



Supplemental Financial Disclosures

1Q21 Earnings Release

Disclosures in this document are intended to supplement the financial information in Tenet's 1Q21 earnings release dated April 20, 2021. A copy of that earnings release (including non-GAAP disclosure information) is available via the Company's Investor Relations website at www.tenethealth.com.

Tenet Healthcare Corporation
Supplemental Financial Disclosures
1Q21 Earnings Release

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HOSPITAL OPERATIONS AND OTHER SEGMENT
Adjusted EBITDA and Margins; Same-Hospital Changes in Revenues and Volumes;
Same-Hospital Selected Operating Expenses
(Unaudited)

	1Q21	1Q20
Adjusted EBITDA and margins		
Adjusted EBITDA (including grant income)	\$434	\$342
Adjusted EBITDA margin (including grant income)	11.0%	8.9%
Changes in Revenues and Volumes ⁽¹⁾		
Facilities Net Patient Revenue versus the prior-year period	3.0%	(0.4)%
Revenue Per Adjusted Admission ⁽²⁾ versus the prior-year period	19.3%	4.7%
Inpatient Admissions versus the comparable period in 2019	(14.9)%	(4.5)%
Adjusted Admissions versus the comparable period in 2019	(17.9)%	(4.9)%
Hospital surgeries ⁽³⁾ versus the comparable period in 2019	(12.2)%	(6.9)%
Outpatient Visits ⁽⁴⁾ versus the comparable period in 2019	(16.9)%	(4.2)%
Emergency Room Visits — Inpatient versus the comparable period in 2019	(10.0)%	(2.3)%
Emergency Room Visits — Outpatient versus the comparable period in 2019	(30.8)%	(1.6)%
Select Operating Expenses ⁽¹⁾	1Q21	1Q20
Salaries, wages and benefits	\$1,857	\$1,846
Supplies	646	651
Other operating expenses	916	870
Total select operating expenses	\$3,419	\$3,367

Footnotes and other notations:

(1) On a same-hospital basis

(2) Revenue per adjusted admission growth after implicit price concessions/bad debt expense

(3) Includes inpatient and outpatient surgeries

(4) Includes emergency room outpatient visits

HOSPITAL OPERATIONS AND OTHER SEGMENT

Same-Hospital Selected Statistics ⁽¹⁾

(Unaudited)

Three Months Ended March 31,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	2019	2021 vs 2020 change	2021 vs 2019 change
Admissions and Surgeries					
Number of hospitals (at end of period)	65	65	65	—	—
Total admissions	147,674	165,735	173,470	(10.9)%	(14.9)%
Adjusted patient admissions	251,017	290,912	305,871	(13.7)%	(17.9)%
Admissions through emergency department	112,730	122,291	125,228	(7.8)%	(10.0)%
Paying admissions as a percentage of total admissions	94.0 %	94.0 %	94.3 %	— %	(0.3)%
Charity and uninsured admissions as a percentage of total admissions	6.0 %	6.0 %	5.7 %	— %	0.3 %
Emergency department admissions as a percentage of total admissions	76.3 %	73.8 %	72.2 %	2.5 %	4.1 %
Surgeries — inpatient	36,787	41,962	44,553	(12.3)%	(17.4)%
Surgeries — outpatient	53,177	53,390	57,896	(0.4)%	(8.2)%
Total surgeries	89,964	95,352	102,449	(5.7)%	(12.2)%
Average length of stay (days)	5.40	4.89	4.70	10.4 %	14.9 %
Licensed beds (at end of period)	17,178	17,219	17,221	(0.2)%	(0.2)%
Average licensed beds	17,178	17,218	17,221	(0.2)%	(0.2)%
Utilization of licensed beds	51.6 %	51.7 %	52.6 %	(0.1)%	(1.0)%
Outpatient Visits					
Total visits (includes Emergency department visits)	1,401,217	1,616,527	1,686,864	(13.3)%	(16.9)%
Emergency department visits	450,830	641,282	651,852	(29.7)%	(30.8)%
Paying visits as a percentage of total visits	93.6 %	92.8 %	93.5 %	0.8 %	0.1 %
Charity and uninsured visits as a percentage of total visits	6.4 %	7.2 %	6.5 %	(0.8)%	(0.1)%
Total Emergency department inpatient admissions and outpatient visits	563,560	763,573	777,080	(26.2)%	(27.5)%
Revenues and Operating Expenses					
Facilities net patient service revenues ⁽²⁾	\$ 3,647	\$ 3,542	\$ 3,557	3.0 %	
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,529	\$ 12,176	\$ 11,629	19.3 %	24.9 %
Select operating expenses ⁽³⁾	\$ 3,419	\$ 3,367	\$ 3,342	1.5 %	
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,614	\$ 11,574	\$ 10,921	17.6 %	24.7 %
Payer mix - net patient service revenues⁽²⁾:					
Medicare	18.8 %	19.9 %	21.0 %	(1.1)%	(2.2)%
Medicaid	7.1 %	7.9 %	8.8 %	(0.8)%	(1.7)%
Managed care ⁽⁴⁾	68.0 %	65.6 %	65.9 %	2.4 %	2.1 %
Uninsured	1.3 %	1.1 %	— %	0.2 %	1.3 %
Indemnity and other	4.8 %	5.5 %	4.3 %	(0.7)%	0.5 %

Footnotes and other notations:

(1) Information for our Hospital Operations and other segment is presented on a same-hospital basis; this includes revenues and related data for the 65 hospitals operated by the Company's Hospital segment continuously from January 1, 2020 through March 31, 2021 as well as data associated with hospital-affiliated outpatient centers. Net patient service revenues from physician practices are excluded.

(2) Less implicit price concessions/bad debt expense.

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

HOSPITAL OPERATIONS AND OTHER SEGMENT

Total-Hospital Selected Statistics⁽¹⁾

(Unaudited)

	Three Months Ended March 31,				
	2021	2020	2019	2021 vs 2020 change	2021 vs 2019 change
<i>(Dollars in millions except per adjusted admission amounts)</i>					
Admissions and Surgeries					
Number of hospitals (at end of period)	65	65	65	—	—
Total admissions	147,674	165,735	174,726	(10.9)%	(15.5)%
Adjusted patient admissions	251,017	290,912	308,133	(13.7)%	(18.5)%
Admissions through emergency department	112,730	122,291	126,079	(7.8)%	(10.6)%
Paying admissions as a percentage of total admissions	94.0 %	94.0 %	94.3 %	— %	(0.3)%
Charity and uninsured admissions as a percentage of total admissions	6.0 %	6.0 %	5.7 %	— %	0.3 %
Emergency department admissions as a percentage of total admissions	76.3 %	73.8 %	72.2 %	2.5 %	4.1 %
Surgeries — inpatient	36,787	41,962	44,795	(12.3)%	(17.9)%
Surgeries — outpatient	53,177	53,390	58,218	(0.4)%	(8.7)%
Total surgeries	89,964	95,352	103,013	(5.7)%	(12.7)%
Average length of stay (days)	5.40	4.89	4.70	10.4 %	14.9 %
Licensed beds (at end of period)	17,178	17,219	17,221	(0.2)%	(0.2)%
Average licensed beds	17,178	17,218	17,455	(0.2)%	(1.6)%
Utilization of licensed beds	51.6 %	51.7 %	52.3 %	(0.1)%	(0.7)%
Outpatient Visits					
Total visits (includes Emergency department visits)	1,401,217	1,616,527	1,714,392	(13.3)%	(18.3)%
Emergency department visits	450,830	641,282	657,449	(29.7)%	(31.4)%
Paying visits as a percentage of total visits	93.6 %	92.8 %	93.5 %	0.8 %	0.1 %
Charity and uninsured visits as a percentage of total visits	6.4 %	7.2 %	6.5 %	(0.8)%	(0.1)%
Total Emergency department inpatient admissions and outpatient visits	563,560	763,573	783,528	(26.2)%	(28.1)%
Revenues and Operating Expenses					
Facilities net patient service revenues ⁽²⁾	\$ 3,650	\$ 3,540	\$ 3,582	3.1 %	
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,541	\$ 12,169	\$ 11,625	19.5 %	25.1 %
Select operating expenses ⁽³⁾	\$ 3,419	\$ 3,358	\$ 3,373	1.8 %	
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,614	\$ 11,544	\$ 10,945	17.9 %	24.4 %
Payer mix - net patient service revenues⁽²⁾:					
Medicare	18.8 %	19.9 %	21.2 %	(1.1)%	(2.4)%
Medicaid	7.1 %	7.9 %	8.8 %	(0.8)%	(1.7)%
Managed care ⁽⁴⁾	68.0 %	65.6 %	65.7 %	2.4 %	2.3 %
Uninsured	1.3 %	1.1 %	— %	0.2 %	1.3 %
Indemnity and other	4.8 %	5.5 %	4.3 %	(0.7)%	0.5 %

Footnotes and other notations:

(1) Represents the consolidated results of Tenet's acute care hospitals and related outpatient facilities included in the Hospital Operations and other segment.

(2) Less implicit price concessions/bad debt expense

(3) Select operating expenses include salaries, wages and benefits, supplies and other operating expenses

(4) Includes commercial managed care as well as managed care Medicare and Medicaid

AMBULATORY CARE SEGMENT
Same-Facility System-Wide Changes in Revenues and Volumes
(Unaudited)

	1Q21	1Q20
Surgical (Ambulatory Surgical Centers & Surgical Hospitals) ⁽¹⁾		
Revenue change versus the prior-year period	6.7%	(1.6)%
Cases versus the comparable period in 2019	(6.5)%	(8.5)%
Cases versus the comparable period in 2020	1.9%	n/a
Revenue per case change versus the prior-year period	4.8%	7.6%
Non-Surgical (Imaging & Urgent Care)		
Revenue change versus the prior-year period	5.8%	(1.3)%
Visits versus the comparable period in 2019	3.9%	1.8%
Visits versus the comparable period in 2020	3.5%	n/a
Revenue per visit change versus the prior-year period	2.2%	(3.1)%
Ambulatory Segment Total		
Revenue change versus the prior-year period	6.7%	(1.5)%
Cases/visits versus the comparable period in 2019	(2.5)%	(4.3)%
Cases/visits versus the comparable period in 2020	2.6%	n/a
Revenue per case/visit versus the prior-year period	4.0%	2.9%

Footnote:

(1) Same-facility system-wide includes the results of both consolidated and unconsolidated facilities. Revenue growth and revenue per case growth is presented after implicit price concessions/bad debt expense. Prior-period amounts for acquired facilities are included in analyses of same-facility system-wide growth rates.

AMBULATORY CARE SEGMENT
Changes in Revenues, Adjusted EBITDA, Adjusted EBITDA less NCI
(Unaudited)

<i>(Dollars in millions)</i>	1Q21	1Q20
Net operating revenues	\$646	\$490
Growth in net operating revenues	31.8 %	2.1%
Equity in earnings of unconsolidated affiliates	\$38	\$26
Adjusted EBITDA	\$257	\$156
Growth in Adjusted EBITDA	64.7 %	(11.9)%
Adjusted EBITDA margin (including grant income)	39.8 %	31.8 %
Net income available to facility-level noncontrolling interests ⁽¹⁾	\$88	\$56
Adjusted EBITDA less facility-level NCI	\$169	\$100
Growth in Adjusted EBITDA less facility-level NCI	69.0 %	(10.7)%
Net income available to Baylor ⁽²⁾	\$4	\$1
Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	\$165	\$99
Growth in Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	66.7 %	(9.2)%

Footnotes:

- (1) Represents facility-level noncontrolling interest expense (NCI) prior to Tenet recording additional NCI expense related to the 5% ownership interest in USPI held by Baylor University Medical Center (Baylor).
- (2) The amount labeled as net income available to Baylor represents NCI related to Baylor's ownership interest in the USPI joint venture; neither Tenet nor USPI intend to make cash distributions to Baylor.

**AMBULATORY CARE SEGMENT
STATEMENTS OF OPERATIONS
GAAP and Unconsolidated Affiliates**
(Unaudited)

Three Months Ended March 31,

	2021		2020	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
<i>(Dollars in millions)</i>				
Net operating revenues⁽¹⁾	\$ 646	\$ 634	\$ 490	\$ 566
Grant income	7	26	—	—
Equity in earnings of unconsolidated affiliates⁽²⁾	38	—	26	—
Operating expenses:				
Salaries, wages and benefits	174	163	162	152
Supplies	157	172	112	151
Other operating expenses, net	103	131	86	126
Depreciation and amortization	25	21	19	20
Litigation and investigation costs	3	—	—	—
Impairment and restructuring charges, and acquisition-related costs	4	—	24	—
Net gains on sales, consolidation and deconsolidation of facilities	—	—	(11)	—
Operating income	225	173	124	117
Interest expense	(33)	(6)	(31)	(6)
Other non-operating income, net	—	1	4	—
Income from continuing operations, before income taxes	192	168	97	111
Income tax expense	(27)	(3)	(12)	(2)
Net income	165	\$ 165	85	\$ 109
Less: Net income available to noncontrolling interests	92		57	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 73		\$ 28	
Equity in earnings of unconsolidated affiliates		\$ 38		\$ 26

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 6.7% during the three months ended March 31, 2021, with cases decreasing 2.5% and revenue per case increasing 4.0%.
- (2) At March 31, 2021, 108 of the 399 facilities in the Company's Ambulatory segment were not consolidated based on the nature of the segment's joint venture relationships with physicians and prominent healthcare systems. Although revenues of the segment's unconsolidated facilities are not recorded as revenues by the Company, equity in earnings of unconsolidated affiliates is nonetheless a significant portion of the Company's overall earnings. To help analyze results of operations, management also uses system-wide operating measures such as system-wide revenue growth, which includes revenues of both consolidated and unconsolidated facilities. We control our remaining 291 facilities and account for these investments as consolidated subsidiaries.

**CONSOLIDATED
UNCOMPENSATED CARE TRENDS**
(Unaudited)

<i>(Dollars in millions)</i>	1Q21	1Q20
Net operating revenues	\$4,781	\$4,520
Bad debt expense and implicit price concessions	\$309	\$360
Charity Care write-offs	\$173	\$306
Uninsured discounts	\$1,267	\$1,094
Uncompensated Care ⁽¹⁾	\$1,749	\$1,760
Net operating revenues excluding Uncompensated Care	\$6,530	\$6,280
Uncompensated Care Percentage ⁽²⁾	26.8 %	28.0 %

Footnotes:

(1) Uncompensated Care equals the sum of: (a) Bad debt and implicit price concessions, (b) Charity Care Write-Offs, and (c) Uninsured Discounts.

(2) The Uncompensated Care Percentage equals uncompensated care as a percentage of net operating revenues excluding uncompensated care.