



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 quarter ended September 30, 2021. Providence has undertaken no responsibility to update such data since September 30, 2021, 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 52 hospitals, over 900 clinics, and many other health and educational services, our health system employs more than 121,000 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 current 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 care at affordable prices, including through networks of same-day clinics and online care and services.

We are privileged to serve in dynamic markets with growing populations, which has led to consistent increases in service utilization. We offer a comprehensive range of industry-leading services, including an integrated delivery system of acute and ambulatory care for inpatient and outpatient services, 29 long-term care facilities, 17 supportive housing facilities, over 8,000 directly employed providers and approximately 25,000 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 love, dignity, and compassion, 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.”

COVID-19: From Response to Vaccinations and Beyond

Providence continues to take various actions to mitigate the impact of COVID-19 on operations since admitting the first confirmed U.S. case of the virus in January 2020. In the second year of the pandemic, Providence has kept the focus on keeping caregivers and patients safe while continuing to respond to the crisis and meet the myriad of other health care needs in our communities.

Providence experienced a resurgence in our COVID census during the third quarter of 2021 after a decreasing trend in cases during the first half of the year. The widely circulating delta variant contributed to increased volumes, with unvaccinated individuals accounting for most COVID-19 admissions.

To help control the spread of the virus, Providence has focused on vaccinations for caregivers. In Providence's five states with vaccine mandates, 99 percent of Providence caregivers have received the vaccination or received an exemption. This is an important step toward keeping caregivers and patients safe.

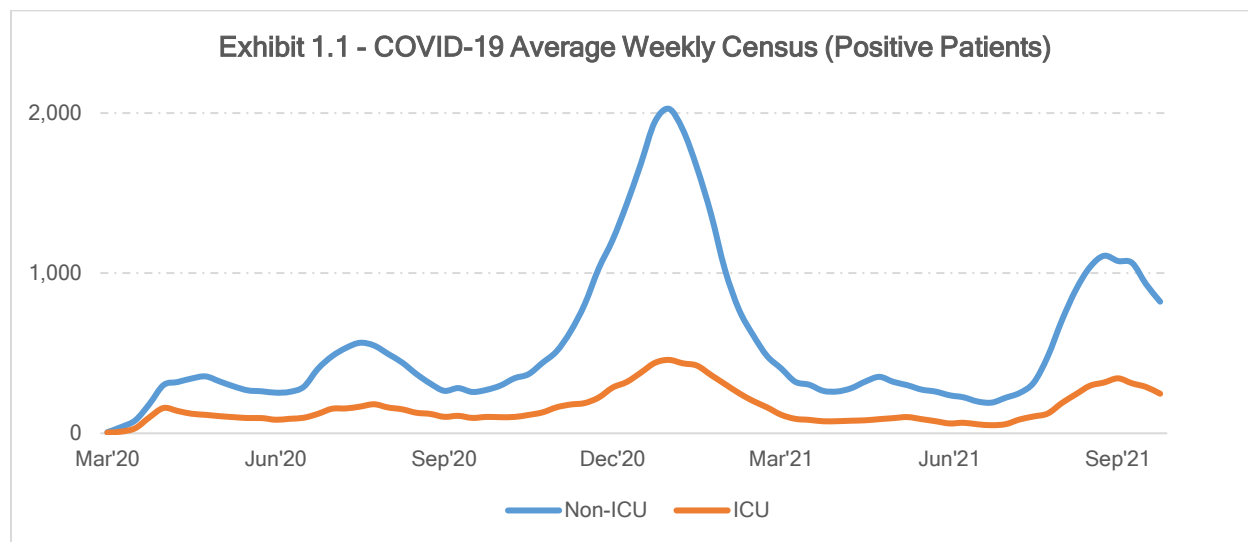
Providence has made efforts to address caregiver burnout and the shortage of health care professionals. In third quarter 2021, Providence announced significant workforce investments, including recognition bonuses and accelerated recruitment efforts.

Some of the key elements of Providence's response to COVID-19 include:

- Investing \$220 million in our workforce, including recognition and referral bonuses for all caregivers, and accelerated recruiting to fill open positions.
- Ensuring compliance with vaccination mandates in five states, which requires caregivers to be vaccinated against COVID-19 or file for an exemption and follow enhanced safety protocols.
- Facilitating volunteer hours from both our clinical and administrative caregivers to support hospitals and vaccination sites in our communities. By summer 2021, Providence had administered over 900,000 doses of the vaccine to caregivers, patients, and those in our communities.
- Promoting health equity in the prevention, testing and treatment of COVID-19 by proactively partnering with underserved communities. Results include 580 community-based or mobile testing and vaccine events; more than 35,000 tests, 53,000 COVID-19 vaccines and more than 159,000 kits with PPE and other resources provided to those at high risk and in disproportionately impacted communities.
- Accelerating our telehealth services, which increased from an average of 50 visits a day to a peak of more than 12,000 per day. From April 2020 to September 2021, Providence has provided 2.8 million telehealth visits.
- Expanding our electronic intensive care unit capabilities to remotely monitor patients on home quarantine.
- Operating clinical trials for drug therapies, including Remdesivir, and antibody testing. Providence developed the Testing our Heroes immunity testing program to study the prevalence of COVID-19 antibodies among front-line health care workers.
- Leveraging technology to deliver a coronavirus consumer awareness hub, and triage chatbot, urgent virtual visit platform, live testing locations, and remote patient monitoring for COVID-19 patients.
- Building the COVID-19 Detection Map, using artificial intelligence and natural language processing, to visually display the current state of the pandemic by community.

We continue to manage ongoing trends in COVID-19 cases while providing access to other comprehensive care in a safe manner for both caregivers and patients.

The chart below indicates Providence's average weekly COVID-19 positive patients through September 2021.



Providence has received relief in the form of grants and advance payments from the Coronavirus Aid Relief and Economic Security ("CARES") Act. We received \$1.1 billion in total grants from the CARES Act, including \$60 million received during the nine months ended September 30, 2021. We have recognized a total of \$1.1 billion as revenue, of which \$170 million was recorded during the first nine months of 2021. In the second quarter of 2020, CMS distributed \$1.6 billion of COVID-19 Accelerated and Advance Payments ("CAAPs") to Providence in response to the COVID-19 Public Health Emergency which would be repaid to CMS through the offsetting of future payments. A total of \$388 million in CAAPs payments has been recouped in the first nine months of 2021. The advance payments from CMS will continue to be offset from claim payments in future quarters.

We continue to take steps to preserve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety and COVID-19. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As demand returns to pre-pandemic levels, we are flexing our labor and supply resources to allow us to efficiently and safely provide the services required by our patients.

Our Integrated Strategic & Financial Plan

Guided by our Mission and values, Providence has developed and adopted an Integrated Strategic & Financial Plan 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. We are focused on delivering outstanding, affordable health care, housing, education and other essential services to our patients and communities by:

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

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

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

Transform our future. We are focused on responding to the signs of the times, pursuing new opportunities that transform our services. We seek to expand and sustain our Mission by:

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

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 makes adjustments 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.

Region Information

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

Exhibit 1.2 - Areas We Serve

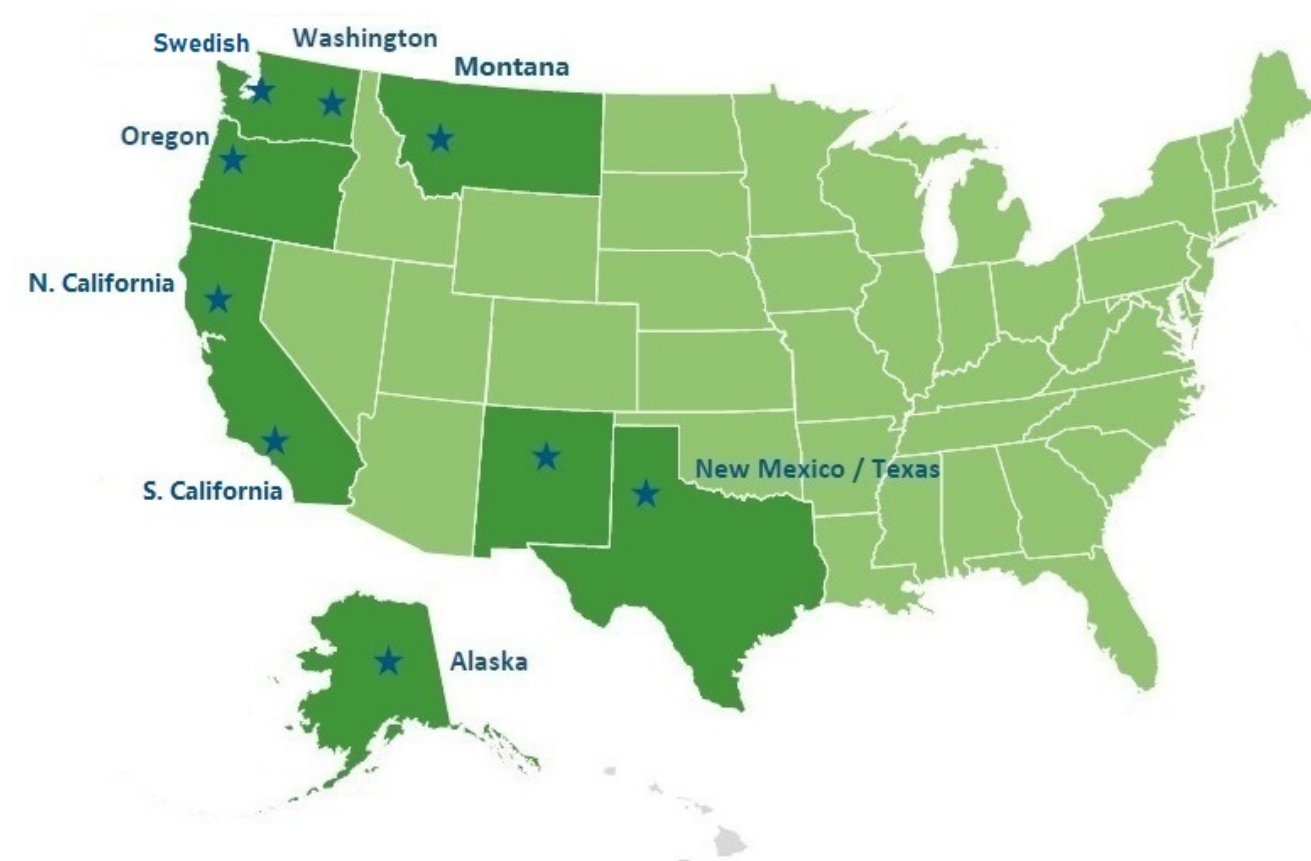


EXHIBIT 1.3 - REGIONAL OPERATING REVENUE SHARE	Nine Months Ended	
	9-30-2020	9-30-2021
Alaska	4%	4%
Swedish	10%	10%
Washington and Montana	20%	19%
Oregon	19%	18%
Northern California ⁽¹⁾	6%	6%
Southern California ⁽¹⁾	30%	31%
West Texas and Eastern New Mexico	5%	5%
Other (including Home & Community Care) ^{(1), (2)}	6%	7%

⁽¹⁾ Includes recognition of revenue from California provider fee program of \$387 million in 2021. In 2020, \$624 million was recognized as revenue and \$248 million related to prior periods previously reported in Other Services was reclassified to the California region hospitals.

⁽²⁾ Includes Home & Community Care entities in 2021 that previously were reported under the Northern California region and Tegria, our technology services and solutions company launched in 2020.

Alaska

The Alaska region includes five hospitals and 23 clinics with a 30 percent inpatient market share statewide in 2020, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska facilities are located in the greater Anchorage area, with 50 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.

Swedish

In the greater Puget Sound area of Washington, Swedish Health Services operates five hospital campuses: First Hill, Cherry Hill, Ballard, Edmonds, and Issaquah which are in King and Snohomish counties. The inpatient market share for Swedish was 24 percent in 2020, as reported by the Comprehensive Hospital Abstract Reporting System. Swedish also has ambulatory care centers in Redmond and Mill Creek, and a network of more than 100 primary care and specialty clinics throughout the Seattle area.

Washington and Montana

The Washington-Montana region includes 12 hospitals, with a 45 percent inpatient market share in their service areas in 2020, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of five geographic markets: Northwest Washington, Southwest Washington, Eastern Washington, Southeast Washington, and Western Montana, with medical groups in the region employing more than 2,500 providers. 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 eight hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 29 percent in their service areas in 2020, 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. The Health Plans are based in Oregon, and the majority of its nearly 670,000 members live in the region.

Northern California

The Northern California region serves the North Coast, Humboldt, Napa, and Sonoma communities with six hospitals, ambulatory surgery centers, urgent care centers, wellness centers, physician offices, home health, hospice, and rehabilitation sites. The acute care hospitals in Northern California had 38 percent inpatient market share in their service areas in 2020, as reported by the Office of Statewide Health Planning and Development. Providence Medical Foundation operates clinics in the region with its contracted physician partners. In January 2021, Providence acquired Healdsburg District Hospital, an acute care facility serving Healdsburg and surrounding areas in Sonoma County.

Southern California

The Southern California region includes 13 acute care hospitals in Los Angeles, Orange, and San Bernardino counties, with a total inpatient market share of 24 percent in their service areas in 2020, 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. Providence also includes hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Medical Foundation operates over 50 practice locations in the market, including the Facey, PMI, and Providence St. John's medical foundations. In addition, Providence includes seven acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, Newport Beach, Irvine, and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region's level II trauma center, as well as a women's center. Hoag Hospital, which also is composed of two campuses, in Newport Beach and Irvine, also includes Hoag Orthopedic Institute. .

In June 2021, Providence announced that Providence St. Mary Medical Center and Kaiser Permanente plan to open a new hospital facility with 260 beds in Victorville to replace the existing Providence St. Mary Medical Center facility, with an anticipated opening date of 2027 for the new facility. Providence St.

Mary Medical Center and Kaiser Permanente will enter into a Joint Venture for the ownership and operation of the new hospital facility once opened. The existing Providence St. Mary Medical Center facility will permanently close once the new facility is operational. This project is currently pending regulatory approvals in the state of California.

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 seven licensed hospitals; the inpatient market share was 40 percent in their service areas in 2020, 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, and Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Surgical Hospital. CHS 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 January 2021, Covenant Health System acquired Lea Regional Medical Center an acute care facility located in eastern New Mexico serving Hobbs and the surrounding area. Subsequent to the acquisition, the hospital was renamed Hobbs Hospital.

Financial Information

The summary unaudited combined financial information as of and for the nine-month periods ended September 30, 2021, and 2020, presented below has been derived by management of Providence from the internal unaudited financial information of the System. The summary audited combined financial information as of and for the fiscal year ended December 31, 2020, presented below, has been derived by management of Providence from audited financial information of the System. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

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

Summary Unaudited Combined Statements of Operations

EXHIBIT 2.1 - COMBINED STATEMENTS OF OPERATIONS \$ PRESENTED IN MILLIONS	Nine Months Ended	
	9-30-2020	9-30-2021
Net Patient Service Revenues	\$13,946	\$15,478
Premium Revenues	1,753	1,727
Capitation Revenues	1,317	1,399
Other Revenues	1,834	1,596
Total Operating Revenues	18,850	20,200
Salaries and Benefits	9,353	10,325
Supplies	2,766	3,086
Purchased Healthcare Services	1,508	1,567
Interest, Depreciation, and Amortization	1,005	1,034
Purchased Services, Professional Fees, and Other	4,432	4,593
Total Operating Expenses	19,064	20,605
Deficit of Revenues Over Expenses from Operations	(214)	(405)
Total Net Non-Operating Gains	263	953
Excess of Revenues Over Expenses	\$49	\$548
Operating EBIDA ⁽¹⁾	\$817	\$724

⁽¹⁾ Excludes \$95 million in 2021 and \$26 million in 2020 in amortization of software as a service asset.

Summary Audited and Unaudited Combined Balance Sheets

As of

EXHIBIT 2.2 - COMBINED BALANCE SHEET \$ PRESENTED IN MILLIONS	12-31-2020	9-30-2021
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$3,230	\$1,524
Accounts Receivable, Net	2,365	3,097
Supplies Inventory	361	386
Other Current Assets	1,480	1,651
Current Portion of Assets Whose Use is Limited ⁽¹⁾	1,228	821
Total Current Assets	8,664	7,479
Assets Whose Use is Limited ⁽¹⁾	11,506	12,701
Property, Plant & Equipment, Net	11,033	11,279
Other Assets	3,451	3,497
Total Assets	\$34,654	\$34,956
<u>Current Liabilities:</u>		
Current Portion of Long-Term Debt	127	119
Master Trust Debt Classified as Short-Term	934	685
Accounts Payable	1,155	1,403
Accrued Compensation	1,453	1,679
Other Current Liabilities ⁽¹⁾	3,020	3,475
Total Current Liabilities	6,689	7,361
Long-Term Debt, Net of Current Portion	6,061	6,037
Pension Benefit Obligation	1,203	1,132
Other Liabilities ⁽¹⁾	3,985	3,005
Total Liabilities	\$17,938	\$17,535
<u>Net Assets:</u>		
Controlling Interests	14,857	15,372
Noncontrolling Interests	309	334
Net Assets without Donor Restrictions	15,166	15,706
Net Assets with Donor Restrictions	1,550	1,715
Total Net Assets	16,716	17,421
Total Liabilities and Net Assets	\$34,654	\$34,956

⁽¹⁾ Includes \$1.6 billion from the Centers for Medicare & Medicaid Services ("CMS") Advanced Payment Program in 2020 of which \$388 million was repaid as of September 30, 2021.

Management's Discussion and Analysis: Nine Months Ended September 30, 2021

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 nine-month periods ended September 30, 2021, and 2020, respectively, are presented below.

Results of Operations

Operations Summary

Operating earnings before interest, depreciation, and amortization ("EBIDA") were \$724 million for the nine-month period ended September 30, 2021, or 4 percent of operating revenues, compared with \$817 million and 4 percent in the same period in 2020. The deficit of revenues over expenses from operations was \$405 million for the nine months ended September 30, 2021, compared with deficit of revenues over expenses from operations of \$214 million in the same period in 2020, primarily driven by lower CARES Act funding recognized of \$512 million compared to the prior year.

Regional operating results for the nine months ended September 30, 2021 were mixed, reflecting the uneven impact of the pandemic. We saw a significant surge in COVID-19 volumes during the first quarter of 2021, particularly in our Southern California region. COVID-19 volumes decreased in the second quarter of 2021, followed by another surge during the third quarter of 2021. Net patient service revenues were 11 percent higher for the nine months ended September 30, 2021, compared with the same period in 2020, primarily driven by changes that enabled us to safely care for COVID-19 and non-COVID-19 patients concurrently. Providence experienced an increase in both volumes and the acuity of the patients and maintained the mix of commercial payors for the nine months ended September 30, 2021, compared with the same period in 2020. Admissions and outpatient volumes rose throughout the current period, driven by higher emergency room visits. The increased volumes resulted in higher labor costs and led to greater usage of agency staffing and increased overtime. In addition, Providence initiated payroll incentives in response to staffing shortages and to improve retention, particularly among our frontline caregivers. The nine months ended September 30, 2021 include \$170 million in grants from the CARES Act recognized in other operating revenues, compared with \$682 million for the same period in 2020.

The results include the net recognition of reimbursements from provider fee programs of \$199 million (revenue of \$659 million and expense of \$460 million) for the nine months ended September 30, 2021, compared with \$284 million (revenue of \$876 million and expense of \$592 million) in comparable period of the prior year. The current year amount is based on ratable recognition of provider fee programs versus the prior year amount which included \$93 million related to prior reporting periods.

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

EXHIBIT 3.1 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS	Nine Months Ended	
	9-30-2020	9-30-2021
Operating Revenues	\$18,850	\$20,200
Operating Expenses	19,064	20,605
Deficit of Revenues Over Expenses from Operations	(214)	(405)
Operating Margin %	(1.1)	(2.0)
Operating EBIDA	817	724
Operating EBIDA Margin %	4.3	3.6
Premium and Capitation Revenues	3,070	3,127
CARES Act Grants Recognized	682	170
Net Service Revenue/Case Mix Adjusted Admits	12,858	12,928
Net Expense/Case Mix Adjusted Admits	13,035	13,235
Total Community Benefit	\$1,154	\$1,264
Full-Time Equivalents (thousands)	102	105

For the three months ended September 30, 2021, operating EBIDA was \$76 million, or 1 percent of operating revenues, compared with \$369 million and 6 percent in the same period in 2020. Deficit of revenues over expenses from operations was \$311 million for the three months ended September 30, 2021, compared with excess of revenues over expenses from operations of \$7 million in the same period in 2020, and includes \$31 million in grants from the CARES Act recognized in the prior year. The primary driver of the year-over-year performance is the surge of COVID-19 patients and its associated impacts.

Volumes increased 8 percent for the three months ended September 30, 2021, compared with the same period in 2020 as patients who deferred care sought treatment. We saw significant increases in volumes, across our key volume indicators as emergency room visits increased 18 percent, acute admissions increased 5 percent, and outpatient visits increased 3 percent compared with the same period in 2020. Operating revenues were \$6.8 billion, an increase of 7 percent for the three months ended September 30, 2021, compared with the same period in 2020, driven by net patient service revenues growth of 9 percent. Salaries and benefits increased 16 percent for the three months ended September 30, 2021, due to continued wage pressures, greater usage of agency staffing and increased overtime to serve our higher volumes. Medical supply costs per case mix adjusted admissions ("CMAA") remained flat compared with the prior year, while supplies expense increased by 11 percent compared with the prior year, driven by a 17 percent increase in pharmaceutical spend and an 8 percent increase in medical supply expense, partially offset by a 5 percent decrease in non-medical supply costs.

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

Three Months Ended

EXHIBIT 3.2 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS	9-30-2020	9-30-2021
Operating Revenues	\$6,385	\$6,810
Operating Expenses	6,378	7,121
Excess (Deficit) of Revenues Over Expenses from Operations	7	(311)
Operating Margin %	0.1	(4.6)
Operating EBIDA	369	76
Operating EBIDA Margin %	5.8	1.1
Premium and Capitation Revenues	1,043	1,058
CARES Act Grants Recognized	31	-

Volumes

CMAA increased 9 percent for the nine months ended September 30, 2021, compared with the same period in 2020. Volumes continued to increase as COVID-19 census plateaued and patients who had deferred care during the pandemic sought treatment. These factors resulted in higher outpatient and admission volumes and increases in emergency room visits compared with the prior year.

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

Nine Months Ended

EXHIBIT 3.3 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	9-30-2020	9-30-2021
Inpatient Admissions	334	343
Acute Adjusted Admissions	679	723
Acute Patient Days	1,720	1,881
Long-Term Care Patient Days	263	240
Outpatient Visits (incl. Physicians)	17,285	19,410
Virtual Visits (incl. Telehealth)	1,149	1,237
Emergency Room Visits	1,295	1,387
Surgeries and Procedures	429	504
Acute Average Daily Census (Actual)	6,277	6,889
Providence Health Plan Members	697	669

Operating Revenues

Operating revenues were \$20.2 billion, an increase of 7 percent for the nine months ended September 30, 2021, compared with the same period in 2020. The increases were driven by net patient service revenues growth of 11 percent, due to increased volumes and higher patient acuity, and growth in our diversified revenues of 50 percent. Net patient service revenues were \$15.5 billion for the nine months ended September 30, 2021, compared to \$13.9 billion in 2020.

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

Nine Months Ended		
EXHIBIT 3.4 - OPERATING REVENUES BY STATE \$ PRESENTED IN MILLIONS	9-30-2020	9-30-2021
Alaska	\$614	\$673
Washington	4,856	5,492
Montana	316	356
Oregon	3,731	3,963
California	6,743	7,270
Texas	756	850
Total Revenues from Contracts with Customers	17,016	18,604
Other Revenues	1,834	1,596
Total Operating Revenues	\$18,850	\$20,200

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

Nine Months Ended		
EXHIBIT 3.5 - OPERATING REVENUES BY LINE OF BUSINESS \$ PRESENTED IN MILLIONS	9-30-2020	9-30-2021
Hospitals ⁽¹⁾	\$11,940	\$13,046
Health Plans and Accountable Care	2,004	1,928
Physician and Outpatient Activities	1,934	2,388
Long-term Care, Home Care, and Hospice	936	987
Other Services ⁽¹⁾	202	255
Total Revenues from Contracts with Customers	17,016	18,604
Other Revenues	1,834	1,596
Total Operating Revenues	\$18,850	\$20,200

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

Nine Months Ended		
EXHIBIT 3.6 - OPERATING REVENUES BY PAYOR ⁽²⁾ \$ PRESENTED IN MILLIONS	9-30-2020	9-30-2021
Commercial	\$8,306	\$9,130
Medicare	5,855	6,519
Medicaid	2,675	2,720
Self-pay and Other	180	235
Total Revenues from Contracts with Customers	17,016	18,604
Other Revenues	1,834	1,596
Total Operating Revenues	\$18,850	\$20,200

⁽¹⁾ Includes recognition of revenue from California provider fee program of \$387 million in 2021. In 2020, \$624 million was recognized as revenue and \$248 million related to prior period tax adjustments previously reported in Other Services were reclassified to California region hospitals in Exhibit 3.4.

⁽²⁾ Refer to Exhibit 7.3 for supplementary information on net patient service revenue payor mix driven by patient utilization.

Operating Expenses

Operating expenses were \$20.6 billion, an increase of 8 percent for the nine months ended September 30, 2021, compared with the same period in 2020. The increase was driven by costs to serve increased volumes of patients, including labor costs and increased PPE and pharmaceutical spend. Overall, salaries and benefits expenses increased 10 percent for the nine months ended September 30, 2021, compared with the same period in 2020, due to increased agency spend and overtime, and wage pressures. Despite these increases, labor productivity increased by 10 percent on an adjusted occupied bed volumes basis compared to the same period in 2020, due to the higher volumes and the continued labor shortages experienced across the system. Medical supply costs per CMAA were higher by 4 percent, compared with the prior year. Supplies expense increased by 12 percent compared to the prior year, driven by a 13 percent increase in pharmaceutical spend and 13 percent increase in medical supply expense, partially offset by a 6 percent decrease in non-medical supply costs.

Non-Operating Activity

Non-operating gains totaled \$953 million for the nine months ended September 30, 2021, compared with non-operating gains of \$263 million for the same period in 2020. The increase was driven by investment gains of \$937 million for the nine months ended September 30, 2021, compared with investment gains of \$309 million in 2020.

Liquidity and Capital Resources; Outstanding Indebtedness

Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately \$14.1 billion as of September 30, 2021, compared to \$15.3 billion as of December 31, 2020. The decrease was primarily driven by an increase in accounts receivable of \$732 million due to delayed claims billing from electronic health record implementations and protracted payment cycles from payers. The decrease was also driven by \$250 million repaid on a one-year bridge loan that matured in March 2021 in the first nine months of 2021. As noted above, \$388 million was recouped by CMS in the first nine months of 2021. Also included were \$60 million in grants received from the CARES Act in the nine months ended September 30, 2021.

Providence's liquidity is presented for the periods indicated:

As of		
EXHIBIT 4.1 - INVESTMENTS BY DURATION \$ PRESENTED IN MILLIONS	12-31-2020	9-30-2021
Cash and Cash Equivalents ⁽¹⁾	\$3,230	\$1,524
Short-Term Investments	1,082	536
Long-Term Investments	10,950	12,025
Total Unrestricted Cash and Investments	\$15,262	\$14,085

⁽¹⁾ Includes \$1.6 billion from the CMS Advanced Payment Program in 2020, of which \$1.2 billion remains outstanding as of September 30, 2021.

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:

As of		
EXHIBIT 4.2 - INVESTMENTS BY TYPE	12-31-2020	9-30-2021
Cash and Cash Equivalents	2%	0%
Domestic and International Equities	45%	45%
Debt Securities	38%	40%
Other Securities	15%	15%

Financial Ratios

Providence's financial ratios presented for the periods indicated:

EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	As of	
	12-31-2020	9-30-2021
Total Debt to Capitalization %	31.6	30.0
Cash to Debt Ratio %	218.2	209.6
Days Cash on Hand ⁽¹⁾	226	195
Maximum Annual Debt Service	395	405
Cash to Net Assets Ratio	1.01	0.90

⁽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	
	12-31-2020	9-30-2021
Long-Term Indebtedness	\$6,188	\$6,155
Less: Current Portion of Long-Term Debt	127	119
Net Long-Term Debt	6,061	6,036
Net Assets - Without Donor Restrictions	15,166	15,706
Total Capitalization	\$21,227	\$21,742
Long-Term Debt to Capitalization %	28.6	27.8

System Debt Service Coverage

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

EXHIBIT 4.5 - SYSTEM DEBT SERVICE COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2020	Rolling 12-Months Ended 9-30-2021 ⁽¹⁾
Income Available for Debt Service:		
Excess of Revenues Over Expenses	\$740	\$1,239
Less: Unrealized (Gains) on Trading Securities	(692)	(1,088)
Plus: Loss on Extinguishment of Debt	-	-
Plus: Loss on Pension Settlement Costs and Other	19	15
Plus: Depreciation	1,097	1,121
Plus: Interest and Amortization	278	282
Total	\$1,442	\$1,569
Debt Service Requirements: ⁽²⁾		
MADS	\$395	\$405
Coverage of Debt Service Requirements ⁽²⁾	3.7x	3.9x

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

⁽²⁾ Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

System Governance and Management

Corporate Governance

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

<u>Board of Directors</u>	<u>Term Expires (December 31)</u>	<u>Sponsors Council</u>	<u>Term Expires (December 31)</u>
Mary Lyons, PhD., Chair †	2022	Ned Dolejsi	2021
Richard Blair †	2022	Jeff Flocken	2025
Isiaah Crawford, PhD. ‡	2022	Barbara Savage	2021
Sr. Lucille Dean, SP †	2021	Bill Cox	2022
Sr. Diane Hejna, CSJ, RN. ‡	2022	Russell Danielson	2027
Sr. Phyllis Hughes, RSM, PhD. ‡	2022	Sr. Sharon Becker, CSJ	2027
David Olsen †	2021	Mark Koenig	2027
Charles W. Sorenson, M.D. Δ	2021	Sr. Margaret Pastro, SP	2028
Michael Murphy Δ	2022	Sr. Mary Therese Sweeney, CSJ	2028
Sr. Carol Pacini, LCM Δ	2023		
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.

Executive Leadership Team

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

<u>Name</u>	<u>Title</u>
Rod Hochman, M.D.	President and CEO
John Whipple	Interim Executive Vice President and Chief Legal Officer
Greg Hoffman	Executive Vice President and CFO

Support Services

The leadership structure operates under six councils that work collaboratively to achieve a streamlined set of strategic priorities across Providence and its family of organizations. Chartered by the Executive Leadership Committee, the councils are inclusive of the regions, lines of business, and other key functional areas. 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, 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.

Obligated Group

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

For the nine months ended September 30, 2021, the unaudited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 82 percent, respectively, of Providence's totals. For the fiscal year ended December 31, 2020, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 83 percent, respectively, of Providence's totals. Refer to Exhibit 7 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 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:

Nine Months Ended

EXHIBIT 5.1 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	9-30-2020	9-30-2021
<u>Obligated Group</u>		
Inpatient Admissions	329	328
Acute Adjusted Admissions	635	662
Acute Patient Days	1,685	1,807
Long-Term Care Patient Days	255	229
Outpatient Visits (incl. Physicians)	14,257	16,196
Emergency Room Visits	1,279	1,327
Surgeries and Procedures	350	380
Acute Average Daily Census (Actual)	6,150	6,619

Obligated Group Capitalization

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

As of		
EXHIBIT 5.2 - OBLIGATED GROUP CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	9-30-2021
<u>Obligated Group</u>		
Long-Term Indebtedness	\$5,809	\$5,816
Less: Current Portion of Long-Term Debt	110	108
Net Long-Term Debt	5,699	5,708
Net Assets - Without Donor Restrictions	12,741	12,799
Total Capitalization	\$18,440	\$18,507
Long-Term Debt to Capitalization %	30.9	30.8

Obligated Group Debt Service Coverage

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

As of		
EXHIBIT 5.3 - OBLIGATED GROUP DEBT SERVICE COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	12-31-2020	Rolling 12-Months Ended 9-30-2021 ⁽¹⁾
<u>Obligated Group</u>		
Income Available for Debt Service:		
Excess of Revenues Over Expenses	\$1,140	\$1,583
Less: Unrealized (Gains) on Trading Securities	(561)	(952)
Plus: Loss on Extinguishment of Debt	-	-
Plus: Loss on Pension Settlement Costs and Other	19	15
Plus: Depreciation	1,001	1,005
Plus: Interest and Amortization	257	248
Total	\$1,856	\$1,899
Debt Service Requirements: ⁽²⁾		
MADS	\$395	\$405
Coverage of Debt Service Requirements ⁽²⁾	4.7x	4.7x

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

⁽²⁾ Debt Service Requirements has the meaning assigned to such term in the Master Indenture.

Outstanding Master Trust Indenture Obligations

As of September 30, 2021, Providence had Obligations outstanding under the Master Indenture totaling \$6 billion. This excludes Obligations that secure interest rate or other swap transactions, bank liquidity or credit facilities. The Obligations outstanding under the Master Indenture relating to tax-exempt and taxable bond/note indebtedness are described further in the Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

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

documents relating to the Direct Placement Bonds, the Taxable Loans and the Credit Facilities containing these financial covenants and events of default are available for review on EMMA (<http://emma.msrb.org>).

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, LCMASC, Providence - St. John's, Providence - SJMC Montana, Providence - Montana, and Providence - Oregon. Providence Ministries is the co-corporate member, alongside Western Health Connect 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.

Southern California Region

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

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

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

CHN and SJHS have certain reserved powers with respect to the governance, management, and operation of each of the SJHS Southern California Hospitals and Hoag Hospital. Some of these powers may be exercised only by a supermajority vote of the CHN Board of Directors, meaning the affirmative vote of at

least three of the four members designated by Providence, and of at least two of the three members designated by Hoag Family Foundation and APM. Such reserved powers and powers that require a supermajority vote may be reviewed and revised from time to time. These reserved powers include, among others, certain actions relating to: (i) changes in articles and bylaws, (ii) certain board member and management appointments and removals; and (iii) certain hospital mergers, acquisitions, joint ventures, asset sales, cash transfers and financings. Hoag Family Foundation and APM also have reserved powers with respect to certain management and operating matters and transactions involving Hoag Hospital. See “Litigation” below.

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; Providence Ventures, Inc., a Washington corporation that invests in health care activities; Tegria, a company 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.

Ambulatory Care Network

The Ambulatory Care Network (“ACN”) partners in the well-being of all people by creating personalized, convenient, affordable health solutions. Currently, ACN provides over 2.5 million visits annually in 351 access points across seven states, and consists of ambulatory surgery centers, imaging centers, urgent care centers, retail clinics and active wellness sites. The ACN has 22 funded growth projects underway year-to-date that will support Providence at scale. We believe ambulatory care networks offer advantages to patients and physicians, including greater affordability, predictability, flexibility, and convenience, while offering a seamless connection to our full continuum of care. We are expanding our ambulatory care network through strategic partnerships that improve patient access and reduce costs for consumers and employers, including increased same-day access through our retail and urgent care clinics.

Population Health Management

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

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

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

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

Ayin Health Solutions 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 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.

Physician Enterprise

Providence's Physician Enterprise creates health for a better world by serving patients across the Western United States with quality, compassionate, coordinated care. Collectively, our medical groups and affiliate practices are the third largest group in the country with over 11,000 providers. This includes: Providence Medical Group, serving Alaska, Washington, Montana, and Oregon; Swedish Medical Group, with staffed clinics throughout Washington's greater Puget Sound area; Pacific Medical Centers in western Washington; Kadlec, serving southeast Washington; Providence St. John's Medical Foundation in Southern California; Providence Medical Institute ("PMI") in Southern California; Providence Facey Medical Foundation ("Facey") 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.

Tegria

Tegria is a Providence-owned technology and solutions company that combines select Providence investments and acquisitions into a comprehensive portfolio of solutions to accelerate technological, clinical, and operational advances in health care. Tegria focuses on three key initiatives: healthcare consulting and technology services, revenue cycle management solutions, and software technology and platforms. Tegria is comprised of more than 3,000 strategists, technologists, service providers and scientists who currently serve more than 500 organizations across North America.

Interest Rate Swap Arrangements

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

At September 30, 2021, SJHS was party to five interest rate swap agreements with a current notional amount totaling approximately \$407 million and with varying expiration dates. The swap agreements require SJHS to make fixed rate payments in exchange for variable rate payments made by the counterparties. SJHS's payment obligations under such swap agreements are secured by Obligations issued under the Master Indenture.

Below is a summary of those swap agreements, including the fair value of the swaps as of September 30, 2021. Fair values are based on independent valuations obtained and are determined by calculating the value of the discounted cash flows of the differences between the fixed interest rate of the interest rate swaps and the counterparty's forward London Interbank Offered Rate curve, which is the input used in the valuation, also taking into account any nonperformance risk. Changes in the fair value of the interest rate swaps are included within non-operating gains and losses. See also the discussion under "Other Information - Interest Rate Swap Arrangements" and Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

INTEREST RATE SWAPS \$ PRESENTED IN MILLIONS	NOTIONAL	TERM	COUNTERPARTY	RECEIVE	PAY	FAIR VALUE
Fixed Payor	167.9	Jul-47	MUFG Union	68% of 3 Month LIBOR	3.529%	(58.8)
Fixed Payor	44.6	Jul-47	Wells Fargo	68% of 3 Month LIBOR	3.520%	(15.3)
Fixed Payor	62.8	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(13.1)
Fixed Payor	62.9	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(13.1)
Fixed Payor	69.4	Dec-40	Wells Fargo	55.70% of 1 Month LIBOR + 0.23%	3.229%	(14.5)

Entering into derivative agreements including those described above creates a variety of risks to Providence. Pursuant to certain of these agreements, both SJHS and the counterparty are required to deliver collateral in certain circumstances in order to secure their respective obligations under the agreements. As

of September 30, 2021, SJHS posted collateral in the amount of \$16 million. The amount of collateral delivered by SJHS over the term of the agreements could increase or decrease based upon SJHS' credit ratings and movements of United States dollar swap rates and could be substantial. Under certain circumstances, the derivative agreements are subject to termination prior to their scheduled termination date and prior to the maturity of the related revenue bonds. Payments due upon early termination may be substantial. In the event of an early termination of an agreement, there can be no assurance that (i) SJHS or any other Obligated Group Member will receive any termination payment payable to it by the provider, (ii) SJHS or any other Obligated Group Member will have sufficient amounts to pay a termination payment payable by it to the provider, or (iii) SJHS or the other Obligated Group Members will be able to obtain a replacement agreement with comparable terms. For financial reporting purposes, Providence has generally not treated its swap agreements as effective hedges against the interest cost of underlying debt. To the extent that swaps are not treated as effective hedges, Providence must recognize any changes in the fair market value of the swap agreements and the related debt as non-operating gains or losses. See Note 8 to the Combined Audited Financial Statements for the fiscal year ended December 31, 2020.

Litigation

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

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

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

In early May 2020, Hoag Family Foundation and APM, two of the three corporate members of Hoag Hospital, filed a complaint under a California Corporations Code statute seeking to involuntarily dissolve CHN, the third corporate member. The complaint seeks to remove Hoag Hospital as an Obligated Group Member through this involuntary dissolution claim. There has been no allegation that the Affiliation Agreement creating CHN has been breached, and there is no provision in the agreement for its termination or dissolution. Management believes that the complaint is without merit and believes the legal process will vindicate this position. A trial date is set for April 2022. Hoag accounts for 7 percent of the Obligated Group's unaudited total operating revenues for the nine months ended September 30, 2021, and 6 percent of Providence's unaudited total operating revenues for the nine months ended September 30, 2021. Hoag accounts for 17 percent of Providence's unrestricted cash and investments, net of debt financing relating to Hoag assets, as of September 30, 2021.

Employees

As of September 30, 2021, Providence included approximately 121,000 employed caregivers (excluding Hoag), representing 104,743 FTEs. Of Providence's total employees, approximately 31 percent are represented by 19 different labor unions.

Providence management strives to provide market-competitive salaries and benefits to all employees in all markets. Management of Providence believes the salary levels and benefits packages for its employees are competitive in all the respective markets. At the same time, management understands that the health care industry is rapidly evolving. The leadership of each of the separate employers within Providence is working to ensure the compensation and benefits are modern and reflect competitive market practices. This will require continued negotiations at the various employers within Providence throughout 2022. In the past two years, Providence has experienced strikes at different facilities, as a result of contract negotiations. In each situation, the facility operated with qualified replacement employees and experienced limited disruption to hospital operations or patient service. 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 have invested \$1.3 billion in community benefit in the nine months ended September 30, 2021, compared with \$1.2 billion in the same period in 2020. Because more of our patients covered by Medicaid needed higher acuity and more complex care in the first quarter of 2021, our unpaid costs of Medicaid totaled \$841 million for the nine months ended September 30, 2021, compared with \$765 million for the same period in 2020.

Environmental, Social, and Governance Standards

In 2020, Providence management established a social responsibility framework that includes a stronger commitment to diversity, equity, and inclusion, and environmental stewardship. We updated our Integrated Strategic & Financial Plan to more clearly express our commitment and acceleration of this important work to address social, racial, and economic disparities in the communities we serve. Providence's social responsibility framework aims to deploy the assets of our system to support community health improvement, strengthen local economies and reduce our carbon footprint. Our sustainable and inclusive purchasing program committed to increase our spend with women and minority owned business enterprises by over \$300 million over the next five years. We also deploy a socially responsible investing portfolio which includes shareholder advocacy, impact investing, and socially conscious portfolio screens. In 2020, Providence made a climate commitment to become carbon negative by 2030. We are implementing an environmental stewardship system strategy that encourages waste reductions, efficient energy and water use, local agriculture partnerships, less toxic and fewer chemical use, and a reduction in carbon from travel.

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 information technology ("IT") risks and real-time defense of Providence's information ecosystem. Providence's cybersecurity program has adopted the National Institute of Standards and Technology ("NIST") Cyber Security Framework ("CSF") 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 ("CBS") 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 two captive insurance companies domiciled in Arizona and Bermuda with reinsurance. The program uses benchmarking and insurance, actuarial and finance analytics to guide decisions regarding both 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. 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, technology errors and omissions, 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, and Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit 6 - Obligated Group Facilities

Exhibit 6.1 Acute Care Facilities by Region

A list of Providence's acute care facilities in each region as of September 30, 2021, 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
Swedish	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
Washington and Montana	Providence Health & Services-Washington	Swedish First Hill	Seattle	697
		Providence Centralia Hospital	Centralia	128
		Providence Regional Medical Center Everett	Everett	595
		Providence St. Peter Hospital ⁽⁴⁾	Olympia	372
		Providence St. Joseph's Hospital	Chewelah	25
		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 Health & Services-Montana		
		St. Patrick Hospital	Missoula (MT)	253
		Providence St. Joseph Medical Center	Polson (MT)	22
Oregon	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River	25
		Providence Medford Medical Center	Medford	168
		Providence Milwaukie Hospital	Milwaukie	77
		Providence Newberg Medical Center	Newberg	40
		Providence Willamette Falls Medical Center	Oregon City	143
		Providence St. Vincent Medical Center	Portland	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	200
		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 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	St. Mary Medical Center	Apple Valley	213
		St. Jude Medical Hospital	Fullerton	320
	Mission Hospital Regional Medical Center	Mission Hospital Regional Medical Center Campuses ⁽⁵⁾ :		504
		Mission Hospital Regional Medical Center	Mission Viejo	
		Mission Hospital Laguna Beach	Laguna Beach	
		Hoag Memorial Hospital Presbyterian Campuses ⁽⁶⁾ :		530
	Hoag Memorial Hospital Presbyterian	Hoag Memorial Hospital Presbyterian	Newport Beach	
		Hoag Hospital Irvine	Irvine	
	St. Joseph Hospital of Orange	St. Joseph Hospital of Orange ⁽⁷⁾	Orange	463
West Texas and Eastern New Mexico				
	Methodist Hospital Levelland	Covenant Hospital Levelland ⁽⁸⁾	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	275
	Methodist Hospital Plainview	Covenant Hospital Plainview ⁽⁸⁾	Plainview	68
TOTAL				11,565

* 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

⁽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⁾ Two campuses on one license

⁽⁷⁾ Includes 37 acute care psychiatric beds

⁽⁸⁾ Leased facility and Obligated Group Member

Exhibit 6.2
Long-Term Care Facilities by Region

Providence's principal owned or leased long-term care facilities as of September 30, 2021, 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
Washington and Montana				
	Providence Health & Services-Washington	Providence Marionwood	Issaquah	117
		Providence Mother Joseph Care Center	Olympia	152
		Providence Mount St. Vincent	Seattle	215
		Providence 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 North	115
		Providence St. Elizabeth Care Center	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 7 - Supplementary Information

[ATTACHED]



EXHIBIT 7.1 - SUMMARY UNAUDITED COMBINED STATEMENTS OF OPERATIONS

	Ended September 30, 2021		Ended September 30, 2020	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Operating Revenues:				
Net Patient Service Revenues	\$ 15,477,502	14,385,579	13,946,384	13,304,945
Premium Revenues	1,727,102	225,457	1,753,265	199,978
Capitation Revenues	1,399,466	611,159	1,316,522	574,671
Other Revenues	1,596,210	1,140,155	1,833,567	1,509,458
Total Operating Revenues	20,200,280	16,362,350	18,849,738	15,589,052
Operating Expenses:				
Salaries and Benefits	10,325,294	8,865,252	9,352,529	8,239,848
Supplies	3,085,627	2,825,490	2,765,968	2,579,627
Purchased Healthcare Services	1,567,088	349,533	1,507,746	300,260
Interest, Depreciation, and Amortization	1,034,126	926,631	1,004,983	931,104
Purchased Services, Professional Fees, and Other	4,593,040	3,382,408	4,432,359	3,294,482
Total Operating Expenses	20,605,175	16,349,314	19,063,585	15,345,321
Excess (Deficit) of Revenues Over Expenses From Operations	(404,895)	13,036	(213,847)	243,731
Total Net Non-Operating Gains	953,106	848,893	262,534	175,455
Excess of Revenues Over Expenses	\$ 548,211	861,929	48,687	419,186

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

	Ended September 30, 2021		Ended December 31, 2020	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Provided by Operating Activities	\$ (837,809)	(182,960)	3,148,727	3,525,593
Net Cash Used in Investing Activities	(823,534)	(570,498)	(1,741,794)	(1,129,877)
Net Cash Provided by (Used in) Financing Activities	(45,349)	(1,025,768)	507,062	(748,447)
Increase (Decrease) in Cash and Cash Equivalents	(1,706,692)	(1,779,226)	1,913,995	1,647,269
Cash and Cash Equivalents, Beginning of Period	3,230,204	2,280,747	1,316,209	633,478
Cash and Cash Equivalents, End of Period	\$ 1,523,512	501,521	3,230,204	2,280,747

EXHIBIT 7.3 - SUMMARY UNAUDITED NET PATIENT SERVICE REVENUE PAYOR MIX

	Ended September 30, 2021		Ended September 30, 2020	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	49%	48%	49%	48%
Medicare	33%	33%	32%	32%
Medicaid	15%	16%	17%	17%
Self-pay and Other	3%	3%	2%	3%



EXHIBIT 7.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS

	As of September 30, 2021		As of December 31, 2020	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Current Assets:				
Cash and Cash Equivalents	\$ 1,523,512	501,521	3,230,204	2,280,747
Accounts Receivable, Net	3,097,448	2,812,589	2,365,360	2,183,641
Supplies Inventory	385,833	367,873	361,272	343,909
Other Current Assets	1,652,013	1,471,343	1,479,535	1,283,925
Current Portion of Assets Whose Use is Limited	820,512	479,723	1,227,531	885,284
Total Current Assets	7,479,318	5,633,049	8,663,902	6,977,506
Assets Whose Use is Limited	12,700,983	9,337,453	11,505,848	8,308,067
Property, Plant, and Equipment, Net	11,278,879	10,003,341	11,033,440	9,866,197
Other Assets	3,496,935	3,685,048	3,451,231	3,687,795
Total Assets	\$ 34,956,115	28,658,891	34,654,421	28,839,565
Current Liabilities:				
Current Portion of Long-Term Debt	118,883	108,380	127,107	110,353
Master Trust Debt Classified as Short-Term	684,660	684,660	933,860	933,860
Accounts Payable	1,402,979	1,216,941	1,155,330	978,443
Accrued Compensation	1,679,434	1,514,322	1,452,606	1,321,568
Other Current Liabilities	3,475,380	2,596,455	3,020,050	2,106,505
Total Current Liabilities	7,361,336	6,120,758	6,688,953	5,450,729
Long-Term Debt, Net of Current Portion	6,036,511	5,707,623	6,061,327	5,698,916
Pension Benefit Obligation	1,131,740	1,131,740	1,202,762	1,202,862
Other Liabilities	3,005,005	1,816,118	3,985,353	2,739,486
Total Liabilities	\$ 17,534,592	14,776,239	17,938,395	15,091,993
Net Assets:				
Controlling Interests	15,371,750	12,799,042	14,857,133	12,741,287
Noncontrolling Interests	334,501	(533)	308,509	(533)
Net Assets Without Donor Restrictions	15,706,251	12,798,509	15,165,642	12,740,754
Net Assets With Donor Restrictions	1,715,272	1,084,143	1,550,384	1,006,818
Total Net Assets	17,421,523	13,882,652	16,716,026	13,747,572
Total Liabilities and Net Assets	\$ 34,956,115	28,658,891	34,654,421	28,839,565



EXHIBIT 7.5 - KEY PERFORMANCE METRICS

	Ended September 30, 2021		Ended September 30, 2020	
	Consolidated	Obligated	Consolidated	Obligated
Inpatient Admissions	343,431	328,441	334,304	329,008
Acute Patient Days	1,880,693	1,806,874	1,719,995	1,685,213
Acute Outpatient Visits	9,853,749	9,225,647	8,616,991	8,170,962
Primary Care Visits	9,957,045	6,391,765	8,947,530	5,529,388
Inpatient Surgeries and Procedures	141,467	135,680	140,968	138,214
Outpatient Surgeries and Procedures	362,484	244,810	288,333	211,932
Long-Term Care Admissions	3,488	3,240	4,453	4,156
Long-Term Care Patient Days	239,884	229,017	262,807	255,232
Long-Term Care Average Daily Census	229	189	229	201
Home Health Visits	835,922	578,103	869,094	556,542
Hospice Days	839,171	496,029	810,572	468,178
Housing and Assisted Living Days	330,236	143,010	453,645	169,234
Health Plan Members	669,422	n/a	697,049	n/a
Acute Average Daily Census	6,889	6,619	6,277	6,150
Acute Licensed Beds	12,049	11,299	11,892	11,563
FTEs	104,743	90,965	102,363	89,915



EXHIBIT 7.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION

	Ended September 30, 2021								
	(in 000's of dollars)								
	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
Operating Revenues:									
Net Patient Service Revenues	\$ 671,521	1,950,019	3,579,725	1,842,170	1,052,831	4,800,723	862,147	718,366	15,477,502
Premium Revenues	-	-	-	1,518,156	-	-	-	208,946	1,727,102
Capitation Revenues	-	-	130,319	26,359	68,060	1,170,569	-	4,159	1,399,466
Other Revenues	47,334	120,501	210,578	260,591	34,085	293,040	56,306	573,775	1,596,210
Total Operating Revenues	718,855	2,070,520	3,920,622	3,647,276	1,154,976	6,264,332	918,453	1,505,246	20,200,280
Operating Expenses:									
Salaries and Benefits	287,362	1,033,886	1,784,637	1,282,605	474,283	2,278,064	385,427	2,799,030	10,325,294
Supplies	97,184	339,742	632,703	360,346	172,833	892,738	177,959	412,122	3,085,627
Purchased Healthcare Services	-	890	74,501	849,686	40,934	502,670	-	98,407	1,567,088
Interest, Depreciation, and Amortization	42,108	98,105	127,133	86,345	52,521	276,457	58,560	292,897	1,034,126
Purchased Services, Professional Fees, and Other	238,786	699,690	1,304,830	994,348	452,405	2,470,788	307,945	(1,875,752)	4,593,040
Total Operating Expenses	665,440	2,172,313	3,923,804	3,573,330	1,192,976	6,420,717	929,891	1,726,704	20,605,175
Excess (Deficit) of Revenues Over Expenses From Operations	53,415	(101,793)	(3,182)	73,946	(38,000)	(156,385)	(11,438)	(221,458)	(404,895)
Total Net Non-Operating Gains	78,911	48,351	76,058	120,201	63,095	358,991	41,555	165,944	953,106
Excess (Deficit) of Revenues Over Expenses	\$ 132,326	(53,442)	72,876	194,147	25,095	202,606	30,117	(55,514)	548,211



EXHIBIT 7.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION

As of September 30, 2021

(in 000's of dollars)

	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
<u>Current Assets:</u>									
Cash and Cash Equivalents	\$ 702,465	(38,387)	378,270	1,435,056	108,951	(794,464)	244,342	(512,721)	1,523,512
Accounts Receivable, Net	163,613	364,265	597,937	272,213	178,365	1,121,150	189,378	210,527	3,097,448
Supplies Inventory	15,504	40,084	61,431	48,082	23,727	94,244	21,165	81,596	385,833
Other Current Assets	56,944	145,107	154,467	386,236	188,457	714,026	(13,594)	20,370	1,652,013
Current Portion of Assets Whose Use is Limited	-	-	-	-	334	301,349	-	518,829	820,512
Total Current Assets	938,526	511,069	1,192,105	2,141,587	499,834	1,436,305	441,291	318,601	7,479,318
Assets Whose Use is Limited	1,165,118	718,357	1,127,027	2,569,017	510,536	3,692,076	304,692	2,614,160	12,700,983
Property, Plant, and Equipment, Net	422,184	1,220,586	1,529,993	981,117	745,025	4,198,668	740,954	1,440,352	11,278,879
Other Assets	66,029	387,288	324,238	143,285	25,234	1,256,573	104,581	1,189,707	3,496,935
Total Assets	\$ 2,591,857	2,837,300	4,173,363	5,835,006	1,780,629	10,583,622	1,591,518	5,562,820	34,956,115
<u>Current Liabilities:</u>									
Current Portion of Long-Term Debt	3,616	17,101	536	(2,088)	42,772	55,642	8,402	(7,098)	118,883
Master Trust Debt Classified as Short-Term	-	-	-	-	-	86,197	-	598,463	684,660
Accounts Payable	33,839	101,233	126,827	87,103	44,322	406,457	38,718	564,480	1,402,979
Accrued Compensation	45,160	137,845	257,980	188,309	61,481	399,695	67,057	521,907	1,679,434
Other Current Liabilities	117,494	328,348	726,105	767,025	145,640	1,159,644	163,590	67,534	3,475,380
Total Current Liabilities	200,109	584,527	1,111,448	1,040,349	294,215	2,107,635	277,767	1,745,286	7,361,336
Long-Term Debt, Net of Current Portion	265,393	985,709	1,102,874	131,775	305,990	1,956,683	471,448	816,639	6,036,511
Pension Benefit Obligation	-	365,961	-	8,113	-	-	-	757,666	1,131,740
Other Liabilities	50,862	314,671	95,524	134,207	118,223	603,174	74,464	1,613,880	3,005,005
Total Liabilities	\$ 516,364	2,250,868	2,309,846	1,314,444	718,428	4,667,492	823,679	4,933,471	17,534,592
<u>Net Assets:</u>									
Controlling Interests	2,033,925	460,348	1,771,657	4,253,644	975,523	4,658,962	702,243	515,448	15,371,750
Noncontrolling Interests	11,753	6,504	-	1,783	-	268,847	19,857	25,757	334,501
Net Assets Without Donor Restrictions	2,045,678	466,852	1,771,657	4,255,427	975,523	4,927,809	722,100	541,205	15,706,251
Net Assets With Donor Restrictions	29,815	119,580	91,860	265,135	86,678	988,321	45,739	88,144	1,715,272
Total Net Assets	2,075,493	586,432	1,863,517	4,520,562	1,062,201	5,916,130	767,839	629,349	17,421,523
Total Liabilities and Net Assets	\$ 2,591,857	2,837,300	4,173,363	5,835,006	1,780,629	10,583,622	1,591,518	5,562,820	34,956,115



EXHIBIT 7.8 - KEY PERFORMANCE METRICS BY REGION

Ended September 30, 2021

	Alaska	Swedish	Washington/ Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	11,935	36,328	88,656	42,530	19,858	126,974	17,150	343,431
Acute Patient Days	93,289	212,250	521,240	247,187	110,945	597,569	98,213	1,880,693
Acute Outpatient Visits	358,123	729,766	2,438,775	2,688,216	576,885	2,483,523	569,399	9,853,749
Primary Care Visits	89,799	1,284,390	2,768,104	1,683,382	563,222	2,527,633	449,435	9,957,045
Inpatient Surgeries and Procedures	6,486	18,050	38,997	18,906	5,409	48,834	4,785	141,467
Outpatient Surgeries and Procedures	8,804	43,657	78,710	97,051	12,905	97,295	15,000	362,484
Long-Term Care Admissions	149	n/a	n/a	54	4	1,304	244	3,488
Long-Term Care Patient Days	38,922	n/a	n/a	7,287	4,258	53,035	6,609	239,884
Long-Term Care Average Daily Census	113	n/a	n/a	27	16	n/a	24	229
Home Health Visits	10,887	n/a	3,842	n/a	n/a	n/a	n/a	835,922
Hospice Days	18,226	n/a	n/a	n/a	n/a	450	50,443	839,171
Housing and Assisted Living Days	21,024	n/a	1,056	30,857	n/a	n/a	n/a	330,236
Health Plan Members	n/a	n/a	n/a	669,422	n/a	n/a	n/a	669,422
Average Daily Census	342	777	1,909	905	406	2,189	360	6,889
Acute Licensed Beds	482	1,571	2,919	1,500	809	3,846	922	12,049
FTEs	3,698	10,435	21,125	15,175	4,661	26,122	5,525	104,743