



Supplemental Financial Disclosures

Q3'21 Earnings Release

Disclosures in this document are intended to supplement the financial information in Tenet's Q3'21 earnings release dated October 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
Q3'21 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)

	Q3'21	Q3'20	YTD Q3'21	YTD Q3'20
Adjusted EBITDA and margins				
Adjusted EBITDA (including grant income)	\$496	\$240	\$1,379	\$1,074
Adjusted EBITDA margin (including grant income)	12.3%	6.3%	11.4%	10.0%
Changes in Same-Hospital Revenues and Volumes versus Prior-Year Period⁽¹⁾				
Net Patient Revenue	10.9%	(2.2)%	14.5%	(7.8)%
Revenue Per Adjusted Admission ⁽²⁾	6.2%	15.2%	10.9%	9.2%
Inpatient Admissions	2.6%	(11.0)%	1.1%	(12.0)%
Adjusted Admissions	4.4%	(15.0)%	3.2%	(15.6)%
Hospital surgeries ⁽³⁾	1.0%	(10.0)%	8.8%	(15.6)%
Outpatient Visits ⁽⁴⁾	15.3%	(19.2)%	18.1%	(23.1)%
Emergency Room Visits — Inpatient	6.3%	(6.6)%	4.8%	(9.5)%
Emergency Room Visits — Outpatient	29.3%	(25.2)%	6.8%	(21.5)%
Same-Hospital Select Operating Expenses⁽¹⁾	Q3'21	Q3'20	YTD Q3'21	YTD Q3'20
Salaries, wages and benefits	\$1,827	\$1,697	\$5,397	\$4,902
Supplies	638	613	1,885	1,722
Other operating expenses	850	818	2,513	2,384
Total select operating expenses	\$3,315	\$3,128	\$9,795	\$9,008

Footnotes and other notations:

(1) *Same-hospital revenues and statistical data* include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2019 through September 30, 2021. Amounts associated with physician practices are excluded. Prior-period same-hospital net patient service revenues and volume changes have been recast to reflect only the continuously operated facilities since January 1, 2019.

(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 September 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	60	60	—
Total admissions	140,491	136,895	2.6 %
Adjusted patient admissions	248,798	238,372	4.4 %
Admissions through emergency department	106,217	99,966	6.3 %
Paying admissions as a percentage of total admissions	94.4 %	94.5 %	(0.1)%
Charity and uninsured admissions as a percentage of total admissions	5.6 %	5.5 %	0.1 %
Emergency department admissions as a percentage of total admissions	75.6 %	73.0 %	2.6 %
Surgeries — inpatient	35,535	37,009	(4.0)%
Surgeries — outpatient	54,119	51,785	4.5 %
Total surgeries	89,654	88,794	1.0 %
Patient days — total	748,012	710,369	5.3 %
Adjusted patient days	1,301,989	1,198,744	8.6 %
Average length of stay (days)	5.32	5.19	2.5 %
Licensed beds (at end of period)	15,399	15,467	(0.4)%
Average licensed beds	15,399	15,467	(0.4)%
Utilization of licensed beds	52.8 %	49.9 %	2.9 %
Outpatient Visits			
Total visits (includes Emergency department visits)	1,360,953	1,180,516	15.3 %
Emergency department visits	567,260	438,772	29.3 %
Paying visits as a percentage of total visits	93.0 %	93.7 %	(0.7)%
Charity and uninsured visits as a percentage of total visits	7.0 %	6.3 %	0.7 %
Total Emergency department inpatient admissions and outpatient visits	673,477	538,738	25.0 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 3,599	\$ 3,246	10.9 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,466	\$ 13,617	6.2 %
Select operating expenses ⁽³⁾	\$ 3,315	\$ 3,128	6.0 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,327	\$ 13,118	1.6 %
Payer mix - net patient service revenues⁽²⁾:			
Medicare	16.7 %	19.3 %	(2.6)%
Medicaid	9.3 %	7.5 %	1.8 %
Managed care ⁽⁴⁾	68.8 %	67.0 %	1.8 %
Uninsured	0.9 %	1.1 %	(0.2)%
Indemnity and other	4.3 %	5.1 %	(0.8)%

Footnotes and other notations:

(1) Same-hospital revenues and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2019 through September 30, 2021. Amounts associated with physician practices are excluded. Prior-period same-hospital net patient service revenues and volume changes have been recast to reflect only the continuously operated facilities since January 1, 2019.

(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

Same-Hospital Selected Statistics ⁽¹⁾

(Unaudited)

Nine Months Ended September 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	60	60	—
Total admissions	413,942	409,382	1.1 %
Adjusted patient admissions	732,540	709,736	3.2 %
Admissions through emergency department	309,681	295,582	4.8 %
Paying admissions as a percentage of total admissions	94.6 %	94.4 %	0.2 %
Charity and uninsured admissions as a percentage of total admissions	5.4 %	5.6 %	(0.2)%
Emergency department admissions as a percentage of total admissions	74.8 %	72.2 %	2.6 %
Surgeries — inpatient	106,994	108,272	(1.2)%
Surgeries — outpatient	161,982	139,031	16.5 %
Total surgeries	268,976	247,303	8.8 %
Patient days — total	2,174,982	2,072,369	5.0 %
Adjusted patient days	3,762,149	3,481,388	8.1 %
Average length of stay (days)	5.25	5.06	3.8 %
Licensed beds (at end of period)	15,399	15,467	(0.4)%
Average licensed beds	15,401	15,451	(0.3)%
Utilization of licensed beds	51.7 %	49.0 %	2.7 %
Outpatient Visits			
Total visits (includes Emergency department visits)	4,008,056	3,392,446	18.1 %
Emergency department visits	1,502,651	1,406,380	6.8 %
Paying visits as a percentage of total visits	93.2 %	93.0 %	0.2 %
Charity and uninsured visits as a percentage of total visits	6.8 %	7.0 %	(0.2)%
Total Emergency department inpatient admissions and outpatient visits	1,812,332	1,701,962	6.5 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 10,498	\$ 9,170	14.5 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,331	\$ 12,920	10.9 %
Select operating expenses ⁽³⁾	\$ 9,795	\$ 9,008	8.7 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,370	\$ 12,690	5.4 %
Payer mix - net patient service revenues⁽²⁾:			
Medicare	18.3 %	20.3 %	(2.0)%
Medicaid	8.3 %	8.4 %	(0.1)%
Managed care ⁽⁴⁾	67.6 %	65.2 %	2.4 %
Uninsured	1.1 %	0.9 %	0.2 %
Indemnity and other	4.7 %	5.2 %	(0.5)%

Footnotes and other notations:

(1) Same-hospital revenues and statistical data include those for hospitals and hospital-affiliated outpatient centers operated by the Company's Hospital segment continuously from January 1, 2019 through September 30, 2021. Amounts associated with physician practices are excluded. Prior-period same-hospital net patient service revenues and volume changes have been recast to reflect only the continuously operated facilities since January 1, 2019.

(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 September 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	60	65	(5)
Total admissions	145,412	150,690	(3.5)%
Adjusted patient admissions	256,250	257,704	(0.6)%
Admissions through emergency department	110,675	112,131	(1.3)%
Paying admissions as a percentage of total admissions	94.2 %	93.8 %	0.4 %
Charity and uninsured admissions as a percentage of total admissions	5.8 %	6.2 %	(0.4)%
Emergency department admissions as a percentage of total admissions	76.1 %	74.4 %	1.7 %
Surgeries — inpatient	36,475	39,650	(8.0)%
Surgeries — outpatient	55,232	54,478	1.4 %
Total surgeries	91,707	94,128	(2.6)%
Patient days — total	770,175	784,013	(1.8)%
Adjusted patient days	1,335,610	1,302,605	2.5 %
Average length of stay (days)	5.30	5.20	1.9 %
Licensed beds (at end of period)	15,399	17,242	(10.7)%
Average licensed beds	15,987	17,242	(7.3)%
Utilization of licensed beds	52.4 %	49.4 %	3.0 %
Outpatient Visits			
Total visits (includes Emergency department visits)	1,523,726	1,402,346	8.7 %
Emergency department visits	578,734	463,836	24.8 %
Paying visits as a percentage of total visits	93.4 %	92.9 %	0.5 %
Charity and uninsured visits as a percentage of total visits	6.6 %	7.1 %	(0.5)%
Total Emergency department inpatient admissions and outpatient visits	689,409	575,967	19.7 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 3,711	\$ 3,508	5.8 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,482	\$ 13,613	6.4 %
Select operating expenses ⁽³⁾	\$ 3,422	\$ 3,373	1.5 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,359	\$ 13,087	2.1 %
Payer mix - net patient service revenues⁽²⁾:			
Medicare	16.6 %	18.9 %	(2.3)%
Medicaid	9.0 %	7.1 %	1.9 %
Managed care ⁽⁴⁾	69.2 %	67.7 %	1.5 %
Uninsured	0.9 %	1.4 %	(0.5)%
Indemnity and other	4.3 %	4.9 %	(0.6)%

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

HOSPITAL OPERATIONS AND OTHER SEGMENT

Total-Hospital Selected Statistics⁽¹⁾

(Unaudited)

Nine Months Ended September 30,

(Dollars in millions except per adjusted admission amounts)

	2021	2020	Change
Admissions and Surgeries			
Number of hospitals (at end of period)	60	65	(5)
Total admissions	446,405	451,323	(1.1)%
Adjusted patient admissions	781,091	769,775	1.5 %
Admissions through emergency department	338,316	332,615	1.7 %
Paying admissions as a percentage of total admissions	94.0 %	93.7 %	0.3 %
Charity and uninsured admissions as a percentage of total admissions	6.0 %	6.3 %	(0.3)%
Emergency department admissions as a percentage of total admissions	75.8 %	73.7 %	2.1 %
Surgeries — inpatient	113,336	116,585	(2.8)%
Surgeries — outpatient	169,358	146,617	15.5 %
Total surgeries	282,694	263,202	7.4 %
Patient days — total	2,324,667	2,282,375	1.9 %
Adjusted patient days	3,986,452	3,782,576	5.4 %
Average length of stay (days)	5.21	5.06	3.0 %
Licensed beds (at end of period)	15,399	17,242	(10.7)%
Average licensed beds	16,778	17,226	(2.6)%
Utilization of licensed beds	50.8 %	48.4 %	2.4 %
Outpatient Visits			
Total visits (includes Emergency department visits)	4,578,373	4,002,194	14.4 %
Emergency department visits	1,570,981	1,493,156	5.2 %
Paying visits as a percentage of total visits	93.4 %	92.7 %	0.7 %
Charity and uninsured visits as a percentage of total visits	6.6 %	7.3 %	(0.7)%
Total Emergency department inpatient admissions and outpatient visits	1,909,297	1,825,771	4.6 %
Revenues and Operating Expenses			
Net patient service revenues ⁽²⁾	\$ 11,143	\$ 9,877	12.8 %
Net patient service revenue ⁽²⁾ per adjusted patient admission	\$ 14,266	\$ 12,831	11.2 %
Select operating expenses ⁽³⁾	\$ 10,372	\$ 9,684	7.1 %
Select operating expenses ⁽³⁾ per adjusted patient admission	\$ 13,282	\$ 12,581	5.6 %
Payer mix - net patient service revenues⁽²⁾:			
Medicare	18.0 %	19.9 %	(1.9)%
Medicaid	7.9 %	8.0 %	(0.1)%
Managed care ⁽⁴⁾	68.1 %	66.0 %	2.1 %
Uninsured	1.3 %	1.1 %	0.2 %
Indemnity and other	4.7 %	5.0 %	(0.3)%

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 Revenues and Volumes

(Unaudited)

	Q3'21	Q3'20	YTD Q3'21	YTD Q3'20
Consolidated				
Facility counts at end of period	232	244	232	244
Same-facility cases ⁽¹⁾	295,026	272,644	851,929	697,583
Same-Facility System-Wide ⁽²⁾				
Revenue change versus the prior-year period	4.2%	6.3%	17.4%	(7.8)%
Change in cases versus the prior-year period	6.8%	(5.9)%	20.4%	(18.8)%
Revenue per case change versus the prior-year period	(2.5)%	13.0%	(2.5)%	13.6%

Footnotes:

(1) Same-facility cases reflect those associated with facilities consolidated by USPI, historical cases for facilities acquired and exclude any cases related to facilities deconsolidated or otherwise disposed of during the comparative periods. These statistics are intended as an indicator of growth in procedures at consolidated facilities, including historical cases for facilities acquired, and would not directly correlate to actual revenues for the related periods due to including historical cases for facilities before they were acquired.

(2) 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>	Q3'21	Q3'20	YTD Q3'21	YTD Q3'20
Net operating revenues	\$666	\$565	\$1,976	\$1,423
Growth in net operating revenues	17.9 %	8.2 %	38.9 %	(6.7)%
Equity in earnings of unconsolidated affiliates	\$43	\$41	\$130	\$102
Adjusted EBITDA	\$274	\$215	\$826	\$538
Growth in Adjusted EBITDA	27.4 %	3.9 %	53.5 %	(9.0)%
Adjusted EBITDA margin (including grant income)	41.1 %	38.1 %	41.8 %	37.8 %
Net income available to facility-level noncontrolling interests ⁽¹⁾	\$96	\$77	\$292	\$194
Adjusted EBITDA less facility-level NCI	\$178	\$138	\$534	\$344
Growth in Adjusted EBITDA less facility-level NCI	29.0 %	3.0 %	55.2 %	(9.0)%
Net income available to Baylor ⁽²⁾	\$5	\$3	\$14	\$6
Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	\$173	\$135	\$520	\$338
Growth in Adjusted EBITDA less NCI (after Baylor-related NCI) ⁽²⁾	28.1 %	3.8 %	53.8 %	(8.2)%

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 September 30,

	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⁾	\$ 666	\$ 720	\$ 565	\$ 697
Grant income	1	1	(9)	(13)
Equity in earnings of unconsolidated affiliates⁽²⁾	43	—	41	—
Operating expenses:				
Salaries, wages and benefits	169	181	157	167
Supplies	170	192	128	185
Other operating expenses, net	97	138	97	137
Depreciation and amortization	23	22	21	20
Litigation and investigation costs	3	—	2	—
Impairment and restructuring charges, and acquisition-related costs	1	—	2	—
Net losses (gains) on sales, consolidation and deconsolidation of facilities	1	1	(1)	—
Operating income	246	187	191	175
Interest expense	(31)	(6)	(33)	(6)
Other non-operating income (expense), net	1	(1)	5	—
Income from continuing operations, before income taxes	216	180	163	169
Income tax expense	(31)	(2)	(20)	(2)
Net income	185	\$ 178	143	\$ 167
Less: Net income available to noncontrolling interests	101		80	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 84		\$ 63	
Equity in earnings of unconsolidated affiliates		\$ 43		\$ 41

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 4.2% during the three months ended September 30, 2021, with cases increasing 6.8% and revenue per case decreasing (2.5)%.
- (2) At September 30, 2021, 110 of the 342 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 232 facilities and account for these investments as consolidated subsidiaries.

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

(Dollars in millions)

Nine Months Ended September 30,

	2021		2020	
	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates	Ambulatory Care as Reported Under GAAP	Unconsolidated Affiliates
Net operating revenues⁽¹⁾	\$ 1,976	\$ 2,065	\$ 1,423	\$ 1,731
Grant income	23	44	28	36
Equity in earnings of unconsolidated affiliates⁽²⁾	130	—	102	1
Operating expenses:				
Salaries, wages and benefits	512	517	438	443
Supplies	496	553	319	458
Other operating expenses, net	295	408	258	369
Depreciation and amortization	71	64	60	61
Litigation and investigation costs	9	—	(1)	—
Impairment and restructuring charges, and acquisition-related costs	9	—	33	—
Net losses (gains) on sales, consolidation and deconsolidation of facilities	(12)	1	(12)	—
Operating income	749	566	458	437
Interest expense	(96)	(18)	(95)	(17)
Other non-operating income, net	1	—	13	—
Income from continuing operations, before income taxes	654	548	376	420
Income tax expense	(99)	(8)	(47)	(6)
Net Income	555	\$ 540	329	\$ 414
Less: Net income available to noncontrolling interests	306		200	
Net income available to Tenet Healthcare Corporation common shareholders	\$ 249		\$ 129	
Equity in earnings of unconsolidated affiliates		\$ 130		\$ 102

Footnotes:

- (1) On a same-facility system-wide basis, net revenue in Tenet's Ambulatory Care segment increased 17.4% during the nine months ended September 30, 2021, with cases up 20.4% and revenue per case decreasing (2.5)%.
- (2) At September 30, 2021, 110 of the 342 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 232 facilities and account for these investments as consolidated subsidiaries.

**CONSOLIDATED
UNCOMPENSATED CARE TRENDS**
(Unaudited)

<i>(Dollars in millions)</i>	Q3'21	Q3'20	YTD Q3'21	YTD Q3'20
Net operating revenues	\$4,894	\$4,557	\$14,629	\$12,725
Bad debt expense and implicit price concessions	\$326	\$301	\$955	\$944
Charity Care write-offs	\$197	\$215	\$613	\$814
Uninsured discounts	\$1,313	\$1,134	\$3,857	\$3,143
Uncompensated Care ⁽¹⁾	\$1,836	\$1,650	\$5,425	\$4,901
Net operating revenues excluding Uncompensated Care	\$6,730	\$6,207	\$20,054	\$17,626
Uncompensated Care Percentage ⁽²⁾	27.3 %	26.6 %	27.1 %	27.8 %

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.