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Form 990
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2010

Open to Public Inspection

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

Part I Summary

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

C Name of organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM
Doing Business As
Number and street (or P O box if mail is not delivered to street address)
7500 MERCY ROAD
Room/suite
City or town, state or country, and ZIP + 4
OMAHA, NE 68124

D Employer identification number
47-0484764
E Telephone number
(402) 343-4323
G Gross receipts \$ 544,015,718

F Name and address of principal officer
SCOTT M WOOTEN
12809 WEST DODGE ROAD
OMAHA, NE 68154

H(a) Is this a group return for affiliates?
H(b) Are all affiliates included?
H(c) Group exemption number

I Tax-exempt status
501(c)(3)
501(c) () (Insert no)
4947(a)(1) or
527

J Website: WWW.ALEGENT.COM

K Form of organization
Corporation
Trust
Association
Other
L Year of formation 1961
M State of legal domicile NE

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON

Table with 2 columns: Description and Amount. Rows include: 2 Check this box if the organization discontinued its operations... 3 Number of voting members... 4 Number of independent voting members... 5 Total number of individuals employed... 6 Total number of volunteers... 7a Total unrelated business revenue... 7b Net unrelated business taxable income...

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 8 Contributions and grants... 9 Program service revenue... 10 Investment income... 11 Other revenue... 12 Total revenue—add lines 8 through 11...

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 13 Grants and similar amounts paid... 14 Benefits paid to or for members... 15 Salaries, other compensation... 16a Professional fundraising fees... 16b Total fundraising expenses... 17 Other expenses... 18 Total expenses... 19 Revenue less expenses...

Table with 3 columns: Description, Beginning of Current Year, End of Year. Rows include: 20 Total assets... 21 Total liabilities... 22 Net assets or fund balances...

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here
Signature of officer
Date: 2012-05-14
SCOTT M WOOTEN SENIOR VP/CFO
Type or print name and title

Paid Preparer Use Only
Print/Type preparer's name: LORRAINE A EGGER
Preparer's signature: LORRAINE A EGGER
Date
Check if self-employed
PTIN
Firm's name: KPMG LLP
Firm's EIN
Firm's address: TWO CENTRAL PARK PLAZASUITE 1501
OMAHA, NE 68102
Phone no: (402) 348-1450

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

FAITHFUL TO THE HEALING MINISTRY OF JESUS CHRIST, OUR MISSION IS TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON OUR COMMITMENT TO HEALING CALLS US TO CREATE CARING AND COMPASSIONATE ENVIRONMENTS RESPECT THE DIGNITY OF EVERY PERSON CARE FOR THE RESOURCES ENTRUSTED TO US AS RESPONSIBLE STEWARDS COLLABORATE WITH OTHERS TO IMPROVE THE HEALTH OF OUR COMMUNITIES ATTEND ESPECIALLY TO THE NEEDS OF THOSE WHO ARE POOR AND DISADVANTAGED ACT WITH INTEGRITY IN ALL ENDEAVORS TO ACHIEVE THIS MISSION, WE PLEDGE TO BE CREATIVE, VISIONARY LEADERS COMMITTED TO HOLISTIC HEALTHCARE IN THE REGION

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

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

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

If "Yes," describe these changes on Schedule O

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

4a (Code) (Expenses \$ 376,801,929 including grants of \$ 41,888,769) (Revenue \$ 200,134,856)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS PROVIDE A LARGE RANGE OF HOSPITAL SERVICES INCLUDING BUT NOT LIMITED TO EMERGENCY DEPARTMENT, INPATIENT HOSPITAL FACILITIES, PROCEDURE CENTER, ORTHOPEDIC SERVICES, DIGESTIVE HEALTH CENTER, FAMILY LIFE CENTER, RADIOLOGY, UROLOGY AND PHYSICAL THERAPY PATIENTS ARE AT THE CENTER OF EVERYTHING DONE AT BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS

4b (Code) (Expenses \$ 24,728,518 including grants of \$ 2,749,050) (Revenue \$ 129,805,356)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS OFFER A WIDE RANGE OF CARDIOVASCULAR SERVICES IN THE REGION, USING A TEAM APPROACH TO ADDRESS THE TOTAL NEEDS OF THE CARDIOVASCULAR PATIENT ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM PROVIDES A COMPREHENSIVE RANGE OF CARDIAC SERVICES, INCLUDING BUT NOT LIMITED TO VASCULAR AND CARDIAC SURGERY, HEART SCANS AND HEART CHECKS, CARDIAC REHABILITATION, VASCULAR ULTRASOUND, NUCLEAR STRESS TESTS, DUAL SOURCE CT SCANNER AND ANGIOPLASTY IN 2006, MERCY HOSPITAL OPENED A NEW STATE-OF-THE-ART CARDIAC CATHETERIZATION LAB, ALLOWING PHYSICIANS TO PERFORM PROCEDURES SUCH AS HEART CATHETERIZATIONS, CORONARY INTERVENTIONS INCLUDING BALLOON ANGIOPLASTY AND STENTING, AS WELL AS IMPLANTATION OF PACEMAKERS AND DEFIBRILLATORS

4c (Code) (Expenses \$ 21,828,336 including grants of \$ 2,426,639) (Revenue \$ 10,746,956)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS OFFER EXPECTANT MOMS THE MOST COMFORTABLE AND COMPREHENSIVE MATERNITY SERVICES AVAILABLE WITH SPACIOUS, HOME-LIKE SETTINGS AND FAMILY-FRIENDLY GUEST SLEEPING ACCOMMODATIONS BOTH OF THE MATERNITY CENTER LOCATIONS ARE BACKED BY THE SUPPORT OF BOTH FULL-SERVICE HOSPITALS

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

(Expenses \$ 19,002,671 including grants of \$ 2,112,512) (Revenue \$ 157,091,648)

4e Total program service expenses \$ 442,361,454

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	21	Yes	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> <input checked="" type="checkbox"/>	22	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> <input checked="" type="checkbox"/>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> <input checked="" type="checkbox"/>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> <input checked="" type="checkbox"/>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> <input checked="" type="checkbox"/>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> <input checked="" type="checkbox"/>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28b		No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28c	Yes	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> <input checked="" type="checkbox"/>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> <input checked="" type="checkbox"/>	34	Yes	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> <input checked="" type="checkbox"/>	37		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

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

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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (12), 1b (10), 2 (Yes), 3 (No), 4 (No), 5 (No), 6 (Yes), 7a (Yes), 7b (Yes), 8a (Yes), 8b (Yes), 9 (No).

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

Table with 3 columns: Question, Yes, No. Rows include: 10a (No), 10b, 11a (Yes), 11b, 12a (Yes), 12b (Yes), 12c (Yes), 13 (Yes), 14 (Yes), 15a (Yes), 15b (Yes), 16a (Yes), 16b (No).

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed [X] IA
18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. [] Own website [] Another's website [X] Upon request
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. SCOTT M WOOTEN SENIOR VPCFO 12809 WEST DODGE ROAD OMAHA, NE 68154 (402) 343-4323

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							7,308,199	6,119,125	2,892,571	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **85**

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CASSLING DIAGNOSTIC 13808 F STREET OMAHA, NE 68137	DIAGNOSTIC IMAGING SERVICES	2,703,571
ARUP LABORATORIES 500 CHIPETA WAY SALT LAKE CITY, UT 84108	LABORATORY RESEARCH	1,209,423
DELTA CONSTRUCTION SERVICES INC 1105 S 24TH STREET OMAHA, NE 68108	CONSTRUCTION	1,112,058
CAPITAL EXPRESS 3326 S 67TH STREET OMAHA, NE 68106	COURIER SERVICE	797,002
PROFESSIONAL ANESTHESIA SERVICES 7500 MERCY ROAD 424 OMAHA, NE 68124	ANESTHESIA SERVICES	770,757

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **46**

Part VIII Statement of Revenue

		(A)	(B)	(C)	(D)	
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b	111,800				
	c Fundraising events 1c	55,264				
	d Related organizations 1d	48,210				
	e Government grants (contributions) 1e	5,388,122				
	f All other contributions, gifts, grants, and similar amounts not included above 1f	153,224				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f		5,756,620			
Program Service Revenue	2a NET PATIENT SERV REV	621500	485,611,799	482,951,403	2,660,396	
	b REIMBURSABLE AFFILIATE	900099	14,827,194	14,827,194		
	c PHARMACY	446110	7,591,739		2,915,093	
	d FOOD SERVICE	722320	1,638,286		196,906	
	e HEALTH EDUCATION PRGMS	611710	219	219		
	f All other program service revenue					
	g Total. Add lines 2a-2f		509,669,237			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		63,463		63,463	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real	3,114,094			
		(ii) Personal				
		b Less rental expenses	1,372,538			
		c Rental income or (loss)	1,741,556			
	d Net rental income or (loss)		1,741,556		1,741,556	
	7a Gross amount from sales of assets other than inventory	(i) Securities	14,005,430	2,853,847		
		(ii) Other				
		b Less cost or other basis and sales expenses		2,904,853		
		c Gain or (loss)	14,005,430	-51,006		
d Net gain or (loss)		13,954,424		13,954,424		
8a Gross income from fundraising events (not including \$ 55,264 of contributions reported on line 1c) See Part IV, line 18	a		46,626			
	b Less direct expenses b		58,990			
	c Net income or (loss) from fundraising events		-12,364		-12,364	
9a Gross income from gaming activities See Part IV, line 19 a			7,950			
	b Less direct expenses b		7,776			
	c Net income or (loss) from gaming activities		174		174	
10a Gross sales of inventory, less returns and allowances a			596,881			
	b Less cost of goods sold b		375,617			
	c Net income or (loss) from sales of inventory		221,264		221,264	
Miscellaneous Revenue		Business Code				
11a REIMBURSED SERVICES		900099	5,641,475		5,641,475	
	b CHILD CARE	624410	1,472,384		1,472,384	
	c MISC OPERATING REVENUE	900003	738,881	479,574	259,307	
	d All other revenue		48,830	48,830		
e Total. Add lines 11a-11d		7,901,570				
12 Total revenue. See Instructions		539,295,944	497,778,816	6,300,799	29,459,709	

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	44,141	44,141		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	49,132,829	49,132,829		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	4,039,476	3,029,607	1,009,869	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	163,174,617	130,098,177	32,751,983	324,457
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,978,429	5,479,046	1,499,383	
9	Other employee benefits	28,079,616	18,719,197	9,266,815	93,604
10	Payroll taxes	9,228,671	7,663,410	1,559,197	6,064
a	Fees for services (non-employees)				
	Management				
b	Legal	30,390		30,390	
c	Accounting				
d	Lobbying	24,689	24,689		
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	6,578,094	3,965,430	2,612,664	
12	Advertising and promotion	38,527	38,527		
13	Office expenses	87,642,582	85,984,510	1,657,751	321
14	Information technology				
15	Royalties				
16	Occupancy	13,230,256	13,230,256		
17	Travel	418,685	181,235	236,329	1,121
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	77,375	77,375		
20	Interest	6,696,835	6,696,835		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	38,782,970	28,652,183	10,130,787	
23	Insurance	155,131	120,004	35,127	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PURCHASED SERVICES	31,116,842	17,726,349	13,350,322	40,171
b	BAD DEBTS	29,267,917	29,267,917		
c	JOA SETTLEMENT	19,785,000	19,785,000		
d	MANAGEMENT ALLOCATIONS	11,196,983	11,196,983		
e	EQUITY NET LOSS IN ALEG	8,277,518	8,277,518		
f	All other expenses	2,999,658	2,970,236	29,422	
25	Total functional expenses. Add lines 1 through 24f	516,997,231	442,361,454	74,170,039	465,738
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	1,044,159	1	822,390
	2 Savings and temporary cash investments	20,019,456	2	50,019,633
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	50,919,748	4	48,373,165
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net	2,975,000	7	2,894,000
	8 Inventories for sale or use	9,130,447	8	9,918,036
	9 Prepaid expenses and deferred charges	111,548	9	2,830
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	577,239,927		
	b Less accumulated depreciation	283,038,458	296,800,596	10c 294,201,469
	11 Investments—publicly traded securities	192,439,888	11	232,670,177
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11	16,108,779	13	50,409,000
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	32,411,279	15	0
16 Total assets. Add lines 1 through 15 (must equal line 34)	621,960,900	16	689,310,700	
Liabilities	17 Accounts payable and accrued expenses	13,061,612	17	9,849,102
	18 Grants payable		18	
	19 Deferred revenue	526,305	19	74,131
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	171,451,063	23	176,961,161
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	3,084,807	25	5,853,694
	26 Total liabilities. Add lines 17 through 25	188,123,787	26	192,738,088
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	428,915,113	27	491,195,612
	28 Temporarily restricted net assets	3,131,000	28	3,586,000
	29 Permanently restricted net assets	1,791,000	29	1,791,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	433,837,113	33	496,572,612	
34 Total liabilities and net assets/fund balances	621,960,900	34	689,310,700	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	539,295,944
2	Total expenses (must equal Part IX, column (A), line 25)	2	516,997,231
3	Revenue less expenses Subtract line 2 from line 1	3	22,298,713
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	433,837,113
5	Other changes in net assets or fund balances (explain in Schedule O)	5	40,436,786
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	496,572,612

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

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

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

Department of the Treasury
Internal Revenue Service

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 - (ii) a family member of a person described in (i) above?
 - (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here 						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2010

Open to Public Inspection

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. See separate instructions.

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

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

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

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

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

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

Table with 2 columns: Name of the organization (ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM) and Employer identification number (47-0484764)

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

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$ 0
3 Volunteer hours 0

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

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$ 0
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$ 0
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? [] Yes [] No
4a Was a correction made? [] Yes [] No
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? [] Yes [] No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization

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

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a If zero or less, enter -0-														
i Subtract line 1f from line 1c If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

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

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

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?	Yes		24,689
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV		No	
j Total lines 1c through 1i			24,689
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).	2a	
a Current year	2b	
b Carryover from last year	2c	
c Total	3	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
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?	5	
5 Taxable amount of lobbying and political expenditures (see instructions)		

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number 47-0484764

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

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

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

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

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

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

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

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

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

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

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

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

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

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

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	3,961,188	3,665,977	2,688,014		
b Contributions	6,001	149,013	1,800,115		
c Investment earnings or losses	464,742	298,938	-448,721		
d Grants or scholarships	6,642	9,996	3,875		
e Other expenditures for facilities and programs	183,950	142,744	369,556		
f Administrative expenses					
g End of year balance	4,241,339	3,961,188	3,665,977		

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

- a** Board designated or quasi-endowment
- b** Permanent endowment 33 000 %
- c** Term endowment 67 000 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,341,409		3,341,409
b Buildings		253,295,896	101,285,190	152,010,706
c Leasehold improvements		1,800,544	1,081,039	719,505
d Equipment		298,119,550	172,412,068	125,707,482
e Other		20,682,528	8,260,161	12,422,367
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				294,201,469

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	ENDOWMENT FUNDS ARE INTENDED TO HELP WITH THE ORGANIZATIONAL OPERATIONS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM
		PART X, LINE 2 - ENTITIES OF THE ALEGENT HEALTH SYSTEM RECOGNIZE THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED SUCH TAX POSITIONS, WHICH ARE MORE THAN 50% LIKELY OF BEING REALIZED, ARE MEASURED AT THEIR HIGHEST VALUE CHANGES IN RECOGNITION OR MEASUREMENT ARE REFLECTED IN THE PERIOD IN WHICH THE CHANGE IN JUDGEMENT OCCURS DURING 2011 AND 2010, MANAGEMENT DETERMINED THAT THERE ARE NO INCOME TAX POSITIONS REQUIRING RECOGNITION IN THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE G (Form 990 or 990-EZ)

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number 47-0484764

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

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

- a Mail solicitations, b Internet and e-mail solicitations, c Phone solicitations, d In-person solicitations, e Solicitation of non-government grants, f Solicitation of government grants, g Special fundraising events

2a Did the organization have a written or oral agreement with any individual... Yes No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements...

Table with 6 columns: (i) Name and address of individual or entity (fundraiser), (ii) Activity, (iii) Did fundraiser have custody or control of contributions?, (iv) Gross receipts from activity, (v) Amount paid to (or retained by) fundraiser listed in col (i), (vi) Amount paid to (or retained by) organization. Includes a Total row at the bottom.

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

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		CANDLE LIGHT BALL (event type)	_____ (event type)	_____ (total number)	(Add col (a) through col (c))
Revenue	1 Gross receipts	101,890			101,890
	2 Less Charitable contributions	55,264			55,264
	3 Gross income (line 1 minus line 2)	46,626			46,626
Direct Expenses	4 Cash prizes	6,500			6,500
	5 Non-cash prizes	19,281			19,281
	6 Rent/facility costs				
	7 Food and beverages	31,209			31,209
	8 Entertainment	2,000			2,000
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				58,990
11 Net income summary Combine lines 3 and 10 in column (d) ▶				-12,364	

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

- 11** Does the organization operate gaming activities with nonmembers? Yes No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ _____

Address ▶ _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

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

c If "Yes," enter name and address

Name ▶ _____

Address ▶ _____

16 Gaming manager information

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

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

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

Identifier	ReturnReference	Explanation
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SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a. 1b If "Yes," is it a written policy? 2 If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. 3a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? 3b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? 4 Did 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. 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? 5b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? 5c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? 6a Does the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

7 Financial Assistance and Certain Other Community Benefits at Cost

Table with 6 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Financial Assistance and Means-Tested Government Programs (a-d) and Other Benefits (e-k).

Part II Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			4,293		4,293	0 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building		13	505,980		505,980	0 100 %
7 Community health improvement advocacy			10,776		10,776	0 %
8 Workforce development						
9 Other						
10 Total		13	521,049		521,049	0 100 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2 Enter the amount of the organization's bad debt expense (at cost)	2	8,347,210	
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	2,234,045	
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	98,079,114
6 Enter Medicare allowable costs of care relating to payments on line 5	6	127,814,917
7 Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-29,735,803
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Section A. Hospital Facilities

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

How many hospital facilities did the organization operate during the tax year? 3

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	AH BERGAN MERCY MEDICAL CTR 7500 MERCY ROAD OMAHA, NE 68124	X	X					X		
2	AH MERCY HOSPITAL 800 MERCY DRIVE COUNCIL BLUFFS, IA 51503	X	X					X		
3	AH LASTING HOPE RECOVERY CTR 415 S 25TH AVENUE OMAHA, NE 68131	X	X						X	

Part V Facility Information (continued)**Section B. Facility Policies and Practices.**

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: ALEGENT HEALTH BERGAN MERCY MEDICAL CTR**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs		
Financial Assistance Policy		
8 Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%		No

Part V Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%		No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site		
b	<input checked="" type="checkbox"/> The policy was attached to all billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	Yes	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)		
a	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission		
b	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate the reasons why (check all that apply)

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility did not have a policy relating to emergency medical care
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
18	Yes	

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- a** The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b** The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c** The hospital facility used the Medicare rate for those services
- d** Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?

If "Yes," explain in Part VI

20		No
21		No

Part V Facility Information (continued)**Section B. Facility Policies and Practices.**

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: ALEGENT HEALTH MERCY HOSPITAL**Line Number of Hospital Facility (from Schedule H, Part V, Section A):** 2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs		
Financial Assistance Policy		
8 Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%		No

Part V Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%		No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site		
b	<input checked="" type="checkbox"/> The policy was attached to all billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	Yes	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)		
a	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission		
b	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate the reasons why (check all that apply)

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility did not have a policy relating to emergency medical care
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
18	Yes	

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- a** The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b** The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c** The hospital facility used the Medicare rate for those services
- d** Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?

If "Yes," explain in Part VI

20		No
21		No

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: ALEGENT HEALTH LASTING HOPE RECOVERY CTR

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)		
<ul style="list-style-type: none"> a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI) 		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
<ul style="list-style-type: none"> a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI) 		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<ul style="list-style-type: none"> a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI) 		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs		
Financial Assistance Policy		
8 Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care ____%		No

Part V Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care __%		No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Income level		
b	<input checked="" type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input checked="" type="checkbox"/> Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site		
b	<input checked="" type="checkbox"/> The policy was attached to all billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available upon request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	Yes	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to engage in any of the following collection actions during the tax year? If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply)	Yes	
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in question 16 (check all that apply)		
a	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission		
b	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c	<input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	<input checked="" type="checkbox"/> Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	<input type="checkbox"/> Other (describe in Part VI)		

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

If "No," indicate the reasons why (check all that apply)

- a** The hospital facility did not provide care for any emergency medical conditions
- b** The hospital facility did not have a policy relating to emergency medical care
- c** The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d** Other (describe in Part VI)

	Yes	No
18	Yes	

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)

- a** The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b** The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c** The hospital facility used the Medicare rate for those services
- d** Other (describe in Part VI)

20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI

21 Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient?

If "Yes," explain in Part VI

20		No
21		No

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
 (list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address	Type of Facility (Describe)
1 ALEGENT HEALTH HOSPICE 7070 SPRING STREET OMAHA, NE 68106	LICENSED HOSPICE
2 ALEGENT HEALTH HOSPICE 7070 SPRING STREET OMAHA, NE 68106	LICENSED HOSPICE
3 ALEGENT HEALTH HOSPICE 7070 SPRING STREET OMAHA, NE 68106	LICENSED HOSPICE
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		<p>PART I, LINE 3C BERGAN MERCY HEALTH SYSTEM IS PART OF THE ALEGENT HEALTH SYSTEM THE AMOUNT OF FINANCIAL ASSISTANCE WRITE-OFF FOR ENTITIES OF THE ALEGENT HEALTH SYSTEM ARE BASED ON A FINANCIAL ASSISTANCE SLIDING FEE SCHEDULE UTILIZING A DERIVATIVE OF THE CURRENT US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW INCOME GUIDELINES, WHICH ARE UPDATED YEARLY ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE REPRESENTATIVES OF THE ALEGENT HEALTH SYSTEM HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT HEALTH'S FINANCIAL ASSISTANCE POLICY THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME PART I, LINE 6A THE ALEGENT HEALTH SYSTEM PRODUCES A PUBLIC COMMUNITY BENEFIT REPORT THAT IS MAILED TO A CORE CONSTITUENCY AND PLACED IN KEY PLACES THROUGHOUT THE ORGANIZATION IT IS ALSO AVAILABLE ON THE COMPANY'S INTRANET SITE, AND ON ITS PUBLIC WEBSITE AT WWW.ALEGENT.COM</p>

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE WERE WORKSHEETS 1 - 8 PROVIDED WITH THE SCHEDULE H INSTRUCTIONS THE COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2 WAS USED TO CALCULATE TOTAL COMMUNITY BENEFIT EXPENSE FOR CHARITY CARE

Identifier	ReturnReference	Explanation
		PART I, LINE 7G ALEGENT HEALTH BERGAN MERCY HEALTH SYSTEM PROVIDES SUBSIDIZED HEALTH TO THE BROADER COMMUNITY VIA A NEONATIVE INTENSIVE CARE UNIT, HOME HEALTH AND HOSPICE CARE, AND BEHAVIORAL HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT OF \$29,267,917 INCLUDED IN THE FUNCTIONAL EXPENSE TOTAL PART IX, LINE 25 IS NOT INCLUDED IN THE TOTAL OPERATING EXPENSE USED TO CALCULATE THE TABLE 7 PERCENTAGES THE DENOMINATOR USED TO CALCULATE THE COST TO CHARGE RATIO IS \$487,729,314

Identifier	ReturnReference	Explanation
		<p>PART II AS A RESULT OF COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED IN 2006 WHICH POINTED TO CHILDHOOD OBESITY AS A SERIOUS HEALTH NEEDS ISSUE ACROSS ALL OMAHA COUNTIES SERVED, THE ALEGENT HEALTH SYSTEM PARTNERED WITH THE COMMUNITY AND MADE A MULTI-YEAR COMMITMENT TO IMPACT CHILDHOOD OBESITY THROUGH COMMUNITY BASED BEST PRACTICE INTERVENTIONS THIS INITIATIVE HAS HAD A PRIMARY FOCUS OF IMPACT IN DOUGLAS COUNTY, BUT THE FUNDING TO UNDERWRITE HAS COME FROM THE FISCAL PERFORMANCE OF ALL ALEGENT HEALTH HOSPITALS THE COMMUNITY COALITION KNOWN AS LIVE WELL OMAHA KIDS (LWOK) IS STAFFED AND FUNDED BY ALEGENT HEALTH EXECUTIVE COMMITTEE, WHICH CONSISTS OF COMMUNITY LEADERS AND POLICY MAKERS, HAVE IMPLEMENTED AN ECOLOGICAL APPROACH THAT IMPROVES PROGRAMS, POLICIES AND PROMOTES PHYSICAL ACTIVITY AND HEALTHY EATING HABITS AT THE INDIVIDUAL AND ORGANIZATIONAL LEVELS MORE THAN 200 VOLUNTEERS HAVE PARTICIPATED IN THE PLANNING AND IMPLEMENTATION OF LWOK INITIATIVES A PORTION OF THIS INVESTMENT IN LWOK IS ALLOCATED TO THE ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE AUDITED FOOTNOTES FOR ENTITIES OF THE ALEGENT HEALTH SYSTEM DO NOT CONTAIN FOOTNOTES RELATED TO BAD DEBT EXPENSE BAD DEBT EXPENSE IS IDENTIFIED ON THE CONSOLIDATED STATEMENT OF OPERATIONS WHICH IS CONSISTENT WITH THE REPORTING PRACTICE OF OTHER HEALTH CARE ORGANIZATIONS BAD DEBT EXPENSE (AT COST) FOR ENTITIES OF ALEGENT HEALTH ARE DETERMINED BY USING THE COST TO CHARGE RATIO FROM MEDICARE COST REPORTS PER ENTITY AND MULTIPLYING THE RATIO BY THE ACTUAL BAD DEBT CHARGES PER ENTITY TO DETERMINE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CAREPOLICY, REPRESENTATIVES OF THE ALEGENT HEALTH SYSTEM DETERMINE IF ANACCOUNT NEEDS TO BE MOVED FROM BAD DEBT TO CHARITY WHEN A PATIENT EITHERCOMES FORWARD AND COMPLETES A CHARITY APPLICATION, WHICH IS APPROVED OR IF IT IS DETERMINED THAT THE PATIENT HAS NO OTHER RESOURCES TO PAY THEACCOUNT BALANCE

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ALEGENT HEALTH SYSTEM DOES NOT CONSIDER MEDICARE SHORTFALLS TO BE COMMUNITY BENEFIT, PER THE RECOMMENDATION OF THE CATHOLIC HEALTH ASSOCIATION THE MEDICARE CHARGES REPORTED ON LINE 5 AND 6 ARE FROM MEDICARE COST REPORTS WHICH USE A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 9B ALEGENT HEALTH'S SELF PAY BILLING AND BAD DEBT POLICY HAS A CLEARLY DELINEATED PROCESS FOR COLLECTION AGENCIES TO FOLLOW, INCLUDING EXPLICIT INSTRUCTIONS THAT ENSURE THE CHARITY CARE PATIENTS WHO HAVE BEEN IDENTIFIED DO NOT GO TO COLLECTIONS

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH MERCY HOSPITAL		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH LASTING HOPE RECOVERY CTR		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW ALEGENT COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION COUNSELORS OF THE ALEGENT HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS

Identifier	ReturnReference	Explanation
ALEGENT HEALTH MERCY HOSPITAL		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW ALEGENT COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION COUNSELORS OF THE ALEGENT HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS

Identifier	ReturnReference	Explanation
ALEGENT HEALTH LASTING HOPE RECOVERY CTR		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW ALEGENT COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION COUNSELORS OF THE ALEGENT HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 THE ALEGENT HEALTH SYSTEM APPROACHES COMMUNITY NEEDS ASSESSMENT AS A CORPORATE ACTIVITY THAT DEVELOPS AND INTEGRATES COUNTY BASED HEALTH PROFILES FOR EACH OF THE COUNTIES WHERE THE LICENSED HOSPITALS ARE LOCATED THE PROCESS TO DEVELOP THE ASSESSMENTS IS COLLABORATIVE IN NATURE AND INVOLVES HEALTH DEPARTMENTS, EXISTING HEALTH COALITIONS, COMMUNITY MEMBERS AND HOSPITAL LEADERSHIP, AS IS SUPPORTED BY THE ALEGENT HEALTH PLANNING AND COMMUNITY BENEFIT DEPARTMENT STAFF THE ALEGENT HEALTH PLANNING DEPARTMENT CONDUCTS MARKET ASSESSMENTS THAT IDENTIFY THE OMAHA METROPOLITAN STATISTICAL AREA'S POPULATION AND DEMOGRAPHIC CHARACTERISTICS ADDITIONALLY, IN COOPERATION WITH LOCAL HEALTH DEPARTMENTS AND COALITIONS, THE ALEGENT HEALTH COMMUNITY BENEFIT/HEALTHIER COMMUNITY DEPARTMENT CONDUCTS AN ANNUAL REVIEW OF THE DOCUMENTED COMMUNITY HEALTH NEEDS AND PLANS OF EACH OF THE COMMUNITIES IT SERVES THIS ASSESSMENT PROCESS INVOLVES SUMMARIZING EXISTING DATA AND RESEARCH FROM LOCAL HEALTH DEPARTMENT REPORTS AND LOCAL COALITION REPORTS INTO A COMPREHENSIVE SUMMARY GRID INCORPORATING A MULTITUDE OF FACTORS INCLUDING- DEMOGRAPHICS, HEALTH STATUS METRICS, BEHAVIORAL RISK FACTOR SURVEILLANCE SURVEY DATA, DOCUMENTED HEALTH ISSUES, QUALITATIVE INFORMATION FROM QUALITATIVE AND COMMUNITY BASED PROCESSES AND IDENTIFICATION OF ALEGENT HEALTH'S PARTICIPATION AND SPECIFIC STRATEGIC ACTION PLANS THE PROFILES ARE INTEGRATED INTO THE GOVERNANCE AND PLANNING FOR ALEGENT HEALTH ON TWO LEVELS I REPORTING TO THE COMMITTEE OF THE BOARD OF DIRECTORS CHARGED WITH HEALTH PLANNING OVERSIGHTII INTO THE ANNUAL STRATEGIC PLANNING PROCESSES OF ALEGENT HEALTH PARTICULAR TO DOUGLAS COUNTY, WHICH BERGAN MERCY MEDICAL CENTER RESIDES, NEEDS ASSESSMENT AND REPORTING OF THOSE NEEDS IS LED BY LIVE WELL OMAHA, A MEMBERSHIP BASED COALITION LIVE WELL OMAHA HAS BEEN IN EXISTENCE FOR 14 YEARS AND ALEGENT HEALTH WAS A FOUNDING MEMBER AND IS THE LARGEST FINANCIAL CONTRIBUTOR THE ALEGENT HEALTH SYSTEM CONTINUES TO PROVIDE LEADERSHIP AND FUNDING FOR LIVE WELL OMAHA COALITION WHICH INCLUDES HEALTHCARE PROVIDERS, PUBLIC HEALTH, SERVICE PROVIDERS, INSURERS, BUSINESSES AND ACADEMIA WHO PARTICIPATE IN A COLLABORATIVE COMMUNITY HEALTH NEEDS ASSESSMENT CONSISTING OF PRIMARY AND SECONDARY DATA AND KEY INFORMANT INTERVIEWS THE ASSESSMENT IS SHARED WITH THE PUBLIC THROUGH A REPORT CARD, AT AN ANNUAL COMMUNITY SUMMIT AND ON A COMMUNITY WEBSITE THE COMMUNITY HEALTH NEEDS ASSESSMENT IS USED BY THE COMMUNITY TO ASSESS HEALTH NEEDS AND IDENTIFY PARTNERSHIP OPPORTUNITIES FOR INTERVENTION</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THERE ARE SEVERAL FINANCIAL ASSISTANCE ACCESS POINTS THROUGHOUT A PATIENT'S CARE CYCLE BILLS CONTAIN FINANCIAL ASSISTANCE VERBIAGE, SIGNS ARE POSTED IN CLINICS AND HOSPITAL, AND THERE IS INFORMATION ON FINANCIAL ASSISTANCE POSTED AT REGISTRATION POINTS THROUGHOUT CLINICS AND HOSPITALS ADDITIONALLY, INFORMATION ON THE ALEGENT HEALTH SYSTEM'S FINANCIAL ASSISTANCE POLICIES ARE LOCATED AT WWW.ALEGENT.COM REPRESENTATIVES OF THE ALEGENT HEALTH SYSTEM HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH THE ALEGENT HEALTH SYSTEM'S FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 4 ALEGENT HEALTH (SYSTEM) SERVES THE OMAHA METROPOLITAN STATISTICAL AREA (MSA), WITH AN ESTIMATED POPULATION OF 865,350, RANKING 60TH OUT OF 366 MSAS IN TOTAL POPULATION THE MSA CONSISTS OF 3 IOWA AND 5 NEBRASKA COUNTIES ON BOTH SIDES OF THE MISSOURI RIVER MORE THAN 1.2 MILLION PEOPLE LIVE WITHIN A 60-MILE RADIUS OF OMAHA. CHARACTERIZED BY STEADY GROWTH, THE MSA GREW BY 12.8 PERCENT BETWEEN 2000 AND 2010, THE 2015 PROJECTED POPULATION IS MORE THAN 900,000, A 5.5 PERCENT INCREASE. MORE THAN 36 PERCENT OF THE POPULATION IS 24 YEARS OF AGE OR YOUNGER WITH A MEDIAN AGE OF 34.9 YEARS COMPARED TO A U.S. MEDIAN AGE OF 37.1. 50.5% OF THE POPULATION IS FEMALE. RACIAL MINORITIES COMPRISE ABOUT 18 PERCENT OF GREATER OMAHA'S POPULATION, INCLUDING AN AFRICAN-AMERICAN POPULACE OF 7.9 PERCENT AND APPROXIMATELY 9.0 PERCENT HISPANIC. IN 2010 GREATER OMAHA HAD OVER 360,000 HOUSING UNITS. THE MEDIAN HOUSEHOLD INCOME IS \$56,271 WHICH SURPASSES THE NATIONAL AVERAGE OF \$51,517, WITH A PER CAPITA INCOME OF \$27,876. GREATER OMAHA IS A WELL-EDUCATED COMMUNITY. MORE THAN 91 PERCENT OF ADULTS, AGE 25 AND OLDER, ARE HIGH SCHOOL GRADUATES AND 32.7 PERCENT HAVE A BACHELOR'S DEGREE OR HIGHER.</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 THE PRIMARY CARE PHYSICIAN CLINICS THAT ARE PART OF THE ALEGENT HEALTH SYSTEM PARTICIPATES IN MEDICAL STUDENT PRECEPTORSHIPS THAT ADVANCE THE HEALTHCARE PROVIDER EDUCATION PROCESS THE ALEGENT HEALTH SYSTEM HAS OPEN MEDICAL STAFFS AND THE ALEGENT HEALTH SYSTEM IS ONE OF 3 HEALTH SYSTEMS THAT FUND THE OPERATIONS OF A COALITION THAT EXISTS TO PROVIDE ACCESS FOR THE PATIENTS OF 3 AREA FEDERALLY QUALIFIED COMMUNITY HEALTH CENTERS TO SPECIALTY PHYSICIAN SERVICES AND HOSPITAL BASED DIAGNOSTICS AND TREATMENT THE ALEGENT HEALTH SYSTEM IS THE SOLE COMPREHENSIVE ACUTE MENTAL HEALTH PROVIDER IN THE OMAHA MSA AREA THE ALEGENT HEALTH SYSTEM IS A JOINT VENTURE PARTNER IN A NOT-FOR-PROFIT HOSPICE INPATIENT HOSPITAL AND PROVIDES THE MANAGEMENT SUPPORT CONTRACT THE ALEGENT HEALTH SYSTEM BUDGETS FOR AN EMERGENCY FUND AS A SUBSET OF OTHER COMMUNITY DONATIONS TO RESPOND TO CRISIS OR UNPLANNED FUNDING NEEDS OF A VITAL COMMUNITY SERVICE, WHICH WAS FIRST USED IN FY2010 WITH THE ECONOMIC DOWNTURN THE ALEGENT HEALTH SYSTEM HAS A CURRENT COMMITMENT TO SET ASIDE UP TO 6% OF ITS EBIDA IN A GIVEN FISCAL YEAR FOR COLLABORATIVE INITIATIVES TO IMPROVE THE HEALTH OF THE COMMUNITIES SERVED, WHICH IS THE CATALYST FUND BOARD OF DIRECTORS - THE ALEGENT HEALTH SYSTEM IS GOVERNED BY A BOARD OF DIRECTORS PRIMARILY COMPRISED OF VOLUNTEER MEMBERS OF OUR LOCAL COMMUNITY WHO ARE LEADERS IN THE FIELDS OF BUSINESS, HEALTHCARE, ACCOUNTING AND MEDICINE AND UNDERSTAND THEIR ROLE IN PROVIDING STRONG CORPORATE GOVERNANCE EMERGENCY DEPARTMENT - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM HOSPITALS HAVE FULL-TIME EMERGENCY DEPARTMENTS THAT ARE OPEN TO THE PUBLIC AND PROVIDE MEDICAL SCREENING EXAMINATIONS AND STABILIZING TREATMENT WITHIN THE CAPABILITIES AND CAPACITY OF THE HOSPITALS REGARDLESS OF BUT NOT LIMITED TO THE PATIENT'S RACE, COLOR, SEX, AGE, AND/OR ABILITY TO PAY THE HOSPITALS ARE IN COMPLIANCE WITH THE FEDERAL EMTALA REGULATIONS IN ADDITION, ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM, TOGETHER WITH UNRELATED HOSPITALS IN THE AREA, WORKS CLOSELY WITH LOCAL FIRE AND RESCUE DEPARTMENTS TO ENSURE THAT AMBULANCES TAKE PATIENTS TO THE APPROPRIATE HOSPITAL THIS IS GENERALLY THE HOSPITAL THAT IS CLOSEST GEOGRAPHICALLY WITH EXCEPTIONS BASED ON PATIENT PREFERENCE, PATIENT'S PHYSICIAN PREFERENCE, AND CAPACITY OR THE AVAILABILITY OF SPECIALIZED FACILITIES OR PROGRAMS RELATED TO THE PATIENT'S CONDITION FINALLY, ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM MAINTAINS DETAILED PROCEDURES REGARDING WHEN AND UNDER WHAT CIRCUMSTANCES A PATIENT CAN BE TRANSFERRED UNDER THIS POLICY, NO PATIENT WILL BE TRANSFERRED BASED ON RACE, CREED, RELIGION OR ABILITY TO PAY MEDICAL STAFF - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM MAINTAINS AN OPEN MEDICAL STAFF ALL QUALIFIED MDS, DOS, OTHER HEALTHCARE PRACTITIONERS, AND MID-LEVEL PRACTITIONERS ARE ELIGIBLE TO APPLY FOR PRIVILEGES AT THE HOSPITALS ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM'S POLICY ON PHYSICIAN CREDENTIALING IS THAT NO INDIVIDUAL IS TO BE DENIED MEDICAL STAFF APPOINTMENT BASED ON SEX, RACE, CREED, COLOR OR NATIONAL ORIGIN THE STANDARDS A PHYSICIAN MUST MEET FOR APPOINTMENT RELATE TO (1) EDUCATIONAL QUALIFICATIONS AND LICENSING, (2) PROFESSIONAL COMPETENCE, (3) CHARACTER, (4) ETHICAL STANDING, AND (5) ABILITY TO RELATE TO AND WORK WITH OTHERS APPLICATIONS ARE REVIEWED AT SEVERAL LEVELS WITHIN THE ORGANIZATION PHYSICIANS WHO HAVE BEEN GRANTED STAFF PRIVILEGES AUTOMATICALLY BECOME MEMBERS OF THE MEDICAL STAFF AT THE HOSPITAL(S) FOR WHICH PRIVILEGES HAVE BEEN GRANTED</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 THE SENIOR LEADERSHIP OF THE INDIVIDUAL HOSPITALS ARE ENGAGED IN THE COMMUNITY NEEDS ASSESSMENT PROCESS THAT IS CONDUCTED FROM THE CORPORATE OFFICES OF THE ALEGENT HEALTH SYSTEM (SEE PART VI-2/COMMUNITY NEEDS ASSESSMENT) THE HOSPITALS ARE INVOLVED IN SHARED BUDGET DECISION MAKING TO MEET THE PRIORITIZED COMMUNITY HEALTH NEEDS IN COLLABORATION WITH COMMUNITY PARTNERS THE CORPORATE FUNCTION IS FUNDED FROM THE OPERATIONS OF THE INDIVIDUAL HOSPITALS TO LEVERAGE EXPERTISE AND TIME THAT IS FOCUSED ON PROMOTING HEALTH VERSUS ADDRESSING ACUTE CARE NEEDS THE INDIVIDUAL HOSPITALS BECOME MORE INVOLVED IN SPECIFIC STRATEGIC RESPONSES THROUGH THE SERVICES THEY PROVIDE AND THEIR PARTICIPATION IN THE COALITIONS ACROSS THE ALEGENT HEALTH SERVICE AREA

Identifier	ReturnReference	Explanation
	PART VI, LINE 7	THE ALEGENT HEALTH SYSTEM FILES REPORTS WITH THE NEBRASKA HOSPITAL ASSOCIATION (NEBRASKA) AND IOWA HOSPITAL ASSOCIATION (IOWA) ADDITIONALLY, ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM AND ALEGENT HEALTH MERCY HOSPITAL, CORNING REPORT TO CATHOLIC HEALTH INITIATIVES, LOCATED IN COLORADO

Schedule I (Form 990)

OMB No 1545-0047

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

2010

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number 47-0484764

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance...
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1: (1) HARBOR HOUSE, 36-4003095, 501(C)(3), 17,490, GENERAL SUPPORT.

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

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	24	11,788			
(2) MERCY FUND DISTRIBUTIONS	42	13,801			
(3) CHARITY CARE	15287		49,107,240	BOOK	REDUCE OR WRITE OFF OF PATIENT SERVICES

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 MOST DISBURSEMENTS IN FURTHERANCE OF THE ORGANIZATION'S EXEMPT PROGRAMS ARE MADE DIRECTLY IN THE ACTIVE CONDUCT OF THE ACTIVITIES CONSTITUTING THE EXEMPT PURPOSE OR FUNCTION OF THE ORGANIZATION OTHERWISE, DISTRIBUTIONS IN FURTHERANCE OF THE INSTITUTION'S EXEMPT PROGRAMS ARE MADE IN ACCORDANCE WITH PROCEDURES OR SUBJECT TO CONDITIONS ESTABLISHED BY THE INSTITUTION'S GOVERNING BOARD OR MANAGEMENT DESIGNED TO ENSURE THAT RECIPIENTS OF SUCH DISBURSEMENTS FROM THE ORGANIZATION ARE ADEQUATELY INVESTIGATED AND GRANTED TO QUALIFIED RECIPIENTS THE BERGAN MERCY AUXILIARY TEEN SCHOLARSHIP PROGRAM WAS SET UP IN 1986 BY BERGAN MERCY THE PURPOSE OF THE SCHOLARSHIP PROGRAM IS TO PROVIDE COLLEGE SCHOLARSHIPS TO TEEN VOLUNTEERS WHO HAVE VOLUNTEERED THEIR SERVICES AT BERGAN MERCY MEDICAL CENTER IN ORDER TO RECEIVE A SCHOLARSHIP IN THIS PROGRAM, THE APPLICANT MUST BE AN ACTIVE VOLUNTEER THROUGHOUT ALL THE YEARS THEY DO SERVICE, INCLUDING THEIR SENIOR YEAR IF A STUDENT IS TO DROP OUT OF THE PROGRAM OR IS TO BE DISMISSED, THEY ARE NOT ELIGIBLE FOR THE SCHOLARSHIPS MERCY FUND DISTRIBUTIONS ARE ESTABLISHED FOR THE DISBURSEMENT OF ALEGENT HEALTH BERGAN MERCY AUXILIARY MONIES FOR PATIENT ASSISTANCE THAT IS COMPLIANT WITH ALEGENT HEALTH POLICIES AND PROCEDURES, INTERNAL REVENUE SERVICE (IRS) REGULATIONS AND OTHER APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS
OTHER INFORMATION	PART IV	ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM RECOGNIZES THE RIGHT TO QUALITY HEALTHCARE REGARDLESS OF AGE, SEX, RACE, RELIGION, NATIONAL ORIGIN, OR ABILITY TO PAY BUSINESS OFFICE STAFF HELP PATIENTS SEEK LOCAL, STATE, AND FEDERAL REIMBURSEMENT AT NO CHARGE WHEN NO OTHER SOURCE OF PAYMENT IS AVAILABLE FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS WITH DEMONSTRATED INABILITY TO PAY FOR MEDICALLY NECESSARY SERVICES THESE FUNDS ARE DIRECTLY USED TO OFFSET THE PATIENTS ACCOUNTS RECEIVABLE ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM OCCASIONALLY DISTRIBUTES FUNDS TO OTHER 501(C)(3) ORGANIZATIONS THESE DISTRIBUTIONS ARE MONITORED TO ENSURE THEY ARE BEING USED AS SPECIFIED BY THE ORGANIZATION

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

Part I Questions Regarding Compensation

	Yes	No
1a		
1b	Yes	
2	Yes	
3		
4a	Yes	
4b	Yes	
4c		No
5a	Yes	
5b		No
6a	Yes	
6b	Yes	
7		No
8		No
9		

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- | | |
|---|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

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

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

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

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

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	AS PART OF THE EXECUTIVE COMPENSATION ARRANGEMENT, EXECUTIVES ARE PROVIDED WITH A SET SUM, APPROXIMATELY 30 - 40% OF THEIR BASE SALARY, WHICH CAN BE USED TO ELECT VARIOUS BENEFITS SOME OF THE BENEFITS AVAILABLE FOR ELECTION INCLUDE HEALTH CLUB DUES, AUTOMOBILE ALLOWANCE, FINANCIAL PLANNING FEES AND LEGAL FEES PAYMENT FOR THESE BENEFITS ARE EITHER MADE DIRECTLY BY ALEGTENT HEALTH OR REIMBURSED TO THE EXECUTIVE AFTER THE APPROPRIATE SUBSTANTIATION FOR THE EXPENSE IS PROVIDED THE AMOUNT PAID FOR THESE BENEFITS IS INCLUDED IN THE EXECUTIVE'S WAGES AS TAXABLE INCOME
	PART I, LINES 4A-B	THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS AS EXECUTIVES OF ALEGTENT HEALTH (A RELATED ORGANIZATION) DURING THE 2010 CALENDAR YEAR AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE AS COMPENSATION ON SCHEDULE J DAVID TEW - \$180,015 THEODORE SCHWAB - \$232,210 WAYNE SENSOR - \$2,253,869 FRED HOSLER, MD - \$794,319 MARGARET BREEN - \$274,090 AMY PROTEXTER - \$249,317 MARK KESTNER, MD - \$541,623 MARTIN HICKEY, MD - \$122,460 PATRICIA NADLE - \$127,504 MICHAEL ANDERSON - \$160,387 PART I, LINE 4B THE FOLLOWING REPORTABLE INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FROM ALEGTENT HEALTH (A RELATED ORGANIZATION) DURING THE 2010 CALENDAR YEAR AMOUNTS DEFERRED FROM THE PLAN WERE INCLUDED IN COLUMN C OF THE SCHEDULE J FOR THE FOLLOWING INDIVIDUALS RICHARD HACHTEN II - \$116,268 SCOTT WOOTEN - \$48,613 JANE CARMODY - \$3,877 NANCY WALLACE - \$13,759 RICK MILLER, MD - \$9,841 LARRY BROWN, MD - \$12,411 KENNETH LAWONN - \$39,892 JOAN NEUHAUS - \$41,947 MARIE KNEDLER - \$22,238 SHEREE KEELY - \$10,915 ELIZABETH LLEWELLYN - \$12,916 PATRICIA MASEK - \$10,956 FRANK EMSICK - \$11,534 PAUL EBMEIER - \$20,451 MARTIN HICKEY, MD - \$50,630
	PART I, LINE 5	PHYSICIANS EMPLOYED BY ALEGTENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE ELIGIBLE FOR QUARTERLY PRODUCTIVITY BONUSES BASED ON INDIVIDUAL QUALITY MANAGEMENT, WHICH INCLUDE CORE MEASURES, REVENUE, PHYSICIAN REFFERAL AND ATTENDANCE AT MEETINGS THE CORE MEASURES USED TO DETERMINE THE PHYSICIAN BONUSES ARE NATIONALLY ACCEPTED MEASURES OF PHYSICIAN PRODUCTIVITY
	PART I, LINE 6	COMPENSATION FOR MEMBERS OF MANAGEMENT OF ALEGTENT HEALTH AND RELATED ENTITIES IS DETERMINED AT A SYSTEM LEVEL MEMBERS OF ALEGTENT HEALTH MANAGEMENT ARE ELIGIBLE FOR AN ANNUAL INCENTIVE BONUS INCENTIVE AWARDS ARE BASED ON FOUR INDIVIDUAL PERFORMANCE MEASURES WHICH ARE LINKED TO FOUR SYSTEM PERFORMANCE GOALS FOR EACH MANAGER, 75% OF THE INCENTIVE AWARD WILL BE DETERMINED BY SYSTEM PERFORMANCE GOALS AND 25% DETERMINED BY INDIVIDUAL PERFORMANCE MEASURES ONE OF THE FOUR SYSTEM PERFORMANCE GOALS IS DEPENDENT ON THE FINANCIAL RESULTS OF THE ENTIRE ALEGTENT HEALTH SYSTEM FOR THE FISCAL YEAR
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART I, LINE 3 ALEGTENT HEALTH GOVERNANCE OF EXECUTIVE COMPENSATION ACTING AS PRUDENT STEWARDS OF ITS FINANCIAL RESOURCES, THE ALEGTENT HEALTH BOARD COMPENSATION COMMITTEE RECOMMENDS AND THE BOARD EXECUTIVE COMMITTEE APPROVES EXECUTIVE COMPENSATION PHILOSOPHY, POLICY AND GUIDELINES IT DOES SO WITH THE OBJECTIVE OF ATTRACTING AND RETAINING TOP EXECUTIVE TALENT TO ENSURE ALEGTENT HEALTH IS ABLE TO FULFILL ITS FAITH-BASED MISSION AND ACHIEVE ITS VISION OF BECOMING WORLD-CLASS THE ALEGTENT HEALTH COMPENSATION COMMITTEE FOLLOWS A THOROUGH AND INTENTIONAL PROCESS THAT INCLUDES CONSULTATION WITH INDEPENDENT, EXPERT COUNSEL AND CAREFULLY COMPARES COMPENSATION LEVELS TO MARKET-BASED COMPENSATION OF SIMILAR SIZED, NON-PROFIT AND FOR-PROFIT HEALTH SYSTEMS AND ALSO UTILIZES A BLEND OF NON-PROFIT AND GENERAL INDUSTRY DATA FOR EXECUTIVE ROLES WHERE THE RECRUITING MARKET IS ARGUABLY BROADER THAN THE NON-PROFIT SECTOR TOTAL COMPENSATION INCLUDES BASE COMPENSATION, AND ALSO INCLUDES PERFORMANCE-BASED INCENTIVE COMPENSATION FOR ACHIEVING BOARD-SET GOALS FOR CLINICAL QUALITY, PATIENT SAFETY AND SATISFACTION, PHYSICIAN PERCEPTION, STRATEGIC AND FACILITY PLANNING AND FINANCIAL PERFORMANCE IT MAY ALSO INCLUDE OTHER CASH PAYMENTS SUCH AS ONE-TIME RELOCATION COSTS SCHEDULE J, PART II THE ALEGTENT HEALTH EXECUTIVES HAVE A PROVISION IN THEIR COMPENSATION AGREEMENT THAT PROVIDES FOR POTENTIAL SEVERANCE PAYMENTS IN THE EVENT OF TERMINATION WITHOUT CAUSE OR CHANGE OF CONTROL THE AMOUNT OF SEVERANCE AN EXECUTIVE MAY OR MAY NOT RECEIVE IF TERMINATED ACCORDING TO THE COMPENSATION AGREEMENT IS INCLUDED AS DEFERRED COMPENSATION IN COLUMN C

Software ID:

Software Version:

EIN: 47-0484764

Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
ANTHONY HATCHER DO	(i)	0	0	0	0	0	0	0
	(ii)	403,550	0	27,127	14,700	18,657	464,034	0
RICHARD HACHTEN II	(i)	326,819	126,098	62,985	130,233	7,391	653,526	0
	(ii)	338,015	130,418	65,144	134,695	7,643	675,915	0
KENNETH LAWONN	(i)	139,733	52,073	26,219	59,245	7,759	285,029	0
	(ii)	144,521	53,857	27,118	61,275	8,025	294,796	0
SCOTT WOOTEN	(i)	166,851	62,477	36,507	58,963	9,086	333,884	0
	(ii)	172,568	64,618	37,758	60,983	9,397	345,324	0
JOAN NEUHAUS	(i)	157,396	47,822	25,320	159,352	2,397	392,287	0
	(ii)	162,787	49,459	26,187	164,811	2,479	405,723	0
RICK MILLER MD	(i)	51,139	0	1,968	188,354	3,039	244,500	0
	(ii)	52,891	0	2,036	194,807	3,143	252,877	0
JANE CARMODY	(i)	30,451	94,832	1,779	184,073	966	312,101	0
	(ii)	31,495	98,081	1,840	190,379	1,000	322,795	0
LARRY BROWN MD	(i)	0	0	0	0	0	0	0
	(ii)	342,646	8,758	29,447	27,733	25,249	433,833	0
MARTIN HICKEY MD	(i)	173,403	68,663	113,978	90,735	11,084	457,863	60,199
	(ii)	179,343	71,014	117,883	93,844	11,462	473,546	62,261
MARIE KNEDLER	(i)	137,198	29,700	14,698	66,279	9,068	256,943	0
	(ii)	141,898	30,718	15,202	68,550	9,379	265,747	0
SHEREE KEELY	(i)	60,192	14,547	13,428	14,364	5,535	108,066	0
	(ii)	62,255	15,045	13,888	14,857	5,723	111,768	0
ELIZABETH LLEWELLYN	(i)	71,188	18,157	17,576	17,810	3,803	128,534	0
	(ii)	73,627	18,779	18,179	18,420	3,933	132,938	0
PATRICIA MASEK	(i)	65,494	15,333	10,252	25,550	7,081	123,710	0
	(ii)	67,738	15,858	10,602	26,426	7,325	127,949	0
FRANK EMSICK	(i)	74,221	18,049	10,740	14,100	9,968	127,078	0
	(ii)	76,764	18,668	11,108	14,583	10,310	131,433	0
PAUL EBMEIER	(i)	123,546	27,451	14,593	16,272	10,672	192,534	0
	(ii)	127,778	28,391	15,093	16,830	11,037	199,129	0
NANCY WALLACE	(i)	83,943	13,803	13,500	170,272	6,469	287,987	0
	(ii)	86,818	14,276	13,962	176,106	6,690	297,852	0
JOSEPH HOAGBIN MD	(i)	255,860	0	11,500	22,050	9,334	298,744	0
	(ii)	0	0	0	0	0	0	0
ENEH OKORUWA MD	(i)	369,651	31,227	53,409	14,838	20,535	489,660	0
	(ii)	0	0	0	0	0	0	0
SRIRAMAMURTHY RAVIPATI MD	(i)	364,410	0	30,454	17,150	23,945	435,959	0
	(ii)	0	0	0	0	0	0	0
UMAJYOTHI INDUKURI MD	(i)	364,843	0	1,614	4,900	9,091	380,448	0
	(ii)	0	0	0	0	0	0	0
CHAKRAVARTHI PURETI MD	(i)	382,995	0	20,284	12,250	942	416,471	0
	(ii)	0	0	0	0	0	0	0
ANTONIO SAQUETON JR MD	(i)	347,571	0	20,911	12,695	17,738	398,915	0
	(ii)	0	0	0	0	0	0	0
WAYNE SENSOR	(i)	832	0	1,109,381	0	6,972	1,117,185	1,107,956
	(ii)	860	0	1,147,386	0	7,211	1,155,457	1,145,913
THEODORE SCHWAB	(i)	0	0	114,150	618	0	114,768	114,150
	(ii)	0	0	118,060	640	0	118,700	118,060
FRED HOSLER MD	(i)	1,247	0	395,168	0	3,600	400,015	390,471
	(ii)	1,291	0	408,706	0	3,723	413,720	403,848
MARGARET BREEN	(i)	0	0	134,737	334	2,343	137,414	134,737
	(ii)	0	0	139,353	345	2,423	142,121	139,353
DAVID TEW	(i)	0	0	88,492	658	0	89,150	88,492
	(ii)	0	0	91,523	680	0	92,203	91,523
AMY PROTEXTER	(i)	0	0	122,559	977	3,837	127,373	122,559
	(ii)	0	0	126,758	1,010	3,969	131,737	126,758
PATRICIA NADLE	(i)	29,472	24,561	67,675	0	2,687	124,395	62,678
	(ii)	30,482	25,403	69,993	0	2,778	128,656	64,826
MARK KESTNER MD	(i)	2,495	0	269,736	396	3,274	275,901	266,251
	(ii)	2,581	0	278,977	409	3,385	285,352	275,372
MICHAEL ANDERSON	(i)	0	0	78,843	0	0	78,843	78,843
	(ii)	0	0	81,544	0	0	81,544	81,544

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

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.

Department of the Treasury Internal Revenue Service

Name of the organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number 47-0484764

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only). Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization

Part II Loans to and/or From Interested Persons.

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

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MICHAEL DEFREECE-BOARD MEMBER	H-CARD,LLC - OFFICER	159,604	SUPPLIER PAYMENT NETWORK		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

Identifier	Return Reference	Explanation
	FORM 990, PART V, LINE 1C	PAYMENTS TO VENDORS FOR ENTITIES THAT ARE PART OF THE ALEGENT HEALTH SYSTEM ARE MADE BY ALEGENT HEALTH, THEREFORE NO FORM 1099S ARE ISSUED BY ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ALEGENT HEALTH FILES THE FORM 1099S AND COMPILES WITH THE BACKUP WITHHOLDING RULES FOR REPORTABLE PAYMENTS TO VENDORS AND GAMING WINNINGS THE 1099S ISSUED BY ALEGENT HEALTH ON BEHALF OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE REPORTED TO THE IRS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		ANTOINETTE HARDY-WALLER AND PAUL EDGETT III - BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE SOLE MEMBER OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM IS CATHOLIC HEALTH INITIATIVES. CATHOLIC HEALTH INITIATIVES DOES NOT HAVE ANY VOTINGS RIGHTS AS A MEMBER OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM. INSTEAD CATHOLIC HEALTH INITIATIVES ELECTS 50% OF THE DIRECTORS OF ALEGENT HEALTH.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE BUSINESS AND AFFAIRS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE MANAGED BY OR UNDER THE DIRECTION OF THE ALEGENT HEALTH BOARD OF DIRECTORS, AND ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DELEGATES TO THE ALEGENT BOARD OF DIRECTORS, TO THE EXTENT PERMITTED BY LAW, COMPLETE GOVERNANCE AUTHORITY OVER IT, SUBJECT ONLY TO THE APPROVAL POWERS OF THE ALEGENT CORPORATE MEMBERS SET FORTH IN THE ARTICLES OF INCORPORATION AND BY LAWS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DIRECTORS SHALL BE APPOINTED BY THE ALEGENT BOARD IMMEDIATELY FOLLOWING THE APPOINTMENT AND RATIFICATION BY ALEGENT CORPORATE MEMBERS OF THE ALEGENT DIRECTORS PURSUANT TO THE ARTICLES OF INCORPORATION AND BY LAWS OF ALEGENT THE ALEGENT BOARD SHALL APPOINT DIRECTORS SUCH THAT, AT ALL TIMES , ALL OF THE PERSONS SERVING AS ALEGENT DIRECTORS ALSO SHALL BE SERVING AS DIRECTORS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		<p>THE FOLLOWING ACTIONS SHALL BE EFFECTIVE ONLY IF APPROVED BY THE ALEGENT BOARD AND BY BOTH IMMANUEL HEALTH SYSTEMS (IHS) AND CATHOLIC HEALTH INITIATIVES (CHI) IN THEIR CAPACITIES AS ALEGENT CORPORATE MEMBERS A ADOPTION OR A MENDMENT OF THE UNIFIED PHILOSOPHY AND MISSION OF THE CORPORATION, B SALE, LEASE, TRANSFER, ENCUMBRANCE OR DISPOSITION OF THE TANGIBLE PROPERTY OR INVESTMENTS OF THE CORPORATION HAVING A FAIR MARKET VALUE IN ANY INDIVIDUAL TRANSACTION IN EXCESS OF \$3 MILLION OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, PROVIDED THAT TRANSFERS OF INVESTMENTS BETWEEN THE CORPORATION AND ANOTHER PARTICIPANT SHALL NOT REQUIRE THE APPROVAL OF CHI AND IHS, AND PROVIDED FURTHER THAT APPROVAL OF CHI AND IHS SHALL NOT BE REQUIRED FOR ANY TRANSFER OF ASSETS TO CHI BY THE CORPORATION PURSUANT TO THE TERMS OF THE ALEGENT FINANCING AGREEMENT (AFA), C INCURRENCE, ASSUMPTION OR GUARANTY BY THE CORPORATION IN ANY INDIVIDUAL TRANSACTION OF LONG-TERM INDEBTEDNESS, INCLUDING CAPITAL LEASES, OUTSTANDING FOR MORE THAN 365 DAYS, IN EXCESS OF THE GREATER OF \$2 MILLION OR 2% OF THE TOTAL LONG-TERM INDEBTEDNESS OF ALL THE PARTICIPANTS, OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, D MERGER, DISSOLUTION, CONSOLIDATION OR SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION EXCEPT FOR A MERGER IN WHICH (I) THE CORPORATION IS THE SURVIVING ENTITY, AND (II) THE TOTAL BOOK VALUE OF THE ASSETS OF THE MERGING ENTITY DOES NOT EXCEED 2% OF THE TOTAL BOOK VALUE OF THE ASSETS OF ALL THE PARTICIPANTS, OR SUCH GREATER VALUE AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, AND E NOTWITHSTANDING ANY OTHER PROVISIONS IN THE BYLAWS TO THE CONTRARY THE ACTIONS THAT CAN BE TAKEN WITHOUT THE APPROVAL OF IHS AND CHI INCLUDE, WITHOUT LIMITATION (I) TERMINATION OF THE AFA IN ACCORDANCE WITH ITS TERMS (II) FORMATION OF THE UNIFIED ALEGENT HEALTH SYSTEM (AS THAT TERM IS DEFINED IN THE AFA) (III) PREPAYMENT BY THE CORPORATION OF THE FULL AMOUNTS OUTSTANDING ON ITS NOTES TO CHI UNDER THE AFA, FOR PURPOSES OF EXERCISING THE RIGHTS OF TERMINATION OF THE AFA, OR FORMATION OF THE UNIFIED ALEGENT HEALTH SYSTEM CREDIT, AND THE TAKING OF ALL ACTIONS NECESSARY OR APPROPRIATE TO OBTAIN FUNDING OR OTHERWISE MAKE ARRANGEMENTS TO PREPAY SUCH NOTES INCLUDING WITHOUT LIMITATION INCURRENCE OF INDEBTEDNESS NECESSARY OR APPROPRIATE TO PREPAY THE NOTES OUTSTANDING</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		TAX RETURNS FOR ENTITIES OF THE ALEGENT HEALTH SYSTEM ARE PREPARED BY THE SYSTEM TAX DEPARTMENT FOLLOWING THE PREPARATION OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM FORM 990 BY INTERNAL TAX STAFF, THE RETURN IS REVIEWED BY THE TAX DIRECTOR, EXTERNAL TAX ADVISOR AND THE CHIEF FINANCIAL OFFICER THE FINAL TAX RETURN IS POSTED ON THE ELECTRONIC DIRECTOR'S PORTAL TO BE REVIEWED BY THE BOARD OF DIRECTORS AND PRESENTED AT THE FINANCE AND AUDIT COMMITTEE OF THE BOARD THE CHIEF FINANCIAL OFFICER AND TAX DIRECTOR ARE PRESENT AT THE FINANCE AND AUDIT COMMITTEE MEETING TO ANSWER ANY QUESTIONS THE COMMITTEE MAY HAVE ADDITIONALLY, THE BOARD OF DIRECTORS ARE REFERRED TO THE ALEGENT HEALTH TAX DIRECTOR IF THEY HAVE QUESTIONS AND THE BOARD IS NOTIFIED THAT THE FINAL FORM 990, WILL BE FILED ON MAY 15, 2012

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	WRITTEN CONFLICT OF INTEREST POLICY - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM HAS ADOPTED THE CONFLICT OF INTEREST POLICY AND CONFLICT INVESTIGATION PROCESS OF ALEGENT HEALTH, THE PARENT CORPORATION OF THE ALEGENT HEALTH SYSTEM. ANNUAL COMPLETION OF THE DISCLOSURE STATEMENT IS REQUIRED BY THE BOARD OF DIRECTORS. STATED DISCLOSURES ARE INVESTIGATED BY THE ALEGENT HEALTH COMPLIANCE OFFICER AND REPORTED TO THE CONFLICTS OF INTEREST COMMITTEE. THE CONFLICTS OF INTEREST COMMITTEE REVIEWS THE INVESTIGATION AND MAKES RECOMMENDATIONS TO THE GOVERNANCE COMMITTEE. THE GOVERNANCE COMMITTEE MAKES THE FINAL DETERMINATION OF WHETHER OR NOT THERE IS A DISQUALIFYING EVENT AND COMMUNICATES IT TO THE BOARD OF DIRECTORS. AT ANY TIME A BOARD MEMBER OR KEY EMPLOYEE MAY DECLARE A CONFLICT OF INTEREST AND RECUSE HIS/HERSELF FROM THE DISCUSSION. THE INDIVIDUAL IS ALSO REQUIRED TO DISCLOSE ANY KNOWN OR POSSIBLE CONFLICTS OF INTEREST THAT ARISE DURING THE CALENDAR YEAR.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE GOVERNING BOARD ENGAGED THE SERVICES OF AN INDEPENDENT CONSULTING FIRM THAT HOLDS ITSELF OUT TO THE PUBLIC AS A COMPENSATION CONSULTANT THAT IS QUALIFIED TO AND REGULARLY PERFORMS EXECUTIVE AND OFFICER COMPENSATION STUDIES. THE CONSULTING FIRM CONDUCTED A REVIEW AND ANALYSIS OF THE TOTAL COMPENSATION PAID TO THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION, BASED ON COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS AND DETERMINED THAT THE COMPENSATION WAS REASONABLE. THE CONSULTING FIRM ISSUED AN OPINION LETTER AS TO THE REASONABLENESS OF THE TOTAL COMPENSATION PAID TO EMPLOYEES IDENTIFIED AS DISQUALIFIED PERSONS. THE OPINION LETTER SETTING FORTH THE FINDINGS WAS REVIEWED AND APPROVED BY THE COMPENSATION COMMITTEE OF THE GOVERNING BOARD. CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS WERE MAINTAINED. THIS PROCESS WAS USED FOR THE FOLLOWING EMPLOYEES: PRESIDENT AND CHIEF EXECUTIVE OFFICER SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER CHIEF EXECUTIVE OFFICER ALEGENT HEALTH CLINIC SENIOR VICE PRESIDENT ALEGENT HEALTH SYSTEM CHIEF OPERATIONS OFFICER SENIOR VICE PRESIDENT STRATEGY AND TECHNOLOGY (F/K/A CIO) VICE PRESIDENT OPERATIONS (BERGAN MERCY & MERCY) VICE PRESIDENT OPERATIONS (IMMANUEL) VICE PRESIDENT OPERATIONS (LAKESIDE) VICE PRESIDENT OPERATIONS (MIDLANDS) MEDICAL DIRECTORS</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE CONFLICT OF INTEREST POLICY IS MADE AVAILABLE TO THE PUBLIC ON THE WEBSITE AT WWW.ALEGENT.COM. ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DOES NOT MAKE THE FINANCIAL STATEMENTS OR GOVERNING DOCUMENTS AVAILABLE TO THE PUBLIC. HOWEVER, THE ARTICLES OF INCORPORATION ARE AVAILABLE AT WWW.SOS.STATE.NE.US

Identifier	Return Reference	Explanation
	PART VII, SECTION A	EXECUTIVES OF THE ALEGENT HEALTH SYSTEM HOURS WORKED ARE SPLIT OUT BETWEEN THE FILING ORGANIZATION AND AFFILIATE ORGANIZATIONS OF THE SYSTEM THE FOLLOWING EMPLOYEES ARE EXECUTIVES OF THE ALEGENT HEALTH SYSTEM RICHARD HACHTEN II, SCOTT WOOTEN, KENNETH LAWONN, JOAN NEUHAUS, RICHARD ROLSTON, MD, RICK MILLER, MD, JANE CARMODY, MARIE KNEDLER, SHEREE KEELY, ELIZABETH LLEWELLYN, PATRICIA MASEK, FRANK EMSICK, PAUL EBMEIER, MARTIN HICKEY, MD AND NANCY WALLACE THEREFORE, THEIR AVERAGE NUMBER OF HOURS WORKED PER WEEK FOR THE AFFILAITE ORGANIZATIONS ARE 31 LARRY BROWN, MD IS ALSO AN EXECUTIVE OF THE ALEGENT HEALTH SYSTEM, HOWEVER HIS HOURS ARE SPLIT BETWEEN TWO AFFILIATED ORGANIZATIONS AVERAGE HOURS PER WEEK FOR AFFILAITE ORGANIZATIONS IS 60 ANTHONY HATCHER, MD IS AN EMPLOYED PHYSICIAN OF THE ALEGENT HEALTH SYSTEM AND HIS HOURS ARE SPLIT BETWEEN THE FILING ORGANIZATION AND AFFILIATE ORGANIZATIONS OF THE SY STEM AVERAGE HOURS PER WEEK FOR AFFILIATE ORGANIZATIONS ARE 54

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 19,624,748 PRIOR PERIOD ADJUSTMENTS -3,257,775 OTHER MISCELLANEOUS CHANGES 172,813 CHANGES IN UNRESTRICTED ASSETS OF ALEGENT HEALTH 45,395,000 TRANSFERS TO AFFILIATED ENTITIES -39,359,000 JOA CAPITAL ADJUSTMENT 17,406,000 TEMP RESTRICTED CHANGES IN ALEGENT HEALTH 455,000 TOTAL TO FORM 990, PART XI, LINE 5 40,436,786

Identifier	Return Reference	Explanation
	FORM 990, PART I, LINE 5 AND PART V, LINE 2A	THE EMPLOYEES LISTED IN PART I, LINE 5 AND PART V, LINE 2A ARE EMPLOYED BY ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM. HOWEVER, THROUGH A COMMON PAY AGENT AGREEMENT, THE EMPLOYEES ARE PAID BY ALEGENT HEALTH AND PAYROLL EXPENSES ARE ALLOCATED TO ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 16	ALEGENT HEALTH HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES. HOWEVER, ALEGENT HEALTH'S SYSTEM-WIDE JOINT VENTURE MODEL 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 PURPOSE 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 PARTNER'S 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.

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public
Inspection**

▶ **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.**

Department of the Treasury
Internal Revenue Service

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

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

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

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC 12809 WEST DODGE ROAD OMAHA, NE68164 47-0802396	MANAGED CARE SERVICES	NE	N/A	C			

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

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c	Yes	
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o	Yes	
1p	Yes	
1q		No
1r		No

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) AVANTAS LLC	D	2,894,000	FAIR MARKET VALUE
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII **Supplemental Information**

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

Identifier**Return Reference****Explanation****Schedule R (Form 990) 2010**

Additional Data

Software ID:
Software Version:
EIN: 47-0484764
Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SR LILLIAN MURPHY RSM DIRECTOR	4 00	X					0	0	0	
MICHAEL DEFREECE VICE CHAIR	6 00	X		X			0	0	0	
PAUL EDGETT III DIRECTOR	4 00	X					0	0	0	
ERIC GURLEY DIRECTOR	4 00	X					0	0	0	
H KEITH SCHMODE DIRECTOR	4 00	X					0	18,500	0	
MARTIN MANCUSO MD DIRECTOR	4 00	X					0	18,500	0	
RICHARD VIERK DIRECTOR	4 00	X					0	26,500	0	
ANTOINETTE HARDY-WALLER RN DIRECTOR	4 00	X					0	17,500	0	
GUILLERMO HUERTA MD DIRECTOR	4 00	X					0	0	0	
LESLIE ANDERSEN DIRECTOR	4 00	X					0	0	0	
ANTHONY HATCHER DO SECRETARY/TREASURER	6 00	X		X			0	430,677	31,545	
JOHN HEWITT CHAIR	6 00	X		X			0	0	0	
RICHARD HACHTEN II PRESIDENT & CEO	29 00			X			515,902	533,577	278,627	
KENNETH LAWONN SVP STRATEGY AND TECHNOLOGY	29 00			X			218,025	225,496	134,712	
SCOTT WOOTEN SVP/CFO	29 00			X			265,835	274,944	136,617	
JOAN NEUHAUS SVP-COO	29 00			X			230,538	238,433	324,164	
RICHARD ROLSTON MD AHC-PRESIDENT & CEO	29 00			X			0	0	0	
RICK MILLER MD SVP-CHIEF QUALITY OFFICER	29 00			X			53,107	54,927	388,614	
JANE CARMODY SVP-CHIEF NURSING OFFICER	29 00			X			127,062	131,416	376,202	
LARRY BROWN MD AHC-INTERIM CEO	1 00			X			0	380,851	51,034	
MARTIN HICKEY MD SVP/CEO CLINICS	29 00			X			356,044	368,240	205,555	
MARIE KNEDLER COO-MERCY HOSPITAL & BMHC	29 00				X		181,596	187,818	153,276	
SHEREE KEELY VP-BEHAVIORAL HEALTH SVC	29 00				X		88,167	91,188	39,094	
ELIZABETH LLEWELLYN VP-MISSION INTEGRATION	29 00				X		106,921	110,585	43,049	
PATRICIA MASEK VP-MEDICAL AFFAIRS	29 00				X		91,079	94,198	65,673	

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
FRANK EMSICK VP-CONSTRUCTION	29 00				X			103,010	106,540	47,892
PAUL EBMEIER COO-AHC	29 00				X			165,590	171,262	52,953
NANCY WALLACE VP-HUMAN RESOURCES	29 00				X			111,246	115,056	357,417
JOSEPH HOAGBIN MD MEDICAL DIRECTOR	60 00				X			267,360	0	29,289
ENEH OKORUWA MD PHYSICIAN	60 00					X		454,287	0	33,561
SRIRAMAMURTHY RAVIPATI MD PHYSICIAN	60 00					X		394,864	0	37,873
UMAJYOTHI INDUKURI MD PHYSICIAN	60 00					X		366,457	0	13,012
CHAKRAVARTHI PURETI MD PHYSICIAN	60 00					X		403,279	0	12,250
ANTONIO SAQUETON JR MD PHYSICIAN	60 00					X		368,482	0	29,404
WAYNE SENSOR FORMER CEO							X	1,110,213	1,148,246	13,511
THEODORE SCHWAB FORMER SVP/CIO							X	114,150	118,060	1,258
FRED HOSLER MD FORMER SVP/CMO							X	396,415	409,997	7,239
MARGARET BREEN FORMER SVP-HUMAN RESOURCES							X	134,737	139,353	5,445
DAVID TEW FORMER COO-BMMC							X	88,492	91,523	1,338
AMY PROTEXTER FORMER SVP MARKETING & COMM							X	122,559	126,758	9,793
ANN JONES FORMER VP-ONCOLOGY SVC							X	0	0	0
PATRICIA NADLE FORMER SVP/CNO							X	121,708	125,878	4,772
MARK KESTNER MD FORMER SVP-CMO							X	272,231	281,558	7,402
MICHAEL ANDERSON FORMER VP-BEHAVIORAL HS							X	78,843	81,544	0

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

(Code) (Expenses \$ 19,002,671 including grants of \$ 2,112,512) (Revenue \$ 157,091,648)
BERGAN MERCY MEDICAL CENTER IS EQUIPPED WITH THE LATEST TECHNOLOGIES IN THE DIAGNOSTIC CENTER THE CENTER IS COMPLETELY DIGITAL, SO PATIENTS ARE NEVER WAITING ON FILMS FEMALE PATIENTS CAN COUNT ON EXPERT IMAGING TESTS INCLUDING ULTRASOUND, BONE DENSITY TESTING, STEREOTACTIC BREAST BIOPSY AND DIGITAL MAMMOGRAPHY THERE ARE A WIDE RANGE OF AVAILABLE TESTS AT THE DIAGNOSTIC CENTER THAT INCLUDE THE FOLLOWING DIGITAL MAMMOGRAPHY, MRI AND OPEN MRI, CT, PET CT AND CARDIAC CT, 64-SLICE CT, FLUOROSCOPY, PULMONARY FUNCTION TESTING, ULTRASOUND, CARDIOVASCULAR IMAGING, PHLEBOTOMY, NUCLEAR MEDICINE, DIGITAL IMAGING, EEG, EKG AND EMG, STRESS TESTING AND ARTERIOGRAM

Software ID:
Software Version:
EIN: 47-0484764
Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

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
ALEGENT HEALTH-IMMANUEL MEDICAL CENTER 6901 N 72ND STREET OMAHA, NE68122 47-0376615	LICENSED HOSPITAL	NE	501(C)(3)	L3	ALEGENT HEALTH		No
ALEGENT HEALTH 12809 WEST DODGE ROAD OMAHA, NE68154 47-0757164	LICENSED HOSPITAL/ADMINISTRATIVE SUPPORT	NE	501(C)(3)	L3	N/A		No
ALEGENT HEALTH CLINIC 12809 WEST DODGE ROAD OMAHA, NE68154 47-0765154	CLINICAL SERVICES	NE	501(C)(3)	L3	ALEGENT HEALTH		No
ALEGENT HEALTH FOUNDATION 12809 WEST DODGE ROAD OMAHA, NE68154 47-0648586	SUPPORT OF ALEGENT HEALTH AND AFFILIATES EXEMPT ACTIVITIES	NE	501(C)(3)	L7	ALEGENT HEALTH		No
ALEGENT HEALTH-MERCY HOSPITAL CORNING IA 603 ROSARY DRIVE CORNING, IA50841 42-0782518	LICENSED HOSPITAL	IA	501(C)(3)	L3	ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM	Yes	
MERCY HEALTH CARE FOUNDATION CORNING IA 603 ROSARY DRIVE CORNING, IA50841 42-1461064	SUPPORT OF ALEGENT HEALTH-MERCY HOSPITAL, CORNING, IA EXEMPT ACTIVITIES	IA	501(C)(3)	L11 I	ALEGENT HEALTH-MERCY HOSPITAL CORNING IA		No
ALEGENT HEALTH MEMORIAL HOSPITAL SCHUYLER NE 104 WEST 17TH STREET SCHUYLER, NE68661 47-0399853	LICENSED HOSPITAL	NE	501(C)(3)	L3	ALEGENT HEALTH-IMMANUEL MEDICAL CENTER		No
SCHUYLER MEMORIAL HOSPITAL FOUNDATION INC 104 WEST 17TH STREET SCHUYLER, NE68661 36-3630014	SUPPORT OF ALEGENT HEALTH-MEMORIAL HOSPITAL, SCHUYLER EXEMPT ACTIVITIES	NE	501(C)(3)	L11 I	ALEGENT HEALTH MEMORIAL HOSPITAL SCHUYLER NE		No
ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MO VALLEY IA 631 NORTH 8TH STREET MISSOURI VALLEY, IA51555 42-0776568	LICENSED HOSPITAL	IA	501(C)(3)	L3	ALEGENT HEALTH-IMMANUEL MEDICAL CENTER		No
COMMUNITY MEMORIAL HOSPITAL MEDICAL SERVICE FOUNDATION MISSOURI VALLEY IA 631 NORTH 8TH STREET MISSOURI VALLEY, IA51555 42-1294399	SUPPORT OF ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MISSOURI VALLEY,	IA	501(C)(3)	L11 I	ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MO VALLEY IA		No
MERCY HOSPITAL FOUNDATION 800 MERCY DRIVE COUNCIL BLUFFS, IA51503 42-1178204	SUPPORT OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM	IA	501(C)(3)	L11 I	ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
AVANTAS LLC 11128 JOHN GALT BLVD STE 400 OMAHA, NE68137 39-2045003	STAFFING OF NURSES	NE	N/A	RELATED	-2,862,040	7,130,140		No	103,446	Yes		95 000 %
LAKESIDE AMBULATORY SURGICAL CENTER LLC 17030 LAKESIDE HILLS PLZ STE 206 OMAHA, NE68130 20-4267902	AMBULATORY SURGICAL CENTER	NE	N/A	N/A				No			No	0 %
LAKESIDE ENDOSCOPY CENTER LLC 17001 LAKESIDE HILLS PLAZA STE 201 OMAHA, NE68130 20-5544496	ENDOSCOPY SERVICES	NE	N/A	N/A				No			No	0 %
OMAHA AMBULATORY INVESTMENT COMPANY LLC 12809 WEST DODGE ROAD OMAHA, NE68154 06-1786989	PARENT HOLDING COMPANY ASC	NE	N/A	N/A				No			No	0 %
ALEGENT HEALTH NORTHWEST IMAGING CENTER LLC 3606 N 156TH STREET STE 104 OMAHA, NE68154 06-1786985	DIAGNOSTIC TESTING FACILITY	NE	N/A	N/A				No			No	0 %
PRAIRIE HEALTH VENTURES LLC 421 SOUTH 9TH STREET STE 102 LINCOLN, NE68508 20-4962103	PROFESSIONAL TECH SERVICES	NE	N/A	N/A				No			No	0 %
BERGAN MERCY SURGERY CENTER LLC 7710 MERCY ROAD STE 100 OMAHA, NE68124 20-8671994	AMBULATORY SURIGICAL CENTER	NE	N/A	N/A				No			No	0 %
NEBRASKA SPINE LLC 6901 N 72ND STREET STE 20300 OMAHA, NE68122 27-0263191	SPINE HOSPITAL	NE	N/A	N/A				No			No	0 %

Form 4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

2010

Attachment Sequence No 67

See separate instructions. Attach to your tax return.

Name(s) shown on return ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Business or activity to which this form relates FORM 990 PAGE 10

Identifying number 47-0484764

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Section 179 election details, including maximum amount, total cost, and dollar limitation.

Table with 13 rows for Section 179 expense deduction calculation, including description of property, cost, and elected cost.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

Table with 3 rows for Special Depreciation Allowance and Other Depreciation details.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for MACRS deductions for assets placed in service in tax years beginning before 2010.

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

Table with 7 columns (a-g) for Section B assets, including classification, month placed in service, basis, recovery period, convention, method, and depreciation deduction.

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

Table with 5 rows for Section C assets, including class life, recovery period, convention, and method.

Part IV Summary (see instructions)

Table with 3 rows for Part IV summary, including listed property amount, total depreciation, and section 263A costs.

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) **25**

26 Property used more than 50% in a qualified business use

27 Property used 50% or less in a qualified business use

28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1 **28**

29 Add amounts in column (i), line 26 Enter here and on line 7, page 1 **29**

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table for Section B with columns (a) through (f) for Vehicle 1 through Vehicle 6. Rows include 30-33 (miles driven) and 34-36 (availability and use).

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table for Section C with 2 columns: Yes, No. Rows include 37-41 (policy statements and requirements).

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

Table for Section VI with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2010 tax year (see instructions)

43 Amortization of costs that began before your 2010 tax year **43**

44 Total. Add amounts in column (f) See the instructions for where to report **44**



**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Financial Statements

June 30, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
Alegent Health—Bergan Mercy Health System and Affiliates

We have audited the accompanying consolidated balance sheets of Alegent Health—Bergan Mercy Health System and Affiliates (Health System) 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 consolidated financial statements are the responsibility of the Health System's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alegent Health—Bergan Mercy Health System and Affiliates as of June 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The 2011 consolidating information included in Exhibits I, II, and III is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and changes in net assets of the individual affiliates. The information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

Omaha, Nebraska
September 8, 2011

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2011 and 2010

(Amounts in thousands)

Assets	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 53.637	\$ 22.690
Patient accounts receivable, net of allowance for uncollectible accounts of \$30.474 in 2011 and \$26.945 in 2010	49.447	51.801
Intercorporate receivable	2.585	35.906
Other accounts receivable	1.558	1.988
Inventories	10.299	9.575
Prepaid expenses	140	280
Total current assets	<u>117.666</u>	<u>122.240</u>
Assets limited as to use		
Long-term investments	231.958	190.902
Other investments	2.212	2.304
Total assets limited as to use	<u>234.170</u>	<u>193.206</u>
Property and equipment		
Land	3.349	3.349
Land improvements	12.418	12.335
Buildings and improvements	395.373	345.724
Equipment	183.254	168.039
Construction in progress	7.286	43.691
	<u>601.680</u>	<u>573.138</u>
Less accumulated depreciation	<u>295.807</u>	<u>268.328</u>
Property and equipment, net	<u>305.873</u>	<u>304.810</u>
Other assets		
Investment in joint ventures	250	250
Investments held for deferred compensation plans	—	814
Investment in Alegant Health	50.159	12.587
Other assets	53	55
Total other assets	<u>50.462</u>	<u>13.706</u>
Total assets	<u>\$ 708.171</u>	<u>\$ 633.962</u>

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2011 and 2010

(Amounts in thousands)

Liabilities and Net Assets	2011	2010
Current liabilities		
Current portion of long-term debt	\$ 6,222	\$ 5,632
Accounts payable	3,826	5,408
Accrued salaries, wages, and benefits	649	91
Accrued vacation and sick leave	157	95
Estimated third-party payor settlements	4,242	2,552
Other liabilities and accrued expenses	6,737	7,715
Total current liabilities	21,833	21,493
Long-term debt, net of current portion	173,898	166,246
Other long-term liabilities	3,481	1,756
Payable under deferred compensation plans	—	814
Total liabilities	199,212	190,309
Net assets		
Unrestricted	503,561	438,711
Temporarily restricted	3,607	3,151
Permanently restricted	1,791	1,791
Total net assets	508,959	443,653
Total liabilities and net assets	\$ 708,171	\$ 633,962

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Operations

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains, and other support		
Net patient service revenue	\$ 451,907	\$ 434,555
Cafeteria, building rental, sales to nonpatients, and other	40,682	47,465
Total revenues, gains, and other support	<u>492,589</u>	<u>482,020</u>
Operating expenses		
Salaries and wages	164,680	171,552
Employee benefits	45,824	54,169
Supplies	83,385	88,482
Purchased services	43,508	44,404
Professional services	19,421	22,316
Provision for bad debts	29,225	26,976
Other expenses	15,310	15,082
Depreciation and amortization	40,850	33,268
Rentals and leases	8,124	8,381
Interest	6,794	2,717
Equity in operating loss of Alegent Health	9,098	9,694
Total operating expenses	<u>466,219</u>	<u>477,041</u>
Operating income	<u>26,370</u>	<u>4,979</u>
Other income (loss)		
Interest and investment income	254	286
Equity in income of investment limited partnership	33,647	21,111
Other, net	(111)	301
Equity in other income of Alegent Health	820	391
Total other income, net	<u>34,610</u>	<u>22,089</u>
Excess of revenues over expenses, before joint operating agreement adjustment	60,980	27,068
Joint operating agreement adjustment	<u>(19,785)</u>	<u>(16,837)</u>
Excess of revenues over expenses	41,195	10,231
Other changes in unrestricted net assets		
Contributions for the purchase of property and equipment	39	114
Joint operating agreement adjustment – capital expenditures	17,406	(3,868)
Transfers to other Alegent affiliates	(39,360)	—
Equity in other changes in unrestricted net assets of Alegent Health	45,395	(6,374)
Other	175	350
Increase in unrestricted net assets	<u>\$ 64,850</u>	<u>\$ 453</u>

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2009	\$ 438,258	\$ 2,654	\$ 1,790	\$ 442,702
Excess of revenues over expenses	10,231	—	—	10,231
Contributions for the purchase of property and equipment	114	—	—	114
Contributions restricted by donor	—	40	—	40
Joint operating agreement adjustment – capital expenditures	(3,868)	—	—	(3,868)
Equity in other changes in net assets of Alegent Health	(6,374)	457	1	(5,916)
Other	350	—	—	350
Increase in net assets	<u>453</u>	<u>497</u>	<u>1</u>	<u>951</u>
Balance, June 30, 2010	<u>438,711</u>	<u>3,151</u>	<u>1,791</u>	<u>443,653</u>
Excess of revenues over expenses	41,195	—	—	41,195
Contributions for the purchase of property and equipment	39	—	—	39
Contributions restricted by donor	—	28	—	28
Joint operating agreement adjustment – capital expenditures	17,406	—	—	17,406
Net assets released from restrictions for use in operations	—	(27)	—	(27)
Transfers to other Alegent affiliates	(39,360)	—	—	(39,360)
Equity in other changes in net assets of Alegent Health	45,395	455	—	45,850
Other	175	—	—	175
Increase in net assets	<u>64,850</u>	<u>456</u>	<u>—</u>	<u>65,306</u>
Balance, June 30, 2011	<u><u>\$ 503,561</u></u>	<u><u>\$ 3,607</u></u>	<u><u>\$ 1,791</u></u>	<u><u>\$ 508,959</u></u>

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Cash Flows

Years ended June 30, 2011 and 2010

(Amounts in thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Increase in net assets	\$ 65,306	\$ 951
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	40,850	33,268
Provision for bad debts	29,225	26,976
Equity in income of investment limited partnership	(33,647)	(21,111)
Contributions restricted by donor	(28)	(40)
Contributions for the purchase of property and equipment	(39)	(114)
Joint operating agreement adjustment – capital expenditures	(17,406)	3,868
Transfers to other Alegent affiliates	39,360	—
Equity in other changes in net assets of Alegent Health	(45,850)	5,916
Other changes in net assets	(175)	(350)
Decrease (increase) in current assets		
Receivables		
Patients	(26,871)	(28,976)
Affiliates	33,321	1,239
Other	430	757
Inventories	(724)	(426)
Prepaid expenses	140	(127)
Increase (decrease) in liabilities		
Accounts payable	(2,735)	5,907
Accrued salaries, wages, and benefits	558	(107)
Accrued vacation and sick leave	62	(18)
Estimated third-party payor settlements	1,690	2,242
Other liabilities and accrued expenses	(978)	(3,713)
Net cash provided by operating activities	<u>82,489</u>	<u>26,142</u>
Cash flows from investing activities		
Purchase of assets limited as to use	(28,038)	(24,245)
Sale of assets limited as to use	20,721	476
Additions to property and equipment	(40,760)	(93,149)
Contributions for the purchase of property and equipment	39	114
Equity in other changes in net assets of Alegent Health	45,850	(5,916)
Decrease (increase) in investment in Alegent Health	(37,572)	15,219
Decrease (increase) in other long-term assets and liabilities	1,727	(183)
Net cash used in investing activities	<u>(38,033)</u>	<u>(107,684)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(2,882)	(4,552)
Payments on Alegent line of credit	—	(25,000)
Proceeds from long-term debt	11,124	100,028
Transfers from other Alegent affiliates	(39,360)	—
Joint operating agreement adjustment – capital expenditures	17,406	(3,868)
Restricted contributions	28	40
Other changes in net assets	175	350
Net cash provided by (used in) financing activities	<u>(13,509)</u>	<u>66,998</u>
Net increase (decrease) in cash and cash equivalents	30,947	(14,544)
Cash and cash equivalents, beginning of year	<u>22,690</u>	<u>37,234</u>
Cash and cash equivalents, end of year	<u>\$ 53,637</u>	<u>\$ 22,690</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest (net of amount capitalized)	\$ 6,794	\$ 2,717

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(1) Organization

Alegent Health—Bergan Mercy Health System and Affiliates (Health System) is a not-for-profit organization that operates a health care delivery system in eastern Nebraska and western Iowa. The sole corporate member of the Health System is Catholic Health Initiatives (CHI). 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.

The consolidated financial statements include the accounts of the following entities or operating divisions:

Alegent Health—Bergan Mercy Health System and Affiliates (which includes)
The Archbishop Bergan Mercy Medical Center, Omaha, Nebraska
Alegent Health—Mercy Hospital, Council Bluffs, Iowa
Avantas, LLC
Alegent Health—Mercy Hospital, Corning, Iowa

Significant intercorporate accounts and transactions have been eliminated in the consolidation.

As discussed in note 3, the Health System has entered into a Joint Operating Agreement with Alegent Health—Immanuel Medical Center (Immanuel) forming the Alegent Health system (Alegent).

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Health System. These policies are in accordance with U.S. generally accepted accounting principles.

(a) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of 12 months or less.

(c) Investments

At June 30, 2011 and 2010, over 99% of the Health System's investment portfolio is invested in the CHI investment limited partnership, respectively. (note 4). Investments in partnerships are recorded using the equity method of accounting with the related equity in losses reported as other income in the accompanying consolidated financial statements.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(d) Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

(e) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based on the following useful lives:

Land improvements	10 – 40 years
Buildings and improvements	5 – 40 years
Equipment	3 – 20 years

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During the years ended June 30, 2011 and 2010, the Health System capitalized approximately \$1.270 and \$3.767, respectively, of interest.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support and are excluded from the excess of revenues over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

(f) Investment in Joint Ventures

The Health System has invested in certain joint ventures and accounts for such investments using either the cost or the equity method of accounting based on the relative percentage of ownership and the level of influence over the investee.

(g) Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Health System first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(h) *Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use is limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Health System in perpetuity.

Temporarily and permanently restricted net assets held by the Health System are recorded and accounted for in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 958-205, *Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*.

The Health System holds endowment funds for support of its programs and operations. As required by U.S. generally accepted accounting principles, net assets and the changes therein associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System has interpreted UPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Health System classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations. Absent any donor-imposed restrictions, interest, dividends, and net appreciation are deemed appropriated for expenditure when earned. In accordance with UPMIFA, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the endowment fund,
- (2) the purposes of the Health System and the donor-restricted endowment fund,
- (3) general economic conditions,
- (4) the possible effect of inflation or deflation,
- (5) the expected total return from income and the appreciation of investments,
- (6) other resources of the Health System, and
- (7) the investment policies of the Health System.

Endowment assets are invested in the CHI investment limited partnership (note 4).

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(i) Donor-Restricted Gifts

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

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

(j) Net Patient Service Revenue

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

(k) Charity Care – Benefits for the Poor and Underserved

The Health System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Health System does not pursue collection of amounts once determined to qualify as charity care, they are not reported as revenue in the consolidated statements of operations. The amount of charges foregone for services and supplies furnished under the Health System's charity policy aggregated approximately \$49,578 and \$45,950 in 2011 and 2010, respectively.

(l) Excess of Revenues over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

to be used for the purpose of acquiring such assets), and certain joint operating agreement settlements

(m) *Estimated Malpractice Costs*

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported

(n) *Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents, accounts receivable, estimated third-party payor settlements, and payables approximate fair value due to the short duration of these instruments. Fair value for investments is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The carrying amount of the investment in the CHI investment limited partnership is based on the net asset value reported by the limited partnership, which approximates fair value. The fair value of long-term debt as of June 30, 2011 and 2010 is approximately \$186.893 and \$172.064, respectively.

The Health System follows the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. 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.

(o) *Asset Retirement Obligations*

The Health System recognizes the fair value of liabilities for legal obligations associated with asset retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. Over time, the obligation is accreted to its present value each period. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations. The Health System's obligations relate to estimates of the costs to abate clinical and administrative facilities containing asbestos and to replace underground storage tanks. At June 30, 2011 and 2010, this long-term liability totaled \$1.732 and \$1.756, respectively.

(p) *Income Taxes*

All affiliated entities (see note 1) have been recognized as not-for-profit corporations by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except Avantas, LLC. Avantas, LLC is a multi-member limited liability company treated as a partnership and therefore is not subject to federal and state income taxes.

The Health System recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Such tax positions, which are more than 50% likely of being

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

realized, are measured at their highest value. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. During 2011 and 2010, management determined that there are no income tax positions requiring recognition in the consolidated financial statements.

(3) Joint Operating Agreement

The Health System has entered into a Joint Operating Agreement (the Agreement) with Immanuel for purposes of creating and operating an integrated health care delivery system.

Under the terms of the Agreement, the consolidated operating results and capital expenditures of the Health System and Immanuel are shared on an equal basis. Each entity continues to own its respective assets and is responsible for its own liabilities.

The Agreement provides for, among other things, joint management of the Health System, Immanuel, and Alegent Health, a separate not-for-profit corporation as described in Section 501(c)(3) of the Code. Alegent was established to improve the health status of the community through the development of a network to provide integrated health care services to the Midlands region. Alegent operates certain community health care clinics, Midlands Community Hospital located in Papillion, Nebraska, Lakeside Hospital and Alegent Health Foundation in Omaha, Nebraska, and provides management services to the Health System. The Health System and Immanuel are the sole corporate members of Alegent.

In connection with the activities and events described above, certain administrative functions of the Health System and Immanuel are performed at Alegent. These administrative functions include human resources, information systems, planning and marketing, legal, system management, accounting and finance, and other centralized functions. During 2011 and 2010, approximately \$75,740 and \$86,584, respectively, of such expenses were charged back to the Health System, at cost, and are reflected in operating expenses in the accompanying consolidated statements of operations.

The Agreement contains provisions related to dissolution that generally provide for distribution of the assets based on fair market value. Distribution percentages vary depending upon the manner in which dissolution occurs.

In connection with the Agreement, the Health System has recorded an adjustment to excess of revenues over expenses of \$(19,785) and \$(16,837) for the years ended June 30, 2011 and 2010, respectively, representing the sharing of the operating results of the Health System and Immanuel. In addition, \$17,406 and \$(3,868) have been reflected as adjustments to net assets in 2011 and 2010, respectively, which reflect the sharing of capital expenditures for the same periods.

The Health System has recorded its 50% share of the loss of Alegent Health and Affiliates of \$(8,278) and \$(9,303) for the years ended June 30, 2011 and 2010, respectively, which is reflected as equity in operating income and other income of Alegent in the accompanying consolidated statements of operations.

At June 30, 2011 and 2010, the Health System had recorded an intercorporate receivable of \$2,585 and \$35,906, respectively, as a result of these transactions.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(4) Assets Limited as to Use

The composition of assets limited as to use at June 30, 2011 and 2010 is set forth in the following table

	<u>2011</u>	<u>2010</u>
Assets limited as to use		
Investment in CHI investment limited partnership	\$ 231,958	\$ 190,902
Cash and cash equivalents	285	512
Other	1,927	1,792
Total	<u>\$ 234,170</u>	<u>\$ 193,206</u>

The Health System has an undivided interest in the CHI investment limited partnership. The Health System accounts for its investment in the investment partnership using the equity method of accounting. At June 30, 2011 and 2010, the value of the CHI investment limited partnership approximated \$6.0 billion and \$5.0 billion, respectively, with the Health System's ownership interest approximating 4% for 2011 and 2010. The Health System's investment in the CHI investment limited partnership is comprised of the following as of June 30, 2011 and 2010 (all investments are at fair value)

	<u>2011</u>	<u>2010</u>
Fixed income	\$ 107,884	\$ 96,866
Equity	124,074	94,036
Total	<u>\$ 231,958</u>	<u>\$ 190,902</u>

The CHI investment limited partnership is comprised of the following investment classifications as of June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	9%	5%
Common stocks	40	36
Corporate and other bonds	11	16
U.S. government securities	3	6
Fixed income funds	15	17
Hedge funds	8	9
Private equity funds	6	6
Real estate funds	4	3
Foreign currency exchange contracts	3	1
Other	1	1
Total	<u>100%</u>	<u>100%</u>

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

Investment income, gains, and losses for assets limited as to use and cash and cash equivalents are comprised of the following for the years ended June 30, 2011 and 2010

	2011	2010
Consolidated statements of operations		
Interest and investment income	\$ 254	\$ 286
Equity in income of investment limited partnership	33,647	21,111
Total investment income	\$ 33,901	\$ 21,397

(5) Net Patient Service Revenue

The Health System has agreements with third-party payors that provide for payments to the Health System at amounts different from its established rates. A summary of the payment arrangements with major third-party payors is as follows:

(a) Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. In addition, Alegent Health—Mercy Hospital, Inc., Corning, Iowa, has been designated a Critical Access Hospital and, accordingly, is reimbursed its cost of providing services to Medicare beneficiaries.

(b) Nebraska and Iowa Medicaid

Nebraska and Iowa inpatient and Iowa outpatient services rendered to Medicaid program beneficiaries are primarily paid at prospectively determined rates per discharge or procedure. Certain Nebraska outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges discounted by 18%. Physician clinic services are paid based on fee schedule amounts. The hospitals designated as Critical Access Hospitals are reimbursed based on their reasonable costs.

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 10%, respectively, of the Health System's net patient service revenue for the year ended June 30, 2011, and approximately 29% and 10%, respectively, of the Health System's net patient service revenue for the year ended June 30, 2010. 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. The 2011 and 2010 net patient service revenue increased approximately \$1.137 and \$3.049, respectively, due to the removal of allowances previously estimated that were no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews, and investigations.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

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

Net patient service revenue, as reflected in the accompanying consolidated statements of operations, consists of the following:

	2011	2010
Gross patient charges		
Inpatient charges	\$ 722,397	\$ 703,780
Outpatient charges	519,345	464,004
Total gross patient charges	1,241,742	1,167,784
Less		
Deductions from gross patient charges		
Contractual adjustments – Medicare, Medicaid, and other	789,835	733,229
Net patient service revenue	\$ 451,907	\$ 434,555

(6) Long-Term Debt

Long-term debt as of June 30, 2011 and 2010 consists of the following:

	2011	2010
Notes payable to CHI, due in varying monthly installments through December 1, 2028, with a weighted average yield of 4.6% during 2011	\$ 68,142	\$ 72,327
Notes payable to CHI, due in varying monthly installments through December 1, 2039, with a weighted average yield of 4.6% during 2011	109,170	99,479
Other long-term obligations	2,808	72
Total long-term debt	180,120	171,878
Less current maturities	6,222	5,632
Long-term debt, excluding current maturities	\$ 173,898	\$ 166,246

The Health System, Immanuel, and Alegent have entered into the Alegent Financing Agreement (AFA) with CHI, which provides access to the capital markets. Under the terms of the AFA, the Health System is defined as a Participant and Alegent and Immanuel as Designated Affiliates. These categories define the level of participation and control of CHI. The terms of the AFA require the Alegent system to meet certain

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

financial covenants and ratios and provide other limits relating to additional indebtedness and transfers of property, among others

On November 10, 2009, Bergan, Immanuel, and Alegent issued additional promissory notes to CHI for \$282 million. During 2010, Bergan received approximately \$100 million of its \$111 million in debt proceeds from CHI, and the remaining \$11 million in debt proceeds was received during 2011 as financed assets were placed into service.

Under the terms of the AFA, each party has issued promissory notes to CHI. The obligations issued under the AFA represent the individual obligations of the issuer. In the unlikely event that CHI would have insufficient funds to make required payments on its financial obligations, the Health System, Immanuel, Alegent, and all other Participants and Designated Affiliates of CHI may be required to contribute funds to CHI to enable it to meet its obligations.

Scheduled principal payments on long-term debt for the next five years and thereafter are approximately as follows:

2012	\$	6.222
2013		9.277
2014		6.850
2015		7.193
2016		7.552
Thereafter		143.026

(7) Retirement Plans

(a) *Alegent Health Retirement 403(b) Plan*

Beginning January 1, 2010, the Health System participates in the Alegent 403(b) savings plan. Participating employees can contribute a portion of their salary to the plan, subject to IRS regulations. The Health System makes matching contributions up to a maximum of 3% based on salary and a fixed contribution up to 6% based on years of service. Pension expense related to this plan for the years ended June 30, 2011 and 2010 was \$6.370 and \$3.216, respectively.

(b) *Alegent Health Multioptional Pension Plan*

The Health System participates in the Alegent multioptional pension plan covering substantially all of the Health System's employees. During 2009, Alegent's board of directors approved a resolution to freeze the plan effective January 1, 2010. Generally, employees were eligible for participation after completing one year of service in which the employee completes 1,000 hours or more of service and had attained the age of 19. This Plan covered eligible employees as of January 1, 2010. For each plan year, a retirement benefit was provided for as a percentage of the eligible participant's annual compensation. Employee contributions to the plan were not permitted except for certain rollover provisions. Benefits earned under the plan are available to participants at a normal retirement age of

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

65, with early retirement available to participants who have reached the age of 55 and are 100% vested. Benefits vest after three years of service. Pension expense for the Health System for this plan for the years ended June 30, 2011 and 2010 was \$1.016 and \$3.816, respectively. Separate information applicable to the Health System is not available.

(8) Fair Value Measurements

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Health System has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets and liabilities that are measured at fair value on a recurring basis at June 30, 2011 and 2010.

	June 30, 2011	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Cash and cash equivalents	\$ 53,637	\$ 53,467	\$ 170	\$ —
Assets limited as to use				
Cash and cash equivalents	285	23	262	—
Investment funds	17	—	17	—
Other	1,910	—	1,910	—
Total	<u>\$ 55,849</u>	<u>\$ 53,490</u>	<u>\$ 2,359</u>	<u>\$ —</u>

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

	<u>June 30, 2010</u>	<u>Fair value measurements at reporting date using</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Assets				
Cash and cash equivalents	\$ 22,690	\$ 22,175	\$ 515	\$ —
Assets limited as to use				
Cash and cash equivalents	512	—	512	—
Investment funds	266	—	266	—
Other	1,526	—	1,526	—
Total	<u>\$ 24,994</u>	<u>\$ 22,175</u>	<u>\$ 2,819</u>	<u>\$ —</u>

(9) Concentrations of Credit Risk

The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2011 and 2010 approximated the following:

	<u>2011</u>	<u>2010</u>
Medicare	33%	32%
Medicaid	17	17
Managed care	30	33
Self-pay	19	16
Commercial and other	1	2
	<u>100%</u>	<u>100%</u>

(10) Insurance Programs

The Health System participates in a centralized risk management program sponsored by Alegant for its hospital professional and general liability insurance coverage. The program provides for a deductible of \$2,000 per occurrence, with annual aggregates of \$4,000 for general liability and \$6,000 for hospital professional liability. In addition, the program has excess coverage purchased from the commercial insurance market providing for \$30,000 per occurrence and in the aggregate. In the event that the current policy is not renewed or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be uninsured. The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial study.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

The Health System participates with Alegant in a workers' compensation self-insurance program, which provides coverage for all workers' compensation claims. Coverage is provided through a self-insurance program with a fronting policy whereby the responsibility for the initial \$400 and \$450, for Nebraska and Iowa, respectively, of each claim resides with the workers' compensation self-insurance program. A specific stop-loss agreement covers claims amounts in excess of \$400 and \$450 up to each state's statutory requirements. The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial study.

The Health System is also self-insured under its employee group health and dental programs up to certain limits. Included in the accompanying consolidated statements of operations is a provision for premiums for excess coverage and payments for claims including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year-end related to such claims.

Management of the Health System is presently not aware of any unasserted general and professional liability or group health, dental, or workers' compensation claims that would have a material adverse impact on the accompanying consolidated financial statements.

(11) Laws and Regulations

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 necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Health System is in compliance with fraud and abuse, as well as other applicable government laws and regulations.

(12) Functional Expenses

The Health System provides health care services primarily to residents within its geographic location. Expenses included in the consolidated statements of operations as they relate to provision of these services are as follows for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 414,690	\$ 418,202
General and administrative	51,529	58,839
Total operating expenses	<u>\$ 466,219</u>	<u>\$ 477,041</u>

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2011 and 2010

(Amounts in thousands)

(13) Facility Plan

Alegent has developed an overall framework for integrating the elements of its facility plan referred to as Generation Patient. Successful implementation of all elements of Generation Patient will enable the enhancement and innovation of clinical services, facilities, and hospital campuses across the Alegent system. The investments in plant and equipment are funded through a combination of operating cash flow, investments, long-term debt, and philanthropy. Total Generation Patient expenditures are projected to approximate \$400,000 of which the Health System would fund 50% as a result of either direct acquisition for the Health System or through the equalization of expenditures provided by the Joint Operating Agreement. Expenditures are expected to conclude in 2012. As of June 30, 2011 and 2010, total costs incurred relating to Generation Patient projects for all Alegent entities approximated \$337,927 and \$317,379, respectively.

(14) Subsequent Events

The Health System has evaluated subsequent events from the consolidated balance sheet date through September 8, 2011, the date at which the consolidated financial statements were available to be issued, and determined there are no other items to disclose.

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Assets	<u>The Archbishop Bergan Mercy Medical Center</u>	<u>Alegent Health Mercy Hospital</u>	<u>Mercy Medical Office Buildings, Inc.</u>	<u>Eliminations</u>	<u>Alegent Health— Bergan Mercy Health System</u>
Current assets					
Cash and cash equivalents	\$ 51.307	\$ (163)	\$ —	\$ —	\$ 51.144
Patient accounts receivable	55.582	21.691	—	—	77.273
Less allowance for uncollectible accounts	18.672	11.223	—	—	29.895
Net patient accounts receivable	36.910	10.468	—	—	47.378
Intercorporate receivable	—	23.619	—	(23.619)	—
Other accounts receivable	965	9	20	—	994
Inventories	7.442	2.476	—	—	9.918
Prepaid expenses	3	—	—	—	3
Total current assets	<u>96.627</u>	<u>36.409</u>	<u>20</u>	<u>(23.619)</u>	<u>109.437</u>
Assets limited as to use					
Long-term investments	200.926	30.915	—	—	231.841
Other investments	—	—	—	—	—
Total assets limited as to use	<u>200.926</u>	<u>30.915</u>	<u>—</u>	<u>—</u>	<u>231.841</u>
Property and equipment					
Land	2.408	795	138	—	3.341
Land improvements	7.658	4.083	360	—	12.101
Buildings and improvements	297.397	67.479	18.825	—	383.701
Equipment	134.391	36.380	40	—	170.811
Construction in progress	7.174	112	—	—	7.286
	449.028	108.849	19.363	—	577.240
Less accumulated depreciation	212.547	61.227	9.264	—	283.038
Property and equipment, net	<u>236.481</u>	<u>47.622</u>	<u>10.099</u>	<u>—</u>	<u>294.202</u>
Other assets					
Investments in joint ventures	250	—	—	—	250
Other assets	2.935	12	—	—	2.947
Investment in Alegent Health	50.159	—	—	—	50.159
Total other assets	<u>53.344</u>	<u>12</u>	<u>—</u>	<u>—</u>	<u>53.356</u>
Total assets	<u>\$ 587.378</u>	<u>\$ 114.958</u>	<u>\$ 10.119</u>	<u>\$ (23.619)</u>	<u>\$ 688.836</u>

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Liabilities and Net Assets	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Current liabilities					
Current portion of long-term debt	\$ 4,876	\$ 1,340	\$ —	\$ —	\$ 6,216
Accounts payable	2,434	921	—	—	3,355
Accrued salaries, wages, and benefits	224	125	—	—	349
Intercorporate payable	20,915	—	4,832	(23,619)	2,128
Estimated third-party payor settlements	2,026	1,647	—	—	3,673
Other liabilities and accrued expenses	3,517	966	—	—	4,483
Total current liabilities	<u>33,992</u>	<u>4,999</u>	<u>4,832</u>	<u>(23,619)</u>	<u>20,204</u>
Long-term debt, net of current portion	130,206	40,597	—	—	170,803
Other long-term liabilities	1,449	282	—	—	1,731
Total liabilities	<u>165,647</u>	<u>45,878</u>	<u>4,832</u>	<u>(23,619)</u>	<u>192,738</u>
Net assets					
Unrestricted	416,354	69,080	5,287	—	490,721
Temporarily restricted	3,586	—	—	—	3,586
Permanently restricted	1,791	—	—	—	1,791
Total net assets	<u>421,731</u>	<u>69,080</u>	<u>5,287</u>	<u>—</u>	<u>496,098</u>
Total liabilities and net assets	<u>\$ 587,378</u>	<u>\$ 114,958</u>	<u>\$ 10,119</u>	<u>\$ (23,619)</u>	<u>\$ 688,836</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Assets	Alegent Health Bergan Mercy Health System	Alegent Health Mercy Hospital, Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Current assets					
Cash and cash equivalents	\$ 51,144	\$ 989	\$ 1,504	\$ —	\$ 53,637
Patient accounts receivable	77,273	2,648	—	—	79,921
Less allowance for uncollectible accounts	29,895	579	—	—	30,474
Net patient accounts receivable	47,378	2,069	—	—	49,447
Intercorporate receivable	—	4,713	—	(2,128)	2,585
Other accounts receivable	994	2	562	—	1,558
Inventories	9,918	381	—	—	10,299
Prepaid expenses	3	—	137	—	140
Total current assets	109,437	8,154	2,203	(2,128)	117,666
Assets limited as to use					
Long-term investments	231,841	117	—	—	231,958
Other investments	—	2,212	—	—	2,212
Total assets limited as to use	231,841	2,329	—	—	234,170
Property and equipment					
Land	3,341	8	—	—	3,349
Land improvements	12,101	317	—	—	12,418
Buildings and improvements	383,701	11,606	66	—	395,373
Equipment	170,811	5,924	6,519	—	183,254
Construction in progress	7,286	—	—	—	7,286
Total property and equipment	577,240	17,855	6,585	—	601,680
Less accumulated depreciation	283,038	10,564	2,205	—	295,807
Property and equipment, net	294,202	7,291	4,380	—	305,873
Other assets					
Investments in joint ventures	250	—	—	—	250
Other assets	2,947	—	—	(2,894)	53
Investment in Alegent Health	50,159	—	—	—	50,159
Total other assets	53,356	—	—	(2,894)	50,462
Total assets	\$ 688,836	\$ 17,774	\$ 6,583	\$ (5,022)	\$ 708,171

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2011

(Amounts in thousands)

Liabilities and Net Assets	Alegent Health Bergan Mercy Health System	Alegent Health Mercy Hospital, Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Current liabilities					
Current portion of long-term debt	\$ 6,216	\$ 6	\$ —	\$ —	\$ 6,222
Accounts payable	3,355	114	357	—	3,826
Accrued salaries, wages, and benefits	349	224	76	—	649
Accrued vacation and sick leave	—	—	157	—	157
Intercorporate payable	2,128	—	—	(2,128)	—
Estimated third-party payor settlements	3,673	569	—	—	4,242
Other liabilities and accrued expenses	4,483	61	2,193	—	6,737
Total current liabilities	<u>20,204</u>	<u>974</u>	<u>2,783</u>	<u>(2,128)</u>	<u>21,833</u>
Long-term debt, net of current portion	170,803	345	5,644	(2,894)	173,898
Other long-term liabilities	1,731	—	1,750	—	3,481
Total liabilities	<u>192,738</u>	<u>1,319</u>	<u>10,177</u>	<u>(5,022)</u>	<u>199,212</u>
Net assets					
Unrestricted	490,721	16,434	(3,594)	—	503,561
Temporarily restricted	3,586	21	—	—	3,607
Permanently restricted	1,791	—	—	—	1,791
Total net assets	<u>496,098</u>	<u>16,455</u>	<u>(3,594)</u>	<u>—</u>	<u>508,959</u>
Total liabilities and net assets	<u>\$ 688,836</u>	<u>\$ 17,774</u>	<u>\$ 6,583</u>	<u>\$ (5,022)</u>	<u>\$ 708,171</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Operations Information

Year ended June 30, 2011

(Amounts in thousands)

	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Unrestricted revenues, gains, and other support					
Gross patient charges					
Inpatient charges	\$ 525,348	\$ 193,325	\$ —	\$ —	\$ 718,673
Outpatient charges	355,172	141,973	—	—	497,145
	<u>880,520</u>	<u>335,298</u>	<u>—</u>	<u>—</u>	<u>1,215,818</u>
Less					
Deductions from gross patient charges					
Contractual adjustments and other	555,981	223,469	—	—	779,450
Net patient service revenue	324,539	111,829	—	—	436,368
Cafeteria, building rental, sales to nonpatients, and other	32,039	1,872	1,132	—	35,043
Total revenues, gains, and other support	<u>356,578</u>	<u>113,701</u>	<u>1,132</u>	<u>—</u>	<u>471,411</u>
Operating expenses					
Salaries and wages	91,884	32,614	4	—	124,502
Employee benefits	25,933	8,748	—	—	34,681
Supplies	65,090	16,695	31	—	81,816
Intercompany services	55,550	18,625	1,565	—	75,740
Purchased services	22,525	5,211	302	—	28,038
Professional services	10,135	4,275	—	—	14,410
Provision for bad debts	17,399	11,869	—	—	29,268
Other expenses	2,004	1,389	212	—	3,605
Depreciation and amortization	22,392	5,429	909	—	28,730
Rentals and leases	6,245	1,389	2	—	7,636
Interest	5,032	1,661	—	—	6,693
Equity in operating loss of Alegent Health	9,098	—	—	—	9,098
Total operating expenses	<u>333,287</u>	<u>107,905</u>	<u>3,025</u>	<u>—</u>	<u>444,217</u>
Operating income (loss)	<u>23,291</u>	<u>5,796</u>	<u>(1,893)</u>	<u>—</u>	<u>27,194</u>
Other income (loss)					
Interest and investment income	48	14	—	—	62
Equity in income of investment limited partnership	28,842	4,788	—	—	33,630
Other, net	(111)	—	—	—	(111)
Equity in other income of Alegent Health	820	—	—	—	820
Total other income, net	<u>29,599</u>	<u>4,802</u>	<u>—</u>	<u>—</u>	<u>34,401</u>
Excess (deficiency) of revenues over expenses, before joint operating agreement adjustment	52,890	10,598	(1,893)	—	61,595
Joint operating agreement adjustment	(19,785)	—	—	—	(19,785)
Excess (deficiency) of revenues over expenses	<u>33,105</u>	<u>10,598</u>	<u>(1,893)</u>	<u>—</u>	<u>41,810</u>
Other changes in unrestricted net assets					
Contributions for the purchase of property and equipment	59	28	—	—	87
Joint operating agreement adjustment – capital expenditures	17,406	—	—	—	17,406
Transfers to other Alegent affiliates	(39,360)	—	—	—	(39,360)
Equity in other changes in unrestricted net assets of Alegent Health	45,395	—	—	—	45,395
Other	175	—	—	—	175
Increase (decrease) in unrestricted net assets	<u>\$ 56,780</u>	<u>\$ 10,626</u>	<u>\$ (1,893)</u>	<u>\$ —</u>	<u>\$ 65,513</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Operations Information

Year ended June 30, 2011

(Amounts in thousands)

	Alegent Health— Bergan Mercy Health System	Alegent Health— Mercy Hospital Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Unrestricted revenues, gains, and other support					
Gross patient charges					
Inpatient charges	\$ 718,673	\$ 3,724	\$ —	\$ —	\$ 722,397
Outpatient charges	497,145	22,200	—	—	519,345
	<u>1,215,818</u>	<u>25,924</u>	<u>—</u>	<u>—</u>	<u>1,241,742</u>
Less					
Deductions from gross patient charges					
Contractual adjustments and other	779,450	10,385	—	—	789,835
Net patient service revenue	436,368	15,539	—	—	451,907
Cafeteria, building rental, sales to nonpatients, and other	35,043	565	6,415	(1,341)	40,682
Total revenues, gains, and other support	<u>471,411</u>	<u>16,104</u>	<u>6,415</u>	<u>(1,341)</u>	<u>492,589</u>
Operating expenses					
Salaries and wages	124,502	4,578	3,961	31,639	164,680
Employee benefits	34,681	1,335	602	9,206	45,824
Supplies	81,816	2,353	10	(794)	83,385
Intercorporate services	75,740	—	—	(75,740)	—
Purchased services	28,038	3,987	891	10,592	43,508
Professional services	14,410	2,403	—	2,608	19,421
Provision for bad debts	29,268	(43)	—	—	29,225
Other expenses	3,605	219	383	11,103	15,310
Depreciation and amortization	28,730	909	1,237	9,974	40,850
Rentals and leases	7,636	105	219	164	8,124
Interest	6,693	16	178	(93)	6,794
Equity in operating loss of Alegent Health	9,098	—	—	—	9,098
Total operating expenses	<u>444,217</u>	<u>15,862</u>	<u>7,481</u>	<u>(1,341)</u>	<u>466,219</u>
Operating income (loss)	<u>27,194</u>	<u>242</u>	<u>(1,066)</u>	<u>—</u>	<u>26,370</u>
Other income (loss)					
Interest and investment income	62	192	—	—	254
Equity in income of investment limited partnership	33,630	17	—	—	33,647
Other, net	(111)	—	—	—	(111)
Equity in other income of Alegent Health	820	—	—	—	820
Total other income, net	<u>34,401</u>	<u>209</u>	<u>—</u>	<u>—</u>	<u>34,610</u>
Excess (deficiency) of revenues over expenses, before joint operating agreement adjustment	61,595	451	(1,066)	—	60,980
Joint operating agreement adjustment	(19,785)	—	—	—	(19,785)
Excess (deficiency) of revenues over expenses	<u>41,810</u>	<u>451</u>	<u>(1,066)</u>	<u>—</u>	<u>41,195</u>
Other changes in unrestricted net assets					
Contributions for the purchase of property and equipment	87	(48)	—	—	39
Joint operating agreement adjustment – capital expenditures	17,406	—	—	—	17,406
Transfers to other Alegent affiliates	(39,360)	—	—	—	(39,360)
Equity in other changes in unrestricted net assets of Alegent Health	45,395	—	—	—	45,395
Other	175	—	—	—	175
Increase (decrease) in unrestricted net assets	<u>\$ 65,513</u>	<u>\$ 403</u>	<u>\$ (1,066)</u>	<u>\$ —</u>	<u>\$ 64,850</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2011

(Amounts in thousands)

	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Unrestricted					
Balance, June 30, 2010	\$ 359,574	\$ 58,454	\$ 7,180	\$ —	\$ 425,208
Excess (deficiency) of revenues over expenses	33,105	10,598	(1,893)	—	41,810
Contributions for the purchase of property and equipment	59	28	—	—	87
Joint operating agreement adjustment – capital expenditures	17,406	—	—	—	17,406
Transfers to other Alegent affiliates	(39,360)	—	—	—	(39,360)
Equity in other changes in unrestricted net assets of Alegent Health	45,395	—	—	—	45,395
Other	175	—	—	—	175
Increase (decrease) in unrestricted net assets	<u>56,780</u>	<u>10,626</u>	<u>(1,893)</u>	<u>—</u>	<u>65,513</u>
Balance, June 30, 2011	<u>\$ 416,354</u>	<u>\$ 69,080</u>	<u>\$ 5,287</u>	<u>\$ —</u>	<u>\$ 490,721</u>
Temporarily restricted					
Balance, June 30, 2010	\$ 3,131	\$ —	\$ —	\$ —	\$ 3,131
Equity in other changes in temporarily restricted net assets of Alegent Health	455	—	—	—	455
Increase in temporarily restricted net assets	<u>455</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>455</u>
Balance, June 30, 2011	<u>\$ 3,586</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,586</u>
Permanently restricted					
Balance, June 30, 2010	\$ 1,791	\$ —	\$ —	\$ —	\$ 1,791
Equity in other changes in permanently restricted net assets of Alegent Health	—	—	—	—	—
Increase in permanently restricted net assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Balance, June 30, 2011	<u>\$ 1,791</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,791</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2011

(Amounts in thousands)

	Alegent Health— Bergan Mercy Health System	Alegent Health— Mercy Hospital Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Unrestricted					
Balance, June 30, 2010	\$ 425.208	\$ 16.031	\$ (2.528)	\$ —	\$ 438.711
Excess (deficiency) of revenues over expenses	41.810	451	(1.066)	—	41.195
Contributions for the purchase of property and equipment	87	(48)	—	—	39
Joint operating agreement adjustment – capital expenditures	17.406	—	—	—	17.406
Transfers to other Alegent affiliates	(39.360)	—	—	—	(39.360)
Equity in other changes in unrestricted net assets of Alegent Health	45.395	—	—	—	45.395
Other	175	—	—	—	175
Increase (decrease) in unrestricted net assets	<u>65.513</u>	<u>403</u>	<u>(1.066)</u>	<u>—</u>	<u>64.850</u>
Balance, June 30, 2011	<u>\$ 490.721</u>	<u>\$ 16.434</u>	<u>\$ (3.594)</u>	<u>\$ —</u>	<u>\$ 503.561</u>
Temporarily restricted					
Balance, June 30, 2010	\$ 3.131	\$ 20	\$ —	\$ —	\$ 3.151
Contributions restricted by donor	—	28	—	—	28
Net assets released from restrictions for use in operations	—	(27)	—	—	(27)
Equity in other changes in temporarily restricted net assets of Alegent Health	455	—	—	—	455
Increase in temporarily restricted net assets	<u>455</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>456</u>
Balance, June 30, 2011	<u>\$ 3.586</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3.607</u>
Permanently restricted					
Balance, June 30, 2010	\$ 1.791	\$ —	\$ —	\$ —	\$ 1.791
Equity in other changes in permanently restricted net assets of Alegent Health	—	—	—	—	—
Increase in permanently restricted net assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Balance, June 30, 2011	<u>\$ 1.791</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1.791</u>

See accompanying independent auditors' report