



**Colette Boudreau**

Vice President, Chief Accounting Officer

[Colette.Boudreau@sutterhealth.org](mailto:Colette.Boudreau@sutterhealth.org)

**Jonathan Ma**

Vice President, Finance & Treasurer

[Jonathan.Ma2@sutterhealth.org](mailto:Jonathan.Ma2@sutterhealth.org)

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Enclosed please find the following documents for the three months ended March 31, 2023, required pursuant to certain documents relating to certain Sutter Health System obligations.

- Unaudited financial statements of the Sutter Health System
- Continuing Disclosure Report
- Cash & Investments Report
- Officer's Certificate of the Corporation as to Compliance with No Event of Default
- Supplemental Information

Sutter Health and Affiliates  
Unaudited Interim Consolidated Financial Statements  
and  
Supplementary Information

Three months ended March 31, 2023 and 2022 and the year ended December 31, 2022

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Information contained herein is being filed by Sutter Health and Affiliates in connection with Sutter Health’s undertakings under the related continuing disclosure agreements entered in connection with the issuance of bonds issued on behalf of or by Sutter Health.

## Sutter Health and Affiliates

### Consolidated Balance Sheets (Unaudited) (Dollars in millions)

	March 31,		December 31,
	2023	2022	2022
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 640	\$ 494	\$ 514
Short-term investments	6,344	6,625	6,292
Patient accounts receivable	1,650	1,696	1,681
Other receivables	804	861	941
Inventories	131	134	131
Other	240	268	175
Total current assets	9,809	10,078	9,734
Non-current investments	1,602	1,495	1,546
Property, plant and equipment, net	7,331	7,571	7,416
Other non-current assets	1,229	775	1,235
	\$ 19,971	\$ 19,919	\$ 19,931
<b>Liabilities and net assets</b>			
Current liabilities:			
Accounts payable	\$ 767	\$ 648	\$ 871
Accrued salaries and related benefits	668	832	709
Other accrued expenses	1,127	1,582	1,134
Current portion of long-term obligations	42	25	43
Total current liabilities	2,604	3,087	2,757
Non-current liabilities:			
Long-term obligations, less current portion	4,500	4,549	4,509
Other	945	1,170	946
Net assets:			
Without donor restrictions:			
Controlling	11,327	10,502	11,129
Noncontrolling	89	97	88
With donor restrictions	506	514	502
Total net assets	11,922	11,113	11,719
	\$ 19,971	\$ 19,919	\$ 19,931

## Sutter Health and Affiliates

### Consolidated Statements of Operations and Changes in Net Assets (Unaudited) (Dollars in millions)

	Three months ended March 31,		Year ended December 31,
	2023	2022	2022
<b>Net assets without donor restrictions:</b>			
Operating revenues:			
Patient service revenues	\$ 3,208	\$ 2,972	\$ 12,564
Premium revenues	429	418	1,740
Contributions	135	94	119
Other	52	74	350
Total operating revenues	3,824	3,558	14,773
Operating expenses:			
Salaries and employee benefits	1,715	1,619	6,533
Purchased services	1,134	1,008	4,193
Supplies	474	441	1,816
Depreciation and amortization	167	176	688
Rentals and leases	42	42	178
Interest	34	35	139
Insurance	9	8	29
Other	161	134	919
Total operating expenses	3,736	3,463	14,495
Income from operations	88	95	278
Investment income	19	56	130
Change in net unrealized gains and losses on investments	82	(161)	(578)
Loss on deconsolidation of affiliate	–	(208)	(208)
Other components of net periodic postretirement cost	31	52	209
Income (loss)	220	(166)	(169)
Less income attributable to noncontrolling interests	(22)	(18)	(80)
Income (loss) attributable to Sutter Health	198	(184)	(249)

## Sutter Health and Affiliates

### Consolidated Statements of Operations and Changes in Net Assets (continued) (Unaudited) (Dollars in millions)

	Three months ended March 31,		Year ended December 31,
	2023	2022	2022
<b>Net assets without donor restrictions (continued):</b>			
Controlling:			
Income (loss) attributable to Sutter Health	\$ 198	\$ (184)	\$ (249)
Change in net unrealized gains and losses on investments classified as other-than-trading	4	(10)	(15)
Net assets released from restriction for equipment acquisition	2	6	21
Postretirement-related changes other than net periodic postretirement cost	(6)	(2)	666
Other	—	—	14
Increase (decrease) in controlling	198	(190)	437
Noncontrolling:			
Income attributable to noncontrolling interests	22	18	80
Distributions	(22)	(18)	(84)
Other	1	2	(3)
Increase (decrease) in noncontrolling	1	2	(7)
<b>Net assets with donor restrictions:</b>			
Contributions	3	9	40
Investment income	1	2	6
Change in net unrealized gains and losses on investments	5	(6)	(21)
Net assets released from restriction	(6)	(8)	(43)
Loss on deconsolidation of affiliate	—	(75)	(75)
Other	1	(1)	2
Increase (decrease) in net assets with donor restrictions	4	(79)	(91)
Increase (decrease) in net assets	203	(267)	339
Net assets at beginning of year	11,719	11,380	11,380
Net assets at end of period	\$ 11,922	\$ 11,113	\$ 11,719

## Sutter Health and Affiliates

### Consolidated Statements of Cash Flows (Unaudited) (Dollars in millions)

	Three months ended March 31,		Year ended December 31,
	2023	2022	2022
<b>Operating activities</b>			
Increase (decrease) in net assets	\$ 203	\$ (267)	\$ 339
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Loss on deconsolidation of affiliate	–	283	283
Depreciation and amortization	167	176	682
Amortization of bond issuance costs, premium and discount, net	(5)	(6)	(22)
Net realized gains and losses and change in net unrealized gains and losses on investments	(73)	139	587
Restricted contributions and related investment income	(4)	(11)	(46)
Distributions to noncontrolling interests	22	18	84
Change in net postretirement benefits	26	26	(567)
Net changes in operating assets and liabilities:			
Patient accounts receivable and other receivables	168	(171)	(236)
Inventories and other assets	(58)	(27)	(18)
Accounts payable and accrued expenses	(151)	(117)	(448)
Other non-current liabilities	(2)	(12)	(88)
Net cash provided by operating activities	293	31	550
<b>Investing activities</b>			
Purchases of property, plant and equipment	(71)	(74)	(463)
Proceeds from disposal of property, plant and equipment	–	47	98
Purchases of investments	(652)	(969)	(3,947)
Proceeds from sales of investments	617	861	3,716
Deconsolidation of affiliate	–	(129)	(129)
Other	(38)	–	(1)
Net cash used in investing activities	(144)	(264)	(726)

## Sutter Health and Affiliates

### Consolidated Statements of Cash Flows (continued) (Unaudited) (Dollars in millions)

	<b>Three months ended</b>		<b>Year ended</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>Financing activities</b>			
Payment on line of credit	\$ —	\$ (800)	\$ (800)
Proceeds from borrowings on line of credit	—	800	800
Payments of long-term obligations	(7)	(2)	(28)
Proceeds from issuance of long-term obligations	2	1	21
Restricted contributions and related investment income	4	11	46
Distributions to noncontrolling interests	(22)	(18)	(84)
Net cash used in financing activities	(23)	(8)	(45)
Net increase (decrease) in cash and cash equivalents	<b>126</b>	(241)	(221)
Cash and cash equivalents at beginning of year	<b>514</b>	735	735
Cash and cash equivalents at end of period	<b>\$ 640</b>	\$ 494	\$ 514

# Sutter Health and Affiliates

## Notes to Unaudited Interim Consolidated Financial Statements

*(Dollars in millions)*

### **ORGANIZATION**

Sutter Health is a California not-for-profit corporation that is the parent of a multi-provider integrated health care delivery system headquartered in Sacramento, California, which includes a centralized support group and various health care-related businesses operating primarily in Northern California. Sutter Health and its affiliates and subsidiaries provide health care, education, research and administrative services.

Sutter Health's integrated health care delivery system includes acute care, medical foundations, fundraising foundations, and a variety of other specialized health care services. These entities are commonly referred to as the affiliates. Most acute care hospitals provide a full range of medical services (e.g., surgical, intensive care, emergency room, and obstetrics). All emergency rooms provide emergency care, regardless of a patient's ability to pay. Sutter Health and its affiliates also serve their communities with various programs, such as health education, health libraries, school-based clinics, home health care, hospice care, adult day care, prenatal clinics, community clinics, immunization services, and health professions education.

### **ACCOUNTING POLICIES**

Basis of Consolidation: The Unaudited Interim Consolidated Financial Statements for Sutter Health and its controlled affiliates and subsidiaries (Sutter) have been prepared in accordance with United States (U.S.) Generally Accepted Accounting Principles and should be read in conjunction with Sutter's 2022 Audited Financial Statements. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Unaudited Interim Consolidated Financial Statements include all normal and recurring adjustments that are considered necessary in the opinion of management for the fair presentation of the financial position and operating results for the periods reported. Certain estimates and assumptions are made to prepare these Unaudited Interim Consolidated Financial Statements. Interim results of operations are not necessarily indicative of the results that may be expected for any future period or for a full year.

Sutter Bay Hospitals (SBH), an affiliate of Sutter Health, and Samuel Merritt University (SMU), an affiliate of SBH, mutually agreed for SMU to disaffiliate from SBH to allow each organization to respond more effectively to the needs of the communities they serve and further their respective missions. As of January 1, 2022, SMU became an independent nonprofit public benefit corporation, which resulted in a Loss on deconsolidation of affiliate of \$208 for Net assets without donor restrictions and \$75 for Net assets with donor restrictions in the Consolidated Statements of Operations and Changes in Net Assets for the three months ended March 31, 2022 and the year ended December 31, 2022.



## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **ACCOUNTING POLICIES (continued)**

Adoption of New Accounting Standards: Sutter adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, effective January 1, 2023, which changed how entities account for credit losses for most financial assets and instruments not measured at fair value through net income and requires entities to estimate an expected lifetime credit loss on financial assets. The adoption will not have a material impact on Sutter’s consolidated financial position or results of operations.

Sutter estimates the allowance for credit losses for Patient accounts receivable balances using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses.

Sutter regularly examines investments in available for sale debt securities for potential impairment losses that are “other than temporary”. Sutter evaluates whether the decline in fair value has resulted from credit losses or other factors. If the decline in fair value is determined to be a credit loss it is recorded as credit loss expense.

Securities Lending: Sutter participates in securities lending transactions with its investment custodian, whereby Sutter lends a portion of its securities to various brokers in return for securities as collateral for the securities loaned, usually on a short-term basis. Noncash collateral provided by the brokers generally approximates 102% to 105% of the fair value of the securities on loan and is adjusted for daily market fluctuations. Sutter earns a rebate on the loaned securities. Neither Sutter nor its investment custodian has the ability to pledge or sell securities received as collateral unless a borrower defaults; therefore, these transactions are not recorded on the Consolidated Balance Sheets. As of March 31, 2023 and December 31, 2022, the fair value of securities on loan is \$238 and \$269, respectively, and the related noncash collateral is \$252 and \$287, respectively. The majority of the securities on loan are U.S. equity and U.S. government securities and are collateralized by U.S. and Foreign equity securities.

Sutter’s noncontributory defined benefit plan also participates in a securities lending arrangement (see Postretirement Benefits).

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **FAIR VALUE MEASUREMENTS**

Sutter accounts for certain assets at fair value. A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

*Level 1:* Quoted prices are available in active markets for identical assets as of the measurement date.

*Level 2:* Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets.

*Level 3:* Pricing inputs are generally unobservable for the assets and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets. The fair values are therefore determined using factors that involve judgment and interpretations, including, but not limited to, private and public comparables, third-party appraisals, discounted cash flow models, fund manager estimates and net asset valuations provided by the underlying private investment companies and/or their administrators. Sutter held no Level 3 financial instruments as of March 31, 2023 and December 31, 2022.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### FAIR VALUE MEASUREMENTS (continued)

The fair value of Sutter's assets measured on a recurring basis consists of the following:

	March 31, 2023		
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Total
<b>Liquid investments</b>			
Cash equivalents	\$ 46	\$ —	\$ 46
<b>Equity securities</b>			
U.S. equity	1,005	—	1,005
Foreign equity	370	—	370
<b>Fixed income securities</b>			
U.S. government	528	—	528
U.S. government agencies	—	8	8
U.S. state and local government	—	38	38
U.S. federal agency mortgage-backed	—	468	468
Foreign government	—	226	226
U.S. corporate	16	835	851
Foreign corporate	4	223	227
	\$ 1,969	\$ 1,798	\$ 3,767
<b>Investments measured at net asset value</b>			4,179
			\$ 7,946

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### FAIR VALUE MEASUREMENTS (continued)

	December 31, 2022		
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Total
<b>Liquid investments</b>			
Cash equivalents	\$ 89	\$ –	\$ 89
<b>Equity securities</b>			
U.S. equity	952	–	952
Foreign equity	350	–	350
<b>Fixed income securities</b>			
U.S. government	568	–	568
U.S. government agencies	–	7	7
U.S. state and local government	–	36	36
U.S. federal agency mortgage-backed	–	465	465
Foreign government	–	231	231
U.S. corporate	16	934	950
Foreign corporate	3	218	221
	\$ 1,978	\$ 1,891	\$ 3,869
<b>Investments measured at net asset value</b>			3,969
			\$ 7,838

As of March 31, 2023 and December 31, 2022, the Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

U.S. government agencies securities: The fair value of investments in U.S. government agencies securities classified as Level 2 is primarily determined using consensus pricing methods of observable market-based data. Significant observable inputs include quotes, spreads, and data points for yield curves.

U.S. state and local government securities: The fair value of U.S. state and local government securities classified as Level 2 is determined using a market approach. The inputs include yield benchmark curves, prepayment speeds, and observable market data, such as institutional bids, dealer quotes, and two-sided markets.

U.S. federal agency mortgage-backed securities: The fair value of U.S. federal agency mortgage-backed securities classified as Level 2 is primarily determined using matrices. These matrices utilize observable market data of bonds with similar features, prepayment speeds, credit ratings, and discounted cash flows. Additionally, observed market

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **FAIR VALUE MEASUREMENTS (continued)**

movements, tranche cash flows, and benchmark yields are incorporated in the pricing models.

Foreign government and corporate securities: The fair value of investments in foreign government and corporate securities classified as Level 2 is primarily determined using consensus pricing methods of observable market-based data. Significant observable inputs include quotes, bid and ask yields, and issue-specific factors.

U.S. corporate securities: The fair value of investments in U.S. corporate securities classified as Level 2 is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include reported trades, dealer quotes, security-specific characteristics, and multiple sources of spread data points in developing yield curves.

Investments measured at net asset value (NAV): Certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The NAV amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Balance Sheets.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### FAIR VALUE MEASUREMENTS (continued)

Certain of the investments are reported using a calculated NAV per share (or its equivalent). These investments are not expected to be sold at amounts that are different from NAV. The following tables and explanations identify attributes relating to the nature and risk of such investments:

<b>March 31, 2023</b>				
	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled funds – U.S. equity securities	\$ 436	\$ –	Daily	1 day
Commingled funds – foreign equity securities	637	–	Semi-monthly, Monthly	5–30 days
Commingled funds – debt securities	89	–	Daily	3 days
Commodity-linked funds	316	–	Daily	None, 1 day
Hedge funds	1,676	–	Monthly, Quarterly, Annually	10–120 days
Private equity funds	597	384	None	None
Private equity real estate funds	428	332	None, Quarterly	None, 90 days
	<b>\$ 4,179</b>	<b>\$ 716</b>		

<b>December 31, 2022</b>				
	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Commingled funds – U.S. equity securities	\$ 315	\$ –	Daily	1 day
Commingled funds – foreign equity securities	564	–	Semi-monthly, Monthly	5–30 days
Commingled funds – debt securities	89	–	Daily	3 days
Commodity-linked funds	328	–	Daily	None, 1 day
Hedge funds	1,651	–	Monthly, Quarterly, Annually	10–120 days
Private equity funds	603	361	None	None
Private equity real estate funds	419	321	None, Quarterly	None, 90 days
	<b>\$ 3,969</b>	<b>\$ 682</b>		

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **FAIR VALUE MEASUREMENTS (continued)**

Commingled funds – U.S. and foreign equity securities: This class includes investments in commingled funds that invest primarily in U.S. or foreign equity securities and attempt to match the returns of specific equity indices. As of March 31, 2023, approximately 41% of this class is redeemable daily with a notice period of 1 day, and approximately 13% of this class is redeemable semi-monthly with a notice period of 5 days. The remaining 46% of this class is redeemable monthly with a notice period of 5 to 30 days.

Commingled funds – debt securities: This class includes investments in commingled funds that invest primarily in U.S. debt, of which the majority are traded in over-the-counter markets. As of March 31, 2023, these funds are redeemable daily with a notice period of 3 days.

Commodity-linked funds: This class includes commodity-linked funds that pursue long-only fully collateralized commodity futures strategies to provide diversification and inflation protection. As of March 31, 2023, these funds are redeemable daily with no notice period or a notice period of 1 day.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **FAIR VALUE MEASUREMENTS (continued)**

Hedge funds: This class includes investments in hedge funds that expand the universe of potential investment approaches available by employing a variety of strategies and techniques within and across various asset classes. The primary objective for these funds is to balance returns, while limiting volatility by allocating capital to external portfolio managers selected for expertise in one or more investment strategies that may include, but are not limited to, equity long/short, event driven, relative value, and directional. The following summarizes the redemption criteria for the hedge fund portfolio as of March 31, 2023:

<b>% of Hedge Funds</b>	<b>Redemption Criteria</b>	<b>Notice Period</b>
48%	Redeemable monthly	10–120 days
11%	Redeemable quarterly	45–120 days
1%	Redeemable within one year, with monthly gates from 25% to 100%	120 days
5%	Redeemable within one year, with quarterly gates from 25% to 100%	45–120 days
12%	Limited to a 25% gate, redeemable quarterly	60–120 days
2%	Redeemable annually	95 days
11%	Two-year rolling lock-up expiring in December 2023 and quarterly gate limited to 10% annually	60–120 days
3%	Two-year lock-up expiring in February 2025	60–90 days
2%	Three-year lock-up expiring in November 2025	75 days
5%	Redeemable over five years after a rolling annual election with quarterly payments or limited to a 5% quarterly gate	120 days

Private equity funds: This class includes domestic and foreign private equity funds that specialize in providing capital to a variety of investment groups including, but not limited to venture capital, leveraged buyout, mezzanine debt, distressed debt, and other strategies, which may include land, water processing, and alternative energy. There is no provision for redemptions during the life of these funds.

Private equity real estate funds: This class includes domestic and foreign investments in real estate that are held in limited partnership funds, joint ventures, and other investments comprised of retail, office, industrial, and multi-family properties. As of March 31, 2023, 3% of this class is redeemable quarterly, with a notice period of at least 90 days. There is no provision for redemptions during the life of these funds for the remaining 97%.



## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

	<b>March 31, 2023</b>
Tax-exempt revenue bonds under the Sutter Health Master Indenture of Trust, fixed interest at 4.0% to 5.0%, through 2048 (includes unamortized premiums of \$107 and debt issuance costs of (\$6) at March 31, 2023)	\$ 1,663
Taxable bonds under the Sutter Health Master Indenture of Trust, fixed interest at 1.32% to 4.09%, through 2050 (includes unamortized discount of (\$2) and debt issuance costs of (\$10) at March 31, 2023)	2,665
Various collateralized and unsecured obligations	12
Obligations under finance leases	202
	<u>4,542</u>
Less current portion	(42)
	<u><u>\$ 4,500</u></u>

The central financing vehicle for Sutter is the Obligated Group. Those entities that comprise the Obligated Group are each nonprofit public benefit corporations organized and existing under the laws of the State of California. Only the Obligated Group members are subject to the covenants under the Master Trust Indenture, dated as of October 1, 2020. Each Obligated Group member has granted to the Master Trustee a security interest in its gross receivables to secure the timely payment and performance of its covenants under the Master Trust Indenture.

In March 2022, Sutter Health drew \$800 on its credit facility, which it repaid in late March 2022. The revolving credit facility is used to guarantee letters of credit of \$82. There are currently no draws outstanding under this credit facility.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### LEASES

Lease-related assets and liabilities are recorded on the Consolidated Balance Sheets as follows:

	Classification	March 31,		December 31,
		2023	2022	2022
<b>Right-of-use Assets</b>				
Operating	Other non-current assets	\$ 423	\$ 391	\$ 428
Finance	Property, plant and equipment, net	170	162	174
		<u>\$ 593</u>	<u>\$ 553</u>	<u>\$ 602</u>
<b>Current Liabilities</b>				
Operating	Other accrued expenses	\$ 98	\$ 103	\$ 97
Finance	Current portion of long-term obligations	9	4	10
<b>Non-current Liabilities</b>				
Operating	Other	373	345	381
Finance	Long-term obligations, less current portion	193	188	198
		<u>\$ 673</u>	<u>\$ 640</u>	<u>\$ 686</u>

#### OPERATING REVENUES

Sutter records revenue in four financial statement categories: Patient service revenues, Premium revenues, Contributions, and Other. Performance obligations are identified based on the nature of the services provided.

Sutter elected the practical expedient and does not adjust the promised amount of consideration for the effects of a significant financing component, due to Sutter's expectation that the period between the time the service is provided and the receipt of payment will be one year or less. However, Sutter does, in certain instances, enter into payment agreements that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract. Additionally, Sutter elected to apply the optional exemption, because all of its performance obligations relate to contracts with a duration of less than one year. Therefore, Sutter is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **OPERATING REVENUES (continued)**

Patient service revenues: Sutter's Patient service revenues are reported at the amount that reflects the consideration to which Sutter expects to be paid for providing patient care. These amounts are due from patients and third-party payers, including health insurers and government programs. Patients who meet Sutter's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Generally, Sutter bills patients and third-party payers after services are performed.

Patient service revenues are recognized as performance obligations are satisfied. Inpatient services are performance obligations satisfied over time, and revenue is recognized based on actual charges incurred in relation to total expected or actual charges. Unsatisfied or partially unsatisfied performance obligations relate to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. Outpatient services are performance obligations satisfied at a point in time, and revenue is recognized when goods or services are provided and Sutter does not believe it is required to provide additional goods or services.

Sutter uses a portfolio approach to account for categories of patient contracts as a collective group, rather than recognizing revenue on an individual contract basis. The portfolios consist of major payer classes for inpatient and outpatient revenue. Based on historical collection trends, Sutter believes that revenue recognized by utilizing the portfolio approach approximates the revenue that would have been recognized if an individual contract approach had been used.

The health care industry is subject to voluminous and complex laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions and, in the case of tax-exempt affiliates, the requirements of tax exemption. Sutter Health operates an Ethics and Compliance Program, which reviews compliance with government health care program requirements and investigates allegations of non-compliance received from internal and external sources. From time to time, findings may result in repayment of monies previously received from government, other third-party payers and/or disclosure of such overpayments including, but not limited to, disclosure to CMS and its contracted agents, or the Office of Inspector General, Department of Health and Human Services. As a result, there is at least a

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **OPERATING REVENUES (continued)**

reasonable possibility that the recorded estimates may change by a material amount in the near term.

The majority of Sutter's services are provided to patients with third-party coverage, and Sutter has agreements with third-party payers that provide for payments to Sutter at contractually adjusted amounts. Patient service revenues are estimated based on the terms of the contractual agreement with the payer, Sutter's historical settlement activity, and other information. Settlements with third-party payers for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of Patient service revenues when information becomes available.

Payment arrangements are as follows:

*Medicare:* Inpatient acute care services and outpatient services provided to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis. Sutter is paid for cost-reimbursable items at a tentative rate. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. Amounts received from the Medicare programs are subject to audit and final settlement by a Medicare Administrative Contractor after submission of annual cost reports. Sutter's Medicare cost reports have been audited generally through December 31, 2018. The estimated net settlement balances and adjustments from the finalization of prior-year cost reports were immaterial in 2023 and 2022.

*Medi-Cal:* Inpatient and outpatient services provided to Medi-Cal program beneficiaries are paid either under contracted rates or cost-reimbursable items at a tentative rate. Services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member. Amounts received from Medi-Cal programs are subject to audit and final settlement by the California Department of Health Care Services after submission of annual cost reports. Sutter's Medi-Cal cost reports have been audited generally through December 31, 2018. The estimated net settlement balances and adjustments from the finalization of prior-year cost reports were immaterial in 2023 and 2022.

*Commercial:* Inpatient and outpatient services provided to patients covered under commercial insurance policies are paid using a variety of payment methodologies based on contractual agreements. The transaction price for commercial payers is reduced by explicit contractual adjustments and implicit price concessions based on collection history with this portfolio of patients.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### OPERATING REVENUES (continued)

*Other:* Inpatient and outpatient services provided to patients, not covered by third-party payers, are paid based on Sutter's policies and the patient's ability to pay. Sutter reduces the transaction price by implicit price concessions to uninsured patients and patients with uninsured balances, such as copays and deductibles. The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts Sutter expects to collect based on its collection history with this portfolio of patients. Subsequent changes to the estimates are considered variable consideration and are included in Patient service revenues when information becomes available.

As part of its Patient service revenues analysis, Sutter examines the fluctuations in payer, geographical area, and entity type, as each factor represents a varying degree of uncertainty regarding the nature, timing, and extent of payments.

The composition of Patient service revenues by payer is as follows:

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Medicare	\$ 903	\$ 850
Medi-Cal	308	294
Commercial	1,943	1,784
Other	54	44
	<b>\$ 3,208</b>	<b>\$ 2,972</b>

The composition of Patient service revenues, based on Sutter's areas of operations and entity types, is as follows:

	<b>Three months ended March 31, 2023</b>			
	<b>Sutter Health Bay Area</b>	<b>Sutter Health Valley Area</b>	<b>Other</b>	<b>Total</b>
Acute Care	\$ 1,146	\$ 953	\$ 33	\$ 2,132
Medical Foundation	712	344	-	1,056
Other	34	8	176	218
Eliminations	(30)	(31)	(137)	(198)
	<b>\$ 1,862</b>	<b>\$ 1,274</b>	<b>\$ 72</b>	<b>\$ 3,208</b>

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### OPERATING REVENUES (continued)

	<b>Three months ended March 31, 2022</b>			
	<b>Sutter Health Bay Area</b>	<b>Sutter Health Valley Area</b>	<b>Other</b>	<b>Total</b>
Acute Care	\$ 1,066	\$ 928	\$ 31	\$ 2,025
Medical Foundation	651	310	–	961
Other	31	7	166	204
Eliminations	(30)	(27)	(161)	(218)
	\$ 1,718	\$ 1,218	\$ 36	\$ 2,972

The State of California enacted legislation for a hospital fee program to fund certain Medi-Cal coverage expansions. The program charges certain hospitals a quality assurance fee that is used to obtain federal matching funds for Medi-Cal, with the proceeds redistributed as supplemental payments to California hospitals that treat Medi-Cal patients. There are three approved hospital fee programs that had activity in 2023 and/or 2022: a 30-month hospital fee program covering the period from January 1, 2017 through June 30, 2019, a 30-month hospital fee program covering the period from July 1, 2019 through December 31, 2021, and a 12-month hospital fee program covering the period from January 1, 2022 through December 31, 2022. Supplemental payments met all criteria related to revenue recognition, and the quality assurance fees are both probable and estimable. Accordingly, all related supplemental payments have been recognized as revenue, and all related quality assurance fees have been recognized as expense in 2022.

In March 2023, a 24-month hospital fee program was established covering the period January 1, 2023 through December 31, 2024. All components have been submitted to CMS and are pending approval. The related revenue and expense did not meet criteria for revenue to be recognized and are not included in the March 31, 2023 financials.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### OPERATING REVENUES (continued)

Patient service revenues and Other expenses include amounts for the hospital fee program as follows:

	<b>Three months ended</b>		<b>Year ended</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Hospital fee program revenue	\$ —	\$ —	\$ 427
Hospital fee program expense	—	—	(252)
Income from operations from hospital fee program	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 175</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2023</b>		<b>2022</b>
Other receivables	<b>\$ 479</b>	<b>\$ 480</b>	<b>\$ 584</b>
Accounts payable	<b>\$ 232</b>	<b>\$ 213</b>	<b>\$ 310</b>

Premium revenues: Sutter has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, preferred provider organizations, and members of individual and family plans and subscribing employers for small and large cap coverage. The basis for payment to Sutter, under these agreements, includes capitated arrangements, prospectively determined rates per diagnosis, prospectively determined daily rates, rates by demographics, and rates by a number of factors, including experience. The transaction price may be reduced by discounts, reinsurance premiums, and implicit price concessions based on collection history. Other adjustments may include prior year settlements, stop-loss recoveries, ceded premiums and risk adjustment factors. Performance obligations are satisfied over the passage of time by standing ready to provide services.

Settlements with third-party payers for retroactive adjustments are considered variable consideration and are included in the determination of Premium revenues when information becomes available. Adjustments arising from a change in the transaction price and from the finalization of prior-year settlements were immaterial for the months ended March 31, 2023 and 2022, respectively.

As part of its Premium revenues analysis, Sutter examines the fluctuations in geographical area and entity type, as each factor represents a varying degree of uncertainty regarding the

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### OPERATING REVENUES (continued)

nature, timing and extent of payments. Sutter's premium revenue is reported at an amount that reflects the consideration to which Sutter expects to be paid.

The composition of Premium revenues, based on Sutter's areas of operations and lines of business, is as follows:

	<b>Three months ended March 31, 2023</b>			
	<b>Sutter Health Bay Area</b>	<b>Sutter Health Valley Area</b>	<b>Other</b>	<b>Total</b>
Acute Care	\$ 55	\$ 117	\$ –	\$ 172
Medical Foundation	84	105	–	189
Insurance	–	–	168	168
Other	–	13	27	40
Eliminations	(1)	(1)	(138)	(140)
	\$ 138	\$ 234	\$ 57	\$ 429

	<b>Three months ended March 31, 2022</b>			
	<b>Sutter Health Bay Area</b>	<b>Sutter Health Valley Area</b>	<b>Other</b>	<b>Total</b>
Acute Care	\$ 50	\$ 111	\$ –	\$ 161
Medical Foundation	85	105	–	190
Insurance	–	–	153	153
Other	–	14	27	41
Eliminations	(1)	(1)	(125)	(127)
	\$ 134	\$ 229	\$ 55	\$ 418

Contributions: Sutter receives contributions and grants from donors and government agencies. Sutter reported \$128 as contributions from the Federal Emergency Management Agency and \$87 as contributions from Relief Funds from the Department of Health & Human Services for the three months ended March 31, 2023 and 2022, respectively.

Other revenues: Sutter has additional revenue streams from health professionals, rental properties and parking. Revenue is recognized when obligations under the terms of the contract are satisfied. Revenues from these services are measured as the amount of consideration Sutter expects to receive for those services.



## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### POSTRETIREMENT BENEFITS

Sutter sponsors and participates in various employee benefit plans, including a noncontributory defined benefit plan (the “Retirement Plan”), a noncontributory defined contribution plan, and several contributory defined contribution plans. In addition, certain affiliates participate in multiemployer defined benefit retirement plans. Sutter’s total net postretirement benefits are \$51 and \$55 for the three months ended March 31, 2023 and 2022, respectively.

Sutter’s measurement date for plan assets, pension obligations and net periodic pension cost associated with the Retirement Plan is December 31. The Retirement Plan had a net pension asset of \$441 as of December 31, 2022.

Retirement Plan assets may also be loaned to various brokers in exchange for securities as collateral. The fair value of securities on loan is \$92, and the related noncash collateral is \$94, both for the three months ended March 31, 2023 and December 31, 2022. The majority of the securities on loan are U.S. equity securities and are collateralized by U.S. government securities.

Included in Controlling net assets without donor restrictions as of December 31, 2022 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service credit of \$230 and unrecognized actuarial loss of \$140.

The components of the Retirement Plan’s net periodic benefit cost are as follows:

	<b>Three months ended</b>		<b>Year ended</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Service cost	\$ 50	\$ 76	\$ 298
Interest cost	68	48	194
Expected return on plan assets	(92)	(97)	(387)
Amortization of actuarial loss	–	5	20
Amortization of prior service credit	(6)	(7)	(27)
	\$ 20	\$ 25	\$ 98

In addition to the Retirement Plan, Sutter also has noncontributory postretirement health benefit plans (the “Health Plans”). Sutter’s measurement date for plan assets, retiree medical obligations and net periodic retiree medical cost associated with the Health Plans is December 31. The Health Plans had a net accrued benefit cost of \$7 as of December 31, 2022.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### POSTRETIREMENT BENEFITS (continued)

Included in Controlling net assets without donor restrictions as of December 31, 2022 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service cost of \$8 and unrecognized actuarial gain of \$58.

The components of the Health Plans' net periodic benefit cost are as follows:

	<b>Three months ended</b>		<b>Year ended</b>
	<b>March 31,</b>		<b>December 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Service cost	\$ 2	\$ 4	\$ 15
Interest cost	4	2	10
Expected return on plan assets	(4)	(4)	(19)
Amortization of prior service cost	–	–	1
Amortization of actuarial gain	(1)	–	(1)
	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 6</b>

Certain affiliates participate in multiemployer defined benefit retirement plans. The risks of participating in multiemployer plans are different from single-employer plans in the following aspects: (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (iii) if the affiliates choose to stop participating in the multiemployer plan, the affiliates may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability. Sutter's contributions to such plans are \$4 and \$3 for the three months ended March 31, 2023 and 2022, respectively.

Sutter also maintains various defined contribution plans for eligible employees. Sutter's contributions to such plans are \$26 and \$25 for the three months ended March 31, 2023 and 2022, respectively.

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **CONTINGENCIES AND COMMITMENTS**

Contingencies: From time to time, Sutter receives and responds to investigations and requests concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes, environmental regulations, and other regulations by health care providers from federal and state regulatory agencies, including, but not limited to, Centers for Medicare & Medicaid Services (CMS), the U.S. Department of Justice (DOJ), the California Attorney General, and the California Department of Public Health. Sutter is also involved in litigation such as medical malpractice and contractual disputes, as both plaintiff and defendant, and other routine labor matters, proposed class-action complaints, tax examinations, security events resulting in potential privacy incidents, internal compliance activities (including those discussed in Operating Revenues), and regulatory investigations and examinations arising in the ordinary course of business. Based on Sutter's assessment of the matters, the uncertainty of litigation, and the preliminary stages of many of the matters, Sutter cannot estimate the reasonable possible loss or range of loss that may result from these matters, except as stated in the consolidated financial statements, including this note. However, there can be no assurance that the resolution of any of these matters will not have a material adverse effect on Sutter's consolidated financial position or results of operations. Following is a discussion of matters of note.

A plaintiff filed a civil class action lawsuit against Sutter Health and certain affiliates, alleging violations of Federal antitrust law arising out of, among other things, Sutter Health and those certain affiliates' arrangements with health plans. The court certified the class as to injunctive relief and a monetary damages class but excluded plaintiffs' damages claims and ultimately granted summary judgment against plaintiffs for the 2008-2010 time period. The trial for this matter began on February 10, 2022. On March 11, 2022, the jury returned an unanimous verdict in favor of Sutter Health and the affiliates. On April 26, 2022, plaintiffs filed a notice with the court that they will appeal the verdict and Appellants' opening brief was filed on October 3, 2022 and Sutter filed its answering brief on January 3, 2023. Appellants' reply brief was filed on February 23, 2023.

Two anonymous plaintiffs filed a civil class action lawsuit against Sutter Health, alleging Sutter Health shared the medical information of plaintiffs and a proposed class of similarly situated individuals with third parties without authorization. After Sutter Health filed several successful challenges to the sufficiency of the plaintiffs' complaint, the plaintiffs' claims are now limited to two causes of action: violation of the California Invasion of Privacy Act and breach of contract. Discovery has commenced.

Two separate proposed class-action complaints were filed against Sutter Health and subsequently consolidated by the courts, alleging that Sutter Health, as fiduciaries of Sutter Health's 403(b) savings plan (Plan), and Retirement Benefits Investment Committee (RBIC) breached the fiduciary duties of loyalty and prudence that they owed to the Plan,

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **CONTINGENCIES AND COMMITMENTS (continued)**

to plaintiffs, and others under the Employee Retirement Income Security Act (ERISA). The complaint asserts claims for: (1) breach of fiduciary duty related to the selection of investment options and failure to monitor other fiduciaries of the Plan; (2) failure to monitor against Sutter Health for failing to adequately monitor the RBIC and against the RBIC for failing to monitor delegated appointees; and (3) an alternative claim of liability for knowing breach of trust against all defendants seeking equitable relief in the event any of the defendants are not deemed a fiduciary or co-fiduciary under ERISA. The court denied Sutter Health's motion to dismiss but granted the motion to strike the jury trial.

A plaintiff filed a proposed class action lawsuit against Sutter Health and certain affiliates, premised on the theory that Sutter Health and the related affiliates submitted and received payment from plaintiff for anesthesia services that were either not provided, separately billed by a third-party anesthesiologist, or reimbursed through other charges on the affiliates' bills. The court certified the class and a bench trial is expected to be scheduled for early 2024.

A relator filed a qui tam action alleging Sutter and its affiliates misused chronometric charging for revenue codes associated with nerve blocks and recovery room care. The matter is brought pursuant to the California Insurance Frauds Prevention Act. The case has been set for a bench trial on September 18, 2023.

As of March 31, 2023, Sutter has approximately 52,000 employees. Approximately 27% of these 52,000 employees are represented by collective bargaining units and 15% of the agreements have expired or will expire within one year. Sutter is currently in negotiation or will be in negotiation during 2023 for successor agreements. While working to mitigate any potential work stoppages through successful negotiations, Sutter remains prepared to address the possibility of work stoppages. Should such disruptions occur, they may have a material adverse effect on the operations or on the financial position or results of operations of Sutter. Despite these uncertainties, Sutter remains committed to bargaining in good faith, evaluating positions that remain grounded in the realities of market pay and practices, reflecting business priorities, and acknowledging the needs of the workforce. Additionally, Sutter faces the difficulties of operating in a competitive and complex Northern California labor market and lingering effects of the COVID-19 pandemic.

Commitments: Sutter is currently compliant with pre-2030 seismic deadlines under a State of California law and continues investments to meet 2030 compliance. Sutter remains committed to prioritizing capital investments that strengthen access, affordability and quality of care. Sutter evaluates the timing and scope of capital investments, facility utilization, and resource allocations based on its mission, federal and state regulations, and

## Sutter Health and Affiliates

### Notes to Unaudited Interim Consolidated Financial Statements (continued)

*(Dollars in millions)*

#### **CONTINGENCIES AND COMMITMENTS (continued)**

the rapidly evolving health care delivery environment. The current commitments are estimated at \$1,000 (unaudited).

#### **SUBSEQUENT EVENTS**

Sutter has evaluated subsequent events and disclosed all material events through May 3, 2023, which is the date these Unaudited Interim Consolidated Financial Statements were issued.

# Sutter Health and Affiliates

## Management's Discussion & Analysis

*(Dollars in millions)*

### CONSOLIDATED ANALYSIS

#### **For the three months ended March 31, 2023, compared to the three months ended March 31, 2022**

Total operating revenues increased \$266, or 7.5%, for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Total revenues included \$128 million of Federal Emergency Management Agency recovery funds for reimbursement of costs from the COVID-19 pandemic. Patient service revenues increased \$236, or 7.9%, from the same period in 2022, primarily due to increased patient volumes.

Total operating expenses increased \$273, or 7.9%, for the three months ended March 31, 2023, compared to the three months ended March 31, 2022. Salaries and employee benefits increased \$96, or 5.9%, from the same period in 2022, primarily due to inflationary wage trends. Purchased services increased \$126, or 12.5%, from the same period in 2022, primarily due to contract labor needs. Supplies increased \$33 million, or 7.5%, from the same period in 2022, primarily due to pricing pressures.

Income from operations is \$88 for the three months ended March 31, 2023, compared to \$95 for the three months ended March 31, 2022. Earnings (excluding investment income) before interest expense, taxes, depreciation and amortization (EBITDA) is \$289 for the three months ended March 31, 2022, compared to \$306 for the three months ended March 31, 2022.

Investment income for the three months ended March 31, 2023 is \$19, compared to \$56 for the three months ended March 31, 2022, and the change in net unrealized gains and losses on investments for the three months ended March 31, 2023 is a gain of \$82, compared to a loss of \$161 for the three months ended March 31, 2022.

The Sutter Health System's asset allocation targets on March 31, 2023 are 28% equities, 30% fixed income, and 42% alternative investments, compared to 25% equities, 39% fixed income, and 36% alternative investments for the three months ended March 31, 2022.

Income attributable to Sutter Health is \$198 for the three months ended March 31, 2023, compared to a loss attributable to Sutter Health of \$184 for the three months ended March 31, 2022. The increase is due to an increase in change in net unrealized gains and losses on investments of \$243 and a prior year loss on deconsolidation of affiliate of \$208. The operating margin decreased to 2.3% from 2.7% for the same year-over-year period comparison.

## CONTINUING DISCLOSURE REPORT OF SUTTER HEALTH AS OF AND FOR THE FISCAL QUARTER ENDED MARCH 31, 2023

This report (the “Continuing Disclosure Report”) contains an update of certain information contained in Appendix A of the Offering Memorandum or Official Statements, as applicable, related to the issues identified below (collectively, the “Bonds”) pursuant to Sutter Health’s undertakings under the related continuing disclosure agreements (collectively, the “Disclosure Agreements”).

Unless otherwise required by the context, all terms used herein that are defined in the bond indentures related to the Bonds, by and between Sutter Health and Wells Fargo Bank, National Association, or by and between Sutter Health and U.S. Bank, National Association, as applicable, shall have the meanings assigned to them therein, except as set forth herein.

CUSIP*	CUSIP*
California Health Facilities Financing Authority Refunding Revenue Bonds (Sutter Health), Series 2016B	13032UDD7, 13032UDE5, 13032UDF2, 13032UDG0, 13032UDH8, 13032UDJ4, 13032UDK1, 13032UDL9, 13032UDM7, 13032UDN5, 13032UDP0, 13032UDQ8, 13032UDR6, 13032UDS4, 13032UDV7, 13032UDT2, 13032UXH6
California Health Facilities Financing Authority Refunding Revenue Bonds (Sutter Health), Series 2017A	13032UNK0, 13032UNL8, 13032UNM6, 13032UNN4, 13032UNP9, 13032UNQ7, 13032UNR5, 13032UNS3, 13032UNU8, 13032UNV6, 13032UNW4, 13032UNX2, 13032UNY0, 13032UNT1
California Health Facilities Financing Authority Revenue Bonds (Sutter Health), Series 2018A	13032UQW1, 13032UQX9, 13032UQY7, 13032UQZ4, 13032URA8, 13032URB6, 13032URC4, 13032URD2, 13032URG5, 13032URH3, 13032URJ9, 13032URK6, 13032URM2, 13032URN0, 13032URP5, 13032URE0, 13032URF7, 13032URL4
Sutter Health Taxable Bonds, Series 2018A	86944BAD5, 86944BAE3
Sutter Health Taxable Bonds, Series 2020A	86944BAF0, 86944BAG8, 86944BAH6, 86944BAJ2

\* A registered trademark of The American Bankers Association (“ABA”). CUSIP numbers are provided by the CUSIP Service Bureau (“CSB”), operated by Standard & Poor’s, a Division of The McGraw-Hill Companies on behalf of ABA. This data is not intended to create a database and does not serve in any way as a substitute for the CSB database. CUSIP numbers are provided for convenience of reference only. Sutter Health does not assume any responsibility for the accuracy of such numbers.

## Employees, Unions and Collective Bargaining Units

As of March 31, 2023, the Sutter Health system had approximately 52,000 employees, of whom approximately 33,000 were full-time employees. Approximately 6,000 of these 52,000 employees were employed by Sutter Health and the remaining employees were employed by Sutter Health affiliates. Approximately 27% of these 52,000 employees, employed at 20 Sutter Health facilities, were represented by labor unions in 61 collective bargaining units as of March 31, 2023. A total of 17 bargaining units are or will be in negotiations during 2023. Of these, 8 bargaining units are presently in negotiation for an initial agreement. The remaining 9 agreements are successor agreements that are carry-over from 2022 or have commenced or will be commencing bargaining in 2023. In connection with negotiations for an initial or successor collective bargaining agreement, there could be work stoppages or other adverse labor actions and potential sympathy walkouts. Fair, market aligned negotiations focused on finding mutually agreeable resolutions remain the best means for avoiding labor disruptions and preserving continuity of care for the communities the Sutter Health System serves. While working to mitigate any potential work stoppages through successful negotiations, the Sutter Health System remains prepared to address the possibility of work stoppages. Should such disruptions occur, they may have a material adverse effect on the operations or on the financial position or results of operations of the Obligated Group taken as a whole.

## List of Obligated Group Members

As of March 31, 2023, the Obligated Group Members consisted of the following:

- Sutter Bay Hospitals
- Sutter Bay Medical Foundation
- Sutter Coast Hospital
- Sutter Health
- Sutter Valley Hospitals
- Sutter Valley Medical Foundation
- Sutter Visiting Nurse Association and Hospice

## Obligated Group Utilization Data

The following table summarizes the Obligated Group’s acute care facility utilization data as of and for the three months ended March 31, 2023.

Obligated Group Acute Care Facility Utilization Data

Data Presented	As of and for the three months ended March 31, 2023
Licensed Beds <sup>(1)</sup>	4,089
Beds in Service	3,940
Admissions <sup>(2)</sup>	46,681
Patient Days <sup>(2)</sup>	229,901
Average Length of Stay (Days)	4.9
Occupancy % <sup>(3)</sup>	63.9%
Emergency Room Visits <sup>(4)</sup>	206,826

- (1) Conforms to the Office of Statewide Health Planning and Development’s definition of “licensed bed.”  
 (2) Excluding well newborns.  
 (3) Based on Beds in Service.  
 (4) Does not include Emergency Room patients subsequently admitted as inpatients.



## Obligated Group Medical Foundations Operating Data

The following table summarizes the operating data for medical foundations within the Obligated Group as of and for the three months ended March 31, 2023.

Obligated Group Medical Foundations Operating Data

	As of and for the three months ended March 31, 2023
Physicians	2,706
Facilities <sup>(1)</sup>	281
Outpatient Visits	2,431,858

(1) Approximate count of facilities may change over time as a result of office openings, closures and consolidations as a part of routine business operations.

## Sources of Revenues

Following are summaries of gross patient revenue for the Obligated Group by payer source for the three months ended March 31, 2023.

Obligated Group Payer Mix  
March 31, 2023

	Medicare		Medi - Cal		Commercial		Other
	Non-Risk	Risk	Non-Risk	Risk	Non-Risk	Risk	
Total Obligated Group	39.6%	4.7%	18.2%	0.5%	30.2%	4.1%	2.7%

The following table summarizes the number of individuals in each operating unit for whom certain physician independent practice associations and Sutter Health system medical foundation corporations provide health care services on a capitated basis as of March 31, 2023. Capitated members' lives covered by Sutter Health system hospital corporations and these physician associations are not included in the following table.

Capitated Members <sup>(1)</sup>  
March 31, 2023

Sutter Health Members	Sutter Health Valley Area	Sutter Health Bay Area	Total
Capitated members	163,600	118,420	282,020

(1) Includes certain physician independent practice associations, which are non-Obligated Group Members.

## Summary Financial Information

A copy of Sutter Health and its affiliate's unaudited financial statements for the three months ended March 31, 2023 (the "Financial Statements") has been provided within this package. Please note that this Continuing Disclosure Report should be read in conjunction with the Financial Statements.

## Fixed Payment Coverage Ratio

The table below sets forth the actual Obligated Group's funds generated to cover fixed payments for fiscal year 2022.

Obligated Group  
Fixed Payment Coverage Ratio  
\$ Presented In Millions

	Fiscal Year Ended December 31, 2022
Income	(249)
Plus: Depreciation and Amortization	688
Plus: Interest	139
Less: Other	<u>808</u>
Income Available For Debt Service <sup>(1)</sup>	1,386
Debt Service Requirements	185
Fixed Payment Coverage Ratio	<u>7.5</u>

(1) Calculated in accordance with the Master Trust Indenture.

## Capitalization

The following table sets forth the actual capitalization for the Obligated Group as of March 31, 2023.

Capitalization of  
The Obligated Group  
\$ Presented In Millions

	March 31, 2023
Long-Term Debt, including current portion	<u>4,542</u>
Total Long-Term Debt	4,542
Net Assets:	
Without donor restrictions	
Controlling	11,327
Noncontrolling	89
With donor restrictions	<u>506</u>
Total Net Assets	11,922
Total Capitalization	<u>16,464</u>
Long-Term Debt To Capitalization Ratio	27.6%

## Contractual Obligations and Other Commercial Commitments of the Obligated Group

The Obligated Group’s contractual debt and finance lease obligations at March 31, 2023, are shown below.

### Contractual Debt and Finance Lease Obligations As of March 31, 2023 \$ Presented In Millions

	Total Outstanding	Current Portion	Non-current 2024–2025	Non-current 2026 & Thereafter
Line of Credit <sup>(1)(2)</sup>	0	0	0	0
Long-term debt – bond principal <sup>(1)</sup>	4,239	29	363	3,847
Finance Leases <sup>(3)</sup>	202	9	10	183

<sup>(1)</sup> Secured under the Master Trust Indenture.

<sup>(2)</sup> As of the date of this Continuing Disclosure Report, Sutter Health maintains a short-term facility with commercial banks to meet temporary capital requirements and to provide flexibility in meeting the Sutter Health system’s capital needs. The aggregate amount available under this facility to Sutter Health was increased from \$500 million as of March 2021, to \$900 million as of April 2021. There are currently no draws outstanding under this credit facility that matures in February 2024. In March 2022, Sutter drew \$800 million on the credit facility, which it repaid in late March 2022.

<sup>(3)</sup> Not secured under the Master Trust Indenture. Amount reflects finance leases for the Sutter Health system.

The Obligated Group also is obligated with respect to the following contingent obligations. Sutter Health management expects to renew or replace any letters of credit as they expire, in accordance with the terms of such letters of credit.

### Contingent Commercial Obligations As of March 31, 2023 \$ Presented In Millions

	Total Commitments	Maturities Fiscal Year 2023	Maturities 2024 and thereafter
Letters of Credit <sup>(1)</sup>	84	81	3

<sup>(1)</sup> As of 12/31/2021, Sutter Health had two letters of credit in place totaling \$2.5M. In February 2022, Sutter Health added a third letter of credit in the amount of approximately \$76.6M related to the Sutter Health system’s participation as a Direct Contracting entity with the Centers for Medicare & Medicaid Service as the beneficiary. In September 2022, a fourth letter of credit was added in the amount of approximately \$4.8M. The letter of credit was also related to the Sutter Health system’s participation as a Direct Contracting entity with the Centers for Medicare and Medicaid Service as the beneficiary.

## Other Matters

This Continuing Disclosure Report is provided solely pursuant to the Disclosure Agreements. The filing of this Continuing Disclosure Report does not constitute or imply any representation (i) that all of the information provided herein is material to investors, (ii) regarding any other financial, operating or other information about Sutter Health, the Obligated Group Members or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the year to which this Continuing Disclosure Report relates (other than as contained in this Continuing Disclosure Report), or any other date specified with respect to any of the information contained in this Continuing Disclosure Report, or that no other information exists, which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. No statement or financial information in this Continuing Disclosure Report should be construed as a prediction or representation about future financial performance of Sutter Health or any other Obligated Group Member.

Dated: May 3, 2023

SUTTER HEALTH, a California nonprofit public benefit corporation, on behalf of itself and the other Obligated Group Members

By: DocuSigned by:



Brian Dean 024989DDA71844B...

Senior Vice President and Chief Financial Officer

Sutter Health and Affiliates  
Cash and Investment Balances  
*(Dollars in millions)*


	Year Ended 12/31/2022	Quarter Ended 03/31/2023
Restricted		
Charitable Contributions	\$ 474	\$ 479
Insurance Reserves/Professional Liability	442	469
Deferred Compensation and Other	14	14
Total Restricted	<u>930</u>	<u>962</u>
 Total Unrestricted	 7,422	 7,624
 Total Cash & Investments	 8,352	 8,586
Less cash and current portion	<u>(6,806)</u>	<u>(6,984)</u>
Non-current investments	<u>\$ 1,546</u>	<u>\$ 1,602</u>

Officer's Certificate of the Corporation  
as to Compliance with No Event of Default Covenant

I, Brian Dean, Senior Vice President and Chief Financial Officer of Sutter Health, do hereby certify, in accordance with Section 4.06 (b) of the Master Indenture of Trust by and between Sutter Health, the other Obligated Group Members (as defined therein) and U. S. Bank National Association, as Master Trustee, dated October 1, 2020, that, to the best of my knowledge,

No event which constitutes an Event of Default has occurred and is continuing as of the date of this certificate.

Certified by:

DocuSigned by:  
  
024989DDA71844B...  
Brian Dean  
Senior Vice President and Chief Financial Officer  
Sutter Health

May 3, 2023

Acute Care Utilization Statistics

	2020	2021	2022	Q1 2023
<b>Obligated Group Total</b>				
Current Licensed Beds <sup>1</sup>	4,041	4,049	4,089	4,089
Beds in Service <sup>2</sup>	3,886	3,883	3,940	3,940
Admissions	174,547	181,836	180,603	46,681
Patient Days	810,061	856,145	864,966	229,901
Average Length of Stay	4.6	4.7	4.8	4.9
% Occupancy Based on Beds in Service	57.1%	60.4%	60.1%	63.9%
Emergency Room Visits	691,054	752,371	810,808	206,826
Outpatient Revenues	9,294,599,548	11,093,633,212	12,528,199,328	3,400,244,757
Total Gross Revenues	23,782,920,467	27,082,676,356	28,516,014,864	7,752,934,136
Outpatient Revenue as % of Total Revenues	39.1%	41.0%	43.9%	43.9%
<b>Sutter Medical Center Sacramento</b>				
Current Licensed Beds	596	596	596	596
Beds in Service	596	596	596	596
Admissions	29,850	31,187	30,747	7,873
Patient Days	146,302	153,357	155,080	39,901
Average Length of Stay	4.9	4.9	5.0	5.1
% Occupancy Based on Beds in Service	67.3%	70.5%	71.3%	73.4%
Emergency Room Visits	85,255	92,033	100,177	24,301
Outpatient Revenues	1,232,396,364	1,482,098,896	1,617,320,339	435,161,096
Total Gross Revenues	3,932,542,371	4,414,290,772	4,525,386,931	1,218,854,744
Outpatient Revenue as % of Total Revenues	31.3%	33.6%	35.7%	35.7%
<b>Novato Community Hospital</b>				
Current Licensed Beds	47	47	47	47
Beds in Service	47	47	47	47
Admissions	1,844	1,863	1,930	511
Patient Days	6,092	5,917	6,554	1,722
Average Length of Stay	3.3	3.2	3.4	3.4
% Occupancy Based on Beds in Service	35.5%	34.5%	38.2%	40.2%
Emergency Room Visits	12,529	14,316	16,285	4,025
Outpatient Revenues	129,295,351	160,847,506	195,755,556	53,283,791
Total Gross Revenues	245,735,800	283,506,223	336,307,960	92,292,795
Outpatient Revenue as % of Total Revenues	52.6%	56.7%	58.2%	57.7%
<b>Sutter Coast Hospital</b>				
Current Licensed Beds	49	49	49	49
Beds in Service	49	49	49	49
Admissions	1,924	1,929	2,093	505
Patient Days	7,968	8,763	9,532	2,442
Average Length of Stay	4.1	4.5	4.6	4.8
% Occupancy Based on Beds in Service	44.6%	49.0%	53.3%	54.6%
Emergency Room Visits	15,328	15,510	18,811	4,378
Outpatient Revenues	178,474,519	200,578,313	222,333,020	57,319,284
Total Gross Revenues	277,554,794	317,723,086	348,424,308	90,314,476
Outpatient Revenue as % of Total Revenues	64.3%	63.1%	63.8%	63.5%
<b>Sutter Solano Medical Center</b>				
Current Licensed Beds	106	106	106	106
Beds in Service	106	106	106	106
Admissions	3,886	3,629	3,488	901
Patient Days	17,416	18,346	17,916	4,748
Average Length of Stay	4.5	5.1	5.1	5.3
% Occupancy Based on Beds in Service	45.0%	47.4%	46.3%	49.1%
Emergency Room Visits	25,196	25,507	28,302	6,946
Outpatient Revenues	232,380,968	253,603,001	294,303,935	75,733,020
Total Gross Revenues	542,153,344	581,330,353	598,150,032	161,091,120
Outpatient Revenue as % of Total Revenues	42.9%	43.6%	49.2%	47.0%

Acute Care Utilization Statistics

	2020	2021	2022	Q1 2023
<b>Sutter Davis Hospital</b>				
Current Licensed Beds	48	48	48	48
Beds in Service	48	48	48	48
Admissions	3,419	3,613	3,624	931
Patient Days	9,941	10,621	10,620	2,852
Average Length of Stay	2.9	2.9	2.93	3.06
% Occupancy Based on Beds in Service	56.7%	60.6%	60.6%	65.1%
Emergency Room Visits	23,581	27,154	32,272	7,928
Outpatient Revenues	263,710,945	322,532,447	380,542,476	101,907,427
Total Gross Revenues	447,226,267	521,063,060	579,524,778	156,553,231
Outpatient Revenue as % of Total Revenues	59.0%	61.9%	65.7%	65.1%
<b>Sutter Auburn Faith Hospital</b>				
Current Licensed Beds	64	64	64	64
Beds in Service	64	64	64	64
Admissions	3,402	3,290	3,075	815
Patient Days	11,381	11,790	11,726	3,291
Average Length of Stay	3.3	3.6	3.8	4.0
% Occupancy Based on Beds in Service	48.7%	50.5%	50.2%	56.4%
Emergency Room Visits	24,071	27,800	30,138	7,362
Outpatient Revenues	337,055,909	414,877,767	491,055,693	125,318,577
Total Gross Revenues	551,199,700	640,604,723	691,796,108	183,418,346
Outpatient Revenue as % of Total Revenues	61.1%	64.8%	71.0%	68.3%
<b>Sutter Delta Medical Center</b>				
Current Licensed Beds	145	141	141	141
Beds in Service	145	141	141	141
Admissions	6,413	6,509	6,042	1,404
Patient Days	25,710	25,794	23,260	5,668
Average Length of Stay	4.0	4.0	3.8	4.0
% Occupancy Based on Beds in Service	48.6%	50.1%	45.2%	44.1%
Emergency Room Visits	39,822	42,297	47,868	12,169
Outpatient Revenues	272,222,512	327,451,879	395,474,982	116,653,444
Total Gross Revenues	730,920,853	830,062,288	867,234,627	240,156,539
Outpatient Revenue as % of Total Revenues	37.2%	39.4%	45.6%	48.6%
<b>Sutter Lakeside Hospital</b>				
Current Licensed Beds	30	30	30	30
Beds in Service	25	25	30	30
Admissions	1,656	1,641	1,613	381
Patient Days	5,791	5,877	6,244	1,729
Average Length of Stay	3.5	3.6	3.9	4.5
% Occupancy Based on Beds in Service	63.5%	64.4%	57.0%	63.2%
Emergency Room Visits	16,674	18,014	20,525	4,792
Outpatient Revenues	168,277,343	209,602,949	229,723,185	61,070,222
Total Gross Revenues	241,811,499	287,554,074	318,931,350	84,708,344
Outpatient Revenue as % of Total Revenues	69.6%	72.9%	72.0%	72.1%
<b>Sutter Amador Hospital</b>				
Current Licensed Beds	52	52	52	52
Beds in Service	52	52	52	52
Admissions	2,208	2,164	2,190	595
Patient Days	8,616	9,401	9,411	2,644
Average Length of Stay	3.9	4.3	4.3	4.4
% Occupancy Based on Beds in Service	45.4%	49.5%	49.6%	55.7%
Emergency Room Visits	21,822	24,202	27,071	6,276
Outpatient Revenues	170,416,605	199,641,045	226,082,693	59,213,585
Total Gross Revenues	299,303,237	346,741,029	369,548,407	100,796,984
Outpatient Revenue as % of Total Revenues	56.9%	57.6%	61.2%	58.7%



Acute Care Utilization Statistics

	2020	2021	2022	Q1 2023
<b>Sutter Tracy Community Hospital</b>				
Current Licensed Beds	77	77	77	77
Beds in Service	77	77	77	77
Admissions	3,369	3,514	3,257	843
Patient Days	11,885	12,580	10,346	2,986
Average Length of Stay	3.5	3.6	3.2	3.5
% Occupancy Based on Beds in Service	42.3%	44.8%	36.8%	42.5%
Emergency Room Visits	26,518	28,344	31,957	8,438
Outpatient Revenues	257,425,444	318,933,786	339,479,343	93,451,070
Total Gross Revenues	463,449,854	545,279,435	552,828,987	156,767,218
Outpatient Revenue as % of Total Revenues	55.5%	58.5%	61.4%	59.6%
<b>Sutter Roseville Medical Center</b>				
Current Licensed Beds	352	382	382	382
Beds in Service	352	382	382	382
Admissions	20,508	23,417	24,926	6,572
Patient Days	93,181	109,886	115,560	29,703
Average Length of Stay	4.5	4.7	4.6	4.5
% Occupancy Based on Beds in Service	72.5%	78.8%	82.9%	85.2%
Emergency Room Visits	72,508	86,397	97,318	24,259
Outpatient Revenues	914,563,191	1,173,379,245	1,447,918,674	399,863,879
Total Gross Revenues	2,606,665,286	3,248,381,769	3,645,164,542	989,348,201
Outpatient Revenue as % of Total Revenues	35.1%	36.1%	39.7%	40.4%
<b>Sutter Maternity and Surgery Center</b>				
Current Licensed Beds	28	28	28	28
Beds in Service	28	28	28	28
Admissions	1,141	1,045	990	222
Patient Days	2,804	2,756	2,556	584
Average Length of Stay	2.5	2.6	2.6	2.6
% Occupancy Based on Beds in Service	27.4%	27.0%	25.0%	22.9%
Emergency Room Visits	-	-	-	-
Outpatient Revenues	156,851,940	187,201,579	207,006,812	52,340,957
Total Gross Revenues	206,326,144	236,849,371	251,850,261	62,978,994
Outpatient Revenue as % of Total Revenues	76.0%	79.0%	82.2%	83.1%
<b>Sutter Santa Rosa Regional Hospital</b>				
Current Licensed Beds	84	84	124	124
Beds in Service	84	84	124	124
Admissions	6,984	7,335	7,556	1,991
Patient Days	25,100	25,612	29,709	8,389
Average Length of Stay	3.6	3.5	3.9	4.2
% Occupancy Based on Beds in Service	81.9%	83.5%	65.6%	74.1%
Emergency Room Visits	31,126	34,121	35,624	8,722
Outpatient Revenues	442,460,823	519,987,459	593,151,457	163,320,460
Total Gross Revenues	980,330,589	1,114,642,372	1,254,594,743	346,747,991
Outpatient Revenue as % of Total Revenues	45.1%	46.7%	47.3%	47.1%
<b>Memorial Medical Center &amp; Memorial Hospital Los Banos</b>				
Current Licensed Beds	459	457	457	457
Beds in Service	419	417	457	457
Admissions	19,462	21,086	20,458	5,403
Patient Days	92,096	102,225	99,024	26,649
Average Length of Stay	4.7	4.8	4.8	4.9
% Occupancy Based on Beds in Service	60.2%	67.2%	59.4%	63.9%
Emergency Room Visits	97,202	108,223	95,095	27,646
Outpatient Revenues	1,099,494,662	1,282,742,331	1,454,269,314	372,495,869
Total Gross Revenues	2,726,780,633	3,120,079,580	3,284,960,120	868,052,351
Outpatient Revenue as % of Total Revenues	40.3%	41.1%	44.3%	42.9%

Acute Care Utilization Statistics

	2020	2021	2022	Q1 2023
<b>Alta Bates Summit Medical Center</b>				
Current Licensed Beds	892	892	892	892
Beds in Service	812	771	771	771
Admissions	25,093	25,105	23,831	6,064
Patient Days	134,381	134,620	131,513	35,629
Average Length of Stay	5.4	5.4	5.5	5.9
% Occupancy Based on Beds in Service	45.3%	47.8%	46.7%	50.6%
Emergency Room Visits	64,904	68,627	72,411	18,569
Outpatient Revenues	1,109,396,740	1,301,142,302	1,404,212,575	392,114,325
Total Gross Revenues	3,201,847,185	3,511,974,172	3,497,963,074	970,165,212
Outpatient Revenue as % of Total Revenues	34.6%	37.0%	40.1%	40.4%
<b>Mills-Peninsula Medical Center</b>				
Current Licensed Beds	301	301	301	301
Beds in Service	301	301	301	301
Admissions	11,872	12,272	12,476	3,248
Patient Days	53,237	55,741	55,002	15,935
Average Length of Stay	4.5	4.5	4.4	4.9
% Occupancy Based on Beds in Service	48.5%	50.7%	50.1%	58.0%
Emergency Room Visits	40,930	43,487	49,151	12,987
Outpatient Revenues	743,520,178	948,771,488	1,023,419,597	286,000,728
Total Gross Revenues	1,627,720,504	1,945,062,911	1,966,466,966	561,800,089
Outpatient Revenue as % of Total Revenues	45.7%	48.8%	52.0%	50.9%
<b>Menlo Park Surgical Hospital</b>				
Current Licensed Beds	16	-	-	-
Beds in Service	16	-	-	-
Admissions	141	-	-	-
Patient Days	206	-	-	-
Average Length of Stay	1.5	-	-	-
% Occupancy Based on Beds in Service	3.5%	-	-	-
Emergency Room Visits	-	-	-	-
Outpatient Revenues	24,804,628	-	-	-
Total Gross Revenues	35,044,262	-	-	-
Outpatient Revenue as % of Total Revenues	70.8%	-	-	-
<b>California Pacific Medical Center</b>				
Current Licensed Beds	565	565	565	565
Beds in Service	535	565	537	537
Admissions	22,727	23,530	23,731	6,256
Patient Days	122,383	126,004	132,315	35,191
Average Length of Stay	5.4	5.4	5.6	5.6
% Occupancy Based on Beds in Service	62.7%	61.1%	67.5%	71.8%
Emergency Room Visits	57,511	59,959	68,485	17,760
Outpatient Revenues	1,187,872,581	1,363,466,879	1,514,229,358	412,982,139
Total Gross Revenues	3,504,314,816	3,867,375,595	4,094,072,462	1,103,621,791
Outpatient Revenue as % of Total Revenues	33.9%	35.3%	37.0%	37.4%
<b>Eden Medical Center</b>				
Current Licensed Beds	130	130	130	130
Beds in Service	130	130	130	130
Admissions	8,648	8,707	8,576	2,166
Patient Days	35,571	36,855	38,598	9,838
Average Length of Stay	4.1	4.2	4.5	4.5
% Occupancy Based on Beds in Service	75.0%	77.7%	81.3%	82.9%
Emergency Room Visits	36,077	36,380	39,318	10,268
Outpatient Revenues	373,978,845	426,774,340	491,920,319	142,014,884
Total Gross Revenues	1,161,993,329	1,270,155,543	1,332,809,208	365,265,710
Outpatient Revenue as % of Total Revenues	32.2%	33.6%	36.9%	38.9%

Notes:

1. The calculation of current licensed beds conforms to the Office of Statewide Health Planning and Development's definition of "licensed bed."

Supplemental Information

Acute Care Payer Mix As of March 31, 2023	Medicare Non-Risk	Risk	Medi-Cal Non-Risk	Risk	Commercial Non-Risk	Risk	Other	Total
Sutter Medical Center-Sacramento	31.4%	7.1%	25.0%	0.6%	22.1%	6.6%	7.2%	100.0%
Sutter Solano Medical Center	48.2%	0.2%	33.4%	0.1%	16.2%	0.4%	1.5%	100.0%
Sutter Davis Hospital	33.5%	8.1%	23.1%	0.0%	29.1%	5.3%	0.9%	100.0%
Sutter Coast Hospital	47.7%	0.0%	28.7%	0.0%	22.4%	0.0%	1.3%	100.0%
Sutter Delta Medical Center	40.4%	0.3%	36.7%	0.1%	19.8%	1.2%	1.7%	100.0%
Sutter Auburn Faith Hospital	52.5%	12.5%	12.9%	0.0%	17.9%	3.2%	1.0%	100.0%
Sutter Tracy Community Hospital	38.7%	0.9%	22.5%	0.0%	34.0%	1.6%	2.5%	100.0%
Sutter Roseville Medical Center	42.6%	8.8%	17.1%	0.0%	24.5%	5.1%	1.9%	100.0%
California Pacific Medical Center	43.6%	0.6%	16.6%	3.6%	30.7%	1.3%	3.6%	100.0%
Sutter Maternity and Surgery Center	41.5%	4.4%	6.6%	0.0%	43.1%	2.6%	1.8%	100.0%
Mills Peninsula Medical Center	47.4%	6.3%	11.4%	0.0%	31.6%	2.1%	1.2%	100.0%
Sutter Lakeside Hospital	48.0%	0.0%	32.9%	0.0%	17.8%	0.1%	1.3%	100.0%
Memorial Medical Center & Memorial Hospital Los Banos	41.2%	8.9%	22.9%	0.0%	22.9%	2.6%	1.5%	100.0%
Novato Community Hospital	55.8%	0.2%	19.1%	0.0%	23.4%	0.3%	1.1%	100.0%
Alta Bates Summit Medical Center	44.9%	0.6%	26.0%	0.0%	23.5%	0.9%	4.2%	100.0%
Sutter Santa Rosa Regional Hospital	46.1%	1.2%	25.4%	0.0%	21.3%	4.3%	1.7%	100.0%
Sutter Amador Hospital	57.1%	0.6%	18.2%	0.0%	22.8%	0.3%	1.0%	100.0%
Eden Medical Center	46.7%	0.1%	26.4%	0.0%	23.5%	0.7%	2.4%	100.0%
<b>Total Acute Care Payer Mix (%)</b>	<b>42.3%</b>	<b>4.4%</b>	<b>21.8%</b>	<b>0.6%</b>	<b>24.9%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>100.0%</b>