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Catholic Health Initiatives Posts Nearly 17% Increase in EBIDA in FY17

ENGLEWOOD, Colo. – Sept. 15, 2017 -- Catholic Health Initiatives reported a nearly 17% increase in the 2017 fiscal year in operating EBIDA before restructuring, as two of its largest markets registered double-digit volumes in this key measure of operating income.

Adjusted for transaction gains and other items, CHI closed out FY17 with a 16.4% increase over FY16 in EBIDA (earnings before interest, depreciation and amortization) – or a total of \$810 million.

CHI met its projected EBIDA operating margin of 6% for the year, led by strong results from two of its largest markets – Centura Health, headquartered in Englewood, Colo., which closed out the fiscal year with a 12% EBIDA margin; and the Tacoma, Wash.-based Pacific Northwest division, which ended the year with an 11% operating EBIDA margin.

Non-operating performance for the fiscal year was strong, with investment gains of almost \$640 million. Including operating and non-operating performance for FY17, CHI posted an excess of revenue over expenses of about \$128 million – or a nearly 1% margin for the year. That compares to a \$576 million overall loss – and a (3.8%) margin -- in FY 16, resulting in a total net positive change of more than \$700 million for the year.

“Overall, we are very pleased with the progress we’ve made this past year across the enterprise – as well as in a highly successful performance-improvement plan that has strengthened our finances and has provided a solid path for the future,” said Dean Swindle, CHI’s president of enterprise business lines and chief financial officer.

“As we become a higher-performing organization,” he added, “we still have work to get to where we want to be financially, particularly in some challenging markets.”

The EBIDA margin for FY17 follows steady improvement over the full year, a period in which the organization was involved in a comprehensive performance-improvement plan. The enterprise-wide efforts on operational improvement and cost reduction will continue throughout what is expected to be a demanding year due to continued challenges throughout the industry – including reduced reimbursements, decreased utilization and uncertainties at both the state and federal level around the Affordable Care Act.

About Catholic Health Initiatives

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. The nation’s third-largest nonprofit health system, Englewood, Colorado-based CHI operates in 17 states and comprises 100 hospitals, including three academic health centers and major teaching hospitals as well as 30 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

