

Quarter-End Report

The Johns Hopkins Health System Corporation and Affiliates

Three and Six Months Ended
December 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 six months ended December 31, 2023 and 2022, and the Consolidated Balance Sheet as of December 31, 2023, are unaudited. The Consolidated Balance Sheet as of June 30, 2023 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, 2023.

In fiscal year 2023, JHHS updated its accounting policy for non-operating expenses and concluded that certain mission support provided to Johns Hopkins University School of Medicine (“JHUSOM”) is deemed to be outside of the normal operations of JHHS’ clinical setting and therefore, these costs are treated as non-operating expenses. In order to be consistent with the current year presentation, \$25.7 million of the above-mentioned mission support provided to JHUSOM was reclassified from purchased services to academic mission and other within the accompanying Consolidated Statements of Operations and Changes in Net Assets for the six months ended December 31, 2022. There is no impact to excess of revenues over expenses.

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 December 31, 2023 and June 30, 2023 were \$825.8 million and \$799.2 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”), Johns Hopkins Howard County Medical Center (“JHHCMC”), 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 \$1.7 billion as of December 31, 2023 and June 30, 2023. The JHHS Obligated Group granted a security interest in the receipts of JHH, JHBMC, SHI, SHHS, JHHCMC, 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 JHU have entered into a collaboration called Johns Hopkins Medicine. Johns Hopkins Medicine provides a vehicle for internal operational coordination among JHHS and 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 33,000 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 1,105 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 consistently recognized as a top hospital by several national ratings organizations, including The Joint Commission, Leapfrog Group, *U.S. News & World Report* and others. 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 72 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 363 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 60 licensed specialty hospital beds, and 38 licensed comprehensive inpatient rehabilitation beds.

Johns Hopkins Howard County Medical Center

JHHCMC is a not-for-profit Maryland corporation that has 232 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, JHHCMC was incorporated the following year in response to growing demand in the county. In 1998, JHHS became the sole member of JHHCMC, augmenting its strong community-focused integrated delivery system. JHHCMC is the sole provider of inpatient hospital services in Howard County. JHHCMC 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. JHHCMC provides critical care services and operates a Neonatal Intensive Care Unit. JHHCMC also offers extensive outpatient services including outpatient surgery, infusion therapy, cardiac rehabilitation, and outpatient imaging. JHHCMC 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 JHHCMC.

Suburban Hospital, Inc.

SHI is a not-for-profit Maryland corporation that operates a 240 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.

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, proton therapy, 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.

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. JHACH's hospital 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.

Johns Hopkins Health Plans ("JHHP")

JHHP is owned 50% by JHHS and 50% by JHUSOM. JHHS consolidates the operations of JHHP due to possessing effective control. JHHP 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 464,000 enrollees.

Priority Partners Managed Care Organization, Inc. is a 50% JHHP owned joint venture approved by the State of Maryland to operate as an authorized Medicaid managed care organization, and serves approximately 350,000 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 JHHP are paid to JHHS.

The Johns Hopkins Medical Services Corporation ("JHMSC") has fully subcontracted to JHHP 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. JHHP 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 JHHP 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. JHHP currently owns approximately 98% of Hopkins Health Advantage, Inc. with the remaining ownership interest held by one area health system.

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 JHHCMC. 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. In July 2023, the gynecology/obstetrics practice that previously operated as HCGH OB/GYN Associates Series, LLC (“HCGH OBGYN”) became part of JHCP’s Howard County OB/GYN practice.

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 JHHP, 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, the Johns Hopkins All Children’s Hospital Foundation, Inc., established to raise, manage, and hold funds for use by ACHS Affiliates and JHACH, and a partially grant funded research entity. All research activities are conducted in a 230,000 square foot research and education building owned by 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.

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 JHHCMC. 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 17 locations in Maryland and Virginia.

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

Johns Hopkins Personalized Care, LLC (“JHPC”) is a limited liability for-profit company that is jointly owned by JHHS (51%) and JHU (49%). JHPC was formed to operate a concierge practice of clinical providers that aim to provide high quality patient-centered care. By limiting the number of patients, providers have the ability to deliver more personalized care through longer visit times, same-day or next-day visits, and 24/7 availability for questions and concerns.

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 SHHS (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 SHHS (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.

Johns Hopkins Clinical Alliance, LLC. (“JHCA”)

JHCA is a Maryland based single member LLC created in 2022 and fully owned by JHHS. JHCA is a clinically integrated network (“CIN”), which is a physician-led, physician-governed collaboration between physicians and Johns Hopkins Medicine that can benefit a practice and its patients. JHCA offers a network that is inclusive of adult and pediatric services, and that seeks to improve patient experience, enhance coordination with Johns Hopkins Medicine and support independent physicians in value-based care.

JHHS Innovation LLC (“Innovation”)

Innovation is a Maryland Based LLC created in 2023 by JHHS. Innovation is a company formed to hold stock, membership interests or other assets which result from the commercialization of JHHSC’s intellectual property. Innovation currently has no employees or other activity outside of investment in the commercialization of JHHS’ intellectual property.

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 Centers 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, JHHCMC 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 JHHCMC, 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	December 31, 2023	June 30, 2023	Liabilities and net assets	December 31, 2023	June 30, 2023
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 1,008,255	\$ 1,005,397	Current portion of long-term debt	\$ 130,055	\$ 203,423
Short-term investments	137,714	141,958	Finance lease liabilities, current portion	14,337	14,548
AWUIL used for current liabilities	246	246	Operating lease liabilities, current portion	20,580	21,709
Patient accounts receivable, net of estimated uncollectibles	812,623	767,616	Accounts payable and accrued liabilities	982,592	879,880
Due from others	260,262	237,745	Medical claims reserve	148,003	161,264
Due from affiliates, current portion	30,095	10,596	Deferred revenue	158,085	186,213
Inventories of supplies	176,271	178,775	Due to affiliates	14,524	15,549
Estimated malpractice recoveries, current portion	53,801	53,801	Advances from third-party payors	148,301	135,200
Prepaid expenses and other current assets	48,375	52,545	Current portion of estimated malpractice costs	56,461	56,461
Total current assets	<u>2,527,642</u>	<u>2,448,679</u>	Total current liabilities	<u>1,672,938</u>	<u>1,674,247</u>
Assets whose use is limited:			Long-term debt, net of current portion	1,542,770	1,483,601
By donors or grantors for:			Finance lease liabilities, net of current portion	67,872	75,307
Pledges receivable	20,288	25,739	Operating lease liabilities, net of current portion	103,183	111,896
Other	177,201	172,563	Estimated malpractice costs, net of current portion	191,301	187,674
By Board of Trustees	708,346	684,838	Net pension liability	297,263	316,102
Other	28,192	26,815	Other long-term liabilities	235,550	223,950
Total assets whose use is limited	<u>934,027</u>	<u>909,955</u>	Total liabilities	<u>4,110,877</u>	<u>4,072,777</u>
Investments	3,651,185	3,455,313	Net assets:		
Property, plant and equipment, net	2,650,743	2,662,352	Net assets without donor restrictions	5,767,070	5,539,164
Finance lease right-of-use assets	64,909	71,368	Net assets with donor restrictions	205,588	204,070
Operating lease right-of-use assets	108,855	118,364	Total net assets	<u>5,972,658</u>	<u>5,743,234</u>
Due from affiliates, net of current portion	48,736	50,597			
Estimated malpractice recoveries, net of current portion	57,359	57,359			
Swap counterparty deposit	16,380	17,494			
Other assets	23,699	24,530			
Total assets	<u>\$ 10,083,535</u>	<u>\$ 9,816,011</u>	Total liabilities and net assets	<u>\$ 10,083,535</u>	<u>\$ 9,816,011</u>

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

Three months ended			Six months ended	
December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
\$ 1,268,036	\$ 1,217,540	Operating revenues and other support:	\$ 2,523,309	\$ 2,415,258
649,836	640,291	Net patient service revenue	1,277,259	1,279,101
294,836	278,650	Insurance premium revenue	580,805	536,774
4,693	3,658	Other revenue	8,446	6,395
<u>2,217,401</u>	<u>2,140,139</u>	Net assets released from restrictions used for operations	<u>4,389,819</u>	<u>4,237,528</u>
		Total operating revenues and other support		
		Operating expenses:		
801,725	712,659	Salaries, wages and benefits	1,577,573	1,394,577
888,653	901,585	Purchased services	1,737,489	1,778,444
445,272	408,898	Supplies and other	868,686	797,039
17,747	17,248	Interest	35,230	31,411
74,108	72,957	Depreciation and amortization	147,791	144,719
<u>2,227,505</u>	<u>2,113,347</u>	Total operating expenses	<u>4,366,769</u>	<u>4,146,190</u>
(10,104)	26,792	(Loss) income from operations	23,050	91,338
		Non-operating revenues and expenses:		
(369)	(2,180)	Interest expense on swap agreements, net	(839)	(5,835)
(32,538)	1,778	Change in fair value of interest rate swap agreements	104	37,835
284,064	177,362	Net realized and changes in unrealized gains on investments	177,309	32,574
36,071	21,064	Investment income	58,121	32,845
4,666	7,783	Other components of net periodic pension cost	9,337	15,556
(19,875)	(20,416)	Academic mission support and other	(40,699)	(38,923)
<u>261,915</u>	<u>212,183</u>	Excess of revenues over expenses	<u>226,383</u>	<u>165,390</u>
1	(4)	Contributions from (to) affiliates	152	(34)
-	-	Change in funded status of defined benefit plans	246	(503)
		Net assets released from restrictions used for purchase		
570	1,628	of property, plant and equipment	963	1,872
(133)	919	Other	162	(453)
<u>262,353</u>	<u>214,726</u>	Increase in net assets without donor restrictions	<u>227,906</u>	<u>166,272</u>
		Changes in net assets with donor restrictions:		
9,169	7,781	Gifts, grants and bequests	10,943	10,787
		Net assets released from restrictions used for purchase		
(570)	(1,628)	of property, plant, and equipment	(963)	(1,872)
(4,693)	(3,658)	Net assets released from restrictions used for operations	(8,446)	(6,395)
(1)	-	Other	(16)	-
<u>3,905</u>	<u>2,495</u>	Increase in net assets with donor restrictions	<u>1,518</u>	<u>2,520</u>
266,258	217,221	Increase in net assets	229,424	168,792
5,706,400	5,194,629	Net assets at beginning of period	5,743,234	5,243,058
<u>\$ 5,972,658</u>	<u>\$ 5,411,850</u>	Net assets at end of period	<u>\$ 5,972,658</u>	<u>\$ 5,411,850</u>

The Johns Hopkins Health System Corporation and Affiliates
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six months ended	
	December 31, 2023	December 31, 2022
Operating activities:		
Changes in net assets:	\$ 229,424	\$ 168,792
Adjustments to reconcile changes in net assets to net cash, cash equivalents and restricted cash provided by operating activities:		
Depreciation and amortization	147,791	144,719
Net realized and changes in unrealized gains on investments	(177,309)	(32,574)
Changes in fair value of interest rate swap agreements	(104)	(37,835)
Changes in funded status of defined benefit plans	(246)	503
Restricted contributions and investment income received	(3,445)	(5,342)
Return on equity investments	(6,078)	(2,069)
Other operating activities	(2,315)	(2,702)
Changes in assets and liabilities:		
Patient accounts receivable	(45,006)	(47,100)
Inventories of supplies, prepaid expenses and other current assets	(15,578)	(9,759)
Due from affiliates, net	(20,418)	(151)
Pledges receivable	5,451	5,392
Other assets and other long-term liabilities, net	10,179	11,686
Accounts payable and accrued liabilities	100,563	(13,429)
Medical claims reserve	(13,261)	15,054
Deferred revenue	(28,129)	2,504
Advances from third-party payors	13,101	2,946
Accrued pension benefit costs	(19,559)	(27,807)
Estimated malpractice costs	3,627	4,743
Cash provided by operating activities	<u>178,688</u>	<u>177,571</u>
Investing activities:		
Purchases of property, plant and equipment	(128,441)	(113,891)
Investment in equity investments, net	(4,863)	(6,606)
Purchases of investment securities	(1,164,170)	(815,676)
Sales of investment securities	1,127,760	702,848
Payments received on Affiliate notes	1,756	9,280
Payments for other capital expenditures	(39,787)	-
Reimbursement of other capital expenditures	39,787	-
Other investing activities	1,114	10,681
Cash used in investing activities	<u>(166,844)</u>	<u>(213,364)</u>
Financing activities:		
Restricted contributions and investment income received	3,445	5,342
Proceeds from long-term borrowings	78,500	100,000
Repayments of long-term debt	(91,926)	(126,242)
Proceeds from line of credit	-	30,000
Repayments of obligations under a financing lease	(6,669)	(6,595)
Other financing activities	9	(1,125)
Cash (used in) provided by financing activities	<u>(16,641)</u>	<u>1,380</u>
Decrease in cash, cash equivalents and restricted cash	(4,797)	(34,413)
Cash, cash equivalents and restricted cash at beginning of period	1,052,129	994,845
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,047,332</u>	<u>\$ 960,432</u>

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. While patient admissions across the system have remained largely consistent, and net patient service revenue has increased in fiscal year 2024 (compared to the same timeframe in fiscal year 2023), our commitment to increase staff compensation and to invest in staff recruitment and retention has significantly driven up our salary expenses. Additionally, we are experiencing growth in pharmaceutical costs at JHH related to expanded indication for oncology drugs and new or additional therapies. 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. JHH has submitted a proposal to the HSCRC to address the high-cost drugs, retroactive to the beginning of fiscal year 2024.

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

In thousands (except for ratios)	Three months ended		Change	%
	December 31, 2023	December 31, 2022		
Operating revenues and other support	\$ 2,217,401	\$ 2,140,139	\$ 77,262	3.6%
(Loss) income from operations	\$ (10,104)	\$ 26,792	\$ (36,896)	-137.7%
Excess of revenues under expenses	\$ 261,915	\$ 212,183	\$ 49,732	23.4%
EBITDA	\$ 81,751	\$ 116,997	\$ (35,246)	-30.1%
Operating margin percentage	-0.5%	1.3%	-1.8%	-138.5%
Total margin percentage	11.8%	9.9%	1.9%	19.2%
Operating cash flow margin percentage	3.7%	5.5%	-1.8%	-32.7%

Operating revenues and other support for the three months ended December 31, 2023 were \$2.217 billion, compared to \$2.140 billion for the three months ended December 31, 2022, an increase of \$77.3 million, or 3.6%. See further discussion of operating revenues in the year-to-date analysis below.

(Loss) income from operations was (\$10.1) million and \$26.8 million for the three months ended December 31, 2023 and 2022, respectively, a decrease of (\$36.9) million. Operating margin percentage, defined as operating revenues and other support less operating expenses divided by operating revenues and other support, was (0.5%) and 1.3% for the three months ended December 31, 2023 and 2022, respectively. The decrease in income from operations is largely due to higher labor costs as a result of higher FTEs and market-driven wage increases (partially offset by lower agency labor costs), higher drug costs including high-cost oncology drugs and new therapies, and growth in inpatient and outpatient medical expenses at JHHP.

Excess of revenues over expenses was \$261.9 million and \$212.2 million for the three months ended December 31, 2023 and 2022, respectively, an increase of \$49.7 million. Total margin percentage, defined as excess of revenues over expenses divided by operating revenues and other support, was 11.8% and 9.9% for the three months ended December 31, 2023 and 2022, respectively. The increase is mainly driven by increased net realized and unrealized gains on

investments classified as trading of \$106.7 million, as the broader investment markets performed more favorably in the three months ended December 31, 2023 compared to the prior year. This increase was partially offset by the decrease in income from operations of (\$36.9) million as described above.

EBITDA was \$81.8 million and \$117.0 million for the three months ended December 31, 2023 and 2022, respectively, a decrease of (\$35.2) million. Interest, tax, depreciation and amortization expenses that are excluded from EBITDA amounted to \$91.9 million and \$90.2 million for the three months ended December 31, 2023 and 2022, respectively. Operating cash flow margin percentage was 3.7% and 5.5% for the three months ended December 31, 2023 and 2022, respectively. The decrease is primarily due to the decrease in income from operations of (\$36.9) million as described above.

Six months ended December 31, 2023 compared to the six months ended December 31, 2022

In thousands (except for ratios)	Six months ended		Change	%
	December 31, 2023	December 31, 2022		
Operating revenues and other support	\$ 4,389,819	\$ 4,237,528	\$ 152,291	3.6%
Income from operations	\$ 23,050	\$ 91,338	\$ (68,288)	-74.8%
Excess of revenues over expenses	\$ 226,383	\$ 165,390	\$ 60,993	36.9%
EBITDA	\$ 206,071	\$ 267,468	\$ (61,397)	-23.0%
Operating margin percentage	0.5%	2.2%	-1.7%	-77.3%
Total margin percentage	5.2%	3.9%	1.3%	33.3%
Operating cash flow margin percentage	4.7%	6.3%	-1.6%	-25.4%

Operating revenues and other support for the six months ended December 31, 2023 were \$4.390 billion, compared to \$4.238 billion for the six months ended December 31, 2022, an increase of \$152.3 million, or 3.6%. Net patient service revenue increased by \$108.1 million due to higher revenues at JHACH and SMH driven by strategic pricing increases and patient volumes, and increased Maryland hospital revenues driven by the HSCRC rates under the GBR model. While Maryland hospital revenues driven by the HSCRC rates under the GBR model increased, the increase was partially offset by deductions related to Medicare Performance Adjustments (“MPA”) and Care Transformation Initiative (“CTI”). Insurance premium revenue decreased (\$1.8) million due to one-time revenue adjustments in the prior year and decreased enrollment at Priority Partners within JHHP. Other revenues increased \$44.0 million due to increases in outpatient pharmacy revenue and other ancillary revenues. Pharmacy supply costs related to outpatient pharmacy revenues have also increased (see below).

Income from operations was \$23.1 million and \$91.3 million for the six months ended December 31, 2023 and 2022, respectively, a decrease of (\$68.2) million. Operating margin percentage was 0.5% and 2.2% for the six months ended December 31, 2023 and 2022, respectively. The decrease in income from operations is largely due to higher labor costs as a result of higher FTEs and market-driven wage increases (partially offset by lower agency labor costs), higher drug costs including high-cost oncology drugs and new therapies, and growth in inpatient and outpatient medical expenses at JHHP.

Operating expenses for the six months ended December 31, 2023 were \$4.367 billion, compared to \$4.146 billion for the six months ended December 31, 2022, an increase of \$220.6 million, or 5.3%. The operating expense increase is composed of the following:

Salaries, wages and benefits increased \$183.0 million, or 13.1%. Salaries and wages increased due to annual inflation, higher FTEs and market-driven wage increases including market increases approved for nurses and other clinical areas to improve retention.

Purchased services decreased (\$41.0) million, or (2.3%). The decrease in purchased services was due to lower agency labor costs across JHHS affiliates, partially offset by growth in inpatient and outpatient medical expenses at JHHP.

Supplies and other increased \$71.6 million, or 9.0%, due to pharmaceutical costs related to outpatient pharmacy operations (see other revenue above), high-cost oncology drugs and other specialty services, and cost intensive surgical case growth at JHH (ventricular assist devices, neurostimulators, transplants).

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 \$35.2 million and \$31.4 million for the six months ended December 31, 2023 and 2022, respectively. Net settlement interest expense on the swap agreements was \$0.8 million and \$5.8 million for the six months ended December 31, 2023 and 2022, respectively.

Depreciation and amortization increased \$3.1 million year over year.

JHH, JHBMC, JHHCMC, and JHACH have collectively entered into twelve fixed payor interest rate swap agreements of which two are forward-starting in December 2026. The notional amount of all twelve swap agreements totals \$899.5 million as of December 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 a percentage of one-month Secured Overnight Financing Rate (“SOFR”). 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 \$0.1 million and \$37.8 million for the six months ended December 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 December 31, 2023 and June 30, 2023, there was a total of \$16.4 million and \$17.5 million, respectively, deposited as collateral with one swap counterparty.

Excess of revenues over expenses was \$226.4 million and \$165.4 million for the six months ended December 31, 2023 and 2022, respectively, an increase of \$61.0 million. Total margin percentage was 5.2% and 3.9% for the six months ended December 31, 2023 and 2022, respectively. The increase is mainly driven by increased net realized and unrealized gains on investments classified as trading of \$144.7 million, as the broader investment markets performed more favorably in the six months ended December 31, 2023 compared to the prior year. This increase was partially offset by the decrease in income from operations of (\$68.2) million as described above.

EBITDA was \$206.1 million and \$267.5 million for the six months ended December 31, 2023 and 2022, respectively, a decrease of (\$61.4) million. Interest, tax, depreciation and amortization expenses that are excluded from EBITDA amounted to \$183.0 million and \$176.1 million for the six months ended December 31, 2023 and 2022, respectively. Operating cash flow margin percentage was 4.7% and 6.3% for the six months ended December 31, 2023 and 2022, respectively. The decrease is primarily due to the decrease in income from operations of (\$68.2) million as described above.

Liquidity and Capital Resources

In thousands (except for ratios)	December 31, 2023	June 30, 2023	Change	%
Cash and cash equivalents	\$ 1,008,255	\$ 1,005,397	\$ 2,858	0.3%
Short and long-term investments	\$ 3,788,899	\$ 3,597,271	\$ 191,628	5.3%
Unrestricted investments - Board of Trustees	\$ 708,346	\$ 684,838	\$ 23,508	3.4%
Total debt and finance lease liabilities	\$ 1,755,034	\$ 1,776,879	\$ (21,845)	-1.2%
Days cash on hand	224.8	222.7	2.10	0.9%
Cash to debt	293.8%	278.5%	15.3%	5.5%

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 \$5.156 billion and \$4.949 billion as of December 31, 2023 and June 30, 2023, respectively. Total unrestricted cash, liquid investments, and Board designated investments increased \$207.0 million during the six months ended December 31, 2023 and included the following cash flow activities: \$178.7 million of cash from operating activities, \$177.3 million of realized and unrealized gains on investments, partially offset by (\$128.4) million of purchases of property, plant and equipment and (\$13.4) million of net repayments of long-term debt.

Cash provided by operating activities was \$178.7 million and \$177.6 million for the six months ended December 31, 2023 and 2022, respectively. Cash provided by operating activities increased \$1.1 million.

Cash used in investing activities was (\$166.8) million and (\$213.4) million for the six months ended December 31, 2023 and 2022, respectively. Cash used in investing activities for the six months ended December 31, 2023 was primarily composed of (\$128.4) million of purchases of property, plant and equipment and (\$36.4) million of net purchases of investment securities. Cash used in investing activities for the six months ended December 31, 2022 was primarily composed of (\$113.9) million of purchases of property, plant and equipment, (\$112.8) million of net purchases of investment securities.

Cash (used in) provided by financing activities was (\$16.6) million for the six months ended December 31, 2023, compared to \$1.4 million for the six months ended December 31, 2022. Cash used in financing activities for the six months ended December 31, 2023 was primarily comprised of (\$13.4) million of net repayments of long-term debt and (\$7.0) million of repayments of obligations under a financing lease. Cash provided by financing activities for the six months ended December 31, 2022 was primarily comprised of \$30.0 million proceeds from lines of credit, partially offset by (\$26.2) 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 224.8 days at December 31, 2023 and 222.7 days at June 30, 2023. The ratio increased as cash and investment balances increased. 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 293.8% at December 31, 2023 and 278.5% at June 30, 2023. 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, none of which are drawn on as of December 31, 2023 and June 30, 2023. 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.

Consolidated Key Statistics

	Three months ended		Six months ended			Three months ended		Six months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
The Johns Hopkins Hospital					Suburban Hospital, Inc.				
Admissions	10,314	9,678	20,481	19,442	Admissions	3,096	2,783	6,025	5,492
Observation Cases (2)	4,266	3,615	7,935	7,237	Observation cases (2)	2,651	2,799	5,284	5,635
Inpatient Days	78,646	78,911	158,877	154,979	Inpatient Days	16,617	15,854	33,131	31,321
Outpatient Visits	134,395	124,561	266,665	247,119	Outpatient Visits	3,338	3,023	6,656	6,133
Outpatient Surgeries (3)	9,243	8,995	18,405	18,272	Outpatient Surgeries	1,335	1,744	2,645	2,554
Inpatient Surgeries	4,561	4,424	9,464	9,141	Inpatient Surgeries	914	1,063	1,770	1,604
ER Visits	22,767	23,442	43,565	45,343	ER Visits	14,061	12,920	27,414	25,542
Births	665	644	1,333	1,302	Births	-	-	-	-
EIPAs (1)	17,197	16,041	34,148	32,117	EIPAs (1)	5,012	4,740	9,867	9,413
Average Length of Stay			7.8	8.0	Average Length of Stay			5.5	5.7
Available Beds			1,079	1,081	Available Beds			211	211
Inpatient Utilization of Available Beds			81.6%	83.4%	Inpatient Utilization of Available Beds			85.4%	80.7%
Full-time Equivalents			10,097	9,680	Full-time Equivalents			1,555	1,444
Johns Hopkins Bayview Medical Center, Inc.					Sibley Memorial Hospital, Inc.				
Admissions	4,163	3,829	8,274	7,676	Admissions	2,981	2,724	5,842	5,487
Observation Cases (2)	1,058	1,072	2,048	2,238	Observation Cases	988	1,121	1,931	2,124
Inpatient Days	30,084	28,754	59,487	55,839	Inpatient Days	13,314	12,467	26,162	24,824
Outpatient Visits	63,317	67,849	123,903	133,021	Outpatient Visits	32,224	31,402	63,087	61,720
Outpatient Surgeries	1,331	1,207	2,641	2,466	Outpatient Surgeries	2,097	2,053	4,158	3,981
Inpatient Surgeries	1,094	1,096	2,155	2,129	Inpatient Surgeries	472	495	938	955
ER Visits	13,033	13,070	25,251	25,723	ER Visits	9,360	9,054	18,734	18,109
Births	317	382	658	753	Births	899	941	1,845	1,910
EIPAs (1)	6,770	6,375	13,577	13,014	EIPAs (1)	8,398	7,834	16,713	15,527
Average Length of Stay			7.2	7.3	Average Length of Stay			4.5	4.5
Available Beds			417	424	Available Beds			363	361
Inpatient Utilization of Available Beds			77.5%	71.6%	Inpatient Utilization of Available Beds			39.2%	37.4%
Full-time Equivalents			2,783	2,616	Full-time Equivalents			1,793	1,718
Johns Hopkins Howard County Medical Center					Johns Hopkins All Children's Hospital, Inc.				
Admissions	3,935	3,482	7,959	7,123	Admissions	1,895	1,778	3,464	3,463
Observation Cases (2)	1,367	1,921	2,521	3,812	Observation Cases	2,518	2,170	4,534	4,191
Inpatient Days	17,769	15,441	35,109	30,722	Inpatient Days	17,442	16,498	33,148	32,899
Outpatient Visits	5,885	7,052	12,706	14,408	Outpatient Visits	79,491	73,817	153,886	144,897
Outpatient Surgeries	1,376	1,474	2,733	2,859	Outpatient Surgeries	1,444	1,431	2,902	2,774
Inpatient Surgeries	649	513	1,286	1,144	Inpatient Surgeries	541	549	1,108	1,001
ER Visits	18,641	19,971	36,579	38,610	ER Visits	12,772	13,204	23,115	25,123
Births	595	629	1,179	1,353	Births	-	-	-	-
EIPAs (1)	5,960	5,805	11,965	11,598	EIPAs (1)	2,915	2,753	5,338	5,380
Average Length of Stay			4.4	4.3	Average Length of Stay			9.6	9.5
Available Beds			235	235	Available Beds			259	259
Inpatient Utilization of Available Beds			83.3%	74.2%	Inpatient Utilization of Available Beds			84.0%	83.0%
Full-time Equivalents			1,470	1,371	Full-time Equivalents			2,806	2,632
All Hospitals Combined									
Admissions					Admissions	26,384	24,274	52,045	48,683
Observation Cases (2)					Observation Cases (2)	12,848	12,698	24,253	25,237
Inpatient Days					Inpatient Days	173,872	167,925	345,914	330,584
Outpatient Visits					Outpatient Visits	318,650	307,704	626,903	607,298
Outpatient Surgeries					Outpatient Surgeries	16,826	16,904	33,484	32,906
Inpatient Surgeries					Inpatient Surgeries	8,231	8,140	16,721	15,974
ER Visits					ER Visits	90,634	91,661	174,658	178,450
Births					Births	2,476	2,596	5,015	5,318
EIPAs (1)					EIPAs (1)	46,252	43,548	91,608	87,049
Full-time Equivalents					Full-time Equivalents			20,504	19,461

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, JHHCMC, SHI, SMH and JHACH only)</i>	<u>Six Months Ended</u> <u>December 31, 2023</u>		<u>Six Months Ended</u> <u>December 31, 2022</u>	
	Gross Revenue	Days	Gross Revenue	Days
Blue Cross	15.16%	13.35%	17.06%	14.29%
Medicare	28.86%	30.66%	28.88%	29.82%
Medicaid/Medicaid MCO	25.57%	25.33%	25.44%	26.17%
Self Pay/MA Pending	1.13%	1.15%	0.94%	0.95%
Commercial	6.44%	5.78%	5.82%	5.43%
HMO	19.10%	20.33%	17.83%	19.65%
Other	3.74%	3.40%	4.03%	3.69%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Other Significant Events

Series 2012A/2023 Tax-Exempt Revenue Bond Refunding Transaction

In October 2023, JHHS closed the simultaneous tender of the \$78.5 million Series 2012A tax-exempt revenue bond from the original purchaser, Wells Fargo Bank, and delivery of a new bond to the new lender, PNC Bank, for the total principal amount of \$78.5 million. The Series 2023 Bond carries a floating rate of interest based on a percentage of one-month SOFR plus a spread, and has a mandatory purchase date of October 8, 2027. Interest on the bond is paid monthly and principal is paid annually.

Johns Hopkins All Children's Hospital, Inc. Litigation

On November 9, 2023, a verdict was reached in the case of Kowalski, et al. v. Johns Hopkins All Children's Hospital in Sarasota County, Florida. The current amount of the verdict is \$214.0 million. We intend to file an appeal. The ultimate loss value of the case will be determined after the appeal process. JHACH believes that the care provided was appropriate and within the standard of care in the treatment of the patient.

Supplementary Consolidating Financial Statements

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

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHSC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHS & Affiliates
Current Assets:														
Cash and cash equivalents	\$ 37,194	\$ 11,851	\$ 12,647	\$ 31,949	\$ 154,966	\$ 52,882	\$ 392,901	\$ 270	\$ -	\$ 694,660	\$ 230,343	\$ 83,252	\$ -	\$ 1,008,255
Short-term investments	-	151	-	423	24,915	100	111,790	200	-	137,579	-	135	-	137,714
AWUIL used for current liabilities	-	-	-	246	-	-	-	-	-	246	-	-	-	246
Patient accounts receivable, net of est uncollectibles	402,957	88,734	32,902	49,125	63,955	124,439	-	-	-	762,112	64,356	29,411	(43,256)	812,623
Due from others	87,119	15,295	1,958	3,405	4,538	19,345	38,657	303	-	170,620	76,424	17,764	(4,546)	260,262
Due from affiliates, current portion	5,873	914	466	136	542	3,970	202,270	873	(191,968)	23,076	69,126	54,343	(116,450)	30,095
Inventories of supplies	99,946	13,828	4,711	12,606	7,936	12,991	-	-	-	152,018	556	23,697	-	176,271
Estimated malpractice recoveries, current portion	33,856	2,895	1,718	1,813	2,299	6,208	-	-	-	48,789	-	5,012	-	53,801
Prepaid expenses and other current assets	5,631	1,861	831	3,187	4,161	3,408	10,449	239	-	29,767	14,717	3,891	-	48,375
Total current assets	672,576	135,529	55,233	102,890	263,312	223,343	756,067	1,885	(191,968)	2,018,867	455,522	217,505	(164,252)	2,527,642
Assets whose use is limited:														
By donors or grantors for:														
Pledges receivable	750	208	-	3,592	5,393	-	-	-	-	9,943	-	10,345	-	20,288
Other	6,261	9,597	16,772	27,230	54,783	-	-	-	-	114,643	-	79,330	(16,772)	177,201
By Board of Trustees	109,986	85,431	-	-	473,432	27,343	-	-	-	696,192	-	12,154	-	708,346
Other	2,798	481	133	683	-	19,116	20,162	222	-	43,595	1,095	636	(17,134)	28,192
Total assets whose use is limited	119,795	95,717	16,905	31,505	533,608	46,459	20,162	222	-	864,373	1,095	102,465	(33,906)	934,027
Investments	1,429,103	11,962	197,514	307,284	832,714	551,766	27,569	15,081	-	3,372,993	393,748	68,555	(184,111)	3,651,185
Property, plant and equipment, net	1,122,482	146,877	145,203	261,281	454,602	363,479	55,381	17,760	-	2,567,065	34,152	49,526	-	2,650,743
Finance lease right-of-use assets	4,886	13,788	3,451	-	-	3,524	12,491	4,521	-	42,661	14,369	7,879	-	64,909
Operating lease right-of-use assets	2,959	3,092	56	412	88	1,765	14,836	-	-	23,208	10,240	75,407	-	108,855
Due from affiliates, net of current portion	120,590	1,710	1,452	720	3,080	-	1,285,537	-	(1,338,802)	74,287	-	309	(25,860)	48,736
Estimated malpractice recoveries, net of current portion	36,094	3,087	1,832	1,933	2,451	6,618	-	-	-	52,015	-	5,344	-	57,359
Swap counterparty deposit	-	-	-	-	-	-	-	-	-	-	-	16,380	-	16,380
Other assets	9,754	367	460	974	1,813	5,718	1,549	1,534	-	22,169	1,536	918	(924)	23,699
Total assets	\$ 3,518,239	\$ 412,129	\$ 422,106	\$ 706,999	\$ 2,091,668	\$ 1,202,672	\$ 2,173,592	\$ 41,003	\$ (1,530,770)	\$ 9,037,638	\$ 910,662	\$ 544,288	\$ (409,053)	\$ 10,083,535
Current liabilities:														
Current portion of long-term debt	\$ -	\$ 7,080	\$ -	\$ -	\$ -	\$ -	\$ 122,270	\$ -	\$ -	\$ 129,350	\$ 705	\$ -	\$ -	\$ 130,055
Finance lease liabilities, current portion	450	2,109	812	-	-	1,142	2,302	3,928	-	10,743	2,776	818	-	14,337
Operating lease liabilities, current portion	513	2,000	11	275	12	371	3,624	-	-	6,806	2,128	11,646	-	20,580
Accounts payable and accrued liabilities	317,122	61,301	28,713	38,195	57,225	37,365	176,150	1,808	-	717,879	177,010	101,055	(13,352)	982,592
Medical claims reserve	-	-	-	-	-	-	-	-	-	-	198,488	-	(50,485)	148,003
Deferred revenue	3,597	2,425	101	123	1,179	651	1,599	-	-	9,675	143,976	4,434	-	158,085
Due to affiliates	133,683	48,429	3,298	8,460	9,427	56,560	1,857	50	(191,968)	69,796	28,789	16,292	(100,353)	14,524
Advances from third-party payors	106,477	18,275	12,869	10,680	-	-	-	-	-	148,301	-	-	-	148,301
Current portion of estimated malpractice costs	35,444	3,119	1,819	1,853	2,420	6,589	-	-	-	51,244	-	5,217	-	56,461
Total current liabilities	597,286	144,738	47,623	59,586	70,263	102,678	307,802	5,786	(191,968)	1,143,794	553,872	139,462	(164,190)	1,672,938
Long-term debt, net of current portion	-	8,275	-	-	-	-	1,534,495	-	-	1,542,770	-	-	-	1,542,770
Finance lease liabilities, net of current portion	3,669	13,844	3,109	-	-	2,901	13,031	9,333	-	45,887	14,000	7,985	-	67,872
Operating lease liabilities, net of current portion	2,569	1,565	46	145	76	1,525	17,096	-	-	23,022	10,556	69,605	-	103,183
Estimated malpractice costs, net of current portion	115,803	14,326	7,163	3,962	8,542	25,874	-	-	-	175,670	-	15,631	-	191,301
Net pension liability	90,596	57,626	-	234	-	-	148,807	-	-	297,263	-	-	-	297,263
Other long-term liabilities	728,548	60,146	152,575	122,119	305,101	196,672	5,951	222	(1,338,802)	232,532	251	29,613	(26,846)	235,550
Total liabilities	1,538,471	300,520	210,516	186,046	383,982	329,650	2,027,182	15,341	(1,530,770)	3,460,938	578,679	262,296	(191,036)	4,110,877
Net assets:														
Net assets without donor restrictions	1,968,872	101,804	204,145	491,485	1,644,052	853,906	146,360	25,662	-	5,436,286	331,983	192,367	(193,566)	5,767,070
Net assets with donor restrictions	10,896	9,805	7,445	29,468	63,634	19,116	50	-	-	140,414	-	89,625	(24,451)	205,588
Total net assets	1,979,768	111,609	211,590	520,953	1,707,686	873,022	146,410	25,662	-	5,576,700	331,983	281,992	(218,017)	5,972,658
Total liabilities and net assets	\$ 3,518,239	\$ 412,129	\$ 422,106	\$ 706,999	\$ 2,091,668	\$ 1,202,672	\$ 2,173,592	\$ 41,003	\$ (1,530,770)	\$ 9,037,638	\$ 910,662	\$ 544,288	\$ (409,053)	\$ 10,083,535

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Balance Sheets
As of June 30, 2023
(in thousands)

(Extracted from Audited Financial Statements)

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHC & Affiliates
Current Assets:														
Cash and cash equivalents	\$ 39,171	\$ 14,401	\$ 5,773	\$ 33,849	\$ 131,490	\$ 72,040	\$ 362,487	\$ 96	\$ -	\$ 659,307	\$ 270,107	\$ 75,983	\$ -	\$ 1,005,397
Short-term investments	-	151	-	423	37,729	100	103,220	200	-	141,823	-	135	-	141,958
AWUIL used for current liabilities	-	-	-	246	-	-	-	-	-	246	-	-	-	246
Patient accounts receivable, net of est uncollectibles	397,197	86,213	32,114	43,329	68,451	91,272	-	-	-	718,576	55,383	31,044	(37,387)	767,616
Due from others	78,227	11,496	2,043	3,349	4,593	27,490	30,300	313	-	157,811	71,106	13,828	(5,000)	237,745
Due from affiliates, current portion	5,520	1,187	624	165	681	3,671	191,863	668	(188,753)	15,626	57,132	52,410	(114,572)	10,596
Inventories of supplies	95,917	13,701	4,467	12,526	8,291	12,762	-	-	-	147,664	984	30,127	-	178,775
Estimated malpractice recoveries, current portion	33,856	2,895	1,718	1,813	2,299	6,208	-	-	-	48,789	-	5,012	-	53,801
Prepaid expenses and other current assets	7,792	1,016	1,845	3,779	3,549	5,398	10,607	318	-	34,304	14,948	3,293	-	52,545
Total current assets	657,680	131,060	48,584	99,479	257,083	218,941	698,477	1,595	(188,753)	1,924,146	469,660	211,832	(156,959)	2,448,679
Assets whose use is limited:														
By donors or grantors for:														
Pledges receivable	300	208	-	3,517	9,302	-	-	-	-	13,327	-	12,412	-	25,739
Other	6,951	9,188	16,715	26,310	54,579	-	-	-	-	113,743	-	75,535	(16,715)	172,563
By Board of Trustees	107,243	85,431	-	-	455,559	25,679	-	-	-	673,912	-	10,926	-	684,838
Other	2,806	584	133	658	-	19,044	18,683	222	-	42,130	1,086	663	(17,064)	26,815
Total assets whose use is limited	117,300	95,411	16,848	30,485	519,440	44,723	18,683	222	-	843,112	1,086	99,536	(33,779)	909,955
Investments	1,404,372	7,722	188,433	291,818	736,491	499,300	68,799	15,143	-	3,212,078	362,193	58,014	(176,972)	3,455,313
Property, plant and equipment, net	1,108,441	149,162	148,905	265,502	465,965	368,344	51,745	18,231	-	2,576,295	34,207	51,850	-	2,662,352
Finance lease right-of-use assets	5,049	14,897	3,906	-	-	4,055	13,405	5,269	-	46,581	15,716	9,071	-	71,368
Operating lease right-of-use assets	3,174	3,923	56	540	88	2,019	18,418	-	-	28,218	12,279	77,867	-	118,364
Due from affiliates, net of current portion	121,601	1,710	1,574	720	720	-	1,219,903	-	(1,269,137)	77,091	-	309	(26,803)	50,597
Estimated malpractice recoveries, net of current portion	36,094	3,087	1,832	1,933	2,451	6,618	-	-	-	52,015	-	5,344	-	57,359
Swap counterparty deposit	-	-	-	-	-	-	-	-	-	-	-	17,494	-	17,494
Other assets	9,754	384	388	8	2,090	5,805	2,624	1,691	-	22,744	2,073	623	(910)	24,530
Total assets	\$ 3,463,465	\$ 407,356	\$ 410,526	\$ 690,485	\$ 1,984,328	\$ 1,149,805	\$ 2,092,054	\$ 42,151	\$ (1,457,890)	\$ 8,782,280	\$ 897,214	\$ 531,940	\$ (395,423)	\$ 9,816,011
Current liabilities:														
Current portion of long-term debt	\$ -	\$ 7,105	\$ -	\$ -	\$ -	\$ 78,500	\$ 116,770	\$ -	\$ -	\$ 202,375	\$ 1,048	\$ -	\$ -	\$ 203,423
Finance lease liabilities, current portion	526	2,055	1,002	-	-	1,116	1,833	3,707	-	10,239	2,697	1,612	-	14,548
Operating lease liabilities, current portion	501	1,935	11	270	12	507	5,538	-	-	8,774	1,958	10,977	-	21,709
Accounts payable and accrued liabilities	287,828	59,239	28,064	33,296	45,897	36,092	158,516	1,501	-	650,433	152,614	92,069	(15,236)	879,880
Medical claims reserve	-	-	-	-	-	-	-	-	-	-	210,596	-	(49,332)	161,264
Deferred revenue	2,373	2,596	76	474	1,179	458	2,347	-	-	9,503	169,793	6,917	-	186,213
Due to affiliates	137,157	46,062	3,842	8,019	8,007	48,595	7,136	49	(188,753)	70,114	28,995	8,784	(92,344)	15,549
Advances from third-party payors	97,046	17,913	11,102	9,139	-	-	-	-	-	135,200	-	-	-	135,200
Current portion of estimated malpractice costs	35,444	3,119	1,819	1,853	2,420	6,589	-	-	-	51,244	-	5,217	-	56,461
Total current liabilities	560,875	140,024	45,916	53,051	57,515	171,857	292,140	5,257	(188,753)	1,137,882	567,701	125,576	(156,912)	1,674,247
Long-term debt, net of current portion	-	15,355	-	-	-	-	1,468,069	-	-	1,483,424	177	-	-	1,483,601
Finance lease liabilities, net of current portion	3,865	14,913	3,437	-	-	3,474	14,404	11,341	-	51,434	15,411	8,462	-	75,307
Operating lease liabilities, net of current portion	2,793	2,572	46	277	76	1,609	18,540	-	-	25,913	13,705	72,278	-	111,896
Estimated malpractice costs, net of current portion	113,887	14,050	6,818	3,886	8,391	25,264	-	-	-	172,296	-	15,378	-	187,674
Net pension liability	105,512	56,488	-	717	-	-	153,385	-	-	316,102	-	-	-	316,102
Other long-term liabilities	718,240	60,202	151,640	122,058	305,490	129,273	2,899	222	(1,269,137)	220,887	252	30,571	(27,760)	223,950
Total liabilities	1,505,172	303,604	207,857	179,989	371,472	331,477	1,949,437	16,820	(1,457,890)	3,407,938	597,246	252,265	(184,672)	4,072,777
Net assets:														
Net assets without donor restrictions	1,948,190	94,356	194,907	482,044	1,547,283	799,284	142,567	25,331	-	5,233,962	299,968	191,288	(186,054)	5,539,164
Net assets with donor restrictions	10,103	9,396	7,762	28,452	65,573	19,044	50	-	-	140,380	-	88,387	(24,697)	204,070
Total net assets	1,958,293	103,752	202,669	510,496	1,612,856	818,328	142,617	25,331	-	5,374,342	299,968	279,675	(210,751)	5,743,234
Total liabilities and net assets	\$ 3,463,465	\$ 407,356	\$ 410,526	\$ 690,485	\$ 1,984,328	\$ 1,149,805	\$ 2,092,054	\$ 42,151	\$ (1,457,890)	\$ 8,782,280	\$ 897,214	\$ 531,940	\$ (395,423)	\$ 9,816,011

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

(in thousands)

(Unaudited)

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHSC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHSC & Affiliates
Operating revenues and other support:														
Net patient service revenue	\$ 626,343	\$ 170,217	\$ 79,895	\$ 90,691	\$ 132,544	\$ 167,873	\$ -	\$ -	\$ -	\$ 1,267,563	\$ 27,518	\$ 103,913	\$ (130,958)	\$ 1,268,036
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	649,836	123,640	(123,640)	649,836
Other revenue	171,222	27,816	2,480	4,397	8,116	26,847	152,283	1,960	(116,352)	278,769	36,874	67,213	(88,020)	294,836
Net assets rel fr restrictions used for operations	146	162	156	594	2,090	188	-	-	-	3,336	-	1,357	-	4,693
Total operating revenues and other support	797,711	198,195	82,531	95,682	142,750	194,908	152,283	1,960	(116,352)	1,549,668	714,228	296,123	(342,618)	2,217,401
Operating expenses:														
Salaries, wages and benefits	268,714	80,879	41,490	45,691	54,270	77,327	98,578	3	-	666,952	45,508	117,087	(27,822)	801,725
Purchased services	248,121	65,465	24,555	23,285	32,421	61,860	49,557	696	(100,201)	405,759	635,266	169,263	(321,635)	888,653
Supplies and other	257,284	41,586	12,297	20,558	40,134	33,516	3,192	167	-	408,734	23,506	14,755	(1,723)	445,272
Interest	6,788	1,117	1,410	1,367	2,440	2,150	17,911	279	(16,151)	17,311	365	74	(3)	17,747
Depreciation and amortization	27,743	7,002	4,445	6,511	10,306	8,787	2,953	610	-	68,357	3,903	1,848	-	74,108
Total operating expenses	808,650	196,049	84,197	97,412	139,571	183,640	172,191	1,755	(116,352)	1,567,113	708,548	303,027	(351,183)	2,227,505
(Loss) income from operations	(10,939)	2,146	(1,666)	(1,730)	3,179	11,268	(19,908)	205	-	(17,445)	5,680	(6,904)	8,565	(10,104)
Non-operating revenues and expenses:														
Interest (expense) revenue on swap agreements	(345)	15	(21)	-	-	(18)	-	-	-	(369)	-	-	-	(369)
Change in market value of swap agreements	(25,146)	(98)	(2,612)	-	-	(4,682)	-	-	-	(32,538)	-	-	-	(32,538)
Realized and unrealized gains on investments	85,423	5,973	12,647	20,440	102,993	45,836	1,186	722	-	275,220	2,774	6,070	-	284,064
Investment income	9,036	965	1,236	1,933	12,061	5,630	3,336	57	-	34,254	828	989	-	36,071
Other components of net periodic pension cost	4,015	1,350	-	15	-	-	(714)	-	-	4,666	-	-	-	4,666
Academic mission support and other	(14,569)	(3,592)	789	-	(39)	(1,502)	1,897	-	-	(17,016)	(324)	182	(2,717)	(19,875)
Excess of revenues over (under) expenses	47,475	6,759	10,373	20,658	118,194	56,532	(14,203)	984	-	246,772	8,958	337	5,848	261,915
Contributions (to) from affiliates	(10,739)	-	(179)	-	-	-	6,238	(196)	-	(4,876)	-	5,066	(189)	1
Net assets released from restrictions used for														
purchase of property, plant, and equipment	-	-	275	31	264	-	-	-	-	570	-	-	-	570
Other	-	-	-	-	-	-	(165)	-	-	(165)	-	464	(432)	(133)
Increase (decrease) in net assets without donor restrictions	36,736	6,759	10,469	20,689	118,458	56,532	(8,130)	788	-	242,301	8,958	5,867	5,227	262,353
Changes in net assets with donor restrictions:														
Gifts, grants and bequests	818	50	140	1,694	1,494	(1)	-	-	-	4,195	-	4,928	46	9,169
Net assets released from restrictions used for														
purchase of property, plant, and equipment	-	-	(275)	(31)	(264)	-	-	-	-	(570)	-	-	-	(570)
Net assets rel fr restrictions used for operations	(146)	(162)	(156)	(594)	(2,090)	(188)	-	-	-	(3,336)	-	(1,357)	-	(4,693)
Other	-	-	-	-	-	703	-	-	-	703	-	(432)	(272)	(1)
Increase (decrease) in net assets with donor restrictions	672	(112)	(291)	1,069	(860)	514	-	-	-	992	-	3,139	(226)	3,905
Increase (decrease) in net assets	37,408	6,647	10,178	21,758	117,598	57,046	(8,130)	788	-	243,293	8,958	9,006	5,001	266,258
Net assets at beginning of period	1,942,360	104,962	201,412	499,195	1,590,088	815,976	154,540	24,874	-	5,333,407	323,025	272,986	(223,018)	5,706,400
Net assets at end of period	\$ 1,979,768	\$ 111,609	\$ 211,590	\$ 520,953	\$ 1,707,686	\$ 873,022	\$ 146,410	\$ 25,662	\$ -	\$ 5,576,700	\$ 331,983	\$ 281,992	\$ (218,017)	\$ 5,972,658

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

(in thousands)

(Unaudited)

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHSC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHSC & Affiliates
Operating revenues and other support:														
Net patient service revenue	\$ 618,122	\$ 164,303	\$ 77,101	\$ 86,258	\$ 125,467	\$ 148,871	\$ -	\$ -	\$ -	\$ 1,220,122	\$ 25,107	\$ 97,042	\$ (124,731)	\$ 1,217,540
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	640,292	119,949	(119,950)	640,291
Other revenue	165,389	26,787	3,889	4,323	7,379	19,488	155,023	1,965	(106,512)	277,731	35,890	61,571	(96,542)	278,650
Net assets rel fr restrictions used for operations	74	159	40	476	1,536	90	-	-	-	2,375	-	1,283	-	3,658
Total operating revenues and other support	783,585	191,249	81,030	91,057	134,382	168,449	155,023	1,965	(106,512)	1,500,228	701,289	279,845	(341,223)	2,140,139
Operating expenses:														
Salaries, wages and benefits	236,950	72,586	36,327	43,698	49,423	64,787	91,357	1	-	595,129	41,524	102,242	(26,236)	712,659
Purchased services	257,763	76,002	30,596	24,958	32,047	58,108	47,713	661	(93,498)	434,350	611,286	165,241	(309,292)	901,585
Supplies and other	236,745	37,356	11,718	19,535	38,070	27,276	2,649	182	-	373,531	23,994	13,018	(1,645)	408,898
Interest	5,452	1,001	1,376	1,291	2,488	1,888	15,896	381	(13,014)	16,759	391	98	-	17,248
Depreciation and amortization	27,454	7,071	4,263	6,733	10,004	8,424	2,705	616	-	67,270	3,560	2,127	-	72,957
Total operating expenses	764,364	194,016	84,280	96,215	132,032	160,483	160,320	1,841	(106,512)	1,487,039	680,755	282,726	(337,173)	2,113,347
Income (loss) from operations	19,221	(2,767)	(3,250)	(5,158)	2,350	7,966	(5,297)	124	-	13,189	20,534	(2,881)	(4,050)	26,792
Non-operating revenues and expenses:														
Interest expense on swap agreements	(1,722)	(51)	(142)	-	-	(265)	-	-	-	(2,180)	-	-	-	(2,180)
Change in market value of swap agreements	898	92	154	-	-	634	-	-	-	1,778	-	-	-	1,778
Realized and unrealized gains on investments	50,942	3,480	7,628	11,955	70,045	29,827	315	541	-	174,733	667	1,962	-	177,362
Investment income	4,019	231	504	563	8,619	4,094	2,336	26	-	20,392	-	672	-	21,064
Other components of net periodic pension cost	5,763	1,557	(10)	124	-	-	233	-	-	7,667	48	68	-	7,783
Academic mission support and other	(13,761)	(3,821)	289	-	(529)	(1,501)	(310)	(7)	-	(19,640)	(78)	(13)	(685)	(20,416)
Excess of revenues over (under) expenses	65,360	(1,279)	5,173	7,484	80,485	40,755	(2,723)	684	-	195,939	21,171	(192)	(4,735)	212,183
Contributions (to) from affiliates	(7,385)	-	242	-	-	-	2,990	-	-	(4,153)	-	4,156	(7)	(4)
Net assets released from restrictions used for purchase of property, plant, and equipment	302	1,013	200	13	100	-	-	-	-	1,628	-	-	-	1,628
Other	-	-	-	-	-	-	1,100	-	-	1,100	-	52	(233)	919
Increase (decrease) in net assets without donor restrictions	58,277	(266)	5,615	7,497	80,585	40,755	1,367	684	-	194,514	21,171	4,016	(4,975)	214,726
Changes in net assets with donor restrictions:														
Gifts, grants and bequests	106	(36)	173	1,049	3,087	(1)	-	-	-	4,378	-	3,480	(77)	7,781
Net assets released from restrictions used for purchase of property, plant, and equipment	(302)	(1,013)	(200)	(13)	(100)	-	-	-	-	(1,628)	-	-	-	(1,628)
Net assets rel fr restrictions used for operations	(74)	(159)	(40)	(476)	(1,536)	(90)	-	-	-	(2,375)	-	(1,283)	-	(3,658)
Other	-	-	-	-	-	1,286	-	-	-	1,286	-	(233)	(1,053)	-
(Decrease) increase in net assets with donor restrictions	(270)	(1,208)	(67)	560	1,451	1,195	-	-	-	1,661	-	1,964	(1,130)	2,495
Increase (decrease) in net assets	58,007	(1,474)	5,548	8,057	82,036	41,950	1,367	684	-	196,175	21,171	5,980	(6,105)	217,221
Net assets at beginning of period	1,894,456	84,474	186,721	481,545	1,412,911	695,530	89,933	23,928	-	4,869,498	284,063	253,682	(212,614)	5,194,629
Net assets at end 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

The Johns Hopkins Health System Corporation and Affiliates
Supplemental Consolidating Statements of Operations and Changes in Net Assets
For the Six Months Ended December 30, 2023
(in thousands)
(Unaudited)

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHSC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHSC & Affiliates
Operating revenues and other support:														
Net patient service revenue	\$ 1,266,754	\$ 341,138	\$ 158,714	\$ 179,287	\$ 261,522	\$ 323,129	\$ -	\$ -	\$ -	\$ 2,530,544	\$ 54,493	\$ 199,315	\$ (261,043)	\$ 2,523,309
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	1,277,259	242,714	(242,714)	1,277,259
Other revenue	344,938	53,959	4,660	8,562	15,924	54,972	325,091	3,766	(231,657)	580,215	71,631	130,815	(201,856)	580,805
Net assets rel fr restrictions used for operations	146	231	207	1,117	4,117	244	-	-	-	6,062	-	2,384	-	8,446
Total operating revenues and other support	<u>1,611,838</u>	<u>395,328</u>	<u>163,581</u>	<u>188,966</u>	<u>281,563</u>	<u>378,345</u>	<u>325,091</u>	<u>3,766</u>	<u>(231,657)</u>	<u>3,116,821</u>	<u>1,403,383</u>	<u>575,228</u>	<u>(705,613)</u>	<u>4,389,819</u>
Operating expenses:														
Salaries, wages and benefits	532,804	161,402	80,085	91,651	106,130	152,364	190,698	7	-	1,315,141	89,445	227,098	(54,111)	1,577,573
Purchased services	501,867	130,687	48,113	46,829	64,959	120,456	100,092	1,596	(200,381)	814,218	1,232,633	333,833	(643,195)	1,737,489
Supplies and other	509,413	80,542	23,886	40,357	79,022	62,582	4,910	326	-	801,038	44,349	26,698	(3,399)	868,686
Interest	13,550	2,141	2,800	2,781	4,872	4,283	34,681	596	(31,276)	34,428	652	153	(3)	35,230
Depreciation and amortization	55,878	13,978	8,863	12,966	20,210	17,607	5,673	1,220	-	136,395	7,681	3,715	-	147,791
Total operating expenses	<u>1,613,512</u>	<u>388,750</u>	<u>163,747</u>	<u>194,584</u>	<u>275,193</u>	<u>357,292</u>	<u>336,054</u>	<u>3,745</u>	<u>(231,657)</u>	<u>3,101,220</u>	<u>1,374,760</u>	<u>591,497</u>	<u>(700,708)</u>	<u>4,366,769</u>
(Loss) income from operations	(1,674)	6,578	(166)	(5,618)	6,370	21,053	(10,963)	21	-	15,601	28,623	(16,269)	(4,905)	23,050
Non-operating revenues and expenses:														
Interest (expense) revenue on swap agreements	(784)	27	(53)	-	-	(29)	-	-	-	(839)	-	-	-	(839)
Change in fair value of interest rate swap agreements	(233)	(49)	117	-	-	269	-	-	-	104	-	-	-	104
Realized and unrealized gains on investments	49,067	3,524	7,210	11,657	72,504	26,498	399	397	-	171,256	2,507	3,546	-	177,309
Investment income	16,034	1,459	2,111	3,341	18,875	9,831	3,668	109	-	55,428	1,178	1,515	-	58,121
Other components of net periodic pension cost	8,031	2,700	-	30	-	-	(1,424)	-	-	9,337	-	-	-	9,337
Academic mission support and other	(29,129)	(7,184)	(160)	-	(1,244)	(3,000)	1,850	-	-	(38,867)	(293)	286	(1,825)	(40,699)
Excess of revenues over (under) expenses	<u>41,312</u>	<u>7,055</u>	<u>9,059</u>	<u>9,410</u>	<u>96,505</u>	<u>54,622</u>	<u>(6,470)</u>	<u>527</u>	<u>-</u>	<u>212,020</u>	<u>32,015</u>	<u>(10,922)</u>	<u>(6,730)</u>	<u>226,383</u>
Contributions (to) from affiliates	(20,630)	-	(96)	-	-	-	9,560	(196)	-	(11,362)	-	11,813	(299)	152
Change in funded status of defined benefit plans	-	-	-	-	-	-	246	-	-	246	-	-	-	246
Net assets released from restrictions used for														
purchase of property, plant, and equipment	-	393	275	31	264	-	-	-	-	963	-	-	-	963
Other	-	-	-	-	-	-	457	-	-	457	-	188	(483)	162
Increase in net assets without donor restrictions	<u>20,682</u>	<u>7,448</u>	<u>9,238</u>	<u>9,441</u>	<u>96,769</u>	<u>54,622</u>	<u>3,793</u>	<u>331</u>	<u>-</u>	<u>202,324</u>	<u>32,015</u>	<u>1,079</u>	<u>(7,512)</u>	<u>227,906</u>
Changes in net assets with donor restrictions:														
Gifts, grants and bequests	939	1,033	165	2,164	2,442	-	-	-	-	6,743	-	4,120	80	10,943
Net assets released from restrictions used for														
purchase of property, plant, and equipment	-	(393)	(275)	(31)	(264)	-	-	-	-	(963)	-	-	-	(963)
Net assets rel fr restrictions used for operations	(146)	(231)	(207)	(1,117)	(4,117)	(244)	-	-	-	(6,062)	-	(2,384)	-	(8,446)
Other	-	-	-	-	-	316	-	-	-	316	-	(498)	166	(16)
Increase (decrease) in net assets with donor restrictions	<u>793</u>	<u>409</u>	<u>(317)</u>	<u>1,016</u>	<u>(1,939)</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>1,238</u>	<u>246</u>	<u>1,518</u>
Increase in net assets	<u>21,475</u>	<u>7,857</u>	<u>8,921</u>	<u>10,457</u>	<u>94,830</u>	<u>54,694</u>	<u>3,793</u>	<u>331</u>	<u>-</u>	<u>202,358</u>	<u>32,015</u>	<u>2,317</u>	<u>(7,266)</u>	<u>229,424</u>
Net assets at beginning of period	<u>1,958,293</u>	<u>103,752</u>	<u>202,669</u>	<u>510,496</u>	<u>1,612,856</u>	<u>818,328</u>	<u>142,617</u>	<u>25,331</u>	<u>-</u>	<u>5,374,342</u>	<u>299,968</u>	<u>279,675</u>	<u>(210,751)</u>	<u>5,743,234</u>
Net assets at end of period	<u>\$ 1,979,768</u>	<u>\$ 111,609</u>	<u>\$ 211,590</u>	<u>\$ 520,953</u>	<u>\$ 1,707,686</u>	<u>\$ 873,022</u>	<u>\$ 146,410</u>	<u>\$ 25,662</u>	<u>\$ -</u>	<u>\$ 5,576,700</u>	<u>\$ 331,983</u>	<u>\$ 281,992</u>	<u>\$ (218,017)</u>	<u>\$ 5,972,658</u>

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

(in thousands)
(Unaudited)

	JHH	JHBMC	JHHCMC	SHI	SMH	JHACH	JHHSC	SHHS	Eliminations	JHHS Obligated Group Subtotal	JHHP	All Other Affiliates	Eliminations	Consolidated JHHSC & Affiliates
Operating revenues and other support:														
Net patient service revenue	\$ 1,234,079	\$ 329,937	\$ 152,363	\$ 172,540	\$ 242,920	\$ 287,403	\$ -	\$ -	\$ -	\$ 2,419,242	\$ 52,154	\$ 191,361	\$ (247,499)	\$ 2,415,258
Insurance premium revenue	-	-	-	-	-	-	-	-	-	-	1,279,101	233,901	(233,901)	1,279,101
Other revenue	328,458	50,440	6,261	8,005	14,645	38,322	316,328	4,320	(211,223)	555,556	65,125	118,131	(202,038)	536,774
Net assets rel fr restrictions used for operations	74	303	58	837	2,857	125	-	-	-	4,254	-	2,141	-	6,395
Total operating revenues and other support	<u>1,562,611</u>	<u>380,680</u>	<u>158,682</u>	<u>181,382</u>	<u>260,422</u>	<u>325,850</u>	<u>316,328</u>	<u>4,320</u>	<u>(211,223)</u>	<u>2,979,052</u>	<u>1,396,380</u>	<u>545,534</u>	<u>(683,438)</u>	<u>4,237,528</u>
Operating expenses:														
Salaries, wages and benefits	467,549	142,687	71,676	84,109	96,300	127,221	171,944	3	-	1,161,489	82,832	202,194	(51,938)	1,394,577
Purchased services	516,240	152,425	60,936	50,602	64,231	112,637	90,756	1,407	(187,508)	861,726	1,202,896	322,843	(609,021)	1,778,444
Supplies and other	467,237	74,279	22,712	37,145	71,795	48,954	5,412	390	-	727,924	48,256	24,111	(3,252)	797,039
Interest	9,097	1,645	2,636	2,447	4,955	3,535	29,203	771	(23,715)	30,574	641	196	-	31,411
Depreciation and amortization	54,006	13,798	8,508	13,317	20,135	16,856	5,401	1,234	-	133,255	7,210	4,254	-	144,719
Total operating expenses	<u>1,514,129</u>	<u>384,834</u>	<u>166,468</u>	<u>187,620</u>	<u>257,416</u>	<u>309,203</u>	<u>302,716</u>	<u>3,805</u>	<u>(211,223)</u>	<u>2,914,968</u>	<u>1,341,835</u>	<u>553,598</u>	<u>(664,211)</u>	<u>4,146,190</u>
Income (loss) from operations	48,482	(4,154)	(7,786)	(6,238)	3,006	16,647	13,612	515	-	64,084	54,545	(8,064)	(19,227)	91,338
Non-operating revenues and expenses:														
Interest expense on swap agreements	(4,560)	(172)	(381)	-	-	(722)	-	-	-	(5,835)	-	-	-	(5,835)
Change in fair value of interest rate swap agreements	28,780	586	2,969	-	-	5,500	-	-	-	37,835	-	-	-	37,835
Realized and unrealized gains (losses) on investments	9,223	586	1,605	2,887	23,333	(599)	(2,520)	152	-	34,667	(1,770)	(323)	-	32,574
Investment income	6,568	380	799	867	13,400	6,747	3,178	41	-	31,980	-	865	-	32,845
Other components of net periodic pension cost	11,525	3,114	(10)	247	-	-	452	-	-	15,328	91	137	-	15,556
Academic mission support and other	(27,573)	(7,642)	(462)	-	(529)	(3,000)	(1,132)	(7)	-	(40,345)	208	(101)	1,315	(38,923)
Excess of revenues over (under) expenses	72,445	(7,302)	(3,266)	(2,237)	39,210	24,573	13,590	701	-	137,714	53,074	(7,486)	(17,912)	165,390
Contributions (to) from affiliates	(14,651)	-	409	-	-	-	8,113	(688)	-	(6,817)	-	6,790	(7)	(34)
Change in funded status of defined benefit plans	-	-	-	-	-	-	(503)	-	-	(503)	-	-	-	(503)
Net assets released from restrictions used for purchase of property, plant, and equipment	302	1,013	295	56	206	-	-	-	-	1,872	-	-	-	1,872
Other	-	-	-	-	-	33	(245)	-	-	(212)	-	105	(346)	(453)
Increase (decrease) in net assets without donor restrictions	<u>58,096</u>	<u>(6,289)</u>	<u>(2,562)</u>	<u>(2,181)</u>	<u>39,416</u>	<u>24,606</u>	<u>20,955</u>	<u>13</u>	<u>-</u>	<u>132,054</u>	<u>53,074</u>	<u>(591)</u>	<u>(18,265)</u>	<u>166,272</u>
Changes in net assets with donor restrictions:														
Gifts, grants and bequests	127	1,599	401	2,964	3,749	-	-	-	-	8,840	-	2,215	(268)	10,787
Net assets released from restrictions used for purchase of property, plant, and equipment	(302)	(1,013)	(295)	(56)	(206)	-	-	-	-	(1,872)	-	-	-	(1,872)
Net assets rel fr restrictions used for operations	(74)	(303)	(58)	(837)	(2,857)	(125)	-	-	-	(4,254)	-	(2,141)	-	(6,395)
Other	-	-	-	-	-	359	-	-	-	359	-	(346)	(13)	-
(Decrease) increase in net assets with donor restrictions	<u>(249)</u>	<u>283</u>	<u>48</u>	<u>2,071</u>	<u>686</u>	<u>234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,073</u>	<u>-</u>	<u>(272)</u>	<u>(281)</u>	<u>2,520</u>
Increase (decrease) in net assets	57,847	(6,006)	(2,514)	(110)	40,102	24,840	20,955	13	-	135,127	53,074	(863)	(18,546)	168,792
Net assets at beginning of period	<u>1,894,616</u>	<u>89,006</u>	<u>194,783</u>	<u>489,712</u>	<u>1,454,845</u>	<u>712,640</u>	<u>70,345</u>	<u>24,599</u>	<u>-</u>	<u>4,930,546</u>	<u>252,160</u>	<u>260,525</u>	<u>(200,173)</u>	<u>5,243,058</u>
Net assets at end of period	<u>\$ 1,952,463</u>	<u>\$ 83,000</u>	<u>\$ 192,269</u>	<u>\$ 489,602</u>	<u>\$ 1,494,947</u>	<u>\$ 737,480</u>	<u>\$ 91,300</u>	<u>\$ 24,612</u>	<u>\$ -</u>	<u>\$ 5,065,673</u>	<u>\$ 305,234</u>	<u>\$ 259,662</u>	<u>\$ (218,719)</u>	<u>\$ 5,411,850</u>