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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
St John Hospital & Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 28000 Dequindre Rd

Room/suite

City or town, state or country, and ZIP + 4
Warren, MI 480922468

D Employer identification number
38-1359063

E Telephone number
(586) 753-0094

G Gross receipts $ 722,405,800

F Name and address of principal officer
Diane Radloff
28000 Dequindre Rd
Warren, MI 480922468

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www stjohn org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1948

M State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
Our Catholic Health Ministry is dedicated to spiritually centered, holistic care

2 Check this box ▶☐ 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**	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	15
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	5,470
6	Total number of volunteers (estimate if necessary)	**6**	381
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	12,550,658
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-5,350,451

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	2,387,853	4,600,124
	9 Program service revenue (Part VIII, line 2g)	657,833,567	696,673,803
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,438,102	13,393,462
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,010,572	7,738,411
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	680,670,094	722,405,800
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	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)	279,970,243	305,593,966
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶2,323,954		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	377,091,427	400,904,645
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	657,061,670	706,498,611
	19 Revenue less expenses Subtract line 18 from line 12	23,608,424	15,907,189

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	732,926,550	785,658,038
	21 Total liabilities (Part X, line 26)	272,932,239	297,048,803
	22 Net assets or fund balances Subtract line 21 from line 20	459,994,311	488,609,235

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

Signature of officer — Date: 2012-05-15

Tomasine Marx Chief Financial Officer
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
Matt Montgomery	Matt Montgomery		☐	

Firm's name ▶ Deloitte Tax LLP — Firm's EIN ▶

Firm's address ▶ 250 East Fifth Street Suite 1900
Cincinnati, OH 45202

Phone no ▶ (513) 784-7100

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

St John Providence Health System, as a Catholic Health Ministry, is committed to providing spiritually centered, holistic care which sustains and improves the health of individuals in the communities we serve, with special attention to the poor and vulnerable

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 644,204,781 including grants of $) (Revenue $ 687,172,017)

In furtherance of its mission and in an effort to reduce the government's financial burden, St John Hospital and Medical Center provides essential health care services, such as outpatient clinics, an emergency room, ambulatory facilities that serve low-income patients as well as community services See community benefit report on Schedule O

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 644,204,781

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	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
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? **Note.** 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? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2* ☑ Yes ☐ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	**1a**	0		
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**	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	5,470		
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**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See 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?			**12a**		
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**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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 19			
b	Enter the number of voting members included in line 1a, above, who are independent 1b 15			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its 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	Yes	
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	Yes	
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	Yes	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Bill Darroch
28000 Dequindre Rd
Warren, MI 480922468
(586) 753-0094

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

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(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			
(1) Doug Blatt Chairperson	1 00	X		X				0	0	0
(2) Jennifer Dupree Mooney Vice Chairperson	1 00	X		X				0	0	0
(3) Roy Kletcha Treasurer	1 00	X		X				0	0	0
(4) Suzanne Zieske CSJ Secretary	1 00	X		X				0	0	0
(5) Victor Battani Board Member	1 00	X						0	0	0
(6) Edward K Christian Board Member	1 00	X						0	0	0
(7) James Cole Board Member	1 00	X						0	0	0
(8) Albert De Polo Jr DO Sch O Board Member	50 00	X						48,378	0	1,209
(9) Paul Falcone Board Member	1 00	X						0	0	0
(10) Michael Glusac Board Member	1 00	X						0	0	0
(11) Bal Gupta MD Sch O Board Member	50 00	X						122,688	0	13,793
(12) Richard Kitch Esq Board Member	1 00	X						0	0	0
(13) Patricia Manley Board Member	1 00	X						0	0	0
(14) Steve Minnick MD Sch O Board Member	50 00	X						240,819	0	19,123
(15) Laydell Wyatt Board Member	1 00	X						0	0	0
(16) David Siegal MD Board Member	1 00	X						0	0	0

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			
(17) Edward Swanson Board Member	1 00	X						0	0	0
(18) Sr Xavier Ballance DC Board Member	1 00	X						0	0	0
(19) Diane Radloff Sch O Board Member, President SJHMC	50 00	X		X				581,057	0	21,751
(20) Tomasine F Marx Chief Financial Officer	50 00			X				308,925	0	21,751
(21) Michael B Haynes Chief Medical Officer	50 00				X			396,168	0	21,751
(22) Deborah A Condino VP, Support & Clinical Svcs	50 00				X			196,902	0	19,365
(23) Marc Cullen MD Physician	50 00					X		504,869	0	20,526
(24) Richard Fessler II MD Physician	50 00					X		625,104	0	16,851
(25) Steven Hadesman MD Physician	50 00					X		509,423	0	20,526
(26) Ali Rabbani MD Physician	50 00					X		518,635	0	20,526
(27) Gerald Cohen MD Physician	50 00					X		484,506	0	20,526
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								4,537,474	0	217,698

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 ▶ 232

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**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? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation

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 ▶ 0

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,600,124			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		4,600,124			
Program Service Revenue			Business Code				
	2a	Outpatient Gross Rev	621500	318,662,792	306,475,855	12,186,937	
	b	Inpatient Ancillary	621500	233,337,087	233,337,087		
	c	Inpatient Routine Rev	621500	135,982,483	135,982,483		
	d	Capitation Rev	621500	5,919,734	5,919,734		
	e	Ancillary Rev	621500	1,547,278	1,547,278		
	f	All other program service revenue		1,224,429			1,224,429
	g	**Total.** Add lines 2a–2f		696,673,803			
	3	Investment income (including dividends, interest and other similar amounts)		13,028,547			13,028,547
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents	1,939,930				
	b	Less rental expenses					
	c	Rental income or (loss)	1,939,930				
	d	Net rental income or (loss)		1,939,930		363,721	1,576,209
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		364,915			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)		364,915			
	d	Net gain or (loss)		364,915			364,915
Other Revenue	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 Revenue	621990	1,637,858			1,637,858
	b	Research Revenue	621990	502,246	502,246		
	c	Parking Revenue	621990	251,043			251,043
	d	All other revenue		3,407,334	3,407,334		
	e	**Total.** Add lines 11a–11d		5,798,481			
	12	**Total revenue.** See Instructions		722,405,800	687,172,017	12,550,658	18,083,001

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,438,485		2,438,485	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	257,256,144	250,769,655	6,486,489	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	17,415,784	16,465,988	949,796	
9 Other employee benefits	14,477,187	13,687,652	789,535	
10 Payroll taxes	14,006,366	13,242,508	763,858	
a Fees for services (non-employees) Management	6,244,847	3,605,973	2,638,874	
b Legal	757,415		757,415	
c Accounting	1,664		1,664	
d Lobbying	25,916	25,916		
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	3,411,355		3,411,355	
g Other	715,632		715,632	
12 Advertising and promotion				
13 Office expenses	971,865	971,865		
14 Information technology				
15 Royalties				
16 Occupancy	16,687,637	16,234,309	453,328	
17 Travel	1,344,178	1,312,153	32,025	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	8,564,761	8,564,761		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	33,033,213	33,033,213		
23 Insurance	1,844,910	1,844,910		
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 Purchased Services	148,423,273	109,788,188	38,635,085	0
b Supplies	103,310,442	103,100,476	209,966	0
c Bad Debt Expense	43,759,705	43,759,705	0	0
d Physician Guarantees	21,938,242	21,938,242	0	0
e Repairs & Maintenance	5,859,267	5,859,267	0	0
f All other expenses	4,010,323		1,686,369	2,323,954
25 **Total functional expenses.** Add lines 1 through 24f	706,498,611	644,204,781	59,969,876	2,323,954
26 **Joint costs.** Check here ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1,113,476	1	1,444,939
	2	Savings and temporary cash investments		119,431,759	2	155,543,607
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		77,141,771	4	87,293,912
	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		474,404	7	12,727,128
	8	Inventories for sale or use		6,178,490	8	5,621,967
	9	Prepaid expenses and deferred charges		1,582,909	9	1,357,547
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 863,498,812			
	b	Less accumulated depreciation	10b 509,459,744	365,549,854	10c	354,039,068
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		5,957,480	12	6,934,341
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		155,496,407	15	160,695,529
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		732,926,550	16	785,658,038
Liabilities	17	Accounts payable and accrued expenses		41,373,249	17	47,565,353
	18	Grants payable			18	
	19	Deferred revenue		817,108	19	436,288
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		230,741,882	25	249,047,162
	26	**Total liabilities.** Add lines 17 through 25		272,932,239	26	297,048,803
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		456,713,458	27	484,905,409
	28	Temporarily restricted net assets		3,244,012	28	3,664,713
	29	Permanently restricted net assets		36,841	29	39,113
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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		459,994,311	33	488,609,235
	34	Total liabilities and net assets/fund balances		732,926,550	34	785,658,038

Part XI Reconcilliation 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	722,405,800
2	Total expenses (must equal Part IX, column (A), line 25)	2	706,498,611
3	Revenue less expenses Subtract line 2 from line 1	3	15,907,189
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	459,994,311
5	Other changes in net assets or fund balances (explain in Schedule O)	5	12,707,735
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	488,609,235

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 ☐ Cash ☑ Accrual ☐ 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? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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 ☐ Separate basis ☑ Consolidated basis ☐ 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?	3a	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 . .	3b	Yes	

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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
St John Hospital & Medical Center

Employer identification number
38-1359063

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?

	Yes	No
(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? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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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	Employer identification number
St John Hospital & Medical Center	38-1359063

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 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		
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-		

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

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? ☐ Yes ☐ 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) Yes	(a) No	(b) 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?		No	
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	Yes		25,916
j	Total lines 1c through 1i			25,916
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Explanation of Other Lobbying Activities	Part II-B, Line 1i	Lobbying expenses represent the portion of dues paid to national and state hospital associations that is specifically allocable to lobbying. St John Hospital & Medical Center does not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St John Hospital & Medical Center

Employer identification number
38-1359063

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

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

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

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

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

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	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	7,979,770	7,682,727	7,665,618		
b Contributions	704,845	437,229	32,318		
c Investment earnings or losses	420,926	388,593	384,990		
d Grants or scholarships					
e Other expenditures for facilities and programs	118,130	528,780	400,199		
f Administrative expenses					
g End of year balance	8,987,411	7,979,769	7,682,727		

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 88 000 %
- c Term endowment ▶ 12 000 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

		Yes	No
(i) unrelated organizations	3a(i)		No
(ii) related organizations	3a(ii)	Yes	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	Yes	

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		11,906,311		11,906,311
b Buildings		507,951,816	254,702,835	253,248,981
c Leasehold improvements		9,632,554	7,452,503	2,180,051
d Equipment		221,714,703	166,062,388	55,652,315
e Other		112,293,428	81,242,018	31,051,410
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				354,039,068

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Advances to Affiliates	143,992,346
(2) Non AH Plan Deferred Compensation	6,620,055
(3) Other Miscellaneous Assets	5,648,635
(4) Land Held for Investment	4,334,493
(5) Physician Guarenteed Asset	100,000
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	160,695,529

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Intercompany Payable to Ascension Health	183,460,074
Settlement Liability	19,971,920
Professional Building II - Capital Lease Obligation	8,590,101
Self Insurance Liability	8,255,972
Deferred Compensation	6,620,055
P/GL Deductible Liability	4,216,741
Workers Compensation Insurance Liability	1,754,414
Miscellaneous	16,177,885
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	249,047,162

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	Endowment funds are created to support the healthcare ministry of St John Health System Hospitals The distributions from an endowment provide a dependable source of income each year to help St John continue to meet the community's healthcare needs
Description of Uncertain Tax Positions Under FIN 48	Part X	The member health care entities of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a) The System accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return During the year ended June 30, 2011, the System recognized other revenue of approximately $9,000,000 related to medical resident FICA refunds that had been remitted to the Internal Revenue Service (IRS) during years ended prior to March 2005 Such amounts represent management's estimate of claims submitted to the IRS related to the IRS acceptance of residents' qualification as students for purposes of determining Medicare and social security tax

Additional Data

Software ID:
Software Version:
EIN: 38-1359063
Name: St John Hospital & Medical Center

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

1 **(a)** Description of Liability	**(b)** Amount
Intercompany Payable to Ascension Health	183,460,074
Settlement Liability	19,971,920
Professional Building II - Capital Lease Obligation	8,590,101
Self Insurance Liability	8,255,972
Deferred Compensation	6,620,055
P/GL Deductible Liability	4,216,741
Workers Compensation Insurance Liability	1,754,414
Miscellaneous	16,177,885

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St John Hospital & Medical Center

Employer identification number
38-1359063

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 .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other ____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . ☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other ____ %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	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"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . .	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 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)			14,885,498		14,885,498	2 250 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			117,343,120	116,095,027	1,248,093	0 190 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			132,228,618	116,095,027	16,133,591	2 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			295,881	40	295,841	0 040 %
f Health professions education (from Worksheet 5)			37,487,039	18,092,673	19,394,366	2 930 %
g Subsidized health services (from Worksheet 6)			451		451	0 %
h Research (from Worksheet 7)			39,143	4,883	34,260	0 010 %
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits			37,822,514	18,097,596	19,724,918	2 980 %
k **Total.** Add lines 7d and 7j			170,051,132	134,192,623	35,858,509	5 420 %

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
1	Physical improvements and housing						
2	Economic development						
3	Community support			42,744		42,744	0 010 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**			42,744		42,744	0 010 %

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	15,733,923		
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	12,927,012		
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	251,716,326		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	239,393,740		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	12,322,586		
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				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes		
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes		

Part 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					

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	St John Hospital & Medical Center 22101 Moross Road DETROIT, MI 48236	X	X	X	X			X		
4	St John North Shores Hospital 26755 Ballard Road Harrison Township, MI 48045	X	X					X		

Part V **Facility Information** *(continued)*

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? **12**

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 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 3c The organization provides medically necessary care to all patients, regardless of race, color, creed, ethnic origin, gender, disability or economic status The organization uses a percentage of Federal Poverty Level (FPL) to determine free and discounted care At a minimum, patients with income less than or equal to 200% of the FPL, which may be adjusted for cost of living utilizing the local wage index compared to national wage index, will be eligible for 100% charity care write off of charges for services that have been provided to them Also, at a minimum, patients with incomes above 200% of the FPL but not exceeding 300% of the FPL, subject to adjustments for cost of living utilizing the local wage index compared to national wage index, will receive a discount of 70% on the services provided to them Additionally, for any Pure Self Pay patient (someone presenting with no insurance regardless of income), there is a 40% Uninsured Discount automatically applied against total charges

Identifier	ReturnReference	Explanation
		Part I, Line 6a A community benefit report is prepared on a consolidated basis or the health system as a whole

Identifier	ReturnReference	Explanation
		Part I, Line 7 The cost of providing charity care, means tested government programs, and community benefit programs is estimated using internal cost data, and is calculated in compliance with Catholic Health Association (CHA) guidelines The organization uses a cost accounting system that addresses all patient segments (for example, inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured or self pay) The best available data was used to calculate the amounts reported in the table For certain categories in the table, this was a cost accounting system, in other categories, a specific cost-to-charge ration was applied

Identifier	ReturnReference	Explanation
		Part I, Line 7g The organization has not included costs attributable to a physician clinic as part of subsidized health services

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The amount of bad debt expense reported on Form 990, Part IX, Line 25, column (A), but subtracted for purposes of calculating the percentages in Part I, Line 7, column (f) is $43,759,705

Identifier	ReturnReference	Explanation
		Part II Community Building Activities are critical to the five counties that St John Pro vidence Health System serves The May 2010 report of "Michigan's Economic Outlook and Budg et Review" from the Senate Fiscal Agency listed health services as the only employment gro wth area in the state at 2 3 8% compared to all other employment sectors whose decline rang ed between -7 1% and -64 3% Workforce development in healthcare is vital to the state's e conomic future "CNN U S Economy Tracker" showed Michigan's foreclosure rate as of April 2010 to be nearly double the National foreclosure rate During April of 2010 Michigan's un employment rate was 41 percent higher than the national average The unemployment rate in St John Providence Health System's service area was 11 5 percent in 2011 This weakened e conomy makes for an extremely reduced tax base in both property and income tax St John P rovidence Health System makes a contribution to the community by physically improving the community through beautification efforts which relieves some of the local government's bur den "The Michigan Critical Indicators Report" and Healthy People 2010 Targets showed that the "Healthy People Objectives" for reducing the number of adults who binge drink regularl y, and adults and adolescence who use tobacco were unmet Both of these gateway drugs make it necessary for St John Providence Health System to support advocacy and participate in coalitions aimed at preventing and reducing drug and alcohol use Brighton Hospital is a behavioral health specialty hospital providing treatment for substance abuse The latest "A nnie E Casey's Foundation Kids Count" data reported Michigan as having an infant mortalit y rate higher than 39 states at 7 9 compared to the national rate of 6 8 The city of Detr oit, which is the health system's largest service area, has an infant mortality rate of 14 0% during this same time period The 2009 FBI uniform crime report listed Detroit as havi ng 1,966 violent crimes per 100,000 These statistics compel St John Providence Health Sy stem to use its resources in working toward significantly reducing these negative communit y health outcomes A community assessment led St John Providence Health System, in collabo ration with community leaders, to create a separate 501(c)(3) called Healthy Neighborhoods Detroit (HND) Healthy Neighborhoods Detroit's core activities are community building Th e assessment illustrated that there was a significant absence or gap in services that addr essed the communities' access to healthcare, workforce development and safe and affordable housing HND works collaboratively with community organizations and community members to co-create interventions to address these problems Inventories of some of St John Providen ce's community building activities include ST JOHN HOSPITAL AND MEDICAL CENTER COMMUNITY BUILDING ACTIVITIESPHYSICAL IMPROVEMENTSSJHMC Maintenance and Engineering Department provi des physical improvements by annually beautifying a main intersection on the Detroit-Gross e Pointe border COMMUNITY SUPPORT SJHMC in-patient pharmacy restocks the medical supplies for EMS that come to their facility Their Work Life Service Department (Human Resources) also provides mentoring and job shadowing programs for high school students COMMUNITY HEAL TH IMPROVEMENT ADVOCACYAdministrative leaders support advocacy efforts through their membe rship and participation on various task-forces and committees PROVIDENCE HOSPITALS, SOUTHF IELD AND NOVI COMMUNITY BUILDING ACTIVITIESCOMMUNITY SUPPORT The hospital provides disaste r recovery above and beyond the normal requirements They also provide mentoring to studen ts interested in health careers COMMUNITY HEALTH IMPROVEMENT ADVOCACYThe hospital was spon sor of the "On My Own" Foundation Gala fundraiser This foundation works to increase indep endence for people with disabilities The Radiology department provides community support and a mentoring program Administrative leaders support advocacy efforts through their mem bership and participation on various task-forces and committees ST JOHN MACOMB-OAKLAND H OSPITAL COMMUNITY BUILDING ACTIVITIESPHYSICAL IMPROVEMENTS/HOUSINGThe hospital helped to b uild and improve house through the local Habitat for Humanity and for low-income families They also helped to develop a barrier-free environment for individuals with disabilities COMMUNITY SUPPORT The hospital provided medical support for the annual "gold cup" boat rac es in Detroit ST JOHN RIVER DISTRICT HOSPITAL COMMUNITY BUILDING ACTIVITIESCOALITION BUIL DINGThe hospital participates on the Great Parents-Great Start Coalition which supports se rvices for children 0-5 years in St Clair County The Richmond Physician Office supported the "Recycled Paper Project" and donated recycled paper to the Richmond School District s o that they can earn money to support their educational programs WORKFORCE DEVELOPMENTThe hospital mentors high school students in St Clair

Identifier	ReturnReference	Explanation
		County and educates them about careers in the medical fields They also assist with colle ge course selection of medical careers and/or assist in streamlining technical students B RIGHTON COMMUNITY BUILDING ACTIVITIESWORKFORCE DEVELOPMENTThe hospital's administration pa rticipated in community mentoring programs by working with students at the high school or college level to assist them in their future endeavors, particularly in the health care fi eld LEADERSHIP DEV/TRAINING FOR COMMUNITY MEMBERS The hospital's administration particıpa ted in Executive Women International and the medical department particıpated in Leadership Development Training for community members in the process of addiction recovery COALITION BUILDINGThe hospital provides professional support to the Farmington/Farmington Hills com munity, law enforcement, community leaders, parent groups, teachers, schools and administr ators, city governments, mental health, treatment centers to bring awareness of drug and v iolence prevention efforts and to decrease gaps and fragmentation in information and resou rces There goal is for community groups to decrease gaps and fragmentation within drug an d violence prevention efforts COMMUNITY HEALTH IMPROVEMENT ADVOCACY The fundraising depar tment supported Community Health Improvement Advocacy and fundraising for a special event for community awareness, prevention, & intervention The hospital also provides addiction education, prevention, and intervention, including but not limited to helping the broader community recognize the disease and its affects as well as the benefit of treatment ST JO HN PROVIDENCE HEALTH SYSTEM COMMUNITY BUILDING ACTIVITIESECONOMIC DEVELOPMENTSJPHS Adminis tration is active in various Chambers of Commerce throughout our service area COALITION B UILDINGSJPHS Business Development department particıpated in Coalition Building Eastwood Clinics also particıpates on the "Save O ur Youth" Coalition whose goal is to prevent subst ance abuse among youth in Royal Oak SJPHS Community Health particıpates on the infant mor ality task force, state coalition of school-based health centers and youth violence preven tion task force WORKFORCE DEVELOPMENT/JOB CREATION AND TRAINING PROGRAMSSJPHS Work Life Se rvices partners with area schools, universities and technical schools to mentor students a nd educate them about careers in healthcare They also provide assistance with resume writ ing and interviewing techniques COMMUNITY HEALTH IMPROVEMENT ADVOCACY Eastwood Clinics pa rticipates on the Behavioral Health Legislative Drug Court Committee which partners with j udges and prosecutors from counties throughout Michigan and provides advocacy and support for drug and alcohol treatment for legislative staff

Identifier	ReturnReference	Explanation
		Part III, Line 4 The provision for bad debts is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectible accounts After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies

Identifier	ReturnReference	Explanation
		Part III, Line 8 Ascension Health and related health ministries follow the Catholic Health Association (CHA) guidelines for determining community benefit CHA community benefit reporting guidelines suggest that Medicare shortfall is not treated as community benefit

Identifier	ReturnReference	Explanation
		Part III, Line 9b The organization has a written debt collection policy that also includes a provision on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance If a patient qualifies for charity or financial assistance certain collection practices do not apply

Identifier	ReturnReference	Explanation
		Part VI, Line 2 A community health needs assessment of the St John Providence Health System service area has occurred every three years since 2001 An assessment was done and published in 2001, 2004, and 2008, and most recently began in 2011 for adoption in fiscal year 2012 The current assessment was led by a steering committee composed of members with diverse health professional backgrounds representing the services provided by St John Providence Health System Members included professionals with backgrounds in Finance, Marketing, Nursing, Social Work, Medicine, Pharmacy and Public Health to name a few The process was based on the 6 steps outlined by the Association for Community Health Improvement (ACHI) Each county in the service area was determined to be the focus of the assessment Data was collected from a variety of reliable sources including but not limited to CDC, Michigan Department of Public Health, local health departments, and the US Census Data was collected and organized by county for analysis The University of Wisconsin State and County Health Rankings of 2011 was also discussed after it was released The latter was consistent with the data collected The data collected was discussed and input received from several stakeholder groups including the health system board of directors, advisory committee and other local agencies The process resulted in a ranking of the health needs by county and then three were selected as priority areas of focus These three are 1) Diabetes Prevention and Management 2) Infant Mortality Prevention 3) Access to Primary Care for Underinsured and Uninsured The risk factors related to these three, when addressed will have a positive impact on the other major community health needs related to heart failure, kidney failure, cancer early identification and treatment, asthma education and treatment, infant mortality, and obesity in children and adults At this writing, the assessment is being edited for printing and will be put on the web site for accessibility Also the process for developing a community benefit plan related to the identified priority area is beginning The identification of the health needs of the community resulting from previous CHNA was used to affirm and/or modify the existing St John Providence Health System community health programs and partnerships For example, an identified unmet need of accessible primary care for low-income uninsured adults in the city of Detroit resulted in the establishment of a St John Providence Health System safety net health center, a partnership with a local Federally Qualified Health Center (FQHC) agency, and creation of a volunteer network of physician specialists to improve access to care for this population who are enrolled in the primary care program Consequently, the establishment of two new FQHC health centers and recruitment of more than 400 volunteer physicians has increased access and capacity to serve this population in the St John Providence Health System service area

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Financial assistance staff is trained on how to qualify patients for Medicaid, SCHIP and other such programs During the pre-registration, registration, admissions, and discharge processes, the hospital attempts to identify all self pay patients who may be eligible for government programs or for discounted care through the health system charity care policy A financial assistance counselor is provided to all patients identified as eligible for charity care and the process and paper work is explained by the counselor Patients with limited English proficiency are provided with a translator as needed Those who are deemed eligible for government programs are provided with the needed information, forms and contact information including assistance in filling out forms as needed The Hospital's charity care policy is posted in the admissions, emergency, and finance department, as well as on the website A summary of the policy along with financial assistance contact information is provided to patients in the ED and inpatients or upon discharge Self pay patients are also provided with referrals to partner FQHCs or free primary care clinics in the area as well as locations to obtain low cost pharmaceuticals A written summary of financial guidelines/charity policy and contact information is also provided in all communications with patients regarding bills and accounts Non-English speaking patients receive translation assistance as needed All third parties that work on behalf of the organization to collect fees (such as collection agencies and legal firms) are required to follow the hospital's policies regarding patient notification about the availability of financial assistance including its guidelines for collection of payment

Identifier	ReturnReference	Explanation
		Part VI, Line 4 St John Providence Health System and its seven hospital campuses includi ng one specialty hospital are located in a five-county area of southeastern Michigan The health system campuses are organized as follows Providence/Providence Park Hospitals, St John Macomb-Oakland Hospital, St John Hospital, St John River District Hospital, and Br ighton Hospital The community served by the organization includes Wayne, Oakland, Macomb, Livingston and St Clair counties The city of Detroit is part of Wayne County This serv ice area is predominately urban and suburban with pockets of rural in St Clair and Living ston counties Also, there is one Medical Underserved Area (MUA) in St Clair county, two in Macomb county, and one in Oakland county Almost the entire city of Detroit is either a MUA or Health Professional Shortage Area (HPSA) or both In the remaining part of Wayne C ounty, there are three areas designated as MUAs There are no MUA's in Livingston County There are six other health systems represented in the service area One is a for-profit en tity and the others remain nonprofit The East Community includes Macomb and St Clair Cou nties, and parts of Wayne and Oakland Counties The West Community includes Livingston cou nty, most of Oakland county and parts of Wayne County Total population in the West Commun ity (2010 Thompson Reuters) is 1,633,906 with 57 7% White, 34 7% Black, 0 2% American Indi an and Alaska native, 0 2% Hispanic, 4 3% Asian/Pacific Islander and 0 7% other Total est imated population in the East Community is 1,432,398 with 70 7% White, 23 0% Black, 0 3% H ispanic, 2 9% Asian/Pacific Islander, and 0 5% other Note the following additional inform ation by county Unless otherwise indicted, the data is from the 2010 U S Census - Wayne County excluding Detroit has 12 7% of the population over age 65, median household income is $42,241, 21 4% of household are in poverty with 19 6% of individuals with incomes below 200% of the federal poverty level, 10 3% are uninsured and 23 7% (including Detroit) are enrolled in Medicaid (State of Michigan, June 2010) The city of Detroit has a total popul ation of 713,777 and 11 5% of the population is over age 65, median household income of $2 8,357, 34 5% of the population in poverty, 48 5% are below 200% of the federal poverty lev el and 21% uninsured (State of Michigan, June 2010) Wayne County includes 52 3% White, 40 5% Black, 2 5% Asian, and 5 2% Hispanics The city of Detroit's population is 10 6% White , 82 7% Black, 1 1% Asian and 6 8% Hispanic/Latino (By 2010 U S Census) - Oakland County has 13 2% of its population over 65 years of age, the median household income is $66,390, 8 7% of the households are in poverty, 14 5% of individuals are below 200% of the federal poverty level, 7 5% are uninsured and 9 5% are Medicaid enrollees (State of Michigan, Jun e 2010) Population includes 77 3% White, 13 6% Black, 5 6% Asian, and 3 5% Hispanic/Latino (By 2010 U S Census) - Macomb County has a total population of 840,978 with 14 3% of the population over the age of 65, median household income is $53,996, 9 8% of households liv e in poverty, 16 3% of individuals live below 200% of the federal poverty level, 11 2% are uninsured and 13% are Medicaid enrollees (State of Michigan, June 2010) Population incl udes 85 4% White, 8 6% Black, 3 0% Asian, and 2 3% Hispanic/Latino (By 2010 U S Census) - St Clair County has a total population of 163,040 with 14 5% of the population over age 65, median household income of $49,120, 12 4% of households in poverty, 21 9% of individua ls have incomes below 200% of the federal poverty level, 9 1% uninsured and 16 8% enrolled in Medicaid (State of Michigan, 2010) Population includes 93 9% White, 2 4% Black, and 2 9% Hispanic/Latino (By 2010 U S Census) - Livingston County has a total population of 18 0,967, with 12% of the population over age 65, median household income of $72,129, 6 2% of households live in poverty, 10 4% of individuals live below 200% of the federal poverty l evel, 9 3% uninsured, and 7 1% enrolled in Medicaid (State of Michigan, June 2010) Popula tion includes 96 7% White, 0 4% Black, 0 8% Asian, and 1 9% Hispanic or Latino (By 2010 U S Census) In summary these counties represent the southeastern Michigan region of the sta te The total population is approximately 4 million, which represents 46% of the state's p opulation and accounts for 46% of the federal monies received Twenty-two percent of the s ervice area population is represented by the city of Detroit Approximately 90% of Detroit consists of minorities, compared to 21% for the state Thirty-four percent of Detroiters live below the poverty level compared to 14% statewide The average income for Detroit is $28,357 while the statewide average is almost double that at $48,432 In Detroit, 22% of r esidents are uninsured compared to a statewide total of 11% The city is currently experie ncing the nation's highest unemployment rate at 29

Identifier	ReturnReference	Explanation
		% compared to 14% for the rest of the state and 9 5% for the nation Historically, auto ma nufacturing, government and health care are the largest employers In each of these areas, heart disease followed by cancer is the leading cause of death Further, congestive heart failure and bacterial pneumonia are the leading causes of preventable hospitalizations (2 004) Additionally, Detroit has higher rates of illness and chronic disease than other par ts of the state, and a lack of access to primary care and a shortage of health care profes sionals Sixty percent of Wayne county residents reside in medically underserved area, com pared to 8% for the remaining southwestern Michigan area St John Providence Health Syste m provides many community based programs and services In FY 2010, over 130,000 encounters were provided through its community outreach programs The distribution of these services include 59% in Detroit, 14% in Macomb County, 13% Oakland County, 8% in Wayne County, 4% St Clair County and 2% in Livingston County Services provided include safety net primary care, through ten school-based health centers and two adult primary care centers, HIV/AID S treatment, health education and screening referral support services and faith community nursing to name a few Additionally, the hospitals in Detroit, Wayne, Oakland and Macomb s erve a disproportionate share of uninsured or Medicaid beneficiaries Access to primary ca re for the uninsured and underinsured remains a challenge in most of the service area Par tnership with local FQHCs is improving access and the health system hospitals support thei r expansion

Identifier	ReturnReference	Explanation
		Part VI, Line 6 St John Providence Health SystemThe health system provides internship opportunities for administrative, marketing, finance, information technology, and public health and medical billing professionals ST JOHN PROVIDENCE HEALTH SYSTEMSt John Providence Health System administrators and staff have provided leadership and participated on collaborative initiatives with Voices of Detroit Initiative, Greater Detroit Area Health Council, Wayne County Health Department, The City of Detroit Department of Health and Wellness Promotion, Wayne County Health Authority, Tomorrow's Child, The Michigan Department of Community Health, Michigan Primary Care association and area Federally Qualified Health Centers, and other community organizations to identify community needs and address community problems The health system has a model program that serves the vulnerable and poor in our community and is not offered by any other hospitals in this area called Physicians Who Care (PWC) The program is a network of St John Providence Health System (SJPHS) credentialed specialty physicians who volunteer their time to provide health care services to uninsured adults It is designed to ensure a continuum of care exists for "the working poor" in the communities SJPHS serves Each physician pledges to see a self-defined number of eligible patients per year Currently, more than 400 physicians are registered in a common database using a web-based specialty referral network, which is maintained by the Physicians Who Care staff The patient load is spread equally among all physicians that have agreed to participate in the project The program provides diagnostics and hospitalizations, and prescription drugs St John Providence Health System has a demonstrated history and strong foundation built upon its Mission, Vision, and Values It is this spirit that leads the institution and drives health care services Often patients, family members, friends, and the like, are pleased with our position on care to heal the body, mind, and spirit, have experienced it first-hand, and wish to show their appreciation by making a gift to support care of others that are vulnerable The spiritual essence that's woven into the fabric of our daily operations allows members of the community to comfortably and directly impact the lives of others through philanthropy We work to create an ethical legacy for emphasizing the important value of community and encourage the compassionate generosity of others to make gifts that enhance the exemplary care St John Providence Health System has become recognized for MEDICAL STAFF PRIVILEGESSt John Providence Health System extends medical staff privileges to all qualified physicians in its community for some or all of its departments Physicians who apply for St John Providence staff membership and privileges go through a credentialing process CLINICAL RESEARCH FUNDED BY FOR-PROFIT COMPANIESThe majority of clinical research conducted at SJPHS is funded by for-profit organizations such as pharmaceutical and medical device companies that test the efficacy and safety of health products Examples include research projects funded by Boston Scientific, Eli Lily & Company and Medtronic BOARD MEMBERSHIPSt John Providence Health System board membership is comprised of persons who reside in the five counties that represent SJPHS's primary service area

Identifier	ReturnReference	Explanation
		Part VI, Line 7 Saint John Hospital & Medical Center is part of the St John Providence Health System ("SJPHS") SJPHS, as a Catholic health ministry, is committed to providing spiritually centered, holistic care which sustains and improves the health of individuals in the communities we serve, with special attention to the poor and vulnerable SJPHS owns and operates 7 hospital campuses plus more than 125 medical facilities in southeast Michigan System wide, for the year ended June 30, 2011, SJPHS provided more than $120,873,000 in community health services including health services, professional education, subsidized health care, research, financial contributions, and other community building activities In addition, SJPHS is part of Ascension Health (AH), a Catholic, national health care system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 20 states and the District of Columbia For the year ended June 30, 2011, AH provided more than $1,227,000,000 in community health services including health services, professional education, subsidized health care, research, financial contributions, and other community building activities

Additional Data

Software ID:
Software Version:
EIN: 38-1359063
Name: St John Hospital & Medical Center

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **12** Name and address	Type of Facility (Describe)
St John Van Elslander Cancer Center 19229 Mack Avenue Grosse Pointe Woods, MI 48236	Physician Services
Professional Building One 22151 Moross Road Detroit, MI 48236	Physician Services
Professional Building Two 22201 Moross Road Detroit, MI 48236	Physician Services
Mack Office Building 19251 Mack Avenue Grosse Pointe Woods, MI 48236	Physician Services
St John Riverview Medical Office Bldg 7815 Jefferson Avenue Detroit, MI 48214	Physician Services
St John Family Medical Center 24911 Little Mack St Clair Shores, MI 48080	Physician Services
St John Medical Center - Masonic 21099 Masonic St Clair Shoes, MI 48080	Physician Services
Romeo Plank Medical Center 46591 Romeo Plank Road Macomb Township, MI 48044	Physician Services
St John Medical Center-Physical Therapy 20952 E 12 Mile Road Suite 110 St Clair Shores, MI 48081	Physician Services
Harrison Township Physical Therapy 25990 Crocker Blvd Harrison Township, MI 48045	Physical Therapy
St John Medical Center-St Clair Shores 21000 E 12 Mile Road St Clair Shores, MI 48080	Physician Services
St John Medical Center-Macomb Twp 17700 23 Mile Road Macomb Township, MI 48044	Physician Services

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St John Hospital & Medical Center

Employer identification number
38-1359063

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Steve Minnick MD Sch O	(i)	200,547	0	40,272	8,397	10,726	259,942	0
	(ii)	0	0	0	0	0	0	0
(2) Diane Radloff Sch O	(i)	503,238	69,254	8,565	11,025	10,726	602,808	0
	(ii)	0	0	0	0	0	0	0
(3) Tomasine F Marx	(i)	282,001	26,205	719	11,025	10,726	330,676	0
	(ii)	0	0	0	0	0	0	0
(4) Michael B Haynes	(i)	353,833	42,335	0	11,025	10,726	417,919	0
	(ii)	0	0	0	0	0	0	0
(5) Deborah A Condino	(i)	178,166	18,394	342	8,639	10,726	216,267	0
	(ii)	0	0	0	0	0	0	0
(6) Marc Cullen MD	(i)	497,007	0	7,862	9,800	10,726	525,395	0
	(ii)	0	0	0	0	0	0	0
(7) Richard Fessler II MD	(i)	625,001	0	103	6,125	10,726	641,955	0
	(ii)	0	0	0	0	0	0	0
(8) Steven Hadesman MD	(i)	408,580	86,124	14,719	9,800	10,726	529,949	0
	(ii)	0	0	0	0	0	0	0
(9) Ali Rabbani MD	(i)	413,383	65,000	40,252	9,800	10,726	539,161	0
	(ii)	0	0	0	0	0	0	0
(10) Gerald Cohen MD	(i)	331,752	0	152,754	9,800	10,726	505,032	0
	(ii)	0	0	0	0	0	0	0
(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, Line 4b	These executives participate in a program that provides for supplemental retirement benefits The payment of benefits under the program, if any, is entirely dependent upon the facts and circumstances under which the executive terminates employment with the organization Benefits under the program are unfunded and non-vested Due to the substantial risk for forfeiture provision, there is no guarantee that these executives will ever receive any benefit under the program Any amount ultimately paid under the program to the executives is reported as compensation on Form 990, Schedule J, Part II, Column B(i) in the year paid Amount paid Diane Radloff - $6,129
Supplemental Information	Part III	Part I, Line 3 Saint John Health, a related organization of Providence Hospital, uses the following to establish the compensation of the organization's CEO - Compensation Committee -Independent Compensation Consultant -Compensation Survey or Study -Approval by the Board or Compensation Committee

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493137007452

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
St John Hospital & Medical Center

Employer identification number
38-1359063

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		St John Hospital and Medical Center has a single corporate member, St John Health

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		St John Hospital and Medical Center has a single corporate member, St John Health, who has the ability to elect members to the governing body of St John Hospital and Medical Center

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7b		All decisions that have a material impact to St John Hospital and Medical Center financial information or corporation as a whole are subject to approval by its sole corporate member, St John Health

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		Management, including certain officers, works diligently to complete the Form 990 and attached schedules in a thorough manner Management presents the Form to the board, or a designated committee, to review and answer any questions Prior to filing the return, all board members are provided the Form 990 and management team members are available to answer any board members questions

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The organization regularly and consistently monitors and enforces compliance with the conflict of interest policy in that any director, officer, key employee, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board delegated powers considering the proposed transaction or arrangement The remaining individuals on the governing board or committee will decide if conflicts of interest exist Each director, officer, key employee and member of a committee with governing board delegated powers annually signs a statement which affirms such person has received a copy of the conflict of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purpose

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	In determining compensation of the organizations' top management official, the process included a review and approval by independent persons, comparability data and contemporaneous substantiation of the deliberation and decision Management reviewed and approved the compensation In the review of the compensation, the top management was compared to the other similer organizations in the area that hold the same title Wage bands are adjusted annually and wages paid for all positions are within those bands The individual was not present when their compensation was decided In determining compensation of other officers or key employees of the organization, the process included a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision Management reviewed and approved the compensation In the review of the compensation, the other officers or key employees of the organizations were compared to the other organizations employees in the area that hold the same title Wage bands are adjusted annually and wages paid for all positions are within those bands During the review and approval of the compensation, documentation of the decision was recorded in the committee minutes

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	St John Hospital and Medical Center will provide any documents open to public inspection upon request

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 11,159,277 Tranfer to Affiliates 2,353,702 Net Assets Released from Restriction -2,217,753 Book Income Not Included on Tax Return 1,412,509 Total to Form 990, Part XI, Line 5 12,707,735

Identifier	Return Reference	Explanation
	COMMUNITY BENEFIT REPORT	This report illustrates the significant degree to which St John Hospital and Medical Center contributes to the positive health status of the community it serves As a member of Ascension Health, the nation's largest catholic healthcare system, St John Hospital and Medical Center continues to build and strengthen sustainable collaborative efforts that benefit the health of individuals, families and society as a whole The goal of St John Hospital and Medical Center is to perpetuate the healing mission of the church St John Hospital and Medical Center furthers this goal through delivery of patient services, care to the elderly and indigent, patient education, health awareness programs for the community and medical research Our concern for all human life and dignity of each person leads the organization to provide medical services to all people in the community without regard to the patient's race, creed, national origin, economic status or ability to pay In order to portray the full breadth of our contribution, our community benefit information is described below ORGANIZATIONAL COMMITMENT TO PROVIDING COMMUNITY BENEFIT St John Hospital and Medical Center is a regional referral teaching hospital with 772 licensed beds, a 1300+ member medical staff and more than 50 medical and surgical specialties St John Hospital and Medical Center is also the largest acute care provider and the only designated emergency trauma center on Detroit's east side St John Hospital and Medical Center is also an active participant in community health initiative through its community-based partnerships with churches, schools, and civic organizations St John Hospital and Medical Center has a wide array of surgical specialties and sub-specialties Our operating rooms and post-anesthesia units are open 24 hours a day, seven days a week for scheduled and emergency procedures Specialties include cardiovascular and thoracic, dentistry, general surgery, laser, neurosurgery, obstetrics and gynecology, ophthalmology, oral and maxillofacial, orthopedic, otolaryngology (ear, nose and throat), pediatrics, podiatry, vascular, transplant and urology St John Hospital and Medical Center seeks to improve the physical, mental, social, and spiritual health status of its surrounding community In addition to providing health care services to all individuals who require medical attention, St John Hospital and Medical Center has developed the following programs to help achieve its mission EXPANDING AWARENESS, EDUCATION AND HEALTH PROMOTION St John Hospital and Medical Center believes that it is essential to educate people regarding the types of behavior that improve their chances of living a healthy life The St John Hospital and Medical Center has invested significantly in unique, top quality health education and materials to accomplish its goals VARIOUS CLASSES THE ST JOHN HOSPITAL AND MEDICAL CENTER HAS PROVIDED TO THE COMMUNITY AREAS FOLLOWS 1,000 candlelight labyrinth walk, open arms, talk about, while you wait, acupuncture, aphasia maintenance group, aura photography, holistic consultation, baby works, bereavement support group, oncology bereavement support, non-oncology bereavement support, birth refresher-sessions I and II, childbirth preparation classes, birth unit tour, tour with caesarean class, blood disorders support group, breast cancer support group, breast feeding preparation, brite stars stroke support group, cancer education lecture series, cancer support group, individual counseling for cancer patients, pediatric cancer parent support group, cardiac nutrition class, cardiac rehabilitation program, cardiac support group, stress management for cardiac patients, carelink, carelink education program, clinical trials, CPR for family and friends infants children and adults, cranial osteopathy, cranial sacral therapy, diabetes discovery classes, diabetes exercise program, diabetes self management, post diabetes class instruction, diabetes support group for children teens and parents, outpatient diabetes education, discover a new you, look for success exercise evaluation program, exercise for older adults, fitness fun for everyone, personal exercise training, personal exercise for seniors, Pilate's, family support group, free blood pressure screenings, go red for women, GYN support group, head and neck support group, heart failure exercise program, hip and knee pain seminar, hypnosis, guided imagery, hypnosis consultation, hypnotherapy for smoking cessation, individual counseling, lap band support group, lunch with doctor, massage therapy, pregnancy massage, reflexology, reiki, river rock massage, Swedish relaxation massage, nutrition counseling, Parkinson's disease exercise class, patient and survivor support group, pulmonary rehabilitation program, pumping to precision, second wind stroke support, senior lecture series, smoking cessation, smoking cessation through acupuncture, sport training programs, sport specific tra

Identifier	Return Reference	Explanation
	COMMUNITY BENEFIT REPORT	ining and knee injury prevention, tai chi, tai chi for seniors, time for caregivers suppor t group, transplant support group, w ellness support group, w ellness w orkshop Education ma terial is provided on the w eb under w w w stjohn org and w w w realmedicine org ACCESS TO CAR E PROGRAMS St John Hospital and Medical Center operates many public health clinics Publi c clinics range from specialty clinics such as pediatrics to general internal medicine cli nics Our public health clinics provide care for all community residents, regardless of th eir ability to pay Services include the full range of preventive and primary health and d ental care for adults and children, prenatal care, AIDS/HIV education and management of ch ronic diseases such as asthma, diabetes and heart disease COMMUNITY OUTREACH SERVICE The St John Hospital and Medical Center provides charitable contributions to a number of comm unity organizations St John Hospital and Medical Center has contributed funds for sponso rship in the community by volunteering and giving support to parades, health w alks and mar athons, health expos and health fairs, American Red Cross blood drives, churches, schools, career fairs at schools, police office benefits and community foundation outings St Joh n Hospital and Medical Center is an active supporting member in community events and partn ers w ith many organizations to improve community health, such as American Red Cross, Ameri can Heart Association, adopt a family, shoes for kids, March of Dimes cancer w alk, service s of remembrance for the deceased, open arms, Michigan harvest drive and Habitat for Human ity CHARITY CARE Nearly 11% of Michigan residents or 1 1 million people lacked health ins urance in 2011 In Detroit, 22% of residents are uninsured, this figure remains high due t o increased layoffs, few er companies offering health insurance and a lessened ability of w orkers to afford coverage in the metro Detroit area In 2011 at 11 5%, St John Providence Health System's service area has one of the highest rates of unemployment in the nation The uninsured are likely to seek care in hospital emergency rooms St John Hospital and M edical Center had 146,377 emergency department and urgent care visits in fiscal 2011 Incr easingly, patients are experiencing limited abilities to pay for health care services or q ualify for state and federally funded programs like Medicaid and Medicare programs that co ver only a portion of the cost of services provided St John Hospital and Medical Center offers various free clinics For many Michigan residents, finding someone to care for them w hen they are sick is not as easy as making an appointment Lack of health insurance, tra nsportation issues and language barriers combine to create challenges

Identifier	Return Reference	Explanation
		St John Hospital and Medical Center provides a substantial portion of its services to the elderly and poor During the fiscal year ending June 30, 2011, approximately 42% of the v alue of services rendered w as to elderly patients under the Medicare program and approxima tely 24% of the services w ere provided to patients w ho w ere deemed indigent under state, c ounty or medical center guidelines We currently offer financial assistance programs throu gh the voices of Detroit initiative, a program that assists the uninsured and underinsured in managing their health care MEDICAL RESEARCH St John Hospital and Medical Center furt hers its mission by contributing funds and personnel to support research that has helped a dvance medical care Research projects include various cardiac and interventional cardiac research projects, oncology, pediatric hematology and oncology, internal medicine, obstetr ics and gynecology, nephrology, radiology and infectious disease research MEDICAL EDUCATI ON St John Hospital and Medical Center believes that in order to provide the best health care to the community, its clinical personnel must receive ongoing medical education Nume rous seminars and classes are provided to medical residents and staff and are posted on ou r w ebsite w w w sjhs com/physicians/gme residency training OPERATIONS AND GOVERNANCE St Jo hn Hospital and Medical Center 1) Operates an emergency room that is open to all persons r egardless of ability to pay 2) Has on open medical staff w ith privileges available to all qualified physicians in the area 3) Has a governing body in w hich independent persons re presentative of the community compromise a majority 4) Engages in medical or scientific r esearch programs 5) Engages in the training and education of health care professionals 6) Participates in Medicaid, Medicare, champus, triage and/or other government-sponsored he alth care programs PATIENT SERVICES St John Hospital and Medical Center provides the fol low ing inpatient and outpatient medical services to the community Allergy and immunology, anatomic and clinical pathology, anesthesiology, anesthesiology, anesthesiology-pain medi cine, cardiology, cardiovascular disease, cardio thoracic surgery, child and adolescent ps ychiatry, child and adolescent neurology, clinical cardiac electo physiology, colon and re ctal surgery, cyst-pathology, dentistry, dermatology, diagnostic radiology, emergency medi cine, emergency medicine-pediatric emergency medicine, endocrinology, diabetes and metabol ism, family medicine, family medicine-addition, family medicine-geriatric medicine, family medicine-sports medicine, forensic psychiatry, gastroenterology, geriatric psychiatry, gy necologic oncology, gynecology, hematology and medical oncology, infectious disease, inter nal medicine, internal medicine-critical care medicine, internal medicine-geriatric medici ne, internal medicine-hematology, interventional cardiology, maternal fetal medicine, neo- natal and pre-natal medicine, nephrology, neurological surgery, neurology, neuro-radiology , nuclear medicine, obstetrics and gynecology, occupational medicine, ophthalmology, oral and maxiofacial surgery, orthopedic surgery, orthopedic surgery-hand surgery, otolaryngolo gy, otorhinolaryngology and orofacial plastic surgery, pathology, pathology and derma-path ology, pediatric-endocrinology, pediatric-allergy and immunology, pediatric-cardiology, pe diatric-critical care medicine, pediatric-dentistry, pediatric-emergency medicine, pediatr ic-gastroenterology, pediatric-hematology, pediatric-oncology, pediatric-infectious diseas e, pediatric-nephrology, pediatric-otolaryngology, pediatric-radiology, pediatric-surgery, pediatrics, physical medicine and rehabilitation, plastic and reconstructive surgery, pla stic surgery, plastic surgery-surgery of the hand, podiatric surgery, podiatry, psychiatry , pulmonary medicine, radiation oncology, radiology, reproductive endocrinology, rheumatol ogy, sleep medicine, surgery, surgery of the hand, therapeutic radiology, urology, vascula r and interventional radiology and vascular surgery Some of the services listed above ope rate at a loss in order to ensure that all services are available to meet community health care needs During the fiscal year ending June 30, 2011, St John Hospital and Medical Ce nter treated adults and children from the community for a total of 173,698 patient days of service St John Hospital and Medical Center also provided services to 14,311 outpatient surgery patients, 113,538 emergency and minor care visits and 32,839 urgent care visits St John Hospital and Medical Center information for fiscal year ended June 30, 2011 1) c are of the poor (at cost) $15,504,973 2) government sponsored health care (net expense) $7 9,084 3) unpaid cost of public indigent care programs (includes Medicaid, schip, and other safety net programs, does not include Medicare shortfalls) $1,248,094 4) community benefi t programs (net expense) $19,203,052 Total quantif

Identifier	Return Reference	Explanation
		iable community benefit, as determined in accordance with CHA reporting guidelines $36,035 ,203 Supplemental information Bad debt costs attributable to charity $12,927,012 Medicare surplus $12,322,586 For additional links to community benefit information please refer to www mha org

Identifier	Return Reference	Explanation
	Form 990, Part VII, Section A	The compensation listed is for services provided to this organization or a related organization in an employee capacity, and not for participation in this organization's board

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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
St John Hospital & Medical Center

Employer identification number
38-1359063

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
(1) Eastside Associates 28963 Little Mack Suite 103 St Clair Shores, MI 48081 38-3240923	Endoscopy services	MI			St John Hospital and medical Center

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) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) Advent Partners LP 2800 Dequindre Warren, MI48092 38-3494197	Investment	MI	N/A									
(2) Open MRI of Michigan 2800 Dequindre Warren, MI48092 38-3544539	Medical Services	MI	N/A									

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
(1) Advent Inc 28000 Dequindre Warren, MI48092 38-2971743	Investment	MI	N/A	C			
(2) Affiliated Health Services Inc 28000 Dequindre Warren, MI48092 38-2292922	Medical Supply Sales	MI	N/A	C			

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

			Yes	No
1	During the tax year, did the orgranization 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	1a		No
b	Gift, grant, or capital contribution to other organization(s)	1b		No
c	Gift, grant, or capital contribution from other organization(s)	1c		No
d	Loans or loan guarantees to or for other organization(s)	1d		No
e	Loans or loan guarantees by other organization(s)	1e		No
f	Sale of assets to other organization(s)	1f		No
g	Purchase of assets from other organization(s)	1g		No
h	Exchange of assets	1h	Yes	
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n	Sharing of paid employees	1n	Yes	
o	Reimbursement paid to other organization for expenses	1o		No
p	Reimbursement paid by other organization for expenses	1p	Yes	
q	Other transfer of cash or property to other organization(s)	1q	Yes	
r	Other transfer of cash or property from other organization(s)	1r	Yes	

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

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

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data Return to Form

Software ID:
Software Version:
EIN: 38-1359063
Name: St John Hospital & Medical Center

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

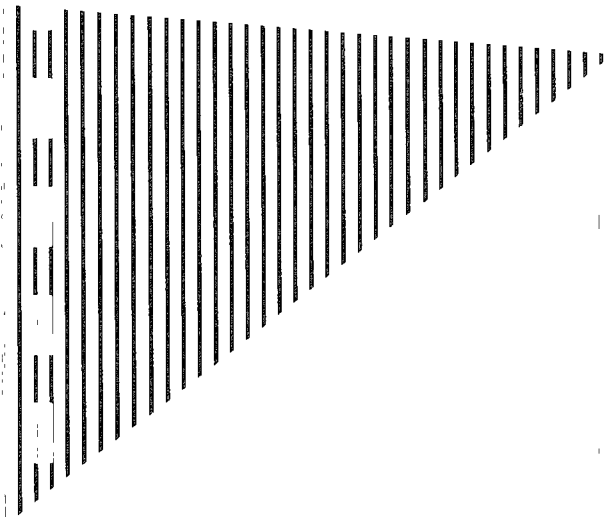
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
Ascension Health PO Box 45998 St Louis, MO63145 31-1662309	National Health System	MO	Section 501(c)(3)	Schedule A, Line 11a	N/A		No
StJohn Health 28000 Dequindre Road Warren, MI48092 38-2244034	Parent	MI	Section 501(c)(3)	Schedule A, Line 11c	Ascension Health		No
Brighton Hospital 12851 Grand River Brighton, MI48116 38-1576680	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
Brighton National Addiction Foundation 12851 Grand River Brighton, MI48116 26-0694680	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 7	Brighton Hospital	Yes	
Father Murray Nursing Center 8444 Engleman Centerline, MI48015 38-2601348	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
Macomb Hospital Center Auxiliary 11800 E Twelve Mile Warren, MI48093 38-6091287	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Macomb-Oakland Hospital Corp		No
St John Macomb Foundation 22101 Moross Rd Mack Office Buildin Detroit, MI48236 20-2962353	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 7	St John Health	Yes	
Medical Resources Group 43800 Garfield Rd Suite 201 Clinton Township, MI48038 38-3494637	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
Providence Health Foundation 22101 Moross Suite 102 Detroit, MI48236 38-3526629	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Health	Yes	
Providence Hospital 16001 West Nine Mile Rd Southfield, MI48037 38-1358212	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
Seton Health Corp of SE Michigan 16001 West Nine Mile Rd Southfield, MI48037 38-2820107	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Health	Yes	
St John Community Health Investment Corp 28000 Dequindre Road Warren, MI48092 38-2262856	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
St John Home Care 37650 Garfield Rd Clinton Township, MI48036 38-3408684	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 7	St John Health	Yes	
St John Hospital Foundation 22101 Moross Rd Mack Office Buildin Detroit, MI48236 20-2961579	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 7	St John Health	Yes	
St John Hospital Guild 28000 Dequindre Road Warren, MI48092 38-6091110	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Hospital and Medical Center		No
St John River District Hospital 4100 River Road East China, MI48054 38-3160564	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
St John Senior Community 18300 East Warren Detroit, MI48224 38-2631907	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	
Our Lady of Providence League PO Box 2043 Southfield, MI48037 38-6108200	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	Providence Hospital		No
St John Macomb-Oakland Hospital 28000 Dequindre Road Warren, MI48092 38-3322109	Hospital	MI	Section 501(c)(3)	Schedule A, Line 3	St John Health	Yes	
Fontbonne Auxiliary of St John Hospital 28000 Dequindre Road Warren, MI48092 38-6082173	Fundraising	MI	Section 501(c)(3)	Schedule A, Line 11c	St John Health		No
Eastwood Community Clinics 28000 Dequindre Road Warren, MI48092 38-1958763	Medical Care	MI	Section 501(c)(3)	Schedule A, Line 9	St John Health	Yes	

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)	Eastwood Community Clinic	Q	564,814	Actual Amount Paid
(2)	Eastwood Community Clinic	J	180,252	Actual Amount Paid
(3)	Affiliated Health Services Inc	R	158,926	Actual Amount Paid
(4)	Affiliated Health Services Inc	P	2,074,198	Actual Amount Paid
(5)	Affiliated Health Services Inc	N	647,693	Actual Amount Paid
(6)	Affiliated Health Services Inc	I	874,002	Actual Amount Paid
(7)	Providence Hospital & Medical Center	H	161,825	Actual Amount Paid
(8)	Providence Hospital & Medical Center	R	3,795,624	Actual Amount Paid
(9)	Providence Hospital & Medical Center	N	110,717	Actual Amount Paid
(10)	Providence Hospital & Medical Center	I	174,617	Actual Amount Paid
(11)	Providence Hospital & Medical Center	P	3,521,523	Actual Amount Paid



Ernst & Young LLP

ERNST & YOUNG

Consolidated Financial Statements and Other Financial Information

St. John Providence Health System –
Member of Ascension Health
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

St. John Providence Health System

Consolidated Financial Statements and Other Financial Information

Years Ended June 30, 2011 and 2010

Contents

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Report of Independent Auditors

The Board of Trustees
St. John Providence Health System

We have audited the accompanying consolidated balance sheets of St. John Providence Health System 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 financial statements are the responsibility of St. John Providence Health System management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of St. John Providence Health System's internal control over financial reporting. Our audits included 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 St. John Providence Health System'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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of St. John Providence Health System at June 30, 2011 and 2010, and the consolidated results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1, on July 1, 2010, the Company changed its method of accounting for goodwill.

Ernst & Young LLP

September 26, 2011

	June 30	
	2011	2010
Liabilities and net assets		
Current liabilities:		
Current portion of long-term debt	**$ 4,760**	$ 5,248
Accounts payable and accrued liabilities	**230,894**	251,293
Estimated third-party payor settlements	**67,656**	65,415
Current portion of self-insurance liabilities	**16,238**	14,304
Liabilities related to discontinued operations	**6,185**	7,308
Other	**20,636**	20,692
Total current liabilities	**346,369**	364,260
Noncurrent liabilities:		
Long-term debt	**590,094**	594,854
Self-insurance liabilities	**24,109**	24,260
Pension and other postretirement liabilities	**73,384**	186,825
Liabilities related to discontinued operations	**–**	1,503
Other	**58,573**	38,254
Total noncurrent liabilities	**746,160**	845,696
Total liabilities	**1,092,529**	1,209,956
Net assets:		
Unrestricted	**960,274**	751,994
Temporarily restricted	**34,438**	41,802
Permanently restricted	**9,104**	8,168
Total net assets, excluding noncontrolling interest	**1,003,816**	801,964
Noncontrolling interest	**2,396**	2,614
	1,006,212	804,578
Total liabilities and net assets	**$ 2,098,741**	$ 2,014,534

See accompanying notes

Consolidated Statements of Operations and Changes in Net Assets

(Dollars in Thousands)

	Year Ended June 30	
	2011	**2010**
Operating revenue:		
Net patient service revenue	**$ 1,890,821**	$ 1,854,297
Other revenue	**119,624**	111,294
Income from unconsolidated entities	**4,595**	4,965
Net assets released from restrictions for operations	**4,775**	4,737
Total operating revenue	**2,019,815**	1,975,293
Operating expenses:		
Salaries and wages	**863,932**	852,565
Employee benefits	**174,253**	172,133
Purchased services	**194,004**	187,693
Professional fees	**107,890**	85,229
Supplies	**272,742**	272,248
Insurance	**13,857**	22,547
Bad debts	**117,395**	113,408
Interest	**22,307**	17,539
Depreciation and amortization	**93,437**	94,445
Other	**172,294**	163,249
Total operating expenses before impairment, restructuring, and nonrecurring expenses	**2,032,111**	1,981,056
Loss from operations before impairment, restructuring, and nonrecurring expenses	**(12,296)**	(5,763)
Impairment, restructuring, and nonrecurring expenses	**5,095**	3,130
Loss from operations	**(17,391)**	(8,893)
Nonoperating gains (losses):		
Investment return	**115,326**	63,744
Income from unconsolidated entities	**–**	31
Other	**(14,902)**	(10,926)
Total nonoperating gains, net	**100,424**	52,849
Excess of revenues and gains over expenses	**83,033**	43,956

Continued on next page.

Consolidated Statements of Operations and Changes in Net Assets (continued)

(Dollars in Thousands)

	Year Ended June 30	
	2011	**2010**
Unrestricted net assets:		
Excess of revenues and gains over expenses	**$ 83,033**	$ 43,956
Net loss noncontrolling interest	**(153)**	(318)
Pension and other postretirement liability adjustments	**143,042**	(1,828)
Transfers to sponsor and other affiliates, net	**(25,448)**	(24,103)
Net assets released from restrictions for property acquisitions	**13,802**	7,792
Other	**357**	(327)
Increase in unrestricted net assets, controlling interest, before loss from discontinued operations and cumulative effect of change in accounting principle	**214,633**	25,172
Cumulative effect of change in accounting principle	**(9,195)**	–
Income (loss) from discontinued operations	**2,842**	(1,571)
Increase in unrestricted net assets, controlling interest	**208,280**	23,601
Unrestricted net assets, noncontrolling interest:		
Excess of revenues and gains over expenses and losses	**153**	318
Other	**(371)**	2,296
(Decrease) increase in unrestricted net assets, noncontrolling interest	**(218)**	2,614
Temporarily restricted net assets:		
Contributions and grants	**10,724**	12,990
Investment return	**695**	628
Net assets released from restrictions	**(18,578)**	(12,529)
Other	**(205)**	(212)
(Decrease) increase in temporarily restricted net assets	**(7,364)**	877
Permanently restricted net assets:		
Contributions	**730**	336
Other	**206**	122
Increase in permanently restricted net assets	**936**	458
Increase in net assets	**201,634**	27,550
Net assets, beginning of year	**804,578**	777,028
Net assets, end of year	**$ 1,006,212**	$ 804,578

See accompanying notes

Consolidated Statements of Cash Flows
(Dollars in Thousands)

	Year Ended June 30 2011	2010
Operating activities		
Increase in net assets	**$ 201,634**	$ 27,550
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	**93,437**	94,445
Provision for bad debts	**117,395**	114,688
Interest, dividends, and net gains on investments	**(115,326)**	(63,744)
Gain on sale of assets, net	**(5,729)**	(306)
Impairment	**–**	2,808
Pension and other postretirement benefits	**(143,042)**	1,828
Transfers to sponsor and other affiliates, net	**25,448**	24,103
Equity earnings in unconolidated entities	**(4,595)**	(4,996)
Restricted contributions, investment return, and other	**(11,681)**	(13,864)
(Increase) decrease in:		
Accounts receivable	**(120,282)**	(103,148)
Estimated third-party payor settlements receivable/payable, net		
Inventories and other current assets	**25,415**	1,337
Investments classified as trading	**(153,242)**	20,773
Assets held for sale	**–**	(3,000)
Assets related to discontinued operations	**(677)**	3,306
Increase (decrease) in:		
Accounts payable and accrued liabilities	**(20,399)**	13,278
Estimated third-party payor settlements payable, net	**5,565**	22,232
Self-insurance liabilities		
Other current liabilities	**(56)**	4,510
Liabilities related to discontinued operations	**(2,626)**	(9,666)
Other noncurrent liabilities	**1,697**	5,294
Net cash (used in) provided by operating activities	**(107,064)**	137,428

Continued on next page.

Consolidated Statements of Cash Flows (continued)

(Dollars in Thousands)

	Year Ended June 30	
	2011	**2010**
Investing activities		
Property and equipment additions, net	**$ (28,660)**	$ (9,494)
Proceeds from sale of property and equipment	**7,334**	417
Increase in self-insurance trusts, net	**1,451**	(2,248)
Decrease (increase) in restricted net assets	**6,428**	(1,336)
Net cash used in investing activities	**(13,447)**	(12,661)
Financing activities		
Repayment of long-term debt	**(5,248)**	(6,456)
Transfers to sponsors and other affiliates, net	**(25,448)**	(24,103)
Restricted contributions, investment income and other	**11,931**	13,864
Net cash used in financing activities	**(18,765)**	(16,695)
Net (decrease) increase in cash and cash equivalents	**(139,276)**	108,072
Cash and cash equivalents at beginning of year	**221,069**	112,997
Cash and cash equivalents at end of year	**$ 81,793**	$ 221,069

See accompanying notes.

1. Organization and Mission

Organizational Structure

St. John Providence Health System (the System) is a member of Ascension Health. Ascension Health is a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 20 of the United States and the District of Columbia. Ascension Health is sponsored by the Northeast, Southeast, East Central, and West Central Provinces of the Daughters of Charity of St. Vincent de Paul, the Congregation of St. Joseph, and the Congregation of the Sisters of St. Joseph of Carondelet.

The System, located in Southeast Michigan, is a nonprofit health care system. The System operates five acute care hospitals and various other healthcare entities in Southeastern Michigan. The Hospital provides inpatient, outpatient and emergency care services for the residents of Southeastern Michigan. Admitting physicians are primarily practitioners in the local area. The System is related to Ascension Health's other sponsored organizations through common control. Substantially all expenses of Ascension Health are related to providing health care services.

Mission

Ascension Health directs its governance and management activities toward strong, vibrant, Catholic Health Ministries united in service and healing and dedicates its resources to spiritually centered care which sustains and improves the health of the individuals and communities it serves. In accordance with Ascension Health's mission of service to those persons living in poverty and other vulnerable persons, each Health Ministry accepts patients regardless of their ability to pay. Ascension Health uses four categories to identify the resources utilized for the care of persons living in poverty and community benefit programs:

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.

- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.

1. Organization and Mission (continued)

- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.

- Community benefit consists of the unreimbursed costs of community benefit programs and services for the general community, not solely for persons living in poverty, including health promotion and education, health clinics and screenings, and medical research.

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs. The cost of providing care of persons living in poverty and community benefit programs is estimated using internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service (IRS).

The amount of traditional charity care provided, determined on the basis of cost, excluding the provision for bad debt expense, was approximately $37,387 and $28,858 for the years ended June 30, 2011 and 2010, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying other financial information.

(Dollars in Thousands)

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by the System or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where the System does not have operating control are recorded under the equity or cost method of accounting. For entities recorded under the equity method of accounting, the following reflects the System's interest in unconsolidated entities in the consolidated balance sheets, as well as income or loss for such entities included in the consolidated excess of revenues and gains over expenses in the consolidated statements of operations and changes in net assets:

	Investment Recorded in Consolidated Balance Sheets as of June 30		Effect on Consolidated Excess (Deficit) of Revenues and Gains over Expenses for the Years Ended June 30	
	2011	**2010**	**2011**	**2010**
Mission Health Corporation	**$ 6,526**	$ 6,633	**$ (108)**	$ (112)
Eastside Associates, LLC	**1,015**	1,042	**867**	1,221
PMHC Cancer Center	**10,839**	10,395	**2,095**	1,890
Tri-Hospital Emergency Medical Service Corporation	**1,538**	1,437	**100**	70
Other	**3,328**	2,939	**1,641**	1,927
	$ 23,246	$ 22,446	**$ 4,595**	$ 4,996

Use of Estimates

Management has made estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Carrying value of financial instruments classified as current assets and current liabilities approximate fair value. The fair values of financial instruments classified other than current assets and current liabilities are disclosed in the Fair Value Measurements note.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and interest-bearing deposits with maturities of three months or less and certain highly liquid interest-bearing securities with maturities which may extend longer than three months but are convertible to cash within a one-month time period under the terms of the agreement with the investment manager.

Investments and Investment Return

The System holds investments through the Health System Depository (HSD), an investment pool of funds in which a limited number of nonprofit health care providers participate for purposes of establishing investment goals and monitoring performance under agreed-upon socially responsible investment guidelines. Investments are managed primarily by external investment managers within established investment guidelines. The value of the System's investment in the HSD represents the System's pro rata share of the HSD's investments held for participants. At June 30, 2011 and 2010, the System's investment in the HSD was $788,653 and $653,235, respectively.

The System also invests in corporate obligations and marketable equity securities which are locally managed. The System reports both its investment in the HSD and in locally managed investments in the accompanying consolidated balance sheets based upon the long or short term nature of its investment and whether such investments are restricted by law or donors or designated for specific purposes by a governing body of Ascension Health.

The HSD's assets required to be recorded at fair value are comprised of equity and various fixed income investments. The HSD also holds investments in hedge funds, private equity, and real estate funds, which are recorded under the equity method of accounting. In addition, the HSD participates in securities lending transactions whereby a portion of its investments is loaned to selected established brokerage firms in return for cash and securities from the brokers as collateral for the investments loaned.

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Investment returns are comprised of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. All of the System's investments, including its investment in the HSD, are designated as trading investments. Accordingly, all investment returns, including unrealized gains and losses, are reported as nonoperating gains in the consolidated statements of operations and changes in net assets unless the return is restricted by donor or law.

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost or market value utilizing first-in, first-out (FIFO), or a methodology that closely approximates FIFO.

Intangible Assets

Intangible assets primarily consist of capitalized computer software costs, including software internally developed. Costs incurred in the development and installation of internal use software are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or post-implementation stage. Intangible assets are included in other noncurrent assets on the consolidated balance sheets and are comprised of the following:

	June 30	
	2011	**2010**
Goodwill	**$ –**	$ 4,028
Capitalized computer software costs, net	**91,009**	96,313
Capitalized computer software in progress	**3,570**	6,395
Total intangible assets	**$ 94,579**	$ 106,736

Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs, are amortized over their expected useful lives.

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Amortization for capitalized computer software costs is determined on a straight-line basis using estimated useful lives of 5 to 8 years. Amortization expense in 2011 and 2010 was $21,624 and $19,816, respectively.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. A summary of property and equipment is as follows:

	June 30	
	2011	**2010**
Land and improvements	**$ 58,533**	$ 58,786
Building and equipment	**1,809,585**	1,810,566
Construction in progress	**4,744**	8,776
	1,872,862	1,878,128
Less accumulated depreciation	**1,115,594**	1,073,152
Total property and equipment, net	**$ 757,268**	$ 804,976

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2011 and 2010 was $71,813 and $74,951, respectively.

Estimated useful lives by asset category are as follows: land improvements – 20 years; buildings – 8 to 40 years; and equipment – 4 to 15 years. Interest costs incurred as part of related construction are capitalized during the period of construction. Net interest capitalized in 2011 and 2010 was $86 and $304, respectively.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity. Temporarily restricted net assets and earnings on permanently restricted net assets are used in accordance with the donor's wishes, primarily to purchase equipment and to provide charity care and other health and educational services. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted.

2. Significant Accounting Policies (continued)

Performance Indicator

The performance indicator is excess or deficit of revenues and gains over expenses. Changes in unrestricted net assets that are excluded from the performance indicator primarily include pension and other postretirement liability adjustments, transfers to or from sponsors and other affiliates, net assets released from restrictions for property acquisitions, contributions of property and equipment, and other, including discontinued operations and cumulative effect of accounting changes.

Operating and Nonoperating Activities

The System's primary mission is to meet the health care needs in its market area through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, long-term care, and other health care services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that result in gains or losses peripheral to the System's primary mission are considered to be nonoperating, consisting primarily of investment activity. Several primary care clinics that are not associated with an acute care hospital and that rely significantly on contributions from foundations are also considered nonoperating.

Net Patient Service Revenue, Accounts Receivable and Allowance for Uncollectible Accounts

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided excluding the provision for bad debt expense and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by approximately $22,929 and $12,980 for the years ended June 30, 2011 and 2010, respectively.

2. Significant Accounting Policies (continued)

During 2011 and 2010, approximately 40% and 41%, respectively, of net patient service revenue was received under the Medicare program, 11% and 12%, respectively, under various state Medicaid programs, and 24% and 26%, respectively, from Blue Cross of Michigan. The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable at June 30, 2011 and 2010, include Medicare (29% and 27%, respectively) and various states' Medicaid (10% and 9%, respectively) programs and Blue Cross of Michigan (11% and 11%, respectively.)

The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payor category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, the System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by Ascension Health. Accounts receivable are written off after collection efforts have been followed in accordance with the System's policies.

Impairment, Restructuring, and Nonrecurring Expenses

During the years ended June 30, 2011 and 2010, the System recorded total impairment, restructuring, and nonrecurring expenses of $5,095 and $3,130, respectively. For the year ended June 30, 2011, this amount was comprised of long-lived asset impairments of approximately $764 and restructuring and nonrecurring expenses of $4,331. The restructuring and nonrecurring expenses for the year ended June 30, 2011 included $2,343 related to the termination of an information technology service contract.

For the year ended June 30, 2010, total impairment, restructuring, and nonrecurring expenses of $3,130 were comprised of impairment charges and severance costs primarily related to the scheduled closure of the St. John North Shores facility.

2. Significant Accounting Policies (continued)

Amortization

Bond issuance costs, discounts, and premiums are amortized over the term of the bonds using a method approximating the effective interest method.

Health Ministry Income Taxes

The member health care entities of the System are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or 501(c)(2), and their related income is exempt from federal income tax under Section 501(a). The System accounts for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

During the year ended June 30, 2011, the System recognized other revenue of approximately $9,000 related to medical resident FICA refunds that had been remitted to the Internal Revenue Service (IRS) during years ended prior to March 2005. Such amounts represent management's estimate of claims submitted to the IRS related to the IRS acceptance of residents' qualification as students for purposes of determining Medicare and social security tax.

Regulatory Compliance

Various federal and state agencies have initiated investigations regarding reimbursement claimed by the System. The investigations are in various stages of discovery, and the ultimate resolution of these matters, including the liabilities, if any, cannot be readily determined; however, in the opinion of management, the results of these investigations will not have a material adverse impact on the consolidated financial statements of the System.

Reclassifications

Certain reclassifications were made to the 2010 consolidated financial statements to conform to the 2011 presentation.

2. Significant Accounting Policies (continued)

Subsequent Events

The System evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date. For the year ended June 30, 2011, the System evaluated subsequent events through September 26, 2011, representing the date on which the accompanying audited consolidated financial statements were available to be issued. During this period, there were no subsequent events that required recognition in the consolidated financial statements. Additionally, there were no nonrecognized subsequent events that required disclosure.

Adoption of New Accounting Standards

In January 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-07, *Not-for-Profit Entities. Mergers and Acquisitions*, (ASU 2010-07), which establishes accounting and disclosure requirements for how a not-for-profit entity determines whether a combination is a merger or an acquisition, how to account for each, and the required disclosures. In addition, ASU 2010-07 included amendments to FASB's Accounting Standards Codification™ (the Codification, or ASC) Topic 350, *Intangibles – Goodwill and Other*, (ASC Topic 350), and Topic 810, *Consolidation*, (ASC Topic 810) to make both applicable to not-for-profit entities. ASC Topic 350 clarifies the accounting for goodwill and indefinite-lived identifiable intangible assets recognized in a not-for-profit entity's acquisition of a business or nonprofit activity. Such assets are not amortized and are tested for impairment at least annually. ASC Topic 810 clarifies the accounting for noncontrolling interests and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, including classification as a component of net assets. The System adopted the guidance relative to ASU 2010-07 as of July 1, 2010. The adoption of this guidance resulted in a goodwill impairment of $9,195 recorded as a cumulative effect of change in accounting principle on the consolidated statements of operations and changes in the net assets for the year ended June, 30, 2011.

3. Discontinued Operations

During the year ended June 30, 2011, System management undertook the action to sell the Father Murray Nursing Center. On June 30, 2011, the System completed the sale of Father Murray Nursing Center to a developer. The System recorded proceeds on the sale of $5,950 and recognized a gain of $3,368 on the sale. The results of operations, including the gain on sale, for Father Murray Nursing Center have been included in discontinued operations in the accompanying consolidated financial statements.

During the year ended June 30, 2010, System management undertook the action to sell the St. John Senior Community. On May 26, 2010, the System signed an agreement to sell St. John Senior Community. The System recognized an impairment charge of $1,105 during the year ended June 30, 2010, to reduce the carrying value of the St. John Senior Community facility to its net realizable value. The net realizable value was determined by management based on the expected sales proceeds for the facility. On January 30, 2011, the System completed the sale and received proceeds on the sale of $3,027, which resulted in a gain of $22 during the year ended June 30, 2011. The transaction has been accounted for as a discontinued operation in the accompanying consolidated financial statements.

During the year ended June 30, 2008, System management undertook action to sell the Connor Creek facility in Detroit, Michigan. Accordingly, the Connor Creek facility is considered to be an asset held for sale as of June 30, 2011 and 2010, in accordance with ASC Topic 360. The System recognized an impairment charge during the year ended June 30, 2009 and 2008, of $500 and $3,015, respectively, to reduce the carrying value of the Connor Creek facility to its net realizable value. The net realizable value was determined by management based on the expected sales proceeds for the facility. The transaction has been accounted for as a discontinued operation in the accompanying consolidated financial statements.

During the year ended June 30, 2007, System management undertook action to sell Detroit Riverview Hospital in Detroit, Michigan. The System recognized an impairment charge during the years ended June 30, 2009 and 2008, of $5,500 and $3,105, respectively to reduce the carrying value of the Detroit Riverview Hospital facility to its net realizable value. The net realizable value was determined by management based on the expected sales proceeds for the facility. On January 30, 2011, the System completed the sale of Detroit Riverview Hospital and received proceeds of $4,307, which resulted in a gain of $3,881 during the year ended June 30, 2011, which has been included in discontinued operations in the accompanying consolidated financial statements.

(Dollars in Thousands)

3. Discontinued Operations (continued)

Revenues and net gain for the St. John Senior Community, Connor Creek facility, Detroit Riverview Hospital and Father Murray Nursing Center included in the results of discontinued operations for the year ended June 30, 2011, were $29,066 and $2,842, respectively, and the revenues and net loss included in the results of discontinued operations for the year ended June 30, 2010 were $34,899 and $1,571, respectively.

Major classes of assets and liabilities comprising assets and liabilities for discontinued operations within the consolidated balance sheets as of June 30, 2011 and 2010, are as follows:

	June 30	
	2011	**2010**
Assets related to discontinued operations:		
Accounts receivable, net	**$ 3,648**	$ 5,387
Estimated third party payor settlements	**780**	649
Other receivables and prepaid expenses	**5,672**	895
Other investments	**2**	6
Property, plant and equipment, net	**–**	2,488
Total assets related to discontinued operations	**$ 10,102**	$ 9,425
Liabilities related to discontinued operations:		
Accounts payable and accrued liabilities	**$ 2,807**	$ 4,922
Estimated third-party payor settlements	**2,732**	2,598
Other current liabilities	**404**	933
Self insurance liability	**242**	358
Total liabilities related to discontinued operations	**$ 6,185**	$ 8,811

(Dollars in Thousands)

4. Cash and Cash Equivalents, Investments, and Assets Limited as to Use

The System's investments are comprised of the System's pro rata share of the HSD's funds held for participants and certain other investments such as those investments held and managed by foundations. Board-designated investments represent investments designated by resolution of the Board of Trustees to put amounts aside primarily for future capital expansion and improvements. Assets limited as to use primarily include investments restricted by donors. The System's investments are reported in the accompanying consolidated balance sheets as presented in the following table:

	June 30	
	2011	**2010**
Cash and cash equivalents	**$ 81,793**	$ 221,069
Board-designated investments	**13,130**	63,127
Other investments	**704,582**	386,016
Assets limited as to use		
Under bond indenture agreement	**–**	466
Self-insurance trust funds	**4,585**	4,254
Temporarily or permanently restricted	**43,542**	49,971
Total assets limited as to use	**48,127**	54,691
Total	**$ 847,632**	$ 724,903

(Dollars in Thousands)

4. Cash and Cash Equivalents, Investments, and Assets Limited as to Use (continued)

The composition of cash and investments classified as cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments is summarized as follows:

	June 30	
	2011	**2010**
Cash and cash equivalents	**$ 40,388**	$ 44,569
U.S. government obligations	**1,637**	1,849
Corporate and foreign fixed income investments	**1,765**	1,533
Asset backed securities	**877**	2,841
Equity securities	**1,752**	2,423
Pledges receivable, net	**11,858**	18,549
Other assets limited as to use	**702**	(96)
Subtotal, included in cash and cash equivalents, short-term investments, and Board-designated investments and other investments	**58,979**	71,668
Pro rata share of HSD funds held for participants	**788,653**	653,235
Cash and cash equivalents, short-term investments and Board-designated investments and other investments	**$ 847,632**	$ 724,903

As of June 30, 2011 and 2010, the composition of total HSD investments is as follows:

	June 30	
	2011	**2010**
Cash, cash equivalents and short-term investments	**6.9%**	5.8%
U.S. government obligations	**27.4**	26.0
Asset backed securities	**15.8**	11.3
Corporate and foreign fixed income investments	**11.3**	17.5
Equity, private equity, and other investments	**38.6**	39.4
	100.0%	100.0%

(Dollars in Thousands)

4. Cash and Cash Equivalents, Investments, and Assets Limited as to Use (continued)

Investment return recognized by the System is summarized as follows:

	Years Ended June 30	
	2011	**2010**
Investment return in HSD	**$ 112,587**	$ 63,303
Interest and dividends	**592**	404
Net gains on investments reported at fair value	**3,154**	870
Total investment return	**$ 116,333**	$ 64,577
Investment return included in operating income	**$ 312**	$ 205
Investment return included in nonoperating gains	**115,326**	63,744
Increase in restricted net assets	**695**	628
Total investment return	**$ 116,333**	$ 64,577

5. Fair Value Measurements

The System categorizes, for disclosure purposes, assets and liabilities measured at fair value in the financial statements based upon whether the inputs used to determine their fair values are observable or unobservable. Observable inputs are inputs which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about pricing the asset or liability, based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of the asset or liability. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

5. Fair Value Measurements (continued)

The System follows the three-level fair value hierarchy to categorize these assets and liabilities recognized at fair value at each reporting period, which prioritizes the inputs used to measure such fair values. Level inputs are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date. Investments classified in this level generally include exchange traded equity securities, futures, real estate investment trusts, pooled short-term investment funds, options and exchange traded mutual funds.

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Investments classified in this level generally include fixed income securities, including fixed income government obligations, asset-backed securities, certificates of deposit, and derivatives.

Level 3 – Inputs that are unobservable for the asset or liability. Investments classified in this level generally include alternative investments, private equity investments, limited partnerships, and certain fixed income securities, including fixed income government obligations, and derivatives.

Assets and liabilities classified as Level 1 are valued using unadjusted quoted market prices for identical assets or liabilities in active markets. The System uses techniques consistent with the market approach and income approach for measuring fair value of its Level 2 and Level 3 assets and liabilities. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach generally converts future amounts (cash flows or earnings) to a single present value amount (discounted).

5. Fair Value Measurements (continued)

As of June 30, 2011 and 2010, the Level 2 and Level 3 assets and liabilities listed in the fair value hierarchy tables below utilize the following valuation techniques and inputs:

Cash and Cash Equivalents and Short-Term Investments

Short-term investments designated as Level 2 investments are primarily comprised of commercial paper, whose fair value is based on amortized cost. Significant observable inputs include security cost, maturity, and credit rating. Cash and cash equivalents and additional short-term investments are primarily comprised of certificates of deposit, whose fair value is based on cost plus accrued interest. Significant observable inputs include security cost, maturity, and relevant short-term interest rates.

Derivative Assets and Liabilities

The fair value of derivative contracts is primarily determined using techniques consistent with the market approach. Derivative contracts include interest rate, credit default, and total return swaps. Significant observable inputs to valuation models include interest rates, Treasury yields, volatilities, credit spreads, maturity, and recovery rates.

U.S. Government Obligations

The fair value of investments in U.S. government, state, and municipal obligations is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark constant maturity curves and spreads.

Asset-Backed Securities

The fair value of U.S. agency and corporate asset-backed securities is primarily determined using techniques consistent with the income approach, such as a discounted cash flow model. Significant observable inputs include prepayment speeds and spreads, benchmark yield curves, volatility measures, and quotes.

5. Fair Value Measurements (continued)

Corporate and Foreign Fixed Income Investments

The fair value of investments in U.S. and international corporate bonds, including commingled funds that invest primarily in such bonds, and foreign government bonds is primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker/dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

Equity Securities

The fair value of investments in U.S. and international equity securities is primarily determined using the calculated net asset value. The values for underlying investments are fair value estimates determined by external fund managers based on operating results, balance sheet stability, growth, and other business and market sector fundamentals.

Investments Sold, Not Yet Settled

The fair value of investments sold, not yet settled is primarily determined using techniques consistent with the income approach. Significant observable inputs to the income approach include data points for benchmark, constant maturity curves, and spreads.

Guaranteed Pooled Fund

The fair value of guaranteed pooled fund investments is based on cost plus guaranteed, annuity contract-based interest rates. Significant unobservable inputs to the guaranteed rate include the fair value and average duration of the portfolio of investments underlying the annuity contract, the contract value, and the annualized weighted average yield to maturity of the underlying investment portfolio.

5. Fair Value Measurements (continued)

Private Equity Investments

The fair value of private equity investments is primarily determined using techniques consistent with both the market and income approaches, based on the System's estimates and assumptions in absence of observable market data. The market approach considers comparable company, comparable transaction, and company-specific information, including but not limited to restrictions on disposition, subsequent purchases of the same or similar securities by other investors, pending mergers or acquisitions, and current financial position and operating results. The income approach considers the projected operating performance of the portfolio company.

As discussed in the Significant Accounting Policies and the Cash and Cash Equivalents, Investments, and Other Assets Limited as to Use notes, the System has an investment in the HSD and certain other investments, such as those investments held and managed by foundations. As of June 30, 2011, 31%, 67% and 2% of total HSD assets that are measured at fair value on a recurring basis were measured based on Level 1, Level 2 and Level 3 inputs, respectively, while 1%, 84% and 15% of total HSD liabilities that are measured at fair value on a recurring basis were measured at such fair values based on Level 1, Level 2 and Level 3 inputs, respectively. As of June 30, 2010, 25%, 67% and 8% of total HSD assets that are measured at fair value on a recurring basis were measured based on level 1, level 2 and level 3 inputs, respectively, while 2%, 45% and 53% of total HSD liabilities that are measured at fair value on a recurring basis were measured based on level 1, level 2 and level 3 inputs, respectively.

(Dollars in Thousands)

5. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2011, for all other financial assets and liabilities which are measured at fair value on a recurring basis in the consolidated financial statements:

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Cash and cash equivalents	$ 4,769	$ –	$ –	$ 4,769
U.S. government obligations	–	1,637	–	1,637
Corporate and foreign fixed income investments	–	1,765	–	1,765
Equity, private equity, and other investments	1,614	1,086	–	2,700
Subtotal, included in cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments	6,383	4,488	–	10,871
Deferred compensation assets, included in other noncurrent assets, invested in:				
Guaranteed pooled fund	–	–	2,812	2,812
Total	$ 6,383	$ 4,488	$ 2,812	$ 13,683

(Dollars in Thousands)

5. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2010, for all other financial assets and liabilities, measured at fair value on a recurring basis in the System's consolidated financial statements:

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Cash and cash equivalents	$ 4,089	$ 1	$ –	$ 4,090
U.S. government obligations	–	1,849	–	1,849
Corporate and foreign fixed income investments	–	1,533	–	1,533
Equity, private equity, and other investments	2,308	3,086	–	5,394
Subtotal, included in cash and cash equivalents, short-term investments, Board-designated investments, assets limited as to use, and other investments	6,397	6,469	–	$12,866
Deferred compensation assets, included in other noncurrent assets, invested in.				
Mutual funds	26,021	–	–	26,021
Guaranteed pooled fund	–	–	2,886	2,886
Total	$ 32,418	$ 6,469	$ 2,886	$ 41,773

(Dollars in Thousands)

5. Fair Value Measurements (continued)

During the years ended June 30, 2011 and 2010, the changes in the fair value of the foregoing assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Guaranteed Pooled Fund
June 30, 2011	
Beginning balance	**$ 2,886**
Purchases, issuances, and settlements	**56**
Transfers out of Level 3	**(130)**
Ending balance	**$ 2,812**
June 30, 2010	
Beginning balance	$ 3,644
Purchases, issuances, and settlements	(470)
Transfers out of Level 3	(288)
Ending balance	$ 2,886

The basis for recognizing and valuing transfers into or out of Level 3, in the Level 3 rollforward, is as of the beginning of the period in which the transfers occur.

(Dollars in Thousands)

6. Long Term Debt

Long-term debt consists of the following:

	June 30, 2011	2010
Intercompany debt with Ascension Health, payable in installments through November 2047; interest (3.88% and 3.9% at June 30, 2011 and 2010, respectively) adjusted based on prevailing blended market interest rate of underlying debt obligations	**$ 585,717**	$ 590,482
Obligations under capital leases	**9,137**	9,620
	594,854	600,102
Less current portion	**4,760**	5,248
Long-term debt, less current portion	**$ 590,094**	$ 594,854

Scheduled principal repayments of long-term debt are as follows:

Year Ending June 30:	
2012	$ 4,760
2013	4,686
2014	9,517
2015	10,009
2016	9,103
Thereafter	556,779
Total	$ 594,854

Certain members of Ascension Health formed the Ascension Health Credit Group (Senior Credit Group). Each Senior Credit Group member is identified as either a senior obligated group member or senior limited designated affiliate. Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Health. Though senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health with stipulated repayment terms and conditions, each

6. Long Term Debt (continued)

subject to the governing law of the senior limited designated affiliate's state of incorporation. In addition, Ascension Health may cause each senior designated affiliate to transfer such amounts as are necessary to enable the senior obligated group members to comply with the terms of the Senior MTI, including payment of the outstanding obligations. The System is a senior obligated group member under the terms of the Senior MTI.

Pursuant to a Supplemental Master Indenture dated February 1, 2005, senior obligated group members, which are operating entities, have pledged and assigned to the Master Trustee a security interest in all of their rights, title, and interest in their pledged revenues and proceeds thereof.

A Subordinate Credit Group, which is comprised of subordinate obligated group members and subordinate limited designated affiliates, was created under the Subordinate Master Trust Indenture (Subordinate MTI). The subordinate obligated group members are jointly and severally liable under the Subordinate MTI to make all payments required with respect to obligations under the Subordinate MTI and may be entities not controlled directly or indirectly by Ascension Health. Though subordinate limited designated affiliates are not obligated to make debt service payments on the obligations under the Subordinate MTI, each subordinate limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health with stipulated repayment terms and conditions, each subject to the governing law of the limited designated affiliate's state of incorporation. The System is a subordinate obligated group member under the terms of the Subordinate MTI.

The borrowing portfolio of the Senior and Subordinate Credit Group includes a combination of fixed and variable rate hospital revenue bonds, commercial paper and other obligations, the proceeds of which are in turn loaned to the Senior and Subordinate Credit Group members subject to a long-term amortization schedule of 1 to 37 years.

Certain portions of Senior and Subordinate Credit Group borrowings may be periodically subject to interest rate swap arrangements to effectively convert borrowing rates on such obligations from a floating to a fixed interest rate or vice versa based on market conditions. Additionally, Senior and Subordinate Credit Group borrowings may, from time to time, be refinanced or restructured in order to take advantage of favorable market interest rates or other financial opportunities. Any gain or loss on refinancing, as well as any bond premiums or discounts, are allocated to the Senior and Subordinate Credit Group members based on their pro rata share of

6. Long Term Debt (continued)

the Senior and Subordinate Credit Group's obligations. Senior and Subordinate Credit Group refinancing transactions rarely have a significant impact on the outstanding borrowings or intercompany debt amortization schedule of any individual Senior and Subordinate Credit Group member. Members of Ascension Health may also periodically draw from the invested funds of other members of Ascension Health on a relatively short-term basis and subject to certain conditions.

The carrying amounts of intercompany debt with Ascension Health and other debt approximate fair value based on a portfolio market valuation provided by a third party.

The Senior and Subordinate Credit Group financing documents contain certain restrictive covenants, including a debt service coverage ratio.

As of June 30, 2011, the Senior Credit Group has a line of credit of $250,000 related to its commercial paper program toward which bank commitments totaling $250,000 extend to November 18, 2013. As of June 30, 2011 and 2010, there were no borrowings under the line of credit.

As of June 30, 2011, the Senior Credit Group has a line of credit of $500,000 for general corporate purposes, toward which bank commitments totaling $500,000 extend to April 2, 2012. As of June 30, 2011, there were no borrowings under the line of credit.

As of June 30, 2011, the Subordinate Credit Group has a $50,000 revolving line of credit related to its letters of credit program toward which a bank commitment of $50,000 extends to December 28, 2011. As of June 30, 2011, $37,162 of letters of credit had been extended under the revolving line of credit, although there were no borrowings under any of the letters of credit.

The outstanding principal amount of all hospital revenue bonds is $4,100,240 which represents 38% of the combined unrestricted net assets of the Senior and Subordinate Credit Group members at June 30, 2011.

6. Long Term Debt (continued)

Guarantees are contingent commitments issued by the Senior and Subordinate Credit Groups, generally to guarantee the performance of a sponsored organization or an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and similar transactions. The term of the guarantee is equal to the term of the related debt which can be as short as 30 days or as long as 29 years. The maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under its guarantees and other commitments at June 30, 2011 is approximately $150,000.

During the years ended June 30, 2011 and 2010, interest paid was approximately $23,607 and $18,092, respectively. Capitalized interest was approximately $86 and $304 for the years ended June 30, 2011 and 2010, respectively.

7. Pension Plans

The System participates in the Ascension Health Pension Plan (the Ascension Plan), the Ascension Health Defined Contribution Plan, the St. John Health System Retirement Plan (the St. John Plan), and the Brighton Hospital Retirement Plan. During the year ended June 30, 2011, the Brighton Hospital Retirement Plan rolled into the Ascension Health Pension Plan. Details of these plans are as follows.

Ascension Health Pension Plan

Providence Hospital (Providence), a wholly owned subsidiary of the System, participates in the Ascension Health Pension Plan, (the Ascension Plan), a noncontributory defined benefit pension plan sponsored by Ascension Health, which covers all eligible employees of certain Ascension Health entities. Benefits are based on each participant's years of service and compensation. The Ascension Plan's assets are invested in the Ascension Health Master Pension Trust (the Trust), a master trust consisting of cash and cash equivalents, equity, fixed income funds and alternative investments. The Trust also invests in derivative instruments, the purpose of which is to economically hedge the change in the net funded status of the Ascension Plan for a significant portion of the total pension liability that can occur due to changes in interest rates. Contributions to the Ascension Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants. Net periodic pension cost of $8,527 in 2011 and $7,032 in 2010 was charged to Providence. The service cost component of net periodic pension cost charged to Providence is actuarially determined while all other components are allocated based on Providence's pro rata share of Ascension Health's overall projected benefit obligation.

7. Pension Plans (continued)

The assets of the Ascension Plan are available to pay the benefits of eligible employees of all participating entities. In the event participating entities are unable to fulfill their financial obligations under the Ascension Plan, the other participating entities are obligated to do so. As of June 30, 2011, the Ascension Plan had a net unfunded liability of $226,238. The System's allocated share of the Ascension Plan's net funded (unfunded) liability reflected in the accompanying consolidated balance sheets at June 30, 2011 and 2010, was $9,856 and ($39,311), respectively. As a result of updating the funded status of the Plan, Ascension Health transferred an additional pension asset (liability) of $46,911 and ($39) to the System during 2011 and 2010, respectively.

As of June 30, 2011 and 2010, the fair value of the Ascension Plan's assets available for benefits was $3,616,141 and $3,089,076, respectively. As discussed in the Fair Value Measurements note, the System, as well as Ascension Health, follows a three-level hierarchy to categorize assets and liabilities measured at fair value. In accordance with this hierarchy, as of June 30, 2011, 27%, 45% and 28% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2 and Level 3 investments, respectively. With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 0%, 17% and 83% were categorized as Level 1, Level 2 and Level 3, respectively, as of June 30, 2011. Additionally, as of June 30, 2010, 29%, 42% and 29% of the Ascension Plan's assets which are measured at fair value on a recurring basis were categorized as Level 1, Level 2 and Level 3 investments, respectively. With respect to the Ascension Plan's liabilities measured at fair value on a recurring basis, 0%, 13% and 87% were categorized as Level 1, Level 2 and Level 3, respectively, as of June 30, 2010.

St. John Health System Retirement Plan

System entities, with the exception of Providence and Brighton, participate in the St. John Health System Retirement Plan (the St. John Plan), a noncontributory defined benefit pension plan, which substantially all employees are eligible to participate. St. John Plan benefits are based on each participant's years of service and compensation during the last five years of credited service. St. John Plan assets are invested principally in equity and fixed income funds. Contributions to the St. John Plan are equal to an amount necessary to meet or exceed the minimum funding requirements of the Employee Retirement Income Security Act (ERISA). Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

(Dollars in Thousands)

7. Pension Plans (continued)

The following table provides a reconciliation of the changes in the St. John Plan benefit obligation and fair value of assets for the years ended June 30, 2011 and 2010, and a statement of the funded status as of June 30, 2011 and 2010.

	Year Ended June 30	
	2011	**2010**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 626,354**	$ 531,559
Service cost	**27,133**	22,804
Interest cost	**35,177**	34,336
Actuarial loss (gain)	**1,366**	(7,434)
Amendments and assumptions	**(30,709)**	66,543
Benefits paid	**(23,663)**	(21,454)
Benefit obligation at end of year	**635,658**	626,354
Change in plan assets		
Fair value of plan assets at beginning of year	**480,092**	393,528
Actual return on plan assets	**88,785**	85,906
Employer contributions	**17,248**	22,112
Benefits paid	**(23,663)**	(21,454)
Fair value of plan assets at end of year	**562,462**	480,092
Funded status and accrued benefit cost	**$ (73,196)**	$ (146,262)
Accumulated benefit obligation at end of year	**$ 565,427**	$ 529,424

Included in unrestricted net assets at June 30, 2011 and 2010, respectively, are the following amounts that have not yet been recognized in net periodic pension cost:

	Year Ended June 30	
	2011	**2010**
Unrecognized prior service credit	**$ 234**	$ 100
Unrecognized net loss	**(65,980)**	(155,063)
Net amount recognized	**$ (65,746)**	$ (154,963)

(Dollars in Thousands)

7. Pension Plans (continued)

The adjustment to unrestricted net assets represents the net unrecognized actuarial losses and unrecognized prior service credit which were previously netted against the System's funded status in the System's consolidated balance sheets pursuant to the provisions of ASC Topic 715, *Compensation – Retirement Benefits*. These amounts will be subsequently recognized as net periodic pension cost pursuant to the System's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized as a component of unrestricted net assets. These amounts will be subsequently recognized as a component of net periodic pension costs on the same basis as the amounts recognized in unrestricted net assets.

Changes in plan assets and obligations recognized in unrestricted net assets during 2011 and 2010 include:

	Year Ended June 30	
	2011	**2010**
Current year actuarial loss (gain)	**$ 78,787**	$ (9,307)
Amortization of actuarial loss	**10,296**	5,187
Amortization of service cost	**134**	208
Net amount recognized	**$ 89,217**	$ (3,912)

The assumptions used to determine the accrued pension cost are set forth below:

	June 30	
	2011	**2010**
Weighted-average discount rate	**5.65%**	5.55%
Weighted-average rate of compensation increase	**4.00%**	4.00%

(Dollars in Thousands)

7. Pension Plans (continued)

Components of net periodic benefit cost	Year Ended June 30 2011	2010
Service cost	**$ 27,133**	$ 22,804
Interest cost	**35,177**	34,336
Expected return on plan assets	**(39,180)**	(35,919)
Amortization of prior year service cost	**(27)**	24
Amortization of actuarial loss	**10,296**	5,187
Net St. John Plan pension benefit cost	**$ 33,399**	$ 26,432

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ended June 30, 2011, is $6,100.

The assumptions used to determine net periodic pension cost are set forth below:

	Year Ended June 30 2011	2010
Weighted-average discount rate	**5.55%**	6.50%
Weighted-average rate of compensation increase	**4.00%**	4.00%
Weighted-average rate of expected long-term rate of return on plan assets	**8.50%**	8.50%

Asset Allocation

The weighted-average asset allocation for the St. John's plan at the end of fiscal 2011 and 2010, and the target allocation for fiscal 2012, by asset category, is as follows:

Asset Category	Total Allocation 2012	Percentage of Plan Assets At Year End 2011	2010
Growth	50%	52%	47%
Recession/Deflation	30	32	44
Inflation	20	16	9
Total	100%	100%	100%

7. Pension Plans (continued)

The Trust has entered into a series of interest rate swap agreements with a notional amount of approximately $2.5 billion. The combined targeted duration of these swaps and the Trust's fixed income investments approximates the duration of the liabilities of the Trust. Currently, 75% of the dollar duration of the liability is subject to this economic hedge. The purpose of this strategy is to economically hedge the change in the net funded status for a significant portion of the liability that can occur due to changes in interest rates.

Investment Strategy

The St. John Plan pension assets are commingled with the Ascension Health Pension Plan assets and are managed by Ascension Health. The Ascension Health Pension Plans' asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, sectors and manager style to minimize the risk of large losses. Derivatives may be used to bridge specific exposure, reduce transaction costs or modify the portfolio's duration or yield. Ascension Health uses investment management specializing in each asset category and where appropriate, provides the investment manager with specific guidelines, which include allowable and/or prohibited investment types. Ascension Health regularly monitors manager performance and compliance with investment guidelines.

Expected Rate of Return

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Ascension Health Pension Plans' investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets.

(Dollars in Thousands)

7. Pension Plans (continued)

Expected Cash Flows

Information about the expected cash flows for the pension plans follows:

Expected employer contributions in 2012	$ 23,800
Expected benefit payments:	
2012	32,700
2013	36,700
2014	39,100
2015	40,100
2016	42,100
2017 – 2021	253,500

The contribution amounts above include amounts paid to the Trust. The benefit payment amounts above also reflect the total benefits expected to be paid from the Trust.

(Dollars in Thousands)

7. Pension Plans (continued)

As discussed in the Significant Accounting Policies note, the System adopted the FASB's authoritative disclosure guidance on reporting for assets of postretirement benefit plans for the fiscal year ended June 30, 2010. The following tables summarize fair value measurements at June 30, 2011 and 2010, by asset class and by level, for the St. John Health System Retirement Plans' assets and liabilities in accordance with that guidance:

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Short-term investments	$ 43,424	$ 1,271	$ –	$ 44,695
Derivative assets – interest rate	72	–	6,589	6,661
Derivative assets – other	7	294	116	417
U.S. government obligations	–	173,897	213	174,110
Corporate and foreign fixed income investments	–	45,836	1,951	47,787
Asset backed securities	–	26,571	444	27,015
Equity securities	133,964	–	1,701	135,665
Alternative investments	–	–	159,529	159,529
Total	177,467	247,869	170,543	595,879
Derivative liabilities – interest rate	2	28	25,950	25,980
Derivative liabilities – other	31	107	1,641	1,779
Investments sold, not yet settled	–	5,658	–	5,658
Total	33	5,793	27,591	33,417
Fair value of plan assets	$ 177,434	$ 242,076	$ 142,952	$ 562,462

(Dollars in Thousands)

7. Pension Plans (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Short-term investments	$ 19,572	$ 9,212	$ –	$ 28,784
Derivative assets – interest rate	17	28	9,046	9,091
Derivative assets – other	126	506	19	651
U.S. government obligations	–	136,133	224	136,357
Corporate and foreign fixed income investments	–	49,627	5,217	54,844
Asset backed securities	–	22,074	479	22,553
Equity securities	137,770	–	13,979	151,749
Alternative investments	–	–	116,244	116,244
Total	157,485	217,580	145,208	520,273
Derivative liabilities – interest rate	16	13	32,381	32,410
Derivative liabilities – other	58	38	2,476	2,572
Investments sold, not yet settled	–	5,199	–	5,199
Total	74	5,250	34,857	40,181
Fair value of plan assets	$ 157,411	$ 212,330	$ 110,351	$ 480,092

(Dollars in Thousands)

7. Pension Plans (continued)

For the years ended June 30, 2011 and 2010, the changes in the fair value of the St. John Health System Retirement Plans' assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Derivatives, Net	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset Backed Securities	Equity Securities	Alternative Investments
June 30, 2011						
Beginning balance	**$ (25,867)**	**$ 224**	**$ 5,232**	**$ 480**	**$ 12,080**	**$ 116,581**
Total actual return on plan assets	**5,798**	**10**	**198**	**(1)**	**3,341**	**17,187**
Purchases, issuances and settlements	**(817)**	**(21)**	**(2,995)**	**38**	**(15,371)**	**25,761**
Transfers into (out of) Level 3	**–**	**–**	**(484)**	**(73)**	**(50)**	**–**
Ending balance	**$ (20,886)**	**$ 213**	**$ 1,951**	**$ 444**	**$ –**	**$ 159,529**
Actual return on plan assets relating to plan assets still held at June 30, 2011	**$ (2,511)**	**$ 7**	**$ (19)**	**$ 20**	**$ –**	**$ 15,467**

	Derivatives, Net	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset Backed Securities	Equity Securities	Alternative Investments
June 30, 2010						
Beginning balance	$ (51,530)	$ –	$ 9,355	$ 662	$ 41	$ 58,491
Total actual return on plan assets	12,692	–	1,135	358	(864)	8,612
Purchases, issuances and settlements	13,031	224	(3,629)	(541)	12,907	49,141
Transfers into (out of) Level 3	15	–	(1,645)	–	1,895	–
Ending balance	$ (25,792)	$ 224	$ 5,216	$ 479	$ 13,979	$ 116,244
Actual return on plan assets relating to plan assets still held at June 30, 2010	$ 7,550	$ –	$ 396	$ 19	$ (850)	$ (78)

7. Pension Plans (continued)

Ascension Health Defined Contribution Plan

The System participates in the Ascension Health Defined Contribution Plan (the Defined Contribution Plan), a contributory and noncontributory defined contribution plan sponsored by Ascension Health which covers all eligible associates. There are three primary types of contributions to the Defined Contribution Plan: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary and increases over specified periods of employee service. These benefits are funded annually, and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period and participants become fully vested in all employer contributions immediately. Defined contribution expense, representing both employer automatic contributions and employer matching contributions, was $13,467 and $14,333 for the years ended June 30, 2011 and 2010, respectively.

Brighton Hospital Retirement Plan

Brighton Hospital (Brighton) participates in the Brighton Hospital Retirement Plan (the Brighton Plan), a noncontributory defined benefit pension plan, which covers all eligible employees of certain Ascension Health entities. Benefits are based on each participant's years of service and compensation. The Brighton Plan assets are invested principally in equity and fixed income funds. Contributions to the Brighton Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

(Dollars in Thousands)

7. Pension Plans (continued)

The following table provides a reconciliation of the changes in the Brighton Plan benefit obligation and fair value of assets for the years ended June 30, 2011 and 2010 and a statement of the funded status as of June 30, 2011 and 2010.

	Year Ended June 30	
	2011	**2010**
Change in benefit obligation		
Benefit obligation at beginning of year	**$ 6,131**	$ 5,480
Interest cost	**316**	346
Actuarial (gain) loss	**(145)**	586
Benefits paid	**(299)**	(281)
Benefit obligation at end of year	**6,003**	6,131
Change in plan assets		
Fair value of plan assets at beginning of year	**5,059**	4,598
Actual return on plan assets	**901**	342
Employer contributions	**439**	400
Benefits paid	**(299)**	(281)
Fair value of plan assets at end of year	**6,100**	5,059
Funded status and accrued benefit cost	**$ 97**	$ (1,072)

Included in unrestricted net assets are unrecognized net losses of $796 and $1,580 at June 30, 2011 and 2010, respectively.

The adjustment to unrestricted net assets represents the net unrecognized actuarial losses and unrecognized prior service credit which were previously netted against the System's funded status in the System's consolidated balance sheets pursuant to the provisions of ASC 715. These amounts will be subsequently recognized as net periodic pension cost pursuant to the System's historical accounting policy for amortizing such amounts. Further, actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic pension cost in the same periods will be recognized as a component of unrestricted net assets. These amounts will be subsequently recognized as a component of net periodic pension costs on the same basis as the amounts recognized in unrestricted net assets.

(Dollars in Thousands)

7. Pension Plans (continued)

Changes in plan assets and obligations recognized in unrestricted net assets during 2011 and 2010 include:

	Year Ended June 30 2011	2010
Current year actuarial loss (gain)	$ 640	$ (614)
Amortization of actuarial loss	143	95
Net amount recognized	$ 783	$ (519)

The assumptions used to determine the accrued pension cost are set forth below:

	June 30 2011	2010
Weighted-average discount rate	5.60%	5.30%

	Year Ended June 30 2011	2010
Components of net periodic benefit cost		
Interest cost	$ 316	$ 346
Expected return on plan assets	(406)	(370)
Amortization of actuarial loss	144	95
Net Brighton Hospital pension benefit cost	$ 54	$ 71

The assumptions used to determine net periodic pension cost are set forth below:

	Year Ended June 30 2011	2010
Weighted-average discount rate	5.30%	6.50%
Weighted-average rate of expected long-term rate of return on plan assets	8.00%	8.00%

(Dollars in Thousands)

7. Pension Plans (continued)

Investment Strategy

The Brighton Plans' asset allocation and investment strategies are designed to earn superior returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, sectors, and manager style to minimize the risk of large losses. Derivatives may be used to bridge specific exposure, reduce transaction costs, or modify the portfolio's duration or yield. Brighton Hospital uses investment management specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines, which include allowable and/or prohibited investment types. Brighton Hospital regularly monitors manager performance and compliance with investment guidelines.

Expected Rate of Return

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Brighton Plans' investment portfolio. Assumed projected rates of return for each asset category were selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on the target asset allocation among the asset categories, the overall expected rate of return for the portfolio was developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses paid from plan assets.

Expected Cash Flows

Information about the expected cash flows for the pension plans follows:

Expected employer contributions in 2011	$	100
Expected benefit payments:		
2012		300
2013		400
2014		400
2015		400
2016		400
2017 – 2021		2,200

(Dollars in Thousands)

7. Pension Plans (continued)

The contribution amounts above include amounts paid to the trust. The benefit payment amounts above also reflect the total benefits expected to be paid from the trust.

As discussed in the Significant Accounting Policies note, the System adopted the FASB's authoritative disclosure guidance on reporting for assets of postretirement benefit plans for the fiscal year ended June 30, 2010. The following tables summarize fair value measurements at June 30, 2011 and 2010, by asset class and by level, for the Brighton Hospital Retirement Plans' assets and liabilities in accordance with that guidance:

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Cash and short-term investments	**$ 315**	**$ –**	**$ –**	**$ 315**
Corporate obligations	**–**	**2,941**	**–**	**2,941**
International securities	**1,059**	**–**	**–**	**1,059**
Marketable equity securities	**1,585**	**–**	**–**	**1,585**
Asset backed securities	**–**	**200**	**–**	**200**
Fair value of plan assets	**$ 2,959**	**$ 3,141**	**$ –**	**$ 6,100**

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Cash and short-term investments	$ 219	$ –	$ –	$ 219
Corporate obligations	–	1,398	–	1,398
International securities	1,272	–	–	1,272
Marketable equity securities	1,874	–	–	1,874
Asset backed securities	–	296	–	296
Fair value of plan assets	$ 3,365	$ 1,694	$ –	$ 5,059

For the year ended June 30, 2011, there was no change in the fair value of the Brighton Hospital Retirement Plans' assets measured using significantly unobservable inputs (Level 3).

(Dollars in Thousands)

8. Other Postretirement Benefits

In addition to the retirement plan described in Note 7, Providence Hospital sponsors a defined benefit health care plan (Providence Plan) for employees hired prior to June 1, 1990, that provides postretirement medical benefits to employees who reached the age of 55 and satisfy certain service requirements. Employees hired subsequent to June 1, 1990, are not eligible to participate in the plan. The Providence Plan is contributory for retirees who retired after June 30, 1991, with retiree contributions adjusted annually and contains other cost-sharing features such as deductibles and coinsurance based on where the medical benefits are received within the Providence Hospital network. Providence Hospital has fully funded the benefit with an actuarially determined deposit to an irrevocable trust fund. The total benefit obligation at June 30, 2011 and 2010, is approximately $4,772 and $4,254, respectively. The net prepayment recognized in the consolidated balance sheets at June 30, 2011 and 2010, is $7,799 and $6,650, respectively.

As discussed in the Significant Accounting Policies note, the System adopted the FASB's authoritative disclosure guidance on reporting for assets of postretirement benefit plans for the fiscal year ended June 30, 2010. The following tables summarize fair value measurements at June 30, 2011 and 2010, by asset class and by level, for the Providence Plans' assets and liabilities in accordance with that guidance:

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Cash and short-term investments	$ 1,465	$ –	$ –	$ 1,465
U.S. government obligations	–	326	–	326
Corporate obligations	–	2,172	–	2,172
International securities	668	–	–	668
Marketable equity securities	5,486	–	–	5,486
Asset backed securities	–	2,367	–	2,367
Fair value of plan assets	$ 7,619	$ 4,865	$ –	$ 12,484

(Dollars in Thousands)

8. Other Postretirement Benefits (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Cash and short-term investments	$ 817	$ –	$ –	$ 817
U.S. government obligations	–	842	–	842
Corporate obligations	–	2,069	–	2,069
International securities	641	–	–	641
Marketable equity securities	3,530	–	–	3,530
Asset backed securities	–	2,781	–	2,781
Fair value of plan assets	$ 4,988	$ 5,692	$ –	$ 10,680

For the year ended June 30, 2011, there was no change in the fair value of the Providence Plans' assets measured using significantly unobservable inputs (Level 3).

9. Self-Insurance Programs

The System participates in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Actuarially determined amounts, discounted at 6%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at 6% in 2011 and 2010. In the event that sufficient funds are not available from the self-insurance programs, each participating entity may be assessed its pro rata share of the deficiency. If contributions exceed the losses paid, the excess may be returned to participating entities.

Professional and General Liability Programs

The System participates in Ascension Health's professional and general liability self-insured program which provides claims-made coverage through a wholly owned on-shore trust and offshore captive insurance company, Ascension Health Insurance, Ltd. (AHIL), with a self-insured retention of $10,000 per occurrence with no aggregate. The System has a deductible of $200,000 per claim. Excess coverage is provided through AHIL with limits up to $185,000. AHIL retains $5,000 per occurrence and $5,000 annual aggregate for professional liability.

9. Self-Insurance Programs (continued)

AHIL also retains a 20% quota share of the first $25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers.

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional and general liability expense of $14,167 and $22,751 for the years ended June 30, 2011 and 2010, respectively. Included in current and long-term self-insurance liabilities on the accompanying consolidated balance sheets are professional and general liability loss reserves of approximately $35,481 and $33,936, at June 30, 2011 and 2010, respectively.

Workers' Compensation

The System participates in Ascension Health's workers' compensation program which provides occurrence coverage through a grantor trust. The trust provides coverage up to $1,000 per occurrence with no aggregate. On July 1, 2004, the System implemented a $100 deductible, thereby assuming responsibility for indemnity and expenses for each and every claim occurring and reported after that date, up to the deductible amount. The trust provides a mechanism for funding the workers' compensation obligations of its members. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and reflect both claims reported and claims incurred but not reported.

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is workers' compensation expense of $5,619 and $5,564 for the years ended June 30, 2011 and 2010, respectively. Included in current self-insurance liabilities on the accompanying consolidated balance sheets are workers' compensation loss reserves of $4,866 and $4,627 at June 30, 2011 and 2010, respectively.

(Dollars in Thousands)

10. Lease Commitments

Future minimum payments under noncancelable operating leases with terms of one year or more are as follows:

Year ending June 30:	
2012	$ 17,708
2013	15,783
2014	10,667
2015	7,560
2016	6,128
Thereafter	9,379
Total	$ 67,225

The System has subleased certain of its space under the operating leases reported above. Total future minimum rents to be received under noncancellable subleases with terms of one year or more are $5,114.

In addition, the System is a lessor under certain operating lease agreements, primarily ground leases related to third party owned medical office buildings on land owned by the System. Future minimum rental receipts under all noncancellable operating leases with terms of one year or more are as follows:

Year ending June 30:	
2012	$ 3,151
2013	2,324
2014	1,140
2015	1,140
2016	1,140
Thereafter	52,763
Total	$ 61,658

Rental expense under operating leases amounted to $30,998 and $26,341 in 2011 and 2010, respectively.

10. Lease Commitments (continued)

Effective March 21, 2007, the System sold 15 condo units in a medical office building to six different buyers for aggregate sales proceeds of $10,117. In connection with the sale, the System has arranged to lease back certain space within each of these buildings to support their ongoing operations for a period of five to seven years. Such leases are considered operating leases based on their terms. Future minimum payments under these leases are included in the payment amounts above. In connection with this sale, the St. John Health System recognized immediate operating gains in the accompanying consolidated statements of operations and changes in net assets of $881 for the year ended June 30, 2007. The remaining gain of $1,960 was initially recorded as a deferred liability in the accompanying consolidated balance sheets and is being recognized as operating gains over the related leaseback term. The net remaining deferred gain as of June 30, 2011 is $436.

During 2009, the System sold a medical office building (MOB) to a third party and contemporaneously leased back certain space in the building to support ongoing ministry operations for a period of 5 years. These space leases are being accounted for as operating leases based on their terms, and future minimum lease payments under these leases are included in the amounts reported above. The building sales were accounted for under ASC Topic 840, *Leases*. As of June 30, 2011, net deferred gains of $219 are included in other noncurrent liabilities in the accompanying consolidated balance sheets. These gains are being recognized as operating income over the related leaseback terms.

11. Related-Party Transactions

The System utilized various centralized programs and overhead services of Ascension Health or its other sponsored organizations including risk management, retirement services, treasury, debt management, executive management support, administrative services, and information technology services. The charges allocated to the System for these services represent both allocations of common costs and specifically identified expenses that are incurred by Ascension Health on behalf of the System. Allocations are based on relevant metrics such as the System's pro rata share of revenues, certain costs, debt, or investments to the consolidated totals of Ascension Health. The amounts charged to the System for these services may not necessarily result in the net costs that would be incurred by the System on a stand-alone basis. The charges allocated to the System were approximately $12,471 and $11,830 for the years ended June 30, 2011 and 2010, respectively.

11. Related-Party Transactions (continued)

In addition to the charges discussed above, the System made payments to Ascension Health of $16,281 for the year ended June 30, 2011, representing the System's share of costs to fund an Ascension Health system-wide information technology and process standardization project that is expected to continue through December 2014. These payments are included in transfers to sponsor and other affiliates, net, in the accompanying statements of operations and changes in net assets.

The System incurred expenses with various Ascension Health affiliates. These services included medical equipment maintenance, internal audit and information systems. These expenses amount to $100,971 and $97,916 for the years ended June 30, 2011 and 2010, respectively.

Throughout fiscal year 2011 and 2010, the System transferred cash and investments of $23,593 and $23,400, respectively, in support of Ascension Health's strategic initiatives. These transfers are included in transfers to sponsor and other affiliates, net, in the accompanying consolidated statement of operations and change in net assets.

12. Contingencies and Commitments

In addition to professional liability claims, the System is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on the System's consolidated balance sheets.

In September 2010, Ascension Health received a letter from the U. S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators (ICDs) were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, the System will be reviewing applicable medical records for response to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. At June 30, 2011 and through September 7, 2011, the review remains in its early stages. As such, no estimates of liability have been or can be reached relative to the impact this investigation could have on the System. Through September 7, 2011, the DOJ has not asserted any claims against the System. Ascension Health and the System continue to fully cooperate with the DOJ in its investigation.

Other Financial Information

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Report of Independent Auditors on Other Financial Information

The Board of Trustees
St. John Providence Health System

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of net cost of providing care of persons living in poverty and community benefit programs for the year ended June 30, 2011, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Ernst & Young LLP

September 26, 2011

Schedule of Net Cost of Providing Care of Persons Living in Poverty and Community Benefit Programs

(Dollars in Thousands)

The net cost excluding the provision for bad debt expense of providing care of persons living in poverty and community benefit programs is as follows:

	Year Ended June 30	
	2011	**2010**
Traditional charity care provided	**$ 37,387**	$ 28,858
Unpaid cost of public programs for persons living in poverty	**35,858**	26,674
Other programs for persons living in poverty and other vulnerable persons	**2,578**	2,983
Community benefit programs	**45,050**	34,706
Care of persons living in poverty and community benefit programs	**$ 120,873**	$ 93,221