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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

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization University Health System Inc	D Employer identification number 31-1626179
		Doing Business As Univ of TN Medical Center	E Telephone number (865) 251-4417
		Number and street (or P O box if mail is not delivered to street address) Room/suite 1520 CHEROKEE TRAIL No 200	G Gross receipts \$ 673,412,474
		City or town, state or country, and ZIP + 4 Knoxville, TN 37920	
		F Name and address of principal officer Joseph R Landsman Jr 1520 CHEROKEE TRAIL No 200 Knoxville, TN 37920	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀(insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ www.utmedicalcenter.org			

K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation 1998	M State of legal domicile TN
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Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities UNIVERSITY HEALTH SYSTEM, INC ("UHS") PROVIDES HEALTHCARE SERVICES WITHIN ITS COMMUNITY AND BEYOND, PROVIDING SPECIALIZED CARE THAT IS CUSTOMARILY ONLY AVAILABLE AT ACADEMIC MEDICAL CENTERS, SUPPORTS MEDICAL RESEARCH AND EDUCATION THROUGH AN AFFILIATION AGREEMENT WITH THE UT GRADUATE SCHOOL OF MEDICINE, PROVIDES A PATIENT BASE FOR TRAINING PHYSICIANS, DENTISTS, NURSES, AND OTHER HEALTH PROFESSIONALS, AND PROVIDES SUPPORT FOR CLINICAL RESEARCH AND RESEARCH TRAINING
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets
	3	Number of voting members of the governing body (Part VI, line 1a) 3 15
	4	Number of independent voting members of the governing body (Part VI, line 1b) 4 12
	5	Total number of employees (Part V, line 2a) 5 2,951
	6	Total number of volunteers (estimate if necessary) 6 265
7a Total gross unrelated business revenue from Part VIII, column (C), line 12 . . . 7a 1,380,678		
b Net unrelated business taxable income from Form 990-T, line 34 . . . 7b 783,895		

Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 4,046,620	Current Year 4,592,416
	9	Program service revenue (Part VIII, line 2g)	495,323,973	524,780,746
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,224,329	3,842,989
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,499,077	5,636,357
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	512,093,999	538,852,508
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . .	247,285
14		Benefits paid to or for members (Part IX, column (A), line 4)		0
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	210,676,031	214,421,660
16a		Professional fundraising fees (Part IX, column (A), line 11e)		27,600
b		Total fundraising expenses (Part IX, column (D), line 25) ▶27,600		
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	296,662,189	313,632,832
18		Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	507,585,505	528,580,659
19		Revenue less expenses Subtract line 18 from line 12	4,508,494	10,271,849
Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	429,145,027	448,096,748
	21	Total liabilities (Part X, line 26)	358,344,965	346,597,166
	22	Net assets or fund balances Subtract line 21 from line 20	70,800,062	101,499,582

Part II

Signature Block

Sign Here	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			
	***** Signature of officer		2010-11-11 Date	
	THOMAS M FISHER CFO Type or print name and title			
Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	Pershing Yoakley & Associates P C One Cherokee Mills 2220 Sutherland Knoxville, TN 379192363		EIN ▶
				Phone no ▶ (865) 673-0844

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

Part IIIS

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

UHS OPERATES THE UNIVERSITY OF TENNESSEE MEDICAL CENTER ("MEDICAL CENTER") WHICH OFFERS MEDICAL CARE TO A TWENTY-ONE COUNTY SERVICE AREA LOCATED THROUGHOUT EAST TENNESSEE, AND PROVIDES SERVICES TO PATIENTS LOCATED IN SOUTHEAST KENTUCKY, SOUTHWEST VIRGINIA, AND WESTERN NORTH CAROLINA THROUGH OPERATION OF THE MEDICAL CENTER, UHS PROVIDES HEALTHCARE SERVICES WITHIN ITS COMMUNITY AND BEYOND, PROVIDING SPECIALIZED CARE THAT IS CUSTOMARILY ONLY AVAILABLE AT ACADEMIC MEDICAL CENTERS, SUPPORTS MEDICAL RESEARCH AND EDUCATION THROUGH AN AFFILIATION AGREEMENT WITH THE UT GRADUATE SCHOOL OF MEDICINE, PROVIDES A PATIENT BASE FOR TRAINING PHYSICIANS, DENTISTS, NURSES, AND OTHER HEALTH PROFESSIONALS, AND PROVIDES SUPPORT FOR CLINICAL RESEARCH AND RESEARCH TRAINING

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 501(c)(4) organizations and section 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 \$ 438,851,493 including grants of \$ 498,567) (Revenue \$ 492,663,645)
	<p>Patient Care Services In an effort to provide a continuum of care for patients, from diagnosis through recovery, UHS offers Centers of Excellence to enhance the quality of healthcare delivered to the community The Centers of Excellence are as follows Brain and Spine InstituteThe Brain and Spine Institute is made up of experts in the field of neuroscience in order to bring patients the most advanced healthcare in East Tennessee for a full range of neurological diseases and disorders The institute offers patient-centered care for injuries and diseases such as trauma (spinal cord injury and brain injury), degenerative diseases (Alzheimer's and Parkinson's), vascular disorders (stroke and aneurysms), structural injuries and conditions of the spine, and tumors Diagnosing and treating brain and spine diseases and conditions demands many specialists that patients can access through the Brain and Spine Institute The team of specialists including neurosurgeons and neurologists provide patients with the highest quality care and community education The Brain and Spine Institute offers unmatched expertise with its Cole Neuroscience Center for degenerative neurological (brain) disorders and state-of-the-art technology with the only CyberKnife Radiosurgery center in the Knoxville region UT Medical Center is the first in the region to earn the prestigious Primary Stroke Center Certification from the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) The designation comes after an on-site review by JCAHO, the nation's predominant standards-setting and accrediting body in healthcare UPMC is the only stroke center in the region to be recognized by American Heart and American Stroke Association with the Gold Achievement Award for 2 years of 85% or higher outcomes The Spine Center has been recognized by Blue Cross Blue Shield as a Blue Center of Distinction With three dedicated neurosurgical operating rooms, a dedicated stroke unit, medical and surgical intensive care units, the Cole Neuroscience Center and the latest technology combined with the experience and skill of the Brain and Spine Institute staff, UPMC provides quality care to the East Tennessee community for treatment of brain and spine disease or injury Cancer InstituteThe Cancer Institute at UPMC provides each patient with compassionate, comprehensive and coordinated care through a multidisciplinary team of specialists focused on the treatment, early detection and prevention in the fight against cancer The Cancer Institute is committed to overcoming the challenge of cancer through treatment, research and education The Cancer Institute is committed to providing cancer patients and their families the highest level of clinical care The Cancer Institute also provides the necessary support services to patients in order to better cope with the emotional, psychological and financial issues related to a cancer diagnosis Services range from a single entry point for the management of breast and lung cancer to a team of healthcare providers including counselors and chaplains to provide emotional and spiritual support throughout cancer treatment The university breast center also offers mobile breast mammography screening services, with a mobile unit available to travel in order to provide women greater access to services All cancer institute patient services are provided by a team of trained and experienced professionals in a caring and compassionate environment Emergency and Trauma ServicesThe Medical Center is the only Level I Trauma Center in the region for adults and children and serves as the tertiary referral center for medical care in East Tennessee, serving Knox County and twenty surrounding counties The healthcare experts in the Emergency Department treat more than 64,000 patients annually with a commitment to individualized patient-centered care and teamwork Whether arriving by ambulance, aeromedical transport service, or private vehicle, patients receive a full range of medical care The facility is comprised of five areas a critical resuscitation bay for the most seriously injured or ill patients, an emergent treatment area for those with a potentially serious problem, an urgent care area for the less ill and injured, and the Clinical Decision Unit for long-term evaluations and treatment of specific medical problems To hold a Level One Trauma Center designation, UPMC provides a team of specially trained personnel on a 24/7 basis to meet the emergent as well as on-going and changing needs of the trauma patients from admission to discharge The head of this team is the trauma surgeon who supervises and coordinates patient care Various specialty physicians such as neurosurgeons, orthopedic surgeons or maxillofacial or plastic surgeons are readily available and are consulted as needed After evaluation in the Emergency Department, critical trauma patients, including those with traumatic brain injuries, are then transported to the 32 bed Surgical Critical Care Unit (SCC) In the SCC, the patient is further evaluated and constantly monitored Critically injured patients are complex and challenging They often require massive resuscitation, intracranial pressure and partial brain tissue oxygenation monitoring, ventilation, continuous renal replacement therapy, as well as many other specialized treatments and procedures The SCC is staffed with experienced professionals such as critical care nurses, respiratory therapists, a case manager and certified nursing assistants Because of the specialized training and equipment needed to care for this patient population, the SCC also provides care for patients suffering from hemorrhagic strokes as well as other neurologic conditions As an academic medical center, existing clinical research is evaluated, new research is conducted and care paths are evidenced based allowing patients the most up to date care available Multidisciplinary daily rounds are made by the trauma team consisting of resident physicians, nurses, pharmacists, respiratory therapists, and students led by attending physicians who discuss the care and progress of trauma patients, establish the daily patient goals while ensuring high quality comprehensive care planning Families are asked and encouraged to attend these rounds including them as part of the team caring for their loved one The staff of the SCC utilize the Patient and Family Centered Model of Care Evidence of this inclusive model is seen in the SCC's open visitation hours, family presence at rounds, referrals to case management, pastoral care and in the ongoing communication with the patients and their families Heart Lung Vascular InstituteThe Heart Lung Vascular Institute was established in 2000 to help meet the increasing need for cardiovascular and lung disease care Heart disease, stroke and pulmonary disease are among the leading causes of death in the United States In addition, Tennessee has one of the highest incidents in the U S for smoking, obesity, and high blood pressure - all of which contribute to the development of heart and lung disease The goals of the Heart Lung Vascular Institute are to attain excellence in patient care, preventative medicine, rehabilitation services, research and education Excellence in patient care means offering the best diagnostic and treatment plans using the latest technology in a compassionate manner, keeping the patient and family informed and comfortable, both physically and emotionally Preventive medicine involves education about disease processes and risk reduction through community seminars and screenings such as the HeartWise program Rehabilitation services help patients recovering from heart attacks, heart failure, heart and lung surgery, and chronic lung disease UPMC is the area's only academic medical center, and research into the cause and treatment of disease is part of its mission The other role of academics involves physician education, the UT Graduate School of Medicine currently offers fellowships in cardiovascular medicine, vascular surgery and pulmonary medicine Center for Women & Children's HealthThe Center for Women & Children's Health is a hub for supporting women's and children's individual healthcare needs The center offers comprehensive services for childbirth, high risk obstetrics, neonatal care, women's mid-life health, including osteoporosis, heart health, oncology services, gynecological health, breast health, and psycho-social needs It provides support, research and health information, an exceptional healthcare team, cutting-edge technology and unmatched patient and family-centered care The regional neonatal program has provided services since 1974 which includes a Level III NICU, board certified neonatologists, pediatric surgeons, pediatric cardiologist, and other sub-specialists</p>

4b	(Code) (Expenses \$ 46,397,967 including grants of \$) (Revenue \$ 31,958,862)
	<p>As the only academic medical center in the region, UHS is committed to education in order to prepare healthcare professionals for the future Education is an ongoing endeavor for all employees, many of which will have an opportunity to serve as teachers as well as students The Medical Center collaborates with the GSM and other academic institutions and it maintains a learning environment with devotion to technological and treatment advances that provide better care for patients University of Tennessee Graduate School of Medicine The Medical Center serves as the clinical education site of the GSM, which manages all residency, fellowship and subspecialty programs in association with the UT College of Medicine and Dentistry The Graduate School of Medicine has a three-fold mission of excellence in education, patient care, and research Annually, The Graduate School of Medicine maintains over 200 faculty and 163 residents in training at the Medical Center Components of the Graduate School of Medicine include - Residency and Fellowship Programs are offered in Medicine and Dentistry - The Primary Care residency programs are Family Medicine, Internal Medicine, Obstetrics and Gynecology - The remaining medicine programs include Anesthesiology, General Surgery, Nuclear Medicine, Pathology, Radiology, Transitional Year, and Urology - Fellowships are offered through the Departments of Family Medicine, Medicine, Surgery, and Pathology - Family Medicine Fellowships include Emergency Medicine, Sports Medicine, Behavioral Medicine, Obstetrics, and in conjunction with the Department of Medicine a Fellowship in Geriatric Medicine - Surgery offers fellowships in both Vascular Surgery and Trauma/Critical Care - The Department of Pathology offers a fellowship in Cytopathology and Surgical Pathology, and is in the process of offering a fellowship in Forensic Pathology - The Department of Radiology offers educational opportunities in PET - Residencies are offered in General Dentistry as well as Oral and Maxillofacial Surgery - Fellowships are offered in cardiology and Pulmonology Additionally, the Medical Center serves as a clinical education site for the UT College of Pharmacy Other training programs offered include Medical Technology, Nuclear Medicine Technology, Nurse Anesthesia Concentration, Clinical Pastoral Education, and Radiography Technology</p>

















4c	(Code) (Expenses \$ 14,990,460 including grants of \$) (Revenue \$)
	<p>Charity Care and Self-Pay DiscountThe Medical Center provides medically necessary services to all people, regardless of their ability to pay UHS has a documented charity policy, which takes into consideration income levels, and other demographic factors For those who do not qualify under the existing policy but are facing difficult economic circumstances, ability to pay is determined on a case-by-case basis The Medical Center also has a policy regarding self-pay patients who are ineligible for charity care consideration Such patients will receive a 40% discount from charges For the year ending December 31, 2009, the System provided services under the previously stated policy which resulted in losses to UHS of approximately \$14,990,460 Both inpatients and outpatients were provided care under the aforementioned policy No patient was refused necessary medical care on the basis of his or her ability to pay</p>

4d	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$)

4e	Total program service expenses➤\$ 500,239,920
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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)? <i>If "Yes," complete Schedule A</i> 	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? <i>If "Yes," complete Schedule C, Part I</i> 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i> 	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? <i>If "Yes," complete Schedule C, Part III</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 	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? <i>If "Yes," complete Schedule D, Part IV</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 	10	Yes
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.</i> 	11	Yes
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	◆ Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> 	12	No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	<i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i> 	12A	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	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 United States? <i>If "Yes," complete Schedule F, Part I</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 U S ? <i>If "Yes," complete Schedule F, Part II</i>	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 U S ? <i>If "Yes," complete Schedule F, Part III</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> 	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> 	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> 	19	No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i> 	20	Yes

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	240	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,951	
	b If at least one is reported on line 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 (see instructions)			
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: <input type="text"/> 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	Yes
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	Yes
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 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

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	15	
b	Enter the number of voting members that are independent . . .	1b	12	
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		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b		No
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	
9	Is there any officer, director, 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	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
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	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
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▶TN
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ joseph r landsman 1520 cherokee trail suite 200 Knoxville, TN 379234658 (865) 305-9430

1b	Total	8,102,286	0	789,521
-----------	------------------------	-----------	---	---------

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶160

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
Graduate School of Medicine 1924 Alcoa Highway Knoxville, TN 37920	Medical Education	29,773,016
Johnson & Gaylon PO BOX 3070 Knoxville, TN 37927	construction services	17,554,867
Laboratory Corporation of America 1924 Alcoa Highway Knoxville, TN 37920	laboratory services	11,642,311
UNIVERSITY PHYSICIANS ASSOCIATION 1520 CHEROKEE TRAIL Knoxville, TN 37920	Staffing/billing/MGMT services	9,556,816
UNIVERSITY General Surgeons 1932 Alcoa Highway Bldg C-270 Knoxville, TN 37920	Physican Services	2,695,484

2

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶96

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	35,902			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,556,514			
	g	Noncash contributions included in lines 1a-1f \$ 8,021					
	h	Total. Add lines 1a-1f		4,592,416			
Program Service Revenue			Business Code				
	2a	Net Patient Revenue	621,500	502,481,468	502,323,229	158,239	
	b	Program Service Rev	621,400	22,299,278	22,299,278		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		524,780,746			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		4,221,687		604,800	3,616,887
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	Gross Rents	(i) Real 3,434,001	(ii) Personal 36,520			
	b	Less rental expenses					
	c	Rental income or (loss)	3,434,001	36,520			
	d	Net rental income or (loss)		3,470,521			3,470,521
	7a	Gross amount from sales of assets other than inventory	(i) Securities 133,773,770	(ii) Other 365,028			
	b	Less cost or other basis and sales expenses	134,307,671	209,825			
	c	Gain or (loss)	-533,901	155,203			
	d	Net gain or (loss)		-378,698			-378,698
	8a	Gross income from fundraising events (not including \$ 35,902 of contributions reported on line 1c) See Part IV, line 18					
		a	42,470				
	b	Less direct expenses	b	42,470			
	c	Net income or (loss) from fundraising events . .		0			
	9a	Gross income from gaming activities See Part IV, line 19					
		a					
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances	a				
	b						
b	Less cost of goods sold . . .	b					
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code					
11a	Parking Revenue	812,930	1,101,053			1,101,053	
b	Telephone Service	812,900	358,562		358,562		
c	Other Services	624,100	233,623		233,623		
d	All other revenue		472,598		25,454	447,144	
e	Total. Add lines 11a-11d		2,165,836				
12	Total revenue. See Instructions		538,852,508	524,622,507	1,380,678	8,256,907	

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	467,550	467,550		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	31,017	31,017		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	8,891,807		8,891,807	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	159,806,350	153,606,203	6,200,147	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	12,077,771	10,649,950	1,427,821	
9	Other employee benefits	22,486,231	20,916,009	1,570,222	
10	Payroll taxes	11,159,501	10,246,126	913,375	
11	Fees for services (non-employees)				
a	Management	4,526,041	3,743,936	782,105	
b	Legal	12,522,412	11,895,701	626,711	
c	Accounting	215,803	26,931	188,872	
d	Lobbying				
e	Professional fundraising See Part IV, line 17	27,600			27,600
f	Investment management fees				
g	Other	71,782,224	67,542,069	4,240,155	
12	Advertising and promotion	1,441,255	165,618	1,275,637	
13	Office expenses	119,948,451	119,418,446	530,005	
14	Information technology				
15	Royalties				
16	Occupancy	12,969,527	12,229,917	739,610	
17	Travel	482,640	323,695	158,945	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	212,217	160,611	51,606	
20	Interest	11,395,278	11,395,278		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	19,400,484	19,400,484		
23	Insurance	5,833,768	5,833,768		
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	UBI Tax	245,988	245,988		
b	Bad Debts	47,749,610	47,749,610		
c	equipment rental	3,028,807	2,984,742	44,065	
d	Dues & Subscriptions	544,603	187,025	357,578	
e	printing	540,739	370,956	169,783	
f	All other expenses	792,985	648,290	144,695	
25	Total functional expenses. Add lines 1 through 24f	528,580,659	500,239,920	28,313,139	27,600
26	Joint costs. Check here <input type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			47,237,652	1	62,472,690
	2	Savings and temporary cash investments			29,456,642	2	42,349,080
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			64,374,622	4	57,811,347
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. 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			5,513,369	8	5,647,971
	9	Prepaid expenses and deferred charges			1,374,778	9	792,666
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	289,946,028			
	b	Less accumulated depreciation	10b	129,005,987	149,012,588	10c	160,940,041
	11	Investments—publicly traded securities			70,721,044	11	77,997,687
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			2,804,975	13	1,644,985
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			58,649,357	15	38,440,281
	16	Total assets. Add lines 1 through 15 (must equal line 34)			429,145,027	16	448,096,748
Liabilities	17	Accounts payable and accrued expenses			84,045,652	17	86,354,284
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			232,692,135	20	229,165,778
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables 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			14,225,971	23	15,260,873
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			27,381,207	25	15,816,231
	26	Total liabilities. Add lines 17 through 25			358,344,965	26	346,597,166
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			67,415,671	27	97,318,882
	28	Temporarily restricted net assets			135,697	28	333,512
	29	Permanently restricted net assets			3,248,694	29	3,847,188
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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			70,800,062	33	101,499,582
	34	Total liabilities and net assets/fund balances			429,145,027	34	448,096,748

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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?	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization University Health System Inc	Employer identification number 31-1626179
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches **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).**
- 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 33 1/3% 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 33 1/3% 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).**
- 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?

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2008 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2009. 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% support test—2008. 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—2009. 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—2008. 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 a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

Part IIISupport 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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13Total support (Add lines 9, 10c, 11 and 12.)						
14First 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						

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. 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		
b33 1/3% support tests—2008. 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		
20Private 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. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009

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), then

- 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 990-EZ, Part VI, line 47 (Lobbying Activities), then

- 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) or Form 990-EZ, line 35a (regarding proxy tax), then

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

Name of the organization University Health System Inc	Employer identification number 31-1626179
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 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 Complete if the organization is exempt under section 501(c)(3).

- 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 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 Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 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 funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3

Total exempt function expenditures Add lines 1 and 2 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 For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were 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 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

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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 If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
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?		<input type="checkbox"/> Yes	<input type="checkbox"/> 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 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(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 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	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?	Yes		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		127,944
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			127,944
	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

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		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

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

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).		
		2a	
		2b	
		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 (see instructions)	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 D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
University Health System Inc

Employer identification number
31-1626179

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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 for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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) <div><input type="checkbox"/> Preservation of land for public use (e g , recreation or pleasure) <input type="checkbox"/> Preservation of an historically importantly land area</div> <div><input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure</div> <div><input type="checkbox"/> Preservation of open space</div>											
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											
		<table><tr><td></td><td>Held at the End of the Year</td></tr><tr><td>a</td><td>Total number of conservation easements</td></tr><tr><td>b</td><td>Total acreage restricted by conservation easements</td></tr><tr><td>c</td><td>Number of conservation easements on a certified historic structure included in (a)</td></tr><tr><td>d</td><td>Number of conservation easements included in (c) acquired after 8/17/06</td></tr></table>		Held at the End of the Year	a	Total number of conservation easements	b	Total acreage restricted by conservation easements	c	Number of conservation easements on a certified historic structure included in (a)	d	Number of conservation easements included in (c) acquired after 8/17/06
	Held at the End of the Year											
a	Total number of conservation easements											
b	Total acreage restricted by conservation easements											
c	Number of conservation easements on a certified historic structure included in (a)											
d	Number of conservation easements included in (c) acquired after 8/17/06											
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, handling of violations, and enforcement of the conservation easements it holds? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
6	Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____											
7	Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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)? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>											
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

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 the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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	3,248,694	2,846,890			
b Contributions	608,652	363,843			
c Investment earnings or losses	92,712	93,551			
d Grants or scholarships					
e Other expenditures for facilities and programs	10,159				
f Administrative expenses					
g End of year balance	3,939,899	3,304,284			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ 100 000 % %

c

Term endowment ▶ %

3a

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

No

3a(ii)

No

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) Accumulated depreciation	(d) Book value
1a Land		2,614		2,614
b Buildings		16,818	11,112	5,706
c Leasehold improvements		145,402,857	49,292,571	96,110,286
d Equipment		115,935,799	76,559,588	39,376,211
e Other		28,587,940	3,142,716	25,445,224
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				160,940,041

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	538,852,508
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	528,580,659
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	10,271,849
4	Net unrealized gains (losses) on investments	4	20,103,098
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	324,573
9	Total adjustments (net) Add lines 4 - 8	9	20,427,671
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	30,699,520

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	558,483,869
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	20,103,098
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	136,917
e	Add lines 2a through 2d	2e	20,240,015
3	Subtract line 2e from line 1	3	538,243,854
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	608,653
c	Add lines 4a and 4b	4c	608,653
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	538,852,507

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	528,580,659
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	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	528,580,659
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	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	528,580,659

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 IV, 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. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	All endowment funds are used to support the overall mission of the University Health System - patient care, research, and education
Part X	Description of Uncertain Tax Positions Under FIN 48	Part X - Liability under FIN 48 footnote The audit for UHS and its affiliates is prepared on a consolidated basis. Effective for the year ended December 31, 2009, the company is required to evaluate uncertain tax positions in accordance with FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"). This evaluation would include a quantification of tax risk in areas such as unrelated business taxable income and the taxation of for-profit subsidiaries. The entity was audited by an unrelated, independent accounting firm that deemed that the adoption of FIN 48 did not have a material effect on the company's statement of operations for the year ended December 31, 2009.
Part XI, Line 8 - Other Adjustments		Increase in Temporarily Restricted Assets 197815 Partnership Income not on books 136917 Net Assets Released from Restriction -10159
Part XII, Line 2d - Other Adjustments		Partnership Income
Part XII, Line 4b - Other Adjustments		Contributions

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
University Health System Inc

Employer identification number
31-1626179

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☒ Mail solicitations

b ☐ Internet and e-mail solicitations

c ☐ Phone solicitations

d ☒ In-person solicitations

e ☒ Solicitation of non-government grants

f ☒ Solicitation of government grants

g ☒ Special fundraising events
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☒ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Focus on Funding	Grant writer		No	476,103	20,000	456,103
Old Town Writers Group	Writer		No	0	7,600	0
Total ▶				476,103	27,600	456,103

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

TN

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>Tee Up for Trauma</u> (event type)	<u>Man Run</u> (event type)	 (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	44,847	33,525	78,372
	2	Less Charitable contributions	15,367	20,535	35,902
	3	Gross income (line 1 minus line 2)	29,480	12,990	42,470
Direct Expenses	4	Cash prizes	1,560		1,560
	5	Non-cash prizes	6,520		6,520
	6	Rent/facility costs	8,711		8,711
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses	12,689	12,990	25,679
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			42,470
	11	Net income summary Combine lines 3, column d, and line 10. ▶			0

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1, column d, and line 7 ▶			

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____		
a	Is the organization licensed to operate gaming activities in each of these states?	9a	
b	If "No," Explain _____ _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____ _____		
11	Does the organization operate gaming activities with nonmembers?	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

		Yes	No
13	Indicate the percentage of gaming activity operated in		
a	The organization's facility 13a		
b	An outside facility 13b		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records		
Name ► _____			
Address ► _____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a	
b	If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____		
c	If "Yes," enter name and address		
Name ► _____			
Address ► _____			
16	Gaming manager information		
Name ► _____			
Gaming manager compensation ► \$ _____			
Description of services provided ► _____			
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
17	Mandatory distributions		
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a	
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.**
▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
University Health System Inc

Employer identification number
31-1626179

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input checked="" type="checkbox"/> 200%</div> <div><input type="checkbox"/> Other _____</div>	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input checked="" type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input type="checkbox"/> Other _____</div>	3b	Yes	
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	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
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 eligible for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
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 Government 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)			9,839,480		9,839,480	2 050 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			61,319,233	59,988,839	1,330,394	0 280 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			10,495,770	7,495,961	2,999,809	0 620 %
d Total Charity Care and Means-Tested Government Programs			81,654,483	67,484,800	14,169,683	2 950 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			681,807		681,807	0 140 %
f Health professions education (from Worksheet 5)			15,144,129		15,144,129	3 150 %
g Subsidized health services (from Worksheet 6)			5,150,980		5,150,980	1 070 %
h Research (from Worksheet 7)			220,000		220,000	0 050 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			141,000		141,000	0 030 %
j Total Other Benefits			21,337,916		21,337,916	4 440 %
k Total. Add lines 7d and 7j			102,992,399	67,484,800	35,507,599	0

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members			20,500		20,500	0 %
6Coalition building						
7Community health improvement advocacy			222,483		222,483	0 050 %
8Workforce development						
9Other						
10Total			242,983		242,983	0 050 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2Enter the amount of the organization's bad debt expense (at cost)	2	15,151,521	
3Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	0	
4Provide 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, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	106,859,103
6Enter Medicare allowable costs of care relating to payments on line 5	6	110,441,261
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-3,582,158
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9aDoes the organization have a written debt collection policy?	9a	Yes	
9bIf "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	Yes	

Part IVManagement Companies and Joint Ventures

(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 %
1DLUHS Inc	laboratory services	5 000 %		
2University Ambulatory Surgical Center	Surgery center	60 500 %		39 500 %
3The East Tennessee Center for Sleep Medicine LLC	sleep medicine	50 000 %		
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Part V Facility Information

Name and address	Other (Describe)						
	ER-other	ER-24 hours	Research facility	Critical access hospital	Teaching hospital	Children's hospital	General medical & surgical
	Licensed hospital						

University Health System Inc 9000 Executive Park Drive Bldg D 240 Knoxville, TN 37923	X	X			X		
--	---	---	--	--	---	--	--

Part VI Supplemental Information

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
University Health System Inc

Employer identification number
31-1626179

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" to 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 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
See Additional Data Table							

2

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

▶ 38

3

Enter total number of other organizations

▶ 1

Software ID:
Software Version:
EIN: 31-1626179
Name: University Health System Inc

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
ALZHEIMER'S ASSOCIATION2200 SUTHERLAND Avenue STE H102 Knoxville, TN 37919	62-1206312	501(c)(3)	1,000				Sponsor for Isaacs Benefit Concert
AMERICAN CANCER SOCIETY871 WEISGARGER RD Knoxville, TN 37909	64-0329009	501(c)(3)	5,000				Corporate Sponsor - 2009 Hope Gala
AMERICAN HEART ASSN 4708 PAPERMILL DR Knoxville, TN 37909	13-5613797	501(c)(3)	65,000				Various sponsorships
AMERICAN LUNG ASSNONE VANTAGE WAY SUITE B130 Nashville, TN 37228	31-4379531	501(c)(3)	1,000				Contribution for 2009 Knoxville Asthma Walk
BOYS & GIRLS CLUB GREATER KNOXVILLE220 CARRICK Street STE 318 Knoxville, TN 37921	62-0475743	501(c)(3)	2,600				Silver Medal Sponsor Special Event - Hall of Fame 2009
BREATH OF LIFE SUPPORT FDN INCPO BOX 1036 Louisville, TN 37777	20-5246516	501(c)(3)	1,000				Contribution for 2nd Annual Breath of Life Support Foundation Bass Fishing Tournament
CARE SPARK INCPO Box 657 Kingsport, TN 37664	20-2694144	501(c)(3)	50,000				Health Information Exchange Knoxville Region
CITY OF KNOXVILLEPO Box 15001 Knoxville, TN 37901	62-6000326		25,000				Contribution for community improvements
COMMITTEE FOR CITIZEN AWARENESS1100 New Hampshire Ave Washington dc, DC 20037	52-1451797	501(c)(3)	3,500				Health Promotion
DOGWOOD ARTS FESTIVAL 106 W Summit Hill Drive suite 200 Knoxville, TN 37902	62-6074113	501(c)(3)	5,000				Sponsorship 2009 Rhythm & Blooms

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
EAST TN CHILDRENS HOSPITALPO Box 15010 Knoxville, TN 37901	62-6002604	501(c)(3)	6,000				Center Stage 2009
EAST TN ECONOMIC DEVELOPMENT10215 Technology drive ste 202 Knoxville, TN 37932	62-1158958	501(c)(3)	18,000				investment in 15-county economic development and business recruitment
East TN Technology access 116 Childess Street Knoxville, TN 37920	58-1830378	501(c)(3)	500				Corporate sponsorship
GOODWILL INDUSTRIES KNOX INC5508 Kingston Pk Knoxville, TN 37939	62-0868796	501(c)(3)	1,100				Goodwill Golf Classic in Memory of Jerry Hatmaker
GRADUATE SCHOOL OF MEDICINE1924 Alcoa highway u-100 Knoxville, TN 37920	62-6001636	501(c)(3)	7,500				An Evening in Orange Sponsorship - supporting the new Heart Hospital, Contribution for Trauma
GREAT SMOKY MOUNTAIN COUNCILPO BOX 51885 Knoxville, TN 37950	62-0476811	501(c)(3)	1,250				support Scouting in East Tennessee
HAITI OUTREACH PROGRAMS Sacred Heart - 711 Northshore Drive Knoxville, TN 37919	62-0572260	501(c)(3)	100				2009 Haiti Mission Donation
HELEN ROSS MCNABB CENTER201 W Springdale Ave Knoxville, TN 37917	62-0548914	501(c)(3)	2,500				Sponsor for the 2009 Pat Summitt Golf Tournament
INTERFAITH HEALTH CLINIC315 GILL Avenue Knoxville, TN 37917	58-1947641	501(c)(3)	50,000				Community healthcare outreach for uninsured
JUVENILE DIABETES FOUNDATION6701 Baum drive ste 240 Knoxville, TN 37917	23-1907729	501(c)(3)	1,500				2009 Dream Gala Sponsorship

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
KNOX ACADEMY MED PROJECT115 SUBURBAN Road Knoxville, TN 37923	62-1458199	501(c)(3)	10,000				Diamond Sponsorship
KNOX COUNTY IMAGINATION LIBRARY 625 MARKET Street ste 1400 Knoxville, TN 37902	62-0807696	501(c)(3)	5,000				Sponsor to provide books for children ages birth through five
KNOXVILLE AREA CHAMBER PARTNERSHIP17 MARKET SQUARE ste 201 Knoxville, TN 37902	62-0262640	501(c)(3)	5,500				various community sponsorships
KNOXVILLE JAZZ ORCHESTRA2518 SHERROD ROAD Knoxville, TN 37920	62-1827891	501(c)(3)	1,900				"Band Leader" Sponsorship of Evening Under the Stars event
KNOXVILLE NEWS SENTINEL2332 News sentinel drive Knoxville, TN 37921	62-1785559		5,000				2009 Empty Stocking Fund
LEADERSHIP KNOXVILLEpo box 326 Knoxville, TN 37901	62-1212211	501(c)(3)	2,500				Corporate donation
Lincoln Memorial University PO Box 2003 Harrogate, TN 37752	62-0479542	501(c)(3)	500				Contribution to nursing program for their participation in the flu vaccine exercise
Links to The Cure1537 BARLEY CIRCLE Knoxville, TN 37922	20-3294446	501(c)(3)	2,000				2009 Links to the Cure Sponsor (Cancer research)
MARCH OF DIMES BIRTH DEF FNDpo box 1657 WilkesBarre, PA 18703	13-1846366	501(c)(3)	11,000				Signature Chefs Auction Sponsorship, Knoxville March for Babies sponsorship
MORRISTOWN-HAMBLEEN HOSPITALpo box 1178 Morristown, TN 37816	62-0545814	501(c)(3)	5,600				Platinum Sponsorship and cancer center campaign

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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
NATIONAL KIDNEY FOUNDATION4450 WALKER Boulevard ste 2 Knoxville, TN 37917	62-0886595	501(c)(3)	5,000				2009 Kidney Walk & Funathlon Weekend Sponsorship
O'CONNOR SENIOR CENTER611 WINONA Street Knoxville, TN 37919	62-1451434	501(c)(3)	250				community Sponsorship
ROANE STATE COMMUNITY COLLEGE276 Patton Lane Harriman, TN 37748	62-0819102	501(c)(3)	500				Contribution to nursing program for their participation in the flu vaccine exercise
SUSAN G KOMEN FOUNDATION6701 Baum drive ste 255 Knoxville, TN 37919	75-1835298	501(c)(3)	25,000				2009 Race for the Cure Sponsor
UNITED WAY GREATER KNOXVILLE1301 Hannah avenue Knoxville, TN 37921	62-0475748	501(c)(3)	40,500				corporate sponsorship to benefit community agencies
UNIVERSITY OF TENNESSEE1215 Cumberland avenue jhb230 Knoxville, TN 37996	62-6001636	501(c)(3)	5,500				Corporate Table Sponsorship for the UTK College of Nursing
VARIETY OF EASTERN TENNESSEE7132 Regal Lane Knoxville, TN 37918	33-1025696	501(c)(3)	2,500				Support for Children's Charity
WC TWO1130 ATLANTIC AVE Knoxville, TN 37917	62-1845117	501(c)(3)	1,750				Impacting children's lives within the inner city
WELLNESS COMMUNITY2230 Sutherland avenue Knoxville, TN 37919	58-1846210	501(c)(3)	20,000				Support for cancer patients-emotional & psychological

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
University Health System Inc

Employer identification number
31-1626179

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate 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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are 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		
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?		
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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div> <div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
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?		No
b	Any related organization?		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?		No
b	Any related organization?		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	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued 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		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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

[illegible]

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
	Part I, Line 4a	Part I, LINE 4B Supplemental Nonqualified Retirement Plan Name Amount Joseph R Landsman \$100,694 Thomas M Fisher \$ 39,375 William Hall \$ 50,407 Norman D Majors \$ 12,000 John W Lacey \$ 27,960 Jannell R Cecil \$ 13,000
	Part I, Line 7	The Senior VP's incentive plan is contingent upon targets approved by the CEO. The CEO discusses the incentive plan to the Board's compensation committee.
Supplemental Information	Part III	COMPENSATION PAID TO BOARD MEMBERS, who are also employees, IS PRIMARILY FOR PROFESSIONAL RESPONSIBILITIES AS PHYSICIANS or ADMINISTRATORS.

Software ID:

Software Version:

EIN: 31-1626179

Name: University Health System Inc

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				
Joseph R Landsman Jr	(i) 572,266 (ii) 0	(i) 172,500 (ii) 0	(i) 53,360 (ii) 0	(i) 87,282 (ii) 0	(i) 12,463 (ii) 0	(i) 897,871 (ii) 0	(i) 0 (ii) 0
robert felder md	(i) 421,965 (ii) 0	(i) 0 (ii) 0	(i) 3,223 (ii) 0	(i) 42,555 (ii) 0	(i) 768 (ii) 0	(i) 468,511 (ii) 0	(i) 0 (ii) 0
Thomas M Fisher	(i) 345,286 (ii) 0	(i) 65,625 (ii) 0	(i) 11,638 (ii) 0	(i) 47,110 (ii) 0	(i) 14,443 (ii) 0	(i) 484,102 (ii) 0	(i) 0 (ii) 0
William D Hall	(i) 322,266 (ii) 0	(i) 52,813 (ii) 0	(i) 52,002 (ii) 0	(i) 47,124 (ii) 0	(i) 12,463 (ii) 0	(i) 486,668 (ii) 0	(i) 0 (ii) 0
Norman D Majors	(i) 234,640 (ii) 0	(i) 32,900 (ii) 0	(i) 64,359 (ii) 0	(i) 36,332 (ii) 0	(i) 768 (ii) 0	(i) 368,999 (ii) 0	(i) 0 (ii) 0
John W Lacey	(i) 297,266 (ii) 0	(i) 39,600 (ii) 0	(i) 25,706 (ii) 0	(i) 40,306 (ii) 0	(i) 12,463 (ii) 0	(i) 415,341 (ii) 0	(i) 0 (ii) 0
Steven R Ross	(i) 277,266 (ii) 0	(i) 39,200 (ii) 0	(i) 90,767 (ii) 0	(i) 44,652 (ii) 0	(i) 12,463 (ii) 0	(i) 464,348 (ii) 0	(i) 0 (ii) 0
Janell R Cecil	(i) 198,149 (ii) 0	(i) 26,000 (ii) 0	(i) 13,845 (ii) 0	(i) 26,494 (ii) 0	(i) 8,992 (ii) 0	(i) 273,480 (ii) 0	(i) 0 (ii) 0
Richard K Giecek	(i) 193,066 (ii) 0	(i) 40,000 (ii) 0	(i) 12,645 (ii) 0	(i) 24,882 (ii) 0	(i) 16,663 (ii) 0	(i) 287,256 (ii) 0	(i) 0 (ii) 0
Bennett Cox	(i) 209,640 (ii) 0	(i) 23,625 (ii) 0	(i) 64,584 (ii) 0	(i) 29,821 (ii) 0	(i) 768 (ii) 0	(i) 328,438 (ii) 0	(i) 0 (ii) 0
Betty A Gissel	(i) 171,197 (ii) 0	(i) 17,325 (ii) 0	(i) 46,785 (ii) 0	(i) 23,916 (ii) 0	(i) 7,596 (ii) 0	(i) 266,819 (ii) 0	(i) 0 (ii) 0
John J Sheridan	(i) 137,266 (ii) 0	(i) 15,750 (ii) 0	(i) 6,367 (ii) 0	(i) 16,212 (ii) 0	(i) 12,463 (ii) 0	(i) 188,058 (ii) 0	(i) 0 (ii) 0
STANLEY S MILLER MD	(i) 997,526 (ii) 0	(i) 0 (ii) 0	(i) 450 (ii) 0	(i) 24,500 (ii) 0	(i) 12,463 (ii) 0	(i) 1,034,939 (ii) 0	(i) 0 (ii) 0
SUSAN N HUNTSINGER MD	(i) 829,167 (ii) 0	(i) 0 (ii) 0	(i) 270 (ii) 0	(i) 24,500 (ii) 0	(i) 0 (ii) 0	(i) 853,937 (ii) 0	(i) 0 (ii) 0
JOHN L BELL MD	(i) 599,690 (ii) 0	(i) 0 (ii) 0	(i) 25,541 (ii) 0	(i) 62,559 (ii) 0	(i) 768 (ii) 0	(i) 688,558 (ii) 0	(i) 0 (ii) 0
SANGEETA GULATI MD	(i) 637,787 (ii) 0	(i) 0 (ii) 0	(i) 360 (ii) 0	(i) 43,277 (ii) 0	(i) 4,460 (ii) 0	(i) 685,884 (ii) 0	(i) 0 (ii) 0
CARLOS A ROLLHAUSER MD	(i) 660,243 (ii) 0	(i) 0 (ii) 0	(i) 360 (ii) 0	(i) 24,500 (ii) 0	(i) 13,495 (ii) 0	(i) 698,598 (ii) 0	(i) 0 (ii) 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
University Health System Inc

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Employer identification number
31-1626179

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	The Health Educational and Housing Facility Board of the County of Knox	62-1220275	49952MBU9	04-27-2007	236,534,376	REFINANCE THE ISSUERS 1999 BONDS AND FINANCE CERTAIN CAPITAL IMPROVEMENTS		X		X

Part II

Proceeds

	A	B	C	D	E
1	Total proceeds of issue	236,534,376			
2	Gross proceeds in reserve funds				
3	Proceeds in refunding or defeasance escrows	161,918,145			
4	Other unspent proceeds				
5	Issuance costs from proceeds	2,045,137			
6	Working capital expenditures from proceeds				
7	Capital expenditures from proceeds	72,571,095			
8	Year of substantial completion	2010			
		YesNo	YesNo	YesNo	YesNo
9	Were the bonds issued as part of a current refunding issue?	X			
10	Were the bonds issued as part of an advance refunding issue?	X			
11	Has the final allocation of proceeds been made?	X			
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X			

Part III

Private Business Use

	A	B	C	D	E
	YesNo	YesNo	YesNo	YesNo	YesNo
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	X			
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	X			

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?		X								
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X								
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X									
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		3 000 %								
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government										
6	Total of lines 4 and 5		3 000 %								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X									

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X								
2	Is the bond issue a variable rate issue?		X								
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X								
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?	X									
b	Name of provider			DEPFABLB							
c	Term of GIC			2 000000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X									
5	Were any gross proceeds invested beyond an available temporary period?		X								
6	Did the bond issue qualify for an exception to rebate?		X								

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2009

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
University Health System Inc

Employer identification number
31-1626179

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	3	8,021	market value
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29		0	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a	Yes	No	No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31			No
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a			No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

OMB No 1545-0047

Name of the organization
University Health System Inc

Employer identification number
31-1626179

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

2009
Open to Public Inspection

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 2		Board Members, Joseph A Dipietro, Joseph E Johnson, Jimmy Cheek, and Jan Simek are each key employees of The University of Tennessee
Form 990, Part VI, Section B, line 11		THE TAX RETURN IS PREPARED BY AN UNRELATED, INDEPENDENT ACCOUNTING FIRM AND THEN SUBMITTED TO THE UHS CONTROLLER AND CFO FOR INTERNAL REVIEW A DRAFT IS THEN PROVIDED TO The UHS Finance committee and then the entire UHS Board of Directors WHO review s the Form 990 prior to filing The Senior VP/CFO attends the meetings to answer any questions and address any significant disclosures within the Form 990
Form 990, Part VI, Section B, line 12c		Each member of the Board of Directors annually completes a conflict of interest disclosure These conflict of interest disclosures are reviewed by UHS Office of General Counsel to assure compliance with the policy Additionally, Board members are asked to recuse themselves on any matters of interest before the Board in which a conflict of interest may exist Any such recusal is documented within the minutes of the Board or Committee
Form 990, Part VI, Section B, line 15		The compensation of the CEO, officers and other key employees is determined by the Human Resources Committee of the Board of directors in accordance with a policy adopted by the Board Once approved by the committee, the proposed compensation is approved by the Executive Committee of the Board and the Full Board of Directors Data compiled by Integrated Healthcare Strategies, a third-party compensation consultant, is used for comparability
Form 990, Part VI, Section C, line 19		The governing documents of the Organization are held as public records of the State of Tennessee Secretary of State Office As such, these documents are open to the public The conflict of interest policies of UHS for both employees and Board members are available upon request Quarterly Financial statements and the annual audited financial statements are posted on dacbond com and emma msrb org, the official public disclosure website
FORM 990, Part Xi, Line 2c	Audit Committee	UHS has a committee that assumes responsibility for oversight of the audit and selection of independent accountants The oversight process is unchanged from the prior year

Identifier	Return Reference	Explanation
Form 990, Part III	Statement of Community benefit	<p>University Health System January 1, 2009 - December 31, 2009 I Introduction University Health System, Inc ("UHS") operates the University of Tennessee Medical Center ("Medical Center") which offers medical care to a twenty-one county service area located throughout East Tennessee, Southeast Kentucky, Southwest Virginia, Western North Carolina and beyond Through operation of the Medical Center, UHS - provides healthcare services for the residents of Medical Center's service area and beyond, including specialized care that is customarily available at academic medical centers, - supports medical research and education through an affiliation agreement with the University of Tennessee Graduate School of Medicine, - provides a patient base for training physicians, dentists, nurses and other health professionals, and - provides support for clinical research and research training The Medical Center is operated for the benefit of the community in a manner consistent with Section 501(c)(3) of the Internal Revenue Code UHS has adopted a formal charity care policy, has an open medical staff, and operates an emergency room, including a Level I Trauma Center It is governed by a Board of Directors composed of independent civic leaders from the community and representatives from the University of Tennessee The Medical Center has a rich history in the community of providing patient-centered care and remaining at the forefront of research, technology and treatments UHS attributes its well-respected standing within the community to the exceptional people that dedicate themselves to patient care excellence The Medical Center is licensed for 581 acute care beds and serves as a referral center for the region, providing superior treatments and healthcare support to residents of the community as well as offering expert care as the area's only Level I Trauma Center The Medical Center is a tertiary facility, offering general, specialty and sub-specialty care in a full range of medical fields The state has also designated the Medical Center as a Regional Perinatal Center for high-risk pregnancy and operates a Level III nursery, Hemophilia Center and Center for Transplant Services which performs Kidney and Pancreas Transplants The Medical Center is committed to improving the patients' quality of life through leadership in healthcare, health education and clinical research It is unique because of its standing as the only academic hospital in the region, making it the leading resource for research, discovery and updated treatments in the community II History UHS was created on December 21, 1998 for the purpose of restructuring the operation, management, and governance of the Medical Center, and to negotiate agreements with The University of Tennessee ("the University") to facilitate the restructuring Effective July 29, 1999, UHS acquired certain assets and the operations of the Medical Center from the University, and the Medical Center became an operating division of UHS Prior to July 29, 1999, the Medical Center operated as a budget entity of the University UHS entered into the following agreements to acquire the operations of the Medical Center from the University 1) the Lease and Transfer Agreement, whereby UHS leases certain real property and acquired certain personal property from the University, 2) the Employee Services Agreement, whereby UHS leases certain of the Medical Center's employees from the University, and 3) the Affiliation Agreement, whereby UHS and the University agree to continue the Medical Center's historical relationship with the University of Tennessee Memphis Graduate School of Medicine ("GSM") Under the terms of the Lease and Transfer Agreement, UHS purchased all of the operating assets of the Medical Center, including all personal property, equipment, inventory, current assets, and other assets used by the Medical Center, other than real property The real property is leased from the University to UHS for a term of 50 years Under the terms of the Employee Services Agreement, existing UHS employees, and all employees hired subsequent to July 28, 1999, are UHS employees All other Medical Center employees as of July 28, 1999 are leased by UHS from the University and retain all University benefits The Employee Services Agreement continues until the earlier of the termination of the Lease and Transfer Agreement or the separation from service of the last leased University employee The Affiliation Agreement governs the continued relationship between UHS and the GSM UHS will pass through certain federal and state funds earmarked for graduate medical education, and the Medical Center will continue to be the primary teaching site for the GSM III Patient Care Services Refer to Form 990, Part III, Line 4a for discussion of UHS Patient Care Services, including the centers of excellence Utilization As of the year ending December 31, 2009, UHS maintained the following operating statistics Inpatient Admissions 25,049 Outpatient Vists 108,563 Emergency Room Vists 64,552 IV Uncompensated Care The history of UHS demonstrates a clear and consistent charitable purpose the provision of healthcare services to all residents of the community without regard to age, race, gender, creed, geographic location, cultural background, or ability to pay These services should be delivered in a way that maintains individual dignity and enhances the quality of life of the persons served One of the most tangible expressions of the UHS charitable purpose is the provision of care to those who do not have the ability to pay A Charity Care and Self-pay Discount The Medical Center provides medically necessary services to all people, regardless of their ability to pay UHS has a documented charity policy, which takes into consideration income levels, and other demographic factors For those who do not qualify under the existing policy but are facing difficult economic circumstances, ability to pay is determined on a case-by-case basis The Medical Center also has a policy regarding those self-pay patients who are ineligible for charity care consideration Such patients will receive a 40% discount from charges However, Medical Center maintains a medically indigent policy whereby annual income and outstanding medical bills/costs are considered for additional discounts or write-off due to inability to pay For the year ending December 31, 2009, the System provided services under the previously stated policy which resulted in losses to UHS of approximately \$14,990,460 Both inpatients and outpatients were provided care under the aforementioned policy No patient was refused necessary medical care on the basis of his or her ability to pay Unreimbursed Charity Care and Self-pay Discount \$14,990,460 B Medicare In addition to the provision of care without expectation of payment or the provision of care to TennCare-eligible people at rates substantially below cost, UHS provided services to people covered under the federal Medicare program Medicare recipients were the largest single payor classification of patients served by UHS The payment rate for inpatient services was on a per case rate, calculated based on the diagnostic-related group into which the patient was categorized, coupled with other factors related to area wage rates, medical education, capital costs and other variables Outpatient services were reimbursed on a pre-determined case rate For the year ending December 31, 2009, unreimbursed services provided to Medicare patients resulted in a financial loss of \$3,582,158 Unreimbursed Medicare Services \$3,582,158 C Public/Indigent Care In addition to the level of services identified above, UHS is an active participant in other federal, state or local and Public/Indigent programs These programs seek to provide payment for healthcare services to individuals who meet certain financial and categorical requirements Financial requirements include evaluation of both assets and income Public/Indigent programs reimbursement rates are substantially below cost For the year ending December 31, 2009, unreimbursed Public/Indigent services representing a financial loss to UHS of approximately \$2,584,384 Unreimbursed Public/Indigent Services \$2,584,384</p>

Identifier	Return Reference	Explanation
	Statement of Community Benefit Continued	<p>D TennCare In addition to the level of services identified in paragraph A above, UHS is an active participant in the State of Tennessee TennCare program The TennCare program seeks to provide payment for healthcare services to individuals who meet certain financial and categorical requirements Financial requirements include evaluation of both assets and income TennCare program reimbursement rates are substantially below cost For the year ending December 31, 2009, unreimbursed TennCare services representing a financial loss to UHS of approximately \$1,330,394 Unreimbursed TennCare Services \$1,330,394 E CoverTN UHS subsidized health services provided to patients covered by CoverTN CoverTN is a partnership between the state, private employers and individuals to offer a limited benefit, basic health plan to employees of Tennessee's small business and self-employed The services provided to the CoverTN patients were provided below cost For the year ending December 31, 2009 the unreimbursed services provided to CoverTN patients resulted in a financial loss of \$415,425 Unreimbursed CoverTN Services \$ 415,425 Summary, Community Benefit Totals for Uncompensated Care Unreimbursed Charity Care \$14,990,460 Unreimbursed Medicare \$3,582,158 Unreimbursed Public/Indigent Care \$2,584,384 Unreimbursed TennCare \$1,330,394 Unreimbursed CoverTN \$415,425 Total Uncompensated Care \$22,902,821 V Community Services UHS provides numerous education and outreach efforts to the community, ranging from health screenings and fairs to presentations to area groups The various programs and services are provided complimentary or at a minimal charge These are offered throughout the year based upon activities and services which UHS believes will serve a bona fide community health need A Community Education and Outreach UHS has a long-standing commitment to community outreach, as evidenced by an active schedule of special programs, speakers, and distribution of educational materials, as well as health education presentations for the general public and classes for populations with special health needs In 2009, the Medical Center held various educational programs for the community, including Lunch and Learn Series, health fairs and flu shots Many times, a fee would cover only the cost of food or would be used only as an incentive for participation No fees were charged for education in corporate venues, offered for employees and families Total Cost of Lectures, Seminars, and Educational Programs \$307,296 In 2009, UHS provided the following other programs and activities that promote health for the benefit of the community Support Groups \$5,000 Alzheimer's Support Group Bereavement Support Group Multiple Sclerosis Support Group Knoxville Asthma Walk 1,000 Chef's Auction March of Dimes 2,000 Heart Walk 2,500 Alzheimer's Memory Walk 2,500 March for Babies March of Dimes 3,000 Cancer Survivor's Day 3,665 Breast health Outreach 8,651 Man Run 9,140 Go Red for Women 12,672 Healthy Living Expo 14,500 Race for the Cure 16,968 Total Other Education and Outreach \$81,596 B Health Screenings UHS employees work diligently to achieve the UHS mission of supporting health education for the public From providing displays and staff who can answer questions at local health fairs to underwriting the cost of complimentary community screenings, the organization reaches into the community in many ways to improve residents' understanding of the impact of lifestyle choices on health Screenings included blood pressure, osteoporosis, cholesterol, vision, and cancer Total Cost of Screenings Provided at No Cost \$292,915 Summary, Community Services Educational Programs \$307,296 Total Other Education/Outreach 81,596 Total Health Screenings 292,915 Total Quantifiable Value of Community Services \$681,807 VI Training and Education for Healthcare Professionals As the only academic medical center in the region, UHS is committed to education in order to prepare healthcare professionals for the future Education is an ongoing endeavor for all employees, many of which will have an opportunity to serve as teachers as well as students The Medical Center collaborates with the University of Tennessee Graduate School of Medicine and other academic institutions and it maintains a learning environment with devotion to technological and treatment advances that provide better care for patients University of Tennessee Graduate School of Medicine ("GSM") The Medical Center serves as the clinical education site of the GSM, which manages all residency, fellowship and subspecialty programs in association with the UT College of Medicine and Dentistry The Graduate School of Medicine has a three-fold mission of excellence in education, patient care, and research Annually, The Graduate School of Medicine maintains over 200 faculty and 163 residents in training at the Medical Center Components of the Graduate School of Medicine include - Residency and Fellowship Programs are offered in Medicine and Dentistry - The Primary Care residency programs are Family Medicine, Internal Medicine, Obstetrics and Gynecology - The remaining medicine programs include Anesthesiology, General Surgery, Nuclear Medicine, Pathology, Radiology, Transitional Year, and Urology - Fellowships are offered through the Departments of Family Medicine, Medicine, Surgery, Pathology, Cardiology, and Pulmonary - Family Medicine Fellowships include Emergency Medicine, Sports Medicine, Behavioral Medicine, Obstetrics, and in conjunction with the Department of Medicine a Fellowship in Geriatric Medicine - Surgery offers fellowships in both Vascular Surgery and Trauma/Critical Care - The Department of Pathology offers a fellowship in Cytopathology and Surgical Pathology, and is in the process of offering a fellowship in Forensic Pathology - The Department of Radiology offers educational opportunities in PET - Residencies are offered in General Dentistry as well as Oral and Maxillofacial Surgery Additionally, the Medical Center serves as a clinical education site for the UT College of Pharmacy Other training programs offered include Medical Technology, Nuclear Medicine Technology, Nurse Anesthesia Concentration, Clinical Pastoral Education, and Radiography Technology 2009 Financial Support for Healthcare Training and Education is as follows (unreimbursed cost is below) Nurse Anesthesia Concentration (45) \$98,060 School of Radiologic Technology (10) 172,691 School of Nuclear Medical Technology (6) 94,198 School of Medical Technology (14) 91,123 Pastoral Care (12) 248,952 Graduate School of Medicine (164) 14,439,105 Total Unreimbursed Costs of Training and Education \$15,144,129 VII Medical Research Research is an important part of the UHS mission Patients need practitioners familiar with the latest medical procedures and technology Involvement in clinical trials advances the knowledge of our physicians and provides patients with access to new therapies that are otherwise unavailable Research one year may become standard medical therapy the following year Of course, laboratory research serves as the underpinning for our clinical investigations Researchers are involved in basic and clinical research and clinical trials Primary research areas include vascular endothelial biology, immunology, oncology, amyloid-related disease, diabetes, Alzheimer's disease, nutrition and trauma</p>

Identifier	Return Reference	Explanation
	Statement of Community Benefit Continued	<p>The University of Tennessee Graduate School of Medicine houses a number of research efforts that have already made a considerable impact on the understanding and treatment of serious medical disorders, including Alzheimer's disease, Huntington's Disease, amyloid disease, multiple myeloma, ovarian and breast cancer, and reproductive disorders. These focused areas of excellence provide an ever increasing interface between the clinical and research arms of the Medical Center. Total Unreimbursed Cost of Medical Research \$220,000 VIII. Donations UHS recognizes the impact that other non-profit organizations have on the community in which they serve. In addition to its direct contributions to the community through its services, indigent care, and community education and outreach, UHS provides cash and noncash donations to various charitable and civic organizations within the community. These efforts affirm UHS' role as a corporate citizen, supporting community organizations and enhancing the quality of life in the East Tennessee area. In 2009, UHS provided support of more than \$141,000 numerous health and human service agencies, including but not limited to the following recipients: - Alzheimer's Association - American Cancer Society - American Heart Association - Boys & Girls Club of Greater Knoxville - Breast cancer Foundation - Breath of Life Support Foundation - East Tennessee Children's Hospital - East Tennessee Technology Access Center - Goodwill Industries-Knoxville - Great Smoky Mountain Council - Helen Ross McNabb - Juvenile Diabetes - Knoxville Academy of Medicine - Knoxville Academy of Medicine Project Access - Knox County Imagination Library - March of Dimes - Morristown-Hamblen Hospital - National Kidney Foundation - Second Harvest Food Pantry - United Way - Wellness Community - Many additional donations to support community events and services, churches and schools. In addition to the cash donations itemized above, UHS is unable to quantify many of the services and benefits it provides to various organizations. Total Donations and In-Kind Contributions \$141,000 IX. Other Community Building Activities A. Improve Access to Healthcare UHS also provides programs to improve access to healthcare for individuals who lack insurance. During 2009, UHS dedicated an employee to work entirely with self-pay patients in helping them apply for state assistance through the TennCare program. Additionally during 2009, UHS dedicated two clerks to assist, one of which serves as an interpreter for patients whose first language is not English. UHS strives to meet the needs of the community's ever-growing immigrant population by ensuring full access to healthcare without allowing communication to be a barrier. B. Community Health Improvement UHS provided support to Interfaith Health Clinic providing affordable medical care, dental care, mental health counseling and prescription medications for the working uninsured. C. Communication Interpreter The community in which UHS operates has experienced a significant increase in individuals who speak limited or no English and/or who use English only as a second language. As such, UHS has expanded its outreach efforts to such individuals by using interpreters. During 2009, UHS incurred costs for the CyraCom telephone interpreter, whereby non-English speaking patients are able to communicate with the medical staff. D. Economic Development UHS supports economic development activities through the East Tennessee Development Agency and leadership development. Total Other Quantifiable Community Building Activities \$242,983 X. Contributions of Volunteers Since 1962, UT Medical Center has enjoyed the services of the Volunteers who have given over 800,000 hours. The Volunteer Department coordinates the activities of three main groups of volunteers: The Auxiliary, Independent Volunteers, and the Junior Volunteers. All volunteers who donate time and service to the Medical Center work in a variety of settings such as inpatient and outpatient facility departments, patient reception areas, gift shop, etc. Lifting the spirits of UTMC patients is what the volunteer program is all about. Volunteers are involved in such activities as delivering flowers, mail and gifts. Volunteers visit regularly with refreshments, reading materials, a cheerful smile and a comforting word. Volunteers also provide a valuable source of information for the patients' families and friends and are especially important when serving as a liaison during crucial times. Currently, the group of nearly 300 people is divided among Auxiliary workers, independent volunteers, and junior volunteers. For 2009, volunteers donated approximately 24,000 hours to the service of the Medical Center. The Auxiliary invested more than \$145,000 in the Medical Center in 2009. Funding for Intubation Bronchoscopes, Blood Gas Analyzer, Infusion Pain Pumps, Cross Trainer for Rehabilitation and Robes for the Breast Center was provided as part of this allocation of funds. A pledge of \$76,000 was made to the Magnet Nursing Program for two years with the first installment of \$38,000 being paid in 2009. Over the years, its contribution has totaled approximately \$3.1 million - money that has been used to purchase equipment, support nursing scholarships and the Chaplain's Crisis Fund. The Auxiliary has also provided \$250,000 to the new Neonatal Intensive Care Unit and \$250,000 to the Preston Medical Library. XI. Summary of Quantifiable Community Benefits Provided by the System, 2009 A summary listing of the quantifiable community benefits provided by UHS described in the body of this report appears below. Many of the benefits described on the previous pages cannot be quantified in dollars, especially many of UHS' contributions in the area of community health education and outreach. A. Contributions Measurable in Dollars Uncompensated Patient Care \$22,902,821 Community Services 681,807 Training and Education for Healthcare Professionals 15,144,129 Research 220,000 Donations 141,000 Other Community Outreach Activities 242,983 Total Contributions \$39,332,740 B. Related Contributions Measurable in Dollars Employee Donations for Health System-Sanctioned Charitable and Community Service Events \$38,841 Contributions of Hospitals' Volunteer Organizations 145,000 Total Related Contributions \$183,841 Total Quantifiable Community Benefits, 2009 Total Contributions \$39,332,740 Related Contributions 183,841 Total Quantifiable Community Benefits \$39,516,581</p>

SCHEDULE R (Form 990)	Related Organizations and Unrelated Partnerships	OMB No 1545-0047
		2009
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	
Name of the organization University Health System Inc	Employer identification number 31-1626179

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(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
UHS ASC LLC 1520 Cherokee Trail Ste 200 Knoxville, TN 37920 31-1626179	investment company	TN			University Health System Inc

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(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

Part III

Identification of Related Organizations Taxable as a Partnership

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(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, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
								Yes	No		Yes	No
East Tennessee Center for Sleep Medicine												
1520 Cherokee Trail Suite 330 Knoxville, TN37920 26-1243117	Sleep Medicine	TN	N/A		Related	-151,759	2,031,605	No			Yes	
University Ambulatory Surgical Center												
1934 Alcoa Hwy D170 Knoxville, TN37920 62-1835971	Surgery Center	TN	UHSASC LLC		Related	62,879	1,702,288	No			Yes	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

(Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(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
UHS Ventures Inc 9000 Executive Park Drive D-240 Knoxville, TN37923 62-1619460	Management Services	TN	N/A	C	1,280,317	1,221,246	100 000 %
Regional Trauma Services Inc 1520 Cherokee Trail Suite 330 Knoxville, TN37920 20-2769076	Health Care Trauma Management	TN	N/A	C	3,192,999	903,135	100 000 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

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

1

During the tax year, did the organization 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

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

Yes

1b

No

1c

No

1d

Yes

1e

No

1f

No

1g

Yes

1h

No

1i

Yes

1j

No

1k

Yes

1l

No

1m

No

1n

No

1o

No

1p

Yes

1q

No

1r

Yes

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	The East Tennessee Center for Sleep Medicine LLC	G	111,391
(2)	university ambulatory surgical center	A	35,951
(3)	university ambulatory surgical center	I	657,021
(4)	university ambulatory surgical center	P	265,852
(5)			
(6)			

Schedule R (Form 990) 2009

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Software ID:

Software Version:

EIN: 31-1626179

Name: University Health System Inc

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(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			
Joseph R Landsman Jr President/CEO/DIRECTOR	65 00	X		X				798,126	0	99,745
robert f elder md OB/GYN/DIRECTOR	65 00	X			X			425,188	0	43,323
james a haslam II director	1 00	X						0	0	0
joseph e johnson director	1 00	X						0	0	0
Steve J Schwab MD director	1 00	X						0	0	0
jan simek director	1 00	X						0	0	0
Jimmy Cheek director	1 00	X						0	0	0
joseph a dipietro director	1 00	X						0	0	0
bernard e bernstein chair	1 00	X						0	0	0
William S rukeyser vice-chair	1 00	X						0	0	0
carolyn fairbank biggs director	1 00	X						0	0	0
Jerry Epps MD director	1 00	X						0	0	0
sara f rose sec/treasurer	1 00	X						0	0	0
michael b freeman md director	1 00	X						0	0	0
Renda J Burkhart director	1 00	X						0	0	0
Thomas M Fisher Sr VP/CFO	65 00			X				422,549	0	61,553
William D Hall Sr VP/COO	65 00			X				427,081	0	59,587
Norman D Majors SR VP/CAO	65 00			X				331,899	0	37,100
John W Lacey SR VP/CMO	65 00			X				362,572	0	52,769
Steven R Ross Sr VP/Strategic Develop	65 00			X				407,233	0	57,115
Janell R Cecil Sr VP/CNO	65 00			X				237,994	0	35,486
Richard K Giecek Chief Development Office	65 00				X			245,711	0	41,545
Bennett Cox Chief General Counsel	65 00				X			297,849	0	30,589
Betty A Gissel VP Human Resources	65 00				X			235,307	0	31,512
John J Sheridan VP Government Relations	65 00				X			159,383	0	28,675

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors										
(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(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			
STANLEY S MILLER MD Oncologist	65 00					X		997,976	0	36,963
SUSAN N HUNTSINGER MD Oncologist	65 00					X		829,437	0	24,500
JOHN L BELL MD surgical oncologist	65 00					X		625,231	0	63,327
SANGEETA GULATI MD gastroenterologist	65 00					X		638,147	0	47,737
CARLOS A ROLLHAUSER M gastroenterologist	65 00					X		660,603	0	37,995

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
UBI Tax	245,988	245,988		
Bad Debts	47,749,610	47,749,610		
equipment rental	3,028,807	2,984,742	44,065	
Dues & Subscriptions	544,603	187,025	357,578	
printing	540,739	370,956	169,783	