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Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

THE MISSION OF ADVOCATE HEALTH CARE IS TO SERVE THE HEALTH NEEDS OF IN 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?

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

3

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

If "Yes," describe these changes on Schedule O

4

Describe the 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 \$ 286,905,659 including grants of \$ 0) (Revenue \$ 367,655,002)

SEE SCHEDULE O

4b

(Code) (Expenses \$ 46,461,150 including grants of \$ 0) (Revenue \$ 32,178,162)

SEE SCHEDULE O

4c

(Code) (Expenses \$ 23,999,033 including grants of \$ 0) (Revenue \$ 7,155,742)

SEE SCHEDULE O

4d

Other program services (Describe in Schedule O)

(Expenses \$ 13,798,548 including grants of \$ 420,811) (Revenue \$ 32,681,937)

4e

Total program service expenses \$ 371,164,390

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, line 10? If "Yes," complete Schedule D, Part VI. 	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	Yes	
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
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? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V ☐		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	298
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1cYes
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	2a3,445
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aYes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3bYes
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)?	4aYes
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? . . .	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
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?	6aNo
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?	7aNo
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?	7cNo
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?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7fNo
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?	14aNo
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

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

Section B. Policies

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

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

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 DOHENY 2025 WINDSOR DRIVE OAK BROOK, IL 605231586 (630) 990-5155

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

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

Form **990** (2011)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	4,150,517	14,513,859	5,264,284

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 246

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
POWER CONSTRUCTION COMPANY 2360 N PALMER DR SCHAUMBURG, IL 60173	construction contr	2,950,751
CROTHALL LAUNDRY SERVICE 45 HINTZ ROAD WHEELING, IL 60090	LAUNDRY SERVICES	1,391,007
CUSTOM CONTRACTING LTD 21020 N RAND ROAD SUITE D LAKE ZURICH, IL 60047	CONSTRUCTION CONTR	754,450
CASSIDAY SCHADE LLP 20 N WACKER DRIVE SUITE 1040 CHICAGO, IL 60606	LEGAL SERVICES	311,090
JENSEN HALSTEAD LTD 358 W ONTARIO ST CHICAGO, IL 60654	ARCHITECTURE SVCS	303,149
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 13		

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	2,080,145				
	e	Government grants (contributions)	1e	2,424,460				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	524,735				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		5,029,340				
Program Service Revenue			Business Code					
	2a	ROUTINE REVENUE	621990	142,119,214	142,119,214			
	b	INPATIENT REVENUE	621990	72,842,023	72,842,023			
	c	OUTPATIENT REVENUE	621400	218,909,403	218,909,403			
	d	PREMIUM REVENUE	621990	4,075,969	4,075,969			
	e	All other program service revenue	623000	1,510,901	1,510,901			
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		439,457,510				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		6,786,796			6,786,796	
	4	Income from investment of tax-exempt bond proceeds . . .		0				
	5	Royalties		0				
	6a	Gross rents	(i) Real	(ii) Personal				
			1,432,516					
			1,432,516					
	d	Net rental income or (loss)		1,432,516		686,721	745,795	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			48,465,917	85,678				
			46,639,704	1,256,906				
			1,826,213	-1,171,228				
	d	Net gain or (loss)		654,985			654,985	
	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	PARKING INCOME	812930	1,944,934			1,944,934		
b	CAFETERIA REVENUE	722210	1,439,335			1,439,335		
c	CONSUMER FINANCE CHARGE	900099	184,706			184,706		
d	All other revenue		213,333	213,333				
e	Total. Add lines 11a-11d		3,782,308					
12	Total revenue. See Instructions		457,143,455	439,670,843	686,721	11,756,551		

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	420,811	420,811		
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	1,195,797	1,195,797		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	115,863	115,863		
7	Other salaries and wages	166,697,370	162,720,803	3,976,567	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,146,623	5,999,104	147,519	
9	Other employee benefits	24,082,560	23,962,099	120,461	
10	Payroll taxes	9,281,575	9,063,167	218,408	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	1,380		1,380	
c	Accounting	204,039		204,039	
d	Lobbying	46,522	46,522		
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	275,009		275,009	
g	Other	7,405,846	7,081,999	323,847	
12	Advertising and promotion	179,724	177,025	2,699	
13	Office expenses	2,166,077	2,113,639	52,438	
14	Information technology	10,454,485	1,984,946	8,469,539	
15	Royalties	0			
16	Occupancy	10,347,362	10,347,362		
17	Travel	448,099	382,482	65,617	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	478,325	323,989	154,336	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	12,674,340	12,514,572	159,768	
23	Insurance	10,084,099	10,084,099		
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	45,696,552	45,696,552	0	
b	CONTRACTED SERVICES	33,588,202	30,111,173	3,477,029	
c	BAD DEBT	23,211,973	23,211,973		
d	PUBLIC ASSESSMENT FEE	14,450,136	14,446,537	3,599	
e					
f	All other expenses	21,588,490	9,163,876	12,424,614	
25	Total functional expenses. Add lines 1 through 24f	401,241,259	371,164,390	30,076,869	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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			498,375	1	733,017
	2	Savings and temporary cash investments			47,149,810	2	30,860,131
	3	Pledges and grants receivable, net			1,316,454	3	3,320,855
	4	Accounts receivable, net			48,257,112	4	67,252,756
	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			5,170,083	8	6,038,068
	9	Prepaid expenses and deferred charges			7,563,865	9	7,854,008
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	211,151,601			
	b	Less: accumulated depreciation	10b	88,388,686	119,758,835	10c	122,762,915
	11	Investments—publicly traded securities			51,398,469	11	84,475,164
	12	Investments—other securities. See Part IV, line 11			0	12	0
	13	Investments—program-related. See Part IV, line 11			84,676,072	13	79,402,286
	14	Intangible assets			0	14	134,897
	15	Other assets. See Part IV, line 11			22,614,950	15	28,103,024
	16	Total assets. Add lines 1 through 15 (must equal line 34)			388,404,025	16	430,937,121
Liabilities	17	Accounts payable and accrued expenses			51,225,486	17	58,088,654
	18	Grants payable			0	18	0
	19	Deferred revenue			29,004,625	19	25,515,070
	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			0	23	0
	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			35,493,570	25	28,171,744
	26	Total liabilities. Add lines 17 through 25			115,723,681	26	111,775,468
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			272,680,344	27	319,161,653
	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			272,680,344	33	319,161,653
	34	Total liabilities and net assets/fund balances			388,404,025	34	430,937,121

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	457,143,455
2	Total expenses (must equal Part IX, column (A), line 25)	2	401,241,259
3	Revenue less expenses Subtract line 2 from line 1	3	55,902,196
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	272,680,344
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,420,887
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	319,161,653

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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ 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?	Yes	
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	Yes	

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 NORTH SIDE HEALTH NETWORK	Employer identification number 36-3196629
--	--

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

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

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in 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	(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	(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 IIIPart 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

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 ADVOCATE NORTH SIDE HEALTH NETWORK	Employer identification number 36-3196629
--	--

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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ 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)		(b)	
		Yes	No	Amount	
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	a Volunteers?		No		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No		
	c Media advertisements?		No		
	d Mailings to members, legislators, or the public?		No		
	e Publications, or published or broadcast statements?		No		
	f Grants to other organizations for lobbying purposes?		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			46,522
	j Total lines 1c through 1i				46,522
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b If "Yes," enter the amount of any tax incurred under section 4912					
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912					
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?					

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL LOBBYING INFORMATION	SCHEDULE C, PART II-B, LINE 1i	ADVOCATE NORTH SIDE HEALTH NETWORK 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 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 ATTRIBUTABLE TO THESE LOBBYING ACTIVITIES ADVOCATE NORTH SIDE HEALTH NETWORK ALSO REIMBURSES VARIOUS ASSOCIATES FOR DUES PAID TO VARIOUS PROFESSIONAL ORGANIZATIONS AND ALSO FOR EDUCATIONAL EXPENSES PROVIDED BY PROFESSIONAL AND MEMBERSHIP ORGANIZATIONS ADVOCATE NORTH SIDE HEALTH NETWORK ENDEAVORS TO IDENTIFY THE PORTION OF DUES OR FEES PAID TO THESE ORGANIZATIONS WHICH ARE ATTRIBUTABLE TO LOBBYING ACTIVITIES

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 NORTH SIDE HEALTH NETWORK

Employer identification number
36-3196629

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

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

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2011

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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	25,384,227	13,180,694		38,564,921
b Buildings		105,832,077	54,307,984	51,524,093
c Leasehold improvements		3,173,624	2,248,793	924,831
d Equipment		51,040,196	30,249,803	20,790,393
e Other		12,540,783	1,582,106	10,958,677
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				122,762,915

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
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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 NORTH SIDE HEALTH NETWORK

Employer identification number
36-3196629

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 ☐ Generally tailored to individual hospitals ☐ Applied uniformly to most 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 <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100%☐ 150%☒ 200%☐ Other _____ % b Did the organization use FPG to determine eligibility for providing <i>discounted</i> 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. % 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	3a	Yes	
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	Yes	
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 eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during 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)			15,588,904		15,588,904	4 120 %
b Medicaid (from Worksheet 3, column a)			98,769,956	88,248,156	10,521,800	2 780 %
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			114,358,860	88,248,156	26,110,704	6 900 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			704,738		704,738	0 190 %
f Health professions education (from Worksheet 5)			23,999,033	7,155,742	16,843,291	4 450 %
g Subsidized health services (from Worksheet 6)			4,524,969	683,473	3,841,496	1 020 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			791,220		791,220	0 210 %
j Total Other Benefits			30,019,960	7,839,215	22,180,745	5 870 %
k Total. Add lines 7d and 7j			144,378,820	96,087,371	48,291,449	12 770 %

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	23,211,973
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,650,261
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	77,994,265
6	Enter Medicare allowable costs of care relating to payments on line 5	6	79,798,484
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-1,804,219
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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

[illegible]

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)

ILLINOIS MASONIC 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 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)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a ☐ Hospital facility's website b ☐ Available upon request from the hospital facility c ☐ Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a ☐ 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? 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	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>600</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a ☒ 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)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a ☐ 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)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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? 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)	16		No
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? If "No," indicate why	Yes	
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? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 5

Name and address		Type of Facility (Describe)
1	IMMC CANCER CENTER 901 WEST WELLINGTON AVE CHICAGO, IL 60657	PATIENT CARE - OUTPATIENT
2	IMMC PRIMARY CARE CENTER 3048 NORTH WILTON CHICAGO, IL 60657	PATIENT CARE - OUTPATIENT
3	IMMC EDUCATION CENTER 814 WEST NELSON STREET CHICAGO, IL 60657	PATIENT EDUCATION
4	IMMC OFFICE BUILDING 836 WEST NELSON STREET CHICAGO, IL 60657	PATIENT CARE - OUTPATIENT
5	IMMC MEDICAL OFFICE BUILDING 3000 NORTH HALSTED ST VARIOUS SUIT CHICAGO, IL 60657	PATIENT CARE - OUTPATIENT
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 report is filed by Advocate Health Care Network 2025 Windsor Drive, Oak Brook, IL 60523 EIN 36-2167779 Part VI, Line 1 - Description for Part I, Line 7 A COST-TO-CHARGE RATIO, DERIVED FROM SCHEDULE H INSTRUCTIONS WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES, WAS USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINE 7A SCHEDULE H INSTRUCTIONS WORKSHEET 3, UNREIMBURSED MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS, WAS USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINE 7B A COST ACCOUNTING SYSTEM WAS USED TO DETERMINE THE AMOUNTS REPORTED IN THE TABLE FOR PART I, LINES 7E, 7F, 7G, AND 7I PART VI, LINE 1 DESCRIPTION FOR PART I, LINE 7H ADVOCATE NORTH SIDE HEALTH NETWORK CONDUCTS NUMEROUS RESEARCH ACTIVITIES FOR THE ADVANCEMENT OF MEDICAL AND HEALTH CARE SERVICES HOWEVER, THE UNREIMBURSED COST OF SUCH RESEARCH ACTIVITIES IS NOT READILY DETERMINABLE AND 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) \$23,211,973 OF BAD DEBT EXPENSE WAS INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT WAS REMOVED FROM THE DENOMINATOR FOR PURPOSES 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 NETWORK AND SUBSIDIARIES' AUDITED FINANCIAL STATEMENTS DO NOT SPECIFICALLY ADDRESS BAD DEBT EXPENSE, RATHER, THE FOOTNOTE DESCRIBES ADVOCATE'S PATIENT ACCOUNTS RECEIVABLE POLICY PATIENT ACCOUNTS RECEIVABLE ARE STATED AT NET REALIZABLE VALUE ADVOCATE CONDELL MEDICAL CENTER 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 HEALTH CARE INSURANCE PROGRAMS ACCOUNTS RECEIVABLE ARE CHARGED TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS WHEN THEY ARE DEEMED UNCOLLECTIBLE THE COSTING METHODOLOGY USED IN DETERMINING 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 ACCOUNTING PRINCIPLES, LESS ANY PATIENT OR THIRD PARTY PAYOR PAYMENTS RECEIVED ADVOCATE MAKES EVERY 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 ASSISTANCE APPLICATION THE ESTIMATED AMOUNT OF BAD DEBT EXPENSE (AT COST) WHICH COULD BE REASONABLY ATTRIBUTABLE TO PATIENTS WHO WOULD LIKELY QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE ORGANIZATION'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 ASSISTANCE, AND CHARGES FOR PATIENTS WHO APPLIED FOR FINANCIAL ASSISTANCE AND WERE DENIED THE 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 ONLY CONSIDERING SELF-PAY ACCOUNTS WRITTEN OFF TO BAD DEBT FOR THIS ESTIMATE, THIS ESTIMATE DOES NOT INCLUDE THE IMMEDIATE 20% DISCOUNT TO CHARGES WHICH IS APPLIED TO ALL SELF-PAY PATIENTS 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 THESE AMOUNTS AND THE PATIENT DOES NOT APPLY FOR FINANCIAL ASSISTANCE BAD DEBT AMOUNTS HAVE BEEN EXCLUDED FROM OTHER COMMUNITY BENEFIT AMOUNTS REPORTED THROUGHOUT SCHEDULE H

Identifier	ReturnReference	Explanation
Part VI, Line 1 - Description for Part III, Line 8		THE SHORTFALL OF \$1,804,219 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 BURDENS OF GOVERNMENT OR OTHER CHARITIES THAT WOULD OTHERWISE BE NEEDED TO SERVE THE COMMUNITY FOR ADVOCATE NORTH SIDE HEALTH NETWORK'S HOSPITAL OPERATIONS, THE UNREIMBURSED COST OF MEDICARE WAS CALCULATED BY APPLYING THE ORGANIZATIONS COST TO CHARGE RATIO FROM THE MEDICARE COST REPORTS (CMS 2252-96 WORKSHEET C, PART 1, PPS INPATIENT RATIOS) AND FOR NON-HOSPITAL OPERATIONS THE COST TO CHARGE RATIO CALCULATED ON WORKSHEET 2 RATIO OF PATIENT CARE COST TO CHARGES TO THE ORGANIZATIONS MEDICARE, LESS ANY 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 NORTH SIDE HEALTH NETWORK MAINTAINS BOTH WRITTEN FINANCIAL ASSISTANCE AND BAD DEBT/COLLECTION POLICIES THE BAD DEBT/COLLECTION POLICY DOES NOT APPLY TO THOSE PATIENTS KNOWN TO QUALIFY FOR FINANCIAL ASSISTANCE, THEREFORE SUCH PATIENTS ARE NOT SUBJECT TO COLLECTION PRACTICES 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 NORTH SIDE HEALTH NETWORK 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 NORTH SIDE HEALTH NETWORK 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

Identifier	ReturnReference	Explanation
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 Needs assessment IN JANUARY 2011, ADVOCATE NORTH SIDE HEALTH NETWORK 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 ANSHNS 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, ANSHNS 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
Patient education of eligibility for assistance		ADVOCATE NORTH SIDE HEALTH NETWORK 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 NORTH SIDE HEALTH NETWORKS HOSPITAL 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 NORTH SIDE HEALTH NETWORK ASSISTS PATIENTS WITH APPLYING FOR ADVOCATE'S OWN FINANCIAL ASSISTANCE/CHARITY CARE SERVICES, IF PATIENTS ARE NOT ELIGIBLE FOR GOVERNMENT-SUPPORTED PROGRAMS ADVOCATE NORTH SIDE HEALTH NETWORK 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
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 NORTH SIDE HEALTH NETWORK PRIMARILY SERVES THE COMMUNITY OF COOK 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 CHICAGO LAND 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
Promotion of community health		ADVOCATE NORTH SIDE HEALTH NETWORK D/B/A ADVOCATE ILLINOIS MASONIC MEDICAL CENTER (AIMMC) WAS NAMED AN EVEREST AWARD WINNER AND ONE OF THE NATION'S 100 TOP HOSPITALS BY THOMSON REUTERS AIMMC, LOCATED ON CHICAGO'S NORTH SIDE, IS ONE OF THE STATE'S LARGEST, MOST COMPREHENSIVE NONPROFIT MEDICAL CENTERS THE HOSPITAL HAS 408 LICENSED BEDS AND HAS MORE THAN 880 ACTIVE PHYSICIANS AIMMC IS DESIGNATED AS A LEVEL I TRAUMA CENTER AND AS A LEVEL III NEONATAL INTENSIVE CARE UNIT (NICU) - THE HIGHEST DESIGNATIONS AWARDED BY THE STATE AIMMC'S LEVEL I TRAUMA CENTER IS ONE OF ONLY FOUR TRAUMA CENTERS IN CHICAGO THE HOSPITAL IS NATIONALLY RECOGNIZED FOR EXPERTISE IN CARDIAC CARE AND ITS USE OF THE MOST INNOVATIVE TECHNOLOGIES AVAILABLE TO PROVIDE ADVANCED CARE WITH ATTENTION TO PATIENT SAFETY, QUALITY AND EXCELLENCE AIMMC HAS ALSO RECEIVED MAGNET RECOGNITION STATUS FOR EXCELLENCE IN NURSING SERVICES BY THE AMERICAN NURSES CREDENTIALING CENTER AS ONE OF ILLINOIS' LARGEST NON-UNIVERSITY MEDICAL TEACHING HOSPITALS, THE HOSPITAL TRAINS 200 RESIDENTS AND 500 MEDICAL STUDENTS EACH YEAR THROUGH ITS AFFILIATIONS WITH THE UNIVERSITY OF ILLINOIS AT CHICAGO HEALTH SCIENCES CENTER, ROSALIND FRANKLIN UNIVERSITY AND MIDWESTERN UNIVERSITY IN ADDITION TO SERVING INDIVIDUALS IN THE ACUTE CARE SETTING IN 2011, AIMMC PROVIDED COMMUNITY OUTREACH TO OVER 555,000 PEOPLE THROUGH HEALTH FAIRS, WELLNESS PROGRAMS AND OTHER OUTREACH SERVICES DESIGNED AND DELIVERED TO PROMOTE THE HEALTH OF THE COMMUNITIES IT SERVES -AIMMC'S SCHOOL-BASED HEALTH CENTERS LOCATED AT AMUNDSEN AND LAKE VIEW HIGH SCHOOLS ON CHICAGO'S NORTH SIDE OFFER HEALTH SERVICES TO TEENAGERS FROM LOW-INCOME NEIGHBORHOODS, REACHING STUDENTS MORE EFFECTIVELY BECAUSE THE SERVICES ARE IN THE SCHOOL DURING 2011, THE CENTERS SERVED 857 STUDENTS FOR A TOTAL OF 2,550 INDIVIDUAL MEDICAL AND MENTAL HEALTH VISITS, AND 2,575 VISITS IN GROUP ENCOUNTERS THROUGH WORKSHOPS COVERING TOPICS SUCH AS NUTRITION, REPRODUCTIVE HEALTH, DOMESTIC VIOLENCE, TOBACCO USE AND SUBSTANCE ABUSE THE HEALTH CENTERS SERVE THE SCHOOLS' COMMUNITIES WITH THE GOAL OF NOT ONLY PROVIDING TOP QUALITY, AFFORDABLE AND ACCESSIBLE HEALTH AND MENTAL HEALTH CARE, BUT ALSO EDUCATING ADOLESCENTS ABOUT BEING GOOD CONSUMERS OF HEALTH CARE SERVICES -AIMMC RECOGNIZED THE NEED TO INCREASE THE DEAF AND HARD OF HEARING COMMUNITY'S ACCESS TO IMPORTANT, BUT SENSITIVE, HEALTH INFORMATION WRITTEN ENGLISH TEXT DID NOT PROVE SUCCESSFUL, SO THE HOSPITAL BEGAN USING STREAMING VIDEO TECHNOLOGY TO PROVIDE INFORMATION IN AMERICAN SIGN LANGUAGE (ASL) ADVOCATE ILLINOIS MASONIC MEDICAL CENTER PRODUCED VIDEOS ABOUT HIV/AIDS, BREAST HEALTH, SEXUALLY TRANSMITTED DISEASES, DIABETES AND SMOKING CESSATION AND POSTED THEM ON ITS WEB SITE, SO THE VIDEOS COULD BE VIEWED PRIVATELY AND AT THE CONVENIENCE OF THE PATIENT THE WEB SITE ALSO INCLUDES HEALTH SCREENINGS FOR ANXIETY, DEPRESSION, HEART DISEASE, RISK FOR HIV, AND READINESS TO STOP SMOKING - ALL COMMUNICATED IN ASL SO DEAF AND HARD OF HEARING PEOPLE HAVE ACCESS TO PREVENTIVE HEALTH TOOLS OVER THE YEARS, ADVOCATE ILLINOIS MASONIC MEDICAL CENTER HAS DISTRIBUTED OVER 2,400 FREE ASL DVDS ON HIV/AIDS, STDs, BREAST HEALTH, DIABETES, DEPRESSION AND SMOKING CESSATION - MORE THAN 40,000 MEMBERS OF CHICAGO'S LATINO COMMUNITY BENEFIT FROM HISPANOCARE'S COMMUNITY ACTIVITIES HISPANOCARE IS A NETWORK OF OVER 150 BILINGUAL AND BICULTURAL HEALTH CARE PROVIDERS HISPANOCARE'S EDUCATION AND PREVENTIVE SERVICES FOR THE LATINO COMMUNITY ENSURE ACCESS TO QUALITY BILINGUAL, BICULTURAL, LOW-COST HEALTH CARE -THE MOBILE DENTAL VAN OFFERS ACCESS TO ORAL HEALTH SERVICES TO OVER 600 UNDERSERVED AND UNINSURED INDIVIDUALS EACH YEAR PROVIDING DENTAL SCREENINGS, TREATMENT, AND EDUCATION, THE MOBILE VAN REGULARLY TRAVELS ACROSS THE CITY OF CHICAGO MAKING STOPS AT SENIOR RESIDENCES, SCHOOLS AND PRIMARY CARE CLINICS TO PROVIDE CARE TO HARD-TO-REACH AND UNDERSERVED POPULATIONS INCLUDING ELDERLY PEOPLE WITH LIMITED MOBILITY, CHILDREN FROM LOW-INCOME FAMILIES, DISABLED PERSONS, IMMIGRANTS AND THE HOMELESS THE MOBILE DENTAL VAN SERVICES HAVE RESULTED IN SIGNIFICANT REDUCTIONS IN DISEASED TEETH AMONG HOMELESS POPULATIONS SERVED -FOR MORE THAN 35 YEARS, ADVOCATE ILLINOIS MASONIC MEDICAL CENTER HAS OFFERED THE SPECIAL DENTISTRY PROGRAM TO PROVIDE QUALITY ORAL HEALTH CARE FOR PATIENTS WITH PHYSICAL AND DEVELOPMENTAL CHALLENGES RECOGNIZING THE CHALLENGES OF PERSONS WITH DEVELOPMENTAL DISABILITIES, AS WELL AS THOSE WITH OTHER CONDITIONS LIKE SEIZURE DISORDERS, CEREBRAL PALSY OR MUSCULAR DYSTROPHY, THE SPECIALLY TRAINED DENTAL TEAM ENSURES THESE PATIENTS RECEIVE THE CARE THEY NEED IN ADDITION TO SEEING PATIENTS AT THE MEDICAL CENTER, DENTAL HYGIENISTS TRAVEL THROUGHOUT THE YEAR TO SCHOOLS, BUSINESS AND RESIDENTIAL FACILITIES FOR THE DISABLED AND PROVIDE ON-SITE ORAL HYGIENE INSTRUCTION SINCE IT BEGAN, THE PROGRAM HAS SERVED NEARLY 70,000 PEOPLE, AND CURRENTLY SEES MORE THAN 2,000 PATIENTS ANNUALLY ADDITIONALLY, THE PROGRAM PROVIDES E

Identifier	ReturnReference	Explanation
Promotion of community health		EDUCATIONAL OUTREACH AND SCREENING SERVICES TO THE COMMUNITY -EVEN THOUGH MANY OF THE REGION'S PROGRAMS HAVE DISAPPEARED DUE TO LACK OF FUNDING, IN LINE WITH ITS MISSION, ADVOCATE' S AUTISM TREATMENT PROGRAM HOUSED IN ADVOCATE ILLINOIS MASONIC MEDICAL CENTER'S PEDIATRIC DEVELOPMENT CENTER CONTINUES TO SERVE 150 CHILDREN WITH AUTISM AT HOME, AT THE CENTER, IN GROUPS, OR IN INDIVIDUAL THERAPIES THE BILINGUAL PROGRAM, OFFERED IN BOTH ENGLISH AND SPANISH, EVALUATES AND PROVIDES A DIAGNOSIS FOR 32 CHILDREN A MONTH, ABOUT HALF OF WHOM ARE FROM LOW INCOME FAMILIES A KEY STRENGTH OF THE PROGRAM IS INVOLVING CHILDREN IN SOCIALIZATION GROUPS AT THE EARLIEST AGE POSSIBLE, WHICH RESULTS IN THEIR BEING MORE ACTIVE IN SCHOOL AND WITH OTHERS OUTSIDE OF THE TREATMENT SETTING TO THAT END, THE CENTER HAS IMPLEMENTED THE BUSY BEES PROGRAM PROVIDING STATE-OF-THE-ART INTENSIVE INTERVENTION FOR CHILDREN BETWEEN 2 AND 3 YEARS OF AGE BASED ON THE MOST CUTTING-EDGE LITERATURE AVAILABLE REGARDING EARLY INTERVENTION -THE ASTHMA LEARNING CENTER PROVIDES ADULTS AND CHILDREN WITH FREE EDUCATION TO HELP REGULATE THEIR ASTHMA -THE DIABETES CARE PROGRAM HAS BEEN RECOGNIZED FOR ITS COMPREHENSIVE, BILINGUAL EDUCATIONAL SERVICES - THE CRITICOS CANCER CENTER IS HOME TO THE FIRST HOSPITAL-BASED GILDA'S CLUB IN THE U S , OFFERING SUPPORT TO CANCER PATIENTS AND THEIR FAMILIES - AS A RESPECTED MEMBER OF THE COMMUNITY, AIMMC REPRESENTATIVES BRING THEIR EXPERTISE TO THE SURROUNDING COMMUNITY BY SERVING ON AREA BOARDS, COUNCILS, TASK FORCES AND COMMITTEES AIMMC IS NOT ONLY ACTIVELY INVOLVED WITH THE AREA'S CHAMBER OF COMMERCE BUT, FOR EXAMPLE, A LEADERSHIP TEAM REPRESENTATIVE HAS SERVED FOR SEVERAL YEARS ON THE MAYOR OF CHICAGO'S SENIOR WELLNESS TASK FORCE EACH YEAR, THE HOSPITAL ALSO HOSTS QUARTERLY COMMUNITY CLERGY FUNCTIONS AND SERVES AS A CO-SPONSOR TO THE SCHOOL HEALTH FAIR WITH STATE SENATOR MARTINEZ AND THE SENIOR HEALTH FAIR WITH CHICAGO ALDERMAN TUNNEY OTHER COMMUNITY BENEFITS INCLUDE -CARE THAT IS PROVIDED FREE, SUBSIDIZED OR WITHOUT FULL REIMBURSEMENT FROM MEDICARE, MEDICAID OR OTHER GOVERNMENT INSURANCE PROGRAMS -VOLUNTEER SERVICES PROVIDED BY HOSPITAL EMPLOYEES WHO VOLUNTEER IN THEIR COMMUNITIES AND COMMUNITY MEMBERS WHO VOLUNTEER AT HOSPITALS -LANGUAGE-ASSISTANCE SERVICES, SUCH AS INTERPRETERS AND TRANSLATION FOR SIGNAGE, FORMS, BROCHURES, PATIENT EDUCATION 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 NORTH SIDE HEALTH NETWORK'S BOARD MEMBERS RESIDE IN ITS PRIMARY SERVICE AREA, AND ARE NEITHER EMPLOYEES NOR INDEPENDENT CONTRACTORS OF ADVOCATE NORTH SIDE HEALTH NETWORK ADVOCATE NORTH SIDE HEALTH NETWORK EXTENDS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN ITS COMMUNITY FOR SOME OR ALL OF ITS DEPARTMENTS ADVOCATE NORTH SIDE HEALTH NETWORK APPLIES SURPLUS FUNDS TO IMPROVEMENTS IN PATIENT CARE, MEDICAL EDUCATION, AND RESEARCH THROUGH CAREFUL AND THOUGHTFUL FINANCIAL PLANNING, ADVOCATE HAS DEVELOPED PLANS WHICH ALLOW IT TO REINVEST IN 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 WHICH THERE IS A COMMUNITY NEED, THROUGH THE PURCHASE OF NEW PATIENT CARE EQUIPMENT AND PROVIDING IMPROVED AND NEW FACILITIES FOR PATIENT CARE THIS PLANNING ALSO ALLOWS ADVOCATE TO TRAIN PHYSICIANS, NURSES, RADIOLOGY TECHNICIANS, PHYSICAL THERAPISTS, EMTS, CLINICAL PASTORS AND A HOST OF OTHER HIGHLY SKILLED HEALTH CARE PROFESSIONALS AND TO SHARE RESEARCH WITH PERSONS OUTSIDE OF THE ORGANIZATION ON HEALTH CARE DELIVERY, UN-REIMBURSED STUDIES ON THERAPEUTIC PROTOCOLS, EVALUATION OF INNOVATIVE TREATMENTS, AND RESEARCH PAPERS PREPARED BY STAFF FOR PROFESSIONAL JOURNALS ENVIRONMENTAL IMPROVEMENTS 1 MENTORING AND EDUCATION ADVOCATE HEALTH CARE IS COMMITTED TO PROTECTING AND PROMOTING THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
Affiliated health care system		RECOGNIZED AS ONE OF THE NATIONS TOP 10 HEALTH SYSTEMS, ADVOCATE HEALTH CARE IS THE LARGEST INTEGRATED HEALTH CARE SYSTEM IN ILLINOIS ADVOCATE HEALTH CARE PROVIDES A CONTINUUM OF CARE THROUGH ITS ACUTE CARE HOSPITALS, PRIMARY AND SPECIALTY PHYSICIAN SERVICES, OUTPATIENT CENTERS, PHYSICIAN OFFICE BUILDINGS, HOME HEALTH AND HOSPICE CARE TO THE COMMUNITIES IT SERVES ADVOCATE MAKES OPERATING AND FINANCIAL DECISIONS ON A SYSTEM-WIDE BASIS AND PROVIDES FOR COMPLETE FINANCIAL INTEGRATION OF THE SYSTEM OVERALL MANAGEMENT OF THE SYSTEM IS CENTRALIZED WHICH ALLOWS FOR A STREAMLINED DECISION MAKING PROCESS AND THE ABILITY OF THE SYSTEM TO RESPOND TO COMMUNITY NEEDS

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

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 NORTH SIDE HEALTH NETWORK

Employer identification number
36-3196629

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) HISPANO CARE INC 2025 WINDSOR DRIVE OAK BROOK,IL 60523	36-3606486	501(c)(3)	300,000				HISPANIC PROGRAMS SUPPORT MISSION SUPPORT MISSION
(2) MASONIC FAMILY HEALTH FOUNDATION INC 2025 WINDSOR DRIVE OAK BROOK,IL 60523	36-4397387	501(c)(3)	50,000				Support Mission
(3) ADVOCATE CHARITABLE FOUNDATION 2025 WINDSOR DRIVE OAK BROOK,IL 60523	36-3297360	501(c)(3)	49,541				Support Mission

2

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

3

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 NORTH SIDE HEALTH NETWORK SUPPORTS ONLY NONPROFIT ORGANIZATIONS THAT ARE TAX-EXEMPT UNDER SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE AND ARE CONSISTENT WITH AND COMPLEMENTARY TO THE MISSION AND CHARITABLE, TAX-EXEMPT PURPOSES OF ADVOCATE NORTH SIDE HEALTH NETWORK. CASH CONTRIBUTIONS ARE NOT MADE TO INDIVIDUALS, FOR PROFIT BUSINESSES, OR PRIVATE PROVIDERS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
ADVOCATE NORTH SIDE HEALTH NETWORK

Employer identification number

36-3196629

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	☐ 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 or provision 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 accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	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	

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.

[illegible]

Part IIISupplemental 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) 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 SUSAN LOPEZ. 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.

Software ID:
Software Version:
EIN: 36-3196629
Name: ADVOCATE NORTH SIDE HEALTH NETWORK

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	418,324	409,767	32,922	2,402,082	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
Susan Nordstrom Lopez	(i)	378,954	379,768	199,005	204,728	33,342	1,195,797	379,768
	(ii)	0	0	0	0	0	0	0
John Song MD	(i)	900,000	0	-4,129	37,346	7,190	940,407	0
	(ii)	0	0	0	0	0	0	0
Kenji Muro MD	(i)	750,000	0	-6,695	34,600	21,301	799,206	0
	(ii)	0	0	0	0	0	0	0
Abraham Shashoua MD	(i)	486,705	111,006	-8,164	22,684	24,048	636,279	0
	(ii)		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				
Kevin Madsen MD	(i)	424,134	27,375	57,712	22,684	29,391	561,296	0
	(ii)	0	0	0	0	0	0	0
Vijay Maker	(i)	400,000	31,322	23,524	21,640	14,859	491,345	0
	(ii)	0	0	0	0	0	0	0

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ADVOCATE NORTH SIDE HEALTH NETWORK

Employer identification number
36-3196629

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	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?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	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
See Additional Data Table					

Part V

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

Identifier	Return Reference	Explanation
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Additional Data

Software ID:
Software Version:
EIN: 36-3196629
Name: ADVOCATE NORTH SIDE HEALTH NETWORK

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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
ADVOCATE HEALTH CENTERS	SHARED BOARD MEMBER	499,534	PHYSICIAN SERVICES		No
ADVOCATE HEALTH CENTERS	SHARED BOARD MEMBER	745,590	PAYROLL REIMBURSEMENT		No
ADVOCATE HEALTH CENTERS	SHARED BOARD MEMBER	124,880	TRANSFER PATIENT PAYMENTS		No
ADVOCATE HEALTH CENTERS	SHARED BOARD MEMBER	184,699	PROPERTY RENTAL		No
ADVOCATE HEALTH CENTERS	SHARED BOARD MEMBER	212,712	INSURANCE ALLOCATION		No
EVANGELICAL SERVICES CORPORATION	SHARED BOARD MEMBER	212,108,797	PAYROLL REIMBURSEMENT		No
ADVOCATE HOME CARE PRODUCTS	SHARED BOARD MEMBER	200,814	HOME HEALTH SERVICES		No
CHICAGO NORTHSIDE MRI	DIRECT INVESTMENT	55,000	INVESTMENT	Yes	
DR OSVALDO LOPEZ	FAMILY MEMBER-SUSAN LOPEZ	115,863	EMPLOYMENT		No
DR OSVALDO LOPEZ	FAMILY MEMBER-SUSAN LOPEZ	87,200	VISION CORR CTR TIME SHARE		No

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 NORTH SIDE HEALTH NETWORK

Employer identification number

36-3196629

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	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 NORTH SIDE HEALTH NETWORK ("ANSHN"), FOR WHICH ADVOCATE ILLINOIS MASONIC MEDICAL CENTER ("AIMMC") IS THE ONLY HOSPITAL, IS COMMITTED TO PROMOTING INITIATIVES THAT ENHANCE ACCESS TO HEALTH CARE FOR THE UNINSURED, UNDERINSURED, AND LOW INCOME INDIVIDUALS ANSHN OFFERS A VERY GENEROUS FINANCIAL ASSISTANCE PROGRAM, DESCRIBED FURTHER IN LINE 4D GOAL #1 BELOW ADVOCATE CONTINUES TO REVIEW AND REFINE ITS FINANCIAL ASSISTANCE POLICY IN AN ONGOING EFFORT TO ENSURE THAT FINANCIAL ASSISTANCE IS AVAILABLE TO THOSE WHO NEED HELP WHEN THEY NEED IT ANSHN MAINTAINS HIGHLY VISIBLE SIGNAGE AND BROCHURES IN MULTIPLE LANGUAGES TO INFORM PATIENTS OF THE AVAILABILITY OF FINANCIAL HELP AND FINANCIAL COUNSELORS INFORMATION ABOUT ANSHN'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, ANSHN IS DEDICATED TO PROVIDING EXPERT EMERGENCY CARE, TODAY AND IN THE FUTURE ANSHN'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, ANSHN'S TRAUMA CENTER IS STAFFED BY ON-SITE, 24-HOUR-A-DAY TRAUMA SURGEONS, AND FEATURES 24-HOUR SURGICAL AND NONSURGICAL SERVICES, SUCH AS RADIOLOGY AND ANESTHESIA FORM 990, PART III, LINE 4B HEALTH CARE SERVICES PROVIDED BY PHYSICIANS EMPLOYED BY THE ORGANIZATION ANSHN OFFERS A BROAD ARRAY OF SERVICES AND PROGRAMS DESIGNED TO MEET COMMUNITY HEALTH NEEDS, INCLUDING PHYSICIANS FOCUSED ON ADDRESSING THE MOST SIGNIFICANT ISSUES IMPACTING PUBLIC HEALTH IN ITS SERVICE AREA THEY CONCENTRATE ON PROVIDING PROGRAMS AND SERVICES THAT TARGET THE UNIQUE NEEDS FOR HEALTH CARE ACCESS OF UNINSURED, UNDERINSURED, UNDERSERVED AND SPECIAL NEEDS INDIVIDUALS LIVING IN THE COMMUNITIES SERVED BY ANSHN ANSHN PHYSICIANS ALSO PROVIDE YEAR ROUND HEALTH EDUCATION, LECTURES AND SCREENINGS AT COMMUNITY HEALTH EVENTS THROUGHOUT ANSHN'S SERVICE AREA FORM 990, PART III, LINE 4C GRADUATE MEDICAL EDUCATION - ANSHN IS COMMITTED TO TRAINING HEALTH CARE PROVIDERS IN A BROAD RANGE OF SPECIALTIES IN 2011, 595 MEDICAL STUDENTS COMPLETED ROTATIONS AND 180 RESIDENTS AND FELLOWS RECEIVED HANDS-ON TRAINING AT ANSHN

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4D	OTHER PROGRAM SERVICES	AIMMC WAS NAMED ONE OF THE NATION'S 100 TOP HOSPITALS BY THOMSON REUTERS, AND LISTED IN AMERICA'S 50 BEST HOSPITALS IN BECKER HOSPITAL REVIEW. AIMMC, LOCATED ON CHICAGO'S NORTH SIDE, IS ONE OF THE STATE'S LARGEST, MOST COMPREHENSIVE NONPROFIT MEDICAL CENTERS. THE HOSPITAL HAS 408 AUTHORIZED BEDS AND 900 ACTIVE PHYSICIANS. AIMMC IS DESIGNATED AS A LEVEL I TRAUMA CENTER AND AS A LEVEL III NEONATAL INTENSIVE CARE UNIT (NICU) - THE HIGHEST DESIGNATIONS AWARDED BY THE STATE. AIMMC'S LEVEL I TRAUMA CENTER IS ONE OF ONLY FOUR TRAUMA CENTERS IN CHICAGO. AIMMC IS NATIONALLY RECOGNIZED FOR EXPERTISE IN CARDIAC CARE AND ITS USE OF THE MOST INNOVATIVE TECHNOLOGIES AVAILABLE TO PROVIDE ADVANCED CARE WITH ATTENTION TO PATIENT SAFETY, QUALITY AND EXCELLENCE. AIMMC HAS ALSO RECEIVED MAGNET RECOGNITION STATUS FOR EXCELLENCE IN NURSING SERVICES BY THE AMERICAN NURSES CREDENTIALING CENTER. AS ONE OF ILLINOIS' LARGEST NON-UNIVERSITY MEDICAL TEACHING HOSPITALS, AIMMC TRAINS HUNDREDS OF RESIDENTS AND MEDICAL STUDENTS EACH YEAR THROUGH ITS AFFILIATIONS WITH THE UNIVERSITY OF ILLINOIS AT CHICAGO HEALTH SCIENCES CENTER, ROSALIND FRANKLIN UNIVERSITY AND MIDWESTERN UNIVERSITY, AND OTHER SIMILAR LOCATIONS. IN ADDITION TO SERVING INDIVIDUALS IN THE ACUTE CARE SETTING, AIMMC ALSO PROVIDES COMMUNITY OUTREACH THROUGH HEALTH FAIRS, WELLNESS PROGRAMS AND OTHER OUTREACH SERVICES IN SUPPORT OF ITS MVP (MISSION, VALUES AND PHILOSOPHY). THE MISSION OF AIMMC IS TO SERVE THE HEALTH NEEDS OF INDIVIDUALS, FAMILIES, AND COMMUNITIES THROUGH A WHOLISTIC PHILOSOPHY ROOTED IN THE FUNDAMENTAL UNDERSTANDING OF HUMAN BEINGS AS CREATED IN THE IMAGE OF GOD. THE VALUES OF AIMMC SERVE AS AN INTERNAL COMPASS TO GUIDE RELATIONSHIPS AND ACTIONS. THEY INCLUDE EQUALITY, COMPASSION, EXCELLENCE, PARTNERSHIP, AND STEWARDSHIP. THE PHILOSOPHY OF AIMMC IS GROUNDED IN PRINCIPLES OF HUMAN ECOLOGY, FAITH, AND COMMUNITY-BASED HEALTH CARE. THESE PRINCIPLES ARISE FROM AN UNDERSTANDING OF HUMAN BEINGS AS WHOLE PERSONS IN LIGHT OF THEIR RELATIONSHIP WITH GOD, THEMSELVES, THEIR FAMILIES, AND THE SOCIETY IN WHICH THEY LIVE. THROUGH OUR ACTIONS WE AFFIRM THESE PRINCIPLES. AIMMC PROVIDES QUALITY HEALTH CARE TO INDIVIDUALS REGARDLESS OF RACE, CREED, NATIONAL ORIGIN, AGE OR ABILITY TO PAY. IN 2011, THE HOSPITAL SERVED 172,359 PATIENTS, INCLUDING 16,921 INPATIENT ADMISSIONS AND 155,438 OUTPATIENT VISITS, DELIVERING 2,295 BABIES. THE NUMBER OF PATIENTS SERVED INCREASES TO 413,400 WHEN ADDING INDIVIDUALS SERVED BY THE PHYSICIAN GROUP AND BEHAVIORAL HEALTH SERVICES. NEARLY 40% OF THE POPULATION IN AIMMC'S SERVICE AREA IS HISPANIC, RESULTING IN A HEIGHTENED EMPHASIS ON PROVIDING BILINGUAL AND BICULTURAL-SPECIFIC HEALTH CARE SERVICES. DESPITE FACING LOW REIMBURSEMENTS, AIMMC IS DEDICATED TO MAINTAINING A STRONG PRESENCE WITHIN ITS COMMUNITY AND CONTINUES TO MONITOR THESE EXPENDITURES TO ENSURE THAT THE PROGRAMS AND SERVICES SUPPORTED ARE IN DIRECT RESPONSE TO COMMUNITY NEED. IN 2011, ANSHN PROVIDED OVER \$58 MILLION IN CHARITABLE CARE AND OTHER COMMUNITY BENEFIT SERVICES. THESE SERVICES ARE COMPRISED OF MANY COMMUNITY HEALTH PROGRAMS FOCUSED ON IMPROVING ACCESS TO CARE, ADDRESSING SPECIAL NEEDS, AND IMPROVING OVERALL COMMUNITY HEALTH. AIMMC'S COMMUNITY BENEFITS EFFORTS ARE ALIGNED WITH ADVOCATE'S COMMUNITY BENEFITS PLAN. THE ADVOCATE 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 NEEDS AS IDENTIFIED THROUGH THE HOSPITAL'S COMMUNITY HEALTH NEEDS ASSESSMENT PROCESS, BUT ALSO OTHER COMMUNITY BENEFITS SUCH AS FINANCIAL ASSISTANCE, UNREIMBURSED MEDICAID AND MEDICARE, AND ONGOING COMMUNITY BENEFIT PROGRAMS. THE PLAN SETS THE COURSE FOR STRENGTHENING EXISTING PARTNERSHIPS AND BUILDING NEW ONES WITH INDIVIDUALS AND ORGANIZATIONS WITHIN AIMMC'S SERVICE AREA IN ORDER TO LEVERAGE AND MAXIMIZE THE IMPACT OF ITS PROGRAMS. AIMMC HAS SET FORTH FOUR GOALS AND MULTIPLE OBJECTIVES TO ACCOMPLISH THIS STRATEGY. GOAL 1: UNDERTAKE OR SUPPORT INITIATIVES THAT ENHANCE ACCESS TO HEALTH AND WELLNESS SERVICES WITHIN THE DIVERSE COMMUNITIES AIMMC SERVES. FINANCIAL ASSISTANCE - AIMMC OFFERS A VERY GENEROUS FINANCIAL ASSISTANCE POLICY, REQUIRING NO PAYMENT FROM PATIENTS 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 FOR A FAMILY OF FOUR. A PATIENT'S EXTENUATING CIRCUMSTANCES ARE ALSO CONSIDERED WHEN QUALIFYING PATIENTS FOR FINANCIAL ASSISTANCE AND IN CERTAIN CASES, ANSHN USES ADVOCATE OR PUBLIC RECORDS TO DETERMINE A PATIENT'S ELIGIBILITY ("PRESUMPTIVE ELIGIBILITY"). HISPANOCARE - MORE THAN 40,000 MEMBERS OF CHICAGO'S LATINO COMMUNITY BENEFIT FROM HISPANOCARE, A NETWORK OF OVER 150 BILINGUAL AND BICULTURAL HEALTH CARE PROVIDERS REPRESENTING NEARLY 300 OFFICE LOCATIONS. THE GOAL

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4D	OTHER PROGRAM SERVICES	OF HISPANOCARE IS TO PROVIDE QUALITY , COST-EFFECTIVE HEALTH CARE TO CHICAGO'S LATINO COMMUNITY IN A CULTURALLY SENSITIVE MANNER TO EASE THE FINANCIAL BURDEN, HISPANOCARE PROVIDERS AGREE TO GIVE ENROLLEES A 20 PERCENT DISCOUNT ON ALL OUT-OF-POCKET EXPENSES MOBILE DENTAL VAN - THE MOBILE DENTAL VAN OFFERS ACCESS TO ORAL HEALTH SERVICES TO OVER 600 UNDERSERVED AND UNINSURED INDIVIDUALS EACH YEAR THE MOBILE DENTAL VAN REGULARLY TRAVELS ACROSS THE CITY OF CHICAGO STOPPING AT SENIOR RESIDENCES, SCHOOLS AND PRIMARY CARE CLINICS TO PROVIDE DENTAL SCREENINGS, TREATMENT, AND EDUCATION TO HARD-TO-REACH AND UNDERSERVED POPULATIONS INCLUDING ELDERLY PEOPLE WITH LIMITED MOBILITY, CHILDREN FROM LOW-INCOME FAMILIES, DISABLED PERSONS, IMMIGRANTS AND THE HOMELESS LGBTQ COMMUNITY - AIMMC IS LOCATED NEAR ONE OF THE LARGEST LESBIAN GAY BISEXUAL TRANSGENDER QUESTIONING (LGBTQ) COMMUNITIES IN THE MIDWEST IN 2011, AIMMC WAS NAMED A LEADER IN PROVIDING EQUAL HEALTH CARE SERVICES FOR THE LGBTQ COMMUNITY BY THE HUMAN RIGHT CAMPAIGN FOUNDATION'S HEALTH CARE EQUALITY INDEX (HEI) REPORT FOR A THIRD CONSECUTIVE YEAR AIMMC EARNED TOP MARKS FOR ITS POLICIES AND PRACTICES RELATED TO LESBIAN, GAY, BISEXUAL, TRANSGENDER AND QUESTIONING PATIENTS AND THEIR FAMILIES AIMMC IS ONE OF ONLY TWO FACILITIES IN CHICAGO TO HAVE BEEN RECOGNIZED AS A LEADER, DEMONSTRATING THAT THEY PROTECT THEIR LGBTQ PATIENTS AND EMPLOYEES FROM DISCRIMINATION, ENSURE EQUAL VISITATION ACCESS FOR SAME-SEX COUPLES AND SAME-SEX PARENTS THROUGH EXPLICITLY INCLUSIVE POLICIES AND PROVIDE TRAINING FOR ALL PERSONNEL ON LGBTQ CULTURAL COMPETENCY AIMMC WORKS DIRECTLY WITH THE CENTER ON HALSTED, THE MIDWEST'S MOST COMPREHENSIVE COMMUNITY CENTER DEDICATED TO BUILDING AND STRENGTHENING THE LGBTQ COMMUNITY

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4D (CONTD)		GOAL 2 POSITIVELY AFFECT THE HEALTH STATUS AND QUALITY OF LIFE OF INDIVIDUALS AND POPULATIONS IN COMMUNITIES SERVED BY AIMMC THROUGH PROGRAMS AND PRACTICES THAT REFLECT AIMMC'S WHOLISTIC PHILOSOPHY DEAF AND HARD OF HEARING PROGRAM - AIMMC'S DEAF AND HARD OF HEARING PROGRAM PROVIDES COMPREHENSIVE MENTAL HEALTH CARE IN AMERICAN SIGN LANGUAGE (ASL) TO DEAF, HARD OF HEARING AND DEAF-BLIND CHILDREN, ADOLESCENTS, AND ADULTS IN THE SIX-COUNTY CHICAGO REGION. THE PROGRAM OFFERS A CONTINUUM OF CARE THAT INCLUDES CLINICAL ASSESSMENTS, PRE-SCREENINGS AND LINKAGE, INDIVIDUAL, FAMILY AND GROUP THERAPY, PSYCHIATRIC EVALUATIONS AND MEDICATION MONITORING, AND INTERVENTION WITH A 24-HOUR PHONE LINE CONNECTED TO A TTY (TELETYPE) SYSTEM. A TELEPSYCHIATRY NETWORK ENABLES THE PROVISION OF OTHERWISE SCARCE DEAF-FRIENDLY PSYCHIATRIC SERVICES IN THE HOMES OF DEAF PATIENTS WHO HAVE RECEIVED THE FREE VIDEOPHONE EQUIPMENT AND SERVICES SUPPORTED BY THE FCC. A HEALTH EDUCATION WEB SITE THAT ALLOWS USERS TO ORDER FREE ASL HEALTH EDUCATION DVD'S IS ALSO AVAILABLE FOR USE BY THE DEAF AND HARD OF HEARING COMMUNITY. OVER THE YEARS, AIMMC HAS DISTRIBUTED OVER 2,400 FREE ASL DVD'S ON HIV/AIDS, STD'S, BREAST HEALTH, DIABETES, DEPRESSION AND SMOKING CESSATION. PEDIATRIC DEVELOPMENT CENTER- INTENSIVE TREATMENT CAN BE CRUCIAL FOR CHILDREN DIAGNOSED WITH AUTISM. THE PEDIATRIC DEVELOPMENT CENTER AT AIMMC OFFERS A 12-MONTH COURSE OF INTENSIVE, HOME-BASED INTERVENTION FOR CHILDREN WITH AUTISM BETWEEN THE AGES 2 TO 6 YEARS OLD. INTEGRATING A VARIETY OF TREATMENT APPROACHES, PROGRAM GOALS INCLUDE ORGANIZING THE HOME ENVIRONMENT FOR SUCCESSFUL PARENTING, DEVELOPING A FUNCTIONAL COMMUNICATION SYSTEM FOR THE CHILD, TEACHING PARENTS HOW TO HELP THEIR YOUNG CHILD WITH AUTISM TO GROW AND LEARN, AND PREPARING THE CHILD TO TAKE FULL ADVANTAGE OF SPECIAL EDUCATION. THE AUTISM TREATMENT CENTER AT AIMMC IS THE LARGEST IN THE STATE. SPECIAL PATIENT DENTAL CARE - THE SPECIAL PATIENT DENTISTRY PROGRAM AT AIMMC PROVIDES QUALITY ORAL HEALTH CARE TO PATIENTS WITH MENTAL OR PHYSICAL DISABILITIES, SUCH AS DOWN SYNDROME, MENTAL RETARDATION AND CEREBRAL PALSY. A PATIENT WITH DEVELOPMENTAL DISABILITIES MAY NOT UNDERSTAND THE NEED FOR DENTAL CARE, OR WHY A DENTIST WANTS TO PROBE INSIDE HIS OR HER MOUTH, OR MAY FIND IT CHALLENGING TO SIT IN A DENTAL CHAIR FOR AN EXAMINATION. THESE SPECIAL NEEDS PATIENTS AND THEIR FAMILIES MAY OVERLOOK ESSENTIAL DENTAL CARE WHEN FACING MORE PRESSING HEALTH PROBLEMS. MANY DENTISTS LACK THE TRAINING OR EQUIPMENT NEEDED TO HELP SUCH PATIENTS. AS A RESULT, MANY PEOPLE WITH DISABILITIES LACK ACCESS TO EVEN THE MOST BASIC ROUTINE DENTAL CARE. IN ADDITION TO SEEING 2,000 PATIENTS ANNUALLY, THE SPECIAL PATIENT DENTISTRY PROGRAM ALSO PROVIDES EDUCATIONAL OUTREACH AND SCREENING SERVICES WITHIN THE COMMUNITY. THE PROGRAM'S DENTAL HYGIENIST TRAVELS TO SCHOOLS, WORKSHOPS AND RESIDENTIAL FACILITIES FOR THE DISABLED AND PROVIDES ON-SITE ORAL HYGIENE INSTRUCTION. MEDICATION ASSISTANCE PROGRAM - AIMMC IMPLEMENTED THIS PROGRAM TO ASSIST PATIENTS WHO ARE UNABLE TO AFFORD MEDICATION AND WHO OFTEN FOREGO TREATMENT, CAUSING THEIR CONDITIONS TO WORSEN. AIMMC'S PHARMACY DEPARTMENT'S VISION IS TO HELP PATIENTS SECURE PRESCRIPTIONS THEY ARE UNABLE TO AFFORD. THE MEDICATION ASSISTANCE PROGRAM HELPED MORE THAN 920 PATIENTS IN 2011, PROVIDING ACCESS TO \$712,000 IN MEDICATIONS, \$43,000 OF WHICH WAS PAID FOR THROUGH GRANTS, WITH THE BALANCE COVERED BY AIMMC. GOAL 3 LEVERAGE RESOURCES AND MAXIMIZE COMMUNITY OUTREACH EFFORTS BY BUILDING AND STRENGTHENING COMMUNITY PARTNERSHIPS. SCHOOL-BASED HEALTH CENTERS - AIMMC'S SCHOOL-BASED HEALTH CENTERS LOCATED AT AMUDSEN AND LAKEVIEW HIGH SCHOOLS ON CHICAGO'S NORTH SIDE OFFER HEALTH SERVICES TO TEENAGERS FROM LOW-INCOME NEIGHBORHOODS, REACHING STUDENTS MORE EFFECTIVELY BECAUSE THE SERVICES ARE IN THE SCHOOL. DURING 2011, THE CENTERS SERVED 857 STUDENTS FOR A TOTAL OF 2,550 INDIVIDUAL MEDICAL AND MENTAL HEALTH VISITS, AND 2,575 VISITS IN GROUP ENCOUNTERS THROUGH WORKSHOPS COVERING TOPICS SUCH AS NUTRITION, REPRODUCTIVE HEALTH, DOMESTIC VIOLENCE, TOBACCO USE AND SUBSTANCE ABUSE. THE HEALTH CENTERS SERVE THE SCHOOLS' COMMUNITIES WITH THE GOAL OF NOT ONLY PROVIDING TOP QUALITY, AFFORDABLE AND ACCESSIBLE HEALTH AND MENTAL HEALTH CARE, BUT ALSO EDUCATING ADOLESCENTS ABOUT BEING GOOD CONSUMERS OF HEALTH CARE SERVICES. COMMUNITY HEALTH FAIRS - AIMMC'S COMMUNITY HEALTH FAIRS BRING SERVICES TO AREAS THAT MAY NOT HAVE EASY ACCESS TO CARE AND FOR WHICH LANGUAGE CAN BE A BARRIER TO RECEIVING HIGH QUALITY CARE. AIMMC'S COMMUNITY HEALTH FAIRS AND SCREENINGS PROVIDE ACCESS TO HEALTH SCREENINGS PERFORMED ONE-ON-ONE BY BILINGUAL HEALTH PROFESSIONALS FOR RESIDENTS OF THE HOSPITAL'S SERVICE AREA. THE HEALTH EVENTS PROVIDE MANY RESIDENTS WITH THEIR FIRST CONTACT WITH A MEDICAL PROFESSIONAL AND INITIAL HEALTH SCREENINGS. THE FREE HEALTH SCREENINGS INCLUDE ASTHMA/PULMONARY TESTING, GLUCOSE, CHOLESTEROL AND BLOOD PRESSURE SCREENINGS THAT ARE ABNORMAL MAY I

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4D (CONTD)		INDICATE A POTENTIAL HEALTH CONCERN THAT SHOULD BE ADDRESSED THESE INDIVIDUALS ARE PROVIDED WITH PERTINENT HEALTH INFORMATION AND PHYSICIAN/CLINIC FOLLOW-UP INFORMATION BESIDES SCREENINGS, AIMMC USES COMMUNITY HEALTH FAIRS TO MAKE VARIOUS HEALTH AND SOCIAL SERVICE INFORMATION WIDELY AVAILABLE TO THE PUBLIC DISASTER COORDINATION - AS ONE OF ONLY 11 HOSPITALS IN ILLINOIS RESPONSIBLE FOR COORDINATING MEDICAL RESPONSE EFFORTS WHEN THE EMERGENCY MEDICAL DISASTER PLAN IS ACTIVATED, AIMMC SERVES AS THE LEAD HOSPITAL FOR DISASTERS OCCURRING IN CHICAGO AS A DESIGNATED LEVEL I TRAUMA CENTER, AIMMC IS POSITIONED TO PARTICIPATE AND LEAD COORDINATION OF DISASTER RESPONSE ACTIVITIES FOR ITS OWN HOSPITAL AND FOR OTHER PARTICIPATING HOSPITALS AND EMS PROVIDERS IN CHICAGO, INCLUDING MAINTAINING AN ESTABLISHED TWO-WAY COMMUNICATION SYSTEM WITH PARTICIPATING HOSPITALS IN FEBRUARY 2011, AIMMC WAS RECOGNIZED BY THE CHICAGO FIRE DEPARTMENT FOR ITS PREPARATION AND ACTION DURING THE FEBRUARY 2011 BLIZZARD THAT JEOPARDIZING THE LIVES OF HUNDREDS OF LOCAL RESIDENTS COMMUNITY INVOLVEMENT - AS A RESPECTED MEMBER OF THE COMMUNITY, AIMMC REPRESENTATIVES BRING THEIR EXPERTISE TO THE SURROUNDING COMMUNITY BY SERVING ON AREA BOARDS, COUNCILS, TASK FORCES AND COMMITTEES AIMMC IS ACTIVELY INVOLVED WITH THE AREA'S CHAMBER OF COMMERCE A LEADERSHIP TEAM REPRESENTATIVE HAS SERVED FOR SEVERAL YEARS ON THE MAYOR OF CHICAGO'S SENIOR WELLNESS TASK FORCE EACH YEAR THE HOSPITAL ALSO HOSTS QUARTERLY COMMUNITY CLERGY FUNCTIONS AND SERVES AS A CO-SPONSOR TO THE SCHOOL HEALTH FAIR WITH STATE SENATOR MARTINEZ AND THE SENIOR HEALTH FAIR WITH CHICAGO ALDERMAN TUNNEY

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4D (CONTD)		GOAL 4 PROMOTE INTEGRATION OF AND ACCOUNTABILITY FOR AIMMC'S COMMUNITY HEALTH PLANS BY ENHANCING COORDINATION AND DEVELOPING GOVERNANCE RELATIONSHIPS IN JANUARY 2011, AIMMC IMPLEMENTED A NEW COMMUNITY HEALTH ACCOUNTABILITY STRUCTURE. THE OVERALL GOAL WAS TO MORE STRATEGICALLY FOCUS THE HOSPITAL'S 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 HOSPITAL'S EXECUTIVE TEAM, PUBLIC AFFAIRS AND MARKETING, MISSION AND SPIRITUAL CARE, AND BUSINESS DEVELOPMENT AND STRATEGY DEPARTMENTS, LED BY THE HOSPITAL'S COMMUNITY HEALTH LEADER, MET REGULARLY DURING THE FIRST HALF OF THE YEAR. IN ADDITION, THREE GOVERNING COUNCIL REPRESENTATIVES FROM THE COMMUNITY WERE INVITED TO SERVE AS ACTIVE PARTICIPANTS 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 SELECTED KEY FOCUS AREAS. THE COMMITTEE WILL CONTINUE TO MEET EACH YEAR AS PART OF THE HOSPITAL'S ONGOING ASSESSMENT PROCESS. IN 2011, AIMMC'S COMMUNITY HEALTH COMMITTEE MEMBERS ATTENDED THREE COMMUNITY HEALTH NEEDS ASSESSMENT ("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 COMMITTEE IDENTIFIED THE HOSPITAL 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 HOSPITAL'S AND COMMUNITY'S 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 AIMMC'S 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, AIMMC'S PLAN SUMMARY WILL BE SHARED PERIODICALLY WITH ADVOCATE HEALTH CARE'S MISSION AND SPIRITUAL CARE COMMITTEE OF THE BOARD, WHICH 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, QUESTION 1A	THE ORGANIZATIONS BY LAWS 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, QUESTION 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 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 DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS FORM 990, PART VI, QUESTION 7B THE FOLLOWING RESERVE POWERS IDENTIFIED IN THE BY LAWS 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 BY LAWS 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 BY LAWS 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 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. 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.

Identifier	Return Reference	Explanation
HOURS PER WEEK FOR RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A	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. JAMES FELTES WAS PAID BY ADVOCATE HEALTH & HOSPITALS CORPORATION FOR PRIOR YEAR SERVICES. OTHER CHANGES IN NET ASSETS OR FUND BALANCES FORM 990, PART XI, LINE 5 UNREALIZED GAIN \$9,420,887

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 NORTH SIDE HEALTH NETWORK

Employer identification number
36-3196629

Part I

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

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

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) DREYER MERCY AMBULATORY SURGERY CENTER P 1221 N HIGHLND AURORA, IL 60523 36-3890298	MEDICAL SERVICES	IL	NA							Yes		60 000 %

Part IV

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

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

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

No

1n

No

1o

Yes

1p

Yes

1q

Yes

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) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Software ID:

Software Version:

EIN: 36-3196629

Name: ADVOCATE NORTH SIDE HEALTH NETWORK

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 CONDELL MEDICAL CENTER 2025 WINDSOR DRIVE OAK BROOK, IL 60523 26-2525968	HEALTH CARE	IL	501(c)(3)	3	AHHC		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
MERIDIAN HOSPICE 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3158667	HOSPICE CARE	IL	501(c)(3)	9	EHSHHCS		No
HISPANO CARE INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3606486	HEALTH CARE	IL	501(c)(3)	9	ANHN	Yes	
RAVENSWOOD HEALTH CARE FOUNDATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3196628	FUNDRAISING	IL	501(c)(3)	11-II	NA		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 HOME CARE PRODUCTS 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3315416	HEALTH SERVICES	IL	NA	C CORP			
HIGH TECHNOLOGY INC 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3368224	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			
MIDWEST HEART SPECIALISTS LTD 1901 S MEYERS ROAD SUITE 350 OAK BROOK 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			
PARKSIDE CENTER CONDO ASSOCIATION 1775 WEST DEMPSTER STREET PARK RIDGE, IL 60068 36-3452486	PROPERTY MGMT	IL	NA	C CORP			
DREYER CLINIC INC 1877 W DOWNER PLACE AURORA, IL 60506 36-2690329	MEDICAL SERVICES	IL	NA	C CORP			
EVANGELICAL SERVICES CORPORATION 2025 WINDSOR DRIVE OAK BROOK, IL 60523 36-3208101	MGMT SERVICES	IL	NA	C CORP			
ADVOCATE INSURANCE SPC 23 LIME TREE BAY AVE GOV SQ BLD 3 GRAND CAYMAN CJ 98-0422925	INSURANCE	CJ	NA	C CORP			

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) ADVOCATE HEALTH AND HOSPITALS CORP	A	1,042	COST
(2) HISPANO CARE INC	B	300,000	COST
(3) ADVOCATE HEALTH AND HOSPITALS CORP	L	42,088,509	COST
(4) ADVOCATE HEALTH AND HOSPITALS CORP	O	76,661,064	COST
(5) ADVOCATE HEALTH AND HOSPITALS CORP	P	41,311,153	COST
(6) ADVOCATE HEALTH AND HOSPITALS CORP	Q	8,610,770	COST
(7) ADVOCATE HEALTH AND HOSPITALS CORP	R	14,043,251	COST

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			
Susan Nordstrom Lopez President of Advocate IMMC	40 0				X			957,727	0	238,070
John Song MD Neurosurgeon	40 0					X		895,871	0	44,536
Kenji Muro MD Neurosurgeon	40 0					X		743,305	0	55,901
Abraham Shashoua MD PHYSICIAN- OB/GYN	40 0					X		589,547	0	46,732
Kevin Madsen MD PHYSICIAN- OB/GYN	40 0					X		509,221	0	52,075
Vijay Maker Chair Surgery Department	40 0					X		454,846	0	36,499

Additional Data

Software ID:

Software Version:

EIN: 36-3196629

Name: ADVOCATE NORTH SIDE HEALTH NETWORK

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 AND COO, DIRECTOR	1 0	X		X				0	3,316,797	732,783
Mark Harris Chairperson, Director	1 0	X						0	0	0
Michele Baker Richardson Vice Chairperson, Director	1 0	X						0	0	0
David Anderson Director	1 0	X						0	0	0
Alejandro Aparicio MD Director	1 0	X						0	0	0
Lynn Crump-Caine Director	1 0	X						0	0	0
John Dossey Director	1 0	X						0	0	0
Jose Elizondo MD Director	1 0	X						0	223,764	36,897
Ronald Mallicoat Jr Director	1 0	X						0	0	0
Laurie Meyer Director	1 0	X						0	0	0
Clarence Nixon Jr PhD Director	1 0	X						0	0	0
Carolyn Smeltzer Director	1 0	X						0	0	0
John Timmer Director	1 0	X						0	0	0
William P Santulli President & CEO	1 0			X				0	1,959,393	442,689
Lee B Sacks MD Exec VP, Chief Medical Officer	1 0			X				0	1,588,058	332,580
James Dan MD PRES OF PHYS & AMBULATORY SVCS	1 0			X				0	948,547	385,468
James Doheny VP, Finance & Corp Controller	1 0			X				0	387,814	54,221
Kelly Jo Golson SVP, Public Affairs & Mktg	1 0			X				0	491,779	291,770
Ben Grigaliunas SVP, Human Resources	1 0			X				0	1,256,726	1,588,637
Gail D Hasbrouck SVP, Gen Counsel, Corp Sec	1 0			X				0	977,032	180,561
Dominic J Nakis SVP, CHIEF FINANCIAL OFFICER	1 0			X				0	1,461,311	330,850
Scott Powder SVP, Strategic Plan & Growth	1 0			X				0	580,687	123,888
Bruce D Smith SVP, CIO	1 0			X				0	963,557	195,285
Rev Jerry Wagenknecht SVP, Mission/Spritual Care 6/11	0 0			X				0	238,846	6,627
Rev K Bender Schwich SVP, Mission & Spiritual Care	1 0			X				0	119,548	88,215

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



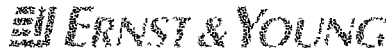
Advocate Health Care Network and Subsidiaries

Consolidated Financial Statements and Supplementary Information

Years Ended December 31, 2011 and 2010

Contents

Report of Independent Auditors.....	1
Consolidated Financial Statements	
Consolidated Balance Sheets	2
Consolidated Statements of Operations and Changes in Net Assets	4
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7
Supplementary Information	
Report of Independent Auditors on Supplementary Information	45
Advocate Health Care Network and Subsidiaries:	
Details of Consolidated Balance Sheet	46
Details of Consolidated Statement of Operations and Changes in Net Assets	48
Advocate Health and Hospitals Corporation and Subsidiaries:	
Details of Consolidated Balance Sheet	49
Details of Consolidated Statement of Operations and Changes in Net Assets	51
Advocate Northside Health System and Subsidiaries:	
Details of Consolidated Balance Sheet	52
Details of Consolidated Statement of Operations and Changes in Net Assets	54
Evangelical Services Corporation and Subsidiaries	
d/b/a Advocate Network Services, Inc. and Subsidiaries:	
Details of Consolidated Balance Sheet	55
Details of Consolidated Statement of Operations and Changes in Net Assets	57



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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
	<u>\$ 6,978,863</u>	<u>\$ 6,721,035</u>

	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
Total liabilities	2,133,150	1,886,212
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
	<u>\$ 6,978,863</u>	<u>\$ 6,721,035</u>

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)
	<u>3,770,866</u>	<u>3,672,786</u>
Capitation revenue	397,485	392,854
Other revenue	272,113	227,464
	<u>4,440,464</u>	<u>4,293,104</u>
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
	<u>4,139,652</u>	<u>3,957,901</u>
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)
	<u>(152,459)</u>	<u>478,866</u>
Revenues in excess of expenses	<u>\$ 148,353</u>	<u>\$ 814,069</u>

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	<u>\$ 3,559,505</u>	<u>\$ 3,468,018</u>

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

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (Dollars in Thousands)

December 31, 2011

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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
	<u>3,731,473</u>	<u>3,282,292</u>
Other financial instruments:		
Cash and cash equivalents and short-term investments	323,168	567,466
	<u>\$ 4,054,641</u>	<u>\$ 3,849,758</u>

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
	<u>\$ 4,054,641</u>	<u>\$ 3,849,758</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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:

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

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

	<u>2011</u>	<u>2010</u>
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
	<u>\$ (33,698)</u>	<u>\$ 351,324</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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	<u>\$ 4,054,641</u>			
Collateral proceeds received under securities lending program	<u>\$ 19,135</u>		<u>\$ 19,135</u>	
Liabilities				
Obligations under swap agreements	<u>\$ (89,092)</u>		<u>\$ (89,092)</u>	
Liability under swap agreements	<u>\$ (89,092)</u>		<u>\$ (89,092)</u>	
Obligations to return collateral under securities lending program	<u>\$ (19,410)</u>		<u>\$ (19,410)</u>	

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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	<u>\$ 3,849,758</u>				
Collateral proceeds received under securities lending program	<u>\$ 218,777</u>		<u>\$ 218,777</u>		
Liabilities					
Obligations under swap agreements	\$ (44,081)		\$ (44,081)		
Collateral under swap agreements	27,970		27,970		
Liability under swap agreements	<u>\$ (16,111)</u>		<u>\$ (16,111)</u>		
Obligations to return collateral under securities lending program	<u>\$ (219,052)</u>		<u>\$ (219,052)</u>		

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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:

	<u>2011</u>	<u>2010</u>
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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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:

	<u>2011</u>	<u>2010</u>
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

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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%

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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	<u>\$ (89,092)</u>	<u>\$ (16,111)</u>

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)	<u>\$ 10,400</u>	<u>\$ 10,429</u>
Change in the fair value of interest rate swaps (nonoperating)	<u>\$ (45,011)</u>	<u>\$ (14,335)</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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
	<u>\$ 75,331</u>	<u>\$ 74,786</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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
	<u>\$ 38,463</u>	<u>\$ 28,794</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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	<u>\$ 653,518</u>	<u>\$ 672,769</u>
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	<u>\$ 761,890</u>	<u>\$ 707,064</u>
Plan assets less than projected benefit obligation	<u>\$ (108,372)</u>	<u>\$ (34,296)</u>
Accumulated benefit obligation at end of year	<u>\$ 699,330</u>	<u>\$ 650,664</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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	<u><u>\$ 24,776</u></u>	<u><u>\$ 21,827</u></u>

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
	<u><u>\$ 214,353</u></u>	<u><u>\$ 142,752</u></u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued) (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:

Asset Category	Target	Actual Asset Allocation	
		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%).

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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:

Description	Fair Value	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)
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	<u>\$ 653,518</u>	<u>\$ 222,243</u>	<u>\$ 318,325</u>	<u>\$ 112,950</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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	<u>\$ 43,083</u>	<u>\$ 53,737</u>	<u>\$ 16,130</u>

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:

Description	Fair Value	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)
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	<u>\$ 672,769</u>	<u>\$ 434,443</u>	<u>\$ 150,428</u>	<u>\$ 87,898</u>

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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	<u>\$ 30,414</u>	<u>\$ 46,290</u>	<u>\$ 11,194</u>

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

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollars in Thousands)

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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)

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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:

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

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.

Advocate Health Care Network and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(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:

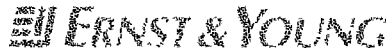
Cash and cash equivalents	\$ 10,998
Other current assets	61,836
Property and equipment	160,788
Other long-term assets	47,759
Total assets	<u>281,381</u>
Current liabilities	26,354
Other long-term liabilities	9,449
Total liabilities	<u>35,803</u>
Increase in net assets	<u>\$ 245,578</u>

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

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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
\$	22,711	\$	–	\$	5,897	\$	–
Current liabilities:	197,870	–	–	197,870	–	–	–
Current portion of long-term debt	201,800	–	–	190,284	10,572	845	99
Long-term debt subject to short-term remarketing arrangements	335,044	–	–	309,006	24,602	1,436	–
Accounts payable	196,584	(2,000)	1,500	160,554	31,543	320	4,667
Accrued salaries and employee benefits	214,637	–	–	212,244	2,393	–	–
Accrued expenses	98,152	–	3	67,571	2,989	–	27,589
Amounts due to primary third-party payors							
Current portion of accrued insurance and claims costs	–	(42,120)	20	23,963	13,395	4,069	673
Notes and accounts payable to Advocate Health Care Network and subsidiaries	19,410	–	–	19,410	–	–	–
Obligations to return collateral under securities lending program							
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	–
Total liabilities	2,133,150	–	1,163	1,864,012	54,427	2,645	210,903
	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
\$	3 982 373 \$	(45 049) \$	– \$	3 803 553 \$	223 869 \$	– \$	–
	(211 507)	–	–	(201 909)	(9 598)	–	–
	3 770 866	(45 049)	–	3 601 644	214 271	–	–
	397 485	–	–	16 799	380 686	–	–
	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
	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

\$	266,349	\$	–	\$	163,733	\$	32,130	\$	55,164	\$	344	\$	14,978	\$	–	\$	9,606	\$	5,372
	64,573	–	–	64,573	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	485,620	–	–	373,497	67,253	37,749	2,893	4,228	–	2,272	1,956								
	6,258	–	–	4,808	–	1,450	–	–	–	–	–	–	–	–	–	–	–	–	–
	17,583	–	–	15,460	1,020	209	–	894	–	880	14								
	–	(39,133)	21,436	12,872	4,354	1	–	470	(347)	727	90								
	189,181	–	145,212	31,425	10,581	1,587	–	376	–	357	19								
	19,135	–	19,135	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	1,048,699	(39,133)	807,854	144,700	109,507	4,825	20,946	(347)	13,842	7,451									
	3,333,527	–	3,247,259	84,475	–	–	1,793	–	1,423	370									
	19,067	–	19,067	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	105,925	–	80,512	25,384	29	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	104,778	(15,869)	41,187	79,403	–	57	–	–	–	–	–	–	–	–	–	–	–	–	–
	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									
	166,870	–	97,005	14,806	55,059	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	2,013,839	–	1,669,904	109,811	233,360	–	764	–	764	–	–	–	–	–	–	–	–	–	–
	1,121,834	–	1,013,835	51,524	50,001	2,330	4,144	–	4,079	65									
	112,100	–	101,544	9,715	841	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	3,414,643	–	2,882,288	185,856	339,261	2,330	4,908	–	4,843	65									
	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

Assets

Current assets:

Cash and cash equivalents
Assets limited as to use
Patient accounts receivable, less allowances for uncollectible accounts
Amounts due from primary third-party payors
Accounts receivable from Advocate Health Care Network and subsidiaries
Intercompany accounts receivable
Prepaid expenses, inventories, and other current assets
Collateral proceeds received under securities lending program
Total current assets

Assets limited as to use:

Internally and externally designated investments limited as to use
Investments under securities lending program
Other noncurrent assets
Interest in health care and related entities
Deferred costs and intangible assets, less allowances for amortization

Property and equipment – at cost:

Land and land improvements
Buildings
Movable equipment
Construction-in-progress

Less allowances for depreciation

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
\$	16,814	\$ -	\$ 16,520	\$ -	\$ 221	\$ 73	\$ -	\$ -	\$ -	\$ -
	197,870	-	197,870	-	-	-	-	-	-	-
	190,284	-	157,906	16,921	11,563	1,257	2,637	-	1,495	1,142
	309,006	-	270,822	19,210	12,452	2,175	4,347	-	3,706	641
	160,554	-	99,803	32,457	22,056	5,610	628	-	443	185
	212,244	-	154,105	19,801	32,578	-	5,760	-	5,743	17
	67,571	-	67,316	255	-	-	-	-	-	-
	23,963	-	19,578	2,107	1,199	-	1,079	-	894	185
	-	(39,133)	17,654	12,966	7,185	217	1,111	(347)	827	631
	19,410	-	19,410	-	-	-	-	-	-	-
	1,197,716	(39,133)	1,020,984	103,717	87,254	9,332	15,562	(347)	13,108	2,801
	997,559	-	966,446	-	31,033	80	-	-	-	-
	106,664	-	75,687	-	30,977	-	-	-	-	-
	592,297	-	590,848	1,306	-	143	-	-	-	-
	89,092	-	89,092	-	-	-	-	-	-	-
	78,400	-	70,788	6,809	158	645	-	-	-	-
	1,864,012	-	1,792,861	8,115	62,168	868	-	-	-	-
	3,061,728	(39,133)	2,813,845	111,832	149,422	10,200	15,562	(347)	13,108	2,801
	3,184,342	-	2,605,701	319,648	250,582	-	8,411	-	3,345	5,066
	1,022	-	1,022	-	-	-	-	-	-	-
	-	(15,869)	-	-	-	15,869	-	-	-	-
	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

Liabilities and net assets

Current liabilities:

Current portion of long-term debt
Long-term debt subject to short-term remarketing arrangements
Accounts payable
Accrued salaries and employee benefits
Accrued expenses
Amounts due to primary third-party payors
Current portion of accrued insurance and claims costs
Notes and accounts payable to Advocate Health Care Network and subsidiaries
Intercompany payables
Obligations to return collateral under securities lending program
Total current liabilities

Noncurrent liabilities:

Long-term debt, less current portion
Pension plan liability
Accrued insurance and claims cost, less current portion
Obligations under swap agreements, net of collateral posted
Other noncurrent liabilities

Total liabilities

Net assets:

Unrestricted
Temporarily restricted
Additional paid-in capital
Total net assets

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									
Postretirement benefit plan adjustments	4,767	-	3,789	943	35	-	-	-	-
Increase in unrestricted net assets	(71,780)	-	(60,918)	-	(10,862)	-	-	-	-
	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)	-	-	-	-	-	-
	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 and subsidiaries	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	\$ 5,897	\$ -	\$ -	\$ -	\$ -	\$ 5,897	\$ -	\$ -	-
Current portion of 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

and the fact that the
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[illegible]