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**CONTINUING DISCLOSURE QUARTERLY REPORT**

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**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 nine months ended September 30, 2023. Providence has undertaken no responsibility to update such data since September 30, 2023, except as set forth herein. This Quarterly Report may be affected by actions taken or omitted or events occurring after the date hereof. Providence has not undertaken to determine, or to inform any person, whether any such actions are taken or omitted, or events do occur. Providence disclaims any obligation to update this Quarterly Report, or to file any reports or other information with repositories, or any other person except as specifically required by the Undertaking.

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## About Providence

### Our Organization

Providence St. Joseph Health (“Providence”) is a national, not-for-profit Catholic health system comprising a diverse family of organizations driven by a belief that health is a human right. With 51 hospitals, over 1,000 clinics, and many other health and educational services, our health System employs more than 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 recent pandemic. We are reimagining the future of health care delivery in our communities for all ages and populations. Our strategies to diversify and modernize are enabling high-quality care at more 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. 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 26,000 affiliated providers, a health plan, senior care, financial assistance programs, community health investments, and educational ministries that include a high school and university.

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

## Our Integrated Strategic & Financial Plan

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

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

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

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

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

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

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

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

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

## Our Vision: Health for a Better World

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

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

- **Surgical volumes:** Efforts are underway to address pent-up demand for surgical and other chronic care in our communities while also continuing to meet the need for higher acuity services through our clinical institutes.
- **Workforce:** With current labor shortages, the use of premium labor, including the number and wage rate of agency nurses, continues to be significantly higher than in previous years. Several initiatives are underway to reduce those expenses in combination with increasing core productivity.
- **Patient progression:** Length of stay remains significantly challenged as Providence continues to care for many in our communities who are unable to be discharged to more appropriate care settings, due to limited availability. Providence is addressing this through a variety of community partnerships, patient progression, and capacity improvement programs.
- **Cash acceleration:** Accounts receivable have been negatively impacted by COVID-19, labor shortages, technology transitions, and other macroeconomic factors. Several initiatives are underway to reduce payment friction in payments with the broader payor community. In addition, with large portions of our support services moving to hybrid or virtual work environments, management is evaluating options for underutilized administrative real estate.
- **Discretionary spend management:** We continue to take steps to improve our operating performance and liquidity, including reassessing current and new capital projects outside of those focused on patient and caregiver safety. We have also reduced discretionary spending including travel, use of third-party contractors, purchased services, and professional services. As demand returns, we are flexing our labor and supply resources to allow us to efficiently and safely provide the services required by our patients.

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

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

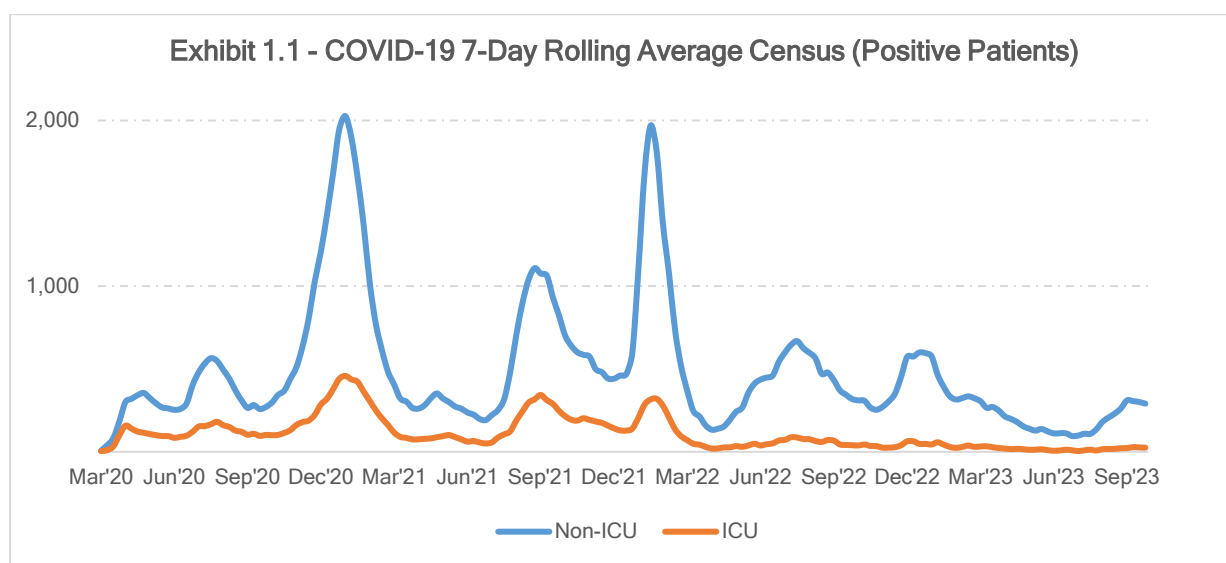
**Deconstruct and diversify healthcare.** In addition, our Deconstruct and Diversify Healthcare initiatives continue to gain momentum. We are currently focused on growing our Health Plan beyond Oregon including leveraging our capabilities in Medicare Advantage. In addition, we continue to grow our value-based care

initiatives with other payers, particularly in California. We continue to increase capacity to meet growing needs across many of our non-acute service lines (Ambulatory, Home and Community Care) and are continuing to evaluate optimal growth and capitalization opportunities.

Our diversification efforts continue to deliver success from our early investments in Truveta, Civica Rx, and Providence Ventures. In addition, our Tegria Holdings LLC (“Tegria”) and Ayin Health Solutions (“Ayin”) divisions continue to drive appreciable revenue growth while creating scalable platforms across revenue cycle, Information Technology (“IT”) and population health services, and products for clients and future partnerships.

## COVID-19 Volumes Remain Below Peak Pandemic Levels

The federal COVID-19 Public Health Emergency declaration under the Public Health Service Act expired in May 2023. COVID-19 volumes continue to remain below peak levels, as access to vaccines, treatments, and testing remain available in the communities we serve. We continue to manage ongoing fluctuations in COVID-19 cases while providing access to other comprehensive care in a safe manner for both caregivers and patients. The chart below shows Providence’s 7-day rolling average census for COVID-19 positive patients through September 2023.



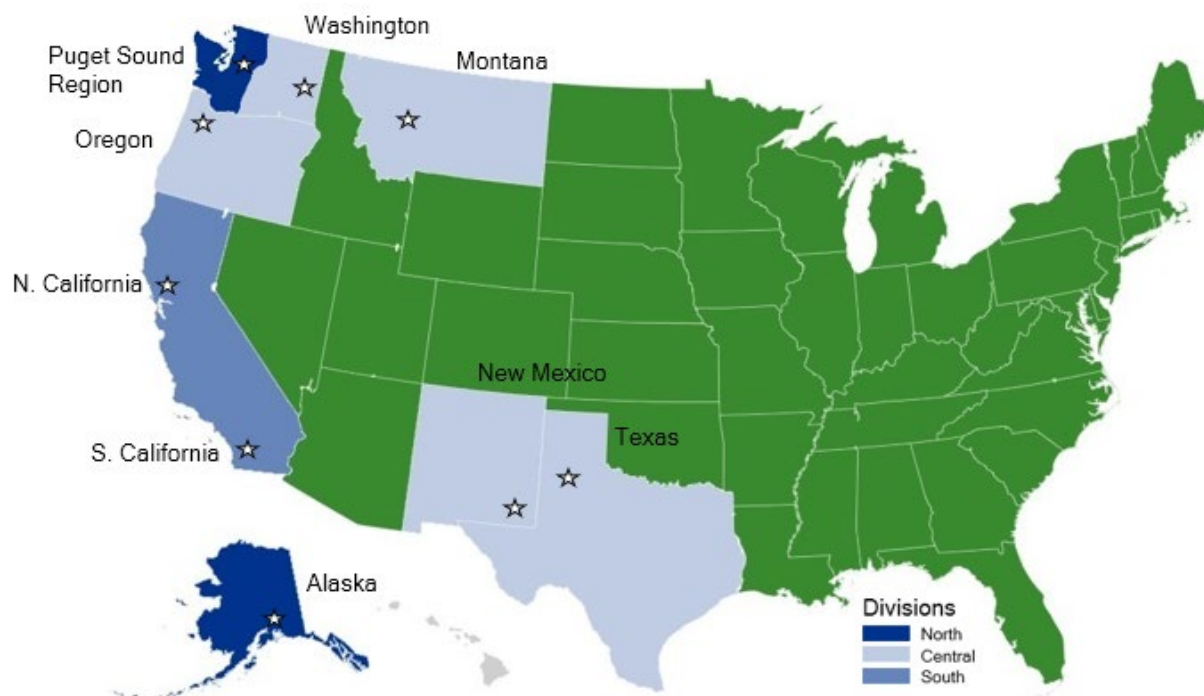
**COVID-19 relief funding.** Providence received relief in the form of grants and advance payments from the Coronavirus Aid Relief and Economic Security (“CARES”) Act. We received \$1.4 billion in total grants from the CARES Act. In 2020, the Centers for Medicare & Medicaid Services (“CMS”) distributed \$1.6 billion of COVID-19 Accelerated and Advance Payments to Providence in response to the COVID-19 Public Health Emergency, which were repaid to CMS through the offsetting of payments. The 29-month recoupment period ended in the fourth quarter of 2022 and all remaining balances were paid in October 2022.

The CARES Act delayed the timing of required federal employment tax deposits for certain employer social security taxes incurred from March 27, 2020, through December 31, 2020. Providence deferred \$365 million in social security taxes incurred during the pandemic and \$183 million of the balance was paid in December 2021. The remaining balance was paid in December 2022. During the nine months of 2023, CARES revenue earned was limited to \$2.6 million and we do not anticipate any material revenue in the future.

## Geographic Information

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

**Exhibit 1.2 - Areas We Serve**



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

EXHIBIT 1.3 - REVENUE SHARE BY GEOGRAPHIC REGION	Nine Months Ended	
	9-30-2022 <sup>(1)</sup>	9-30-2023
<u>North Division</u>		
Puget Sound Region	19%	20%
Alaska	4%	4%
<u>Central Division</u>		
Eastern Washington and Western Montana	11%	12%
Oregon <sup>(2), (3)</sup>	21%	21%
West Texas and Eastern New Mexico	4%	5%
<u>South Division</u>		
Southern California	27%	26%
Northern California	6%	6%
Other <sup>(4)</sup>	8%	6%

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

<sup>(2)</sup> Excluding the revenues from Providence Oregon's outreach laboratory services sold in the third quarter of 2023, Oregon's revenue share was 20 percent and 21 percent for the nine months ended September 30, 2023 and 2022, respectively.

<sup>(3)</sup> Includes Providence Health Plan ("PHP") by geographic location based in the state of Oregon. PHP is classified as Other on a system consolidated basis.

<sup>(4)</sup> Includes Tegria Holdings LLC, Providence Assurance LLC, and support services.

## North Division

### Puget Sound Region

The Puget Sound region includes three service areas: North Puget Sound, Central Puget Sound, and South Puget Sound, with a total inpatient market share of 27 percent in their service areas in 2021, as reported by the Comprehensive Hospital Abstract Reporting System. In the greater Puget Sound area of Washington, Providence Swedish operates 8 hospitals in King, Snohomish, Lewis and Thurston Counties, and a network of over 200 primary care and specialty clinics throughout the Puget Sound area.

### Alaska

The Alaska region includes 5 hospitals and 26 clinics with a 30 percent inpatient market share statewide in 2021, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska facilities are primarily located in the greater Anchorage area, with 49 percent inpatient market share, as reported by the Alaska Health Facilities Data Reporting Program. The Alaska region also has facilities located in the remote communities of Kodiak, Seward, and Valdez. Providence Alaska Medical Center is an acute care facility located in Anchorage and the only comprehensive tertiary referral center in the state. St. Elias Specialty Hospital, a long-term acute care hospital (the only one in the state), is also located in the Anchorage area. Three critical access hospitals are in Kodiak, Seward, and Valdez, all co-located with skilled nursing facilities.

## Central Division

### Eastern Washington and Western Montana

The Eastern Washington-Western Montana region includes 9 hospitals, with a 42 percent inpatient market share in their service areas in 2021, as reported by the Comprehensive Hospital Abstract Reporting System. The region is composed of two geographic markets: Eastern Washington and Western Montana. The region provides a variety of services, including home health and hospice care, primary and immediate care services, inpatient rehabilitation, skilled nursing and transitional care, and general acute care services.

### Oregon

The Oregon region includes 8 hospitals in Portland, Hood River, Medford, Milwaukie, Newberg, Seaside and Oregon City, with a total inpatient market share of 29 percent in their service areas in 2021, as reported by Apprise Health Insights. Providence St. Vincent Medical Center and Providence Portland Medical Center provide tertiary care to the Portland metropolitan market. The region also provides nearly 200 primary care, specialty and immediate care clinics, home health care, and housing.

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

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

### West Texas and Eastern New Mexico

The West Texas-Eastern New Mexico region includes Covenant Health System and Covenant Medical Group. Covenant Health System and its related Texas affiliates are the market’s largest health system, with 7 licensed hospitals. The inpatient market share was 37 percent in their service areas in 2021, as reported by Texas Health Care Information Collection. Covenant Health System operates Covenant Medical Center, Covenant Children’s Hospital, Covenant Health Plainview, and Covenant Health Levelland, which are Obligated Group Members. Covenant Health System also operates Covenant Specialty Hospital, a long-term acute care facility, in addition to Grace Health System, which includes Grace Clinic and Grace Surgical Hospital. Covenant Health System also operates Covenant Medical Group, a medical foundation physician network of employed



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

## **South Division**

### **Southern California**

The Southern California region includes 11 acute care hospitals in Los Angeles, Orange, and San Bernardino counties, with a total inpatient market share of 19 percent in their service areas in 2021, as reported by the Office of Statewide Health Planning and Development. In Los Angeles County, Providence includes six acute care facilities. Our largest hospital, Providence St. Joseph Medical Center, is in Burbank, with additional hospitals in Mission Hills, San Pedro, Torrance, and Santa Monica. Providence Medical Foundation operates more than 50 practice locations in the market, including Providence Facey Medical Foundation (“Facey”), Providence Medical Institute, and Providence St. John’s medical foundations. In addition, Providence has 5 acute care facilities within Orange and San Bernardino counties: Apple Valley, Fullerton, Mission Viejo, Laguna Beach, and Orange. Mission Hospital is located on two campuses in Mission Viejo and Laguna Beach, and maintains the region’s level II trauma center, as well as a women’s center.

In June 2021, Providence announced that Providence St. Mary Medical Center and Kaiser Permanente planned 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 had intended to enter into a joint venture for the ownership and operation of the new hospital facility once opened. In January 2022, Kaiser Permanente and Providence St. Mary Medical Center announced that this project is unable to proceed as planned due to regulatory constraints placed by the California Attorney General’s office. Although no assurance can be given as to when or if such project will move forward, the parties remain committed to serving the needs of the High Desert community.

In January 2022, officials from Providence and Hoag reached an agreement to end the affiliation established in 2012 by January 31, 2022. The two organizations have agreed to disaffiliate, with Hoag becoming independent from Providence and Covenant Health Network, the structure that governed the affiliation.

Providence and Cedars-Sinai have agreed to create a joint venture to own and operate Providence Tarzana Medical Center effective October 1, 2023. The hospital’s new name is Providence Cedars-Sinai Tarzana Medical Center (“PCSTMC”). PCSTMC will operate as a Catholic, not-for-profit hospital and offer an array of services including heart, vascular, orthopedic, cancer, and women’s services, and maintain the region’s largest Level III Neonatal Intensive Care Unit.

### **Northern California**

The Northern California region includes 6 hospitals in the North Coast, Humboldt, Napa, and Sonoma communities with a total inpatient market share of 30 percent in their service areas in 2021, as reported by the Office of Statewide Health Planning and Development. The acute care hospitals in Northern California include Providence Queen of the Valley Medical Center in Napa, Providence Santa Rosa Memorial Hospital, Petaluma Valley Hospital, Providence St. Joseph Hospital in Eureka, Providence Redwood Memorial Hospital in Fortuna, and Healdsburg Hospital. Providence Medical Foundation operates clinics in the region with its contracted physician partners.

## **Other**

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

## Financial Information

The summary unaudited, combined financial information as of and for the nine months ended September 30, 2023, and 2022, respectively, are presented below. The summary audited, combined financial information as of and for the fiscal year ended December 31, 2022, presented below, has been derived by the management of Providence from audited combined financial information of the System. The financial information should be read in conjunction with the audited combined financial statements of the System, including the notes thereto, and the report of KPMG LLP, independent auditors.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions, estimates, and judgments that affect the amounts reported in the combined financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. System management considers critical accounting policies to be those that require the more significant judgments and estimates in the preparation of its combined financial statements, including the following: recognition of net patient service revenues, which includes contractual allowances; impairment of long-lived assets; valuation of investments; 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	
	9-30-2022	9-30-2023
Net Patient Service Revenues	\$14,870	\$16,131
Premium Revenues	1,866	2,035
Capitation Revenues	1,426	1,462
Other Revenues	1,412	1,570
<b>Total Operating Revenues</b>	<b>19,574</b>	<b>21,198</b>
Salaries and Benefits	10,698	11,323
Supplies	3,043	3,335
Purchased Healthcare Services	1,652	1,767
Interest, Depreciation, and Amortization	961	1,054
Purchased Services, Professional Fees, and Other	4,318	4,576
<b>Total Operating Expenses</b>	<b>20,672</b>	<b>22,055</b>
<b>Deficit of Revenues Over Expenses from Operations</b>	<b>(1,098)</b>	<b>(857)</b>
Non-Operating Gains (Losses)	(1,349)	244
<b>Deficit of Revenues Over Expenses Before Disaffiliation</b>	<b>(2,447)</b>	<b>(613)</b>
Loss from Disaffiliation <sup>(1)</sup>	(3,408)	-
<b>Deficit of Revenues Over Expenses</b>	<b>\$(5,855)</b>	<b>\$(613)</b>
<b>Operating EBIDA <sup>(2)</sup></b>	<b>\$(28)</b>	<b>\$338</b>

<sup>(1)</sup> Represents the impact of the removal of Hoag's net assets from the System's combined balance sheet as a result of the disaffiliation.

<sup>(2)</sup> Excludes \$141 million for the nine months ended September 30, 2023 and \$110 million for the nine months ended September 30, 2022 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	12-31-2022	9-30-2023
<u>Current Assets:</u>		
Cash and Cash Equivalents <sup>(1)</sup>	\$1,063	\$1,428
Short-Term Investments <sup>(1)</sup>	515	174
Accounts Receivable, Net	2,841	3,124
Supplies Inventory	359	370
Other Current Assets	1,752	1,884
Current Portion of Assets Whose Use is Limited	141	257
<b>Total Current Assets</b>	<b>6,671</b>	<b>7,237</b>
Management Designated Cash and Investments <sup>(1)</sup>	7,904	6,599
Assets Whose Use is Limited	608	616
Property, Plant & Equipment, Net	10,217	9,939
Other Assets	3,508	3,606
<b>Total Assets</b>	<b>\$28,908</b>	<b>\$27,997</b>
<u>Current Liabilities:</u>		
Current Portion of Long-Term Debt	166	51
Master Trust Debt Classified as Short-Term <sup>(2)</sup>	452	-
Accounts Payable	1,915	1,461
Accrued Compensation	1,496	1,219
Other Current Liabilities	2,345	2,415
<b>Total Current Liabilities</b>	<b>6,374</b>	<b>5,146</b>
Long-Term Debt, Net of Current Portion	655	718
Master Trust Debt Classified as Long-Term <sup>(3)</sup>	6,951	7,646
Pension Benefit Obligation	678	664
Other Liabilities	2,659	2,726
<b>Total Liabilities</b>	<b>\$17,317</b>	<b>\$16,900</b>
<u>Net Assets:</u>		
Controlling Interests	9,818	9,114
Noncontrolling Interests	386	527
Net Assets without Donor Restrictions	10,204	9,641
Net Assets with Donor Restrictions	1,387	1,456
<b>Total Net Assets</b>	<b>11,591</b>	<b>11,097</b>
<b>Total Liabilities and Net Assets</b>	<b>\$28,908</b>	<b>\$27,997</b>

<sup>(1)</sup> Unrestricted Cash and Investments were \$8.2 billion as of September 30, 2023, and \$9.5 billion as of December 31, 2022.

<sup>(2)</sup> Reflects refunding of \$200 million of term loans and \$252 million of Series 2013D bonds.

<sup>(3)</sup> Includes Series 2023A, B & C private placement notes totaling \$383 million and Series 2023 taxable fixed rate refunding bonds totaling \$585 million.

## Management's Discussion and Analysis: Nine Months Ended September 30, 2023

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 months ended September 30, 2023, and 2022, respectively, are presented below.

### Results of Operations

#### Operations Summary

Operating results improved through the nine months of 2023 driven by higher demand for patient services, COVID-19 volumes remaining below peak pandemic levels, and lower length of stay as we improve patient access to post-acute care. Net patient service revenue increased 8 percent for the nine months ended September 30, 2023, compared to the same period in 2022 driven by improved rates and higher patient volumes. The System's overall results continue to be challenged by higher costs to serve patients, primarily by higher labor and supply costs. These increases were partially offset by a decrease in agency contract labor compared to the same period in 2022.

Operating EBIDA was \$338 million and the deficit of revenues over expenses from operations was \$857 million for the nine months ended September 30, 2023, representing \$366 million and \$241 million improvements to prior year, respectively. Operating EBIDA includes a \$109 million gain on sale of Providence Oregon's outreach laboratory services.

The results include the net recognition of reimbursements from provider fee programs of \$206 million (revenue of \$688 million and expense of \$482 million) for the nine months ended September 30, 2023, compared with \$194 million (revenue of \$605 million and expense of \$411 million) for the nine months ended September 30, 2022.

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

EXHIBIT 3.1 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS UNLESS NOTED	Nine Months Ended	
	9-30-2022	9-30-2023
Operating Revenues	\$19,574	\$21,198
Operating Expenses	20,672	22,055
Deficit of Revenues Over Expenses from Operations	(1,098)	(857)
Operating Margin %	(5.6)	(4.0)
Non-Operating Gains (Losses) <sup>(1)</sup>	(4,757)	244
Operating EBIDA	(28)	338
Operating EBIDA Margin %	(0.1)	1.6
Premium and Capitation Revenues	3,292	3,497
Net Service Revenue/Case Mix Adjusted Admits	11,956	12,337
Net Expense/Case Mix Adjusted Admits	14,158	14,316
Total Community Benefit	\$1,535	\$1,531
Full-Time Equivalents ("FTEs") (thousands)	103	107

<sup>(1)</sup> Includes \$3.4 billion loss from disaffiliation.

Operating EBIDA was \$104 million for the three months ended September 30, 2023, representing a decrease of \$104 million and \$110 million from prior quarter and year, respectively. The deficit of revenues over expenses from operations was \$310 million for the three months ended September 30, 2023, representing decrease of \$108 million and \$146 million from prior quarter and year, respectively. Despite an increase in operating revenues of 5 percent, overall results for the quarter were impacted by an increase in operating expenses of 7 percent compared to the prior year, driven by wage increases, higher supply costs, and higher cost to serve patient volumes. Salaries and benefits increased 8 percent for the three months ended September 30, 2023, compared to the same period in 2022. Supplies expense increased by 8 percent compared to the prior year, driven by a 21 percent increase in pharmaceutical expense.

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

EXHIBIT 3.2 - OPERATIONS SUMMARY \$ PRESENTED IN MILLIONS UNLESS NOTED	Three Months Ended	
	9-30-2022	9-30-2023
Operating Revenues	\$6,866	\$7,177
Operating Expenses	7,030	7,487
Deficit of Revenues Over Expenses from Operations	(164)	(310)
Operating Margin %	(2.4)	(4.3)
Operating EBIDA	214	104
Operating EBIDA Margin %	3.1	1.4
Premium and Capitation Revenues	1,120	1,201

## Volumes

Providence experienced higher volumes during the nine months of 2023, compared with the same period in 2022. Inpatient admissions were up 1 percent, acute adjusted admissions were up 4 percent, and case mix adjusted admissions were up 5 percent compared to prior year. Non-acute volumes grew 8 percent for the nine months ended September 30, 2023, compared with the same period in 2022, primarily driven by a 13 percent increase in outpatient surgeries and procedures, and a 5 percent increase in home health visits. During the third quarter of 2023, the System experienced higher volumes across our key volume indicators as outpatient visits increased 12 percent, and acute adjusted admissions increased 4 percent, compared with the same period in 2022.

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

EXHIBIT 3.3 - SYSTEM UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Nine Months Ended	
	9-30-2022	9-30-2023
Inpatient Admissions	316	320
Acute Adjusted Admissions	679	706
Case Mix Adjusted Admissions	1,244	1,308
Acute Patient Days	1,816	1,775
Long-Term Care Patient Days	223	247
Outpatient Visits (incl. Physicians)	19,133	20,906
Virtual Visits (incl. Telehealth)	1,059	868
Emergency Room Visits	1,444	1,459
Surgeries and Procedures	468	520
Acute Average Daily Census (Actual)	6,653	6,501
Providence Health Plan Members	674	705

## Operating Revenues

Operating revenues of \$21 billion for the nine months ended September 30, 2023 grew 8 percent compared to prior year. Net patient service revenues were \$16 billion for the nine months ended September 30, 2023, growing 8 percent from prior year. The System experienced growth in all areas as Hospital revenues grew 8 percent; Health Plans and Accountable Care revenues grew 7 percent; Physician and outpatient revenues grew 5 percent, and diversified revenues grew 16 percent compared to the same prior in prior year. In addition, capitation and premium revenues, representing 16 percent of total operating revenues, grew 6 percent during the nine months ended September 30, 2023, compared with the same period in 2022.

Operating revenues for the three months ended September 30, 2023 were \$7 billion, an increase of 5 percent, compared with the same period in 2022. Operating revenues include a \$109 million gain on sale of Providence Oregon's outreach laboratory services which occurred in September 2023. Net patient service revenues were \$5 billion for the three months ended September 30, 2023, an increase of 2 percent compared with the same period in 2022.

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

EXHIBIT 3.4 - OPERATING REVENUES BY STATE \$ PRESENTED IN MILLIONS	Nine Months Ended	
	9-30-2022	9-30-2023
Alaska	\$702	\$758
Washington	5,654	6,293
Montana	361	396
Oregon <sup>(1)</sup>	4,184	4,360
California	6,409	6,854
Texas/New Mexico	852	967
Total Revenues from Contracts with Customers <sup>(2)</sup>	18,162	19,628
Other Revenues <sup>(3)</sup>	1,412	1,570
Total Operating Revenues	\$19,574	\$21,198

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

EXHIBIT 3.5 - OPERATING REVENUES BY LINE OF BUSINESS \$ PRESENTED IN MILLIONS	Nine Months Ended	
	9-30-2022	9-30-2023
Hospitals <sup>(2)</sup>	\$12,310	\$13,323
Health Plans and Accountable Care	2,122	2,267
Physician and Outpatient Activities	2,351	2,472
Long-Term Care, Home Care, and Hospice	1,027	1,134
Other Services	352	432
Total Revenues from Contracts with Customers	18,162	19,628
Other Revenues <sup>(3)</sup>	1,412	1,570
Total Operating Revenues	\$19,574	\$21,198

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

EXHIBIT 3.6 - OPERATING REVENUES BY PAYOR <sup>(4)</sup> \$ PRESENTED IN MILLIONS	Nine Months Ended	
	9-30-2022	9-30-2023
Commercial	\$8,001	\$8,951
Medicare	6,569	6,946
Medicaid <sup>(2)</sup>	2,595	2,932
Self-pay and Other	997	799
Total Revenues from Contracts with Customers	18,162	19,628
Other Revenues <sup>(3)</sup>	1,412	1,570
Total Operating Revenues	\$19,574	\$21,198

<sup>(1)</sup> Excluding the revenues from Providence Oregon's outreach laboratory services sold in the third quarter of 2023, Oregon's revenue was \$4,322 million and \$4,141 million for the nine months ended September 30, 2023 and 2022, respectively.

<sup>(2)</sup> Includes revenue recognition of reimbursements from state provider fee programs of \$688 million for the nine months ended September 30, 2023, compared with \$605 million in the same period in 2022.

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

<sup>(4)</sup> Refer to Exhibit 7.3 for supplementary information on net patient service revenue payor mix driven by patient utilization.

## Operating Expenses

Operating expenses increased 7 percent for the nine months ended September 30, 2023, compared with the same period in 2022, driven by labor inflation and costs associated with serving higher patient volumes. Salaries and benefits expenses increased 6 percent for the nine months ended September 30, 2023, compared with the same period in 2022, as wage increases were offset by lower, albeit still elevated, premium labor expenses. Agency contract labor decreased 13 percent for the nine months ended September 30, 2023, compared to the same period in 2022. Supplies expense increased by 10 percent compared with the prior year, driven by a 13 percent increase in pharmaceutical expense and a 7 percent increase in medical supply costs.

Operating expenses increased 7 percent for the three months ended September 30, 2023, compared with the same period in 2022, driven by costs to serve higher patient volumes. Salaries and benefits increased 8 percent for the three months ended September 30, 2023, due to wage increases, partially offset by lower agency contract labor. Supplies expense increased by 8 percent compared with the prior year, driven by a 21 percent increase in pharmaceutical spend and a 4 percent increase in medical supply expense, partially offset by decrease in non-medical supplies.

### Non-Operating Activity

Non-operating gains were \$244 million for the nine months ended September 30, 2023, compared with non-operating losses (excluding disaffiliation) of \$1.3 billion for the same period in 2022. The increase was driven by investment gains of \$298 million for the nine months ended September 30, 2023, compared with investment losses of \$1.4 billion in the prior year.

## Liquidity and Capital Resources; Outstanding Indebtedness

### Unrestricted Cash and Investments

Unrestricted cash and investments totaled approximately \$8.2 billion as of September 30, 2023, compared with \$9.5 billion as of December 31, 2022. Accounts receivable remains elevated compared to historic trends due primarily to protracted payment cycles from payers. Protracted cycles are driven in part by labor shortages at the payer, increases in claim denials, and payment recoupments often occurring more than one year after service.

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

Providence's liquidity is presented for the periods indicated:

EXHIBIT 4.1 - INVESTMENTS BY DURATION \$ PRESENTED IN MILLIONS	As of	
	12-31-2022	9-30-2023
Cash and Cash Equivalents	\$1,063	\$1,428
Short-Term Investments	515	174
Long-Term Investments	7,904	6,599
Total Unrestricted Cash and Investments	\$9,482	\$8,201

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

EXHIBIT 4.2 - INVESTMENTS BY TYPE	As of	
	12-31-2022	9-30-2023
Cash and Cash Equivalents	0%	0%
Domestic and International Equities	42%	36%
Debt Securities	38%	35%
Other Securities	20%	29%

## Financial Ratios

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

EXHIBIT 4.3 - SUMMARY OF KEY RATIOS	As of	
	12-31-2022	9-30-2023
Total Debt to Capitalization %	44.1	46.5
Cash to Debt Ratio %	117.7	98.0
Days Cash on Hand <sup>(1)</sup>	129	106
Maximum Annual Debt Service (Smoothed)	493	545
Cash to Net Assets Ratio	0.93	0.85

<sup>(1)</sup> 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	
	12-31-2022	9-30-2023
Long-Term Indebtedness	\$7,117	\$7,697
Plus: Leases	655	718
Less: Current Portion of Long-Term Debt	166	51
Net Long-Term Debt	7,606	8,364
Net Assets - Without Donor Restrictions	10,204	9,641
Total Capitalization	\$17,810	\$18,005
Long-Term Debt to Capitalization %	42.7	46.5

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

EXHIBIT 4.5 - SYSTEM MADS COVERAGE \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2022	Rolling 12-Months Ended 9-30-2023 <sup>(1)</sup>
Income Available for Debt Service:		
Deficit of Revenues Over Expenses	\$(6,122)	\$(879)
Less: Unrealized (Gain) Loss on Trading Securities	1,204	(385)
Plus: (Gain) Loss on Extinguishment of Debt	(20)	2
Plus: Loss on Pension Settlement Costs and Other	18	16
Plus: Loss from Disaffiliation	3,408	-
Plus: Restructuring Costs and Other	247	247
Plus: Depreciation	929	974
Plus: Interest and Amortization	352	401
Total	\$16	\$376
MADS (Smoothed)	\$493	\$545
MADS Coverage	0.03x	0.69x

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

## System Governance and Management

### Corporate Governance

Providence serves as the parent and corporate member of PH&S and SJHS. Providence was created in connection with the combination of the multi-state health care systems of PH&S and the SJHS, which was effective on July 1, 2016 (the "Combination"). Providence has been determined to be an organization that is



exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Prior to the Combination, the sole corporate member of PH&S was Providence Ministries, which acted through its sponsors, who are five individuals appointed by the Provincial Superior of the Sisters of Providence, Mother Joseph Province. Similarly, the sole corporate member of SJHS was St. Joseph Health Ministry, a California non-profit public benefit corporation. Providence Ministries and St. Joseph Health Ministry are each a public juridic person under Canon law, responsible for assuring the Catholic identity and fidelity to the Mission of their respective systems. Pursuant to the Combination, Providence Ministries and St. Joseph Health Ministry have entered into an agreement that establishes a sponsorship model through contractual obligations exercised by the parties' sponsors collectively (the "Sponsors Council").

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

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

<b>Board of Directors</b>	<b>Term Expires (December 31)</b>	<b>Sponsors Council</b>	<b>Term Expires (December 31)</b>
Michael Murphy, Chair ‡	2025	Sr. Mary Therese Sweeney, CSJ, Chair	2028
Richard Blair †	2025	Sr. Sharon Becker, CSJ	2027
Isiaah Crawford, PhD. †	2025	Bill Cox	2023
Sr. Diane Hejna, CSJ, RN. †	2025	Russell Danielson	2023
Sr. Phyllis Hughes, RSM, PhD. †	2025	Shannon Dwyer	2025
Mary Beth Kingston, PhD., RN. Δ	2024	Jeff Flocken	2025
Mary Lyons, PhD. †	2025	Mark Koenig	2027
Sr. Carol Pacini, LCM Δ	2023	Sr. Cecilia Magladry, CSJ	2024
Charles W. Sorenson, M.D. ‡	2024	Sr. Margaret Pastro, SP	2028
Eric Sprunk Δ	2024	Barbara Savage	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 additional terms.

## Executive Leadership Team

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

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

## Environmental, Social, and Governance Standards

Providence continues to execute on our integrated strategic and financial plan, which clearly expresses our commitment and acceleration of this important work to address social, racial, and economic disparities and reduce our carbon footprint in the communities we serve. Providence advances progress on our carbon negative goal and in 2022 we estimated that we decreased emissions by approximately 12 percent compared to our 2019 baseline. In addition, our efforts led to the introduction of the Green Hospitals Act, legislation modeled after Providence that would provide critical federal funding to weatherize and modernize health care facilities.

## Support Services

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

## Obligated Group

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

For the nine months ended September 30, 2023, the unaudited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 83 percent, respectively, of Providence's totals. For the fiscal year ended December 31, 2022, the audited combined operating revenues, and total assets attributable to the Obligated Group Members were approximately 81 percent and 81 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 are the liabilities of, Sisters of Providence, Mother Joseph Province, any other Province of the Sisters of Providence, Sisters of St. Joseph of Orange, the Roman Catholic Church, or any affiliate of Providence that is not an Obligated Group Member.

## Obligated Group Utilization

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

EXHIBIT 5.1 - OBLIGATED GROUP UTILIZATION DATA PRESENTED IN THOUSANDS UNLESS NOTED	Nine Months Ended	
	9-30-2022	9-30-2023
<u>Obligated Group</u>		
Inpatient Admissions	302	307
Acute Adjusted Admissions	621	650
Acute Patient Days	1,748	1,708
Long-Term Care Patient Days	216	243
Outpatient Visits (incl. Physicians)	15,444	16,465
Emergency Room Visits	1,374	1,385
Surgeries and Procedures	371	408
Acute Average Daily Census (Actual)	6,402	6,255

## Obligated Group Capitalization

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

EXHIBIT 5.2 - OBLIGATED GROUP CAPITALIZATION \$ PRESENTED IN MILLIONS UNLESS NOTED	As of	
	12-31-2022	9-30-2023
<u>Obligated Group</u>		
Long-Term Indebtedness	\$7,093	\$7,685
Plus: Leases	384	414
Less: Current Portion of Long-Term Debt	156	39
Net Long-Term Debt	7,321	8,060
Net Assets - Without Donor Restrictions	7,986	7,309
Total Capitalization	\$15,307	\$15,369
Long-Term Debt to Capitalization %	47.8	52.4

## Outstanding Master Trust Indenture Obligations

As of September 30, 2023, Providence had Obligations outstanding under the Master Indenture totaling \$7.5 billion. This excludes Obligations that secure interest rate or other swap transactions, 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, 2022.

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

## Control of Certain Obligated Group Members

### General

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

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

### Northern California Region

SJHS is the sole member of St. Joseph Health Northern California, LLC, which operates the hospital facilities known as Providence Santa Rosa Memorial Hospital, Providence Queen of the Valley Medical Center, Providence St. Joseph Hospital, and Providence Redwood Memorial Hospital. The corporate entities of Providence Santa Rosa Memorial Hospital, Providence Queen of the Valley Medical Center, Providence St.

Joseph Hospital, and Providence Redwood Memorial Hospital, each a California nonprofit public benefit corporation (collectively, the “Hospitals”) transferred their assets to SJHNC effective as of April 1, 2018. Effective December 31, 2019, those four remaining corporate entities in connection with this reorganization were dissolved.

## **Southern California Region**

Effective January 19, 2022, Hoag Hospital withdrew as an Obligated Group Member under the Master Trust Indenture dated as of May 1, 2003. Providence’s disaffiliation of Hoag also includes the dissolution of CHN, a third-party member.

## **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 Health Care Ventures, Inc., as Washington corporation that invests in health care activities; Tegria Holdings LLC, a for-profit entity that provides technologies and services to the health care sector; various not-for-profit corporations that own and operate assisted living facilities and low-income housing projects, including housing facilities for the elderly; and the University of Providence formerly known as University of Great Falls, located in Great Falls, Montana. Providence also includes multiple operations involving or supporting home health, outpatient surgery, imaging services and other professional services provided through for-profit and non-profit entities that are not part of the Obligated Group. These entities are organized as subsidiaries of Providence, partnerships, or joint ventures with other entities. Obligated Group Members also may engage in informal alliances and/or contract-based physician relationships. Affiliates that are not Obligated Group Members are referred to in this Quarterly Report as the Non-Obligated Group System

Affiliates. Certain Non-Obligated Group System Affiliates that are of significant operational or strategic importance and other Non-Obligated Group System Affiliates are discussed elsewhere in this Quarterly Report only to the extent they are viewed by management to be of operational or strategic importance.

## **Providence Clinical Network**

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

## **Population Health Management**

Population Health Management forms a vital pillar in achieving our strategic plan of transforming care, delivering value-based care, and creating healthier communities together. Our goal is to maximize the health outcomes of the people in our defined populations and communities through the design, delivery, and coordination of affordable quality health care and services. We integrate solutions to address social determinants of health and eliminate health inequities. We build 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.

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

## **Providence Health Plan**

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

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

## **Ayin Health Solutions**

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**

Home & Community Care is a trusted partner for individuals and families. Our community-based care and services are geared to help in times of need, aging and illness, and at the end of life. We provide a full range of post-acute services, including assisted living, skilled nursing and rehabilitation, home health, home infusion and pharmacy services, home medical equipment, hospice and palliative care, Program of All-Inclusive Care for the Elderly locations, supportive housing, and personal home care services. As our Mission calls us to serve the most vulnerable and poor members of our community, we provide a full range of services and support to

more than 30,000 patients, participants, and residents each day. The demand for these services continues to increase in the markets we serve, creating opportunities for continued growth, innovation, and investment.

## Tegria

Tegria Holdings LLC is a Providence-owned technology, consulting and services 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 strategists, technologists, service providers and scientists who currently serve more than 500 organizations across the United States and internationally.

## 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, 2023, SJHS was party to five interest rate swap agreements with a current notional amount totaling approximately \$395 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, 2023. 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, 2022.

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 Fallback SOFR	3.519%	\$(8.5)
Fixed Payor	44.6	Jul-47	Wells Fargo	68% of 3 Month Fallback SOFR	3.520%	(2.2)
Fixed Payor	58.7	Dec-40	Wells Fargo	55.70% of 1 Month Fallback SOFR + 0.23%	3.229%	(2.4)
Fixed Payor	58.7	Dec-40	Wells Fargo	55.70% of 1 Month Fallback SOFR + 0.23%	3.229%	(2.4)
Fixed Payor	64.9	Dec-40	Wells Fargo	55.70% of 1 Month Fallback SOFR + 0.23%	3.229%	(2.6)

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, 2023, SJHS posted no collateral. 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, 2022.

## **Litigation**

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

On February 3, 2022, the Washington State Attorney General's Office filed a complaint against Providence Health & Services - Washington, Swedish Health Services, Swedish Edmonds, and Kadlec Regional Medical Center, seeking injunctive relief and civil penalties for alleged violations of the Washington State Consumer Protection Act. On January 27, 2023, the court denied the Washington State Attorney General's Office motion for Partial Summary Judgment arguing that Providence has violated the Washington State Consumer Protection Act. The Washington State Attorney General has stated that it still intends to move forward with their suit to trial, which is scheduled for February 2024. At this time, no determination can be made as to whether such litigation will have a material adverse effect on Providence, financial or otherwise.

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

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

## **Employees**

As of September 30, 2023, Providence employed more than 121,000 caregivers, representing 107,000 FTEs. Of Providence's total employees, approximately 33 percent are represented by 20 different labor unions.

Providence strives to provide employees market-competitive salaries and benefits. Management believes the salary levels and benefits packages for its employees are competitive in all the respective markets. Leadership of each of the separate employers within Providence is working to ensure the compensation and benefits are modern and reflect competitive market practices. This will require continued negotiations throughout 2023. In June 2023, Providence experienced three strikes at different facilities because of ongoing 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 invested \$1.5 billion in community benefit in the nine months ended September 30, 2023, compared with \$1.5 billion in the same period

in 2022. Our unpaid costs of Medicaid totaled \$1.1 billion for the nine months ended September 30, 2023, compared with \$1 billion for the same period in 2022.

## **Providence Information Security Program**

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

## **Insurance**

Providence has developed insurance programs that provide coverage for various insurable risks utilizing commercial products and self-insurance using a captive insurance company domiciled in Arizona with reinsurance. The program uses benchmarking and insurance, actuarial and finance analytics to guide decisions regarding the types of coverage purchased, the limits or amounts of insurance, and quality of coverage terms. The quality of insurance products is maintained in part by requiring commercial insurers to have an A rating or better from A.M. Best to be on Providence's program. Management reviews strategy at least annually with input from brokers, actuaries, and consultants. Funding of captive insurers conforms to regulatory requirements of the domicile. 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

<b>Credit Group:</b>	Obligated Group Members, Designated Affiliates, Limited Credit Group Participants, and Unlimited Credit Group Participants, collectively.																										
<b>Obligated Group or Obligated Group Members:</b>	Obligated Group Members under the Master Indenture and currently: <table> <tr> <td>Providence</td> <td>Western HealthConnect</td> </tr> <tr> <td>PH&amp;S</td> <td>Kadlec</td> </tr> <tr> <td>Providence - Washington</td> <td>SJHS</td> </tr> <tr> <td>Providence - Southern California</td> <td>St. Joseph Orange</td> </tr> <tr> <td>LCMASC</td> <td>St. Jude</td> </tr> <tr> <td>Providence - Saint John's</td> <td>Mission Hospital</td> </tr> <tr> <td>Providence - SJMC Montana</td> <td>St. Mary</td> </tr> <tr> <td>Providence - Montana</td> <td>SJHNC</td> </tr> <tr> <td>Providence - Oregon</td> <td>CHS</td> </tr> <tr> <td>Providence - Western Washington</td> <td>CMC</td> </tr> <tr> <td>Swedish</td> <td>Covenant Children's</td> </tr> <tr> <td>Swedish Edmonds</td> <td>Covenant Levelland</td> </tr> <tr> <td>PacMed</td> <td>Covenant Plainview</td> </tr> </table>	Providence	Western HealthConnect	PH&S	Kadlec	Providence - Washington	SJHS	Providence - Southern California	St. Joseph Orange	LCMASC	St. Jude	Providence - Saint John's	Mission Hospital	Providence - SJMC Montana	St. Mary	Providence - Montana	SJHNC	Providence - Oregon	CHS	Providence - Western Washington	CMC	Swedish	Covenant Children's	Swedish Edmonds	Covenant Levelland	PacMed	Covenant Plainview
Providence	Western HealthConnect																										
PH&S	Kadlec																										
Providence - Washington	SJHS																										
Providence - Southern California	St. Joseph Orange																										
LCMASC	St. Jude																										
Providence - Saint John's	Mission Hospital																										
Providence - SJMC Montana	St. Mary																										
Providence - Montana	SJHNC																										
Providence - Oregon	CHS																										
Providence - Western Washington	CMC																										
Swedish	Covenant Children's																										
Swedish Edmonds	Covenant Levelland																										
PacMed	Covenant Plainview																										
<b>Designated Affiliates:</b>	Designated Affiliates under the Master Indenture. There are currently no Designated Affiliates.																										
<b>Limited Credit Group Participants:</b>	Limited Credit Group Participants under the Master Indenture. There are currently no Limited Credit Group Participants.																										
<b>Unlimited Credit Group Participants:</b>	Unlimited Credit Group Participants under the Master Indenture. There are currently no Unlimited Credit Group Participants.																										

<b>CHS:</b>	Covenant Health System, a Texas nonprofit corporation and currently an Obligated Group Member.
<b>CMC:</b>	Covenant Medical Center, a Texas nonprofit corporation and currently an Obligated Group Member.
<b>Covenant Children's:</b>	Methodist Children's Hospital, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Children's Hospital.
<b>Covenant Levelland:</b>	Methodist Hospital Levelland, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Levelland Hospital.
<b>Covenant Plainview:</b>	Methodist Hospital Plainview, a Texas nonprofit corporation and currently an Obligated Group Member, doing business as Covenant Plainview Hospital.
<b>Kadlec:</b>	Kadlec Regional Medical Center, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>LCMASC:</b>	Little Company of Mary Ancillary Services Corporation, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<b>Mission Hospital:</b>	Mission Hospital Regional Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<b>PacMed:</b>	PacMed Clinics, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>PH&amp;S:</b>	Providence Health & Services, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>Providence - Montana:</b>	Providence Health & Services - Montana, a Montana nonprofit corporation and currently an Obligated Group Member.
<b>Providence - Oregon:</b>	Providence Health & Services - Oregon, an Oregon nonprofit corporation and currently an Obligated Group Member.
<b>Providence - Saint John's:</b>	Providence Saint John's Health Center, a California nonprofit religious corporation and currently an Obligated Group Member.

<b>Providence - SJMC Montana:</b>	Providence St. Joseph Medical Center, a Montana nonprofit corporation and currently an Obligated Group Member.
<b>Providence - Southern California:</b>	Providence Health System - Southern California, a California nonprofit religious corporation and currently an Obligated Group Member.
<b>Providence - Washington:</b>	Providence Health & Services - Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>Providence - Western Washington:</b>	Providence Health & Services - Western Washington, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>Providence St. Joseph Health, Providence, we, us, our:</b>	Providence St. Joseph Health, a Washington nonprofit corporation and currently an Obligated Group Member and the Obligated Group Agent.
<b>SJHNC:</b>	St. Joseph Health Northern California, LLC, a California limited liability company and currently an Obligated Group Member.
<b>SJHS:</b>	St. Joseph Health System, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<b>St. Joseph Orange:</b>	St. Joseph Hospital of Orange, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<b>St. Jude:</b>	St. Jude Hospital, a California nonprofit public benefit corporation and currently an Obligated Group Member, doing business as St. Jude Medical Center.
<b>St. Mary:</b>	St. Mary Medical Center, a California nonprofit public benefit corporation and currently an Obligated Group Member.
<b>Swedish:</b>	Swedish Health Services, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>Swedish Edmonds:</b>	Swedish Edmonds, a Washington nonprofit corporation and currently an Obligated Group Member.
<b>System:</b>	Providence and all entities that are included within the combined financial statements of Providence.
<b>Western HealthConnect:</b>	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, 2023, each of which is owned, operated, or managed by an Obligated Group Member:

Region	Obligated Group Member	Facility	Location(s)	Licensed Acute Care Beds*
<b>Alaska</b>	Providence Health & Services-Washington	Providence Alaska Medical Center	Anchorage	401
		Providence Kodiak Island Medical Center <sup>(1)</sup>	Kodiak	25
		Providence Seward Medical and Care Center <sup>(2)</sup>	Seward	6
		Providence Valdez Medical Center <sup>(2)</sup>	Valdez	11
<b>Puget Sound Region</b>	Swedish Edmonds	Swedish Edmonds <sup>(1)</sup>	Edmonds	217
		Swedish Medical Center Campuses <sup>(3)</sup> :		
	Swedish Health Services	Swedish Ballard	Ballard	133
		Swedish Issaquah	Issaquah	175
		Swedish Cherry Hill	Seattle	349
	Providence Health & Services-Washington	Swedish First Hill	Seattle	697
		Providence Centralia Hospital	Centralia	128
	Providence Regional Medical Center Everett	Everett	595	
	Providence St. Peter Hospital <sup>(4)</sup>	Olympia	372	
<b>Eastern Washington and Western Montana</b>	Providence Health & Services-Washington	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	Kadlec Regional Medical Center	Richland	337
		Providence Health & Services-Montana	St. Patrick Hospital	Missoula (MT)
	Providence St. Joseph Medical Center	Providence St. Joseph Medical Center	Polson (MT)	22
	<b>Oregon</b>	Providence Health & Services-Oregon	Providence Hood River Memorial Hospital	Hood River
Providence Medford Medical Center			Medford	120
Providence Milwaukie Hospital			Milwaukie	77
Providence Newberg Medical Center			Newberg	40
Providence Willamette Falls Medical Center			Oregon City	143
Providence St. Vincent Medical Center			Portland	539
Providence Portland Medical Center			Portland	483
Providence Seaside Hospital <sup>(1)</sup>			Seaside	25

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

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

<sup>(1)</sup> Leased by an Obligated Group Member

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

<sup>(3)</sup> Four campuses with three licenses

<sup>(4)</sup> Includes a 50-bed chemical dependency center

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

<sup>(6)</sup> Includes 37 acute care psychiatric beds

<sup>(7)</sup> 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, 2023, each of which is owned, operated, or managed by an Obligated Group Member:

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

<sup>(1)</sup> Leased by an Obligated Group Member

<sup>(2)</sup> 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, 2023		Ended September 30, 2022	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
<b>Operating Revenues:</b>				
Net Patient Service Revenues	\$ 16,131,290	15,248,871	14,869,715	14,062,623
Premium Revenues	2,035,371	282,450	1,865,883	243,694
Capitation Revenues	1,461,691	583,737	1,426,160	545,504
Other Revenues	1,570,071	1,009,294	1,411,783	908,284
Total Operating Revenues	21,198,423	17,124,352	19,573,541	15,760,105
<b>Operating Expenses:</b>				
Salaries and Benefits	11,322,808	9,778,314	10,698,230	9,041,447
Supplies	3,334,910	3,088,147	3,042,986	2,816,001
Purchased Healthcare Services	1,766,711	377,096	1,651,680	339,387
Interest, Depreciation, and Amortization	1,053,591	936,339	960,578	832,159
Purchased Services, Professional Fees, and Other	4,577,747	3,514,471	4,318,462	3,299,529
Total Operating Expenses	22,055,767	17,694,367	20,671,936	16,328,523
Deficit of Revenues Over Expenses From Operations	(857,344)	(570,015)	(1,098,395)	(568,418)
Non-Operating Gains (Losses)	244,353	173,879	(1,349,106)	(798,845)
Deficit of Revenues Over Expenses Before Disaffiliation	(612,991)	(396,136)	(2,447,501)	(1,367,263)
Loss from Disaffiliation	-	-	(3,407,917)	(3,407,917)
Deficit of Revenues Over Expenses	\$ (612,991)	(396,136)	(5,855,418)	(4,775,180)

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

	Ended September 30, 2023		Ended December 31, 2022	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
Net Cash Used in Operating Activities	\$ (941,957)	(595,588)	(1,342,273)	(880,521)
Net Cash Provided (Used in) Investing Activities	992,288	891,907	(279,300)	(392,058)
Net Cash Provided by Financing Activities	314,576	240,730	1,541,388	1,487,027
Increase (Decrease) in Cash and Cash Equivalents	364,907	537,049	(80,185)	214,448
Cash and Cash Equivalents, Beginning of Period	1,063,024	458,154	1,143,209	243,706
Cash and Cash Equivalents, End of Period	\$ 1,427,931	995,203	1,063,024	458,154

**EXHIBIT 7.3 - SUMMARY UNAUDITED NET PATIENT SERVICE REVENUE PAYOR MIX**

	Ended September 30, 2023		Ended September 30, 2022	
	Consolidated	Obligated	Consolidated	Obligated
Commercial	47%	48%	46%	47%
Medicare	35%	35%	36%	35%
Medicaid	16%	16%	15%	15%
Self-pay and Other	2%	1%	3%	3%



**EXHIBIT 7.4 - SUMMARY UNAUDITED AND AUDITED COMBINED BALANCE SHEETS**

	As of September 30, 2023		As of December 31, 2022	
	(in 000's of dollars)		(in 000's of dollars)	
	Consolidated	Obligated	Consolidated	Obligated
<u>Current Assets:</u>				
Cash and Cash Equivalents	\$ 1,427,931	995,203	1,063,024	458,154
Short-Term Investments	173,877	62,926	514,852	414,541
Accounts Receivable, Net	3,123,657	2,912,516	2,841,205	2,634,923
Supplies Inventory	370,181	344,615	358,925	336,549
Other Current Assets	1,884,071	1,755,791	1,751,704	1,567,084
Current Portion of Assets Whose Use is Limited	257,246	257,246	141,393	2,266
Total Current Assets	7,236,963	6,328,297	6,671,103	5,413,517
Management Designated Cash and Investments	6,598,906	3,850,625	7,903,614	5,295,537
Assets Whose Use is Limited	615,545	520,163	608,085	316,365
Property, Plant, and Equipment, Net	9,939,183	8,554,698	10,217,246	8,826,817
Other Assets	3,606,751	3,916,604	3,507,612	3,677,690
Total Assets	\$ 27,997,348	23,170,387	28,907,660	23,529,926
<u>Current Liabilities:</u>				
Current Portion of Long-Term Debt	51,447	38,930	166,210	156,496
Master Trust Debt Classified as Short-Term	-	-	452,285	452,285
Accounts Payable	1,461,108	1,317,305	1,914,960	1,681,286
Accrued Compensation	1,219,114	1,069,321	1,495,523	1,287,485
Other Current Liabilities	2,414,542	1,699,957	2,344,753	1,349,608
Total Current Liabilities	5,146,211	4,125,513	6,373,731	4,927,160
Long-Term Debt, Net of Current Portion	717,718	413,961	655,280	383,925
Master Trust Debt Classified as Long-Term	7,646,138	7,646,138	6,950,925	6,936,922
Pension Benefit Obligation	663,590	663,590	677,849	677,849
Other Liabilities	2,726,392	1,801,881	2,658,732	1,469,034
Total Liabilities	\$ 16,900,049	14,651,083	17,316,517	14,394,890
<u>Net Assets:</u>				
Controlling Interests	9,114,150	7,309,126	9,817,521	7,985,899
Noncontrolling Interests	526,660	232	386,172	(243)
Net Assets Without Donor Restrictions	9,640,810	7,309,358	10,203,693	7,985,656
Net Assets With Donor Restrictions	1,456,489	1,209,946	1,387,450	1,149,380
Total Net Assets	11,097,299	8,519,304	11,591,143	9,135,036
Total Liabilities and Net Assets	\$ 27,997,348	23,170,387	28,907,660	23,529,926





**EXHIBIT 7.5 - KEY PERFORMANCE METRICS**

	<u>Ended September 30, 2023</u>		<u>Ended September 30, 2022</u>	
	<u>Consolidated</u>	<u>Obligated</u>	<u>Consolidated</u>	<u>Obligated</u>
Inpatient Admissions	320,451	307,245	316,206	302,229
Acute Patient Days	1,774,680	1,707,713	1,816,313	1,747,710
Acute Outpatient Visits	10,255,866	9,578,967	8,842,442	8,347,151
Primary Care Visits	10,672,984	6,294,012	10,543,413	6,528,467
Inpatient Surgeries and Procedures	141,310	137,117	131,596	127,470
Outpatient Surgeries and Procedures	378,468	270,958	336,262	243,096
Long-Term Care Admissions	2,792	2,623	3,936	3,772
Long-Term Care Patient Days	247,430	243,210	223,315	216,333
Home Health Visits	845,430	592,016	805,679	568,426
Hospice Days	801,256	464,207	726,224	472,875
Housing and Assisted Living Days	341,512	211,545	463,675	182,766
Acute Average Daily Census	6,501	6,255	6,653	6,402
Acute Licensed Beds	11,293	10,671	11,353	10,673
FTEs	106,540	91,263	103,196	91,142



**EXHIBIT 7.6 - SUMMARY UNAUDITED COMBINING STATEMENTS OF OPERATIONS BY REGION**

Ended September 30, 2023

(in 000's of dollars)

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
<b>Operating Revenues:</b>									
Net Patient Service Revenues	\$ 758,261	3,889,248	2,452,313	3,270,771	1,265,948	4,281,492	967,598	(754,341)	16,131,290
Premium Revenues	-	106,134	-	181,439	197	7,547	-	1,740,054	2,035,371
Capitation Revenues	-	132,962	1,051	36,355	60,263	1,231,355	-	(295)	1,461,691
Other Revenues	65,806	230,301	172,131	365,127	55,543	236,220	56,889	388,054	1,570,071
Total Operating Revenues	824,067	4,358,645	2,625,495	3,853,692	1,381,951	5,756,614	1,024,487	1,373,472	21,198,423
<b>Operating Expenses:</b>									
Salaries and Benefits	338,185	2,253,300	1,304,341	1,709,815	564,923	2,184,229	425,709	2,542,306	11,322,808
Supplies	108,041	716,597	454,275	891,562	187,178	794,147	183,703	(593)	3,334,910
Purchased Healthcare Services	(1)	148,031	305	77,059	32,835	579,018	19	929,445	1,766,711
Interest, Depreciation, and Amortization	35,566	155,316	78,728	83,530	48,665	200,136	68,946	382,704	1,053,591
Purchased Services, Professional Fees, and Other	266,501	1,428,426	937,639	1,129,467	616,173	2,360,558	399,332	(2,560,349)	4,577,747
Total Operating Expenses	748,292	4,701,670	2,775,288	3,891,433	1,449,774	6,118,088	1,077,709	1,293,513	22,055,767
Excess (Deficit) of Revenues Over Expenses From Operations	75,775	(343,025)	(149,793)	(37,741)	(67,823)	(361,474)	(53,222)	79,959	(857,344)
Non-Operating Gains	35,184	18,419	32,639	44,536	15,565	48,427	8,793	40,790	244,353
Excess (Deficit) of Revenues Over Expenses	\$ 110,959	(324,606)	(117,154)	6,795	(52,258)	(313,047)	(44,429)	120,749	(612,991)



**EXHIBIT 7.7 - SUMMARY UNAUDITED COMBINING BALANCE SHEETS BY REGION**

As of September 30, 2023

(in 000's of dollars)

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Other/ Eliminations	Consolidated
<b>Current Assets:</b>									
Cash and Cash Equivalents	\$ 648,700	(25,432)	811,502	1,125,632	(125,115)	(2,492,558)	494,368	990,834	1,427,931
Short-Term Investments	13	-	-	-	21,346	18,705	28,862	104,951	173,877
Accounts Receivable, Net	194,770	799,420	434,573	546,709	304,508	846,459	201,936	(204,718)	3,123,657
Supplies Inventory	14,191	72,477	38,072	75,861	23,849	93,818	24,338	27,575	370,181
Other Current Assets	25,977	145,291	79,873	170,559	239,384	729,304	(15,233)	508,916	1,884,071
Current Portion of Assets Whose Use is Limited	-	-	-	-	-	-	-	257,246	257,246
<b>Total Current Assets</b>	<b>883,651</b>	<b>991,756</b>	<b>1,364,020</b>	<b>1,918,761</b>	<b>463,972</b>	<b>(804,272)</b>	<b>734,271</b>	<b>1,684,804</b>	<b>7,236,963</b>
Management Designated Cash and Investments	1,104,206	373,713	615,026	1,307,416	266,491	1,002,494	283,100	1,646,460	6,598,906
Assets Whose Use is Limited	147	21,374	3,355	28,315	8,861	25,015	4,453	524,025	615,545
Property, Plant, and Equipment, Net	399,206	1,995,448	855,883	968,686	699,625	3,141,479	838,880	1,039,976	9,939,183
Other Assets	68,976	621,371	319,071	217,654	24,505	1,048,099	132,164	1,174,911	3,606,751
<b>Total Assets</b>	<b>\$ 2,456,186</b>	<b>4,003,662</b>	<b>3,157,355</b>	<b>4,440,832</b>	<b>1,463,454</b>	<b>4,412,815</b>	<b>1,992,868</b>	<b>6,070,176</b>	<b>27,997,348</b>
<b>Current Liabilities:</b>									
Current Portion of Long-Term Debt	1,227	5,135	1,753	4,449	260	3,930	5,752	28,941	51,447
Accounts Payable	43,987	217,128	100,790	181,710	85,376	371,011	32,117	428,989	1,461,108
Accrued Compensation	20,346	127,953	89,629	85,628	42,348	157,604	38,326	657,280	1,219,114
Other Current Liabilities	14,482	104,305	62,075	90,319	95,870	547,241	271,906	1,228,344	2,414,542
<b>Total Current Liabilities</b>	<b>80,042</b>	<b>454,521</b>	<b>254,247</b>	<b>362,106</b>	<b>223,854</b>	<b>1,079,786</b>	<b>348,101</b>	<b>2,343,554</b>	<b>5,146,211</b>
Long-Term Debt, Net of Current Portion	46,320	256,623	45,097	15,436	4,684	97,682	229,516	22,360	717,718
Master Trust Debt Classified as Long-Term	141,255	1,299,517	568,293	96,624	326,883	1,356,780	629,938	3,226,848	7,646,138
Pension Benefit Obligation	-	167,278	-	2,268	-	-	-	494,044	663,590
Other Liabilities	55,088	430,703	130,202	158,828	19,821	542,241	95,799	1,293,710	2,726,392
<b>Total Liabilities</b>	<b>\$ 322,705</b>	<b>2,608,642</b>	<b>997,839</b>	<b>635,262</b>	<b>575,242</b>	<b>3,076,489</b>	<b>1,303,354</b>	<b>7,380,516</b>	<b>16,900,049</b>
<b>Net Assets:</b>									
Controlling Interests	2,087,456	1,201,841	2,083,151	3,471,315	779,586	201,900	626,396	(1,337,495)	9,114,150
Noncontrolling Interests	14,328	4,108	4,648	137	-	454,064	26,598	22,777	526,660
Net Assets Without Donor Restrictions	2,101,784	1,205,949	2,087,799	3,471,452	779,586	655,964	652,994	(1,314,718)	9,640,810
Net Assets With Donor Restrictions	31,697	189,071	71,717	334,118	108,626	680,362	36,520	4,378	1,456,489
<b>Total Net Assets</b>	<b>2,133,481</b>	<b>1,395,020</b>	<b>2,159,516</b>	<b>3,805,570</b>	<b>888,212</b>	<b>1,336,326</b>	<b>689,514</b>	<b>(1,310,340)</b>	<b>11,097,299</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,456,186</b>	<b>4,003,662</b>	<b>3,157,355</b>	<b>4,440,832</b>	<b>1,463,454</b>	<b>4,412,815</b>	<b>1,992,868</b>	<b>6,070,176</b>	<b>27,997,348</b>



**EXHIBIT 7.8 - KEY PERFORMANCE METRICS BY REGION**

Ended September 30, 2023

	Alaska	Puget Sound Region	Eastern Washington/ Western Montana	Oregon	Northern California	Southern California	West Texas/ Eastern New Mexico	Consolidated
Inpatient Admissions	12,160	71,486	47,589	45,378	20,217	107,437	16,184	320,451
Acute Patient Days	93,265	444,714	281,863	260,671	103,412	503,902	86,853	1,774,680
Acute Outpatient Visits	317,765	1,916,844	1,408,872	2,387,870	781,081	2,692,464	750,193	10,255,866
Primary Care Visits	120,614	2,496,585	2,017,449	1,721,798	724,349	3,100,994	368,968	10,672,984
Inpatient Surgeries and Procedures	6,573	32,240	23,428	18,529	8,419	44,606	7,515	141,310
Outpatient Surgeries and Procedures	8,376	65,380	60,875	108,715	21,985	92,696	20,441	378,468
Long-Term Care Admissions	n/a	1,025	451	321	n/a	826	169	2,792
Long-Term Care Patient Days	39,003	90,022	22,717	26,435	n/a	65,033	4,220	247,430
Home Health Visits	16,163	254,955	419	232,685	40,486	300,722	n/a	845,430
Hospice Days	22,103	288,620	n/a	152,502	95,128	188,679	54,224	801,256
Housing and Assisted Living Days	23,119	138,766	38,206	118,384	7,989	15,048	n/a	341,512
Average Daily Census	342	1,629	1,032	955	379	1,846	318	6,501
Acute Licensed Beds	482	2,666	1,824	1,452	807	3,246	816	11,293
FTEs	3,857	21,227	13,723	18,086	5,045	23,102	5,484	106,540