



CONTINUING DISCLOSURE QUARTERLY REPORT

Information Concerning PROVIDENCE ST. JOSEPH HEALTH AND THE OBLIGATED GROUP

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

The Quarterly Report contains certain financial and operating data for the three months ended March 31, 2024. Providence has undertaken no responsibility to update such data since March 31, 2024, except as set forth herein. This Quarterly Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Quarterly Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

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About Providence

Our Organization

Providence St. Joseph Health (“Providence”) is a national, not-for-profit Catholic health system comprising a diverse family of organizations driven by a belief that health is a human right. With 51 hospitals, over 1,000 clinics, and many other health and educational services, our health System employs more than 124,000 caregivers serving patients in communities across seven Western states - Alaska, California, Montana, New Mexico, Oregon, Texas, and Washington. Our caregivers provide quality, compassionate care to all those we serve, regardless of coverage or ability to pay.



Continuing an enduring commitment to world-class care and serving all, especially those who are poor and vulnerable, Providence uses scale to create Health for a Better World, one community at a time. We have been pioneering health care for more than 160 years and have a history of responding with compassion and innovation during challenging health care environments, including the recent pandemic. We are reimagining the future of health care delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality, affordable care, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic markets with growing populations. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 29 long-term care facilities, 18 supportive housing facilities, over 8,000 directly employed providers, approximately 26,000 affiliated providers, a health plan, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

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

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 Integrated Strategic & Financial Plan

Guided by our Mission, values, vision, and promise, Providence has developed and adopted an Integrated Strategic & Financial Plan called Destination Health 2025 that serves as our roadmap for accelerating progress toward our vision of Health for a Better World. Supported by three areas of strategic focus, our plan ensures integration between our strategic aspirations and financial capacity.

Strengthen the Core. Providence is focused on delivering a compassionate and simplified experience for patients and consumers by:

- Cultivating an inspiring caregiver experience where everyone feels included and can grow their career
- Providing safe, effective, person-centered care with world-class outcomes
- Delivering a simplified consumer and patient journey

Be our Communities' Health Partner. Providence is focused on improving health outcomes in the communities we serve by:

- Advancing health equity, reducing disparities, and exceling in value-based care via payor and provider partnerships
- Partnering with physicians and providers to broaden access to integrated networks of care
- Strengthening our voice and community investment to activate stakeholders in advocacy, health, and social justice

Transform our Future. Through research, data, and technology, decreasing variability, and modern support services, Providence is focused on transforming care delivery by:

- Growing our innovative health organization, extending the Mission through investments in core, diversified and adjacent businesses
- Optimizing care delivery to ensure a full continuum of affordable, digitally enabled, and innovative models and places of care
- Transforming our workforce to support new models of care

Strategic Affiliations. As part of our overall strategic planning and development process, Providence regularly evaluates and, if deemed beneficial, selectively pursues opportunities to affiliate with other service providers and invest in new facilities, programs, or other health care related entities. Providence also routinely assesses existing partnerships and arrangements with third parties and adjusts as appropriate to best meet community needs. Likewise, we are frequently presented with opportunities from, and conduct discussions with, third parties regarding potential affiliations, partnerships, mergers, acquisitions, joint operating arrangements, or other forms of collaboration, including some that could affect the Obligated Group Members. It is common for several such discussions to be in process concurrently. Providence's management pursues arrangements when there is a perceived strategic or operational benefit that is expected to enhance our ability to achieve the Mission and/or deliver on our strategic objectives. As a result, it is possible that the current organization and assets of the Obligated Group may change.

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

Our Vision: Health for a Better World

Providence continues to invest in Destination Health 2025 to pave the way for our Vision of Health for a Better World through deconstruction, digitization, and diversification of our operating model. Providence launched a series of Recover and Renew initiatives to address those challenges en route to our strategic plan for Destination Health 2025.

Focusing on core operations. Management is deploying multiple recovery programs to address the current challenges:

- **Surgical volumes:** Efforts are underway to address pent-up demand for surgical and other chronic care in our communities. AI-powered tools are helping to more accurately predict and schedule operating usage, creating more access to needed surgical care. We continue to meet the need for higher acuity services through our clinical institutes.
- **Workforce:** With current labor shortages, the use of premium labor, including the number and wage rate of agency nurses, continues to be significantly higher than in previous years. Several initiatives are underway to reduce those expenses in combination with increasing core productivity.
- **Patient progression:** We continue to manage length of stay to ensure patients receive the care they need by addressing challenges to discharge patients due to staffing shortages in the post-acute care setting. We are making strides to address the issue through a variety of community partnerships, multidisciplinary discharge planning, patient progression, and capacity improvement programs.
- **Cash acceleration:** Accounts receivable have been negatively impacted by labor shortages, reimbursement delays from insurers, technology transitions, and other macroeconomic factors. Several initiatives are underway to reduce payment friction in payments with the broader payor community. In addition, with large portions of our support services moving to hybrid or virtual work environments, management is evaluating options for underutilized administrative real estate.
- **Discretionary spend management:** We continue to take steps to improve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As demand returns, we are flexing our labor and supply resources to allow us to efficiently and safely provide the services required by our patients.

Portfolio and organizational restructuring. In parallel, management is actively deploying a restructuring and renewal plan to address structural issues medium-term while positioning Providence's core assets for performance across multiple industry scenarios in the years ahead. The System has launched a set of restructuring efforts to renew our operating model and ensure near-term sustainability while delivering on our longer-term Destination Health 2025 strategy. There are four focus areas as part of this effort:

- **Simplified operational and clinical structure:** Management consolidated administrative leadership from seven regions to three divisions, along with a consolidation of our clinical operations with the intent to steer resource to the bedside and direct patient care and simplify decision-making.
- **Streamlined support services:** Management is implementing plans to streamline support services by aligning to the new divisional model, evaluating, and optimizing service delivery levels, unlocking efficiencies from technology investment like the transition to a single Enterprise Resource Planning solution and continuing to evolve care delivery and workforce models leveraging virtual capabilities and delivery.
- **Program portfolio management:** The impacts of the pandemic have influenced many economic factors in care delivery, from accelerating technical advancements (virtual and outpatient care) to significant macroeconomic pressures associated with workforce shortages and inflation. Management is reassessing the services we perform across our ministries over the coming quarters, within the context of the current and expected future economic factors, in order to serve our communities in the most effective and affordable way possible.
- **Reimbursement:** As inflationary factors impact our labor and supply expenses, Providence is working with the payor community to increase reimbursement across several payment models including value-based care.

Deconstruct and diversify healthcare. Our Deconstruct and Diversify Healthcare initiatives continue to gain momentum as we look to unlock the value embedded within the Providence platform, including non-acute

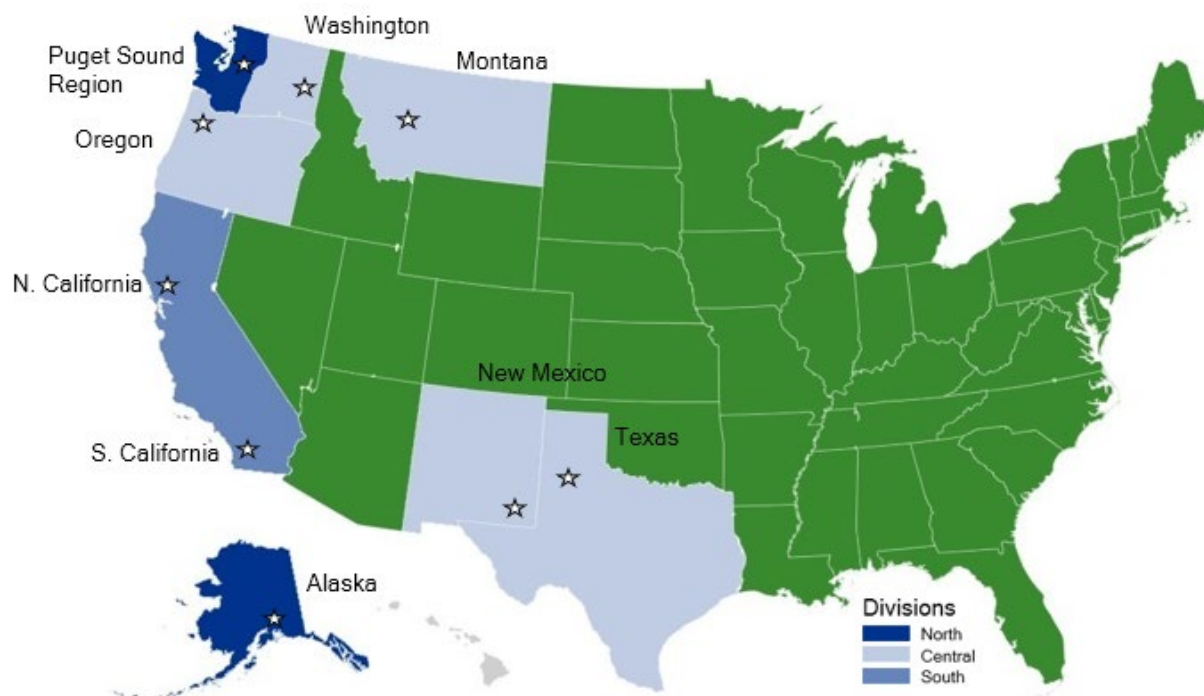
care, technology platforms, Information Technology (“IT”) services, and other investments. We are currently focused on growing our Value-Based care platforms including leveraging our capabilities in Medicare Advantage. In addition, efforts are under way to grow our value-based care initiatives with other payers, particularly in California. We are also working to increase capacity to meet growing needs across many of our non-acute service lines (Ambulatory, Home and Community Care) and are continuing to evaluate optimal growth and capitalization opportunities.

Our diversification efforts continue to deliver success from our early investments in Truveta, Civica Rx, and Providence Ventures. In addition, our Tegria Holdings LLC (“Tegria”) and Ayin Health Holdings, Inc. (“Ayin”) divisions continued to drive appreciable revenue growth while creating scalable platforms across IT and population health services, and products for clients and future partnerships. This includes plans to scale our technology capabilities through Providence Global Center to offer advanced health care solutions to other health care providers. This potential new revenue stream will supplement our patient revenues, while advancing our vision by supporting other health systems and their communities. We continue to monetize investments to support the long-term growth and sustainability of the Providence Mission.

Geographic Information

Providence spans seven states across the Western United States shown in the graphic below and is managed through three divisional structures: North (Puget Sound, Alaska), Central (Eastern Washington/Western Montana, Oregon, and West Texas/Eastern New Mexico), and South (Southern California and Northern California).

Exhibit 1.1 - Areas We Serve



Providence's operating revenue share by geographic region, within each of the three divisions, is presented for the periods indicated:

EXHIBIT 1.2 - REVENUE SHARE BY GEOGRAPHIC REGION	Three Months Ended	
	3-31-2023 ⁽¹⁾	3-31-2024
<u>North Division</u>		
Puget Sound Region	19%	20%
Alaska	4%	4%
<u>Central Division</u>		
Eastern Washington and Western Montana	12%	12%
Oregon ⁽²⁾	21%	22%
West Texas and Eastern New Mexico	5%	5%
<u>South Division</u>		
Southern California ^{(3), (4)}	27%	26%
Northern California ⁽⁴⁾	6%	6%
Other ^{(4), (5)}	6%	5%

(1) Includes adjustments to reflect system eliminations by region that were previously classified in Other and prior year reclassifications to align with divisional operating structure.

(2) Includes Providence Health Plan ("PHP") by geographic location based in the state of Oregon. PHP is classified as Other on a system consolidated basis.

(3) Includes prior year revenue from Providence Tarzana Medical Center that became a joint venture owned and operated under Providence Cedars-Sinai Tarzana Medical Center and is no longer consolidated effective October 1, 2023.

(4) Normalized for one-time net gains of \$371 million from Tegria's divested subsidiaries and \$55 million from the sale of laboratory services in Orange County and Northern California recognized in the first quarter of 2024.

(5) Includes Tegria Holdings LLC, Providence Assurance LLC, and support services. Tegria's Acclara and Advata subsidiaries were divested in the first quarter of 2024.

North Division

Puget Sound Region

The Puget Sound region includes three service areas: North Puget Sound, Central Puget Sound, and South Puget Sound, with a total inpatient market share of 27 percent in their service areas in 2022, as reported by the Comprehensive Hospital Abstract Reporting System. In the greater Puget Sound area of Washington, Providence Swedish operates 8 hospitals in King, Snohomish, Lewis and Thurston Counties, and a network of over 200 primary care and specialty clinics throughout the Puget Sound area.

Alaska

The Alaska region includes 5 hospitals and 29 clinics with a 30 percent inpatient market share statewide in 2022, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska facilities are primarily located in the greater Anchorage area, with 49 percent inpatient market share, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska region also has facilities located in the remote communities of Kodiak, Seward, and Valdez. Providence Alaska Medical Center is an acute care facility located in Anchorage and the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a long-term acute care hospital (the only one in the state), is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward, and Valdez, all co-located with skilled nursing facilities.

Central Division

Eastern Washington and Western Montana

The Eastern Washington-Western Montana region includes 9 hospitals, with a 42 percent inpatient market share in their service areas in 2022, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of two geographic markets: Eastern Washington and Western Montana. The region provides a variety of services, including home health and hospice care, primary and immediate care services, inpatient rehabilitation, skilled nursing and transitional care, and general acute care services.

Oregon

The Oregon region includes 8 hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 30 percent in their service areas in 2022, as reported by Apprise Health Insights. Providence St. Vincent Medical Center and Providence Portland Medical Center provide tertiary care to the Portland metropolitan market. The region also provides nearly 200 primary care, specialty and immediate care clinics, home health care, and housing.

Providence Health Plan (“PHP”) and Providence Health Assurance (“PHA”), collectively the Health Plans are geographically based in the state of Oregon, and the majority of their approximately 700,000 members live in the region.

In August 2023, Providence Oregon closed an agreement for Labcorp to acquire Providence Oregon’s outreach laboratory services and select assets. Providence Oregon will maintain operation and ownership of certain anatomic pathology and genomics outreach testing and its hospital laboratories in the region. The organizations have an implementation and transition plan that maintains continuity of services for patients, hospitals, clinicians, and clients.

West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates are the market’s largest health system, with 7 licensed hospitals. The inpatient market share was 33 percent in their service areas in 2022, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children’s Hospital, Covenant Health Plainview, and Covenant Health Levelland, which are Obligated Group Members. Covenant Health System also operates Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Surgical Hospital. Covenant Health System also operates Covenant Medical Group, a medical foundation physician network of employed

and aligned physicians, a joint venture acute rehabilitation facility, and Hospice of Lubbock. In New Mexico, Covenant Health System operates Hobbs Hospital, an acute care facility serving Hobbs and the surrounding area.

South Division

Southern California

The Southern California region includes 11 acute care hospitals in Los Angeles, Orange, and San Bernardino counties, with a total inpatient market share of 20 percent in their service areas in 2022, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, Providence includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank, with additional hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Medical Foundation operates more than 50 practice locations in the market, including Providence Facey Medical Foundation (“Facey”), Providence Medical Institute, and Providence St. John’s medical foundations. In addition, Providence has 5 acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, 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.

In October 2023, Providence and Cedars-Sinai jointly opened a new patient-care tower, Providence Cedars-Sinai Tarzana Medical Center (“PCSTMC”), owned and operated by both organizations through joint venture. PCSTMC operates as a not-for-profit hospital and offers an array of services including heart, vascular, orthopedic, cancer, and women’s services, and maintain the region’s largest Level III Neonatal Intensive Care Unit.

Northern California

The Northern California region includes 6 hospitals in the North Coast, Humboldt, Napa, and Sonoma communities with a total inpatient market share of 31 percent in their service areas in 2022, as reported by the Office of Statewide Health Planning and Development. The acute care hospitals in Northern California include Providence Queen of the Valley Medical Center in Napa, Providence Santa Rosa Memorial Hospital, Petaluma Valley Hospital, Providence St. Joseph Hospital in Eureka, Providence Redwood Memorial Hospital in Fortuna, and Healdsburg Hospital. Providence Medical Foundation operates clinics in the region with its contracted physician partners.

Other

Other includes support services and other entities. Support services is a support function that includes human resources, finance, information technology, and other services. Other entities include Tegria Holdings LLC and Providence Assurance LLC.

In December 2023, Tegria Holdings LLC entered into a definitive agreement to sell its Acclara and Advata subsidiaries to R1 RCM Inc. (“R1”) for \$675 million. As a result of their ownership percentage, Providence received \$575 million in cash upon closing, net of fees and expenses and other customary closing conditions, and a warrant to purchase up to 12.2 million shares of R1 stock at an exercise price of \$10.52, subject to a three-year lock-up period. At the closing of the divestiture, Acclara and Providence entered into a 10-year agreement for comprehensive revenue cycle services, leveraging the integrated technology and services capabilities of R1 to serve Providence. The transaction was completed in January 2024.

Financial Information

The summary unaudited, combined financial information as of and for the three months ended March 31, 2024, and 2023, are presented below. The summary audited, combined financial information as of and for the fiscal year ended December 31, 2023, presented below, has been derived by the management of Providence from audited combined 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 combined financial statements, including the following: recognition of net patient service revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; 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 - COMBINED STATEMENTS OF OPERATIONS \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2023	3-31-2024
Net Patient Service Revenues	\$5,167	\$5,716
Premium Revenues	670	737
Capitation Revenues	492	479
Other Revenues	471	848
Total Operating Revenues	6,800	7,780
Salaries and Benefits	3,767	3,918
Supplies	1,103	1,161
Purchased Healthcare Services	578	602
Interest, Depreciation, and Amortization	343	318
Purchased Services, Professional Fees, and Other	1,354	1,605
Total Operating Expenses	7,145	7,604
Excess (Deficit) of Revenues Over Expenses from Operations	(345)	176
Non-Operating Gains	228	184
Excess (Deficit) of Revenues Over Expenses	\$(117)	\$360
Operating EBIDA ⁽¹⁾	\$26	\$549

⁽¹⁾ Excludes \$55 million for the three months ended March 31, 2024 and \$29 million for the three months ended March 31, 2023 in amortization of software as a service asset.

Summary Audited and Unaudited Combined Balance Sheets

As of

EXHIBIT 2.2 - COMBINED BALANCE SHEETS \$ PRESENTED IN MILLIONS	12-31-2023	3-31-2024
<u>Current Assets:</u>		
Cash and Cash Equivalents ⁽¹⁾	\$1,468	\$1,375
Short-Term Investments ⁽¹⁾	597	701
Accounts Receivable, Net	3,045	3,371
Supplies Inventory	373	358
Other Current Assets	2,430	2,262
Current Portion of Assets Whose Use is Limited	104	104
Total Current Assets	8,017	8,171
Management Designated Cash and Investments ⁽¹⁾	6,351	6,533
Assets Whose Use is Limited	671	782
Property, Plant & Equipment, Net	9,187	9,146
Operating Lease Right-of-Use Assets	1,172	1,142
Other Assets	2,906	2,744
Total Assets	\$28,304	\$28,518
<u>Current Liabilities:</u>		
Current Portion of Long-Term Debt	160	157
Master Trust Debt Classified as Short-Term	138	138
Accounts Payable	1,438	1,445
Accrued Compensation	1,527	1,352
Current Portion of Operating Lease Right-of-Use	204	201
Other Current Liabilities	2,393	2,432
Total Current Liabilities	5,860	5,725
Long-Term Debt, Net of Current Portion	630	608
Master Trust Debt Classified as Long-Term	7,434	7,428
Pension Benefit Obligation	660	612
Long-Term Operating Lease Right-of-Use, net of Current Portion	1,107	1,077
Other Liabilities	1,624	1,702
Total Liabilities	\$17,315	\$17,152
<u>Net Assets:</u>		
Controlling Interests	9,340	9,713
Noncontrolling Interests	145	155
Net Assets without Donor Restrictions	9,485	9,868
Net Assets with Donor Restrictions	1,504	1,498
Total Net Assets	10,989	11,366
Total Liabilities and Net Assets	\$28,304	\$28,518

⁽¹⁾ Unrestricted Cash and Investments were \$8.6 billion as of March 31, 2024, and \$8.4 billion as of December 31, 2023.

Management's Discussion and Analysis: Three Months Ended March 31, 2024

Management's discussion and analysis provides additional narrative explanation of Providence's financial condition, operational results, and cash flow to assist in increasing understanding of the combined financial statements. The summary unaudited, combined financial information as of and for the three months ended March 31, 2024, and 2023, respectively, are presented below.

Results of Operations

Operations Summary

Operating results for the three months ended March 31, 2024 improved compared to the prior year due to higher volume levels and continued length of stay reduction efforts. Net patient service revenue increased 11 percent for the three months ended March 31, 2024, compared to the same period in 2023 driven primarily by higher demand for patient services and increased rates. The System's higher patient volumes drove corresponding increases in operating expenses that grew at a lower rate compared to the same period in 2023 due to significant reductions in agency contract labor.

Operating EBIDA was \$549 million and the excess of revenues over expenses from operations was \$176 million for the three months ended March 31, 2024 and include net gains of \$371 million from Tegria's divested subsidiaries and \$55 million from the sale of laboratory services recognized in the first quarter of 2024, representing \$523 million and \$521 million improvements to prior year.

Providence's key financial indicators are presented for the periods indicated:

EXHIBIT 3.1 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS UNLESS NOTED	Three Months Ended	
	3-31-2023	3-31-2024
Operating Revenues	\$6,800	\$7,780
Operating Expenses	7,145	7,604
Excess (Deficit) of Revenues Over Expenses from Operations	(345)	176
Operating Margin %	(5.1)	2.3
Non-Operating Gains	228	184
Operating EBIDA	26	549
Operating EBIDA Margin %	0.4	7.1
Premium and Capitation Revenues	1,162	1,216
Net Service Revenue/Case Mix Adjusted Admits	12,084	12,815
Net Expense/Case Mix Adjusted Admits	14,257	13,797
Total Community Benefit	\$563	\$410
Full-Time Equivalents ("FTEs") (thousands)	108	109

Volumes

Providence experienced improvement in patient volumes during the three months ended March 31, 2024, compared with the same period in 2023. Inpatient admissions increased 3 percent, acute adjusted admissions increased 4 percent, and case mix adjusted admissions increased 4 percent compared to the prior year. Length of stay decreased 4 percent from prior year due to improved access to post-acute care. In the non-acute setting, physician visits increased 2 percent, home health visits increased 2 percent, and outpatient emergency room visits increased 2 percent compared to the prior year. Total outpatient visits were lower overall by 2 percent compared to the prior year due to the impact of outpatient volumes included in the first quarter of 2023 related to Providence Oregon's outreach laboratory services which was sold in August 2023.

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

EXHIBIT 3.2 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Three Months Ended	
	3-31-2023	3-31-2024
Inpatient Admissions	107	110
Acute Adjusted Admissions	230	241
Case Mix Adjusted Admissions	428	446
Acute Patient Days	615	611
Long-Term Care Patient Days	78	89
Outpatient Visits (incl. Physicians)	6,963	6,793
Virtual Visits (incl. Telehealth)	314	309
Emergency Room Visits	468	481
Surgeries and Procedures	171	171
Acute Average Daily Census (Actual)	6,835	6,719
Providence Health Plan Members	701	713

Operating Revenues

Operating revenues of \$8 billion for the three months ended March 31, 2024 grew 14 percent compared to the same period in 2023. Excluding one-time net gains of \$426 million recognized in other revenues in the first quarter of 2024, total operating revenues grew 8 percent compared to the prior year. Net patient service revenues were \$6 billion for the three months ended March 31, 2024, growing 11 percent compared to the same period in 2023, driven by higher volumes and improving rates. The System experienced growth in all areas as Hospital revenues grew 11 percent; Physician and Outpatient revenues grew 5 percent; Health Plans and Accountable Care revenues grew 4 percent compared to the same period in prior year.

Providence's operating revenues by state are presented for the periods indicated (footnotes appear beneath last table):

EXHIBIT 3.3 - OPERATING REVENUES BY STATE \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2023	3-31-2024
Alaska	\$239	\$258
Washington	1,933	2,254
Montana	127	133
Oregon	1,432	1,620
California	2,286	2,316
Texas/New Mexico	312	351
Total Revenues from Contracts with Customers ⁽¹⁾	6,329	6,932
Other Revenues ^{(2), (3)}	471	848
Total Operating Revenues	\$6,800	\$7,780

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

EXHIBIT 3.4 - OPERATING REVENUES BY LINE OF BUSINESS \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2023	3-31-2024
Hospitals ⁽¹⁾	\$4,248	\$4,718
Health Plans and Accountable Care	755	785
Physician and Outpatient Activities	817	855
Long-Term Care, Home Care, and Hospice	373	400
Other Services	136	174
Total Revenues from Contracts with Customers	6,329	6,932
Other Revenues ^{(2), (3)}	471	848
Total Operating Revenues	\$6,800	\$7,780

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

EXHIBIT 3.5 - OPERATING REVENUES BY PAYOR ⁽⁴⁾ \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2023	3-31-2024
Commercial	\$2,921	\$3,065
Medicare	2,326	2,413
Medicaid ⁽¹⁾	818	1,219
Self-pay and Other	264	235
Total Revenues from Contracts with Customers	6,329	6,932
Other Revenues ^{(2), (3)}	471	848
Total Operating Revenues	\$6,800	\$7,780

⁽¹⁾ Includes revenue recognition of reimbursements from state provider fee programs of \$361 million for the three months ended March 31, 2024, compared with \$95 million in the same period in 2023.

⁽²⁾ Includes one-time net gains of \$371 million from Tegria's divested subsidiaries and \$55 million from the sale of laboratory services recognized in the first quarter of 2024.

⁽³⁾ Excludes premium and capitation revenues as they are categorized among the line items that comprise Total Revenues from Contracts with Customers. Refer to Exhibit 2.1 for the components of Total Operating Revenues.

⁽⁴⁾ Refer to Exhibit 8.3 for supplementary information on net patient service revenue payor mix driven by patient utilization.

Operating Expenses

Operating expenses increased 6 percent for the three months ended March 31, 2024, compared to prior year, driven by costs associated with serving higher patient volumes. Salaries and benefits expenses increased 4 percent for the three months ended March 31, 2024, compared with the same period in 2023, as wage increases were offset by lower premium labor expenses. Agency contract labor decreased 42 percent for the three months ended March 31, 2024, compared to the same period in 2023 due to reduced rates and lower utilization. Supplies expense increased by 5 percent compared with the prior year, driven by a 12 percent increase in pharmaceutical expense, and benefitting from a 12 percent decrease in non-medical supply costs.

Non-Operating Activity

Non-operating gains were \$184 million for the three months ended March 31, 2024, compared with non-operating gains of \$228 million for the same period in 2023. The decrease was driven by lower investment gains of \$205 million for the three months ended March 31, 2024, compared with \$259 million in the prior year.

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately \$8.6 billion as of March 31, 2024, compared with \$8.4 billion as of December 31, 2023. Investment gains along with the sales of Tegria's divested subsidiaries and laboratory services in California contributed to the gains, while accounts receivable remains elevated compared to historic trends. Net days in accounts receivable were 53.7 days at March 31, 2024, compared with 48.8 days at December 31, 2023. Primary factors driving the increase were payor processing delays, primarily driven by claim holds to implement newly contracted commercial rates negotiated in the first quarter of 2024, and the cyber security incident impacting Change Healthcare's clearinghouse platform. Action plans focusing on the reduction of billing and appeal backlogs, and the implementation of an escalation process targeting excessive payer processing delays continue to be refined and expanded.

In 2023, Providence issued the Series 2023A, B & C private placement notes totaling \$383 million, the proceeds of which were used to reduce balances held on the revolver, pay financing costs, and add approximately \$30 million in net new debt. Additionally, Providence closed on its Series 2023 taxable fixed rate refunding bonds totaling \$585 million. The proceeds were used primarily to refund the taxable Series 2005 and 2013 bonds as well as refund an existing term loan and debt services due in 2023.

Providence's liquidity is presented for the periods indicated:

EXHIBIT 4.1 - INVESTMENTS BY DURATION \$ PRESENTED IN MILLIONS	As of	
	12-31-2023	3-31-2024
Cash and Cash Equivalents	\$1,468	\$1,375
Short-Term Investments	597	701
Long-Term Investments	6,351	6,533
Total Unrestricted Cash and Investments	\$8,416	\$8,609

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

EXHIBIT 4.2 - INVESTMENTS BY TYPE	As of	
	12-31-2023	3-31-2024
Cash and Cash Equivalents	0%	0%
Domestic and International Equities	38%	38%
Debt Securities	33%	33%
Other Securities	29%	29%

Financial Ratios

Providence's financial ratios are presented for the periods indicated:

EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	As of	
	12-31-2023	3-31-2024
Total Debt to Capitalization %	46.4	45.3
Cash to Debt Ratio %	102.6	105.3
Days Cash on Hand ⁽¹⁾	107	108
Maximum Annual Debt Service (Smoothed)	541	545
Cash to Net Assets Ratio	0.89	0.87

⁽¹⁾ Days 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).

System Capitalization

Providence's capitalization is presented for the periods indicated:

EXHIBIT 4.4 - SYSTEM CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2023	3-31-2024
Long-Term Indebtedness	\$7,594	\$7,585
Plus: Leases	630	608
Less: Current Portion of Long-Term Debt	160	157
Net Long-Term Debt	8,064	8,036
Net Assets - Without Donor Restrictions	9,485	9,868
Total Capitalization	\$17,549	\$17,904
Long-Term Debt to Capitalization %	46.0	44.9

Providence’s coverage of Maximum Annual Debt Service (“MADS”) on indebtedness is not a defined concept under the Master Indenture, nor Providence’s other credit documents. MADS coverage is presented for the periods indicated:

EXHIBIT 4.5 - SYSTEM MADS COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2023	Rolling 12-Months Ended 3-31-2024 ⁽¹⁾
Income Available for Debt Service:		
Deficit of Revenues Over Expenses	\$(596)	\$(118)
Less: Unrealized Gain on Trading Securities	(327)	(137)
Plus: Loss on Extinguishment of Debt	2	2
Plus: Loss on Pension Settlement Costs and Other	22	2
Plus: Depreciation	1,053	1,039
Plus: Interest and Amortization	408	396
Total	\$562	\$1,184
MADS (Smoothed)	\$541	\$545
MADS Coverage	1.04x	2.17x

⁽¹⁾ Represents 12 consecutive months of financial results for an annualized disclosure for interim periods.

System Governance and Management

Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state health care systems of PH&S and the SJHS, which was effective on July 1, 2016 (the “Combination”). Providence has been determined to be an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties’ sponsors collectively (the “Sponsors Council”).

The Sponsors Council retains certain reserved rights with respect to Providence. Among the powers reserved to the Sponsors Council are the following powers over the affairs of Providence (excluding certain affiliates, such as: Providence - Western Washington, Western HealthConnect, Swedish, Swedish Edmonds, PacMed, and Kadlec): to amend or repeal the articles of incorporation or bylaws of Providence; the appointment and removal, with or without cause, of the directors of Providence; the appointment and removal, with or without cause, of the President and Chief Executive Officer of Providence; the approval of the acquisition of assets, incurrence of debt, encumbering of assets and sale of certain property; the approval of operating and capital budgets, upon recommendation of the Providence Board of Directors; and the approval of dissolution, consolidation or merger. Providence has reserved rights over PH&S and SJHS, which powers may be exercised by the Board of Providence. Given the complexity of Providence’s governance structure, Providence routinely evaluates and considers alternative governance models to best meet Providence’s governance needs.

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

Board of Directors	Term Expires (December 31)	Sponsors Council	Term Expires (December 31)
Michael Murphy, Chair ‡	2025	Sr. Sharon Becker, CSJ, Co-Chair	2027
Richard Blair †	2025	Bill Cox	2024
Isiaah Crawford, PhD. †	2025	Shannon Dwyer	2031
Sr. Diane Hejna, CSJ, RN. †	2025	Jeff Flocken	2025
Sr. Phyllis Hughes, RSM, PhD. †	2025	Mark Koenig	2027
Mary Beth Kingston, PhD., RN. Δ	2024	Sr. Cecilia Magladry, CSJ	2030
Mary Lyons, PhD. †	2025	Sr. Margaret Pastro, SP, Co-Chair	2028
Sr. Donna Markham, OP, PhD. Δ	2026	Barbara Savage	2024
Marvin O'Quinn Δ	2026	Mary Anne Sladich-Lantz	2032
Sr. Carol Pacini, LCM Δ	2023	Sr. Mary Therese Sweeney, CSJ	2028
Charles W. Sorenson, M.D. ‡	2024		
Eric Sprunk Δ	2024		
Rod Hochman, M.D.	Ex-officio		

† Not eligible for an additional term.

‡ Eligible for one additional three-year term.

Δ Eligible for up to two additional terms.

Executive Leadership Team

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

Name	Title
Rod Hochman, M.D.	President and CEO
Erik Wexler	President and COO
Greg Hoffman	Executive Vice President and CFO
Anna Newsom	Executive Vice President and Chief Legal Officer

On May 15, 2024, Providence announced the retirement of Rod Hochman, M.D. at the end of 2024 and moves into a CEO emeritus position effective January 1, 2025. Meanwhile, the Providence St. Joseph Health Board of Directors has initiated a process for selecting the next CEO, who will continue the momentum established by Dr. Hochman.

Environmental, Social, and Governance Standards

Providence continues to execute on our integrated strategic and financial plan, which clearly expresses our commitment and acceleration of the important work to address social, racial, and economic disparities and reduce our carbon footprint in the communities we serve. Providence advances progress on our carbon negative goal and in 2023 we estimated that we decreased emissions by over 12 percent compared to our 2019 baseline. In addition, our efforts led to the introduction of the Green Hospitals Act, legislation modeled after Providence that would provide critical federal funding to weatherize and modernize health care facilities. Providence completed a comprehensive climate resilience plan in alignment with our commitment to the US Department of Health and Human Services Climate pledge. We continue to reduce greenhouse gas emissions with a focus on LED lighting upgrades, water conservation, more efficient delivery of nitrous oxide gas during anesthesia, and advancing our waste optimization work across all hospitals and clinics.

Support Services

Corporate officers and supporting staff oversee the management activities performed on a day-to-day basis by the management staff of each region. The Chief Financial Officer of Providence and Finance staff oversee the annual budget and multi-year planning activities of the organization, including capital allocation. Other areas in which the corporate staff provides centralized services or coordinates the activities of the service areas include legal affairs, information services, insurance and risk management, treasury services, real estate strategy and operations, marketing, supplies management, technical support, fund-raising, quality of care, medical ethics, pastoral services, mission effectiveness, human resources, planning and policy development, and public affairs, among others.

Obligated Group

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

For the three months ended March 31, 2024, the unaudited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 84 percent and 87 percent, respectively, of Providence's totals. For the fiscal year ended December 31, 2023, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 85 percent, respectively, of Providence's totals. Refer to Exhibit 8 for supplementary information on the Obligated Group Members.

Providence is the Obligated Group Agent under the Master Indenture. Under the Master Indenture, debt incurred or secured through the issuance of Obligations under the Master Indenture are the responsibility, jointly and severally, of the Obligated Group Members. Pursuant to the Master Indenture, Obligated Group Members may be added to and withdrawn from the Obligated Group under certain conditions described in the Master Indenture. Indebtedness evidenced or secured by obligations issued under the Master Indenture is solely the obligation of the Obligated Group, and such obligations are not guaranteed by, or are the liabilities of, Sisters of Providence, Mother Joseph Province, any other Province of the Sisters of Providence, Sisters of St. Joseph of Orange, the Roman Catholic Church, or any affiliate of Providence that is not an Obligated Group Member.

Obligated Group Utilization

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

EXHIBIT 5.1 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Three Months Ended	
	3-31-2023	3-31-2024
<u>Obligated Group</u>		
Inpatient Admissions	102	109
Acute Adjusted Admissions	214	224
Acute Patient Days	592	600
Long-Term Care Patient Days	77	87
Outpatient Visits (incl. Physicians)	5,500	5,287
Emergency Room Visits	444	468
Surgeries and Procedures	135	135
Acute Average Daily Census (Actual)	6,580	6,592

Obligated Group Capitalization

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

EXHIBIT 5.2 - OBLIGATED GROUP CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2023	3-31-2024
<u>Obligated Group</u>		
Long-Term Indebtedness	\$7,579	\$7,573
Plus: Leases	381	408
Less: Current Portion of Long-Term Debt	145	145
Net Long-Term Debt	7,815	7,836
Net Assets - Without Donor Restrictions	7,808	8,538
Total Capitalization	\$15,623	\$16,374
Long-Term Debt to Capitalization %	50.0	47.9

Outstanding Master Trust Indenture Obligations

As of March 31, 2024, Providence had Obligations outstanding under the Master Indenture totaling \$7.5 billion. This excludes Obligations that secure interest rate or credit facilities. The Obligations outstanding under

the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2023.

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

Control of Certain Obligated Group Members

General

Providence is the sole corporate member of PH&S and SJHS. PH&S is the sole corporate member of Providence - Washington, Providence - Southern California, Providence - Montana, and Providence - Oregon. Providence - Southern California, in turn, is the sole corporate member of LCMASC and Providence - Saint John’s. Providence - Montana is the sole corporate member of Providence - SJMC Montana. Providence Ministries is the co-corporate member, alongside Western HealthConnect of Providence - Western Washington. Western HealthConnect is the sole corporate member of Swedish, Swedish Edmonds, Pac Med, and Kadlec.

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

Northern California Region

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

West Texas/Eastern New Mexico Region

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

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

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

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

In the event SJHS or CHS undertakes a Covered Transaction, they are obligated to provide notice and information to LMHS and to make a “reciprocal offer” to LMHS, including an offer to purchase LMHS’s membership rights in CHS and a simultaneous obligation to offer CHS’ membership rights to LMHS at the same purchase price, adjusted upward by a formula that reflects the dissolution percentages Pursuant to the terms of the affiliation, the dissolution percentages are SJHS - 57 percent; LMHS - 43 percent.

Other Information

Non-Obligated Group System Affiliates

In addition to the Obligated Group Members, Providence includes: health plans; a provider network; numerous fundraising foundations; Tegria Holdings LLC, a for-profit entity that provides technologies and services to the health care sector; 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. Providence 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 Providence, 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 management to be of operational or strategic importance.

Providence Clinical Network

The Providence Clinical Network (“PCN”) is transforming clinical care across the continuum by creating a personalized and connected delivery system serving patients across the Western United States. PCN includes our medical groups, same-day care services including urgent care, ExpressCare, ambulatory surgery and imaging; and four system Clinical Institutes: Heart, Neuroscience, Women’s and Children, Cancer and Digestive Health. Our medical groups include: Providence Medical Group, serving Alaska, Washington, Montana, and Oregon; Swedish Medical Group, and Pacific Medical Centers, each with staffed clinics throughout Washington’s greater Puget Sound area; Kadlec, serving southeast Washington; Providence St. John’s Medical Foundation, Providence Medical Institute, and Providence Facey Medical Foundation in Southern California; Providence Medical Foundation in Northern and Southern California; and Covenant Medical Group, and Covenant Health Partners in West Texas and Eastern New Mexico.

In January 2024, the Providence Clinical Network reached an agreement to sell six clinical laboratory draw stations and testing centers in Orange County and Northern California to Labcorp. Providence will maintain several outpatient testing services at the affected acute care ministries that support pathology, cytology, transfusions, and hospital perioperative testing. Inpatient and emergency department testing will also continue, along with lab testing connected to Providence’s outpatient departments’ patient care. This change is intended to support the goal of focusing on our strengths of delivering care, while partnering with other healthcare organizations to provide ancillary services.

Population Health Management

Population Health Management forms 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 provide products, tools, and services to maximize value-based reimbursement and increase quality outcomes. We integrate solutions to address social determinants of health and eliminate health inequities. We build community partnerships to increase access to health services, and support needed by vulnerable communities.

Population Health Management focuses on a family of services, including Value-Based Care, Risk Sharing & Payments Models, and Government programs (Medicaid and Medicare) that support our Providence divisional care delivery systems.

Providence Health Plan

Providence Health Plan is a 501(c)(4) Oregon non-profit health care service contractor, and Providence Health Assurance is a wholly owned subsidiary of PHP. Providence Plan Partners is a 501(c)(4) Washington non-profit corporation.

The Health Plans provide services to a wide range of clients, including self-funded employers, and insurance coverage for large group employers, small group employers, individual and family coverage under the Affordable Care Act, Medicare Commercial, Medicare Advantage, Managed Medicaid risk administration, pharmacy benefits management, workers compensation services, and network access services under preferred plans. Providence Health Plan members reside in 49 states nationwide.

Ayin

Ayin Health Holdings, Inc. is our population health management company that provides a comprehensive suite of services to employer, payer, provider, and government clients. Ayin is a for-profit, non-risk bearing entity providing administrative and clinical services in multiple states and incorporated in Delaware.

Home & Community Care

Home & Community Care is a trusted partner for individuals and families. Our community-based care and services are geared to help in times of need, aging and illness, and at the end of life. We provide a full range of post-acute services, including assisted living, skilled nursing and rehabilitation, home health, home infusion and pharmacy services, home medical equipment, hospice and palliative care, Program of All-Inclusive Care for the Elderly locations, supportive housing, and personal home care services. As our Mission calls us to serve the most vulnerable and poor members of our community, we provide a full range of services and support to more than 30,000 patients, participants, and residents each day. The demand for these services continues to increase in the markets we serve, creating opportunities for continued growth, innovation, and investment.

Tegria

Tegria Holdings LLC is a Providence-owned global healthcare consulting and services company that partners with provider and payer organizations to transform healthcare. From strategic advisory and operations consulting to managed services, Tegria offers end-to-end solutions to drive transformation in the following areas: revenue cycle and experience, care operations, enterprise systems and services, infrastructure and cloud, data and analytics. By helping its clients drive growth, enhance experiences, and foster collaboration, Tegria is supporting the creation of more accessible, efficient, and integrated healthcare system. Tegria's team of more than 1,500 professionals delivers outcomes for more than 500 clients across the United States and internationally.

In January 2024, Tegria Holdings LLC completed the sale of its Acclara and Advata subsidiaries to R1 for \$675 million. Upon closing of the transaction, Providence entered into a 10-year agreement for comprehensive revenue cycle services from Acclara that remains in progress.

Litigation

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

On February 3, 2022, the Washington State Attorney General's Office filed a complaint against Providence Health & Services - Washington, Swedish Health Services, Swedish Edmonds, and Kadlec Regional Medical Center, seeking injunctive relief and civil penalties for alleged violations of the Washington State Consumer Protection Act related to the administration of the financial assistance program. After ongoing discovery and settlement negotiations, the parties reached a settlement agreement on February 1, 2024. The settlement includes the following actions to be taken by Providence: (1) payment plus interest to identified patients who may have qualified for financial assistance, but had not completed the financial assistance application process; (2) write off of any outstanding balances for these individuals; (3) payment to the Washington State Attorney General's office; and (4) implementation of a streamlined process to provide all patients with information about financial assistance and how to apply using simple language aligned to our organizational values.

On April 11, 2022, the U.S. Department of Justice, the Washington Office of the Attorney General and Providence Health & Services - Washington entered into a Settlement Agreement and Corporate Integrity Agreement to resolve allegations raised by a relator regarding the False Claims Act arising out of the actions of two physicians at one Providence hospital in the southeast region of Washington State. These physicians are no longer practicing at any Providence hospital. Providence agreed to settle the litigation, without admitting fault, to resolve these matters expeditiously, which Providence believes is in the best interest of our caregivers and patients. Providence cooperated fully with the government throughout the investigation.

On March 13, 2024, the United States Department of Justice filed a complaint against six health plans participating in the Uniformed Services Family Health Plan ("USFHP") program, including PacMed Clinics ("PacMed"). The government alleges the health plans violated the False Claims Act by retaining overpayments paid by the government. This case is a government contracts dispute. PacMed negotiated and agreed on rates with the government every year. The government paid PacMed exactly the amount that the parties negotiated, and that the government agreed to pay. The quality of the patient care that PacMed provided, and patient billing, are not at issue in this case, it is purely a payment dispute. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

On April 8, 2024, Providence went to trial in the wage and hour class action matter of Bennett v. Providence Health & Services. The jury found against Providence and issued a verdict in favor of Plaintiffs. With the utmost respect to the trial court and jury, Providence believes the verdict resulted from erroneous rulings and misstatements of the applicable law; this result was not unexpected at the trial court level. The case involves a novel issue that has not been decided by the Washington Court of Appeals, and Providence, along with several other employers in the state of Washington, are appealing the verdict to the Washington Court of Appeals. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

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

Employees

As of March 31, 2024, Providence employed more than 124,000 caregivers. Of Providence's total employees, approximately 34 percent are represented by 20 different labor unions.

Providence strives to provide employees market-competitive salaries and benefits. Management believes the salary levels and benefits packages for its employees are competitive in all the respective markets. Leadership of each of the separate employers within Providence is working to ensure the compensation and

benefits are modern and reflect competitive market practices. This will require continued negotiations with unions representing employees in some markets throughout 2024. Management is also aware of ongoing organizing efforts by labor unions within the health care industry, including in markets where the separate employers within Providence operate.

Community Benefit

Our community benefit program is a vital part of our vision. It includes free or low-cost care (charity care) and the costs of uncompensated care for Medicaid and other government-funded programs, along with proactive investments such as subsidized health services, education, and community health improvement. Each year, we take a holistic approach to community building by identifying unmet needs and responding with tailored community benefit investments designed to improve health and well-being.

Building on our commitment to care for those who are poor and vulnerable, we invested \$410 million in community benefit in the three months ended March 31, 2024, compared with \$563 million in the same period in 2023. Our unpaid costs of Medicaid totaled \$261 million for the three months ended March 31, 2024, compared with \$426 million for the same period in 2023.

Providence’s community benefit by category presented for the periods indicated:

EXHIBIT 6.1 - COMMUNITY BENEFIT BY CATEGORY \$ PRESENTED IN MILLIONS	Three Months Ended	
	3-31-2023	3-31-2024
Charity Care Provided	\$50	\$65
Unpaid Costs of Medicaid	426	261
Education & Research Programs	39	38
Other Community Benefit	48	46
Total Community Benefit	\$563	\$410

Providence Information Security Program

Providence’s information security program consists of over 200 full-time employees. The information security team’s global reach enables 24/7 coverage of IT risks and real-time defense of Providence’s information ecosystem. Providence’s cybersecurity program has adopted the National Institute of Standards and Technology Cyber Security Framework as the foundational model for organizing the team’s strategy, with policies and standards aligned to a controls-based framework based on NIST 800-53. Standardizing the program on this framework and rooting the program in controls-based policies allows the system to measure cybersecurity maturity and update controls as the IT risk landscape evolves. IT risk is quantified and tracked in the Cyber Balance Sheet operational tool, which combines real-time telemetry from enterprise IT and cybersecurity tools with risk-weighted measurements. This approach allows for risk-informed decision-making within the IT organization and the Providence Board of Directors.

Insurance

Providence has developed insurance programs that provide coverage for various insurable risks utilizing commercial products and self-insurance using a captive insurance company with reinsurance domiciled in Arizona. The program uses benchmarking and insurance, actuarial and finance analytics to guide decisions regarding the types of coverage purchased, the limits or amounts of insurance, and quality of coverage terms. The quality of insurance products is maintained in part by requiring commercial insurers to have an A rating or better from A.M. Best to be on Providence’s program. Management reviews strategy at least annually with input from brokers, actuaries, and consultants. Funding of captive insurers conforms to regulatory requirements of the domicile. Furthermore, the captive pays the required Washington State premium tax that went into effect in 2021. The major lines of insurance maintained include property, professional and general liability, directors’ and officers’ liability, employment practices liability, auto liability, fiduciary liability, cyber liability, workers’ compensation and employers’ liability, and crime.

Accreditation and Memberships

Providence’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, and Providence Valdez Medical Center) accredited by The Joint Commission. Providence's five hospitals operated by Swedish Health Services are accredited by DNV. Each long-term care facility or unit is licensed by applicable state licensing agencies and is appropriately certified for Medicare and Medicaid/Medi-Cal reimbursement.

Glossary of Certain Terms

Credit Group: Obligated Group Members, Designated Affiliates, Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.

Obligated Group or Obligated Group Members: Obligated Group Members under the Master Indenture and currently:

Providence	Western HealthConnect
PH&S	Kadlec
Providence - Washington	SJHS
Providence - Southern California	St. Joseph Orange
LCMASC	St. Jude
Providence - Saint John's	Mission Hospital
Providence - SJMC Montana	St. Mary
Providence - Montana	SJHNC
Providence - Oregon	CHS
Providence - Western Washington	CMC
Swedish	Covenant Children's
Swedish Edmonds	Covenant Levelland
PacMed	Covenant Plainview

Designated Affiliates: Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.

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

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

CHS: Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.

CMC: Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.

Covenant Children's: Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.

Covenant Levelland: Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Levelland Hospital.

Covenant Plainview: Methodist Hospital Plainview, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.

Kadlec: Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.

LCMASC: Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.

Mission Hospital: Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.

PacMed: PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.

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

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

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

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

Providence - SJMC Montana:	Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.
Providence - Southern California:	Providence Health System - Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.
Providence - Washington:	Providence Health & Services - Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence - Western Washington:	Providence Health & Services - Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
Providence St. Joseph Health, Providence, we, us, our:	Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.
SJHNC:	St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.
SJHS:	St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Joseph Orange:	St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.
St. Jude:	St. Jude Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.
St. Mary:	St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
Swedish:	Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.
Swedish Edmonds:	Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.
System:	Providence and all entities that are included within the combined financial statements of Providence.
Western HealthConnect:	Western HealthConnect, a Washington nonprofit corporation and currently an Obligated Group Member.

Exhibit 7 - Obligated Group Facilities

Exhibit 7.1 Acute Care Facilities by Region

A list of Providence's acute care facilities in each region as of March 31, 2024, each of which is owned, operated, or managed by an Obligated Group Member:

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 ⁽²⁾	Seward	6
		Providence Valdez Medical Center ⁽²⁾	Valdez	11
Puget Sound Region	Swedish Edmonds	Swedish Edmonds ⁽¹⁾	Edmonds	217
		Swedish Medical Center Campuses ⁽³⁾ :		
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
	Providence Health & Services-Washington	Swedish First Hill	Seattle	697
		Providence Centralia Hospital	Centralia	128
Eastern Washington and Western Montana	Providence Health & Services-Washington	Providence Regional Medical Center Everett	Everett	595
		Providence St. Peter Hospital ⁽⁴⁾	Olympia	372
		Providence St. Joseph's Hospital	Chewelah	25
Oregon	Providence Health & Services-Montana	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	Richland	337
		Providence St. Joseph Medical Center	Polson (MT)	22
		St. Patrick Hospital	Missoula (MT)	253
Oregon	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	120
		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	539
		Providence Portland Medical Center	Portland	483
		Providence Seaside Hospital ⁽¹⁾	Seaside	25

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*	
Northern California					
	St. Joseph Health Northern California, LLC.	Providence St. Joseph Hospital	Eureka	153	
		Providence Redwood Memorial Hospital	Fortuna	35	
		Providence Queen of the Valley Medical Center	Napa	198	
		Providence Santa Rosa Memorial Hospital	Santa Rosa	298	
Southern California					
	Providence Health System-Southern California	Providence St. Joseph Medical Center	Burbank	392	
		Providence Holy Cross Medical Center	Mission Hills	329	
		Providence Little Company of Mary Medical Center San Pedro	San Pedro	183	
		Providence Cedars-Sinai Tarzana Medical Center ⁽²⁾	Tarzana	249	
		Providence Little Company of Mary Medical Center Torrance	Torrance	327	
		Providence Saint John's Health Center	Santa Monica	266	
		St. Mary Medical Center	Apple Valley	213	
		St. Jude Medical Hospital	St. Jude Medical Center Mission Hospital Regional Medical Center Campuses ⁽⁵⁾ :	Fullerton	320
		Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center	Mission Viejo	504
		St. Joseph Hospital of Orange	Mission Hospital Laguna Beach	Laguna Beach	
		St. Joseph Hospital of Orange ⁽⁶⁾	Orange	463	
West Texas and Eastern New Mexico					
	Methodist Hospital Levelland	Covenant Hospital Levelland ⁽⁷⁾	Levelland	48	
		CHS Campuses:		381	
	Covenant Health System	Covenant Medical Center	Lubbock		
		Covenant Medical Center - Lakeside	Lubbock		
	Methodist Children's Hospital	Covenant Children's Hospital	Lubbock	227	
	Methodist Hospital Plainview	Covenant Hospital Plainview ⁽⁷⁾	Plainview	68	
TOTAL				10,937	

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

⁽¹⁾ Leased by an Obligated Group Member

⁽²⁾ Managed by an Obligated Group Member, but not a member of the Obligated Group. Effective October 1, 2023, Providence Tarzana Medical Center became Providence Cedars-Sinai Tarzana Medical Center as part of a joint venture with Cedars-Sinai.

⁽³⁾ Four campuses with three licenses

⁽⁴⁾ Includes a 50-bed chemical dependency center

⁽⁵⁾ Two campuses on one license, including 36 acute care psychiatric beds in Laguna Beach

⁽⁶⁾ Includes 37 acute care psychiatric beds

⁽⁷⁾ Leased facility and Obligated Group Member

Exhibit 7.2
Long-Term Care Facilities by Region

Providence's principal owned or leased long-term care facilities as of March 31, 2024, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Long-Term Care Beds
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 ⁽²⁾	Valdez	10
		Providence Extended Care	Anchorage	96
		Providence Transitional Care Center	Anchorage	50
Puget Sound Region				
	Providence Health & Services-Washington	Providence Marianwood	Issaquah	117
		Providence Mother Joseph Care Center	Olympia	152
		Providence Mount St. Vincent	Seattle	215
Eastern Washington and Western Montana				
	Providence Health & Services-Washington	Providence St. Joseph Care Center	Spokane	113
Oregon				
	Providence Health & Services-Oregon	Providence Benedictine Nursing Center	Mt. Angel	98
		Providence Child Center	Portland	58
Northern California				
	St. Joseph Health Northern California, LLC.	Providence 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
West Texas and Eastern New Mexico				
	Covenant Health System	Covenant Long-term Acute Care ⁽²⁾	Lubbock	56
TOTAL				1,398

⁽¹⁾ Leased by an Obligated Group Member

⁽²⁾ Managed or owned by an Obligated Group Member, but not a member of the Obligated Group

Exhibit 8 - Supplementary Information

[ATTACHED]



EXHIBIT 8.1 - SUMMARY UNAUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended March 31, 2024		Ended March 31, 2023	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	\$ 5,716,288	5,502,245	5,166,935	4,875,483
Premium Revenues	737,173	108,168	670,298	85,292
Capitation Revenues	479,137	197,020	491,871	193,538
Other Revenues	847,882	737,631	470,866	291,772
Total Operating Revenues	7,780,480	6,545,064	6,799,970	5,446,085
Operating Expenses:				
Salaries and Benefits	3,917,568	3,412,304	3,766,644	3,204,611
Supplies	1,161,446	1,090,063	1,102,932	1,019,403
Purchased Healthcare Services	601,885	135,398	578,151	115,631
Interest, Depreciation, and Amortization	318,079	288,751	343,066	300,065
Purchased Services, Professional Fees, and Other	1,605,513	1,317,537	1,354,482	963,625
Total Operating Expenses	7,604,491	6,244,053	7,145,275	5,603,335
Excess (Deficit) of Revenues Over Expenses From Operations	175,989	301,011	(345,305)	(157,250)
Non-Operating Gains	184,277	153,515	227,961	157,626
Excess (Deficit) of Revenues Over Expenses	\$ 360,266	454,526	(117,344)	376

EXHIBIT 8.2 - SUMMARY UNAUDITED AND AUDITED COMBINED STATEMENTS OF CASH FLOWS

	Ended March 31, 2024		Ended December 31, 2023	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by (Used in) Operating Activities	\$ (55,028)	60,031	(1,115,663)	(506,783)
Net Cash Provided by (Used in) Investing Activities	(42,741)	(105,583)	1,347,957	1,358,749
Net Cash Provided by Financing Activities	5,168	48,162	172,650	64,686
Increase (Decrease) in Cash and Cash Equivalents	(92,601)	2,610	404,944	916,652
Cash and Cash Equivalents, Beginning of Period	1,467,968	1,374,806	1,063,024	458,154
Cash and Cash Equivalents, End of Period	\$ 1,375,367	1,377,416	1,467,968	1,374,806

EXHIBIT 8.3 - SUMMARY UNAUDITED NET PATIENT SERVICE REVENUE PAYOR MIX

	Ended March 31, 2024		Ended March 31, 2023	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	45%	46%	48%	49%
Medicare	34%	34%	37%	36%
Medicaid	19%	19%	13%	13%
Self-pay and Other	2%	1%	2%	2%



EXHIBIT 8.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS

	As of March 31, 2024		As of December 31, 2023	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	\$ 1,375,367	1,377,416	1,467,968	1,374,806
Short-Term Investments	701,034	586,408	597,096	483,365
Accounts Receivable, Net	3,371,251	3,137,014	3,044,719	2,827,074
Supplies Inventory	357,704	339,065	373,148	352,768
Other Current Assets	2,262,102	1,969,713	2,430,530	1,889,216
Current Portion of Assets Whose Use is Limited	103,588	103,588	103,588	103,588
Total Current Assets	8,171,046	7,513,204	8,017,049	7,030,817
Management Designated Cash and Investments	6,533,356	3,545,620	6,351,086	3,450,398
Assets Whose Use is Limited	782,250	683,772	670,853	573,592
Property, Plant, and Equipment, Net	9,145,837	8,421,973	9,186,673	8,472,402
Operating Lease Right-of-Use Assets	1,141,627	747,703	1,171,879	763,212
Other Assets	2,743,403	3,844,650	2,906,434	3,692,330
Total Assets	\$ 28,517,519	24,756,922	28,303,974	23,982,751
Current Liabilities:				
Current Portion of Long-Term Debt	156,573	145,478	160,316	144,664
Master Trust Debt Classified as Short-Term	137,705	137,705	137,705	137,705
Accounts Payable	1,444,628	1,275,340	1,438,152	1,281,641
Accrued Compensation	1,351,892	1,241,931	1,527,192	1,387,539
Current Portion of Operating Lease Right-of-Use	200,850	138,063	203,703	138,050
Other Current Liabilities	2,433,805	1,701,517	2,393,083	1,523,957
Total Current Liabilities	5,725,453	4,640,034	5,860,151	4,613,556
Long-Term Debt, Net of Current Portion	608,115	408,489	630,180	380,516
Master Trust Debt Classified as Long-Term	7,427,715	7,427,715	7,434,249	7,434,249
Pension Benefit Obligation	612,344	612,344	659,883	659,883
Long-Term Operating Lease Right-of-Use, net of Current Portion	1,077,154	714,165	1,107,017	731,288
Other Liabilities	1,701,655	1,161,230	1,623,512	1,116,029
Total Liabilities	\$ 17,152,436	14,963,977	17,314,992	14,935,521
Net Assets:				
Controlling Interests	9,712,931	8,537,965	9,339,785	7,808,096
Noncontrolling Interests	154,920	232	144,979	232
Net Assets Without Donor Restrictions	9,867,851	8,538,197	9,484,764	7,808,328
Net Assets With Donor Restrictions	1,497,232	1,254,748	1,504,218	1,238,902
Total Net Assets	11,365,083	9,792,945	10,988,982	9,047,230
Total Liabilities and Net Assets	\$ 28,517,519	24,756,922	28,303,974	23,982,751



EXHIBIT 8.5 - KEY PERFORMANCE METRICS

	Ended March 31, 2024		Ended March 31, 2023	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	110,101	108,702	106,831	102,317
Acute Patient Days	611,418	599,909	615,168	592,195
Acute Outpatient Visits	3,153,706	2,959,847	3,398,148	3,176,245
Primary Care Visits	3,656,028	2,126,519	3,591,866	2,121,995
Inpatient Surgeries and Procedures	47,774	47,545	47,191	45,709
Outpatient Surgeries and Procedures	122,864	87,659	124,064	89,246
Long-Term Care Admissions	1,108	1,075	897	837
Long-Term Care Patient Days	89,476	87,137	78,086	76,517
Home Health Visits	292,455	200,660	286,561	202,223
Hospice Days	252,938	138,803	268,435	157,311
Housing and Assisted Living Days	127,280	74,474	115,681	48,039
Acute Average Daily Census	6,719	6,592	6,835	6,580
Acute Licensed Beds	11,044	10,671	11,293	10,671
FTEs	109,386	96,338	107,603	91,692



EXHIBIT 8.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended March 31, 2024								
	(in 000's of dollars)								
	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Operating Revenues:									
Net Patient Service Revenues	\$ 257,805	1,451,177	925,271	1,132,472	439,505	1,441,773	350,775	(282,490)	5,716,288
Premium Revenues	-	40,644	-	66,230	919	9,149	-	620,231	737,173
Capitation Revenues	-	44,598	286	12,729	20,236	401,288	-	-	479,137
Other Revenues	23,580	73,288	45,880	121,808	1,108	83,597	22,629	475,992	847,882
Total Operating Revenues	281,385	1,609,707	971,437	1,333,239	461,768	1,935,807	373,404	813,733	7,780,480
Operating Expenses:									
Salaries and Benefits	133,661	888,883	536,551	680,619	228,090	800,224	168,931	480,609	3,917,568
Supplies	36,346	253,363	157,284	316,901	67,689	269,240	64,105	(3,482)	1,161,446
Purchased Healthcare Services	(3)	53,033	213	28,678	10,213	195,526	-	314,225	601,885
Interest, Depreciation, and Amortization	11,575	52,803	25,259	25,700	15,658	64,981	22,670	99,433	318,079
Purchased Services, Professional Fees, and Other	74,379	449,626	287,837	316,103	169,752	685,450	117,200	(494,834)	1,605,513
Total Operating Expenses	255,958	1,697,708	1,007,144	1,368,001	491,402	2,015,421	372,906	395,951	7,604,491
Excess (Deficit) of Revenues Over Expenses From Operations	25,427	(88,001)	(35,707)	(34,762)	(29,634)	(79,614)	498	417,782	175,989
Non-Operating Gains	22,559	8,424	13,941	29,982	5,728	23,217	5,961	74,465	184,277
Excess (Deficit) of Revenues Over Expenses	\$ 47,986	(79,577)	(21,766)	(4,780)	(23,906)	(56,397)	6,459	492,247	360,266



EXHIBIT 8.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION

As of March 31, 2024

(in 000's of dollars)

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Current Assets:									
Cash and Cash Equivalents	\$ 681,622	2,789	951,266	1,219,093	(100,680)	(2,693,396)	423,766	890,907	1,375,367
Short-Term Investments	25,267	-	-	-	21,853	19,367	29,882	604,665	701,034
Accounts Receivable, Net	192,148	933,734	461,130	644,285	330,520	827,694	233,593	(251,853)	3,371,251
Supplies Inventory	14,020	73,889	39,079	72,022	23,144	87,757	24,906	22,887	357,704
Other Current Assets	29,998	184,759	142,672	157,683	224,260	811,590	52,092	659,048	2,262,102
Current Portion of Assets Whose Use is Limited	-	-	-	-	-	-	-	103,588	103,588
Total Current Assets	943,055	1,195,171	1,594,147	2,093,083	499,097	(946,988)	764,239	2,029,242	8,171,046
Management Designated Cash and Investments	1,182,691	394,765	607,876	1,305,766	246,402	1,087,522	298,173	1,410,161	6,533,356
Assets Whose Use is Limited	111	22,141	3,379	30,324	9,947	21,676	4,405	690,267	782,250
Property, Plant, and Equipment, Net	393,090	1,969,503	837,928	962,528	694,097	2,423,429	846,025	1,019,237	9,145,837
Operating Lease Right-of-Use Assets	23,624	323,848	96,633	122,616	29,239	450,319	67,264	28,084	1,141,627
Other Assets	34,159	237,379	232,231	69,208	13,591	1,082,136	77,345	997,354	2,743,403
Total Assets	\$ 2,576,730	4,142,807	3,372,194	4,583,525	1,492,373	4,118,094	2,057,451	6,174,345	28,517,519
Current Liabilities:									
Current Portion of Long-Term Debt	3,412	31,058	9,635	15,358	5,214	30,192	6,649	55,055	156,573
Master Trust Debt Classified as Short-Term	-	14,397	28,063	-	41,206	41,273	-	12,766	137,705
Accounts Payable	42,026	220,653	97,278	199,059	72,951	352,050	27,405	433,206	1,444,628
Accrued Compensation	22,159	140,487	92,616	100,121	45,249	148,756	32,396	770,108	1,351,892
Current Portion of Operating Lease Right-of-Use	4,393	53,368	20,963	16,939	11,209	73,704	7,652	12,622	200,850
Other Current Liabilities	10,852	150,748	48,236	89,313	106,025	547,103	339,911	1,141,617	2,433,805
Total Current Liabilities	82,842	610,711	296,791	420,790	281,854	1,193,078	414,013	2,425,374	5,725,453
Long-Term Debt, Net of Current Portion	42,821	204,432	44,251	10,314	2,516	82,859	225,418	(4,496)	608,115
Master Trust Debt Classified as Long-Term	162,805	1,268,072	530,327	86,537	281,252	1,280,907	630,083	3,187,732	7,427,715
Pension Benefit Obligation	-	132,008	-	(353)	-	-	-	480,689	612,344
Long-Term Operating Lease Right-of-Use, net of Current Portion	19,412	325,249	78,106	125,863	19,069	435,370	56,881	17,204	1,077,154
Other Liabilities	28,345	105,522	35,592	11,043	10,811	82,060	56,388	1,371,894	1,701,655
Total Liabilities	\$ 336,225	2,645,994	985,067	654,194	595,502	3,074,274	1,382,783	7,478,397	17,152,436
Net Assets:									
Controlling Interests	2,192,773	1,298,616	2,301,205	3,595,980	798,985	251,002	605,839	(1,331,469)	9,712,931
Noncontrolling Interests	14,310	4,528	9,295	566	-	72,257	30,730	23,234	154,920
Net Assets Without Donor Restrictions	2,207,083	1,303,144	2,310,500	3,596,546	798,985	323,259	636,569	(1,308,235)	9,867,851
Net Assets With Donor Restrictions	33,422	193,669	76,627	332,785	97,886	72,561	38,099	4,183	1,497,232
Total Net Assets	2,240,505	1,496,813	2,387,127	3,929,331	896,871	1,043,820	674,668	(1,304,052)	11,365,083
Total Liabilities and Net Assets	\$ 2,576,730	4,142,807	3,372,194	4,583,525	1,492,373	4,118,094	2,057,451	6,174,345	28,517,519



EXHIBIT 8.8 - KEY PERFORMANCE METRICS BY REGION

Ended March 31, 2024

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	4,195	25,260	16,538	17,543	7,101	33,505	5,959	110,101
Acute Patient Days	32,451	155,068	98,470	96,179	34,428	162,116	32,706	611,418
Acute Outpatient Visits	107,880	638,963	470,502	544,305	260,320	874,249	257,487	3,153,706
Primary Care Visits	45,151	850,798	692,143	587,856	249,899	1,078,108	137,309	3,656,028
Inpatient Surgeries and Procedures	2,151	11,542	8,159	6,494	3,015	13,913	2,500	47,774
Outpatient Surgeries and Procedures	2,727	22,663	20,245	34,028	6,943	29,244	7,014	122,864
Long-Term Care Admissions	n/a	543	173	71	1	288	32	1,108
Long-Term Care Patient Days	13,082	35,017	8,489	8,713	1,406	21,836	933	89,476
Home Health Visits	6,173	86,342	775	77,678	15,728	105,759	n/a	292,455
Hospice Days	7,802	85,996	n/a	44,727	29,828	65,414	19,171	252,938
Housing and Assisted Living Days	8,024	55,493	12,101	40,854	5,772	5,036	n/a	127,280
Average Daily Census	357	1,704	1,082	1,057	378	1,781	359	6,719
Acute Licensed Beds	482	2,666	1,824	1,452	807	2,997	816	11,044
FTEs	3,965	22,837	14,478	18,689	5,361	22,904	5,673	109,386