
Total	100.0%	100.0%