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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 07-01-2009 and ending 06-30-2010

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

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

C Name of organization

BAPTIST HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

PO BOX 830605

Room/suite

City or town, state or country, and ZIP + 4

BIRMINGHAM, AL 352830605

F Name and address of principal officer

R PRINGLE RAMSEY

PO BOX 830605

BIRMINGHAM, AL 352830605

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c) (3) ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW BHSALA COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1922

M State of legal domicile

AL

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities "AS A WITNESS TO THE LOVE OF GOD, REVEALED THROUGH JESUS CHRIST, THE BAPTIST HEALTH SYSTEM IS COMMITTED TO MINISTRIES THAT ENHANCE THE HEALTH, DIGNITY, AND WHOLENESS OF THOSE WE SERVE, THROUGH INTEGRITY, COMPASSION, ADVOCACY, RESOURCEFULNESS, AND EXCELLENCE "		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
Revenue	5	Total number of employees (Part V, line 2a)	5	5,306
	6	Total number of volunteers (estimate if necessary)	6	339
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	-21,379
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	-21,379
Expenses	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	2,809,788	2,081,246
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	476,984,507	549,745,985
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-4,866,074	-2,437,336
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,750,425	5,167,411
			482,678,646	554,557,306
Net Assets or Fund Balances	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	163,568,719	203,379,968
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	323,985,869	353,123,147
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	487,554,588	556,503,115
	19	Revenue less expenses Subtract line 18 from line 12	-4,875,942	-1,945,809
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	687,655,388	735,186,596
	21	Total liabilities (Part X, line 26)	485,594,813	517,565,811
	22	Net assets or fund balances Subtract line 21 from line 20	202,060,575	217,620,785

Part II Signature Block

Sign Here

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

Signature of officer

2011-05-04

Date

PRINGLE RAMSEY SVP/CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4

Date

WarrenAverettKimbrough & MarnnoLLC
2500 Acton Road
Birmingham, AL 35243

Check if self-employed ☐

Preparer's identifying number (see instructions)

EIN

Phone no (205) 979-4100

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

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2009)

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization's mission

"AS A WITNESS TO THE LOVE OF GOD, REVEALED THROUGH JESUS CHRIST, THE BAPTIST HEALTH SYSTEM IS COMMITTED TO MINISTRIES THAT ENHANCE THE HEALTH, DIGNITY, AND WHOLENESS OF THOSE WE SERVE, THROUGH INTEGRITY, COMPASSION, ADVOCACY, RESOURCEFULNESS, AND EXCELLENCE "

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

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

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 \$

455,959,900

including grants of \$

) (Revenue \$

500,826,264)

PATIENT SERVICES -- BAPTIST HEALTH SYSTEM, INC ("BHS"), CONTINUES IN ITS CHARITABLE MISSION, WHICH BEGAN IN 1922, OF PROVIDING MEDICAL AND EDUCATIONAL SERVICES TO THE COMMUNITY THROUGH ITS FOUR HOSPITALS AND OTHER PATIENT CARE FACILITIES ONE OF THE HOSPITALS IS LOCATED WITHIN THE CITY LIMITS OF BIRMINGHAM, AL, WHICH ENABLES BHS TO PROVIDE SERVICES TO AREAS OF THE CITY WHICH MIGHT OTHERWISE BE UNDERSERVED THE CORPORATION ALSO OWNS AND OPERATES HOSPITALS IN TALLADEGA, JASPER, AND ALABASTER, AL SEVERAL OF THESE HOSPITALS SERVE RURAL COMMUNITIES WHICH, PRIOR TO BHS' INVOLVEMENT, WERE IN NEED OF STABLE HEALTH CARE FACILITIES THESE RURAL HOSPITALS PROVIDE MUCH NEEDED SERVICES (SUCH AS OBSTETRICS), TO AREAS OF ALABAMA THAT WOULD OTHERWISE BE UNDERSERVED BHS EXPERIENCES LOSSES FROM THE OPERATIONS OF SOME OF THESE HOSPITALS, WHICH FURTHER DEMONSTRATES ITS COMMITMENT TO SERVING THESE COMMUNITIES EACH HOSPITAL PARTICIPATES IN THE MEDICARE AND MEDICAID PROGRAMS BHS EXPERIENCES LARGE CONTRACTUAL ADJUSTMENTS DUE TO THE LIMITED REIMBURSEMENT PROVIDED BY THE GOVERNMENTAL PROGRAMS THE FOLLOWING CHART INCLUDES THE NUMBER OF PATIENT DAYS PROVIDED BY THESE GOVERNMENTAL PROGRAMS PROGRAM PATIENT DAYS PERCENTAGEMEDICARE 70,592 42 82%MEDICARE HMO 36,622 22 21%MEDICAID 20,374 12 36%TRICARE 942 0 57%OTHER 36,328 22 04%TOTAL 164,858 100 00%ADDITIONALLY, EACH HOSPITAL PARTICIPATES IN VARIOUS OTHER STATE AND LOCAL MEDICAL PROGRAMS THIS PARTICIPATION IMPROVES ACCESS TO PATIENT CARE FOR THE COMMUNITIES SERVED BY BHS

4b

(Code

) (Expenses \$

14,542,165

including grants of \$

) (Revenue \$

7,911,402)

CHARITY CARE -- THE BHS HOSPITALS PROVIDE A SIGNIFICANT AMOUNT OF CHARITY CARE TO THEIR COMMUNITIES NOTICES ARE POSTED IN EACH HOSPITAL TO INFORM PATIENTS THAT QUALITY HEALTH CARE SERVICES ARE AVAILABLE REGARDLESS OF A PERSON'S ABILITY TO PAY

4c

(Code

) (Expenses \$

60,701,889

including grants of \$

) (Revenue \$

41,700,458)

GOVERNMENT SPONSORED HEALTHCARE -- GOVERNMENT SPONSORED HEALTHCARE INCLUDES UNPAID COSTS OF PUBLIC PROGRAMS, WHICH REPRESENTS THE SHORTFALL CREATED WHEN REIMBURSEMENTS ARE LESS THAN COSTS OF PROVIDING SERVICES BHS RECORDS SERVICES PROVIDED TO MEDICAID RECIPIENTS AFTER ANNUAL MEDICAID BENEFITS ARE EXHAUSTED AS CHARITY CARE

4d

Other program services (Describe in Schedule O) See also Additional Data for Description

(Expenses \$

7,235,015

including grants of \$

) (Revenue \$

3,750,946)

4e

Total program service expenses

\$

538,438,969

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	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	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		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	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		
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		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		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		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		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		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.	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		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	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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		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		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		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		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		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		No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	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		No
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		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
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	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	433	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	5,306	
	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	Yes
b If "Yes," enter the name of the foreign country: BB 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	13	
b	Enter the number of voting members that are independent . . .	1b	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
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 ▶ R PRINGLE RAMSEY SVPCFO 3201 4TH AVENUE SOUTH BIRMINGHAM, AL 35222 (205) 715-5332

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	3,591,184	0	474,259
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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 **95**

		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	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	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
ROBINS & MORTON GROUP 400 SHADES CREEK PARKWAY BIRMINGHAM, AL 35209	CONSTRUCTION	27,887,856
SIEMENS MEDICAL SOLUTIONS USA INC 51 VALLEY STREAM PARKWAY MALVERN, PA 19355	IT SERVICES	5,181,503
SUNRISE HEALTHCARE MANAGEMENT PO BOX 1670 BOONE, NC 23607	MEDICAL SERVICES	4,541,387
GENERAL ELECTRIC MEDICAL SYSTEMS PO BOX 402076 ATLANTA, GA 303842076	MAINTENANCE SVCS/CONSULTING	4,411,764
ANESTHESIOLOGISTS ASSOCIATED PC 801 PRINCETON AVE BIRMINGHAM, AL 35211	MEDICAL SERVICES	3,853,056

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 **98**

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,081,246				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			2,081,246			
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE RE	900,099	549,745,985	549,745,985			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			549,745,985			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			5,919,744		5,919,744	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		2,972,602						
		2,427,513						
		545,089						
	d	Net rental income or (loss)		545,089	-179,237	-21,379	745,705	
	7a	(i) Securities		(ii) Other				
		0		105,835				
		8,453,098		9,817				
		-8,453,098		96,018				
	d	Net gain or (loss)		-8,357,080			-8,357,080	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
		Less direct expenses		b				
		Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
		Less direct expenses		b				
		Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances		a				
513,731								
526,403								
c	Net income or (loss) from sales of inventory . .			-12,672	-12,672			
Miscellaneous Revenue		Business Code						
11a	DIETARY/CAFETERIA		900,099	1,218,570	1,218,570			
b	VARIOUS		900,099	976,780	976,780			
c	BHF EQUITY INVESTMENT		900,099	638,343	638,343			
d	All other revenue			1,801,301	1,801,301			
e	Total. Add lines 11a-11d			4,634,994				
12	Total revenue. See Instructions			554,557,306	554,189,070	-21,379	-1,691,631	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,330,517		2,330,517	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	169,521,209	159,415,005	10,106,204	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,401,879	2,401,879		
9	Other employee benefits	29,126,363	28,361,690	764,673	
10	Payroll taxes				
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	19,921,003	18,619,169	1,301,834	
12	Advertising and promotion				
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	14,033,615	11,939,882	2,093,733	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	30,765,118	30,363,512	401,606	
23	Insurance				
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	SUPPLIES AND OTHER EXPE	178,767,126	177,719,885	1,047,241	
b	BAD DEBT	100,117,974	100,117,974		
c	LEASE EXPENSE	9,518,311	9,499,973	18,338	
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	556,503,115	538,438,969	18,064,146	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			230,263	1	545,914
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			46,426,564	4	71,034,459
	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			3,457,606	7	5,272,676
	8	Inventories for sale or use			9,318,082	8	10,763,116
	9	Prepaid expenses and deferred charges			4,287,916	9	4,256,303
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	655,149,047			
	b	Less accumulated depreciation	10b	357,411,516	300,655,331	10c	297,737,531
	11	Investments—publicly traded securities			240,613,518	11	268,338,432
	12	Investments—other securities See Part IV, line 11			54,095,410	12	52,719,523
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets			15,071,606	14	14,348,169
	15	Other assets See Part IV, line 11			13,499,092	15	10,170,473
	16	Total assets. Add lines 1 through 15 (must equal line 34)			687,655,388	16	735,186,596
Liabilities	17	Accounts payable and accrued expenses			48,527,474	17	70,777,213
	18	Grants payable				18	
	19	Deferred revenue			414,043	19	6,236,194
	20	Tax-exempt bond liabilities			294,833,724	20	297,785,770
	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			360,859	23	347,231
	24	Unsecured notes and loans payable to unrelated third parties			24,130,745	24	29,656,855
	25	Other liabilities Complete Part X of Schedule D			117,327,968	25	112,762,548
	26	Total liabilities. Add lines 17 through 25			485,594,813	26	517,565,811
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			168,956,657	27	182,659,533
	28	Temporarily restricted net assets			10,779,000	28	11,859,310
	29	Permanently restricted net assets			22,324,918	29	23,101,942
	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			202,060,575	33	217,620,785
	34	Total liabilities and net assets/fund balances			687,655,388	34	735,186,596

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
BAPTIST HEALTH SYSTEM INC

Employer identification number
63-0312913

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2008 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public 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
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a 33 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		
b 33 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		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. 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 BAPTIST HEALTH SYSTEM INC	Employer identification number 63-0312913
---	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)		0													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		116,163													
c Total lobbying expenditures (add lines 1a and 1b)		116,163													
d Other exempt purpose expenditures		556,386,952													
e Total exempt purpose expenditures (add lines 1c and 1d)		556,503,115													
f Lobbying nontaxable amount Enter the amount from the following table in both columns		1,000,000													
<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)		250,000													
h Subtract line 1g from line 1a If zero or less, enter -0-		0													
i Subtract line 1f from line 1c If zero or less, enter -0-		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?		<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>													

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	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	109,825	129,240	123,009	116,163	478,237
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
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?			
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
	c Media advertisements?			
	d Mailings to members, legislators, or the public?			
	e Publications, or published or broadcast statements?			
	f Grants to other organizations for lobbying purposes?			
	g Direct contact with legislators, their staffs, government officials, or a legislative body?			
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
	i Other activities? If "Yes," describe in Part IV			
	j Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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 1.
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
BAPTIST HEALTH SYSTEM INC

Employer identification number
63-0312913

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
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? ☐ Yes ☐ No

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)? ☐ Yes ☐ No

9

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

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

1a

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

b

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

(i)

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

(ii)

Assets included in Form 990, Part X ▶ \$ _____

2

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

a

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

b

Assets included in Form 990, Part X ▶ \$ _____

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

(ii) related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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		41,934,535		41,934,535
b Buildings		294,540,605	118,389,544	176,151,061
c Leasehold improvements		3,107,643	1,801,123	1,306,520
d Equipment		292,119,689	225,802,445	66,317,244
e Other		23,446,575	11,418,404	12,028,171
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				297,737,531

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	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
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Additional Data

Software ID:

Software Version:

EIN: 63-0312913

Name: BAPTIST HEALTH SYSTEM INC

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	MINIMUM PENSION LIABILITY	88,713,386
	DEFERRED GAINS	1,713,838
	ACCRUED COMPENSATION AND BENEFIT LIABILITIES	2,303,438
	LONG-TERM WORKERS' COMP LIABILITY	6,873,768
	LONG-TERM MALPRACTICE LIABILITY	3,769,525
	PENSION PLAN LIABILITY	3,908,650
	1ST COMM PATIENT LOAN PROGRAM	57,744
	SECURITY DEPOSITS	1,125
	CAPITAL LEASES	1,401,649
	LEASE CONTINGENCY	1,088,531
	COST PAYER ACCRUED PAYABLES, NET	2,930,894

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
BAPTIST HEALTH SYSTEM INC

Employer identification number
63-0312913

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 checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____</div>	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input checked="" type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input type="checkbox"/> Other _____</div>	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Does the organization prepare an annual community benefit report?	6a	Yes	
6b	If "Yes," does the organization make it available to the public?	6b	Yes	
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			14,542,165	7,911,402	6,630,763	1 450 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			60,701,889	41,700,458	19,001,431	4 160 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			75,244,054	49,611,860	25,632,194	5 610 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			573,212	0	573,212	0 130 %
f Health professions education (from Worksheet 5)			6,661,803	3,750,946	2,910,857	0 640 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			382,846	0	382,846	0 080 %
j Total Other Benefits			7,617,861	3,750,946	3,866,915	0 850 %
k Total. Add lines 7d and 7j			82,861,915	53,362,806	29,499,109	6 460 %

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			5,282	0	5,282	0 %
2Economic development			14,365	0	14,365	0 %
3Community support			37,327	0	37,327	0 010 %
4Environmental improvements			0	0		
5Leadership development and training for community members			3,281	0	3,281	0 %
6Coalition building			4,087	0	4,087	0 %
7Community health improvement advocacy			11,203	0	11,203	0 %
8Workforce development			2,447	0	2,447	0 %
9Other			0	0		
10Total			77,992		77,992	0 010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Does the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	10,726,316
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3	1,992,149
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.		
Section B. Medicare			
5	Enter total revenue received from Medicare (including DSH and IME)	5	141,033,360
6	Enter Medicare allowable costs of care relating to payments on line 5	6	130,309,691
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7	10,723,669
8	Describe 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 checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		
Section C. Collection Practices			
9a	Does the organization have a written debt collection policy?	9a	Yes
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	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 %
1HEALTHNET INC	PPO NETWORK	50 000 %	0 %	0 %
2SURGICAL SPECIALIST GROUP	OPERATES AMBULATORY SURGERY CENTER	30 000 %	0 %	70 000 %
3SSG REAL ESTATE	OWNS LAND AND REAL ESTATE	30 000 %	0 %	70 000 %
4SHELBY BAPTIST AMBULATORY SURGERY CENTER	OPERATES AMBULATORY SURGERY CENTER	52 000 %	0 %	48 000 %
5REGENCY HEALTHCARE GROUP LTD	HOSPICE CARE	4 450 %	0 %	0 %
6MEDICAL CENTER ASSOCIATES LTD	MANAGES PROFESSIONAL OFFICE BUILDINGS	30 000 %	0 %	0 %
7BAPTIST WELLNESS VENTURES	OWNS SPORTSFIRST VACANT BUILDING AND LAND	50 000 %	0 %	0 %
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

See additional data

- 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

See additional data

- 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)

See additional data

- 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

AL

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 BAPTIST HEALTH SYSTEM INC	Employer identification number 63-0312913
---	--

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		
	<input type="checkbox"/> First-class or charter travel		
	<input checked="" type="checkbox"/> Travel for companions		
	<input type="checkbox"/> Tax idemnification and gross-up payments		
	<input type="checkbox"/> Discretionary spending account		
	<input type="checkbox"/> Housing allowance or residence for personal use		
	<input type="checkbox"/> Payments for business use of personal residence		
	<input type="checkbox"/> Health or social club dues or initiation fees		
	<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
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		
	<input checked="" type="checkbox"/> Compensation committee		
	<input checked="" type="checkbox"/> Independent compensation consultant		
	<input type="checkbox"/> Form 990 of other organizations		
	<input checked="" type="checkbox"/> Written employment contract		
	<input checked="" type="checkbox"/> Compensation survey or study		
	<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or 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				
MICHAEL SHANE SPEES	(i)	571,569	81,201	7,225	97,892	15,413	773,300	0
	(ii)	0	0	0	0	0	0	0
PRINGLE RAMSEY	(i)	337,821	40,512	56,665	0	14,716	449,714	0
	(ii)	0	0	0	0	0	0	0
CHARLES ALAN BRADFORD	(i)	221,521	22,360	25	20,124	21,077	285,107	0
	(ii)	0	0	0	0	0	0	0
KEITH PARROTT	(i)	375,897	40,000	445	45,738	18,027	480,107	0
	(ii)	0	0	0	0	0	0	0
DAVID WILSON	(i)	280,779	18,750	25	31,468	17,908	348,930	0
	(ii)	0	0	0	0	0	0	0
RICHARD SHIREY	(i)	278,587	28,685	25	34,422	21,411	363,130	0
	(ii)	0	0	0	0	0	0	0
ELIZABETH ENNIS	(i)	305,400	26,000	25	45,467	6,960	383,852	0
	(ii)	0	0	0	0	0	0	0
GREG JOHNSTON	(i)	246,335	24,979	25	22,481	16,354	310,174	0
	(ii)	0	0	0	0	0	0	0
WILLIAM JAMES TAPSCOTT	(i)	278,893	0	25	0	20,514	299,432	0
	(ii)	0	0	0	0	0	0	0
SCOTT FENN	(i)	268,804	13,742	64,864	25,453	15,853	388,716	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Travel for Companions. The BHS travel policy does not allow for reimbursement of travel expenses for companions. However, the Corporation will make exceptions for instances in which executive spouses are required to attend seminars/training. In accordance with IRS Regulation section 1.162(c), BHS pays reasonable travel expenses as the attendance of the spouses is required in order to perform the substantive duties of the employee's business.
	Part I, Line 7	BHS OFFERS AN ANNUAL INCENTIVE PLAN TO MEMBERS OF THE MANAGEMENT TEAM AND SUBSTANTIALLY ALL FULL TIME EMPLOYEES. PAYOUT UNDER THE INCENTIVE PLAN IS APPROVED BY THE GOVERNANCE COMMITTEE OF THE BOARD OF TRUSTEES USING THE FOLLOWING CRITERIA: 1) OVERALL SYSTEM AND FACILITY SPECIFIC TARGETS. 2) CRITICAL SUCCESS FACTORS INCLUDING FINANCIAL TARGETS, EMPLOYEE RETENTION, QUALITY, OPERATIONAL GROWTH, AS WELL AS INDIVIDUAL GOALS AND OBJECTIVES. ANY BONUS PAYOUTS ARE CALCULATED BASED ON INDIVIDUAL BASE PAY AT THE END OF THE FISCAL YEAR.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2009
		Open to Public Inspection

Name of the organization BAPTIST HEALTH SYSTEM INC	Employer identification number 63-0312913
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Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A SEE SCHEDULE O	63-0847033	091104GG8	11-29-2005	248,260,262	seE SCHEDULE O		X		X
B sEE SCHEDULE O	63-0847033	notapplic	12-15-2009	4,858,500	SEE SCHEDULE O		X		X
C sEE SCHEDULE O	63-0847033	notapplic	12-31-2009	25,141,500	seE SCHEDULE O		X		X
D sEE SCHEDULE O	63-0847033	notapplic	05-06-2010	6,371,900	seE SCHEDULE O		X		X

Part II

Proceeds

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue			256,966,925		4,858,500		25,141,500		6,371,900	
2 Gross proceeds in reserve funds			18,267,252							
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds			2,995,749		97,170		141,500		44,330	
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds			59,839,233							
8 Year of substantial completion	2009									
9 Were the bonds issued as part of a current refunding issue?	X		X		X		X			
10 Were the bonds issued as part of an advance refunding issue?	X			X		X		X		
11 Has the final allocation of proceeds been made?	X		X		X		X			
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X			

Part III

Private Business Use

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		
2 Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X		X		X		

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X		X			
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		0 %		0 %			
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %		0 %		0 %		0 %			
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %			
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X			

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X		X			
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X		X		
b	Name of provider	NA		nA		NA					
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?	X			X		X		X		
b	Name of provider	SEE SCHEDULE O		NA		NA		NA			
c	Term of GIC	2 8000000000000									
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X									
5	Were any gross proceeds invested beyond an available temporary period?	X			X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X	X		X		X			

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

► Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ►See separate instructions.

OMB No 1545-0047

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Open to Public Inspection

Name of the organization BAPTIST HEALTH SYSTEM INC	Employer identification number 63-0312913
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
THORACIC CARDIAC AND VASCULAR SURGERY OF ALABAMA	SHEFTON RIGGINS, M D , TRUSTEE, HOLDS AN OWNERSHIP INTEREST	444,680	CONTRACT SERVICES		No
ROBINS AND MORTON	BILL MORTON, FORMER TRUSTEE, IS PRESIDENT AND CEO	27,887,856	CONSTRUCTION CONTRACTING WORK		No
ROBINS AND MORTON	WAYNE PATE, CHAIRMAN, SON IS A PROJECT MANAGER	27,887,856	CONSTRUCTION CONTRACTING WORKCONSTRUCTION CONTRACTING WORK		No
GOLDEN FLAKE SNACK FOODS INC	WAYNE PATE, STOCKHOLDER, DIRECTOR & RETIRED OFFICER	22,692	FOOD SERVICES		No

Software ID:
Software Version:
EIN: 63-0312913
Name: BAPTIST HEALTH SYSTEM INC

SCHEDULE O
(Form 990)

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization
BAPTIST HEALTH SYSTEM INC

Employer identification number
63-0312913

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		PURSUANT TO THE RESTATED ARTICLES OF INCORPORATION OF BAPTIST HEALTH SYSTEM, INC , THE BIRMINGHAM BAPTIST ASSOCIATION, AN ALABAMA NONPROFIT CORPORATION RECOGNIZED AS EXEMPT FROM FEDERAL INCOME TAX PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. ELECTS THE BOARD OF TRUSTEES OF BAPTIST HEALTH SYSTEM, INC FROM A SLATE PRESENTED BY BAPTIST HEALTH SYSTEM, INC

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		ANY AMENDMENT TO THE BAPTIST HEALTH SYSTEM, INC ARTICLES OF INCORPORATION MUST BE APPROVED BY THE BIRMINGHAM BAPTIST ASSOCIATION AND ANY MORTGAGE PLACED ON ANY PART OR PORTION OF REAL PROPERTY OWNED BY BAPTIST HEALTH SYSTEM, INC MUST BE APPROVED BY THE BIRMINGHAM BAPTIST ASSOCIATION

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		THE FORM 990 IS PROVIDED TO THE BOARD FOR REVIEW AND IS AN AGENDA ITEM AT A REGULARLY SCHEDULED GOVERNANCE COMMITTEE MEETING (A SUB COMMITTEE OF THE BOARD OF DIRECTORS) AND IS OPEN FOR ANY DISCUSSION BEFORE THE RETURN IS FILED

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 12c		THE CORPORATION, DEDICATED TO ITS FAITH BASED HEALTH CARE MINISTRY , HAS DEMONSTRATED THE VALUE OF INTEGRITY BY SETTING FORTH A POLICY PROHIBITING CONFLICT OF INTEREST AND PROVIDING A MECHANISM FOR REPORTING POTENTIAL CONFLICT OF INTEREST SITUATIONS THE PURPOSE OF THIS CONFLICT OF INTEREST POLICY IS TO PROTECT THE CORPORATION'S INTEREST WHEN IT IS CONTEMPLATING ENTERING INTO A TRANSACTION OR ARRANGEMENT THAT MIGHT BENEFIT THE PRIVATE INTEREST OF A TRUSTEE, BOARD COMMITTEE MEMBER, HOSPITAL ADVISORY COUNCIL MEMBER, OFFICER, DIRECTOR, OR MANAGER OF BHS THIS POLICY IS INTENDED TO SUPPLEMENT BUT NOT REPLACE ANY APPLICABLE FEDERAL OR ALABAMA LAWS GOVERNING CONFLICTS OF INTEREST APPLICABLE TO NONPROFIT AND CHARITABLE ORGANIZATIONS THE CORPORATION CONDUCTS AN ANNUAL CONFLICT OF INTEREST SURVEY FOR ALL OF ITS BOARD MEMBERS, OFFICERS, DIRECTORS, AND MANAGERS TO ENSURE THAT ALL POTENTIAL CONFLICTS ARE REPORTED AND ADDRESSED THE CORPORATION ALSO HAS A TRAVEL POLICY IN PLACE THAT ALLOWS FOR THE REIMBURSEMENT OF TRAVEL EXPENSES THAT ARE REASONABLE IN AMOUNT AND ARE CONSIDERED ORDINARY , NECESSARY , AND APPROPRIATE TO THE CONDUCT OF THE CORPORATION'S BUSINESS THE REIMBURSEMENT GUIDELINES ARE IN ACCORDANCE WITH INTERNAL REVENUE REGULATIONS THE AMOUNT OF FUNDS EXPENDED EACH YEAR RELATED TO TRAVEL IS BUDGETED EMPLOYEES AND TRUSTEES OF THE CORPORATION ARE NOT COMPENSATED THROUGH EXPENSE ALLOWANCES TO BE REIMBURSED FOR TRAVEL, EMPLOYEES AND TRUSTEES MUST SUBMIT A SIGNED EXPENSE REPORT FORM AND PROVIDE DOCUMENTATION IN THE FORM OF RECEIPTS FOR ANY EXPENSE OF \$20 OR MORE

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 15		THE ANNUAL PROCESS OF REVIEWING COMPENSATION FOR EXECUTIVES CLASSIFIED AS DISQUALIFIED PERSONS UNDER IRS INTERMEDIATE SANCTIONS GUIDELINES INCLUDES THE FOLLOWING STEPS THE GOVERNANCE COMMITTEE (A SUB COMMITTEE OF THE BOARD OF DIRECTORS) REVIEWS AND APPROVES BASE SALARY , INCENTIVES, FRINGE AND OTHER BENEFITS, AND RETIREMENT AND/OR DEFERRED COMPENSATION BENEFITS THE GOVERNANCE COMMITTEE EMPLOY S A THIRD PARTY CONSULTANT TO PROVIDE THE INDEPENDENT MARKET DATA AND UTILIZES A DOCUMENTED TOTAL COMPENSATION PHILOSOPHY TO GUIDE IN THE DECISION MAKING PEER GROUP MARKET DATA AND ANALYSIS IS UTILIZED FOR COMPARISON OF THE TOTAL COMPENSATION PACKAGE MEETING MINUTES ARE MAINTAINED WHICH REFLECT THE CONSIDERATION OF PHILOSOPHY , PERFORMANCE, AND MARKET DATA THE ANNUAL PROCESS FOR EXECUTIVES NOT CLASSIFIED AS DISQUALIFIED PERSONS UNDER IRS INTERMEDIATE SANCTIONS GUIDELINES INCLUDE THE FOLLOWING THE BHS PRESIDENT AND CEO REVIEWS AND APPROVES ALL COMPENSATION DECISIONS THIRD PARTY CONSULTANTS AND TOTAL COMPENSATION SURVEYS ARE UTILIZED TO PROVIDE INDEPENDENT MARKET DATA A DOCUMENTED TOTAL COMPENSATION PHILOSOPHY IS UTILIZED TO GUIDE IN THE DECISION MAKING PEER GROUP MARKET DATA AND ANALYSIS IS UTILIZED FOR COMPARISON OF THE TOTAL COMPENSATION PACKAGE THE GOVERNANCE COMMITTEE REVIEWS AND APPROVES INCENTIVES, FRINGE BENEFITS, AND RETIREMENT AND/OR DEFERRED COMPENSATION BENEFITS

Identifier	Return Reference	Explanation
Form 990, Part VI, Section C, line 19		AS A GENERAL RULE, THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC ANY WRITTEN REQUEST BY THE PUBLIC WOULD BE REVIEWED AND ACTED UPON BY THE BOARD However, BHS files quarterly financial statements with DACBOND as required by the continuing disclosure agreement of the Master Trust Indenture

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C		THE ORGANIZATION MADE NO CHANGES TO ITS OVERSIGHT PROCESS OR SELECTION PROCESS DURING THE TAX YEAR

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE A	ISSUER NAME AND DESCRIPTION OF PURPOSE	ISSUER NAME THE SPECIAL CARE FACILITIES FINANCING AUTHORITY OF THE CITY OF BIRMINGHAM - BAPTIST MEDICAL CENTERS DESCRIPTION OF PURPOSE REFINANCE OLD BONDS AND IMPROVEMENTS FOR HEALTHCARE FACILITIES THE REFUNDED BONDS WERE ISSUED ON THE FOLLOWING DATES Hospital Revenue Bonds (Walker Regional MAY 25, 1993 Medical Center, Inc Project), Series 1993, issued by The Medical Clinic Board of the City of Jasper Tax-Exempt Revenue Bonds (The Baptist Medical MAY 12, 1993 Centers), Series 1993-A, issued by The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Revenue Bonds, Series 1995-B (Baptist Health MAY 2, 1995 System, Inc), issued by The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Revenue Bonds, Series 1996-A (Baptist Health OCTOBER 1, 1996 System, Inc), issued by The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Revenue Bonds, Series 2000A-2 (Baptist MARCH 30, 2000 Health System, Inc), issued by The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Revenue Bonds, Series 2000-C (Baptist Health MAY 31, 2000 System, Inc), issued by The Special Care Facilities Financing Authority of The City of Birmingham - Baptist Medical Centers To Construct & Equip a Hospital Bed Tow er To Construct & Equip a Hospital Energy Plant To Relocate a Hospital Emergency Room To Construct a Hospital Parking Deck

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE B	ISSUER NAME AND DESCRIPTION OF PURPOSE	Issuer Name The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Description of Purpose To Refund Portion of Prior Issued Bond On June 25, 2009, the Corporation consummated a tender offer transaction, in connection with which the Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers (the "Authority") issued its \$4,858,500 Revenue Bond (Baptist Health System, Inc) Series 2009-A1 (the "Series 2009-A1 Bond") and its \$6,371,900 Revenue Bond (Baptist Health System, Inc), Series 2009-A2 (the "Series 2009-A2 Bonds") Proceeds from the Series 2009-A1 Bonds and the Series 2009-A2 Bonds were used to purchase \$14,580,000 of the Authority's Revenue Bonds (Baptist Health Sysyem, Inc), Series 2005-A (the "Series 2005-A Bonds") at a discount to their principal amount The Series 2009-A1 Bond initially was issued on May 6, 2009 in a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A1 Bond was includable in gross income On December 15, 2009, the Series 2009-A1 Bond was converted to a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A1 Bond is excludable from gross income The Series 2009-A2 Bond initially was issued on May 6, 2009 in a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A2 Bond was includable in gross income On May 6, 2010, the Series 2009-A2 Bond was converted to a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A2 Bond is excludable from gross income The above-described tender offer transaction and series of conversion transactions constituted a "current refunding" of \$14,580,000 of the Series 2005-A Bonds for purposes of the provision of the Internal Revenue Code of 1986 relating to tax-exempt obligations The Refunded Bond Was Issued on the Follow ing Date Revenue Bond, Series 2005-A (Baptist Health NOVEMBER 29, 2005 System, Inc), issued by The Special Care Facilities Financing Authority of The City of Birmingham - Baptist Medical Centers

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE C	ISSUER NAME AND DESCRIPTION OF PURPOSE	Issuer Name The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Description of Purpose To Refund Prior Issued Bond The Refunded Bond Was Issued on the Follow ing Date Revenue Bond, Series 2007-A (Baptist Health System, MARCH 16, 2007 Inc), issued by The Special Care Facilities Financing Authority of The City of Birmingham - Baptist Medical Centers

Identifier	Return Reference	Explanation
SCHEDULE K, PART I, LINE D	ISSUER NAME AND DESCRIPTION OF PURPOSE	Issuer Name The Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers Description of Purpose To Refund Portion of Prior Issued Bond On June 25, 2009, the Corporation consummated a tender offer transaction, in connection with which the Special Care Facilities Financing Authority of the City of Birmingham - Baptist Medical Centers (the "Authority") issued its \$4,858,500 Revenue Bond (Baptist Health System, Inc) Series 2009-A1 (the "Series 2009-A1 Bond") and its \$6,371,900 Revenue Bond (Baptist Health System, Inc), Series 2009-A2 (the "Series 2009-A2 Bonds") Proceeds from the Series 2009-A1 Bonds and the Series 2009-A2 Bonds were used to purchase \$14,580,000 of the Authority's Revenue Bonds (Baptist Health Sysyem, Inc), Series 2005-A (the "Series 2005-A Bonds") at a discount to their principal amount The Series 2009-A1 Bond initially was issued on May 6, 2009 in a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A1 Bond was includable in gross income On December 15, 2009, the Series 2009-A1 Bond was converted to a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A1 Bond is excludable from gross income The Series 2009-A2 Bond initially was issued on May 6, 2009 in a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A2 Bond was includable in gross income On May 6, 2010, the Series 2009-A2 Bond was converted to a mode so that, for purposes of federal income taxation, the interest accrued on the Series 2009-A2 Bond is excludable from gross income The above-described tender offer transaction and series of conversion transactions constituted a "current refunding" of \$14,580,000 of the Series 2005-A Bonds for purposes of the provision of the Internal Revenue Code of 1986 relating to tax-exempt obligations The Refunded Bond Was Issued on the Follow ing Date Revenue Bond, Series 2005-A (Baptist Health NOVEMBER 29, 2005 System, Inc), issued by The Special Care Facilities Financing Authority of The City of Birmingham - Baptist Medical Centers

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 1, COLUMN A	PROCEEDS OF ISSUE	Total proceeds include the following Proceeds from issue Proceeds used for bond issuance costs \$2,995,065 Proceeds allocated to reserve fund 18,996,125 Proceeds used to currently refund prior issues 113,860,398 Proceeds used to advance refund prior issues 58,666,213 Total proceeds from issue \$194,517,802 Nonrefunding proceeds of the issue (Acquisition Fund) \$53,742,460 Acquisition Fund Earnings \$6,096,773 Cost of Issuance Fund Earnings \$683 Reserve Fund Earnings \$2,609,208 Total Proceeds \$256,966,925 Earnings on investments in the Acquisition Fund and the Costs of Issuance Fund were allocated to capital projects and costs of issue in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Section 1 148-6 (d)(1)(i) of the Treasury Regulations promulgated thereunder Earnings on investments in the Reserve Fund and excess sale and investment proceeds in the Reserve Fund were allocated to the payment of principal or interest on the Series 2005-A Bonds in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and either Section 1 148-6(d)(3)(ii)(A)(6) or Section 1 148-6(d)(3)(ii)(A)(7) of the Treasury Regulations promulgated thereunder Total proceeds exclude earnings on investments in the defeasance escrow funds established in connection with the Series 2005-A Bonds These investments were structured so that the yield on investments allocable to the Series 2005-A Bond proceeds did not exceed the yield on the Series 2005-A Bond

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, COLUMN B, LINE 8		The Series 2009-A1 Bond issue was a Refunding Only

Identifier	Return Reference	Explanation
Schedule K, Part II Column C, Line 8		The Series 2009-B Bond issue was a Refunding Only

Identifier	Return Reference	Explanation
Schedule K, Part II Column D, Line 8		The Series 2009-A2 Bond issue was a Refunding Only

Identifier	Return Reference	Explanation
SCHEDULE K, PART IV, COLUMN A, LINE 4 (B), 4(C), AND 4(D)		Proceeds of the Series 2005-A Bonds (Acquisition Fund Proceeds) were invested in two (2) GICs as listed below First GIC (b) Name of Provider Transamerica Life Insurance Company (c) Term of GIC December 15,2005 to March 1, 2007 (D) YES Second GIC (b) Name of Provider Hypo Public Finance Bank (c) Term of GIC March 23, 2007 to November 28, 2008 Elected to terminate the GIC on October 20, 2008 (D) YES

Identifier	Return Reference	Explanation
SCHEDULE K, PART IV, COLUMN A, LINE 5		A portion of the proceeds of the Series 2005-A Bonds was deposited in an Acquisition Fund for expenditure on new BHS capital projects At the time of issuance of the 2005-A Bonds, BHS expected to meet the general 3-year temporary period for capital projects contemplated by Section 148(c) of the Internal Revenue Code of 1986, as amended, and Section 1 148-2(e) (2) of the Treasury Regulations promulgated thereunder In other words, BHS expected to spend all proceeds in the Acquisition Fund by November 29, 2008 and otherwise comply with the requirements of the general 3-year temporary period After issuance of the Series 2005-A Bonds, BHS determined that it was in its best interest and best served its healthcare mission to redirect a larger portion of the proceeds of the 2005-A Bonds from capital projects at BHS's Shelby Baptist Medical Center The process of redirecting proceeds to Shelby Baptist Medical Center caused delays that caused BHS to invest proceeds in the Acquisition Fund beyond the temporary period exception contemplated by Section 148(c) of the Internal Revenue Code of 1986, as amended, and Section 1 148-2(e) (2) of the Treasury Regulations promulgated thereunder All proceeds in the Acquisition Fund were expended by June 2, 2009

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 16A & B		BHS is directly involved in two joint ventures - Healthnet of Alabama, Inc and Medical Center Associates, Ltd Healthnet of Alabama, Inc is a joint venture between BHS and another tax exempt entity Medical Center Associates, Ltd is a joint venture between BHS and a developer BHS is also indirectly involved in several joint ventures through its for-profit subsidiary BHS Affinity, Inc is a for-profit subsidiary of BHS, and is the parent company of Walker Baptist Affinity, LLC (30% interest in Surgical Specialist Group, LLC and SSG Real Estate, LLC), Shelby Baptist Affinity, LLC (52% interest in Shelby Ambulatory Surgical Center, LLC), and Regency Holdings, LLC (4 45% interest in Regency Healthcare Group, LTD)

<div>SCHEDULE R (Form 990)</div> <div>Department of the Treasury Internal Revenue Service</div>	<div>Related Organizations and Unrelated Partnerships</div> <div>▶ 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.</div>	OMB No 1545-0047
		2009
		Open to Public Inspection
Name of the organization BAPTIST HEALTH SYSTEM INC		Employer identification number 63-0312913

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
SHELBY BAPTIST AFFINITY LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3150646	HOLDING COMPANY	AL	7,978,028	2,299,869	BHS AFFINITY INC
HOOVER BAPTIST MEDICAL CENTER LLC pO BOX 830605 BIRMINGHAM, AL 352830605 20-5417206	LEASE MEDICAL FACILITIES	AL	368,671	14,775,591	N/A
REGENCY HOLDINGS LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-5136737	HOLDING COMPANY	AL	46,640	1,091,208	BHS AFFINITY INC
WALKER BAPTIST AFFINITY LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3864809	HOLDING COMPANY	AL	-156,823	2,712,825	BHS AFFINITY INC
PRISON HEALTHCARE LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3437722	HEALTHCARE SERVICES FOR PRISONERS	AL	367,923	0	N/A
BHC-TALLADEGA PEDIATRICS LLC pO BOX 830605 BIRMINGHAM, AL 352830605 33-1178239	PEDIATRIC HEALTHCARE SERVICE	AL	3,869,930	0	BAPTIST HEALTH CENTERS INC

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)					
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
BAPTIST PARTNERSHIP HOLDINGS INC PO BOX 830605 BIRMINGHAM, AL 352830605 63-0963324	HOLDING COMPANY	AL	501(C)(3)	509(A)(2)	N/A

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) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No
SHELBY BAPTIST AMBULATORY SURGERY CENTER LLC 1010 FIRST STREET NORTH ALABASTER, AL35007 20-3150946	MEDICAL CLINIC	AL	SHELBY BAPTIST AFFINITY LLC	UNRELATED	3,997,822	1,186,042		No			No

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
BHS AFFINITY INC PO BOX 830605 BIRMINGHAM, AL352830605 63-1111454	HOLDING COMPANY	AL	N/A	C	616,468	27,938,205	100 000 %
BAPTIST HEALTH CENTERS INC pO BOX 830605 BIRMINGHAM, AL352830605 63-0925859	PHYSICIANS PRACTICES	AL	BHS AFFINITY INC	C	43,300,710	27,680,689	100 000 %
AFFINITY SOUTHEAST INSURANCE INC ICB BUILDING UPPER ROEBUCK STREET BRIDGETOWN, BARBADOS BB 98-0462365	INSURANCE	BB	BHS AFFINITY INC	C	581,413	13,262,779	100 000 %

Part V

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

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

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

Yes

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

No

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]

Software ID:

Software Version:

EIN: 63-0312913

Name: BAPTIST HEALTH SYSTEM INC

Form 990, Schedule R, Part I - Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Total income (\$)	(e) End-of-year assets (\$)	(f) Direct Controlling Entity
SHELBY BAPTIST AFFINITY LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3150646	HOLDING COMPANY	AL	7,978,028	2,299,869	BHS AFFINITY INC
HOOVER BAPTIST MEDICAL CENTER LLC pO BOX 830605 BIRMINGHAM, AL 352830605 20-5417206	LEASE MEDICAL FACILITIES	AL	368,671	14,775,591	N/A
REGENCY HOLDINGS LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-5136737	HOLDING COMPANY	AL	46,640	1,091,208	BHS AFFINITY INC
WALKER BAPTIST AFFINITY LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3864809	HOLDING COMPANY	AL	-156,823	2,712,825	BHS AFFINITY INC
PRISON HEALTHCARE LLC PO BOX 830605 BIRMINGHAM, AL 352830605 20-3437722	HEALTHCARE SERVICES FOR PRISONERS	AL	367,923	0	N/A
BHC-TALLADEGA PEDIATRICS LLC pO BOX 830605 BIRMINGHAM, AL 352830605 33-1178239	PEDIATRIC HEALTHCARE SERVICE	AL	3,869,930	0	BAPTIST HEALTH CENTERS INC

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1) BAPTIST HEALTH CENTERS INC	A	690,511
(2) SHELBY BAPTIST AMBULATORY SURGERY CENTER LLC	A	603,727
(3) AFFINITY SOUTHEAST INSURANCE INC	C	1,500,000
(4) BAPTIST HEALTH CENTERS INC	K	4,206,874
(5) AFFINITY SOUTHEAST INSURANCE INC	K	220,138
(6) BAPTIST HEALTH CENTERS INC	O	4,349,910
(7) BAPTIST HEALTH CENTERS INC	P	3,400,796
(8) AFFINITY SOUTHEAST INSURANCE INC	Q	3,989,254
(9) BAPTIST HEALTH CENTERS INC	R	6,791,598

Additional Data

Software ID:
Software Version:
EIN: 63-0312913
Name: BAPTIST HEALTH SYSTEM INC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services			
(Code) (Expenses \$	6,661,803	including grants of \$ (Revenue \$ 3,750,946)
EDUCATION AND RESEARCH -- BHS IS ACTIVELY INVOLVED IN MEDICAL EDUCATION AND CLINICAL PASTORAL EDUCATION BHS CURRENTLY HAS APPROXIMATELY 87 RESIDENCY POSITIONS IN TRANSITIONAL YEAR, INTERNAL MEDICINE, PATHOLOGY, RADIOLOGY, AND GENERAL SURGERY PROGRAMS THE CLINICAL PASTORAL EDUCATION PROVIDES TRAINING FOR 10 RESIDENTS AS WELL AS NUMEROUS PART-TIME STUDENTS THIS TRAINING EQUIPS STUDENTS TO PROVIDE A BETTER LEVEL OF SPIRITUAL CARE TO PATIENTS IN ADDITION, BHS, IN CONJUNCTION WITH SAMFORD UNIVERSITY SCHOOL OF NURSING, PROVIDES TRAINING FOR NURSES THAT ARE HIRED THROUGHOUT THE SOUTHEASTERN UNITED STATES			
(Code) (Expenses \$	573,212	including grants of \$ (Revenue \$ 0)
BHS CONTINUALLY PROVIDES MANY SERVICES IN HEALTH PROMOTION AND SCREENING TO THE PUBLIC FREE OF CHARGE, OR AT A NOMINAL COST SUCH SERVICES ARE PROVIDED THROUGH SCHOOLS, EMPLOYERS, AND FACILITIES THAT ARE EASILY ACCESSIBLE BY THE GENERAL PUBLIC EMPLOYEES ARE ENCOURAGED TO DEVOTE SERVICES TO OTHER CHARITABLE ORGANIZATIONS IN THE COMMUNITY, AS WELL AS TO PROVIDE FINANCIAL SUPPORT EMPLOYEES AND OTHER COMMUNITY MEMBERS HAVE ALSO PROVIDED SIGNIFICANT SUPPORT OF BHS' CHARITABLE ACTIVITIES--EVIDENCING THE COMMUNITIES' WILLINGNESS TO ACKNOWLEDGE AND SUPPORT THE MISSION OF BAPTIST HEALTH SYSTEM, INC			

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL SHANE SPEES PRES & CEO/EXO-NONVOTING	40 00	X		X				659,995	0	111,449
WAYNE PATE CHAIRMAN	3 00	X						0	0	0
DORIS K SEWELL VICE CHAIRMAN	3 00	X						0	0	0
RANDY ATKINSON SECRETARY	3 00	X						0	0	0
CLEMENT COTTER MD TRUSTEE	3 00	X						0	0	0
RICHARD FARRAR TRUSTEE	3 00	X						0	0	0
JOHN HOLCOMB TRUSTEE	3 00	X						0	0	0
JO MORRIS TRUSTEE	3 00	X						0	0	0
ROGER PUTNAM TRUSTEE	3 00	X						0	0	0
SHEFTON RIGGINS MD TRUSTEE	3 00	X						0	0	0
ANDY WESTMORELAND EDD TRUSTEE	3 00	X						0	0	0
NEAL TEMPLETON MD TRUSTEE	3 00	X						0	0	0
JIM EMACK EX-OFFICIO	3 00	X						0	0	0
BOB TERRY EX-OFFICIO	3 00	X						0	0	0
PRINGLE RAMSEY SR VP & CFO	40 00			X				434,998	0	13,488
CHARLES ALAN BRADFORD VP & CHIEF HR OFFICER	40 00			X				243,906	0	40,308
KEITH PARROTT ADMINISTRATOR	40 00				X			416,342	0	62,243
DAVID WILSON ADMINISTRATOR	40 00				X			299,554	0	48,234
RICHARD SHIREY CHIEF INFORMATION OFFICE	40 00					X		307,297	0	54,688
ELIZABETH ENNIS VP MED ED/RESEARCH	40 00					X		331,425	0	46,217
GREG JOHNSTON VP FINANCE	40 00					X		271,339	0	37,838
WILLIAM JAMES TAPSCOTT DIRECTOR OF RESIDENCY PR	40 00					X		278,918	0	19,538
SCOTT FENN CHIEF INTEGRATION OFFICE	40 00					X		347,410	0	40,256

Additional Data

Software ID:
Software Version:
EIN: 63-0312913
Name: BAPTIST HEALTH SYSTEM INC

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

Part I, Line 7 As prescribed in the instructions to Schedule H, total expenses were reduced by the amount of bad debt expense from Part IX The amount is \$100,117,974 (Part IX Line 24 b)

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

Part III, Line 4 The bad debt expense at cost was calculated using a cost to charge ratio as prescribed in the instructions to Schedule H Subsequent to the period covered by this return, BHS implemented a tool known as the "Payment Assistance Rank Order" (PARO) with the purpose of identifying patients who have failed to apply for charity care that may be eligible to receive financial assistance As a result of this implementation, a portion of patient care revenue that would otherwise be reserved as bad debt is now being recorded as charity care In order to estimate the amount of bad debt expense, BHS utilized information from the PARO scoring system and resulting amounts that were charged as charity care

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

Part III, Line 8

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

Part III, Line 9b The following is found in the charity care policy regarding billing and collections 1 BHS ensures that all patient accounts are processed fairly and consistently 2 BHS has implemented written policies for defining and delineating the circumstances under which and under whose authority a patient account is advanced for collection to a third-party collection agency 3 BHS defines the standards and scope of practices to be used by third-party collection agents acting on its behalf such that any standards and scope of practices, at a minimum, are consistent with the BHS Missions and Values BHS obtains written agreements from each third-party collection agent to ensure adherence to such Mission and Values 4 At the time of billing BHS provides to all low-income uninsured patients the same information concerning services and charges provided to all other patients who receive care at BHS 5 When sending a bill to a patient, BHS includes a) a statement that indicates if the patient meets certain income requirements, the patient may be eligible for a government-sponsored program (i e Medicaid) or for financial assistance from BHS, and b) a statement that provides the patient with the name and telephone number of a BHS financial counselor or the Central Business Office from whom or where the patient may obtain information about BHS's financial assistance policies for patients and how to apply for such assistance 6 Any patient or patient's legal representative seeking financial assistance from BHS will complete a financial needs assessment (FNA) A completed FNA provides BHS information concerning a patient's insurance coverage, financial status and any other information that is necessary for BHS to make a determination regarding the patient's status relative to BHS's charity care policy, discounted payment policy or eligibility for government-sponsored programs (i e Medicaid) 7 For patients who have an FNA pending for either government-sponsored coverage or for BHS's own charity care and financial assistance program, BHS does not send that patient's account to a collection agency prior to 120 days from the time of initial billing 8 If a patient qualifies for assistance under BHS's Financial Assistance Policy and is reasonably cooperating with BHS in an effort to settle an outstanding account, BHS does not send the account to any outside collection agency 9 BHS or outside collection agencies operating on behalf of BHS do not, in dealing with low-income uninsured patients, use liens on primary residences as a means of collecting an unpaid patient account BHS instructs both its associates and outside collection agencies that tactics such as charging interest, requiring patients or patient guarantors to incur debt or loans with recourse to the patient's personal or real property assets (recourse indebtedness) or so called "body attachments" (i e the arrest or jailing of patients in default on their accounts, such as for missed court appearances) are strictly prohibited 10 Eligibility for charity care and discount payments may be determined at any time BHS is in receipt of all information (i e completed FNA) needed to determine the patient's eligibility for its financial assistance programs

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

Part VI, Line 2 As a not-for-profit health care provider, Baptist Health System (BHS) is committed to ministering quality health care - physically, mentally, and spiritually - while serving as a witness to the love of God as revealed through Christ Jesus In order to achieve this commitment, it is important to identify the needs of the community to which we are ministering During various planning meetings, BHS management consults a variety of market experts, physicians, local health officials, as well as historical data trends based on internal/external data in order to determine emerging needs in the community Information regarding the community is compiled through health screenings, questionnaires, and patient interviews offered to the public BHS has partnered with a consultant (Nowak and Associates) in order to perform a community health needs assessment The needs assessment will be performed in the primary service area for each of the four hospitals operated by BHS BHS regularly conducts community needs assessments, and the next assessment is scheduled to be completed in 2012

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

Part VI, Line 3 Communication of BHS Financial Assistance Policies with Patients and the Public BHS posts notices regarding the availability of financial assistance to low-income uninsured patients These notices are posted in visible locations throughout the facility including patient access/registration, the cashier/billing office, the emergency department and other appropriate settings Every posted notice regarding financial assistance contains a statement indicating that the facility has a financial assistance policy for low-income patients who may not be able to pay their bill and brief instructions regarding how to apply for charity care or a discounted bill The notices include a contact name and telephone number that can be used by a patient or family member who is requesting additional information BHS ensures that staff members in the patient access/registration areas and in the Central Business Office are knowledgeable about the existence of financial assistance policies Training is provided to staff members who directly interact with patients regarding their bills for health care services In communication with patients and families regarding financial assistance policies, BHS attempts to communicate in the primary language of the patient, or his/her family, if reasonably possible This is done in a manner consistent with all applicable federal and state laws and regulations A written notice on the billing statement informs the patient that financial assistance may be available either from a government program or through the BHS Financial Assistance Policy At the time of billing, BHS will provide to all uninsured patients the same information on services and charges that is provided to all other patients receiving care at a BHS entity When sending a bill to an uninsured patient, the following information is included with the bill * A statement that indicates that if the patient meets certain income requirements, the patient may be eligible for a government-sponsored program or for financial assistance for help in paying for the services that were provided, and* A statement that provides the patient with a contact resource about the BHS Financial Assistance Policy for low-income uninsured patients and how to apply for such assistance for the payment of services that were provided BHS will provide information to all patients informing them of their responsibility to provide documentation for verification of eligibility for financial assistance

Form 990 Schedule H, Part VI - Supplemental Information, Line 4

Part VI, Line 4 Baptist Health System owns and operates four acute care hospitals located in Jefferson, Shelby, Talladega, and Walker counties. These counties account for approximately 78% of inpatient admissions. Additionally, other counties which provide a significant amount of admissions but are not considered to be part of the primary service area include Winston, Cullman, Chilton, and Bibb counties. Admissions from Jefferson (Princeton Baptist Medical Center) and Shelby (Shelby Baptist Medical Center) counties accounted for 69% of total admissions in FY 2010. The major competitors in the market include UAB Hospital (University of Alabama System), Trinity Hospital (Community Health), Brookwood Hospital (Tenet Healthcare), and St. Vincents Hospital (Ascension Healthcare). Each hospital is located in an area that has been designated as a Medically Underserved Area/Population by the Health Resources and Services Administration (HRSA). This is primarily due to low income designations given to the surrounding populations. Furthermore, all facilities except Shelby Baptist Medical Center reside in an area designated by the HRSA as a "Primary Care Health Professional Shortage Area" and a "Mental Health Professional Shortage Area". Based on payor data from FY 2010, Medicare/Medicare HMO was the Corporation's largest source of patient revenue at 53% of gross charges. Other significant sources of patient revenue included Blue Cross at 24% and Medicaid at 11% of gross charges.

Form 990 Schedule H, Part VI - Supplemental Information, Line 5

Part VI, Line 5 Community Building Activities address the causes of community health problems by offering the System's health care expertise and resources. Examples of such activities include: A Physical Improvements and Housing, B Economic Development, C Community Support, D Leadership Development and Leadership Training, E Coalition Building, F Workforce Enhancement. Costs in this area include items such as staff time, supplies donated and materials. Staff time is calculated USING the number of hours employees provided multiplied by an average hourly rate and an employee benefit factor. Supplies donated and materials used are valued at cost.

Form 990 Schedule H, Part VI - Supplemental Information, Line 6

Part VI, Line 6 The board of directors for Baptist Health System is comprised of independent community leaders who reside in the System's primary service area. In addition, BHS operates an open medical staff and actively recruits physician specialties based on the needs of the community. All surplus funds are used to improve patient care through improvements in facilities, service offerings, and training medical staff. Each hospital operates a full-time emergency room open to patients regardless of their ability to pay. Active involvement in community service is one of the many ways BHS lives true to its mission of being committed to ministries that enhance the health, dignity, and wholeness of those we serve. Examples of this include opportunities for students to spend time shadowing clinicians at BHS facilities, internship programs, free health screenings, partnering with local churches to provide medical care to those experiencing difficult circumstances, and providing aid to BHS employees who are involved in mission related volunteer activities.

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

Part VI, Line 7 BHS, as reported in Schedule H, furthers its faith-based mission through its affiliation with the Baptist Health Centers (BHC) and the Baptist Health Foundation (BHF) Baptist Health Centers, Inc is a wholly owned subsidiary of Baptist Health Systems, Inc that specializes in physician practice management BHC was formed and operates to expand access to quality healthcare across Alabama The Baptist Health Foundation exists to support the faith-based mission of BHS by working to provide the charitable and community resources necessary for its operation The foundation supports a wide array of health related activities including pastoral care ministries, medical education, medical research and charity care as well as clinical programs such as heart and cancer care, obstetrics, women's services and orthopedic rehabilitation