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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
COVENANT HEALTH SYSTEM

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3615 19TH STREET

City or town, state or country, and ZIP + 4
LUBBOCK, TX 794101203

D Employer identification number
75-2765566

E Telephone number
(806) 725-1011

G Gross receipts $ 615,316,853

F Name and address of Principal Officer
JOHN GRIGSON
3615 19TH STREET
LUBBOCK,TX 794101203

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 COVENANTHEALTH ORG

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

L Year of Formation 1998

M State of legal domicile TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
SEE SCHEDULE O

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	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of employees (Part V, line 2a)	5	5,580
6	Total number of volunteers (estimate if necessary)	6	333
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	5,600,999
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	2,194,000	2,340,135
9	Program service revenue (Part VIII, line 2g)	560,249,771	600,662,152
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,556,000	-5,026,801
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	571,999,771	597,975,486
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	219,953	34,405,998
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	215,004,293	226,508,178
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	(Total fundraising expenses, Part IX, column (D), line 25 0)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	348,453,082	374,619,412
18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	563,677,328	635,533,588
19	Revenue less expenses Subtract line 18 from line 12	8,322,443	-37,558,102
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	782,681,172	588,720,957
21	Total liabilities (Part X, line 26)	426,108,091	271,505,498
22	Net assets or fund balances Subtract line 21 from line 20	356,573,081	317,215,459

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

▶ _____ 2010-05-12
Signature of officer — Date

▶ JOHN GRIGSON CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-empolyed ▶ ☐	Preparer's PTIN (See Gen Inst)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG US LLP 2 NORTH CENTRAL AVENUE 2300 PHOENIX, AZ 85004			EIN ▶ Phone no ▶ (602) 322-3000

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

SEE SCHEDULE O

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 $ 496,862,991 including grants of $ 34,405,998) (Revenue $ 595,061,153)

SEE SCHEDULE O

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses $ 496,862,991 *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	Yes	
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		No
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**	Yes	
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
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**	Yes	
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**	Yes	
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	484		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
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	5,580		
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			
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			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
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 19		
b	Enter the number of voting members that are independent . .	1b 13		
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	Yes	
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		No
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		No
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		
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 _____

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

SHARON CLARK
3615 19TH STREET
LUBBOCK, TX 794101203
(806) 725-5234

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 ▶								5,188,203	2,354,519	366,384

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 176

			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**	Yes	
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
UNITED BLOOD SERVICES PO BOX 53022 PHOENIX, AZ 85072	BLOOD BANK SERVICES	5,115,294
NORTHSTAR ANESTHESIA PA 2000 E LAMAR BLVD SUITE 400 ARLINGTON, TX 76006	ANESTHESIA SERVICES	1,469,973
QUEST DIAGNOSTICS 2924 COLLECTION CT DRIVE CHICAGO, IL 60693	LABORATORY SERVICES	1,092,874
HEALTHCARE CODING CONSULTING 1505 SE 40TH STREET SUITE B CAPE CORAL, FL 33904	CODING SERVICE	645,910
KAI PALI LLC 708 CANYON ROAD SUITE B SANTA FE, NM 87501	PROPERTY LEASE	598,163

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 62

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	2,340,135			
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f				
	g	Noncash contributions included in lines 1a-1f $				
	h	**Total (Add lines 1a-1f)**	2,340,135			
Program Service Revenue		Business Code				
	2a	PATIENT REVENUE	900,099	573,829,257	573,829,257	
	b	OUTREACH LAB SERVICES	621,500	4,871,621		4,871,621
	c	CAFETERIA	900,099	3,352,733	3,352,733	
	d	MEDICAL OFFICE BUILDING	900,099	2,682,319	2,682,319	
	e	BILLING/MANAGEMENT FEES	900,099	3,691,378	2,962,000	729,378
	f	All other program service revenue		12,234,844	12,234,844	
	g	**Total. Add lines 2a-2f** ▶ $ 600,662,152				
	3	Investment income (including dividends, interest other similar amounts)	1,623,645			1,623,645
	4	Income from investment of tax-exempt bond proceeds	0			
	5	Royalties	0			
		(i) Real / (ii) Personal				
	6a	Gross Rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory: 1,891,207 / 8,799,714				
	b	Less cost or other basis and sales expenses: 13,685,806 / 3,655,561				
	c	Gain or (loss): -11,794,599 / 5,144,153				
	d	Net gain or (loss) ▶	-6,650,446			-6,650,446
Other Revenue	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 ▶	0			
	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 ▶	0			
	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 ▶	0			
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue				
	e	**Total. Add lines 11a-11d** ▶ $ 0				
	12	**Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	597,975,486	595,061,153	5,600,999	-5,026,801

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	34,405,998	34,405,998		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	1,017,968	0	1,017,968	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	95,497	95,497	0	0
7 Other salaries and wages	142,042,468	107,836,785	0	0
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,511,195	7,985,989	2,525,206	0
9 Other employee benefits	59,958,642	45,554,198	14,404,444	0
10 Payroll taxes	12,882,408	9,787,543	3,094,865	0
11 Fees for services (non-employees)				
a Management	0			
b Legal	5,362,190	4,289,752	1,072,438	0
c Accounting	731,715	555,928	175,787	0
d Lobbying	20,869	20,869	0	0
e Professional fundraising *See Part IV, line 17*	0			
f Investment management fees	0			
g Other	112,414,397	85,192,228	27,222,169	0
12 Advertising and promotion	4,284,699	3,255,344	1,029,355	0
13 Office expenses	112,758,302	85,669,286	27,089,016	0
14 Information technology	0			
15 Royalties	0			
16 Occupancy	16,608,761	12,618,678	3,990,083	0
17 Travel	678,559	515,542	163,017	0
18 Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19 Conferences, conventions and meetings	0			
20 Interest	10,265,321	0	10,265,321	0
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	38,179,346	29,007,153	9,172,193	0
23 Insurance	0			
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 BAD DEBT EXPENSE	59,836,886	59,836,886	0	0
b ALL OTHER EXPENSES	13,478,367	10,235,315	3,243,052	0
c				
d				
e				
d				
e				
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	635,533,588	496,862,991	138,670,597	0
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			1	
	2	Savings and temporary cash investments		38,683,000	2	28,496,162
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		78,067,232	4	71,171,732
	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			7	
	8	Inventories for sale or use		10,562,375	8	10,709,969
	9	Prepaid expenses and deferred charges			9	3,619,252
	10a	Land, buildings, and equipment cost basis	10a 837,250,260			
	b	Less accumulated depreciation *Complete Part VI of Schedule D*	10b 524,968,881	323,369,940	10c	312,281,379
	11	Investments—publicly traded securities		122,718,000	11	96,629,446
	12	Investments—other securities See Part IV, line 11 *Complete Part VII of Schedule D*		18,051,000	12	22,350,709
	13	Investments—program-related See Part IV, line 11 *Complete Part VIII of Schedule D*			13	
	14	Intangible assets		322,000	14	195,601
	15	Other assets See Part IV, line 11 *Complete Part IX of Schedule D*		190,907,625	15	43,266,707
	16	**Total assets.** *Add lines 1 through 15 (must equal line 34)*		782,681,172	16	588,720,957
Liabilities	17	Accounts payable and accrued expenses		56,827,767	17	48,349,366
	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		0	23	3,379,918
	24	Unsecured notes and loans payable			24	
	25	Other liabilities *Complete Part X of Schedule D*		369,280,324	25	219,776,214
	26	**Total liabilities.** *Add lines 17 through 25*		426,108,091	26	271,505,498
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		356,573,081	27	317,215,459
	28	Temporarily restricted net assets			28	
	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		356,573,081	33	317,215,459
	34	Total liabilities and net assets/fund balances		782,681,172	34	588,720,957

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	Yes	
b	If "Yes," did the organization undergo the required audit or audits?		3b	Yes	

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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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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

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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
COVENANT HEALTH SYSTEM	75-2765566

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?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i	Other activities If "Yes," describe in Part IV	Yes		20,869
j	Total lines 1c through 1i			20,869
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?			

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		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

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		PORTION OF DUES PAID TO HOSPITAL ASSOCIATIONS FOR LOBBYING ACTIVITIES SUPPLEMENTAL INFORMATION DURING THE PAST YEAR, THE ST JOSEPH HEALTH SYSTEM HAS CONDUCTED AN ADVOCACY EFFORT WHICH INCLUDED MINIMAL LOBBYING ACTIVITY THESE INCLUDED MEETING WITH LOCAL, STATE, AND FEDERAL LEGISLATORS, THEIR STAFF AND OTHER GOVERNMENTAL OFFICIALS AND COMMUNICATING WITH LEGISLATORS ADVOCATING POSITIONS ON LEGISLATION

Part IV Supplemental Information

Identifier	Return Reference	Explanation

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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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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		18,529,350		18,529,350
b Buildings		412,123,004	270,775,743	141,347,261
c Leasehold improvements				
d Equipment		406,597,906	254,193,138	152,404,768
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				312,281,379

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 INVESTMENT IN LMHSI	3,627	C
Other INVESTMENT- MUTUAL HOLDING LTD	1,000	C
Other INVESTMENT- SPECIALTY HOSPITAL	6,635,359	C
Other INVESTMENT - SURGICENTER	12,906,113	C
Other INVESTMENT - LUBBOCK GAMMA LP	134,861	C
Other HSC CAPITAL ACCUMULATION	1,474,183	C
Other DIA 457(B) PLAN	1,006,261	C
Other LIFE INSURANCE - CASH VALUE	189,305	C
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
BOARD DESIGNATED ASSETS	360,783
ASSETS HELD IN TRUSTS	5,864,401
DUE FROM AFFILIATES	28,047,592
OTHER RECEIVABLES	1,471,205
DUE FROM THIRD PARTY PAYORS	5,533,333
DEFERRED FINANCING COSTS-NET	1,989,393
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	43,266,707

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
DUE TO THIRD PARTY PAYORS	7,710,079
INTERCO WITH HEALTH SYSTEM-BONDS	204,604,361
ASBESTOS CLEAN-UP LIABILITY	3,666,659
RETIREE HEALTH LIABILITY	1,897,357
457(B) AND 457(F) PLAN LIABILITIES	1,436,467
SELF-INSURANCE RESERVE	127,978
OTHER LIABILITIES	333,313
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	219,776,214

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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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)
COVENANT MEDICAL CENTER 3615 19TH STREET LUBBOCK,TX 79410	X	X					X		
COVENANT HEART & VASCULAR INSTITUTE 3514 21ST STREET LUBBOCK,TX 79410		X							
JOE ARRINGTON CANCER RSCH & TRTMT CENTER 4101 22ND PLACE LUBBOCK,TX 79410		X							
ARRINGTON COMPREHENSIVE BREAST CENTER 4101 22ND PLACE LUBBOCK,TX 79410		X							
COVENANT MED CENTER - LAKESIDE CAMPUS 4000 24TH STREET LUBBOCK,TX 79410	X	X	X				X		
SOUTHWEST MEDICAL PARK 4010 22ND STREET LUBBOCK,TX 79410		X							
FAMILY HEALTHCARE CENTER 6502 SLIDE ROAD LUBBOCK,TX 79410		X							MEDICAL CLINIC
FAMILY HEALTHCARE CENTER 416 FRANKFORD ROAD LUBBOCK,TX 79410		X							MEDICAL CLINIC
FAMILY HEALTHCARE CENTER 7601 QUAKER AVENUE LUBBOCK,TX 79410		X							MEDICAL CLINIC

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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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
SOUTH PLAINS COLLEGE 1401 S COLLEGE AVE LEVELLAND,TX 79336		SCHOOL	10,000				COMMUNITY-BASED JOB TRAINING GRANT
TEXAS TECH UNIVERSITY BOX 41105 LUBBOCK,TX 79409		GOVERNMENT	187,500				HEALTHIEST COMMUNITIES AND CHILDHOOD OBESITY PROGRAM
LUBBOCK AREA UNITED WAY INC1655 MAIN ST 101 LUBBOCK,TX 79401	75-0961812	501(C)(3)	55,000				ANNUAL PLEDGE & SPONSORSHIP OF THE COMMUNITY STATUS REP
YWCA LUBBOCK3101 35TH STREET LUBBOCK,TX 79413	75-0939427	501(C)(3)	9,391				WOMEN OF EXCELLENCE PROGRAM
SUSAN G KOMEN RACE FOR THE CURE5121 69TH DR A-10A LUBBOCK,TX 79424	75-1835298	501(c)(3)	25,000				LUBBOCK'S 15TH ANNUAL RACE FOR THE CURE
AMERICAN CANCER SOCIETY3411 73RD STREET LUBBOCK,TX 79423	23-7040934	501(C)(3)	10,000				RELAY FOR LIFE AND CATTLE BARON'S BALL CHILDREN'S PARTY
COVENANT MEDICAL GROUP3420 22ND PLACE LUBBOCK,TX 79410	75-2743883	501(C)(3)	34,094,107				PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations . . . ▶ 6

3 Enter total number of other organizations . . . ▶ 1

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

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
SCHEDULE I, PART I, LINE 2	ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS	DONATIONS MADE TO OTHER ORGANIZATIONS ARE APPROVED BY MANAGEMENT TO ENSURE THEY SUPPORT THE MISSION OF COVENANT HEALTH SYSTEM

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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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
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**	Yes	
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				
See Additional Data Table	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(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
SCHEDULE J, PART I, LINE 3		THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER IS PAID BY ITS TAX-EXEMPT PARENT, ST JOSEPH HEALTH SYSTEM, AND IS DISCLOSED AS A PERSON PAID BY A RELATED ORGANIZATION SEE SCHEDULE O, PART VI, LINE 15A FOR THE PROCESS THAT IS COMPLETED BY THE ST JOSEPH HEALTH SYSTEM
SCHEDULE J, PART I, LINE 4		LINE 4A - CRAIG RUCKER RECEIVED SEVERANCE IN THE AMOUNT OF $344,238 LINE 4B - EXECUTIVES COULD PARTICIPATE IN A NON-QUALIFIED DEFERRED COMPENSATION PLAN UNDER INTERNAL REVENUE CODE 457(F) THE PLAN WAS FROZEN EFFECTIVE DECEMBER 31, 2007 AFTER WHICH TIME NO FURTHER CONTRIBUTIONS WERE PERMITTED TO THE PLAN THIS PLAN WILL CEASE TO EXIST ONCE ALL BENEFITS HAVE BEEN DISTRIBUTED IN ACCORDANCE WITH PROVISIONS OF THE PLAN THE FOLLOWING INDIVIDUALS RECEIVED A DISTRIBUTION FROM THE 457(F) PLAN DURING THE YEAR 1) SHARON PRATHER - $112,284 2) SHARYN IVORY - $85,343 3) JAMES WURTS - $193,631 4) KAREN BAGGERLY - $21,586
SCHEDULE J, PART I, LINE 7		A PORTION OF THE EXECUTIVE'S SALARY IS PLACED "AT-RISK" AND IS NOT AWARDED UNLESS SPECIFIC STRATEGIC OBJECTIVE TARGETS ARE MET OR EXCEEDED THE AT-RISK EXECUTIVE PLAN IS DESIGNED TO MOTIVATE AND REWARD EXECUTIVES FOR TEAM PERFORMANCE THAT SUPPORTS THE STRATEGIC GOALS AND SUCCESSFUL PERFORMANCE OF ST JOSEPH HEALTH SYSTEM AT-RISK PAY IS AWARDED TO ASSISTANT VICE PRESIDENTS, VICE PRESIDENTS, SENIOR VICE PRESIDENTS, EXECUTIVE VICE PRESIDENTS, AND THE CHIEF EXECUTIVE OFFICER BASED ON ACHIEVING OR SURPASSING SPECIFIC GOALS THAT ARE PREDETERMINED BY THE BOARD OF TRUSTEES PRIOR TO THE BEGINNING OF THE FISCAL YEAR THE GOALS INCLUDE OUR STRATEGIC OBJECTIVES OF PERFECT CARE, SACRED ENCOUNTERS, AND HEALTHIEST COMMUNITIES AS WELL AS FISCAL STEWARDSHIP EACH OF THESE FACTORS IS TAKEN INTO CONSIDERATION WHEN DETERMINING THE PERCENTAGE OF AT-RISK PAY

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 75-2765566
Name: COVENANT 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				
JAMES E HARRELL MD	(I)	0	0	0	0	0	0	0
	(II)	428,276	6,000	227,035	0	6,235	667,546	0
MELINDA CLARK	(I)	0	0	0	0	0	0	0
	(II)	516,300	42,916	160,907	11,290	8,663	740,076	0
BRETT ESROCK	(I)	349,345	215,417	80,193	3,248	12,338	660,541	0
	(II)	0	0	0	0	0	0	0
JOHN GRIGSON	(I)	100,961	37,120	53,343	0	4,107	195,531	0
	(II)	0	0	0	0	0	0	0
CRAIG RUCKER	(I)	0	0	344,238	0	6,613	350,851	0
	(II)	0	0	0	0	0	0	0
JAMES WURTS	(I)	211,385	15,248	297,475	15,941	9,186	549,235	193,631
	(II)	0	0	0	0	0	0	0
SCOTT ROBINS MD	(I)	339,809	45,833	126,115	14,721	10,508	536,986	0
	(II)	0	0	0	0	0	0	0
SHARON PRATHER	(I)	182,046	13,401	203,771	22,987	10,654	432,859	112,284
	(II)	0	0	0	0	0	0	0
SHARYN IVORY	(I)	167,857	12,644	167,121	22,845	8,269	378,736	85,343
	(II)	0	0	0	0	0	0	0
JOHN FURBEE	(I)	215,206	17,730	111,816	9,180	9,288	363,220	0
	(II)	0	0	0	0	0	0	0
ROBERT SALEM	(I)	265,616	0	55,041	16,100	8,755	345,512	0
	(II)	0	0	0	0	0	0	0
CHERYL HAYDEN	(I)	151,687	12,675	153,001	8,974	7,233	333,570	0
	(II)	0	0	0	0	0	0	0
KAREN BAGGERLY	(I)	209,361	14,279	92,924	23,455	7,070	347,089	21,586
	(II)	0	0	0	0	0	0	0
SUSAN NEVES	(I)	192,668	14,089	100,612	18,156	6,059	331,584	0
	(II)	0	0	0	0	0	0	0
ROXIE TAYLOR	(I)	187,158	13,699	88,421	18,017	12,212	319,507	0
	(II)	0	0	0	0	0	0	0
STEVEN MCCAMY	(I)	190,454	12,000	62,871	0	9,921	275,246	0
	(II)	0	0	0	0	0	0	0
ELLIOT STERNBERG	(I)	0	0	0	0	0	0	0
	(II)	467,487	156,441	211,363	16,097	23,533	874,921	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
BENCHMARK BUSINESS SOLUTIONS	DAN POPE/OWNER	104,159	GRAPHICS SERVICES		No
LUBBOCK POWER LIGHT	JOHN ZWIACHER/BD MEMBER	2,978,083	UTILITIES		No
PULMONARY ASSOCIATES	NAIDU CHEKURU/PARTNER	442,224	MEDICAL SERVICES		No
MARTY HARRELL	SPOUSE OF BOARD MEMBER	101,783	EMPLOYEE OF CHS - RN		No

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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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 1 & PART III, LINE 1	ORGANIZATION'S MISSION	AS A MEMBER OF THE ST JOSEPH HEALTH SYSTEM (SJHS), COVENANT HEALTH SYSTEM IS COMMITTED TO EXTENDING THE HEALING MINISTRY OF JESUS IN THE TRADITION OF THE SISTERS OF ST JOSEPH OF ORANGE BY CONTINUALLY IMPROVING THE HEALTH AND QUALITY OF LIFE OF PEOPLE IN THE COMMUNITIES WE SERVE OUR MISSION IS REALIZED THROUGH THE DELIVERY OF QUALITY IN-PATIENT AND OUTPATIENT SERVICES AND FOCUSED COMMUNITY INITIATIVES AND PROGRAMS THAT ARE DEDICATED TO IMPROVING THE LIVES OF ALL WE SERVE

Identifier	Return Reference	Explanation
		LIVING OUT OUR MISSION AS A MEMBER OF THE ST JOSEPH HEALTH SYSTEM (SJHS), COVENANT HEALTH SYSTEM IS COMMITTED TO EXTENDING THE HEALING MINISTRY OF JESUS IN THE TRADITION OF THE SISTERS OF ST JOSEPH OF ORANGE THAT MISSION HAS GUIDED OUR CATHOLIC HEALTHCARE MINISTRY SINCE THE OPENING OF OUR FIRST HOSPITAL IN EUREKA, CALIFORNIA NEARLY 100 YEARS AGO BUT THE ROOTS OF COVENANT HEALTH SYSTEM AND THE LESSONS TO SERVE OUR DEAR NEIGHBORS DATE BACK TO THE YEAR 1650 WHEN THE SISTERS FIRST CONGREGATION WAS FORMED IN LE PUY, FRANCE SINCE THAT TIME, THE PEOPLE OF OUR ORGANIZATION CONTINUE TO ASSESS THE NEEDS OF THE COMMUNITIES WE SERVE, BUILD COLLABORATIVE PARTNERSHIPS WITH LOCAL RESIDENTS, BUSINESS AND COMMUNITY NOT-FOR-PROFITS, AND TOGETHER, THROUGH THOSE PARTNERSHIPS, MEET COMMUNITY NEEDS THE MISSION OF SJHS CONTINUES TO GUIDE THE WORK OF 24,000 EMPLOYEES FOR OVER 25 YEARS, SJHS HAS GROWN AS AN INTEGRATED HEALTHCARE DELIVERY SYSTEM PROVIDING A BROAD RANGE OF HEALTHCARE AND COMMUNITY HEALTH SERVICES THE SYSTEM IS ORGANIZED INTO THREE REGIONS--NORTHERN CALIFORNIA, SOUTHERN CALIFORNIA, AND WEST TEXAS/EASTERN NEW MEXICO - AND CONSISTS OF 14 ACUTE CARE HOSPITALS, AS WELL AS HOME HEALTH AGENCIES, HOSPICE CARE, OUTPATIENT SERVICES, SKILLED NURSING FACILITIES, COMMUNITY CLINICS, AND PHYSICIAN ORGANIZATIONS COVENANT HEALTH SYSTEM IS A HOSPITAL AND HEALTH SYSTEM, SERVING THE SOUTH PLAINS REGION DURING FISCAL YEAR 2009, WE SAW INCREASED DEMANDS FROM LOCAL RESIDENTS WITHIN OUR COMMUNITIES FOR COMMUNITY BENEFIT PROGRAMS AND CHARITY CARE CONTRIBUTIONS THAT OUR ORGANIZATION MAKES EACH YEAR IN SPITE OF THE MANY FINANCIAL CHALLENGES WITHIN OUR ORGANIZATION AND THE NATION DUE TO THE ECONOMIC DOWNTURN, WE CONTINUED TO MEET THE NEEDS OF LOCAL RESIDENTS WHO FOUND THEMSELVES UNEMPLOYED AND IN MANY CASES ALSO UNINSURED AND IN NEED OF HEALTHCARE AND OTHER COMMUNITY-BASED SERVICES IN FISCAL YEAR 2009, COVENANT HEALTH SYSTEM INVESTED A TOTAL OF $66,584,476 (8 8% OF OUR TOTAL OPERATING EXPENSES) IN COMMUNITY BENEFIT (INCLUDING CHARITY CARE, UNPAID COST TO STATE AND LOCAL PROGRAMS AND COMMUNITY BENEFIT SERVICES TO THE LOW-INCOME AND BROADER COMMUNITY), IN ALIGNMENT WITH CATHOLIC HEALTH ASSOCIATION GUIDELINES IN ADDITION, UNPAID COST OF MEDICARE PROGRAMS TOTALED $111,419,803 IN FISCAL YEAR 2009, THE ST JOSEPH HEALTH SYSTEM INVESTED A TOTAL OF $271,935,000 (6 8% OF OUR TOTAL OPERATING EXPENSES) IN COMMUNITY BENEFIT (INCLUDING CHARITY CARE, UNPAID COST TO STATE AND LOCAL PROGRAMS AND COMMUNITY BENEFIT SERVICES TO THE LOW-INCOME AND BROADER COMMUNITY), IN ALIGNMENT WITH CATHOLIC HEALTH ASSOCIATION GUIDELINES UNPAID COST OF MEDICARE PROGRAMS TOTALED $312,693,000
FORM 990, PART III, LINE 4	PROGRAM SERVICE ACCOMPLISHMENTS	ORGANIZATIONAL COMMITMENT AS A VALUES-BASED ORGANIZATION, COVENANT HEALTH SYSTEM HAS A LONG-STANDING COMMITMENT TO THE COMMUNITY WE HAVE A FORMAL COMMITMENT TO DEDICATE RESOURCES TO IMPROVE THE QUALITY OF LIFE IN THE COMMUNITIES WE SERVE, WITH SPECIAL EMPHASIS ON THE NEEDS OF THE POOR AND UNDERSERVED SEVENTY-FIVE CENTS OF EACH DOLLAR THE SJHS FOUNDATION RECEIVES FROM EACH LOCAL HOSPITAL IS RETURNED DIRECTLY TO THE HOSPITAL IT CAME FROM TO SUPPORT LOCAL COMMUNITY BENEFIT INITIATIVES AND PROGRAMS FOCUSED ON THE ECONOMICALLY POOR THREE STRATEGIC GOALS AS A MINISTRY OF THE ST JOSEPH HEALTH SYSTEM WE ARE COMMITTED TO THREE SYSTEMWIDE STRATEGIC GOALS - MAKING EVERY ENCOUNTER WITH OUR COMMUNITY A SACRED ENCOUNTER, - PROVIDING TO OUR PATIENTS IN THE COMMUNITY WITH PERFECT CARE, AND - MAKING THE COMMUNITY WE SERVE AMONG THE HEALTHIEST COMMUNITIES IN THE U S FY 09 PROGRAM SERVICE ACCOMPLISHMENTS PROGRAM NAME PHYSICIANS TIME WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER (TTUHSC) MEDICAL SCHOOL RESIDENTS PHYSICIANS TIME WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER (TTUHSC) MEDICAL SCHOOL RESIDENTS AIMS TO MATCH CHS STAFF PHYSICIANS, IN BOTH GENERAL AND SPECIALTY PRACTICE AREAS (I E DEPARTMENT OF PEDIATRICS, PATHOLOGY, PSYCHIATRY, ORTHOPEDICS, OBSTETRICS AND GYNECOLOGY, SPORTS MEDICINE, ANESTHESIOLOGY, AND INTERNAL MEDICINE), WITH RESIDENT PHYSICIANS TO PROVIDE OPPORTUNITIES FOR THE RESIDENTS TO OBSERVE AND LEARN, TO HELP RECRUIT AND RETAIN PHYSICIANS TO SERVE MEDICALLY UDERSERVED POPULATIONS IN THE SOUTH PLAINS REGION FY 09 OUTCOMES MAINTIAN RELATIONSHIP WITH TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER IN ORDER TO ACHIEVE THESE GOALS PARTNERS TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER (TTUHSC) TOTAL EXPENSE $5,497,061 GRANTS NONE PROGRAM NAME SCHOOLS OF NURSING, RADIOLOGY PRECEPTOR AND SURGITECH PROGRAMS SCHOOLS OF NURSING, RADIOLOGY PRECEPTOR AND SURGITECH PROGRAMS AIM TO EDUCATE AND GIVE NURSING, RADIOLOGY AND SURGITECH STUDENTS HANDS ON EXPERICENCE AND THE KNOWLEDGE TO CREATE COMPENENT REGISTERED NURSES, RADIOLOGY TECH AND SURGITECHS FY 09 OUTCOMES 408 NURSING, RADIOLOGY AND SURGITECH STUDENTS PARTICIPATE IN INTERNSHIP PROGRAMS PARTNERS SOUTH PLAINS COLLEGE NURSING AND RADIOLOGY, TEXAS TECH UNIVERSITY SCHOOL OF NURSING, LUBBOCK CHRISTIAN UNIVERSITY SCHOOL OF NURSING, COVENANT SCHOOLS OF NURSING, RADIOLOGY TECHNOLOGY AND SURGITECHS TOTAL EXPENSE $2,734,716 GRANTS NONE PROGRAM NAME RESIDENCY AND FELLOWSHIP PROGRAM RESIDENCY AND FELLOWSHIP PROGRAM AIMS TO INCREASE THE NUMBER OF PHYSICIANS IN THE SOUTH PLAINS AREA, BY GIVING RESIDENTS AND FELLOWS HANDS ON EXPERIENCE AND KNOWLEDGE TO CREATE COMPETENT PHYSICIANS FY 09 OUTCOMES RESIDENT PHYSICIANS PARTICIPATED IN CLINICAL ROTATIONS PARTNERS TEXAS TECH UNIVERSITY HEALTH SCIENCE CENTER (TTUHSC) TOTAL EXPENSE $1,491,404 GRANTS NONE FOR MORE INFORMATION ON COVENANT HEALTH SYSTEM GO TO WWW COVENANTHEALTH ORG FOR MORE INFORMATION ON ST JOSEPH HEALTH SYSTEM GO TO WWW STJOE ORG

Identifier	Return Reference	Explanation
FORM 990, PART IV, LINE 12	AUDITED FINANCIAL STATEMENTS	THE REPORTING ENTITY'S FINANCIAL RESULTS ARE PART OF THE ST JOSEPH HEALTH SYSTEM CONSOLIDATED FINANCIAL STATEMENTS THE ST JOSEPH HEALTH SYSTEM AND AFFILIATES ARE AUDITED ANNUALLY BY AN INDEPENDENT ACCOUNTING FIRM PROCEDURES INCLUDE ACCOUNT AND INTERNAL CONTROL TESTING AT THE VARIOUS AFFILIATES TO ISSUE A CONSOLIDATED OPINION NO STAND ALONE AUDITS ARE PERFORMED

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 2	FAMILY AND BUSINESS RELATIONSHIPS	SCOTT ROBINS, M D AND LINDA ROBINS, BOARD MEMBERS OF COVENANT HEALTH SYSTEM, HAVE A FAMILY RELATIONSHIP

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7A	DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS	COVENANT HEALTH SYSTEM HAS A TIERED GOVERNANCE IN WHICH THE TWO CORPORATE MEMBERS RESERVE THE RIGHT TO APPOINT DIRECTORS TO THE COVENANT HEALTH SYSTEM BOARD ALL DIRECTOR APPOINTMENTS THAT COME FROM THE COVENANT HEALTH SYSTEM BOARD AS ST JOSEPH HEALTH SYSTEM MEMBER NOMINATIONS MUST BE APPROVED BY THE ST JOSEPH HEALTH SYSTEM, AS A CORPORATE MEMBER, AND THE ST JOSEPH HEALTH MINISTRY, AS THE ORGANIZATIONAL SPONSOR ALL DIRECTOR APPOINTMENTS THAT COME FROM THE COVENANT HEALTH SYSTEM BOARD AS LUBBOCK METHODIST HOSPITAL SYSTEM NOMINATIONS MUST BE APPROVED BY THE LUBBOCK METHODIST HOSPITAL SYSTEM, AS A CORPORATE MEMBER IN ADDITION, ST JOSEPH HEALTH SYSTEM APPOINTS THE CEO WHO HAS VOTING RIGHTS ON THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 7B	DECISIONS REQUIRING APPROVAL & TYPE OF VOTING RIGHTS	THE RESERVED RIGHTS IN OUR TIERED GOVERNANCE STRUCTURE CONTEMPLATE APPROVAL BY THE ST JOSEPH HEALTH SYSTEM AND/OR LUBBOCK METHODIST HOSPITAL SYSTEM MEMBERS OF FINANCING, BUDGETS, UNBUDGETED EXPENDITURES OF DEFINED AMOUNTS, STRATEGIC PLAN, APPOINTMENT OF AUDITORS, CREATION OR INVESTMENT IN A LEGALLY RECOGNIZED ENTITY, JOINT VENTURES, PURPOSES, SALE OR DISPOSITION OF REAL PROPERTY, MERGER OR SALE OF SUBSTANTIALLY ALL ASSETS, APPOINTMENT AND REMOVAL OF TRUSTEES, ADOPTION OR AMENDMENT OF ARTICLES OR BYLAWS

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 10	PROCESS USED BY MANAGEMENT AND/OR GOVERNING BODY TO REVIEW 990	THE FORM 990 IS PREPARED BY THE FINANCE DEPARTMENT BASED ON INFORMATION RECEIVED FROM VARIOUS DEPARTMENTS OF THE ORGANIZATION AS APPLICABLE THE FORM 990 IS THEN REVIEWED THE CONTROLLER AND THE CFO OF THE ORGANIZATION A COPY OF THE FORM 990 FILING IS THEN DISTRIBUTED TO ALL VOTING MEMBERS OF THE BOARD FOR THE APRIL 2010 MEETING DURING THE BOARD FINANCE COMMITTEE MEETING, MANAGEMENT PRESENTED AND DISCUSSED CERTAIN DISCLOSURES AND INFORMATION INCLUDED IN THE FORM 990 THE BOARD FINANCE COMMITTEE CHAIR THEN PROVIDED A SUMMARY AT THE FULL BOARD MEETING

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 12C	DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	OFFICERS, DIRECTORS, AND KEY EMPLOYEES ARE REQUIRED TO DISCLOSE ANNUALLY ON THE CONFLICT OF INTEREST DISCLOSURE FORM THE EXISTENCE AND NATURE OF ANY ACTUAL, APPARENT, OR POTENTIAL CONFLICT OF INTEREST HE/SHE MAY HAVE ADDITIONALLY, DISCLOSURES SHALL BE MADE PROMPTLY ANYTIME AN ACTUAL, APPARENT OR POTENTIAL CONFLICT OF INTEREST ARISES AND BEFORE THE CONSUMMATION OF ANY CONTRACT, TRANSACTION OR ARRANGEMENT THAT IS SUBJECT OF THE POTENTIAL CONFLICT OF INTEREST WHEN A CONFLICT OF INTEREST IS IDENTIFIED, SUCH CONFLICT IS DISCLOSED TO THE COVENANT HEALTH SYSTEM BOARD FINANCE COMMITTEE IF THE CONFLICT INVOLVES A MEMBER OF THAT COMMITTEE, THE REMAINING COMMITTEE MEMBERS WILL REVIEW THE MATTER AND DETERMINE WHETHER A CONFLICT OF INTEREST EXISTS THE OFFICER, DIRECTOR, OR KEY EMPLOYEE MAY NOT BE PRESENT DURING ANY MEETING IN WHICH THE COMMITTEE CONDUCTS ITS EVALUATION, EXCEPT TO ANSWER QUESTIONS AS MAY BE NECESSARY ONCE ALL NECESSARY INFORMATION HAS BEEN OBTAINED, THE COMMITTEE CONDUCTS ITS EVALUATION AND FORWARDS ITS FINDINGS AND RECOMENDATIONS TO THE SJHS CHIEF COMPLIANCE OFFICER IF THE COMMITTEE DETERMINES AN UNRESOLVED CONFLICT OF INTEREST EXISTS, THE COMMITTEE WILL EVALUATE AND RECOMMEND CONFLICT MITIGATION STRATEGIES THE SJHS CHIEF COMPLIANCE OFFICER IN CONSULTATION WITH SJHS GENERAL COUNSEL WILL REVIEW THE COMMITTEE FINDINGS, RECOMMENDATIONS AND MITIGATION STRATEGIES AND PRESENT RECOMMENDATIONS TO THE BOARD FOR DISCUSSION AND VOTE

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINES 15A AND 15B	PROCESS USED TO DETERMINE COMPENSATION	THE EXECUTIVE COMPENSATION PROCESS AT ST JOSEPH HEALTH SYSTEM IS ADMINISTERED BY A COMMITTEE OF INDEPENDENT TRUSTEES THEY FOLLOW A BOARD-APPROVED CHARTER AND AN OVERALL EXECUTIVE COMPENSATION PHILOSOPHY THE CHARTER EMPOWERS THE SJHS BOARD WORKLIFE COMMITTEE TO ADMINISTER THE EXECUTIVE COMPENSATION PROGRAM AND PROCESS ON BEHALF OF THE FULL BOARD OF TRUSTEES OF SJHS OVERALL, THE PHILOSOPHY IS INTENDED TO REWARD A BROAD SPECTRUM OF HIGH ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE EXPECTATIONS, AS WELL AS TO RETAIN KEY MANAGEMENT TALENT SJHS'S EXECUTIVE COMPENSATION PHILOSOPHY DEFINES THE MARKET FOR ADMINISTERING COMPENSATION AS A COMPARABLE SET OF NOT-FOR-PROFIT HEALTH CARE DELIVERY SYSTEMS SJHS PROVIDES COMPENSATION TO ITS SENIOR EXECUTIVES IN THE FORM OF BASE SALARY, AN ANNUAL INCENTIVE PROGRAM, AND BENEFITS TO FULFILL THEIR RESPONSIBILITY, THE COMMITTEE REGULARLY REVIEWS INFORMATION FROM MULTIPLE SOURCES OF MARKET DATA THEY USE THIS INFORMATION TO SUPPORT THEIR DECISIONS REGARDING ONGOING EFFECTIVENESS AND ADMINISTRATION OF THE PROGRAM THE WORKLIFE COMMITTEE IS COMPRISED OF SEVERAL INDEPENDENT MEMBERS OF THE BOARD THEY MEET AT LEAST 3 TIMES A YEAR AND MAKE ALL CRITICAL DECISIONS IN EXECUTIVE SESSION THESE DECISIONS ARE DOCUMENTED IN DETAILED MINUTES AND APPROVED IN SUBSEQUENT MEETINGS THE COMMITTEE IS EMPOWERED TO ENGAGE OUTSIDE COUNSEL AND CONSULTING SUPPORT AS NEEDED THE WORKLIFE COMMTTEE PREFORMED ITS LAST COMPENSATION REVIEW FOR ASSISTANT VICE PRESIDENTS, VICE PRESIDENTS, SENIOR VICE PRESIDENTS, EXECUTIVE VICE PRESIDENTS, AND THE CHIEF EXECUTIVE OFFICER IN JUNE 2008

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 19	AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, &	FINANCIAL STATEMENTS TO THE GENERAL PUBLIC THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST THE SJHS COMMUNITY BENEFIT REPORTS, FINANCIAL REPORTS, AND PHILANTHROPY REPORTS ARE ALSO AVAILABLE ON THE SJHS INTERNET SITE AT WWW STJOE ORG

Identifier	Return Reference	Explanation
FORM 990, PART VII / SCHEDULE J-2	HOURS DEVOTED TO RELATED ORGANIZATIONS	MELINDA CLARK SERVED AS CEO OF COVENANT HEALTH SYSTEM AND WAS COMPENSATED BY ST JOSEPH HEALTH SYSTEM (SJHS), THE TAX-EXEMPT PARENT SHE DEVOTED 47 HOURS PER WEEK TO CHS, 3 HOURS PER WEEK TO COVENANT CHILDREN'S HOSPITAL (CCH) AND NO HOURS TO SJHS JAMES E HARRELL, M D SERVED ON THE BOARD OF DIRECTORS OF CHS AND WAS COMPENSATED BY COVENANT MEDICAL GROUP (CMG) FOR MEDICAL SERVICES PROVIDED HE DEVOTED 2 HOURS PER WEEK TO CHS AND 40 HOURS PER WEEK TO CMG ELLIOT STERNBERG SERVED ON THE BOARD OF DIRECTORS OF CHS AND IS THE EVP/CMO OF SJHS HE DEVOTED 50 HOURS PER WEEK TO SJHS AND 2 HOURS PER WEEK TO CHS LINDA ROBINS, M D SERVED ON THE BOARD OF DIRECTORS OF CHS AND WAS COMPENSATED BY CMG FOR MEDICAL SERVICES PROVIDED SHE DEVOTED 2 HOURS PER WEEK TO CHS AND 40 HOURS PER WEEK TO CMG THE FOLLOWING OFFICERS DEVOTED 47 HOURS PER WEEK TO CHS AND 3 HOURS PER WEEK TO CCH 1) JOHN GRIGSON 2) BRETT ESROCK

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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
COVENANT HEALTH SYSTEM

Employer identification number
75-2765566

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
CHS HOLDING GP LLC 4000 24TH STREET LUBBOCK, TX 79410 20-5477307	HEALTHCARE	TX	0	0	
COVENANT LTC-GP LLC 4000 24TH STREET LUBBOCK, TX 79410 20-5477333	HEALTHCARE	TX	0	0	

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
See Additional Data Table					

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
LUBBOCK SURGERY CENTER LTD 4000 24TH STREET LUBBOCK, TX79410 75-2177401	HEALTHCARE SVCS	TX	N/A	RELATED	0	0		No	0		No
CHS HOLDING LP 4000 24TH STREET LUBBOCK, TX79410 20-5477251	HEALTHCARE SVCS	TX	N/A	RELATED	0	0		No	0		No
SHA LLC (DBA FIRSTCARE) PO BOX 1201 LUBBOCK, TX79410 75-2569094	HEALTHCARE SVCS	TX	LMHSI	RELATED	0	0		No	0		No
METHODIST DIAGNOSTIC IMAGING 4005 24TH STREET LUBBOCK, TX79410 75-2343261	HEALTHCARE SVCS	TX	LMHSI	RELATED	0	0		No	0		No
COVENANT LONG-TERM CARE LP 4000 24TH STREET LUBBOCK, TX79410 20-5033419	HEALTHCARE SVCS	TX	N/A	RELATED	0	0		No	0		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 PROF SRVS ENTERPRISES INC 500 S MAIN STREET SUITE 700 ORANGE, CA92868 33-0155323	MEDICAL SERVICES	CA	SJHS	C CORP	0	0	0 %
ST JOSEPH DIVERSIFIED VENTURES INC 500 S MAIN STREET SUITE 700 ORANGE, CA92868 33-0148989	MEDICAL SERVICES	CA	SJHS	C CORP	0	0	0 %
AMERICAN UNITY GROUP LTD 58 PAR LA-VILLA RD HAMILTON HX BD	CAPTIVE INSURANCE	BD	SJHS	C CORP	0	0	0 %
LUBBOCK METHODIST HOSPITAL SERVICES INC PO BOX 1201 LUBBOCK, TX79410 75-2118585	HEALTHCARE SVCS	TX	N/A	C CORP	-7,905,313	27,069,382	100 %
LUBBOCK METHODIST HOSPITAL PRACTICE MGMT 2107 OXFORD STREET SUITE 300 LUBBOCK, TX79410 75-2578995	INACTIVE	TX	N/A	C CORP	0	0	100 %
SOUTHWEST LIFE & HEALTH INSURANCE CO PO BOX 1201 LUBBOCK, TX79410 75-1085046	HEALTHCARE SVCS	TX	SHA LLC	C-CORP	0	0	0 %

Part V Transactions with Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III or IV

			Yes	No
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	Yes	
c	Gift, grant, or capital contribution from other organization(s)	1c	Yes	
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		No
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l	Yes	
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n	Sharing of paid employees	1n	Yes	
o	Reimbursement paid to other organization for expenses	1o		No
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		No

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)	COVENANT MEDICAL GROUP	B	34,094,107
(2)	COVENANT HEALTH SYSTEM FOUNDATION	C	703,424
(3)	ST JOSEPH HEALTH SYSTEM FOUNDATION	C	1,636,711
(4)	COVENANT HOSPITAL - PLAINVIEW	P	4,110,073
(5)	HOSPICE OF LUBBOCK	P	2,955,599
(6)	COVENANT HOSPITAL - LEVELLAND	P	1,174,245
(7)	COVENANT MEDICAL GROUP	L	25,323,145
(1)	**See Additional Data Table**		
(2)			
(3)			
(4)			
(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

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 75-2765566
Name: COVENANT HEALTH SYSTEM

Form 990, Schedule R, 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 501(c)(3))	(F) Direct Controlling Entity
ST JOSEPH HEALTH SYSTEM 500 S MAIN STREET SUITE 700 ORANGE, CA928684507 95-3589356	HEALTHCARE	CA	501(C)(3)	11A	SJHM
QUEEN OF THE VALLEY MEDICAL CENTER 1000 TRANCAS STREET NAPA, CA94558 94-1243669	HEALTHCARE	CA	501(C)(3)	3	SJHS
SANTA ROSA MEMORIAL HOSPITAL 1165 MONTGOMERY DRIVE SANTA ROSA, CA95405 94-1231005	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST JOSEPH HOSPITAL OF EUREKA 2700 DOLBEER STREET EUREKA, CA95501 94-1156596	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST JOSEPH HOSPITAL OF ORANGE 1100 WEST STEWART DRIVE ORANGE, CA92868 95-1643359	HEALTHCARE	CA	501(C)(3)	3	SJHS
MISSION HOSPITAL REGIONAL MEDICAL CENTER 27700 MEDICAL CENTER ROAD MISSION VIEJO, CA92691 95-1643360	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST MARY MEDICAL CENTER 18300 HIGHWAY 18 APPLE VALLEY, CA92307 95-1914489	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST JUDE MEDICAL CENTER 101 EAST VALENCIA MESA DRIVE FULLERTON, CA92835 95-1643325	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST JOSEPH HEALTH SYSTEM FOUNDATION 500 S MAIN STREET SUITE 1000 ORANGE, CA928684507 33-0143024	HEALTHCARE	CA	501(c)(3)	7	SJHS
METHODIST CHILDREN'S HOSPITAL 3610 21ST STREET LUBBOCK, TX79410 75-2428911	HEALTHCARE	TX	501(C)(3)	3	N/A
METHODIST HOSPITAL PLAINVIEW 2601 DIMMITT ROAD PLAINVIEW, TX79072 75-2426010	HEALTHCARE	TX	501(C)(3)	3	N/A
METHODIST HOSPITAL LEVELLAND 1900 COLLEGE AVENUE LEVELLAND, TX79336 75-2246348	HEALTHCARE	TX	501(C)(3)	3	N/A
HOSPICE OF LUBBOCK 1102 SLIDE ROAD LUBBOCK, TX79414 75-2133781	HEALTHCARE	TX	501(C)(3)	9	N/A
COVENANT HEALTH SYSTEM FOUNDATION 4000 24TH STREET LUBBOCK, TX79410 75-2897026	FOUNDATION	TX	501(c)(3)	11A	N/A
LUBBOCK METHODIST HOSPITAL FOUNDATION 3615 19TH STREET LUBBOCK, TX79410 75-2220963	FOUNDATION	TX	501(C)(3)	7	N/A
ST MARY OF THE PLAINS HOSPITAL FOUNDATI 4000 24TH STREET LUBBOCK, TX79410 75-1653181	FOUNDATION	TX	501(C)(3)	11A	N/A
COVENANT MEDICAL GROUP 3420 22ND PLACE LUBBOCK, TX79410 75-2743883	HEALTHCARE	TX	501(C)(3)	3	N/A
COVENANT HEALTH PARTNERS 3615 19TH STREET LUBBOCK, TX79410 61-1573313	HEALTHCARE	TX	501(C)(3)	11A	N/A
REDWOOD MEMORIAL HOSPITAL 3300 RENNER DRIVE FORTUNA, CA95540 94-1384665	HEALTHCARE	CA	501(C)(3)	3	SJHS
SRM ALLIANCE HOSPITAL SERVICES 400 N MCDOWELL BLVD PETALUMA, CA94954 68-0395200	HEALTHCARE	CA	501(C)(3)	3	SJHS
ST JOSEPH HEALTH MINISTRY 500 S MAIN ST 400 ORANGE, CA92868	RELIGIOUS ORG	CA	501(C)(3)	1	SSJO
SISTERS OF ST JOSEPH OF ORANGE 480 S BATAVIA ORANGE, CA92868 95-1643383	RELIGIOUS ORG	CA	501(C)(3)	1	N/A
LUBBOCK METHODIST HOSPITAL SYSTEM 3615 19TH STREET LUBBOCK, TX79410 75-2221668	HEALTHCARE	TX	501(C)(3)	3	N/A

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved ($)
(1)	COVENANT MEDICAL GROUP	B	34,094,107
(2)	COVENANT HEALTH SYSTEM FOUNDATION	C	703,424
(3)	ST JOSEPH HEALTH SYSTEM FOUNDATION	C	1,636,711
(4)	COVENANT HOSPITAL - PLAINVIEW	P	4,110,073
(5)	HOSPICE OF LUBBOCK	P	2,955,599
(6)	COVENANT HOSPITAL - LEVELLAND	P	1,174,245
(7)	COVENANT MEDICAL GROUP	L	25,323,145

Additional Data

Software ID:
Software Version:
EIN: 75-2765566
Name: COVENANT 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			
JOHN C ANDERSON , BOARD MEMBER/COMMITTEE CHAIR	40	X						0	0	0
SUZANNE BLAKE , BOARD MEMBER	20	X						0	0	0
NAIDU CHEKURU MD , BOARD MEMBER	20	X						0	0	0
FATHER DAVID CRUZ , SECRETARY	20	X		X				0	0	0
JOHN F ELLIOTT , BOARD MEMBER/COMMITTEE CHAIR	40	X						0	0	0
JAMES E HARRELL MD , BOARD MEMBER	20	X						0	661,311	6,235
MARK JOHNSON MD , BOARD MEMBER	20	X						6,000	0	0
GREG JONES , BOARD MEMBER/COMMITTEE CHAIR	40	X						0	0	0
ROGER A KEY , BOARD MEMBER	20	X						0	0	0
VAN MAY , BOARD MEMBER	20	X						0	0	0
JUAN SANCHEZ MUNOZ PHD , BOARD MEMBER	20	X						0	0	0
DAN POPE , VICE CHAIR/COMMITTEE CHAIR	40	X		X				0	0	0
JANIE RAMIREZ , BOARD MEMBER	20	X						0	0	0
MICHAEL ROBERTSON MD , BOARD MEMBER	20	X						57,573	0	0
SISTER SUZANNE SASSUS CSJ , BOARD MEMBER	20	X						0	0	0
DAVID SEIM , CHAIR	50	X		X				0	0	0
SISTER MARY THERESE SWEENEY CSJ , BOARD MEMBER	20	X						0	0	0
JOHN ZWIACHER , BOARD MEMBER	20	X						0	0	0
MELINDA CLARK , PRESIDENT/CEO	47 0	X		X				0	720,123	19,953
LINDA ROBINS MD , BOARD MEMBER	20	X						0	137,794	4,729
ELLIOT STERNBERG , BOARD MEMBER	20	X						0	835,291	39,630
JOHN GRIGSON , CFO	47 0			X				191,424	0	4,107
BRETT ESROCK , COO	47 0				X			644,955	0	15,586
SHARYN IVORY , VP - ADMIN POST-ACUTE SVCS	50 0				X			347,622	0	31,114
JOHN FURBEE , VP - PERIOPERATIVE SERVICES	50 0				X			344,752	0	18,468
KAREN BAGGERLY , VP - NURSING	50 0				X			316,564	0	30,525
SUSAN NEVES , VP-ADMINISTRATION - CMC	50 0				X			307,369	0	24,215
ROXIE TAYLOR , VP ADMIN LAKESIDE & JACC	50 0				X			289,278	0	30,229
STEVEN MCCAMY , PRESIDENT - COV MED GROUP	50 0				X			265,325	0	9,921
JAMES WURTS , VP BUSINESS DEVELP & PLAN	40 0					X		524,108	0	25,127

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			
SCOTT ROBINS MD , VP - CMO	40 0					X		511,757	0	25,229
SHARON PRATHER , PRESIDENT-COVENANT FOUNDATION	40 0					X		399,218	0	33,641
ROBERT SALEM , SVP - MEDICAL DIR , EMERITUS	40 0					X		320,657	0	24,855
CHERYL HAYDEN , VP - FINANCE	40 0					X		317,363	0	16,207
CRAIG RUCKER , FORMER CFO							X	344,238	0	6,613

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a PATIENT REVENUE	900,099	573,829,257	573,829,257		
b OUTREACH LAB SERVICES	621,500	4,871,621		4,871,621	
c CAFETERIA	900,099	3,352,733	3,352,733		
d MEDICAL OFFICE BUILDING	900,099	2,682,319	2,682,319		
e BILLING/MANAGEMENT FEES	900,099	3,691,378	2,962,000	729,378	