



Quarterly Disclosure Statements  
(Unaudited)  
For the Three Months Ended March 31, 2026  
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Advocate Health Nonprofit Credit Group



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Advocate Health Governmental Credit Group

The Charlotte-Mecklenburg Hospital Authority d/b/a Atrium Health  
CMHA Combined Group



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**ADVOCATE HEALTH, INC.**  
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## Introduction

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### **Purpose of this Report**

The purpose of this report is to provide information necessary to comply with continuing disclosure undertakings of the Advocate Health Nonprofit Credit Group and the Advocate Health Governmental Credit Group, as described below, both of which are part of an integrated health care delivery and academic system known as Advocate Health.

### **Advocate Health**

Advocate Aurora Health, Inc., a Delaware nonprofit nonstock corporation and Atrium Health, Inc., a North Carolina nonprofit corporation (“Atrium”), entered into a Joint Operating Agreement pursuant to which they created Advocate Health, Inc., a Delaware nonprofit nonstock corporation, to manage and oversee an integrated health care delivery and academic system known as Advocate Health which focuses on meeting patients’ needs by redefining how, when and where care is delivered. Advocate Aurora Health, Inc. and Atrium are the two corporate members of Advocate Health, Inc. Advocate Health, which includes all entities under the common management of Advocate Health, Inc., has a combined footprint across Illinois, Wisconsin, North Carolina, South Carolina, Georgia and Alabama.

### **Advocate Aurora Health, Inc.**

Advocate Aurora Health, Inc. is the sole corporate member of Advocate Health Care Network, an Illinois not-for-profit corporation, (“Advocate”) and Aurora Health Care, Inc., a Wisconsin nonstock not-for-profit corporation (“Aurora”). Advocate Aurora Health, Inc., Advocate, Aurora and their controlled subsidiaries are collectively referred to herein as “AAH”. AAH serves patients across northern and central Illinois and eastern Wisconsin. The participants in AAH do business as Advocate in Illinois and as Aurora in Wisconsin.

### **Atrium Health, Inc.**

The Charlotte-Mecklenburg Hospital Authority (“Atrium Health CMHA”) and Atrium Health Wake Forest Baptist Health, including Wake Forest School of Medicine, are part of a single enterprise (the “Atrium Enterprise”), managed and overseen by Atrium pursuant to a health system integration agreement and related agreements. The Atrium Enterprise serves patients across North Carolina, South Carolina, Georgia and Alabama. The participants in the Atrium Enterprise do business as Atrium Health and Atrium Health Wake Forest Baptist (in North Carolina and South Carolina) and as Atrium Health Navicent and Atrium Health Floyd (in Georgia and Alabama).

### **Advocate Health Nonprofit Credit Group**

In March 2026, Advocate Aurora Health, Inc. and certain subsidiaries, certain Atrium Health Wake Forest Baptist entities and Advocate Health, Inc. were combined into one credit group, which is referred to as the Advocate Health Nonprofit Credit Group. The financial and other information presented in this report reflect the Advocate Health Nonprofit Credit Group and Affiliates as of and for the three months ended March 31, 2026 and 2025.

### **Advocate Health Governmental Credit Group**

Atrium Health CMHA is a North Carolina hospital authority that issues revenue bonds under a revenue bond order (as amended, the “CMHA Bond Order”). The Advocate Health Governmental Credit Group is the Combined Group formed under the CMHA Bond Order, which consists of Atrium Health CMHA and certain of its affiliates who are members of the Obligated Group and any other affiliates designated by Atrium Health CMHA (“Designated Affiliates”). While Atrium Health Navicent and Atrium Health Floyd are included in Atrium Health CMHA’s financial statements as blended component units, none of the Atrium Health Navicent or Atrium Health Floyd entities are members of the Atrium Health CMHA Combined Group.



**Advocate Health**  
**Introduction**

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The financial position and results of operation of Advocate Health are presented by combining the financial statements of the Advocate Health Nonprofit Credit Group and Affiliates and Atrium Health CMHA, which are under the common management of Advocate Health. Advocate Health, which includes Atrium Health CMHA, has prepared its financial statements in accordance with accounting principles as promulgated by the Financial Accounting Standards Board ("FASB"). Atrium Health CMHA is a governmental entity as defined by the Governmental Accounting Standards Board ("GASB"); accordingly, accounting principles as promulgated by GASB are the appropriate accounting principles for Atrium Health CMHA to follow. As part of the Advocate Health combined financial statements, the financial statements of Atrium Health CMHA are presented with FASB accounting principles. All significant intercompany transactions have been eliminated in the combination.

The Advocate Health combined financial statements are not required to be delivered pursuant to any continuing disclosure undertaking and are being provided on a voluntary basis.

**ADVOCATE HEALTH**  
**COMBINED BALANCE SHEETS - FASB**  
(in thousands)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,695,471	\$ 2,508,839
Short term investments	52,111	51,816
Assets limited as to use	212,241	214,626
Patient accounts receivable	4,655,417	4,234,473
Other current assets	3,635,165	2,972,313
Total current assets	<u>10,250,405</u>	<u>9,982,067</u>
Other assets		
Assets limited as to use	27,287,557	27,192,534
Property and equipment, net	14,929,397	14,872,937
Operating lease right-of-use assets	1,103,441	1,123,933
Other noncurrent assets	1,307,010	1,387,338
Total other assets	<u>44,627,405</u>	<u>44,576,742</u>
<b>Total assets</b>	<b><u>\$ 54,877,810</u></b>	<b><u>\$ 54,558,809</u></b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 2,092,999	\$ 1,796,931
Operating lease liabilities, current portion	199,491	196,760
Accrued salaries and employee benefits	2,101,381	3,038,049
Accounts payable and other accrued liabilities	3,743,685	3,667,987
Third-party payors payables	782,285	823,800
Total current liabilities	<u>8,919,841</u>	<u>9,523,527</u>
Noncurrent liabilities		
Long-term debt, less current portion	5,921,150	5,725,687
Operating lease liabilities, less current portion	1,063,705	1,088,477
Other noncurrent liabilities	3,663,484	3,563,061
Total noncurrent liabilities	<u>10,648,339</u>	<u>10,377,225</u>
<b>Total liabilities</b>	<b>19,568,180</b>	<b>19,900,752</b>
<b>Net assets</b>		
Without donor restrictions		
Controlling interest	33,466,583	32,830,361
Noncontrolling interests in subsidiaries	205,770	218,734
Total net assets without donor restrictions	<u>33,672,353</u>	<u>33,049,095</u>
With donor restrictions	1,637,277	1,608,962
Total net assets	<u>35,309,630</u>	<u>34,658,057</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 54,877,810</u></b>	<b><u>\$ 54,558,809</u></b>

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS - FASB**  
(in thousands)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Revenue</b>		
Patient service revenue	\$ 8,738,838	\$ 7,777,353
Other revenue	1,414,366	1,390,233
Total revenue	<u>10,153,204</u>	<u>9,167,586</u>
<b>Expenses</b>		
Salaries, wages and benefits	5,481,640	5,072,038
Supplies and drugs	2,230,134	2,020,230
Purchased services and other expenses	1,681,335	1,387,251
Depreciation and amortization	323,912	300,064
Interest	56,077	58,908
Total expenses	<u>9,773,098</u>	<u>8,838,491</u>
<b>Operating income</b>	<b>380,106</b>	<b>329,095</b>
<b>Nonoperating income</b>		
Investment income, net	276,326	212,503
Other nonoperating loss, net	(4,512)	(37,223)
Total nonoperating income, net	<u>271,814</u>	<u>175,280</u>
<b>Revenue in excess of expenses</b>	<b>651,920</b>	<b>504,375</b>
Less income attributable to noncontrolling interests	<u>(11,016)</u>	<u>(4,910)</u>
<b>Revenue in excess of expenses - attributable to controlling interest</b>	<b>\$ 640,904</b>	<b>\$ 499,465</b>

Comparative financial statement amounts may differ from those previously reported because of subsequently available information that results in reclassifications that were made to conform to the 2026 presentation. Thus, certain three months ended March 31, 2025 statement of operations and statement of cash flows amounts previously reported were accordingly reclassified. There was no impact on previously reported 2025 net assets or revenues in excess of expenses.

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS - FASB**  
(in thousands)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Net assets without donor restrictions, controlling interest</b>		
Revenue in excess of expenses - attributable to controlling interest	\$ 640,904	\$ 499,465
Pension-related changes other than net periodic pension costs	2,611	5,018
Other, net	(7,293)	(2,887)
Increase in net assets without donor restrictions, controlling interest	636,222	501,596
<b>Net assets without donor restrictions, noncontrolling interests</b>		
Revenues in excess of expenses	11,016	4,910
Distributions to noncontrolling interests	(24,085)	(22,386)
Other, net	105	—
Decrease in net assets without donor restrictions, noncontrolling interests	(12,964)	(17,476)
<b>Net assets with donor restrictions</b>		
Contributions	109,654	111,692
Investment income, net	13,802	3,557
Net assets released from restrictions	(101,384)	(89,715)
Other, net	6,243	(984)
Increase in net assets with donor restrictions	28,315	24,550
<b>Increase in net assets</b>	<b>651,573</b>	<b>508,670</b>
Net assets at beginning of period	34,658,057	29,844,080
<b>Net assets at end of period</b>	<b>\$ 35,309,630</b>	<b>\$ 30,352,750</b>

Comparative financial statement amounts may differ from those previously reported because of subsequently available information that results in reclassifications that were made to conform to the 2026 presentation. Thus, certain three months ended March 31, 2025 statement of operations and statement of cash flows amounts previously reported were accordingly reclassified. There was no impact on previously reported 2025 net assets or revenues in excess of expenses.

**ADVOCATE HEALTH**  
**COMBINED STATEMENTS OF CASH FLOWS - FASB**  
(in thousands)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 651,573	\$ 508,670
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	319,740	295,597
Noncash lease expense	59,772	55,376
Pension-related changes other than net periodic pension cost	(2,611)	(5,018)
Distribution to noncontrolling interests	12,602	12,171
Other	(3,947)	2,678
Changes in operating assets and liabilities		
Trading securities, net	(91,778)	221,078
Patient accounts receivable	(418,469)	(256,748)
Other assets and liabilities, net	(1,412,077)	(1,178,793)
Net cash used in operating activities	<u>(885,195)</u>	<u>(344,989)</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(400,224)	(502,804)
Investments in unconsolidated entities, net	(33,082)	(70,302)
Purchases of investments designated as non-trading	(1,792)	(2,131)
Sales of investments	1,869	2,161
Other	12,647	5,352
Net cash used in investing activities	<u>(420,582)</u>	<u>(567,724)</u>
<b>Cash flows from financing activities</b>		
Repayments of long-term debt	(404,105)	(55,688)
Proceeds from issuance of debt	900,000	450,000
Distribution to noncontrolling interests	(12,602)	(12,171)
Other	9,116	6,490
Net cash provided by financing activities	<u>492,409</u>	<u>388,631</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(813,368)</b>	<b>(524,082)</b>
Cash and cash equivalents at beginning of period	2,508,839	2,026,581
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 1,695,471</u></b>	<b><u>\$ 1,502,499</u></b>
Supplemental disclosures of noncash information		
Operating lease right-of-use assets in exchange for new operating lease liabilities	\$ 38,270	\$ 14,293

Comparative financial statement amounts may differ from those previously reported because of subsequently available information that results in reclassifications that were made to conform to the 2026 presentation. Thus, certain three months ended March 31, 2025 statement of operations and statement of cash flows amounts previously reported were accordingly reclassified. There was no impact on previously reported 2025 net assets or revenues in excess of expenses.

**ADVOCATE HEALTH**  
**UTILIZATION STATISTICS AND KEY FINANCIAL RATIOS**

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025	Change	% Change
<b>Census</b>				
Discharges <sup>(1)</sup>	146,433	143,767	2,666	1.9 %
Observation Cases <sup>(1)</sup>	42,847	41,040	1,807	4.4 %
Total Bedded Patients	189,280	184,807	4,473	2.4 %
Inpatient Length of Stay <sup>(1)</sup>	5.35	5.45	(0.10)	(1.8)%
Case Mix index	1.78	1.77	0.01	0.6 %
<b>Other Volume Stats</b>				
Inpatient Surgeries	31,435	31,351	84	0.3 %
Outpatient Surgeries <sup>(1)</sup>	80,001	76,873	3,128	4.1 %
Total Surgeries	111,436	108,224	3,212	3.0 %
ED Visits <sup>(1)</sup>	578,141	600,906	(22,765)	(3.8)%
wRVUs <sup>(1)</sup>	16,427,499	15,606,361	821,138	5.3 %

<sup>(1)</sup>Prior year was updated to reflect the current year measurement methodology

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
<b>Operating Performance</b>		
Operating margin <sup>(1)</sup>	3.7%	3.6%
Operating cash flow margin <sup>(2)</sup>	7.5%	7.5%
Excess margin <sup>(3)</sup>	6.3%	5.4%
	As of March 31, 2026	As of December 31, 2025
<b>Leverage and Liquidity</b>		
Debt to capitalization <sup>(4)</sup>	19.2%	18.5%
Cash to debt <sup>(5)</sup>	340%	372%
Days cash on hand <sup>(6)</sup>	269	283

<sup>(1)</sup> Operating income/Total revenue

<sup>(2)</sup> (Operating income + Interest + Depreciation and amortization)/Total revenue

<sup>(3)</sup> Revenue in excess of expenses/(Total revenue + Total nonoperating income, net)

<sup>(4)</sup> (Long-term debt, current portion + Long-term debt, less current portion)/(Long-term debt, current portion + Long-term debt, less current portion + Total net assets without donor restrictions)

<sup>(5)</sup> Unrestricted cash and investments/(Long-term debt, current portion + Long-term debt, less current portion)

<sup>(6)</sup> Unrestricted cash and investments/((Total expenses - Depreciation and amortization)/days in period). The days cash on hand ratio is calculated from expenses on a trailing 12 month basis.

**ADVOCATE HEALTH  
OTHER FINANCIAL INFORMATION**

**Sources of Patient Service Revenue**

In the three months ended March 31, 2026 and 2025, the composition of Advocate Health's patient service revenue by payor was as follows:

<b>Payor Mix</b>	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
Commercial	45 %	51 %
Medicare	31 %	31 %
Medicaid	22 %	17 %
Self-pay and other	2 %	1 %
	<u>100 %</u>	<u>100 %</u>

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above.

**Unrestricted cash and investments**

As of March 31, 2026 and December 31, 2025, the composition of Advocate Health's unrestricted cash and investments was as follows:

	<b>As of March 31, 2026</b>	<b>As of December 31, 2025</b>
Cash and cash equivalents	\$ 1,695,471	\$ 2,508,839
Short term investments, excluding restricted assets	12,958	12,845
Long-term investments, excluding restricted assets limited as to use	25,540,819	25,444,789
<b>Total unrestricted cash and investments</b>	<u>\$ 27,249,248</u>	<u>\$ 27,966,473</u>

**Long-Term Debt**

As of March 31, 2026 and December 31, 2025, the composition of Advocate Health's debt was as follows:

	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
Taxable fixed rate bonds	\$ 2,392,690	31%	\$ 2,392,690	33%
Tax-exempt fixed rate bonds	1,109,685	14%	1,143,190	16%
Tax-exempt variable rate bonds	1,927,270	25%	1,939,580	26%
Put bonds	820,920	10%	820,920	11%
Commercial paper	820,000	10%	270,000	4%
Finance leases / other banks debt	787,735	10%	795,138	10%
<b>Total Long-term debt</b> , excluding unamortized bond premiums and bond issuance costs	<u>\$ 7,858,300</u>	<u>100%</u>	<u>\$ 7,361,518</u>	<u>100%</u>

## ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES

### Introduction

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#### Advocate Health Nonprofit Credit Group

As of March 2026, Advocate Health, Inc., AAH and certain subsidiaries and certain Atrium Health Wake Forest Baptist entities are members of the Obligated Group (the “Nonprofit Obligated Group”) created under a Second Amended and Restated Trust Indenture dated as of August 1, 2018 (the “Nonprofit Master Indenture”) among AAH and certain other Nonprofit Obligated Group Members identified therein and U.S. Bank Trust Company, National Association, Master Trustee. The members of the Nonprofit Obligated Group are jointly and severally liable on any Obligations issued under the Nonprofit Master Indenture. Certain of the Nonprofit Obligated Group’s affiliates are designated as Restricted Affiliates under the Nonprofit Master Indenture (“Nonprofit Restricted Affiliates”). The Nonprofit Obligated Group Members and the Nonprofit Restricted Affiliates are referred to collectively as the Advocate Health Nonprofit Credit Group.

***No member of the Advocate Health Governmental Credit Group or any other entity that is included in the financial statements of Atrium Health CMHA (including Atrium Health Navicent and Atrium Health Floyd entities) is a member of the Advocate Health Nonprofit Credit Group as of the date of this report and, therefore, none of them has any obligation to provide for the payment of any Obligation issued under the Nonprofit Master Indenture.***

#### Basis of Presentation

The accompanying combined financial statements for the Advocate Health Nonprofit Credit Group and Affiliates as of and for the three months ended March 31, 2026 and 2025, have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by FASB. December 31, 2025 information is derived from the audited financial statements.

**ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES**  
**COMBINED BALANCE SHEETS**  
(in thousands)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,149,366	\$ 1,466,824
Due from related party - centralized cash management arrangement	373,860	251,721
Assets limited as to use	202,843	202,440
Patient accounts receivable	2,959,412	2,694,227
Other current assets	2,889,313	2,342,506
Total current assets	<u>7,574,794</u>	<u>6,957,718</u>
Noncurrent assets		
Assets limited as to use	26,996,972	26,897,204
Property and equipment, net	8,316,638	8,282,893
Operating lease right-of-use assets	490,686	477,924
Other noncurrent assets	780,724	826,266
Total other assets	<u>36,585,020</u>	<u>36,484,287</u>
<b>Total assets</b>	<b><u>\$ 44,159,814</u></b>	<b><u>\$ 43,442,005</u></b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 1,070,740	\$ 770,305
Operating lease liabilities, current portion	109,791	108,157
Accrued salaries and employee benefits	1,637,421	1,967,189
Accounts payable and other accrued liabilities	3,147,653	2,953,154
Third-party payors payables	593,337	558,230
Total current liabilities	<u>6,558,942</u>	<u>6,357,035</u>
Noncurrent liabilities		
Long-term debt, less current portion	3,603,458	3,614,735
Operating lease liabilities, less current portion	432,800	423,862
Due to related party - investment pool	8,894,310	8,786,990
Other noncurrent liabilities	2,607,860	2,538,669
Total noncurrent liabilities	<u>15,538,428</u>	<u>15,364,256</u>
<b>Total liabilities</b>	<b><u>22,097,370</u></b>	<b><u>21,721,291</u></b>
<b>Net assets</b>		
Without donor restrictions		
Controlling interest	21,050,179	20,711,340
Noncontrolling interests in subsidiaries	205,770	218,734
Total net assets without donor restrictions	<u>21,255,949</u>	<u>20,930,074</u>
With donor restrictions	806,495	790,640
<b>Total net assets</b>	<b><u>22,062,444</u></b>	<b><u>21,720,714</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 44,159,814</u></b>	<b><u>\$ 43,442,005</u></b>

**ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**

(in thousands)

	Three Months Ending March 31, 2026	Three Months Ending March 31, 2025
<b>Revenue</b>		
Patient service revenue	\$ 5,506,496	\$ 4,884,949
Other revenue	1,334,029	967,273
Total revenue	6,840,525	5,852,222
<b>Expenses</b>		
Salaries, wages and benefits	3,772,758	3,313,757
Supplies and drugs	1,392,161	1,261,522
Purchased services and other expenses	1,270,793	909,759
Depreciation and amortization	194,309	174,944
Interest	40,659	36,686
Total expenses	6,670,680	5,696,668
<b>Operating income</b>	<b>169,845</b>	<b>155,554</b>
<b>Nonoperating income</b>		
Investment income, net	281,079	215,879
Other nonoperating loss, net	(106,315)	(83,755)
Total nonoperating income, net	174,764	132,124
<b>Revenue in excess of expenses</b>	<b>344,609</b>	<b>287,678</b>
Less income attributable to noncontrolling interests	(11,016)	(4,910)
<b>Revenue in excess of expenses - attributable to controlling interest</b>	<b>\$ 333,593</b>	<b>\$ 282,768</b>

(Continued)

**ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES**  
**COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
(in thousands)

	Three Months Ending March 31, 2026	Three Months Ending March 31, 2025
<b>Net assets without donor restrictions, controlling interest</b>		
Revenue in excess of expenses - attributable to controlling interest	\$ 333,593	\$ 282,768
Pension-related changes other than net periodic pension costs	4,565	5,018
Other, net	681	15,638
Increase in net assets without donor restrictions, controlling interest	338,839	303,424
<b>Net assets without donor restrictions, noncontrolling interests</b>		
Revenues in excess of expenses	11,016	4,910
Distributions to noncontrolling interests	(24,085)	(22,386)
Other, net	105	—
Decrease in net assets without donor restrictions, noncontrolling interests	(12,964)	(17,476)
<b>Net assets with donor restrictions</b>		
Contributions	99,939	93,423
Investment income, net	10,023	4,135
Net assets released from restrictions for operations	(87,641)	(77,727)
Other, net	(6,466)	(4,393)
Increase in net assets with donor restrictions	15,855	15,438
<b>Increase in net assets</b>	<b>341,730</b>	<b>301,386</b>
Net assets at beginning of period	21,720,714	18,741,445
<b>Net assets at end of period</b>	<b>\$ 22,062,444</b>	<b>\$ 19,042,831</b>

**ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Three Months Ending March 31, 2026	Three Months Ending March 31, 2025
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 341,730	\$ 301,386
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and accretion	191,859	172,199
Noncash lease expense	28,052	29,143
Pension-related changes other than net periodic pension cost	(4,565)	(5,018)
Distribution to noncontrolling interests	12,602	12,171
Other	4,794	(11,771)
Changes in operating assets and liabilities		
Trading securities, net	(99,015)	222,307
Patient accounts receivable	(262,710)	(162,244)
Due to (from) related party	107,320	(180,232)
Other assets and liabilities, net	(561,394)	(584,104)
Net cash used in operating activities	<u>(241,327)</u>	<u>(206,163)</u>
<b>Cash flows from investing activities</b>		
Capital expenditures	(216,025)	(289,872)
Net transfers to related party under centralized cash management arrangement	(122,138)	—
Investments in unconsolidated entities, net	(33,082)	(69,983)
Purchases of investments designated as non-trading	(1,792)	(2,131)
Sales of investments designated as non-trading	1,869	2,161
Other	12,644	3,853
Net cash used in investing activities	<u>(358,524)</u>	<u>(355,972)</u>
<b>Cash flows from financing activities</b>		
Repayments of debt	(258,309)	(10,512)
Proceeds from issuance of debt	550,000	200,000
Distribution to noncontrolling interests	(12,602)	(12,171)
Other	3,304	21,823
Net cash provided by financing activities	<u>282,393</u>	<u>199,140</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(317,458)</b>	<b>(362,995)</b>
Cash and cash equivalents at beginning of period	1,466,824	1,241,480
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 1,149,366</u></b>	<b><u>\$ 878,485</u></b>
Supplemental disclosures of noncash information		
Operating lease right-of-use assets in exchange for new operating lease liabilities	\$ 40,770	\$ 10,442

**ADVOCATE HEALTH NONPROFIT CREDIT GROUP AND AFFILIATES  
UTILIZATION STATISTICS AND SOURCES OF REVENUE**

**Utilization Statistics**

A summary of certain combined utilization statistics for the Advocate Health Nonprofit Credit Group and Affiliates for the three months ended March 31, 2026 and 2025 are set forth in the table below.

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>	<b>Change</b>	<b>% Change</b>
Census				
Discharges	90,197	88,957	1,240	1.4 %
Observation Cases	25,472	24,396	1,076	4.4 %
Total Bedded Patients	115,669	113,353	2,316	2.0 %
Inpatient Length of Stay	5.06	5.16	(0.10)	(1.9)%
Case Mix index	1.81	1.80	0.01	0.6 %
Other Volume Stats				
Inpatient Surgeries	20,318	20,199	119	0.6 %
Outpatient Surgeries	55,927	52,700	3,227	6.1 %
Total Surgeries	76,245	72,899	3,346	4.6 %
ED Visits	320,078	322,244	(2,166)	(0.7)%
wRVUs	10,699,473	10,347,627	351,846	3.4 %

**Sources of Patient Service Revenue**

In the three months ended March 31, 2026 and 2025, the composition of the Advocate Health Nonprofit Credit Group and Affiliates' patient service revenue by payor was as follows:

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Payor Mix</b>		
Commercial	44 %	49 %
Medicare	33 %	32 %
Medicaid	20 %	16 %
Self-pay and Other	3 %	3 %
	100 %	100 %

Deductibles, copayments and coinsurance under third-party payment programs which are the patient's responsibility are included within the primary payor category in the table above.

Note: Additional utilization statistics are available upon request. To obtain such information, please contact Jennifer L. Temple, SVP Treasury and Chief of Staff, at [jennifer.temple@advocatehealth.org](mailto:jennifer.temple@advocatehealth.org).



**ADVOCATE HEALTH GOVERNMENTAL CREDIT GROUP  
THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP  
Introduction**

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**Advocate Health Governmental Credit Group**

The Charlotte-Mecklenburg Hospital Authority (“Atrium Health CMHA”) is a North Carolina hospital authority that issues revenue bonds (“CMHA Bonds”) under a Second Amended and Restated Bond Order adopted in 1997 (as amended, the “CMHA Bond Order”). CMHA and certain of its affiliates have formed an Obligated Group (the “CMHA Obligated Group”) under the CMHA Bond Order. Members of the CMHA Obligated Group are jointly and severally liable for payment of CMHA Bonds and other obligations secured by the CMHA Bond Order (“Parity Obligations”). The CMHA Bond Order also authorizes the creation of a “Combined Group” (the “CMHA Combined Group”), which consists of the members of the CMHA Obligated Group and any affiliates designated by CMHA (“Designated Affiliates”). The CMHA Combined Group is referred to as the “Advocate Health Governmental Credit Group”.

While Atrium Health Navicent and Atrium Health Floyd are included in Atrium Health CMHA’s financial statements as blended component units, none of the Atrium Health Navicent or Atrium Health Floyd entities are members of the Atrium Health CMHA Combined Group.

***None of the entities that are part of the Advocate Health Nonprofit Credit Group are members of the CMHA Combined Group as of the date of this report and, therefore, none of them have any obligation to provide for the payment of the CMHA Bonds or Parity Obligations.***

**Basis of Presentation**

The accompanying financial statements and highlights reflect the financial position and results of operations of the CMHA Combined Group as of and for the three months ended March 31, 2026 and 2025. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles, as promulgated by GASB. December 31, 2025 information is derived from the audited financial statements.

**THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY COMBINED GROUP**  
**Financial Highlights**  
(in thousands)

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**Quarter Ended March 31, 2026 Compared with Quarter Ended March 31, 2025:**

For the quarter ended March 31, 2026, the excess of revenues and support over expenses and losses before contributions was \$267,139, a \$71,211 increase from 2025, driven by higher operating income and investment income. Operating income was \$210,185 for the quarter ended March 31, 2026, which was \$43,856 above the prior year.

Total revenue increased 11.0% to \$3,005,422 largely due to an increase in patient volumes and additional funding from a new Medicaid supplemental program. Total operating expenses increased 10.0% to \$2,795,237, primarily due to increased personnel, supplies and drugs costs related to higher patient volumes, higher Medicaid supplemental program assessments, and other expense inflation.

As of March 31, 2026, days cash on hand was 250 days. Debt-to-capitalization ratio increased from 20.6% at December 31, 2025, to 21.4% at March 31, 2026, primarily driven by issuance of commercial paper during the first quarter of 2026.

**THE CMHA COMBINED GROUP**  
**COMBINED BALANCE SHEETS**  
(in thousands)

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 284,100	\$ 818,171
Short term investments	39,154	38,972
Assets limited as to use	12,186	12,186
Patient accounts receivable	1,356,129	1,256,047
Other current assets	429,353	411,986
Total current assets	<u>2,120,922</u>	<u>2,537,362</u>
Other assets		
Assets limited as to use	7,819,297	7,723,922
Property and equipment, net	5,533,386	5,516,195
Right-of-use assets	678,757	638,712
Other noncurrent assets	688,529	762,988
Total other assets	<u>14,719,969</u>	<u>14,641,817</u>
Total assets	<u>16,840,891</u>	<u>17,179,179</u>
Deferred outflows of resources	197,002	213,081
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 17,037,893</u></b>	<b><u>\$ 17,392,260</u></b>
<b>Liabilities</b>		
Current liabilities		
Long-term debt, current portion	\$ 1,004,216	\$ 1,008,931
Lease liabilities, current portion	82,672	80,673
Accrued salaries and employee benefits	367,676	919,807
Accounts payable and other accrued liabilities	443,551	548,306
Due to related party - centralized cash management program	85,342	210,951
Third-party payors payables	182,025	245,807
Total current liabilities	<u>2,165,482</u>	<u>3,014,475</u>
Noncurrent liabilities		
Long-term debt, less current portion	1,875,269	1,668,136
Lease liabilities, less current portion	670,259	678,355
Other noncurrent liabilities	802,451	886,003
Total noncurrent liabilities	<u>3,347,979</u>	<u>3,232,494</u>
<b>Total liabilities</b>	<b><u>5,513,461</u></b>	<b><u>6,246,969</u></b>
Deferred inflows of resources	339,795	234,691
<b>Net position</b>		
Net investment in capital assets	2,341,348	2,566,608
Restricted, by donor	584,509	584,027
Unrestricted	8,258,780	7,759,965
<b>Total net position</b>	<b><u>11,184,637</u></b>	<b><u>10,910,600</u></b>
<b>Total liabilities and deferred inflows and net position</b>	<b><u>\$ 17,037,893</u></b>	<b><u>\$ 17,392,260</u></b>

**THE CMHA COMBINED GROUP**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
(in thousands)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Revenue</b>		
Patient service revenue	\$ 2,590,294	\$ 2,340,345
Other revenue	415,128	367,532
Total revenue	<u>3,005,422</u>	<u>2,707,877</u>
<b>Expenses</b>		
Salaries, wages, and benefits	1,363,920	1,420,616
Supplies and drugs	718,537	634,977
Purchased services and other expenses	583,743	359,854
Depreciation and amortization	129,037	126,101
Total operating expenses	<u>2,795,237</u>	<u>2,541,548</u>
<b>Operating income</b>	<b>210,185</b>	<b>166,329</b>
<b>Nonoperating income</b>		
Interest expense	(32,008)	(29,825)
Investment income, net	86,161	49,390
Other nonoperating income (loss), net	2,801	10,034
Total nonoperating income, net	<u>56,954</u>	<u>29,599</u>
<b>Excess of revenues and support over expenses and losses before contributions</b>	<b>\$ 267,139</b>	<b>\$ 195,928</b>
<b>Changes in net position</b>		
Capital and other contributions	6,898	7,721
<b>Changes in net position</b>	<b>274,037</b>	<b>203,649</b>
Net position, beginning of year	10,910,600	9,290,642
<b>Net position, end of period</b>	<b><u>\$ 11,184,637</u></b>	<b><u>\$ 9,494,291</u></b>

**THE CMHA COMBINED GROUP**  
**COMBINED STATEMENTS OF CASH FLOWS**

(in thousands)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
<b>Cash flows from operating activities</b>		
Receipts from third-party payers and patients	\$ 2,426,430	\$ 2,239,494
Payments to suppliers	(1,362,499)	(1,176,894)
Payments to employees	(1,915,131)	(1,627,682)
Other receipts, net	463,283	306,866
Net cash used in operating activities	<u>(387,917)</u>	<u>(258,216)</u>
<b>Cash flows from noncapital financing activities</b>		
Proceeds from the issuance of commercial paper	350,000	250,000
Retirements of commercial paper	(100,000)	—
Other activities	(14)	75
Net cash provided by noncapital financing activities	<u>249,986</u>	<u>250,075</u>
<b>Cash flows from capital and related financing activities</b>		
Capital expenditures	(185,369)	(205,870)
Interest payments on short- and long-term debt	(36,847)	(35,955)
Repayments of long-term debt, net	(45,815)	(43,688)
Proceeds from issuance of long-term debt	179	—
Contributions restricted for building and equipment purchases	5,404	6,842
Other contributions	1,443	1,102
Net cash used in capital and related financing activities	<u>(261,005)</u>	<u>(277,569)</u>
<b>Cash flows from investing activities</b>		
Net transfer to related party under centralized cash management arrangement	(125,609)	—
Investment earnings	1,228	2,008
Withdrawals from assets limited as to use	—	207,583
Contributions to assets limited as to use	(10,000)	(12,714)
Purchase of equity method investments	(749)	(319)
Net cash (used in) provided by investing activities	<u>(135,130)</u>	<u>196,558</u>
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>(534,066)</b>	<b>(89,152)</b>
<b>Cash and cash equivalents</b>		
Beginning of year	818,964	394,849
<b>End of period</b>	<b><u>\$ 284,898</u></b>	<b><u>\$ 305,697</u></b>
<b>Reconciliation of cash and cash equivalents to the balance sheet</b>		
Cash and cash equivalents	284,100	304,928
Restricted cash in investments and assets whose use is limited	798	769
<b>Total cash, cash equivalents and restricted cash</b>	<b><u>\$ 284,898</u></b>	<b><u>\$ 305,697</u></b>
<b>Reconciliation of operating income to net cash used in operating activities</b>		
Operating income	\$ 210,185	\$ 166,329
Adjustments to reconcile operating income to net cash used in operating activities		
Depreciation and amortization	129,037	126,101
Increase in patient accounts receivable, net	(100,082)	(89,968)
Decrease (increase) in other current assets	52,582	(72,894)
Decrease (increase) in other noncurrent assets	9,733	(38,822)
Decrease in accounts payable and other accrued liabilities	(531,864)	(381,321)
(Decrease) increase in other noncurrent liabilities	(93,726)	43,243
Decrease in estimated third party payer settlements	(63,782)	(10,883)
Net cash used in operating activities	<u>\$ (387,917)</u>	<u>\$ (258,215)</u>

**THE CMHA COMBINED GROUP  
UTILIZATION STATISTICS**

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025	Change	% Change
<b>Medical Group</b>				
Practice locations	551	547	4	0.7 %
Total Physicians	2,115	1,995	120	6.0 %
Patient visits (including faculty)	1,799,083	1,712,818	86,265	5.0 %
<b>Total Acute Care Facilities</b>				
Adjusted patient days (excluding newborn)	563,897	561,118	2,779	0.5 %
Adjusted discharges (excluding newborn)	98,066	95,191	2,875	3.0 %
Surgical Procedures	27,238	27,068	170	0.6 %