



For more information:
Michael Romano
National Director, Media Relations
Catholic Health Initiatives
303-383-2720
(C) 303-549-8948
michaelromano@catholichealth.net

Catholic Health Initiatives Continues Significant Financial Improvement in Second Quarter of FY18, Reinforcing Successful Turnaround Efforts

National Health System Shows Fiscal Improvement Across-the-Board

ENGLEWOOD, Colo. – Feb. 6, 2018 – Catholic Health Initiatives operated essentially on a break-even basis in the second quarter of the 2018 fiscal year, posting an operating loss of just \$1.5 million after recording a deficit of approximately \$146 million in the same three-month period of the previous fiscal year, the organization announced today.

The national health system recorded about \$215 million in net income in the second quarter ending Dec. 31, 2017 -- a solid 5.3% margin attributed to a series of performance-improvement efforts that began to take effect in the second half of the previous fiscal year. The net gain, driven in large part by favorable investment returns, further reinforced a significant turnaround over the same period last year, when CHI posted an overall loss of \$24.5 million.

“We are definitely seeing the very positive results of a comprehensive performance-improvement plan take hold,” said Dean Swindle, CHI’s president for enterprise business lines and chief financial officer. “We have consistently posted improved financials over the last year-and-a-half – and the significant turnaround in this year’s second quarter is a testament to our strategic and operational focus. We feel we have strong momentum for the second half of this year and through fiscal 2019.”

CHI also generated about \$282 million in operating EBIDA (earnings before interest, depreciation and amortization), which ranks among the organization’s best three-month financial performance in several years. The 7.4% margin far eclipsed the 3.4% figure in the year-ago quarter, when CHI recorded \$126 million in operating EBIDA.

“Catholic Health Initiatives has the right strategic direction and the right leaders,” said Kevin E. Lofton, CHI’s chief executive officer. “The resilience and performance of people across the organization has led

to a successful turnaround of our finances, and helps transform CHI into a truly high-performing organization.”

The positive second-quarter results for fiscal 2018 were spread across virtually the entire national footprint of CHI, which operates 101 hospitals and hundreds of other health care facilities in 18 states stretching from Georgia to Oregon. The turnaround was attributed in part to several key initiatives, including a significant reduction in supply costs and purchased services, a focus on organic growth and an increase in total net patient service revenue.

“We’re certainly thrilled with the performance in the second quarter – and this dramatic turnaround in terms of overall operations has been demonstrated in some of our most-challenged markets,” said Swindle.

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 101 hospitals, including two academic health centers and major teaching hospitals as well as 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