CONTINUING DISCLOSURE QUARTERLY REPORT
(Filed pursuant to Rule 15c2-12(b)(5))

PROVIDENCE ST. JOSEPH HEALTH
AND THE OBLIGATED GROUP

Name, Address and Telephone Number of Obligor:

Providence St. Joseph Health
1801 Lind Ave SW
Renton, WA 98057
Attention: Venkat Bhamidipati,
Executive Vice President and Chief Financial Officer

Title of Bonds to Which Report Relates:

See **Exhibit 5** attached hereto

Fiscal Year to Which Report Relates:

Quarter Ended March 31, 2019

Including Management's Discussion and Analysis and Results of Operations

About Providence St. Joseph Health

Our Organization

Providence St. Joseph Health (the System) has been a strong and stable force for more than 160 years. As one of the largest health systems in the United States, our Mission calls us to serve the most vulnerable and poor members of our community with dignity and respect, reflecting the legacy of the Sisters of St. Joseph and the Sisters of Providence. The sisters began their works of charity in 1856, creating the structure for the current network of health care services.

Our Excellence Recognized in 2019

3 of the System's hospitals were recognized in Newsweek's rankings of the World's Best Hospitals in 2019

Our vision, Health for a Better World, is driven by a fundamental belief that health is a human right. We deliver care in our communities and through our varied care settings for all populations-whether people are uninsured, or enrolled in commercial plans, Medicare or Medicaid. We strive to increase access to health care and our dedicated caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay. We are privileged to serve in vibrant markets in the western United States with growing populations, which has led to consistent increases in service utilization in these markets. We offer a comprehensive range of industry-leading services, including an integrated care delivery system for inpatient and outpatient services, directly employed and affiliated physicians, health plans, senior care and supportive housing, financial assistance programs, and educational ministries that include a high school and university.

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 System 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 described 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, 2019. The System has undertaken no responsibility to update such data since March 31, 2019, except as set forth herein. This Quarterly Report may be affected by actions taken or omitted or events occurring after the date hereof. The System has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. The System 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.

The System, headquartered in Renton, Washington, is governed by a sponsorship council made up of members of its two sponsoring ministries, Providence Ministries and St. Joseph Health Ministry. The System operates hundreds of programs and services across seven states. We are a diverse family of organizations striving to create Health for a Better World, one community at a time, while ensuring the continued vibrancy of not-for-profit, Catholic health care in the United States. Together, we are bringing quality care and services to all, with a special emphasis on those most in need.

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."

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 that will 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 through appropriate technology; and our ministries serve 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:

Leadership in the Health Care Industry

We announced the selection of **Greg Hoffman**, as Chief Transformation Officer, overseeing process transformation initiatives in support of our integrated strategic and financial plan.

Strengthen the core. We will deliver outstanding, affordable health care, housing, education and other essential services to our patients and communities by:

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

Be our communities' health partner. We will be 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 will respond to the evolving health care landscape, pursuing new opportunities that transform our services, in a strategic and effective manner. We seek to expand our share of lives and health spend, 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 policies

Strategic affiliations. As part of our overall strategic planning and development process, the System 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 or acquisitions, including some that could affect the Obligated Group Members. 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. At this time, all such discussions are preliminary in nature and do not necessarily indicate an intention to expand or contract the System, through partnership, affiliation, merger or acquisition, or to add or withdraw Members of the Obligated Group.

Key Initiatives

Easing the way for consumers through digital innovation. We work to bring health care into the digital and consumer age through a persistent focus on patient and consumer value. We utilize digital tools to meet and engage patients where they live, deliver care on their terms, and establish a long-term dialogue about their health outside the walls of the exam room. We create technology to deliver personalized patient care that is accessible, convenient and connected. We believe this strategy will lower the cost of care, generate new digital revenue streams, and unlock population health management capabilities and risk arrangements that help entire communities stay healthy.

Funding the future of health care through technology innovations. We founded Providence Ventures in 2014 to manage a $150 million venture capital fund designed to achieve venture class returns through direct investments in innovative health care companies that improve quality and convenience, lower cost and improve health outcomes. We offer investment capital, combined with health system expertise, to companies addressing existing and emerging pain points in health care. We partner with our portfolio companies to refine existing solutions, while expanding their adoption within and beyond our health system. We launched a second $150 million fund, Providence Ventures II, to target early and growth-stage health care companies that specialize in health care information technology, technology-enabled services, medical devices, and health care services.

Modernizing and simplifying our revenue cycle through blockchain, artificial intelligence and automation technology. We are using our scale to integrate best-in-class technologies to reduce administrative burden for providers and payers. Our acquisition of Lumedic, a next-generation revenue cycle management platform that uses blockchain as a foundation, is enabling us to build a collaborative information-sharing platform. We are the first integrated provider-payer system to design a scalable platform to transform claims processing and enhance interoperability between providers and payers. Reinventing revenue cycle will lead to lower overall costs, improved caregiver focus, and greater transparency. The modernized processes will be efficient and streamlined, and the revenue cycle management system can be commercialized for a diversified revenue stream to better support our Mission.

> *"The Lumedic platform will reduce administrative burden and enable resources to shift to improved patient care, more patient-centric billing experiences and lower costs."*
> ***-Mike Butler, President of Operations and Strategy***

Providing an optimized and connected ambulatory experience for those we serve as we take care towards the home. We are transforming our care delivery assets to augment acute care and medical groups with a greater ambulatory presence to provide patients access to an optimized, lower cost, consumer-centric, connected ambulatory care network. Our ambulatory network currently provides three million visits in almost 210 access points across seven states, and consists of 42 ambulatory surgery centers, 46 imaging centers, 73 urgent care centers, 42 retail clinics, and 13 behavioral health centers. We believe ambulatory 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 throughout 2019 in strategic partnerships to improve access and reduce costs for consumers and employers, including increased same-day access through our retail and urgent care clinics.

Making a transformational shift from health care to health. Our Population Health Management division is composed of a family of services, including Population Health Informatics, Payer & Provider Contracting, Value-Based Care, Care Management, Pacific Medical Centers and US Family Health Plan, Providence Health Plans, and Ayin Health Solutions.

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.

Providence Health Plan (PHP) is 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. These three combined entities generated total revenues exceeding two billion and services to over one million lives in 2018.

Providence Health Plan provides 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 Providence Preferred plans.

As of January 1, 2019, Scott and White Health Plan (SWHP), part of Baylor Scott & White Health, acquired FirstCare Health Plans. The transaction with SWHP closed on January 1, 2019, with Covenant Health System divesting all of its interest in FirstCare Health Plans as of that date.

Policy and Advocacy

Advocating to improve individual and population health. Our advocacy agenda for 2019-2020 reflects the importance of social factors that contribute to health, and the continuing priority of preserving coverage for millions across the U.S. Together, Medicaid and Medicare cover more than 130 million people, and we are an advocate for both programs and the people who depend on them. Our agenda reaches beyond the walls of our hospitals to increase access to primary and mental health care, find solutions for homelessness, and help shape stewardship of the environment. Our key priorities are enabling affordable access and coverage, supporting integrated care at every stage of life, advancing new care models, improving access to mental health care, and promoting social justice and common good.

"Having coverage matters, and we will continue to speak up for those at risk of losing access."
-Ali Santore, Group Vice President of Government and Public Affairs and Social Responsibility

Preserving Medicaid coverage and funding: Across the U.S., some states are working to scale back Medicaid expansion and apply constraints such as work requirements, while others are looking for ways to sustainably finance coverage for their expansion populations. Our System strongly opposes work requirements and is advocating for the preservation of Medicaid expansion, and coverage in every state we serve, particularly in Alaska, which is debating cuts to the program. Montana recently passed a Medicaid expansion bill strongly supported by our System. We are working with governments on cost-effective approaches to care for this population, such as new models that can help avoid unnecessary emergency department visits and reduce long lengths of stay, especially for behavioral health and unstably housed patients.

Physician Enterprises

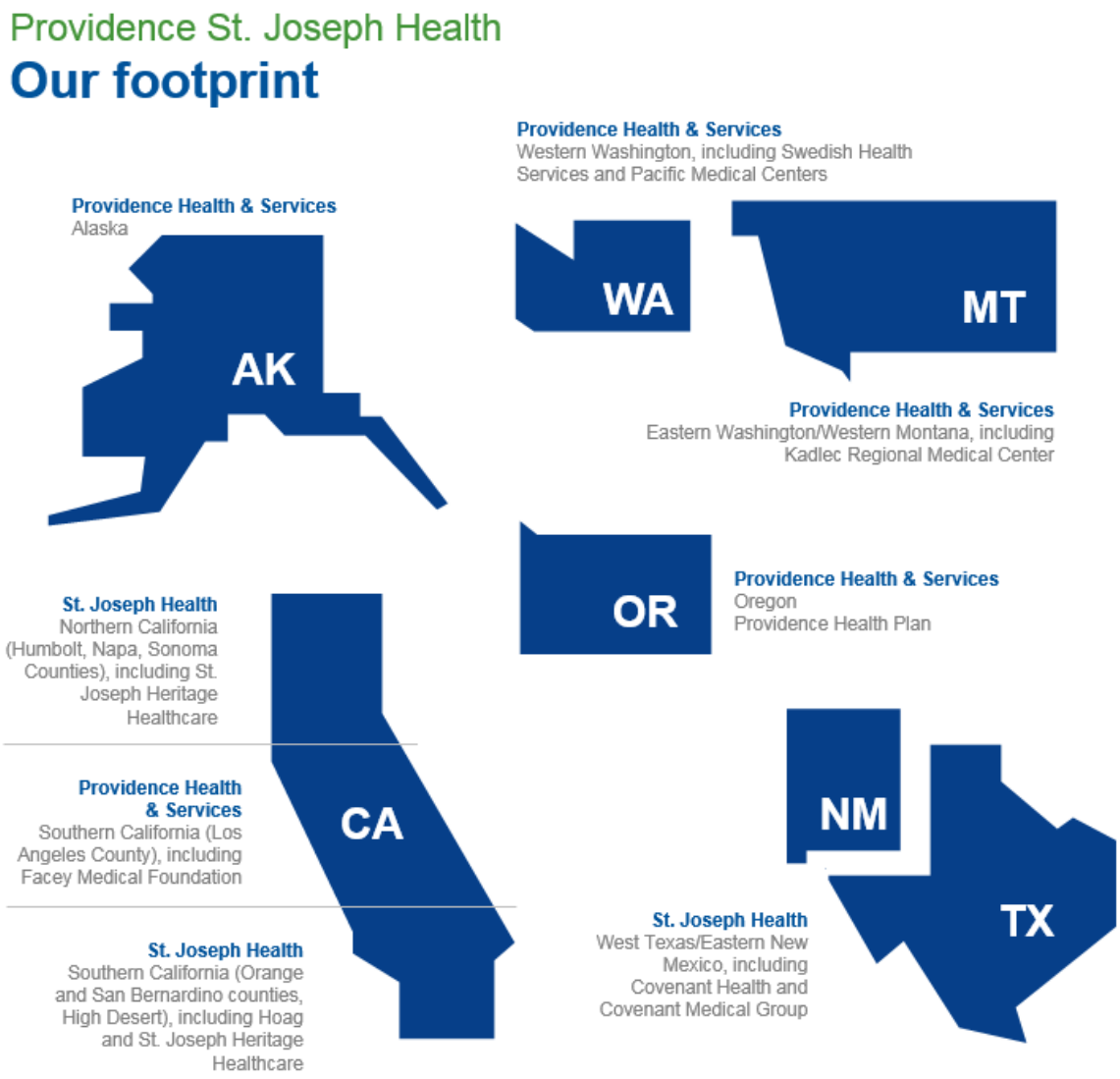
The System's physician enterprise consists of employed and foundation physicians, providers and their supporting care teams, including employed medical group providers, as well as hospital-based employed physicians. Our Employed Provider Network (the Provider Network), which is composed of eight provider service organizations, includes 7,562 employed providers.

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 Regional Medical Center (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; and Covenant Medical Group operating in West Texas and Eastern New Mexico. Supplementing our Provider Network are more than 24,000 affiliated providers throughout the System.

Health Care Facilities

We currently own, manage or operate hospitals, surgery centers, urgent care facilities, imaging centers, physician practices, pharmacies, home health services, rehabilitation facilities, a university and a high school, and various other facilities. We have contracted the servicing of certain facilities to allow us to continue our focus on areas that are central to serving our communities, while improving the quality of property management. Our facilities span seven states across the western United States and include 51 acute care hospitals, 23 long-term care facilities, 16 supportive housing facilities, and over 1,000 clinics. The System is organized into the geographic regions shown in the graphic below in Exhibit 1.1.

Exhibit 1.1



Region Information

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

EXHIBIT 1.2 - REGIONAL OPERATING REVENUE SHARE	3-31-2019	3-31-2018
Alaska	4%	4%
Swedish	11%	11%
Washington and Montana	20%	20%
Oregon	21%	21%
Northern California	6%	6%
Southern California	29%	29%
West Texas and Eastern New Mexico [1]	5%	7%
Other	4%	2%

[1] Decrease in West Texas/Eastern New Mexico region share due to the divestment of revenue related to the sale of Texas-based FirstCare Health Plans on January 1, 2019.

Alaska

As the largest health system in Alaska, the System operates 17 facilities throughout the state, with a 35 percent inpatient market share statewide in 2017. Providence Alaska Medical Center (PAMC) is the largest hospital in the state. The System's 17 Alaska facilities are located in the greater Anchorage area, with 60 percent inpatient market share, and in the remote communities of Kodiak, Seward and Valdez. 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 located in Kodiak, Seward and Valdez, all co-located with skilled nursing facilities.

Swedish

In the greater Puget Sound area of Washington, Swedish 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 27 percent in 2017. 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 operates 12 hospitals, with a 44 percent inpatient market share in 2017. 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 over 2,000 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 operates eight hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 30 percent in 2017. Providence St. Vincent Medical Center provides tertiary care to the Portland metropolitan market. The region also provides more than 100 primary care, specialty and immediate care clinics, home health care, and housing. The Health Plans are based in Oregon, and a majority of its members (over 600,000) 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 36 percent inpatient market share in 2017. 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 24 percent in 2017. In Los Angeles County, the System operates six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is located in Burbank. The System also operates hospitals in Mission Hills, San Pedro, Tarzana, Torrance and Santa Monica. Providence Medical Foundation (PMF) operates 63 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 operates 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 is also composed of two campuses, in Newport Beach and Irvine, also includes Hoag Orthopedic Institute, part of St. Joseph Hoag Health alliance. 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 is the market's largest health system with seven licensed hospitals; the inpatient market share was 38 percent in 2017. The System also operates 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 Partners, a physician-hospital cooperative organization based in Lubbock, Texas, operates two acute care community hospitals in the region: Covenant Health Plainview and Covenant Health Levelland. Finally, Covenant also operates: Specialty Hospital, a long-term acute care facility; manages a joint ventured acute rehabilitation facility; and operates Hospice of Lubbock.

Financial Information

The summary unaudited combined financial information as of and for the three-months ended March 31, 2019 and 2018, respectively, are presented below. The summary audited combined financial information as of and for the twelve-month period ended December 31, 2018, presented below, has been derived by the System's management from audited financial information of the System. 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.

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; provisions for bad debt; 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

EXHIBIT 2.1 - DATA PRESENTED YEAR TO DATE; PRESENTED IN MILLIONS	3-31-2019	3-31-2018	VARIANCE
Net Patient Service Revenues	4,817	4,658	159
Premium Revenues [2]	581	739	(158)
Capitation Revenues	359	342	17
Other Revenues	269	255	14
Total Operating Revenues	**6,026**	**5,994**	**32**
Salaries and Benefits	3,023	2,937	86
Supplies	897	879	18
Purchased Healthcare Services	490	629	(139)
Interest, Depreciation, and Amortization	336	325	11
Purchased Services, Professional fees, and Other	1,254	1,199	55
Total Operating Expenses Before Restructuring Costs	**6,000**	**5,969**	**31**
Excess of Revenues Over Expenses from Operations Before Restructuring Costs	**26**	**25**	**1**
Restructuring Costs	30	-	30
(Deficit) Excess of Revenues Over Expenses from Operations	**(4)**	**25**	**(29)**
Net Non-operating (Losses) Gains	547	(34)	581
(Deficit) Excess of Revenues Over Expenses	**543**	**(9)**	**552**
Operating EBIDA	**332**	**351**	**(19)**
Pro Forma Operating EBIDA [1]	**362**	**351**	**11**

(1) Pro forma operating EBIDA normalizes for restructuring costs

(2) Decrease in premium revenues due to the divestment of revenue related to the sale of Texas-based FirstCare Health Plans on January 1, 2019.

Summary Unaudited Combined Balance Sheets

EXHIBIT 2.2 - PRESENTED IN MILLIONS	3-31-2019	12-31-2018	VARIANCE
ASSETS			
Current Assets:			
Cash and Cash Equivalents	1,175	1,597	(422)
Accounts Receivable, Net	2,431	2,257	174
Supplies Inventory	281	293	(12)
Other Current Assets	1,096	858	238
Current Portion of Assets Whose Use is Limited	730	654	76
Total Current Assets	**5,713**	**5,659**	**54**
Assets Whose Use Is Limited	10,178	9,599	579
Property, Plant and Equipment, Net	10,811	10,871	(60)
Other Assets [1]	2,726	1,300	1,426
Total Assets	**29,428**	**27,429**	**1,999**
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Current Portion of Long-term Debt	300	300	-
Master Trust Debt classified as Short-term	110	110	-
Accounts Payable	811	1,098	(287)
Accrued Compensation	1,279	1,202	77
Other Current Liabilities	2,280	1,835	445
Total Current Liabilities	**4,780**	**4,545**	**235**
Long-term Debt, Net of Current Portion	6,232	6,258	(26)
Pension Benefit Obligation	1,074	1,065	9
Other Liabilities [1]	2,400	1,170	1,230
Total Liabilities	**14,486**	**13,038**	**1,448**
Net Assets:			
Controlling Interests	13,552	12,988	564
Noncontrolling Interests	129	168	(39)
Net Assets without Donor Restrictions	**13,681**	**13,156**	**525**
Net Assets with Donor Restrictions	**1,261**	**1,235**	**26**
Total Net Assets	**14,942**	**14,391**	**551**
Total Liabilities and Net Assets	**29,428**	**27,429**	**1,999**

[1] On January 1, 2019, the System adopted ASC 842, Leases, in accordance with U.S. GAAP and recognizes right-of-use assets and lease liabilities on the balance sheet for all leases with a term longer than 12 months.

Introduction to Management's Discussion and Analysis

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 unaudited combined financial information as of and for the three-month period ended March 31, 2019 and 2018, respectively, are presented below. The following document is incorporated herein by reference and available for review on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB): Providence St. Joseph Health, Continuing Disclosure Quarterly Report, including Management's Discussion and Analysis and Results of Operations, Quarter Ended March 31, 2019.

Results of Operations

Operations Summary

Pro forma operating earnings before interest, depreciation and amortization (EBIDA) before restructuring costs, increased $11 million due to improvements in expense reduction initiatives and higher labor productivity. Operating EBIDA (as reported) was $332 million for the three months ended March 31, 2019, compared with $351 million for the same period in 2018, primarily driven by lower physician visits due to inclement weather, and a low-severity influenza season compared with the prior year, combined with higher surgeries and procedures, including higher volumes in ambulatory care centers from non-consolidated entities. Operating loss was $4 million for the three months ended March 31, 2019, compared with operating income of $25 million for the same period in 2018, resulting from restructuring charges incurred during the first quarter of 2019. The System's key financial indicators are presented for the periods indicated:

	AS REPORTED			PRO FORMA [1]	
EXHIBIT 2.3 - DATA PRESENTED YEAR TO DATE; $ FIGURES PRESENTED IN MILLIONS	3-31-2019	3-31-2018	VARIANCE	3-31-2019	VARIANCE
Operating Income (Loss)	(4)	25	(29)	26	1
Operating Margin %	(0.1)	0.4	(0.5)	0.4	0.0
Operating EBIDA	332	351	(19)	362	11
Operating EBIDA Margin %	5.5	5.9	(0.4)	6.0	0.1
Net Service Revenue/Case Mix Adjusted Admits	11,896	11,948	(52)	11,896	(52)
Expense/Case Mix Adjusted Admits	11,906	11,890	16	11,839	(51)
Total Community Benefit	401	358	43	-	-
Full-time Equivalents (thousands)	105	105	0	-	-

[1] 2019 pro forma normalizes operating expenses, operating income, and operating EBIDA for restructuring costs of $30 million in 2019

Volumes

Surgeries and procedures increased nine percent for the three months ended March 31, 2019, compared with the same period in 2018. Acute patient days and acute average daily census both increased one percent, respectively, for the three months ended March 31, 2019, compared with the same period in 2018. These increases were weakened by lower physician visits due to weather conditions and lower outpatient visits due to a low-severity influenza season. Outpatient visits declined one percent for the three months ended March 31, 2019, compared with the same period in 2018, primarily due to a one percent decline in the physician visits. The System's key volume indicators are presented for the periods indicated:

EXHIBIT 2.4 - DATA PRESENTED YEAR TO DATE; PRESENTED IN THOUSANDS UNLESS NOTED	3-31-2019	3-31-2018	VARIANCE
Inpatient Admissions	129	131	(2)
Acute Adjusted Admissions	258	254	4
Acute Patient Days	640	635	5
Long-term Care Patient Days	102	101	1
Outpatient Visits (incl. Physicians)	6,751	6,808	(57)
Emergency Room Visits	534	548	(14)
Total Surgeries and Procedures	167	153	14
Acute Average Daily Census (actual)	7,111	7,054	57
Providence Health Plan Members	660	662	(2)

Operating Revenues

Operating revenues for the three months ended March 31, 2019 was $6 billion, an increase of one percent, compared with the same period in 2018, due to lower patient volumes growth and divestment of over $150 million in revenue due to the sale of a health plan based in Texas during the first quarter of 2019. Net patient revenue increased three percent for the three months ended March 31, 2019, compared with the same period in 2018. The System's operating revenues by state are presented for the periods indicated:

EXHIBIT 2.5 - OPERATING REVENUES BY STATE; PRESENTED IN MILLIONS	3-31-2019	3-31-2018	VARIANCE
Alaska	219	204	15
Washington	1,798	1,755	43
Montana	105	105	-
Oregon	1,267	1,268	(1)
California	2,079	2,018	61
Texas [(2)]	289	389	(100)
Total Revenues from Contracts with Customers	5,757	5,739	18
Other Revenues	269	255	14
Total Operating Revenues	6,026	5,994	32

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

EXHIBIT 2.6 - OPERATING REVENUES BY LINE OF BUSINESS; PRESENTED IN MILLIONS	3-31-2019	3-31-2018	VARIANCE
Hospitals	4,003	3,800	203
Health Plans and Accountable Care [(2)]	619	893	(274)
Physician and Outpatient Activities	699	663	36
Long-term Care, Home Care, and Hospice	270	229	41
Other	166	154	12
Total Revenues from Contracts with Customers	5,757	5,739	18
Other Revenues	269	255	14
Total Operating Revenues	6,026	5,994	32

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

EXHIBIT 2.7 - PAYOR NET PATIENT REVENUES [1]; PRESENTED IN MILLIONS	3-31-2019	3-31-2018	VARIANCE
Commercial	2,912	2,827	85
Medicare	1,963	1,870	93
Medicaid	773	897	(124)
Self-pay and Other	109	145	(36)
Total Revenues from Contracts with Customers	5,757	5,739	18
Other Revenues	269	255	14
Total Operating Revenues	6,026	5,994	32

(1) Represents total payor net patient revenues received, including premium and capitation revenue per the adoption of ASC 606, Revenue from Contracts with Customers. Refer to exhibit 7.3 for supplementary information on net patient revenue payor mix driven by patient utilization.

(2) Decrease in Health Plans due to the divestment of revenue related to the sale of Texas-based FirstCare Health Plans on January 1, 2019.

Operating Expenses

Operating expenses for the three months ended March 31, 2019 were $6 billion, an increase of one percent compared with the same period in 2018, primarily due to the impact of expense management initiatives and restructuring costs incurred to drive future operating performance. Salaries and benefits expenses increased three percent for the three months ended March 31, 2019, compared with the same period in 2018. On an adjusted occupied bed volumes basis, labor productivity improved four percent, compared with the prior year. Supplies expense increased two percent for the three months ended March 31, 2019, driven primarily by a six percent increase in pharmaceutical spend, offset by a four percent decline in medical supply costs per CMAA compared with the prior year.

Non-Operating Activity

Non-operating gains totaled $547 million for the three months ended March 31, 2019, compared with non-operating losses of $34 million for the same period in 2018. The increase was primarily driven by strong market performance for the three months ended March 31, 2019, compared with the same period in 2018.

Liquidity and Capital Resources

Unrestricted Cash and Investments

Unrestricted cash reserves totaled $11.4 billion as of March 31, 2019, compared to $11.2 billion as of December 31, 2018, and includes cash generated from operations, debt service costs, capital spending and investment activity. The System's liquidity is presented for the periods indicated:

EXHIBIT 3.1 - DATA PRESENTED YEAR TO DATE; PRESENTED IN MILLIONS	3-31-2019	12-31-2018	VARIANCE
Cash and Cash Equivalents	1,175	1,597	(422)
Short-term Investments	512	511	1
Long-term Investments	9,716	9,135	581
Total Unrestricted Cash and Investments	11,403	11,243	160

Financial Ratios

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

EXHIBIT 3.2 - DATA PRESENTED YEAR TO DATE	3-31-2019	12-31-2018	VARIANCE
Total Debt to Capitalization %	31.7	32.6	(0.9)
Comprehensive Debt to Capitalization % [3]	39.4	41.9	(2.5)
Cash to Debt Ratio %	179.8	176.6	3.2
Cash to Comprehensive Debt % [3]	128.1	118.4	9.7
Current Debt Service Coverage	2.7	4.4	(1.7)
Days Cash on Hand [1]	180	178	2
Debt to Cash Flow [2]	4.3	7.0	(2.7)
Cushion Ratio	29	29	-
Cash to Net Assets Ratio	0.83	0.85	(0.02)

[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] Debt to Cash Flow, a measure of total debt to cash flow from operations, is calculated based on a rolling 12-months of EBIDA for the current period.

[3] Comprehensive Debt uses actuals for 2019 due to the adoption of ASC 842, Leases, with $1.5 million in operating lease liabilities recognized on-balance sheet effective January 1, 2019, as shown in exhibit 2.2. Best estimates were used pre-adoption for 2018.

Capitalization

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

EXHIBIT 3.3 - DATA PRESENTED YEAR TO DATE; PRESENTED IN MILLIONS	3-31-2019	12-31-2018	VARIANCE
Long-term Indebtedness	6,532	6,558	(26)
Less: Current Portion of Long-term Debt	300	300	-
Net Long-term Debt	6,232	6,258	(26)
Net Assets - Unrestricted	13,681	13,156	525
Total Capitalization	19,913	19,414	499
Long-term Debt to Capitalization %	31.3	32.2	(0.9)

The System's coverage of Maximum Annual Debt Service (MADS) on indebtedness is presented for the periods indicated:

EXHIBIT 3.4 - DATA PRESENTED YEAR TO DATE; $ FIGURES PRESENTED IN MILLIONS	Rolling 12-Months 3-31-2019	12-31-2018	VARIANCE
Income Available for Debt Service:			
(Deficit) Excess of Revenues Over Expenses	108	(445)	553
Plus: Unrealized Losses/Less: Unrealized (Gains) on Trading Securities	79	652	(573)
Plus: Loss on Extinguishment of Debt	1	6	(5)
Plus: Loss on Pension Settlement Costs and Other	6	26	(20)
Plus: Depreciation	1,091	1,082	9
Plus: Interest and Amortization	280	278	2
Total	1,565	1,599	(34)
Debt Service Requirements [1]:			
MADS	390	390	-
Coverage of Debt Service Requirements	4.0x	4.1x	(0.1x)

[1] Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

Credit Agency Ratings

The System received affirmation on the following ratings from the three national credit rating agencies conducted during their annual review and issued the following credit ratings:

- Fitch: AA-
- Standard and Poor's: AA-
- Moody's: Aa3

Governance and Management

Corporate Governance

The System serves as the parent and corporate member of PH&S and SJHS. The System has obtained tax exemption 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 the System. Among the powers reserved to the Sponsors Council are the following powers over the affairs of the System (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 System; the appointment and removal, with or without cause, of the directors of the System; the appointment and removal, with or without cause, of the President and Chief Executive Officer of the System; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property of the System; the approval of operating and capital budgets, upon recommendation of the System Board of Directors; and the approval of dissolution, consolidation or merger. The System has reserved rights over PH&S and SJHS, which powers may be exercised by Board of the System.

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

Board of Directors	Term Expires (December 31)
Richard Blair, Chair †	2019
David Olsen, Vice Chair ‡	2019
Dick Allen ‡	2019
Isiaah Crawford, PhD Δ	2019
Lucille Dean, SP †	2019
Diane Hejna, CSJ, RN. Δ	2019
Michael Holcomb ‡	2019
Phyllis Hughes, RSM, PhD. Δ	2019
Sallye Liner, MSN, RN †	2019
Mary Lyons, PhD. Δ	2019
Walter "Bill" Noce, Jr. †	2019
Carolina Reyes, M.D. Δ	2019
Phoebe Yang Δ	2019
Charles W. Sorenson, M.D. Δ	2021
Lydia M. Marshall Δ	2021
Rod Hochman, M.D.	Ex-officio

Sponsors Council	Term Expires (December 31)
Eleanor Brewer	2020
Ned Dolejsi	2019
Jeff Flocken	2019
Barbara Savage	2019
Bill Cox	2022
Russell Danielson	2021
Sr. Sharon Becker, CSJ	2021
Sr. Barbara Schamber, SP	2019
Sr. Katherine Gray, CSJ	2019
Mark Koenig	2021

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

Executive Leadership Team

The following leaders are members of our executive leadership team, reporting to the CEO of the System.

Name	Title
Rod Hochman, M.D.	President and CEO
Venkat Bhamidipati	EVP and CFO
Mike Butler	President of Operations and Strategy
Debra Canales	EVP and Chief Administrative Officer
Amy Compton-Phillips, M.D.	EVP and Chief Clinical Officer
Dougal Hewitt	EVP and Chief Mission Officer
Rhonda Medows, M.D.	President of Population Health Management and CEO of Ayin Solutions
Cindy Strauss	EVP and Chief Legal Officer
Sheryl Vacca	SVP and Chief Risk Officer

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, productivity, developing integrated delivery systems, meeting financial guidelines, and maintaining or increasing market share. The Chief Financial Officer of the System 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.

Obligated Group

The System and the entities listed in the following table (collectively, the Obligated Group) are currently members of the Obligated Group under the Master Trust Indenture (Amended and Restated), dated as of May 1, 2003 (as supplemented and amended, the Master Indenture) as shown in Exhibit 4.1 below.

Exhibit 4.1 - List of Obligated Group Members

Obligated Group Member	Incorporation	Reference
Providence St. Joseph Health	Washington nonprofit	System
Providence Health & Services	Washington nonprofit	PH&S
Providence Health & Services – Washington	Washington nonprofit	Providence – Washington
Providence Health System – Southern California	California nonprofit religious	Providence – Southern California
Little Company of Mary Ancillary Services Corporation	California nonprofit public benefit	LCMASC
Providence Saint John's Health Center	California nonprofit religious	Providence – Saint John's
Providence St. Joseph Medical Center	Montana nonprofit	Providence – SJMC Montana
Providence Health & Services – Montana	Montana nonprofit	Providence – Montana
Providence Health & Services – Oregon	Oregon nonprofit	Providence – Oregon
Providence Health & Services – Western Washington	Washington nonprofit	Providence – Western Washington
Swedish Health Services	Washington nonprofit	Swedish
Swedish Edmonds	Washington nonprofit	Swedish Edmonds
PacMed Clinics	Washington nonprofit	PacMed
Western HealthConnect	Washington nonprofit	Western HealthConnect
Kadlec Regional Medical Center	Washington nonprofit	Kadlec
St. Joseph Health System	California nonprofit public benefit	SJHS
St. Joseph Hospital of Orange	California nonprofit public benefit	St. Joseph Orange
St. Jude Hospital, Inc. (1)	California nonprofit public benefit	St. Jude
Mission Hospital Regional Medical Center	California nonprofit public benefit	Mission Hospital
St. Mary Medical Center	California nonprofit public benefit	St. Mary
Hoag Memorial Hospital Presbyterian	California nonprofit public benefit	Hoag Hospital
St. Joseph Health Northern California, LLC.	California limited liability company	SJHNC

Queen of the Valley Medical Center	California nonprofit public benefit	Queen of the Valley
Santa Rosa Memorial Hospital	California nonprofit public benefit	Santa Rosa Memorial
St. Joseph Hospital of Eureka	California nonprofit public benefit	St. Joseph Eureka
Redwood Memorial Hospital of Fortuna	California nonprofit public benefit	Redwood Memorial
Covenant Health System	Texas nonprofit	CHS
Covenant Medical Center	Texas nonprofit	CMC
Methodist Children's Hospital [2]	Texas nonprofit	Covenant Children's
Methodist Hospital Levelland [3]	Texas nonprofit	Covenant Levelland
Methodist Hospital Plainview [4]	Texas nonprofit	Covenant Plainview

[1] Doing business as St. Jude Medical Center
[2] Doing business as Covenant Children's Hospital
[3] Doing business as Covenant Hospital Levelland
[4] Doing business as Covenant Hospital Plainview

The System 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.

Outstanding Master Trust Indenture Obligations

As of March 31, 2019, the System has 46 Obligations outstanding under the Master Indenture Trust totaling $6,127,000,000. This excludes obligations that secure interest rate or other swap transactions, bank liquidity or credit facilities, and capital leases. The obligations outstanding under the Master Trust Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Notes to the Combined Audited Financial Statements for the twelve-month period ended December 31, 2018.

For the quarter ended March 31, 2019, the unaudited 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. For the quarter ended March 31, 2018, the unaudited combined net operating revenues and total assets attributable to the Obligated Group Members were approximately 82 percent and 83 percent, respectively, of the Systems totals. Refer to Exhibit 7 for supplementary information on the Obligated Group Members.

Utilization for the Obligated Group

A summary of certain acute care utilization data for the Obligated Group is presented for the periods indicated:

EXHIBIT 4.2 - DATA PRESENTED YEAR TO DATE; PRESENTED IN THOUSANDS UNLESS NOTED	3-31-2019	3-31-2018
Obligated Group		
Total Acute Admissions	127	129
Acute Patient Days	627	625
Long-term Patient Days	100	98
Outpatient Visits (incl. Physicians)	5,221	5,467
Emergency Room Visits	527	543
Total Surgeries and Procedures	137	138
Acute Average Daily Census (actual)	6,967	6,940

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

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 Redwood Memorial, St. Joseph Eureka, Santa Rosa Memorial and Queen of the Valley and, as more fully described hereinafter, a corporate member of St. Joseph Orange, St. Jude, Mission Hospital and St. Mary.

Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which as of April 1, 2018, operates and does business as Santa Rosa Memorial Hospital, Queen of the Valley Medical Center, St. Joseph Hospital of Eureka, and Redwood Memorial Hospital (the Hospitals). The Hospitals' corporations still exist with minimal operations. The goal is to dissolve these corporations by the end of the first quarter of 2019. St. Joseph Health Northern California, LLC, is also the sole member of SRM Alliance Hospital Services, which operates Petaluma Valley Hospital.

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 on the Series 2018 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 June 1, 2017 and the System 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 the System, 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 the System. The remaining three members are designated by Hoag Family Foundation and APM, acting collaboratively. In accordance with the CHN Affiliation Agreement and its amendments and supplements, the System shall at all times have the right to designate at least a majority of the CHN board members. The CHN board is principally responsible for providing strategic planning leadership and oversight for each of Hoag Hospital, the SJHS Southern California Hospitals.

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 the System, and of at least two of the three members designated by Hoag Family Foundation and APM. 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 Covenant Children's, Covenant Levelland and Covenant Plainview. LMHS is not an Obligated Group Member and is not obligated for payment on the Series 2018 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 CHS 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

Employees

As of March 31, 2019, the System employed approximately 116,000 caregivers (excluding Hoag), which represents 104,802 FTEs. Of the total employees in the System, approximately 33 percent are represented by 17 different labor unions.

Management of the System believes the salary levels and benefits packages for its employees are competitive in all of the respective markets. At the same time, management of the System knows that the health care market is rapidly evolving. As a result, 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, which will require negotiations at various employers within the System throughout 2019. 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 and did not experience any disruption to hospital operations or patient service, and ultimately settled the contract. Management is also aware of ongoing organizing efforts by labor unions in health care generally, particularly in the markets where the System operates, and at other employers in certain markets in the System.

Insurance

The System 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 additional limit can then be compared to the probability of the event to pinpoint when the purchase of additional insurance limit no longer provides a value to the System. The insurance team and brokers negotiate almost all of 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. The System 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 renewed yearly include property, directors and officers, employment practices, auto, fiduciary, cyber/information security, workers' compensation, crime, and aviation.

Community Benefit

Through programs and donations, health education, free care, medical research and more, our community benefit investments fulfill unmet needs in communities we serve across seven states.

Building on our commitment to care for those who are poor and vulnerable, we have invested $401 million in community benefit in the three months ended March 31, 2019, compared with $358 million in the same period in 2018, demonstrating our commitment to the communities we serve. In an environment of decreased reimbursement for government-sponsored medical care, community benefit spending related to the unpaid costs of Medicaid was $254 million for the three months ended March 31, 2019, compared with $220 million for the same period in 2018.

Interest Rate Swap Arrangements

The System and/or certain of its affiliates 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, 2019, SJHS was party to seven interest rate swap agreements with a current notional amount totaling approximately $453 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. The market risk exposure of these agreements occurs when the fixed rate paid is greater than the variable rate received. At March 31, 2019, the total fair value of the combined interest rate swaps of approximately $95 million represents the estimated amount SJHS would have paid upon termination of these agreements as of that date. 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. As of March 31, 2019, SJHS has no collateral requirement.

Litigation

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

A number of civil actions are pending or threatened against certain Affiliates, including Obligated Group Members, alleging medical malpractice. In the opinion of management of the System, based upon the advice of legal counsel and risk management personnel, the probable recoveries in these proceedings and the estimated costs and expenses of defense will be within applicable insurance limits or will not materially adversely affect the business or properties of the System.

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.

EXHIBIT 5
LIST OF BONDS TO WHICH REPORT RELATES

Alaska Industrial Development and Export Authority Revenue Bonds (Providence Health & Services) Series 2011A, issued in the original principal amount of $122,720,000;

California Health Facilities Financing Authority Revenue Bonds (St. Joseph Health System) Series 2009 A and B, issued in the original principal amount of $254,410,000;

California Health Facilities Financing Authority Revenue Bonds (Providence Health & Services) Series 2009B, issued in the original principal amount of $150,000,000;

California Health Facilities Financing Authority Variable Rate Refunding Revenue Bonds (St. Joseph Health System) Series 2009 C and D, issued in the original principal amount of $166,690,000;

California Health Facilities Financing Authority Revenue Bonds (St. Joseph Health System) Series 2013 A, B, C, and D, issued in the original principal amount of $654,840,000;

California Health Facilities Financing Authority Revenue Bonds (Providence Health & Services) Series 2014A, issued in the original principal amount of $275,850,000;

California Health Facilities Financing Authority Revenue Bonds (Providence Health & Services) Series 2014B, issued in the original principal amount of $118,740,000;

California Health Facilities Financing Authority Revenue Bonds (Providence St. Joseph Health) Series 2016A, issued in the original principal amount of $448,165,000;

California Health Facilities Financing Authority Revenue Bonds (Providence St. Joseph Health) Series 2016B1, issued in the original principal amount of $95,240,000;

California Health Facilities Financing Authority Revenue Bonds (Providence St. Joseph Health) Series 2016B2, issued in the original principal amount of $95,245,000;

California Health Facilities Financing Authority Revenue Bonds (Providence St. Joseph Health) Series 2016B3, issued in the original principal amount of $95,245,000;

Lubbock Health Facilities Development Corporation Variable Rate Refunding Revenue Bonds (St. Joseph Health System), Series 2008B, issued in the original principal amount of $105,385,000;

Lubbock Health Facilities Development Corporation Revenue Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016C, issued in the original principal amount of $39,215,000;

Montana Facility Finance Authority Direct Obligation Bonds (Providence St. Joseph Health) Series 2016F, issued in the original Principal amount of $50,810,000;

Oregon Facilities Authority Revenue Bonds (Providence Health & Services) Series 2011C, issued in the original principal amount of $22,355,000;

Oregon Facilities Authority Revenue Bonds (Providence Health & Services) Series 2013A, issued in the original principal amount of $78,190,000;

Oregon Facilities Authority Revenue Bonds (Providence Health & Services) Series 2015C, issued in the original principal amount of $71,070,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2010A, issued in the original principal amount of $174,240,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2011B, issued in the original principal amount of $91,170,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2012A, issued in the original principal amount of $511,370,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2012B, issued in the original principal amount of $100,000,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2012C, issued in the original principal amount of $80,000,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2012D, issued in the original principal amount of $80,000,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2014C, issued in the original principal amount of $92,245,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2014D, issued in the original principal amount of $178,770,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence Health & Services) Series 2015A, issued in the original principal amount of $77,635,000;

Washington Health Care Facilities Authority Revenue Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016D, issued in the original principal amount of $105,430,000;

Washington Health Care Facilities Authority Revenue Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016E, issued in the original principal amount of $105,430,000;

Washington Health Care Facilities Authority Revenue Bonds (Providence St. Joseph Health) Series 2018B, issued in the original principal amount of $141,690,000;

Taxable Bonds Direct Obligation Notes (Providence Health & Services) Series 2005, issued in the original principal amount of $60,000,000;

Taxable Bonds Direct Obligation Notes (Providence Health & Services) Series 2009A, issued in the original principal amount of $250,000,000;

Taxable Bonds Direct Obligation Notes (Providence Health & Services) Series 2012E, issued in the original principal amount of $239,760,000;

Taxable Bonds Direct Obligation Notes (Providence Health & Services) Series 2013D, issued in the original principal amount of $252,285,000;

Taxable Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016G, issued in the original principal amount of $100,000,000;

Taxable Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016H, issued in the original principal amount of $300,000,000;

Taxable Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2016I, issued in the original principal amount of $400,000,000;

Taxable Bonds Direct Obligation Notes (Providence St. Joseph Health) Series 2018A, issued in the original principal amount of $350,000,000

EXHIBIT 6
OBLIGATED GROUP

A list of the System's acute care facilities in each region as of March 31, 2019, each of which is owned or operated by an Obligated Group Member, is provided in Exhibit 6.1 below.

EXHIBIT 6.1 - List of Acute Care Facilities by Region

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	385
		Swedish First Hill	Seattle	697
Washington and Montana				
	Providence Health & Services-Washington	Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	530
		Providence St. Peter Hospital[4]	Olympia	390
	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	270
	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

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
		Providence Seaside Hospital[5]	Seaside	25
Northern California				
	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	231
		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	212
	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]:		588
	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:		506
	Covenant Health System	Covenant Medical Center	Lubbock	
		Covenant Medical Center - Lakeside	Lubbock	
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	269
	Methodist Hospital Plainview	Covenant Hospital Plainview	Plainview	68
TOTAL				**11,762**

** 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, 2019 is shown in Exhibit 6.2 is the table below.

EXHIBIT 6.2 - List of 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	162
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				**1,447**

(1) Leased and/or managed by Providence - Washington

(2) Also includes 15 adult foster care units

EXHIBIT 7
Providence St. Joseph Health
Supplementary Information

EXHIBIT 7.1 - SUMMARY UNAUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended March 31, 2019 (in 000's of dollars)		Ended March 31, 2018 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	$ 4,817,324	4,609,022	4,657,883	4,499,879
Premium Revenues	580,511	50,842	739,781	44,495
Capitation Revenues	358,505	165,378	341,574	140,124
Other Revenues	269,120	259,077	254,700	222,263
Total Operating Revenues	6,025,460	5,084,319	5,993,938	4,906,761
Operating Expenses:				
Salaries and Benefits	3,022,946	2,711,638	2,937,028	2,637,827
Supplies	896,828	833,042	878,658	825,144
Purchased Healthcare Services	490,005	98,750	628,854	53,011
Interest, Depreciation, and Amortization	336,109	313,772	325,585	305,949
Purchased Services, Professional Fees, and Other	1,254,290	938,050	1,198,775	915,096
Total Operating Expenses Before Restructuring Costs	6,000,178	4,895,252	5,968,900	4,737,027
Excess of Revenues Over Expenses from Operations Before Restructuring Costs	25,282	189,067	25,038	169,734
Restructuring Costs	29,548	29,548	-	-
(Deficit) Excess of Revenues Over Expenses From Operations	(4,266)	159,519	25,038	169,734
Net Non-operating (Losses) Gains	547,494	475,532	(34,325)	(20,186)
(Deficit) Excess of Revenues Over Expenses	$ 543,228	635,051	(9,287)	149,548

EXHIBIT 7.2 - SUMMARY UNAUDITED AND AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended March 31, 2019 (in 000's of dollars)		Ended December 31, 2018 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by Operating Activities	$ 1,268,074	1,267,862	1,348,012	1,834,510
Net Cash Used in Investing Activities	(1,711,500)	(1,475,900)	(1,233,858)	(884,078)
Net Cash (Used in) Provided by Financing Activities	21,361	(169,530)	112,054	(710,270)
(Decrease) Increase in Cash and Cash Equivalents	(422,065)	(377,568)	226,208	240,162
Cash and Cash Equivalents, Beginning of Period	1,597,397	1,027,088	1,371,189	786,926
Cash and Cash Equivalents, End of Period	$ 1,175,332	649,520	1,597,397	1,027,088

EXHIBIT 7.3 - SUMMARY UNAUDITED NET PATIENT REVENUE PAYOR MIX

	Ended March 31, 2019 (in 000's of dollars)		Ended March 31, 2018 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	50%	50%	49%	49%
Medicare	33%	33%	32%	32%
Medicaid	14%	15%	16%	16%
Self-pay and Other	3%	2%	3%	3%

Providence St. Joseph Health

EXHIBIT 7.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS

	As of March 31, 2019 (in 000's of dollars)		As of December 31, 2018 (in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	$ 1,175,332	649,520	1,597,397	1,027,088
Accounts Receivable, Net	2,430,974	2,289,889	2,256,807	2,126,654
Supplies Inventory	281,377	269,816	293,259	281,923
Other Current Assets	1,095,764	1,014,601	857,596	474,126
Current Portion of Assets Whose Use is Limited	729,625	411,285	653,722	653,722
Total Current Assets	5,713,072	4,635,111	5,658,781	4,563,513
Assets Whose Use is Limited	10,178,471	7,593,375	9,599,278	7,144,631
Property, Plant, and Equipment, Net	10,811,218	10,235,850	10,870,578	10,286,917
Other Assets	2,725,559	3,094,697	1,300,183	1,932,833
Total Assets	$ 29,428,320	25,559,033	27,428,820	23,927,894
Current Liabilities:				
Current Portion of Long-Term Debt	$ 299,773	295,117	300,096	296,116
Master Trust Debt Classified as Short-Term	110,000	110,000	110,000	110,000
Accounts Payable	810,931	718,789	1,097,689	983,562
Accrued Compensation	1,279,110	1,182,910	1,202,269	1,109,270
Other Current Liabilities	2,280,457	1,569,010	1,835,023	1,187,848
Total Current Liabilities	4,780,271	3,875,826	4,545,077	3,686,796
Long-Term Debt, Net of Current Portion	6,231,958	6,115,816	6,257,868	6,125,953
Pension Benefit Obligation	1,074,489	1,074,489	1,065,098	1,065,098
Other Liabilities	2,399,790	1,440,981	1,169,817	484,017
Total Liabilities	14,486,508	12,507,112	13,037,860	11,361,864
Net Assets:				
Controling Interests	13,551,433	12,204,104	12,988,247	11,739,238
Noncontroling Interests	129,430	-	167,908	-
Net Assets Without Donor Restrictions	13,680,863	12,204,104	13,156,155	11,739,238
Net Assets With Donor Restrictions	1,260,949	847,817	1,234,805	826,792
Total Net Assets	14,941,812	13,051,921	14,390,960	12,566,030
Total Liabilities and Net Assets	$ 29,428,320	25,559,033	27,428,820	23,927,894

Providence St. Joseph Health

EXHIBIT 7.5 - KEY PERFORMANCE METRICS

	Ended March 31, 2019		Ended March 31, 2018	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	129,331	126,875	131,379	129,167
Acute Patient Days	639,975	626,992	634,847	624,623
Acute Outpatient Visits	3,107,260	2,907,338	3,174,094	3,002,632
Primary Care Visits	3,306,956	2,096,896	3,322,309	2,253,603
Inpatient Surgeries	54,473	52,992	55,583	54,191
Outpatient Surgeries	112,759	84,037	97,561	83,918
Long-Term Care Patient Days	102,454	99,733	101,331	97,998
Home Health Visits	337,168	216,507	311,484	211,050
Hospice Days	225,788	144,561	225,640	140,388
Housing and Assisted Living Days	150,452	59,896	153,841	61,500
Health Plan Members	660,065	n/a	662,108	n/a
Acute Average Daily Census	7,111	6,967	7,054	6,940
Acute Licensed Beds	12,007	11,675	11,921	11,648
FTEs	104,802	92,183	104,975	94,121

Providence St. Joseph Health

EXHIBIT 7.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended March 31, 2019 (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	$ 218,655	647,636	1,094,414	638,449	324,132	1,389,747	288,654	215,637	4,817,324
Premium Revenues	-	-	-	565,452	-	0	-	15,059	580,511
Capitation Revenues	-	-	39,190	3,593	16,074	299,524	-	124	358,505
Other Revenues	14,398	30,100	58,956	64,302	8,736	71,667	15,616	5,345	269,120
Total Operating Revenues	233,053	677,736	1,192,560	1,271,796	348,942	1,760,938	304,270	236,165	6,025,460
Operating Expenses:									
Salaries and Benefits	89,048	320,181	553,714	424,236	147,637	683,194	126,111	678,825	3,022,946
Supplies	28,195	109,020	191,952	128,309	50,780	259,970	53,817	74,785	896,828
Purchased Healthcare Services	-	653	27,895	328,193	8,515	124,189	-	560	490,005
Interest, Depreciation, and Amortization	14,411	38,106	45,821	29,147	16,893	93,004	15,418	83,309	336,109
Purchased Services, Professional Fees, and Other	75,309	212,961	397,408	335,490	125,891	651,144	93,835	(637,747)	1,254,290
Total Operating Expenses Before Restructuring Costs	206,963	680,921	1,216,790	1,245,375	349,716	1,811,500	289,180	199,732	6,000,178
Excess of Revenues Over Expenses from Operations Before Restructuring Costs	26,090	(3,185)	(24,230)	26,421	(774)	(50,563)	15,090	36,433	25,282
Restructuring Costs	-	-	-	-	-	-	-	29,548	29,548
(Deficit) Excess of Revenues Over Expenses From Operations	26,090	(3,185)	(24,230)	26,421	(774)	(50,563)	15,090	6,885	(4,266)
Net Non-operating (Losses) Gains	46,901	33,912	57,047	97,144	27,847	175,355	8,104	101,184	547,494
(Deficit) Excess of Revenues Over Expenses	$ 72,991	30,727	32,817	123,565	27,073	124,792	23,194	108,069	543,228

Providence St. Joseph Health

EXHIBIT 7.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION

	As of March 31, 2019 (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	$ 522,858	141,154	85,098	604,299	(2,205)	(740,544)	183,978	380,694	1,175,332
Accounts Receivable, Net	134,937	346,085	554,886	290,164	171,255	767,462	158,961	7,224	2,430,974
Supplies Inventory	14,702	40,704	61,358	44,603	21,834	70,228	14,446	13,502	281,377
Other Current Assets	30,261	165,924	185,026	228,154	25,730	232,400	(694)	228,963	1,095,764
Current Portion of Assets Whose Use is Limited	-	-	-	-	563	18,071	-	710,991	729,625
Total Current Assets	702,758	693,867	886,368	1,167,220	217,177	347,617	356,691	1,341,374	5,713,072
Assets Whose Use is Limited	736,799	544,517	880,154	2,140,623	443,338	2,989,341	150,916	2,292,783	10,178,471
Property, Plant, and Equipment, Net	451,757	1,257,365	1,635,582	1,071,031	669,967	3,855,712	515,898	1,353,906	10,811,218
Other Assets	78,803	454,043	355,447	160,414	34,667	1,057,023	110,815	474,347	2,725,559
Total Assets	$ 1,970,117	2,949,792	3,757,551	4,539,288	1,365,149	8,249,693	1,134,320	5,462,410	29,428,320
Current Liabilities:									
Current Portion of Long-Term Debt	120	4,819	1,215	218	3,872	107,012	14,969	167,548	299,773
Master Trust Debt Classified as Short-Term	-	-	-	-	1,605	91,347	-	17,048	110,000
Accounts Payable	20,665	84,749	125,920	89,340	40,703	258,157	26,286	165,111	810,931
Accrued Compensation	34,916	110,161	201,242	160,076	44,561	288,733	53,048	386,373	1,279,110
Other Current Liabilities	33,744	217,352	283,062	572,424	75,581	488,439	79,020	530,835	2,280,457
Total Current Liabilities	89,445	417,081	611,439	822,058	166,322	1,233,688	173,323	1,266,915	4,780,271
Long-Term Debt, Net of Current Portion	251,556	1,003,658	1,140,500	144,973	351,337	1,920,001	254,096	1,165,837	6,231,958
Pension Benefit Obligation	-	353,892	-	11,493	-	-	-	709,104	1,074,489
Other Liabilities	54,925	360,649	154,868	141,835	25,814	623,117	61,278	977,304	2,399,790
Total Liabilities	$ 395,926	2,135,280	1,906,807	1,120,359	543,473	3,776,806	488,697	4,119,160	14,486,508
Net Assets:									
Controling Interests	1,555,149	712,864	1,795,105	3,195,661	759,255	3,690,526	582,711	1,260,162	13,551,433
Noncontroling Interests	271	2,159	(0)	417	-	97,808	24,014	4,761	129,430
Net Assets Without Donor Restrictions	1,555,420	715,023	1,795,105	3,196,078	759,255	3,788,334	606,725	1,264,923	13,680,863
Net Assets With Donor Restrictions	18,771	99,489	55,639	222,851	62,421	684,553	38,898	78,327	1,260,949
Total Net Assets	1,574,191	814,512	1,850,744	3,418,929	821,676	4,472,887	645,623	1,343,250	14,941,812
Total Liabilities and Net Assets	$ 1,970,117	2,949,792	3,757,551	4,539,288	1,365,149	8,249,693	1,134,320	5,462,410	29,428,320

EXHIBIT 7.8 - KEY PERFORMANCE METRICS BY REGION

As of March 31, 2019

	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	3,999	15,555	32,395	15,543	7,530	47,599	6,710	129,331
Acute Patient Days	30,176	76,211	170,200	79,545	39,837	208,311	35,694	639,975
Acute Outpatient Visits	116,520	177,633	756,135	802,665	186,468	894,989	172,851	3,107,260
Primary Care Visits	31,320	455,079	966,973	580,855	132,281	951,121	159,194	3,306,956
Inpatient Surgeries	2,054	7,284	14,623	7,444	2,064	18,996	2,008	54,473
Outpatient Surgeries	2,664	13,078	28,940	31,232	3,985	27,066	5,794	112,759
Long-Term Care Patient Days	14,438	n/a	2,575	11,591	n/a	21,148	2,721	102,454
Home Health Visits	3,360	n/a	1,513	79,493	13,752	n/a	n/a	337,168
Hospice Days	5,295	n/a	n/a	49,263	8,673	56	15,484	225,788
Housing and Assisted Living Days	6,900	n/a	6,271	34,980	n/a	n/a	n/a	150,452
Health Plan Members	n/a	n/a	n/a	660,065	n/a	n/a	n/a	660,065
Average Daily Census	335	847	1,891	884	443	2,315	397	7,111
Acute Licensed Beds	485	1,607	2,743	1,484	774	3,900	1,014	12,007
FTEs	3,774	10,559	21,255	16,793	4,868	26,431	5,608	104,802