Providence

CONTINUING DISCLOSURE QUARTERLY REPORT

Information Concerning

PROVIDENCE ST. JOSEPH HEALTH
AND THE OBLIGATED GROUP

The Continuing Disclosure Quarterly Report (the Quarterly Report) is intended solely to provide certain limited financial and operating data in accordance with undertakings of the Providence and the Members of the Obligated Group under Rule 15c2-12 (the Undertaking) and does not constitute a reissuance of any Official Statement relating to the bonds referenced above or a supplement or amendment to such Official Statement.

The Quarterly Report contains certain financial and operating data for the quarter ended March 31, 2020. Providence has undertaken no responsibility to update such data since March 31, 2020, except as set forth herein. This Quarterly Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Quarterly Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

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About Providence

Our Organization

Providence St. Joseph Health (Providence) is a national, not-for-profit Catholic health system comprised of a diverse family of organizations driven by a belief that health is a human right. With 51 hospitals, more than 1,000 clinics, and many other health and educational services, our health system employs more than 120,000 caregivers serving patients in communities across seven Western states – Alaska, California, Montana, New Mexico, Oregon, Texas and Washington. Our caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay.

Continuing an enduring commitment to world-class care and serving all, especially those who are poor and vulnerable, Providence uses scale to create Health for a Better World, one community at a time. We have been pioneering health care for 165 years and have a history of responding with compassion and innovation during challenging health care environments, including the current pandemic. Together, we are reimagining the future of health care delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality care at affordable prices, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic, contiguous markets with growing populations, which has led to consistent increases in service utilization. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 29 long-term care facilities, 16 supportive housing facilities, over 7,900 directly employed providers and over 26,000 affiliated providers, a health plan, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

Providence, with headquarters in Renton, Washington, and Irvine, California, is governed by a sponsorship council comprising members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. We are dedicated to ensuring the continued vibrancy of not-for-profit, Catholic health care in the United States. As one of the largest health systems in the United States, our Mission and values call us to serve each person with love, dignity and compassion, reflecting the legacy of the Sisters of St. Joseph and the Sisters of Providence.

The Mission

As expressions of God's healing love, witnessed
through the ministry of Jesus, we are steadfast in serving all,
especially those who are poor and vulnerable ®

Our Values

Compassion | Dignity | Justice | Excellence | Integrity

Our Vision

Health for a Better World

Our Promise

"*Know me, care for me, ease my way.*"

Health for a Better World: Our Response to COVID-19

On January 20, 2020, Providence Regional Medical Center in Everett, Washington, just north of Seattle, admitted the first known U.S. patient with COVID-19. The Seattle area soon became the nation's first epicenter of the coronavirus pandemic, with confirmed and suspected cases increasing rapidly.

Three months later, we are pleased to report we have a hit a plateau of new COVID-19 cases in most of the communities we serve, with the rate of cases becoming more manageable. This, in large part, is due to social distancing policies enacted by state governments.

Some of the highlights of Providence's response include:

- Updating COVID-19 screening protocols in Epic across our seven states, 51 hospitals and more than 1,000 clinics within 24 hours of admitting the first COVID-19 patient in the country.
- Collaborating with Microsoft to develop an AI "chat bot" to screen patients virtually and direct them to appropriate resources, as covered recently in the Harvard Business Review.
- Dramatically accelerating our telehealth primary care services, going from an average of 50 visits a day to more than 12,000 per day.
- Expanding our electronic intensive care unit capabilities to remotely monitor patients on home quarantine.
- Operating some of the largest clinical trials in the country for drug therapies and antibody testing. Providence is also conducting genomics research to understand why the virus affects some people more than others.
- Launching the 100 Million Mask Challenge to spur domestic manufacturing of personal protective equipment; the campaign has since become a national movement and is now under the auspices of the American Hospital Association.

Pursuant to guidance from state authorities and federal agencies including the Centers for Medicare & Medicaid Services (CMS), Providence began rescheduling non-emergent surgeries the week of March 16th, which resulted in significant declines in daily volumes, reaching a 40 percent decline by the end of the quarter. Volumes stabilized the week of March 30th and have rebounded marginally since then.

With the global shortage of personal protective equipment (PPE), we paid significantly higher premiums to obtain the required protection for our caregivers. Pharmaceutical prices increased as well, particularly for intensive care unit medications. Despite the lower volumes, we remained fully staffed in March and April to ensure we were prepared for a potential surge.

The decrease in revenue coupled with the increase in operating costs noted above has created a short-term liquidity issue. We accessed private lines of credit that afforded an additional $800 million of liquidity to meet our short-term needs. We will continue to pursue additional sources of liquidity should they become necessary. Providence has worked to secure relief in the form of grants and loans from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Subsequent to the first quarter of 2020, Providence received approximately $509 million in grants from tranches 1-4 of the federal CARES Act and $1.6 billion in advance payments from Medicare under the CMS Advance Payment Program. The advance payments from CMS will be offset by services provided by Providence in future quarters.

We have taken all prudent steps to preserve our operating performance and liquidity, including halting capital projects outside of those focused on patient and caregiver safety and COVID-19. We have also reduced discretionary spending, including travel, contractors, purchased services and professional services. As cases come online and as demand returns in the coming months, we will be working to carefully balance our labor and supply costs to allow us to efficiently provide the services required by our patients.

As we continue to work with the state and local governments on timing of a safe return of services, we have been exploring a number of options for flexing our labor and supply costs to the demand for our services. These actions range from managing premium labor (overtime and agency personnel) to voluntary furloughs. If the patient census and revenue does not return to anticipated levels, we would also consider involuntary options.

After much discernment and careful thought, we are also asking Vice Presidents and above to accept a temporary pay reduction of between 10 to 50 percent.

Bringing surgeries and other procedures back online is the critical path forward and we are working closely with local and state officials to do that safely and effectively. Each of our regions and lines of business have developed detailed recovery plans for how to safely deliver much-needed care to patients who have been waiting. Those plans involve making sure we have enough PPE to keep caregivers and patients safe and enough tests to determine who is positive for the virus.

Our Mission has endured for more than 165 years, and thanks to the extraordinary efforts of our caregivers, we will continue to respond to the times and be of service to our communities for many decades to come.

Our Strategic Plan

Innovating new approaches to strengthen the Mission and continuously improve. Guided by the Mission and our values, we are executing a strategic plan intended to accelerate our progress toward achieving our vision of Health for a Better World. This far-reaching vision includes continuing to deliver high-quality, patient-centered care; ensuring patients are digitally enabled; and our ministries serving as a partner in health for the patients and communities we serve. We intend to achieve this by focusing on the core areas of revenue growth, capital efficiency and process modernization. Our integrated strategic and financial plan is supported by three key principles:

Strengthen the core. We are focused on delivering outstanding, affordable health care, housing, education and other essential services to our patients and communities by:

- Creating a work experience where caregivers are developed, fulfilled and inspired to carry on the Mission
- Delivering safe, compassionate, high-value quality health care
- Making Providence the provider partner of choice in all our communities
- Stewarding our resources to improve operational earnings
- Fostering community commitment to our Mission via philanthropy

Be our communities' health partner. We are focused on being our communities' health partner, working to achieve the physical, spiritual and emotional well-being of all. We seek to ease the way of our communities by:

- Transforming care and improving population health outcomes, especially for those who are poor and vulnerable
- Leading the way in improving our nation's mental and emotional well-being
- Extending our commitment to whole person care for people at every age and stage of life
- Engaging with partners in addressing the social determinants of health, with a focus on education, housing, and the environment
- Being the preferred health partner for our communities, and those we serve

Transform our future. We respond to the evolving health care landscape, pursuing new opportunities that transform our services, in a strategic and effective manner. We seek to expand and further sustain our Mission by:

- Diversifying sources of earnings to ensure sustainability of the ministry
- Digitally enabling, simplifying, and personalizing the health experience
- Creating an integrated scientific wellness, clinical research and genomics program that is nationally recognized for breakthrough advances
- Utilizing insights and value from big data to drive strategic transformation
- Activating the voice and presence of the System nationally to improve health

Strategic affiliations. As part of our overall strategic planning and development process, Providence regularly evaluates and, if deemed beneficial, selectively pursues opportunities to affiliate with other service providers and invest in new facilities, programs, or other health care related entities. Likewise, we are

frequently presented with opportunities from, and conduct discussions with, third parties regarding potential affiliations, partnerships, mergers, acquisitions, joint operating arrangements or other forms of collaboration, including some that could affect the Obligated Group Members. It is common for several such discussions to be in process concurrently. System management pursues such arrangements when there is a perceived strategic or operational benefit that is expected to enhance our ability to achieve the Mission and/or deliver on our strategic objectives. As a result, it is possible that the current organization and assets of the Obligated Group may change.

Providence will continue to evaluate opportunities for strategic growth. Providence does not typically disclose such discussions unless and until it appears likely that an agreement will be reached, and any required regulatory approvals will be forthcoming.

Ambulatory Care Network

Creating best in class, lower cost health and wellness services for consumers. The Ambulatory Care Network continues to deliver on commitments to build a network of optimized, connected, lower cost ambulatory services across Providence. Currently, our ambulatory care network provides over two million visits in 305 access points across seven states, and consists of ambulatory surgery centers, imaging centers, urgent care centers, retail clinics and active wellness sites. We believe ambulatory care networks offer advantages to patients and physicians, including greater affordability, predictability, flexibility, and convenience, while offering a seamless connection to our full continuum of care. We are expanding our ambulatory care network through strategic partnerships that improve patient access and reduce costs for consumers and employers, including increased same-day access through our retail and urgent care clinics.

Population Health Management

Making a transformational shift from health care to health. Population Health models and initiatives form a vital pillar in achieving our strategic plan of transforming care, delivering value-based care, and creating healthier communities together. Our goal is to maximize the health outcomes of the people in our defined populations and communities through the design, delivery and coordination of affordable quality health care and services. We integrate solutions to improve social determinants of health and provide care management for complex patients. We are building community partnerships to increase access to health services, transportation, housing, education, food banks, and mental health services.

Our Population Health Management division is composed of a family of services, including Population Health Informatics, Value-Based Care, Payer Contracting, Risk Sharing & Payments Models, Care Management, and Mental Health Improvement that support our Providence regional care delivery systems; and two businesses: Providence Health Plans and Ayin Health Solutions.

Providence Health Plan (*"PHP"*), a 501(c)(4) Oregon non-profit health care service contractor, and Providence Health Assurance (*"PHA"*), a wholly owned subsidiary of PHP, are collectively referred to as the Health Plans. Providence Plan Partners (*"PPP"*), is a 501(c)(4) Washington non-profit corporation.

The Health Plans provide services to a wide range of clients, including self-funded employers, and insurance coverage for large group employers, small group employers, individual and family coverage under the Affordable Care Act, Medicare Commercial, Medicare Advantage, Managed Medicaid risk administration, pharmacy benefits management, workers compensation services, and network access services under preferred plans.

Physician Enterprises

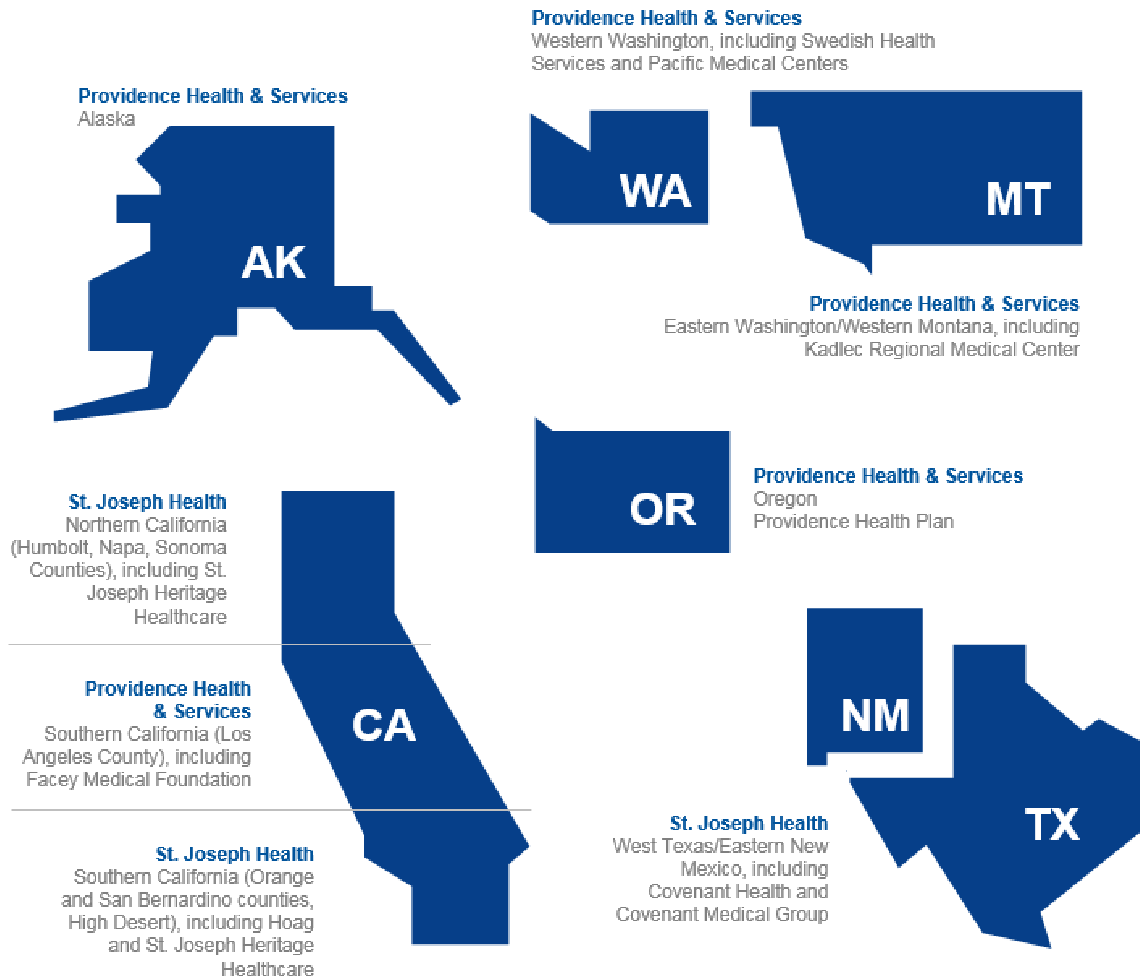
The physician enterprise within the System consists of employed and foundation and affiliate physicians, providers and their supporting care teams. Our Employed Provider Network (the *"Provider Network"*) is composed of eight provider service organizations. The physician enterprise aims to create a more unified provider voice and patient experience for consumers across Providence's seven states through its medical group and affiliate practices.

Medical groups and medical foundations within the Provider Network include: Providence Medical Group, a network serving Alaska, Washington and Montana, and Oregon; Swedish Medical Group, with

staffed clinics throughout Washington's greater Puget Sound area; Providence Medical Institute (*"PMI"*), in Southern California; Pacific Medical Centers, in western Washington; Kadlec, serving communities in southeast Washington; Providence St. John's Medical Foundation, in Southern California; Facey Medical Foundation (*"Facey"*), in Southern California; St. Joseph Heritage Healthcare, in Northern and Southern California; Covenant Medical Group and Covenant Health Partners, operating in West Texas and Eastern New Mexico.

The System is organized into the geographic regions spanning seven states across the western United States shown in the graphic below.

<u>EXHIBIT 1.1</u>



Region Information

The System's operating revenue share by geographic region is presented for the periods indicated:

EXHIBIT 1.2 - REGIONAL OPERATING REVENUE SHARE	Three-Months Ended 3-31-2019	Three-Months Ended 3-31-2020
Alaska	4%	4%
Swedish	11%	10%
Washington and Montana	20%	19%
Oregon	21%	19%
Northern California [1]	6%	7%
Southern California [1]	29%	33%
West Texas and Eastern New Mexico	5%	4%
Other (including Home & Community Care)	4%	4%

[1] Includes recognition of revenue from California provider fee program of $372 million in 2020.

Alaska

As the largest health system in Alaska, the System includes 17 facilities throughout the state, with a 32-percent inpatient market share statewide in 2018, as reported by the Alaska Health Facilities Data Reporting Program. Providence Alaska Medical Center (*"PAMC"*) is the largest hospital in the state. The System's 17 Alaska facilities are in the greater Anchorage area, with 56 percent inpatient market share, and in the remote communities of Kodiak, Seward and Valdez, as reported by the Alaska Health Facilities Data Reporting Program. PAMC is a 401-bed acute care facility and the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a 59-bed long term acute hospital (the only one in the state) is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward and Valdez, all co-located with skilled nursing facilities.

Swedish

In the greater Puget Sound area of Washington, Swedish Health Services operates five hospital campuses: First Hill, Cherry Hill, Ballard, Edmonds and Issaquah located in King and Snohomish counties. The inpatient market share for Swedish was 26 percent in 2018, as reported by the Comprehensive Hospital Abstract Reporting System. Swedish also has ambulatory care centers in Redmond and Mill Creek, and a network of more than 100 primary care and specialty clinics throughout the Seattle metropolitan corridor.

Washington and Montana

In the Washington-Montana region, the System includes 12 hospitals, with a 44-percent inpatient market share in their service areas in 2018, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of five geographic markets: Northwest Washington, Southwest Washington, Eastern Washington, Southeast Washington and Western Montana, with medical groups in the region employing more than 2,400 providers. The region provides a variety of services, including home health care, primary and immediate care services, inpatient rehabilitation, and general acute care services.

Oregon

The Oregon region includes eight hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 30 percent in their service areas in 2018, as reported by Apprise Health Insights. Providence St. Vincent Medical Center provides tertiary care to the Portland metropolitan market. The region also provides nearly 200 primary care, specialty and immediate care clinics, home health care, and housing. The Health Plans are based in Oregon, and a majority of the members (nearly 700,000) live in the region.

Northern California

The System's ministries in Northern California serve the North Coast, Humboldt, Napa and Sonoma communities with five hospitals, ambulatory surgery centers, urgent care centers, wellness centers, physician offices, home health, hospice, and rehabilitation sites. The acute care hospitals in Northern California had 37-percent inpatient market share in their service areas in 2018, as reported by the Office of Statewide Health Planning and Development. St. Joseph Heritage Healthcare, a medical foundation, operates clinics in the region with its contracted physician partners.

Southern California

The Southern California region includes 13 acute care hospitals in Los Angeles, Orange and San Bernardino counties, and the High Desert, with a total inpatient market share of 25 percent in their service areas in 2018, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, the System includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank. The System also includes hospitals in Mission Hills, San Pedro, Tarzana, Torrance and Santa Monica. Providence Medical Foundation (*"PMF"*) operates 57 practice locations in the market, offering more than 20 types of specialty care. PMF includes the Facey, PMI and Providence St. John's medical foundations, In addition, the System includes seven acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, Newport Beach, Irvine and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region's level II trauma center, as well as a women's center. Hoag Hospital, which also is composed of two campuses, in Newport Beach and Irvine, also includes Hoag Orthopedic Institute, part of St. Joseph Hoag Health alliance described below. St. Joseph Heritage Healthcare, a medical foundation, operates clinics in the region with its contracted physician partners.

West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates is the market's largest health system with seven licensed hospitals; the inpatient market share was 40 percent in their service areas in 2018, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children's Hospital, Grace Health System, which includes Grace Clinic and Grace Medical Center, and Covenant Medical Group, a medical foundation physician network of employed and aligned physicians. Covenant Health System operates two acute care community hospitals in the region, Covenant Health Plainview and Covenant Health Levelland, Specialty Hospital, a long-term acute care facility, a joint venture acute rehabilitation facility and Hospice of Lubbock.

Obligated Group

Providence and the other entities so designated in the Glossary are currently Obligated Group Members under the Master Indenture.

Providence is the Obligated Group Agent under the Master Indenture. Under the Master Indenture, debt incurred or secured through the issuance of Obligations under the Master Indenture are the responsibility, jointly and severally, of the Obligated Group Members. Pursuant to the Master Indenture, Obligated Group Members may be added to and withdrawn from the Obligated Group under certain conditions described in the Master Indenture. INDEBTEDNESS EVIDENCED OR SECURED BY OBLIGATIONS ISSUED UNDER THE MASTER INDENTURE IS SOLELY THE OBLIGATION OF THE OBLIGATED GROUP, AND SUCH OBLIGATIONS ARE NOT GUARANTEED BY, OR THE LIABILITIES OF, SISTERS OF PROVIDENCE, MOTHER JOSEPH PROVINCE, ANY OTHER PROVINCE OF THE SISTERS OF PROVIDENCE MONTREAL CONGREGATION, THE LITTLE COMPANY OF MARY SISTERS, AMERICAN PROVINCE, SISTERS OF ST. JOSEPH OF ORANGE, THE ROMAN CATHOLIC CHURCH, OR ANY AFFILIATE OF THE SYSTEM THAT IS NOT AN OBLIGATED GROUP MEMBER.

System Utilization

The System's key volume indicators are presented for the periods indicated:

EXHIBIT 2.1 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Three-Months Ended 3-31-2019	 3-31-2020
Inpatient Admissions	129	118
Acute Adjusted Admissions	258	242
Acute Patient Days	640	607
Long-Term Patient Days	102	96
Outpatient Visits (incl. Physicians)	6,751	6,533
Emergency Room Visits	534	511
Surgeries and Procedures	167	154
Acute Average Daily Census (Actual)	7,111	6,666
Providence Health Plan Members	660	698

Obligated Group Utilization

The Obligated Group's key volume indicators are presented for the periods indicated:

EXHIBIT 2.2 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Three-Months Ended 3-31-2019	 3-31-2020
Obligated Group		
Inpatient Admissions	127	116
Acute Adjusted Admissions	244	228
Acute Patient Days	627	595
Long-Term Patient Days	100	94
Outpatient Visits (incl. Physicians)	5,221	5,068
Emergency Room Visits	527	504
Surgeries and Procedures	137	124
Acute Average Daily Census (Actual)	6,967	6,534

Financial Information

The summary unaudited combined financial information as of and for the three-month periods ended March 31, 2020 and 2019, presented below, has been derived by management of Providence from the internal unaudited financial information of the System. The summary audited combined financial information as of and for the fiscal year ended December 31, 2019, presented below, has been derived by management of Providence from audited financial information of the System. The financial information as of and for the three-month periods ended March 31, 2020 and 2019 includes all adjustments that management of Providence considers necessary for fair presentation of the results for such period. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

For the three months ended March 31, 2020, the unaudited combined net operating revenue and total assets attributable to the Obligated Group Members were approximately 83 percent and 85 percent, respectively, of the System totals. For the three months ended March 31, 2019, the unaudited combined net operating revenues and total assets attributable to the Obligated Group Members were approximately 84 percent and 87 percent, respectively, of the Systems totals. For the year ended December 31, 2019, the audited combined net operating revenue and total assets attributable to the Obligated Group Members were approximately 84 percent and 87 percent, respectively, of the System totals. Refer to Exhibit 6 for supplementary information on the Obligated Group Members.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates and judgments that affect the amounts reported in the combined financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. System management considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net operating revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; accounting for expenses in connection with restructuring activities; and reserves for losses and expenses related to health care professional and general liability risks. Management relies on historical experience and on other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

Summary Unaudited Combined Statements of Operations

	Three-Months Ended	
EXHIBIT 3.1 - COMBINED STATEMENTS OF OPERATIONS $ PRESENTED IN MILLIONS	3-31-2019	3-31-2020
Net Patient Revenue	$4,817	$4,981
Premium Revenues	581	586
Capitation Revenue	359	416
Other Revenue	269	359
Total Operating Revenues	**6,026**	**6,342**
Salaries and Benefits	3,023	3,206
Supplies	897	948
Purchased Healthcare Services	490	528
Interest, Depreciation, and Amortization	336	335
Purchased Services, Professional Fees, and Other	1,254	1,601
Total Operating Expenses Before Restructuring Costs	**6,000**	**6,618**
Excess (Deficit) of Revenues Over Expenses from Operations Before Restructuring Costs	**26**	**(276)**
Restructuring Costs	30	-
Deficit of Revenues Over Expenses from Operations	**(4)**	**(276)**
Total Net Non-Operating Gains (Losses)	547	(837)
Excess (Deficit) of Revenues Over Expenses	**$543**	**$(1,113)**
Operating EBIDA	**$332**	**$59**
Pro Forma Operating EBIDA [1]	**$362**	**$59**

[1] Pro forma Operating EBIDA normalizes for restructuring costs in 2019.

Summary Audited and Unaudited Combined Balance Sheets

EXHIBIT 3.2 - COMBINED BALANCE SHEET $ PRESENTED IN MILLIONS	As of 12-31-2019	As of 3-31-2020
Current Assets:		
Cash and Cash Equivalents	$1,316	$1,881
Accounts Receivable, Net	2,400	2,311
Supplies Inventory	283	306
Other Current Assets	1,233	1,542
Current Portion of Assets Whose Use is Limited	702	707
Total Current Assets	**5,934**	**6,747**
Assets Whose Use is Limited:	10,855	9,943
Property, Plant & Equipment	10,978	10,981
Other Assets	2,785	2,853
Total Assets	**$30,552**	**$30,524**
Current Liabilities:		
Current Portion of Long-Term Debt	$85	$87
Master Trust Debt Classified as Short-Term	205	455
Accounts Payable	1,035	995
Accrued Compensation	1,145	1,309
Other Current Liabilities	2,428	2,613
Total Current Liabilities	**4,898**	**5,459**
Long-Term Debt, Net of Current Portion	6,393	6,928
Pension Benefit Obligation	1,094	1,078
Other Liabilities	2,292	2,319
Total Liabilities	**$14,677**	**$15,784**
Net Assets:		
Controlling Interests	14,344	13,205
Noncontrolling Interest	150	162
Net Assets without Donor Restrictions	**14,494**	**13,367**
Net Assets with Donor Restrictions	**1,381**	**1,373**
Total Net Assets	**15,875**	**14,740**
Total Liabilities and Net Assets	**$30,552**	**$30,524**

Management's Discussion and Analysis: Three-Months Ended March 31, 2020

Management's discussion and analysis provides additional narrative explanation of the financial condition, operational results and cash flow of the System to assist in increasing understanding of the combined financial statements. The summary unaudited combined financial information as of and for the three-month periods ended March 31, 2020 and 2019, respectively, are presented below.

Results of Operations

Operations Summary

In the second half of the month of March, the System was significantly impacted by the unprecedented decrease in patient volumes as a result of the COVID-19 pandemic, as non-emergent surgeries were rescheduled the week of March 16th as advised by CMS, resulting in daily declines in volumes through the end of March. The impact included a significant reduction in revenue, coupled with an increase in costs incurred for PPE and pharmaceuticals, and increases in labor costs for staffing to serve those impacted and in anticipation of a potential COVID-19 surge. Operating results also include the impact of a work stoppage experienced by our Swedish affiliate for a two-week period in early January 2020. These costs include the impacts of preparing for the work stoppage and the need to slowly ramp up post-stoppage, as well as increased temporary labor.

The above were partially offset by the net recognition of revenue and associated operating expenses of $156 million related to provider tax programs. As a result, operating earnings before interest, depreciation and amortization ("EBIDA") decreased to $59 million for the three months ended March 31, 2020, compared with $332 million for the same period in 2019. Operating losses increased to $276 million for the three months ended March 31, 2020, compared with $4 million for the same period in 2019. The System's key financial indicators are presented for the periods indicated:

	AS REPORTED		PRO FORMA [1]	
EXHIBIT 3.3 – OPERATIONS SUMMARY $ PRESENTED IN MILLIONS	3-31-2019	3-31-2020	3-31-2019	3-31-2020
Operating (Loss) Income	$(4)	$(276)	$26	$(276)
Operating Margin %	(0.1)	(4.4)	0.4	(4.4)
Operating EBIDA	332	59	362	59
Operating EBIDA Margin %	5.5	0.9	6.0	0.9
Net Service Revenue/Case Mix Adjusted Admits	11,896	12,935	11,896	12,935
Net Expense/Case Mix Adjusted Admits	11,906	13,590	11,839	13,590
Total Community Benefit	$401	$450	$401	$450
Full-Time Equivalents (thousands)	105	106	105	106

(1) Pro forma normalizes for restructuring costs in 2019.

Volumes

Driven by the events previously discussed, System volumes significantly decreased during the first quarter of 2020, compared with the same period in 2019. Overall, the System experienced five percent lower case mix adjusted admissions (CMAA) for the three months ended March 31, 2020, compared with the same period in 2019. Surgeries and procedures also declined eight percent, including a seven percent decline in the outpatient setting, compared with the prior year, as all non-emergent surgeries were canceled. Total outpatient visits decreased three percent for the three months ended March 31, 2020, compared with the same period in 2019 due to lower visits in the primary care setting. As a result, acute patient days and acute average daily census both decreased by five and six percent, respectively, for the three months ended March 31, 2020, compared with the same period in 2019.

Operating Revenues

Operating revenues for the three months ended March 31, 2020 were $6.3 billion, an increase of five percent, compared with the same period in 2019, driven by the recognition of deferred reimbursements from

provider fee programs of $457 million during first quarter of 2020, compared with $163 million for the same period in 2019, offset by lower patient volumes noted above.

The System's operating revenues by state are presented for the periods indicated:

EXHIBIT 3.4 - OPERATING REVENUES BY STATE $ PRESENTED IN MILLIONS	Three-Months Ended 3-31-2019	Three-Months Ended 3-31-2020
Alaska	$219	$210
Washington	1,798	1,641
Montana	105	104
Oregon	1,267	1,282
California	2,079	2,492
Texas	289	254
Total Revenues from Contracts with Customers	5,757	5,983
Other Revenues	269	359
Total Operating Revenues	$6,026	$6,342

The System's operating revenues by line of business are presented for the periods indicated:

EXHIBIT 3.5 - OPERATING REVENUES BY LINE OF BUSINESS $ PRESENTED IN MILLIONS	Three-Months Ended 3-31-2019	Three-Months Ended 3-31-2020
Hospitals	$4,003	$4,003
Health Plans and Accountable Care	619	666
Physician and Outpatient Activities	699	668
Long-term Care, Home Care, and Hospice	270	315
Other Services	166	331
Total Revenues from Contracts with Customers	5,757	5,983
Other Revenues	269	359
Total Operating Revenues	$6,026	$6,342

The System's operating revenues by payor are presented for the periods indicated:

EXHIBIT 3.6 - OPERATING REVENUES BY PAYOR [(1)] $ PRESENTED IN MILLIONS	Three-Months Ended 3-31-2019	Three-Months Ended 3-31-2020
Commercial	$2,912	$2,870
Medicare	1,963	1,977
Medicaid	773	1,062
Self-pay and Other	109	74
Total Revenues from Contracts with Customers	5,757	5,983
Other Revenues	269	359
Total Operating Revenues	$6,026	$6,342

(1) Represents total payor net patient revenues received, including premium and capitation revenue in accordance with ASC 606, Revenue from Contracts with Customers. Refer to Exhibit 6.3 within Exhibit 6 attached hereto for supplementary information on net patient revenue payor mix driven by patient utilization.

Operating Expenses

The System's response to the COVID-19 pandemic and the Swedish work stoppage had a material impact on our operating expenses as well. Operating expenses for the three months ended March 31, 2020 were $6.6 billion, an increase of 10 percent, compared with the same period in 2019. Salaries and benefits expenses increased six percent for the three months ended March 31, 2020, compared with the same period in 2019. Supplies expense increased by six percent compared with the prior year, driven primarily by a nine percent increase in pharmaceutical spend. As a result, labor productivity decreased five percent on an adjusted occupied bed volumes basis, and medical supply costs per CMAA were higher by eight percent, compared with the prior year. Operating expenses for the three months ended March 31, 2020 also include

the recognition of $301 million in deferred expense related to provider tax programs, compared with $125 million for the same period in 2019.

Non-Operating Activity

Non-operating losses totaled $837 million for the three months ended March 31, 2020, compared with non-operating gains of $547 million for the same period in 2019. Market volatility related to the COVID-19 pandemic drove investment losses of $763 million for the three months ended March 31, 2020, compared with investment gains of $582 million for the same period in 2019.

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

The System's investment portfolios benefit from strong liquidity with $4.1 billion in investment assets that are liquid within three-day period. However, to avoid liquidating long-term investments into depressed and volatile markets, the System has implemented a number of measures to ensure liquidity for operations through and beyond the crisis. As of March 31, 2020, the System has drawn available capacity under its $550 million revolver and sourced a $250 million 364-day term facility from Wells Fargo. Nonessential capital projects are being delayed where appropriate as an additional means of minimizing cash consumption in the near term. Subsequent to the first quarter of 2020, Providence received approximately $1.6 billion in advance payments from Medicare under the CMS Advance Payment Program and $509 million in grants from tranches 1-4 of the federal CARES Act. The advance payments from CMS will be offset by services provided by Providence in future quarters.

Unrestricted cash and investments totaled approximately $11.8 billion as of March 31, 2020, compared to $12.3 billion as of December 31, 2019, and includes cash generated from operations, capital spending investment and capital markets activity. The System's liquidity is presented for the periods indicated:

	As of	
EXHIBIT 4.1 - INVESTMENTS BY DURATION $ PRESENTED IN MILLIONS	12-31-2019	3-31-2020
Cash and Cash Equivalents	$1,316	$1,881
Short-Term Investments	549	485
Long-Term Investments	10,404	9,467
Total Unrestricted Cash and Investments	$12,269	$11,833

The System maintains a long-term investment portfolio comprised of operating and foundation investment assets. The System's target asset allocation for the long-term portfolio, by general asset class, is presented for the periods indicated:

	As of	
EXHIBIT 4.2 - INVESTMENTS BY TYPE	12-31-2019	3-31-2020
Cash and Cash Equivalents	2%	2%
Domestic and International Equities	45%	45%
Debt Securities	38%	38%
Other Securities	15%	15%

Financial Ratios

The System's financial ratios presented for the periods indicated:

	As of	
EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	12-31-2019	3-31-2020
Total Debt to Capitalization %	31.3	35.6
Cash to Debt Ratio %	185.9	160.3
Days Cash on Hand [(1)]	191	182
Maximum Annual Debt Service [(2)]	390	390
Cash to Net Assets Ratio	0.85	0.89

[(1)] Day Cash on Hand, a measure of cash in relation to monthly operating expenses, is calculated as follows: (unrestricted cash & investments) / (total operating expenses - depreciation and amortization expenses)/days outstanding during the periods)).

[(2)] Excludes borrowings secured in response to COVID-19 as they are classified as short-term indebtedness.

System Capitalization

The System's capitalization is presented for the periods indicated:

	As of	
EXHIBIT 4.4 - SYSTEM CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2019	3-31-2020
Long-Term Indebtedness	$6,478	$7,015
Less: Current Portion of Long-Term Debt	85	637
Net Long-Term Debt	6,393	6,378
Net Assets - Unrestricted	14,494	13,367
Total Capitalization	$20,887	$19,745
Long-term Debt to Capitalization %	30.6	32.3

Obligated Group Capitalization

The Obligated Group's capitalization is presented for the periods indicated:

	As of	
EXHIBIT 4.5 - OBLIGATED GROUP CAPITALIZATION $ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2019	3-31-2020
Obligated Group		
Long-Term Indebtedness	$6,362	$6,899
Less: Current Portion of Long-Term Debt	81	633
Net Long-Term Debt	6,281	6,266
Net Assets - Unrestricted	12,911	11,729
Total Capitalization	$19,192	$17,995
Long-Term Debt to Capitalization %	32.7	34.8

System Debt Service Coverage

The System's coverage of Maximum Annual Debt Service (*"MADS"*) on indebtedness is presented for the periods indicated (footnote appears beneath Exhibit 4.7):

EXHIBIT 4.6 - SYSTEM DEBT SERVICE COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2019	Rolling 12-Months Ended 3-31-2020 [1]
Income (Loss) Available for Debt Service:		
(Deficit) Excess of Revenues Over Expenses	$1,358	$(298)
Plus: Unrealized Losses/Less: Unrealized (Gains) Losses on Trading Securities	(978)	344
Plus: Loss on Extinguishment of Debt	14	14
Plus: Loss on Pension Settlement Costs and Other	26	5
Plus: Depreciation	1,077	1,070
Plus: Interest and Amortization	268	274
Total	$1,765	$1,409
Debt Service Requirements: [2]		
MADS [3]	$390	$390
Coverage of Debt Service Requirements [2]	4.5x	3.6x

Obligated Group Debt Service Coverage

The Obligated Group's coverage of MADS on indebtedness is presented for the periods indicated:

EXHIBIT 4.7 - OBLIGATED GROUP DEBT SERVICE COVERAGE $ PRESENTED IN MILLIONS UNLESS NOTED	As of 12-31-2019	Rolling 12-Months Ended 3-31-2020 [1]
Obligated Group		
Income Available for Debt Service:		
Excess of Revenues Over Expenses	$1,805	$325
Plus: Unrealized Losses/Less: Unrealized Losses (Gains) on Trading Securities	(834)	277
Plus: Loss on Extinguishment of Debt	14	14
Plus: Loss on Pension Settlement Costs and Other	26	5
Plus: Depreciation	999	992
Plus: Interest and Amortization	254	259
Total	$2,264	$1,872
Debt Service Requirements: [2]		
MADS [3]	$390	$390
Coverage of Debt Service Requirements [2]	5.8x	4.8x

(1) Represents 12 consecutive months of financial results for an annualized discourse for interim periods.
(2) Debt Service Requirements has the meaning assigned to such term in the Master Indenture.
(3) Excludes borrowings secured in response to COVID-19 as they are classified as short-term indebtedness.

System Governance and Management

Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state health care systems of PH&S and the SJHS, which was effective on July 1, 2016 (the *"Combination"*). Providence has been determined to be an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother

Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the *"Sponsors Council"*). The Sponsors Council retains certain reserved rights with respect to Providence. Among the powers reserved to the Sponsors Council are the following powers over the affairs of Providence (excluding certain affiliates, such as: Providence – Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, Kadlec and Hoag Hospital): to amend or repeal the articles of incorporation or bylaws of the Providence; the appointment and removal, with or without cause, of the directors of Providence; the appointment and removal, with or without cause, of the President and Chief Executive Officer of Providence; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property; the approval of operating and capital budgets, upon recommendation of the Providence Board of Directors; and the approval of dissolution, consolidation or merger. Providence has reserved rights over PH&S and SJHS, which powers may be exercised by Board of Providence. Given the complexity of the System's governance structure, Providence routinely evaluates and considers alternative governance models to best meet the System's governance needs.

The following table lists the current members of the Board of Directors of Providence and the Sponsors Council.

Board of Directors	Term Expires (December 31)
David Olsen, Chair †	2021
Richard Blair †	2020
Dick Allen ‡	2022
Isiaah Crawford, PhD ‡	2022
Lucille Dean, SP †	2020
Diane Hejna, CSJ, RN. ‡	2022
Phyllis Hughes, RSM, PhD. ‡	2022
Mary Lyons, PhD. ‡	2022
Phoebe Yang ‡	2022
Charles W. Sorenson, M.D. Δ	2021
Lydia M. Marshall Δ	2022
Michael Murphy Δ	2022
Katharin S. Dyer Δ	2022
Rod Hochman, M.D.	Ex-officio

Sponsors Council	Term Expires (December 31)
Eleanor Brewer	2020
Ned Dolejsi	2020
Jeff Flocken	2025
Barbara Savage	2020
Bill Cox	2022
Russell Danielson	2027
Sr. Sharon Becker, CSJ	2027
Mark Koenig	2027
Sr. Margaret Pastro, SP	2028
Sr. Mary Therese Sweeney, CSJ	2028

† Not eligible for an additional term.
‡ Eligible for one additional three-year term.
Δ Eligible for up to two.

Executive Leadership Team

The following are key members of Providence's executive leadership team.

Name	Title
Rod Hochman, M.D.	President and CEO
Mike Butler	President of Operations and Strategy
Venkat Bhamidipati	EVP and CFO

Support Services

Corporate officers and supporting staff oversee the management activities carried on, on a day-to-day basis, by the management staff of each region. Each regional Chief Executive reports to the President of Operations, who oversees their management with emphasis on the service area's achievements in responding to unmet health care needs in the community, especially the unmet needs of the poor and vulnerable, productivity, developing integrated delivery systems, meeting financial guidelines, and maintaining or increasing market share. The Chief Financial Officer of Providence and Finance staff

coordinate the annual budget and multi-year forecasts of the service areas and manage the capital acquisition and management activities of the Obligated Group. Other areas in which the corporate staff provides centralized services or coordinates the activities of the service areas include: legal affairs, insurance and risk management, treasury services, materials management, technical support, fund raising, quality of care, medical ethics, pastoral services, mission effectiveness, human resources, planning and policy development, and public affairs.

Non-Obligated Group System Affiliates

In addition to the Obligated Group Members, the System includes: health plans; a provider network; numerous fundraising foundations; Providence Ventures, Inc., a Washington corporation that invests in health care activities; various not-for-profit corporations that own and operate assisted living facilities and low-income housing projects, including housing facilities for the elderly; and the University of Providence formerly known as University of Great Falls, located in Great Falls, Montana. The System also includes multiple operations involving or supporting home health, outpatient surgery, imaging services and other professional services provided through for-profit and non-profit entities that are not part of the Obligated Group. These entities are organized as subsidiaries of the System, partnerships or joint ventures with other entities. Obligated Group Members also may engage in informal alliances and/or contract-based physician relationships. Affiliates that are not Obligated Group Members are referred to in this Quarterly Report as the Non-Obligated Group System Affiliates. Certain Non-Obligated Group System Affiliates that are of significant operational or strategic importance and other Non-Obligated Group System Affiliates are discussed elsewhere in this Quarterly Report only to the extent they are viewed by System management to be of particular operational or strategic importance.

Control of Certain Obligated Group Members

General

Providence is the sole corporate member of PH&S and SJHS. PH&S is the sole corporate member, directly or indirectly, of each of Providence – Washington, Providence – Southern California, LCMASC, Providence – St. John’s, Providence – SJMC Montana, Providence – Montana, Providence – Oregon, Swedish, Swedish Edmonds, Pac Med, Western Health Connect and Kadlec, and co-corporate member of Providence – Western Washington.

SJHS is the sole corporate member of SJHNC and, as more fully described hereinafter, a corporate member of St. Joseph Orange, St. Jude, Mission Hospital, St. Mary and CHS.

Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which, operates the hospital facilities known as Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital. The corporate entities of Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka and Redwood Memorial Hospital, each a California nonprofit public benefit corporation (collectively, the “*Hospitals*”) transferred their assets to SJHNC effective as of April 1, 2018. Effective December 31, 2019 the remaining corporate entities in connection with this reorganization were dissolved.

Southern California Region

In connection with the March 2013 affiliation of SJHS and Hoag Hospital, a new entity known as Covenant Health Network, Inc. (*“CHN”*), a California nonprofit public benefit corporation, was created. CHN is a corporate member of Hoag Hospital and St. Joseph Orange, St. Jude, Mission Hospital and St. Mary (the *“SJHS Southern California Hospitals”*). CHN, The George Hoag Family Foundation (Hoag Family Foundation) and the constituent churches of the Los Ranchos Presbytery of the Presbyterian Church (USA), as represented by the Association of Presbyterian Ministers (APM), are the corporate members of Hoag Hospital. None of CHN, Hoag Family Foundation or APM is an Obligated Group Member or is obligated for payment with respect to the Bonds.

SJHS, CHN, Hoag Hospital and the SJHS Southern California Hospitals entered into an affiliation pursuant to the terms of an Affiliation Agreement dated as of October 15, 2012 (the *"CHN Affiliation Agreement"*). The CHN Affiliation Agreement, which became effective as of March 1, 2013, is designed to allow SJHS and each of the SJHS Southern California Hospitals on the one hand, and Hoag Hospital on the other hand, to preserve their respective Catholic and Presbyterian heritages and identities while creating an integrated community health care delivery system. The Affiliation Agreement was amended as of June 1, 2017 and Providence became a party to the arrangement. In addition, a Supplemental Agreement and two amendments were also entered into between the parties in 2017.

CHN does not have any corporate members, and neither Providence, SJHS, its affiliates, nor Hoag Hospital have any ownership interest in CHN. CHN's governing board consists of seven members, four of whom are designated by Providence in its sole discretion from persons who are members of the governing boards of SJHS, SJHS Southern California Hospitals, St. Joseph Health Ministry and/or Sisters of St Joseph of Orange, and/or members of Providence or SJHS management. The remaining three members are designated by Hoag Family Foundation and APM, acting jointly, in their sole discretion from members of the governing board of Hoag Hospital. The CHN board provides strategic planning leadership and oversight for the Southern California region.

CHN and SJHS have certain reserved powers with respect to the governance, management and operation of each of the SJHS Southern California Hospitals and Hoag Hospital. Some of these powers may be exercised only by a supermajority vote of the CHN Board of Directors, meaning the affirmative vote of at least three of the four members designated by Providence, and of at least two of the three members designated by Hoag Family Foundation and APM. Such reserved powers and powers that require a supermajority vote may be reviewed and revised from time to time. These reserved powers include, among others, certain actions relating to: (i) changes in articles and bylaws, (ii) certain board member and management appointments and removals; and (iii) certain hospital mergers, acquisitions, joint ventures, asset sales, cash transfers and financings. Hoag Family Foundation and APM also have reserved powers with respect to certain management and operating matters and transactions involving Hoag Hospital.

West Texas/Eastern New Mexico Region

SJHS and Lubbock Methodist Hospital System (*"LMHS"*) are the corporate members of CHS. CHS is the sole corporate member of CMC, Covenant Levelland and Covenant Plainview. LMHS is not an Obligated Group Member and is not obligated for payment with respect to the Bonds.

CHS was formed in 1998 pursuant to an affiliation between SJHS and LMHS and its affiliates, pursuant to which CHS became the sole corporate member of certain entities previously affiliated with LMHS and, together with certain of such entities, joined the obligated group to which SJHS and its affiliates were party.

CHS is governed by a 19-member board of directors. LMHS and SJHS each appoint eight directors. SJHS also appoints the Chief Executive Officer of CHS, who is an ex-officio voting director. The CMC Chief of Staff and Covenant Children's Hospital Chief of Staff also serve as ex-officio voting directors. SJHS has extensive authority with respect to the financial affairs of CHS and its subsidiaries, including, but not limited to, the approval of budgets of CHS and its subsidiaries and selection and retention of auditors.

As part of the affiliation, SJHS, CHS and LMHS entered into an agreement that significantly restricts the ability of SJHS to sever its relationship with CHS and the entities formerly affiliated with LMHS. Under certain circumstances, it also restricts CHS and SJHS from a wide variety of transactions (the *"Covered Transactions"*), including: (i) certain management agreements, leases, joint ventures and other transactions that might have the effect of transferring control of Covenant Medical Center or all assets of CHS and its subsidiaries to an unrelated third party, or in a manner that voids or reduces LMHS's right, as a member, to appoint directors; (ii) a sale, transfer or conveyance of all or substantially all of CHS' assets (including all of CHS' affiliates, taken in the aggregate); (iii) an affiliation, management agreement, lease or joint venture under which a third party acquires the right to control CHS, as a whole; or (iv) any other transaction in which the ability to appoint and remove more than 50 percent of the directors of CHS is transferred to a third party.

In the event SJHS or CHS undertakes a Covered Transaction, they are obligated to provide notice and information to LMHS and to make a "reciprocal offer" to LMHS, including an offer to purchase LMHS's

membership rights in CHS and a simultaneous obligation to offer CHS' membership rights to LMHS at the same purchase price, adjusted upward by a formula that reflects the dissolution percentages Pursuant to the terms of the affiliation, the dissolution percentages are SJHS – 57 percent; LMHS – 43 percent.

Other Information

Outstanding Master Trust Indenture Obligations

As of March 31, 2020, the System had Obligations outstanding under the Master Indenture totaling $6,904,000,000. This excludes Obligations that secure interest rate or other swap transactions, bank liquidity or credit facilities. The Obligations outstanding under the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 7 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2019.

Certain of the outstanding Obligations secure tax-exempt bonds previously issued for the benefit of one or more Obligated Group Members (collectively, the *"Direct Placement Bonds"*) that were purchased directly by commercial banks. Certain other of the outstanding Obligations secure taxable loans and lines of credit previously incurred on behalf of the Obligated Group (the *"Taxable Loans"*) from one or more commercial banks or a syndicate of banks. Certain other of the outstanding Obligations secure payment obligations relating to bank liquidity or letter of credit facilities (the *"Credit Facilities"*) issued by credit banks to secure the payment of principal of, interest on and purchase price for certain tax-exempt and taxable bonds issued for the benefit of, or by, certain Obligated Group Members. The financial covenants relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities are substantially consistent with the covenants in the Master Indenture. In addition to financial covenants, the Direct Placement Bonds, the Taxable Loans and the Credit Facilities include events of default that may cause an acceleration of the Obligations secured thereby, and, in turn, all Obligations secured by the Master Indenture. Certain documents relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities containing these financial covenants and events of default are available for review on EMMA (http://emma.msrb.org).

Interest Rate Swap Arrangements

The System and/or certain of its affiliates may enter into interest rate swap contracts from time to time to increase or decrease variable rate debt exposure, to achieve a targeted mix of fixed and floating rate indebtedness and for other purposes.

At March 31, 2020, SJHS was party to seven interest rate swap agreements with a current notional amount totaling approximately $436 million and with varying expiration dates. The swap agreements require SJHS to make fixed rate payments in exchange for variable rate payments made by the counterparties. SJHS's payment obligations under such swap agreements are secured by Obligations issued under the Master Indenture.

Below is a summary of those swap agreements, including the fair value of the swaps as of March 31, 2020. Fair values are based on independent valuations obtained and are determined by calculating the value of the discounted cash flows of the differences between the fixed interest rate of the interest rate swaps and the counterparty's forward London Interbank Offered Rate curve, which is the input used in the valuation, also taking into account any nonperformance risk. Changes in the fair value of the interest rate swaps are included within non-operating gains and losses. See also the discussion under "Other Information - Interest Rate Swap Agreements" and Note 7 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2019.

DESCRIPTION	NOTIONAL	TERM	COUNTERPARTY	RECEIVE	PAY	FAIR VALUE
Fixed Payor	$13,550,000	Jul-21	Morgan Stanley	68% of 3 Month LIBOR	3.305%	($300,000)
Fixed Payor	$2,200,000	Jul-20	Morgan Stanley	68% of 3 Month LIBOR	3.189%	($14,000)
Fixed Payor	$173,310,000	Jul-47	MUFG Union	68% of 3 Month LIBOR	3.529%	($89,516,000)
Fixed Payor	$46,015,000	Jul-47	Wells Fargo	68% of 3 Month LIBOR	3.520%	($23,366,000)
Fixed Payor	$64,700,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($19,135,000)
Fixed Payor	$64,750,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($19,108,000)
Fixed Payor	$71,510,000	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	($21,146,000)

Entering into derivative agreements including those described above creates a variety of risks to the System. Pursuant to certain of these agreements, both SJHS and the counterparty are required to deliver collateral in certain circumstances in order to secure their respective obligations under the agreements. As of March 31, 2020, SJHS posted collateral in the amount of approximately $72,918,000. The amount of collateral delivered by SJHS over the term of the agreements could increase or decrease based upon SJHS' credit ratings and movements of United States dollar swap rates and could be substantial. Under certain circumstances, the derivative agreements are subject to termination prior to their scheduled termination date and prior to the maturity of the related revenue bonds. Payments due upon early termination may be substantial. In the event of an early termination of an agreement, there can be no assurance that (i) SJHS or any other Obligated Group Member will receive any termination payment payable to it by the provider, (ii) SJHS or any other Obligated Group Member will have sufficient amounts to pay a termination payment payable by it to the provider, or (iii) SJHS or the other Obligated Group Members will be able to obtain a replacement agreement with comparable terms. For financial reporting purposes, the System has generally not treated its swap agreements as effective hedges against the interest cost of underlying debt. To the extent that swaps are not treated as effective hedges, the System must recognize any changes in the fair market value of the swaps agreements and the related debt as non-operating gains or losses. See Note 7 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2019.

Litigation

Certain material litigation may result in an adverse outcome to the Obligated Group. Obligated Group Members are involved in litigation and regulatory investigations arising in the course of doing business. After consultation with legal counsel, except as described below, management estimates that these matters will be resolved without material adverse effect on the Obligated Group's future consolidated financial position or results of operations.

In 2019, the U.S. Department of Justice served Swedish Health Services with a Civil Investigative Demand requesting documents pertaining to certain arrangements and joint ventures and physician organizations. Swedish is cooperating with the Department and compiling the responsive documents.

Several civil actions are pending or threatened against certain affiliates, including Obligated Group Members, alleging medical malpractice. In the opinion of management of Providence, based upon the advice of legal counsel and risk management personnel, the currently estimated costs and related expenses of defense will be within applicable insurance limits or will not materially adversely affect the financial condition or operations of the System.

In early May 2020, the Hoag Family Foundation and APM, two of the three corporate members of Hoag Hospital, filed a complaint under a California Corporations Code statute seeking to involuntarily dissolve CHN, the third corporate member. The complaint seeks to remove Hoag Hospital as an Obligated Group Member. There has been no allegation that the Affiliation Agreement creating CHN has been breached, and there is no provision in the agreement for its termination or dissolution. The System believes that the complaint is without merit, and believes the legal process will vindicate this position. Hoag accounts for less than six percent of the Obligated Group's unaudited total operating revenues for the three months ended March 31, 2020 and less than six percent of the System's unaudited total operating revenues for the three months ended March 31, 2020.

Employees

As of March 31, 2020, the System included approximately 116,000 employed caregivers (excluding Hoag), representing 105,859 FTEs. Of the total employees in the System, approximately 32 percent are represented by 19 different labor unions.

Providence management strives to provide market-competitive salaries and benefits to all employees in all markets. Management of Providence believes the salary levels and benefits packages for its employees are competitive in all the respective markets. At the same time, management understands that the health care industry is rapidly evolving. The leadership of each of the separate employers within the System is working to ensure the compensation and benefits are modern and reflect competitive market practices. This will require continued negotiations at the various employers within the System throughout 2020. In the past two years, the System has experienced strikes at different facilities, as a result of contract negotiations. In each situation, the facility operated with qualified replacement employees, experienced limited disruption to hospital operations or patient service, and, ultimately settled the contracts. Management is also aware of ongoing organizing efforts by labor unions within the health care industry, including in markets where the separate employers within the System operates.

The separate employers across the System have implemented new programs and procedures for all employees including supplemental pay programs, accelerated hiring processes and procedures that support employee redeployment to ensure continued patient care during the COVID-19 pandemic, and will revisit as appropriate.

Community Benefit

Informed by our community health needs assessments, we make strategic proactive investments in community-focused health and social service programs, health professions education, and research directly responding to unmet needs. In addition, we provide free and discounted care for the uninsured and underinsured to ensure vital access. We also cover the unpaid cost of Medicaid as we care for individuals covered by Medicaid in the communities we serve across seven states.

Building on our commitment to care for those who are poor and vulnerable, we have invested $450 million in community benefit in the three months ended March 31, 2020, compared with $401 million in the same period in 2019. Community benefit spending related to the unpaid costs of Medicaid was $281 million for the three months ended March 31, 2020, compared with $254 million for the same period in 2019.

Insurance

Providence has developed insurance programs that provide coverage for the vast majority of insurable risks. The program uses benchmarking and insurance analytics to guide its decisions regarding both the type of coverage it purchases and the limits of that insurance. The analytics use claims and historical data to estimate the likelihood of certain events occurring such as an earthquake or an anti-trust claim. The premium for an additional limit can then be compared to the probability of the event to pinpoint when the purchase of an additional insurance limit no longer provides a value to the System. The insurance team and brokers negotiate almost all the policies directly to obtain the most favorable terms of coverage possible. Policies are also reviewed to ensure no coverage gaps – what is excluded in one policy must be covered by a different policy. Insurers must have an A rating or better from A.M. Best to be on the System program. Management meets with most of its underwriters at least once a year to obtain updates on any changes in business strategy or capacity. Providence currently self-insures a portion of its professional and general liability. Such claims are paid through trust arrangements which are funded to a 75 percent confidence level based on projections from outside independent actuaries. The major lines of insurance that are renewed yearly include property, directors and officers, employment practices, auto, fiduciary, cyber/information security, workers' compensation, crime, and aviation.

Accreditation and Memberships

The System's acute care hospital facilities are appropriately licensed by applicable state licensing agencies, certified for Medicare and Medicaid/Medi-Cal reimbursement, and (except Covenant Levelland,

Providence Seward Medical Center, Providence Valdez Medical Center and Swedish Issaquah) accredited by The Joint Commission. Each long-term care facility or unit is licensed by applicable state licensing agencies and is appropriately certified for Medicare and Medicaid/Medi-Cal reimbursement.

Glossary of Terms

Credit Group:	Obligated Group Members, Designated Affiliates, and Limited Credit Group Participants and Unlimited Credit Group Participants, collectively.
Obligated Group or Obligated Group Members:	Obligated Group Members under the Master Indenture and currently:

Providence	St. Joseph Orange
PH&S	St. Jude
Providence - Washington	Mission Hospital
Providence - Southern California	St. Mary
LCMASC	Hoag Hospital
Providence - Saint John's	SJHNC
Providence - SJMC Montana	Queen of the Valley
Providence - Montana	Santa Rosa Memorial
Providence - Oregon	St. Joseph Eureka
Providence - Western Washington	Redwood Memorial
Swedish	CHS
Swedish Edmonds	CMC
PacMed	Covenant Children's
Western HealthConnect	Covenant Levelland
Kadlec	Covenant Plainview
SJHS	

Designated Affiliates:	Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.
Limited Credit Group Participants:	Limited Credit Group Participants under the Master Indenture. There are currently no Limited Credit Group Participants.
Unlimited Credit Group Participants:	Unlimited Credit Group Participants under the Master Indenture. There are currently no Unlimited Credit Group Participants.

CHS:	Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.
CMC:	Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.
Covenant Children's:	Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.
Covenant Levelland:	Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Lovelland Hospital.
Covenant Plainview:	Methodist Hospital Plainview, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.
Hoag Hospital:	Hoag Memorial Hospital Presbyterian, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Kadlec:	Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.
LCMASC:	Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Mission Hospital:	Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
PacMed:	PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.
PH&S:	Providence Health & Services, a Washington nonprofit corporation and currently an Obligated Group Member.

Providence – Montana: Providence Health & Services – Montana, a Montana nonprofit corporation and currently an Obligated Group Member.

Providence – Oregon: Providence Health & Services - Oregon, an Oregon nonprofit corporation and currently an Obligated Group Member.

Providence – Saint John's: Providence Saint John's Health Center, a California nonprofit religious corporation and currently an Obligated Group Member.

Providence – SJMC Montana: Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.

Providence – Southern California: Providence Health System – Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.

Providence – Washington: Providence Health & Services – Washington, a Washington nonprofit corporation and currently an Obligated Group Member.

Providence – Western Washington: Providence Health & Services – Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.

Providence St. Joseph Health, Providence, we, us, our: Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.

Queen of the Valley: Queen of the Valley Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Redwood Memorial: Redwood Memorial Hospital of Fortuna, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Santa Rosa Memorial: Santa Rosa Memorial Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member.

SJHNC: St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.

SJHS: St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.

St. Joseph Eureka: St. Joseph Hospital of Eureka, a California nonprofit public benefit corporation and currently an Obligated Group Member.

St. Joseph Orange: St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.

St. Jude: St. Jude Hospital, Inc., a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.

St. Mary: St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Swedish: Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.

Swedish Edmonds: Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.

System: Providence and all entities that are included within the combined financial statements of Providence.

Western HealthConnect: Western HealthConnect, a Washington nonprofit corporation and currently an Obligated Group Member.

Exhibit 5 – Obligated Group Facilities

Exhibit 5.1
Acute Care Facilities by Region

A list of the System's acute care facilities in each region as of March 31, 2020, each of which is owned or operated by an Obligated Group Member, is provided in EXHIBIT 5.1 below.

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
Alaska				
	Providence Health & Services-Washington	Providence Alaska Medical Center	Anchorage	401
		Providence Kodiak Island Medical Center (1)	Kodiak	25
		Providence Seward Medical and Care Center (1)	Seward	6
		Providence Valdez Medical Center (1)	Valdez	11
Swedish				
	Swedish Edmonds	Swedish Edmonds (2)	Edmonds	217
		Swedish Medical Center Campuses (3):		
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
		Swedish First Hill	Seattle	697
Washington and Montana				
	Providence Health & Services-Washington	Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	571
		Providence St. Peter Hospital (4)	Olympia	372
	Providence Health & Services-Washington	Providence St. Joseph's Hospital	Chewelah	65
		Providence Mount Carmel Hospital	Colville	55
		Providence Sacred Heart Medical Center and Children's Hospital	Spokane	691
		Providence Holy Family Hospital	Spokane	197
		Providence St. Mary Medical Center	Walla Walla	142
	Kadlec Regional Medical Center	Kadlec Regional Medical Center	Richland	337
	Providence Health & Services-Montana	St. Patrick Hospital	Missoula (MT)	253
	Providence St. Joseph Medical Center	Providence St. Joseph Medical Center	Polson (MT)	22
Oregon				
	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	168
		Providence Milwaukie Hospital	Milwaukie	77
		Providence Newberg Medical Center	Newberg	40
		Providence Willamette Falls Medical Center	Oregon City	143
		Providence St. Vincent Medical Center	Portland	523
		Providence Portland Medical Center	Portland	483
		Providence Seaside Hospital (5)	Seaside	25
Northern California				

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
	St. Joseph Health Northern California, LLC.	St. Joseph Hospital	Eureka	153
		Redwood Memorial Hospital	Fortuna	35
		Queen of the Valley Medical Center	Napa	208
		Santa Rosa Memorial Hospital	Santa Rosa	298
Southern California				
	Providence Health System-Southern California	Providence St. Joseph Medical Center	Burbank	392
		Providence Holy Cross Medical Center	Mission Hills	329
		Providence Little Company of Mary Medical Center San Pedro	San Pedro	183
		Providence Tarzana Medical Center	Tarzana	249
		Providence Little Company of Mary Medical Center Torrance	Torrance	327
	Providence Saint John's Health Center	Providence Saint John's Health Center	Santa Monica	266
	St. Mary Medical Center	St. Mary Medical Center	Apple Valley	213
	St. Jude Medical Hospital, Inc.	St. Jude Medical Center	Fullerton	320
		Mission Hospital Regional Medical Center Campuses [6]:		523
	Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center	Mission Viejo	
		Mission Hospital Laguna Beach	Laguna Beach	
		Hoag Memorial Hospital Presbyterian Campuses [7]:		518
	Hoag Memorial Hospital Presbyterian	Hoag Memorial Hospital Presbyterian	Newport Beach	
		Hoag Hospital Irvine	Irvine	
	St. Joseph Hospital of Orange	St. Joseph Hospital of Orange [8]	Orange	463
Texas				
	Methodist Hospital Levelland	Covenant Hospital Levelland	Levelland	48
		CHS Campuses:		381
	Covenant Health System	Covenant Medical Center	Lubbock	
		Covenant Medical Center - Lakeside	Lubbock	
		Grace Medical Center	Lubbock	123
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	275
	Methodist Hospital Plainview	Covenant Hospital Plainview	Plainview	68
TOTAL				**11,703**

* Includes all acute care licensure categories except for normal newborn bassinettes and partial hospitalization psychiatric beds

(1) Leased and/or managed by Providence – Washington
(2) The legal entity Swedish Edmonds operates the hospital under a lease with Public Hospital District No. 2 of Snohomish County
(3) Four campuses with three licenses
(4) Includes a 50-bed chemical dependency center
(5) Leased to and managed by Providence – Oregon
(6) Two campuses on one license, including 36 acute care psychiatric beds in Laguna Beach
(7) Two campuses on one license
(8) Includes 37 acute care psychiatric beds

The System's principal owned or leased long-term care facilities as of March 31, 2020 is shown in EXHIBIT 5.2 is the table below.

Exhibit 5.2
Long-Term Care Facilities by Region

Region	Obligated Group Member	Facility	Location(s)	Licensed Long-Term Care Beds
Facilities Owned or Leased by Obligated Group Members:				
Alaska				
	Providence Health & Services-Washington	Providence Kodiak Island Medical Center [1]	Kodiak	22
		Providence Seward Medical and Care Center [1]	Seward	40
		Providence Valdez Medical Center [1]	Valdez	10
		Providence Extended Care	Anchorage	96
		Providence Transitional Care Center	Anchorage	50
Washington and Montana				
	Providence Health & Services-Washington	Providence Marionwood	Issaquah	117
		Providence Mother Joseph Care Center	Olympia	152
		Providence Mount St. Vincent	Seattle	215
	Providence Health & Services-Washington	Providence St. Joseph Care Center	Spokane	113
Oregon				
	Providence Health & Services-Oregon	Providence Benedictine Nursing Center [2]	Mt. Angel	98
		Providence Child Center	Portland	58
Northern California				
	St. Joseph Health Northern California, LLC.	Santa Rosa Memorial Hospital	Santa Rosa	31
Southern California				
	Providence Health System-Southern California	Providence Holy Cross Medical Center	Mission Hills	48
		Providence Little Company of Mary Subacute Care Center San Pedro	San Pedro	125
		Providence Little Company of Mary Transitional Care Center	Torrance	115
		Providence St. Elizabeth Care Center	North Hollywood	52
Texas				
	Covenant Health System	Covenant Long-term Acute Care	Lubbock	56
TOTAL				**1,398**

[1] Leased and/or managed by Providence – Washington
[2] Also includes 15 adult foster care units

Exhibit 6 – Supplementary Information

[ATTACHED]

EXHIBIT 6.1 - SUMMARY UNAUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended March 31, 2020 (in 000's of dollars)		Ended March 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	$ 4,981,282	4,741,280	4,817,324	4,609,022
Premium Revenues	585,752	62,246	580,511	50,842
Capitation Revenues	415,789	183,810	358,505	165,378
Other Revenues	358,842	286,262	269,120	259,077
Total Operating Revenues	6,341,665	5,273,598	6,025,460	5,084,319
Operating Expenses:				
Salaries and Benefits	3,205,548	2,840,593	3,022,946	2,711,638
Supplies	947,925	885,855	896,828	833,042
Purchased Healthcare Services	528,067	99,220	490,005	98,750
Interest, Depreciation, and Amortization	335,400	312,308	336,109	313,772
Purchased Services, Professional Fees, and Other	1,600,936	1,241,938	1,254,290	938,050
Total Operating Expenses Before Restructuring Costs	6,617,876	5,379,914	6,000,178	4,895,252
(Deficit) Excess of Revenues Over Expenses from Operations Before Restructuring Costs	(276,211)	(106,316)	25,282	189,067
Restructuring Costs	-	-	29,548	29,548
(Deficit) Excess of Revenues Over Expenses From Operations	(276,211)	(106,316)	(4,266)	159,519
Total Net Non-Operating (Losses) Gains	(836,501)	(738,275)	547,494	475,532
(Deficit) Excess of Revenues Over Expenses	$ (1,112,712)	(844,591)	543,228	635,051

EXHIBIT 6.2 - SUMMARY UNAUDITED AND AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended March 31, 2020 (in 000's of dollars)		Ended December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by Operating Activities	$ (48,055)	(5,299)	963,361	2,457,092
Net Cash Used in Investing Activities	(222,299)	49,463	(1,474,810)	(2,325,152)
Net Cash Provided by (Used in) Financing Activities	834,728	484,831	230,261	(525,550)
Increase (Decrease) in Cash and Cash Equivalents	564,374	528,995	(281,188)	(393,610)
Cash and Cash Equivalents, Beginning of Period	1,316,209	633,478	1,597,397	1,027,088
Cash and Cash Equivalents, End of Period	$ 1,880,583	1,162,473	1,316,209	633,478

EXHIBIT 6.3 - SUMMARY UNAUDITED NET PATIENT REVENUE PAYOR MIX

	Ended March 31, 2020 (in 000's of dollars)		Ended March 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	47%	46%	50%	50%
Medicare	30%	31%	33%	33%
Medicaid	19%	20%	14%	15%
Self-pay and Other	4%	3%	3%	2%

EXHIBIT 6.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS

	As of March 31, 2020 (in 000's of dollars)		As of December 31, 2019 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	$ 1,880,583	1,162,473	1,316,209	633,478
Accounts Receivable, Net	2,311,161	2,127,963	2,400,037	2,255,555
Supplies Inventory	306,384	292,561	283,256	271,513
Other Current Assets	1,541,976	1,243,678	1,232,738	1,168,026
Current Portion of Assets Whose Use is Limited	706,689	350,105	701,720	341,065
Total Current Assets	6,746,793	5,176,780	5,933,960	4,669,637
Assets Whose Use is Limited	9,943,476	7,242,888	10,854,956	8,183,847
Property, Plant, and Equipment, Net	10,980,502	10,441,991	10,977,989	10,435,875
Other Assets	2,852,778	3,139,359	2,785,088	3,177,694
Total Assets	$ 30,523,549	26,001,018	30,551,993	26,467,053
Current Liabilities:				
Current Portion of Long-Term Debt	$ 87,226	83,021	85,111	80,924
Master Trust Debt Classified as Short-Term	455,240	455,240	205,240	205,240
Accounts Payable	995,485	885,100	1,034,992	909,251
Accrued Compensation	1,309,008	1,204,889	1,145,308	1,057,534
Other Current Liabilities	2,612,535	1,578,933	2,427,583	1,780,475
Total Current Liabilities	5,459,494	4,207,183	4,898,234	4,033,424
Long-Term Debt, Net of Current Portion	6,927,578	6,816,130	6,393,194	6,280,796
Pension Benefit Obligation	1,078,389	1,078,389	1,093,830	1,093,830
Other Liabilities	2,318,520	1,231,810	2,291,687	1,223,193
Total Liabilities	15,783,981	13,333,512	14,676,945	12,631,243
Net Assets:				
Controlling Interests	13,204,569	11,729,079	14,344,233	12,911,678
Noncontrolling Interests	162,339	(475)	149,783	(475)
Net Assets Without Donor Restrictions	13,366,908	11,728,604	14,494,016	12,911,203
Net Assets With Donor Restrictions	1,372,660	938,902	1,381,032	924,607
Total Net Assets	14,739,568	12,667,506	15,875,048	13,835,810
Total Liabilities and Net Assets	$ 30,523,549	26,001,018	30,551,993	26,467,053

EXHIBIT 6.5 - KEY PERFORMANCE METRICS

	Ended March 31, 2020		Ended March 31, 2019	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	118,410	116,362	129,331	126,875
Acute Patient Days	606,619	594,603	639,975	626,992
Acute Outpatient Visits	3,137,322	2,968,921	3,107,260	2,907,338
Primary Care Visits	3,101,580	1,910,862	3,306,956	2,096,896
Inpatient Surgeries	49,400	48,274	54,473	52,992
Outpatient Surgeries	104,571	75,850	112,759	84,037
Long-Term Care Admissions	1,802	1,700	2,206	2,100
Long-Term Care Patient Days	96,403	93,846	102,454	99,733
Long-Term Care Average Daily Census	230	202	244	213
Home Health Visits	294,538	188,705	337,168	216,507
Hospice Days	259,597	148,233	225,788	144,561
Housing and Assisted Living Days	153,729	58,912	150,452	59,896
Health Plan Members	698,466	n/a	660,065	n/a
Acute Average Daily Census	6,666	6,534	7,111	6,967
Acute Licensed Beds	12,020	11,688	12,007	11,675
FTEs	105,859	94,642	104,802	92,183

EXHIBIT 6.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended March 31, 2020 (in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Operating Revenues:									
Net Patient Service Revenues	$ 209,200	575,585	1,092,050	574,196	331,062	1,491,102	258,814	449,273	4,981,282
Premium Revenues	-	-	-	523,476	-	30	-	62,246	585,752
Capitation Revenues	-	-	40,586	3,396	20,257	351,313	-	237	415,789
Other Revenues	14,579	33,592	62,581	77,389	17,534	71,489	17,862	63,816	358,842
Total Operating Revenues	223,779	609,177	1,195,217	1,178,457	368,853	1,913,934	276,676	575,572	6,341,665
Operating Expenses:									
Salaries and Benefits	88,780	333,739	583,018	414,855	154,343	708,595	120,487	801,731	3,205,548
Supplies	29,131	109,466	200,803	117,725	51,117	275,198	54,813	109,672	947,925
Purchased Healthcare Services	231	388	22,848	317,628	11,891	151,978	-	23,103	528,067
Interest, Depreciation, and Amortization	13,908	33,636	43,838	29,129	15,645	88,459	19,009	91,776	335,400
Purchased Services, Professional Fees, and Other	74,776	241,778	420,532	328,509	153,070	786,154	94,054	(497,937)	1,600,936
Total Operating Expenses Before Restructuring Costs	206,826	719,007	1,271,039	1,207,846	386,066	2,010,384	288,363	528,345	6,617,876
(Deficit) Excess of Revenues Over Expenses from Operations Before Restructuring Costs	16,953	(109,830)	(75,822)	(29,389)	(17,213)	(96,450)	(11,687)	47,227	(276,211)
Restructuring Costs	-	-	-	-	-	-	-	-	-
(Deficit) Excess of Revenues Over Expenses From Operations	16,953	(109,830)	(75,822)	(29,389)	(17,213)	(96,450)	(11,687)	47,227	(276,211)
Total Net Non-Operating Losses	(94,072)	(52,085)	(87,899)	(126,169)	(38,588)	(190,724)	(21,874)	(225,090)	(836,501)
Deficit of Revenues Over Expenses	$ (77,119)	(161,915)	(163,721)	(155,558)	(55,801)	(287,174)	(33,561)	(177,863)	(1,112,712)

EXHIBIT 6.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION

	As of March 31, 2020 (in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Current Assets:									
Cash and Cash Equivalents	$ 467,549	19,406	122,512	874,271	(5,952)	(832,595)	173,446	1,061,946	1,880,583
Accounts Receivable, Net	124,807	348,792	506,559	240,049	144,010	735,206	149,353	62,385	2,311,161
Supplies Inventory	15,965	41,676	57,157	44,715	21,889	78,282	16,662	30,038	306,384
Other Current Assets	62,868	121,664	322,057	411,352	94,406	452,639	(11,137)	88,127	1,541,976
Current Portion of Assets Whose Use is Limited	-	-	-	-	1,550	18,480	-	686,659	706,689
Total Current Assets	671,189	531,538	1,008,285	1,570,387	255,903	452,012	328,324	1,929,155	6,746,793
Assets Whose Use is Limited	873,819	524,961	869,957	2,125,668	390,171	3,075,267	235,697	1,847,936	9,943,476
Property, Plant, and Equipment, Net	426,913	1,271,168	1,605,114	1,069,515	711,377	4,004,646	565,432	1,326,337	10,980,502
Other Assets	75,551	350,531	331,032	143,579	29,344	1,134,017	108,693	680,031	2,852,778
Total Assets	$ 2,047,472	2,678,198	3,814,388	4,909,149	1,386,795	8,665,942	1,238,146	5,783,459	30,523,549
Current Liabilities:									
Current Portion of Long-Term Debt	28	6,431	840	153	42,727	52,804	15,254	(31,011)	87,226
Master Trust Debt Classified as Short-Term	-	-	-	-	-	84,662	-	370,578	455,240
Accounts Payable	15,884	88,624	129,634	85,891	46,223	353,193	44,099	231,937	995,485
Accrued Compensation	35,716	111,564	211,921	158,254	45,720	291,495	52,051	402,287	1,309,008
Other Current Liabilities	57,612	193,719	257,146	896,826	81,378	653,913	67,248	404,693	2,612,535
Total Current Liabilities	109,240	400,338	599,541	1,141,124	216,048	1,436,067	178,652	1,378,484	5,459,494
Long-Term Debt, Net of Current Portion	225,657	1,018,532	1,150,170	139,580	309,462	1,981,314	328,664	1,774,199	6,927,578
Pension Benefit Obligation	-	365,493	-	8,873	-	-	-	704,023	1,078,389
Other Liabilities	52,486	268,913	108,600	118,037	21,466	598,775	60,883	1,089,360	2,318,520
Total Liabilities	$ 387,383	2,053,276	1,858,311	1,407,614	546,976	4,016,156	568,199	4,946,066	15,783,981
Net Assets:									
Controlling Interests	1,638,289	512,377	1,872,486	3,275,937	775,142	3,775,581	605,726	749,031	13,204,569
Noncontrolling Interests	304	2,087	-	346	-	130,845	23,635	5,122	162,339
Net Assets Without Donor Restrictions	1,638,593	514,464	1,872,486	3,276,283	775,142	3,906,426	629,361	754,153	13,366,908
Net Assets With Donor Restrictions	21,496	110,458	83,591	225,252	64,677	743,360	40,586	83,240	1,372,660
Total Net Assets	1,660,089	624,922	1,956,077	3,501,535	839,819	4,649,786	669,947	837,393	14,739,568
Total Liabilities and Net Assets	$ 2,047,472	2,678,198	3,814,388	4,909,149	1,386,795	8,665,942	1,238,146	5,783,459	30,523,549

EXHIBIT 6.8 - KEY PERFORMANCE METRICS BY REGION

	As of March 31, 2020							
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	3,820	12,340	30,008	14,842	6,877	44,724	5,799	118,410
Acute Patient Days	28,876	68,331	166,328	77,797	37,028	197,369	30,890	606,619
Acute Outpatient Visits	103,131	269,692	770,304	819,004	172,648	838,322	164,221	3,137,322
Primary Care Visits	24,239	356,504	923,145	574,451	152,789	863,485	150,725	3,101,580
Inpatient Surgeries	1,928	5,779	14,313	6,752	1,869	17,031	1,728	49,400
Outpatient Surgeries	2,569	11,099	27,438	30,507	3,631	23,788	5,539	104,571
Long-Term Care Admissions	74	n/a	n/a	23	n/a	760	102	1,802
Long-Term Care Patient Days	14,919	n/a	n/a	2,556	n/a	20,109	2,557	96,403
Long-Term Care Average Daily Census	116	n/a	n/a	28	n/a	n/a	28	230
Home Health Visits	3,924	n/a	1,390	n/a	15,267	n/a	n/a	294,538
Hospice Days	6,242	n/a	n/a	n/a	31,412	153	16,951	259,597
Housing and Assisted Living Days	7,232	n/a	3,130	11,792	n/a	n/a	n/a	153,729
Health Plan Members	n/a	n/a	n/a	698,466	n/a	n/a	n/a	698,466
Average Daily Census	317	751	1,828	855	407	2,169	339	6,666
Acute Licensed Beds	485	1,571	2,833	1,609	774	3,853	895	12,020
FTEs	3,651	10,753	21,949	15,349	5,005	26,417	5,491	105,859