



August 11, 2017

**COMPLIANCE CERTIFICATE – JUNE 2017**

Manufacturers and Traders Trust Company  
Corporate Trust Administration  
Mail Code PA1-HM22  
213 Market St., 2<sup>nd</sup> Floor  
Harrisburg, PA 17101  
Attention: Alphonse Miller

Dear Mr. Miller:

This Compliance Certificate is furnished to (the "*Holder*") pursuant to [Section 5(a)(i) for quarterly financial statements] [Section 5(a)(ii) for annual financial statements] of that certain Purchaser's Agreement dated February 1, 2010 (as extended, renewed, amended or restated from time to time, the "*Purchaser's Agreement*"), among Reading Health System (the "*System*"), Reading Hospital ("*Hospital*") and together with the System, collectively referred to herein as the "*Members*"), Manufacturers and Traders Trust Company, as bond trustee. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Purchaser's Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the Senior Vice President and CFO of the Obligated Group;
2. I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Reading Health System and its consolidated Affiliates during the accounting period covered by the attached financial statements and report;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;
4. The financial statements and report on the utilization and payer mix of Reading Health System and its consolidated Affiliates being furnished to you concurrently with this Compliance Certificate are true, correct and complete as of the date and for the periods covered thereby;
5. The unaudited financial statements being furnished to you concurrently with this Compliance Certificate have been prepared on substantially the same basis as the most recent financial statements delivered to the Bank and the financial statements theretofore furnished to the Bank. Each Member of the Obligated Group has made a review of the activities during the preceding fiscal



year for the purpose of determining whether or not each Member of the Obligated Group has complied with all of the terms, provisions and conditions of the Master Indenture, the Supplemental Master Indenture, the Bond Indentures, the Loan Agreements and the other Transactional Documents to which such Member is a party and to the best of my knowledge, each Member of the Obligated Group has kept, observed, performed and fulfilled each and every covenant, provision and condition of the Master Indentures, the Supplemental Master Indenture, the Bond Indentures, the Loan Agreements and the other Transactional Documents to which it is a party and all projects are being used in accordance with the terms of these documents; and

6. Schedule I attached hereto sets forth financial data and computations evidencing the Members' compliance with certain covenants, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant covenants.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Members has taken, is taking, or proposes to take with respect to each such condition or event:

N/A

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this **11<sup>th</sup> Day of August 2017**.

READING HEALTH SYSTEM

By

Name: Gary Conner

Senior Vice President and CFO

READING HOSPITAL

By

Name: Gary Conner

Senior Vice President and CFO

Schedule I  
to Compliance Certificate  
Reading Health System and Controlled Entities  
Compliance Calculations  
Calculations as of June/30/2017 Unaudited (Dollars in 000's)

	<u>Consolidated</u>	<u>Obligated Group</u>
<b>A. Days' Cash on Hand Ratio (Section 7.26(a))</b>		
1. Sum of cash, cash equivalents and marketable securities	912,556	856,515
2. Line A1 times 365	333,082,776	312,628,139
3. Total operating expenses (excluding depreciation and amortization, non-cash expenses relating to uncollectible accounts and expenses paid or payable from restricted funds) incurred during the 12-month period ending on such date of calculation	<u>958,593</u>	<u>736,096</u>
4. Quotient of Line A2 divided by Line A3 (Days Cash on Hand)	<u>347</u>	<u>425</u>
5. If the long-term unenhanced debt rating assigned to any Debt of the Obligated Group is greater than or equal to "A+" (or its equivalent) by S&P, "A+" (or its equivalent) by Fitch and "A1" (or its equivalent) by Moody's, then Line A4 shall not be less than 100		
5. The Obligated Group is in compliance of 80 Days (yes, no or NA)	<u>Yes</u>	<u>Yes</u>
<b>B. Long-Term Debt Service Coverage Ratio (Section 7.26(b))</b>		
1. Income Available for Debt Service		
	148,681	214,561
2. Maximum Annual Debt Service	<u>34,560</u>	<u>34,560</u>
3. Ratio of Line B1 to B2	<u>4.30</u>	<u>6.21</u>
4. Line B3 must not be less than	1.1	1.1
5. The Obligated Group is in compliance (yes or no)	<u>Yes</u>	<u>Yes</u>

\*To be tested on each March 31, June 30, September 30 and December 31 for the immediately preceding twelve months



Reading Health System  
Consolidated Statement of Operations

Jun-17

	<u>Year-to-Date</u>	
	<u>Actual</u>	<u>Prior Year</u>
Inpatient Revenues	\$ 1,322,773,603	\$ 1,158,567,158
Outpatient Revenues	1,607,818,842	1,386,477,451
Total Revenues	\$ 2,930,592,446	\$ 2,545,044,609
Contractual Adjustments	1,852,875,643	1,535,355,392
Uncompensated Care	56,835,695	63,080,654
Net Revenue	\$ 1,020,881,108	\$ 946,608,564
Interest Income	-	-
Other Operating Income	31,474,520	31,860,582
Total Other Operating Revenues	1,052,355,628	978,469,146
Assets Released from Restriction	-	-
Net Revenues	1,052,355,628	978,469,146
<u>Expenses</u>		
Salaries and Wages	495,871,602	443,567,040
Benefits	95,239,233	93,401,563
Contract Labor	5,939,442	2,001,474
Physician Fees	33,032,459	30,010,983
Professional Fees	29,268,694	19,720,551
Purchased Services	30,096,812	36,403,336
Billable Medical Supplies	52,421,242	51,988,354
Non Billable Medical Supplies	27,777,041	25,478,262
Other Supplies	16,605,091	15,405,905
Drugs	63,354,562	65,616,751
Repairs/Maintenance	32,131,329	32,046,422
Rental/Leases	12,698,967	12,989,147
Utilities	12,465,094	12,281,712
Taxes Licenses and Permits	4,149,808	3,840,163
Insurance	1,137,459	6,227,865
Other Expenses	33,879,202	26,103,376
Total Expenses	946,068,035	877,082,906
EBIDA	106,287,593	101,386,240
Interest Expense	12,523,313	10,839,772
Depreciation	84,038,471	78,385,377
Operating Income/(Loss)	9,725,808	12,161,091
Contributions	947,919	162,704
Investment Income	49,692,015	(994,020)
Other Non Oper Income/(Expense)	(8,246,984)	545,269
Total Income / (Loss)	\$ 52,118,757	\$ 11,875,044

8/8/2017

Reading Health System Consolidated  
Cash Flow Statement  
Twelve months ending June 30, 2017

	June-17
<b>Cash Flows From Operating Activities</b>	
Increase (Decrease) in Net Assets	\$ 149,271,795
Adjustments to Reconcile Net Assets to Cash	
Change in Unrealized Gain on Investment	(38,750,698)
Change in Fair Value of Interest Rate SWAPS	-
Depreciation	84,038,471
Swap Contracts	(18,343,977)
Amortization of Bond Discount	77,683
Amortization of Bond Premium	(212,328)
Deferred Financing Costs	326,159
(Increase) Decrease in Pension Fund	(73,655,772)
Amortization of entrance Fee	(4,971,795)
Proceeds from entrance fees and deposits	6,163,376
Provision for uncollectible accounts	47,591,914
Realized (Gains)/ Losses on Investments	(45,835,627)
Investment Income	-
Equity in earnings of affiliates	(2,987,336)
Restricted Contributions	(1,396,202)
Changes in cash due to changes in operating assets & liabilities	-
Patient A/R and Other Recvs	(56,740,322)
Due to/from Affiliates Intercompany accounts	-
Inventory of Supplies	(907,358)
Prepaid Expenses & Other Assets	5,893,404
Other	-
Accounts Payable and Accrued Expenses	11,627,849
Accrued Vacation	2,914,167
Self Insurance Liability	(12,814,000)
Deferred Compensation Liability	152,345
Other Assets	4,439,585
Gift Annuities	53,796
Deferred Revenue	1,097,573
Due to Third Parties	1,082,298
Changes in Assets whose Use is Limited	(44)
Net Cash Provided from Operating Activities	58,114,956
<b>Cash Flows From Investing Activities</b>	
Purchase of Plant, Property & Equipment	(116,156,938)
Distributions from Equity Investees	1,062,800
Distributions from Investments	700,316
Sales of Investments and Assets whose use is Limited	166,760,134
Purchases of Investments and Assets whose use is Limited	(168,026,808)
(Increase) Decrease in Other Investments	-
Net Cash Provided/(Used) Investing Activities	(115,660,496)
<b>Cash Flow From Financing Activities</b>	
Proceeds from Restricted Contributions	1,396,202
Transfers of Capital from (to) Affiliates	(0)
Proceeds from Issuance of Long Term Debt	-
Repayment of Long Term Debt	(5,528,648)
Increase in Deferred Financing Costs	(40,721)
Refunds of Entrance Fees and Deposits	(539,646)
( Increase) / Decrease in Gift Annuities	(20,273)
Net Cash Provided/(Used) Financing Activities	(4,733,087)
Net Increase (Decrease) in Cash & Cash Equivalents	(62,278,627)
Cash and Cash Equivalents Beginning of the Year	117,813,711
Cash and Cash Equivalents per Balance Sheet	\$ 55,535,084

Reading Health System Consolidated  
Consolidated Statement of Changes in Net Assets  
June-17

**Unrestricted Net Assets**

Excess (Deficit) of Revenue over Expenses	\$ 52,118,757
Net Assets Released from Restriction	(668,872)
Change in Unrealized Gains (Losses) on Investments	37,367,418
Change In Pension Liability	54,055,713
Increase / (Decrease) in Unrestricted Assets	<u>142,873,016</u> ✓

**Temporarily Restricted Assets**

Contributions	185,679
Net Assets released from Restrictions for Fixed Assets	
Net Realized Gains / (Losses) on Investments	
Net Assets released from restrictions for Operations	13,956,704
Increase / (Decrease) in Temporarily Restricted Assets	<u>14,142,384</u> ✓

**Permanently Restricted Assets**

Contributions	1,210,523
Reclass from Permanent to Temporary	(10,337,408)
Change in Unrealized Gains (Losses) on Investments	364,854
Change in Beneficial Interest in Trusts	1,018,427
Increase / (Decrease) in Temporarily Restricted Assets	<u>(7,743,604)</u> ✓

Change in Net Assets	<u><u>149,271,795</u></u> ✓
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Beginning Balance	743,795,312 ✓
Ending Balance	893,067,107 ✓



**Reading Health System**  
**YTD Consolidating Income Statement**  
**Jun-17**

	Hospital	RHP	RHPN	RHF	Highlands	Parent	Eliminating	Consolidated
Inpatient Revenues	\$ 1,288,611,467	\$ -	\$ -	\$ -	\$ 34,162,136	\$ -	\$ -	\$ 1,322,773,603
Outpatient Revenues	1,315,540,352	-	291,698,746	-	579,744	-	-	1,607,818,842
<b>Total Revenues</b>	<b>2,604,151,818</b>	<b>-</b>	<b>291,698,746</b>	<b>-</b>	<b>34,741,881</b>	<b>-</b>	<b>-</b>	<b>2,930,592,446</b>
Contractual Adjustments	1,644,651,311	-	170,624,924	-	7,348,913	-	30,250,495	1,852,875,643
Uncompensated Care	52,715,213	-	3,879,151	-	241,331	-	-	56,835,695
<b>Net Revenue</b>	<b>906,785,294</b>	<b>-</b>	<b>117,194,672</b>	<b>-</b>	<b>27,151,637</b>	<b>-</b>	<b>(30,250,495)</b>	<b>1,020,881,108</b>
Interest Income	-	-	-	-	-	-	-	-
Other Operating Income	30,017,977	3,568,474	3,515,120	-	1,542,262	(11,283)	(7,158,031)	31,474,520
<b>Total Other Operating Revenues</b>	<b>30,017,977</b>	<b>3,568,474</b>	<b>3,515,120</b>	<b>-</b>	<b>1,542,262</b>	<b>(11,283)</b>	<b>(7,158,031)</b>	<b>31,474,520</b>
Assets Released from Restriction	-	-	-	-	-	-	-	-
<b>Net Revenues</b>	<b>936,803,272</b>	<b>3,568,474</b>	<b>120,709,791</b>	<b>-</b>	<b>28,693,899</b>	<b>(11,283)</b>	<b>(37,408,526)</b>	<b>1,052,355,628</b> ✓
<b>Expenses</b>								
Salaries and Wages	346,073,032	1,326,824	136,500,654	369,022	9,668,192	-	1,933,878	495,871,602
Benefits	101,084,118	1,186,670	24,259,986	99,619	3,366,635	-	(34,757,796)	95,239,233
Contract Labor	5,750,013	-	25,261	-	164,167	-	-	5,939,442
Physician Fees	24,207,315	-	8,825,144	-	-	-	-	33,032,459
Professional Fees	26,269,164	611,162	526,308	(3,606)	1,925,815	-	(60,149)	29,268,694
Purchased Services	27,594,498	-	2,039,726	5,575	457,013	-	-	30,096,812
Billable Medical Supplies	51,207,136	-	1,097,190	-	116,916	-	-	52,421,242
Non Billable Medical Supplies	26,803,060	-	781,330	2,253	190,397	-	-	27,777,041
Other Supplies	14,188,834	8,926	619,436	-	1,787,895	-	-	16,605,091
Drugs	58,630,844	-	4,494,661	-	229,057	-	-	63,354,562
Repairs/Maintenance	30,894,962	100,348	586,634	58,291	491,095	-	-	32,131,329
Rental/Leases	8,904,186	97,124	8,150,341	-	71,776	-	(4,524,460)	12,698,967
Utilities	10,946,461	-	553,839	-	964,793	-	-	12,465,094
Taxes Licenses and Permits	2,035,800	-	376,685	-	1,737,323	-	-	4,149,808
Insurance	(3,203,923)	7,497	4,176,402	-	157,483	-	-	1,137,459
Other Expenses	30,792,880	26,367	2,632,904	28,977	398,075	-	-	33,879,202
<b>Total Expenses</b>	<b>762,178,377</b>	<b>3,364,917</b>	<b>195,646,501</b>	<b>560,132</b>	<b>21,726,634</b>	<b>-</b>	<b>(37,408,526)</b>	<b>946,068,035</b>
EBIDA	174,624,895	203,557	(74,936,710)	(560,132)	6,967,265	(11,283)	-	106,287,593
Interest Expense	11,326,504	-	-	-	1,196,809	-	-	12,523,313
Depreciation	77,907,959	829,629	1,569,286	-	3,731,598	-	-	84,038,471
<b>Operating Income/(Loss)</b>	<b>85,390,432</b>	<b>(626,072)</b>	<b>(76,505,995)</b>	<b>(560,132)</b>	<b>2,038,858</b>	<b>(11,283)</b>	<b>-</b>	<b>9,725,808</b> ✓
Contributions	881,032	-	-	-	66,887	-	-	947,919
Investment Income	(2,585,591)	-	-	-	2,783,815	49,493,790	-	49,692,015
Other Non Oper Income/(Expense)	(7,842,259)	-	(402,726)	(2,000)	-	-	-	(8,246,984)
<b>Total Income / (Loss)</b>	<b>\$ 75,843,614</b>	<b>\$ (626,072)</b>	<b>\$ (76,908,721)</b>	<b>\$ (562,132)</b>	<b>\$ 4,889,560</b>	<b>\$ 49,482,508</b>	<b>\$ -</b>	<b>\$ 52,118,757</b> ✓

**Reading Health System  
Consolidating Balance Sheet  
Jun-17**

	Hospital	RHP	RHPN	RHF	Highlands	Parent	Eliminating	Consolidated
<b>Current Assets</b>								
Cash & Cash Equivalents	\$ 54,055,353	\$ -	\$ 8,177	\$ -	\$ 1,471,555	\$ -	\$ -	\$ 55,535,084
Patient Accounts Receivable Net	107,932,223	-	12,023,586	-	3,597,261	-	-	123,553,070
Other Receivables	1,795,711	-	3,644,364	-	-	20,254	-	5,460,329
Affiliates Recv / (Payable)	(144,788,827)	-	(1,835)	(1,043,202)	(377,664)	153,113,668	(6,902,140)	-
Estimated Third Party Receivables	7,262,193	-	-	-	-	-	-	7,262,193
Inventory of Supplies	14,859,459	-	-	-	174,620	-	-	15,034,078
Prepaid Expenses & Other Assets	14,300,779	-	560,370	-	239,726	-	-	15,100,874
Self Insurance Fund Current	11,803,805	-	-	-	-	-	-	11,803,805
Board Capital Improvements	-	-	-	-	-	221	-	221
<b>Total Current Assets</b>	<b>67,220,696</b>	<b>-</b>	<b>16,234,661</b>	<b>(1,043,202)</b>	<b>5,105,498</b>	<b>153,134,143</b>	<b>(6,902,140)</b>	<b>233,749,655</b>
<b>Assets Limited Use</b>								
Self Insurance Fund	7,482,000	-	-	-	-	-	-	7,482,000
Other Investments	-	-	-	-	55,458,465	-	-	55,458,465
Regulatory Restricted Funds	-	-	-	-	2,666,000	-	-	2,666,000
Board Restricted	53,796	-	-	-	-	802,460,095	-	802,513,891
<b>Total Assets Limited Use</b>	<b>7,535,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,124,465</b>	<b>802,460,095</b>	<b>-</b>	<b>868,120,356</b>
<b>Property, Plant &amp; Equipment Net</b>	<b>736,729,624</b>	<b>1,659,258</b>	<b>6,147,053</b>	<b>-</b>	<b>50,955,559</b>	<b>38,653,631</b>	<b>-</b>	<b>834,145,125</b>
<b>Other Assets</b>								
Permanently Restricted Funds	15,609,728	-	-	-	-	-	-	15,609,728
Temporarily Restricted Funds	12,788,355	-	-	-	53,166	-	-	12,841,522
Long Term Recv Affiliate	-	-	-	-	-	499,111,398	(499,111,398)	-
Deferred Financing Costs	40,721	-	-	-	-	4,939,155	-	4,979,876
Deferred Compensation	1,489,207	-	-	-	-	-	-	1,489,207
Investments in Joint Ventures	1,064,738	-	-	-	-	11,252,320	-	12,317,058
Other Assets	3,840,000	-	111,337	-	(53,166)	-	-	3,898,171
<b>Total Other Assets</b>	<b>34,832,750</b>	<b>-</b>	<b>111,337</b>	<b>-</b>	<b>-</b>	<b>515,302,874</b>	<b>(499,111,398)</b>	<b>51,135,563</b>
<b>Total Assets</b>	<b>\$ 846,318,866</b>	<b>\$ 1,659,258</b>	<b>\$ 22,493,052</b>	<b>\$ (1,043,202)</b>	<b>\$ 114,185,522</b>	<b>\$ 1,509,550,744</b>	<b>\$ (506,013,538)</b>	<b>\$ 1,987,150,700</b>
<b>Current Liabilities</b>								
Accounts Payable	\$ 51,906,662	\$ 95,933	\$ 1,510,519	\$ -	\$ 1,247,026	\$ -	\$ -	\$ 54,760,140
Accrued Expenses	12,296,197	95,601	13,152,855	-	467,409	3,701,109	-	29,713,171
Accrued Vacation	19,087,825	81,010	10,446,546	-	543,821	-	-	30,159,202
Current Portion of Self Insurance Liability	10,845,000	-	-	-	40,000	-	-	10,885,000
Due to Third Parties	4,111,649	-	-	-	-	-	-	4,111,649
Other Current Liabilities	8,567,495	261,574	44,467	-	32,575	-	-	8,906,111
Current Portion Bonds Payable Affiliates	5,379,700	-	-	-	1,522,440	-	(6,902,140)	-
Current Portion of Notes and Bonds Payable	338,948	-	-	-	-	5,379,700	-	5,718,648
<b>Total Current Liabilities</b>	<b>112,533,477</b>	<b>534,118</b>	<b>25,154,387</b>	<b>-</b>	<b>3,853,272</b>	<b>9,080,809</b>	<b>(6,902,140)</b>	<b>144,253,922</b>
Long Term Affiliate Payable	467,140,033	-	-	-	31,971,365	-	(499,111,398)	-
Long Term Debt	715,731	-	-	-	-	573,063,684	-	573,779,415
Accrued Post Retirement Liabilities	252,255,924	-	-	-	-	-	-	252,255,924
Self Insurance Liability	37,499,000	-	-	-	-	-	-	37,499,000
Gift Annuities	53,796	-	-	-	375,790	-	-	429,586
Deferred Compensation Liability	2,118,717	20,368	114,082	11,075	-	-	-	2,264,242
Deferred Revenue	4,494,452	-	-	-	38,317,194	-	-	42,811,646
SWAP Liability	88,255	-	-	-	-	40,701,603	-	40,789,858
<b>Total Liabilities</b>	<b>876,899,384</b>	<b>554,486</b>	<b>25,268,469</b>	<b>11,075</b>	<b>74,517,621</b>	<b>622,846,095</b>	<b>(506,013,538)</b>	<b>1,094,083,593</b>
Unrestricted Fund Balance	(60,645,415)	1,104,772	(2,775,417)	(1,054,278)	39,614,734	886,704,648	-	862,949,044
Temporarily Restricted	14,455,169	-	-	-	53,166	-	-	14,508,335
Permanently Restricted Donor Funds	15,609,728	-	-	-	-	-	-	15,609,728
<b>Total Net Assets</b>	<b>(30,580,518)</b>	<b>1,104,772</b>	<b>(2,775,417)</b>	<b>(1,054,278)</b>	<b>39,667,900</b>	<b>886,704,648</b>	<b>-</b>	<b>893,067,107</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 846,318,866</b>	<b>\$ 1,659,258</b>	<b>\$ 22,493,052</b>	<b>\$ (1,043,202)</b>	<b>\$ 114,185,522</b>	<b>\$ 1,509,550,744</b>	<b>\$ (506,013,538)</b>	<b>\$ 1,987,150,700</b>



Reading Health System  
Historical Utilization of Services  
For the Years Ended 2013 through 2017  
June 30, 2017

	2013	2014	2015	2016	Twelve Mos. FY 2017
<b>Beds in Service:</b>					
Adults & Critical Care	458	432	418	418	463
Obstetrics/Gynecology	60	60	60	60	60
NICU	30	30	30	30	30
Pediatrics	19	19	19	19	19
Skilled Nursing	50	50	50	50	50
Acute Rehab	62	62	62	62	62
Psych	40	40	40	40	40
Total Acute Skilled Rehab Psych	719	693	679	679	724
Newborn	34	34	34	34	34
Total	753	727	713	713	758
<b>Admissions:</b>					
Medical/Surgical	21,971	22,700	21,862	23,216	24,638
Obstetrics/Gynecology	3,791	3,850	3,776	3,911	3,869
NICU	347	416	363	335	312
Pediatrics	1,070	936	866	1,127	1,106
Skilled Nursing	1,233	1,319	1,407	1,407	1,401
Acute Rehab	1,383	1,326	1,529	1,496	1,463
Psych	1,386	1,311	1,268	1,368	1,370
Subtotal	31,181	31,858	31,071	32,860	34,159
Newborn	3,273	3,277	3,236	3,235	3,245
Total	34,454	35,135	34,307	36,095	37,404
<b>Patient Days:</b>					
Medical/Surgical	110,731	107,462	100,033	100,027	110,789
Obstetrics/Gynecology	9,647	9,597	9,756	9,911	9,794
NICU	6,444	7,639	7,162	8,515	7,590
Pediatrics	2,525	2,302	2,159	2,541	2,115
Skilled Nursing	16,304	16,955	17,476	17,500	17,307
Acute Rehab	17,469	16,584	17,479	16,923	17,943
Psych	10,920	11,709	11,767	11,367	12,309
Subtotal	174,040	172,248	165,832	166,784	177,847
Newborn	6,418	6,497	6,335	6,052	6,125
Total	180,458	178,745	172,167	172,836	183,972
<b>Acuity:</b>					
Case Mix Index	1.38	1.42	1.42	1.40	1.43
<b>Length of Stay:</b>					
Medical/Surgical	5.04	4.73	4.58	4.31	4.50
Obstetrics/Gynecology	2.54	2.49	2.58	2.53	2.53
NICU	18.57	18.36	19.73	25.42	24.33
Pediatrics	2.36	2.46	2.49	2.25	1.91
Skilled Nursing	13.22	12.85	12.42	12.44	12.35
Acute Rehab	12.63	12.51	11.43	11.31	12.26
Psych	7.88	8.93	9.28	8.31	8.98
Total	5.58	5.41	5.34	5.08	5.21
Newborn	1.96	1.98	1.96	1.87	1.89
<b>Occupancy Rates:</b>					
Medical/Surgical	66.2%	68.2%	65.6%	65.4%	65.6%
Obstetrics/Gynecology	44.1%	43.8%	44.5%	45.1%	44.7%
NICU	58.8%	69.8%	65.4%	77.6%	69.3%
Pediatrics	36.4%	33.2%	31.1%	36.5%	30.5%
Skilled Nursing	89.3%	92.9%	95.8%	95.6%	94.8%
Acute Rehab	77.2%	73.3%	77.2%	74.6%	79.3%
Psych	74.8%	80.2%	80.6%	77.6%	84.3%
Total	66.3%	68.1%	66.9%	67.1%	67.3%
Newborn	51.7%	52.4%	51.0%	48.6%	49.4%

Reading Hospital  
Gross to Net Patient Revenue  
June 30, 2017

	06/30/2017 Quarter to Date				
	Gross Charges	Allowances	Net Revenue	Gross %	Net %
Medicare	327,202,820	251,578,629	75,624,191	50.1%	32.9%
Medicaid	127,809,614	107,503,620	20,305,995	19.6%	8.8%
Blue Cross & Highmark	113,011,655	33,671,072	79,340,584	17.3%	34.5%
Other Commercial	77,281,405	31,703,595	45,577,811	11.8%	19.8%
Self Pay	7,695,536	(1,467,178)	9,162,714	1.2%	4.0%
Subtotal	653,001,031	422,989,737	230,011,294	100.0%	100.0%
Uncompensated Care		6,554,822	(6,554,822)		
Total	653,001,031	429,544,559	223,456,472		

	FY2017 - YTD Totals				
	Gross Charges	Allowances	Net Revenue	Gross %	Net %
	1,264,074,561	961,394,747	302,679,815	49.1%	32.6%
	511,340,971	429,579,299	81,761,671	19.9%	8.8%
	444,431,999	126,813,877	317,618,122	17.3%	34.2%
	314,297,356	137,002,006	177,295,350	12.2%	19.1%
	39,756,436	(10,138,618)	49,895,055	1.5%	5.4%
	2,573,901,323	1,644,651,311	929,250,012	100.0%	100.0%
		52,715,213	(52,715,213)		
	2,573,901,323	1,697,366,524	876,534,799		

Uncompensated care includes bad Debts and Charity care  
For Reading Hospital only