

Financial Report 2016



2016 was a challenging year for CHI – as it was for other health systems that are struggling with decreased utilization, decreased payments and fundamental changes in the way we do business.

CHI's financial performance last year was not where it needs to be. Lower patient volumes, higher labor costs, increased pharmacy prices and reduced reimbursement for Medicare and Medicaid all contributed to CHI's annual results.

In the face of these challenging circumstances, however, our mission has not wavered. In 2015, our charity care and community benefit grew by almost 13% over the previous year, to \$1.1 billion. Including the unpaid costs of Medicare, the total figure reached just over \$2 billion – a nearly 25% increase over the 2015 fiscal year.

We remain optimistic about our future – due in part to our solid balance sheet and far-reaching performance improvement plan to strengthen our health networks and continue to enhance the care we deliver to our patients.

Summary Statement of Operations

(in 000s) For the year ended June 30, 2016

Operating Revenue	\$ 15,942,506
Salaries and benefits	\$ 7,731,942
Purchased services	2,372,906
Patient care supply expenses	2,783,100
Other expenses	3,537,874
Total Operating Expense	\$ 16,425,822
(Loss) Income from operations	\$ (483,316)
Total nonoperating (losses) gains	\$ (216,112)
Net (Loss) Income	\$ (699,428)

Summary Balance Sheet

(in 000s) On June 30, 2016

Property and Equipment, Net	\$ 9,452,010
Cash and investments	\$ 7,926,423
Other assets	5,280,697
Total Assets	\$ 22,659,130
Long-term debt	\$ 9,057,274
Other liabilities	\$ 6,154,760
Net assets	\$ 7,447,096
Total Liabilities and Net Assets	\$ 22,659,130

Statistical Highlights

Fiscal year ended June 30, 2016

	2016	2015
Acute inpatient days	2,531,936	2,432,737
Acute admissions	525,234	503,285
Acute average length of stay, in days	4.8	4.8
Outpatient emergency visits	2,104,395	2,014,383
Outpatient non-emergency visits	5,916,161	5,206,205
Physician visits	10,388,816	9,422,024
Residential days	751,072	680,762
Long-term care days	503,450	454,760
Full-time equivalent employees	82,673	80,790
Employees	100,316	95,851
Acute inpatient revenues as a percentage of total	44.8%	44.6%

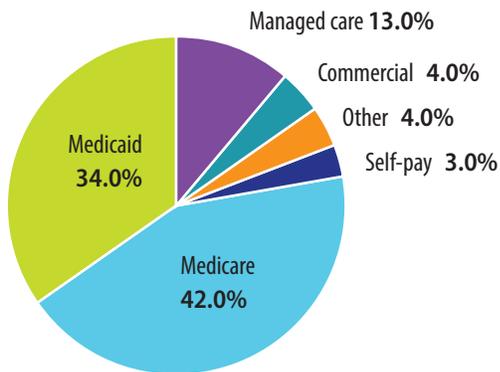


Employee Community

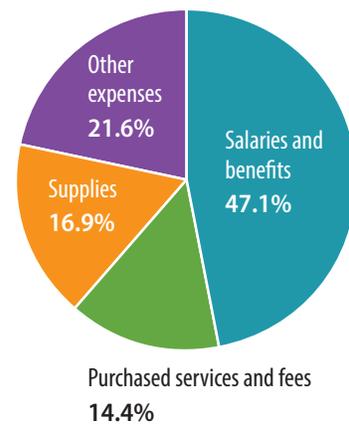
Our employee community is more than 90,000 colleagues – including 4,300 employed physicians and advanced practice clinicians – working in 18 states. They earned more than \$7.7 billion in salaries, wages and benefits while serving our patients, residents and communities.

90,000

Payer Revenue Mix



Expense Distribution



Quarterly and Annual Disclosure Statement

Catholic Health Initiatives' Quarterly and Annual Disclosure statements are available on our website. Visit the Financial Information section online: catholichealthinitiatives.org.



Community Benefit

Community benefit is one way we continue the legacy of our founding organizations and our commitment to human dignity and social justice.

At CHI, community benefit takes many forms in many settings. In our facilities, we provide care at no or reduced charge to people who don't have health insurance and can't afford to pay, or whose insurance doesn't cover the full cost of their care. In our communities, we provide a variety of free or discounted services to individuals and groups of people who are poor, disadvantaged, or have special needs.

During fiscal year 2016, we provided a total of \$1.1 billion in community benefit and financial assistance, an increase of almost 13% from fiscal year 2015. This includes the cost of supplies and labor related to free clinics, donations and other services provided to people who are poor and to meet community needs. The total also includes the cost of services in excess of reimbursement for Medicaid patients, but not the unpaid costs of the Medicare program. Including the unpaid costs of Medicare, the total figure reaches just over \$2 billion — a nearly 25% increase over the 2015 fiscal year.

