SUMMARY FINANCIAL INFORMATION

For The Three Month Period
Ended March 31, 2012

	Year-To-Date	
	Actual	**Prior Year Actual**
HOSPITAL INDICATORS		
Discharges	31,839	32,160
Patient Days	148,054	152,241
Average Length of Stay	4.65	4.73
Adjusted Discharges	53,554	52,831
FTEs	11,085	10,844
Case Mix Index (CMI)	1.41	1.39
Medicare Case Mix Index	1.55	1.55
Net Revenue Per Adjusted Discharge	$8,993	$8,933
Cost per Adjusted Discharge	$8,223	$8,064
Volume Adjusted Cost Target	$8,223	$8,004
Salaries per Adjusted Discharge	$2,979	$2,861
Supplies per Adjusted Discharge	$1,660	$1,659
Supplies per Adjusted Discharge-CMI ADJ	$1,177	$1,197
OVERALL INDICATORS		
Operating Cash Flow Margin	12.7%	14.3%
Operating Margin	4.7%	6.1%
Total Margin	21.1%	14.5%
FTEs	17,191	16,561
FINANCIAL ACTIVITY		
Operating Revenue		
Net Patient Service Revenue *	$618,415	$588,163
Provision for Bad Debts	(38,045)	(36,270)
Net Patient Service Revenue less Bad Debts	580,370	551,893
Other Revenue	19,666	16,945
Total Operating Revenue	600,036	568,838
Operating Expenses		
Salaries and Wages	262,937	240,421
Benefits	53,356	51,246
Supplies	105,593	98,452
Purchased Services and Other Expenses	101,897	97,309
Subtotal	523,783	487,428
Operating Cash Flow	$76,253	$81,410
Depreciation and Amortization	40,912	39,484
Interest	6,916	7,293
Subtotal	47,828	46,777
Total Operating Expenses	571,611	534,205
INCOME/(LOSS) FROM OPERATIONS	$28,425	$34,633
Total Non-Operating Revenue	124,649	56,118
EXCESS/(DEFICIENCY) OF REVENUES AND GAINS OVER EXPENSES	$153,074	$90,751

BAYCARE HEALTH SYSTEM
COMBINED BALANCE SHEET
March 31, 2012
(Dollars in Thousands)

	Current Month 03/31/12	Prior Year End 12/31/11
ASSETS		
Current assets:		
Cash and cash equivalents	$78,794	$37,387
Current portion of assets limited as to use	2,659	2,635
Accounts receivable, less allowance for doubtful accounts	283,550	264,249
Inventories	47,974	48,918
Prepaid expenses and other current assets	51,943	46,077
TOTAL CURRENT ASSETS	464,920	399,266
Investments	1,738,179	1,630,416
Assets limited as to use	205,151	197,453
Property, plant and equipment, net	1,426,633	1,437,362
Interest in net assets of Foundations	117,029	113,875
Due from affiliates	5,277	5,388
Other assets	79,054	77,612
TOTAL ASSETS	$4,036,243	$3,861,372
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$127,582	$109,950
Employee compensation	155,506	147,699
Estimated third party settlements	101,640	99,043
Current portion long-term debt	55,291	55,534
Other current liabilities	17,543	16,493
TOTAL CURRENT LIABILITIES	457,562	428,719
Long-term debt, less current portion	699,142	700,040
Other	308,726	315,742
TOTAL LIABILITIES	1,465,430	1,444,501
Net assets:		
Unrestricted	2,470,087	2,317,546
Temporarily restricted	75,430	74,095
Permanently restricted	25,296	25,230
TOTAL NET ASSETS	2,570,813	2,416,871
TOTAL LIABILITIES AND NET ASSETS	$4,036,243	$3,861,372

BAYCARE HEALTH SYSTEM
CHANGES IN NET ASSETS
March 31, 2012
(Dollars in Thousands)

	Current Month 03/31/12	Prior Year End 12/31/11
UNRESTRICTED NET ASSETS		
Excess/(deficiency) of revenues and gains over expenses	$153,074	$149,222
Change in net unrealized gains/losses on other than trading securities	(6)	37
Contributions for capital equipment	-	1,211
Net assets released from restrictions for capital additions	10	271
Amortization of accumulated hedge accounting losses	-	458
Other	(537)	(18,984)
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	152,541	132,215
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	119	2,174
Net assets released from restrictions for operations	(337)	(965)
Net assets released from restrictions for capital additions	(10)	(271)
Change in interest in net assets of foundations	1,562	(929)
Other	1	(1)
INCREASE/(DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	1,335	8
PERMANENTLY RESTRICTED NET ASSETS		
Change in interest in net assets of foundations	66	1,107
INCREASE/(DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	66	1,107
INCREASE/(DECREASE) IN NET ASSETS	153,942	133,330
NET (DEFICIT) ASSETS AT THE BEGINNING OF THE YEAR	2,416,871	2,283,541
NET (DEFICIT) ASSETS AT THE END OF THE YEAR	$2,570,813	$2,416,871

BAYCARE HEALTH SYSTEM
COMBINED STATEMENT OF CASH FLOWS
March 31, 2012
(Dollars in Thousands)

	Current Year To Date 03/31/12
OPERATING ACTIVITIES & GAINS	
Increase/(decrease) in net assets	$153,942
Adjustments:	
Depreciation and amortization	40,912
Provision for bad debt	38,045
Goodwill impairment loss	-
Loss on extinguishment of debt	-
Loss on sale of property, plant and equipment	310
Change in fair value of interest rate swaps	(11,652)
(Increase)/decrease in:	
Accounts receivable, net	(57,346)
Inventories	944
Prepaid expenses & other current assets	(5,866)
Increase/(decrease) in:	
Accounts payable & accrued expenses	36,084
Employee compensation	7,807
Estimated third party settlements	2,597
Other liabilities	5,797
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	211,574
INVESTING ACTIVITIES	
Payment for acquired businesses	-
Net purchases of property, plant and equipment	(48,762)
Proceeds from the sale of property, plant and equipment	67
(Increase)/decrease in other assets	(4,829)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(53,524)
FINANCING ACTIVITIES	
Payment of long-term debt	(1,158)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(1,158)
INCREASE/(DECREASE) IN CASH & INVESTMENTS	156,892
CASH & INVESTMENTS AT BEGINNING OF PERIOD	$1,867,891
CASH & INVESTMENTS AT END OF PERIOD	$2,024,783