



Atrium Health

FINANCIAL REPORT

(UNAUDITED)

FOR THE SIX MONTHS ENDED

JUNE 30, 2019

ATRIUM HEALTH
FINANCIAL REPORT (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2019

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ATRIUM HEALTH
FINANCIAL HIGHLIGHTS
OBLIGATED GROUP
FOR THE SIX MONTHS ENDED JUNE 30, 2019
EXECUTIVE SUMMARY

The consolidated financial statements and highlights presented on pages 1 through 6 reflect the financial position, results of operations, and cash flows of Atrium Health Obligated Group (referred to as Atrium Health). Although the statements presented herein include some controlled affiliates of Atrium Health that are not part of the Obligated Group, these statements represent the Obligated Group and, because there are no designated affiliates at this time, the Combined Group in all material respects.

Overview/Summary

Atrium Health reported Earnings Before Interest, Taxes, Depreciation and Amortization of \$329 million or 10.2% which was \$13 million below the prior year. Operating income of \$165 million or 5.1% was \$12 million below the prior year.

Comparative Statement of Operations-Actual versus Prior Year (pg.5)

Net patient revenue was \$86.1 million or 3.1% above the first six months of 2018, due to planned rate increases, and growth in some specific hospital patient volumes. Atrium Health hospitals experienced growth in bedded discharges of 3.7%, along with outpatient growth in the emergency room, cardiology, radiology and LCI. Hospital growth was offset somewhat by lower total surgical volumes and lower Medical Group patient visits than the prior year first six months. Patient revenue growth was augmented by new assigned professional services revenues (\$19 million) associated with the transition to a new anesthesia services provider which was effective July 1, 2018. Increase in patient revenue were offset somewhat by a decline in the commercial payer mix, as growth in Medicare and uninsured revenues continue to outpace absolute growth in commercial revenues.

Other operating revenue was \$30.9 million or 10.3% above the first six months of 2018, due primarily to growth in retail sales of specialty pharmaceuticals (\$25 million) and services to affiliates (\$5 million).

Total personnel costs increased \$51.7 million or 2.9%. Salaries growth was just 2.9%, due primarily to market and performance-based salary adjustments and increases in contract labor but offset somewhat by a decrease in non-provider FTE's. Total benefits cost decreased compared to June 2018 due to fewer paid FTE's.

Supplies expense was \$53.4 million or 10.0% above the prior year due to increased pharmaceutical costs (\$45 million), primarily in retail

specialty pharmaceuticals and hospital and Medical Group infusion and oncology drugs, due to volume growth.

All other expenses combined grew by \$23.8 million or 3.9% driven by growth of \$24 million in purchased services, resulting from the transition to new anesthesia services and clinical engineering services providers in July 2018.

Comparative Balance Sheet (pg.4)

Atrium Health's total unrestricted cash position, including investments designated for capital improvements, but excluding bond proceeds held by trustee, increased approximately \$219 million from March 31 due primarily to cash provided by operations (\$350 million), favorable changes in the market value of investments during the quarter (\$138 million), offset by net retirement of commercial paper (\$165 million) and capital spending (\$111 million). As a result, days cash on hand increased to 334 from 325 days at March 31, 2019.

Other accounts receivable decreased \$67 million, due primarily to the receipt of \$55 million of Medicaid supplemental payment program proceeds accrued in the first quarter. The remaining decrease related to non-patient receivables collected from affiliates.

Bond proceeds held by trustee decreased by \$15 million after second quarter withdrawals to fund capital expenditures.

The \$179 million increase in Investments designated for capital improvements reflects favorable changes in the market value of investments during the second quarter, supplemented by \$48 million of contributions from operating cash.

Other assets decreased \$18 million or 8.4% after Atrium Health's vested ownership shares of Premier stock were converted to marketable shares and sold during the second quarter.

Estimated third party payer settlements increased \$50 million or 22.6% as a result of 2019 Medicaid supplemental payment program proceeds received in the second quarter, offset by the settlement of prior year cost report and third-party payer reserves.

Current portion of long-term debt decreased after Atrium Health retired \$165 million of commercial paper in the second quarter.

Interest rate swap liability increased by \$38 million as a result of decreases in the combined market value of Atrium Health's interest rate swaps. Deferred outflows of resources increased correspondingly.

Comparative Statement of Cash Flows (pg.6)

Operating activities (\$237 million) and the net issuance of \$40 million of commercial paper provided the major source of cash for the first six months. Significant uses of cash were for capital expenditures (\$204

million) and debt service (\$77 million).

Non-Operating Activity (pg.5)

Net non-operating results, which consists primarily of interest expense, previously reported as a component of operating expense, and investment results, including unrealized gains and losses, was \$519 million more than the six months ended June 30, 2018. The return on investments designated for capital improvements was 12.1%, compared to 0.3% for the six months ended June 30, 2018.

ATRIUM HEALTH
OBLIGATED GROUP
COMPARATIVE BALANCE SHEET

(dollars in thousands)

	JUNE 30, 2019	MARCH 31, 2019	\$ CHANGE	% CHANGE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 113,948	\$ 80,364	\$ 33,584	41.8%
Short-Term Investments	9,247	9,216	31	0.3%
Patient Accounts Receivable - Net	730,427	741,238	(10,811)	-1.5%
Other Accounts Receivable	131,756	198,418	(66,662)	-33.6%
Assets Limited as to Use - Investments	38,125	38,608	(483)	-1.3%
Inventories	70,422	71,491	(1,069)	-1.5%
Prepaid Expenses	79,480	78,891	589	0.7%
TOTAL CURRENT ASSETS	\$ 1,173,405	\$ 1,218,226	\$ (44,821)	-3.7%
CAPITAL ASSETS				
Less accumulated depreciation	(3,160,119)	(3,102,952)	(57,167)	1.8%
	\$ 3,194,516	\$ 3,160,685	\$ 33,831	1.1%
OTHER NONCURRENT ASSETS				
Assets Limited as to Use:				
Bond Proceeds Held by Trustee	\$ 191,109	\$ 206,146	\$ (15,037)	-7.3%
Investments Designated for Capital Improvements	4,837,265	4,658,341	178,924	3.8%
Other Long-Term Investments	332,727	326,904	5,823	1.8%
Other Assets Limited as to Use - Investments	108,383	106,302	2,081	2.0%
Other Assets	192,602	210,238	(17,636)	-8.4%
TOTAL OTHER NONCURRENT ASSETS	\$ 5,662,086	\$ 5,507,931	\$ 154,155	2.8%
TOTAL ASSETS	\$ 10,030,007	\$ 9,886,842	\$ 143,165	1.4%
DEFERRED OUTFLOWS OF RESOURCES	\$ 286,594	\$ 249,702	\$ 36,892	14.8%
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 10,316,601	\$ 10,136,544	\$ 180,057	1.8%
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 272,900	\$ 266,237	\$ 6,663	2.5%
Salaries and Benefits Payable	329,299	317,912	11,387	3.6%
Other Liabilities and Accruals	180,746	173,941	6,805	3.9%
Estimated Third-Party Payer Settlements	273,670	223,225	50,445	22.6%
Current Portion of Long-Term Debt	212,122	376,848	(164,726)	-43.7%
TOTAL CURRENT LIABILITIES	\$ 1,268,737	\$ 1,358,163	\$ (89,426)	-6.6%
LONG-TERM DEBT, less current portion	\$ 2,033,487	\$ 2,034,724	\$ (1,237)	-0.1%
OTHER LIABILITIES				
Commitments and Contingencies	\$ 126,426	\$ 116,011	\$ 10,415	9.0%
Other Liabilities	211,505	210,083	1,422	0.7%
Pension Liability	288,317	290,276	(1,959)	-0.7%
Interest Rate Swap Liability	251,762	214,219	37,543	17.5%
TOTAL OTHER LIABILITIES	\$ 878,010	\$ 830,589	\$ 47,421	5.7%
DEFERRED INFLOWS OF RESOURCES	\$ 63,015	\$ 64,050	\$ (1,035)	-1.6%
NET POSITION	\$ 6,073,351	\$ 5,849,018	\$ 224,333	3.8%
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 10,316,601	\$ 10,136,544	\$ 180,057	1.8%

Comparative financial statement amounts may differ from those previously reported because of subsequently available information that results in adjustments to better allocate net revenues and/or expenses to the appropriate period within a fiscal year or because of adjustments that are made to conform to the 2019 presentation. Thus, certain March 31, 2019 balance sheet amounts as well as certain six months ended June 30, 2018 statement of operations and statement of cash flows amounts previously reported were accordingly adjusted.

ATRIUM HEALTH
OBLIGATED GROUP
COMPARATIVE STATEMENT OF OPERATIONS
YEAR TO DATE ENDING JUNE 30, 2019

(dollars in thousands)

	ACTUAL	PRIOR YEAR	Variance to Prior Year	
			\$ CHANGE	% CHANGE
<u>REVENUE</u>				
Net Patient Revenue	\$ 2,889,154	\$ 2,803,006	\$ 86,148	3.1%
Other Operating Revenue	330,494	299,564	30,930	10.3%
NET OPERATING REVENUE	\$ 3,219,648	\$ 3,102,570	\$ 117,078	3.8%
<u>OPERATING EXPENSES</u>				
Salaries and Wages	\$ 1,469,899	\$ 1,413,558	\$ 56,341	4.0%
Benefits	352,738	357,356	(4,618)	-1.3%
TOTAL PERSONNEL	\$ 1,822,637	\$ 1,770,914	\$ 51,723	2.9%
Supplies	\$ 590,845	\$ 537,373	\$ 53,472	10.0%
Professional Fees	71,181	79,256	(8,075)	-10.2%
Purchased Services	237,174	212,766	24,408	11.5%
Utilities	35,663	33,219	2,444	7.4%
Other Operating Expense	132,944	126,943	6,001	4.7%
TOTAL PERSONNEL AND OTHER EXPENSES	\$ 2,890,444	\$ 2,760,471	\$ 129,973	4.7%
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	\$ 329,204	\$ 342,099	\$ (12,895)	-3.8%
Depreciation and Amortization	164,123	165,094	(971)	-0.6%
TOTAL OPERATING EXPENSE	\$ 3,054,567	\$ 2,925,565	\$ 129,002	4.4%
OPERATING INCOME	\$ 165,081	\$ 177,005	\$ (11,924)	-6.7%
<u>NON-OPERATING INCOME (LOSS)</u>				
Interest expense	\$ (40,533)	\$ (38,330)	\$ 2,203	5.7%
Interest and dividend income	41,997	31,278	10,719	34.3%
Net change in the fair value of investments	491,427	(19,600)	511,027	2607.3%
Other, net	(596)	(7)	(589)	-8414.3%
TOTAL NON-OPERATING INCOME (LOSS)	\$ 492,295	\$ (26,659)	\$ 518,954	1946.6%
NET INCOME	\$ 657,376	\$ 150,346	\$ 507,030	337.2%

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ATRIUM HEALTH
OBLIGATED GROUP
COMPARATIVE STATEMENT OF CASH FLOWS
FOR SIX MONTHS ENDED JUNE 30,
(dollars in thousands)

	2019	2018
Cash flows from operating activities:		
Receipts from patients and third party payers	\$ 2,936,158	\$ 2,860,877
Payments to suppliers for goods and services	(1,113,956)	(1,003,582)
Payments to employees for services	(1,924,641)	(1,848,185)
Receipts from others, net	339,673	268,611
Net cash provided by operating activities	\$ 237,234	\$ 277,721
Noncapital financing activities		
Proceeds from the issuance of commercial paper	\$ 395,000	\$ 210,000
Retirements of commercial paper	(355,000)	(210,000)
Other activities	(2,396)	(1,113)
Net cash provided by (used in) noncapital financing activities	\$ 37,604	\$ (1,113)
Cash flows from capital and related financing activities:		
Purchase of capital assets, net	\$ (203,707)	\$ (182,729)
Donated funds designated for building and equipment purchases	6,390	6,603
Acquisition of health related businesses	0	0
Principal payments, refunding and retirements on short- and long-term debt	(34,164)	(32,833)
Interest payments on short- and long-term debt	(43,117)	(41,844)
Decrease in other assets affecting capital and related financing activities	125	8,962
Other contributions	(44)	6,371
Net cash used in capital and related financing activities	\$ (274,517)	\$ (235,470)
Cash flows from investing activities:		
Withdrawal from investments limited as to use	\$ 8,000	\$ -
Contribution to investments limited as to use	(91,000)	(17,537)
Investment earnings	3,248	2,405
Increase in other trustee assets	(4,868)	(2,985)
Purchase of investments	(1,596)	(2,191)
Net cash used in investing activities	\$ (86,216)	\$ (20,308)
Net (decrease) increase in cash and cash equivalents	\$ (85,895)	\$ 20,830
Cash and cash equivalents		
Beginning of year	390,952	136,199
End of period	\$ 305,057	\$ 157,029
Reconciliation of cash and cash equivalents to the balance sheets:		
Cash and cash equivalents in current assets	\$ 113,948	\$ 157,029
Bond proceeds held by trustee	191,109	0
Total cash and cash equivalents	\$ 305,057	\$ 157,029
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 165,081	\$ 177,005
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	164,123	165,094
(Increase) decrease in patient account receivables, net	(10,052)	12,338
Increase in inventories and other current assets	(48)	(66,506)
Decrease (increase) in other assets affecting operating activities	35,498	(3,206)
Decrease in accounts payable and other current liabilities	(168,221)	(37,117)
Decrease in other liabilities affecting operating activities	(2,782)	(14,815)
Increase in estimated third party payer settlements	53,635	44,928
Net cash used in operating activities	\$ 237,234	\$ 277,721

Comparative financial statement amounts may differ from those previously reported because of subsequently available information that results in adjustments to better allocate net revenues and/or expenses to the appropriate period within a fiscal year or because of adjustments that are made to conform to the 2019 presentation. Thus, certain March 31, 2019 balance sheet amounts as well as certain six months ended June 30, 2018 statement of operations and statement of cash flows amounts previously reported were accordingly adjusted.

*The Charlotte-Mecklenburg Hospital Authority
d/b/a Atrium Health*

Utilization Information

For the Six Months Ended Ended June 30, 2019

The table below summarizes certain information concerning utilization of the Obligated Group medical group and principal inpatient facilities during the six months ended June 30, 2019 and 2018.

	Summary Utilization Information	
	Six Months Ended June 30,	
	2019	2018
Medical Group ⁽¹⁾		
Practice locations	510	511
Total Physicians	1,807	1,794
Patient visits (including faculty)	3,013,309	3,032,706
Total Acute Care Facilities		
Adjusted patient days (excluding newborn) ⁽²⁾	785,937	750,846
Adjusted discharges (excluding newborn) ⁽²⁾	160,805	158,365
Surgical Procedures ^{(7) (8) (9)}	47,829	48,900
Carolinas Medical Center and Levine Children's Hospital		
Licensed beds ⁽³⁾	952	907
Beds in service ⁽³⁾	952	907
Average daily census	786.0	755.5
Percentage occupancy of licensed beds ⁽³⁾	82.6%	83.3%
Percentage occupancy of beds in service ⁽³⁾	82.6%	83.3%
Patient days (excluding newborn)	142,266	136,749
Adjusted patient days (excluding newborn) ⁽²⁾	282,125	271,968
Average length of stay (days)	6.5	6.2
Discharges (excluding newborn)	22,007	22,216
Adjusted discharges (excluding newborn) ⁽²⁾	43,642	44,183
Emergency room visits	62,665	63,107
Surgical procedures	15,949	16,589
Newborn deliveries	2,961	3,320
Carolinas Medical Center - Mercy ⁽⁴⁾		
Licensed beds	207	207
Beds in service	207	207
Average daily census	137.1	134.3
Percentage occupancy of licensed beds	66.2%	64.9%
Percentage occupancy of beds in service	66.2%	64.9%
Patient days	24,817	24,307
Adjusted patient days (excluding newborn)	44,848	44,158
Average length of stay (days)	4.0	3.9
Discharges (excluding newborn)	6,172	6,298
Adjusted discharges (excluding newborn)	11,154	11,442
Emergency room visits	18,175	17,735
Surgical procedures	5,717	5,751
Carolinas HealthCare System NorthEast		
Licensed beds	457	457
Beds in service	455	455
Average daily census	323.1	306.2
Percentage occupancy of licensed beds	70.7%	67.0%
Percentage occupancy of beds in service	71.0%	67.3%
Patient days (excluding newborn)	58,473	55,416
Adjusted patient days (excluding newborn) ⁽²⁾	122,167	116,587
Average length of stay (days)	4.7	4.8
Discharges (excluding newborn)	12,476	11,448
Adjusted discharges (excluding newborn) ⁽²⁾	26,066	24,085
Emergency room visits	62,701	61,364
Surgical procedures	5,710	5,795
Newborn deliveries	1,346	1,330
Atrium Health Pineville ⁽⁵⁾		
Licensed beds ⁽⁶⁾	250	235
Beds in service ⁽⁶⁾	250	235
Average daily census	224.1	214.2
Percentage occupancy of licensed beds ⁽⁶⁾	89.6%	91.2%
Percentage occupancy of beds in service ⁽⁶⁾	89.6%	91.2%
Patient days (excluding newborn)	40,559	38,778
Adjusted patient days (excluding newborn) ⁽²⁾	83,365	81,857
Average length of stay (days)	4.5	4.4
Discharges (excluding newborn)	8,992	8,771
Adjusted discharges (excluding newborn) ⁽²⁾	18,482	18,515
Emergency room visits	49,245	48,529
Surgical procedures ⁽⁷⁾	5,121	5,536
Newborn deliveries	1,117	1,108

Summary Utilization Information

	Six Months Ended June 30,	
	2019	2018
Atrium Health Cleveland		
Licensed beds	241	241
Beds in service	177	161
Average daily census	105.6	92.7
Percentage occupancy of licensed beds	43.8%	38.4%
Percentage occupancy of beds in service	59.7%	57.6%
Patient days (excluding newborn)	19,118	16,771
Adjusted patient days (excluding newborn)	52,983	47,694
Average length of stay (days)	4.1	3.9
Discharges (excluding newborn)	4,700	4,246
Adjusted discharges (excluding newborn)	13,025	12,075
Emergency room visits	33,680	33,836
Surgical procedures ⁽⁸⁾	3,500	3,407
Newborn deliveries	650	541
Atrium Health Union		
Licensed beds	182	182
Beds in service	161	161
Average daily census	106.7	93.0
Percentage occupancy of licensed beds	58.6%	51.1%
Percentage occupancy of beds in service	66.3%	57.7%
Patient days (excluding newborn)	19,313	16,842
Adjusted patient days (excluding newborn) ⁽²⁾	56,262	51,575
Average length of stay (days)	4.1	3.8
Discharges (excluding newborn)	4,674	4,479
Adjusted discharges (excluding newborn) ⁽²⁾	13,616	13,716
Emergency room visits	41,060	40,375
Surgical procedures ⁽⁹⁾	4,672	4,516
Newborn deliveries	475	471
Atrium Health University City		
Licensed beds	100	100
Beds in service	100	100
Average daily census	76.3	75.8
Percentage occupancy of licensed beds	76.3%	75.8%
Percentage occupancy of beds in service	76.3%	75.8%
Patient days (excluding newborn)	13,808	13,711
Adjusted patient days (excluding newborn) ⁽²⁾	52,847	52,204
Average length of stay (days)	4.0	3.9
Discharges (excluding newborn)	3,468	3,510
Adjusted discharges (excluding newborn) ⁽²⁾	13,273	13,364
Emergency room visits	49,305	49,132
Surgical procedures	4,188	4,328
Newborn deliveries	705	783
Atrium Health Kings Mountain		
Licensed beds	67	67
Beds in service	53	55
Average daily census	31.9	33.9
Percentage occupancy of licensed beds	47.6%	50.6%
Percentage occupancy of beds in service	60.1%	61.6%
Patient days (excluding newborn)	5,768	6,132
Adjusted patient days (excluding newborn)	23,987	22,588
Average length of stay (days)	5.2	4.6
Discharges (excluding newborn)	1,099	1,321
Adjusted discharges (excluding newborn)	4,570	4,866
Emergency room visits	16,648	17,138
Surgical procedures	492	471

Summary Utilization Information

	Six Months Ended June 30,	
	2019	2018
Atrium Health Lincoln		
Licensed beds	101	101
Beds in service	101	101
Average daily census	55.7	53.7
Percentage occupancy of licensed beds	55.2%	53.2%
Percentage occupancy of beds in service	55.2%	53.2%
Patient days (excluding newborn)	10,089	9,725
Adjusted patient days (excluding newborn)	34,194	31,686
Average length of stay (days)	4.1	4.2
Discharges (excluding newborn)	2,473	2,298
Adjusted discharges (excluding newborn)	8,382	7,487
Emergency room visits	22,895	22,871
Surgical procedures	1,321	1,395
Newborn deliveries	257	224
Carolinas HealthCare System Stanly		
Licensed beds	109	109
Beds in service	94	94
Average daily census	47.8	42.6
Percentage occupancy of licensed beds	43.8%	39.1%
Percentage occupancy of beds in service	50.8%	45.4%
Patient days (excluding newborn)	8,644	7,716
Adjusted patient days (excluding newborn)	27,276	25,405
Average length of stay (days)	4.3	4.0
Discharges (excluding newborn)	2,032	1,914
Adjusted discharges (excluding newborn)	6,412	6,302
Emergency room visits	16,847	16,085
Surgical procedures	1,147	1,091
Newborn deliveries	207	214
Atrium Health Anson		
Licensed beds	15	15
Beds in service	15	15
Average daily census	3.2	1.8
Percentage occupancy of licensed beds	21.1%	12.2%
Percentage occupancy of beds in service	21.1%	12.2%
Patient days (excluding newborn)	574	332
Adjusted patient days (excluding newborn)	5,883	5,124
Average length of stay (days)	2.7	2.2
Discharges (excluding newborn)	213	151
Adjusted discharges (excluding newborn)	2,183	2,330
Emergency room visits	7,768	7,859
Surgical procedures	12	21
Carolinas Rehabilitation - Charlotte, Mount Holly, and NorthEast ⁽¹⁰⁾		
Licensed beds	150	150
Beds in service	150	150
Average daily census	116.6	120.7
Percentage occupancy of licensed beds	77.7%	80.5%
Percentage occupancy of beds in service	77.7%	80.5%
Patient days	21,100	21,854
Adjusted patient days	27,260	27,996
Average length of stay (days)	15.2	15.8
Discharges	1,392	1,385
Behavioral Health Centers ⁽¹¹⁾		
Licensed beds	132	132
Beds in service	128	131
Average daily census	121.8	124.9
Percentage occupancy of licensed beds	92.3%	94.6%
Percentage occupancy of beds in service	95.2%	95.7%
Patient days	22,050	22,608
Adjusted patient days	38,882	37,564
Average length of stay (days)	8.7	9.0
Discharges	2,533	2,501

Summary Utilization Information

	Six Months Ended June 30,	
	2019	2018
Nursing Centers ⁽¹²⁾		
Licensed beds	582	582
Average daily census	478.8	493.3
Percentage occupancy of licensed beds	82.3%	84.7%
Patient days	86,677	89,261

- (1) Includes physician practices that are owned, managed or staffed by the Medical Group.
- (2) Adjusted patient days and adjusted discharges for the acute care facilities includes utilization in joint ventures in which the Obligated Group has an ownership interest, based on the percentage of ownership in such joint venture.
- (4) Carolinas Medical Center - Mercy is a facility of Carolinas Medical Center.
- (5) Includes 29-bed CHS Rehabilitation, a facility of Atrium Health Pineville.
- (6) Licensed beds and beds in service for Atrium Health Pineville for the quarter ended June 30, 2019 reflect the weighted average of a permanent increase of 15 licensed beds effective October 23, 2018.
- (7) Includes surgeries at Carolina Orthopedic Surgery Associates.
- (8) Includes surgeries at Cleveland Ambulatory Services.
- (9) Includes surgeries at Union West Surgery Center.
- (10) Includes Carolinas Rehabilitation-Charlotte, Carolinas Rehabilitation-Mount Holly, and Carolinas Rehabilitation-NorthEast.
- (11) Includes Carolinas HealthCare System Behavioral Health - Charlotte and Carolinas HealthCare System Behavioral Health - Davidson, both facilities of Carolinas Medical Center. Separate utilization information for these facilities is available upon request.
- (12) Includes Huntersville Oaks, Sardis Oaks, Cleveland Pines, Jesse Helms Nursing Center, and Stanly Manor. Separate utilization information for these facilities is available upon request.

The table below summarizes the surgical procedures performed at ambulatory surgery centers operated by joint ventures in which the Obligated Group has a membership interest. None of the joint venture entities in the table are a member of the Obligated Group.

	Summary Utilization Information	
	Six Months Ended June 30,	
	2019	2018
Carolina Center for Specialty Surgery	1,301	1,274
Charlotte Surgery Center, LLC ⁽¹⁾	3,972	-
Gateway Ambulatory Surgery Center, LLC	3,253	3,135
TOTAL	<u>8,526</u>	<u>4,409</u>

(1) Surgeries presented are for the entire six months ended June 30, 2019; however, Atrium Health's participation in the joint venture began on February 13, 2019.