



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1 Briefly describe the organization’s mission

TO PROVIDE ACUTE HEALTHCARE SERVICES AND HEALTHCARE SYSTEM SUPPORT - SEE SCHEDULE H FOR MORE INFORMATION

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

If “Yes,” describe these new services on Schedule O

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

If “Yes,” describe these changes on Schedule O

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

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

4a (Code) (Expenses \$ 239,865,904 including grants of \$ 155,655) (Revenue \$ 283,572,146)

MERCY HEALTH PARTNERS OPERATES TWO NOT FOR PROFIT HOSPITALS TOTALING 221-BEDS LOCATED IN THE CITY OF MUSKEGON, MICHIGAN MERCY HEALTH PARTNERS PROVIDES HEALTH CARE SERVICES REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, OR THE ABILITY TO PAY ALTHOUGH REIMBURSEMENT OF SERVICES RENDERED IS CRITICAL TO THE OPERATION AND FINANCIAL STABILITY OF MERCY HEALTH PARTNERS, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS HAVE THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES THEREFORE, IN KEEPING WITH THE HOSPITAL'S MISSION, THE COMMUNITY IS PROVIDED THE FOLLOWING 1) FREE OR SUBSIDIZED MEDICAL CARE TO INCOME-ELIGIBLE PATIENTS,2) SUBSIDIZED CARE PROVIDED TO PERSONS COVERED BY GOVERNMENT PROGRAMS,3) DONATED COMMUNITY HEALTH ACTIVITIES AND PROGRAMS SEE SCHEDULE H FOR MORE INFORMATION MERCY HEALTH PARTNERS ALSO GOVERNS AND MANAGES ITS SUBSIDIARIES, WHICH INCLUDE HOSPITAL ORGANIZATIONS EXEMPT UNDER SECTION 501(C)(3) THESE HOSPITALS PROVIDE NEEDED HEALTHCARE SERVICES TO THE COMMUNITIES IN WHICH THEY ARE LOCATED, AND SHARE MERCY HEALTH PARTNERS' MISSION STATEMENT

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

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

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 \$ 239,865,904

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)? <i>If "Yes," complete Schedule A.</i> 	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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	Yes
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	Yes
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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.? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i> 	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> 	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div> <div>Check if Schedule O contains a response to any question in this Part V</div>			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a174		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a2,407		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes	
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	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	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
7b	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		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ GLENN PEULER 1820 44TH STREET SE KENTWOOD, MI 49508 (616) 685-3574

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

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

Form **990** (2010)

Part VII

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: 152

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization		
(A) Name and business address	(B) Description of services	(C) Compensation
LAKESHORE ANESTHESIA SERVICES PC 550 W WESTERN AVE STE B MUSKEGON, MI 48440	ANESTHESIA SERVICES	2,414,283
NINA JOHNSON MD PC 740 LAKE DRIVE MUSKEGON, MI 49445	HEALTH CARE SERVICES	2,391,908
WESTERN MICHIGAN ACUTES PO BOX 403008 ATLANTA, GA 30384	HEALTH CARE SERVICES	810,912
UNITED EMERGENCY SERVICES 1140 MONROE AVENUE STE 150 GRAND RAPIDS, MI 49503	EMERGENCY SERVICES	722,212
SECURITAS SECURITY SERVICE USA PO BOX 403412 ATLANTA, GA 30384	SECURITY SERVICES	713,364
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 42		

Part VIII

Statement of Revenue

		(A)	(B)	(C)	(D)
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a	5,000			
	b Membership dues 1b				
	c Fundraising events 1c	44,463			
	d Related organizations 1d	225,000			
	e Government grants (contributions) 1e	1,528			
	f All other contributions, gifts, grants, and similar amounts not included above 1f	551,836			
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f	827,827			
	Program Service Revenue	2a	Business Code		
NET PATIENT SVC REV		900099	219,307,834	219,307,834	
b LABORATORY REV		621500	62,928,394	59,505,626	3,422,768
c PHARMACY REVENUE		446110	4,066,962		4,066,962
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		286,303,190			
Other Revenue		3 Investment income (including dividends, interest and other similar amounts)			
		604,635			604,635
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties				
	6a Gross Rents	(i) Real	(ii) Personal		
		1,797,857	278,211		
	b Less rental expenses	2,168,014	26,872		
	c Rental income or (loss)	-370,157	251,339		
	d Net rental income or (loss)		-118,818		-118,818
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
		629,584	23,184		
	b Less cost or other basis and sales expenses		528		
	c Gain or (loss)	629,584	22,656		
	d Net gain or (loss)		652,240		652,240
	8a Gross income from fundraising events (not including \$ 44,463 of contributions reported on line 1c) See Part IV, line 18				
	a	111,610			
	b Less direct expenses b	88,390			
	c Net income or (loss) from fundraising events		23,220		23,220
	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	346,507				
b Less cost of goods sold b	334,388				
c Net income or (loss) from sales of inventory		12,119		12,119	
Miscellaneous Revenue	Business Code				
11a CAFETERIA	900099	539,280		539,280	
b					
c					
d All other revenue		4,758,686	4,758,686		
e Total. Add lines 11a-11d		5,297,966			
12 Total revenue. See Instructions		293,602,379	283,572,146	7,489,730	1,712,676

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	155,655	155,655		
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	3,050,794		3,050,794	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	36,824	36,824		
7	Other salaries and wages	112,236,157	104,740,600	7,495,557	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,303,988	7,750,475	553,513	
9	Other employee benefits	18,525,013	16,960,161	1,564,852	
10	Payroll taxes	7,623,226	6,927,225	696,001	
a	Fees for services (non-employees)				
	Management	19,793		19,793	
b	Legal	843,173		843,173	
c	Accounting	8,697	8,697		
d	Lobbying	6,667		6,667	
e	Professional fundraising services See Part IV, line 17	54,000			54,000
f	Investment management fees				
g	Other	14,589,802	14,589,802		
12	Advertising and promotion	229,387	19,200	210,187	
13	Office expenses	3,500,484	1,870,659	1,629,825	
14	Information technology	11,571,894	394,602	11,177,292	
15	Royalties				
16	Occupancy	8,149,017	6,173,695	1,975,322	
17	Travel	204,517	53,174	151,343	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	542,512	435,691	106,821	
20	Interest	1,608,319	1,608,319		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	12,079,688	6,529,071	5,550,617	
23	Insurance	1,728,581	1,727,890	691	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	46,907,075	46,907,075		
b	INTERCO PURCH SVCS	11,188,366	3,896,908	7,291,458	
c	BAD DEBT	8,976,588	8,976,588		
d	HOSPITAL PROVIDER TAX	5,730,968	5,730,968		
e	UBI TAXES	12,500		12,500	
f	All other expenses	5,850,358	4,372,625	1,477,733	
25	Total functional expenses. Add lines 1 through 24f	283,734,043	239,865,904	43,814,139	54,000
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			2,713,823	1	3,631,246
	2	Savings and temporary cash investments			14,887	2	14,894
	3	Pledges and grants receivable, net			348,725	3	345,664
	4	Accounts receivable, net			25,175,041	4	24,886,193
	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			36,573,313	7	44,218,255
	8	Inventories for sale or use			4,380,375	8	4,634,307
	9	Prepaid expenses and deferred charges			2,142,075	9	2,140,999
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	195,444,939			
	b	Less: accumulated depreciation	10b	143,541,205	51,122,377	10c	51,903,734
	11	Investments—publicly traded securities			29,492,405	11	13,020,629
	12	Investments—other securities. See Part IV, line 11			14,317,500	12	13,224,853
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			614,493	14	2,474,370
	15	Other assets. See Part IV, line 11			26,383,570	15	47,556,461
	16	Total assets. Add lines 1 through 15 (must equal line 34)			193,278,584	16	208,051,605
Liabilities	17	Accounts payable and accrued expenses			27,400,129	17	32,206,643
	18	Grants payable				18	
	19	Deferred revenue			83,343	19	56,719
	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			963,261	23	540,745
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			50,963,942	25	55,035,405
	26	Total liabilities. Add lines 17 through 25			79,410,675	26	87,839,512
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			111,685,908	27	117,855,104
	28	Temporarily restricted net assets			2,182,001	28	2,356,989
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			113,867,909	33	120,212,093
	34	Total liabilities and net assets/fund balances			193,278,584	34	208,051,605

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	293,602,379
2	Total expenses (must equal Part IX, column (A), line 25)	2	283,734,043
3	Revenue less expenses Subtract line 2 from line 1	3	9,868,336
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	113,867,909
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,524,152
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	120,212,093

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization MERCY HEALTH PARTNERS	Employer identification number 38-2589966
---	--

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

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

- 1

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☒

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

a

☒

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☒

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A) HACKLEY HOSPITAL	381358196	3		No	Yes		Yes		0
(B) TRINITY HEALTH-MICHIGAN	382113393	3	Yes		Yes		Yes		0
Total									0

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

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

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(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).

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization MERCY HEALTH PARTNERS	Employer identification number 38-2589966
---	--

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

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

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

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

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		17,365
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		9,058
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			26,423
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	MERCY HEALTH PARTNERS HAS MADE GRANTS TO OTHER ORGANIZATIONS FOR LOBBYING PURPOSES. THESE GRANTS HAVE BEEN IN THE FORM OF MEMBERSHIP DUES PAID TO NATIONAL AND REGIONAL ORGANIZATIONS, WHERE THE ORGANIZATIONS HAVE PROVIDED MERCY HEALTH PARTNERS WITH AN ESTIMATED PERCENTAGE OF DUES PAYMENTS WHICH ARE USED FOR LOBBYING ACTIVITIES. MERCY HEALTH PARTNERS ALSO PAID A THIRD PARTY LOBBYING FIRM DURING THE YEAR TO LOBBY FOR OR AGAINST LEGISLATION DETERMINED TO BE OF INTEREST TO MERCY HEALTH PARTNERS.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
MERCY HEALTH PARTNERS

Employer identification number
38-2589966

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

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

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

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

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

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

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

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

3a(i)

Yes

No

(ii)

related organizations

3a(ii)

b

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

3b

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,358,525		1,358,525
b Buildings		85,138,104	53,731,523	31,406,581
c Leasehold improvements				
d Equipment		108,126,357	89,059,503	19,066,854
e Other		821,953	750,179	71,774
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				51,903,734

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
------------	------------------	-------------

Additional Data

Software ID:

Software Version:

EIN: 38-2589966

Name: MERCY HEALTH PARTNERS

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

1	(a) Description of Liability	(b) Amount
	INTERCOMPANY NOTES PAYABLE	40,358,710
	INTERCOMPANY ACCOUNTS PAYABLE	7,558,771
	SHORT TERM GUARANTEES	848,432
	OTHER CURRENT LIABILITIES	15,748
	DEFERRED COMPENSATION	1,253,208
	ASSET RETIREMENT OBLIGATIONS (FIN 47)	2,770,658
	OTHER LONG TERM LIABILITIES	95,478
	LONG TERM GUARANTEES	2,134,400

OMB No 1545-0047

Open to Public Inspection

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

38-2589966

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

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a	<input checked="" type="checkbox"/>	Mail solicitations	e	<input checked="" type="checkbox"/>	Solicitation of non-government grants
b	<input checked="" type="checkbox"/>	Internet and e-mail solicitations	f	<input type="checkbox"/>	Solicitation of government grants
c	<input type="checkbox"/>	Phone solicitations	g	<input checked="" type="checkbox"/>	Special fundraising events
d	<input checked="" type="checkbox"/>	In-person solicitations			

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
HILLARY LYONS ASSOC PO BOX 99 DIMONDALE, MI 48821	CONSULTS ON ALL FUNDRAISING ACTIVITIES		No	0	54,000	-54,000
Total					54,000	-54,000

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

MI

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

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events	
		<u>BENEFIT BALL</u>	<u>THE RIDE</u>	<u>3</u>	(Add col (a) through col (c))	
		(event type)	(event type)	(total number)		
	1	Gross receipts	59,070	42,268	54,735	156,073
	2	Less Charitable contributions	13,975	18,794	11,694	44,463
3	Gross income (line 1 minus line 2)	45,095	23,474	43,041	111,610	
Direct Expenses	4	Cash prizes		670	670	
	5	Non-cash prizes	1,260	2,491	369	4,120
	6	Rent/facility costs				
	7	Food and beverages	16,713	885	9,369	26,967
	8	Entertainment	1,900		5,440	7,340
	9	Other direct expenses	11,586	12,514	25,193	49,293
	10	Direct expense summary Add lines 4 through 9 in column (d). ▶				88,390
	11	Net income summary Combine lines 3 and 10 in column (d). ▶				23,220

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

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

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

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

Name ▶ _____

Address ▶ _____

15a

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

☐ Yes ☐ No

b

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

c

If "Yes," enter name and address

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

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

☐ Yes ☐ No

b

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

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

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization
MERCY HEALTH PARTNERS

Employer identification number
38-2589966

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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 _____%

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 _____%

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

Yes

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"?

5a

Yes

5a

Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?

5b

Yes

b

If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?

5c

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 eligible for free or discounted care?

6a

Yes

6a

Does the organization prepare a community benefit report during the tax year?

6b

Yes

b

If "Yes," did the organization make it available to the public?

Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)	1	10,384	8,005,630	1,527,928	6,477,702	2 360 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	1	57,756	30,973,924	31,522,621	-548,697	0 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)	2	5,586	1,624,700	536,480	1,088,220	0 400 %
d Total Financial Assistance and Means-Tested Government Programs	4	73,726	40,604,254	33,587,029	7,017,225	2 760 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	29	26,541	901,463		901,463	0 330 %
f Health professions education (from Worksheet 5)	2	46	3,368,277	1,377,931	1,990,346	0 720 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)	1		38,793		38,793	0 010 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	3	158,492	61,715		61,715	0 020 %
j Total Other Benefits	35	185,079	4,370,248	1,377,931	2,992,317	1 080 %
k Total. Add lines 7d and 7j	39	258,805	44,974,502	34,964,960	10,009,542	3 840 %

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

Cat No 50192T

Schedule H (Form 990) 2010

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	1	22				
2 Economic development						
3 Community support	10	68,172	48,762	7,194	41,568	0 020 %
4 Environmental improvements						
5 Leadership development and training for community members	1	476	42,653		42,653	0 020 %
6 Coalition building	1		49,356		49,356	0 020 %
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total	13	68,670	140,771	7,194	133,577	0 060 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		No
2 Enter the amount of the organization's bad debt expense (at cost)	2	4,082,324	
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	408,232	
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	73,874,449	
6 Enter Medicare allowable costs of care relating to payments on line 5	6	61,974,717	
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7	11,899,732	
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

Part 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				

Section A. Hospital Facilities

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

Schedule H (Form 990) 2010

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

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

How many non-hospital facilities did the organization operate during the tax year? 23

Name and address	Type of Facility (Describe)
1 See Additional Data Table	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 6A MERCY HEALTH PARTNERS REPORTS ITS COMMUNITY BENEFIT INFORMATION AS PART OF THE CONSOLIDATED COMMUNITY BENEFIT INFORMATION REPORTED BY TRINITY HEALTH IN ITS ANNUAL REPORT, AVAILABLE AT WWW.TRINITY-HEALTH.ORG IN ADDITION, MERCY HEALTH PARTNERS INCLUDES A COPY OF ITS MOST RECENTLY FILED SCHEDULE H ON BOTH ITS OWN WEBSITE AND TRINITY HEALTH'S WEBSITE

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE COST AMOUNTS REPORTED IN ITEM 7 FOR CERTAIN CATEGORIES, PRIMARILY TOTAL CHARITY CARE AND MEANS-TESTED GOVERNMENT PROGRAMS, SPECIFIC COST-TO-CHARGE RATIOS WERE CALCULATED AND APPLIED TO THOSE CATEGORIES THE COST-TO-CHARGE RATIO WAS DERIVED FROM WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES IN OTHER CATEGORIES, THE BEST AVAILABLE DATA WAS DERIVED FROM THE HOSPITAL'S COST ACCOUNTING SYSTEM UNREIMBURSED MEDICAID MERCY HEALTH PARTNERS HAS REPORTED TOTAL COST OF MEDICAID OF \$30,973,924 IN LINE 7B, COLUMN (C) ACTUAL DIRECT OFFSETTING REVENUE WAS \$31,522,621, RESULTING IN A NET NEGATIVE COMMUNITY BENEFIT EXPENSE OF - \$548,697 THIS NET EXPENSE IS - 2% OF TOTAL EXPENSE THE TAX REPORTING SOFTWARE DOES NOT PERMIT A NEGATIVE PERCENTAGE TO BE REPORTED IN COLUMN (F) THEREFORE, THE UNREIMBURSED MEDICAID PERCENTAGE IN COLUMN (F) IS SHOWING ZERO PERCENT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE FOLLOWING NUMBER, \$8,976,588, REPRESENTS THE AMOUNT OF BAD DEBT EXPENSE INCLUDED IN TOTAL FUNCTIONAL EXPENSES IN FORM 990, PART IX, LINE 25 PER IRS INSTRUCTIONS, THIS AMOUNT WAS EXCLUDED FROM THE DENOMINATOR WHEN CALCULATING THE PERCENT OF TOTAL EXPENSE FOR SCHEDULE H, PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		<p>PART II COMMUNITY BUILDING ACTIVITIES - MERCY HEALTH PARTNERS IS ENGAGED IN THE COMMUNITY IN MANY WAYS BETHANY HOUSING-SACRED SUDS PROVIDES LAUNDRY, SHOWER AND A COMPUTER LAB TO A LOW-INCOME NEIGHBORHOOD AND ORGANIZES NEIGHBORHOOD SELF-HELP AND AWARENESS PROJECTS THIS PROJECT SERVES VERY LOW-INCOME RESIDENTS OF THE MCLAUGHLIN AND DOWNTOWN MUSKEGON NEIGHBORHOODS THESE AREAS ARE 50% MINORITY POPULATION WITH A MEDIAN INCOME OF \$20,000 THE PROGRAM ALSO SERVES HOMELESS PERSONS, A LARGE NUMBER OF WHOM FREQUENT THESE AREAS AND IS THE ONLY SERVICE OF ITS KIND IN THE MUSKEGON METRO AREA IT IS SUPPORTED BY SEVERAL OTHER COMMUNITY SOURCES CATHOLIC CHARITIES OF WEST MICHIGAN-LOAVES & FISHES PROVIDES FOOD TO LOW-INCOME FAMILIES, AS WELL AS REFERRALS TO COMMUNITY HEALTH & HUMAN SERVICES THIS FOOD PANTRY SERVES HOMELESS, SINGLE-PARENT FAMILIES, UNEMPLOYED AND WORKING POOR IN DOWNTOWN MUSKEGON NEIGHBORHOODS IMPROVED NUTRITION AND NUTRITION EDUCATION ARE MAJOR NEEDS IDENTIFIED IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT CATHOLIC CHARITIES OF WEST MICHIGAN - TEEN PARENT SERVICES PROVIDES HEALTH, PARENTING AND EDUCATION SERVICES AND INFORMATION TO TEENAGE PARENTS AND THEIR FAMILIES HIGH RATES OF TEEN PREGNANCY AND LOW BIRTH-WEIGHT INFANTS IN MUSKEGON COUNTY ARE A MAJOR CONCERN IDENTIFIED IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT BOTH PROGRAMS ARE SUPPORTED BY MULTIPLE FUNDING SOURCES THE FIRST CONGREGATIONAL CHURCH-SATURDAY BREAKFAST SERVES FREE WEEKLY BREAKFAST TO NEEDY PEOPLE USING VOLUNTEERS, THE PROGRAM SERVES AN AVERAGE OF 300 FREE WEEKLY BREAKFAST MEALS TO NEEDY PEOPLE IN MUSKEGON IMPROVED NUTRITION AND NUTRITION EDUCATION ARE MAJOR NEEDS IDENTIFIED IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT, PARTICULARLY AMONG THE VERY LOW INCOME AND HOMELESS PERSONS, A HIGH PERCENTAGE OF WHOM RESIDE IN THE DOWNTOWN AREAS OF THE CITY OF MUSKEGON WHERE THIS PROGRAM IS LOCATED IT IS SUPPORTED BY THE CHURCH CONGREGATION AND SEVERAL OTHER COMMUNITY SOURCES LOVE INC-PROJECT RAMP BUILDS RAMPS FOR LOW-INCOME HANDICAPPED PERSONS THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT NOTED THAT DISABILITY IS A SERIOUS PROBLEM IN ALL THREE COUNTIES SERVED BY MERCY HEALTH PARTNERS THESE COUNTIES HAVE SIGNIFICANTLY HIGHER PERCENTAGES OF PERSONS WITH VARIOUS DISABILITIES THAN THE MICHIGAN AVERAGE LOVE INC IS THE ONLY KNOWN PRIVATE SERVICE OF THIS KIND IN THE AREA LOVE, INC - HEALTHY EATING PROGRAM HELPS FAMILIES IN NEED OF STOVES AND REFRIGERATORS AND PROVIDES COACHING ON NUTRITIONAL BEHAVIORS AND STRATEGIES FOR HEALTHIER EATING IMPROVED NUTRITION AND NUTRITION EDUCATION ARE MAJOR NEEDS IDENTIFIED IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT, PARTICULARLY AMONG THE VERY LOW INCOME POPULATION SERVED BY THIS ORGANIZATION'S FOOD PANTRY, BUDGETING AND LIFE SKILLS PROGRAM LOCATED IN THE NORTHERN SECTION OF MUSKEGON COUNTY, LOVE INC HAS A SIGNIFICANT RURAL CLIENTELE BOTH PROGRAMS HAVE SUPPORT FROM SEVERAL COMMUNITY RESOURCES MISSION FOR AREA PEOPLE-COMMUNITY MEDICAL FUND ASSISTS UNINSURED AND UNDER-INSURED PERSONS WITH PRESCRIPTION DRUGS, MEDICAL SUPPLIES AND DURABLE MEDICAL EQUIPMENT COSTS THE PROGRAM HAS MULTIPLE FUNDING SOURCES WITHIN THE COMMUNITY, INCLUDING THE DONATIONS FROM THE UNITED METHODIST CHURCH ACCESS TO MEDICATIONS, ASSOCIATED WITH LACK OF HEALTH INSURANCE, WAS ONE OF THE MOST SIGNIFICANT NEEDS IDENTIFIED IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT THIS MINISTRY COMPLEMENTS MUSKEGON COMMUNITY HEALTH PROJECT'S (MCHP) MEDICATION ASSISTANCE FUND IN PROVIDING LOW-INCOME, UNINSURED PERSONS WITH THE PRESCRIPTION DRUGS THEY NEED TO MANAGE CHRONIC DISEASES REFERRALS ARE MADE BETWEEN THE TWO ORGANIZATIONS TO KEEP PACE WITH THE INCREASING NEED MANY MAP CLIENTS ARE ENROLLED IN DRUG COMPANY PATIENT ASSISTANCE PROGRAMS THROUGH MCHP BOTH ORGANIZATIONS CONDUCT FUNDRAISING ACTIVITIES AND SEEK PRIVATE GRANT SUPPORT FOR THEIR PROGRAMS, WHICH WORK IN TANDEM THERE ARE NO OTHER KNOWN PROGRAMS IN THE AREA THAT SUPPLY INTERIM MEDICATIONS TO PATIENTS WAITING TO BE ENROLLED IN THE PAPS STRAIGHT TALK ABOUT TOUGH STUFF (STATS) TRAINS AND DEPLOYS HIGH SCHOOL STUDENTS AS PEER EDUCATORS TO PRESENT MESSAGES ENCOURAGING ABSTINENCE FROM SEX, DRUGS, ALCOHOL AND TOBACCO TO AREA MIDDLE AND HIGH SCHOOL AUDIENCES REFUSAL SKILLS ARE TAUGHT TO COMBAT HEALTH RISK BEHAVIORS NEWIN 2010 IS AN "INTERNET SAFETY" COMPONENT, WHICH TEACHES ABOUT UNHEALTHY AND RISKY USE OF TECHNOLOGY TEEN PREGNANCY AND ASSOCIATED LOW-BIRTH WEIGHT BABIES WERE NOTED AS A SIGNIFICANT HEALTH CONCERN IN THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT INCLUDED IN THE CHNA, WAS THE 2009 YOUTH RISK BEHAVIOR SURVEY, WHICH HIGHLIGHTED THE NEED FOR INCREASED ALCOHOL, TOBACCO AND DRUG ABUSE EDUCATION AMONG TEENAGERS, ESPECIALLY MIDDLE SCHOOL-AGED CHILDREN THE STRENGTHENING MUSKEGON COMMUNITY PROGRAM PROVIDES TRAINING SEMINARS AND DIRECT TECHNICAL ASSISTANCE TO SMALL NON-PROFIT ORGANIZATIONS AND TOWNSHIPS ON A VARIETY OF TOPICS AIMED AT BUILDING INTERNAL CAPACITY AND EXTERNAL EFFICACY TH</p>

Identifier	ReturnReference	Explanation
		<p>E SEMINARS, WORKSHOPS AND DIRECT ASSISTANCE FOCUSES ON BOARD DEVELOPMENT, STAFF TRAINING, FUNDRAISING, GRANT WRITING AND MANAGEMENT, FINANCIAL MANAGEMENT AND REPORTING AND OTHER TO PICS AIMED AT IMPROVING THE CAPACITY OF THESE ORGANIZATIONS TO DELIVER "SAFETY-NET" AND OT HER NEEDED HEALTH AND HUMAN SERVICES TO THEIR CONSTITUENCIES A MERCY HEALTH PARTNERS' COLL ABORATIVE, THE OCEANA COUNTY HEALTHCARE NEEDS AND OUTREACH SERVICES CONTINUES TO MEET AT T HE LAKESHORE HOSPITAL IN OCEANA COUNTY TO BUILD A COMMUNITY CONSENSUS AROUND EVALUATION, P LANNING AND DEPLOYMENT OF HEALTHCARE SERVICES TO MEET THE NEEDS OF UNDERSERVED RESIDENTS O F OCEANA COUNTY THE COMMITTEE IS WORKING ON LIFE- LONG PREVENTION SERVICES/LIFESTYLE CHANGES, IMPROVED METHODS AND STRATEGIES FOR DELIVERING MEDICAL, BEHAVIORAL HEALTH AND DENTAL H EALTH SERVICES SAFE KIDS WEST MICHIGAN IS A PROGRAM THROUGH THE COMMUNITY DEVELOPMENT DEPA RTMENT TO WORK WITH PARENTS AND KIDS TO PREVENT ACCIDENTAL INJURY TO CHILDREN AGES 0-14 T HE ATTEMPT IS TO REDUCE THE OVERALL RATE OF UNINTENTIONAL INJURIES TO CHILDREN IN WEST MIC HIGAN THE SENIOR MEAL PROGRAM WAS IN EXISTENCE TO PROVIDE FREE MEALS IN THE HOSPITAL CAFE TERIA TO SENIORS AT THE END OF FY11, HOWEVER, THERE WAS A MINIMUM CHARGE ASSESSED AND ONLY A CERTAIN DOLLAR FIGURE WAS PROVIDED FOR EACH SENIOR THE USE OF THIS PROGRAM HAS SINCE DIMINISHED TO A POINT WHERE IT IS NO LONGER BEING REPORTED AS A COMMUNITY BENEFIT PROGRAM ALONG WITH THE ABOVE PROGRAMS IS A PROGRAM CALLED "COMMUNITY HEALTH IMPROVEMENT " THIS CAT EGORY INCLUDES THE COALITIONS, LEAD BY MERCY HEALTH PARTNERS, TO DEVELOP EFFORTS WITH THE COMMUNITY TO ADDRESS HEALTH AND SAFETY ISSUES THE DRUG FREE MUSKEGON COALITION, IN ITS 6T H YEAR, HAS PROVIDED AWARENESS AND EDUCATION TO THE COMMUNITY AND SCHOOLS ABOUT THE HAZARD S OF ALCOHOL USE AND ABUSE, AS WELL AS PROMOTED COMMUNITY PREVENTION PROGRAMS AND TREATMEN T SERVICES THE 2009 YOUTH RISK BEHAVIOR SURVEY INDICATED THE SERIOUS PROBLEMS OF ALCOHOL, TOBACCO AND DRUG ABUSE AMONG TEENS AND PRE-TEENS IN MUSKEGON COUNTY THE DFC IS A COALITI ON OF 53 COMMUNITY MEMBERS DEDICATED TO ADDRESSING ENVIRONMENTAL CHANGES AND COMMUNITY-WID E ACTIVITIES TO CURB EXISTING ABUSE, DECREASE THE INCIDENCE AND PREVALENCE OF THESE PROBLE MS AMONG YOUTH THE MUSKEGON-OCEANA COUNTY HEALTH DISPARITIES REDUCTION COALITION WAS CONV ENED IN 2010 TO ASSESS DISPARITIES IN ACCESS TO HEALTH CARE AND QUALITY OF CARE RELATING T O RACE, ETHNICITY AND LANGUAGE THE COALITION COMPLETED A STRATEGIC ACTION PLAN AND INTEND S TO BEGIN IMPLEMENTING ITS PLAN, STARTING IN JANUARY 2011 THE 2009 COMMUNITY HEALTH NEED S ASSESSMENT NOTED DISPARITIES IN ACCESS TO CARE, AND DELIVERY OF HEALTH AND HUMAN SERVICE S WERE SIGNIFICANT FACTORS CONTRIBUTING TO POOR HEALTH AMONG THE LOW-INCOME, UNINSURED AND MINORITY POPULATIONS OF MUSKEGON AND OCEANA COUNTIES THE COALITION OF 28 COMMUNITY MEMBE R ORGANIZATIONS IS IN THE FIRST YEAR OF A 3-YEAR GRANT AWARD TO IMPLEMENT ACTIVITIES AND P ROGRAMS TO ADDRESS THE IDENTIFIED DISPARITIES THE MUSKEGON-OCEANA COUNTY CHILDHOOD OBESITY COALITION WAS CREATED IN 2010 TO GATHER DATA ON THE INCIDENCE AND PREVALENCE OF OBESITY A MONG CHILDREN, ESTABLISH MEASURES AND PROCEDURES FOR ON-GOING DATA COLLECTION, RESEARCH EV IDENCE-BASED PREVENTION MODELS AND DEVELOP A STRATEGIC ACTION PLAN FOR IMPLEMENTATION IN S UBSEQUENT YEARS OBESITY, LACK OF PHYSICAL ACTIVITY, AND INCREASED NUTRITION EDUCATION WER E THE TOP THREE CONCLUSIONS OF THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT, AS WELL AS A CO NCERN RISING FROM THE 2009 YOUTH RISK BEHAVIOR SURVEY THE CHILDHOOD OBESITY COALITION CUR RENTLY HAS EIGHT COMMUNITY ORGANIZATIONS FROM MUSKEGON COUNTY AND RECEIVED A SMALL GRANT I N 2011 TO COLLECT RELEVANT DATA AND START PROGRAM DEVELOPMENT PLANNING THE HIV/AIDS COALI TION IS SUPPORTED BY MERCY STAFF TO PROMOTE COMMUNITY AWARENESS, PUBLIC EDUCATION, AND TRE ATMENT RESOURCES A STRATEGIC ACTION PLAN WAS COMPLETED IN 2011</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 MERCY HEALTH PARTNERS IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF TRINITY HEALTH THE FOLLOWING IS THE TEXT OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOOTNOTE FROM THOSE STATEMENTS "SUBSTANTIALLY ALL OF THE CORPORATION'S RECEIVABLES ARE RELATED TO PROVIDING HEALTHCARE SERVICES TO PATIENTS ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR AMOUNTS THAT COULD BECOME UNCOLLECTIBLE IN THE FUTURE THE CORPORATION'S ESTIMATE FOR ITS ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS BY PAYOR "COSTING METHODOLOGY FOR LINES 2 AND 3 AMOUNTS ARE CALCULATED ON LINE 2 USING A COST TO CHARGE RATIO METHODOLOGY ANY DISCOUNTS PROVIDED OR PAYMENTS MADE TO A PARTICULAR PATIENT ACCOUNT ARE APPLIED TO THAT PATIENT ACCOUNT PRIOR TO ANY BAD DEBT WRITE-OFF AND ARE THUS NOT INCLUDED IN BAD DEBT EXPENSE AS A RESULT OF THE PAYMENT AND ADJUSTMENT ACTIVITY BEING POSTED TO BAD DEBT ACCOUNTS, WE ARE ABLE TO REPORT BAD DEBT EXPENSE NET OF THESE TRANSACTIONS WHILE CURRENT OPERATIONS ATTEMPT TO IDENTIFY THOSE CASES THAT WILL QUALIFY FOR CHARITY OR UNCOMPENSATED CARE, IT IS ASSUMED THAT APPROXIMATELY 10% OF THE REMAINING BAD DEBT AMOUNT MAY ALSO QUALIFY AS CHARITY</p>

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

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

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 NEEDS ASSESSMENT - MERCY HEALTH PARTNERS ASSESSES THE HEALTH NEEDS OF THE COMMUNITY THROUGH COMMUNITY HEALTH NEEDS ASSESSMENTS (CHNA) EVERY THREE YEARS A COMMUNITY NEEDS ASSESSMENT IS A POINT-IN-TIME EFFORT TO MEASURE THE HEALTH AND WELL BEING OF THE COMMUNITY IT SERVES AS THE BASIS FOR MERCY HEALTH PARTNERS' STRATEGIC AND SUBSEQUENT ACTION PLANNING TO DEVELOP HEALTH POLICY, ALLOCATE RESOURCES, IMPROVE OR EXPAND EXISTING SERVICES, IMPLEMENT NEW PROGRAMS AND COLLABORATE WITH OTHER COMMUNITY HEALTHCARE PROVIDERS A COMMUNITY NEEDS ASSESSMENT ALSO SERVES AS A BENCHMARK FOR FUTURE ASSESSMENT OF RELATIVE PROGRESS TOWARD ESTABLISHED COMMUNITY HEALTH OBJECTIVES THE MERCY HEALTH PARTNERS' CHNA PROVIDES THE OPPORTUNITY TO - GAIN INSIGHTS INTO THE NEEDS AND ASSETS OF THE COMMUNITIES SERVED - IDENTIFY AND ADDRESS THE NEEDS OF VULNERABLE POPULATIONS WITHIN THE COMMUNITY- ENHANCE HOSPITAL/COMMUNITY RELATIONSHIPS AND THE OPPORTUNITY FOR COLLABORATIVE COMMUNITY ACTION, INCLUDING INVOLVEMENT WITH COALITIONS, PARTNERSHIPS, BOARDS, COMMITTEES, COMMISSIONS, ADVISORY GROUPS AND PANELS- PROVIDE THE INFORMATION REQUIRED FOR COMMUNITY OUTREACH PLANNINGTHE MERCY HEALTH PARTNERS' COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS INVOLVES THE GATHERING OF TWO TYPES OF DATA QUANTITATIVE (DEMOGRAPHICS, HEALTH INDICATORS, ETC)AND QUALITATIVE (PUBLIC SURVEYS, FORUMS, FOCUS GROUPS) IN 2010, MERCY BEGAN USING GRAPHIC INFORMATION SYSTEM SOFTWARE TO GEO-MAP FINANCIAL ASSISTANCE RECORDS AND VARIOUS DISEASE CONDITIONS TO HELP IDENTIFY "HOT SPOTS" THAT NEED ATTENTION THE USE OF GEO-MAPPING WILL BE EXPANDED IN THE 2012 CHNA TO INCLUDE SOCIAL DETERMINANTS OF HEALTH, HEALTH LITERACY AND ER UTILIZATION FOR PRIMARY CARE TO FURTHER IDENTIFY HEALTH DISPARITIES THE DATA HELPS SUPPORT SHORT-TERM AND LONG-TERM DECISIONS ABOUT ALLOCATION OF COMMUNITY HUMAN AND CAPITAL RESOURCES THE MERCY HEALTH PARTNERS' UPCOMING 2012 COMMUNITY NEEDS ASSESSMENT IS EXPECTED TO BE COMPLETED BY JUNE 30, 2012 AND WILL FOLLOWTHE TRINITY HEALTH SYSTEM'S GUIDE FOR MISSION ORGANIZATIONS TO PREPARE THEIR INDIVIDUAL COMMUNITY HEALTH NEEDS ASSESSMENTS THE GUIDE WAS PREPARED BY THE MUSKEGON COMMUNITY HEALTH PROJECT IN 2008 AND UPDATED IN 2010 THE STEERING COMMITTEE WILL INCLUDE KEY COMMUNITY HEALTH STAKEHOLDERS, INCLUDING MERCY HEALTH PARTNERS' MERCY, HACKLEY AND LAKESHORE CAMPUSES, LAKESHORE HEALTH NETWORK, MERCY PHARMACIES, VISITING NURSE SERVICES, HARBOR HOSPICE, MUSKEGON COUNTY PUBLIC HEALTH, DISTRICT 10 PUBLIC HEALTH, UNITED WAY OF THE LAKESHORE, MUSKEGON COUNTY AND OCEANA COUNTY COMMUNITY MENTAL HEALTH AT LEAST TWENTY MUSKEGON AND OCEANA COUNTY HEALTH AND HUMAN SERVICE PROVIDERS WILL BE CONTRIBUTING TO THE CHNA PROCESS, PRINCIPALLY WITH THE COMMUNITY INPUT AND PRIORITIZATION ELEMENTS AS IN 2009, CHNA WILL BE CONDUCTED BY THE COMMUNITY BENEFIT ARM OF MERCY HEALTH PARTNERS, THE MUSKEGON COMMUNITY HEALTH PROJECT PETER J SARTORIUS, MA, MS, DEVELOPMENT AND PLANNING MANAGER, WILL LEAD AND MANAGE THE PROCESS AGAIN IN 2012 THE 2012 CHNA WILL AGAIN MAKE USE OF A PROFESSIONAL FACILITATOR FOR FORUMS AND FOCUS GROUPS, AND A PROJECT CONSULTANT TO ASSIST WITH THE ANALYSIS A SECOND CONTRACTOR MAY BE USED FOR THE DATA GATHERING COMPONENT THE HEALTH DISPARITIES REDUCTION COALITION, CONVENED IN JANUARY 2010, HAS CONTINUED EXAMINING HEALTH DISPARITY ISSUES IN MUSKEGON AND OCEANA COUNTIES DATA INDICES PERTAINING TO HEALTH DISPARITIES BASED ON RACE, ETHNICITY AND LANGUAGE HAVE BEEN COMPILED TO TRACK PROGRESS TOWARD REDUCING DISPARITY IN THE TWO COUNTIES MANY PATIENT INFORMATION BROCHURES HAVE BEEN TRANSLATED INTO SPANISH IN CONJUNCTION WITH MERCY HEALTH PARTNERS PATIENT SATISFACTION SURVEYS ARE BEING REVISED TO INCLUDE QUESTIONS PERTAINING TO HEALTH DISPARITY COMMUNITY CARE COORDINATION PROGRAMS ARE BEING EXPLORED FOR BEST PRACTICE MODELS THAT CONNECT HIGH-RISK CHRONIC DISEASE PATIENTS TO THE HEALTH AND HUMAN SERVICES NEEDED TO SUPPORT THEIR MEDICAL TREATMENTS THE COALITION IS LAUNCHING AN EDUCATIONAL WEB SITE AND A PUBLIC AWARENESS MEDICAL CAMPAIGN IN 2011 THAT WILL CONTINUE IN 2012</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE - MERCY HEALTH PARTNERS IS COMMITTED TO - PROVIDING ACCESS TO QUALITY HEALTHCARE SERVICES WITH COMPASSION, DIGNITY AND RESPECT FOR THOSE WE SERVE, PARTICULARLY THE POOR AND THE UNDERSERVED IN OUR COMMUNITIES- CARING FOR ALL PERSONS, REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES- ASSISTING PATIENTS WHO CANNOT PAY FOR PART OR ALL OF THE CARE THEY RECEIVE - BALANCING NEEDED FINANCIAL ASSISTANCE FOR SOME PATIENTS WITH BROADER FISCAL RESPONSIBILITIES IN ORDER TO SUSTAIN VIABILITY AND PROVIDE THE QUALITY AND QUANTITY OF SERVICES FOR ALL WHO MAY NEED CARE IN A COMMUNITYIN ACCORDANCE WITH AMERICAN HOSPITAL ASSOCIATION RECOMMENDATIONS, MERCY HEALTH PARTNERS HAS ADOPTED THE FOLLOWING GUIDING PRINCIPLES WHEN HANDLING THE BILLING, COLLECTION AND FINANCIAL SUPPORT FUNCTIONS FOR OUR PATIENTS - PROVIDE EFFECTIVE COMMUNICATIONS WITH PATIENTS REGARDING HOSPITAL BILLS- MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE FINANCIAL SUPPORT PROGRAMS- OFFER FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS- IMPLEMENT POLICIES FOR ASSISTING LOW-INCOME PATIENTS IN A CONSISTENT MANNER- IMPLEMENT FAIR AND CONSISTENT BILLING AND COLLECTION PRACTICES FOR ALL PATIENTS WITH PATIENT PAYMENT OBLIGATIONS</p> <p>MERCY HEALTH PARTNERS EFFECTIVELY COMMUNICATES WITH PATIENTS REGARDING PATIENT PAYMENT OBLIGATIONS FINANCIAL COUNSELING IS PROVIDED TO PATIENTS ABOUT THEIR PAYMENT OBLIGATIONS AND HOSPITAL BILLS INFORMATION ON HOSPITAL-BASED FINANCIAL SUPPORT POLICIES AND EXTERNAL PROGRAMS THAT PROVIDE COVERAGE FOR SERVICES ARE MADE AVAILABLE TO PATIENTS DURING THE PRE-REGISTRATION AND REGISTRATION PROCESSES AND/OR THROUGH COMMUNICATIONS WITH PATIENTS SEEKING FINANCIAL ASSISTANCE MERCY HEALTH PARTNERS OFFERS IN-PERSON SUPPORT WITH FINANCIAL COUNSELORS, CASHIERS AND THE MUSKEGON COMMUNITY HEALTH PROJECT (A PART OF MERCY HEALTH PARTNERS) ANY REGISTRAR CAN MAKE A CONNECTION TO PATIENTS MERCY HEALTH PARTNERS PUBLISHES THE PHONE NUMBERS FOR OUR CALL-IN SUPPORT, AND SHARED SERVICES ALSO PROVIDES PHONE SUPPORT MERCY HEALTH PARTNERS HAS AN EXTERNAL VENDOR, MEDASSIST, AND WE ALSO WORK WITH DEPARTMENT OF HUMAN SERVICES STAFF FINANCIAL COUNSELORS MAKE AFFIRMATIVE EFFORTS TO HELP PATIENTS APPLY FOR PUBLIC AND PRIVATE PROGRAMS FOR WHICH THEY MAY QUALIFY AND THAT MAY ASSIST THEM IN OBTAINING AND PAYING FOR HEALTHCARE SERVICES MERCY HEALTH PARTNERS UTILIZES AN EXTERNAL VENDOR AS AN EXTENSION OF HOSPITAL SERVICES EVERY EFFORT IS MADE TO DETERMINE A PATIENT'S ELIGIBILITY PRIOR TO OR AT THE TIME OF ADMISSION OR SERVICE HOWEVER, DETERMINATION FOR FINANCIAL SUPPORT CAN BE MADE DURING ANY STAGE OF THE PATIENT'S STAY AFTER STABILIZATION OR COLLECTION CYCLE BEGINNING IN 2010, MERCY HEALTH PARTNERS ESTABLISHED A SINGLE ENROLLMENT FORM, APPLICABLE TO ALL CAMPUSES, FOR FINANCIAL ASSISTANCE THAT INCLUDES GATHERING ALL THE INFORMATION AND DOCUMENTATION NECESSARY TO DETERMINE ELIGIBILITY AND ENROLLMENT FOR A VARIETY OF ASSISTANCE PROGRAMS, INCLUDING HEALTH COVERAGE, FOOD STAMPS, PHARMACEUTICAL ASSISTANCE PROGRAMS, VISION AND HEARING SERVICES, BEHAVIORAL AND MENTAL HEALTH SERVICES, CHRONIC DISEASE SELF MANAGEMENT EDUCATION, AND DRUG AND ALCOHOL ABUSE COUNSELING AND TO BACCO CESSATION EDUCATION THE SINGLE ENROLLMENT FORM IS USED ON ALL MERCY HEALTH PARTNER CAMPUSES MERCY HEALTH PARTNERS BEGAN DEPLOYING COMMUNITY HEALTH WORKERS FROM THE MUSKEGON COMMUNITY HEALTH PROJECT AT ALL CAMPUSES, TO WORK WITH HOSPITAL DISCHARGE PATIENTS AND ENSURE THAT ALL ELIGIBLE PATIENTS ARE ENROLLED IN APPLICABLE ASSISTANCE PROGRAMS THE HEALTH PROJECT ALSO SCREENS AND ENROLLS RESIDENTS FROM ALL PARTS OF THE SERVICE AREA, USING WIDE -REACHING OUTREACH STRATEGIES AND TECHNIQUES TO ENGAGE UNINSURED AND UNDERSERVED POPULATIONS</p> <p>MERCY HEALTH PARTNERS OFFERS FINANCIAL SUPPORT TO PATIENTS WITH LIMITED MEANS THIS SUPPORT IS AVAILABLE TO UNINSURED AND UNDERINSURED PATIENTS WHO DO NOT QUALIFY FOR PUBLIC PROGRAMS OR OTHER ASSISTANCE NOTIFICATION ABOUT FINANCIAL ASSISTANCE, INCLUDING CONTACT INFORMATION, IS AVAILABLE THROUGH THE PUBLICATION OF PATIENT BROCHURES, NOTICES OR MESSAGING INCLUDED ON PATIENT BILLS, POSTING OF NOTICES IN PUBLIC REGISTRATION AREAS, INCLUDING EMERGENCY ROOMS, URGENT CARE CENTERS, ADMITTING AND REGISTRATION DEPARTMENTS, HOSPITAL PATIENT ACCOUNTING DEPARTMENTS, AND OTHER PATIENT FINANCIAL SERVICES OFFICES THAT ARE LOCATED ON OUR CAMPUSES SUMMARIES OF HOSPITAL PROGRAMS ARE MADE AVAILABLE TO ACCESS HEALTH, INC , AMERICAN RED CROSS, BENSON DRUGS, CATHOLIC CHARITIES OF WEST MICHIGAN, CITY OF MUSKEGON, CITY OF MUSKEGON HEIGHTS, COMMUNITY ACCESS LINE OF THE LAKESHORE, COMMUNITY MENTAL HEALTH SERVICES OF MUSKEGON COUNTY, COOPERATING CHURCHES, DISABILITY CONNECTION OF WEST MICHIGAN, EVERY WOMAN'S PLACE, GOODWILL INDUSTRIES, HACKLEY COMMUNITY CARE CENTER, HACKLEY PHARMACIES, LIFE COUNSELING, LIONS CLUBS OF MUSKEGON COUNTY, MISSION FOR AREA PEOPLE, MUSKEGON COUNTY PUBLIC HEALTH, MUSKEGON COUNTY DEPT OF HUMAN SERV</p>

Identifier	ReturnReference	Explanation
		ICES/FAMILY RESOURCE CENTERS, MUSKEGON FAMILY CARE, MUSKEGON/OCEANA MICHIGAN WORKS!, THE SALVATION ARMY, SENIOR RESOURCES, URBAN LEAGUE, WESTSHORE PHARMACY, AND WEST MICHIGAN THERAPY INFORMATION REGARDING FINANCIAL ASSISTANCE PROGRAMS IS ALSO AVAILABLE ON THE MERCY HEALTH PARTNERS' WEBSITE, AS WELL AS IN THE ADMISSION PACKAGE IN ADDITION TO ENGLISH, THIS INFORMATION IS ALSO AVAILABLE IN SPANISH, REFLECTING THE OTHER PRIMARY LANGUAGE SPOKEN BY THE POPULATION SERVED BY OUR HOSPITAL. MERCY HEALTH PARTNERS HAS ESTABLISHED A WRITTEN POLICY, APPLICABLE TO ALL CAMPUSES, FOR THE BILLING, COLLECTION AND SUPPORT FOR PATIENTS WITH PAYMENT OBLIGATIONS. MERCY HEALTH PARTNERS MAKES EVERY EFFORT TO ADHERE TO THE POLICY AND IS COMMITTED TO IMPLEMENTING AND APPLYING THE POLICY FOR ASSISTING PATIENTS WITH LIMITED MEANS IN A PROFESSIONAL, CONSISTENT MANNER. MERCY HEALTH PARTNERS EDUCATES STAFF MEMBERS WHO WORK CLOSELY WITH PATIENTS (INCLUDING THOSE WORKING IN PATIENT REGISTRATION AND ADMISSION, FINANCIAL ASSISTANCE, CUSTOMER SERVICE, BILLING AND COLLECTIONS) ABOUT THESE POLICIES, WITH AN EMPHASIS ON TREATING ALL PATIENTS WITH DIGNITY AND RESPECT REGARDLESS OF THEIR INSURANCE STATUS OR THEIR ABILITY TO PAY FOR SERVICES. MERCY HEALTH PARTNERS' FRONTLINE REGISTRATION ASSOCIATES, CASHIERS AND THE MUSKEGON COMMUNITY HEALTH PROJECT RECEIVE TRAINING ON MAKING A CONNECTION TO A FINANCIAL COUNSELOR.

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 COMMUNITY INFORMATION - MERCY HEALTH PARTNERS' SERVICE AREA INCLUDES NEWAYGO, OCEANA AND MUSKEGON COUNTIES, LOCATED IN CENTRAL WEST MICHIGAN, ON OR NEAR THE SHORELINE OF LAKE MICHIGAN TOTAL POPULATION OF THE SERVICE AREA IS ABOUT 250,000 AND IS COMPRISED OF BOTH SIGNIFICANT RURAL AND URBAN AREAS THE RURAL AREA IS CHARACTERIZED BY A CHIEFLY AGRICULTURAL, RECREATION AND TOURISM ECONOMY THE METROPOLITAN AREA OF ABOUT 120,000 IS COMPRISED OF FIVE CITIES, THE LARGEST OF WHICH IS THE CITY OF MUSKEGON, WITH 38,401 POPULATION MUSKEGON'S ECONOMY IS LARGELY MANUFACTURING AND SERVICE INDUSTRIES THE POPULATION IS GENERALLY DIVERSE WITH MANY ETHNIC AND RACIAL POPULATION SEGMENTS THE METROPOLITAN AREA HAS A SIGNIFICANT AFRICAN-AMERICAN POPULATION, WHILE OCEANA COUNTY HAS A HIGHER CONCENTRATION OF HISPANIC RESIDENTS MUSKEGON COUNTY IS HOME TO THE COUNTY'S MAJOR HOSPITAL SYSTEM, MERCY HEALTH PARTNERS, WHICH RECENTLY MERGED WITH HACKLEY HOSPITAL AND NOW INCLUDES FOUR CAMPUSES, INCLUDING LAKESHORE HOSPITAL IN OCEANA COUNTY BASED ON THE 2010 CENSUS, THERE WERE 172,188 PEOPLE, 65,654 HOUSEHOLDS, AND 44,690 FAMILIES RESIDING IN THE COUNTY THE RACIAL MAKEUP WAS APPROXIMATELY 80% CAUCASIAN, 14 5% BLACK AND 1 3% FOR NATIVE AMERICAN, ASIAN, AND PACIFIC ISLANDER THE MEDIAN HOUSEHOLD INCOME WAS \$38,916, AND THE MEDIAN INCOME FOR A FAMILY WAS \$51,519 ABOUT 12 4% OF FAMILIES AND 18 6% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING 22 4% OF THOSE UNDER AGE 18 AND 8 7% OF THOSE AGES 65 OR OVER OCEANA COUNTY IS A RURAL COUNTY ROUGHLY 41 MILES NORTH OF MUSKEGON AND 75 MILES NORTHWEST OF GRAND RAPIDS THE RACIAL MAKEUP ACCORDING TO THE 2000 CENSUS WAS 90 1 % CAUCASIAN, WITH AFRICAN-AMERICAN, ASIAN, AND PACIFIC ISLANDER EACH COMPRISING 1 7% OF THE TOTAL POPULATION ROUGHLY 13 7% OF THE POPULATION WAS HISPANIC OR LATINO, THE HIGHEST PERCENTAGE OF LATINOS OF ANY COUNTY IN MICHIGAN RECENT ESTIMATES SHOW THE PERCENTAGE OF LATINOS AND AFRICAN-AMERICANS TO BE INCREASING, WHILE THE PERCENTAGE OF NON-HISPANIC WHITES IS DECREASING THE CENSUS BUREAU ESTIMATES THE 2010 COUNTY POPULATION AT 26,570 THE AVERAGE HOUSEHOLD SIZE WAS 2 65 AND THE AVERAGE FAMILY SIZE WAS 3 14 IN 2010 MEDIAN INCOME WAS \$37,655 NEWAYGO COUNTY IS HOME TO GERBER INDUSTRIES AND THE GERBER MEMORIAL HOSPITAL, LOCATED IN FREMONT THE GEOGRAPHIC PROXIMITY OF THE TWO URBAN CENTERS RESULTS IN SOME COUNTY RESIDENTS TRAVELING TO THE MUSKEGON AREA FOR HEALTHCARE SERVICES WHILE OTHERS USE THE SERVICES AVAILABLE IN GRAND RAPIDS BASED ON THE 2010 CENSUS, THE RACIAL MAKEUP WAS APPROXIMATELY 94 1% CAUCASIAN, 1% BLACK, AND 1 2% FOR NATIVE AMERICAN, ASIAN, AND PACIFIC ISLANDER THE CENSUS BUREAU ESTIMATES THE 2008 COUNTY POPULATION AT 48,460 THE MEDIAN HOUSEHOLD INCOME WAS \$39,059 AND THE MEDIAN INCOME FOR A FAMILY WAS \$49,819 ABOUT 12 1% OF FAMILIES AND 18 6% OF THE POPULATION WERE BELOW THE POVERTY LINE, INCLUDING APPROXIMATELY 22 1% OF THOSE UNDER AGE 18 AND 8 2% OF THOSE AGES 65 OR OVER</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 OTHER INFORMATION - THE MAJORITY OF THE GOVERNING BODY IS COMPRISED OF PE RSONS WHO RESIDE IN THE MERCY HEALTH PARTNERS' (LAKESHORE CAMPUS, HACKLEY CAMPUS AND MERCY CAMPUS) PRIMARY SERVICE AREA WHO ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATIO N, NOR FAMILY MEMBERS SINCE MERCY HEALTH PARTNERS IS THE ONLY HOSPITAL IN MUSKEGON COUNTY , STAFF PRIVILEGES ARE EXTENDED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SURPLUS FUND S ARE ALLOCATED TO IMPROVEMENTS IN PATIENT CARE, MEDICAL EDUCATION AND RESEARCH THE SERVI CE AREA HAS VERY HIGH RATES OF UNINSURED (MUSKEGON CO 23 5%, OCEANA CO 27 6%, NEWAYGO CO 12 7%), SO MERCY HEALTH PARTNERS' FOCUS HAS BEEN ON ACCESS TO CARE MERCY HEALTH PARTNERS' HEALTH PROJECT HAS BEEN VERY PROACTIVE IN WORKING WITH MEDICAL CLINICS AND THE TWO FQHCS THE DESIGN OF A SINGLE ENROLLMENT PROCESS HAS PROVEN TO MAKE APPLYING FOR ASSISTANCE LESS CUMBERSOME THE NEW FORM INCLUDES ALL INFORMATION ESSENTIAL FOR DETERMINING ELIGIBILITY F OR MULTIPLE HEALTH AND HUMAN SERVICES, THUS STREAMLINING THE PROCESS OF ASSISTING PATIENTS TO RECEIVE SERVICES THE WHEELS OF MERCY, A MOBILE UNIT, IS TAKEN TO VARIOUS AREAS THROUG H THE THREE COUNTIES, PROVIDING, AT THE LEAST, BLOOD PRESSURE, DIABETES, PULMONARY FUNCTIO N, VISION AND CHOLESTEROL CHECKS ENROLLMENT ASSISTANCE INTO VARIOUS PROGRAMS IS ALSO PROV IDED THE GOAL IS TO ALLEVIATE MANY EMERGENCY DEPARTMENT VISITS BY SCREENING AND ALERTING PATIENTS TO TREATABLE PROBLEMS THAT COULD ESCALATE INTO LIFE-THREATENING SITUATIONS MUSKEG ON COMMUNITY HEALTH PROJECT - PHARMACEUTICAL ACCESS PROGRAM INCLUDES TWO PROGRAMS 1) MEAN S-TESTED ELIGIBILITY SCREENING AND ENROLLMENT APPLICATION FOR PHARMACEUTICAL COMPANY PAPS, AND 2) ASSISTANCE TO PROCURE INTERIM MEDICATIONS AND SUPPLIES DURING APPLICATION PROCESS PERIOD THIS PROGRAM COMPLEMENTS MAP'S COMMUNITY MEDICATION FUND IN PROVIDING LOW-INCOME, UNINSURED PERSONS WITH THE PRESCRIPTION DRUGS THEY NEED TO MANAGE CHRONIC DISEASES REFERR ALS ARE MADE BETWEEN THE TWO ORGANIZATIONS TO KEEP PACE WITH THE INCREASING NEED THERE ARE NO OTHER KNOWN PROGRAMS IN THE AREA THAT SUPPLY INTERIM MEDICATIONS TO PATIENTS WAITING TO BE ENROLLED IN THE PAPS THE HEALTH PROJECT'S PROGRAM GETS SUPPORT FROM SEVERAL SMALL G RANTS, PRIVATE AND PUBLIC, AS WELL AS PROCEEDS FROM AN ANNUAL FUNDRAISING WALKATHON HEALT HCARE PROVIDES BLOOD PRESSURE AND DIABETES SCREENING TO LOW-INCOME PEOPLE, REFERRALS TO PR IMARY CARE AND SOCIAL SERVICES, AS WELL AS ADVOCACY AND EDUCATION ON ACCESS TO SERVICES L OCAL DIABETES RATES ARE SIGNIFICANTLY HIGHER THAN THE MICHIGAN AVERAGE PERSISTENTLY HIGH RATES OF DIABETES IN MUSKEGON AND OCEANA COUNTIES, ESPECIALLY AMONG AFRICAN AMERICANS AND HISPANICS, IS A KEY FINDING OF THE 2009 COMMUNITY HEALTH NEEDS ASSESSMENT INCREASED SCREE NING, PATIENT EDUCATION AND EARLY INTERVENTION TREATMENTS ARE NEEDED TO CURB THE IMPACT OF DIABETES AND ITS COMPLICATIONS THE CHNA ALSO NOTED THE DANGER OF INCREASING IMPACTS OF C HRONIC DISEASES DUE TO HEALTH DISPARITIES IN ACCESS TO CARE EXPERIENCED BY THE POOR AND MI NORITY POPULATIONS DEPARTMENTS ARE AGGRESSIVELY INVOLVED IN COMMUNITY PROGRAMS FOR INSTAN CE OUTREACH AND ENROLLMENT SPECIALISTS CONDUCT HEALTH AND HUMAN SERVICE ELIGIBILITY SCREE N S ON ALL UNINSURED PATIENTS AT THE TIME OF DISCHARGE FROM THE HOSPITAL OR EMERGENCY DEPART MENT INCLUDED IN THE SCREENING IS ELIGIBILITY FOR MEDICAID, SCHIP OR OTHER AVAILABLE HEAL TH COVERAGE, FOOD ASSISTANCE PROGRAM, MERCY HEALTH PARTNERS FINANCIAL ASSISTANCE, ET AL M ERCY HEALTH PARTNERS PARTICIPATES IN THE UNITED WAY DAY OF CARING ALSO, EVERY YEAR, THE H EALTHY-U EVENT IS CONDUCTED TO EDUCATE THE COMMUNITY ABOUT HEART HEALTH, AND PROVIDE WORKS HOPS AND PROGRAMS AT NO COST SUPPORT FOR EVENTS, SUCH AS THE AFRICAN-AMERICAN DIABETES CO NFERENCE, MEN'S HEALTH FAIR AND SCREENING, AND THE WALK FOR DIABETES ARE CONDUCTED TO RAIS E FUNDS FOR PHARMACEUTICAL PRODUCTS FOR PEOPLE WHO CAN'T AFFORD THEM MERCY HEALTH PARTNER S CONDUCTS EXTENSIVE COMMUNITY-BASED SCREENINGS AT CHURCHES AND OTHER VENUES AROUND THE CO MMUNITY PHYSICIANS VOLUNTEER THEIR TIME IN DOC TALKS FOR THE COMMUNITY, COMMUNITY SERVICE S ARE PROVIDED TO BENEFIT EVERYONE IN THE COMMUNITY, SUCH AS BIRTHING CLASSES ALL OF MERC Y HEALTH PARTNERS SUPPORT THE USE OF FACILITIES BY NON-PROFIT ORGANIZATIONS FOR MEETINGS A ND SUPPORT A CERTAIN PERCENT OF EARNINGS FROM THE SISTER SIMONE FUND ARE REDIRECTED BACK TO COMMUNITY GROUPS FOR PROJECTS TO IMPROVE THE HEALTH OF THE COMMUNITY MEDICAL AND ADMIN ISTRATIVE STAFFS SIT ON COMMUNITY COALITIONS THAT TARGET AREAS OF COMMUNITY NEED, INCLUDIN G HIV/AIDS, DIABETES, CHILDHOOD OBESITY, HEALTH DISPARITIES, ASTHMA, ALCOHOL, TOBACCO AND SUBSTANCE ABUSE, AND YOUTH RISK BEHAVIORS MERCY HEALTH PARTNERS ALSO GIVES MONEY TO SUPPO RT THE COMMUNITY ACCESS LINE OF THE LAKESHORE (CALL 2-1-1) INFORMATION AND REFERRAL PHONE LINE, ACCESS HEALTH, A "3-SHARE" MODEL COMMUNITY HEALTH COVERAGE PROGRAM, AS WELL AS VISIO N SERVICES MERCY HEALTH PARTNERS (ALL CAMPUSES) A</p>

Identifier	ReturnReference	Explanation
		RE INVOLVED WITH "ALIGNING FORCES FOR QUALITY EQUITY AND LANGUAGE QUALITY" TO MEET THE TRINITY EQUITY IN CARE PROCESS OF DETERMINING WHETHER INEQUITIES EXIST IN CARE DUE TO RACE OR ETHNICITY. MERCY HEALTH PARTNERS' LAKESHORE HEALTH NETWORK CONTINUES TO LEAD A HEALTH LITERACY COMMITTEE, CALLED CLEAR COMMUNICATION FOR HEALTH COLLABORATIVE, TO FOCUS ON ISSUES THAT EMERGED OUT OF THE COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS. THIS COMMITTEE IS LOOKING AT HOW WE CAN IMPROVE GIVING PATIENTS INFORMATION THEY CAN UNDERSTAND IN ORDER TO IMPROVE THEIR HEALTH AND COMPLIANCE WITH MEDICAL PROTOCOLS IN PARTNERSHIP WITH LAKESHORE HEALTH NETWORK. THE HEALTH PROJECT HAS BEEN OPERATING THE MUSKEGON AREA MEDICATION DISPOSAL PROJECT (MAMDP) SINCE LATE 2010. THE MEDICATION TAKE-BACK PROJECT REDUCES YOUTH ACCESS TO NON-PRESCRIBED MEDICATIONS, REDUCES THE NUMBER OF EXPIRED AND POTENTIALLY UNSAFE MEDICATIONS, ASSISTS LAW ENFORCEMENT WITH NEIGHBORHOOD SAFETY FOR THOSE SEEKING OUT DRUGS IN MEDICINE CABINETS AND REDUCES THE ENVIRONMENTAL IMPACT ON WATER QUALITY. THE MAMDP HELD FOUR EVENTS IN FY 2011 AND COLLECTED OVER 2,527 POUNDS OF MATERIALS FROM OVER 750 PARTICIPANTS. NEARLY 40% (282 POUNDS) OF THE MATERIALS WERE CLASSIFIED AS CONTROLLED SUBSTANCES. OVER 200 POUNDS OF SHARPS WERE COLLECTED AND 127 POUNDS OF NEW/UNUSED MEDICATIONS WERE DONATED TO A NON-PROFIT DISPENSARY.

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

Additional Data

Software ID:

Software Version:

EIN: 38-2589966

Name: MERCY HEALTH PARTNERS

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>23</u>	
Name and address	Type of Facility (Describe)
JOHNSON FAMILY CENTER FOR CANCER CARE 1440 E SHERMAN BLVD MUSKEGON, MI 49444	CANCER TREATMENT FACILITY
NORTON FAMILY PRACTICE 3535 PARK STREET SUITE 110 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
WESTSHORE FAMILY MEDICINE 1223 MERCY DRIVE MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
BEAR CREEK HEALTH CENTER 1877 N GETTY STREET NORTH MUSKEGON, MI 49445	PRIMARY CARE PHYSICIAN OFFICE
HARBORWOOD FAMILY MEDICINE 1675 LEAHY STREET SUITE 301A MUSKEGON, MI 49442	PRIMARY CARE PHYSICIAN OFFICE
HARBOUR POINTE MEDICAL ASSOCIATES 3587 HENRY STREET SUITE 200 MUSKEGON, MI 49441	PRIMARY CARE PHYSICIAN OFFICE
HARBORWOOD AT THE LAKES 6401 PRAIRIE STREET SUITE 1600 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
NORTHSHORE FAMILY PRACTICE 1915 HOLTON ROAD MUSKEGON, MI 49445	PRIMARY CARE PHYSICIAN OFFICE
MERCY WESTSHORE INTERNAL MEDICINE 1150 E SHERMAN BLVD SUITE 1100 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
HART PAVILION 611 E MAIN STREET HART, MI 49420	LAB, RADIOLOGY
GERIATRIC MEDICAL ASSOCIATES 1150 E SHERMAN BLVD SUITE 1125 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
LAKES FAMILY MEDICINE 6207 HARVEY STREET MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
MERCY HEART CENTER 1212 E SHERMAN BLVD MUSKEGON, MI 49444	WELLNESS & REHABILITATION FACILITY
LAKESHORE FAMILY CARE 601 W SAVIDGE STREET SPRING LAKE, MI 49456	PRIMARY CARE PHYSICIAN OFFICE
KINNEY & PARRETT FAMILY PRACTICE 1325 MERCY DRIVE MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
HARBOUR VIEW FAMILY MEDICINE 1909 RUDDIMAN DRIVE NORTH MUSKEGON, MI 49445	PRIMARY CARE PHYSICIAN OFFICE
ADULT MEDICINE SPECIALIST 6401 PRAIRIE STREET SUITE 2800 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
DRS BRENNEMAN 1715 PECK STREET MUSKEGON, MI 49441	PRIMARY CARE PHYSICIAN OFFICE
WEST VIEW FAMILY MEDICINE 6401 PRAIRIE STREET SUITE 2600 MUSKEGON, MI 49444	PRIMARY CARE PHYSICIAN OFFICE
AQUATHERAPY REHAB CENTER 100 SEAWAY DRIVE MUSKEGON, MI 49444	REHABILITATION FACILITY
WHITE LAKE FAMILY PRACTICE 9883 US 31 MONTAGUE, MI 49437	PRIMARY CARE PHYSICIAN OFFICE
WOMEN'S HEALTH CENTER 1787 WAGNER MUSKEGON, MI 49444	OBSTETRICS / GYNECOLOGY
SHORELINE ENT 1762 WAGNER MUSKEGON, MI 49442	ENT PHYSICIAN OFFICE

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
MERCY HEALTH PARTNERS

Employer identification number
38-2589966

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes

☐ No
- 2

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

Part II

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) CHRISTIANS FOR HEALTH INC134 E BARNEY AVENUE MUSKEGON HEIGHTS,MI 49444	38-2906093	501(C)3	10,000				GENERAL SUPPORT
(2) MGH FAMILY HEALTH CENTER2201 S GETTY STREET MUSKEGON,MI 49444	38-3324611	501(C)3	14,102				INTEREST ON LOAN
(3) CATHOLIC CHARITIES OF WEST MICHIGAN360 DIVISION STE A GRAND RAPIDS,MI 49503	38-3012473	501(C)3	13,000				TEEN PARENT PROGRAM AND FOOD PANTRY
(4) LOVE INC OF MUSKEGON COUNTY2735 E APPLE SUITE A MUSKEGON,MI 49442	38-2450507	501(C)3	10,000				HEALTHY EATING HEALTHY LIVING PROGRAM
(5) COMMUNITY ENCOMPASS1105 TERRACE STREET MUSKEGON,MI 49442	38-3279226	501(C)3	12,500				LAUNDRY AND SHOWER PROGRAM KNOWN AS SACRED SUDS AND URBAN FARM PROGRAM
(6) MISSION FOR AREA PEOPLE2500 JEFFERSON STREET MUSKEGON,MI 49444	38-3220964	501(C)3	13,000				COMMUNITY MEDICAL AND FOOD PANTRY

2

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

6

3

Enter total number of other organizations

0

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

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

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

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

Schedule J
(Form 990)

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
MERCY HEALTH PARTNERS

Employer identification number
38-2589966

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	THE FOLLOWING INDIVIDUALS RECEIVED SEVERANCE PAYMENTS IN CALENDAR 2010. THESE AMOUNTS ARE INCLUDED IN COLUMN B(III): DAVID GINGRAS - \$163,158; GORDON MUDLER - \$350,314. THE FOLLOWING ARE PARTICIPANTS IN THE TRINITY HEALTH PENSION RESTORATION PLAN, A NONQUALIFIED PLAN, WHICH PROVIDES RETIREMENT BENEFITS FOR CERTAIN ASSOCIATES WITH EARNINGS ABOVE THE IRS PAY CAP FOR QUALIFIED PLANS (\$245,000 FOR 2010). THE FOLLOWING ACCRUALS FOR 2010 FOR THIS PLAN ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: KEDRICK ADKINS - \$113,498; MICHAEL MURPHY - \$26,316; RICHARD O'CONNELL - \$83,058; MICHAEL SLUBOWSKI - \$136,445; ROGER SPOELMAN - \$101,579; JOSEPH SWEDISH - \$223,342. THE FOLLOWING ARE PARTICIPANTS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP). THE FOLLOWING SERP ACCRUALS FOR 2010 ARE INCLUDED IN COLUMN C OF SCHEDULE J, PART II: KEDRICK ADKINS - \$49,977; MICHAEL SLUBOWSKI - \$77,185; JOSEPH SWEDISH - \$511,613.

Software ID:

Software Version:

EIN: 38-2589966

Name: MERCY HEALTH PARTNERS

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
PHILIP MCCORKLE	(i)	0	0	0	0	0	0	0
	(ii)	420,523	157,477	346,813	44,119	29,377	998,309	125,372
ROGER SPOELMAN	(i)	0	0	0	0	0	0	0
	(ii)	410,821	163,555	101,383	137,197	21,920	834,876	37,116
GREGORY LOOMIS	(i)	0	0	0	0	0	0	0
	(ii)	277,822	74,931	2,628	37,341	14,058	406,780	0
GARY ALLORE	(i)	0	0	0	0	0	0	0
	(ii)	241,748	65,933	798	19,444	18,684	346,607	0
JOSEPH SWEDISH	(i)	0	0	0	0	0	0	0
	(ii)	1,240,774	645,161	967,997	763,945	27,508	3,645,385	690,161
MICHAEL SLUBOWSKI	(i)	0	0	0	0	0	0	0
	(ii)	701,008	291,561	160,595	246,925	24,807	1,424,896	42,832
KEDRICK ADKINS	(i)	0	0	0	0	0	0	0
	(ii)	717,356	326,029	117,485	184,461	13,787	1,359,118	0
F REMINGTON SPRAGUE	(i)	0	0	0	0	0	0	0
	(ii)	320,194	85,880	4,689	41,004	9,930	461,697	0
MARY BOYD	(i)	0	0	0	0	0	0	0
	(ii)	252,954	61,657	1,856	32,858	2,387	351,712	0
JEFFREY ALEXANDER	(i)	0	0	0	0	0	0	0
	(ii)	228,562	61,904	1,136	18,936	11,185	321,723	0
KIMBERLY MAGUIRE	(i)	0	0	0	0	0	0	0
	(ii)	191,177	51,342	602	31,968	14,033	289,122	0
RICHARD O'CONNELL	(i)	0	0	0	0	0	0	0
	(ii)	533,392	113,794	114,187	116,680	21,280	899,333	0
MICHAEL MURPHY	(i)	0	0	0	0	0	0	0
	(ii)	343,184	68,618	128,021	47,238	21,304	608,365	0
MANSOUR YACoub	(i)	539,237	0	1,515	20,602	21,953	583,307	0
	(ii)	0	0	0	0	0	0	0
JEFFREY SEARS	(i)	505,071	0	2,434	21,570	12,264	541,339	0
	(ii)	0	0	0	0	0	0	0
MIMA BACIC	(i)	467,727	0	2,786	41,125	6,085	517,723	0
	(ii)	0	0	0	0	0	0	0
JAMES STARR	(i)	466,529	0	538	10,860	23,100	501,027	0
	(ii)	0	0	0	0	0	0	0
CHARLES ZICKUS	(i)	447,768	0	1,527	23,983	22,230	495,508	0
	(ii)	0	0	0	0	0	0	0
GORDON MUDLER	(i)	0	0	0	0	0	0	0
	(ii)	0	0	354,853	0	6,376	361,229	345,007
DAVID GINGRAS	(i)	0	0	0	0	0	0	0
	(ii)	0	0	192,696	0	1,579	194,275	151,850

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MERCY HEALTH PARTNERS

Employer identification number

38-2589966

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CYNTHIA L MEYERING	FAMILY MEMBER OF KIMBERLY MAGUIRE, KEY EMPLOYEE	36,824	EMPLOYMENT ARRANGEMENT		No
(2) BLUE CROSS BLUE SHIELD OF MICHIGAN	F REMINGTON SPRAGUE, KEY EMPLOYEE, IS TRUSTEE OF BLUE CROSS BLUE SHIELD-MI	38,346,000	NET REVENUE FROM PROVISION OF MEDICAL SERVICES		No
(3) NICHOLS PAPER & SUPPLY COMPANY	MICHAEL OLTHOFF, TRUSTEE, IS A MAJORITY OWNER OF NICHOLS	149,525	PURCHASE OF PAPER SUPPLIES		No
(4) MUSKEGON SC LLC	YOUSIF HAMATI, TRUSTEE, IS A GREATER THAN 5% PARTNER IN MUSKEGON SC, LLC	622,240	OUTPATIENT SURGERY SERVICES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization MERCY HEALTH PARTNERS	Employer identification number 38-2589966
---	--

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

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

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

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

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

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

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

Identifier	Return Reference	Explanation
ESTIMATE OF THE AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, COLUMN B	THE HOURS LISTED IN COLUMN B OF PART VII, SECTION A, LINE 1 REFLECT ONLY THE INDIVIDUALS' AVERAGE WEEKLY HOURS SPENT DIRECTLY ON THE ACTIVITIES OF THE REPORTING ORGANIZATION. IN ADDITION, THESE ARE THE AVERAGE HOURS PER WEEK DEVOTED TO RELATED ORGANIZATIONS: KEDRICK ADKINS - 53 HOURS, JEFFREY ALEXANDER - 25 HOURS, GARY ALLORE - 25 HOURS, MARY BOYD - 25 HOURS, GREGORY LOOMIS - 25 HOURS, KIMBERLY MAGUIRE - 25 HOURS, PHILIP MCCORKLE - 48 HOURS, MICHAEL MURPHY - 53 HOURS, RICHARD O'CONNELL - 53 HOURS, MICHAEL SLUBOWSKI - 53 HOURS, ROGER SPOELMAN - 25 HOURS, F. REMINGTON SPRAGUE - 25 HOURS, JOSEPH SWEDISH - 53 HOURS.

Identifier	Return Reference	Explanation
TRUSTEES	FORM 990, PART VII, SECTION A	SR MYRA BERGMAN, RSM IS A MEMBER OF THE RELIGIOUS SISTERS OF MERCY HAVING TAKEN A VOW OF POVERTY, SR MYRA DID NOT RECEIVE COMPENSATION FOR THE SERVICES SHE PROVIDED AS VICE PRESIDENT, MISSION SERVICES FOR SAINT MARY'S HEALTH CARE (A DIVISION OF TRINITY HEALTH - MICHIGAN) INSTEAD, A TOTAL OF \$201,117 WAS PAID BY TRINITY HEALTH - MICHIGAN DIRECTLY TO THE SISTERS OF MERCY FOR SR MYRA'S SERVICES

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 2,581,265 EQUITY TRANSFERS TO AFFILIATES - 5,781,216 NET CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE -220,777 OTHER TRANSACTIONS -204,352 INDIGENT CARE AGREEMENT REVENUE 1,527,928 INDIGENT CARE AGREEMENT CONTRIBUTION -1,427,000 TOTAL TO FORM 990, PART XI, LINE 5 -3,524,152

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

Identifier	Return Reference	Explanation
	FORM 990, PAGE 1, DOING BUSINESS AS NAMES	MERCY HEALTH PARTNERS, MUSKEGON GENERAL CAMPUS MERCY HEALTH PARTNERS, MERCY CAMPUS MERCY HEALTH PARTNERS-ORTHOTICS AND PROSTHETICS MERCY HEALTH MERCY

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
MERCY HEALTH PARTNERS

Employer identification number
38-2589966

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

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

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

Part IV

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

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

Part V

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a Yes

1b Yes

1c Yes

1d

1e

1f

1g

1h

1i

1j Yes

1k Yes

1l Yes

1m

1n

1o Yes

1p Yes

1q Yes

1r

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

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Software ID:

Software Version:

EIN: 38-2589966

Name: MERCY HEALTH PARTNERS

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
DUBUQUE MERCY HEALTH FOUNDATION INC 250 MERCY DRIVE DUBUQUE, IA52001 26-2227941	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP		No
DYERSVILLE HEALTH FOUNDATION INC 1111 3RD STREET SW DYERSVILLE, IA52040 20-5383271	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP		No
HACKLEY HOSPITAL 1700 CLINTON ST PO BOX 3302 MUSKEGON, MI494433302 38-1358196	HEALTHCARE SERVICES	MI	501(C)(3)	3	MERCY HEALTH PARTNERS	Yes	
HACKLEY HOSPITAL SELF INSURANCE PROFESSIONAL LIABILITY TRUST PO BOX 3302 MUSKEGON, MI494433302 38-2299878	SELF INSURANCE FOR GENERAL AND MALPRACTICE LIABILITY	MI	501(C)(3)	11, TYPE III-FI	MERCY HEALTH PARTNERS	Yes	
HACKLEY LIFE COUNSELING 1352 TERRACE ST MUSKEGON, MI494423545 38-1386362	COUNSELING, EDUCATION, AND SUPPORT	MI	501(C)(3)	9	MERCY HEALTH PARTNERS	Yes	
HACKLEY VISITING NURSE SERVICES AND HOSPICE INC 888 TERRACE ST MUSKEGON, MI49440 38-1359598	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	7	MERCY HEALTH PARTNERS	Yes	
HOLY CROSS CARENET INC PO BOX 9184 FARMINGTON HILLS, MI48333 52-1945054	LONG-TERM CARE AND REHABILITATION FOR THE ELDERLY	MD	501(C)(3)	9	TRINITY CONTINUING CARE SERVICES		No
HOLY CROSS HOSPITAL FOUNDATION INC 11801 TECH ROAD SILVER SPRING, MD20904 20-8428450	CHARITABLE FUNDRAISING	MD	501(C)(3)	11, TYPE I	HOLY CROSS HOSPITAL OF SILVER SPRING INC		No
HOLY CROSS HOSPITAL OF SILVER SPRING INC 1500 FOREST GLEN RD SILVER SPRING, MD209101484 52-0738041	HEALTHCARE SERVICES	MD	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY CROSS MEDICAL CENTER 27870 CABOT DRIVE NOVI, MI483772920 95-1985442	HEALTHCARE SERVICES (FORMERLY)	CA	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
HOLY ROSARY MEDICAL CENTER FOUNDATION 351 SW 9TH STREET ONTARIO, OR97914 20-2683560	SUPPORT THE SERVICES OF RELATED HOSPITAL	OR	501(C)(3)	11, TYPE I	SAINT ALPHONSUS MEDICAL CENTER-ONTARIO		No
HOSPICE OF NORTH IOWA 232 SECOND STREET SE MASON CITY, IA504016208 42-1173708	HOSPICE HEALTH CARE SERVICES	IA	501(C)(3)	7	MERCY HEALTH SERVICES-IOWA CORP		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
HOSPICE OF WASHTENAW II 806 AIRPORT BLVD ANN ARBOR, MI48108 38-3320707	HOSPICE HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
HPCN 1675 LEAHY STREET MUSKEGON, MI49442 30-0207909	HEALTHCARE SERVICES	MI	501(C)(3)	11, TYPE II	MERCY HEALTH PARTNERS	Yes	
IHA HEALTH SERVICES CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3316559	PROVIDES OFFICE-BASED MEDICAL CARE	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
LAKESHORE COMMUNITY HOSPITAL INC 72 S STATE STREET SHELBY, MI494551228 38-2549295	ACUTE HEALTHCARE SERVICES	MI	501(C)(3)	3	MERCY HEALTH PARTNERS	Yes	
LIFESPAN INC 166 EAST GOODALE AVE BATTLE CREEK, MI490372728 38-3298476	PROVIDE HOSPICE HEALTH SERVICES	MI	501(C)(3)	9	BATTLE CREEK HEALTH SYSTEM		No
MARIAN HOME HEALTHCARE 801 5TH STREET SIOUX CITY, IA51101 38-3320705	PROVIDE HOME HEALTH CARE SERVICES	IA	501(C)(3)	11, TYPE I	MERCY HEALTH SERVICES-IOWA CORP		No
MCAULEY CLINIC CORPORATION PO BOX 992 ANN ARBOR, MI48106 38-2561013	HEALTHCARE SERVICES (FORMERLY)	MI	501(C)(3)	3	CATHERINE MCAULEY HEALTH SERVICES CORP		No
MERCY AMICARE HOME HEALTHCARE OAKLAND 281 ENTERPRISE COURT BLOOMFIELD HILLS, MI483020312 38-3320698	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY AMICARE HOME HEALTHCARE PORT HURON 505 HURON AVENUE PORT HURON, MI48060 38-3320701	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY GENERAL HEALTH PARTNERS AMICARE HOMECARE 684 HARVEY STREET MUSKEGON, MI49442 38-3321856	PROVIDE HOME HEALTH CARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY HEALTH PARTNERS 1415 LEAHY STREET MUSKEGON, MI49442 38-2589966	HEALTHCARE SYSTEM SUPPORT	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN	Yes	
MERCY HEALTH SERVICES - IOWA CORP 1000 4TH STREET SW MASON CITY, IA50401 31-1373080	HEALTHCARE SERVICES	DE	501(C)(3)	3	TRINITY HEALTH-MICHIGAN		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
MERCY HEALTHCARE FOUNDATION 1410 N 4TH ST CLINTON, IA52732 42-1316126	FUNDRAISING AND FINANCIAL ASSISTANCE FOR HOSPITAL CHARITABLE SERVICES	IA	501(C)(3)	11, TYPE I	MERCY MEDICAL CENTER-CLINTON		No
MERCY HOSP & HEALTH SERVICES OF DETROITMARSHALL PARK HEALTH SERVICES INC 27870 CABOT DRIVE NOVI, MI483772920 38-1562325	SUPPORTS MALPRACTICE CONTINGENCIES OF CLOSED HOSPITAL	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY HOSPITAL CADILLAC FOUNDATION 400 HOBART CADILLAC, MI496012331 20-3357131	SUPPORT THE SERVICES OF RELATED HOSPITAL	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY HOSPITAL GIFT SHOP 2601 ELECTRIC AVE PORT HURON, MI48060 38-1630480	VOLUNTEER SERVICE AUXILIARY	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
MERCY MEDICAL CENTER - CLINTON INC 1410 NORTH 4TH ST CLINTON, IA527322940 42-1336618	TO PROVIDE QUALITY HEALTH CARE	DE	501(C)(3)	3	MERCY HEALTH SERVICES-IOWA CORP		No
MERCY MEDICAL CENTER - SIOUX CITY FOUNDATION 801 5TH STREET SIOUX CITY, IA51102 14-1880022	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	7	MERCY HEALTH SERVICES-IOWA CORP		No
MERCY MEDICAL CENTER FOUNDATION - NORTH IOWA 1000 4TH STREET SW MASON CITY, IA504012800 42-1229151	SUPPORT THE SERVICES OF RELATED HOSPITAL	IA	501(C)(3)	11, TYPE III-FI	MERCY HEALTH SERVICES-IOWA CORP		No
MERCY MEDICAL CENTER FOUNDATION INC 1512 12TH AVENUE ROAD NAMPA, ID83686 26-1737256	SUPPORT THE SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	7	SAINT ALPHONSUS MEDICAL CENTER-NAMPA		No
MERCY NORTH HOMECARE AND HOSPICE 7985 MACKINAW TRAIL CADILLAC, MI49601 38-3313897	HOME HEALTH AND HOSPICE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HOME HEALTH SERVICES INC		No
MERCY PAVILION OF BATTLE CREEK 300 NORTH AVENUE BATTLE CREEK, MI49016 38-2783350	PROVIDES LONG-TERM CARE FOR THE ELDERLY	MI	501(C)(3)	9	BATTLE CREEK HEALTH SYSTEM		No
MERCY PHYSICIAN GROUP INC 1512 12TH AVENUE ROAD NAMPA, ID83686 20-8192593	TO PROVIDE QUALITY HEALTH CARE	ID	501(C)(3)	9	SAINT ALPHONSUS MEDICAL CENTER-NAMPA		No
MERCY SERVICES FOR AGING NON-PROFIT HOUSING CORPORATION PO BOX 9184 FARMINGTON HILLS, MI483339184 38-2719605	PROVIDES LONG-TERM CARE FOR THE ELDERLY	MI	501(C)(3)	11, TYPE II	TRINITY CONTINUING CARE SERVICES INC		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501 (c)(3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
MIDWEST MEDFLIGHT 1300 VICTORS WAY ANN ARBOR, MI48108 38-2684671	AEROMEDICAL TRANSPORT	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
MOUNT CARMEL CARE CONTINUUM SERVICES CORP 793 WEST STATE STREET COLUMBUS, OH43222 31-1126211	COOPERATIVE HOSPITAL SERVICE ORGANIZATION	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL COLLEGE OF NURSING 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1308555	COLLEGE OF NURSING	OH	501(C)(3)	2	MOUNT CARMEL HEALTH		No
MOUNT CARMEL HEALTH 6150 EAST BROAD STREET COLUMBUS, OH43213 31-4379602	HEALTHCARE SERVICES	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH INSURANCE COMPANY 6150 EAST BROAD STREET COLUMBUS, OH43213 25-1912781	HEALTH INSURANCE	OH	501(C)(4)	N/A	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH PLAN INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1471229	MEDICARE HMO FOR SENIORS	OH	501(C)(4)	N/A	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HEALTH SYSTEM 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1439334	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	OH	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
MOUNT CARMEL HEALTH SYSTEM FOUNDATION 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1113966	SUPPORT THE SERVICES OF RELATED HOSPITAL	OH	501(C)(3)	11, TYPE I	MOUNT CARMEL HEALTH SYSTEM		No
MOUNT CARMEL HOME CARE LLC 1144 DUBLIN ROAD SUITE B COLUMBUS, OH43215 26-2729300	PROVIDE HOME HEALTH CARE SERVICES	OH	501(C)(3)	9	TRINITY HOME HEALTH SERVICES INC		No
MOUNT CARMEL NEW ALBANY SURGICAL HOSPITAL 7333 SMITHS MILL RD NEW ALBANY, OH43054 87-0790288	HEALTHCARE SERVICES	OH	501(C)(3)	3	MOUNT CARMEL HEALTH SYSTEM		No
MRI MOBILE SERVICES OF WEST MICHIGAN 1820 - 44TH STREET KENTWOOD, MI49508 38-3073745	OPERATE MAGNETIC IMAGING RESONANCE (FORMERLY)	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
MUSKEGON COMMUNITY HEALTH PROJECT 565 W WESTERN AVENUE MUSKEGON, MI49440 91-1932918	FACILITATE AND COORDINATE HEALTHCARE AND RELATED SERVICES	MI	501(C)(3)	7	MERCY HEALTH PARTNERS	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
OAKLAND MERCY HOSPITAL 601 EAST 2ND STREET OAKLAND, NE68045 20-8072234	HEALTHCARE SERVICES	NE	501(C)(3)	3	MERCY HEALTH SERVICES-IOWA CORP		No
OAKLAND MERCY HOSPITAL FOUNDATION 601 E 2ND STREET OAKLAND, NE68045 31-1678345	SUPPORTS SERVICES OF RELATED HOSPITAL	NE	501(C)(3)	11, TYPE III-FI	OAKLAND MERCY HOSPITAL		No
PORT HURON MERCY FAMILY CARE INC 2601 ELECTRIC AVE PORT HURON, MI48060 20-1855647	HEALTHCARE SERVICES	MI	501(C)(3)	11, TYPE I	TRINITY HEALTH-MICHIGAN		No
PROFESSIONAL MED TEAM 965 FORK STREET MUSKEGON, MI494423257 38-2638284	MEDICAL CARE, TRANSPORTATION AND EDUCATION	MI	501(C)(3)	9	TRINITY HEALTH-MICHIGAN		No
PROFESSIONAL OFFICE CORPORATION 1303 EAST HERNDON AVE FRESNO, CA93720 94-2839324	HEALTHCARE SERVICES	CA	501(C)(3)	11, TYPE I	SAINT AGNES MEDICAL CENTER		No
SAINT AGNES MEDICAL CENTER 1303 EAST HERNDON AVE FRESNO, CA93720 94-1437713	HEALTHCARE SERVICES	CA	501(C)(3)	3	TRINITY HEALTH CORPORATION		No
SAINT ALPHONSUS BUILDING COMPANY INC 1055 NORTH CURTIS RD BOISE, ID83706 82-0401011	SUPPORTS SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	11, TYPE I	SAINT ALPHONSUS REGIONAL MEDICAL CENTER INC		No
SAINT ALPHONSUS DIVERSIFIED CARE INC 1055 NORTH CURTIS RD BOISE, ID83706 94-3028978	SUPPORTS SERVICES OF RELATED HOSPITAL	ID	501(C)(3)	11, TYPE I	SAINT ALPHONSUS REGIONAL MEDICAL CENTER INC		No
SAINT ALPHONSUS HEALTH SYSTEM INC 1055 N CURTIS ROAD BOISE, ID83706 27-1929502	HEALTHCARE SYSTEM MANAGEMENT AND SUPPORT	ID	501(C)(3)	11, TYPE I	TRINITY HEALTH CORPORATION		No
SAINT ALPHONSUS MEDICAL CENTER-BAKER CITY 3325 POCAHONTAS ROAD BAKER CITY, OR97814 27-1790052	TO PROVIDE QUALITY HEALTH CARE	OR	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No
SAINT ALPHONSUS MEDICAL CENTER-NAMPA 1512 12TH AVENUE ROAD NAMPA, ID83686 82-0200896	TO PROVIDE QUALITY HEALTH CARE	ID	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No
SAINT ALPHONSUS MEDICAL CENTER-ONTARIO 351 SW 9TH STREET ONTARIO, OR97914 27-1789847	TO PROVIDE QUALITY HEALTH CARE	OR	501(C)(3)	3	SAINT ALPHONSUS HEALTH SYSTEM INC		No

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

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

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

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

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

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

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

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
COMMUNITY HEALTH VENTURES INC 565 W WESTERN AVE MUSKEGON, MI49440 38-3522260	SOFTWARE MARKETING	MI	N/A	C			
HACKLEY HEALTH MANAGEMENT CENTER 1415 LEAHY ST MUSKEGON, MI49442 38-2961814	WEIGHT MANAGEMENT	MI	HACKLEY HEALTH VENTURES INC	C	25,077	407,450	100 000 %
HACKLEY HEALTH VENTURES INC 1415 LEAHY ST MUSKEGON, MI49442 38-2589959	OTHER MEDICAL SERVICES	MI	MERCY HEALTH PARTNERS	C	14,833	840,922	100 000 %
HACKLEY HEALTHCARE EQUIPMENT 1415 LEAHY ST MUSKEGON, MI49442 38-2578569	HOME MEDICAL EQUIPMENT	MI	HACKLEY HEALTH VENTURES INC	C	-286,571	1,609,859	100 000 %
HACKLEY PROFESSIONAL CENTER 1415 LEAHY ST MUSKEGON, MI49442 38-3024797	REAL ESTATE RENTAL	MI	HACKLEY HEALTH VENTURES INC	C	-194,806	2,912,209	100 000 %
HACKLEY PROFESSIONAL PHARMACY 1415 LEAHY ST MUSKEGON, MI49442 38-2447870	PHARMACY	MI	HACKLEY HEALTH VENTURES INC	C	163,069	2,719,176	100 000 %
HEF INC 1415 LEAHY ST MUSKEGON, MI49442 38-3086401	OFFICE STAFFING	MI	HACKLEY HEALTH VENTURES INC	C			100 000 %
HOLY CROSS PRIVATE HOME SERVICES CORP 11801 TECH ROAD SILVER SPRING, MD20904 52-1986562	HOME CARE SERVICES	MD	N/A	C			
HPC CO-OWNERS ASSOCIATION 1700 CLINTON MUSKEGON, MI49442 27-0734448	CONDOMINIUM ASSOCIATION	MI	N/A	C			
HURON ARBOR CORPORATION 5301 EAST HURON RIVER DR PO BOX 992 ANN ARBOR, MI48106 38-2475644	PROVIDES OFFICE RENTAL SPACE	MI	N/A	C			
INTEGRATED HEALTH ASSOCIATES INC 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3126920	MEDICAL MANAGEMENT	MI	N/A	C			
IHA AFFILIATION CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3188895	MEDICAL MANAGEMENT	MI	N/A	C			
IHA HEALTH SERVICES CORPORATION 24 FRANK LLOYD WRIGHT DR LOBBY J ANN ARBOR, MI48106 38-3316559	MEDICAL SERVICES	MI	N/A	C			
MARYLAND CARE GROUP INC 11801 TECH ROAD SILVER SPRING, MD20904 52-1815313	HEALTHCARE HOLDING	MD	N/A	C			
MEDNOW INC 1512 12TH AVENUE ROAD NAMPA, ID83686 82-0389927	OUTPATIENT PHARMACY	ID	N/A	C			
MERCY COMMUNITY PHYSICIANS 363 FREMONT STREET BATTLE CREEK, MI49017 26-4252468	HEALTHCARE SERVICES	MI	N/A	C			
MERCY MEDICAL SERVICES 801 5TH STREET SIOUX CITY, IA51101 42-1283849	PRIMARY CARE PHYSICIANS	IA	N/A	C			
MICHIGAN PHYSICIAN SERVICES 44405 WOODWARD AVENUE H-5 PONTIAC, MI48341 38-3293125	PHYSICIAN SERVICES	MI	N/A	C			
MICHIGAN ATHLETIC CLUB 2500 BURTON GRAND RAPIDS, MI49546 38-2647304	ATHLETIC CLUB	MI	N/A	C			
MOUNT CARMEL BEHAVIORAL HEALTHCARE SERVICES INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-0971510	BEHAVIORAL HEALTHCARE SERVICES	OH	N/A	C			

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
MOUNT CARMEL HEALTH HORIZONS CORP 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1177652	MEDICAL SERVICES/RENT	OH	N/A	C			
MOUNT CARMEL HEALTH PROVIDERS INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1382442	MEDICAL SERVICES	OH	N/A	C			
NORTH IOWA MERCY MEDICAL SERVICES INC 1000 4TH ST SW MASON CITY, IA50401 42-1382308	MEDICAL SERVICES	IA	N/A	C			
PRIMARY CARE NETWORK OF OHIO INC 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1422486	HEALTH MANAGEMENT SERVICES	OH	N/A	C			
PRIORITY PLUS OF CALIFORNIA PO BOX 27230 FRESNO, CA93729 77-0395267	FORMERLY HEALTH MANAGEMENT NOW DISCONTINUED SUBSTANTIALLY ALL OPERATIONS	CA	N/A	C			
SAINT ALPHONSUS PHYSICIANS PA 1055 NORTH CURTIS ROAD BOISE, ID837061370 33-1078261	PHYSICIANS	ID	N/A	C			
SAINT MARY'S HEALTH MANAGEMENT COMPANY 1640 EAST PARIS SE GRAND RAPIDS, MI49546 38-3450733	ATHLETIC CLUB	MI	N/A	C			
SURGERY CENTER FINANCING CORPORATION 6150 EAST BROAD STREET COLUMBUS, OH43213 31-1531102	FINANCE, INSURANCE AND REAL ESTATE	OH	N/A	C			
TRINITY HEALTH EMPLOYEE BENEFIT TRUST 27870 CABOT DRIVE NOVI, MI483772920 38-3410377	GRANTOR TRUST	MI	N/A	T			
VENZKE INSURANCE COMPANY LTD PO BOX 1051 GRAND CAYMAN GRAND CAYMAN CJ 98-0453602	PROVISION OF INSURANCE COVERAGE	CJ	N/A	C			
WESTSHORE HEALTH NETWORK 1820 44TH STREET KENTWOOD, MI49508 38-3280200	PHYSICIAN HOSPITAL ORGANIZATION	MI	N/A	C			
WORKPLACE HEALTH OF GRAND HAVEN 1415 LEAHY ST MUSKEGON, MI49442 38-3112035	OCCUPATIONAL HEALTH	MI	HACKLEY HEALTH VENTURES INC	C	75,540	540,100	80 000 %

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	TRINITY HEALTH CORPORATION	B	5,313,909	PER BOOKS
(2)	TRINITY HEALTH CORPORATION	J	699,253	PER BOOKS
(3)	TRINITY HEALTH CORPORATION	K	83,698	PER BOOKS
(4)	TRINITY HEALTH CORPORATION	L	28,631,970	PER BOOKS
(5)	TRINITY HEALTH CORPORATION	O	26,969,326	PER BOOKS
(6)	TRINITY HEALTH CORPORATION	P	104,248	PER BOOKS
(7)	TRINITY HEALTH CORPORATION	Q	1,819,994	PER BOOKS
(8)	HACKLEY HOSPITAL	A	260,116	PER BOOKS
(9)	HACKLEY HOSPITAL	K	10,522,890	PER BOOKS
(10)	HACKLEY HOSPITAL	L	84,193	PER BOOKS
(11)	HACKLEY HOSPITAL	P	10,323,658	PER BOOKS
(12)	HACKLEY HEALTH VENTURES INC	P	286,096	PER BOOKS
(13)	HACKLEY PROFESSIONAL CENTER	J	374,679	PER BOOKS
(14)	LAKESHORE COMMUNITY HOSPITAL INC	A	67,939	PER BOOKS
(15)	LAKESHORE COMMUNITY HOSPITAL INC	K	1,607,694	PER BOOKS
(16)	LAKESHORE COMMUNITY HOSPITAL INC	P	981,498	PER BOOKS
(17)	HACKLEY HEALTHCARE EQUIPMENT	A	3,000	PER BOOKS
(18)	WESTSHORE HEALTH NETWORK	K	1,217,699	PER BOOKS
(19)	WESTSHORE HEALTH NETWORK	P	184,916	PER BOOKS
(20)	WORKPLACE HEALTH OF GRAND HAVEN	A	6,281	PER BOOKS
(21)	HACKLEY PROFESSIONAL PHARMACY	A	5,978	PER BOOKS
(22)	HACKLEY PROFESSIONAL PHARMACY	K	246,214	PER BOOKS
(23)	PROFESSIONAL MED TEAM	P	153,158	PER BOOKS
(24)	HACKLEY LIFE COUNSELING	A	2,193	PER BOOKS
(25)	HACKLEY LIFE COUNSELING	P	61,946	PER BOOKS
(26)	HACKLEY HEALTH MANAGEMENT CENTER	A	415	PER BOOKS
(27)	MUSKEGON COMMUNITY HEALTH PROJECT	B	500,000	PER BOOKS
(28)	MUSKEGON COMMUNITY HEALTH PROJECT	K	522,433	PER BOOKS
(29)	TRINITY HEALTH - MICHIGAN	L	3,399,937	PER BOOKS
(30)	TRINITY HEALTH - MICHIGAN	O	1,873,404	PER BOOKS

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

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(31)	TRINITY HEALTH CORPORATION	C	225,000	PER BOOKS

TRINITY HEALTH

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

TRINITY HEALTH

TABLE OF CONTENTS

	Page
	1
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2011 AND 2010:	
Balance Sheets	2-3
Statements of Operations and Changes in Net Assets	4-6
Statements of Cash Flows	7-8
Notes to Consolidated Financial Statements	9-49

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trinity Health
Novi, Michigan

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

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

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

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

Deloitte & Touche LLP

September 23, 2011

TRINITY HEALTH

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2011 AND 2010

(In Thousands)

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

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

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

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2011 AND 2010

(In Thousands)

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

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

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

(Continued)

[This page is left intentionally blank.]

TRINITY HEALTH

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

(In Thousands)

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

(Concluded)

TRINITY HEALTH

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2011 AND 2010

(In Thousands)

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

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

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

TRINITY HEALTH

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

1. ORGANIZATION AND MISSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Asset Impairment –

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

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

Intangible Assets:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Adopted Accounting Pronouncements –

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

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

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

	As Previously Reported	Effect of Retrospective Application	Effect of Discontinued Operations	As Adjusted
Consolidated Balance Sheet:				
External financial interest	\$ 87.885	\$ (87.885)	\$ -	\$ -
Net assets				
Unrestricted	\$ 4,119,660	\$ -	\$ -	\$ 4,119,660
Noncontrolling ownership interest in subsidiaries	-	86,223	-	86,223
Total unrestricted net assets	4,119,660	86,223	-	4,205,883
Temporarily restricted	70,657	-	-	70,657
Noncontrolling ownership interest in subsidiaries	-	1,610	-	1,610
Total temporarily restricted net assets	70,657	1,610	-	72,267
Permanently restricted	31,736	-	-	31,736
Noncontrolling ownership interest in subsidiaries	-	52	-	52
Total permanently restricted net assets	31,736	52	-	31,788
Total net assets	<u>\$ 4,222,053</u>	<u>\$ 87,885</u>	<u>\$ -</u>	<u>\$ 4,309,938</u>
Consolidated Statement of Operations:				
External financial interest	\$ (12,048)	\$ 12,048	\$ -	\$ -
Excess of revenues over expenses	434,095	12,048	(15,514)	430,629
Excess of revenues over expenses attributable to noncontrolling interest	-	12,048	(7,915)	4,133
Excess of revenues over expenses	434,095	-	(7,599)	426,496
Statement of Changes in Net Assets:				
Excess of revenues over expenses	434,095	12,048	(15,514)	430,629
Increase in unrestricted net assets	286,854	6,519	-	293,373
Decrease in temporarily restricted net assets	(15,599)	(159)	-	(15,758)
Increase (decrease) in permanently restricted net assets	2,539	(5)	-	2,534
Increase in net assets	\$ 273,794	\$ 6,355	\$ -	\$ 280,149
Net assets — beginning of year	3,948,259	81,530	-	4,029,789
Net assets — end of year	<u>\$ 4,222,053</u>	<u>\$ 87,885</u>	<u>\$ -</u>	<u>\$ 4,309,938</u>
Consolidated Statement of Cash Flows:				
Cash flows from operating activities				
Increase in net assets	\$ 273,794	\$ 6,355	\$ -	\$ 280,149
External financial interest	6,355	(6,355)	-	-
Net cash provided by operating activities	461,857	-	1,361	463,218

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

Forthcoming Accounting Pronouncements –

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

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

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

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

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

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

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

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

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

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

2011

(In Thousands)

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

2010

(In Thousands)

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

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

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

(In Thousands)

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

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

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

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

(In Thousands)			
Cash and investments	\$ 49.286	Current liabilities	\$ 17.626
Patient accounts receivable	20.307	Other liabilities	643
Other current assets	7.064	Total liabilities acquired	18.269
Assets limited or restricted			
as to use, non-current	954	Temporarily restricted	1.735
Property and equipment	44.363	Permanently restricted	524
Other assets	12.268	Total net assets acquired	2.259
Total assets acquired	\$ 134.242	Total liabilities and net assets acquired	\$ 20.528

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

4. NET PATIENT SERVICE REVENUE

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

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

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

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

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

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

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

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

5. PROPERTY AND EQUIPMENT

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

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

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

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

6. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. PROFESSIONAL AND GENERAL LIABILITY PROGRAMS

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

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

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

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

8. PENSION AND OTHER BENEFIT PLANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. COMMITMENTS AND CONTINGENCIES

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

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

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

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

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

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

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

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

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

Litigation

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

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

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

10. FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

Valuation Methodologies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2010
(In Thousands)

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

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

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

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

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

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

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

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

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

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

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

11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

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

12. ENDOWMENTS

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

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

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

2011 (In Thousands)			
Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	\$ -	\$ 446	\$ 34,908
Board-designated endowment funds	34,988	-	34,988
Total endowment funds	\$ 34,988	\$ 446	\$ 34,462
			\$ 69,896
2010 (In Thousands)			
Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Donor-restricted endowment funds	\$ -	\$ 464	\$ 31,736
Board-designated endowment funds	19,737	-	19,737
Total endowment funds	\$ 19,737	\$ 464	\$ 31,736
			\$ 51,937

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

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

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

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

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

13. SUBSEQUENT EVENTS

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

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

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

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

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

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

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

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

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

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

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

* * * *

Additional Data

Software ID:

Software Version:

EIN: 38-2589966

Name: MERCY HEALTH PARTNERS

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PHILIP MCCORKLE TRUSTEE	2 00	X						0	924,813	73,496
SR MYRA BERGMAN RSM TRUSTEE	2 00	X						0	0	0
FRANK BEDNAREK TRUSTEE	2 00	X						0	0	0
MICHAEL GLUHANICH SECRETARY & TREASURER	2 00	X		X				0	0	0
DANA BRYANT TRUSTEE	2 00	X						0	0	0
MARK FAZAKERLEY CHAIR	2 00	X		X				0	0	0
T BRUCE FOX TRUSTEE	2 00	X						0	0	0
YOUSIF HAMATI MD TRUSTEE	2 00	X						14,400	0	0
CAMILLE S JOURDEN-MARK TRUSTEE	2 00	X						0	0	0
MICHAEL K OLTHOFF TRUSTEE	2 00	X						0	0	0
SR MARY D PALASZEKRSM TRUSTEE	2 00	X						0	0	0
GREGORY C PITTMAN JD TRUSTEE	2 00	X						0	0	0
ROGER SPOELMAN PRESIDENT AND CEO	25 00	X		X				0	675,759	159,117
GREGORY LOOMIS COO	25 00			X				0	355,381	51,399
GARY ALLORE CFO	25 00			X				0	308,479	38,128
JOSEPH SWEDISH TRINITY HEALTH PRES & CEO	2 00				X			0	2,853,932	791,453
MICHAEL SLUBOWSKI TRIN PRES HLTH&HOSP NTWK UNTIL 12/10	2 00				X			0	1,153,164	271,732
KEDRICK ADKINS TRINITY PRES INTEGRATED SVCS	2 00				X			0	1,160,870	198,248
F REMINGTON SPRAGUE VP PRIMARY CARE SERVICES	25 00				X			0	410,763	50,934
MARY BOYD CHIEF DEVELOPMENT OFFICER	25 00				X			0	316,467	35,245
JEFFREY ALEXANDER VP INTEGRATED SERVICES	25 00				X			0	291,602	30,121
KIMBERLY MAGUIRE VP PATIENT CARE	25 00				X			0	243,121	46,001
RICHARD O'CONNELL TRINITY EVP, COO-HOSP NTWKS	2 00				X			0	761,373	137,960
MICHAEL MURPHY TRINITY EVP, HEALTH NTWKS	2 00				X			0	539,823	68,542
MANSOUR YACOUB PHYSICIAN	50 00					X		540,752	0	42,555

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JEFFREY SEARS PHYSICIAN	50 00					X		507,505	0	33,834
MIMA BACIC PHYSICIAN	50 00					X		470,513	0	47,210
JAMES STARR PHYSICIAN	50 00					X		467,067	0	33,960
CHARLES ZICKUS PHYSICIAN	50 00					X		449,295	0	46,213
GORDON MUDLER FORMER CEO	0 00						X	0	354,853	6,376
DAVID GINGRAS FORMER VP SUBSIDIARIES	0 00						X	0	192,696	1,579