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Form 990



Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

ASANTE

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

2650 SISKIYOU BLVD

Room/suite

City or town, state or country, and ZIP + 4

MEDFORD, OR 97504

F Name and address of principal officer

MARK COLLINS

2650 SISKIYOU BLVD

MEDFORD, OR 97504

D Employer identification number

93-0223960

E Telephone number

(541) 789-4103

G Gross receipts \$ 639,382,868

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (Insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

WWW.ASANTE.ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1938

M State of legal domicile

OR

Part I

Summary

Activities & Governance

1

Briefly describe the organization's mission or most significant activities

ASANTE EXISTS TO PROVIDE QUALITY HEALTHCARE SERVICES IN A COMPASSIONATE MANNER, VALUED BY THE COMMUNITIES WE SERVE

2

Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	4,151
6	Total number of volunteers (estimate if necessary)	6	700
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	3,466,358
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	191,230

Revenue

	Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,576,526
9	Program service revenue (Part VIII, line 2g)	481,883,156
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,017,717
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,810,088
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	505,287,487

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	288,877	355,324
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	252,583,306	253,848,662
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25)		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	206,241,111	221,904,141
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	459,113,294	476,108,127
19	Revenue less expenses Subtract line 18 from line 12	46,174,193	42,840,755

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	720,864,574
21	Total liabilities (Part X, line 26)	388,703,112
22	Net assets or fund balances Subtract line 21 from line 20	332,161,462

Part II

Signature Block

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

Sign Here

Signature of officer

2012-08-07

Date

MARK COLLINS INTERIM CFO

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

JOYLYN M ANKENY CPA

Preparer's signature

JOYLYN M ANKENY CPA

Date

Check if self-employed

☐

PTIN

Firm's name

AKT LLP

Firm's EIN

Firm's address

5665 SW MEADOWS RD SUITE 200 LAKE OSWEGO, OR 97035

Phone no

(503) 620-4489

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

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

ASANTE EXISTS TO PROVIDE QUALITY HEALTHCARE SERVICES IN A COMPASSIONATE MANNER, VALUED BY THE COMMUNITIES WE SERVE

2

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

Yes

No

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

3

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

Yes

No

If “Yes,” describe these changes on Schedule O

4

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

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

4a

(Code) (Expenses \$ 302,205,599 including grants of \$) (Revenue \$ 352,720,512)

ASANTE'S MAIN PROGRAM SERVICE ACCOMPLISHMENT IS THE OPERATION OF ROGUE VALLEY MEDICAL CENTER (RVMC), A 378 LICENSED BED HOSPITAL LOCATED IN MEDFORD, OREGON. RVMC HAS BEEN NAMED ONE OF THE TOP 100 CARDIOVASCULAR HOSPITALS IN THE U.S. FIVE TIMES (2000-02, 2004, 2005). THE JOINT COMMISSION CERTIFIED RVMC AS A PRIMARY STROKE CENTER IN 2005, AND THE AMERICAN DIABETES ASSOCIATION HAS ALSO AWARDED RVMC ITS RECOGNITION OF EXCELLENCE. RVMC ALSO EARNED THE GOLD PERFORMANCE ACHIEVEMENT AWARD IN CORONARY ARTERY DISEASE (CAD) FROM THE AMERICAN HEART ASSOC AND EARNED ACUMENTRA HEALTH'S "OUTSTANDING PERFORMANCE" AWARD FOR SURGICAL SITE INFECTION PREVENTION AND "EXCELLENT PERFORMANCE" AWARD FOR TREATING HEART FAILURE. KEY HOSPITAL INPATIENT SERVICES INCLUDE CANCER SERVICES, CARDIOVASCULAR SURGERY AND INPATIENT CARDIAC CATHETERIZATION LABORATORY, GENERAL MEDICINE, GENERAL SURGERY, GYNECOLOGY, NEONATOLOGY, NEUROSCIENCES, OBSTETRICS, ORTHOPEDICS, PEDIATRICS, AND UROLOGY SERVICES. OTHER INPATIENT SERVICES INCLUDE BEHAVIOR HEALTH, REHABILITATION, AND CRITICAL CARE SERVICES, INCLUDING THE REGION'S ONLY LEVEL 3 NEONATAL INTENSIVE CARE UNIT. KEY OUTPATIENT SERVICES INCLUDE EMERGENCY SERVICES, AMBULATORY SURGERY, OUTPATIENT LABORATORY TESTING AND DIAGNOSIS, OUTPATIENT CARDIAC CATHETERIZATION LAB, IMAGING, SLEEP SERVICES, HOSPICE, AND VARIOUS THERAPIES, INCLUDING BEHAVIORAL, OCCUPATIONAL, PHYSICAL, AND SPEECH. DURING FISCAL YEAR 2011, RVMC ADMITTED 14,414 PATIENTS FOR A TOTAL OF 65,776 PATIENT DAYS. IT ALSO HAD OVER 356,000 TOTAL OUTPATIENT VISITS AND DELIVERED 1,556 BABIES. THE EMERGENCY ROOMS TREATED OVER 39,124 PATIENTS AND THE CHEMISTRY LABS PERFORMED OVER 1 MILLION TESTS. SURGICAL SERVICES PERFORMED 12,702 INPATIENT AND OUTPATIENT SURGERIES AT RVMC, INCLUDING 515 OPEN HEART AND 674 ORTHOPEDIC JOINT REPLACEMENTS. OTHER STATISTICS AT RVMC INCLUDE 17,380 HOSPICE VISITS, 55,131 VISITS TO THE VARIOUS REHAB UNITS AND OVER 114,000 VISITS TO IMAGING. RVMC ALSO REOPENED IT'S SPECIAL CARE NURSERY DURING THE YEAR AFTER A \$5.5 MILLION REMODEL PROVIDING STATE-OF-THE-ART CARE FOR THE AREA'S TINIEST RESIDENTS-PREMATURE BABIES. AND FINALLY, RVMC IS REMODELING BOTH IT'S INPATIENT AND OUTPATIENT LABORATORIES TO PROVIDE BETTER SERVICE WHILE MEETING THE HIGHEST STANDARDS OF ENVIRONMENTALLY FRIENDLY TECHNOLOGY.

4b

(Code) (Expenses \$ 109,895,482 including grants of \$) (Revenue \$ 134,033,514)

ASANTE'S SECOND LARGEST PROGRAM SERVICE ACCOMPLISHMENT BY EXPENSE IS THE OPERATION OF THREE RIVERS COMMUNITY HOSPITAL (TRCH), A 125 LICENSED BED HOSPITAL LOCATED IN GRANTS PASS, OREGON. TRCH ALSO HAS ITS SHARE OF SIGNIFICANT AWARDS AND RECOGNITIONS INCLUDING BEING DESIGNATED A BABY FRIENDLY HOSPITAL BY WHO AND UNICEF AND IS THE NATION'S FIRST MOTHER FRIENDLY HOSPITAL BY THE CENTER FOR IMPROVING MATERNITY SERVICES. THE AMERICAN DIABETES ASSOCIATION HAS ALSO DESIGNATED TRCH WITH IT'S "RECOGNITION OF EXCELLENCE". TRCH ALSO EARNED ACUMENTRA HEALTH'S "OUTSTANDING PERFORMANCE" AWARD FOR SURGICAL SITE INFECTION PREVENTION AND AN "EXCELLENT PERFORMANCE" AWARD FOR TREATING HEART FAILURE. SOME OF THE KEY INPATIENT SERVICES AVAILABLE AT TRCH INCLUDE CANCER SERVICES, GENERAL MEDICINE, GENERAL SURGERY, GYNECOLOGY, OBSTETRICS AND PEDIATRICS. SOME OF THE KEY OUTPATIENT SERVICES INCLUDE EMERGENCY SERVICES, AMBULATORY SURGERY, OUTPATIENT LAB TESTING, CARDIOPULMONARY SERVICES, OUTPATIENT CARDIAC CATHETERIZATION LAB, IMAGING AND VARIOUS THERAPIES INCLUDING PHYSICAL, OCCUPATIONAL, AND SPEECH. DURING THE FISCAL YEAR, TRCH ADMITTED 6,759 INPATIENTS FOR A TOTAL OF 21,867 PATIENT DAYS. IT ALSO DELIVERED 705 BABIES AND HAD OVER 201,000 OUTPATIENT VISITS. THE CHEMISTRY LAB PERFORMED NEARLY 460,000 TESTS AND THE EMERGENCY ROOM SAW 38,984 PATIENTS. THERE WERE OVER 5,900 SURGERIES PERFORMED DURING THE YEAR INCLUDING 476 TOTAL JOINT REPLACEMENTS. TRCH'S REHAB DEPARTMENT HAD 19,795 VISITS AND THE VARIOUS IMAGING DEPARTMENT HAD 64,796 VISITS. RENEWING A STRONG COMMITMENT TO REMAIN ON THE LEADING EDGE OF TECHNOLOGY, A NEW 3-TESLA MRI SCANNER, THE MOST POWERFUL MRI AVAILABLE IN THE WORLD, IS NOW IN USE AT TRCH. AND FINALLY, THE NEW WOMEN'S HEALTH CENTER IS UNDER CONSTRUCTION NEAR THE HOSPITAL. CONSTRUCTION WILL ALSO SOON BEGIN ON A NEW OUTPATIENT CENTER ON THE TRCH CAMPUS AS WELL.

4c

(Code) (Expenses \$ 7,155,865 including grants of \$ 264,350) (Revenue \$ 8,681,533)

ASANTE'S THIRD LARGEST PROGRAM SERVICE BY EXPENSES IS ASANTE COMMUNITY SERVICES. ASANTE COMMUNITY SERVICES (ACS) IS A COMPILATION OF VARIOUS SERVICES AND AGENCIES THAT PROVIDE NUMEROUS PROGRAMS TO HELP CREATE AND MAINTAIN A HEALTHY ENVIRONMENT IN THE ROGUE VALLEY. ACS INCLUDES THE MEDFORD AND GRANTS PASS OCCUPATIONAL HEALTH SERVICES. AMONG THE SERVICES OFFERED BY THE OCCUPATIONAL HEALTH GROUPS ARE PRE-EMPLOYMENT HEALTH SCREENINGS AND PROFESSIONAL COUNSELING FOR INJURED WORKERS. ACS HAS PARTNERED WITH THE OREGON DEPT OF TRANSPORTATION TO PERFORM RANDOM DRUG AND ALCOHOL TESTING OF COMMERCIAL TRUCK DRIVERS. ASANTE COMMUNITY SERVICES ALSO INCLUDES THE ROGUE VALLEY RX, ASANTE HOME INFUSION SERVICES, AND THE COUMADIN CLINIC. FINALLY, ACS RUNS "LIFELINE", AN EMERGENCY MONITORING SERVICE, ALLOWING SENIORS TO CONTINUE TO LIVE INDEPENDENT LIFE STYLES DURING THE LAST FISCAL YEAR, THE TWO OCCUPATIONAL HEALTH AGENCIES SAW 21,782 PATIENTS. THE ROGUE VALLEY RX FILLED OVER 61,458 PRESCRIPTIONS, INCLUDING 3,488 CUSTOM PHARMACY COMPOUNDINGS, AND LIFELINE PROVIDED MONITORING TO 1,543 SENIORS. ASANTE'S CORPORATE DIVISION HAS MADE GENEROUS CASH DONATIONS TO NUMEROUS NON-PROFIT ORGANIZATIONS. THESE DONATIONS HELP SUPPORT LOCAL SCHOOLS AND OTHER YOUTH ACTIVITIES, SUCH AS LITTLE LEAGUE AND DRUG FREE GRAD NIGHTS AT LOCAL HIGH SCHOOLS. THE CORPORATE DIVISION HAS MADE SIGNIFICANT CONTRIBUTIONS TO NATIONALLY RECOGNIZED MEDICAL ASSOCIATIONS, SUCH AS THE AMERICAN RED CROSS AND DIABETES ASSOCIATIONS. OTHER CONTRIBUTIONS HAVE BEEN MADE TO HEALTH ORGANIZATIONS THAT ASSIST THE LOCAL SPANISH SPEAKING POPULATION, AND OTHERS HAVE BEEN MADE TO ORGANIZATIONS THAT ASSIST LOCAL SENIORS. OFTEN, INDIGENT AND MEDICAID PATIENTS WILL SHOW UP AT THE EMERGENCY ROOM IN NEED OF SPECIALIZED MEDICAL CARE. IN ORDER TO ASSURE THAT UNASSIGNED INDIGENT AND MEDICAID PATIENTS HAVE SPECIALIZED CARE AVAILABLE TO THEM, ASANTE CREATED SOUTHERN OREGON TRAUMA AND EMERGENCY SERVICES (SOTES). SOTES CONTRACTS WITH LOCAL INDEPENDENT PHYSICIANS TO PROVIDE SPECIALIZED CARE TO THESE PATIENTS THROUGHOUT THEIR HOSPITAL STAY. THE PHYSICIAN BILLS SOTES, WHICH WILL REIMBURSE THE SPECIALIST AT MEDICARE RATES. SOTES OPERATES AT BREAK-EVEN. EXPENSES ARE FULLY FUNDED AND REIMBURSED TO THE DOCTOR BY THE HOSPITALS.

4d

Other program services (Describe in Schedule O)

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



















4e

Total program service expenses

\$ 419,256,946

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		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	Yes	
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		No
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>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	396
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	4,151
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	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		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?		No
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	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?	Yes	
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	OR
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" 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.	
	MARVIN HAAS 2650 SISKIYOU BLVD MEDFORD, OR 97504 (541) 789-4103	

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) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROY VINYARD PRESIDENT & CEO	40.00	X		X				802,262	0	468,328
(2) R RAY HAYSELL CHAIRPERSON	2.00	X		X				0	0	0
(3) WILLIAM D THORNDIKE VICE CHAIR	2.00	X		X				0	0	0
(4) TIM ALFORD TREASURER	2.00	X		X				0	0	0
(5) THOMAS R MCGILLOWAY SECRETARY	2.00	X		X				0	0	0
(6) DAVID ABDUN-NUR MD BOARD MEMBER	2.00	X						0	0	0
(7) ALAN BINETTE MD BOARD MEMBER	2.00	X						0	0	0
(8) GAYLE BYRNE BOARD MEMBER	2.00	X						0	0	0
(9) CAROL CLARK-MAYFIELD BOARD MEMBER	2.00	X						0	0	0
(10) KENT W DAUTERMAN MD BOARD MEMBER	2.00	X						0	0	0
(11) RONALD RD JONES BOARD MEMBER	2.00	X						0	0	0
(12) ALVIN SPEARS BOARD MEMBER	2.00	X						0	0	0
(13) JAMES M WRIGHT BOARD MEMBER	2.00	X						0	0	0
(14) ROGER BERNARD BOARD MEMBER	2.00	X						0	0	0
(15) WIN HOWARD CEO/TRCH	40.00			X				303,849	0	39,156
(16) MARVIN HAAS CHIEF ADMIN AND FINANCE OFFICER	40.00			X				410,790	0	65,457

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) KENT BROWN CEO/RVMC	40 00			X				428,082	0	47,937
(18) GREGG EDWARDS PEOPLE OFFICER	40 00			X				283,434	0	30,532
(19) MARK HETZ CH INFO OFFICER	40 00			X				338,119	0	31,380
(20) CHARLES CARMECI MD MEDICAL DOCTOR	40 00					X		914,002	0	35,386
(21) DAVID FOLSOM MD MEDICAL DOCTOR	40 00					X		885,607	0	37,834
(22) GEORGE WILKINSON MD MEDICAL DOCTOR	20 00					X		452,187	0	8,382
(23) BRIAN SOHL MD MEDICAL DOCTOR	26 00					X		420,328	0	37,986
(24) ROGER HALL MD MEDICAL DOCTOR	20 00					X		423,180	0	22,573
1b Sub-Total ▶										
c Total from continuation sheets to Part VII, Section A ▶										
d Total (add lines 1b and 1c) ▶								5,661,840	0	824,951

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▶241

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
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>	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>		No

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
SOUTHERN OREGON CARDIOLOGY LLC 520 MEDICAL CENTER DRIVE SUITE 200 MEDFORD, OR 97504	CARDIAC SERVICES	3,009,147
SOUTHERN OREGON HOSPITALISTS PC 2640 E BARNETT RD E-333 MEDFORD, OR 97504	HOSPITALISTS	1,645,215
CVISO MANAGEMENT CO LLC 520 MEDICAL CENTER DR MEDFORD, OR 97504	CARDIAC SERVICES	1,593,875
WEST ASSETS MANAGEMENT PO BOX 2140 OMAHA, NE 68103	MEDICAL BILLING SERVICES	1,302,587
TVA ARCHITECTS INC 920 SW 6TH AVE SUITE 1500 PORTLAND, OR 97204	ARCHITECT SERVICES	1,175,095

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

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a			
	b	Membership dues	1b			
	c	Fundraising events	1c			
	d	Related organizations	1d	2,146,309		
	e	Government grants (contributions)	1e			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f		2,146,309		
Program Service Revenue	2a	Business Code				
		HOSPITAL SERVICES	622110	486,754,026	486,754,026	
	b	ASANTE COMM SVCS	621990	8,131,132	8,131,132	
	c	SOTES/CORP	621300	550,401	550,401	
	d					
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f		495,435,559		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)				
				11,652,998		11,652,998
	4	Income from investment of tax-exempt bond proceeds		10,076		10,076
	5	Royalties				
	6a	Gross Rents	(i) Real	(ii) Personal		
			1,545,419			
	b	Less rental expenses	3,927,948			
	c	Rental income or (loss)	-2,382,529			
	d	Net rental income or (loss)			-2,382,529	- 2,382,529
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			120,960,499	260,088		
	b	Less cost or other basis and sales expenses	112,189,127	411,349		
	c	Gain or (loss)	8,771,372	-151,261		
	d	Net gain or (loss)			8,620,111	8,620,111
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b	Less direct expenses	b			
	c	Net income or (loss) from fundraising events				
	9a	Gross income from gaming activities See Part IV, line 19	a			
b	Less direct expenses	b				
c	Net income or (loss) from gaming activities					
10a	Gross sales of inventory, less returns and allowances	a				
		5,176,025				
b	Less cost of goods sold	b	3,905,562			
c	Net income or (loss) from sales of inventory			1,270,463	1,270,463	
	Miscellaneous Revenue	Business Code				
11a	PATHOLOGY LAB	621500	1,428,520		1,428,520	
b	LAB OUTREACH	621500	591,421		591,421	
c	WORK HEALTH	624310	170,620		170,620	
d	All other revenue		5,334		5,334	
e	Total. Add lines 11a-11d		2,195,895			
12	Total revenue. See Instructions		518,948,882	495,435,559	3,466,358	17,900,656

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	264,350	264,350		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	90,974	90,974		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	3,249,326	1,624,663	1,624,663	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	179,275,526	158,986,216	20,289,310	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,157,615	8,109,385	1,048,230	
9	Other employee benefits	48,299,173	47,977,878	321,295	
10	Payroll taxes	13,867,022	12,325,607	1,541,415	
a	Fees for services (non-employees)				
	Management	27,803,497	21,805,364	5,998,133	
b	Legal	511,040	87,603	423,437	
c	Accounting	213,609		213,609	
d	Lobbying	56,121		56,121	
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	1,870,301		1,870,301	
g	Other	6,602,076	2,403,716	4,198,360	
12	Advertising and promotion	495,408		495,408	
13	Office expenses	11,696,840	5,848,420	5,848,420	
14	Information technology				
15	Royalties				
16	Occupancy	15,469,047	12,495,281	2,973,766	
17	Travel	440,430	320,363	120,067	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,035,909	739,930	295,979	
20	Interest	12,560,048	11,304,043	1,256,005	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	26,148,654	21,486,702	4,661,952	
23	Insurance	5,173,549	4,656,265	517,284	
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	PATIENT SUPPLIES	82,306,590	82,306,590		
b	OTHER OPERATING EXPENSE	16,918,196	14,433,628	2,484,568	
c	BAD DEBTS	8,741,380	8,741,380		
d	EQUIPMENT RENTAL	2,006,111	1,997,487	8,624	
e	TAXES	205,305	205,305		
f	All other expenses	1,650,030	1,045,796	604,234	
25	Total functional expenses. Add lines 1 through 24f	476,108,127	419,256,946	56,851,181	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			15,453,358	1	17,360,337
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			65,406,120	4	68,465,142
	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			1,807,540	7	4,007,990
	8	Inventories for sale or use			4,040,044	8	3,825,839
	9	Prepaid expenses and deferred charges			3,782,373	9	4,783,684
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	583,455,398			
	b	Less: accumulated depreciation	10b	328,833,251	248,420,168	10c	254,622,147
	11	Investments—publicly traded securities			358,810,381	11	368,337,262
	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			23,144,590	15	22,623,279
16	Total assets. Add lines 1 through 15 (must equal line 34)			720,864,574	16	744,025,680	
Liabilities	17	Accounts payable and accrued expenses			29,856,343	17	28,669,773
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			321,884,755	20	317,839,352
	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			3,208,006	23	2,896,870
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			33,754,008	25	37,934,640
	26	Total liabilities. Add lines 17 through 25			388,703,112	26	387,340,635
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			332,161,462	27	356,685,045
	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			332,161,462	33	356,685,045
34	Total liabilities and net assets/fund balances			720,864,574	34	744,025,680	

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	518,948,882
2	Total expenses (must equal Part IX, column (A), line 25)	2	476,108,127
3	Revenue less expenses Subtract line 2 from line 1	3	42,840,755
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	332,161,462
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-18,317,172
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	356,685,045

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization ASANTE	Employer identification number 93-0223960
------------------------------------	--

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?

11g(i)

(ii)

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

11g(ii)

(iii)

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

11g(iii)

h

☐

Provide the following information about the supported organization(s)

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

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2010

Part II

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

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

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

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

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

Part IIIPart III

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

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

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

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

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

Part IV

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization ASANTE	Employer identification number 93-0223960
------------------------------------	--

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

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

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

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

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

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

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?			
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
	c Media advertisements?			
	d Mailings to members, legislators, or the public?			
	e Publications, or published or broadcast statements?			
	f Grants to other organizations for lobbying purposes?			
	g Direct contact with legislators, their staffs, government officials, or a legislative body?			
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
	i Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			56,121	
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	ASANTE MAINTAINS MEMBERSHIPS IN THE AMERICAN HOSPITAL ASSOC (AHA) AND OREGON ASSOC OF HOSPITALS AND HEALTHCARE SYSTEMS (OAHHS) DURING TAX YEAR 2010, ASANTE PAID MEMBERSHIP DUES TO THE AHA AND OAHHS OF \$65,887 AND \$170,818 RESPECTIVELY. 16.41% OF OAHHS DUES AND 24.42% OF AHA DUES WENT FOR LOBBYING PURPOSES. THUS, ASANTE MADE INDIRECT LOBBYING EXPENDITURES OF \$44,121 THROUGH ITS MEMBERSHIP DUES. ALSO, ASANTE PAID JOHN WATT AND ASSOCIATES (JWA) \$12,000 FOR SPECIFIC ISSUES LOBBYING DURING THE TAX YEAR. JWA IS AN ADVOCATE FOR ASANTE AND SPECIALIZES IN BALLOT PROPOSITIONS AFFECTING THE HEALTHCARE INDUSTRY.

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
ASANTE

Employer identification number
93-0223960

Part I

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

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

Part II

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

1

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

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

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

	Held at the End of the Year
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

1b

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

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2010

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

- 3

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

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 5

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

☐ Yes

☐ No

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

- 1a

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

☐ Yes

☐ No
- b

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

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- | | |
|----|--------|
| | Amount |
| 1c | |
| 1d | |
| 1e | |
| 1f | |
- 2a

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

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	18,615,713	18,631,486	18,858,075		
b Contributions	215,694	28,150	9,192		
c Investment earnings or losses	169,689	109,554	-234,001		
d Grants or scholarships	8,935	153,477	1,780		
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	18,992,161	18,615,713	18,631,486		

- 2

Provide the estimated percentage of the year end balance held as
- a

Board designated or quasi-endowment ▶ 80 570 %
- b

Permanent endowment ▶ 16 620 %
- c

Term endowment ▶ 2 810 %
- 3a

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

unrelated organizations

(ii)

related organizations
- 3a(i)

Yes

No

3a(ii)

Yes
- b

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

3b

Yes
- 4

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	12,959,946	8,283,673		21,243,619
b Buildings		281,838,678	120,546,092	161,292,586
c Leasehold improvements		7,044,999	5,489,339	1,555,660
d Equipment		243,905,395	202,797,820	41,107,575
e Other		29,422,707		29,422,707
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				254,622,147

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1518,948,882
2	Total expenses (Form 990, Part IX, column (A), line 25)	2476,108,127
3	Excess or (deficit) for the year Subtract line 2 from line 1	342,840,755
4	Net unrealized gains (losses) on investments	4-20,379,119
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	82,061,947
9	Total adjustments (net) Add lines 4 - 8	9-18,317,172
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	1024,523,583

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1496,422,909
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a-20,379,122	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d2,510,294	
e	Add lines 2a through 2d2e-17,868,828	3514,291,737
3	Subtract line 2e from line 1	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a1,870,301	
b	Other (Describe in Part XIV)4b2,786,844	
c	Add lines 4a and 4b4c4,657,145	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5518,948,882	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1476,146,784
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d1,908,958	
e	Add lines 2a through 2d2e1,908,958	3474,237,826
3	Subtract line 2e from line 1	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a1,870,301	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c1,870,301	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5476,108,127	

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ASANTE FOUNDATION, A 501(C)(3) ORGANIZATION, IS DIRECTLY RELATED TO AND CONTROLLED BY ASANTE. IT IS IDENTIFIED ON SCHEDULE R, PART II AS A RELATED TAX-EXEMPT ORGANIZATION. THE ASANTE FOUNDATION MAINTAINS THE ASSETS OF 14 DIFFERENT ENDOWMENTS WITH A NET WORTH OF OVER \$18.6 MILLION. THE CORPUS OF THE ENDOWMENTS IS TO REMAIN INTACT AND INVESTED IN MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS. AT THE END OF EACH FISCAL YEAR, ANY INVESTMENT INCOME GENERATED FROM THE ENDOWMENTS IS RELEASED TO ASANTE. THE INCOME RECEIVED IS USED TO SUBSIDIZE NUMEROUS PROGRAMS, INCLUDING THE RVMC HOSPICE, PHYSICIAN AND NURSING EDUCATION, CHILDREN'S HEALTH, ONCOLOGY PROGRAMS, AND SUPPORT OF THE FRANCIS CHENEY AND THREE RIVERS FAMILY HOUSES.
PART XI, LINE 8 - OTHER ADJUSTMENTS		EQUITY IN JOINT VENTURES 646,519. DONATED CAPITAL AND FAS 47 1,415,428.
PART XII, LINE 2D - OTHER ADJUSTMENTS		INCOME FROM JOINT VENTURES 868,918. INVESTMENT INCOME-RVMC FOUNDATION 795,526. INVESTMENT INCOME-SO OREG INSURANCE 845,850.
PART XII, LINE 4B - OTHER ADJUSTMENTS		OPERATING LOSS-RVMC FOUNDATION 679,933. UNREALIZED LOSS-FOUNDATION 1,334,074. UNREALIZED LOSS-SO OREG INSURANCE 772,837.
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES FROM JOINT VENTURES 1,908,958.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization
ASANTE

Employer identification number
93-0223960

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
1b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year <input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Applied uniformly to most hospitals <input type="checkbox"/> Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ % c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		No
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	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)		32,775	22,026,975		22,026,975	4 630 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		75,343	83,137,514	53,611,843	29,525,671	6 200 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		2,216	9,195,358	7,728,247	1,467,111	0 310 %
d Total Financial Assistance and Means-Tested Government Programs		110,334	114,359,847	61,340,090	53,019,757	11 140 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			6,030,366		6,030,366	1 270 %
f Health professions education (from Worksheet 5)			70,000		70,000	0 010 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			150,608	99,696	50,912	0 010 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			157,390		157,390	0 030 %
j Total Other Benefits			6,408,364	99,696	6,308,668	1 320 %
k Total. Add lines 7d and 7j		110,334	120,768,211	61,439,786	59,328,425	12 460 %

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						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy			49,960		49,960	0.010 %
8Workforce development						
9Other						
10Total			49,960		49,960	0.010 %

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	3,252,207
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	
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	121,889,265
6	Enter Medicare allowable costs of care relating to payments on line 5	6	155,511,523
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-33,622,258
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.		
<input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
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 %
1 1 SISKIYOU IMAGING	RADIOLOGY & IMAGING SVC	33.330 %		33.330 %
2 2 CVI MANAGEMENT CO LLC	MANAGEMENT SERVICES	25.000 %		75.000 %
3 3 CVI REAL PROPERTY	PROPERTY MANAGEMENT	25.000 %		75.000 %
4 4 SOUTHERN OREGON LINEN SVCS	LINEN PROCESSING	34.000 %		
5 5 HEALTH FUTURE LLC	SUPPLIES PURCHASING	14.300 %		
6 6 GRANTS PASS SURGICAL CENTER	OUTPATIENT SURGERY	35.000 %		65.000 %
7 7 AIM REAL PROPERTY	REAL PROPERTY MGMT	65.000 %		35.000 %
8 8 ROGUE VALLEY SLEEP CENTER	SLEEP DISORDER SVCS	51.000 %		49.000 %
9 9 SURGERY CENTER OF SO OREGON	OUTPATIENT SURGERY	20.000 %		80.000 %
10				
11				
12				
13				

Schedule H (Form 990) 2010

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: ROGUE VALLEY MEDICAL CENTER

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 0000000000000</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input checked="" type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Name of Hospital Facility: THREE RIVERS COMMUNITY HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply)	1	No
a <input type="checkbox"/> A definition of the community served by the hospital facility		
b <input type="checkbox"/> Demographics of the community		
c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input type="checkbox"/> How data was obtained		
e <input type="checkbox"/> The health needs of the community		
f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j <input type="checkbox"/> Other (describe in Part VI)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	5	
a <input type="checkbox"/> Hospital facility's website		
b <input type="checkbox"/> Available upon request from the hospital facility		
c <input type="checkbox"/> Other (describe in Part VI)		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input type="checkbox"/> Prioritization of health needs in the community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals? . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 000000000000</u> %	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000</u> %	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input checked="" type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate the reasons why (check all that apply)	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility did not have a policy relating to emergency medical care		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply)			
a	<input type="checkbox"/> The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility			
b	<input checked="" type="checkbox"/> The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility			
c	<input type="checkbox"/> The hospital facility used the Medicare rate for those services			
d	<input type="checkbox"/> Other (describe in Part VI)			
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20		No
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21		No

Part V

Facility Information (continued)

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

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

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

Name and address		Type of Facility (Describe)
1	ASANTE WORK HEALTH 781 S BLACK OAK DRIVE MEDFORD, OR 97504	WORK HEALTH FACILITY
2	ASANTE WORK HEALTH 781 S BLACK OAK DRIVE MEDFORD, OR 97504	WORK HEALTH FACILITY
3		
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
		PART II IN FISCAL YEAR 2011, ASANTE'S CONTRIBUTION TO COMMUNITY HEALTH IMPROVEMENTS ADVOCACY INCLUDES \$39,060 TO JACKSON COUNTY DEPT OF SOCIAL SERVICES, \$1,500 TO LA CLINICA DEL VALLE, \$1,000 TO ONTRACK, A LOCAL DRUG COUNSELING SERVICES, AND \$8,400 TO THE WOMEN'S CRISIS SUPPORT CENTER OF SOUTHERN OREGON

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Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

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

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

DLN: 93493220012702

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
ASANTE

Employer identification number
93-0223960

Part I

General Information on Grants and Assistance

1

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

Yes

No

2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States.

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) JACKSON COUNTY SOC SVCS1005 E MAIN ST MEDFORD,OR 97504	94-3096772	501(C)(3)	39,060				SUPPORT PRE-NATAL CARESUPPORT INTL MEDICAL RELIEF EFFORT IN HAITI
(2) MEDFORD CHAMBER OF COMMERCE101 E 8TH STREET MEDFORD,OR 97501	93-0197580	501(C)(3)	14,680				SUPPORT CHAMBER OF COMMERCE
(3) OREG CHAPT OF ACC PO BOX 55424 PORTLAND,OR 97213	20-5915188	501(C)(3)	5,100				SUPPORT MEDICAL SOCIETY
(4) ROGUE COMMUNITY COLLEGE3345 REDWOOD HWY GRANTS PASS,OR 97527	93-0591783	501(C)(3)	68,500				SUPPORT NURSING PROGRAM
(5) WOMEN'S CRISIS SUPPORT560 NE F STREET GRANTS PASS,OR 97526	93-0763734	501(C)(3)	8,400				SUPPORT WOMENS COALITION

2

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

64

3

Enter total number of other organizations

34

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

Cat No 50055P

Schedule I (Form 990) 2010

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) CLOTHING FOR INDIGENT PATIENTS			1,100	COST	CLOTHING PROVIDED FOR INDIGENT PATIENTS
(2) FREE RX TO INDIGENT PATIENTS	2500		36,678	COST	FREE PRESCRIPTION DRUGS
(3) SENIOR SERVICES TRANSPORTATION	1737		53,196	COST	FREE VAN RIDES

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ONCE AN APPLICANT HAS BEEN APPROVED FOR GRANT FUNDS, THE GRANT AGREEMENT SPECIFIES THAT ALL GRANT MONIES ARE TO BE SPENT FOR ONLY THE PURPOSE SPELLED OUT IN THE APPLICATION THE COUNTY CONNECTIONS COMMITTEE MUST KNOW WHERE THE DONATED MONEY WILL BE ALLOCATED, AND IF A FUNDRAISING EVENT, HOW THE RAISED MONEY WILL BE ALLOCATED USUALLY, A DETAILED BUDGET OF THE GRANTEE'S CURRENT YEAR IS REQUIRED, AS WELL AS ANY REPORTS OR MINUTES FROM PREVIOUS EVENTS
OTHER INFORMATION	PART IV	WHEN ASANTE RECEIVES A REQUEST FOR GRANT FUNDS FROM AN OUTSIDE ORGANIZATION, THE REQUEST IS REVIEWED BY EITHER THE JACKSON COUNTY OR JOSEPHINE COUNTY COMMUNITY CONNECTIONS COMMITTEE THE APPLICANT MUST FILL OUT AN APPLICATION FORM AND PROVIDE SUPPORTING DOCUMENTS OR EVENT MATERIALS TO BE SELECTED, THE ORGANIZATION MUST MEET THE FOLLOWING CRITERIA 1)THE GRANT MUST SUPPORT STRATEGIC INITIATIVES, 2)IT MUST HAVE A DIRECT IMPACT ON THE HEALTHCARE OF THE COMMUNITY, 3)THE ORGANIZATION MUST BE A NOT-FOR-PROFIT HEALTH, HUMAN SERVICES, OR EDUCATION RELATED ORGANIZATION, 4)THE ORGANIZATION COLLABORATES WITH OTHER NOT-FOR-PROFIT ORGANIZATIONS AND, 5)THE GRANT MUST BE A RELATION BUILDING OPPORTUNITY

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 ASANTE	Employer identification number 93-0223960
------------------------------------	--

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><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. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:		
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?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
5a	The organization?		No
5b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
6a	The organization?		No
6b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III		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) ROY VINYARD	(i) (ii)	566,662 0	202,922 0	32,678 0	383,567 0	84,761 0	1,270,590 0	154,047 0
(2) WIN HOWARD	(i) (ii)	187,941 0	51,720 0	64,188 0	18,470 0	20,686 0	343,005 0	0 0
(3) MARVIN HAAS	(i) (ii)	305,119 0	87,349 0	18,322 0	38,500 0	26,957 0	476,247 0	0 0
(4) KENT BROWN	(i) (ii)	281,477 0	82,134 0	64,471 0	26,020 0	21,917 0	476,019 0	0 0
(5) GREGG EDWARDS	(i) (ii)	175,787 0	51,867 0	55,780 0	14,700 0	15,832 0	313,966 0	0 0
(6) MARK HETZ	(i) (ii)	221,447 0	67,281 0	49,391 0	20,343 0	11,037 0	369,499 0	0 0
(7) CHARLES CARMECI MD	(i) (ii)	60,256 0	837,246 0	16,500 0	14,700 0	20,686 0	949,388 0	0 0
(8) DAVID FOLSOM MD	(i) (ii)	11,241 0	852,366 0	22,000 0	14,700 0	23,134 0	923,441 0	0 0
(9) GEORGE WILKINSON MD	(i) (ii)	6,623 0	429,134 0	16,430 0	7,350 0	1,032 0	460,569 0	0 0
(10) BRIAN SOHL MD	(i) (ii)	381,828 0	0 0	38,500 0	14,700 0	23,286 0	458,314 0	0 0
(11) ROGER HALL MD	(i) (ii)	22,181 0	400,999 0	0 0	7,350 0	15,223 0	445,753 0	0 0
(12)								
(13)								
(14)								
(15)								
(16)								

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 7	THE FIVE HIGHEST PAID NON-EXECUTIVE EMPLOYEES, MOSTLY CARDIAC SURGEONS, ARE PAID A BASE SALARY AND THEN RECEIVE PRODUCTIVITY COMPENSATION BASED ON RELATIVE VALUE UNITS (RVU'S). EACH RVU IS \$40. TOTAL COMPENSATION IS DETERMINED BY MULTIPLYING THE RVU'S BY \$40.
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART II SHOWS THE COMPENSATION OF THE OFFICERS, DIRECTORS, AND KEY EMPLOYEES OF ASANTE, AS WELL AS THE COMPENSATION OF THE TOP 5 HIGHEST PAID EMPLOYEES. COLUMNS BI, BII AND BIII DISPLAYS THE AMOUNTS ACTUALLY PAID TO THESE PEOPLE AS WHAT SHOWS UP ON THEIR FORM W-2 ON DECEMBER 31, 2010. COLUMNS C AND D INCLUDE AMOUNTS ACCRUED, BUT UNPAID DURING THE FISCAL YEAR, WITH COLUMN E BEING TOTAL COMPENSATION REPORTED FOR FORM 990 PURPOSES. COLUMN F INCLUDES AMOUNTS THAT HAD BEEN REPORTED AS ACCRUED BUT UNPAID COMPENSATION ON PRIOR YEAR FORM 990 TAX RETURNS, BUT PAID-OUT DURING THE CURRENT YEAR. DURING FISCAL YEAR 2011, ROY VINYARD RECEIVED SIGNIFICANT PAY-OUTS FROM HIS EXECUTIVE RESTORATION PLANS. THIS PLAN HAD BEEN ACCUMULATING FUNDS FOR SEVERAL YEARS AND HAD SHOWN UP ON PRIOR YEAR'S FORM 990 AS ACCRUED BUT UNPAID AMOUNTS. HOWEVER, IT WAS NOT ACTUALLY PAID-OUT UNTIL FISCAL 2011. THE PAID-OUT AMOUNTS ARE INCLUDED IN SCHEDULE J, PART II, COLUMN BIII AND WOULD BE INCLUDED IN THE OFFICER'S FORM W-2 ON DECEMBER 31, 2010. ALSO, SINCE THESE CURRENT PAY-OUTS WERE DISPLAYED AS ACCRUED BUT UNPAID AMOUNTS ON PRIOR YEAR'S FORM 990, THE SCHEDULE J'S INSTRUCTIONS REQUIRE THEY ALSO APPEAR ON COLUMN F (COMPENSATION REPORTED ON PRIOR FORM 990), ESSENTIALLY SHOWING THE AMOUNT TWICE.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ASANTE

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Employer identification number
93-0223960

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF MEDFORD OREGON	52-1378932	584283FL4	02-17-2010	239,059,650	FINANCE HOSPITAL EXPANSION		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue	239,059,650							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	3,511,327							
8	Credit enhancement from proceeds	2,680,107							
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	31,013,405							
11	Other spent proceeds	201,854,811							
12	Other unspent proceeds								
13	Year of substantial completion	2011							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III

Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
b	Are there any research agreements that may result in private business use of bond-financed property?	X							
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 200 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
6	Total of lines 4 and 5	0 200 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IVArbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part VSupplemental Information

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

Identifier	Return Reference	Explanation

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization ASANTE	Employer identification number 93-0223960
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		<p>DAVID ABDUN-NUR, MD DR DAVID ABDUN-NUR HAS ADMITTING PRIVILEGES AT THREE RIVERS COMMUNITY HOSPITAL HE IS ALSO A MEMBER OF THE HOSPITAL'S MEDICAL STAFF, BUT IS NOT AN EMPLOYEE OF ASANTE HIS MEMBERSHIP ON THE ASANTE BOARD IS VOLUNTARY AND HE IS REQUIRED TO DISCLOSE ANY CONFLICTS OF INTEREST ALAN BINETTE, MD DR ALAN BINETTE HAS ADMITTING PRIVILEGES AT ROGUE VALLEY MEDICAL CENTER HE IS ALSO A MEMBER OF THE HOSPITAL'S MEDICAL STAFF, BUT IS NOT AN EMPLOYEE OF ASANTE HIS MEMBERSHIP ON THE ASANTE BOARD IS VOLUNTARY AND HE IS REQUIRED TO DISCLOSE ANY CONFLICTS OF INTEREST KENT W DAUTERMAN, MD DR KENT DAUTERMAN IS A PRACTICING PHYSICIAN AND HAS ADMITTING PRIVILEGES AT BOTH THREE RIVERS COMMUNITY HOSPITAL AND ROGUE VALLEY MEDICAL CENTER HE IS ALSO ON THE MEDICAL STAFF OF BOTH HOSPITALS, BUT IS NOT A PAID EMPLOYEE OF ASANTE HIS MEMBERSHIP ON THE ASANTE BOARD IS VOLUNTARY AND HE IS REQUIRED TO DISCLOSE ANY CONFLICTS OF INTEREST ROY VINYARD ROY VINYARD IS THE PRESIDENT AND CEO OF ASANTE AND IS ALSO A VOTING MEMBER OF THE BOARD OF DIRECTORS SINCE MR VINYARD IS A PAID EMPLOYEE OF ASANTE, HE IS CONSIDERED NOT TO BE AN INDEPENDANT VOTING MEMBER OF THE GOVERNING BOARD</p>

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
ASANTE

Employer identification number
93-0223960

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ASANTE COMMUNITY SERVICES LLC 731 BLACK OAK DRIVE MEDFORD, OR 97504 57-1181752	MEDICAL BILLING	OR	0	0	ASANTE
(2) ASANTE THREE RIVERS MEDICAL CENTER LLC 731 BLACK OAK DRIVE MEDFORD, OR 97504 57-1181758	MEDICAL BILLING	OR	0	0	ASANTE

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ASANTE FOUNDATION 2650 SISKIYOU BLVD MEDFORD, OR 97504 93-6087366	FUNDRAISING	OR	501(C)(3)	509(A)(3) #1	ASANTE	Yes	
(2) SOUTHERN OREGON INSURANCE COMPANY 745 FORT STREET SUITE 800 HONOLULU, HI 96813 20-1578637	CAPTIVE INSURANCE	HI	501(C)(3)	509(A)(3) #1	ASANTE	Yes	

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) ROGUE VALLEY SLEEP CENTER 555 BLACK OAK DRIVE STE 300 MEDFORD, OR97504 73-1733282	SLEEP STUDY	OR	ASANTE	RELATED	69,258	41,395		No		Yes		51 000 %
(2) AIM REAL PROPERTY LLC 2650 SISKIYOU BLVD MEDFORD, OR97504 71-0994008	REAL ESTATE	OR	ASANTE	EXCLUDED	-14,094	235,682		No		Yes		65 000 %

Part IV

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

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

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

Yes

No

No

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) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ASANTE FOUNDATION	C	2,146,309	
(2) ASANTE FOUNDATION	N	495,890	
(3) ASANTE FOUNDATION	R	3,000,000	
(4) SOUTHERN OREGON INSURANCE COMPANY	N	111,504	
(5) SOUTHERN OREGON INSURANCE COMPANY	P	1,788,733	
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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ASANTE HEALTH SYSTEM

Consolidated Financial Statements

September 30, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Board of Directors
Asante Health System

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Asante Health System as of September 30, 2011 and 2010, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating schedules that accompany these financial statements are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position or results of operations of the individual companies. The consolidating schedules have been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

KPMG LLP

December 16, 2011

ASANTE HEALTH SYSTEM

Consolidated Balance Sheets

September 30, 2011 and 2010

(In thousands)

Assets	2011	2010
Current assets		
Cash and cash equivalents	\$ 18,631	17,411
Assets whose use is limited, current portion	4,005	3,885
Patient accounts receivable (less allowance for doubtful accounts of \$4,329 and \$4,986 in 2011 and 2010, respectively)	68,551	65,485
Accrued interest and other receivables	4,046	1,853
Inventories	3,826	4,040
Prepaid expenses	4,801	3,804
Total current assets	103,860	96,478
Assets whose use is limited		
Restricted by donors	3,831	4,001
Board-designated assets	17,036	16,156
Assets held by trustees	—	19,731
	20,867	39,888
Less amount required to meet current obligations	4,005	3,885
	16,862	36,003
Property, plant, and equipment, net	242,072	235,949
Land held for future use	12,960	12,960
Marketable securities	381,234	355,060
Other assets, net	20,303	20,690
Total assets	\$ 777,291	757,140

See accompanying notes to consolidated financial statements

ASANTE HEALTH SYSTEM

Consolidated Balance Sheets

September 30, 2011 and 2010

(In thousands)

Liabilities and Net Assets	2011	2010
Current liabilities		
Accounts payable	\$ 8,095	6,417
Payroll, payroll taxes, and related benefits	20,779	23,506
Self insurance liability, current portion	7,195	7,245
Estimated reimbursement due to governmental agencies, net	5,748	6,040
Other current liabilities	11,919	8,131
Current portion of long-term debt and capital lease obligations	4,337	4,206
Total current liabilities	58,073	55,545
Long-term debt and capital lease obligations, net of current portion	320,736	325,093
Other long-term liabilities	13,354	12,892
Total liabilities	392,163	393,530
Net assets		
Unrestricted	381,297	359,609
Temporarily restricted	674	1,060
Permanently restricted	3,157	2,941
Total net assets	385,128	363,610
Commitments and contingencies (note 13)		
Total liabilities and net assets	\$ 777,291	757,140

See accompanying notes to consolidated financial statements

ASANTE HEALTH SYSTEM
Consolidated Statements of Operations
Years ended September 30, 2011 and 2010
(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains, and other support		
Net patient service revenue	\$ 487,021	464,448
Other operating revenue	14,744	17,987
Total revenues, gains, and other support	<u>501,765</u>	<u>482,435</u>
Operating expenses		
Salaries and benefits	254,558	239,017
Supplies	94,691	92,853
Purchased services	27,806	25,438
Professional fees	7,383	4,027
Repairs and maintenance	10,540	9,381
Insurance	6,064	4,405
Rent and utilities	7,794	7,795
Bad debts	8,741	8,195
Interest	12,560	13,853
Depreciation	26,205	27,036
Other	19,804	16,477
Total operating expenses	<u>476,146</u>	<u>448,477</u>
Operating income	<u>25,619</u>	<u>33,958</u>
Nonoperating income		
Investment income, net of fees	20,205	11,201
Change in unrealized (losses) gains on trading investments	(22,486)	21,252
Loss on refinancing of debt	—	(1,848)
Change in valuation of swap agreement	—	6,930
Other, net	(3,062)	(2,386)
Total nonoperating (loss) income	<u>(5,343)</u>	<u>35,149</u>
Excess of revenues over expenses	20,276	69,107
Net assets released from restriction used for purchases of property, plant, and equipment	1,415	1,050
Other	(3)	(1)
Increase in unrestricted net assets	<u>\$ 21,688</u>	<u>70,156</u>

See accompanying notes to consolidated financial statements

ASANTE HEALTH SYSTEM
Consolidated Statements of Changes in Net Assets
Years ended September 30, 2011 and 2010
(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted net assets, Asante		
Excess of revenues over expenses	\$ 20,276	69,107
Net assets released from restriction used for purchases of property, plant, and equipment	1,415	1,050
Other	<u>(3)</u>	<u>(1)</u>
Increase in unrestricted net assets, Asante	<u>21,688</u>	<u>70,156</u>
Temporarily restricted net assets		
Contributions and investment income	1,987	1,496
Net assets released from restrictions	<u>(2,373)</u>	<u>(1,583)</u>
Decrease in temporarily restricted net assets	<u>(386)</u>	<u>(87)</u>
Permanently restricted net assets		
Contributions	<u>216</u>	<u>28</u>
Increase in permanently restricted net assets	<u>216</u>	<u>28</u>
Increase in net assets	21,518	70,097
Net assets, beginning of year	<u>363,610</u>	<u>293,513</u>
Net assets, end of year	<u><u>\$ 385,128</u></u>	<u><u>363,610</u></u>

See accompanying notes to consolidated financial statements

ASANTE HEALTH SYSTEM

Consolidated Statements of Cash Flows

Years ended September 30, 2011 and 2010

(In thousands)

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 21,518	70,097
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	27,940	28,822
Provision for bad debts	8,741	8,195
Net change in realized and unrealized gains and losses on marketable securities	12,787	(23,679)
Valuation of swap agreement	—	(6,930)
Equity in earnings on investments in healthcare ventures	(1,392)	(3,126)
Distributions from investments in healthcare ventures	1,420	3,391
Investment in healthcare ventures	(36)	(2)
Restricted donations and investment income	(2,203)	(1,500)
Loss (gain) on sale of assets	233	(4,774)
Loss on refinancing of debt	—	1,848
Change in operating assets and liabilities		
Patient accounts receivable, accrued interest, other receivables, and other assets	(14,509)	(11,885)
Inventories and prepaid expenses	(783)	(2,317)
Accounts payable, accrued payroll, payroll taxes and related benefits, self-insurance liability, estimated reimbursement due to governmental agencies, other current liabilities, and other long-term liabilities	3,288	1,783
Net cash provided by operating activities	57,004	59,923
Cash flows from investing activities		
Purchases of property, plant, and equipment	(34,119)	(19,613)
Sales of marketable securities and assets whose use is limited	242,373	299,596
Purchases of marketable securities and assets whose use is limited	(262,313)	(393,277)
Notes receivable repayments (issuance)	220	(944)
Proceeds on sale of assets	38	8,133
Net cash used in investing activities	(53,801)	(106,105)
Cash flows from financing activities		
Principal payments on long-term debt and capital lease obligations	(4,186)	(131,183)
Proceeds from restricted donations and investment income	2,203	1,500
Proceeds from new debt	—	169,360
Payment of swap liability	—	(29,916)
Payments for deferred financing costs	—	(6,084)
Net cash (used in) provided by financing activities	(1,983)	3,677
Net increase (decrease) in cash and cash equivalents	1,220	(42,505)
Cash and cash equivalents, beginning of year	17,411	59,916
Cash and cash equivalents, end of year	\$ 18,631	17,411
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 12,033	11,519

See accompanying notes to consolidated financial statements

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(1) Organization

Asante Health System (Asante) was founded as a private, not-for-profit, community-based healthcare organization to provide health-related services to the residents of Southern Oregon and Northern California. Asante includes the operations of the following operating units and affiliates:

Asante (Parent Company)

Asante provides various support services to its operating units and other affiliates:

(a) Operating Units (which comprise the Obligated Group)

Asante has established an Obligated Group to access capital markets. Obligated Group members are jointly and severally liable for the long-term debt outstanding under the Obligated Group's master trust indenture. Asante's operating units, which comprise the Obligated Group, are as follows:

Rogue Valley Medical Center (RVMC)

A regional tertiary, not-for-profit healthcare facility providing for the healthcare needs of Southern Oregon and Northern California.

Three Rivers Community Hospital (TRCH)

A community, not-for-profit hospital in Josephine County providing inpatient and outpatient healthcare services to the Grants Pass community and surrounding area.

Asante Community Services

Freestanding outpatient facilities that provide occupational health services, work performance through Asante Work Health, home infusion, outpatient pharmacy, outpatient physician services, and employee assistance programs.

AIM Real Property, LLC

An Oregon Limited Liability Company (the LLC) owned by Asante and a local physician. The LLC owns and maintains a medical clinic building for the purpose of leasing the building for health-related activities. Asante owns 65% of the LLC.

Sleep Center of Southern Oregon

An Oregon LLC, which provides sleep lab management, staff, and equipment for RVMC patients. Asante owns 51% of the LLC, with local physicians owning the remaining 49%.

Hearthstone

A not-for-profit skilled nursing facility that provides a wide spectrum of rehabilitative services, short-term and long-term stays, as well as providing dementia care expertise. Asante terminated operations of Hearthstone effective December 31, 2009 with the sale of the facility occurring on January 1, 2010.

ASANTE HEALTH SYSTEM
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

(b) Other Affiliates

The following are consolidated affiliates of Asante and are not part of the Asante obligated group

Asante Foundation (the Foundation)

The Foundation is a not-for-profit public benefit corporation of Asante, responsible for fund-raising and development

Southern Oregon Insurance, Inc. (SOII)

SOII is a not-for-profit single parent direct issue captive, incorporated in the state of Hawaii, providing healthcare professional and commercial general liability insurance and claims management services for Asante

Southern Oregon Trauma and Emergency Services, LLC (SOTES)

SOTES is an Oregon LLC that coordinates trauma and emergency medical services provided at RVMC and TRCH

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Asante and other affiliates. All significant intercompany account balances and transactions have been eliminated.

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates in Asante's consolidated financial statements include accounts receivable allowance, third-party payor settlement liabilities, valuation of investments, and liabilities related to self-insurance programs.

(c) Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less when purchased. Cash equivalent balances included in cash and cash equivalents in the consolidated balance sheet at September 30, 2011 and 2010 were \$11,109,000 and \$5,976,000, respectively. Cash and cash equivalents held in the investment portfolio and limited as to use are also included in assets whose use is limited on the consolidated balance sheet.

Asante maintains cash and cash equivalents on deposit at various institutions, which at times exceed the insured limits by the Federal Deposit Insurance Corporation. This exposes Asante to potential risk of loss in the event the institution becomes insolvent.

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(d) *Patient Accounts Receivable*

Accounts receivable are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Credit is granted without collateral to Asante patients, most of whom are local residents and are insured under third-party payor agreements. Asante manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for contractual discounts and uncollectible amounts. Asante estimates these allowances based on the aging of accounts receivable, historical collection experience by payor, and other relevant factors. The mix of receivables from significant third-party payor classifications is as follows:

	September 30	
	2011	2010
Medicare	38%	37%
Medicaid	19	19
Private pay	17	19
Others	26	25
	100%	100%

(e) *Inventories*

Inventories are stated at the lower of average cost or market.

(f) *Assets Whose Use Is Limited*

Assets whose use is limited are carried at fair value and are accounted for as trading securities and primarily include assets held by trustees under indenture agreements, assets subject to donor restrictions, collateral held by swap counterparty (at September 30, 2010), and designated assets set aside by the Board of Trustees (the Board) for certain purposes, over which the Board retains control and may, at its discretion, subsequently use for other purposes. Assets held by trustees and collateral consists of treasury or agency securities. Amounts that will be used to satisfy current liabilities are classified as current assets in the accompanying consolidated balance sheets. Gains and losses on sales of assets whose use is limited are computed on the specific-identification method. Interest income or loss (including realized gains and losses on investments, interest, and dividends) is included in income unless the income or loss is restricted by donor or law. Unrealized gains and losses on trading securities are included in nonoperating income in the accompanying consolidated statements of operations.

(g) *Marketable Securities*

Marketable securities are accounted for as trading securities and consist principally of U.S. government agency obligations, corporate obligations, and equity securities that are stated at fair value. Gains and losses on sales of marketable securities are computed on the specific-identification method. Interest income or loss (including realized gains and losses on investments, interest, and dividends) is included in nonoperating income unless the income or loss is restricted by

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

donor or law. Unrealized gains and losses on trading securities are included in nonoperating income in the accompanying consolidated statements of operations.

(h) *Property, Plant, and Equipment*

Property, plant, and equipment additions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset, which ranges from 3 to 40 years for buildings, improvements, and equipment, and is computed using the straight-line method. 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 within depreciation in the accompanying consolidated financial statements.

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

Asante assesses potential impairment to its long-lived assets, including land held for future use, when there is evidence that events or changes in circumstances have made recovery of the asset's carrying value unlikely. An impairment loss is recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset.

(i) *Financing Costs*

Financing costs incurred in connection with debt agreements are deferred and amortized over the life of the respective debt.

(j) *Investments in Healthcare Ventures*

Investments in healthcare-related joint ventures, where Asante does not have a controlling interest, have been accounted for using the equity method and are included in other assets in the accompanying consolidated balance sheets.

(k) *Self-Insurance*

Workers' Compensation

The annual self-insured retention under Asante's workers' compensation program is \$400,000 per claim per year. The accrued liability for the self-insured components of the plan includes the unpaid portion of claims that have been reported and estimates for claims that have been incurred but not reported. Asante has recorded a liability, discounted, of \$5,914,000 and \$5,817,000 at September 30, 2011 and 2010, respectively. The current portion of the accrued liability for workers' compensation is included in the self-insurance liability. The long-term portion of the accrued liability is included in other long-term liabilities. Asante carries an excess coverage policy for its worker's compensation program.

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

Medical

Asante maintains a self-insured medical plan for its employees. The accrued liability for the self-insured components of the plan includes estimates of the costs for the incurred but not paid claims as well as related claims administration expense.

The estimated liability is \$3,985,000 and \$3,263,000 at September 30, 2011 and 2010, respectively, and is included in self insurance liability.

Professional Liability

Asante is self-insured for professional liability exposures through SOII. SOII provides coverage for Asante's claims up to \$1 million per claim with a \$10 million annual aggregate. Asante has purchased insurance with third-party carriers for claims in excess of the \$1 million amount. The coverage provided by SOII and the third-party carriers is in the form of claims-made insurance policies. Should the claims-made policies not be renewed or replaced, claims related to occurrences during the terms of the policies but reported subsequent to their termination may be uninsured. Asante, including SOII, records actuarially estimated liabilities for reported claims as well as an estimated tail liability for claims that have been incurred but not reported.

The total estimated self-insurance obligation recorded for professional liability at the expected value, undiscounted is \$9,002,000 and \$8,660,000 at September 30, 2011 and 2010, respectively. The current portion of the liability is recorded in self-insurance liability. The long-term portion is included in other long-term liabilities. Management is not aware of any potential professional liability claims whose settlement would be in excess of amounts provided or would otherwise have a material adverse effect on Asante's consolidated financial position.

(l) Oregon State Provider Tax

Effective July 1, 2004, the State of Oregon instituted a provider tax on certain patient service revenues at certain qualifying hospitals including RVMC and TRCH. During the year ended September 30, 2011, the State of Oregon adjusted the provider tax rate, resulting in increased taxes paid by the Company. Asante recorded provider taxes of approximately \$14,060,000 and \$11,852,000 for the years ended September 30, 2011 and 2010, respectively, which are included in other operating expenses in the accompanying consolidated statements of operations. Asante recorded provider tax liability of \$6,024,000 and \$2,564,000 at September 30, 2011 and 2010, respectively, which are included in other current liabilities in the accompanying consolidated balance sheets. In addition, Asante has entered into an agreement with the Oregon Association of Hospitals and Health Systems (OAHHS), which provides that all payments to Asante related to beneficiaries of the Oregon Medical Assistance Program are to be remitted directly to OAHHS. OAHHS aggregates these payments, returning a portion to Asante. The remaining funds are pooled by OAHHS with like amounts received on behalf of other hospitals subject to the provider tax, and OAHHS redistributes such funds to the qualifying hospitals. Asante estimates the amounts received or receivable from OAHHS for the years ended September 30, 2011 and 2010 are \$14,060,000 and \$11,852,000, respectively, which are reflected as a component of net patient service revenue in the accompanying consolidated statements of operations. Asante recorded tax receivables of \$6,024,000 and \$2,564,000

ASANTE HEALTH SYSTEM
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

at September 30, 2011 and 2010, respectively, which are included in patient accounts receivable in the accompanying consolidated balance sheets

(m) Net Assets

Unrestricted

All resources that are not restricted by donors are included in unrestricted net assets

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by Asante 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 Asante in perpetuity. Based on Asante policy, income earned on permanently restricted funds is transferred to temporarily restricted net assets and used to support specific programs with either a restricted or unrestricted purpose. When a qualified expenditure is incurred, the funds are released to unrestricted net assets. Spending may not exceed 5% of the corpus in any fiscal year, based on the Company's endowment spending policy.

Unconditional promises to give cash and other assets to Asante are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When restricted funds to be used for operations are expended for their restricted purposes, these amounts are reflected in unrestricted net assets as net assets released from restrictions for operations and are included in other income. When restricted funds are expended for the acquisition of property, plant, and equipment, these amounts are reported as released from restriction for capital in the statements of changes in net assets.

Temporarily restricted and permanently restricted net assets are maintained for the following purposes as stipulated by donors at September 30 (in thousands)

	<u>2011</u>	<u>2010</u>
Temporarily restricted		
Capital	\$ 151	288
Child and infant health (capital)	53	198
Others	470	574
	<u>\$ 674</u>	<u>1,060</u>
Permanently restricted		
Education	\$ 565	562
Francis Cheney Family Place/TRCH Family House	1,803	1,645
Others	789	734
	<u>\$ 3,157</u>	<u>2,941</u>

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(n) Net Patient Service Revenue

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Estimated settlements under third-party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods, primarily as a result of final settlements.

(o) Charity Care

Asante provides care to patients who meet poverty guidelines under its charity care policy. Asante does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenue.

(p) Nonoperating Income

Nonoperating income includes certain items that management deems to be outside the scope of its primary business. Items consist primarily of investment income, net contributions from the Foundation, swap valuation adjustments, and other income. Investment income consists of investment income from marketable securities offset by investment management fees, and unrealized (loss) gain. The change in valuation of swap agreements includes adjustments for the market value of interest rate swap agreements.

(q) Net Contributions from the Foundation

Asante reports the net contributions from the Foundation activities as part of nonoperating income under the "other, net" classification. Net results from the Foundation for the years ended September 30 (in thousands) are as follows:

	2011	2010
Other operating revenue, including net investment income	\$ 835	625
Total operating revenue	835	625
Salaries and benefits	783	727
Supplies	133	85
Purchased services	272	353
Rent and utilities	23	35
Other	105	72
Total operating expenses	1,316	1,272
Operating loss	(481)	(647)
Unrealized (losses) gains on trading investments	(1,334)	904
(Deficit) excess of revenues over expenses	\$ (1,815)	257

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(r) Excess of Revenues over Expenses

The consolidated statements of operations report the excess of revenues over expenses and other changes in unrestricted net assets. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include transfers of assets to and from unconsolidated affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purposes of acquiring such assets).

(s) Federal and State Income Taxes

Asante has received a determination letter from the Internal Revenue Service stating that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. Management believes Asante is operated in a manner that qualifies it for tax-exempt status. Income taxes are provided for the tax effects of transactions unrelated to Asante's tax-exempt purpose reported in the consolidated financial statements, however, such activities are not significant to the consolidated financial statements. Asante does not believe that it has adopted any uncertain tax positions as defined by FASB ASC Subtopic 740-10 – *Income Taxes – Overall*.

(t) New Accounting Pronouncements

In 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-23, *Health Care Entities (Topic 954) Measuring Charity Care for Disclosure*. This ASU is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. This ASU requires that cost, including direct and indirect costs, be used as the measurement basis for charity care disclosure purposes and that the method used to identify or determine such costs be disclosed. This ASU is effective for Asante on October 1, 2011. Asante is currently evaluating the impact on its disclosures from the adoption of this standard.

In 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*. This ASU prohibits a healthcare entity from netting insurance recoveries against related claim liabilities for reporting purposes. Additionally, this ASU requires that the amount of the claim liability be determined without consideration of insurance recoveries. This ASU is effective for Asante on October 1, 2011. Asante is currently evaluating the impact on its financial position and results of operations from the adoption of this standard.

In 2011, the FASB issued ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, which provides financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts. This update provides information to assist financial statement users in assessing an entity's source of net patient service revenue and related changes in its allowance for doubtful accounts. The amendments require healthcare entities that recognize significant amounts of patient service revenue at the time the services are rendered, even though they do not assess the patient's ability to pay, to present the provision for bad debts related to patient service revenue as a deduction from patient service revenue in their statement of operations. This ASU is effective for Asante on October 1, 2012.

ASANTE HEALTH SYSTEM
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

(u) Reclassifications

Certain 2010 amounts have been reclassified to conform to the 2011 presentation

(3) Marketable Securities and Assets Whose Use Is Limited

The composition of marketable securities and assets whose use is limited at fair value at September 30 is as follows (in thousands)

	2011	2010
Corporate equity securities	\$ 145,977	156,042
Corporate bonds	67,557	73,043
Mutual funds	57,909	19,771
Exchange traded funds	49,763	57,578
U S government agency obligations	48,502	48,299
U S government obligations	20,509	16,333
Collateralized mortgage obligations	3,817	4,753
Cash, short-term deposits and other	3,755	12,677
Convertible preferred securities	2,797	3,666
Convertible bonds	1,515	2,786
	<u>402,101</u>	<u>394,948</u>
Less		
Assets whose use is limited, current portion	4,005	3,885
Assets whose use is limited, net of current portion	<u>16,862</u>	<u>36,003</u>
Marketable securities	<u>\$ 381,234</u>	<u>355,060</u>

Investment income for the years ended September 30 comprised the following elements (in thousands)

	2011	2010
Interest and dividends	\$ 12,376	9,703
Realized gains, net	<u>9,699</u>	<u>2,427</u>
	22,075	12,130
Less		
Investment fees	(1,870)	(1,010)
Other	<u>—</u>	<u>81</u>
	<u>\$ 20,205</u>	<u>11,201</u>

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

In accordance with ASC 820, financial assets and financial liabilities measured at fair value are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to estimate fair value. These levels are:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Level 2 valuations are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

The following table presents the balances of assets measured at fair value on a recurring basis at September 30, 2011 (in thousands)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
Assets				
Corporate equity securities				
Large cap value	\$ 61,997	—	—	61,997
Small/mid cap growth	60,361	—	—	60,361
Large cap growth	23,619	—	—	23,619
Total	<u>145,977</u>	<u>—</u>	<u>—</u>	<u>145,977</u>
Corporate bonds	—	67,557	—	67,557
Mutual funds				
Money market	45,993	—	—	45,993
Small cap fund	11,916	—	—	11,916
Total	<u>57,909</u>	<u>—</u>	<u>—</u>	<u>57,909</u>
Exchange traded international index funds	49,763	—	—	49,763
U S government agency obligations	—	48,502	—	48,502
U S government obligations	—	20,509	—	20,509
Collateralized mortgage obligations	—	3,817	—	3,817
Cash and cash equivalents	2,918	—	—	2,918
Convertible preferred securities	2,797	—	—	2,797
Convertible bonds	—	1,515	—	1,515
Certificates of deposit	—	837	—	837
Total	<u>\$ 259,364</u>	<u>142,737</u>	<u>—</u>	<u>402,101</u>

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

The following table presents the balances of assets measured at fair value on a recurring basis at September 30, 2010 (in thousands)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair value</u>
Assets				
Corporate equity securities				
Large cap value	\$ 61,407	—	—	61,407
Small/mid cap growth	57,189	—	—	57,189
Large cap growth	24,246	—	—	24,246
Mid cap	13,200	—	—	13,200
Total	<u>156,042</u>	<u>—</u>	<u>—</u>	<u>156,042</u>
Corporate bonds	—	73,043	—	73,043
Mutual funds				
Small cap fund	11,712	—	—	11,712
Money market	8,059	—	—	8,059
Total	<u>19,771</u>	<u>—</u>	<u>—</u>	<u>19,771</u>
Exchange traded international index funds	57,578	—	—	57,578
U S government agency obligations	—	48,299	—	48,299
U S government obligations	—	16,333	—	16,333
Collateralized mortgage obligations	—	4,753	—	4,753
Cash and cash equivalents	11,392	—	—	11,392
Convertible preferred securities	3,666	—	—	3,666
Convertible bonds	—	2,786	—	2,786
Certificates of deposit	—	1,285	—	1,285
Total	<u>\$ 248,449</u>	<u>146,499</u>	<u>—</u>	<u>394,948</u>

All investments held at September 30, 2011 and 2010 are able to be redeemed or liquidated on a daily basis with one or two days' notice

ASANTE HEALTH SYSTEM
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

(4) Property, Plant, and Equipment

Property, plant, and equipment, net as of September 30 consists of the following (in thousands)

	<u>2011</u>	<u>2010</u>
Land and land improvements	\$ 14,434	14,382
Buildings	277,408	273,522
Equipment and furniture	244,394	238,171
Leasehold improvements	82	82
Buildings under capital leases	5,414	5,234
	<u>541,732</u>	<u>531,391</u>
Less allowance for depreciation	<u>(329,113)</u>	<u>(308,610)</u>
	212,619	222,781
Construction in progress	29,453	13,168
	<u>\$ 242,072</u>	<u>235,949</u>

Depreciation expense, including depreciation expense on rental properties classified as nonoperating, for the years ended September 30, 2011 and 2010 was \$27,322,000 and \$28,154,000, respectively. Accumulated amortization for assets under capital lease obligations was \$2,686,000 and \$2,352,000 at September 30, 2011 and 2010, respectively.

(5) Other Assets

Other assets at September 30 consist of the following (in thousands)

	<u>2011</u>	<u>2010</u>
Unamortized bond issue costs	\$ 11,529	11,966
Investments in healthcare ventures	2,800	2,792
Other	5,974	5,932
	<u>\$ 20,303</u>	<u>20,690</u>

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(6) Long-Term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations at September 30 consist of the following (in thousands)

	<u>2011</u>	<u>2010</u>
The Hospital Facilities Authority of the City of Medford, Oregon Revenue Bonds Series 2002-A (net of unamortized discount of \$1 and \$1, respectively) maturing in varying annual amounts, due 2015	\$ 1,804	2,209
The Hospital Facilities Authority of the City of Medford, Oregon Revenue Bonds Series 2002-B maturing in varying annual amounts, due 2034	84,525	84,525
The Hospital Facilities Authority of the City of Medford, Oregon Revenue Bonds Series 2005-A, (net of unamortized discount of \$1,524 and \$1,577, respectively) maturing in varying annual amounts, due 2040	68,176	68,123
The Hospital Facilities Authority of the City of Medford, Oregon Revenue Bonds Series 2010, (net of unamortized premium of \$2,700 and \$2,793, respectively) maturing in varying annual amounts, due 2040	167,339	170,913
Capital lease obligations	<u>3,229</u>	<u>3,529</u>
Total long-term debt and capital lease obligations	325,073	329,299
Less current portion	<u>(4,337)</u>	<u>(4,206)</u>
Total long-term debt and capital lease obligations, net of current portion	<u>\$ 320,736</u>	<u>325,093</u>

ASANTE HEALTH SYSTEM
Notes to Consolidated Financial Statements
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Annual maturities of long-term debt and the future minimum capital lease obligations, excluding net bond premium/discounts of \$1.175 are as follows as of September 30, 2011 (in thousands)

	<u>Long-term debt</u>	<u>Capital lease obligations</u>
2012	\$ 4,005	463
2013	4,125	467
2014	4,265	499
2015	4,395	499
2016	4,085	501
Thereafter	299,795	1,931
	<u>320,670</u>	<u>4,360</u>
Less amounts representing interest – 4% and 8%	<u>—</u>	<u>1,131</u>
Net present value	320,670	3,229
Less current portion	<u>(4,005)</u>	<u>(332)</u>
Total long-term debt and capital lease obligations	<u>\$ 316,665</u>	<u>2,897</u>

A summary of interest cost and investment income on borrowed funds held by the trustee under the 1998 Series A and B Bond Indentures, the 2002 Series A and B Bond Indentures, and the 2005 A, the 2008 and the 2010 Bond Indentures during the years ended September 30, 2011 and 2010 are as follows (in thousands)

	<u>2011</u>	<u>2010</u>
Bond interest and amortization cost	\$ 12,399	13,672
Other interest	161	181
	<u>\$ 12,560</u>	<u>13,853</u>
Bond investment income	\$ 14	91

At September 30, 2011 and 2010, there were approximately \$0 and \$19,730,000 in bond funds held with the trustee

2010 Debt Restructure

In February 2010, Asante completed a debt restructuring that altered the nature of its outstanding long term debt. Asante exercised the option of converting the Series 2005A Bonds to the fixed rate mode, keeping the previously purchased insurance in place. At the same time, Asante paid down \$300,000 of the 2005A debt issue to account for the sale of assets whose use had changed.

The 2010 Bonds were issued as insured, fixed rate 30-year bonds, for the purpose of refunding the 2008 Bonds, terminating the three swap agreements, and establishing a project fund for future capital construction. The effect was to convert this debt from variable rate (auction) to fixed rate debt and to

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

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eliminate the volatility produced by the swap agreements. A letter of credit agreement related to the 2008 Bonds was terminated at the same time.

2002 Series A Bonds

The Series A Bonds were issued in February 2002. The bonds bear interest rates ranging from 4.0% to 4.6%.

2002 Series B Bonds

The Series B Bonds were issued in February 2002. The bonds are currently issued as seven-day auction rate bonds. Conversion to a different maturity period or to a fixed rate is available at Asante's option.

The interest on these bonds is reset every seven days by the auction process. Should current bondholders desire to sell more bonds than bids are received to purchase them, this would result in a failed auction. Failed auctions result in a reset of the interest rate for that issue at the failed auction rate (a calculated rate not to exceed 15.0% for 2002 Series B Bonds). A failed auction on these bonds does not result in a default or failure, but could result in higher interest costs.

The 2002 Series B Bond auctions failed February 14, 2008, and for each weekly auction thereafter through September 30, 2011. The average rate paid by Asante for the failed auction interest rate during the year was 0.189%. The rates for those failed auctions ranged between 0.045% and 0.390%.

2005 Series A Bonds

The Series A Bonds were issued in November 2005. The bonds were converted from seven-day auction rate bonds to fixed rate bonds in February 2010. The bonds bear interest at a rate of 5.0%.

2010 Series Bonds

The 2010 Bonds were issued in February 2010. The bonds were issued as fixed rate securities, with maturities beginning in 2011 and final maturity in 2040. The bonds bear interest ranging from 3.0% to 5.5%.

1998 Series A and 2008 Series Bonds

The 1998 Series A and 2008 Series Bonds were issued in May 1998 and October 2008, respectively. The 1998 Series A bonds were fully repaid on September 29, 2010. The 2008 Series Bonds were refinanced as part of the February 2010 bond issue.

Interest Rate Swaps

Asante entered into three interest rate swap agreements with Merrill Lynch in 2008. These agreements set a fixed rate Asante would pay each month, in exchange for receiving a variable rate from Merrill Lynch. Each of these agreements was in effect for the full term of the respective bond issues and the notional amount was close to the full amount of the respective outstanding bonds. For the Series 2002B Bonds, Asante paid 4.18% in exchange for a variable rate based on 67% of one-month LIBOR. Asante paid 3.49% for the Series 2005A Bonds in exchange for a variable rate based on 63% of one-month LIBOR plus 0.21%. Asante paid 3.45% for the Series 2005B Bonds in exchange for a variable rate based on 63% of

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

one-month LIBOR plus 0.21%. The swaps contained provisions for posting of collateral. Asante has reflected the current value of these swap agreements within the other long-term liabilities classification in the accompanying consolidated balance sheets. The change in value has been included as part of nonoperating income in the accompanying consolidated statements of operations. The values were determined by long-term interest rate differences between Asante's fixed rate and the variable rate as adjusted for the credit rating of issuer and counterparty. Asante terminated these three swap agreements in January 2010 as part of the 2010 bond issue.

Line of Credit and Guarantees

Asante has a \$5,000,000 revolving line-of-credit arrangement with a commercial bank. The line of credit has as an interest rate of the daily LIBOR plus 0.90% (1.14% at September 30, 2011). No amounts were drawn on this line of credit as of September 30, 2011 and for the year ended. The line of credit expires on July 1, 2012.

Asante guarantees a loan for CVI Real Property, LLC, which owns a building on the RVMC campus. The amount of this loan was \$3,959,000 and \$4,070,000 at September 30, 2011 and September 30, 2010, respectively.

Asante has a 25% guarantee of indebtedness for CVISO Management Company, LLC. This guarantee is for cardiac catheterization equipment and furnishings in an amount up to \$3,000,000 for the loan and operating line of credit in an amount up to \$500,000. The loan balance was \$0 and \$80,000 at September 30, 2011 and 2010, respectively. There was no balance outstanding on the line of credit at September 30, 2011.

Debt Covenants

The bond indentures and other loan agreements contain, among other things, provisions placing restrictions on additional borrowings and leases and requiring the maintenance of debt service coverage and other ratios. Management believes that Asante is in compliance with these covenants as of September 30, 2011.

(7) Retirement Plan

Asante sponsors the Asante Retirement Plan and Trust, a defined contribution plan, which has two components, the Matching Plan and the Basic Plan. In the Matching Plan, Asante matches the employee's pretax contributions with \$0.50 for each dollar, capped at 3% of salary. Under the Basic Plan, Asante contributes 3% of the employee's salary to a tax deferred account. All eligible employees receive this contribution, whether or not they contribute to a tax deferred account. To be eligible for both the Basic and Matching Plans, employees must work at least one year and maintain a work level of at least 1,000 hours a year. Contributions are funded every two weeks and are fully and immediately vested. Costs related to these defined contribution plans by Asante totaled approximately \$9,185,000 and \$8,700,000 for the years ended September 30, 2011 and 2010, respectively.

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Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(8) Net Patient Service Revenue

Asante has agreements with Medicare and Medicaid programs and various other payors, which provide for payments to Asante at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare/Medicaid – Inpatient acute care services rendered to these program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The majority of Medicare outpatient services are reimbursed based on the prospective payment system known as Ambulatory Payment Classification. Asante is reimbursed for cost reimbursable items at a tentative rate, with final settlement determined after submission of annual cost reports by Asante and audits thereof by the third-party payors.

Adjustments from finalization and adjustment of prior years' cost reports and other third-party settlement estimates resulted in an increase in net patient service revenues of approximately \$689,000 and \$764,000 for the years ended September 30, 2011 and 2010, respectively.

For the year ended September 30, 2011, Asante recorded \$1,932,000 of other operating revenue related to MediCaid compensation for meaningful use of electronic health records. This amount may be subject to future audits.

In fiscal year 2010, the Centers for Medicare and Medicaid Services (CMS) began recovery audits (RAC) to identify and recover overpayments to providers. At September 2011 and 2010, Asante recorded estimated settlement liabilities of approximately \$2,575,000 and \$2,500,000 for estimated RAC audit findings.

The composition of significant third-party payors for the years ended September 30, as a percentage of patient service revenues, is as follows:

	2011	2010
Medicare	54%	52%
Commercial and other insurance	25	27
Medicaid	15	15
Self-pay	6	6
	100%	100%

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Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(9) Charity and Community Benefit

Asante provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Asante also provides services to patients covered under government programs that pay less than established costs. The estimated charges foregone for these programs, plus other educational and community programs provided at no cost at September 30, are summarized in the chart below (in thousands)

	<u>2011</u>	<u>2010</u>
Cost of charges foregone		
Charity care services	\$ 22,889	24,683
Medicaid services	19,504	17,780
Other public services	2,856	2,766
Total charity and government programs	<u>45,249</u>	<u>45,229</u>
Cost of other programs		
Sponsorships and donations	194	196
Community education and other	11,600	10,626
Total direct community programs	<u>11,794</u>	<u>10,822</u>
Total community benefit	<u>\$ 57,043</u>	<u>56,051</u>

In addition to the community benefit summarized above, Asante provides services to Medicare patients for which reimbursement is estimated by management to be less than cost by approximately \$60,364,000 and \$50,189,000 for the years ended September 30, 2011 and 2010, respectively.

Asante prides itself on providing high quality, accessible, and cost-effective care in all areas, thus allowing it to achieve its mission, which includes offering a broad range of health programs and services to the community. In some cases, the revenues from these needed programs do not cover the costs of the program. These programs are offered due to community need, and so reflect additional support provided by Asante to the community. Among these services are Behavioral Health programs, Obstetrics, Maternal Fetal Medicine, Lab Outreach programs, and Child Development Services.

Sponsorships and donations include funds donated to social service and community agencies for healthcare and community related activities.

Community education includes programs offered by Asante to support and improve the quality of healthcare programs and services available to the residents of Southern Oregon and Northern California. The programs are low cost or free to participants. Examples include health programs for women and children, senior wellness services, health screenings, and immunizations.

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(10) Functional Classification of Operating Expenses

The following is a summary of management's functional classification of operating expenses for the years ended September 30 (in thousands)

		<u>2011</u>	<u>2010</u>
Patient care services	\$	366,382	342,700
Support services and administrative costs		<u>109,764</u>	<u>105,777</u>
	\$	<u>476,146</u>	<u>448,477</u>

(11) Fair Value Measurements

The estimated fair value of certain assets and liabilities is reflected in the accompanying consolidated balance sheets in the following manner: the carrying amount of cash and cash equivalents, accounts receivable, inventory, accounts payable, accrued payroll, payroll taxes and related benefits, other current liabilities, and estimated reimbursement due to governmental agencies approximates fair value of these instruments due to short-term maturities. Fair values of marketable securities and assets whose use is limited are based on quoted market prices, if available, or estimated using quoted market prices for similar securities.

The fair value of long-term debt is shown below (in thousands)

		<u>2011</u>		<u>2010</u>	
		<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Long-term debt and capital lease obligations	\$	325,073	336,419	329,299	343,126

(12) Investments in Healthcare Ventures

Asante has the following investments in healthcare ventures at September 30 (in thousands)

	<u>Ownership</u>		<u>2011</u>	<u>2010</u>
Grants Pass Surgery Center, LLC	35%	\$	508	482
Surgery Center of Southern Oregon, LLC	20		973	901
CVI Real Property, LLC	25		426	443
CVISO Management Company, LLC	25		200	143
Siskiyou Imaging, LLC	33		211	245
Southern Oregon Linen Services	34		538	532
Others	varies		<u>(56)</u>	<u>46</u>
		\$	<u>2,800</u>	<u>2,792</u>

ASANTE HEALTH SYSTEM

Notes to Consolidated Financial Statements

September 30, 2011 and 2010

The investments in these ventures are accounted for on the equity method and are included in other assets, net, on the accompanying consolidated balance sheets. Income (net) from the equity investments in joint ventures, which was \$1,392,000 and \$2,701,000 for the years ended September 30, 2011 and 2010, respectively, is included in other operating revenue in the accompanying consolidated statements of operations. During the year ended September 30, 2010, Asante sold its ownership in Oregon Advanced Imaging, LLC and recorded a gain of approximately \$4,260,000 associated with this transaction.

(13) Commitments and Contingencies

(a) *Operating Leases*

Asante leases various buildings, office space, and equipment under noncancelable operating leases. These leases expire at various times and have various renewal options. Rent expense related to these leases was \$2,926,000 and \$3,494,000 for the years ended September 30, 2011 and 2010, respectively. Future minimum lease commitments at September 30, 2011 under noncancelable operating leases with initial terms of one year or more are as follows (in thousands):

2012	\$	1,481
2013		1,104
2014		426
2015		233

(b) *Litigation*

Asante is involved in litigation and other routine regulatory investigations arising in the ordinary course of business. In management's opinion, after consultation with legal counsel, these matters will be resolved without material adverse effect on Asante's consolidated financial position or results from operations.

(c) *Regulatory Environment*

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government agencies are actively conducting investigations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that Asante is in compliance with the fraud and abuse regulations as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

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Notes to Consolidated Financial Statements

September 30, 2011 and 2010

(d) *Collective Bargaining Agreements*

Approximately 18.2% of Asante employees are covered by a collective bargaining agreement. All are bedside nurses with the Oregon Nurses Association. One contract covers all of the employees in this bargaining unit, and the current contract expires June 30, 2014.

(14) Subsequent Events

Asante has evaluated the impact of subsequent events through December 16, 2011, the date on which the consolidated financial statements were issued, and has determined that all subsequent events have been appropriately reflected in the accompanying consolidated financial statements.

OTHER FINANCIAL INFORMATION

ASANTE HEALTH SYSTEM

Consolidating Schedule – Balance Sheet Information

September 30, 2011

(In thousands)

Assets	Asante obligated group	Other affiliates	Eliminations	Consolidated total
Current assets				
Cash and cash equivalents	\$ 17,446	1,185	—	18,631
Assets whose use is limited, current portion	4,005	—	—	4,005
Patient accounts receivable, net	68,507	44	—	68,551
Accrued interest and other receivables	4,008	38	—	4,046
Inventories	3,826	—	—	3,826
Prepaid expenses	4,794	7	—	4,801
Total current assets	102,586	1,274	—	103,860
Intercompany receivable/(payable)	2,246	(2,246)	—	—
Assets whose use is limited				
Restricted by donors	—	3,831	—	3,831
Board-designated assets	4,005	13,031	—	17,036
Less amount required to meet current obligations	4,005	—	—	4,005
	—	16,862	—	16,862
Property, plant, and equipment, net	242,072	—	—	242,072
Land held for future use	12,960	—	—	12,960
Marketable securities	364,332	16,902	—	381,234
Beneficial interest in the Foundation	16,203	—	(16,203)	—
Other assets, net	20,008	295	—	20,303
Total assets	\$ 760,407	33,087	(16,203)	777,291

ASANTE HEALTH SYSTEM

Consolidating Schedule – Balance Sheet Information

September 30, 2011

(In thousands)

Liabilities and Net Assets	Asante obligated group	Other affiliates	Eliminations	Consolidated total
Current liabilities				
Accounts payable	\$ 7,963	132	—	8,095
Payroll, payroll taxes, and related benefits	20,741	38	—	20,779
Self insurance liability, current portion	6,559	636	—	7,195
Estimated reimbursement due to governmental agencies, net	5,748	—	—	5,748
Other current liabilities	11,770	149	—	11,919
Current portion of long-term and capital lease obligations	4,337	—	—	4,337
Total current liabilities	57,118	955	—	58,073
Long-term debt and capital lease obligations, net of current portion	320,736	—	—	320,736
Other long-term liabilities	9,749	3,605	—	13,354
Total liabilities	387,603	4,560	—	392,163
Net assets				
Unrestricted	368,973	24,696	(12,372)	381,297
Temporarily restricted	674	674	(674)	674
Permanently restricted	3,157	3,157	(3,157)	3,157
Total net assets	372,804	28,527	(16,203)	385,128
Total liabilities and net assets	\$ 760,407	33,087	(16,203)	777,291

See accompanying independent auditors' report

ASANTE HEALTH SYSTEM

Consolidating Schedule – Operations and Changes in Net Assets Information

Year ended September 30, 2011

(In thousands)

	Asante obligated group	Other affiliates	Eliminations	Consolidated total
Unrestricted revenues, gains, and other support				
Net patient service revenue	\$ 486,888	133	—	487,021
Other operating revenue	14,924	2,503	(2,683)	14,744
Total revenues, gains, and other support	501,812	2,636	(2,683)	501,765
Operating expenses				
Salaries and benefits	254,558	—	—	254,558
Supplies	94,691	—	—	94,691
Purchased services	27,781	25	—	27,806
Professional fees	6,893	490	—	7,383
Repairs and maintenance	10,540	—	—	10,540
Insurance	5,194	2,957	(2,087)	6,064
Rent and utilities	7,794	—	—	7,794
Bad debts	8,741	—	—	8,741
Interest	12,560	—	—	12,560
Depreciation	26,205	—	—	26,205
Other	19,583	221	—	19,804
Total operating expenses	474,540	3,693	(2,087)	476,146
Operating income (loss)	27,272	(1,057)	(596)	25,619
Nonoperating (loss)	(6,012)	(1,741)	2,410	(5,343)
Excess (deficit) of revenues over expenses	21,260	(2,798)	1,814	20,276
Net assets released from restrictions used for purchases of property, plant, and equipment, and other	1,412	—	—	1,412
Increase (decrease) in unrestricted net assets	22,672	(2,798)	1,814	21,688
Temporarily restricted net assets				
Contributions and investment income	1,987	1,987	(1,987)	1,987
Net assets released from restrictions	(2,373)	(2,373)	2,373	(2,373)
Decrease in temporarily restricted net assets	(386)	(386)	386	(386)
Permanently restricted net assets				
Contributions and investment income	216	215	(215)	216
Increase in permanently restricted net assets	216	215	(215)	216
Increase (decrease) in net assets	22,502	(2,969)	1,985	21,518
Net assets, beginning of year				
Unrestricted net assets	346,301	27,495	(14,187)	359,609
Temporarily and permanently restricted net assets	4,001	4,001	(4,001)	4,001
Net assets, end of year	\$ 372,804	28,527	(16,203)	385,128

See accompanying independent auditors' report

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBTS RESULT WHEN A PATIENT WHO HAS BEEN DETERMINED TO HAVE THE FINANCIAL CAPACITY TO PAY FOR HEALTHCARE SERVICES IS UNWILLING TO SETTLE THE CLAIM OR DOES NOT PROVIDE FINANCIAL INFORMATION TO ACCESS CAPACITY CALCULATION (BAD DEBTS AT FORGONE REVENUE AMOUNT) X (OPERATING EXPENSES EXCLUDING BAD DEBTS) / (GROSS REVENUE)) = BAD DEBT EXPENSE AT COST

Identifier	ReturnReference	Explanation
		PART III, LINE 8 CERTAIN GOVERNMENT SPONSORED HEALTH INSURANCE COMPANIES, SUCH AS MEDICARE AND MEDICAID, PAY A SIGNIFICANTLY REDUCED AMOUNT FOR MEDICAL SERVICES RENDERED TO THEIR INSUREES IN MOST CASES, THE AMOUNT PAID DOES NOT EVEN COVER THE EXPENSES OF RENDERING SERVICES ASANTE CONSIDERS THE DIFFERENCE BETWEEN THE EXPENSES OF RENDERING SERVICES TO MEDICARE AND MEDICAID PATIENTS, AND THE AMOUNT OF NET REIMBURSEMENT FROM THESE GOVERNMENT SPONSORED INSURANCE COMPANIES A COMMUNITY BENEFIT CALCULATION TOTAL MEDICARE PAYMENTS PER COST REPORT LESS TOTAL MEDICARE COSTS PER COST REPORT = UNRECOVERED MEDICARE COST PER COST REPORT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF THERE IS AN INDICATION THAT A PATIENT MAY BE UNABLE TO PAY THEIR BILL, A FINANCIAL QUESTIONNAIRE IS GIVEN OR SENT TO THE PATIENT ON RECEIPT OF THE COMPLETED QUESTIONNAIRE, THE BUSINESS OFFICE WILL DETERMINE ELIGIBILITY FOR FINANCIAL ASSISTANCE AND NOTIFY THE PATIENT WITHIN 20 DAYS ELIGIBILITY IS DETERMINED BASED UPON THE QUESTIONNAIRE AND ON FINANCIAL DOCUMENTS, SUCH AS TAX RETURNS, SSI STATEMENTS, PAYCHECK STUBS, AND FSA/HSA INFORMATION THE PATIENT'S OTHER FINANCIAL OBLIGATIONS, NUMBER OF DEPENDENTS, ASSETS AND OTHER FINANCIAL CIRCUMSTANCES ARE CONSIDERED OFTEN, A PATIENT WILL NOT PROVIDE A FINANCIAL QUESTIONNAIRE, SO THE BUSINESS OFFICE WILL USE SOFT CREDIT CHECKS AND ZIP CODES+4 TO HELP DETERMINE ELIGIBILITY THE PERCENTAGE OF FINANCIAL ASSISTANCE PROVIDED IS BASED UPON A SLIDING SCALE TABLE THAT UTILIZES THE PATIENT FAMILY'S INCOME AS A PERCENTAGE OF THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
ROGUE VALLEY MEDICAL CENTER		PART V, SECTION B, LINE 13G PARTIAL INFORMATION, BUT NOT THE ENTIRE POLICY, ABOUT APPLYING FOR FINANCIAL AID IS PRINTED ON THE PATIENT'S BILLING STATEMENT IF A PATIENT WISHES TO APPLY FOR FINANCIAL AID, THEY ARE DIRECTED TO CALL THE HOSPITAL FOR A FINANCIAL ASSISTANCE APPLICATION

Identifier	ReturnReference	Explanation
THREE RIVERS COMMUNITY HOSPITAL		PART V, SECTION B, LINE 13G PARTIAL INFORMATION, BUT NOT THE ENTIRE POLICY, ABOUT APPLYING FOR FINANCIAL AID IS PRINTED ON THE PATIENT'S BILLING STATEMENT IF A PATIENT WISHES TO APPLY FOR FINANCIAL AID, THEY ARE DIRECTED TO CALL THE HOSPITAL FOR A FINANCIAL ASSISTANCE APPLICATION

Identifier	ReturnReference	Explanation
ROGUE VALLEY MEDICAL CENTER		PART V, SECTION B, LINE 15E IF OTHER ACTIONS HAVE PROVEN INEFFECTIVE, ASANTE WILL ATTEMPT TO GARNISH WAGES

Identifier	ReturnReference	Explanation
THREE RIVERS COMMUNITY HOSPITAL		PART V, SECTION B, LINE 15E IF OTHER ACTIONS HAVE PROVEN INEFFECTIVE, ASANTE WILL ATTEMPT TO GARNISH WAGES

Identifier	ReturnReference	Explanation
ROGUE VALLEY MEDICAL CENTER		PART V, SECTION B, LINE 16E IF OTHER ACTIONS HAVE PROVEN INEFFECTIVE, ASANTE WILL ATTEMPT TO GARNISH WAGES

Identifier	ReturnReference	Explanation
THREE RIVERS COMMUNITY HOSPITAL		PART V, SECTION B, LINE 16E IF OTHER ACTIONS HAVE PROVEN INEFFECTIVE, ASANTE WILL ATTEMPT TO GARNISH WAGES

Identifier	ReturnReference	Explanation
ROGUE VALLEY MEDICAL CENTER		PART V, SECTION B, LINE 19D ASANTE WILL GIVE AN AUTOMATIC 15% REDUCTION OF CHARGES FOR NON-INSURED SELF PAY PATIENTS ASANTE WILL GIVE ANOTHER 15% DISCOUNT IF THE PATIENT PAYS IN FULL BEFORE THE ACCOUNT BILLS

Identifier	ReturnReference	Explanation
THREE RIVERS COMMUNITY HOSPITAL		PART V, SECTION B, LINE 19D ASANTE WILL GIVE AN AUTOMATIC 15% REDUCTION OF CHARGES FOR NON-INSURED SELF PAY PATIENTS ASANTE WILL GIVE ANOTHER 15% DISCOUNT IF THE PATIENT PAYS IN FULL BEFORE THE ACCOUNT BILLS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 ASANTE'S FIVE PRIMARY SOURCES OF INPUT INCLUDE THE COMMUNITY LEADERS FORUM, THE ENVIRONMENTAL ASSESSMENT, THE COMMUNITY ASSESSMENT SURVEY, FORMAL CONVERSATIONS WITH OUR COLLABORATORS, AND IDENTIFIED STRATEGIC PLAN GAPS FROM THE PREVIOUS YEAR

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE FINANCIAL ACCESS SPECIALISTS, CREDIT ANALYSTS, AND REGISTRATION PERSONNEL WORK WITH THE PATIENT EITHER AT THE TIME OF SCHEDULING, ARRIVAL AT THE HOSPITAL, OR DURING THE BILLING PROCESS IF THE PATIENT DISCLOSES THEY WILL HAVE DIFFICULTY PAYING, WE ASSIST THEM APPLYING FOR THE OREGON HEALTH PLAN, FINANCIAL ASSISTANCE, OR A PAYMENT PLAN BASED UPON INCOME AND EXPENSES, A PATIENT MAY BE ELIGIBLE FOR CHARITY CARE WRITE-OFF OF BETWEEN 10% AND 100% OF THEIR BILL

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE MOST NOTABLE FACT ABOUT THE DEMOGRAPHICS OF OUR SERVICE AREA IS THAT WE HAVE A RATHER ELDERLY POPULATION, BOTH IN OUR PRIMARY SERVICE AREA OF JACKSON AND JOSEPHINE COUNTIES, BUT ALSO OUR SECONDARY SERVICE AREA OF NORTHERN CALIFORNIA AND SOUTHERN OREGON IN FISCAL 2011, PATIENTS 65+ ACCOUNTED FOR 39 21% AND 47 37% OF ADMISSIONS AT RVMC AND TRCH RESPECTIVELY FOR THE NEXT 20 YEARS, THE 65+ AGE GROUP IS FORECAST TO BE THE FASTEST GROWING SEGMENT OF THE POPULATION IN ADDITION, THE OVERALL POPULATION GROWTH OF OUR PRIMARY SERVICE AREA IS ALSO FORECAST TO AVERAGE 1% PER YEAR FOR THE NEXT 30 YEARS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 ALONG WITH PROVIDING QUALITY HEALTHCARE, ASANTE FURTHERS ITS EXEMPT PURPOSE AND FULFILLS ITS MISSION TO THE COMMUNITY BY PROVIDING OR SUBSIDIZING NUMEROUS CLASSES, SUPPORT GROUPS, HEALTH FAIRS, AND SELF-HELP PROGRAMS THESE PROGRAMS ARE AT NO OR LOW COST TO THE PUBLIC THE ASANTE COMMUNITY HEALTH EDUCATION PROGRAM IS AN ONGOING, NO COST PROGRAM, OPEN TO ALL COMMUNITY MEMBERS IN FY 2011, OVER 40 COMMUNITY HEALTH EDUCATION CLASSES WERE OFFERED AT RVMC AND TRCH ON AVERAGE, ATTENDANCE WELL EXCEEDED 75 PEOPLE AT EACH EVENT ASANTE ALSO PROMOTES AND EXTENDS PATIENT CARE BY PROVIDING SPACE AND MATERIALS TO APPROXIMATELY 30 SUPPORT GROUPS ASANTE HOSPICE, RVMC AND TRCH CANCER SERVICES, AND RVMC/TRCH WOMEN AND CHILDREN'S SERVICES PROVIDE STAFF, RESOURCES AND ORGANIZATIONAL SUPPORT FOR VARIOUS WELL-ATTENDED SUPPORT GROUPS AND DEDICATIONAL EVENTS, SUCH AS "CANCER SURVIVOR'S DAY" MANY OTHER SUPPORT GROUPS ARE COMMUNITY-LED, BUT LOGISTICALLY SUPPORTED BY ASANTE HEALTH SYSTEM AND AFFILIATED CLINICAL STAFF MEMBERS THE SMULLIN EDUCATION CENTER HOUSES COMMUNITY AND HEALTHCARE RELATED EVENTS ALONG WITH THE ASANTE COMMUNITY HEALTH EDUCATION PROGRAM AND SUPPORT GROUPS, SMULLIN HOSTED OVER 400 EVENTS OPERATIONALLY, ASANTE HEALTH SYSTEM SUPPORTS THESE EVENTS BY PROVIDING SALAIRES, BENEFITS, SUPPLIES AND CLASSROOM SPACE ADDITIONALLY, ASANTE IS THE SOLE SUPPORT OF THE FRANCIS CHENEY FAMILY PLACE AND THE THREE RIVERS FAMILY HOUSE MUCH LIKE THE RONALD MCDONALD HOUSE, THESE HOUSES PROVIDE LOW-COST TEMPORARY LODGING FOR FAMILIES OF PATIENTS AT RVMC OR TRCH DONATIONS ARE ACCEPTED, BUT NO ONE IS DENIED LODGING FOR AN INABILITY TO CONTRIBUTE ASANTE HEALTH SYSTEM HAS SEVERAL CLINICAL DEPARTMENTS THAT PROVIDE NON-BILLED SERVICES TO COMMUNITY MEMBERS THESE DEPARTMENTS INCLUDE THE STERILE PROCESSING DEPARTMENT, IMAGING DEPARTMENT, RVMC/TRCH PHARMACIES (BOTH HOSPITAL AND RETAIL), SOCIAL SERVICES, RESOURCE MANAGEMENT, SENIOR TRANSPORTATION, AND THE SUPPORTIVE CARE TEAM RVMC ALSO PROVIDES FREE LAB WORK TO THE PATIENTS OF THE COMMUNITY HEALTH CENTERS THE ASANTE HEALTH SYSTEM STRIVES TO MEET THEIR ON-GOING MISSION ASANTE EXISTS TO PROVIDE QUALITY HEALTHCARE SERVICES IN A COMPASSIONATE MANNER, VALUED BY THE COMMUNITIES WE SERVE</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 ASANTE IS A COMMUNITY OWNED AND GOVERNED NOT-FOR-PROFIT HEALTH SYSTEM PROVIDING COMPREHENSIVE HEALTHCARE SERVICES TO MORE THAN 550,000 RESIDENTS IN NINE COUNTIES THROUGHOUT SOUTHERN OREGON AND NORTHERN CALIFORNIA THE SYSTEM WAS FORMED IN 1995 TO INCLUDE ROGUE VALLEY MEDICAL CENTER (RVMC) IN MEDFORD, AND THREE RIVERS COMMUNITY HOSPITAL (TRCH) IN GRANTS PASS IN 2003, ASANTE FORMED ASANTE COMMUNITY SERVICES, WHICH PROVIDES OCCUPATIONAL HEALTH AND PHYSICIAN SERVICES

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	OR

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		<p>POLICY SUMMARY THE FEDERAL FORMS 990 AND 990-T ARE FEDERALLY MANDATED LEGAL DOCUMENTS THAT ARE HIGHLY REGULATED WITHIN ASANTE, THEY ARE TO BE PREPARED BY PERSONNEL IN THE ACCOUNTING DEPARTMENT ADDITIONAL ASSISTANCE WILL BE PROVIDED BY PERSONNEL IN THE MARKETING, COMPLIANCE, AND EXECUTIVE DEPARTMENTS BEFORE FINAL SUBMISSION OF THE DOCUMENTS, THEY ARE TO HAVE ASANTE BOARD REVIEW POLICY DETAILS 1 WHEN FINAL AUDITED FINANCIAL INFORMATION IS AVAILABLE, ACCOUNTING PERSONNEL WILL COMPILE THE NEEDED INFORMATION TO PREPARE THE APPROPRIATE TAX RETURNS FOR THE PRIOR FISCAL YEAR 2 AS NEEDED, ACCOUNTING WILL FILE ALL APPROPRIATE EXTENSIONS ON A TIMELY BASIS HOWEVER, THE FINAL SUBMISSION CAN NEVER BE EXTENDED PAST AUGUST 15TH OF THE YEAR FOLLOWING THE FISCAL YEAR BEING FILED 3 IN ADDITION TO NORMAL PREPARATION, ACCOUNTING PERSONNEL WILL COORDINATE WITH PERSONNEL IN MARKETING, COMPLIANCE, AND POSSIBLY THE EXECUTIVE DEPARTMENTS IN PREPARING THE VARIOUS SCHEDULES NEEDED TO COMPLETE THE RETURN ALL WORK PAPERS ARE TO BE RETAINED IN A PERMANENT FILE 4 WHEN ALL NECESSARY INFORMATION HAS BEEN COMPILED, IT IS TO BE LOADED INTO APPROPRIATE TAX SOFTWARE 5 WHEN COMPLETED, A DRAFT RETURN WILL BE REVIEWED BY THE CHIEF ADMINISTRATIVE AND FINANCE OFFICER AFTER THE REVIEW, ACCOUNTING WILL CLEAR ALL REVIEW NOTES AND COMMENTS 6 ONCE REVIEWED BY THE CAFO, AN ADDITIONAL REVIEW WILL BE PERFORMED BY AN OUTSIDE CPA FIRM ACCOUNTING WILL AGAIN CLEAR ANY ADDITIONAL REVIEW NOTES AND COMMENTS SUBMITTED BY THE OUTSIDE CPA 7 THE CHIEF EXECUTIVE OFFICER AND MEMBERS OF THE BOARD OF DIRECTORS WILL LOOK OVER THE FINAL SET OF RETURNS AND MAKE FURTHER COMMENTS AND CORRECTIONS, AS IS APPROPRIATE 8 ONCE ALL REVIEWS AND CORRECTIONS ARE MADE, THE CAFO WILL SIGN ALL APPROPRIATE RETURNS FOR FILING 9 ALL RETURNS WILL THEN BE FILED EITHER ELECTRONICALLY OR PAPER COPY WITH THE APPROPRIATE GOVERNMENT AGENCY A COPY OF EACH RETURN IS TO BE KEPT IN THE ACCOUNTING DEPARTMENT AND A COPY OF THE 990 AND 990-T WILL BE KEPT AT CORPORATE HEADQUARTERS FOR PUBLIC DISPLAY AND COPYING, AS REQUESTED</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH YEAR, ASANTE MAILS TO ALL ASANTE MANAGEMENT, KEY EMPLOYEES, AND BOARD MEMBERS A CONFLICT OF INTEREST QUESTIONAIRE TO COMPLY WITH ASANTE'S CONFLICT OF INTEREST POLICY# 400-LD-034 AND 036 THE PURPOSE OF THE POLICY IS TO PROTECT ASANTE'S INTERESTS WHEN IT IS CONTEMPLATING ENTERING INTO A TRANSACTION OR ARRANGEMENT THAT MIGHT BENEFIT THE PRIVATE INTERESTS OF A BOARD MEMBER OR OFFICER OF THE CORPORATION IN ADDITION, ALL ASANTE EMPLOYEES HAVE AN OBLIGATION TO DISCLOSE CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS TO THEIR SUPERVISOR THE CORPORATE COMPLIANCE OFFICER IS RESPONSIBLE FOR ADMINISTERING, MONITORING, AND INVESTIGATING ANY POSSIBLE CONFLICTS AND MAKE AN ANNUAL REPORT TO THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS ANNUALLY REVIEWS THE COMPENSATION OF THE CEO AND OTHER KEY EMPLOYEES. THE REVIEW COMPARES THE COMPENSATION OF THE CEO AND OTHER KEY EMPLOYEES WITH COMPENSATION DATA FOR JOB INCUMBENTS IN COMPARABLE POSITIONS AT OTHER HEALTHCARE ORGANIZATIONS OF SIMILAR SIZE AND SCOPE. THE DATA IS PROVIDED AND PRESENTED TO THE COMPENSATION COMMITTEE BY AN OUTSIDE CONSULTANT. THE COMPENSATION COMMITTEE SETS THE ACTUAL ANNUAL CASH COMPENSATION FOR THE CEO AND SALARY RANGES FOR THE OTHER KEY EMPLOYEES. THE COMMITTEE ALSO SETS TOTAL COMPENSATION OPPORTUNITY FOR THE CEO AND EACH OF THE KEY EMPLOYEES, CONSISTENT WITH THE EXECUTIVE COMPENSATION PHILOSOPHY. MINUTES OF THE COMMITTEE DELIBERATIONS AND DECISIONS ARE RECORDED AND MAINTAINED. THE MOST RECENT EXECUTIVE COMPENSATION REVIEW WAS COMPLETED IN 2011.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	CURRENTLY, ASANTE DOES NOT MAKE AVAILABLE TO THE GENERAL PUBLIC COPIES OF ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, OR ITS FINANCIAL STATEMENTS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -20,379,119 EQUITY IN JOINT VENTURES 646,519 DONATED CAPITAL AND FAS 47 1,415,428 TOTAL TO FORM 990, PART XI, LINE 5 -18,317,172