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For Immediate Release

Catholic Health Initiatives Shows Improved Financial, Operating Results in Key Markets in Third Quarter

Operating Results Increase in Seven Regions Across the Nation

ENGLEWOOD, Colo. – June 29, 2015 – Catholic Health Initiatives, the nation’s second-largest nonprofit health system, showed improved financial and operating results across many key regions and markets in the third quarter of the 2015 fiscal year.

CHI’s earnings before interest, depreciation and amortization before restructuring for the three months ended March 31, 2015 were \$201.2 million, a 5.4% operating EBIDA margin before restructuring. The comparable amount for that period in fiscal 2014 was \$185.7 million, a 5.7% operating EBIDA margin before restructuring. Third-quarter results include business combination gains of \$25.5 million, compared to \$7.4 million for the same period in fiscal year 2014.

“A wide array of performance-improvement initiatives has contributed solid financial and operational improvements in the third quarter – and considerable optimism for the future,” said Dean Swindle, CHI’s president of enterprise business lines and chief financial officer. “These include focused and highly effective clinical and operational initiatives across the enterprise, targeted growth initiatives at the regional level and significant improvements in revenue-cycle operations.”

The health system has instituted a comprehensive cost-reduction strategy to identify opportunities for expense reduction through the continued consolidation of support functions across the national enterprise, which includes 105 hospitals and hundreds of other care sites in 19 states.

CHI’s operating loss before restructuring totaled \$70.9 million for the three months ended March 31, 2015 compared to a loss of \$38.1 million for the same period in fiscal year 2014.

Total operating revenues for the three months ended March 31, 2015 increased 14.5% to approximately \$3.8 billion.

Operating results continue to improve in several regions – including the Pacific Northwest, Kentucky, Texas, Iowa, Arkansas, Tennessee and North Dakota/Minnesota. The development of clinically integrated networks in these regions represents an integral strategic focus as CHI adds new capabilities – including insurance – to make the transition from volume-based to valued-based delivery and payment models.

Operations in Texas, Kentucky, and the Pacific Northwest improved significantly, with increases in operating EBIDA before restructuring of \$26 million, \$23 million and \$14 million, respectively, for the three months ending on March 31, 2015, compared to the same period of time in the previous fiscal year.

Performance in Nebraska, where CHI Health is the state’s largest health system, was impacted by lower net patient services revenues and decreased patient volumes as a result of ongoing contract negotiations with Blue Cross Blue Shield of Nebraska, which terminated certain CHI Health facilities from the insurer’s network as of Sept. 1, 2014. After a 10-month impasse, CHI Health will rejoin the Blue Cross Blue Shield network July 15.

Read the full report <http://catholicealthinitiatives.org/financial-information>.

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 it provides care. One of the nation’s largest health systems, Englewood, Colo.-based CHI operates in 19 states and comprises 105 hospitals, including four academic health centers and major teaching hospitals and 30 critical-access facilities; community health-services organizations; accredited nursing colleges; home-health agencies; and other facilities that span the inpatient and outpatient continuum of care. In fiscal year 2014, CHI provided \$910 million in charity care and community benefit -- a nearly 20% increase over the previous year -- for programs and services for the poor, free clinics, education and research. Charity care and community benefit totaled more than \$1.7 billion with the inclusion of the unpaid costs of Medicare. The health system, which generated revenues of almost \$13.9 billion in fiscal year 2014, has total assets of \$21.8 billion. Learn more at www.catholicealthinitiatives.org