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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)	OMB No 1545-0047 <div> <div>2009</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010		B Check if applicable <input 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 Memorial Health Care System Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 2525 de Sales Avenue City or town, state or country, and ZIP + 4 Chattanooga, TN 37404		D Employer identification number 62-0532345 E Telephone number (423) 495-7878 G Gross receipts \$ 467,788,860	
		F Name and address of principal officer Jim Hobson 2525 DE SALES AVENUE Chattanooga, TN 37377		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number 0928					
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.MEMORIAL.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 1952		M State of legal domicile TN					

Part I		Summary		
Activities & Governance	1	Briefly describe the organization's mission or most significant activities Nurture the healing ministry of the Church by bringing it new life, energy, and vitality Fidelity to the gospel urges us to emphasize human dignity and social justice as we create healthier communities		
	2	Check this box <input checked="" 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 2	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 1	
	5	Total number of employees (Part V, line 2a)	5 4,01	
	6	Total number of volunteers (estimate if necessary)	6 57	
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 11,227,89	
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b -309,52	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	1,019,783	1,376,103
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	441,102,652	456,274,747
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-2,753,207	6,761,045
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,884,840	3,260,786
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	445,254,068	467,672,681
	14	Benefits paid to or for members (Part IX, column (A), line 4)	681,604	572,594
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	180,035,420	180,050,828
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0	0	0
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	239,491,167	252,441,285
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	420,208,191	433,064,707
	19	Revenue less expenses Subtract line 18 from line 12	25,045,877	34,607,974
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	436,008,005	434,209,411
	22	Net assets or fund balances Subtract line 21 from line 20	69,709,822	100,912,375
			366,298,183	333,297,036

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				
	<div> <div></div> <div>Signature of officer</div> </div>			<div> <div></div> <div>2011-05-11</div> </div> <div> <div></div> <div>Date</div> </div>	
	<div> <div></div> <div>James Hobson President/CEO</div> </div> <div> <div></div> <div>Type or print name and title</div> </div>				
Paid Preparer's Use Only	<div> <div></div> <div>Preparer's signature</div> </div>		<div> <div></div> <div>Date</div> </div>	<div> <div></div> <div>Check if self-employed</div> </div> <div> <div></div> <div></div> </div>	<div> <div></div> <div>Preparer's identifying number (see instructions)</div> </div>
	<div> <div></div> <div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> </div>		<div> <div></div> <div>CATHOLIC HEALTH INITIATIVES</div> </div> <div> <div></div> <div>198 INVERNESS DRIVE WEST</div> </div> <div> <div></div> <div>ENGLEWOOD, CO 80112</div> </div>		<div> <div></div> <div>EIN</div> </div>
					<div> <div></div> <div>Phone no (720) 874-1500</div> </div>

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

The mission of Memorial Health Care System and Catholic Health Initiatives is to nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century Fidelity to the Gospel urges us to emphasize human dignity and social justice as we move toward the creation of healthier communities

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 \$ 366,301,589 including grants of \$ 572,594) (Revenue \$ 445,811,267)

SEE SCHEDULE H

4b

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

4c

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

4d












Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 366,301,589

Part IV Checklist of Required Schedules

		Yes	No	
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		No
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.			
	• 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? If "Yes," complete Schedule D, Part VII.			
	• 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? If "Yes," complete Schedule D, Part VIII.			
	• 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? If "Yes," complete Schedule D, Part IX.			
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.			
	• 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? If "Yes," complete Schedule D, Part X.			
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No	
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
14b	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? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	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? If "Yes," complete Schedule G, Part I	17		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20	Yes	

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		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <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		No
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	5	
		1b	0	
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			1c	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?				
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	4,017	
	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 ▶ 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	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization 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	21	
b	Enter the number of voting members that are independent	1b	18	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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		No

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 ▶ Carol Newton 2525 de Sales Avenue Chattanooga, TN 37404 (423) 495-7878

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

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

Form **990** (2009)

1b	Total	2,423,448	2,331,280	550,225
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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▶80

		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>	3 Yes	
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>	4 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>	5	No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Kinsey Probasco Hays 100 East 10th Street Chattanooga, TN 37402	Construction	3,707,069
Sodexo Inc Affiliates PO Box 536922 Atlanta, GA 30353	Dietery Services	2,735,681
Xanitos Inc PO Box 95000-3290 Philadelphia, PA 19195	Cleaning Services	1,914,495
Angelica Corporation 9506 Ooltewah Industrial BLVD Ooltewah, TN 37363	Laundry Services	1,302,367
Cardiovascular Group PC 2501 Citico Avenue Chattanooga, TN 37404	cardiac services	1,024,386

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 ▶30

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		1,376,103		
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	1,376,103			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f					
Program Service Revenue			Business Code				
	2a	Patient Services	900,099	450,264,857	441,107,129	9,157,728	
	b	Rental Income	900,099	2,452,156	2,452,156		
	c	Pharmacy Services	446,110	1,305,752		1,305,752	
	d	Laboratory Services	621,500	1,199,755	1,199,755		
	e	Dietary	722,320	602,517	602,517		
	f	All other program service revenue		449,710	449,710		
	g	Total. Add lines 2a-2f		456,274,747			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		3,754,576		272,082	3,482,494
	4	Income from investment of tax-exempt bond proceeds . . .		0			
	5	Royalties		0			
	6a	(i) Real					
		32,055					
		(ii) Personal					
		17,579					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		14,476			14,476
	7a	(i) Securities					
		3,098,403					
		(ii) Other					
		6,666					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		3,006,469			3,006,469
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18			0		
		a					
b	Less direct expenses						
c	Net income or (loss) from fundraising events . . .						
9a	Gross income from gaming activities See Part IV, line 19			0			
	a						
b	Less direct expenses						
c	Net income or (loss) from gaming activities . . .						
10a	Gross sales of inventory, less returns and allowances			0			
	a						
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . . .						
Miscellaneous Revenue		Business Code					
11a	Services Sold		900,099	1,747,184		492,335	1,254,849
b	Child Care		624,410	640,706			640,706
c	Leased Employees		561,300	333,885			333,885
d	All other revenue			524,535			524,535
e	Total. Add lines 11a-11d			3,246,310			
12	Total revenue. See Instructions			467,672,681	445,811,267	11,227,897	9,257,414

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	454,413	454,413		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	118,181	118,181		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,273,520	1,273,520		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	136,139,116	115,860,676	20,278,440	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,287,344	6,211,926	1,075,418	
9	Other employee benefits	25,307,624	21,572,894	3,734,730	
10	Payroll taxes	10,043,224	8,960,766	1,082,458	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	232,815		232,815	
c	Accounting	289,923		289,923	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	33,255,429	28,434,475	4,820,954	
12	Advertising and promotion	1,701,920		1,701,920	
13	Office expenses	126,564,908	123,749,687	2,815,221	
14	Information technology	14,592,679		14,592,679	
15	Royalties	0			
16	Occupancy	8,029,212	7,425,396	603,816	
17	Travel	627,109		627,109	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	78,575		78,575	
20	Interest	1,813,907	1,813,907		
21	Payments to affiliates	7,896,168		7,896,168	
22	Depreciation, depletion, and amortization	21,679,572	17,634,615	4,044,957	
23	Insurance	3,469,762	3,469,762		
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad debts	26,905,594	26,905,594		
b	Income/sales/property taxes	625,383		625,383	
c	Repairs and maintenance	2,124,345	2,124,345		
d	Dues & subscriptions	686,077		686,077	
e	Recruiting and relocation	291,432	291,432		
f	All other expenses	1,576,475		1,576,475	
25	Total functional expenses. Add lines 1 through 24f	433,064,707	366,301,589	66,763,118	0
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			13,680	1	11,030
	2	Savings and temporary cash investments			32,899,629	2	29,222,905
	3	Pledges and grants receivable, net			9,000	3	4,000
	4	Accounts receivable, net			113,863,861	4	87,583,692
	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			665,596	7	639,776
	8	Inventories for sale or use			12,685,604	8	13,218,053
	9	Prepaid expenses and deferred charges			393,936	9	817,213
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	396,885,118	132,092,499	10c	153,403,147
	b	Less accumulated depreciation	10b	243,481,971			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities See Part IV, line 11			98,967,561	12	141,939,721
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets			9,768,599	14	7,042,487
	15	Other assets See Part IV, line 11			34,648,040	15	327,387
	16	Total assets. Add lines 1 through 15 (must equal line 34)			436,008,005	16	434,209,411
Liabilities	17	Accounts payable and accrued expenses			19,361,854	17	57,773,587
	18	Grants payable				18	
	19	Deferred revenue			552,663	19	575,707
	20	Tax-exempt bond liabilities				20	
	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			3,098,128	23	2,470,712
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			46,697,177	25	40,092,369
	26	Total liabilities. Add lines 17 through 25			69,709,822	26	100,912,375
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			366,298,183	27	333,297,036
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	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			366,298,183	33	333,297,036
	34	Total liabilities and net assets/fund balances			436,008,005	34	434,209,411

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? 		No
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 . .		

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 Memorial Health Care System	Employer identification number 62-0532345
---	--

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)

(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 Memorial Health Care System	Employer identification number 62-0532345
---	--

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?		No	
	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?	Yes		
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		
	i Other activities? If "Yes," describe in Part IV	Yes		
j Total lines 1c through 1i				43,020
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).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (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
990 Sch C Supplemental	Lobbying Activities Explanation	Part II - B, line 1 B Paid staff attended community forums, various community activities, strategic planning, attended other legislative meetings, conventions and legislators f THA % lobbying \$10,474 AHA % lobbying \$5,568 CHA % lobbying \$3,995 G THA legislative day/meetings, Government Affairs Conference, Catholic Legislative Advocacy Conference, Catholic Day on the Hill h Liz Jenkins, community advocate, attends several meetings per year concerning associations, attended CHI Violence Prevention workshop Others also attend THA Grassroots Advocacy/meetings, CHI advocacy meetings, TN Public Health Association meetings, THA meetings, etc i Robin Derryberry \$2,537-political advocacy, public relations, healthy community, strategic planning

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
Memorial Health Care System

Employer identification number
62-0532345

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>2a</td><td></td></tr><tr><td>2b</td><td></td></tr><tr><td>2c</td><td></td></tr><tr><td>2d</td><td></td></tr></table>		Held at the End of the Year	2a		2b		2c		2d	
	Held at the End of the Year											
2a												
2b												
2c												
2d												
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				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

b

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

3b

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	11,247,403		11,247,403
b Buildings	0	168,025,272	91,126,745	76,898,527
c Leasehold improvements	0	8,285,400	7,166,024	1,119,377
d Equipment	0	191,390,564	145,189,202	46,201,362
e Other	0	17,936,478		17,936,478
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				153,403,147

Schedule D (Form 990) 2009

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	467,672,681
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	433,064,707
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	34,607,974
4	Net unrealized gains (losses) on investments	4	6,644,867
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-74,253,987
9	Total adjustments (net) Add lines 4 - 8	9	-67,609,120
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-33,001,146

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part 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
Form 990, Sch D, Part XI, Line 8		Capital Resource Pool Contribution (\$415,776) CHI Connect Depreciation \$1,292,294 Equity transfers to affiliates (\$75,130,505)
Form 990, Sch D, Part X, line 2		Memorial Health CArE System's financial information is included in the consolidated audited financial statements of Catholic Health Initiatives (CHI), a related organization. CHI's FIN 48 footnote for the year ended June 30, 2010 reads as follows "CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements."

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
Memorial Health Care System

Employer identification number
62-0532345

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 checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most 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%<input type="checkbox"/> 150%<input type="checkbox"/> 200%<input type="checkbox"/> Other _____</div>	3a		No
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%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div>	3b		No
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)		4,154	5,291,207		5,291,207	1 300 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		9,638	14,504,555	8,349,079	6,155,476	1 520 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs		13,792	19,795,762	8,349,079	11,446,683	2 820 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	20	8,643	2,357,633	99,067	2,258,566	0 560 %
f Health professions education (from Worksheet 5)	6	173	605,612		605,612	0 150 %
g Subsidized health services (from Worksheet 6)	6	13,285	3,609,686	1,228,235	2,381,451	0 590 %
h Research (from Worksheet 7)	3	6	452,399	2,000	450,399	0 110 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	9	2,112	1,592,470		1,592,470	0 390 %
j Total Other Benefits	44	24,219	8,617,800	1,329,302	7,288,498	1 800 %
k Total. Add lines 7d and 7j	44	38,011	28,413,562	9,678,381	18,735,181	4 620 %

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	6	847	800,754		800,754	0 200 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building	1		274,461		274,461	0 070 %
7Community health improvement advocacy						
8Workforce development	1		366,681		366,681	0 090 %
9Other						
10Total	8	847	1,441,896		1,441,896	0 360 %

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	7,130,078	
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		
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	170,412,238	
6Enter Medicare allowable costs of care relating to payments on line 5	6	179,597,888	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-9,185,650	
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 %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

[illegible]

Part VI

Supplemental Information

Complete this part to provide the following information

- 1 Provide the description required for Part I, line 3c, Part I, line 6a, Part I, line 7g, Part I, line 7, column (f), Part I, line 7, Part III, line 4, Part III, line 8, Part III, line 9b, and Part V See Instructions

See additional data

- 2 Needs assessment. Describe how the organization assesses the health care needs of the communities it serves

See additional data

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

See additional data

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

Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves Please refer to the Needs Assessment Narrative, Part VI, Item 2 above

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

Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves Please refer to the Needs Assessment Narrative, Part VI, Item 2 above

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

Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting health of the community (e g open medical staff, community board, use of surplus funds, etc) Please refer to the Needs Assessment Narrative, Part VI, Item 2 above

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

See additional data

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

TN

Additional Data

Software ID:
Software Version:
EIN: 62-0532345
Name: Memorial Health Care System

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

If applicable, describe the income-based criteria for determining eligibility for free or discounted care under the organization's charity care policy. Also describe whether the organization uses the asset test or other threshold regardless of income to determine eligibility for free or discounted care. When Catholic Health Initiatives (the ultimate parent organization to Memorial Health Care System) established its charity care policy it was determined that establishing a household income scale based on the HUD very low income guidelines more accurately reflects the socioeconomic dispersions among the 69 urban and rural communities in 19 states served by CHI hospitals and health care facilities. In comparing HUD guidelines to the Federal Poverty Guidelines ("FPG"), we find that on average HUD guidelines compute to approximately 200% to 250% (and sometimes 300%) of FPG. Memorial Health Care System bases its charity care eligibility on HUD's 130% of Very Low Income Guidelines based on geography, and affords the uninsured and underinsured the ability to obtain charity care write-offs, based on a sliding scale, ranging from 25%-100% of charges. Coinciding with HUD's annual update to the published income limits, Memorial Health Care System appropriately updates the sliding scale. An individual's income under the HUD guidelines is a significant factor in determining eligibility for charity care. However, in determining whether to extend discounted or free care to a patient, the patient's assets are also taken into consideration. For example, a patient suffering a catastrophic illness may have an income above the income limits, but high expenses and a low level of liquid assets such that the payment of medical bills would be seriously detrimental to the patient's basic financial (and ultimately physical) well-being and survival. Such a patient may be extended discounted or free care based upon the facts and circumstances.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

If the organization's community benefit report is contained in a report prepared by a related organization, rather than a separate report prepared by the organization, identify the related organization. MHCS Prepares its own annual written community benefits report. Its community benefit report is not contained in that of a related organization.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Provide an explanation of the costing methodology used to calculate the amounts reported in the table. If a cost accounting system was used, indicate whether the cost accounting system addresses all patient segments (for example, inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured or self pay). Also indicate whether a cost-to-charge ratio was used for any of the figures reported in the table. Describe whether this cost-to-charge ratio was derived from Worksheet 2, and, if not, what kind of cost-to-charge ratio was used and how it was derived. If some other costing methodology was used besides a cost accounting system, cost-to-charge ratio, or a combination of the two, describe the method used. The cost-to-charge ratio for the year ended 6/30/10 was computed using the following formula: Operating expense (before restructuring, impairment and other losses) divided by gross patient revenue. This resulted in a cost to charge ratio of 26.50%. Worksheet 2 was not used to derive the cost-to-charge ratio.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

To the extent that an organization includes any costs associated with physician clinics as subsidized health services in Part I, line 7g it must describe that it has done so and report in Part VI such costs included in part I, line 7g, line 1 There are no Physician Clinics included in subsidized health services

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

If applicable, state the bad debt expense included on Form 990 Part IX, line 25, column (A) but subtracted for purposes of calculating the percentage in this column Total bad debt expense reported on Form 990 Part IX, line 25, Column A was \$ 26,905,594

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Provide the rationale and the costing methodology used to determine the amount reported in Part III lines 2 and 3. Describe how the organization accounts for discounts and payments on patient accounts in determining bad debt expense. Also describe the method the organization uses to determine the amount that reasonably could be attributable to patients who likely would qualify for financial assistance under the hospital's charity care policy, if sufficient information has been available to make a determination as to their eligibility. Also, provide if applicable, the text of the footnote to the organization's financial statements that describes bad debt expense. If the organization's financial statements include a footnote on these issues that also includes other information, report only the relevant portions of the footnote. If the organization's financial statements do not contain such a footnote, state that the organization's financial statements do not include such a footnote and explain how the financial statements account for bad debt, if at all.

(A) Memorial Health Care System (MHCS) is included in the audited financial statements of its parent organization, Catholic Health Initiatives. The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Management periodically assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility.

(B) Costing methodology for amounts reported on line 2 is determined using the organization's cost/charge ratio of 26.50%. When discounts are extended to self-pay patients, these patient account discounts are recorded as a reduction in revenue, not as bad debt expense. All patients that do not have insurance receive a discount from billed that is calculated each year as the average of the discounts provided to managed care companies in accordance with Tennessee State Code. This discount is applied to the patients account prior to billing and is treated as an adjustment to net patient revenue in the same manner as a managed care discount. The provision of this discount to all patients without insurance lowers the amount that is billed to the patient and reduces the amount of any subsequent bad debt expense. In fiscal year 2010, self pay discounts at cost totaled \$5.28 million. Memorial Health Care System uses a number of processes as described in Part VI, Item 3 below to identify who can and cannot afford to pay, in advance of billing, in order to classify patients as charity care. Patients who are unable to pay are also identified during the billing and collection process, particularly those who are medically indigent or underinsured. At any time in the process that a patient is determined to be eligible for charity care, the patient is re-classified from bad debt and all billing and collection efforts are discontinued. In spite of the best efforts of Memorial Health Care System, some patients do not self-identify as needing assistance or provide enough information to allow the hospital to determine their eligibility and remain classified as bad debt. We are unable to accurately estimate the amount of bad debt expense (at cost) that is attributable to patients that would qualify for charity care.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

Describe the costing methodology used to determine the Medicare allowable costs reported in the organization's Medicare Cost Report, as reflected in the amount reported in Part III, line 6 Describe, if applicable, the extent to which any shortfall reported in Part III, line 7 should be treated as a community benefit, and the rationale for the organization's position Using essentially the same Medicare cost report principles as to the allocation of general services costs and "apportionment" methods, the "CHI Workbook" calculates a payers' gross allowable costs by service (so as to facilitate a corresponding comparison between gross allowable costs and ultimate payments received) The term "gross allowable costs" means costs before any deductibles or co-insurance are subtracted Memorial Health Care System's ultimate reimbursement will be reduced by any applicable copayment/ deductible Where Medicare is the secondary insurer, amounts due from the insured's primary payer were not subtracted from Medicare allowable costs because the amounts are typically immaterial (A (pt 2)) Although not presented on the Medicare cost report, in order to facilitate a more accurate understanding of the "true" cost of services (for "shortfall" purposes) the CHI Workbook allows a health care facility not to offset costs that Medicare considers to be non-allowable, but for which the facility can legitimately argue are related to the care of the facility's patients In addition, although not reportable on the Medicare cost report, the CHI workbook includes the cost of services that are paid via a set fee-schedule rather than being reimbursed based on costs (e g outpatient clinical laboratory) Finally, the CHI Workbook allows a facility to include other health care services performed by a separate facility (such as a physician practice) that are maintained on separate books and records (as opposed to the main facility's books and records which has its costs of service included within a cost report) True costs of Medicare computed using this methodology Total Medicare Revenue \$209,251,134 Total Medicare costs \$227,000,217 ----- Surplus of Shortfall \$(17,749,088) (B) Memorial Health Care System believes that excluding Medicare losses from community benefit makes the overall community benefit report more credible for these reasons Unlike subsidized areas such as burn units or behavioral-health services, Medicare is not a differentiating feature of tax-exempt health care organizations In fact, for-profit hospitals focus on attracting patients with Medicare coverage Significant effort and resources are devoted to ensuring that hospitals are reimbursed appropriately by the Medicare program The Medicare Payment Advisory Commission (MedPAC), an independent Congressional agency, carefully studies Medicare payment and the access to care that Medicare beneficiaries receive The commission recommends payment adjustments to Congress accordingly Though Medicare losses are not included by Catholic hospitals as community benefit, the Catholic Health Association guidelines allow hospitals to count as community benefit some programs that specifically serve the Medicare population For instance, if hospitals operate programs for patients with Medicare benefits that respond to identified community needs, generate losses for the hospital, and meet other criteria, these programs can be included in the CHA framework in Category C as "subsidized health services " Medicare losses are different from Medicaid losses, which are counted in the CHA community benefit framework, because Medicaid reimbursements generally do not receive the level of attention paid to Medicare reimbursement Medicaid payment is largely driven by what states can afford to pay, and is typically substantially less than what Medicare pays

Additional Data

Software ID:

Software Version:

EIN: 62-0532345

Name: Memorial Health Care System

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			
Charles Arant Chairman	10	X		X						
Leo Brown Immediate past chairman	10	X		X						
Eric Conn Board Member	10	X								
Michael Costello Board Member	10	X								
Arlene Donowitz Board Member	10	X							386,914	24,063
Joan Frierson Board Member	10	X								
Robert Greving Board Member	10	X								
Dorothy Grisham Board Member	10	X								
Earline Hobbs SCN Board Member	10	X								
James Hobson PRESIDENT/CEO	500	X		X					547,100	78,456
Katherine Lindgren Secretary	10	X		X						
Warren Logan Jr Board Member	10	X								
Christopher McKee Board Member	10	X								
beth O'BRIEN Board Member/SVP OPERATIONS	10	X							721,669	78,185
Scott Ossewarde Board Member	10	X								
Judith Raley SCN Board Member	10	X								
Wayne Scott Board Member	10	X								
Carolyn Smeltzer Board Member	10	X								
BettyeLynn Smith Board Member	10	X								
Carolyn Thompson Board Member	10	X								
Betty Vannucci Board Member	10	X								
Carol Newton VP/CFO	500			X				276,173		34,378
Teal Haven ADMINISTRATOR	500				X			189,389		34,140
Jacqueline Jackson VP SERVICE LINE ADMIN	500				X			243,358		39,600
Debra Moore SR VP/ADMINISTRATION OF NORTH	500				X			248,023		43,992

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			
Paula Register PRESIDENT, MOUNTAIN MGMT SVCS	50 0				X			168,912		28,760
Leigh Bertholf VICE PRESIDENT/CRO	50 0					X		173,218	30,441	38,542
Sarah Fellowes VP Chief Medical Officer	50 0					X		340,840		34,192
ANasser Khalifeh CHIEF PHYSICIST	50 0					X		216,811		38,073
Andrew McGill VP Business Development	50 0					X		223,853		39,571
Kinsman Wright Jr CHIEF CARDIAC OFFICER	50 0					X		342,871		38,273
Ruth Brinkley former PRESIDENT/CEO							X		645,156	

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

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
Patient Services	900,099	450,264,857	441,107,129	9,157,728	
Rental Income	900,099	2,452,156	2,452,156		
Pharmacy Services	446,110	1,305,752		1,305,752	
Laboratory Services	621,500	1,199,755	1,199,755		
Dietary	722,320	602,517	602,517		

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
Bad debts	26,905,594	26,905,594		
Income/sales/property taxes	625,383		625,383	
Repairs and maintenance	2,124,345	2,124,345		
Dues & subscriptions	686,077		686,077	
Recruiting and relocation	291,432	291,432		

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

If the organization has a written debt collection policy and answered "yes" to Part III, line 9b, describe the collection practices set forth in the policy that apply to patients who it knows qualify for charity care or financial assistance, whether or not such practices apply specifically to such patients or more broadly to also cover other types of patients. If at any time during the collection cycle it is determined that a patient qualifies for charity care or financial assistance, the collection cycle stops until the account balance is adjusted for the level of charity care approved. This practice applies to all patients. Memorial Health Care System will perform a reasonable review of each account, prior to turning an account over to a third-party collection agent and prior to instituting any legal action for non-payment, to assure that the patient and patient guarantor are not eligible for any assistance program and do not qualify for coverage through the charity care program. After having been turned over to a third-party collection agent, any account that subsequently is determined to meet the charity care policy shall be returned immediately by the third-party agent to the Hospital for appropriate follow-up. All of Catholic Health Initiatives' hospitals' contracts with third party collection agencies include the following standards: * Neither CHI hospitals nor their collection agencies will request bench or arrest warrants as a result of non-payment, * Neither CHI hospitals nor their collection agencies will seek liens that would require the sale or foreclosure of a primary residence, and * No Catholic Health Initiatives' collection agency may seek court action without hospital approval. Finally, collection agencies are trained on the Catholic Health Initiatives Mission, Core Values and Standard of Conduct to make sure all patients are treated with dignity and respect.

Form 990 Schedule H, Part VI - Supplemental Information, Line 1

List the number of each type of facility, other than those required to be licensed, registered or similarly recognized as a health care facility under state law (for example, 2 rehabilitation clinics, 4 diagnostic centers, 3 skilled nursing facilities, etc) Memorial Health Care System (MHCS) owns two hospitals, Memorial Hospital and Memorial North Park, and a home health agency that are separately licensed health care facilities MHCS also has a 30% ownership interest in an ambulatory surgery center, Memorial Mission Surgery Center

Form 990 Schedule H, Part VI - Supplemental Information, Line 2
Form 990 Schedule H, Part VI - Supplemental Information, Line 2

Describe how the organization assesses the health care needs of the communities it serves. Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves. Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves. Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

Introduction Memorial Health Care System Inc ("MHCS") is part of Catholic Health Initiatives ("CHI"), a national health care system established to foster a more effective ministry of faith-based healthcare in the United States. The mission of MHCS and CHI is to nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century. Both MHCS and CHI are committed to fidelity to the Gospel, with emphasis on human dignity and social justice in the creation of healthier communities. MHCS is primarily made up of two hospitals, Memorial Hospital and Memorial North Park Hospital. Memorial Hospital opened its doors on January 2, 1952 in response to concerns about the severe shortage of hospital beds in the community. From the beginning, when Memorial Hospital was established and the Sisters of Charity of Nazareth put forth their commitment to provide leadership to the operations of the hospital, the care of the poor and quality health care for the entire community was central to our mission. Memorial North Park Hospital joined MHCS when it was purchased February 1, 1998 and has adopted the same commitment to excellent health care to everyone in the community. MHCS is one of the Southeast's leading medical systems and the region's preeminent provider of cardiac and cancer care with centers of excellence in surgery and orthopedics. MHCS hospitals have been named one of the nation's 100 Top Hospitals six times by Thomson Reuters, the health care industry's leading source of information on hospital quality. According to Thomson's research, facilities named to the annual 100 Top Hospitals roster outperform their peers in quality, safety and efficiency.

Tax Exempt Purpose MHCS is a faith-based, tax-exempt 501(c)(3) organization that provides medical care to all regardless of their ability to pay. Our tax-exempt status is substantiated by its inclusion in the Official Catholic Directory as a tax-exempt hospital. Community services have always been a significant part of MHCS. Each year, services and programs offered to the community are evaluated and expanded to promote increased access to healthcare and healthier communities that targets chronic disease prevention and management for vulnerable and underserved populations. To enhance the health status of Chattanooga, MHCS focuses on the whole person including the person's spiritual, emotional, and physical well-being. In FY2010 MHCS hired an outside consultant to perform a Community Needs Assessment on the 8 County MHCS Region. This data will be used to determine the current immediate health needs of this region and will aid in the development of a community benefit plan. In accordance with its mission and philosophy, MHCS commits substantial resources to sponsor a broad range of services to both the poor as well as the broader community. Benefits for the poor include the cost of providing services to individuals who are unable to afford health care due to inadequate resources and/or those that are uninsured or underinsured. Benefits for the poor include traditional charity care, unpaid costs of Medicaid, subsidized or free health services, and cash and in-kind donations to organizations that serve the poor. The amounts reported reflect the costs of these services, net of contributions, government payments and other revenues received as direct assistance. Community benefits provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support. Benefits to the broader community include health promotion and education, health fairs and screenings, unpaid costs of training health professionals such as medical residents, nursing students and students in allied health professions, cash and in-kind donations to organizations that serve the broader community, and the unpaid costs of testing medical equipment and controlled studies of therapeutic protocols. In fiscal year 2010, MHCS provided community benefits and community building activities to approximately 38,858 people at a total cost of \$29,855,458. Donations, grants, and other receipts totaling \$9,678,381 were available as direct offsets to these costs. Emergency Room MHCS operates a 24-hour emergency room 365 days per year at both Memorial and Memorial North Park Hospitals. Both

Form 990 Schedule H, Part VI - Supplemental Information, Line 2

emergency rooms are open to all individuals regardless of ability to pay During FY 2010, over 75,000 patients visited one of these emergency rooms Each year Chattanooga's local newspapers polls it readership on their choices for various services and Memorial Hospital's Emergency Room has been selected as the emergency room of choice for the past two years Memorial Hospital's emergency room is a Level 3 Certified Chest Pain Center This is important for a hospital that focuses on cardiac care where every minute counts when patients are experiencing chest pain Uncompensated Care Charity care is the cost of care of uninsured or underinsured, low-income patients who are not expected to pay all of a bill, or who are able to pay only a portion using an income-related scale Those receiving charity care are not eligible for public programs such as TennCare MHCS has a charity care policy, which assures that all persons receive medically necessary hospital services regardless of their ability to pay MHCS provides a significant level of charity care each year In FY 2010, the cost of charity care was \$5,291,207 Additionally, MHCS provided unreimbursed costs in the amount of \$6,155,476 for patients who qualified for the TennCare program In FY 2010, MHCS classified charity and unreimbursed TennCare costs for reporting purposes in a manner consistent with a standardized approach developed by CHI for reporting and budgeting benefits provided to the community Community Outreach for the Poor Prescription Drug Program MHCS provides prescription drugs to those Chattanoogaans who cannot afford to purchase them In FY 2010 MHCS provided \$102,630 in free prescription drugs to 844 people Homeless Health Care Clinic The Homeless Health Care Clinic provides comprehensive health care to homeless men, women, and children The clinic staff goes to abandoned buildings, campsites and shelters looking for homeless people who may need medical attention Many homeless people are afraid to talk to people or leave their familiar surroundings The clinic provides them with blankets and warm clothes in the winter and water in the summer Memorial Hospital assists the homeless by providing free lab tests and funds a nursing position in the amount of \$40,000 Free Laboratory Tests MHCS provides free lab tests to the Samaritan Center, Homeless Health Care Clinic, Volunteers in Medicine, Project Access, Northshore Clinic, and Westside Clinic for those patients without insurance or adequate means to pay Lab tests provided in FY 2010 totaled \$944,710 and served 7,882 people Catholic Charities MHCS provided \$33,000 in FY 2010 to Catholic Charities to help fund their Interfaith Senior Services, Family Support Services, and their Counseling Program These funds are used to help provide transportation services to frail and low income elderly individuals Medassist Medassist is a contract company that provides MHCS with a representative to evaluate uninsured patients to see if they are eligible for Medicare or Medicaid The FY2010 expenses related with this service were \$66,695 Project Access Project Access is a referral network that offers access to medical care for low-income residents of Hamilton County who do not have insurance Patients enrolled in this program must be below 150% of the poverty level and cannot be eligible for health insurance or other medical benefits such as Medicare or TennCare Project Access helps patients get specialty health care that primary clinics may not be able to provide Individuals that qualify are eligible for specialty care for three months and primary care for six months Patients are also provided a prescription card that will allow them to get their medication with a \$5.00 co-pay Memorial Hospital participates as a provider in this network Costs associated with this program are reported in the Prescription Drug Program, Free Laboratory Tests and the Cost of Charity Care Emergency Sitting Services MHCS provides emergency

Form 990 Schedule H, Part VI - Supplemental Information, Line 3

Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy. Memorial Health Care System includes information concerning its financial assistance policy on its website. In addition, Memorial Health Care System prominently displays information concerning its charity care policy in both English and Spanish in all waiting areas throughout the hospitals, including the emergency rooms and other patient intake areas, as well as in Memorial Health Care System outpatient facilities. In addition, Memorial Health Care System Registrars and Financial Counselors are trained to provide consultation to those who have no insurance or potentially inadequate insurance concerning their financial options including application for Medicaid and for financial assistance under Memorial Health Care System's charity care policy. Once all EMTALA requirements are met, patients who are identified as uninsured during the registration process (and not covered by Medicare or Medicaid) are provided with a packet of information that addresses the financial assistance policy and procedures including an application for assistance. Memorial Health Care System Registrars and Financial Counselors read the organization's medical assistance policy to those who appear to be incapable of reading, and provide translators for non English-speaking individuals. Memorial Health Care System's staff will also assist the patient / guarantor with completing the Financial Assistance Application and applying for other available coverage (such as Medicaid), if necessary. After all EMTALA requirements are met, during the registration process uninsured patients are screened in the Emergency Department for possible eligibility for the Medicaid program. A TennCare application is faxed to the Department of Human Services in the screening determined that the patient might have a category that would qualify them for Medicaid. The patient is given instructions on how to follow-up with the Department of Human services to complete the application process. Counselors assist Medicare eligible patients in enrollment by providing referrals to the appropriate government agencies. During the billing and collection process, all statements to the patient, including those mailed from the third party collection agency, alert the patient that financial assistance is available if they need it and instructs them on how to obtain an application.

Form 990 Schedule H, Part VI - Supplemental Information, Line 7

If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served. Memorial Health Care System, along with its affiliated outpatient facilities, are part of Catholic Health Initiatives. Catholic Health Initiatives (CHI) is a national faith-based nonprofit health care organization with headquarters in Englewood, Colorado. CHI's exempt purpose is to serve as an integral part of its national system of hospitals and other charitable entities, which are described as market-based organizations, or MBOs. An MBO is a direct provider of care or services within a defined market area that may be an integrated health system and/or a stand-alone hospital or other facility or service provider. CHI serves as the parent corporation of its MBOs, which are comprised of 73 hospitals, 40 long-term care, assisted- and residential-living facilities, and two community health-services organizations. Together, these facilities provided \$590 million in charity care and community benefit in the 2010 fiscal year, including services for the poor, free clinics, education and research. CHI provides strategic planning and management services as well as centralized "shared services" for the MBOs. The provision of centralized management and shared services - including areas such as accounting, human resources, payroll and supply chain -- provides economies of scale and purchasing power to the MBOs. Cost savings associated with centralized services for the fiscal year ended June 30, 2010 include more than \$105 million in supply chain expense, approximately \$30 million for insurance costs and approximately \$3.9 million as the result of a system-wide effort to coordinate and negotiate technology and equipment purchases. The cost savings achieved through CHI's centralization enable MBOs to dedicate additional resources to high-quality health care and community outreach services to the most vulnerable members of our society. Memorial Health Care System operates with its wholly owned affiliates and community partners, along with its fundraising arm, the Memorial Health Care System Foundation, to serve the health care needs of the Chattanooga, Tennessee communities.

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
Memorial Health Care System

Employer identification number
62-0532345

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

13

3

Enter total number of other organizations

3

Software ID:

Software Version:

EIN: 62-0532345

Name: Memorial Health Care System

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
Catholic Charities of East Tennessee859 McCallie Avenue Chattanooga,TN 37403	62-1377551	501c3	36,050				
American Heart Association7272 Greenville Avenue Dallas,TX 75231	62-0532345	501c3	32,500				
Access One EAP Partnership1800 McCallie Avenue Chattanooga,TN 37404	62-0911679	501c3	10,000				
Chattanooga Area Chamber of Commerce811 Broad Street Suite 100 Chattanooga,TN 37402	62-0154480	501c6	25,400				
United Way630 Market Street Chattanooga,TN 37405	62-0565962	501c3	23,750				
Friends of the Festival180 Hamm Road Chattanooga,TN 37405	62-1112739		10,875				
Notre Dame High School2701 Vermont Avenue Chattanooga,TN 37404	50-0207635	501c3	9,900				
Homeless Health Care CenterPO Box 1746 Chattanooga,TN 37401	62-6000636	501c3	40,000				
Diocese of KnoxvillePO Box 11127 Knoxville,TN 37939	62-1357183	501c3	25,000				
American Cancer Society850 Fort Wood St Chattanooga,TN 37403	23-7040934	501c3	12,000				

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
Susan G Komen For the Cure PO Box 11208 Chattanooga,TN 37401	75-2875175	501c3	10,000				
Siskin Hospital for Physical Rehab 3rd Street Chattanooga,TN 37403	62-1220402	501c3	7,352				
Goodwill Industries 3500 Dodds Avenue Chattanooga,TN 37407	62-0544853	501c3	10,000				
Chattanooga Lookouts 201 Power Aly PO Box 11002 Chattanooga,TN 37402	62-0963840		10,700				
Catholic Health Initiatives 198 invernness drive west Denver,CO 80112	47-0617373	501c3	10,000				
Memorial Healtcare System Foundation 2525 de Sales Avenue Chattanooga,TN 37404	62-1839548	501c3	30,000				

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
Memorial Health Care System

Employer identification number
62-0532345

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 checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</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	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
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 type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input 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: <div><div>a Receive a severance payment or change-of-control payment?</div><div>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div><div>c Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a	Yes
		4b	Yes
		4c	No
5	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9. 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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 5a or 5b, describe in Part III	5a	No
		5b	No
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: <div><div>a The organization?</div><div>b Any related organization?</div></div> If "Yes," to line 6a or 6b, describe in Part III	6a	No
		6b	No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or 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	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other 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 reportable compensation				
Leigh Bertholf	(i)	143,842	10,000	19,376		19,271	192,489	
	(ii)	28,944		1,497		19,271	49,712	
Ruth Brinkley	(i)			645,156			645,156	645,156
	(ii)							
Arlene Donowitz	(i)	245,708	141,206			24,063	410,977	
	(ii)							
Sarah Fellowes	(i)	340,028		811		34,192	375,032	
	(ii)							
Teal Haven	(i)	83,392		105,997		34,140	223,529	
	(ii)							
James Hobson	(i)	436,417	45,469	65,214	38,250	40,206	625,556	
	(ii)							
Jacqueline Jackson	(i)	242,820		538		39,600	282,958	
	(ii)							
ANasser Khalifeh	(i)	216,339		472		38,073	254,884	
	(ii)							
Andrew McGill	(i)	214,984		8,870		39,571	263,424	
	(ii)							
Debra Moore	(i)	247,468		555		43,992	292,015	
	(ii)							
Carol Newton	(i)	275,763		410		34,378	310,551	
	(ii)							
beth O'BRIEN	(i)	553,502	105,340	62,827	47,250	30,935	799,854	
	(ii)							
Paula Register	(i)	168,697		215		28,760	197,672	
	(ii)							
Kinsman Wright Jr	(i)	301,788	38,500	2,583		38,273	381,144	
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
Sch J Part I Q 1a		For each benefit provided in line 1a, the Organization must disclose relevant information, which may include the type of benefit, the listed person who received the benefit (or class of individuals for who the benefit was provided), and whether or not the benefit was included in the individual's compensation. Memorial Health Care System's (MHCS) CEO is compensated by Catholic Health Initiatives (CHI), MHCS's Parent Company. The CEO was provided with employer-paid temporary housing in conjunction with the recruitment and relocation of the individual to MHCS in Chattanooga. These benefits are paid and grossed-up pursuant to a written policy. CHI's Human Resources Department offers this benefit only in circumstances where a suitable candidate cannot be recruited locally. All such benefits are included in the employee's form W-2.
Sch J Part I Q 3	determination of executive compensation	Compensation for the top management official of Memorial Health Care System was established and paid by a related organization, Catholic Health Initiatives (CHI). CHI used the following methods to establish the top management official's compensation: 1) compensation committee, 2) independent compensation consultant, 3) compensation survey or study, and 4) approval by the board or compensation committee, 5) written employment contract.
Sch J Part I Q 4a	severance	Post-termination payments are addressed in the executive employment agreements for Catholic Health Initiative's ("CHI") MBO CEOs. These employment agreements require that in order for the executive to receive post-termination payments, these individuals must execute a general release and settlement agreement. Post-termination payment arrangements are periodically reviewed for overall reasonableness in light of the executive's overall compensation package. No such termination payments were made to this group of individuals. During the calendar year, the organization made the following post-termination payments: \$80,180 - Teal Haven.
Sch J Part I Q 4b	non-qualified deferred compensation	During the 2009 calendar year, Catholic Health Initiatives ("CHI"), a related organization, maintained a supplemental non-qualified deferred compensation plan for MBO CEOs and other CHI employees at the level of Senior Vice President and above. The following reportable individuals were eligible to participate in that plan: James Hobson, Beth O'Brien. During 2009, the following contributions were made by CHI to the deferred compensation plan: James Hobson \$38,250, Beth O'Brien \$47,250. During 2009, the following distributions were made by CHI from the deferred compensation plan: Ruth Brinkley \$645,156.
Sch J Part I Q 7	incentive compensation	MHCS issued bonuses based on individual performance and specified events.

Additional Data

Software ID:
Software Version:
EIN: 62-0532345
Name: Memorial Health Care System

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -	DLN: 93493133012331
SCHEDULE O (Form 990)	Supplemental Information to Form 990 Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990.		OMB No 1545-0047
			2009
			Open to Public Inspection
Name of the organization Memorial Health Care System			Employer identification number 62-0532345

Identifier	Return Reference	Explanation
990 Part VI Q 1a	Executive Committee Composition and Authority	Pursuant to Section 8 6 of the Bylaw s of Memorial Health Care System, the Executive Committee is composed of the board chair, the board vice chair, the Immediate past chairperson of the board, the President and CEO, the Secretary, w ith one or two other directors Each individual appointed to the Executive Committee shall serve for a term of one year or until his or her successor is duly appointed by the Board of Directors Pursuant to Section 8 1 of the Corporation's bylaw s, committees, such as the executive committee, that are granted the authority to act on behalf of the board of directors may include only directors of the corporation Further, pursuant to Section 8 6 of the Corporation's bylaw s, the executive committee has and may exercise such powers as may be delegated to it by the board of directors The Executive Committee also possesses the pow er to transact routine business of the corporation in the interim period betw een regularly scheduled meetings of the board of directors

Identifier	Return Reference	Explanation
990 Part VI Line 6	Members or Stockholders	ACCORDING TO THE BYLAWS OF MEMORIAL HEALTH CARE SYSTEM, INC , THE ENTITY'S SOLE MEMBER IS CATHOLIC HEALTH INITIATIVES, A COLORADO NONPROFIT CORPORATION

Identifier	Return Reference	Explanation
990 Part VI Line 7a	Electing Directors	ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS OF THE CORPORATION SHALL BE APPOINTED BY THE CORPORATE MEMBER NO LATER THAN JUNE 30th OF EACH YEAR THE NAMES AND QUALIFICATIONS OF EACH INDIVIDUAL ACCEPTED BY THE BOARD OF DIRECTORS SHALL BE SUBMITTED TO THE CORPORATE MEMBER, WHO SHALL APPOINT OR REFUSE EACH NOMINEE IN ACCORDANCE WITH THE CORPORATE MEMBER'S BYLAWS AND WITH ENDORSEMENT OF THE SENIOR VICE PRESIDENT OF OPERATIONS THE CORPORATE MEMBER MAY AT ANY TIME REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
990 Part VI Line 7b	Governing Pow ers	Memorial Health Care System, Inc 's (MHCS) corporate member is Catholic Health Initiatives ("CHI") Pursuant to Section 5 4 of MHCS's bylaw s, the Corporate Member shall have the specific rights set forth in the governance matrix Pursuant to the governance matrix the following rights are reserved to the CHI Board directly or through pow ers delegated to the CHI Chief Executive Officer * Substantial change in the mission or philosophy of MHCS * Amendment of the corporate documents of MHCS * Approve members of the MHCS board * Removal of a member of the governing body of MHCS * Approval of issuance of debt by MHCS * Approval of participation of MHCS in a joint venture * Approval of formation of a new corporation by MHCS * Approval of a merger involving MHCS * Approval of the sale of all or substantially all of the assets of MHCS * To require the transfer of assets by MHCS to CHI to accomplish CHI's goals and objectives, and to satisfy CHI debts * Adoption of long range and strategic plans for MHCS In addition, pursuant to Section 5 5 2 of the organization's bylaw s, CHI may, in exercise of its approval powers, grant or withhold approval in w hole or in part, or may, in its complete discretion, after consultation w ith the Board and the President and Chief Executive Officer of the organization, recommend such other or different actions as it deems appropriate

Identifier	Return Reference	Explanation
990 Part VI Q 11a	Process the organization uses to review Form 990	The MHCS Form 990 is prepared and review ed by the internal tax department of its parent organization, Catholic Health Initiatives The return is then review ed by MHCS Fiscal Services department and its Chief Financial Officer The return is made available to each member of the board of directors prior to filing w ith opportunities provided for them to ask questions or make comments Subsequent to internal review , the Tax Department files the return w ith the appropriate federal and state agencies, making any non-substantive changes necessary to effect e-filing any such changes are not re-subm tted to the Board

Identifier	Return Reference	Explanation
990 Part VI Q 12c	Procedures for monitoring and enforcing the COI policy	The Conflict of Interest Policy of Memorial Health Care System, Inc (MHCS) covers all directors and officers w ho hold the title of vice president and above The policy applies to all affiliates of the Corporation and is intended to supplement, but not replace, any applicable law s governing conflicts of interest applicable to nonprofit corporations If a director or officer has a potential or actual conflict w ith the Corporation and/or any of its Affiliates, such director or officer is deemed to also have a potential or actual conflict w ith respect to the Corporation and all of its Affiliates Each director must promptly and fully report to the Board Chair situations that may create a conflict of interest w hen he or she becomes aw are of such situations Disclosure must be made to the Corporation's President and CEO w ho will report such disclosure to the Board Chair A w ritten record of the disclosure w ill be made The CEO shall annually send to all directors and officers a copy of the Conflict of Interest Policy and Disclosure Statement At the beginning of the Board meeting and all committee meetings, members are asked to declare any conflicts of interest that need to be disclosed The Board of Directors shall carefully scrutinize, and must in good faith approve or disapprove, any transaction in w hich the Corporation and/or any of its Affiliates is a party, and in w hich one or more of the Corporation's directors or officers has either a material financial interest or is a director or officer of the other party By a majority vote of the disinterested directors, the Board shall take w hatever action is deemed appropriate under the circumstances w ith respect to the director or officer in order to best protect the interests of the Corporation, including possible disciplinary or corrective action

Identifier	Return Reference	Explanation
990 Part VI Line 15a	Process for Determining Compensation	The organization's CEO's compensation is paid by CHI CHI uses the Hay Group as the independent third party to assess executive compensation programs and to ensure the reasonableness of actual salaries and total compensation packages Compensation of CHI's senior most executives (including each MBO CEO) are review ed on an individual basis annually The Hay Group review s both cash and total compensation for overall reasonableness, for adherence to CHI's compensation philosophy, and for comparability to the not-for-profit healthcare market This independent review is delivered by Hay Group to the HR Committee of the CHI Board of Stew ardship Trustees annually at their September meeting and minutes are shared w ith the full board at the December meeting The last review w as September, 2010 In addition, in December 2009, Hay Group completed a comprehensive review of all CHI positions at the level of Vice President and above to determne and validate appropriate compensation levels

Identifier	Return Reference	Explanation
990 Part VI Line 15b	Process for Determining Compensation	On an annual basis Memorial Health Care System (MHCS) engages an external consultant to review the compensation of its executives The review is performed to ensure that executive salaries are w thin comparable market ranges for that position The results of the review are presented to the Human Resources Committee of the Board of Directors for approval

Identifier	Return Reference	Explanation
990 Part VI Line 16b	Joint Venture Policy	Memorial Health Care System has not formally adopted a w ritten policy or w ritten procedure regarding joint ventures How ever CHI's system-w ide joint venture model operating agreement incorporates controls over the venture sufficient to ensure that (1) the exempt organization at all times retains control over the venture sufficient to ensure that the partnership furthers the exempt purpose of the organization, (2) in any partnership in w hich the exempt organization is a partner, achievement of exempt purposes is prioritized over maximization of profits for the partners, (3) the partnership does not engage in any activities that w ould jeopardize the exempt organization's exemption, (4) returns of capital, allocations, and distributions must be made in proportion to the partners' respective ow nership interests, and (5) all contracts entered into by the partnership w ith the exempt organization must be at arm's-length, w ith prices set at fair market value Any joint venture agreements that do not conform to the model agreement are generally review ed by counsel

Identifier	Return Reference	Explanation
990 Part VI Q 19	Availability of Governing Documents, COI Policy, Financial Statements	The Organizing Documents and Conflict of Interest Policy are not available to the public THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINANCIAL STATEMENTS THAT ARE AVAILABLE AT WWW CATHOLICHEALTHINIT ORG OR AT WWW DACBOND ORG The Financial Statements are also available through filed Joint Annual Reports filed w ith the state of Tennessee

Identifier	Return Reference	Explanation
990 Part VII	Estimate of Hours Devoted to Related Organizations	COMPENSATION REPORTED ON FORM 990, PART VII WAS PAID TO THESE INDIVIDUALS BY RELATED ORGANIZATIONS IN EXCHANGE FOR THE FULFILLMENT OF THEIR DUTIES AS FULL-TIME, 50 HOUR-PER-WEEK EMPLOYEES

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Memorial Health Care System

Employer identification number
62-0532345

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
Memorial Health Partners 6028 Shallowford Road Chattanooga, TN 37421 62-1784262	clinical prac	TN			MHCS
Memorial Hospital Auxiliary 2525 de Sales Avenue Chattanooga, TN 37404 62-1839548	support MHCSF	TN	42,665	161,501	mhcscfoundati

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
See Additional Data Table					

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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
See Additional Data Table											

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
See Additional Data Table							

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

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

No

1k

No

1l

Yes

1m

No

1n

No

1o

Yes

1p

Yes

1q

Yes

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) See Additional Data Table		
(2)		
(3)		
(4)		
(5)		
(6)		

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.

[illegible]

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
St Joseph Community Health Services 300 Central SW Suite 300 Albuquerque, NM87102 71-0897107	Community	NM	501(c)(3)	11 a	CHI
St Joseph Community Health Foundation 300 Central SW Suite 300 Albuquerque, NM87102 85-0253087	Foundation	NM	501(c)(3)	7	SJCHS
St Francis of Baker City 3325 Pocahontas Road Baker City, OR97814 93-0412495	Hospital	OR	501(c)(3)	3	CHI
St Elizabeth Health Care Foundation 3325 Pocahontas Road Baker City, OR97814 94-3164869	Foundation	OR	501(c)(3)	7	SEHS
Flaget Memorial Hospital Foundation Inc 4305 New Shepherdsville Road Bardstown, KY40004 56-2351341	Fundraising	KY	501(c)(3)	11 a	FH
Flaget Healthcare DBA Flaget Memorial 4305 New Shepherdsville Road Bardstown, KY40004 61-1345363	Hospital	KY	501(c)(3)	3	CHI
Lakewood Health Center 600 Main Avenue South Baudette, MN56623 41-0758434	LTerm Care	MN	501(c)(3)	3	CHI
Appletree Court 601 Oak Street Breckenridge, MN56520 41-1850500	Senior Homes	MN	501(c)(3)	9	SFH
Healthcare and Wellness Foundation 2400 St Francis Drive Breckenridge, MN56520 76-0761782	Foundation	MN	501(c)(3)	11 a	SFMC
St Francis Home 2400 St Francis Drive Breckenridge, MN56520 41-0729978	LTerm Care	MN	501(c)(3)	9	CHI
St Francis Medical Center 2400 St Francis Drive Breckenridge, MN56520 41-0695598	Healthcare	MN	501(c)(3)	3	CHI
Carrington Health Center 800 North 4th Street Carrington, ND58421 45-0227311	Healthcare	ND	501(c)(3)	3	CHI
Saint Clare's Community Care 66 Ford Road Denville, NJ07834 22-2876836	Healthcare	NJ	501(c)(3)	11 b	SCHS
Saint Clare's Foundation Inc 66 Ford Road Denville, NJ07834 22-2502997	Fundraising	NJ	501(c)(3)	7	SCHS
Good Samaritan College of Nursing & Heal 375 Dixmyth Ave Cincinnati, OH45220 31-1778403	Education	KY	501(c)(3)	2	GHS
Total Healthcare PO Box 7021 Colorado Springs, CO80933 84-0927232	Healthcare	CO	501(c)(3)	3	CHI Colorado
Memorial Health Care System Inc 2525 De Sales Avenue Chattanooga, TN37404 62-0532345	Hospital	TN	501(c)(3)	3	CHI
Memorial Health Care System Foundation 2525 De Sales Avenue Chattanooga, TN37404 62-1839548	Foundation	TN	501(c)(3)	7	MHCS
Memorial Health Partners Foundation Inc 6028 Shallowford Road Chattanooga, TN37421 03-0417049	Healthcare	TN	501(c)(3)	9	MHCS
The Community Limited Care Dialysis Cent 619 Oak Street Accounting-3 West Cincinnati, OH45206 23-7419853	Dialysis	OH	501(c)(2)	none	GSH
Good Samaritan Foundation of Cincinnati 619 Oak Street Accounting-3 West Cincinnati, OH45206 31-1206047	Foundation	OH	501(c)(3)	11 a	GSH
The Good Samaritan Hospital of Cincinnati 619 Oak Street Accounting-3 West Cincinnati, OH45206 31-0537486	Hospital	OH	501(c)(3)	3	TRI-HEALTH
Saint Clare's Hospital 66 Ford Road Denville, NJ07834 22-3319886	Hospital	NJ	501(c)(3)	3	CHI
St Francis Life Care Corporation 19 Pocono Road Denville, NJ07834 22-2536017	Elderly Care	NJ	501(c)(3)	9	SCHS
TriHealth Physician Institute 619 Oak Street Accounting-3 West Cincinnati, OH45206 31-1074519	Physicians	OH	501(c)(3)	11 a	GSH
Catholic Health Initiatives Colorado Fou 961 East Colorado Avenue Colorado Springs, CO80903 84-0902211	Foundation	CO	501(c)(3)	7	CHI Colorado
SET of Colorado Springs Inc 825 E Pikes Peak Avenue Bldg 29 Colorado Springs, CO80903 84-1183335	LTerm Care	CO	501(c)(3)	7	CHI Colorado
Catholic Health Initiatives 1999 Broadway Suite 4000 Denver, CO80202 47-0617373	Healthcare	CO	501(c)(3)	9	CHI
Catholic Health Care Federation 1999 Broadway Suite 4000 Denver, CO80202 20-8473567	Jurdic Person	CO	501(c)(3)	11 a	CHI
Global Health Initiatives 1999 Broadway Suite 4000 Denver, CO80202 20-1536108	Ministries	CO	501(c)(3)	11 a	CHI

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Health SET 4200 West Conejos Place 436 Denver, CO 80204 84-1102943	Low Inc Care	CO	501(c)(3)	7	CHI Colorado
Bishop Drumm Retirement Center 1111 6th Avenue Des Moines, IA 50314 42-0725196	LTerm Care	IA	501(c)(3)	9	CHI-IA Corp
Mercy Medical Center - Des Moines AKA 1111 6th Avenue Des Moines, IA 50314 42-0680448	Hospital	IA	501(c)(3)	3	CHI-IA Corp
House of Mercy 1111 6th Avenue Des Moines, IA 50314 42-1323808	Shelter	IA	501(c)(3)	7	CHI-IA Corp
Mercy Auxiliary of Central Iowa 1111 6th Avenue Des Moines, IA 50314 42-6076069	Auxiliary	IA	501(c)(3)	11a	CHI-IA Corp
Mercy Clinics Inc 1111 6th Avenue Des Moines, IA 50314 42-1193699	Physician	IA	501(c)(3)	9	CHI-IA Corp
Mercy College of Health Sciences 1111 6th Avenue Des Moines, IA 50314 42-1511682	Education	IA	501(c)(3)	2	CHI-IA Corp
Mercy Foundation of Des Moines IA 1111 6th Avenue Des Moines, IA 50314 23-7358794	Foundation	IA	501(c)(3)	7	CHI-IA Corp
Mercy Medical Center - Centerville FKA 1 St Josephs Drive Centerville, IA 52544 42-0680308	Hospital	IA	501(c)(3)	3	CHI-IA Corp
Mercy Professional Practice Associates 1111 6th Avenue Des Moines, IA 50314 42-1470935	Physician	IA	501(c)(3)	9	CHI-IA Corp
Mercy Hospital of Devils Lake 1031 East Seventh Street Devils Lake, ND 58301 45-0227012	Healthcare	ND	501(c)(3)	3	CHI
Saint Joseph's Hospital Foundation 30 West 7th Street Dickinson, ND 58601 36-3418207	Foundation	ND	501(c)(3)	11a	SJHHC
St Joseph's Hospital and Health Center 30 West 7th Street Dickinson, ND 58601 45-0226429	Healthcare	ND	501(c)(3)	3	CHI
Mercy Regional Medical Center of Durango 1010 Three Springs Blvd Durango, CO 81301 84-0405515	Hospital	CO	501(c)(3)	3	CHI
CHI Kentucky Inc 3900 Olympic Blvd Suite 400 Erlanger, KY 41018 20-2741651	Healthcare	KY	501(c)(3)	11a	CHI
Villa Nazareth Inc 801 Page Drive Fargo, ND 58103 45-0226714	LT Care	ND	501(c)(3)	9	CHI
St Catherine Hospital 401 East Spruce Street Garden City, KS 67846 48-0543721	Hospital	KS	501(c)(3)	3	CHI
St Catherine Hospital Development Found 401 East Spruce Street Garden City, KS 67846 20-0598702	Foundation	KS	501(c)(3)	11a	SCH
Saint Francis Medical Center Foundation PO Box 9804 Grand Island, NE 68802 47-0630267	Foundation	NE	501(c)(3)	7	SFMC
Saint Francis Medical Center PO Box 9804 Grand Island, NE 68802 47-0376601	HealthCare	NE	501(c)(3)	3	CHI Nebraska
Central Kansas Medical Center 3515 Broadway Great Bend, KS 67530 48-0543724	Hospital	KS	501(c)(3)	3	CHI
St Joseph Memorial Hospital 923 Carroll Ave Larned, KS 67550 48-1253246	Hospital	KS	501(c)(3)	3	CKMC
MNMCH Inc 220 North Pennsylvania Columbus, KS 66725 48-1216238	Hospital	KS	501(c)(3)	3	SJRMC
Mercy Lifecare Systems 2727 McClelland Blvd Joplin, MO 64804 43-1305163	Property Mgmt	MO	501(c)(3)	11a	SJRMC
St John's Medical Group 2727 McClelland Blvd Joplin, MO 64804 43-1882377	Phys Practice	MO	501(c)(3)	9	SJRMC
St John's Mercy Regional Foundation 2727 McClelland Blvd Joplin, MO 64804 43-1308084	Foundation	MO	501(c)(3)	7	SJRMC
St John's Regional Medical Center 2727 McClelland Blvd Joplin, MO 64804 44-0545809	Hospital	MO	501(c)(3)	3	CHI
Good Samaritan Hospital PO Box 1990 Kearney, NE 68848 47-0379755	HealthCare	NE	501(c)(3)	3	CHI Nebraska
Good Samaritan Hospital Foundation PO Box 1810 Kearney, NE 68848 47-0659443	Foundation	NE	501(c)(3)	7	GSH
St Joseph Health Ministries 1929 Lincoln Hwy E Ste 150 Lancaster, PA 17602 23-2342997	Health	PA	501(c)(3)	11a	CHI

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
St Joseph Health Ministries Foundation 1929 Lincoln Hwy E Ste 150 Lancaster, PA 17602 23-2605579	Fundraising	PA	501(c)(3)	11a	SJHM
St Joseph Health Services Inc 1929 Lincoln Hwy E Ste 150 Lancaster, PA 17602 20-1425375	Dental care	PA	501(c)(3)	11a	SJHM
Continuing Care Hospital 150 North Eagle Creek Drive Lexington, KY 40509 61-1400619	LTACH	KY	501(c)(3)	3	SJHS
Saint Joseph Berea Hospital Foundation 305 Estill Street Berea, KY 40403 26-0152877	Foundation	KY	501(c)(3)	7	SJHS
Saint Joseph Health System Inc 150 N Eagle Creek Dr Lexington, KY 40509 61-1334601	Hospital	KY	501(c)(3)	3	CHI
St Joseph Hospital Foundation Inc One St Joseph Drive Lexington, KY 40504 61-1159649	Foundation	KY	501(c)(3)	11a	SJHS
Saint Joseph Medical Foundation Inc One St Joseph Drive Lexington, KY 40504 31-1539059	Phy Practices	KY	501(c)(3)	3	SJHS
Visiting Nurse Association of Saint Clar 191 Woodport Road Sparta, NJ 07871 22-1768334	Home Health	NJ	501(c)(3)	9	SCHS
Saint Elizabeth Foundation 555 South 70th Street Lincoln, NE 68510 47-0625523	Foundation	NE	501(c)(3)	7	SERMC
Saint Elizabeth Health Services 555 South 70th Street Lincoln, NE 68510 36-3233120	Healthcare	NE	501(c)(3)	3	SERMC
CHI Nebraska 555 South 70th Street Lincoln, NE 68510 36-3233121	Healthcare	NE	501(c)(3)	11a	CHI
Saint Elizabeth Regional Medical Center 555 South 70th Street Lincoln, NE 68510 47-0379836	Healthcare	NE	501(c)(3)	3	CHI Nebraska
The Physician Network 8055 O Street Suite 300 Lincoln, NE 68510 47-0780857	Healthcare	NE	501(c)(3)	11a	CHI Nebraska
Lisbon Area Health Services 905 Main Street Lisbon, ND 58054 82-0558836	Healthcare	ND	501(c)(3)	3	CHI
Alverna Apartments 300 SE 8th Avenue Little Falls, MN 56345 41-1351177	Lterm Care	MN	501(c)(3)	9	CHI
Unity Family Healthcare 815 2nd Street SE Little Falls, MN 56345 41-0721642	Healthcare	MN	501(c)(3)	3	CHI
St Anthony's Hospital Association 4 Hospital Drive Morriton, AR 72110 71-0245507	Healthcare	AR	501(c)(3)	3	SVIMC
St Vincent Infirmary Medical Center 2 St Vincent Circle Little Rock, AR 72205 71-0236917	Healthcare	AR	501(c)(3)	3	CHI
St Vincent Medical Group 2 St Vincent Circle Little Rock, AR 72205 71-0830696	Healthcare	AR	501(c)(3)	9	SVIMC
Maria-Joseph Center 4830 Salem Avenue Dayton, OH 45416 31-0935118	Healthcare	OH	501(c)(3)	9	SHP
Saint Joseph London Foundation Inc 310 East Ninth Street London, KY 40741 26-0438748	Foundation	KY	501(c)(3)	11a	SJHS
Samaritan Behavioral Health 601 S Edwin C Moses Blvd Dayton, OH 45408 02-0633634	Hospital	OH	501(c)(3)	3	SHP
Mercy Medical Center 1512 12th Avenue Road Nampa, ID 83686 82-0200896	Hospital	ID	501(c)(3)	3	CHI
Mercy Medical Center Foundation 1512 12th Avenue Road Nampa, ID 83686 26-1737256	Foundation	ID	501(c)(3)	11a	Mercy Med Ct
Mercy Physician Group Inc 1512 12th Avenue Road Nampa, ID 83686 20-8192593	Phys Group	ID	501(c)(3)	9	Mercy Med Ct
St Mary's Hospital 1314 3rd Avenue Nebraska City, NE 68410 47-0443636	Hospital	NE	501(c)(3)	3	CHI Nebraska
St Mary's Hospital Foundation 1314 3rd Avenue Nebraska City, NE 68410 47-0707604	Foundation	NE	501(c)(3)	7	SMH
Oakes Community Hospital 314 South 8th Street Oakes, ND 58474 45-0231675	Hospital	ND	501(c)(3)	3	CHI
Oakes Community Hospital Foundation 314 South 8th Street Oakes, ND 58474 71-0966606	Foundation	ND	501(c)(3)	11a	OCH
St Dominic at Ontario 351 SW 9th Street Ontario, OR 97914 93-0433692	Hospital	OR	501(c)(3)	3	CHI

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Holy Rosary Medical Center Foundation 351 SW 9th Street Ontario, OR97914 20-2683560	Foundation	OR	501(c)(3)	11a	HRMC
St Joseph's Area Health Services 600 Pleasant Avenue Park Rapids, MN56470 41-0695603	Hospital	MN	501(c)(3)	3	CHI
St Anthony Hospital 1601 SE Court Avenue Pendleton, OR97801 93-0391614	Hospital	OR	501(c)(3)	3	CHI
St Anthony Hospital Foundation 1601 SE Court Avenue Pendleton, OR97801 93-0992727	Foundation	OR	501(c)(3)	11a	SA Hospital
Gettysburg Medical Center 606 East Garfield Avenue Gettysburg, SD57442 46-0234354	Hospital	SD	501(c)(3)	3	SMHC
St Mary's Healthcare Center 801 East Sioux Avenue Pierre, SD57501 46-0230199	Healthcare	SD	501(c)(3)	3	CHI
Mt St Joseph Inc 3060 SE Stark Street Portland, OR97214 93-0386870	Nursing Care	OR	501(c)(3)	9	CHI
Pueblo Stepup 1925 East Orman Avenue Suite G52 Pueblo, CO81004 84-1234295	Community	CO	501(c)(3)	7	CHI
Bornemann Healthcare Corporation 2500 Bernville Road PO Box 316 Reading, PA19603 23-2187242	Healthcare	PA	501(c)(3)	11a	CHI
St Joseph Medical Center Foundation 2500 Bernville Road PO Box 316 Reading, PA19603 23-2649362	Foundation	PA	501(c)(3)	11a	SJRHN
St Joseph Medical Group 2500 Bernville Road PO Box 316 Reading, PA19603 20-8544021	Healthcare	PA	501(c)(3)	9	BHC
St Joseph Regional Health Network 2500 Bernville Road PO Box 316 Reading, PA19603 23-1352211	Healthcare	PA	501(c)(3)	3	CHI
Linus Oakes Inc 2700 Stewart Parkway Roseburg, OR97470 93-0821381	Senior Living	OR	501(c)(3)	9	MMC
Mercy Foundation Inc 2700 Stewart Parkway Roseburg, OR97470 93-6088946	Foundation	OR	501(c)(3)	7	MMC
Mercy Medical Center 2700 Stewart Parkway Roseburg, OR97470 93-0386868	Hospital	OR	501(c)(3)	3	CHI
Franciscan Villa of South Milwaukee Inc 3601 South Chicago Avenue South Milwaukee, WI53172 39-1093829	Healthcare	WI	501(c)(3)	9	CHI
Enumclaw Community Hospital 1450 Battersby Avenue Enumclaw, WA98022 91-0715805	Hospital	WA	501(c)(3)	3	FHS
Franciscan Foundation 1717 South J Street Tacoma, WA98405 91-1145592	Fundraising	WA	501(c)(3)	9	FHS
Franciscan Health System FKA Franciscan 1717 South J Street Tacoma, WA98405 91-0564491	Healthcare	WA	501(c)(3)	3	CHI
Franciscan Medical Group 1708 South Yakima Avenue Tacoma, WA98405 91-1939739	Healthcare	WA	501(c)(3)	9	FHS
St Joseph Medical Center Foundation In 7601 Osler Drive Towson, MD21204 52-1681044	Fundraising	MD	501(c)(3)	7	SJMC
St Joseph Medical Center Inc 7601 Osler Drive Towson, MD21204 52-0591461	Hospital	MD	501(c)(3)	3	CHI
St Joseph Physician Enterprises 7601 Osler Drive Towson, MD21204 52-1311775	Physicians	MD	501(c)(3)	11a	CHI
Samaritan Health Foundation 2222 Philadelphia Drive Dayton, OH45406 23-7296923	Foundation	OH	501(c)(3)	7	SHP
Mercy Hospital of Valley City 570 Chautauqua Boulevard Valley City, ND58072 45-0226553	Hospital	ND	501(c)(3)	3	CHI
Mercy Medical Center 1301 15th Avenue West Williston, ND58801 45-0231183	Healthcare	ND	501(c)(3)	3	CHI
Mercy Medical Foundation 1301 15th Avenue West Williston, ND58801 45-0381803	Foundation	ND	501(c)(3)	11a	MMC
Samaritan Health Partners 2222 Philadelphia Drive Dayton, OH45406 31-1107411	Healthcare	OH	501(c)(3)	11a	CHI
St Vincent Foundation Two St Vincent Circle Little Rock, AR72205 51-0169537	Fundraising	AR	501(c)(3)	11a	SVIMC
Auxiliary of Holy Rosary Hospital Inc 351 SW 9th Street Ontario, OR97914 94-3059469	Hospital	OR	501(c)(3)	9	HRMC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
The Mercy Hospital of Devils Lake Fdn 1031 East Seventh Street Devils Lake, ND58301 35-2367360	Foundation	ND	501(c)(3)	11a	MHDL
Alegent Health - Bergan Mercy Health Sys 7500 Mercy Road Omaha, NE68124 47-0484764	Hospital	NE	501(c)(3)	3	CHI
Alegent Health - Mercy Hospital Corning PO Box 368 Corning, IA50841 42-0782518	Hospital	IA	501(c)(3)	3	AHBMHS
Mercy Health Care Foundation PO Box 368 Corning, IA50841 42-1461064	Foundation	NE	501(c)(3)	11a	AHMH
Mercy Hospital Foundation Council Bluff 800 Mercy Drive Council Bluffs, IA51503 42-1178204	Foundation	IA	501(c)(3)	11a	AHBMHS
CHI Institute For Research and Innovatio 198 Inverness Drive West Englewood, CO80112 27-1050565	Healthcare	CO	501(c)(3)	11a	CHI
CHI Colorado 188 Inverness Drive West Englewood, CO80112 84-0405257	Healthcare	CO	501(c)(3)	3	CHI
Saint Joseph Mount Sterling Foundation 50 Sterling Avenue Mount Sterling, KY40353 27-2884584	Foundation	KY	501(c)(3)	7	SJHS
Centennial Medical Group Inc 2700 Stewart Parkway Roseburg, OR97470 90-0433062	Physicians	OR	501(c)(3)	9	MMC
CHI National Foundation 198 Inverness Drive West Englewood, CO80112 27-0930004	Foundation	CO	501(c)(3)	11a	CHI
Saint Clare's Health Services Inc 25 Pocono Road Denville, NJ07834 22-3639733	Management	NJ	501(c)(3)	7	CHI
Good Samaritan Hospital 2222 Philadelphia Drive Dayton, OH45406 31-0536981	Hospital	OH	501(c)(3)	3	SHP

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income(related, 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 on Box 20 of K-1 (\$)	(j) General or Managing Partner?	
							Yes	No		Yes	No
Superior Medical Imaging LLC 5000 North 26th Street Lincoln, NE68521 26-2884555	OP Diagnostics	NE	SERMC	Related	-155,495	993,429		No	272		No
Central Nebraska Rehab Services 3004 W Faidley Ave Grand Island, NE68802 81-0653461	Physical Therapy	NE	CHI	Related	1,816,979	2,933,623		No	5,050		No
Mercy West Endoscopy LLC 1601 NW 114th St Suite 244 Clive, IA50325 90-0129077	Ambulatory Surg	IA	CHI-IA Corp	Related	1,917,716	1,695,121		No			No
Audubon Land Company LLC 5390 N Academy Blvd Suite 300 Colorado Springs, CO80918 84-1513085	Real Estate	CO	THC	Related	67,577	9,001,605		No			No
Breckenridge Medical Clinic LLC 555 South Park Avenue Plaza 11 Breckenridge, CO80424 65-1295958	Medical Clinic	CO	THC	Related				No			No
Penrad Imaging 1390 Kelly Johnson Blvd Colorado Springs, CO80920 84-1072619	Medical Imaging	CO	THC	Related	1,922,441	8,248,492		No			No
St Anthony Regional Mtn Cancer Center 4231 W 16th Avenue Denver, CO80112 37-1568013	Cancer Center	CO	THC	Related	60,513	318,803		No			No
St Francis Land Company 5390 N Academy Blvd Suite 300 Colorado Springs, CO80918 26-3134100	Real Estate	CO	THC	Related	-180,979	14,886,022		No			No
OrthoColorado LLC 11650 West 2nd Place Lakewood, CO80255 37-1577105	Ortho Hospital	CO	THC	Related	-5,375,165	15,265,510		No			No
Mercy Outpatient Surgery Center LLC 1512 12th Avenue Road Nampa, ID83686 84-1380439	Surgery Center	ID	MMC	Related	-812,036	949,357		No	4,620	Yes	
Peninsula Radiation Oncology 314 Martin Luther King Jr Way 11 Tacoma, WA98405 87-0808610	Healthcare Srvc	WA	FHS	Related	-516,076	3,860,362		No			No
Healthcare Support Services LLC PO Box 9804 Grand Island, NE68802 72-1546196	Laundry	NE	CHI	Related	199,968	3,913,481		No	58,436		No
Bluegrass Regional Imaging Center 1218 South Broadway Suite 310 Lexington, KY40504 61-1386736	Diagnostic	KY	SJ HospitalLex	Related	242,456	3,773,725		No			No
North River Surgery Center LLC 2209 Wildwood Avenue Sherwood, AR72120 71-0799771	Ambul Surg Ctr	AR	SVIMC	Related	213,989	1,696,001		No			No
CHI Operating Investment Program LP 198 Inverness Drive West Englewood, CO80112 47-0727942	Investments	CO	CHI	Investment	58,022	4,069,968		No	14,031	Yes	
Ruxton Surgicenter LLC 8322 Bellona Avenue Suite 201 Baltimore, MD21204 52-2095835	Surgery Center	MD	SJMC	Related	-75,716	3,421,084		No		Yes	
Central Nebraska Home Care Services PO Box 1146-4510 Second Avenue Kearney, NE68848 47-0692112	Healthcare Srvc	NE	HSEINC	Related	-102,982	1,021,500		No		Yes	

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Mercy Health Services Corporation 2727 McClelland Blvd Joplin, MO 64804 43-1457881	DME	MO	St John's RMC	C Corp	-1,033,832	2,093,683	100 000 %
Mountain Management Services Inc 6028D Shallowford Road Chattanooga, TN 37422 62-1570739	mgmt svc org	TN	MHCS	C Corp	348,642	4,530,845	100 000 %
MedQuest 1301 15th Avenue West Williston, ND 58801 45-0392137	Sale of DME	ND	MHof Williston	C Corp	-16,794	911,494	100 000 %
St Anthony Development Company 1415 Southgate Pendleton, OR 97801 93-1216943	Athletic Club	OR	St Anthony H	C Corp	41,861	3,047,938	100 000 %
GOOD SAMARITAN OUTREACH SERVICES PO BOX 1990 KEARNEY, NE 68848 47-0659440	MEDICAL CLINIC	NE	CHI Nebraska	C Corp	-2,491,623	840,232	100 000 %
HEALTH SYSTEMS ENTERPRISES INC PO BOX 1990 KEARNEY, NE 68848 47-0664558	MANAGEMENT	NE	GSH	C Corp	10,957	1,559,747	100 000 %
Mercy Park Apartments Ltd 1111 6th Avenue Des Moines, IA 50314 42-1202422	Housing	IA	CHI-IA Corp	C Corp	227,244	1,806,199	100 000 %
Des Moines Medical Center Inc 1111 6th Avenue Des Moines, IA 50314 42-0837382	Real Estate	IA	CHI-IA Corp	C Corp		1,123,173	92 980 %
Comcare Services 4231 W 16th Avenue Denver, CO 80204 84-0904813	Inactive	CO	CHIC	C Corp			100 000 %
Mednow Inc 1512 12th Avenue Road Nampa, ID 83686 82-0389927	Outpat Pharmacy	ID	Mercy Med Ctr	C Corp	-672,954	5,348,476	100 000 %
Saint Clare's Primary Care Inc 66 Ford Road Denville, NJ 07834 22-2441202	Billing Services	NJ	SCCC	C Corp	-350,630	2,590,487	100 000 %
Healthcare Mgmt Services Org Inc 1149 Market St Tacoma, WA 98402 91-1865474	Health Org	WA	FHS	C Corp			100 000 %
Physician Health System Network 1149 Market St Tacoma, WA 98402 91-1746721	Health Org	WA	FHS	C Corp			100 000 %
Mercy Services Corp 2700 Stewart Parkway Roseburg, OR 97470 93-0824308	Retail Sales	OR	Mercy Medical	C Corp	-499,409	1,403,001	100 000 %
Caduceus Medical Associates Inc 6028 Shallowford Road Suite D Chattanooga, TN 37422 62-1570736	Healthcare	TN	MHCS	C Corp		1,008	100 000 %
CENTRAL KANSAS HEALTH SERVICES ASSOCIATI 3515 Broadway Great Bend, KS 67530 48-1042853	MEDICAL EQUIPMENT	KS	CKMC	C Corp		110,125	100 000 %
St Vincent Community Health Services In Two St Vincent Circle Little Rock, AR 72205 71-0710785	Healthcare	AR	SVIMC	C Corp	2,404,944	10,195,000	100 000 %
Alternative Insurance Management Service 3900 Olympic Boulevard Suite 400 Erlanger, KY 41018 84-1112049	Management Servic	CO	CHI	C Corp		3,272,176	100 000 %
Nazareth Assurance Company 76 St Paul Street Suite 500 Burlington, VT 05401 03-0304831	Insurance	VT	CHI	C Corp			100 000 %
Franciscan Services Inc 198 Inverness Drive West Englewood, CO 80112 23-2487967	Healthcare	CO	CHI	C Corp	194,756	12,598,258	100 000 %
SJH Services Corporation 198 Inverness Drive West Englewood, CO 80112 23-2307408	Healthcare	CO	FSI	C Corp	314,346	3,423,012	100 000 %
St Joseph Development Company Inc 1717 South J Street Tacoma, WA 98405 91-1480569	Rental	WA	FSI	C Corp	1,677,122	11,984,725	100 000 %
Towson Management Inc 7601 Osler Drive Towson, MD 21204 52-1710750	Management Servic	MD	FSI	C Corp	99,315	498,383	100 000 %
Captive Management Initiatives 98-0663022	Captive Managemen	CJ	CHI	C Corp			100 000 %
First Initiatives Insurance Ltd 98-0203038	Insurance	CJ	CHI	C Corp			100 000 %
Center for Translational Research 198 Inverness Drive West Englewood, CO 80112 27-2269511	Healthcare	CO	CHI	C Corp	-840,949	1,746,201	100 000 %
Samaritan Family Care Inc 40 W Fourth St 1700 Dayton, OH 45402 31-1299450	Healthcare	OH	SHP	LLC	-1,199,836	4,894,397	100 000 %
SJL Physician Management Services Inc 424 Lewis Hargett Cr 160 Lexington, KY 40503 99-9999999	Management	KY	SJHS	C Corp			100 000 %
CGH Realty Company Inc 215 N 12th St Reading, PA 19603 23-2326801	Real Estate	PA	SJHM	C Corp	1,007	42,415	100 000 %
St Joseph Office Park Association 1401 HarrodsBurg Road Bldg B70 Lexington, KY 40504 61-1079899	Management	KY	SJHS	C Corp	10,217	572,843	85 000 %

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1) MHPF Rent Payment to MHCS	a	778,676
(2) MTN Interest payment to Memorial	a	271,728
(3) MHPF Rental of Lab Space Equip Staff	i	1,124,964
(4) MHPF Reimbursement of Exp pd by Mtn Mgmt	o	15,015,117
(5) MHPF payments to Memorial for exp pd by MHCS	p	35,588,041
(6) MTN payments to Memorial for exp pd by MHCS	p	25,100,000
(7) Foundation Fundraising	l	237,397
(8) Foundation Net Assets released fr restriction	r	1,138,706
(9) Exp paid on MHCS Foundations behalf	b	450,531
(10) Catholic Health Initiatives	l	65,770,464
(11) Catholic Health Initiatives	o	8,203,982
(12) MHPf	c	37,681,684
(13) Catholic Health Initiatives	q	8,793,256
(14) mhpfp	p	4,652,641
(15) capital contribution to mtn mgt	c	2,433,819