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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

VIA CHRISTI HOSPITAL PITTSBURG, INC SHARES THE SAME MISSION AS VIA CHRISTI HEALTH, INC AS A PART OF VIA CHRISTI HEALTH, INC WE SHARE THIS MISSION INSPIRED BY THE GOSPEL AND OUR CATHOLIC TRADITION, WE SERVE AS A HEALING PRESENCE WITH SPECIAL CONCERN FOR OUR NEIGHBORS, WHO ARE VULNERABLE

2

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

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

If “Yes,” describe these changes on Schedule O

4

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

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

4a

(Code ) (Expenses \$ 63,750,625 including grants of \$ ) (Revenue \$ 88,015,279 )

As a part of Via Chrsti Health, Inc we share this Mission Inspired by the Gospel and our Catholic tradition, we serve as a healing presence with special concern for our neighbors, who are vulnerable

4b

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

4c

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

4d



















Other program services (Describe in Schedule O )

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

4e

Total program service expenses \$ 63,750,625

Part IV Checklist of Required Schedules

|   | Yes     | No |
|---|---------|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A    | 1 Yes   |    |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?   | 2 Yes   |    |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I   | 3       | No |
| 4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II    | 4 Yes   |    |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III   | 5       |    |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I   | 6       | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II                                      | 7       | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III    | 8       | No |
| 9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV  | 9       | No |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V    | 10      | No |
| 11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable   |         |    |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.   | 11a Yes |    |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.    | 11b     | No |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.    | 11c     | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.    | 11d     | No |
| e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.   | 11e Yes |    |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.    | 11f Yes |    |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII    | 12a     | No |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional              | 12b Yes |    |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E  | 13      | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States?   | 14a     | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV   | 14b     | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV   | 15      | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV   | 16      | No |
| 17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)   | 17      | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II   | 18      | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III   | 19      | No |
| 20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H    | 20a Yes |    |
| b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)  | 20b Yes |    |

Part IV

Checklist of Required Schedules (continued)

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

|   |  |            |           |
|---|--|------------|-----------|
| <b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>                                    |  |            |           |
| Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>                   |  |            |           |
|   |  | <b>Yes</b> | <b>No</b> |
| <b>1a</b>   | Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.  | <b>1a</b>  | 57        |
| <b>b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.   | <b>1b</b>  | 0         |
| <b>c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   | <b>1c</b>  | Yes       |
| <b>2a</b>   | 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.   | <b>2a</b>  | 932       |
| <b>b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?   | <b>2b</b>  | Yes       |
| <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions). |  |            |           |
| <b>3a</b>   | Did the organization have unrelated business gross income of \$1,000 or more during the year?  | <b>3a</b>  | Yes       |
| <b>b</b>  | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.  | <b>3b</b>  | Yes       |
| <b>4a</b>   | 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)?                                   | <b>4a</b>  | No        |
| <b>b</b>  | If "Yes," enter the name of the foreign country:<br>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |            |           |
| <b>5a</b>   | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  | <b>5a</b>  | No        |
| <b>b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   | <b>5b</b>  | No        |
| <b>c</b>  | If "Yes" to line 5a or 5b, did the organization file Form 8886-T?  | <b>5c</b>  |           |
| <b>6a</b>   | 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?  | <b>6a</b>  | No        |
| <b>b</b>  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  | <b>6b</b>  |           |
| <b>7 Organizations that may receive deductible contributions under section 170(c).</b>                            |  |            |           |
| <b>a</b>  | 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?  | <b>7a</b>  | No        |
| <b>b</b>  | If "Yes," did the organization notify the donor of the value of the goods or services provided?  | <b>7b</b>  |           |
| <b>c</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   | <b>7c</b>  | No        |
| <b>d</b>  | If "Yes," indicate the number of Forms 8282 filed during the year.   | <b>7d</b>  |           |
| <b>e</b>  | Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  | <b>7e</b>  | No        |
| <b>f</b>  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   | <b>7f</b>  | No        |
| <b>g</b>  | If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?   | <b>7g</b>  |           |
| <b>h</b>  | If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?   | <b>7h</b>  |           |
| <b>8</b>  | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | <b>8</b>   |           |
| <b>9 Sponsoring organizations maintaining donor advised funds.</b>  |  |            |           |
| <b>a</b>  | Did the organization make any taxable distributions under section 4966?  | <b>9a</b>  |           |
| <b>b</b>  | Did the organization make a distribution to a donor, donor advisor, or related person?   | <b>9b</b>  |           |
| <b>10 Section 501(c)(7) organizations.</b> Enter  |  |            |           |
| <b>a</b>  | Initiation fees and capital contributions included on Part VIII, line 12.  | <b>10a</b> |           |
| <b>b</b>  | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.   | <b>10b</b> |           |
| <b>11 Section 501(c)(12) organizations.</b> Enter   |  |            |           |
| <b>a</b>  | Gross income from members or shareholders.   | <b>11a</b> |           |
| <b>b</b>  | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).   | <b>11b</b> |           |
| <b>12a</b>  | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  | <b>12a</b> |           |
| <b>b</b>  | If "Yes," enter the amount of tax-exempt interest received or accrued during the year.   | <b>12b</b> |           |
| <b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>  |  |            |           |
| <b>a</b>  | Is the organization licensed to issue qualified health plans in more than one state?<br><b>Note.</b> See the instructions for additional information the organization must report on Schedule O.   | <b>13a</b> |           |
| <b>b</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.   | <b>13b</b> |           |
| <b>c</b>  | Enter the amount of reserves on hand.  | <b>13c</b> |           |
| <b>14a</b>  | Did the organization receive any payments for indoor tanning services during the tax year?   | <b>14a</b> | No        |
| <b>b</b>  | If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.   | <b>14b</b> |           |

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

|    |   |    |     |    |
|----|---|----|-----|----|
|    |   |    | Yes | No |
| 1a | Enter the number of voting members of the governing body at the end of the tax year   | 1a | 15  |    |
| b  | Enter the number of voting members included in line 1a, above, who are independent  | 1b | 10  |    |
| 2  | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?   | 2  |     | No |
| 3  | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3  |     | No |
| 4  | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?  | 4  |     | No |
| 5  | Did the organization become aware during the year of a significant diversion of the organization's assets?  | 5  |     | No |
| 6  | Does the organization have members or stockholders?   | 6  | Yes |    |
| 7a | Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?   | 7a | Yes |    |
| b  | Are any decisions of the governing body subject to approval by members, stockholders, or other persons?   | 7b | Yes |    |
| 8  | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following  |    |     |    |
| a  | The governing body?   | 8a | Yes |    |
| b  | Each committee with authority to act on behalf of the governing body?   | 8b | Yes |    |
| 9  | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O        | 9  |     | No |

Section B. Policies

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

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

Section C. Disclosure

|    |   |  |
|----|---|--|
| 17 | List the States with which a copy of this Form 990 is required to be filed  | KS   |
| 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.<br><input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request |  |
| 19 | Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.  |  |
| 20 | State the name, physical address, and telephone number of the person who possesses the books and records of the organization  | DEBRA BAINBRIDGE<br>1 MT CARMEL WAY<br>PITTSBURG, KS 66762<br>(620) 232-0109 |

Part VII

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

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

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

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

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

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

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

| (A)<br>Name and Title                  | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |  | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (1) RODNEY ODGERS MD TRUSTEE           | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (2) WENDELL WILKINSON TRUSTEE          | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (3) TAMMY BATTAGLIA MD TRUSTEE         | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (4) SR SUSANNE DANIELS TRUSTEE         | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (5) RANDALL PETERSON EX-OFFICIO        | 1 0  | X                                      |                       |         |              |                              |        | 0  | 537,324   | 159,950   |
| (6) SR MARIE VERONICA JANOUSEK TRUSTEE | 1 0  | X                                      |                       |         |              |                              |        | 0  | 21,937  | 3,624   |
| (7) CHUCK HOSMAN TRUSTEE               | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (8) DEBRA BAINBRIDGE TREASURER         | 50 0   | X                                      |                       | X       |              |                              |        | 207,771  | 0   | 31,304  |
| (9) DREW TALBOTT SECRETARY             | 50 0   | X                                      |                       | X       |              |                              |        | 152,802  | 0   | 30,770  |
| (10) RICHARD OLER TRUSTEE              | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (11) JOHN MITCHELSON CHAIR             | 1 0  | X                                      |                       | X       |              |                              |        | 0  | 0   | 0   |
| (12) STEVE SCOTT TRUSTEE               | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (13) MARTY BEEZLEY TRUSTEE             | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (14) RANDY CASON PRESIDENT & CEO       | 50 0   | X                                      |                       | X       |              |                              |        | 0  | 232,712   | 42,242  |
| (15) VINCE VAN BECELAERE TRUSTEE       | 1 0  | X                                      |                       |         |              |                              |        | 0  | 0   | 0   |
| (16) CONNIE MCCUNE VP HUMAN RESOURCES  | 50 0   |  |                       |         | X            |                              |        | 143,726  | 0   | 26,742  |



Part VII

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

| (A)<br>Name and Title                                   | (B)<br>Average hours per week (describe hours for related organizations in Schedule O) | (C)<br>Position (check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|---|--|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|   |  | Individual trustee or director         | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| (17) BILL AQUINO<br>VP PLANNING & BUSINESS              | 50 0   |  |                       |         | X            |                              |        | 168,930  | 0   | 26,807  |
| (18) JULIANNA RIESCHICK<br>VP PATIENT CARE & CNO        | 50 0   |  |                       |         | X            |                              |        | 118,031  | 0   | 16,311  |
| (19) ALI HAMMAD MD<br>CARDIOLOGIST                      | 50 0   |  |                       |         |              | X                            |        | 891,579  | 0   | 31,017  |
| (20) DANNY REVEAL MD<br>SURGEON                         | 50 0   |  |                       |         |              | X                            |        | 603,566  | 0   | 26,434  |
| (21) BASHAR MARJI MD<br>CARDIOLOGIST                    | 50 0   |  |                       |         |              | X                            |        | 942,562  | 0   | 26,803  |
| (22) BOBAN MATHEW MD<br>PHYSICIAN                       | 50 0   |  |                       |         |              | X                            |        | 505,494  | 0   | 33,271  |
| (23) JACOB TARABOLOUS DO<br>ANESTHESIOLOGIST            | 50 0   |  |                       |         |              | X                            |        | 397,527  | 0   | 25,951  |
| (24) JONATHAN DAVIS<br>Former CEO & Trustee             | 0 0  |  |                       |         |              |                              | X      | 0  | 78,356  | 0   |
|   |  |  |                       |         |              |                              |        |  |   |   |
|   |  |  |                       |         |              |                              |        |  |   |   |
|   |  |  |                       |         |              |                              |        |  |   |   |
|   |  |  |                       |         |              |                              |        |  |   |   |
| 1b Sub-Total  |  |  |                       |         |              |                              |        |  |   |   |
| c Total from continuation sheets to Part VII, Section A |  |  |                       |         |              |                              |        |  |   |   |
| d Total (add lines 1b and 1c)                           |  |  |                       |         |              |                              |        | 4,131,988  | 870,329   | 481,226   |

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▶32

|   |   | Yes   | No |
|---|---|-------|----|
| 3 | Did the organization list any <b>former</b> 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)<br>Name and business address  | (B)<br>Description of services | (C)<br>Compensation |
|---|--------------------------------|---------------------|
| Pittsburg Emergency Physicians LLC<br>12 Corporate Woods Suite 250<br>OVERLAND PARK, KS 66210 | STAFFING                       | 127,692             |
| DMS Health Technologies<br>PO Box 86<br>MINNEAPOLIS, MN 55486                                 | PET IMAGING                    | 122,891             |
| JE Dunn Construction Co<br>929 Holmes<br>KANSAS CITY, MO 64106                                | CONSTRUCTION                   | 121,939             |
| Rehabcare Group Inc<br>PO Box 502096<br>ST LOUIS, MO 63150                                    | STAFFING                       | 109,358             |
| Regional Medical Laboratory of SEK<br>2401 S Tucker Suite 5<br>PITTSBURG, KS 66762            | LABORATORY                     | 103,799             |

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 ▶6

Part VIII

Statement of Revenue

|   |  |   |  | (A)<br>Total revenue | (B)<br>Related<br>or<br>exempt<br>function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded<br>from<br>tax<br>under<br>sections<br><br>512,<br>513, or<br>514 |
|---|--|---|--|----------------------|---|---|--|
| Contributions, gifts, grants<br>and other similar amounts | 1a   | Federated campaigns . . .   | 1a   |                      |   |   |  |
|   | b  | Membership dues . . . . .   | 1b   |                      |   |   |  |
|   | c  | Fundraising events . . . . .  | 1c   |                      |   |   |  |
|   | d  | Related organizations . . . . .   | 1d   |                      |   |   |  |
|   | e  | Government grants (contributions)   | 1e   | 151,982              |   |   |  |
|   | f  | All other contributions, gifts, grants, and<br>similar amounts not included above   | 1f   | 14,659               |   |   |  |
|   | g  | Noncash contributions included in lines 1a-1f \$  |  |                      |   |   |  |
|   | h  | Total. Add lines 1a-1f . . . . .  |  | 166,641              |   |   |  |
|   | Program Service Revenue  | 2a  |  |                      | Business Code   |   |  |
|   |  | PATIENT SERVICES  |  | 621110               | 87,055,068  | 87,055,068                              |  |
| b   |  |   |  |                      |   |   |  |
| c   |  |   |  |                      |   |   |  |
| d   |  |   |  |                      |   |   |  |
| e   |  |   |  |                      |   |   |  |
| f   |  | All other program service revenue   |  |                      |   |   |  |
| g   |  | Total. Add lines 2a-2f . . . . .  |  | 87,055,068           |   |   |  |
| Other Revenue   |  | 3   | Investment income (including dividends, interest<br>and other similar amounts) . . . . . |                      |   | 626,611                                 |  |
|   | 4  | Income from investment of tax-exempt bond proceeds . .  |  |                      | 0   |   |  |
|   | 5  | Royalties . . . . .   |  |                      | 0   |   |  |
|   | 6a   | Gross Rents   | (i) Real   | (ii) Personal        |   |   |  |
|   |  |   | 180,494  |                      |   |   |  |
|   | b  | Less rental<br>expenses   | 26,476   |                      |   |   |  |
|   | c  | Rental income<br>or (loss)  | 154,018  |                      |   |   |  |
|   | d  | Net rental income or (loss) . . . . .   |  | 154,018              |   |   | 154,018  |
|   | 7a   | Gross amount<br>from sales of<br>assets other<br>than inventory   | (i) Securities   | (ii) Other           |   |   |  |
|   |  |   | 989,049  | 17,470               |   |   |  |
|   | b  | Less cost or<br>other basis and<br>sales expenses   | 0  | 0                    |   |   |  |
|   | c  | Gain or (loss)  | 989,049  | 17,470               |   |   |  |
|   | d  | Net gain or (loss) . . . . .  |  | 1,006,519            |   |   | 1,006,519  |
|   | 8a   | Gross income from fundraising events<br>(not including<br>\$ _____<br>of contributions reported on line 1c)<br>See Part IV, line 18 . . . . . |  |                      |   |   |  |
|   |  | a   |  |                      |   |   |  |
|   | b  | Less direct expenses . . . . .  | b  |                      |   |   |  |
|   | c  | Net income or (loss) from fundraising events . .  |  | 0                    |   |   |  |
|   | 9a   | Gross income from gaming activities See Part IV, line 19 . .  |  | a                    |   |   |  |
|   |  | b   | Less direct expenses . . . . .   | b                    |   |   |  |
|   | c  | Net income or (loss) from gaming activities . .   |  | 0                    |   |   |  |
| 10a   | Gross sales of inventory, less<br>returns and allowances . . . . . |   |  |                      |   |   |  |
|   | a  |   |  |                      |   |   |  |
| b   | Less cost of goods sold . . . . .                                  | b   |  |                      |   |   |  |
| c   | Net income or (loss) from sales of inventory . .                   |   | 0  |                      |   |   |  |
| Miscellaneous Revenue                                     |  |   | Business Code  |                      |   |   |  |
| 11a   | CAFETERIA  |   | 900099   | 408,891              |   |   | 408,891  |
| b   | PASS-THROUGH   |   | 900003   | 251,581              | 114,543   | 120,796                                 | 16,242   |
| c   | CATERING-INHOUSE   |   | 722320   | 159,859              |   | 39,745                                  | 120,114  |
| d   | All other revenue . . . . .  |   |  | 1,207,522            | 960,211   | 191,364                                 | 55,947   |
| e   | Total. Add lines 11a-11d . . . . .                                 |   |  | 2,027,853            |   |   |  |
| 12  | Total revenue. See Instructions . . . . .                          |   |  | 91,036,710           | 88,129,822  | 351,905                                 | 2,388,342  |

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)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|--|-----------------------|---------------------------------|--|-----------------------------|
| 1  | Grants and other assistance to governments and organizations in the U S See Part IV, line 21   | 0                     |                                 |  |                             |
| 2  | Grants and other assistance to individuals in the U S See Part IV, line 22   | 0                     |                                 |  |                             |
| 3  | Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16  | 0                     |                                 |  |                             |
| 4  | Benefits paid to or for members  | 0                     |                                 |  |                             |
| 5  | Compensation of current officers, directors, trustees, and key employees . . . . .   | 1,556,297             | 158,276                         | 1,398,021                              |                             |
| 6  | Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .  | 0                     |                                 |  |                             |
| 7  | Other salaries and wages   | 34,496,006            | 30,779,986                      | 3,716,020                              |                             |
| 8  | Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .  | 1,690,241             | 1,451,284                       | 238,957                                |                             |
| 9  | Other employee benefits . . . . .  | 4,564,494             | 3,350,540                       | 1,213,954                              |                             |
| 10   | Payroll taxes . . . . .  | 2,408,752             | 2,043,503                       | 365,249                                |                             |
| a  | Fees for services (non-employees)  |                       |                                 |  |                             |
|  | Management . . . . .   | 2,544,026             | 17,978                          | 2,526,048                              |                             |
| b  | Legal . . . . .  | 30,462                |                                 | 30,462                                 |                             |
| c  | Accounting . . . . .   | 0                     |                                 |  |                             |
| d  | Lobbying . . . . .   | 0                     |                                 |  |                             |
| e  | Professional fundraising services See Part IV, line 17 . . . . .   | 0                     |                                 |  |                             |
| f  | Investment management fees . . . . .   | 0                     |                                 |  |                             |
| g  | Other . . . . .  | 8,196,229             | 6,455,061                       | 1,741,168                              |                             |
| 12   | Advertising and promotion . . . . .  | 415,141               | 7,693                           | 407,448                                |                             |
| 13   | Office expenses . . . . .  | 14,435,155            | 13,951,174                      | 483,981                                |                             |
| 14   | Information technology . . . . .   | 2,935,724             | 3,677                           | 2,932,047                              |                             |
| 15   | Royalties . . . . .  | 0                     |                                 |  |                             |
| 16   | Occupancy . . . . .  | 1,145,852             | 1,144,128                       | 1,724                                  |                             |
| 17   | Travel . . . . .   | 158,195               | 99,143                          | 59,052                                 |                             |
| 18   | Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .   | 0                     |                                 |  |                             |
| 19   | Conferences, conventions, and meetings . . . . .   | 13,343                | 9,330                           | 4,013                                  |                             |
| 20   | Interest . . . . .   | 23,211                |                                 | 23,211                                 |                             |
| 21   | Payments to affiliates . . . . .   | 0                     |                                 |  |                             |
| 22   | Depreciation, depletion, and amortization . . . . .  | 4,043,057             | 3,788,819                       | 254,238                                |                             |
| 23   | Insurance . . . . .  | 833,918               | 253,895                         | 580,023                                |                             |
| 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  | MEMBERSHIP DUES  | 341,683               | 112,755                         | 228,928                                |                             |
| b  | SOCIAL EVENTS  | 140,504               | 38,879                          | 101,625                                |                             |
| c  | VEHICLE FUEL & MAINTENANCE   | 100,812               | 43,529                          | 57,283                                 |                             |
| d  | PHYSICIAN LOAN FORGIVENESS   | 150,663               |                                 | 150,663                                |                             |
| e  | INCOME TAX   | 143,682               |                                 | 143,682                                |                             |
| f  | All other expenses   | 256,979               | 40,975                          | 216,004                                |                             |
| 25   | Total functional expenses. Add lines 1 through 24f   | 80,624,426            | 63,750,625                      | 16,873,801                             | 0                           |
| 26   | Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |  |                             |

Part X

Balance Sheet

|                             |   |   |     |            | (A)               |     | (B)         |
|-----------------------------|---|---|-----|------------|-------------------|-----|-------------|
|                             |   |   |     |            | Beginning of year |     | End of year |
| Assets                      | 1   | Cash—non-interest-bearing . . . . .   |     |            | 10,904,452        | 1   | 18,824,000  |
|                             | 2   | Savings and temporary cash investments . . . . .  |     |            | 24,243,758        | 2   | 22,803,154  |
|                             | 3   | Pledges and grants receivable, net . . . . .  |     |            |                   | 3   |             |
|                             | 4   | Accounts receivable, net . . . . .  |     |            | 9,526,098         | 4   | 10,033,207  |
|                             | 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 . . . . .   |     |            |                   | 7   |             |
|                             | 8   | Inventories for sale or use . . . . .   |     |            | 1,833,763         | 8   | 1,957,745   |
|                             | 9   | Prepaid expenses and deferred charges . . . . .   |     |            | 665,665           | 9   | 333,627     |
|                             | 10a   | Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .   | 10a | 78,702,061 |                   |     |             |
|                             | b   | Less: accumulated depreciation . . . . .  | 10b | 45,027,560 | 33,875,949        | 10c | 33,674,501  |
|                             | 11  | Investments—publicly traded securities . . . . .  |     |            |                   | 11  |             |
|                             | 12  | Investments—other securities. See Part IV, line 11 . . . . .  |     |            |                   | 12  |             |
|                             | 13  | Investments—program-related. See Part IV, line 11 . . . . .   |     |            |                   | 13  |             |
|                             | 14  | Intangible assets . . . . .   |     |            |                   | 14  |             |
|                             | 15  | Other assets. See Part IV, line 11 . . . . .  |     |            | 477,085           | 15  | 1,336,821   |
|                             | 16  | Total assets. Add lines 1 through 15 (must equal line 34) . . . . .   |     |            | 81,526,770        | 16  | 88,963,055  |
| Liabilities                 | 17  | Accounts payable and accrued expenses . . . . .   |     |            | 10,383,948        | 17  | 11,036,349  |
|                             | 18  | Grants payable . . . . .  |     |            |                   | 18  |             |
|                             | 19  | Deferred revenue . . . . .  |     |            |                   | 19  |             |
|                             | 20  | Tax-exempt bond liabilities . . . . .   |     |            |                   | 20  |             |
|                             | 21  | Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .   |     |            |                   | 21  |             |
|                             | 22  | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .  |     |            |                   | 22  |             |
|                             | 23  | Secured mortgages and notes payable to unrelated third parties . . . . .  |     |            | 905,000           | 23  | 0           |
|                             | 24  | Unsecured notes and loans payable to unrelated third parties . . . . .  |     |            |                   | 24  |             |
|                             | 25  | Other liabilities. Complete Part X of Schedule D . . . . .  |     |            | 106,643           | 25  | 106,643     |
|                             | 26  | Total liabilities. Add lines 17 through 25 . . . . .  |     |            | 11,395,591        | 26  | 11,142,992  |
| 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 . . . . .   |     |            | 70,131,179        | 27  | 77,820,063  |
|                             | 28  | Temporarily restricted net assets . . . . .   |     |            |                   | 28  |             |
|                             | 29  | Permanently restricted net assets . . . . .   |     |            |                   | 29  |             |
|                             | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.                          |   |     |            |                   |     |             |
|                             | 30  | Capital stock or trust principal, or current funds . . . . .  |     |            |                   | 30  |             |
|                             | 31  | Paid-in or capital surplus, or land, building or equipment fund . . . . .   |     |            |                   | 31  |             |
|                             | 32  | Retained earnings, endowment, accumulated income, or other funds . . . . .  |     |            |                   | 32  |             |
|                             | 33  | Total net assets or fund balances . . . . .   |     |            | 70,131,179        | 33  | 77,820,063  |
|                             | 34  | Total liabilities and net assets/fund balances . . . . .  |     |            | 81,526,770        | 34  | 88,963,055  |

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 | 91,036,710 |
| 2 | Total expenses (must equal Part IX, column (A), line 25)  | 2 | 80,624,426 |
| 3 | Revenue less expenses Subtract line 2 from line 1   | 3 | 10,412,284 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))                     | 4 | 70,131,179 |
| 5 | Other changes in net assets or fund balances (explain in Schedule O)  | 5 | -2,723,400 |
| 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 | 77,820,063 |

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<br>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?<br>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<br><input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis             |     |    |
| 3a | As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?   |     | No |
| b  | If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits   |     |    |

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public  
Inspection

|  |  |
|--|--|
| Name of the organization<br>VIA CHRISTI HOSPITAL PITTSBURG INC | Employer identification number<br>48-0543778 |
|--|--|

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)<br>Name of supported organization | (ii)<br>EIN | (iii)<br>Type of organization (described on lines 1- 9 above or IRC section (see instructions)) | (iv)<br>Is the organization in col (i) listed in your governing document? |    | (v)<br>Did you notify the organization in col (i) of your support? |    | (vi)<br>Is the organization in col (i) organized in the U S ? |    | (vii)<br>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 section501(c)(3) organization, check this box and <b>stop here</b>  |          |          |          |          |          |           |

| 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 <b>stop here</b> . 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 <b>stop here</b> . The organization qualifies as a publicly supported organization  |    |  |
| 20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions   |    |  |



Part IV

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

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

|  |  |
|--|--|
| Name of the organization<br>VIA CHRISTI HOSPITAL PITTSBURG INC | Employer identification number<br>48-0543778 |
|--|--|

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

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

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

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

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

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

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

| Lobbying Expenditures During 4-Year Averaging Period         |          |          |          |          |           |
|--|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in)                  | (a) 2007 | (b) 2008 | (c) 2009 | (d) 2010 | (e) Total |
| 2a Lobbying non-taxable amount                               |          |          |          |          |           |
| b Lobbying ceiling amount<br>(150% of line 2a, column(e))    |          |          |          |          |           |
| c Total lobbying expenditures                                |          |          |          |          |           |
| d Grassroots non-taxable amount                              |          |          |          |          |           |
| e Grassroots ceiling amount<br>(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 |
| <b>1</b> 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 | <b>a</b> Volunteers?  |     | No |        |
|   | <b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?   |     | No |        |
|   | <b>c</b> Media advertisements?  |     | No |        |
|   | <b>d</b> Mailings to members, legislators, or the public?   |     | No |        |
|   | <b>e</b> Publications, or published or broadcast statements?  |     | No |        |
|   | <b>f</b> Grants to other organizations for lobbying purposes?   |     | No |        |
|   | <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?    |     | No |        |
|   | <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?      |     | No |        |
|   | <b>i</b> Other activities? If "Yes," describe in Part IV  | Yes |    | 10,787 |
|   | <b>j</b> Total lines 1c through 1i  |     |    | 10,787 |
|   | <b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? |     | No |        |
| <b>b</b> If "Yes," enter the amount of any tax incurred under section 4912  |   |     |    |        |
| <b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912   |   |     |    |        |
| <b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?   |   |     |    |        |

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

| Identifier          | Return Reference                   | Explanation   |
|---------------------|------------------------------------|---|
| LOBBYING ACTIVITIES | SCHEDULE C, PART II-B, QUESTION 1i | VIA CHRISTI HOSPITAL PITTSBURG, INC (VCH-P) pays dues to the Kansas Hospital Association (KHA), THE AMERICAN HEART ASSOCIATION (AHA), THE CATHOLIC HEALTH ASSOCIATION (CHA), and Pittsburgh Area Chamber of Commerce (Chamber) who are involved in lobbying activities. For FY 2011 it was determined that 15.0% OF KHA, 24.60% OF AHA, 5.15% OF CHA and 5% OF THE Chamber dues were used for lobbying activities. VCH-P DOES NOT HAVE AN ACTIVE 501(H) ELECTION. KHA LOBBYING \$ 6,096 AHA LOBBYING \$ 3,798 CHA LOBBYING \$ 817 CHAMBER LOBBYING \$ 76 ----- \$10,787 |

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization  
VIA CHRISTI HOSPITAL PITTSBURG INC

Employer identification number  
48-0543778

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

|    |                             |
|----|-----------------------------|
|    | Held at the End of the Year |
| 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?

Yes

No

6

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

7

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

8

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

Yes

No

9

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

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$

(ii)

Assets included in Form 990, Part X

▶ \$

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$

b

Assets included in Form 990, Part X

▶ \$

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

|    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations . . . . .

3a(i)

☐ Yes

☐ No

(ii)

related organizations . . . . .

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

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 . . . . .  |                                      | 168,788                        |                              | 168,788        |
| b Buildings . . . . .  |                                      | 36,756,770                     | 14,398,502                   | 22,358,268     |
| c Leasehold improvements . . . . .   |                                      |                                |                              |                |
| d Equipment . . . . .  |                                      | 38,392,530                     | 30,059,652                   | 8,332,878      |
| e Other . . . . .  |                                      | 3,383,973                      | 569,406                      | 2,814,567      |
| Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶ |                                      |                                |                              | 33,674,501     |



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

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

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

|   |
|---|
| <b>Part XIV    Supplemental Information</b> |
|---|

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   |
|------------|--------------------|---|
| FIN 48     | SCHEDULE D, PART X | THE ORGANIZATION FOLLOWS THE FIN 48 POLICY OF VIA CHRISTI HEALTH, INC (VCH) AND THE POLICY IS PROVIDED IN THE VCH CONSOLIDATED AUDITED FINANCIAL STATEMENTS WITH THE EXCEPTION OF CERTAIN ENTITIES, ALL OF THE ENTITIES IN THE HEALTH SYSTEM ARE ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND ARE GENERALLY EXEMPT FROM PAYMENT OF INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE SUBSIDIARIES, WHICH ARE FOR-PROFIT ORGANIZATIONS, ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES TAX ASSETS AND LIABILITIES ARE RECOGNIZED FOR THE FUTURE TAX CONSEQUENCES ATTRIBUTABLE TO DIFFERENCES BETWEEN THE FINANCIAL STATEMENT CARRYING AMOUNTS OF EXISTING ASSETS AND LIABILITIES AND THEIR RESPECTIVE TAX BASES AND OPERATING LOSS AND TAX CREDIT CARRYFORWARD INCOME TAX EXPENSE OR BENEFIT IS INCLUDED IN OTHER NON-OPERATING GAINS AND LOSSES IN THE CONSOLIDATED STATEMENTS OF OPERATION AND CHANGES IN NET ASSETS DEFERRED TAX ASSETS AND LIABILITIES ARE MEASURED USING ENACTED TAX RATES EXPECTED TO BE RECOVERED OR SETTLED THE EFFECT ON DEFERRED TAX ASSETS AND LIABILITIES OF A CHANGE IN TAX RATES IS RECOGNIZED IN INCOME IN THE PERIOD THAT INCLUDES THE ENACTMENT DATE |



SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
VIA CHRISTI HOSPITAL PITTSBURG INC

Employer identification number  
48-0543778

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

| Financial Assistance and Means-Tested Government Programs   | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|---|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| a Financial Assistance at cost (from Worksheets 1 and 2)  |   |                               | 6,847,000                           | 0                             | 6,847,000                         | 8 490 %                      |
| b Unreimbursed Medicaid (from Worksheet 3, column a)  |   |                               | 10,060,000                          | 13,899,000                    | -3,839,000                        | 4 760 %                      |
| c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)              |   |                               |                                     |                               |                                   |                              |
| d Total Financial Assistance and Means-Tested Government Programs . . . . .                           |   |                               | 16,907,000                          | 13,899,000                    | 3,008,000                         | 3 730 %                      |
| Other Benefits  |   |                               |                                     |                               |                                   |                              |
| e Community health improvement services and community benefit operations (from Worksheet 4) . . . . . |   |                               | 246,867                             | 4,578                         | 242,289                           | 0 300 %                      |
| f Health professions education (from Worksheet 5) . . . . .   |   |                               | 83,702                              | 0                             | 83,702                            | 0 100 %                      |
| g Subsidized health services (from Worksheet 6) . . . . .   |   |                               | 60,250                              | 25,165                        | 35,085                            | 0 040 %                      |
| h Research (from Worksheet 7)   |   |                               | 1,962                               | 0                             | 1,962                             |                              |
| i Cash and in-kind contributions to community groups (from Worksheet 8) . . . . .                     |   |                               | 166,430                             | 0                             | 166,430                           | 0 210 %                      |
| j Total Other Benefits . . . . .  |   |                               | 559,211                             | 29,743                        | 529,468                           | 0 650 %                      |
| k Total. Add lines 7d and 7j . . . . .  |   |                               | 17,466,211                          | 13,928,743                    | 3,537,468                         | 4 380 %                      |

Part IICommunity 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 |
|--|---|-------------------------------|--------------------------------------|-------------------------------|------------------------------------|------------------------------|
| 1Physical improvements and housing                         |   |                               |                                      |                               |                                    |                              |
| 2Economic development                                      |   |                               | 281                                  | 0                             | 281                                |                              |
| 3Community support   |   |                               | 388                                  | 0                             | 388                                |                              |
| 4Environmental improvements                                |   |                               |                                      |                               |                                    |                              |
| 5Leadership development and training for community members |   |                               | 549                                  | 0                             | 549                                |                              |
| 6Coalition building  |   |                               | 58                                   | 0                             | 58                                 |                              |
| 7Community health improvement advocacy                     |   |                               |                                      |                               |                                    |                              |
| 8Workforce development                                     |   |                               | 672                                  | 0                             | 672                                |                              |
| 9Other   |   |                               |                                      |                               |                                    |                              |
| 10Total  |   |                               | 1,948                                | 0                             | 1,948                              |                              |

Part IIIBad 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 | 635,623 |    |
| 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 | 0       |    |
| 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 | 29,507,623 |  |
| 6 | Enter Medicare allowable costs of care relating to payments on line 5   | 6 | 31,133,809 |  |
| 7 | Subtract line 6 from line 5. This is the surplus or (shortfall)   | 7 | -1,626,186 |  |
| 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:<br><input type="checkbox"/> Cost accounting system<br><input type="checkbox"/> Cost to charge ratio<br><input checked="" type="checkbox"/> Other |   |            |  |

Section C. Collection Practices

|    |  |    |     |  |
|----|--|----|-----|--|
| 9a | Does the organization have a written debt collection policy?   | 9a | Yes |  |
| 9b | 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 IVManagement 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 % |
|--------------------|---|--|---|---|
| 1RML of SEK        | Medical Laboratory                            | 50.000 %   |   |   |
| 2                  |   |  |   |   |
| 3                  |   |  |   |   |
| 4                  |   |  |   |   |
| 5                  |   |  |   |   |
| 6                  |   |  |   |   |
| 7                  |   |  |   |   |
| 8                  |   |  |   |   |
| 9                  |   |  |   |   |
| 10                 |   |  |   |   |
| 11                 |   |  |   |   |
| 12                 |   |  |   |   |
| 13                 |   |  |   |   |

LEVEL III TRAUMA  
CTR CANCER  
CENTER HEART  
CENTER

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? \_\_\_\_\_

| Name and address | Type of Facility (Describe) |
|------------------|-----------------------------|
| 1                |                             |
| 1                |                             |
| 2                |                             |
| 3                |                             |
| 4                |                             |
| 5                |                             |
| 6                |                             |
| 7                |                             |
| 8                |                             |
| 9                |                             |
| 10               |                             |

Part VI

Supplemental Information

Complete this part to provide the following information

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

| Identifier                      | ReturnReference | Explanation  |
|---------------------------------|-----------------|--|
| ANNUAL COMMUNITY BENEFIT REPORT | PART I, LINE 6A | Annually, a community benefit report is prepared and printed in the Via Christi Health's annual report which is released in various formats to the public and which is also available from the Via Christi Health webpage at <a href="http://www.viachristi.org">www.viachristi.org</a> In addition, Via Christi Hospitals and their ministries are happy to make public presentations when requested on the findings of the health needs assessment |

| Identifier                 | ReturnReference | Explanation   |
|----------------------------|-----------------|---|
| COMMUNITY BENEFIT PROGRAMS | PART I, LINE 7  | For examples of some of the community benefit programs provided by Via Christi Hospital Pittsburg see the Schedule O footnote for Part III, Statement of Program Services |

| Identifier                       | ReturnReference | Explanation   |
|----------------------------------|-----------------|---|
| COMMUNITY BUILDING<br>ACTIVITIES | PART II         | <p>Community building activities are essential roles for health care organizations in that they address many of the underlying determinants of health. Research has consistently shown that when the socioeconomic factors influencing health are explored, health care actually plays the smaller role proportionately. A report in the Journal of American Medical Association and the Center for Disease Control suggests that the factors impacting health are as follows: lifestyle and behaviors, 50 percent, environment, 20 percent, genetics and human biology, 20 percent and health care, 10 percent. Community building activities help to address the other indicators outside of the role traditionally played by health care organizations. These activities are almost exclusively done in some form of partnership in which the community or other organizations are better suited to address identified community needs.</p> <p>Via Christi Health, Inc. (VCH) provides timely and specific resources to help community organizations through donations to fulfill their missions of improving the well-being of the community and contributing to its overall health status in ways that may differ from direct clinical services provided by the hospital. Donations such as staff time and expertise for trainings or presentations to Chamber, Rotary or other service groups, special population outreach efforts for at-risk children in need of mentoring, assistance in building homes for the homeless or domestic violence victims, donating outdated equipment to free clinics, or other durable goods provided to area shelters and other organizations are all ways to maximize those agencies' resources so they can provide more program services.</p> <p>Pittsburg, KS Via Christi Hospital Pittsburg, Inc (VCH-P) is a standing member of the Crawford County Community Coalition which is a collaborative effort of county agencies whose mission is to improve the lives of children and families living within county boundaries. VCH-P clinical staff supports high school students who are discerning a health profession career choice by allowing the students to shadow them for a day and/or by clinical staff giving presentations to high school student classes to expose them to the possibilities of the wide variety of health career choices available. These outreach efforts by VCH-P help to ensure that families with children and high school students are aware of health care services available in the community and will feel comfortable in accessing them when needed or in joining them as a career choice when finished with their formal training.</p> |

| Identifier       | ReturnReference  | Explanation  |
|------------------|------------------|--|
| BAD DEBT EXPENSE | PART III, LINE 4 | <p>The provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payer category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance and reasonable efforts to collect from the patient have been exhausted, The Health System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to terms of certain restrictions on collection efforts as determined by the Health System. Accounts receivable are written off after collections efforts have been followed in accordance with the Health System's policies. VCH-P reports bad debts in accordance with generally accepted accounting principles (GAAP). Healthcare Financial Management Statement 15 is followed to the extent that it aligns with the guidelines set forth by GAAP. Bad debt expense at cost is determined using the same cost-to-charge ratio that is used for charity care and Medicare shortfall. VCH follows the guidance from CHA and does not consider bad debt as a community benefit.</p> |



| Identifier         | ReturnReference  | Explanation   |
|--------------------|------------------|---|
| MEDICARE SHORTFALL | PART III, LINE 8 | VCH-P follows the CHA guidelines regarding Medicare and does not include it as community benefit The methodology described in the instructions to Schedule H, Part III, Section B, Line 7 for reporting Medicare shortfall does not take into account all costs incurred by the Hospital and does not represent the total Medicare shortfall The Medicare shortfall reported on Schedule H, Part III, Section B, Line 7 was determined using information from the organizations Medicare cost report (using the Medicare Cost report step-down methodology of allocating costs) However, utilizing an internal cost accounting system actually results in a Medicare shortfall of \$ 3,106,000 The most common reason for a difference between the Medicare shortfall reported on Schedule H and the actual shortfall reported above include inclusion of Medicare Advantage revenue and expenses, inclusion of Medicare Part B Revenue and Expenses, inclusion of other fee schedule revenue, other timing issues, and costs that are considered unallowable on the Medicare cost report that are, in fact, related to Medicare patient care |

| Identifier             | ReturnReference   | Explanation   |
|------------------------|-------------------|---|
| DEBT COLLECTION POLICY | PART III, LINE 9B | <p>It is the policy of VCH-P to promote socially just practices for billing and collections for all patients receiving care. The policy is intended to further the VCH-P mission by requiring ethical conduct in billing and collecting self-pay balances from patient/guarantor's regardless of ability to pay. The policy ensures that prior to turning an account over to a Third Party Collection Agent (Agent) for collection activity, VCH-P will perform a reasonable review of each account to verify that the patient/guarantor is not potentially eligible for any government assistance program (e.g., Medicaid, Medicare, etc.) and would likely not qualify for charity care. VCH-P will direct its staff and Agents to periodically assess each patient/guarantor's ability to pay or to determine eligibility for charity care. The review and assessment should include but may not be limited to the following:</p> <ul style="list-style-type: none"><li>a. Ensure the patient/guarantor has been notified of VCH's financial assistance policy,</li><li>b. Ensure the patient/guarantor was offered a financial assistance application,</li><li>c. Ensure documentation of any known extraordinary financial circumstances of the patient/guarantor or if they are medically indigent.</li></ul> |

| Identifier       | ReturnReference | Explanation  |
|------------------|-----------------|--|
| NEEDS ASSESSMENT | PART VI, LINE 2 | Ministry representatives are involved with numerous coalitions that periodically assess community needs (e g Early Childhood Development Taskforce, Family Resource Center, Personal Action Toward Health Coalition for Seniors, Pittsburg Area Community Outreach, Project Warmth, Community Health Center of Southeast KS, United Way and others) and in 2010 conducted their own health assessment Secondary data, other community assessments and one-on-one interviews with community leaders, social service providers, health care providers and government representatives were used to conduct the MRHC and WCH assessments |

| Identifier   | ReturnReference | Explanation   |
|--|-----------------|---|
| PATIENT EDUCATION OF<br>ELIGIBILITY FOR ASSISTANCE | PART VI, LINE 3 | VCH financial assistance staff is trained on how to qualify patients for Medicaid, SCHIP and other income-based programs During the patient's registration, admissions and discharge processes, VCH attempts to identify patients who may be eligible for charity or discounted care through the charity care policy In addition, VCH uses a percentage of the Federal Poverty Guidelines (FPG) to determine free and discounted care |

| Identifier            | ReturnReference | Explanation   |
|-----------------------|-----------------|---|
| COMMUNITY INFORMATION | PART VI, LINE 4 | <p>The primary counties for the Pittsburg ministries includes, Crawford and Cherokee Counties. Crawford County has a land area of 593 square miles and Cherokee County has a land area of 587 square miles. Crawford County has a population of 39,134 compared to Cherokee County's 21,603 in 2010. The population demographics for Crawford County include 91.2% white, 2.0% Black, 0.9% American Indian, 1.2% Asian, and 4.5% persons of Hispanic or Latino origin. Cherokee County has 90.3% white, 0.5% Black, 4.1% American Indian, 0.3% Asian, and 2.0% persons of Hispanic or Latino origin. 5% of the Crawford County residents and 2.5% of the Cherokee County residents reported using a language other than English in their homes. High school graduation rates, for the years 2005 - 2009, were 88.2% in Crawford County and 84.5% in Cherokee County. A bachelor's degree or higher was reported by 25.3% of Crawford County residents and 14.2% for Cherokee County residents. Median household income for Crawford County residents in 2008 was \$34,753 compared to \$35,201 for Cherokee County. Median value of owner-occupied housing units was \$81,500 for Crawford County and \$63,300 for Cherokee County. According to Quick Facts, from the US Census, 19.5% of Crawford County lived below the poverty level in 2009. This is higher than the 13.2% identified for the State of Kansas. Cherokee County is also above the State of Kansas' level as 18.4% of their residents suggest that they live below the poverty level. VCH-P is the only hospital facility in the City of Pittsburg. Other hospitals are in neighboring communities but offer fewer services. In order to find a similar medical facility, patients would need to travel to Joplin, Missouri or Tulsa, Oklahoma for emergency care.</p> |

| Identifier                    | ReturnReference | Explanation  |
|-------------------------------|-----------------|--|
| PROMOTION OF COMMUNITY HEALTH | PART VI, LINE 5 | <p>VCH and its affiliates enrich the communities in which they operate as well as the broader community, improving medicine through research, educating physicians and other healthcare providers, and providing care and support to people in need</p> <p>VCH-P further supports this mission with a community board, open medical staff and an emergency room available to patients regardless of ability to pay</p> <p>Community representation on the Governing Body - The Board of Trustees is the governing body of VCH-P</p> <p>The majority of its members are external members comprised of persons who reside in or around Crawford County and has overall responsibility for the charitable mission of the organization as set forth in its Articles of Incorporation and By Laws</p> <p>These trustees are selected based on their expertise, experience and other criteria established by the nominating committee of the Board of Trustees</p> <p>Areas of expertise and experience include such areas as healthcare, finance, education, and local government</p> <p>The Board actively debates and sets policy and strategic direction for the ministry but does not get involved in issues related to daily operations</p> <p>The Board takes a balanced approach when addressing community and business/financial concerns</p> <p>The Board is also the primary group for determining the use of surplus funds generated by the organization which are reinvested in the ministry in order to allow the ministry to sustain its mission and prepare for the future</p> <p>Open Medical Staff - The medical staff of VCH-P is an open medical staff and is composed of physicians, dentists and podiatrists licensed to practice medicine in the State of Kansas</p> <p>VCH-P staff also participates in the community on boards of other not-for-profit organizations, government entities, foundations, area colleges and university committees, state-wide coalitions, etc</p> |

| Identifier                    | ReturnReference | Explanation  |
|-------------------------------|-----------------|--|
| AFFILIATED HEALTH CARE SYSTEM | PART VI, LINE 6 | VCH-P is an affiliate of Via Christi Health, Inc (VCH) VCH's affiliates are large multi-faceted, integrated, not-for-profit ministries including Hospital and Non-Hospital ministries (Physician Group Practices, Hospital organizations, Research, Home Health, Durable Medical Equipment and Senior Facilities) These ministries work together to care for patients, joined by common systems and a philosophy of serving as a healing presence with special concern for our neighbors, especially those who are vulnerable This community benefit happens through its focus on patient care, education and research The organizations work together to serve their communities at the local, regional and state level |

| Identifier                               | ReturnReference | Explanation   |
|--|-----------------|---|
| STATE FILING OF COMMUNITY BENEFIT REPORT | PART VI, LINE 7 | Kansas does not require hospitals to file community benefit reports but Via Christi Health distributes our community benefit totals and activities annually in press releases as well as in our annual report |



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.

Name of the organization  
VIA CHRISTI HOSPITAL PITTSBURG INC

Employer identification number  
  
48-0543778

Part I

Questions Regarding Compensation

|    |  |     |    |
|----|--|-----|----|
|    |  | Yes | No |
| 1a | Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.<br><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div> |     |    |
| 1b | 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.<br><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>  |     |    |
| 4  | During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:  |     |    |
| 4a | Receive a severance payment or change-of-control payment from the organization or a related organization?  |     | No |
| 4b | Participate in, or receive payment from, a supplemental nonqualified retirement plan?  | Yes |    |
| 4c | Participate in, or receive payment from, an equity-based compensation arrangement?<br>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III   |     | No |
|    | 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:   |     |    |
| 5a | The organization?  |     | No |
| 5b | Any related organization?<br>If "Yes," to line 5a or 5b, describe in Part III  |     | No |
| 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:   |     |    |
| 6a | The organization?  |     | No |
| 6b | Any related organization?<br>If "Yes," to line 6a or 6b, describe in Part III  |     | No |
| 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   |     | No |
| 8  | Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III   |     | No |
| 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 |  |                         |                                 |  |
| (1) JONATHAN DAVIS       | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
|                          | (ii) | 0  | 78,356                              | 0                                   | 0  | 0                       | 78,356                          | 0  |
| (2) RANDALL PETERSON     | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
|                          | (ii) | 443,357  | 81,238                              | 12,729                              | 151,362  | 8,588                   | 697,274                         | 0  |
| (3) DEBRA BAINBRIDGE     | (i)  | 170,856  | 34,020                              | 2,895                               | 23,524   | 7,780                   | 239,075                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (4) DREW TALBOTT         | (i)  | 124,088  | 25,689                              | 3,025                               | 20,847   | 9,923                   | 183,572                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (5) CONNIE MCCUNE        | (i)  | 113,707  | 23,478                              | 6,541                               | 18,926   | 7,816                   | 170,468                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (6) BILL AQUINO          | (i)  | 137,133  | 28,409                              | 3,388                               | 18,947   | 7,860                   | 195,737                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (7) ALI HAMMAD MD        | (i)  | 744,723  | 121,354                             | 25,502                              | 18,375   | 12,642                  | 922,596                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (8) DANNY REVEAL MD      | (i)  | 530,613  | 11,050                              | 61,903                              | 14,140   | 12,294                  | 630,000                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (9) BASHAR MARJI MD      | (i)  | 649,413  | 290,965                             | 2,184                               | 14,254   | 12,549                  | 969,365                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (10) BOBAN MATHEW MD     | (i)  | 503,142  | 0                                   | 2,352                               | 20,825   | 12,446                  | 538,765                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| (11) RANDY CASON         | (i)  | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
|                          | (ii) | 228,732  | 0                                   | 3,980                               | 33,530   | 8,712                   | 274,954                         | 0  |
| (12) JACOB TARABOLOUS DO | (i)  | 369,119  | 0                                   | 28,408                              | 15,925   | 10,026                  | 423,478                         | 0  |
|                          | (ii) | 0  | 0                                   | 0                                   | 0  | 0                       | 0                               | 0  |
| ( 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  |
|--|---------------------|--|
| SUPPLEMENTAL NON-QUALIFIED PLAN PAID BY A RELATED ORGANIZATION | PART I, QUESTION 4B | RANDALL PETERSON \$132,987.12 RANDY CASON \$ 20,795.76 BILL AQUINO \$ 8,673.03 DEBRA BAINBRIDGE \$ 10,393.51 CONNIE MCCUNE \$ 7,103.00 JULIANNA RIESCHICK \$ 6,500.99 DREW TALBOTT \$ 7,829.27 |

2010

Open to Public  
Inspection

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.

Name of the organization  
VIA CHRISTI HOSPITAL PITTSBURG INC

Employer identification number  
48-0543778

| Identifier               | Return Reference | Explanation   |
|--------------------------|------------------|---|
| COMMUNITY BENEFIT REPORT | Part III         | <p>Via Christi Hospital Pittsburgh, Inc (VCH-P) is a member of Via Christi Health, Inc (VCH) As a Catholic health system, VCH has its origins in faith-based responses to health need s of our communities, with a particular concern for those living in poverty and who are vu lnerable In addition to typical inpatient and outpatient services, VCH operates primary c are clinics, a low income neighborhood outreach clinic, specialty hospitals and centers, h ome medical services, therapy centers, and long-term care villages The obligation to reac h out to those in need and to improve community health flows directly from VCH's identity as a faith-based healing ministry VCH continues its tradition in providing community bene fit because we are committed to - Promoting and defending human dignity - Caring for pers ons living in poverty and other vulnerable populations - Promoting the common good - Stewar ding resources responsibly According to the VCH's mission statement, "As a part of Via Ch rist i Health, we share this Mission Inspired by the Gospel and our Catholic tradition, we serve as a healing presence with special concern for our neighbors, who are vulnerable " The financial information in this report was prepared in accordance with the Catholic Heal th Association's (CHA) A Guide for Planning and Reporting Community Benefit Guidelines Pe r these Guidelines, we report the net expense for community benefit services, i e , the to tal community benefit expense minus any associated revenue from patients, residents, payer s, and other external sources The CHA Guidelines reflect a conservative approach to repor ting quantifiable community benefit The goal of the Guidelines is to produce community be nefit financial reports that reflect true costs and that describe community benefit activi ties that increase access to health care and improve community health for all The followi ng are VCH-P definitions for quantifiable community benefits reports below Charity Care - Free or discounted health services provided to persons who cannot afford to pay and who meet VCH's criteria for financial assistance Charity care is reported in terms of costs, n ot charges Charity care does not include bad debt Government Sponsored Means-Tested Heal th Care - Includes unpaid costs of public programs for low-income persons - the shortfall created when VCH receives payments that are less than the cost of caring for public progra m beneficiaries This payment shortfall is not the same as a contractual allow ance, which is the full difference between charges and government payments Health Professions Educati on - Helping to prepare future health care professionals is a distinguishing characteristi c of not-for-profit health care and constitutes a significant community benefit This cate gory includes programs and financial assistance for physicians and medical students, nurse s and nursing students, interns, and other health professionals For fiscal year ended Sep tember 30, 2011 ----- Community Benefit (VCH-P and Subs idiaries) 1)Charity care - at cost \$6.8 million 2)Government sponsored health care - net expense \$(3.8) million Unpaid cost of public indigent care programs (includes Medicaid, SC HIP, other safety net programs, does not include Medicare shortfall) 3) Community Benefit P rograms - net expense \$0.5 million 4)Total Quantifiable Community Benefit \$3.5 million Lis ted below are just a few of the community benefit programs offered by VCH-P This is not a complete listing but a sampling of how the hospital gives back to the community while mee ting current needs Targeted Population Health Fairs &amp; Screenings are conducted annually f or children, seniors, and the broader community During FY2011, over 1,872 people were ser ved for a cost of nearly \$6,377 by having their blood pressure checked, eyes exam ed, heari ng tested, feet examned, sport physicals and labs draw n, or given recommendations for est ablishing a medical home with either a physician and/or the area FQHC clinic Support Grou ps &amp; Educational Presentations are hosted (e.g. cancer, stroke, breast cancer, rehab servi ces, etc) and numerous educational presentations (e.g. arthritis exercise class, smoking p revention, personal actions toward health, stroke, etc) were given in the Pittsburgh area In FY2011, over 1,550 attendees participated in these events at a cost of over \$15,000 Tr ansportation is a real concern for rural communities, and Cherokee and Crawford Counties a re no exceptions Having affordable and reliable transportation for medical appointments i s critical, especially for elderly patients who may be unable to drive or who have no othe r alternatives CareVan, a popular transportation program owned and operated by VCH-P prov ided transportation assistance over 10,265 times in FY2011 at a cost of \$216,141 Health P rofession Education of area physicians, nurses, physician assistants, nursing students, an d other health care professionals who are either l</p> |

| Identifier               | Return Reference | Explanation  |
|--------------------------|------------------|--|
| COMMUNITY BENEFIT REPORT | Part III         | <p>looking for continuing education credits, wanting more hands-on training, or are in need of field practicum placements, etc are welcomed at VCH-P for additional training opportunities. Over 100 health care professionals and/or students hoping to enter the health care field were offered training opportunities through the various programs offered by VCH-P at a cost of nearly \$84,000.</p> <p>Response to Joplin Tornado - In partnership with Pittsburg State University and Catholic Charities of Southwest Missouri, VCH-P provided volunteer assistance with Case Management and help set up a Comprehensive Service Center. In addition, the hospital took in many of the injured patients due to the total destruction of St. John's Hospital in Joplin and assisted with the various needs of displaced families who had loved ones admitted to the hospital.</p> <p>In-Kind Donations - Service on community boards that are health related (e.g. Prescription Assistance Liaison Program, Project Warmth, etc), and/or sharing of hospital space to conduct health related not-for-profit business is another area in which VCH-P gives back to the community.</p> <p>In fiscal year 2011, VCH-P contributed just over \$166,430 through financial and in-kind contributions.</p> <p>Community Benefit Operations - Community benefit staff uses and trains others to use the Community Benefit Inventory Social Accountability (CBISA) software, developed by Lyon Software and used by over 1,700 hospitals throughout the country. CBISA software follows the reporting guidelines adopted by Catholic Health Association and does not include bad debt or unpaid Medicare reimbursements as community benefit.</p> <p>Overall, VCH-P combined community benefit programs (not counting traditional charity care and/or unpaid reimbursement of Medicaid) accounted for \$531,416 contributed to the geographical area of Pittsburg, Kansas during FY2011.</p> |

| Identifier      | Return Reference                 | Explanation   |
|-----------------|----------------------------------|---|
| FORM 990 REVIEW | PART VI, SECTION B, QUESTION 11B | THE AUDIT COMMITTEE REVIEWS AND APPROVES THE FORM 990 PRIOR TO THE DATE OF FILING THE AUDIT COMMITTEE REPORTS ON THE REVIEW TO THE BOARD OF TRUSTEES AND ASSURES THAT THE BOARD HAS THE OPPORTUNITY TO REVIEW THE FINAL FORM 990 AS FILED A COPY OF FORM 990 IS PROVIDED TO THE BOARD OF TRUSTEES VIA A SECURE EMAIL PRIOR TO FILING WITH THE IRS |

| Identifier                  | Return Reference                 | Explanation  |
|-----------------------------|----------------------------------|--|
| CONFLICT OF INTEREST POLICY | PART VI, SECTION B, QUESTION 12C | THE CONFLICT OF INTEREST POLICY IS MONITORED/ENFORCED AS PART OF THE SYSTEM-WIDE PROCEDURES AND IS NOT HANDLED AT THE ORGANIZATION LEVEL. THE POLICY IS MONITORED AND ENFORCED AS FOLLOWS: 1) AT TIME OF APPOINTMENT AND ANNUALLY THEREAFTER, ALL INTERESTED PERSONS, INCLUDING BOARD AND COMMITTEE MEMBERS, COMPLETE A DISCLOSURE STATEMENT WHICH ADDRESSES ACTUAL OR POTENTIAL CONFLICTS OF INTEREST. 2) THE DISCLOSURE STATEMENT IS DONE ELECTRONICALLY AND THE RETURN OF THE COMPLETED STATEMENT IS A CONDITION OF CONTINUED APPOINTMENT, EMPLOYMENT, OR PARTICIPATION WITH THE ORGANIZATION. 3) ALL ACTUAL OR POTENTIAL CONFLICTS ARE REVIEWED, INVESTIGATED, AND RESOLVED BY THE CHIEF GOVERNANCE OFFICER AND THE CORPORATE RESPONSIBILITY OFFICER, WITH THE RESULTS SHARED WITH THE CHIEF EXECUTIVE OF THE ORGANIZATION. 4) PERIODIC REVIEWS ARE CONDUCTED BY GOVERNANCE, COMPLIANCE, AND INTERNAL AUDIT TO ENSURE THE ORGANIZATION IS OPERATING CONSISTENT WITH THE POLICY AND ENFORCING THE POLICY'S TERMS. |



| Identifier          | Return Reference                         | Explanation   |
|---------------------|--|---|
| COMPENSATION REVIEW | PART VI, SECTION B, QUESTION 15A AND 15B | <p>Via Christi Hospital Pittsburg, Inc uses the policies established by Via Christi Health, Inc (VCH) VCH has established a common philosophy, strategy, and processes for executive compensation to be used throughout the Via Christi Health System VCH's philosophy, strategy, and process for executive compensation are described next Through the oversight of the VCH Executive Compensation Committee, executive compensation is competitively positioned at its stated market position when compared to the compensation paid by relevant organizations (comparably-sized health systems, hospitals, and long-term care providers) VCH recognizes its responsibility to ensure that its executive compensation program is appropriate in view of its mission and tax-exempt status and that its compensation levels and expenditures are reasonable and not excessive To ensure these ends, the VCH Executive Compensation Committee has established and approved the executive compensation philosophy for VCH and all related entities It will also approve all changes in the compensation package for VCH executives in advance On an annual basis, the Committee conducts a comprehensive review of total compensation for all executives It also reviews and approves "off-cycle" compensation transactions as needed In their review, the Committee considers the following factors</p> <ul style="list-style-type: none"> <li>* Market data from independent compensation surveys and sources that reflect comparable positions in organizations of similar size and scope</li> <li>* Difficulties in recruiting and retaining executives</li> <li>* Skills, experience, and performance history of individual executives</li> <li>* Critical business or strategic issues that the organization may face</li> <li>* Market position for total compensation</li> </ul> <p>The adequacy, competitiveness, and cost of the VCH total executive compensation program are reviewed on an ongoing basis and changes are made as the Committee determines appropriate The executive compensation program will be maintained such that it will fall within the safe harbor guidelines established by the Intermediate Sanctions regulations The Committee also employs the services of an independent compensation consultant to prepare market analysis to aid and support the Committee's actions, provide documentation of market trends for budget setting purposes, review annual compensation changes to ensure "reasonableness" and provide attestation, and provide consultation on all executive compensation issues The Committee also relies on third-party validation of performance measures used in the determination of compensation</p> |

| Identifier          | Return Reference                | Explanation   |
|---------------------|---------------------------------|---|
| GOVERNING DOCUMENTS | PART VI, SECTION C, QUESTION 19 | VIA CHRISTI HOSPITAL PITTSBURG, INC 'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE TO THE PUBLIC UPON REQUEST |

| Identifier | Return Reference                            | Explanation   |
|------------|---|---|
| MEMBERS    | PART VI,<br>SECTION A,<br>Q6, 7A, AND<br>7B | VIA CHRISTI HEALTH, INC IS THE SOLE MEMBER THE MEMBER MAY APPROVE AND REMOVE INDIVIDUALS ON THE BOARD OF TRUSTEES ARTICLE 2 OF THE BY LAWS PROVIDE THE MEMBER WITH THE FOLLOWING POWERS *DEFINE, APPROVE, CHANGE, OR INTERPRET THE MISSION, VALUES, PURPOSE, AND PHILOSPHY OF THE CORPORATION *APPROVE THE ARTICLES OF INCORPORATION, THE BY LAWS, AND ANY AMENDMENTS THERETO OF THE CORPORATION *APPOINT AND REMOVE THE MEMBERS OF THE BOARD OF TRUSTEES OF THE CORPORATION *APPOINT AND REMOVE THE PRESIDENT AND CEO OF THE CORPORATION *SUBJECT TO CANONICAL REQUIREMENTS, ESTABLISH THE OVERALL DEBT LIMIT FOR THE CORPORATION AND APPROVE THE INCURRENCE OF DEBT IN EXCESS OF THAT LIMIT *APPROVE THE DISSOLUTION, MERGER, CONSOLIDATION, OR SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF VIA CHRISTI HOSPITAL PITTSBURG, INC *APPROVE AND REMOVE, WITH OR WITHOUT CAUSE, THE INDEPENDENT AUDITING FIRM FOR VIA CHRISTI HOSPITAL PITTSBURG, INC *RECEIVE AND APPROVE OPERATING AND CAPITAL BUDGETS AND FINANCIAL REPORTS OF VIA CHRISTI HOSPITAL PITTSBURG, INC *APPROVE FINANCING THROUGH PARTICIPATION IN THE OBLIGATED GROUP OF VIA CHRISTI HEALTH SYSTEM *REVIEW AND APPROVE REAL AND PERSONAL PROPERTY TRANSACTIONS CONSISTENT WITH PROVISION OF CANON LAW |

| Identifier                       | Return Reference    | Explanation   |
|----------------------------------|---------------------|---|
| RELATED TAX-EXEMPT ORGANIZATIONS | SCHEDULE R, PART II | VIA CHRISTI HOSPITAL PITTSBURG, INC IS CONTROLLED BY VIA CHRISTI HEALTH, INC VIA CHRISTI HEALTH, INC IS JOINTLY SPONSORED AND CONTROLLED BY ASCENSION HEALTH AND MARIAN HEALTH SYSTEM, WHICH IN TURN ARE SPONSORED BY THE SISTERS OF THE SORROWFUL MOTHER, FOUR PROVINCES OF THE DAUGHTERS OF CHARITY , THE CONGREGATION OF ST JOSEPH, AND THE SISTERS OF ST JOSEPH OF CARONDELET DUE TO SUCH SPONSORSHIP AND CONTROL, AND IN THE INTEREST OF INCREASED CLARITY AND TRANSPARENCY , BOTH ASCENSION HEALTH AND MARIAN HEALTH SYSTEM ARE BEING LISTED AS RELATED ORGANIZATIONS ON SCHEDULE R |

| Identifier                   | Return Reference    | Explanation   |
|------------------------------|---------------------|---|
| RECONCILIATION OF NET ASSETS | PART XI, QUESTION 5 | Unrealized Loss ( 1,605,829) Partnership Adj 44,592 ----- (2,723,400) |

| Identifier       | Return Reference  | Explanation  |
|------------------|-------------------|--|
| Bad Debt Expense | Parts VIII and IX | In July 2011, the FASB issued ASU 2011-07, Health Care Entities (Topic 954) Presentation and Disclosure of Patient Services Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities ASU 2011-07 includes amendments to FASB's ASC Topic 954, Health Care Entities The objective of the update is to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts The amendments requires health care entities that recognize significant amounts of patient service revenue at the time services are rendered, even though they do not immediately assess the patients' ability to pay, to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations The Heath System elected to adopt this standard as of September 30, 2011, which did not have a significant impact on the consolidated financial statements |

| Identifier                             | Return Reference  | Explanation                                     |
|--|-------------------|---|
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII | NAME RANDALL PETERSON TITLE EX-OFFICIO HOURS 49 |

| Identifier                             | Return Reference  | Explanation  |
|--|-------------------|--|
| HOURS DEVOTED FOR RELATED ORGANIZATION | FORM 990 PART VII | NAME SR MARIE VERONICA JANOUSEK TITLE TRUSTEE HOURS 19 |



SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
VIA CHRISTI HOSPITAL PITTSBURG INC

Employer identification number  
48-0543778

Part I

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

| (a)<br>Name, address, and EIN of disregarded entity | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Total income | (e)<br>End-of-year assets | (f)<br>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)<br>Name, address, and EIN of related organization | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>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)<br>Name, address, and EIN of<br>related organization | (b)<br>Primary activity | (c)<br>Legal<br>domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Predominant income<br>(related, unrelated,<br>excluded from tax<br>under sections 512-<br>514) | (f)<br>Share of total income | (g)<br>Share of end-of-year<br>assets | (h)<br>Disproportionate<br>allocations? |    | (i)<br>Code V—UBI<br>amount in box 20 of<br>Schedule K-1<br>(Form 1065) | (j)<br>General or<br>managing<br>partner? |    | (k)<br>Percentage<br>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)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or<br>foreign<br>country) | (d)<br>Direct controlling<br>entity | (e)<br>Type of entity<br>(C corp, S corp,<br>or trust) | (f)<br>Share of total income | (g)<br>Share of<br>end-of-year<br>assets | (h)<br>Percentage<br>ownership |
|---|-------------------------|---|-------------------------------------|--|------------------------------|--|--------------------------------|
| (1) AFFILIATED MEDICAL SERVICES<br>2916 E CENTRAL<br>WICHITA, KS67214<br>48-1239522                     | MEDICAL LAB             | KS  | VC HEALTH                           | C CORP   | 12,321,597                   | 7,892,802                                | 100 000 %                      |
| (2) SUNFLOWER ASSURANCE LTD<br>PO BOX 1085<br>GRAND CAYMAN, CAYMAN ISLANDS KY1-1102<br>CJ<br>98-0223159 | INSURANCE CO            | CJ  | NA                                  | FOREIGN CORP   | 3,651,768                    | 38,500,707                               | 100 000 %                      |
| (3) Integrated Healthcare Systems Inc<br>3311 East Murdock<br>Wichita, KS67208<br>48-0941549            | Clinic Services         | KS  | NA                                  | C CORP   | 58,758,618                   | 41,790,046                               | 100 000 %                      |
| (4) VCH Iowa PC Trust<br>8200 Thorn Drive Suite 300<br>Wichita, KS67226<br>27-6937322                   | Beneficiary Trust       | IA  | NA                                  | TRUST  | 0                            | 0  | 100 000 %                      |
| (5) VCH Iowa PC<br>8200 Thorn Drive Suite 300<br>Wichita, KS67226<br>27-3983977                         | Prof Corp               | IA  | na                                  | C CORP   | 0                            | 0  | 100 000 %                      |
| (6) Via Chrsti Clinic PA<br>3311 East Murdock<br>Wichita, KS67208<br>48-0993446                         | Prof Association        | KS  | NA                                  | C CORP   | 116,439,508                  | 24,067,602                               | 100 000 %                      |
|   |                         |   |                                     |  |                              |  |                                |

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

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)<br>Name of other organization | (b)<br>Transaction<br>type(a-r) | (c)<br>Amount involved | (d)<br>Method of determining amount<br>involved |
|-----------------------------------|---------------------------------|------------------------|---|
| (1) Mount Carmel Foundation       | c                               | 135,000                |   |
| (2)                               |                                 |                        |   |
| (3)                               |                                 |                        |   |
| (4)                               |                                 |                        |   |
| (5)                               |                                 |                        |   |
| (6)                               |                                 |                        |   |

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

[illegible]

**Part VII**   **Supplemental Information**

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

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

Software ID:

Software Version:

EIN: 48-0543778

Name: VIA CHRISTI HOSPITAL PITTSBURG INC

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

| (a)<br>Name, address, and EIN of related organization  | (b)<br>Primary activity | (c)<br>Legal domicile (state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status (if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512 (b)(13) controlled organization |    |
|--|-------------------------|--|----------------------------|---|----------------------------------|--|----|
|  |                         |  |                            |   |                                  | Yes  | No |
| Catholic Care Center Inc<br><br>6700 E 45th St N<br>Wichita, KS67226<br>48-1067110                       | Rtrmnt Home             | KS   | 501(c)(3)                  | 9   | na                               |  |    |
| CIBOR INC<br><br>9229 E 27TH ST N SUITE 200<br>Wichita, KS67226<br>27-0564463                            | Research                | KS   | 501(c)(3)                  | 7   | na                               |  |    |
| Cornerstone Assisted Living Inc<br><br>3636 N Ridge Road<br>Wichita, KS67205<br>48-1241079               | Rtrmnt Home             | KS   | 501(c)(3)                  | 9   | na                               |  |    |
| Gerard House Inc<br><br>3144 N Hood<br>Wichita, KS67204<br>48-1049532                                    | Shelter                 | KS   | 501(c)(3)                  | 7   | na                               |  |    |
| Marian Health System Inc<br><br>1923 South Utica Avenue<br>Tulsa, OK74104<br>36-3659989                  | Hospital Supp           | DE   | 501(c)(3)                  | 11  | na                               |  |    |
| Mercy Community Health Foundation Inc<br><br>1823 College Ave<br>Manhattan, KS66502<br>48-1152279        | Foundation              | KS   | 501(c)(3)                  | 11  | na                               |  |    |
| Mercy Regional Health Center Inc<br><br>1823 College Ave<br>Manhattan, KS66502<br>48-1186704             | Hospital                | KS   | 501(c)(3)                  | 3   | na                               |  |    |
| Mercy Regional Home Medical Services<br><br>2439 Claflin Road<br>Manhattan, KS66502<br>43-2024491        | Home Medical            | KS   | 501(c)(3)                  | 11  | na                               |  |    |
| Mount Carmel Foundation Inc<br><br>1102 E Centennial Dr<br>Pittsburg, KS66762<br>48-0961283              | Foundation              | KS   | 501(c)(3)                  | 11  | na                               |  |    |
| Salina Regional Home Medical Services<br><br>520 S Santa Fe Ave Ste 140<br>Salina, KS67401<br>43-1948057 | Home Medical            | KS   | 501(c)(3)                  | 11  | na                               |  |    |
| St John's Inc<br><br>2225 Canterbury Dr<br>Hays, KS67601<br>20-2828680                                   | Rtrmnt Home             | KS   | 501(c)(3)                  | 9   | na                               |  |    |
| Via Christi Foundation Inc<br><br>723 N McLean Blvd<br>Wichita, KS67203<br>48-1173588                    | Foundation              | KS   | 501(c)(3)                  | 11  | na                               |  |    |

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

| (a)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign country) | (d)<br>Exempt Code<br>section | (e)<br>Public charity<br>status<br>(if section 501(c)<br>(3)) | (f)<br>Direct controlling<br>entity | (g)<br>Section 512<br>(b)(13)<br>controlled<br>organization |    |
|---|-------------------------|---|-------------------------------|---|-------------------------------------|---|----|
|   |                         |   |                               |   |                                     | Yes   | No |
| Via Christi Health Partners Inc<br><br>8200 E Thorn Dr SUITE 300<br>Wichita, KS67226<br>48-0958974        | Mgmnt Co                | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Health Inc<br><br>8200 E Thorn Dr SUITE 300<br>Wichita, KS67226<br>48-1172107                 | Hospital Supp           | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Healthcare Outreach Program<br><br>2622 W Central Suite 100<br>Wichita, KS67203<br>48-1236589 | PACE Communit           | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Home Health Wichita Inc<br><br>555 S Washington<br>Wichita, KS67211<br>48-1046371             | Home Health             | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Hospital Wichita St Teresa<br><br>14800 W St Teresa<br>Wichita, KS67235<br>27-1965272         | Hospital                | KS  | 501(c)(3)                     | 3   | na                                  |   |    |
| Via Christi Hospitals Wichita Inc<br><br>929 N St Francis<br>Wichita, KS67214<br>48-1172106               | Hospital                | KS  | 501(c)(3)                     | 3   | na                                  |   |    |
| VC Immediate Care MOTHER MARY ANNE INC<br><br>929 N St Francis<br>Wichita, KS67214<br>20-8374099          | Med Clinic              | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Property Services Inc<br><br>1100 N St Francis Suite 240<br>Wichita, KS67214<br>48-0948571    | Property Mgmt           | KS  | 501(c)(4)                     | N/A   | na                                  |   |    |
| Via Christi Rehabilitation Hospital Inc<br><br>1151 N Rock Road<br>Wichita, KS67206<br>48-1158274         | Rehab                   | KS  | 501(c)(3)                     | 3   | na                                  |   |    |
| Via Christi Village Georgetown Inc<br><br>1655 S Georgetown<br>Wichita, KS67218<br>48-1129325             | Rtrmnt Home             | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Village Manhattan Inc<br><br>2800 Willowgrove Rd<br>Manhattan, KS66502<br>48-1078862          | Rtrmnt Home             | KS  | 501(c)(3)                     | 9   | na                                  |   |    |
| Via Christi Village McLean Inc<br><br>777 N McLean Blvd<br>Wichita, KS67203<br>48-1247723                 | Rtrmnt Home             | KS  | 501(c)(3)                     | 9   | na                                  |   |    |

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

| (a)<br>Name, address, and EIN of related organization   | (b)<br>Primary activity | (c)<br>Legal domicile<br>(state or foreign country) | (d)<br>Exempt Code section | (e)<br>Public charity status<br>(if section 501(c)(3)) | (f)<br>Direct controlling entity | (g)<br>Section 512 (b)(13) controlled organization |    |
|---|-------------------------|---|----------------------------|--|----------------------------------|--|----|
|   |                         |   |                            |  |                                  | Yes  | No |
| Via Christi Village Ponca City Inc<br><br>1601 Academy Rd<br>Ponca City, OK74604<br>73-1153337      | Rtrmnt Home             | OK  | 501(c)(3)                  | 9  | na                               |  |    |
| Via Christi Village Pittsburg Inc<br><br>1502 E Centennial Dr<br>Pittsburg, KS66762<br>74-3070971   | Rtrmnt Home             | KS  | 501(c)(3)                  | 9  | na                               |  |    |
| Via Christi Villages Inc<br><br>2622 W Central Suite 100<br>Wichita, KS67203<br>48-0559086          | Mgmnt Co                | KS  | 501(c)(3)                  | 11   | na                               |  |    |
| Wamego Hospital Association<br><br>711 Genn Dr<br>Wamego, KS66547<br>72-1526400                     | Hospital                | KS  | 501(c)(3)                  | 3  | na                               |  |    |
| ASCENSION HEALTH<br><br>PO BOX 45998<br>ST LOUIS, MO63145<br>31-1662309                             | HLTH SYS GOV            | MO  | 501(c)(3)                  | 11   | NA                               |  |    |
| VIA CHRISTI INMYHOME INC<br><br>2622 W Central Suite 100<br>WICHITA, KS67203<br>27-1889960          | HLTH AGENCY             | KS  | 501(c)(3)                  | 9  | na                               |  |    |
| Via Christi Clinic Services Inc<br><br>8200 Thorn Drive Suite 300<br>Wichita, KS67226<br>27-3984284 | Med Clinic              | KS  | 501(c)(3)                  | 11   | na                               |  |    |



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

| (a)<br>Name, address, and EIN of<br>related organization   | (b)<br>Primary activity | (c)<br>Legal<br>Domicile<br>(State<br>or<br>Foreign<br>Country) | (d)<br>Direct<br>Controlling<br>Entity | (e)<br>Predominant<br>income<br>(related,<br>unrelated,<br>excluded from<br>tax under<br>sections<br>512-514) | (f)<br>Share of total<br>income<br>(\$) | (g)<br>Share of end-of-<br>year assets<br>(\$) | (h)<br>Disproprtionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount on<br>Box 20 of K-1<br>(\$) | (j)<br>General<br>or<br>Managing<br>Partner? |    | (k)<br>Percentage<br>ownership |
|--|-------------------------|---|--|---|---|--|--|----|---|--|----|--------------------------------|
|  |                         |   |  |   |   |  | Yes                                    | No |   | Yes  | No |                                |
| PFI LLC<br><br>8200 THORN DRIVE<br>SUITE 300<br>WICHITA, KS67226<br>72-1557076                                 | MED CHEM MFG            | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| Ambulatory Surgery Center LP<br><br>8200 E THORN DR SUITE<br>300<br>WICHITA, KS67226<br>48-1114690             | SURGERY CTR             | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| AMS Diagnostics LLC<br><br>8200 E THORN DR SUITE<br>300<br>WICHITA, KS67226<br>48-1223653                      | DIAGNOSTIC IM           | KS  | NA                                     | n/a   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| KS Surgery and Recovery Ctr LLC<br><br>2770 NORTH WEBB ROAD<br>WICHITA, KS67226<br>48-1148580                  | MEDICAL SVC             | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| Mercy Imaging LLC<br><br>1823 COLLEGE AVENUE<br>MANHATTAN, KS66502<br>48-1251984                               | DIAGNOSTIC IM           | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| MR Imaging Center LLC<br>dba Anatomı Ima<br><br>8200 E THORN DR SUITE<br>300<br>WICHITA, KS67226<br>48-1000538 | RADIOLOGY SVC           | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| Preferred PET Imaging of KS LLC<br><br>8200 E THORN DR SUITE<br>300<br>WICHITA, KS67226<br>48-1250123          | DIAGNOSTIC IM           | KS  | NA                                     | n/a   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |
| Via Christi Cyberknife LLC<br><br>8200 E THORN DR SUITE<br>300<br>WICHITA, KS67226<br>35-4588711               | RADIOLOGY SVC           | KS  | NA                                     | n/a   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |

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

| (a)<br>Name, address, and EIN of<br>related organization                                | (b)<br>Primary activity | (c)<br>Legal<br>Domicile<br>(State<br>or<br>Foreign<br>Country) | (d)<br>Direct<br>Controlling<br>Entity | (e)<br>Predominant<br>income(related,<br>unrelated,<br>excluded from<br>tax under<br>sections<br>512-514) | (f)<br>Share of total<br>income<br>(\$) | (g)<br>Share of end-of-<br>year assets<br>(\$) | (h)<br>Disproprtionate<br>allocations? |    | (i)<br>Code V-UBI<br>amount on<br>Box 20 of K-1<br>(\$) | (j)<br>General<br>or<br>Managing<br>Partner? |    | (k)<br>Percentage<br>ownership |
|---|-------------------------|---|--|---|---|--|--|----|---|--|----|--------------------------------|
|   |                         |   |  |   |   |  | Yes                                    | No |   | Yes  | No |                                |
| St Joseph MRI LLC<br><br>8200 E THORN DR<br>SUITE 300<br>WICHITA, KS67226<br>48-1007220 | MEDICAL SVCS            | KS  | NA                                     | N/A   | 0                                       | 0  |  |    | 0   |  |    | 0 %                            |

Form **4797**

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

► Attach to your tax return.    ► See separate instructions.

OMB No 1545-0184

**2010**

Attachment Sequence No **27**

Name(s) shown on return  
VIA CHRISTI HOSPITAL PITTSBURG INC

Identifying number  
48-0543778

**1** Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . .

**1**

Part I

Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| 2 (a) Description of property  | (b) Date acquired (mo , day, yr ) | (c) Date sold (mo , day, yr ) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|--|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| VARIOUS EQUIPMENT  |                                   |                               | 17,470                |   | 0  | 17,470  |
|  |                                   |                               |                       |   |  |   |
|  |                                   |                               |                       |   |  |   |
|  |                                   |                               |                       |   |  |   |
| <b>3</b> Gain, if any, from Form 4684, line 42 . . . . .   |                                   |                               |                       |   |  | <b>3</b>  |
| <b>4</b> Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . .  |                                   |                               |                       |   |  | <b>4</b>  |
| <b>5</b> Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . .   |                                   |                               |                       |   |  | <b>5</b>  |
| <b>6</b> Gain, if any, from line 32, from other than casualty or theft. . . . .  |                                   |                               |                       |   |  | <b>6</b>  |
| <b>7</b> Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows . . . . .  |                                   |                               |                       |   |  | <b>7</b> 17,470   |
| <b>Partnerships (except electing large partnerships) and S corporations.</b> Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9 Skip lines 8, 9, 11, and 12 below  |                                   |                               |                       |   |  |   |
| <b>Individuals, partners, S corporation shareholders, and all others.</b> If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below |                                   |                               |                       |   |  |   |
| <b>8</b> Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . .   |                                   |                               |                       |   |  | <b>8</b> 342,992  |
| <b>9</b> Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . .   |                                   |                               |                       |   |  | <b>9</b>  |

Part II

Ordinary Gains and Losses (see instructions)

**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

|   |            |        |
|---|------------|--------|
| <b>11</b> Loss, if any, from line 7 . . . . .   | <b>11</b>  | ( )    |
| <b>12</b> Gain, if any, from line 7 or amount from line 8, if applicable . . . . .  | <b>12</b>  | 17,470 |
| <b>13</b> Gain, if any, from line 31 . . . . .  | <b>13</b>  |        |
| <b>14</b> Net gain or (loss) from Form 4684, lines 34 and 41a . . . . .   | <b>14</b>  |        |
| <b>15</b> Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . .  | <b>15</b>  |        |
| <b>16</b> Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . .   | <b>16</b>  |        |
| <b>17</b> Combine lines 10 through 16 . . . . .   | <b>17</b>  | 17,470 |
| <b>18</b> For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below   |            |        |
| <b>a</b> If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23 Identify as from "Form 4797, line 18a " See instructions. . . . . | <b>18a</b> |        |
| <b>b</b> Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a Enter here and on Form 1040, line 14 . . . . .   | <b>18b</b> |        |

Part III

Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255  
(see instructions)

|    |   |                                   |                               |
|----|---|-----------------------------------|-------------------------------|
| 19 | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property | (b) Date acquired (mo , day, yr ) | (c) Date sold (mo , day, yr ) |
| A  |   |                                   |                               |
| B  |   |                                   |                               |
| C  |   |                                   |                               |
| D  |   |                                   |                               |

| These columns relate to the properties on lines 19A through 19D |   | Property A | Property B | Property C | Property D |
|---|---|------------|------------|------------|------------|
| 20  | Gross sales price (Note: See line 1 before completing ) . . . . .   | 20         |            |            |            |
| 21  | Cost or other basis plus expense of sale . . . . .  | 21         |            |            |            |
| 22  | Depreciation (or depletion) allowed or allowable . . . . .  | 22         |            |            |            |
| 23  | Adjusted basis Subtract line 22 from line 21 . . . . .  | 23         |            |            |            |
| 24  | Total gain Subtract line 23 from line 20 . . . . .  | 24         |            |            |            |
| 25  | If section 1245 property:   |            |            |            |            |
| a   | Depreciation allowed or allowable from line 22 . . . . .  | 25a        |            |            |            |
| b   | Enter the smaller of line 24 or 25a . . . . .   | 25b        |            |            |            |
| 26  | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291  |            |            |            |            |
| a   | Additional depreciation after 1975 (see instructions) . . . . .   | 26a        |            |            |            |
| b   | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) . . . . .   | 26b        |            |            |            |
| c   | Subtract line 26a from line 24 If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e . . . . .  | 26c        |            |            |            |
| d   | Additional depreciation after 1969 and before 1976 . . . . .  | 26d        |            |            |            |
| e   | Enter the smaller of line 26c or 26d . . . . .  | 26e        |            |            |            |
| f   | Sections 291 amount (corporations only) . . . . .   | 26f        |            |            |            |
| g   | Add lines 26b, 26e, and 26f . . . . .   | 26g        |            |            |            |
| 27  | If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership)    |            |            |            |            |
| a   | Soil, water, and land clearing expenses . . . . .   | 27a        |            |            |            |
| b   | Line 27a multiplied by applicable percentage (see instructions) . . . . .   | 27b        |            |            |            |
| c   | Enter the smaller of line 24 or 27b . . . . .   | 27c        |            |            |            |
| 28  | If section 1254 property:   |            |            |            |            |
| a   | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions) . . . . . | 28a        |            |            |            |
| b   | Enter the smaller of line 24 or 28a . . . . .   | 28b        |            |            |            |
| 29  | If section 1255 property:   |            |            |            |            |
| a   | Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .   | 29a        |            |            |            |
| b   | Enter the smaller of line 24 or 29a (see instructions) . . . . .  | 29b        |            |            |            |

|  |   |    |  |  |  |
|--|---|----|--|--|--|
| Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30. |   |    |  |  |  |
| 30   | Total gains for all properties Add property columns A through D, line 24 . . . . .  | 30 |  |  |  |
| 31   | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13 . . . . .   | 31 |  |  |  |
| 32   | Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 36 Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . . | 32 |  |  |  |

Part IV

Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less  
(see instructions)

|    |   | (a) Section 179 | (b) Section 280F(b)(2) |
|----|---|-----------------|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years . . . . .                  | 33              |                        |
| 34 | Recomputed depreciation (see instructions) . . . . .  | 34              |                        |
| 35 | Recapture amount Subtract line 34 from line 33 See the instructions for where to report . . . . . | 35              |                        |

# **Via Christi Health, Inc. and Subsidiaries**

**Consolidated Financial Statements and  
Consolidating Financial Information  
September 30, 2011 and 2010**

**Via Christi Health, Inc. and Subsidiaries**  
**Index**  
**September 30, 2011 and 2010**

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## Report of Independent Auditors

Board of Trustees  
Via Christi Health, Inc. and Subsidiaries

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and changes in net assets and of cash flows present fairly, in all material respects, the financial position of Via Christi Health, Inc. and Subsidiaries (the "Health System") at September 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Health System's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. These 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on Schedules 1 through 8 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies. Accordingly, we do not express an opinion on the financial position or results of operations of the individual companies. However, the consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

As discussed in note 2 to the consolidated financial statements, the Health System changed the manner in which it accounts for goodwill and noncontrolling interest during fiscal year 2011.

*PricewaterhouseCoopers LLP*

December 12, 2011

PricewaterhouseCoopers LLP, One North Wacker, Chicago, IL 60606  
T: (312) 298 2000, F: (312) 298 2001, [www.pwc.com/us](http://www.pwc.com/us)

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**September 30, 2011 and 2010**

| <i>(in thousands of dollars)</i>   | <b>2011</b>         | <b>2010</b>         |
|--|---------------------|---------------------|
| <b>Assets</b>  |                     |                     |
| Current assets   |                     |                     |
| Cash and cash equivalents  | \$ 90,920           | \$ 60,774           |
| Short-term investments   | 416,827             | 494,067             |
| Assets whose use is limited that are required for current liabilities  | 1,020               | 626                 |
| Patient accounts receivable (less allowance for uncollectible accounts of \$28,231 in 2011 and \$23,209 in 2010) | 125,281             | 108,884             |
| Estimated amounts receivable from third-party payors   | 6,719               | 4,245               |
| Inventories  | 23,505              | 23,738              |
| Other current assets   | 38,503              | 20,976              |
| Total current assets   | <u>702,775</u>      | <u>713,310</u>      |
| Assets whose use is limited  |                     |                     |
| Designated by Board for capital improvements   | 184,016             | 183,582             |
| Other  | 7,148               | 5,463               |
| Held by trustee  |                     |                     |
| Under bond indenture   | 32,403              | 40,926              |
| Self-insurance arrangements  | 18,493              | 13,588              |
|  | <u>242,060</u>      | <u>243,559</u>      |
| Less assets whose use is limited that are required for current liabilities                                       | <u>(1,020)</u>      | <u>(626)</u>        |
| Total noncurrent portion of assets whose use is limited  | <u>241,040</u>      | <u>242,933</u>      |
| Property and equipment   |                     |                     |
| Land and improvements  | 72,949              | 62,361              |
| Buildings and fixed equipment  | 688,581             | 636,135             |
| Equipment  | 479,554             | 410,046             |
| Less accumulated depreciation  | (720,193)           | (624,208)           |
| Construction in progress   | 21,154              | 9,937               |
| Total net property and equipment   | <u>542,045</u>      | <u>494,271</u>      |
| Other assets   |                     |                     |
| Investments in unconsolidated affiliates   | 90,972              | 88,028              |
| Prepaid pension costs  | 1,215               | 1,036               |
| Goodwill and Intangible assets, net of accum amortization  | 17,122              | 11,344              |
| Long-term investments  | 20,431              | 19,044              |
| Other assets   | 13,954              | 12,253              |
| Total assets   | <u>\$ 1,629,554</u> | <u>\$ 1,582,219</u> |

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



**Via Christi Health, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**September 30, 2011 and 2010**

---

| <i>(in thousands of dollars)</i>        | <b>2011</b>         | <b>2010</b>         |
|---|---------------------|---------------------|
| <b>Liabilities and Net Assets</b>       |                     |                     |
| Current liabilities                     |                     |                     |
| Current maturities of long-term debt    | \$ 14,721           | \$ 11,388           |
| Accounts payable                        | 43,461              | 28,172              |
| Accrued liabilities                     | 63,527              | 65,514              |
| Total current liabilities               | <u>121,709</u>      | <u>105,074</u>      |
| Noncurrent liabilities                  |                     |                     |
| Long-term debt, less current maturities | 472,434             | 456,423             |
| Pension liabilities                     | 63,953              | 44,811              |
| Other noncurrent liabilities            | 51,817              | 41,088              |
| Total noncurrent liabilities            | <u>588,204</u>      | <u>542,322</u>      |
| Total liabilities                       | <u>709,913</u>      | <u>647,396</u>      |
| Net assets                              |                     |                     |
| Unrestricted - controlling interest     | 842,015             | 857,815             |
| Unrestricted - noncontrolling interest  | 64,119              | 62,439              |
| Temporarily restricted                  | 7,577               | 8,639               |
| Permanently restricted                  | 5,930               | 5,930               |
| Total net assets                        | <u>919,641</u>      | <u>934,823</u>      |
| Total liabilities and net assets        | <u>\$ 1,629,554</u> | <u>\$ 1,582,219</u> |

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

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidated Statements of Operations and Changes in Net Assets**  
**Years Ended September 30, 2011 and 2010**

---

| <i>(in thousands of dollars)</i>                        | <b>2011</b>      | <b>2010</b>      |
|---|------------------|------------------|
| <b>Revenues, gains and other support</b>                |                  |                  |
| Net patient service revenues                            | \$ 1,085,275     | \$ 944,924       |
| Provision for bad debts                                 | <u>68,523</u>    | <u>56,866</u>    |
| Net patient service revenue less provision for bad debt | 1,016,752        | 888,058          |
| Premium revenues  | 25,764           | 11,046           |
| Other operating revenues                                | <u>49,279</u>    | <u>53,122</u>    |
| Total operating revenues                                | <u>1,091,795</u> | <u>952,226</u>   |
| <b>Operating expenses</b>                               |                  |                  |
| Salaries and employees benefits                         | 621,701          | 514,489          |
| Purchased services and other expenses                   | 191,418          | 159,398          |
| Supplies  | 175,745          | 158,999          |
| Interest  | 20,537           | 16,874           |
| Depreciation and amortization                           | <u>66,271</u>    | <u>56,959</u>    |
| Total operating expenses                                | <u>1,075,672</u> | <u>906,719</u>   |
| Income from operations                                  | <u>16,123</u>    | <u>45,507</u>    |
| <b>Nonoperating gains (losses)</b>                      |                  |                  |
| Investment income                                       | 19,829           | 13,928           |
| Net gains (losses) on investments                       | (17,420)         | 34,178           |
| Equity in earnings of investee organizations            | 3,060            | 3,528            |
| Loss on refunding of debt                               | (4,848)          | (2,934)          |
| Income tax and other                                    | <u>3,145</u>     | <u>810</u>       |
| Total nonoperating gains                                | <u>3,766</u>     | <u>49,510</u>    |
| Excess of revenues over expenses                        | <u>\$ 19,889</u> | <u>\$ 95,017</u> |

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

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidated Statements of Operations and Changes in Net Assets**  
**Years Ended September 30, 2011 and 2010**

| <i>(in thousands of dollars)</i>   | <b>2011</b>       | <b>2010</b>       |
|--|-------------------|-------------------|
| <b>Unrestricted net assets-controlling interest</b>  |                   |                   |
| Excess of revenues over expenses   | \$ 19,889         | \$ 95,017         |
| Change in minimum pension liability  | (17,896)          | (12,280)          |
| Cumulative effect of change in accounting principles   | (10,744)          | -                 |
| Change in net assets attributable to noncontrolling interest   | (7,804)           | (9,790)           |
| Other changes in unrestricted net assets   | <u>(1,080)</u>    | <u>(445)</u>      |
| Increase (decrease) in unrestricted net assets, controlling interest before gain/(loss) of discontinued operations | (17,635)          | 72,502            |
| Gain/(loss) from discontinued operations   | <u>1,835</u>      | <u>7,533</u>      |
| Increase (decrease) in unrestricted net assets, controlling interest   | <u>(15,800)</u>   | <u>80,035</u>     |
| <b>Unrestricted net assets, noncontrolling interest</b>  |                   |                   |
| Excess of revenues over expenses   | 7,804             | 9,790             |
| Distributions and other  | <u>(6,124)</u>    | <u>(3,555)</u>    |
| Increase in unrestricted net assets, noncontrolling interest   | <u>1,680</u>      | <u>6,235</u>      |
| Increase (decrease) in unrestricted net assets   | <u>(14,120)</u>   | <u>86,270</u>     |
| <b>Temporarily restricted net assets</b>   |                   |                   |
| Contributions  | 3,471             | 4,524             |
| Investment income and gains  | 205               | 160               |
| Net realized and unrealized gains (losses) on investments  | (171)             | 458               |
| Net assets released from restrictions  | (3,024)           | (2,851)           |
| CIBOR deconsolidation and other  | <u>(1,543)</u>    | <u>1</u>          |
| Increase (decrease) in temporarily restricted net assets   | <u>(1,062)</u>    | <u>2,292</u>      |
| <b>Permanently restricted net assets</b>   |                   |                   |
| Contributions for endowment funds  | <u>-</u>          | <u>10</u>         |
| Increase in permanently restricted net assets  | <u>-</u>          | <u>10</u>         |
| Change in net assets   | <u>(15,182)</u>   | <u>88,572</u>     |
| Net assets, beginning of year  | <u>934,823</u>    | <u>846,251</u>    |
| Net assets, end of year  | <u>\$ 919,641</u> | <u>\$ 934,823</u> |

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

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended September 30, 2011 and 2010**

(in thousands of dollars)

|   | 2011             | 2010             |
|---|------------------|------------------|
| <b>Operating activities</b>   |                  |                  |
| Increase (decrease) in net assets before noncontrolling interest  | \$ (16,862)      | \$ 82,337        |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities |                  |                  |
| Depreciation and amortization   | 66,271           | 56,959           |
| Amortization of bond discount   | 282              | 56               |
| Provision for uncollectible accounts  | 68,523           | 56,866           |
| Equity in earnings of investee organization   | (5,946)          | (6,734)          |
| Noncontrolling interest in earnings   | 7,804            | 9,790            |
| Net gains on investments  | (23,194)         | (34,636)         |
| Impairment of property and equipment  | 1,792            | -                |
| (Gain)/Loss on sale of property and equipment   | (1,768)          | 46               |
| Donated equipment   | (332)            | (96)             |
| Net pension adjustment  | 17,896           | 12,280           |
| Net gain on discontinued operations   | (1,835)          | (7,533)          |
| (Increase) decrease in operating assets   |                  |                  |
| Net patient accounts receivable   | (71,613)         | (66,070)         |
| Inventories and other assets  | 516              | 27,932           |
| Increase (decrease) in operating liabilities  |                  |                  |
| Accounts payable and accrued liabilities  | (1,993)          | 673              |
| Net estimated amounts do to/from third-party payors   | (2,474)          | (4,141)          |
| Other liabilities   | 10,325           | (15,455)         |
| Net transfers to sponsoring organizations   | -                | 1,117            |
| Net cash provided by operating activities   | <u>47,392</u>    | <u>113,391</u>   |
| <b>Investing activities</b>   |                  |                  |
| Purchases of property and equipment   | (77,883)         | (99,999)         |
| Decrease in assets whose use is limited   | 9,767            | 37,738           |
| Purchase of investments   | (53,632)         | (276,732)        |
| Proceeds from sale of investments   | 143,715          | 132,934          |
| Acquisition of certain Wichita Clinic PA assets   | (30,247)         | -                |
| Proceeds from sales of property and equipment   | 4,518            | 211              |
| Cash proceeds on disposition of discontinued operations   | 1,000            | 80,727           |
| Net cash used in investing activities   | <u>(2,762)</u>   | <u>(125,121)</u> |
| <b>Financing activities</b>   |                  |                  |
| Proceeds from long-term debt  | 193,514          | 111,940          |
| Payments on long-term debt  | (200,450)        | (111,127)        |
| Deferred bond financing fees  | (1,424)          | -                |
| Distributions to noncontrolling interest holders  | (6,124)          | (4,415)          |
| Net transfers to sponsoring organizations   | -                | (1,117)          |
| Net cash used in financing activities   | <u>(14,484)</u>  | <u>(4,719)</u>   |
| Net increase (decrease) in cash and cash equivalents  | 30,146           | (16,449)         |
| <b>Cash and cash equivalents</b>  |                  |                  |
| Beginning of year   | 60,774           | 77,223           |
| End of year   | <u>\$ 90,920</u> | <u>\$ 60,774</u> |
| <b>Other cash disclosure</b>  |                  |                  |
| Cash paid during the year for interest, net of amounts capitalized                                      | \$ 19,986        | \$ 19,219        |
| Cash paid during the year for income taxes  | 1,243            | 715              |
| <b>Noncash transaction</b>  |                  |                  |
| Property and equipment purchases in accounts payable  | \$ 1,276         | \$ 6,452         |

# **Via Christi Health, Inc. and Subsidiaries**

## **Notes to Consolidated Financial Statements**

### **September 30, 2011 and 2010**

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#### **1. Organization**

Via Christi Health, Inc. and subsidiaries (the "Health System") is a not-for-profit corporation operating a network of regional health care providers in Kansas. The Health System was formed effective October 2, 1995 through the consolidation of CSJ Health System of Wichita, Inc. ("CSJ") and St. Francis Ministry Corporation ("SFMC") into a newly organized Kansas not-for-profit corporation and is jointly sponsored and controlled by Marian Health System, Inc. and Ascension Health. The Sisters of St. Joseph of Wichita took action to transfer their 50% sponsorship of the Health System to the sponsors of Ascension Health as of July 1, 2007.

Via Christi Hospital Wichita, Inc. ("VCH-W"), owns and operates two hospitals on two campuses known as the Hospital on East Harry and the Hospital on North St. Francis located in Wichita, Kansas. In addition, VCH-W opened a new hospital, Via Christi Hospital – St. Teresa, Inc. in west Wichita during 2010. VCH-W also owns and operates Via Christi Health Partners, Inc., Via Christi Foundation and Via Christi Rehabilitation Hospital, Inc. and in 2007 purchased a 49% interest in Kansas Heart Hospital, LLC also located in Wichita, Kansas. In July 2011, VCH-W deconsolidated a subsidiary, Center of Innovation for Biomaterials and Orthopedic Research ("CIBOR"), and no longer has a controlling interest. The investment in this company is now recorded using the equity method of accounting. Additionally, other Health System acute care general hospitals include Via Christi Hospital, Pittsburg Inc. ("VCH-P"), located in Pittsburg, Kansas, and Mercy Regional Health Center, Inc., located in Manhattan, Kansas.

On December 9, 2010, Via Christi acquired the Wichita Clinic, PA, now Via Christi Clinic (the Clinic) and Integrated Healthcare Services, Inc. The Clinic which is a multispecialty physician group employs over 160 physicians practicing in over 40 specialties. Integrated Healthcare Services, Inc. is the management services organization for the Clinic, and employs approximately 1,030 support personnel. The Health System recorded \$15.6 million in goodwill and intangibles related to the purchase of the Clinic.

Mercy Regional Health Center, Inc. was formed in 1996 through the operational consolidation of healthcare providers sponsored by the Health System and Memorial Hospital Association, each of whom contributed assets representing 50% interest. Due to management and operating agreements, the Health System is deemed to have a controlling financial interest, and therefore consolidates the operations of Mercy Regional Health Center, Inc.

Other entities which are owned and operated by the Health System include Via Christi Villages, Inc., Affiliated Medical Services Laboratory, Inc., and Sunflower Assurance Ltd. The Health System sold Preferred Health Systems, Inc. ("PHS") to Coventry Health Care, Inc. on January 31, 2010. See Note 15.

Investments in entities in which the Health System owns less than 50% and does not have control are accounted for on an equity basis of accounting or cost basis as determined by ownership percentage.

The accompanying consolidated financial statements include the accounts of the Health System and their subsidiaries, all of which are related through common control, after elimination of significant transactions among the entities.

# Via Christi Health, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements

### September 30, 2011 and 2010

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## 2. Significant Accounting Policies

### Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. All significant intercompany accounts and transactions have been eliminated in consolidation. All subsidiaries that are majority owned are consolidated. Noncontrolling interests in the earnings of investee organizations are included in the consolidated statement of operations and changes in net assets, with corresponding eliminations.

### Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in unrestricted net assets during the reporting period. Actual results could differ from those estimates.

### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits, investments in money market funds, and certificates of deposit purchased with maturities of three months or less. The Health System or affiliates have entered into overnight repurchase agreements with banks to purchase and resell direct obligations that are not FDIC insured. As of September 30, 2011 and 2010, approximately \$73.4 million and \$35.2 million, respectively, under repurchase agreements were included in cash and cash equivalents.

### Assets Whose Use is Limited and Investments

Assets whose use is limited include assets set aside by the Board of Trustees for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes. Funds held by trustee are restricted by the bond indentures to be used primarily for construction, for debt service and for a debt reserve fund or are for self-insurance arrangements. The current portion of these funds represents the amount attributable to current liabilities.

Interest and dividend income (investment return), realized gains (losses), and unrealized gains (losses) on trading portfolios are included in excess of revenues over expenses in the accompanying statements of operations and changes in net assets. The Health System considers all investments as trading securities.

### Inventories

Inventories, which consist primarily of supplies, are reported at the lower of cost or market, on a first-in, first-out basis.

### Property and Equipment

Property and equipment are stated at cost (or fair value at date of donation, if applicable). The costs of repairs and maintenance are charged to operations as incurred, and the costs of replacements, renewals, and improvements are capitalized. Upon the retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized. Depreciation is computed by the straight-line method over the estimated useful lives ranging from 3 to 40 years.

## **Via Christi Health, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **September 30, 2011 and 2010**

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Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

The Health System reviews its property and equipment for impairments when events or changes in circumstances indicate that the carrying value of the assets may not be fully recovered over their estimated useful lives. Impairments are recorded to reduce the carrying value of the assets to their fair values, if fair value is less than carrying value, determined by management based on facts and circumstances at the time of the determination.

#### **Intangible Assets and Goodwill**

Intangible assets consist of covenants not to compete. Intangible assets are being amortized over periods of 5 to 30 years. Management periodically reviews recoverability of intangible assets when events or changes in circumstances indicate that the carrying value of the assets may not be fully recovered over their estimated lives and believes all amounts reported in the accompanying consolidated balance sheets to be recoverable through future operations.

Goodwill is not amortized. An annual impairment test is performed for goodwill or more frequently, if an event occurs or circumstances change that would more likely than not reduce fair value below current value.

#### **Temporarily and Permanently Restricted Net Assets**

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

#### **Net Patient Service Revenues**

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive adjustments due to future audits and reviews. Retroactive adjustments are considered in the recognition of revenues on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits or reviews. Changes to prior year third-party settlement estimates increased net patient service revenue and excess of revenues over expenses by approximately \$10.5 million and \$11.2 million for the years ended September 30, 2011 and 2010, respectively.

Net revenues from the Medicare program accounted for approximately 36% and 38% of the Health System's net patient revenues for the years ended September 30, 2011 and 2010, respectively. Net revenues from the Medicaid program accounted for approximately 10% and 11% of the Health System's net patient revenues for the years ended September 30, 2011 and 2010, respectively. 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 provision for bad debt expense is based upon management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectible accounts based upon historical write-off experience by payer category, including those amounts not covered by insurance. The results of this review are then used to make any modifications to the provision for bad debt expense to establish an appropriate allowance for uncollectible accounts. After satisfaction of amounts due from insurance

## **Via Christi Health, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **September 30, 2011 and 2010**

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and reasonable efforts to collect from the patient have been exhausted, the Health System follows established guidelines for placing certain past-due patient balances with collection agencies, subject to terms of certain restrictions on collection efforts as determined by the Health System. Accounts receivable are written off after collections efforts have been followed in accordance with the Health System's policies.

#### **Charity Care**

The Health System has a policy of providing charity care to those who are deemed unable to pay for the services received based on financial information obtained from the patient. Since the Health System does not expect or pursue payment, charges for charity care are not reported in net patient service revenue.

#### **Contributions, Gifts, Bequests, and Grants**

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 when the condition is met or 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 statements of operations and changes in net assets as other operating revenue. 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 temporarily restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions within other operating revenue in the accompanying consolidated statements of operations.

#### **Fair Value of Financial Instruments**

The following methods and assumptions were used by the Health System in estimating the fair value of its financial instruments:

##### *Cash and Cash Equivalents, Other Current Assets and Accrued Expenses*

The carrying amounts reported in the balance sheets for cash and cash equivalents, other current assets and accrued expenses approximate their fair values.

##### *Assets Whose Use is Limited and Investments*

These assets consist primarily of cash, short-term investments, marketable equity securities, corporate debt instruments, U.S. government obligations and interest receivable. Investments are stated at fair value in the balance sheets, based generally on quoted market prices.

##### *Long-Term Debt*

The fair value of the Health System's long-term debt has been derived based on the market price of bonds in the secondary market. The fair value of fixed rate long-term bond debt was approximately \$343 million and \$472 million at September 30, 2011 and 2010. Book value approximates fair value for all other long term debt.

##### *Derivative Financial Instruments*

The Health System terminated its fixed pay swap during 2010.



## Via Christi Health, Inc. and Subsidiaries

### Notes to Consolidated Financial Statements

#### September 30, 2011 and 2010

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#### **Income Taxes**

With the exception of Via Christi Clinic and PHS and certain other subsidiaries, all of the entities in the Health System are organizations described in Section 501 (c)(3) of the Internal Revenue Code and are generally exempt from payment of income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. Subsidiaries, which are for-profit organizations, are subject to federal and state income taxes. Included in income taxes and other is tax benefit totaling \$1,845,000 and tax expense totaling \$786,000 for 2011 and 2010, respectively.

Tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforward. Income tax expense or benefit is included in other nonoperating gains and losses in the consolidated statements of operations and changes in net assets. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Health System recorded a net deferred tax liability of \$1,422,000 and \$17,000 at September 30, 2011 and September 30, 2010, respectively.

#### **Performance Indicators**

##### *Operating Income*

The Health System's operating income includes all unrestricted revenue, gains, net assets released from restrictions for operations, and other support and expenses from operations for the reporting period except for nonoperating gains including investment income, net capital contributions to and from affiliates, contributions of long-lived assets, net unrealized gains (losses) on investments, extraordinary items and transfers to affiliates.

##### *Excess of Revenues Over Expenses*

The Health System's excess of revenues over expenses excludes other changes in unrestricted net assets, which is consistent with industry practice, including unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, discontinued operations and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

#### **Adoption of New Accounting Standards**

In August 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-23, *Health Care Entities* (Topic 954), *Measuring Charity Care for Disclosure*. ASU 2010-23 requires that costs be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care. The amendments also require disclosure of the method used to identify or determine such costs. The Health System elected to adopt this standard in 2011 and applied the provisions to all the periods presented. Adoption of the standard did not have a significant impact on the computation of the cost of charity care in 2011 or 2010 as disclosed in note 3 in 2011 or 2010.

In August 2010, the FASB issued ASU 2010-24, *Health Care Entities* (Topic 954), *Presentation of Insurance Claims and Related Insurance Recoveries*. ASU 2010-24 prohibits the net presentation of receivables for insurance recoveries and related claims liabilities. The Health System elected to adopt this standard in 2011 and applied the provisions to all periods presented. The adoption did not have a significant impact on the 2011 or 2010 consolidated financial statements.

## **Via Christi Health, Inc. and Subsidiaries**

### **Notes to Consolidated Financial Statements**

#### **September 30, 2011 and 2010**

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In January 2011, the FASB issued ASU 2010-07, *Not-for-Profit Entities Mergers and Acquisitions*, which establishes accounting and disclosure requirements for how a not-for-profit entity determines whether a combination is a merger or acquisition, how to account for each, and the required disclosures. In addition, ASU 2010-07 includes amendments to FASB's Accounting Standards Codification (the Codification, or ASC) Topic 350, *Intangibles-Goodwill and Other*, and ASC Topic 810, *Consolidation*, to make both applicable to not-for-profit entities. ASC Topic 350 clarifies the accounting for goodwill and indefinite-lived identifiable intangible assets recognized in a not-for-profit entity's acquisition of a business or nonprofit activity. Such assets are not amortized and are tested for impairment at least annually. ASC Topic 810 clarifies the accounting for noncontrolling interests and establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, including classification as a component of net assets. The Health System adopted the guidance related to ASU 2010-07 as of October 1, 2010. The adoption of this guidance resulted in goodwill impairment of \$10,744,000 recorded as a cumulative effect of changes in accounting principle on the consolidated statements of operations and changes in net assets for the year ended September 30, 2011.

In July 2011, the FASB issued ASU 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Services Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 includes amendments to FASB's ASC Topic 954, Health Care Entities. The objective of the update is to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts. The amendments requires health care entities that recognize significant amounts of patient service revenue at the time services are rendered, even though they do not immediately assess the patients' ability to pay, to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) on their statement of operations. The Health System elected to adopt this standard as of September 30, 2011, which did not have a significant impact on the consolidated financial statements.

The Health System adopted FASB ASC 820-20, Fair Value Measurements and Disclosures, subject to the deferral provisions of FASB ASC 820-10. In accordance with FASB ASC 820-20, assets and liabilities recorded at fair value in the financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair value are observable or unobservable. See Note 7 for related fair value disclosures.

#### **Subsequent Events**

The Health System has evaluated subsequent events through December 12, 2011, the date that the financial statements were issued.

#### **Reclassification**

Certain prior year amounts were reclassified to conform to the current year presentation.

### **3. Charity Care and Community Benefits**

The Health System has adopted the community benefit reporting guidelines outlined in Community Benefit Planning and Reporting Guide developed by The Catholic Health Association of the United States, VHA, Inc. (CHA) and others.

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

**Via Christi Health, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
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Unpaid cost of public programs represents the unpaid cost of services provided to persons covered by public programs for the poor

Cost of other community benefit programs and services includes unreimbursed costs of programs specifically designed to serve the poor and vulnerable of the community as well as the general community, including health promotion and education, health clinics and screenings, and medical research

The net cost to the Health System of providing care of persons who are poor and for the broader community is as follows

| <i>(in thousands of dollars)</i>           | <b>(Unaudited)</b> |                  |
|--|--------------------|------------------|
|  | <b>2011</b>        | <b>2010</b>      |
| Traditional charity care provided, at cost | \$ 45,262          | \$ 48,510        |
| Unpaid costs of public programs            | 19,820             | 17,078           |
| Other community benefit programs, at cost  | 16,901             | 17,188           |
| Total community benefit                    | <u>\$ 81,983</u>   | <u>\$ 82,776</u> |

All amounts are reported at estimated cost, not charges, using ratio of cost to charge as recommended by CHA. Community benefit, as reported above, does not include the cost of bad debt or the unreimbursed costs of providing care to Medicare beneficiaries

The Health System actively sponsors community benefit programs that respond to identified community needs. These programs focus on the poor and underserved of the community and are implemented with the intention of improving the overall health of the community. The Health System endorses a broad definition of the meaning of a healthy community by encouraging systematic change, removal of barriers to access to health care, and development of strong partnerships within each community. Examples of these efforts are mobile clinics and school based screenings and health education, transportation, development of health ministry programs across all faith groups, community center-based health and social services, community case management, resources for indigent clinics and mental health services, and 24-hour emergency rooms.

#### **4. Net Patient Service Revenue**

The Health System has agreements with third-party payors that provide for payments at amounts different from its established rates. The Health System recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered.

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

**Medicare** - Inpatient acute care and rehabilitation services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Outpatient and home health services are paid on prospective payment methodologies that are based on clinical classification of the services provided.

**Via Christi Health, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
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Skilled nursing facility services are paid at prospectively established per diem rates. These rates vary according to a patient classification system that is based on clinical assessments.

Psychiatric services related to Medicare beneficiaries are paid based on a cost reimbursement methodology, subject to certain limitations.

For those services that the Health System is paid on a cost reimbursement basis, a tentative rate is initially computed with a final settlement determined after submission of an annual cost report by the Health System and completion of an audit thereof by the Medicare fiscal intermediary. The Health System's cost reports have generally been audited by the Medicare fiscal intermediary through 2009.

**Medicaid** - Inpatient services rendered to Medicaid program beneficiaries are reimbursed based on prospectively established per diem rates. Outpatient services are reimbursed on a fee for service basis from predetermined fee schedules.

**Managed Care Organizations** - The Health System participates as a provider of health care services under agreements with certain managed care organizations and under contracts negotiated with area employers. The terms of each contract will vary, but typically include either prospectively determined per diem rates, established rates for specific procedures, or a negotiated discount rate offered by the constituent corporations for services provided to patients covered under the plan.

**Uninsured** - For uninsured patients that do not qualify for charity care, the Health System recognizes revenue on the basis of its standard rates for services less an uninsured discount applied to the patient's account that approximates the average discount for managed care payers. On the basis of historical experience, a significant portion of Via Christi's uninsured patients who are deemed able to pay will be unwilling to pay for services provided. The Health System records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payer sources, is as follows for the years ended September 30, 2011 and 2010 as follows:

|                                  | 2011                |                     | 2010                |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | Gross Charges       | Deductions          | Gross Charges       | Deductions          |
| <i>(in thousands of dollars)</i> |                     |                     |                     |                     |
| Medicare                         | \$ 1,237,110        | \$ 874,990          | \$ 1,106,273        | \$ 770,717          |
| Medicaid                         | 393,926             | 291,445             | 349,463             | 254,040             |
| Managed care and other           | 1,062,873           | 539,530             | 886,339             | 465,289             |
| Uninsured                        | 286,934             | 189,603             | 258,001             | 165,106             |
|                                  | <u>2,980,843</u>    | <u>1,895,568</u>    | <u>2,600,076</u>    | <u>1,655,152</u>    |
| Provision for Bad Debts          |                     | 68,523              |                     | 56,866              |
|                                  | <u>\$ 2,980,843</u> | <u>\$ 1,964,091</u> | <u>\$ 2,600,076</u> | <u>\$ 1,712,018</u> |

**5. Concentration of Credit Risk**

The Health System generally grants credit without collateral to its patients, most of whom are local residents of the markets where the facilities are located and are insured under third-party payor.

**Via Christi Health, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
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agreements The distribution of net patient accounts receivable by payer at September 30, 2011 and 2010 is as follows

|                        | 2011         | 2010         |
|------------------------|--------------|--------------|
| Medicare               | 28 %         | 25 %         |
| Medicaid               | 8            | 11           |
| Managed Care and Other | 54           | 53           |
| Uninsured              | 10           | 11           |
|                        | <u>100 %</u> | <u>100 %</u> |

**6. Short-term Investments and Assets Whose Use is Limited**

The Health System's short-term investments are primarily invested in the Health System pool administered by a bank custodian Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value as principally determined from quoted market values Investments in the real estate and commodities fund are measured at fair value principally through the use of quoted prices for similar assets or inputs other than the quoted prices that are observable either directly or indirectly

Assets whose use is limited consist of investments in the Health System investment pool totaling \$189,893,000 and \$187,004,000 at September 30, 2011 and 2010, respectively, and other amounts held by trustees

Health Systems investments including short-term investments, long-term investments and assets whose use is limited consist of the following

|  | <b>September 30,</b> |                   |
|--|----------------------|-------------------|
|  | <b>2011</b>          | <b>2010</b>       |
| <i>(in thousands of dollars)</i>       |                      |                   |
| Cash and cash equivalents              | \$ 36,000            | \$ 49,203         |
| Pooled funds (see below)               | 594,497              | 674,602           |
| Marketable equity securities           | 8,477                | 6,362             |
| U S treasury and other U S obligations | 3,529                | 1,981             |
| Corporate obligations                  | 4,838                | 2,370             |
| Other                                  | 31,977               | 22,152            |
|  | <u>\$ 679,318</u>    | <u>\$ 756,670</u> |

**Via Christi Health, Inc. and Subsidiaries**  
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Investments in the pooled funds consist of the following

| <i>(in thousands of dollars)</i> | <b>September 30,</b> |                   |
|----------------------------------|----------------------|-------------------|
|                                  | <b>2011</b>          | <b>2010</b>       |
| Cash and cash equivalents        | \$ 31,087            | \$ 72,562         |
| Marketable equity securities     | 233,522              | 246,992           |
| U S government obligations       | 160,925              | 185,674           |
| Corporate fixed income           | 118,246              | 116,880           |
| Real estate                      | 19,852               | 28,114            |
| Commodities                      | 32,626               | 31,556            |
| Investment receivables/payables  | (812)                | (7,176)           |
| Non-owned pooled funds           | (949)                | -                 |
|                                  | <u>\$ 594,497</u>    | <u>\$ 674,602</u> |

**7. Fair Value Measurements**

In accordance with FASB ASC 820-20, assets and liabilities recorded at fair value in the financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair value are observable or unobservable. FASB ASC 820-20 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure assets and liabilities at fair value. Level inputs, as defined by FASB ASC 820-20, are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities on the reporting date

Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable for the asset or liability.

The fair values of Level 1 assets and liabilities were determined through quoted market prices, while fair values of Level 2 assets and liabilities were determined through prices obtained from third-party pricing sources, where quoted prices for such assets and liabilities are not available. The fair values of Level 3 assets and liabilities were based largely upon unobservable inputs, where there may be little, if any, market activity for the asset or liability. The determination of fair value for these instruments requires management judgment and estimation, considering factors specific to the asset or liability. While the level 3 positions could be valued individually, the Health System utilizes a third party investment advisor to assist in determination of its proportionate share of those positions.

**Via Christi Health, Inc. and Subsidiaries**  
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The following table represents instruments measured at fair value on a recurring basis

| <i>(in thousands of dollars)</i>        | <b>Fair Value Measurement at September 30, 2011</b> |                   |                  |                   |
|---|---|-------------------|------------------|-------------------|
|   | <b>Level 1</b>                                      | <b>Level 2</b>    | <b>Level 3</b>   | <b>Total</b>      |
| Assets included in                      |   |                   |                  |                   |
| Cash and cash equivalents               | \$ 1,279  | \$ 66,361         | \$ -             | \$ 67,640         |
| Marketable equity securities - domestic | 192,829   | 1,562             | 255              | 194,646           |
| Marketable equity securities - foreign  | 52,862  | -                 | -                | 52,862            |
| U S government obligations              | -   | 181,023           | -                | 181,023           |
| Corporate fixed income                  | -   | 132,378           | 26               | 132,404           |
| Real estate                             | -   | -                 | 19,852           | 19,852            |
| Commodities                             | -   | -                 | 32,626           | 32,626            |
| Investment receivables/payables/other   | -   | (812)             | 26               | (786)             |
|   | <u>\$ 246,970</u>                                   | <u>\$ 380,512</u> | <u>\$ 52,785</u> | <u>\$ 680,267</u> |
| Non-owned pooled funds                  |   |                   |                  | (949)             |
| Total Health System investments         |   |                   |                  | <u>\$ 679,318</u> |

The following table is a rollforward of the balance sheet amounts for financial instruments classified by the Health System within level 3 of the fair value hierarchy

| <i>(in thousands of dollars)</i>   | <b>Level 3 Inputs</b> |                    |  |                  |
|--|-----------------------|--------------------|--|------------------|
|  | <b>Real Estate</b>    | <b>Commodities</b> | <b>Marketable Securities and Other Instruments</b> | <b>Total</b>     |
| Beginning balance  | \$ 28,114             | \$ 31,556          | \$ 35  | \$ 59,705        |
| Total realized and unrealized gains (losses) included in nonoperating gains (losses) | (3,779)               | 1,070              | (63)   | (2,772)          |
| Purchases, sales, issuances and settlements  | (4,483)               | -                  | 335  | (4,148)          |
| Transfers in (out) of Level 3  | -                     | -                  | -  | -                |
| Ending balance   | <u>\$ 19,852</u>      | <u>\$ 32,626</u>   | <u>\$ 307</u>                                      | <u>\$ 52,785</u> |

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| <i>(in thousands of dollars)</i>        | <b>Fair Value Measurement at September 30, 2010</b> |                   |                  |                   |
|---|---|-------------------|------------------|-------------------|
|   | <b>Level 1</b>                                      | <b>Level 2</b>    | <b>Level 3</b>   | <b>Total</b>      |
| Assets included in                      |   |                   |                  |                   |
| Cash and cash equivalents               | \$ 39,559   | \$ 80,973         | \$ -             | \$ 120,532        |
| Marketable equity securities - domestic | 197,373   | 1,081             | -                | 198,454           |
| Marketable equity securities - foreign  | 58,404  | -                 | -                | 58,404            |
| U S government obligations              | 821   | 198,041           | -                | 198,862           |
| Corporate fixed income                  | 2,424   | 125,465           | 9                | 127,898           |
| Real estate                             | -   | -                 | 28,114           | 28,114            |
| Commodities                             | -   | -                 | 31,556           | 31,556            |
| Investment receivables/payables/other   | -   | (7,176)           | 26               | (7,150)           |
|   | <u>\$ 298,581</u>                                   | <u>\$ 398,384</u> | <u>\$ 59,705</u> | <u>\$ 756,670</u> |

The following table is a rollforward of the balance sheet amounts for financial instruments classified by the Health System within level 3 of the fair value hierarchy

|  | Level 3 Inputs                  |             |             |             |           |
|--|---------------------------------|-------------|-------------|-------------|-----------|
|  | Marketable Securities and Other |             |             |             |           |
| (in thousands of dollars)  | Real Estate                     | Commodities | Instruments | Derivatives | Total     |
| Beginning balance  | \$ 14,530                       | \$ 15,671   | \$ 621      | \$ (2,337)  | \$ 28,485 |
| Total realized and unrealized gains (losses) included in nonoperating gains (losses) | 3,089                           | 2,685       | (34)        | (335)       | 5,405     |
| Purchases, sales, issuances and settlements  | 10,495                          | 13,200      | (242)       | 2,672       | 26,125    |
| Transfers in (out) of Level 3  | -                               | -           | (310)       | -           | (310)     |
| Ending balance   | \$ 28,114                       | \$ 31,556   | \$ 35       | \$ -        | \$ 59,705 |



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**8. Equity Investments**

Included in other assets are equity investments of \$91.0 million and \$88.0 million at September 30, 2011 and 2010, respectively, which in addition to certain net intangible assets, represent the Health System's investment in unconsolidated affiliates. Equity in earnings associated with these equity investments is recognized in the statement of operations and is classified as either other operating revenue or non-operating gain based on the nature of the equity investment. The investment and summarized information below relates primarily to a 29.8% ownership in Salina Regional Health Center, Inc. and a 49% ownership in Kansas Heart Hospital LLC.

Financial information for the investee organizations is summarized as follows:

|                                  | <b>(Unaudited)</b> |                   |
|----------------------------------|--------------------|-------------------|
|                                  | <b>2011</b>        | <b>2010</b>       |
| <i>(in thousands of dollars)</i> |                    |                   |
| Total assets                     | \$ 389,901         | \$ 377,847        |
| Total liabilities                | 90,176             | 91,584            |
| Net assets                       | <u>\$ 299,725</u>  | <u>\$ 286,263</u> |
| Total revenues                   | \$ 224,188         | \$ 208,631        |
| Total expenses                   | 206,711            | 194,020           |

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**9. Long-Term Debt**

Long-term debt consists of the following

| <i>(in thousands of dollars)</i>   | <b>2011</b>       | <b>2010</b>       |
|--|-------------------|-------------------|
| Series IV-A, 2011, Hospital Facilities Refunding and Improvement revenue bonds, fixed interest rates from 2.00% to 5.25%, principal due annually and interest due semi-annually through 2029 | \$ 115,880        | \$ -              |
| Series IV-B, 2011, Hospital Facilities Revenue Bonds, variable interest, principal due 2029-2031 and interest due semi-annually through 2031   | 40,000            | -                 |
| Series IV-C, 2011, Hospital Facilities Variable Rate Revenue Bonds, variable interest, principal due 2039 and interest due semi-annually through 2039  | 28,000            | -                 |
| Series 2010 Health Care Facilities Refunding Revenue Bonds, fixed interest rates from 2.25% to 5.25%, principal due annually and interest due semi-annually through 2031                     | 16,015            | 16,585            |
| Series X 2009 Hospital Facilities Revenue Bonds, fixed interest rates from 3.00% to 5.00%, principal due annually and interest due semi-annually through 2024                                | 83,865            | 88,110            |
| Series III 2009-A Hospital Facilities Revenue Bonds, fixed interest rates from 3.00% to 5.00%, principal due annually and interest due semi-annually through 2034                            | 71,730            | 75,000            |
| Series III 2009-B Hospital Facilities Revenue Bonds, Variable interest principal due 2039 and interest due semi-annually through 2039  | 53,315            | 80,000            |
| Series III 2001 Hospital Facilities Revenue Bonds, fixed interest rates from 4.375% to 6.25%, principal due annually and interest due semi-annually through 2031                             | -                 | 159,065           |
| Series 2001 Hospital Revenue Bonds, fixed interest rates from 4.50% to 5.50%, principal due annually and interest due semi-annually through 2031   | 31,315            | 32,205            |
| Series II, 2004 Health Care Facilities Refunding Revenue Bonds with varying maturities through 2029, interest rates from 3.60% to 5.125%   | 6,805             | 7,050             |
| Note payable to bank, interest rate 4.5% as of September 30, 2011, collateralized by buildings and improvements, payable in monthly principal and interest installments through 2031         | 19,857            | -                 |
| Note payable to bank, interest rate 3.89% as of September 30, 2011, collateralized by real property payable in monthly principal and interest installments through 2014                      | 2,036             | 2,110             |
| Other long-term debt and capital lease obligations collateralized by certain property and equipment  | 6,915             | 5,046             |
|  | <u>475,733</u>    | <u>465,171</u>    |
| Less: Current portion  | (14,721)          | (11,388)          |
| Add: Unamortized bond discounts  | 11,422            | 2,640             |
| Long-term debt, less current portion   | <u>\$ 472,434</u> | <u>\$ 456,423</u> |

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The Health System, along with other Health System hospitals (the "Obligated Group"), entered into a master trust indenture and an obligated group agreement whereby they were jointly and severally liable for all amounts due under any and all notes and guarantees issued pursuant to the master trust indenture. The Obligated Group consists of the Health System, VCH-W, Via Christi Rehabilitation Hospital, VCH-P and Via Christ Hospital – St. Teresa, as defined.

In September 2011 the City of Wichita (the "City") issued Hospital Facilities Refunding and Revenue Bonds Series IV-A 2011 ("Series 2011-A Bonds") for the benefit of the Health System in the amount of \$115,880,000 bearing interest at 2.0% to 5.25%. Also in September 2011, the City issued Hospital Facilities Variable Rate Revenue Bonds Series IV-B ("Series 2011-B Bonds") for the benefit of the Health System in the aggregate amount of \$40,000,000. These bonds were issued as a variable rate direct placement bonds with J.P. Morgan Chase. Also in September 2011, the City issued Hospital Facilities Variable Rate Revenue Bonds Series IV-C ("Series 2011-C Bonds") for the benefit of the Health System in the aggregate amount of \$28,000,000. These bonds were issued as variable rate demand bonds and are secured by an irrevocable letter of credit issued by JP Morgan Chase Bank, NA. The letter of credit expires on December 31, 2014. The proceeds of the Series 2011-A and Series 2011-B Bonds, along with other monies, were used by the Health System to defease and refund the Series 2001 Bonds. The proceeds of the Series 2011-C Bonds was used to pay cost of issuance, and to establish a project fund for projects at VCH-P and VCH-W.

In January 2010, Sedgwick County, Kansas issued \$16,860,000 of its Health Care Facilities Revenue Bonds bearing interest at 1.5% to 5.25% for the benefit of Catholic Care Center, a subsidiary of the Health System. These bonds were issued to refund and redeem the outstanding 2001 and 2003 Catholic Care Center Bonds. The Health System has agreed, in accordance with limitations and qualifications contained in the Master Trust Indenture to unconditionally guarantee the payment of principal premium, if any, and interest on the Catholic Care Center Bonds. The guaranty of the Health System is unsecured and constitutes an obligation of the Obligated Group members. Management of the Health System does not expect to incur any actual liability in connection with its guaranty of the Catholic Care Center Bonds.

In December 2009, the City issued Hospital Facilities Refunding and Revenue Bonds Series X 2009 ("Series 2009-X Bonds") for the benefit of the Health System in the amount of \$88,110,000 bearing interest at 1.50% to 5.0%. The proceeds of the Series 2009-X Bonds, along with other monies, were used by the Health System to defease and refund the Series 1999 Bonds.

In September 2009, the City issued Hospital Facilities Refunding and Revenue Bonds Series III-A 2009 ("Series 2009-A Bonds") for the benefit of the Health System in the amount of \$75,000,000 bearing interest at 2.0% to 5.0%. Also in September 2009, the City issued Hospital Facilities Variable Rate Revenue Bonds Series III-B-1 and Series III-B-2 ("Series 2009-B Bonds") for the benefit of the Health System in the aggregate amount of \$80,000,000. These bonds were issued as variable rate demand bonds and are secured by two irrevocable letters of credit issued by JP Morgan Chase Bank, NA. The letters of credit expire on December 31, 2014. A portion of the proceeds of the Series 2009-A and Series 2009-B Bonds, along with other monies, were used by the Health System to defease and refund the Series 1992 Bonds. The remainder of the bond proceeds was used to pay cost of issuance, and to establish a project fund to construct and equip a new hospital facility in west Wichita.

In January 2004 the City issued Health Care Facilities Refunding Revenue Bonds Series II 2004 ("Series 2004 Bonds") for the benefit of Riverside Village, a subsidiary of the Health System, in the amount of \$8,385,000 bearing interest at 1.50% to 5.125%. The proceeds of the Series 2004

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Bonds, along with other monies, were used by Riverside Village to refund the Series 1997-B Bonds. The Health System has agreed, in accordance with limitations and qualifications contained in the Master Trust Indenture to unconditionally guarantee the payment of principal premium, if any, and interest on the Riverside Village Bonds. The guaranty of the Health System is unsecured and constitutes an obligation of the Obligated Group members. Management of the Health System does not expect to incur any actual liability in connection with its guaranty of the Riverside Village Bonds.

In February 2001, the City of Manhattan, Kansas issued \$38,000,000 of its Hospital Revenue Bonds bearing interest at 4.05% to 5.50% for the benefit of Mercy Regional Health Center of Manhattan. These bonds were issued to acquire, purchase, construct, equip and furnish certain improvements to the Mercy Regional Health Center facility and to pay insurance and other costs of issuance. At the date of issuance, Mercy Regional Health Center was the only member of its obligated group, as such term is used in the Master Indenture for this issue.

Debt related to all in substance defeased prior issues of SFMC and CSJ, had a remaining outstanding principal balance of \$13.4 million at September 30, 2011. The debt and the related funds, which have been irrevocably placed with trustees in accordance with escrow deposit agreements, are excluded from the accompanying consolidated financial statements.

In connection with certain of the bond issuances, legal title to VCH-P and the VCH-W facilities has been transferred to the City and lease agreements with the City have been executed. The Health System has the option to acquire legal title to these facilities at any time during the remaining term of the leases by paying amounts sufficient to redeem the principal amount of bonds outstanding plus accrued interest to the redemption date, and all other costs associated with the redemption, plus a nominal amount. These transactions have been accounted for as purchases, and accordingly, the consolidated financial statements reflect the indebtedness as liabilities and the cost of the applicable leased property and equipment as assets.

The Health System's debt agreements contain certain requirements to maintain various financial ratios including the maintenance of a minimum annual debt service ratio and days cash on hand. At September 30, 2011, the Health System was in compliance with all of its debt covenants.

Scheduled principal repayments on long-term debt including capital leases are as follows:

*(in thousands of dollars)*

|            |    |                |
|------------|----|----------------|
| 2012       | \$ | 14,721         |
| 2013       |    | 16,131         |
| 2014       |    | 16,688         |
| 2015       |    | 16,392         |
| 2016       |    | 17,142         |
| Thereafter |    | 394,659        |
|            | \$ | <u>475,733</u> |

**10. Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods at September 30, 2011 and 2010:

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| <i>(in thousands of dollars)</i> | <b>2011</b>     | <b>2010</b>     |
|----------------------------------|-----------------|-----------------|
| Medical education                | \$ 658          | \$ 651          |
| Other designated health programs | 6,919           | 7,988           |
|                                  | <u>\$ 7,577</u> | <u>\$ 8,639</u> |

Designated health care programs relate mainly to assets held by foundations which are designated by donors or grantors to be used in specific health care programs for medical and patient services or capital equipment

Permanently restricted net assets of \$5,930,000 at September 30, 2011 and 2010 are restricted to investments to be held in perpetuity, the income from which is expendable to support health care services

The Health System and affiliates invest funds associated with restricted net assets in the Health Systems pooled fund and in other investments for the purpose of maintaining the original gift amount and providing earnings with which to support programs as desired by the donors, and to the extent limited by statute. The Health System generally appropriates for expenditure the earnings on such funds at the time earned, and therefore reports such earnings in unrestricted net assets

#### **11. Pension and Retirement Plans**

The Health System participates in defined contribution plans covering substantially all employees and employees of certain affiliates. Contributions charged to income approximated \$10,026,000 and \$4,484,000 for the years ended September 30, 2011 and 2010, respectively

The Health System sponsors a noncontributory defined benefit pension plan that covers substantially all of the Health System's employees and employees of certain affiliates. The pension plan, which qualifies for church plan status and, accordingly, is exempt from the requirements of the Employment Retirement Income Security Act of 1974 ("ERISA"), provides benefits under an individual participant (cash balance) account based plan whereby participants are guaranteed a benefit equal to a percentage of their annual compensation based on years of service. Annual contributions to the plan are generally based on the minimum funding requirements of ERISA. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Plan assets are invested in common stocks, corporate and government bonds, real estate, commodities and money market funds

The Health System has approved an amendment to freeze the noncontributory defined benefit plan as of December 31, 2011. Under the frozen plan, participants will no longer accrue contribution credits, but will continue to earn interest credits and vesting credits. The results of the plan freeze are not expected to affect results of operations or cash flows or the Health System's financial position and therefore, no curtailment loss was recognized as a result of this action to freeze the plan on December 31, 2011. The Health System is adopting a new defined contribution plan effective January 1, 2012 which will include an employer contribution and the potential for additional matching contributions

Included in unrestricted net assets at September 30, 2011, are unrecognized actuarial losses of \$108,758,000 that have not yet been recognized in net periodic pension cost. The actuarial loss

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included in unrestricted net assets and expected to be recognized in net periodic pension cost during the year ending September 30, 2012 is \$7,159,000

The following table sets forth the plan's funded status and the amount recognized in the consolidated balance sheets at September 30

*(in thousands of dollars)*

|   | <b>2011</b>       | <b>2010</b>       |
|---|-------------------|-------------------|
| <b>Changes in projected benefit obligation</b>  |                   |                   |
| Benefit obligation at beginning of year   | \$ 242,944        | \$ 208,181        |
| Service cost  | 16,921            | 14,277            |
| Interest cost   | 12,082            | 11,591            |
| Actuarial loss  | 5,749             | 20,293            |
| Benefits paid   | (11,260)          | (11,398)          |
| Projected benefit obligation at end of year   | <u>\$ 266,436</u> | <u>\$ 242,944</u> |
| <b>Changes in plan assets</b>   |                   |                   |
| Fair value of plan assets at beginning of year  | \$ 198,133        | \$ 168,216        |
| Actual return on plan assets  | (304)             | 16,587            |
| Employer contribution   | 16,577            | 24,728            |
| Benefits paid   | (11,260)          | (11,398)          |
| Fair value of plan assets at end of year  | <u>\$ 203,146</u> | <u>\$ 198,133</u> |
| <b>Amount recognized in statement of financial position</b>   |                   |                   |
| Funded status - Projected benefit obligation in excess of plan assets included in other non-current liabilities | \$ (63,290)       | \$ (44,811)       |
| <b>Amount recognized in the consolidated balance sheet</b>  |                   |                   |
| Net actuarial (gain) loss   | <u>\$ 108,758</u> | <u>\$ 90,381</u>  |
| Net amount recognized at end of year  | <u>\$ 108,758</u> | <u>\$ 90,381</u>  |

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The following table sets forth the net periodic pension cost recognized in the consolidated statements of operations and changes in net assets during the years ended September 30

| (in thousands of dollars)  | 2011             | 2010             |
|--|------------------|------------------|
| <b>Components of net periodic pension costs</b>  |                  |                  |
| Service cost benefits earned during the year   | \$ 16,921        | \$ 14,277        |
| Interest cost on projected benefit obligation  | 12,082           | 11,591           |
| Expected return on assets  | (16,300)         | (13,421)         |
| Net amortization of unrecognized prior service cost and net loss                                   | 3,977            | 4,680            |
| Net periodic pension cost  | <u>\$ 16,680</u> | <u>\$ 17,127</u> |
| <b>Other changes in plan assets and benefit obligations amortized from unrestricted net assets</b> |                  |                  |
| Net actuarial loss   | \$ 22,354        | \$ 17,127        |
| Amortization of unrecognized   |                  |                  |
| Prior service cost (credit)  | -                | (3)              |
| Net actuarial (gain)   | (3,977)          | (4,678)          |
|  | <u>\$ 18,377</u> | <u>\$ 12,446</u> |
| Total recognized in net periodic benefit cost and amortized from unrestricted net assets           | <u>\$ 35,057</u> | <u>\$ 29,573</u> |

The amounts included in the tables above also include amounts for non Health System entities which are excluded from the consolidated financial statements

The following weighted-average assumptions were used to determine the pension cost for the years ended September 30

|   | 2011   | 2010   |
|---|--------|--------|
| Discount rate                               | 4.74 % | 5.58 % |
| Rate of increase in compensation levels     | 4.00   | 4.00   |
| Expected long-term rate of return on assets | 8.00   | 8.00   |

The Plan's investment assets at September 30, 2011 consisted of equities – 57%, debt securities – 30%, real estate – 3%, commodities – 6%, and cash and cash equivalents – 4%. Plan investment policies include a target asset allocation range of equities – 50% to 70%, debt securities – 24% to 34%, real estate – 2% to 8%, commodities – 2% to 8%, and cash and cash equivalents – 0% to 10%.

The broad-based investment goals of the plan are to 1) at a minimum, preserve the inflation-adjusted value of the Pension assets after administrative costs and benefit payments, 2) prudently invest assets in a high-quality, diversified manner, 3) achieve the optimal return possible within the specified risk parameters, 4) achieve the actuarial earnings assumptions, 5) adhere to the established guidelines, and 6) foster and advance business practices and activities which reflect Christian principles, values and traditions embraced by the Health System.

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The split among various asset classes, particularly the equity versus fixed-income ratio, is the most significant decision to affect the overall volatility of results. The assets are viewed as having a long-term horizon with low to moderate liquidity constraints. The goal is to maximize returns over the long-term and accordingly, performance will be measured and reviewed regularly, the long-term allocation will be reviewed at least annually, and the asset allocation will be particularly rebalanced as the asset allocation nears the minimum and maximum of the established ranges.

Investments in debt securities are limited to a minimum quality of BBB and the average quality shall be no less than AA. Equity investments are well diversified. Leverage of the portfolio is prohibited.

Investment managers must adhere to the moral and ethical principles that reflect social justice and peace according to the Gospel principles and are consistent with the principles and values of the Roman Catholic Church. Investment in organizations which engage in activities, services, or pursuits, or which are involved in the design, manufacture, fabrication, distribution or handling of products, not in concert with such principles, will be avoided or utilized to effect favorable change or other positive influences through the exercise of proxies, elections, votes and other corporate authority. Investment advisors and managers will place investments and will exercise stockholder's rights and other authority, as they may from time to time possess, in a manner consistent with and in furtherance of such principles.

The long-term rate of return reflects the average rate of earnings expected on the funds invested to provide for the benefits in the future. In estimating this rate, the appropriate consideration was given to the returns currently being earned by the plan assets (6.0% over the most recent ten years) and the rates of return expected to be available for reinvestment. The present and expected asset mix was taken into account. The long-term rate is expected to be less volatile than the actual rate of return on assets, since the expected rate not only considers current returns, but also reinvestment rates in the future. This rate will generally be the same each year, unless asset mix and/or asset returns are expected to significantly change in the future.

Expected benefits to be paid in the next 10 years after September 30, 2011 are as follows:

(in thousands of dollars)

| <b>Year</b> | <b>Amount</b> |
|-------------|---------------|
| 1           | \$ 10,764     |
| 2           | 12,474        |
| 3           | 13,704        |
| 4           | 13,839        |
| 5           | 14,417        |
| 6-10        | 80,757        |

The employer contribution for the coming year, due June 15, 2012, is \$17,067,000.



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The Health System believes that the oversight of the investments held under its employee benefit plans is rigorous and that the investment strategies are prudent. The market value of the investments within the employee benefit plans increased by approximately 2.5% during the year ended September 30, 2011.

The following table summarizes fair value measurements at September 30, 2011 and 2010, by asset class and by level, for the pension plan assets and liabilities. The Health System follows the three-level fair value hierarchy to categorize plan assets and liabilities at fair value, which prioritizes the inputs used to measure such fair values. The inputs and valuation techniques discussed in the fair value measurements note also apply to plan assets and liabilities as presented in the following table.

| <i>(in thousands of dollars)</i>        | <b>Fair Value Measurement at September 30, 2011</b> |                  |                  |                   |
|---|---|------------------|------------------|-------------------|
|   | <b>Level 1</b>                                      | <b>Level 2</b>   | <b>Level 3</b>   | <b>Total</b>      |
| Assets included in:                     |   |                  |                  |                   |
| Cash and cash equivalents               | \$ (438)  | \$ 9,592         | \$ -             | \$ 9,154          |
| Marketable equity securities - domestic | 98,522  | -                | -                | 98,522            |
| Marketable equity securities - foreign  | 18,140  | -                | -                | 18,140            |
| U.S. government obligations             | -   | 43,198           | -                | 43,198            |
| Corporate fixed income                  | -   | 16,973           | -                | 16,973            |
| Real estate                             | -   | -                | 5,912            | 5,912             |
| Commodities                             | -   | -                | 11,577           | 11,577            |
| Investment receivables/payables/other   | -   | (330)            | -                | (330)             |
|   | <u>\$ 116,224</u>                                   | <u>\$ 69,433</u> | <u>\$ 17,489</u> | <u>\$ 203,146</u> |

The following table is a roll forward of the plan amounts for financial instruments classified by the Health System within level 3 of the fair value hierarchy at September 30, 2011.

| <i>(in thousands of dollars)</i>   | <b>Level 3 Inputs</b> |                    |                  |
|--|-----------------------|--------------------|------------------|
|  | <b>Real Estate</b>    | <b>Commodities</b> | <b>Total</b>     |
| Beginning balance  | \$ 8,146              | \$ 9,833           | \$ 17,979        |
| Total realized and unrealized gains (losses) included in nonoperating gains (losses) | (998)                 | 1,124              | 126              |
| Purchases, sales, issuances and settlements  | (1,236)               | 620                | (616)            |
| Transfers in (out) of Level 3  | -                     | -                  | -                |
| Ending balance   | <u>\$ 5,912</u>       | <u>\$ 11,577</u>   | <u>\$ 17,489</u> |

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| <i>(in thousands of dollars)</i>        | <b>Fair Value Measurement at September 30, 2010</b> |                  |                  |                   |
|---|---|------------------|------------------|-------------------|
|   | <b>Level 1</b>                                      | <b>Level 2</b>   | <b>Level 3</b>   | <b>Total</b>      |
| Assets included in                      |   |                  |                  |                   |
| Cash and cash equivalents               | \$ 7  | \$ 7,904         | \$ -             | \$ 7,911          |
| Marketable equity securities - domestic | 96,317  | -                | -                | 96,317            |
| Marketable equity securities - foreign  | 22,162  | -                | -                | 22,162            |
| U S government obligations              | -   | 42,092           | -                | 42,092            |
| Corporate fixed income                  | -   | 12,043           | -                | 12,043            |
| Real estate                             | -   | -                | 8,146            | 8,146             |
| Commodities                             | -   | -                | 9,833            | 9,833             |
| Investment receivables/payables/other   | -   | (371)            | -                | (371)             |
|   | <u>\$ 118,486</u>                                   | <u>\$ 61,668</u> | <u>\$ 17,979</u> | <u>\$ 198,133</u> |

The following table is a roll forward of the plan amounts for financial instruments classified by the Health System within level 3 of the fair value hierarchy at September 30, 2010

| <i>(in thousands of dollars)</i>   | <b>Level 3 Inputs</b> |                    |                  |
|--|-----------------------|--------------------|------------------|
|  | <b>Real Estate</b>    | <b>Commodities</b> | <b>Total</b>     |
| Beginning balance  | \$ 5,642              | \$ 6,367           | \$ 12,009        |
| Total realized and unrealized gains (losses) included in nonoperating gains (losses) | 817                   | 366                | 1,183            |
| Purchases, sales, issuances and settlements  | 1,687                 | 3,100              | 4,787            |
| Transfers in (out) of Level 3  | -                     | -                  | -                |
| Ending balance   | <u>\$ 8,146</u>       | <u>\$ 9,833</u>    | <u>\$ 17,979</u> |

## **12. Professional and General Liability Insurance**

One of the Health System's subsidiaries, VCH-W, is self-insured for professional liability claims up to \$200,000 per occurrence and \$600,000 in the aggregate per year. Mercy Regional Health Center, VCH-P and Via Christi Rehabilitation Center have coverage on a claim made basis, through commercial insurance, up to \$200,000 per occurrence and \$600,000 in the aggregate per year. In addition, VCH-W, Mercy Regional Health Center, VCH-P, and Via Christi Rehabilitation Center have coverage provided by the Kansas Health Center Stabilization Fund ("HCSF") for each occurrence up to an additional \$800,000 per occurrence and \$2,400,000 in the aggregate per year. Other Health System subsidiaries which are required to comply with the HCSF are insured up to \$1,000,000 per occurrence and \$3,000,000 in the aggregate per year through commercial claims made policies.

The Health System has purchased excess liability insurance in the amount of \$75,000,000 which sits above underlying hospital professional liability insurance, medical professional liability insurance, general liability insurance, automobile liability insurance, non-owned aircraft liability insurance, employers liability insurance, directors' and officers' liability insurance, errors and

**Via Christi Health, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

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omissions liability insurance, employment practices liability insurance, and fiduciary liability insurance. This excess liability insurance is being provided through a captive insurance company which is a subsidiary of the Health System. The captive insurance company has purchased reinsurance to cover a significant portion of its exposure.

In addition to this coverage, the captive also provides professional liability coverage for the Health System's physician employees, senior care facilities, home health agencies, and other Health System health care providers.

The Health System is self-insured for workers' compensation, general liability and health insurance claims. Deposits in related revocable trust accounts for self-insurance programs, approximating \$18,493,000 and \$13,588,000 at September 30, 2011 and 2010, respectively, are included in assets whose use is limited in the accompanying consolidated financial statements. The Health System's accrual for professional liability claims which is included in other liabilities, and its accrual for workers' compensation claims, which is included in other accrued liabilities, are based upon actuarially determined estimates of potential losses to be incurred from asserted and unasserted claims, discounted based on interest rates of 4.25% - 6.0%. The accruals for professional liability claims were approximately \$17,228,000 and \$17,250,000 and the accruals for workers' compensation claims were approximately \$9,871,000 and \$6,855,000 at September 30, 2011 and 2010, respectively.

**13. Commitment and Contingencies**

**Lease Commitments as Lessee**

The Health System's hospitals maintain certain departments and physician clinics in leased premises and are committed under equipment leases that have terms of one year or more. Future minimum annual rentals under the aforementioned lease agreements as of September 30, 2011 are as follows:

*(in thousands of dollars)*

|            |    |               |
|------------|----|---------------|
| 2012       | \$ | 9,544         |
| 2013       |    | 8,100         |
| 2014       |    | 6,643         |
| 2015       |    | 4,044         |
| 2016       |    | 3,390         |
| Thereafter |    | 3,254         |
|            | \$ | <u>34,975</u> |

Total rental expense for all operating leases, including amounts paid under lease agreements with initial terms less than one year in duration, in the years ended September 30, 2011 and 2010 approximated \$9,493,000 and \$9,025,000, respectively. Such amounts are included in other expenses in the accompanying consolidated statements of operations.

**Litigation**

The Health System is periodically involved in litigation and regulatory investigations arising in the course of business. Management is not aware of any matters that would have a material adverse effect on the Health System's future financial position, results from operations, or cash flows.

# Via Christi Health, Inc. and Subsidiaries

## Notes to Consolidated Financial Statements

### September 30, 2011 and 2010

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The Health System has two Medicare appeals claims outstanding for the Medicare terminating cost reports relative to the consolidation of St. Joseph Medical Center, Inc. and St. Francis Regional Medical Center, Inc. in Wichita, Kansas, effective October 2, 1995, with the potential for payments receivable in a material amount. A preliminary settlement offer on one of the claims has been received, but it is not considered to be a valid offer and has not been accepted. The timing and ultimate amounts of the settlements are unknown, and the consolidated financial statements do not include a receivable for these claims.

The Health System has been working with the Office of Federal Contract Compliance Programs (OFCCP) regarding a complaint alleging discriminatory hiring practices at one of its ministries. The OFCCP has notified the Health System that they will be making a demand. Accordingly, an estimate of the liability has been recorded.

#### Regulatory Compliance

The U.S. Department of Justice and other federal agencies are increasing resources dedicated to regulatory investigations and compliance audits of health care providers. The Health System is subject to these regulatory efforts and has received correspondence from federal agencies with regard to such initiatives. In addition, through its corporate compliance program and operational review processes, the Health System may periodically identify overpayments from federal or state programs. In consultation with legal counsel, management estimates these matters will be resolved without material adverse effect on the Health System's financial position or results of operations.

#### 14. Functional Expenses

The Health System affiliates provide health care services to residents within their geographic location. Expenses related to providing these services for the years ended September 30 are as follows:

| <i>(in thousands of dollars)</i> | 2011                | 2010              |
|----------------------------------|---------------------|-------------------|
| Health care services             | \$ 853,411          | \$ 811,408        |
| General and administrative       | 222,261             | 95,311            |
|                                  | <u>\$ 1,075,672</u> | <u>\$ 906,719</u> |

**Via Christi Health, Inc. and Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

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**15. Discontinued Operations**

In September 2009, the VCH Board of Trustees approved a plan by which Preferred Health Systems (PHS) would be sold. A definitive agreement for sale was signed in October 2009. The Health System closed on the sale of PHS effective January 31, 2010. The Health System will not have any significant continuing involvement in the operations of PHS after the disposition. PHS continues to act as the third party administrator for the Health System's self insured health plan. In addition PHS and the Health System continue to have provider contracts in place for PHS covered lives and other PHS third party administrator customers.

The financial position and results of operations of PHS for 2011 and 2010 have been presented as discontinued operations in the accompanying financial statements. Components of amounts reflected in the Health System's consolidated balance sheets and statements of operations and changes in net assets are presented in the following table:

| <i>(in thousands of dollars)</i>                     | <b>2011</b>     | <b>2010</b>     |
|--|-----------------|-----------------|
| Current assets                                       | \$ -            | \$ -            |
| Property and equipment                               |                 | -               |
| Other assets   |                 | -               |
| Assets of discontinued operations held for sale      | <u>\$ -</u>     | <u>\$ -</u>     |
| Current liabilities                                  | \$ -            | \$ -            |
| Noncurrent liabilities                               |                 | -               |
| Liabilities of discontinued operations held for sale | <u>\$ -</u>     | <u>\$ -</u>     |
| Revenue  | \$ -            | \$ 140,023      |
| Expenses and other changes in net assets             |                 | <u>145,493</u>  |
| Change in net assets                                 | -               | (5,470)         |
| Gain on sale from discontinued operations            | <u>1,000</u>    | <u>13,003</u>   |
| Net gain on sale of discontinued operations          | <u>\$ 1,000</u> | <u>\$ 7,533</u> |

The Health System also recognized a gain on sale of a subsidiary for \$835,000 during the year.

## **Consolidating Information**

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 1**

|  | VCH-W<br>Consolidated | VCH-P<br>Pittsburg | Mercy<br>Manhattan | Wichita<br>Health | Via Christi<br>Villages | AMS<br>Lab | VCC       | Eliminations | FY 2011<br>Consolidated |
|--|-----------------------|--------------------|--------------------|-------------------|-------------------------|------------|-----------|--------------|-------------------------|
| <b>Assets</b>  |                       |                    |                    |                   |                         |            |           |              |                         |
| <b>Current assets</b>  |                       |                    |                    |                   |                         |            |           |              |                         |
| Cash and cash equivalents  | \$ 27 232             | \$ 19 171          | \$ 8 731           | \$ 12 741         | \$ 16 426               | \$ 1 234   | \$ 5 385  | \$ -         | \$ 90 920               |
| Short-term investments   | 162 193               | 24 411             | 8 942              | 205 460           | 12 724                  | 3 097      | -         | -            | 416 827                 |
| Assets whose use is limited that are required for current liabilities      | 1 020                 | -                  | -                  | -                 | -                       | -          | -         | -            | 1 020                   |
| Patient accounts receivable net  | 82 994                | 10 033             | 14 081             | -                 | 3 147                   | 849        | 14 177    | -            | 125 281                 |
| Estimated amounts receivable from third-party payors                       | 5 707                 | 441                | 571                | -                 | -                       | -          | -         | -            | 6 719                   |
| Inventories  | 17 586                | 1 958              | 2 706              | -                 | 255                     | -          | 1 000     | -            | 23 505                  |
| Other current assets   | 17 884                | 889                | 1 095              | 25 271            | 581                     | 1 180      | 3 279     | (11 676)     | 38 503                  |
| Total current assets   | 314 616               | 56 903             | 36 126             | 243 472           | 33 133                  | 6 360      | 23 841    | (11 676)     | 702 775                 |
| <b>Assets whose use is limited</b>   |                       |                    |                    |                   |                         |            |           |              |                         |
| Designated by Board for capital improvements                               | 175 151               | -                  | 8 865              | -                 | -                       | -          | -         | -            | 184 016                 |
| Other  | 6 073                 | -                  | -                  | -                 | 1 075                   | -          | -         | -            | 7 148                   |
| Held by trustee  |                       |                    |                    |                   |                         |            |           |              |                         |
| Under bond indenture   | 1 952                 | -                  | 2 565              | 27 886            | -                       | -          | -         | -            | 32 403                  |
| Self-insurance arrangements  | 1 642                 | -                  | -                  | 16 851            | -                       | -          | -         | -            | 18 493                  |
|  | 184 818               | -                  | 11 430             | 44 737            | 1 075                   | -          | -         | -            | 242 060                 |
| Less Assets whose use is limited that are required for current liabilities | (1 020)               | -                  | -                  | -                 | -                       | -          | -         | -            | (1 020)                 |
| Total noncurrent portion of assets whose use is limited                    | 183 798               | -                  | 11 430             | 44 737            | 1 075                   | -          | -         | -            | 241 040                 |
| <b>Property and equipment</b>  |                       |                    |                    |                   |                         |            |           |              |                         |
| Land and improvements  | 48 983                | 1 154              | 2 639              | 285               | 14 558                  | -          | 5 330     | -            | 72 949                  |
| Buildings and fixed equipment  | 433 311               | 36 756             | 75 499             | 2 565             | 107 528                 | 154        | 32 768    | -            | 688 581                 |
| Equipment  | 316 813               | 38 393             | 39 284             | 16 404            | 12 470                  | 2 973      | 53 217    | -            | 479 554                 |
| Less accumulated depreciation  | (508 005)             | (45 027)           | (55 010)           | (7 638)           | (49 740)                | (1 679)    | (53 094)  | -            | (720 193)               |
| Construction in progress   | 6 910                 | 2 399              | 1 451              | 1 812             | 8 556                   | 26         | -         | -            | 21 154                  |
| Total net property and equipment   | 298 012               | 33 675             | 63 863             | 13 428            | 93 372                  | 1 474      | 38 221    | -            | 542 045                 |
| <b>Other assets</b>  |                       |                    |                    |                   |                         |            |           |              |                         |
| Investments in unconsolidated affiliates                                   | 13 862                | 273                | 334                | 76 808            | 29                      | -          | -         | (334)        | 90 972                  |
| Prepaid pension costs  | 41                    | -                  | 987                | -                 | 187                     | -          | -         | -            | 1 215                   |
| Goodwill and Intangible assets net of accum amortization                   | 194                   | -                  | 1 017              | 15 627            | 138                     | -          | 146       | -            | 17 122                  |
| Long-term investments  | 30                    | -                  | 19 334             | -                 | -                       | -          | 1 067     | -            | 20 431                  |
| Other assets   | 5 633                 | 153                | 25                 | 243 983           | 244                     | 7          | 1 646     | (237 737)    | 13 954                  |
| Total assets   | \$ 816 186            | \$ 91 004          | \$ 133 116         | \$ 638 055        | \$ 128 178              | \$ 7 841   | \$ 64 921 | \$ (249 747) | \$ 1 629 554            |

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 1**

|  | VCH-W<br>Consolidated | VCH-P<br>Pittsburg | Mercy<br>Manhattan | Wichita<br>Health | Via Christi<br>Villages | AMS<br>Lab | VCC       | Eliminations | FY 2011<br>Consolidated |
|--|-----------------------|--------------------|--------------------|-------------------|-------------------------|------------|-----------|--------------|-------------------------|
| <b>Liabilities and Net Assets</b>      |                       |                    |                    |                   |                         |            |           |              |                         |
| <b>Current liabilities</b>             |                       |                    |                    |                   |                         |            |           |              |                         |
| Current maturities of long-term debt   | \$ 8 739              | \$ -               | \$ 2 784           | \$ 9 995          | \$ 4 099                | \$ -       | \$ 979    | \$ (11 875)  | \$ 14 721               |
| Accounts payable                       | 26 247                | 2 339              | 3 248              | 5 134             | 2 715                   | 268        | 3 510     | -            | 43 461                  |
| Accrued liabilities                    | 29 740                | 2 670              | 4 971              | 10 366            | 3 746                   | 335        | 11 500    | 199          | 63 527                  |
| Total current liabilities              | 64 726                | 5 009              | 11 003             | 25 495            | 10 560                  | 603        | 15 989    | (11 676)     | 121 709                 |
| <b>Noncurrent liabilities</b>          |                       |                    |                    |                   |                         |            |           |              |                         |
| Long-term debt less current maturities | 186 574               | -                  | 37 347             | 394 730           | 67 746                  | -          | 21 103    | (235 066)    | 472 434                 |
| Pension liabilities                    | 50 927                | 5 933              | -                  | 4 912             | -                       | 339        | 1 842     | -            | 63 953                  |
| Other noncurrent liabilities           | 5 576                 | 226                | 4 697              | 24 632            | 11 716                  | 18         | 4 952     | -            | 51 817                  |
| Total noncurrent liabilities           | 243 077               | 6 159              | 42 044             | 424 274           | 79 462                  | 357        | 27 897    | (235 066)    | 588 204                 |
| Total liabilities                      | 307 803               | 11 168             | 53 047             | 449 769           | 90 022                  | 960        | 43 886    | (246 742)    | 709 913                 |
| <b>Net assets</b>                      |                       |                    |                    |                   |                         |            |           |              |                         |
| Unrestricted - controlling interest    | 481 977               | 79 616             | 73 328             | 188 286           | 30 227                  | 6 881      | 21 035    | (39 335)     | 842 015                 |
| Unrestricted - noncontrolling interest | 13 308                | -                  | 3 159              | -                 | 7 740                   | -          | -         | 39 912       | 64 119                  |
| Temporarily restricted                 | 7 168                 | 220                | 2 797              | -                 | 189                     | -          | -         | (2 797)      | 7 577                   |
| Permanently restricted                 | 5 930                 | -                  | 785                | -                 | -                       | -          | -         | (785)        | 5 930                   |
| Total net assets                       | 508 383               | 79 836             | 80 069             | 188 286           | 38 156                  | 6 881      | 21 035    | (3 005)      | 919 641                 |
| Total liabilities and net assets       | \$ 816 186            | \$ 91 004          | \$ 133 116         | \$ 638 055        | \$ 128 178              | \$ 7 841   | \$ 64 921 | \$ (249 747) | \$ 1 629 554            |



**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended September 30, 2011**

**Schedule 2**

|   | VCH-W<br>Consolidated | VCH-P<br>Pittsburg | Mercy<br>Manhattan | Wichita<br>Health | Via Christi<br>Villages | AMS<br>Lab | VCC        | Eliminations | FY 2011<br>Consolidated |
|---|-----------------------|--------------------|--------------------|-------------------|-------------------------|------------|------------|--------------|-------------------------|
| <b>Revenues, gains and other support</b>                |                       |                    |                    |                   |                         |            |            |              |                         |
| Net patient service revenues                            | \$ 710 355            | \$ 88 944          | \$ 98 763          | \$ -              | \$ 65 440               | \$ 6 630   | \$ 116 404 | \$ (1 261)   | \$ 1 085 275            |
| Provision for bad debts                                 | 57 733                | 1 874              | 5 158              | -                 | 259                     | 223        | 3 276      | -            | 68 523                  |
| Net patient service revenue less provision for bad debt | 652 622               | 87 070             | 93 605             | -                 | 65 181                  | 6 407      | 113 128    | (1 261)      | 1 016 752               |
| Premium revenues  | 27                    | -                  | -                  | 3 927             | 13 956                  | -          | 11 781     | (3 927)      | 25 764                  |
| Other operating revenues                                | 34 152                | 2 415              | 3 593              | 51 319            | 1 643                   | 5 487      | 978        | (50 308)     | 49 279                  |
| Total operating revenues                                | 686 801               | 89 485             | 97 198             | 55 246            | 80 780                  | 11 894     | 125 887    | (55 496)     | 1 091 795               |
| <b>Operating expenses</b>                               |                       |                    |                    |                   |                         |            |            |              |                         |
| Salaries and employees benefits                         | 348 993               | 44 783             | 47 984             | 44 447            | 44 496                  | 4 212      | 86 786     | -            | 621 701                 |
| Purchased services and other                            | 165 277               | 17 737             | 21 051             | (16 551)          | 15 579                  | 3 628      | 27 217     | (42 520)     | 191 418                 |
| Supplies  | 118 533               | 14 032             | 16 493             | 2 117             | 6 278                   | 2 735      | 15 557     | -            | 175 745                 |
| Interest  | 9 623                 | 43                 | 2 507              | 16 390            | 4 072                   | -          | 878        | (12 976)     | 20 537                  |
| Depreciation and amortization                           | 35 052                | 4 050              | 6 465              | 10 262            | 5 337                   | 320        | 4 785      | -            | 66 271                  |
| Total operating expenses                                | 677 478               | 80 645             | 94 500             | 56 665            | 75 762                  | 10 895     | 135 223    | (55 496)     | 1 075 672               |
| Income (loss) from operations                           | 9 323                 | 8 840              | 2 698              | (1 419)           | 5 018                   | 999        | (9 336)    | -            | 16 123                  |
| <b>Nonoperating gains (losses)</b>                      |                       |                    |                    |                   |                         |            |            |              |                         |
| Investment income                                       | 10 001                | 800                | 929                | 6 860             | 515                     | 88         | 636        | -            | 19 829                  |
| Net gains (losses) on investments                       | (10 701)              | (617)              | (1 116)            | (4 308)           | (556)                   | (122)      | -          | -            | (17 420)                |
| Equity in earnings of investee organizations            | (22)                  | -                  | 169                | 2 913             | -                       | -          | -          | -            | 3 060                   |
| Loss on refunding of debt                               | -                     | -                  | -                  | (4 848)           | -                       | -          | -          | -            | (4 848)                 |
| Income tax and other                                    | 301                   | (89)               | 382                | 35                | 278                     | (208)      | 2 446      | -            | 3 145                   |
| Total nonoperating gains                                | (421)                 | 94                 | 364                | 652               | 237                     | (242)      | 3 082      | -            | 3 766                   |
| Excess of revenues over expenses                        | \$ 8 902              | \$ 8 934           | \$ 3 062           | \$ (767)          | \$ 5 255                | \$ 757     | \$ (6 254) | \$ -         | \$ 19 889               |

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended September 30, 2011**

**Schedule 2**

|   | VCH-W<br>Consolidated | VCH-P<br>Pittsburg | Mercy<br>Manhattan | Wichita<br>Health | Via Christi<br>Villages | AMS<br>Lab | VCC        | Eliminations | FY 2011<br>Consolidated |
|---|-----------------------|--------------------|--------------------|-------------------|-------------------------|------------|------------|--------------|-------------------------|
| <b>Unrestricted net assets, controlling interest</b>  |                       |                    |                    |                   |                         |            |            |              |                         |
| Excess of revenues over expenses  | \$ 8 902              | \$ 8 934           | \$ 3 062           | \$ (767)          | \$ 5 255                | \$ 757     | \$ (6 254) | \$ -         | \$ 19 889               |
| Change in minimum pension liability   | (11 290)              | (1 224)            | (115)              | (4 518)           | (301)                   | (99)       | (349)      | -            | (17 896)                |
| Cumulative effect of change in accounting principles  | (10 744)              | -                  | -                  | -                 | -                       | -          | -          | -            | (10 744)                |
| Changes in net assets attributable to noncontrolling interest   | (5 183)               | -                  | (343)              | -                 | (920)                   | -          | -          | (1 358)      | (7 804)                 |
| Other changes in unrestricted net assets  | (26 955)              | (17)               | (329)              | 918               | 53                      | (38)       | 27 638     | (2 350)      | (1 080)                 |
| Increase (decrease) in unrestricted net assets controlling interest before gain/(loss) of discontinued operations | (45 270)              | 7 693              | 2 275              | (4 367)           | 4 087                   | 620        | 21 035     | (3 708)      | (17 635)                |
| Gain (loss) from discontinued operations  | 533                   | -                  | -                  | 1 302             | -                       | -          | -          | -            | 1 835                   |
| Increase (decrease) in unrestricted net assets controlling interest   | (44 737)              | 7 693              | 2 275              | (3 065)           | 4 087                   | 620        | 21 035     | (3 708)      | (15 800)                |
| <b>Unrestricted net assets, noncontrolling interest</b>   |                       |                    |                    |                   |                         |            |            |              |                         |
| Excess of revenues over expenses  | 5 183                 | -                  | 343                | -                 | 920                     | -          | -          | 1 358        | 7 804                   |
| Distributions and other   | (5 414)               | -                  | -                  | -                 | (710)                   | -          | -          | -            | (6 124)                 |
| Increase (decrease) in unrestricted net assets noncontrolling interest  | (231)                 | -                  | 343                | -                 | 210                     | -          | -          | 1 358        | 1 680                   |
| Increase (decrease) in unrestricted net assets  | (44 968)              | 7 693              | 2 618              | (3 065)           | 4 297                   | 620        | 21 035     | (2 350)      | (14 120)                |
| <b>Temporarily restricted net assets</b>  |                       |                    |                    |                   |                         |            |            |              |                         |
| Contributions   | 3 198                 | 273                | 210                | -                 | -                       | -          | -          | (210)        | 3 471                   |
| Investment income and gains   | 205                   | -                  | 18                 | -                 | -                       | -          | -          | (18)         | 205                     |
| Net realized and unrealized gains (losses) on investments   | (171)                 | -                  | -                  | -                 | -                       | -          | -          | -            | (171)                   |
| Net assets released from restrictions   | (2 957)               | (85)               | (120)              | -                 | 18                      | -          | -          | 120          | (3 024)                 |
| Other   | (1 549)               | 7                  | 35                 | -                 | -                       | -          | -          | (36)         | (1 543)                 |
| Increase (decrease) in temporarily restricted net assets  | (1 274)               | 195                | 143                | -                 | 18                      | -          | -          | (144)        | (1 062)                 |
| <b>Permanently restricted net assets</b>  |                       |                    |                    |                   |                         |            |            |              |                         |
| Contributions for endowment funds   | -                     | -                  | 137                | -                 | -                       | -          | -          | (137)        | -                       |
| Increase (decrease) in temporarily restricted net assets  | -                     | -                  | 137                | -                 | -                       | -          | -          | (137)        | -                       |
| Change in net assets  | (46 242)              | 7 888              | 2 898              | (3 065)           | 4 315                   | 620        | 21 035     | (2 631)      | (15 182)                |
| <b>Net assets</b>   |                       |                    |                    |                   |                         |            |            |              |                         |
| Beginning of year   | 554 624               | 71 948             | 77 171             | 191 351           | 33 841                  | 6 261      | -          | (373)        | 934 823                 |
| End of year   | \$ 508 382            | \$ 79 836          | \$ 80 069          | \$ 188 286        | \$ 38 156               | \$ 6 881   | \$ 21 035  | \$ (3 004)   | \$ 919 641              |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Hospitals Wichita Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 3**

|  | VCH-W      | Rehab<br>Hospital | Med Assoc | Health<br>Partners | Home<br>Health | Via Christi<br>Foundation | Gerard<br>House | Mother Mary<br>Anne Clinic | VCHS-ST   | CIBOR | Eliminations | FY 2011 VCH-W<br>Consolidated |
|--|------------|-------------------|-----------|--------------------|----------------|---------------------------|-----------------|----------------------------|-----------|-------|--------------|-------------------------------|
| <b>Assets</b>  |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Current assets   |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Cash and cash equivalents  | \$ 6 523   | \$ 4 455          | \$ 1 552  | \$ 13 109          | \$ 917         | \$ 466                    | \$ 37           | \$ (11)                    | \$ 184    | \$    | \$           | \$ 27 232                     |
| Short term investments   | 85 529     | 14 846            |           | 51 894             | 1 351          | 6 973                     | 323             |                            | 1 277     |       |              | 162 193                       |
| Assets whose use is limited that are required for current liabilities      | 1 020      |                   |           |                    |                |                           |                 |                            |           |       |              | 1 020                         |
| Patent accounts receivable net   | 64 558     | 3 250             | 2 226     | 9 680              | 599            |                           |                 | 10                         | 3 869     |       | (1 198)      | 82 994                        |
| Estimated amounts receivable from third party payors                       | 6 532      | 37                |           |                    |                |                           |                 |                            |           |       | (862)        | 5 707                         |
| Inventories  | 14 669     | 96                | 183       | 1 591              | 41             | 264                       |                 |                            | 742       |       |              | 17 586                        |
| Other current assets   | 47 580     | 1 234             | (1 268)   | 2 470              | 318            | 142                       | 19              | 55                         | (32 666)  |       |              | 17 884                        |
| Total current assets   | 226 411    | 23 918            | 2 693     | 78 744             | 3 226          | 7 845                     | 379             | 54                         | (26 594)  |       | (2 060)      | 314 616                       |
| Assets whose use is limited  |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Designated by Board for capital improvements                               | 174 967    | 184               |           |                    |                |                           |                 |                            |           |       |              | 175 151                       |
| Other  | 2 045      |                   |           |                    |                | 4 028                     |                 |                            |           |       |              | 6 073                         |
| Held by trustee  |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Under bond indenture   |            |                   |           | 1 952              |                |                           |                 |                            |           |       |              | 1 952                         |
| Self insurance arrangements  | 1 642      |                   |           |                    |                |                           |                 |                            |           |       |              | 1 642                         |
|  | 178 654    | 184               |           | 1 952              |                | 4 028                     |                 |                            |           |       |              | 184 818                       |
| Less Assets whose use is limited that are required for current liabilities | (1 020)    |                   |           |                    |                |                           |                 |                            |           |       |              | (1 020)                       |
| Total noncurrent portion of assets whose use is limited                    | 177 634    | 184               |           | 1 952              |                | 4 028                     |                 |                            |           |       |              | 183 798                       |
| Property and equipment   |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Land and improvements  | 25 323     | 1 602             | 126       | 14 309             |                | 84                        | 5               |                            | 7 534     |       |              | 48 983                        |
| Buildings and fixed equipment  | 302 508    | 7 627             | 1 128     | 60 255             | 44             | 796                       | 187             |                            | 60 766    |       |              | 433 311                       |
| Equipment  | 253 802    | 5 210             | 4 271     | 31 222             | 308            | 444                       | 95              | 109                        | 21 352    |       |              | 316 813                       |
| Less accumulated depreciation  | (424 279)  | (10 343)          | (4 233)   | (59 809)           | (303)          | (794)                     | (232)           | (91)                       | (7 921)   |       |              | (508 005)                     |
| Construction in progress   | 1 446      | 24                |           | 47                 |                |                           |                 |                            | 5 393     |       |              | 6 910                         |
| Total net property and equipment   | 158 800    | 4 120             | 1 292     | 46 024             | 49             | 530                       | 55              | 18                         | 87 124    |       |              | 298 012                       |
| Other assets   |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Investments in unconsolidated affiliates                                   | 13 862     |                   |           |                    |                |                           |                 |                            |           |       |              | 13 862                        |
| Prepaid pension costs  |            |                   |           | 41                 |                |                           |                 |                            |           |       |              | 41                            |
| Goodwill and intangible assets net of accumulated amortization             | 17         | 143               |           | 34                 |                |                           |                 |                            |           |       |              | 194                           |
| Long term investments  | 30         |                   |           |                    |                |                           |                 |                            |           |       |              | 30                            |
| Other assets   | 14 754     |                   | 252       | 1 769              |                | 2 779                     |                 |                            |           |       | (13 921)     | 5 633                         |
| Total assets   | \$ 591 508 | \$ 28 365         | \$ 4 237  | \$ 128 564         | \$ 3 275       | \$ 15 182                 | \$ 434          | \$ 72                      | \$ 60 530 | \$    | \$ (15 981)  | \$ 816 186                    |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Hospitals Wichita Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 3**

|   | VCH-W      | Rehab<br>Hospital | Med Assoc | Health<br>Partners | Home<br>Health | Via Christi<br>Foundation | Gerard<br>House | Mother Mary<br>Anne Clinic | VCHS-ST   | CIBOR | Eliminations | FY 2011 VCH-W<br>Consolidated |
|---|------------|-------------------|-----------|--------------------|----------------|---------------------------|-----------------|----------------------------|-----------|-------|--------------|-------------------------------|
| <b>Liabilities and Net Assets</b>           |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| <b>Current liabilities</b>                  |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Current maturities of long term debt        | \$ 4 163   | \$ 392            | \$        | \$ 517             | \$             | \$                        | \$              | \$                         | \$ 3 667  | \$    | \$           | \$ 8 739                      |
| Accounts payable                            | 17 257     | 529               | 691       | 1 666              | 27             | 134                       | 4               | 3                          | 6 227     |       | (291)        | 26 247                        |
| Accrued liabilities                         | 21 861     | 2 078             | 1 785     | 2 512              | 282            | 523                       | 13              | 22                         | 1 571     |       | (907)        | 29 740                        |
| Estimated amounts due to third party payors |            |                   |           | 48                 |                |                           |                 |                            | 814       |       | (862)        |                               |
| Total current liabilities                   | 43 281     | 2 999             | 2 476     | 4 743              | 309            | 657                       | 17              | 25                         | 12 279    |       | (2 060)      | 64 726                        |
| <b>Noncurrent liabilities</b>               |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Long term debt less current maturities      | 111 751    | 816               |           | 1 698              |                |                           |                 |                            | 72 309    |       |              | 186 574                       |
| Pension liabilities                         | 44 432     | 2 604             | 67        | 1 338              | 925            | 104                       | 34              |                            | 1 423     |       |              | 50 927                        |
| Other noncurrent liabilities                | 5 305      |                   | 251       | (6)                | 25             |                           | 1               |                            |           |       |              | 5 576                         |
| Total noncurrent liabilities                | 161 488    | 3 420             | 318       | 3 030              | 950            | 104                       | 35              |                            | 73 732    |       |              | 243 077                       |
| Total liabilities                           | 204 769    | 6 419             | 2 794     | 7 773              | 1 259          | 761                       | 52              | 25                         | 86 011    |       | (2 060)      | 307 803                       |
| <b>Net assets</b>                           |            |                   |           |                    |                |                           |                 |                            |           |       |              |                               |
| Unrestricted controlling interest           | 374 119    | 21 946            | 1 443     | 107 483            | 2 016          | 1 323                     | 382             | 47                         | (25 481)  |       | (1 301)      | 481 977                       |
| Unrestricted noncontrolling interest        |            |                   |           | 13 308             |                |                           |                 |                            |           |       |              | 13 308                        |
| Temporarily restricted                      | 6 715      |                   |           |                    |                | 7 168                     |                 |                            |           |       | (6 715)      | 7 168                         |
| Permanently restricted                      | 5 905      |                   |           |                    |                | 5 930                     |                 |                            |           |       | (5 905)      | 5 930                         |
| Total net assets                            | 386 739    | 21 946            | 1 443     | 120 791            | 2 016          | 14 421                    | 382             | 47                         | (25 481)  |       | (13 921)     | 508 383                       |
| Total liabilities and net assets            | \$ 591 508 | \$ 28 365         | \$ 4 237  | \$ 128 564         | \$ 3 275       | \$ 15 182                 | \$ 434          | \$ 72                      | \$ 60 530 | \$    | \$ (15 981)  | \$ 816 186                    |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Hospitals Wichita Consolidating Statement of Operations and**  
**Changes in Net Assets**  
**Year Ended September 30, 2011**

**Schedule 4**

|   | VCH-W      | Rehab<br>Hospital | Med Assoc  | Health<br>Partners | Home<br>Health | Via Christi<br>Foundation | Gerard<br>House | Mother Mary<br>Anne Clinic | VCHS-ST     | CIBOR  | Eliminations | FY 2011 VCH-W<br>Consolidated |
|---|------------|-------------------|------------|--------------------|----------------|---------------------------|-----------------|----------------------------|-------------|--------|--------------|-------------------------------|
| <b>Revenues, gains and other support</b>                |            |                   |            |                    |                |                           |                 |                            |             |        |              |                               |
| Net patient service revenues                            | \$ 560 180 | \$ 22 984         | \$ 34 677  | \$ 62 011          | \$ 5 444       | \$                        | \$              | \$ 326                     | \$ 27 971   | \$     | \$ (3 238)   | \$ 710 355                    |
| Provision for bad debts                                 | 53 137     | 127               | 530        | 1 555              | 13             |                           |                 | 72                         | 2 299       |        |              | 57 733                        |
| Net patient service revenue less provision for bad debt | 507 043    | 22 857            | 34 147     | 60 456             | 5 431          |                           |                 | 254                        | 25 672      |        | (3 238)      | 652 622                       |
| Premium revenues  |            |                   | 27         |                    |                |                           |                 |                            |             |        |              | 27                            |
| Other operating revenues                                | 24 422     | 898               | 3 418      | 5 958              | 18             | 4 725                     | 267             | 157                        | 246         | 2 481  | (8 438)      | 34 152                        |
| Total operating revenues                                | 531 465    | 23 755            | 37 592     | 66 414             | 5 449          | 4 725                     | 267             | 411                        | 25 918      | 2 481  | (11 676)     | 686 801                       |
| <b>Operating expenses</b>                               |            |                   |            |                    |                |                           |                 |                            |             |        |              |                               |
| Salaries and employees benefits                         | 260 191    | 14 668            | 29 950     | 18 954             | 4 367          | 1 217                     | 239             | 405                        | 18 342      | 706    | (46)         | 348 993                       |
| Purchased services and other                            | 128 532    | 5 669             | 9 168      | 16 532             | 790            | 3 507                     | 59              | 98                         | 11 001      | 1 417  | (11 496)     | 165 277                       |
| Supplies  | 95 636     | 1 361             | 3 039      | 14 616             | 145            | 108                       | 14              | 27                         | 3 587       | 134    | (134)        | 118 533                       |
| Interest  | 5 019      | 60                |            | 179                |                |                           |                 |                            | 4 365       |        |              | 9 623                         |
| Depreciation and amortization                           | 22 371     | 634               | 505        | 5 281              | 11             | 60                        | 9               | 8                          | 5 885       | 288    |              | 35 062                        |
| Total operating expenses                                | 511 749    | 22 392            | 42 662     | 55 562             | 5 313          | 4 892                     | 321             | 538                        | 43 180      | 2 545  | (11 676)     | 677 478                       |
| Income (loss) from operations                           | 19 716     | 1 363             | (5 070)    | 10 852             | 136            | (167)                     | (54)            | (127)                      | (17 262)    | (64)   |              | 9 323                         |
| <b>Nonoperating gains (losses)</b>                      |            |                   |            |                    |                |                           |                 |                            |             |        |              |                               |
| Investment income                                       | 7 835      | 475               | 7          | 1 409              | 48             | 4                         | 10              |                            | 209         | 4      |              | 10 001                        |
| Net gains (losses) on investments                       | (9 148)    | (418)             | (34)       | (1 365)            | (44)           | (200)                     | (9)             |                            | 517         |        |              | (10 701)                      |
| Equity in earnings of investee organizations            | (22)       |                   |            |                    |                |                           |                 |                            |             |        |              | (22)                          |
| Income tax and other                                    | (15)       | (9)               |            | (28)               |                | (184)                     |                 |                            |             | 537    |              | 301                           |
| Total nonoperating gains (losses)                       | (1 350)    | 48                | (27)       | 16                 | 4              | (380)                     | 1               |                            | 726         | 541    |              | (421)                         |
| Excess of revenues over expenses                        | \$ 18 366  | \$ 1 411          | \$ (5 097) | \$ 10 868          | \$ 140         | \$ (547)                  | \$ (53)         | \$ (127)                   | \$ (16 536) | \$ 477 | \$           | \$ 8 902                      |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Hospitals Wichita Consolidating Statement of Operations and**  
**Changes in Net Assets**  
**Year Ended September 30, 2011**

**Schedule 4**

|   | VCH-W      | Rehab<br>Hospital | Med Assoc  | Health<br>Partners | Home<br>Health | Via Christi<br>Foundation | Gerard<br>House | Mother Mary<br>Anne Clinic | VCHS-ST     | CIBOR   | Eliminations | FY 2011 VCH-W<br>Consolidated |
|---|------------|-------------------|------------|--------------------|----------------|---------------------------|-----------------|----------------------------|-------------|---------|--------------|-------------------------------|
| <b>Unrestricted net assets</b>  |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Excess of revenues over expenses  | \$ 18 366  | \$ 1 411          | \$ (5 097) | \$ 10 868          | \$ 140         | \$ (547)                  | \$ (53)         | \$ (127)                   | \$ (16 536) | \$ 477  | \$           | \$ 8 902                      |
| Change in minimum pension liability   | (8 692)    | (805)             | (60)       | (57)               | (175)          | (67)                      | (11)            |                            | (1 423)     |         |              | (11 290)                      |
| Cumulative effect of change in accounting principles  | (10 744)   |                   |            |                    |                |                           |                 |                            |             |         |              | (10 744)                      |
| Change in net assets attributable to noncontrolling interest  |            |                   |            | (5 183)            |                |                           |                 |                            |             |         |              | (5 183)                       |
| Other changes in unrestricted net assets  | (30 830)   | 1                 | 5 660      | (101)              | (1)            | 1                         | (1)             | 102                        | 4           | (2 404) | 614          | (26 955)                      |
| Increase (decrease) in unrestricted net assets controlling interest before gain/(loss) of discontinued operations | (31 900)   | 607               | 503        | 5 527              | (36)           | (613)                     | (65)            | (25)                       | (17 955)    | (1 927) | 614          | (45 270)                      |
| Gain (loss) from discontinued operations  |            |                   |            | 533                |                |                           |                 |                            |             |         |              | 533                           |
| Increase (decrease) in unrestricted net assets controlling interest   | (31 900)   | 607               | 503        | 6 060              | (36)           | (613)                     | (65)            | (25)                       | (17 955)    | (1 927) | 614          | (44 737)                      |
| <b>Unrestricted net assets noncontrolling interest</b>  |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Excess of revenues over expenses  |            |                   |            | 5 183              |                |                           |                 |                            |             |         |              | 5 183                         |
| Distributions and other   |            |                   |            | (5 414)            |                |                           |                 |                            |             |         |              | (5 414)                       |
| Increase (decrease) in unrestricted net assets noncontrolling interest  |            |                   |            | (231)              |                |                           |                 |                            |             |         |              | (231)                         |
| Increase (decrease) in unrestricted net assets  | (31 900)   | 607               | 503        | 5 829              | (36)           | (613)                     | (65)            | (25)                       | (17 955)    | (1 927) | 614          | (44 968)                      |
| <b>Temporarily restricted net assets</b>  |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Contributions   |            |                   |            |                    |                | 3 198                     |                 |                            |             |         |              | 3 198                         |
| Investment income and gains   |            |                   |            |                    |                | 205                       |                 |                            |             |         |              | 205                           |
| Net realized and unrealized gains (losses) on investments   |            |                   |            |                    |                | (171)                     |                 |                            |             |         |              | (171)                         |
| Net assets released from restrictions   |            |                   |            |                    |                | (2 957)                   |                 |                            |             |         |              | (2 957)                       |
| Other   | 218        |                   |            |                    |                | (1)                       |                 |                            |             | (1 548) | (218)        | (1 549)                       |
| Increase (decrease) in temporarily restricted net assets  | 218        |                   |            |                    |                | 274                       |                 |                            |             | (1 548) | (218)        | (1 274)                       |
| <b>Permanently restricted net assets</b>  |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Increase (decrease) in permanently restricted net assets  |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Change in net assets  | (31 682)   | 607               | 503        | 5 829              | (36)           | (339)                     | (65)            | (25)                       | (17 955)    | (3 475) | 396          | (46 242)                      |
| <b>Net assets</b>   |            |                   |            |                    |                |                           |                 |                            |             |         |              |                               |
| Beginning of year   | 418 421    | 21 339            | 940        | 114 961            | 2 052          | 14 760                    | 447             | 72                         | (7 526)     | 3 475   | (14 317)     | 554 624                       |
| End of year   | \$ 386 739 | \$ 21 946         | \$ 1 443   | \$ 120 790         | \$ 2 016       | \$ 14 421                 | \$ 382          | \$ 47                      | \$ (25 481) | \$      | \$ (13 921)  | \$ 508 382                    |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Villages Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 5**

|  | Catholic Care<br>Center | Via Christi<br>Villages<br>Ridge/Broadmoor | Via Christi<br>Villages<br>Pittsburg | Via Christi<br>Villages<br>Georgetown | Via Christi<br>Villages<br>McLean | Via Christi<br>Villages<br>Hays | Via Christi<br>Villages<br>Manhattan | Via Christi<br>Villages<br>Ponca City | Via Christi<br>HOPE | Via Christi<br>Villages | Eliminations | FY 2011<br>Consolidated |
|--|-------------------------|--|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|---------------------------------------|---------------------|-------------------------|--------------|-------------------------|
| <b>Assets</b>  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| <b>Current assets</b>  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Cash and cash equivalents                                      | \$ 8 474                | \$ 384                                     | \$ 803                               | \$ 1 388                              | \$ 228                            | \$ 893                          | \$ 603                               | \$ 577                                | \$ 1 736            | \$ 1 340                | \$           | \$ 16 426               |
| Short term investments   | 3 694                   | 466  | 1 425                                | 656                                   | 2 101                             | 668                             | 1 074                                | 753                                   | 1 740               | 147                     |              | 12 724                  |
| Patient accounts receivable net                                | 1 162                   | 66   | 570                                  | 21                                    | 75                                | 320                             | 545                                  | 330                                   | 66                  | 178                     | (186)        | 3 147                   |
| Inventories  | 80                      | 16   | 27                                   | 20                                    | 12                                | 3                               | 38                                   | 29                                    | 27                  | 3                       |              | 255                     |
| Other current assets   | 63                      | 55   | 6                                    | 35                                    | 178                               | 51                              | 11                                   | 8                                     | 99                  | 218                     | (143)        | 581                     |
| Total current assets   | 13 473                  | 987  | 2 831                                | 2 120                                 | 2 594                             | 1 935                           | 2 271                                | 1 697                                 | 3 668               | 1 886                   | (329)        | 33 133                  |
| <b>Assets whose use is limited</b>                             |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Other  | 448                     |  | 7                                    | 446                                   |                                   |                                 |                                      | 174                                   |                     |                         |              | 1 075                   |
| Total noncurrent portion of assets whose use is limited        | 448                     |  | 7                                    | 446                                   |                                   |                                 |                                      | 174                                   |                     |                         |              | 1 075                   |
| <b>Property and equipment</b>                                  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Land and improvements  | 3 975                   | 1 608                                      | 1 039                                | 2 400                                 | 1 111                             | 85                              | 2 239                                | 570                                   |                     | 1 531                   |              | 14 558                  |
| Buildings and fixed equipment                                  | 26 655                  | 7 883                                      | 9 271                                | 19 762                                | 14 173                            | 862                             | 10 765                               | 10 639                                | 3 185               | 4 333                   |              | 107 528                 |
| Equipment  | 3 809                   | 690  | 1 084                                | 2 094                                 | 647                               | 489                             | 1 344                                | 742                                   | 1 034               | 537                     |              | 12 470                  |
| Less accumulated depreciation                                  | (11 797)                | (2 920)                                    | (2 984)                              | (13 532)                              | (5 039)                           | (753)                           | (3 325)                              | (5 929)                               | (2 118)             | (1 343)                 |              | (49 740)                |
| Construction in progress                                       | 640                     | 516  | 13                                   | 1 315                                 |                                   | 6 041                           |                                      | 15                                    |                     | 16                      |              | 8 556                   |
| Total net property and equipment                               | 23 282                  | 7 777                                      | 8 423                                | 12 039                                | 10 892                            | 6 724                           | 11 023                               | 6 037                                 | 2 101               | 5 074                   |              | 93 372                  |
| <b>Other assets</b>  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Investments in unconsolidated affiliates                       |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     | 29                      |              | 29                      |
| Prepaid pension costs  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     | 187                     |              | 187                     |
| Goodwill and intangible assets net of accumulated amortization |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     | 138                     |              | 138                     |
| Other assets   | 74                      |  | 13                                   |                                       | 855                               |                                 | 30                                   | 47                                    |                     |                         | (775)        | 244                     |
| Total assets   | \$ 37 277               | \$ 8 764                                   | \$ 11 274                            | \$ 14 605                             | \$ 14 341                         | \$ 8 659                        | \$ 13 324                            | \$ 7 955                              | \$ 5 769            | \$ 7 314                | \$ (1 104)   | \$ 128 178              |

**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Villages Consolidating Balance Sheet**  
**September 30, 2011**

**Schedule 5**

|  | Catholic Care<br>Center | Via Christi<br>Villages<br>Ridge/Broadmoor | Via Christi<br>Villages<br>Pittsburg | Via Christi<br>Villages<br>Georgetown | Via Christi<br>Villages<br>McLean | Via Christi<br>Villages<br>Hays | Via Christi<br>Villages<br>Manhattan | Via Christi<br>Villages<br>Ponca City | Via Christi<br>HOPE | Via Christi<br>Villages | Eliminations | FY 2011<br>Consolidated |
|--|-------------------------|--|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|---------------------------------------|---------------------|-------------------------|--------------|-------------------------|
| <b>Liabilities and Net Assets</b>      |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Current liabilities                    |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Current maturities of long term debt   | \$ 575                  | \$ 311                                     | \$ 229                               | \$ 1 480                              | \$ 255                            | \$ 117                          | \$ 352                               | \$ 501                                | \$ 150              | \$ 272                  | \$ (143)     | \$ 4 099                |
| Accounts payable                       | 344                     | 59   | 113                                  | 839                                   | 68                                | 288                             | 118                                  | 149                                   | 736                 | 187                     | (186)        | 2 715                   |
| Accrued liabilities                    | 647                     | 74   | 154                                  | 115                                   | 127                               | 286                             | 354                                  | 115                                   | 1 040               | 834                     |              | 3 746                   |
| Total current liabilities              | 1 566                   | 444  | 496                                  | 2 434                                 | 450                               | 691                             | 824                                  | 765                                   | 1 926               | 1 293                   | (329)        | 10 560                  |
| Noncurrent liabilities                 |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Long term debt less current maturities | 15 205                  | 6 640                                      | 10 587                               | 1 992                                 | 6 550                             | 6 137                           | 11 686                               | 3 567                                 | 583                 | 5 574                   | (775)        | 67 746                  |
| Other noncurrent liabilities           | 5 025                   | 90   | 42                                   | 441                                   | 5 397                             | 11                              | 605                                  | 90                                    |                     | 15                      |              | 11 716                  |
| Total noncurrent liabilities           | 20 230                  | 6 730                                      | 10 629                               | 2 433                                 | 11 947                            | 6 148                           | 12 291                               | 3 657                                 | 583                 | 5 589                   | (775)        | 79 462                  |
| Total liabilities                      | 21 796                  | 7 174                                      | 11 125                               | 4 867                                 | 12 397                            | 6 839                           | 13 115                               | 4 422                                 | 2 509               | 6 882                   | (1 104)      | 90 022                  |
| Net assets                             |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Unrestricted controlling interest      | 15 361                  | 1 590                                      | 149                                  | 9 738                                 | 1 944                             | 1 820                           | 209                                  | 3 464                                 | 3 260               | 432                     | (7 740)      | 30 227                  |
| Unrestricted noncontrolling interest   |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         | 7 740        | 7 740                   |
| Temporarily restricted                 | 120                     |  |                                      |                                       |                                   |                                 |                                      | 69                                    |                     |                         |              | 189                     |
| Total net assets                       | 15 481                  | 1 590                                      | 149                                  | 9 738                                 | 1 944                             | 1 820                           | 209                                  | 3 533                                 | 3 260               | 432                     |              | 38 156                  |
| Total liabilities and net assets       | \$ 37 277               | \$ 8 764                                   | \$ 11 274                            | \$ 14 605                             | \$ 14 341                         | \$ 8 659                        | \$ 13 324                            | \$ 7 955                              | \$ 5 769            | \$ 7 314                | \$ (1 104)   | \$ 128 178              |



**Via Christi Health, Inc. and Subsidiaries**  
**Via Christi Villages Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended September 30, 2011**

**Schedule 6**

|   | Catholic Care<br>Center | Via Christi<br>Villages<br>Ridge/Broadmoor | Via Christi<br>Villages<br>Pittsburg | Via Christi<br>Villages<br>Georgetown | Via Christi<br>Villages<br>McLean | Via Christi<br>Villages<br>Hays | Via Christi<br>Villages<br>Manhattan | Via Christi<br>Villages<br>Ponca City | Via Christi<br>HOPE | Via Christi<br>Villages | Eliminations | FY 2011<br>Consolidated |
|---|-------------------------|--|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|---------------------------------------|---------------------|-------------------------|--------------|-------------------------|
| <b>Revenues, gains and other support</b>                |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Net patient service revenues                            | \$ 20,854               | \$ 3,943                                   | \$ 7,378                             | \$ 5,840                              | \$ 5,012                          | \$ 8,529                        | \$ 7,238                             | \$ 6,313                              | \$ -                | \$ 12                   | \$ (279)     | \$ 65,440               |
| Provision for bad debts                                 | 235                     | (4)  | 76                                   | 2                                     | 3                                 | 15                              | 57                                   | (172)                                 | 4                   | 43                      | -            | 259                     |
| Net patient service revenue less provision for bad debt | 20,619                  | 3,947                                      | 7,302                                | 5,838                                 | 5,009                             | 8,514                           | 7,181                                | 6,485                                 | (4)                 | (31)                    | (279)        | 65,181                  |
| Premium revenues  | -                       | -  | -                                    | -                                     | -                                 | -                               | -                                    | -                                     | 13,956              | -                       | -            | 13,956                  |
| Other operating revenues                                | 371                     | 73   | 45                                   | 98                                    | 105                               | 300                             | 78                                   | 89                                    | 318                 | 11,200                  | (11,034)     | 1,643                   |
| Total operating revenues                                | 20,990                  | 4,020                                      | 7,347                                | 5,936                                 | 5,114                             | 8,814                           | 7,259                                | 6,574                                 | 14,270              | 11,169                  | (11,313)     | 80,780                  |
| <b>Operating expenses</b>                               |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Salaries and employees benefits                         | 12,067                  | 1,844                                      | 4,075                                | 2,400                                 | 2,794                             | 5,005                           | 3,598                                | 3,830                                 | 4,121               | 6,762                   | (2,900)      | 44,496                  |
| Purchased services and other                            | 3,212                   | 717  | 910                                  | 1,310                                 | 1,010                             | 1,267                           | 1,173                                | 1,778                                 | 8,809               | 3,728                   | (8,347)      | 15,579                  |
| Supplies  | 1,793                   | 331  | 690                                  | 592                                   | 390                               | 870                             | 703                                  | 156                                   | 668                 | 73                      | -            | 6,278                   |
| Interest  | 735                     | 480  | 738                                  | 200                                   | 329                               | 64                              | 820                                  | 287                                   | 55                  | 371                     | (13)         | 4,072                   |
| Depreciation and amortization                           | 1,422                   | 320  | 379                                  | 817                                   | 547                               | 263                             | 461                                  | 436                                   | 412                 | 280                     | -            | 5,337                   |
| Total operating expenses                                | 19,229                  | 3,692                                      | 6,798                                | 5,397                                 | 5,076                             | 8,075                           | 7,055                                | 6,487                                 | 14,065              | 11,214                  | (11,326)     | 75,762                  |
| Income (loss) from operations                           | 1,761                   | 328  | 549                                  | 539                                   | 638                               | 739                             | 204                                  | 87                                    | 205                 | (45)                    | 13           | 5,018                   |
| <b>Nonoperating gains (losses)</b>                      |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Interest and dividend income                            | (58)                    | 25   | 98                                   | 132                                   | 160                               | 3                               | 62                                   | 40                                    | 43                  | 23                      | (13)         | 515                     |
| Net gains (losses) on investments                       | 80                      | (43)                                       | (106)                                | (77)                                  | (150)                             | (31)                            | (83)                                 | (74)                                  | (58)                | (8)                     | -            | (556)                   |
| Income tax and other                                    | 57                      | (1)  | (2)                                  | (3)                                   | 3                                 | 15                              | 193                                  | 11                                    | 5                   | -                       | -            | 278                     |
| Total nonoperating gains                                | 79                      | (19)                                       | (10)                                 | 52                                    | 7                                 | (13)                            | 172                                  | (23)                                  | (10)                | 15                      | (13)         | 237                     |
| Excess of revenues over expenses                        | \$ 1,840                | \$ 309                                     | \$ 539                               | \$ 591                                | \$ 645                            | \$ 726                          | \$ 376                               | \$ 64                                 | \$ 195              | \$ (30)                 | \$ -         | \$ 5,255                |

# Via Christi Health, Inc. and Subsidiaries

## Via Christi Villages Consolidating Statement of Operations and Changes in Net Assets Year Ended September 30, 2011

### Schedule 6

|  | Catholic Care<br>Center | Via Christi<br>Villages<br>Ridge/Broadmoor | Via Christi<br>Villages<br>Pittsburg | Via Christi<br>Villages<br>Georgetown | Via Christi<br>Villages<br>McLean | Via Christi<br>Villages<br>Hays | Via Christi<br>Villages<br>Manhattan | Via Christi<br>Villages<br>Ponca City | Via Christi<br>HOPE | Via Christi<br>Villages | Eliminations | FY 2011<br>Consolidated |
|--|-------------------------|--|--------------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|---------------------------------------|---------------------|-------------------------|--------------|-------------------------|
| <b>Unrestricted net assets-controlling interest</b>                      |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Excess of revenues over expenses   | \$ 1,840                | \$ 309                                     | \$ 539                               | \$ 591                                | \$ 645                            | \$ 720                          | \$ 370                               | \$ 64                                 | \$ 195              | \$ (30)                 | \$ -         | \$ 5,255                |
| Change in minimum pension liability                                      | -                       | -  | -                                    | -                                     | -                                 | -                               | -                                    | -                                     | -                   | (301)                   | -            | (301)                   |
| Changes in net assets attributable to noncontrolling interest            | -                       | -  | -                                    | -                                     | -                                 | -                               | -                                    | -                                     | -                   | -                       | (920)        | (920)                   |
| Other changes in unrestricted net assets                                 | (1,418)                 | -  | (309)                                | 1                                     | 1                                 | 1                               | -                                    | -                                     | -                   | 1,148                   | 689          | 53                      |
| Increase (decrease) in unrestricted net assets<br>controlling interest   | 422                     | 309  | 170                                  | 592                                   | 646                               | 727                             | 376                                  | 64                                    | 195                 | 817                     | (231)        | 4,087                   |
| <b>Unrestricted net assets - noncontrolling interest</b>                 |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Excess of revenues over expenses   |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         | 920          | 920                     |
| Distributions and other  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         | (710)        | (710)                   |
| Increase (decrease) in unrestricted net assets - noncontrolling interest |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         | 210          | 210                     |
| Increase (decrease) in unrestricted net assets                           | 422                     | 309  | 170                                  | 592                                   | 646                               | 727                             | 376                                  | 64                                    | 195                 | 817                     | (21)         | 4,297                   |
| <b>Temporarily restricted net assets</b>                                 |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Net assets released from restrictions                                    | 18                      |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              | 18                      |
| Increase (decrease) in temporarily restricted net assets                 | 18                      |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              | 18                      |
| <b>Permanently restricted net assets</b>                                 |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Increase (decrease) in permanently restricted net assets                 |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Change in net assets   | 440                     | 309  | 170                                  | 592                                   | 646                               | 727                             | 376                                  | 64                                    | 195                 | 817                     | (21)         | 4,315                   |
| <b>Net assets</b>  |                         |  |                                      |                                       |                                   |                                 |                                      |                                       |                     |                         |              |                         |
| Beginning of year  | 15,061                  | 1,281                                      | (21)                                 | 9,146                                 | 1,298                             | 1,093                           | (167)                                | 3,469                                 | 3,065               | (384)                   |              | 33,841                  |
| End of year  | \$ 15,501               | \$ 1,590                                   | \$ 149                               | \$ 9,738                              | \$ 1,944                          | \$ 1,820                        | \$ 209                               | \$ 3,533                              | \$ 3,260            | \$ 433                  | \$ (21)      | \$ 38,156               |

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Balance Sheet (Obligated Group Subtotaled)**  
**September 30, 2011**

**Schedule 7**

|  | VCH-W      | VCH-ST    | Rehab<br>Hospital | VCH-P     | Wichita<br>Health | Eliminations | Obligated<br>Group<br>Total | Non Obligated<br>Group<br>and<br>Eliminations | FY 2011<br>Consolidated |
|--|------------|-----------|-------------------|-----------|-------------------|--------------|-----------------------------|---|-------------------------|
| <b>Assets</b>  |            |           |                   |           |                   |              |                             |   |                         |
| Current assets   |            |           |                   |           |                   |              |                             |   |                         |
| Cash and cash equivalents  | \$ 8 075   | \$ 184    | \$ 4 455          | \$ 19 037 | \$ 11 102         | \$ -         | \$ 42 853                   | \$ 48 067                                     | \$ 90 920               |
| Short-term investments   | 85 529     | 1 277     | 14 846            | 22 590    | 190 160           | -            | 314 402                     | 102 425                                       | 416 827                 |
| Assets whose use is limited that are required for current liabilities      | 1 020      | -         | -                 | -         | -                 | -            | 1 020                       | -   | 1 020                   |
| Patient accounts receivable net  | 66 784     | 3 869     | 3 250             | 10 033    | -                 | -            | 83 936                      | 41 345  | 125 281                 |
| Estimated amounts receivable from third-party payors                       | 6 532      | -         | 37                | 441       | -                 | -            | 7 010                       | (291)   | 6 719                   |
| Inventories  | 14 852     | 742       | 96                | 1 958     | -                 | -            | 17 648                      | 5 857   | 23 505                  |
| Other current assets   | 46 312     | (32 666)  | 1 234             | 803       | 18 954            | (8 055)      | 26 582                      | 11 921  | 38 503                  |
| Total current assets   | 229 104    | (26 594)  | 23 918            | 54 862    | 220 216           | (8 055)      | 493 451                     | 209 324                                       | 702 775                 |
| Assets whose use is limited  |            |           |                   |           |                   |              |                             |   |                         |
| Designated by Board for capital improvements                               | 174 967    | -         | 184               | -         | -                 | -            | 175 151                     | 8 865   | 184 016                 |
| Other  | 2 045      | -         | -                 | -         | -                 | -            | 2 045                       | 5 103   | 7 148                   |
| Held by trustee  | -          | -         | -                 | -         | -                 | -            | -                           | -   | -                       |
| Under bond indenture   | -          | -         | -                 | -         | 27 886            | -            | 27 886                      | 4 517   | 32 403                  |
| Self-insurance arrangements  | 1 642      | -         | -                 | -         | 329               | -            | 1 971                       | 16 522  | 18 493                  |
|  | 178 654    | -         | 184               | -         | 28 215            | -            | 207 053                     | 35 007  | 242 060                 |
| Less Assets whose use is limited that are required for current liabilities | (1 020)    | -         | -                 | -         | -                 | -            | (1 020)                     | -   | (1 020)                 |
| Total noncurrent portion of assets whose use is limited                    | 177 634    | -         | 184               | -         | 28 215            | -            | 206 033                     | 35 007  | 241 040                 |
| Property and equipment   |            |           |                   |           |                   |              |                             |   |                         |
| Land and improvements  | 25 449     | 7 534     | 1 602             | 1 154     | 123               | -            | 35 862                      | 37 087  | 72 949                  |
| Buildings and fixed equipment  | 303 636    | 60 766    | 7 627             | 36 756    | 2 565             | -            | 411 350                     | 277 231                                       | 688 581                 |
| Equipment  | 258 073    | 21 352    | 5 210             | 38 393    | 13 398            | -            | 336 426                     | 143 128                                       | 479 554                 |
| Less accumulated depreciation  | (428 512)  | (7 921)   | (10 343)          | (45 027)  | (4 672)           | -            | (496 475)                   | (223 718)                                     | (720 193)               |
| Construction in progress   | 1 446      | 5 393     | 24                | 2 399     | 1 812             | -            | 11 074                      | 10 080  | 21 154                  |
| Total net property and equipment   | 160 092    | 87 124    | 4 120             | 33 675    | 13 226            | -            | 298 237                     | 243 808                                       | 542 045                 |
| Other assets   |            |           |                   |           |                   |              |                             |   |                         |
| Investments in unconsolidated affiliates                                   | 13 862     | -         | -                 | 273       | 76 808            | -            | 90 943                      | 29  | 90 972                  |
| Prepaid pension costs  | -          | -         | -                 | -         | -                 | -            | -                           | 1 215   | 1 215                   |
| Goodwill and Intangible assets net of accum amortization                   | 17         | -         | 143               | -         | 15 627            | -            | 15 787                      | 1 335   | 17 122                  |
| Long-term investments  | 30         | -         | -                 | -         | -                 | -            | 30                          | 20 401  | 20 431                  |
| Other assets   | 15 006     | -         | -                 | 153       | 259 583           | (182 200)    | 92 542                      | (78 588)                                      | 13 954                  |
| Total assets   | \$ 595 745 | \$ 60 530 | \$ 28 365         | \$ 88 963 | \$ 613 675        | \$ (190 255) | \$ 1 197 023                | \$ 432 531                                    | \$ 1 629 554            |

**Via Christi Health, Inc. and Subsidiaries**  
**Consolidating Balance Sheet (Obligated Group Subtotaled)**  
**September 30, 2011**

**Schedule 7**

|   | VCH-W      | VCH-ST    | Rehab<br>Hospital | VCH-P     | Wichita<br>Health | Eliminations | Obligated<br>Group<br>Total | Non Obligated<br>Group<br>and<br>Eliminations | FY 2011<br>Consolidated |
|---|------------|-----------|-------------------|-----------|-------------------|--------------|-----------------------------|---|-------------------------|
| <b>Liabilities and Net Assets</b>           |            |           |                   |           |                   |              |                             |   |                         |
| <b>Current liabilities</b>                  |            |           |                   |           |                   |              |                             |   |                         |
| Current maturities of long-term debt        | \$ 4 163   | \$ 3 667  | \$ 392            | \$ -      | \$ 9 995          | \$ (8 055)   | \$ 10 162                   | \$ 4 559                                      | \$ 14 721               |
| Accounts payable                            | 17 948     | 6 227     | 529               | 2 339     | 4 650             | -            | 31 693                      | 11 768  | 43 461                  |
| Accrued liabilities                         | 23 646     | 1 571     | 2 078             | 2 645     | 8 327             | -            | 38 267                      | 25 260  | 63 527                  |
| Estimated amounts due to third-party payors | -          | 814       | -                 | -         | -                 | -            | 814                         | (814)   | -                       |
| Total current liabilities                   | 45 757     | 12 279    | 2 999             | 4 984     | 22 972            | (8 055)      | 80 936                      | 40 773  | 121 709                 |
| <b>Noncurrent liabilities</b>               |            |           |                   |           |                   |              |                             |   |                         |
| Long-term debt less current maturities      | 111 751    | 72 309    | 816               | -         | 394 730           | (182 200)    | 397 406                     | 75 028  | 472 434                 |
| Pension liabilities                         | 44 499     | 1 423     | 2 604             | 5 933     | 4 912             | -            | 59 371                      | 4 582   | 63 953                  |
| Other noncurrent liabilities                | 5 556      | -         | -                 | 226       | 10 287            | -            | 16 069                      | 35 748  | 51 817                  |
| Total noncurrent liabilities                | 161 806    | 73 732    | 3 420             | 6 159     | 409 929           | (182 200)    | 472 846                     | 115 358                                       | 588 204                 |
| Total liabilities                           | 207 563    | 86 011    | 6 419             | 11 143    | 432 901           | (190 255)    | 553 782                     | 156 131                                       | 709 913                 |
| <b>Net assets</b>                           |            |           |                   |           |                   |              |                             |   |                         |
| Unrestricted - controlling interest         | 375 562    | (25 481)  | 21 946            | 77 820    | 180 774           | -            | 630 621                     | 211 394                                       | 842 015                 |
| Unrestricted - noncontrolling interest      | -          | -         | -                 | -         | -                 | -            | -                           | 64 119  | 64 119                  |
| Temporarily restricted                      | 6 715      | -         | -                 | -         | -                 | -            | 6 715                       | 862   | 7 577                   |
| Permanently restricted                      | 5 905      | -         | -                 | -         | -                 | -            | 5 905                       | 25  | 5 930                   |
| Total net assets                            | 388 182    | (25 481)  | 21 946            | 77 820    | 180 774           | -            | 643 241                     | 276 400                                       | 919 641                 |
| Total liabilities and net assets            | \$ 595 745 | \$ 60 530 | \$ 28 365         | \$ 88 963 | \$ 613 675        | \$ (190 255) | \$ 1 197 023                | \$ 432 531                                    | \$ 1 629 554            |

# Via Christi Health, Inc. and Subsidiaries

## Consolidating Statement of Operations and Changes in Net Assets (Obligated Group Subtotaled)

Year Ended September 30, 2011

Schedule 8

|   | VCH-W      | VCH-ST      | Rehab<br>Hospital | VCH-P     | Wichita<br>Health | Eliminations | Obligated<br>Group<br>Total | Non Obligated<br>Group<br>and<br>Eliminations | FY 2011<br>Consolidated |
|---|------------|-------------|-------------------|-----------|-------------------|--------------|-----------------------------|---|-------------------------|
| <b>Revenues, gains and other support</b>                |            |             |                   |           |                   |              |                             |   |                         |
| Net patient service revenues                            | \$ 594 857 | \$ 27 971   | \$ 22 984         | \$ 88 944 | \$ -              | \$ -         | \$ 734 756                  | \$ 350 519                                    | \$ 1 085 275            |
| Provision for bad debts                                 | 53 667     | 2 299       | 127               | 1 874     | -                 | -            | 57 967                      | 10 556  | 68 523                  |
| Net patient service revenue less provision for bad debt | 541 190    | 25 672      | 22 857            | 87 070    | -                 | -            | 676 789                     | 339 963                                       | 1 016 752               |
| Premium revenues  | 27         | -           | -                 | -         | -                 | -            | 27                          | 25 737  | 25 764                  |
| Other operating revenues                                | 27 840     | 246         | 898               | 2 259     | 45 386            | (31 556)     | 45 073                      | 4 206   | 49 279                  |
| Total operating revenues                                | 569 057    | 25 918      | 23 755            | 89 329    | 45 386            | (31 556)     | 721 889                     | 369 906                                       | 1 091 795               |
| <b>Operating expenses</b>                               |            |             |                   |           |                   |              |                             |   |                         |
| Salaries and employees benefits                         | 290 141    | 18 342      | 14 668            | 44 716    | 40 491            | -            | 408 358                     | 213 343                                       | 621 701                 |
| Purchased services and other                            | 137 700    | 11 001      | 5 669             | 17 674    | (21 644)          | (22 200)     | 128 200                     | 63 218  | 191 418                 |
| Supplies  | 98 675     | 3 587       | 1 361             | 14 024    | 2 067             | -            | 119 714                     | 56 031  | 175 745                 |
| Interest  | 5 019      | 4 365       | 60                | 43        | 16 390            | (9 356)      | 16 521                      | 4 016   | 20 537                  |
| Depreciation and amortization                           | 22 876     | 5 885       | 634               | 4 050     | 10 231            | -            | 43 676                      | 22 595  | 66 271                  |
| Total operating expenses                                | 554 411    | 43 180      | 22 392            | 80 507    | 47 535            | (31 556)     | 716 469                     | 359 203                                       | 1 075 672               |
| Income (loss) from operations                           | 14 646     | (17 262)    | 1 363             | 8 822     | (2 149)           | -            | 5 420                       | 10 703  | 16 123                  |
| <b>Nonoperating gains (losses)</b>                      |            |             |                   |           |                   |              |                             |   |                         |
| Investment income                                       | 7 842      | 209         | 475               | 735       | 6 326             | -            | 15 587                      | 4 242   | 19 829                  |
| Net gains (losses) on investments                       | (9 182)    | 517         | (418)             | (617)     | (4 155)           | -            | (13 855)                    | (3 565)                                       | (17 420)                |
| Equity in earnings of investee organizations            | (22)       | -           | -                 | -         | 2 913             | -            | 2 891                       | 169   | 3 060                   |
| Loss on refunding of debt                               | -          | -           | -                 | -         | (4 848)           | -            | (4 848)                     | -   | (4 848)                 |
| Income tax and other                                    | (15)       | -           | (9)               | (89)      | 35                | -            | (78)                        | 3 223   | 3 145                   |
| Total nonoperating gains                                | (1 377)    | 726         | 48                | 29        | 271               | -            | (303)                       | 4 069   | 3 766                   |
| Excess of revenues over expenses                        | \$ 13 269  | \$ (16 536) | \$ 1 411          | \$ 8 851  | \$ (1 878)        | \$ -         | \$ 5 117                    | \$ 14 772                                     | \$ 19 889               |

# Via Christi Health, Inc. and Subsidiaries

## Consolidating Statement of Operations and Changes in Net Assets (Obligated Group Subtotaled)

Year Ended September 30, 2011

Schedule 8

|   | VCH-W      | VCH-ST      | Rehab<br>Hospital | VCH-P     | Wichita<br>Health | Eliminations | Obligated<br>Group<br>Total | Non Obligated<br>Group<br>and<br>Eliminations | FY 2011<br>Consolidated |
|---|------------|-------------|-------------------|-----------|-------------------|--------------|-----------------------------|---|-------------------------|
| <b>Unrestricted net assets, controlling interest</b>  |            |             |                   |           |                   |              |                             |   |                         |
| Excess of revenues over expenses  | \$ 13 269  | \$ (16 536) | \$ 1 411          | \$ 8 851  | \$ (1 878)        | \$ -         | \$ 5 117                    | \$ 14 772                                     | \$ 19 889               |
| Change in minimum pension liability   | (8 752)    | (1 423)     | (805)             | (1 224)   | (4 518)           | -            | (16 722)                    | (1 174)                                       | (17 896)                |
| Cumulative effect of change in accounting principles  | (10 744)   | -           | -                 | -         | -                 | -            | (10 744)                    | -   | (10 744)                |
| Change in net assets attributable to noncontrolling interest  | -          | -           | -                 | -         | -                 | -            | -                           | (7 804)                                       | (7 804)                 |
| Other changes in unrestricted net assets  | (25 170)   | 4           | 1                 | 61        | 518               | -            | (24 586)                    | 23 506  | (1 080)                 |
| Increase (decrease) in unrestricted net assets controlling interest before gain/(loss) of discontinued operations | (31 397)   | (17 955)    | 607               | 7 688     | (5 878)           | -            | (46 935)                    | 29 300  | (17 635)                |
| Gain (loss) from discontinued operations  | -          | -           | -                 | -         | 1 302             | -            | 1 302                       | 533   | 1 835                   |
| Increase (decrease) in unrestricted net assets controlling interest   | (31 397)   | (17 955)    | 607               | 7 688     | (4 576)           | -            | (45 633)                    | 29 833  | (15 800)                |
| <b>Unrestricted net assets, noncontrolling interest</b>   |            |             |                   |           |                   |              |                             |   |                         |
| Excess of revenues over expenses  | -          | -           | -                 | -         | -                 | -            | -                           | 7 804   | 7 804                   |
| Distributions and other   | -          | -           | -                 | -         | -                 | -            | -                           | (6 124)                                       | (6 124)                 |
| Increase (decrease) in unrestricted net assets noncontrolling interest  | -          | -           | -                 | -         | -                 | -            | -                           | 1 680   | 1 680                   |
| Increase (decrease) in unrestricted net assets  | (31 397)   | (17 955)    | 607               | 7 688     | (4 576)           | -            | (45 633)                    | 31 513  | (14 120)                |
| <b>Temporarily restricted net assets</b>  |            |             |                   |           |                   |              |                             |   |                         |
| Contributions   | -          | -           | -                 | -         | -                 | -            | -                           | 3 471   | 3 471                   |
| Investment income and gains   | -          | -           | -                 | -         | -                 | -            | -                           | 205   | 205                     |
| Net realized and unrealized gains (losses) on investments   | -          | -           | -                 | -         | -                 | -            | -                           | (171)   | (171)                   |
| Net assets released from restrictions   | -          | -           | -                 | -         | -                 | -            | -                           | (3 024)                                       | (3 024)                 |
| Other   | 218        | -           | -                 | -         | -                 | -            | 218                         | (1 761)                                       | (1 543)                 |
| Increase (decrease) in temporarily restricted net assets  | 218        | -           | -                 | -         | -                 | -            | 218                         | (1 280)                                       | (1 062)                 |
| <b>Permanently restricted net assets</b>  |            |             |                   |           |                   |              |                             |   |                         |
| Increase in permanently restricted net assets   | -          | -           | -                 | -         | -                 | -            | -                           | -   | -                       |
| Change in net assets  | (31 179)   | (17 955)    | 607               | 7 688     | (4 576)           | -            | (45 415)                    | 30 233  | (15 182)                |
| <b>Net assets</b>   |            |             |                   |           |                   |              |                             |   |                         |
| Beginning of year   | 419 361    | (7 526)     | 21 339            | 70 132    | 185 350           | -            | 688 656                     | 246 167                                       | 934 823                 |
| End of year   | \$ 388 182 | \$ (25 481) | \$ 21 946         | \$ 77 820 | \$ 180 774        | \$ -         | \$ 643 241                  | \$ 276 400                                    | \$ 919 641              |