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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
ST JOSEPH HEALTH SYSTEM

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
200 HEMLOCK STREET

City or town, state or country, and ZIP + 4
TAWAS CITY, MI 48763

D Employer identification number
38-1443395

E Telephone number
(989) 362-0181

G Gross receipts $ 57,885,237

F Name and address of Principal Officer
LINDA STANCILL
200 HEMLOCK STREET
TAWAS CITY, MI 48763

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list See instructions)

H(c) Group Exemption Number ▶

I Tax-exempt status ☑ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Web site: ▶ WWW SJHSYS ORG

K Type of organization ☑ Corporation ☐ trust ☐ association ☐ other ▶

L Year of Formation 1955

M State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
ROOTED IN THE LOVING MINISTRY OF JESUS AS HEALER ST JOSEPH HEALTH SYSTEM WILL PROVIDE A VALUE BASED, INTEGRATED HEALTH DELIVERY SYSTEM TO THE COMMUNITIES WE SERVE

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10
5	Total number of employees (Part V, line 2a)	5	669
6	Total number of volunteers (estimate if necessary)	6	235
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	402,238
b	Net unrelated business taxable income from Form 990-T, line 34	7b	-29,536

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	148,255	163,480
	9 Program service revenue (Part VIII, line 2g)	55,221,258	58,936,365
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	78,232	-1,831,455
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	561,295	528,912
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	56,009,040	57,797,302
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	65,901	40,860
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	28,590,983	30,753,274
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b (Total fundraising expenses, Part IX, column (D), line 25 134,592)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	26,433,245	27,863,865
	18 Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	55,090,129	58,657,999
	19 Revenue less expenses Subtract line 18 from line 12	918,911	-860,697
Net Assets or Fund Balances		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	52,008,520	49,337,171
	21 Total liabilities (Part X, line 26)	28,509,487	29,830,434
	22 Net assets or fund balances Subtract line 21 from line 20	23,499,033	19,506,737

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Please Sign Here

Signature of officer — Date: 2010-04-06

LINDA STANCILL CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date 2010-04-09	Check if self-empolyed ▶ ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶			EIN ▶
			Phone no ▶

May the IRS discuss this return with the preparer shown above? (See instructions) ☐ Yes ☑ No

Part III Statement of Program Service Accomplishments (See the instructions.)

1 Briefly describe the organization's mission

ROOTED IN THE LOVING MINISTRY OF JESUS AS HEALER ST JOSEPH HEALTH SYSTEM WILL PROVIDE A VALUE BASED, INTEGRATED HEALTH DELIVERY SYSTEM TO THE COMMUNITIES WE SERVE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting or make significant changes in how it conducts any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 45,053,684 including grants of $ 40,860) (Revenue $ 59,177,111)

ST JOSEPH HEALTH SYSTEM (SJHS) PROVIDES A SUBSTANTIAL PORTION OF ITS SERVICES TO THE ELDERLY AND POOR DURING THE FISCAL YEAR ENDING JUNE 30, 2009, APPROXIMATELY 53 99% OF THE VALUE OF SERVICES RENDERED WERE TO ELDERLY PATIENTS UNDER THE MEDICARE PROGRAM, AND APPROXIMATELY 13 07% OF THE SERVICES WERE PROVIDED TO PATIENTS WHO WERE DEEMED ELIGIBLE UNDER STATE, COUNTY, OR HEALTH SYSTEM FINANCIAL ASSISTANCE GUIDELINES SEE SCHEDULE O FOR COMMUNITY BENEFIT REPORT

4b (Code) (Expenses $ including grants of $) (Revenue $)

COMMUNITY BENEFITS ARE PROGRAMS OR ACTIVITIES THAT PROVIDE TREATMENT AND/OR PROMOTE HEALTH AND HEALING AS A RESPONSE TO IDENTIFIED COMMUNITY NEEDS IN EFFORTS TO PROMOTE HEALTHY LIVING, ST JOSEPH HEALTH SYSTEM HAS MADE AVAILABLE THE FOLLOWING PROGRAMS TO THE COMMUNITY SEE SCHEDULE O FOR COMMUNITY BENEFITS REPORT

4c (Code) (Expenses $ including grants of $) (Revenue $)

DURING THE FISCAL YEAR ENDING JUNE 30, 2009, OUR HOSPITAL TREATED 2,601 INPATIENT ADULTS AND CHILDREN IN THE COMMUNITY FOR A TOTAL OF 6,960 PATIENT DAYS OF SERVICE THE HOSPITAL ALSO PROVIDED SERVICES TO 211,568 OUTPATIENTS, INCLUDING OVER 3,000 OUTPATIENT SURGERY PATIENTS, 15,037 EMERGENCY ROOM VISITS,14,874 HOMEBOUND VISITS AND 8,158 HOSPICE DAYS SEE SCHEDULE O FOR COMMUNITY BENEFITS REPORT

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses $ 45,053,684 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	Yes	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	Yes	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		No

Part IV Checklist of Required Schedules *(Continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	68		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	1		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	669		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? **Note:** *If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.*	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** *Report of Foreign Bank and Financial Accounts.*				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, *Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?*	5c			
6a	Did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	*Organizations that may receive deductible contributions under section 170(c).*				
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of $75 or more?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			No
9	*Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.*				
a	Did the organization make any taxable distributions under section 4966?	9a			No
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			No
10	*Section 501(c)(7) organizations.* Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	Section 501(c)(12) organizations Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	*Section 4947(a)(1) non-exempt charitable trusts.* Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body . .	1a 13		
b	Enter the number of voting members that are independent . .	1b 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . .	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	the governing body?	8a	Yes	
b	each committee with authority to act on behalf of the governing body?	8b	Yes	
9a	Does the organization have local chapters, branches, or affiliates?	9a	Yes	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b	Yes	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	11		No

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No", go to line 13* . .	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	Yes	
b	Other officers or key employees of the organization?	15b	Yes	
	Describe the process in Schedule O			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed MI

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ own website ☐ another's website ☑ upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

LINDA STANCILL
200 HEMLOCK STREET
TAWAS CITY, MI 48763
(989) 362-9303

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed
* List all of the organization's **current** officers, directors, trustees (whether individuals or organizations) and key employees regardless of amount of compensation, and current key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

* List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations

* List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations

* List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	**(B)** Average hours per week	**(C)** Position (check all that apply)						**(D)** Reportable compensation from the organization (W-2/1099MISC)	**(E)** Reportable compensation from related organizations (W- 2/1099-MISC)	**(F)** Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply) Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								2,166,644	282,508	162,813

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 23

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed online 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
EPMG OF MICHIGAN PC 2000 GREEN ROAD SUITE 300 ANN ARBOR, MI 48105	ER PHYSICIANS	1,183,000
DEGARA PLLC 240 CANTERBURY BLOOMFIELD HILLS, MI 48304	ER PHYSICIANS	657,455
AHSA LLC PO BOX 945 TRAVERSE CITY, MI 48685	SURGICAL STAFF	457,512
GENTIVA HEALTH SERV PO BOX 277950 ATLANTA, GA 30384	BILLING SERVICE	406,770
MEDSERV PLUS INC PO BOX 45 E PALESTINE, OH 44413	BIOMEDICAL MAIN	355,503

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 14

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a				
	b	Membership dues 1b				
	c	Fundraising events 1c				
	d	Related organizations 1d				
	e	Government grants (contributions) 1e 60,531				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 102,949				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)**	163,480			
Program Service Revenue		Business Code				
	2a	PATIENT SERVICES 621,990	58,780,577			58,780,577
	b	LAB SUPPORT SERVICES TO EXTER 621,990	155,788		155,788	
	c					
	d					
	e					
	f	All other program service revenue				
	g	**Total. Add lines 2a-2f** ▶ $ 58,936,365				
	3	Investment income (including dividends, interest other similar amounts)	-1,837,065			-1,837,065
	4	Income from investment of tax-exempt bond proceeds				
	5	Royalties				
		(i) Real / (ii) Personal				
	6a	Gross Rents: 21,731				
	b	Less rental expenses: 57,392				
	c	Rental income or (loss): -35,661				
	d	Net rental income or (loss)	-35,661			-35,661
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 36,153				
	b	Less cost or other basis and sales expenses: 30,543				
	c	Gain or (loss): 5,610				
	d	Net gain or (loss)	5,610			5,610
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 *Attach Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See part IV, line 19 *Complete Schedule G if total exceeds $15,000* a				
	b	Less direct expenses b				
	c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances a				
	b	Less cost of goods sold b				
	c	Net income or (loss) from sales of inventory				
		Miscellaneous Revenue / Business Code				
	11a	MIS REV - CONVEN OF PATIENTS 621,990	318,123			318,123
	b	OCC HEALTH SUPPORT SERVICES 621,990	246,450		246,450	
	c					
	d	All other revenue _____				
	e	**Total. Add lines 11a-11d** $ 564,573				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e	57,797,302		402,238	57,231,584

Other Revenue

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	40,860	40,860		
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,002,035	448,446	553,589	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	23,553,801	18,296,322		80,678
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	827,838	417,054	406,005	4,779
9	Other employee benefits	3,659,719	2,838,059	812,293	9,367
10	Payroll taxes	1,709,881	1,328,216	377,314	4,351
11	Fees for services (non-employees)				
a	Management	415,779		415,779	
b	Legal	154,409	4,725	149,684	
c	Accounting	103,020		99,617	3,403
d	Lobbying	11,735		11,735	
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	6,918,990	4,404,682	2,508,834	5,474
12	Advertising and promotion	124,592	7,085	117,507	
13	Office expenses	1,408,223	583,546	812,369	12,308
14	Information technology				
15	Royalties . .				
16	Occupancy	1,463,905	1,024,865	435,057	3,983
17	Travel	235,511	226,275	9,075	161
18	Payments of travel or entertainment expenses for any Federal, state or local public officials				
19	Conferences, conventions and meetings	150,201	48,671	94,777	6,753
20	Interest	720,485	720,485		
21	Payments to affiliates	239,000		239,000	
22	Depreciation, depletion, and amortization	3,135,488	2,279,414	854,230	1,844
23	Insurance	474,629	448,016	26,613	
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	MEDICAL SUPPLIES	7,811,773	7,800,185	11,588	
b	BAD DEBT	3,096,989	3,096,989		
c	MAINTENANCE & REPAIRS	986,458	782,504	203,193	761
d	OTHER EXPENSES	261,153	146,114	114,309	730
e	RECRUITMENT	151,525	111,171	40,354	
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	58,657,999	45,053,684	13,469,723	134,592
26	**Joint Costs.** Check ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	2,531,061	1	3,942,372
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net	63,954	3	35,701
	4	Accounts receivable, net	3,719,169	4	3,696,187
	5	Receivables from current and former officers, directors, trustees, key employees or other related parties *Complete Part II of Schedule L*		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) *Complete Part II of Schedule L*		6	
	7	Notes and loans receivable, net	126,916	7	97,042
	8	Inventories for sale or use	1,324,149	8	1,465,100
	9	Prepaid expenses and deferred charges	3,222,326	9	1,442,268
	10a	Land, buildings, and equipment cost basis — 10a: 52,653,461			
	b	Less accumulated depreciation *Complete Part VI of Schedule D* — 10b: 29,850,557	25,643,657	10c	22,802,904
	11	Investments—publicly traded securities	10,892,545	11	12,525,735
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*		12	
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*	4,484,743	15	3,329,862
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*	52,008,520	16	49,337,171
Liabilities	17	Accounts payable and accrued expenses	6,921,122	17	8,820,504
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability *Complete Part IV of Schedule D*		21	
	22	Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities *Complete Part X of Schedule D*	21,588,365	25	21,009,930
	26	**Total liabilities.** *Add lines 17 through 25*	28,509,487	26	29,830,434
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	22,068,045	27	18,334,842
	28	Temporarily restricted net assets	1,430,988	28	1,171,895
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	23,499,033	33	19,506,737
	34	Total liabilities and net assets/fund balances	52,008,520	34	49,337,171

Part XI Financial Statements and Reporting

				Yes	No
1	Accounting method used to prepare the Form 990	☐ cash ☑ accrual ☐ other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b		No
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		3a		No
b	If "Yes," did the organization undergo the required audit or audits?		3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1 ☐ A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i).**

2 ☐ A school described in **Section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **Section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **Section 509(a)(4).** (See instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(See Instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of support?
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 **Public Support** subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total Support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f **15**

16a **33 1/3% Test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

b **33 1/3% Test - 2007.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

17a **10% Facts and Circumstances Test - 2008.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

b **10% Facts and Circumstances Test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶

18 **Private Foundation.** If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Total of lines 7a and 7b						
8 **Public Support** (Substract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total Support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ☐

Computation of Public Support Percentage

15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15
16	Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16

Computation of Investment Income Percentage

17	Investment Income Percentage for **2008** (line 10c column (f) divided by line 13 column (f))	17
18	Investment Income Percentage from **2007** Schedule A, Part IV-A, line 27h	18

19a **33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

b **33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 38-1443395
Name: ST JOSEPH HEALTH SYSTEM

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DONALD R ELLIS III MD , TRUSTEE	60	X						197,244	0	12,642
SCOTT CHAPLESKI , SECRETARY	2	X						0	0	0
MATTHEW BURESH , TRUSTEE	2	X						0	0	0
MICHAEL BUSCH , TRUSTEE	2	X						0	0	0
NORMAN DEGEHARDT , TREASURER	2	X						0	0	0
BRIDGET DUNLEAVY , TRUSTEE	2	X						0	0	0
JERRY SCHMIDT , TRUSTEE	2	X						0	0	0
GERALD GRACIK , VICE-CHAIR	2	X						0	0	0
DARREN RHOADS , CHAIR	2	X						0	0	0
JOAN MAY , TRUSTEE	2	X						0	0	0
RYAN PARKINSON , TRUSTEE	2	X						0	0	0
PATRICK MURTHA , CEO	60			X				0	282,508	14,094
MICHAEL WAGNER , CHIEF STAFF	60			X				232,998	0	5,564
LINDA STANCILL , CFO	60			X				219,349	0	37,638
DIANA ENNES MD , SURGEON	60					X		438,674	0	35,386
JOHN BLOCKSOM , PHYSICIAN	60					X		343,345	0	15,378
RICHARD SCHULZ , SURGEON	60					X		305,517	0	13,701
EARL ELOWSKY MD , PHYSICIAN	60					X		219,630	0	15,657
NEELIMADEVI RYALI MD , PHYSICIAN	60					X		209,887	0	12,753

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990EZ, Part VI, line 47 (Lobbying Activities)

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)

- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization	Employer identification number
ST JOSEPH HEALTH SYSTEM	38-1443395

Part I-A **To be completed by all organizations exempt under section 501(c) and section 527 organizations.** (See the instructions for Schedule C for details.)

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	$
3	Volunteer hours	

Part I-B **To be completed by all organizations exempt under section 501(c)(3).** (See the instructions for Schedule C for details.)

1	Enter the amount of any excise tax incurred by the organization under section 4955	$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	$
3	If the organization incurred in a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☑ No
4a	Was a correction made?	☐ Yes ☑ No
b	If "Yes," describe in Part IV	

Part I-C **To be completed by all organizations exempt under section 501(c), except section 501(c)(3).** (See the instructions for Schedule C for details.)

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	$
2	Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt funtion activities	$
3	Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b	$
4	Did the filing organization file **Form 1120-POL** for this year?	☐ Yes ☑ No

5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's internal funds If none, enter -0-	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b	Total lobbying expenditures to influence a legislative body (direct lobbying)		
c	Total lobbying expenditures (add lines 1a and 1b)		
d	Other exempt purpose expenditures		
e	Total exempt purpose expenditures (add lines 1c and 1d)		
f	Lobbying nontaxable amount Enter the amount from the following table in both columns—		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

g	Grassroots nontaxable amount (enter 25% of line 1f)		
h	Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i	Subtract line 1f from line 1c Enter -0- if line f is more than line c		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☑ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** (See the instructions for Schedule C for details.)

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		7,632
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?	Yes		4,103
i	Other activities If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			11,735
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes" enter the amount of any tax incurred under section 4912			
c	If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** (See the instructions for Schedule C for details.)

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		No
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		No

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** (See the instructions for Schedule C for details.)

1	Dues, assessments and similar amounts from members	1 $
2	Section 162(e) non-deductible lobbying and political expenditures ***(do not include amounts of political expenses for which the section 527(f) tax was paid).***	
a	Current Year	2a $
b	Carryover from last year	2b $
c	Total	2c $
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 $
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 $
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 $

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i Also, complete this part for any additional information

Identifier	Return Reference	Explanation
	SCHEDULE C, PART II-B, LINE 1I	LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING

Part IV Supplemental Information

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493099000030

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate Contributions to (during year)		
3	Aggregate Grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☑ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☑ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of certified historic structure
☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☑ No

6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☑ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $

(ii) Assets included in Form 990, Part X ▶ $

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $

b Assets included in Form 990, Part X ▶ $

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☑ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☑ No

b If "Yes," explain why in Part XIV and complete the following table

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☑ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶
- c Term endowment ▶

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		No

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		1,492,993		1,492,993
b Buildings		22,802,661	11,996,689	10,805,972
c Leasehold improvements		181,158	170,149	11,009
d Equipment		23,665,417	15,289,014	8,376,403
e Other		4,511,232	2,394,705	2,116,527
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				22,802,904

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or cateory (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
OTHER RECEIVABLES	1,735,476
AMOUNTS DUE FROM 3RD PARTY PAYORS	822,004
DEFERRED COMPENSATION ASSET	763,913
INVESTMENT IN UNCONSOLIDATED ENTITIE	20,687
INTERCOMPANY RECEIVABLES (SJHE)	-12,218
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	3,329,862

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
INTERCOMPANY DEBT TO ASCENSION HEALT	19,204,688
GENERAL RESERVES	1,079,157
OBLIGATION UNDER CAPTIAL LEASE - AH	493,955
SELF INSURANCE LIABILITY	232,130
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	21,009,930

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
6b	If "Yes," does the organization make it available to the public?	6b		
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *worksheets 1 and 2*)						
b Unreimbursed Medicaid (from *worksheet 3, column a*)						
c Unreimbursed costs—other means-tested government programs (from *worksheet 3, column b*)						
d **Total** Charity Care and Means-Tested Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from (worksheet 4)						
f Health professions education (from worksheet 5)						
g Subsidized health services (from worksheet 6)						
h Research (from worksheet 7)						
i Cash and in-kind contributions to community groups (from worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II Community Building Activities (Complete this table if the organization conducted any community building activities) *(Optional for 2008)*

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III Bad Debt, Medicare, & Collection Practices *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit			

Section B. Medicare

5	Enter total revenue received from Mecicare (including DSH and IME)	5	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	
7	Enter line 5 less line 6—surplus or (shortfall)	7	
8	Describe in Part VI the extent to which any shortfall reported on line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6 and indicate which of the following methods was used		

☐ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV Management Companies and Joint Ventures *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
ST JOSEPH HEALTH SYSTEM 200 HEMLOCK STREET TAWAS CITY,MI 48763	X	X					X		
ST JOSPEH PEDIATRIC CLINIC 325 M-55 TAWAS CITY,MI 48763									PHYSICIAN OFFICES
OSCODA HEALTH PARK 5939 N HURON RD OSCODA,MI 48750									PHYSICIAN OFFICES
HURON FAMILY MEDICINE 700 GERMAN STREET TAWAS CITY,MI 48763									PHYSICIAN OFFICES
HALE ST JOSEPH MEDICAL CLINIC 116 S CHURCH STREET HALE,MI 48739									PHYSICIAN OFFICES
AUSABLE VALLEY HEALTH CENTER 1392 MAPLE DRIVE FAIRVIEW,MI 48621									PHYSICIAN OFFICES
ST JOSEPH WOMENS CLINIC 25 M-55 TAWAS CITY,MI 48763									PHYSICIAN OFFICES
AUGRES FAMILY CLINIC 302 S MAIN AUGRES,MI 48703									PHYSICIAN OFFICES
GREAT LAKES FAMILY MEDICINE 106 DIVISION OSCODA,MI 48750									PHYSICIAN OFFICES
MEDICAL ARTS BUILDING 295 MAPLE STREET TAWAS CITY,MI 48763									PHYSICIAN OFFICES
WOMEN'S CLINIC - WEST BRANCH 621 COURT STREET SUITE 105 WEST BRANCH,MI 48661									PHYSICIAN OFFICES
HURON SHORES WALK-IN CLINIC 1691 E US-23 EAST TAWAS,MI 48730									PHYSICIAN OFFICES
HURON PROFESSIONAL BUILDING 716 GERMAN STREET TAWAS CITY,MI 48763									HOME HEALTH & HOSPICE
HARBOR HEALTH CENTER 110 BEECH STREET TAWAS CITY,MI 48763									REHAB SVCS & PHYSICIAN OFFICES

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information

1 Provide the description required for Part I, line 3c, Part I, line 7, Part III, line 4, Part III, line 8, and Part III, line 9b

2 **Needs Assessment.** Describe how the organization assesses the health care needs of the communities it serves

3 **Patient Education of Eligibility for Assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy

4 **Community Information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Community Building Activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communites served

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 if additional space is needed . . . . . ▶ ☐

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
See Additional Data Table					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

See Additional Data Table

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS INSIDE THE UNITED STATES	SCHEDULE I, PAGE 1, PART I, LINE 2	ST JOSEPH HEALTH SYSTEM'S DIRECTOR OF COMMUNICATION & OUTREACH REVIEWS REQUESTS MADE BY INDIVIDUALS AND ORGANIZATIONS TO DETERMINE THE APPROPRIATENESS OF THE REQUEST TO ENSURE THAT IT FOCUSES ON BETTER SERVING THE HEALTHCARE NEEDS OF OUR COMMUNITY ST JOSEPH HEALTH SYSTEM ACTIVELY PROVIDES FUNDING AND RESOURCES TO PROMOTE HEALTH SCREENINGS, WELLNESS ACTIVITIES, AND VARIOUS OTHER HEALTH EDUCATION PROGRAMS IN COMMUNITIES WE SERVE, TARGETING SCHOOLS, WOMEN'S HEALTH SEMINARS, HEALTH & WELLNESS SCREENS, AS WELL AS THE GENERAL PUBLIC THE REQUESTING ORGANIZATION OR INDIVIDUAL IS TO PROVIDE THE HEALTH SYSTEM WITH AN APPROXIMATE NUMBER OF RECIPIENTS SERVED SO WE CAN TRACK THIS ON OUR COMMUNITY BENEFITS REPORT

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 38-1443395
Name: ST JOSEPH HEALTH SYSTEM

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
SPONSORSHIP	30	317		BOOK	
SPONSORSHIP	1	50		BOOK	
SPONSORSHIP	100	87		BOOK	
SPONSORSHIP	1	250		BOOK	
WELL CHILD EXAMS - IRESA	75		330	FMV	WELL CHILD EXAM
WELL CHILD EXAMS	70		270	FMV	WELL CHILD EXAM
FREEBLOODPRESSURE SCREENS	30		121	FMV	BP SCANS
FREESKINCANCER SCREENS	39		1,253	FMV	CANCER SCREENS
FREESKINCANCER SCREENS	37		833	FMV	CANCER SCREENS
SPORTS PHYSICALS	24		3,578	FMV	SPORTS PHYSICAL
FREESKINCANCER SCREENS	37		678	FMV	CANCER SCREENS
FREESKINCANCER SCREENS	12		1,118	FMV	CANCER SCREENS
ASTHMA & ADHD EDUCATION	40		180	FMV	EDUCATION
OVERSEAS MEDICAL SUPPLIES	1		420	FMV	MEDICALSUPPLIES
OVERSEAS MEDICAL SUPPLIES	1		300	FMV	MEDICALSUPPLIES
FREEPRESCRIPTION @ DISCHG	1		150	FMV	FREE RX
EYE INSTRUMENTATION	1		700	FMV	INSTRUMENT
FREEPRESCIPTION @ DISCHG	1		25	FMV	FREE RX
COVERUNINSURED WALK/FOOD	917		3,400	FMV	FREE FOOD/WALK
DONATE INSTRUMENTATION	1		4,000	FMV	INSTRUMENT
CHILD ABUSE PRESENTATION	50		230	FMV	EDUCATION
CHILDREN'S HEALTH FAIR	30		170	FMV	HEALTH FAIR
FREEPRESCRIPTION @ DISCHG	1		48	FMV	FREE RX
SAFESITTERBABYSITTING	9		525	FMV	EDUCATION
FIRSTAID KIT SUPPLIES	18		28	FMV	FIRSTAID SUPPLY
PENS FOR BLOOD DONORS	99		79	FMV	FREE PENS
BLOODPRESSURESCREEN/FAKIT	40		185	FMV	BP SCREENS
DONATEDTEACHING MANNEQUIN	1		750	FMV	DONATION
ARC BLOODDRIVE	28		1,575	FMV	BLOOD DRIVE
CHALLENGE DAY	100		280	FMV	EDUCATION

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
LITTLELEAGUEINJURYEDUCATN	20		170	FMV	EDUCATION
10TH GRADE CAREER FAIR	280		1,280	FMV	EDUCATION
DIABETES WORKSHOP	16		450	FMV	WORKSHOP
HEALTHFAIR W/BLOODPRESSUR	6		144	FMV	EDUCATION/BP
CB TRAINING	1		72	FMV	TRAINING
DIABETES SUPPORT GROUP	20		188	FMV	SUPPORT GROUP
SPONSOR MCVI WOMEN'SHEALT	1		500	FMV	SPONSER
PATH PROGRAM	60		1,125	FMV	EDUCATION
WEIGHTWATCHERS CLASS	19		1,540	FMV	NUTRITION CLASS
SPORTSPHYSICALS-OSCODA HS	50		341	FMV	SPORTS PHYSICAL
SPORTSPHYSICALS-AGS HS	39		180	FMV	SPORTS PHYSICAL
WOMEN'S HEALTHFAIR ETAG	30		700	FMV	EDUCATION
HEADSTART ADISORY CTE	10		80	FMV	EDUCATION
ARC BLOOD DRIVE	25		1,600	FMV	BLOOD DRIVE
RELAY FOR LIFE	600		3,490	FMV	RELAY FOR LIFE
JUDY H - DIABETES CLASS	4		50	FMV	EDUCATION
JUDY H - DIABETES CLASS	10		53	FMV	EDUCATION
JUDY H - DIABETES CLASS	5		52	FMV	EDUCATION
JUDY H - DIET/NUTRITION	13		70	FMV	NUTRITION
JUDY H - DIET/NUTRITION	12		63	FMV	NUTRITION
JULIE W - SLEEP PROBLEMS	15		310	FMV	EDUCATION
JUDY H - DIET/NUTRITION	15		62	FMV	NUTRITION
S BLAIR - DIABETIC CLUB	18		245	FMV	NUTRITION
SPORTS PHYSICAL & SAFETY	50		210	FMV	SPORTS PHYSICAL
S BLAIR - DIABETIC CLUB	20		245	FMV	NUTRITION
LANA/JEN/SAJU SPEAKERS	50		200	FMV	EDUCATION
JUDY H - MENSTRUAL ISSUE	5		51	FMV	EDUCATION
S BLAIR - DIABETIC CLUB	22		245	FMV	NUTRITION
JUDY H - BREASTCANCER AW			43	FMV	EDUCATION
S BLAIR - DIABETIC CLUB	24		245	FMV	NUTRITION

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
JUDY H - BREASTCANCER AW			39	FMV	EDUCATION
J DOWDY - BREASTCANCER AW	20		100	FMV	EDUCATION
JUDY H - BREASTCANCER AW	3		40	FMV	EDUCATION
KAREN SCHAFFER EDUCATION	22		57	FMV	EDUCATION
JUDY H -HOLIDAYSTRESSMGMT	1		60	FMV	EDUCATION
S BOOM-MASSAGES	50		120	FMV	MASSAGES
L BEHNKE-WOMN'SHEALTHINIT	100		637	FMV	EDUCATION
S BLAIR-WOMN'SHEALTHINITI	100		405	FMV	EDUCATION
SPKRS @ WOMEN'SHEALTHINIT	100		300	FMV	EDUCATION
JUDY H -HOLIDAYSTRESSMGMT	1		63	FMV	EDUCATION
JUDY H -HOLIDAYSTRESSMGMT	1		45	FMV	EDUCATION
S BLAIR - DIABETIC CLUB	26		245	FMV	NUTRITION
JUDY H & SUE F - BHRT	3		77	FMV	EDUCATION
S BLAIR - DIABETIC CLUB	20		245	FMV	NUTRITION
S BLAIR - DIABETIC CLUB	27		245	FMV	NUTRITION
S BLAIR - TOPS PRESENT	20		85	FMV	NUTRITION
S BLAIR - DIABETIC CLUB	21		245	FMV	NUTRITION
S BLAIR-OSTOMYSUPPORT	14		110	FMV	SUPPORT GROUP
S BLAIR- DIABETIC CLUB	19		135	FMV	NUTRITION
COPD,EMPHYSEMA,ALLERGIES	70		187	FMV	EDUCATION
S BLAIR - NUTRITION&AGING	8		85	FMV	NUTRITION
S BLAIR - DIABETES EDUCAT	21		115	FMV	NUTRITION
S BLAIR-DIABETES EDUCATIO	21		115	FMV	NUTRITION
S BLAIR- DIABETIC CLUB	18		135	FMV	NUTRITION
DIABETIC CLUB & SWINE FLU	22		135	FMV	NUTRITION
JUDY H - BHRT	5		90	FMV	EDUCATION
ADVANCEDIRECTIVEEDUCATION	12		403	FMV	EDUCATION
JUDY H -WMN'SHEALTHISSUE	16		68	FMV	EDUCATION
DRJO'SVOLUNTEERW/STUDENTS	15		240	FMV	EDUCATION
DR LANDRY-UTERINEHEALTH			40	FMV	EDUCATION

Form 990, Schedule I, Part III, Grants and Other Assistance to Individuals in the United States

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
DR DOWDY-HORMONREPLACETRP	4		60	FMV	EDUCATION

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DONALD R ELLIS III MD	(i) (ii)	197,244			3,985	8,657	209,886	
PATRICK MURTHA	(i) (ii)	264,862		17,646	4,600	9,494	296,602	
MICHAEL WAGNER	(i) (ii)	232,998			4,576	988	238,562	
LINDA STANCILL	(i) (ii)	147,116		72,233	28,382	9,256	256,987	
DIANA ENNES MD	(i) (ii)	423,178		15,496	25,850	9,536	474,060	
JOHN BLOCKSOM	(i) (ii)	343,345			4,600	10,778	358,723	
RICHARD SCHULZ	(i) (ii)	305,517			4,600	9,101	319,218	
EARL ELOWSKY MD	(i) (ii)	219,630			4,440	11,217	235,287	
NEELIMADEVI RYALI MD	(i) (ii)	209,887			4,018	8,735	222,640	
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 38-1443395
Name: ST JOSEPH HEALTH SYSTEM

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
DONALD R ELLIS III MD	(I) (II)	197,244			3,985	8,657	209,886	
PATRICK MURTHA	(I) (II)	264,862		17,646	4,600	9,494	296,602	
MICHAEL WAGNER	(I) (II)	232,998			4,576	988	238,562	
LINDA STANCILL	(I) (II)	147,116		72,233	28,382	9,256	256,987	
DIANA ENNES MD	(I) (II)	423,178		15,496	25,850	9,536	474,060	
JOHN BLOCKSOM	(I) (II)	343,345			4,600	10,778	358,723	
RICHARD SCHULZ	(I) (II)	305,517			4,600	9,101	319,218	
EARL ELOWSKY MD	(I) (II)	219,630			4,440	11,217	235,287	
NEELIMADEVI RYALI MD	(I) (II)	209,887			4,018	8,735	222,640	

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Identifier	Return Reference	Explanation
CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PAGE 6, PART VI, LINE 6	THE ST JOSEPH HEALTH SYSTEM HAS A SINGLE CORPORATE MEMBER, ASCENSION HEALTH

Identifier	Return Reference	Explanation
ELECTION OF MEMBERS AND THEIR RIGHTS	FORM 990, PAGE 6, PART VI, LINE 7A	THE ST JOSEPH HEALTH SYSTEM HAS A SINGLE CORPORATE MEMBER, ASCENSION HEALTH, WHO HAS THE ABILITY TO ELECT MEMBERS TO THE GOVERNING BODY OF THE ST JOSEPH HEALTH SYSTEM

Identifier	Return Reference	Explanation
DECISIONS SUBJECT TO APPROVAL OF MEMBERS	FORM 990, PAGE 6, PART VI, LINE 7B	ASCENSION HEALTH HAS DESIGNED A SYSTEM AUTHORITY MATRIX WHICH ASSIGNS AUTHORITY FOR KEY DECISIONS THAT ARE NECESSARY IN THE OPERATION OF THE SYSTEM SPECIFIC AREAS THAT ARE IDENTIFIED IN THE AUTHORITY MATRIX ARE NEW ORGANIZATIONS & MAJOR TRANSACTIONS, GOVERNING DOCUMENTS, APPOINTMENTS/REMOVALS, EVALUATION, DEBT LIMITS, STRATEGIC & FINANCIAL PLANS, ASSETS, SYSTEM POLICIES & PROCEDURES THESE AREAS ARE SUBJECT TO CERTAIN LEVELS OF APPROVAL BY ASCENSION PER THE SYSTEM AUTHORITY MATRIX

Identifier	Return Reference	Explanation
POLICIES AND PROCEDURES GOVERNING CHAPTERS	FORM 990, PAGE 6, PART VI, LINE 9B	YES

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 10	MANAGEMENT, INCLUDING CERTAIN OFFICER(S), WORKS DILIGENTLY TO COMPLETE THE FORM 990 AND ATTACHED SCHEDULES IN A THOROUGH MANNER MANAGEMENT PRESENTS THE FORM TO THE BOARD, OR A DESIGNATED COMMITTEE, TO REVIEW AND ANSWER ANY QUESTIONS PRIOR TO FILING THE RETURN, ALL BOARD MEMBERS ARE PROVIDED THE FORM 990 AND MANAGEMENT TEAM MEMBERS ARE AVAILABLE TO ANSWER ANY BOARD MEMBERS QUESTIONS

Identifier	Return Reference	Explanation
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY IN THAT ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT THE REMAINING INDIVIDUALS ON THE GOVERNING BOARD OR COMMITTEE MEETING WILL DECIDE IF CONFLICTS OF INTEREST EXIST EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS ANNUALLY SIGNS A STATEMENT WHICH AFFIRMS SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE ORGANIZATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ITS TAX-EXEMPT PURPOSE

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	IN DETERMINING COMPENSATION OF THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE AUDIT COMMITTEE REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE CEO, EXECUTIVE DIRECTOR, AND TOP MANAGEMENT WERE COMPARED TO OTHER ORGANIZATIONS IN THE AREA THAT HOLD THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES INDIVIDUALS WERE NOT PRESENT WHEN THEIR COMPENSATION WAS DECIDED

Identifier	Return Reference	Explanation
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	IN DETERMINING COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE AUDIT COMMITTEE REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATIONS, THE OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION WERE COMPARED TO OTHER ORGANIZATIONS' EMPLOYEES IN THE AREA THAT HOLD THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES

Identifier	Return Reference	Explanation
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	THE ORGANIZATION WILL PROVIDE ANY DOCUMENTS OPEN TO PUBLIC INSPECTION UPON REQUEST

Identifier	Return Reference	Explanation
ADDITIONAL INFORMATION	SCHEDULE O	FORM 990, PART VII - COMPENSATION OF OFFICERS PATRICK MURTHA'S SALARY & BENEFITS ARE PAID BY ST MARY'S MEDICAL CENTER AND ARE THEN REIMBURSED BY ST JOSEPH HEALTH SYSTEM ST MARY'S MEDICAL CENTER, 800 WASHINGTON AVE , SAGINAW, MI 48601, TIN 38-0997730 FORM 990, PART XI, LINE 2B - FINANCIAL STATEMENT AUDIT THE FINANCIAL STAETMENTS OF ST JOSEPH HEALTH SYSTEM WERE AUDITED ON A CONSOLIDATED BASIS AN AUDIT COMMITTEE HAS BEEN DELEGATED THE RESPONSIBILITY TO OVERSEE THE AUDITED FINANCIAL STATEMENTS AND THE SELECTION OF THE INDEPENDENT ACCOUNTANTS THAT AUDITED THE FINANCIAL STATEMENTS 2008-2009 COMMUNITY BENEFITS REPORT OUR MISSION ROOTED IN THE LOVING MINISTRY OF JESUS AS HEALER, ST JOSEPH HEALTH SYSTEM IS COMMITTED TO PROVIDING QUALITY, SAFE HEALTHCARE TO ALL RESIDENTS AND VISITORS TO THE COMMUNITIES WE SERVE, WITH SPECIAL ATTENTION TO THOSE WHO ARE POOR OR VULNERABLE ST JOSEPH HEALTH SYSTEM (SJHS) SHARES THE VALUES OF ALL OTHER ASCENSION HEALTH MEMBERS THROUGH THESE VALUES WE TRANSFORM HEALTHCARE THROUGH PATIENT-CENTERED, HOLISTIC CARE OF THE HIGHEST CLINICAL QUALITY WE ARE CALLED TO SERVICE OF THE POOR GENEROSITY OF SPIRIT, ESPECIALLY FOR PERSONS MOST IN NEED REVERENCE RESPECT AND COMPASSION FOR THE DIGNITY AND DIVERSITY OF LIFE INTEGRITY INSPIRING TRUST THROUGH PERSONAL LEADERSHIP WISDOM INTEGRATING EXCELLENCE AND STEWARDSHIP CREATIVITY COURAGEOUS INNOVATION DEDICATION AFFIRMING THE HOPE AND JOY OF OUR MINISTRY INTRODUCTION 2008-09 COMMUNITY HIGHLIGHTS IT IS THE POLICY OF ASCENSION HEALTH THAT EACH HEALTH MINISTRY, GUIDED BY THE MISSION, VISION, VALUES AND PHILOSOPHY OF THE SYSTEM, WILL CREATE A COMMUNITY BENEFIT PLAN (PLAN OF CARE OF PERSONS WHO ARE POOR, COMMUNITY BENEFIT AND ADVOCACY) FOR LOCAL BOARD APPROVAL AS WELL AS PROVIDE A REPORT ON IT ANNUALLY IN FISCAL YEAR '09, WITHIN ITS 68 LOCAL MINISTRIES, ASCENSION HEALTH, IN TOTAL, PROVIDED OVER 868 MILLION IN CARE TO PERSONS WHO ARE POOR AT ST JOSEPH, WE PROVIDED APPROXIMATELY 1 85 MILLION TO THE POOR AND VULNERABLE IN OUR COMMUNITIES ASCENSION FINANCIAL REPORTING INCLUDES THE FOLLOWING SIX CATEGORIES CATEGORY I - TRADITIONAL CHARITY CARE THE COST OF TRADITIONAL CHARITY CARE (FINANCIAL ASSISTANCE) PROVIDED IN THE NORMAL COURSE OF OPERATIONS THESE SERVICES EXCLUDE BAD DEBTS AND CONTRACTUAL ALLOWANCES CATEGORY II - UNPAID COST OF PUBLIC PROGRAMS THE UNREIMBURSED COSTS OF PUBLIC PROGRAMS THE UNPAID COST IS REPORTED AS THE AMOUNT BY WHICH COSTS EXCEED REIMBURSEMENT FOR PUBLIC PROGRAMS FOR PERSONS WHO ARE POOR SUCH AS MEDICAID AND OTHER STATE OR LOCAL PROGRAMS (EXCLUDES MEDICARE) CATEGORY III - OTHER PROGRAMS FOR PERSONS WHO ARE POORTHOSE PROGRAMS WHICH WERE DEVELOPED WITH THE STATED INTENT TO SERVEPERSONS WHO ARE POOR IN THE COMMUNITY CATEGORY IV - OTHER PROGRAMS AND SERVICES FOR THE GENERAL COMMUNITYTHOSE PROGRAMS THAT ARE BENEFICIAL TO THE COMMUNITY 2008-09 FINANCIAL REPORT FY 2008/09 CATEGORY I (TRADITIONAL CHARITY CARE) 353,088 CATEGORY II (UNPAID COST OF PUBLIC PROGRAMS) 949,207 CATEGORY III (OTHER PROGRAMS FOR PERSONS WHO ARE POOR) 317,067 CATEGORY IV (OTHER PROGRAMS FOR THE GENERAL COMMUNITY) 230,660 TOTAL 1,850,022 CONNECTING PEOPLE AND SERVICES THIS REPORT ILLUSTRATES THE SIGNIFICANT DEGREE TO WHICH ST JOSEPH HEALTH SYSTEM CONTRIBUTES TO THE POSITIVE HEALTH STATUS OF OUR COMMUNITIES AS A MEMBER OF ASCENSION HEALTH, THE NATION'S LARGEST CATHOLIC HEALTHCARE SYSTEM, ST JOSEPH CONTINUES TO BUILD AND STRENGTHEN SUSTAINABLE COLLABORATIVE EFFORTS THAT BENEFIT THE HEALTH OF INDIVIDUALS, FAMILIES, AND SOCIETY AS A WHOLE OUR GOAL IS TO PERPETUATE THE HEALING MISSION OF THE CHURCH, AND TO FURTHER THIS GOAL THROUGH DELIVERY OF PATIENT SERVICES, CARE FOR THE ELDERLY AND EDUCATION FOR OUR PATIENTS, STAFF AND PUBLIC OUR CONCERN FOR ALL HUMAN LIFE AND DIGNITY OF EACH PERSON LEADS THE ORGANIZATION TO PROVIDE MEDICAL SERVICES TO ALL PEOPLE IN THE COMMUNITY WITHOUT REGARD TO THE PATIENT'S RACE, CREED, NATIONAL ORIGIN, ECONOMIC STATUS, OR ABILITY TO PAY ST JOSEPH HEALTH SYSTEM HAS ENGAGED IN THE FOLLOWING ACTIVITIES TO ENSURE THAT OUR MISSION IS ACCOMPLISHED ST JOSEPH HEALTH SYSTEM (SJHS) PROVIDES A SUBSTANTIAL PORTION OF ITS SERVICES TO THE ELDERLY AND POOR DURING THE FISCAL YEAR ENDING JUNE 30, 2009, APPROXIMATELY 53 99% OF THE VALUE OF SERVICES RENDERED WERE TO ELDERLY PATIENTS UNDER THE MEDICARE PROGRAM, AND APPROXIMATELY 13 07% OF THE SERVICES WERE PROVIDED TO PATIENTS WHO WERE DEEMED ELIGIBLE UNDER STATE, COUNTY, OR HEALTH SYSTEM FINANCIAL ASSISTANCE GUIDELINES IN THE SPIRIT OF PRINCIPLES ADOPTED BY ASCENSION HEALTH, ST JOSEPH HEALTH SYSTEM HAS TAKEN PROACTIVE STEPS TO ADDRESS THOSE ISSUES THAT WILL AFFECT ACCESSIBILITY, THE FINANCING, AND THE DELIVERY OF HEALTHCARE TO ALL PERSONS, ESPECIALLY THE UNINSURED, UNDERINSURED, AND THE UNDERSERVED DURING THE FISCAL YEAR ENDING JUNE 30, 2009, THE ESTIMATED UNREIMBURSED COST OF SERVICES PROVIDED FOR CARE OF THE POOR AND COMMUNITY BENEFITS, INCLUDING THE YOUTH, ELDERLY, UNINSURED AND UNDERINSURED TOTALED 1,850,022 SPOTLIGHT ON SUCCESS SKIN SCREENS- MEETING COMMUNITY NEEDS ST JOSEPH HEALTH SYSTEM OFFERED FREE SKIN CANCER SCREENING CLINICS REACHING 125 PEOPLE THE SCREENINGS WERE INITIATED BY PHYSICIAN ASSISTANT, JOEL PESTRUE "MY INTEREST IN DERMA-TOLOGY CAME FROM THE NEEDS OF THE COMMUNITIES I SERVE", STATED JOEL "HERE AT ST JOSEPH HEALTH SYSTEM, (SJHS) WE DO NOT HAVE A DERMATOLOGIST AND WITH THE HIGH INCIDENTS OF SKIN CANCER IN OUR AREA, I FELT IT NECESSARY TO ADD ADDITIONAL TRAINING IN ORDER TO SERVE MY PATIENTS " AFTER SPENDING HUNDREDS OF HOURS, WATCHING AND LEARNING, NOT ONLY, IDENTIFICATION BUT ALSO TREATMENT AND SURGERY, JOEL DECIDED IT WAS TIME DO SOMETHING WITH HIS KNOWLEDGE SJHS SCHEDULED THE FIRST SCREENING AND WITHIN 48 HOURS, EACH OF THE 40 POSSIBLE APPOINTMENTS WERE FILLED A WAITING LIST WAS QUICKLY STARTED AND BY THE TIME EACH PATIENT THAT CALLED WAS SCHEDULED THE TOTAL ROSE TO 125 PEOPLE "THIS IS SUCH A GREAT SERVICE, THANK YOU SO MUCH", SAID PATIENT BONNIE LIXEY AS SHE LEFT THE EXAM "THIS COULD TRULY SAVE SOMEONE'S LIFE " CHARITABLE CONTRIBUTIONS ST JOSEPH HEALTH SYSTEM PROVIDES CHARITABLE CONTRIBUTIONS TO COMMUNITY ORGANIZATIONS THROUGH SPONSORSHIPS, DONATIONS OF MONEY AND TANGIBLE ITEMS TO ORGANIZATIONS SUCH AS AMERICAN RED CROSS, TAWAS AREA, OSCODA AUSABLE AND HARRISVILLE CHAMBERS OF COMMERCE, IOSCO AND ALCONA COUNTY FAIR BOARDS, AYSO SOCCER LEAGUE, EAST TAWAS AND TAWAS CITY FIRE DEPARTMENTS, TAWAS SOCCER ASSOCIATION, PRIDE, KIWANIS, NORTHEAST ACADEMY OF DANCE, TAWAS SPORTS BOOSTERS, AMERICAN BUSINESS WOMEN'S ASSOCIATION, AMERICAN CANCER SOCIETY, HALE ELEMENTARY, CORSAIR TRAIL COUNCIL, HURON HOCKEY & SKATING ASSOCIATION, TAWAS AREA SCHOOLS, HARVEST GATHERING, TAWAS AREA CUB SCOUTS, SHORELINE PLAYERS, ATHLETIC DEPARTMENTS OF TAWAS, AUGRES AND OSCODA AND HOLY FAMILY SCHOOLS, MICHIGAN BONE MARROW DONOR REGISTRY, AND THE CITY OF AUGRES, FAMILY ENRICHMENT COALITION, NORTHERN MICHIGAN BMX, EAST TAWAS ASSEMBLY OF GOD, MICHIGAN AUDUBON SOCIETY, TAWAS BAY ART COUNCIL AND THE NORTHEAST MICHIGAN REGIONAL FARM MARKET DIABETICCLUB- A FAMILIAR FRIEND "I ALWAYS LEARN SOMETHING AT EACH MEETING I GET RE-INSPIRED EACH TIME TOO " RECENT STATISTICS FROM THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) REPORT THAT DIABETES NOW AFFECTS NEARLY 24 MILLION PEOPLE IN THE UNITED STATES, AN INCREASE OF MORE THAN 3 MILLION IN APPROXIMATELY TWO YEARS THIS MEANS THAT NEARLY 8 PERCENT OF THE U S POPULATION HAS DIABETES IN ADDITION TO THE 24 MILLION WITH DIABETES, ANOTHER 57 MILLION PEOPLE ARE ESTIMATED TO HAVE PRE-DIABETES, A CONDITION THAT PUTS PEOPLE AT INCREASED RISK ST JOSEPH HEALTH SYSTEM (SJHS) PROVIDES HEALTH SERVICES TO A FIVE COUNTY AREA WITH AN APPROXIMATE 7,500 DIABETICS THE FREE DIABETIC CLUB HOSTED BY SJHS IS OPEN TO THE GENERAL PUBLIC AND HAS BEEN IN EXISTENCE FOR MORE THAN 30 YEARS INITIALLY, THE INTENTION WAS FOR A SUPPORT GROUP TO ASSIST DIABETICS IN COPING WITH THE COMPLICATIONS OF THE DISEASE PROACTIVELY, SINCE THE YEAR 2000, THE GROUP HAS EVOLVED INTO AND OPPORTUNITY TO LEARN MORE ABOUT DIABETES AND PROVIDE AND OPEN FORUM FOR VOICING QUESTIONS AND CONCERNS RELATED TO DIABETES CARE IN FY 2009, 245 PARTICIPANTS (AN AVERAGE OF 20 PER MONTH) ATTENDED DISCUSSIONS REGARDING IMPROVING FOOD SELECTION AT THE GROCERY STORE, RESTAURANT CHOICES, STRATEGIES FOR BETTER GLYCEMIC CONTROL DURING THE HOLIDAY, SICK DAY MANAGEMENT, HEART DISEASE, DENTAL DISEASE, SKIN CARE, FOOD SAFETY AND EMERGENCY PREPAREDNESS COMMENTS RECEIVED FROM PARTICIPANTS HAVE A SIMILAR RING "I LEARN SOMETHING MORE EVERY TIME I ALSO LEARN FROM ALL HE OTHER PEOPLE BY THE QUESTIONS THE ASK AND THE DISCUSSIONS ON DIFFERENT MEDICATIONS AS WELL AS OTHER SUBJECTS THAT TIE INTO DIABETES THE CLASS IS ALWAYS INTERESTING " ANOTHER STATES, "I CONTINUE TO LEARN WAYS TO HELP CONTROL MY SUGAR AND GET ANSWERS TO MY QUESTIONS HEARING OTHERS' QUESTIONS AND ANSWERS GIVE ME KNOWLEDGE I DIDN'T KNOW I NEEDED "I ALWAYS LEARN SOMETHING

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answerd "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
ST JOSEPH HEALTH SYSTEM

Employer identification number
38-1443395

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
ASCENSION HEALTH PO BOX 45998 ST LOUIS, MO63145 31-1662309	HEALTHSYST	MO	501	3	N/A
ST JOSEPH HEALTH SYSTEM FOUNDATION 200 HEMLOCK ROAD TAWAS CITY, MI48763 01-0790428	FUNDRAISIN	MI	501	11A	N/A

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproprtionate allocations? Yes	(H) No	(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
ST JOSEPH HEALTH ENTERPRISES 200 HEMLOCK ROAD TAWAS, MI48764 38-2686747	OTHERMEDIC	MI	NA	C CORP	788,871	761,780	100 000 %
HEALTH PARTNERS OF NE MI 200 HEMLOCK ROAD TAWAS, MI48764 38-3378622	OTHERMEDIC	MI	NA	C CORP	-1,016	62,252	50 000 %

Part V Transactions with Related Organizations

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c		No
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)	ST JOSEPH HEALTH ENTERPRISES	J	186,869
(2)	ASCENSION HEALTH	O	2,366,600
(3)	ST JOSEPH HEALTH ENTERPRISES	P	588,062
(4)	ST JOSEPH HEALTH SYSTEM FOUNDATION	R	76,810
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproprtionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No