

Intermountain Health Care, Inc. and Affiliated Companies

Included is unaudited consolidated financial information of Intermountain Health Care, Inc. and affiliated companies as of and for the three months ended March 31, 2020. The internally prepared consolidated financial information, although unaudited, does, in the opinion of management, include all normal recurring adjustments necessary to fairly summarize the results of operations for the periods presented. Results of operations for the three months ended March 31, 2020 are not necessarily indicative of the results that may be achieved for the fiscal year ending December 31, 2020.

Intermountain Health Care, Inc. is the sole corporate member of IHC Health Services, Inc., which is the sole obligor on the bonds included in the following consolidated financial information. Neither Intermountain Health Care, Inc. nor any affiliate other than IHC Health Services, Inc. is obligated on the bonds.

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

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

	March 31 2020	December 31 2019
Assets		
Current assets:		
Cash and equivalents	\$ 514	\$ 376
Assets limited as to use	1,635	1,362
Accounts receivable	623	640
Inventory	180	174
Due from brokers for securities sold	693	444
Other current assets	476	370
Total current assets	<u>4,121</u>	<u>3,366</u>
Assets limited as to use	6,030	7,355
Property and equipment, net	3,431	3,436
Other assets	935	938
Total assets	<u><u>\$ 14,517</u></u>	<u><u>\$ 15,095</u></u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 567	\$ 583
Compensation and related liabilities	329	423
Due to brokers for securities purchased	1,189	916
Medical claims payable	211	256
Other current liabilities	335	222
Current portion of long-term debt	33	33
Long-term debt subject to short-term remarketing arrangements	446	446
Total current liabilities	<u>3,110</u>	<u>2,879</u>
Pension liability	502	462
Long-term debt	1,860	1,862
Other liabilities	963	803
Net assets:		
Without donor restrictions	7,751	8,759
With donor restrictions	331	330
	<u>8,082</u>	<u>9,089</u>
Total liabilities and net assets	<u><u>\$ 14,517</u></u>	<u><u>\$ 15,095</u></u>

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

	Three Months Ended March 31	
	2020	2019
Revenues		
Patient services	\$ 1,123	\$ 1,137
Premiums and capitation	1,091	845
Other revenues	115	100
	<u>2,329</u>	<u>2,082</u>
Expenses		
Employee compensation and benefits	909	798
Medical claims	476	329
Supplies	395	367
Other operating expenses	316	286
	<u>2,096</u>	<u>1,780</u>
Earnings before interest, depreciation and amortization	233	302
Depreciation and amortization	99	90
Interest	19	19
	<u>118</u>	<u>109</u>
Net operating income	115	193
Nonoperating income (loss)		
Investment income (loss)	(1,116)	406
Loss from nonoperating affiliates	(7)	(8)
	<u>(1,123)</u>	<u>398</u>
Excess (deficit) of revenues over expenses	<u>\$ (1,008)</u>	<u>\$ 591</u>

(continued)

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

	Three Months Ended March 31	
	2020	2019
Net assets without donor restrictions		
Excess (deficit) of revenues over expenses	\$ (1,008)	\$ 591
Other	—	8
Increase (decrease) in net assets without donor restrictions	<u>(1,008)</u>	<u>599</u>
Net assets with donor restrictions		
Contributions	14	5
Investment income (loss)	(2)	2
Net assets released from restrictions and other	(11)	(4)
Increase in net assets with donor restrictions	<u>1</u>	<u>3</u>
Increase (decrease) in net assets	(1,007)	602
Net assets at beginning of period	<u>9,089</u>	<u>7,877</u>
Net assets at end of period	<u><u>\$ 8,082</u></u>	<u><u>\$ 8,479</u></u>

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

	Three Months Ended March 31	
	2020	2019
Operating activities		
Cash received from patient services	\$ 1,145	\$ 1,044
Cash received from premiums and capitation	1,113	861
Other receipts from operations	113	100
Interest and dividends received	26	24
Cash paid for employee compensation and benefits	(968)	(799)
Cash paid for supplies and other operating expenses	(862)	(608)
Cash paid for medical claims	(519)	(311)
Interest paid	(5)	(6)
Net cash provided by operating activities	43	305
Investing activities		
Purchases of property and equipment	(94)	(113)
Assets limited as to use:		
Purchases of investments	(156)	(408)
Sales and maturities of investments	136	281
Net sales (purchases) of trading securities	15	(360)
Change in collateral posted for interest rate swaps	(19)	—
Net cash provided (used) by nonoperating affiliates	(10)	5
Net cash used in investing activities	(128)	(595)
Financing activities		
Borrowings under line of credit agreement	100	—
Other	88	2
Net cash provided by financing activities	188	2
Net increase (decrease) in cash and equivalents and cash in assets limited as to use	103	(288)
Cash and equivalents and cash in assets limited as to use at beginning of period	420	755
Cash and equivalents and cash in assets limited as to use at end of period	\$ 523	\$ 467
Reconciliation of cash and equivalents and cash in assets limited as to use		
Cash and equivalents	\$ 514	\$ 176
Cash in assets limited as to use	9	291
Total cash and equivalents and cash in assets limited as to use	\$ 523	\$ 467