

Quarter-End Report

The Johns Hopkins Health System Corporation and Affiliates

Three and Nine Months Ended
March 31, 2023 and 2022

UNAUDITED

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Notice to Readers

Forward Looking Information:

This quarter-end report may contain disclosures, which contain “forward looking statements” within the meaning of the Federal securities laws. Forward looking statements include all statements that do not relate solely to historical or current fact and can be identified by the use of words such as “expect”, “anticipate”, “intend”, “project”, “likely”, “may”, “might”, “estimate”, and similar words or expressions. These forward looking statements are based on the current plans and expectations of The Johns Hopkins Health System Corporation (“JHHSC”) and its affiliates (the “Affiliates”), collectively referred to as “JHHS” as of the date of this report and are subject to a number of known and unknown risks and uncertainties inherent in the operation of health care facilities, many of which are beyond JHHS’ control. Actual actions and results may differ materially from the forward looking statements. JHHS disclaims any obligation, and makes no promise, to update any such forward looking statements or to disclose any facts, events or circumstances after the date hereof that may affect the accuracy of any forward looking statement, whether as a result of changes in underlying factors, to reflect new information, as a result of the occurrence of events or developments or otherwise.

Quarter-End Financial and Operating Information:

The financial and operating information provided in this quarter-end report has been prepared on the accrual basis of accounting from records maintained by JHHS. All transactions have been included in the accounting records for financial reporting information in conformity with accounting principles generally accepted in the United States (“GAAP”). All financial data in the Consolidated Statements of Operations and Changes in Net Assets and the Consolidated Statements of Cash Flows covering the nine months ended March 31, 2023 and 2022, and the Consolidated Balance Sheet as of March 31, 2023, are unaudited. The Consolidated Balance Sheet as of June 30, 2022 has been extracted from the audited financial statements. All statistical data presented is unaudited. Accordingly, the data does not include all of the information and footnotes required by GAAP for complete financial statements. These quarter-end financial statements should be read in conjunction with the audited financial statements as of and for the year ended June 30, 2022. The nine months ended March 31, 2022 includes the reclassification of certain eliminations within operating revenues and other support and operating expenses to align these elimination amounts with the financial statement line items to which they relate. There was no impact to income from operations or excess of revenues over expenses from these elimination reclassifications.

Non-GAAP Disclosures:

Certain financial data and ratios displayed throughout this quarter-end report are calculated using financial measures that are not considered GAAP. For example, EBITDA, operating revenues and other support less operating expenses plus interest, tax, depreciation and amortization, is a non-GAAP measure used to calculate operating cash flow margin percentage, which is calculated as EBITDA divided by operating revenues and other support. These financial data and ratios are not intended to conform to GAAP, but are displayed to provide more meaningful analysis.

The Johns Hopkins Hospital Endowment Fund, Incorporated:

These quarter-end financial statements and all ratios related thereto have been prepared excluding the assets of The Johns Hopkins Hospital Endowment Fund, Incorporated (“the Endowment Corporation”). A non-profit Maryland corporation chartered in 1972, the Endowment Corporation

was organized for the purpose of holding and managing the endowment and certain other funds for the benefit of JHHS. The affairs of the Endowment Corporation are managed by a Board of Trustees that is self-perpetuating. JHHS does not hold legal title to any endowment funds. These funds and any net income accruing from their investments are used in accordance with any restrictions imposed by donors, or if no restrictions, in accordance with the mission of the Endowment Corporation. The net assets of the Endowment Corporation as of March 31, 2023 and June 30, 2022 were \$793.4 million and \$795.2 million, respectively.

Obligated Group:

The Johns Hopkins Health System Obligated Group (“JHHS Obligated Group”) consists of The Johns Hopkins Hospital (“JHH”), Johns Hopkins Bayview Medical Center, Inc. (“JHBMC”), Suburban Hospital, Inc. (“SHI”), Suburban Hospital Healthcare System, Inc. (“SHHS”), Howard County General Hospital (“HCGH”), Sibley Memorial Hospital (“SMH”), Johns Hopkins All Children’s Hospital, Inc. (“JHACH”), and JHHSC. Each JHHS Obligated Group member, as co-obligor and not as guarantor, jointly and severally covenants to pay the principal and interest on all outstanding JHHS Obligated Group obligations, including parity debt. The total amount of debt outstanding, including the current portion of long-term debt, under the JHHS Obligated Group was \$1.8 billion as of March 31, 2023 and June 30, 2022. The JHHS Obligated Group granted a security interest in the receipts of JHH, JHBMC, SHI, SHHS, HCGH, SMH, JHACH, and JHHSC which shall continuously apply for the entire term of the debt.

Overview of The Johns Hopkins Health System Corporation and Affiliates

Introduction

JHHSC is a private, not-for-profit, non-stock membership corporation organized under the laws of the State of Maryland to support, oversee, and coordinate the activities and management of its Affiliates. JHHSC provides certain shared services including purchasing, accounts payable, payroll, legal, finance, marketing, planning, treasury and other functions. JHHSC functions as the parent holding company of its wholly owned or partially owned or controlled Affiliates. JHHS and The Johns Hopkins University (“JHU”) have entered into a collaboration called Johns Hopkins Medicine. Johns Hopkins Medicine provides a vehicle for internal operational coordination among JHHS and the JHU School of Medicine (“JHUSOM”). Johns Hopkins Medicine also provides a united voice for external activities. Through Johns Hopkins Medicine, JHHS and JHU, as distinct yet interdependent corporations, are able to respond in an integrated fashion to opportunities and pressures affecting the medical enterprise.

JHHS is dedicated to providing the highest quality patient health care in the treatment and prevention of human illness through its wholly owned or partially owned or controlled Affiliates described below. JHHS offers a full continuum of integrated health care services in settings ranging from primary care physician offices and ambulatory care centers, to sophisticated quaternary patient care and acute care services provided through six hospitals. All levels of care are offered on an inpatient and outpatient basis, as well as rehabilitation, chronic care, skilled nursing, home care, and home health care services. The medical staffs of JHHS hospitals and health care organizations are principally JHU faculty and JHHS employed physicians, but also include private physicians.

JHHS is an academically based health system that serves the greater Maryland area, the District of Columbia, the west coast of Florida, and many national and international patients. Collectively, the separate employers that comprise JHHS employ approximately 32,000 full and part-time employees. JHHS is, in the aggregate, one of the largest private employers in the State of Maryland. The National Institutes of Health (“NIH”) leases facilities on the JHBMC campus for the National Institute on Drug Abuse and the National Institute on Aging. The NIH has also constructed a research facility on the JHBMC campus. JHHS has not guaranteed any of the debt issued to finance construction of the NIH facility. Furthermore, the NIH has a presence on the SHI campus, located in Bethesda across the street from the NIH campus. SHI and NIH jointly operate a stroke program. In addition to the research conducted on its East Baltimore campus, the JHUSOM conducts research into many areas including rheumatology, respiratory disease, gerontological illness, and substance abuse on the JHBMC campus. JHHS’ principal Affiliates are highlighted below.

Wholly Owned or Controlled Affiliates

The Johns Hopkins Hospital

JHH is organized as a not-for-profit Maryland corporation that operates 1,079 licensed beds, 49 Neonatal Intensive Care bassinets and 18 Comprehensive Inpatient Rehabilitation beds on the east side of Baltimore City. JHH is a world-renowned academic medical center providing tertiary and quaternary care, which draws patients not only from metropolitan Baltimore and surrounding counties, but also from Maryland's four contiguous states and Washington, DC as well as the rest of the United States ("U.S.") and over 100 countries. JHH opened in 1889 and is ranked No.5 in the nation for patients of all ages, based on *U.S. News and World Report's 2022-2023* rankings. JHH is home to many nationally-recognized centers including the Brady Urological Institute, the Sidney Kimmel Comprehensive Cancer Center, the Wilmer Eye Institute, the Johns Hopkins Heart and Vascular Institute, and the Johns Hopkins Children's Center. The Charlotte R. Bloomberg Children's Center tower houses the only dedicated pediatric burn and trauma center in Maryland. The Johns Hopkins Outpatient Center provides high quality ambulatory care services using state-of-the-art diagnostic facilities, imaging equipment, and operating rooms. JHH also houses Maryland's only level one eye trauma center. The Sidney Kimmel Comprehensive Cancer Center is one of only two facilities in the State, and 70 in the U.S. that are designated by the National Cancer Institute as comprehensive cancer centers.

Johns Hopkins Bayview Medical Center, Inc.

JHBMC is a not-for-profit Maryland corporation that operates a community based teaching acute care hospital located in southeast Baltimore. Founded in 1773, it is one of the oldest continuous health care institutions on the east coast. The City of Baltimore transferred ownership to JHHS in 1984. JHBMC's acute hospital has 356 licensed acute beds and 25 Neonatal Intensive Care bassinets. JHBMC offers a broad range of inpatient and outpatient services and is home to one of Maryland's most comprehensive neonatal intensive care units, and an area-wide trauma center that is part of the Maryland statewide emergency medical system. JHBMC services include the Adult Burn Center, Center for Bariatric Surgery, a sleep disorders center, and specialty services including OBGYN, Psychiatry, Neurology, Orthopedics, Urology, and Plastic Surgery. JHBMC also offers a wide variety of nationally recognized post-acute and geriatric programs through its Johns Hopkins Bayview Specialty Hospital Programs that provide specialty hospital medical, ventilator, and rehabilitation services, and the Beacham Center for Geriatric Medicine that provides outpatient care to geriatric and post-acute patients. JHBMC's post-acute care facilities include 59 licensed specialty hospital beds, and 28 licensed comprehensive inpatient rehabilitation beds.

Howard County General Hospital, Inc.

HCGH is a not-for-profit Maryland corporation that has 226 licensed acute beds and 18 Neonatal Intensive Care bassinets operating in this community hospital in Columbia, Maryland. Founded in 1973 as a short-stay facility, HCGH was incorporated the following year in response to growing demand in the county. In 1998, JHHS became the sole member of HCGH, augmenting its strong community-focused integrated delivery system. HCGH is the sole provider of inpatient hospital services in Howard County. HCGH offers a full range of acute care inpatient services including general medicine, obstetrics, cardiology, orthopedics, general surgery, infectious diseases, oncology, gynecology, neurology, pediatrics, and psychiatry. HCGH provides critical care services and operates a Neonatal

Intensive Care Unit. HCGH also offers extensive outpatient services including outpatient surgery in a facility located adjacent to the main building, known as the Berman Pavilion. The Berman Pavilion features six operating rooms, one minor procedure room, and one cystoscopy suite. In January 2020, HCGH completed a 50,000 square foot expansion project that included a new emergency room entrance and waiting area for adult and pediatric patients and a new observation unit and inpatient psychiatric unit in order to address the growing demand for services within their market. HCGH is the sole member of Howard Hospital Foundation, Inc., a not-for-profit organization created to receive, administer, and expend funds for charitable and educational purposes solely benefiting HCGH.

Suburban Hospital, Inc.

SHI is a not-for-profit Maryland corporation that operates a 226 licensed bed acute care community hospital located in Bethesda, Maryland, in the southern part of Montgomery County adjacent to Washington, D.C. Founded in 1943, SHI provides inpatient, ambulatory, and ancillary services on both an emergent and scheduled basis. SHI is the county's only trauma center (Level II) and operates as part of the Maryland statewide emergency medical services system. SHI is one of a limited number of cardiac surgery centers in the State. In addition, SHI offers services and specialized programs in Cardiovascular, Emergency Medicine, Neurosurgery, Oncology, Orthopedic, and Psychiatric care. Admitting physicians are primarily practitioners in the local area. In 2009, JHHS became the sole member of SHI. SHI is the sole member of Suburban Hospital Foundation, a not-for-profit organization that conducts community outreach activities and raises funds to be used exclusively for charitable, educational, medical and scientific needs of the community, as well as to manage and distribute funds received on behalf of SHI and its related entities. In March 2020, SHI completed the second phase of its campus enhancement project, a new 300,000 square foot hospital building. The first phase delivered a new 1,111 space parking garage that opened in the late summer of 2017.

Sibley Memorial Hospital and Subsidiaries

SMH is a not-for-profit corporation that operates a 288 licensed bed general acute care community hospital located in Northwest Washington, D.C. Founded in 1890, SMH provides comprehensive medical services, most notably in the areas of obstetrics, orthopedics and oncology. In addition, SMH offers a full array of surgical services including thoracic, plastic, urology, neurosurgery and general surgery. In 2010, JHHS became the sole member of SMH. The Johns Hopkins Sidney Kimmel Cancer Center at Sibley offers comprehensive oncologic care, including the Sullivan Breast Center, gynecologic oncology services, outpatient medical oncology, infusion, radiation oncology, and a variety of supportive services. SMH also operates a 172 unit assisted living residence, Grand Oaks, and the Sibley Renaissance which houses the Center for Rehabilitation Medicine, Sibley Senior Services, skilled nursing care (45 beds), and a residential Alzheimer's unit. SMH is the sole member of the Sibley Memorial Hospital Foundation ("Sibley Foundation"), a not-for-profit organization created to receive, administer, and expend funds for charitable and educational purposes benefiting SMH. The Sibley Foundation began operations in January 2009. In March 2012, SMH provided funding for two additional not-for-profit organizations: The Stacy Mark Reed Foundation ("SMRF") and The Jane Bancroft Robinson Foundation ("JBRF"). SMRF was created to receive, administer and expend funds for charitable, scientific, and educational purposes benefiting SMH. JBRF was created to provide financial support and engage in activities that directly further the exempt purposes of SMH by funding initiatives that

improve the health and well-being in medically underserved areas within Wards 7 & 8 in Washington, D.C. In September 2016, SMH completed the construction of a 475,000 square foot patient tower. The facility features 200 fully-private rooms, two floors dedicated to women and infant services with 18 labor and delivery suites and special-care nursery, and a cancer care infusion center spanning the first floor with 37 private rooms. In October 2019, SMH opened a national proton center that gives adult and pediatric patients access to highly targeted cancer treatment. The 80,000 square foot facility houses three proton beam therapy treatment rooms and one proton beam research room.

Johns Hopkins All Children's Hospital, Inc.

JHACH is a not-for-profit corporation that operates a 259 licensed bed pediatric specialty care hospital located in St. Petersburg, Florida. Founded in 1926, JHACH is a leading pediatric referral center that is dedicated to advancing treatment, education, research and advocacy for children's health. In January 2010, JHACH completed construction of a new facility, which includes many disaster preparedness features, including its own Central Energy Plant and Hurricane-resistant design. In 2011, JHHS became the sole member of JHACH to expand its academic mission of high-quality children's care. JHACH boasts a 97 bed Neonatal Intensive Care Unit, a 28 bed Pediatric Intensive Care Unit, and a 22 bed Cardiovascular Intensive Care Unit. JHACH's childhood cancer program is one of the largest in the southeast. JHACH is also a pediatric teaching center for future pediatricians. In August 2018, JHACH completed construction of a 230,000 square foot research and education building.

Johns Hopkins HealthCare LLC ("JHHC")

JHHC is owned 50% by JHHS and 50% by JHUSOM. JHHS consolidates the operations of JHHC due to possessing effective control. JHHC develops and manages contractual relationships with the Maryland Department of Health, the Department of Defense, the Centers for Medicare and Medicaid Services, employers, hospitals, physicians, and other health care providers to offer a variety of insurance products covering approximately 476,000 enrollees.

Priority Partners Managed Care Organization, Inc. is a 50% JHHC owned joint venture approved by the State of Maryland to operate as an authorized Medicaid managed care organization, and serves approximately 356,000 Medicaid enrollees in Baltimore City and throughout the State. The Maryland Community Health System owns the remaining 50%. A significant amount of the claims paid by JHHC are paid to JHHS.

The Johns Hopkins Medical Services Corporation ("JHMSC") has fully subcontracted to JHHC the management of its contract, Uniformed Services Family Health Plan ("USFHP"), with the Department of Defense providing managed care for military retirees and active duty family members. JHHC is responsible for ensuring all services are provided for the approximate 52,000 enrollees. Johns Hopkins Community Physicians ("JHCP") primary care manages close to 70% of the enrollees while JHHC network providers in Maryland and certain areas in surrounding states cover the rest.

Hopkins Health Advantage, Inc. is a Maryland corporation formed for the purpose of operating as a health insurer issuing Medicare Advantage plans to the residents of the State of Maryland and serves approximately 15,000 Medicare enrollees. JHHC currently owns

approximately 98% of Hopkins Health Advantage, Inc. with the remaining ownership interest held by two area health systems.

Johns Hopkins Community Physicians, Inc.

JHCP is a not-for-profit Maryland corporation. JHCP operates as a multi-specialty physician group with a focus on primary care practices including internal medicine, family medicine and pediatrics, with a network of over 50 practices across 40 locations throughout Maryland and Washington, D.C. Specialties include gynecology/obstetrics, neurology, endocrinology, pulmonology, palliative care, cardiology, podiatry, gastroenterology, urology, and hospital-based physicians practicing at SHI, SMH, and HCGH. JHCP also contributes to the tripartite mission of Johns Hopkins Medicine by collaborating with the JHUSOM and the Johns Hopkins School of Public Health in clinical research activity and by partnering with the JHUSOM to offer residency programs in primary care.

The Johns Hopkins Medical Services Corporation

JHMSC is a not-for-profit Maryland corporation. JHMSC is the contracting entity for the USFHP contract to provide managed care for military retirees and active duty family members. JHMSC receives a monthly capitation fee for its services, and then pays a sub-capitation fee to JHHC, which is responsible for ensuring all services under the contract are provided.

Suburban Hospital Healthcare System, Inc.

SHHS is a not-for-profit Maryland corporation established to manage the integrated delivery of health care services in and among the surrounding communities of Montgomery County, Maryland. Through its wholly owned and partially owned taxable and not-for-profit affiliates, SHHS manages certain real estate and operates other specialty care service centers.

All Children’s Health System, Inc. (“ACHS”)

ACHS is a not-for-profit Florida corporation established to manage the integrated children’s health care services in and among the surrounding counties of St. Petersburg, Florida. Through its wholly owned not-for-profit affiliates, ACHS operates two pediatric physician practice groups, a partially grant funded research entity, and the Johns Hopkins All Children’s Hospital Foundation, Inc., established to raise, manage, and hold funds for use by ACHS Affiliates and JHACH.

Howard County Health Services, Inc. (“HSI”)

HSI is a for-profit entity organized as a holding company that solely recognizes investment income resulting from its ownership interest in MedBridge Healthcare.

HCGH OB/GYN Associates Series, LLC (“HCGH OBGYN”)

HCGH OBGYN is a for-profit Series formed under JH Ventures, LLC, a Delaware limited liability company. HCGH OBGYN was acquired by JHHS in 2006 and provides obstetrics and gynecology services to residents of Howard County, Maryland and surrounding counties. HCGH OBGYN operates its main office located next to HCGH and one in Eldersburg, Maryland. All appropriate births and surgeries are referred to HCGH.

Johns Hopkins Medical Management Corporation (“JHMMC”)

JHMMC is a Maryland for-profit health care development, management and services corporation that manages facility planning, site selection, and construction of certain ancillary JHHS and JHUSOM sites. JHMMC also: (a) operates a temporary staffing agency that provides qualified clinical and administrative temporary staffing needs for JHHS and JHUSOM; and (b) owns 22.5% of Johns Hopkins Medicine International, LLC (“JHMI”).

JHMMC is the sole member of Johns Hopkins Regional Physicians LLC, a multi-specialty physician group practice that includes Cardiovascular Specialists of Central Maryland (“CSCM”), ENTAA Care, Infectious Disease Associates (“IDA”), Neurology Consultants and the Children’s Heart Institute (“CHI”). CSCM offers in-office adult consultative and follow up cardiac care, cardiac diagnostic testing, and hospital based cardiac care primarily in Howard County. ENTAA Care is a multi-specialty group inclusive of otolaryngology, allergy, audiology, dermatology, speech therapy, and physical therapy offering in-office services at seven locations in Maryland. IDA provides inpatient infectious disease coverage for MedStar Harbor Hospital, St. Agnes Hospital, and Howard County General Hospital. The IDA providers provide in-office services in one ambulatory location in Elkridge where they treat adult patients, largely to provide follow up care after discharge. Neurology Consultants is a general neurology and movement disorder specialist practice with four locations in Maryland. CHI is a pediatric cardiology practice. The CHI physicians provide cardiac care as well as cardiac diagnostics at 16 locations in Maryland and Virginia.

Johns Hopkins Suburban Health Center, L.P. (“JSHC”) is a limited partnership of JHMMC (1%), JHHS (19%) and the Endowment Corporation (80%). JHMMC is the general managing partner of JSHC and consolidates its operations due to possessing effective control. JSHC was formed in 1993 to bring quality medicine, resident training programs, and community health, education and support services to a suburban setting.

Finally, JHMMC includes one commercial supply chain business unit, HSCI Solutions, LLC (“Solutions”). JHMMC is the sole member of Solutions which owns 99% of Healthcare Supply Chain Innovations LLC d/b/a Nobilant. Nobilant has operated as a national group purchasing organization (“GPO”), with a goal of achieving savings and efficiencies in purchasing, strategic sourcing and supply chain management for its members. Nobilant is now winding down its activities and will be dissolved as soon as all vendor contracts that it entered into, and which involve third party purchasers, can be terminated. We anticipate such dissolution occurring no later than 2024.

Johns Hopkins Employer Health Programs, Inc. (“JHEHP”)

JHEHP is a Maryland for-profit corporation that provides administrative services and access to provider networks to self-insured employers.

Johns Hopkins Consolidated Services Center (“JHCSC”)

JHCSC is a distribution center providing commodity supplies to the JHHS affiliates located within the Baltimore and Washington, D.C. metropolitan area. The goal of operationalizing the JHCSC is to streamline and better control the JHHS Supply Chain to increase the value afforded to stakeholders in the procurement and logistics process.

Potomac Home Health Care, Inc. (“PHHC”)

PHHC was created in 1986 as a not-for-profit joint venture between SHI (50%) and SMH (50%). PHHC is located in Bethesda, Maryland (formerly Rockville, Maryland). PHHC is a full service, Medicare certified home health agency providing a comprehensive range of home care services in Maryland and Washington, D.C. In addition, PHHC provides cost efficient quality home health care and patient education services to assist patients in achieving their maximum independence and/or enhanced quality of life.

Potomac Home Support, Inc. (“PHS”)

PHS was created in 1992 as a not-for-profit joint venture between SHI (50%) and SMH (50%). It is a not-for-profit company that primarily provides private pay services. These services include homemakers/housekeepers, patient safety observers/companions, live-ins, certified home care aides, and geriatric care assistants/transportation assistance.

Other Partially Owned Affiliates

The following Affiliates are accounted for under the equity method of accounting, with earnings included in the results of JHHS.

Johns Hopkins Home Care Group, Inc. (“JHHCG”)

JHHCG is a not-for-profit Maryland corporation owned 50% by JHHS and 50% by JHUSOM. JHHCG has three operating subsidiaries: Johns Hopkins Home Health Services, Inc., Johns Hopkins Pharmaquip, Inc., and Johns Hopkins Pediatrics at Home, Inc. JHHCG serves as a holding company for the operating subsidiaries that provide home health services such as visits by nurses, home health aides, social workers, and physical, occupational, and speech therapists. Johns Hopkins Pharmaquip, Inc. also provides patients with durable medical and respiratory equipment and supplies, home infusion therapy and pharmaceuticals in a home setting in support of and in accordance with the mission of JHHS and JHUSOM. Johns Hopkins Pharmaquip, Inc. manages eleven outpatient pharmacies, nine owned by JHH and two owned by JHBMC.

Johns Hopkins Medicine International, LLC

JHMI is a Maryland limited liability company owned 27.5% by JHHS, 22.5% by JHMMC and 50% by JHUSOM. JHMI coordinates activities for over 1,500 international patients annually, as well as facilitating the global development of JHHS and JHUSOM research, educational and clinical services. Among other initiatives, JHMI operates through its wholly owned Netherlands subsidiaries and owns 20% of a joint venture in Saudi Arabia – Johns Hopkins Aramco Healthcare (“JHAH”). The primary objective of JHAH is to further improve the quality of care and expand the scope of services offered to Saudi Aramco’s eligible medical recipients. Ownership interests in projects undertaken by JHMI are generally allocated between JHHS and JHUSOM on a project-by-project basis.

Johns Hopkins Surgery Center Series (“JHSCS”)

JHSCS is an independent series of JH Ventures, LLC. owned 50% by JHUSOM and 50% by JHHS. JHSCS performs a variety of procedures at operating surgery centers in Green Spring Station, White Marsh, Columbia, Bel Air and Bethesda.

Maryland Health Services Cost Review Commission

The State of Maryland has been granted a waiver by the federal government exempting the State from national Medicare and Medicaid reimbursement principles. JHH, JHBMC, HCGH and SHI charges for inpatient as well as outpatient and emergency services performed at the hospitals are regulated by the Maryland Health Services Cost Review Commission (“HSCRC”). JHHS’ management has made all submissions required by the HSCRC and believes JHHS is in compliance with HSCRC requirements. The waiver has been approved through calendar year 2027 by the Centers for Medicare and Medicaid Services (“CMS”).

Effective January 1, 2014, with retroactive application to revenues generated by services provided after June 30, 2013, the HSCRC and the CMS entered into a new demonstration model for the Maryland waiver. The new demonstration model moved from a Medicare per admission methodology to a per capita population health based methodology. To facilitate the goals of the new demonstration model, the HSCRC and Maryland hospitals entered into Global Budget Revenue Agreements (“GBR”). The agreements set a hospital’s revenue base annually under a global budget arrangement, whereby revenue would be fixed regardless of changes in volume and patient mix for Maryland residents. Hospital revenue for Maryland residents receiving care at Maryland hospitals is subject to this global budget. However, JHH and JHBMC have the opportunity to receive additional rate authority for any growth in the volume of out of state patients receiving care at those hospitals. When the hospitals’ out of state volume exceeds a revenue floor established by the HSCRC, the hospitals will be allowed to recognize incremental revenues at a 50% variable cost factor. This variable cost factor can then increase to 75% when out of state revenue increases to a certain level. For HCGH, out of state volume is currently included in their global budget; therefore, all in state and out of state volumes are subject to their global budget. SHI is allowed to recognize incremental revenues at a 50% variable cost factor.

Under the HSCRC reimbursement methodology, amounts collected for services to patients under the Medicare and Medicaid programs are computed at approximately 92.3% of HSCRC approved charges. Other payors are eligible to receive up to a 2.25% discount on prompt payment of claims.

Hospitals outside the State of Maryland

SMH operates in the District of Columbia. JHACH operates in the State of Florida. SMH and JHACH are paid prospectively based upon negotiated rates for commercial insurance carriers, and predetermined rates per discharge for Medicaid and Medicare program beneficiaries. Payment arrangements include cost-based reimbursement, per diem payments, prospectively determined rates per discharge, discounted charges, and fee schedules.

JHHS Consolidated Financial Statements

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Balance Sheets
(in thousands)
(Unaudited)

| Assets | March 31, 2023 | June 30, 2022 | Liabilities and net assets | March 31, 2023 | June 30, 2022 |
|---|-----------------------|----------------------|---|-----------------------|----------------------|
| Current assets: | | | Current liabilities: | | |
| Cash and cash equivalents | \$ 1,126,595 | \$ 945,051 | Current portion of long-term debt | \$ 425,182 | \$ 438,051 |
| Short-term investments | 196,131 | 161,438 | Line of credit | 30,000 | - |
| AWUIL used for current liabilities | 246 | 4,693 | Finance lease liabilities, current portion | 14,558 | 13,843 |
| Patient accounts receivable, net of estimated uncollectibles | 823,378 | 801,743 | Operating lease liabilities, current portion | 22,798 | 24,393 |
| Due from others | 214,656 | 188,054 | Accounts payable and accrued liabilities | 850,285 | 892,823 |
| Due from affiliates, current portion | 15,372 | 23,790 | Medical claims reserve | 155,438 | 136,201 |
| Inventories of supplies | 168,240 | 166,225 | Deferred revenue | 191,783 | 20,005 |
| Estimated malpractice recoveries, current portion | 61,565 | 62,778 | Due to affiliates | 10,351 | 17,193 |
| Prepaid expenses and other current assets | 45,911 | 44,021 | Advances from third-party payors | 156,548 | 132,990 |
| Total current assets | 2,652,094 | 2,397,793 | Current portion of estimated malpractice costs | 64,612 | 93,083 |
| | | | Total current liabilities | 1,921,555 | 1,768,582 |
| Assets whose use is limited: | | | Long-term debt, net of current portion | 1,388,738 | 1,403,831 |
| By donors or grantors for: | | | Finance lease liabilities, net of current portion | 77,889 | 88,620 |
| Pledges receivable | 24,958 | 32,150 | Operating lease liabilities, net of current portion | 94,530 | 100,941 |
| Other | 166,428 | 156,330 | Estimated malpractice costs, net of current portion | 196,277 | 198,221 |
| By Board of Trustees | 662,617 | 629,513 | Net pension liability | 345,243 | 410,523 |
| Other | 24,682 | 23,198 | Other long-term liabilities | 293,137 | 286,906 |
| Total assets whose use is limited | 878,685 | 841,191 | Total liabilities | 4,317,369 | 4,257,624 |
| Investments | 3,380,243 | 3,183,564 | Net assets: | | |
| Property, plant and equipment, net | 2,708,392 | 2,694,868 | Net assets without donor restrictions | 5,429,747 | 5,049,181 |
| Finance lease right-of-use assets | 73,517 | 82,527 | Net assets with donor restrictions | 201,181 | 193,877 |
| Operating lease right-of-use assets | 108,701 | 116,981 | Total net assets | 5,630,928 | 5,243,058 |
| Due from affiliates, net of current portion | 49,158 | 51,452 | | | |
| Estimated malpractice recoveries, net of current portion | 53,295 | 54,345 | | | |
| Swap counterparty deposit | 19,224 | 23,164 | | | |
| Other assets | 24,988 | 54,797 | | | |
| Total assets | \$ 9,948,297 | \$ 9,500,682 | Total liabilities and net assets | \$ 9,948,297 | \$ 9,500,682 |

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Statements of Operations and Changes in Net Assets
(in thousands)
(Unaudited)

| Three months ended | | Nine months ended | |
|---------------------------|-----------------------|--------------------------|-----------------------|
| March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| \$ 1,201,942 | \$ 1,162,584 | \$ 3,617,200 | \$ 3,444,743 |
| 637,321 | 619,215 | 1,916,422 | 1,870,169 |
| 307,974 | 261,243 | 844,748 | 748,835 |
| 4,926 | 5,209 | 11,321 | 11,475 |
| <u>2,152,163</u> | <u>2,048,251</u> | <u>6,389,691</u> | <u>6,075,222</u> |
| | | | |
| 742,830 | 683,114 | 2,137,407 | 2,012,716 |
| 872,152 | 872,210 | 2,676,252 | 2,586,297 |
| 408,094 | 363,092 | 1,205,133 | 1,079,754 |
| 19,028 | 11,736 | 50,439 | 34,844 |
| 72,488 | 73,884 | 217,207 | 225,436 |
| <u>2,114,592</u> | <u>2,004,036</u> | <u>6,286,438</u> | <u>5,939,047</u> |
| 37,571 | 44,215 | 103,253 | 136,175 |
| | | | |
| (1,388) | (6,156) | (7,223) | (18,400) |
| (11,924) | 51,706 | 25,911 | 64,242 |
| 168,173 | (239,507) | 200,747 | (156,020) |
| 18,537 | 9,398 | 51,382 | 52,258 |
| 7,794 | (10,904) | 23,350 | (32,611) |
| (5,217) | (4,385) | (18,484) | (14,635) |
| <u>213,546</u> | <u>(155,633)</u> | <u>378,936</u> | <u>31,009</u> |
| | | | |
| 177 | 266 | 143 | 210 |
| - | (27) | (503) | 313 |
| 1,078 | 275 | 2,950 | 726 |
| (507) | (3,368) | (960) | (2,098) |
| <u>214,294</u> | <u>(158,487)</u> | <u>380,566</u> | <u>30,160</u> |
| | | | |
| 10,788 | 5,037 | 21,575 | 27,823 |
| (1,078) | (275) | (2,950) | (726) |
| (4,926) | (5,209) | (11,321) | (11,475) |
| <u>4,784</u> | <u>(447)</u> | <u>7,304</u> | <u>15,622</u> |
| | | | |
| 219,078 | (158,934) | 387,870 | 45,782 |
| 5,411,850 | 5,448,436 | 5,243,058 | 5,243,720 |
| <u>\$ 5,630,928</u> | <u>\$ 5,289,502</u> | <u>\$ 5,630,928</u> | <u>\$ 5,289,502</u> |

The Johns Hopkins Health System Corporation and Affiliates

Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

| | Nine months ended | |
|--|--------------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| Operating activities: | | |
| Changes in net assets: | \$ 387,870 | \$ 45,782 |
| Adjustments to reconcile changes in net assets to net cash, cash equivalents and restricted cash provided by operating activities: | | |
| Depreciation and amortization | 217,207 | 225,436 |
| Net realized and changes in unrealized losses (gains) on investments | (200,747) | 156,020 |
| Changes in fair value of interest rate swap agreements | (25,911) | (64,242) |
| Changes in funded status of defined benefit plans | 503 | (313) |
| Restricted contributions and investment income received | (7,115) | (4,313) |
| Return on equity investments | (3,867) | (2,186) |
| Other operating activities | (8,719) | 155 |
| Changes in assets and liabilities: | | |
| Patient accounts receivable | (21,634) | (122,736) |
| Inventories of supplies, prepaid expenses and other current assets | (30,506) | (40,398) |
| Due from affiliates, net | (11,698) | (4,718) |
| Pledges receivable | 7,192 | 4,851 |
| Other assets and other long-term liabilities, net | 32,514 | (29,051) |
| Accounts payable and accrued liabilities | (55,469) | 42,640 |
| Medical claims reserve | 19,237 | (1,734) |
| Deferred revenue | 171,781 | 461 |
| Advances from third-party payors | 23,558 | 13,754 |
| Accrued pension benefit costs | (64,347) | 1,957 |
| Estimated malpractice costs | 1,918 | (7,440) |
| Cash provided by operating activities | 431,767 | 213,925 |
| Investing activities: | | |
| Purchases of property, plant and equipment | (205,575) | (109,853) |
| Investment in equity investments, net | (9,531) | (10,199) |
| Purchases of investment securities | (1,283,911) | (2,864,415) |
| Sales of investment securities | 1,211,927 | 2,880,485 |
| Payments received on Affiliate notes | 13,957 | 15,053 |
| Advances on Affiliate notes | - | (10,170) |
| Other investing activities | 3,940 | 24,953 |
| Cash used in investing activities | (269,193) | (74,146) |
| Financing activities: | | |
| Restricted contributions and investment income received | 7,115 | 4,476 |
| Proceeds from long-term borrowings | 100,000 | 10,000 |
| Repayments of long-term debt | (126,799) | (32,982) |
| Proceeds from line of credit | 30,000 | - |
| Repayments of obligations under a financing lease | (9,985) | (9,001) |
| Other financing activities | (948) | (930) |
| Cash used in financing activities | (617) | (28,437) |
| Increase in cash, cash equivalents and restricted cash | 161,957 | 111,342 |
| Cash, cash equivalents and restricted cash at beginning of period | 994,845 | 1,020,662 |
| Cash, cash equivalents and restricted cash at end of period | \$ 1,156,802 | \$ 1,132,004 |

Management’s Discussion and Analysis of Consolidated Operations and Financial Performance

Overview

Like so many of its peers, JHHS is facing the financial impacts of a dramatically shifting labor market and the lingering impact of the COVID-19 pandemic. While patient admissions across the system have remained largely consistent, and net patient service revenue has increased in fiscal year 2023 (compared to the same timeframe in fiscal year 2022), our commitment to increase staff compensation and to invest in staff recruitment and retention has significantly driven up our expenses. Despite these focused recruitment efforts, JHHS continues to incur high agency labor costs in nursing and other clinical areas. Simultaneously, Provider Relief Fund (“PRF”) payments stemming from the CARES Act decreased substantially in fiscal year 2022 and 2023, making it more challenging to offset lingering COVID-19 related costs. These factors, along with the unique impacts of the Maryland (HSCRC) reimbursement model have impacted our financials in ways that are detailed on the following pages.

Three months ended March 31, 2023 compared to the three months ended March 31, 2022

| In thousands (except for ratios) | Three months ended | | Change | % |
|--|--------------------|----------------|------------|--------|
| | March 31, 2023 | March 31, 2022 | | |
| Operating revenues and other support | \$ 2,152,163 | \$ 2,048,251 | \$ 103,912 | 5.1% |
| Income from operations | \$ 37,571 | \$ 44,215 | \$ (6,644) | -15.0% |
| Excess of revenues over (under) expenses | \$ 213,546 | \$ (155,633) | \$ 369,179 | 237.2% |
| EBITDA | \$ 129,087 | \$ 129,835 | \$ (748) | -0.6% |
| Operating margin percentage | 1.7% | 2.2% | -0.5% | -22.7% |
| Total margin percentage | 9.9% | -7.6% | 17.5% | 230.3% |
| Operating cash flow margin percentage | 6.0% | 6.3% | -0.3% | -4.8% |

Operating revenues and other support for the three months ended March 31, 2023 were \$2.152 billion, compared to \$2.048 billion for the three months ended March 31, 2022, an increase of \$103.9 million, or 5.1%. Net patient service revenue increased by \$39.4 million due to higher revenues at SMH and JHACH primarily driven by patient volumes and charge rate increases. While Maryland hospital revenues driven by the HSCRC rates under the GBR model increased, the increase was offset by lower collection rate due to Medicare Performance Adjustment (“MPA”), charity care write-offs and bad debt on self-pay accounts receivable. In addition, there have been significant delays in payment processing from CareFirst (Blue Cross) and Maryland Medicaid due to staffing issues at their respective claims processing units causing an increase in reserve requirements. Insurance premium revenue increased \$18.1 million due to increased enrollment at Priority Partners within JHHC. Other revenues increased \$46.7 million due to increase in outpatient pharmacy revenue, partially offset by increased supply costs related to these pharmaceuticals (see below), Employee Retention Credit (“ERC”) program revenue recognized in the three months ended March 31, 2023, and other ancillary revenues. See further discussion related to the ERC on page 25.

Income from operations was \$37.6 million and \$44.2 million for the three months ended March 31, 2023 and 2022, respectively, a decrease of (\$6.6) million. Operating margin percentage,

defined as operating revenues and other support less operating expenses divided by operating revenues and other support, was 1.7% and 2.2% for the three months ended March 31, 2023 and 2022, respectively. The decrease in income from operations is largely due to higher labor costs, including market-driven wage increases and agency labor costs at the Hospitals and increased high cost oncology and other specialty pharmaceuticals. Partially offsetting the increased labor costs was higher patient revenues for SMH and JHACH (as noted above) and ERC program revenue recognized.

Excess of revenues over (under) expenses was \$213.5 million and (\$155.6) million for the three months ended March 31, 2023 and 2022, respectively, an increase of \$369.1 million. Total margin percentage, defined as excess of revenues over expenses divided by operating revenues and other support, was 9.9% and (7.6%) for the three months ended March 31, 2023 and 2022, respectively. The increase is mainly driven by the increase in net realized and unrealized gains on investments classified as trading of \$407.7 million, as the broader investment markets performed more favorably in the three months ended March 31, 2023 compared to the prior year.

EBITDA was \$129.1 million and \$129.8 million for the three months ended March 31, 2023 and 2022, respectively, a decrease of (\$0.7) million. Interest, tax, depreciation and amortization expenses that are excluded from EBITDA amounted to \$91.5 million and \$85.6 million for the three months ended March 31, 2023 and 2022, respectively. Operating cash flow margin percentage was 6.0% and 6.3% for the three months ended March 31, 2023 and 2022, respectively. The decrease is primarily due to the decrease in income from operations of (\$6.6) million as described above while operating revenues and other support increased.

Nine months ended March 31, 2023 compared to the nine months ended March 31, 2022

| In thousands (except for ratios) | Nine months ended | | Change | % |
|---------------------------------------|-------------------|----------------|-------------|---------|
| | March 31, 2023 | March 31, 2022 | | |
| Operating revenues and other support | \$ 6,389,691 | \$ 6,075,222 | \$ 314,469 | 5.2% |
| Income from operations | \$ 103,253 | \$ 136,175 | \$ (32,922) | -24.2% |
| Excess of revenues over expenses | \$ 378,936 | \$ 31,009 | \$ 347,927 | 1122.0% |
| EBITDA | \$ 370,899 | \$ 396,455 | \$ (25,556) | -6.4% |
| Operating margin percentage | 1.6% | 2.2% | -0.6% | -27.3% |
| Total margin percentage | 5.9% | 0.5% | 5.4% | 1080.0% |
| Operating cash flow margin percentage | 5.8% | 6.5% | -0.7% | -10.8% |

Operating revenues and other support for the nine months ended March 31, 2023 were \$6.390 billion, compared to \$6.075 billion for the nine months ended March 31, 2022, an increase of \$314.5 million, or 5.2%. Net patient service revenue increased by \$172.5 million due to increased Maryland hospital revenues driven by the HSCRC rates under the GBR model and higher revenues at SMH and JHACH primarily driven by patient volumes and charge rate increases. While Maryland hospital revenues driven by the HSCRC rates under the GBR model increased, the increase was partially offset by lower collection rate due to Medicare Performance Adjustment (“MPA”), charity care write-offs and bad debt on self-pay accounts receivable. In addition, there have been significant delays in payment processing from CareFirst (Blue Cross) and Maryland Medicaid due to staffing issues at their respective claims processing units causing an increase in reserve requirements. Insurance premium revenue increased \$46.3 million due to increased enrollment at Priority Partners within JHHC. Other revenues increased \$95.9 million due to increase in outpatient pharmacy revenue, partially offset by increased supply costs related to these pharmaceuticals (see below), ERC program revenue recognized in the nine months ended March 31, 2023, and other ancillary revenues. See further discussion related to the ERC on page 25.

Income from operations was \$103.3 million and \$136.2 million for the nine months ended March 31, 2023 and 2022, respectively, a decrease of (\$32.9) million. Operating margin percentage, was 1.6% and 2.2% for the nine months ended March 31, 2023 and 2022, respectively. The decrease in income from operations is largely due to higher labor costs, including market-driven wage increases, agency labor costs at the Hospitals and increased high cost oncology and other specialty pharmaceuticals. Partially offsetting the increased labor costs was higher patient revenues for the hospitals (as noted above), ERC program revenue recognized, and increased profitability at JHHC due to increase in premium revenue and efforts taken by JHHC surrounding the medical management of their enrollees.

Operating expenses were \$6.286 billion and \$5.939 billion for the nine months ended March 31, 2023 and 2022, respectively. The operating expense increase of \$347.4 million is composed of the following:

Salaries, wages and benefits increased \$124.7 million. Salaries and wages increased due to annual inflation and market-driven wage increases. Benefit costs decreased primarily due to lower defined benefit pension expense, partially offset by higher prescription plan expense.

Purchased services increased \$90.0 million. The increase in purchased services was primarily due to higher agency labor costs, higher malpractice costs, increased costs under service agreements with JHUSOM, increased energy costs due to rate increases and repairs and maintenance costs.

Supplies and other increased \$125.4 million due to pharmaceutical costs related to outpatient pharmacy operations (see other revenue above), high cost oncology drugs and other specialty services, volume-driven medical supplies, including implants, and Federal income tax expense at Priority Partners as profitability improved.

Interest expense related directly to the debt instruments is recorded in the operating section and net settlement interest expense related to the swap agreements is presented in the non-operating section of the Consolidated Statements of Operations and Changes in Net Assets. Interest expense included in the operating section was \$50.4 million and \$34.8 million for the nine months ended March 31, 2023 and 2022, respectively. Net settlement interest expense on the swap agreements was \$7.2 million and \$18.4 million for the nine months ended March 31, 2023 and 2022, respectively.

Depreciation and amortization decreased (\$8.2) million year over year.

JHH, JHBMC, HCGH, SHI, and JHACH have collectively entered into thirteen fixed payor interest rate swap agreements of which two are forward-starting in December 2026. The notional amount of all thirteen swap agreements totals \$923.3 million as of March 31, 2023, including two forward-starting swaps which have a combined notional amount of \$300 million. Each of the swap agreements pays a fixed annual rate ranging from 3.3265% to 4.1330%, in return for the receipt of a floating rate of interest based on the one-month LIBOR (ten tranches at 67% of LIBOR, two tranches at 62.2% of LIBOR plus 0.27%, and one tranche at 61.8% of LIBOR plus 0.25%). The swap agreements have staggered termination dates that run through November 2047. The values of the swap agreements are adjusted to fair value monthly based upon quotations from market makers. The net settlements of interest expense and the change in fair value, if any, are each recorded in the Consolidated Statements of Operations below income from operations as a separate component of excess of revenues over expenses. The total amount recorded due to changes in the fair value of interest rate swap agreements was a gain of \$25.9 million and \$64.2 million for the nine months ended March 31, 2023 and 2022, respectively. The volatility in the fair value of these swap agreements is dependent on changes in long-term interest rates. The fair value of the swap agreements will increase as long-term interest rates increase, and decrease as long-term interest rates decrease. Additionally, most swap agreements have certain collateral thresholds whereby, on a daily basis, if the fair value of a swap agreement declines such that its devaluation exceeds the threshold, cash must be deposited with the swap counterparty for the difference between the threshold amount and the fair value. Collateral is exchanged on a daily basis depending on the fair value. The collateral is recorded as other long-term assets on the Consolidated Balance Sheets and cannot be used by JHHS for operations. All cash deposited as collateral earns interest that inures to JHHS. As of March 31, 2023, and June 30, 2022, there was a total of \$19.2 million and \$23.2 million, respectively, deposited as collateral with one swap counterparty.

Excess of revenues over expenses was \$378.9 million and \$31.0 million for the nine months ended March 31, 2023 and 2022, respectively, an increase of \$347.9 million. Total margin

percentage was 5.9% and 0.5% for the nine months ended March 31, 2023 and 2022, respectively. The increase is mainly driven by the increase in net realized and unrealized gains on investments classified as trading of \$356.8 million, as the broader investment markets performed more favorably in the nine months ended March 31, 2023 compared to the prior year.

EBITDA was \$370.9 million and \$396.5 million for the nine months ended March 31, 2023 and 2022, respectively, a decrease of (\$25.6) million. Interest, tax, depreciation and amortization expenses that are excluded from EBITDA amounted to \$267.6 million and \$260.3 million for the nine months ended March 31, 2023 and 2022, respectively. Operating cash flow margin percentage was 5.8% and 6.5% for the nine months ended March 31, 2023 and 2022, respectively. The decrease is primarily due to the decrease in income from operations of (\$32.9) million as described above while operating revenues and other support increased.

Liquidity and Capital Resources

| In thousands (except for ratios) | March 31, 2023 | June 30, 2022 | Change | % |
|--|----------------|---------------|-------------|-------|
| Cash and cash equivalents | \$ 1,126,595 | \$ 945,051 | \$ 181,544 | 19.2% |
| Short and long-term investments | \$ 3,576,374 | \$ 3,345,002 | \$ 231,372 | 6.9% |
| Unrestricted investments - Board of Trustees | \$ 662,617 | \$ 629,513 | \$ 33,104 | 5.3% |
| Total debt and finance lease liabilities | \$ 1,906,367 | \$ 1,944,345 | \$ (37,978) | -2.0% |
| Days cash on hand | 226.4 | 217.2 | 9.20 | 4.2% |
| Cash to debt | 263.4% | 236.0% | 27.4% | 11.6% |

Long-term investments include investments in joint ventures. Cash and cash equivalents, liquid short and long-term investments (not including investments in joint ventures), and unrestricted investments set aside by the Board of Trustees totaled \$5.021 billion and \$4.589 billion as of March 31, 2023 and June 30, 2022, respectively. Total unrestricted cash, liquid investments, and Board designated investments increased \$432.2 million during the nine months ended March 31, 2023 and included the following cash flow activities: \$431.8 million of cash from operating activities and \$200.7 million of realized and unrealized gains on investments, partially offset by (\$205.6) million of purchases of property, plant and equipment.

Cash provided by operating activities was \$431.8 million and \$213.9 million for the nine months ended March 31, 2023 and 2022, respectively. Cash provided by operating activities increased \$217.9 million primarily due to timing of \$166.6 million in monthly capitation payments for JHHC (received in March 2023).

Cash used in investing activities was (\$269.2) million and (\$74.1) million for the nine months ended March 31, 2023 and 2022, respectively. Cash used in investing activities for the nine months ended March 31, 2023 was primarily composed of (\$205.6) million of purchases of property, plant and equipment and (\$72.0) million of net purchases of investment securities. Cash used in investing activities for the nine months ended March 31, 2022 was primarily composed of (\$109.9) million of purchases of property, plant and equipment, partially offset by \$16.1 million of net sales of investment securities.

Cash used in financing activities was (\$0.6) million for the nine months ended March 31, 2023, compared to (\$28.4) million for the nine months ended March 31, 2022. Cash used in financing activities for the nine months ended March 31, 2023 was primarily comprised of \$30.0 million proceeds from lines of credit, partially offset by (\$26.8) million of net repayments of long-term debt. Cash used in financing activities for the nine months ended March 31, 2022 was primarily comprised of (\$23.0) million of net repayments of long-term debt.

Days cash on hand is defined as cash and cash equivalents, liquid short and long-term investments (not including investments in joint ventures), and unrestricted investments set aside by the Board of Trustees divided by operating expenses per day (including swap interest expense and excluding depreciation and amortization). Days cash on hand were 226.4 days at March 31, 2023 and 217.2 days at June 30, 2022. The ratio increased due to a increase in operating expenses as discussed on pages 18 and 19. Cash to debt, defined as cash and cash equivalents, liquid short and long-term investments (not including investments in joint ventures), and unrestricted investments set aside by the Board of Trustees divided by total debt outstanding (including finance lease liabilities), was 263.4% at March 31, 2023 and 236.0% at

June 30, 2022. The ratio increased as a result of increased cash and cash equivalents, liquid short and long-term investments (not including investments in joint ventures), and unrestricted investments while the total debt outstanding decreased.

Additionally, JHHS has three credit facilities with a one-year term resulting in total liquidity available of \$300.0 million, of which \$30.0 million has been drawn on as of March 31, 2023 while none was drawn on as of June 30, 2022. JHHS plans to renew each facility prior to their scheduled expiration. JHHS pays a variable rate of interest on amounts drawn based on SOFR plus a spread. In April 2023, the full \$30.0 million outstanding as of March 31, 2023 was repaid.

Consolidated Key Statistics

| | Three months ended | | Nine months ended | | | Three months ended | | Nine months ended | |
|---|--------------------|----------------|-------------------|----------------|--|--------------------|----------------|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 | | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| The Johns Hopkins Hospital | | | | | Suburban Hospital, Inc. | | | | |
| Admissions | 9,583 | 9,217 | 29,025 | 28,371 | Admissions | 2,839 | 2,645 | 8,331 | 8,188 |
| Observation Cases (2) | 3,570 | 3,593 | 10,942 | 10,749 | Observation cases (2) | 2,809 | 2,801 | 8,444 | 7,101 |
| Inpatient Days | 78,578 | 73,372 | 233,557 | 226,590 | Inpatient Days | 10,792 | 15,284 | 42,113 | 44,480 |
| Outpatient Visits | 133,346 | 130,319 | 380,465 | 389,118 | Outpatient Visits | 3,701 | 2,166 | 9,834 | 7,705 |
| Outpatient Surgeries (3) | 9,600 | 9,001 | 27,872 | 28,923 | Outpatient Surgeries | 1,335 | 1,006 | 3,889 | 3,556 |
| Inpatient Surgeries | 4,637 | 4,822 | 13,778 | 14,597 | Inpatient Surgeries | 862 | 751 | 2,466 | 2,313 |
| ER Visits | 22,678 | 19,914 | 68,021 | 65,600 | ER Visits | 8,111 | 10,524 | 33,653 | 34,804 |
| Births | 596 | 625 | 1,898 | 1,838 | Births | - | - | - | - |
| EIPAs (1) | 15,961 | 15,413 | 48,078 | 47,027 | EIPAs (1) | 4,648 | 4,316 | 14,061 | 14,050 |
| Average Length of Stay | | | 8.0 | 8.0 | Average Length of Stay | | | 5.1 | 5.4 |
| Available Beds | | | 1,079 | 996 | Available Beds | | | 211 | 211 |
| Inpatient Utilization of Available Beds | | | 84.0% | 84.5% | Inpatient Utilization of Available Beds | | | 82.8% | 76.7% |
| Full-time Equivalents | | | 9,707 | 10,567 | Full-time Equivalents | | | 1,454 | 1,444 |
| Johns Hopkins Bayview Medical Center, Inc. | | | | | Sibley Memorial Hospital, Inc. | | | | |
| Admissions | 3,757 | 3,808 | 11,433 | 11,826 | Admissions | 2,753 | 2,672 | 8,240 | 8,353 |
| Observation Cases (2) | 1,143 | 864 | 3,381 | 2,990 | Observation Cases | 1,055 | 743 | 3,179 | 2,367 |
| Inpatient Days | 28,318 | 28,063 | 84,157 | 84,516 | Inpatient Days | 12,848 | 12,482 | 37,672 | 38,076 |
| Outpatient Visits | 69,297 | 66,512 | 202,318 | 201,055 | Outpatient Visits | 7,383 | 5,424 | 93,887 | 94,239 |
| Outpatient Surgeries | 1,328 | 968 | 3,794 | 3,332 | Outpatient Surgeries | 2,303 | 1,824 | 6,284 | 5,588 |
| Inpatient Surgeries | 996 | 912 | 3,125 | 2,917 | Inpatient Surgeries | 395 | 433 | 1,350 | 1,390 |
| ER Visits | 12,200 | 11,172 | 37,923 | 37,131 | ER Visits | 8,670 | 7,802 | 26,779 | 25,595 |
| Births | 299 | 346 | 1,052 | 1,063 | Births | 884 | 957 | 2,794 | 2,941 |
| EIPAs (1) | 6,438 | 6,272 | 19,452 | 19,834 | EIPAs (1) | 7,965 | 7,019 | 23,492 | 22,069 |
| Average Length of Stay | | | 7.4 | 7.1 | Average Length of Stay | | | 4.6 | 4.6 |
| Available Beds | | | 424 | 418 | Available Beds | | | 361 | 361 |
| Inpatient Utilization of Available Beds | | | 72.4% | 73.8% | Inpatient Utilization of Available Beds | | | 38.1% | 38.5% |
| Full-time Equivalents | | | 2,634 | 2,680 | Full-time Equivalents | | | 1,712 | 1,734 |
| Howard County General Hospital, Inc. | | | | | Johns Hopkins All Children's Hospital, Inc. | | | | |
| Admissions | 3,317 | 3,370 | 10,440 | 10,387 | Admissions | 1,651 | 1,450 | 5,114 | 4,606 |
| Observation Cases (2) | 1,968 | 1,589 | 5,780 | 4,680 | Observation Cases | 2,222 | 1,637 | 6,051 | 4,856 |
| Inpatient Days | 15,183 | 14,740 | 45,905 | 44,234 | Inpatient Days | 15,693 | 13,887 | 48,592 | 44,211 |
| Outpatient Visits | 7,138 | 10,950 | 21,546 | 35,335 | Outpatient Visits | 79,833 | 78,398 | 224,730 | 232,510 |
| Outpatient Surgeries | 1,458 | 1,677 | 4,317 | 4,992 | Outpatient Surgeries | 1,486 | 1,307 | 4,260 | 4,071 |
| Inpatient Surgeries | 499 | 563 | 1,643 | 1,839 | Inpatient Surgeries | 505 | 443 | 1,506 | 1,417 |
| ER Visits | 18,530 | 15,764 | 57,140 | 50,840 | ER Visits | 12,554 | 10,821 | 37,677 | 35,175 |
| Births | 572 | 672 | 1,925 | 2,082 | Births | - | - | - | - |
| EIPAs (1) | 5,540 | 5,415 | 17,138 | 16,504 | EIPAs (1) | 2,666 | 2,414 | 8,046 | 7,537 |
| Average Length of Stay | | | 4.4 | 4.3 | Average Length of Stay | | | 9.5 | 9.6 |
| Available Beds | | | 235 | 239 | Available Beds | | | 259 | 259 |
| Inpatient Utilization of Available Beds | | | 74.8% | 70.3% | Inpatient Utilization of Available Beds | | | 68.0% | 62.0% |
| Full-time Equivalents | | | 1,375 | 1,339 | Full-time Equivalents | | | 2,543 | 2,471 |
| All Hospitals Combined | | | | | All Hospitals Combined | | | | |
| Admissions | | | 23,900 | 23,162 | Admissions | | | 72,583 | 71,731 |
| Observation Cases (2) | | | 12,767 | 11,227 | Observation Cases (2) | | | 37,777 | 32,743 |
| Inpatient Days | | | 161,412 | 157,828 | Inpatient Days | | | 491,996 | 482,107 |
| Outpatient Visits | | | 300,698 | 293,769 | Outpatient Visits | | | 932,780 | 959,962 |
| Outpatient Surgeries | | | 17,510 | 15,783 | Outpatient Surgeries | | | 50,416 | 50,462 |
| Inpatient Surgeries | | | 7,894 | 7,924 | Inpatient Surgeries | | | 23,868 | 24,473 |
| ER Visits | | | 82,743 | 75,997 | ER Visits | | | 261,193 | 249,145 |
| Births | | | 2,351 | 2,600 | Births | | | 7,669 | 7,924 |
| EIPAs (1) | | | 43,218 | 40,849 | EIPAs (1) | | | 130,267 | 127,021 |
| Full-time Equivalents | | | | | Full-time Equivalents | | | 19,425 | 20,235 |

Notes:

- (1) Equivalent inpatient admissions ("EIPAs") are calculated by dividing total gross revenues by gross inpatient revenues and multiplying the result by inpatient admissions.
- (2) Includes extended recovery.
- (3) Includes minor surgeries, eye surgeries and special procedures performed in ORs.

Inpatient Payor Mix

| <i>(JHH, JHBMC, HCGH, SHI, SMH and JHACH only)</i> | <u>Nine Months Ended</u> <u>March 31, 2023</u> | | <u>Nine Months Ended</u> <u>March 31, 2022</u> | |
|--|---|----------------|---|----------------|
| | <u>Gross</u> <u>Revenue</u> | <u>Days</u> | <u>Gross</u> <u>Revenue</u> | <u>Days</u> |
| Blue Cross | 16.78% | 14.29% | 16.95% | 14.33% |
| Medicare | 29.05% | 30.45% | 29.85% | 32.18% |
| Medicaid/Medicaid MCO | 25.48% | 25.91% | 24.24% | 24.96% |
| Self Pay/MA Pending | 0.66% | 0.81% | 1.38% | 1.38% |
| Commercial | 5.84% | 5.31% | 5.84% | 5.40% |
| HMO | 18.23% | 19.67% | 17.79% | 18.46% |
| Other | 3.96% | 3.56% | 3.95% | 3.29% |
| | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

Other Significant Events

JHHS Series 2016A, 2016B, 2018A and 2018B Tax-Exempt Revenue Bond Reclassifications

The Series 2016A and 2016B Bonds are subject to mandatory purchase in May 2023. Thus, the entire outstanding balance of \$8.5 million and \$48.2 million, respectively, are recorded within current portion of long-term debt in the accompanying Consolidated Balance Sheet as of June 30, 2022.

The Series 2018A and 2018B Bonds are subject to mandatory purchase in June 2023. Thus, the entire outstanding balance of \$48.2 million and \$88.3 million, respectively, are recorded within current portion of long-term debt in the accompanying Consolidated Balance Sheet as of June 30, 2022.

JHHS Series 2022 Commercial Paper Tax-Exempt Bond Refunding Transaction

In October 2022, JHHS closed on the Series 2022 taxable commercial paper program, which is authorized up to \$200.0 million. JHHS issued \$100.0 million at closing, with the proceeds being used to refinance the Series 2012E/2017C Bond. The commercial paper can be issued for terms of 1 to 270 days, at variable rates of interest. The remaining \$100.0 million of capacity within the 2022 taxable commercial paper program will be held as an additional source of liquidity. The outstanding balance of \$100.0 million is recorded within current portion of long-term debt in the accompanying Consolidated Balance Sheet as of March 31, 2023.

COVID-19 Pandemic

The extent to which the COVID-19 pandemic continues to disrupt JHHS' business and results of operations, financial position, and cash flows will depend on a number of evolving factors and future developments that JHHS is not able to predict, including, but not limited to, the duration of the outbreak; further actions by governmental authorities and the private sector to limit the spread of COVID-19; continued requirements for wearing masks, hand washing and social distancing; testing and vaccination efforts; impact of new COVID-19 variants; and the economic impact on JHHS' patients and the communities JHHS serves as a result of containment efforts.

In response to COVID-19, the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") was signed into law on March 27, 2020. Under the CARES Act, Provider Relief Funds ("PRF") were distributed to hospitals and other healthcare entities on the front lines of the COVID-19 response. These funds are to be used to support healthcare related expenses or lost revenues attributable to COVID-19. In fiscal year 2022, JHHS' eligible subsidiaries received \$21.1 million of PRF. JHHS recognized \$26.8 million (including \$5.7 million received in fiscal year 2021) of PRF during the twelve months ended June 30, 2022 within other revenue in the Consolidated Statements of Operations and Changes in Net Assets. In fiscal year 2023, no PRF was received or recognized by JHHS. JHHS continues to comply with the conditions and guidance issued by the U.S. Department of Health and Human Services ("HHS") Health Resources and Services Administration ("HRSA") related to use of and reporting requirements for all PRF received since the CARES Act was enacted.

In addition, the CARES Act created the Employee Retention Credit ("ERC") designed to encourage employers to retain employees during the COVID-19 pandemic. In fiscal year 2023, JHHS filed for \$18.2 million in ERC credits based on qualified wages paid to employees between March 12, 2020 and July 1, 2020. These tax credits were recognized within other revenue in the Consolidated Statements of Operations and Changes in Net Assets.

Supplementary Consolidating Financial Statements

**The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Balance Sheets
As of March 31, 2023
(in thousands)
(Unaudited)**

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHC & Affiliates |
|--|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|------------------|-----------------------|--|-------------------|-------------------------|---------------------|--------------------------------------|
| Current Assets: | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 63,072 | \$ 13,810 | \$ 4,610 | \$ 28,729 | \$ 106,269 | \$ 75,914 | \$ 514,611 | \$ 96 | \$ - | \$ 807,111 | \$ 245,515 | \$ 73,969 | \$ - | \$ 1,126,595 |
| Short-term investments | - | 151 | - | 420 | 63,148 | 100 | 131,977 | 200 | - | 195,996 | - | 135 | - | 196,131 |
| AWUIL used for current liabilities | - | - | - | 246 | - | - | - | - | - | 246 | - | - | - | 246 |
| Patient accounts receivable, net of est uncollectibles | 446,067 | 96,784 | 36,469 | 46,483 | 67,986 | 85,101 | - | - | - | 778,890 | 67,714 | 29,868 | (53,094) | 823,378 |
| Due from others | 79,797 | 14,678 | 2,213 | 5,777 | 4,376 | 13,248 | 26,316 | 357 | - | 146,762 | 63,289 | 10,304 | (5,699) | 214,656 |
| Due from affiliates, current portion | 11,825 | 1,067 | 532 | 287 | 311 | 9,997 | 410,992 | 502 | (402,697) | 32,816 | 56,635 | 51,081 | (125,160) | 15,372 |
| Inventories of supplies | 87,479 | 13,533 | 4,512 | 11,687 | 8,125 | 12,565 | - | - | - | 137,901 | 932 | 29,407 | - | 168,240 |
| Estimated malpractice recoveries, current portion | 37,310 | 3,337 | 1,847 | 1,312 | 3,345 | 8,473 | - | - | - | 55,624 | - | 5,941 | - | 61,565 |
| Prepaid expenses and other current assets | 6,120 | 941 | 1,376 | 3,819 | 3,639 | 4,198 | 9,024 | 436 | - | 29,553 | 12,902 | 3,456 | - | 45,911 |
| Total current assets | 731,670 | 144,301 | 51,559 | 98,760 | 257,199 | 209,596 | 1,092,920 | 1,591 | (402,697) | 2,184,899 | 446,987 | 204,161 | (183,953) | 2,652,094 |
| Assets whose use is limited: | | | | | | | | | | | | | | |
| By donors or grantors for: | | | | | | | | | | | | | | |
| Pledges receivable | 300 | 202 | - | 3,781 | 9,123 | - | - | - | - | 13,406 | - | 11,552 | - | 24,958 |
| Other | 7,162 | 8,703 | 16,815 | 27,052 | 50,496 | - | - | - | - | 110,228 | - | 73,015 | (16,815) | 166,428 |
| By Board of Trustees | 107,418 | 85,431 | - | - | 435,745 | 23,574 | - | - | - | 652,168 | - | 10,449 | - | 662,617 |
| Other | 2,799 | 623 | 133 | 660 | - | 19,259 | 17,489 | 222 | - | 41,185 | 1,104 | 652 | (18,259) | 24,682 |
| Total assets whose use is limited | 117,679 | 94,959 | 16,948 | 31,493 | 495,364 | 42,833 | 17,489 | 222 | - | 816,987 | 1,104 | 95,668 | (35,074) | 878,685 |
| Investments | 1,428,595 | 5,100 | 197,981 | 278,603 | 709,478 | 479,605 | (33,428) | 15,365 | - | 3,081,299 | 435,877 | 62,420 | (199,353) | 3,380,243 |
| Property, plant and equipment, net | 1,152,360 | 150,653 | 147,624 | 268,689 | 469,692 | 367,292 | 50,800 | 18,470 | - | 2,625,580 | 32,007 | 50,805 | - | 2,708,392 |
| Finance lease right-of-use assets | 5,130 | 15,451 | 4,146 | - | - | 3,758 | 13,912 | 5,644 | - | 48,041 | 16,389 | 9,087 | - | 73,517 |
| Operating lease right-of-use assets | 2,920 | 4,263 | - | 515 | 27 | 2,170 | 15,407 | - | - | 25,302 | 11,206 | 72,193 | - | 108,701 |
| Due from affiliates, net of current portion | 121,861 | 1,140 | 1,616 | 480 | 480 | - | 1,050,490 | - | (1,101,685) | 74,382 | - | 309 | (25,533) | 49,158 |
| Estimated malpractice recoveries, net of current portion | 32,297 | 2,889 | 1,600 | 1,136 | 2,895 | 7,335 | - | - | - | 48,152 | - | 5,143 | - | 53,295 |
| Swap counterparty deposit | - | - | - | - | - | - | - | - | - | - | - | 19,224 | - | 19,224 |
| Other assets | 9,754 | 367 | 361 | (408) | 2,203 | 5,844 | 2,636 | 1,735 | - | 22,492 | 2,790 | 639 | (933) | 24,988 |
| Total assets | \$ 3,602,266 | \$ 419,123 | \$ 421,835 | \$ 679,268 | \$ 1,937,338 | \$ 1,118,433 | \$ 2,210,226 | \$ 43,027 | \$ (1,504,382) | \$ 8,927,134 | \$ 946,360 | \$ 519,649 | \$ (444,846) | \$ 9,948,297 |
| Current liabilities: | | | | | | | | | | | | | | |
| Current portion of long-term debt | \$ - | \$ 7,105 | \$ - | \$ - | \$ - | \$ 5,300 | \$ 411,735 | \$ - | \$ - | \$ 424,140 | \$ 1,042 | \$ - | \$ - | \$ 425,182 |
| Line of credit | - | - | - | - | - | - | 30,000 | - | - | 30,000 | - | - | - | 30,000 |
| Finance lease liabilities, current portion | 545 | 2,028 | 988 | - | - | 1,004 | 2,224 | 3,599 | - | 10,388 | 2,658 | 1,512 | - | 14,558 |
| Operating lease liabilities, current portion | 461 | 1,909 | - | 256 | 28 | 514 | 6,511 | - | - | 9,679 | 2,023 | 11,096 | - | 22,798 |
| Accounts payable and accrued liabilities | 260,436 | 60,130 | 25,616 | 28,768 | 45,721 | 38,431 | 154,145 | 1,572 | - | 614,819 | 171,035 | 82,642 | (18,211) | 850,285 |
| Medical claims reserve | - | - | - | - | - | - | - | - | - | - | 214,559 | - | (59,121) | 155,438 |
| Deferred revenue | 5,711 | 3,935 | 303 | 416 | 1,267 | 3,821 | 2,973 | - | - | 18,426 | 166,551 | 6,806 | - | 191,783 |
| Due to affiliates | 286,318 | 55,823 | 61,104 | 8,729 | 12,176 | 42,283 | 3,777 | 40 | (402,697) | 67,553 | 27,354 | 22,018 | (106,574) | 10,351 |
| Advances from third-party payors | 117,955 | 19,029 | 11,102 | 8,462 | - | - | - | - | - | 156,548 | - | - | - | 156,548 |
| Current portion of estimated malpractice costs | 39,033 | 3,584 | 1,955 | 1,352 | 3,479 | 8,875 | - | - | - | 58,278 | - | 6,334 | - | 64,612 |
| Total current liabilities | 710,459 | 153,543 | 101,068 | 47,983 | 62,671 | 100,228 | 611,365 | 5,211 | (402,697) | 1,389,831 | 585,222 | 130,408 | (183,906) | 1,921,555 |
| Long-term debt, net of current portion | - | 15,355 | - | - | - | 73,200 | 1,299,741 | - | - | 1,388,296 | 442 | - | - | 1,388,738 |
| Finance lease liabilities, net of current portion | 3,982 | 15,438 | 3,691 | - | - | 3,294 | 14,503 | 12,312 | - | 53,220 | 16,102 | 8,567 | - | 77,889 |
| Operating lease liabilities, net of current portion | 2,575 | 3,006 | - | 266 | - | 1,729 | 9,309 | - | - | 16,885 | 12,155 | 65,490 | - | 94,530 |
| Estimated malpractice costs, net of current portion | 117,475 | 15,061 | 6,995 | 3,182 | 9,595 | 27,411 | - | - | - | 179,719 | - | 16,558 | - | 196,277 |
| Net pension liability | 122,291 | 71,379 | - | - | - | - | 151,573 | - | - | 345,243 | - | - | - | 345,243 |
| Other long-term liabilities | 648,526 | 60,642 | 112,525 | 125,982 | 308,563 | 132,800 | 2,582 | 222 | (1,101,685) | 290,157 | 223 | 29,269 | (26,512) | 293,137 |
| Total liabilities | 1,605,308 | 334,424 | 224,279 | 177,413 | 380,829 | 338,662 | 2,089,073 | 17,745 | (1,504,382) | 3,663,351 | 614,144 | 250,292 | (210,418) | 4,317,369 |
| Net assets: | | | | | | | | | | | | | | |
| Net assets without donor restrictions | 1,986,976 | 75,793 | 189,882 | 472,108 | 1,491,535 | 760,512 | 121,103 | 25,282 | - | 5,123,191 | 332,216 | 182,964 | (208,624) | 5,429,747 |
| Net assets with donor restrictions | 9,982 | 8,906 | 7,674 | 29,747 | 64,974 | 19,259 | 50 | - | - | 140,592 | - | 86,393 | (25,804) | 201,181 |
| Total net assets | 1,996,958 | 84,699 | 197,556 | 501,855 | 1,556,509 | 779,771 | 121,153 | 25,282 | - | 5,263,783 | 332,216 | 269,357 | (234,428) | 5,630,928 |
| Total liabilities and net assets | \$ 3,602,266 | \$ 419,123 | \$ 421,835 | \$ 679,268 | \$ 1,937,338 | \$ 1,118,433 | \$ 2,210,226 | \$ 43,027 | \$ (1,504,382) | \$ 8,927,134 | \$ 946,360 | \$ 519,649 | \$ (444,846) | \$ 9,948,297 |

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Balance Sheets
As of June 30, 2022
(in thousands)

(Extracted from Audited Financial Statements)

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHC & Affiliates |
|--|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|------------------|-----------------------|--|-------------------|-------------------------|---------------------|--------------------------------------|
| Current Assets: | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 157,353 | \$ 22,653 | \$ 11,469 | \$ 33,194 | \$ 128,038 | \$ 31,935 | \$ 349,084 | \$ 84 | \$ - | \$ 733,810 | \$ 130,937 | \$ 80,304 | \$ - | \$ 945,051 |
| Short-term investments | - | 151 | - | 420 | 54,814 | 100 | 105,594 | 200 | - | 161,279 | - | 159 | - | 161,438 |
| AWUIL used for current liabilities | 4,205 | - | - | 488 | - | - | - | - | - | 4,693 | - | - | - | 4,693 |
| Patient accounts receivable, net of est uncollectibles | 396,314 | 82,994 | 34,345 | 43,379 | 62,247 | 103,628 | - | - | - | 722,907 | 94,629 | 24,150 | (39,943) | 801,743 |
| Due from others | 62,519 | 9,227 | 776 | 1,398 | 2,317 | 22,722 | 18,326 | 353 | - | 117,638 | 67,077 | 8,451 | (5,112) | 188,054 |
| Due from affiliates, current portion | 23,331 | 4,876 | 2,520 | 2,062 | 2,993 | 8,780 | 376,613 | 204 | (375,520) | 45,859 | 31,143 | 59,182 | (112,394) | 23,790 |
| Inventories of supplies | 83,699 | 12,938 | 4,341 | 12,127 | 9,791 | 12,344 | - | - | - | 135,240 | 506 | 30,479 | - | 166,225 |
| Estimated malpractice recoveries, current portion | 37,309 | 3,337 | 1,847 | 1,312 | 3,345 | 8,473 | - | - | - | 55,623 | 1,214 | 5,941 | - | 62,778 |
| Prepaid expenses and other current assets | 5,818 | 758 | 912 | 3,711 | 3,671 | 3,760 | 7,468 | 702 | - | 26,800 | 14,616 | 2,605 | - | 44,021 |
| Total current assets | 770,548 | 136,934 | 56,210 | 98,091 | 267,216 | 191,742 | 857,085 | 1,543 | (375,520) | 2,003,849 | 340,122 | 211,271 | (157,449) | 2,397,793 |
| Assets whose use is limited: | | | | | | | | | | | | | | |
| By donors or grantors for: | | | | | | | | | | | | | | |
| Pledges receivable | 300 | 202 | - | 5,169 | 13,406 | - | - | - | - | 19,077 | - | 13,073 | - | 32,150 |
| Other | 7,694 | 8,566 | 17,284 | 22,222 | 49,791 | - | - | - | - | 105,557 | - | 68,057 | (17,284) | 156,330 |
| By Board of Trustees | 106,730 | 85,431 | - | - | 406,241 | 22,010 | - | - | - | 620,412 | - | 9,101 | - | 629,513 |
| Other | 2,929 | 478 | 133 | 455 | - | 18,909 | 16,908 | 222 | - | 40,034 | 200 | 873 | (17,909) | 23,198 |
| Total assets whose use is limited | 117,653 | 94,677 | 17,417 | 27,846 | 469,438 | 40,919 | 16,908 | 222 | - | 785,080 | 200 | 91,104 | (35,193) | 841,191 |
| Investments | 1,344,632 | 1,849 | 192,302 | 261,832 | 622,882 | 447,797 | 182,751 | 15,895 | - | 3,069,940 | 217,797 | 60,805 | (164,978) | 3,183,564 |
| Property, plant and equipment, net | 1,097,397 | 147,959 | 154,296 | 279,318 | 481,670 | 377,842 | 50,491 | 19,133 | - | 2,608,106 | 36,759 | 50,003 | - | 2,694,868 |
| Finance lease right-of-use assets | 5,408 | 17,115 | 4,864 | - | - | 4,474 | 15,280 | 6,766 | - | 53,907 | 18,409 | 10,211 | - | 82,527 |
| Operating lease right-of-use assets | 3,353 | 5,478 | 101 | 705 | 87 | 821 | 18,043 | - | - | 28,588 | 12,186 | 76,207 | - | 116,981 |
| Due from affiliates, net of current portion | 125,947 | 1,140 | 1,782 | 480 | 480 | - | 1,053,644 | - | (1,102,857) | 80,616 | - | 309 | (29,473) | 51,452 |
| Estimated malpractice recoveries, net of current portion | 32,298 | 2,889 | 1,600 | 1,136 | 2,895 | 7,335 | - | - | - | 48,153 | 1,049 | 5,143 | - | 54,345 |
| Swap counterparty deposit | - | - | - | - | - | - | - | - | - | - | - | 23,164 | - | 23,164 |
| Other assets | 37,123 | 367 | 220 | 1,028 | 2,432 | 5,904 | 2,691 | 1,699 | - | 51,464 | 3,597 | 557 | (821) | 54,797 |
| Total assets | \$ 3,534,359 | \$ 408,408 | \$ 428,792 | \$ 670,436 | \$ 1,847,100 | \$ 1,076,834 | \$ 2,196,893 | \$ 45,258 | \$ (1,478,377) | \$ 8,729,703 | \$ 630,119 | \$ 528,774 | \$ (387,914) | \$ 9,500,682 |
| Current liabilities: | | | | | | | | | | | | | | |
| Current portion of long-term debt | \$ 4,205 | \$ 6,830 | \$ - | \$ - | \$ - | \$ 5,125 | \$ 420,545 | \$ - | \$ - | \$ 436,705 | \$ 1,346 | \$ - | \$ - | \$ 438,051 |
| Finance lease liabilities, current portion | 540 | 1,951 | 946 | - | - | 963 | 2,155 | 3,292 | - | 9,847 | 2,544 | 1,452 | - | 13,843 |
| Operating lease liabilities, current portion | 564 | 1,834 | 113 | 249 | 83 | 452 | 7,446 | - | - | 10,741 | 1,883 | 11,769 | - | 24,393 |
| Accounts payable and accrued liabilities | 271,514 | 68,179 | 32,324 | 34,816 | 55,216 | 53,540 | 166,436 | 2,047 | - | 684,072 | 125,431 | 94,156 | (10,836) | 892,823 |
| Medical claims reserve | - | - | - | - | - | - | - | - | - | - | 176,156 | - | (39,955) | 136,201 |
| Deferred revenue | 3,150 | 3,609 | 473 | 189 | 1,267 | 475 | 3,321 | - | - | 12,484 | 1,517 | 6,004 | - | 20,005 |
| Due to affiliates | 280,471 | 12,270 | 61,177 | 6,802 | 10,463 | 48,797 | 27,526 | 51 | (375,520) | 72,037 | 30,933 | 20,829 | (106,606) | 17,193 |
| Advances from third-party payors | 95,269 | 18,219 | 11,959 | 7,543 | - | - | - | - | - | 132,990 | - | - | - | 132,990 |
| Current portion of estimated malpractice costs | 66,402 | 3,584 | 1,955 | 1,352 | 3,479 | 8,875 | - | - | - | 85,647 | 1,267 | 6,169 | - | 93,083 |
| Total current liabilities | 722,115 | 116,476 | 108,947 | 50,951 | 70,508 | 118,227 | 627,429 | 5,390 | (375,520) | 1,444,523 | 341,077 | 140,379 | (157,397) | 1,768,582 |
| Long-term debt, net of current portion | - | 22,460 | - | - | - | 78,500 | 1,301,645 | - | - | 1,402,605 | 1,226 | - | - | 1,403,831 |
| Finance lease liabilities, net of current portion | 4,422 | 16,968 | 4,439 | - | - | 4,051 | 15,872 | 15,047 | - | 60,799 | 18,108 | 9,713 | - | 88,620 |
| Operating lease liabilities, net of current portion | 2,894 | 4,449 | - | 459 | 7 | 372 | 11,096 | - | - | 19,277 | 13,646 | 68,018 | - | 100,941 |
| Estimated malpractice costs, net of current portion | 116,726 | 14,969 | 6,913 | 3,107 | 9,495 | 27,021 | - | - | - | 178,231 | 3,696 | 16,294 | - | 198,221 |
| Net pension liability | 159,846 | 82,693 | - | - | - | - | 167,984 | - | - | 410,523 | - | - | - | 410,523 |
| Other long-term liabilities | 633,740 | 61,387 | 113,710 | 126,207 | 312,245 | 136,023 | 2,522 | 222 | (1,102,857) | 283,199 | 206 | 33,845 | (30,344) | 286,906 |
| Total liabilities | 1,639,743 | 319,402 | 234,009 | 180,724 | 392,255 | 364,194 | 2,126,548 | 20,659 | (1,478,377) | 3,799,157 | 377,959 | 268,249 | (187,741) | 4,257,624 |
| Net assets: | | | | | | | | | | | | | | |
| Net assets without donor restrictions | 1,884,876 | 80,238 | 186,393 | 463,258 | 1,390,137 | 693,731 | 70,295 | 24,599 | - | 4,793,527 | 252,160 | 177,503 | (174,009) | 5,049,181 |
| Net assets with donor restrictions | 9,740 | 8,768 | 8,390 | 26,454 | 64,708 | 18,909 | 50 | - | - | 137,019 | - | 83,022 | (26,164) | 193,877 |
| Total net assets | 1,894,616 | 89,006 | 194,783 | 489,712 | 1,454,845 | 712,640 | 70,345 | 24,599 | - | 4,930,546 | 252,160 | 260,525 | (200,173) | 5,243,058 |
| Total liabilities and net assets | \$ 3,534,359 | \$ 408,408 | \$ 428,792 | \$ 670,436 | \$ 1,847,100 | \$ 1,076,834 | \$ 2,196,893 | \$ 45,258 | \$ (1,478,377) | \$ 8,729,703 | \$ 630,119 | \$ 528,774 | \$ (387,914) | \$ 9,500,682 |

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Statements of Operations and Changes in Net Assets
For the Three Months Ended March 31, 2023

(in thousands)
(Unaudited)

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHSC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHSC & Affiliates |
|--|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|-------------------|------------------|------------------|-------------------------------------|-------------------|-------------------------|---------------------|---------------------------------------|
| Operating revenues and other support: | | | | | | | | | | | | | | |
| Net patient service revenue | \$ 614,116 | \$ 164,485 | \$ 75,250 | \$ 83,792 | \$ 125,403 | \$ 146,146 | \$ - | \$ - | \$ - | \$ 1,209,192 | \$ 25,861 | \$ 92,776 | \$ (125,887) | \$ 1,201,942 |
| Insurance premium revenue | - | - | - | - | - | - | - | - | - | - | 637,321 | 121,865 | (121,865) | 637,321 |
| Other revenue | 188,510 | 30,340 | 4,530 | 6,013 | 9,687 | 21,929 | 165,797 | 1,815 | (108,162) | 320,459 | 36,476 | 64,596 | (113,557) | 307,974 |
| Net assets rel fr restrictions used for operations | - | 373 | 1,186 | 407 | 1,615 | 36 | - | - | - | 3,617 | - | 1,309 | - | 4,926 |
| Total operating revenues and other support | 802,626 | 195,198 | 80,966 | 90,212 | 136,705 | 168,111 | 165,797 | 1,815 | (108,162) | 1,533,268 | 699,658 | 280,546 | (361,309) | 2,152,163 |
| Operating expenses: | | | | | | | | | | | | | | |
| Salaries, wages and benefits | 251,531 | 79,013 | 38,245 | 45,356 | 49,133 | 68,035 | 92,682 | 2 | - | 623,997 | 42,487 | 100,729 | (24,383) | 742,830 |
| Purchased services | 263,671 | 72,128 | 28,354 | 23,439 | 32,384 | 43,243 | 46,410 | 545 | (93,996) | 416,178 | 607,473 | 167,935 | (319,434) | 872,152 |
| Supplies and other | 241,226 | 39,996 | 11,706 | 17,128 | 36,974 | 28,365 | 1,955 | (96) | - | 377,254 | 19,757 | 12,706 | (1,623) | 408,094 |
| Interest | 6,838 | 1,101 | 1,424 | 1,342 | 2,467 | 1,941 | 16,863 | 364 | (14,166) | 18,174 | 767 | 87 | - | 19,028 |
| Depreciation and amortization | 27,005 | 6,986 | 4,264 | 6,760 | 10,124 | 8,446 | 2,723 | 612 | - | 66,920 | 3,497 | 2,071 | - | 72,488 |
| Total operating expenses | 790,271 | 199,224 | 83,993 | 94,025 | 131,082 | 150,030 | 160,633 | 1,427 | (108,162) | 1,502,523 | 673,981 | 283,528 | (345,440) | 2,114,592 |
| Income (loss) from operations | 12,355 | (4,026) | (3,027) | (3,813) | 5,623 | 18,081 | 5,164 | 388 | - | 30,745 | 25,677 | (2,982) | (15,869) | 37,571 |
| Non-operating revenues and expenses: | | | | | | | | | | | | | | |
| Interest expense on swap agreements | (1,112) | (22) | (91) | - | - | (163) | - | - | - | (1,388) | - | - | - | (1,388) |
| Change in market value of swap agreements | (8,630) | (27) | (941) | - | - | (2,326) | - | - | - | (11,924) | - | - | - | (11,924) |
| Realized and unrealized gains on investments | 59,452 | 4,052 | 8,741 | 13,859 | 49,556 | 25,391 | 1,764 | 588 | - | 163,403 | 1,219 | 3,551 | - | 168,173 |
| Investment income | 5,287 | 310 | 639 | 862 | 6,766 | 2,631 | 1,611 | 34 | - | 18,140 | - | 397 | - | 18,537 |
| Other components of net periodic pension cost | 5,762 | 1,557 | - | 123 | - | - | 234 | - | - | 7,676 | 45 | 73 | - | 7,794 |
| Other | (4,763) | - | (984) | - | (14) | (1,500) | 1,813 | - | - | (5,448) | (142) | 65 | 308 | (5,217) |
| Excess of revenues over expenses | 68,351 | 1,844 | 4,337 | 11,031 | 61,931 | 42,114 | 10,586 | 1,010 | - | 201,204 | 26,799 | 1,104 | (15,561) | 213,546 |
| Contributions (to) from affiliates | (25,264) | - | 1,604 | - | - | - | 19,771 | (340) | - | (4,229) | 183 | 3,716 | 507 | 177 |
| Net assets released from restrictions used for purchase of property, plant, and equipment | 917 | - | 110 | - | 51 | - | - | - | - | 1,078 | - | - | - | 1,078 |
| Other | - | - | - | - | - | 61 | (504) | - | - | (443) | - | 1,232 | (1,296) | (507) |
| Increase in net assets without donor restrictions | 44,004 | 1,844 | 6,051 | 11,031 | 61,982 | 42,175 | 29,853 | 670 | - | 197,610 | 26,982 | 6,052 | (16,350) | 214,294 |
| Changes in net assets with donor restrictions: | | | | | | | | | | | | | | |
| Gifts, grants and bequests | 1,408 | 228 | 532 | 1,629 | 1,246 | (1) | - | - | - | 5,042 | - | 6,248 | (502) | 10,788 |
| Net assets released from restrictions used for purchase of property, plant, and equipment | (917) | - | (110) | - | (51) | - | - | - | - | (1,078) | - | - | - | (1,078) |
| Net assets rel fr restrictions used for operations | - | (373) | (1,186) | (407) | (1,615) | (36) | - | - | - | (3,617) | - | (1,309) | - | (4,926) |
| Other | - | - | - | - | - | 153 | - | - | - | 153 | - | (1,296) | 1,143 | - |
| Increase (decrease) in net assets with donor restrictions | 491 | (145) | (764) | 1,222 | (420) | 116 | - | - | - | 500 | - | 3,643 | 641 | 4,784 |
| Increase in net assets | 44,495 | 1,699 | 5,287 | 12,253 | 61,562 | 42,291 | 29,853 | 670 | - | 198,110 | 26,982 | 9,695 | (15,709) | 219,078 |
| Net assets at beginning of period | 1,952,463 | 83,000 | 192,269 | 489,602 | 1,494,947 | 737,480 | 91,300 | 24,612 | - | 5,065,673 | 305,234 | 259,662 | (218,719) | 5,411,850 |
| Net assets at end of period | \$ 1,996,958 | \$ 84,699 | \$ 197,556 | \$ 501,855 | \$ 1,556,509 | \$ 779,771 | \$ 121,153 | \$ 25,282 | \$ - | \$ 5,263,783 | \$ 332,216 | \$ 269,357 | \$ (234,428) | \$ 5,630,928 |

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Statements of Operations and Changes in Net Assets
For the Three Months Ended March 31, 2022

(in thousands)
(Unaudited)

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHSC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHSC & Affiliates |
|--|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|--------------------|------------------|-----------------|-------------------------------------|-------------------|-------------------------|---------------------|---------------------------------------|
| Operating revenues and other support: | | | | | | | | | | | | | | |
| Net patient service revenue | \$ 615,892 | \$ 166,430 | \$ 78,229 | \$ 84,996 | \$ 110,374 | \$ 121,892 | \$ - | \$ - | \$ - | \$ 1,177,813 | \$ 21,521 | \$ 88,681 | \$ (125,431) | \$ 1,162,584 |
| Insurance premium revenue | - | - | - | - | - | - | - | - | - | - | 619,171 | 116,852 | (116,808) | 619,215 |
| Other revenue | 155,763 | 25,334 | 5,420 | 5,209 | 8,679 | 14,632 | 150,856 | 1,908 | (93,311) | 274,490 | 30,603 | 51,216 | (95,066) | 261,243 |
| Net assets rel fr restrictions used for operations | 29 | 129 | 37 | 601 | 2,637 | 50 | - | - | - | 3,483 | - | 1,726 | - | 5,209 |
| Total operating revenues and other support | 771,684 | 191,893 | 83,686 | 90,806 | 121,690 | 136,574 | 150,856 | 1,908 | (93,311) | 1,455,786 | 671,295 | 258,475 | (337,305) | 2,048,251 |
| Operating expenses: | | | | | | | | | | | | | | |
| Salaries, wages and benefits | 235,076 | 71,218 | 34,613 | 40,422 | 46,685 | 59,465 | 81,567 | - | - | 569,046 | 40,729 | 98,008 | (24,669) | 683,114 |
| Purchased services | 252,043 | 82,987 | 35,561 | 26,830 | 29,962 | 49,211 | 42,878 | 648 | (85,451) | 434,669 | 577,825 | 150,695 | (290,979) | 872,210 |
| Supplies and other | 215,253 | 34,843 | 10,566 | 16,619 | 32,211 | 20,843 | 3,480 | 193 | - | 334,008 | 19,567 | 11,063 | (1,546) | 363,092 |
| Interest | 1,580 | 568 | 1,156 | 999 | 2,490 | 1,278 | 10,532 | 423 | (7,860) | 11,166 | 477 | 95 | (2) | 11,736 |
| Depreciation and amortization | 28,351 | 6,751 | 4,134 | 6,632 | 10,186 | 8,489 | 2,753 | 618 | - | 67,914 | 3,880 | 2,090 | - | 73,884 |
| Total operating expenses | 732,303 | 196,367 | 86,030 | 91,502 | 121,534 | 139,286 | 141,210 | 1,882 | (93,311) | 1,416,803 | 642,478 | 261,951 | (317,196) | 2,004,036 |
| Income (loss) from operations | 39,381 | (4,474) | (2,344) | (696) | 156 | (2,712) | 9,646 | 26 | - | 38,983 | 28,817 | (3,476) | (20,109) | 44,215 |
| Non-operating revenues and expenses: | | | | | | | | | | | | | | |
| Interest expense on swap agreements | (4,591) | (270) | (385) | - | - | (910) | - | - | - | (6,156) | - | - | - | (6,156) |
| Change in market value of swap agreements | 38,771 | 853 | 3,897 | - | - | 8,185 | - | - | - | 51,706 | - | - | - | 51,706 |
| Realized and unrealized losses on investments | (75,398) | (5,342) | (10,845) | (15,934) | (83,489) | (32,835) | (6,341) | (878) | - | (231,062) | (3,536) | (4,909) | - | (239,507) |
| Investment income | 1,673 | 158 | 232 | 145 | 4,461 | 1,902 | 533 | 9 | - | 9,113 | - | 285 | - | 9,398 |
| Other components of net periodic pension cost | (5,555) | (1,447) | (11) | 636 | - | - | (1,907) | - | - | (8,284) | (961) | (1,659) | - | (10,904) |
| Other | (4,002) | - | (673) | - | (1,147) | (1,500) | (272) | - | - | (7,594) | 447 | (104) | 2,866 | (4,385) |
| Excess of revenues (under) over expenses | (9,721) | (10,522) | (10,129) | (15,849) | (80,019) | (27,870) | 1,659 | (843) | - | (153,294) | 24,767 | (9,863) | (17,243) | (155,633) |
| Contributions (to) from affiliates | (6,566) | - | (664) | - | - | - | 8,191 | (474) | - | 487 | 296 | (517) | - | 266 |
| Change in funded status of defined benefit plans | - | - | - | - | - | - | (27) | - | - | (27) | - | - | - | (27) |
| Net assets released from restrictions used for purchase of property, plant, and equipment | - | - | 275 | - | - | - | - | - | - | 275 | - | - | - | 275 |
| Other | - | - | - | - | - | 266 | (3,440) | - | - | (3,174) | - | 118 | (312) | (3,368) |
| (Decrease) increase in net assets without donor restrictions | (16,287) | (10,522) | (10,518) | (15,849) | (80,019) | (27,604) | 6,383 | (1,317) | - | (155,733) | 25,063 | (10,262) | (17,555) | (158,487) |
| Changes in net assets with donor restrictions: | | | | | | | | | | | | | | |
| Gifts, grants and bequests | 1,360 | (129) | 1,384 | (319) | 2,110 | 89 | - | - | - | 4,495 | - | 1,873 | (1,331) | 5,037 |
| Net assets released from restrictions used for purchase of property, plant, and equipment | - | - | (275) | - | - | - | - | - | - | (275) | - | - | - | (275) |
| Net assets rel fr restrictions used for operations | (29) | (129) | (37) | (601) | (2,637) | (50) | - | - | - | (3,483) | - | (1,726) | - | (5,209) |
| Other | - | - | - | - | - | (1,518) | - | - | - | (1,518) | - | (311) | 1,829 | - |
| Increase (decrease) in net assets with donor restrictions | 1,331 | (258) | 1,072 | (920) | (527) | (1,479) | - | - | - | (781) | - | (164) | 498 | (447) |
| (Decrease) increase in net assets | (14,956) | (10,780) | (9,446) | (16,769) | (80,546) | (29,083) | 6,383 | (1,317) | - | (156,514) | 25,063 | (10,426) | (17,057) | (158,934) |
| Net assets at beginning of period | 1,820,044 | 65,859 | 233,640 | 546,161 | 1,662,168 | 800,404 | (41,982) | 28,051 | - | 5,114,345 | 236,612 | 287,191 | (189,712) | 5,448,436 |
| Net assets at end of period | \$ 1,805,088 | \$ 55,079 | \$ 224,194 | \$ 529,392 | \$ 1,581,622 | \$ 771,321 | \$ (35,599) | \$ 26,734 | \$ - | \$ 4,957,831 | \$ 261,675 | \$ 276,765 | \$ (206,769) | \$ 5,289,502 |

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Statements of Operations and Changes in Net Assets
For the Nine Months Ended March 31, 2023

(in thousands)
(Unaudited)

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHSC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHSC & Affiliates |
|---|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|-------------------|------------------|------------------|-------------------------------------|-------------------|-------------------------|---------------------|---------------------------------------|
| Operating revenues and other support: | | | | | | | | | | | | | | |
| Net patient service revenue | \$ 1,848,195 | \$ 494,422 | \$ 227,613 | \$ 256,332 | \$ 368,323 | \$ 433,549 | \$ - | \$ - | \$ - | \$ 3,628,434 | \$ 78,015 | \$ 284,137 | \$ (373,386) | \$ 3,617,200 |
| Insurance premium revenue | - | - | - | - | - | - | - | - | - | - | 1,916,422 | 355,766 | (355,766) | 1,916,422 |
| Other revenue | 516,968 | 80,780 | 10,791 | 14,018 | 24,332 | 60,251 | 482,125 | 6,135 | (319,385) | 876,015 | 101,601 | 182,727 | (315,595) | 844,748 |
| Net assets rel fr restrictions used for operations | 74 | 676 | 1,244 | 1,244 | 4,472 | 161 | - | - | - | 7,871 | - | 3,450 | - | 11,321 |
| Total operating revenues and other support | <u>2,365,237</u> | <u>575,878</u> | <u>239,648</u> | <u>271,594</u> | <u>397,127</u> | <u>493,961</u> | <u>482,125</u> | <u>6,135</u> | <u>(319,385)</u> | <u>4,512,320</u> | <u>2,096,038</u> | <u>826,080</u> | <u>(1,044,747)</u> | <u>6,389,691</u> |
| Operating expenses: | | | | | | | | | | | | | | |
| Salaries, wages and benefits | 719,080 | 221,700 | 109,921 | 129,465 | 145,433 | 195,256 | 264,626 | 5 | - | 1,785,486 | 125,319 | 302,923 | (76,321) | 2,137,407 |
| Purchased services | 797,875 | 232,195 | 89,340 | 74,041 | 96,615 | 155,880 | 137,166 | 1,952 | (281,504) | 1,303,560 | 1,810,369 | 490,778 | (928,455) | 2,676,252 |
| Supplies and other | 708,463 | 114,275 | 34,418 | 54,273 | 108,769 | 77,319 | 7,367 | 294 | - | 1,105,178 | 68,013 | 36,817 | (4,875) | 1,205,133 |
| Interest | 15,935 | 2,746 | 4,060 | 3,789 | 7,422 | 5,476 | 46,066 | 1,135 | (37,881) | 48,748 | 1,408 | 283 | - | 50,439 |
| Depreciation and amortization | 81,011 | 20,784 | 12,772 | 20,077 | 30,259 | 25,302 | 8,124 | 1,846 | - | 200,175 | 10,707 | 6,325 | - | 217,207 |
| Total operating expenses | <u>2,322,364</u> | <u>591,700</u> | <u>250,511</u> | <u>281,645</u> | <u>388,498</u> | <u>459,233</u> | <u>463,349</u> | <u>5,232</u> | <u>(319,385)</u> | <u>4,443,147</u> | <u>2,015,816</u> | <u>837,126</u> | <u>(1,009,651)</u> | <u>6,286,438</u> |
| Income (loss) from operations | 42,873 | (15,822) | (10,863) | (10,051) | 8,629 | 34,728 | 18,776 | 903 | - | 69,173 | 80,222 | (11,046) | (35,096) | 103,253 |
| Non-operating revenues and expenses: | | | | | | | | | | | | | | |
| Interest expense on swap agreements | (5,672) | (194) | (472) | - | - | (885) | - | - | - | (7,223) | - | - | - | (7,223) |
| Change in fair value of interest rate swap agreements | 20,150 | 559 | 2,028 | - | - | 3,174 | - | - | - | 25,911 | - | - | - | 25,911 |
| Realized and unrealized gains (losses) on investments | 68,675 | 4,638 | 10,346 | 16,746 | 72,889 | 24,792 | (756) | 740 | - | 198,070 | (551) | 3,228 | - | 200,747 |
| Investment income | 11,855 | 690 | 1,438 | 1,729 | 20,166 | 9,378 | 4,789 | 75 | - | 50,120 | - | 1,262 | - | 51,382 |
| Other components of net periodic pension cost | 17,287 | 4,671 | (10) | 370 | - | - | 686 | - | - | 23,004 | 136 | 210 | - | 23,350 |
| Other | (14,372) | - | (1,396) | - | (543) | (4,500) | 681 | (7) | - | (20,137) | 66 | (36) | 1,623 | (18,484) |
| Excess of revenues over (under) expenses | 140,796 | (5,458) | 1,071 | 8,794 | 101,141 | 66,687 | 24,176 | 1,711 | - | 338,918 | 79,873 | (6,382) | (33,473) | 378,936 |
| Contributions (to) from affiliates | (39,915) | - | 2,013 | - | - | - | 27,884 | (1,028) | - | (11,046) | 183 | 10,506 | 500 | 143 |
| Change in funded status of defined benefit plans | - | - | - | - | - | - | (503) | - | - | (503) | - | - | - | (503) |
| Net assets released from restrictions used for | | | | | | | | | | | | | | |
| purchase of property, plant, and equipment | 1,219 | 1,013 | 405 | 56 | 257 | - | - | - | - | 2,950 | - | - | - | 2,950 |
| Other | - | - | - | - | - | 94 | (749) | - | - | (655) | - | 1,337 | (1,642) | (960) |
| Increase (decrease) in net assets without donor restrictions | <u>102,100</u> | <u>(4,445)</u> | <u>3,489</u> | <u>8,850</u> | <u>101,398</u> | <u>66,781</u> | <u>50,808</u> | <u>683</u> | <u>-</u> | <u>329,664</u> | <u>80,056</u> | <u>5,461</u> | <u>(34,615)</u> | <u>380,566</u> |
| Changes in net assets with donor restrictions: | | | | | | | | | | | | | | |
| Gifts, grants and bequests | 1,535 | 1,827 | 933 | 4,593 | 4,995 | (1) | - | - | - | 13,882 | - | 8,463 | (770) | 21,575 |
| Net assets released from restrictions used for | | | | | | | | | | | | | | |
| purchase of property, plant, and equipment | (1,219) | (1,013) | (405) | (56) | (257) | - | - | - | - | (2,950) | - | - | - | (2,950) |
| Net assets rel fr restrictions used for operations | (74) | (676) | (1,244) | (1,244) | (4,472) | (161) | - | - | - | (7,871) | - | (3,450) | - | (11,321) |
| Other | - | - | - | - | - | 512 | - | - | - | 512 | - | (1,642) | 1,130 | - |
| Increase (decrease) in net assets with donor restrictions | <u>242</u> | <u>138</u> | <u>(716)</u> | <u>3,293</u> | <u>266</u> | <u>350</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,573</u> | <u>-</u> | <u>3,371</u> | <u>360</u> | <u>7,304</u> |
| Increase (decrease) in net assets | 102,342 | (4,307) | 2,773 | 12,143 | 101,664 | 67,131 | 50,808 | 683 | - | 333,237 | 80,056 | 8,832 | (34,255) | 387,870 |
| Net assets at beginning of period | 1,894,616 | 89,006 | 194,783 | 489,712 | 1,454,845 | 712,640 | 70,345 | 24,599 | - | 4,930,546 | 252,160 | 260,525 | (200,173) | 5,243,058 |
| Net assets at end of period | <u>\$ 1,996,958</u> | <u>\$ 84,699</u> | <u>\$ 197,556</u> | <u>\$ 501,855</u> | <u>\$ 1,556,509</u> | <u>\$ 779,771</u> | <u>\$ 121,153</u> | <u>\$ 25,282</u> | <u>\$ -</u> | <u>\$ 5,263,783</u> | <u>\$ 332,216</u> | <u>\$ 269,357</u> | <u>\$ (234,428)</u> | <u>\$ 5,630,928</u> |

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Statements of Operations and Changes in Net Assets
For the Nine Months Ended March 31, 2022

(in thousands)
(Unaudited)

| | JHH | JHBMC | HCGH | SHI | SMH | JHACH | JHHSC | SHHS | Eliminations | JHHS Obligated Group Subtotal | JHHC | All Other Affiliates | Eliminations | Consolidated JHHSC & Affiliates |
|---|---------------------|------------------|-------------------|-------------------|---------------------|-------------------|--------------------|------------------|------------------|-------------------------------------|-------------------|-------------------------|---------------------|---------------------------------------|
| Operating revenues and other support: | | | | | | | | | | | | | | |
| Net patient service revenue | \$ 1,810,958 | \$ 495,898 | \$ 224,942 | \$ 252,716 | \$ 335,298 | \$ 373,954 | \$ - | \$ - | \$ - | \$ 3,493,766 | \$ 77,720 | \$ 269,476 | \$ (396,219) | \$ 3,444,743 |
| Insurance premium revenue | - | - | - | - | - | - | - | - | - | - | 1,870,068 | 344,993 | (344,892) | 1,870,169 |
| Other revenue | 455,482 | 64,909 | 8,783 | 13,439 | 30,916 | 42,555 | 420,619 | 5,555 | (274,817) | 767,441 | 86,351 | 150,798 | (255,755) | 748,835 |
| Net assets rel fr restrictions used for operations | 29 | 252 | 207 | 1,463 | 5,270 | 156 | - | - | - | 7,377 | - | 4,098 | - | 11,475 |
| Total operating revenues and other support | 2,266,469 | 561,059 | 233,932 | 267,618 | 371,484 | 416,665 | 420,619 | 5,555 | (274,817) | 4,268,584 | 2,034,139 | 769,365 | (996,866) | 6,075,222 |
| Operating expenses: | | | | | | | | | | | | | | |
| Salaries, wages and benefits | 697,050 | 210,970 | 99,606 | 118,454 | 139,567 | 176,536 | 235,690 | - | - | 1,677,873 | 121,771 | 287,912 | (74,840) | 2,012,716 |
| Purchased services | 718,266 | 232,882 | 89,959 | 76,071 | 91,664 | 140,204 | 127,143 | 2,057 | (251,279) | 1,226,967 | 1,805,799 | 441,047 | (887,516) | 2,586,297 |
| Supplies and other | 644,283 | 103,650 | 32,398 | 51,070 | 96,886 | 63,153 | 6,815 | 684 | - | 998,939 | 52,007 | 33,434 | (4,626) | 1,079,754 |
| Interest | 4,733 | 1,754 | 3,455 | 2,996 | 7,496 | 3,900 | 31,356 | 1,327 | (23,538) | 33,479 | 1,084 | 292 | (11) | 34,844 |
| Depreciation and amortization | 85,106 | 21,042 | 12,430 | 20,351 | 30,946 | 25,654 | 8,248 | 1,857 | - | 205,634 | 13,569 | 6,233 | - | 225,436 |
| Total operating expenses | 2,149,438 | 570,298 | 237,848 | 268,942 | 366,559 | 409,447 | 409,252 | 5,925 | (274,817) | 4,142,892 | 1,994,230 | 768,918 | (966,993) | 5,939,047 |
| Income (loss) from operations | 117,031 | (9,239) | (3,916) | (1,324) | 4,925 | 7,218 | 11,367 | (370) | - | 125,692 | 39,909 | 447 | (29,873) | 136,175 |
| Non-operating revenues and expenses: | | | | | | | | | | | | | | |
| Interest expense on swap agreements | (13,876) | (847) | (1,161) | - | - | (2,516) | - | - | - | (18,400) | - | - | - | (18,400) |
| Change in fair value of interest rate swap agreements | 48,524 | 1,605 | 4,584 | - | - | 9,529 | - | - | - | 64,242 | - | - | - | 64,242 |
| Realized and unrealized losses on investments | (55,016) | (3,300) | (8,349) | (10,744) | (42,296) | (18,875) | (9,077) | (598) | - | (148,255) | (4,694) | (3,071) | - | (156,020) |
| Investment income | 13,073 | 1,217 | 2,077 | 2,786 | 17,912 | 9,973 | 3,594 | 140 | - | 50,772 | - | 1,486 | - | 52,258 |
| Other components of net periodic pension cost | (16,667) | (4,339) | (21) | 1,909 | - | - | (5,409) | - | - | (24,527) | (3,044) | (5,040) | - | (32,611) |
| Other | (11,975) | - | (1,170) | - | (1,147) | (4,500) | (1,156) | - | - | (19,948) | 641 | (16) | 4,688 | (14,635) |
| Excess of revenues over (under) expenses | 81,094 | (14,903) | (7,956) | (7,373) | (20,606) | 829 | (681) | (828) | - | 29,576 | 32,812 | (6,194) | (25,185) | 31,009 |
| Contributions (to) from affiliates | (20,084) | - | 1,042 | - | - | - | 19,290 | (1,141) | - | (893) | 296 | 807 | - | 210 |
| Change in funded status of defined benefit plans | - | - | - | - | 340 | - | (27) | - | - | 313 | - | - | - | 313 |
| Net assets released from restrictions used for | | | | | | | | | | | | | | |
| purchase of property, plant, and equipment | - | - | 546 | - | 180 | - | - | - | - | 726 | - | - | - | 726 |
| Other | - | - | - | - | - | (734) | (1,167) | - | - | (1,901) | - | 558 | (755) | (2,098) |
| Increase (decrease) in net assets without donor restrictions | 61,010 | (14,903) | (6,368) | (7,373) | (20,086) | 95 | 17,415 | (1,969) | - | 27,821 | 33,108 | (4,829) | (25,940) | 30,160 |
| Changes in net assets with donor restrictions: | | | | | | | | | | | | | | |
| Gifts, grants and bequests | 1,540 | 186 | 2,031 | 897 | 12,192 | 1,110 | - | - | - | 17,956 | - | 11,738 | (1,871) | 27,823 |
| Net assets released from restrictions used for | | | | | | | | | | | | | | |
| purchase of property, plant, and equipment | - | - | (546) | - | (180) | - | - | - | - | (726) | - | - | - | (726) |
| Net assets rel fr restrictions used for operations | (29) | (252) | (207) | (1,463) | (5,270) | (156) | - | - | - | (7,377) | - | (4,098) | - | (11,475) |
| Other | - | - | - | - | - | (966) | - | - | - | (966) | - | (753) | 1,719 | - |
| Increase (decrease) in net assets with donor restrictions | 1,511 | (66) | 1,278 | (566) | 6,742 | (12) | - | - | - | 8,887 | - | 6,887 | (152) | 15,622 |
| Increase (decrease) in net assets | 62,521 | (14,969) | (5,090) | (7,939) | (13,344) | 83 | 17,415 | (1,969) | - | 36,708 | 33,108 | 2,058 | (26,092) | 45,782 |
| Net assets at beginning of period | 1,742,567 | 70,048 | 229,284 | 537,331 | 1,594,966 | 771,238 | (53,014) | 28,703 | - | 4,921,123 | 228,567 | 274,707 | (180,677) | 5,243,720 |
| Net assets at end of period | \$ 1,805,088 | \$ 55,079 | \$ 224,194 | \$ 529,392 | \$ 1,581,622 | \$ 771,321 | \$ (35,599) | \$ 26,734 | \$ - | \$ 4,957,831 | \$ 261,675 | \$ 276,765 | \$ (206,769) | \$ 5,289,502 |