

Management's Discussion and Analysis of Financial Condition and Results of Operations for Ascension

As of and for the years ended June 30, 2025 and 2024



Ascension

The following information should be read in conjunction with Ascension's consolidated financial statements and related notes to the consolidated financial statements.

Introduction to Management's Discussion and Analysis

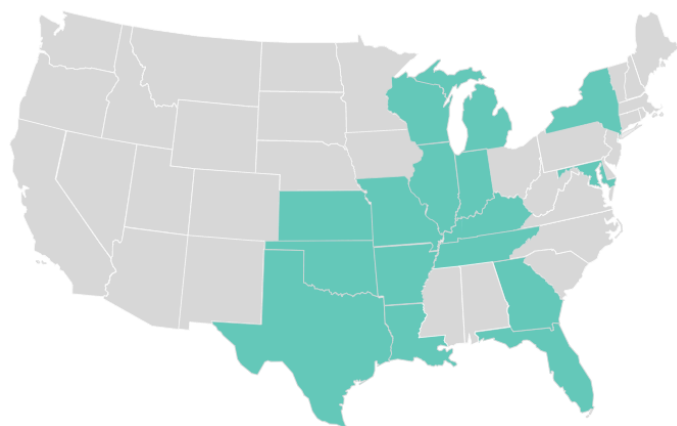
The purpose of Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is to provide a narrative explanation of the financial position and operational performance of Ascension (the System).

The MD&A includes the following sections:

- Organization and Mission
- Executive Overview
- Organizational Changes & Updates
- Select Financial Information
- Community Impact

Organization and Mission

Ascension is one of the nation's leading nonprofit Catholic health systems, with a Mission to answer God's call to bring health, healing and hope to all. As of June 30, 2025, Ascension had approximately 99,000 associates and 22,300 aligned providers supporting care sites across 16 states and the District of Columbia. The System operates 95 wholly owned or consolidated hospitals and holds ownership interests in 26 additional hospitals through partnerships. Ascension also operates 30 senior living facilities and a variety of other care sites offering a range of healthcare services.



Executive Overview

Similar to other U.S. healthcare providers, Ascension's operations and volumes continue to stabilize amidst broader inflationary pressures and changes in the healthcare landscape. Additionally, Ascension's operations have improved significantly from the May 2024 cybersecurity event and the System has continued to

prioritize progress towards significant operational advancements during the year ended June 30, 2025 (FY25) as noted below. To enable improvement from prior year operational performance, Ascension continues to focus on community impact, quality and safety, operational rigor, talent, and consumer experience measures to strengthen its ability to provide high-quality care and serve its Mission.

Organizational Changes & Updates

Organizational Changes

Ascension has implemented changes over FY24 and FY25 to strengthen its operational leadership at both the national and market levels to improve hospital operations and ensure sustainability for the future. These changes include the addition of three regional operating leaders that are each aligned to a subset of its Markets or horizontal business strategies, providing operational oversight and strengthened alignment with Ascension's leadership team and in Market leadership. Ascension also continues to make strategic and purposeful decisions to improve the health of individuals and communities served, engage with consumers in where, when and how they need care, and support the shift to expanded ambulatory and telehealth presence. The organization's key changes to its portfolio are as follows:

In July, 2025, subsequent to the fiscal year ended June 30, 2025, Ascension Healthcare and Ascension Michigan, a wholly owned subsidiary of Ascension Healthcare, completed the transition of its membership interest in four hospitals and certain related assets and operations in southwestern Michigan to Beacon Health System.

In July and August, 2025, subsequent to June 30, 2025, four wholly owned Ascension Healthcare senior care facilities in Kansas and Wisconsin transitioned certain assets and liabilities and substantially all operations of these entities to Recover Care.

Effective June 30, 2025, Ascension Healthcare and Ascension Texas, a wholly owned subsidiary of Ascension Healthcare, acquired Cedar Park Regional Medical Center (Cedar Park) from Community Health Systems (CHS), including certain related facilities and services. With the acquisition, Ascension Healthcare became the sole corporate member of Cedar Park.

In June 2025, Ascension entered into a definitive agreement to acquire AMSURG, an ambulatory surgery development, management, and operations service company. This transaction is expected to be finalized after all necessary approvals are obtained.

In March 2025, certain Ascension senior living entities signed asset sale agreements to sell certain assets and

primarily all operations to various purchasers. The transactions for the remaining transitioning entities are expected to be finalized after all necessary approvals are obtained.

On March 1, 2025, Presence Care Transformation Corporation (Presence), a wholly owned subsidiary of Ascension, sold substantially all assets and operations, including related clinical and other businesses, of nine hospitals and four senior living facilities in the greater Chicago, Illinois area to Prime Healthcare Services, Inc.

On November 1, 2024, Ascension Healthcare, a wholly owned subsidiary of Ascension, transitioned Ascension's membership interest in the St. Vincent's Health System in Alabama to UAB Health System Authority.

On October 1, 2024, Ascension Healthcare and Ascension Michigan, a wholly owned subsidiary of Ascension Healthcare, contributed the membership interest in its southeast and mid Michigan hospitals and related ancillary entities into Henry Ford Health System (HFHS) in exchange for acquiring a noncontrolling interest in HFHS.

In September 2024, Ascension Healthcare completed the transition of certain assets and liabilities of six Ascension Healthcare senior care entities to Villa Investment Partners, LLC.

On September 1, 2024, Ascension Via Christi Hospital Pittsburg, Inc. (Ascension Pittsburg) completed the sale of certain assets and all operations of Ascension Pittsburg to Mercy Hospital Pittsburg, Inc.

On August 1, 2024, Ascension Healthcare transitioned its sole corporate membership interest in its northern Michigan hospitals and related ancillary entities to MyMichigan Health.

On February 1, 2024, Ascension Healthcare transitioned its sole corporate membership interest in Our Lady of Lourdes Memorial Hospital, Inc. in Binghamton, New York as well as related clinical and other business to The Guthrie Clinic.

In December 2023, Ascension St. Thomas, a wholly owned subsidiary of Ascension, and Lifepoint Health formed a joint venture to own Highpoint Health System, consisting of three hospitals and multiple affiliated clinics and sites of care, to expand access to high quality care and services in Northern Middle Tennessee.

On November 1, 2023, Ministry Health Care, Inc., a wholly owned subsidiary of Ascension, finalized the sale of its membership interest in Network Health Inc., a holding company that operates insurance companies and other non insurance operations in the state of Wisconsin, to Froedtert Health, Inc.

On October 1, 2023, Gulf Coast Health System, a wholly owned subsidiary of Ascension, completed the sale of substantially all assets, operations, and related clinical and other business associated with Providence Hospital in Mobile, Alabama to University of South Alabama Health Care Authority.

In parallel with optimizing its acute care operations to better serve patients with complex needs, Ascension is accelerating growth through continued investments in ancillary services and an expanding ambulatory network. This includes the ongoing development of Ascension Rx, which builds on its existing retail pharmacy presence with the growth of specialty pharmacy services and the launch of a nationwide mail-order distribution center. The organization is also strengthening its ambulatory surgery capabilities through the planned acquisition of AMSURG, while expanding access to care through additional investments in imaging centers and outpatient physical therapy sites. These strategic initiatives enhance Ascension's overall service footprint, offering greater convenience and improved access for the communities it serves.

Cybersecurity Incidents

On May 8, 2024, Ascension experienced a cybersecurity attack, impacting and interrupting access to some of its information technology (IT) network systems. As a result, there were disruptions to certain clinical operations for varying amounts of time resulting in downtime procedures and protocols to continue providing safe care to patients.

In mid-June 2024, Ascension completed the restoration of electronic health record (EHR) access across its ministries. Ascension's investigation and analysis into this incident is substantially complete. Notifications have been provided to individuals, government regulators and applicable state agencies.

During Q3 and Q4 FY24, the combination of the May cybersecurity attack and a February 2024 third party clearinghouse incident resulted in various disruptions related to healthcare services provided and/or revenue cycle processes, including claim submissions, payment processing and posting and insurance verification processes. Claims submission to payors for patient treatment during the downtime period is substantially complete while collection efforts remain ongoing. During Q4 FY24, the May cybersecurity attack resulted in lower volumes, reduced revenues from the associated business interruption along with continued costs incurred to remediate the issues and other business related expenses. In FY25, Ascension's volume recovery has continued and certain additional remediation and business related expenses have been incurred.

To partially mitigate the impact to cash flow, Ascension also collaborated closely to secure advance payments from CMS and other commercial payers for services provided. Ascension has also accessed its short-term liquidity facilities to provide additional cash flow relief while revenue cycle processes have been temporarily impacted by the cybersecurity incidents. Further information included within the Fixed Assets and Liquidity Resources section.

Select Financial Information

(dollars in millions, except as denoted)

Consolidated Operations

The following table reflects selected financial information on a consolidated basis for the years ended June 30, 2025 and 2024.

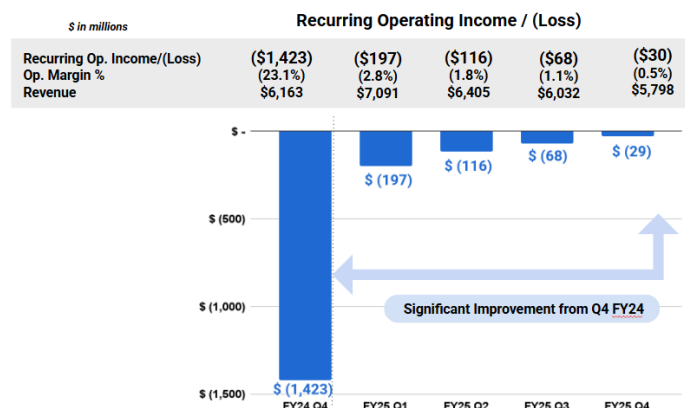
Years ended June 30,

	2025	2024
Net Patient Service Revenue	\$ 22,537	\$ 25,872
Other Operating Revenue	2,789	2,679
Operating Expenses	25,829	30,069
Self-insurance Trust Fund Investment Return	93	110
Income (Loss) from Recurring Operations	\$ (410)	\$ (1,408)
Impairment and Nonrecurring Gains (Losses), net	\$ (81)	\$ (402)
Income (Loss) from Operations	\$ (491)	\$ (1,809)
Net Income (Loss), excl. Noncontrolling interests	\$ 918	\$ (1,075)
Recurring Operating Margin	(1.6%)	(4.9%)
Recurring Operating EBIDA Margin	3.3%	(0.2%)

Ascension reported a loss from recurring operations of \$410 million or a -1.6% recurring operating income margin for the year ended June 30, 2025 as compared to a loss from recurring operations of \$1.4 billion for the prior year. Ascension also reported recurring operating EBIDA of \$837 million for FY25 and a recurring operating EBIDA margin of

+3.3% as compared to a recurring operating EBIDA margin of -0.2% for the prior year.

Ascension's FY25 operating results continue to incorporate significant improvement from the last quarter of the prior fiscal year (Q4 FY24) that was impacted by the cybersecurity attack. Each quarter of FY25, Ascension has continued to improve recurring operating performance with a Q4 FY25 recurring operating loss of \$30 million, representing an improvement of approximately \$1.4 billion from Q4 FY24. Ascension remains extremely focused on stewardship consistent with its Mission through the continued implementation of various improvement plans to enhance operational performance across the System. These plans will position Ascension to drive revenue growth and promote efficiency of operations for FY26 and beyond.



Inclusive of non-operating performance, Ascension's FY25 net income, excluding noncontrolling interests, was \$918 million, almost \$2 billion better than the prior year.

Impairment and Nonrecurring Gains / Losses, Net

During the year ended June 30, 2025, Ascension reported \$81 million of impairment and nonrecurring losses as compared to \$402 million for the prior year. In connection with related affiliation and membership substitution agreements, as noted above within Organizational Changes, and resulting transition of certain assets and liabilities to held for sale within Ascension's consolidated balance sheet, Ascension recognized non-cash impairments and write-downs primarily attributable to the Ascension Michigan market along with certain one-time costs for an employee benefit offering in the current year. Prior year impairment and non-recurring losses were attributable to the aforementioned organizational changes related to the Michigan market.

Volume Trends

For the year ended June 30, 2025, the System experienced a 0.7% same facility increase in overall volume, measured by equivalent discharges, compared to the prior year. Volumes continue to ramp up from the varying levels of disruption to clinical services experienced in May and June 2024 as a result of the May cybersecurity attack, at which time the System experienced volumes averaging 8-12% lower than the comparable months from FY23. Demonstrating the continued strengthening of volumes after the incident, Ascension's same facility volumes for key indicators for Q4 FY25 have generally increased 5-7% as compared to Q4 FY24 (quarter impacted by the cybersecurity attack). Ascension's same facility volumes for key indicators were also generally within 1.0% of the prior year except for total surgeries which declined 1.7%.

Volumes for FY25 are consistent with expectations as the System has worked to reschedule procedural volumes that were delayed as a result of the cybersecurity attack. Additionally, certain procedural volumes continue to shift to outpatient sites of care, including some of the System's Ambulatory Surgery Center (ASC) partnerships. Ascension remains focused on continuing growth plans, including building service line volumes, strengthening ancillary services and the ambulatory footprint within its Markets to enhance patient access to care. Growing patient trust and satisfaction in Ascension is reflected in an all-time high Net Promoter Score (NPS) reported in Q4 FY25 which remains over 80 for FY25 with a select group of other world-class experience brands.

The following table reflects certain key patient volume information, on a consolidated basis, for the years ended June 30, 2025 and 2024.

Years ended June 30,

Volume Metrics	2025	2024	Total Volume Incr/(Decr)
Equivalent Discharges	1,237,654	1,545,633	(19.9%)
Total Discharges	564,953	706,635	(20.1%)
Surgery Visits (IP)	128,697	156,019	(17.5%)
Surgery Visits (OP)	338,618	423,822	(20.1%)
Emergency Room Visits	2,484,054	3,018,845	(17.7%)
AECN Encounters per Provider*	2,472	2,585	(4.4%)

*Ascension Employed Clinician Network

The following table reflects select patient volume trend comparisons for the year ended June 30, 2025 and 2024 on a same facility basis which due to the organizational changes noted are the most meaningful volume comparisons.

Years ended June 30, 2025 and 2024

Volume Trends

	Same Facility Volume Incr/(Decr)	Total Volume Incr/(Decr)
Equivalent Discharges	0.7%	(19.9%)
Total Discharges	0.5%	(20.1%)
Surgery Visits (IP)	(0.5%)	(17.5%)
Surgery Visits (OP)	(2.2%)	(20.1%)
Emergency Room Visits	0.0%	(17.7%)
AECN Encounters per Provider	(0.7%)	(4.4%)

*Ascension Employed Clinician Network

The following table demonstrates select same facility patient volume trends for the three months ended June 30, 2025 as compared to the three months ended June 30, 2024 (Q4 FY24).

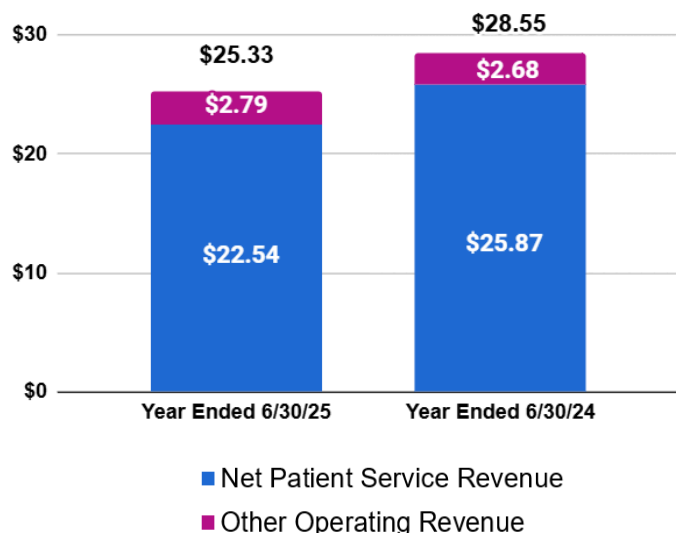
Volume Trends

	Q4 FY25 Change from Q4 FY24
Equivalent Discharges	6.9%
Total Discharges	5.3%
Surgery Visits (IP)	8.6%
Surgery Visits (OP)	(0.3%)
Emergency Room Visits	5.4%
AECN Encounters	4.6%

Total Operating Revenue

While total operating revenue decreased \$3.2 billion or 11.3% for the year ended June 30, 2025 from the prior year, Ascension's same facility total operating revenue, adjusted for comparability due to the portfolio changes, increased \$1.5 billion or 6.6% for FY25 compared to FY24. Additionally, Ascension's Q4 FY25 operating revenue increased \$1.2 billion from the last quarter of the prior fiscal year, Q4 FY24, on a same facility basis, demonstrating recovery progress from the May 2024 cybersecurity attack.

\$ in Billions



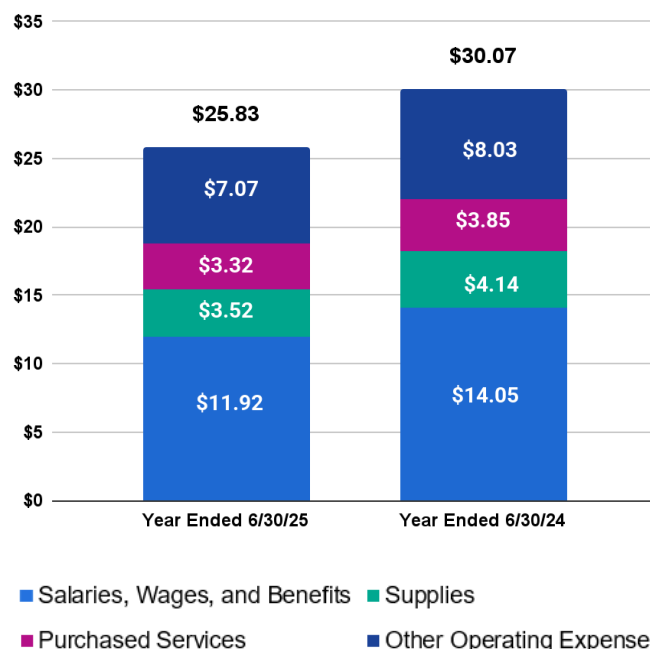
For FY25, the System's same facility net patient service revenue (NPSR) increased \$1.1 billion or 5.3% overall from the prior year. Driven by significant portfolio changes associated with recent divestitures noted in the Organizational Changes section, Ascension's total net patient service revenue decreased \$3.3 billion or 12.9%. NPSR per equivalent discharge increased 8.8% overall or 4.6% on a same facility basis. Aside from the previously mentioned overall volume changes, NPSR was impacted by a reduction in Medicare and Medicaid payor mix and a slight increase in commercial and managed care payor mix. The System's acute case mix index for FY25 increased to 1.88 as compared to 1.83 in the prior year while the System expanded capacity and backfilled inpatient service volumes as other procedures continue to shift to outpatient settings. While reimbursement rates have provided limited mitigation to escalating costs over the last two fiscal years, recent managed care negotiations with commercial payors have yielded larger increases, improving NPSR rates. Contributing to the change in net revenue, Ascension also recognized its share of a one-time retrospective 340B settlement in the prior year.

For the year ended June 30, 2025, same facility other operating revenue increased \$409 million and increased

\$110 million overall. The primary drivers of the year-over-year increase were higher contracted service revenues for shared service support provided to certain entities recently divested from Ascension, increased joint venture income, primarily attributable to the new joint venture with HFHS, and continued same facility pharmacy services revenue growth. These increases in other operating revenue were partially offset by lower gains on sale of assets and reduced insurance plan revenue.

Total Operating Expenses

\$ in Billions



Total operating expenses decreased \$4.2 billion, or 14.1% during the year ended June 30, 2025 but increased \$30 million or 0.1% on a same facility basis, as compared to the prior year. Consistent with the overall healthcare provider industry, sustained inflationary pressures have contributed to expense growth in recent periods; however, economic improvement plans focused on cost containment have helped mitigate the inflationary impacts.

For the fiscal year ended June 30, 2025, Ascension reported a 0.6% reduction in same-facility cost per equivalent discharge compared to the prior year. This improvement was driven by operational efficiencies, particularly in labor initiatives.

As inflationary challenges persist across the healthcare industry, Ascension remains focused on advancing economic improvement initiatives that enhance operational efficiency and moderate expense growth, ensuring greater alignment with total operating revenue.

Total salaries, wages and benefits decreased \$2.1 billion, or 15.2%, for the year ended June 30, 2025, and decreased \$183 million or 1.5% on a same facility basis when adjusting for comparability associated with recent divestitures compared to the prior year. The primary factors contributing to the same facility decrease were Ascension's labor efficiency initiatives focused on stabilization of staffing and the workforce, resulting in reduced turnover rates across the System along with lower health insurance benefit expenses. The labor efficiency plans have also contributed to a reduction of agency staffing rates while managing agency utilization to volume demands within its Markets. Further demonstrating improved efficiency, when measured on a same facility basis, the System's average length of stay has improved 0.9% over the prior year while acuity has increased 1.6%. Ascension's 90 day nurse retention rates have improved over prior year, ending FY25 at over 88%.

Partially offsetting the decreases in salaries, wages and benefits, an average same facility hourly wage rate increase of approximately 1.1% from the prior year driven by market and other wage adjustments. Ascension remains committed to: 1) attracting, rewarding and retaining the best talent, 2) providing career growth and development, 3) ensuring a culture of inclusion, flexibility and transparency and 4) supporting the transformation of care delivery models for the future.

Total supply expense decreased \$619 million, or 14.9%, during the year ended June 30, 2025, as compared to the prior year. On a same facility basis, supplies increased \$92 million or 2.7% due primarily to increased high cost implant, surgical, procedural, and hemophilia volumes in select markets along with inflationary pricing pressures. These price pressures were moderated due to Ascension's economic improvement plan initiatives driving national contract supply savings and efforts from The Resource Group to mitigate supply chain disruptions in the current environment.

Additionally, for the year ended June 30, 2025, the System experienced decreases in total purchased services and other operating expenses of \$1.5 billion. On a same facility basis, both purchased services and remaining other operating expenses increased \$121 million or 1.2%. Same facility purchased services increased \$114 million, or 3.6%, as compared to the prior year driven primarily by the higher spending on dietary and environmental services, medical purchased services and clinical engineering services. Other operating expenses (including professional fees, insurance, provider tax, other operating expenses, and depreciation, amortization and interest) increased \$7 million, or approximately 0.1%, for FY25 on a same facility basis as compared to prior year. This slight increase was primarily driven by higher contracted service fees for specialty physicians, partially offset by a decline in claims-related expenses and insurance expense.

Investment Return

Substantially all the System's cash and investments are invested in a broadly diversified portfolio that is managed by Ascension Investment Management (AIM), a wholly owned subsidiary of Ascension.

Ascension's total net investment gains reported within Non-operating gains / (losses) for the fiscal year ended June 30, 2025 were \$1.8 billion, representing a \$816 million improvement from Ascension's comparable prior year investment income of \$1 billion.

Additionally, for FY25, Ascension also recognized \$93 million of investment gains associated with the Self-insurance trust fund, reported within Income / Loss from Operations as compared to \$110 million of investment gains for the prior year.

Financial Position

While temporarily impacted by the cybersecurity incidents, Ascension's balance sheet and liquidity levels remain strong, improving from the prior fiscal year end with sufficient liquidity to continue to provide care for patients. The following table reflects selected financial information on a consolidated basis.

	6/30/2025	6/30/2024
Current Assets	\$5,834	\$8,959
Long-Term Investments *	19,450	18,695
Property and Equipment	8,452	8,486
Other Assets	6,125	4,567
Total Assets	\$ 39,860	\$ 40,706

	6/30/2025	6/30/2024
Current Liabilities	\$6,256	\$7,157
Long-Term Liabilities	8,671	9,727
Total Liabilities	14,927	16,883
Net Assets	24,933	23,823
Total Liabilities and Net Assets	\$ 39,860	\$ 40,706

*Includes assets limited as to use and the noncontrolling interests of Investment Funds.

Financial Assets and Liquidity Resources

The System's cash and investment position remains strong and includes highly liquid investments. Net unrestricted cash and investments were \$15.5 billion at June 30, 2025, which were approximately 39% of the System's total assets. The System's days cash on hand were 228 days at June 30, 2025, an increase of 34 days since June 30, 2024. One of the largest contributors to changes in Ascension's cash and investment position is the collection of accounts receivable which were temporarily elevated by the impacts of the prior year cybersecurity incidents. Offsetting other

sources of cash, Ascension's cash position was reduced due to typical payments of accounts payable and accrued liabilities as well as capital spending and debt payments. Additional information impacting liquidity is further discussed in this section.

With the size and scale of the System, Ascension aims to maintain a combination of short-term liquidity facilities up to \$3 billion to provide enhanced liquidity resources as needed. As part of this strategy, Ascension continues to maintain a syndicated line of credit for general working capital purposes, totalling \$1.0 billion, which is committed through November 18, 2027. While there were borrowings under the line of credit in FY25 to support the System's liquidity needs, the line was undrawn at June 30, 2025.

Additionally, in August 2024, Ascension set up an additional \$500 million line of credit, which has a one-year term and was undrawn at June 30, 2025. In August 2025, subsequent to June 30, 2025, this line of credit was renewed and is committed through August 12, 2026.

The System also has access to up to a \$1 billion taxable commercial paper program and during FY25, Ascension received approximately \$1 billion from the issuance of commercial paper. The proceeds of the commercial paper issuance were used to repay outstanding balances on the lines of credit and a bank loan. Ascension has continued to pay off almost \$650 million of the commercial paper during FY25, leaving outstanding commercial paper of approximately \$369 million within Ascension's short-term liquidity facilities at June 30, 2025. In July 2025, subsequent to June 30, 2025, Ascension paid approximately \$319 million of its commercial paper balance.

Beginning in Q3 FY24 through Q1 FY25, Ascension received a total of approximately \$1.0 billion of advance payments from 1) Medicare and 2) other advance payment programs provided by certain commercial payers related to the disruptions from the cybersecurity incidents. The advance payments helped to mitigate the unfavorable cash flow impacts associated with the aforementioned cyber incidents as revenue cycle processes continue to ramp towards recovery. In accordance with the terms and conditions of the programs, recoupments began in FY24 with all payments being fully recouped prior to December 31, 2024.

Balance Sheet Ratios

	6/30/2025	6/30/2024
Days Cash on Hand	228	194
Net Days in Account Receivable [^]	51.3	78.4
Cash-to-Debt	255.5%	220.6%
Total Debt to Capitalization	22.0%	25.5%

[^] Net days in accounts receivable has been calculated to include certain accounts receivable balances that have been classified as assets held for sale within the Consolidated Balance Sheet.

Net days in accounts receivable were 51.3 at June 30, 2025, representing a 27 day decrease from the end of FY24. Net days in accounts receivable have trended downward to remain slightly elevated compared to net days in accounts receivable of approximately 47 days prior to the cybersecurity incidents that occurred in the second half of FY24. The increase in net days in accounts receivable late in the prior fiscal year is attributable to the cyber attacks noted above as Ascension has experienced temporary delays in billing for services provided along with receipt and posting of payments. As demonstrated above, Ascension has made meaningful progress on collections for the backlog of claims that developed due to the downtime from the cybersecurity incidents.

Community Impact

Delivering on its Mission, Ascension is investing in targeted initiatives to address health disparities, food insecurity, and transportation barriers, partnering with local organizations to provide critical resources for underserved populations. In Texas, Ascension Seton Medical Center launched the Compassion Closet, offering essential items to support mothers, newborns, and their families. In Indiana, the Ascension St. Vincent Anderson patient shuttle ensures that patients can access their medical appointments by providing reliable transportation – removing a key obstacle to continuity of care.

Ascension also implemented new programs in 2025 that combined innovation with direct community impact. A new digital nudge campaign uses text messages to prompt patients to address preventive care needs before primary care visits, helping close gaps, improve follow-through, and make clinician conversations more productive. The newly launched Clinical Innovation Institute is developing and

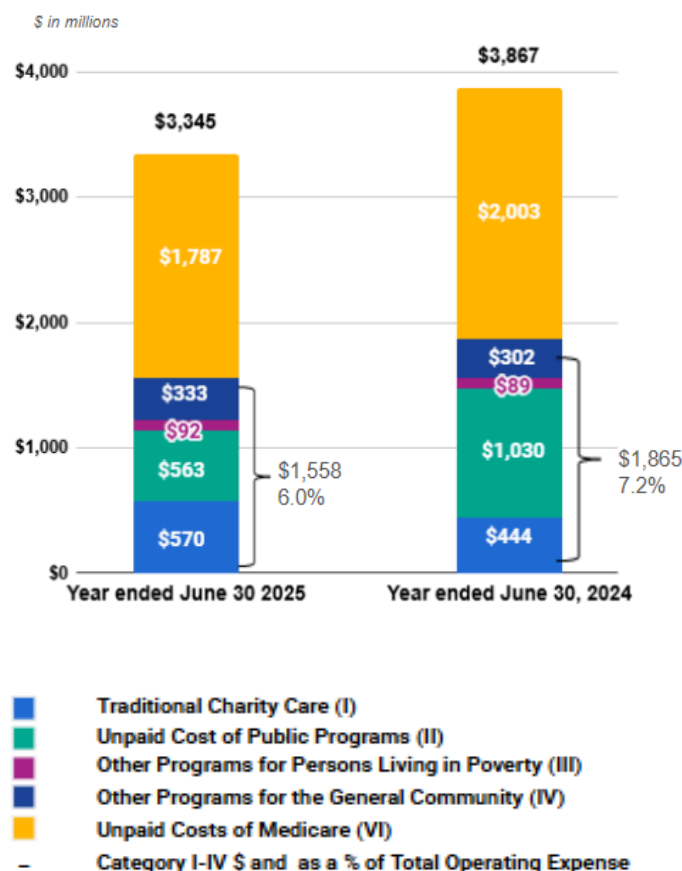
implementing technology solutions to improve outcomes, streamline workflows, and expand access to research.

As part of its ongoing commitment to meeting community needs, Ascension advanced initiatives to reduce barriers to health. In Nashville, Ascension Saint Thomas hosted the Medical Mission at Home, where more than 950 volunteers provided free medical, dental, vision, behavioral health, and pharmacy services to 860 uninsured and underinsured residents in a single day—part of a program that has served more than 25,000 Tennesseans since 2008. In June, Ascension Illinois partnered with the Greater Chicago Food Depository's mobile produce program to deliver fresh fruits and vegetables directly to neighborhoods, increasing access for residents facing food insecurity. These all serve as examples of Ascension's purpose to bring health, healing and hope to all.

Another measure of Ascension's impact in the community is the support of community benefit programs as further outlined below.

Care of Persons Living in Poverty and Community Benefit

(Same Facility Comparisons)



In fiscal year 2025, Ascension contributed approximately \$1.7 billion in total Care of Persons Living in Poverty and Other Community Benefit Programs, or nearly \$1.6 billion on a same-facility basis. This support included programs, charitable donations, health education, trauma services, and free care, addressing critical unmet needs across the communities it serves. In addition, Ascension reported almost a \$1.8 billion shortfall in Medicare reimbursement during FY25 on a same facility basis. Together, these efforts represent a total community benefit of approximately \$3.3 billion as reported on a same facility basis.

The System reported an increase in traditional charity care provided (Category 1) attributable to increased charity care in certain Markets. The System experienced a decrease in the same facility unpaid cost of public programs (Category II) as a result of increased supplemental funding tied to changes to state programs in a few Markets and lower Medicaid gross charges in certain Markets.