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

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization COLUMBIA ST MARY'S HOSPITAL MILWAUKEE	D Employer identification number 39-0806315
	Doing Business As	E Telephone number (414) 326-2230
	Number and street (or P O box if mail is not delivered to street address) 4425 N PORT WASHINGTON ROAD	Room/suite
	City or town, state or country, and ZIP + 4 GLENDALE, WI 53212	
	F Name and address of principal officer MARK TAYLOR 4425 N PORT WASHINGTON ROAD GLENDALE, WI 53212	
		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
		H(c) Group exemption number ▶ 0928
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ COLUMBIA-STMARYS.ORG		
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1859
		M State of legal domicile WI

Part I	Summary
Activities & Governance	1 Briefly describe the organization's mission or most significant activities FULL-SERVICE HOSPITAL WITH MEDICAL, SURGICAL, ADVANCED CLINICAL AND OTHER COMMUNITY SERVICES
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets
	3 Number of voting members of the governing body (Part VI, line 1a)
	4 Number of independent voting members of the governing body (Part VI, line 1b)
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)
Revenue	6 Total number of volunteers (estimate if necessary)
	7a Total unrelated business revenue from Part VIII, column (C), line 12
	b Net unrelated business taxable income from Form 990-T, line 34
	8 Contributions and grants (Part VIII, line 1h)
	9 Program service revenue (Part VIII, line 2g)
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)
Expenses	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)
	14 Benefits paid to or for members (Part IX, column (A), line 4)
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)
	16a Professional fundraising fees (Part IX, column (A), line 11e)
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)
Net Assets or Fund Balances	19 Revenue less expenses Subtract line 18 from line 12
	20 Total assets (Part X, line 16)
	21 Total liabilities (Part X, line 26)
	22 Net assets or fund balances Subtract line 21 from line 20
	Prior Year
	Current Year
	1,658,641
	532,590,776
	164,407
	13,954,930
	548,368,754
	493,932,537
	0
	0
	263,906,425
	0
	284,873,511
	548,779,936
	-411,182
	-29,807,997
	Beginning of Current Year
	End of Year
	540,593,519
	681,031,989
	365,970,737
	454,426,496
	174,622,782
	226,605,493

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

Sign Here	▶ Signature of officer		2012-05-15		
	▶ RHONDA ANDERSON EXECUTIVE VP FINANCE/CFO		Date		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ DELOITTE TAX LLP				Firm's EIN ▶
	Firm's address ▶ 555 E WELLS SUITE 1400 MILWAUKEE, WI 53202				Phone no ▶ (414) 271-3000

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

Part IIIStatement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

COLUMBIA ST MARY'S HOSPITAL MILWAUKEE ("CSM-M") IS PART OF COLUMBIA ST MARY'S INC ("CSM"), A HEALTHCARE PROVIDER FOUNDED IN RESPONSE TO IDENTIFIED COMMUNITY NEEDS, WHICH IS SPONSORED BY ASCENSION HEALTH, A CATHOLIC NATIONAL HEALTH SYSTEM, AND COLUMBIA HEALTH SYSTEM, A NON-SECTARIAN COMMUNITY HEALTH SYSTEM CSM-M'S GOVERNING BODY HAS ADOPTED THE MISSION OF CSM CSM EXISTS TO MAKE A POSITIVE DIFFERENCE IN THE HEALTH STATUS AND LIVES OF INDIVIDUALS AND OUR COMMUNITY, WITH SPECIAL CONCERN FOR THOSE WHO ARE VULNERABLE CSM AND ITS AFFILIATES ARE COMMITTED TO PROVIDING HIGH-QUALITY, ACCESSIBLE, VALUES-DRIVEN PROGRAMS AND SERVICES WITH EQUAL ATTENTION TO THE PHYSICIAL, SPIRITUAL, AND EMOTIONAL DIMENSIONS OF HEALTH

2

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

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?

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 \$ 428,831,107 including grants of \$ 0) (Revenue \$ 482,432,005)

CSM-M OPERATED 2 FULL-SERVICE HOSPITALS THROUGH OCTOBER 2010, COLUMBIA HOSPITAL, A 370-BED HOSPITAL, AND COLUMBIA ST MARY'S HOSPITAL MILWAUKEE, A 294-BED HOSPITAL, WHICH OFFER A COMPLETE RANGE OF MEDICAL, SURGICAL AND ADVANCED CLINICAL SPECIALITIES BOTH HOSPITALS OPERATED EMERGENCY DEPARTMENTS THAT ARE OPEN TO ALL PERSONS, REGARDLESS OF ABILITY TO PAY IN OCTOBER 2010, CSM COMBINED OPERATIONS OF BOTH HOSPITALS INTO ONE LOCATION WITH 336 BEDS ON LAKE DRIVE IN MILWAUKEE DURING FISCAL 2011, CSM-M'S HOSPITALS AND CLINICS PROVIDED CARE TO 14,199 INPATIENTS AND 186,993 OUTPATIENTS CSM-M'S ESTIMATED UNREIMBURSED COSTS OF SERVICES TO THE ELDERLY, UNINSURED, AND UNDERINSURED TOTALED \$104,023,119 CSM-M ALSO SPONSORS A NUMBER OF PROGRAMS DESIGNED TO IMPROVE THE HEALTH CARE IN ITS COMMUNITY REFER TO THE COMMUNITY BENEFIT INFORMATION IN SCHEDULE H FOR DISCUSSION OF HOW CSM-M MAKES A POSITIVE DIFFERENCE IN THE HEALTH STATUS OF ITS COMMUNITY, FOCUSING ON THOSE WHO ARE VULNERABLE

4b

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

4c

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

4d

Other program services (Describe in Schedule O)



















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

4e

Total program service expenses \$ 428,831,107

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? 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		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer 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		No
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 type="checkbox"/> Yes <input checked="" 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	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	177
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	3,497
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	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	1a 15		
b	Enter the number of voting members included in line 1a, above, who are independent		
	1b 12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Does the organization have members or stockholders?	6	Yes
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
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 ▶ RHONDA ANDERSON 4425 N PORT WASHINGTON ROAD GLENDALE, WI 53212 (414) 326-2230

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

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

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

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

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

[illegible]

Part VII

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								8,956,549	6,540,437	1,055,866

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: 242

		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)	(B)	(C)
Name and business address	Description of services	Compensation
CG SCHMIDT-BARTON MALOW 26500 AMERICAN DRIVE SOUTHFIELD, MI 48034	PROJECT MGMT	52,517,224
FW MADISON MEDICAL ASSO SC 788 N JEFFERSON ST SUITE 300 MILWAUKEE, WI 53202	THIRD PARTY MED SERVICE	6,082,312
MEDICAL COLLEGE OF WISCONSIN 8701 WATERTOWN PLANK ROAD MILWAUKEE, WI 53226	RESIDENT & INTERN PROGRAM	2,863,577
METROPOLITAN ANESTHESIOLOGY 4225 N DOWNER AVE SHOREWOOD, WI 53211	ANESTHESIOLOGY SERVICES	2,627,286
TRIMEDX LLC 6325 DIGITAL WAY 400 INDIANAPOLIS, IN 46278	EQUIPMENT REPAIR & MAINT	2,342,676
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 93		

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				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,419,275			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		1,419,275			
	Program Service Revenue	2a	NET PATIENT SERVICES	621990	468,210,673	468,210,673	
b		RETAIL PHARMACY REVENUE	446110	5,377,424	3,870,149	1,507,275	
c		DIAGNOSTIC LAB REVENUE	621500	5,202,166		5,202,166	
d		FOOD & NUTRITION	722210	1,312,785		1,312,785	
e		RENTAL INCOME	531120	731,194	731,194		
f		All other program service revenue					
g		Total. Add lines 2a-2f		480,834,242			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)				
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross Rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)				
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
		b	Less direct expenses	b			
		c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a				
		b	Less direct expenses	b			
		c	Net income or (loss) from gaming activities				
	10a	Gross sales of inventory, less returns and allowances	a				
		b	Less cost of goods sold	b			
		c	Net income or (loss) from sales of inventory				
Miscellaneous Revenue		Business Code					
11a	SALES TO OUTSIDE ORGS	900099	3,473,296	3,473,296			
	b	CAPITALIZED INTEREST	900099	1,998,208		1,998,208	
	c	EXPENSE TRANSFERS	900099	1,611,710	1,611,710		
	d	All other revenue		3,032,504	2,971,681	60,823	
	e	Total. Add lines 11a-11d		10,115,718			
12	Total revenue. See Instructions		493,932,537	482,432,005	6,770,264	3,310,993	

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,854,444		1,854,444	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	181,791,805	173,271,633	8,520,172	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	13,608,049	12,941,255	666,794	
9	Other employee benefits	17,495,937	16,638,636	857,301	
10	Payroll taxes	12,953,979	12,319,234	634,745	
a	Fees for services (non-employees)				
	Management	1,957,862	1,957,862		
b	Legal	1,408		1,408	
c	Accounting	2,350		2,350	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	34,438,521	34,438,521		
12	Advertising and promotion	1,954,115	1,954,115		
13	Office expenses	6,307,770	5,992,381	315,389	
14	Information technology	300,751	300,751		
15	Royalties				
16	Occupancy	16,810,813	16,810,813		
17	Travel	70,951	70,951		
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	311,589	311,589		
20	Interest	4,465,035	4,465,035		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	26,254,797	26,254,797		
23	Insurance	2,971,574	2,971,574		
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	CSM MANAGEMENT FEE	82,056,824		82,056,824	
b	PATIENT CARE SUPPLIES	57,280,584	57,280,584		
c	BAD DEBT EXPENSE	27,044,182	27,044,182		
d	EXPENSE TRANSFERS	18,070,191	18,070,191		
e	HOSPITAL TAX ASSESSMENT	15,282,467	15,282,467		
f	All other expenses	454,536	454,536		
25	Total functional expenses. Add lines 1 through 24f	523,740,534	428,831,107	94,909,427	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			9,116,988	1	7,025,474
	2	Savings and temporary cash investments			16,184,357	2	25,218,862
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			68,058,676	4	67,039,777
	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			862,356	7	142,526
	8	Inventories for sale or use			5,833,813	8	6,015,646
	9	Prepaid expenses and deferred charges			13,189,549	9	7,873,310
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	741,173,224			
	b	Less: accumulated depreciation	10b	198,064,323	420,023,222	10c	543,108,901
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			82,500	14	14,760,205
	15	Other assets. See Part IV, line 11			7,242,058	15	9,847,288
16	Total assets. Add lines 1 through 15 (must equal line 34)			540,593,519	16	681,031,989	
Liabilities	17	Accounts payable and accrued expenses			43,187,012	17	39,083,856
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			322,783,725	25	415,342,640
	26	Total liabilities. Add lines 17 through 25			365,970,737	26	454,426,496
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			174,622,782	27	226,605,493
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			174,622,782	33	226,605,493
34	Total liabilities and net assets/fund balances			540,593,519	34	681,031,989	

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	493,932,537
2	Total expenses (must equal Part IX, column (A), line 25)	2	523,740,534
3	Revenue less expenses Subtract line 2 from line 1	3	-29,807,997
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	174,622,782
5	Other changes in net assets or fund balances (explain in Schedule O)	5	81,790,708
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	226,605,493

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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

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

Part 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 COLUMBIA ST MARY’S HOSPITAL MILWAUKEE	Employer identification number 39-0806315
---	--

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><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><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></tbody></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?	No			
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	No			
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	No			
	i Other activities? If "Yes," describe in Part IV	Yes		26,378	
	j Total lines 1c through 1i			26,378	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?	No			
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	LOBBYING EXPENSES REPRESENT THE PORTION OF DUES PAID TO NATIONAL AND STATE HOSPITAL ASSOCIATIONS THAT IS SPECIFICALLY ALLOCABLE TO LOBBYING

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number

39-0806315

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

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		10,038,037		10,038,037
b Buildings		440,321,777	75,688,487	364,633,290
c Leasehold improvements		4,080,964	1,889,103	2,191,861
d Equipment		267,919,294	118,776,645	149,142,649
e Other		18,813,152	1,710,088	17,103,064
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				543,108,901

Schedule D (Form 990) 2010

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
		PART X ASC 740 FOOTNOTE REGARDING UNCERTAIN TAX POSITIONS IN AUDITED FINANCIALS NOT APPLICABLE

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			8,546,264	0	8,546,264	1 720 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			107,947,411	77,372,105	30,575,306	6 160 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)			0	0		
d Total Financial Assistance and Means-Tested Government Programs			116,493,675	77,372,105	39,121,570	7 880 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,916,814	1,124,159	3,792,655	0 760 %
f Health professions education (from Worksheet 5)			15,674,626	4,969,950	10,704,676	2 160 %
g Subsidized health services (from Worksheet 6)			0	0		
h Research (from Worksheet 7)			0	0		
i Cash and in-kind contributions to community groups (from Worksheet 8)			654,432	0	654,432	0 130 %
j Total Other Benefits			21,245,872	6,094,109	15,151,763	3 050 %
k Total. Add lines 7d and 7j			137,739,547	83,466,214	54,273,333	10 930 %

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		0	0		
2	Economic development		0	0		
3	Community support		2,831	0	2,831	0 %
4	Environmental improvements		0	0		
5	Leadership development and training for community members		0	0		
6	Coalition building		13,495	0	13,495	0 %
7	Community health improvement advocacy		37,075	0	37,075	0 010 %
8	Workforce development		121,895	0	121,895	0 020 %
9	Other		0	0		
10	Total		175,296		175,296	0 030 %

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	14,304,854
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	286,097
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	416,772,261
6	Enter Medicare allowable costs of care relating to payments on line 5	6	432,240,653
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-15,468,392
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				

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

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

[illegible]

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? 37

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 CSM HOSPITAL MILWAUKEE PREPARES AND FILES AN ANNUAL COMMUNITY BENEFIT PLAN REPORT WITH THE WISCONSIN HOSPITAL ASSOCIATION ("WHA") THE INFORMATION ON THIS REPORT INCLUDES INFORMATION ONLY FOR CSM MILWAUKEE AND NOT ANY OF ITS AFFILIATED HOSPITALS

Identifier	ReturnReference	Explanation
		<p>PART I, LINE 7 THE COST OF PROVIDING CHARITY CARE, MEANS TESTED GOVERNMENT PROGRAMS, AND COMMUNITY BENEFIT PROGRAMS IS ESTIMATED USING INTERNAL COST DATA, AND IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION ("CHA") GUIDELINES THE ORGANIZATION USES A COST ACCOUNTING SYSTEM THAT ADDRESSES ALL PATIENT SEGMENTS (FOR EXAMPLE, INPATIENT, OUTPATIENT, EMERGENCY ROOM, PRIVATE INSURANCE, MEDICAID, MEDICARE, UNINSURED, OR SELF PAY) THE BEST AVAILABLE DATA WAS USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR CERTAIN CATEGORIES IN THE TABLE, THIS WAS A COST ACCOUNTING SYSTEM, IN OTHER CATEGORIES, A SPECIFIC COST- TO-CHARGE RATIO WAS APPLIED PART I, LINE 7 THE TOTAL AMOUNT OF CHARITY CARE AND OTHER COMMUNITY BENEFITS IN PART I, LINE 7 IS DIFFERENT FROM THE COMMUNITY BENEFIT AS REPORTED IN THE ANNUAL COMMUNITY BENEFIT REPORT BY THE AMOUNT OF COMMUNITY BUILDING ACTIVITIES REPORTED ON PART II OF SCHEDULE H THE IRS DOES NOT CONSIDER COMMUNITY BUILDING ACTIVITIES TO BE COMMUNITY BENEFIT, HOWEVER, THESE COSTS ARE INCLUDED IN THE TOTAL COMMUNITY BENEFIT AMOUNT AS REPORTED IN THE ANNUAL COMMUNITY BENEFIT REPORT PART I, LINE 7G THE ORGANIZATION EMPLOYS ITS PHYSICIANS AT ITS HOSPITALS AND PHYSICIAN CLINICS, SO THE ASSOCIATED COSTS AND CHARGES RELATING TO THOSE PHYSICIAN SERVICES ARE INCLUDED IN ALL RELEVANT CATEGORIES IN PART I</p>

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE AMOUNT OF BAD DEBT EXPENSE REPORTED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN PART I, LINE 7, COLUMN (F) IS \$27,044,182

Identifier	ReturnReference	Explanation
		<p>PART II CSM HOSPITAL MILWAUKEE PROVIDED THE FOLLOWING COMMUNITY BUILDING ACTIVITIES IN FISCAL 2011 - THE INROADS PROGRAM -- THIS PROGRAM IS A COLLABORATION BETWEEN CSM AND THE MILWAUKEE INROADS COOPERATIVE TO PROVIDE CULTURALLY DIVERSE COLLEGE STUDENTS AN OPPORTUNITY TO EXPERIENCE THE HEALTHCARE WORKPLACE CSM HAS A STRONG RECORD OF HIRING INROADS GRADUATES AFTER THEIR INTERNSHIP EXPERIENCE - MILWAUKEE HEALTH CARE PARTNERSHIP (MHCP) -- CSM IS A FOUNDING MEMBER OF THE MILWAUKEE HEALTH CARE PARTNERSHIP (MHCP), WHICH IS A COLLABORATION BETWEEN THE FIVE MILWAUKEE HEALTH SYSTEMS AND FEDERALLY QUALIFIED HEALTH CENTERS TO IMPROVE ACCESS TO HEALTH CARE IN THE COMMUNITY THE PARTNERSHIP HAS WORKED WITH COUNTY HEALTH OFFICIALS TO IMPROVE BEHAVIORAL ACCESS AND PARTNERSHIP FUNDING SUPPORTS MENTAL HEALTH RESPITE BEDS IN THE COMMUNITY CSM'S CEO AND MISSION ACCESS VICE PRESIDENT EACH SPEND SIGNIFICANT TIME IN MHCP COLLABORATIVE WORK - COLLABORATION WITH COMMUNITY CHURCHES -- ACCESS TO HEALTH EDUCATION AND SCREENING IN MANY AREAS OF THE CITY IS BEST ACCOMPLISHED THROUGH CHURCH COLLABORATION CSM EMPLOYS THREE NURSES TO WORK IN COLLABORATION WITH CHURCHES AND COMMUNITY ORGANIZATIONS TO OFFER HEALTH EDUCATION, HEALTH SCREENING, AND CARE MANAGEMENT SUPPORT TO PARISHIONERS AND COMMUNITY MEMBERS IN A VARIETY OF OUTREACH PROGRAMS AFFILIATED WITH CHURCHES CSM DEVELOPED THE BEGINNING STAGES OF A COLLABORATION WITH 44 CHURCH OF GOD IN CHRIST CHURCHES IN MILWAUKEE TO ACCOMPLISH BETTER HEALTH AWARENESS AND IMPROVE SCREENING RATES IN ORDER TO ACCOMPLISH THE COLLABORATIVE WORK IN THE COMMUNITY AND TO OVERSEE ACCESS CLINICS AND OUTREACH PROGRAMS, A COMMUNITY SERVICES DEPARTMENT EXISTS THE DEPARTMENT ALSO OVERSEES THE COMMUNITY BENEFIT PROCESS THE EXPENSE OF DEPARTMENTAL SUPPORT IS INCLUDED IN THE REPORTING OF COMMUNITY BENEFIT</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 THE ORGANIZATION IS A PART OF THE COLUMBIA ST MARY'S, INC CONSOLIDATED AUDIT AND FURTHER INCLUDED AS PART OF THE ASCENSION HEALTH CONSOLIDATED AUDITED FINANCIALS THE FOOTNOTE THAT REFERENCES BAD DEBT EXPENSE IN THE FISCAL 2011 CONSOLIDATED AUDIT IS AS FOLLOWS "THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF EXPECTED NET COLLECTIONS CONSIDERING ECONOMIC CONDITIONS, HISTORICAL EXPERIENCE, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS PERIODICALLY THROUGHOUT THE YEAR, MANAGEMENT ASSESSES THE ADEQUACY OF ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE OFF EXPERIENCE BY PAYOR CATEGORY, INCLUDING THOSE AMOUNTS NO COVERED BY INSURANCE THE RESULTS OF THIS REVIEW ARE THEN USED TO MAKE ANY MODIFICATIONS TO THE PROVISION FOR BAD DEBTS TO ESTABLISH AN APPROPRIATE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE AND REASONABLE EFFORTS TO COLLECT FROM THE PATIENT HAVE BEEN EXHAUSTED, THE ORGANIZATION FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PAST DUE PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY THE ORGANIZATION ACCOUNTS RECEIVABLE ARE WRITTEN OFF AFTER COLLECTION EFFORTS HAVE BEEN FOLLOWED IN ACCORDANCE WITH THE ORGANIZATION'S POLICIES "</p> <p>CSM HOSPITAL MILWAUKEE'S SHARE OF BAD DEBT EXPENSE IN FISCAL 2011 WAS \$27,044,182 AT CHARGES (\$14,304,854 AT COST) NO BAD DEBT AMOUNTS ARE INCLUDED IN COMMUNITY BENEFIT</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 ASCENSION HEALTH AND RELATED HEALTH MINISTRIES FOLLOW THE CATHOLIC HEALTH ASSOCIATION ("CHA") GUIDELINES FOR DETERMINING COMMUNITY BENEFIT CHA COMMUNITY BENEFIT REPORTING GUIDELINES SUGGEST THAT MEDICARE SHORTFALL IS NOT TREATED AS COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THE ORGANIZATION HAS A WRITTEN DEBT COLLECTION POLICY THAT ALSO INCLUDES A PROVISION ON THE COLLECTION PRACTICES TO BE FOLLOWED FOR PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE IF A PATIENT QUALIFIES FOR CHARITY OR FINANCIAL ASSISTANCE CERTAIN COLLECTION PRACTICES DO NOT APPLY

Identifier	ReturnReference	Explanation
		PART VI, LINE 8 CSM HOSPITAL MILWAUKEE FILES A COMMUNITY BENEFIT REPORT WITH THE WHA IN WISCONSIN WHICH INCLUDES THE DATA ONLY FOR CSM HOSPITAL MILWAUKEE THE AFFILIATE HOSPITALS OF CSM, INCLUDING CSM HOSPITAL OZAUKEE, INC AND SACRED HEART REHABILITATION INSTITUTE, INC ALSO FILE SEPARATE COMMUNITY BENEFIT REPORTS WITH WHA

Identifier	ReturnReference	Explanation
		<p>COLUMBIA ST MARY'S, INC AND ITS AFFILIATED HOSPITALS SPONSORS ENVIRONMENTAL INITIATIVES AS PART OF THE NATIONAL PRACTICE GREENHEALTH ENVIRONMENTAL PROGRAM A CSM GREEN TEAM MEETS MONTHLY TO DEVELOP AND ACCOMPLISH GOALS ACROSS THE INSTITUTIONS THE TEAM SERVES THE CSM HOSPITALS AND REPORTS THE FOLLOWING ACHIEVEMENTS IN THE PAST YEAR UNDER THE THEMES OF REDUCE, REUSE, AND RECYCLE</p> <p>REDUCE AS A HEALTH SYSTEM, CSM WAS AN AWARD RECIPIENT OF THE 2011 PRACTICE GREENHEALTH ENVIRONMENTAL EXCELLENCE AWARD-PARTNER FOR CHANGE WITH DISTINCTION THIS AWARD DESIGNATION REQUIRES A RECYCLING RATE THROUGH ALL WASTE STREAMS OF GREATER THAN 25% IN EARLY 2011, CSM HOSPITAL OZAUKEE EARNED AN ENERGY STAR DESIGNATION FROM THE EPA FOR USING 35% LESS ENERGY THAN THE AVERAGE HOSPITAL REUSE CSM'S REPROCESSING PRACTICE WITH STERILMED DIVERTED 24,355 UNITS FROM LANDFILLS OR 14,306 POUNDS RECYCLE SINGLE SOURCE RECYCLING 377 TONS RECYCLABLES-EACH TON SAVES 24 GALLONS OF GAS, 4100 KWH OF ELECTRICITY, AND 7,000 GALLONS OF WATER ADDITIONALLY, CSM HOSPITAL MILWAUKEE, AN AFFILIATED HOSPITAL, IMPLEMENTED A DESIGN OF THE PATIENT CARE TOWER WITH A TOTAL OF 18,800 SQUARE FEET OF GREEN ROOF THE ROOF REMOVES THE EQUIVALENT OF 282 PASSENGER CARS OF GREENHOUSE GASES ANNUALLY, HOLDS ROUGHLY 25,000 GALLONS OF RAINWATER OUT OF THE SEWAGE SYSTEM, AND REDUCES INDOOR SOUND BY AS MUCH AS 40 DECIBELS LEADING TO A QUIETER PATIENT EXPERIENCE</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 THE HEALTH NEEDS OF THE COMMUNITIES WHICH CSM HOSPITAL MILWAUKEE SERVES ARE ASSESSED THROUGH THE WORK OF THE COMMUNITY BENEFIT COMMITTEE ("CBC") THE CBC IS GUIDED BY THE MISSION STATEMENT OF CSM, AND IS COMPRISED OF ADMINISTRATIVE LEVEL LEADERSHIP, MANAGERS, AND STAFF INVOLVED IN DIRECT SERVICE TO VULNERABLE PEOPLE ADDITIONALLY, CBC INCLUDES A REPRESENTATIVE OF THE PATIENT FAMILY ADVISORY COMMITTEE OF CSM AS A STRUCTURED METHOD FOR RECEIVING COMMUNITY INPUT THE CBC ROLES INCLUDE THE FOLLOWING - DEVELOP COMMUNITY ASSESSMENT TO DETERMINE NEEDS OVER A TWO YEAR PERIOD TO ADDRESS THROUGH CSM RESOURCES - CREATE A COMMUNITY BENEFIT PLAN TO DRIVE CSM ACTIVITIES OVER SEVERAL YEARS - REVIEW AND PROVIDE INPUT TO COMMUNITY BENEFIT REPORTS TO ASCENSION HEALTH, WHA AND CHA - DEVELOP ANNUAL COMMUNITY BENEFIT GOALS TO INCLUDE WITHIN CSM INTEGRATED, STRATEGIC, OPERATIONAL AND FINANCIAL PLAN - PROVIDE INPUT TO AND ADVOCATE FOR CSM ORGANIZATIONAL POLICIES FOCUSED ON VULNERABLE POPULATIONS (E G OUTREACH SCREENING GUIDELINES, TRANSPORTATION, COLLECTION POLICIES) - DEVELOP AND IMPLEMENT COMMUNICATION STRATEGIES TO INFORM MULTIPLE COMMUNITIES ABOUT COMMUNITY BENEFIT ACHIEVEMENTS - DEVELOP A STRATEGY TO MEASURE AND INCREASE THE IMPACT OF COMMUNITY BENEFIT PROGRAMS IN FISCAL 2011 THE CBC PREPARED A NEEDS ASSESSMENT WHICH ADDRESSES THE COMMUNITIES IN WHICH THE HOSPITAL SERVES TO GUIDE THE CSMM PLANNING THE ASSESSMENT WAS DEVELOPED BY GATHERING KEY PUBLIC HEALTH AND DISEASE SPECIFIC ASSESSMENTS FOR EACH COMMUNITY AND SYNTHESIZING THE ASSESSMENTS INTO ONE DOCUMENT FROM PUBLIC SOURCES SUCH AS HRSA COMMUNITY HEALTH STATUS REPORT FOR OZAUKEE COUNTY, THE OZAUKEE HEALTH INITIATIVE 2002-2007, CHILDREN'S HEALTH IN WISCONSIN (CENTER FOR HEALTH STATISTICS), START SMART MILWAUKEE STATE OF MILWAUKEE'S CHILDREN HEALTH REPORT, HEALTHIEST WISCONSIN 2010, CITY OF MILWAUKEE HEALTH DEPT REPORT, CITY OF MILWAUKEE COMMUNITY HEALTH SURVEY, HRSA COMMUNITY HEALTH STATUS REPORT FOR MILWAUKEE COUNTY , WISCONSIN DHFS FAMILY HEALTH SURVEY, WISCONSIN DHFS HEALTH INSURANCE COVERAGE REPORT, RIVERWEST HEALTH INITIATIVES SURVEY REPORT, MILWAUKEE'S COMMITMENT TO ACTION REPORT FROM THE 2003 URBAN HEALTH FORUM, MILWAUKEE PUBLIC HEALTH REPORT BY ALDERMANIC DISTRICT, WISCONSIN COUNTY HEALTH RANKINGS 2006 AND WISCONSIN NUTRITION AND PHYSICAL ACTIVITY STATE PLAN SEVERAL OF THESE SURVEYS INCLUDE DIRECT CITIZEN INPUT REGARDING THE STATE OF THEIR HEALTH THE NEEDS ASSESSMENT WAS DISCUSSED IN DETAIL BY THE CBC TO GAIN THE INSIGHT OF THOSE AT CSM INVOLVED IN ALL AREAS OF HEALTH AND COMMUNITY HEALTH THE PLAN THAT WAS SUBSEQUENTLY DEVELOPED FOCUSED ON CARE FOR VULNERABLE PEOPLE CONSISTENT WITH THE CSM MISSION STATEMENT</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 CSM HOSPITAL MILWAUKEE ATTEMPTS TO IDENTIFY PATIENTS WHO MAY BE ELIGIBLE FOR CHARITY OR DISCOUNTED CARE AS OUTLINED IN THE CHARITY CARE POLICY DURING THE PRE-REGISTRATION, REGISTRATION, ADMISSIONS AND DISCHARGE PROCESSES A COPY OF THE CHARITY CARE POLICY IS POSTED IN THE EMERGENCY ROOM, AND A SUMMARY OF THE POLICY IS PROVIDED TO PATIENTS WITH ADMISSION AND DISCHARGE PAPERWORK CSM HOSPITAL MILWAUKEE HAS TRAINED FINANCIAL COUNSELORS AVAILABLE TO DISCUSS PAYMENT OPTIONS TO THE PATIENTS UPON MAKING AN APPOINTMENT, THE FINANCIAL COUNSELORS WILL MEET WITH THE PATIENT TO DETERMINE WHAT OTHER FINANCIAL ASSISTANCE PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 CSM HOSPITAL MILWAUKEE SERVES A PRIMARY SERVICE AREA OF EASTERN MILWAUKEE COUNTY, FROM THE NEAR SOUTH SIDE OF MILWAUKEE NORTH THROUGH OZAUKEE COUNTY CSM HOSPITAL MILWAUKEE IS LOCATED IN AN URBAN COMMUNITY WITHIN MILWAUKEE COUNTY THE POPULATION OF MILWAUKEE COUNTY IS APPROXIMATELY 950,000, WITH OVER 19% OF THE HOUSEHOLDS LIVING AT OR BELOW FEDERAL POVERTY GUIDELINES THE MEDIAN INCOME IS APPROXIMATELY \$46,000, OVER 44% OF THE POPULATION IS A MINORITY, AND APPROXIMATELY 15% OF THE POPULATION SPEAK A LANGUAGE OTHER THAN ENGLISH THE SERVICE AREA IS VARIED, WITH SOME SECTORS HAVING HIGH INCOMES AND MANY HEALTH RESOURCES WHILE OTHER HIGH ADMISSION ZIP CODES ARE LOCATED IN THE IMPOVERISHED CENTRAL CITY AND IN MEDICALLY UNDERSERVED AREAS SEVERAL HIGH ADMITTING ZIP CODES FOR CSM HAVE A HIGH PROPORTION OF AFRICAN AMERICAN PEOPLE AND TWO HIGH ADMITTING ZIP CODES HAVE HIGH PROPORTIONS OF PEOPLE OF HISPANIC BACKGROUND ADDRESSING THE HEALTH DISPARITY ISSUES OF THESE POPULATIONS IS AN IMPORTANT PART OF THE COMMUNITY BENEFIT SERVICE OF CSM HOSPITAL MILWAUKEE IN FISCAL 2011, CSM HOSPITAL MILWAUKEE SERVED 201,192 PATIENTS AND PROVIDED \$8,546,264 IN TRADITIONAL CHARITY CARE, \$30,575,336 IN UNPAID COSTS OF PUBLIC PROGRAMS, \$6,001,281 IN UNINSURED DISCOUNTS AND \$15,327,060 IN OTHER COMMUNITY PROGRAMS AND SERVICES, WHICH ARE REPORTED ON PART I, LINE 7J AND PART II DISCOUNTS FOR THE UNINSURED AND UNDERINSURED ARE NOT INCLUDED IN PARTS I OR II OF SCHEDULE H</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 COMMUNITY BENEFIT ACTIVITIES OFTEN FOCUS ON ACCESS TO PRIMARY CARE THROUGH FREE OR REDUCED COST CLINICS SPONSORED BY HOSPITAL CSM MILWAUKEE FOLLOWING ARE SEVERAL EXAMPLES IN WHICH CSM HOSPITAL MILWAUKEE FOCUSES ON THE CONNECTION BETWEEN COMMUNITY NEEDS AND COMMUNITY BENEFIT PLAN ACTIVITIES</p> <p>INFANT MORTALITY, PARTICULARLY AMONG THE AFRICAN AMERICAN COMMUNITY IN MILWAUKEE, IS A PARTICULAR HEALTH ISSUE NEEDING IMPROVEMENT CSM HAS BEEN AN IMPORTANT COLLABORATOR IN CITY AND STATE EFFORTS TO IMPROVE BIRTH OUTCOMES AND REDUCE INFANT MORTALITY RATES IN MILWAUKEE CSM HAS SUPPORTED THE LIFECOURSE INITIATIVE FOR HEALTHY FAMILIES AS A COMMUNITY/ACADEMIC PARTNERSHIP FOR INITIATION OF A FIVE YEAR FUNDED PLAN FOR MORTALITY IMPROVEMENT CSM HAS AN INTERNAL COMMITTEE, CSM HEALTHY FAMILIES, THAT MEETS TO PLAN IMPROVEMENTS IN SUPPORT TO FAMILIES A PARTICULAR FOCUS HAS BEEN THAT OF SAFE SLEEP INITIATIVES TO ASSURE THAT INFANTS HAVE A SAFE PLACE TO SLEEP BY PROVIDING PACK AND PLAY CRIBS FOR MOTHERS WITHOUT A DEDICATED INFANT SLEEP SPACE ADDITIONALLY, PARENTS ARE EDUCATED ABOUT THE IMPORTANCE OF AN INFANT SLEEPING ON HIS BACK THROUGH A "BACK TO SLEEP" CAMPAIGN OF INFANT APPAREL WITH THAT MESSAGE IMPRINTED CSMM'S COMMUNITY NEEDS ASSESSMENT HAS IDENTIFIED ACCESS TO PRIMARY CARE HAS BEEN A COMMUNITY PROBLEM IN MILWAUKEE CSM HAS RESPONDED TO THAT NEED BY SPONSORING ST BEN'S CLINIC, THE COMMUNITY-BASED CHRONIC DISEASE MANAGEMENT CLINIC WHICH IS A HYPERTENSION TREATMENT CENTER HOUSED IN A FOOD PANTRY, THE SETON DENTAL CLINIC AND THE SATURDAY CLINIC FOR THE UNINSURED CSM SPONSORS MEDICAL RESIDENCY EDUCATION PROGRAMS THROUGH THE CSM FAMILY HEALTH CENTER AND THE OB/GYN CLINIC EACH CENTER OFFERS SLIDING FEE SCALES TO UNINSURED AND UNDERINSURED PATIENTS LACK OF ACCESS TO ORAL HEALTH CARE HAS ALSO BEEN IDENTIFIED IN THE NEEDS ASSESSMENT CSM MILWAUKEE SPONSORED THE SMART SMILES PROGRAM OF SCHOOL-BASED ORAL HEALTH CARE TO SERVE CHILDREN DENTAL ASSESSMENT, ORAL HYGIENE CARE, DENTAL SEALANTS AND FLUORIDE TREATMENTS ARE PROVIDED IN MORE THAN 30 SCHOOLS TO MEET THESE NEEDS THE ST ELIZABETH ANN SETON DENTAL CLINIC SERVES AS THE URGENT DENTAL CARE PROVIDER FOR UNINSURED PEOPLE IN MILWAUKEE</p> <p>DISPARITIES EXIST IN CANCER DIAGNOSIS AND TREATMENT IN THE COMMUNITIES CSM MILWAUKEE SERVES CSM MILWAUKEE RESPONDED BY PROVIDING A BREAST HEALTH ADVOCATE TO LINK AFRICAN AMERICAN AND HISPANIC WOMEN INTO MAMMOGRAPHY AND FURTHER DIAGNOSTIC TESTING TO FIND DISEASE EARLIER AND TO PROVIDE MORE EFFECTIVE TREATMENT COLUMBIA COLLEGE OF NURSING STUDENTS AND FACULTY STAFF EL CENTRO DE SALUD NURSING CENTER AT THE UNITED COMMUNITY CENTER, WHICH PROVIDES IMMUNIZATIONS, PHYSICALS, HEALTH EDUCATION, HEALTH PROMOTION, SCREENING AND SUPPORT TO STUDENTS OF UNITED COMMUNITY CENTER PRESCHOOL, ELEMENTARY AND MIDDLE SCHOOLS, AS WELL AS TO ADULTS IN FAMILY PROGRAMS AND OLDER ADULT SERVICES CSM COLLABORATES WITH THE MEDICAL COLLEGE OF WISCONSIN IN SPONSORING THE FOLLOWING -THE FAMILY HEALTH CENTER, A RESIDENCY-BASED FAMILY MEDICINE CLINIC THAT PROVIDES PRIMARY CARE TO MORE THAN 9,000 INDIVIDUALS IN THE COMMUNITY - THE OB/GYN CLINIC, A RESIDENCY-BASED PROGRAM THAT SERVES OVER 150 PATIENTS, 250 OB APPOINTMENTS PER MONTH, AND 325 DELIVERIES PER YEAR - THE CHRONIC DISEASE MANAGEMENT CLINIC, WHICH SCREENS AND MANAGES HYPERTENSION, DIABETES, OBESITY, AND SMOKING FOR LOW INCOME ADULTS THROUGH A CLINIC BASED IN A FOOD PANTRY - THE SATURDAY CLINIC FOR THE UNINSURED, WHICH USES MEDICAL STUDENTS AND VOLUNTEER PHYSICIANS TO SERVE HUNDREDS OF UNINSURED PATIENTS EACH YEAR HOUSECALLS FOR THE HOMEBOUND PROVIDES HIGH-QUALITY PRIMARY CARE TO APPROXIMATELY 90 ELDERLY PATIENTS IN THEIR HOMES WHO ARE TOO FRAIL TO TRAVEL TO PHYSICIANS' OFFICES ADDITIONAL AREAS OF COMMUNITY SUPPORT INCLUDE CSM'S PARTNERSHIP WITH SIXTEENTH STREET COMMUNITY HEALTH CENTER (SSCHC), A FEDERALLY QUALIFIED HEALTH CENTER (FQHC) THAT SERVES PRIMARILY HISPANIC AND ASIAN PEOPLE IN MILWAUKEE CSM IS THE PRIMARY HOSPITAL TO ACCEPT ADMISSIONS AND WORK CLOSELY WITH SSCHC TO IMPROVE THE HEALTH OF ITS PATIENTS MANY OF ITS PATIENTS ARE UNINSURED AND INELIGIBLE FOR COVERAGE THIS HAS IMPACT ON CSM'S CHARITY CARE FUNDING CSM ALSO EMPLOYS A CADRE OF SKILLED INTERPRETERS TO ASSURE THAT COMMUNICATION IS EXCELLENT FOR SPANISH-SPEAKING PATIENTS</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 7 CSM HOSPITAL MILWAUKEE IS PART OF THE CSM HEALTH SYSTEM, WHICH CONTRIBUTES TO THE POSITIVE HEALTH STATUS OF THE COMMUNITIES IT SERVES CSM IS AN ORGANIZATION COMPRISED OF THREE HOSPITALS, 65 COMMUNITY CLINICS, THE COLUMBIA COLLEGE OF NURSING, SETON CHILDREN'S SCHOOL, A PARTNERSHIP WITH THE ORTHOPAEDIC HOSPITAL OF WISCONSIN, A PARTNERSHIP WITH SLEEP WELLNESS INSTITUTE, AND FOUR URGENT CARE CENTERS CSM PROVIDES CARE FOR INDIVIDUALS AND FAMILIES THROUGHOUT MILWAUKEE, OZAUKEE, WASHINGTON, AND SHEBOYGAN COUNTIES - WITH MORE THAN 160 YEARS OF SERVICE TO INDIVIDUALS AND FAMILIES IN THESE COMMUNITIES AS A MEMBER OF ASCENSION HEALTH, THE NATION'S LARGEST CATHOLIC HEALTHCARE SYSTEM, CSM CONTINUES TO BUILD AND STRENGTHEN SUSTAINABLE COLLABORATIVE EFFORTS THAT BENEFIT THE HEALTH OF INDIVIDUALS, FAMILIES, AND SOCIETY AS A WHOLE THE GOAL OF CSM IS TO PERPETUATE THE HEALTH MISSION OF THE CHURCH CSM FURTHERS THIS GOAL THROUGH DELIVERY OF PATIENT SERVICES, CARE TO THE ELDERLY AND INDIGENT, PATIENT EDUCATION AND HEALTH AWARENESS PROGRAMS FOR THE COMMUNITY, AND MEDICAL RESEARCH OUR CONCERN FOR ALL HUMAN LIFE AND DIGNITY OF EACH PERSON LEADS THE ORGANIZATION TO PROVIDE MEDICAL SERVICES TO ALL PEOPLE IN THE COMMUNITY WITHOUT REGARD TO THE PATIENT'S RACE, CREED, NATIONAL ORIGIN, ECONOMIC STATUS, OR ABILITY TO PAY CSM EMPLOYS A COMMUNITY BENEFIT PHILOSOPHY IN PROGRAM PLANNING AND IMPLEMENTATION CSM PROVIDES FOR THE HEALTH OF THE COMMUNITY THROUGH FINANCIAL SUPPORT PROVIDED TO PATIENTS BY FINANCIAL DISCOUNTS AND CONTRACTS, BY DEVELOPING CLINICS AND SERVICES FOR SPECIFIC VULNERABLE GROUPS, BY SPONSORING COMMUNITY EDUCATION AND TRAINING AND BY COLLABORATING WITH GOVERNMENT PROGRAMS DURING FISCAL 2011, THE CSM SYSTEM PROVIDED MORE THAN \$71,859,000 IN COMMUNITY HEALTH BENEFIT SERVICES, INCLUDING SUBSIDIZED HEALTH CARE, PROFESSIONAL EDUCATION, FINANCIAL CONTRIBUTIONS AND COMMUNITY BUILDING ACTIVITIES IN ADDITION, THE ORGANIZATION'S GOVERNING BODY IS COMPRISED OF LOCAL COMMUNITY LEADERS AND PHYSICIANS, THE MAJORITY OF WHOM RESIDE WITHIN THE COMMUNITIES CSM SERVES AND ARE NEITHER EMPLOYEES NOR CONTRACTORS OF THE ORGANIZATION, NOR FAMILY MEMBERS THEREOF THE HOSPITAL EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY, HOWEVER, THE CLINICS WITHIN THE ORGANIZATION ARE SERVED BY PHYSICIANS AFFILIATED WITH CSM</p>

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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 checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</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	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input 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	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use 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, LINE 1A	TAX INDEMNIFICATION PAYMENTS ARE MADE ON THE PERSONAL USE OF EMPLOYER-PROVIDED CELL PHONES. THIS POLICY EXISTS FOR ALL EMPLOYEES ISSUED EMPLOYER-PROVIDED CELL PHONES. GROSS UP PAYMENTS TO COVER TAXES FOR NON-QUALIFIED RELOCATION AND TEMPORARY HOUSING EXPENSES FOR EXECUTIVES WERE PAID IN FY11.
	PART I, LINE 4B	ELIGIBLE EXECUTIVES PARTICIPATE IN A PROGRAM THAT PROVIDES FOR SUPPLEMENTAL RETIREMENT BENEFITS. THE PAYMENT OF BENEFITS UNDER THE PROGRAM, IF ANY, IS ENTIRELY DEPENDENT UPON THE FACTS AND CIRCUMSTANCES UNDER WHICH THE EXECUTIVE TERMINATES EMPLOYMENT WITH THE ORGANIZATION. BENEFITS UNDER THE PROGRAM ARE UNFUNDED AND NON-VESTED. DUE TO THE SUBSTANTIAL RISK OF FORFEITURE PROVISION, THERE IS NO GUARANTEE THAT THESE EXECUTIVES WILL EVER RECEIVE ANY BENEFIT UNDER THE PROGRAM. ANY AMOUNT ULTIMATELY PAID UNDER THE PROGRAM TO THE EXECUTIVE IS REPORTED AS COMPENSATION ON FORM 990, SCHEDULE J, PART II, COLUMN B IN THE YEAR PAID. THE FILING ORGANIZATION (CSMM) DID NOT CONTRIBUTE ANY AMOUNT TO THIS PLAN THIS YEAR.
	PART I, LINE 7	BOARD MEMBERS, OFFICERS, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES WHO ARE EMPLOYED BY THE CSM ORGANIZATIONS AND ARE MEDICAL DOCTORS ARE ELIGIBLE TO RECEIVE A PERCENTAGE OF THE REVENUE GENERATED FROM PATIENTS THEY SERVE, BASED ON ESTABLISHED GUIDELINES. OFFICERS AND KEY EMPLOYEES PARTICIPATE IN A MANAGEMENT INCENTIVE PLAN, WHEREBY CERTAIN FINANCIAL TRIGGERS OF THE CSM SYSTEM AS APPROVED BY THE BOARD MUST BE MET BEFORE ANY ELIGIBLE EMPLOYEE MAY RECEIVE PAYMENT OF THE INCENTIVE. ONCE THE TRIGGER IS MET, THE INCENTIVE IS MEASURED BASED ON VARIOUS ESTABLISHED GOALS, INCLUDING OPERATING MARGIN, PATIENT SATISFACTION, QUALITY, AND PRODUCTIVITY.

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number

39-0806315

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) R BRUCE MCDONALD	BOARD CHAIR	711,553	CFO OF JOHNSON CONTROLS, INC , A PUBLIC COMPANY WHICH PROVIDES SERVICES TO CSM AND ITS AFFILIATES ALL TRANSACTIONS ARE CONDUCTED AT ARMS' LENGTH		No
(2) DAVID SHAPIRO MD	KEY EMPLOYEE	167,371	SPOUSE IS ALSO EMPLOYED BY CSM SYSTEM ALL COMPENSATION IS DETERMINED IN ACCORDANCE WITH PAYROLL POLICY GUIDELINES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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2010

Open to Public Inspection

SCHEDULE O

(Form 990 or 990-EZ)

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.

Department of the Treasury
Internal Revenue Service

Name of the organization COLUMBIA ST MARY'S HOSPITAL MILWAUKEE	Employer identification number 39-0806315
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		CSM-M HAS A SINGLE CORPORATE MEMBER, CSM

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		CSM-M HAS A SINGLE CORPORATE MEMBER, CSM, WHO HAS THE ABILITY TO ELECT MEMBERS TO THE GOVERNING BODY OF CSM-M

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		ALL DECISIONS THAT HAVE A MATERIAL IMPACT TO CSM-M'S FINANCIAL INFORMATION OR CORPORATION AS A WHOLE ARE SUBJECT TO APPROVAL BY ITS SOLE CORPORATE MEMBER, CSM

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		MANAGEMENT, INCLUDING CERTAIN KEY EMPLOYEES, WORKS DILIGENTLY TO COMPLETE THE FORM 990 AND ATTACHED SCHEDULES IN A THOROUGH MANNER. MANAGEMENT PRESENTS THE FORM TO THE BOARD, OR A DESIGNATED COMMITTEE, TO REVIEW AND ANSWER ANY QUESTIONS. PRIOR TO FILING THE RETURN, ALL BOARD MEMBERS ARE PROVIDED THE FORM 990 AND MANAGEMENT TEAM MEMBERS ARE AVAILABLE TO ANSWER ANY BOARD MEMBERS QUESTIONS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	CSM HAS A WRITTEN CONFLICT OF INTEREST POLICY THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE POLICY IN THAT ANY DIRECTOR, PRINCIPAL OFFICER, OR MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS, WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST, MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF THE COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT THE REMAINING INDIVIDUALS ON THE GOVERNING BOARD OR COMMITTEE MEETING WILL DECIDE IF CONFLICTS OF INTEREST EXIST EACH DIRECTOR, PRINCIPAL OFFICER, AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS ANNUALLY SIGNS A STATEMENT WHICH AFFIRMS SUCH PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND UNDERSTANDS THAT THE ORGANIZATION IS CHARITABLE AND IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION IT MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ITS TAX EXEMPT PURPOSE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	15A IN DETERMINING COMPENSATION OF THE ORGANIZATION'S CEO, EXECUTIVE DIRECTOR, OR TOP MANAGEMENT OFFICIAL, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATION, THE CEO WAS COMPARED TO OTHER HOSPITALS IN THE AREA THAT HOLD THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES THE CEO WAS NOT PRESENT WHEN HIS COMPENSATION WAS DECIDED 15B IN DETERMINING COMPENSATION OF OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION, THE PROCESS INCLUDED A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS REVIEWED AND APPROVED THE COMPENSATION IN THE REVIEW OF THE COMPENSATIONS, THE OTHER OFFICERS OR KEY EMPLOYEES OF THE ORGANIZATION WERE COMPARED TO OTHER HOSPITALS' EMPLOYEES IN THE AREA THAT HOLD THE SAME TITLE DURING THE REVIEW AND APPROVAL OF THE COMPENSATION, DOCUMENTATION OF THE DECISION WAS RECORDED IN THE BOARD MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION WILL PROVIDE ANY DOCUMENTS OPEN TO PUBLIC INSPECTION UPON REQUEST CSM DOES PUBLISH AN ANNUAL REPORT AND FACT SHEETS ON THE EXTERNAL WEBSITE, WHICH IS AVAILABLE FOR PUBLIC VIEWING

Identifier	Return Reference	Explanation
EMPLOYEE HOURS	FORM 990, PART VII, COL (B)	THE KEY EMPLOYEES AND OFFICERS LISTED ON FORM 990, PART VII, PROVIDE SERVICES TO THIS ORGANIZATION AS WELL AS OTHER RELATED CSM ORGANIZATIONS. THE HOURS REPORTED IN COLUMN (B) REPRESENT THE ESTIMATED PERCENTAGE OF TIME THESE INDIVIDUALS DEVOTE TO THE REPORTING ORGANIZATION BASED ON AN AVERAGE WEEK. THE TOTAL AVERAGE HOURS PER WEEK THESE INDIVIDUALS SPEND ON ALL CSM ORGANIZATIONS, INCLUDING THIS ORGANIZATION, EXCEED 40 HOURS.

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	OTHER ADJUSTMENTS 81,790,708 TOTAL TO FORM 990, PART XI, LINE 5 81,790,708

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	NO CHANGES SINCE THE PRIOR YEAR

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
COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

Employer identification number
39-0806315

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) Disproportionate 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	
(1) ORTHOPAEDIC HOSPITAL OF WISCONSIN LLC 575 RIVERWOODS PKWY GLENDALE, WI53212 39-2015655	HEALTHCARE	WI	N/A									
(2) SLEEP SERVICES OF WISCONSIN 111 E KILBOURN AVE STE 1300 MILWAUKEE, WI53202 27-3148310	SLEEP SERVICES	WI	N/A									

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CSM STRATEGIC ALLIANCE 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 39-1871856	HEALTH CARE	WI	N/A	C			
(2) MADISON MEDICAL AFFILIATES INC 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 39-1855720	HEALTH CARE	WI	COLUMBIA ST MARY'S HOSPITAL INC	C			72 000 %
(3) PROSPECT MEDICAL COMMONS CONDO ASSOCIATION 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 20-8042108	CONDO ASSOCIATION	WI	N/A	C			

Part V

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

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

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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

Yes

Yes

Yes

No

Yes

No

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

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

Schedule R (Form 990) 2010

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:

Software Version:

EIN: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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			
MICHELLES NETTLES BOARD MEMBER	1 00	X						0	0	0
DAVID HOOGERLAND MD BOARD MEMBER AND CSM PHYSI	35 00	X						537,518	0	47,468
GEORGE H HOFF VICE CHAIR	1 00	X						0	0	0
PATRICIA J DOLHUN MD BOARD MEMBER	1 00	X						0	0	0
KEVIN GONIU MD BOARD MEMBER AND CSM PHYSI	1 00	X						0	581,431	55,819
LEO P BRIDEAU PRESIDENT/CEO 07/10-02/11	15 00	X		X				0	1,836,612	78,942
MARK TAYLOR PRESIDENT/CEO 02/11-06/11	15 00	X		X				0	0	0
MASON G ROSS BOARD MEMBER	1 00	X						0	0	0
MICHAEL GREBE BOARD MEMBER	1 00	X						0	0	0
R BRUCE MCDONALD CHAIR	1 00	X						0	0	0
RANDALL PERRY SECRETARY/TREASURER	1 00	X						0	0	0
ROBERT LYON MD BOARD MEMBER	1 00	X						0	0	0
ROBERT VENABLE BOARD MEMBER	1 00	X						0	0	0
SISTER THERESA SULLIVAN DC BOARD MEMBER	1 00	X						0	0	0
TINA CHANG BOARD MEMBER	1 00	X						0	0	0
CHRISTINE NUERNBERG BOARD MEMBER	1 00	X						0	0	0
RHONDA ANDERSON PRESIDENT / CFO	15 00			X				0	467,315	44,961
AMY MARQUARDT VP LEGAL SERVICES	15 00				X			0	333,816	36,621
CHERYL HILL VP HUMAN RESOURCES	15 00				X			0	313,013	35,052
DAVID H SHAPIRO MD CHIEF MEDICAL OFFICER	15 00				X			0	386,542	19,935
GERRI LIETZ-STAFFILENO VP HOSP OPERATIONS	1 00				X			0	312,928	30,724
KAROL MARCIANO EXEC VP BUSINESS DEVELOPME	30 00				X			0	361,072	26,841
MARY PAUL VP/CIO	20 00				X			0	661,504	49,257
SUE SANICOLA VP PHYSICIAN DIVISION	20 00				X			0	231,123	34,778
WILLIAM HART VP / COO	20 00				X			356,106	0	20,055

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			
DEBORAH FRIBERG PRESIDENT HOSPITAL DIVISION	20 00				X			634,473	0	41,593
BRUCE MCCARTHY PRESIDENT PHYSICIAN DIVISION	20 00				X			0	386,167	29,766
CONSTANCE J BRADLEY VP HOSPITAL OPERATIONS	35 00				X			248,016	0	22,826
DAVID OLSON EXEC VP/PRESIDENT CSM HOSP	1 00				X			0	514,194	39,710
ROBERT B ROTH MD PHYSICIAN	40 00					X		1,695,121	0	89,927
ROBERT L HUXLEY MD PHYSICIAN	40 00					X		1,493,608	0	89,090
DAVID W GRAMBOW MD PHYSICIAN	40 00					X		1,321,296	0	84,125
SANJAY S DESHPANDE MD PHYSICIAN	40 00					X		1,519,956	0	79,954
RICHARD A PIRCON MD PHYSICIAN	40 00					X		1,150,455	0	71,224
CHARLES J DREHER FORMER CFO / PROJECT MNGR	1 00						X	0	154,720	27,198

Additional Data

Software ID:

Software Version:

EIN: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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>37</u>	
Name and address	Type of Facility (Describe)
AIRPORT MEDICAL CLINIC 4848 S 6TH STREET MILWAUKEE, WI 53221	CLINIC
BABBITZ BURSTEIN & NASH 2350 N LAKE DR SUITE 201 MILWAUKEE, WI 53221	CLINIC
BAY VIEW FAMILY HEALTH CENTER 3056 S KINNICKINNIC AVE MILWAUKEE, WI 53207	CLINIC
CSMCP PULMONOLOGY 2311 N PROSPECT AVE 2B MILWAUKEE, WI 53211	CLINIC
CARDIAC RHYTHM SPECIALISTS 2350 N LAKE DR SUITE 206 MILWAUKEE, WI 53211	CLINIC
CARDIAC & VASCULAR INTERVENTIONAL SPECIA 2350 N LAKE DR SUITE 303 MILWAUKEE, WI 53211	CLINIC
CATHEDRAL SQUARE URGENT CARE CENTER 734 N JACKSON ST MILWAUKEE, WI 53202	CLINIC
COLUMBIA WEST 10950 W CAPITOL DR WAUWATOSA 53222 WAUWATOSA, WI 53222	CLINIC
ENT ASSOCIATES 2350 N LAKE DRIVE SUITE 406 MILWAUKEE, WI 53211	CLINIC
FAMILY HEALTH CENTER 1121 E NORTH AVE MILWAUKEE, WI 53212	CLINIC
PMC NEUROLOGY 2311 N PROSPECT AVE MILWAUKEE, WI 53211	CLINIC
GATEWAY MEDICAL CLINIC 801 S 70TH ST WEST ALLIS, WI 53214	CLINIC
GLENDALE CLINIC GREEN BAY ROAD 9233 N GREEN BAY RD BROWN DEER, WI 53209	CLINIC
GLENDALE CLINIC PORT WASH ROAD 6900 N PORT WASHINGTON RD GLENDALE, WI 53217	CLINIC
GYN ONCOLOGY 2350 N LAKE DR SUITE 501 MILWAUKEE, WI 53211	CLINIC
MEDICAL ONCOLOGY 2350 N LAKE DR SUITE 100 MILWAUKEE, WI 53211	CLINIC
NORTHSHORE MEDICAL CLINIC 7080 N PORT WASHINGTON RD GLENDALE, WI 53217	CLINIC
OBGYN RESIDENCY CLINIC 2320 N LAKE DRIVE MILWAUKEE, WI 53211	CLINIC
CSM PERINATOLOGY 2388 N LAKE DRIVE MILWAUKEE, WI 53211	CLINIC
PROSPECT MEDICAL COMMONS 2311 N PROSPECT AVE MILWAUKEE, WI 53211	CLINIC
RADIATION ONCOLOGY 2350 N LAKE DR SUITE 100 MILWAUKEE, WI 53211	CLINIC
RIVER GLEN MEDICAL CLINIC 375 W RIVERWOODS PKWY GLENDALE, WI 53212	CLINIC
RIVER WOODS URGENT CARE 375 W RIVERWOODS PKWY GLENDALE, WI 53212	CLINIC
SHOREWOOD FAMILY PHYSICIANS 1901 E CAPITOL DR SHOREWOOD, WI 53211	CLINIC
WEST ALLIS MEDICAL CLINIC 2323 SOUTH 102ND STREET WEST ALLIS, WI 53227	CLINIC
WESTGATE MEDICAL GROUP 2727 N MAYFAIR RD WAUWATOSA, WI 53222	CLINIC
PLASTIC SURGERY 2350 N LAKE DR SUITE 501 MILWAUKEE, WI 53211	CLINIC
WISCONSIN CARDIOVASCULAR GROUP MILWAUKEE 2350 N LAKE DR SUITE 400 MILWAUKEE, WI 53211	CLINIC
CSM CANCER CENTER - ONCOLOGYHEMATOLOGY 2350 N LAKE DR SUITE 100 MILWAUKEE, WI 53211	CLINIC
NORTH SHORE CARDIOLOGY EAST 2350 N LAKE DR SUITE 400 MILWAUKEE, WI 53211	CLINIC
PERINATAL ASSESSMENT CENTER 2323 N LAKE DR 4TH FLOOR MILWAUKEE, WI 53211	CLINIC
MADISON MEDICAL AFFILIATES - MAYFAIR 201 N MAYFAIR RD SUITE 550 WAUWATOSA, WI 53226	CLINIC
CARDIAC RHYTHM SPECIALISTS - WAUWATOSA 2727 N MAYFAIR RD SUITE I WAUWATOSA, WI 53222	CLINIC
CENTER FOR PAIN MANAGEMENT 2323 N LAKE DR MILWAUKEE, WI 53211	CLINIC
MMA CATHEDRAL SQUARE SUITE 201 788 N JEFFERSON ST MILWAUKEE, WI 53202	CLINIC
MMA CATHEDRAL SQUARE SUITE 300 788 N JEFFERSON ST MILWAUKEE, WI 53202	CLINIC
MMA CATHEDRAL SQUARE SUITE 401 788 N JEFFERSON ST MILWAUKEE, WI 53202	CLINIC

Software ID:

Software Version:

EIN: 39-0806315

Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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				
DAVID HOOGERLAND MD	(i)	414,900	101,000	21,618	4,900	42,568	584,986	0
	(ii)	0	0	0	0	0	0	0
KEVIN GONIU MD	(i)	0	0	0	0	0	0	0
	(ii)	522,609	40,000	18,822	4,900	50,919	637,250	0
LEO P BRIDEAU	(i)	0	0	0	0	0	0	0
	(ii)	804,390	857,565	174,657	4,900	74,042	1,915,554	0
RHONDA ANDERSON	(i)	0	0	0	0	0	0	0
	(ii)	353,962	109,478	3,875	3,323	41,638	512,276	0
AMY MARQUARDT	(i)	0	0	0	0	0	0	0
	(ii)	234,247	74,208	25,361	19,951	16,670	370,437	0
CHERYL HILL	(i)	0	0	0	0	0	0	0
	(ii)	228,137	61,396	23,480	4,834	30,218	348,065	0
DAVID H SHAPIRO MD	(i)	0	0	0	0	0	0	0
	(ii)	288,246	53,235	45,061	4,900	15,035	406,477	0
GERRI LIETZ-STAFFILENO	(i)	0	0	0	0	0	0	0
	(ii)	216,241	58,443	38,244	2,141	28,583	343,652	0
KAROL MARCIANO	(i)	0	0	0	0	0	0	0
	(ii)	246,422	81,198	33,452	4,900	21,941	387,913	0
MARY PAUL	(i)	0	0	0	0	0	0	0
	(ii)	364,297	220,605	76,602	33,825	15,432	710,761	0
SUE SANICOLA	(i)	0	0	0	0	0	0	0
	(ii)	165,577	45,781	19,765	3,825	30,953	265,901	0
WILLIAM HART	(i)	280,195	72,496	3,415	0	20,055	376,161	0
	(ii)	0	0	0	0	0	0	0
DEBORAH FRIBERG	(i)	432,541	115,466	86,466	361	41,232	676,066	0
	(ii)	0	0	0	0	0	0	0
BRUCE MCCARTHY	(i)	0	0	0	0	0	0	0
	(ii)	344,948	0	41,219	0	29,766	415,933	0
CONSTANCE J BRADLEY	(i)	196,027	48,703	3,286	4,740	18,086	270,842	0
	(ii)	0	0	0	0	0	0	0
DAVID OLSON	(i)	0	0	0	0	0	0	0
	(ii)	348,362	58,277	107,555	0	39,710	553,904	0
ROBERT B ROTH MD	(i)	1,618,299	58,000	18,822	4,900	85,027	1,785,048	0
	(ii)	0	0	0	0	0	0	0
ROBERT L HUXLEY MD	(i)	1,486,286	5,000	2,322	4,900	84,190	1,582,698	0
	(ii)	0	0	0	0	0	0	0
DAVID W GRAMBOW MD	(i)	1,283,767	36,287	1,242	4,450	79,675	1,405,421	0
	(ii)	0	0	0	0	0	0	0
SANJAY S DESHPANDE MD	(i)	1,345,384	156,830	17,742	4,900	75,054	1,599,910	0
	(ii)	0	0	0	0	0	0	0
RICHARD A PIRCON MD	(i)	960,213	189,000	1,242	4,900	66,324	1,221,679	0
	(ii)	0	0	0	0	0	0	0
CHARLES J DREHER	(i)	0	0	0	0	0	0	0
	(ii)	126,732	10,696	17,292	3,214	23,984	181,918	0

Software ID:
Software Version:
EIN: 39-0806315
Name: COLUMBIA ST MARY'S HOSPITAL MILWAUKEE

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 MARY'S HOSPITAL OZAUKEE 4425 NORTH PORT WASHINGTON ROAD MILWAUKEE, WI53212 39-0807063	HOSPITAL	WI	501(C)(3)	3	N/A		No
SACRED HEART REHABILITATION INSTITUTE 4425 NORTH PORT WASHINGTON ROAD MILWAUKEE, WI53212 39-0902199	REHAB FACILITY	WI	501(C)(3)	3	COLUMBIA ST MARY'S HOSPITAL MILWAUKEE INC	Yes	
COLUMBIA COLLEGE OF NURSING 4425 NORTH PORT WASHINGTON ROAD MILWAUKEE, WI53212 39-1596986	COLLEGE	WI	501(C)(3)	2	COLUMBIA ST MARY'S HOSPITAL MILWAUKEE INC	Yes	
SETON CHILDREN'S SCHOOL 4425 NORTH PORT WASHINGTON ROAD MILWAUKEE, WI53212 39-1391245	SCHOOL	WI	501(C)(3)	9	COLUMBIA ST MARY'S HOSPITAL MILWAUKEE INC	Yes	
ASCENSION HEALTH 4600 EDMUNDSON ROAD ST LOUIS, MO63136 31-1662309	HEALTH SYSTEM	MO	501(C)(3)	11	N/A		No
HORIZON HOME CARE & HOSPICE INC 8949 N DEERBROOK TRL MILWAUKEE, WI53223 39-1171298	HOME CARE/HOSPICE	WI	501(C)(3)	3	N/A		No
COLUMBIA ST MARY'S INC 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 39-1834639	HEALTH SYSTEM	WI	501(C)(3)	11	N/A		No
COLUMBIA HEALTH SYSTEM 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 39-1494977	HEALTH SYSTEM	WI	501(C)(3)	11	N/A		No
COLUMBIA ST MARY'S FOUNDATION INC 4425 NORTH PORT WASHINGTON RD GLENDALE, WI53212 39-1494981	FOUNDATION	WI	501(C)(3)	7	N/A		No

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)	ORTHOPAEDIC HOSPITAL OF WISCONSIN	K	121,645	
(2)	SACRED HEART REHABILITATION INSTITUTE	K	1,414,537	
(3)	ASCENSION HEALTH	E	112,258,465	
(4)	COLUMBIA ST MARY'S INC	L	84,205,713	
(5)	COLUMBIA ST MARY'S HOSPITAL OZAUKEE	L	1,992,036	
(6)	SACRED HEART REHABILITATION INSTITUTE	L	144,507	
(7)	COLUMBIA HEALTH SYSTEM	Q	320,016	
(8)	COLUMBIA ST MARY'S INC	O	519,688,000	

CONSOLIDATED FINANCIAL
STATEMENTS

Ascension Health
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ascension Health
Consolidated Financial Statements
Years Ended June 30, 2011 and 2010

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Report of Independent Auditors

The Board of Trustees
Ascension Health

We have audited the accompanying consolidated balance sheets of Ascension Health (as identified in Note 1) as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Ascension Health's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ascension Health at June 30, 2011 and 2010, and the consolidated 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.

Ernst & Young LLP

September 8, 2011

Ascension Health

Consolidated Balance Sheets (Dollars in Thousands)

	June 30,	
	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 1,117,574	\$ 1,168,278
Short-term investments	91,146	81,650
Accounts receivable, less allowances for uncollectible accounts (\$1,091,291 and \$1,018,364 in 2011 and 2010, respectively)	1,700,917	1,590,084
Assets limited as to use	161,300	158,676
Inventories	192,057	201,353
Estimated third-party payor settlements	90,365	115,798
Other	297,549	313,698
Total current assets	3,650,908	3,629,537
Board-designated and other investments	8,251,466	6,701,328
Property and equipment, net	6,013,874	6,093,288
Other assets		
Investment in unconsolidated entities	889,077	809,488
Capitalized software costs, net	486,916	388,701
Other	660,818	487,782
Total other assets	2,036,811	1,685,971
Total assets	\$ 19,953,059	\$ 18,110,124

	June 30,	
	2011	2010
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	\$ 29,563	\$ 31,221
Long-term debt subject to short-term remarketing arrangements*	1,662,950	1,228,115
Accounts payable and accrued liabilities	1,831,710	1,734,533
Estimated third-party payor settlements	281,007	254,232
Current portion of self-insurance liabilities	191,551	188,114
Other	75,963	67,955
Total current liabilities	4,072,744	3,504,170
Noncurrent liabilities		
Long-term debt (senior and subordinated)	2,546,785	3,007,210
Self-insurance liabilities	448,624	461,907
Pension and other postretirement liabilities	396,903	1,022,488
Other	681,626	659,390
Total noncurrent liabilities	4,073,938	5,150,995
Total liabilities	8,146,682	8,655,165
Net assets		
Unrestricted	11,332,631	9,013,920
Temporarily restricted	331,563	310,032
Permanently restricted	99,444	89,871
Total net assets excluding noncontrolling interests	11,763,638	9,413,823
Noncontrolling interests	42,739	41,136
Total net assets	11,806,377	9,454,959
Total liabilities and net assets	\$ 19,953,059	\$ 18,110,124

*Consists of variable rate demand bonds with put options that may be exercised at the option of the bondholders with stated repayment installments through 2047, as well as certain serial mode bonds with scheduled remarketing/mandatory tender dates occurring prior to June 30, 2012. In the event that bonds are not remarketed upon the exercise of put options or the scheduled mandatory tenders, management would utilize other sources to access the necessary liquidity. Potential sources include liquidating investments drawing upon the \$500,000 line of credit and issuing commercial paper. The \$250,000 commercial paper program is supported by lines of credit totaling \$250,000 as discussed in the Long-Term Debt note.

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

Ascension Health

Consolidated Statements of Operations and Changes in Net Assets (Dollars in Thousands)

	Year Ended June 30,	
	2011	2010
Operating revenue		
Net patient service revenue	\$ 14,719,615	\$ 13,967,469
Other revenue	844,747	788,842
Total operating revenue	15,564,362	14,756,311
Operating expenses		
Salaries and wages	6,264,651	5,762,470
Employee benefits	1,462,380	1,358,256
Purchased services	781,392	837,171
Professional fees	895,074	747,007
Supplies	2,279,657	2,253,201
Insurance	92,610	120,350
Bad debts	1,001,893	973,767
Interest	130,725	114,323
Depreciation and amortization	659,673	666,933
Other	1,570,018	1,397,185
Total operating expenses before self-insurance trust fund investment return and impairment, restructuring, and nonrecurring expenses	15,138,073	14,230,663
Income from operations before self-insurance trust fund investment return and impairment, restructuring, and nonrecurring expenses	426,289	525,648
Self-insurance trust fund investment return	90,402	73,976
Income from operations before impairment, restructuring, and nonrecurring expenses	516,691	599,624
Impairment, restructuring, and nonrecurring expenses	92,458	31,111
Income from operations	424,233	568,513
Nonoperating gains (losses):		
Investment return	1,140,325	722,870
Loss on extinguishment of debt	(1,007)	(7,515)
Gain on interest rate swaps	30,941	3,119
Income from unconsolidated entities	11,915	10,147
Donations	(25,968)	(9,864)
Other	(43,077)	(33,762)
Total nonoperating gains, net	1,113,129	684,995
Excess of revenues and gains over expenses and losses	1,537,362	1,253,508
Less excess of revenues and gains over expenses and losses attributable to noncontrolling interests	27,484	23,423
Excess of revenues and gains over expenses and losses attributable to controlling interest	1,509,878	1,230,085

Ascension Health

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

(Dollars in Thousands)

	Year Ended June 30,	
	2011	2010
Unrestricted net assets, controlling interest		
Excess of revenues and gains over expenses and losses	\$ 1,509,878	\$ 1,230,085
Contributed net assets	(374)	64
Transfers to sponsors and other affiliates, net	(16,959)	(86,940)
Net assets released from restrictions for property acquisitions	70,829	92,351
Pension and other postretirement liability adjustments	793,938	(4,361)
Change in unconsolidated entities' net assets	1,175	(20,113)
Deferred gain on interest rate swaps	(303)	(14,123)
Other	(96)	(224)
Increase in unrestricted net assets, controlling interest, before gain (loss) from discontinued operations and cumulative effect of change in accounting principle	2,358,088	1,196,739
Gain (loss) from discontinued operations	6,616	(48,911)
Cumulative effect of change in accounting principle	(45,993)	—
Increase in unrestricted net assets, controlling interest	2,318,711	1,147,828
Unrestricted net assets, noncontrolling interest.		
Excess of revenues and gains over expenses and losses	27,484	23,423
Distributions and other	(25,881)	(38,046)
Increase (decrease) in unrestricted net assets, noncontrolling interest	1,603	(14,623)
Temporarily restricted net assets		
Contributions and grants	100,884	109,068
Net change in unrealized gains/losses on investments	15,714	13,618
Investment return	8,295	2,602
Net assets released from restrictions	(103,972)	(128,604)
Other	610	(5,410)
Increase (decrease) in temporarily restricted net assets	21,531	(8,726)
Permanently restricted net assets.		
Contributions	8,030	2,607
Net change in unrealized gains/losses on investments	1,692	(151)
Investment return	(62)	(252)
Other	(87)	(2,225)
Increase (decrease) in permanently restricted net assets	9,573	(21)
Increase in net assets	2,351,418	1,124,458
Net assets, beginning of year	9,454,959	8,330,501
Net assets, end of year	\$ 11,806,377	\$ 9,454,959

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

Ascension Health

Consolidated Statements of Cash Flows

(Dollars in Thousands)

	Year Ended June 30,	
	2011	2010
Operating activities		
Increase in net assets	\$ 2,351,418	\$ 1,124,458
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	659,673	666,933
Amortization of bond premiums	(9,951)	(9,390)
Loss on extinguishment of debt	1,007	7,515
Provision for bad debts	1,001,893	973,767
Pension and other postretirement liability adjustments	(793,938)	4,361
Contributed net assets	374	(64)
Interest, dividends, and net gains on investments	(1,256,366)	(812,663)
Change in market value of interest rate swaps	(25,257)	18,641
Deferred gain on interest rate swaps	(303)	(14,123)
Gain on sale of assets, net	(21,290)	(9,555)
Cumulative effect of change in accounting principle	45,993	-
Impairment and nonrecurring expenses	35,384	14,670
Transfers to sponsor and other affiliates, net	16,959	86,940
Restricted contributions, investment return, and other	(117,670)	(106,390)
Other restricted activity	(1,394)	20,524
Nonoperating depreciation expense	311	303
(Increase) decrease in:		
Short-term investments	(9,496)	(8,286)
Accounts receivable	(1,112,960)	(903,747)
Inventories and other current assets	18,489	11,699
Investments classified as trading	(295,223)	(478,803)
Other assets	(218,766)	(163,877)
Increase (decrease) in:		
Accounts payable and accrued liabilities	105,101	198,666
Estimated third-party payor settlements payable, net	52,208	(21,818)
Other current liabilities	36,358	(15,522)
Self-insurance liabilities	(9,846)	13,259
Other noncurrent liabilities	235,244	139,038
Net cash provided by continuing operating activities	687,952	736,536
Net cash used in discontinued operations	(2,098)	(27,738)
Net cash provided by operating activities	685,854	708,798

Ascension Health

Consolidated Statements of Cash Flows (continued)

(Dollars in Thousands)

	Year Ended June 30,	
	2011	2010
Investing activities		
Property, equipment, and capitalized software additions, net	\$ (730,404)	(622,308)
Proceeds from sale of property and equipment	25,714	3,001
Net cash used in investing activities	(704,690)	(619,307)
Financing activities		
Issuance of long-term debt	691,240	2,854,053
Repayment of long-term debt	(804,536)	(2,839,341)
Decrease in assets under bond indenture agreements	467	1,197
Transfers to sponsors and other affiliates, net	(36,709)	(13,930)
Restricted contributions, investment return, and other	117,670	106,390
Net cash (used in) provided by financing activities	(31,868)	108,369
Net (decrease) increase in cash and cash equivalents	(50,704)	197,860
Cash and cash equivalents at beginning of year	1,168,278	970,418
Cash and cash equivalents at end of year	<u>\$ 1,117,574</u>	<u>\$ 1,168,278</u>

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

Ascension Health

Notes to Consolidated Financial Statements (Dollars in Thousands)

June 30, 2011

1. Organization and Mission

Organizational Structure

Ascension Health is a Catholic, national health system consisting primarily of nonprofit corporations that own and operate local health care facilities, or Health Ministries, located in 20 of the United States and the District of Columbia. Ascension Health is sponsored by the Northeast, Southeast, East Central, and West Central Provinces of the Daughters of Charity of St. Vincent de Paul, the Congregation of St. Joseph, and the Congregation of the Sisters of St. Joseph of Carondelet. All of the Health Ministries are related through common control. Substantially all expenses of Ascension Health are related to providing health care services

Mission

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

- Traditional charity care includes the cost of services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured or underinsured.
- Unpaid cost of public programs, excluding Medicare, represents the unpaid cost of services provided to persons covered by public programs for persons living in poverty and other vulnerable persons.
- Cost of other programs for persons living in poverty and other vulnerable persons includes unreimbursed costs of programs intentionally designed to serve the persons living in poverty and other vulnerable persons of the community, including substance abusers, the homeless, victims of child abuse, and persons with acquired immune deficiency syndrome.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

1. Organization and Mission (continued)

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

Discounts are provided to all uninsured patients, including those with the means to pay. Discounts provided to those patients who did not qualify for assistance under charity care guidelines are not included in the cost of providing care of persons living in poverty and community benefit programs. The cost of providing care to persons living in poverty and community benefit programs is estimated using each facility's internal cost data and is calculated in compliance with guidelines established by both the Catholic Health Association (CHA) and the Internal Revenue Service. The amount of traditional charity care provided, determined on the basis of cost, was \$408,894 and \$375,039 for the years ended June 30, 2011 and 2010, respectively. The amount of unpaid cost of public programs, cost of other programs for persons living in poverty and other vulnerable persons, and community benefit cost are reported in the accompanying other financial information.

2. Significant Accounting Policies

Principles of Consolidation

All corporations and other entities for which operating control is exercised by Ascension Health or one of its member corporations are consolidated, and all significant inter-entity transactions have been eliminated in consolidation. Investments in entities where Ascension Health does not have operating control are recorded under the equity or cost method of accounting. Income from unconsolidated entities is included in consolidated excess of revenues and gains over expenses and losses in the consolidated statements of operations and changes in net assets as follows:

	Year Ended June 30,	
	2011	2010
Other revenue	\$ 138,469	\$ 131,680
Nonoperating gains, net	11,915	10,147

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Use of Estimates

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

Fair Value of Financial Instruments

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

Cash and Cash Equivalents

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

Investments and Investment Return

Ascension Health holds investments through the Health System Depository (HSD), an investment pool of funds in which a limited number of nonprofit health care providers participate for purposes of establishing investment goals and monitoring performance under agreed-upon socially responsible investment guidelines. Investments are managed primarily by external investment managers within established investment guidelines. Ascension Health does not consolidate the entire investment pool of funds as a portion of the investment pool represents the interests of other entities. Accordingly, as related to the HSD, Ascension Health's investments recorded in the accompanying consolidated financial statements consist only of Ascension Health's pro rata share of the HSD's investments held for participants.

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Investment returns are comprised of dividends, interest, and gains and losses. The cost of substantially all securities sold is based on the average cost method. Investment return on self-insurance trust funds is reported as a separate component of income from operations in the consolidated statements of operations and changes in net assets. Investment return from all other investments is reported as nonoperating gains (losses) in the consolidated statements of operations and changes in net assets unless the return is restricted by donor or law.

Inventories

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

Intangible Assets

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

	June 30,	
	2011	2010
Goodwill	\$ 118,871	\$ 93,324
Capitalized computer software costs, net	486,916	388,701
Other, net	29,404	5,624
Total intangible assets	<u>\$ 635,191</u>	<u>\$ 487,649</u>

Intangible assets whose lives are indefinite, primarily goodwill, are not amortized and are evaluated for impairment at least annually, while intangible assets with definite lives, primarily capitalized computer software costs, are amortized over their expected useful lives. Amortization expense for these intangible assets in 2011 and 2010 was \$86,741 and \$87,440, respectively.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

During the year ended June 30, 2010, Ascension Health began a significant multi-year, System-wide enterprise resource planning initiative including information technology and process standardization project (Symphony), which is expected to continue through December 2014. The project is anticipated to result in a transition to a common software product for various finance, information technology, procurement, and human resources management processes, including standardization of those processes throughout Ascension Health. Capitalized costs of Symphony were approximately \$162,000 and \$49,000 at June 30, 2011 and 2010, respectively. Certain costs of this project were also expensed. See the Impairment, Restructuring, and Nonrecurring Expenses discussion for additional information about costs associated with Symphony.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the gift. A summary of property and equipment at June 30, 2011 and 2010, is as follows:

	June 30, 2011	2010
Land and improvements	\$ 621,874	\$ 606,425
Building and equipment	12,405,114	11,904,661
Construction in progress	150,376	861,463
	<u>13,177,364</u>	<u>13,372,549</u>
Less accumulated depreciation	7,163,490	7,279,261
Total property and equipment, net	<u>\$ 6,013,874</u>	<u>\$ 6,093,288</u>

Depreciation is determined on a straight-line basis over the estimated useful lives of the related assets. Depreciation expense in 2011 and 2010 was \$569,633 and \$574,609, respectively.

Several capital projects have remaining construction and related equipment purchase commitments of approximately \$114,000.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

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

Performance Indicator

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

Operating and Nonoperating Activities

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

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

Net patient service revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services provided excluding the provision for bad debt expense and includes estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for third-party payor settlements and adjustments are estimated in the period the related services are provided and adjusted in future periods as additional information becomes available and as final settlements are determined.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue related to prior periods increased net patient service revenue by approximately \$83,416 and \$69,091 for the years ended June 30, 2011 and 2010, respectively.

During 2011, approximately 36% of net patient service revenue was earned under the Medicare program and 11% under various state Medicaid programs. During 2010, approximately 36% of net patient service revenue was earned under the Medicare program and 10% under various state Medicaid programs. Ascension Health grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable at June 30, 2011, include Medicare (20%) and various states' Medicaid programs (10%). Significant concentrations of accounts receivable at June 30, 2010, include Medicare (21%) and various states' Medicaid programs (10%).

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

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

Impairment, Restructuring, and Nonrecurring Expenses

During the years ended June 30, 2011 and 2010, Ascension Health recorded total impairment, restructuring, and nonrecurring expenses of \$92,458 and \$31,111, respectively. For the year ended June 30, 2011, this amount was comprised of long-lived asset impairments of approximately \$21,834 and restructuring and nonrecurring expenses of approximately \$70,624. The restructuring and nonrecurring expenses for the year ended June 30, 2011, included approximately \$44,355 of nonrecurring expenses associated with Symphony. Symphony nonrecurring expenses include project management and process reengineering costs, as well as costs to establish a shared service center and develop a business intelligence data warehouse.

For the year ended June 30, 2010, total impairment, restructuring, and nonrecurring expenses of \$31,111 were comprised of approximately \$7,629 of restructuring and nonrecurring expenses related to changes in business operations, including reorganization and severance charges, as well as approximately \$14,670 of long-lived asset impairments. Restructuring and nonrecurring expenses for the year ended June 30, 2010, also include \$8,812 associated with Symphony.

Amortization

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

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

2. Significant Accounting Policies (continued)

Income Taxes

The member health care entities of Ascension Health are primarily tax-exempt organizations under Internal Revenue Code Section 501(c)(3) or Section 501(c)(2), and their related income is exempt from federal income tax under Section 501(a).

Regulatory Compliance

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

Reclassifications

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

Subsequent Events

Ascension Health evaluates the impact of subsequent events, which are events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date. For the year ended June 30, 2011, Ascension Health evaluated subsequent events through September 8, 2011, representing the date on which the accompanying audited consolidated financial statements were issued.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

2. Significant Accounting Policies (continued)

Adoption of New Accounting Standards

In January 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-07, *Not-for-Profit Entities Mergers and Acquisitions*, which establishes accounting and disclosure requirements for how a not-for-profit entity determines whether a combination is a merger or an acquisition, how to account for each, and the required disclosures. In addition, ASU 2010-07 includes amendments to FASB's Accounting Standards Codification (the Codification, or ASC) Topic 350, *Intangibles – Goodwill and Other*, and ASC Topic 810, *Consolidation*, to make both applicable to not-for-profit entities. ASC Topic 350 clarifies the accounting for goodwill and indefinite-lived identifiable intangible assets recognized in a not-for-profit entity's acquisition of a business or nonprofit activity. Such assets are not amortized and are tested for impairment at least annually. ASC Topic 810 clarifies the accounting for noncontrolling interests and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, including classification as a component of net assets. Ascension Health adopted the guidance relative to ASU 2010-07 as of July 1, 2010. The adoption of this guidance resulted in goodwill impairment of \$45,993 recorded as a cumulative effect of change in accounting principle on the consolidated statements of operations and changes in net assets for the year ended June 30, 2011.

3. Organizational Changes

On April 20, 2011, Ascension Health signed a non-binding Letter of Intent with Alexian Brothers Health System (Alexian Brothers) to assess a potential transaction whereby Ascension Health would become the sole corporate member of Alexian Brothers. Alexian Brothers is a Catholic health care organization which oversees the operations of four hospitals, ambulatory care clinics, physician practices, and senior living facilities.

On April 29, 2011, the Federal Trade Commission completed its review of a proposed affiliation between Seton Health System, Inc. (Seton Health) in Troy, New York, Northeast Health, Inc. and St. Peter's Health Care Services. Under the terms of the related agreements, it is anticipated that Ascension Health will retain certain limited rights as an ongoing member of Seton Health in Troy, New York. With this clearance received, the organizations will move forward to create an affiliated health system which is anticipated to result in Seton Health no longer being under the control of Ascension Health.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

3. Organizational Changes (continued)

Discontinued Operations

Effective July 1, 2009, Catholic Health Partners (CHP) and Saint Anthony Hospital (SAH) separated from Ascension Health and Missionary Sisters of the Sacred Heart of Jesus-Provincial Council of the Stella Maris Province (MS-SMP) as agreed upon in the Separation Agreement dated May 28, 2009, to allow SAH to operate as a freestanding, community-based, Catholic hospital serving its community in Chicago, Illinois. The operating results of CHP and SAH are classified in Ascension Health's accompanying consolidated financial statements as discontinued operations.

Ascension Health reported an increase in net assets from discontinued operations of \$6,616 for the year ended June 30, 2011, representing the excess of revenues over expenses for previously discontinued lines of business in Michigan and Tennessee, as well as the fair value of net assets relinquished under the Separation Agreement for the CHP and SAH operations. These entities had recorded operating revenues totaling \$29,066 during the period that they were operational during the year ended June 30, 2011.

Ascension Health reported a decrease in net assets from discontinued operations of \$48,911 for the year ended June 30, 2010, representing the deficit of revenues over expenses for previously discontinued lines of business in Michigan and Tennessee, as well as the fair value of net assets relinquished under the Separation Agreement for the CHP and SAH operations. These entities had recorded operating revenues totaling \$34,898 during the period that they were operational during the year ended June 30, 2010.

The accompanying consolidated balance sheets include assets held for sale and liabilities related to assets held for sale associated with the above transactions. At June 30, 2011 and 2010, assets held for sale consist primarily of accounts receivable and property and equipment while liabilities related to assets held for sale consist primarily of accounts payable, other liabilities, and self-insurance liabilities.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

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

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

	June 30,	
	2011	2010
Cash and cash equivalents	\$ 1,117,574	\$ 1,168,278
Short-term investments	91,146	81,650
Assets limited as to use	161,300	158,676
Board-designated and other investments:		
Board-designated investments	623,129	3,804,898
Other investments	6,713,801	1,994,816
Assets limited as to use:		
Under bond indenture agreement	439	906
Self-insurance trust funds, less current portion	495,232	517,302
Temporarily or permanently restricted	418,865	383,406
Total assets limited as to use	914,536	901,614
Total Board-designated and other investments	8,251,466	6,701,328
Total	\$ 9,621,486	\$ 8,109,932

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

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

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

	June 30,	
	2011	2010
Cash and cash equivalents	\$ 459,550	\$ 459,198
Short-term investments	60,559	73,440
U.S. government obligations	49,958	59,058
Corporate and foreign fixed income investments	50,813	62,421
Asset-backed securities	60,280	52,194
Equity securities	316,338	260,569
Private equity and other investments	164,894	132,666
Other assets limited as to use	78,340	79,571
Subtotal, included in cash and cash equivalents, short-term investments, and Board-designated and other investments	1,240,732	1,179,117
Ascension Health's pro rata share of HSD funds held for participants	8,380,754	6,930,815
Cash and cash equivalents, short-term investments, and Board-designated and other investments	<u>\$ 9,621,486</u>	<u>\$ 8,109,932</u>

Ascension Health's pro rata share of the HSD's funds held for participants was \$8,380,754 and \$6,930,815 at June 30, 2011 and 2010, respectively, representing 77.2% and 76.1% of the funds held for participants in the HSD at those respective dates.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

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

As disclosed in the Significant Accounting Policies note, Ascension Health holds investments through the HSD. The following is a condensed balance sheet of the entire HSD, including the interests of Ascension Health and all other participating entities, at June 30, 2011 and 2010:

	June 30,	
	2011	2010
Assets		
Cash	\$ 26,757	\$ 24,023
Loans, interest, and other receivables	88,180	96,575
Due from brokers	799,869	1,411,218
Securities lending collateral	378,877	364,608
Derivative asset	33,208	21,281
Investments, at fair value:		
Short-term investments	747,955	502,600
U.S. government obligations	3,056,988	2,375,313
Corporate and foreign fixed income investments	1,260,685	1,605,176
Asset-backed securities	1,764,404	1,037,000
Equity, private equity, and other investments	2,287,580	2,216,625
Equity method investments	2,026,142	1,390,415
Total assets	<u>\$ 12,470,645</u>	<u>\$ 11,044,834</u>
Liabilities and funds held for participants		
Due to brokers	\$ 1,032,350	\$ 1,471,668
Derivative liability	34,768	49,711
Investments sold, not yet settled	166,663	36,963
Other payables	6,743	5,191
Payable under securities lending program	380,684	368,282
Total liabilities	<u>1,621,208</u>	<u>1,931,815</u>
Funds held for participants	<u>10,849,437</u>	<u>9,113,019</u>
Total liabilities and funds held for participants	<u>\$ 12,470,645</u>	<u>\$ 11,044,834</u>

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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

Ascension Health's investment strategy includes investing in alternative investments, such as private equity and real estate funds, a portion of which are valued up to 90 days in arrears. Ascension Health's investment in alternative investment funds include contractual commitments to portfolio venture funds and other funds to provide capital contributions during the investment period which is typically five years and can extend to the end of the fund term. During these contractual periods, investment managers may require Ascension Health to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2011, investment periods expire between August 2011 and December 2016. The remaining unfunded capital commitments for all HSD participants and a joint venture consolidated for financial reporting purposes total approximately \$659,000 for 40 individual contracts as of June 30, 2011.

Due to the uncertainty surrounding whether the contractual commitments will require funding during the contractual period, future minimum payments to meet these commitments cannot be reasonably estimated. These committed amounts have not been reduced by the anticipated cash inflows from liquidating previous investments in alternative investment funds.

Investment return recognized by Ascension Health is summarized as follows:

	Year Ended June 30,	
	2011	2010
Investment return in HSD	\$ 1,152,338	\$ 756,437
Interest and dividends	17,051	15,872
Net gains on investments reported at fair value	80,814	38,760
Restricted investment income	6,163	1,594
Total investment return	<u>\$ 1,256,366</u>	<u>\$ 812,663</u>

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements

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

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

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

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

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

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

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements (continued)

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

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

Cash and cash equivalents and short-term investments

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

Derivative assets and liabilities

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

U.S. government obligations

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Fair Value Measurements (continued)

Asset-backed securities

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

Corporate and foreign fixed income investments

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

Equity securities

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

Investments sold, not yet settled

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

Securities lending collateral

The fair value of collateral received under HSD's securities lending program is determined using the calculated net asset value for the commingled fund in which the collateral is invested. The underlying investments are valued using techniques consistent with the market approach, which utilizes significant observable market inputs such as available trades, quotes, benchmark curves, sector groupings, and matrix pricing.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements (continued)

Guaranteed pooled fund

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

Private equity investments

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

As discussed in the Significant Accounting Policies and the Cash and Cash Equivalents, Investments, and Other Assets Limited as to Use notes, Ascension Health holds investments through the HSD representing 77.2% and 76.1% of the net asset value of the HSD as of June 30, 2011 and 2010, respectively. The HSD's investments include equities, various fixed income securities, and alternative investments.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements (continued)

The following table summarizes fair value measurements, by level, at June 30, 2011 and 2010, for all the HSD financial assets and liabilities measured at fair value on a recurring basis in the HSD's financial statements:

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Assets included in:				
Securities lending collateral	\$ —	\$ 378,877	\$ —	\$ 378,877
Derivative asset	19,649	2,303	11,256	33,208
Short-term investments	689,742	58,213	—	747,955
U S government obligations	—	3,046,822	10,166	3,056,988
Corporate and foreign fixed income investments	—	1,144,643	116,042	1,260,685
Asset-backed securities	—	1,719,704	44,700	1,764,404
Equity, private equity, and other investments	2,240,360	—	47,220	2,287,580
Liabilities included in:				
Derivative liability	1,162	3,116	30,490	34,768
Investments sold, not yet settled	—	166,663	—	166,663
June 30, 2010				
Assets included in:				
Securities lending collateral	\$ —	\$ 364,608	\$ —	\$ 364,608
Derivative asset	7,256	8,569	5,456	21,281
Short-term investments	353,700	148,900	—	502,600
U S government obligations	—	2,367,973	7,340	2,375,313
Corporate and foreign fixed income investments	—	1,437,703	167,473	1,605,176
Asset-backed securities	—	1,010,931	26,069	1,037,000
Equity, private equity, and other investments	1,716,904	76,146	423,575	2,216,625
Liabilities included in:				
Derivative liability	2,029	1,777	45,905	49,711
Investments sold, not yet settled	—	36,963	—	36,963

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Fair Value Measurements (continued)

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

	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset- Backed Securities	Equity, Private Equity, and Other Investments	Net Derivatives
June 30, 2011					
Beginning balance	\$ 7,340	\$ 167,473	\$ 26,069	\$ 423,575	\$ (40,449)
Total realized and unrealized gains included in nonoperating gains	202	8,209	1,514	99,730	180,214
Purchases, issuances, and settlements	1,199	(42,171)	19,814	(476,085)	(158,999)
Transfers into (out of) Level 3	1,425	(17,469)	(2,697)	—	—
Ending balance	<u>\$ 10,166</u>	<u>\$ 116,042</u>	<u>\$ 44,700</u>	<u>\$ 47,220</u>	<u>\$ (19,234)</u>

The amount of total gains or losses
for the period included in
nonoperating gains (losses)
attributable to the change in
unrealized gains or losses
relating to assets still held at
June 30, 2011

\$ 107	\$ (1,948)	\$ 781	\$ 5,872	\$ (146,992)
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June 30, 2010

Beginning balance	\$ 25,746	\$ 244,131	\$ 87,091	\$ 80,437	\$ (23,159)
Total realized and unrealized gains (losses) included in nonoperating gains (losses)	449	16,515	11,091	(38,308)	(20,928)
Purchases, issuances, and settlements	(13,179)	(43,078)	(12,967)	393,715	2,242
Transfers (out of) into Level 3	(5,676)	(50,095)	(59,146)	(12,269)	1,396
Ending balance	<u>\$ 7,340</u>	<u>\$ 167,473</u>	<u>\$ 26,069</u>	<u>\$ 423,575</u>	<u>\$ (40,449)</u>

The amount of total gains or losses
for the period included in
nonoperating gains (losses)
attributable to the change in
unrealized gains or losses
relating to assets still held at
June 30, 2010

\$ —	\$ 3,937	\$ (704)	\$ 31,635	\$ (9,236)
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Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

5. Fair Value Measurements (continued)

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

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

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Cash and cash equivalents	\$ 86,946	\$ 6,954	\$ —	\$ 93,900
Short-term investments	15,592	44,768	—	60,360
U S government obligations	—	49,516	442	49,958
Corporate and foreign fixed income investments	—	45,789	5,024	50,813
Asset-backed securities	—	58,356	1,924	60,280
Equity, private equity, and other investments	286,961	17,878	101,681	406,520
Assets not at fair value				518,901
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and Board-designated and other investments				<u>\$ 1,240,732</u>
Deferred compensation assets, included in other noncurrent assets, invested in				
Equity securities	\$ 140,238	\$ —	\$ —	\$ 140,238
Guaranteed pooled fund	—	—	32,116	32,116
Interest rate swaps, included in other noncurrent assets	—	64,426	—	64,426
Interest rate swaps, included in other noncurrent liabilities	—	141,287	—	141,287

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements (continued)

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

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Cash and cash equivalents	\$ 77,740	\$ 7,845	\$ —	\$ 85,585
Short-term investments	30,016	42,212	201	72,429
U S government obligations	—	58,616	442	59,058
Corporate and foreign fixed income investments	—	57,576	4,845	62,421
Asset-backed securities	—	52,005	189	52,194
Equity, private equity, and other investments	241,052	10,337	74,335	325,724
Assets not at fair value				521,706
Subtotal, included in cash and cash equivalents, short-term investments, assets limited as to use, and Board-designated and other investments				<u>\$ 1,179,117</u>
Deferred compensation assets, included in other noncurrent assets, invested in:				
Equity securities	\$ 107,239	\$ —	\$ —	\$ 107,239
Guaranteed pooled fund	—	—	28,694	28,694
Interest rate swaps, included in other noncurrent assets	—	66,929	—	66,929
Interest rate swaps, included in other noncurrent liabilities	—	169,047	—	169,047

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

5. Fair Value Measurements (continued)

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

	Short-Term Investments	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset- Backed Securities	Equity, Private Equity, and Other Investments	Guaranteed Pooled Fund
June 30, 2011						
Beginning balance	\$ 201	\$ 442	\$ 4,845	\$ 189	\$ 74,335	\$ 28,694
Total realized and unrealized gains (losses)						
Included in income from operations	—	—	412	(16)	676	—
Included in nonoperating gains (losses)	—	—	—	—	(73)	—
Included in changes in net assets	—	—	—	—	315	—
Purchases, issuances, and settlements	—	—	(233)	1,463	27,493	2,609
Transfers (out of) into Level 3	(201)	—	—	288	(1,065)	813
Ending balance	<u>\$ —</u>	<u>\$ 442</u>	<u>\$ 5,024</u>	<u>\$ 1,924</u>	<u>\$ 101,681</u>	<u>\$ 32,116</u>
June 30, 2010						
Beginning balance	\$ —	\$ —	\$ 4,474	\$ 201	\$ 43,135	\$ 25,961
Total realized and unrealized gains (losses)						
Included in income from operations	—	—	938	2	531	—
Included in nonoperating gains (losses)	—	—	—	—	(425)	(59)
Included in changes in net assets	—	—	—	—	1,296	—
Purchases, issuances, and settlements	—	442	(567)	187	(4,704)	3,125
Transfers into (out of) Level 3	201	—	—	(201)	34,502	(333)
Ending balance	<u>\$ 201</u>	<u>\$ 442</u>	<u>\$ 4,845</u>	<u>\$ 189</u>	<u>\$ 74,335</u>	<u>\$ 28,694</u>

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

6. Significant Investments in Unconsolidated Entities

Ascension Health has a 50% membership interest in Via Christi Health, Inc. (VCH). Ascension Health accounts for this membership interest under the equity method of accounting. Ascension Health's investment in VCH is \$499,910 and \$452,781 at June 30, 2011 and 2010, respectively, and is reported in the consolidated balance sheets in investment in unconsolidated entities. Ascension Health's investment in VCH reflects the financial performance of VCH one month in arrears.

At June 30, 2011 and 2010, the difference between the amount at which Ascension Health's investment in VCH is carried in the accompanying consolidated balance sheets and its interest in the underlying net assets of VCH is \$30,568 and \$33,309, respectively. This difference relates primarily to the excess of the fair value of VCH property and equipment and long-term debt over their carrying values at the date Ascension Health received the interest in VCH. The difference is being amortized over the remaining life of the property and equipment and term of the long-term debt.

Condensed financial information of VCH as of and for the years ended June 30, 2011 and 2010, is summarized below:

	June 30,	
	2011	2010
Current assets	\$ 748,221	\$ 694,549
Noncurrent assets	932,313	859,460
Total assets	<u>\$ 1,680,534</u>	<u>\$ 1,554,009</u>
Current liabilities	\$ 120,335	\$ 99,460
Noncurrent liabilities	555,415	556,460
Total liabilities	<u>675,750</u>	<u>655,920</u>
Net assets	<u>1,004,784</u>	<u>898,089</u>
Total liabilities and net assets	<u>\$ 1,680,534</u>	<u>\$ 1,554,009</u>
Total revenues	\$ 1,094,925	\$ 996,949
Total expenses	(1,072,680)	(942,838)
Total investment return	97,573	60,134
Excess of revenues over expenses	<u>\$ 119,818</u>	<u>\$ 114,245</u>

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt

Long-term debt consists of the following:

	June 30,	
	2011	2010
Tax-exempt hospital revenue bonds – secured		
Variable rate demand bonds, subject to a put provision which provides for a cumulative 7-month notice and remarketing period, payable through November 2047, interest (0.18% at June 30, 2011) tied to a market index plus a spread	\$ 320,480	\$ 320,480
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2047, interest set at prevailing market rates	–	274,070
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2039, interest (0.06% at June 30, 2011) set at prevailing market rates	246,730	–
Variable rate demand bonds, subject to a 7-day put provision, payable through November 2033, interest (0.06% at June 30, 2011) set at prevailing market rates, swapped to fixed rates of 5.544% through maturity	150,325	150,325
Indexed put bonds subject to weekly rate resets based on a taxable index, payable through November 2046, interest (3.076% at June 30, 2011) swapped to a variable rate tied to a tax-exempt market index plus a spread through November 2016	153,800	153,800
Fixed rate put bonds (converted from an indexed put bond mode based on a taxable index in May 2009) payable through November 2046, interest (4.10% at June 30, 2011) swapped to a variable rate tied to a market index plus a spread through November 2016	153,690	153,690
Fixed rate serial and term bonds payable in installments through November 2040, interest at 4.125% to 5.75%	984,635	1,004,530
Fixed rate serial and term bonds payable in installments through November 2039, interest at 5.00% swapped to variable rates over the life of the bonds	599,490	599,490
Fixed rate serial mode bonds payable through 2047 with purchase dates ranging from August 2011 through June 2014, interest at 0.45% to 3.75% through the purchase dates	823,560	549,490
Fixed rate serial mode bonds payable through 2033 with purchase dates through May 2012, interest at 1.25%, swapped to fixed rates of 5.454% to 5.544% through maturity	156,975	403,705

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

	June 30,	
	2011	2010
Tax-exempt hospital revenue bonds – unsecured		
Variable rate demand bonds issued under the Subordinate Master Trust Indenture, subject to a 7-day put provision, payable through November 2027, interest (0.06% at June 30, 2011) set at prevailing market rates	\$ 57,815	\$ 57,815
Fixed rate serial mode bonds issued under the Subordinate Master Trust Indenture payable through 2027 with purchase dates through November 2012; interest at 5.00%, swapped to variable mode through the purchase dates	149,470	246,570
Fixed rate serial mode bonds issued under the Subordinate Master Trust Indenture payable through 2027 with purchase dates through June 2017, interest at 5.00%	303,270	216,315
Total hospital revenue bonds	4,100,240	4,130,280
Other debt:		
Obligations under capital leases	34,865	38,196
Other	36,960	30,747
	4,172,065	4,199,223
Unamortized premium, net	67,233	67,323
Less current portion	(29,563)	(31,221)
Less long-term debt subject to short-term remarketing arrangements	(1,662,950)	(1,228,115)
Long-term debt, less current portion and long-term debt subject to short-term remarketing arrangements	\$ 2,546,785	\$ 3,007,210
Senior Master Trust Indenture long-term debt obligations, including unamortized premium, net	\$ 1,953,354	\$ 2,414,076
Subordinate Master Trust Indenture long-term debt obligations, including unamortized premium, net	528,917	535,270
Other	64,514	57,864
Long-term debt, less current portion, and long-term debt subject to short-term remarketing arrangements	\$ 2,546,785	\$ 3,007,210

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

7. Long-Term Debt (continued)

Scheduled principal repayments of long-term debt, considering obligations subject to short-term remarketing as due according to their long-term amortization schedule, as of June 30, 2011, are as follows:

Year ending June 30:	
2012	\$ 29,563
2013	28,502
2014	71,733
2015	66,526
2016	57,836
Thereafter	3,917,905
Total	<u>\$ 4,172,065</u>

The carrying amounts of variable rate bonds and other notes payable approximate fair value. The fair values of the unsecured fixed rate serial and term bonds are estimated based on discounted cash flow analyses that consider current incremental borrowing rates for similar types of borrowing arrangements. The fair value of fixed rate serial and term bonds, including the component of variable rate demand bonds subject to long-term fixed interest rates, approximates carrying value at June 30, 2011 and 2010. During the years ended June 30, 2011 and 2010, interest paid was approximately \$147,800 and \$136,500, respectively. Capitalized interest was approximately \$7.100 and \$12.800 for the years ended June 30, 2011 and 2010, respectively.

Certain members of Ascension Health formed the Ascension Health Credit Group (Senior Credit Group). Each Senior Credit Group member is identified as either a senior obligated group member, senior designated affiliate or senior limited designated affiliate. Senior obligated group members are jointly and severally liable under a Senior Master Trust Indenture (Senior MTI) to make all payments required with respect to obligations under the Senior MTI and may be entities not controlled directly or indirectly by Ascension Health. Senior designated affiliates and senior limited designated affiliates are not obligated to make debt service payments on the obligations under the Senior MTI. Ascension Health may cause each senior designated affiliate to transfer such amounts as are necessary to enable the obligated group to comply with the terms of the Senior MTI, including payment of the outstanding obligations. Additionally, each senior limited designated affiliate has an independent limited designated affiliate agreement and promissory note with Ascension Health with stipulated repayment terms and conditions, each subject to the governing law of the senior limited designated affiliate's state of incorporation.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

7. Long-Term Debt (continued)

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

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

The unsecured variable rate demand bonds of both the Senior and Subordinate Credit Groups, while subject to long-term amortization periods, may be put to Ascension Health at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within 12 months after June 30, 2011, the principal amount of such bonds has been classified as a current obligation in the accompanying consolidated balance sheets. Management believes the likelihood of a material amount of bonds being put to Ascension Health to be remote. However, to address this possibility, management has taken steps to provide various sources of liquidity in the event any bonds would be put, including entering into certain bond repurchase agreements, assessing alternate sources of financing, including the line of credit and commercial paper program, and maintaining unrestricted assets as a source of self-liquidity.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

7. Long-Term Debt (continued)

In January 2010, Ascension Health issued \$157,000 of commercial paper for previous capital expenditures. In February and March 2010, Ascension Health used existing cash and investments to defease or redeem \$558,737 of bonds and commercial paper originally issued from 1999 through 2010. In March 2010, Ascension Health issued a total of \$1,326,870 of bonds (Series 2010A through 2010F) through five different issuing authorities in five states. The proceeds of the bonds, including original issue premium, were used to reimburse Ascension Health for previous capital expenditures, to refinance the outstanding commercial paper issued January 2010, and to refund \$742,550 of current bonds which were originally issued in 1999 and 2008. The Series 2010A through 2010E bonds bear interest at fixed interest rates with principal maturities through November 2040, while the Series 2010F bonds are variable rate bonds with weekly-resetting interest rates and principal maturities through 2047. Due to aggregate financing activity during the fiscal years ended June 30, 2011 and 2010, including the aforementioned activities as well as the scheduled remarketing of certain serial mode bonds with unamortized issuance costs, losses on extinguishment of debt of \$1,007 and \$7,515 were recorded, which are included as nonoperating gains (losses) in the accompanying consolidated statements of operations and changes in net assets.

Ascension Health is a party to multiple interest rate swap agreements that convert the variable or fixed rates of certain debt issues to fixed or variable rates, respectively. See the Derivative Instruments note for a discussion of these derivatives.

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

As of June 30, 2011, the Senior Credit Group has a line of credit of \$500,000 for general corporate purposes toward which bank commitments totaling \$500,000 extend to April 2, 2012. As of June 30, 2011 and 2010, there were no borrowings under the line of credit.

As of June 30, 2011, the Subordinate Credit Group has a \$50,000 revolving line of credit related to its letters of credit program toward which a bank commitment of \$50,000 extends to December 28, 2011. The revolving line of credit may be accessed solely in the form of Letters of Credit issued by the bank for the benefit of the members of the Credit Groups. Of this \$50,000 revolving line of credit, letters of credit totaling \$37,162 have been issued as of June 30, 2011. No borrowings were outstanding under the letters of credit as of June 30, 2011 and 2010.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

8. Derivative Instruments

Ascension Health uses interest rate swap agreements to manage interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates and rates on fixed rate bonds to variable rates. At June 30, 2011 and 2010, the notional values of outstanding interest rate swaps were \$2,310,187 and \$2,431,137, respectively.

Ascension Health recognizes the fair value of its interest rate swaps in the consolidated balance sheet as assets, recorded in other noncurrent assets, or liabilities, recorded in other noncurrent liabilities, as appropriate. At June 30, 2011 and 2010, the fair value of interest rate swaps in an asset position were \$64,426 and \$66,929, respectively, while the fair value of interest rate swaps in a liability position were \$141,287 and \$169,047, respectively.

Prior to July 1, 2006, Ascension Health designated certain of its interest rate swaps as cash flow hedges, for accounting purposes, and accordingly deferred gains or losses associated with those swaps in net assets. Net gains of \$303 and \$14,123 were recognized in other nonoperating gains (losses) for the years ended June 30, 2011 and 2010, respectively, representing the recognition of interest rate swap gains deferred prior to July 1, 2006, when these swaps were designated and accounted for as cash flow hedges. For the year ended June 30, 2010, \$13,033 of the gain represented the recognition of deferred gains that were previously designated to long-term debt that was redeemed or defeased during the year ended June 30, 2010. The remaining amount of deferred gain at June 30, 2011, that will be reclassified into nonoperating gains (losses) over the next 12 months is immaterial.

Beginning July 1, 2006, previously designated cash flow hedging relationships were redesignated for accounting purposes. Accordingly, all changes in the fair value of interest rate swaps since that date have been recognized in nonoperating gains (losses) in the accompanying consolidated statements of operations and changes in net assets. A net nonoperating gain of \$25,257 was recognized for the year ended June 30, 2011, while a net nonoperating loss of \$18,641 was recognized for the year ended June 30, 2010.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

8. Derivative Instruments (continued)

Ascension Health's interest rate swap agreements include collateral requirements for each counterparty under such agreements, based upon specific contractual criteria. Ascension Health's collateral requirements are based upon Ascension Health's Senior Credit Group long-term debt credit ratings (Senior Debt Credit Ratings), as obtained from each of two major credit rating agencies, as well as the net liability position of total interest rate swap agreements outstanding with each counterparty. At June 30, 2011 and 2010, based upon Ascension Health's net liability positions and Senior Debt Credit Ratings, no collateral on interest rate swap agreements was required to be posted. The aggregate net fair value of interest rate swap agreements with credit-risk-related contingent features on June 30, 2011 and 2010, was a liability of \$76,861 and \$102,118, respectively.

9. Retirement Plans

Defined-Benefit Plans

Certain Ascension Health entities participate in the Ascension Health Pension Plan (the Ascension Plan), which is a noncontributory, defined-benefit pension plan covering all eligible employees of certain Ascension Health entities. Benefits are based on each participant's years of service and compensation. Ascension Plan assets are invested in a master trust (the Trust) consisting of cash and cash equivalents, equity, fixed income funds, and alternative investments. Contributions to the Ascension Plan are based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants.

The assets of the Ascension Plan are available to pay the benefits of eligible employees and retirees of all participating entities. In the event entities participating in the Ascension Plan are unable to fulfill their financial obligations under the Ascension Plan, the other participating entities are obligated to do so.

Certain other Ascension Health entities participate in separate noncontributory, defined-benefit plans (the Other Ascension Health Plans) in which substantially all employees are eligible to participate. The Other Ascension Health Plans' benefits are based on each participant's years of service and compensation. Substantially all of the Other Ascension Health Plans' assets are invested in the Trust.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

The following table sets forth the combined benefit obligations, the assets of the Ascension Plan, and the Other Ascension Health Plans (collectively, the Ascension Health Pension Plans) at June 30, 2011 and 2010, components of net periodic benefit costs for the years then ended, and a reconciliation of the amounts recognized in the accompanying consolidated financial statements:

	Year Ended June 30,	
	2011	2010
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 5,618,553	\$ 4,755,922
Service cost	208,253	176,920
Interest cost	304,365	303,764
Amendments	(476)	(636)
Assumption change	(154,944)	558,866
Actuarial (gain) loss	(29,136)	14,521
Benefits paid	(212,166)	(190,804)
Projected benefit obligation at end of year	<u>5,734,449</u>	<u>5,618,553</u>
Accumulated benefit obligation at end of year	5,140,261	4,920,528
Change in plan assets:		
Fair value of plan assets at beginning of year	4,624,393	3,808,540
Actual return on plan assets	848,439	835,613
Employer contributions	136,927	171,044
Benefits paid	(212,166)	(190,804)
Fair value of plan assets at end of year	<u>5,397,593</u>	<u>4,624,393</u>
Net amount recognized at end of year and funded status	<u>\$ (336,856)</u>	<u>\$ (994,160)</u>

The Ascension Health Pension Plans' funded status as a percentage of the projected benefit obligation at June 30, 2011 and 2010, was 94.1% and 82.3%, respectively. The Ascension Health Pension Plans' funded status as a percentage of the accumulated benefit obligation at June 30, 2011 and 2010, was 105.0% and 94.0%, respectively.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

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

	Year Ended June 30,	
	2011	2010
Unrecognized prior service credit	\$ (69,548)	\$ (80,927)
Unrecognized actuarial loss	33,874	835,418
	<u>\$ (35,674)</u>	<u>\$ 754,491</u>

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

	Year Ended June 30,	
	2011	2010
Current year actuarial (gain) loss	\$ (671,223)	\$ 66,144
Amortization of actuarial loss	(130,321)	(72,948)
Current year prior service credit	(476)	(636)
Amortization of prior service credit	11,855	11,199
	<u>\$ (790,165)</u>	<u>\$ 3,759</u>

	Year Ended June 30,	
	2011	2010
Components of net periodic benefit cost		
Service cost	\$ 208,253	\$ 176,920
Interest cost	304,365	303,764
Expected return on plan assets	(361,295)	(328,370)
Amortization of prior service credit	(11,855)	(11,199)
Amortization of actuarial loss	130,321	72,948
Net periodic benefit cost	<u>\$ 269,789</u>	<u>\$ 214,063</u>

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

The prior service credit and actuarial loss included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending June 30, 2012, are \$10,600 and \$27,700, respectively

The assumptions used to determine the benefit obligation and net periodic benefit cost for the Ascension Health Pension Plans are set forth below:

	June 30,	
	2011	2010
Weighted-average discount rate	5.63%	5.49%
Weighted-average rate of compensation increase	4.00%	4.00%
Weighted-average expected long-term rate of return on plan assets	8.50%	8.50%

The Ascension Health Pension Plans' assets are invested in a portfolio designated to protect principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, with a reasonable and prudent level of risk. Diversification is achieved by allocating to funds that correlate to three different economic regimes defined as growth, recession and inflation investment strategies. Growth strategies include long-only equity, long/short equity, private equity, and credit related instruments. Recession strategies include government bonds, investment grade bonds, hedge funds and cash. Inflation strategies include inflation-linked bonds, commodities, and real assets. The Plan retains multiple investment managers with complementary styles, philosophies, and approaches. In accordance with the Ascension Health Pension Plans' objectives, derivatives may also be used to gain market exposure in an efficient and timely manner.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

In accordance with the Ascension Health Pension Plans' asset diversification targets, as presented in the table that follows, the Ascension Health Pension Plans invest in certain portfolio investment funds, or alternative investments. These Ascension Health Pension Plans' investments, comprised of various hedge funds, real estate funds, private equity funds, commodity funds, and certain other unregistered mutual funds, do not have observable market values. As such, these investments are valued at the funds' net asset values as determined by each fund's investment manager, which approximates fair value. The fair value of the Ascension Health Pension Plans' alternative investments as of June 30, 2011, is reported in the fair value measurement table that follows. Collectively, these funds have liquidity terms ranging from weekly to annual with notice periods ranging from 1 to 93 days. Due to redemption restrictions, investments in real estate and private equity funds, whose fair value was approximately \$346,401 at June 30, 2011, cannot be redeemed. However, the potential for the Ascension Health Pension Plans to sell their interest in real estate and private equity funds in a secondary market prior to the end of the fund term does exist.

The investments in these alternative investment funds also include contractual commitments to portfolio funds and other funds to provide capital contributions during the investment period, which is typically five years, and may extend to the end of the fund term. During these contractual periods, investment managers may require the Ascension Health Pension Plans to invest in accordance with the terms of the agreement. Commitments not funded during the investment period will expire and remain unfunded. As of June 30, 2011, investment periods expire between July 2011 and December 2016. The remaining unfunded capital commitments of the Ascension Plan total approximately \$437,000 for 35 individual contracts as of June 30, 2011.

The weighted-average asset allocation for the Ascension Health Pension Plans at the end of fiscal 2011 and 2010 and the target allocation for fiscal 2012, by asset category, are as follows:

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

Ascension Health adopted the FASB's authoritative disclosure guidance on reporting for assets of postretirement benefit plans for the fiscal year ended June 30, 2010. The following tables summarize fair value measurements at June 30, 2011 and 2010, by asset class and by level, for the Ascension Health Pension Plans' assets and liabilities in accordance with that guidance. As also discussed in the Fair Value Measurements note, Ascension Health follows the three-level fair value hierarchy to categorize plan assets and liabilities recognized at fair value, which prioritizes the inputs used to measure such fair values.

The inputs and valuation techniques discussed in the Fair Value Measurements note also apply to Plan assets and liabilities as presented in the following tables.

	Level 1	Level 2	Level 3	Total
June 30, 2011				
Short-term investments	\$ 433,526	\$ 12,682	\$ –	\$ 446,208
Derivative assets –				
interest rate	717	3	65,727	66,447
Derivative assets – other	74	2,939	1,159	4,172
U.S. government obligations	–	1,734,828	2,129	1,736,957
Corporate and foreign fixed				
income investments	–	406,793	19,462	426,255
Asset-backed securities	–	265,277	4,427	269,704
Equity securities	1,186,520	–	1,701	1,188,221
Alternative investments	–	–	1,591,483	1,591,483
Assets not at fair value				221,405
Total				5,950,852
Derivative liabilities –				
interest rate	17	283	258,882	259,182
Derivative liabilities – other	307	1,067	16,371	17,745
Investments sold,				
not yet settled	–	56,451	–	56,451
Liabilities not at fair value				219,881
Total				553,259
Fair value of plan assets				\$ 5,397,593

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

	Level 1	Level 2	Level 3	Total
June 30, 2010				
Short-term investments	\$ 196,039	\$ 92,170	\$ —	\$ 288,209
Derivative assets –				
interest rate	171	285	90,505	90,961
Derivative assets – other	1,260	5,058	197	6,515
U.S. government obligations	—	1,344,660	2,241	1,346,901
Corporate and foreign fixed				
income investments	—	447,515	52,193	499,708
Asset-backed securities	—	221,140	4,790	225,930
Equity securities	1,266,949	—	122,447	1,389,396
Alternative investments	—	—	1,163,027	1,163,027
Assets not at fair value				238,607
Total				5,249,254
Derivative liabilities –				
interest rate	159	128	323,977	324,264
Derivative liabilities – other	584	376	24,774	25,734
Investments sold,				
not yet settled	—	52,018	—	52,018
Liabilities not at fair value				222,845
Total				624,861
Fair value of plan assets				\$ 4,624,393

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

9. Retirement Plans (continued)

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

	Net Derivatives	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset- Backed Securities	Equity Securities	Alternative Investments
June 30, 2011						
Beginning balance	\$ (258,049)	\$ 2,241	\$ 52,193	\$ 4,790	\$ 122,447	\$1,163,027
Total actual return on plan assets	57,843	99	1,976	(8)	33,096	171,459
Purchases, issuances, and settlements	(8,161)	(211)	(29,882)	376	(153,343)	256,997
Transfers (out of) into Level 3	—	—	(4,825)	(731)	(499)	—
Ending balance	<u>\$ (208,367)</u>	<u>\$ 2,129</u>	<u>\$ 19,462</u>	<u>\$ 4,427</u>	<u>\$ 1,701</u>	<u>\$1,591,483</u>

Actual return on plan assets relating to plan assets still held at June 30, 2011	<u>\$ (25,056)</u>	<u>\$ 65</u>	<u>\$ (195)</u>	<u>\$ 195</u>	<u>\$ —</u>	<u>\$ 154,299</u>
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	Net Derivatives	U.S. Government Obligations	Corporate and Foreign Fixed Income Investments	Asset- Backed Securities	Equity Securities	Alternative Investments
June 30, 2010						
Beginning balance	\$ (515,560)	\$ —	\$ 93,599	\$ 6,626	\$ 407	\$ 585,210
Total actual return on plan assets	126,983	(2)	11,353	3,585	(8,642)	86,161
Purchases, issuances, and settlements	130,373	2,243	(36,314)	(5,421)	129,134	491,656
Transfers into (out of) Level 3	155	—	(16,445)	—	1,548	—
Ending balance	<u>\$ (258,049)</u>	<u>\$ 2,241</u>	<u>\$ 52,193</u>	<u>\$ 4,790</u>	<u>\$ 122,447</u>	<u>\$1,163,027</u>

Actual return on plan assets relating to plan assets still held at June 30, 2010	<u>\$ 75,541</u>	<u>\$ (2)</u>	<u>\$ 3,965</u>	<u>\$ 187</u>	<u>\$ (8,508)</u>	<u>\$ (778)</u>
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Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

The Trust has entered into a series of interest rate swap agreements with a net notional amount of approximately \$2,539,000. The combined targeted duration of these swaps and the Trust's fixed income investments approximates the duration of the liabilities of the Trust. Currently, 75% of the dollar duration of the liability is subject to this economic hedge. The purpose of this strategy is to economically hedge the change in the net funded status for a significant portion of the liability that can occur due to changes in interest rates.

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

Information about the expected cash flows for the Ascension Health Pension Plans follows:

Expected employer contributions 2012	\$ 179,000
Expected benefit payments:	
2012	309,000
2013	329,000
2014	353,000
2015	374,000
2016	394,000
2017 – 2021	2,301,000

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

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

9. Retirement Plans (continued)

Other Postretirement Benefit Plans

In addition to the retirement plan described above, several Health Ministries sponsor postretirement benefit plans that provide health care benefits to qualified retirees who meet certain eligibility requirements. The total benefit obligation of these plans at June 30, 2011 and 2010, is \$44,446 and \$50,557, respectively. The net obligation included in pension and other postretirement liabilities in the accompanying consolidated balance sheets at June 30, 2011 and 2010, is \$10,086 and \$21,702, respectively. The change in the plans' assets and benefit obligations recognized in unrestricted net assets during the year ended June 30, 2011, was \$6,778.

Defined-Contribution Plans

Ascension Health entities participate in contributory and noncontributory, defined-contribution plans covering all eligible associates. There are three primary types of contributions to these plans: employer automatic contributions, employee contributions, and employer matching contributions. Benefits for employer automatic contributions are determined as a percentage of a participant's salary and, for certain entities, increases over specified periods of employee service. These benefits are funded annually and participants become fully vested over a period of time. Benefits for employer matching contributions are determined as a percentage of an eligible participant's contributions each payroll period. These benefits are funded each payroll period and participants become fully vested in these employer contributions immediately. Expenses for the defined-contribution plans were \$113,337 and \$107,198 during 2011 and 2010, respectively.

10. Self-Insurance Programs

Certain Ascension Health hospitals and other entities participate in pooled risk programs to insure professional and general liability risks and workers' compensation risks to the extent of certain self-insured limits. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Trust funds and a captive insurance company have been established for the self-insurance programs, and actuarially determined amounts, discounted at 6%, are contributed to the trusts and the captive insurance company to provide for the estimated cost of claims. The loss reserves recorded for estimated self-insured professional, general liability, and workers' compensation claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are discounted at

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

10. Self-Insurance Programs (continued)

6% in 2011 and 2010. Those entities not participating in the self-insured programs are insured under separate policies

Professional and General Liability Programs

Professional and general liability coverage is provided on a claims-made basis through a wholly owned onshore trust and offshore captive insurance company, Ascension Health Insurance, Ltd. (AHIL), with a self-insured retention of \$10,000 per occurrence with no aggregate. Excess coverage is provided through AHIL with limits up to \$185,000. AHIL retains \$5,000 per occurrence and \$5,000 annual aggregate for professional liability. AHIL also retains a 20% quota share of the first \$25,000 of umbrella excess. The remaining excess coverage is reinsured by commercial carriers. Self-insured entities in the states of Indiana and Wisconsin are provided professional liability coverage on an occurrence basis with limits in compliance with participation in the Patient Compensation Funds. The Patient Compensation Funds apply to claims in excess of the primary self-insured limit.

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is professional and general liability expense of \$69,073 and \$106,274 for the years ended June 30, 2011 and 2010, respectively. Included in current and long-term self-insurance liabilities on the accompanying consolidated balance sheets are professional and general liability loss reserves of approximately \$522,489 and \$536,506 at June 30, 2011 and 2010, respectively.

AHIL also offers physician professional liability coverage through insurance or reinsurance arrangements to nonemployed physicians practicing at Ascension Health's various facilities, primarily in Michigan. Coverage is offered to physicians with limits ranging from \$100 per claim to \$1,000 per claim with various aggregate limits.

Workers' Compensation

Workers' compensation coverage is provided on an occurrence basis through a grantor trust. The self-insured trust provides coverage up to \$1,000 per occurrence with no aggregate. The trust provides a mechanism for funding the workers' compensation obligations of its members. Excess insurance against catastrophic loss is obtained through commercial insurers. Premium payments made to the trust are expensed and represent claims reported and claims incurred but not reported.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

10. Self-Insurance Programs (continued)

Included in operating expenses in the accompanying consolidated statements of operations and changes in net assets is workers' compensation expense of \$41,973 and \$40,538 for the years ended June 30, 2011 and 2010, respectively. Included in current and long-term self-insurance liabilities on the accompanying consolidated balance sheets are workers' compensation loss reserves of \$98,867 and \$94,922 at June 30, 2011 and 2010, respectively.

11. Lease Commitments

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

Year ending June 30:	
2012	\$ 180,960
2013	169,374
2014	137,302
2015	109,610
2016	90,862
Thereafter	278,052
Total	<u>\$ 966,160</u>

Ascension Health and several of its Health Ministries are lessees under operating lease agreements for the use of space in buildings owned by third parties, including medical office buildings (MOBs) and medical and information technology equipment. In addition, certain Health Ministries have subleased space within buildings where the Health Ministry has a current operating lease commitment. Certain Health Ministries also are lessors under operating lease agreements, primarily ground leases related to third-party-owned MOBs on land owned by the Health Ministries.

Ascension Health's future minimum noncancelable payments associated with operating leases where Ascension Health is the lessee, as well as future minimum noncancelable receipts associated with operating leases where Ascension Health is the sublessor or lessor, are presented in the table that follows. Future minimum payments and receipts relate to noncancelable leases with terms of one year or more.

Ascension Health

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

11. Lease Commitments (continued)

	Future Payments Where Ascension Health is Lessee	Future Receipts Where Ascension Health is Sublessor/Lessor	Net Future Payments (Receipts)
Year ending June 30:			
2012	\$ 180,960	\$ 29,839	\$ 151,121
2013	169,374	25,688	143,686
2014	137,302	20,743	116,559
2015	109,610	16,620	92,990
2016	90,862	13,041	77,821
Thereafter	278,052	291,477	(13,425)
Total	<u>\$ 966,160</u>	<u>\$ 397,408</u>	<u>\$ 568,752</u>

Rental expense under operating leases amounted to \$295.190 and \$275.149 in 2011 and 2010, respectively.

In previous fiscal years, certain Health Ministries sold MOBs to third parties and contemporaneously leased back certain space in those buildings to support ongoing ministry operations. These space leases are being accounted for as operating leases based on their terms, and future minimum lease payments under these leases are included in the future minimum payment amounts reported above. As of June 30, 2011 and 2010, net deferred gains of \$7,226 and \$10,206, respectively, were included in other noncurrent liabilities in the accompanying consolidated balance sheets. These gains are being recognized as operating income over the related leaseback terms.

Also in previous fiscal years, certain Health Ministries entered into agreements to lease space in MOBs under construction by external development companies. Based on relevant authoritative accounting guidance, the Health Ministries were considered the owner of the MOBs during construction. In addition, because these transactions and the sales of other existing MOBs did not qualify for sale-leaseback accounting, they were treated as financing transactions. Accordingly, the associated financing obligations, along with their related construction in progress or building assets, of \$116.314 and \$116,449 at June 30, 2011 and 2010, respectively, are included in other noncurrent liabilities and construction in progress or building and equipment in the

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

11. Lease Commitments (continued)

accompanying consolidated balance sheets. The financing obligations associated with these transactions will not result in cash payments in excess of amounts paid under the related operating lease payments. All future cash obligations related to leased space within these MOB's are included in the future minimum payment amounts reported above.

12. Contingencies and Commitments

Ascension Health is involved in litigation and regulatory investigations arising in the ordinary course of business. Ascension Health is also involved in ongoing arbitration relative to a dispute regarding the termination of, and performance under, an information technology services contract. Regulatory investigations also occur from time to time. In the opinion of management, after consultation with legal counsel, these matters are expected to be resolved without material adverse effect on Ascension Health's consolidated balance sheets.

In September 2010, Ascension Health received a letter from the U.S. Department of Justice (the DOJ) in connection with its nationwide review to determine whether, in certain cases, implantable cardioverter defibrillators (ICDs) were provided to certain Medicare beneficiaries in accordance with national coverage criteria. In connection with this nationwide review, identified Ascension Health hospitals will be reviewing applicable medical records and responding to the DOJ. The DOJ's investigation spans a time frame beginning in 2003 and extending through the present time. At June 30, 2011, and through September 8, 2011, the review remains in its early stages. As such, no estimates of liability have been or can be reached relative to the impact this investigation could have on Ascension Health. Through September 8, 2011, the DOJ has not asserted any claims against any Ascension Health hospitals. Ascension Health continues to fully cooperate with the DOJ in its investigation.

Ascension Health enters into agreements with nonemployed physicians that include minimum revenue guarantees. The terms of the guarantees vary. The carrying amounts of the liability for Ascension Health's obligation under these guarantees were \$15,395 and \$9,779 at June 30, 2011 and 2010, respectively, and are included in other current and noncurrent liabilities in the accompanying consolidated balance sheets. The maximum amount of future payments that Ascension Health could be required to make under these guarantees is approximately \$41,000 and is included in the table that follows.

Ascension Health

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

12. Contingencies and Commitments (continued)

Ascension Health entered into agreements with one of its sponsors for support through March 2016, which support is included in transfers to sponsor and other affiliates, net in the accompanying consolidated statements of changes in net assets for the year ended June 30, 2010. Ascension Health's obligation under these agreements totals \$53,259 at June 30, 2011, and is included in other current and noncurrent liabilities in the accompanying consolidated balance sheets.

Guarantees and other commitments represent contingent commitments issued by Ascension Health Senior and Subordinate Credit Groups, generally to guarantee the performance of an affiliate to a third party in borrowing arrangements such as commercial paper issuances, bond financing, and other transactions. The terms of guarantees are equal to the terms of the related debt, which can be as short as 30 days or as long as 29 years.

The following summary represents the maximum potential amount of future payments the Senior and Subordinate Credit Groups could be required to make under its guarantees and other commitments at June 30, 2011:

Hospital de la Concepción 2000 Series A debt guarantee	\$ 31,910
St. Vincent de Paul Series 2000A debt guarantee	28,300
Rehab Hospital of Indiana, Inc. guarantee	6,400
Mercy Care Plan guarantee	5,000
Physician revenue guarantees	41,000
Other	37,642
Total guarantees and other commitments	<u>\$ 150,252</u>