

**CONTINUING DISCLOSURE QUARTERLY REPORT
Covenant Health Obligated Group**

Quarter Ended March 31, 2020

Name, Address and Telephone Number of Obligated Person:

Covenant Health Obligated Group
c/o Covenant Health, Inc.
100 Ames Pond Drive, Suite 102
Tewksbury, MA 01876
978-312-4305
Contact person: Stephen W. Forney, Chief Financial Officer

Bonds to Which Report Relates:

\$12,940,000 Original Issued amount
Massachusetts Health and Educational Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2007A

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2022	57586DAQ6
07/01/2026	57586DAU7
07/01/2030	57586DAY9
07/01/2037	57586DBF9

\$11,890,000 Original issued amount
Massachusetts Health and Educational Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2007B

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2020	57586DBU6
07/01/2021	57586DBV4
07/01/2022	57586DBW2
07/01/2025	57586DBX0
07/01/2028	57586DBY8
07/01/2031	57586DBZ5

\$17,030,000 Original issued amount

New Hampshire Health and Education Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2007A

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2020	644614TP4
07/01/2024	644614TT6
07/01/2027	644614TW9
07/01/2031	644614UA5
07/01/2037	644614UG2

\$36,650,000 Original issued amount

New Hampshire Health and Education Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2007B

<u>MATURITY</u>	<u>CUSIP NO.</u>
07/01/2020	644614UV9
07/01/2021	644614UW7
07/01/2022	644614UX5
07/01/2023	644614UT3
07/01/2024	644614UZ0
07/01/2025	644614VA4
07/01/2028	644614VB2
07/01/2031	644614VC0

\$12,365,000 Original issued amount

Massachusetts Health and Educational Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2012

<u>MATURITY</u>	<u>CUSIP NO.</u>
7/1/2020	57584QAH9
7/1/2021	57584QAJ5
7/1/2022	57584QAK2
7/1/2023	57584QAL0
7/1/2024	57584QAM8
7/1/2025	57584QAN6
7/1/2026	57584QAP1
7/1/2027	57584QAQ9
7/1/2031	57584QAR7
7/1/2042	57584QAS5

\$27,000,000 Original issued amount

New Hampshire Health and Education Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue,
Series 2012

<u>MATURITY</u>	<u>CUSIP NO.</u>
7/1/2020	64461PAH5
7/1/2021	64461PAJ1
7/1/2022	64461PAK8
7/1/2023	64461PAL6
7/1/2024	64461PAM4
7/1/2025	64461PAN2
7/1/2026	64461PAP7
7/1/2027	64461PAQ5
7/1/2032	64461PAR3
7/1/2042	64461PAS1

\$16,900,000 Original issued amount

New Hampshire Health and Education Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue, Series 2014
Direct Placement with TD Bank

\$2,530,707 Original issued amount

Massachusetts Health and Educational Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue, Series 2017
Direct Placement with Siemens AG

\$7,960,000 Original issued amount

New Hampshire Health and Education Facility Authority
Healthcare System Revenue Bonds,
Covenant Health Systems Obligated Group Issue, Series 2017
Direct Placement with Siemens AG

Period to Which Report Relates:

Quarter ended March 31, 2020

This Continuing Disclosure Report (this "Report") is provided on behalf of the Covenant Health Obligated Group (the "Obligated Group") by Covenant Health, Inc. ("Covenant"), as Obligated Group Agent. The Obligated Group consists of Covenant and the organizations listed on **Exhibit A** attached hereto. The Obligated Group does not include all the organizations controlled by Covenant. Covenant has excluded from the Obligated Group certain of its sponsored controlled organizations based upon regulatory and tax-exempt financing requirements in the jurisdictions in which they operate. The organizations that are directly or indirectly controlled by Covenant (including those within the Obligated Group) are referred to as "Controlled Organizations," and Covenant and all its Controlled Organizations are referred to collectively as the "Consolidated Group." **The following discussion contains reference to certain organizations that are not members of the Obligated Group; such organizations that are not members of the Obligated Group have no obligation with respect to the Bonds or under the Master Indenture and none of the assets or revenues of such organizations are available to make payments of principal or interest on the Bonds or the Notes.**

This Report is being filed with the Municipal Securities Rulemaking Board (the "Board") pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the "Rule") and is pursuant to the Continuing Disclosure Agreement pertaining to certain Bonds which were issued concurrently with the formation of the Obligated Group.

THIS REPORT IS INTENDED SOLELY TO PROVIDE CERTAIN LIMITED FINANCIAL AND OPERATING DATA IN ACCORDANCE WITH UNDERTAKINGS OF COVENANT AND THE OBLIGATED GROUP UNDER THE RULE (THE "UNDERTAKING") AND DOES NOT CONSTITUTE A REISSUANCE OF ANY OFFICIAL STATEMENT RELATING TO THE BONDS OR A SUPPLEMENT OR AMENDMENT TO ANY SUCH OFFICIAL STATEMENT.

THIS REPORT CONTAINS CERTAIN FINANCIAL, OPERATING AND OTHER DATA AS OF MARCH 31, 2020. COVENANT AND THE OBLIGATED GROUP HAVE UNDERTAKEN NO RESPONSIBILITY TO UPDATE ANY ELEMENTS OF THAT DATA SINCE THAT DATE OR TO UPDATE THIS REPORT AND DISCLAIM ANY OBLIGATION TO UPDATE THIS REPORT OR TO FILE ANY REPORTS OR OTHER INFORMATION WITH THE BOARD OR ANY OTHER PERSON EXCEPT AS SPECIFICALLY REQUIRED BY THE UNDERTAKING.

This Report may contain certain "forward-looking statements" which involve known and unknown risks and uncertainties inherent in the operation of healthcare facilities. All statements other than statements of historical information provided herein may be forward-looking statements. Without limiting the foregoing, the words "believes," "estimates," "anticipates," "plans," "intends," "scheduled," "expects" and similar expressions are intended to identify forward-looking statements. Factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, competition from other healthcare facilities, federal and state regulation of healthcare providers, and reimbursement policies of state and federal governments and managed care organizations. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis, judgment, belief or expectation only as of the date hereof. Covenant and the Obligated Group undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

SUMMARY FINANCIAL INFORMATION

Summary Statement of Operations of Obligated Group

Attached hereto as **Exhibit B** is a Summary Statement of Operations of the Obligated Group for the quarters ended March 31, 2020 and 2019 which was derived by management from unaudited internal financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which Covenant considers necessary for a fair presentation of the results of operations for these periods. The Summary Statement of Operations should be read in conjunction with the notes to the Consolidated Financial Statements of the Consolidated Group for the year ended December 31, 2019, which are included with the Continuing Disclosure Annual Report for the year ended December 31, 2019.

Management's Discussion of Recent Financial Performance of Obligated Group

Net patient service revenue of the Obligated Group for the quarter ended March 31, 2020 was \$74.3 million, a decrease of \$2.5 million (3%) when compared to net patient service revenue of the Obligated Group for the same period in 2019. \$3.4 million of the decrease in net patient service revenue was due to St. Joseph Nashua when comparing the quarter ended March 31, 2020 to the quarter ended March 31, 2019. Total revenue of the Obligated Group for the quarter ended March 31, 2020 was \$86.2 million, representing a decrease of \$4.8 million (5%) from the same period in 2019. Inpatient discharge volume at St. Joseph Nashua for the March 31, 2020 quarter decreased by 146 inpatient discharges (11%) when compared with the same quarter in 2019, and outpatient encounters decreased by 24,768 (25%) when comparing the March 31, 2020 and 2019 quarters. Reduction in inpatient and outpatient volume at St. Joseph Nashua has resulted from government mandates for residents to shelter in place and for health care providers to cease performance of elective procedures. Expense controls at St. Joseph's during the first quarter 2020 when compared with the first quarter of 2019 yielded reduced salaries and benefits of \$1.1 million, which was partially offset by supplies, other expenses, and provider tax.

Expenses for the Obligated Group for the quarter ended March 31, 2020 were \$90.0 million, an increase of \$1.1 million (1%) when compared to expenses of the Obligated Group for the same period in 2019. Salaries and wages for the quarter ended March 31, 2020 were \$40.6 million, a decrease of \$1.6 million (4%) when compared with the same period in 2019. Employee benefits for the quarter ended March 31, 2020 were \$8.3 million, a decrease of \$0.3 million (-3%) when compared with the same period in 2019. Supplies and other expenses including provider taxes for

the quarter ended March 31, 2020 increased by \$3.1 million (10%) as compared with the same period in 2019. Much of the 2020 first quarter's increase in supplies and other expenses is the result of outsourcing revenue cycle operations, contracted nursing and physician services, consulting services, and timing of settlement of interim vs. final shared services expenses. The Obligated Group generated a loss from operations of \$3.8 million for the quarter ended March 31, 2020 (representing -4% of total revenue), compared with operating income of \$2.1 million (representing 2% of total revenue) for the same period in 2019.

Combined non-operating losses of the Obligated Group for the quarter ended March 31, 2020 were \$51.4 million, compared with a non-operating gain of \$16.8 million for the same period in 2019. Non-operating losses for the quarter ended March 31, 2020 were driven by unrealized investment losses as compared with the first quarter of 2019. The deficit of revenue over expense of the Obligated Group for the quarter ended March 31, 2020 was \$55.2 million, representing an unfavorable variance of \$74.0 million as compared with the same period in 2019.

Liquidity for the Obligated Group as measured by unrestricted days' cash on hand, calculated using a standard industry method (unrestricted cash and investments divided by operating expense less depreciation, divided by the number of days in the period) rather than the method prescribed by the Master Trust Indenture, was 228 days for the quarter ended March 31, 2020 as compared with 265 days for the quarter ended March 31, 2019. The debt service coverage ratio for the Obligated Group, calculated using a standard industry method (excess of revenues over expenses plus depreciation, amortization, interest and unrealized (gains) or losses divided by interest expense plus estimated debt principal payments for the period in question) rather than the method prescribed by the Master Trust Indenture, was 2.8 for the quarter ended March 31, 2020, as compared with 2.7 for the quarter ended March 31, 2019. Debt service as a percentage of revenue was 3.3% for the quarter ended March 31, 2020 as compared with 4.1% for the quarter ended March 31, 2019. Debt to capitalization for the Obligated Group was 38.9% at March 31, 2020 as compared with 36.1% at March 31, 2019.

St. Joseph Nashua has a frozen defined benefit plan, which was underfunded as of March 31, 2020 and March 31, 2019 in the amount of \$4.2 million and \$3.8 million, respectively. Effective September 2, 2007, plan participation was frozen. St. Joseph Nashua provided pension contributions of \$0.6 million in both the first quarter of 2020 and 2019. Market returns net of lump sum payments made to beneficiaries accounted for the increase in the unfunded pension liability of \$4.2 million at St. Joseph Nashua between March 31, 2019 and March 31, 2020.

Management's Discussion of Recent Financial Performance of Consolidated Group

*The Consolidated Group includes several organizations that are not members of the Obligated Group (such organizations that are members of the Consolidated Group but not members of the Obligated Group are referred to as "Non-Obligated Group Members"). **The Non-Obligated Group Members have no obligation with respect to the Bonds or under the Master Indenture and none of the assets or revenues of the Non-Obligated Group Members are available to make payments of principal or interest on the Bonds.***

Net patient service revenue of the Consolidated Group was \$166.0 million for the quarter ended March 31, 2020, a decrease of \$1.4 million (1%) as compared with net patient service revenue of the Consolidated Group for the same period in 2019. The primary drivers for the decrease in net patient service revenues were lower acute care inpatient and outpatient volumes of 4% and 22%, respectively. Total revenue of the Consolidated Group for the quarter ended March 31, 2020 was \$174.3 million, representing a decrease of \$0.8 million (0%) from the same period in 2019.

Expenses for the Consolidated Group for the quarter ended March 31, 2020 were \$188.9 million, an increase of \$9.0 million (5%) from the same period in 2019. Salaries and wages decreased by \$0.2 million (0%) due to a decrease of 515 FTEs (10%), partially offset by increases in physician, nursing, advanced practice providers, and technician compensation. Supplies and other expenses increased by \$9.1 million (17%) as compared with the same period in 2019 due to outsourcing of revenue cycle operations, timing of settlement of interim vs. final shared services expenses, contracted nursing and physician fees, and consulting expenses.

The Consolidated Group generated an operating loss of \$14.5 million (representing -8% of total revenue) for the quarter ended March 31, 2020, as compared with an operating loss of \$4.8 million (representing -3% of total revenue) for the same period in 2019.

Non-operating losses of the Consolidated Group for the quarter ended March 31, 2020 were \$55.1 million, an unfavorable variance of \$74.5 million as compared with the same period in 2019. The unfavorable variance in non-operating income (losses) during the quarter ended March 31, 2020 was driven by unrealized investment losses as compared with the fourth quarter of 2019.

The deficiency of revenue over expense of the Consolidated Group for the quarter ended March 31, 2020 was \$69.7 million as compared with an excess of revenue over expenses \$14.5 million in for the March 31, 2019 quarter, an unfavorable variance of \$84.2 million.

Liquidity for the Consolidated Group as measured by unrestricted days' cash on hand was 160 days as of March 31, 2020, as compared with 185 days as of March 31, 2019. The decrease in days' cash on hand was attributable to a decrease in unrestricted cash and investments from March 31, 2019 to March 31, 2020. Debt service coverage for the Consolidated Group was 0.7 for the quarter ended March 31, 2020 as compared with to 1.3 for the quarter ended March 31, 2019. Debt service as a percentage of revenue was 2.6% for the quarter ended March 31, 2020 compared to 3.2% for the quarter ended March 31, 2019. Debt to capitalization for the Consolidated Group was 39.0% as of March 31, 2020 as compared with 36.9% as of March 31, 2019.

Both St. Joseph Nashua and St. Joseph Bangor have frozen defined benefit plans. The St. Joseph Nashua Defined Benefit Pension Plan is discussed above in the narrative pertaining to the Obligated Group. St. Joseph Bangor's defined benefit plan was frozen for new participants effective as of January 1, 2004. The unfunded pension liability of the Consolidated Group increased from \$4.9 million as of March 31, 2019 to \$5.0 million as of March 31, 2020. This increase was principally due to unfavorable market returns of equity and other marketable securities occurring between the two periods. The funded status of St. Joseph Bangor's defined benefit plan improved from \$(1.1) million as of March 31, 2019 to \$(0.8) million as of March 31, 2020.

Attached hereto as **Exhibit C** is a comparison of the financial performance of the Consolidated Group to the Obligated Group for the quarters ended March 31, 2020 and March 31, 2019, which was derived by management from unaudited internal financial statements.

HISTORICAL UTILIZATION OF SERVICES

The table attached hereto as **Exhibit D-1** summarizes the utilization of services at the Obligated Group's acute hospital (St. Joseph Nashua) and nursing homes (MI Nursing, Maristhill and St. Mary) for the quarters ended March 31, 2020 and 2019. The table attached hereto as **Exhibit D-2** summarizes the utilization of services at all Non-Obligated Group Members for such periods.

THIRD PARTY PAYMENT

Obligated Group Payor Mix

The table attached hereto as **Exhibit E-1** summarizes the percentage of net patient service revenue of the Obligated Group's acute hospital (St. Joseph Nashua) and nursing homes (MI Nursing, Maristhill and St. Mary) by source of payment for the quarters ended March 31, 2020 and 2019. The table attached hereto as **Exhibit E-2** summarizes the percentage of net patient service revenue for certain Non-Obligated Group members and for all nursing homes in the Consolidated Group for such periods.

ADDITIONAL INFORMATION

Attached hereto as **Exhibit F** is the Consolidated Group balance sheet as of March 31, 2020 and 2019.

Attached hereto as **Exhibit G** is the Consolidated Group statement of changes in net assets for the quarters ended March 31, 2020 and 2019.

Attached hereto as **Exhibit H** is the reconciliation of the operating margin for the Obligated Group to the operating margin for the Consolidated Group for the quarters ended March 31, 2020 and 2019.

Date: 4/29/20

COVENANT HEALTH, INC.

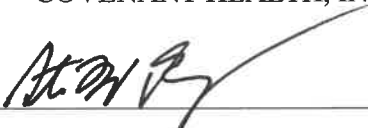
By: 
Stephen W. Forney, Chief Financial Officer

Exhibit A

Members of the Obligated Group

The Obligated Group consists of Covenant and the following organizations, each of which is directly or indirectly controlled by Covenant:

- St. Joseph Hospital of Nashua, NH, Inc. ("St. Joseph Nashua")
- The Surgi Center at St. Joseph Hospital, Inc. ("SurgiCenter")*
- Souhegan Nursing Association, Inc. ("Souhegan")*
- MI Nursing/Restorative Center, Inc. ("MI Nursing")
- MI Adult Day Health Center, Inc. ("MI Adult Day Health")
- MI Management Inc. ("MI Management")
- MI Transportation, Inc. ("MI Transportation")
- Youville Lifecare, Inc. ("Youville Lifecare")*
- Youville Hospital and Rehabilitation Center, Inc. ("Youville Hospital")*
- The Youville House, Inc. ("Youville House")
- CHS of Waltham, Inc. (d.b.a. Maristhill Nursing and Rehabilitation Center) ("Maristhill")
- CHS of Worcester, Inc. (d.b.a. St. Mary Health Care Center) ("St. Mary")
- Fanny Allen Corporation
- Youville Place, Inc. ("Youville Place")
- Mount St. Rita Health Centre ("Mount St. Rita")#
- St. Joseph Manor Health Care, Inc. ("St. Joseph Manor")# and
- Penacook Place, Inc. ("Penacook Place")#

- Added to the Obligated Group during the February 2017.

* Youville Lifecare, Youville Hospital, SurgiCenter and Souhegan have discontinued their operations.

Covenant Health Obligated Group					
Summary Statement of Operations				EXHIBIT B	
For the Quarters Ended March 31, 2020 and 2019					
(\$ in thousands)					
Quarter Ended March 31,					
	2020	2019			
Revenue					
Net patient service revenue	\$74,308	\$76,775			
Other	11,630	14,032			
Net Assets release from restrictions	270	161			
Total Revenue	86,208	90,968			
Expenses					
Salaries and wages	40,638	42,279			
Employee benefits	8,347	8,637			
Supplies and other expenses	34,754	31,637			
Interest expense	1,755	1,945			
Depreciation and amortization	4,541	4,397			
Total Expenses	90,035	88,895			
Income from operations	(3,827)	2,073			
Non - operating gains (losses) , net *	(51,362)	16,777			
Excess (deficiency) of revenue over expenses	<u>\$ (55,189)</u>	<u>\$ 18,850</u>			
* Includes unrealized gains (losses) on investment and equity loss on investment in St. Joseph Hospital Corporate Services, Inc. which is not a member of the Obligated Group.					

Key Statistics	Covenant Health Quarters Ended March 31, 2020 and 2019 (\$ in thousands)				EXHIBIT C
	Consolidated Group		Obligated Group		
	2020	2019	Quarter Ended March 31 2020	2019	
Statements of operations					
Net Patient Service Revenue	\$166,003	\$167,355	\$74,308	\$76,775	
Total Revenue	174,325	175,086	86,208	90,968	
Total Expenses	188,858	179,894	90,035	88,895	
Income (Loss) from Operations	(14,533)	(4,808)	(3,827)	2,073	
Non-Operating Gains (Losses), Net *	(55,125)	19,334	(51,362)	16,777	
Excess (Deficiency) of Revenue over Expenses	(69,658)	14,526	(55,189)	18,850	
Interest Expense	2,552	2,579	1,755	1,945	
Depreciation and Amortization	7,680	7,794	4,541	4,397	
Net unrealized gains (losses) on investments	(62,354)	17,419	(56,863)	15,131	
Debt Service					
Income Available for Debt Service ***	2,928	7,480	7,970	10,061	
Estimated Debt Service for Period **	6,403	5,638	4,125	3,696	
Balance Sheet					
Net Unrestricted Cash and Investments	318,199	354,240	214,434	248,760	
Total Assets	864,347	901,386	539,770	578,484	
Short - Term Debt (Includes Current Portion of LT)	15,402	11,965	9,480	7,249	
Long - Term Debt	236,218	239,591	168,762	173,263	
Net Assets without Restrictions	\$393,777	\$430,113	\$280,232	\$320,186	
Profitability					
Operating margin (%)	-8.3%	-2.7%	-4.4%	2.3%	
Excess Margin (%)	-40.0%	8.3%	-64.0%	20.7%	
Liquidity					
Days Cash on Hand	160	185	228	265	
Leverage					
Debt Service Coverage (x)	0.5	1.3	1.9	2.7	
Debt to Capitalization (%)	39.0%	36.9%	38.9%	36.1%	
Debt Service/Revenue (%)	3.7%	3.2%	4.8%	4.1%	
* Obligated Group amount includes equity loss on investment in St. Joseph Hospital Corporate Services, Inc.					
** Estimated debt service for the quarter based upon a quarter of the current portion of long-term debt at Dec. 31 , 2019 or 2018, as appropriate.					
*** Income Available for Debt Service is the excess of revenues over expenses plus interest and depreciation, minus unrealized gains (losses). The Master Trust Indenture Agreement requires a different methodology measured annually.					

Covenant Health Obligated Group		EXHIBIT D - 1	
Key Hospital and Nursing Home Utilization Statistics			
Quarters and Years Ended March 31, 2020 and 2019			
	<u>Quarter Ended March 31</u>		
	<u>2020</u>	<u>2019</u>	
St. Joseph Hospital of Nashua, NH			
Licensed Beds	208	208	
Admissions	1,221	1,367	
Patient Days	5,840	6,751	
ALOS (days)	4.8	4.9	
Outpatient Encounters	72,557	97,325	
Average Daily Census	64	75	
FTES	1,089	1,176	
MI Nursing			
Licensed Beds (In Service)	231	231	
Patient Days	20,074	19,346	
Average Daily Census	221	215	
Occupancy Rate	95%	93%	
FTES	215	257	
Maristhill			
Licensed Beds (In Service)	104	104	
Patient Days	8,749	8,269	
Average Daily Census	96	92	
Occupancy Rate	92%	88%	
FTES	83	87	
St. Mary (Worcester, MA)			
Licensed Beds (In Service)	124	124	
Patient Days	11,102	10,805	
Average Daily Census	122	120	
Occupancy Rate	98%	97%	
FTES	90	91	
ST. JOSEPH MANOR			
Licensed Beds (In Service)	118	118	
Patient Days	9,669	9,861	
Average Daily Census	106	110	
Occupancy Rate	90%	93%	
FTES	92	105	
MOUNT ST. RITA			
Licensed Beds (In Service)	98	98	
Patient Days	8,392	7,349	
Average Daily Census	92	82	
Occupancy Rate	94%	83%	
FTES	79	80	
Penacook Place			
Licensed Beds (In Service)	144	144	
Patient Days	10,456	11,113	
Average Daily Census	115	123	
Occupancy Rate	80%	81%	
FTES	127	138	

Covenant Health Non-Obligated Group Members			EXHIBIT D - 2
Key Hospital and Nursing Home Utilization Statistics			
Quarters and Years Ended March 31, 2020 and 2019			
	Quarter Ended March 31		
	2020	2019	
ST. MARY'S REGIONAL MEDICAL CENTER excluding d'Youville Pavilion *			
Licensed Beds	233	233	
Admissions	1,517	1,514	
Patient Days	7,966	5,074	
ALOS (days)	5.3	3.4	
Outpatient Encounters	86,733	121,493	
Average Daily Census	88	56	
FTEs	899	1,007	
ST. JOSEPH HOSPITAL OF BANGOR, ME *			
Licensed Beds	112	112	
Admissions	976	991	
Patient Days	4,097	2,934	
ALOS (days)	4.2	3.0	
Outpatient Encounters	51,524	49,800	
Average Daily Census	45	33	
FTEs	812	868	
ST. ANDRE *			
Licensed Beds (In Service)	96	96	
Patient Days	7,215	7,349	
Average Daily Census	79	82	
Occupancy Rate	83%	85%	
FTEs	87	88	
d'YOUVILLE PAVILION (a division of St. Mary's Regional Medical Center) *			
Licensed Beds (In Service)	210	210	
Patient Days	16,826	17,571	
Average Daily Census	185	195	
Occupancy Rate	88%	93%	
FTEs	149	137	
ST. MARY'S VILLA *			
Licensed Beds (In Service)	112	112	
Patient Days	9,312	9,038	
Average Daily Census	102	100	
Occupancy Rate	91%	90%	
FTEs	131	146	
* Not a member of the Obligated Group			

Covenant Health Obligated Group			EXHIBIT E - 1
Payor Mix			
Quarters and Years Ended March 31, 2020 and 2019			
Quarter Ended March 31			
	2020	2019	
Sources of Net Revenue			
St. Joseph Hospital of Nashua, NH			
Medicare	47%	47%	
Medicaid	8%	5%	
Commercial & Managed Care	42%	46%	
Self Pay	2%	2%	
Total	100%	100%	
Nursing Homes			
Medicare	7%	16%	
Medicaid	82%	67%	
Private Pay	11%	17%	
Total	100%	100%	
Covenant Health Consolidated Group			
Payor Mix			
Quarters and Years Ended March 31, 2020 and 2019			
Quarter Ended March 31			
	2020	2019	
St. MARY'S REGIONAL MEDICAL CENTER *			
Medicare	43%	48%	
Medicaid	23%	15%	
Commercial & Managed Care	29%	32%	
Self Pay	5%	5%	
Total	100%	100%	
St. Joseph Hospital of Bangor, ME *			
Medicare	52%	52%	
Medicaid	14%	9%	
Commercial & Managed Care	31%	35%	
Self Pay	3%	4%	
Total	100%	100%	
Nursing Homes Consolidated Group **			
Medicare	8%	10%	
Medicaid	79%	76%	
Private Pay	13%	15%	
Total	100%	100%	
* Not a member of the Obligated Group			
** All nursing homes			

COVENANT HEALTH, INC. AND SUBSIDIARIES		
CONSOLIDATED BALANCE SHEETS		
As of March 31, 2020 and 2019		
(in thousands)		
		EXHIBIT F
	As of	As of
	<u>3/31/2020</u>	<u>3/31/2019</u>
ASSETS		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$49,975	\$39,613
ACCOUNTS RECEIVABLE, NET	98,100	95,494
SHORT TERM INVESTMENTS	1,020	48,918
INVENTORIES	5,470	4,655
PREPAID EXPENSES AND OTHER CURRENT ASSETS	22,794	11,938
CURRENT PORTION OF ASSETS WHOSE USE IS LIMITED OR RESTRICTED	6,008	10,091
RECEIVABLE FROM THIRD PARTY PAYERS	-	1,777
TOTAL CURRENT ASSETS	183,367	212,486
ASSETS WHOSE USE IS LIMITED OR RESTRICTED, LESS CURRENT PORTION:		
FUNDS HELD BY TRUSTEES, LESS CURRENT PORTION	22,368	22,517
DONOR RESTRICTED AND OTHER	29,913	39,928
BOARD DESIGNATED FUNDS AND LONG TERM INVESTMENTS	267,204	259,365
REPLACEMENT RESERVE	6,092	6,344
DEFERRED COMPENSATION	13,007	12,673
	<u>338,584</u>	<u>340,827</u>
OTHER ASSETS:		
JOINT VENTURES, NOTES RECEIVABLE AND OTHER ASSETS	14,614	17,946
	<u>14,614</u>	<u>17,946</u>
PROPERTY, PLANT AND EQUIPMENT	780,356	794,279
LESS ALLOWANCE FOR DEPRECIATION	452,574	464,152
	<u>327,782</u>	<u>330,127</u>
TOTAL ASSETS	\$864,347	\$901,386
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$76,037	\$79,540
AMOUNTS PAYABLE TO THIRD PARTY PAYERS	12,978	15,279
OTHER CURRENT LIABILITIES	10,653	4,149
CURRENT PORTION OF LONG-TERM DEBT	15,402	11,965
TOTAL CURRENT LIABILITIES	115,070	110,933
OTHER LIABILITIES	25,325	27,242
PROFESSIONAL LOSS RESERVES	37,762	37,987
LONG-TERM DEBT, LESS CURRENT PORTION	236,218	239,591
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	393,777	430,113
WITH DONOR RESTRICTIONS	56,195	55,520
	<u>449,972</u>	<u>485,633</u>
TOTAL LIABILITIES AND NET ASSETS	\$864,347	\$901,386

COVENANT HEALTH CONSOLIDATED GROUP				
STATEMENT OF CHANGES IN NET ASSETS				
For the Quarters and Years Ended March 31, 2020 and 2019				
	(\$ in thousands)			EXHIBIT G
	Quarter Ended March 31			
	2020	2019		
UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:				
NET PATIENT SERVICE REVENUE	\$166,003	\$167,355		
OTHER	7,860	7,520		
NET ASSETS RELEASED FROM RESTRICTIONS	462	211		
TOTAL REVENUE	174,325	175,086		
EXPENSES:				
SALARIES AND WAGES	86,325	86,478		
EMPLOYEE BENEFITS	17,779	17,754		
SUPPLIES AND OTHER EXPENSES	74,522	65,289		
DEPRECIATION AND AMORTIZATION	7,680	7,794		
INTEREST EXPENSE	2,552	2,579		
TOTAL EXPENSES	188,858	179,894		
INCOME (LOSS) FROM OPERATIONS	(14,533)	(4,808)		
NON-OPERATING GAINS (LOSSES), NET	(55,125)	19,328		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(69,658)	14,520		
ADJUSTMENT TO DEFINED BENEFIT PENSION OBLIGATION	(2,523)	2,864		
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(72,181)	17,384		
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(3,260)	1,042		
TOTAL CHANGE IN NET ASSETS	(\$75,441)	\$18,426		

Covenant Health			
Operating Margin Reconciliation			Exhibit H
Quarters Ended March 31, 2020 and 2019			
		Quarter Ended March 31	
<i>(\$ in thousands)</i>		2020	2019
Obligated Group Operating Margin		(\$3,827)	2,073
St. Mary's Health System		(8,257)	(4,609)
St. Joseph's Heathcare of Bangor, ME		(2,673)	(2,632)
St. Joseph Hospital Corporate Services, Inc.		3	(1)
Mary Immaculate Residential Community, Inc.		155	155
SNF Not in Obligated Group			
- St. Andre Health Care Facility		143	109
- St. Mary's Villa		96	177
Valuation company related to acquisition of St. Joseph of Bangor, ME		(28)	(12)
CHIL and Eliminations		(145)	(68)
System Consolidated Operating Margin		(\$14,533)	(\$4,808)