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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>	OMB No 1545-0047  <b>2010</b>
	The organization may have to use a copy of this return to satisfy state reporting requirements	<b>Open to Public Inspection</b>

<b>A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011</b>		<b>D Employer identification number</b> 35-0868157	
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS INC Doing Business As (SEE SCHEDULE O FOR LIST)		<b>E Telephone number</b> (574) 335-5000
	Number and street (or P O box if mail is not delivered to street address) 5215 HOLY CROSS PARKWAY	Room/suite	
	City or town, state or country, and ZIP + 4 MISHAWAKA, IN 465451469		<b>G</b> Gross receipts \$ 262,586,199
	<b>F</b> Name and address of principal officer ALBERT GUTIERREZ 5215 HOLY CROSS PARKWAY MISHAWAKA, IN 465451469		
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶ 0928	
<b>J Website:</b> ▶ WWW.SJMED.COM			
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1958	<b>M</b> State of legal domicile IN

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities HEALTHCARE SERVICES		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4	16
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . .	5	1,986
	6 Total number of volunteers (estimate if necessary) . . . . .	6	733
	7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a	0
	7b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g) . . . . .	1,967,690	3,356,058
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	249,600,027	254,984,369
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-2,760,625	-943,566
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	3,238,415	2,143,364
		252,045,507	259,540,225
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . . .	4,500	2,700,000
	14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	97,248,093	95,353,654
	16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	156,684,978	164,232,825
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	253,937,571	262,286,479
	19 Revenue less expenses Subtract line 18 from line 12 . . . . .	-1,892,064	-2,746,254
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16) . . . . .	433,516,881	426,009,401
	21 Total liabilities (Part X, line 26) . . . . .	376,362,590	375,976,278
	22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	57,154,291	50,033,123

Part II		Signature Block				
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.						
Sign Here	<div> <div></div> <div>Signature of officer</div> </div>				<div> <div>2012-05-04</div> <div>Date</div> </div>	
	<div> <div>JANICE DUNN CFO</div> <div>Type or print name and title</div> </div>					
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name					Firm's EIN
	Firm's address					Phone no

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

HEALTHCARE SERVICES - SEE SCHEDULE H FOR MORE INFORMATION

**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 \$ 213,413,151 including grants of \$ 2,700,000 ) (Revenue \$ 256,245,150 )

SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC (THE HOSPITAL), A NOT-FOR-PROFIT CORPORATION OWNS AND OPERATES A 287-BED ACUTE-CARE HOSPITAL IN SOUTH BEND, INDIANA THE HOSPITAL PROVIDES SERVICES TO RESIDENTS OF THE LOCAL GEOGRAPHIC REGION THE HOSPITAL IS A MEMBER OF TRINITY HEALTH, AN INDIANA NOT-FOR-PROFIT CORPORATION SPONSORED BY CATHOLIC HEALTH MINISTRIES, A PUBLIC JURIDIC PERSON OF THE HOLY ROMAN CATHOLIC CHURCH FOR MORE INFORMATION ON SPECIFIC SERVICES PROVIDED, PLEASE SEE THE HOSPITAL WEBSITE AT WWW SJMED COM

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

THE MISSION STATEMENT FOR THE HOSPITAL IS AS FOLLOWS WE SERVE TOGETHER IN TRINITY HEALTH IN THE SPIRIT OF THE GOSPEL TO HEAL BODY, MIND AND SPIRIT TO IMPROVE THE HEALTH OF OUR COMMUNITIES AND TO STEWARD THE RESOURCES ENTRUSTED TO US



















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

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

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 213,413,151</b>
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Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? 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	No
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	No
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	No
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	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
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		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	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> . . . . .			
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	

Part V Statements Regarding Other IRS Filings and Tax Compliance					
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>					
			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	145		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c		Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	1,986		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b		Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).					
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		No	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No	
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No	
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No	
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7 Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No	
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?					
8					
9 Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10 Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b			
11 Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b			
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?					
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a			
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.	13b			
c	Enter the amount of reserves on hand.	13c			
14a Did the organization receive any payments for indoor tanning services during the tax year?					
14a					
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		No	

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	1a	20	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IN
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	ROBERT SINK 837 EAST CEDAR ST STE 350 SOUTH BEND, IN 466172000 (574) 237-7444

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

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

(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										
1b Sub-Total . . . . .										
c Total from continuation sheets to Part VII, Section A . . . . .										
d Total (add lines 1b and 1c) . . . . .								1,592,691	9,659,864	2,134,160

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▶48

	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
SOUTH BEND MEDICAL FOUNDATION 530 N LAFAYETTE BLVD SOUTH BEND, IN 46601	LABORATORY SERVICES	11,708,641
SODEXO MARRIOT MGMT INC 4880 PAYSHERE CIRCLE CHICAGO, IL 60674	DIETARY MANAGEMENT	2,455,571
ST JOSEPH VALLEY ANESTHESIA PO BOX 1742 SOUTH BEND, IN 46634	ANESTHESIA SERVICES	1,670,986
NATL WOUNDCARE AND HYPERBARIC PO BOX 933430 ATLANTA, GA 31193	HEALTHCARE SERVICES	843,310
FMS NEPHROLOGY NORTH CENTRAL 5228 RELIABLE PKWY CHICAGO, IL 60686	HEALTHCARE SERVICES	826,574

2

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶34

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections  512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c				
	d	Related organizations . . . . .	1d	3,053,974			
	e	Government grants (contributions)	1e	302,084			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		3,356,058			
	Program Service Revenue	2a	Business Code				
		NET PATIENT SVC REV	900099	254,984,369	254,984,369		
b							
c							
d							
e							
f		All other program service revenue					
g		Total. Add lines 2a-2f . . . . .		254,984,369			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		479,868			479,868
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties . . . . .					
	6a	Gross Rents	(i) Real	(ii) Personal			
			387,634				
	b	Less rental expenses	1,071,035				
	c	Rental income or (loss)	-683,401				
	d	Net rental income or (loss) . . . . .			-683,401		-683,401
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
				551,505			
	b	Less cost or other basis and sales expenses	1,287,407	687,532			
	c	Gain or (loss)	-1,287,407	-136,027			
	d	Net gain or (loss) . . . . .			-1,423,434		-1,423,434
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a				
	b	Less direct expenses . . . . .	b				
	c	Net income or (loss) from fundraising events . .					
	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	CAFETERIA	900099	1,565,984			1,565,984	
b							
c							
d	All other revenue . . . . .		1,260,781	1,260,781			
e	Total. Add lines 11a-11d . . . . .		2,826,765				
12	Total revenue. See Instructions . . . . .		259,540,225	256,245,150	0	-60,983	

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	2,700,000	2,700,000		
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 . . . . .				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	87,025	87,025		
7	Other salaries and wages	74,126,345	71,069,698	3,056,647	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	6,812,834	6,531,964	280,870	
9	Other employee benefits . . . . .	8,835,765	8,471,271	364,494	
10	Payroll taxes . . . . .	5,491,685	5,332,323	159,362	
a	Fees for services (non-employees)				
	Management . . . . .	555,639	555,639		
b	Legal . . . . .				
c	Accounting . . . . .				
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .				
g	Other . . . . .	22,906,001	22,618,825	287,176	
12	Advertising and promotion . . . . .	39,581	24,406	15,175	
13	Office expenses . . . . .	1,904,944	1,159,587	745,357	
14	Information technology . . . . .	32,638	17,783	14,855	
15	Royalties . . . . .				
16	Occupancy . . . . .	5,399,154	5,272,475	126,679	
17	Travel . . . . .	166,763	151,649	15,114	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .	140,289	121,456	18,833	
20	Interest . . . . .	13,504,865	13,504,865		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	16,350,264	16,350,264		
23	Insurance . . . . .	1,890,620		1,890,620	
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	42,940,212	42,494,490	445,722	
b	INTERCO PURCHASED SVCS	41,715,231	675,994	41,039,237	
c	BAD DEBT EXPENSE	14,569,408	14,569,408		
d	EQUIPMENT MAINTENANCE	1,162,358	892,566	269,792	
e	CONTRACT LABOR EXPENSE	424,354	424,354		
f	All other expenses	530,504	387,109	143,395	
25	Total functional expenses. Add lines 1 through 24f	262,286,479	213,413,151	48,873,328	0
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 . . . . .				9,597,040	1	3,501,115
	2	Savings and temporary cash investments . . . . .					2	
	3	Pledges and grants receivable, net . . . . .					3	
	4	Accounts receivable, net . . . . .				29,780,653	4	34,030,378
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), 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 . . . . .				978,391	7	559,814
	8	Inventories for sale or use . . . . .				5,888,338	8	6,103,509
	9	Prepaid expenses and deferred charges . . . . .				1,262,395	9	875,397
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	413,351,577	368,037,898	10c	356,583,977	
	b	Less: accumulated depreciation . . . . .	10b	56,767,600				
	11	Investments—publicly traded securities . . . . .				5,591,167	11	12,160,093
	12	Investments—other securities. See Part IV, line 11 . . . . .				1,262,204	12	10,544,204
	13	Investments—program-related. See Part IV, line 11 . . . . .					13	
	14	Intangible assets . . . . .					14	
	15	Other assets. See Part IV, line 11 . . . . .				11,118,795	15	1,650,914
	16	Total assets. Add lines 1 through 15 (must equal line 34) . . . . .				433,516,881	16	426,009,401
Liabilities	17	Accounts payable and accrued expenses . . . . .				20,034,069	17	21,556,060
	18	Grants payable . . . . .					18	
	19	Deferred revenue . . . . .				119,442	19	175,039
	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 . . . . .				13,669,687	23	13,184,269
	24	Unsecured notes and loans payable to unrelated third parties . . . . .					24	
	25	Other liabilities. Complete Part X of Schedule D . . . . .				342,539,392	25	341,060,910
	26	Total liabilities. Add lines 17 through 25 . . . . .				376,362,590	26	375,976,278
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets . . . . .				57,154,291	27	50,033,123
	28	Temporarily restricted net assets . . . . .					28	
	29	Permanently restricted net assets . . . . .					29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds . . . . .					30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .					31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .					32	
	33	Total net assets or fund balances . . . . .				57,154,291	33	50,033,123
	34	Total liabilities and net assets/fund balances . . . . .				433,516,881	34	426,009,401

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	259,540,225
2	Total expenses (must equal Part IX, column (A), line 25)	2	262,286,479
3	Revenue less expenses Subtract line 2 from line 1	3	-2,746,254
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	57,154,291
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-4,374,914
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	50,033,123

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 SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC	Employer identification number  35-0868157
--	--

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 stop here						

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 stop here. 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 stop here. The organization qualifies as a publicly supported organization ▶		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶		



Part IV

**Supplemental Information.** Supplemental Information. Complete this part to provide the 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).

Facts And Circumstances Test

Additional Data

Software ID:

Software Version:

EIN: 35-0868157

Name: SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ABRAHAM MARCUS TREAS THRU 12/10, VC AS OF 1/11	2 00	X		X				0	0	0
CHARLES VIATER TREASURER AS OF 1/11	2 00	X		X				0	0	0
RODNEY GANEY DIRECTOR	2 00	X						0	0	0
KATHY BEELER DIRECTOR	2 00	X						0	0	0
JOHN ROSENTHAL DIRECTOR	2 00	X						0	0	0
UTHMAN CAVALLO MD DIRECTOR	2 00	X						0	0	0
ROBERT E CLEMENCY MD DIRECTOR	2 00	X						0	0	0
MICHAEL J HAMMES CHAIR THRU 12/10	2 00	X		X				0	0	0
ROBERT S OPPMAN MD DIRECTOR	2 00	X						0	0	0
THOMAS REITINGERHURON CONSULTING GR DIRECTOR&INTERM PRES SJRMC TIL 11/10	10 00	X						0	714,166	0
BILAL ANSARI MD DIRECTOR	2 00	X						0	0	0
ROBERT CASALOU DIRECTOR, CEO,ST JOS MERCY,ANN ARBOR	2 00	X						0	561,874	75,510
MICHAEL R LEEP SR DIRECTOR	2 00	X						0	0	0
SCOTT MALPASS DIRECTOR	2 00	X						0	0	0
CAROL A MOONEY JD DIRECTOR	2 00	X						0	0	0
JOHN OLIVER DIRECTOR	2 00	X						0	0	0
REV MARK L POORMAN CSC PHD VC THRU 12/10, CHAIR AS OF 1/11	2 00	X		X				0	0	0
SISTER KATHLEEN QUINN PHJC DIRECTOR	2 00	X						0	0	0
SISTER AGNES ANNE ROBERTS CSC DIRECTOR	2 00	X						0	0	0
WILLIAM SEXTON DIRECTOR THRU 12/10	2 00	X						0	0	0
ALBERT GUTIERREZ DIRECTOR AS OF 11/10,PRES&CEO SJRMC	10 00	X		X				0	55,347	4,769
GREG CRAWFORD DIRECTOR AS OF 1/11	2 00	X						0	0	0
TERRY L HECK CFO THRU 1/11	10 00			X				0	306,741	43,062
RICHARD KORMAN SECRETARY	10 00			X				0	186,871	34,364
ROBERT DEVEY INTERIM CFO AS OF 1/11	10 00			X				0	0	0

**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			
MARSHA KING CNO	10 00				X			0	228,608	41,428
AARON AUSTIN CHRO	10 00				X			0	254,881	43,824
JOSEPH SWEDISH TRINITY HEALTH PRES & CEO	2 00				X			0	2,853,932	791,453
KEDRICK ADKINS TRINITY PRES INTEGRATED SVCS	2 00				X			0	1,160,870	198,248
MICHAEL SLUBOWSKI TRIN PRES HLTH&HOSP NTWKS TIL 12/10	2 00				X			0	1,153,164	271,732
RICHARD O'CONNELL TRINITY COO - HOSPITAL NTWKS	2 00				X			0	761,373	137,960
MICHAEL MURPHY TRINITY EVP HEALTH NETWORKS	2 00				X			0	539,823	68,542
THOMAS PERUMPILLYKADAN VARIED MD HOSPITALIST	50 00					X		341,971	0	34,998
PAUL E MILLER MD HOSPITALIST	50 00					X		332,922	0	43,798
F MONCRIEF DOBSON MD PHYSICIAN NEONATOLOGY	50 00					X		311,469	0	52,786
MATOUS PRADNY MD HOSPITALIST	50 00					X		305,210	0	29,255
RAJA SINGH MD HOSPITALIST	50 00					X		301,119	0	11,953
NANCY HELLYER FORMER OFFICER	0 00						X	0	420,308	204,780
LORI PRICE FORMER OFFICER	0 00						X	0	232,867	40,741
BRUCE E PAYTON FORMER KEY EMPLOYEE	0 00						X	0	229,039	4,957

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  
SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

Employer identification number

35-0868157

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

- 1 Provide a description of the organization’s direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If “Yes,” describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file Form 1120-POL for this year? ☐ Yes ☐ No
- 5 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?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?	Yes		7,391
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			7,391
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS INC (THE HOSPITAL) 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 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC WITH AN ESTIMATED PERCENTAGE OF DUES PAYMENTS WHICH ARE USED FOR LOBBYING PURPOSES. SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC MADE NO CONTRIBUTIONS TO ANY LEGISLATORS OR CANDIDATES.

SCHEDULE D  
(Form 990)

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

Department of the Treasury  
Internal Revenue Service

<b>Name of the organization</b> SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC	<b>Employer identification number</b>  35-0868157
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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.

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

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

	<b>Held at the End of the Year</b>
<b>a</b> Total number of conservation easements	<b>2a</b>
<b>b</b> Total acreage restricted by conservation easements	<b>2b</b>
<b>c</b> Number of conservation easements on a certified historic structure included in (a)	<b>2c</b>
<b>d</b> Number of conservation easements included in (c) acquired after 8/17/06	<b>2d</b>

**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

▶ \$ \_\_\_\_\_

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance . . . . .				
b	Contributions . . . . .				
c	Investment earnings or losses . . . . .				
d	Grants or scholarships . . . . .				
e	Other expenditures for facilities and programs . . . . .				
f	Administrative expenses . . . . .				
g	End of year balance . . . . .				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

3a(i)

3a(ii)

b

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

3b

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		3,538,880		3,538,880
b Buildings . . . . .		216,191,100	17,804,090	198,387,010
c Leasehold improvements . . . . .				
d Equipment . . . . .		176,808,663	37,573,514	139,235,149
e Other . . . . .		16,812,934	1,389,996	15,422,938
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				356,583,977





Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
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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**  
SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

**Employer identification number**  
35-0868157

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  <b>a</b> 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>b</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 _____ %  <b>c</b> 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  <b>4</b> 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)	1	12,352	7,853,296		7,853,296	3 170 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	50	45,487	31,720,160	17,226,852	14,493,308	5 850 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)	3	457	217,292	58,345	158,947	0 060 %
d Total Financial Assistance and Means-Tested Government Programs	54	58,296	39,790,748	17,285,197	22,505,551	9 080 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	9	9,468	1,468,712	6,179	1,462,533	0 590 %
f Health professions education (from Worksheet 5)	5	64	4,291,772	2,542,999	1,748,773	0 710 %
g Subsidized health services (from Worksheet 6)	11	46,311	8,485,663	3,539,460	4,946,203	2 000 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)	7	3,840	698,244	11,970	686,274	0 280 %
j Total Other Benefits	32	59,683	14,944,391	6,100,608	8,843,783	3 580 %
k Total. Add lines 7d and 7j	86	117,979	54,735,139	23,385,805	31,349,334	12 660 %

Part II

Community 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		2,700,000		2,700,000	1 090 %
2Economic development	2		62,555	260	62,295	0 030 %
3Community support	1		40,005	1,590	38,415	0 020 %
4Environmental improvements						
5Leadership development and training for community members	1		7,840	560	7,280	0 %
6Coalition building	1		1,000		1,000	0 %
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total	6		2,811,400	2,410	2,808,990	1 140 %

Part III

Bad 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	4,981,543
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	498,154
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	78,772,953
6	Enter Medicare allowable costs of care relating to payments on line 5	6	88,520,201
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-9,747,248
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
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Schedule H (Form 990) 2010**

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? 6

Name and address		Type of Facility (Describe)
1	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
2	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
3	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
4	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
5	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
6	ST JOSEPH REHABILITATION INSTITUTE 60205 BODNAR BOULEVARD MISHAWAKA, IN 46544	INPATIENT REHAB FACILITY
7		
8		
9		
10		

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, 6i, 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 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS 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 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS PREPARES AN ANNUAL COMMUNITY BENEFIT REPORT, WHICH IT SUBMITS TO THE STATE OF INDIANA IN ADDITION, SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON BOTH TRINITY HEALTH'S WEBSITE AS WELL AS SAINT JOSEPH REGIONAL MEDICAL CENTER'S WEBSITE (WWW.SJMED.COM)

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 HOSPITAL'S COST ACCOUNTING SYSTEM



Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE FOLLOWING NUMBER, \$14,569,408, 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 - SAINT JOSEPH REGIONAL MEDICAL CENTER STRIVES TO LIVE ITS MISSION OF SERVING THE POOR AND UNDERSERVED BY ASSISTING LOCAL ORGANIZATIONS IN THEIR EFFORTS TO MAKE THE CITIZENS OF OUR COMMUNITY MORE PRODUCTIVE, HEALTHY MEMBERS OF SOCIETY THROUGH OUR COMMUNITY NEEDS ASSESSMENT, WE LEARNED THAT CERTAIN TYPES OF AGENCIES COULD BENEFIT FROM OUR SUPPORT, INCLUDING THOSE THAT 1) PROVIDE MEDICAL CARE FOR THE MEDICALLY UNDER-SERVED AND/OR HOMELESS, 2) PROMOTE DIVERSITY, 3) SERVE WOMEN AND CHILDREN AND KEEP THEM SAFE, CLOTHED, FED AND EDUCATED, AND 4) WORK WITH OTHER HEALTH AND HUMAN SERVICES AGENCIES IN THE COMMUNITY TO FIND COMMON WAYS OF MEETING SOCIAL NEEDS MOST OF THE COMMUNITY BUILDING PROGRAMS AND ORGANIZATIONS THAT SJRMC SUPPORTS SERVE LOW INCOME OR VULNERABLE POPULATIONS OR OFFER EDUCATION TO MEMBERS OF THE COMMUNITY WHO HELP THOSE POPULATIONS OVER THE COURSE OF THE PAST YEAR, KEY CONTRIBUTIONS BY SJRMC INCLUDED - PHYSICAL IMPROVEMENT -- DONATED LAND VALUED AT \$2.7 MILLION TO THE CATHOLIC DIOCESE OF FORT WAYNE-SOUTH BEND FOR CONSTRUCTION OF A NEW CATHOLIC HIGH SCHOOL. THIS LAND WAS THE SITE OF THE FORMER SJRMC - ECONOMIC DEVELOPMENT -- CONTRIBUTED TO O PROJECT FUTURE (INITIATIVE OF ST JOSEPH COUNTY, IND )O WNIT PUBLIC TELEVISIONO CITY OF SOUTH BEND ALL AMERICAN CITY DELEGATION OF FIVE PARTICIPANTSO SABOR LATINO RADIO STATION- LEADERSHIP DEVELOPMENT -- PROVIDED FINANCIAL SUPPORT TO O 100 BLACK MEN OF GREATER SOUTH BEND AREA FOR MENTORING YOUNG BLACK MENO SAINT MARY'S COLLEGE CIVIC ENGAGEMENT PROGRAMO SOUTH BEND PUBLIC EDUCATION FOUNDATIONO EDUCATION TO MEMBERS OF THE HEALTH CARE PROFESSIONALS GROUP- COMMUNITY SUPPORT DONATIONS TO O MISHAWAKA EDUCATION FOUNDATIONO MISHAWAKA SUMMERFEST - FESTIVAL HIGHLIGHTING THE CITY OF MISHAWAKA, SJRMC SPONSORS THE 5K RUN PORTION OF THIS EVENT O GIRLS ON THE RUN - EDUCATION PROGRAM FOR 3RD - 5TH GRADE GIRLS ON SELF RESPECT AND HEALTHY LIVINGO REINS OF LIFE -- OFFERS DISABLED CHILDREN OPPORTUNITY TO PARTICIPATE IN THERAPEUTIC HORSEBACK RIDINGO BIG BROTHERS BIG SISTERS SPONSORSHIPO MARTIN LUTHER KING FOUNDATION -- EDUCATE THE COMMUNITY ABOUT DIVERSITY, WORKING TOGETHER, CREATING COMMON GOALS AND DEVELOPING A STRONG PATH TO POSITIVE OUTCOMES AND ONGOING VITALITYO FOREVER LEARNING INSTITUTE-PROVIDES LEARNING OPPORTUNITIES FOR SENIORS FOCUSING ON SPIRITUAL REFLECTION AND SOCIAL INTERACTIONO ST MARGARET'S HOUSE - SAFE DAY HOUSE FOR HOMELESS WOMEN AND CHILDRENO ST VINCENT DEPAUL SOCIETYO HOPE MINISTRIES - FAMILY LIFE CENTER FOR HOMELESS FAMILIES/INDIVIDUALSO BOYS AND GIRLS CLUBO TUITION ASSISTANCE TO STUDENTS OF THE DIOCESE OF FORT WAYNE/SOUTH BEND AND ST ANTHONY'S CHURCHO CENTER FOR THE HOMELESSO HISPANIC LEADERSHIP COALITION</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS 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 A BAD DEBT TO CHARITY RECLASS WAS CONDUCTED AT TWO RELATED TRINITY ORGANIZATIONS BASED ON DATA RETURNED FROM COLLECTION AGENCIES, WHICH WAS VALIDATED THROUGH ELECTRONIC MEANS (ISOLUTIONS), AMOUNTS THAT HAD BEEN WRITTEN OFF TO BAD DEBT WERE RE-CLASSED TO CHARITY DUE TO PATIENT'S INABILITY TO PAY THAT WOULD MEET PRESUMPTIVE CHARITY CRITERIA SELECTED RETURNED ACCOUNTS WERE CASES WHERE THERE WAS NO PAYMENT WITHIN 90 DAYS OF PLACEMENT WITH THE AGENCY AS ISOLUTIONS DATA WAS NOT AVAILABLE FOR THE SJRMC FACILITIES, WE ASSUME APPROXIMATELY 10% OF THE AMOUNTS WRITTEN-OFF TO BAD DEBT WOULD HAVE QUALIFIED FOR CHARITY BASED ON SIMILAR FINDINGS WITHIN THE REGION WHILE CURRENT OPERATIONS ATTEMPT TO IDENTIFY THOSE CASES THAT WILL QUALIFY FOR CHARITY OR UNCOMPENSATED CARE, IT IS ASSUMED THAT APPROXIMATELY 10% OF THE REMAINING BAD DEBT AMOUNT MAY ALSO QUALIFY AS CHARITY</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS 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 THE ORGANIZATION'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 - SAINT JOSEPH REGIONAL MEDICAL CENTER/SOUTH BEND COMPLETED THE INITIAL PHASE OF THE COMMUNITY NEEDS ASSESSMENTS THAT IS REQUIRED EVERY THREE YEARS 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 SAINT JOSEPH REGIONAL MEDICAL CENTER'S (SJPMC) 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 THE SJPMC 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 SJPMC CHNA PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC ) AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) THE DATA HELP SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES AS OF DECEMBER 2, 2011, 2026 SURVEYS - TAKEN ELECTRONICALLY, IN-PERSON, AND ON PAPER - HAVE BEEN RECEIVED AND PROCESSED, AND TEN (10) FOCUS GROUPS HAVE BEEN CONDUCTED, WHICH CONCLUDES THE DATA COLLECTION PHASE OF OUR CHNA, SO AS TO SURFACE CRITICAL INFORMATION LEADING TO THE DEVELOPMENT OF ACTION PLANS BASED ON COMMUNITY INPUT THESE ACTION PLANS WILL SERVE AS AN UNDERPINNING OF SJPMC'S STRATEGIC PLAN THROUGH 2015 THE ACTION PLANS WILL BE MONITORED AND EVALUATED BY THE SJPMC BOARD OF TRUSTEES, THE SJPMC COMMUNITY BENEFITS COUNCIL AND AD HOC COMMITTEES WITH FINAL REPORTED ESTIMATED TO BE COMPLETED MAY, 2012</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - SJRMC IS COMMITTED TO - PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIGNITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED IN OUR COMMUNITIES- CARING FOR A LL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES- ASSISTING PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE - BALANCING NEEDED FINANCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAIN VIABILITY AND PROVI DE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITY IN ACCORD ANCE WITH AMERICAN HOSPITAL ASSOCIATION RECOMMENDATIONS, SJRMC HAS ADOPTED THE FOLLOWING G UIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPORT FUNCTIONS FO R OUR PATIENTS - PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FINANCIAL SUPPORT PROGRAMS- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS- IMPLEMENT POLICIES FOR A SSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER- IMPLEMENT FAIR AND CONSISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONSSJRMC PROVIDES EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING PATIENT PAYMENT OBLIGATIONS FINANCIAL CO UNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS INFOR MATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COV ERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRA TION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE S JRMC RECOGNIZES THE MANY CHALLENGES THAT FACE ITS UNINSURED AND UNDERINSURED PATIENTS WHEN APPLYING FOR STATE AND FEDERAL PROGRAMS TO HELP WITH HEALTHCARE EXPENSES THEREFORE, SJRM C ESTABLISHED THE ELIGIBILITY ASSISTANCE DEPARTMENT THAT UTILIZES A SOCIAL SERVICE APPROAC H WITH A COMMITMENT TO PATIENT DIGNITY, COMPASSION, INTEGRITY AND PATIENT-CENTERED CARE HIGHLY TRAINED SPECIALISTS WHO KNOW AND UNDERSTAND THE DIFFERENT REQUIREMENTS FOR MANY LOCA L, STATE AND FEDERAL PROGRAMS STAFF THE ELIGIBILITY ASSISTANCE DEPARTMENT ONCE IT IS DETE RMINED THAT A PATIENT QUALIFIES FOR A PROGRAM, AN ELIGIBILITY SPECIALIST IS ASSIGNED TO TH E PATIENT'S CASE THE ELIGIBILITY SPECIALIST WORKS WITH THE PATIENT'S PROVIDERS, DEPARTMEN T OF CARE MANAGEMENT, AND ALL APPROPRIATE STATE, AND FEDERAL AGENCIES WHILE NAVIGATING THE PATIENT THROUGH PROCESSES FINANCIAL COUNSELORS, IN CONJUNCTION WITH THE ELIGIBILITY ASSI STANCE DEPARTMENT, MAKE 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 H EALTHCARE SERVICES 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 M ADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE SJRMC O FFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS THIS SUPPORT IS AVAILABLE TO UNINS URED AND UNDERINSURED INDIVIDUALS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTAN CE NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE T HROUGH VARIOUS MEANS, WHICH INCLUDE, BUT ARE NOT LIMITED TO , PATIENT BROCHURES, MESSAGES I NCLUDED ON PATIENT BILLS, NOTICES IN PUBLIC REGISTRATION AREAS INCLUDING EMERGENCY ROOMS, URGENT CARE CENTERS, ADMITTING AND REGISTRATION DEPARTMENTS, HOSPITAL PATIENT ACCOUNTING D EPARTMENTS, AND OTHER PATIENT FINANCIAL SERVICES OFFICES THAT ARE LOCATED ON FACILITY CAMP USES SUMMARIES OF HOSPITAL PROGRAMS ARE MADE AVAILABLE TO THE INDIANA DIVISION OF FAMILY RESOURCES, UNITED WAY, THE LOCAL CHAPTER OF THE AMERICAN RED CROSS, THE AREA COUNCIL ON AG ING, LOCAL PRIVATE AND PUBLIC SCHOOLS AND OTHER COMMUNITY HEALTH AND HUMAN SERVICES AGENCIE S THAT ASSIST PEOPLE IN NEED INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS ALSO AVAILABLE ON THE HOSPITAL WEBSITE AND IN THE DEPARTMENT ADMISSION PACKAGES IN ADDITION T O ENGLISH, THIS INFORMATION IS ALSO AVAILABLE IN SPANISH, REFLECTING THE OTHER PRIMARY LAN GUAGE SPOKEN BY THE POPULATION SERVICED BY THE HOSPITAL SJRMC HAS ESTABLISHED A WRITTEN P OLICY FOR THE BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS SJRMC 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 SJRMC EDUCATES STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS (INCLUDING THOSE WORKING IN P ATIENT REGISTRATION AND ADMITTING, FINANCIAL ASSISTANCE, CUSTOMER SERVICE, BILLING AND COL LECTIONS) 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 ALL OF THE AFOREMENTIONED STAFF RECEIVES TRAINING ON TRIN</p>

Identifier	ReturnReference	Explanation
		ITY HEALTH'S MISSION, VISION AND CORE VALUES THIS ALLOWS THE ASSOCIATES TO OFFER FINANCIA L ASSISTANCE TO PATIENTS WITH COMPASSION AND INTEGRITY, WHILE MAINTAINING THE PATIENT'S DI GNITY



Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 COMMUNITY INFORMATION - SAINT JOSEPH REGIONAL MEDICAL CENTER SERVES APPROXIMATELY 910,000 PEOPLE IN A DIVERSE NINE-COUNTY MARKET IN INDIANA AND MICHIGAN AT TWO HOSPITAL CAMPUSES, ONE IN MISHAWAKA AND ONE IN PLYMOUTH. THE PRIMARY SERVICE AREA INCLUDES ST JOSEPH, MARSHALL, AND ELKHART COUNTIES IN INDIANA AND BERRIEN COUNTY, MICHIGAN, WHILE THE SECONDARY SERVICE AREA ENCOMPASSES FULTON, LAPORTE, PULASKI AND STARKE COUNTIES IN INDIANA AND CASS COUNTY, MICHIGAN. COUNTIES ARE GENERALLY SUBURBAN OR RURAL IN NATURE, WITH THE EXCEPTION OF URBAN CITY-CENTERS IN ELKHART AND SOUTH BEND, THE FOURTH LARGEST CITY IN INDIANA. THE REGION OFFERS DIVERSITY, A STABLE ECONOMY AND A FAMILY-FRIENDLY ENVIRONMENT, ALL WITHIN CLOSE PROXIMITY OF CHICAGO. OUR REGION INCLUDES A VARIETY OF QUALITY EDUCATION OPPORTUNITIES, INCLUDING BOTH PUBLIC AND PRIVATE SCHOOLS FROM PRESCHOOL THROUGH HIGH SCHOOL. THOSE PURSUING A HIGHER LEVEL OF EDUCATION HAVE SEVERAL OPTIONS, INCLUDING THE UNIVERSITY OF NOTRE DAME, INDIANA UNIVERSITY AT SOUTH BEND, ST MARY'S COLLEGE, HOLY CROSS COLLEGE, AN CILLA COLLEGE, BETHEL COLLEGE, INDIANA TECH AND IVY TECH STATE COLLEGE. OTHER HOSPITALS IN THE PRIMARY SERVICE AREA INCLUDE MEMORIAL HOSPITAL OF SOUTH BEND, ELKHART GENERAL HOSPITAL AND GOSHEN GENERAL HOSPITAL TO THE EAST IN ELKHART COUNTY. HOSPITALS LOCATED IN THE SECONDARY SERVICE AREA INCLUDE LAPORTE HOSPITAL AND SAINT ANTHONY MEMORIAL HOSPITAL TO THE WEST IN LAPORTE COUNTY, AND TO THE SOUTH, WOODLAWN HOSPITAL IN ROCHESTER, STARKE MEMORIAL IN STARKE COUNTY, AND PULASKI MEMORIAL IN WINAMAC. TOTAL POPULATION FOR THE NINE COUNTY SERVICE AREAS IS ONLY EXPECTED TO GROW 0.6% FROM 2010 THROUGH 2015. COMPARED TO THE STATE OF INDIANA, THE NINE-COUNTY AREA HAS A LOWER PROJECTED POPULATION GROWTH, A HIGHER MEDIAN AGE AND THE GREATEST DECLINE IN FEMALES OF CHILD BEARING AGE 15-44 AT 2.5%. THE POPULATION AGED 65 AND OLDER REPRESENTS 13.2% OF THE TOTAL POPULATION, AND IS EXPECTED TO INCREASE 10% OVER THE NEXT FIVE YEARS. MEDIAN HOUSEHOLD INCOME IS BELOW THE RATE FOR THE STATES OF INDIANA, MICHIGAN AND OHIO AS WELL AS THE USA. WHILE MEDIAN HOUSEHOLD WEALTH IS HIGHER IN THE NINE COUNTY AREA THAN THE USA AND NEARBY STATES, UNEMPLOYMENT RATES IN THE PAST NINE MONTHS HAVE ALTERED THE ESTIMATION OF WEALTH IN THIS AREA. BOTH THE PRIMARY AND SECONDARY SERVICE AREAS HAVE EXPERIENCED STAGNANT POPULATION GROWTH OVER THE PAST DECADE. THE ONLY POCKET OF GROWTH IN ST JOSEPH COUNTY IS IN THE SOUTHEAST QUADRANT. MEDIAN HOUSEHOLD INCOME IS FAIRLY STABLE ACROSS THE REGION, WITH AREAS OF HIGHEST AFFLUENCE IN THE GRANGER ZIP CODE AND PORTIONS OF ELKHART COUNTY. UNEMPLOYMENT HAS DRAMATICALLY FLUCTUATED IN THE NINE COUNTY MARKETS OVER THE PAST NINE MONTHS. BY COMPARISON, FROM 7.5% IN 2008 TO A HIGH OF 13% IN MAY 2009 TO THE CURRENT RATE OF 11.3% IN SEPTEMBER 2010. THE CURRENT RATE IS HIGHER THAN THE INDIANA RATE OF 9.5% AND THE NATIONAL AVERAGE OF 9.2%. ANECDOTALLY, THE NUMBER OF LOCAL UNINSURED AND UNINSURED RESIDENTS HAS LEVELED OFF WITH THE RATES OF JOB LOSS. MOODY'S COMSTILL RATES INDIANA AS IN RECESSION. EDUCATION, HEALTH CARE, AND GOVERNMENT ARE THE MAJOR EMPLOYERS IN THE LOCAL ECONOMY. ESTIMATES OF THE UNINSURED IN THE SEVEN INDIANA COUNTIES IN THIS SERVICE AREA IS 91,759, RANGING FROM 14.5% IN FULTON COUNTY TO 16.5% IN ELKHART COUNTY. IN THE THREE MICHIGAN COUNTIES SERVED, THE ESTIMATE OF UNINSURED IS 232,203, RANGING FROM 10.3% IN CASS COUNTY TO 14.4% IN BERRIEN COUNTY. THE TARGETED SERVICE AREA INCLUDES SEVERAL MEDICALLY UNDERSERVED AREAS (MUA) AND MEDICALLY UNDERSERVED POPULATIONS (MUP). IN INDIANA, THESE INCLUDE PORTIONS OF ELKHART COUNTY, LAPORTE COUNTY, AND ST JOSEPH COUNTY. IN MICHIGAN, THEY INCLUDE PORTIONS OF BERRIEN COUNTY, CASS COUNTY, AND ST JOSEPH COUNTY. THERE ARE ALSO THREE CRITICAL ACCESS HOSPITALS (CAH) - COMMUNITY HOSPITAL OF BREMEN, PULASKI MEMORIAL HOSPITAL, AND WOODLAWN HOSPITAL - AT WHICH PRIMARY CARE PROFESSIONALS WITH PRESCRIPTIVE PRIVILEGES FURNISH OUTPATIENT PRIMARY-CARE SERVICES IN THE STATE OF INDIANA, ACCORDING TO THE U.S. CENSUS BUREAU, IN 2007 10.1% OF FAMILIES LIVED IN POVERTY. THE STATE OF MICHIGAN'S PERCENTAGE WAS LOWER, AT 8.2%. SJRMC SERVES A LARGE MEDICAID POPULATION ACROSS MANY DELIVERY SITES, MOST OF WHICH ARE LOCATED IN ST JOSEPH COUNTY. INPATIENT MEDICAID POPULATION SERVED BY SJRMC MISHAWAKA CAMPUS EQUALS 20% OF THE HOSPITAL'S TOTAL OVERALL. WHEN SPECIFIC SERVICES LIKE OBSTETRICS AND NEONATOLOGY ARE CONSIDERED, THE PERCENTAGE INCREASES TO 56-72% OF THE TOTAL DISCHARGES FOR THE RESPECTIVE SERVICE LINE. AS IN MOST MIDWESTERN COMMUNITIES, THE NINE COUNTY SERVICE AREA POPULATION IS LARGELY MADE UP OF WHITE NON-HISPANIC INDIVIDUALS OF NORTHERN EUROPEAN DESCENT. HOWEVER, THE REGION OF NORTHERN INDIANA AND SOUTHWESTERN MICHIGAN HAS SEEN AN INCREASE IN THE HISPANIC POPULATION OVER THE PAST TEN YEARS. THE REPRESENTATION OF HISPANIC POPULATION IN THIS AREA IS LIKELY TO BE UNDERSTATED. THE NINE COUNTY SERVICE AREA POPULATION TENDS TO SUFFER</p>

Identifier	ReturnReference	Explanation
		FROM THE SAME CHRONIC HEALTH PROBLEMS AS THE REST OF THE NATION DISEASES WITH THE HIGHEST INCIDENCE RATES TEND TO BE HEART DISEASE, CANCER AND DIABETES IN VARIOUS DEGREES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 OTHER INFORMATION - SJRMC EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFI ED PHYSICIANS BY DOING SO, IT IS ABLE TO ENSURE THAT HIGH QUALITY AND EASILY ACCESSIBLE C ARE IS AVAILABLE IN A VARIETY OF PRIMARY AND SPECIALTY CARE AREAS SJRMC PRIDES ITSELF ON H AVING A NEW, STATE-OF-THE-ART MEDICAL CENTER THAT UTILIZES THE LATEST TECHNOLOGY, ELECTRON IC MEDICAL RECORDS, FULLY INTEGRATED MEDICAL TEAMS AND HIGHLY TRAINED STAFF TO PROVIDE CAR E THAT IS SECOND TO NONE RESIDENCY PROGRAMS IN FAMILY PRACTICE, PODIATRY, AND PHARMACY, A S WELL AS CLINICAL EDUCATION FOR NURSES AND ANCILLARY STAFF PROVIDE ONGOING EDUCATION AND A "LABORATORY FOR LEARNING " SEVERAL NURSING SCHOOLS UTILIZE SJRMC FOR THE CLINICAL COMPON ENT OF THEIR NURSING EDUCATION PARTICIPATING IN BOTH AN INTERNAL AND EXTERNAL INTERNAL RE VIEW BOARD, SJRMC KEEPS PACE WITH THE EVER-GROWING COMPLEXITY OF HEALTH CARE AND PROVIDES LEADERSHIP IN AREAS SPECIFIC TO THE NEEDS OF ITS PATIENTS WHILE NOT CONSIDERED "THE" TRAUM A CENTER FOR THE AREAS IT SERVES, SJRMC DOES HAVE AN EXCELLENT GROUP OF EMERGENCY DEPARTE NT PHYSICIANS AND STAFF TRAINED IN TREATING PERSONS SUFFERING FROM EMERGENT AND NON-EMERGE NT CONDITIONS SERVING ALL PEOPLE REGARDLESS OF ETHNICITY, GENDER, RELIGION, ABILITY TO PA Y ETC, THE EMERGENCY DEPARTMENT HAS OVER 30 TREATMENT ROOMS AS WELL AS TRAUMA ROOMS AND HI GH- INTENSITY TREATMENT ROOMS SJRMC PARTICIPATES IN MEDICARE, MEDICAID, CHAMPUS, TRICARE AN D OTHER GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS, AND OFFERS CHARITY CARE AND CARE ON A S LIDING FEE SCALE IN KEEPING WITH ITS MISSION STATEMENT AND VALUES, SJRMC ASSURES UNINSURE D PATIENTS THAT THEY RECEIVE THE SAME HIGH QUALITY MEDICAL CARE AS THOSE WHO HAVE THE ABIL ITY TO PAY FINANCIAL ASSISTANCE IS PROVIDED TO ALL WHO ARE ELIGIBLE TO RECEIVE IT POLICI ES GOVERNING SUCH ASSISTANCE ARE READILY AVAILABLE FOR STAFF AND PATIENTS ALIKE SJRMC SPO NSORS A HEALTH CENTER THAT PROVIDES CARE TO ALL INSURED, UNDER-INSURED, AND UNINSURED PATI ENTS IT ALSO FULLY SUBSIDIZES A HEALTH CENTER SPECIFICALLY FOR THE UNINSURED STAFFED BY DOCTORS WHO VOLUNTEER THEIR TIME AND SKILLS, THIS HEALTH CENTER SERVES A HIGHLY DIVERSE PO PULATION AND OFFERS SPECIALIZED CLINICS IN CHRONIC DISEASE MANAGEMENT, COUMADIN CARE, SMOK ING CESSATION, HIV/AIDS, AND SUBSTANCE ABUSE A MOBILE MEDICAL UNIT PROVIDES DIGITAL MAMMO GRAPHY IN OUTLYING AREAS WHERE SERVICES ARE DIFFICULT TO OBTAIN ONE OF THE AREAS IS COMPO SED OF ONE OF THE COUNTRY'S LARGEST AMISH POPULATIONS ADVOCACY FOR VARIOUS HEALTH- RELATED ISSUES IS AT THE FOREFRONT AT SJRMC, INCLUDING EFFORTS RELATED TO OBTAINING HEALTH CARE FO R ALL, ELIMINATING THE HEALTH CARE DISPARITIES AMONG DIVERSE POPULATIONS AND OBTAINING AFF ORDABLE PHARMACEUTICALS SJRMC CONTINUES TO BE THE LEADER IN FOUNDING AND FUNDING PROGRAMS THAT IMPACT THE HEALTH OF ITS COMMUNITIES, PROVIDING LOCAL SCHOOLS WITH ATHLETIC TRAINERS , AND SCHOOL HEALTH NURSES VOLUNTEERS WITHIN THE SJRMC/SOUTH BEND HOSPITAL TESTIFY TO THE REPUTATION AND IMPACT OF THE HOSPITAL WOMEN, MEN, AND YOUTH BELIEVE IN THE MISSION OF THE HOSPITAL AND ATTEST TO IT BY PROVIDING HUNDREDS OF HOURS OF SERVICE EACH YEAR VOLUNTEERS WITH SPECIAL NEEDS ARE ALSO WELCOME TO SERVE THE HOSPITAL, ITS PHYSICIANS, STAFF AND THE PUBLIC AS A FAITH-BASED HEALTH INSTITUTION, SJRMC OFFERS PATIENTS, THEIR FAMILIES, AND TH E BROADER COMMUNITY THE OPPORTUNITY TO ADDRESS THE SPIRITUAL NEEDS THAT ARISE AS ONE EXPER IENCES ILLNESS, CHRONIC HEALTH CONDITIONS, OR THE DYING PROCESS THIS EXPERIENCE OF FAITH, THE PRESENCE OF CHRISTIAN, JEWISH AND MUSLIM PRAYER/REFLECTION ROOMS, AND FULL-TIME CERTI FIED CHAPLAINS AFFORD EVERYONE WITH THE CERTITUDE THAT THE WHOLE PERSON AND HIS/HER CARE A RE ADDRESSED SJRMC HAS A NUMBER OF CRITICAL OUTREACH PROGRAMS THAT FURTHER ASSIST IN THE E NHANCEMENT OF THE HEALTH STATUS OF THE POPULATIONS IT SERVES THROUGH THE GENEROSITY OF BE NEFACTORS AND THE SAINT JOSEPH FOUNDATION, SJRMC PARTICIPATES IN MANY OUTREACH COMMUNITY P ROGRAMS AND SERVICES - THE WOMEN'S TASK FORCE (WOMEN SURVIVORS OF VARIOUS FORMS OF CANCER) O PROVIDES MAMMOGRAMS AND PAP TESTS FOR THOSE UNABLE TO AFFORD THEM- THE COMMUNITY HEALTH PARTNERS OF SOUTH BEND, INC O BENDIX FAMILY PHYSICIANS (A HEALTH CENTER JOINTLY ESTABLISHE D BY SJRMC AND MEMORIAL HOSPITAL) PROVIDES CARE AND HEALTH EDUCATION IN A DECLARED MEDICAL LY UNDERSERVED AREA O VOLUNTEER PHYSICIAN NETWORK - PRIMARY CARE PROVIDERS AND SPECIALISTS CARING FOR THOSE UNABLE TO PAY OR ARE ON SLIDING FEE SCALE- OUTREACH PROGRAMS FOCUSING ON O CHRONIC DISEASE O NUTRITIO N O EXERCISE O SMOKING CESSATIO N O HEALTH FAIR S O COLLABORATION WIT H OTHER AREA HEALTH CARE PROVIDERS TO ASSIST AND CARE FOR THE UNDERSERVED POPULATIONS SJRMC PROVIDED IN-KIND DONATIONS TO MANY AGENCIES INCLUDING THE FOLLOWING - COMPUTERS TO LOCAL Y OUTH CENTERS- MEDICAL SUPPLIES AND DRUGS TO MISSION TRIPS- LUNCHES TO HOPE MINISTRIES - CO MPUTERS AND PRINTERS TO SIERRA LEONE, AFRICA SJRMC MADE SIGNIFICANT CONTRIBUTIONS TO - UNIT ED WAY - AMERICAN HEART ASSOCIATION- RIVERBEND CAN</p>

Identifier	ReturnReference	Explanation
		CER SERVICES- SUSAN G KOMEN- MICHIANA CANCER SURVIVORS - LOGAN INC (CENTER FOR PEOPLE WITH DISABILITIES)- DIOCESE OF FORT WAYNE/SOUTH BEND- FOOD BANK OF NORTHERN INDIANA- MARCH O F DIMES- NORTHEAST NEIGHBORHOOD REVITALIZATION PROGRAM (NEIGHBORHOOD WHERE OUR FORMER CAMP US WAS LOCATED)- HANNAH'S HOUSE (HOME FOR PREGNANT WOMEN) - ARTHRITIS FOUNDATION- LA CASA DE AMISTAD - COMMUNITY CENTER FOR LATINO MEMBERS

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS 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 FY 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>

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	IN

Name of the organization	Employer identification number
SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC	35-0868157

**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

[illegible]

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50055P **Schedule I (Form 990) 2010**

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 SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS 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



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

SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC

Employer identification number

35-0868157

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div> <div><div><input 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?	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?		No
b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		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		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

**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 III**   **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	THE FOLLOWING INDIVIDUALS RECEIVED SEVERANCE PAYMENTS IN CALENDAR 2010. THESE AMOUNTS ARE INCLUDED IN COLUMN B(III). BRUCE PAYTON - \$180,480. NANCY HELLYER - \$390,875. IN ADDITION, COLUMN C OF SCHEDULE J, PART II INCLUDES \$189,809 OF SEVERANCE FOR NANCY R. HELLYER WHICH WAS UNPAID AS OF 12/31/2010. THE \$189,809 WAS PAID AND INCLUDED IN NANCY R. HELLYER'S TAXABLE INCOME IN 2011. PART I, LINE 4B. 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. PART I, LINE 4B. 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; ROBERT CASALOU - \$35,149; ALBERT GUTIERREZ - \$2,259; MICHAEL MURPHY - \$26,316; J. RICHARD O'CONNELL - \$83,058; MICHAEL SLUBOWSKI - \$136,445; JOSEPH SWEDISH - \$223,342.
SUPPLEMENTAL INFORMATION	PART III	PART II. TOM REITINGER - THE AMOUNT LISTED IN B(I) OF SCHEDULE J, PART II REPRESENTS THE AMOUNT PAID BY SAINT JOSEPH REGIONAL MEDICAL CENTER (SJRMC) TO HURON CONSULTING GROUP FOR MR. REITINGER'S SERVICES AS INTERIM PRESIDENT OF SJRMC (MR. REITINGER IS AN EMPLOYEE OF HURON CONSULTING GROUP AND RECEIVES A FORM W-2 FROM THEM). SJRMC DOES NOT KNOW HOW MUCH MR. REITINGER RECEIVED AS WAGES FROM HIS EMPLOYER, HURON CONSULTING GROUP, IN CALENDAR 2010.

Software ID:  
Software Version:  
EIN: 35-0868157  
Name: SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
THOMAS REITINGERHURON CONSULTING GR	(i)	0	0	0	0	0	0	0
	(ii)	714,166	0	0	0	0	714,166	0
ROBERT CASALOU	(i)	0	0	0	0	0	0	0
	(ii)	377,993	128,803	55,078	51,463	24,047	637,384	0
TERRY L HECK	(i)	0	0	0	0	0	0	0
	(ii)	247,248	57,140	2,353	26,677	16,385	349,803	0
RICHARD KORMAN	(i)	0	0	0	0	0	0	0
	(ii)	186,469	0	402	15,027	19,337	221,235	0
MARSHA KING	(i)	0	0	0	0	0	0	0
	(ii)	184,503	42,423	1,682	27,758	13,670	270,036	0
AARON AUSTIN	(i)	0	0	0	0	0	0	0
	(ii)	206,071	47,783	1,027	22,918	20,906	298,705	0
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
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
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
MICHAEL MURPHY	(i)	0	0	0	0	0	0	0
	(ii)	343,184	68,618	128,021	47,238	21,304	608,365	0
THOMAS PERUMPILLYKADAN VARIED MD	(i)	339,841	0	2,130	16,839	18,159	376,969	0
	(ii)	0	0	0	0	0	0	0
PAUL E MILLER MD	(i)	332,242	0	680	16,293	27,505	376,720	0
	(ii)	0	0	0	0	0	0	0
F MONCRIEF DOBSON MD	(i)	310,174	0	1,295	30,275	22,511	364,255	0
	(ii)	0	0	0	0	0	0	0
MATOUS PRADNY MD	(i)	305,042	0	168	6,622	22,633	334,465	0
	(ii)	0	0	0	0	0	0	0
RAJA SINGH MD	(i)	300,561	0	558	7,202	4,751	313,072	0
	(ii)	0	0	0	0	0	0	0
NANCY HELLYER	(i)	0	0	0	0	0	0	0
	(ii)	0	0	420,308	189,809	14,971	625,088	420,070
LORI PRICE	(i)	0	0	0	0	0	0	0
	(ii)	232,541	0	326	25,121	15,620	273,608	0
BRUCE E PAYTON	(i)	0	0	0	0	0	0	0
	(ii)	0	46,092	182,947	0	4,957	233,996	180,480

Schedule L  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

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

OMB No 1545-0047  
**2010**  
Open to Public Inspection

<b>Name of the organization</b> SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC	<b>Employer identification number</b>  35-0868157
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

**Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ERICA AUSTIN	FAMILY MEMBER OF AARON AUSTIN, KEY EMPLOYEE	56,487	EMPLOYMENT ARRANGEMENT		No
(2) ELM ROAD MOB II LLC	ROBERT CLEMENCY, DIR , HAS A GREATER THAN 5% INDIRECT INT IN ELM ROAD MOB	1,327,083	SJPMC - SOUTH BEND CAMPUS LEASES SPACE FROM ELM ROAD MOB II		No
(3) ADVANTAGE HEALTH SOLUTIONS	TERRY HECK, CFO	5,300,000	SJPMC - SOUTH BEND CAMPUS PROVIDES MEDICAL SERVICES TO ADVANTAGE HEALTH MEMBERS		No
(4) LISA AUSTIN	FAMILY MEMBER OF AARON AUSTIN, KEY EMPLOYEE	12,394	EMPLOYMENT ARRANGEMENT		No
(5) ELLEN BRUNEEL	FAMILY MEMBER OF JOHN ROSENTHAL, DIRECTOR	18,145	EMPLOYMENT ARRANGEMENT		No

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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**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**

<b>Name of the organization</b> SAINT JOSEPH REGIONAL MEDICAL CENTER- SOUTH BEND CAMPUS INC	<b>Employer identification number</b>  35-0868157
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3		TRINITY HEALTH AND SAINT JOSEPH REGIONAL MEDICAL CENTER (THE PARENT OF SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS) HAVE CONTRACTED WITH HURON CONSULTING GROUP FOR THE PROVISION OF INTERIM PRESIDENT SERVICES FOR SAINT JOSEPH REGIONAL MEDICAL CENTER AND ITS SUBSIDIARIES SEE SCHEDULE J, PART III FOR ADDITIONAL INFORMATION TRINITY HEALTH AND SAINT JOSEPH REGIONAL MEDICAL CENTER (THE PARENT OF SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS) HAVE CONTRACTED WITH TATUM LLC FOR THE PROVISION OF INTERIM CFO SERVICES FOR SAINT JOSEPH REGIONAL MEDICAL CENTER AND ITS SUBSIDIARIES

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE SOLE MEMBER OF SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC IS SAINT JOSEPH REGIONAL MEDICAL CENTER, INC SEE LINE 7 FOR ADDITIONAL INFORMATION



Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		SAINT JOSEPH REGIONAL MEDICAL CENTER, INC IS THE SOLE MEMBER OF SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC SAINT JOSEPH REGIONAL MEDICAL CENTER, INC HAS THE RIGHT TO APPOINT ALL PERSONS TO THE BOARD OF DIRECTORS OF SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		AS SOLE MEMBER, SAINT JOSEPH REGIONAL MEDICAL CENTER, INC MUST APPROVE CERTAIN DECISIONS OF THE GOVERNING BODY , INCLUDING THE STRATEGIC PLAN, ANNUAL CAPITAL PLAN, AND ANNUAL OPERATING BUDGET SAINT JOSEPH REGIONAL MEDICAL CENTER, INC 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 SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC IS REVIEWED BY SENIOR MANAGEMENT IN ADDITION, CERTAIN KEY SECTIONS OF THE FORM ARE REVIEWED BY THE BOARD OF DIRECTORS THE BOARD RECEIVES A COPY OF THE RETURN IN ITS FINAL FORM BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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 SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC , WHICH INCLUDES DIRECTORS, 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 SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 'S CHARITABLE PURPOSE AND SERVICE TO THE COMMUNITY AND TO AVOID CONFLICTS OF INTEREST INTERESTED PERSONS ARE REQUIRED TO MAKE FULL DISCLOSURE TO SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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 DIRECTORS OF SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC IS RESPONSIBLE FOR THE REVIEW AND APPROVAL OF TRANSACTIONS WITH INTERESTED PERSONS, INCLUDING DETERMINING THAT SUCH TRANSACTIONS ARE FAIR AND REASONABLE TO SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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 DIRECTORS OF SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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 SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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	SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC 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, SAINT JOSEPH REGIONAL MEDICAL CENTER - SOUTH BEND CAMPUS, INC INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON TRINITY HEALTH'S WEBSITE AS WELL AS SAINT JOSEPH REGIONAL MEDICAL CENTER'S WEBSITE (WWW SJMED COM)

Identifier	Return Reference	Explanation
ESTIMATE OF THE AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	CORE FORM, 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 - 53 HOURS AARON AUSTIN - 40 HOURS ROBERT CASALOU - 48 HOURS ROBERT DEVEY - 40 HOURS ALBERT GUTIERREZ - 40 HOURS TERRY L HECK - 40 HOURS MARSHA KING - 40 HOURS RICHARD KORMAN - 40 HOURS MICHAEL MURPHY - 53 HOURS RICHARD O'CONNELL - 53 HOURS LORI PRICE - 50 HOURS THOMAS REITINGER - 40 HOURS MICHAEL SLUBOWSKI - 53 HOURS JOSEPH SWEDISH - 53 HOURS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 625,086 EQUITY TRANSFERS TO AFFILIATES -5,000,000 TOTAL TO FORM 990, PART XI, LINE 5 -4,374,914



Identifier	Return Reference	Explanation
	CORE FORM, PART XII, LINE 2	SAINT JOSEPH REGIONAL MEDICAL CENTER-SOUTH BEND CAMPUS, INC '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, PART I, DOING BUSINESS AS	ELM ROAD OCCUPATIONAL HEALTH, ELM ROAD SLEEP DISORDER CENTER, ELM ROAD OUTPATIENT THERAPY/INDUSTRIAL REHABILITATION, HEALTHY FAMILY CENTER, MIDWIFERY OF MICHIANA, MOBILE MEDICAL UNIT, OCCUPATIONAL HEALTH, SR MAURA BRANNICK HEALTH CENTER, SAINT JOSEPH REGIONAL MEDICAL CENTER, SJRMC REHABILITATION INSTITUTE, SAINT JOSEPH REGIONAL MEDICAL CENTER REHABILITATION INSTITUTE, SAINT JOSEPH REHABILITATION INSTITUTE, ASSOCIATES IN FAMILY MEDICINE, SAINT JOSEPH PODIATRIC RESIDENCY CLINIC, FAMILY MEDICINE CENTER OF SJRMC, SAINT JOSEPH REGIONAL MEDICAL CENTER SPORTS MEDICINE INSTITUTE, SR MAURA BRANNICK DENTAL CENTER

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

SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

Employer identification number

35-0868157

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

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

No

1n

No

1o

Yes

1p

Yes

1q

Yes

1r

No

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

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

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

**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: 35-0868157

Name: SAINT JOSEPH REGIONAL MEDICAL CENTER-  
SOUTH BEND CAMPUS INC

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		No
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		No
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

(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
DUBUQUE MERCY HEALTH FOUNDATION INC  250 MERCY DRIVE DUBUQUE, IA 52001 26-2227941	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP		No
DYERSVILLE HEALTH FOUNDATION INC  1111 3RD STREET SW DYERSVILLE, IA 52040 20-5383271	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP		No
HACKLEY HOSPITAL  1700 CLINTON ST PO BOX 3302 MUSKEGON, MI 494433302 38-1358196	HEALTHCARE SERVICES	MI	501(C)(3)	3	MERCY HEALTH PARTNERS		No
HACKLEY HOSPITAL SELF INSURANCE PROFESSIONAL LIABILITY TRUST  PO BOX 3302 MUSKEGON, MI 494433302 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, MI 494423545 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, MI 49440 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, MI 48333 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, MD 20904 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, MD 209101484 52-0738041	HEALTHCARE SERVICES	MD	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY CROSS MEDICAL CENTER  27870 CABOT DRIVE NOVI, MI 483772920 95-1985442	HEALTHCARE SERVICES (FORMERLY)	CA	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY ROSARY MEDICAL CENTER FOUNDATION  351 SW 9TH STREET ONTARIO, OR 97914 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, IA 504016208 42-1173708	HOSPICE HEALTH CARE SERVICES	IA	501(C)(3)	7	MERCY HEALTH SERVICES-IOWA CORP		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
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		No
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		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
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		No
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		No
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		No
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		No

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

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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		No
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		No
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	Yes	
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

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						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	Yes	
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) 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	
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	N/A	N/A				No			No	0 %
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) 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	
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	N/A	N/A				No			No	0 %
MASON CITY AMBULATORY SURGERY CENTER LLC  990 4TH STREET SW MASON CITY, IA50401 20-1960348	SURGERY-SAME DAY	IA	N/A	N/A				No			No	0 %
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	N/A	N/A				No			No	0 %
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) Dispropportionate 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	N/A	C			
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	N/A	C			
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)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	A	55,177	PER BOOKS
(2)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	B	5,000,000	PER BOOKS
(3)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	J	288,405	PER BOOKS
(4)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	L	41,562,279	PER BOOKS
(5)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	O	7,386,487	PER BOOKS
(6)	SAINT JOSEPH REGIONAL MEDICAL CENTER INC	P	1,079,506	PER BOOKS
(7)	TRINITY HEALTH CORPORATION	Q	14,924,304	PER BOOKS
(8)	MOUNT CARMEL HEALTH SYSTEM	L	670,236	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.

<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
<b>LONG-TERM DEBT, NET OF CURRENT PORTION</b>	1,530,902	1,406,548
<b>SELF-INSURANCE RESERVES</b>	282,175	295,266
<b>ACCRUED PENSION AND RETIREE HEALTH COSTS</b>	346,942	657,495
<b>OTHER LONG-TERM LIABILITIES</b>	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>

# 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)

# 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
INCREASE IN NET ASSETS	273,794	6,355	280,149
NET ASSETS, BEGINNING OF YEAR	3,948,259	81,530	4,029,789
NET ASSETS, END OF YEAR	\$ 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	(502,541)	(778,506)
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	17,463	322,984
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,896)	7,696
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	547,165	539,469
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 536,269	\$ 547,165
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 Corporation. The Corporation is sponsored by Catholic Health Ministries (“CHM”), a Public Juridic Person of 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:

*We serve together in Trinity Health, in the spirit of the Gospel, to heal body, mind and spirit,  
to improve the health of our communities and to steward the resources entrusted to us*

**Community Benefit Ministry** - 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 in accordance with the Catholic Health Association of the United States’ (“CHA”), *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:

	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
<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	27,901	13,919	13,982
Indefinite-lived intangible assets:			
Tradenames	5,474	0	5,474
Other	2,879	282	2,597
Total indefinite-lived intangible assets	8,353	282	8,071
Total intangible assets	36,254	14,201	22,053
<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	24,646	10,595	14,051
Indefinite-lived intangible assets:			
Other	2,500	282	2,218
Total indefinite-lived intangible assets	2,500	282	2,218
Total intangible assets	\$ 27,146	\$ 10,877	\$ 16,269

**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
Net assets — beginning of year	3,948.259	81.530	-	4,029.789
Net assets — end of year	<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 (“SJMHS”) 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	<u>\$ 24,217</u>
Property and equipment	5,382		
Other assets	6,907		
Total assets acquired	<u>\$ 38,144</u>		

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	<u>3,961,864</u>	<u>3,756,053</u>	<u>110,739</u>	<u>112,807</u>
<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	<u>3,647,407</u>	<u>3,140,162</u>	<u>78,254</u>	<u>71,203</u>
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	<u>3,647,407</u>	<u>3,140,162</u>
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)			
	Net (Gain) Loss	Prior Service Cost	Transition Asset	Total
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	85,858
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%
2,320	435	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	(2,117)	(104)
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:

	<b>2011</b>	<b>2010</b>
	<b>(In Thousands)</b>	
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
	<u>24,578</u>	<u>30,189</u>
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	<u>\$ 20,127</u>	<u>\$ 24,935</u>

***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-rate debt approximate their fair values. The fair value of the Corporation's fixed-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)	
<b>Excess of Revenue over Expenses:</b>			
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	\$ 34,908
Board-designated endowment funds	34,988	-	34,988
Total endowment funds	<u>\$ 34,988</u>	<u>\$ 446</u>	<u>\$ 34,462</u>
			<u>\$ 69,896</u>

2010 (In Thousands)			
Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	\$ -	\$ 464	\$ 32,200
Board-designated endowment funds	19,737	-	19,737
Total endowment funds	<u>\$ 19,737</u>	<u>\$ 464</u>	<u>\$ 31,736</u>
			<u>\$ 51,937</u>

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 BCHS*** – Effective July 1, 2011, the Corporation transferred its shares of BCHS 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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