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DLN: 93493135047552

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)

2010

OMB No 1545-0047

Open to Public

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

A Fo	r the	2010 ca	lendar year, or tax year beg	inning 07-01-2010 and ending 06-30	-2011				
B Ch	eck ıf a	pplicable	C Name of organization SAINT FRANCIS MEDICAL CENT	TER.			D Emp	loyer	identification number
☐ Add	601								
Г№	me cha	inge	Doing Business As				E Telep	hone	number
┌ Ind	ial retu	ım	Number and street (or P O bo	x if mail is not delivered to street address)	Т	Room/suite	(308	3)39.	8-5407
Г Те	mınate	ed	2620 W Faidley	•		r	(300		
☐ Am	ended	return	City or town, state or country, Grand Island, NE 68803	and ZIP + 4			G Gross	recei	pts \$ 162,569,885
Гар	olication	n pending	Gianu Islanu, NE 00003						
			F Name and address of	f prıncıpal officer		H(a) Is this a	group returr	n for affil	liates? Yes No
			Dan McElligott 2620 W FAIDLEY			H(b) Are all a	ffiliatas in	ماسطمم	d? Fyes F No
			Grand Island, NE 6880	3		• •			t (see instructions)
т Та	x-exen	npt status	▼ 501(c)(3)) 4 (insert no)					umber ► 0928
		·	v saintfrancisgi org	, 4 (III) 1 13 17 (d) (1) 01 321					
				. Fall b	l			T	Maria di III I NE
	n of or rt I		Corporation Trust Assomary	clation Other -		L Year of for	nation 18	387	M State of legal domicile NE
I G			-						
œ.	.	An acute	-	ission or most significant activities vanced diagnosis and medical treatmer ardless of ability to pay	nt servi	ces to Centr	al Nebra	aska	Honoring our Catholic
alic									
Governance	:								
ခ် ၁	2	Check th	ıs box 🛏 ıf the organızatıo	on discontinued its operations or dispo	sed of r	more than 25	5% of its	net	assets
× 6	3	Number	of voting members of the go	verning body (Part VI, line 1a)				3	17
<u>&</u>	4	Number	of independent voting memb	ers of the governing body (Part VI, line	e 1b)			4	14
Activities &	5	Total nur	nber of individuals employed	d ın calendar year 2010 (Part V, line 2	2a) .			5	1,276
्र स	6	Total nur	nber of volunteers (estimate	e if necessary)				6	495
				om Part VIII, column (C), line 12 .				7a	22,141
	Ь	Net unre	ated business taxable inco	me from Form 990-T, line 34				7b	-103,699
						Prior	Year		Current Year
a.	8	Contril	outions and grants (Part VII	II, line 1h)			1,810,	539	900,844
Ĕ	9	=	•	II, line 2g)		14	44,090,	208	149,090,675
Revenue	10			lumn (A), lines 3, 4, and 7d)			5,214,		10,069,514
	11			(A), lines 5, 6d, 8c, 9c, 10c, and 11e)	•		2,296,	624	2,061,494
	12			h 11 (must equal Part VIII, column (A), line	1	53,412,	115	162,122,527
	13			Part IX, column (A), lines 1-3)			425,		3,340,737
	14			art IX, column (A), line 4)			0		0
æ	15	Salarıe		ployee benefits (Part IX, column (A), li		F7 F22 F02			
Expenses	160	5-10)	nonal fundraigns food (Davi	t IV solumn (A) line 11a)		57,532,583		0	55,413,111
<u>क</u>	16a b		ndraising expenses (Part IX, colum	t IX, column (A), line 11e)	•				
Д	17			(A), lines 11a-11d, 11f-24f)			71,714,	874	75,810,729
	18			(must equal Part IX, column (A), line 2			29,673,		134,564,577
	19			line 18 from line 12			23,739,		27,557,950
<u>৮৫</u>						Beginning	of Curre		End of Year
Net Assets or Fund Balances	20	Totala	ssets (Part X, line 16) .				ear 55,156,	721	293,654,256
A B	21		abilities (Part X, line 26) .				12,529,	_	12,583,231
3 E	22			ract line 21 from line 20			42,626,		281,071,025
	1311	_	ature Block	race me 21 nom me 20	•		12,020,	, 05	201,071,023
Unde know	r pena	lties of pe and belief	rjury, I declare that I have ex	amined this return, including accompanyi lete. Declaration of preparer (other than o					
		<u> </u>				201	.2-05-14		
Sigr		Signa	ture of officer			Dat	e		
Her	е		Vebb VP OF FINANCE						
		<u> </u>	or print name and title			T -	Sharle C	ıc	1
		Print/Type preparer's		Preparer's signature MARK STOCKI	Date		heck if se mployed		PTIN
Paid	<u> </u>		ne 🕨 CATHOLIC HEALTH INITIATIN		Firm's EIN				
Prep Use		Fırm's add	ress • 198 INVERNESS DRIVE WE		Phone no • (720) 874-				
		S discus	ENGLEWOOD, CO 80112 s this return with the prepai	rer shown above? (see instructions)					Yes No

• • • • •	. , , , , , , ,	010)					raye z
Par		Statement of I Check if Schedule			lishments Jestion in this Part II	ı	
1	Briefly	describe the orga	nızatıon's mıssıo	n			
						g it new life, energy and viab move toward the creation of l	
2	the pri	e organization unde or Form 990 or 990 "describe these r	0-EZ?			r which were not listed on	┌ Yes ┌ No
3	Did the		e conducting, or	make significar	nt changes in how it co	onducts, any program	▽ Yes □ No
4	Descri Section	be the exempt purpn 501(c)(3) and 50	pose achievemen)1(c)(4) organiza	ts for each of th		e largest program services b are required to report the am service reported	
4a	(Code See Sc	hedule H) (Expenses \$	115,191,605	including grants of \$	3,340,737) (Revenue \$	149,165,879)
4b	(Code) (Expenses \$		ıncludıng grants of \$) (Revenue \$)
4 c	(Code) (Expenses \$		including grants of \$) (Revenue \$)
4d		program services	•	hedule O)	f \$) (Revenue \$)
4e	Total	program service ex	xpenses ⊧ \$	115,191,60	5		

Part IV	Checklist of	Required	Schedules
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			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes,"</i> 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, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b	Yes	
С	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
е	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes,"</i> 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? <i>If</i> "Yes," complete Schedule F, Parts I and IV	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $$5,000$ of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15		N o
16	Did the organization report on Part IX, column (A), line 3, more than $$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? <i>If</i> "Yes," complete Schedule G, Part I (see instructions)	17		N o
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		N o
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	

Par	t IV Checklist of Required Schedules (continued)			
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b		N o
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
С	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		N o
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 \bigcirc Yes \square No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37		N o
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	
		F	orm 990	(2010)

Part V	Statements Regarding Other IRS Filings and Tax Compliance

CI	Check if Schedule O contains a response to any question in this Part V			
			Yes	No
3	Enter the number reported in Box 3 of Form 1096 Enter -0 - if not applicable			
_	Taber the number of Ferma W. 3C uncluded in line 1s. Enter C. if not applicable			
U	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 1b 0			
	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable] ,	Yes	
	gaming (gambling) winnings to prize winners?	1c	165	
	Statements filed for the calendar year ending with or within the year covered by this			
h	return			
		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes	
	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes	
	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
	If "Yes," enter the name of the foreign country			110
	See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts			
	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
	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		
ı	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the	6a		No
	organization solicit any contributions that were not tax deductible?			
	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
	Organizations that may receive deductible contributions under section 170(c).			
	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and	7a		No
	services provided to the payor?	7b		
	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to	-		
	file Form 8282?	7c		Νo
d	If "Yes," indicate the number of Forms 8282 filed during the year			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
	contract?	7e		No
	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	71.		
	Form 1098-C?	7h		
	the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess			
	business holdings at any time during the year?	8		
	Sponsoring organizations maintaining donor advised funds.			
	Did the organization make any taxable distributions under section 4966?	9a		
	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
	Initiation fees and capital contributions included on Part VIII, line 12 10a			
	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club			
	facilities			
	Section 501(c)(12) organizations. Enter			
	Gross income from members or shareholders			
	against amounts due or received from them)			
a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
	If "Yes," enter the amount of tax-exempt interest received or accrued during the			
	year 12b			
	Section 501(c)(29) qualified nonprofit health insurance issuers.			
	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			
С	Enter the amount of reserves on hand 13c			
a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
L	If "Voc " has it filed a Form 720 to report these payments? If "No " provide an evaluation in Schedule O	14h		

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										. F	7
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Se	ction 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								
b	Enter the number of voting members included in line 1a, above, who are independent								
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No					
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No					
4									
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						
ь	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	''	100						
•	year by the following								
а	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									
	ection B. Policies (This Section B requests information about policies not required by the Internal venue Code.)								
	·		Yes	No					
10a	Does the organization have local chapters, branches, or affiliates?	10a		Νo					
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?								
а	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	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?								
b	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?								
Se	ection C. Disclosure	16b		No					
17	List the States with which a copy of this Form 990 is required to be filed►NE								
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								
19	Own website Another's website Upon request Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of								
	- 2 22 2 2 3 1 2 3 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2 4 1 2								

- 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 🕨 Lısa Webb

2620 W Faidley Ave

Grand Island, NE 68803 (308) 398-5411

<u>Part VIII</u> Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

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

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

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee											
(A) Name and Title	hours				(C) Position (check all that apply)			(D) Reportable compensation from the	(E) Reportable compensation from related	(F) Estimated amount of other compensation	
	per week (describe hours for related organizations in Schedule O)	Highest compensate Rescribe Escribe Institutional Trustes or director Individual trustee		Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)	from the organization and related organizations				
See Additional Data Table											

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

	(A) Name and Title	(B) Average hours		tion (that a			II		(D) Reportable compensation from the	(E) Reportable compensatior from related		(F) Estima imount o compens	ted f other
		per week (describe hours for related organizations in Schedule O)	Individual trustee or director	Former Highest compensated employee Key employee Officer Institutional Trustee or director		Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)		from t rganızatı relatı organıza	he on and ed		
See A	dditional Data Table												
				\vdash			+				+		
											+		
										_			
							+				+		
								<u> </u>			_		
1b c	Sub-Total						· ·				+		
d								-	3,816,550	1,429,17	4	4 495,999	
2	Total number of individuals (incl						above) who	received more tha	n			
	\$100,000 in reportable compen	sation from the	organız	atıon	► 45								
												Yes	No
3	Did the organization list any for					ey e	mploy	ee, o	r highest compensa	ated employee			
	on line 1a? If "Yes," complete Sch	hedule J for such	ındıvıdı	ual .		•	•	•			3	Yes	
4	For any individual listed on line in organization and related organization individual										4	Yes	
5	Did any person listed on line 1a	receive or accri	ue comp	oensa	ation	fror	n any 1	unrel	ated organization o	r ındıvıdual for			
	services rendered to the organiz									•	5		No
Se	ection B. Independent Con												
1	Complete this table for your five \$100,000 of compensation from			ındep	ende	ent d	contra	ctors	that received more	than			
	+ 1 1 0 / 0 0 0 0 1 Compensation from	/a)	••						I	(B)			

(A)	(B)	(C)
Name and business address	Description of services	Compensation
Central Nebraska Rehabilitation Svc 620 N Diers Ave Ste 300 Grand Island, NE 688034958	Phy Ther Svcs	2,491,611
Grand Island Imaging Center PO Box 1962 Grand Island, NE 688021962	Imaging Svcs	1,753,143
The Physician Network 8055 O St Lincoln, NE 685102580	ER Phy/Billing Svcs	1,724,980
University of Nebraska 985440 Nebraska Medical Center Omaha, NE 681985440	Laboratory Svcs	577,592
David Associates 223 E 14th ST Ste 150 Grand Island, NE 689013241	Marketing Svcs	472,584
2 Total number of independent contractors (including but not limited to those listed above) \$100,000 in compensation from the organization ►20	who received more than	

Form 9		2010) Statement of Reveni					Pag	e 9
Part	////	Statement of Revent	те		(A) Total revenue	(B) Related or exempt function revenue		(D) Revenue excluded from tax under sections 512, 513, or 514
\$ £	1a	Federated campaigns	1a					01.
Contributions, gifts, grants and other similar amounts	b	Membership dues	. 1b					
s, g amo	c	Fundraising events	1c					
gift: ar a		Related organizations		338,692				
ıs, imi		Government grants (contributions)	1e	302,747				
ntion er s		All other contributions, gifts, grants		259,405		 		
ribu	-	similar amounts not included above						
ont	_	Noncash contributions included in li			000 044			
<u>ं व</u>	h	Total. Add lines 1a-1f	<u> </u>		900,844			
an	2-			Business Code				
Program Serwce Revenue	2a	Patient Services		900099	142,217,999	142,217,999		
- E	b	Equity changes of unconsolidated of	orgs	900099	6,315,616	6,390,820	-75,204	
МС€	_	RENTAL INCOME		900099	557,060	557,060		
Ser	d							
an	e	A II - kl						
'O'	Т	All other program service rev	/enue					
	g	Total. Add lines 2a-2f	<u> </u>		149,090,675			
	3	Investment income (includin			2 022 076		0.242	2.042.722
	_	and other similar amounts)			3,022,076		9,343	3,012,733
	-	Income from investment of tax-ex-	• •	-	0			
	5	Royalties	(ı) Real	(II) Personal				
	6a	Gross Rents	36,183	(II) Fersonal				
		Less rental	37,338					
	_	expenses Rental income	-1,155					
		or (loss)			-1,155			-1,155
	a	Net rental income or (loss)	(ı) Securities	(II) O ther	-1,133			-1,133
	7a	Gross amount	6,845,127	467,293				
		from sales of assets other						
	h	than inventory Less cost or		264,982				
	b	other basis and sales expenses		20 1,502				
	c	Gain or (loss)	6,845,127	202,311				
	d	Net gain or (loss)		•	7,047,438			7,047,438
<u>a</u>	8a	Gross income from fundraisin	ng events					
n Ha		(not including \$						
le v		of contributions reported on						
<u>.</u>		See Part IV, line 18	a					
Other Revenue	ь	Less direct expenses	b					
O	C	Net income or (loss) from fur	ndraising events 🟲		0			
	9a	Gross income from gaming a	ctivities See Part IV, line 19 . a					
				ь	_			
		Net income or (loss) from ga			0			
	10a	Gross sales of inventory, les returns and allowances	S					
			a	152,500				
		Less cost of goods sold .		145,038				
	С	Net income or (loss) from sa	les of inventory 🟲		7,462			7,462
	44	Miscellaneous Revenue		Business Code 722100	801 300			891,280
		Cafeteria		541200	891,280 303,650			303,650
		Financial Services		900099			88,002	
		SERVICES SOLD		900099	366,445 493,812		00,002	278,443 493,812
		All other revenue			493,812			493,812
	е	: Total. Add lines 11a-11d .			2,055,187			
	12	Total revenue. See Instruction	ons	ŀ				
					162,122,527	149,165,879	22,141	12,033,663
						For	m 990 (20:	10)

Part IX Statement of Functional Expenses
Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

Δ	Section 501(c)(3) and 501(c)(4) organizations mus Il other organizations must complete column (A) but are not required to o			D).	
Do no	ot include amounts reported on lines 6b, b, 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	3,336,737	3,336,737		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	4,000	4,000		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,573,465		1,573,465	
6	Compensation not included above, to disqualified persons (as defined under section $4958(f)(1)$) and persons described in section $4958(c)(3)(B)$	0			
7	Other salaries and wages	41,224,057	37,097,338	4,126,719	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,102,206	1,822,214	279,992	
9	Other employee benefits	7,616,040	6,601,663	1,014,377	
10	Payroll taxes	2,897,343	2,511,047	386,296	
а	Fees for services (non-employees) Management	0			
b	Legal	2,879		2,879	
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	19,143,926	15,380,509	3,763,417	
12	Advertising and promotion	0			
13	Office expenses	30,073,082	29,226,343	846,739	
14	Information technology	0			
15	Royalties	0			
16	Occupancy	1,903,289	1,692,047	211,242	
17	Travel	298,451	172,468	125,983	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	34,249	11,778	22,471	
20	Interest	272	272		
21	Payments to affiliates	3,121,572		3,121,572	
22	Depreciation, depletion, and amortization	9,844,951	8,064,376	1,780,575	
23	Insurance	621,550	621,550		
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)				
а	Bad debts	5,355,706	5,355,706		
b	Education	122,136	46,222	75,914	
c	Recruitment and relocation	552,869	89,146	463,723	
d	Repairs and maintenance	1,889,571	1,674,395	215,176	0
e	Dues & subscriptions	245,424	130,212	115,212	
f	All other expenses	2,600,802	1,353,582	1,247,220	0
25	Total functional expenses. Add lines 1 through 24f	134,564,577	115,191,605	19,372,972	0
26	Joint costs. Check here ► ☐ If following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a				
	combined educational campaign and fundraising solicitation				

Pa	rt X	Balance Sheet					
					(A) Beginning of year		(B) End of year
	1	Cash—non-interest-bearing			58,810	1	65,760
	2	Savings and temporary cash investments			5,057,124	2	5,907,514
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			18,934,114	4	14,966,775
	5	Receivables from current and former officers, directors, trustee highest compensated employees Complete Part II of	s, key	employees, and			
		Schedule L			13,271	5	37,581
	6	Receivables from other disqualified persons (as defined under spersons described in section $4958(c)(3)(B)$, and contributing esponsoring organizations of section $501(c)(9)$ voluntary emploorganizations (see instructions)	mploy	ers, and			
ste		Schedule L				6	
Assets	7	Notes and loans receivable, net			261,968	7	63,299
ď	8	Inventories for sale or use			1,050,956	8	1,184,155
	9	Prepaid expenses and deferred charges			158,246	9	324,133
	10a	Land, buildings, and equipment cost or other basis <i>Complete Part VI of Schedule D</i>	10a	195,887,276			_
	b	Less accumulated depreciation	10b	95,563,067	101,195,439	10 c	100,324,209
	11	Investments—publicly traded securities			11		
	12	Investments—other securities See Part IV, line 11		119,592,483	12	160,888,454	
	13	Investments—program-related See Part IV, line 11			13		
	14	Intangible assets			14		
	15	Other assets See Part IV, line 11		8,834,310	15	9,892,376	
	16	Total assets. Add lines 1 through 15 (must equal line 34) .		255,156,721	16	293,654,256	
	17	Accounts payable and accrued expenses .	12,206,568	17	12,431,334		
	18	Grants payable				18	
	19	Deferred revenue			3,680	19	5,769
	20	Tax-exempt bond liabilities				20	
es	21	Escrow or custodial account liability Complete Part IV of Schedu				21	
bilities	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified					
Lial		persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties	s .			23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			319,684	25	146,128
	26	Total liabilities. Add lines 17 through 25			12,529,932	26	12,583,231
-		Organizations that follow SFAS 117, check here ► 🗸 and com	plete	ines 27			
ė		through 29, and lines 33 and 34.					
lan	27	Unrestricted net assets			241,664,124	27	279,920,877
Balance	28	Temporarily restricted net assets			962,665	28	1,150,148
Fund	29	Permanently restricted net assets				29	
Ŧ		Organizations that do not follow SFAS 117, check here $ ightharpoonup$ a	nd con	nplete			
ě		lines 30 through 34.					
	30	Capital stock or trust principal, or current funds				30	
Assets	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other f	unds			32	
Net	33	Total net assets or fund balances			242,626,789	33	281,071,025
	34	Total liabilities and net assets/fund balances			255,156,721	34	293,654,256

Pai	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		162,1	122,52
2	Total expenses (must equal Part IX, column (A), line 25)	2			564,57
3	Revenue less expenses Subtract line 2 from line 1	3		27,5	557,95
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		242,6	526,789
5	Other changes in net assets or fund balances (explain in Schedule O)	5		10,8	386,28
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		281,0	071,02
Par	TEXII Financial Statements and Reporting Check if Schedule O contains a response to any question in this Part XII		-	୮	
1	Accounting method used to prepare the Form 990 Cash Accrual Other			Yes	No
	If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		1	i.	
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		Νo
b	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O		2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were i	ssued	20	103	
ч	on a separate basis, consolidated basis, or both	33464			
	Separate basis Consolidated basis Both consolidated and separated basis				
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in th Single Audit Act and OMB Circular A-133?	e	За		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the raudit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	equired	3b		

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As Filed Data -

DLN: 93493135047552

Employer identification number

OMB No 1545-0047

SCHEDULE A

(Form 990 or 990EZ)

Name of the organization

SAINT FRANCIS MEDICAL CENTER

Department of the Treasury Internal Revenue Service

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

Public Charity Status and Public Support

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

Inspection

		47-0376601			
Par	tΙ	Reason for Public Charity Status (All organizations must complete this part.) See instruc	tions		
he oi	rganız	zation is not a private foundation because it is (For lines 1 through 11, check only one box)			
1	\sqcap	A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).			
2	\Box	A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)			
3	굣	A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).			
4	Γ	A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A) hospital's name, city, and state	(iii). Ente	the	
5	Γ	An organization operated for the benefit of a college or university owned or operated by a governmental unit	describe	d ın	
	_	section 170(b)(1)(A)(iv). (Complete Part II)			
6	<u>_</u>	A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v) .			
7	Γ	An organization that normally receives a substantial part of its support from a governmental unit or from th described in section 170(b)(1)(A)(vi) (Complete Part II)	e general	public	
8	Г	A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)			
9	_	An organization that normally receives (1) more than 331/3% of its support from contributions, membersh	ıp fees. ar	ıd aros	ss
_	•	receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more tha		-	
		its support from gross investment income and unrelated business taxable income (less section 511 tax) fr			
		acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)			
0	\Box	An organization organized and operated exclusively to test for public safety See section 509(a)(4).			
1	,	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry one or more publicly supported organizations described in section $509(a)(1)$ or section $509(a)(2)$ See sec the box that describes the type of supporting organization and complete lines $11e$ through $11h$, .	1)(3).	Checl
e	Γ	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more di other than foundation managers and other than one or more publicly supported organizations described in s 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 sup check this box Since August 17, 2006, has the organization accepted any gift or contribution from any of the	porting o	rganız	ation,
g		following persons?	,		
		(i) a person who directly or indirectly controls, either alone or together with persons described in (ii)		Yes	No
		and (III) below, the governing body of the the supported organization?	11g(i)		
		(ii) a family member of a person described in (i) above?	11g(ii)		
		(iii) a 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		
h		Provide the following information about the supported organization(s)			

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see	(iv) Is the organizati col (i) list your gove docume	on in ted in rning	(v) Did you not organizati col (i) of suppor	on in your	(vi) Is the organizati col (i) orga in the U	(vii) A mount of support	
		instructions))	Yes	No	Yes	No	Yes	No	
Total									

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.)

S	ection A. Public Support		and to quanty t			Jaco complete				
	endar year (or fiscal year beginning									
Care	in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total			
1	Gifts, grants, contributions, and									
	membership fees received (Do not									
	ınclude 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									
Ū	line 4									
S	ection B. Total Support		<u> </u>	I I.						
	endar year (or fiscal year beginning									
	ın) >	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total			
7	A mounts from line 4									
8	Gross income from interest,									
Ū	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 activiti	es, etc (See inst	ructions)			12				
13	First Five Years If the Form 990 is t	for the organizati	on's first, second	, thırd, fourth, or	fifth tax year as a	501(c)(3) organı				
	check this box and stop here						►			
	-tiC Ct-ti	L'a Carana at B								
<u> </u>	ection C. Computation of Pub Public Support Percentage for 2010			11 column (f))						
	· ·		•	II Column (1))		14				
15	Public Support Percentage for 2009	Schedule A, Pa	rt II, line 14			15				
16a	33 1/3% support test—2010. If the				line 14 is 33 1/3%	or more, check				
_	and stop here. The organization qua						▶ □			
b	33 1/3% support test—2009. If the				5a, and line 15 is 3	33 1/3% or more,	- -			
	box and stop here. The organization				45.46		►			
1/a	10%-facts-and-circumstances test-									
	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									
		ts the "racts and	circumstances"	test ine organiz	ration qualifies as	a publicly suppo				
L	organization	_2000 If+ba a	anization did not	chack a hay an l	no 12 165 166 -	r 17a and line	► □			
D	10%-facts-and-circumstances test- 15 is 10% or more, and if the organ									
	Explain in Part IV how the organization						V			
	supported organization	aon meets the 10	acts and circuilis	tances test file	z organizacion qual	mes as a publici	y ▶[¯			
18	Private Foundation If the organizati	on did not check	a box on line 13	. 16a. 16b. 17a o	r 17b, check this	box and see	- 1			
	instructions	on ala not check	a box on fine 15	, 100, 100, 1700	I by check tills	SON GING SCC	▶ □			

organization

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 (a) 2006 **(b)** 2007 (c) 2008 (d) 2009 (e) 2010 (f) Total ın) 🟲 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2006 **(b)** 2007 (c) 2008 (d) 2009 (e) 2010 (f) Total in) 9 Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include 12 gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 11 and 12) 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 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 Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f)) 17 **17** Investment income percentage from 2009 Schedule A, Part III, line 17 18 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

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 **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 A (Form 990 or 990-EZ) 2010

Software ID: Software Version:

EIN: 47-0376601

Name: SAINT FRANCIS MEDICAL CENTER

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

Compensated Employees, and Independent Contractors											
(A) Name and Title	(B) Average hours per	Posi t	tion (that a	che	′)			(D) Reportable compensation from the	(E) Reportable compensation from related	(F) Estimated amount of other compensation	
	week	individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	organization (W- 2/1099-MISC)	organizations (W- 2/1099- MISC)	from the organization and related organizations	
DOUG BOON BOARD MEMBER	1 0	х									
SISTER SALLY DUFFY President	1 0	Х		х							
SCOTT FRANKFORTER BOARD MEMBER	1 0	Х									
G DAVID GRUENDEL BOARD MEMBER	1 0	Х									
LISA KATZBERG BOARD MEMBER	1 0	X						3,352			
TIMOTHY KNUDSEN Ex-Officio	1 0	Х						5,500			
SUSAN KOENIG Vice Chairperson	1 0	X		х							
FATHER MICHAEL MCDERMOTT BOARD MEMBER	1 0	Х									
MARK MILLER Chairperson	2 0	X		х				2,079			
DANIEL NARANJO Treasurer	1 0	X		х				3,616			
ROBERT LANIK SERMC-PRESIDENT CEO	1 0	X							689,847	40,180	
DANIEL MCELLIGOTT SFMC-PRESIDENT CEO	40 0	X		х					383,270	68,812	
DEE PRICE BOARD MEMBER	1 0	Х									
BARRY SANDSTROM BOARD MEMBER	1 0	X						2,800			
STEVE SCHNEIDER BOARD MEMBER	1 0	X						201,052	449		
TIM WOJCIK BOARD MEMBER	1 0	Х						2,351			
Vincent Hernandez BOARD MEMBER	1 0	Х									
DALE HARTWIG VP-ANCILLARY SVCS	40 0				х			209,497		31,716	
FRANCINE SPARBY VP-PATIENT CARE SERVICES	40 0				х			197,485		22,350	
LISA THAVENET-WEBB VP FOR FINANCE	40 0				х			200,385		41,729	
MARIE DE MARTINEZ VP FOR BUS DEVELOPMENT	40 0				×			155,271		28,912	
LELAND ELLIOTT VP OF HR & FUND DIRECTOR	40 0				х			202,759		45,562	
MICHAEL HORN VP OF MEDICAL AFFAIRS	40 0				×			342,401		36,380	
Joshua Gortemaker Physician - Anesthesia	40 0					Х		410,878		25,827	
Ryan Ramaekers Physician - Oncology	40 0					х		403,495		19,015	

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

compensated Employees, and Independent conductors											
(A) Name and Title	(B) Average hours		(C) Position (check all that apply)				(D) Reportable compensation	(E) Reportable compensation from related	(F) Estimated amount of other		
	per week	Individual trustee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	from the organization (W- 2/1099-MISC)	from related organizations (W- 2/1099- MISC)	compensation from the organization and related organizations	
MEHMET COPUR PHYSICIAN DIRECTOR-ONCOLOGY	40 0					х		585,885		31,279	
TRACI RAUCH MED DIRECTOR-ANES	40 0					х		493,552		40,538	
CRAIG VINCENT PHYSICIAN-ANESTHESIA	40 0					х		394,192		41,021	
DEBORAH LEE-EDDIE Ex-Officio	1 0						Х		355,608	22,678	

DLN: 93493135047552

OMB No 1545-0047

Open to Public

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527 ► Complete if the organization is described below.

Political Campaign and Lobbying Activities

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

Inspection

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

- ◆ 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

Name of the organiz	<i>,,</i> , , ,	zations Complete Part III			
SAINT FRANCIS MEDICA	zation N CENTER			Employeride	entification number
SALIT TRAITED TEDICA	AL CLIVIEIX			47-037660:	1
Part I-A Comple	ete if the or	ganization is exempt und	er section 501(c) or is a section 52	7 organization.
1 Provide a desci	rıptıon of the org	ganization's direct and indirect po	litical campaign act	ivities in Part IV	
2 Political expend	dıtures			▶	\$
3 Volunteer hours	S				
Part I-B Compl	ete if the or	ganization is exempt und	er section 501(c)(3).	
1 Enter the amou	ınt of any excıse	tax incurred by the organization	under section 4955	>	\$
2 Enter the amou	ınt of any excıse	tax incurred by organization ma	nagers under sectio	n 4955 >	\$
3 If the organizat	ion incurred a s	ection 4955 tax, did it file Form	4720 for this year?		┌ Yes
4a Was a correction	on made?				┌ Yes
b If "Yes," descri					
Part I-C Comple	ete if the or	ganization is exempt und	er section 501(c) except section 50)1(c)(3).
1 Enter the amou	int directly expe	nded by the filing organization fo	r section 527 exem _l	pt function activities 🕨	\$
Enter the amou exempt funtion		rganızatıon's funds contributed to	o other organizations	s for section 527 ►	\$
3 Total exempt fu	unction expendit	cures Add lines 1 and 2 Enter he	ere and on Form 112	.0-POL, line 17b ►	\$
4 Did the filing or	ganızatıon file F	form 1120-POL for this year?			☐ Yes ☐ No
	ade payments F	id employer identification numbei For each organization listed, ente			
amount of politi		ns received that were promptly are political action committee (PAC)	d directly delivered	to a separate political org	janization, such as a
amount of politi	gated fund or a	is received that were promptly ar	d directly delivered	to a separate political org	(e) A mount of political contributions received
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization.
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization.
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization.
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none,
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none,
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization.
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization.
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization. If none,
amount of politi separate segre	gated fund or a	ns received that were promptly ar political action committee (PAC)	d directly delivered If additional space	to a separate political orgis needed, provide inform (d) A mount paid from filing organization's	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization. If none,

Р	art II-A Complete if the organization under section 501(h)).	is exempt under section 501(c)(3)	and filed Form 5768	(election
	Check If the filing organization belongs to a Check If the filing organization checked bo	n affiliated group x A and "limited control" provisions apply		
	Limits on Lobbying E (The term "expenditures" means ar		(a) Filing O rganization's Totals	(b) Affiliated Group Totals
1a	Total lobbying expenditures to influence public o	pınıon (grass roots lobbyıng)		
b	Total lobbying expenditures to influence a legisl	ative body (direct lobbying)		
C	Total lobbying expenditures (add lines 1a and 1	o)		
d	O ther exempt purpose expenditures			
е	Total exempt purpose expenditures (add lines 1	c and 1d)		
f	Lobbying nontaxable amount Enter the amount to columns	rom the following table in both		
	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		
	Grassroots nontaxable amount (enter 25% of lir	e 1f)		
h	Subtract line 1g from line 1a If zero or less, ent	er -0 -		
i	Subtract line 1f from line 1c If zero or less, ente	r-0-		
j	If there is an amount other than zero on either lii section 4911 tax for this year?	ne 1h or line 1i, did the organization file Form	4720 reporting	┌ Yes ┌ No

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

	Lobbying Expendit	ures During 4	4-Year Avera	ging 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 Fo	rm 5768
	(election under section 501(h)).		

e Publications, or published or broadcast statements? f Grants to other organizations for lobbying purposes? yes 7,02 p Direct contact with legislators, their staffs, government officials, or a legislative body? No Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? Yes 3,60 Other activities? If "Yes," describe in Part IV			(a)		(b)	
legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of Volunteers? No Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? Media advertisements? Media advertisements? Mailings to members, legislators, or the public? Publications, or published or broadcast statements? Grants to other organizations for lobbying purposes? Publications, or published or broadcast statements? Mo Test contact with legislators, their staffs, government officials, or a legislative body? Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? Ves 3,60 Other activities? If "Yes," describe in Part IV Total lines 1c through 1i Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? No If "Yes," enter the amount of any tax incurred under section 4912 If "Yes," enter the amount of any tax incurred by organization managers under section 4912			Yes	No	Amount	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? c Media advertisements? d Mailings to members, legislators, or the public? e Publications, or published or broadcast statements? f Grants to other organizations for lobbying purposes? p Direct contact with legislators, their staffs, government officials, or a legislative body? h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? i Other activities? If "Yes," describe in Part IV j Total lines 1c through 1i 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	1	legislation, including any attempt to influence public opinion on a legislative matter or referendum,				
d Mailings to members, legislators, or the public? Publications, or published or broadcast statements? No f Grants to other organizations for lobbying purposes? Direct contact with legislators, their staffs, government officials, or a legislative body? No h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? Yes 3,60 i Other activities? If "Yes," describe in Part IV No j Total lines 1c through 1: 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	а	Volunteers?		No		
d Mailings to members, legislators, or the public? Publications, or published or broadcast statements? No f Grants to other organizations for lobbying purposes? Yes 7,02 g Direct contact with legislators, their staffs, government officials, or a legislative body? No Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? Yes 3,60 Other activities? If "Yes," describe in Part IV No Total lines 1c through 1: Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? No If "Yes," enter the amount of any tax incurred under section 4912 If "Yes," enter the amount of any tax incurred by organization managers under section 4912	b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes			
Publications, or published or broadcast statements? f Grants to other organizations for lobbying purposes? yes 7,02 p Direct contact with legislators, their staffs, government officials, or a legislative body? No Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? Other activities? If "Yes," describe in Part IV No Total lines 1c through 1: Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? If "Yes," enter the amount of any tax incurred under section 4912 If "Yes," enter the amount of any tax incurred by organization managers under section 4912	C	Media advertisements?		Νo		
f Grants to other organizations for lobbying purposes? g Direct contact with legislators, their staffs, government officials, or a legislative body? h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? i Other activities? If "Yes," describe in Part IV j Total lines 1c through 1: 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	Mailings to members, legislators, or the public?	Yes		95	
p Direct contact with legislators, their staffs, government officials, or a legislative body? h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? i Other activities? If "Yes," describe in Part IV Total lines 1c through 1: Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	e	Publications, or published or broadcast statements?		Νo		
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? i Other activities? If "Yes," describe in Part IV j Total lines 1c through 1: 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	f	Grants to other organizations for lobbying purposes?	Yes		7,023	
i Other activities? If "Yes," describe in Part IV j Total lines 1c through 1: 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	g	Direct contact with legislators, their staffs, government officials, or a legislative body?		Νo		
j Total lines 1c through 1i 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	Yes		3,604	
Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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	i	Other activities? If "Yes," describe in Part IV		Νo		
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	j	Total lines 1c through 1i			10,721	
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912	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				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?	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).		
а	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	

Part IV Supplemental Information

Taxable amount of lobbying and political expenditures (see instructions)

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
990 Sch C Supplemental		estimated LOBBYING EXPENSES ARE AS FOLLOWS Line 1d, EMAILS TO SENATORS AND REPRESENTATIVES, \$95 line 1f, THE PORTION OF ORGANIZATION DUES THAT ARE RELATED TO LOBBYING ARE AS FOLLOWS AMERICAN HOSPITAL ASSOCIATION, \$447, CATHOLIC Hospital ASSOCIATION \$1,343 the portion of dues paid to grand island chamber of commerce, nha, nhca and trauma center of america, \$5,233 line 1h, NATIONAL ADVOCACY DAY IN LINCOLN, NE, \$3,604

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DLN: 93493135047552

OMB No 1545-0047

Open to Public Inspection

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.

Name of the organization **Employer identification number** SAINT FRANCIS MEDICAL CENTER 47-0376601

	organization answered "Yes" to Form 99			
		(a) Donor advised funds		(b) Funds and other accounts
	number at end of year			
	egate contributions to (during year)			
	egate grants from (during year)			
Aggre	egate value at end of year			
	the organization inform all donors and donor advi s are the organization's property, subject to the			rised Yes N
used	the organization inform all grantees, donors, and only for charitable purposes and not for the ben erring impermissible private benefit			
rt II	Conservation Easements. Complete	ıf the organization answered	"Yes" to Fori	m 990, Part IV, line 7.
	ose(s) of conservation easements held by the or	<u> </u>		
	Preservation of land for public use (e g , recreati	-		
ļ	Protection of natural habitat	Preservati	on of a certifie	ed historic structure
Г	Preservation of open space			
	plete lines 2a–2d if the organization held a quali	fied conservation contribution in	the form of a c	onservation
ease	ment on the last day of the tax year			Held at the Ford of the Vern
Total	I number of conservation easements		7-	Held at the End of the Year
			2a	
	l acreage restricted by conservation easements		2b	
	ber of conservation easements on a certified his		2c	
Num	ber of conservation easements included in (c) ac	equired after 8/17/06	2d	
	ber of conservation easements modified, transfe axable year 🛌	rred, released, extinguished, or to	erminated by t	he organization during
Num	ber of states where property subject to conserva	ation easement is located ►		
	s the organization have a written policy regarding rement of the conservation easements it holds?		on, handling o	f violations, and Yes N
Staff	and volunteer hours devoted to monitoring, insp	ecting and enforcing conservatio	n easements o	luring the year ▶
A mo	unt of expenses incurred in monitoring, inspecti	ng, and enforcing conservation ea	sements durin	ig the year ► \$
	s each conservation easement reported on line 2 (h)(4)(B)(i) and 170(h)(4)(B)(ii)?	(d) above satisfy the requirement	s of section	□ Yes □ N
balar	art XIV, describe how the organization reports conce sheet, and include, if applicable, the text of th	he footnote to the organization's f		
rt III		ns of Art. Historical Treas	ures, or Ot	her Similar Assets
	Complete if the organization answered "	'Yes" to Form 990, Part IV, lır	ne 8. ´	inci ominui Assetsi
If the	Complete if the organization answered " e organization elected, as permitted under SFAS nistorical treasures, or other similar assets held ide, in Part XIV, the text of the footnote to its fin	'Yes" to Form 990, Part IV, lir 116, not to report in its revenue for public exhibition, education of	ne 8. statement and research in fi	I balance sheet works of
If the art, h provi If the histo	e organization elected, as permitted under SFAS nistorical treasures, or other similar assets held	'Yes" to Form 990, Part IV, III 116, not to report in its revenue for public exhibition, education of ancial statements that describes 116, to report in its revenue state public exhibition, education, or res	ne 8. statement and research in for these items ement and bal	I balance sheet works of urtherance of public service,
If the art, h provi If the histo	e organization elected, as permitted under SFAS nistorical treasures, or other similar assets held ide, in Part XIV, the text of the footnote to its fin e organization elected, as permitted under SFAS orical treasures, or other similar assets held for p	'Yes" to Form 990, Part IV, III 116, not to report in its revenue for public exhibition, education of ancial statements that describes 116, to report in its revenue state public exhibition, education, or res	ne 8. statement and research in for these items ement and bal	I balance sheet works of urtherance of public service, lance sheet works of art, erance of public service,
If the art, h provi If the histo provi	e organization elected, as permitted under SFAS nistorical treasures, or other similar assets held ide, in Part XIV, the text of the footnote to its fin e organization elected, as permitted under SFAS prical treasures, or other similar assets held for pinde the following amounts relating to these items	'Yes" to Form 990, Part IV, III 116, not to report in its revenue for public exhibition, education of ancial statements that describes 116, to report in its revenue state public exhibition, education, or res	ne 8. statement and research in for these items ement and bal	I balance sheet works of urtherance of public service,
If the art, h provi	e organization elected, as permitted under SFAS nistorical treasures, or other similar assets held ide, in Part XIV, the text of the footnote to its fine organization elected, as permitted under SFAS orical treasures, or other similar assets held for pide the following amounts relating to these items evenues included in Form 990, Part VIII, line 1	'Yes" to Form 990, Part IV, III 116, not to report in its revenue for public exhibition, education of ancial statements that describes 116, to report in its revenue state public exhibition, education, or res	ne 8. statement and research in furthese items ement and balsearch in furth	I balance sheet works of urtherance of public service, lance sheet works of art, erance of public service, \$
If the art, h provi	e organization elected, as permitted under SFAS instorical treasures, or other similar assets held ide, in Part XIV, the text of the footnote to its fine organization elected, as permitted under SFAS orical treasures, or other similar assets held for pide the following amounts relating to these items evenues included in Form 990, Part VIII, line 1 assets included in Form 990, Part X e organization received or held works of art, history	'Yes" to Form 990, Part IV, III 116, not to report in its revenue for public exhibition, education of ancial statements that describes 116, to report in its revenue state public exhibition, education, or res	ne 8. statement and research in furthese items ement and balsearch in furth	I balance sheet works of urtherance of public service, lance sheet works of art, erance of public service, \$

Part	Organizations Maintaining Co	llections of Art	t, His	tori	cal Treas	ures, or O	<u>the</u>	<u>r Similar Ass</u>	ets (co	ontinued)
	Using the organization's accession and othe items (check all that apply)	r records, check an	y of th	ne foll	owing that a	are a significa	nt u	se of its collection	on	
а	Public exhibition		d	Γ	Loan or ex	change progra	ams			
b	Scholarly research		e	\vdash	Other					
c	Preservation for future generations									
	Provide a description of the organization's co	ollections and expla	ıın hov	w they	further the	e organization	's ex	empt purpose in		
	During the year, did the organization solicit of assets to be sold to raise funds rather than t								Yes	┌ No
Part	Part IV, line 9, or reported an an					on answered	Y" t	es" to Form 99	90,	
	Is the organization an agent, trustee, custod included on Form 990, Part X?	ian or other interme	ediary	forc	ontributions	or other ass	ets i		Yes	┌ No
b	If "Yes," explain the arrangement in Part XIV	/ and complete the	follow	ving ta	able	Г		Amo	nt	
	Danish a kalana						1-	Amo	June	
c d	Additions during the year					-	1c 1d			
	Additions during the year					-	1a 1e			
f	Distributions during the year					<u> </u>	16 1f			
	Ending balance	orm 000 Davit V Ivo	. 212				ΤI		Yes	□ No
	Did the organization include an amount on Fo	•	e 21 /					ı	Yes) No
	If "Yes," explain the arrangement in Part XIV				المماللة	- Forma 000	Do.	+ TV long 10		
Par	t V Endowment Funds. Complete	(a)Current Year)Prior Y		FOrm 990, Two Years Back			e) Four Y	'ears Back
1a	Beginning of year balance	(a) carrent rear	(2	,	(4)	TWO TEATS BACK	(4)	Timee rears back (C) Car	cars back
	Contributions									
c	Investment earnings or losses									
	Grants or scholarships									
	Other expenditures for facilities and programs									
f	Administrative expenses									
g	End of year balance									
2	Provide the estimated percentage of the yea	r end balance held	as		•		•			
а	Board designated or quasi-endowment 🕨									
b	Permanent endowment 🕨									
c	Term endowment ▶									
	Are there endowment funds not in the posses organization by	ssion of the organiz	ation	that a	re held and	administered	l for	the	Yes	No
	(i) unrelated organizations							3a(i)		
	(ii) related organizations							3a(ii)	<u> </u>
	If "Yes" to 3a(II), are the related organizatio	•					٠	3b		<u></u>
4	Describe in Part XIV the intended uses of th	e organization's en		ent fu	nas		10			
D	Will Incompany to Land Duitling		~	`aa =	000	Dawl V I.a.				
Part	VI Investments—Land, Buildings	s, and Equipme	nt. S							
Part	Description of investment	s, and Equipme	nt. S	(a)	orm 990, Cost or other (Investment)	(b)Cost or otl	her	(c) Accumulated depreciation	(d) Bo	ook value
	<u> </u>	s, and Equipme	. nt. S	(a)	Cost or other	(b)Cost or otl	her)			ook value 1,321,624
1 a L	Description of investment	s, and Equipme		(a)	Cost or other	(b)Cost or other basis (other 1,321,	her) .624			
b B	Description of investment	s, and Equipme		(a)	Cost or other (investment)	(b)Cost or other basis (other 1,321,	her) .624	depreciation		1,321,624
1a La b B c La	Description of investment	s, and Equipme		(a)	Cost or other (investment)	(b)Cost or other basis (other 1,321,	her) .624 322	depreciation	4	1,321,624
1a L d b B c L d d E e O	Description of investment and			(a) basis	Cost or other (investment) 255,103	(b)Cost or oth basis (other 1,321, 82,634, 105,281, 6,394,	her) .624 322 .439	38,256,986	4	1,321,624 14,632,439

Investments—Other Securities. See	Form 990, Part X, line 12	
(a) Description of security or category	(b) Book value	(c) Method of valuation
(Including name of security) (1)Financial derivatives		Cost or end-of-year market value
(2)Closely-held equity interests		
(3)Other		
(A) CHI OIP - Fixed Income	76,593,073	F
(D) CHI OID Fruitu Cooumbio	04 205 201	-
(B) CHI OIP - Equity Securities	84,295,381	F
Table (California (h) should a supl Farm 2000 Part V and (D) for 12.)	160 000 454	
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) Part VIII Investments—Program Related. See		3
		(c) Method of valuation
(a) Description of investment type	(b) Book value	Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		
Total. (Column (b) Should equal Form 990, Part X, col (b) line 13 1		
	e 15.	
Part IX Other Assets. See Form 990, Part X, lin (a) Descrip		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin		(b) Book value
Part IX Other Assets. See Form 990, Part X, lin (a) Descrip	tion	
Part IX Other Assets. See Form 990, Part X, line (a) Descrip	5.)	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X	5.)	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X (a) Description of Liability	5.)	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X (a) Description of Liability	5.)	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1: Part X Other Liabilities. See Form 990, Part X 1 (a) Description of Liability Federal Income Taxes	5.) , line 25. (b) Amount	

Par	rt XI Reconciliation of Change in Net Assets from Form 990 to Financial Statemen	nts
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
Par	t XII Reconciliation of Revenue per Audited Financial Statements With Revenue p	er 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	
а	Net unrealized gains on investments	
b	Donated services and use of facilities	
c	Recoveries of prior year grants	
d	Other (Describe in Part XIV)	
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	A mounts included on Form 990, Part VIII, line 12, but not on line 1	
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a	
b	Other (Describe in Part XIV)	
С	Add lines 4a and 4b	4c
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5
	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	
а	Donated services and use of facilities	
ь	Prior year adjustments	
c	Other losses	1
d	Other (Describe in Part XIV) 2d	1
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:	
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a	
b	Other (Describe in Part XIV)	
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
Par	rt XIV Supplemental Information	
	mplete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Pa t V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete t	

additional information

Identifier	Return Reference	Explanation
FIN 48 (ASC 740) FOOTNOTE		Saint Francis Medical Center's financial information is included in the consolidated audited financial statements of Catholic Health Initiatives (CHI), a related organization CHI's FIN 48 (ASC 740) footnote for the year ended June 30, 2011 reads as follows "CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax As of June 30, 2011, CHI has current net deferred tax assets of \$2 1 Million and a noncurrent net deferred tax liability of \$5 4 million related to these taxable activities Management reviews its tax positions annually and has determined that there are no material uncertain tax positions
		that require recognition in the consolidated financial istatements "

OMB No 1545-0047

Open to Public **Inspection**

SCHEDULE H (Form 990)

Department of the Treasury Internal Revenue Service

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

Hospitals

Name of the organization **Employer identification number** SAINT FRANCIS MEDICAL CENTER 47-0376601 Financial Assistance and Certain Other Community Benefits at Cost Yes No 1a Did the organization have a finnancial assistance policy during the tax year? If "No," skip to question 6a . Yes **1**b Yes If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year Applied uniformly to all hospitals Applied uniformly to most hospitals Generally tailored to individual hospitals 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 Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care За Νo Other _____ 200% 100% 150% Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care Νo 250% 300% 350% 200% 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 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"? Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? **5a** Yes If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5b Νo If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care? 5c Does the organization prepare a community benefit report during the tax Yes 6a 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 (a) Number of Financial Assistance and (b) Persons (c) Total community (d) Direct offsetting (e) Net community benefit (f) Percent of activities or benefit expense expense total expense served revenue **Means-Tested** programs (optional) **Government Programs** (optional) Financial Assistance at cost (from Worksheets 1 and 2) 7,076 3,429,655 3,429,655 2 720 % Unreimbursed Medicaid (from 15,593 12,022,601 9,383,496 2,639,105 2 090 % Worksheet 3, column a) Unreimbursed costs-other means-tested government programs (from Worksheet 3, column b) Total Financial Assistance and Means-Tested Government 6,068,760 22,669 15,452,256 9,383,496 4 810 % Programs Other Benefits Community health improvement services and community benefit operations (from 91,440 934,552 74,235 860,317 0 680 % (Worksheet 4) . 47 Health professions education 9 104,030 1,111,940 0 880 % (from Worksheet 5) . . 5,600 1,215,970 Subsidized health services

(from Worksheet 6) .

Research (from Worksheet 7)

Cash and in-kind contributions to community groups

Total Other Benefits . . .

(from Worksheet 8)

k Total. Add lines 7d and 7j

6

73

1,530

23,554

122,124

144,793

391,041

228,930

3.897.322

19,349,578

1,126,829

107,841

404,536

690.642

10,074,138

283,200

722,293

228,930

3,206,680

9,275,440

0 220 %

0 570 %

0 180 %

2 530 %

7 340 %

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 (b) Persons (c) Total community (e) Net community (d) Direct offsetting (f) Percent of served (optional) activities or building expense revenue building expense total expense programs (optional) Physical improvements and housing Economic development 2,211 2,211 Community support 23,612 23,612 0 020 % 4,474 Environmental improvements 4,474 Leadership development and training for community members 6 Coalition building 0 280 % 4,150 358,558 -1,024 359,582 Community health improvement advocacy Workforce development 275,298 275,298 0 220 % 9 Other 10 Total 664,153 -1,024 4,150 665,177 0 520 % **Bad Debt, Medicare, & Collection Practices** Part III Section A. Bad Debt Expense Yes No Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Yes Enter the amount of the organization's bad debt expense (at cost) 2 2,293,158 Enter the estimated amount of the organization's bad debt expense (at cost) 3 attributable to patients eligible under the organization's financial assistance policy 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 Enter total revenue received from Medicare (including DSH and IME) 38.956.067 5 Enter Medicare allowable costs of care relating to payments on line 5 50.229.406 6 Subtract line 6 from line 5 This is the surplus or (shortfall) . . . -11,273,339 7 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 Cother Cost to charge ratio Cost accounting system **Section C. Collection Practices** Does the organization have a written debt collection policy? . 9a Yes If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for 9b Yes patients who are known to qualify for charity care or financial assistance? Describe in Part VI Part IV Management Companies and Joint Ventures (a) Name of entity (b) Description of primary (c) Organization's (d) Officers, directors, (e) Physicians' trustees, or key employees' profit % activity of entity profit % or stock profit % or stock ownership % ownership % or stock ownership% 1 GRAND ISLAND SURGERY 50 000 % 50 000 % 2 SURGICAL CENTER LLC 3 4 5 6 8 9 10 11 12 13

Part V Facility Information										
(list in larges How m	on A. Hospital Facilities order of size, measured by total revenue per facility, from t to smallest) nany hospital facilities did the organization operate during x year? 1	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Ortical access hospital	Research facility	ER-24 hours	ER-other	
Name	and address									Other (Describe)
1	Saint Francis Medical Center 2620 W Faidley Grand Island, NE 68803	х	х					х		
		<u> </u>								
		<u> </u>								
		<u> </u>								
		<u> </u>				-				
				İ						

10 V	v many non-hospital facilities did the organizati	on operate during the tax year? 5
Nar	ne and address	Type of Facility (Describe)
L	SFMC Skilled Nursing Facility	Skld Nursing Facility
	2116 W Faidley	
	Grand Island, NE 68803	
2	SFMC Skilled Nursing Facility	Skld Nursing Facility
	2116 W Faidley	
	Grand Island, NE 68803	
3	SFMC Skilled Nursing Facility	Skld Nursing Facility
	2116 W Faidley	
	Grand Island, NE 68803	
ŀ	SFMC Skilled Nursing Facility	Skld Nursing Facility
	2116 W Faidley	
	Grand Island, NE 68803	
5	SFMC Skilled Nursing Facility	Skld Nursing Facility
	2116 W Faidley	
	Grand Island, NE 68803	
5		
7		
3		
)		
LO		

Part V Facility Information (continued)

Schedule H (Form 990) 2010

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 1, 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
- 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
- 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.)
- Affiliated health care system. If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 3C		If applicable, describe the income-based criteria for determining eligibility for free or discounted care under the organization's financial assistance policy. When Catholic Health Initiatives (the ultimate parent organization to Saint Francis Medical Center established its financial assistance policy it was determined that establishing a household income scale based on the HUD very low income guidelines more accurately reflects the socioeconomic dispersions among the 69 urban and rural communities in 19 states served by CHI hospitals and health care facilities. In comparing HUD guidelines to the Federal Poverty Guidelines ("FPG"), we find that on average HUD guidelines compute to approximately 200% to 250% of FPG. Saint Francis Medical Center bases its financial assistance eligibility on HUD's 130% of Very Low Income Guidelines based on geography, and affords the uninsured and underinsured the ability to obtain financial assistance write-offs, based on a sliding scale, ranging from 25%-100% of charges. An individual's income under the HUD guidelines is a significant factor in determining eligibility for financial assistance. However, in determining whether to extend discounted or free care to a patient, the patient's assets may also be taken into consideration. For example, a patient suffering a catastrophic illness may have a reasonable level of income, but a low level of liquid assets such that the payment of medical bills would be seriously detrimental to the patient's basic financial (and ultimately physical) well-being and survival Such a patient may be extended discounted or free care based upon the facts and circumstances.

Identifier	ReturnReference	Explanation
PART I, LINE 6A		If the organization's community benefit report is contained in a report prepared by a related organization, rather than in a separate report prepared by the organization, identify the related organization Saint Francis Medical Center prepares its own annual written community benefit report. Its community benefit report is not contained in that of a related organization.

Identifier	ReturnReference	Explanation
PART I, LINE 7G		To the extent that the organization included any costs associated with physician clinics as subsidized health services in Part I, line 7g it must describe that it has done so and report in Part VI such costs included in part I, line 7g, line 1 Included in subsidized health services are the following physician clinics Student Wellness Center Doniphan Clinic Crane River Clinic The total expenses associated with operating these clinics were \$364,955 Revenue offsets were \$91,570 Accordingly, the total subsidized cost of these necessary services was \$273,385 The clinics meet a community need for primary care services outside of the emergency room setting

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN (f)		If applicable, state the bad debt expense included on Form 990 Part IX, line 25, column (A) but subtracted for purposes of calculating the percentage in this column Total bad debt expense reported on Form 990 Part IX, line 25, Column A was \$5.355.706

Identifier	ReturnReference	Explanation
PART I, LINE 7		Provide an explanation of the costing methodology used to calculate the amounts reported in the table. If a cost accounting system was used, indicate whether the cost accounting system addresses all patient segments (for example, inpatient, outpatient, emergency room, private insurance, Medicaid, Medicare, uninsured or self pay). Also indicate whether a cost-to-charge ratio was used for any of the figures reported in the table. Describe whether this cost-to-charge ratio was derived from Worksheet 2, and, if not, what kind of cost-to-charge ratio was used and how it was derived. If some other costing methodology was used besides a cost accounting system, cost-to-charge ratio, or a combination of the two, describe the method used. A cost accounting system was not used to compute amounts in the table, rather costs in the table were computed using. Worksheet 2 to compute the cost-to-charge ratio. The cost-to-charge ratio covers all patient segments. Worksheet 2 was utilized to compute the cost-to-charge ratio for the year ended 6/30/11 using the following formula. Operating expense (less non-patient care activities, Medicare provider taxes, community benefit expense and community building expense) divided by gross patient revenue (less gross charges for community benefit programs). Based on that formula, \$117,744,538/\$274,207,402 results in a 42 94% cost-to-charge ratio.

Identifier	ReturnReference	Explanation
Identifier PART III, SECTION A, LINE 4	ReturnReference	Provide the rationale and the costing methodology used to determine the amount reported in Part III, lines 2 and 3 Describe how the organization accounts for discounts and payments on patient accounts in determining bad debt expense Costing methodology for amounts reported on line 2 is determined using the organization's cost/charge ratio of 42 94% When discounts are extended to self-pay patients, these patient account discounts are recorded as a reduction in revenue, not as bad debt expense. Also describe the method the organization uses to determine the amount that reasonably could be attributable to patients who likely would qualify for financial assistance under the hospital's financial assistance policy, if sufficient information has been available to make a determination of their eligibility. Describe the rationale, if any, for including any portion of bad debt as community benefit. Also provide, if applicable, the text of the footnote to the organization's financial statements that describes bad debt expense. If the organization's financial statements include a footnote on these issues that also includes other information, report only the relevant portions of the footnote. If the organization's financial statements do not contain such a footnote, state that the organization's financial statements do not include such a footnote and explain how the financial statements account for bad debt, if at all. Saint Francis Medical Center does not believe that any portion of bad debt expense could reasonably be attributed to patients who qualify for financial assistance since amounts due from those individuals' accounts will be reclassified from bad debt expense to charity care within 30 days following the date that the patient is determined to qualify for charity care. Saint Francis Medical Center does not issue separate company audited financial statements. However, the organization is included in the consolidated financial statements of Catholic Health. Initiatives. The consolidated footnote reads as follows. "T
		assessment of historical and expected net collections considering historical business and economic conditions,
		write-off experience by payer category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies,
		subject to the terms of certain restrictions on collection efforts as determined by each facility "

Identifier	ReturnReference	Explanation
Identifier PART III, SECTION B, LINE 8	ReturnReference	Describe the costing methodology used to determine the Medicare allowable costs reported in the organization's Medicare Cost Report, as reflected in the amount reported in Part III, line 6 To figure Medicare costs the Medicare gross revenue (from the financials) is multiplied by cost-to-charge ratio derived from Worksheet 2 This is then subtracted from the net Medicare revenue (also, from the financials) to come up with the shortfall Describe the amounts of any Medicare revenues and costs not included in the Medicare Cost Report(s) for the year (for example, revenues and costs for freestanding ambulatory surgery centers, clinical laboratory services, and revenues and costs of Medicare Part C and Part D programs) Although not presented on the Medicare cost report, in order to facilitate a more accurate understanding of the "true" cost of services (for "shortfall" purposes) the CHI Workbook allows a health care facility not to offset costs that Medicare considers to be non-allowable, but for which the facility can legitimately argue are related to the care of the facility's patients. In addition, although not reportable on the Medicare cost report, the CHI workbook includes the cost of services that are paid via a set fee-schedule rather than being reimbursed based on costs (e.g. outpatient clinical laboratory). Finally, the CHI Workbook allows a facility to include other health care services performed by a separate facility (such as a physician practice) that are maintained on separate books and records (as opposed to the main facility's books and records which has its costs of service included within a cost report). True costs of Medicare computed using this methodology. Total Medicare Revenue. \$ 38,956,067 Total Medicare costs. \$ (50,229,406) Surplus or (Shortfall) \$ (11,273,339) Describe, if applicable, the extent to which any shortfall reported in Part III, line 7 should be treated as a community benefit and resources are devoted to ensuring that hospitals are reimbursed appropriately by the Medicare program
		framework, because Medicaid reimbursements generally do not receive the level of attention paid to Medicare reimbursement Medicaid payment is largely driven by what states can afford to pay, and is typically substantially less than what Medicare
		pay, and is typically substantially less than what Medicare pays

Identifier	ReturnReference	Explanation				
Identifier PART III, SECTION C, LINE 9B		Explanation If the organization has a written debt collection policy and answered "Yes," to Part III, line 9b, describe the collection practices set forth in the policy that apply to patients who it knows qualify for financial assistance, whether or not such practices apply specifically to such patients or more broadly to also cover other types of patients. Saint Francis Medical Center's debt collection policy provides that Saint Francis Medical Center will perform a reasonable review of each inpatient account prior to turning an account over to a third-party collection agent and prior to instituting any legal action for non-payment, to assure that the patient and patient guarantor are not eligible for any assistance program (e.g. Medical) and do not qualify for coverage through Saint Francis Medical Center's community assistance policy. After having been turned over to a third-party collection agent, any patient account that is subsequently determined to meet the Saint Francis Medical Center community assistance policy is required to be returned immediately by the third-party collection agent to Saint Francis Medical Center for appropriate follow-up. Saint Francis Medical Center requires its third-party collection agents to include a message on all statements indicating that if a patient or patient guarantor meets certain stipulated income requirements, the patient or patient guarantor may be eligible for financial assistance. All of Catholic Health Initiatives' hospitals' contracts with third party collection agencies include the following standards. Neither CHI hospitals nor their collection agencies will request bench or arrest warrants as a result of non-payment, - Neither CHI hospitals nor their collection agencies will seek liens that would require the sale or foreclosure of a primary residence, and - No Catholic Health Initiatives' collection agency may seek court				
		action without hospital approval Finally, collection agencies are trained on the Catholic Health Initiatives Mission, Core Values and Standard of Conduct to make sure all patients are treated with dignity and respect				

Identifier	ReturnReference	Explanation
PART VI, LINE 1 (PART II), AND IINES 2,4, AND 5		Question Line 2 Describe whether, and if so, how, the organization assesses the health ca re needs of the
INCS 2,4, AND 3		communities it serves Question Line 4 Describe the
		community, or communities, the organization serves, taking into account the geographic area and demographic con
		stituents it serves (for example, urban, suburban, rural, etc.),
		the demographics of the c ommunity or communities (for example, population, average income, percentages of
		community residents with incomes below the federal poverty
		guidelines, percentage of the hospital's and community's
		patients who are uninsured or Medicaid recipients, etc) the number of ot her hospitals serving the community or
		communities, and whether one or more federally-desi gnated
		medically underserved areas or populations are present in the community Question L ine 5 Provide any other information
		important to describing how the organization's hospit als or
		other health care facilities further its exempt purpose by
		promoting health of the community (e.g. open medical staff, community board, use of surplus funds, etc.) ORGANIZAT
		ION'S MISSION, VISION, AND TAX-EXEMPT PURPOSE
		Saint Francis Medical Center was founded by the Sisters of Saint Francis of Colorado Springs with the assistance from a
		local citizen' s committee in 1883 in an effort to address the
		lack of medical facilities in Central Nebr aska Following local fundraising efforts, the doors opened in 1887, and 216 patients
		were treated the first year Early hospital records show Saint
		Francis caring for a diverse community of immigrants German,
		Norwegian, Swedish and French, offering hope and healing to all, especially the poor Today, Saint Francis Medical Center has
		grown into a regional h ealthcare facility providing specialty
		medical services and high-tech health treatment. At the same time, Saint Francis is faithfully committed to its mission of
		caring for all peo ple in need, and working to improve the health
		of the people it serves and the community it calls home. The organization is still founded in a Catholic tradition, led by
		volunteer representatives of our local community and continues
		to provide care to all in need Saint Francis Medical Center operates a 24-hour emergency room, 365 days a year That
		emergency room is open to all individuals regardless of ability
		to pay Saint Francis Medical Center has an open medical staff, participates in Medicare and Medicaid, and has an active char
		ity care program Saint Francis proudly carries on a tradition of
		serving our community E ach year, our organization commits funding and the time and talent of our workforce to pro mote a
		healthy community The programs and services described
		throughout this report not o nly serve the community, but also reduce the burdens on the government For example, if Sa int
		Francis Medical Center did not serve all people in need and
		provide charity care, the burden would likely fall on tax
		supported institutions Saint Francis Medical Center is in cluded in the Official Catholic Directory as a tax-exempt
		hospital COMMUNITY BENEFIT APPR OACH Saint Francis
		Medical Center is a 163-bed acute care hospital that serves a 25-county area in Central Nebraska and based in Grand Island,
		a community of 48,250, including a po pulation of 32% minority
		residents More than half of its public school enrollment is mino rity Several of these counties, including Hall County (12 5%),
		have poverty levels that a re above the state average of 10 8%
		More than 52 3% of Grand Island Public Schools studen ts are minorities, including 45 7% Latino At least 27 6% are English
		Language Learners, a nd 63% qualify for free or reduced-price
		meals The household median income in Hall County is \$49,342 (below the state median, \$51,914) Eleven counties in
		the service area are des ignated medically underserved areas
		In Hall County, Grand Island has been designated as a medically underserved population The Medical Center takes a
		collaborative approach to he alth care through community-
		based solutions with an emphasis on four core values reverence
		e, integrity, compassion and excellence. Saint Francis believes in a proactive approach to wellness that is incorporated in its.
		credo, "Well Beyond Health Care " The primary missio n at
		Saint Francis is to bring "new life, energy and viability in the 21st Century" and "t o emphasize human dignity and social
		justice - toward the creation of healthier communitie s " Saint
		Francis Medical Center's Community Benefit Plan is based on our understanding of unique community needs derived from
		collaborative needs assessments, focus groups, and su rveys
		conducted with our community partners Representatives from
		Saint Francis work colla boratively on several community-based organizations to support local initiatives and partn erships while
		reducing duplication and making the best use of limited
		resources Additiona IIy, Saint Francis defines health in the broadest sense and believes that everyone, from g overnment,
		business and industry to schools, churc

PART VI, LINE 1 (PART II), AND IINES 2,4, AND 5	hes and community organizations have a role to play in improving community health. We believe that when everyone works together, everyone benefits from a healthy community PROCESS In 1995, Saint Francis Medical Center sponsored a Community Health Needs Assessment in conjunction with several Hall County community partners representing city and county government, law enforcement, the justice system, Chamber of Commerce, education, healthcare, social services, and community action agencies. The specific goal of the project was to determine the health status of the community, to
	identify community needs and to bring together community organizations to develop programs to improve the collective community health In 2000, working in conjunction with the Nebraska Department of Health and Human Services, S FMC facilitated the completion of the Minority Behavioral Risk Factor Survey. This process consisted of 125 face-to-face interviews to complete a 100-question survey, followed by S panish-language focus groups with an additional 180 Hispanic residents. In December of 200 4, Saint Francis Medical Center began an effort to engage the community in a discussion on the issue of access to healthcare for all residents in Hall County. One of the main benefits of this project has been to reaffirm our commitment to improving the health of our community through ensuring the most basic need - the ability to access needed healthcare services. Efforts to address the community needs highlighted through these assessments have in cluded healthy community initiatives such as the Student Wellness Center and the Parish Nu rse Program. An emphasis on addressing access issues has led to collaboration with the Third City. Community Clinic, a free clinic. Saint Francis supports this clinic with equipment donations and collaborated to provide dental services. In an effort to ensure that community benefit programs are meeting the needs as they were intended and are being managed in a cost-effective manner, Saint Francis Medical Center has been reviewing its sponsored pro grams through a discernment process. This process has involved review of the purpose of the programs, the people served, and performance metrics as well as a fresh look at the reso urces available in the community. The overarching goal has been to ensure limited resource s are spent wisely, that partnerships are used instead of duplication of efforts, and that programs serve the people they were intended with measurable improvement in health. In FY 2011, Saint Francis and Catholic Health Initiatives completed a new Community Needs Asses sment by c
	althcare -Tier Two Drug and Alcohol Abuse Obesity -Tier Three Teen Pregnancy Cultural Inte gration Saint Francis announced the findings and priorities to the general public, and is now engaged with community partners in developing action plans for the specific areas of e mphasis Assessment findings and

Identifier	ReturnReference	Explanation
ART VI, ITEM 3		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. Notices are posted (in English & Spanish) at all registration areas stating that a Community Assistance. Program ("CAP") is available 1. When a patient presents for services at Saint Francis, and the insurance listed on the account is Self-pay (SP) a CAP application automatically prints with the patient's paperwork. 1a. If the patient is receiving a service that is billable by Saint Francis, they will be given this CAP application and have explained to them what the application is for, how to complete it and whom to contact if they have further questions about what is required to complete the application. 2. When a patient presents for a service/s that is billable by Saint Francis, has insurance coverage and in any way expresses a concern on how they're going to pay their copay/deductible/non covered expenses etc. a CAP application will be printed off and explained to them what the application is for, how to complete it and whom to contact if they have further questions about what is required to complete the application 3. A CAP application can be printed at any time. If someone requests an application, staff may print one from the system, or use a pre-printed blank application.

Identifier	ReturnReference	Explanation				
Identifier PART VI, ITEM 6		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 Saint Francis Medical Center, along with its affiliated outpatient facilities are part of Catholic Health Initiatives Catholic Health Initiatives (CHI) is a national faith-based nonprofit health care organization with headquarters in Englewood, Colorado CHI's exempt purpose is to serve as an integral part of its national system of hospitals and other charitable entities, which are described as market-based organizations, or MBOs. An MBO is a direct provider of care or services within a defined market area that may be an integrated health system and/or a standalone hospital or other facility or service provider CHI serves as the parent corporation of its MBOs which are comprised of 73 hospitals, 40 long-term care, assisted- and residential-living facilities, two community health-services organizations, two accredited nursing colleges, and home health agencies. Together, these facilities provided \$612 million in charity care and community benefit in the 2011 fiscal year, including services for the poor, free clinics, education and research CHI provides strategic planning and management services as well as centralized "shared services" for the MBOs. The provision of centralized management and shared services - including areas such as accounting, human resources, payroll and supply chain provides economies of scale and purchasing power to the MBOs. The cost savings achieved through CHI's centralization enable MBOs to dedicate additional resources to high-quality health care and community outreach services to the most vulnerable members of our society. Saint Francis Medical Center operates with its wholly owned affiliates and community				
		partners, along with its fundraising arm, the Saint Francis Medical Center Foundation, to serve the health care needs of Grand Island, NE and surrounding communities				

Identifier	ReturnReference	Explanation
PART VI, ITEM 7		If applicable, identify all states with which the organization files, or a related organization files on its behalf, a community benefit report Nebraska

Schedule H (Form 990) 2010

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Schedule I (Form 990)

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

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

OMB No 1545-0047

2010

DLN: 93493135047552

Open to Public

Department of the Treasury Internal Revenue Service

Name of the organization
SAINT FRANCIS MEDICAL CENTER

► Attach to Form 990

Inspection

Employer identification number

47-0376601

/, line 21 for any	recipient that received	d more than \$5,000.	Check this box if no	one recipient rec	eived more than \$5,0	
(b) EIN	(c) IRC Code section if applicable	(d) A mount of cash grant	(e) A mount of non- cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
47-0619982	501 (c) (3)	27,000				
47-6032570	501 (c)(3)	11,500				
27-3385904	501 (c) (3)	50,000				
47-0870857	501 (c)(3)		66,194	Book	Equipment	
47-0630267	501 (c) (3)	40,173				
36-3233121	501 (c) (3)	3,110,640				
	(b) EIN 47-0619982 47-6032570 27-3385904 47-0870857	(b) EIN (c) IRC Code section if applicable 47-0619982 501 (c) (3) 47-6032570 501 (c) (3) 47-0870857 501 (c) (3)	(b) EIN (c) IRC Code section if applicable (d) Amount of cash grant (47-0619982) 501 (c) (3) 27,000 (27-3385904) 501 (c) (3) 50,000 (47-0630267) 501 (c) (3) 40,173	(a) Ine 21 for any recipient that received more than \$5,000. Check this box if not clonal space is needed	(b) EIN (c) IRC Code section if applicable (d) Amount of cash grant (e) Amount of non-cash assistance (book, FMV, appraisal, other) 47-0619982 501 (c) (3) 27,000 (6) 47-083087 501 (c) (3) 50,000 (6) 47-0630267 501 (c) (3) 40,173	(c) IRC Code section if applicable (d) Amount of cash grant (e) Amount of non-cash assistance (s) Method of valuation (book, FMV, appraisal, other) 47-0619982 501 (c) (3) 27,000 47-6032570 501 (c) (3) 11,500 27-3385904 501 (c) (3) 50,000 47-0870857 501 (c) (3) 40,173

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

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

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

Identifier	Return Reference	Explanation
•	of grants	Grants included in Part II are to Companies and Community organizations who engage in activities that benefit the community at large. No consideration is received in exchange for these contributions, as they are considered to be a gift to be used by the recipient in accordance with their charitable purpose. As such, use of the funds given to the grantee is not monitored beyond the distribution. Saint Francis Medical Center relies on those organizations to use the grants in accordance with each organization's exempt purpose.

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DLN: 93493135047552

Employer identification number

OMB No 1545-0047

Open to Public Inspection

Schedule J (Form 990)

Department of the Treasury Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest **Compensated Employees**

Compensation Information

► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

► Attach to Form 990. ► See separate instructions.

Name of the organization SAINT FRANCIS MEDICAL CENTER

47-0376601 **Questions Regarding Compensation** Yes Νo 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 First-class or charter travel Housing allowance or residence for personal use Travel for companions Payments for business use of personal residence Tax idemnification and gross-up payments Health or social club dues or initiation fees Discretionary spending account Personal services (e.g., maid, chauffeur, chef) If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No." complete Part III to explain Yes 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? Yes Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply Compensation committee Written employment contract Independent compensation consultant Compensation survey or study Form 990 of other organizations Approval by the board or compensation committee 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 Receive a severance payment or change-of-control payment from the organization or a related organization? 4a Yes 4h Participate in, or receive payment from, a supplemental nonqualified retirement plan? Yes Participate in, or receive payment from, an equity-based compensation arrangement? 4c Νo 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. 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 The organization? **5**a Νo 5b Any related organization? Νo If "Yes," to line 5a or 5b, describe in Part III 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 The organization? Νo 6b Any related organization? Νo If "Yes," to line 6a or 6b, describe in Part III 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 Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe ın Part III 8 Νo If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations

section 53 4958-6(c)?

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

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

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

(A) Name		(B) Breakdown of	W-2 and/or 1099-MI	SC compensation	(C) Retirement and	(D) Nontaxable	(E) Total of columns	(F) Compensation
		(i) Base (ii) Bonus & (iii) Other reportable compensation compensation		reportable	other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ
(1) ROBERT LANIK	(I) (II)	503,686	124,161	62,000	32,478	7,702	730,027	
(2) DANIEL MCELLIGOTT	(ı) (ıı)	274,304	86,632	22,334	50,281	18,531	452,082	
(3) STEVE SCHNEIDER	(I) (II)	_	_	201,052 449			201,052 449	
(4) DALE HARTWIG	(ı) (ıı)	183,969	22,032	3,496	25,299	6,417	241,213	
(5) FRANCINE SPARBY	(1) (11)	173,430	20,580	3,475	15,815	6 ,5 3 5	219,835	
(6) LISA THAVENET- WEBB	(I) (II)	177,001	21,079	2,305	18,451	23,278	242,114	
(7) MARIE DE MARTINEZ	(I) (II)	109,823	21,654	23,794	18,979	9,933	184,183	
(8) LELAND ELLIOTT	(I) (II)	178,149	21,524	3,086	25,912	19,650	248,321	
(9) MICHAEL HORN	(I) (II)	303,033	36,456	2,912	25,128	11,252	378,781	
(10) Joshua Gortemaker	(I) (II)	344,358		66,520	20,228	5,599	436,705	
(11) Ryan Ramaekers	(I) (II)	345,490		58,005		19,015	422,510	
(12) MEHMET COPUR	(I) (II)	558,418		27,467	25,128	6,151	617,164	
(13) TRACI RAUCH	(I) (II)	412,563	26,000	54,989	20,228	20,310	534,090	
(14) CRAIG VINCENT	(I) (II)	340,188		54,004	20,228	20,793	435,213	
(15) DEBORAH LEE- EDDIE	(I) (II)			355,608	22,678		378,286	
(16)								
i								(= 000) 0040

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
Sch J, Part I, Q 1A	Relevant Information Regarding Listed Benefits	Saint Francis Medical Center provides companion travel for its board members when deemed appropriate. The amounts paid to board members by the organization for companion travel are grossed up and included as income on the board member's Form 1099 or W-2 as applicable. In 2010, travel for companions are appliable to the following board members. Tim Wojcik, Barry Sandstrom, Mark Miller, Dan Naranjo, and Lisa Katzberg.
Sch J, Part I, Q 3	METHODS USED TO ESTABLISH CEO COMPENSATION	Compensation for the top management official was established and paid by Catholic Health Initiatives (CHI), a related organization CHI used the following to establish the top management official's compensation (1) Compensation Committee, (2) Independent Compensation Consultant, (3) Written Employment Contracts, (4) Compensation Survey or Study, (5) Approval by the Board or Compensation Committee
, ,	SEVERANCE PAYMENTS	Post-termination payments are addressed in executive employment agreements for Catholic Health Initiatives ("CHI") and related organizations' employees at the level of Vice President and above, including the MBO CEOs. These employment agreements require that in order for the executive to receive post-termination payments, these individuals must execute a general release and settlement agreement. Post-termination payment arrangements are periodically reviewed for overall reasonableness in light of the executive's overall compensation package. The following reportable individuals received severance payments from Catholic Health Initiatives (a Related Organization)during the 2010 calendar year, and these severance payments were included in the individual's W-2 income and reportable compensation on Schedule J. Deborah LEE-EDDIE, \$356,760
Sch J, Part I, Q 4B	SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION	During the 2010 calendar year Catholic Health Initiatives ("CHI"), a related organization, maintained a supplemental non-qualified deferred compensation plan for MBO CEOs and other CHI employees at the level of Senior Vice President and above. The following reportable individuals were eligible to participate in that plan ROBERT LANIK, DANIEL MCELLIGOTT. During 2010 the following contributions were made by CHI to the deferred compensation plan DANIEL MCELLIGOTT, \$25,153. Due to the "super" vesting rules under the CHI deferred compensation plan, participants who have met certain requirements such as termination, age, or years of service are eligible to receive their 2010 contributions in cash. These cash payouts are included in the participant's reportable compensation in column (iii) Other Reportable Compensation on Schedule J Part II. During 2010, the following contributions that would have been made by CHI to the deferred compensation plan were paid in cash. ROBERT LANIK, \$35,026. during the calendar year 2010 ST FRANCIS MEDICAL CENTER instituted a call pay plan the plan is a defined contribution, nonqualified deferred compensation plan that provides for contributions to a participant's account, but does not promise any particular ultimate benefit to participants. The following reportable individuals were eligible to participate in the plan. DOUG BOON AND TIMOTHY KNUDSEN, during the calendar year 2010 the following contributions were made to the call pay plan, DOUG BOON, \$5,579, tIMOTHY KNUDSEN, \$9,907.
	NON-FIXED PAYMENTS PROVIDED	Saint Francis Medical Center provides vice presidents and directors with a bonus program that is based on a combination of performance factors, such as meeting the operating margin at the national, MBO and Ministry levels as well as established metrics for productivity and patient satisfaction scores at the MBO level Saint Francis Medical Center also provides a bonus program for individual physician contracts in areas where it had a shortage of providers and/or were transitioning to a new physician practice group. In contracts written for areas with a shortage of providers, the bonus criteria is based on patient volumes. In contracts written to transition a new physician practice group, the bonus criteria is based on operations, customer satisfaction and financial margin.

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DLN: 93493135047552

OMB No 1545-0047

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.

2010

Open to Public Inspection

Name of the organization SAINT FRANCIS MEDICAL CENTER							E	mployer i	dent if ica	tion numb	er	
Part I Excess Benefit Tran	nsacti	ons (se	ection 501(c)(3	3) a	nd section 501	(c)(4)		7-03766 zations (
Complete if the organizat										ine 40b		
1 (a) Name of disq	ualıfıed	person			(b) Desc	ription	of trans	action		Со	(c) Corrected?	
										Yes	No	
2 Enter the amount of tax impos section 49583 Enter the amount of tax, if any								vear unde ▶	r * \$	<u>'</u>		
Part II Loans to and/or if Complete if the organiz					, Part IV , line 26 ,	or Forn	n 990-E	Z, Part V	′, line 38	a		
(a) Name of interested person and purpose	(b) L or fro	oan to m the zation?	(c)Original principal amou		(d)Balance due	(e) I defau	[n	(f) Appro- by boar commit	ved rd or	(g)Writ		
	То	From				Yes	No	Yes	No	Yes	No	
(1) Dr Ryan Ramaekers Recruitment		×	75,4	404	37,581		No	Yes		Yes		
									1		1	
Total			🕨	\$	37,581				•			
Part III Grants or Assistar Complete if the orga						. line 2	27.					
(a) Name of interested pers		_	Relationship be	etwe	en interested per janization			nount of g	rant or ty	/pe of assi	stance	

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	(c) A mount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
	organization			Yes	No
(1) Pathology Specialists - Frankforter	25% ownership	165,000	Pathology Services		Νo
(2) Eakes Office Plus - Mark Miller	20% ownership	480,246	Office Supplies/Furniture		No
				1	
				1	
				1	+
				1	

Supplemental Information Part V

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

Identifier Return Reference Explanation

Schedule L (Form 990 or 990-EZ) 2010

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SCHEDULE O

As Filed Data -

DLN: 93493135047552

OMB No 1545-0047

2010

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.

Supplemental Information to Form 990 or 990-EZ

Open to Public Inspection

Name of the organization SAINT FRANCIS MEDICAL CENTER

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Employer identification number

47-0376601

Identifier	Return Reference	Explanation
FORM 990, PART III, Q 3	UNDERTAKEN	GRAND ISLAND EMERGENCY PHYSICIANS WAS TRANSFERRED TO A RELATED ORGANIZATION, THE PHYSICIAN NETWORK IN OCTOBER 2010 THE ST FRANCIS MEDICAL CENTER PHYSICIAN CLINICS of anesthesia, neurology, neurosurgery, pain, physical rehab, wellness, wound and doniphan were also TRANSFERRED TO THE PHYSICIAN NETWORK JANUARY 2011 the oncology physicians and hastings oncology physicians were transferred in may 2011

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 1a	Executive Committee composition and authority	PURSUANT TO SECTION 8 6 OF THE BY LAWS OF Saint Francis Medical Center, THE EXECUTIVE COMMITTEE IS COMPOSED OF THE BOARD CHAIR, THE BOARD VICE CHAIR, THE PRESIDENT, CEO and four voting members appointed by the board PURSUANT TO SECTION 8 1 OF THE CORPORATION'S BY LAWS, COMMITTEES, SUCH AS THE EXECUTIVE COMMITTEE, THAT ARE GRANTED THE AUTHORITY TO ACT ON BEHALF OF THE BOARD OF DIRECTORS MAY INCLUDE ONLY DIRECTORS OF THE CORPORATION FURTHER, PURSUANT TO SECTION 8 6 OF THE CORPORATION'S BY LAWS, THE EXECUTIVE COMMITTEE HAS AND MAY EXERCISE SUCH POWERS AS MAY BE DELEGATED TO IT BY THE BOARD OF DIRECTORS THE EXECUTIVE COMMITTEE ALSO POSSESSES THE POWER TO TRANSACT ROUTINE BUSINESS OF THE CORPORATION IN THE INTERIM PERIOD BETWEEN REGULARLY SCHEDULED MEETINGS OF THE BOARD OF DIRECTORS

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 6	The Organization's Corporate Members/Stockholders	The organization's sole corporate member is CHI Nebraska, a Nebraska nonprofit corporation

ldentifier	Return Reference	Explanation
	_	In accordance with the organization's corporation bylaws, the sole corporate member may unilaterally appoint one or more individuals to the organization's board of directors

FORM 990, PART VI, Q 7B MEMBERS/STOCKHOLDERS The organization's corporate member is CHI Nebraska Pursuant to Section 5 4 1 of the organization's bylaws, CHI Nebraska, and Catholic Health Inititiaves (CHI Nebraska's sole corporate member) ("CHI") have the specific rights set forth in the governance matrix. Pursuant to the governance matrix to the governance matrix to the GHI Nebraska Chief Executive Officer -Substantial change in the mission or philosophy of Saint Francis Medical Center -Amendment of the corporate documents of Saint Francis Medical Center -Approval of participation of Saint Francis Medical Center -Approval of participation of Saint Francis Medical Center -Approval of formation of a new corporation by Saint Francis Medical Center -Approval of the sale of all or substantially all of the assets of Saint Francis Medical Center -To require the transfer of assets by the Saint Francis Medical Center to CHI to accomplish CHI's goals and objectives, and to satisfy CHI debts. Adoption of long range and strategic plans for Saint Francis Medical Center - Pursuant to Section 5 5 2 of the organization's bylaws, CHI may, in exercise of	Identifier	Return Reference	Explanation
its approval powers, grant or withhold approval in whole or in part, or may, in its complete discretion, after consultation with the Board and the President and Chief Executive Officer of the organization, recommend such other or different actions as it deems appropriate	PART VI,	BODY DECISIONS BY	organization's bylaws, CHI Nebraska, and Catholic Health Inititiaves (CHI Nebraska's sole corporate member) ("CHI") have the specific rights set forth in the governance matrix. Pursuant to the governance matrix the following rights are reserved to the CHI Nebraska Board directly or through powers delegated to the CHI Nebraska Chief Executive Officer. Substantial change in the mission or philosophy of Saint Francis Medical Center. Amendment of the corporate documents of Saint Francis Medical Center. Approve members of Saint Francis Medical Center's board. Removal of a member of the governing body of Saint Francis Medical Center. Approval of issuance of debt by Saint Francis Medical Center. Approval of participation of Saint Francis Medical Center in a joint venture. Approval of formation of a new corporation by Saint Francis Medical Center. Approval of the sale of all or substantially all of the assets of Saint Francis Medical Center. To require the transfer of assets by the Saint Francis Medical Center to CHI to accomplish CHI's goals and objectives, and to satisfy CHI debts. Adoption of long range and strategic plans for Saint Francis Medical Center. Pursuant to Section 5.5.2 of the organization's bylaws, CHI may, in exercise of its approval powers, grant or withhold approval in whole or in part, or may, in its complete discretion, after consultation with the Board and the President and Chief Executive Officer of the

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Identifier	Return Reference	Explanation
FORM 990 PART VI, Q 11B	Process the Organization Uses to Review Form 990	The CFO reviews the return. The Form 990 will be provided to the board either electronically or at a board of directors' educational session after providing the return to the board, The tax department files the return with the appropriate federal and state agencies, making any non-substantive changes necessary to effect e-filing. Any such changes are not re-submitted to the board.

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 12C	Procedures for Monitoring and Enforcing the COI Policy	All board members, officers, directors and other members of management of Saint Francis Me dical Center will complete the "Agreement to Disclose Conflict of Interest and Maintain Co infidentiality of Information" formupon assuring office or employment, and annually therea fiter if a potential conflict of interest arises between annual disclosure dates, the indi vidual will immediately disclose relevant information to the chief executive officer of Sa int Francis Medical Center Boards of all Catholic Health Initiatives institutions require each institution to approve a conflict of interest policy by which shall not be inconsistent with the CHI conflict of interest policy. The "Policy Regarding Conflicts of Interest for Officers and Directors" for Saint Francis Medical Center and its affiliates and "Agreemen it to Disclose Conflict of Interest and Maintain Confidentiality of Information" forms are maintained in the Executive office DISCLOSURE, REVIEW AND INITIAL DETERMINATION 1 General Obligation Each director must promptly and fully report to the Board Chair situations that may create a conflict of interest when he or she becomes ware of such situations. In the case of an officer, disclosure must be made to the Copporation's President/Chief Executive Officer who will report such disclosure to the Board Chair. In any situation when a director or officer is in doubt, full disclosure should be made so as to permit an impart all and objective determination. A written record of the disclosure will be made 2. Annual Disclosure Statement in addition to the ongoing disclosure obligation, the Corporation's President/Chief Executive Officer shall annually send to all directors and officers a copy of this Policy and the Conflict of Interest Disclosure Statement. The directors and officers must promptly complete, sign, and return the statement to the Corporation's President and CEO and the Board Chair. Sevene, Evaluation and hintal Determination. The Board Chair of the relevant fact is and circumstances, will be reviewed by

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 12C	Procedures for Monitoring and Enforcing the COI Policy	of the CHI Legal Resource Group when considering disciplinary or corrective action. Disclosure by Interested Director. When any conflict of interest is considered by the Board, the director or officer must disclose all of the material facts to the Board. The director is hall not vote or use his or her personal influence on the matter. However, if requested, is uch director or officer is not prevented from briefly stating his or her position in the matter, nor from answering pertinent questions from Board members, as his or her knowledge may be of significant importance. The director or officer shall be excused from the meeting during discussion and vote on the conflict of interest. Record of Proceedings. Minutes of the Board of Directors shall reflect the following the individual making the disclosure, the nature of the disclosure, discussion regarding any proposed transaction, the decision made by the Board, and that the interested director abstained from voting implementation and interpretation. Questions regarding the implementation and interpretation of this Policy shall be referred to a member of the CHI Legal Resource Group. POLICY VIOLATIONS If the Board reasonably believes that a director or officer has failed to disclose either an actual or potential conflict of interest, or all material facts surrounding an actual or possible conflict as required by this Policy, the director or officer will be given an opportunity to explain such alleged failure to disclose. After hearing the response of the director or officer, the Board will conduct such additional investigation as may be appropriate. If the Board determines that the director or officer has in fact failed to disclose as required by this Policy, the Board shall take appropriate disciplinary or corrective action.

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 15A	Process for Determining Compensation	The organization's CEO's compensation is paid by CHI CHI has a defined compensation philosophy. Both the executive and non-executive compensation structures and ranges are reviewed annually in comparison to market data. CHI uses The Hay Group as the independent third party to assess executive compensation programs and to ensure the reasonableness of actual salaries and total compensation packages. Compensation of the senior most executives is reviewed annually. The Hay Group reviews both cash and total compensation for overall reasonableness, for adherence to CHI's compensation philosophy, and for comparability to the not-for-profit healthcare market. This independent review is delivered by Hay Group to the HR committee of the CHI Board of Stewardship Trustees annually at their September meeting and minutes are shared with the full board at the December meeting. The last review was September, 2011. In addition, in December 2009, Hay Group completed a comprehensive review of all positions at the level of vice president and above to determine and validate appropriate compensation levels.

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 15B	Process for Determining Compensation	HR Advantage has served as the independent compensation consultant for the Nebraska facilities in 2010 HR Advantage reviewed all Nebraska ministries' VP and Executive Directors compensation levels and provided a report with comparability data to CHI Nebraska HR Leaders to review with local CEOs, confirming the reasonableness of MBO Executive's compensation and philosophy. Compensation package and bonus potential for executive leaders is approved by each ministries local boards. The highest paid employees are Physicians. Their compensation was reviewed by an independent compensation consultant. There is a Physician Employment Agreement contract with each employed Physician. Contracts include a maximum compensation based upon an overall percentile national compensation per specialty as reported in the most recent version of the Physician Compensation and Production Survey as published by the MGMA

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 16B	Formal Policies Concerning Participation in Joint Ventures	Saint Francis Medical Center has not formally adopted a written policy or written procedure regarding joint ventures. However CHl's system-wide joint venture model operating agreement incorporates controls over the venture sufficient to ensure that (1) the exempt organization at all times retains control over the venture sufficient to ensure that the partnership furthers the exempt purpose of the organization, (2) in any partnership in which the exempt organization is a partner, achievement of exempt purposes is prioritized over maximization of profits for the partners, (3) the partnership does not engage in any activities that would jeopardize the exempt organization's exemption, (4) returns of capital, allocations, and distributions must be made in proportion to the partners' respective ownership interests, and (5) all contracts entered into by the partnership with the exempt organization must be at arm's-length, with prices set at fair market value. Any joint venture agreements that do not conform to the model agreement are generally reviewed by counsel

ldentifier	Return Reference	Explanation
FORM 990, PART VI, Q 19	Policy/Financial Statements	The Organizing Documents are available on the Nebraska Secretary of State wiebsite of http://www.sos.ne.gov/business. The conflict of interest policy is available upon request. Saint Francis Medical Center's financial statements are included in the Catholic Health Initiatives'. Consolidated Audited Financial Statements that are available at www.catholicheathint.org.or.at.www.dacbond.com

Identifier	Return Reference	Explanation
FORM 990, PART VII	Estimate of Hours Devoted to Related Organizations	Compensation reported on the 990, Part VII was paid to these individuals by related organizations in exchange for the fulfillment of their duties as full-time 60 hours per week employees

ldentifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5	reconciliation of net assets	net unrealized gains(losses) \$13,209,683 capital pool contributions \$(2,578,884) GAAP adjustment \$(339,258) CHI CONNECT DEPRECIATION \$407,261 TEMPORARILY RESTRICTED DONATION \$187,484 NET CHANGE IN NET ASSETS \$10,886,286 ====================================

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DLN: 93493135047552

SCHEDULE R (Form 990)

Department of the Treasury

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

Open to Public **Inspection**

Internal Revenue Service **Employer identification number** Name of the organization SAINT FRANCIS MEDICAL CENTER 47-0376601 Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.) Part I (d) Total income (a)
Name, address, and EIN of disregarded entity (c) Legal domicile (state Primary activity End-of-year assets Direct controlling or foreign country) entity

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one Part II 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) 12(b)(13) rolled ization
						Yes	No
See Additional Data Table							
For Privacy Act and Paperwork Reduction Act Notice, see the Instruction	ns for Form 990.	Cat No 5	0135Y		Schedule R (F	orm 990)	2010

Part III Identifi because	it had one or m	c ed Org a ore relat	anızatıons Taxa ed organızatıons t	ble as a Partner reated as a partne	ship (Co ership du	mplete if ring the t	the org ax yeai	ganization r.)	answe	ered "\	res" on Fo	rm 990,	Part	IV, III	ne 34
(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)	Share of t	(f) total income		(g) f end-of-year assets	(h Disprop allocat	rtionate	(i) Code V– amount in be Schedule (Form 10	ox 20 of K-1	(j Gene mana parti	ral or aging	(k) Percentage ownership
									Yes	No			Yes	No	
See Additional Data Table					-										
				ble as a Corpora ations treated as a							nswered "\	es" on	Form	990,	Part IV,
Name, address, an	(a) d EIN of related organiz	zation	(b) Primary activity	(c) Legal domicile (state or foreign country)		(d Direct cor enti	ntrolling	(e) Type of e (C corp, S or trust	corp,	Share o	(f) f total income	Sha end-o	g) re of of-year sets		(h) Percentage ownership
See Additional Data Table															

(6)

Part \	Transactions With Related Organizations (Complete if the organization answered "Ye	es" on Form 990, Pai	rt IV, line 34, 35, 3	35A, or 36.)			
Not	te. Complete line 1 if any entity is listed in Parts II, III or IV				Yes	No	
1 Durin	g the tax year, did the orgranization engage in any of the following transactions with one or more related org	anızatıons lısted ın Part	s II-IV?				
a Re	ceipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity			1a	Yes		
b Gif	t, grant, or capital contribution to other organization(s)			1b	Yes		
c Gıf	t, grant, or capital contribution from other organization(s)			1c		No	
d Lo	ans or loan guarantees to or for other organization(s)			1d	Yes		
e Lo	ans or loan guarantees by other organization(s)			1 e		No	
f Sal	e of assets to other organization(s)			1f		No	
				1g		No	
	change of assets			1h		No	
	Lease of facilities, equipment, or other assets to other organization(s)						
				12		No	
				1 <u>j</u> 1k		No No	
				11		110	
					+	No	
	Sharing of facilities, equipment, mailing lists, or other assets Sharing of paid employees In						
11 311	aring of paid employees				Yes		
o Re	imbursement paid to other organization for expenses			10	Yes		
p Re	imbursement paid by other organization for expenses			1p	Yes		
q Ot	her transfer of cash or property to other organization(s)			1 q	Yes		
	ner transfer of cash or property from other organization(s)			1r	_		
	grant, or capital contribution to other organization(s) grant, or capital contribution from other organization(s) s or loan guarantees to or for other organization(s) s or loan guarantees by other organization(s) of assets to other organization(s) asset of assets from other organization(s) ange of assets of facilities, equipment, or other assets to other organization(s) or facilities, equipment, or other assets from other organization(s) remance of services or membership or fundraising solicitations for other organization(s) remance of services or membership or fundraising solicitations by other organization(s) ang of facilities, equipment, mailing lists, or other assets nig of paid employees bursement paid to other organization for expenses bursement paid to other organization for expenses bursement paid by other organization for expenses transfer of cash or property to other organization(s) transfer of cash or property from other organization(s) answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction to the complete this line, including covered relationships and transaction to the complete of the complet						
			ionships and transact	tion thresholds (d)			
	(a) Name of other organization	Transaction		Method of determing involved		ount	
(1)							
	nal Data Table						
(2)							
(3)							
(4)							
(*/							
(5)							

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d Are parti sect 501(d organiz	ners :ion :)(3) :ations?	(e) Share of end-of-year assets		r) ortionate tions?	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	mana part	h) eral or laging tner?
			Yes	No		Yes	No		Yes	No
			+						+	-
			-				\vdash		+	╁
									+	-
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			+							
			<u> </u>							

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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Schedule R (Form 990) 2010

Software ID: Software Version:

EIN: 47-0376601

Name: SAINT FRANCIS MEDICAL CENTER

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

Form 990, Schedule R, Part II - Identification of Rel	ated Tax-Exempt Or	ganizations					
(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 (b)(1 contro organiz	n 512 13) olled
						Yes	No
Catholic Health Initiatives							
198 Inverness Drive West Englewood, CO80112 47-0617373	Healthcare	со	501(c)(3)	9	СНІ		
Bornemann Healthcare Corporation							
2500 Bernville Road PO Box 316 Reading, PA19603 23-2187242	Healthcare	PA	501(c)(3)	11a	СНІ		
CHI Institute For Research and Innovatio							
198 Inverness Drive West Englewood, CO80112 27-1050565	Healthcare	СО	501(c)(3)	11a	СНІ		
CHI National Foundation							
198 Inverness Drive West Englewood, CO80112 27-0930004	Fundraising	со	501(c)(3)	11a	СНІ		
CHI National Services							
198 Inverness Drive West Englewood, CO80112 45-2532084	Healthcare	со	501(c)(3)	9	СНІ		
CHI National Home Care							
198 Inverness Drive West Englewood, CO80112 45-1261716	Healthcare	СО	501(c)(3)	11a	СНІ		
Global Health Initiatives							
198 Inverness Drive West Englewood, CO80112 20-1536108	Ministries	со	501(c)(3)	11a	СНІ		
St Joseph Physician Enterprises							
7601 Osler Drive Towson, MD21204 52-1311775	Physicians	MD	501(c)(3)	11a	СНІ		
St Vincent Infirmary Medical Center							
2 St Vincent Circle Little Rock, AR72205 71-0236917	Healthcare	AR	501(c)(3)	3	СНІ		
St Anthony's Hospital Association							
4 Hospital Drive Morrilton, AR72110 71-0245507	Healthcare	AR	501(c)(3)	3	SVIMC		
St V Incent Foundation							
Two St Vincent Circle Little Rock, AR72205 51-0169537	Fundraising	AR	501(c)(3)	11a	SVIMC		
St Vincent Medical Group							
2 St Vincent Circle Little Rock, AR72205 71-0830696	Healthcare	AR	501(c)(3)	9	SVIMC		

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

Form 990, Schedule R, Part II - Identification of Re	iated lax-Exempt O	rganizations		1	T		
(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	Sectio (b)(contr organi	n 512 13) olled
						Yes	No
CHI Colorado							
188 Inverness Drive West Englewood, CO80112 84-0405257	Healthcare	со	501(c)(3)	3	CHI		
Mercy Regional Medical Center of Durango							
1010 Three Springs Blvd Durango, CO81301 84-0405515	Healthcare	СО	501(c)(3)	3	СНІ		
Catholic Health Initiatives Colorado Fou							
961 East Colorado Avenue Colorado Springs, CO80903 84-0902211	Fundraising	СО	501(c)(3)	7	CHI Colorado		
Health SET							
4200 West Conejos Place 436 Denver, CO80204 84-1102943	Low Inc Care	СО	501(c)(3)	7	CHI Colorado		
Pueblo Stepup							
1925 East Orman Avenue Suite G52 Pueblo, C081004 84-1234295	Community	СО	501(c)(3)	7	СНІ		
SET of Colorado Springs Inc							
825 E Pikes Peak Avenue Bldg 29 Colorado Springs, CO80903 84-1183335	LTerm Care	со	501(c)(3)	7	CHI Colorado		
Total Healthcare							
PO Box 7021 Colorado Springs, CO80933 84-0927232	Healthcare	СО	501(c)(3)	3	CHI Colorado		
CHI-Iowa Corp							
1111 6th Avenue Des Moines, IA50314 42-0680448	Healthcare	IA	501(c)(3)	3	MHN		
Bishop Drumm Retirement Center							
1111 6th Avenue Des Moines, IA50314 42-0725196	LTerm Care	IA	501(c)(3)	9	CHI-IA Corp		
House of Mercy							
1111 6th Avenue Des Moines, IA50314 42-1323808	Shelter	IA	501(c)(3)	7	CHI-IA Corp		
Mercy Clinics Inc							
1111 6th Avenue Des Moines, IA50314 42-1193699	Physician	IA	501(c)(3)	9	CHI-IA Corp		
Mercy College of Health Sciences							
1111 6th Avenue Des Moines, IA50314 42-1511682	Education	IA	501(c)(3)	2	CHI-IA Corp		

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

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
Mercy Foundation of Des Moines IA							
1111 6th Avenue Des Moines, IA50314 23-7358794	Fundraising	IA	501(c)(3)	7	CHI-IA Corp		
Mercy Auxiliary of Central Iowa							
1111 6th Avenue Des Moines, IA50314 42-6076069	Auxiliary	IA	501(c)(3)	11a	CHI-IA Corp		
Mercy Professional Practice Associates							
1111 6th Avenue Des Moines, IA50314 42-1470935	Physician	IA	501(c)(3)	9	CHI-IA Corp		
Mercy Medical Center - Centerville FKA							
1 St Josephs Drive Centerville, IA52544 42-0680308	Healthcare	IA	501(c)(3)	3	CHI-IA Corp		
St Rose Ambulatory and Surgery Center F							
3515 Broadway Great Bend, KS67530 48-0543724	Surgery Cntr	KS	501(c)(3)	3	CHI		
St Catherine Hospital							
401 East Spruce Street Garden City, KS67846 48-0543721	Healthcare	KS	501(c)(3)	3	CHI		
St Catherine Hospital Development Found							
401 East Spruce Street Garden City, KS67846 20-0598702	Fundraising	KS	501(c)(3)	11a	SCH		
CHI Kentucky Inc							
3900 Olympic Blvd Suite 400 Erlanger, KY41018 20-2741651	Healthcare	KY	501(c)(3)	11a	СНІ		
Saint Joseph Health System Inc							
150 N Eagle Creek Dr Lexington, KY40509 61-1334601	Healthcare	КҮ	501(c)(3)	3	СНІ		
Continuing Care Hospital							
150 North Eagle Creek Drive Lexington, KY40509 61-1400619	LTACH	KY	501(c)(3)	3	SJHS		
Flaget Healthcare DBA Flaget Memorial							
4305 New Shepherdsville Road Bardstown, KY40004 61-1345363	Healthcare	КҮ	501(c)(3)	3	СНІ		
Flaget Memorial Hospital Foundation Inc							
4305 New Shepherdsville Road Bardstown, KY40004 56-2351341	Fundraising	кү	501(c)(3)	11a	FH		

(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	contr	n 512 13)
						Yes	No
Saint Joseph London Foundation Inc 310 East Ninth Street London, KY40741 26-0438748	Fundraising	КҮ	501(c)(3)	11a	SJHS		
Saint Joseph Berea Hospital Foundation							
305 Estill Street Berea, KY40403 26-0152877	Fundraising	КҮ	501(c)(3)	7	SJHS		
St Joseph Hospital Foundation Inc							
305 Estill Street Lexington, KY40504 61-1159649	Fundraising	КҮ	501(c)(3)	11a	SJHS		
Saint Joseph Medical Foundation Inc							
One St Joseph Drive Lexington, KY40504 31-1539059	Phy Practices	КҮ	501(c)(3)	3	SJHS		
Saint Joseph Mount Sterling Foundation							
50 Sterling Avenue Mount Sterling, KY40353 27-2884584	Fundraising	КҮ	501(c)(3)	7	SJHS		
St Joseph Medical Center Inc							
7601 Osler Drive Towson, MD21204 52-0591461	Healthcare	MD	501(c)(3)	3	CHI		
St Joseph Medical Center Foundation In							
7601 Osler Drive Towson, MD21204 52-1681044	Fundraising	MD	501(c)(3)	7	SJMC		
Alverna Apartments							
300 SE 8th Avenue Little Falls, MN56345 41-1351177	Lterm Care	MN	501(c)(3)	9	CHI		
Lakewood Health Center							
600 Main Avenue South Baudette, MN56623 41-0758434	LTerm Care	MN	501(c)(3)	3	CHI		
St Francis Home							
2400 St Francis Drive Breckenridge, MN56520 41-0729978	LTerm Care	MN	501(c)(3)	9	CHI		
Appletree Court							
601 Oak Street Breckenridge, MN56520 41-1850500	Senior Homes	MN	501(c)(3)	9	SFH		
St Francis Medical Center 2400 St Francis Drive Breckenridge, MN56520 41-0695598	Healthcare	MN	501(c)(3)	3	СНІ		

Form 990, Schedule R, Part II - Identification of Re	elated Tax-Exempt O	rganizations		1	T		
(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	Sectio (b)(contr organi	n 512 13) olled
						Yes	No
Healthcare and Wellness Foundation							
2400 St Francis Drive Breckenridge, MN56520 76-0761782	Fundraising	MN	501(c)(3)	11a	SFMC		
St Joseph's Area Health Services							
600 Pleasant Avenue Park Rapids, MN56470 41-0695603	Healthcare	MN	501(c)(3)	3	СНІ		
Unity Family Healthcare							
815 2nd Street SE Little Falls, MN56345 41-0721642	Healthcare	MN	501(c)(3)	3	СНІ		
St John's Regional Medical Center							
2727 McClelland Blvd Joplin, MO64804 44-0545809	Healthcare	МО	501(c)(3)	3	СНІ		
Mercy Lifecare Systems							
2727 McClelland Blvd Joplin, MO64804 43-1305163	Property Mgmt	МО	501(c)(3)	11a	SJRMC		
MNMCH Inc							
220 North Pennsylvania Columbus, KS66725 48-1216238	Healthcare	KS	501(c)(3)	3	SJRMC		
St John's Medical Group							
2727 McClelland Blvd Joplin, MO64804 43-1882377	Phys Practice	МО	501(c)(3)	9	SJRMC		
St John's Mercy Regional Foundation							
2727 McClelland Blvd Joplin, MO64804 43-1308084	Fundraising	МО	501(c)(3)	7	SJRMC		
Alegent Health - Bergan Mercy Health Sys							
7500 Mercy Road Omaha, NE68124 47-0484764	Healthcare	NE	501(c)(3)	3	CHI		
Alegent Health - Mercy Hospital Corning							
PO Box 368 Corning, IA50841 42-0782518	Healthcare	IA	501(c)(3)	3	АНВМНЅ		
Mercy Health Care Foundation							
PO Box 368 Corning, IA 50841 42-1461064	Fundraising	NE	501(c)(3)	11a	АНМН		
Mercy Hospital Foundation Council Bluff							
800 Mercy Drive Council Bluffs, IA51503 42-1178204	Fundraising	IA	501(c)(3)	11a	АНВМНЅ		

Form 990, Schedule R, Part II - Identification of R	eiateu Tax-Exempt O	gainzations				T	
(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	Sectio (b)(contr	13)
						Yes	No
CHI Nebraska							
555 South 70th Street Lincoln, NE68510 36-3233121	Healthcare	NE	501(c)(3)	11a	CHI		
The Physician Network							
8055 O Street Suite 300 Lincoln, NE68510 47-0780857	Phys Practice	NE	501(c)(3)	11a	CHI Nebraska		
Good Samarıtan Hospital							
PO Box 1990 Kearney, NE68848 47-0379755	HealthCare	NE	501(c)(3)	3	CHI Nebraska		
Good Samaritan Hospital Foundation							
PO Box 1810 Kearney, NE68848 47-0659443	Fundraising	NE	501(c)(3)	7	GSH		
Catholic Health Care Federation							
198 Inverness Drive West Englewood, CO80112 20-8473567	Jurdic Person	СО	501(c)(3)	11a	СНІ		
Saint Elizabeth Regional Medical Center							
555 South 70th Street Lincoln, NE68510 47-0379836	Healthcare	NE	501(c)(3)	3	CHI Nebraska		
Saint Elizabeth Foundation							
555 South 70th Street Lincoln, NE68510 47-0625523	Fundraising	NE	501(c)(3)	7	SERMC		
Saint Elizabeth Health Services							
555 South 70th Street Lincoln, NE68510 36-3233120	Healthcare	NE	501(c)(3)	3	SERMC		
Saint Francis Medical Center							
PO Box 9804 Grand Island, NE68802 47-0376601	HealthCare	NE	501(c)(3)	3	CHI Nebraska		
Saint Francis Medical Center Foundation							
PO Box 9804 Grand Island, NE68802 47-0630267	Fundraising	NE	501(c)(3)	7	SFMC		
St Mary's Hospital							
1314 3rd Avenue Nebraska City, NE68410 47-0443636	Healthcare	NE	501(c)(3)	3	CHI Nebraska		
St Mary's Hospital Foundation							
1314 3rd Avenue Nebraska City, NE68410 47-0707604	Fundraising	NE	501(c)(3)	7	SMH		

Form 990, Schedule R, Part II - Identification of R	elated lax-Exempt O	rganizations	T		_	1	
(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	Sectio (b)(contr organi	n 512 13) olled
						Yes	No
Saint Clare's Health Services Inc							
25 Pocono Road Denville, NJ07834 22-3639733	Management	NJ	501(c)(3)	7	CHI		
Saint Clare's Community Care							
66 Ford Road Denville, NJ07834 22-2876836	Healthcare	NJ	501(c)(3)	11b	SCHS		
Saint Clare's Foundation Inc							
66 Ford Road Denville, NJ07834 22-2502997	Fundraising	NJ	501(c)(3)	7	SCHS		
Saint Clare's Hospital							
66 Ford Road Denville, NJ07834 22-3319886	Healthcare	NJ	501(c)(3)	3	CHI		
St Francis Life Care Corporation							
19 Pocono Road Denville, NJ07834 22-2536017	Elderly Care	NJ	501(c)(3)	9	SCHS		
Visiting Nurse Association of Saint Clar							
191 Woodport Road Sparta, NJ07871 22-1768334	Home Health	NJ	501(c)(3)	9	SCHS		
St Joseph Community Health Services							
300 Central Ave SW Suite 3000W Albuquerque, NM87102 71-0897107	Community	NM	501(c)(3)	11a	СНІ		
CHI Health Connect at Home - Fargo							
4816 Amber Valley Parkway Fargo, ND58104 27-1966847	Healthcare	ND	501(c)(3)	3	CHI		
Carrington Health Center							
800 North 4th Street Carrington, ND58421 45-0227311	Healthcare	ND	501(c)(3)	3	CHI		
Lisbon Area Health Services							
905 Main Street Lisbon, ND58054 82-0558836	Healthcare	ND	501(c)(3)	3	CHI		
Mercy Hospital of Devils Lake							
1031 East Seventh Street Devils Lake, ND58301 45-0227012	Healthcare	ND	501(c)(3)	3	CHI		
The Mercy Hospital of Devils Lake Fdn							
1031 East Seventh Street Devils Lake, ND58301 35-2367360	Fundraising	ND	501(c)(3)	11a	MHDL		

Form 990, Schedule R, Part II - Identification of Re	rated rax-exempt O	rganizations					
(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	Sectio (b)(i contr	g) on 512 (13) crolled
						Yes	No
Mercy Hospital of Valley City		Τ '		T		Ţ	
570 Chautauqua Boulevard Valley City, ND58072 45-0226553	Healthcare	ND	501(c)(3)	3	СНІ		
Mercy Medical Center		T					
1301 15th Avenue West Williston, ND58801 45-0231183	Healthcare	ND	501(c)(3)	3	СНІ		
Mercy Medical Foundation		1					
1301 15th Avenue West Williston, ND58801 45-0381803	Fundraising	ND	501(c)(3)	11a	ммс		
O akes Community Hospital		†		1	†	<u> </u>	\top
314 South 8th Street Oakes, ND58474 45-0231675	Healthcare	ND	501(c)(3)	3	СНІ		
O akes Community Hospital Foundation		†					
314 South 8th Street Oakes, ND58474 71-0966606	Fundraising	ND	501(c)(3)	11a	осн		
St Joseph's Hospital and Health Center		1					
30 West 7th Street Dickinson, ND58601 45-0226429	Healthcare	ND	501(c)(3)	3	СНІ		
Saint Joseph's Hospital Foundation		7					
30 West 7th Street Dickinson, ND58601 36-3418207	Fundraising	ND	501(c)(3)	11a	SJHHC		
Villa Nazareth Inc		1					
801 Page Drive Fargo, ND58103 45-0226714	LT Care	ND	501(c)(3)	9	СНІ		
Samarıtan Health Partners							
2222 Philadelphia Drive Dayton, OH45406 31-1107411	Healthcare	ОН	501(c)(3)	11a	CHI		
Samaritan Behavioral Health		1					
601 S Edwin C Moses Blvd Dayton, OH45408 02-0633634	Healthcare	ОН	501(c)(3)	3	SHP		
Samaritan Health Foundation		1					
2222 Philadelphia Drive Dayton, OH45406 23-7296923	Fundraising	ОН	501(c)(3)	7	SHP		
The Good Samaritan Hospital of Cincinnat		1					
619 Oak Street Accounting-3 West Cincinnati, OH45206 31-0537486	Healthcare	ОН	501(c)(3)	3	TRI-HEALTH		

Form 990, Schedule R, Part II - Identification of Re	elated Tax-Exempt O	Tyanizations	Τ			$\overline{}$	
(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	Sectio (b)(i contr	g) on 512 (13) crolled nization
						Yes	No
The Community Limited Care Dialysis Cent		<u> </u>		T			
619 Oak Street Accounting-3 West Cincinnati, OH45206 23-7419853	Dialysis	ОН	501(c)(2)	none	GSH		
Good Samaritan College of Nursing & Heal							
375 Dixmyth Ave Cincinnati, 0 H45220 31-1778403	Education	КҮ	501(c)(3)	2	GHS		
Good Samaritan Foundation of Cincinnati		7					
619 Oak Street Accounting-3 West Cincinnati, OH45206 31-1206047	Fundraising	ОН	501(c)(3)	11a	GSH		
Hospital Association for St Joseph Hosp		1				1	
7601 Osler Drive Towson, MD21204 52-6050777	Healthcare	MD	501(c)(3)	9	SJMC		
Mercy Medical Center		,				1	
2700 Stewart Parkway Roseburg, OR97470 93-0386868	Healthcare	OR	501(c)(3)	3	СНІ		
Centennial Medical Group Inc		,					
2700 Stewart Parkway Roseburg, OR97470 90-0433062	Physicians	OR	501(c)(3)	9	ммс		
Linus O akes Inc		,					
2700 Stewart Parkway Roseburg, OR97470 93-0821381	Senior Living	OR	501(c)(3)	9	ММС		
Mercy Foundation Inc						T	
2700 Stewart Parkway Roseburg, OR97470 93-6088946	Fundraising	OR	501(c)(3)	7	ММС		
Mt St Joseph Inc		<u> </u>				T	
3060 SE Stark Street Portland, OR97214 93-0386870	Nursing Care	OR	501(c)(3)	9	CHI		
St Anthony Hospital		,					
1601 SE Court Avenue Pendleton, OR97801 93-0391614	Healthcare	OR	501(c)(3)	3	СНІ		
St Anthony Hospital Foundation		,					
1601 SE Court Avenue Pendleton, OR97801 93-0992727	Fundraising	OR	501(c)(3)	11a	SA Hospital		
St Dominic at Ontario							
351 SW 9th Street Ontario, OR97914 93-0433692	Healthcare	OR	501(c)(3)	3	СНІ		

Form 990, Schedule R, Part II - Identification of R	elated lax-Exempt O	rganizations		1	1	1	
(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	Sectio (b)(contr	13)
						Yes	No
St Francis of Baker City							
3325 Pocahontas Road Baker City, OR97814 93-0412495	Healthcare	OR	501(c)(3)	3	CHI		
St Joseph Health Ministries							
1929 Lincoln Hwy E Ste 150 Lancaster, PA17602 23-2342997	Health	PA	501(c)(3)	11a	CHI		
St Joseph Health Ministries Foundation							
1929 Lincoln Hwy E Ste 150 Lancaster, PA17602 23-2605579	Fundraising	PA	501(c)(3)	11a	SJHM		
St Joseph Health Services Inc							
1929 Lincoln Hwy E Ste 150 Lancaster, PA17602 20-1425375	Dental care	PA	501(c)(3)	11a	SJHM		
St Joseph Regional Health Network							
2500 Bernville Road PO Box 316 Reading, PA19603 23-1352211	Healthcare	PA	501(c)(3)	3	СНІ		
St Joseph Medical Group							
2500 Bernville Road PO Box 316 Reading, PA19603 20-8544021	Healthcare	PA	501(c)(3)	9	внс		
St Joseph Medical Center Foundation							
2500 Bernville Road PO Box 316 Reading, PA19603 23-2649362	Fundraising	PA	501(c)(3)	11a	SJRHN		
St Mary's Healthcare Center							
801 East Sioux Avenue Pierre, SD57501 46-0230199	Healthcare	SD	501(c)(3)	3	СНІ		
Gettysburg Medical Center							
606 East Garfield Avenue Gettysburg, SD57442 46-0234354	Healthcare	SD	501(c)(3)	3	SMHC		
Memorial Health Care System Inc							
2525 De Sales Avenue Chattanooga, TN37404 62-0532345	Healthcare	TN	501(c)(3)	3	CHI		
Memorial Health Care System Foundation							
2525 De Sales Avenue Chattanooga, TN37404 62-1839548	Fundraising	TN	501(c)(3)	7	MHCS		
Memorial Health Partners Foundation Inc							
6028 Shallowford Road Chattanooga, TN37421 03-0417049	Healthcare	TN	501(c)(3)	9	MHCS		

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(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 (b)(1 contro organiz	n 512 13) olled
						Yes	No
Franciscan Health System FKA Franciscan 1717 South J Street Tacoma, WA 98405 91-0564491	Healthcare	WA	501(c)(3)	3	СНІ		
Enumclaw Regional Hospital Association 1450 Battersby Avenue Enumclaw, WA 98022 91-0715805	Healthcare	WA	501(c)(3)	3	FHS		
Franciscan Foundation 1717 South J Street Tacoma, WA 98405 91-1145592	Fundraising	WA	501(c)(3)	9	FHS		
Franciscan Medical Group 1708 South Yakıma Avenue Tacoma, WA98405 91-1939739	Healthcare	WA	501(c)(3)	9	FHS		
Franciscan Villa of South Milwaukee Inc 3601 South Chicago Avenue South Milwaukee, WI 53172 39-1093829	Healthcare	WI	501(c)(3)	9	CHI		

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

Form 990, Schedul	e R, Part III -	Identif	ication of R	Related Orga	nizations Taxable	as a Partnership							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproprtionate allocations? Code V-UBI amount on Box 20 of K-1 (\$)		Managing Partner?		General or Managing Partner?		(k) Percentage ownership
CHI Operating				312 314)			res	NO		res	NO		
Investment Program LP 198 Inverness Drive West Englewood, CO80112 47-0727942	Investments	со	СНІ	Investment	139,679,805	2,069,974,790		No	371,292	Yes		100 000 %	
North River Surgery Center LLC													
2209 Wildwood Avenue Sherwood, AR72120 71-0799771	Ambul Surg Ctr	AR	SVIMC	Related	198,313	1,758,688		No			Νo	57 450 %	
Audubon Land Company LLC													
5390 N Academy Blvd Suite 300 Colorado Springs, CO80918 84-1513085	Real Estate	со	тнс	Related	-157,673	14,390,550		No			Νo	50 100 %	
OrthoColorado LLC 11650 West 2nd Place Lakewood, CO80255 37-1577105	Ortho Hospital	со	тнс	Related	-3,249,314	10,905,384		No			No	60 000 %	
Penrad Imaging 1390 Kelly Johnson Blvd Colorado Springs, CO80920 84-1072619	Medical Imaging	со	тнс	Related	1,857,228	5,457,224		No			No	70 000 %	
St Anthony Regional Mtn Cancer Center 4231 W 16th Avenue Denver, CO80112 37-1568013	Cancer Center	со	тнс	Related	-290,552			No			No	51 000 %	
St Francis Land Company 5390 N Academy Blvd Suite 300	Real Estate	СО	тнс	Related	-180,979	14,886,022		No			No	51 000 %	
Colorado Springs, CO 80918 26-3134100													
Bluegrass Regional Imaging Center 1218 South Broadway Suite 310 Lexington, KY40504 61-1386736	Diagnostic	KY	SJ HospitalLex	Related				Νο			No	65 000 %	

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

Form 990, Schedule	e R, Part III - I	dentific	ation of Re	lated Organi	zations Taxable	as a Partnership						
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	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) Dispro allocat	prtionate	(i) Code V-UBI amount on Box 20 of K-1 (\$)	Ger Man	i) neral or aging mer?	(k) Percentage ownership
St Joseph-PAML LLC				312 314)			res	NO		res	NO	
424 Lewis Hargett Circle Ste 160 Lexington, KY40503 45-2116736	Mgmt Svcs	KY	SJHS	Related				No		Yes		62 500 %
Saint Joseph SCA Holdings LLC												
424 Lewis Hargett Circle Ste 160 Lexington, KY40503 45-3801157	OP Surgery	DE	SJHS	Related				No		Yes		51 000 %
Surgery Center of												
Lexington LLC 1451 Harrodsburg Road Lexington, KY40504 62-1179539	Surgery Center	DE	SJHS	Related	808,840	4,236,901		No		Yes		51 000 %
Ruxton Surgicenter												
8322 Bellona Avenue Suite 201 Baltimore, MD21204 52-2095835	Surgery Center	MD	SJMC	Related				No		Yes		51 000 %
Avantas LLC												
1207 South 13 Street Omaha, NE68108 39-2045003	Healthcare	NE	АНМН	Unrelated				No			Νo	95 000 %
Healthcare Support Services LLC												
PO Box 9804 Grand Island, NE68802 72-1546196	Laundry	NE	СНІ	Related	196,124	3,913,481		No	-58,436		Νo	100 000 %
Central Nebraska Home Care Services												
PO Box 1146-4510 Second Avenue Kearney, NE68848 47-0692112	Healthcare Srvc	NE	HSEINC	Related	-99,941	1,021,498		No	-48,712	Yes		100 000 %
Superior Medical Imaging LLC												
5000 North 26th Street Lincoln, NE68521 26-2884555	OP Diagnostics	NE	SERMC	Related				No			No	51 000 %

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

Form 990, Schedule	ic, rait iii	a Circinio	ation of ite	atea organiiz	tations raxable as	a raraicioinp						
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections	(f) Share of total income (\$)		(h) Disprop allocati	ortionate	(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j Gen o Mana Part	eral r agıng	(k) Percentage ownership
				512-514)			Yes	No		Yes	No	
Central Nebraska Rehab Services 3004 W Faidley Ave Grand Island, NE68802 81-0653461	Physical Therapy	NE	СНІ	Related	1,857,991	2,262,775		No			No	51 000 %
St Francis Medical Center Associates 1717 South J Street Tacoma, WA98405 91-1352698	Med Office	WA	FHS	Related	116,948	1,652,280		No			No	54 210 %
Peninsula Radiation Oncology 314 Martin Luther King Jr Way 11 Tacoma, WA 98405 87-0808610	Healthcare Srvc	WA	FHS	Related	131,195	3,052,504		No			Νo	60 000 %
Berywood Office Properties LLC 400 Berywood Trail Cleveland, TN37312 62-1875199	Phys Office	TN	MHCS	Related				No		Yes		63 000 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust											
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership				
Alternative Insurance Management Service 3900 Olympic Boulevard Suite 400 Erlanger, KY41018 84-1112049	Management Servic	со	СНІ	C Corp		3,267,441	100 000 %				
Captive Management Initiatives 6028D Shallowford Road Chattanooga, TN37422 98-0663022	Captive Managemen	CJ	СНІ	C Corp			100 000 %				
Center for Translational Research 198 Inverness Drive West Englewood, CO80112 27-2269511	Healthcare	СО	СНІ	C Corp	-2,247,962	1,668,589	100 000 %				
First Initiatives Insurance Ltd 1415 Southgate Pendleton, OR97801 98-0203038	Insurance	CJ	СНІ	C Corp			100 000 %				
Franciscan Services Inc 198 Inverness Drive West Englewood, CO80112 23-2487967	Healthcare	СО	СНІ	C Corp	-507,578	11,914,284	100 000 %				
SJH Services Corporation 198 Inverness Drive West Englewood, CO80112 23-2307408	Healthcare	СО	FSI	C Corp	-518,360	3,180,100	100 000 %				
St Joseph Development Company Inc 1717 South J Street Tacoma, WA 98405 91-1480569	Rental	WA	FSI	C Corp	-36,395	12,168,022	100 000 %				
Towson Management Inc 7601 Osler Drive Towson, MD21204 52-1710750	Management Servic	MD	FSI	C Corp	-469,016	498,393	100 000 %				
Nazareth Assurance Company 76 St Paul Street Suite 500 Burlington, VT05401 03-0304831	Insurance	VT	СНІ	C Corp	-379	123,535	100 000 %				
St Vincent Community Health Services In Two St Vincent Circle Little Rock, AR72205 71-0710785	Healthcare	AR	SVIMC	C Corp	2,309,129	14,049,375	100 000 %				
Comcare Services 4231 W 16th Avenue Denver, CO80204 84-0904813	Inactive	СО	CHIC	C Corp			100 000 %				
Des Moines Medical Center Inc 1111 6th Avenue Des Moines, IA50314 42-0837382	Real Estate	IA	CHI-IA Corp	C Corp		1,253,452	92 980 %				
Mercy Park Apartments Ltd 1111 6th Avenue Des Moines, IA50314 42-1202422	Housing	IA	CHI-IA Corp	C Corp	264,489	1,796,053	100 000 %				
Central Kansas Health Services Associati 3515 Broadway Great Bend, KS67530 48-1042853	MEDICAL EQUIPMENT	KS	СКМС	C Corp			100 000 %				
SJL Physician Management Services Inc 424 Lewis Hargett Cr 160 Lexington, KY40503 27-0164198	Management	КҮ	SJHS	C Corp			100 000 %				
St Joseph Office Park Association 1401 HarrodsBurg Road Bldg B70 Lexington, KY40504 61-1079899	Management	КҮ	SJHS	C Corp	16,644	882,139	85 000 %				
Mercy Health Services Corporation 2727 McClelland Blvd Joplin, MO64804 43-1457881	DME	МО	St John's RMC	C Corp	-1,533,371	1,369,083	100 000 %				
Good Samaritan Outreach Services PO BOX 1990 Kearney, NE68848 47-0659440	MEDICAL CLINIC	NE	CHI Nebraska	C Corp	-2,921,063	355,110	100 000 %				
Health Systems Enterprises Inc PO BOX 1990 Kearney, NE68848 47-0664558	MANAGEMENT	NE	GSH	C Corp	25,289	1,443,049	100 000 %				
Saint Clare's Primary Care Inc 66 Ford Road Denville, NJ07834 22-2441202	Billing Services	NJ	sccc	C Corp	-342,970	2,177,166	100 000 %				

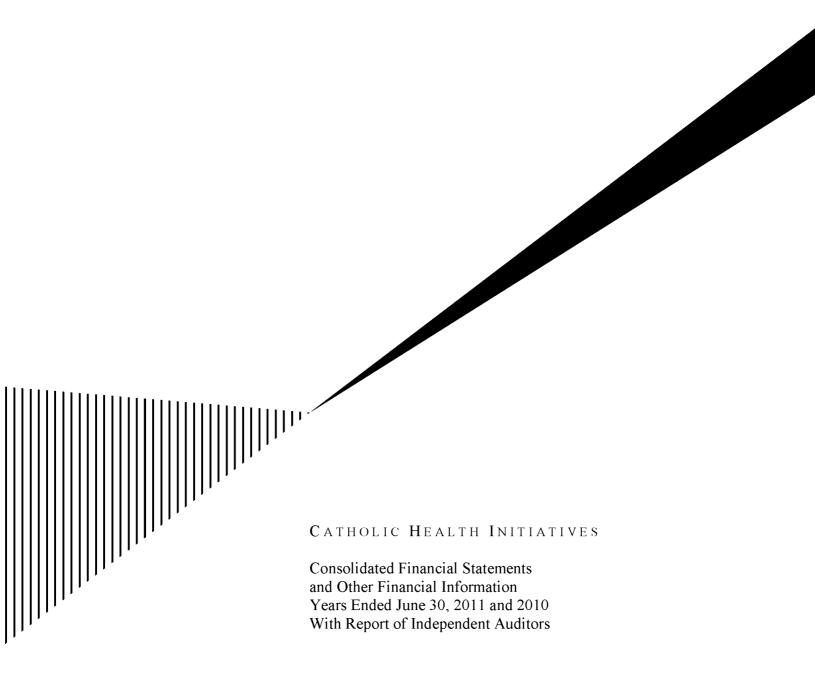
Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust										
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership			
MedQuest 1301 15th Avenue West Williston, ND58801 45-0392137	Sale of DME	ND	MHof Williston	C Corp	9,852	962,554	100 000 %			
Consolidated Health Services 1700 Edison Drive Milford, OH45150 31-1378212	Home Health	ОН	СНІ	C Corp		11,595,125	100 000 %			
American Nursing Care 1700 Edison Drive Milford, OH45150 31-1085414	Home Health	ОН	снѕ	C Corp	1,778,617	44,470,358	100 000 %			
Amerimed Inc 1700 Edison Drive Milford, OH45150 31-1158699	Home Health	ОН	ANC	C Corp	2,395,230	11,869,657	100 000 %			
Patient Transport Services Inc 1700 Edison Drive Milford, OH45150 31-1100798	Home Health	ОН	ANC	C Corp	662,425	5,325,941	100 000 %			
Samaritan Family Care Inc 40 W Fourth St 1700 Dayton, OH45402 31-1299450	Healthcare	он	SHP	C Corp			100 000 %			
Mercy Services Corp 2700 Stewart Parkway Roseburg, OR97470 93-0824308	Retail Sales	OR	ммс	C Corp	-690,267	954,798	100 000 %			
St Anthony Development Company 1415 Southgate Pendleton, OR97801 93-1216943	Athletic Club	OR	St Anthony H	C Corp	53,891	3,007,554	100 000 %			
CGH Realty Company Inc 215 N 12th St Reading, PA19603 23-2326801	Real Estate	PA	SJHM	C Corp	1,007	42,415	100 000 %			
Caduceus Medical Associates Inc 6028 Shallowford Road Suite D Chattanooga, TN37422 62-1570736	Healthcare	TN	мнсѕ	C Corp		1,008	100 000 %			
Mountain Management Services Inc 6028D Shallowford Road Chattanooga, TN37422 62-1570739	mgmt svc org	TN	MHCS	C Corp	-386,020	4,667,998	100 000 %			
Physician Health System Network 1149 Market St Tacoma, WA98402 91-1746721	Health Org	WA	FHS	C Corp			100 000 %			
Healthcare Mgmt Services Org Inc 1149 Market St Tacoma, WA98402 91-1865474	Health Org	WA	FHS	C Corp			100 000 %			
Harold W Rase 1995 Charitable Unittrust 30 West 7th Street Dickinson, ND58601 45-6090420	Investments	ND	SJHHC	Trust	1,240	21,533	100 000 %			
Harold W Rase 1996 Charitable Unittrust 30 West 7th Street Dickinson, ND58601 20-6037112	Investments	ND	SJHHC	Trust	900	15,495	100 000 %			
Harold W Rase 1997 Charitable Unittrust 30 West 7th Street Dickinson, ND58601 20-6037104	Investments	ND	SJHHC	Trust	1,025	20,261	100 000 %			
Harold W Rase 1999 Charitable Unittrust 30 West 7th Street Dickinson, ND58601 20-6037099	Investments	ND	SJHHC	Trust	1,313	25,027	100 000 %			
James & Henrietta Nistler Unitrust 30 West 7th Street Dickinson, ND58601 20-6021899	Investments	ND	SJHHC	Trust	-16,708	41,455	100 000 %			
Joseph A Schuster Annuity Trust #1 400 Univerity Avenue Des Moines, IA50314 42-1195122	Investments	IA	MFDM	Trust	18,924	441,488	100 000 %			
Ray & Shirley David 1999 Unitrust 30 West 7th Street Dickinson, ND58601 20-6037077	Investments	ND	SJHHC	Trust	1,250	24,194	100 000 %			

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
Tom Deyle Charitable Remainder Unitrust PO Box 1810 Kearney, NE68848 47-6192393	Investments	NE	GSHF	Trust	4,884	166,321	100 000 %
David Deyle Charitable Remainder Unitrus PO Box 1810 Kearney, NE68848 47-6192395	Investments	NE	GSHF	Trust	4,880	166,425	100 000 %
Jeanne Deyle Charitable Remainder Unitru PO Box 1810 Kearney, NE68848 47-6192398	Investments	NE	GSHF	Trust	4,880	166,320	100 000 %
Lodesca Miller Charitable Remainder Unit PO Box 1810 Kearney, NE68848 47-6186933	Investments	NE	GSHF	Trust	3,387	86,367	100 000 %
Robert & Wanda Charitable Remainder Unit PO Box 1810 Kearney, NE68848 26-6191916	Investments	NE	GSHF	Trust	13,030	537,775	100 000 %

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

(2) S (3) T (4) T (5) T	t Elizabeth Regional Medical Center t Elizabeth Regional Medical Center he Physician Network b n b I I n	103,479 57,939 65,021 70,002 258,322 358,380		
(3) T (4) T (5) T (6) T	he Physician Network he Physician Network he Physician Network he Physician Network	b I	65,021 70,002 258,322	
(4) T (5) T (6) T	he Physician Network he Physician Network he Physician Network	I I	70,002	
(5) T	he Physician Network he Physician Network	ı	258,322	
(6) T	he Physician Network	l n		
		n	358,380	
	he Physician Network		· 1	
(7) T		р	59,513	
(8) T	he Physician Network	q	1,581,729	
(9) N	ebraska Health at Home	р	94,068	
(10)	Nebraska Health at Home	q	2,140,848	
(11)	CHI Nebraska	0	13,782,950	
(12)	Central Nebraska Rehabilitation Serivces	ı	2,452,120	
(13)	Central Nebraska Rehabilitation Serivces	р	75,085	
(14)	Healthcare Support Services	ı	443,359	
(15)	Healthcare Support Services	n	1,154,598	
(16)	saint francis foundation	r	219,307	
(17)	Saint Francis Foundation	q	79,211	
(18)	Central Nebraska Rehabilitation Serivces	a	39,385	
(19)	Healthcare Support Services	a	1,181	
(20)	CATHOLIC HEALTH INITIATIVES	L	10,929,347	
(21)	CATHOLIC HEALTH INITIATIVES	Q	179,529	
(22)	CHI Institute for Research and Research	r	572,740	



Ernst & Young LLP



Catholic Health Initiatives Consolidated Financial Statements and Other Financial Information

Years Ended June 30, 2011 and 2010

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Report of Independent Auditors

Board of Stewardship Trustees Catholic Health Initiatives

We have audited the accompanying consolidated balance sheets of Catholic Health Initiatives (CHI) as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of CHI's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Alegent Health-Bergan Mercy Health System, a wholly sponsored direct affiliate of CHI, which statements reflect total assets of \$708 million and \$634 million as of June 30, 2011 and 2010, respectively, and total revenues of \$466 million and \$454 million, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Alegent Health-Bergan Mercy Health System, is based solely on the report of the other auditors.

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 CHI'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 CHI'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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Catholic Health Initiatives at June 30, 2011 and 2010, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The unaudited community benefit information in Note 2 to the consolidated financial statements is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, accordingly, we express no opinion on such information.

September 13, 2011

1103-1238253

Ernst + Young LLP

Catholic Health Initiatives Consolidated Balance Sheets

	June 30			
	2011	2010		
	(In Thousands)			
Assets				
Current assets				
Cash and equivalents	\$ 449,674	\$ 494,487		
Net patient accounts receivable, less allowances of				
\$650,617 and \$593,749 in 2011 and 2010, respectively	1,133,819	1,118,487		
Other accounts receivable	108,848	119,697		
Current portion of investments and assets limited as to use	19,554	3,463		
Inventories	173,316	170,003		
Assets held for sale	23,987	17,900		
Prepaid and other	70,805	52,828		
Total current assets	1,980,003	1,976,865		
Investments and assets limited as to use: Internally designated for capital and other funds Mission and Ministry Fund Capital Resource Pool Held by trustees	4,617,181 117,832 268,690 5,488	3,981,359 98,726 246,943 43,411		
Held for insurance purposes	739,071	681,001		
Restricted by donors	154,567	140,635		
Total investments and assets limited as to use	5,902,829	5,192,075		
Property and equipment, net	4,935,519	4,705,909		
Deferred financing costs	11,821	11,494		
Investments in unconsolidated organizations	353,449	241,604		
Intangible assets and goodwill, net Notes receivable and other	57,486	35,403		
	640,027	629,216 \$ 12,702,566		
Total assets	\$ 13,881,134	\$ 12,792,566		

Continued on following page

Catholic Health Initiatives Consolidated Balance Sheets (continued)

		Jun	ie 30	0
		2011		2010
		(In Tho	บรณ	nds)
Liabilities and net assets				
Current liabilities				
Compensation and benefits	\$	408,375	\$	366,685
Third-party liabilities		66,283		66,091
Accounts payable and accrued expenses		607,400		662,748
Variable-rate debt with self liquidity		163,400		283,660
Current portion of long-term debt		836,201		736,052
Total current liabilities		2,081,659		2,115,236
Pension liability		315,523		731,196
Self-insured reserves and claims		448,940		436,787
Other liabilities		269,662		279,186
Long-term debt		3,123,001		3,180,965
Total liabilities		6,238,785		6,743,370
Net assets				
Net assets attributable to CHI		7,448,161		5,875,377
Net assets attributable to noncontrolling interests		8,967		8,204
Unrestricted		7,457,128		5,883,581
Temporarily restricted		122,795		112,207
Permanently restricted	_	62,426		53,408
Total net assets		7,642,349		6,049,196
Total liabilities and net assets	\$	13,881,134	\$	12,792,566

See accompanying notes.

Catholic Health Initiatives Consolidated Statements of Operations

	Year Ended June 30						
		2011 201					
_		(In Tho	usana	isands)			
Revenues: Net patient services	\$	9,004,978	\$	8.504.180			
Nonpatient							
Donations		24,639		29,421			
Changes in equity of unconsolidated organizations		38,059		15.772			
Investment income from self-insured trust funds		97,907		75.981			
Other		466,185		466,167			
Total nonpatient revenues		626,790		587.341			
Total operating revenues		9,631,768		9,091,521			
Expenses:							
Salaries and wages		3,632,761		3.394.929			
Employee benefits		773,040		749,049			
Purchased services, medical professional fees, consulting and legal		867,149		821.367			
Supplies		1,549,694		1.519.479			
Bad debts		718,577		653,250			
Utilities		122,195		117.593			
Rentals, leases, maintenance and insurance		489,791		399,453			
Depreciation and amortization		470,669		462,262			
Interest		133,423		111.188			
Other		493,488		444,133			
Total operating expenses before restructuring, impairment							
and other losses		9,250,787		8,672,703			
Income from operations before restructuring, impairment							
and other losses		380,981		418,818			
Restructuring, impairment and other losses		25,655		61,638			
Income from operations		355,326		357,180			
Nonoperating gains (losses):							
Investment income, net		753,764		387.674			
Gain on escrow restructuring and defeasance of bonds, net		_		2.896			
Realized and unrealized losses on interest rate swaps		(4,870)		(78.467)			
Other nonoperating gains		16,462		13,665			
Total nonoperating gains		765,356		325,768			
Excess of revenues over expenses	<u>\$</u>	1,120,682	\$	682,948			
Excess of revenues over expenses attributable to noncontrolling interest		3,298	\$	966			
Excess of revenues over expenses attributable to CHI	\$	1,117,384	\$	681,982			

Community benefit provided to the poor and broader community and the unpaid cost of Medicare (unaudited) was \$1.1 billion in each of 2011 and 2010 (see Note 2 of the accompanying notes)

See accompanying notes

Catholic Health Initiatives Consolidated Statements of Changes in Net Assets

(In Thousands)

	Unrestricted Net Assets																																														
	Attributabl to CHI	e Noi	tributable to ncontrolling Interests	7	Гotal	Temporarily Restricted Net Assets		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Restricted Net		Permanently Restricted Net Assets		d Net Restricted Net		Restricted Net Restricted Net		Restricted Net		Restricted Net			Fotal Net Assets
			0.00																																												
Balances, June 30, 2009	\$ 5.336.66	•		\$ 5	5,345,050	\$	114.694	\$	53,728	\$	5,513,472																																				
Excess of revenues over expenses	681.98		966		682.948		_		_		682.948																																				
Increase in pension liability	(131.36	50)	_		(131,360)		_		_		(131.360)																																				
Temporarily and permanently restricted contributions		_	_		_		37,772		420		38,192																																				
Net assets released from restriction for capital	23,59	98	_		23,598		(23.598)		_		_																																				
Net assets released from restriction for operations		_	_		_		(21.237)		_		(21.237)																																				
Investment income		_	_		_		4.275		(175)		4,100																																				
Other changes in net assets	3.13	37	(1.144)		1.993		301		(565)		1.729																																				
Net loss from discontinued operations	(38.6-	18)	_		(38,648)						(38,648)																																				
Net increase in net assets	538,70)9	(178)		538,531		(2,487)		(320)		535,724																																				
Balances, June 30, 2010	5,875,37	77	8.204	5	5,883,581		112,207		53,408		6.049.196																																				
Excess of revenues over expenses	1,117,38	34	3,298	1	1,120,682		_		_		1,120,682																																				
Decrease in pension liability	404,70	58	_		404,768		_		_		404,768																																				
Temporarily and permanently restricted contributions		_	_		_		44,502		3,803		48,305																																				
Net assets released from restriction for capital	26,27	70	_		26,270		(26,270)		_		_																																				
Net assets released from restriction for operations		_	_		_		(13,868)		_		(13,868)																																				
Investment income		_	_		_		7,718		1,737		9,455																																				
Other changes in net assets	24,30	52	(2,535)		21,827		(1,494)		3,478		23,811																																				
Net increase in net assets	1,572,78	34	763	1	1,573,547		10,588		9,018		1,593,153																																				
Balances, June 30, 2011	\$ 7,448,10	51 S	8,967	\$ 7	7,457,128	\$	122,795	S	62,426	\$	7,642,349																																				

See accompanying notes

Catholic Health Initiatives Consolidated Statements of Cash Flows

	Year Ended June 30			
	 2011		2010	
	(In Thoi	ısands)	
Operating activities				
Increase in net assets	\$ 1,593,153	\$	535,724	
Adjustments to reconcile increase in net assets to net cash provided				
by operating activities				
Depreciation and amortization	470,669		469,998	
Provision for bad debts	718,577		688,547	
Changes in equity of unconsolidated organizations	(38,059)		(16.830)	
Net gains on sales of facilities and investments in unconsolidated	(3.5.10)		(9,735)	
organizations	(3,540)		50,773	
Loss on sale of Idaho and Eastern Oregon operations	_		30,773	
Noncash operating expenses related to restructuring.	0.644		25.622	
impairment and other losses	9,644		35.833	
Loss on defeasance of bonds	_		151	
(Increase) decrease in fair value of interest rate swaps	(26,876)		46,396	
(Decrease) increase in unfunded pension liability Net changes in current assets and liabilities	(404,768)		131,360	
Net patient and other accounts receivable	(710,994)		(626,755)	
Other current assets	(20,318)		(8,301)	
Current liabilities	(40,549)		134.138	
Other changes	(37,700)		(27.910)	
Net cash provided by operating activities, before net change in	 (37,700)		(27.910)	
investments and assets limited as to use	1,509,239		1,403,389	
Net increase in investments and assets limited as to use	 (729,424) 779,815		(1,384,929) 18,460	
Net cash provided by operating activities	779,013		16.400	
Investing activities				
Purchases of property, equipment and other capital assets	(761,713)		(821,354)	
Purchase of CHS, net of cash acquired	(35,533)		_	
Net cash proceeds from asset sales	4,992		21.617	
Net cash proceeds from sale of Idaho and Eastern Oregon operations	_		61,937	
Distributions from investments in unconsolidated organizations	44,748		27.450	
Notes receivable issued to unconsolidated affiliates	(32,026)		(135,728)	
Payment received on notes receivable from unconsolidated affiliates	27,391		14,606	
Other changes	 6,889		(911)	
Net cash used in investing activities	(745,252)		(832,383)	
Financing activities				
Proceeds from bank loan and issuance of long-term debt	276,598		1.174.753	
Net costs associated with issuance of long-term debt	_		(10,837)	
Repayment of long-term debt	 (355,974)		(568,195)	
Net cash (used in) provided by financing activities	 (79,376)		595,721	
Decrease in cash and equivalents	(44,813)		(218.202)	
Cash and equivalents at beginning of year	494,487		712,689	
Cash and equivalents at end of year	\$ 449,674	\$	494,487	
Supplemental disclosures of cash flow information				
Cash paid during the year for interest, including amounts capitalized	 149,822	\$	118,053	

See accompanying notes

June 30, 2011

1. Summary of Significant Accounting Policies

Organization

Catholic Health Initiatives (CHI), established in 1996, is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI sponsors market-based organizations (MBOs) and other facilities in 19 states, including 72 acute-care hospitals, of which 21 are designated as critical access hospitals by the Medicare program, 40 long-term care, assisted living and residential facilities, two community health service organizations (CHSOs), home health agencies and two accredited nursing colleges CHI also has an offshore captive insurance company, First Initiatives Insurance, Limited (FIIL)

The mission of CHI is to nurture the healing ministry of the Church, bringing it new life, energy and viability in the 21st century CHI is committed to fidelity to the Gospel, with emphasis on human dignity and social justice in the creation of healthier communities CHI is sponsored by a lay-religious partnership, calling on other Catholic sponsors and systems to unite to ensure the future of Catholic health care

Principles of Consolidation

CHI consolidates all direct affiliates in which it has sole corporate membership or ownership (Direct Affiliates) and all entities in which it has greater than 50% equity interest with commensurate control All significant intercompany accounts and transactions are eliminated in consolidation

Fair Value of Financial Instruments

Financial instruments consist primarily of cash and equivalents, patient accounts receivable, investments and assets limited as to use, notes receivable, accounts payable and long-term debt. The carrying amounts reported in the consolidated balance sheets for these items approximate fair value.

Cash and Equivalents

Cash and equivalents include all deposits with banks and investments in interest-bearing securities with maturity dates of 90 days or less from the date of purchase In addition, cash and equivalents include deposits in short-term funds held by professional managers. The funds generally invest in high-quality, short-term debt securities, including U S government securities,

1. Summary of Significant Accounting Policies (continued)

securities issued by domestic and foreign banks, such as certificates of deposit and bankers' acceptances, repurchase agreements, asset-backed securities, high-grade commercial paper and corporate short-term obligations

Net Patient Accounts Receivable and Net Patient Services Revenues

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors.

The provision for bad debts is based upon management's assessment of historical and expected net collections, taking into consideration historical business and economic conditions, trends in health care coverage and other collection indicators. Management routinely assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, CHI follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by each facility

CHI records net patient services revenues in the period in which services are performed CHI has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement and negotiated discounts from established rates and per diem payments

Net patient services revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments due to future audits, reviews and investigations, and excluding estimated amounts considered uncollectible. The differences between the estimated and actual adjustments are recorded as part of net patient services revenues in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews and investigations

1. Summary of Significant Accounting Policies (continued)

Investments and Assets Limited as to Use

Investments and assets limited as to use include assets set aside by CHI for future long-term purposes, including capital improvements and self-insurance. In addition, assets limited as to use include amounts held by trustees under bond indenture agreements, amounts contributed by donors with stipulated restrictions and amounts held for Mission and Ministry programs

CHI has designated its investment portfolio as trading Accordingly, unrealized gains and losses on marketable securities are included within excess of revenues over expenses. In addition, cash flows from the purchases and sales of marketable securities are reported as a component of operating activities in the accompanying consolidated statements of cash flows.

Direct investments in equity securities with readily determinable fair values and all direct investments in debt securities have been measured at fair value in the accompanying balance sheets Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law

Investments in partnerships and limited liability companies are recorded using the equity method of accounting (which approximates fair value) with the related changes in value in earnings reported as investment income in the accompanying consolidated financial statements

Inventories

Inventories, primarily consisting of pharmacy drugs and medical and surgical supplies, are stated at lower of cost (first-in, first-out method) or market

Assets and Liabilities Held for Sale

A long-lived asset or disposal group of assets and liabilities that is expected to be sold within one year is classified as held for sale For long-lived assets held for sale, an impairment charge is recorded if the carrying amount of the asset exceeds its fair value less costs to sell Such valuations include estimates of fair values generally based upon discounted cash flows and incremental direct costs to transact a sale

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair value at the date of receipt or impairment Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. For property and equipment under capital lease, amortization is determined over the shorter period of the lease term or the estimated useful life of the property and equipment. Interest cost incurred during the period of construction of major capital projects is capitalized as a component of the cost of acquiring those assets. Capitalized interest of \$15 million and \$22 million was recorded in 2011 and 2010, respectively

Costs incurred in the development and installation of internal-use software are typically expensed if they are incurred in the preliminary project stage or post-implementation stage, while certain costs are capitalized if incurred during the application development stage Amounts capitalized are amortized over the useful life of the developed asset following project completion

Investments in Unconsolidated Organizations

Investments in unconsolidated organizations are accounted for under the cost or equity method of accounting, as appropriate, based on the relative percentage of ownership or degree of influence over that organization. The equity income or loss on these investments is recorded in the consolidated statements of operations as changes in equity of unconsolidated organizations.

Notes Receivable and Other Assets

Other assets consist primarily of notes receivable, pledges receivable, deferred compensation assets, deposits and other long-term assets. Notes receivable include balances from the following related entities. Alegent Health and Alegent Health Immanuel Medical Center (collectively, Alegent), the Nebraska joint operating company (JOC) and non-CHI joint operating agreement (JOA) partner, respectively, Bethesda Hospital, Inc (Bethesda), the non-CHI JOA partner in the Cincinnati, Ohio JOA, and Jewish Hospital Healthcare Services, Inc (JHHS), an unconsolidated investee organization. The notes bear interest at rates commensurate with the CHI blended interest cost and require monthly debt service payments

1. Summary of Significant Accounting Policies (continued)

A summary of notes receivable and other assets is as follows as of June 30 (in thousands)

		2011	2010
Notes receivable from related entities			
Alegent	\$	273,535	\$ 254,444
Bethesda		212,090	223,155
JHHS		25,466	29,887
Total notes receivable from related entities	-	511,091	507,486
Other long-term assets		128,936	121,730
Total notes receivable and other	\$	640,027	\$ 629,216

Alegent and Bethesda are Designated Affiliates in the CHI credit group under the Capital Obligation Document (COD) As conditions of joining the CHI credit group, the Designated Affiliates have agreed to certain covenants related to corporate existence, insurance coverage, exempt use of bond-financed facilities, maintenance of certain financial ratios and compliance with limitations on the incurrence of additional debt Based upon management's review of the creditworthiness of the Designated Affiliates and their compliance with the covenants and limitations, no allowances for uncollectible notes receivable were recorded at June 30, 2011 and 2010

Net Assets

Temporarily restricted net assets are those whose use 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, including endowment funds Temporarily restricted net assets and earnings on permanently restricted net assets, including earnings on endowment funds, are used in accordance with the donor's wishes primarily to purchase equipment, to provide charity care and to provide other health and educational programs and services

Unconditional promises to receive cash and other assets are reported at fair value at the date the promise is received Conditional promises and indications of donors' intentions to give are reported at fair value at the date the conditions are met or the gifts are received All unrestricted contributions are included in the excess of revenue over expenses as donation revenues Other gifts are reported as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is,

1. Summary of Significant Accounting Policies (continued)

when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as donations revenue when restricted for operations or as unrestricted net assets when restricted for property and equipment

Performance Indicator

The performance indicator is the excess (deficiency) of revenues over expenses, which includes all changes in unrestricted net assets other than changes in the pension liability funded status, net assets released from restrictions for property acquisitions, cumulative effect of changes in accounting principles, discontinued operations and contributions of property and equipment and other changes not required to be excluded within the performance indicator and generally accepted accounting principles

Operating and Nonoperating Activities

CHI'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, physician 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 CHI's primary mission are considered to be nonoperating. Nonoperating activities include investment earnings, excluding the earnings from the investments held by FIIL, gains (losses) from bond refinancing, net interest cost and changes in fair value of interest rate swaps, and the nonoperating component of JOA income share adjustments

Charity Care

As an integral part of its mission, CHI accepts and treats all patients without regard to the ability to pay Services to patients are classified as charity care in accordance with standards established across all MBOs Charity care represents services rendered for which partial or no payment is expected and, as such, is not included in net patient services revenues in the accompanying consolidated statements of operations and changes in net assets The amount of charity care provided, determined on the basis of charges, was 40% and 37% of gross patient services revenues for 2011 and 2010, respectively

1. Summary of Significant Accounting Policies (continued)

Other Nonpatient Revenues

Other nonpatient revenues include gains and losses on the sales of assets, the operating portion of revenue-sharing income or expense associated with Direct Affiliates that are part of JOAs, cafeteria sales, rental income, retail pharmacy and durable medical equipment sales, auxiliary and gift shop revenues and revenues from other miscellaneous sources

Derivative and Hedging Instruments

CHI uses derivative financial instruments (interest rate swaps) in managing its capital costs. These interest rate swaps are recognized at fair value on the consolidated balance sheets. CHI has not designated its interest rate swaps related to CHI's long-term debt as hedges. The net interest cost and change in the fair value of such interest rate swaps is recognized as a component of nonoperating gains (losses) in the accompanying consolidated statements of operations. It is CHI's policy to net the value of collateral on deposit with counterparties against the fair value of its interest rate swaps in other liabilities on the consolidated balance sheets.

Functional Expenses

CHI provides inpatient, outpatient, ambulatory, long-term care and community-based services to individuals within the various geographic areas supported by its facilities. Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services and other functions that are supported centrally for all of CHI Support services expenses as a percent of total operating expenses were approximately 4 2% and 4 4% in 2011 and 2010, respectively

Restructuring, Impairment and Other Losses

CHI periodically evaluates property, equipment and certain other intangible assets to determine whether assets may have been impaired. Management determined there were certain property and equipment impairments in both 2011 and 2010 to the extent that the discounted cash flows estimated to be generated by those assets were less than the underlying carrying value

During the years ended June 30, 2011 and 2010, CHI recorded nonrecurring expenses of \$26 million and \$62 million, respectively, relating to asset impairments and changes in business operations, including reorganization and severance costs During 2010, CHI recorded an additional \$48 million of nonrecurring expenses, which were included as discontinued operations in the statements of changes in net assets

1. Summary of Significant Accounting Policies (continued)

Income Taxes

CHI is a tax-exempt Colorado corporation and has been granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code CHI owns certain taxable subsidiaries and engages in certain activities that are unrelated to its exempt purpose and therefore subject to income tax As of June 30, 2011, CHI has current net deferred tax assets of \$2 1 million and a noncurrent net deferred tax liability of \$5 4 million related to these taxable activities

Management reviews its tax positions annually and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses Actual results could vary from the estimates

New Accounting Pronouncements and Adoption of New Accounting Standards

Effective July 2010, CHI adopted the provision of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No 958-810, *Not-for-Profit-Entities: Consolidation*, which made the provision of FASB Statement No 160, *Noncontrolling Interests in Consolidated Financial Statements*, applicable to not-for-profit entities. The purpose of the ASC and FASB were to reflect the noncontrolling interest in the equity or net assets of a consolidated subsidiary as a component of net assets rather than as minority interest expense and minority interest liability. The adoption of ASC 958-810 did not have a material impact on CHI's consolidated results of financial position, operations or cash flows. The prior year's presentation has been adjusted to reflect the application of the new accounting guidance

In January 2010, the FASB released Accounting Standards Update (ASU) No 2010-07, Not-for-Profit Entities (Topic 958): Not-for-Profit Entities: Mergers and Acquisitions, which amends FASB Statement No 164, Not-for-Profit Entities: Mergers and Acquisitions The objective of ASU 2010-07 is to improve the relevance, representational faithfulness and comparability of the information that a not-for-profit entity provides in its financial reports about a combination with one or more other not-for-profit entities, businesses or nonprofit activities ASU 2010-07 also

1. Summary of Significant Accounting Policies (continued)

provides relevant and comparable information that a not-for-profit entity provides for goodwill and other intangible assets after an acquisition by amending existing guidance to make it fully applicable to not-for-profit entities ASU 2010-07 is effective for mergers for which the merger date is on or after the beginning of an *imital* reporting period beginning on or after December 15, 2009, and acquisitions for which the acquisition date is on or after the beginning of the first *ammual* reporting period beginning on or after December 15, 2009 CHI adopted the provisions of ASU 2010-07 effective July 2010, and adoption did not have a material impact on its overall consolidated results of financial position, operations or cash flows

In January 2010, the FASB released ASU No 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements ASU 2010-06 was issued to improve disclosure requirements related to fair value measurements and disclosures (overall Subtopic 820-10) of the FASB The new disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures in the rollforward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 CHI adopted the provisions of ASU 2010-06 during 2010 and 2011.

In September 2009, the FASB released ASU No 2009-12, Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value ASU 2009-12 amends ASC 820, Fair Value Measurements and Disclosures, and allows a reporting entity, as a practical expedient, to estimate fair value of certain alternative investments at the net asset value as reported by the investee entity in instances where the net asset value has been calculated in a manner consistent with ASC 946, Financial Services – Investment Companies Adoption of the provisions of ASU 2009-12 during 2010 did not have a material impact on the valuation of CHI's investments

In August 2010, the FASB released ASU No 2010-23, *Measuring Charity Care for Disclosure*. ASU 2010-23 requires the disclosure of charity care amounts and provides specific guidance on how to measure charity care. The accounting provisions specifically require that charity care not be reduced by reimbursement for charity care, and that the amount of reimbursements for charity care be disclosed. The disclosures are effective for fiscal years beginning after December 15, 2010, with retrospective application required. CHI does not believe the adoption of ASU 2010-23 will have a material effect on its overall consolidated results of financial position, operations or cash flows.

1. Summary of Significant Accounting Policies (continued)

In August 2010, the FASB released ASU No 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*. ASU 2010-24 applies to malpractice claims and similar contingent liabilities and requires that such liabilities disregard the effect of any anticipated insurance recoveries in determining the liability amounts. The accounting provisions also provide accounting guidance for recording any insurance recovery receivables. ASU 2010-24 is effective for fiscal years beginning after December 15, 2010. CHI is evaluating the effect of adopting ASU 2010-24 but does not believe its adoption will have a material effect on its overall consolidated results of financial position, operations or cash flows

In July 2011, the FASB released ASU No 2011-07, Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Entities ASU 2011-07 requires health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient services revenues from an operating expense to a deduction from patient services revenues (net of contractual allowances and discounts) Additionally, enhanced disclosures will be required surrounding the entity's policies for recognizing revenue and assessing bad debts ASU 2011-07 is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2011 CHI is evaluating the effect of adopting ASU 2011-07

Reclassifications

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

2. Community Benefit (Unaudited)

In accordance with its mission and philosophy, CHI commits substantial resources to sponsor a broad range of services to both the poor and the broader community Community benefit provided to the poor includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of traditional charity care, unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs, services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed, and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community

2. Community Benefit (Unaudited) (continued)

Community benefit provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support This type of community benefit includes the costs of services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis, unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions, and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols

A summary of the cost of community benefit provided to both the poor and the broader community is as follows (in thousands)

	2011	2010
Cost of community benefit		
Cost of charity care provided	\$ 244,949	\$ 221,140
Unpaid cost of public programs, Medicaid and		
other indigent care programs	242,163	235,161
Nonbilled services	25,379	25,576
Cash and in-kind donations	2,975	2,861
Education and research	33,397	24,908
Other benefit	63,283	65,198
Total cost of community benefit from continuing operations	612,146	574,844
Total cost of community benefit from discontinued operations	_	13,779
Total cost of community benefit	612,146	588,623
Unpaid cost of Medicare from continuing operations	461,358	456,729
Unpaid cost of Medicare from discontinued operations	_	9,867
Total unpaid cost of Medicare	461,358	466,596
Total cost of community benefit and the unpaid		
cost of Medicare	\$ 1,073,504	\$ 1,055,219

The summary above has been prepared in accordance with the policy document of the Catholic Health Association of the United States (CHA), Community Benefit Program – A Revised Resource for Social Accountability Community benefit is measured on the basis of total cost, net of any offsetting revenues, donations or other funds used to defray cost

2. Community Benefit (Unaudited) (continued)

The total cost of community benefit from continuing and discontinued operations was 6 6% of total expenses before operating expenses related to restructuring, impairment and other losses in 2011 and 2010. The total cost of community benefit and the unpaid cost of Medicare from continuing and discontinued operations was 11 6% and 11 8% of total expenses before operating expenses related to restructuring, impairment and other losses in 2011 and 2010, respectively

3. Joint Operating Agreements and Investments in Unconsolidated Organizations

Joint Operating Agreements

CHI participates in JOAs with hospital-based organizations in five separate market areas. The agreements generally provide for, among other things, joint management through JOCs of the combined operations of the local facilities included in the JOAs. CHI retains ownership of the assets, liabilities, equity, revenues and expenses of the CHI facilities that participate in the JOAs. The financial statements of the CHI facilities managed under all JOAs are included in the CHI consolidated financial statements. Transfers of assets from facilities owned by the JOA participants generally are restricted under the terms of the agreements.

CHI has a 70% interest in a JOC based in Colorado and has interests of 50% in three other JOCs associated with other JOAs. These interests are included in investments in unconsolidated organizations and totaled \$125 million and \$65 million at June 30, 2011 and 2010, respectively CHI recognizes its investment in all JOCs under the equity method of accounting. The JOCs provide varying levels of services to the related JOA sponsors, and operating expenses of the JOCs are allocated to each sponsoring organization. The unconsolidated JOCs had total assets of \$721 million and \$671 million at June 30, 2011 and 2010, respectively, and net assets of \$109 million and \$95 million, respectively.

Investments in Unconsolidated Organizations

CHI Kentucky – On November 1, 2005, CHI entered into a joint venture agreement with JHHS CHI contributed substantially all of the net assets of the former MBO in Louisville, Kentucky, of \$7 million, along with \$20 million, paid in quarterly installments through August 2008, in return for a 25% interest in the joint venture. The investment in the joint venture, which is accounted for under the equity method of accounting and is included in investments in unconsolidated organizations, had a book value of \$30 million and \$18 million at June 30, 2011 and 2010, respectively. The joint venture had annual operating revenues of approximately \$1.0 billion for both 2011 and 2010, total assets of \$920 million and \$914 million, and net assets of \$335 million.

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

and \$291 million as of June 30, 2011 and 2010, respectively As part of the agreement, the joint venture executed a note to CHI with monthly payments of principal and interest. The note is included in other assets and had a balance of \$25 million and \$30 million at June 30, 2011 and 2010, respectively

Preferred Professional Insurance Corporation (PPIC) – PPIC is an unconsolidated affiliate of CHI PPIC provides professional liability insurance and other related services to preferred physician and other health care providers that are associated with its owners CHI owns a 27% interest in PPIC and accounts for its investment under the equity method of accounting The book value of the investment was \$49 million and \$43 million at June 30, 2011 and 2010, respectively PPIC had net assets of \$183 million and \$161 million at December 31, 2010 and 2009, respectively

Pathology Associates Medical Laboratories (PAML) – On October 21, 2009, CHI entered into an agreement with Seattle-based Providence Health and Services to acquire up to a 25% interest in PAML PAML is an unconsolidated affiliate of CHI and is a full-service medical reference lab, providing CHI hospitals with the opportunity to expand laboratory testing volumes and develop new relationships through outreach laboratory joint ventures As of June 30, 2011, CHI had met its commitment to invest a total of \$37 3 million in PAML, which represents a 25% ownership and is accounted for under the equity method The book value of the investment was \$37 6 million and \$14 9 million at June 30, 2011 and 2010, respectively CHI has an option to increase its investment in PAML by an additional \$7 5 million before January 2013

3. Joint Operating Agreements and Investments in Unconsolidated Organizations (continued)

Other Entities – The summarized financial positions and results of operations for the other entities accounted for under the equity method as of and for the periods ended June 30, excluding the investments described above, are as follows (in thousands)

					20	11				
	Aedical Office uildings	D	utpatient and iagnostic Services	9	nbulatory Surgery Centers		hysician ractices	I	Other nvestees	Total
Total assets Total debt Net assets Net patient services revenues Total revenues, net Excess of revenues over expenses	\$ 28,439 26,315 1,263 - 5,834	\$	129,620 42,133 86,316 125,066 139,594 16,236	\$	63,130 13,023 46,024 116,927 117,020 31,659	\$	21,028 10,664 8,054 33,991 37,452 6,142	\$	160,767 20,013 95,720 150,974 330,668 86,269	\$ 402,984 112,148 237,377 426,958 630,568 140,985
					20	10				
	Medical Office uildings	D	utpatient and iagnostic Services	9	20 nbulatory Surgery Centers	P	hysician ractices	I	Other nvestees	Total
Total assets Total debt Net assets Net patient services revenues Total revenues, net Excess of revenues over		D	and iagnostic	9	nbulatory Surgery	P	•			\$ Total 444,108 90,159 234,656 327,987 515,266

4. Acquisitions and Divestitures

Continuing Operations

Consolidated Health Services (CHS) – Effective on October 1, 2010, CHI acquired CHS, headquartered near Cincinnati, Ohio, from Bethesda, Inc, an Ohio nonprofit corporation CHS is a home health care service provider operating in 30 locations in Indiana, Kentucky and Ohio The gross purchase price of the acquisition was \$43.3 million (\$35.5 million, net of cash acquired), which was allocated as follows (in thousands)

Cash	\$ 7,814
Patient receivables	6,534
Current deferred tax asset	2,077
Property and equipment	3,260
Investment in unconsolidated organizations	17,900
Intangibles	12,064
Deferred tax asset	1,503
Goodwill	6,479
Other assets	5,960
Other liabilities	(13,210)
Deferred tax liability	(7,034)
Purchase price	\$ 43,347

Dayton Heart and Vascular Hospital – In May 2009, the decision was made to sell the Dayton Heart and Vascular Hospital building, as all operations had been moved to the primary hospital The property is classified as an asset held for sale on the consolidated balance sheets and had a value of \$16 0 million and \$17 9 million as of June 30, 2011 and 2010, respectively Impairment charges of \$1 9 million and \$24 6 million were recorded in 2011 and 2010, respectively, to reduce the carrying amount of the property to its fair value Such impairment charges are reflected as a component of restructuring, impairment and other losses in the accompanying consolidated statements of operations Effective on July 28, 2011, the property was sold for its stated value

Discontinued Operations

Idaho and Eastern Oregon Operations – In April 2010, CHI sold three of its facilities to an unrelated third party. The operations associated with these facilities have been reported as discontinued operations and are included in the consolidated statements of operations and changes in net assets. At June 30, 2010, assets held for sale consisted primarily of cash and

4. Acquisitions and Divestitures (continued)

investments, net patient accounts receivable, net property and equipment, investments in unconsolidated organizations and other long-term assets Liabilities held for sale consisted of accounts payable and accrued compensation and benefits CHI recorded a deficiency of revenues over expenses of \$45.3 million in 2010, which is reported as discontinued operations in the accompanying consolidated statements of changes in net assets

Missouri Operations – In November 2009, CHI's management transferred sponsorship and related operations of its Missouri facilities to an unrelated third party. The operations associated with these lines of business have been reported as discontinued operations and are included in the consolidated statement of changes in net assets. At June 30, 2010, assets held for sale consisted primarily of inventories, property and equipment, donor-restricted assets and investments in unconsolidated organizations. Liabilities held for sale consisted of certain compensation and benefits expenses. CHI recorded excess of revenues over expenses of \$6.7 million in 2010, which is reported as discontinued operations in the accompanying consolidated statements of changes in net assets.

Total operating revenues and deficiency of revenues over expenses included in the results of discontinued operations are summarized below (in thousands)

	2010
Total operating revenues	\$ 250,093
Total operating expenses	(248,554)
Restructuring and other losses	(48,137)
Impairment losses	(275)
Nonoperating gains	 8,225
Deficiency of revenues over expenses	\$ (38,648)

The consolidated statements of cash flows include \$40.5 million of operating, investing and financing activities related to discontinued operations for the year ended June 30, 2010

5. Net Patient Services Revenues

Net patient services revenues are derived from services provided to patients who are either directly responsible for payment or are covered by various insurance or managed care programs CHI receives payments from the federal government on behalf of patients covered by the

5. Net Patient Services Revenues (continued)

Medicare program, from state governments for Medicaid and other state-sponsored programs, from certain private insurance companies and managed care programs and from patients themselves A summary of payment arrangements with major third-party payors follows

Medicare – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic and other factors. Certain CHI facilities have been designated as critical access hospitals and, accordingly, are reimbursed their cost of providing services to Medicare beneficiaries. Professional services rendered by physicians are paid based on the Medicare allowable fee schedule.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are primarily paid under the traditional Medicaid plan at prospectively determined rates per discharge Certain outpatient services are reimbursed based on a cost reimbursement methodology, fee schedules or discounts from established charges

Other – CHI has also entered into payment agreements with certain managed care and commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to CHI under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates

CHI's Medicare, Medicaid and other payor utilization percentages, based upon net patient services revenues, are summarized as follows

2011

2010

		2010
Medicare	30%	30%
Medicaid	8	7
Managed care	39	38
Self-pay	8	8
Commercial and other	15	17
	100%	100%
	•	

5. Net Patient Services Revenues (continued)

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimated settlements related to Medicare and Medicaid of \$44 million and \$48 million at June 30, 2011 and 2010, respectively, are included in third-party liabilities. Net patient services revenues from continuing operations increased by \$33 million in 2011 and \$18 million in 2010 due to favorable changes in estimates related to prior-year settlements. Changes in estimates related to prior-year settlements from discontinued operations were not significant in 2010.

6. Investments and Assets Limited as to Use

CHI's investments and assets limited to use as of June 30 are reported in the accompanying consolidated balance sheets as presented in the following table (in thousands)

	2011	2010
Cash and equivalents CHI Investment Program (the Program) Marketable fixed-income securities Marketable equity securities Hedge funds and other investments	\$ 151,808 \$ 4,890,752 419,333 309,117 151,373	178,699 4,217,594 391,939 303,827 103,479
	5,922,383	5,195,538
Less current portion	(19,554) \$ 5,902,829 \$	(3,463) 5,192,075

Net unrealized gains (losses) at June 30, 2011 and 2010 were \$460 million and \$(159) million, respectively

CHI attempts to reduce its market risk by diversifying its investment portfolio using cash equivalents, fixed-income securities, marketable equity securities and alternative investments Most of the U S Treasury and corporate debt obligations as well as exchange-traded marketable securities held by CHI and the Program have an actively traded market However, CHI also invests in money market funds, commercial paper, mortgage-backed or other asset-backed securities, alternative investments (such as hedge funds, private equity investments, funds of funds, etc.), collateralized debt obligations, municipal securities and other investments that have potential complexities in valuation based upon the current conditions in the credit markets. For

6. Investments and Assets Limited as to Use (continued)

some of these instruments, evidence supporting the determination of fair value may not come from trading in active primary or secondary markets. Because these investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for such investments existed. Such differences could be material. However, management reviews the CHI investment portfolio on a regular basis and seeks guidance from its professional portfolio managers related to U.S. and global market conditions to determine the fair value of its investments. CHI believes the carrying amount of these financial instruments in the consolidated financial statements is a reasonable estimate of fair value. Additionally, CHI assesses the risk of impairment related to securities held in its investment portfolio on a regular basis and noted no impairment during the years ended June 30, 2011 and 2010.

Substantially all CHI long-term investments are held in the Program. The Program is structured under a Limited Partnership Agreement with CHI as managing general partner and numerous limited partners, most sponsored by CHI. The partnership provides a vehicle whereby virtually all entities associated with CHI, as well as certain other unrelated entities, can optimize investment returns while managing investment risk. Entities participating in the Program that are not consolidated in the accompanying financial statements have the ability to direct their invested amounts and liquidate and/or withdraw their interest without penalty upon demand. The Limited Partnership Agreement permits a majority vote of the noncontrolled limited partners to terminate the partnership Accordingly, CHI recognizes only the portion of Program assets attributable to CHI and its sponsored affiliates. Program assets attributable to CHI and its direct affiliates represented 84% of total Program assets at June 30, 2011 and 2010.

The Program asset allocation at June 30 is as follows

	2011	2010
Marketable fixed-income securities Marketable equity securities	34% 45	38% 41
Alternative investments	19	19
Cash and equivalents	2	2
	100%	100%

2010

Direct expenses of the Program are less than 0.4% of total assets. Fees paid to the alternative investment managers are not included in the total expense calculation as they are not a direct expense of the Program

6. Investments and Assets Limited as to Use (continued)

The CHI Investment Committee of the Board of Stewardship Trustees is responsible for determining asset allocations among fixed-income, equity and alternative investments At least annually, the Investment Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations Given the diversity of the underlying securities in which the Program invests, management does not believe there is a significant concentration of credit risk

Investment income is comprised of the following for the years ended June 30 (in thousands)

		2011	2010
Dividend and interest income Net realized gains Net unrealized gains	\$	122,713 272,538 456,420	\$ 127,582 133,129 202,944
Total investment income from continuing operations	\$	851,671	\$ 463,655
Included in other nonpatient revenue Included in nonoperating gains Total investment income from continuing operations	\$ 	97,907 753,764 851,671	\$ 75,981 387,674 463,655
Total investment income from discontinued operations Total investment income	<u>\$</u>	- 851,671	\$ 8,225 471,880

7. Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date FASB ASC 820, Fair Value Measurements and Disclosures, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement)

The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets

7. Fair Value of Assets and Liabilities (continued)

Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial asset or liability

Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement

Certain of CHI's alternative investments are made through limited liability companies (LLCs) and limited liability partnerships (LLPs) These LLCs and LLPs provide CHI with a proportionate share of the investment gains (losses) CHI accounts for its ownership in the LLCs and LLPs under the equity method CHI also accounts for its ownership in the Partnership under the equity method As such, these investments are excluded from the scope of ASC 820

Financial assets and liabilities measured at fair value on a recurring basis were determined using the following inputs at June 30 (in thousands)

2011 Fair Value Measurements at Reporting Date Using							
		(Level 1)	(Level 2)	(I	Level 3)
F	air Value	Qu	oted Prices		Other		
	as of			O	bservable	Uno	bservable
	June 30	1	Markets		Inputs]	Inputs
_							
\$	151,808	\$	151,808	\$	_	\$	_
	309,117		309,117		_		_
	419,333		_		419,333		_
	2,257		_		_		2,257
	12,761		12,761				
\$	895,276	\$	473,686	\$	419,333	\$	2,257
- \$	116,601	\$	_	\$	116,601	\$	_
	12,761		12,761		_		_
\$	129,362	\$	12,761	\$	116,601	\$	_
	\$ - \$	Fair Value as of June 30 \$ 151.808 309.117 419.333 2.257 12.761 \$ 895.276 \$ 116.601 12.761	Fair Value as of June 30 \$ 151.808 \$ 309.117 419.333	Fair Value (Level 1) Fair Value as of June 30 \$ 151.808	Fair Value Clevel 1) (Cle	Fair Value as of June 30 Quoted Prices in Active Markets Other Observable Inputs	Fair Value (Level 1) (Level 2) (I Fair Value as of June 30 Markets Observable Uno June 30 Markets Inputs

7. Fair Value of Assets and Liabilities (continued)

				20	10			
	Fair Value Measurements at Reporting Date Using							
			(Level 1)	(Level 2)	(Le	evel 3)
	F	air Value	Qu	oted Prices		Other	·	·
		as of	i	n Active	O	bservable	Unob	servable
		June 30	ľ	Markets		Inputs	Ir	puts
Assets								
Assets limited as to use								
Cash and short-term								
investments	\$	178,699	\$	178,699	\$	_	\$	_
Marketable equity securities		303,827		303,827		_		_
Marketable fixed-income								
securities		391,939		_		391,939		_
Deferred compensation assets								
Cash and short-term								
investments		10,850		10,850		_		_
	\$	885,315	\$	493,376	\$	391,939	\$	_
Liabilities								
Interest rate swaps	- \$	143,477	\$	_	\$	143,477	\$	_
Deferred compensation liability		10,850		10,850		_		_
-	\$	154,327	\$	10,850	\$	143,477	\$	_

The fair values of the securities included in Level 1 were determined through quoted market prices Level 1 securities include money market funds, mutual funds and marketable debt and equity securities. The fair values of Level 2 securities were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, estimated prepayment rates, where applicable, are used for valuation purposes and are provided by third-party services where quoted market values are not available. Level 2 investments include corporate fixed—income securities, government bonds, mortgage and asset-backed securities. The fair values of Level 3 securities are determined primarily through information obtained from the relevant counterparties for such investments. Information on which these securities' fair values are based is generally not readily available in the market.

8. Property and Equipment

A summary of property and equipment is as follows as of June 30 (in thousands)

	2011	2010
Land and improvements	\$ 341,256	\$ 330,327
Buildings and improvements	5,028,785	4,438,362
Equipment	3,822,370	3,572,304
	9,192,411	8,340,993
Less accumulated depreciation	(4,635,108)	(4,351,433)
	4,557,303	3,989,560
Construction in progress	378,216	716,349
	\$ 4,935,519	\$ 4,705,909

CHI evaluates whether events and circumstances have occurred that indicate the remaining useful life of property, equipment and certain other intangible assets may not be recoverable Management determined there were impairment issues in both 2011 and 2010, to the extent that the undiscounted cash flows estimated to be generated by certain assets were less than the underlying carrying value CHI recorded \$7.9 million and \$36.8 million in impairment losses in 2011 and 2010, respectively, resulting from charges related to projected discounted cash flow deficits at various MBOs. In addition, impairment charges of \$0.3 million related to the assets held for sale have been included in discontinued operations in the consolidated statement of changes in net assets in 2010.

9. Debt Obligations

The following is a summary of debt obligations as of June 30 (in thousands)

Long-Term Debt	Interest Rate	2011		2010
CHI bond issues under the COD				
Series 1997B Variable-rate Bonds	0 11%*	\$ 24,400	\$	27,100
Series 2000B Variable-rate Bonds	0 10%*	81,800		87,400
Series 2002B Variable-rate Bonds	0 08%*	106,100		108,800
Series 2004B Variable-rate Bonds	0 10%*	290,900		298,200
Series 2008A Variable-rate Bonds	0 13%*	120,260		120,260
Series 2004C Variable-rate Bonds				
with self-liquidity	0 05%*	163,400		163,400
Series 1989A Fixed-rate Bonds	7 00%	3,390		4,100
Series 1995C Fixed-rate Bonds	4 80-5 50%	10,145		12,360
Series 1997A Fixed-rate Bonds	4 40-5 25%	12,950		14,330
Series 2000A Fixed-rate Bonds	4 25-6 00%	39,600		45,740
Series 2002A Fixed-rate Bonds	4 00-5 50%	4,845		5,520
Series 2004A Fixed-rate Bonds	4 75-5 00%	146,605		146,605
Series 2004D Fixed-rate Bonds	3 50%	_		56,775
Series 2006A Fixed-rate Bonds	4 00-5 00%	384,135		384,135
Series 2006C Fixed-rate Bonds	3 85-5 10%	250,000		250,000
Series 2008C Fixed-rate Bonds	4 00-5 00%	215,000		275,000
Series 2008D Fixed-rate Bonds	5 00-6 25%	473,950		473,950
Series 2009A Fixed-rate Bonds	2 00-5 00%	794,345		817,565
Series 2009B Fixed-rate Bonds	5 00%	260,995		260,995
		3,382,820		3,552,235
Commercial paper		617,400		550,625
Other long-term debt and capital leases		 122,382		97.817
		4,122,602		4,200,677
Variable-rate debt with self-liquidity and		•		
current portion of long-term debt		(999,601)	(1,019,712)
Long-term debt		\$ 3,123,001		3,180,965

^{*}Represents average rate of interest from July 1, 2010 to June 30, 2011

The fair value of debt obligations was approximately \$4 2 billion at June 30, 2011 Management has determined the carrying value of the variable-rate bonds are representative of fair values as of June 30, 2011, as the interest rates are set by the market participants. The fair value of the fixed-rate tax-exempt bond obligations as of June 30, 2011 is determined by applying credit spreads for similar tax-exempt obligations in the marketplace, which are then used to calculate a price/yield for the outstanding obligations

9. Debt Obligations (continued)

A summary of scheduled principal payments on long-term debt for the next five years is as follows (in thousands)

	Am	ounts Due
Year Ending June 30		
2012	\$	836,201
2013		165,772
2014		168,572
2015		163,383
2016		181,132

CHI issues the majority of its debt under the COD and is the sole obligor Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of its Direct and Designated Affiliates Covenants include a minimum CHI debt service coverage ratio and certain limitations on secured debt The Direct Affiliates of CHI, defined as Participants under the COD, have agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities

In July 2010, CHI converted the interest rate mode on \$120 3 million of variable-rate demand bonds to Index Notes These bonds were previously recorded on the balance sheet as variable-rate demand bonds supported by CHI's self-liquidity The conversion was accomplished through a direct purchase by Wells Fargo Bank Wells Fargo Bank will hold the bonds through the initial three-year index rate term. This transaction was accounted for as an extinguishment of debt

In November 2010, CHI issued \$116 8 million of Taxable Commercial Paper Notes, the proceeds of which were used to redeem \$60 0 million of the outstanding Colorado Health Facilities Authority Variable Rate Revenue Bonds (Catholic Health Initiatives) Series 2008C-6 and \$56 8 million of the outstanding Kentucky Economic Development Finance Authority Variable Rate Revenue Bonds (Catholic Health Initiatives) Series 2004D, all of which bore interest at long-term interest rates and were subject to mandatory tender on November 10, 2010 (the end of the then-current long-term interest rate period) CHI intends to refinance this interim taxable borrowing on a long-term basis through the issuance of additional bonds in 2011

In November 2009, CHI issued \$1 14 billion of fixed-rate and put bonds in the states of Colorado, Kentucky and Ohio for the benefit of CHI and Alegent Proceeds were used to redeem \$379 million of existing debt, including \$241 6 million in variable-rate debt with self-liquidity, as well as to reimburse CHI and participants of the COD for capital expenditures in the amount of \$579 3 million Concurrent with the issuance of these bonds, CHI converted the interest rate

9. Debt Obligations (continued)

mode on \$55 million of Series 2008 bonds, which were subject to mandatory tender on November 10, 2009, to a long-term interest period extending through November 12, 2015, and redeemed the remaining \$25 million of Series 2008 bonds subject to mandatory redemption on November 10, 2009 These bonds had been used to finance facilities of the divested Missouri operations This refinancing resulted in a loss on defeasance of \$10 million

In January 2010, CHI legally defeased bonds in the amount of \$33.4 million related to divested Missouri operations. In June 2010, CHI legally defeased bonds in the amount of \$24.1 million related to the divestiture of certain facilities in Oregon. This resulted in net losses on defeasance of \$1.5 million.

In June 2010, CHI recognized gains of \$5 4 million from the restructuring of escrowed securities held by trustees. These escrowed securities, which are not recorded for financial reporting purposes, totaled \$393 7 million and \$410 9 million at June 30, 2011 and 2010, respectively Gains (losses) on escrow restructuring and defeasance of debt are recorded as a component of nonoperating gains (losses) in the consolidated statements of operations and changes in net assets CHI reported a net gain on escrow restructuring and defeasance of debt of \$2 9 million for the year ended June 30, 2010

CHI has two types of external liquidity facilities those that are dedicated to specific series of variable-rate demand bonds (VRDBs) and those that are not dedicated to a particular series of VRDBs but may be used to support CHI's obligations to fund tenders of VRDBs and pay the maturing principal of commercial paper Liquidity facilities that are dedicated to specific series of bonds were \$623.5 million and \$521.5 million at June 30, 2011 and 2010, respectively. The dedicated liquidity facilities and repayment terms on any associated drawings extend beyond the subsequent fiscal year but due to the terms of the specific agreements, \$604.7 million and \$503.2 million at June 30, 2011 and 2010, respectively, are reported as long-term debt, and \$18.8 million and \$18.3 million at June 30, 2011 and 2010, respectively, of the dedicated facilities are required to be classified as current

Liquidity facilities not dedicated for specific series of VRDBs but used to support CHI's obligations to fund tenders and to pay maturing principal of commercial paper were \$565 million and \$690 million at June 30, 2011 and 2010, respectively At June 30, 2011, \$617 4 million of commercial paper was classified as current due to maturities of less than one year, and \$163 4 million of VRDBs were classified as current due to the holder's ability to put such VRDBs back to CHI without liquidity facilities dedicated to these bonds

9. Debt Obligations (continued)

At June 30, 2011, CHI had a \$65 million credit facility with Wells Fargo Bank Letters of credit totaling \$413 million have been issued for the benefit of third parties, principally in support of the self-insurance programs administered by FIIL At June 30, 2011 and 2010, no amounts were outstanding under this credit facility

CHI is a party to seven floating-to-fixed interest rate swap agreements with notional amounts totaling \$942 8 million and \$953 7 million at June 30, 2011 and 2010, respectively Generally, it is CHI policy that all counterparties have an AA rating or better These fixed-payor swap agreements convert CHI's variable-rate debt to fixed-rate The seven swaps have varying maturity dates ranging from May 2025 to December 2036 The fair value of the swaps is estimated based on the present value sum of anticipated future net cash settlements until the swaps' maturities At June 30, 2011 and 2010, the fair value was \$116 6 million and \$143 5 million, respectively The fair value was reported net of cash collateral balances of \$47 0 million and \$51 1 million at June 30, 2011 and 2010, respectively, and is recorded in other liabilities The change in the fair value of these agreements was a net gain of \$26 9 million and a net loss of \$(46 4) million in 2011 and 2010, respectively

10. Retirement Plans

CHI and its direct affiliates maintain noncontributory, defined benefit retirement plans (Plans) covering substantially all employees Benefits in the Plans are based on compensation, retirement age and years of service Vesting occurs over a five-year period Substantially all of the Plans are qualified as church plans and are exempt from certain provisions of both the Employee Retirement Income Security Act and Pension Benefit Guaranty Corporation premiums and coverage Funding requirements are determined through consultation with independent actuaries

CHI recognizes the funded status (that is, the difference between the fair value of plan assets and the projected benefit obligations) of its Plans in the consolidated balance sheets, with a corresponding adjustment to net assets Actuarial gains and losses that arise and are not recognized as net periodic pension cost in the same periods are recognized as a component of net assets

10. Retirement Plans (continued)

A summary of the changes in the benefit obligation, fair value of plan assets and funded status of the Plans at the June 30 measurement dates is as follows (in thousands)

	2011	2010
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 2,648,696	\$ 2,250,025
Service cost	167,444	150,082
Interest cost	143,536	145,840
Actuarial (gain) loss	(80,030)	210,728
Net impact of transfers among plans	_	(4,071)
Benefits paid	(111,340)	(103,666)
Expenses paid	(318)	(242)
Benefit obligation, end of year	2,767,988	2,648,696
Change in the Plans' assets Fair value of the Plans' assets, beginning of year Actual return on the Plans' assets, net of expenses Employer contributions Net impact of transfers among plans Benefits paid Expenses paid Fair value of the Plans' assets, end of year	1,917,500 454,343 192,280 - (111,340) (318) 2,452,465	162,451 (4,128)
Funded status of the Plans	\$ (315,523)	\$ (731,196)
End-of-year values Projected benefit obligation Accumulated benefit obligation	\$ 2,767,988 2,598,491	<u>, , , , , , , , , , , , , , , , , , , </u>

Included in net assets at June 30, 2011 are the following amounts that have not yet been recognized in net periodic pension cost unrecognized prior service cost of \$1 1 million and unrecognized actuarial losses of \$650 1 million. The prior service cost and actuarial loss included in net assets and expected to be recognized in net periodic pension cost during the fiscal year ending June 30, 2012 is \$0.2 million and \$38.4 million, respectively

10. Retirement Plans (continued)

The components of net periodic pension expense are as follows (in thousands)

	2011	2010
Components of net periodic pension expense		
Service cost	\$ 167,444 \$	150,082
Interest cost	143,536	145,840
Expected return on the Plans' assets	(183,365)	(174,141)
Amortization of prior service benefit	893	1,609
Actuarial losses	 47,550	18,726
	\$ 176,058 \$	142,116
Weighted-average assumptions		
Discount rate, beginning of year	5.24%	6 44%
Discount rate, end of year	5.39	5 24
Expected return on the Plans' assets	8.00	8 00
Rate of compensation increase	4.25	4 50

The assumption for the expected return on the Plans' assets is based on historical returns and adherence to the asset allocations set forth in the Plans' investment policies. The expected return on the Plans' assets for determining pension cost was 8 0% in 2011 and 2010. The increase in the discount rate to 5 39% at June 30, 2011 decreased the pension benefit obligation by approximately \$41 million.

A summary of the Plans' asset allocation targets, ranges by asset class and allocations by asset class at the measurement dates of June 30 is as follows

_	2011	2010	Target	Range
Fixed-income securities	26 1%	24 6%	27 5%	22 5% to 32 5%
Equity securities	53 7	53 6	52 5	47 5 to 57 5
Alternative investments	20 2	21 8	20 0	20 0 to 25 0

The Plans' assets are invested in a portfolio designed to preserve principal and obtain competitive investment returns and long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk Diversification is achieved by allocating assets to various asset classes and investment styles and by retaining multiple investment managers with complementary philosophies, styles and approaches Although the objective of the Plans is to maintain asset allocations close to target, temporary periods may exist

10. Retirement Plans (continued)

where allocations are outside of the expected range due to market conditions. The use of leverage is prohibited except as specifically directed in the alternative investment allocation. The portfolio is managed on a basis consistent with the CHI social responsibility guidelines.

The Plans' assets measured at fair value on a recurring basis were determined using the following inputs at June 30 (in thousands)

2011
Fair Value Measurements at Reporting Date Using

		ran value Measurements at Reporting Date Using							
				(Level 1)	(Level 2)	((Level 3)	
_		Fair Value as of June 30		Quoted Prices in Active Markets		Other Observable Inputs		Unobservable Inputs	
Cash and short-term investments Marketable equity securities	\$	133,920 1,276,810	\$	80,363 1,276,810	\$	53,557	\$		
Marketable fixed-income securities Alternative investments		547,052 494,683		122,806		424,246		- 494,683	
	\$	2,452,465	\$	1,479,979	\$	477,803	\$	494,683	

2010

		2010								
	Fair Value Measurements at Reporting Date Using									
				(Level 1)	((Level 2)	(Level 3)			
	I	Fair Value	Qι	ioted Prices		Other				
		as of		in Active	0	bservable	Unobservable			
		June 30		Markets		Inputs	Inputs			
Cash and short-term										
investments	\$	89,957	\$	46,485	\$	43,472	\$	_		
Marketable equity securities		1,008,042		1,008,042		_		_		
Marketable fixed-income										
securities		404,422		69,044		335,378		_		
Alternative investments		415,079		_		_		415,079		
	\$	1,917,500	\$	1,123,571	\$	378,850	\$	415,079		

10. Retirement Plans (continued)

For the year ended June 30, 2011, the changes in the fair value of the Plans' investments, for which Level 3 inputs were used, are as follows (in thousands)

Beginning investments at fair value	\$ 415,079
Purchases of investments	41,499
Proceeds from sale of investments	(23,322)
Net change in unrealized appreciation on investments	
and effect of foreign currency translation	43,066
Net realized gains on investments	18,369
Net transfers out of Level 3	 (8)
Ending investments at fair value	\$ 494,683

CHI expects to contribute \$180 million to the Plans in fiscal year 2012 A summary of expected benefits to be paid to the Plans' participants and beneficiaries is as follows (in thousands)

012 013 014 015	Estimated Payments
Year Ending June 30	
2012	\$ 153,730
2013	146,298
2014	160,203
2015	179,347
2016	212,555
2017–2020	1,377,113

11. Concentrations of Credit Risk

CHI grants credit without collateral to its patients, most of whom are insured under third-party payor agreements CHI's exposure to credit risk on patient accounts receivable is limited by the geographical diversity of its MBOs. The mix of receivables from patients and third-party payors at June 30 approximated the following

	2011	2010
Medicare	23%	24%
Medicaid	7	8
Managed care	36	34
Self-pay	10	9
Commercial and other	24	25
	100%	100%

CHI maintains long-term investments with various financial institutions and investment management firms through its investment program, and its policy is designed to limit exposure to any one institution or investment Management does not believe there are significant concentrations of credit risk at June 30, 2011 and 2010

12. Commitments and Contingencies

Litigation

During the normal course of business, CHI may become involved in litigation Management assesses the probable outcome of unresolved litigation and records estimated settlements. After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of CHI

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services and Medicare and Medicaid fraud and abuse. Management believes CHI is in compliance with all applicable laws and regulations of the Medicare and Medicaid programs. Compliance with such laws and regulations is complex and can be subject to

12. Commitments and Contingencies (continued)

future governmental interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs Certain CHI entities have been contacted by governmental agencies regarding alleged violations of Medicare practices for certain services In the opinion of management after consultation with legal counsel, the ultimate outcome of these matters will not have a material adverse effect on CHI's consolidated financial position

In June 2008, one of CHI's MBOs was notified by the Office of Inspector General of the U S Department of Health and Human Services of its investigation into certain activities including, but not limited to, the relationship with a physician group at the MBO In July 2009, an agreement in principle was reached with the Office of the Attorney General to resolve the matter, and CHI recorded a liability of \$22 million at June 30, 2010 This agreement in principle received government approval in November 2010 and the liability was paid by the MBO

Operating Leases

Future minimum lease payments required for the next five years and thereafter for all operating leases that have initial or remaining noncancelable lease terms in excess of one year at June 30, 2011, are as follows (in thousands)

	<u>Am</u>	Amounts Due	
Year Ending June 30			
2012	\$	129,905	
2013		117,175	
2014		73,564	
2015		57,637	
2016		50,475	
Thereafter		154,642	
	\$	583,398	

Lease expense under operating leases for continuing operations for the years ended June 30, 2011 and 2010 totaled approximately \$157 million and \$145 million, respectively Lease expense under operating leases for discontinued operations was not significant in 2010

13. Insurance Programs

FIIL, a wholly owned captive insurance company of CHI, provides hospital professional liability, employment practices liability and commercial general liability coverage, primarily to MBOs related to CHI either on a directly written basis or through reinsurance fronting relationships with commercial carriers such as PPIC Policies written provide coverage with primary limits in the amount of \$8 million for each and every claim At June 30, 2011 and 2010, investments and assets limited as to use held for insurance purposes included \$58 million and \$69 million, respectively, as collateral for the reinsurance fronting arrangement with PPIC In addition, CHI purchases excess insurance of \$150 million per claim and in the aggregate for professional and general liability risks from commercial carriers

FIIL provides workers' compensation coverage, either on a directly written basis or through reinsurance fronting relationships with commercial carriers for amounts above \$1 million per claim Coverage of \$500,000 in excess of \$500,000 per claim is reinsured with an unrelated commercial carrier FIIL also underwrites the property and casualty risks of CHI for up to \$1 million per claim Unrelated commercial insurance carriers reinsure losses in excess of the perclaim limits

The liability for self-insured reserves and claims represents the estimated ultimate net cost of all reported and unreported losses incurred through June 30. The reserves for unpaid losses and loss adjustment expenses are estimated using individual case-based valuations, statistical analyses and the expertise of an independent actuary

The estimates for loss reserves are subject to the effects of trends in loss severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate. The estimates are reviewed periodically, with consultation from independent actuaries, and any adjustments to the loss reserves are reflected in current operations. As a result of these reviews of claims experience, estimated reserves were reduced by \$19 million and \$77 million in 2011 and 2010, respectively, due to favorable loss development. The reserves for unpaid losses and loss adjustment expenses relating to the workers' compensation program were discounted, assuming a 4% annual return at June 30, 2011 and 2010, to a present value of \$148.8 million and \$139.2 million at June 30, 2011 and 2010, respectively, and represented a discount of \$32.2 million and \$32.5 million in 2011 and 2010, respectively. Reserves related to professional liability, employment practices and general liability are not discounted

13. Insurance Programs (continued)

FIIL holds \$715 7 million and \$658 4 million of investments held for insurance purposes as of June 30, 2011 and 2010, respectively Distribution of amounts from FIIL to CHI are subject to the approval of the Cayman Island Monetary Authority CHI established a captive management operation (Captive Management Initiatives, Ltd) based in the Cayman Islands, which currently manages FIIL as well as operations of other unrelated parties

CHI, through its Welfare Benefit Administration and Development Trust, provides comprehensive health and dental coverage to certain employees and dependents through a self-insured medical plan Accounts payable and accrued expenses include \$45 million and \$50 million for unpaid claims and claims adjustment expenses for CHI's self-insured medical plan at June 30, 2011 and 2010, respectively Those estimates are subject to the effects of trends in loss severity and frequency Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid losses and loss adjustment expenses are adequate The estimates are reviewed periodically and, as adjustments to the liability become necessary, such adjustments are reflected in current operations CHI has stop-loss insurance to cover unusually high costs of care beyond a predetermined annual amount per enrolled participant

14. Subsequent Events

CHI's management has evaluated events subsequent to June 30, 2011 through September 13, 2011, which is the issuance date of this report. There have been no material events noted during this period that would either impact the results reflected in this report or CHI's results going forward, except as disclosed below

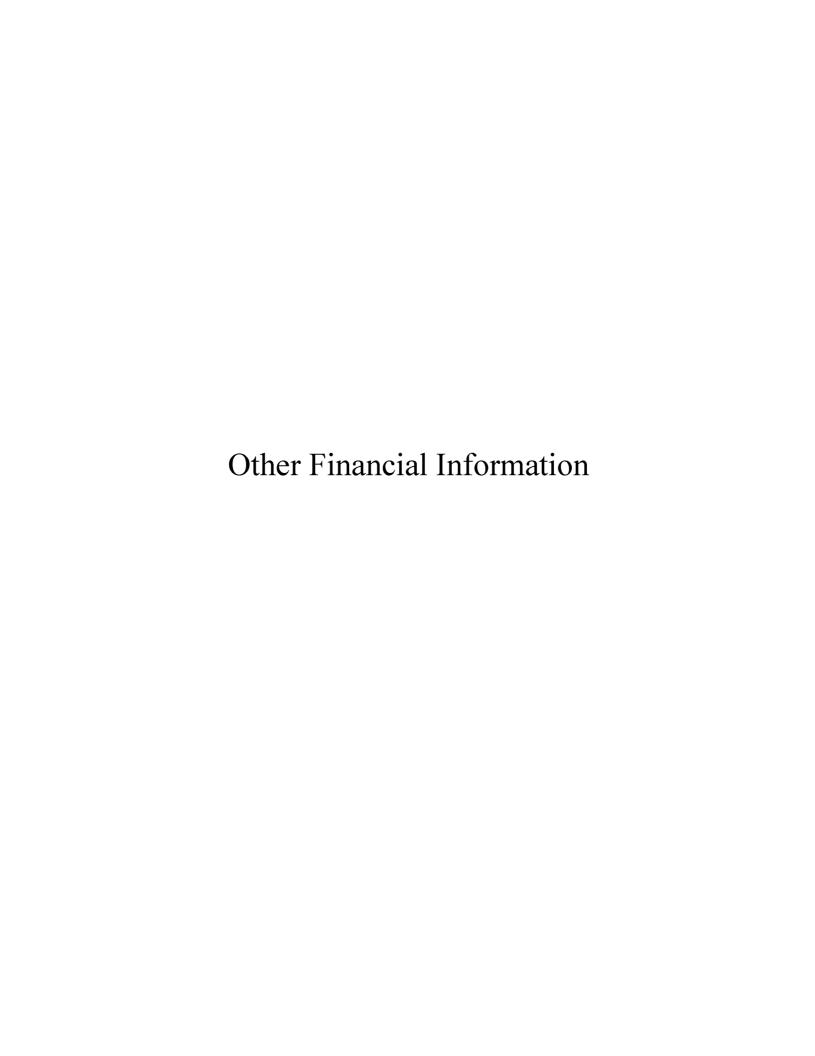
Statewide Health Care Network in Kentucky

Effective in June 2011, CHI entered into a formal agreement with two other parties, Jewish Hospital and St Mary's HealthCare/Jewish Hospital HealthCare Services, and the University of Louisville Hospital/James Graham Brown Cancer Center, to create a new statewide health care network in Kentucky The new network would serve more than two million patients annually at more than 91 locations, ranging from critical access hospitals to major quaternary facilities capable of transplant procedures The agreement provides CHI with a 70% controlling interest in the new network and calls for CHI to make a \$320 million capital investment. The new network is pending regulatory and Church approvals

14. Subsequent Events (continued)

Nebraska Heart Institute and Nebraska Heart Hospital

Effective in August 2011, CHI acquired Nebraska Heart Institute and Nebraska Heart Hospital for cash proceeds of \$131 million CHI is currently in the process of finalizing the purchase price allocation





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Report of Independent Auditors on Other Financial Information

Board of Stewardship Trustees Catholic Health Initiatives

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Catholic Health Initiatives as a whole. The following consolidating financial information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, based on our audits and the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

September 13, 2011

Catholic Health Initiatives Consolidating Balance Sheet

June 30, 2011 (In Thousands)

				CHI Welfare		Eliminations	
	MBOs	Corporate	FIIL	Benefits Trust	Other	and Adjustments	Consolidated
Assets							
Current assets							
Cash and equivalents	\$ 432,606	\$ (54.915) \$	102	\$ 28,377 \$	3,504	\$ 40,000	\$ 449.674
Net patient accounts receivable, less allowance							
of`\$65().617	1,133,819	=	_	=	_	_	1,133,819
Other accounts receivable	92,252	106,004	(2.319)	469	11.624	(99,182)	108,848
Current portion of investments and assets limited as to use	58,146	1.408	_	_	_	(40,000)	19,554
Inventories	173,316	_	_	_	_	_	173,316
Assets held for sale	23,987	-	_			_	23,987
Prepaid and other	47,838	22,760	17	157	33	_	70,805
Total current assets	1.961.964	75.257	(2.200)	29,003	15,161	(99,182)	1,980,003
Investments and assets limited as to use							
Internally designated for capital and other funds	2.904,604	1.625.262	_	87.315	_	_	4.617.181
Mission and Ministry Fund	_	117.832	_	_	_	_	117.832
Capital Resource Pool	_	268,690	_	_	_	_	268,690
Held by trustees	5,488	_	_	_	_	_	5,488
Held for insurance purposes	23,363	_	715,708	_	_	_	739,071
Restricted by donors	152,122	2,445	_	-		_	154,567
Total investments and assets limited as to use	3,085,577	2,014,229	715,708	87.315	_	_	5,902,829
Property and equipment, net	4,704,801	229,312	_	_	1,406	_	4.935.519
Deferred financing costs	568	11,253	_	_	_	_	11,821
Investments in unconsolidated organizations	262,629	135,664	_	_	11,127	(55.971)	353,449
Intangible assets	57,486	_	_	_	_	_	57.486
Notes receivable and other	65,750	2,586,254	21,620	_	_	(2,033,597)	640,027
Total assets	\$ 10,138,775	\$ 5,051,969 \$	735,128	\$ 116,318 \$	27,694	\$ (2,188,750)	\$ 13,881,134

Continued on following page

Catholic Health Initiatives Consolidating Balance Sheet (continued)

June 30, 2011 (In Thousands)

				CHI Welfare		Eliminations	
	MBOs	Corporate	FIIL	Benefits Trust	Other	and Adjustments	Consolidated
Liabilities and net assets							
Current liabilities							
Compensation and benefits	\$ 344,238	\$ 62,037	\$ -	\$ 964 \$	1,136	\$ -	\$ 408,375
Third-party liabilities	66,283	_	_	_	_	_	66,283
Accounts payable and accrued expenses	521,312	133,604	3,893	45,378	2,395	(99,182)	607,400
Variable-rate debt with self liquidity	_	163,400	=	=	_	=	163,400
Current portion of long-term debt	179.244	780,190	_	_	_	(123,233)	836,201
Total current liabilities	1,111,077	1,139,231	3,893	46,342	3,531	(222.415)	2,081,659
Pension liability	5.619	309,904	_	_	_	_	315,523
Self-insured reserves and claims	13,467	17.446	418.027	_	_	_	448,94()
Other liabilities	163,729	105,934	_	_	(1)	-	269,662
Long-term debt	1.976,735	3,056,630	_	_		(1,910,364)	3,123,001
Total liabilities	3,270,627	4,629,145	421,920	46.342	3,530	(2.132.779)	6.238.785
Net assets							
Net assets attributable to CHI	6.676.445	420,339	313,208	69.976	24,164	(55.971)	7,448,161
Net assets attributable to noncontrolling interests	8,967	_	_	_	_	_	8,967
Unrestricted	6,685,412	420,339	313,208	69,976	24,164	(55,971)	7,457,128
Temporarily restricted	120,310	2,485	_	_	_	_	122,795
Permanently restricted	62,426	_	_	_	_	_	62,426
Total net assets	6,868,148	422,824	313.208	69.976	24,164	(55.971)	7.642.349
Total liabilities and net assets	\$ 10,138,775	\$ 5,051,969	\$ 735,128	\$ 116,318 \$	27,694	\$ (2,188,750)	\$ 13,881,134

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Catholic Health Initiatives Consolidating Statement of Operations

Year Ended June 30, 2011 (In Thousands)

	MBOs	Corporate	FIIL	CHI Welfare Benefits Trust		Eliminations nd Adjustments	Consolidated
Revenues Net patient services	\$ 9 109 778	\$ - \$	- \$	- \$	- \$	(104 800) \$	9 004 978
ret patent services	J 2102770	J J	J	, ,	J	(1/14/0///)	210
Nonpatient							
Donations	24 620	19	_	_	-	-	24 639
Changes in equity of unconsolidated organizations	28 989	10 864	_	_	(678)	(1 116)	38 059
Investment income from self-insured trust funds	_	-	97 907	_	-	-	97 907
Other	313 824	779 020	98 556	368 939	4 350	(1 098 504)	466 185
Total nonpatient revenues	367 433	789 903	196 463	368 939	3 672	(1 099 620)	626 790
Total operating revenues	9 477 211	789 903	196 463	368 939	3 672	(1/204/420)	9 631 768
Expenses							
Salaries and wages	3 408 645	213 891	-	-	10 270	(45)	3 632 761
Employee benefits	845 812	41 378	-	349 333	1 428	(464 911)	773 040
Purchased services medical professional fees consulting and legal	1 056 960	93 578	475	1 502	993	(286 359)	867 149
Supplies	1 541 454	7 974	_	_	266	_	1 549 694
Bad debts	718 577	-	-	-	-	-	718 577
Utilities	112 116	10 052	_	-	27	-	122 195
Rentals leases maintenance and insurance	307 774	267 164	110 019	-	873	(196 039)	489 791
Depreciation and amortization	443 554	26 772	=	=	343	=	470 669
Interest	93 066	136 833	_	_	-	(96 476)	133 423
Other	617 706	33 503	453	569	731	(159 474)	493 488
Total operating expenses before restructuring impairment							
and other losses	9 145 664	831 145	110 947	351 404	14 931	(1 203 304)	9 250 787
Income (loss) from operations before restructuring impairment							
and other losses	331 547	(41.242)	85 516	17 535	(11/259)	(1 116)	380 981
Restructuring impairment and other losses	25 085	570	_	_	_	_	25 655
Income (loss) from operations	306 462	(41.812)	85 516	17 535	(11 259)	(1 116)	355 326
Nonoperating gains (losses)							
Investment income net	449 528	294 195	_	9 945	96	-	753 764
Gain on escrow restructuring and defeasance of bonds net	=	=	=	=	=	=	=
Realized and unrealized losses on interest rate swaps	_	(4.870)	-	-	-	-	(4.870)
Other nonoperating gains	16 462	=	=	=	=	=	16 462
Total nonoperating gains	465 990	289 325	_	9 945	96	_	765 356
Excess (deficiency) of revenues over expenses	\$ 772,452	\$ 247,513 \$	85,516 \$	27,480 \$	(11,163) \$	(1,116) \$	1,120,682
Excess of revenues over expenses attributable to noncontrolling interest	\$ 3 298	\$ - \$	- \$	- \$	- \$	- \$	3 298
,	y 5 250	y		, J	J		3 270
Excess (deficiency) of revenues over expenses attributable to CHI	\$ 769 154	\$ 247 513 \$	85 516 \$	27 480 \$	(11 163) \$	(1 116) \$	1 117 384

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