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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**Return of Organization Exempt From Income Tax**

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

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

**A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011**

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

**C Name of organization**  
ST JOSEPH HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
4295 HEMPSTEAD TURNPIKE

City or town, state or country, and ZIP + 4  
BETHPAGE, NY 117145713

**D Employer identification number**  
11-3438973

**E Telephone number**  
(516) 520-2250

**G Gross receipts \$** 102,610,123

**F Name and address of principal officer**  
ALAN D GUERCI MD  
4295 HEMPSTEAD TURNPIKE  
BETHPAGE, NY 117145713

- 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.STJOSEPHHOSPITALNY.ORG

**K Form of organization**  Corporation  Trust  Association  Other ▶ **L Year of formation** 1999 **M State of legal domicile** NY

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities ST JOSEPH HOSPITAL, A MEMBER OF CATHOLIC HEALTH SERVICES OF LONG ISLAND(CHS), AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUES CHRIST'S HEALING MISSION, PROMOTES EXCELLENCE IN CARE, AND COMMITS ITSELF TO THOSE IN NEED CHS AFFIRMS THE SANCTITY OF LIFE, ADVOCATES FOR THE POOR AND UNDERSERVED AND SERVES THE COMMON GOOD CHS CONDUCTS ITS HEALTHCARE PRACTICE, BUSINESS, EDUCATION, AND INNOVATION WITH JUSTICE, INTEGRITY, AND RESPECT FOR THE DIGNITY OF EACH PERSON		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	11
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	5
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b>	1,006
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	30
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	153,586	256,180
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	103,916,568	99,192,724
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	39,486	21,262
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,080,208	3,053,425
		107,189,848	102,523,591
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	58,113,955	60,391,117
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	47,013,277	45,287,065
<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	105,127,232	105,678,182	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	2,062,616	-3,154,591	
<b>Net Assets or Fund Balances</b>		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16)	63,721,679	67,590,845
	<b>21</b> Total liabilities (Part X, line 26)	52,275,285	59,299,042
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	11,446,394	8,291,803	

**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: \*\*\*\*\*  
 Date: 2013-01-11

ALAN D GUERCI MD CEO  
 Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature: THOMAS LANNING  
 Date: \_\_\_\_\_  
 Check if self-employed

Preparer's taxpayer identification number (see instructions): P00851654

Firm's name (or yours if self-employed), address, and ZIP + 4: COHNREZNICK LLP  
 4 BECKER FARM ROAD  
 ROSELAND, NJ 070681739

EIN: 22-1478099  
 Phone no: (973) 228-3500

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

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III  Yes  No

**1** Briefly describe the organization's mission

ST JOSEPH HOSPITAL, A MEMBER OF CATHOLIC HEALTH SERVICES OF LONG ISLAND (CHS), AS A MINISTRY OF THE CATHOLIC CHURCH, CONTINUES CHRIST'S HEALING MISSION, PROMOTES EXCELLENCE IN CARE, AND COMMITS ITSELF TO THOSE IN NEED CHS AFFIRMS THE SANCTITY OF LIFE, ADVOCATES FOR THE POOR AND UNDERSERVED, AND SERVES THE COMMON GOOD CHS CONDUCTS ITS HEALTHCARE PRACTICE, BUSINESS, EDUCATION, AND INNOVATION WITH JUSTICE, INTEGRITY, AND RESPECT FOR THE DIGNITY OF EACH PERSON

**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 organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 93,661,531 including grants of \$ ) (Revenue \$ 102,004,614 )

ST JOSEPH HOSPITAL IS A 203-BED, COMMUNITY HOSPITAL THAT PROVIDES COMPREHENSIVE INPATIENT AND OUTPATIENT MEDICAL, CRITICAL CARE AND SURGICAL SERVICES ITS EMERGENCY DEPARTMENT CARES FOR MORE THAN 36,000 PATIENTS A YEAR OTHER VITAL SERVICES INCLUDE AN AMBULATORY SURGERY UNIT, THE CENTER FOR SLEEP MEDICINE, HYPERBARIC MEDICINE AND WOUND HEALING, A BALANCE CENTER, AN ENDOSCOPY UNIT, A DIABETES EDUCATION CENTER, A FULL SCOPE OF OUTPATIENT RADIOLOGY SERVICES, INCLUDING A NEW CT SCANNER, MRI, AND NUCLEAR CAMERA

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses \$ 93,661,531

**Part IV Checklist of Required Schedules**

		Yes	No
<b>1</b>	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> <input checked="" type="checkbox"/>	Yes	
<b>2</b>	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b>	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> <input checked="" type="checkbox"/>		No
<b>4</b>	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> <input checked="" type="checkbox"/>	Yes	
<b>5</b>	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> <input checked="" type="checkbox"/>		No
<b>6</b>	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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> <input checked="" type="checkbox"/>		No
<b>7</b>	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> <input checked="" type="checkbox"/>		No
<b>8</b>	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>		No
<b>9</b>	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> <input checked="" type="checkbox"/>		No
<b>10</b>	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>		No
<b>11</b>	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		
<b>a</b>	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> <input checked="" type="checkbox"/>	Yes	
<b>b</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> <input checked="" type="checkbox"/>		No
<b>c</b>	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> <input checked="" type="checkbox"/>		No
<b>d</b>	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> <input checked="" type="checkbox"/>	Yes	
<b>e</b>	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b>	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> <input checked="" type="checkbox"/>	Yes	
<b>12a</b>	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> <input checked="" type="checkbox"/>	Yes	
<b>b</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> <input checked="" type="checkbox"/>		No
<b>13</b>	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
<b>14a</b>	Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b>	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
<b>15</b>	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, Part II and IV.</i>		No
<b>16</b>	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, Part III and IV.</i>		No
<b>17</b>	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.</i>		No
<b>18</b>	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>		No
<b>19</b>	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
<b>20a</b>	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b>	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements. <input checked="" type="checkbox"/>	Yes	

**Part IV Checklist of Required Schedules** (continued)

<b>21</b>	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> . . . . .	<b>21</b>		No
<b>22</b>	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> . . . . .	<b>22</b>		No
<b>23</b>	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> . . . . .	<b>23</b>	Yes	
<b>24a</b>	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 questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . .	<b>24a</b>		No
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>		
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	<b>25a</b>		No
<b>b</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> . . . . .	<b>25b</b>		No
<b>26</b>	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> . . . . .	<b>26</b>		No
<b>27</b>	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> . . . . .	<b>27</b>		No
<b>28</b>	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)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28b</b>		No
<b>c</b>	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 owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	<b>31</b>		No
<b>32</b>	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> . . . . .	<b>32</b>		No
<b>33</b>	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> . . . . .	<b>33</b>		No
<b>34</b>	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> . . . . .	<b>34</b>	Yes	
<b>35a</b>	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	<b>35a</b>		No
<b>b</b>	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> . . . . .	<b>35b</b>		No
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	<b>36</b>		No
<b>37</b>	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> . . . . .	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	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

Table with columns for question number, question text, and Yes/No columns. Rows include questions 1a through 14b regarding Form 1096, W-2G forms, employee reporting, foreign accounts, and charitable trusts.

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

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (11); 1b Enter the number of voting members included in line 1a, above, who are independent (5); 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 Did the organization have members or stockholders? (Yes); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (Yes); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (Yes); 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.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (No); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete 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 the Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did 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? (No); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

Table with 2 columns: Question, Answer. Rows include: 17 List the States with which a copy of this Form 990 is required to be filed (NY); 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 made these available. Check all that apply:  Own website  Another's website  Upon request; 19 Describe in Schedule O whether (and if so, how), the organization made 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: CHS SERVICES INC, 992 NORTH VILLAGE AVENUE, ROCKVILLE CENTRE, NY 11570, (516) 705-1926.

**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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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) SISTER ELAINE CALLAHAN OP DIRECTOR	2 00	X					0	0	0	
(2) MARY ANN DANTUONO ESQ DIRECTOR	2 00	X					0	0	0	
(3) GARA EDELSTEIN DIRECTOR	2 00	X					0	869,923	106,262	
(4) WILLIAM ARMSTRONG DIRECTOR	2 00	X					0	1,600,307	462,970	
(5) RUTH HENNESSEY DIRECTOR	2 00	X					0	581,126	132,903	
(6) ALAN PROTZEL DDS DIRECTOR	2 00	X					10,833	0	0	
(7) HONCHRISTOPHER G QUINN DIRECTOR	2 00	X					0	0	0	
(8) THOMAS RYAN DIRECTOR	2 00	X					0	0	0	
(9) JOSEPH TANTILLO DIRECTOR	2 00	X					0	0	0	
(10) JOEL YOHAI DIRECTOR	2 00	X					0	960,868	40,145	
(11) AARON GLATT PRESIDENT AND CEO	50 00	X		X			498,192	31,205	48,911	
(12) ALAN D GUERCI PRESIDENT AND CEO	50 00			X			0	2,258,256	596,927	
(13) DREW PALLAS EXEC VP AND COO	50 00			X			299,686	0	38,253	
(14) LAWRENCE REDUTO CHIEF MEDICAL OFFICER	50 00				X		215,178	0	17,222	
(15) IHAB IBRAHIM VP PATIENT SAFETY & CLINICAL PROGRAM DEVELOPMENT	38 00					X	174,058	0	28,627	
(16) MARGARET MINNICK VP NURSING	38 00					X	175,046	0	6,782	
(17) BERNARD STARK PHYSICIAN	38 00					X	302,538	0	29,208	



**Part VIII Statement of Revenue**

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>	112,066				
	<b>d</b>	Related organizations . . . . . <b>1d</b>					
	<b>e</b>	Government grants (contributions) <b>1e</b>	37,500				
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	106,614				
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ _____					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶	256,180				
<b>Program Service Revenue</b>	<b>2a</b>	NET PATIENT SVC REV	621990	99,192,724	99,192,724		
	<b>b</b>	_____					
	<b>c</b>	_____					
	<b>d</b>	_____					
	<b>e</b>	_____					
	<b>f</b>	All other program service revenue					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		99,192,724			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest and other similar amounts) . . . . . ▶		21,262		21,262	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . ▶					
	<b>5</b>	Royalties . . . . . ▶					
	<b>6a</b>		(i) Real				
			(ii) Personal				
		<b>b</b>	Gross rents	42,915			
		<b>c</b>	Less rental expenses	0			
	<b>d</b>	Rental income or (loss)	42,915				
	<b>e</b>	<b>Net rental income or (loss)</b> . . . . . ▶		42,915		42,915	
	<b>7a</b>		(i) Securities				
			(ii) Other				
		<b>b</b>	Gross amount from sales of assets other than inventory				
		<b>c</b>	Less cost or other basis and sales expenses				
	<b>d</b>	Gain or (loss)					
	<b>e</b>	<b>Net gain or (loss)</b> . . . . . ▶					
<b>8a</b>		Gross income from fundraising events (not including \$ 112,066 of contributions reported on line 1c) See Part IV, line 18 . . . . .					
	<b>a</b>		285,152				
	<b>b</b>	Less direct expenses . . . . . <b>b</b>	86,532				
<b>c</b>	<b>Net income or (loss) from fundraising events</b> . . ▶		198,620		198,620		
<b>9a</b>		Gross income from gaming activities See Part IV, line 19 . . . . .					
	<b>a</b>						
	<b>b</b>	Less direct expenses . . . . . <b>b</b>					
<b>c</b>	<b>Net income or (loss) from gaming activities</b> . . ▶						
<b>10a</b>		Gross sales of inventory, less returns and allowances . . . . .					
	<b>a</b>						
	<b>b</b>	Less cost of goods sold . . . . . <b>b</b>					
<b>c</b>	<b>Net income or (loss) from sales of inventory</b> . . ▶						
	Miscellaneous Revenue	Business Code					
<b>11a</b>	RADIOLOGY SERVICES	900099	2,512,262	2,512,262			
<b>b</b>	CAFETERIA REVENUE	900099	197,207	197,207			
<b>c</b>	REBATES	900099	73,644	73,644			
<b>d</b>	All other revenue . . . . .		28,777	28,777			
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶		2,811,890				
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . . ▶		102,523,591	102,004,614	0	262,797	

**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)

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

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States See Part IV, line 21				
<b>2</b>	Grants and other assistance to individuals in the United States See Part IV, line 22				
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
<b>4</b>	Benefits paid to or for members				
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	1,013,056		1,013,056	
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b>	Other salaries and wages	43,988,536	39,445,210	4,543,326	
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	2,576,171	2,258,089	318,082	
<b>9</b>	Other employee benefits . . . . .	9,445,758	8,279,483	1,166,275	
<b>10</b>	Payroll taxes . . . . .	3,367,596	2,951,796	415,800	
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management . . . . .	4,133,554	3,790,491	343,063	
<b>b</b>	Legal . . . . .	218,870		218,870	
<b>c</b>	Accounting . . . . .	173,386		173,386	
<b>d</b>	Lobbying . . . . .				
<b>e</b>	Professional fundraising See Part IV, line 17 . . . . .				
<b>f</b>	Investment management fees . . . . .				
<b>g</b>	Other . . . . .	5,170,371	5,170,371		
<b>12</b>	Advertising and promotion . . . . .	110,402	84,642	25,760	
<b>13</b>	Office expenses . . . . .	2,030,203	1,605,057	425,146	
<b>14</b>	Information technology . . . . .				
<b>15</b>	Royalties . . . . .				
<b>16</b>	Occupancy . . . . .	1,689,807	1,689,807		
<b>17</b>	Travel . . . . .	376,507	80,543	295,964	
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b>	Conferences, conventions, and meetings . . . . .				
<b>20</b>	Interest . . . . .	790,465	790,465		
<b>21</b>	Payments to affiliates . . . . .	599,718		599,718	
<b>22</b>	Depreciation, depletion, and amortization . . . . .	2,901,524	2,901,524		
<b>23</b>	Insurance . . . . .	3,099,570	3,099,570		
<b>24</b>	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 )				
<b>a</b>	MEDICAL SUPPLIES	12,788,166	12,788,166		
<b>b</b>	PROVISION FOR BAD DEBT	4,603,098	4,603,098		
<b>c</b>	FINANCE AND TECHNOLOGY	2,291,850	1,993,910	297,940	
<b>d</b>	EQUIPMENT RENTAL	1,658,380	1,575,074	83,306	
<b>e</b>					
<b>f</b>	All other expenses	2,651,194	554,235	2,096,959	
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	105,678,182	93,661,531	12,016,651	0
<b>26</b>	<b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	11,557,970	<b>1</b>	9,152,281
	<b>2</b> Savings and temporary cash investments . . . . .	5,104,227	<b>2</b>	4,204,330
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	10,873,728	<b>4</b>	11,232,808
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .	1,404,620	<b>8</b>	1,592,105
	<b>9</b> Prepaid expenses and deferred charges . . . . .	1,215,192	<b>9</b>	955,255
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	36,295,887		
	<b>b</b> Less accumulated depreciation . . . . .	5,817,766	<b>10c</b>	30,478,121
	<b>11</b> Investments—publicly traded securities . . . . .	2,419,920	<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	622,100	<b>15</b>	9,975,945
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	63,721,679	<b>16</b>	67,590,845	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	14,222,295	<b>17</b>	13,341,383
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	27,595,886	<b>23</b>	23,215,653
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .	10,457,104	<b>25</b>	22,742,006
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	52,275,285	<b>26</b>	59,299,042
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	11,051,610	<b>27</b>	7,659,014
	<b>28</b> Temporarily restricted net assets . . . . .	394,784	<b>28</b>	632,789
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	11,446,394	<b>33</b>	8,291,803	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	63,721,679	<b>34</b>	67,590,845	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	102,523,591
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	105,678,182
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-3,154,591
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	11,446,394
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	0
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	8,291,803

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
<b>b</b>	Were the organization's financial statements audited by an independent accountant?	Yes	
<b>c</b>	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	
<b>d</b>	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 checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
<b>3a</b>	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>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

**SCHEDULE A**  
(Form 990 or 990EZ)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
ST JOSEPH HOSPITAL

Employer identification number

11-3438973

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

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> 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)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (See instructions)					<b>12</b>	

**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**

<b>14</b> Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	
<b>15</b> Public Support Percentage for 2010 Schedule A, Part II, line 14	<b>15</b>	

**16a 33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization

**18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

**Part III Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						
<b>14 First Five Years</b> 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 <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2011</b> (line 10c column (f) divided by line 13 column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2010</b> Schedule A, Part III, line 17	<b>18</b>	

- 19a 33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

<b>Facts And Circumstances Test</b>
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<b>Explanation</b>
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## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 11-3438973

**Name:** ST JOSEPH HOSPITAL

**Form 990, Special Condition Description:**

**Special Condition Description**

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

Complete if the organization is described below.

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

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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, line 35c (Proxy Tax), then

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

Name of the organization ST JOSEPH HOSPITAL

Employer identification number

11-3438973

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 on behalf of or in opposition to candidates for public office 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?
4a Was a correction made?
b If "Yes," describe in Part IV

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

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

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

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

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check  if the filing organization checked box A and "limited control" provisions apply

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)														
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)														
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)														
<b>d</b> Other exempt purpose expenditures														
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)														
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)														
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-														
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-														
<b>j</b> 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.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		39,239
<b>j</b> Total lines 1c through 1i			39,239
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

**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".**

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

**Part IV Supplemental Information**

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	AMOUNT REFLECTS PORTION OF TRADE ASSOCIATION DUES WHICH WERE USED FOR LEGISLATIVE LOBBYING ON BEHALF OF THE HEALTHCARE INDUSTRY THOSE TRADE ORGANIZATIONS REPRESENT

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization ST JOSEPH HOSPITAL

Employer identification number 11-3438973

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

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

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

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

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

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

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

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

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

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

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

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

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

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

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

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

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

	Amount
<b>1c</b>	
<b>1d</b>	
<b>1e</b>	
<b>1f</b>	

**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
<b>1a</b> Beginning of year balance . . . . .					
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . . . . .					
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .					

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

- a** Board designated or quasi-endowment ▶
- b** Permanent endowment ▶
- c** Term endowment ▶

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		7,390,000		7,390,000
<b>b</b> Buildings . . . . .		17,515,827	2,080,556	15,435,271
<b>c</b> Leasehold improvements . . . . .				
<b>d</b> Equipment . . . . .		10,333,522	3,558,280	6,775,242
<b>e</b> Other . . . . .		1,056,538	178,930	877,608
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				30,478,121



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

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	102,523,591
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	105,678,182
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	-3,154,591
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	-3,154,591

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

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	102,245,639
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	102,245,639
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	277,952
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	277,952
<b>5</b>	Total Revenue Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	102,523,591

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

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	105,078,518
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIV) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	0
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	105,078,518
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIV) . . . . .	<b>4b</b>	599,664
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	599,664
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This should equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	105,678,182

**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 UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	ST JOSEPH HOSPITAL IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) AND IS EXEMPT FROM FEDERAL AND STATE INCOME TAXES PURSUANT TO SECTION 501 (A) OF THE CODE THERE ARE NO TRANSACTIONS WHICH MANAGEMENT HAS DEEMED TO BE "UNRELATED BUSINESS INCOME" AND THEREFORE NO TAX LIABILITY HAS BEEN RECOGNIZED IN THE ACCOMPANYING FINANCIAL STATEMENTS MANAGEMENT REVIEWS TRANSACTIONS TO ESTIMATE POTENTIAL TAX LIABILITIES USING A THRESHOLD OF MORE LIKELY THAN NOT OF BEING SUSTAINED
PART XII, LINE 4B - OTHER ADJUSTMENTS		RESTRICTED CONTRIBUTIONS 240,452 GRANT INCOME FOR PURCHASES OF PPE 37,500
PART XIII, LINE 4B - OTHER ADJUSTMENTS		TRANSFER TO RELATED PARTIES 599,664



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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>GALA</u> (event type)	<u>GOLF</u> (event type)	<u>1</u> (total number)	(Add col (a) through col (c))
<b>Revenue</b>	<b>1</b> Gross receipts . . . . .	300,123	72,680	24,415	397,218
	<b>2</b> Less Charitable contributions . . . . .	73,100	21,804	17,162	112,066
	<b>3</b> Gross income (line 1 minus line 2) . . . . .	227,023	50,876	7,253	285,152
<b>Direct Expenses</b>	<b>4</b> Cash prizes . . . . .				
	<b>5</b> Non-cash prizes . . . . .	6,832		517	7,349
	<b>6</b> Rent/facility costs . . . . .	38,355	24,044	4,350	66,749
	<b>7</b> Food and beverages . . . . .				
	<b>8</b> Entertainment . . . . .				
	<b>9</b> Other direct expenses . . . . .	6,193	3,855	2,386	12,434
	<b>10</b> Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				( 86,532 )
	<b>11</b> Net income summary Combine lines 3 and 10 in column (d) . . . . . ▶				198,620

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

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

**9** Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

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

**b** If "No," Explain \_\_\_\_\_

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

**b** If "Yes," Explain \_\_\_\_\_

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

**13** Indicate the percentage of gaming activity operated in

<b>a</b> The organization's facility	<b>13a</b>
<b>b</b> An outside facility	<b>13b</b>

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

Name ▶ .....

Address ▶ .....

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

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

**c** If "Yes," enter name and address

Name ▶ .....

Address ▶ .....

**16** Gaming manager information

Name ▶ .....

Gaming manager compensation ▶ \$ .....

Description of services provided ▶ .....

- Director/officer       Employee       Independent contractor

- 17** Mandatory distributions
- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

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

Identifier	ReturnReference	Explanation
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SCHEDULE H (Form 990)

Hospitals

OMB No 1545-0047

2011

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization ST JOSEPH HOSPITAL

Employer identification number 11-3438973

Part I Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? 1b If "Yes," is it a written policy? 2 If the organization had multiple hospitals... 3 Answer the following based on the charity care eligibility criteria... 4 Did the organization's policy provide free or discounted care to the "medically indigent"? 5a Did the organization budget amounts for free or discounted care... 6a Did the organization prepare a community benefit report during the tax year? 6b If "Yes," did the organization make it available to the public?

7 Charity Care and Certain Other Community Benefits at Cost

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community benefit expense, (d) Direct offsetting revenue, (e) Net community benefit expense, (f) Percent of total expense. Rows include Charity Care and Means-Tested Government Programs and Other Benefits.

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities.

	(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
<b>1</b> Physical improvements and housing						
<b>2</b> Economic development						
<b>3</b> Community support						
<b>4</b> Environmental improvements						
<b>5</b> Leadership development and training for community members						
<b>6</b> Coalition building						
<b>7</b> Community health improvement advocacy						
<b>8</b> Workforce development						
<b>9</b> Other						
<b>10 Total</b>						

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

		Yes	No
<b>1</b> Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		Yes	
<b>2</b> Enter the amount of the organization's bad debt expense	<b>2</b> 1,314,931		
<b>3</b> Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	<b>3</b>		
<b>4</b> 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**

<b>5</b> Enter total revenue received from Medicare (including DSH and IME)	<b>5</b> 37,940,775
<b>6</b> Enter Medicare allowable costs of care relating to payments on line 5	<b>6</b> 42,908,138
<b>7</b> Subtract line 6 from line 5. This is the surplus or (shortfall)	<b>7</b> -4,967,363
<b>8</b> 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**

<b>9a</b> Did the organization have a written debt collection policy during the tax year?	<b>9a</b> Yes
<b>b</b> If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	<b>9b</b> Yes

**Part IV Management Companies and Joint Ventures** (see instructions)

(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 %
<b>1</b>				
<b>2</b>				
<b>3</b>				
<b>4</b>				
<b>5</b>				
<b>6</b>				
<b>7</b>				
<b>8</b>				
<b>9</b>				
<b>10</b>				
<b>11</b>				
<b>12</b>				
<b>13</b>				

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ST JOSEPH HOSPITAL 4295 HEMPSTEAD TURNPIKE BETHPAGE, NY 117145713	X	X					X		

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices.**

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

ST JOSEPH HOSPITAL

Name of Hospital Facility: \_\_\_\_\_

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

	Yes	No
<b>Community Health Needs Assessment</b> (Lines 1 through 7 are optional for 2011)		
<b>1</b> 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)	<b>1</b>	
<b>a</b> <input type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b> <input type="checkbox"/> Demographics of the community		
<b>c</b> <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b> <input type="checkbox"/> How data was obtained		
<b>e</b> <input type="checkbox"/> The health needs of the community		
<b>f</b> <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b> <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs		
<b>h</b> <input type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b> <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> 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	<b>3</b>	
<b>4</b> 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 . . . . .	<b>4</b>	
<b>5</b> 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)	<b>5</b>	
<b>a</b> <input type="checkbox"/> Hospital facility's website		
<b>b</b> <input type="checkbox"/> Available upon request from the hospital facility		
<b>c</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>6</b> If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)		
<b>a</b> <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
<b>b</b> <input type="checkbox"/> Execution of the implementation strategy		
<b>c</b> <input type="checkbox"/> Development of a community-wide community benefit plan for the facility		
<b>d</b> <input type="checkbox"/> Participation in community-wide community benefit plan		
<b>e</b> <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b> <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b> <input type="checkbox"/> Prioritization of health needs in the community		
<b>h</b> <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b> <input type="checkbox"/> Other (describe in Part VI)		
<b>7</b> 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	<b>7</b>	
<b>Financial Assistance Policy</b>		
<b>8</b> Did the hospital facility have in place during the tax year a written financial assistance policy that explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	No
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care <u>100 000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	<b>9</b>	Yes

**Part V Facility Information** *(continued)*

		Yes	No
<b>10</b> Used FPG to determine eligibility for providing discounted care? . . . . .	<b>10</b>	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300 000000000000%</u>			
If "No," explain in Part VI the criteria the hospital facility used			
<b>11</b> Explained the basis for calculating amounts charged to patients? . . . . .	<b>11</b>		No
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
<b>a</b> <input type="checkbox"/> Income level			
<b>b</b> <input type="checkbox"/> Asset level			
<b>c</b> <input type="checkbox"/> Medical indigency			
<b>d</b> <input type="checkbox"/> Insurance status			
<b>e</b> <input type="checkbox"/> Uninsured discount			
<b>f</b> <input type="checkbox"/> Medicaid/Medicare			
<b>g</b> <input type="checkbox"/> State regulation			
<b>h</b> <input type="checkbox"/> Other (describe in Part VI)			
<b>12</b> Explained the method for applying for financial assistance? . . . . .	<b>12</b>		No
<b>13</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .	<b>13</b>	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
<b>a</b> <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site			
<b>b</b> <input checked="" type="checkbox"/> The policy was attached to all billing invoices			
<b>c</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms			
<b>d</b> <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices			
<b>e</b> <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility			
<b>f</b> <input checked="" type="checkbox"/> The policy was available upon request			
<b>g</b> <input type="checkbox"/> Other (describe in Part VI)			

**Billing and Collections**

<b>14</b> Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	<b>14</b>	Yes	
<b>15</b> Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments or arrests			
<b>e</b> <input checked="" type="checkbox"/> Other similar actions (describe in Part VI)			
<b>16</b> Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . .	<b>16</b>		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
<b>a</b> <input type="checkbox"/> Reporting to credit agency			
<b>b</b> <input type="checkbox"/> Lawsuits			
<b>c</b> <input type="checkbox"/> Liens on residences			
<b>d</b> <input type="checkbox"/> Body attachments			
<b>e</b> <input type="checkbox"/> Other similar actions (describe in Part VI)			
<b>17</b> Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
<b>a</b> <input type="checkbox"/> Notified patients of the financial assistance policy upon admission			
<b>b</b> <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge			
<b>c</b> <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
<b>d</b> <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
<b>e</b> <input type="checkbox"/> Other (describe in Part VI)			

**Part V Facility Information** *(continued)*

**Policy Relating to Emergency Medical Care**

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

If "No," indicate why

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

	Yes	No
<b>18</b>	Yes	

**Individuals Eligible for Financial Assistance**

**19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

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

If "Yes," explain in Part VI

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

. . . . .

If "Yes," explain in Part VI

<b>20</b>		No
<b>21</b>		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 from largest to smallest)

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

Name and address

Type of Facility (Describe)

**1****2****3****4****5****6****7****8****9****10**

**Part VI Supplemental Information**

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc )
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		<p>PART I, LINE 7 RATIO OF PATIENT CARE COST TO CHARGES WORKSHEET (WORKSHEET 2 ) AS PRESCRIBED BY THE IRS INSTRUCTIONS TO SCHEDULE H FORM 990 WAS THE METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN PART 1, LINE 7 CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST LINES 7A,7B AND 7C AND 7D ALL OTHER LINES INCLUDE COSTS THAT WERE DERIVED BASED ON THE RCC METHODOLOGY OR ACTUAL COSTS FOR THE SERVICES AS TRACKED BY HOSPITAL PERSONNEL UTILIZING DIRECT HOURLY LABOR COSTS, FRINGES AND SUPPLY COSTS PART I, LINE 7A, COLUMN D DIRECT OFFSETTING REVENUES REPRESENT DISTRIBUTIONS FROM THE NEW YORK STATE (NYS) INDIGENT CARE POOL (ICP) WHICH IS SHOWN NET OF HOSPITAL CONTRIBUTIONS TO THE STATEWIDE POOL THE FORMULA EMPLOYED BY NYS TO DETERMINE DISTRIBUTIONS TO HOSPITALS FROM THE ICP IS COMPLEX AND IS DERIVED FROM A HOSPITAL'S "NEED" CALCULATION THIS CALCULATION CONSIDERS 90% OF A HOSPITAL'S "NEED" IS BASED ON BAD DEBTS AND CHARITY CARE WRITE OFFS, AND 10% IS BASED ON A "UNITS OF SERVICE" METHODOLOGY FOR UNINSURED PATIENTS THE HOSPITAL HAS APPORTIONED THE ICP REVENUE BETWEEN BAD DEBT AND CHARITY CARE FOR REPORTING ON LINE 7A BASED ON THE PROPORTION OF EACH TO THE TOTAL OF ACTUAL BAD DEBTS AND CHARITY CARE FOR 2011 IT IS IMPORTANT HOWEVER TO BE AWARE THAT THE COSTS OF BAD DEBTS ARE NOT INCLUDED IN LINE 7A, COLUMN C WHILE THE OFFSETTING REVENUE IS INCLUDED IN LINE 7A, COLUMN D BAD DEBTS AT COST ARE EXCLUDED FROM LINE 7 AND REPORTED IN PART III, LINE 2 IN ACCORDANCE WITH THE INSTRUCTIONS AS A RESULT, THE NET COST OF "FINANCIAL ASSISTANCE AT COST" ON LINE 7A, COLUMN F IS UNDERSTATED FOR NYS HOSPITALS WHO REPORT IN ACCORDANCE WITH THE INSTRUCTIONS AND IN SOME INSTANCES MAY SHOW A GAIN DUE TO THE MISMATCHING OF REVENUE AND EXPENSE IT IS IMPORTANT TO CONSIDER THE BAD DEBTS AT COST AMOUNT IN PART III, LINE 2 WHEN EVALUATING THE NET COSTS OF UNCOMPENSATED CARE FOR HOSPITALS IN NYS PART I, LINE 7,COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$4.6 MILLION</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 -COSTING METHODOLOGY RATIO OF PATIENT CARE COST TO CHARGES WORKSHEET (WORKSHEET 2 ) AS PRESCRIBED BY THE IRS INSTRUCTIONS TO SCHEDULE H FORM 990 WAS THE METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINE 2 PART III LINE 4 - BAD DEBT AS COMMUNITY BENEFIT AS PART OF ITS TAX EXEMPT PURPOSE THE HOSPITAL PROVIDES ACCESS TO MEDICALLY NECESSARY CARE FOR EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF AGE, GENDER, GEOGRAPHIC LOCATION, OR CULTURAL BACKGROUND THE HOSPITAL TREATS EMERGENCY AND NON-ELECTIVE PATIENTS REGARDLESS OF WHETHER THEY HAVE THIRD-PARTY COVERAGE OR THE ABILITY TO PAY BY PROVIDING HEALTH CARE TO ALL WHO REQUIRE EMERGENCY OR NON ELECTIVE CARE IN A NON-DISCRIMINATORY MANNER, THE HOSPITAL IS PROVIDING HEALTH CARE TO THE BROAD COMMUNITY IT SERVES A PATIENTS PORTION OF A BILL THAT REMAINS UNPAID FOR A CERTAIN STIPULATED TIME PERIOD IS WHOLLY OR PARTIALLY CLASSIFIED AS BAD DEBT BAD DEBTS ASSOCIATED WITH PATIENTS WHO HAVE RECEIVED CARE FROM THE HOSPITAL SHOULD BE CONSIDERED TO BE COMMUNITY BENEFIT SINCE CHARITABLE HOSPITALS EXIST TO PROVIDE SUCH CARE IN PURSUIT OF THEIR TAX EXEMPT PURPOSE, WHICH IS MEETING THE NEED FOR EMERGENCY AND NON-ELECTIVE MEDICAL CARE SERVICES IN THE COMMUNITY</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 8 PART III SECTION B LINE 5 - COSTING METHODOLOGY THE MEDICARE REVENUE AND ALLOWABLE COSTS SHOWN ON PART III SECTION B LINE 5 WERE DERIVED FROM THE AS FILED 2011 CMS-2552 (MEDICARE COST REPORT) MEDICARE REVENUE IS BASED ON THE MEDICARE PROVIDER STATISTICAL AND REIMBURSEMENT REPORT AND MEDICARE COSTS ARE DEVELOPED UTILIZING A RATIO OF MEDICARE ALLOWABLE COSTS TO CHARGES METHODOLOGY PART III LINE 8 - MEDICARE SHORTFALL AS COMMUNITY BENEFIT LOSSES ON TREATING MEDICARE BENEFICIARIES SHOULD BE INCLUDED AS A COMMUNITY BENEFIT IN THEIR ENTIRETY THIS REPRESENTS THE AMOUNT BY WHICH COSTS TO DELIVER CARE TO MEDICARE RECIPIENTS EXCEEDS THE LEVEL OF PAYMENT ST JOSEPH BEARS THE BURDEN OF NOT ONLY PROVIDING THE BEST AND MOST ADVANCED MEDICAL CARE POSSIBLE TO THE COMMUNITY, BUT DOING SO WITH NO RECOURSE TO OBTAIN PAYMENT FOR THE COST OF PROVIDING CARE IN EXCESS OF THE MEDICARE PAYMENT AS MEDICARE REVENUE DECLINES AND THE COST TO PROVIDE CUTTING EDGE CARE TO THE COMMUNITY INCREASES, THE HOSPITAL WILL CARRY THE BURDEN AS A PARTICIPATING PROVIDER AND A CHARITABLE ORGANIZATION, MEDICARE PATIENTS, THE MAJORITY OF WHOM ARE ELDERLY AND DISABLED ARE NOT TURNED AWAY, SO ST JOSEPH WILL CONTINUE TO BEAR THE LOSS IN PROVIDING THE BEST CARE POSSIBLE TO THE LOCAL COMMUNITY</p>

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 9B THE HOSPITAL'S CHARITY CARE POLICY DESCRIBES THE POLICIES AND PROCEDURES RELATING TO THE PROVISION OF CHARITY CARE TO PERSONS WHO ARE UNABLE TO PAY FOR ALL OR A PORTION OF THEIR BILL. NO INDIVIDUAL WILL BE DENIED MEDICALLY NECESSARY HOSPITAL SERVICES BASED ON A DEMONSTRATED INABILITY TO PAY FOR THOSE SERVICES. IN ADDITION, UPON APPLYING FOR CHARITY CARE, EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY WILL BE ASSESSED. ELIGIBILITY FOR ASSISTANCE. A REASONABLE REVIEW SHALL BE PERFORMED PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGENT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT, TO ASSURE THAT THE PATIENT AND PATIENT GUARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (I.E. MEDICAID) AND DO NOT QUALIFY FOR COVERAGE THROUGH THE CHS CHARITY CARE POLICY. AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO MEET THE CHARITY CARE CRITERIA SHALL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT FOR APPROPRIATE FOLLOW-UP. THE THIRD-PARTY COLLECTION AGENT SHALL ADVISE THE PATIENT/GUARANTOR OF THE HOSPITAL'S CHARITY CARE POLICY AND RETURN THE ACCOUNT IMMEDIATELY IF IT IS DETERMINED THAT THE QUALIFICATIONS ARE MET.</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 NEEDS ASSESSMENT THE HOSPITAL WORKED WITH THE NASSAU COUNTY DEPARTMENT OF HEALTH, OTHER HOSPITAL FACILITIES AND OTHER HEALTHCARE PARTNERS IN THE NASSAU COUNTY REGION ON THE PREVENTION AGENDA PRIORITIES PARTICIPATION OF THE COMMUNITY MEMBERS IN THE HOSPITAL'S SERVICE AREA WAS SOLICITED VIA MULTIPLE VENUES IN AN EFFORT TO ENGAGE COMMUNITY PARTICIPATION IN THE DEVELOPMENT OF THE COMMUNITY SERVICE PLAN THE PUBLIC INPUT PROCESS WAS ANNOUNCED VIA THE HOSPITAL'S WEBSITE IN JUNE 2009 WHEREBY WE ENCOURAGED OUR COMMUNITY MEMBERS TO PROVIDE COMMENTS ON THEIR HEALTH CARE PRIORITIES AND HOW ST JOSEPH HOSPITAL COULD BEST SERVE THEIR NEEDS

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 FINANCIAL ASSISTANCE POLICY COMMUNICATION ALL EMPLOYEES IN THE SCHEDULING, PATIENT ACCESS, PATIENT FINANCIAL SERVICES AND EMERGENCY DEPARTMENTS ARE FULLY VERSED IN THE CHARITY CARE POLICY, HAVE ACCESS TO THE CHARITY CARE APPLICATION FORMS, AND ARE ABLE TO DIRECT QUESTIONS TO THE APPROPRIATE HOSPITAL REPRESENTATIVES THE HOSPITAL POSTS MULTILINGUAL NOTICES AS TO ANY POLICIES ON CHARITY CARE IN SEVERAL PROMINENT LOCATIONS WITHIN THE HOSPITAL INCLUDING, BUT NOT LIMITED TO, THE EMERGENCY DEPARTMENT, BILLING OFFICE, WAITING ROOMS FOR PURPOSES OF ADMISSIONS, AND THE INPATIENT AND OUTPATIENT REGISTRATION AREA SAID NOTICES ARE PUBLISHED IN AT LEAST ENGLISH AND SPANISH, AND ARE CLEARLY VISIBLE TO THE PUBLIC FROM THE LOCATION AT WHICH THEY ARE POSTED THE HOSPITAL PROVIDES PATIENTS, IN A TIMELY MANNER, A SUMMARY OF ITS CHARITY CARE POLICY UPON REQUEST THE SUMMARY, AT A MINIMUM PROVIDES SPECIFIC INFORMATION AS TO INCOME LEVELS USED TO DETERMINE ELIGIBILITY AND THE MEANS OF APPLYING FOR ASSISTANCE THIS SUMMARY IS WRITTEN AT OR BELOW A SIXTH GRADE READING LEVEL THE HOSPITAL POSTS ITS CHARITY CARE POLICY SUMMARY ON THEIR INTERNET WEBSITE THE HOSPITAL PROVIDES ALL PATIENTS INTERPRETERS TO ASSIST THEM IN UNDERSTANDING ITS CHARITY CARE PROGRAM IN THE LANGUAGE SPOKEN BY THE PATIENT DURING ANY PRE-ADMISSION, ADMISSION, AND DISCHARGE PROCESS ON ALL BILLS AND STATEMENTS SENT TO PATIENTS, A STATEMENT IS INCLUDED REGARDING THE AVAILABILITY OF VARIOUS FINANCIAL ASSISTANCE PROGRAMS, INCLUDING CHARITY CARE, AND A CONTACT NUMBER TO CALL TO OBTAIN FURTHER INFORMATION THIS INFORMATION IS AVAILABLE AT OR BELOW A SIXTH GRADE READING LEVEL</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 PART VI, LINE 4 COMMUNITY INFORMATION THE HOSPITAL PRIMARILY SERVES PATIENTS FROM THE FOLLOWING SURROUNDING COMMUNITIES MASSAPEQUA, FARMINGDALE, AMITYVILLE, LEVIT TOWN, MASSAPEQUA PARK, WANTAGH, SEAFORD, BETHPAGE, BELLMORE, EAST MEADOW, LINDENHURST, COPIAGUE, BABYLON, HICKSVILLE, PLAINVIEW AND WOODBURY APPROXIMATELY 90% OF HOSPITAL PATIENTS WHO ARE ADMITTED AND/OR PROVIDED CARE IN OUR EMERGENCY DEPARTMENT RESIDE IN THE AFOREMENTIONED SERVICE AREAS THIS IS BASED ON ANNUAL 2008 DATA RELATIVE TO INPATIENT ADMISSIONS/EMERGENCY DEPARTMENT VISITS TO OUR HOSPITAL

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 PROMOTION OF COMMUNITY HEALTHSNCHS NORTH,INC (THE HOSPITAL) IS A 501(C) (3)VOLUNTARY, NOT-FOR-PROFIT CORPORATION WITH CERTIFIED BED CAPACITY OF 203 ON JANUARY 26, 2010, THE HOSPITAL BECAME A MEMBER HOSPITAL OF CATHOLIC HEALTH SERVICES (CHS) OF LONG ISL AND AND THE HOSPITAL IS DOING BUSINESS AS (ST JOSEPH) CHS SUPPORTS ST JOSEPH'S MISSION TO DELIVER QUALITY HEALTH CARE AND REMAIN A COMMUNITY-BASED HOSPITAL CHS IS COMMITTED TO CONTINUING AND EXPANDING THE IMPORTANT MEDICAL SERVICES PROVIDED BY ST JOSEPH TO THE SURROUNDING COMMUNITIES THAT RELY UPON IT FOR QUALITY CARE WITH THE ADDITION OF ST JOSEPH, CHS IS NOW COMPRISED OF SIX HOSPITALS, THREE NURSING HOMES, A REGIONAL HOME CARE AND HOSPICE NETWORK AND A COMMUNITY-BASED AGENCY FOR PERSONS WITH DEVELOPMENTAL NEEDS THE BOARD OF DIRECTORS IS COMPRISED OF ELEVEN MEMBERS, CONSISTING OF VOLUNTARY COMMUNITY MEMBERS, THE MEDICAL STAFF PRESIDENT, A PHYSICIAN REPRESENTATIVE, MEMBERS OF CHS'BOARD AND THE PRESIDENT &amp; CHIEF EXECUTIVE OFFICER OF ST JOSEPH WHO IS DIRECTLY RESPONSIBLE TO THE BOARD OF DIRECTORS THE BOARD PROVIDES STRATEGIC, VISIONARY GUIDANCE AND DIRECTION FOR THE HOSPITAL'S CURRENT PROGRAMS, FUTURE PROGRAMS, PATIENT QUALITY AND SAFETY, CAPITAL PROJECTS, SPECIAL INITIATIVES AND FOR ALL GOVERNANCE RESPONSIBILITIES THERE ARE FOUR BOARD COMMITTEES FINANCE, EXECUTIVE, PIPS (PERFORMANCE IMPROVEMENT PATIENT SATISFACTION) AND CORPORATE COMPLIANCE AND AUDIT ONE OR MORE BOARD MEMBERS CHAIR, CO-CHAIR AND/OR ATTEND EACH OF THESE COMMITTEES AT THEIR SCHEDULED MEETINGS THE BOARD IS VERY MUCH ENGAGED AND COMMITTED IN LISTENING TO AND ADDRESSING COMMUNITY NEEDS TO FURTHER ST JOSEPH'S MISSION OF PROVIDING HIGH QUALITY CARE TO OUR PATIENTS AND VERY SUPPORTIVE OF FORMER COMMISSIONER RICHARD DAINES' "PREVENTION AGENDA FOR THE HEALTHIEST STATE" INITIATIVE, AIMED TO IMPROVE THE HEALTH OF ALL NEW YORKERS ST JOSEPH HOSPITAL'S COMMUNITY OUTREACH PROGRAMS INCLUDE HEALTH WORKSHOPS, SUPPORT GROUPS, COMMUNITY HEALTH EDUCATION LECTURES, "MEALS ON WHEELS", HEALTH FAIRS AND SCREENINGS, BLOOD DRIVES AND OTHER PATIENT-FOCUSED INITIATIVES ST JOSEPH IS SUPPORTIVE OF EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE STUDENTS TO PROVIDE CLINICAL EXPERIENCE AND EDUCATION IN THE HOSPITAL ENVIRONMENT ST JOSEPH HOLDS MULTIPLE AFFILIATION AGREEMENTS WITH EDUCATIONAL FACILITIES (E G HOFSTRA UNIVERSITY, LONG ISLAND UNIVERSITY, STATE UNIVERSITY AT FARMINGDALE, WESTERN SUFFOLK BOCES) FOR ONSITE STUDENT TRAINING / MENTORING IN NURSING, RADIOLOGY TECHNOLOGY, HEALTH ADMINISTRATION AND FOR OTHER HEALTH CARE PROFESSIONS AND IS A DESIGNATED SITE FOR TRAINING OF DOCTOR OF PHARMACY CANDIDATES THROUGH ST JOHN'S UNIVERSITY ST JOSEPH HOSPITAL IS ALSO AN ACTIVE MEMBER OF FARMINGDALE, BETHPAGE, MASSAPEQUA AND AMITYVILLE CHAMBERS OF COMMERCE AND PARTICIPATES IN MANY OF THE CHAMBERS' ACTIVITIES, INCLUDING HEALTH FAIRS, STREET FAIRS AND COMMUNITY FESTIVAL DAYS AT THESE FESTIVALS THE HOSPITAL PROVIDES FREE EDUCATIONAL HEALTH CARE MATERIAL AND TYPICALLY OFFERS FREE BLOOD PRESSURE SCREENINGS TO COMMUNITY RESIDENTS ST JOSEPH ALSO HOLDS HEALTH FAIRS ON ITS PREMISES, WHERE IT INVITES ALL ITS COMMUNITY MEMBERS TO LEARN ABOUT HOSPITAL SERVICES AND SPECIAL PROGRAMS ST JOSEPH HELD A FAIR TO PROVIDE GLUCOSE SCREENING TESTS, BLOOD PRESSURES, DIETITIAN CONSULTATIONS AND DIABETES EDUCATOR CONSULTATIONS, AMONG OTHER FREE HEALTH SERVICES FOR COMMUNITY MEMBERS IN ATTENDANCE ALSO, IN COLLABORATION WITH THE BETHPAGE LIBRARY, FARMINGDALE LIBRARY, ST JOSEPH SPONSORS SEASONAL FLU VACCINE CLINIC TO SENIORS IN THE NASSAU COUNTY AREA IN LINE WITH THE FORMER NYSDOH COMMISSIONER RICHARD DAINES' "PREVENTION AGENDA FOR THE HEALTHIEST STATE", PRIORITIES WERE CHOSEN BY TAKING INTO CONSIDERATION THE 2-3 PRIORITIES (OF THE PUBLISHED LIST OF 10 PRIORITIES) THAT WOULD PROVIDE THE GREATEST HEALTH CARE BENEFIT TO THE HEALTH OF THE LARGEST NUMBER OF NEW YORKERS IN OUR STATE, DIRECTLY OR INDIRECTLY, AND SPECIFICALLY IN NASSAU COUNTY THROUGH COLLABORATION WITH OUR LOCAL HEALTH DEPARTMENT, OTHER HOSPITAL PROVIDERS IN THE COUNTY AND, WITH OTHER HEALTHCARE PARTNERS COLLABORATION, FOCUS, ATTENTION AND ACTION BY THIS GROUP ON THE PRIORITIES SELECTED SHOULD ALLOW US TO ACHIEVE THE DESIRED OUTCOME, A HEALTHIER COUNTY WHICH WILL CONTRIBUTE TO THE GOAL OF A HEALTHIER NEW YORK STATE THE CRITERIA USED INCLUDED THE BENEFITS THAT THE PRIORITY HEALTH FOCUS WOULD YIELD TO BETTER THE QUALITY OF LIFE FOR COMMUNITY RESIDENTS, A REDUCED NEED FOR EXPENSIVE HEALTHCARE RESOURCES FOR HEALTH CONDITIONS THAT MIGHT HAVE OTHERWISE BEEN MITIGATED BEFORE THEIR MANIFESTATION TO A LEVEL REQUIRING THE USE OF EXTENSIVE AND EXPENSIVE HEALTH RESOURCES AND, ULTIMATELY PRIORITIES THAT WOULD, OVER THE COURSE OF TIME, FREE-UP SUFFICIENT GOVERNMENTAL AND OTHER HEALTH PAYER SPENDING TO HELP SUPPORT THE FUNDING OF HEALTH INSURANCE FOR THE UNINSURED / UNDER-INSURED AND TO BE ABLE TO REDUCE AND EVENTUALLY ELIMINATE ANY BARRIERS TO HIGH QUALITY HEALTH CARE FOR</p>

Identifier	ReturnReference	Explanation
		<p>R EVERYONE IN OUR COMMUNITIES IN NEED OF CARE DATA USED TO HELP SELECT THESE PRIORITIES WAS DERIVED FROM THE NEW YORK STATE DEPARTMENT OF HEALTH PREVENTION AGENDA WEBSITE AND ASSOCIATED LINKS / DATA TOOLS, THE NASSAU COUNTY COMMUNITY HEALTH ASSESSMENT AND A COMPARISON OF ACTUAL MOST RECENT AVAILABLE PREVENTION AGENDA INDICATOR RATES FOR NASSAU COUNTY VERSUS PREVENTION AGENDA OBJECTIVES FOR 2013 AS TARGETED BY THE NYSDOH IN SUMMARY, THE GROUP DEVELOPED A PRIORITY-SETTING PLAN TO HELP DETERMINE WHICH OF THE TEN PREVENTION AGENDA PRIORITIES WOULD BE REASONABLY PRACTICAL TO ADDRESS AND BEST MEET THE NEEDS OF OUR CATCHMENT AREAS THE GROUP FOCUSED ON CONSIDERATION OF THE FOLLOWING CRITERIA FOR SELECTION OF THE PREVENTION AGENDA PRIORITY CHOICES - COUNTY INDICATORS OFFERING THE GREATEST OPPORTUNITY FOR IMPACT - COMMUNITY NEED - ALIGNMENT AND SYNERGY WITH EXISTING HOSPITAL STRATEGY AND MISSION - AVAILABILITY OF OUTCOME MEASURES - AVAILABILITY OF BENCHMARKS ON PERFORMANCE QUALITY INDICATORS - POTENTIAL FOR GRANT / FUNDING - EXISTING GROUPS, PROGRAMS AND RESOURCES PURSUANT TO A SERIES OF MEETINGS HELD IN COLLABORATION WITH THE NASSAU COUNTY DEPARTMENT OF HEALTH (NCDOH), OTHER HOSPITAL FACILITIES IN THE COUNTY AND OTHER HEALTH CARE PARTNERS, IT WAS DECIDED BY THE GROUP THAT THE PREVENTION PRIORITIES THE COUNTY WOULD BE FOCUSED ON WERE THE FOLLOWING PUBLIC HEALTH PREVENTION AGENDA SELECTIONS TOBACCO USE PREVENTION AND CESSATION AND UNINTENTIONAL INJURY AND PREVENTION OF FALLS AMONG THOSE AGED 65+ YEARS OF AGE WORK GROUPS, NAMED THE "THOUGHT LEADERS", WERE ESTABLISHED, ONE FOR EACH OF THESE PRIORITIES THE THOUGHT LEADERS WORKGROUPS WERE COMPRISED OF A REPRESENTATIVE FROM EACH HOSPITAL, INCLUDING ST JOSEPH HOSPITAL, AND THE NCDOH TO ASSESS THE CURRENT STATUS, PROGRAMMING, RESOURCES AND POTENTIAL PARTNERS FOR EACH PRIORITY AND TO FORMULATE A STRATEGIC PLAN TO ADDRESS EACH PRIORITY OVER THE NEXT THREE YEARS ST JOSEPH HOSPITAL HAS UNDERTAKEN THESE INITIATIVES FROM THE STANDPOINT OF PROVIDING EDUCATION FOR HOSPITALIZED PATIENTS DURING THEIR STAY AND UPON DISCHARGE, PUBLICIZING RELEVANT INFORMATION TO THE COMMUNITY AT LARGE AND IN PHYSICIAN AND EMPLOYEE NEWSLETTERS THESE INITIATIVES WOULD BE CLASSIFIED AS "NEW" FROM THE STANDPOINT THAT THE STATE HEALTH DEPARTMENT, LOCAL HEALTH DEPARTMENT, AS WELL AS HOSPITAL PROVIDERS, INCLUDING HEALTH PRACTITIONERS AND OTHER COMMUNITY PARTNERS WOULD ALL BE WORKING COLLABORATIVELY TOWARD COMMON GOALS AND OBJECTIVES WITH THIS MAGNITUDE AND BROAD SCALE LEVEL OF SUPPORT AND CHANNLED EFFORT, IT IS MORE LIKELY THAT WE CAN REALIZE GREATER AND MORE SIGNIFICANT IMPACT AND IMPROVEMENT IN AFFECTING POSITIVE CHANGE IN PREVENTATIVE CARE WE BELIEVE THAT THE FIRST STEP NEEDS TO BE FOCUSED ON RAISING LEVEL OF AWARENESS AND WORKING ON DEVELOPING NEW AND STRENGTHENING EXISTING RELATIONSHIPS WITH OUR COMMUNITY PARTNERS OTHER IMPORTANT SERVICES PROVIDED BY ST JOSEPH HOSPITAL TO PROMOTE COMMUNITY HEALTH &amp; WELLNESS ARE - HYPERBARIC AND WOUND HEALING OUTPATIENT CENTER- THE CENTER FOR SLEEP MEDICINE - OUTPATIENT BALANCE/VESTIBULAR TESTING AND PHYSICAL THERAPY- MRI SERVICE- SPEECH SWALLOWING AND VOICE DISORDERS- GASTROENTEROLOGY OUTPATIENT SERVICE</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 6 AFFILIATED HEALTHCARE SYSTEM ST JOSEPH IS A NOT-FOR-PROFIT ACUTE CARE HOSPITAL WHICH IS LOCATED ON A SINGLE CAMPUS IN BETHPAGE, NEW YORK ALONG WITH THE AFOREMENTIONED COMMUNITY PROGRAMS, ST JOSEPH THROUGH ITS DAILY OPERATIONS, PROVIDES TO THE AREA ACUTE, EMERGENCY AND OUTPATIENT CARE ST JOSEPH IS NOW A MEMBER OF CATHOLIC HEALTH SYSTEMS OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND)(CHS) WHICH IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS SERVING NASSAU AND SUFFOLK COUNTIES CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTRE AS OF DECEMBER 31, 2011 CHS WAS COMPRISED OF SIX HOSPITALS (MERCY MEDICAL CENTER, AND ST FRANCIS HOSPITAL IN NASSAU COUNTY, GOOD SAMARITAN HOSPITAL MEDICAL CENTER, ST CHARLES HOSPITAL AND ST CATHERINE OF SIENA MEDICAL CENTER IN SUFFOLK COUNTY), THREE NURSING HOMES (ST CATHERINE OF SIENA NURSING HOME, GOOD SAMARITAN NURSING HOME AND OUR LADY OF CONSOLATION RESIDENCE, ALL IN SUFFOLK COUNTY), A REGIONAL HOME CARE AND HOSPICE NETWORK AND A COMMUNITY BASED AGENCY FOR PERSONS WITH SPECIAL NEEDS WITH MORE THAN 17,000 STAFF AND 3,800 MEDICAL STAFF WORKING THROUGHOUT THE SYSTEM, CHS PROVIDES THE REGION'S FINEST HEALTH AND HUMAN SERVICES MEMBER ORGANIZATIONS OF CHS OFFER VIRTUALLY EVERY MEDICAL SPECIALTY AND CLINICAL SERVICE, AND SHARE A DEDICATION TO CONTINUOUSLY UPGRADE THE SCOPE, QUALITY AND ACCESSIBILITY OF CARE EACH OF CHS MEMBER ORGANIZATIONS HAS RETAINED THEIR INDIVIDUAL LINKS TO THEIR HISTORY, THEIR DISTINCTIVE PERSONALITIES, AS WELL AS THE SERVICE SPECIALTIES WHICH THEY ARE KNOWN FOR, THUS EMBEDDING THE ORGANIZATION IN THE COMMUNITY AND SERVING IT EFFECTIVELY THE CHS SYSTEM PROVIDES AN ABUNDANCE OF EDUCATION AND SUPPORT GROUPS, PROVIDES FREE HEALTH SCREENINGS THROUGH THE HEALTHY SUNDAY PROGRAMS, HEALTH FAIRS AND OTHER PROGRAMS WHICH HELP THE COMMUNITIES SERVED BY CHS ACCESS CARE SINCE 1907, CATHOLIC HEALTHCARE ON LONG ISLAND HAS BUILT A DISTINGUISHED TRADITION OF OPERATING COMMUNITY BASED HOSPITAL AND HUMAN SERVICE ORGANIZATIONS WITH THE PRIMARY OBJECTIVE OF SERVING THE COMMUNITY TO FURTHER THE MISSION OF BRINGING CARE TO THE COMMUNITY, CHS AND ITS MEMBER HOSPITALS, TOGETHER WITH A NUMBER OF OTHER HEALTHCARE PROVIDERS ON LONG ISLAND ENTERED INTO A PARTNERSHIP AGREEMENT WHICH OPERATES AS THE LONG ISLAND HEALTH NETWORK (LIHN) LIHN WAS CREATED TO ESTABLISH A COMPREHENSIVE AND EFFICIENT HOSPITAL NETWORK IN NASSAU AND SUFFOLK COUNTIES BY WORKING TO, AMONG OTHER THINGS, IMPROVE QUALITY OF CARE, FACILITATE CLINICAL INTEGRATION, BENCHMARK BEST PRACTICES AND REDUCE LENGTH OF STAY COSTS</p>

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

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization  
ST JOSEPH HOSPITAL

Employer identification number

11-3438973

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- |   |  |
|---|--|
| <input type="checkbox"/> First-class or charter travel            | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                    | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account           | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

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

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

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

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

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

**a** Receive a severance payment or change-of-control payment?

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

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

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

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

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

**a** The organization?

**b** Any related organization?

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

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

**a** The organization?

**b** Any related organization?

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

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

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

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

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>		No
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) GARA EDELSTEIN	(i)	0	0	0	0	0	0	0
	(ii)	278,991	75,000	515,932	83,103	23,159	976,185	0
(2) WILLIAM ARMSTRONG	(i)	0	0	0	0	0	0	0
	(ii)	487,907	160,000	952,400	436,336	26,634	2,063,277	776,631
(3) RUTH HENNESSEY	(i)	0	0	0	0	0	0	0
	(ii)	425,907	152,300	2,919	107,905	24,998	714,029	0
(4) JOEL YOHAJ	(i)	0	0	0	0	0	0	0
	(ii)	545,769	189,400	225,699	21,866	18,279	1,001,013	0
(5) AARON GLATT	(i)	377,980	105,000	15,212	23,201	23,716	545,109	0
	(ii)	31,129	0	76	0	1,994	33,199	0
(6) ALAN D GUERCI	(i)	0	0	0	0	0	0	0
	(ii)	760,965	345,300	1,151,991	567,098	29,829	2,855,183	0
(7) DREW PALLAS	(i)	267,410	30,000	2,276	16,850	21,403	337,939	0
	(ii)	0	0	0	0	0	0	0
(8) LAWRENCE REDUTO	(i)	213,858	0	1,320	8,642	8,580	232,400	0
	(ii)	0	0	0	0	0	0	0
(9) IHAB IBRAHIM	(i)	158,329	15,542	187	6,580	22,047	202,685	0
	(ii)	0	0	0	0	0	0	0
(10) MARGARET MINNICK	(i)	159,135	14,177	1,734	6,580	202	181,828	0
	(ii)	0	0	0	0	0	0	0
(11) BERNARD STARK	(i)	257,874	42,016	2,648	8,197	21,011	331,746	0
	(ii)	0	0	0	0	0	0	0
(12) PETER CHIAACCHIARO	(i)	143,682	1,000	1,043	5,974	28,861	180,560	0
	(ii)	0	0	0	0	0	0	0
(13) ANNE WILSON-RISK	(i)	148,950	500	541	5,962	15,890	171,843	0
	(ii)	0	0	0	0	0	0	0

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	THE AMOUNTS REFLECTED IN COLUMN B(II) AND COLUMN C FOR THE INDIVIDUALS INCLUDES PARTICIPATION IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2011 FORM W-2 BOX, 5 AS TAXABLE WAGES BECAUSE THEY ARE VESTED, BUT ARE NOT DISTRIBUTED UNTIL RETIREMENT THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE INDIVIDUALS INCLUDES BOTH QUALIFIED AND NONQUALIFIED RETIREMENT PLANS

**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

**2011**

**Open to Public  
Inspection**

Name of the organization  
ST JOSEPH HOSPITAL

**Employer identification number**

11-3438973

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF ST JOSEPH HOSPITAL IS CATHOLIC HEALTH SYSTEM OF LONG ISLAND (D/B/A/ CATHOLIC HEALTH SERVICES OF LONG ISLAND) (CHS) CHS IS A NEW YORK NOT-FOR-PROFIT CORPORATION ORGANIZED TO SERVE AS THE COORDINATING BODY OF AN INTEGRATED NETWORK OF PROVIDERS SERVING NASSAU AND SUFFOLK COUNTIES CHS IS SPONSORED BY THE ROMAN CATHOLIC DIOCESE OF ROCKVILLE CENTER (DIOCESE)

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	CHS IS THE SOLE MEMBER OF ST JOSEPH HOSPITAL AND AS SUCH, HAS THE RIGHT TO APPOINT THE GOVERNING BODY OF ST JOSEPH HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	CHS AS THE SOLE MEMBER OF ST JOSEPH HOSPITAL IS REQUIRED TO APPROVE CERTAIN DECISIONS MADE BY ST JOSEPH'S GOVERNING BODY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990, AND APPROPRIATE SCHEDULES, IS COMPLETED BY THE ACCOUNTING AND FINANCE STAFF OF THE ORGANIZATION AND REVIEWED INTERNALLY BY MANAGEMENT. IT IS THEN REVIEWED BY OUTSIDE TAX ADVISORS. THE FINAL DRAFT OF THE FORM 990 IS THEN PRESENTED TO THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE (THE COMMITTEE) OF THE BOARD OF TRUSTEES (THE BOARD), WHICH HAS BEEN DELEGATED THE DETAILED REVIEW FUNCTION BY THE BOARD. UPON APPROVAL OF THE COMMITTEE, THE FORM 990 IS THEN SENT TO ALL VOTING MEMBERS OF THE BOARD. ONCE APPROVED BY THE BOARD (OR THE EXECUTIVE COMMITTEE OF THE BOARD, AS APPROPRIATE), THE ORGANIZATION'S BOARD CHAIR AND CHIEF EXECUTIVE OFFICER COMMUNICATES, IN WRITING TO THE CHS COMPLIANCE AND AUDIT COMMITTEE AND CHS BOARD CHAIR. AFTER REVIEW OF ANY APPLICABLE COMMENTS FROM THE BOARD, THE COMPLIANCE AND AUDIT COMMITTEE WILL THEN RECOMMEND THE APPROVAL OF THE FORM 990 TO THE CHS BOARD OF DIRECTORS WHO WILL THEN REVIEW THE RECOMMENDATIONS AND PROVIDE THE FINAL APPROVAL OF THE FORM 990. THE FORM 990 IS THEN SUBMITTED TO THE INTERNAL REVENUE SERVICE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	DISCLOSURE IN ACCORDANCE WITH THE CONFLICT OF INTEREST POLICY (THE POLICY) BY BOARD AND BOARD COMMITTEE MEMBERS, EMPLOYEES AND OTHERS THAT SATISFY THE CRITERIA TO BE CONSIDERED AN INTERESTED PERSON IS SUBMITTED UPON HIRE OR APPOINTMENT AND ANNUALLY THEREAFTER, SUCH INDIVIDUALS HAVE A CONTINUING OBLIGATION TO UPDATE THE INFORMATION PROVIDED DURING THE COURSE OF THE YEAR. A SUMMARY OF DISCLOSURES IS PROVIDED TO THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE BY THE ORGANIZATION'S COMPLIANCE OFFICER. ALL DISCLOSURES ARE INVESTIGATED AND INFORMATION RELATED TO THE DISCLOSURE SHALL BE GATHERED AND SUMMARIZED AND INCLUDED WITH THE SUMMARY OF DISCLOSURES. UPON REVIEW OF THE SUMMARY OF DISCLOSURES, THE ORGANIZATION'S COMPLIANCE AND AUDIT COMMITTEE SHALL REPORT ITS FINDINGS TO THE BOARD OF TRUSTEES FOR REVIEW. THE BOARD SHALL DETERMINE WHETHER A CONFLICT OF INTEREST EXISTS BASED ON THE CRITERIA CONTAINED IN THE POLICY. IF THE BOARD COMMITTEE DETERMINES THAT NO CONFLICT EXISTS, THE MATTER SHALL BE REFERRED FOR REVIEW BY THE CHS COMPLIANCE AND AUDIT COMMITTEE BEFORE THE DETERMINATION BECOMES FINAL. IF A CONFLICT OF INTEREST IS IDENTIFIED AND A MAJORITY OF THE BOARD OR BOARD COMMITTEE AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS AND WISHES TO GO FORTH WITH IT, THE CHAIR OF THE ORGANIZATION'S BOARD OF TRUSTEES SHALL PROVIDE A WRITTEN REQUEST TO THE CHAIR OF THE CHS COMPLIANCE AND AUDIT COMMITTEE, DELINEATING THE TRANSACTION AND CONFLICT AND PROVIDING REASONS WHY THE BOARD AGREES THAT THE TRANSACTION OR ARRANGEMENT IS IN THE BEST INTEREST OF CHS, CERTIFIES THAT CHS CANNOT SECURE SIMILAR SERVICES FROM AN ORGANIZATION WITHOUT CONFLICT, AND WISHES TO GO FORWARD WITH IT. UPON RECEIPT OF THE WRITTEN REQUEST AND ANY SUPPORTING DOCUMENTS, THE CHS COMPLIANCE AND AUDIT COMMITTEE SHALL MAKE THE FINAL DECISION AS TO WHETHER CHS SHALL ENTER INTO THE TRANSACTION OR ARRANGEMENT.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE CHIEF EXECUTIVE OFFICER SUBMITS FOR APPROVAL TO THE CORPORATE CEO RECOMMENDATIONS FOR BASE SALARY ADJUSTMENTS AND INCENTIVE AWARDS FOR "DISQUALIFIED PERSONS" AS DEFINED IN THE POLICY. ONCE APPROVED BY THE CORPORATE CEO, THESE RECOMMENDATIONS ARE SENT TO THE EXECUTIVE COMPENSATION COMMITTEE FOR REVIEW. THE EXECUTIVE COMPENSATION COMMITTEE, WITH AN INDEPENDENT COMPENSATION CONSULTANT ENGAGED BY THE BOARD, WILL REVIEW PROPOSED SALARY ADJUSTMENTS AND INCENTIVE AWARDS TO ENSURE REASONABLENESS BY REVIEWING COMPARABLE TOTAL COMPENSATION DATA (INCLUDING INCENTIVES) PAID TO SIMILARLY SITUATED EXECUTIVES AT THE MEDIAN OF THE DEFINED MARKETPLACE WITH POSSIBLE ADJUSTMENT MADE FOR SPECIAL SKILL, EXPERIENCE, COMPETENCE AND PERFORMANCE, INCLUDING CONTRIBUTION TO THE SYSTEM AS A WHOLE. THE COMPENSATION COMMITTEE SETS STANDARDS TO ENSURE THAT THE CRITERIA USED TO DETERMINE INCENTIVE COMPENSATION ARE SPECIFIC, OBJECTIVE, MEASURABLE AND RELATED TO INDICATORS OF PERFORMANCE. BASED ON THE INFORMATION, THE COMMITTEE WILL THEN MAKE ITS RECOMMENDATION TO THE BOARD OF TRUSTEES.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS - CERTIFICATE OF INCORPORATION FILIED WITH THE NYS DEPARTMENT OF STATE, CONFLICT OF INTEREST POLICY IS NOT PUBLICLY AVAILABLE, FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII, SECTION A LINE 1A	REFLECTED IN PART REFLECTED IN PART VII, SECTION A, LINE 1A ARE THE ESTIMATED WEEKLY HOURS (2 0) TRUSTEES CONTRIBUTE TO THIS AND ALL OTHER RELATED ORGANIZATIONS, NOT NECESSARILY EQUALLY BUT IN THE PROPORTION NECESSARY, FOR WHICH THEY RECEIVE NO COMPENSATION

Identifier	Return Reference	Explanation
ELECTION TO ALLOCATE BUSINESS ASSET EXPENSE	CONTROLLED GROUP ELECTION STATEMENT	<p>THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, AS DEFINED IN SECTION 179(D)(7), HEREBY CONSENT TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2011 ELECTION TO ALLOCATE \$40,000 ALTERNATIVE MINIMUM TAX EXEMPTION THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS (WITHIN THE MEANING OF SECTION 1563(A)), HEREBY CONSENT UNDER REGULATION 1.58-1(C)(3) TO THE APPORTIONMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2010 ELECTION TO ALLOCATE \$150,000 ALTERNATIVE MINIMUM TAX PHASE-OUT THE UNDERSIGNED CORPORATIONS, COMPONENT MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS (WITHIN THE MEANING OF SECTION 1563(A)), HEREBY CONSENT UNDER REGULATION 1.58-1(C)(3) TO THE APPOINTMENT PLAN LISTED BELOW WITH RESPECT TO THE TAXABLE YEAR OF EACH CORPORATION WHICH INCLUDES DECEMBER 31, 2011 EMPLOYER ID NO \$128,00 \$40,000 \$150,000 11-3403968 NONE NONE NONE 14-1801961 NONE NONE NONE 11-3594561 NONE NONE NONE 11-3555766 NONE NONE NONE 11-1888924 NONE NONE NONE 77-0611240 NONE NONE NONE 11-2537396 NONE NONE NONE 11-2958438 NONE NONE NONE 11-3434776 NONE NONE NONE 11-2861698 NONE NONE NONE 11-2861690 NONE NONE NONE 11-3638367 NONE NONE NONE 11-1635088 NONE NONE NONE 11-2126736 NONE NONE NONE 11-3284066 NONE NONE NONE 20-8067039 NONE NONE NONE 11-2499790 NONE NONE NONE 06-1569129 NONE NONE NONE 06-1562701 NONE NONE NONE 11-1871039 NONE NONE NONE 41-2076312 NONE NONE NONE 11-3613997 NONE NONE NONE 11-2050523 NONE NONE NONE 11-2916033 NONE NONE NONE 11-3090867 NONE NONE NONE 11-2110488 NONE NONE NONE 11-2983148 NONE NONE NONE 11-2716640 NONE NONE NONE 11-3559713 NONE NONE NONE 11-1635088 NONE NONE NONE 55-0813603 NONE NONE NONE 27-1459941 NONE NONE NONE IN PROCESS NONE NONE NONE 26-3169427 NONE NONE NONE 45-0517566 NONE NONE NONE 27-1531084 NONE NONE NONE 11-2798383 NONE NONE NONE 11-2801136 NONE NONE NONE 11-2838185 \$128,000 \$40,000 \$150,000 11-3319259 NONE NONE NONE 06-1568934 NONE NONE NONE 11-3307977 NONE NONE NONE 11-2126736 NONE NONE NONE</p>

Identifier	Return Reference	Explanation
CONTROLLED GROUP ELECTION - CONTINUED		<p>EMPLOYER NAME, ADDRESS &amp; TAX YEAR-END ID NO 11-3403968 CATHOLIC HEALTH SERVICES OF LONG ISLAND 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 14-1801961 CHS AMBULANCE SERVICES 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-3594561 CHS HOME SUPPORT SERVICES, INC 15 POWER DRIVE HAUPPAUGUE, NY 11788 TAX YEAR END 12/31/11 11-3555761 CHS SERVICES, INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-1888924 GOOD SAMARITAN HOSPITAL MEDICAL CENTER 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 77-0611240 GOOD SAMARITAN HOSPITAL FOUNDATION 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 11-2537396 GOOD SAMARITAN HOSPITAL SELF INSURANCE AGAINST MALPRACTICE 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 11-2958438 GOOD SHEPHERD HOSPICE 245 OLD COUNTRY ROAD MELVILLE, NY 11747 TAX YEAR END 12/31/11 11-3434776 MARY HAVEN TRANSPORTATION SERVICES 51 TERRYVILLE ROAD PORT JEFFERSON, NY 11776 TAX YEAR END 12/31/11 11-2861698 MARY HAVEN CENTER OF HOPE 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-2861690 MARY HAVEN SCHOOL CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-3638367 THE CENTER OF HOPE FOUNDATION 51 TERRYVILLE ROAD PORT JEFFERSON, NY 11776 TAXABLE YEAR 12/31/11 11-1635088 MERCY MEDICAL CENTER 1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2126736 CATHOLIC HOME CARE 1150 PORTION BLVD SUITE 1 HOLTSVILLE, NY 11742 TAX YEAR END 12/31/11 11-3284066 OUR LADY OF CONSOLATION GERIATRIC CARE CENTER 111 BEACH DRIVE WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 20-8067039 RVC INSURANCE COMPANY, INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2499790 RIVERHEAD HOSTEL HOLDING CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 06-1569129 SIENA VILLAGE 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 06-1562701 ST CATHERINE OF SIENA MEDICAL CENTER 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 11-1871039 ST CHARLES HOSPITAL AND REHABILITATION CENTER 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 41-2076312 ST CHARLES HOSPITAL FOUNDATION 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 11-3613997 ST FRANCIS CARDIOVASCULAR PHYSICIANS PC 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2050523 ST FRANCIS HOSPITAL 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2916033 ST FRANCIS HOSPITAL FOUNDATION 100 PORT WASHINGTON BOULEVARD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-3090867 ST FRANCIS RESEARCH &amp; EDUCATIONAL CORPORATION 100 PORT WASHINGTON BOULEVARD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2110488 SUFFOLK HEARING &amp; SPEECH 369 EAST MAIN STREET EAST ISLIP, NY 11730 TAX YEAR END 12/31/11 11-2983148 THE ST CHARLES CORPORATION 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 11-2716640 THE SAMARITAN CORPORATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 11-3559713 WISDOM GARDENS HOUSING DEVELOPMENT CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-1635088 ST FRANCIS-MERCY CORPORATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 55-0813603 MERCY MEDICAL CENTER FOUNDATION 1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 27-1459941 ST CATHERINE OF SIENA MEDICAL CENTER FOUNDATION 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 IN PROCESS CATHOLIC HOME CARE FOUNDATION 1150 PORTION ROAD, SUITE 1 HOLTSVILLE, NY 11742 TAX YEAR END 12/31/11 26-3169427 CATHOLIC HOME CARE FOUNDATION 245 OLD COUNTRY ROAD MELVILLE, NY 11747 TAX YEAR END 12/31/11 45-0517566 OUR LADY OF CONSOLATION FOUNDATION 111 BEACH DRIVE WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 27-1531084 OUR LADY OF CONSOLATION FOUNDATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2798383 FAIRVIEW HILL MANAGEMENT CORP 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAXABLE YEAR 12/31/11 11-2801136 HEALTHCARE TEMP SERVICES 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAXABLE YEAR 12/31/11 11-2838185 SAMARITAN MANAGEMENT SERVICES 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 11-3319259 SAMARITAN HOME CARE AMERICA, INC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 06-1568934 SIENA MEDICAL REALTY 50 ROUTE 25A SMITHTOWN, NY 11787 TAXABLE YEAR 12/31/11 11-3307977 SOUTH SHORE PRACTICE MANAGEMENT 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 11-2126736 NURSING SISTERS HOME CARE, INC 1150 PORTION ROAD, SUITE 1 HOLTSVILLE, NY 11742 TAXABLE YEAR 12/31/11</p>

Identifier	Return Reference	Explanation
TAX BRACKET ALLOCATION		<p>THE AMOUNTS IN EACH TAXABLE INCOME BRACKET IN THE TAX TABLE IN SECTION 11(B) HAVE BEEN ALLOCATED TO THE CORPORATIONS LISTED BELOW PURSUANT TO REGULATION 1.1561-3(A) THE ORIGINAL COPY OF THIS STATEMENT IS FILED WITH THE INTERNAL REVENUE SERVICE CENTER IN OGDEN, UTAH AUTHORIZATION CONSENT FOR ALLOCATION ON BEHALF OF MEMBER COMPANIES</p> <p style="text-align: center;">EMPLOYER ID NO \$50,000 \$25,000 \$9,925,000</p> <p>BRACKET BRACKET BRACKET 11-3403968 NONE NONE NONE 14-1801961 NONE NONE NONE 11-3594561 NONE NONE NONE 11-3555766 NONE NONE NONE 11-1888924 NONE NONE NONE 77-0611240 NONE NONE NONE 11-2537396 NONE NONE NONE 11-2958438 NONE NONE NONE 11-3434776 NONE NONE NONE 11-2861698 NONE NONE NONE 11-2861690 NONE NONE NONE 11-3638367 NONE NONE NONE 11-1635088 NONE NONE NONE 11-2126736 NONE NONE NONE 11-3284066 NONE NONE NONE 20-8067039 NONE NONE NONE 11-2499790 NONE NONE NONE 06-1569129 NONE NONE NONE 06-1562701 NONE NONE NONE 11-1871039 NONE NONE NONE 41-2076312 NONE NONE NONE 11-3613997 NONE NONE NONE 11-2050523 NONE NONE NONE 11-2916033 NONE NONE NONE 11-3090867 NONE NONE NONE 11-2110488 NONE NONE NONE 11-2983148 NONE NONE NONE 11-2716640 NONE NONE NONE 11-3559713 NONE NONE NONE 11-1635088 NONE NONE NONE 55-0813603 NONE NONE NONE 27-1459941 NONE NONE NONE IN PROCESS NONE NONE NONE 26-3169427 NONE NONE NONE 45-0517566 NONE NONE NONE 27-1531084 NONE NONE NONE 11-2798383 NONE NONE NONE 11-2801136 NONE NONE NONE 11-2838185 \$50,000 \$25,000 \$9,925,000 11-3319259 NONE NONE NONE 06-1568934 NONE NONE NONE 11-3307977 NONE NONE NONE 11-2126736 NONE NONE NONE</p>

Identifier	Return Reference	Explanation
TAX BRACKET ALLOCATION - CONTINUED		<p>EMPLOYER NAME, ADDRESS &amp; TAX YEAR-END ID NO 11-3403968 CATHOLIC HEALTH SERVICES OF LONG ISLAND 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 14-1801961 CHS AMBULANCE SERVICES 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-3594561 CHS HOME SUPPORT SERVICES, INC 15 POWER DRIVE HAUPPAUGUE, NY 11788 TAX YEAR END 12/31/11 11-3555761 CHS SERVICES, INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-1888924 GOOD SAMARITAN HOSPITAL MEDICAL CENTER 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 77-0611240 GOOD SAMARITAN HOSPITAL FOUNDATION 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 11-2537396 GOOD SAMARITAN HOSPITAL SELF INSURANCE AGAINST MALPRACTICE 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 11-2958438 GOOD SHEPHERD HOSPICE 245 OLD COUNTRY ROAD MELVILLE, NY 11747 TAX YEAR END 12/31/11 11-3434776 MARYHAVEN TRANSPORTATION SERVICES 51 TERRYVILLE ROAD PORT JEFFERSON, NY 11776 TAX YEAR END 12/31/11 11-2861698 MARYHAVEN CENTER OF HOPE 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-2861690 MARYHAVEN SCHOOL CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-3638367 THE CENTER OF HOPE FOUNDATION 51 TERRYVILLE ROAD PORT JEFFERSON, NY 11776 TAXABLE YEAR 12/31/11 11-1635088 MERCY MEDICAL CENTER 1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2126736 CATHOLIC HOME CARE 1150 PORTION BLVD SUITE 1 HOLTSVILLE, NY 11742 TAX YEAR END 12/31/11 11-3284066 OUR LADY OF CONSOLATION GERIATRIC CARE CENTER 111 BEACH DRIVE WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 20-8067039 RVC INSURANCE COMPANY, INC 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2499790 RIVERHEAD HOSTEL HOLDING CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 06-1569129 SIENA VILLAGE 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 06-1562701 ST CATHERINE OF SIENA MEDICAL CENTER 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 11-1871039 ST CHARLES HOSPITAL AND REHABILITATION CENTER 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 41-2076312 ST CHARLES HOSPITAL FOUNDATION 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 11-3613997 ST FRANCIS CARDIOVASCULAR PHYSICIANS PC 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2050523 ST FRANCIS HOSPITAL 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2916033 ST FRANCIS HOSPITAL FOUNDATION 100 PORT WASHINGTON BOULEVARD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-3090867 ST FRANCIS RESEARCH &amp; EDUCATIONAL CORPORATION 100 PORT WASHINGTON BOULEVARD ROSLYN, NY 11576 TAX YEAR END 12/31/11 11-2110488 SUFFOLK HEARING &amp; SPEECH 369 EAST MAIN STREET EAST ISLIP, NY 11730 TAX YEAR END 12/31/11 11-2983148 THE ST CHARLES CORPORATION 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAX YEAR END 12/31/11 11-2716640 THE SAMARITAN CORPORATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 11-3559713 WISDOM GARDENS HOUSING DEVELOPMENT CORPORATION 51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 TAX YEAR END 12/31/11 11-1635088 ST FRANCIS-MERCY CORPORATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 55-0813603 MERCY MEDICAL CENTER FOUNDATION 1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11795 TAX YEAR END 12/31/11 27-1459941 ST CATHERINE OF SIENA MEDICAL CENTER FOUNDATION 50 ROUTE 25A SMITHTOWN, NY 11787 TAX YEAR END 12/31/11 IN PROCESS CATHOLIC HOME CARE FOUNDATION 1150 PORTION ROAD, SUITE 1 HOLTSVILLE, NY 11742 TAX YEAR END 12/31/11 26-3169427 CATHOLIC HOME CARE FOUNDATION 245 OLD COUNTRY ROAD MELVILLE, NY 11747 TAX YEAR END 12/31/11 45-0517566 OUR LADY OF CONSOLATION FOUNDATION 111 BEACH DRIVE WEST ISLIP, NY 11795 TAX YEAR END 12/31/11 27-1531084 OUR LADY OF CONSOLATION FOUNDATION 992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 TAX YEAR END 12/31/11 11-2798383 FAIRVIEW HILL MANAGEMENT CORP 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAXABLE YEAR 12/31/11 11-2801136 HEALTHCARE TEMP SERVICES 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 TAXABLE YEAR 12/31/11 11-2838185 SAMARITAN MANAGEMENT SERVICES 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 11-3319259 SAMARITAN HOME CARE AMERICA, INC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 06-1568934 SIENA MEDICAL REALTY 50 ROUTE 25A SMITHTOWN, NY 11787 TAXABLE YEAR 12/31/11 11-3307977 SOUTH SHORE PRACTICE MANAGEMENT 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 TAXABLE YEAR 12/31/11 11-2126736 NURSING SISTERS HOME CARE, INC 1150 PORTION ROAD, SUITE 1 HOLTSVILLE, NY 11742 TAXABLE YEAR 12/31/11</p>

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

**Name of the organization**  
ST JOSEPH HOSPITAL

**Employer identification number**

11-3438973

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

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

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

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

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

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

**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
See Additional Data Table							

**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 related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses

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

	Yes	No
<b>1a</b>		No
<b>1b</b>		No
<b>1c</b>		No
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>		No
<b>1k</b>		No
<b>1l</b>		No
<b>1m</b>		No
<b>1n</b>	Yes	
<b>1o</b>	Yes	
<b>1p</b>	Yes	
<b>1q</b>		No
<b>1r</b>		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
<b>(1)</b> CATHOLIC HEALTH SYSTEM OF LONG ISLAND	0	-74,504	COST
<b>(2)</b> CHS SERVICES INC	0	-1,313,185	COST
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			



**Part VII Supplemental Information**

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

Identifier	Return Reference	Explanation
	SCHEDULE R PART V, TRANSACTIONS WITH RELATED PARTIES	ST JOSEPH HOSPITAL HAS DISCLOSED IN SCHEDULE R THE PREDOMINANT TRANSACTION TYPE WITH EACH FACILITY WITH WHICH IT HAS CONDUCTED TRANSACTIONS HOWEVER, THERE ARE ADDITIONAL TRANSACTION TYPES TO DESCRIBE THE ACTIVITIES ST JOSEPH HAS ENGAGED IN WITH ITS RELATED PARTY ORGANIZATIONS THE FOLLOWING IS A LIST OF ADDITIONAL TRANSACTION TYPES BY FACILITY NAME OF ORGANIZATION EIN ADDT'L TXN TYPE CATHOLIC HEALTH SYSTEM OF LONG ISLAND 11-3405968 P,N CATHOLIC HEALTH SERVICES INC 11-3555766 N

**Software ID:**  
**Software Version:**  
**EIN:** 11-3438973  
**Name:** ST JOSEPH HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
CATHOLIC HEALTH SYSTEM OF LONG ISLAND  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-3403968	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	N/A		No
CHS SERVICES INC  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-3555766	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
CHS AMBULANCE SERVICES INC  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 14-1801961	DORMANT	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
GOOD SAMARITAN HOSPITAL MEDICAL CENTER  1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-1888924	HOSPITAL	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
GOOD SAMARITAN SELF INSURANCE AGAINST MALPRACTICE  1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2537396	SELF INSURANCE	NY	501(C) (3)	LINE 11A, I	GOOD SAMARITAN HOSPITAL		No
MARYHAVEN TRANSPORTATION SERVICES  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-3434776	TRANSPORTATION SERVICES	NY	501(C) (3)	LINE 9	MARYHAVEN CENTER OF HOPE		No
MARYHAVEN CENTER OF HOPE  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-2861698	PROGRAMS/HOUSING FOR THE DEVELOPMENTALLY DISABLED	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
MARYHAVEN SCHOOL CORPORATION  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-2861690	SCHOOL FOR DEVELOPMENTALLY DISABLED	NY	501(C) (3)	LINE 9	MARYHAVEN CENTER OF HOPE		No
THE CENTER OF HOPE FOUNDATION  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-3638367	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	MARYHAVEN CENTER OF HOPE		No
MERCY MEDICAL CENTER  1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-1635088	HOSPITAL	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
CATHOLIC HOME CARE  1150 PORTION ROAD SUITE 1 HOLTSVILLE, NY 11742 11-2126736	HOME CARE	NY	501(C) (3)	LINE 9	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
OUR LADY OF CONSOLATION GERIATRIC CARE CENTER  111 BEACH DRIVE WEST ISLIP, NY 11795 11-3284066	LT NURSING CARE	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
RIVERHEAD HOSTEL HOLDING CORPORATION  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-2499790	RENTING	NY	501(C) (3)	LINE 9	MARYHAVEN CENTER OF HOPE		No
SIENA VILLAGE INC  50 ROUTE 25A SMITHTOWN, NY 11787 06-1569129	SENIOR HOUSING	NY	501(C) (3)	LINE 9	ST CATHERINE OF SIENA MEDICAL CENTER		No
ST CATHERINE OF SIENA MEDICAL CENTER  50 ROUTE 25A SMITHTOWN, NY 11787 06-1562701	HOSPITAL	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
ST CHARLES HOSPITAL  200 BELLE TERRE ROAD PORT JEFFERSON STATION, NY 11777 11-1871039	HOSPITAL	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
CHS HOME SUPPORT SERVICES INC  15 POWER DRIVE HAUPPAUGE, NY 11788 11-3594561	RESPIRATORY THERAPY SVC/MED EQUIP	NY	501(C) (3)	LINE 9	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
ST FRANCIS HOSPITAL  100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-2050523	HOSPITAL	NY	501(C) (3)	LINE 3	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
ST FRANCIS HOSPITAL FOUNDATION  100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-2916033	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	ST FRANCIS HOSPITAL		No
ST FRANCIS HOSPITAL RESEARCH & EDUCATIONAL CORP  100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3090867	RESEARCH ORGANIZATION	NY	501(C) (3)	LINE 9	ST FRANCIS HOSPITAL		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
SUFFOLK HEARING & SPEECH CENTER INC  369 EAST MAIN STREET EAST ISLIP, NY 11730 11-2110488	DIAGNOSTIC TESTING	NY	501(C) (3)	LINE 3	GOOD SAMARITAN HOSPITAL		No
THE ST CHARLES CORPORATION  200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2983148	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
THE SAMARITAN CORPORATION  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-2716640	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
WISDOM GARDENS HOUSING DEVELOPMENT FUND INC  51 TERRYVILLE ROAD PORT JEFFERSON STATION, NY 11776 11-3559713	SENIOR HOUSING	NY	501(C) (3)	LINE 9	MARYHAVEN CENTER OF HOPE		No
GOOD SHEPHERD HOSPICE  245 OLD COUNTRY ROAD MELVILLE, NY 11747 11-2958438	HOSPICE SERVICES	NY	501(C) (3)	LINE 9	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
ST CHARLES HOSPITAL FOUNDATION  200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 41-2076312	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	ST CHARLES HOSPITAL		No
GOOD SAMARITAN HOSPITAL FOUNDATION  1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 77-0611240	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	GOOD SAMARITAN HOSPITAL		No
ST FRANCIS-MERCY CORPORATION  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 11-1635088	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
MERCY MEDICAL CENTER FOUNDATION  1000 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 55-0813603	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	MERCY MEDICAL CENTER		No
ST CATHERINE OF SIENA MEDICAL CENTER FOUNDATION  50 ROUTE 25A SMITHTOWN, NY 11787 27-1459941	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	ST CATHERINE OF SIENA MEDICAL CENTER		No
CATHOLIC HOME CARE FOUNDATION  1150 PORTION ROAD SUITE 1 HOLTSVILLE, NY 11742	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	CATHOLIC HOME CARE		No
GOOD SHEPHERD HOSPICE FOUNDATION  245 OLD COUNTRY ROAD MELVILLE, NY 11747 26-3169427	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	GOOD SHEPHERD HOSPICE		No
OUR LADY OF CONSOLATION FOUNDATION  111 BEACH DRIVE WEST ISLIP, NY 11795 45-0517566	SUPPORT ORG	NY	501(C) (3)	LINE 11A, I	OUR LADY OF CONSOLATION		No
RVC SUPPORT  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 27-1531084	REAL ESTATE	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No
ST FRANCIS CARDIOVASCULAR PHYSICIANS PC  100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3613997	HEALTHCARE SERVICES	NY	501(C) (3)	LINE 11A, I	ST FRANCIS HOSPITAL		No
RVC INSURANCE COMPANY INC  992 NORTH VILLAGE AVENUE ROCKVILLE CENTRE, NY 11570 20-8067039	CAPTIVE INSURANCE COMPANY	NY	501(C) (3)	LINE 11A, I	CATHOLIC HEALTH SYSTEM OF LONG ISLAND		No

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

<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary activity	<b>(c)</b> Legal Domicile (State or Foreign Country)	<b>(d)</b> Direct Controlling Entity	<b>(e)</b> Type of entity (C corp, S corp, or trust)	<b>(f)</b> Share of total income (\$)	<b>(g)</b> Share of end-of-year assets (\$)	<b>(h)</b> Percentage ownership
RADIOLOGY CONSULTING OF LONG ISLAND PLLC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 42-1646134	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
SAMARITAN EMERGENCY MEDICAL SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8243412	DIAGNOSTIC TESTING	NY	GOOD SAMARITAN HOSPITAL	C			
SAMARITAN PEDIATRIC SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8180263	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
SAMARITAN MEDICAL SERVICES PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8088453	DIAGNOSTIC TESTING	NY	GOOD SAMARITAN HOSPITAL	C			
SOUTHWEST SUFFOLK MEDICAL PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 06-1603195	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
CARDIAC EKG INTERPRETATION PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2924518	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
LI REGIONAL ARTHRITIS & OSTEOPOROSIS CARE PC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 20-8964140	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
SAMARITAN MANAGEMENT SERVICES INC 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-2838185	HEALTHCARE SERVICES	NY	CATHOLIC HEALTH SYSTEM OF LONG ISLAND	C			
FAIRVIEW HILL MANAGEMENT CO INC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-2798383	SERVICES	NY	ST CHARLES CORPORATION	C			
ADVANCED REHABILITATION MEDICINE PLLC 200 BELLE TERRE ROAD PORT JEFFERSON, NY 11777 11-3640709	HEALTHCARE SERVICES	NY	ST CHARLES HOSPITAL	C			
ST FRANCIS CARDIAC PREVENTION SERVICES PC 100 PORT WASHINGTON BLVD ROSLYN, NY 11576 11-3224885	HEALTHCARE SERVICES	NY	ST FRANCIS HOSPITAL	C			
SOUTH SHORE PRACTICE MANAGEMENT 1000 MONTAUK HIGHWAY WEST ISLIP, NY 11795 11-3307977	HEALTHCARE SERVICES	NY	GOOD SAMARITAN HOSPITAL	C			
MERCY INTERNAL MEDICINE PC 992 N VILLAGE AVENUE ROCKVILLE CENTRE, NY 11710 51-0639649	HEALTHCARE SERVICES	NY	MERCY MEDICAL CENTER	C			



**ST. JOSEPH HOSPITAL**

Financial Statements

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 200  
1305 Walt Whitman Road  
Melville, NY 11747-4302

## Independent Auditors' Report

The Board of Directors  
St. Joseph Hospital:

We have audited the accompanying balance sheet of St. Joseph Hospital (the Hospital) as of December 31, 2011 and 2010, and the related statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital'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 financial statements referred to above present fairly, in all material respects, the financial position of St. Joseph Hospital as of December 31, 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.

As discussed in note 2 to the consolidated financial statements, the Hospital adopted the provisions of Financial Accounting Standards Board (FASB) ASU No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries, Health Care Topics (954)*, as of January 1, 2011.

KPMG LLP

April 30, 2012

**ST. JOSEPH HOSPITAL**

Balance Sheets

December 31, 2011 and 2010

(In thousands)

<b>Assets</b>	<b>2011</b>	<b>2010</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 6,076	9,767
Assets limited or restricted as to use	—	2,420
Patient accounts receivable, less allowance for uncollectible accounts of \$10,657 and \$7,528, respectively	11,233	10,874
Inventories	1,592	1,404
Prepaid expenses and other	955	1,215
Total current assets	<u>19,856</u>	<u>25,680</u>
<b>Assets limited or restricted as to use</b>		
Board designated	6,500	6,500
Donor restricted funds	633	395
Trustee held and other	148	—
Under terms of debt agreement	—	2,420
Total assets limited or restricted as to use	<u>7,281</u>	<u>9,315</u>
Less assets limited or restricted as to use and required for current liabilities	—	2,420
	<u>7,281</u>	6,895
Insurance claims receivable	9,560	—
Property and equipment, net	30,478	30,524
Other assets	416	622
Total assets	<u>\$ 67,591</u>	<u>63,721</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 2,101	2,068
Revolving credit facility	—	2,420
Accounts payable and accrued expenses	8,664	9,575
Accrued salaries, related withholdings, and benefits	4,678	4,646
Due to related parties	4,386	3,002
Current portion of estimated third-party payor liabilities, net	2,234	2,117
Total current liabilities	<u>22,063</u>	<u>23,828</u>
Long-term debt, net of current portion	18,109	20,132
Subordinated notes payable to former sponsors	3,005	3,005
Due to related parties, net of current portion	3,005	3,005
Estimated third-party payor liabilities, net of current portion	1,156	—
Estimated malpractice liabilities	11,961	2,304
Total liabilities	<u>59,299</u>	<u>52,274</u>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Unrestricted	7,659	11,052
Temporarily restricted	633	395
Total net assets	<u>8,292</u>	<u>11,447</u>
Total liabilities and nets assets	<u>\$ 67,591</u>	<u>63,721</u>

See accompanying notes to financial statements

**ST. JOSEPH HOSPITAL**

## Statements of Operations

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains, and other support:		
Net patient services revenue	\$ 99,193	103,917
Contributions	114	41
Net assets released from restrictions for operations	2	—
Other revenue	2,937	2,949
Total revenues, gains, and other support	<u>102,246</u>	<u>106,907</u>
Expenses:		
Salaries	45,002	43,827
Employee benefits	15,390	14,287
Supplies and other expenses	31,000	32,705
Provision for bad debts, net	4,603	5,431
Insurance	3,100	2,584
Depreciation and amortization	2,902	2,942
Interest	790	2,045
CHS Services, Inc.	2,292	1,306
Total expenses	<u>105,079</u>	<u>105,127</u>
(Deficiency) excess of revenues, gains, and other support over expenses	(2,833)	1,780
Other changes in unrestricted net assets:		
Net assets released from restrictions for purchases of property and equipment	2	—
Grant income for purchases of property and equipment	38	54
Transfers to CHS Services, Inc.	(600)	—
Transfers from Catholic Health Services of Long Island	—	9,218
(Decrease) increase in unrestricted net assets	<u>\$ (3,393)</u>	<u>11,052</u>

See accompanying notes to financial statements.

**ST. JOSEPH HOSPITAL**

Statements of Changes in Net Assets

Years ended December 31, 2011 and 2010

(In thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Net assets, January 1, 2010	\$ —	—	—
Excess of revenues, gains, and other support over expenses	1,780	—	1,780
Restricted contributions	—	283	283
Net assets released from restrictions used for purchases of property and equipment	54	—	54
Transfer from Catholic Health Services of Long Island	9,218	112	9,330
Net increase in net assets	<u>11,052</u>	<u>395</u>	<u>11,447</u>
Net assets, December 31, 2010	11,052	395	11,447
Deficiency of revenues, gains, and other support over expenses	(2,833)	—	(2,833)
Net assets released from restrictions for operations	—	(2)	(2)
Restricted contributions	—	242	242
Net assets released from restrictions used for purchases of property and equipment	2	(2)	—
Grant income for purchases of property and equipment	38	—	38
Transfer to CHS Services, Inc.	(600)	—	(600)
Net (decrease) increase in net assets	<u>(3,393)</u>	<u>238</u>	<u>(3,155)</u>
Net assets, December 31, 2011	\$ <u>7,659</u>	<u>633</u>	<u>8,292</u>

See accompanying notes to financial statements.

**ST. JOSEPH HOSPITAL**  
**Statements of Cash Flows**  
Years ended December 31, 2011 and 2010  
(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
(Decrease) increase in net assets	\$ (3,155)	11,447
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Net assets assumed	—	(6,301)
Change in control payment	—	(3,000)
Depreciation and amortization	2,902	2,942
Provision for bad debts, net	4,603	5,431
Restricted contributions and contributions for capital	(242)	(283)
Grant income for purchases of property and equipment	(38)	—
Transfers to CHS Services, Inc	600	—
Transfers from Catholic Health Services of Long Island	—	(3,029)
Changes in assets and liabilities		
Patient accounts receivable	(4,962)	(5,274)
Insurance claims receivable	(9,560)	—
Inventories	(188)	34
Other assets	206	—
Due to/from related parties – net	1,384	2
Prepaid expenses and other	260	(266)
Estimated third-party payor receivables and liabilities	1,273	2,111
Accounts payable and accrued expenses	(911)	(732)
Accrued salaries, related withholdings, and benefits	32	617
Estimated malpractice liabilities	9,657	(43)
Net cash provided by operating activities	<u>1,861</u>	<u>3,656</u>
Cash flows from investing activities		
Purchases of property and equipment	(2,856)	(993)
Purchases of assets limited or restricted as to use	—	(6,500)
Other changes in assets limited or restricted as to use, net	2,034	149
Net cash used in investing activities	<u>(822)</u>	<u>(7,344)</u>
Cash flows from financing activities		
Drawdowns under current line of credit, net of repayments of line of credit	—	(1,333)
Principal payments of long-term debt	(4,410)	(10,882)
Cash assumed upon acquisition	—	3,344
Deferred financing costs incurred	—	14
Proceeds from note payable	—	19,000
Transfers to CHS Services, Inc	(600)	—
Transfers from Catholic Health Services of Long Island	—	3,029
Grant income for purchases of property and equipment	38	—
Restricted contributions and contributions for capital	242	283
Net cash (used in) provided by financing activities	<u>(4,730)</u>	<u>13,455</u>
(Decrease) increase in cash and cash equivalents	(3,691)	9,767
Cash and cash equivalents at beginning of year	9,767	—
Cash and cash equivalents at end of year	<u>\$ 6,076</u>	<u>9,767</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	\$ 790	2,045
Capital leases incurred	—	643
Noncash transactions associated with transfer of assets and liabilities to St. Joseph upon acquisition		
Net assets assumed	\$ —	6,301
Noncash assets transferred	—	49,429
Liabilities transferred	—	46,472

See accompanying notes to financial statements

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

#### (1) Organization

WSNCHS North, Inc. (d/b/a St. Joseph Hospital; f/k/a New Island Hospital) (SJH or the Hospital) is a not-for-profit acute care community hospital located in Bethpage, New York. The Hospital provides comprehensive inpatient and outpatient medical, critical care, and surgical services, including orthopedics, hyperbaric medicine and wound care, sleep therapy, outpatient radiology, and outpatient surgery.

In December 2009, the proposed sponsorship of the Hospital by Catholic Health System of Long Island, Inc. (d/b/a Catholic Health Services of Long Island) (CHS) was memorialized in a Memorandum of Understanding detailing next steps to be completed for the Hospital to become a fully sponsored member of CHS. These included, among other things, amendment of the by-laws and operating certificate to designate CHS as the corporate member of the Hospital; submission of a Certificate of Need (CON) for approval of CHS to become the licensed co-operator of the Hospital; and the Hospital entering into an Administrative Services Agreement with CHS.

On January 21, 2010, CHS accepted designation as the sole corporate member of the Hospital and a slate of Directors and Officers was appointed by CHS. For financial reporting purposes, the acquisition of the Hospital by CHS is presented to have occurred as of January 1, 2010, since the activity of the Hospital was deemed to be immaterial from January 1, 2010 through January 21, 2010.

Effective March 11, 2010, an Administrative Services Agreement was entered into whereby CHS would provide certain services, including but not limited to financial reporting and accounting; accounts payable; supply chain; and information technology services.

On April 22, 2010, the New York State Department of Health (DOH) approved the change in assumed name from New Island Hospital to St. Joseph Hospital and shortly thereafter DOH issued a new operating certificate bearing the St. Joseph Hospital name. The CON for CHS to be the established co-operator of SJH was approved by DOH effective January 4, 2012.

As a part of the acquisition, the assets and liabilities of the Hospital were assumed by CHS at fair value. The following table summarizes the fair values of the assets and liabilities assumed by CHS effective January 1, 2010:

Total assets	\$	52,773
Total liabilities		46,472
Net assets		6,301

The assets and liabilities assumed by CHS were transferred to the Hospital through an equity transfer. All assets and liabilities of the Hospital were deemed to be at fair value as of January 1, 2010, with the exception of property and equipment, which was reduced by \$5,033 based upon a valuation study performed by a third party.

In addition, the Hospital had an agreement with its former sponsors CHS and Winthrop-South Nassau University Health System (WSN) in which each former sponsor would be due \$3,000 in the event of a change in control of the Hospital. These liabilities, as of January 1, 2010 totalled \$6,000, and were

## **ST. JOSEPH HOSPITAL**

Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

reflected in accounts payable and accrued expenses and due to related parties. The amount due to WSN was paid by CHS, which was reflected through an equity transfer of \$3,000. The amount due to CHS was repaid by the Hospital during 2010.

The acquisition was undertaken by CHS to strengthen the Hospital's position in the community, ensure the future of a much-needed hospital through synergies CHS could provide, and expand the provision of Catholic healthcare services to an area formerly underserved by CHS.

CHS is a New York not-for-profit corporation organized to serve as the coordinating body of an integrated network of providers serving Nassau and Suffolk counties. CHS, as a ministry of the Catholic Church, continues Christ's healing mission, promotes excellence in care, and commits itself to those in need. CHS affirms the sanctity of life, advocates for the poor and underserved, and serves the common good. CHS conducts its healthcare practice, business, education, and innovation with justice, integrity, and respect for the dignity of each person. CHS is sponsored by the Roman Catholic Diocese of Rockville Centre (Diocese).

### ***CHS Hospitals***

- Good Samaritan Hospital Medical Center (Good Samaritan)
- Mercy Medical Center (Mercy)
- St. Catherine of Siena Medical Center (St. Catherine)
- St. Charles Hospital (St. Charles)
- St. Francis Hospital (St. Francis)

### ***Passive Parent***

- St. Joseph Hospital (St. Joseph)

## ST. JOSEPH HOSPITAL

Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

### *CHS Organizations*

#### *Nursing Homes*

- Good Samaritan Nursing Home
- Our Lady of Consolation Geriatric Care Center (Consolation)
- St. Catherine of Siena Nursing Home (the Nursing Home)

#### *Insurance*

- Good Samaritan Self Insurance Against Malpractice
- RVC Insurance Company, Inc. (the Captive)

#### *Foundations*

- The Center of Hope Foundation
- Good Samaritan Hospital Foundation
- Good Shepherd Hospice Foundation
- Our Lady of Consolation Foundation
- St. Charles Hospital Foundation
- St. Francis Hospital Foundation

#### *Professional Corporations*

- Advanced Rehabilitation Medicine, PLLC
- Cardiac EKG Interpretations, P.C.
- Long Island Regional Arthritis & Osteoporosis Care, P.C.
- Mercy Internal Medicine P.C.
- Radiology Consultants of Long Island, PLLC
- Samaritan Emergency Medical

#### *Continuing Care Entities*

- Catholic Home Care
- CHS Home Support Services (CHS Home Support)
- Good Shepherd Hospice
- Maryhaven Center of Hope (Maryhaven)
- Maryhaven School Corporation
- Maryhaven Transportation Services
- Riverhead Hostel Holding Corporation
- Wisdom Gardens Housing Development Fund, Inc.

#### *Inactive Corporations*

- CHS Ambulance Services, Inc.
- CHS Homecare Foundation
- Fairview Management Company
- Healthcare Temp Services, Inc.
- Mercy Medical Center Foundation
- RVC Support
- Samaritan At Home Services, Inc.
- The Samaritan Corporation
- Samaritan Home Infusion Services
- Samaritan Home Care America
- Samaritan Respiratory In Home Services, Inc.
- St. Catherine of Siena Medical Center Foundation
- St. Charles Corporation

**ST. JOSEPH HOSPITAL**  
Notes to Financial Statements  
December 31, 2011 and 2010  
(In thousands)

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>Services, P.C.</li> <li>• Samaritan Medical Services, P.C.</li> <li>• Samaritan Pediatric Services, P.C.</li> <li>• Southwest Suffolk Medical, P.C.</li> <li>• St. Francis Cardiac Prevention Services, P.C. (d/b/a St. Francis Surgical Associates)</li> <li>• St. Francis Cardiovascular Physicians, P.C.</li> </ul> | <ul style="list-style-type: none"> <li>• St. Francis-Mercy Corporation</li> <li><i>Other</i></li> <li>• CHS Services, Inc.</li> <li>• Samaritan Management Services, Inc.</li> <li>• Siena Village, Inc.</li> <li>• Siena Medical Realty, LLC</li> <li>• Siena Retirement Realty, LLC</li> <li>• South Shore Practice Management Services</li> <li>• St. Francis Research and Educational Corporation</li> </ul> |
|---|--|

CHS is the sole member and established co-operator of Good Samaritan, Mercy, St. Catherine, St. Charles, and St. Francis (collectively, the CHS Hospitals) and has the right to appoint the governing body of these and other related entities including the Hospital.

The Hospital is not included within the definition of the CHS Hospitals during 2011 and 2010 as CHS was not named as established co-operator. Effective January 4, 2012, CHS became the active parent and established co-operator of the Hospital.

Each of the CHS Hospitals and St. Joseph has a board of trustees or directors appointed by CHS to assist CHS in delegated duties related to the governance of the CHS Hospitals and St. Joseph.

**(2) Summary of Significant Accounting Policies**

***Basis of Accounting***

The financial statements have been prepared on the accrual basis of accounting.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **ST. JOSEPH HOSPITAL**

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

#### ***Liquidity***

The Hospital had a working capital deficit of \$2,207 as of December 31, 2011. CHS, as the parent and sole member of the Hospital, has committed to provide cash advances as required and necessary to meet the Hospital's working capital needs in 2012. CHS has confirmed to management and the governing body of the Hospital that it will not require the repayment of any loans and advances that CHS or its subsidiary organizations have provided, or may provide to the Hospital during 2012, until after January 1, 2013.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents represent certain highly liquid investments with an original maturity of three months or less at the date of purchase, excluding amounts whose use is limited by board designation, or have donor-imposed restrictions that limit their use to long-term purposes, or under debt agreements.

#### ***Assets Limited or Restricted as to Use***

Assets limited or restricted as to use include cash and cash equivalents set aside by the Hospital for future long-term purposes such as contributions restricted by donors, board-designated funds for capital improvements, and under the terms of debt agreements.

#### ***Net Patient Accounts Receivable and Net Patient Services Revenues***

Net patient accounts receivable has been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors. Such receivables do not bear interest.

The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in healthcare coverage, and other collection indicators. Management periodically assesses the adequacy of this allowance based upon historical collection and write-off experience by payor category. The results of these reviews are used to modify, as necessary, the provision for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, the Hospital follows established guidelines for placing certain patient balances with collection agencies, subject to certain restrictions on collection efforts as determined by each facility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Hospital does not have any off-balance-sheet credit exposure related to its patient accounts receivable.

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

## **ST. JOSEPH HOSPITAL**

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

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

#### ***Charity Care***

As an integral part of its mission, the Hospital provides care to all patients regardless of their ability to pay. The Hospital records as charity care the care provided to patients who meet certain criteria, under its charity care policy, without charge or at amounts less the Hospital's established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

#### ***Inventories***

Inventories are stated at the lower of cost (determined on a first-in, first-out method) or market.

#### ***Related-Party Transactions***

Certain CHS members provide services and advances to other CHS members. Most of these receivables and advances are noninterest-bearing and due on demand. Certain advances accrue interest and have stated repayment periods.

#### ***Contributions***

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

#### ***Property and Equipment***

Property and equipment are recorded at cost when purchased and at estimated fair value when donated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets (ranging from 3 to 40 years). Equipment under capital lease obligations is amortized utilizing the straight-line basis over the lesser of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying financial statements.

## **ST. JOSEPH HOSPITAL**

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

Leases are classified as capital leases or operating leases in accordance with the terms of the underlying lease agreements. Equipment under capital leases is recorded as assets and the related obligations as liabilities at the lower of fair market value or present value of future minimum lease payments. Lease payments under operating leases are charged directly to rental expense.

#### ***Estimated Malpractice Cost***

The provision for estimated malpractice claims includes estimates of the ultimate costs for claims incurred but not reported. It is the policy of the Hospital to record estimated malpractice liabilities on a discounted basis. Due to the current economic and interest rate environment, the liabilities shown as at December 31, 2011 and 2010 are effectively undiscounted.

#### ***Temporarily Restricted Net Assets***

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Generally, the donors of these assets restrict the income earned on related investments for a specific time period or purpose.

#### ***Performance Indicator***

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of healthcare services are reported as unrestricted revenues, gains, and other support and expenses in the accompanying statement of operations.

The statement of operations includes (deficiency) excess of revenues, gains, and other support over expenses as the performance indicator. Other changes in unrestricted net assets, which are excluded from excess of revenues, gains, and other support over expenses, consistent with industry practice, include grant income, and net assets released for purchases of property and equipment and permanent transfers of assets to and from related parties for other than goods and services.

#### ***Impairment of Long-Lived Assets***

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charge has been recognized during 2011.

#### ***Income Taxes***

The Hospital is a not-for-profit corporation as described in Section 501 (c)(3) of the Internal Revenue Code (the Code) and is exempt from federal and state income taxes pursuant to Section 501 (a) of the Code. There are no transactions that management has deemed to be "Unrelated Business Income" and therefore no tax liability has been recognized in the accompanying financial

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

statements. Management reviews transactions to estimate potential tax liabilities using a threshold of more likely than not of being sustained.

#### ***New Accounting Pronouncements and Adoption of New Accounting Standards***

In January 2010, the Financial Accounting Standards Board (FASB) released Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements*. This guidance was issued to improve disclosure related to the Fair Value Measurements and Disclosures subtopic in the Accounting Standards Codification (the Codification), and is effective for reporting periods beginning after December 15, 2009. Under this guidance, entities are required to expand their fair value disclosures by determining major categories of debt and equity securities within the fair value hierarchy on the basis of the nature and risk of investments. This guidance only requires additional disclosures and did not have an impact on the financial statements. The Hospital's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

In August 2010, the FASB issued ASU No. 2010-23, *Measuring Charity Care for Disclosure*. This guidance regarding the measurement of charity care for disclosure purposes is intended to reduce variations as to how charity care is calculated and disclosed by healthcare entities. Under this enhanced disclosure, charity care is required to be measured at cost, which is defined as the direct and indirect costs of providing care. This new guidance is effective for fiscal years beginning after December 15, 2010. As the Hospital does not recognize revenue when charity care is provided, adoption of this guidance did not have an impact on the consolidated financial statements of the Hospital; it only requires additional disclosures, including the method used to estimate the cost of charity care.

In August 2010, the FASB issued ASU No. 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*. This guidance prohibits the netting of estimated insurance recoveries against a related claim liability and requires the claim liability to be calculated without consideration of insurance recoveries and the recognition of an insurance receivable, subject to the need for a valuation allowance for uncollectible amounts. This guidance was effective for fiscal years beginning after December 15, 2010. As a result of the adoption of this guidance, the Hospital recognized an actuarially determined insurance claim receivable and corresponding insurance claim liability of \$9,560, predominately included in insurance claims receivable and estimated malpractice liabilities in the accompanying balance sheets. The adoption of this guidance had no impact on the Hospital's operations or cash flows.

In July 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*. ASU No. 2011-07 states that for entities that do not assess a patient's ability to pay prior to rendering services, bad debt expense related to patient service revenue must be separately presented as a reduction of revenue. In addition, entities will be required to disclose information about the activity in the allowance for doubtful accounts such as recoveries and write-offs by using a mixture of qualitative and quantitative data. Retrospective application will be required for income statement presentation and prospective application will be required for the expanded note disclosure.

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

ASU No. 2011-07 is effective for interim and annual periods beginning after December 15, 2011. The Hospital will adopt this guidance for the year ending December 31, 2012, and this guidance is not expected to have a significant impact on the financial position of the Hospital.

In September 2011, the FASB issued ASU 2011-09, *Disclosures About an Employer's Participation in a Multiemployer Plan*. The guidance is intended to provide financial statement users with greater transparency about an employer's participation in a multi-employer pension plan. The guidance requires additional qualitative and quantitative information disclosures to assist users of the financial statements in understanding the commitments and risks involved in participating in multi-employer pension plans, including the financial health of all of the significant plans in which the employer participates. This ASU does not change the current recognition and measurement guidance for an employer's participation in a multi-employer pension plan. This ASU is effective for the Hospital for the year ending December 31, 2011. Adoption of this guidance only required additional disclosures and did not have an impact on the financial position of the Hospital.

#### **Reclassifications**

Certain reclassifications have been made to the 2010 financial statements in order to conform to the 2011 presentation.

### **(3) Community Benefit and Uncompensated Care**

In accordance with its mission and philosophy, the Hospital commits substantial resources to both the indigent and the broader community. The Hospital's policy regarding charity care is to provide care without regard to the patient's ability to pay for services rendered. To the extent that patients do not have the ability to pay, they are reported as charity care. The Hospital also provides other uncompensated care through a broad range of community service programs and charitable activities. The amount of community benefits and other uncompensated care provided to the indigent and broader community, at cost, for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Cost of community benefit:		
Net cost of charity care provided	\$ 244	213
Other community benefit	<u>3,341</u>	<u>49</u>
Total cost of community benefit from continuing operations	<u>\$ 3,585</u>	<u>262</u>
Net uncompensated care reported as provision for bad debts (at cost)	\$ 451	443

New York State regulations provide for the distribution of funds from an indigent care pool, which is intended to partially offset the cost of services provided to the uninsured. The funds are distributed to the Hospital based on the Hospital's level of bad debt, charity care, and uninsured units of service in relation to all other New York State hospitals. For the years ended December 31, 2011 and 2010, the Hospital

**ST. JOSEPH HOSPITAL**

Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

received distributions of \$1,876 and \$2,663, respectively, from the indigent care pool while contributing \$754 in 2011 and \$665 in 2010. The net shortfall of contributions to the indigent care pool over distributions received has been applied against amounts reported above as net cost of charity care provided and net uncompensated care reported as provision for bad debts.

The Hospital utilizes a cost-to-charge ratio methodology to convert charity care write-offs to cost. The cost-to-charge ratio is calculated utilizing the methodology employed on the Medicare cost report.

**(4) Related-Party Transactions**

The components of due to related parties as of December 31, 2011 and 2010 are as follows:

	<b>2011</b>	<b>2010</b>
CHS (a)	\$ 3,141	3,067
CHS Services, Inc. (b)	4,020	2,707
Mercy Medical Center	63	46
St Francis	3	—
St Charles	(1)	186
St Catherine	1	1
Good Samaritan	168	—
Maryhaven	(1)	—
Our Lady of Consolation	(1)	—
Catholic Home Care	(2)	—
	<u>7,391</u>	<u>6,007</u>
Due to related parties		
Less current portion	<u>4,386</u>	<u>3,002</u>
Due to related parties, net of current portion	<u>\$ 3,005</u>	<u>3,005</u>
Due to WSN (a)	<u>\$ 3,005</u>	<u>3,005</u>

- (a) This balance primarily consists of the subordinated promissory note payable to CHS in connection with CHS' former sponsorship of the Hospital.

The Hospital entered into two separate \$2,665 Secured Subordinated Promissory Notes with CHS and WSN (the Notes). The Notes are due June 30, 2016 and bear interest at a rate of 6%. Interest is paid annually. The Notes are subordinate to the Hospital's other debt agreements and are secured by a subordinated mortgage and interest in the Hospital's equipment. As of both December 31, 2011 and 2010, the total amount due to both CHS and WSN under the Notes was \$6,010.

- (b) CHS Services, Inc. provides administrative support to the CHS entities, including, but not limited to, accounting, purchasing, and information technology. During 2011 and 2010, the Hospital recorded as expense \$2,292, and \$1,306, respectively, related to the cost of these services as outlined in the Administrative Services Agreement between CHS Services, Inc. and the Hospital. CHS Services, Inc. makes payments to the Hospital's vendors on its behalf and is then reimbursed by the Hospital.

**ST. JOSEPH HOSPITAL**  
Notes to Financial Statements  
December 31, 2011 and 2010  
(In thousands)

Amount owed to CHS Services, Inc. for these payments is \$4,078 and \$2,379 as of December 31, 2011 and 2010, respectively.

**(5) Property and Equipment**

The components of property and equipment, including assets under capitalized lease obligations, and accumulated depreciation and amortization are as follows as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land	\$ 7,390	7,390
Buildings	17,200	17,200
Land and building improvements	628	702
Equipment, including capital lease obligations	10,334	8,174
Construction in progress	744	—
	<u>36,296</u>	<u>33,466</u>
Less accumulated depreciation and amortization	<u>(5,818)</u>	<u>(2,942)</u>
Property and equipment, net	<u>\$ 30,478</u>	<u>30,524</u>

Construction in progress includes the costs associated with various expansion and renovation projects.

**(6) Indebtedness**

Long-term debt as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Term loans – variable rate – bank (a)	\$ 18,129	19,000
Capital lease obligations (b)	2,067	3,172
Term loan – utility	14	28
	<u>20,210</u>	<u>22,200</u>
Less current installments	<u>2,101</u>	<u>2,068</u>
	<u>\$ 18,109</u>	<u>20,132</u>
Revolving credit facility (a)	\$ —	2,420

- (a) On December 30, 2010, the Hospital entered into two term loan agreements with a bank. The first for \$12,500, to refinance the Hospital's existing debt and to provide working capital, and the second for \$6,500 for information technology upgrades, facility renovations, and the acquisition of related equipment. The term loans are payable in annual instalments of \$625 and \$325, respectively, beginning February 2011, with a balloon payment due in December 2020 for the then remaining balance of the loans. Interest is payable at a rate of LIBOR plus 1.10%.

**ST. JOSEPH HOSPITAL**

Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

The term loans are guaranteed by the CHS Obligated Group (Mercy, Good Samaritan, St. Charles, St. Francis, and St. Catherine, together, the Obligated Group) and are subject to certain financial covenants of the Obligated Group. The balance of the revolving credit facility was paid in January 2011 with assets with limited use held under terms of debt agreement.

Cash and cash equivalents in the amount of \$6,500 are contained within assets limited or restricted as to use in the balance sheet relating to monies borrowed relating to information technology upgrades, facility renovations, and the acquisition of related equipment, respectively.

- (b) The Hospital leases equipment under capital leases that expire at various dates through June 2014. The leases require monthly payments of principal and interest at rates ranging from 2.9% to 12.7% per annum.

At December 31, 2011 and 2010, aggregate annual maturities of long-term debt, including obligations under capital leases, are as follows:

	<b>Term loan</b>	<b>Capital lease obligations and term loan – utility</b>	<b>Total</b>
2012	\$ 950	1,251	2,201
2013	950	836	1,786
2014	950	119	1,069
2015	950	—	950
2016	950	—	950
Thereafter	13,379	—	13,379
	<u>18,129</u>	<u>2,206</u>	<u>20,335</u>
Less interest	—	125	125
Total long-term debt	\$ <u><u>18,129</u></u>	<u><u>2,081</u></u>	<u><u>20,210</u></u>

**(7) Fair Value of Financial Instruments**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Long-term debt at December 31, 2011 and 2010 approximates carrying value.

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

The FASB Fair Value Measurements and Disclosure Topic also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include cash and cash equivalents, debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed debt securities, and corporate debt securities.

Level 3: Unobservable inputs supported by little or no market activity that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

The Hospital's assets limited or restricted as to use comprise entirely of cash and cash equivalents at December 31, 2011 and 2010. The Hospital does not have any assets measured at fair value using Level 2 or Level 3 inputs. There were no transfers into or out of Level 1 for the year ended December 31, 2011.

The current portion of assets limited or restricted as to use of \$2,420 represents amounts that were used to repay obligations under the Hospital's revolving credit facility in January 2011.

#### **(8) Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$633 and \$395 were available for both healthcare services and capital expenditures as of December 31, 2011 and 2010, respectively.

#### **(9) Employee Benefit Plans**

The Hospital participates in two multi-employer union pension plans, covering substantially all employees not eligible for the Hospital's plan. At December 31, 2011 and 2010, approximately 79% and 80% of the Hospital's employees were covered by collective bargaining agreements, 25% and 26% in NYSNA, and 54% and 54% in Local 1199, respectively.

##### ***Local 1199***

The Employee Identification Number/three-digit Pension Plan number is 13-3604862/001 The most recent Pension Protection Act (PPA) zone status is green and red at December 31, 2011 and 2010, respectively, which is for the plan years ended December 31, 2010 and 2009, respectively. The zone

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

status is based on information that the Hospital received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

The financial improvement plan (FIP) or a rehabilitation plan (RP), as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is April 30, 2015. The contributions by the Hospital to the union pension fund were \$1,318, and \$1,073 for the years ended December 31, 2011, and 2010, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2011, 2010, and 2009 contributions.

#### *NYSNA*

The Employee Identification Number/three-digit Pension Plan number is 13-3604862/001. The most recent Pension Protection Act (PPA) zone status is green at both December 31, 2011 and 2010, which is for the plan years ended December 31, 2010 and 2009, respectively. The zone status is based on information that the Hospital received from the plan sponsor and, as required by the PPA, is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded.

The financial improvement plan (FIP) or a rehabilitation plan (RP), as required by PPA, has been implemented by the plan's sponsor. The expiration date of the collective-bargaining agreement requiring contributions to the plan is March 31, 2015. The contributions by the Hospital to the union pension fund were \$1,226, and \$1,067 for the years ended December 31, 2011, and 2010, respectively, which is included in employee benefits within the statements of operations. There have been no significant changes that affect the comparability of 2011, 2010, and 2009 contributions.

#### *Other*

The Hospital established a defined contribution plan for employees not covered by a collective bargaining agreement. This class of employees is eligible to participate in the plan upon completion of 975 paid hours and six months of service. Contributions to the plan by the Hospital are discretionary. During both 2011 and 2010, the Hospital's board of directors approved a 4% contribution for those eligible employees totalling approximately \$331 and \$339, respectively, which is reflected as employee benefit expense in the accompanying statements of operations.

**ST. JOSEPH HOSPITAL**  
Notes to Financial Statements  
December 31, 2011 and 2010  
(In thousands)

**(10) Functional Expenses**

The Hospital provides healthcare services to residents with its geographic location. Expenses related to providing these services for the years ended December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Healthcare services	\$ 91,660	91,540
Administrative and general	13,419	13,587
	<u>\$ 105,079</u>	<u>105,127</u>

**(11) Concentrations of Credit Risk**

The Hospital provides healthcare services at its facility located in Bethpage, New York. The Hospital grants credit without collateral to patients, most of whom are local residents and routinely obtains assignment of or is otherwise entitled to receive the patients' benefits payable under their health insurance program.

The composition of accounts receivable from patients and third-party payors at December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Medicare (including managed Medicare)	41%	47%
Medicaid (including managed Medicaid and Medicaid pending)	4	4
Commercial, managed care, etc.	19	15
Self-pay and other	36	34
	<u>100%</u>	<u>100%</u>

At December 31, 2011 and 2010, the Hospital had cash balances in financial institutions that exceeded federal depository limits.

**(12) Contingencies**

*General*

The Hospital has been named as defendant in a number of legal actions involving alleged professional liability claims and other claims arising from the normal conduct of its affairs, certain of which seek damages in unstated amounts. It is the opinion of the Hospital's management, based on a review of the aforementioned claims by defense attorneys and the Hospital's in-house legal counsel, that insurance coverage is adequate and the final disposition of such claims will not have any material adverse effect on the Hospital's financial position, results of operations, or liquidity. In addition, there are known, and possibly unknown, incidents that occurred through December 31, 2011 that may result in the assertion of additional claims. In management's opinion, any liability that

## ST. JOSEPH HOSPITAL

### Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

may arise from settlement of such claims will be settled either within insurance coverage or self-insured liability estimates or otherwise will not have any material adverse effect on the Hospital's financial position, results of operations, or liquidity.

#### *Malpractice Contingencies*

Effective August 1, 2000 through July 31, 2003, the Hospital purchased a commercial claim made policy with limits of \$1,000 per claim, and an aggregate of \$3,000 for each policy period. The Hospital also purchased an excess policy with limits of \$5,000 per claim, and in the aggregate for each policy period.

Beginning in August 2003 through July 31, 2010, the Hospital increased the limits of its primary policy to \$2,000 per claim, with an aggregate of \$6,000 for each policy period. The limits of the excess coverage varied during this time period. From August 2003 through July 2006, the Hospital purchased an excess policy with limits of \$4,000 per claim and in the aggregate. From August 2006 through July 2008, the Hospital purchased excess coverage with limits of \$10,000 per claim and in the aggregate. For the period of August 2008 through July 2009, the excess policy limits were \$8,000 per claim and in the aggregate. For the period of August 2009 through July 2010, the excess policy limits were \$10,000 per claim and in the aggregate.

Effective August 1, 2010, the Hospital purchased a commercial claims-made policy with limits of \$1,000 per claim and \$6,000 in the aggregate. The Hospital also purchased an excess policy with limits of \$10,000 per claim, and in the aggregate.

The Hospital has engaged an independent actuary to estimate the liability for IBNR claims based on estimates that incorporate the Hospital's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors.

As of December 31, 2011 and 2010, the Hospital has recorded a liability and a related insurance receivable of:

	<u>2011</u>	<u>2010</u>
Estimated malpractice liabilities	\$ 11,961	2,304
Insurance claims receivable	(9,560)	—
Estimated malpractice liabilities, net	<u>\$ 2,401</u>	<u>2,304</u>

#### *Reimbursement Contingencies*

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts that are different from their established rates. Revenue from the Medicare and Medicaid programs accounted for approximately 39% and 2%, respectively, of the Hospital's net patient services revenue for the year ended December 31, 2011. Revenue from the Medicare and Medicaid programs accounted for approximately 42% and 1%, respectively, of the Hospital's net patient

**ST. JOSEPH HOSPITAL**  
Notes to Financial Statements  
December 31, 2011 and 2010  
(In thousands)

services revenue for the year ended December 31, 2010. A summary of the payments arrangement with major third-party payors follows:

**Medicare**

Inpatient acute and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic, and other factors. Certain items are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.

**Medicaid**

The New York Health Care Reform Act of 1996 (the Act), as amended, governs payments to hospitals in New York State, and Medicaid, workers compensation, and no-fault payors rates are promulgated by the New York State Department of Health. Reimbursement for services to Medicaid program beneficiaries includes prospectively determined rates per discharge and per visit amounts.

**Other Third-Party Payors**

The Hospital has entered into payment arrangements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement under these agreements includes prospectively determined rates per discharge, discounts from established charges, and per diem payment rates. If such rates are not negotiated, then the payors are billed at the Hospital's established charges.

**Healthcare Regulatory Environment**

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the U.S. healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers, and the legal obligation of health insurers, providers, and employers. These provisions are currently slated to take effect at specific times over approximately the next decade.

Two specific changes have been enacted by the Center for Medicare and Medicaid Services (CMS), both of which present opportunities to the Hospital. The first is value-based purchasing. On May 6, 2011, CMS issued the final rule that established a hospital value-based purchasing program for acute care hospitals paid under the Medicare Inpatient Prospective Payment System. Beginning in federal fiscal year 2013, value-based incentive payments will be made based upon achievement of or improvement on a set of clinical and patient experience of care quality measures designed to foster improved clinical outcomes for hospital patient as well as improve how patients experience inpatient care. The Hospital is currently measuring quality indicators consistent with the CMS value-based purchasing methodology and creating action plans to continue improvement in the future periods in an effort to maximize the Hospital's reimbursement opportunities.

## ST. JOSEPH HOSPITAL

Notes to Financial Statements

December 31, 2011 and 2010

(In thousands)

The second change is Meaningful Use – HITECH Stimulus Grants. On July 13, 2010, CMS issued rules to implement the Medicare and Medicaid electronic health record (EHR) incentive program established under the Health Information Technology for Economic and Clinical Health Act (HITECH Act). Certain hospitals and eligible healthcare professions (EPs) that demonstrate “meaningful use” of certified EHR technology can qualify for Medicare payments beginning in 2011. Medicaid requires that hospitals and EPs “adopt, implement or upgrade” certified EHR, which includes purchasing the technology, in order to receive incentive payments in 2011. Beginning in federal fiscal year 2015, Medicare payment reduction penalties will be assessed against hospitals and EPs that do not achieve meaningful use of EHR.

The healthcare industry is subject to extensive governmental regulation through numerous and complex laws, some of which are ambiguous and subject to varying interpretation. The federal government and many states, including the State of New York, have aggressively increased enforcement under a number of such laws that are often referred to as Medicare and Medicaid “antifraud and abuse” legislation. For many years, the Hospital has maintained a corporate compliance program to monitor the organization’s compliance with applicable laws, including the so-called “antifraud and abuse” rules. Noncompliance with such rules could result in repayments of amounts improperly reimbursed, substantial monetary fines, civil and criminal penalties, and exclusion from the Medicare and Medicaid programs.

An emphasis has been placed on the obligation of Medicare and Medicaid providers to self-disclose the receipt of “over-payments”. As a result of the monitoring and review conducted under the Hospital corporate compliance program, the Hospital believes it is in compliance, in all material respects, with all applicable laws and regulations. Some of the related entities within CHS have made self-disclosures of such “over-payments”.

### **(13) Subsequent Events**

The Hospital has pending appeals dating back to 2006 related to the Department of Health and Human Services (HHS) calculation of rural floor budget neutrality adjustment for the Medicare Program’s inpatient prospective payment system. In April 2012, the Hospital, along with other hospital providers throughout the country, entered into a settlement agreement related to these appeals. Final payment of the favorable settlement is expected in 2012.

The Hospital has evaluated subsequent events from the balance sheet date through April 30, 2012, the date at which the financial statements were available to be issued, and determined that there are no other items to disclose.