



**UNAUDITED QUARTERLY REPORT**  
**For the nine months ended September 30, 2025 and 2024**

November 14, 2025

Consolidated Financial Statements and Supplementary Information as of September 30, 2025  
and December 31, 2024 and for the nine months ended September 30, 2025 and 2024

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# **RWJ BARNABAS HEALTH, INC.**

## **Summary of Obligations under the Master Trust Indenture and Other Credit Arrangements**

September 30, 2025

### **Bond Obligations under the Master Trust Indenture**

New Jersey Health Care Facilities Financing Authority Revenue and Refunding Bonds:

- RWJ Barnabas Health Obligated Group Issue, Series 2024A
- RWJ Barnabas Health Obligated Group Issue, Series 2024B
- RWJ Barnabas Health Obligated Group Issue, Series 2021A
- RWJ Barnabas Health Obligated Group Issue, Series 2019A
- RWJ Barnabas Health Obligated Group Issue, Series 2019B-2 and 2019B-3
- RWJ Barnabas Health Obligated Group Issue, Series 2016A

Taxable/Other Debt:

- RWJ Barnabas Health Obligated Group Issue, Series 2019
- RWJ Barnabas Health Senior Secured Notes, Series A through D
- RWJ Barnabas Health Taxable Revenue Bonds, Series 2016

### **Other Credit Arrangements**

- Revolving line of credit agreement with JPMorgan Chase Bank, N.A. for the principal amount of \$100 million. The Corporation may request, and the lender at its discretion can approve, up to an additional \$50,000 of principal. No funds have been drawn down under such credit agreement. Includes a sublimit for letters of credit including the self-insured worker's compensation program. Secured under the Master Trust Indenture.
- Construction loans (combined with grants) from the New Jersey Economic Development Authority under its HUD-funded Energy Resilience Bank program for the construction of combined heating and power systems at each of Cooperman Barnabas Medical Center, Newark Beth Israel Medical Center, Robert Wood Johnson University Hospital Somerset, Jersey City Medical Center, and Trinitas Regional Medical Center, and related funding from PSE&G. The aggregate maximum availability of the loans is approximately \$22.6 million; approximately \$21.2 million has been drawn down under the loans.
- The Corporation established a self-liquidity backed commercial paper program which will serve as a source for interim liquidity needs. The program is authorized up to \$200 million. As September 30, 2025, there was no commercial paper outstanding.

**RWJ BARNABAS HEALTH, INC.**  
**LIQUIDITY SUMMARY**  
(In thousands)

<b>ASSETS</b>	<b>September 30, 2025</b>
<b>Same Day Liquidity</b>	
Deposit Accounts at A-1 rated Banks	\$ 100,316
US Government Securities and Agencies rated A-1 or better maturing under one year	148,404
Money Market Funds rated Am or better	173,738
<b>Next Day Liquidity</b>	
Investment Grade Debt not included above	667,946
<b>Identified Same Day and Next Day Liquidity <sup>(1)</sup></b>	<b>\$ 1,090,404</b>
<b>LIABILITIES (SELF LIQUIDITY DEBT)</b>	
Commercial Paper Notes <sup>(2)</sup>	\$ -
<b>Total Debt Subject to Self-Liquidity</b>	<b>\$ -</b>

<sup>(1)</sup> Total unrestricted cash and investments as of September 30, 2025 was \$5.3 billion. Certain of these investments are excluded from the above liquidity summary as they are not assets pledged for self-liquidity. The Corporation also has a \$100,000 credit facility in place which includes an accordion feature that allows the Corporation to increase the line by an additional \$50,000. The credit facility has an expiration date of March 27, 2026. As of September 30, 2025, \$6,817 of the credit facility was used in the form of standby letters of credit that provide liquidity support for the Corporation's self-insured workers' compensation and other programs. There was no cash drawn under the credit facility during the term.

<sup>(2)</sup> The Corporation established a self-liquidity backed commercial paper program which serves as a source for interim liquidity needs. The program is authorized up to \$200,000. As of September 30 2025, there was no commercial paper outstanding.

## RWJ BARNABAS HEALTH, INC.

System Overview  
September 30, 2025

Facility	Location	Licensed Beds
<b>Acute Care Hospitals:</b>		
Newark Beth Israel Medical Center	Newark	653 <sup>(1)</sup>
Community Medical Center	Toms River	617 <sup>(2)</sup>
Cooperman Barnabas Medical Center	Livingston	597
Robert Wood Johnson University Hospital, New Brunswick Campus	New Brunswick	614 <sup>(3)</sup>
Robert Wood Johnson University Hospital, Somerset Campus	Somerville	343
Monmouth Medical Center	Long Branch	514 <sup>(4)</sup>
Monmouth Medical Center, Southern Campus	Lakewood	241 <sup>(5)</sup>
Clara Maass Medical Center	Belleville	472
Jersey City Medical Center	Jersey City	352
Robert Wood Johnson University Hospital Rahway	Rahway	213
Robert Wood Johnson University Hospital at Hamilton	Hamilton	248
Trinitas Regional Medical Center	Elizabeth	553 <sup>(6)</sup>
<b>Total Acute Care Beds</b>		<b>5,417</b>
<b>Transitional Care Beds:</b>		
Children's Specialized Hospital	New Brunswick	158 <sup>(7)</sup>
Community Medical Center Transitional Care Unit	Toms River	25 <sup>(2)</sup>
TRMC Hospital-based Long Term Care Facility	Elizabeth	124 <sup>(6)</sup>
<b>Total Transitional Care Beds</b>		<b>307</b>
<b>Specialty Hospitals:</b>		
The Children's Hospital of NJ at Newark Beth Israel Medical Center	Newark	156 <sup>(1)</sup>
Barnabas Health Behavioral Health Center	Toms River	100 <sup>(5)</sup>
The Bristol-Myers Squibb Children's Hospital at Robert Wood Johnson University Hospital	New Brunswick	79 <sup>(3)</sup>
The Unterberg Children's Hospital at Monmouth Medical Center	Long Branch	70 <sup>(4)</sup>
<b>Total Specialty Hospital Beds</b>		<b>405</b>

- (1) Newark Beth Israel Medical Center is licensed for 653 beds, 156 of which are licensed for Children's Hospital of New Jersey at Newark Beth Israel Medical Center. For presentation purposes, these 156 beds are included in the licensed bed complement for both Newark Beth Israel Medical Center and its designated Children's Hospital.
- (2) For presentation purposes, the 25 Transitional Care beds located at the general acute care hospital are included in the licensed bed complement for Community Medical Center.
- (3) Robert Wood Johnson University Hospital is licensed for 614 beds, 79 of which are licensed for The Bristol-Myers Squibb Children's Hospital. For presentation purposes, these 79 beds are included in the licensed bed complement for both Robert Wood Johnson University Hospital and its designated Children's Hospital. Robert Wood Johnson University Hospital has been granted temporary approval from the Department of Health to operate an additional 26 neonatal bassinets not included in the count.
- (4) Monmouth Medical Center is licensed for 514 beds, 70 of which are licensed for The Unterberg Children's Hospital at Monmouth Medical Center. For presentation purposes, these 70 beds are included in the licensed bed complement for both Monmouth Medical Center and its designated Children's Hospital.
- (5) Monmouth Medical Center, Southern Campus is licensed for 241 beds, 60 of which are psychiatric beds located at Barnabas Health Behavioral Health Center. For presentation purposes, these 60 beds are included in the licensed bed complements of both Monmouth Medical Center, Southern Campus combined with the 40 beds licensed to Barnabas Health Behavioral Health Center.
- (6) Trinitas Regional Medical Center is licensed for 553 beds, 124 of which are long term and sub acute care. For presentation purposes, these 124 beds are included in the licensed bed complement of Trinitas Regional Medical Center.
- (7) These licensed beds represent pediatric long term care and rehabilitation beds. Children's Specialized Hospital operates at multiple locations in New Jersey, including the long term care beds in Mountainside and Toms River, New Jersey.

**RWJ BARNABAS HEALTH, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Dollars in thousands)

***Our Organization***

RWJ Barnabas Health, Inc. (RWJBH or the Corporation) is a New Jersey not-for-profit corporation exempt from federal and state income taxes. RWJBH operates 12 acute care facilities in eight counties throughout New Jersey and is the sole corporate member of many other affiliates, primarily not-for-profit corporations. As the state's largest and most comprehensive academic health system, we care for more than three million patients with over five million encounters across seven hundred patient care locations each year. Our 45,000 members and 9,000 physicians are committed to providing the highest quality of patient care, training the next generation of health care providers and, through our partnership with Rutgers, The State University of New Jersey (Rutgers) we continue to advance clinical research and cutting-edge therapies.

RWJBH provides an array of health care services, many of which are regionally and nationally recognized. RWJBH is deeply committed to the vulnerable population, and we play a vital role as part of New Jersey's safety net. RWJBH is, by two times, the state's largest provider of medical care to those who cannot afford to pay and to beneficiaries of the Medicaid program.

***RWJBarnabas Health's Mission, Vision, and Values***

RWJBH is one system, one family committed to being the best place to deliver excellent care. We deliver clinical excellence with care and compassion and honor and appreciate the privilege of creating and sustaining healthier communities, one person and one community at a time. We acknowledge the contributions of our team members and support each other in achieving our greatest potential.

Working together, our patients and families will always receive coordinated and equitable care, without compromise. We will challenge ourselves to collaborate and bring together our collective knowledge and talent to achieve world-class outcomes. We will celebrate our diversity and approach each day with a spirit of possibility and optimism.

At the core of the RWJBH mission is the evolution of the enterprise from a "health care" company to an organization dedicated to health – "Let's Be Healthy Together." Our Mission, Vision and Values statements were created to drive the enterprise forward.

**Our Mission**

We are an academic health system, partnering with our communities to build and sustain a healthier New Jersey.

**Our Vision**

RWJBH will be the premier health care destination providing patient-centered, high-quality academic medicine in a compassionate and equitable manner, while delivering a best-in-class work experience to every member of the team.

### **Our Values**

***Accountability:*** An acceptance of responsibility for honest and ethical conduct towards others.

***Compassion:*** Sympathetic concern for the sufferings or misfortunes of others.

***Curiosity:*** A strong desire to know or learn something.

***Empathy:*** The ability to understand and share the feelings of another.

***Excellence:*** The quality of being outstanding or extremely good.

***Kindness:*** The quality of being friendly, generous and considerate.

***Respect:*** A feeling of deep admiration for someone or something elicited by their abilities, qualities or achievements.

***Teamwork:*** The combined action of a group of people, especially when effective and efficient.

### ***Affiliation with Rutgers, the State University of New Jersey - Realizing our Academic Vision***

Through its transformative relationship with Rutgers, including Rutgers' two medical schools and schools of nursing, dentistry, pharmacy, allied health professions, public health and biomedical sciences, the Corporation has dedicated more than \$1 billion to increase access to groundbreaking clinical trials and innovative medical care. Through the execution of a Master Affiliation Agreement (MAA) in 2018, RWJBH and Rutgers aligned in their mutual support of the educational, research, and clinical missions of an academic health system. RWJBH works with Rutgers' Robert Wood Johnson Medical School (RWJMS) and New Jersey Medical School to train and educate more than 1,600 medical residents, interns, and fellows throughout the Corporation's hospitals each year, who will become the healthcare providers that will take care of the next generation.

The affiliation also includes the Cancer Institute of New Jersey (CINJ) and the Rutgers Institute for Translational Medicine and Science, a recipient of the National Institute of Health's Clinical Translational Science Award distinguishing the partnership as only one of a small group of institutions with access to clinical studies in both oncology and non-oncology.

### ***Key Service Lines***

RWJBH occupies the top, or near top, spot in State-wide markets in essentially all major service lines including behavioral health, cardiovascular, oncology, neurosciences, orthopedics, primary care, and women and children's services (as measured by a percentage of inpatient admissions using the most currently available data). The Corporation provides a full continuum of care through its hospitals, controlled affiliates and joint venture partners and its strategy is to integrate patient experience across care locations using a service line approach. Each major service line has a dyad partnership with a clinical and an operational leader working together, designed to ensure the patient's journey is connected from physician offices to ambulatory facilities and acute care hospitals. Below are highlights of two of our key service lines.

#### **Oncology Service Line**

The centerpiece of RWJBH's Oncology service line is Rutgers CINJ. CINJ is one of a small group of comprehensive cancer centers in the U.S. designated by the National Cancer Institute and the only one in the State. The National Cancer Institute's Comprehensive Cancer Center designation is competitively awarded to centers characterized by their scientific leadership, resources, and a track record of research discoveries in basic, clinical, and population-based science. Designated centers must meet rigorous

## **MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**

### **Period ended September 30, 2025**

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criteria in the areas of clinical care, research, prevention, and education, as well as demonstrate a substantial transdisciplinary approach that integrates each discipline-specific scientific area into one coordinated and comprehensive effort in the fight against cancer.

The service line integrates CINJ with all RWJBH programs to form the leading provider of cancer services in New Jersey, treating more than 11,000 new patients each year. The Oncology service line promotes adherence to evidenced based clinical pathways at all care locations through a common clinical information system and integrated clinical leadership. The service line operates a call center and navigation program allowing patients to access locally based programs for routine treatment and connectivity to a network of sub-specialist and researchers providing access to advanced care. The service line is dedicated to research and education with a statewide clinical trials network and fifteen fellowship programs and is focused on promoting patient access with programs like Screen NJ that brings services to vulnerable populations. In November 2025, CINJ and RWJBH announced landmark data showing long-term complete response of T Cell therapies for HPV-related cancers which was recently presented at the Society for Immunotherapy of Cancer (SITC) Annual Meeting. These findings from two HPV-related cancer studies highlight the potential of novel T cell therapies to achieve long-lasting remission and complete tumor regression in patients with advanced HPV-related cancers.

The partnership with CINJ creates a unique platform for recruitment of leading physicians and researchers. The program's approach includes partnering with physicians to identify care gaps, create alignment models, improve access and outcomes, and bring leading-edge technology to the community. As part of its strategic plan for oncology care in New Jersey, RWJBH is making significant investments in cancer facilities, technology, and physician recruitment across multiple markets. Most notable in the plans for expansion of cancer treatment, education and research is the Jack and Sheryl Morris Cancer Center in New Brunswick, which is New Jersey's first freestanding cancer hospital. This premier facility opened May 13, 2025. This facility, along with the Melchiorre Cancer Center at Cooperman Barnabas Medical Center (CBMC), slated to open in the first quarter of 2026, and the Vogel Medical Campus Specialty and Cancer Care Center at Monmouth Medical Center (MMC), slated to open in the first quarter of 2027, is designed to bring "world class" cancer care close to the communities served by the Corporation.

### **Cardiovascular Service Line**

RWJBH has been at the forefront of heart and vascular innovation, pioneering advanced techniques that have reshaped the field. Recognized nationally for excellence in cardiovascular care, the Heart and Vascular service line exemplifies an integrated, system-wide approach to managing cardiovascular health. The service line spans 12 acute care hospitals, 100 ambulatory sites and includes more than 30 cardiac catheterization labs with a wide range of diagnostic and imaging technologies. With more than 500 cardiologists, vascular surgeons, and cardiac surgeons, RWJBH is New Jersey's leading provider of cardiovascular care and supports one of the nation's largest cardiac amyloidosis programs.

The Heart and Vascular service line is home to New Jersey's only heart transplant program and one of the top ten programs in the nation. RWJBH operates two transplant centers in Newark and New Brunswick that have collectively performed more than 1,450 heart transplants. These centers are also leaders in heart failure interventions, including the use of left ventricular assist devices (LVADs) and remote monitoring for high-risk patients. RWJBH's four cardiac surgical centers—CBMC, Robert Wood Johnson University Hospital (RWJUH), Newark Beth Israel Medical Center (NBIMC), and Jersey City Medical Center (JCMC)—are each recognized for excellence in cardiac surgery and collectively perform the most cardiac surgeries in New Jersey.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**

### **Period ended September 30, 2025**

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The structural heart program at RWJBH is also the largest in the region, leading in minimally invasive valve repair and stroke-risk reduction through left atrial appendage occlusion. These accomplishments reflect a sustained commitment to clinical excellence, innovation, and collaboration.

In partnership with RWJMS, RWJBH trains future cardiovascular specialists, supporting more than 75 fellows across cardiology, cardiac surgery, and vascular surgery programs. The service line also leads the state in cardiovascular research, producing more than 300 publications annually. Its innovation ecosystem – developed in collaboration with Rutgers and SciTech Scity – unites engineers, imagers, and clinicians to advance artificial intelligence, imaging, and digital health technologies. RWJBH's internationally recognized investigators rank among the top 1% of U.S. physicians and receive support from the National Heart, Lung, and Blood Institute, the National Science Foundation, and industry partners. Recent advances include wrist-worn sensors for early detection of myocardial infarction, pocket ultrasound devices to reduce heart failure hospitalizations, and AI-driven ECG models for diagnosing structural heart diseases.

These innovations underscore RWJBH's strategic focus on technology driven, patient-centered care. The implementation of the Epic electronic medical record system has significantly improved clinical decision-making, patient safety, and care coordination. Initiatives such as automated alerts in critical care settings have reduced complications and improved outcomes.

RWJBH's Heart and Vascular service line exemplifies excellence in clinical care, innovation, research, and community impact, making it an essential pillar of New Jersey's health and wellbeing. In 2024, the service line provided charity care to more than 10,000 patients, underscoring RWJBH's mission to serve all communities with excellence and compassion.

### ***Outpatient Strategy***

RWJBH continues to diversify and focus on building and expanding outpatient and ambulatory centers to provide accessible, coordinated care closer to patients' homes. RWJBH emphasizes integrating physician offices, ambulatory sites, and hospitals under a full continuum of care. The Corporation has been investing in new multi-specialty ambulatory hubs with the goal of centralizing services in convenient, community-based locations.

In March 2025, RWJBH opened a 15-story Ambulatory Medical Pavilion in New Brunswick. The facility uses the latest in medical space design and construction to optimize patient comfort and maximize efficiency for the medical teams. Specialties and services include an audiology center, treatment of ear, nose and throat conditions, cardiology and cardiac and vascular surgery treatment services, a colorectal center, gastroenterology multispecialty clinic, neurology and neurophysiology and stroke centers, plastics and reconstructive surgery and a speech pathology center. The facility is located on the RWJUH campus and houses specialists from Rutgers Health.

In September 2025, RWJBH opened a new, multi-specialty ambulatory care facility in Old Bridge. Residents from Old Bridge and surrounding communities have access to multi-specialty services in a 72,000-square-foot, three-story building, staffed with providers from RWJBarnabas Health Medical Group, Rutgers Health, and Family First Urgent Care. These services include family first urgent care, heart and vascular services, GI/digestive health, general surgery, endocrinology, neurosciences, and primary care.

### ***Staffing***

The Corporation is facing industry-wide shortages in certain clinical specialties, leading to higher labor costs and increased investments in employee retention programs. Recognizing that success hinges on the dedication of its employees, including nurses and physicians, the Corporation is committed to investing in

## **MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**

### **Period ended September 30, 2025**

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its workforce. With rising healthcare demand both statewide and nationally, nurses are particularly in high demand but short supply. To address this, RWJBH has refined its hiring processes to quickly attract top nursing talent and stabilize its workforce. This includes nurse retention initiatives focused on professional development through enhanced tuition assistance, flexible work schedules for better work/life balance, and offering retention and sign-on bonuses. Additionally, the Corporation has improved its benefit plans, increasing employer contributions to retirement plans and standardizing paid time off to remain competitive. A new market-leading parental leave benefit has also been introduced. These improvements fall under the Corporation's Total Wellbeing Promise, enhancing its brand competitiveness and employment package. The strategy aims to maintain a top-tier position in a competitive compensation market and remain a leader in the communities served.

### ***Union Labor Force***

On December 15, 2023, the United Steel Workers Local 4-200 (USW) at RWJUH ratified a new, three-year collective bargaining contract. During 2024, the Corporation also concluded successful negotiations with the registered nurses at CBMC, represented by the New Jersey Nurses Union CWA Local 1091, without work stoppages. The current contract expires in November 2026. Additionally, JCMC negotiated a two-year agreement with the United Nurses Organization, which expires January 31, 2026.

### ***RWJBarnabas Health School of Nursing***

Earlier this year, RWJBH announced the renaming of RWJBarnabas Health Trinitas School of Nursing in Elizabeth, New Jersey to RWJBarnabas Health School of Nursing (School of Nursing) in support of an expansion to a second location in Oceanport New Jersey. The nursing program currently offered in Elizabeth, through a partnership with Union College of Union County, will continue at the School of Nursing. The Registered Nurse program will now be offered at both locations while the LPN to RN program will continue to be offered at the Elizabeth location.

The new Oceanport campus, located at Fort Monmouth, officially opened on October 7, 2025, and is a state-of-the-art facility offering experienced faculty and hands-on training opportunities while allowing RWJBH to provide greater educational opportunities to more students – particularly those in the Corporation's southern region. This is a significant milestone that reflects RWJBH's continuing commitment to excellence in nursing education and to educating and empowering the next generation of compassionate, skilled nurses throughout New Jersey. This expansion will proactively address the growing nursing shortage and will provide a pipeline of skilled nurses to RWJBH and to the State.

### ***Social Initiatives***

RWJBH continues to address New Jersey's most pressing social determinants of health by implementing programs and infrastructure aimed at expanding access to care and improving community health beyond traditional medical care. The Corporation's community investment includes the following:

- Fighting food insecurity through increased access to healthy food and nutrition education. These initiatives include Harvest: A Farm to Community Center in Newark which is an 8,000-square-foot food hub; Chef's Brigade in Newark which embeds seven chefs across 71 Newark public schools to nutritionally enhance meals and provide staff training; and Food Farmacies in Middlesex, Hudson, and Essex counties that provide healthy food pantries and nutrition counseling.
- Increased and improved access to health care through the Community Health Worker (CHW) Program in eight counties of New Jersey. CHW's follow patients for a minimum of 120 days to assist

## MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.

### Period ended September 30, 2025

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community members and ensure access to care through assistance with appointments, transportation, food, housing resources and more. Other initiatives also include the Essex County Pediatric Mobile Health Clinic, cost-free transportation, Federally Qualified Health Centers, Newark Alliance Intensive Mobile Health Team and University Hospital Partnership.

- As an anchor institution, RWJBH works with local vendors throughout nine counties to promote economic growth in the communities we serve. RWJBH creates jobs and career paths inside and outside the Corporation for members of our local communities. RWJBH supports the Newark Asset Building Coalition and the United Way of Greater Newark in their efforts to address poverty in Newark. The Corporation continues to support Asset Limited Income Constrained, Employed (ALICE) neighborhoods through employment and training opportunities.

### *Credit Ratings*

In July 2025, S&P affirmed its AA- long-term rating with a stable outlook. S&P notes that “the rating reflects the broad geographic coverage in northeastern New Jersey as one of the leading healthcare systems in the state. The stable outlook reflects the strengthening and increasingly diverse enterprise profile spurred by clinical growth, mergers, joint ventures, and the academic affiliation with Rutgers University.” S&P has also assigned an A-1+ rating for the short-term liquidity program, the highest rating that could be assigned.

In August 2025, Moody's affirmed its A1 credit rating with a stable outlook. The A1 affirmation reflects “the Corporation's extensive statewide coverage, academic partnership with Rutgers University, and status as New Jersey's only NCI-designated cancer center—key differentiators in competitive markets.” Simultaneously, Moody's affirmed its P-1 short-term liquidity rating, the highest rating that could be assigned. This rating “reflects the long-term A1 rating, the organization's strong treasury management, sufficiency of assets, and adequacy of the notification and liquidation procedures of the program that allow for repayment of notes upon maturity or failed remarketing.”

### *Epic Implementation*

In order to accomplish the goals of its strategic plan, the Corporation recognized the need to strengthen its core competencies in technology, analytics, and innovation by establishing a unified operating model to drive standardization, continuous quality improvement and cost reductions across the entire system. A key component of this was to deploy an integrated Electronic Health Record with supporting revenue cycle, data analytics and consumer-facing digital capabilities. After a thorough review of the marketplace, the Epic suite of products was chosen to achieve these goals.

The launch of this sweeping initiative, “Epic Together,” formally commenced on January 29, 2020 with simultaneous kick-off events held throughout RWJBH and across key Rutgers campuses. In order to build the Epic system, 3,330 subject matter experts, nurses, physicians, pharmacists, medical school staff at Rutgers and a myriad of other stakeholders throughout the Corporation were identified and assembled into 62 discipline-specific workgroups and councils.

On September 28, 2024, the Corporation completed the final wave of the Epic Together project with the activation of TRMC, CSH and University Behavioral Health Center at Rutgers. The goal that was set in March 2019, to have one unified electronic health record throughout the health system, has been completed.

**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

Over the course of our Epic journey, RWJBH achieved Epic Gold Star Level 10 for a third consecutive year placing the Corporation in the top 1% of all Epic customers in the world. In addition, RWJBH earned 11 out of 19 possible gold, silver and bronze awards from The Epic Trophies Program in revenue-based categories such as Hospital Billing, Professional Billing, Claims Denial and Automation, placing us in the top 5% for revenue cycle of Epic customers worldwide. The Corporation continues to enhance its use of Epic and has completed more than 13,000 optimizations over the course of the project.

***Awards and Distinctions***

RWJBH is the largest, most comprehensive academic health care system in New Jersey, having received many national and regional recognitions, including:

OVERALL	
	<p>RWJBH was again named to the GHX Millennium Club, which recognizes healthcare provider and supplier organizations that generate more than one million automated transactions annually through the GHX Exchange.</p>
	<p>In 2024, RWJBH facilities were recognized as “Leaders in LGBTQ Healthcare Equality” by the Human Rights Campaign Foundation – the educational arm of America’s largest civil rights organization – recognizing healthcare institutions that are leaders in efforts to offer equitable care to LGBTQ+ patients by evaluating inclusive policies and practices related to LGBTQ patients, visitors and employees.</p>
	<p>Thirteen RWJBH facilities were named to CHIME Healthcare’s 2024 Most Wired – 10 of which were awarded highest-possible designation, Level Ten – for their use of information technology to better the patient experience. Facilities earning Level Ten honors were Clara Maass Medical Center, CBMC, JCMC, MMC, Monmouth Medical Center Southern Campus (MMCSC), NBIMC, RWJUH, Robert Wood Johnson University Hospital Hamilton (RWJUH Hamilton) and Robert Wood Johnson University Hospital Somerset (RWJUH Somerset). RWJBH Ambulatory Care Center, Trinitas Regional Medical Center (TRMC) and the RWJBH Medical Group were awarded Level Nine designations, while Children’s Specialized Hospital (CSH) earned Level Six honors. TRMC also received special recognition for having the most improved score overall.</p>

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**





QUALITY	
	<p>Several practices within the RWJBH Medical Group and Rutgers received the National Committee for Quality Assurance Patient-Centered Medical Home Recognition, which emphasizes the use of systematic, patient-centered, coordinated care that supports access, communication and patient involvement.</p>
	<p>Numerous facilities received the Gold Seal of Approval by the Joint Commission for various programs including joint replacement; disease-specific certifications in Health Care Equity, hip fracture, Ventricular Assist Device (VAD), spine surgery, acute coronary syndrome, cardiac rehabilitation, and heart failure; advanced certification in palliative care, bariatric surgery, and stroke program.</p>
	<p>RWJBH children's hospitals were named among the nation's Best Children's Hospitals for 2025-2026 by U.S. News &amp; World Report for urology for the third consecutive year. The Urology ranking recognizes a four-hospital practice that is based at BMSCH but that also provides care at three other RWJBH hospitals – with Children's Hospital of New Jersey at NBIMC, McMullen Children's Center at CBMC, and Unterberg Children's Hospital at MMC. Additionally, BMSCH was ranked #2 in NJ and #15 in the Mid-Atlantic Region. The Bristol-Myers Squibb Children's Hospital for 2024 – 2025 at RWJUH (BMSCH) ranked #34 nationally for orthopedics.</p>
	<p>Healthgrades named CBMC and RWJUH Somerset among America's 250 Best Hospitals for 2025. The achievement reflects the hospitals' unwavering commitment to exceptional patient care and ranks them in the top 5% of hospitals nationwide for overall clinical performance. CBMC ranked first in New Jersey and among the top 5% in the nation for both Cardiology and Cardiac Care and third in the state for Pulmonary Care and Gastrointestinal Surgery. RWJUH Somerset ranked second in New Jersey for both Gastrointestinal Surgery and Medical, and third for Cardiology and GI Care.</p>



**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

	<p>In the U.S. News &amp; World Report 2025-2026 Best Hospitals edition, RWJUH and CBMC were both recognized as Best Regional Hospitals ranking in the top ten in NJ and in the top 25 in the Mid-Atlantic Region. RWJUH was ranked #4 in NJ and #17 in the region while CBMC was ranked #8 in NJ and #23 in the region. RWJUH and RWJUH Somerset each received High Performing Specialty awards. RWJUH achieved two new High Performing Specialty awards for Orthopedics and Urology, and, in partnership with CINJ, earned another High Performing Specialty rating for Cancer. RWJUH Somerset also achieved a High Performing Specialty rating for Orthopedics.</p> <p>Seven RWJBH hospitals including CBMC, Community Medical Center (CMC), JCMC, MMC, NBIMC, RWJUH and RWJUH Somerset were each recognized as High Performing for Common Adult Procedures and Conditions</p> <p>Six RWJBH facilities have been recognized among the 2024 – 2025 Best Hospitals for Maternity Care, including CMC, MMC, NBIMC, RWJUH, RWJUH Somerset and TRMC. The prestigious list identifies hospitals that provide high-quality maternity care for uncomplicated pregnancies.</p>
	<p>In November 2025, seven RWJBH facilities were awarded “A” for a Hospital Safety Score including CMC, MMC, MMCSC, RWJUH Hamilton, Robert Wood Johnson University Hospital Rahway (RWJUH Rahway), RWJUH Somerset and TRMC. It was RWJUH Rahway’s ninth straight A rating and the sixth consecutive award for both CMC and MMCSC.</p>
	<p>In 2025, RWJBH was awarded with two Human Experience (HX) Awards from Press Ganey, the global leader in healthcare experience solutions and services. RWJUH has been honored with the HX NDNQI® Award for Outstanding Nursing Quality® and is one of just seven academic medical centers in the country to be honored by Press Ganey for outstanding nursing quality and fostering a culture rooted in improving patient safety and care. CBMC’s NICU has been honored with HX Pinnacle of Excellence Award.</p>

**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**




	<p>Six RWJBH facilities have achieved Magnet recognition for excellence in nursing. RWJUH received this recognition six consecutive times – making it one of only seven institutions globally to achieve this distinction. In 2024, MMC became the first hospital in New Jersey and the 11th in the country to earn Magnet with Distinction.</p>
	<p>CSH has been recognized on Newsweek’s 2026 list of World’s Best Specialized Hospitals for the fifth consecutive year. MMC and RWJUH have also been included in Newsweek’s list of America’s Best-In-State Hospitals for 2026. In 2025, MMC was named by Newsweek as one of the World’s Best Hospitals for the fourth consecutive year. In addition, RWJUH also received Newsweek America’s Best award for Ambulatory Surgery Centers in New Jersey in 2024 for the third consecutive year.</p>
	<p>In 2024, ten RWJBH facilities were awarded Gold recognition for their Antimicrobial Stewardship Programs from the New Jersey Department of Health; MMC has continued to receive Gold since the establishment of the awards program in 2019.</p>
	<p>In 2025, RWJBH was awarded Accreditation with Distinction from the American Nurses Credentialing Center’s (ANCC) Practice Transition Accreditation Program® (PTAP®). This prestigious designation recognizes the health system’s nurse residency program as a national leader in supporting new graduate nurses as they transition into professional practice.</p>
<p align="center"><b>SPECIALTY CARE</b></p>	
	<p>CINJ, together with RWJBH, is New Jersey’s only National Cancer Institute (NCI) - designated Comprehensive Care Center –recognized for its clinical and scientific research leadership.</p>

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

	<p>In 2025, five RWJBH facilities received recognition for stroke care, earning a spot on the American Heart Association's Get With The Guidelines® - Stroke Gold Plus quality achievement award, for their commitment to ensuring stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines, ultimately leading to more lives saved and reduced disability. These facilities include CBMC, JCMC, RWJUH, RWJUH Somerset and CMC.</p>
	<p>In 2024, RWJBH Mobile Health received the American Heart Association's Mission Lifeline EMS Gold Award in 2024. This award is given to an elite group of prehospital providers for their commitment and success in implementing a higher standard of care, ensuring that individuals experiencing a heart attack or stroke receive treatment according to the latest nationally accepted evidence-based guidelines.</p>
	<p>In 2024, cancer programs at several RWJBarnabas Health facilities, in partnership with CINJ, were granted Three-Year Accreditation from the American College of Surgeons Commission on Cancer (CoC). Facilities that received this accreditation include JCMC, CMC, RWJUH Somerset, MMCSC, and RWJUH Hamilton.</p>
	<p>In 2025, RWJBH received a second advanced comprehensive stroke program certification from The Joint Commission (TJC). CBMC has earned its first Gold Seal of Approval for Advanced Certification in Comprehensive Stroke Center, a symbol of quality that reflects a healthcare organization's commitment to providing safe and quality patient care. Offered in collaboration with the American Heart Association/American Stroke Association, achieving Comprehensive Stroke Center (CSC) Certification shows the hospital's dedication to raising the bar for performance. It is the highest level of certification for hospitals with specific abilities to receive and treat the most complex stroke cases.</p>



**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

<b>WORKFORCE</b>	
	<p>In 2025, RWJBH was recognized by Newsweek as America's Greatest Workplaces. RWJBH was also recognized by Newsweek as one of:</p> <ul style="list-style-type: none"> <li>• America’s Greatest Workplaces for Diversity for the second consecutive year</li> <li>• America’s Greatest Workplaces for Women</li> <li>• America’s Greatest Workplaces for Mental Wellbeing</li> <li>• America’s Greatest Workplaces for Patients and Families</li> </ul>
	<p>RWJBH has been named one of the 2025 Best Places to Work for People with Disabilities, achieving top scores on the 2025 Disability Equality Index®. The Disability Equality Index is the world’s most comprehensive benchmarking tool for Fortune 100 companies and fortune 500 companies to measure disability workplace inclusion within their organization and to assess performance across industry sectors.</p>
	<p>RWJBH is a CEO Cancer Gold Standard employer, an accreditation awarded by the CEO Roundtable on Cancer, for its dedication and commitment to maintaining a high standard of excellence in cancer prevention, early detection, and quality care for its employees and families.</p>

***Management’s Discussion and Analysis of Recent Financial Performance***

Management’s Discussion and Analysis of Recent Financial Performance is based upon the consolidated financial results of the Corporation since the members of the Corporation’s Obligated Group represent 86% of the total consolidated assets and 80% of the total consolidated operating revenues as of and for the nine months ended September 30, 2025. Accordingly, the discussion below includes the financial results of entities that are not members of the Obligated Group.

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

***Financial Highlights***

The following table summarizes key operating performance results for the nine months ended September 30, 2025 and 2024 as compared to the S&P benchmark:

	<b>Nine months ended September 30,</b>		<b>S&amp;P</b>
	<b>2025</b>	<b>2024</b>	<b>AA-</b>
Operating revenue	\$ 7,886,071	7,062,164	5,934,089
Operating income	384,920	186,299	92,296
Operating margin	4.9%	2.6%	2.3%
Operating cash flow	761,005	526,823	N/A
Operating cash flow margin	9.7%	7.5%	7.5%
Excess of revenue margin	10.2%	9.0%	5.3%

The following table summarizes overall performance ratios as of September 30, 2025 and December 31, 2024 as compared to the S&P benchmark:

	<b>September 30,</b>	<b>December 31,</b>	<b>S&amp;P</b>
	<b>2025</b>	<b>2024</b>	<b>AA-</b>
Unrestricted Cash and Investments \$	5,274,789	4,457,285	3,836,300
Days cash on hand	202.3	182.8	246.7
Total outstanding long-term debt	3,364,502	3,426,097	1,415,712
Unrestricted cash to debt	156.8%	130.1%	242.7%
Debt to capitalization	32.6%	36.8%	23.3%
Debt service coverage ratio	6.4x	6.0x	5.6x

For the nine months ended September 30, 2025, the Corporation's total operating income and operating margin were \$384,920 and 4.9%, respectively, compared to the operating income and operating margin of \$186,299 and 2.6% for the nine months ended September 30, 2024. Total operating revenues for the nine months ended September 30, 2025 grew by \$823,907 or 11.7% compared to the nine months ended September 30, 2024, while operating expenses, increased by \$625,286 or 9.1% during the same period.

Overall, patient service revenue of \$7,294,555 exceeded prior year by \$737,761 or 11.3%. The increase was due to growth in acute care inpatient and outpatient revenue and professional billing revenue. Other operating revenue increased due to pharmacy sales, grant revenue and earnings in unconsolidated joint ventures. For additional information, refer to the *Operating Revenue and Volume* discussion.

The increase in operating expenses of \$625,286 or 9.1% was driven by increased salaries and employee benefits due to additional full time equivalent employees attributed with higher volumes and annual salary increases. Physician fees and salaries, supplies, other expenses and depreciation also exceeded prior year. For additional information, refer to the *Operating Expenses* discussion.

The Corporation's excess of revenues over expenses (EROE) and EROE margin for the nine months ended September 30, 2025 were \$851,222 and 10.2%, respectively, compared to \$679,710 and 9.0% for the nine months ended September 30, 2024. Income from operations contributed to the favorable variance to prior year by \$198,621. The increase in EROE was also driven by investment income which was higher than prior year by \$58,178. This was partially offset by gains on interest rate swap settlements and early

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

extinguishment of debt which collectively had a positive effect on 2024 of \$71,042. For additional information, refer to the *Nonoperating Gains and Losses* discussion.

***Operating Revenue and Volume***

The following table presents consolidated operating revenue and select volume statistics for the nine months ended September 30, 2025 and 2024:

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Operating Revenue:</b>		
Inpatient patient service revenue	\$ 3,587,699	3,344,595
Outpatient patient service revenue	2,599,931	2,271,048
Professional billing revenue	1,040,898	850,773
State of NJ subsidy revenue	66,027	90,378
Total patient service revenue	7,294,555	6,556,794
Other operating revenue	591,516	505,370
Total operating revenue	<u>\$ 7,886,071</u>	<u>7,062,164</u>
<b>Volume &amp; utilization statistics:</b>		
Acute care licensed beds	5,417	5,441
Average acute care beds in service	4,323	4,340
Acute care occupancy based on beds in service	76.1%	74.8%
Acute care length of stay	5.31	5.45
Acute care admissions	168,552	165,329
COVID-19 positive admissions	1,931	2,937
Adult and pediatric admissions	116,749	114,082
Newborn and NICU admissions	18,809	19,150
Maternity and obstetric cases	19,382	19,735
Patient days	898,695	889,747
Same day surgery cases	56,451	53,448
Emergency room visits (excl. admits)	520,504	511,906
Observations	99,107	110,134
Psychiatric hospital inpatient admissions	824	814

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

Acute Care payor mix, based on patient days, for the periods ending September 30, 2025 and December 31, 2024 is presented below:

<b>Payor Mix</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Medicare	24.5%	24.8%
Medicaid	5.6%	6.5%
Managed Medicare	24.4%	23.9%
Managed Medicaid	18.0%	17.5%
Managed Care	10.4%	10.8%
NJ Blue Cross & Commercial	9.6%	10.0%
Self-pay and Other	7.5%	6.5%
	<u>100.0%</u>	<u>100.0%</u>

***Total Operating Revenue***

**Patient Service Revenue**

Inpatient service revenue, excluding subsidy revenue, of \$3,587,699 was favorable to prior year by \$243,104 or 7.3%. The increase was partially due to inpatient volumes which were 1.9% higher than prior year mainly due to strong performances in medicine and neonatology service lines. The volume increase was partially offset by inpatient surgical volume which was below prior year by 10% as the Corporation continues to move to the outpatient setting. Prior year cost report settlements, pay for performance bonuses and other payor settlements, collectively \$66,315, also positively impacted inpatient service revenue by \$24,617 above prior year. The Corporation also settled with a care organization for prior year claims that were inappropriately denied in the amount of \$21,000. Additionally, the Corporation benefited from managed care rate increases. This was partially offset by a decrease in the New Jersey Medicaid County Option Program (County Option Program) revenue of \$27,606 compared to prior year. This is a result of the Program not being renewed for the state fiscal year beginning July 1, 2025. Although the Corporation believes the County Option Program will be restored effective July 1, 2025, there is currently no indication of when, or if, the approval may be granted or at what amounts.

Outpatient service revenue of \$2,599,931 was favorable to prior year by \$328,883 or 14.5%. The acute care hospitals accounted for \$250,445 of the increase. Acute care outpatient volume exceeded prior year by 8.0%. Same day surgical cases and emergency room visits, net of admissions, exceeded prior year by 5.6% and 1.7%, respectively. Additional patient revenue from the Medicaid Outpatient Add-on program was \$29,718 higher than prior year as the program commenced in July 2024. The federal portion of the Medicaid Add-on program was also not approved for the state fiscal year beginning July 1, 2025. The Corporation also believes this will be restored effective July 1, 2025, however, there is currently no indication of when, or if, the approval may be granted or at what amounts.

Subsidy revenue decreased by \$24,351 from prior year in connection with the introduction of the Medicaid Outpatient Add-on program on July 1, 2024.

Professional billing revenue of \$1,040,898 was favorable to prior year by \$190,125 or 22.3%. Community-based medical group practices contributed \$145,625 to the growth driven by an increase in wRVU's over prior year of 15.4% as well as the addition of new practices. Emergency Medicine,

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

Hospitalist, Anesthesia, and Radiology service lines were collectively favorable to prior year by \$68,223 due to expansion of hospital-based services. The academic group and CINJ were also favorable to prior year by \$17,107 due to increase in wRVU's of 11.5% as well as expansion of practices.

**Other Revenue**

Other revenue of \$591,516 was favorable to prior year by \$86,146 or 17.0%. Other revenue includes income from grants including the Federal Emergency Management Agency (FEMA), pharmacy sales (some offset in expense), earnings from joint venture arrangements, contributions, net assets released from restriction, cafeteria, and parking. Grants were favorable to prior year by \$19,996 primarily due to FEMA Covid-19 grant revenue exceeding prior year by \$14,663. Pharmacy sales were also favorable to prior year by \$34,514 primarily due to increased 340b revenue as a result of increased eligibility under the program. Joint venture earnings exceeded prior year by \$14,185 driven by growth in medical practice joint ventures and improved operations of existing ventures. During 2025, The Corporation received investment Tax Credits of \$2,833 related to projects at select Combined Heat and Power facilities and \$2,643 of Employee Retention Credits that were eligible under the CARES Act.

Certain joint ventures are reported using the equity method of accounting and are not fully consolidated in the Corporation's financial statements. Additional financial information for these joint ventures is included in the table below:

	Nine months ended September 30,					
	2025			2024		
	Operating Revenue	Net Income	Net Income Attributable to RWJBH	Operating Revenue	Net Income	Net Income Attributable to RWJBH
Ambulatory Surgery	\$ 336,807	149,342	41,676	\$ 329,546	146,605	40,813
Home Care & Hospice	123,224	6,360	3,231	122,443	5,459	2,780
Diagnostic Imaging	136,661	22,832	11,632	137,888	24,099	12,273
Medical Practice Joint Ventures	766,815	112,755	54,806	622,289	93,704	41,659
Other	43,186	6,409	2,180	41,062	5,348	1,815
	<u>\$ 1,406,693</u>	<u>297,698</u>	<u>113,525</u>	<u>\$ 1,253,228</u>	<u>275,215</u>	<u>99,340</u>

The increase in revenue from ambulatory surgery ventures of \$863 was attributable to one new center that was acquired in January 2025 as well as an increase in the volume of billable procedures of 2.0%. The favorable variance was partially offset by expenses which were unfavorable to prior year by 1.0%.

The increase in home care and hospice ventures of \$451 was due to an increase in volume of 0.1%. The increase in volume is attributed to higher homecare visits and hospice patient days by 0.3% and 0.2%, respectively.

The decrease in diagnostic imaging ventures of \$641 was due to a decrease in volume of 1.0% compared to 2024. The volume decrease was driven by CT, PET, and MRI procedures which were lower than prior year by 0.2%, 0.1% and 0.2%, respectively. The unfavorable variance was offset by expenses associated with imaging procedures which decreased by 0.1% from the prior year.

Medical Practice joint ventures were favorable to prior year by \$13,147. The growth was due to expansion of this division. Three new medical practice joint ventures were added during 2025 and various practices were added in the latter part of 2024.

**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

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Other ventures were favorable to prior year by \$365. Volume and expenses were both favorable to prior year by 2.0% and 0.1%, respectively.

***Operating Expenses***

Total operating expenses for the nine months ended September 30, 2025 of \$7,501,151 were unfavorable to prior year by \$625,286 or 9.1%.

Summarized below are the consolidated operating expenses for the nine months ended September 30, 2025 and 2024:

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Salaries and employee benefits	\$ 3,453,961	3,167,904
Physician fees and salaries	1,024,454	917,369
Supplies and other expenses	2,646,651	2,450,068
Interest	77,640	75,550
Depreciation and amortization	298,445	264,974
Total operating expenses	<u>\$ 7,501,151</u>	<u>6,875,865</u>

For the nine months ended September 30, 2025, salaries and employee benefits increased by \$286,057 or 9.0% compared to the nine months ended September 30, 2024. The increase was due to higher labor costs reacting to industry challenges, investments in employee retention programs and the addition of full-time equivalent employees in response to higher inpatient volumes. Higher salary expenses also resulted in higher payroll taxes and 401k contributions.

Physician fees and salaries for the nine months ended September 30, 2025 increased by \$107,085 or 11.7% compared to the nine months ended September 30, 2024. Community-based medical group practices were unfavorable to prior year due to new practices as well as increased variable compensation resulting from higher volumes as compared to prior year. The academic practices were also unfavorable to prior year due to continued expansion under the integrated practice agreements as well as increased variable compensation due to productivity increases. Additionally, Emergency Medicine, Hospitalist, Anesthesia, and Radiology service lines were unfavorable to prior year due to continued growth in hospital-based services.

Supplies and other expenses for the nine months ended September 30, 2025 increased by \$196,583 or 8.0% compared to the nine months ended September 30, 2024. Supplies were unfavorable to prior year by \$163,260 driven by higher volumes and market changes. Adjusted admissions and adjusted patient days exceeded prior year by 1.9% and 0.9%, respectively. Other expenses were unfavorable to prior year by \$33,323. This increase was driven by outside lab services, contract labor, purchased services, and rentals, maintenance contracts and repairs. This was partially offset by the County Option Program's tax assessments which were lower than prior year by \$33,602. While the Corporation had experienced an increase in program taxes from July 1, 2024 to June 30, 2025, the County Option Program has not been approved for the fiscal year beginning July 1, 2025 which resulted in lower taxes of \$38,032 for the three months ended September 30, 2025 (see discussion above in Patient Service Revenue).

**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

Interest expense for the nine months ended September 30, 2025 increased by \$2,090 or 2.8% compared to the nine months ended September 30, 2024. The increase was primarily due to lower capitalized interest due to completion of certain capital projects.

Depreciation and amortization for the nine months ended September 30, 2025 increased by \$33,471 or 12.6%, compared to the nine months ended September 30, 2024. The increase is primarily driven by the opening of the Jack and Sheryl Morris Cancer Center in 2025 and investments in strategic capital projects which were completed in the latter part of 2024. During 2024, a portion of the RWJUH South Building Operating Room expansion, the JCMC Hazard Mitigation and Hospital Hardening project were placed in service. Additional phases of the CBMC surgical services renovations, NBIMC’s master facility plan, various IT refreshes and Epic wave six also went live in the latter part of 2024.

***Nonoperating Gains and Losses***

The following table presents a summary of nonoperating revenue and expenses of the Corporation for the nine months ended September 30, 2025 and 2024.

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Investment income	\$ 57,511	81,019
Realized gains on investments	33,242	150,687
Unrealized gains on investments	385,769	186,638
Gain on early extinguishment of debt	-	58,150
Gain on interest rate swaps	-	12,892
Insurance proceeds	-	13,169
Net periodic benefit cost	(10,220)	(9,144)
Total nonoperating revenue, net	<u>\$ 466,302</u>	<u>493,411</u>

Net investment income and realized net investment gains were \$90,753 and \$231,706 for the nine months ended September 30, 2025 and 2024, respectively. For the nine months ended September 30, 2025 and 2024, net unrealized gains on investments were \$385,769 and \$186,638, respectively. Refer to the *Unrestricted Cash and Investments* discussion for further information on the Corporation’s investment strategy.

The Corporation had entered into various interest rate swap agreements in order to hedge future interest rate exposure on fixed rated bonds. The total notional amount of all swap agreements was \$281,960. In April 2024, the Corporation exercised its option to terminate the swap agreements for \$52,262 which resulted in a gain of \$12,892.

The debt transactions executed during the second quarter of 2024 resulted in a gain on the early extinguishment of debt of \$58,150. Refer to Note 5, Long Term Debt in the accompanying financial statements, for further information on the transactions.

In 2024, the Corporation also recognized insurance proceeds in nonoperating revenue of \$13,169 related to capital.



**MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

***Fundraising***

The Foundations support the programs and services of their affiliated tax-exempt organization and support the capital campaign and other fundraising activities of the Corporation.

The following table presents contributions received by the foundations and fundraising expenses as well as capital and operating support the foundations provided to the hospitals. Conditional gifts are not included until the conditions have been met.

	<b>Nine months ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Contributions without donor restrictions	\$ 3,396	15,348
Contributions with donor restrictions	24,976	18,028
Total contributions	<u>\$ 28,372</u>	<u>33,376</u>
Fundraising Expenses	\$ 14,757	13,138
Support to affiliates	\$ 45,939	47,797

For the nine months ended September 30, 2025, the foundations made distributions of \$45,939 to the Corporation's hospitals and received contributions from donors of \$28,372.

***Unrestricted Cash and Investments***

The Corporation's financial position remains strong with \$14.1 billion in total assets and \$7.2 billion in net assets. Total unrestricted cash and investments amounted to \$5.3 billion (or 202.3 days) at September 30, 2025, an increase of \$817,504 over the balance at December 31, 2024. Net cash provided by operating activities for the nine months ended September 30, 2025 was \$1,044,247. Net investment income of \$476,522 had a positive impact on investments. The Corporation also made debt service payments of \$171,335 which includes principal and interest and continues to invest in capital with \$534,149 in additions during 2025. Investments in the ambulatory services division of \$115,078 were also executed through September to expand services in the areas of oncology, family care and cardiology.

Total unrestricted cash and investments for the Corporation as of September 30, 2025 and December 31, 2024 were as follows:

	<b>September 30,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 330,029	291,326
Current investments	599,594	339,978
Noncurrent investments	4,345,166	3,825,981
Total unrestricted cash and investments	<u>\$ 5,274,789</u>	<u>4,457,285</u>

The Corporation manages two distinct investment portfolios within the Unrestricted Cash and Investment (UCI) Portfolio: the Capital Reserve Fund (CRF) and the Long-Term Investment Portfolio (LTIP). The CRF is invested in high quality, low duration fixed income securities to support operating cash flow needs. The LTIP is invested with a longer-term horizon targeting higher risk adjusted returns through a diversified asset allocation to support strategic capital needs.

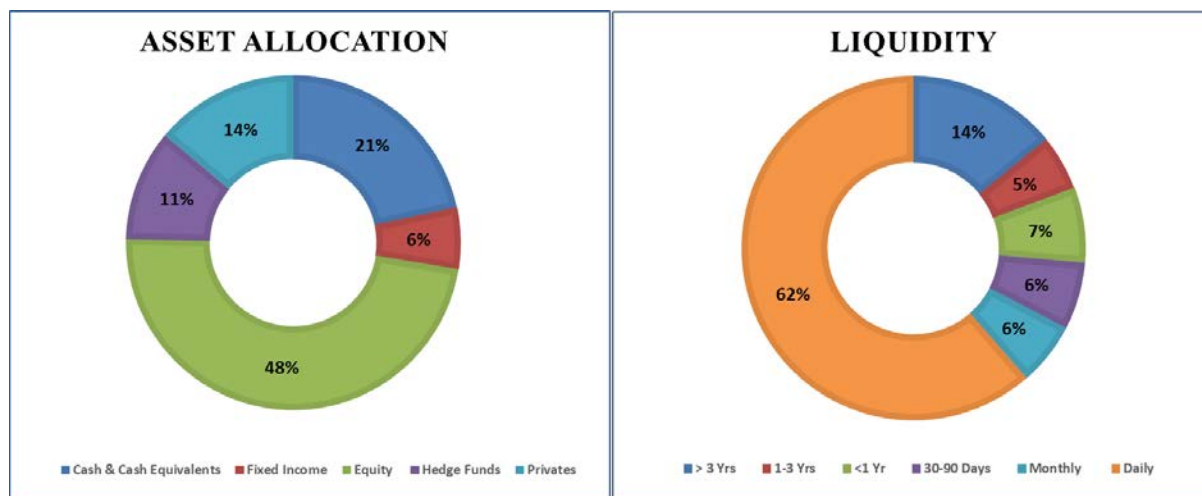


## MANAGEMENT'S DISCUSSION AND ANALYSIS, cont.

### Period ended September 30, 2025

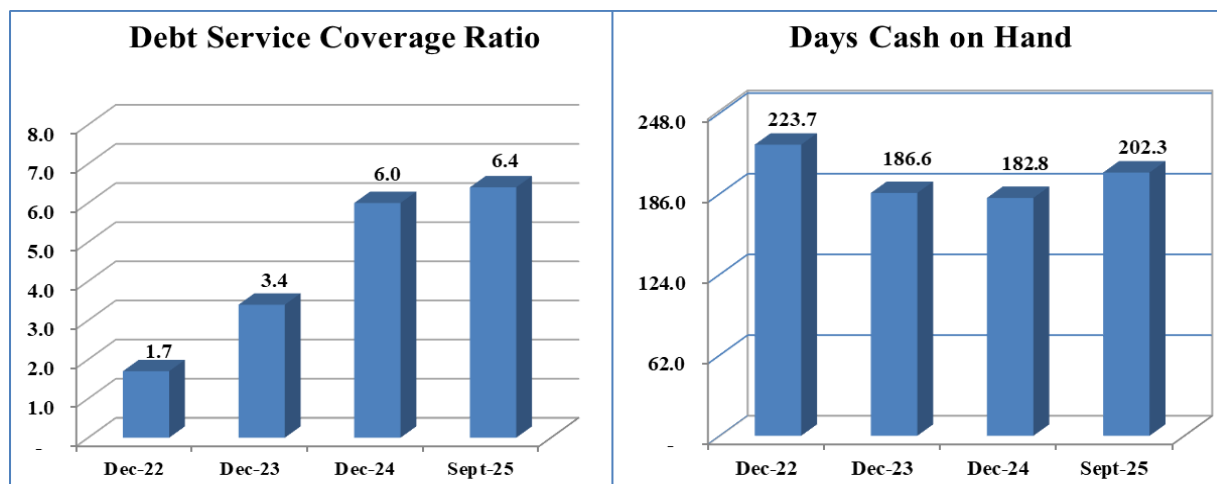
The Corporation's LTIP employs a diversified approach to asset allocation, incorporating a range of asset classes and geographies in order to provide balanced results across market cycles. Within the LTIP, market volatility provides managers and investment staff the opportunity to capitalize on disruptions. In accordance with the Corporation's Investment Policy Statement, at least 40% of the asset value of the total UCI portfolio must be classified as "monthly" liquidity. As of September 30, 2025, 68% of the total UCI portfolio was classified as monthly or daily liquidity.

The following charts present the allocation of unrestricted cash and investments by asset type and the portfolio's liquidity as of September 30, 2025:



### Financial Condition

The following charts present the debt service coverage ratio and total days cash on hand for the selected dates below:



The increase in debt service coverage ratio from 2023 to 2024 is attributable to an increase in income from operations of \$192,920, before work stoppage costs, over prior year. The decline in days cash on hand from 2022 to 2023 was due to higher operating expenses including work stoppage costs, increase in capital investments and expansion of ambulatory services. The decline was partially offset by positive

**MANAGEMENT’S DISCUSSION AND ANALYSIS, cont.**  
**Period ended September 30, 2025**

investment performance. The debt service coverage ratio and days cash on hand have both increased from prior year.

In March 2025, the Corporation renewed its \$100,000 secured revolving promissory note with JPMorgan. The Corporation has the option to request, and the lender at its discretion can approve, an additional \$50,000 of principal. The note will be used for routine capital needs. There were no borrowings outstanding as of September 30, 2025.

The following table presents key financial indicators as of September 30, 2025 and December 31, 2024 and 2023 as compared to S&P’s “AA”, “AA-” and “A+” medians.

	September 30, 2025	December 31, 2024	December 31, 2023	AA	AA-	A+
Debt service coverage	6.4	6.0	3.4	7.2	5.6	4.1
Debt-to-capitalization	32.6%	36.8%	40.8%	18.3%	23.3%	26.8%
Cash-to-debt	156.8%	130.1%	122.0%	351.1%	242.7%	195.0%
Days cash on hand	202.3	182.8	186.6	314.9	246.7	206.9

The following table presents other select ratios as of September 30, 2025 and December 31, 2024 and 2023:

	September 30, 2025	December 31, 2024	December 31, 2023
Days in patient accounts receivable	39.0	39.8	40.6
Days in accounts payable	63.8	65.3	72.5
Reinvestment ratio *	1.98	2.46	2.84

\* Based on a rolling 12-months.

**RWJ BARNABAS HEALTH, INC.**  
Consolidated Balance Sheets  
September 30, 2025 and December 31, 2024  
(In thousands)

<b>Assets</b>	<b>September 30, 2025</b> (unaudited)	<b>December 31, 2024</b> (audited)
Current assets:		
Cash and cash equivalents	\$ 330,029	291,326
Short-term Investments	599,594	339,978
Assets limited or restricted as to use	22,613	94,486
Patient accounts receivable	1,040,811	963,409
Estimated amounts due from third party payors	82,924	201,837
Other current assets	350,878	388,744
Total current assets	<u>2,426,849</u>	<u>2,279,780</u>
Assets limited or restricted as to use, non-current portion	495,684	477,766
Investments	4,345,166	3,825,981
Property, plant and equipment, net	5,046,241	4,868,981
Right of use asset	309,430	275,921
Other assets, net	1,486,607	1,327,308
Total assets	<u>\$ 14,109,977</u>	<u>13,055,737</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 682,869	650,235
Accrued expenses and other current liabilities	1,409,787	1,383,575
Estimated amounts due to third party payors	29,240	24,907
Long-term debt	129,084	52,172
Lease obligation	50,550	49,678
Self-insurance liabilities	125,319	119,213
Total current liabilities	<u>2,426,849</u>	<u>2,279,780</u>
Estimated amounts due to third party payors, net of current portion	138,735	118,340
Self insurance liabilities, net of current portion	452,603	425,262
Long-term debt, net of current portion	3,235,418	3,373,925
Lease obligation, net of current portion	288,159	253,856
Accrued pension liability	52,992	66,422
Other liabilities	267,667	240,479
Total liabilities	<u>6,862,423</u>	<u>6,758,064</u>
Net assets:		
Without donor restrictions		
Controlling interest	6,912,815	5,865,002
Noncontrolling interest	30,309	28,945
Total net assets without donor restrictions	<u>6,943,124</u>	<u>5,893,947</u>
With donor restrictions	304,430	403,726
Total net assets	<u>7,247,554</u>	<u>6,297,673</u>
Total liabilities and net assets	<u>\$ 14,109,977</u>	<u>13,055,737</u>

See accompanying notes to consolidated financial statements.

**RWJ BARNABAS HEALTH, INC.**  
Consolidated Statements of Operations  
Nine months ended September 30, 2025 and 2024  
(In thousands)  
(unaudited)

	<u>2025</u>	<u>2024</u>
Revenue:		
Patient service revenue	\$ 7,294,555	6,556,794
Other revenue, net	591,516	505,370
Total revenue	<u>7,886,071</u>	<u>7,062,164</u>
Expenses:		
Salaries and wages	2,821,188	2,627,066
Physician fees and salaries	1,024,454	917,369
Employee benefits	632,773	540,838
Supplies	1,332,439	1,169,179
Other	1,314,212	1,280,889
Interest	77,640	75,550
Depreciation and amortization	298,445	264,974
Total expenses	<u>7,501,151</u>	<u>6,875,865</u>
Income from operations	<u>384,920</u>	<u>186,299</u>
Nonoperating revenue (expenses):		
Investment income, net	476,522	418,344
Other, net	(10,220)	75,067
Total nonoperating revenue, net	<u>466,302</u>	<u>493,411</u>
Excess of revenue over expenses	<u>851,222</u>	<u>679,710</u>
Other changes:		
Pension changes other than net periodic benefit cost	8,650	4,524
Net assets released from restriction for purchases of property and equipment	106,653	20,828
Other, net	82,652	35,488
Increase in net assets without donor restrictions	<u>\$ 1,049,177</u>	<u>740,550</u>

See accompanying notes to consolidated financial statements.

**RWJ BARNABAS HEALTH, INC.**

Consolidated Statements of Changes in Net Assets

Nine months ended September 30, 2025 and 2024

(In thousands)

(unaudited)

	<b>Controlling Interest</b>	<b>Noncontrolling Interest</b>	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total net assets</b>
Net assets at December 31, 2023	\$ 5,034,583	35,225	5,069,808	336,244	5,406,052
Changes in net assets:					
Excess of revenues over expenses	679,612	98	679,710	-	679,710
Pension related changes other than net periodic benefit cost	4,524	-	4,524	-	4,524
Change in interest in net assets of unconsolidated foundations	-	-	-	(4,570)	(4,570)
Net assets released from restriction	20,828	-	20,828	(34,736)	(13,908)
Restricted contributions	-	-	-	18,097	18,097
Investment income on restricted investments, net	-	-	-	899	899
Other	36,175	(687)	35,488	(507)	34,981
Changes in net assets	<u>741,139</u>	<u>(589)</u>	<u>740,550</u>	<u>(20,817)</u>	<u>719,733</u>
Net assets at September 30, 2024	<u>5,775,722</u>	<u>34,636</u>	<u>5,810,358</u>	<u>315,427</u>	<u>6,125,785</u>
Net assets at December 31, 2024	5,865,002	28,945	5,893,947	403,726	6,297,673
Changes in net assets:					
Excess of revenues over expenses	849,858	1,364	851,222	-	851,222
Pension changes other than net periodic benefit cost	8,650	-	8,650	-	8,650
Change in interest in net assets of unconsolidated foundations	(162)	-	(162)	1,203	1,041
Net assets released from restriction	106,653	-	106,653	(126,368)	(19,715)
Restricted contributions	-	-	-	25,034	25,034
Investment income on restricted investments, net	-	-	-	587	587
Other	<u>82,814</u>	<u>-</u>	<u>82,814</u>	<u>248</u>	<u>83,062</u>
Changes in net assets	<u>1,047,813</u>	<u>1,364</u>	<u>1,049,177</u>	<u>(99,296)</u>	<u>949,881</u>
Net assets at September 30, 2025	<u>\$ 6,912,815</u>	<u>30,309</u>	<u>6,943,124</u>	<u>304,430</u>	<u>7,247,554</u>

See accompanying notes to consolidated financial statements.

**RWJ BARNABAS HEALTH, INC.**

Consolidated Statements of Cash Flows

Nine months ended September 30, 2025 and 2024

(In thousands)

(unaudited)

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Change in net assets	\$ 949,881	719,733
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension changes other than net periodic benefit cost	(8,650)	(4,524)
Depreciation and amortization expense	298,445	264,974
Amortization of bond financing costs, premiums and discounts	(11,367)	(11,019)
Net change in unrealized gains on investments	(385,769)	(186,638)
Realized gains on investments	(33,242)	(150,687)
Gains on interest rate swaps	-	(12,892)
Equity-based compensation	2,670	-
Equity in income of joint venture	(113,525)	(99,340)
Distributions received from investments in joint ventures	86,770	74,392
Gain on sale of assets	(642)	(253)
Gain on extinguishment of debt, net	-	(58,150)
Changes in operating assets and liabilities:		
Patient accounts receivable	(72,996)	(98,519)
Reduction in the carrying amount in the right-of-use assets	40,353	51,386
Other assets	17,558	(41,761)
Accounts payable, accrued expenses, and other current liabilities	115,752	123,487
Estimated amounts due from and to third-party payors, net	143,641	107,675
Accrued pension liability	(4,780)	(856)
Lease obligation, self-insurance and other long-term liabilities	20,148	2,165
Net cash provided by operating activities	<u>1,044,247</u>	<u>679,173</u>
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(534,149)	(637,655)
Purchases of investments	(4,787,948)	(10,085,255)
Proceeds from the sale of investments	4,473,436	10,366,382
Investment in equity method and cost method joint ventures	(71,377)	(85,830)
Cash paid in acquisition of subsidiaries, net	(43,701)	-
Proceeds from sale of assets	772	518
Net cash used in investing activities	<u>(962,967)</u>	<u>(441,840)</u>
Cash flows from financing activities:		
Proceeds from issuance of debt	-	690,006
Repayments of long-term debt	(50,569)	(704,519)
Borrowings under commercial paper program	148,698	49,701
Borrowings under letter of credit	3,000	-
Repayments under commercial paper program	(148,698)	(49,701)
Repayments under letter of credit	(3,000)	-
Payments for deferred financing costs	-	(5,308)
Capital contributions	(686)	-
Settlement of interest rate swaps	-	52,262
Net cash (used in) provided by financing activities	<u>(51,255)</u>	<u>32,441</u>
Net increase in cash, cash equivalents, and restricted cash	30,025	269,774
Cash, cash equivalents, and restricted cash at beginning of year	<u>380,261</u>	<u>257,986</u>
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 410,286</u>	<u>527,760</u>
Cash and cash equivalents	\$ 330,029	459,948
Restricted cash included in assets limited or restricted as to use	<u>80,257</u>	<u>67,812</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 410,286</u>	<u>527,760</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 120,766	107,982
Finance lease obligations incurred	379	12,042
Supplemental disclosure of noncash investing and financing activity:		
Change in noncash acquisitions of property, plant and equipment	(60,124)	(86,597)

See accompanying notes to the consolidated financial statements.

## **RWJ BARNABAS HEALTH, INC.**

### **Notes to Consolidated Financial Statements**

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

#### **(1) Organization**

RWJ Barnabas Health, Inc. (the Corporation) is a not-for-profit, tax-exempt corporation located in West Orange, New Jersey. RWJ Barnabas Health, Inc. is the sole corporate member or sole shareholder of the Corporation's affiliated organizations. The Corporation was organized to develop and operate a multihospital healthcare system providing a comprehensive spectrum of healthcare services, principally to the residents of New Jersey and surrounding areas.

The services and facilities of the Corporation include 12 acute care hospitals, (including an academic medical center), three acute care children's hospitals, a pediatric rehabilitation hospital with a network of outpatient centers, a freestanding 100-bed behavioral health center, two trauma centers, a satellite emergency department, ambulatory care centers, geriatric centers, the state's largest behavioral health network, comprehensive home care and hospice programs, fitness and wellness centers, physical therapy services, retail pharmacy services, medical groups, multi-site imaging centers, an accountable care organization, a burn treatment facility, comprehensive cancer services, breast centers, and comprehensive cardiac surgery services, including a heart transplant center, a lung transplant center, and kidney transplant centers.

#### **(2) Significant Accounting Policies**

##### ***(a) Basis of Accounting of Financial Statement Presentation***

The accompanying unaudited consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting. Footnotes and other disclosures that would substantially duplicate the disclosures contained in an audited financial statement have been omitted. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements of the Corporation. Eliminations and reporting adjustments have been made to present the information in accordance with GAAP. The data should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024 and related notes. Information as of and for the nine months ended September 30, 2025 are not based on audited information but, in the opinion of management, is presented on a basis consistent with the audited consolidated financial statements and includes adjustments necessary for a fair presentation therein. Adjustments to these financial statements may occur as a result of a more comprehensive review undertaken as part of the audit process for the year ending December 31, 2025.

The consolidated financial statements include all affiliates and other entities for which operating control is exercised by the Corporation. Investments in entities where the Corporation does not have operating control are recorded under the equity or cost method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other operating revenue. Intercompany balances and transactions have been eliminated.

##### ***(b) Use of Estimates***

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements

## **RWJ BARNABAS HEALTH, INC.**

### **Notes to Consolidated Financial Statements**

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

and reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

#### ***(c) Accounting Pronouncements***

No new accounting pronouncements were released or adopted that would have a material effect on the Corporation's consolidated financial statements.

### **(3) Revenue**

#### ***(a) Patient Service Revenue***

The Corporation's patient service revenue is recognized at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing patient care. These amounts are due from patients and third-party payors and include an estimate of variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Corporation bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility.

Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Corporation. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Corporation believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Corporation measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Corporation has elected to apply the optional exemption provided in FASB Accounting Standards Codification (ASC) 606-10-50-14 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at year-end, which primarily relate to acute care patients (in-house). The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of year-end.

The majority of the Corporation's services are rendered to patients with third-party payor insurance coverage. Reimbursement under these programs for all payors is based on a combination of prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Amounts received under Medicare and Medicaid programs are subject to review and final determination by program intermediaries or their agents and the contracts the Corporation has with commercial payors also provide for retroactive audit and review of claims. Agreements with third-party payors typically provide for payments at amounts less than established charges. Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Corporation also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Corporation estimates the transaction price for patients with deductibles and coinsurance and from those who are



## **RWJ BARNABAS HEALTH, INC.**

### **Notes to Consolidated Financial Statements**

**September 30, 2025 and 2024**

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Implicit price concessions are determined on historical collection experience. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change and are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Adjustments arising from a change in the transaction price were not significant for the years ended September 30, 2025 or 2024. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense. There was no bad debt expense for the nine months ended September 30, 2025 or 2024.

Consistent with the Corporation's mission, care is provided to patients regardless of their ability to pay. The Corporation has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (e.g., co-pays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Corporation expects to collect based on its collection history with those patients. Patients who meet the Corporation's criteria for charity care are provided care without charge or at amounts less than established charges. The Corporation has determined that it has provided sufficient implicit price concessions for these accounts. Price concessions, including charity care, are not reported as revenue.

The Corporation has elected the financing component practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Corporation's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payors pays for that service will be one year or less. However, the Corporation does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract. The Corporation has determined that the nature, amount, timing, and uncertainty of patient service revenue and cash flows are affected by payors and service lines.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a possibility that recorded estimates could change by a material amount. During the nine months ended September 30, 2025 and 2024 certain prior year third-party cost reports were audited and settled, or tentatively settled by third-party payors. Adjustments resulting from such audits, settlements, and management reviews are reflected as adjustments to patient service revenue in the period that adjustments become known. The effect of cost report settlements increased patient service revenue by \$3,951 and \$27,069, respectively, for the nine months ended September 30, 2025 and 2024. Although certain other prior year cost reports submitted to third-party payors remain subject to audit and retroactive adjustment, management does not expect any material adverse settlements.

#### ***(b) Other Revenue***

Other revenue includes income from grants, equity in the income of healthcare joint ventures, unrestricted contributions, net assets released from restriction, cafeteria sales, and parking receipts.

## RWJ BARNABAS HEALTH, INC.

### Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

Grant revenue and contributions of the Corporation are nonexchange transactions in which no commensurate value is exchanged. In such cases, contribution accounting is applied under ASC Topic 958, Not-for-Profit Entities. Equity in the income of joint ventures is evaluated under ASC Topic 323, *Investments – Equity Method and Joint Ventures*.

Additionally, pharmacy sales and other contracts related to healthcare services are included in other revenue and consist of contracts, which vary in duration and in performance. Revenue is recognized when the performance obligations identified within the individual contracts are satisfied and collections are probable.

#### **(4) Fair Value Measurements**

ASC 820, *Fair Value Measurement* establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

*Level 1:* Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include cash and cash equivalents and debt and equity securities that are traded in an active exchange market.

*Level 2:* Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities and corporate bonds.

*Level 3:* Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. The Corporation currently holds no Level 3 investments.

# RWJ BARNABAS HEALTH, INC.

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

The following tables present the Corporation's fair value hierarchy for those assets measured at fair value on a recurring basis, and exclude pledges receivable, net, other investments, and accrued interest receivable, as of September 30, 2025 and December 31, 2024:

		September 30, 2025				
		Fair value	Level 1	Level 2	Level 3	NAV
Investment categories:						
Cash and cash equivalents						
and money market funds	\$	240,572	240,572	—	—	—
Equity securities		2,946	2,946	—	—	—
Equity mutual funds		1,862,102	1,862,102	—	—	—
Equity funds		982,931	982,931	—	—	—
Fixed income mutual funds		134,788	134,788	—	—	—
Certificates of deposit		—	—	—	—	—
Unit investment trust		1,289	1,289	—	—	—
Commercial mortgage-backed securities		79,641	—	79,641	—	—
Corporate bonds		361,842	—	361,842	—	—
Asset-backed securities		199,118	—	199,118	—	—
Government bonds		268,877	—	268,877	—	—
Government mortgage-backed securities		103,384	—	103,384	—	—
Municipal bonds		22,943	—	22,943	—	—
Alternative investments		974,699	—	—	—	974,699
Total	\$	5,235,132	3,224,628	1,035,805	—	974,699

**RWJ BARNABAS HEALTH, INC.**

Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

		December 31, 2024				
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Investment categories:						
Cash and cash equivalents						
and money market funds	\$	430,242	430,242	—	—	—
Equity securities		187,993	187,993	—	—	—
Equity mutual funds		1,414,622	1,414,622	—	—	—
Equity funds		830,445	830,445	—	—	—
Fixed income mutual funds		276,566	276,566	—	—	—
Certificates of deposit		—	—	—	—	—
Unit investment trust		1,185	1,185	—	—	—
Commercial mortgage-backed securities		62,508	—	62,508	—	—
Corporate bonds		245,290	—	245,290	—	—
Asset-backed securities		178,823	—	178,823	—	—
Government bonds		101,264	—	101,264	—	—
Government mortgage-backed securities		16,354	—	16,354	—	—
Municipal bonds		6,923	—	6,923	—	—
Alternative investments		762,856	—	—	—	762,856
Total	\$	<u>4,515,071</u>	<u>3,141,053</u>	<u>611,162</u>	<u>—</u>	<u>762,856</u>

# RWJ BARNABAS HEALTH, INC.

## Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

### (5) Long-term Debt

Long-term debt consists of the following:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Revenue and refunding bonds	\$ 2,599,018	2,644,498
Senior secured notes	300,000	300,000
Notes payable	11	11
Finance lease obligations	266,638	271,386
Total long-term debt	<u>3,165,667</u>	<u>3,215,895</u>
Plus unamortized bond premium	214,901	227,207
Less:		
Deferred financing costs, net	16,066	17,005
Current portion	129,084	52,172
Long-term portion	<u>\$ 3,235,418</u>	<u>3,373,925</u>

Under the terms of the Master Trust Indenture (MTI), Children's Specialized Hospital, Clara Maass Medical Center, Community Medical Center, Cooperman Barnabas Medical Center, Jersey City Medical Center, Monmouth Medical Center, Newark Beth Israel Medical Center, RWJ Barnabas Health, Inc., RWJBH Corporate Services, Inc., Robert Wood Johnson University Hospital, Robert Wood Johnson University Hospital at Hamilton, and Robert Wood Johnson University Hospital Rahway, are members of an Obligated Group. Substantially all of the Corporation's debt is subject to the provisions of the MTI.

To secure its payment obligations, the Obligated Group has granted to the Trustee a first lien and security interest in the gross revenue of each member of the Obligated Group.

Obligated Group members are jointly and severally liable under the MTI. The Corporation does have the right to name designated affiliates. Though designated affiliates are not obligated to make debt service payments on the obligations under the MTI, the Corporation may cause each designated affiliate to transfer such amounts as necessary to enable the Obligated Group members to comply with the terms of the MTI, including payment of the outstanding obligations.

The Corporation's Obligated Group is required to maintain certain financial covenants in connection with the NJHCFFA and credit arrangements with a consortium of banks, including JPMorgan Chase Bank, N.A. (JPMorgan) and U.S. Bank.

On April 8, 2024, the Corporation made an offer to purchase bonds in an aggregate principal amount of up to \$330,000 relating to select maturities of the Series 2016 and Series 2019 bonds. In connection with that offer, the Corporation purchased tendered target bonds in an aggregate principal amount of \$261,397. The settlement date was May 8, 2024.

## **RWJ BARNABAS HEALTH, INC.**

### Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

On May 1, 2024, the Corporation completed the RWJ Barnabas Health Obligated Group Issue, Series 2024A bond issuance in the amount of \$370,330. Series 2024A was issued at a premium for a total source of funds of \$404,142. The Corporation used a portion of these proceeds to defease the Series 2019 B-1 bonds in the amount of \$70,812. The remainder of the proceeds was used for reimbursement of prior capital costs.

On May 16, 2024, the Corporation completed the RWJ Barnabas Health Obligated Group Issue, Series 2024B bond issuance in the amount of \$250,690. The Series 2024B bonds were used to refund the Barnabas Health System, Series 2014A, Robert Wood Johnson University Hospital, Series 2014A and Robert Wood Johnson University Hospital, Series 2013A.

On May 16, 2024, the Corporation defeased the Barnabas Health System, Taxable Revenue Bonds, Series 2012 for \$80,979.

Collectively, the above transactions effectuated during 2024 resulted in a gain on extinguishment of debt of \$58,150 which is recorded in other, net within nonoperating revenue (expenses).

In May 2024, the Corporation established a self-liquidity backed commercial paper program which serves as a source for interim liquidity needs. The program is authorized up to \$200,000. There was no commercial paper outstanding as of September 30, 2025 and December 31, 2024.

On July 1, 2025, the Series 2019 B-2 bonds were subject to a mandatory tender. At that time, the bonds were converted via a direct placement with JPMorgan at the same par value. The new long-term interest rate was set at 3.625% with a new mandatory purchase date of June 30, 2026.

The Corporation had entered into forward interest rate swap agreements with JPMorgan, Bank of America, and U.S. Bank, respectively. The total notional amount of all swap agreements was \$281,960. Under the terms of these agreements, the Corporation was paying fixed interest rates ranging from 0.90275% to 1.3625% in exchange for variable rate payments equal to 70% of the effective Federal funds rate. The notional amounts on these swap agreements were tied to the outstanding principal on the underlying bond series. On April 24, 2024, the Corporation exercised its option to terminate the interest rate swap agreements for \$52,262, net, which resulted in a gain of \$12,892.

Effective March 29, 2024, the Corporation entered into a secured revolving promissory note (the Note) for the principal amount of \$100,000 with JPMorgan for routine working capital needs. The terms of the Note include a commitment fee of 0.12%. The interest rate is based on Secured Overnight Financing Rate (SOFR) and an adjusted term SOFR fixed rate of 0.10% for the interest period plus 0.55% per annum. The Note expired on March 28, 2025, and was replaced with a \$100,000 secured revolving promissory note (New Note) with JPMorgan expiring on March 27, 2026. The terms of the Note include a commitment fee of 0.08%. The interest rate is based on SOFR and an adjusted term SOFR fixed rate of 0.10% for the interest period plus 0.50% per annum. The Corporation may request, and the lender at its discretion can approve, up to an additional \$50,000 of principal. As of September 30, 2025, \$6,817 of the Note was used in the form of standby letters of credit (LOC) that provides liquidity support for the Corporation's self-insured workers' compensation and other programs. There was no cash drawn from the Note during the term.

## **RWJ BARNABAS HEALTH, INC.**

### Notes to Consolidated Financial Statements

September 30, 2025 and 2024

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

#### **(6) Employee Benefit Plans**

The Corporation maintains several benefit plans for its employees. The following are brief descriptions of those plans and related expenses for the nine months ended September 30, 2025 and 2024:

- The Corporation provides pension benefits to its employees through defined contribution plans. Contributions to these plans are based on percentages of annual salaries. It is the policy of the Corporation to fund accrued costs under these plans on a current basis. Pension expense related to these defined contribution plans was approximately \$99,730 and \$73,082 for the nine months ended September 30, 2025 and 2024, respectively.
- Certain affiliates of the Corporation contribute to various multiemployer defined benefit pension plans under the terms of collective bargaining agreements that cover union-represented employees. Contributions to these plans approximated \$6,265 and \$5,481 for the nine months ended September 30, 2025 and 2024, respectively.
- Certain employees of the Corporation participate in deferred compensation plans. Eligible employees may defer compensation under a salary reduction agreement, subject to certain dollar limitations. Payments, upon retirement or termination of employment, are based on amounts credited to individual accounts. In connection with these plans, certain affiliates deposit amounts with trustees on behalf of participating employees. Under the terms of these plans, the Corporation is not responsible for investment gains or losses incurred. The assets are restricted for payments under the plans. The plans are funded based upon the benefit formula as outlined in the plan documents.

The RWJ Barnabas Health Retirement Income Plan (the RWJBH Plan) covers substantially all employees of the Corporation. The RWJBH Plan is currently frozen and no participants accrue credited service or contribute to the RWJBH Plan.

The assets of the RWJBH Plan are managed under a liability-driven investment (LDI) strategy. Under the LDI strategy, the expected rate of return on plan assets is based upon the assumption that plan assets will be invested primarily in fixed income and other related securities based upon their ability to perform similarly to the characteristics of the plan liabilities over time. The policy of the Corporation is to evaluate the annual funding liability on a calendar year basis. Based on this evaluation, contributions of \$15,000 and \$10,000 were made to the RWJBH Plan during the nine months ended September 30, 2025 and 2024, respectively.

#### **(7) Partnership with Rutgers, the State University of New Jersey**

The Corporation, Rutgers, the State University of New Jersey (Rutgers), and Rutgers Health Group (RHG) entered into a Master Affiliation Agreement (MAA) with the goal of integrating medical education, advanced research and healthcare delivery.

The MAA requires reciprocal commitments and the alignment of each party's respective strategic, operational, and financial interests, and activities as part of a coordinated and mutually supportive academic health system. The Corporation and Rutgers have continued to execute on strategies contemplated in the MAA including integrating the clinical operations of the Faculty of Robert Wood

## **RWJ BARNABAS HEALTH, INC.**

### **Notes to Consolidated Financial Statements**

**September 30, 2025 and 2024**

*(Information pertaining to the nine months ended September 30, 2025 and 2024 is unaudited)*

Johnson Medical School (RWJMS) and the Rutgers CINJ through Integrated Practice Agreements (IPA). Under the terms of these agreements, Rutgers will continue to employ providers and certain support staff, but the Corporation is responsible for the operations of the clinical practices and related financial results. This included establishing a unified medical records system across the Corporation's entire medical group (including RWJMS and CINJ) and creating a unified and integrated patient experience.

As of September 30, 2025 and December 31, 2024, the Corporation owed Rutgers \$149,566 and \$112,599, net, respectively, under the MAA and IPA agreements. These amounts are included in accrued expenses and other current liabilities in the consolidated balance sheets.

#### **(8) Subsequent Events**

Management evaluated all events occurring subsequent to September 30, 2025 and through November 14, 2025, the date the consolidated financial statements were available to be issued. The Corporation did not have any recognizable subsequent events during the period.



## **RWJ BARNABAS HEALTH, INC.**

### **Note to Consolidated Financial Statements - Obligated Group**

The following financial information as of September 30, 2025 (unaudited) and December 31, 2024 (audited) and for the nine months ended September 30, 2025 and 2024 (unaudited) on pages 40 and 41 of the Corporation's Obligated Group was prepared for purposes of accommodating a certain group of bond and note holders. The financial information reflects the financial position and results of operations and changes in net assets of the Obligated Group and not of the entire Corporation and is not intended to be presented in conformity with U.S. generally accepted accounting principles.

**RWJ BARNABAS HEALTH, INC.**  
Consolidated Balance Sheets - Obligated Group  
(In thousands)

Assets	<u>September 30, 2025</u> (unaudited)	<u>December 31, 2024</u> (audited)
Current assets:		
Cash and cash equivalents	\$ 297,349	242,147
Short-term investments	255,337	240,828
Assets limited or restricted as to use	2,143	66,281
Patient accounts receivable, net	822,965	779,352
Estimated amounts due from third party payors	65,718	181,930
Other current assets	344,368	371,594
Total current assets	<u>1,787,880</u>	<u>1,882,132</u>
Assets limited or restricted as to use, non-current portion	200,210	191,163
Investments	4,675,900	3,911,919
Property, plant and equipment, net	4,629,445	4,506,359
Right-of-use asset	154,942	154,034
Due from affiliates, long term, net	46,789	48,606
Other assets, net	705,712	692,942
Total assets	<u>12,200,878</u>	<u>11,387,155</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	595,684	564,218
Accrued expenses and other current liabilities	919,005	941,410
Estimated amounts due to third party payors	24,448	23,530
Long-term debt	113,111	50,747
Lease obligation	19,666	18,621
Due to affiliates, net	56,745	230,492
Self-insurance liabilities	59,221	53,115
Total current liabilities	<u>1,787,880</u>	<u>1,882,133</u>
Estimated amounts due to third party payors, net of current portion	91,778	73,093
Self insurance liabilities, net of current portion	170,957	158,017
Long-term debt, net of current portion	3,176,593	3,299,278
Lease obligation, net of current portion	145,016	146,044
Accrued pension liability	52,992	66,422
Other liabilities	179,441	157,510
Total liabilities	<u>5,604,657</u>	<u>5,782,497</u>
Net assets	<u>6,596,221</u>	<u>5,604,658</u>
Total liabilities and net assets	<u>\$ 12,200,878</u>	<u>11,387,155</u>

See accompanying note to consolidated financial statements - obligated group.

**RWJ BARNABAS HEALTH, INC.**

Consolidated Statements of Operations and Changes in Net Assets - Obligated Group

Nine months ended September 30, 2025 and 2024

(In thousands)

(unaudited)

	<b>2025</b>	<b>2024</b>
Revenue:		
Net patient service revenue	\$ 5,684,601	5,229,424
Other revenue, net	591,914	485,545
Total revenue	<u>6,276,515</u>	<u>5,714,969</u>
Expenses:		
Salaries and wages	2,144,901	2,066,975
Physician fees and salaries	560,767	504,242
Employee benefits	509,068	438,910
Supplies	1,178,814	1,033,870
Other	1,026,659	1,000,044
Interest	73,642	71,519
Depreciation and amortization	263,865	234,270
Total expenses	<u>5,757,716</u>	<u>5,349,830</u>
Income from operations	<u>518,799</u>	<u>365,139</u>
Nonoperating revenue (expenses):		
Investment income, net	475,547	416,026
Other, net	(10,070)	58,387
Total nonoperating revenue, net	<u>465,477</u>	<u>474,413</u>
Excess of revenue over expenses	<u>984,276</u>	<u>839,552</u>
Pension changes other than net periodic benefit cost	8,650	4,524
Net assets released from restriction for purchases		
of property and equipment	105,979	20,499
Net assets transferred from non-obligated group	-	130,146
Other, net	(107,342)	(19,055)
Total other changes in net assets	<u>7,287</u>	<u>136,114</u>
Increase in net assets	<u>\$ 991,563</u>	<u>975,666</u>

See accompanying note to consolidated financial statements - obligated group.