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Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization's mission

HEALTH CARE SERVICES - SEE SCHEDULE H FOR MORE INFORMATION

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ 565,999,242 including grants of \$ 785,503 ) (Revenue \$ 590,150,351 )

MERCY HEALTH SERVICES-IOWA, CORP OPERATED FOUR HOSPITAL DIVISIONS IN THE STATE OF IOWA THAT PROVIDED 161,750 PATIENT DAYS OF HEALTHCARE SERVICES TO THEIR COMMUNITIES THE MISSION STATEMENT OF MERCY HEALTH SERVICES-IOWA CORP IS AS FOLLOWS WE SERVE TOGETHER IN TRINITY HEALTHIN THE SPIRIT OF THE GOSPELTO HEAL BODY, MIND, AND SPIRITTO IMPROVE THE HEALTH OF OUR COMMUNITIESAND TO STEWARD THE RESOURCES ENTRUSTED TO US

4b

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

4c

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

4d



















Other program services (Describe in Schedule O )

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

4e

Total program service expenses \$ 565,999,242

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b 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. 	11b Yes	
c 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. 	11c	No
d 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. 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f 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 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 Yes	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		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 lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect 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		No
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)? . . . . .	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>			
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>			
		<b>Yes</b>	<b>No</b>
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	<b>1a</b>	582
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	26
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes
<b>2a</b>	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.	<b>2a</b>	5,903
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>	No
<b>4a</b>	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)?	<b>4a</b>	No
<b>b</b>	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b>	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?	<b>7a</b>	Yes
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	Yes
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>	No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>	
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>	No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>	
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>	
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>	
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>	
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	<b>13a</b>	
<b>b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>	
<b>c</b>	Enter the amount of reserves on hand.	<b>13c</b>	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>	

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.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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?		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?	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	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?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	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?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
15c	If "Yes" to line 15a or 15b, 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?	Yes	
16b	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?		No

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website ☐ Another's website ☒ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.  
BETH GDOWIK  
34605 W TWELVE MILE RD  
FARMINGTON HILLS, MI 48331  
(248) 489-6000

Check if Schedule O contains a response to any question in this Part VII ☒

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

Form **990** (2010)



## Part VII

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								3,684,199	20,072,040	4,338,526

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 230

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

## **Section B. Independent Contractors**

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

(A) Name and business address	(B) Description of services	(C) Compensation
UNITED CLINICAL LABORATORIES 205 BLUFF STREET DUBUQUE, IA 52001	LABORATORY SERVICES	5,405,210
MASON CITY CLINIC PC 250 S CRESCENT DRIVE MASON CITY, IA 50401	MEDICAL SERVICES	4,804,196
MILLER PURCELL INC 1920 ELM STREET DUBUQUE, IA 52001	MANAGEMENT SERVICES	4,608,929
RASMUSSEN MECHANICAL SERVICES 2425 E 4TH STREET SIOUX CITY, IA 51101	HVAC MAINTENANCE	3,191,651
AIR METHODS 7211 S PEORIA STREET ENGLEWOOD, CO 80112	AIR AMUBULANCE SVCS	2,589,389
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶80		

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	19,300			
	d	Related organizations . . . . .	1d	2,126,811			
	e	Government grants (contributions)	1e	234,762			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	371,965			
	g	Noncash contributions included in lines 1a-1f \$		5,180			
	h	Total. Add lines 1a-1f . . . . .		2,752,838			
	Program Service Revenue	2a	NET PATIENT SVC REV	900099	554,418,482	554,418,482	
b		PHARMACY REVENUE	446110	40,055,427		40,055,427	
c		LABORATORY REVENUE	621500	39,054		39,054	
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f . . . . .		594,512,963			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts) . . . . .		4,998,657		4,998,657
		4	Income from investment of tax-exempt bond proceeds . . . . .				
	5	Royalties . . . . .					
	6a	Gross Rents	(i) Real 1,719,810	(ii) Personal			
	b	Less rental expenses	2,178,096				
	c	Rental income or (loss)	-458,286				
	d	Net rental income or (loss) . . . . .		-458,286		-458,286	
	7a	Gross amount from sales of assets other than inventory	(i) Securities 9,008,709	(ii) Other 716,730			
	b	Less cost or other basis and sales expenses		798,904			
	c	Gain or (loss)	9,008,709	-82,174			
	d	Net gain or (loss) . . . . .		8,926,535		8,926,535	
	8a	Gross income from fundraising events (not including \$ 19,300 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a 206,413				
	b	Less direct expenses . . . . .	b 60,511				
	c	Net income or (loss) from fundraising events . . . . .		145,902		145,902	
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a				
	b	Less direct expenses . . . . .	b				
	c	Net income or (loss) from gaming activities . . . . .					
	10a	Gross sales of inventory, less returns and allowances . . . . .	a				
	b	Less cost of goods sold . . . . .	b				
	c	Net income or (loss) from sales of inventory . . . . .					
Miscellaneous Revenue			Business Code				
11a	OTHER REVENUE	900099	35,731,869	35,731,869			
b	CAFETERIA REVENUE	900099	3,087,191			3,087,191	
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .		38,819,060				
12	Total revenue. See Instructions . . . . .		649,697,669	590,150,351	0	56,794,480	

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	785,503	785,503		
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 . . . . .	5,985,960		5,985,960	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	706,102	98,333	607,769	
7	Other salaries and wages	225,023,348	200,089,581	24,417,497	516,270
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	19,152,385	17,219,644	1,932,741	
9	Other employee benefits . . . . .	21,594,098	18,978,867	2,527,537	87,694
10	Payroll taxes . . . . .	15,932,688	13,847,023	2,052,648	33,017
a	Fees for services (non-employees)				
	Management . . . . .	753,243		753,243	
b	Legal . . . . .	406,879		406,879	
c	Accounting . . . . .				
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .				
g	Other . . . . .	35,685,753	31,415,518	4,226,774	43,461
12	Advertising and promotion . . . . .	1,458,785	1,269,942	188,253	590
13	Office expenses . . . . .	23,119,606	20,091,444	2,978,305	49,857
14	Information technology . . . . .	27,496,487	23,946,691	3,549,796	
15	Royalties . . . . .				
16	Occupancy . . . . .	11,523,674	10,946,348	576,124	1,202
17	Travel . . . . .	1,470,062	1,277,420	189,361	3,281
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	160,754	140,001	20,753	
20	Interest . . . . .	7,424,757	7,424,757		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	33,274,351	31,610,577	1,663,715	59
23	Insurance . . . . .	3,842,731	3,650,594	192,137	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	MEDICAL SUPPLIES	113,834,587	108,133,990	5,691,263	9,334
b	BAD DEBT	26,304,010	26,304,010		
c	INTERCO PURCHASED SVCS	21,826,806	19,008,965	2,817,841	
d	CONTRACT LABOR	16,208,288	14,115,798	2,092,490	
e	UNRELATED BUSINESS TAX	125,000		125,000	
f	All other expenses	17,993,439	15,644,236	2,319,062	30,141
25	Total functional expenses. Add lines 1 through 24f	632,089,296	565,999,242	65,315,148	774,906
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) 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 . . . . .			10,051,439	1	10,534,564
	2	Savings and temporary cash investments . . . . .			114,812	2	140,450
	3	Pledges and grants receivable, net . . . . .			26,225	3	103
	4	Accounts receivable, net . . . . .			71,564,672	4	76,226,060
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			6,072	5	1,108
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L . . . . .				6	
	7	Notes and loans receivable, net . . . . .			2,352,573	7	2,550,376
	8	Inventories for sale or use . . . . .			15,275,133	8	14,719,435
	9	Prepaid expenses and deferred charges . . . . .			1,776,105	9	1,324,122
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	515,636,531			
	b	Less: accumulated depreciation . . . . .	10b	352,407,651	156,169,988	10c	163,228,880
	11	Investments—publicly traded securities . . . . .			185,989,404	11	148,017,953
	12	Investments—other securities. See Part IV, line 11 . . . . .			89,296,859	12	159,896,944
	13	Investments—program-related. See Part IV, line 11 . . . . .				13	
	14	Intangible assets . . . . .			1,156,680	14	
	15	Other assets. See Part IV, line 11 . . . . .			187,580,681	15	209,015,792
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			721,360,643	16	785,655,787
Liabilities	17	Accounts payable and accrued expenses . . . . .			56,490,192	17	61,333,329
	18	Grants payable . . . . .				18	
	19	Deferred revenue . . . . .			127,592	19	260,654
	20	Tax-exempt bond liabilities . . . . .				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .				22	
	23	Secured mortgages and notes payable to unrelated third parties . . . . .				23	
	24	Unsecured notes and loans payable to unrelated third parties . . . . .				24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .			217,556,775	25	224,801,972
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			274,174,559	26	286,395,955
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	27	Unrestricted net assets . . . . .			446,838,183	27	499,098,319
	28	Temporarily restricted net assets . . . . .			322,901	28	136,513
	29	Permanently restricted net assets . . . . .			25,000	29	25,000
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	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	<b>Total net assets or fund balances</b> . . . . .			447,186,084	33	499,259,832
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .			721,360,643	34	785,655,787

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	649,697,669
2	Total expenses (must equal Part IX, column (A), line 25)	2	632,089,296
3	Revenue less expenses Subtract line 2 from line 1	3	17,608,373
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	447,186,084
5	Other changes in net assets or fund balances (explain in Schedule O)	5	34,465,375
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	499,259,832

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		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 separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization MERCY HEALTH SERVICES - IOWA CORP	Employer identification number 31-1373080
---	--

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 described in **section 170(b)(1)(A)(i).**
- 2

☐

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

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 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 Sections 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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. 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—2009. 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—2010. 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—2009. 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 IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 section501(c)(3) organization, check this box and <b>stop here</b> 						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. 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 <b>stop here</b> . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. 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 <b>stop here</b> . 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

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Additional Data

Software ID:  
Software Version:  
EIN: 31-1373080  
Name: MERCY HEALTH SERVICES - IOWA CORP

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOSEPH SWEDISH TRINITY PRES & CEO	5 00	X		X				0	2,853,932	791,453
MARY MOLLISON CSA CHAIR	2 00	X		X				0	0	0
MELANIE DREHER VICE CHAIR	2 00	X		X				0	25,000	0
SUZANNE BRENNAN CSC TRUSTEE	2 00	X						0	0	0
ROBERT LADENBURGER TRUSTEE	2 00	X						0	22,000	0
PAUL NEUMANN SECRETARY, TRIN SVP & GEN COUNSEL	5 00			X				0	686,026	82,938
AGNES HAGERTY ASST SEC/MANAGING CSL TRINITY HEALTH	2 00			X				0	418,922	50,773
JAMES BOSSCHER TREAS THRU 12/10,ASST TRS 1/11, SVP	2 00			X				0	558,096	98,578
BENJAMIN CARTER TREAS AS OF 1/11, SVP & CFO	5 00			X				0	574,987	73,155
MARIANNE CUNNINGHAM ASST TREAS UNTIL 12/10, TH DIR DEBT	2 00			X				0	161,043	29,898
KEDRICK ADKINS TRINITY PRES INTEGRATED SVCS	5 00				X			0	1,160,870	198,248
MICHAEL SLUBOWSKI TRIN PRES HOSP&HLTH NTWKS TIL 12/10	5 00				X			0	1,153,164	271,732
MICHAEL MURPHY TRINITY HLTH EVP HEALTH NETWORKS	5 00				X			0	539,823	68,542
RICHARD O'CONNELL TRINITY COO-HOSPITAL NETWORKS	5 00				X			0	761,373	137,960
JAMES FITZPATRICK CEO-MASON CITY (MC)	50 00				X			0	584,600	105,129
RUSSELL KNIGHT CEO-DUBUQUE (DUB)	50 00				X			0	459,209	91,619
ROBERT PEEBLES CEO-SIOUX CITY (SC)	50 00				X			0	471,772	26,049
MARY EBELING VP, PAT SERVICES (MC)	50 00				X			0	224,390	74,332
DIANE FISCHELS VP OPERATIONS (MC)	50 00				X			0	237,015	53,387
F SCOTT LEIGHTY COO-MASON CITY (MC)	50 00				X			0	313,247	30,483
PAUL MANTERNACH SVP, PHYS INTEG (MC)	50 00				X			0	349,056	39,391
TERESA MOCK SVP MERCY CLINICS (MC)	50 00				X			297,968	0	86,424
RODNEY SCHLADER CFO, VP FISCAL SVCS (MC)	50 00				X			0	277,975	51,662
BERNARD FOX VP PROF & SUPP SVCS (DUB)	50 00				X			0	186,432	48,477
GARY GUETZKO VP BUS DEV (DUB)	50 00				X			0	226,952	53,412

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			
KAY TAKES VP, PATIENT CARE (DUB)	50 00				X			0	200,839	36,771
MARILYN KAPTAIN-DAHLEN COO-SIOUX CITY (SC)	50 00				X			0	288,123	80,541
STEVEN EAVENSON TATUM LLC INTERIM CFO (SC) UNTIL 3/11, CFO	50 00				X			453,600	0	0
LINDA KREI VP, HR & ORG INTG (SC)	50 00				X			0	212,355	42,325
LARRY SELLERS CMO-SIOUX CITY (SC)	50 00				X			0	422,873	67,062
JAMES KARKOS PHYSICIAN, DERMATOLOGY	50 00					X		612,002	0	112,645
ALIREZA YARAHMADI PHYSICIAN, NEUROLOGY	50 00					X		607,700	0	64,156
PHILLIP ALSCHER PHYSICIAN, NEPHROLOGY	50 00					X		603,396	0	104,636
CARL PLANK PHYSICIAN, DERMATOLOGY	50 00					X		581,802	0	138,454
ARVIND PERATHUR PHYSICIAN, INTERNAL MED	50 00					X		527,731	0	87,302
DANIEL HALE FORMER OFFICER	5 00						X	0	789,942	220,882
PAUL DOUGHERTY FORMER KEY EMPLOYEE	0 00						X	0	343,327	28,504
PAUL BROWNE FORMER KEY EMPLOYEE	5 00						X	0	699,671	107,716
DEBRA CANALES FORMER KEY EMPLOYEE	5 00						X	0	720,373	92,327
VELOIS BOWERS FORMER KEY EMPLOYEE	5 00						X	0	360,170	11,408
PAUL CONLON FORMER KEY EMPLOYEE	5 00						X	0	408,070	103,830
LOUIS FIERENS FORMER KEY EMPLOYEE	5 00						X	0	484,981	58,236
PRESTON GEE FORMER KEY EMPLOYEE	5 00						X	0	490,180	75,992
MICHAEL HOLPER FORMER KEY EMPLOYEE	5 00						X	0	386,168	59,654
TERRENCE O'ROURKE FORMER KEY EMPLOYEE	5 00						X	0	812,420	59,048
MARIA SZYMANSKI FORMER KEY EMPLOYEE	5 00						X	0	601,911	161,699
SCOTT E WELLS FORMER KEY EMPLOYEE	0 00						X	0	157,538	37,250
DOUGLAS MORSE FORMER KEY EMPLOYEE	0 00						X	0	153,491	18,248
KIM PRICE FORMER KEY EMPLOYEE	0 00						X	0	107,516	31,839
ROBERT SHAFER KEY EMP (NOT IN TOP 20)	50 00						X	0	186,208	74,359

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

2010

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, 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, Part V, line 35a (Proxy Tax), then

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

Name of the organization MERCY HEALTH SERVICES - IOWA CORP	Employer identification number 31-1373080
---	--

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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☒

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?	Yes		
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?	Yes		
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		88,915
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		45,540
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		1,545
j	Total lines 1c through 1i			136,000
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	LOBBYING ACTIVITY INCLUDED ENCOURAGING ASSOCIATES TO WRITE LETTERS TO PUBLIC OFFICIALS AND THE USE OF PAID STAFF MEMBERS AND MANAGEMENT PERSONNEL. MANAGEMENT PERSONNEL REGULARLY ISSUE MAILINGS TO LEGISLATORS ATTEMPTING TO INFLUENCE LEGISLATIVE MATTERS AND REFERENDUM, AND ORGANIZE AND HOST MEETINGS AMONG HOSPITAL EXECUTIVES AND THEIR LEGISLATORS. PAID STAFF MEMBERS HAVE ON LIMITED OCCASIONS WRITTEN LETTERS TO LEGISLATORS. MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA) HAS MADE GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES IN THE FORM OF MEMBERSHIP DUES PAID TO REGIONAL AND NATIONAL HEALTH CARE ORGANIZATIONS. THESE ORGANIZATIONS HAVE PROVIDED MHS-IA WITH AN ESTIMATED PERCENTAGE OF DUES PAYMENTS THAT ARE USED FOR LOBBYING ACTIVITIES. SIMILARLY, THESE HEALTH CARE ORGANIZATIONS WILL ARRANGE CONFERENCES AND SEMINARS FOR MEMBER ORGANIZATIONS AND THEIR EXECUTIVES THAT WILL INVOLVE LEGISLATORS OR OTHER POLITICAL FIGURES AS GUEST SPEAKERS. FEDERAL AND STATE ADVOCACY PRIORITIES FOR FY11 INCLUDED: (1) SECURE COVERAGE AND ACCESS FOR ALL; (2) ACHIEVE COORDINATED CARE; PROMOTE SAFE, HIGH-QUALITY COORDINATED CARE ACROSS THE HEALTH CARE CONTINUUM; (3) ACHIEVE HIGH-VALUE CARE, INCLUDING: - ADVOCATE FOR MEDICARE AND MEDICAID SAVINGS THROUGH PAYMENT AND DELIVERY REDESIGN; - REFORM MEDICARE TO INCLUDE SUSTAINABLE SOLUTIONS TO ADDRESS GEOGRAPHIC PAYMENT DISPARITIES; - SECURE ADEQUATE FUNDING FOR IMPLEMENTATION OF HEALTH CARE REFORM RULES; - ENCOURAGE USE OF SAFETY/QUALITY MEASUREMENTS; - PROMOTE IDEAS TO REDUCE HEALTH CARE COSTS. LOBBYING ACTIVITY PERFORMED BY MERCY HEALTH SERVICES-IOWA, CORP INCLUDED: - AN "ADVOCACY ACTION" WEBSITE TO ENGAGE ASSOCIATES IN FEDERAL ADVOCACY; - DESIGNATE AN ADVOCACY LIAISON; - ENGAGEMENT OF A LOBBYIST IN WASHINGTON, D.C. BY TRINITY HEALTH CORPORATION; - LEGISLATOR VISITS; - COLLABORATION WITH THE CATHOLIC HOSPITAL ASSOCIATION (CHA), AND THE AMERICAN HOSPITAL ASSOCIATION (AHA); - GRANTS FOR LOBBYING PURPOSES IN THE FORM OF MEMBERSHIP DUES PAID TO HEALTHCARE ORGANIZATIONS; - ADVOCACY ACTION DAYS. ADVOCACY ACTION DAYS WERE HELD IN MARCH 2011 IN WASHINGTON, D.C. OVER 50 MEETINGS WERE HELD WITH MEMBERS OF THE HOUSE AND SENATE DELIVERING A MESSAGE ABOUT TRANSFORMING AMERICA'S HEALTH. PARTICIPANTS INCLUDED TRINITY HEALTH EXECUTIVES, MINISTRY ORGANIZATION CEO'S, INCLUDING CEO'S OF THE MERCY HEALTH SERVICES - IOWA, CORP. HOSPITALS, LOCAL BOARD MEMBERS AND ADVOCACY LEADERS. THE FOCUS OF THE MEETINGS WAS TO DISCUSS WHAT POLICYMAKERS CAN AND SHOULD DO TO ACHIEVE THE TRINITY HEALTH VISION OF AN ALL-INCLUSIVE, NATIONAL AFFORDABLE HEALTH CARE SYSTEM THAT DELIVERS HIGH VALUE AND CLINICAL EXCELLENCE ACROSS THE CONTINUUM OF CARE.

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

2010

Open to Public  
Inspection

**Name of the organization**  
MERCY HEALTH SERVICES - IOWA CORP

**Employer identification number**  
  
31-1373080

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	

Part II

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

1

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

☐ 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
2a	
2b	
2c	
2d	

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, 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

	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 . . . . .	25,000	25,000	25,000	
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 . . . . .	25,000	25,000	25,000	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

3a(i)

Yes

(ii)

related organizations . . . . .

3a(ii)

Yes

b

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

3b

Yes

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 . . . . .		10,460,234		10,460,234
b Buildings . . . . .		294,802,420	197,892,560	96,909,860
c Leasehold improvements . . . . .				
d Equipment . . . . .		196,811,003	154,204,540	42,606,463
e Other . . . . .		13,562,874	310,551	13,252,323
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				163,228,880

Schedule D (Form 990) 2010





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
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ENDOWMENT FUNDS OF MERCY HEALTH SERVICES - IOWA, CORP. INCLUDE \$25,000 KNOWN AS THE VIANNA HOLSCHLAG SCHOLARSHIP FUND. INTEREST INCOME FROM THE FUND IS MADE AVAILABLE FOR NURSING SCHOLARSHIPS.

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . . 						

**For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.** Cat No 50083H **Schedule G (Form 990 or 990-EZ) 2010**

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>GALA</u> (event type)	<u>FESTIVAL OF TREES</u> (event type)	<u>1</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts . . . .	135,504	65,024	25,185
	2	Less Charitable contributions . . . .	17,000	2,300	
	3	Gross income (line 1 minus line 2) . . . .	118,504	62,724	25,185
Direct Expenses	4	Cash prizes . . . .		1,250	1,250
	5	Non-cash prizes . . . .			
	6	Rent/facility costs . . . .	6,300	325	6,625
	7	Food and beverages . . . .			
	8	Entertainment . . . .			
	9	Other direct expenses . . . .	23,878	23,107	5,651
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶			60,511
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ▶			145,902

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

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

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . . ☐ Yes ☐ No

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . ☐ Yes ☐ No

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a

The organization's facility

13a

b

An outside facility

13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_

c

If "Yes," enter name and address

Name ▶ \_\_\_\_\_

Address ▶ \_\_\_\_\_

16 Gaming manager information

Name ▶ \_\_\_\_\_

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ \_\_\_\_\_

☐ Director/officer      ☐ Employee      ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	Yes	
1b	If "Yes," is it a written policy? . . . . .	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year  <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year  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 FPG family income limit for eligibility for free care  <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %  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 . . . . .  <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %  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 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .	Yes	
5c	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? . . . . .		No
6a	Does the organization prepare a community benefit report during the tax year? . . . . .	Yes	
6b	If "Yes," did the organization make it available to the public? . . . . .  Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance 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 Financial Assistance at cost (from Worksheets 1 and 2)	5	16,905	13,821,380		13,821,380	2 280 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	41	41,123	41,910,570	35,326,977	6,583,593	1 090 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs . . . . .	46	58,028	55,731,950	35,326,977	20,404,973	3 370 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	71	255,766	4,056,987	272,485	3,784,502	0 620 %
f Health professions education (from Worksheet 5)	18	21,541	6,882,172	3,215,652	3,666,520	0 610 %
g Subsidized health services (from Worksheet 6)	29	76,329	18,097,309	12,109,862	5,987,447	0 990 %
h Research (from Worksheet 7)	3	882	248,042		248,042	0 040 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	29	104,052	1,320,311	166,928	1,153,383	0 190 %
j Total Other Benefits . . . . .	150	458,570	30,604,821	15,764,927	14,839,894	2 450 %
k Total. Add lines 7d and 7j . . . . .	196	516,598	86,336,771	51,091,904	35,244,867	5 820 %

Part IICommunity Building Activities

during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(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	1	414	71,437		71,437	0 010 %
2Economic development	7	628	20,180		20,180	0 %
3Community support	4	249	28,458		28,458	0 %
4Environmental improvements	1	145	473		473	0 %
5Leadership development and training for community members			0			
6Coalition building	1		670,459	5,798	664,661	0 110 %
7Community health improvement advocacy	1		45,973		45,973	0 010 %
8Workforce development	3	62	178,886		178,886	0 030 %
9Other			0			
10Total	18	1,498	1,015,866	5,798	1,010,068	0 160 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1		No
2	Enter the amount of the organization's bad debt expense (at cost)	2	8,703,247	
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	1,645,782	
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 a portion of bad debt amounts as community benefit			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	206,779,797	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	202,204,364	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	4,575,433	
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 type="checkbox"/> Cost accounting system	<input checked="" 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	
b	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 %
1 1 DUBUQUE REGIONAL AMBULATORY SURGICAL CENTER LLC	AMBULATORY SURGICAL SERVICES	50 000 %		50 000 %
2 2 MEDICAL ASSOCIATESMERCY FAMILY CARE NETWORK LLC	PRIMARY CARE PHYSICIAN SERVICES	50 000 %		50 000 %
3 3 TRI-STATE OCCUPATIONAL HEALTH LLC	OCCUPATIONAL HEALTH SERVICES	50 000 %		50 000 %
4 4 FOREST PARK IMAGING LLC	IMAGING SERVICES	52 890 %		47 110 %
5 5 MAGNETIC RESONANCE SERVICES PARTNERSHIP	MRI SERVICES	49 000 %		51 000 %
6 6 MASON CITY AMBULATORY SURGERY CENTER LLC	AMBULATORY SURGICAL SERVICES	51 000 %		49 000 %
7 7 MERCY HEART CENTER OUTPATIENT SERVICES LLC	OUTPATIENT ECHOCARDIOGRAPHY AND NUCLEAR MEDICINE SERVICES	51 000 %		49 000 %
8 8 SURGICAL CENTER BUILDING ASSOCIATES LLC	OWNS AND LEASES SURGICAL CENTER BUILDING	35 000 %		65 000 %
9 9 SIOUXLAND SURGERY CENTER	AMBULATORY SURGICAL SERVICES	31 290 %		68 710 %
1010 MERCY WEIGHT LOSS CENTER LLC	PRE-OP AND POST-OP COUNSELING SERVICES TO BARIATRIC PATIENTS	25 000 %		75 000 %
11				
12				
13				

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 6

Name and address		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	MERCY MEDICAL CENTER-NORTH IOWA 1000 FOURTH STREET SW MASON CITY,IA 50401	X	X		X		X	X		
2	MERCY MEDICAL CENTER-SIOUX CITY 801 FIFTH STREET SIOUX CITY,IA 51102	X	X					X		EMPLOYED PHYSICIANS, SKILLED CARE UNIT
3	MERCY MEDICAL CENTER - DUBUQUE 250 MERCY DRIVE DUBUQUE,IA 52001	X	X					X		REHAB,LAB,PHARM, X-RAY,HOME CARE
4	SIOUXLAND SURGERY CENTER 600 SIOUX POINT ROAD DAKOTA DUNES,SD 57049	X	X							
5	MERCY MEDICAL CENTER-NEW HAMPTON 308 NORTH MAPLE AVE NEW HAMPTON,IA 50659	X				X		X		EMPLOYED PHYSICIANS
6	MERCY MEDICAL CENTER - DYERSVILLE 1111 THIRD STREET SW DYERSVILLE,IA 52040	X	X			X		X		REHAB,LAB,PHARM, X-RAY,HOME CARE



Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 15

Name and address	Type of Facility (Describe)
1 See Additional Data Table	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 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 financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities 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 )
- 6
- Affiliated health care system.** 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
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 6A MERCY HEALTH SERVICES-IOWA REPORTS ITS COMMUNITY BENEFIT INFORMATION AS PART OF THE CONSOLIDATED COMMUNITY BENEFIT INFORMATION REPORTED BY TRINITY HEALTH IN ITS ANNUAL REPORT, AVAILABLE AT WWW.TRINITY-HEALTH.ORG IN ADDITION, THE HOSPITAL DIVISIONS OF MERCY HEALTH SERVICES-IOWA (MHS-IA) INCLUDE A COPY OF THEIR MOST RECENT SCHEDULE H ON THEIR RESPECTIVE WEBSITES. TRINITY HEALTH ALSO INCLUDES MHS-IA'S MOST RECENTLY FILED SCHEDULE H ON ITS WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN ITEM 7 FOR CERTAIN CATEGORIES, PRIMARILY TOTAL CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS, SPECIFIC COST-TO-CHARGE RATIOS WERE CALCULATED AND APPLIED TO THOSE CATEGORIES THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES IN OTHER CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM THE HOSPITALS' COST ACCOUNTING SYSTEMS

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE FOLLOWING NUMBER, \$26,304,010, REPRESENTS THE AMOUNT OF BAD DEBT EXPENSE INCLUDED IN TOTAL FUNCTIONAL EXPENSES IN FORM 990, PART IX, LINE 25 PER IRS INSTRUCTIONS, THIS AMOUNT WAS EXCLUDED FROM THE DENOMINATOR WHEN CALCULATING THE PERCENT OF TOTAL EXPENSE FOR SCHEDULE H, PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		<p>PART II COMMUNITY BUILDING ACTIVITIES -MERCY MEDICAL CENTER- SIOUX CITYMERCY MEDICAL CENT ER GIFTED/SOLD PROPERTY IN THE DOWNTOWN AREA TO A LOCAL FOUNDATION FOR USE AS A PUBLIC SPI RITUAL GARDEN/GREEN SPACE THE LOCATION IS NEXT TO THE DOWNTOWN PRESBYTERIAN CHURCH THE D OWNTOWN PARTNERS AND THE LOCAL CHURCH BELIEVE THE PROPERTY WILL BENEFIT THE COMMUNITY DON ATION OF THE PROPERTY IS VALUED \$200,000 BELOW INVESTMENT MERCY MEDICAL CENTER-SIOUX CITY STAFF IS ALSO INVOLVED IN THE NW IOWA AMERICAN HEART TASK FORCE, SIOUXLAND INFECTIOUS DIS EASE COMMITTEE, TRI-STATE DISASTER COMMITTEE, IOWA DISASTER MEDICAL ASSISTANCE TEAM, EMERG ENCY CONFERENCE COMMITTEE (MERCY COMMITTEE), MERCY EMERGENCY PLANNING COMMITTEE AND HEALTH RESOURCE SERVICE ADMINISTRATION (HRSA) MERCY IS WORKING WITH THE MIDTOWN COMMUNITY CENTER AND AMERICORPS WORKERS ON BENEFITS ENROLLMENT OF LOCAL RESIDENTS OFF SITE (AT A NON HEALT H CARE SITE) THE AMERICORPS WORKERS ARE FAMILIAR WITH PEOPLE IN THE AREA AND THE ENVIRONM ENT IS LESS INTIMIDATING/ OVERWHELMING THAN THE HOSPITAL ENVIRONMENT IT IS BELIEVED THAT MANY PATIENTS IN THE LOCAL NEIGHBORHOOD QUALIFY FOR BENEFITS, BUT ARE NOT ENROLLING IN PRO GRAMS THIS LEADS TO INABILITY TO PAY, AND LACK OF ACCESS TO PRIMARY AND PREVENTATIVE HEAL TH CARE MERCY PROVIDED A TOTAL OF 300 COMPUTERS TO MARY TREGLIA COMMUNITY HOUSE AND THE M IDTOWN COMMUNITY CENTER LOCAL COLLEGES WILL PROVIDE SOFTWARE UPDATES AND EDUCATION TO RES IDENTS IN THE 51103 AND 51105 ZIP CODES ACCESS TO INTERNET SERVICES (FOR HELP WITH HEALTH INFORMATION, OTHER EDUCATION AND EMPLOYMENT) IS BEING EXPLORED WITH THE CITY OF SIOUX CIT Y MERCY MEDICAL CENTER-NORTH IOWACOMMUNITY BASED CLINICAL SERVICES WITH THE ENTIRE STATE BEING UNDERSERVED BY MENTAL HEALTH SERVICES, MERCY'S BEHAVIORAL SERVICES IS PLEASED TO COL LABORATE WITH CERRO GORDO AND MITCHELL COUNTY SCHOOL SYSTEMS AS WELL AS THE MENTAL HEALTH CENTER OF NORTH IOWA AND PRAIRIE RIDGE ADDICTION AND TREATMENT SERVICES TO ASSESS ADOLESCE NTS IN SCHOOL SETTINGS FOR DEPRESSION THE TEENS THEN RECEIVE APPROPRIATE INTERVENTIONS M ERCY'S BEHAVIORAL SERVICES IS ALSO ACTIVE IN THE AREA YOUTH TASK FORCE COALITION BUILDING THE BUILDING AND CONTINUED OPERATION OF THE YMCA &amp; REHABILITATION CENTER WAS IN RESPONSE TO AN IDENTIFIED COMMUNITY HEALTH NEED THE NORTHERN CLIMATE ONLY UNDERSCORES THE IMPORTAN CE FOR PROVIDING THE ONLY YEAR-ROUND OVERALL EXERCISE, FITNESS, WELLNESS PROGRAMS, AND AQU ATIC REHAB FACILITY IN NORTH IOWA THAT IS OPEN TO CHILDREN OF ALL AGES IN ADDITION TO REG ULAR PROGRAMMING, THE YMCA CONDUCTS A VARIETY OF PROGRAMS AND ACTIVITIES THAT ARE FREE AND /OR SUBSIDIZED MERCY MEDICAL CENTER-NORTH IOWA AND THE YMCA PARTICIPATE IN A JOINT VENTUR E THAT OWNS THE LAND, CONSTRUCTED THE FACILITY, AND ENABLES THE ONGOING OPERATION OF SUCH WORKFORCE DEVELOPMENT NORTH IOWA IS NOT ALWAYS THE PREFERRED LOCATION OF CHOICE FOR MEDI CAL PROFESSIONALS FOR THIS REASON, MERCY MEDICAL CENTER-NORTH IOWA ACTIVELY RECRUITS PHYS ICIANS IN AN EFFORT TO PROMOTE ACCESSIBLE HEALTH CARE TO THE RESIDENTS OF THE COMMUNITIES WE SERVE THAT HAVE BEEN DESIGNATED AS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) AND/OR ME DICALLY UNDERSERVED AREA (MUA) THESE EFFORTS SUPPORT THE COMMUNITIES BY PROVIDING EXPERTI SE AND HEALTHCARE SERVICES, AND AS A CLAUSE IN THEIR CONTRACT STATES, SPECIAL CARE FOR IND IGEN T AND UNDERSERVED POPULATIONS AS THE LARGEST EMPLOYER IN OUR 14-COUNTY AREA, MERCY ME DICAL CENTER-NORTH IOWA TAKES ITS CIVIC RESPONSIBILITY VERY SERIOUSLY THERE ARE OTHER END EAVORS IN WHICH MERCY PARTICIPATES TO IMPACT THE UPSTREAM HEALTH OF THE COMMUNITY IN WAYS THAT ARE NOT CURRENTLY ELIGIBLE FOR COMMUNITY BENEFIT REPORTING ONE EXAMPLE OF THIS IS OU R SIGNIFICANT FINANCIAL CONTRIBUTION TO THE NORTH IOWA CORRIDOR ECONOMIC DEVELOPMENT CORP TO STRENGTHEN THE ECONOMY OF OUR CATCHMENT COUNTIES, WHICH ENCOURAGES EMPLOYMENT OPPORTUN ITIES, WHICH ENHANCES HEALTH AND WELL-BEING ON MULTIPLE FRONTS MERCY MEDICAL CENTER- NEW HA MPTON (MMC-NH)AS ONE OF THE LARGEST EMPLOYERS IN THE AREA, MMC-NH TAKES ITS CIVIC RESPONSI BILITY VERY SERIOUSLY SUPPORT OF AND CONTRIBUTIONS TO COMMUNITY ORGANIZATIONS, EVENTS, AN D PROGRAMS, SUCH AS THE CHAMBER, HELP IMPROVE THE ECONOMY OF MMC-NH'S CATCHMENT COUNTIES BY PROMOTING ECONOMIC DEVELOPMENT, MMC-NH HELPS CREATE A COMMUNITY THAT CONTINUES TO BUILD ITSELF THROUGH THE LEADERS WHO WORK AND VOLUNTEER AT THE HOSPITAL ECONOMIC STABILITY IS INTRINSICALLY LINKED TO THE PREVENTION OF HEALTH PROBLEMS ASSOCIATED WITH POVERTY, HOMELES SNESS, AND ENVIRONMENTAL CHALLENGES, AND IS CRUCIAL IF THE COMMUNITY HOPES TO MAINTAIN A V IABLE HOSPITAL COMPLEX WITH A BROAD SPECTRUM OF ESSENTIAL SERVICES IN ADDITION TO SUPPORT ING ECONOMIC DEVELOPMENT IN OUR REGION, MMC-NH ENCOURAGES ITS LEADERSHIP STAFF TO SUPPORT AND PROVIDE LEADERSHIP TO NON-PROFIT ORGANIZATIONS THROUGHOUT THE AREA FOLLOWING THE 9/11 ATTACKS AND HURRICANE KATRINA, THE U S GOVERNMENT PROVIDED GRANT MONEY TO HELP COMMUNITI ES BETTER PREPARE FOR DISASTER MMC-NH IS NOW PART</p>

Identifier	ReturnReference	Explanation
		<p>OF A MULTI-DISCIPLINARY GROUP, WHICH INCLUDES STATE, COUNTY, CITY EMPLOYEES, PUBLIC HEALTH, HOSPITALS AND PHYSICIANS, AND VOLUNTEERS THAT MEETS TO STRATEGIZE FOR A REAL DISASTER USING TABLETOP EVENTS AND SIMULATIONS IN ORDER TO CREATE AWARENESS OF THE OPPORTUNITIES IN HEALTH CARE IN RURAL IOWA, MMC-NH COLLABORATES WITH THE HIGH SCHOOL TO PROVIDE THE SERVICE TO BRING IN STUDENTS TO SHADOW A VARIETY OF HEALTH-RELATED OCCUPATIONS IN ORDER TO SPARK INTEREST IN CONSIDERING A HEALTH CARE CAREER MMC-NH ALSO IDENTIFIED A NEED FOR MEMBERS OF THE COMMUNITY TO MORE SAFELY DISPOSE OF THEIR SHARPS AND CONTAINERS THE HOSPITAL NOW COLLABORATES WITH PHARMACIES IN NEW HAMPTON TO COLLECT THE CONTAINERS MERCY MEDICAL CENTER-DUBUQUE MERCY MEDICAL CENTER-DUBUQUE, DURING ITS FISCAL YEAR ENDING JUNE 30, 2011, WAS ENGAGED IN THREE ACTIVITIES THAT WERE DOCUMENTED IN OUR COMMUNITY BENEFIT EXPENSES AS COMMUNITY BUILDING ACTIVITIES MERCY SUBSIDIZES THE WAGES OF SEVERAL DEVELOPMENTALLY DISABLED YOUNG ADULTS WHO WORK AT MERCY IN THE ENVIRONMENTAL SERVICES DEPARTMENT THIS PROGRAM IS IN PARTNERSHIP WITH GOODWILL INDUSTRIES THE PARTNERS IN EMPLOYMENT ALLIANCE PROGRAM CONTRIBUTES TO THE ECONOMIC DEVELOPMENT OF THE COMMUNITY, IN A SMALL BUT VERY MEANINGFUL WAY, BY PROVIDING AN OPPORTUNITY FOR SKILL BUILDING AND JOB READINESS TO PEOPLE WHO HAVE THE POTENTIAL TO BECOME PRODUCTIVE MEMBERS OF THE COMMUNITY MERCY OCCASIONALLY LENDS ITS EXPERTISE IN STRATEGIC PLANNING THROUGH FREE CONSULTING SERVICES TO OTHER COMMUNITY NOT-FOR-PROFIT ORGANIZATIONS THAT SHARE MERCY'S MISSION PRINCIPLES FINALLY, MERCY SUBSIDIZES, FULLY, OR PARTIALLY, THE FEES ASSOCIATED WITH ITS LIFELINE EMERGENCY RESPONSE SYSTEM FOR SENIORS AND HANDICAPPED INDIVIDUALS THE PROGRAM EXTENDS THE PERIOD OF TIME THAT AN INDIVIDUAL CAN CONTINUE LIVING AT HOME OR WITH MINIMUM DIRECT SUPERVISION, BY PROVIDING A RELIABLE MEANS OF EMERGENCY COMMUNICATION THIS IMPROVES THE COMMUNITY BY INCREASING THE NUMBER OF PEOPLE WHO ARE ABLE TO AGE IN THE LEAST RESTRICTIVE ENVIRONMENT</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 MERCY HEALTH SERVICES - IOWA, CORP IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH THE FOLLOWING IS THE TEXT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOOTNOTE FROM THOSE STATEMENTS "SUBSTANTIALLY ALL OF THE CORPORATION'S RECEIVABLES ARE RELATED TO PROVIDING HEALTHCARE SERVICES TO PATIENTS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR AMOUNTS THAT COULD BECOME UNCOLLECTIBLE IN THE FUTURE THE CORPORATION'S ESTIMATE FOR ITS ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS BY PAYOR "COSTING METHODOLOGY FOR LINES 2 AND 3 AMOUNTS ARE CALCULATED ON LINE 2 USING A COST TO CHARGE RATIO METHODOLOGY ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND ARE THUS NOT INCLUDED IN BAD DEBT EXPENSE AS A RESULT OF THE PAYMENT AND ADJUSTMENT ACTIVITY BEING POSTED TO BAD DEBT ACCOUNTS, WE ARE ABLE TO REPORT BAD DEBT EXPENSE NET OF THESE TRANSACTIONS THE AMOUNT ON LINE 3 WAS CALCULATED BASED ON THE INFORMATION SUPPLIED BY A THIRD PARTY VENDOR, H&amp;R COLLECTION AGENCY, WHO USES THE FASTAG PROGRAM WHICH IDENTIFIES FINANCIAL ASSISTANCE BASED ON A PROPRIETARY PROCESS FASTAG COMBINES ACCOUNT DATA, EXTERNAL INFORMATION AND THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY TO ARRIVE AT A DISCOUNT RECOMMENDATION FOR EACH ACCOUNT</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MERCY HEALTH SERVICES - IOWA, CORP DOES NOT BELIEVE ANY MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT THIS IS SIMILAR TO CHA RECOMMENDATIONS, WHICH STATE THAT SERVING MEDICARE PATIENTS IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTHCARE ORGANIZATIONS AND THAT THE EXISTING COMMUNITY BENEFIT FRAMEWORK ALLOWS COMMUNITY BENEFIT PROGRAMS THAT SERVE THE MEDICARE POPULATION TO BE COUNTED IN OTHER COMMUNITY BENEFIT CATEGORIES PART III, LINE 8 COSTING METHODOLOGY FOR LINE 6 - MEDICARE COSTS WERE OBTAINED FROM THE FILED MEDICARE COST REPORT THE COSTS ARE BASED ON MEDICARE ALLOWABLE COSTS AS REPORTED ON WORKSHEET B, COLUMN 27, WHICH EXCLUDE DIRECT MEDICAL EDUCATION COSTS INPATIENT MEDICARE COSTS ARE CALCULATED BASED ON A COMBINATION OF ALLOWABLE COST PER DAY TIMES MEDICARE DAYS FOR ROUTINE SERVICES AND COST TO CHARGE RATIO TIMES MEDICARE CHARGES FOR ANCILLARY SERVICES OUTPATIENT MEDICARE COSTS ARE CALCULATED BASED ON COST TO CHARGE RATIO TIMES MEDICARE CHARGES BY ANCILLARY DEPARTMENT



Identifier	ReturnReference	Explanation
		PART III, LINE 9B MERCY HEALTH SERVICES - IOWA, CORP'S COLLECTION POLICY CONTAINS THE CRITERIA FOR FINANCIAL ASSISTANCE, AND CONTAINS THE FOLLOWING VERBIAGE FOR ARRANGEMENTS WITH OUTSIDE COLLECTION AGENCIES THE AGREEMENT MUST DEFINE THE STANDARDS AND SCOPE OF PRACTICES TO BE USED BY OUTSIDE COLLECTION AGENTS ACTING ON BEHALF OF THE MINISTRY ORGANIZATION, ALL OF WHICH MUST BE IN COMPLIANCE WITH THIS POLICY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 NEEDS ASSESSMENT - MERCY HEALTH SERVICES-IOWA (MHS-IA) ASSESSES THE HEALTH NEEDS OF THE COMMUNITY THROUGH COMMUNITY NEEDS ASSESSMENTS EVERY THREE YEARS MHS-IA IS COMPRISED OF FOUR ENTITIES MERCY MEDICAL CENTER-DUBUQUE, MERCY MEDICAL CENTER-NEW HAMPTON, MERCY MEDICAL CENTER-NORTH IOWA AND MERCY MEDICAL CENTER-SIOUX CITY EACH MEDICAL CENTER COMPLETES ITS OWN NEEDS ASSESSMENT A COMMUNITY NEEDS ASSESSMENT IS A POINT-IN-TIME EFFORT TO MEASURE THE HEALTH AND WELL BEING OF THE COMMUNITY IT SERVES AS THE BASIS FOR MERCY HEALTH SERVICES - IOWA'S STRATEGIC AND SUBSEQUENT ACTION PLANNING TO DEVELOP HEALTH POLICY, ALLOCATE RESOURCES, IMPROVE OR EXPAND EXISTING SERVICES, IMPLEMENT NEW PROGRAMS AND COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS A COMMUNITY NEEDS ASSESSMENT ALSO SERVES AS A BENCHMARK FOR FUTURE ASSESSMENT OF RELATIVE PROGRESS TOWARD ESTABLISHED COMMUNITY HEALTH OBJECTIVES MERCY HEALTH SERVICES - IOWA'S COMMUNITY NEEDS ASSESSMENT PROVIDES THE OPPORTUNITY TO - GAIN INSIGHTS INTO THE NEEDS AND ASSETS OF THE COMMUNITIES SERVED - IDENTIFY AND ADDRESS THE NEEDS OF VULNERABLE POPULATIONS WITHIN THE COMMUNITY- ENHANCE HOSPITAL/COMMUNITY RELATIONSHIPS AND THE OPPORTUNITY FOR COLLABORATIVE COMMUNITY ACTION, INCLUDING INVOLVEMENT WITH COALITIONS, PARTNERSHIPS, BOARDS, COMMITTEES, COMMISSIONS, ADVISORY GROUPS AND PANELS- PROVIDE THE INFORMATION REQUIRED FOR COMMUNITY OUTREACH PLANNINGTHE MERCY HEALTH SERVICES-IOWA COMMUNITY NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC )AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES THE MERCY HEALTH SERVICES-IOWA COMMUNITY NEEDS ASSESSMENTS ARE CURRENT AS OF 2010 FOR NORTH IOWA AND NEW HAMPTON, 2009 FOR SIOUX CITY AND TO BE COMPLETED AND PUBLISHED FOR DUBUQUE IN 2011 THE MERCY MEDICAL CENTER-NORTH IOWA COMMUNITY HEALTH CARE NEEDS ASSESSMENT INCLUDES ACTION PLANS TO ADDRESS IDENTIFIED COMMUNITY NEEDS HAVE BEEN DEVELOPED THROUGH JUNE 2013 THE ASSESSMENT COVERED THE 14-COUNTY SERVICE AREA OF MERCY-NORTH IOWA THERE CONTINUES TO BE COORDINATION WITH CERRO GORDO PUBLIC HEALTH, NORTH IOWA COMMUNITY ACTION ORGANIZATION AND THE NORTH CENTRAL IOWA REGIONAL PLANNING COALITION, COMPRISED OF OTHER NOT-FOR-PROFIT AND GOVERNMENTAL AGENCIES AND ORGANIZATIONS REPRESENTING 14 NORTH IOWA COUNTIES BUTLER, CERRO GORDO, CHICKASAW, FLOYD, FRANKLIN, HANCOCK, HARDIN, HOWARD, KOSSUTH, MITCHELL, PALO ALTO, WINNEBAGO, WORTH, AND WRIGHT OUTSIDE REFERENCES SUCH AS THE DHS REPORT "HEALTHY PEOPLE 2020" AND IOWA DEPARTMENT OF PUBLIC HEALTH'S "PUBLIC HEALTH DATA WAREHOUSE" AS WELL AS OTHER RELEVANT RESOURCES SUCH AS UNIVERSITY OF IOWA'S "2009 IOWA HEALTH FACT BOOK" WERE REFERENCED TECHNICAL ASSISTANCE WAS PROVIDED BY A DES MOINES-BASED CONSULTING AND SERVICE FIRM THE MERCY MEDICAL CENTER-DUBUQUE COMMUNITY HEALTH NEEDS ASSESSMENT WAS UNDERWAY IN FY 2011 THE COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED AS PART OF A COUNTY-WIDE HEALTH CARE ASSESSMENT PROCESS MANDATED FOR ALL COUNTIES BY THE STATE OF IOWA PARTNERS INCLUDE LOCAL HOSPITALS, COMMUNITY AGENCIES, SOCIAL SERVICES, AND LOCAL BUSINESSES MORE THAN 50 INDIVIDUALS MET IN SIX SEPARATE SUBCOMMITTEES TO EVALUATE NEEDS AND IDENTIFY STRATEGIES IN SIX CATEGORIES PROMOTING HEALTHY BEHAVIORS, INJURY PREVENTION, PROTECT AGAINST ENVIRONMENTAL HAZARDS, PREPARE FOR, RESPOND TO AND RECOVER FROM PUBLIC HEALTH EMERGENCIES, PREVENT EPIDEMICS AND THE SPREAD OF DISEASE, AND STRENGTHEN PUBLIC HEALTH INFRASTRUCTURE RESPONSIBILITY FOR COMPLETING VARIOUS ASPECTS OF THE HEALTH IMPROVEMENT PLAN ASSOCIATED WITH THIS HEALTH NEEDS ASSESSMENT ARE SHARED BY THE DUBUQUE COUNTY BOARD OF HEALTH AND LOCAL HOSPITALS, COMMUNITY AGENCIES, SOCIAL SERVICES, AND LOCAL BUSINESSES SOME ADDITIONAL OBJECTIVES WILL BE CONSIDERED AND ADDED BY MERCY'S COMMUNITY BENEFITS MINISTRY GRANT FUND COMMITTEE BEFORE THE PLAN IS FINALIZED IN FY 2012 THE MERCY MEDICAL CENTER-SIOUX CITY COMMUNITY NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC )AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - MERCY HEALTH SERVICES-I OWA IS COMMITTED TO - PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIG NITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED IN OUR COMMUNITIES- CARING FOR ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES- ASSISTIN G PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE - BALANCING NEEDED FINA NCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAI N VIABILITY AND PROVIDE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITYIN ACCORDANCE WITH AHA RECOMMENDATIONS, MERCY HEALTH SERVICES-IOWA HAS ADOPTED THE FOLLOWING GUIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPO RT FUNCTIONS FOR OUR PATIENTS - PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FIN ANCIAL SUPPORT PROGRAMS- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS- IMPLEMENT POLICIES FOR ASSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER- IMPLEMENT FAIR AND CON SISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONS MERCY HEALTH SERVICES-IOWA COMMUNICATES EFFECTIVELY WITH PATIENTS REGARDING PATIENT PAYMEN T OBLIGATIONS FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATION S AND HOSPITAL BILLS INFORMATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNA L PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PR E-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEK ING FINANCIAL ASSISTANCE EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE HOWEVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE M ERCY MEDICAL CENTER-SIOUX CITYMERCY MEDICAL CENTER-SIOUX CITY NOT ONLY COMMUNICATES FINANC IAL ASSISTANCE POLICIES VIA TRADITIONAL CHANNELS (REGISTRATION, AND BILLING), THE ORGANIZA TION SHARES ITS FINANCIAL ASSISTANCE POLICY WITH OTHER SERVICE AGENCIES AND NOT-FOR PROFIT ORGANIZATIONS FOR EXAMPLE, THROUGH THE MISSION HEALTH PROGRAM, A COLLABORATION BETWEEN T HE SIOUXLAND COMMUNITY HEALTH CENTER AND MERCY AND ST LUKE'S HOSPITALS, MERCY MEDICAL CENT ER-SIOUX CITY REACHES OUT TO CHURCHES AND SCHOOLS TO FIND THOSE WHO MAY BE IN NEED OF FIN ANCIAL ASSISTANCE PARTICIPANTS ARE PRE-QUALIFIED FOR FINANCIAL ASSISTANCE AT BOTH LOCAL H OSPITALS, AND ARE INVITED TO CHOOSE A MEDICAL HOME THE MISSION HEALTH PROGRAM HAS OVER 14 00 ENROLLED PATIENTS, ALL OF WHOM HAVE A BETTER UNDERSTANDING AND REDUCED ANXIETY CONCERNI NG FINANCIAL OBLIGATIONS AND ASSISTANCE IF HOSPITALIZATION IS NEEDED EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE HOW EVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S ST AY AFTER STABILIZATION OR COLLECTION CYCLE FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS T O HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY HELP THEM OBTAIN AND PAY FOR HEALTHCARE SERVICES MERCY MEDICAL CENTER-SIOUX CITY SOCI AL WORKERS PROVIDE ASSISTANCE AND COUNSELING REGARDING FINANCIAL ASSISTANCE OPPORTUNITIES WITHIN THE ORGANIZATION, AND REFER PATIENTS AND FAMILIES TO APPROPRIATE AGENCIES FOR COVER AGE MERCY ALSO WORKS WITH THE MIDLANDS GROUP TO ENLIST PATIENTS IN QUALIFYING PROGRAMS M ERCY UTILIZES A COMMUNITY NEEDS INDEX (CNI) TO TARGET SPECIFIC ZIP CODES WHERE PATIENTS IN NEED OF FINANCIAL ASSISTANCE OFTEN RESIDE MERCY MEDICAL CENTER-DUBUQUEMERCY MEDICAL CENT ER-DUBUQUE CONTRACTS WITH A FIRM WITH A LONG TRACK RECORD OF COMPASSIONATE SERVICE TO PROV IDE COUNSELING, REFERRALS, AND ASSISTANCE TO PATIENTS IN DETERMINING ELIGIBILITY AND ENROL LING IN A WIDE VARIETY OF PUBLIC AND PRIVATE ASSISTANCE PROGRAMS, SUCH AS MEDICARE, MEDICA ID, HAWK-I (AND THE CORRESPONDING SCHIPS PROGRAMS FOR ILLINOIS AND WISCONSIN) AND IOWA CAR E, IOWA'S STATE ASSISTANCE PROGRAM FOR INDIGENT PERSONS EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE HOWEVER, DETERMI NATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STAB ILIZATION OR COLLECTION CYCLE MERCY MEDICAL CENTER-NORTH IOWA (INCLUDING NEW HAMPTON)INFOR MATION ABOUT MERCY MEDICAL CENTER-NORTH IOWA'S FINANCIAL ASSISTANCE PROGRAM IS DISPLAYED I N VARIOUS ADMISSION AREAS THROUGHOUT THE HOSPITAL AND CLINICS A "PATIENT FINANCIAL GUIDEL INES" BROCHURE IS ALSO AVAILABLE AT EACH ADMISSION AREA THIS BROCHURE PROVIDES INFORMATIO N REGARDING PAYMENT OPTIONS, FINANCIAL ASSISTANCE AND BILLING QUESTIONS FINANCIAL COUNSEL ING IS ALSO PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS AT TI ME OF ADMISSION, THE NAMES OF UNINSURED AND UNDERI</p>

Identifier	ReturnReference	Explanation
		<p>UNINSURED PATIENTS ARE GIVEN TO THE PUBLIC BENEFITS FINANCIAL SERVICES COUNSELOR WHO MAKES AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY ASSIST THEM IN OBTAINING AND PAYING FOR HEALTHCARE SERVICES. THE PUBLIC BENEFIT FINANCIAL COUNSELOR HAS A GOOD WORKING RELATIONSHIP WITH THE DEPARTMENT OF HUMAN SERVICES, STATE DISABILITY OFFICES, AND VARIOUS COUNTY AND COMMUNITY PROGRAMS. CONTACT WITH THESE OFFICES OCCURS ALMOST DAILY. MERCY HEALTH SERVICES-IOWA OFFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS. THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE. NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE THROUGH VARIOUS MEANS, WHICH INCLUDE, BUT ARE NOT LIMITED TO, THE PUBLICATION OF PATIENT BROCHURES, NOTICES OR MESSAGING INCLUDED ON PATIENT BILLS, POSTING OF NOTICES IN PUBLIC REGISTRATION AREAS INCLUDING EMERGENCY ROOMS, URGENT CARE CENTERS, ADMITTING AND REGISTRATION DEPARTMENTS, HOSPITAL PATIENT ACCOUNTING DEPARTMENTS, AND OTHER PATIENT FINANCIAL SERVICES OFFICES LOCATED ON FACILITY CAMPUSES. SUMMARIES OF HOSPITAL PROGRAMS ARE MADE AVAILABLE THROUGHOUT THE COMMUNITIES SERVED BY MERCY HEALTH SERVICES-IOWA, TO PUBLIC HEALTH CENTERS, CATHOLIC CHARITABLE ORGANIZATIONS AND OTHER COMMUNITY OUTREACH SERVICES. INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS ALSO AVAILABLE IN ADMISSION PACKAGES DURING INTAKE. IN ADDITION TO ENGLISH, THIS INFORMATION IS ALSO AVAILABLE IN SPANISH, REFLECTING THE OTHER PRIMARY LANGUAGE SPOKEN BY THE POPULATION SERVICED BY OUR HOSPITALS. IN SIOUX CITY, INTERPRETERS OF MULTIPLE LANGUAGES ARE AVAILABLE ON-SITE THROUGH INTERPRETIVE SERVICES OR AT THE SIOUXLAND COMMUNITY HEALTH CENTER. FOR QUESTIONS REGARDING FINANCIAL ASSISTANCE, MERCY MEDICAL CENTER-NORTH IOWA ALSO PROVIDES FINANCIAL ASSISTANCE FOR PRESCRIBED MEDICATIONS. THERE ARE SEVERAL SHORT-TERM ASSISTANCE PROGRAMS AS WELL AS A SOCIAL WORKER FACILITATING THE APPLICATION PROCESS FOR LONG-TERM ASSISTANCE FROM PHARMACEUTICAL PROGRAMS. MERCY HEALTH SERVICES-IOWA HAS ESTABLISHED A WRITTEN POLICY FOR THE BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS. MERCY HEALTH SERVICES - IOWA MAKES EVERY EFFORT TO ADHERE TO THE POLICY AND IS COMMITTED TO IMPLEMENTING AND APPLYING THE POLICY FOR ASSISTING PATIENTS WITH LIMITED MEANS IN A PROFESSIONAL, CONSISTENT MANNER. THE MEDICAL CENTER EDUCATES STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS (INCLUDING THOSE WORKING IN PATIENT REGISTRATION AND ADMITTING, FINANCIAL ASSISTANCE, CUSTOMER SERVICE, BILLING AND COLLECTIONS) ABOUT THESE POLICIES, WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT REGARDLESS OF THEIR INSURANCE STATUS OR THEIR ABILITY TO PAY FOR SERVICES. PATIENT REGISTRATION STAFF, FINANCIAL ASSISTANCE STAFF, SOCIAL WORKERS, CASE MANAGERS, AND CLINIC MANAGERS RECEIVE TRAINING REGARDING FINANCIAL ASSISTANCE POLICIES.</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 COMMUNITY INFORMATION -MERCY MEDICAL CENTER-SIOUX CITY (MMC-SC) SERVES A 33-COUNTY AREA OF WESTERN IOWA, EASTERN NEBRASKA AND SOUTHEASTERN SOUTH DAKOTA, AN AREA WITH A HIGH COMMUNITY NEED IN ADDITION TO THE MAIN HOSPITAL IN SIOUX CITY, MMC-SC OWNS RURAL HOSPITALS IN PRIMGHAR, IOWA, AND OAKLAND, NEBRASKA, MANAGES HOSPITALS IN PENDER, NEBRASKA AND HAWARDEN, IOWA, AND OPERATES A PRIMARY CARE CLINIC NETWORK, SPECIALTY CARE CLINICS AND HOME HEALTH SERVICES MERCY ALSO PARTNERS WITH OTHER COMMUNITY HEALTHCARE PROVIDERS TO SPONSOR A REGIONAL CANCER CENTER, PARAMEDIC SERVICES, HOSPICE SERVICES, A FREESTANDING SURGERY CENTER AND A VARIETY OF OTHER HEALTH SERVICES THE PRIMARY SERVICE AREA IS CONSIDERED URBAN (WITHIN SIOUX CITY) HOWEVER, MERCY SERVES MANY RURAL COMMUNITIES THROUGHOUT THE 33 COUNTY AREA, AND MANY DISTINCT ETHNIC AND CULTURAL GROUPS, INCLUDING HISPANIC, VIETNAMESE, SOMALI, AND NATIVE AMERICAN THE AVERAGE HOUSEHOLD INCOME FOR THE 14 COUNTY SIOUX CITY AREA IS \$57,046 ACCORDING TO THE STATE HEALTH ACCESS DATA ASSISTANCE CENTER, IN 2007, 27.9% PERCENT OF RESIDENTS WERE BELOW THE FEDERAL POVERTY GUIDELINES MORE THAN 8.7% OF THE COMMUNITY IS UNINSURED, AND APPROXIMATELY 35.1% OF FAMILIES ARE ON MEDICAID OR OTHER ASSISTANCE PROGRAMS ACCORDING TO 2009 CLARITAS DATA, THE 14 COUNTY COMMUNITY HAS A POPULATION OF 297,730 EIGHTY-FIVE PERCENT OF THE POPULATION IS WHITE, 9% HISPANIC, 1.7% ASIAN &amp; PACIFIC ISLANDER AND 1% BLACK THIRTY-SIX PERCENT ARE HIGH SCHOOL GRADUATES WITH NO ADDITIONAL EDUCATION, WHILE 28% HAVE SOME COLLEGE OR ASSOCIATES DEGREE, AND 18% HAVE A BACHELOR'S, GRADUATE OR PROFESSIONAL DEGREE THE CURRENT UNEMPLOYMENT RATE IS 3.5% SIMILAR TRENDS ARE FOUND IN BOTH NEBRASKA AND SOUTH DAKOTA MEDICAID ENROLLMENT IS 34% IN NEBRASKA AND 37.5% IN SOUTH DAKOTA THE PERCENT OF POPULATIONS IN EACH STATE BELOW 200% OF THE FEDERAL POVERTY LEVEL (FPL) IS 28.8% IN NEBRASKA AND 30.9% IN SOUTH DAKOTA MMC-SC IS LOCATED IN A HEALTH PROFESSIONAL SHORTAGE AREA, SHORTAGES EXIST IN PRIMARY CARE, INTERNAL MEDICINE, ANESTHESIOLOGY, DENTISTRY AND PHARMACY, AMONG OTHER AREAS MANY COMMUNITY HOSPITALS AND CRITICAL ACCESS HOSPITALS ARE LOCATED IN THE SECONDARY SERVICE AREA THE TOP THREE HEALTH RISKS FOR THE AREA ARE SMOKING, HIGH BLOOD PRESSURE AND HIGH CHOLESTEROL, WHILE THE TOP THREE HEALTH RISKS FOR THE LOW INCOME POPULATION AND THE UNINSURED, MEDICARE AND MEDICAID POPULATIONS ARE HIGH BLOOD PRESSURE, DEPRESSION/ANXIETY DISORDER, AND HIGH CHOLESTEROL ACCESS TO PRIMARY CARE (A MEDICAL HOME) IS AN IDENTIFIED COMMUNITY NEED, AS ARE ACCESS TO DENTAL CARE AND AFFORDABILITY OF PRESCRIPTION MEDICATIONS FIFTY PERCENT OF THE PATIENTS PRESENTING TO MMC-SC EMERGENCY DEPARTMENT EITHER HAVE NO MEDICAL HOME OR THE MEDICAL HOME IS LOCATED AT THE SIOUXLAND COMMUNITY HEALTH CENTER MERCY MEDICAL CENTER-NORTH IOWA (MMC-NI) SERVES A 14-COUNTY SERVICE AREA WITHIN A 70-MILE RADIUS STRETCHING IN EVERY DIRECTION FROM MASON CITY THE PRIMARY SERVICE AREA CONSISTS OF CERRO GORDO AND WORTH COUNTIES IN IOWA, WHILE THE SECONDARY SERVICE AREA IS COMPRISED OF AN ADDITIONAL 12 CONTIGUOUS COUNTIES IN IOWA (BUTLER, CHICKASAW, FLOYD, FRANKLIN, HANCOCK, HARDIN, HOWARD, KOSSUTH, MITCHELL, PALO ALTO, WINNEBAGO, AND WRIGHT) IN 2010 THE 14-COUNTY SERVICE AREA HAD AN ESTIMATED POPULATION OF 194,162 94.9 PERCENT OF RESIDENTS ARE WHITE THERE ARE 11 CRITICAL ACCESS HOSPITALS WITHIN MMC-NI'S SERVICE AREA PROVIDING PRIMARY HEALTH CARE SERVICES, EIGHT OF WHICH ARE MMC-NI AFFILIATES PATIENTS FROM THE REMAINING IOWA COUNTIES UTILIZE MMC-NI FOR TERTIARY LEVEL CARE THE UNIVERSITY OF IOWA HOSPITALS IN IOWA CITY AND MAYO CLINIC IN ROCHESTER, MINNESOTA ALSO PROVIDE TERTIARY CARE FOR THIS AREA MMC-NI'S MARKET SHARE FOR THE 14-COUNTY SERVICE AREA IS STABLE AT 50 PERCENT, WHILE THE PRIMARY SERVICE AREA HAS 93.15 PERCENT OF THE MARKET, AS REPORTED BY IOWA HOSPITAL ASSOCIATION DATA ACCORDING TO THE U.S. CENSUS BUREAU, MMC-NI'S SERVICE AREA EXPERIENCED A 6.6 PERCENT DECLINE IN POPULATION FROM 2000-2009, THE 2014 POPULATION PROJECTION DOCUMENTS AN ADDITIONAL 3.2 PERCENT DECLINE THE STRESS THAT THIS TREND PLACES ON THE PROVISION OF SERVICES IS COMPOUNDED BY THE HIGHER THAN AVERAGE PROPORTION OF ELDERLY IN THE AREA ABOUT 19.8 PERCENT OF THE POPULATION IN THE SERVICE AREA WAS OVER AGE 65 IN 2010, COMPARED TO 17 PERCENT FOR THE STATE AND 13.2 PERCENT FOR THE NATION THE AVERAGE INCOME IN MMC-NI'S SERVICE AREA IN 2010 WAS ESTIMATED TO BE BETWEEN \$25,000 AND \$50,000, INDIVIDUALS EARNING LESS THAN \$15,000 COMPRISE 11.2 PERCENT OF THE POPULATION MMC-NI IS A DISPROPORTIONATE SHARE HOSPITAL IN FY 2010, OUR GENERAL ADMITTANCE INSURANCE PAYOR MIX FOR MEDICARE WAS 53.2 PERCENT AND 12.2 PERCENT FOR THE POOR AND UNDERSERVED THE INSURANCE PAYOR MIX FOR THE POOR AND UNDERSERVED IN EMERGENCY DEPARTMENT ADMITTANCE WAS 34 PERCENT THE ENTIRE 14-COUNTY SERVICE AREA IS DESIGNATED AS A MENTAL HEALTH PROFESSIONAL SHORTAGE AREA, AND SEVERAL COUNTIES ARE CONSIDERED PRIMARY CARE</p>

Identifier	ReturnReference	Explanation
		<p>HEALTH PROFESSIONAL SHORTAGE AREAS OR MEDICALLY UNDERSERVED AREAS MERCY MEDICAL CENTER-NEW HAMPTON (MMC-NH) SERVES THE CHICKASAW AREA AND SURROUNDING COUNTIES WITHIN A 20-MILE RADIUS STRETCHING IN EVERY DIRECTION FROM NEW HAMPTON. THE PRIMARY SERVICE AREA CONSISTS OF THE TOWNS OF NEW HAMPTON, FREDERICKSBURG, ALTA VISTA, IONIA, ELMA, WAUCOMA, LAWLER AND NASHUA. THE ESTIMATED POPULATION OF THIS AREA IS 13,500. ACCORDING TO THE U.S. CENSUS BUREAU, CHICKASAW COUNTY HAD AN ESTIMATED POPULATION OF 12,439 IN 2010. CHICKASAW COUNTY EXPERIENCED AN ESTIMATED 5.0% PERCENT DECLINE IN POPULATION FROM 2000-2010. THE STRESS THAT THIS TREND PLACES ON THE PROVISION OF SERVICES IS COMPOUNDED BY THE HIGHER THAN AVERAGE PROPORTION OF ELDERLY IN THE AREA. NINETEEN PERCENT OF THE POPULATION IN THE CHICKASAW AREA WAS OVER AGE 65 IN 2010. THE MEDIAN HOUSEHOLD INCOME IN CHICKASAW COUNTY WAS ESTIMATED AT \$43,990 IN 2009. INDIVIDUALS BELOW THE POVERTY LEVEL COMPRISE 9.3% OF THE POPULATION. THE FISCAL YEAR 2011 PAYER MIX AT POINT OF REGISTRATION INCLUDES 57% COVERED BY MEDICARE, 5% COVERED BY MEDICAID AND 4% SELF-PAY. MERCY MEDICAL CENTER-DUBUQUE (MMC-D) FOR PURPOSES OF ITS COMMUNITY HEALTH NEEDS ASSESSMENT, MMC-D'S PRIMARY SERVICE AREA IS DUBUQUE COUNTY, IOWA. IN FY 2011 (ENDING JUNE 30, 2011), MORE THAN 61% OF MERCY'S INPATIENT CASES AND MORE THAN 75% OF MERCY'S EMERGENCY DEPARTMENT CASES WERE FOR DUBUQUE COUNTY RESIDENTS. DUBUQUE COUNTY'S POPULATION IS 89,143. IT INCLUDES ONE URBAN COMMUNITY, THE CITY OF DUBUQUE. ITS 65+ POPULATION IS ALMOST AS HIGH AS IOWA'S, AND SIGNIFICANTLY HIGHER THAN THE US AVERAGE FOR THIS AGE RANGE. CONVERSELY, THE 16-24 POPULATION IS NOTICEABLY LOWER THAN THE US AVERAGE. ALTHOUGH MINORITY POPULATIONS IN DUBUQUE COUNTY HAVE INCREASED DURING THE LAST DECADE, THE POPULATION IS STILL 97.1% WHITE, WITH NO OTHER SINGLE RACIAL GROUP ACCOUNTING FOR MORE THAN 1%. THE COUNTY'S HISPANIC OR LATINO POPULATION IS 1.2%. CONSIDERING ONLY THE POPULATION OF DUBUQUE COUNTY RESIDENTS WHO ARE 25 OR OLDER, DUBUQUE COUNTY HAS A HIGHER PERCENTAGE OF RESIDENTS WITH ONLY A HIGH SCHOOL DIPLOMA OR EQUIVALENT THAN IOWA AND THE US. THERE IS A SMALLER PERCENTAGE OF DUBUQUE COUNTY RESIDENTS WITH SOME COLLEGE THAN IOWA OR THE US. MEDIAN INCOME IN DUBUQUE COUNTY IS \$39,582, SLIGHTLY HIGHER THAN IOWA, BUT LOWER THAN THE US MEDIAN. IN THE COUNTY, HOUSEHOLDERS UNDER 25 AND OLDER THAN 65 ARE BELOW THAT MEDIAN, WHICH IS ALSO TRUE FOR IOWA AND THE US. PER CAPITA INCOME IN DUBUQUE COUNTY IS \$19,600, EQUAL TO IOWA AND SOMEWHAT LOWER THAN THE US. DUBUQUE COUNTY BLACK PER CAPITA INCOME IS 51% OF WHITE PER CAPITA INCOME, COMPARED TO 61% IN IOWA AND 60% NATIONALLY. DUBUQUE COUNTY HISPANIC PER CAPITA INCOME IS 58% OF WHITE PER CAPITA INCOME, COMPARED TO 54% IN IOWA AND 51% NATIONALLY. THE GROWING ELDERLY POPULATION IS OF CONCERN TO THE COMMUNITY. WE ANTICIPATE A SHORTAGE OF HEALTH CARE WORKERS TO CARE FOR THE ELDERLY, LIMITED TRANSPORTATION OPTIONS, LIMITED ADULT DAY CARE OPTIONS AND LIMITED FUNDING FOR SERVICES FOR THE ELDERLY. THE HIGH COST OF PRESCRIPTION MEDICATIONS AND CHRONIC ILLNESSES CAUSING LONG-TERM DISABILITY PRESENT FINANCIAL CONCERNS AS WELL.</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 OTHER INFORMATION -MERCY MEDICAL CENTER-SIOUX CITY IS HOME TO THE ONLY LE VEL II TRAUMA CENTER IN WESTERN IOWA, AND PROVIDES A VITAL, LIFESAVING LINK TO RURAL AREAS VIA MERCY AIR CARE, THE HOSPITAL'S HELICOPTER AMBULANCE SERVICE MERCY MEDICAL CENTER-SIOU X CITY IS INVOLVED IN A NUMBER OF COMMUNITY VENTURES, AND SUPPORTS THE SIOUXLAND MEDICAL E DUCATION FOUNDATION (FAMILY PRACTICE RESIDENCY) WE ALSO WORK CLOSELY WITH WINNEBAGO INDIA N HEALTH SERVICES TO CLOSE HEALTH OUTCOMES DISPARITIES IN ADDITION, THE MEDICAL CENTER CO LLABORATES WITH ST LUKE'S COLLEGE OF NURSING, WITCC SCHOOL OF NURSING, AND BRIAR CLIFF UN IVERSITY SCHOOL OF NURSING (REPLICATING THE RAIN PROGRAM, WHICH IS INTENDED TO INCREASE TH E NUMBER OF AMERICAN INDIAN NURSES) ST LUKE'S HOSPITAL, FAMILY SERVICES, COMMUNITY MENTAL HEALTH CENTER, MERCY MEDICAL CENTER AND COMMUNITY PSYCHIATRISTS MEET BI-MONTHLY TO ASSESS AND PLAN FOR IMPROVED ACCESS AND SERVICES THE PLAN INVOLVES COLLABORATION/CONSOLIDATION TO BETTER SERVE PATIENTS WITH MENTAL ILLNESS, MOST OF WHOM ARE UNDER-SERVED THE PLAN SHOUL D IMPROVE SERVICES AND SAVE COSTS, INCLUDING COSTS INCURRED BY GOVERNMENT PAYER SOURCES MERCY IS PARTICIPATING IN THE STATE WIDE REORGANIZATION OF MENTAL HEALTH SERVICES ASSOCIA TES FROM MERCY'S EMERGENCY DEPARTMENT, SOCIAL SERVICES, MISSION SERVICES, NURSING, BEHAVIO RAL HEALTH, AND PHARMACY ARE COLLABORATING TO IMPROVE ACCESS TO PHARMACEUTICALS LACK OF M EDICATIONS AND REFILL AUTHORIZATIONS OFTEN LEAD TO VISITS TO THE EMERGENCY DEPARTMENT TIM ELY ACCESS TO MEDICATION COULD RESOLVE (DECREASE) SOME OF THESE VISITS THROUGH DIRECTION T O COMMUNITY PHYSICIANS AND ACCESS TO MEDICATIONS MERCY MEDICAL CENTER-NORTH IOWAMERCY MEDI CAL CENTER-NORTH IOWA HAS BEEN PROVIDING MANAGEMENT SERVICES FOR RURAL HOSPITALS SINCE 197 8 THESE COMMUNITY HOSPITALS OFFER QUALITY HEALTH CARE AND YET ARE STILL ABLE TO TAKE ADVA NTAGE OF ALL THE RESOURCES MERCY MEDICAL CENTER-NORTH IOWA HAS TO OFFER AS A MAJOR REFERRA L CENTER AS A TEACHING HOSPITAL, MERCY MEDICAL CENTER-NORTH IOWA HOSTS A FAMILY PRACTICE RESIDENCY PROGRAM, PHARMACY RESIDENCY, PALLIATIVE CARE FELLOWSHIP, RADIOLOGY FELLOWSHIP, AND A SCHOOL OF RADIOLOGIC TECHNOLOGY IT ALSO IS A CLINICAL SITE FOR STUDENTS STUDYING TO BECOME MEDICAL LABORATORY TECHNICIANS, NURSES, PARAMEDICS, REHABILITATION TECHNICIANS AND PERFUSIONISTS IN ADDITION, THE MEDICAL CENTER MANAGES AN ADULT DAY CARE CENTER AND HOMEL ESS SHELTERS FOR MEN AND WOMEN IN COLLABORATION WITH OTHER NON-PROFITS AS A SOLE COMMUNIT Y PROVIDER, SPECIALIZED SERVICES INCLUDE A HEART CENTER, CANCER CENTER, DIABETES CENTER, S TROKE CENTER, BARIATRIC CENTER, LEVEL II BIRTH CENTER AND A LEVEL II EMERGENCY CENTER EME RGENCY SERVICES ARE AVAILABLE TO ALL REGARDLESS OF THEIR ABILITY TO PAY BECAUSE OF THE NE ED BY INDIGENT ADULTS FOR DENTAL CARE, MERCY-NORTH IOWA HAS FULLY FURNISHED TWO ROOMS TO A CCOMMODATE EMERGENT DENTAL NEEDS HALF-DAY CLINICS ARE MANNED BY AREA DENTISTS AND DENTAL ASSISTANTS WHO VOLUNTEER THEIR TIME AND GUIDANCE BEING A RURAL AREA OFTEN CREATES A TRANS PORTATION BARRIER FOR ACCESS TO MEDICAL APPOINTMENTS MERCY MEDICAL CENTER-NORTH IOWA HAS THREE SUBSIDIZED PROGRAMS THAT FACILITATE TRANSPORTATION FOR INDIVIDUALS WHO, BECAUSE OF A GE, DISABILITY, ECONOMICS AND/OR TREATMENT, NEED ASSISTANCE THIS SERVES THOSE WHO LIVE IN MASON CITY AS WELL AS THROUGHOUT SURROUNDING NORTH IOWA COMMUNITIES MERCY FAMILY HEALTH LINE, A 24-HOUR/7-DAY A WEEK TELEPHONE INFORMATION SERVICE, FIELDS NEARLY 30,000 CALLS A Y EAR REGISTERED NURSES PROVIDE MEDICAL TRIAGE AS WELL AS REFERRALS TO INTERNAL AND COMMUNI TY HUMAN SERVICES RESOURCES IN COLLABORATION WITH THE COMMUNITY KITCHEN, OUR HOSPITAL KIT CHEN HANDLES THE PREPARATION OF MEALS ON WHEELS MONDAY THROUGH FRIDAY AND DONATES DELIVERY COORDINATION IN CALENDAR YEAR 2010, OVER 22,000 MEALS WERE PREPARED AND DELIVERED THE HO SPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED COMMUNITY HEALTHCARE PROVIDERS IN ORDER TO BEST MEET THE NEEDS OF THOSE WHO LIVE IN NORTH IOWA COMMUNITIES MERCY MEDICAL CE NTER-NORTH IOWA HAS ABOUT 400 VOLUNTEERS, WHO SERVE IN NEARLY EVERY DEPARTMENT OF THE HOSP ITAL FROM CLERICAL WORK TO PROVIDING PATIENT AND VISITOR SERVICES, MERCY VOLUNTEERS TRULY DO MAKE A DIFFERENCE THROUGH FUNDRAISERS, THEY ALSO PROVIDE FINANCIAL SUPPORT TO A VARIE TY OF AREAS WITHIN THE HOSPITAL MERCY AMBASSADORS AWARD SCHOLARSHIPS TO STUDENTS PURSUING EDUCATION IN THE HEALTHCARE FIELD THE AMBASSADORS RENT OUT INFANT SAFETY SEATS TO ENSURE THAT ALL BABIES LEAVE OUR HEALTH CARE CENTER IN A PROPER SAFETY SEAT, AND CO-SPONSOR FREE MONTHLY CHILD SAFETY SEAT INSPECTION SERVICES FOR THE COMMUNITY THEY ALSO FACILITATE HEA LTH SCREENINGS AT SEVERAL LOCATIONS MERCY MEDICAL CENTER-NEW HAMPTONAS A SOLE COMMUNITY PR OVIDER, MMC-NH PROVIDES A RANGE OF SPECIALIZED SERVICES, DIABETES EDUCATION AND NUTRITION AND AN EMERGENCY CENTER EMERGENCY SERVICES ARE AVAILABLE TO ALL REGARDLESS OF THEIR ABILI TY TO PAY THE HOSPITAL EXTENDS MEDICAL STAFF PRIV</p>

Identifier	ReturnReference	Explanation
		<p>ILLEGES TO ALL QUALIFIED COMMUNITY HEALTH CARE PROVIDERS, IN ORDER TO BEST MEET THE NEEDS OF OUR NORTHEAST IOWA COMMUNITIES MMC-NH HAS ABOUT 200 VOLUNTEERS, WHO SERVE IN NEARLY EVERY DEPARTMENT OF THE HOSPITAL FROM CLERICAL WORK TO PROVIDING PATIENT AND VISITOR SERVICES , MERCY VOLUNTEERS TRULY DO MAKE A DIFFERENCE THROUGH FUNDRAISERS, THE VOLUNTEERS ALSO PROVIDE FINANCIAL SUPPORT TO A VARIETY OF AREAS WITHIN THE HOSPITAL MERCY AUXILIARY AWARDS SCHOLARSHIPS TO HIGH SCHOOL AND NON-TRADITIONAL STUDENTS PURSUING EDUCATION IN THE HEALTH CARE FIELD THE AUXILIARY ALSO SPONSORS NUMEROUS BLOOD DRIVES AND LUNCH-AND-LEARN EVENTS ON HEALTH CARE SUBJECTS THEY ALSO PROVIDE WIGS AND TURBANS TO THOSE INDIVIDUALS WHO HAVE LOST THEIR HAIR DUE TO ILLNESS MMC-NH HAS RE-OPENED ITS OBSTETRICS DEPARTMENT TO PROVIDE MEMBERS OF THE COMMUNITY A PLACE TO RECEIVE CHILDBIRTH EDUCATION AND SERVICES, AND CARE FOR NEW MOTHER AND BABY NEEDS MMC-NH PROVIDES A DIETICIAN WHO IS ACCREDITED BY THE AMERICAN DIETETIC ASSOCIATION COMMISSION FOR DIABETES SELF-MANAGEMENT TRAINING TO MEMBERS OF THE COMMUNITY WHO HAVE DEVELOPED THIS GROWING HEALTH CONCERN AN ANNUAL DIABETES HEALTH FAIR IS OFFERED MMC-NH MAINTAINS A 24-HOUR EMERGENCY DEPARTMENT TO PROVIDE ACCESSIBLE HEALTH CARE TO THE RESIDENTS OF THE COMMUNITIES WE SERVE, WHICH IS DESIGNATED AS A HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) AND/OR MEDICALLY UNDERSERVED AREA (MUA) THESE EFFORTS SUPPORT THE COMMUNITY BY PROVIDING EXPERTISE AND HEALTH CARE SERVICES, AND SPECIAL CARE FOR INDIGENT AND UNDERSERVED POPULATIONS MMC-NH ALSO ISSUES A QUARTERLY HEALTH WATCH NEWSLETTER TO ALL RESIDENTS AND MAINTAINS A WEBSITE WHICH OFFERS FREE ACCESS TO HEALTHY RECIPES AND OTHER HEALTHY LIVING IDEAS, AND A CALENDAR OF UPCOMING CLASSES AND EVENTS FOR COMMUNITY MEMBERS TO PARTICIPATE IN MERCY MEDICAL CENTER-DUBUQUE PROVIDES SEVERAL SERVICES THAT ARE UNIQUE TO THE COMMUNITY, INCLUDING OPEN HEART SURGERY, NEONATAL INTENSIVE CARE AND INPATIENT COMMUNITY PSYCHIATRIC SERVICES IN ADDITION, THE HOSPITAL OPERATES AN EMERGENCY ROOM AVAILABLE TO ALL REGARDLESS OF ABILITY TO PAY</p>



Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 7 MERCY HEALTH SERVICES-IOWA IS A MEMBER ORGANIZATION OF TRINITY HEALTH, ONE OF THE LARGEST CATHOLIC HEALTH CARE SYSTEMS IN THE COUNTRY BASED IN NOVI, MICHIGAN, TRINITY HEALTH ANNUALLY REQUIRES THAT ALL MEMBER ORGANIZATIONS DEVELOP, AND ARE HELD ACCOUNTABLE FOR ACHIEVING, COMMUNITY BENEFIT GOALS THAT INCLUDE DEVELOPING NEEDED SERVICES OR EXPANDING ACCESS TO SERVICES FOR LOW-INCOME INDIVIDUALS AS A NOT-FOR-PROFIT HEALTH SYSTEM, TRINITY HEALTH REINVESTS ITS PROFITS BACK INTO THE COMMUNITY THROUGH PROGRAMS TO SERVE THE POOR AND UNINSURED, MANAGE CHRONIC CONDITIONS LIKE DIABETES, HEALTH EDUCATION AND PROMOTION INITIATIVES, AND OUTREACH FOR THE ELDERLY IN FISCAL YEAR 2011, THIS INCLUDED NEARLY \$453 MILLION IN SUCH COMMUNITY BENEFITS THEREFORE, TRINITY HEALTH TAKES A SYSTEMS APPROACH IN ITS COMMUNITY BENEFIT PLANNING AND IMPLEMENTATION, AND IS CONSEQUENTLY ABLE TO ENSURE THAT ITS MEMBER HOSPITALS AND OTHER ENTITIES/AFFILIATES ARE HELPING PROMOTE AND ADDRESS THE HEALTH NEEDS OF THEIR RESPECTIVE COMMUNITIES FOR MORE INFORMATION ABOUT TRINITY HEALTH, VISIT <a href="http://WWW.TRINITY-HEALTH.ORG">WWW.TRINITY-HEALTH.ORG</a></p>

Additional Data

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>15</u>	
Name and address	Type of Facility (Describe)
MEDICAL ASSOCIATES WEST CAMPUS 1500 ASSOCIATES DRIVE DUBUQUE,IA 52001	OCC HEALTH, PHYS THER, AMBULATORY SURGERY
MEDICAL ASSOCIATES CLINIC 1240 BIG JACK ROAD PLATTEVILLE, WI 53818	X-RAY, LAB, EMPLOYED PHYSICIANS
TRI-STATE OCCUPATIONAL HEALTH 1920 ELM STREET DUBUQUE,IA 52001	PHYS THERAPY,EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES CLINIC 10988 BARTELL BLVD GALENA,IL 61036	HOME CARE,LAB, EMPLOYED PHYSICIANS
MERCY MEDICAL CENTER - DYERSVILLE 1121 THIRD STREET SW DYERSVILLE,IA 52040	EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES CLINIC 208 N 12TH STREET BELLEVUE,IA 52031	EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES CLINIC 911 NW CARTER ELKADER,IA 52043	EMPLOYED PHYSICIANS
CASCADE FAMILY HEALTH CENTER 805 JOHNSON STREET SW CASCADE,IA 52033	EMPLOYED PHYSICIANS, LAB, X-RAY, PT
MEDICAL ASSOCIATES CLINIC 117 SOUTH MADISON CUBA CITY,WI 53807	X-RAY, LAB, EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES CLINIC 560 PLEASANT ST ELIZABETH,IL 61028	EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES CLINIC 107 S PAGE MONONA,IA 52159	EMPLOYED PHYSICIANS
MEDICAL ASSOCIATES EAST CAMPUS 1000 LANGWORTHY DUBUQUE,IA 52001	OCC HEALTH, PHYSICAL THERAPY
MERCY DAKOTA DUNES 705 SIOUX POINT ROAD DAKOTA DUNES,SD 57049	WEIGHT LOSS CENTER
MASON CITY SURGERY CENTER 990 4TH STREET MASON CITY,IA 50401	AMBULATORY SURGERY
MERCY FAMILY PRACTICE - BUFFALO CENTER 115 NORTH MAIN BUFFALO CENTER,IA 50424	X-RAY, LAB, EMPLOYED PHYSICIANS

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

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

2

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

17

3

Enter total number of other organizations . . . . .

2

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 DONATIONS MADE BY MERCY HEALTH SERVICES - IOWA, CORP TO CHARITABLE ORGANIZATIONS ARE MADE IN FURTHERANCE OF THE RECIPIENT ORGANIZATION'S EXEMPT PURPOSE AND ARE CONSIDERED UNRESTRICTED WITH REGARD TO THE USE OF THE FUNDS

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHEAST IOWA COMMUNITY ACTION CORP305 MONTGOMERY ST DECORAH,IA 52101	42-6092713	501(C)3	6,000				COMMUNITY SUPPORT
NORTHWESTERN YOUTH SERVICES INC2069 500TH STREET CHEROKEE,IA 51012	20-4538859		6,000				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTH CENTRAL IOWA GROWTH PARTNERSHIP INC25 WEST STATE STREET MASON CITY,IA 50401	75-3190471	501(C)6	25,000				PLEDGE
BISHOP HEELAN CATHOLIC SCHOOLS1018 GRANDVIEW BLVD SIOUX CITY,IA 51103	42-0698209	501(C)3	50,000				THIRD INSTALLMENT OF A FIVE YEAR PLEDGE FOR HEELAN'S NEW SCHOOL

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BRIAR CLIFF UNIVERSITY 3303 REBECCA STREET SIOUX CITY,IA 51104	42-0707124	501(C)3	82,500				SCHOLARSHIP FUND
NORTH IOWA AREA COMMUNITY COLLEGE500 COLLEGE DRIVE MASON CITY,IA 50401	42-0930155	501(C)3	60,000				NURSING PLEDGE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIoux CITY SYMPHONY ORCHESTRA520 PIERCE STREET SIoux CITY,IA 51101	42-6006580	501(C)3	5,000				PROGRAM SUPPORT - SPONSORSHIP OF IOWA PIANO COMPETITION
NEWMAN CATHOLIC SCHOOL SYSTEM FOUNDATION2445 - 19TH STREET MASON CITY,IA 50401	42-1078829	501(C)3	33,700				PLEDGES FOR EDUCATION AND CHILDCARE



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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SIOUXLAND HERITAGE FOUNDATION2901 JACKSON ST SIOUX CITY,IA 51104	42-1516734	501(C)3	10,000				CAPITAL CAMPAIGN SUPPORT - THIRD AND FOURTH OF A FIVE PLEDGE FOR SIOUX CITY'S NEW MUSEUM
SIOUXLAND COMMUNITY HEALTH CENTER1021 NEBRASKA STREET SIOUX CITY,IA 51102	42-1374894	501(C)3	152,364				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
CRESCENT COMMUNITY HEALTH CENTER1789 ELM STREET DUBUQUE,IA 52001	48-1302204	501(C)3	51,734				DIABETES MANAGEMENT PROGRAM SUPPORT
UNITED WAY OF SIOUXLAND INCPO BOX 204 SIOUX CITY,IA 51102	42-0680395	501(C)3	6,925				PLEDGE

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
THE CRITTENTON CENTER 303 WEST 24TH STREET SIOUX CITY,IA 51104	42-0698246	501(C)3	22,627				COMMUNITY SUPPORT
PENDER COMMUNITY HEALTH CARE FOUNDATION INCPO BOX 490 PENDER,NE 68047	47-0750036	501(C)3	5,625				COMMUNITY SUPPORT AND SCHOLARSHIPS

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
SAINT GABRIEL COMMUNICATIONS LTD 705 DOUGLAS ST STE 238 SIOUX CITY,IA 51101	42-1516853	501(C)3	6,000				COMMUNITY SUPPORT
ST MICHAEL'S SCHOOL 1315 1ST AVE SOUTH SIOUX CITY,NE 68776	47-0457873	501(C)3	8,900				COMMUNITY SUPPORT

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
WINNEBAGO TRIBE OF NEBRASKAPO BOX 687 WINNEBAGO, NE 68071	47-0489118	TRIBAL GOVERNMENT	6,500				SUPPORT WELLNESS AND DIABETES PROGRAM
LEGENDS OF GOLD INCPO BOX 287 BERESFORD,SD 57004	27-3794971	501(C)3	6,000				CAMP SCHOLARSHIP

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHWEST IOWA HOSPITAL CORPORATION DBA ST LUKE'S COLLEGE 2720 STONE PARK BLVD SIOUX CITY,IA 51104	42-1019872	501(C)3	20,975				CLINICAL PASTORAL EDUCATION SUPPORT

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

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  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	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	No
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 duplicate copies if additional space is 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				
See Additional Data Table								
( 2 )								
( 3 )								
( 4 )								
( 5 )								
( 6 )								
( 7 )								
( 8 )								
( 9 )								
( 10 )								
( 11 )								
( 12 )								
( 13 )								
( 14 )								
( 15 )								
( 16 )								



Part IIISupplemental 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, LINES 4A-B	THE FOLLOWING INDIVIDUAL RECEIVED SEVERANCE PAYMENTS IN CALENDAR 2010. THESE AMOUNTS ARE INCLUDED IN COLUMN B(III). PAUL DOUGHERTY - \$343,327. IN ADDITION, COLUMN C OF SCHEDULE J, PART II INCLUDES \$18,658 OF SEVERANCE FOR PAUL DOUGHERTY WHICH WAS UNPAID AS OF 12/31/10. THE \$18,658 WAS PAID AND INCLUDED IN PAUL DOUGHERTY'S TAXABLE INCOME IN 2011. THE FOLLOWING ARE PARTICIPANTS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP). THE FOLLOWING SERP ACCRUALS FOR 2010 ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: KEDRICK ADKINS - \$49,977; MICHAEL SLUBOWSKI - \$77,185; JOSEPH SWEDISH - \$511,613. THE FOLLOWING ARE PARTICIPANTS IN THE TRINITY HEALTH PENSION RESTORATION PLAN, A NONQUALIFIED PLAN, WHICH PROVIDES RETIREMENT BENEFITS FOR CERTAIN ASSOCIATES WITH EARNINGS ABOVE THE IRS PAY CAP FOR QUALIFIED PLANS (\$245,000 FOR 2010). THE FOLLOWING ACCRUALS FOR 2010 FOR THIS PLAN ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: KEDRICK ADKINS - \$113,498; JAMES BOSSCHER - \$52,983; PAUL BROWNE - \$66,672; DEBRA CANALES - \$59,431; BENJAMIN CARTER - \$33,040; PAUL CONLON - \$34,248; LOUIS FIERENS - \$24,986; JAMES FITZPATRICK - \$54,892; PRESTON GEE - \$29,232; DANIEL HALE - \$155,414; MICHAEL HOLPER - \$17,612; RUSSELL KNIGHT - \$45,100; MICHAEL MURPHY - \$26,316; PAUL NEUMANN - \$41,143; RICHARD O'CONNELL - \$83,058; ROBERT PEEBLES - \$5,481; MICHAEL SLUBOWSKI - \$136,445; JOSEPH SWEDISH - \$223,342; MARIA SZYMANSKI - \$101,730. THE FOLLOWING ARE PARTICIPANTS IN A MERCY HEALTH SERVICES-IOWA CORP. NON-QUALIFIED ELECTIVE DEFERRED COMPENSATION PLAN. THE FOLLOWING DEFERRALS FOR 2010 FOR THIS PLAN ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: TERESA MOCK - \$17,404; PHILLIP ALSCHER - \$17,810; JAMES KARKOS - \$40,533; ARVIND PERATHUR - \$36,156; CARL PLANK - \$29,605; ALIREZA YARAHMADI - \$15,867. PART II: STEVEN EAVENSON - THE AMOUNT LISTED IN COLUMN B(I) OF SCHEDULE J, PART II REPRESENTS THE AMOUNT PAID BY MERCY HEALTH SERVICES - IOWA, CORP. (MHS-IA) IN CALENDAR 2010 TO TATUM, LLC FOR MR. EAVENSON'S SERVICES AS INTERIM CFO FOR MHS-IA'S SIOUX CITY FACILITY. MHS-IA DOES NOT KNOW HOW MUCH MR. EAVENSON RECEIVED AS WAGES FROM TATUM, LLC IN CALENDAR 2010.

Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JOSEPH SWEDISH	(i)	0	0	0	0	0	0	0
	(ii)	1,240,774	645,161	967,997	763,945	27,508	3,645,385	690,161
PAUL NEUMANN	(i)	0	0	0	0	0	0	0
	(ii)	453,650	133,218	99,158	60,389	22,549	768,964	0
AGNES HAGERTY	(i)	0	0	0	0	0	0	0
	(ii)	316,857	75,909	26,156	38,171	12,602	469,695	0
JAMES BOSSCHER	(i)	0	0	0	0	0	0	0
	(ii)	294,168	115,448	148,480	87,903	10,675	656,674	101,733
BENJAMIN CARTER	(i)	0	0	0	0	0	0	0
	(ii)	410,595	113,318	51,074	49,689	23,466	648,142	0
MARIANNE CUNNINGHAM	(i)	0	0	0	0	0	0	0
	(ii)	160,274	0	769	13,623	16,275	190,941	0
KEDRICK ADKINS	(i)	0	0	0	0	0	0	0
	(ii)	717,356	326,029	117,485	184,461	13,787	1,359,118	0
MICHAEL SLUBOWSKI	(i)	0	0	0	0	0	0	0
	(ii)	701,008	291,561	160,595	246,925	24,807	1,424,896	42,832
MICHAEL MURPHY	(i)	0	0	0	0	0	0	0
	(ii)	343,184	68,618	128,021	47,238	21,304	608,365	0
RICHARD O'CONNELL	(i)	0	0	0	0	0	0	0
	(ii)	533,392	113,794	114,187	116,680	21,280	899,333	0
JAMES FITZPATRICK	(i)	0	0	0	0	0	0	0
	(ii)	381,816	151,717	51,067	83,040	22,089	689,729	0
RUSSELL KNIGHT	(i)	0	0	0	0	0	0	0
	(ii)	293,715	107,078	58,416	74,936	16,683	550,828	13,185
ROBERT PEEBLES	(i)	0	0	0	0	0	0	0
	(ii)	415,553	0	56,219	25,137	912	497,821	0
MARY EBELING	(i)	0	0	0	0	0	0	0
	(ii)	186,683	35,129	2,578	61,810	12,522	298,722	0
DIANE FISCHELS	(i)	0	0	0	0	0	0	0
	(ii)	198,741	37,309	965	44,501	8,886	290,402	0
F SCOTT LEIGHTY	(i)	0	0	0	0	0	0	0
	(ii)	261,987	50,403	857	16,369	14,114	343,730	0
PAUL MANTERNACH	(i)	0	0	0	0	0	0	0
	(ii)	293,884	54,520	652	22,724	16,667	388,447	0
TERESA MOCK	(i)	151,575	115,576	30,817	49,967	36,457	384,392	0
	(ii)	0	0	0	0	0	0	0
RODNEY SCHLADER	(i)	0	0	0	0	0	0	0
	(ii)	232,175	44,619	1,181	31,760	19,902	329,637	0
BERNARD FOX	(i)	0	0	0	0	0	0	0
	(ii)	146,658	35,965	3,809	38,884	9,593	234,909	0
GARY GUETZKO	(i)	0	0	0	0	0	0	0
	(ii)	180,778	44,525	1,649	36,307	17,105	280,364	0
KAY TAKES	(i)	0	0	0	0	0	0	0
	(ii)	161,265	39,077	497	22,358	14,413	237,610	0
MARILYN KAPTAIN-DAHLEN	(i)	0	0	0	0	0	0	0
	(ii)	229,618	56,369	2,136	64,851	15,690	368,664	0
STEVEN EAVENSON TATUM LLC	(i)	453,600	0	0	0	0	453,600	0
	(ii)	0	0	0	0	0	0	0
LINDA KREI	(i)	0	0	0	0	0	0	0
	(ii)	169,710	41,365	1,280	25,985	16,340	254,680	0
LARRY SELLERS	(i)	0	0	0	0	0	0	0
	(ii)	316,563	67,137	39,173	45,468	21,594	489,935	0
JAMES KARKOS	(i)	336,816	211,564	63,622	74,375	38,270	724,647	0
	(ii)	0	0	0	0	0	0	0
ALIREZA YARAHMADI	(i)	335,180	251,887	20,633	29,696	34,460	671,856	0
	(ii)	0	0	0	0	0	0	0
PHILLIP ALSCHER	(i)	420,306	127,333	55,757	41,220	63,416	708,032	0
	(ii)	0	0	0	0	0	0	0
CARL PLANK	(i)	475,270	45,201	61,331	72,434	66,020	720,256	0
	(ii)	0	0	0	0	0	0	0
ARVIND PERATHUR	(i)	338,854	139,458	49,419	48,813	38,489	615,033	0
	(ii)	0	0	0	0	0	0	0
DANIEL HALE	(i)	0	0	0	0	0	0	0
	(ii)	451,341	207,437	131,164	201,869	19,013	1,010,824	52,144
PAUL DOUGHERTY	(i)	0	0	0	0	0	0	0
	(ii)	0	0	343,327	18,658	9,846	371,831	343,327
PAUL BROWNE	(i)	0	0	0	0	0	0	0
	(ii)	460,911	174,224	64,536	87,030	20,686	807,387	6,099
DEBRA CANALES	(i)	0	0	0	0	0	0	0
	(ii)	453,678	194,272	72,423	79,191	13,136	812,700	0
VELOIS BOWERS	(i)	0	0	0	0	0	0	0
	(ii)	228,935	96,129	35,106	1,801	9,607	371,578	0
PAUL CONLON	(i)	0	0	0	0	0	0	0
	(ii)	251,101	100,416	56,553	81,742	22,088	511,900	15,062
LOUIS FIERENS	(i)	0	0	0	0	0	0	0
	(ii)	317,250	123,808	43,923	44,110	14,126	543,217	0
PRESTON GEE	(i)	0	0	0	0	0	0	0
	(ii)	296,889	111,712	81,579	50,787	25,205	566,172	0
MICHAEL HOLPER	(i)	0	0	0	0	0	0	0
	(ii)	251,970	97,178	37,020	39,654	20,000	445,822	0
TERRENCE O'ROURKE	(i)	0	0	0	0	0	0	0
	(ii)	464,591	205,751	142,078	32,195	26,853	871,468	0
MARIA SZYMANSKI	(i)	0	0	0	0	0	0	0
	(ii)	374,739	104,539	122,633	147,379	14,320	763,610	66,282
SCOTT E WELLS	(i)	0	0	0	0	0	0	0
	(ii)	114,556	42,441	541	27,866	9,384	194,788	0
DOUGLAS MORSE	(i)	0	0	0	0	0	0	0
	(ii)	114,181	38,613	697	16,186	2,062	171,739	0
KIM PRICE	(i)	0	0	0	0	0	0	0
	(ii)	77,486	27,691	2,339	22,682	9,157	139,355	0
ROBERT SHAFER	(i)	0	0	0	0	0	0	0
	(ii)	148,383	36,509	1,316	59,762	14,597	260,567	0

Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

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
(1) KIM PRICE EDUCATION LOAN		X	18,000	1,108		No		No	Yes	
Total . . . . .				1,108						

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
See Additional Data Table					

**Part V**

**Supplemental Information**  
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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Additional Data

Software ID:  
Software Version:  
EIN: 31-1373080  
Name: MERCY HEALTH SERVICES - IOWA CORP

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
UNITED CLINICAL LABORATORIES (UCL)	BERNARD FOX, KEY EMP & ROBERT SHAFER, FORMER KEY EMP, SERVE ON THE BD OF UCL	5,296,712	PAYMENTS MADE BY MERCY HEALTH SERVICES - IOWA, CORP TO UNITED CLINICAL LABORATORIES FOR LABORATORY SERVICES		No
BARBARA SHAFER	FAMILY MEMBER OF ROBERT SHAFER, FORMER KEY EMPLOYEE	64,042	EMPLOYMENT ARRANGEMENT		No
PREFERRED HEALTH CHOICES LLC (PHC)	RUSSELL KNIGHT, KEY EMPLOYEE, ALSO SERVES ON THE BOARD OF PHC	10,480,437	PAYMENTS MADE BY PREFERRED HEALTH CHOICES TO MERCY HEALTH SERVICES - IOWA, CORP FOR MEDICAL SERVICES PROVIDED		No
WELLMARK BLUE CROSS BLUE SHIELD OF IOWA AND SOUTH DAKOTA	MELANIE DREHER, BOARD MEMBER, ALSO SERVES ON THE BOARD OF WELLMARK BCBS	114,198,107	PAYMENTS MADE BY WELLMARK BCBS TO MERCY HEALTH SERVICES - IOWA, CORP FOR MEDICAL SERVICES PROVIDED		No
DUBUQUE REGIONAL AMBULATORY SURGERY CENTER LLC (DRASC)	RUSSELL KNIGHT & KAY TAKES, KEY EMPLOYEES, ALSO SERVE ON THE BOARD OF DRASC	2,350,000	PARTNERSHIP DISTRIBUTION MADE BY DRASC TO MHS-IA (MHS-IA IS A 50% PARTNER IN DRASC)		No
MEDICAL ASSOCIATESMERCY FAMILY CARE NETWORK LLC (MAMFCN)	RUSSELL KNIGHT & KAY TAKES, KEY EMPLOYEES, ALSO SERVE ON THE BD OF MA/MFCN	150,000	PARTNERSHIP CAPITAL CONTRIBUTION MADE TO MA/MFCN BY MHS-IA (MHS-IA IS A 50% PARTNER IN MA/MFCN)		No
TATUM LLC	STEVEN EAVENSON, SIOUX CITY INTERIM CFO, IS A KEY EMPLOYEE OF TATUM, LLC	359,100	FEES PAID TO TATUM, LLC FOR MR EAVENSON'S SERVICES AS INTERIM CFO SEE SCHEDULE J, PART III		No
RODGER MOCK	FAMILY MEMBER OF TERESA MOCK, KEY EMPLOYEE	30,790	EMPLOYMENT ARRANGEMENT		No

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

MERCY HEALTH SERVICES - IOWA CORP

Employer identification number

31-1373080

Identifier	Return Reference	Explanation
EXPLANATION FOR NOT FILING FORM 990-T	FORM 990, PART V, LINE 3B	CONTACT TAXPAYER FOR ADDITIONAL INFORMATION ON FORM 990-T

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3		MERCY HEALTH SERVICES - IOWA, CORP (MHS-IA) HAS CONTRACTED WITH TATUM, LLC FOR THE PROVISION OF INTERIM CFO SERVICES AT ITS SIOUX CITY FACILITY SEE SCHEDULE J, PART III FOR ADDITIONAL INFORMATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE SOLE MEMBER OF MERCY HEALTH SERVICES - IOWA, CORP IS TRINITY HEALTH - MICHIGAN SEE LINE 7 FOR ADDITIONAL INFORMATION



Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		TRINITY HEALTH - MICHIGAN IS THE SOLE MEMBER OF MERCY HEALTH SERVICES - IOWA, CORP TRINITY HEALTH - MICHIGAN HAS THE RIGHT TO APPOINT ALL PERSONS TO THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		AS SOLE MEMBER, TRINITY HEALTH - MICHIGAN MUST APPROVE CERTAIN DECISIONS OF THE GOVERNING BODY , INCLUDING THE STRATEGIC PLAN, ANNUAL CAPITAL PLAN, AND ANNUAL OPERATING BUDGET TRINITY HEALTH- MICHIGAN MUST ALSO APPROVE SIGNIFICANT CHANGES SUCH AS A MERGER, DISSOLUTION, SALE OF ASSETS IN EXCESS OF CERTAIN LIMITS, A MATERIAL CHANGE IN MISSION, AND MODIFICATIONS TO GOVERNING DOCUMENTS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		PRIOR TO FILING, THE FORM 990 FOR MERCY HEALTH SERVICES - IOWA, CORP IS REVIEWED BY SENIOR MANAGEMENT IN ADDITION, CERTAIN KEY SECTIONS ARE REVIEWED BY THE BOARD OF TRUSTEES THE BOARD RECEIVES A COPY OF THE RETURN BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	MERCY HEALTH SERVICES - IOWA, CORP HAS ADOPTED A CONFLICT OF INTEREST POLICY WHICH CONTAINS THE ELEMENTS IN THE MODEL CONFLICT OF INTEREST POLICY ISSUED BY THE IRS IT APPLIES TO ALL "INTERESTED PERSONS" OF MERCY HEALTH SERVICES - IOWA, CORP , WHICH INCLUDES TRUSTEES, PRINCIPAL OFFICERS AND EXECUTIVES, AND MEMBERS OF COMMITTEES WITH BOARD DESIGNATED POWERS INTERESTED PERSONS ARE REQUIRED TO ACT AT ALL TIMES IN A MANNER CONSISTENT WITH MERCY HEALTH SERVICES - IOWA, CORP 'S CHARITABLE PURPOSE AND SERVICE TO THE COMMUNITY AND TO AVOID CONFLICTS OF INTEREST INTERESTED PERSONS ARE REQUIRED TO MAKE FULL DISCLOSURE TO MERCY HEALTH SERVICES - IOWA, CORP OF ANY FINANCIAL OR BUSINESS INTERESTS THAT MIGHT RESULT IN OR HAVE THE APPEARANCE OF A CONFLICT OF INTEREST INTERESTED PERSONS ARE REQUIRED TO RECUSE THEMSELVES FROM DISCUSSION AND VOTING ON MATTERS INVOLVING A CONFLICT OF INTEREST THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP IS RESPONSIBLE FOR THE REVIEW AND APPROVAL OF TRANSACTIONS WITH INTERESTED PERSONS, INCLUDING DETERMINING THAT SUCH TRANSACTIONS ARE FAIR AND REASONABLE TO MERCY HEALTH SERVICES - IOWA, CORP ON AN ANNUAL BASIS, INTERESTED PERSONS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT AND TO AFFIRM THEIR RECEIPT OF THE CONFLICT OF INTEREST POLICY , COMPLIANCE WITH ITS REQUIREMENTS, AND AGREE TO NOTIFY THE ORGANIZATION OF CHANGES IMPACTING THEIR ANNUAL DISCLOSURE IN ACCORDANCE WITH THE POLICY THE ANNUAL DISCLOSURES ARE REVIEWED WITH THE BOARD OF TRUSTEES OF MERCY HEALTH SERVICES - IOWA, CORP ON AN ANNUAL BASIS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	TRINITY HEALTH FOLLOWS A PROCESS AND POLICY THAT IS INTENDED TO MIRROR THE IRC SECTION 4958 GUIDELINES FOR OBTAINING A "REBUTTABLE PRESUMPTION OF REASONABLENESS" WITH REGARD TO COMPENSATION AND BENEFITS. AS PART OF THAT PROCESS, THE COMPENSATION AND BENEFITS OF CERTAIN OFFICERS AND KEY MANAGEMENT OFFICIALS OF MERCY HEALTH SERVICES - IOWA, CORP. ARE REVIEWED AT LEAST ANNUALLY BY THE TRINITY HEALTH BOARD OR THE TRINITY HEALTH HUMAN RESOURCES AND COMPENSATION COMMITTEE (HRCC) OF THE BOARD, AUTHORIZED TO ACT ON BEHALF OF THE BOARD WITH RESPECT TO CERTAIN COMPENSATION MATTERS. AS PART OF ITS REVIEW PROCESS, THE HRCC RETAINS AN INDEPENDENT FIRM EXPERIENCED IN COMPENSATION AND BENEFIT MATTERS FOR NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS TO ADVISE IT IN THE DETERMINATIONS IT MAKES ON THE REASONABLENESS OF PROPOSED COMPENSATION AND BENEFITS ARRANGEMENTS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	MERCY HEALTH SERVICES - IOWA, CORP IS A SUBSIDIARY ORGANIZATION IN THE TRINITY HEALTH SYSTEM TRINITY HEALTH MAKES CERTAIN OF ITS KEY DOCUMENTS AVAILABLE TO THE PUBLIC ON ITS WEBSITE, WWW TRINITY-HEALTH.ORG, IN THE "ABOUT US" SECTION. IN THIS SECTION, THE ANNUAL REPORT (WHICH INCLUDES COMMUNITY BENEFIT MINISTRY INFORMATION) AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS ARE PUBLICLY AVAILABLE. IN ADDITION, THE HOSPITAL DIVISIONS OF MHS-IA INCLUDE A COPY OF THEIR MOST RECENT SCHEDULE H ON THEIR RESPECTIVE WEBSITES. TRINITY HEALTH ALSO INCLUDES MHS-IA'S MOST RECENTLY FILED SCHEDULE H ON ITS WEBSITE.

Identifier	Return Reference	Explanation
ESTIMATE OF THE AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, LINE 1, COLUMN B	THE HOURS LISTED IN COLUMN B OF PART VII, SECTION A, LINE 1 REFLECT ONLY THE INDIVIDUALS' AVERAGE WEEKLY HOURS SPENT DIRECTLY ON THE ACTIVITIES OF THE REPORTING ORGANIZATION. IN ADDITION, THESE ARE THE AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS: KEDRICK ADKINS - 50 HOURS, JAMES BOSSCHER - 48 HOURS, VELOIS BOWERS - 45 HOURS, PAUL BROWNE - 45 HOURS, DEBRA CANALES - 45 HOURS, BENJAMIN CARTER - 45 HOURS, PAUL CONLON - 45 HOURS, MARIANNE CUNNINGHAM - 43 HOURS, LOUIS FIERENS - 45 HOURS, PRESTON GEE - 45 HOURS, AGNES HAGERTY - 48 HOURS, DANIEL HALE - 45 HOURS, MICHAEL HOLPER - 45 HOURS, MICHAEL MURPHY - 50 HOURS, PAUL NEUMANN - 45 HOURS, RICHARD O'CONNELL - 50 HOURS, TERRENCE O'ROURKE - 45 HOURS, MICHAEL SLUBOWSKI - 50 HOURS, JOSEPH SWEDISH - 50 HOURS, MARIA SZYMANSKI - 45 HOURS.

Identifier	Return Reference	Explanation
TRUSTEES	FORM 990, PART VII, SECTION A, LINE 1	SR SUZANNE BRENNAN, CSC, IS A MEMBER OF THE CONGREGATION OF THE SISTERS OF THE HOLY CROSS HAVING TAKEN A VOW OF POVERTY, SR SUZANNE BRENNAN DID NOT RECEIVE COMPENSATION FOR THE SERVICES SHE PROVIDED TO MERCY HEALTH SERVICES - IOWA, CORP INSTEAD, A TOTAL OF \$25,000 WAS PAID BY TRINITY HEALTH CORPORATION DIRECTLY TO THE CONGREGATION OF THE SISTERS OF THE HOLY CROSS FOR SR SUZANNE BRENNAN'S SERVICES AS A TRUSTEE FOR TRINITY HEALTH CORPORATION, MERCY HEALTH SERVICES - IOWA, CORP AND TRINITY HEALTH - MICHIGAN SR MARY MOLLISON, CSA, IS A MEMBER OF THE CONGREGATION OF SAINT AGNES HAVING TAKEN A VOW OF POVERTY, SR MARY MOLLISON DID NOT RECEIVE COMPENSATION FOR THE SERVICES SHE PROVIDED TO MERCY HEALTH SERVICES - IOWA, CORP INSTEAD, A TOTAL OF \$50,000 WAS PAID BY TRINITY HEALTH CORPORATION DIRECTLY TO THE CONGREGATION OF SAINT AGNES FOR SR MARY MOLLISON'S SERVICES AS BOARD CHAIR FOR TRINITY HEALTH CORPORATION, MERCY HEALTH SERVICES - IOWA, CORP AND TRINITY HEALTH - MICHIGAN



Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 20,361,324 NET EQUITY TRANSFERS TO AFFILIATES - 17,442,126 NET CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE -1,156,680 EQUITY EARNINGS IN UNCONSOLIDATED AFFILIATES 34,086,477 OTHER TRANSACTIONS -1,383,620 TOTAL TO FORM 990, PART XI, LINE 5 34,465,375

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2	MERCY HEALTH SERVICES -IOWA, CORP 'S FINANCIAL STATEMENTS WERE INCLUDED IN THE FY 11 CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH, WHICH WERE AUDITED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, DOING BUSINESS AS NAMES	FOREST PARK PHARMACY, MARIAN HEALTH CENTER, MERCY HEALTH CENTER-DUBUQUE (ST JOSEPH'S), MERCY HEALTH CENTER-DYERSVILLE (ST MARY'S), MERCY HOME CARE-NORTH IOWA, MERCY MEDICAL CENTER-DUBUQUE, MERCY MEDICAL CENTER-NEW HAMPTON, MERCY MEDICAL CENTER-NORTH IOWA, MERCY MEDICAL CENTER-SIOUX CITY, NORTH IOWA MERCY HEALTH CENTER, NORTH IOWA MERCY HOME HEALTHCARE, SHEFFIELD PHARMACY, ST JOSEPH COMMUNITY HOSPITAL

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
MERCY HEALTH SERVICES - IOWA CORP

Employer identification number  
31-1373080

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

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	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
See Additional Data Table												

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e Yes

1f

1g

1h

1i Yes

1j Yes

1k Yes

1l Yes

1m

1n

1o Yes

1p Yes

1q Yes

1r

No

No

No

No

No

No

No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 31-1373080

Name: MERCY HEALTH SERVICES - IOWA CORP

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
ADVANTAGE HEALTHSAINT MARY'S MEDICAL GROUP  245 STATE ST SE GRAND RAPIDS, MI49503 27-2491974	HEALTHCARE SERVICES	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
AMICARE HOSPICE SERVICES INC  27870 CABOT DRIVE NOVI, MI483772920 38-2949053	PROVIDE HOSPICE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
AUXILIARY OF HOLY ROSARY HOSPITAL  351 SW 9TH STREET ONTARIO , OR97914 94-3059469	SUPPORTS SERVICES OF RELATED HOSPITAL	OR	501(C)(3)	9	SAINT ALPHONSUS MEDICAL CENTER-ONTARIO		No
BATTLE CREEK HEALTH SYSTEM  300 NORTH AVENUE BATTLE CREEK, MI49016 38-2776791	HEALTHCARE SERVICES	MI	501(C)(3)	3	TRINITY HEALTH - MICHIGAN		No
BATTLE CREEK HEALTH SYSTEM AUXILIARY  300 NORTH AVENUE BATTLE CREEK, MI49016 38-3355520	SUPPORT OF TAX EXEMPT HEALTH ORGANIZATION	MI	501(C)(3)	11, TYPE I	BATTLE CREEK HEALTH SYSTEM		No
BAUM HARMON MERCY HOSPITAL  255 NORTH WELCH AVENUE PRIMGHAR, IA51245 42-1500277	ACUTE/AMBULATORY HEALTHCARE SERVICES	IA	501(C)(3)	3	MERCY HEALTH SERVICES-IOWA CORP	Yes	
BAUM HARMON MERCY HOSPITAL & CLINICS FOUNDATION  255 NORTH WELCH AVENUE PRIMGHAR, IA51245 26-2973307	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	BAUM HARMON MERCY HOSPITAL	Yes	
CAPITAL PARK FAMILY HEALTH CENTER INC  6150 EAST BROAD STREET COLUMBUS, OH43213 31-1387838	OPERATION OF A FEDERALLY QUALIFIED HEALTH CENTER (FORMERLY)	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
CATHERINE MCAULEY HEALTH SERVICES CORP  PO BOX 995 ANN ARBOR, MI48106 38-2507173	FURTHER TRINITY HEALTH ACTIVITIES, ORGANIZE AND DEVELOP MEDICAL SERVICES	MI	501(C)(3)	11, TYPE II	TRINITY HEALTH-MICHIGAN		No
COMMUNITY HEALTH PARTNERS OF SOUTH BEND  PO BOX 3998 SOUTH BEND, IN46619 26-3051440	HEALTHCARE SERVICES	IN	501(C)(3)	3	SAINT JOSEPH REGIONAL MEDICAL CENTER INC		No
CRANBROOK HOSPICE CARE  281 ENTERPRISE COURT BLOOMFIELD HILLS, MI48302 38-3320699	PROVIDE HOSPICE HEALTH SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
DILEY RIDGE MEDICAL CENTER  6150 EAST BROAD STREET COLUMBUS, OH43213 34-2032340	HOSPITAL CAMPUS IN FAIRFIELD COUNTY OHIO	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No

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

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						Yes	No
DUBUQUE MERCY HEALTH FOUNDATION INC  250 MERCY DRIVE DUBUQUE, IA52001 26-2227941	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP	Yes	
DYERSVILLE HEALTH FOUNDATION INC  1111 3RD STREET SW DYERSVILLE, IA52040 20-5383271	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP	Yes	
HACKLEY HOSPITAL  1700 CLINTON ST PO BOX 3302 MUSKEGON, MI494433302 38-1358196	HEALTHCARE SERVICES	MI	501(C)(3)	3	MERCY HEALTH PARTNERS		No
HACKLEY HOSPITAL SELF INSURANCE PROFESSIONAL LIABILITY TRUST  PO BOX 3302 MUSKEGON, MI494433302 38-2299878	SELF INSURANCE FOR GENERAL AND MALPRACTICE LIABILITY	MI	501(C)(3)	11, TYPE III-FI	MERCY HEALTH PARTNERS		No
HACKLEY LIFE COUNSELING  1352 TERRACE ST MUSKEGON, MI494423545 38-1386362	COUNSELING, EDUCATION, AND SUPPORT	MI	501(C)(3)	9	MERCY HEALTH PARTNERS		No
HACKLEY VISITING NURSE SERVICES AND HOSPICE INC  888 TERRACE ST MUSKEGON, MI49440 38-1359598	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	7	MERCY HEALTH PARTNERS		No
HOLY CROSS CARENET INC  PO BOX 9184 FARMINGTON HILLS, MI48333 52-1945054	LONG-TERM CARE AND REHABILITATION FOR THE ELDERLY	MD	501(C)(3)	9	TRINITY CONTINUING CARE SERVICES		No
HOLY CROSS HOSPITAL FOUNDATION INC  11801 TECH ROAD SILVER SPRING, MD20904 20-8428450	CHARITABLE FUNDRAISING	MD	501(C)(3)	11, TYPE I	HOLY CROSS HOSPITAL OF SILVER SPRING INC		No
HOLY CROSS HOSPITAL OF SILVER SPRING INC  1500 FOREST GLEN RD SILVER SPRING, MD209101484 52-0738041	HEALTHCARE SERVICES	MD	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY CROSS MEDICAL CENTER  27870 CABOT DRIVE NOVI, MI483772920 95-1985442	HEALTHCARE SERVICES (FORMERLY)	CA	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY ROSARY MEDICAL CENTER FOUNDATION  351 SW 9TH STREET ONTARIO, OR97914 20-2683560	SUPPORT THE SERVICES OF RELATED HOSPITAL	OR	501(C)(3)	11, TYPE I	SAINT ALPHONSUS MEDICAL CENTER-ONTARIO		No
HOSPICE OF NORTH IOWA  232 SECOND STREET SE MASON CITY, IA504016208 42-1173708	HOSPICE HEALTH CARE SERVICES	IA	501(C)(3)	7	MERCY HEALTH SERVICES-IOWA CORP	Yes	

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						Yes	No
HOSPICE OF WASHTENAW II  806 AIRPORT BLVD ANN ARBOR, MI48108 38-3320707	HOSPICE HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
HPCN  1675 LEAHY STREET MUSKEGON, MI49442 30-0207909	HEALTHCARE SERVICES	MI	501(C)(3)	11, TYPE II	MERCY HEALTH PARTNERS		No
IHA HEALTH SERVICES CORPORATION  24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3316559	PROVIDES OFFICE-BASED MEDICAL CARE	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
LAKESHORE COMMUNITY HOSPITAL INC  72 S STATE STREET SHELBY, MI494551228 38-2549295	ACUTE HEALTHCARE SERVICES	MI	501(C)(3)	3	MERCY HEALTH PARTNERS		No
LIFESPAN INC  166 EAST GOODALE AVE BATTLE CREEK, MI490372728 38-3298476	PROVIDE HOSPICE HEALTH SERVICES	MI	501(C)(3)	9	BATTLE CREEK HEALTH SYSTEM		No
MARIAN HOME HEALTHCARE  801 5TH STREET SIOUX CITY, IA51101 38-3320705	PROVIDE HOME HEALTH CARE SERVICES	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP	Yes	
MCAULEY CLINIC CORPORATION  PO BOX 992 ANN ARBOR, MI48106 38-2561013	HEALTHCARE SERVICES (FORMERLY)	MI	501(C)(3)	3	CATHERINE MCAULEY HEALTH SERVICES CORP		No
MERCY AMICARE HOME HEALTHCARE OAKLAND  281 ENTERPRISE COURT BLOOMFIELD HILLS, MI483020312 38-3320698	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY AMICARE HOME HEALTHCARE PORT HURON  505 HURON AVENUE PORT HURON, MI48060 38-3320701	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY GENERAL HEALTH PARTNERS AMICARE HOMECARE  684 HARVEY STREET MUSKEGON, MI49442 38-3321856	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY HEALTH PARTNERS  1415 LEAHY STREET MUSKEGON, MI49442 38-2589966	HEALTHCARE SYSTEM SUPPORT	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY HEALTH SERVICES - IOWA CORP  1000 4TH STREET SW MASON CITY, IA50401 31-1373080	HEALTHCARE SERVICES	DE	501(C)(3)	3	TRINITY HEALTH-MICHIGAN	Yes	

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						Yes	No
MERCY HEALTHCARE FOUNDATION  1410 N 4TH ST CLINTON, IA52732 42-1316126	FUNDRAISING AND FINANCIAL ASSISTANCE FOR HOSPITAL CHARITABLE SERVICES	IA	501(C)(3)	11, TYPE I	MERCY MEDICAL CENTER-CLINTON	Yes	
MERCY HOSP & HEALTH SERVICES OF DETROITMARSHALL PARK HEALTH SERVICES INC  27870 CABOT DRIVE NOVI, MI483772920 38-1562325	SUPPORTS MALPRACTICE CONTINGENCIES OF CLOSED HOSPITAL	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY HOSPITAL CADILLAC FOUNDATION  400 HOBART CADILLAC, MI496012331 20-3357131	SUPPORT THE SERVICES OF RELATED HOSPITAL	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY HOSPITAL GIFT SHOP  2601 ELECTRIC AVE PORT HURON, MI48060 38-1630480	VOLUNTEER SERVICE AUXILIARY	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY MEDICAL CENTER - CLINTON INC  1410 NORTH 4TH ST CLINTON, IA527322940 42-1336618	TO PROVIDE QUALITY HEALTH CARE	DE	501(C)(3)	3	MERCY HEALTH SERVICES-IOWA CORP	Yes	
MERCY MEDICAL CENTER - SIOUX CITY FOUNDATION  801 5TH STREET SIOUX CITY, IA51102 14-1880022	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	7	MERCY HEALTH SERVICES-IOWA CORP	Yes	
MERCY MEDICAL CENTER FOUNDATION - NORTH IOWA  1000 4TH STREET SW MASON CITY, IA504012800 42-1229151	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE III-FI	MERCY HEALTH SERVICES-IOWA CORP		No
MERCY MEDICAL CENTER FOUNDATION INC  1512 12TH AVENUE ROAD NAMPA, ID83686 26-1737256	SUPPORT THE SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	7	SAINT ALPHONSUS MEDICAL CENTER-NAMPA		No
MERCY NORTH HOMECARE AND HOSPICE  7985 MACKINAW TRAIL CADILLAC, MI49601 38-3313897	HOME HEALTH AND HOSPICE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY PAVILION OF BATTLE CREEK  300 NORTH AVENUE BATTLE CREEK, MI49016 38-2783350	PROVIDES LONG-TERM CARE FOR THE ELDERLY	MI	501(C)(3)	9	BATTLE CREEK HEALTH SYSTEM		No
MERCY PHYSICIAN GROUP INC  1512 12TH AVENUE ROAD NAMPA, ID83686 20-8192593	TO PROVIDE QUALITY HEALTH CARE	ID	501(C)(3)	9	SAINT ALPHONSUS MEDICAL CENTER-NAMPA		No
MERCY SERVICES FOR AGING NON-PROFIT HOUSING CORPORATION  PO BOX 9184 FARMINGTON HILLS, MI483339184 38-2719605	PROVIDES LONG-TERM CARE FOR THE ELDERLY	MI	501(C)(3)	11, TYPE II	TRINITY CONTINUING CARE SERVICES INC		No

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						Yes	No
MIDWEST MEDFLIGHT  1300 VICTORS WAY ANN ARBOR, MI48108 38-2684671	AEROMEDICAL TRANSPORT	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
MOUNT CARMEL CARE CONTINUUM SERVICES CORP  793 WEST STATE STREET COLUMBUS, OH43222 31-1126211	COOPERATIVE HOSPITAL SERVICE ORGANIZATION	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL COLLEGE OF NURSING  6150 EAST BROAD STREET COLUMBUS, OH43213 31-1308555	COLLEGE OF NURSING	OH	501(C)(3)	2	MOUNT CARMEL HEALTH		No
MOUNT CARMEL HEALTH  6150 EAST BROAD STREET COLUMBUS, OH43213 31-4379602	HEALTHCARE SERVICES	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH INSURANCE COMPANY  6150 EAST BROAD STREET COLUMBUS, OH43213 25-1912781	HEALTH INSURANCE	OH	501(C)(4)	N/A	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH PLAN INC  6150 EAST BROAD STREET COLUMBUS, OH43213 31-1471229	MEDICARE HMO FOR SENIORS	OH	501(C)(4)	N/A	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH SYSTEM  6150 EAST BROAD STREET COLUMBUS, OH43213 31-1439334	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	OH	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
MOUNT CARMEL HEALTH SYSTEM FOUNDATION  6150 EAST BROAD STREET COLUMBUS, OH43213 31-1113966	SUPPORT THE SERVICES OF RELATED HOSPITAL	OH	501(C)(3)	11, TYPE I	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HOME CARE LLC  1144 DUBLIN ROAD SUITE B COLUMBUS, OH43215 26-2729300	PROVIDE HOME HEALTH CARE SERVICES	OH	501(C)(3)	9	TRINITY HOME HEALTH SERVICES INC		No
MOUNT CARMEL NEW ALBANY SURGICAL HOSPITAL  7333 SMITHS MILL RD NEW ALBANY, OH43054 87-0790288	HEALTHCARE SERVICES	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MRI MOBILE SERVICES OF WEST MICHIGAN  1820 - 44TH STREET KENTWOOD, MI49508 38-3073745	OPERATE MAGNETIC IMAGING RESONANCE (FORMERLY )	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
MUSKEGON COMMUNITY HEALTH PROJECT  565 W WESTERN AVENUE MUSKEGON, MI49440 91-1932918	FACILITATE AND COORDINATE HEALTHCARE AND RELATED SERVICES	MI	501(C)(3)	7	MERCY HEALTH PARTNERS		No

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						Yes	No
OAKLAND MERCY HOSPITAL  601 EAST 2ND STREET OAKLAND, NE68045 20-8072234	HEALTHCARE SERVICES	NE	501(C)(3)	3	MERCY HEALTH SERVICES-IOWA CORP	Yes	
OAKLAND MERCY HOSPITAL FOUNDATION  601 E 2ND STREET OAKLAND, NE68045 31-1678345	SUPPORTS SERVICES OF RELATED HOSPITAL	NE	501(C)(3)	11, TYPE III-FI	OAKLAND MERCY HOSPITAL	Yes	
PORT HURON MERCY FAMILY CARE INC  2601 ELECTRIC AVE PORT HURON, MI48060 20-1855647	HEALTHCARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
PROFESSIONAL MED TEAM  965 FORK STREET MUSKEGON, MI494423257 38-2638284	MEDICAL CARE, TRANSPORTATION AND EDUCATION	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
PROFESSIONAL OFFICE CORPORATION  1303 EAST HERNDON AVE FRESNO, CA93720 94-2839324	HEALTHCARE SERVICES	CA	501(C)(3)	11, TYPE I	SAINT AGNES MEDICAL CENTER		No
SAINT AGNES MEDICAL CENTER  1303 EAST HERNDON AVE FRESNO, CA93720 94-1437713	HEALTHCARE SERVICES	CA	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
SAINT ALPHONSUS BUILDING COMPANY INC  1055 NORTH CURTIS RD BOISE, ID83706 82-0401011	SUPPORTS SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	11, TYPE I	SAINT ALPHONSUS REGIONAL MEDICAL CENTER INC		No
SAINT ALPHONSUS DIVERSIFIED CARE INC  1055 NORTH CURTIS RD BOISE, ID83706 94-3028978	SUPPORTS SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	11, TYPE I	SAINT ALPHONSUS REGIONAL MEDICAL CENTER INC		No
SAINT ALPHONSUS HEALTH SYSTEM INC  1055 N CURTIS ROAD BOISE, ID83706 27-1929502	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	ID	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
SAINT ALPHONSUS MEDICAL CENTER-BAKER CITY  3325 POCAHONTAS ROAD BAKER CITY, OR97814 27-1790052	TO PROVIDE QUALITY HEALTH CARE	OR	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No
SAINT ALPHONSUS MEDICAL CENTER-NAMPA  1512 12TH AVENUE ROAD NAMPA, ID83686 82-0200896	TO PROVIDE QUALITY HEALTH CARE	ID	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No
SAINT ALPHONSUS MEDICAL CENTER-ONTARIO  351 SW 9TH STREET ONTARIO, OR97914 27-1789847	TO PROVIDE QUALITY HEALTH CARE	OR	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No

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						Yes	No
SAINT ALPHONSUS REGIONAL MEDICAL CENTER  1055 NORTH CURTIS RD BOISE, ID83706 82-0200895	HEALTHCARE SERVICES	ID	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No
SAINT JOSEPH REGIONAL MEDICAL CENTER - PLYMOUTH CAMPUS INC  1915 LAKE AVENUE PO BOX 670 PLYMOUTH, IN46563 35-1142669	HEALTHCARE SERVICES	IN	501(C)(3)	3	SAINT JOSEPH REGIONAL MEDICAL CENTER INC		No
SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS INC  PO BOX 1935 SOUTH BEND, IN466341935 35-0868157	HEALTHCARE SERVICES	IN	501(C)(3)	3	SAINT JOSEPH REGIONAL MEDICAL CENTER INC		No
SAINT JOSEPH REGIONAL MEDICAL CENTER INC  801 EAST LASALLE AVE SOUTH BEND, IN46617 35-1568821	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	IN	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
SAINT JOSEPH'S AUXILIARY OF MARSHALL COUNTY  1915 LAKE AVENUE PLYMOUTH, IN46563 35-6043563	HOSPITAL SERVICE AUXILIARY	IN	501(C)(3)	11, TYPE II	SAINT JOSEPH REGIONAL MEDICAL CENTER - PLYMOUTH CAMPUS INC		No
SAINT JOSEPH'S TOWER INC  PO BOX 9184 FARMINGTON HILLS, MI483339184 31-1040468	PROVIDES HOUSING FOR LOW INCOME ELDERLY INDIVIDUALS	IN	501(C)(3)	9	TRINITY CONTINUING CARE SERVICES-INDIANA		No
SAINT MARY'S AMICARE HOME HEALTHCARE  1430 MONROE NW GRAND RAPIDS, MI49505 38-3320700	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
SAINT MARY'S DORAN FOUNDATION CO SAINT MARY'S HEALTH CARE  200 JEFFERSON ST SE GRAND RAPIDS, MI49503 38-1779602	SUPPORTS SERVICES OF RELATED HOSPITAL	MI	501(C)(3)	7	TRINITY HEALTH-MICHIGAN		No
ST JOHN'S HEALTH SYSTEM  27870 CABOT DRIVE NOVI, MI483772920 35-0877584	HEALTHCARE SERVICES (FORMERLY)	IN	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
ST JOSEPH MERCY OAKLAND FOUNDATION  44405 WOODWARD AVE PONTIAC, MI48341 35-2356789	SUPPORTS SERVICES OF RELATED HOSPITAL	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
ST ANN'S HOSPITAL  500 SOUTH CLEVELAND AVE WESTERVILLE, OH43081 31-4412701	HEALTHCARE SERVICES	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
ST ELIZABETH HEALTH CARE FOUNDATION  3325 POCAHONTAS ROAD BAKER CITY, OR97814 94-3164869	SUPPORT THE SERVICES OF RELATED HOSPITAL	OR	501(C)(3)	7	SAINT ALPHONSUS MEDICAL CENTER - BAKER CITY		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
ST JOSEPH'S MEDICAL CENTER AUXILIARY  801 E LASALLE AVE PO BOX 1935 SOUTH BEND, IN466341935 35-6033285	HOSPITAL SERVICE AUXILIARY	IN	501(C)(4)	N/A	SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS INC		No
THE FOUNDATION OF SAINT JOSEPH REGIONAL MEDICAL CENTER  4215 EDISON LAKES PARKWAY MISHAWAKA, IN46545 35-1654543	SUPPORTS SERVICES OF RELATED HOSPITAL	IN	501(C)(3)	11, TYPE I	SAINT JOSEPH REGIONAL MEDICAL CENTER INC		No
TRINITY CONTINUING CARE SERVICES  PO BOX 9184 FARMINGTON HILLS, MI483339184 38-2559656	MANAGEMENT SERVICES FOR LONG TERM CARE AND SENIOR LIVING FACILITIES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
TRINITY CONTINUING CARE SERVICES - INDIANA INC  PO BOX 9184 FARMINGTON HILLS, MI483339184 93-0907047	PROVIDES LONG-TERM CARE AND RESIDENTIAL HOUSING	IN	501(C)(3)	9	TRINITY CONTINUING CARE SERVICES		No
TRINITY HEALTH - MICHIGAN  27870 CABOT DRIVE NOVI, MI483772920 38-2113393	HEALTHCARE SERVICES	MI	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
TRINITY HEALTH CORPORATION  27870 CABOT DRIVE NOVI, MI483772920 35-1443425	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	IN	501(C)(3)	11, TYPE I	N/A		No
TRINITY HEALTH INTERNATIONAL  27870 CABOT DRIVE NOVI, MI483772920 42-1253527	HEALTHCARE TRAINING AND SUPPORT SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
TRINITY HEALTH WELFARE BENEFIT TRUST  27870 CABOT DRIVE NOVI, MI483772920 20-8151733	RETIREE MEDICAL AND RETIREE LIFE INSURANCE COVERAGE	MI	501(C)(9)	N/A	TRINITY HEALTH CORPORATION		No
TRINITY HOME HEALTH SERVICES INC  17410 COLLEGE PARKWAY LIVONIA, MI48152 38-2621935	HOME HEALTH CARE SYSTEM MANAGEMENT SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No



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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of- year assets (\$)	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
ADVANCED IMAGING SERVICES OF BATTLE CREEK  5352 BECKLEY ROAD STE A BATTLE CREEK, MI49015 20-4594297	RADIOLOGY/IMAGING	MI	N/A	N/A				No			No	0 %
ADVENT REHABILITATION LLC  607 DEWEY AVENUE SUITE 300 GRAND RAPIDS, MI49504 38-3306673	REHABILITATION THERAPY SERVICES	MI	N/A	N/A				No			No	0 %
BIG RUN MEDICAL OFFICE BUILDING LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1608125	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
CENTER FOR DIGESTIVE CARE LLC  5300 ELLIOTT DRIVE YPSILANTI, MI48197 03-0447062	PROVIDE GASTROINTESTINAL SERVICES	MI	N/A	N/A				No			No	0 %
CENTRAL OHIO SLEEP MEDICINE LTD  5955 EAST BROAD ST COLUMBUS, OH43213 31-1701029	SLEEP MEDICINE SERVICES	OH	N/A	N/A				No			No	0 %
CLINTON IMAGING SERVICES LLC  615 VALLEY VIEW DR STE 202 MOLINE, IL61265 41-2044739	MRI DIAGNOSTIC SERVICES	IA	N/A	N/A				No			No	0 %
FOREST PARK IMAGING LLC  1000 4TH STREET SW MASON CITY, IA50401 13-4365966	X-RAY AND MAMMOGRAPHY SERVICES	IA	MERCY HEALTH SERVICES- IOWA CORP	RELATED	1,081,595	307,605		No		Yes		52 889 %
FRANCES WARDE MEDICAL LABORATORY  300 WEST TEXTILE ROAD ANN ARBOR, MI48104 38-2648446	LABORATORY	MI	N/A	N/A				No			No	0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
FRESNO IMAGING CENTER  1303 E HERNDON AVE FRESNO, CA93720 77-0363563	DIAGNOSTIC IMAGING	CA	N/A	N/A				No			No	0 %
HAWARDEN COMMUNITY CLINIC LLC  1122 AVENUE L HAWARDEN, IA51023 20-1444339	MEDICAL CLINIC	IA	N/A	N/A				No			No	0 %
IDAHO GYNONCOLOGY SERVICES LLC  1055 N CURTIS RD BOISE, ID83706 20-2975807	PROVIDE GYN ONCOLOGY SERVICES	ID	N/A	N/A				No			No	0 %
INTERMOUNTAIN MEDICAL IMAGING LLC  877 WEST MAIN ST STE 603 BOISE, ID83702 82-0514422	PROVIDE IMAGING SERVICES	ID	N/A	N/A				No			No	0 %
MAGNETIC RESONANCE SERVICES PARTNERSHIP  1416 SIXTH STREET SW MASON CITY, IA50401 42-1328388	MRI SERVICES	IA	MERCY HEALTH SERVICES- IOWA CORP DBA MERCY MEDICAL CENTER-N IA	RELATED	1,264,535	2,863		No		Yes		49 000 %
MASON CITY AMBULATORY SURGERY CENTER LLC  990 4TH STREET SW MASON CITY, IA50401 20-1960348	SURGERY-SAME DAY	IA	MERCY HEALTH SERVICES- IOWA CORP DBA MERCY MEDICAL CENTER-N IA	RELATED	2,385,459	2,075,596		No		Yes		51 000 %
MCE MOB IV LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 42-1544707	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
MCMC POB III LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1392994	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of- year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MEDILUCENT MOB I  793 W STATE STREET COLUMBUS, OH43222 20-4911370	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
MERCY HEART CTR OP SERVICES LLC  1000 4TH STREET SW MASON CITY, IA50401 13-4237594	CARDIOVASCULAR SERVICES	IA	MERCY HEALTH SERVICES- IOWA CORP DBA MERCY MEDICAL CENTER-N IA	RELATED	956,951	978,407		No			No	51 000 %
MERCY OUTPATIENT SURGERY CENTER LLC  1512 12TH AVENUE ROAD NAMPA, ID83686 84-1380439	OUTPATIENT SURGERY	ID	N/A	N/A				No			No	0 %
MICHIANA HEALTH INFORMATION NETWORK LLC  215 WEST MADISON STREET SOUTH BEND, IN46601 35-2050128	COMMUNITY BASED CLINICAL INFORMATION SYSTEM AND DATA DEPOSITORY	IN	N/A	N/A				No			No	0 %
MOUNT CARMEL EAST POB III LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1369473	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
NEWCO AMBULATORY SURGERY CTR LLP  4190 24TH AVENUE FORT GRATIOT, MI48059 30-0136708	OUTPATIENT SURGERY CENTER	MI	N/A	N/A				No			No	0 %
RIVERVIEW MEDICAL OFFICE BUILDING LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1531135	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
ROSENBERG & BRUNO PROPERTIES LLC (FKA BSV MEDICAL OFFICE BUILDING II LLC)  855 M STREET TENTH FLOOR FRESNO, CA93721 20-2673839	MEDICAL OFFICE BUILDING RENTAL	CA	N/A	N/A				No			No	0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of- year assets (\$)	(h) Disproporionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SARMED OUTPATIENT PHARMACY LLC  999 N CURTIS RD STE 102 BOISE, ID83706 51-0483218	PHARMACY	ID	N/A	N/A				No			No	0 %
SIXTY FOURTH STREET LLC  2373 64TH ST STE 2200 BYRON CENTER, MI49315 20-2443646	PROVIDE OUTPATIENT SURGICAL CARE	MI	N/A	N/A				No			No	0 %
ST ALPHONSUS CALDWELL CANCER CTR LLC  3123 MEDICAL DR CALDWELL, ID83605 82-0526861	RADIATION ONCOLOGY	ID	N/A	N/A				No			No	0 %
ST ANN'S MEDICAL OFFICE BLDG II LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1603660	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
TAMARACK MEDICAL CLINIC LLC  610 VILLAGE DRIVE DONNELLY, ID83615 20-1637921	OUTPATIENT MEDICAL SERVICES	ID	N/A	N/A				No			No	0 %
WESTAR MEDICAL OFFICE BUILDING LIMITED PARTNERSHIP  793 W STATE STREET COLUMBUS, OH43222 31-1784409	MEDICAL OFFICE BUILDING RENTAL	OH	N/A	N/A				No			No	0 %
WOODLAND IMAGING CENTER LLC  5301 E HURON RIVER DR ANN ARBOR, MI48106 76-0820959	RADIOLOGY/IMAGING	MI	N/A	N/A				No			No	0 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
COMMUNITY HEALTH VENTURES INC 565 W WESTERN AVE MUSKEGON, MI49440 38-3522260	SOFTWARE MARKETING	MI	N/A	C			
HACKLEY HEALTH MANAGEMENT CENTER 1415 LEAHY ST MUSKEGON, MI49442 38-2961814	WEIGHT MANAGEMENT	MI	N/A	C			
HACKLEY HEALTH VENTURES INC 1415 LEAHY ST MUSKEGON, MI49442 38-2589959	OTHER MEDICAL SERVICES	MI	N/A	C			
HACKLEY HEALTHCARE EQUIPMENT 1415 LEAHY ST MUSKEGON, MI49442 38-2578569	HOME MEDICAL EQUIPMENT	MI	N/A	C			
HACKLEY PROFESSIONAL CENTER 1415 LEAHY ST MUSKEGON, MI49442 38-3024797	REAL ESTATE RENTAL	MI	N/A	C			
HACKLEY PROFESSIONAL PHARMACY 1415 LEAHY ST MUSKEGON, MI49442 38-2447870	PHARMACY	MI	N/A	C			
HEF INC 1415 LEAHY ST MUSKEGON, MI49442 38-3086401	OFFICE STAFFING	MI	N/A	C			
HOLY CROSS PRIVATE HOME SERVICES CORP 11801 TECH ROAD SILVER SPRING, MD20904 52-1986562	HOME CARE SERVICES	MD	N/A	C			
HPC CO-OWNERS ASSOCIATION 1700 CLINTON MUSKEGON, MI49442 27-0734448	CONDOMINIUM ASSOCIATION	MI	N/A	C			
HURON ARBOR CORPORATION 5301 EAST HURON RIVER DR PO BOX 992 ANN ARBOR, MI48106 38-2475644	PROVIDES OFFICE RENTAL SPACE	MI	N/A	C			
INTEGRATED HEALTH ASSOCIATES INC 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3126920	MEDICAL MANAGEMENT	MI	N/A	C			
IHA AFFILIATION CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3188895	MEDICAL MANAGEMENT	MI	N/A	C			
IHA HEALTH SERVICES CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3316559	MEDICAL SERVICES	MI	N/A	C			
MARYLAND CARE GROUP INC 11801 TECH ROAD SILVER SPRING, MD20904 52-1815313	HEALTHCARE HOLDING	MD	N/A	C			
MEDNOW INC 1512 12TH AVENUE ROAD NAMPA, ID83686 82-0389927	OUTPATIENT PHARMACY	ID	N/A	C			
MERCY COMMUNITY PHYSICIANS 363 FREMONT STREET BATTLE CREEK, MI49017 26-4252468	HEALTHCARE SERVICES	MI	N/A	C			
MERCY MEDICAL SERVICES 801 5TH STREET SIOUX CITY, IA51101 42-1283849	PRIMARY CARE PHYSICIANS	IA	MERCY HEALTH SERVICES - IOWA CORP DBA MERCY MEDICAL CENTER - SIOUX CITY	C	-8,127,346	11,467,575	100 000 %
MICHIGAN PHYSICIAN SERVICES 44405 WOODWARD AVENUE H-5 PONTIAC, MI48341 38-3293125	PHYSICIAN SERVICES	MI	N/A	C			
MICHIGAN ATHLETIC CLUB 2500 BURTON GRAND RAPIDS, MI49546 38-2647304	ATHLETIC CLUB	MI	N/A	C			
MOUNT CARMEL BEHAVIORAL HEALTHCARE SERVICES INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-0971510	BEHAVIORAL HEALTHCARE SERVICES	OH	N/A	C			

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
MOUNT CARMEL HEALTH HORIZONS CORP 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1177652	MEDICAL SERVICES/RENT	OH	N/A	C			
MOUNT CARMEL HEALTH PROVIDERS INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1382442	MEDICAL SERVICES	OH	N/A	C			
NORTH IOWA MERCY MEDICAL SERVICES INC 1000 4TH ST SW MASON CITY, IA50401 42-1382308	MEDICAL SERVICES	IA	MERCY HEALTH SERVICES - IOWA CORP	C			100 000 %
PRIMARY CARE NETWORK OF OHIO INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1422486	HEALTH MANAGEMENT SERVICES	OH	N/A	C			
PRIORITY PLUS OF CALIFORNIA PO BOX 27230 FRESNO, CA93729 77-0395267	FORMERLY HEALTH MANAGEMENT NOW DISCONTINUED SUBSTANTIALLY ALL OPERATIONS	CA	N/A	C			
SAINT ALPHONSUS PHYSICIANS PA 1055 NORTH CURTIS ROAD BOISE, ID837061370 33-1078261	PHYSICIANS	ID	N/A	C			
SAINT MARY'S HEALTH MANAGEMENT COMPANY 1640 EAST PARIS SE GRAND RAPIDS, MI49546 38-3450733	ATHLETIC CLUB	MI	N/A	C			
SURGERY CENTER FINANCING CORPORATION 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1531102	FINANCE, INSURANCE AND REAL ESTATE	OH	N/A	C			
TRINITY HEALTH EMPLOYEE BENEFIT TRUST 27870 CABOT DRIVE NOVI, MI483772920 38-3410377	GRANTOR TRUST	MI	N/A	T			
VENZKE INSURANCE COMPANY LTD PO BOX 1051 GRAND CAYMAN GRAND CAYMAN CJ 98-0453602	PROVISION OF INSURANCE COVERAGE	CJ	N/A	C			
WESTSHORE HEALTH NETWORK 1820 44TH STREET KENTWOOD, MI49508 38-3280200	PHYSICIAN HOSPITAL ORGANIZATION	MI	N/A	C			
WORKPLACE HEALTH OF GRAND HAVEN 1415 LEAHY ST MUSKEGON, MI49442 38-3112035	OCCUPATIONAL HEALTH	MI	N/A	C			

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	TRINITY HEALTH CORPORATION	J	861,805	PER BOOKS
(2)	TRINITY HEALTH CORPORATION	B	15,470,711	PER BOOKS
(3)	TRINITY HEALTH CORPORATION	C	176,474	PER BOOKS
(4)	TRINITY HEALTH CORPORATION	K	253,185	PER BOOKS
(5)	TRINITY HEALTH CORPORATION	L	49,424,218	PER BOOKS
(6)	TRINITY HEALTH CORPORATION	O	46,137,427	PER BOOKS
(7)	TRINITY HEALTH CORPORATION	P	566,858	PER BOOKS
(8)	TRINITY HEALTH CORPORATION	E	7,000,000	PER BOOKS
(9)	TRINITY HEALTH CORPORATION	Q	8,291,320	PER BOOKS
(10)	DUBUQUE MERCY HEALTH FOUNDATION	C	1,087,963	PER BOOKS
(11)	MERCY HEART CTR OP SERVICES LLC	A	103,952	PER BOOKS
(12)	MERCY HEART CTR OP SERVICES LLC	C	982,373	PER BOOKS
(13)	MERCY HEART CTR OP SERVICES LLC	K	1,717,035	PER BOOKS
(14)	MERCY HEART CTR OP SERVICES LLC	P	413,612	PER BOOKS
(15)	MASON CITY AMBULATORY SURGERY CENTER LLC	C	2,168,266	PER BOOKS
(16)	MASON CITY AMBULATORY SURGERY CENTER LLC	K	286,421	PER BOOKS
(17)	FOREST PARK IMAGING LLC	A	185,668	PER BOOKS
(18)	FOREST PARK IMAGING LLC	C	1,272,549	PER BOOKS
(19)	FOREST PARK IMAGING LLC	K	2,569,682	PER BOOKS
(20)	FOREST PARK IMAGING LLC	P	364,168	PER BOOKS
(21)	HOSPICE OF NORTH IOWA	P	618,866	PER BOOKS
(22)	HOSPICE OF NORTH IOWA	L	168,300	PER BOOKS
(23)	OAKLAND MERCY HOSPITAL	A	2,114	PER BOOKS
(24)	OAKLAND MERCY HOSPITAL	C	1,363,361	PER BOOKS
(25)	MERCY MEDICAL SERVICES	A	49,760	PER BOOKS
(26)	MERCY MEDICAL SERVICES	P	1,495,962	PER BOOKS
(27)	MERCY MEDICAL SERVICES	B	8,506,174	PER BOOKS
(28)	MERCY MEDICAL SERVICES	K	345,213	PER BOOKS
(29)	MERCY MEDICAL SERVICES	L	65,860	PER BOOKS
(30)	MERCY MEDICAL SERVICES	O	1,221,031	PER BOOKS

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(31)	BAUM HARMON MERCY HOSPITAL	A	15,101	PER BOOKS
(32)	BAUM HARMON MERCY HOSPITAL	C	1,495,842	PER BOOKS
(33)	BAUM HARMON MERCY HOSPITAL	O	109,889	PER BOOKS
(34)	BAUM HARMON MERCY HOSPITAL	P	155,417	PER BOOKS
(35)	MERCY MEDICAL CENTER-SIOUX CITY FOUNDATION	B	606,698	PER BOOKS
(36)	MERCY MEDICAL CENTER-SIOUX CITY FOUNDATION	C	155,029	PER BOOKS
(37)	MERCY MEDICAL CENTER-CLINTON INC	K	215,605	PER BOOKS
(38)	TRINITY HOME HEALTH SERVICES INC	P	82,221	PER BOOKS
(39)	MERCY MEDICAL CENTER FOUNDATION-NORTH IOWA	B	551,578	PER BOOKS
(40)	MERCY MEDICAL CENTER FOUNDATION-NORTH IOWA	C	368,255	PER BOOKS
(41)	MAGNETIC RESONANCE SERVICES PARTNERSHIP	C	1,270,828	PER BOOKS



# ***TRINITY HEALTH***

*Consolidated Financial Statements for  
the Years Ended June 30, 2011 and 2010  
and Independent Auditors' Report*

# TRINITY HEALTH

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Trinity Health  
Novi, Michigan

We have audited the accompanying consolidated balance sheets of Trinity Health and subsidiaries (the "Corporation") as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Corporation adopted the presentation and disclosure provisions of Accounting Standards Update 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions, including an amendment of FASB Statement No. 142*, and changed its method of accounting for noncontrolling interests in consolidated subsidiaries.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2011 and 2010, and the results of its operations and changes in net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Deloitte & Touche LLP*

September 23, 2011

# TRINITY HEALTH

## CONSOLIDATED BALANCE SHEETS

JUNE 30, 2011 AND 2010

(In Thousands)

ASSETS	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	\$ 536,269	\$ 547,165
Investments	1,681,699	1,511,037
Security lending collateral	149,641	156,162
Assets limited or restricted as to use, current portion	8,233	9,418
Patient accounts receivable, net of allowance for doubtful accounts of \$177.6 million and \$166.7 million in 2011 and 2010, respectively	722,465	693,689
Estimated receivables from third-party payors	92,829	36,415
Other receivables	117,740	88,112
Inventories	109,136	106,861
Assets held for sale	185,437	177,053
Prepaid expenses and other current assets	97,005	106,369
Total current assets	3,700,454	3,432,281
ASSETS LIMITED OR RESTRICTED AS TO USE, NON-CURRENT PORTION:		
Held by trustees under bond indenture agreements	6,627	45,741
Self-insurance, benefit plans and other	207,236	191,381
By Board	2,309,567	1,962,041
By donors	100,203	94,537
Total assets limited or restricted as to use, non-current portion	2,623,633	2,293,700
PROPERTY AND EQUIPMENT, NET	3,374,103	3,349,524
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	104,702	89,827
GOODWILL, net of accumulated amortization of \$26.1 million in 2010	108,297	54,480
INTANGIBLE ASSETS, net of accumulated amortization of \$14.2 million and \$10.9 million in 2011 and 2010, respectively	22,053	16,269
OTHER ASSETS	96,415	85,499
TOTAL ASSETS	\$ 10,029,657	\$ 9,321,580

The accompanying notes are an integral part of the consolidated financial statements.

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<b>LIABILITIES AND NET ASSETS</b>	<b>2011</b>	<b>2010</b>
<b>CURRENT LIABILITIES:</b>		
Commercial paper	\$ 99,978	\$ 169,956
Short-term borrowings	1,121,270	1,143,940
Current portion of long-term debt	29,514	30,778
Accounts payable	281,213	275,329
Accrued expenses	132,417	79,241
Salaries, wages and related liabilities	356,968	312,836
Payable under security lending agreements	149,641	156,162
Liabilities held for sale	28,918	36,866
Estimated payables to third-party payors	166,910	155,243
Total current liabilities	2,366,829	2,360,351
 LONG-TERM DEBT, NET OF CURRENT PORTION	 1,530,902	 1,406,548
 SELF-INSURANCE RESERVES	 282,175	 295,266
 ACCRUED PENSION AND RETIREE HEALTH COSTS	 346,942	 657,495
 OTHER LONG-TERM LIABILITIES	 288,497	 291,982
Total liabilities	4,815,345	5,011,642
 <b>NET ASSETS:</b>		
Unrestricted net assets	5,007,518	4,119,660
Noncontrolling ownership interest in subsidiaries	97,288	86,223
Total unrestricted net assets	5,104,806	4,205,883
Temporarily restricted net assets	73,287	70,657
Noncontrolling ownership interest in subsidiaries	1,628	1,610
Total temporarily restricted net assets	74,915	72,267
Permanently restricted net assets	34,462	31,736
Noncontrolling ownership interest in subsidiaries	129	52
Total permanently restricted net assets	34,591	31,788
Total net assets	5,214,312	4,309,938
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 10,029,657</b>	 <b>\$ 9,321,580</b>

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# TRINITY HEALTH

## CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

(In Thousands)

	2011	2010
UNRESTRICTED REVENUE:		
Net patient service revenue	\$ 6,495,919	\$ 5,966,053
Capitation and premium revenue	378,568	359,441
Net assets released from restrictions	12,357	20,513
Other revenue	464,505	434,021
Total unrestricted revenue	7,351,349	6,780,028
EXPENSES:		
Salaries and wages	2,850,939	2,612,189
Employee benefits	729,746	657,147
Contract labor	56,471	43,937
Total labor expenses	3,637,156	3,313,273
Supplies	1,190,255	1,127,789
Purchased services	683,560	613,443
Depreciation and amortization	405,631	407,340
Occupancy	307,722	290,580
Provision for bad debts	323,275	306,079
Medical claims and capitation purchased services	198,355	191,531
Interest	84,071	70,651
Other	296,565	256,032
Total expenses	7,126,590	6,576,718
OPERATING INCOME BEFORE OTHER ITEMS	224,759	203,310
Pension settlement	-	(48,986)
OPERATING INCOME	224,759	154,324
NONOPERATING ITEMS:		
Investment income	483,550	328,038
Change in market value and cash payments of interest rate swaps	13,554	(39,928)
Loss from early extinguishment of debt	(10,185)	(949)
Other, including income tax expense	(28,765)	(10,856)
Total nonoperating items	458,154	276,305
EXCESS OF REVENUE OVER EXPENSES	682,913	430,629
Less excess of revenue over expenses attributable to noncontrolling interest	6,580	4,133
EXCESS OF REVENUE OVER EXPENSES NET OF NONCONTROLLING INTEREST	\$ 676,333	\$ 426,496

The accompanying notes are an integral part of the consolidated financial statements.

	<b>Controlling Interest</b>	<b>Non- Controlling Interest</b>	<b>Total</b>
<b>UNRESTRICTED NET ASSETS</b>			
Excess of revenue over expenses	\$ 676,333	\$ 6,580	\$ 682,913
Net assets released from restrictions for capital acquisitions	8,914	-	8,914
Net change in retirement plan related items	209,467	2,594	212,061
Cumulative effect of change in accounting principle	(7,823)	(32)	(7,855)
Other	(2,221)	(3,595)	(5,816)
Increase in unrestricted net assets before discontinued operations	884,670	5,547	890,217
Discontinued operations - Battle Creek Health System			
Income from operations of Battle Creek Health System	4,836	5,518	10,354
Costs associated with the sale of Battle Creek Health System	(1,648)	-	(1,648)
Increase in unrestricted net assets	887,858	11,065	898,923
<b>TEMPORARILY RESTRICTED NET ASSETS</b>			
Contributions	18,445	123	18,568
Net investment gain	4,549	26	4,575
Net assets released from restrictions	(21,271)	-	(21,271)
Other	907	(131)	776
Increase in temporarily restricted net assets	2,630	18	2,648
<b>PERMANENTLY RESTRICTED NET ASSETS</b>			
Contributions for endowment funds	403	76	479
Net investment gain	2,534	1	2,535
Other	(211)	-	(211)
Increase in permanently restricted net assets	2,726	77	2,803
<b>INCREASE IN NET ASSETS</b>	<b>893,214</b>	<b>11,160</b>	<b>904,374</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,222,053</b>	<b>87,885</b>	<b>4,309,938</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,115,267</b>	<b>\$ 99,045</b>	<b>\$ 5,214,312</b>

(Continued)

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# TRINITY HEALTH

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2010

(In Thousands)

	Controlling Interest	Non- Controlling Interest	Total
<b>UNRESTRICTED NET ASSETS</b>			
Excess of revenue over expenses	\$ 426,496	\$ 4,133	\$ 430,629
Net assets released from restrictions for capital acquisitions	20,810	248	21,058
Net change in retirement plan related items	(168,577)	(2,385)	(170,962)
Other	526	(3,392)	(2,866)
Increase (decrease) in unrestricted net assets before discontinued operations	279,255	(1,396)	277,859
Discontinued operations - Battle Creek Health System			
Income from operations of Battle Creek Health System	7,599	7,915	15,514
Increase in unrestricted net assets	286,854	6,519	293,373
<b>TEMPORARILY RESTRICTED NET ASSETS</b>			
Contributions	21,239	112	21,351
Net investment gain	2,839	34	2,873
Net assets released from restrictions	(41,323)	(248)	(41,571)
Other	1,646	(57)	1,589
Decrease in temporarily restricted net assets	(15,599)	(159)	(15,758)
<b>PERMANENTLY RESTRICTED NET ASSETS</b>			
Contributions for endowment funds	360	-	360
Net investment gain	1,449	1	1,450
Other	730	(6)	724
Increase (decrease) in permanently restricted net assets	2,539	(5)	2,534
<b>INCREASE IN NET ASSETS</b>	273,794	6,355	280,149
<b>NET ASSETS, BEGINNING OF YEAR</b>	3,948,259	81,530	4,029,789
<b>NET ASSETS, END OF YEAR</b>	\$ 4,222,053	\$ 87,885	\$ 4,309,938

(Concluded)

# TRINITY HEALTH

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

(In Thousands)

	2011	2010
OPERATING ACTIVITIES:		
Increase in net assets	\$ 904,374	\$ 280,149
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	420,774	422,810
Provision for bad debts	334,170	314,998
Deferred retirement items arising during the year	(142,612)	261,628
Cumulative effect of a change in accounting principle	7,855	-
Change in net unrealized and realized gains on investments	(429,117)	(258,234)
Change in market values of interest rate swaps	(29,258)	24,194
Undistributed equity earnings from unconsolidated affiliates	(25,664)	(19,593)
(Gain) loss on disposals of property and equipment	(2,307)	7,083
Restricted contributions and investment income received	(4,644)	(7,537)
Loss from extinguishment of debt	2,638	949
Gain on sales of unconsolidated affiliates	(6,617)	(10,130)
Other adjustments	4,777	15,518
Changes in, excluding assets acquired:		
Patient accounts receivable	(346,572)	(305,656)
Other assets	(20,758)	(7,504)
Accounts payable and accrued expenses	30,185	35,334
Estimated receivables from and payables to third-party payors, net	(48,917)	35,407
Self-insurance reserves	(13,091)	(7,390)
Accrued pension and retiree health costs	(171,506)	(320,614)
Other liabilities	10,472	1,806
Total adjustments	(430,192)	183,069
Net cash provided by operating activities	474,182	463,218

The accompanying notes are an integral part of the consolidated financial statements.

	2011	2010
INVESTING ACTIVITIES:		
Purchases of investments	(1,463,138)	(2,171,562)
Proceeds from sales of investments	1,381,129	1,854,238
Purchases of property and equipment	(441,052)	(445,692)
Acquisition of subsidiaries, net of \$7.0 million and \$46.2 million cash assumed in 2011 and 2010, respectively	(81,145)	(67,718)
Dividends received from investments in affiliates and other changes	20,374	24,985
Decrease in assets limited as to use	4,475	10,275
Advanced deposit received for sale of Battle Creek Health System	60,512	-
Proceeds from sale of unconsolidated affiliates	12,258	10,130
Proceeds from disposal of property and equipment	4,046	6,838
Net cash used in investing activities	<u>(502,541)</u>	<u>(778,506)</u>
FINANCING ACTIVITIES:		
Proceeds from issuance of debt	341,298	347,495
Repayments of debt	(254,571)	(91,457)
Net (decrease) increase in commercial paper	(69,978)	69,289
Increase in financing costs and other	(3,930)	(9,880)
Proceeds from restricted contributions and restricted investment income	4,644	7,537
Net cash provided by financing activities	<u>17,463</u>	<u>322,984</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,896)	7,696
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>547,165</u>	<u>539,469</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 536,269</u>	<u>\$ 547,165</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest (net of amounts capitalized)	\$ 99,799	\$ 88,555
New capital lease obligations for buildings and equipment	825	14,540
Accruals for purchases of property and equipment and other long-term assets	27,844	42,492
Unsettled investment trades, purchases	6,044	9,695
Unsettled investment trades, sales	77,019	25,343
Decrease (increase) in security lending collateral	6,521	(67,222)
(Decrease) increase in payable under security lending agreements	(6,521)	67,222

# TRINITY HEALTH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2011 AND 2010

### 1. ORGANIZATION AND MISSION

Trinity Health, an Indiana not-for-profit corporation, and its subsidiaries are collectively referred to as the the Holy Roman Catholic Church. The Corporation operates a comprehensive integrated network of health services including inpatient and outpatient services, physician services, managed care coverage, home health care, long-term care, assisted living care and rehabilitation services located in eight states. The mission statement for Trinity Health is as follows:

- Consistent with its mission, the Corporation provides medical care to all patients regardless of their ability to pay. In addition, the Corporation provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance or other payments such as copays and deductibles because of inadequate resources and/or are uninsured or underinsured, and to improve the health status of the communities in which it operates. The following summary has been prepared *A Guide for Planning and Reporting Community Benefit*, 2008 Edition.

The following amounts below reflect the quantifiable costs of the Corporation's community benefit ministry for the years ended June 30:

	2011	2010
	(In Thousands)	
<b>Ministry for the poor and underserved:</b>		
Charity care at cost	\$ 136,493	\$ 124,481
Unpaid cost of Medicaid and other public programs	152,014	162,184
Programs for the poor and the underserved:		
Community health services	19,613	19,974
Subsidized health services	34,854	32,890
Financial contributions	3,813	7,412
Community building activities	1,811	1,696
Community benefit operations	2,321	1,822
Total programs for the poor and underserved	62,412	63,794
Ministry for the poor and underserved	350,919	350,459
<b>Ministry for the broader community:</b>		
Community health services	8,337	9,108
Health professions education	61,308	53,876
Subsidized health services	13,950	13,790
Research	6,782	6,837
Financial contributions	3,174	3,001
Community building activities	5,161	1,364
Community benefit operations	2,914	2,333
Ministry for the broader community	101,626	90,309
<b>Community benefit ministry</b>	<b>\$ 452,545</b>	<b>\$ 440,768</b>

The Corporation provides a significant amount of uncompensated care to its uninsured and underinsured patients, that is reported as bad debt at cost and not included in the amounts reported above. During the years ended June 30, 2011 and 2010, the Corporation reported bad debt at cost (determined using a cost to charge ratio applied to the provision for bad debts) of \$126.0 million and \$119.9 million, respectively.

***Ministry for the poor and underserved*** represents the financial commitment to seek out and serve those who need help the most, especially the poor, the uninsured and the indigent. This is done with the conviction that healthcare is a basic human right.

***Ministry for the broader community*** represents the cost of services provided for the general benefit of the communities in which the Corporation operates. Many programs are targeted toward populations that may be poor, but also include those areas that may need special health services and support. These programs are not intended to be financially self-supporting.

***Charity care at cost*** represents the cost of services provided to patients who cannot afford health care services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity patient **in accordance with the Corporation's established policies as further described in Note 4. The cost of charity care is calculated using a cost to charge ratio methodology.**

***Unpaid cost of Medicaid and other public programs*** represents the cost (determined using a cost to charge ratio) of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of governmental and managed care contract payments.

***Community health services*** are activities and services for which no patient bill exists. These services are not expected to be financially self-supporting, although some may be supported by outside grants or funding. Some examples include community health education, free immunization services, free or low cost prescription medications, and rural and urban outreach programs. The Corporation actively collaborates with community groups and agencies to assist those in need in providing such services.

***Health professions education*** includes the unreimbursed cost of training health professionals such as medical residents, nursing students, technicians and students in allied health professions.

***Subsidized health services*** are net costs for billed services that are subsidized by the Corporation. These include services offered despite a financial loss because they are needed in the community and either other providers are unwilling to provide the services or the services would otherwise not be available in sufficient amount. Examples of services include free-standing community clinics, hospice care, mobile units and behavioral health services.

***Research*** includes unreimbursed clinical and community health research and studies on health care delivery.

***Financial contributions*** are made by the Corporation on behalf of the poor and underserved to community agencies. These amounts include special system-wide funds used for charitable activities as well as resources contributed directly to programs, organizations, and foundations for efforts on behalf of the poor and underserved. Amounts included here also represent certain in-kind donations.

***Community building activities*** include the costs of programs that improve the physical environment, promote economic development, enhance other community support systems, develop leadership skills training, and build community coalitions.

***Community benefit operations*** include costs associated with dedicated staff, community health needs and/or assets assessments, and other costs associated with community benefit strategy and operations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Principles of Consolidation** – The consolidated financial statements include the accounts of the Corporation, and all wholly owned, majority-owned and controlled organizations. Investments where the Corporation holds less than 20% of the ownership interest are accounted for using the cost method. All other investments, that are not controlled by the Corporation, are accounted for using the equity method of accounting. The Corporation has included its equity share of income or losses from investments in unconsolidated affiliates in other revenue in the consolidated statements of operations and changes in net assets. All material intercompany transactions and account balances have been eliminated in consolidation.

As further described in Notes 3 and 13, the Corporation transferred its shares of Battle Creek Health Systems (“BCHS”) to **Bronson Healthcare Group, Inc.** effective July 1, 2011. As a result, at June 30, 2011 and 2010, substantially all of the assets and liabilities of BCHS met the criteria for classifying those assets and liabilities as held for sale. The consolidated financial statements have been reclassified to present the operations of BCHS as a discontinued operation. The statements of cash flows include impacts of cash flows related to BCHS. Notes to these consolidated financial statements exclude the impact of BCHS.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Corporation to make assumptions, estimates and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. The Corporation considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: recognition of net patient service revenue, which includes contractual allowances; recorded values of investments and goodwill; provisions for bad debts; and reserves for losses and expenses related to health care professional and general liability; and risks and assumptions for measurement of pension and retiree medical liabilities. Management relies on historical experience and other assumptions believed to be reasonable in making its judgment and estimates. Actual results could differ materially from those estimates.

**Cash and Cash Equivalents** – For purposes of the consolidated statements of cash flows, cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

**Investments** – Investments, inclusive of assets limited or restricted as to use, include marketable debt and equity securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value and are classified as trading securities. Investments also include investments in commingled funds, investment funds developed specifically for the Corporation and other investments structured as limited liability corporations or partnerships. Commingled funds and investment funds that hold securities directly are stated at the fair value of the underlying securities, as determined by the administrator, based on readily determinable market values. Limited liability corporations and partnerships are accounted for under the equity method. Redemptions of certain limited liability corporations and partnerships may be made with written notice ranging from one month to one year.

**Investment Earnings** – Investment earnings include equity earnings, realized gains and losses on investments, holding gains and losses, and interest and dividends. Investment earnings on assets held by trustees under bond indenture agreements, assets designated by the Board for debt redemption, assets held for borrowings under the intercompany loan program, and assets deposited in trust funds by a captive insurance company for self-insurance purposes in accordance with industry practices are included in other revenue in the consolidated statements of operations and changes in net assets. Investment earnings from all other unrestricted investments and board designated funds are included in nonoperating investment income unless the income or loss is restricted by donor or law.

***Derivative Financial Instruments*** – The Corporation periodically utilizes various financial instruments (e.g., **options and swaps**) to **hedge interest rate, equity downside risk and other exposures**. The Corporation's policies prohibit trading in derivative financial instruments on a speculative basis.

***Securities Lending*** – The Corporation participates in securities lending transactions whereby a portion of its investments are loaned, through its agent, to various parties in return for cash and securities from the parties as collateral for the securities loaned. Each business day the Corporation, through its agent, and the borrower determine the market value of the collateral and the borrowed securities. If on any business day the market value of the collateral is less than the required value, additional collateral is obtained as appropriate. The amount of cash collateral received under securities lending is reported as an asset and a corresponding payable in the consolidated balance sheets and is up to 105% of the market value of securities loaned. At June 30, 2011 and 2010, the Corporation had securities loaned of \$153.4 million and \$155.3 million, respectively, and received collateral (cash and noncash) totaling \$157.5 million and \$159.8million, respectively, relating to the securities loaned. The fees received for these transactions are recorded in investment income (loss) - marketable securities on the consolidated statements of operations and changes in net assets.

***Assets Limited as to Use*** – Assets set aside by the Board for future capital improvements, future funding of retirement programs and insurance claims, retirement of debt, held for borrowings under the intercompany loan program, and other purposes over which the Board retains control and may at its discretion subsequently use for other purposes, assets held by trustees under bond indenture and certain other agreements, and self-insurance trust and benefit plan arrangements are included in assets limited as to use.

***Donor-Restricted Gifts*** – Unconditional promises to give cash and other assets to the Corporation's various ministry organizations are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the consolidated statements of operations and changes in net assets.

***Inventories*** – Inventories are stated at the lower of cost or market. The cost of inventories is determined principally by the weighted average cost method.

***Property and Equipment*** – Property and equipment, including internal-use software, are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful life of each class of depreciable asset, is computed using either the straight-line or an accelerated method and includes capital lease and internal-use software amortization. The useful lives of these assets range from 3 to 50 years. Interest costs incurred during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

***Goodwill*** – Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized

**Intangible Assets** – Intangible assets include both definite and indefinite-lived intangible assets. The majority of the definite-lived intangibles are non-compete agreements with finite lives amortized using the straight-line method over their estimated useful lives, which range from 2 to 8 years. Indefinite lived intangible assets include trade names and renewable licenses.

**Asset Impairment –**

**Property and Equipment** – Impairment testing is performed following a triggering event or whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable.

**Goodwill** – Goodwill is tested for impairment on an annual basis or when an event or when a change in circumstance indicates the value of a reporting unit may have changed. Testing is conducted at the reporting unit level. There is a two-step process for determining goodwill impairment. Step one compares the carrying value of each reporting unit with its fair value. If this test indicates the fair value is less than the carrying value, then step two is required. Step two compares the implied fair value of the reporting unit's goodwill with the carrying value of reporting unit's goodwill. The Corporation estimates the fair value of its reporting units using a discounted cash flow analysis.

**Intangible Assets:**

**Definite – Lived** – Impairment testing is performed if events or changes in circumstances indicate that the asset might be impaired.

**Indefinite – Lived** – Impairment testing is performed on an annual basis or more frequently if events or changes in circumstance indicate the asset may be impaired. The impairment test consists of a comparison of the fair value of an intangible asset with its carrying amount.

The following table provides information on changes in the carrying amount of goodwill, which is included in the accompanying consolidated financial statements of the Corporation as of June 30:

	<b>2011</b> <b>(In Thousands)</b>
Balance as of July 1, 2010	\$ 54,480
July 1, 2010 transitional impairment loss	(7,855)
Balance as of July 1, 2010 after transitional impairment loss	46,625
Goodwill acquired during the year:	
Integrated Health Associates	46,629
Michigan Heart, PC	13,212
Other	1,831
Balance as of June 30, 2011	
Goodwill	116,152
Accumulated impairment losses	(7,855)
Net goodwill as of June 30, 2011	\$ 108,297



The following table provides information regarding other intangible assets, which are included in the accompanying consolidated balance sheets of the Corporation as of June 30, 2011 and 2010:

	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net book Value</u>
<b>As of June 30, 2011:</b>			
Definite-lived intangible assets:			
Non-compete agreements	\$ 19,439	\$ 9,970	\$ 9,469
Physician guarantees	6,191	2,898	3,293
Other	2,271	1,051	1,220
Total definite-lived intangible assets	<u>27,901</u>	<u>13,919</u>	<u>13,982</u>
Indefinite-lived intangible assets:			
Tradenames	5,474	0	5,474
Other	2,879	282	2,597
Total indefinite-lived intangible assets	<u>8,353</u>	<u>282</u>	<u>8,071</u>
Total intangible assets	<u><u>36,254</u></u>	<u><u>14,201</u></u>	<u><u>22,053</u></u>
<b>As of June 30, 2010:</b>			
Definite-lived intangible assets:			
Non-compete agreements	17,004	7,185	9,819
Physician guarantees	4,640	2,380	2,260
Other	3,002	1,030	1,972
Total definite-lived intangible assets	<u>24,646</u>	<u>10,595</u>	<u>14,051</u>
Indefinite-lived intangible assets:			
Other	2,500	282	2,218
Total indefinite-lived intangible assets	<u>2,500</u>	<u>282</u>	<u>2,218</u>
Total intangible assets	<u><u>\$ 27,146</u></u>	<u><u>\$ 10,877</u></u>	<u><u>\$ 16,269</u></u>

**Temporarily and Permanently Restricted Net Assets** – Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

**Patient Accounts Receivable, Estimated Receivables from and Payables to Third-Party Payors and Net Patient Service Revenue** – The Corporation has agreements with third-party payors that provide for payments to the Corporation's ministry organizations at amounts different from established rates. Patient accounts receivable and net patient service revenue are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Estimated retroactive adjustments under reimbursement agreements with third-party payors are included in net patient service revenue and estimated receivables from and payables to third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

**Allowance for Doubtful Accounts** – Substantially all of the Corporation's receivables are related to providing healthcare services to patients. Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. The Corporation's estimate for its allowance for doubtful accounts is based upon management's assessment of historical and expected net collections by payor.

**Short-term Borrowings** – Puttable variable rate demand bonds supported by self liquidity or liquidity facilities considered short-term in nature are included in short-term borrowings.

**Premium and Capitation Revenue** – The Corporation has certain ministry organizations that arrange for the delivery of health care services to enrollees through various contracts with providers and common provider entities. Enrollee contracts are negotiated on a yearly basis. Premiums are due monthly and are recognized as revenue during the period in which the Corporation is obligated to provide services to enrollees. Premiums received prior to the period of coverage are recorded as deferred revenue and included in accrued expenses in the consolidated balance sheet.

Certain of the Corporation's ministry organizations have entered into capitation arrangements whereby they accept the risk for the provision of certain health care services to health plan members. Under these agreements, the Corporation's ministry organizations are financially responsible for services provided to the health plan members by other institutional health care providers. Capitation revenue is recognized during the period for which the ministry organization is obligated to provide services to health plan enrollees under capitation contracts. Capitation receivables are included in other receivables in the consolidated balance sheet.

Reserves for incurred but not reported claims have been established to cover the unpaid costs of health care services covered under the premium and capitation arrangements. The premium and capitation arrangement reserves are classified with accrued expenses in the consolidated balance sheet. The liability is estimated based on actuarial studies, historical reporting, and payment trends. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges, and other factors. As settlements are made and estimates are revised, the differences are reflected in current operations. The Corporation limits a portion of its liability through stop-loss reinsurance.

**Income Taxes** – The Corporation and substantially all of its subsidiaries have been recognized as tax-exempt pursuant to Section 501(a) of the Internal Revenue Code. The Corporation also has taxable subsidiaries, which are included in the consolidated financial statements. Certain of the taxable subsidiaries have entered into tax sharing agreements and file consolidated federal income tax returns with other corporate taxable subsidiaries. The Corporation includes penalties and interest, if any, with its provision for income taxes.

**Excess of Revenue Over Expenses** – The consolidated statement of operations and changes in net assets includes excess of revenue over expenses. Changes in unrestricted net assets which are excluded from excess of revenue over expenses, consistent with industry practice, include the effective portion of the change in market value of derivatives that meet hedge accounting requirements, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets received or gifted (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), net change in postretirement plan related items, discontinued operations, extraordinary items and cumulative effects of changes in accounting principles.

#### **Adopted Accounting Pronouncements –**

On July 1, 2010, the Corporation adopted Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") guidance for not-for-profit entities regarding mergers and acquisitions. This guidance defines a combination of one or more other not-for-profit entities, business or nonprofit activities as either a merger or acquisition. It also establishes principles and requirements in determining whether a not-for-profit entity combination is a merger or acquisition, applies the carryover method in accounting for mergers, applies the acquisition method in accounting for acquisitions, including which of the combining entities is the acquirer, and requires enhanced disclosures about the merger or acquisition. In addition, it amends existing FASB ASC guidance on goodwill and other intangible assets and noncontrolling interests in consolidated financial statements to make previous guidance that was only applicable to for-profit entities fully applicable to not-for-profit entities. The adoption of this guidance resulted in the presentation of noncontrolling interest in consolidated net assets in the amount of \$99.0 million and \$87.9 million as of June 30, 2011 and 2010, respectively, in the consolidated balance sheets, and the reclassification of \$81.5 million of noncontrolling interest to net assets as of July 1, 2009. Additionally, the Corporation ceased amortizing

goodwill beginning July 1, 2010 and performed a transitional impairment test on all capitalized goodwill. As a result of the impairment test, a \$7.9 million charge was recorded as the effect of a cumulative change in accounting principle in the consolidated statement of changes in net assets for the year ended June 30, 2011.

The incremental effects of applying the provisions on the individual lines of the consolidated financial statements as of and for the year ended June 30, 2010 are as follows:

	<b>As Previously Reported</b>	<b>Effect of Retrospective Application</b>	<b>Effect of Discontinued Operations</b>	<b>As Adjusted</b>
<b>Consolidated Balance Sheet:</b>				
External financial interest	\$ 87.885	\$ (87.885)	\$ -	\$ -
Net assets				
Unrestricted	\$ 4,119.660	\$ -	\$ -	\$ 4,119.660
Noncontrolling ownership interest in subsidiaries	-	86.223	-	86.223
Total unrestricted net assets	4,119.660	86.223	-	4,205.883
Temporarily restricted	70.657	-	-	70.657
Noncontrolling ownership interest in subsidiaries	-	1.610	-	1.610
Total temporarily restricted net assets	70.657	1.610	-	72.267
Permanently restricted	31.736	-	-	31.736
Noncontrolling ownership interest in subsidiaries	-	52	-	52
Total permanently restricted net assets	31.736	52	-	31.788
Total net assets	<u>\$ 4,222.053</u>	<u>\$ 87.885</u>	<u>\$ -</u>	<u>\$ 4,309.938</u>
<b>Consolidated Statement of Operations:</b>				
External financial interest	\$ (12.048)	\$ 12.048	\$ -	\$ -
Excess of revenues over expenses	434.095	12.048	(15.514)	430.629
Excess of revenues over expenses attributable to noncontrolling interest	-	12.048	(7.915)	4.133
Excess of revenues over expenses	434.095	-	(7.599)	426.496
<b>Statement of Changes in Net Assets:</b>				
Excess of revenues over expenses	434.095	12.048	(15.514)	430.629
Increase in unrestricted net assets	286.854	6.519	-	293.373
Decrease in temporarily restricted net assets	(15.599)	(159)	-	(15.758)
Increase (decrease) in permanently restricted net assets	2.539	(5)	-	2.534
Increase in net assets	\$ 273.794	\$ 6.355	\$ -	\$ 280.149
<b>Net assets — beginning of year</b>	<u>3,948.259</u>	<u>81.530</u>	<u>-</u>	<u>4,029.789</u>
<b>Net assets — end of year</b>	<u>\$ 4,222.053</u>	<u>\$ 87.885</u>	<u>\$ -</u>	<u>\$ 4,309.938</u>
<b>Consolidated Statement of Cash Flows:</b>				
Cash flows from operating activities				
Increase in net assets	\$ 273.794	\$ 6.355	\$ -	\$ 280.149
External financial interest	6.355	(6.355)	-	-
Net cash provided by operating activities	461.857	-	1.361	463.218

**On July 1, 2010, the Corporation adopted FASB's ASC guidance on fair value measurements. This standard** requires new disclosures and amends existing disclosure requirements. It requires entities to disclose separately the amounts of significant transfers into and out of Level 1 and Level 2 fair value measurements along with the reasons for those transfers. In addition, it also requires entities to present separately information about purchases, sales, issuances, and settlements on a gross basis rather than as one net number in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). The Level 3 fair value measurement disclosure is effective July 1, 2011 for the Corporation. Any additional disclosures required by this ASC guidance are included in Note 10.

#### ***Forthcoming Accounting Pronouncements –***

In August 2010, the FASB issued new ASC guidance, which provides clarification to companies in the healthcare industry on the accounting for professional liability insurance. This guidance states that receivables related to insurance recoveries should not be netted against the related claim liability and such claim liabilities should be determined without considering insurance recoveries. This guidance is effective for the Corporation beginning July 1, 2011. The adoption of this guidance will result in an asset and liability being recorded in the consolidated financial statements of approximately \$11.6 million in self-insurance, benefit plans and other assets and in self-insurance reserves.

In August 2010, the FASB issued new ASC guidance, which requires a company in the healthcare industry to use its direct and indirect costs of providing charity care as the measurement basis for charity care disclosures. This guidance also requires additional disclosures of the methods used to identify such costs. This guidance is effective for the Corporation beginning July 1, 2011. The adoption of this guidance will have no impact on **the Corporation's consolidated statement of financial position and results of operations, but will result in** additional disclosures to be presented in Note 1.

In December 2010, the FASB issued new ASC guidance that modifies the goodwill impairment test performed at the reporting unit level. This guidance is effective for the Corporation beginning July 1, 2011. In September 2011, the FASB issued ASC guidance which provides entities with the option of first assessing qualitative factors about the likelihood of goodwill impairment to determine whether further impairment assessment is necessary. The Corporation is still assessing the impact of this guidance on the consolidated financial statements.

In May 2011, the FASB issued new ASC guidance that amends the fair value disclosure requirements regarding transfers between Level 1 and Level 2 of the fair value hierarchy and also the categorization by level of the fair value hierarchy for items that are not measured at fair value in the financial statements but for which the fair value is required to be disclosed. This guidance is effective for the Corporation beginning July 1, 2012. The adoption of this guidance will have no impact on the **Corporation's consolidated statement of** financial position and results of operations, but may result in additional disclosures to be presented in Note 10.

In July 2011, the FASB issued new ASC guidance that requires certain health care entities to present the provision for bad debts related to patient service revenues as a deduction from revenue, net of contractual allowances and discounts, versus as an expense in the statement of operations. In addition, it also requires enhanced disclosures regarding revenue recognition policies and the assessment of bad debt. This guidance is effective for the Corporation beginning July 1, 2012, with early adoption permitted, and will be retrospectively applied. This statement will result in a reduction of net patient service revenue, operating revenue and operating expense but will have no impact on operating income in the statement of operations and changes in net assets.

### 3. CONSOLIDATED AFFILIATES, INVESTMENTS IN UNCONSOLIDATED AFFILIATES, BUSINESS ACQUISITIONS AND DIVESTITURES

**Consolidated Affiliates** – The Corporation consolidates certain affiliates even though ownership may be less than 51% based on control of these entities. The only significant consolidated affiliate with less than 51% ownership interest is Battle Creek Health System (“BCHS”). The Corporation owns 50% of the stock of BCHS. As described in Note 2, the consolidated financial statements as of June 30, 2011 and June 30, 2010 have been reclassified to present the operations of BCHS as a discontinued operation. The Corporation reported income from operations of BCHS, including a 50% provision for noncontrolling interest, in discontinued operations in the statements of operations and changes in net assets. As of June 30, 2011 and June 30, 2010 assets held for sale include \$185.4 million and \$177.1 million and liabilities held for sale of \$28.9 million and \$36.9 million, respectively, for BCHS prior to a 50% provision for noncontrolling interest. The majority of assets and liabilities held for sale consisted of:

(In Thousands)					
	2011	2010		2011	2010
Cash and investments	\$ 53.167	\$ 44.369	Current liabilities	\$ 17.766	\$ 19.350
Patient accounts receivable	18.538	20.739	Accrued pension	10.197	15.394
Other current assets	10.765	5.985	Other liabilities	955	2.122
Property and equipment	97.808	102.432	Total liabilities	<u>\$ 28.918</u>	<u>\$ 36.866</u>
Other assets	5.159	3.528			
Total assets	<u>\$ 185.437</u>	<u>\$ 177.053</u>			

**Investments in Unconsolidated Affiliates** – The Corporation and certain of its ministry organizations have investments in entities that are recorded under the cost and equity methods of accounting. At June 30, 2011, the Corporation maintained investments in unconsolidated affiliates with ownership interests ranging from **3.2% to 50%**. **The Corporation’s share of equity earnings from entities accounted for under the equity** method was \$25.6 million and \$19.6 million for the years ended June 30, 2011 and 2010, respectively, which is included in other revenue in the consolidated statements of operations and changes in net assets.

The unaudited summarized financial position and results of operations for the entities accounted for under the equity method as of and for the periods ended June 30 are as follows:

## 2011

(In Thousands)

	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	\$ 90,205	\$ 65,938	\$ 73,366	\$ 14,714	\$ 147,207	\$ 391,430
Total debt	53,440	19,721	37,636	-	44,113	154,910
Net assets	30,347	36,286	26,718	6,064	71,001	170,416
Revenue, net	24,226	97,757	107,164	43,943	136,722	409,812
Excess of revenue over expenses	1,699	18,733	40,853	3,141	5,747	70,173

## 2010

(In Thousands)

	Medical Office Buildings	Outpatient and Diagnostic Services	Ambulatory Surgery Centers	Physician Hospital Organizations	Other Investees	Total
Total assets	\$ 113,449	\$ 60,143	\$ 63,059	\$ 15,038	\$ 138,683	\$ 390,372
Total debt	66,443	13,534	35,676	-	41,239	156,892
Net assets	40,573	36,522	22,196	6,011	69,680	174,982
Revenue, net	39,362	99,600	94,514	49,611	126,025	409,112
Excess of revenue over expenses	5,106	20,098	30,566	4,199	3,715	63,684

**Business Acquisitions** – The Corporation entered into the following significant acquisition activities during 2011 and 2010:

**Integrated Health Associates (“IHA”)** – Effective December 20, 2010, the Corporation through its operating division Saint Joseph Mercy Health System (“SJMH”) acquired IHA, a physician practice group with approximately 200 physicians and practitioners for \$60.5 million in cash, and recorded related goodwill of \$46.6 million. IHA has been consolidated in the 2011 financial statements. The Corporation is still assessing the economic characteristics of certain assets acquired and liabilities assumed. The Corporation expects to complete this assessment during the first quarter of fiscal year 2012 and may adjust the amounts recorded as of December 20, 2010 to reflect revised evaluations. Summarized balance sheet information for IHA at December 20, 2010, is shown below.

(In Thousands)

Cash and investments	\$ 7,035	Current liabilities	\$ 21,475
Patient accounts receivable	14,404	Other liabilities	2,742
Other current assets	4,416	Total liabilities acquired	\$ 24,217
Property and equipment	5,382		
Other assets	6,907		
Total assets acquired	\$ 38,144		

The operating results of IHA for the period between December 20, 2010 and June 30, 2011, included total unrestricted revenue of \$52.4 million, operating income of \$1.9 million and deficiency of revenue over expense of \$18.9 million. The deficiency of revenue over expenses includes a \$20.8 million charge for income taxes for conversion to non-profit status which is included in other nonoperating items.

**Michigan Heart, PC** – Effective December 31, 2010, the Corporation through its operating division SJMHS acquired the assets and liabilities of Michigan Heart, PC, a physician-owned specialty practice in cardiovascular medicine and research for \$11.7 million in cash; and recorded related goodwill of \$13.2 million. The assets and liabilities were merged into and employees were transferred to two operating divisions of the Corporation and have been consolidated in the 2011 financial statements. SJMHS purchased \$3.6 million of property and equipment and assumed current liabilities of \$4.5 million and other liabilities of \$0.6 million. The operating results of this acquisition were not material to the consolidated financial statements.

**Saint Alphonsus Regional Health System** – Effective April 1, 2010, a new regional health ministry was formed to serve the needs of **residents who live in the area ranging from Idaho's Treasure Valley to Eastern Oregon**. The new system is comprised of the following three acquired ministry organizations Mercy Medical Center, Nampa, Idaho; Holy Rosary Medical Center, Ontario, Oregon; and St. Elizabeth **Health Services, Inc., Baker City, Oregon and the Corporation's existing Saint Alphonsus Regional Medical Center, Boise, Idaho**. The fair value of assets acquired and liabilities assumed exceeded the \$113.7 million cost of acquisition, resulting in negative goodwill of \$77.3 million. The negative goodwill was allocated to reduce the fair value of property and equipment. The three acquired ministry organizations have been consolidated in the 2010 financial statements. Summarized combined balance sheet information for the three acquired ministry organizations at April 1, 2010 is shown below.

(In Thousands)			
Cash and investments	\$ 49.286	Current liabilities	\$ 17.626
Patient accounts receivable	20.307	Other liabilities	643
Other current assets	7.064	Total liabilities acquired	18,269
Assets limited or restricted			
as to use, non-current	954	Temporarily restricted	1,735
Property and equipment	44.363	Permanently restricted	524
Other assets	12.268	Total net assets acquired	2,259
Total assets acquired	\$ 134,242	Total liabilities and net assets acquired	\$ 20,528

The operating results of the acquired ministry organizations, for the year ended June 30, 2011, and for the three-month period ended June 30, 2010, included total unrestricted revenue of \$191.3 million and \$45.4 million and excess of revenue over expenses of \$13.0 million and \$2.8 million, respectively.

#### 4. NET PATIENT SERVICE REVENUE

A summary of the payment arrangements with major third-party payors follows:

*Medicare* - Acute inpatient and outpatient services rendered to Medicare program beneficiaries are paid primarily at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediaries.

*Medicaid* - Reimbursement for services rendered to Medicaid program beneficiaries includes prospectively determined rates per discharge, per diem payments, discounts from established charges, fee schedules, and cost reimbursement methodologies with certain limitations. Cost reimbursable items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicaid fiscal intermediaries.

*Other* - Reimbursement for services to certain patients is received from commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement includes prospectively determined rates per discharge, per diem payments, and discounts from established charges.

During 2011 and 2010, 38% and 39% of net patient service revenue was received under the Medicare program, 11% and 10% under state Medicaid and indigent care programs, respectively, and 51% from other payor contracts and patients during 2011 and 2010. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

**Charity Care** – The Corporation provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Corporation does not pursue collection of amounts determined to qualify for charity care, they are not reported as net patient service revenue in the consolidated statements of operations and changes in net assets.

A summary of net patient service revenue for the years ended June 30 is as follows:

	2011	2010
	(In Thousands)	
Gross charges:		
Acute inpatient	\$ 7,559,780	\$ 7,262,131
Outpatient, nonacute inpatient, and other	7,534,024	6,905,047
Gross patient service revenue	15,093,804	14,167,178
Less:		
Contractual and other allowances	(8,044,327)	(7,697,321)
Charity care charges	(409,897)	(366,676)
Allowance for self-insured health benefits	(143,661)	(137,128)
Net patient service revenue	\$ 6,495,919	\$ 5,966,053



## 5. PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 is as follows:

	2011	2010
	(In Thousands)	
Land	\$ 188,787	\$ 185,656
Buildings and improvements	4,026,430	3,829,048
Equipment	2,966,349	2,836,127
Total	7,181,566	6,850,831
Less accumulated depreciation and amortization	(3,989,867)	(3,740,830)
Construction in progress	182,404	239,523
Property and equipment, net	\$ 3,374,103	\$ 3,349,524

Buildings and improvements include assets recorded under capital leases of \$31.7 million as of June 30, 2011 and 2010 with accumulated amortization for such assets of \$9.3 million and \$7.6 million as of June 30, 2011 and 2010, respectively. Equipment includes assets recorded under capital leases of \$10.9 million and \$9.6 million with accumulated amortization for such assets of \$7.5 million and \$6.1 million as of June 30, 2011 and 2010, respectively. The associated charges to income are recorded in depreciation and amortization expense.

At June 30, 2011, commitments to purchase property and equipment of approximately \$41 million were outstanding. Significant commitments are primarily for facility expansion at existing campuses and related infrastructures at the following ministry organizations: Saint Joseph Mercy Health System in Ann Arbor, Michigan - \$14 million; Mercy Medical Center in Dubuque, Iowa - \$9 million; Saint Agnes Medical Center in Fresno, California - \$4 million; and Mount Carmel Health System in Columbus, Ohio - \$5 million. Costs of these projects are expected to be financed by proceeds from bond issuances, available funds, future operations of the hospitals and contributions.

## 6. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

A summary of short-term borrowings, long-term debt, capital lease and other obligations at June 30 is as follows:

	2011	2010
	(In Thousands)	
Short-term borrowings		
Variable rate demand bonds Interest payable monthly at rates ranging from 0.05% to 0.35% during 2011 and from 0.08% to .60% during 2010	\$ 1,121,270	\$ 1,143,940
Long-term debt, capital lease and other obligations		
Tax-exempt revenue bonds and refunding bonds		
Fixed rate term and serial bonds, payable at various dates through 2038 Interest rate ranges from 2.0% to 6.5% during 2011 and 2010	\$ 1,508,985	\$ 1,401,995
Notes payable to banks, 2.8% to 7.8%, fixed and variable, payable in varying monthly installments, due through 2021	14,191	8,725
Capital lease obligations (excluding imputed interest of \$16.4 million and \$18.4 million at June 30, 2011 and 2010, respectively)	31,021	32,106
Other	3,575	3,616
Long-term debt, capital lease and other obligations	1,557,772	1,446,442
Less current portion	(29,514)	(30,778)
Unamortized bond (discounts) premiums	2,644	(9,116)
Long-term debt	\$ 1,530,902	\$ 1,406,548

Contractually obligated principal repayments on short-term borrowings and long-term debt are as follows:

	Short-Term Borrowings	Long-Term Debt
	(In Thousands)	
Years ending June 30		
2012	\$ 28,075	\$ 29,514
2013	29,325	32,130
2014	36,990	23,829
2015	27,595	35,798
2016	29,060	43,779
Thereafter	970,225	1,392,722
Total	\$ 1,121,270	\$ 1,557,772

A summary of interest costs on borrowed funds held primarily by the trustee under the revenue bond indentures during the years ended June 30 is as follows:

	2011	2010
	(In Thousands)	
Interest costs incurred	\$ 85,809	\$ 80,894
Less capitalized interest	(1,738)	(10,243)
Interest expense included in operations	\$ 84,071	\$ 70,651

**Obligated Group and Other Requirements** – The Corporation has debt outstanding under a Master Trust Indenture dated July 1, 1998, as amended and supplemented thereto, the Amended and Restated Master Indenture (“ARMI”). **The ARMI permits the Corporation to issue obligations to finance certain activities.** Obligations issued under the ARMI are general, direct obligations of the Corporation and any future members of the Trinity Health Obligated Group. Proceeds from the tax-exempt bonds and refunding bonds are to be used to finance the construction, acquisition and equipping of capital improvements. Since the implementation of the ARMI, the Corporation is the sole member of the Trinity Health Obligated Group. Certain ministry organizations of the Corporation constitute Designated Affiliates and the Corporation covenants to cause each Designated Affiliate to pay, loan or otherwise transfer to the Corporation such amounts necessary to pay the amounts due on all obligations issued under the ARMI. The Corporation, the Designated Affiliates and all other controlled affiliates are referred to as the Credit Group. The Corporation has granted a security interest in certain pledged property and has caused not less than 85% of the Designated Affiliates representing, when combined with the Corporation and any future members, not less than 85% of the consolidated net revenue of the Credit Group to grant to the Corporation security interests in certain pledged property in order to secure all obligations issued under the ARMI. The aggregate amount of obligations outstanding using the ARMI (other than obligations that have been advance refunded) were \$2,630 million and \$2,546 million at June 30, 2011 and 2010, respectively.

There are several conditions and covenants required by the ARMI with which the Corporation must comply, including covenants that require the Corporation to maintain a minimum debt service coverage and limitations on liens or security interests in property, except for certain permitted encumbrances, affecting the property of the Corporation or any Material Designated Affiliate (a Designated Affiliate whose total revenues for the most recent fiscal year exceed 5% of the total revenues of the Credit Group for the most recent fiscal year). Long-term debt outstanding as of June 30, 2011 and 2010, excluding amounts issued under the ARMI, is generally collateralized by certain property and equipment.

**Issuance and Defeasance of Debt** – The Corporation advance refunded, through net defeasance, \$38.9 million of debt issued under the ARMI during June 2011. The trustees/escrow agents are solely responsible for the subsequent extinguishment of the bonds. These transactions resulted in a loss from extinguishment of debt of \$5.2 million, which has been included in non-operating items in the 2011 consolidated statement of operations and changes in net assets.

In October 2010, the Corporation issued \$330.0 million par value tax-exempt, fixed rate hospital revenue bonds and refunding bonds under the ARMI at a premium of \$11.3 million. The proceeds were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities, and to pay related costs of issuance. Proceeds, together with assets released from bond **trustees, were used to retire \$158.8 million of the Corporation’s then outstanding fixed rate hospital revenue** bonds. These transactions resulted in a loss from extinguishment of debt of \$5.0 million, which has been included in non-operating items in the 2011 consolidated statement of operations and changes in net assets.

In November 2009, the Corporation issued \$347.5 million in tax-exempt, fixed rate hospital revenue bonds **and variable rate revenue and refunding bonds (the “Series 2009 Bonds”) under the ARMI. The proceeds** were used to finance, refinance and reimburse a portion of the costs of acquisition, construction, renovation and equipping of health facilities, and to pay related costs of issuance. Proceeds, together with assets released **from bond trustees, were used to retire \$41 million of the Corporation’s then outstanding fixed rate hospital** revenue bonds. These transactions resulted in a loss from extinguishment of debt of \$0.9 million, which has been included in non-operating items in the 2010 consolidated statement of operations and changes in net assets. Of the proceeds received, \$244.7 million were included in long-term debt with \$102.8 million included in short-term borrowings.

The outstanding balance of all bonds advance refunded through net defeasance and excluded from the consolidated balance sheets was \$202.9 million and \$172.9 million at June 30, 2011 and 2010, respectively. The Corporation advance refunded the bonds by depositing funds in trustee-held escrow accounts exclusively for the payment of principal and interest. The trustees/escrow agents are solely responsible for the subsequent extinguishment of the bonds. The trustee-held escrow accounts are invested in U.S. government securities.

**Commercial Paper** – The Corporation has entered into a commercial paper program authorized for borrowings up to \$400 million. Proceeds from this program are to be used to finance certain acquisitions and for general purposes of the Corporation. The notes are payable from the proceeds of subsequently issued notes and from other funds available to the Corporation, including funds derived from the liquidation of securities held by the Corporation in its investment portfolio. The interest rate charged on borrowings outstanding during 2011 ranged from 0.15% to 0.40% and ranged from 0.20% to 0.45% during 2010.

**Liquidity Facilities** – During 2010, the Corporation had credit agreements with groups of lenders that provided \$916 million under revolving credit agreements. In July 2010, the credit agreements were revised **and the Corporation entered into new credit agreements (the “2010 Credit Agreements”) with Bank of America, N.A.,** which acts as an administrative agent for a group of lenders thereunder. The 2010 Credit Agreements establish a revolving credit facility for the Corporation, under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time but, as of June 30, 2011, the amount was \$916 million. Amounts drawn under the 2010 Credit Agreements can only be used to support the **Corporation’s obligation to pay the purchase price of bonds that are subject to tender** and that have not been successfully remarketed, and the maturing principal of and interest on commercial paper notes. Of the \$916 million, \$256 million expires in July 2011, \$310 million expires in July 2012, \$275 million expires in July 2013 and \$75 million expires in July 2014. The Corporation intends to renew the credit agreements. See the subsequent events Note 13. There were no draws on these credit agreements during 2011 or 2010.

As of January 10, 2011, a standby letter of credit in the amount of \$104.1 million, which provides liquidity support for \$102.9 million of variable rate demand bonds that are classified as short-term borrowings in the consolidated balance sheets was renewed. This dedicated facility expires December 31, 2012. The 2010 **Credit Agreements, along with the Corporation’s own self-**liquidity, provided support for \$1,121 million of variable rate demand bonds that are classified as short-term borrowings in the consolidated balance sheet. There were no draws on these letters of credit during 2011 or 2010.

As of June 30, 2011 and 2010, certain liquidity facilities had expiration dates of less than one year from the balance sheet dates. Therefore, \$1,121 million and \$1,144 million of the variable rate demand bonds supported by these liquidity facilities and self-liquidity were classified as short-term borrowings at June 30, 2011 and 2010, respectively. Variable rate demand bonds have contractual maturity dates through 2035.

**Standby Letters of Credit** –The Corporation entered into various standby letters of credit totaling approximately \$18.3 million and \$22.3 million at June 30, 2011 and 2010, respectively. These standby letters of credit are renewed annually and are available to the Corporation as necessary under its insurance programs. There were no draws on these letters of credit during 2011 or 2010.

## **7. PROFESSIONAL AND GENERAL LIABILITY PROGRAMS**

**The Corporation’s insurance company, Venzke Insurance Company, Ltd. (“Venzke”), a wholly owned subsidiary of Trinity Health, qualifies as a captive insurance company in the domicile where it operates and provides certain insurance coverage to the Corporation’s ministry organizations. The Corporation is self-insured for certain levels of general and professional liability, workers’ compensation, and certain other claims. The Corporation, through Venzke, has limited its liability by purchasing reinsurance and commercial coverage from unrelated third-party insurers.**

For 2011 and 2010, the Corporation's self-insurance program covers \$20 million per occurrence for the first layers of professional liability, as well as \$250,000 for each occurrence within a \$1 million insured auto liability program. Additional layers of professional liability insurance are available with coverage provided through other insurance carriers and various reinsurance arrangements. The total amount available for these subsequent layers is \$100 million in aggregate. The Corporation also insures \$500,000 in property damage liability with commercial insurance providing coverage up to \$1 billion.

The liability for self-insurance reserves represents estimates of the ultimate net cost of all losses and loss adjustment expenses which are incurred but unpaid at the consolidated balance sheet date. The reserves are based on the **loss and loss adjustment expense factors inherent in the Corporation's premium structure. Independent consulting actuaries determined these factors from estimates of the Corporation's expenses and** available industry-wide data. The reserves include estimates of future trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid claims and related adjustment expenses is adequate based on the loss experience of the Corporation. The estimates are continually reviewed and adjusted as necessary. The amount of the changes to the estimated self-insurance reserves was determined based upon the annual, independent actuarial analyses.

Claims in excess of certain insurance coverage and the recorded self-insurance liability have been asserted against the Corporation by various claimants. The claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents occurring through June 30, 2011, that may result in the assertion of additional claims, and other claims may be asserted arising from services provided in the past. While it is possible that settlement of asserted claims and claims which may be asserted in the future could result in liabilities in excess of amounts for which the Corporation has provided, management, based upon the advice of Counsel, believes that the excess liability, if any, should not materially affect the consolidated financial position, operations or cash flows of the Corporation.

## 8. PENSION AND OTHER BENEFIT PLANS

***Self-Insured Employee Health Benefits*** – The Corporation administers self-insured employee health benefit plans for employees. The majority of the Corporation's employees participate in the programs. The provisions of the plans permit employees and their dependents to elect to receive medical care at either the Corporation's ministry organizations or other health care providers. Gross patient service revenue has been reduced by an allowance for self-insured employee health benefits of \$143.7 million and \$137.1 million for 2011 and 2010, respectively, which represented revenue attributable to medical services provided by the Corporation to its employees and dependents in such years.

***Deferred Compensation*** – The Corporation has nonqualified deferred compensation plans at certain ministry organizations that permit eligible employees to defer a portion of their compensation. The deferred amounts are distributable in cash after retirement or termination of employment. At June 30, 2011 and 2010, the assets under these plans totaled \$52.7 million and \$37.9 million, and liabilities totaled \$54.9 million and \$44.3 million, respectively.

***Defined Contribution Benefits*** – The Corporation sponsors defined contribution pension plans covering substantially all of its employees. The plans include discretionary employer matching contributions of up to 3% of compensation. Employer and employee contributions are self-directed by plan participants in defined contribution plans. The Corporation suspended the majority of employer matching contributions during the year ended June 30, 2010. Contribution expense under the plans totaled \$62.2 million and \$3.2 million in 2011 and 2010, respectively.

***Noncontributory Defined Benefit Pension Plans (“Pension Plans”) – Substantially all of the Corporation’s*** employees participate in qualified, noncontributory defined benefit pension plans. Certain non-qualified, supplemental plan arrangements also provide retirement benefits to specified groups of participants. Because the Pension Plans have Church Plan status as defined in the Employee Retirement Income Security Act of 1974 (“ERISA”), ***funding in accordance with ERISA is not required. The Corporation’s adopted funding*** policy for qualified plans, which is reviewed annually, is to fund the current normal cost based on the ***accumulated benefit obligation at the plans’ December 31 year-end***, and amortization of any under or over funding over a ten year period. The Corporation funded \$102.3 million and \$187.3 million in excess of the stated funding policy in 2011 and 2010, respectively.

***Plan Amendment*** – In September 2009, the Corporation amended substantially all of its defined benefit pension plans to modify the benefit formula from a final average pay formula to a cash balance formula ***effective July 1, 2010, and the plans’ liabilities and assets were remeasured as of September 30, 2009.*** ***Through June 30, 2010, benefits were based on years of service and employees’ highest five years of*** compensation. Benefits accrued through June 30, 2010 under the final average pay formula were frozen. Beginning July 1, 2010, participants accrue benefits based on the cash balance formula, which credits participants annually with percentage of eligible compensation based on age and years of service, as well as an interest credit based on a benchmark interest rate. A transition adjustment is provided to participants who were vested as of June 30, 2010, whose age and service met certain requirements at that date. The transition adjustment applies to the pension benefit earned through June 30, 2010 and increases compensation under the final average pay formula over a 5-year period. The effect of modifying the benefit formula and remeasuring ***the plan’s assets and liabilities resulted in a decrease of \$224.3 million in plan liabilities and a net decrease of*** \$22.0 million in 2010 net periodic pension cost.

***Plan Terminations*** – ***The Corporation acquired Hackley Health System (“Hackley”) on April 1, 2008,*** including its pension plans. Hackley maintained three defined benefit pension plans covering employees of three subsidiaries. Effective October 2008, Hackley approved the freeze of its three defined benefit pension plans as of December ***31, 2008. Employees became participants of the Corporation’s defined benefit plan*** effective January 1, 2009, and the Corporation recorded an increase of \$8.8 million to plan liabilities. During December 2009, the Corporation settled its pension obligations to participants in the Hackley plans through lump sum payments and purchased annuities. The Corporation funded an additional \$79.9 million to the Hackley plans to fully settle the obligations, and recorded a settlement loss of \$49.0 million.

During the year ended June 30, 2010, the Corporation amended one of its non-qualified, supplemental plan arrangements to modify the plan design and provide benefits to participants in the form of a deferred compensation arrangement. The plan change resulted in a curtailment gain of \$1.9 million.

***Postretirement Health Care and Life Insurance Benefits (“Postretirement Plans”)*** – The Corporation sponsors both funded and unfunded, contributory plans to provide health care benefits to certain of its retirees. All of the Postretirement Plans are closed to new participants. The plans cover certain hourly and salaried employees who retire from certain ministry organizations. Medical benefits for these retirees are subject to deductibles and co-payment provisions. In June 2010, the Corporation approved an amendment to restructure the funded plans as Health Reimbursement Account arrangements for Medicare eligible participants effective ***January 1, 2011. The change resulted in a decrease in the plans’ liabilities of \$30.4 million at June 30, 2010.***

The following table sets forth the changes in projected benefit obligations, accumulated postretirement obligations, changes in plan assets and funded status of the plans for both the Pension and Postretirement Plans for the years ended June 30, 2011 and 2010:

	<b>Pension Plans</b>		<b>Postretirement Plans</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>(In Thousands)</b>		<b>(In Thousands)</b>	
<b>Change in benefit obligation:</b>				
Benefit obligation, beginning of year	\$ 3,756,053	\$ 3,281,247	\$ 112,807	\$ 129,717
Service cost	116,331	114,364	1,119	1,400
Interest cost	221,527	220,296	6,048	8,759
Amendments	-	(224,340)	(442)	(30,388)
Actuarial losses (gains)	(9,007)	619,248	(2,741)	8,808
Benefits paid	(123,040)	(117,468)	(6,428)	(6,422)
Plan settlement benefits paid	-	(132,573)	-	-
Curtailments / settlements	-	(4,721)	-	-
Medicare Part D reimbursement	-	-	376	933
Benefit obligation, end of year	3,961,864	3,756,053	110,739	112,807
<b>Change in plan assets:</b>				
Fair value of plan assets, beginning of year	3,140,162	2,625,699	71,203	69,185
Actual return on plan assets	372,678	326,345	12,039	6,330
Employer contributions	257,607	439,256	1,440	2,110
Benefits paid	(123,040)	(117,468)	(6,428)	(6,422)
Plan settlement benefits paid	-	(132,573)	-	-
Reversion to plan sponsor	-	(1,097)	-	-
Fair value of plan assets, end of year	3,647,407	3,140,162	78,254	71,203
Unfunded amount recognized June 30	<u>\$ (314,457)</u>	<u>\$ (615,891)</u>	<u>\$ (32,485)</u>	<u>\$ (41,604)</u>

The accumulated benefit obligation and fair value of plan assets for the qualified defined benefit pension plans for the years ended June 30 are as follows:

	<b>Pension Plans</b>	
	<b>2011</b>	<b>2010</b>
	<b>(In Thousands)</b>	
Accumulated benefit obligation	\$ 3,853,728	\$ 3,610,158
Fair value of plan assets	3,647,407	3,140,162
Funded status	<u>\$ (206,321)</u>	<u>\$ (469,996)</u>

The accumulated benefit obligation and plan assets of the non-qualified pension plan are not material to these consolidated financial statements.

Components of net periodic benefit cost for the years ended June 30 consisted of the following:

	<b>Pension Plans</b>		<b>Postretirement Plans</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>(In Thousands)</b>		<b>(In Thousands)</b>	
Service cost	\$ 116,331	\$ 114,364	\$ 1,119	\$ 1,400
Interest cost	221,527	220,296	6,048	8,759
Expected return on assets	(252,402)	(222,420)	(5,465)	(5,332)
Amortization of unrecognized transition asset	-	(6,282)	-	-
Amortization of prior service cost	(18,504)	(12,685)	(7,470)	(1,129)
Recognized net actuarial loss	90,655	70,752	3,204	1,782
Net periodic benefit cost (income) before curtailments / settlements	157,607	164,025	(2,564)	5,480
Curtailment gain	-	(1,958)	-	-
Settlement loss	-	48,986	-	-
Net periodic benefit cost (income)	<u>\$ 157,607</u>	<u>\$ 211,053</u>	<u>\$ (2,564)</u>	<u>\$ 5,480</u>



The amounts in unrestricted net assets (inclusive of amounts related to BCHS' pension plan liabilities held for sale), including amounts arising during the year and amounts reclassified into net periodic benefit cost, are as follows:

	Pension Plans (In Thousands)			Total
	Net (Gain) Loss	Prior Service Cost	Transition Asset	
Balance at July 1, 2009	\$ 1,003,008	\$ 500	\$ (6,282)	\$ 997,226
Curtailments / settlements	(36,969)	-	-	(36,969)
Reclassified into net periodic benefit cost	(72,385)	13,059	6,282	(53,044)
Arising during the year	<u>515,290</u>	<u>(230,981)</u>	<u>-</u>	<u>284,309</u>
Balance at June 30, 2010	1,408,944	(217,422)	-	1,191,522
Reclassified into net periodic benefit cost	(92,788)	19,073	-	(73,715)
Arising during the year	<u>(132,908)</u>	<u>-</u>	<u>-</u>	<u>(132,908)</u>
Balance at June 30, 2011	<u>\$ 1,183,248</u>	<u>\$ (198,349)</u>	<u>\$ -</u>	<u>\$ 984,899</u>

	Postretirement Plans (In Thousands)			All Plans
	Net (Gain) Loss	Prior Service (Credit)	Total	Grand Total
Balance at July 1, 2009	\$ 25,020	\$ (2,563)	\$ 22,457	\$ 1,019,683
Curtailments / settlements	-	-	-	(36,969)
Reclassified into net periodic benefit cost	(1,782)	1,129	(653)	(53,697)
Arising during the year	<u>7,708</u>	<u>(30,389)</u>	<u>(22,681)</u>	<u>261,628</u>
Balance at June 30, 2010	<u>30,946</u>	<u>(31,823)</u>	<u>(877)</u>	<u>1,190,645</u>
Reclassified into net periodic benefit cost	(3,204)	7,470	4,266	(69,449)
Arising during the year	<u>(9,262)</u>	<u>(442)</u>	<u>(9,704)</u>	<u>(142,612)</u>
Balance at June 30, 2011	<u>\$ 18,480</u>	<u>\$ (24,795)</u>	<u>\$ (6,315)</u>	<u>\$ 978,584</u>

The following are estimated amounts to be amortized from unrestricted net assets into net periodic benefit cost during 2012:

	<b>Pension Plans</b>	<b>Postretirement Plans</b>
	<b>(In Thousands)</b>	
Amortization of prior service cost (credit)	\$ (19,438)	\$ (7,319)
Recognized net actuarial loss	70,336	1,283
Total	<u>\$ 50,898</u>	<u>\$ (6,036)</u>

Assumptions used to determine benefit obligations and net periodic benefit cost were as follows:

	<b>Pension Plans</b>		<b>Postretirement Plans</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Benefit Obligations:</b>				
Discount rate at June 30	6.00%	6.00%	5.10% - 5.75%	4.55% - 5.80%
Discount rate at September 30	N/A	6.35%	N/A	N/A
Rate of compensation increase in 2010				
Graduated to 4% by 2012	4.0%	3.0%	N/A	N/A
<b>Net Periodic Benefit Cost:</b>				
Discount rate at June 30	6.00%	7.25%	4.55% - 5.80%	5.85% - 7.15%
Discount rate at September 30	N/A	6.35%	N/A	N/A
Expected long-term return on plan assets	8.00%	8.00%	8.00%	8.00%
Rate of compensation increase in 2010				
Graduated to 4% by 2012	3.5%	2.0%	N/A	N/A

The Corporation uses an efficient frontier analysis approach in determining its asset allocation and long-term rate of return for plan assets. Efficient frontier analysis models the risk and return trade-offs among asset classes while taking into consideration the correlation among the asset classes. Historical market returns and risks are examined as part of this process, but risk-based adjustments are made to correspond with modern portfolio theory. Long-term historical correlations between asset classes are used, consistent with widely accepted capital markets principles. Current market factors such as inflation and interest rates are evaluated before long-term capital market assumptions are determined. The long-term rate of return is established using the efficient frontier analysis approach with proper consideration of asset class diversification and rebalancing. Peer data and historical returns are reviewed to check for reasonableness and appropriateness.

**Health Care Cost Trend Rates** – Assumed health care cost trend rates have a significant effect on the amounts reported for the postretirement plans. The postretirement benefit obligation includes assumed health care cost trend rates as follows:

	<b>2011</b>	<b>2010</b>
Medical and drugs, pre-age 65	8.9%	9.4%
Medical and drugs, post-age 65	8.9%	9.4%
Ultimate trend rate	5.0%	5.0%
Year the rate reaches Ultimate Rate	2018	2018

A one-percentage point change in assumed health care cost trend rates would have the following effects as of June 30, 2011:

	1 Percentage Point Increase (In Thousands)	1 Percentage Point Decrease (In Thousands)
Effect on total of service cost and interest cost components	\$ 731	\$ (605)
Effect on postretirement benefit obligation	9,451	(8,041)

The Corporation's investment allocations at June 30, by investment category are as follows:

Investment Category:	Pension Plans		Postretirement Plans	
	2011	2010	2011	2010
Cash and cash equivalents	8 %	11 %	1 %	1 %
Marketable securities:				
U.S. and non-U.S equity securities	11	13	56	46
Equity mutual funds	2	2		
Debt securities	33	32	43	53
Other investments:				
Commingled funds	13	9	-	-
Hedge funds	29	29	-	-
Private equity funds	4	3	-	-
Real estate partnership and other	0	1	-	-
Total	100 %	100 %	100 %	100 %

The Corporation employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful consideration of plan liabilities, plan funded status, and corporate financial condition. The investment portfolio contains a diversified blend of equity and fixed-income investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value, and small and large capitalizations. Other investments such as hedge funds, interest rate swaps, and private equity are used judiciously to enhance long-term returns while improving portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis through quarterly investment portfolio reviews, annual liability measurements, and periodic asset/liability studies. The combined target investment allocation at June 30, 2011 was U.S. and non-U.S. equity securities 20%; fixed income obligations 35%; hedge funds 20%; long/short equity 10%; private equity 5%; real assets 5%; and opportunistic fixed income 5%.

The following tables summarize the pension and postretirement plans' assets measured at fair value as of June 30, 2010 and 2011. See Note 10 for definitions of Levels 1, 2 and 3 of the fair value hierarchy.

2011 (In Thousands)				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension Plans				
Cash and cash equivalents	\$ 273,252	\$ 101	\$ -	\$ 273,353
Equity securities				
U S common stock	395,957	29	-	395,986
Non U S common stock	16,285	63	-	16,348
Debt securities				
Government and government agency obligations	-	289,614	-	289,614
Corporate bonds	-	894,178	-	894,178
Asset backed securities	-	18,585	-	18,585
Mutual funds				
Equity mutual funds	94,044	-	-	94,044
Total marketable securities	779,538	1,202,570	-	1,982,108
Commingled funds	-	477,919	-	477,919
Hedge funds	-	-	1,045,751	1,045,751
Private equity	79	-	134,336	134,415
Real estate partnerships	-	-	3,848	3,848
Other	3,491	(125)	-	3,366
Total pension plans' assets at fair value	<u>\$ 783,108</u>	<u>\$ 1,680,364</u>	<u>\$ 1,183,935</u>	<u>\$ 3,647,407</u>
Postretirement Plans				
Mutual funds				
Short term investment mutual funds	\$ 755	\$ -	\$ -	\$ 755
Fixed income mutual fund	33,445	-	-	33,445
Commingled funds	-	44,054	-	44,054
Total postretirement plans' assets at fair value	<u>\$ 34,200</u>	<u>\$ 44,054</u>	<u>\$ -</u>	<u>\$ 78,254</u>

2010 (In Thousands)				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Pension Plans				
Cash and cash equivalents	\$ 330,438	\$ 17,367	\$ -	\$ 347,805
Equity securities				
U S common stock	336,433	102	-	336,535
Non U S common stock	58,046	-	-	58,046
Debt securities				
Government and government agency obligations	-	175,849	-	175,849
Corporate bonds	-	770,501	6,242	776,743
Asset backed securities	-	47,963	-	47,963
Mutual funds				
Equity mutual funds	68,539	-	-	68,539
Total marketable securities	793,456	1,011,782	6,242	1,811,480
Derivatives	267	10,785	-	11,052
Commingled funds	-	277,787	-	277,787
Hedge funds	-	-	906,684	906,684
Private equity	-	-	104,209	104,209
Real estate partnerships	-	-	5,260	5,260
Other	23,690	-	-	23,690
Total pension plans' assets at fair value	<u>\$ 817,413</u>	<u>\$ 1,300,354</u>	<u>\$ 1,022,395</u>	<u>\$ 3,140,162</u>
Postretirement Plans				
Mutual funds				
Short term investment mutual funds	\$ 158	\$ -	\$ -	\$ 158
Fixed income mutual fund	36,425	-	-	36,425
Commingled funds	-	33,920	-	33,920
Other	700	-	-	700
Total postretirement plans' assets at fair value	<u>\$ 37,283</u>	<u>\$ 33,920</u>	<u>\$ -</u>	<u>\$ 71,203</u>

Unfunded capital commitments related to Level 3 private equity investments totaled \$ 198.5 million and \$132.5 million as of June 30, 2011 and 2010, respectively.

There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2011 or 2010.

**See Note 10 for the Corporation's methods and assumptions to estimate the fair value of marketable securities and commingled funds.**

**Derivatives** – The Pension plans are party to certain agreements, which are designed to manage exposures to equities and interest rate risks. These instruments are used for the purpose of hedging changes in the fair value of assets and actuarial present value of accumulated plan benefits that result from interest rate changes, or as an efficient substitute for traditional securities. The fair value of the derivatives is estimated utilizing the **terms of the derivative instruments and publicly available market yield curves. The Pension plans' investment policies specifically prohibit the use of derivatives for speculative purposes.**

**Hedge funds** – The plan invests in various hedge fund strategies. **These funds utilize a “fund-of-funds”** approach resulting in diversified multi-strategy, multi-manager investments. Underlying investments in these funds may include equities, fixed income securities, commodities, currencies, and derivatives. These funds are valued at net asset value, which is calculated using the most recent partnership financial statements.

**Private equity** – These assets include several private equity funds that invest primarily in the United States, Asia and Europe, both directly and on the secondary market pursuing distressed opportunities and natural resources, primarily energy. These funds are valued at net asset value, which is calculated using the most recent fund financial statements.

**Real estate partnerships** – These assets are reported at fair value based on either independent appraisals performed by the general partner during the year, or estimated using discounted cash flow and market analysis, supported by sales comparison information.

**Other** – Represents unsettled transactions, relating primarily to purchases and sales of plan assets, and accrued income. Due to the short maturity of these assets and liabilities, the fair value is equal to the carrying amounts.

The following tables summarize the changes in Level 3 pension plan assets for the years ended June 30:

2010 and 2011 (In Thousands)					
(In thousands)	Corporate debt	Hedge funds	Private equity	Real estate partnerships	Total
Balance at June 30, 2009	\$ -	\$ 749,270	\$ 61,499	\$ 6,815	\$ 817,584
Realized gains	-	12,507	494	-	13,001
Unrealized gains (losses)	448	61,967	7,976	(1,555)	68,836
Purchases	5,794	271,688	36,868	-	314,350
Sales	-	(177,765)	-	-	(177,765)
Settlements	-	(10,983)	(2,628)	-	(13,611)
Balance at June 30, 2010	<u>\$ 6,242</u>	<u>\$ 906,684</u>	<u>\$ 104,209</u>	<u>\$ 5,260</u>	<u>\$ 1,022,395</u>
Transfers out of level 3	(6,060)	-	-	-	(6,060)
Realized gains (losses)	(182)	(4,310)	2,017	821	(1,654)
Unrealized gains (losses)	-	89,223	13,476	(1,412)	101,287
Purchases	-	96,438	26,972	-	123,410
Sales	-	(42,746)	-	-	(42,746)
Settlements	-	462	(12,338)	(821)	(12,697)
Balance at June 30, 2011	<u>\$ -</u>	<u>\$ 1,045,751</u>	<u>\$ 134,336</u>	<u>\$ 3,848</u>	<u>\$ 1,183,935</u>

Of the Level 3 pension plan assets held at June 30, 2011, the unrealized net gain as of June 30, 2011 was \$61.5 million. Of the Level 3 pension plan assets held at June 30, 2010, the unrealized net gain as of June 30, 2010 was \$69.9 million.

Transfers out of Level 3 into Level 2 were made in 2011 due to the availability of more accurate pricing data for a corporate debt security. At June 30, 2010, the fair value of this investment was estimated using unobservable inputs (i.e., extrapolated data, proprietary models, and indicative quotes) obtained from investment managers. At June 30, 2011, the fair value of this security was estimated using observable, market based bid evaluations obtained from **Financial Times Interactive Data**. **The Corporation's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.**

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

***Expected Contributions*** – The Corporation expects to contribute an additional \$118.0 million to its pension plans, and \$1.6 million to its **postretirement plans in 2012 under the Corporation's stated funding policy**. The Corporation may elect to make additional contributions.

***Expected Benefit Payments*** – The Corporation expects to pay the following for pension benefits, that reflect expected future service as appropriate, and expected postretirement benefits, before deducting the Medicare Part D subsidy.

(In Thousands)	Pension Plans	Postretirement Plans	Postretirement Medicare Part D Subsidy
2012	\$ 147,804	\$ 7,600	\$ 130
2013	159,802	8,079	129
2014	179,747	8,376	126
2015	201,402	8,596	122
2016	224,565	8,774	117
Years 2017 - 2021	1,516,223	44,456	474

## 9. COMMITMENTS AND CONTINGENCIES

**Operating Leases** – The Corporation leases various land, equipment and facilities under operating leases. Total rental expense, which includes provisions for maintenance in some cases, was \$89.4 million in 2011 and 2010.

The following is a schedule of future minimum lease payments under operating leases as of June 30, 2011, that have initial or remaining lease terms in excess of one year:

	<u>(In Thousands)</u>
Years ending June 30:	
2012	\$ 67,096
2013	56,428
2014	44,807
2015	34,378
2016	27,501
Thereafter	<u>85,858</u>
Total	<u>\$ 316,068</u>

**Guarantees** The Corporation entered into debt guarantees prior to December 31, 2002, that are excluded from the consolidated balance sheets. The guaranteed debt was used to finance equipment purchases and to finance or construct professional office buildings, including outpatient surgery centers, rehabilitation facilities, medical facilities and medical office buildings.

Multiple guarantees at the following levels existed at June 30, 2011:

<u>(In Thousands)</u>			
Total Principal Amount	Dollars Guaranteed by Corporation	Percentage Guaranteed by Corporation	Percentage Guaranteed by Others
\$ 6,285	\$ 6,285	100%	0%
10,700	5,350	50%	50%
375	94	25%	75%
<u>2,320</u>	<u>435</u>	18 75%	81 25%
<u>\$ 19,680</u>	<u>\$ 12,164</u>		

**Asset Retirement Obligations** – The Corporation has conditional asset retirement obligations for certain fixed assets mainly related to the removal of asbestos contained within facilities and the removal of underground storage tanks.

A reconciliation of the asset retirement obligations at June 30 follows:

	<u>2011</u>	<u>2010</u>
	<u>(In Thousands)</u>	
Asset retirement obligation, beginning of year	\$ 18,735	\$ 17,575
Accretion	842	913
Liabilities incurred	27	351
Liabilities settled	<u>(2,117)</u>	<u>(104)</u>
Asset retirement obligation, end of year	<u>\$ 17,487</u>	<u>\$ 18,735</u>



## *Litigation*

On September 21, 2007, in Boise, Idaho a jury awarded \$58.9 million in damages to MRI Associates, LLP, an Idaho limited partnership (“MRIA”) against Saint Alphonsus Regional Medical Center and its subsidiary Saint Alphonsus Diversified Care, Inc. (collectively, “Saint Alphonsus”). The lawsuit involved Saint Alphonsus’ withdrawal from the MRIA partnership. The jury award was remitted by the trial judge to \$36.3 million, which was offset by the award of \$4.6 million to Saint Alphonsus, which was the value of its partnership interest in MRIA. St. Alphonsus appealed to the Idaho Supreme Court, asserting, among other things, that the trial court decision that the withdrawal was “wrongful” as a matter of law was incorrect. In October 2009, the Idaho Supreme Court overturned the trial court decision concluding that the withdrawal was not wrongful as a matter of law and remanded the case for a new trial. The trial date is tentatively set for September 2011. The Corporation recorded management’s estimation for litigation expense of \$20 million in the 2007 consolidated statement of operations and changes in net assets. As of June 30, 2011 and 2010, the liability is included in other long-term liabilities in the consolidated balance sheets in the event of an unfavorable resolution of this matter.

In June 2007, the Corporation was added to litigation pending in the United States District Court for the Eastern District of Michigan, alleging that certain hospitals in Southeastern Michigan conspired to suppress the wages of nurses over a period of five years. The plaintiffs brought the action on their own behalf and on behalf of all others similarly situated and seeking certification of the class. The complaint alleges that there was a direct agreement among the executives of defendant hospitals to suppress compensation and that they shared non-public compensation information which had an anticompetitive effect on wages. The complaint specifically references St. Mary Mercy Hospital in Livonia, Michigan and St. Joseph Mercy Oakland in Pontiac, Michigan. This case is one of five similar actions filed by the same group of plaintiffs’ counsel, in different cities, raising similar claims and allegations of collusion. Three of the seven defendants have settled the litigation, but the Corporation has not. Discovery is complete and several dispositive motions have been pending since June 2009, including defendants’ motion for summary judgment. Plaintiffs’ motion to certify a class is also pending and has been opposed by defendants. If the outcome is adverse to the Corporation, the Corporation could potentially incur material damages or other financial consequences. At this time, it is premature to assess the likely course or outcome of this litigation.

The Corporation is involved in other litigation and regulatory investigations arising in the course of doing business. After consultation with legal Counsel, management estimates that these matters will be resolved without material adverse effect on the Corporation’s future consolidated financial position or results of operations.

## 10. FAIR VALUE MEASUREMENTS

The Corporation’s consolidated financial statements reflect certain assets and liabilities recorded at fair value. Assets and liabilities measured at fair value on a recurring basis in the Corporation’s consolidated balance sheets include cash, cash equivalents, marketable securities, investment funds, commingled funds, securities lending collateral, derivatives, and certain pension assets. Liabilities measured at fair value on a recurring basis for disclosure only include debt.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk.

To determine fair value, the Corporation uses various valuation methodologies based on market inputs. For many instruments, pricing inputs are readily observable in the market; the valuation methodology is widely accepted by market participants and involves little to no judgment. For other instruments, pricing inputs are less observable in the marketplace. These inputs can be subjective in nature and involve uncertainties and matters of considerable judgment. The use of different assumptions, judgments and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Corporation assesses the inputs used to measure fair value using a three level hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. The fair value hierarchy is as follows:

Level 1 – Quoted (unadjusted) prices for identical instruments in active markets.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar instruments in active markets;
- Quoted prices for identical or similar instruments in non-active markets (few transactions, limited information, non-current prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the instrument (interest rates, yield curves, volatilities, default rates, etc.); and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

### ***Valuation Methodologies***

Exchange-traded securities whose fair value is derived using quoted prices in active markets are classified as Level 1. In instances where quoted market prices are not readily available, fair value is estimated using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures. The Corporation classifies these securities as Level 2 within the fair value hierarchy.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. **The Corporation's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset.**

Following is a description of the valuation methodologies the Corporation used for instruments recorded at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy:

***Cash and Cash Equivalents*** – The carrying amounts reported in the consolidated balance sheets approximate their fair value. Certain cash and cash equivalents are included in investments and assets limited or restricted as to use in the consolidated balance sheets.

***Security Lending Collateral*** – The fair value amounts of security lending collateral are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

**Marketable Securities** – The fair value amounts of marketable securities, included in investments and assets limited or restricted as to use in the consolidated balance sheets, are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

**Investment Funds** – The Corporation's portfolio includes funds developed by investment managers **specifically for the Corporation's use**. These funds are similar to mutual funds, but are not traded on a public exchange. Investment Funds are recorded at fair value as the underlying investments consist of securities that have a readily determinable market value.

**Commingled Funds** – The Corporation invests in various commingled funds that are included in investments and assets limited or restricted as to use in the consolidated balance sheets. These funds are developed for investment by institutional investors only and therefore do not require registration with the Securities and Exchange Commission. Commingled funds are recorded at fair value as the underlying investments consist of securities that have a readily determinable market value.

The Corporation classifies its marketable securities, investment funds and commingled funds as trading securities. Holding gains (losses) included in the excess of revenue over expenses for the years ending June 30, 2011 and 2010 were approximately \$155.2 million and \$177.5 million, respectively.

**Other Investments** – The Corporation accounts for certain other investments using the equity method. These investments are structured as limited liability corporations and partnerships and are designed to produce stable investment returns regardless of market activity. These investments utilize a diversified multi-strategy approach. Generally, redemptions may be made with written notice ranging from one month to one year. Underlying investments in these funds may include other funds, equities, fixed income securities, commodities, currencies and derivatives. Audited information is only available annually based on the **limited liability corporations, partnerships or funds' year-end. Management's estimates of the fair values of these** investments are based on information provided by the external investment administrators and fund managers or the general partners. Management obtains and considers the audited financial statements of these investments when evaluating the overall reasonableness of the recorded value. In addition to a review of **external information provided, management's internal procedures include such things as review of returns** against benchmarks and discussions with fund managers on performance, changes in personnel or process, along with evaluations of current market conditions for these investments. Investment managers meet with **the Corporation's Investment Subcommittee of the Finance and Stewardship Committee of the Board of** Directors on a periodic basis. Because of the inherent uncertainty of valuations, values may differ materially from the values that would have been used had a ready market existed. The balance of these investments at June 30, 2011 and 2010, was \$965.7 million and \$612.2 million, respectively.

Cash, cash equivalents, marketable securities, investment funds, commingled funds and other investments totaled \$4,831 million and \$4,375 million at June 30, 2011 and 2010, respectively.

**Derivatives** – **The fair value of the Corporation's derivatives**, which are mainly interest rate swaps, are estimated utilizing the terms of the swaps and publicly available market yield curves along with the **Corporation's** nonperformance risk as observed through the credit default swap market and bond market and based on prices for recent trades. These swap agreements are classified as Level 2 within the fair value hierarchy.

The following table presents information about the fair value of the Corporation's financial instruments measured at fair value on a recurring basis and recorded at June 30:

2011 (In Thousands)				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Assets</b>				
Cash and cash equivalents	\$ 1,097,899	\$ 40,695	\$ -	\$ 1,138,594
Security lending collateral	-	149,641	-	149,641
Marketable securities				
Equity securities	589,498	1,913	500	591,911
Debt securities				
Government and government agency obligations	-	335,433	116	335,549
Corporate bonds	-	285,643	2,467	288,110
Asset backed securities	-	77,517	715	78,232
Other	-	13,620	-	13,620
Mutual funds				
Equity mutual funds	181,670	-	-	181,670
Fixed income mutual funds	46,438	-	-	46,438
Real estate funds - REIT	6,658	-	-	6,658
Other	1,540	-	-	1,540
Total marketable securities	825,804	714,126	3,798	1,543,728
Investment funds				
Equity funds	-	301	8,600	8,901
Bond funds	-	876,018	-	876,018
Commingled funds	-	291,750	-	291,750
Derivatives		33,422	-	33,422
Total Assets	\$ 1,923,703	\$ 2,105,953	\$ 12,398	\$ 4,042,054
<b>Liabilities</b>				
Interest rate swaps	\$ -	\$ 107,926	\$ -	\$ 107,926
Total Liabilities	\$ -	\$ 107,926	\$ -	\$ 107,926

**2010**  
**(In Thousands)**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Assets</b>				
Cash and cash equivalents	\$ 1,047,657	\$ 51,417	\$ -	\$ 1,099,074
Security lending collateral		156,162		156,162
Marketable securities				
Equity securities	710,565	4,137	-	714,702
Debt securities				
Government and government agency obligations	4,563	321,418	-	325,981
Corporate bonds	2,439	240,831	-	243,270
Asset backed securities	834	182,814	-	183,648
Other	-	7,503	-	7,503
Mutual funds				
Equity mutual fund	130,962	34	-	130,996
Fixed income mutual fund	358,344	1,718	-	360,062
Real estate funds - REIT	7,200	-	-	7,200
Other	3,954	106	-	4,060
Total marketable securities	1,218,861	758,561	-	1,977,422
Investment funds				
Bond funds	62	474,803	-	474,865
Commingled funds	-	204,974	-	204,974
Derivatives		23,154		23,154
Investment collars	-	5,359	-	5,359
Total Assets	<u>\$ 2,266,580</u>	<u>\$ 1,674,430</u>	<u>\$ -</u>	<u>\$ 3,941,010</u>
<b>Liabilities</b>				
Interest rate swaps	\$ -	\$ 127,350	\$ -	\$ 127,350
Investment collars	-	8,736	-	8,736
Total Liabilities	<u>\$ -</u>	<u>\$ 136,086</u>	<u>\$ -</u>	<u>\$ 136,086</u>

There were no significant transfers to or from Levels 1 and 2 during the years ended June 30, 2011 or 2010.

The following table summarizes the changes in Level 3 assets for the years ended June 30:

<b>2010 and 2011</b> <b>(In Thousands)</b>						
	Equity securities	Government and government agency obligations	Corporate bonds	Asset backed securities	Investment funds	Total
Balance at June 30, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Realized gains	-	-	2	1		3
Unrealized gains (losses)	(35)	24	58	21	367	435
Purchases	535	92	2,436	885	8,233	12,181
Settlements	-	-	(29)	(192)	-	(221)
Balance at June 30, 2011	\$ 500	\$ 116	\$ 2,467	\$ 715	\$ 8,600	\$ 12,398

The composition of investment returns included in the consolidated statement of operations and changes in net assets for the years ending June 30 is as follows:

	<b>2011</b>	<b>2010</b>
	<b>(In Thousands)</b>	
Dividend, interest income and other	\$ 79,703	\$ 93,863
Realized gains (losses), net	138,901	23,783
Realized equity earnings (losses), other investments	(1,432)	31,698
Change in net unrealized gains (losses) on investments	279,942	195,979
Total investment return	\$ 497,114	\$ 345,323
Included in:		
Operating income	\$ 6,454	\$ 12,996
Nonoperating items	483,550	328,038
Changes in restricted net assets	7,110	4,289
Total investment return	\$ 497,114	\$ 345,323

In addition to investments, assets restricted as to use include receivables for unconditional promises to give cash and other assets net of allowances for uncollectible promises to give.

Unconditional promises to give consist of the following at June 30:

	2011	2010
	(In Thousands)	
Amounts expected to be collected in:		
Less than one year	\$ 9,049	\$ 8,921
One to five years	11,688	17,039
More than five years	3,841	4,229
	24,578	30,189
Discount to present value of future cash flows	1,885	2,173
Allowance for uncollectible amounts	2,566	3,081
Total unconditional promises to give, net	\$ 20,127	\$ 24,935

***Patient Accounts Receivable, Estimated Receivables from Third-Party Payors and Current Liabilities*** – The carrying amounts reported in the consolidated balance sheets approximate their fair value.

***Long-Term Debt*** – The carrying amounts of the Corporation's ~~variable~~ **fixed**-rate debt approximate their fair values. The fair value of the Corporation's ~~fixed~~ **variable**-rate long-term debt is estimated using discounted cash flow analyses, based on current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the fixed-rate long-term revenue and refunding bonds was \$1,576 million and \$1,474 million for 2011 and 2010, respectively. The related carrying value of the fixed-rate long-term revenue and refunding bonds was \$1,509 million and \$1,402 million for 2011 and 2010, respectively. The fair values of the remaining fixed-rate capital leases, notes payable to banks, and other debt are not materially different from their carrying values.

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

***Derivative Financial Instruments*** – In the normal course of business, the Corporation is exposed to market risks, including the effect of changes in interest rates and equity market volatility. To manage these risks the Corporation enters into various derivative contracts, primarily interest rate swaps and investment collars. Interest rates swaps are used to manage the effect of interest rate fluctuations. Investment collars are used to manage the effects of equity market volatility.

Management reviews the Corporation's **hedging program, derivative position, and overall risk management** on a regular basis. The Corporation only enters into transactions it believes will be highly effective at offsetting the underlying risk.

***Interest Rate Swaps*** – The Corporation utilizes interest rate swaps to manage interest rate risk related to the Corporation's **variable interest rate debt, variable rate leases and a fixed income investment portfolio**. Cash payments on interest rate swaps totaled \$15.7 million and \$16.2 million in 2011 and 2010, respectively and are included in non-operating income.

**Certain of the Corporation's interest rate swaps contain provisions that give certain counterparties the right to terminate the interest rate swap if a rating is downgraded below specified thresholds.** If a ratings downgrade threshold is breached, the counterparties to the derivative instruments could demand immediate termination of the swaps. Such termination could result in a payment from the Corporation or a payment to the Corporation depending on the market value of the interest rate swap.

**Certain of the Corporation's interest rate swaps are secured by \$30.6 million and \$32.5 million of collateral included in prepaid expenses and other current assets in the Corporation's consolidated balance sheets at June 30, 2011 and 2010, respectively.**

**Investment Collars** – The Corporation engaged in a downside risk mitigation strategy employing an equity collar structure utilizing a combination of equity call and put options. This hedging strategy was based on investment portfolio exposure to long only equities and contained no leverage. This investment collar expired in July 2010.

**Effect of Derivative Instruments on Excess of Revenue over Expenses or Unrestricted Net Assets** - The following table represents the effect derivative instruments had on the Corporation's financial performance for the years ended June 30:

Derivatives not designated as hedging instruments:	Location of Net Gain (Loss) Recognized in Excess of Revenue over Expenses or Unrestricted Net Assets	Amount of Net Gain (Loss) Recognized in Excess of Revenue over Expenses or Unrestricted Net Assets	
		2011	2010
		(In Thousands)	
Excess of Revenue over Expenses:			
Interest rate swaps	Change in market value and cash payment on interest rate swaps	\$ 13,554	\$ (40,385)
Interest rate swaps	Investment income	206	922
Investment collars	Investment loss	(4,969)	(3,338)
Total		\$ 8,791	\$ (42,801)

**Balance Sheet Effect of Derivative Instruments** - The following table summarizes the estimated fair value of the Corporation's derivative financial instruments at June 30:

Derivatives not designated as hedging instruments:	Consolidated Balance Sheet Location	2011  (In Thousands)	2010
Asset Derivatives			
Investment collars	Prepaid expenses and other current assets	\$ -	\$ 5,359
Interest rate swaps	Investments	6,356	6,164
Interest rate swaps	Other assets	27,066	16,990
Total asset derivatives		\$ 33,422	\$ 28,513
Liability Derivatives			
Investment collars	Accrued liabilities	\$ -	\$ 8,736
Interest rate swaps	Other long term liabilities	107,926	124,693
Total liability derivatives		\$ 107,926	\$ 133,429



The counterparties to the interest rate swaps expose the Corporation to credit loss in the event of nonperformance. At June 30, 2011 and 2010 an adjustment for non-performance risk reduced derivative assets by \$2.6 million and \$0.9 million and derivatives liabilities by \$3.0 million and \$9.1 million, respectively.

## 12. ENDOWMENTS

**The Corporation's endowments consist of funds established for a variety of purposes. Its endowments** include both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Corporation considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

The Corporation employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of endowment funds for a prudent level of risk. The Corporation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. The Corporation can appropriate each year all available earnings in accordance with donor restrictions. The endowment corpus is to be maintained in perpetuity. Certain donor-restricted endowments require a portion of annual earnings to be maintained in perpetuity along with the corpus. Only amounts exceeding the amounts required to be maintained in perpetuity are expended.

Endowment net asset composition by type of fund at June 30 is as follows:

2011 (In Thousands)			
Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	\$ -	\$ 446	\$ 34,462
Board-designated endowment funds	34,988	-	-
Total endowment funds	\$ 34,988	\$ 446	\$ 34,462
			\$ 69,896
2010 (In Thousands)			
Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	\$ -	\$ 464	\$ 31,736
Board-designated endowment funds	19,737	-	-
Total endowment funds	\$ 19,737	\$ 464	\$ 31,736
			\$ 51,937

Changes in endowment net assets for the years ended June 30 include:

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
	(In Thousands)			
Endowment net assets, July 1, 2009	\$ 17,157	\$ 430	\$ 29,197	\$ 46,784
Investment return				
Investment gains	779	6	162	947
Change in net realized and unrealized gains and losses	1,519	15	1,288	2,822
Total investment return	2,298	21	1,450	3,769
Contributions	215	16	360	591
Appropriation of endowment assets for expenditures	(383)	(3)	-	(386)
Other	450	-	729	1,179
Endowment net assets, June 30, 2010	19,737	464	31,736	51,937
Investment return				
Investment gains	1,658	8	713	2,379
Change in net realized and unrealized gains and losses	3,964	373	1,820	6,157
Total investment return	5,622	381	2,533	8,536
Contributions	36	-	403	439
Appropriation of endowment assets for expenditures	(967)	(5)	-	(972)
Transfer to create a board designated endowment	10,560	-	-	10,560
Other	-	(394)	(210)	(604)
Endowment net assets, June 30, 2011	\$ 34,988	\$ 446	\$ 34,462	\$ 69,896

The table below describes endowment amounts classified as permanently restricted net assets and temporarily restricted net assets as of June 30:

	2011 (In Thousands)	2010 (In Thousands)
Permanently restricted net assets		
Hospital operations support	\$ 16,736	\$ 12,075
Medical program support	5,127	3,951
Scholarship funds	2,351	4,350
Research funds	3,433	2,604
Community service funds	5,764	5,462
Other funds	1,051	3,294
Total endowment funds classified as permanently restricted net assets	\$ 34,462	\$ 31,736
Temporarily restricted net assets		
Term endowment funds	\$ 133	\$ 176
Other	313	288
Total endowment funds classified as temporarily restricted net assets	\$ 446	\$ 464

**Funds with Deficiencies** – Periodically the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the Corporation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. These deficiencies result from unfavorable market fluctuations and/or continued appropriation for certain programs that was deemed prudent by the Corporation.

### 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 23, 2011, the date the consolidated financial statements were issued. The following subsequent events were noted:

***Acquisition of Loyola University Health System (“LUHS”) –*** On July 1, 2011, the Corporation replaced Loyola University of **Chicago (“University”)** as the sole member of LUHS, an Illinois not-for-profit corporation. LUHS is the sole member of Loyola University Medical Center and Gottlieb Memorial Hospital, both Illinois not-for-profit corporations. LUHS is also the sole shareholder of Loyola University of Chicago Insurance Company, a Cayman Islands Corporation. The Corporation will coordinate with the University to support health science education and research. The entities seek to work collaboratively both within and outside **the Chicago market to become one of the nation’s leading providers of Catholic health care, research and medical education.**

The Corporation acquired LUHS for \$88.3 million in cash and accrued an additional \$75 million to be paid over future years. The Corporation recorded indefinite-lived intangible assets, primarily for a trade name, of \$36.1 million in the consolidated balance sheet at the acquisition date. Based on the purchase price allocation, the fair value of identifiable assets acquired and liabilities assumed exceeded the fair value of consideration paid and accrued. The Definitive Agreement stipulates a post closing reconciliation of the purchase price shall take place within 120 days of the closing date. Management anticipates this reconciliation will increase the purchase price and decrease the gain recorded in nonoperating items. Prior to the post closing adjustment to the purchase price, the Corporation will recognize a gain of approximately \$149 million in nonoperating items in the consolidated statement of operations and changes in net assets for the year ending June 30, 2012. The Corporation is still assessing the economic characteristics of certain assets acquired and liabilities assumed. The Corporation expects to substantially complete this assessment during the six months ended December 31, 2011 and may adjust the amounts recorded as of July 1, 2011 to reflect revised evaluations. Transaction costs accrued as of June 30, 2011 totaled \$6.0 million and were incurred primarily for legal and consulting services which are included in purchased services on the consolidated statement of operations and changes in net assets. Summarized consolidated balance sheet information for LUHS at July 1, 2011 is shown below.

(In Thousands)			
Cash and investments	\$ 117,803	Current portion of long-term debt	\$ 163,392
Patient accounts receivable, net	151,485	Accounts payable and accrued expenses	108,264
Other current assets	60,803	Other current liabilities	81,120
Assets whose use is restricted	239,115	Long-term debt	174,477
Property and equipment	522,076	Self-insurance reserves	193,251
Intangibles	36,110	Pension and post retirement plan obligations	56,528
Other assets	45,737	Other liabilities	56,300
Total assets acquired	<u>\$ 1,173,129</u>	Total liabilities acquired	<u>\$ 833,332</u>
		Temporarily restricted net assets	\$ 20,362
		Permanently restricted net assets	6,671
		Total net assets	<u>\$ 27,033</u>

**As of August 8, 2011, all of LUHS’ debt was retired with the proceeds from the Corporation’s issuance of \$234 million of taxable commercial paper and cash on hand.**

As part of the LUHS acquisition, certain executed agreements provide for ongoing financial support from the Corporation including:

- A Definitive Agreement which the Corporation has agreed that over the seven year period from July 1, 2011 to 2018, at least \$300 million will be expended on capital projects and, if certain operating thresholds are met, the amount may be increased to \$400 million
- An Academic Affiliation Agreement which has an initial term of ten years and provides for an annual academic support payment from the Corporation to the University of \$22.5 million in the first year, adjusted annually for inflation.
- A Shared Services Agreement between the University and LUHS who have agreed on a cost sharing agreement related to common employees and services.

The supplemental pro forma revenue, earnings and changes in net assets for LUHS and the Corporation combined for the years ended June 30, 2011 and 2010, are as follows:

	2011	2010
Total operating revenue	\$ 8,412,095	\$ 7,845,373
Excess of revenue over expenses	707,053	452,261
Change in unrestricted net assets	990,170	291,617
Change in temporarily restricted net assets	3,273	(10,710)
Change in permanently restricted net assets	2,834	2,565

**Sale of BCBS** – Effective July 1, 2011, the Corporation transferred its shares of BCBS to Bronson Healthcare Group, Inc. for \$76.4 million. As a result of the transfer, an estimated loss on disposal of approximately \$28.4 million was recognized which includes a pension curtailment gain of \$5.8 million and settlement loss of \$24.7 million. As of June 30, 2011, \$1.7 million of disposition costs consisted of legal and other divestiture costs.

**Renewal of Credit Agreements** – In July 2011, the Corporation renewed the 2010 Credit Agreements with Bank of America, N.A., which acts as an administrative agent for a group of lenders thereunder. The 2010 Credit Agreements establish a revolving credit facility for the Corporation, under which that group of lenders agrees to lend to the Corporation amounts that may fluctuate from time to time but, as of September 23, 2011, the amount available was \$916 million. Amounts drawn under the 2010 Credit Agreements can only be used **to support the Corporation's obligation to pay the purchase price of bonds that are subject to tender and that** have not been successfully remarketed, and the maturing principal of and interest on commercial paper notes. Of the \$916 million, \$225 million expires in July 2012, \$195 million expires in July 2013, \$240 million expires in July 2014 and \$256 million expires in July 2015.

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