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**Catholic Health Initiatives Posts Solid Improvements in Operating Income, EBIDA
in Third Quarter of 2018 Fiscal Year**

Three Major Ratings Agencies Affirm Progress Toward High-Performing Health System

ENGLEWOOD, Colo. – May 10, 2018 – Catholic Health Initiatives continued its ongoing financial-improvement plan in the third quarter of the 2018 fiscal year, posting significant gains in both operating income and operating EBIDA (earnings before interest, depreciation and amortization) during the three-month period ending March 31.

After adjustments for transactional gains and other items in the third quarter of the previous fiscal year, CHI – one of the nation’s largest nonprofit health systems – showed improvements of almost \$80 million in operating EBIDA and \$74 million in operating income in the third quarter of fiscal 2018. The transactional gains and other items in the year-ago quarter amounted to approximately \$92 million, the bulk of which was a nearly \$87 million gain related to the sale of a business in CHI’s Tacoma, Wash.-based Pacific Northwest region.

CHI’s financial performance for the first nine months of the 2018 fiscal year also underscores the positive impact of the organization’s improvement plan. Operating EBIDA and operating income improved approximately \$343 million and \$317 million, respectively, over that period, after adjusting for transactional gains and other items.

The national health system, which operates 99 hospitals and hundreds of other care sites in 18 states, posted an operating loss after restructuring and impairment of about \$35 million in the third quarter. In the first nine months of the current fiscal year, CHI has reduced its operating loss by about 66% compared to the same period in the 2017 fiscal year.

“We continue to see strong momentum that has played out in the current fiscal year,” said Dean Swindle, CHI’s president of enterprise business lines and chief financial officer. “We have established a strong foundation through a performance-improvement plan stretching back nearly three years, and we expect that these positive results will continue throughout the rest of this fiscal year and well beyond as we become a truly high-performing health system.”

All three major rating agencies have recognized CHI's progress in recent months with positive adjustments in their outlooks for the organization.

Moody's revised CHI's outlook from negative to stable yesterday, reflecting what the ratings agency described as "significantly improved operating performance through (the first) six months of fiscal 2018 and the expectation that this trend will continue through the end of the year and into the next."

Two weeks ago, Standard & Poor's revised its outlook for the health system from stable to positive while highlighting CHI's "strong enterprise profile," which it said is based on "excellent geographic and financial dispersion ... with presence in four markets with over \$2 billion in operating revenues and an additional three markets with over \$1 billion in annual revenue."

In January, Fitch Ratings changed its outlook from negative to stable, citing CHI's "continuing trend of improvements" in markets such as Kentucky, the Pacific Northwest and Colorado.

ABOUT CATHOLIC HEALTH INITIATIVES: Catholic Health Initiatives, a nonprofit, faith-based health system formed in 1996 through the consolidation of four Catholic health systems, expresses its mission each day by creating and nurturing healthy communities in the hundreds of sites across the nation where we provide care. One of the nation's largest nonprofit health systems, Englewood, Colo.-based CHI operates in 18 states and comprises 99 hospitals, including two academic health centers, major teaching hospitals and 29 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; living communities; and other facilities and services that span the inpatient and outpatient continuum of care. In fiscal year 2017, CHI provided more than \$1.2 billion in financial assistance and community benefit for programs and services for the poor, free clinics, education and research. Financial assistance and community benefit totaled approximately \$2.1 billion with the inclusion of the unpaid costs of Medicare. The health system, which generated operating revenues of \$15.5 billion in fiscal year 2017, has total assets of approximately \$22 billion. Learn more at www.catholichealthinitiatives.org

