

Intermountain Health Care, Inc. and Affiliated Companies

Included is unaudited consolidated financial information of Intermountain Health Care, Inc. (“Intermountain”) and affiliated companies as of and for the three months ended March 31, 2023. The internally prepared consolidated financial information, although unaudited, does, in the opinion of management, include all normal recurring adjustments necessary to fairly summarize the results of operations for the periods presented. Results of operations for the three months ended March 31, 2023 are not necessarily indicative of the results that may be achieved for the fiscal year ending December 31, 2023.

Effective April 1, 2022, Intermountain and Sisters of Charity of Leavenworth Health System, Inc. (“SCL Health”) merged. The merger was accounted for as a business combination in accordance with Financial Accounting Standards Board, Accounting Standards Codification 958-805 (Not-for-Profit Entities Business Combinations). Intermountain accounted for the transaction by remeasuring SCL Health’s assets and liabilities at fair value as of the effective date of the transaction. As there was no consideration involved in the transaction, the fair value of the net assets of SCL Health was recognized as contributions received. The results of operations of SCL Health are included in the Intermountain consolidated financial statements beginning April 1, 2022.

The information contained in this document speaks only for the periods and as of the dates stated therein and shall not under any circumstances create any implication that there has been no change since the date of such information.

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Balance Sheets (Unaudited)
(In Millions)

	March 31 2023	December 31 2022
Assets		
Current assets:		
Cash and equivalents	\$ 742	\$ 792
Assets limited as to use	1,574	1,429
Patient accounts receivable	1,430	1,388
Due from brokers for securities sold	361	300
Inventory	267	284
Other current assets	664	608
Total current assets	5,038	4,801
Assets limited as to use	12,886	12,438
Property and equipment, net	6,215	6,145
Other assets	1,608	1,508
Total assets	\$ 25,747	\$ 24,892
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 899	\$ 924
Compensation and related liabilities	644	579
Due to brokers for securities purchased	670	525
Medical claims payable	350	347
Other current liabilities	428	364
Current portion of long-term debt	60	59
Long-term debt subject to short-term remarketing arrangements	904	904
Total current liabilities	3,955	3,702
Long-term debt	3,593	3,628
Other liabilities	940	857
Net assets:		
Without donor restrictions	16,747	16,194
With donor restrictions	512	511
	17,259	16,705
Total liabilities and net assets	\$ 25,747	\$ 24,892

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(In Millions)

	Three Months Ended March 31	
	2023	2022
Revenues		
Patient services	\$ 2,362	\$ 1,396
Premiums and capitation	1,419	1,265
Other revenues	205	160
	<u>3,986</u>	<u>2,821</u>
Expenses		
Employee compensation and benefits	1,720	1,132
Supplies	703	483
Medical claims	677	602
Other operating expenses	603	357
	<u>3,703</u>	<u>2,574</u>
Earnings before interest, depreciation and amortization	283	247
Depreciation and amortization	154	100
Interest	25	17
	<u>179</u>	<u>117</u>
Net operating income	104	130
Nonoperating income (loss)		
Investment income (loss)	481	(428)
Contribution from affiliation	(36)	—
	<u>445</u>	<u>(428)</u>
Excess (deficit) of revenues over expenses	<u>\$ 549</u>	<u>\$ (298)</u>

(continued)

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Operations and Changes in Net Assets (Unaudited)
(In Millions)

	Three Months Ended March 31	
	2023	2022
Net assets without donor restrictions		
Excess (deficit) of revenues over expenses	\$ 549	\$ (298)
Other	4	(1)
Increase (decrease) in net assets without donor restrictions	<u>553</u>	<u>(299)</u>
Net assets with donor restrictions		
Contributions	5	39
Investment income (loss)	2	(1)
Net assets released from restrictions and other	(6)	(13)
Increase in net assets with donor restrictions	<u>1</u>	<u>25</u>
Increase (decrease) in net assets	554	(274)
Net assets at beginning of period	<u>16,705</u>	<u>13,597</u>
Net assets at end of period	<u><u>\$ 17,259</u></u>	<u><u>\$ 13,323</u></u>

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Cash Flows (Unaudited)
(In Millions)

	Three Months Ended March 31	
	2023	2022
Reconciliation of increase (decrease) in net assets to provided by operating activities		
Increase (decrease) in net assets	\$ 554	\$ (274)
Adjustments to reconcile increase (decrease) in net assets to provided by operating activities:		
Investment losses (gains), net	(457)	519
Contribution from affiliation	36	—
Net change in fair value of interest rate swaps	23	(63)
Unrecognized changes in funded status of postretirement benefit plans	18	47
Restricted contributions	(3)	(8)
Depreciation and amortization	154	100
Net change in current assets and liabilities:		
Patient accounts receivable	(66)	(45)
Inventory	17	2
Other current assets	(56)	5
Accounts payable and accrued liabilities	(25)	(78)
Compensation and related liabilities	65	100
Medical claims payable	3	30
Other current liabilities	57	(72)
Other	(7)	(64)
Net cash provided by operating activities	\$ 313	\$ 199

(continued)

Intermountain Health Care, Inc. and Affiliated Companies
Consolidated Statements of Cash Flows (Unaudited)
(In Millions)

	Three Months Ended March 31	
	2023	2022
Investing activities		
Purchases of property and equipment	\$ (220)	\$ (97)
Net purchases of investments	(147)	(43)
Net cash used in investing activities	<u>(367)</u>	<u>(140)</u>
Financing activities		
Repayment of debt	(25)	(1)
Borrowings under term loan agreement	—	234
Repayment of borrowings under term loan agreement	—	(234)
Restricted contributions and other	8	—
Net cash used in financing activities	<u>(17)</u>	<u>(1)</u>
Net increase (decrease) in cash and equivalents	(71)	58
Cash and equivalents at beginning of period	833	423
Cash and equivalents at end of period	<u>\$ 762</u>	<u>\$ 481</u>
Reconciliation of cash and equivalents		
Cash and equivalents	\$ 742	\$ 422
Cash in assets limited as to use	20	59
Cash and equivalents	<u>\$ 762</u>	<u>\$ 481</u>

Intermountain Health Care, Inc. and Affiliated Companies
Pro Forma Combined System Utilization Statistics

	Three Months Ended March 31	
	2023⁽¹⁾	2022⁽¹⁾
Licensed beds	4,760	4,781
Available beds	4,524	4,539
Inpatient admissions	54,806	52,570
Adjusted admissions ⁽²⁾	134,231	124,096
Inpatient days	250,510	249,298
Adjusted patient days ⁽³⁾	613,548	588,490
Newborn deliveries	9,035	8,970
Occupancy on available beds	61.5%	61.0%
Average daily census	2,783	2,770
Average length of stay ⁽⁴⁾	4.6	4.7
Emergency room visits	215,239	207,392
Outpatient visits ^{(5) (6)}	1,179,488	904,304
Clinic visits ⁽⁷⁾	1,291,061	1,208,498
Inpatient surgeries	12,707	11,722
Outpatient surgeries ⁽⁶⁾	48,450	44,505
Employed full-time equivalents ⁽⁸⁾	54,854	52,284

(1) Intermountain and SCL Health were affiliated effective April 1, 2022. To allow for meaningful year-over-year comparisons, system utilization statistics are presented on a pro forma basis including both legacy systems for the three months ended March 31, 2022. The pro forma statistics for periods prior to April 1, 2022 are presented by combining the historical results of the legacy Intermountain system and the legacy SCL Health system for the respective period.

(2) Equal to inpatient admissions + (inpatient admissions x (gross outpatient revenue / gross inpatient revenue))

(3) Equal to inpatient days + (inpatient days x (gross outpatient revenue / gross inpatient revenue))

(4) Equal to inpatient days / inpatient admissions

(5) Outpatient visits is the unique count of hospital outpatient visits, including emergency room visits, outpatient surgeries, hospital-based clinic visits, and visits for outpatient ancillary services

(6) Statistics for outpatient visits and outpatient surgeries include joint venture activity

(7) Clinic visits includes all medical group clinic visits and excludes hospital-based clinic visits

(8) Includes both physicians and staff