See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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
Advocate Condell Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
2025 WINDSOR DRIVE

City or town, state or country, and ZIP + 4
OAK BROOK, IL 60523

D Employer identification number
26-2525968

E Telephone number
(630) 572-9393

G Gross receipts $ 328,933,815

F Name and address of principal officer
JAMES W DOHENY
2025 WINDSOR DRIVE
OAK BROOK, IL 60523

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 ▶ 9395

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW ADVOCATEHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 2008 | **M** State of legal domicile IL

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO SERVE THE HEALTH NEEDS OF INDIVIDUALS, FAMILIES AND COMMUNITIES THROUGH A WHOLISTIC PHILOSOPHY ROOTED IN OUR FUNDAMENTAL UNDERSTANDING OF HUMAN BEINGS AS CREATED IN THE IMAGE OF GOD

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	2,397
6	Total number of volunteers (estimate if necessary)	**6**	413
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	1,325,259
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	179,791	118,636
9	Program service revenue (Part VIII, line 2g)	308,390,426	326,199,807
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-1,366,349	-1,857,285
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,134,107	1,993,382
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	309,337,975	326,454,540
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	15,018,479	203,613
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	123,163,838	134,976,384
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	172,152,486	178,569,304
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	310,334,803	313,749,301
19	Revenue less expenses Subtract line 18 from line 12	-996,828	12,705,239

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	387,763,486	400,004,420
21	Total liabilities (Part X, line 26)	149,887,132	149,422,827
22	Net assets or fund balances Subtract line 21 from line 20	237,876,354	250,581,593

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: 2012-11-14

JAMES W DOHENY VP FINANCE & CORP CONTROLLER
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4
ERNST & YOUNG US LLP
155 NORTH WACKER DRIVE
CHICAGO, IL 60606

EIN ▶

Phone no ▶ (312) 879-2000

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION IS TO SERVE THE HEALTH NEEDS OF INDIVIDUALS, FAMILIES AND COMMUNITIES THROUGH A WHOLISTIC PHILOSOPHY ROOTED IN OUR FUNDAMENTAL UNDERSTANDING OF HUMAN BEINGS AS CREATED IN THE IMAGE OF GOD

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 $	260,769,785	including grants of $	0) (Revenue $	293,833,506)	
	SEE SCHEDULE O						
4b	(Code	) (Expenses $	7,510,254	including grants of $	0) (Revenue $	4,259,986)	
	SEE SCHEDULE O						
4c	(Code	) (Expenses $	39,100,355	including grants of $	0) (Revenue $	26,303,395)	
	SEE SCHEDULE O						
4d	Other program services (Describe in Schedule O)						
	(Expenses $	0	including grants of $	0) (Revenue $	0)		
4e	**Total program service expenses** ▶ $		307,380,394				

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	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? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Part II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Part III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**		No
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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	173		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	2,397		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**	Yes	
b	If "Yes," enter the name of the foreign country ▶ CJ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**	Yes	
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**	Yes	

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .			3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?			4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .			5		No
6	Did the organization have members or stockholders?			6	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?			7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
a	The governing body?			8a	Yes	
b	Each committee with authority to act on behalf of the governing body?			8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O			9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	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?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	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?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ IL

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 ▶

JAMES H SKOGSBERGH
2025 WINDSOR DRIVE
OAK BROOK, IL 60523
(630) 990-5155

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			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours 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			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								2,489,400	14,513,860	5,542,939

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 141

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
IMPACT ADVISORS LLC 931 W 75TH ST NAPERVILLE, IL 60565	Consulting Services	2,116,596
CROTHALL LAUNDRY SERVICE 45 W HINTZ RD WHEELING, IL 60090	Laundry Services	1,070,914
MMODAL SERVICES LTD PO BOX 102467 ATLANTA, GA 30368	TRANSCRIPTION SVCS	501,677
DIEMER PLUMBING EXCAVATING LTD 25819 W GRASS LAKE RD ANTIOCH, IL 60002	FACILITY SERVICES	263,426
CARMEN A ORTIZ-FRITZ 520 BALMORAL DRIVE MUNDELEIN, IL 60060	ELECTRICAL SERVICES	252,102

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 10

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
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	91,410			
	e	Government grants (contributions)	1e	27,226			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		118,636			
Program Service Revenue			Business Code				
	2a	ROUTINE REVENUE	621990	43,780,151	43,780,151		
	b	INPATIENT REVENUE	621990	142,762,569	142,762,569		
	c	OUTPATIENT REVENUE	621400	128,222,007	128,222,007		
	d	MEMBERSHIP REVENUE	621990	4,106,352	4,106,352		
	e	All other program service revenue	623990	7,328,728	5,525,808		1,802,920
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		326,199,807			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		2,240			2,240
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	673,417 /				
	b	Less rental expenses	/				
	c	Rental income or (loss)	673,417 /				
	d	Net rental income or (loss)		673,417		5,294	668,123
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	/ 619,750				
	b	Less cost or other basis and sales expenses	/ 2,479,275				
	c	Gain or (loss)	/ -1,859,525				
	d	Net gain or (loss)		-1,859,525			-1,859,525
	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	DAY CARE SERVICES	624410	1,135,868		1,135,868	
	b	MASSAGE SERVICES	812900	84,077		84,077	
	c	PHYSICIAN SERVICES	621110	93,818		93,818	
	d	All other revenue		6,202		6,202	
	e	**Total.** Add lines 11a–11d		1,319,965			
	12	**Total revenue.** See Instructions		326,454,540	324,396,887	1,325,259	613,758

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 . . . . . .

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	203,613	203,613		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,477,629	1,477,629		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	94,801,305	91,935,093	2,866,212	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,744,571	5,573,556	171,015	
9	Other employee benefits	26,072,524	25,961,080	111,444	
10	Payroll taxes	6,880,355	6,725,744	154,611	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	71,981		71,981	
d	Lobbying	34,491		34,491	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	20,776,492	20,637,661	138,831	
12	Advertising and promotion	74,927	58,105	16,822	
13	Office expenses	2,848,870	2,546,181	302,689	
14	Information technology	14,224,886	14,173,751	51,135	
15	Royalties . .	0			
16	Occupancy	11,901,577	11,898,757	2,820	
17	Travel	77,022	53,416	23,606	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	23,394	22,234	1,160	
20	Interest	2,528,292	2,528,292		
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	17,706,098	15,788,371	1,917,727	
23	Insurance	3,635,088	3,635,088		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	47,229,293	47,072,743	156,550	
b	BAD DEBT	20,777,587	20,777,587		
c	CONTRACTUAL SERVICES GENERAL	11,007,773	11,004,201	3,572	
d	PUBLIC AID ASSESSMENT FEE	9,589,284	9,589,284		
e					
f	All other expenses	16,062,249	15,718,008	344,241	
25	**Total functional expenses.** Add lines 1 through 24f	313,749,301	307,380,394	6,368,907	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		354,330	1	147,281
	2	Savings and temporary cash investments		41,583,478	2	55,016,535
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		27,765,051	4	37,748,546
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	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		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		4,419,779	8	4,146,306
	9	Prepaid expenses and deferred charges		6,128,403	9	6,058,582
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 339,260,561			
	b	Less accumulated depreciation	10b 48,793,287	298,808,938	10c	290,467,274
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		8,703,507	15	6,419,896
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		387,763,486	16	400,004,420
Liabilities	17	Accounts payable and accrued expenses		62,045,329	17	54,456,494
	18	Grants payable		0	18	0
	19	Deferred revenue		88,120	19	0
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		31,552,168	23	31,253,453
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	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		56,201,515	25	63,712,880
	26	**Total liabilities.** Add lines 17 through 25		149,887,132	26	149,422,827
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		237,876,354	27	250,581,593
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		237,876,354	33	250,581,593
	34	Total liabilities and net assets/fund balances		387,763,486	34	400,004,420

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	326,454,540
2	Total expenses (must equal Part IX, column (A), line 25)	2	313,749,301
3	Revenue less expenses Subtract line 2 from line 1	3	12,705,239
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	237,876,354
5	Other changes in net assets or fund balances (explain in Schedule O)	5	
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	250,581,593

Part XII Financial Statements and Reporting

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

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

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 331/3% 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 331/3% 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?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

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

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

Section B. Total Support

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

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

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

Section B. Total Support

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

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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).

Facts And Circumstances Test

Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Advocate Condell Medical Center	26-2525968

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? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

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

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

A Check ☐ if the filing organization belongs to an affiliated group (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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

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

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		34,491
j	Total lines 1c through 1i			34,491
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL LOBBYING INFORMATION	SCHEDULE C PART II-B, LINE 1I	ADVOCATE CONDELL MEDICAL CENTER IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION, THE ILLINOIS HOSPITAL ASSOCIATION, AND THE METROPOLITAN CHICAGO HEALTHCARE COUNCIL THESE ORGANIZATIONS, AS PART OF THEIR MISSIONS, ADVOCATE IN THE GENERAL ASSEMBLY AND IN CONGRESS ON LEGAL AND POLICY ISSUES THAT AFFECT HEALTHCARE INCLUDING QUALITY, AFFORDABILITY, PATIENT ACCESS, AND ACCREDITATION A PORTION OF THE ANNUAL MEMBERSHIP DUES PAID TO THESE ORGANIZATIONS IS ATTRIBUTIBLE TO LOBBYING ACTIVITIES ADVOCATE CONDELL MEDICAL CENTER ALSO REIMBURSES VARIOUS ASSOCIATES FOR DUES PAID TO VARIOUS PROFESSIONAL ORGANIZATIONS AND ALSO FOR EDUCATIONAL EXPENSES PROVIDED BY PROFESSIONAL AND MEMBERSHIP ORGANIZATIONS ADVOCATE CONDELL MEDICAL CENTER ENDEAVORS TO IDENTIFY THE PORTION OF OUR DUES OR FEES PAID TO THESE ORGANIZATIONS WHICH ARE ATTRIBUTIBLE TO LOBBYING ACTIVITIES

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

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 ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

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

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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
1a Land		49,700,000		49,700,000
b Buildings		232,916,401	22,204,783	210,711,618
c Leasehold improvements		443,185	149,244	293,941
d Equipment		49,941,947	26,159,632	23,782,315
e Other		6,259,028	279,628	5,979,400
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				290,467,274

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
THIRD PARTY SETTLEMENTS	32,578,080
PENSION PLAN BENEFITS	30,976,601
REMEDIATION COST ACCRUAL	129,175
EXECUTIVE PENSION LIABILITY	29,024
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	63,712,880

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other **600. %**	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			9,452,275	0	9,452,275	3 230 %
b Medicaid (from Worksheet 3, column a)			44,868,800	37,461,089	7,407,711	2 530 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			0	0	0	0 %
d **Total** Charity Care and Means-Tested Government Programs			54,321,075	37,461,089	16,859,986	5 760 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			76,627	0	76,627	0 030 %
f Health professions education (from Worksheet 5)			1,491,407	0	1,491,407	0 510 %
g Subsidized health services (from Worksheet 6)			5,088,577	2,849,747	2,238,830	0 760 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			212,067	0	212,067	0 070 %
j **Total** Other Benefits			6,868,678	2,849,747	4,018,931	1 370 %
k **Total.** Add lines 7d and 7j			61,189,753	40,310,836	20,878,917	7 130 %

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense	2	20,777,587		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,103,251		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	87,147,547
6	Enter Medicare allowable costs of care relating to payments on line 5	6	99,019,050
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-11,871,503
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
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	9b	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 %
1	NONE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size 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	ADVOCATE CONDELL MEDICAL CENTER 801 S MILWAUKEE AVENUE LIBERTYVILLE, IL 60048	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)

ADVOCATE CONDELL MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 600 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☑ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☐ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☐ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 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			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 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?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☑ Notified patients of the financial assistance policy upon admission			
b ☑ Notified patients of the financial assistance policy prior to discharge			
c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☑ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
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)			

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 it's 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?	**20**		No
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?	**21**		No
If "Yes," explain in Part VI			

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? **18**

	Name and address	Type of Facility (Describe)
1	See Additional Data Table	
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, 6i, 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
Part VI, Line 1 - Description for Part I, Line 3c		N/A Part VI, Line 1 - Description for Part I, Line 6a A SYSTEM-WIDE COMMUNITY BENEFIT REPO RT IS FILED BY ADVOCATE HEALTH CARE NETWORK 2025 WINDSOR DRIVE, OAK BROOK, IL 60523 EIN 3 6-2167779 PART VI, LINE 1 DESCRIPTION FOR PART I, LINE 7 A COST-TO-CHARGE RATIO, DERIVED F ROM SCHEDULE H INSTRUCTIONS WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES, WAS USED T O CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINE 7A SCHEDULE H INSTRUCTIONS WORKSHEET 3, UNREIMBURSED MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PRO GRAMS, WAS USED T O CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINE 7B A COST ACCOUNTING SYSTE M WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINES 7E, 7F, 7G, AN D 7I PART VI, LINE 1 DESCRIPTION FOR PART I, LINE 7H ADVOCATE CONDELL MEDICAL CENTER COND UCTS NUMEROUS RESEARCH ACTIVITIES FOR THE ADVANCEMENT OF MEDICAL AND HEALTH CARE SERVICES HOWEVER, THE UNREIMBURSED COST OF SUCH RESEARCH ACTIVITIES IS NOT READILY DETERMINABLE AN D NO AMOUNT IS BEING REPORTED FOR PURPOSES OF THE 2011 FORM 990, SCHEDULE H PART VI, LINE 1 DESCRIPTION FOR PART I, LINE 7, COLUMN (F) $20,777,587 OF BAD DEBT EXPENSE WAS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT WAS REMOVED FROM THE DENOMINATOR FOR PURPO SES OF SCHEDULE H, PART I, LINE 7, COLUMN (F) PART VI, LINE 1 DESCRIPTION FOR Part II N/A PART VI, LINE 1 DESCRIPTION FOR Part III, Line 4 THE FOOTNOTES TO ADVOCATE HEALTH CARE NE TWORK AND SUBSIDIARIES' AUDITED FINANCIAL STATEMENTS DO NOT SPECIFICALLY ADDRESS BAD DEBT EXPENSE, RATHER, THE FOOTNOTE DESCRIBES ADVOCATE'S PATIENT ACCOUNTS RECEIVABLE POLICY PAT IENT ACCOUNTS RECEIVABLE ARE STATED AT NET REALIZABLE VALUE ADVOCATE CONDELL MEDICAL CENT ER EVALUATES THE COLLECTABILITY OF ITS ACCOUNTS RECEIVABLE BASED ON THE LENGTH OF TIME THE RECEIVABLE IS OUTSTANDING, PAYER CLASS, HISTORICAL COLLECTION EXPERIENCE, AND TRENDS IN H EALTH CARE INSURANCE PROGRAMS ACCOUNTS RECEIVABLE ARE CHARGED TO THE ALLOWANCE FOR UNCOLL ECTIBLE ACCOUNTS WHEN THEY ARE DEEMED UNCOLLECTIBLE THE COSTING METHODOLOGY USED IN DETER MINING THE AMOUNTS REPORTED ON LINES 2 AND 3 IS BASED ON THE RATIO OF PATIENT CARE COST TO CHARGES THE UNREIMBURSED COST OF BAD DEBT WAS CALCULATED BY APPLYING THE ORGANIZATION'S COST TO CHARGE RATIO FROM THE MEDICARE COST REPORTS (CMS 2252-96 WORKSHEET C, PART 1, PPS INPATIENT RATIOS) TO THE ORGANIZATION'S BAD DEBT PROVISION PER GENERALLY ACCEPTED ACCOUNTI NG PRINCIPLES, LESS ANY PATIENT OR THIRD PARTY PAYOR PAYMENTS RECEIVED ADVOCATE MAKES EVE RY EFFORT TO IDENTIFY THOSE PATIENTS WHO ARE ELIGIBLE FOR FINANCIAL ASSISTANCE BY STRICTLY ADHERING TO ITS FINANCIAL ASSISTANCE POLICY WE BELIEVE THAT ADVOCATE HAS A POPULATION OF PATIENTS WHO ARE UNINSURED OR UNDERINSURED BUT WHO DO NOT COMPLETE THE FINANCIAL ASSISTAN CE APPLICATION THE ESTIMATED AMOUNT OF BAD DEBT EXPENSE (AT COST) WHICH COULD BE REASONAB LY ATTRIBUTABLE TO PATIENTS WHO WOULD LIKELY QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE OR GANIZATION'S FINANCIAL ASSISTANCE POLICY, IF SUFFICIENT INFORMATION HAD BEEN AVAILABLE TO MAKE A DETERMINATION OF THEIR ELIGIBILITY, WAS BASED UPON SELF PAY PATIENT ACCOUNTS WHICH HAD AMOUNTS WRITTEN OFF TO BAD DEBTS OUR METHOD WAS TO BEGIN WITH THE SELF-PAY PORTION OF BAD DEBT EXPENSE PROVISION THIS COST WAS THEN REDUCED BY CHARGES IDENTIFIED AS TRUE BAD DEBT EXPENSE, INCLUDING COPAYS FOR PATIENTS WHO QUALIFIED FOR LESS THAN 100% FINANCIAL ASS ISTANCE, AND CHARGES FOR PATIENTS WHO APPLIED FOR FINANCIAL ASSISTANCE AND WERE DENIED TH E COST TO CHARGE RATIO WAS THEN APPLIED TO THE REMAINING CHARGES, TO DETERMINE THE VALUE (AT COST) OF PATIENT ACCOUNTS THAT DID NOT COMPLETE FINANCIAL COUNSELING AND WERE ASSIGNED TO BAD DEBT WE BELIEVE THIS PROCESS IS A REASONABLE BASIS FOR OUR ESTIMATE AS WE ARE ONL Y CONSIDERING SELF-PAY ACCOUNTS WRITTEN OFF TO BAD DEBT FOR THIS ESTIMATE, THIS ESTIMATE D OES NOT INCLUDE THE IMMEDIATE 20% DISCOUNT TO CHARGES WHICH IS APPLIED TO ALL SELF-PAY PAT IENTS IT ALSO DOES NOT INCLUDE ACCOUNT BALANCES OR CO-PAYS OF NON-SELF PAY ACCOUNTS WHICH ARE WRITTEN OFF TO BAD DEBT WHEN THE PATIENT HAS NO OTHER FINANCIAL RESOURCES TO PAY THES E AMOUNTS AND THE PATIENT DOES NOT APPLY FOR FINANCIAL ASSISTANCE BAD DEBT AMOUNTS HAVE B EEN EXCLUDED FROM OTHER COMMUNITY BENEFIT AMOUNTS REPORTED THROUGHOUT SCHEDULE H PART VI, LINE 1 DESCRIPTION FOR Part III, Line 8 THE SHORTFALL OF $11,871,503 ON PART III, LINE 7 IS THE UNREIMBURSED COST OF PROVIDING SERVICES FOR MEDICARE PATIENTS AND SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE PROVIDING THESE SERVICES WITHOUT REIMBURSEMENT LESSENS THE B URDENS OF GOVERNMENT OR OTHER CHARITIES THAT WOULD OTHERWISE BE NEEDED TO SERVE THE COMMUN ITY FOR ADVOCATE CONDELL MEDICAL CENTER'S HOSPITAL OPERATIONS, THE UNREIMBURSED COST OF M EDICARE WAS CALCULATED BY APPLYING THE ORGANIZATIONS COST TO CHARGE RATIO FROM THE MEDICAR E COST REPORTS (CMS 2252-96 WORKSHEET C, PART 1, PPS INPATIENT RATIOS) AND FOR NON-HOSPITA L OPERATIONS THE COST TO CHARGE RATIO CALCULATED O

Identifier	ReturnReference	Explanation
Part VI, Line 1 - Description for Part I, Line 3c		N WORKSHEET 2 RATIO OF PATIENT CARE COST TO CHARGES TO THE ORGANIZATIONS MEDICARE, LESS AN Y PATIENT OR THIRD PARTY PAYOR PAYMENTS AND/OR CONTRIBUTIONS RECEIVED THAT WERE DESIGNATED FOR THE PAYMENT OF MEDICARE PATIENT BILLS PART VI, LINE 1 DESCRIPTION FOR Part III, Line 9b ADVOCATE CONDELL MEDICAL CENTER MAINTAINS BOTH WRITTEN FINANCIAL ASSISTANCE AND BAD DE BT/COLLECTION POLICIES THE BAD DEBT/COLLECTION POLICY DOES NOT APPLY TO THOSE PATIENTS KN OWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THEREFORE SUCH PATIENTS ARE NOT SUBJECT TO COLLEC TION PRACTICES

Identifier	ReturnReference	Explanation
Part VI, Line 1 - Description for Part V, Sec B, Line 11h		OTHER FACTORS USED IN DETERMINING AMOUNTS CHARGED TO PATIENTS INCLUDE DECEASED PATIENTS WITH NO ESTATE, HOMELESS PATIENTS, OR PATIENTS WHO RECEIVE CARE IN A HOMELESS CLINIC, PATIENTS WHO QUALIFY FOR A STATE DEPARTMENT OF HUMAN SERVICES (DHS) ASSISTANCE PROGRAM, BUT HAVE NO MEDICAL COVERAGE (E G , ILLINOIS AMI/GA, FOOD STAMP, PRESCRIPTION, WOMEN, INFANTS AND CHILDREN (WIC), WHY WAIT AND WISE WOMEN PROGRAMS), COUNTY HEALTH CLINIC PATIENTS, LEGAL ASSISTANCE FOUNDATION OF ILLINOIS REFERRALS, INDIVIDUALS WITH A VALID ADDRESS AT LOW-INCOME/SUBSIDIZED HOUSING, INCARCERATED INDIVIDUALS, INCOMPETENT INDIVIDUALS WITH COMPROMISED DIAGNOSES (E G , SUBSTANCE ABUSE, PSYCHIATRIC), INDIVIDUALS MEETING DEFINED CREDIT REPORTING (OR OTHER EXTERNAL REPORTING) RESULT THRESHOLDS, PATIENTS WITH PRIOR HISTORY OF INABILITY TO MAKE PAYMENTS, PATIENTS WITH COURT FILED OR APPROVED BANKRUPTCY DETERMINATIONS Part VI, Line 1 - Description for Part V, Sec B, Line 13g ADVOCATE CONDELL MEDICAL CENTER COMMUNICATES THE AVAILABILITY OF FINANCIAL ASSISTANCE IN THE APPLICABLE LANGUAGES OF THE HOSPITAL COMMUNITY MEANS OF COMMUNICATION INCLUDE 1 THE HEALTH CARE CONSENT THAT IS SIGNED UPON REGISTRATION FOR HOSPITAL SERVICES INCLUDES A STATEMENT THAT FINANCIAL COUNSELING, INCLUDING FINANCIAL ASSISTANCE CONSIDERATION, IS AVAILABLE UPON REQUEST 2 SIGNAGE IS CLEARLY AND CONSPICUOUSLY POSTED IN LOCATIONS THAT ARE VISIBLE TO THE PUBLIC, INCLUDING, BUT NOT LIMITED TO HOSPITAL PATIENT ACCESS, REGISTRATION, EMERGENCY DEPARTMENT, CASHIER, AND BUSINESS OFFICE LOCATIONS 3 BROCHURES ARE PLACED IN HOSPITAL PATIENT ACCESS, REGISTRATION, EMERGENCY DEPARTMENT, CASHIER, AND BUSINESS OFFICE LOCATIONS, AND INCLUDE GUIDANCE ON HOW A PATIENT MAY APPLY FOR MEDICARE, MEDICAID, ALL KIDS, FAMILY CARE ETC , AND THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM A HOSPITAL CONTACT AND TELEPHONE NUMBER FOR FINANCIAL ASSISTANCE IS INCLUDED 4 A HANDOUT SUMMARIZING ADVOCATE'S FINANCIAL ASSISTANCE POLICY AND A FINANCIAL ASSISTANCE APPLICATION ARE GIVEN TO ALL UNINSURED PATIENTS WHO RECEIVE MEDICALLY NECESSARY HOSPITAL SERVICES AT THE EARLIEST PRACTICAL TIME OF SERVICE 5 ADVOCATE'S WEBSITE PROMINENTLY NOTES THAT FINANCIAL ASSISTANCE IS AVAILABLE, WITH AN EXPLANATION OF THE APPLICATION PROCESS, A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY, AND THE FINANCIAL ASSISTANCE APPLICATION 6 HOSPITAL BILLS TO ALL UNINSURED PATIENTS INCLUDE A REQUEST THAT THE PATIENT INFORM THE HOSPITAL OF ANY AVAILABLE HEALTH INSURANCE COVERAGE, AND INCLUDE A SUMMARY OF ADVOCATE'S FINANCIAL ASSISTANCE POLICY, A FINANCIAL ASSISTANCE APPLICATION AND A TELEPHONE NUMBER TO REQUEST FINANCIAL ASSISTANCE Part VI, Line 1 - Description for Part V, Sec B, Line 16e ADVOCATE CONDELL MEDICAL CENTER DOES NOT PERFORM ACTIONS SUCH AS THOSE LISTED IN LINES 16A-D UNTIL REASONABLE EFFORTS HAVE BEEN MADE TO DETERMINE A PATIENT'S FAP ELIGIBILITY Part VI, Line 1 - Description for Part V, Sec B, Line 17e ADVOCATE MAKES REASONABLE EFFORTS TO DETERMINE A PATIENT'S ELIGIBILITY UNDER ITS FAP, INCLUDING SENDS A SERIES OF LETTERS AND ATTEMPTS TO WORK WITH THE PATIENT THROUGH THE FINANCIAL COUNSELING PROCESS AND/OR PHONE CALLS ALL CORRESPONDENCE ASKS THE PATIENT TO NOTIFY THE HOSPITAL IF HE/SHE IS EXPERIENCING "DIFFICULTY IN PAYING YOUR BILL" ADVOCATE ALSO USES EARLY OUT AND PRECOLLECTION VENDORS TO ASSIST IN OBTAINING PAYMENTS OR COLLECTING FINANCIAL ASSISTANCE ELIGIBILITY INFORMATION THESE VENDORS HAVE THE FOLLOWING LANGUAGE IN THEIR CONTRACT "VENDOR WILL COMMUNICATE THE ADVOCATE HEALTH CARE POLICY AND GUIDELINE TO ANY PATIENT EXPRESSING A DIFFICULTY IN PAYING THEIR BILL" AND, "VENDOR WILL MAIL THE ADVOCATE HEALTH CARE FINANCIAL ASSISTANCE APPLICATION TO ANY PATIENTS EXPRESSING A DIFFICULTY IN PAYING THEIR BILL" ADVOCATE'S BAD DEBT AGENCY CONTRACTS HAVE THE FOLLOWING LANGUAGE "AGENCY SHALL EVALUATE EACH PATIENT WHOSE ACCOUNT IS REFERRED TO AGENCY, WHERE THE PATIENT EXPRESSES DIFFICULTY OR INABILITY TO PAY THEIR BILL, FOR ELIGIBILITY UNDER ADVOCATE'S FINANCIAL ASSISTANCE POLICY " VENDOR AND AGENCY CONTRACTS ARE STANDARD ACROSS ADVOCATE'S SYSTEM Part VI, Line 1 - Description for Part V, Sec B, Line 19d THE MAXIMUM AMOUNT THAT CAN BE CHARGED TO AN FAP-ELIGIBLE PATIENT FOR EMERGENCY OR OTHER MEDICALLY NECESSARY CARE IS BASED ON A SLIDING SCALE PERCENTAGE OF ANNUAL FAMILY INCOME WHICH IS TIED TO THE FPG FAMILY INCOME LIMIT APPLICABLE TO THE PATIENT FOR A FAMILY WITH INCOME BETWEEN TWO AND THREE TIMES THE FEDERAL POVERTY LEVEL, THE MAXIMUM EXPECTED PAYMENT IS 5% OF ANNUAL FAMILY INCOME FOR A FAMILY WITH INCOME BETWEEN THREE AND FOUR TIMES THE FEDERAL POVERTY LEVEL, THE MAXIMUM EXPECTED PAYMENT IS 10% OF ANNUAL FAMILY INCOME FOR AN UNINSURED FAMILY WITH INCOME BETWEEN FOUR AND SIX TIMES THE FEDERAL POVERTY LEVEL, THE MAXIMUM EXPECTED PAYMENT IS 25% OF ANNUAL FAMILY INCOME

Identifier	ReturnReference	Explanation
Part VI, Line 2 - Needs assessment		IN JANUARY 2011, ADVOCATE CONDELL MEDICAL CENTER IMPLEMENTED A NEW COMMUNITY HEALTH ACCOUNTABILITY STRUCTURE THE OVERALL GOAL WAS TO MORE STRATEGICALLY FOCUS THE HOSPITALS COMMUNITY HEALTH PROGRAMMING TO ENSURE KEY COMMUNITY NEEDS ARE BEING ADDRESSED AND THAT THE PROGRAMS, WHETHER DEVELOPED OR SUSTAINED, MEASURABLY IMPROVE COMMUNITY HEALTH A COMMUNITY HEALTH COMMITTEE WAS ESTABLISHED TO CONDUCT A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT USING A STANDARDIZED APPROACH REPRESENTATIVES FROM THE HOSPITALS EXECUTIVE TEAM, PUBLIC AFFAIRS AND MARKETING, MISSION AND SPIRITUAL CARE, AND BUSINESS DEVELOPMENT AND STRATEGY DEPARTMENTS, LED BY THE HOSPITALS COMMUNITY HEALTH LEADER, MET REGULARLY DURING THE FIRST HALF OF THE YEAR IN ADDITION, A GOVERNING COUNCIL REPRESENTATIVE FROM THE COMMUNITY WAS INVITED TO SERVE AS AN ACTIVE PARTICIPANT ON THE COMMUNITY HEALTH COMMITTEE ADDITIONAL HOSPITAL CLINICAL TEAM MEMBERS WILL BE ADDED TO THE COMMITTEE FOR THEIR DISEASE-SPECIFIC PROGRAM EXPERTISE, AS WILL OTHER COMMUNITY REPRESENTATIVES WITH SPECIAL KNOWLEDGE OR EXPERTISE IN KEY FOCUS AREAS THE COMMITTEE WILL CONTINUE TO MEET EACH YEAR AS PART OF THE HOSPITALS ONGOING ASSESSMENT PROCESS DURING 2011, COMMUNITY HEALTH COMMITTEE MEMBERS ATTENDED THREE CHNA WORKSHOPS DESIGNED TO LAUNCH THE CHNA PROCESS BY EDUCATING THEM ON HOW TO CONDUCT AN ASSESSMENT, INCLUDING CUTTING EDGE THINKING ON ADDRESSING COMMUNITY NEED USING BOTH PRIMARY AND SECONDARY COMMUNITY HEALTH DATA, THE HOSPITAL COMMITTEE IDENTIFIED ITS SERVICE AREAS KEY HEALTH NEEDS AND THEN EMPLOYED A STANDARDIZED PRIORITY SETTING PROCESS TO DETERMINE KEY HEALTH NEEDS ON WHICH TO FOCUS DURING THE PROCESS, THE HOSPITALS AND COMMUNITYS KEY CHALLENGES AND ASSETS WERE EXAMINED, AND HOSPITAL REPRESENTATIVES ENGAGED EXTERNAL KEY INFORMANTS IN DISCUSSIONS TO DETERMINE THE POTENTIAL FOR PARTNERING WITH OTHER ORGANIZATIONS AND SHARING RESOURCES TO ADDRESS COMMUNITY NEED CHNA RESULTS WERE SHARED AND THE SELECTED PRIORITIES WERE ENDORSED BY ACMCS PRESIDENT AND FULL GOVERNING COUNCIL PROGRAM PLANNING BEGAN IN 2011 AND WILL CONTINUE INTO 2012 AS THE HOSPITAL WORKS TO PARTNER WITH OTHER ORGANIZATIONS TO ADDRESS ITS COMMUNITY-SPECIFIC HEALTH CARE NEEDS HOSPITAL PLANS WILL BE SHARED AND ENDORSED EACH YEAR BY THE GOVERNING COUNCIL AS ONE OF TEN HOSPITALS IN THE ADVOCATE HEALTH CARE SYSTEM, ACMCS PLAN SUMMARY WILL BE SHARED PERIODICALLY WITH THE SYSTEM LEVEL EXECUTIVE MANAGEMENT TEAM AND WITH ADVOCATE HEALTH CARES MISSION AND SPIRITUAL CARE COMMITTEE OF THE BOARD, WHICH HAS SYSTEM LEVEL OVERSIGHT OF COMMUNITY HEALTH PLANNING

Identifier	ReturnReference	Explanation
Part VI, Line 3 - Patient education of eligibility for assistance		ADVOCATE CONDELL MEDICAL CENTER ASSISTS PATIENTS WITH ENROLLMENT IN GOVERNMENT-SUPPORTED PROGRAMS FOR WHICH THEY ARE ELIGIBLE AND IN SECURING REIMBURSEMENT FROM AVAILABLE THIRD PARTY RESOURCES FINANCIAL COUNSELING IS PROVIDED TO HELP PATIENTS IDENTIFY AND OBTAIN PAYMENT FROM THIRD PARTIES, INCLUDING ILLINOIS MEDICAID, ILLINOIS CRIME VICTIMS FUND, ETC , AS WELL AS TO DETERMINE ELIGIBILITY UNDER ADVOCATE CONDELL MEDICAL CENTERS FINANCIAL ASSISTANCE POLICY ADVOCATE UTILIZES A FINANCIAL SCREENING SOFTWARE PROGRAM TO HELP IDENTIFY PUBLIC ASSISTANCE PROGRAMS FOR WHICH THE PATIENT MAY BE ELIGIBLE OR ADVOCATE'S FINANCIAL ASSISTANCE AT THE TIME OF REGISTRATION OR AS SOON AS PRACTICABLE THEREAFTER IN ADDITION, HEALTHADVISOR, ADVOCATE'S EDUCATION REGISTRATION AND PHYSICIAN REFERRAL TELEPHONE CENTER, SERVES AS A COMMUNITY RESOURCE PROVIDING REFERRALS TO GOVERNMENT-FUNDED AND OTHER PROGRAMS VIA TELEPHONE FROM 8 A M TO 6 P M , MONDAY THROUGH FRIDAY ADVOCATE CONDELL MEDICAL CENTER ASSISTS PATIENTS WITH APPLYING FOR ADVOCATE'S OWN FINANCIAL ASSISTANCE SERVICES, IF PATIENTS ARE NOT ELIGIBLE FOR GOVERNMENT-SUPPORTED PROGRAMS ADVOCATE CONDELL MEDICAL CENTER COMMUNICATES THE AVAILABILITY OF FINANCIAL ASSISTANCE IN THE APPLICABLE LANGUAGES OF THE HOSPITAL COMMUNITY MEANS OF COMMUNICATION INCLUDE 1 THE HEALTH CARE CONSENT THAT IS SIGNED UPON REGISTRATION FOR HOSPITAL SERVICES INCLUDES A STATEMENT THAT FINANCIAL COUNSELING, INCLUDING FINANCIAL ASSISTANCE CONSIDERATION, IS AVAILABLE UPON REQUEST 2 SIGNS ARE CLEARLY AND CONSPICUOUSLY POSTED IN LOCATIONS THAT ARE VISIBLE TO THE PUBLIC, INCLUDING, BUT NOT LIMITED TO HOSPITAL PATIENT ACCESS, REGISTRATION, EMERGENCY DEPARTMENT, CASHIER, AND BUSINESS OFFICE LOCATIONS 3 BROCHURES ARE PLACED IN HOSPITAL PATIENT ACCESS, REGISTRATION, EMERGENCY DEPARTMENT, CASHIER, AND BUSINESS OFFICE LOCATIONS, AND WILL INCLUDE GUIDANCE ON HOW A PATIENT MAY APPLY FOR MEDICARE, MEDICAID, ALL KIDS, FAMILY CARE ETC , AND THE HOSPITALS FINANCIAL ASSISTANCE PROGRAM A HOSPITAL CONTACT AND TELEPHONE NUMBER FOR FINANCIAL ASSISTANCE IS INCLUDED 4 A HANDOUT SUMMARIZING ADVOCATES FINANCIAL ASSISTANCE POLICY AND FINANCIAL ASSISTANCE APPLICATION IS GIVEN TO UNINSURED PATIENTS WHO RECEIVE MEDICALLY NECESSARY HOSPITAL SERVICES AT THE EARLIEST PRACTICAL TIME OF SERVICE 5 ADVOCATES WEBSITE POSTS NOTICE IN A PROMINENT PLACE THAT FINANCIAL ASSISTANCE IS AVAILABLE, WITH AN EXPLANATION OF THE FINANCIAL ASSISTANCE APPLICATION PROCESS, AND ENABLE PRINTING OF THE FINANCIAL ASSISTANCE APPLICATION 6 HOSPITAL BILLS TO UNINSURED PATIENTS INCLUDE A REQUEST THAT THE PATIENT INFORM THE HOSPITAL OF ANY AVAILABLE HEALTH INSURANCE COVERAGE, AND INCLUDE A SUMMARY OF ADVOCATES FINANCIAL ASSISTANCE POLICY, A FINANCIAL ASSISTANCE APPLICATION, AND A TELEPHONE NUMBER TO REQUEST FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
Part VI, Line 4 - Community Information		ADVOCATE HEALTH CARE NETWORKS PRIMARY SERVICE AREA COVERS THE SIX-COUNTY, CHICAGO METROPOLITAN AREA THESE COUNTIES INCLUDE COOK, DUPAGE, KANE, LAKE, MCHENRY, AND WILL ADVOCATE CONDELL MEDICAL CENTER PRIMARILY SERVES THE COMMUNITY OF LAKE COUNTY THE POPULATION IN ADVOCATES SERVICE AREA IS DESCRIBED BY THE FOLLOWING DEMOGRAPHIC CHARACTERISTICS TOTAL POPULATION, POPULATION BY GROUP, RACE/ETHNIC DISTRIBUTION AND KEY SOCIO-ECONOMIC INDICATORS THE CHICAGO METROPOLITAN AREA IS EXPECTED TO CONTINUE TO GROW FROM 2011 TO 2016, WITH THE POPULATION REACHING NEARLY 8 59 MILLION PEOPLE BY 2016 WHILE THE OVERALL AREA IS EXPECTED TO GROW 1 9%, SEVERAL OF THE COLLAR COUNTIES WILL EXPERIENCE HIGHER GROWTH INCLUDING KANE COUNTY (9 1%) AND WILL COUNTY (10 8%) THE 65+ AGE GROUP IS EXPECTED TO HAVE THE LARGEST INCREASE IN POPULATION (14 7%) FROM 2011 TO 2016, FOLLOWED BY THE 45-64 AGE GROUP (4 3%) THE 18-44 AGE GROUP IS EXPECTED TO DECLINE 2 9%, WHILE THE POPULATION AGED 0-17 IS EXPECTED TO INCREASE SLIGHTLY (9%) WHILE THESE ARE THE TRENDS ACROSS THE OVERALL METRO AREA, THE TRENDS VARY IN GREAT DEGREE BY COUNTY A WIDE RANGE OF DIVERSITY EXISTS AMONG THE COMMUNITIES SERVED BY EACH OF OUR HOSPITALS ASIANS AND HISPANICS ARE PROJECTED TO CONTINUE TO BE THE TWO FASTEST GROWING RACE/ETHNIC GROUPS FROM 2011 TO 2016 (11 6% AND 10 5% GROWTH EXPECTED, RESPECTIVELY) THE SOCIO-ECONOMIC STATUS OF THE CHICAGO AREA ALSO VARIES BY COUNTY IN COOK COUNTY, NEARLY 23 PERCENT OF THE HOUSEHOLDS HAVE A HOUSEHOLD INCOME UNDER THE FEDERAL POVERTY LEVEL WITH ANNUAL INCOMES BELOW THE $25,000 THRESHOLD IN THE COLLAR COUNTIES, TEN TO THIRTEEN PERCENT OF THE HOUSEHOLDS ARE SUBSISTING ON LESS THAN $25,000 A YEAR OVERALL, THE NUMBER OF PEOPLE ON MEDICAID HAS DECREASED FROM 2010 TO 2011 WHILE THE NUMBER OF UNINSURED INDIVIDUALS HAS INCREASED FROM 2010 TO 2011 BY 0 6% IN HOUSEHOLDS THAT ARE STRUGGLING ECONOMICALLY, ACCESS TO HEALTH CARE CAN BE LIMITED EITHER BECAUSE OF A LACK OF SERVICES AVAILABLE WITHIN THE MARKET OR BECAUSE AN INDIVIDUALS FINANCIAL CHALLENGES DETER THAT PERSON FROM SEEKING CARE LACK OF PREVENTIVE CARE OR CARE FOR CHRONIC ILLNESSES BRINGS MORE ACUTELY ILL PATIENTS TO THE HOSPITAL ADVOCATE PROVIDES QUALITY MEDICAL HEALTH CARE TO VARIOUS COMMUNITIES IN THE CHICAGOLAND AREA REGARDLESS OF RACE, CREED, NATIONAL ORIGIN, AGE OR ABILITY TO PAY ADVOCATE ANNUALLY SERVES OVER 4 6 MILLION PEOPLE IN 2011, ADVOCATE EXPERIENCED 167,767 INPATIENT ADMISSIONS, 4,424,799 OUTPATIENT VISITS, AND 19,526 BABIES DELIVERED

Identifier	ReturnReference	Explanation
Part VI, Line 5 - Promotion of community health		IN ADDITION TO PROVIDING QUALITY INPATIENT AND OUTPATIENT SERVICES AT ITS SITES OF CARE, A DVOCATE CONDELL MEDICAL CENTER (ACMC) REACHES BEYOND ITS WALLS AND INTO THE COMMUNITY THRO UGH A WIDE ARRAY OF ACTIVITIES AND PROGRAMS DESIGNED AND DELIVERED TO PROMOTE HEALTH AND I MPROVE THE QUALITY OF LIFE THROUGHOUT THE COMMUNITIES IT SERVES -ACMC COLLABORATES WITH E MERGENCY MEDICAL SERVICE PROVIDERS TO SHARE BEST-PRACTICE INFORMATION THROUGHOUT ADVOCATE SITES AS WELL AS OTHER NON-ADVOCATE MEDICAL PROVIDERS ACMC IS A RESOURCE HOSPITAL FOR ILL INOIS REGION 10, WHICH REQUIRES ACMC TO COORDINATE ONGOING TRAINING IN EMERGENCY RESPONSE TO A MASS CASUALTY SITUATION OR OTHER DISASTER THESE EDUCATION PROGRAMS AND TRAINING EXER CISES INVOLVE EVERY EMERGENCY PROVIDER IN THE AREA, BOTH INSIDE AND OUTSIDE OF ADVOCATE, A S WELL AS THE LAKE COUNTY HEALTH DEPARTMENT AND OTHER REGIONAL ORGANIZATIONS AS APPROPRIAT E ACMC ALSO OFFERS EDUCATIONAL TRAINING COURSES FOR INDIVIDUALS TO EARN PARAMEDIC CERTIFI CATION -ACMC'S DAY CENTER ADULT DAY CARE PROGRAM FILLS A GAP IN CONTINUITY OF CARE FOR CL IENTS WHO ARE UNABLE TO LIVE INDEPENDENTLY ACMC'S PROGRAM COMBINES ADULT DAY CARE WITH TH ERAPEUTIC AND PERSONAL CARE SERVICES GIVEN THAT THE PROGRAM IS LOCATED ADJACENT TO OTHER HOSPITAL SERVICES, CLIENTS CAN RECEIVE PHYSICAL, SPEECH AND OCCUPATIONAL THERAPY FROM A LI CENSED THERAPIST IN ADDITION, BATHING ASSISTANCE, BEAUTICIAN/BARBER AND PODIATRY CARE ARE AVAILABLE AS A SERVICE TO THE CLIENT AND CAREGIVER COMPREHENSIVE ADULT DAY CARE ALLOWS T HE CAREGIVER TO REMAIN EMPLOYED AND/OR RECEIVE MUCH NEEDED RESPITE, THUS ALLOWING CLIENTS WITH FRAILTIES OR DEMENTIA TO REMAIN IN THE COMMUNITY AND AVOID OR DELAY THE ADDITIONAL EX PENSE OF LONG-TERM CARE ACMC'S PROGRAM ACCEPTS CLIENTS WITH A HIGHER ACUITY THAN OTHER LO CAL PROGRAMS, CARING FOR PATIENTS IN THE LATER PART OF MIDDLE-STAGE ALZHEIMER'S ACMC ALSO WORKS WITH THE VETERAN'S ADMINISTRATION TO PROVIDE SERVICES FOR THEIR PATIENTS UNDER THE CARE OF AN ON-SITE REGISTERED NURSE -ACMC'S PACT (PEDIATRIC ALTERNATIVES IN CREATIVE THER APY) PROGRAM IS A UNIQUE MEDICAL SUPPORT SERVICE IN LAKE COUNTY FOR CHILDREN AND TEENS WIT H NEUROMUSCULAR DISORDERS, SUCH AS SPINA BIFIDA, CEREBRAL PALSY, HEAD TRAUMA AND SPINAL CO RD INJURIES, AS WELL AS THOSE WITH DEVELOPMENTAL DELAY AND SPEECH-LANGUAGE DISORDERS PACT ALSO TREATS CHILDREN WITH GENETIC AND CONGENITAL ANOMALIES, STRUCTURAL ABNORMALITIES, SUC H AS CLEFT PALATE, AND HEARING/VISION PROBLEMS, SENSORY INTEGRATION DYSFUNCTION AND THOSE RECEIVING RADIATION OR CHEMOTHERAPY TREATMENTS PACT'S INTERDISCIPLINARY TEAM OF PROFESSIO NALS, INCLUDING PHYSICAL THERAPISTS, OCCUPATIONAL THERAPISTS, AND SPEECH-LANGUAGE PATHOLOG IST, PARTNERS WITH THE FAMILIES, SCHOOLS, PHYSICIANS AND COMMUNITY TO PROVIDE COMPREHENSIV E INTERVENTION, AS WELL AS AN INDIVIDUALIZED TREATMENT PROGRAM FOR EACH CHILD -ACMC'S MIS SION AND SPIRITUAL CARE OFFICE PROVIDES CLINICAL CHAPLAINS WHO OFFER SUPPORT AND SERVICES 24 HOURS EACH DAY, EVERY DAY TO THE INDIVIDUALS AND FAMILIES THAT ADVOCATE SERVES THE OFF ICE ALSO DEVELOPS PARTNERSHIPS WITH COMMUNITIES AND CONGREGATIONS TO HELP ADDRESS LOCAL HE ALTH CARE NEEDS THE RISKS AND SYMPTOMS OF STROKE ARE AN IMPORTANT MESSAGE TO DISBURSE TO THE COMMUNITY THROUGHOUT 2011, ACMC REACHED OUT TO A VARIETY OF GROUPS TO SPREAD AWARENES S OF STROKE WITHIN CONDELL'S SERVICE AREA STROKE NURSE NAVIGATORS OFFERED EDUCATIONAL LEC TURES AT SENIOR LIVING COMMUNITIES, SENIOR HEALTH FAIRS AND COMMUNITY HEALTH FAIRS STROKE INFORMATION WAS DISTRIBUTED THROUGH AN ADVOCATE HEALTH CARE SYSTEM-WIDE INITIATIVE, AS WE LL AS THROUGH ACMC'S CONTACTS IN EDUCATION, BUSINESS, AND COMMUNITY IN ADDITION, STROKE E DUCATION WAS SHARED WITH ACMC ASSOCIATES AND VISITORS THROUGH ON-LINE TEACHING MODULES AND HANDY INFORMATION AVAILABLE TO THE PUBLIC -ACMC CLINICIANS PROVIDE CARE TO THE COMMUNITY FOR MINOR INJURIES AND ILLNESSES THROUGH ACMC'S IMMEDIATE CARE CENTERS REGARDLESS OF THE PATIENT'S ABILITY TO PAY EXERCISE PHYSIOLOGISTS AND PHYSICAL THERAPISTS ALSO PROVIDE SPOR TS MEDICINE CONSULTATIONS AT LOCAL HIGH SCHOOLS AND COLLEGES PHYSICIANS, NURSES AND OTHER CLINICIANS LEAD PRENATAL/CHILDBIRTH AND PARENTING EDUCATION CLASSES AND DIABETES EDUCATIO N CLASSES AS WELL AS SUPPORT GROUPS FOR DIABETES EDUCATION, HEART DISEASE, BREAST AND OTHE R CANCERS, LACTATION/BREAST FEEDING, BEREAVEMENT/LOSS AND CAREGIVERS ACMC PARTNERS WITH T HE LAKE COUNTY DEPARTMENT OF PUBLIC HEALTH TO PROVIDE IMAGING SERVICES AT RATES SIGNIFICAN TLY BELOW COST, AS WELL AS HOSTS MONTHLY REDUCED-FEE CHILD IMMUNIZATION CLINICS OTHER COM MUNITY BENEFITS INCLUDE -CARE THAT IS PROVIDED FREE, SUBSIDIZED OR WITHOUT FULL REIMBURSE MENT FROM MEDICARE, MEDICAID OR OTHER GOVERNMENT INSURANCE PROGRAMS - VOLUNTEER SERVICES PROVIDED BY HOSPITAL EMPLOYEES WHO VOLUNTEER IN THEIR COMMUNITIES AND COMMUNITY MEMBERS WH O VOLUNTEER AT HOSPITALS - LANGUAGE-ASSISTANCE SERVICES, SUCH AS INTERPRETERS AND TRANSLA TION FOR SIGNAGE, FORMS, BROCHURES, PATIENT EDUCAT

Identifier	ReturnReference	Explanation
Part VI, Line 5 - Promotion of community health		ION MATERIALS AND OTHER INFORMATION IN LANGUAGES OTHER THAN ENGLISH -DONATIONS OF MEETING AND CLINIC SPACE, AS WELL AS OTHER ASSISTANCE TO COMMUNITY GROUPS A MAJORITY OF ADVOCATE CONDELL MEDICAL CENTER'S BOARD MEMBERS RESIDE IN ITS PRIMARY SERVICE AREA, AND ARE NEITHE R EMPLOYEES NOR INDEPENDENT CONTRACTORS OF ADVOCATE CONDELL MEDICAL CENTER ADVOCATE CONDE LL MEDICAL CENTER EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMM UNITY FOR SOME OR ALL OF ITS DEPARTMENTS ADVOCATE CONDELL MEDICAL CENTER APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, MEDICAL EDUCATION, AND RESEARCH THROUGH CAREFUL AN D THOUGHTFUL FINANCIAL PLANNING, ADVOCATE HAS DEVELOPED PLANS WHICH ALLOW IT TO REINVEST I N THE HEALTH CARE OF THE COMMUNITIES IT SERVES BY PROVIDING HEALTH CARE REGARDLESS OF THE PATIENTS ABILITY TO PAY, PROVIDING PROGRAMS WHICH ARE NOT PROFITABLE TO ADVOCATE BUT FOR W HICH THERE IS A COMMUNITY NEED, THROUGH THE PURCHASE OF NEW PATIENT CARE EQUIPMENT AND PRO VIDING IMPROVED AND NEW FACILITIES FOR PATIENT CARE THIS PLANNING ALSO ALLOWS ADVOCATE TO TRAIN PHYSICIANS, NURSES, RADIOLOGY TECHNICIANS, PHYSICAL THERAPISTS, EMTS, CLINICAL PAST ORS AND A HOST OF OTHER HIGHLY SKILLED HEALTH CARE PROFESSIONALS AND TO SHARE RESEARCH WIT H PERSONS OUTSIDE OF THE ORGANIZATION ON HEALTH CARE DELIVERY, UN-REIMBURSED STUDIES ON TH ERAPEUTIC PROTOCOLS, EVALUATION OF INNOVATIVE TREATMENTS, AND RESEARCH PAPERS PREPARED BY STAFF FOR PROFESSIONAL JOURNALS ENVIRONMENTAL IMPROVEMENTS 1 MENTORING AND EDUCATION ADVO CATE HEALTH CARE IS COMMITTED TO PROTECTING AND PROMOTING THE HEALTH OF THE COMMUNITIES IT IS PRIVILEGE TO SERVE IN AN EFFORT TO REDUCE THE BURDEN OF HEALTH CARE COSTS, ADVOCATE H AS COMMITTED RESOURCES TO SHARING ITS BEST PRACTICES IN WASTE REDUCTION, AND ENERGY AND WA TER MANAGEMENT REDUCING WASTE AND CONSERVING ENERGY AND WATER USE HAS A DIRECT BENEFIT ON THE HEALTH OF LOCAL COMMUNITIES VIA CLEANER COMMUNITIES, HEALTHIER AIR QUALITY, REDUCED G REEN HOUSE GASES, AND PRESERVATION OF NATURAL RESOURCES ADVOCATE SHARES BEST PRACTICES FO R WATER MANAGEMENT WITH OTHER NONPROFIT HOSPITALS LOCALLY AND NATIONALLY IN 2011, ADVOCAT E COMMITTED TO SPONSOR AND PARTICIPATED IN PLANNING A LAUNCH OF THE HEALTHIER HOSPITALS IN ITIATIVE (HHI), A NATIONAL CAMPAIGN TO ENROLL HOSPITALS IN A COMPLETELY NEW APPROACH TO IM PROVING ENVIRONMENTAL AND PUBLIC HEALTH AND SUSTAINABILITY IN THE HEALTH CARE SECTOR HHI SERVES AS A GUIDE FOR HOSPITALS TO URGE THE NATION'S HOSPITALS TO COMMIT TO IMPROVE THE HE ALTH AND SAFETY OF PATIENTS, STAFF AND COMMUNITIES BY USING THE INITIATIVES NEWLY ISSUED, STEP-BY-STEP GUIDES AND HOSPITAL-TO-HOSPITAL MENTORING TO IMPLEMENT THE HHI CHALLENGES OV ER THE COURSE OF THREE YEARS, EACH ENROLLED HOSPITAL WILL COMMIT TO ONE OR MORE OF SIX CHA LLENGES IN THE CATEGORIES OF LEADERSHIP, HEALTHIER FOODS, LESS WASTE, LEANER ENERGY, SAFER CHEMICALS AND SMARTER PURCHASING DATA COLLECTION FROM EACH HOSPITAL WILL SERVE TO MEASUR E THE AGGREGATE ECONOMIC, ENVIRONMENTAL AND HUMAN HEALTH BENEFITS OF IMPLEMENTING OPERATIO NAL CHANGES UNDER EACH HHI CHALLENGE CATEGORY ADVOCATE HEALTH CARE SYSTEM 2011 INITIATIVE S -SAVED 15 TONS OF WASTE FROM LANDFILL AND SAVED $1 9 MILLION VIA MEDICAL DEVICE REPROCE SSING -ADDED A HORMONE-FREE LINE OF MILK IN ALL HOSPITALS' CAFETERIAS -ENDORSED SYSTEM-WID E CHEMICALS MANAGEMENT GUIDELINES TO MINIMIZE EXPOSURE OF PEOPLE AND THE ENVIRONMENT TO DA NGERS ASSOCIATED WITH CHEMICALS IN PRODUCTS WE MAY USE -TRAINED MORE THAN 9,000 ASSOCIATES ON DAILY WORK HABITS TO REDUCE ENERGY AND WASTE IN THE FIRST ANNUAL ENVIRONMENTAL STEWARD SHIP COMPUTER BASED TRAINING MODULE -INTRODUCED THE GREEN ADVOCATE RECRUITMENT PROGRAM TO ENLIST THE LEADERSHIP OF GREEN-MINDED ASSOCIATES (EMPLOYEES) REPRESENTING DEPARTMENTS AT E ACH OF ADVOCATE'S FACILITIES 2 HOSPITAL-BASED ENVIRONMENTAL IMPROVEMENTS DURING 2011, ADVO CATE CONDELL MEDICAL CENTER (1) LAUNCHED A GREEN ADVOCATE NETWORK OF DEPARTMENT REPRESENTA TIVES DRIVING GREEN WORK PLACE HABITS AN

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	990 SCHEDULE H, PART VI	IL,

Additional Data

Software ID:
Software Version:
EIN: 26-2525968
Name: Advocate Condell Medical Center

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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? **18** Name and address	Type of Facility (Describe)
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient
Condell Medical Center - Mungo BLDG 804 E Park Ave STE 10610711111 Libertyville, IL 60048	Patient Care - OutPatient

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) AMERICAN CANCER SOCIETY100 TRI-STATE INTL PKWY LINCOLNSHIRE,IL 60069	36-2167721	501(c)(3)	12,000				RELAY FOR LIFE PROG
(2) ADVOCATE CHARITABLE FOUNDATION2025 WINDSOR DRIVE OAK BROOK,IL 60523	36-3297360	501(c)(3)	185,543				CANCER SERVICES FUND

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶

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

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

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

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE I	DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	ADVOCATE CONDELL MEDICAL CENTER SUPPORTS ONLY NONPROFIT ORGANIZATIONS THAT AYE TAX-EXEMPT UNDER SECTION 501 (C) (3) OF THE INTERNAL REVENUE CODE AND THAT ARE CONSISTENT WITH AND COMPLEMENTARY TO THE MISSION AND CHARITABLE, TAX-EXEMPT PURPOSES OF ADVOCATE CONDELL MEDICAL CENTER CASH CONTRIBUTIONS ARE NOT MADE TO INDIVIDUALS, FOR PROFIT BUSINESSES OR PRIVATE PROVIDERS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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?	**2**		
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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☐ Form 990 of other organizations	☑ 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?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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				
See Additional Data Table							

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 Compensation Information		PART I, LINE 4A SEVERANCE PAYMENTS BEN GRIGALIUNIS, SENIOR VICE PRESIDENT, HUMAN RESOURCES, TERMINATED HIS EMPLOYMENT WITH AHHC IN 2011 AND WILL RECEIVE SEVERANCE IN 2012 AND BEYOND WHICH IS INCLUDED IN COLUMN (C) GWENN LESCHKE, VICE PRESIDENT, HUMAN RESOURCES, TERMINATED HER EMPLOYMENT WITH CONDELL IN 2011 AND WILL RECEIVE SEVERANCE IN 2012 AND BEYOND WHICH IS INCLUDED IN COLUMN (C) DENNIS MIILIRONS, FORMER PRESIDENT OF CONDELL MEDICAL CENTER, TERMINATED HIS EMPLOYMENT WITH CONDELL IN 2008 AND RECEIVED SEVERANCE OF $56,000 IN 2011 THIS AMOUNT WAS REPORTED ON A PRIOR FORM 990 AS DEFERRED COMPENSATION AND IS LISTED AS A COMPONENT OF COLUMN (F) PART I, LINE 4B SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN BEN GRIGALIUNAS, SENIOR VICE PRESIDENT-HUMAN RESOURCES, IS VESTED IN A NON-QUALIFIED RETIREMENT PLAN AS SUCH ANY CONTRIBUTIONS ARE TAXED CURRENTLY THERE IS NO DEFERRED COMPONENT GAIL HASBROUCK, SENIOR VICE PRESIDENT-GENERAL COUNSEL AND CORPORATED SECRETARY, IS VESTED IN A NON-QUALIFIED RETIREMENT PLAN AS SUCH ANY CONTRIBUTIONS ARE TAXED CURRENTLY THERE IS NO DEFERRED COMPONENT ADVOCATE PROVIDES A TARGET REPLACEMENT SENIOR EXECUTIVE RETIREMENT PLAN THE CONTRIBUTIONS TO THIS PLAN ARE VESTED AND TAXABLE AFTER FIVE YEARS OF SERVICE THE FOLLOWING EMPLOYEES ARE VESTED IN THE PLAN AND THEREFORE THE CONTRIBUTIONS ARE REPORTED AS COMPENSATION ON THE W-2 JAMES SKOGSBERGH, BEN GRIGALIUNAS, BRUCE SMITH, DOMINIC NAKIS, GAIL HASBROUCK, LEE SACKS M D , SCOTT POWDER, WILLIAM SANTULLI, AND Dr ANN ERRICHETTI THE FOLLOWING EMPLOYEES HAVE NOT YET VESTED AND THEREFORE THE CONTRIBUTIONS ARE REPORTED AS DEFERRED COMPENSATION JAMES DAN M D AND KELLY JO GOLSON PART I, LINE 7 INCENTIVE PAYMENTS ARE BASED UPON A FORMULA THE AMOUNTS ARE CALCULATED AFTER CERTAIN PERFORMANCE AND OPERATING GOALS ARE ACHIEVED THE COMPENSATION COMMITTEE CAN EXERCISE DISCRETION OVER WHETHER INCENTIVE COMPENSATION IS PAID OUT ANNUALLY

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 26-2525968
Name: Advocate Condell Medical Center

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
James Skogsbergh	(I)	0	0	0	0	0	0	0
	(II)	1,084,469	1,468,800	763,528	705,508	27,275	4,049,580	1,468,800
Jose Elizondo MD	(I)	0	0	0	0	0	0	0
	(II)	193,914	29,016	834	21,077	15,820	260,661	0
William P Santulli	(I)	0	0	0	0	0	0	0
	(II)	690,723	850,346	418,325	409,767	32,922	2,402,083	850,346
Lee B Sacks MD	(I)	0	0	0	0	0	0	0
	(II)	595,843	631,487	360,728	308,168	24,412	1,920,638	631,487
James Dan MD	(I)	0	0	0	0	0	0	0
	(II)	427,252	465,123	56,172	362,720	22,748	1,334,015	465,123
James Doheny	(I)	0	0	0	0	0	0	0
	(II)	259,468	96,395	31,951	22,684	31,537	442,035	96,395
Kelly Jo Golson	(I)	0	0	0	0	0	0	0
	(II)	310,113	148,505	33,161	287,234	4,536	783,549	103,505
Ben Grigaliunas	(I)	0	0	0	0	0	0	0
	(II)	453,355	421,323	382,048	1,561,478	27,159	2,845,363	421,323
Gail D Hasbrouck	(I)	0	0	0	0	0	0	0
	(II)	407,538	321,971	247,523	159,100	21,461	1,157,593	321,971
Dominic J Nakis	(I)	0	0	0	0	0	0	0
	(II)	506,013	631,487	323,811	308,168	22,682	1,792,161	631,487
Scott Powder	(I)	0	0	0	0	0	0	0
	(II)	260,445	193,348	126,894	99,191	24,697	704,575	193,348
Bruce D Smith	(I)	0	0	0	0	0	0	0
	(II)	406,500	335,717	221,340	164,984	30,301	1,158,842	335,717
Rev Jerry Wagenknecht	(I)	0	0	0	0	0	0	0
	(II)	5,553	97,103	136,190	0	6,627	245,473	97,103
Rev K Bender Schwich	(I)	0	0	0	0	0	0	0
	(II)	91,966	16,380	11,202	19,438	68,777	207,763	0
Ann Errichetti MD	(I)	430,099	379,750	444,609	215,685	7,486	1,477,629	379,750
	(II)	0	0	0	0	0	0	0
Joan Boomsma	(I)	240,989	83,194	8,050	22,684	8,517	363,434	83,194
	(II)	0	0	0	0	0	0	0
Gwenn Leschke	(I)	211,943	37,592	10,550	322,684	23,641	606,410	37,592
	(II)	0	0	0	0	0	0	0
Mary Hillard	(I)	187,753	35,790	-4,273	30,491	26,644	276,405	35,790
	(II)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
David Cemate	(I)	201,959	17,091	-531	24,627	24,710	267,856	17,091
	(II)	0	0	0	0	0	0	0
David Cartwright	(I)	163,621	37,592	3,622	19,262	26,037	250,134	37,592
	(II)	0	0	0	0	0	0	0

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.**

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ADVOCATE HEALTH CENTERS INC	SHARED BOARD MEMBER	147,216	FIXED ASSETS SALE		No
(2) EVANGELICAL SERVICES CORPORATION	SHARED BOARD MEMBER	172,659,581	EXPENSE REIMBURSEMENT		No
(3) EVANGELICAL SERVICES CORPORATION	SHARED BOARD MEMBER	607,338	EXPENSE REIMBURSEMENT		No
(4) A2CL LABORATORY	SHARED BOARD MEMBER	590,819	LAB SERVICES PAID		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

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
Advocate Condell Medical Center

Employer identification number
26-2525968

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4A		PROVIDING INPATIENT AND OUTPATIENT HEALTHCARE SERVICES TO THE COMMUNITY REGARDLESS OF THE PATIENTS ABILITY TO PAY INCLUDED IN THIS PROGRAM SERVICE ARE THE PROVISION OF FINANCIAL ASSISTANCE AND TRAUMA CARE AS PART OF ITS COMMUNITY BENEFITS STRATEGY AND ITS MISSION, ADVOCATE CONDELL MEDICAL CENTER ("ACMC") IS COMMITTED TO PROMOTING INITIATIVES THAT ENHANCE ACCESS TO HEALTH CARE FOR THE UNINSURED, UNDERINSURED, AND LOW INCOME INDIVIDUALS AN EXAMPLE OF THIS IS ACMC'S PROVISION OF FINANCIAL ASSISTANCE ACMC OFFERS A VERY GENEROUS FINANCIAL ASSISTANCE PROGRAM, DESCRIBED FURTHER IN OTHER PROGRAM SERVICES (LINE 4D) GOAL #1 BELOW ADVOCATE CONTINUES TO REVIEW AND REFINE ITS POLICY IN AN ONGOING EFFORT TO ENSURE THAT FINANCIAL ASSISTANCE IS AVAILABLE TO THOSE WHO NEED HELP WHEN THEY NEED IT ACMC MAINTAINS HIGHLY VISIBLE SIGNAGE AND BROCHURES IN MULTIPLE LANGUAGES TO INFORM PATIENTS OF THE AVAILABILITY OF FINANCIAL HELP AND FINANCIAL COUNSELORS INFORMATION ABOUT ACMC'S FINANCIAL ASSISTANCE POLICY AND A FINANCIAL ASSISTANCE APPLICATION IS PROVIDED TO EACH UNINSURED PATIENT DURING REGISTRATION AND AS AN INSERT IN THEIR BILLS IN THE AREA OF TRAUMA CARE, ACMC IS DEDICATED TO PROVIDING EXPERT EMERGENCY CARE, TODAY AND IN THE FUTURE ACMC'S LEVEL I TRAUMA CENTER CARES FOR THE MOST SERIOUSLY INJURED PEOPLE IN ITS SERVICE AREA AS IS THE CASE WITH ALL ILLINOIS LEVEL I TRAUMA CENTERS, ACMC'S TRAUMA CENTER IS STAFFED BY ON-SITE, 24-HOUR-A-DAY TRAUMA SURGEONS, FEATURES 24-HOUR SURGICAL AND NONSURGICAL SERVICES, SUCH AS RADIOLOGY AND ANESTHESIA, AND CAN ACCOMMODATE HELICOPTER TRANSPORTS

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4B		HEALTH CARE AND FITNESS SERVICES AND FACILITIES PROVIDED BY PHYSICIANS, NURSES, CLINICIANS AND OTHER ASSOCIATES EMPLOYED BY ACMC ACMC CLINICIANS PROVIDE CARE TO THE COMMUNITY FOR MINOR INJURIES AND ILLNESSES THROUGH ACMCS IMMEDIATE CARE CENTERS REGARDLESS OF THE PATIEN TS ABILITY TO PAY EXERCISE PHYSIOLOGISTS AND PHYSICAL THERAPISTS ALSO PROVIDE SPORTS MEDI CINE CONSULTATIONS AT LOCAL HIGH SCHOOLS AND COLLEGES PHYSICIANS, NURSES AND OTHER CLINIC IANS LEAD PRENATAL/CHILDBIRTH AND PARENTING EDUCATION CLASSES AND DIABETES EDUCATION CLASS ES AS WELL AS SUPPORT GROUPS FOR DIABETES EDUCATION, HEART DISEASE, BREAST AND OTHER CANCE RS, LACTATION/BREAST FEEDING, BEREAVEMENT/LOSS AND CAREGIVERS ACMC PARTNERS WITH THE LAKE COUNTY DEPARTMENT OF PUBLIC HEALTH TO PROVIDE IMAGING SERVICES AT RATES SIGNIFICANTLY BEL OW COST, AS WELL AS HOSTS MONTHLY REDUCED-FEE CHILD IMMUNIZATION CLINICS FITNESS AND WELL NESS CLASSES AND SERVICES ARE PROVIDED AT THE ACMC CENTRE CLUBS, WHICH PROVIDES SLIDING SC ALE MEMBERSHIP RATES FORM 990, PART III, LINE 4C SERVING THE COMMUNITY SINCE 1928, ACMC I S A NON-PROFIT ACUTE CARE HOSPITAL WITH 273 AUTHORIZED BEDS BASED IN LIBERTYVILLE, ILLINOI S AS THE LARGEST HEALTH CARE PROVIDER IN LAKE COUNTY, ACMC PROVIDES A FULL SPECTRUM OF ME DICAL SERVICES FROM OBSTETRICS, RADIOLOGY SERVICES AND REHABILITATION TO OPEN HEART SURGER Y, NEUROSURGERY AND ONCOLOGY ACMCS EMERGENCY DEPARTMENT PROVIDES LEVEL I TRAUMA CARE AND HAS THE ABILITY TO ACCOMMODATE GROWING NUMBERS OF PATIENTS ACMC PROVIDES THE ONLY PEDIATR IC EMERGENCY DEPARTMENT IN LAKE COUNTY, CONSISTING OF A TEAM OF DOCTORS AND NURSES DEDICAT ED TO AND SPECIALLY TRAINED IN PEDIATRIC EMERGENCY MEDICINE ACMC IS AN ACCREDITED CHEST P AIN CENTER AND OFFERS THE CONTINUUM OF DIAGNOSTIC AND CARDIOLOGY TREATMENT SERVICES, INCLU DING OPEN HEART SURGERY MORE THAN 650 PHYSICIANS AND 2,100 ASSOCIATES COMPRISE THE TEAM O F MEDICAL EXPERTS KNOWN FOR EXCELLENCE IN ADDITION TO SERVICES LOCATED ON ITS LIBERTYVILL E CAMPUS, ACMC OPERATES THREE IMMEDIATE CARE CENTERS THROUGHOUT LAKE COUNTY AND TWO MEDICA LLY BASED FITNESS CENTERS ACMC IS THE RESOURCE HOSPITAL FOR REGION 10 EMERGENCY MEDICAL S ERVICES, WHICH DEMONSTRATES ITS COMMITMENT TO EFFICIENTLY AND EFFECTIVELY MANAGE EMERGENCY SERVICES IN A DISASTER ACMC ALSO PROVIDES COMMUNITY OUTREACH THROUGH HEALTH FAIRS, WELLN ESS PROGRAMS AND OTHER SERVICES IN SUPPORT OF ITS MVP (MISSION, VALUES AND PHILOSOPHY) TH E MISSION OF ACMC IS TO SERVE THE HEALTH NEEDS OF INDIVIDUALS, FAMILIES AND COMMUNITIES TH ROUGH A HOLISTIC PHILOSOPHY ROOTED IN THE FUNDAMENTAL UNDERSTANDING OF HUMAN BEINGS AS CRE ATED IN THE IMAGE OF GOD THE VALUES OF ACMC SERVE AS AN INTERNAL COMPASS TO GUIDE RELATIO NSHIPS AND ACTIONS THEY INCLUDE EQUALITY, COMPASSION, EXCELLENCE, PARTNERSHIP, AND STEWAR DSHIP THE PHILOSOPHY OF ACMC IS GROUNDED IN THE PRINCIPLES OF HUMAN ECOLOGY, FAITH AND CO MMUNITY-BASED HEALTH CARE THESE PRINCIPLES ARISE FROM AN UNDERSTANDING OF HUMAN BEINGS AS WHOLE PERSONS IN LIGHT OF THEIR RELATIONSHIPS WITH GOD, THEMSELVES, THEIR FAMILIES AND TH E SOCIETY IN WHICH THEY LIVE THROUGH OUR ACTIONS WE AFFIRM THESE PRINCIPLES POPULATION S ERVED ACMC PROVIDES QUALITY HEALTH CARE TO INDIVIDUALS REGARDLESS OF RACE, CREED, NATIONAL ORIGIN, AGE OR ABILITY TO PAY IN 2011, ACMC SERVED 210,272 PATIENTS, INCLUDING 17,386 IN PATIENT ADMISSIONS AND 192,886 OUTPATIENT VISITS, DELIVERING 2,318 BABIES COMMITMENT TO T HE COMMUNITY DESPITE FACING LOW REIMBURSEMENTS, ACMC IS DEDICATED TO MAINTAINING A STRONG PRESENCE WITHIN ITS COMMUNITY AND CONTINUES TO MONITOR THESE EXPENDITURES TO MAKE CERTAIN THAT THE PROGRAMS AND SERVICES SUPPORTED ARE IN DIRECT RESPONSE TO COMMUNITY NEED IN 2011 , ACMC PROVIDED OVER $37 4 MILLION IN CHARITABLE CARE AND OTHER COMMUNITY BENEFIT SERVICES THESE SERVICES ARE COMPRISED OF MANY COMMUNITY HEALTH PROGRAMS FOCUSED ON IMPROVING ACCE SS TO CARE, ADDRESSING SPECIAL NEEDS AND IMPROVING OVERALL COMMUNITY HEALTH IN ADDITION T O SUBSIDIES RELATED TO MEDICARE/MEDICAID AND OTHER UNCOLLECTIBLE PATIENT ACCOUNTS, ACMC TR EATS MANY AIR FORCE MILITARY PERSONNEL AND VETERANS ADMINISTRATION PATIENTS AT RATES BELOW COST COMMUNITY BENEFITS PLAN, GOALS & EXAMPLES OF PROGRAM SERVICE ACCOMPLISHMENTS ACMCS COMMUNITY BENEFITS EFFORTS ARE ALIGNED WITH ADVOCATES COMMUNITY BENEFITS PLAN THE ADVOCAT E HEALTH CARE PLAN WAS DEVELOPED TO ESTABLISH STRATEGIES FOR IMPROVING ACCESS TO CARE AND POSITIVELY AFFECTING THE HEALTH OF THE COMMUNITIES SERVED BY THE HOSPITAL INCLUDED IN THE COMMUNITY BENEFITS PLAN ARE NOT ONLY PLANNED GOALS AND OBJECTIVES FOCUSED ON ADDRESSING N EEDS AS IDENTIFIED THROUGH THE HOSPITALS COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS, BUT AL SO OTHER COMMUNITY BENEFITS SUCH AS FINANCIAL ASSISTANCE, UNREIMBURSED MEDICAID AND MEDICA RE, AND ONGOING COMMUNITY BENEFIT PROGRAMS THE PLAN SETS THE COURSE FOR STRENGTHENING EXI STING PARTNERSHIPS AND BUILDING NEW ONES WITH INDIVIDUALS AND ORGANIZATIONS WITHIN ACMCS S ERVICE AREA IN ORDER TO LEVERAGE AND MAXIMIZE THE

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4B		IMPACT OF ITS PROGRAMS ACMC HAS SET FOUR GOALS AND MULTIPLE OBJECTIVES TO ACCOMPLISH THIS STRATEGY GOAL 1 UNDERTAKE OR SUPPORT INITIATIVES THAT ENHANCE ACCESS TO HEALTH AND WELL NESS SERVICES WITHIN THE DIVERSE COMMUNITIES ADVOCATE SERVES FINANCIAL ASSISTANCE - ACMC OFFERS A VERY GENEROUS FINANCIAL ASSISTANCE PROGRAM, REQUIRING NO PAYMENTS FROM THE PATIEN TS MOST IN NEED, AND PROVIDING DISCOUNTS TO UNINSURED PATIENTS EARNING UP TO SIX TIMES THE FEDERAL POVERTY LEVEL AND TO INSURED PATIENTS EARNING UP TO FOUR TIMES THE POVERTY LEVEL A PATIENT'S EXTENUATING CIRCUMSTANCES ARE CONSIDERED WHEN QUALIFYING PATIENTS FOR FINANCIAL ASSISTANCE AND IN CERTAIN CASES, ACMC USES ADVOCATE OR PUBLIC RECORDS TO DETERMINE A PA TIENT'S ELIGIBILITY ("PRESUMPTIVE ELIGIBILITY")

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4C (CONTD)		GOAL 2 POSITIVELY AFFECT THE HEALTH STATUS AND QUALITY OF LIFE OF INDIVIDUALS AND POPULAT IONS IN COMMUNITIES SERVED BY ADVOCATE THROUGH PROGRAMS AND PRACTICES THAT REFLECT ADVOCAT E'S WHOLISTIC PHILOSOPHY ACMC DAY CENTER ADULT DAY CARE PROGRAM ACMCS DAY CENTER ADULT DA Y CARE PROGRAM FILLS A GAP IN CONTINUITY OF CARE FOR CLIENTS WHO ARE UNABLE TO LIVE INDEPE NDENTLY ACMCS PROGRAM COMBINES ADULT DAY CARE WITH THERAPEUTIC AND PERSONAL CARE SERVICES GIVEN THAT THE PROGRAM IS LOCATED ADJACENT TO OTHER HOSPITAL SERVICES, CLIENTS CAN RECEI VE PHYSICAL, SPEECH AND OCCUPATIONAL THERAPY FROM A LICENSED THERAPIST IN ADDITION, BATHI NG ASSISTANCE, BEAUTICIAN/BARBER AND PODIATRY CARE ARE AVAILABLE AS A SERVICE TO THE CLIEN T AND CAREGIVER COMPREHENSIVE ADULT DAY CARE ALLOWS THE CAREGIVER TO REMAIN EMPLOYED AND/ OR RECEIVE MUCH NEEDED RESPITE, THUS ALLOWING CLIENTS WITH FRAILTIES OR DEMENTIA TO REMAIN IN THE COMMUNITY AND AVOID OR DELAY THE ADDITIONAL EXPENSE OF LONG-TERM CARE ACMCS PROGR AM ACCEPTS CLIENTS WITH A HIGHER ACUITY THAN OTHER LOCAL PROGRAMS, CARING FOR PATIENTS IN THE LATER PART OF MIDDLE-STAGE ALZHEIMERS ACMC ALSO WORKS WITH THE VETERANS ADMINISTRATIO N TO PROVIDE SERVICES FOR THEIR PATIENTS UNDER THE CARE OF AN ON-SITE REGISTERED NURSE PE DIATRIC REHABILITATION ACMCS PACT (PEDIATRIC ALTERNATIVES IN CREATIVE THERAPY) PROGRAM IS A UNIQUE MEDICAL SUPPORT SERVICE IN LAKE COUNTY FOR CHILDREN AND TEENS WITH NEUROMUSCULAR DISORDERS, SUCH AS SPINA BIFIDA, CEREBRAL PALSY, HEAD TRAUMA AND SPINAL CORD INJURIES, AS WELL AS THOSE WITH DEVELOPMENTAL DELAY AND SPEECH-LANGUAGE DISORDERS PACT ALSO TREATS CHI LDREN WITH GENETIC AND CONGENITAL ANOMALIES, STRUCTURAL ABNORMALITIES, SUCH AS CLEFT PALAT E, AND HEARING/VISION PROBLEMS, SENSORY INTEGRATION DYSFUNCTION AND THOSE RECEIVING RADIAT ION OR CHEMOTHERAPY TREATMENTS PACTS INTERDISCIPLINARY TEAM OF PROFESSIONALS, INCLUDING P HYSICAL THERAPISTS, OCCUPATIONAL THERAPISTS, AND SPEECH-LANGUAGE PATHOLOGIST, PARTNERS WIT H THE FAMILIES, SCHOOLS, PHYSICIANS AND COMMUNITY TO PROVIDE COMPREHENSIVE INTERVENTION, A S WELL AS AN INDIVIDUALIZED TREATMENT PROGRAM FOR EACH CHILD DIABETES EDUCATION DURING AC MCS PURSUIT TO ESTABLISH A CERTIFIED DIABETES EDUCATION PROGRAM, MOST DIABETES EDUCATION C LASSES AND ONE-ON-ONE COUNSELING SESSIONS WERE OFFERED FREE OF CHARGE TO THE PUBLIC GOAL 3 LEVERAGE RESOURCES AND MAXIMIZE COMMUNITY OUTREACH EFFORTS BY BUILDING AND STRENGTHENIN G COMMUNITY PARTNERSHIPS LAKE COUNTY HEALTH DEPARTMENT ACMC PARTNERED WITH THE LAKE COUNT Y DEPARTMENT OF PUBLIC HEALTH TO PROVIDE MEDICAL IMAGING (RADIOLOGY) SERVICES TO LAKE COUN TY HEALTH DEPARTMENT CLIENTS THESE RADIOLOGY, WOMENS AND OTHER SERVICES ARE PROVIDED ON A HEAVILY DISCOUNTED, BELOW COST BASIS TO PATIENTS SERVED BY THE PUBLIC HEALTH DEPARTMENT FURTHER, ACMC SUPPORTS CONVENIENT ACCESS TO PREVENTATIVE VACCINES AND IMMUNIZATIONS BY DON ATING MONTHLY LAKE COUNTY HEALTH DEPARTMENT IMMUNIZATION CLINICS ON ACMCS CAMPUS EVENT SP ACE IS DONATED AND SERVICES ARE PROMOTED TO ALL AUDIENCES MISSION & SPIRITUAL CARE ACMCS MISSION AND SPIRITUAL CARE OFFICE PROVIDES CLINICAL CHAPLAINS WHO OFFER SUPPORT AND SERVIC ES 24 HOURS EACH DAY, EVERY DAY TO THE INDIVIDUALS AND FAMILIES THAT ADVOCATE SERVES THE OFFICE ALSO DEVELOPS PARTNERSHIPS WITH COMMUNITIES AND CONGREGATIONS TO HELP ADDRESS LOCAL HEALTH CARE NEEDS THE RISKS AND SYMPTOMS OF STROKE ARE AN IMPORTANT MESSAGE TO DISBURSE TO THE COMMUNITY THROUGHOUT 2011, ACMC REACHED OUT TO A VARIETY OF GROUPS TO SPREAD AWARE NESS OF STROKE WITHIN CONDELLS SERVICE AREA STROKE NURSE NAVIGATORS OFFERED EDUCATIONAL L ECTURES AT SENIOR LIVING COMMUNITIES, SENIOR HEALTH FAIRS AND COMMUNITY HEALTH FAIRS STRO KE INFORMATION WAS DISTRIBUTED THROUGH AN ADVOCATE HEALTH CARE SYSTEM-WIDE INITIATIVE, AS WELL AS THROUGH ACMCS CONTACTS IN EDUCATION, BUSINESS, AND COMMUNITY IN ADDITION, STROKE EDUCATION WAS SHARED WITH ACMC ASSOCIATES AND VISITORS THROUGH ON-LINE TEACHING MODULES AN D HANDY INFORMATION AVAILABLE TO THE PUBLIC ACMC COLLABORATES WITH EMERGENCY MEDICAL SERV ICE PROVIDERS TO SHARE BEST-PRACTICE INFORMATION THROUGHOUT ADVOCATE SITES AS WELL AS OTHE R NON-ADVOCATE MEDICAL PROVIDERS ACMC IS A RESOURCE HOSPITAL FOR ILLINOIS REGION 10, WHIC H REQUIRES ACMC TO COORDINATE ONGOING TRAINING IN EMERGENCY RESPONSE TO A MASS CASUALTY SI TUATION OR OTHER DISASTER THESE EDUCATION PROGRAMS AND TRAINING EXERCISES INVOLVE EVERY E MERGENCY PROVIDER IN THE AREA, BOTH INSIDE AND OUTSIDE OF ADVOCATE, AS WELL AS THE LAKE CO UNTY HEALTH DEPARTMENT AND OTHER REGIONAL ORGANIZATIONS AS APPROPRIATE ACMC ALSO OFFERS E DUCATIONAL TRAINING COURSES FOR INDIVIDUALS TO EARN PARAMEDIC CERTIFICATION GOAL 4 PROMO TE INTEGRATION OF AND ACCOUNTABILITY FOR SYSTEM AND SITE PLANS AND ACTIVITIES BY ENHANCING COORDINATION AND DEVELOPING GOVERNANCE RELATIONSHIPS IN JANUARY 2011, ACMC IMPLEMENTED A NEW COMMUNITY HEALTH ACCOUNTABILITY STRUCTURE THE OVERALL GOAL WAS TO MORE STRATEGICALLY FOCUS THE HOSPITALS COMMUNITY HEALTH PROGRAMMING

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4C (CONTD)		TO ENSURE KEY COMMUNITY NEEDS ARE BEING ADDRESSED AND THAT THE PROGRAMS, WHETHER DEVELOPED OR SUSTAINED, MEASURABLY IMPROVE COMMUNITY HEALTH A COMMUNITY HEALTH COMMITTEE WAS ESTAB LISHED TO CONDUCT A COMPREHENSIVE COMMUNITY HEALTH NEEDS ASSESSMENT USING A STANDARDIZED A PPROACH REPRESENTATIVES FROM THE HOSPITALS EXECUTIVE TEAM, PUBLIC AFFAIRS AND MARKETING, MISSION AND SPIRITUAL CARE, AND BUSINESS DEVELOPMENT AND STRATEGY DEPARTMENTS, LED BY THE HOSPITALS COMMUNITY HEALTH LEADER, MET REGULARLY DURING THE FIRST HALF OF THE YEAR IN ADD ITION, A GOVERNING COUNCIL REPRESENTATIVE FROM THE COMMUNITY WAS INVITED TO SERVE AS AN AC TIVE PARTICIPANT ON THE COMMUNITY HEALTH COMMITTEE ADDITIONAL HOSPITAL CLINICAL TEAM MEMB ERS WILL BE ADDED TO THE COMMITTEE FOR THEIR DISEASE-SPECIFIC PROGRAM EXPERTISE, AS WILL O THER COMMUNITY REPRESENTATIVES WITH SPECIAL KNOWLEDGE OR EXPERTISE IN KEY FOCUS AREAS THE COMMITTEE WILL CONTINUE TO MEET EACH YEAR AS PART OF THE HOSPITALS ONGOING ASSESSMENT PRO CESS DURING 2011, COMMUNITY HEALTH COMMITTEE MEMBERS ATTENDED THREE CHNA WORKSHOPS DESIGN ED TO LAUNCH THE CHNA PROCESS BY EDUCATING THEM ON HOW TO CONDUCT AN ASSESSMENT, INCLUDING CUTTING EDGE THINKING ON ADDRESSING COMMUNITY NEED USING BOTH PRIMARY AND SECONDARY COMM UNITY HEALTH DATA, THE HOSPITAL COMMITTEE IDENTIFIED ITS SERVICE AREAS KEY HEALTH NEEDS AN D THEN EMPLOYED A STANDARDIZED PRIORITY SETTING PROCESS TO DETERMINE KEY HEALTH NEEDS ON W HICH TO FOCUS DURING THE PROCESS, THE HOSPITALS AND COMMUNITYS KEY CHALLENGES AND ASSETS WERE EXAMINED, AND HOSPITAL REPRESENTATIVES ENGAGED EXTERNAL KEY INFORMANTS IN DISCUSSIONS TO DETERMINE THE POTENTIAL FOR PARTNERING WITH OTHER ORGANIZATIONS AND SHARING RESOURCES TO ADDRESS COMMUNITY NEED CHNA RESULTS WERE SHARED AND THE SELECTED PRIORITIES WERE ENDOR SED BY ACMCS PRESIDENT AND FULL GOVERNING COUNCIL PROGRAM PLANNING BEGAN IN 2011 AND WILL CONTINUE INTO 2012 AS THE HOSPITAL WORKS TO PARTNER WITH OTHER ORGANIZATIONS TO ADDRESS I TS COMMUNITY-SPECIFIC HEALTH CARE NEEDS HOSPITAL PLANS WILL BE SHARED AND ENDORSED EACH Y EAR BY THE GOVERNING COUNCIL AS ONE OF TEN HOSPITALS IN THE ADVOCATE HEALTH CARE SYSTEM, ACMCS PLAN SUMMARY WILL BE SHARED PERIODICALLY WITH THE SYSTEM LEVEL EXECUTIVE MANAGEMENT TEAM AND WITH ADVOCATE HEALTH CARES MISSION AND SPIRITUAL CARE COMMITTEE OF THE BOARD, WHI CH HAS SYSTEM LEVEL OVERSIGHT OF COMMUNITY HEALTH PLANNING

Identifier	Return Reference	Explanation
DESCRIPTION OF BOARD DELEGATING POWERS TO EXECUTIVE COMMITTEE	FORM 990, PART VI, SECTION A, LINE 1A	THE ORGANIZATIONS BYLAWS PROVIDE THAT THE EXECUTIVE COMMITTEE HAS AUTHORITY TO ACT ON BEHALF OF THE BOARD THE EXECUTIVE COMMITTEE HAS THE SAME COMPOSITION AND MEMBERS AS THE EXECUTIVE COMMITTEE OF THE CORPORATE MEMBER THE CORPORATE MEMBERS EXECUTIVE COMMITTEE HAS NINE MEMBERS, CONSISTING OF THE CHAIRPERSON, THE VICE CHAIRPERSON, THE PRESIDENT, THE CHAIRPERSONS OF THE FINANCE, PLANNING, HEALTH OUTCOMES AND MISSION AND SPIRITUAL CARE COMMITTEES, AND TWO OTHER DIRECTORS THE PAST CHAIRPERSON OF THE BOARD OF DIRECTORS MAY SERVE AS AN EX-OFFICIO MEMBER OF THE COMMITTEE, WITH VOTE EACH OF THE EXECUTIVE COMMITTEES MEMBERS IS ON THE BOARD THE SCOPE OF THE EXECUTIVE COMMITTEES AUTHORITY INCLUDES BE RESPONSIBLE FOR PLANNING EDUCATIONAL PROGRAMS FOR THE BOARD OF DIRECTORS, CONDUCT AN EVALUATION OF THE MEMBERS OF THE BOARD OF DIRECTORS, HAVE SUCH AUTHORITY AS SHALL BE DELEGATED BY THE BOARD OF DIRECTORS, AND ACT ON BEHALF OF THE BOARD OF DIRECTORS BETWEEN MEETINGS THE EXECUTIVE COMMITTEE IS ACCOUNTABLE AS A BODY TO THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
DESCRIPTION OF BUSINESS RELATIONSHIPS	FORM 990, PART VI, SECTION A, LINE 2	AS DR JAMES DAN, GAIL HASBROUCK, JAMES DOHENY, AND DOMINIC NAKIS ARE EITHER DIRECTORS OR OFFICERS OF WHOLLY OWNED ADVOCATE ENTITIES, THEY ARE DEEMED TO HAVE A BUSINESS RELATIONSHIP PURSUANT TO THE INSTRUCTIONS FOR FORM 990 AS DR JAMES DAN, GAIL HASBROUCK, JAMES DOHENY, AND SCOTT POWDER ARE EITHER DIRECTORS OR OFFICERS OF WHOLLY OWNED ADVOCATE ENTITIES, THEY ARE DEEMED TO HAVE A BUSINESS RELATIONSHIP PURSUANT TO THE INSTRUCTIONS FOR FORM 990 AS DR JAMES DAN AND DR LEE SACKS ARE EITHER DIRECTORS OR OFFICERS OF WHOLLY OWNED ADVOCATE ENTITIES, THEY ARE DEEMED TO HAVE A BUSINESS RELATIONSHIP PURSUANT TO THE INSTRUCTIONS FOR FORM 990 AS DR JAMES DAN, GAIL HASBROUCK, JAMES DOHENY, SCOTT POWDER, AND WILLIAM SANTULLI ARE EITHER DIRECTORS OR OFFICERS OF WHOLLY OWNED ADVOCATE ENTITIES, THEY ARE DEEMED TO HAVE A BUSINESS RELATIONSHIP PURSUANT TO THE INSTRUCTIONS FOR FORM 990

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS	FORM 990, PART VI, QUESTION 6	BY-LAWS PROVIDE FOR CORPORATE MEMBERS DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS FORM 990, PART VI, QUESTION 7A THE NOT FOR PROFIT CORPORATIONS OF ADVOCATE HEALTH CARE, WITH THE EXCEPTION OF ADVOCATE HEALTH CARE NETWORK, HAVE CORPORATE MEMBERS WHO ELECT DIRECTORS ADVOCATE HEALTH CARE NETWORK DOES NOT HAVE ANY MEMBERS, THEREFORE, THE AHCN BOARD ELECTS ITS DIRECTORS THE FOR PROFIT ORGANIZATIONS HAVE A SOLE SHAREHOLDER WHO ELECTS DIRECTORS

Identifier	Return Reference	Explanation
DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS	FORM 990, PART VI, QUESTION 7B	THE FOLLOWING RESERVE POWERS IDENTIFIED IN THE BYLAWS REQUIRE THE APPROVAL OF THE CORPORATE MEMBER, ADVOCATE HEALTH CARE NETWORK APPOINT OUTSIDE AUDITORS AND ESTABLISH AND REVISE ALL FINANCIAL CONTROL POLICIES, AND ANY CHANGES TO SUCH POLICIES, BEFORE SUCH POLICIES OR CHANGES BECOME EFFECTIVE, CAUSE THE CORPORATION TO PAY, LOAN OR OTHERWISE TRANSFER PROPERTY AND FUNDS TO OTHER ENTITIES AFFILIATED WITH THE CORPORATE MEMBER, AMEND THE BYLAWS WITHOUT ACTION OR APPROVAL BY THE BOARD OF DIRECTORS (AFTER TEN DAYS NOTICE TO THE CORPORATIONS BOARD OF DIRECTORS OF THE PROPOSED AMENDMENT(S) WITH AN OPPORTUNITY FOR BOARD MEMBERS TO CONSULT WITH THE CORPORATE MEMBER REGARDING THE PROPOSED AMENDMENT, APPROVAL OF THE OVERALL MISSION, PHILOSOPHY AND VALUES STATEMENTS AND ANY AMENDMENTS OR SUPPLEMENTS TO SUCH STATEMENTS, APPROVAL OF THE OVERALL STRATEGIC PLANS, APPROVAL OF ALL OVERALL OPERATING AND CAPITAL BUDGETS BEFORE ANY EXPENDITURE, PURSUANT TO SUCH BUDGETS ARE MADE OR COMMITTED, AND APPROVAL OF ALL EXPENDITURES ABOVE ANY LIMIT THAT MAY BE ESTABLISHED BY THE BOARD OF THE CORPORATE MEMBER, APPROVAL OF THE INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS FOR BORROWED MONEY WHICH HAS NOT ALREADY BEEN APPROVED AS A PART OF THE BUDGET APPROVAL PROCESS OR WHICH IS ABOVE ANY LIMIT THAT MAY BE ESTABLISHED BY THE BOARD OF THE CORPORATE MEMBER, APPROVAL OF ALL TRANSFERS OF OWNERSHIP OR DONATIONS OF ASSETS ABOVE ANY LIMIT THAT MAY BE ESTABLISHED BY THE BOARD OF THE CORPORATE MEMBER, APPROVAL OF ALL AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BYLAWS OF THE CORPORATION BEFORE THEY BECOME EFFECTIVE, APPROVAL OF ANY MERGER, CONSOLIDATION, OR DISSOLUTION, AND APPROVAL OF THE CREATION OF OR AFFILIATION WITH ANY SUBSIDIARY OR AFFILIATE, BEFORE SUCH ENTITY IS CREATED OR THE ENTRANCE INTO ANY JOINT VENTURE IF THE CONTEMPLATED ACTIVITY WILL INVOLVE THE EXPENDITURE OF FUNDS OR THE ASSUMPTION OF OBLIGATIONS WHICH HAVE NOT ALREADY BEEN APPROVED AS A PART OF THE BUDGET APPROVAL PROCESS OR REQUIRE MEMBER APPROVAL UNDER THE FINANCIAL CONTROL POLICIES

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	FORM 990, PART VI, QUESTION 11B	ADVOCATES TAX PREPARATION PROCESS INCLUDES ONGOING CONSULTATION WITH ITS OUTSIDE TAX CONSULTING FIRM AND TAX LEGAL COUNSEL, BOTH OF WHICH POSSESS EXPERTISE IN HEALTH CARE AND TAX-EXEMPT RETURN PREPARATION, TO ADVISE AND ASSIST WITH PREPARATION OF THE FORM 990 THESE ADVISORS WORKED CLOSELY WITH THE ORGANIZATIONS FINANCE, TAX, AND LEGAL ASSOCIATES AND OTHER MEMBERS OF THE ORGANIZATIONS TEAM ASSEMBLED TO PARTICIPATE IN THE PREPARATION OF THE FORM 990 THE FORM 990 IS REVIEWED BY FINANCE MANAGEMENT, THE TAX MANAGER, THE VP OF FINANCE/CORPORATE CONTROLLER, THE CHIEF FINANCIAL OFFICER, AND ADVOCATES OUTSIDE TAX CONSULTING FIRM AND TAX LEGAL COUNSEL PRIOR TO PRESENTING THE FORM 990 TO THE BOARD OF DIRECTORS AUDIT COMMITTEE IN NOVEMBER, THE ORGANIZATIONS TEAM, INCLUDING ITS ADVISORS, MET FREQUENTLY TO DISCUSS AND REVIEW DRAFTS OF THE FORM 990 AT THE NOVEMBER AUDIT COMMITTEE MEETING, THE VP OF FINANCE/CORPORATE CONTROLLER AND CHIEF FINANCIAL OFFICER COORDINATED A REVIEW OF THE FORM 990 WITH COMMITTEE MEMBERS, AS THE AUDIT COMMITTEE IS THE COMMITTEE OF THE BOARD OF DIRECTORS CHARGED WITH OVERSIGHT OF AUDIT AND TAX MATTERS THE VP OF FINANCE/CORPORATE CONTROLLER AND CHIEF FINANCIAL OFFICER RESPONDED TO THE AUDIT COMMITTEE MEMBERS QUESTIONS AND PROVIDED THE OPPORTUNITY FOR DETAILED DISCUSSION OF THE FORM 990 THE CHANGES IDENTIFIED WERE INCORPORATED, AND THEN A COMPLETE COPY OF THE FINAL FORM 990 WAS PROVIDED TO EACH MEMBER OF THE ORGANIZATIONS BOARD OF DIRECTORS BEFORE THE FORM 990 WAS FILED

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, QUESTION 12C	THE ORGANIZATION'S CONFLICT OF INTEREST POLICY APPLIES TO VARIOUS PEOPLE, INCLUDING MEMBERS OF ADVOCATE'S BOARD OF DIRECTORS, GOVERNING COUNCILS, OFFICERS, ASSOCIATES, VOLUNTEERS, AND MEDICAL STAFF MEMBERS WITH ADMINISTRATIVE RESPONSIBILITIES ANNUALLY, THE COMPLIANCE DEPARTMENT SENDS THIS POLICY AND THE ADVOCATE CODE OF BUSINESS CONDUCT TO A RANGE OF INDIVIDUALS WHO MAY BE IN A POSITION TO EXERCISE SUBSTANTIAL INTEREST OVER A PARTICULAR MATTER (DEFINED AS "INTERESTED PERSONS") THEY ARE REQUIRED TO READ THE POLICIES AND PROVIDE A DISCLOSURE STATEMENT TO THE COMPLIANCE DEPARTMENT, WHICH IDENTIFIES ACTIVITIES AND RELATIONSHIPS THAT COULD POTENTIALLY GIVE RISE TO A CONFLICT OF INTEREST THE CHIEF COMPLIANCE OFFICER REVIEWS THE DISCLOSURES AND PROVIDES A REPORT TO THE SYSTEM BUSINESS CONDUCT (COMPLIANCE) COMMITTEE, EXECUTIVE MANAGEMENT TEAM AND THE AUDIT COMMITTEE OF THE BOARD FOR REVIEW THE REPORT IS THEN PROVIDED, IN RELEVANT PART, TO THE SITE CHIEF EXECUTIVE OFFICERS POTENTIAL CONFLICTS ARE REVIEWED BY THE COMPLIANCE DEPARTMENT ON A CASE BY CASE BASIS FOLLOW UP PROCEDURES CONDUCTED ARE UNIQUE TO THE GIVEN CIRCUMSTANCE, AND MAY INCLUDE REVIEWING THE POTENTIAL CONFLICT WITH THE INTERESTED PERSON, OR INVESTIGATING THE MATTER IN CONSULTATION WITH THE INTERESTED PERSON'S SUPERVISOR AND/OR SITE MANAGEMENT IN CIRCUMSTANCES WHERE THE INTERESTED PERSON IS NOT A MEMBER OF THE BOARD, OR GOVERNING COUNCIL, OR A COMMITTEE THEREOF, OR A PERSON OF INTEREST, IF IT IS DETERMINED THAT THERE IS AN ACTUAL CONFLICT OF INTEREST, THE SUPERVISOR OF THE INDIVIDUAL IS RESPONSIBLE FOR MAKING AN APPROPRIATE RESPONSE, POTENTIALLY INCLUDING A RESTRICTION OF THE INDIVIDUAL'S JOB DUTIES WITH RESPECT TO THE MATTER GIVING RISE TO THE CONFLICT

Identifier	Return Reference	Explanation
OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN	FORM 990, PART VI, QUESTION 15A & 15B	EXECUTIVE COMPENSATION AT THE ADVOCATE HEALTH CARE NETWORK AND SUBSIDIARIES IS BASED ON A BOARD OF DIRECTORS' APPROVED STRATEGY THAT GUIDES THE CORPORATION IN ESTABLISHING COMPENSATION OPPORTUNITIES FOR EXECUTIVES, MANAGERS, PROFESSIONALS, AND ALL EMPLOYEES IN THIS STRATEGY, SPECIFIC MARKET COMPARISONS ARE IDENTIFIED AND THE DESIRED LEVEL OF COMPETITIVENESS IN THOSE MARKETS SPECIFIED IN ADDITION, THE LINKAGE OF EXECUTIVE PAY TO PERFORMANCE IS ARTICULATED AND HOW THIS RELATIONSHIP IS TO BE MAINTAINED IS OUTLINED TO SUPPORT AND IMPLEMENT THE COMPENSATION STRATEGY, FIVE BASIC ELEMENTS ARE UTILIZED THESE ELEMENTS ARE - A SOLID, RELIABLE AND TESTED JOB EVALUATION METHODOLOGY - ACCURATE, QUALITY AND RELEVANT COMPENSATION SURVEY INFORMATION - A CONSISTENT ANNUAL PROCESS FOR UPDATING THE COMPENSATION LEVELS - AN ACTIVE BOARD REVIEW PROCESS THAT ASSURES COMPLIANCE WITH THE COMPENSATION STRATEGY AND ON-GOING REVIEW OF THE PERFORMANCE OF THE ORGANIZATION, AND - ACTIVE, EXTERNAL REVIEW AND AUDITING OF COMPENSATION BY EXTERNAL INDEPENDENT CONSULTANTS

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	FORM 990, PART VI, QUESTION 19	THE ORGANIZATION MAKES ITS FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC THROUGH THE FOLLOWING SITES DACBOND COM (DIGITAL ASSURANCE CERTIFICATION LLC) AND EMMA MSRB ORG (ELECTRONIC MUNICIPAL MARKET ACCESS) THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENT OR CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC HOURS PER WEEK FOR RELATED ORGANIZATIONS FORM 990, PART VII, SECTION A, LINE 1A THE FOLLOWING INDIVIDUALS ARE EMPLOYEES OF ADVOCATE HEALTH & HOSPITALS CORPORATION AND GENERALLY WORK 40 HOURS PER WEEK APPROXIMATELY 5 HOURS OF THEIR REGULAR WORK WEEK ARE SPENT PROVIDING SERVICES TO RELATED ORGANIZATIONS JAMES SKOGSBERGH, WILLIAM P SANTULLI, LEE B SACKS, MD, JAMES DAN, MD, JAMES DOHENY, KELLY JO GOLSON, BEN GRIGALIUNAS, GAIL D HASBROUCK, DOMINIC J NAKIS, SCOTT POWDER, BRUCE D SMITH, REV JERRY WAGENKNECHT, AND REV KATHIE BENDER SCHWICH JOSE ELIZONDO, MD IS AN EMPLOYEE OF ADVOCATE NORTH SIDE HEALTH NETWORK AND GENERALLY WORKS 40 HOURS PER WEEK APPROXIMATELY 4 HOURS OF HIS REGULAR WORK WEEK ARE SPENT PROVIDING SERVICES TO RELATED ORGANIZATIONS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493320011842

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Advocate Condell Medical Center

Employer identification number
26-2525968

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? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) DREYER MERCY AMB SURGERY CENTER 1221 N HIGHLAND AVE AURORA, IL 60506 36-3890298	MEDICAL SERVICES	IL	NA									

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.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o	Yes	
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	1r	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ADVOCATE HEALTH & HOSPITALS CORPORATION	L	41,642,695	COST
(2) ADVOCATE HEALTH & HOSPITALS CORPORATION	O	37,723,393	COST
(3) ADVOCATE HEALTH & HOSPITALS CORPORATION	K	2,238,127	COST
(4) ADVOCATE HEALTH & HOSPITALS CORPORATION	P	21,830,532	COST
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 26-2525968
Name: Advocate Condell Medical Center

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	
ADVOCATE HEALTH & HOSPITALS CORPORATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-2169147	HEALTH CARE	IL	501(C)(3)	3	AHCN		No
ADVOCATE CHARITABLE FOUNDATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3297360	FUNDRAISING	IL	501(C)(3)	7	AHCN		No
ADVOCATE HEALTH CARE NETWORK 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-2167779	PARENT CORP	IL	501(C)(3)	11-III-FI	NA		No
EHS HOME HEALTH CARE SERVICE INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-2913108	HOME CARE	IL	501(C)(3)	9	AHHC		No
ADVOCATE NORTH SIDE HEALTH NETWORK 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3196629	HEALTH CARE	IL	501(C)(3)	3	AHHC		No
MERIDIAN HOSPICE 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3158667	HOSPICE CARE	IL	501(C)(3)	9	EHSHHCS		No
RAVENSWOOD HEALTH CARE FOUNDATION 4550 N WINCHESTER AVENUE CHICAGO, IL 60640 36-3196628	FUNDRAISING	IL	501(C)(3)	11-II	NA		No
HISPANO CARE INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3606486	HEALTH CARE	IL	501(C)(3)	9	ANHN		No
MASONIC FAMILY HEALTH FOUNDATION INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-4397387	FUNDRAISING	IL	501(C)(3	11-I	MFHS		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Percentage ownership
ADVOCATE HEALTH CENTERS INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-4217291	MEDICAL SERVICES	IL	NA	C CORP			
ADVOCATE INSURANCE SPC 23 LIME TREE BAY AVE GOV SQ BLDG 4 GRAND CAYMAN CJ 98-0422925	INSURANCE	CJ	NA	C CORP			
EVANGELICAL SERVICES CORPORATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3208101	MGMT SERVICES	IL	NA	C CORP			
HIGH TECHNOLOGY INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3368224	MEDICAL SERVICES	IL	NA	C CORP			
PARKSIDE CENTER CONDO ASSOCIATION 1775 WEST DEMPSTER STREET PARK RIDGE, IL 60068 36-3452486	PROPERTY MGMT	IL	NA	C CORP			
MIDWEST HEART SPECIALISTS LTD 1901 S MEYERS RD SUITE 350 OAKBROOK TERRACE, IL 60181 36-2841923	MEDICAL SERVICES	IL	NA	C CORP			
BROMENN PHYSICIAN MANAGEMENT CORPORATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 37-1313150	MEDICAL SERVICES	IL	NA	C CORP			
CENTER FOR ENDOSCOPY LLC 22285 PEPPER ROAD LAKE BARRINGTON, IL 60010 26-2387298	HEALTH SERVICES	IL	NA	C CORP			
HIGH TECHNOLOGY INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3368224	MEDICAL SERVI	IL	NA	C CORP			
PARKSIDE CENTER CONDO ASSOCIATION 36-3452486	PROPERTY MGMT	IL	NA	C CORP			
ADVOCATE HOME CARE PRODUCTS 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3315416	HEALTH SERVICES	IL	NA	C CORP			
DREYER CLINIC INC 1877 W DOWNER PLACE AURORA, IL 60506 36-2690329	MEDICAL SERVICES	IL	NA	C CORP			

Additional Data

Software ID:
Software Version:
EIN: 26-2525968
Name: Advocate Condell Medical Center

Form 990, Special Condition Description:

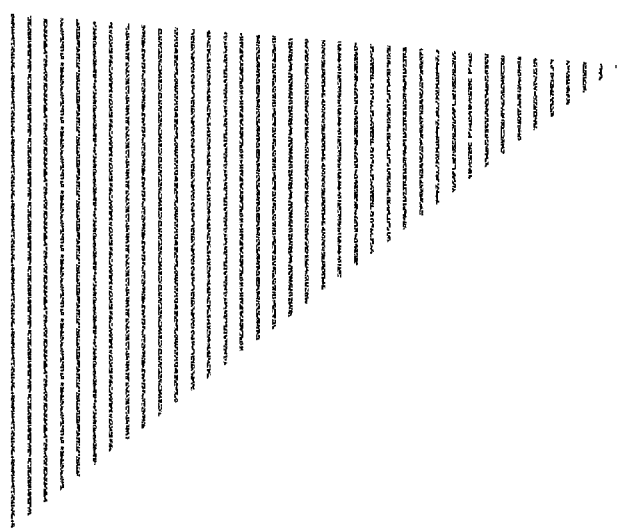
Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
James Skogsbergh Exec VP, COO, Director	10	X		X				0	3,316,797	732,783
Mark Harris Chairperson, Director	10	X						0	0	0
Michele Baker Richardson Vice Chairperson, Director	10	X						0	0	0
David Anderson Director	10	X						0	0	0
Alejandro Aparicio MD Director	10	X						0	0	0
Lynn Crump-Caine Director	10	X						0	0	0
John Dossey Director	10	X						0	0	0
Jose Elizondo MD Director	10	X						0	223,764	36,897
Ronald Mallicoat Jr Director	10	X						0	0	0
Laurie Meyer Director	10	X						0	0	0
Clarence Nixon Jr PhD Director	10	X						0	0	0
Carolyn Smeltzer Director	10	X						0	0	0
John Timmer Director	10	X						0	0	0
William P Santulli President & CEO	10			X				0	1,959,394	442,689
Lee B Sacks MD Exec VP, Chief Medical Officer	10			X				0	1,588,058	332,580
James Dan MD Pres Physician & Amb Services	10			X				0	948,547	385,468
James Doheny VP, Finance & Corp Controller	10			X				0	387,814	54,221
Kelly Jo Golson SVP, Public Affairs & Mktg	10			X				0	491,779	291,770
Ben Grigaliunas SVP, Human Resources	10			X				0	1,256,726	1,588,637
Gail D Hasbrouck SVP, Gen Counsel, Corp Sec	10			X				0	977,032	180,561
Dominic J Nakis SVP, CFO	10			X				0	1,461,311	330,850
Scott Powder SVP, Strategic Plan & Growth	10			X				0	580,687	123,888
Bruce D Smith SVP, CIO	10			X				0	963,557	195,285
Rev Jerry Wagenknecht SVP,Mission\Spritual Care-6/11				X				0	238,846	6,627
Rev K Bender Schwich SVP, Mission & Spiritual Care	10			X				0	119,548	88,215

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Ann Errichetti MD President-Condell Medical Cntr	40 0				X			1,254,458	0	223,171
Joan Boomsma VP, Medical Management	40 0					X		332,233	0	31,201
Gwenn Leschke VP, Human Resources	40 0					X		260,085	0	346,325
Mary Hillard VP, Patient Care	40 0					X		219,270	0	57,135
David Cemate VP, Operations	40 0					X		218,519	0	49,337
David Cartwright VP, Finance	40 0					X		204,835	0	45,299



Consolidated Financial Statements and Supplementary Information

Advocate Health Care Network and Subsidiaries
Years Ended December 31, 2011 and 2010
With Reports of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Advocate Health Care Network and Subsidiaries

Consolidated Financial Statements
and Supplementary Information

Years Ended December 31, 2011 and 2010

Contents

Ernst & Young LLP

Report of Independent Auditors

The Board of Directors
Advocate Health Care Network

We have audited the accompanying consolidated balance sheets of Advocate Health Care Network and subsidiaries (collectively, the System) as of December 31, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the System'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the System's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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 consolidated financial position of Advocate Health Care Network and subsidiaries at December 31, 2011 and 2010, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 2011 the System adopted authoritative guidance issued by the Financial Accounting Standards Board related to presentation and disclosures of patient service revenue, provisions for bad debts, and the allowance for doubtful accounts.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2012, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Ernst & Young LLP

March 9, 2012

Advocate Health Care Network and Subsidiaries

Consolidated Balance Sheets

(Dollars in Thousands)

	December 31	
	2011	**2010**
Assets		
Current assets:		
Cash and cash equivalents	**$ 302,796**	$ 542,002
Short-term investments	**20,372**	25,464
Assets limited as to use	**75,710**	69,604
Patient accounts receivable, less allowances for uncollectible accounts of $132,507 in 2011 and $129,209 in 2010	**511,302**	400,855
Amounts due from primary third-party payors	**6,357**	4,056
Prepaid expenses, inventories, and other current assets	**258,971**	220,093
Collateral proceeds received under securities lending program	**19,135**	218,777
Total current assets	**1,194,643**	1,480,851
Assets limited as to use:		
Internally and externally designated investments limited as to use	**3,636,696**	2,998,858
Investments under securities lending program	**19,067**	213,830
	3,655,763	3,212,688
Other noncurrent assets	**110,445**	109,766
Interest in health care and related entities	**129,955**	132,324
Reinsurance receivable	**177,207**	164,074
Deferred costs and intangible assets, less allowances for amortization	**36,708**	22,175
	4,110,078	3,641,027
Property and equipment – at cost:		
Land and land improvements	**180,834**	170,705
Buildings	**2,098,612**	1,971,568
Movable equipment	**1,204,236**	1,111,226
Construction-in-progress	**112,855**	132,544
	3,596,537	3,386,043
Less allowances for depreciation	**1,922,395**	1,786,886
	1,674,142	1,599,157
	$ 6,978,863	$ 6,721,035

	December 31	
	2011	**2010**
Liabilities, net assets and shareholders' equity		
Current liabilities:		
Current portion of long-term debt	**$ 22,711**	$ 17,418
Long-term debt subject to short-term remarketing arrangements	**197,870**	122,060
Accounts payable	**201,800**	166,442
Accrued salaries and employee benefits	**335,044**	305,421
Accrued expenses	**196,584**	206,874
Amounts due to primary third-party payors	**214,637**	237,731
Current portion of accrued insurance and claims costs	**98,152**	91,807
Obligations to return collateral under securities lending program	**19,410**	219,052
Total current liabilities	**1,286,208**	1,366,805
Noncurrent liabilities:		
Long-term debt, less current portion	**1,000,521**	901,091
Pension plan liability	**108,372**	34,296
Accrued insurance and claims cost, less current portion	**648,885**	679,317
Accrued losses subject to reinsurance recovery	**177,207**	164,074
Obligations under swap agreements, net of collateral posted	**89,092**	16,111
Other noncurrent liabilities	**109,073**	91,323
	2,133,150	1,886,212
Total liabilities	**3,419,358**	3,253,017
Net assets/shareholders' equity:		
Unrestricted	**3,444,745**	3,363,405
Temporarily restricted	**75,331**	74,786
Permanently restricted	**38,463**	28,794
	3,558,539	3,466,985
Non-controlling interest	**966**	1,033
Total net assets/shareholders' equity	**3,559,505**	3,468,018
	$ 6,978,863	$ 6,721,035

See accompanying notes to consolidated financial statements

Advocate Health Care Network and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

(Dollars in Thousands)

	Year Ended December 31	
	2011	**2010**
Unrestricted revenues, gains, and other support		
Net patient service revenue	**$ 3,982,373**	$ 3,885,322
Provision for uncollectible accounts	**(211,507)**	(212,536)
	3,770,866	3,672,786
Capitation revenue	**397,485**	392,854
Other revenue	**272,113**	227,464
	4,440,464	4,293,104
Expenses		
Salaries, wages, and employee benefits	**2,221,793**	2,137,097
Purchased services and operating supplies	**1,085,228**	1,053,932
Contracted medical services	**180,130**	180,921
Insurance and claims costs	**89,091**	46,422
Other	**346,385**	329,340
Depreciation and amortization	**171,884**	164,984
Interest	**45,141**	45,205
	4,139,652	3,957,901
Operating income	**300,812**	335,203
Nonoperating (loss) income		
Investment (loss) income	**(92,062)**	285,560
Change in fair value of interest rate swaps	**(45,011)**	(14,335)
Fair value of net assets acquired	**–**	225,541
Loss on refinancing of debt	**(32)**	(453)
Other nonoperating items, net	**(15,354)**	(17,447)
	(152,459)	478,866
Revenues in excess of expenses	**$ 148,353**	$ 814,069

Advocate Health Care Network and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets (continued)

(Dollars in Thousands)

	Year Ended December 31	
	2011	**2010**
Unrestricted net assets		
Revenues in excess of expenses	**$ 148,353**	$ 814,069
Net assets released from restrictions and used for capital purchases	**4,767**	8,716
Postretirement benefit plan adjustments	**(71,780)**	25,137
Increase in unrestricted net assets	**81,340**	847,922
Temporarily restricted net assets		
Contributions for medical education programs, capital purchases, and other purposes	**$ 12,979**	$ 11,789
Realized gains on investments	**2,197**	1,199
Unrealized (losses) gains on investments	**(2,122)**	3,524
Contribution of net assets of BroMenn Healthcare System and subsidiaries	**–**	9,814
Net assets released from restrictions and used for operations, medical education programs, capital purchases, and other purposes	**(12,509)**	(16,254)
Increase in temporarily restricted net assets	**545**	10,072
Permanently restricted net assets		
Contributions for medical education programs, capital purchases, and other purposes	**9,669**	998
Contribution of net assets of BroMenn Healthcare System and subsidiaries	**–**	10,223
Increase in permanently restricted net assets	**9,669**	11,221
Increase in net assets	**91,554**	869,215
Change in non-controlling interest	**(67)**	(204)
Net assets/shareholders' equity at beginning of year	**3,468,018**	2,599,007
Net assets/shareholders' equity at end of year	**$ 3,559,505**	$ 3,468,018

See accompanying notes to consolidated financial statements

Advocate Health Care Network and Subsidiaries

Consolidated Statements of Cash Flows

(Dollars in Thousands)

	Year Ended December 31	
	2011	**2010**
Operating activities		
Increase in net assets	**$ 91,487**	$ 869,011
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation, amortization, and accretion	**173,040**	166,077
Provision for uncollectible accounts	**211,507**	212,536
Credit for deferred income taxes	**3,013**	16,303
Losses (gains) on disposal of property and equipment	**2,726**	(1,989)
Loss on refinancing of debt	**32**	453
Change in fair value of interest rate swaps	**45,011**	14,335
Postretirement benefit plan adjustments	**71,780**	(25,138)
Contribution of certain net assets of BroMenn Healthcare System and subsidiaries, net of $4,918 cash received	**–**	(245,578)
Restricted contributions and gains on investments, net of assets released from restrictions used for operations	**(7,742)**	(7,538)
Changes in operating assets and liabilities		
Trading securities	**(459,448)**	(759,060)
Patient accounts receivable	**(319,061)**	(246,997)
Amounts due to/from primary third-party payors	**(25,395)**	47,926
Accounts payable, accrued salaries and employee benefits, accrued expenses, and other noncurrent liabilities	**59,081**	149,285
Other assets	**(29,688)**	(54,340)
Accrued insurance and claims cost	**(24,230)**	(39,384)
Net cash (used in) provided by operating activities	**(207,887)**	95,902
Investing activities		
Purchases of property and equipment	**(250,582)**	(178,656)
Proceeds from sale of property and equipment	**3,685**	6,929
Cash acquired in the acquisition of BroMenn Healthcare System and subsidiaries	**–**	4,918
Purchases of investments designated as non-trading	**(253,913)**	(96,976)
Sales of investments designated as non-trading	**254,291**	130,414
Other	**(16,401)**	(6,089)
Net cash used in investing activities	**(262,920)**	(139,460)
Financing activities		
Proceeds from issuance of debt	**214,228**	243,746
Payments of long-term debt	**(33,319)**	(173,456)
Collateral returned under swap agreements	**27,969**	3,930
Proceeds from restricted contributions and gains on investments	**22,723**	17,510
Net cash provided by financing activities	**231,601**	91,730
(Decrease) increase in cash and cash equivalents	**(239,206)**	48,172
Cash and cash equivalents at beginning of year	**542,002**	493,830
Cash and cash equivalents at end of year	**$ 302,796**	$ 542,002

See accompanying notes to consolidated financial statements

1. Organization and Summary of Significant Accounting Policies

Organization

Advocate Health Care Network (the System) is a nonprofit, faith-based health care organization dedicated to providing comprehensive health care services, including inpatient acute and nonacute care, primary and specialty physician services and various outpatient services to communities in Northern and Central Illinois. Additionally, through a long-term academic and teaching affiliation, the System trains resident physicians. The System is affiliated with the United Church of Christ and Evangelical Lutheran Church of America. Substantially all expenses of the System are related to providing health care services.

Effective January 6, 2010, the net assets of BroMenn Healthcare System and subsidiaries (collectively, BroMenn) were merged into the System. BroMenn, a not-for-profit organization, is located in the greater Bloomington-Normal and Eureka, Illinois, areas. The transaction was accounted for as an acquisition in accordance with the authoritative guidance on not-for-profit mergers and acquisitions and is described in Note 13.

Mission and Community Benefit

As a faith-based health care organization, the mission, values and philosophy of the System form the foundation for its strategic priorities. The System's mission is to serve the health care needs of individuals, families and communities through a holistic philosophy rooted in the fundamental understanding of human beings as created in the image of God. The System's core values of compassion, equality, excellence, partnership and stewardship guide its actions to provide health care services to its communities. Consistent with the values of compassion and stewardship, the System makes a major commitment to patients in need, regardless of their ability to pay. This care is provided to patients who meet the criteria established under the System's charity care policy. Patients eligible for consideration can earn up to 600% of the federal poverty level. Qualifying patients can receive up to 100% discounts from charges and extended payment plans. In 2011 and 2010, $276,993 and $234,295, respectively, of patient charges were foregone under this policy. The System's cost of providing charity care in 2011 and 2010 was $76,367 and $64,595, respectively. The cost of providing charity care is calculated using the 2010 Medicare cost to charge ratio.

1. Organization and Summary of Significant Accounting Policies (continued)

The System is also involved in other numerous wide-ranging community benefit activities that include providing health education, immunizations for children, support groups, health screenings, health fairs, pastoral care, home-delivered meals, transportation services, seminars and speakers, crisis lines, publication of health magazines, medical residency and internships, research and language assistance and other subsidized health services. These activities are provided free of charge or at a fee that is below the cost of providing them. The cost of these activities and the costs of uncompensated care for 2011 will be included in a community benefit report that will be filed with the Office of the Attorney General for the State of Illinois in June 2012.

Principles of Consolidation

Included in the System's consolidated financial statements are all of its wholly owned or controlled subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and amounts disclosed in the notes to the consolidated financial statements at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time made, actual results could differ materially from those estimates.

Cash Equivalents

The System considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

The System has designated substantially all of its investments as trading. Certain debt-related investments are designated as non-trading. Investments in debt and equity securities with readily determinable fair values are measured at fair value using quoted market prices. The non-trading portfolio consists mainly of cash equivalents, money market, and commercial paper. Investments in limited partnerships that invest in marketable securities and derivative products (hedge funds) are reported using the equity method of accounting based on information provided by the respective partnership. Investments in private equity limited partnerships are recorded using the cost method of accounting, as the System's ownership percentage is less than 5% and the System has no significant influence over the partnerships. Investment income or loss (including realized gains and losses, interest, dividends, changes in equity of limited partnerships and unrealized gains and losses) is included in investment income unless the income or loss is restricted by donor or law or is related to assets designated for self-insurance programs. Investment income on self-insurance trust funds is reported in other revenue. Unrealized gains and losses that are restricted by donor or law are reported as a change in temporarily restricted net assets.

Assets Limited as to Use

Assets limited as to use consist of investments set aside by the Board of Directors for future capital improvements and certain medical education and health care programs. The Board of Directors retains control of these investments and may, at its discretion, subsequently use them for other purposes. Additionally, assets limited as to use include investments held by trustees under debt agreements and self-insurance trusts.

Patient Service Revenue and Accounts Receivable

Patient accounts receivable are stated at net realizable value. The System evaluates the collectibility of its accounts receivable based on the length of time the receivable is outstanding, major payor sources of revenue, historical collection experience and trends in health care insurance programs to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts. For receivables associated with self-pay patients, the System records a significant provision for

(Dollars in Thousands)

1. Organization and Summary of Significant Accounting Policies (continued)

uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. These adjustments are accrued on an estimated basis and are adjusted as needed in future periods. Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible.

The allowance for uncollectible accounts as a percentage of accounts receivable decreased from 24% in 2010 to 21% in 2011 primarily due to an increase in Medicaid accounts receivable due to a slow down by the State of Illinois in processing claims and an increase in the number of self-pay patients qualifying for charity care. The System's combined allowance for uncollectible accounts receivable, uninsured discounts and charity care covered 100% of self-pay accounts receivable at December 31, 2011 and 2010, respectively.

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. For uninsured patients that do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), is reported at the estimated net realizable amounts from patients, third-party payors and others for service rendered, including estimated adjustments under reimbursement agreements with third-party payors, certain of which are subject to audit by administering agencies. These adjustments are accrued on an estimated basis and are adjusted as needed in future periods. Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the period from these major payor sources, is as follows for the year ended December 31, 2011:

	Third-Party Payors	Self-Pay	Total All Payors
Patient service revenue (net of contractual allowances and discounts)	$ 3,646,278	$ 336,095	$ 3,982,373

1. Organization and Summary of Significant Accounting Policies (continued)

Inventories

Inventories, consisting primarily of medical supplies and pharmaceuticals, are stated at the lower of cost (first-in, first-out) or market value.

Reinsurance Receivable

Reinsurance receivables are recognized in a manner consistent with the liabilities relating to the underlying reinsured contracts.

Deferred Costs

Deferred costs consist primarily of noncurrent deferred tax assets and deferred bond issuance costs. Deferred bond issuance costs are amortized over the life of the bonds using the effective interest method.

Asset Impairment

The System considers whether indicators of impairment are present and performs the necessary tests to determine if the carrying value of an asset is appropriate. Impairment write-downs, except for those related to investments, are recognized in operating income at the time the impairment is identified.

Property and Equipment

Provisions for depreciation of property and equipment are based on the estimated useful lives of the assets ranging from 3 to 80 years using both accelerated and straight-line methods.

1. Organization and Summary of Significant Accounting Policies (continued)

Asset Retirement Obligations

The System recognizes its legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or the normal operations of long-lived assets when these obligations are incurred. The obligations are recorded as a noncurrent liability and are accreted to present value at the end of each period. When the obligation is incurred, an amount equal to the present value of the liability is added to the cost of the related asset and is depreciated over the life of the related asset. The obligations at December 31, 2011 and 2010, were $19,031 and $19,320, respectively.

Derivative Financial Instruments

The System has entered into derivative transactions to manage its interest rate risk. Derivative instruments are recorded as either assets or liabilities at fair value. Subsequent changes in a derivative's fair value are recognized in nonoperating income (loss).

General and Professional Liability Risks

The provision for self-insured general and professional liability claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets consist of gifts with corpus values that have been restricted by donors to be maintained in perpetuity. Temporarily restricted net assets and earnings on permanently restricted net assets are used in accordance with the donor's wishes primarily to purchase property and equipment or to fund medical education or other health care programs.

Assets released from restriction to fund purchases of property and equipment are reported in the consolidated statements of operations and changes in net assets as increases to unrestricted net assets. Those assets released from restriction for operating purposes are reported in the consolidated statements of operations and changes in net assets as other revenue. When restricted, earnings are recorded as temporarily restricted net assets until amounts are expended in accordance with the donor's specifications.

1. Organization and Summary of Significant Accounting Policies (continued)

Capitation Revenue

The System has agreements with various managed care organizations under which the System provides or arranges for medical care to members of the organizations in return for a monthly payment per member. Revenue is earned each month as a result of agreeing to provide or arrange for their medical care.

Other Nonoperating Items, Net

Other nonoperating items, net primarily consist of provisions for environmental remediation, contributions to charitable organizations and income taxes.

Revenues in Excess of Expenses and Changes in Net Assets

The consolidated statements of operations and changes in net assets include revenues in excess of expenses as the performance indicator. Changes in unrestricted net assets, which are excluded from revenues in excess of expenses, primarily include contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets) and postretirement benefit adjustments.

Grants

Grant revenue is recognized in the period it is earned based on when the applicable project expenses are incurred and project milestones are achieved. Grant payments received in advance of related project expenses are recorded as deferred revenue until the expenditure has been incurred. The System records grant revenue in other revenue in the consolidated statements of operations and changes in net assets.

Under certain provisions of the American Recovery and Reinvestment Act of 2009, federal incentive payments are available to hospitals, physicians and certain other professionals when they adopt certified electronic health record (EHR) technology or become "meaningful users" of EHRs in ways that demonstrate improved quality, safety and effectiveness of care. These incentive payments are being accounted for in the same manner as grant revenue.

1. Organization and Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In July 2011, the System adopted the authoritative guidance issued by the Financial Accounting Standards Board (FASB) requiring the reclassification of the provision for uncollectible accounts associated with patient revenue from an operating expense to a deduction from patient service revenue. Additionally the guidance requires enhanced disclosure about policies for recognizing revenue, assessing uncollectible accounts and qualitative and quantitative information about changes in the allowance for uncollectible accounts. The System early adopted this guidance in 2011.

On January 1, 2011, the System adopted the authoritative guidance issued by the FASB to clarify for health care entities that estimated insurance recoveries should not be netted against related claim liabilities. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. As the System was already following this guidance prior to 2011, there was no impact on the System's financial statements.

On January 1, 2011, the System adopted the authoritative guidance issued by the FASB requiring that cost be used as the measurement basis for charity care disclosure purposes. The method used to identify the direct and indirect costs of providing the charity care must be disclosed. Other than requiring additional disclosures, adoption of this new guidance did not have a material impact on the System's consolidated financial statements.

Recent Accounting Guidance Not Yet Adopted

In May 2011, the FASB issued guidance to amend disclosure requirements related to fair value measurement. The guidance expands disclosures for Level 3 fair value measurements, addresses nonfinancial assets' highest and best use and permits fair value adjustments for assets and liabilities with offsetting risks. The guidance is effective for the System with the reporting period beginning January 1, 2012. Other than requiring additional disclosures, adoption of this new guidance will not have a material impact on the System's consolidated financial statements.

Reclassifications in the Consolidated Financial Statements

Certain reclassifications were made to the 2010 consolidated financial statements to conform to the classifications used in 2011.

2. Contractual Arrangements With Third-Party Payors

The System provides care to certain patients under payment arrangements with Medicare, Medicaid, Health Care Service Corporation, d/b/a Blue Cross and Blue Shield of Illinois (Blue Cross) and various other health maintenance and preferred provider organizations. Services provided under these arrangements are paid at predetermined rates and/or reimbursable costs, as defined. Reported costs and/or services provided under certain of the arrangements are subject to audit by the administering agencies. Changes in Medicare and Medicaid programs and reduction of funding levels could have a material adverse effect on the future amounts recognized as patient service revenue.

Amounts received under the above payment arrangements accounted for 92% and 91% of the System's net patient service revenue in 2011 and 2010, respectively. For the years ended December 31, 2011 and 2010, 30% of net patient service revenue was under contracts with Blue Cross, 10% was earned from the Medicaid program, and 26% was earned from the Medicare program. Provision has been made in the consolidated financial statements for contractual adjustments, representing the difference between the established charges for services and actual or estimated payment. The extreme complexity of laws and regulations governing the Medicare and Medicaid programs renders at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Changes in the estimates that relate to prior years' third-party payment arrangements resulted in increases in net patient service revenue of $26,322 and $17,758 for the years ended December 31, 2011 and 2010, respectively.

The System's concentration of credit risk related to accounts receivable is limited due to the diversity of patients and payors. The System grants credit, without collateral, to its patients, most of whom are local residents and insured under third-party payor arrangements. The System has established guidelines for placing patient balances with collection agencies, subject to terms of certain restrictions on collection efforts as determined by the System. Amounts due to/from primary third-party payors in the consolidated balance sheets primarily relate to the Blue Cross, Medicare or Medicaid programs. At both December 31, 2011 and 2010, 18% of patient accounts receivable were due under contracts with Blue Cross and 13% were due from the Medicaid program. Patients accounts receivable due from Medicare program were 10% and 12% at December 31, 2011 and 2010, respectively.

2. Contractual Arrangements With Third-Party Payors (continued)

The System has entered into various capitated physician provider agreements, including Humana Health Plan, Inc. and Humana Insurance Company and their affiliates (collectively, Humana, Healthspring Inc. and Wellcare Health Plans, Inc). Capitation revenues received under the agreements with Humana amounted to 38% and 37% of the System's capitation revenue for the years ended December 31, 2011 and 2010, respectively. Capitation revenues received under Healthspring Inc, Inc. and Wellcare Health Plans, Inc. agreements amounted to 25% and 27% of the System's capitation revenue for the years ended 2011 and 2010, respectively.

Provision has been made in the consolidated financial statements for the estimated cost of providing certain medical services under capitated arrangements with managed care organizations. The System accrues a liability for reported, as well as an estimate for incurred but not recorded (IBNR), contracted medical services. The liability represents the expected ultimate cost of all reported and unreported claims unpaid at year-end. The System uses the services of a consulting actuary to determine the estimated cost of the IBNR claims. Adjustments to the estimates are reflected in current year operations. At December 31, 2011 and 2010, the liabilities for unpaid medical claims amounted to $22,388 and $23,552, respectively, and are included in accrued expenses in the consolidated balance sheets.

The System participates in the State of Illinois' Hospital Assessment Program, in which the System recognized $147,779 and $147,781 of Illinois hospital assessment revenue in net patient service revenue and $106,190 and $106,274 of expense in other expense in 2011 and 2010, respectively.

(Dollars in Thousands)

3. Cash and Cash Equivalents and Investments (Including Assets Limited as to Use)

Investments (including assets limited as to use) and other financial instruments at December 31 are summarized as follows:

	2011	2010
Assets limited as to use:		
Designated for self-insurance programs	**$ 804,174**	$ 888,753
Internally and externally designated for capital improvements, medical education and health care programs	**2,773,301**	2,139,891
Externally designated under debt agreements	**134,931**	39,818
Investments under securities lending program	**19,067**	213,830
	3,731,473	3,282,292
Other financial instruments:		
Cash and cash equivalents and short-term investments	**323,168**	567,466
	$ 4,054,641	$ 3,849,758

Investments in debt and equity securities with readily determinable fair values are measured at fair value using quoted market prices. Investments in limited partnerships that invest in marketable securities and derivative products (hedge funds) are reported using the equity method of accounting based on information provided by the respective partnership. Investments in private equity limited partnerships are reported using the cost method of accounting. The composition and carrying value of assets limited as to use, short-term investments and cash and cash equivalents at December 31 is set forth in the following table:

	2011	2010
Cash and short-term investments	**$ 538,223**	$ 709,469
Corporate bonds and other debt securities	**224,843**	160,117
United States government obligations	**201,740**	115,720
Government mutual funds	**535,663**	119,446
Bond and other debt security mutual funds	**549,142**	912,584
Commodity mutual funds	**3,205**	3,770
Hedge funds	**521,552**	294,002
Private equity limited partnership funds	**267,968**	163,376
Equity securities	**746,764**	948,189
Equity mutual funds	**465,541**	423,085
	$ 4,054,641	$ 3,849,758

(Dollars in Thousands)

3. Cash and Cash Equivalents and Investments (Including Assets Limited as to Use) (continued)

The System regularly compares the net asset value (NAV), which is a proxy for the fair value of its private equity investments, to the recorded cost for potential other-than-temporary impairment. In 2011, the System identified and recorded $1,500 of impairment losses that is included in investment (loss) income in the consolidated statements of operations and changes in net assets. In 2010, no impairment losses were identified. The NAV of these investments based on estimates determined by the investments' management was $284,987 and $173,496 at December 31, 2011 and 2010, respectively.

At December 31, 2011 and 2010, the System has commitments to fund an additional $298,118 and $122,184, respectively. The unfunded commitments at December 31, 2011, are expected to be funded over the next seven years.

Investment returns for assets limited as to use, cash and cash equivalents and short-term investments comprise the following for the years ended December 31:

	2011	2010
Interest and dividend income	**$ 55,984**	$ 79,511
Net realized gains	**70,088**	89,063
Net unrealized (losses) gains	**(159,770)**	182,750
	$ (33,698)	$ 351,324

Investment returns are included in the consolidated statements of operations and changes in net assets for the years ended December 31 as follows:

	2011	2010
Other revenue	**$ 58,289**	$ 61,041
Investment (loss) income	**(92,062)**	285,560
Realized and unrealized gains on investments – temporarily restricted net assets	**75**	4,723
	$ (33,698)	$ 351,324

3. Cash and Cash Equivalents and Investments (Including Assets Limited as to Use) (continued)

As part of the management of the investment portfolio, the System has entered into an arrangement whereby securities owned by the System are loaned primarily to brokers and investment bankers. The loans are arranged through a bank. Borrowers are required to post collateral in the form of United States Treasury securities for securities borrowed equal to approximately 102% of the value of the security on a daily basis at a minimum. The bank is responsible for reviewing the creditworthiness of the borrowers. The System has also entered into an arrangement whereby the bank is responsible for the risk of borrower bankruptcy and default. At December 31, 2011 and 2010, the System loaned $19,067 and $213,830, respectively, in securities and accepted collateral for these loans in the amount of $19,410 and $219,052, respectively, of which $19,135 and $218,777, respectively, represents cash collateral and is included in current assets and current liabilities in the accompanying consolidated balance sheets.

4. Fair Value Measurements

The System accounts for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in active markets. The System categorizes each of its fair value measurements in one of the three levels based on the highest-level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1: Quoted prices in active markets for identified assets or liabilities.

Level 2: Inputs, other than the quoted process in active markets, that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which then requires the reporting entity to develop its own assumptions about what market participants would use in pricing the asset or liability.

4. Fair Value Measurements (continued)

The following section describes the valuation methodologies the System uses to measure financial assets and liabilities at fair value. In general, where applicable, the System uses quoted prices in active markets for identical assets and liabilities to determine fair value. This pricing methodology applies to Level 1 investments such as domestic and international equities, United States Treasuries, exchange-traded mutual funds and agency securities. If quoted prices in active markets for identical assets and liabilities are not available to determine fair value, then quoted prices for similar assets and liabilities or inputs other than quoted prices that are observable either directly or indirectly are used. These investments are included in Level 2 and consist primarily of corporate notes and bonds, foreign government bonds, mortgage-backed securities, commercial paper and certain agency securities. The fair value for the obligations under swap agreements included in Level 2 is estimated using industry standard valuation models. These models project future cash flows and discount the future amounts to a present value using market-based observable inputs, including interest rate curves. The fair values of the obligation under swap agreements include fair value adjustments related to the System's credit risk.

The System's investments are exposed to various kinds and levels of risk. Equity securities and equity mutual funds expose the System to market risk, performance risk and liquidity risk for both domestic and international investments. Market risk is the risk associated with major movements of the equity markets. Performance risk is that risk associated with a company's operating performance. Fixed income securities and fixed income mutual funds expose the System to interest rate risk, credit risk and liquidity risk. As interest rates change, the value of many fixed income securities is affected, including those with fixed interest rates. Credit risk is the risk that the obligor of the security will not fulfill its obligations. Liquidity risk is affected by the willingness of market participants to buy and sell particular securities. Liquidity risk tends to be higher for equities related to small capitalization companies and certain alternative investments. Due to the volatility in the capital markets, there is a reasonable possibility of subsequent changes in fair value resulting in additional gains and losses in the near term.

(Dollars in Thousands)

4. Fair Value Measurements (continued)

The following are assets and liabilities measured at fair value on a recurring basis at December 31, 2011 and 2010:

Description	2011	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and short-term investments	$ 538,223	$ 474,318	$ 63,905	$ –
Corporate bonds and other debt securities	224,843	–	224,843	–
United States government obligations	201,740	–	201,740	–
Government mutual funds	535,663	–	535,663	–
Bond and other debt security mutual funds	549,142	–	549,142	–
Commodity mutual funds	3,205	–	3,205	–
Equity securities	746,764	746,764	–	–
Equity mutual funds	465,541	385,504	80,037	–
Investments at fair value	3,265,121	$ 1,606,586	$ 1,658,535	$ –
Investments not at fair value	789,520			
Total investments	$ 4,054,641			
Collateral proceeds received under securities lending program	$ 19,135		$ 19,135	
Liabilities				
Obligations under swap agreements	$ (89,092)		$ (89,092)	
Liability under swap agreements	$ (89,092)		$ (89,092)	
Obligations to return collateral under securities lending program	$ (19,410)		$ (19,410)	

(Dollars in Thousands)

4. Fair Value Measurements (continued)

Description	2010	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and short-term investments	$ 709,469	$ 607,254	$ 102,215	$ –
Corporate bonds and other debt securities	160,117	–	160,117	–
United States government obligations	115,720	–	115,720	–
Government mutual funds	119,446	–	119,446	–
Bond and other debt security mutual funds	912,584	2,079	910,505	–
Commodity mutual funds	3,770	–	3,770	–
Equity securities	948,189	948,189	–	–
Equity mutual funds	423,085	367,212	55,873	–
Investments at fair value	3,392,380	$ 1,924,734	$ 1,467,646	$ –
Investments not at fair value	457,378			
Total investments	$ 3,849,758			
Collateral proceeds received under securities lending program	$ 218,777		$ 218,777	
Liabilities				
Obligations under swap agreements	$ (44,081)		$ (44,081)	
Collateral under swap agreements	27,970		27,970	
Liability under swap agreements	$ (16,111)		$ (16,111)	
Obligations to return collateral under securities lending program	$ (219,052)		$ (219,052)	

4. Fair Value Measurements (continued)

The carrying values of cash and cash equivalents, accounts receivable and payable, accrued expenses and short-term borrowings are reasonable estimates of their fair values due to the short-term nature of these financial instruments.

The estimated fair value of long-term debt based on quoted market prices for the same or similar issues was $1,252,830 and $1,060,842 at December 31, 2011 and 2010, respectively, which included a consideration of third-party credit enhancements, of which there was no impact.

5. Interest in Health Care and Related Entities

During 2000, in connection with the acquisition of a medical center, the System acquired an interest in the net assets of the Masonic Family Health Foundation (the Foundation), an independent organization, under the terms of an asset purchase agreement (the Agreement). The use of substantially all of the Foundation's net assets is designated to support the operations and/or capital needs of one of the System's medical facilities. Additionally, 90% of the Foundation's investment yield, net of expenses, on substantially all of the Foundation's investments is designated for the support of one of the System's medical facilities. The Foundation must pay the System, annually, 90% of the investment yield or an agreed-upon percentage of the beginning of the year net assets.

The interest in the net assets of this organization amounted to $78,450 and $82,927 as of December 31, 2011 and 2010, respectively, and is reflected in interest in health care and related entities in the accompanying consolidated balance sheets. The System's interest in the investment yield is reflected in the accompanying consolidated statements of operations and changes in net assets and amounted to $(548) and $8,460 for the years ended December 31, 2011 and 2010, respectively. Cash distributions received by the System from the Foundation under terms of the Agreement amounted to $3,169 and $2,691 during the years ended December 31, 2011 and 2010, respectively. In addition to the amounts distributed under the Agreement, the Foundation contributed $411 and $376 to the System for program support of one of its medical facilities during the years ended December 31, 2011 and 2010, respectively.

(Dollars in Thousands)

5. Interest in Health Care and Related Entities (continued)

The System has a 50% membership and governance interest in Advocate Health Partners (d/b/a Advocate Physician Partners) (APP), which has been accounted for on an equity basis. The System's carrying value in this interest was $0 at December 31, 2011 and 2010. Financial information relating to this interest is as follows:

	2011	2010
Assets	**$ 143,337**	$ 130,785
Liabilities	**141,261**	129,394
Revenues in excess of expenses	–	–

The System contracts with APP for certain operational and administrative services. Total expenses incurred for these services were $22,219 and $16,010 in 2011 and 2010, respectively. At December 31, 2011 and 2010, the System had an accrued liability to APP for those services for $1,562 and $836, respectively.

APP purchased claims processing and certain management services from the System in the amounts of $8,827 and $8,071 in 2011 and 2010, respectively. Under terms of an agreement with the System, APP reimburses the System for salaries, benefits and other expenses that are incurred by the System on APP's behalf. The amount billed for these services in 2011 and 2010 was $16,809 and $13,948, respectively. The System had a receivable from APP at December 31, 2011 and 2010, for claims processing and management services of $5,363 and $3,139, respectively.

(Dollars in Thousands)

6. Long-Term Debt

Long-term debt, net of unamortized original issue discount or premium consisted of the following at December 31:

	2011	2010
Revenue bonds and revenue refunding bonds, Illinois Finance Authority Series		
1993C, 6 0% to 7 0%, principal payable in varying annual installments through April 2018	**$ 24,592**	$ 24,805
1998A, 5 20%, principal payable in varying annual installments through August 2022, refunded in full during 2011	**–**	4,667
1998B, 4 60% to 5 25%, principal payable in varying annual installments through August 2018, refunded in full during 2011	**–**	11,821
2003A (weighted-average rate of 4 38% during 2011 and 2010), principal payable in varying annual installments through November 2022, interest based on prevailing market conditions at time of remarketing	**26,290**	28,405
2003C (weighted-average rate of 0 44% and 0 46% during 2011 and 2010, respectively), principal payable in varying annual installments through November 2022, interest based on prevailing market conditions at time of remarketing	**25,585**	27,695
2008A (weighted-average rate of 1 92% and 1 61% during 2011 and 2010, respectively), principal payable in varying annual installments through November 2030, interest based on prevailing market conditions at time of remarketing	**145,510**	145,510

(Dollars in Thousands)

6. Long-Term Debt (continued)

	2011	2010
Revenue bonds and revenue refunding bonds, Illinois Finance Authority Series (continued)		
2008C (weighted-average rate of 0 44% and 0 51% during 2011 and 2010, respectively), principal payable in varying annual installments through November 2038, interest based on prevailing market conditions at time of remarketing	**$ 343,270**	$ 343,270
2008D, 4 25% to 6 50%, principal payable in varying annual installments through November 2038	**163,985**	167,755
2010A, 5 50%, principal payable in varying annual installments through April 2044	**37,297**	37,307
2010B, 5 38%, principal payable in varying annual installments through April 2044	**52,180**	52,173
2010C, 5 38%, principal payable in varying annual installments through April 2044	**25,529**	25,526
2010D, 3 00% to 5 25%, principal payable in varying annual installments through April 2038	**122,415**	128,143
2011A, 2 00% to 5 00%, principal payable in varying annual installments through April 2041	**44,183**	–
2011B, (weighted average rate of 0 25% during 2011), principal payable in varying annual installments through April 2051, subject to a put provision that provides for a cumulative seven-month notice and remarketing period, interest tied to a market index plus a spread	**70,000**	–
2011C, (weighted average rate of 0 88% during 2011), principal payable in varying annual installments through April 2049, interest tied to a market index plus a spread	**50,000**	–
2011D, (weighted average rate of 0 98% during 2011), principal payable in varying annual installments through April 2049, interest tied to a market index plus a spread	**50,000**	–
Capital lease obligations	**31,407**	31,552
Other	**8,859**	11,940
	1,221,102	1,040,569
Less current portion of long-term debt	**22,711**	17,418
Less long-term debt subject to short-term remarketing arrangements	**197,870**	122,060
	$ 1,000,521	$ 901,091

Maturities of long-term debt, capital leases and sinking fund requirements, assuming remarketing of the variable rate demand revenue refunding bonds, for the five years ending December 31, 2016, are as follows: 2012 – $22,711; 2013 – $18,856; 2014 – $18,582; 2015 – $20,760; and 2016 – $20,223.

6. Long-Term Debt (continued)

The System's unsecured variable rate revenue bonds, Series 2003C of $25,585, Series 2008 (A-1 and A-3) of $102,285 and Series 2011B of $70,000, while subject to a long-term amortization period, may be put to the System at the option of the bondholders in connection with certain remarketing dates. To the extent that bondholders may, under the terms of the debt, put their bonds within a maximum of 12 months after December 31, 2011, the principal amount of such bonds has been classified as a current obligation in the accompanying consolidated balance sheets. To address the possibility that a material amount of these bonds would be put back to the System, steps have been taken to provide various sources of liquidity in such event, including maintaining unrestricted assets as a source of self-liquidity. Management believes the likelihood of a material amount of bonds being put to the System is remote. However, to address this possibility, the System has taken steps to provide various sources of liquidity, including entering into standby bond purchase agreements and assessing alternate sources of financing, including lines of credit and/or unrestricted assets as a source of self-liquidity.

All outstanding bonds were issued pursuant to a Master Trust Indenture dated as of December 1, 1996 (the Master Indenture), as subsequently amended, between the System and Bank of New York Mellon as master trustee. Under the terms of the Master Indenture and other arrangements, various amounts are to be on deposit with trustees, and certain specified payments are required for bond redemption and interest payments. The Master Indenture and other debt agreements, including a bank credit agreement, also place restrictions on the System and require the System to maintain certain financial ratios.

Interest paid, net of capitalized interest, amounted to $41,485 and $38,591 in 2011 and 2010, respectively. The System capitalized interest of approximately $2,928 and $2,340 in 2011 and 2010, respectively.

On September 21, 2011, the Illinois Finance Authority, on behalf of the System, issued its Revenue Bonds, Series 2011A-D, in the amount of $213,730. The proceeds of the Series 2011 Bonds were used, together with other funds available to the System, to finance, refinance, or reimburse the System for a portion of the costs related to the acquisition, construction, renovation, and equipping of certain capital projects; to refund prior bonds (Series 1998A and Series 1998B); and pay certain costs of issuing the Series 2011 Bonds.

6. Long-Term Debt (continued)

On January 6, 2010, the Illinois Finance Authority, on behalf of the System, issued its Revenue Bonds, Series 2010A-D, in the amount of $238,255. The proceeds of the Series 2010 Bonds were used, together with other funds available to the System, to pay the costs related to the merger with BroMenn and the construction and equipping of a new patient tower; to pay or reimburse the System for the payment of certain costs of acquiring, constructing, renovating and equipping certain capital projects; to refund prior bonds (Series 2008B); and to pay certain costs of issuing the Series 2010 Bonds and refunding the prior bonds.

On April 29, 2008, the Illinois Finance Authority, on behalf of the System, completed the issuance of uninsured variable rate bonds, Series 2008A, B and C in the amount of $624,180. The proceeds were used to refund the Series 2005 and Series 2007 insured auction rate securities in the amount of $623,225. In connection with the issuance of the Series 2008C bonds, the System transferred floating-to-fixed interest rate swap agreements, which were previously attached to the Series 2007B bonds, effectively converting the variable rate demand bonds to a fixed rate of 3.605%. Effective March 10, 2010, the notional amount of the Series 2008C interest rate swap was reduced by $21,975. The System maintains an interest rate swap program on certain of its variable rate debt as described in Note 7.

At December 31, 2011 the System had lines of credit with banks aggregating to $203,000. These lines of credit provide for various interest rates and payment terms and expire as follows: $25,000 in March 2012, $3,000 in November 2012, $50,000 in December 2012, $75,000 in March 2013 and $50,000 in November 2013. These lines of credit may be used to redeem bonded indebtedness, to pay costs related to such redemptions, for capital expenditures or for general working capital purposes. At December 31, 2011, there was $2,974 outstanding that bears interest of prime (3.25% at December 31, 2011). At December 31, 2010, no amounts were outstanding on these lines of credit.

In 2012, $25,000 of the lines of credit was extended to March 2013.

(Dollars in Thousands)

7. Derivatives

The System has interest rate related derivative instruments to manage its exposure on its variable rate debt instruments and does not enter into derivative instruments for any purpose other than risk management purposes. By using derivative financial instruments to manage the risk of changes in interest rates, the System exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contracts. When the fair value of a derivative contract is positive, the counterparty owes the System, which creates credit risk for the System. When the fair value of a derivative contract is negative, the System owes the counterparty, and therefore, it does not possess credit risk. The System minimizes the credit risk in derivative instruments by entering into transactions that require the counterparty to post collateral for the benefit of the System based on the credit rating of the counterparty and the fair value of the derivative contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. The System also mitigates risk through periodic reviews of its derivative positions in the context of its total blended cost of capital.

At December 31, 2011, the System maintains an interest rate swap program on its Series 2008C variable rate demand revenue bonds. These bonds expose the System to variability in interest payments due to changes in interest rates. The System believes that it is prudent to limit the variability of its interest payments. To meet this objective and to take advantage of low interest rates, the System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These swaps limit the variable rate cash flow exposure on the variable rate demand revenue bonds to synthetically fixed cash flows. The notional amount under each interest rate swap agreement is reduced over the term of the respective agreement to correspond with reductions in various outstanding bond series. The following is a summary of the outstanding positions under these interest rate swap agreements at December 31, 2011:

Bond Series	Notional Amount	Maturity Date	Rate Received	Rate Paid
2008C-1	$ 129,900	November 1, 2038	61.7% of LIBOR + 26 bps	3.60%
2008C-2	$ 108,425	November 1, 2038	61.7% of LIBOR + 26 bps	3.60%
2008C-3	$ 88,000	November 1, 2038	61.7% of LIBOR + 26 bps	3.60%

(Dollars in Thousands)

7. Derivatives (continued)

The swaps are not designated as hedging instruments, and therefore, hedge accounting has not been applied. As such, unrealized changes in fair value of the swaps are included as a component of nonoperating (loss) income in the consolidated statements of operations and changes in net assets as changes in the fair value of interest rate swaps. The net cash settlement payments, representing the realized changes in fair value of the swaps and swaption, are included as interest expense in the consolidated statements of operations and changes in net assets.

The fair value of derivative instruments is as follows:

	December 31	
	2011	**2010**
Consolidated balance sheet location		
Obligations under swap agreements	**$ (89,092)**	$ (44,081)
Collateral posted under swap agreements	**–**	27,970
Obligations under swap agreements, net	**$ (89,092)**	$ (16,111)

Amounts recorded in the consolidated statements of operations and changes in net assets for the derivatives are as follows:

	Year Ended December 31	
	2011	**2010**
Consolidated statement of operations and changes in net assets location		
Net cash payments on interest rate swap agreements (interest expense)	**$ 10,400**	$ 10,429
Change in the fair value of interest rate swaps (nonoperating)	**$ (45,011)**	$ (14,335)

(Dollars in Thousands)

7. Derivatives (continued)

The aggregate fair value of all swap instruments with credit risk-related contingent features that are in a liability position was $89,092 and $44,081 at December 31, 2011 and 2010, respectively, for which the System has posted collateral of $0 and $27,970 at December 31, 2011 and 2010, respectively, in the normal course of business. The swap instruments contain provisions that require the System's debt to maintain an investment grade credit rating from certain major credit rating agencies. If the System's debt were to fall below investment grade on the valuation date, it would be in violation of these provisions, and the counterparty to the derivative instruments could request immediate payment or demand immediate and ongoing full overnight collateralization on derivative instruments in net liability positions.

8. Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at December 31:

	2011	2010
Net assets currently available for:		
Purchases of property and equipment	**$ 5,598**	$ 5,542
Medical education and other health care programs	**57,394**	57,876
Net assets available for future periods:		
Purchases of property and equipment	**3,952**	3,031
Medical education and other health care programs	**8,387**	8,337
	$ 75,331	$ 74,786

(Dollars in Thousands)

8. Restricted Net Assets (continued)

Permanently restricted net assets generate investment income, which is used to benefit the following purposes or periods at December 31:

	2011	2010
Net assets currently producing investment income:		
Purchases of property and equipment	**$ 1,000**	$ 1,000
Medical education and other health care programs	**21,559**	21,047
Net assets available to produce investment income in future periods:		
Medical education and other health care programs	**15,904**	6,747
	$ 38,463	$ 28,794

(Dollars in Thousands)

9. Retirement Plans

The System maintains defined-benefit pension plans that cover a majority of its employees (associates).

A summary of changes in the plan assets, projected benefit obligation and the resulting funded status of the System's defined-benefit pension plans is as follows:

	2011	2010
Change in plan assets:		
Plan assets at fair value at beginning of year	**$ 672,769**	$ 606,558
Actual return on plan assets	**(7,294)**	78,296
Employer contributions	**22,300**	22,560
Benefits paid	**(34,257)**	(34,645)
Plan assets at fair value at end of year	**$ 653,518**	$ 672,769
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	**$ 707,064**	$ 666,903
Service cost	**38,285**	37,104
Interest cost	**39,012**	38,106
Actuarial gain (loss)	**11,786**	(404)
Benefits paid	**(34,257)**	(34,645)
Projected benefit obligation at end of year	**$ 761,890**	$ 707,064
Plan assets less than projected benefit obligation	**$ (108,372)**	$ (34,296)
Accumulated benefit obligation at end of year	**$ 699,330**	$ 650,664

(Dollars in Thousands)

9. Retirement Plans (continued)

The Condell Retirement Plan paid lump sums totaling $3,896 and $4,250 in 2011 and 2010, respectively. These amounts are greater than the sum of the plan's service cost and interest cost for 2011 and 2010. As a result, the System recognized a settlement charge in the amount of $1,199 and $767 in 2011 and 2010, respectively.

	2011	2010
Net periodic pension expense consists of the following for the years ended December 31:		
Service cost	**$ 38,285**	$ 37,104
Interest cost	**39,013**	38,106
Expected return on plan assets	**(56,290)**	(54,340)
Amortization of:		
Prior service credit	**(4,823)**	(4,910)
Recognized actuarial loss	**7,392**	5,100
Settlement/curtailment	**1,199**	767
Net pension expense	**$ 24,776**	$ 21,827

The amount of actuarial loss and prior service cost (credit) included in other changes in unrestricted net assets expected to be recognized in net periodic pension cost during the fiscal year ending December 31, 2012, is $12,496 and $4,823, respectively.

For the defined benefit plans previously described, changes in plan assets and benefit obligations recognized in unrestricted net assets during 2011 and 2010 include actuarial losses of $66,779 and $30,227 and net prior service costs of $4,823 and $4,910, respectively.

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic pension cost:

	2011	2010
Unrecognized prior credit	**$ (33,063)**	$ (37,886)
Unrecognized actuarial loss	**247,416**	180,638
	$ 214,353	$ 142,752

(Dollars in Thousands)

9. Retirement Plans (continued)

Employer contributions were paid from employer assets for both years presented. No plan assets are expected to be returned to the employer. All benefits paid under the defined-benefit pension plan were paid from the plan's assets. The System anticipates making $28,550 in contributions to the plan's assets during 2012. Expected associate benefit payments are $51,220 in 2012, $52,840 in 2013, $55,040 in 2014, $58,870 in 2015, $61,670 in 2016, and $340,410 in 2017 through 2021.

The pension plan's asset allocation and investment strategies are designed to earn returns on plan assets consistent with a reasonable and prudent level of risk. Investments are diversified across classes, economic sectors and manager style to minimize the risk of loss. The System uses investment managers specializing in each asset category and, where appropriate, provides the investment manager with specific guidelines that include allowable and/or prohibited investment types. The System regularly monitors manager performance and compliance with investment guidelines.

The System's target and actual pension asset allocations are as follows:

		Actual Asset Allocation	
Asset Category	**Target**	**2011**	**2010**
Domestic and international equity securities	**42.5%**	**46.5%**	50.7%
Private equity limited partnerships and hedge funds	**17.5**	**15.8**	12.5
Fixed income securities	**30.0**	**28.7**	29.7
Real estate	**10.0**	**9.0**	7.1
	100.0%	**100.0%**	100.0%

Within the domestic and international equity portfolio, investments are diversified among large and mid-capitalizations (20%), non-large capitalizations (7%) and international and emerging markets (20%).

9. Retirement Plans (continued)

Fair value methodologies for Level 1 and Level 2 are consistent with the inputs described in Note 4. Fair value for Level 3 represents the plan's ownership interests in the NAVs of the respective private equity partnerships, hedge funds and real estate commingled funds for which active markets do not exist (alternative investments). The System opted to use the NAV per share, or its equivalent, as a practical expedient for fair value of the Plan's interest in hedge funds and private equity funds. The alternative investment assets consist of marketable securities as well as securities and other assets that do not have readily determinable fair values. The fair values of the alternative investments that do not have readily determinable fair values are determined by the general partner or fund manager taking into consideration, among other things, the cost of the securities or other investments, prices of recent significant transfers of like assets and subsequent developments concerning the companies or other assets to which the alternative investments relate. There is inherent uncertainty in such valuations, and the estimated fair values may differ from the values that would have been used had a ready market for these investments existed. Private equity partnerships and real estate commingled funds typically have finite lives ranging from 5 to 10 years, at the end of which all invested capital is returned. For hedge funds, the typical lock-up period is one year, after which invested capital can be redeemed on a quarterly basis with at least 30 days' but no more than 90 days' notice. The Plan's investment assets are exposed to the same kinds and levels of risk as described in Note 4.

At December 31, 2011 and 2010, the System, on behalf of the Plan, has commitments to fund an additional $38,699 and $34,273, respectively. The unfunded commitments at December 31, 2011, are expected to be funded over the next seven years.

(Dollars in Thousands)

9. Retirement Plans (continued)

The following are the plan's financial instruments at December 31, 2011, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 4:

	Fair Value Measurements at Reporting Date Using			
Description	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash and cash equivalents	**$ 2,864**	**$ –**	**$ 2,864**	**$ –**
Equity securities:				
Small cap	**2,909**	**–**	**2,909**	**–**
Large cap	**53,827**	**43,033**	**10,794**	**–**
Value equity	**41,173**	**38,645**	**2,528**	**–**
Growth equity	**56,122**	**54,593**	**1,529**	**–**
U.S. equity	**20,993**	**19,954**	**1,039**	**–**
International equity	**94,906**	**31,691**	**63,215**	**–**
International equity – emerging	**38,533**	**34,327**	**4,206**	**–**
Fixed income securities:				
Core plus bonds	**177,007**	**–**	**177,007**	**–**
Long duration bonds	**12,314**	**–**	**12,314**	**–**
Other types of investments:				
Hedge funds	**43,083**	**–**	**–**	**43,083**
Private equity funds	**53,737**	**–**	**–**	**53,737**
Real estate	**56,050**	**–**	**39,920**	**16,130**
Total	**$ 653,518**	**$ 222,243**	**$ 318,325**	**$ 112,950**

(Dollars in Thousands)

9. Retirement Plans (continued)

The table below sets forth a summary of changes in the fair value of the plan's Level 3 assets for 2011:

	Hedge Funds	Private Equity	Real Estate
Fair value at January 1, 2011	$ 30,414	$ 46,290	$ 11,194
Net purchases and sales	14,774	5,010	1,489
Realized gains and losses	–	1,053	137
Unrealized gains and losses	(2,105)	1,384	3,310
Fair value at December 31, 2011	$ 43,083	$ 53,737	$ 16,130

The following are the plan's financial instruments at December 31, 2010, measured at fair value on a recurring basis by the valuation hierarchy defined in Note 4:

	Fair Value Measurements at Reporting Date Using			
Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 7,457	$ 97	$ 7,360	$ –
Equity securities:				
Small cap	3,265	3,125	140	–
Large cap	58,593	58,559	34	–
Value equity	37,756	35,346	2,410	–
Growth equity	86,304	85,217	1,087	–
U.S. equity	41,593	38,816	2,777	–
International equity	96,891	96,370	521	–
International equity – emerging	22,810	21,841	969	–
Fixed income securities:				
Core plus bonds	196,836	95,072	101,764	–
Other types of investments:				
Hedge funds	30,414	–	–	30,414
Private equity funds	46,290	–	–	46,290
Real estate	44,560	–	33,366	11,194
Total	$ 672,769	$ 434,443	$ 150,428	$ 87,898

(Dollars in Thousands)

9. Retirement Plans (continued)

The table below sets forth a summary of changes in the fair value of the plan's Level 3 assets for 2010:

	Hedge Funds	Private Equity	Real Estate
Fair value at January 1, 2010	$ 27,860	$ 28,109	$ 6,333
Net purchases and sales	3,464	14,631	1,910
Realized gains and losses	–	882	–
Unrealized gains and losses	(910)	2,668	2,951
Fair value at December 31, 2010	$ 30,414	$ 46,290	$ 11,194

Assumptions used to determine benefit obligations at the measurement date are as follows:

	2011	2010
Discount rate	**4.75%**	5.40%
Assumed rate of return on assets	**7.75**	8.00
Weighted-average rate of increase in future compensation (age-based table)	**4.80**	4.80

Assumptions used to determine net pension expense for the fiscal years are as follows:

	2011	2010
Discount rate	**5.40%**	5.65%
Assumed rate of return on assets	**8.00**	8.00
Weighted-average rate of increase in future compensation (age-based table)	**4.80**	4.80

9. Retirement Plans (continued)

The assumed rate of return on plan assets is based on historical and projected rates of return for asset classes in which the portfolio is invested. The expected return for each asset class was then weighted based on the target asset allocation to develop the overall expected rate of return on assets for the portfolio. This resulted in the selection of the 7.75% and 8.00% assumption for 2011 and 2010, respectively.

In addition to the defined-benefit pension plan, the System sponsors various defined-contribution plans. Amounts contributed by the System approximated $32,752 and $35,042 in 2011 and 2010, respectively, and are included in salaries, wages and employee benefits expense in the consolidated statements of operations and changes in net assets.

10. General and Professional Liability Risks

The System is self-insured for substantially all general and professional liability risks. The self-insurance programs combine various levels of self-insured retention with excess commercial insurance coverage. In addition, various umbrella insurance policies have been purchased to provide coverage in excess of the self-insured limits. Revocable trust funds, administered by a trustee and a captive insurance company, have been established for the self-insurance programs. Actuarial consultants have been retained to determine the estimated cost of claims, as well as to determine the amount to fund into the irrevocable trust and captive insurance company.

The estimated cost of claims is actuarially determined based on past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. Accrued insurance liabilities and contributions to the revocable trust were determined using a discount rate of 4.00% for 2011 and 2010. Accrued insurance liabilities for the System's captive insurance company were determined using a discount rate of 3.00% for 2011 and 2010. Total accrued insurance liabilities would have been approximately $64,775 and $62,786 greater at December 31, 2011 and 2010, respectively, had these liabilities not been discounted.

The System is a defendant in certain litigation related to professional and general liability risks. Although the outcome of the litigation cannot be determined with certainty, management believes, after consultation with legal counsel, that the ultimate resolution of this litigation will not have any material adverse effect on the System's operations or financial condition.

11. Legal, Regulatory, and Other Contingencies and Commitments

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. During the last few years, as a result of nationwide investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, exclusion from the Medicare and Medicaid programs, and revocation of federal or state tax-exempt status. Moreover, the System expects that the level of review and audit to which it and other health care providers are subject will increase.

Various federal and state agencies have initiated investigations, which are in various stages of discovery, relating to reimbursement, billing practices and other matters of the System. There can be no assurance that regulatory authorities will not challenge the System's compliance with these laws and regulations, and it is not possible to determine the impact, if any, such claims or penalties would have on the System. As a result, there is a reasonable possibility that recorded amounts will change by a material amount in the near term. To foster compliance with applicable laws and regulations, the System maintains a compliance program designed to detect and correct potential violations of laws and regulations related to its programs.

The System is committed to constructing additions and renovations to its medical facilities and implementing information technology projects, which are expected to be completed in future years. The estimated cost of these commitments is $251,564, of which $199,444 has been incurred as of December 31, 2011.

(Dollars in Thousands)

11. Legal, Regulatory, and Other Contingencies and Commitments (continued)

Future minimum rental commitments at December 31, 2011, for all noncancelable leases with original terms of more than one year are $43,434, $31,715, $25,925, $23,400 and $20,039 for the years ending December 31, 2012 through 2016, respectively, and $40,502 thereafter.

Rent expense, which is included in other expenses, amounted to approximately $77,170 and $83,702 in 2011 and 2010, respectively.

12. Income Taxes and Tax Status

Certain subsidiaries of the System are for-profit corporations. Significant components of the for-profit subsidiaries' deferred tax assets (liabilities) are as follows at December 31:

	2011	2010
Deferred tax assets		
Allowance for uncollectible accounts	**$ 4,523**	$ 3,363
Other accrued expenses	**39**	487
Reserves for incurred but not reported claims	**364**	384
Accrued insurance	**7,732**	6,351
Accrued compensation and employee benefits	**4,023**	3,279
Third-party settlements	**848**	802
Prepaid and other assets	**373**	373
Net operating losses	**25,809**	13,941
Total deferred tax assets	**43,711**	28,980
Less valuation allowance	**25,809**	13,941
Net deferred tax assets, included in deferred costs and intangible assets and prepaid expenses, inventories, and other assets	**$ 17,902**	$ 15,039
Deferred tax liabilities		
Property and equipment	**$ (7,149)**	$ (3,110)
Other accrued expenses	**(272)**	–
Deferred gain on BroMenn acquisition	**(6,228)**	(5,064)
Total deferred tax liabilities, included in other noncurrent liabilities	**$ (13,649)**	$ (8,174)

(Dollars in Thousands)

12. Income Taxes and Tax Status (continued)

Significant components of the provision (credit) for income taxes are as follows for the years ended December 31:

	2011	2010
Current:		
Federal	**$ 4,629**	$ (5,505)
State	**1,413**	(1,239)
Deferred	**2,612**	16,626
	$ 8,654	$ 9,882

Federal and state income taxes paid relating to the System's for-profit corporations were $1,102 and $1,697 in 2011 and 2010, respectively.

The System and all other controlled or wholly owned subsidiaries are exempt from income taxes under Internal Revenue Code Section 501(c)(3). They do, however, operate certain programs that generate unrelated business income. The current tax provision recorded on this income was $390 and $685 for the years ended December 31, 2011 and 2010, respectively. Federal, state, and local governments are increasingly scrutinizing the tax status of not-for-profit hospitals and health care systems.

13. Acquisition

On January 6, 2010, the System merged with BroMenn, which was accounted for as an acquisition in accordance with the authoritative guidance on not-for-profit mergers and acquisitions. The BroMenn system, which is located in the greater Bloomington-Normal and Eureka, Illinois, areas, includes a 224-bed acute care hospital, a 34-bed acute care hospital and approximately 60 employed physicians in one medical group.

(Dollars in Thousands)

13. Acquisition (continued)

For accounting purposes, this transaction was accounted for under the purchase accounting rules, and a contribution of $225,541 was recorded in the accompanying consolidated statements of operations and changes in net assets for the year ended December 31, 2010. This contribution reflected the fair value of the unrestricted net assets of BroMenn on the date of the merger. The total increase in net assets attributable to the merger, which included the fair value of temporarily and permanently restricted net assets contributed, was $245,578. No goodwill was recorded as a result of this transaction. In valuing these assets and liabilities, fair values were based on, but not limited to, professional appraisals, discounted cash flows, replacement costs and actuarially determined values.

The fair value of assets and liabilities of BroMenn contributed at January 6, 2010, consists of the following:

Cash and cash equivalents	$ 10,998
Other current assets	61,836
Property and equipment	160,788
Other long-term assets	47,759
Total assets	281,381
Current liabilities	26,354
Other long-term liabilities	9,449
Total liabilities	35,803
Increase in net assets	$ 245,578

14. Subsequent Events

The System evaluated events occurring between January 1, 2012 and March 9, 2012, which is the date when the consolidated financial statements were issued.

Supplementary Information

Ernst & Young LLP

Report of Independent Auditors on Supplementary Information

The Board of Directors
Advocate Health Care Network

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying details of consolidated balance sheet and the details of consolidated statement of operations and changes in net assets are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst & Young LLP

March 9, 2012

Advocate Health Care Network and Subsidiaries

Details of Consolidated Balance Sheet
(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Health Care Network	Advocate Health and Hospitals Corporation and Subsidiaries	Advocate Network Services, Incorporated and Subsidiaries	Advocate Charitable Foundation	Advocate Insurance SPC
Assets							
Current assets:							
Cash and cash equivalents	$ 302,796	$ –	$ 411	$ 266,349	$ 35,945	$ 1	$ 90
Short-term investments	20,372	–	200	–	–	20,172	–
Assets limited as to use	75,710	–	–	64,573	233	–	10,904
Patient accounts receivable, less allowances for uncollectible accounts	511,302	(2,000)	–	485,620	27,682	–	–
Amounts due from primary third-party payors	6,357	–	–	6,258	99	–	–
Intercompany accounts receivable	–	(42,120)	60	17,583	23,177	1,139	161
Prepaid expenses, inventories, and other current assets	258,971	–	–	189,181	22,255	28,544	18,991
Collateral proceeds received under securities lending program	19,135	–	–	19,135	–	–	–
Total current assets	1,194,643	(44,120)	671	1,048,699	109,391	49,856	30,146
Assets limited as to use:							
Internally and externally designated investments limited as to use	3,636,696	–	57,905	3,333,527	81,854	85,877	77,533
Investments under securities lending program	19,067	–	–	19,067	–	–	–
Investment in subsidiaries	–	(184,196)	184,196	–	–	–	–
Other noncurrent assets	110,445	–	–	105,925	6	4,514	–
Interest in health care and related entities	129,955	–	–	104,778	25,177	–	–
Reinsurance receivable	177,207	–	–	–	–	–	177,207
Deferred costs and intangible assets, less allowances for amortization	36,708	–	–	29,742	6,966	–	–
	4,110,078	(184,196)	242,101	3,593,039	114,003	90,391	254,740
Property and equipment – at cost:							
Land and land improvements	180,834	–	–	166,870	13,964	–	–
Buildings	2,098,612	–	–	2,013,839	83,744	1,029	–
Movable equipment	1,204,236	–	–	1,121,834	81,037	1,365	–
Construction-in-progress	112,855	–	–	112,100	744	11	–
	3,596,537	–	–	3,414,643	179,489	2,405	–
Less allowances for depreciation	1,922,395	–	–	1,809,289	111,520	1,586	–
	1,674,142	–	–	1,605,354	67,969	819	–
	$ 6,978,863	$ (228,316)	$ 242,772	$ 6,247,092	$ 291,363	$ 141,066	$ 284,886

Advocate Health Care Network and Subsidiaries

Details of Consolidated Balance Sheet (continued)
(Dollars in Thousands)

	Consolidated	Eliminations	Advocate Health Care Network	Advocate Health and Hospitals Corporation and Subsidiaries	Advocate Network Services, Incorporated and Subsidiaries	Advocate Charitable Foundation	Advocate Insurance SPC
Liabilities and net assets and shareholders' equity							
Current liabilities:							
Current portion of long-term debt	$ 22,711	$ –	$ –	$ 16,814	$ 5,897	$ –	$ –
Long-term debt subject to short-term remarketing arrangements	197,870	–	–	197,870	–	–	–
Accounts payable	201,800	–	–	190,284	10,572	845	99
Accrued salaries and employee benefits	335,044	–	–	309,006	24,602	1,436	–
Accrued expenses	196,584	(2,000)	1,500	160,554	31,543	320	4,667
Amounts due to primary third-party payors	214,637	–	–	212,244	2,393	–	–
Current portion of accrued insurance and claims costs	98,152	–	3	67,571	2,989	–	27,589
Notes and accounts payable to Advocate Health Care Network and subsidiaries	–	(42,120)	20	23,963	13,395	4,069	673
Obligations to return collateral under securities lending program	19,410	–	–	19,410	–	–	–
Total current liabilities	1,286,208	(44,120)	1,523	1,197,716	91,391	6,670	33,028
Noncurrent liabilities:							
Long-term debt, less current portion	1,000,521	–	–	997,559	2,962	–	–
Pension plan liability	108,372	–	–	106,664	1,708	–	–
Accrued insurance and claims cost, less current portion	648,885	–	2	592,297	22,890	–	33,696
Accrued losses subject to reinsurance recovery	177,207	–	–	–	–	–	177,207
Obligations under swap agreements, net of collateral posted	89,092	–	–	89,092	–	–	–
Other noncurrent liabilities	109,073	–	1,161	78,400	26,867	2,645	–
	2,133,150	–	1,163	1,864,012	54,427	2,645	210,903
Total liabilities	3,419,358	(44,120)	2,686	3,061,728	145,818	9,315	243,931
Net assets/shareholders' equity:							
Unrestricted	3,444,745	1,338	240,086	3,184,342	–	18,979	–
Temporarily restricted	75,331	–	–	1,022	–	74,309	–
Permanently restricted	38,463	–	–	–	–	38,463	–
Common stock	–	(1)	–	–	1	–	–
Additional paid-in capital	–	(177,163)	–	–	177,163	–	–
Non-controlling interest	966		–	–	966	–	–
Retained (deficit) earnings/partnership losses	–	(8,370)	–	–	(32,585)	–	40,955
Total net assets/shareholders' equity	3,559,505	(184,196)	240,086	3,185,364	145,545	131,751	40,955
	$ 6,978,863	$ (228,316)	$ 242,772	$ 6,247,092	$ 291,363	$ 141,066	$ 284,886

Advocate Health Care Network and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets and Shareholders' Equity

(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Health Care Network	Advocate Health and Hospitals Corporation and Subsidiaries	Advocate Network Services, Incorporated and Subsidiaries	Advocate Charitable Foundation	Advocate Insurance SPC
Unrestricted revenues, gains, and other support							
Net patient service revenue	$ 3 982 373	$ (45 049)	$ –	$ 3 803 553	$ 223 869	$ –	$ –
Provision for uncollectible accounts	(211 507)	–	–	(201 909)	(9 598)	–	–
	3 770 866	(45 049)	–	3 601 644	214 271	–	–
Capitation revenue	397 485	–	–	16 799	380 686	–	–
Other revenue	272 113	(85 688)	9	268 327	51 657	1 420	36 388
	4 440 464	(130 737)	9	3 886 770	646 614	1 420	36 388
Expenses							
Salaries, wages, and employee benefits	2 221 793	–	59	1 998 538	215 920	7 276	–
Purchased services and operating supplies	1 085 228	(56 723)	–	975 184	165 590	1 009	168
Contracted medical services	180 130	(45 015)	–	(186)	225 331	–	–
Insurance and claims costs	89 091	(27 303)	(14)	86 974	7 011	12	22 411
Other	346 385	(1 696)	–	305 426	34 854	3 028	4 773
Depreciation and amortization	171 884	–	–	161 867	9 928	89	–
Interest	45 141	–	–	44 512	629	–	–
	4 139 652	(130 737)	45	3 572 315	659 263	11 414	27 352
Operating income (loss)	300 812	–	(36)	314 455	(12 649)	(9 994)	9 036
Nonoperating income (loss)							
Investment (loss) income	(92 062)	–	(560)	(89 310)	1 312	–	(3 504)
Change in fair value of interest rate swaps	(45 011)	–	–	(45 011)	–	–	–
Loss on refinancing of debt	(32)	–	–	(32)	–	–	–
Other nonoperating items, net	(15 354)	–	–	(6 406)	(8 934)	(14)	–
Revenues in excess of (less than) expenses	148 353	–	(596)	173 696	(20 271)	(10 008)	5 532
Net assets released from restrictions and used for capital purposes	4 767	–	–	4 767	–	–	–
Transfers to/from Advocate Health Care Network and subsidiaries	–	–	(9 600)	–	–	9 600	–
Postretirement benefit plan adjustments	(71 780)	–	–	(71 780)	–	–	–
Increase (decrease) in unrestricted net assets	81 340	–	(10 196)	106 683	(20 271)	(408)	5 532
Temporarily restricted net assets							
Contributions for medical education programs, capital purchases, and other purposes	12 979	–	–	(15)	–	12 994	–
Realized gains on investments	2 197	–	–	9	–	2 188	–
Unrealized losses on investments	(2 122)	–	–	(13)	–	(2 109)	–
Net assets released from restriction and used for operations, medical education programs, capital purchases, and other purposes	(12 509)	–	–	(8)	–	(12 501)	–
Increase (decrease) in temporarily restricted net assets	545	–	–	(27)	–	572	–
Permanently restricted net assets							
Contributions for medical education programs, capital purchases, and other purposes	9 669	–	–	–	–	9 669	–
Increase in permanently restricted net assets	9 669	–	–	–	–	9 669	–
Increase (decrease) in net assets	91 554	–	(10 196)	106 656	(20 271)	9 833	5 532
Change in non-controlling interest	(67)	–	–	–	(67)	–	–
Net assets/shareholders' equity at beginning of year	3 468 018	(184 196)	250 282	3 078 708	165 883	121 918	35 423
Net assets/shareholders' equity at end of year	$ 3 559 505	$ (184 196)	$ 240 086	$ 3 185 364	$ 145 545	$ 131 751	$ 40 955

Advocate Health and Hospitals Corporation and Subsidiaries

Details of Consolidated Balance Sheet
(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Health and Hospitals Corporation	Advocate Northside Health System	Advocate Condell Medical Center	Midwest Heart Specialists	EHS Home Health Care Services, Inc. and Subsidiary	Eliminations	EHS Home Health Care Service, Inc.	Advocate Hospice
Assets										
Current assets:										
Cash and cash equivalents	$ 266,349	$ –	$ 163,733	$ 32,130	$ 55,164	$ 344	$ 14,978	$ –	$ 9,606	$ 5,372
Assets limited as to use	64,573	–	64,573	–	–	–	–	–	–	–
Patient accounts receivable, less allowances for uncollectible accounts	485,620	–	373,497	67,253	37,749	2,893	4,228	–	2,272	1,956
Amounts due from primary third-party payors	6,258	–	4,808	–	1,450	–	–	–	–	–
Accounts receivable from Advocate Health Care Network and subsidiaries	17,583	–	15,460	1,020	209	–	894	–	880	14
Intercompany accounts receivable	–	(39,133)	21,436	12,872	4,354	1	470	(347)	727	90
Prepaid expenses, inventories, and other current assets	189,181	–	145,212	31,425	10,581	1,587	376	–	357	19
Collateral proceeds received under securities lending program	19,135	–	19,135	–	–	–	–	–	–	–
Total current assets	1,048,699	(39,133)	807,854	144,700	109,507	4,825	20,946	(347)	13,842	7,451
Assets limited as to use:										
Internally and externally designated investments limited as to use	3,333,527	–	3,247,259	84,475	–	–	1,793	–	1,423	370
Investments under securities lending program	19,067	–	19,067	–	–	–	–	–	–	–
Other noncurrent assets	105,925	–	80,512	25,384	29	–	–	–	–	–
Interest in health care and related entities	104,778	(15,869)	41,187	79,403	–	57	–	–	–	–
Deferred costs and intangible assets, less allowances for amortization	29,742	–	10,750	135	–	18,857	–	–	–	–
	3,593,039	(15,869)	3,398,775	189,397	29	18,914	1,793	–	1,423	370
Property and equipment – at cost:										
Land and land improvements	166,870	–	97,005	14,806	55,059	–	–	–	–	–
Buildings	2,013,839	–	1,669,904	109,811	233,360	–	764	–	764	–
Movable equipment	1,121,834	–	1,013,835	51,524	50,001	2,330	4,144	–	4,079	65
Construction-in-progress	112,100	–	101,544	9,715	841	–	–	–	–	–
	3,414,643	–	2,882,288	185,856	339,261	2,330	4,908	–	4,843	65
Less allowances for depreciation	1,809,289	–	1,668,349	88,473	48,793	–	3,674	–	3,655	19
	1,605,354	–	1,213,939	97,383	290,468	2,330	1,234	–	1,188	46
	$ 6,247,092	$ (55,002)	$ 5,420,568	$ 431,480	$ 400,004	$ 26,069	$ 23,973	$ (347)	$ 16,453	$ 7,867

Advocate Health and Hospitals Corporation and Subsidiaries

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

	Consolidated	Eliminations	Advocate Health and Hospitals Corporation	Advocate Northside Health System	Advocate Condell Medical Center	Midwest Heart Specialists	EHS Home Health Care Services, Inc. and Subsidiary	Eliminations	EHS Home Health Care Service, Inc.	Advocate Hospice
Liabilities and net assets										
Current liabilities:										
Current portion of long-term debt	$ 16,814	$ –	$ 16,520	$ –	$ 221	$ 73	$ –	$ –	$ –	$ –
Long-term debt subject to short-term remarketing arrangements	197,870	–	197,870	–	–	–	–	–	–	–
Accounts payable	190,284	–	157,906	16,921	11,563	1,257	2,637	–	1,495	1,142
Accrued salaries and employee benefits	309,006	–	270,822	19,210	12,452	2,175	4,347	–	3,706	641
Accrued expenses	160,554	–	99,803	32,457	22,056	5,610	628	–	443	185
Amounts due to primary third-party payors	212,244	–	154,105	19,801	32,578	–	5,760	–	5,743	17
Current portion of accrued insurance and claims costs	67,571	–	67,316	255	–	–	–	–	–	–
Notes and accounts payable to Advocate Health Care Network and subsidiaries	23,963	–	19,578	2,107	1,199	–	1,079	–	894	185
Intercompany payables	–	(39,133)	17,654	12,966	7,185	217	1,111	(347)	827	631
Obligations to return collateral under securities lending program	19,410	–	19,410	–	–	–	–	–	–	–
Total current liabilities	1,197,716	(39,133)	1,020,984	103,717	87,254	9,332	15,562	(347)	13,108	2,801
Noncurrent liabilities:										
Long-term debt, less current portion	997,559	–	966,446	–	31,033	80	–	–	–	–
Pension plan liability	106,664	–	75,687	–	30,977	–	–	–	–	–
Accrued insurance and claims cost, less current portion	592,297	–	590,848	1,306	–	143	–	–	–	–
Obligations under swap agreements, net of collateral posted	89,092	–	89,092	–	–	–	–	–	–	–
Other noncurrent liabilities	78,400	–	70,788	6,809	158	645	–	–	–	–
	1,864,012	–	1,792,861	8,115	62,168	868	–	–	–	–
Total liabilities	3,061,728	(39,133)	2,813,845	111,832	149,422	10,200	15,562	(347)	13,108	2,801
Net assets:										
Unrestricted	3,184,342	–	2,605,701	319,648	250,582	–	8,411	–	3,345	5,066
Temporarily restricted	1,022	–	1,022	–	–	–	–	–	–	–
Additional paid-in capital	–	(15,869)	–	–	–	15,869	–	–	–	–
Total net assets	3,185,364	(15,869)	2,606,723	319,648	250,582	15,869	8,411	–	3,345	5,066
	$ 6,247,092	$ (55,002)	$ 5,420,568	$ 431,480	$ 400,004	$ 26,069	$ 23,973	$ (347)	$ 16,453	$ 7,867

Advocate Health and Hospitals Corporation and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets and Shareholders' Equity

(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Health and Hospitals Corporation	Advocate Northside Health System	Advocate Condell Medical Center	EHS Home Health Care Services, Inc. and Subsidiary	Eliminations	EHS Home Health Care Service, Inc.	Advocate Hospice
Unrestricted revenues, gains, and other support									
Net patient service revenue	$ 3.803.553	$ –	$ 2.995.891	$ 426.431	$ 314.765	$ 66.466	$ –	$ 49.966	$ 16.500
Provision for uncollectible accounts	(201.909)	–	(156.297)	(23.212)	(20.778)	(1.622)	–	(1.665)	43
	3.601.644	–	2.839.594	403.219	293.987	64.844	–	48.301	16.543
Capitation revenue	16.799	–	12.004	4.076	–	719	–	713	6
Other revenue	268.327	(53.118)	279.669	23.798	13.511	4.467	(2.011)	6.399	79
	3.886.770	(53.118)	3.131.267	431.093	307.498	70.030	(2.011)	55.413	16.628
Expenses									
Salaries, wages, and employee benefits	1.998.538	–	1.617.621	207.839	123.632	49.446	–	41.488	7.958
Purchased services and operating supplies	975.184	(48.695)	786.425	114.347	110.749	12.358	(2.011)	7.386	6.983
Contracted medical services	(186)	–	(78)	(108)	–	–	–	–	–
Insurance and claims costs	86.974	(153)	73.107	10.084	3.635	301	–	173	128
Other	305.426	(4.270)	248.701	33.007	23.584	4.404	–	3.594	810
Depreciation and amortization	161.867	–	131.027	12.681	17.706	453	–	445	8
Interest	44.512	–	41.984	–	2.528	–	–	–	–
	3.572.315	(53.118)	2.898.787	377.850	281.834	66.962	(2.011)	53.086	15.887
Operating income	314.455	–	232.480	53.243	25.664	3.068	–	2.327	741
Nonoperating income (loss)									
Investment (losses) income	(89.310)	–	(82.816)	(6.505)	2	9	–	(7)	16
Change in fair value of interest rate swaps	(45.011)	–	(45.011)	–	–	–	–	–	–
Loss on refinancing of debt	(32)	–	(32)	–	–	–	–	–	–
Other nonoperating items, net	(6.406)	–	(3.031)	(1.241)	(2.133)	(1)	–	–	(1)
Revenues in excess of expenses	173.696	–	101.590	45.497	23.533	3.076	–	2.320	756
Net assets released from restrictions and used for capital purposes	4.767	–	3.789	943	35	–	–	–	–
Postretirement benefit plan adjustments	(71.780)	–	(60.918)	–	(10.862)	–	–	–	–
Increase in unrestricted net assets	106.683	–	44.461	46.440	12.706	3.076	–	2.320	756
Temporarily restricted net assets									
Contributions for medical education programs, capital purchases, and other purposes	(15)	–	(15)	–	–	–	–	–	–
Realized gains on investments	9	–	9	–	–	–	–	–	–
Unrealized losses on investments	(13)	–	(13)	–	–	–	–	–	–
Net assets released from restriction and used for operations, medical education programs, capital purchases, and other purposes	(8)	–	(8)	–	–	–	–	–	–
Decrease in temporarily restricted net assets	(27)	–	(27)	–	–	–	–	–	–
Increase in net assets	106.656	–	44.434	46.440	12.706	3.076	–	2.320	756
Net assets/shareholders' equity at beginning of year	3.078.708	–	2.562.289	273.208	237.876	5.335	–	1.025	4.310
Net assets/shareholders' equity at end of year	$ 3.185.364	$ –	$ 2.606.723	$ 319.648	$ 250.582	$ 8.411	$ –	$ 3.345	$ 5.066

Advocate Northside Health System and Subsidiaries

Details of Consolidated Balance Sheet

(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Northside Health System	HispanoCare, Inc.
Assets				
Current assets				
Cash and cash equivalents	$ 32,130	$ –	$ 31,593	$ 537
Patient accounts receivable, less allowances for uncollectible accounts	67,253	–	67,253	–
Accounts receivable from Advocate Health Care Network and subsidiaries	1,020	–	1,016	4
Intercompany accounts receivable	12,872	(5)	12,875	2
Prepaid expenses, inventories, and other current assets	31,425	–	31,425	–
Total current assets	144,700	(5)	144,162	543
Assets limited as to use				
Internally and externally designated investments limited as to use	84,475	–	84,475	–
Other noncurrent assets	25,384	–	25,384	–
Interest in health care and related entities	79,403	–	79,403	–
Deferred costs and intangible assets, less allowances for amortization	135	–	135	–
	189,397	–	189,397	–
Property and equipment – at cost				
Land and land improvements	14,806	–	14,806	–
Buildings	109,811	–	109,811	–
Movable equipment	51,524	–	51,435	89
Construction-in-progress	9,715	–	9,715	–
	185,856	–	185,767	89
Less allowances for depreciation	88,473	–	88,389	84
	97,383	–	97,378	5
	$ 431,480	$ (5)	$ 430,937	$ 548

Advocate Northside Health System and Subsidiaries

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

	Consolidated	Eliminations	Advocate Northside Health System	HispanoCare, Inc.
Liabilities and net assets				
Current liabilities				
Accounts payable	$ 16,921	$ -	$ 16,916	$ 5
Accrued salaries and employee benefits	19,210	–	19,190	20
Accrued expenses	32,457	–	32,457	–
Amounts due to primary third-party payors	19,801	–	19,801	–
Current portion of accrued insurance and claims costs	255	–	255	–
Notes and accounts payable to Advocate Health Care Network and subsidiaries	2,107	–	2,073	34
Intercompany payables	12,966	(5)	12,968	3
Total current liabilities	103,717	(5)	103,660	62
Noncurrent liabilities				
Accrued insurance and claims cost, less current portion	1,306	–	1,306	–
Other noncurrent liabilities	6,809	–	6,809	–
	8,115	–	8,115	–
Total liabilities	111,832	(5)	111,775	62
Net assets				
Unrestricted	319,648	–	319,162	486
Total net assets	319,648	–	319,162	486
	$ 431,480	$ (5)	$ 430,937	$ 548

Advocate Northside Health System and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets and Shareholders' Equity

(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Northside Health System	HispanoCare, Inc.
Unrestricted revenues, gains, and other support				
Net patient service revenue	$ 426,431	$ –	$ 426,431	$ –
Provision for uncollectible accounts	(23,212)	–	(23,212)	–
	403,219	–	403,219	–
Capitation revenue	4,076	–	4,076	–
Other revenue	23,798	–	23,675	123
	431,093	–	430,970	123
Expenses				
Salaries, wages, and employee benefits	207,839	–	207,520	319
Purchased services and operating supplies	114,347	–	114,328	19
Contracted medical services	(108)	–	(108)	–
Insurance and claims costs	10,084	–	10,084	–
Other	33,007	–	32,886	121
Depreciation and amortization	12,681	–	12,674	7
Interest	–	–	–	–
	377,850	–	377,384	466
Operating income (loss)	53,243	–	53,586	(343)
Nonoperating income (loss)				
Investment loss	(6,505)	–	(6,506)	1
Other nonoperating items, net	(1,241)	–	(1,241)	–
Revenues in excess of (less than) expenses	45,497	–	45,839	(342)
Net assets released from restrictions and used for capital purposes	943	–	943	–
Transfers to/from Advocate Health Care Network and subsidiaries	–	–	(300)	300
Increase (decrease) in unrestricted net assets	46,440	–	46,482	(42)
Unrestricted net assets at beginning of year	273,208	–	272,680	528
Unrestricted net assets at end of year	$ 319,648	$ –	$ 319,162	$ 486

Evangelical Services Corporation and Subsidiaries
d/b/a Advocate Network Services, Inc. and Subsidiaries

Details of Consolidated Balance Sheet
(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Network Services, Inc.	High Technology, Inc.	Advocate Home Care Products, Inc.	Dreyer Clinic, Inc.	Advocate Health Centers, Inc.	BoMenn Medical Group	CyberKnife
Assets									
Current assets									
Cash and cash equivalents	$ 35 945	$ –	$ 12 169	$ 2 010	$ 9 469	$ 5 991	$ 493	$ 3 087	$ 2 726
Assets limited as to use	233	–	–	–	–	–	–	233	–
Patient accounts receivable less allowances for uncollectible accounts	27 682	(620)	–	2 258	3 028	18 471	2 338	2 207	–
Amounts due from primary third-party payors	99	–	–	–	–	–	–	99	–
Accounts receivable from Advocate Health Care Network and subsidiaries	23 177	–	19 865	198	759	19	1 702	381	253
Intercompany accounts and notes receivable	–	(45 140)	34 827	174	1	10 036	101	1	–
Prepaid expenses inventories and other current assets	22 255	–	14 087	131	1 139	3 963	2 208	727	–
Total current assets	109 391	(45 760)	80 948	4 771	14 396	38 480	6 842	6 735	2 979
Assets limited as to use									
Internally and externally designated investments limited as to use	81 854	–	16 510	26 964	31 905	–	30	6 445	–
Intercompany notes receivable	–	(37 383)	543	36 840	–	–	–	–	–
Investments and other noncurrent assets	6	(98 302)	98 308	–	–	–	–	–	–
Interest in health care and related entities	25 177	–	6 031	–	–	1 714	–	17 432	–
Deferred costs and intangible assets less allowances for amortization	6 966	–	4 232	–	–	2 729	5	–	–
	114 003	(135 685)	125 624	63 804	31 905	4 443	35	23 877	–
Property and equipment – at cost									
Land and land improvements	13 964	–	6 138	1 004	–	5 721	614	487	–
Buildings	83 744	–	2 382	9 425	370	46 797	22 750	2 020	–
Movable equipment	81 037	–	4 318	17 159	7 544	24 256	21 713	2 215	3 832
Construction-in-progress	744	–	–	135	3	288	32	286	–
	179 489	–	12 838	27 723	7 917	77 062	45 109	5 008	3 832
Less allowances for depreciation	111 520	–	6 688	21 892	4 802	42 940	31 219	968	3 011
	67 969	–	6 150	5 831	3 115	34 122	13 890	4 040	821
	$ 291 363	$ (181 445)	$ 212 722	$ 74 406	$ 49 416	$ 77 045	$ 20 767	$ 34 652	$ 3 800

Evangelical Services Corporation and Subsidiaries
d/b/a Advocate Network Services, Inc. and Subsidiaries

Details of Consolidated Balance Sheet (continued)

(Dollars in Thousands)

	Consolidated	Eliminations	Advocate Network Services, Inc.	High Technology, Inc.	Advocate Home Care Products, Inc.	Dreyer Clinic, Inc.	Advocate Health Centers, Inc.	BoMenn Medical Group	CyberKnife
Liabilities and net assets/shareholder's equity									
Current liabilities									
Current portion of long-term debt	$ 5 897	$ –	$ –	$ –	$ –	$ 5 897	$ –	$ –	$ –
Current portion of intercompany long-term debt	–	(398)	–	–	–	238	–	160	–
Accounts payable	10 572	–	2 307	560	892	4 846	1 798	169	–
Accrued salaries and employee benefits	24 602	–	3 084	855	612	6 186	12 647	1 218	–
Accrued expenses	31 543	(620)	996	560	39	2 040	28 409	118	1
Amounts due to primary third-party payors	2 393	–	–	–	935	1 458	–	–	–
Current portion of accrued insurance and claims costs	2 989	–	–	–	–	–	2 756	233	–
Notes and accounts payable to Advocate Health Care Network and subsidiaries	13 395	–	4 879	538	1 104	181	3 392	3 271	30
Intercompany payables	–	(44 742)	10 146	87	97	25 591	8 641	180	–
Total current liabilities	91 391	(45 760)	21 412	2 600	3 679	46 437	57 643	5 349	31
Noncurrent liabilities									
Long-term debt less current portion	2 962	–	–	–	–	2 962	–	–	–
Long-term intercompany debt less current portion	–	(37 383)	–	–	–	543	–	36 840	–
Pension plan liability	1 708	–	218	94	65	–	1 055	276	–
Accrued insurance and claims cost less current portion	22 890	–	–	–	–	–	21 559	1 331	–
Other noncurrent liabilities	26 867	–	23 082	–	–	3 785	–	–	–
	54 427	(37 383)	23 300	94	65	7 290	22 614	38 447	–
Total liabilities	145 818	(83 143)	44 712	2 694	3 744	53 727	80 257	43 796	31
Shareholders equity									
Common stock	1	(5 163)	1	3 250	50	1 862	–	1	–
Additional paid-in capital	177 163	(122 387)	177 163	22 294	9 098	24 324	32 080	34 591	–
Partnership capital	–	(2 736)	–	–	–	–	–	–	2 736
Non-controlling interest	966	–	–	–	–	966			
Retained (deficit) earnings	(32 585)	31 984	(9 154)	46 168	36 524	(3 834)	(91 570)	(43 736)	1 033
Total shareholders equity	145 545	(98 302)	168 010	71 712	45 672	23 318	(59 490)	(9 144)	3 769
	$ 291 363	$ (181 445)	$ 212 722	$ 74 406	$ 49 416	$ 77 045	$ 20 767	$ 34 652	$ 3 800

Evangelical Services Corporation and Subsidiaries
d/b/a Advocate Network Services, Inc. and Subsidiaries

Details of Consolidated Statement of Operations and Changes in Net Assets and Shareholders' Equity

(Dollars in Thousands)

December 31, 2011

	Consolidated	Eliminations	Advocate Network Services, Inc.	High Technology, Inc.	Advocate Home Care Products, Inc.	Dreyer Clinic, Inc.	Advocate Health Centers, Inc.	BoMenn Medical Group	CyberKnife
Unrestricted revenues, gains, and other support									
Net patient service revenue	$ 223 869	$ (6 934)	$ –	$ 25 352	$ 23 685	$ 118 041	$ 35 066	$ 28 659	$ –
Provision for uncollectible accounts	(9 598)	–	–	(517)	(2 007)	(2 536)	(3 520)	(1 018)	–
	214 271	(6 934)	–	24 835	21 678	115 505	31 546	27 641	–
Capitation revenue	380 686	–	–	–	995	59 986	319 705	–	–
Other revenue	51 657	(2 022)	31 809	377	4 238	3 083	5 568	6 834	1 770
	646 614	(8 956)	31 809	25 212	26 911	178 574	356 819	34 475	1 770
Expenses									
Salaries wages and employee benefits	215 920	–	22 924	9 213	6 547	63 827	99 620	13 789	–
Purchased services and operating supplies	165 590	(2 022)	4 175	9 132	14 071	85 662	27 021	27 200	351
Contracted medical services	225 331	(6 934)	–	–	–	10 801	221 464	–	–
Insurance and claims costs	7 011	–	31	680	187	916	3 951	1 246	–
Other	34 854	–	1 936	2 336	1 805	11 207	13 957	3 611	2
Depreciation and amortization	9 928	–	318	1 518	855	3 019	2 951	509	758
Interest	629	(924)	76	–	–	627	37	813	–
	659 263	(9 880)	29 460	22 879	23 465	176 059	369 001	47 168	1 111
Operating (loss) income	(12 649)	924	2 349	2 333	3 446	2 515	(12 182)	(12 693)	659
Nonoperating income (loss).									
Investment income (loss)	1 312	(924)	705	1 144	226	16	14	131	–
Other nonoperating items net	(8 934)	–	(7 797)	(792)	(912)	(2 421)	1 009	2 146	(167)
Revenues (less than) in excess of expenses	(20 271)	–	(4 743)	2 685	2 760	110	(11 159)	(10 416)	492
Change in non-controlling interest	(67)	–	–	–	–	(67)	–	–	–
Decrease in non-controlling interest	(67)	–	–	–	–	(67)	–	–	–
Total change in shareholders equity	(20 338)	–	(4 743)	2 685	2 760	43	(11 159)	(10 416)	492
Shareholders equity at beginning of year	165 883	(98 302)	172 753	69 027	42 912	23 275	(48 331)	1 272	3 277
Shareholders equity at end of year	$ 145 545	$ (98 302)	$ 168 010	$ 71 712	$ 45 672	$ 23 318	$ (59 490)	$ (9 144)	$ 3 769

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory