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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 ORGANIZATION STRIVES TO MAKE AVAILABLE A FULL CONTINUUM OF SERVICES, BOTH PRIMARY AND SPECIALTY, APPROPRIATE TO MAINTAIN AND IMPROVE THE HEALTH OF THE COMMUNITIES IT SERVES THESE SERVICES EMPHASIZE AVOIDING ILLNESS THROUGH PREVENTIVE PRIMARY CARE, AS WELL AS OFFERING ACCESS TO THE ADVANCED AND STATE-OF-THE-ART TECHNOLOGIES NECESSARY TO RESTORE HEALTH

2

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

Yes

No

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

3

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

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 822,117,286 including grants of \$ 73,650) (Revenue \$ 990,095,600)

THE HOSPITALS PROVIDED INPATIENT MEDICAL CARE, MATERNITY SERVICES AND CHARITY CARE THE HOSPITALS SERVED BOTH THE AGED AND THE POOR BY PARTICIPATION IN THE MEDICARE AND MEDICAID PROGRAMS THE HOSPITALS PROVIDED OUTPATIENT SERVICES TO MEMBERS OF THE COMMUNITY REGARDLESS OF ABILITY TO PAY

4b

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

4c

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

4d

Other program services (Describe in Schedule O)





















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

4e

Total program service expenses \$ 822,117,286

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> 	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> 	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> 	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> 	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. 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		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer 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		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance						
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>						
		YesNo				
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1c				
1a	666					
1b	9					
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c				
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return	2a	8,566	2b	Yes	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b				
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes			
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a		No		
b	If "Yes," enter the name of the foreign country <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a		No		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No		
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7	Organizations that may receive deductible contributions under section 170(c).	7a	Yes			
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?	7b	Yes			
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c		No		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d				
d	If "Yes," indicate the number of Forms 8282 filed during the year					
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7f		No		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		No		
9	Sponsoring organizations maintaining donor advised funds.	9a		No		
a	Did the organization make any taxable distributions under section 4966?	9b		No		
b	Did the organization make a distribution to a donor, donor advisor, or related person?					
10	Section 501(c)(7) organizations. Enter	10a		10b		
a	Initiation fees and capital contributions included on Part VIII, line 12	10b				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities					
11	Section 501(c)(12) organizations. Enter	11a		11b		
a	Gross income from members or shareholders	11b				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)					
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		No		
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.	13a		No		
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	13b		13c		
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	13c				
c	Enter the aggregate amount of reserves on hand					
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No		
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b				

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	Yes	
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?		No
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?	Yes	
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?	Yes	
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. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization 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.	DAVID WRIGLEY 100 N RIVER ROAD 2ND FLOOR des plaines,IL 60016 (847) 813-3728

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)	▼	6,400,925	5,159,081	1,120,755

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. 290

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. 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
FELMLEY-DICKERSON PO BOX 1550 BLOOMINGTON, IL 617021550	CONTRACTOR	2,469,360
SHALES MCNUTT CONSTRUCTION 749 N STATE STREET ELGIN, IL 60123	CONSTRUCTION	2,557,150
MADISON AVENUE ANESTHESIA PLACEMENT 19627 S LAGRANGE RD MOKENA, IL 60448	ANESTHESIA SERVICES	4,100,004
CHRISTIE CLINIC LLC 101 W UNIVERSITY AVENUE CHAMPAIGN, IL 61820	HOSPITALIST SERVICES	1,043,818
ANESTHESIA ASSOC 2540 HANFORD LANE AURORA, IL 60502	ANESTHESIA SERVICES	1,740,163

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 70

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	659,203			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	147,804			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,657,410			
	g	Noncash contributions included in lines 1a-1f \$ 231,022					
	h	Total. Add lines 1a-1f		4,464,417			
Program Service Revenue	2a	NET PATIENT REVENUE	Business Code 900099	990,095,600	990,095,600		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		990,095,600			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		2,467,272		867,184
4		Income from investment of tax-exempt bond proceeds . .		0			
5		Royalties		0			
6a		Gross rents	(i) Real 2,054,276	(ii) Personal			
b		Less rental expenses					
c		Rental income or (loss)	2,054,276				
d		Net rental income or (loss)		2,054,276		286,636	1,767,640
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b		Less cost or other basis and sales expenses		3,960,322			
c		Gain or (loss)		-3,960,322			
d		Net gain or (loss)		-3,960,322			-3,960,322
8a		Gross income from fundraising events (not including \$ 659,201 of contributions reported on line 1c) See Part IV, line 18	a	1,016,647			
b		Less direct expenses	b	812,124			
c		Net income or (loss) from fundraising events . .		204,523			204,523
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		CAFETERIA SALES	722100	4,422,292			4,422,292
b	PHARMACY APOTHECARY	446110	1,244,503			1,244,503	
c	PHARMACY REVENUE	446110	1,636,539		1,146,011	490,528	
d	All other revenue		3,423,111	6,580	592,109	2,824,422	
e	Total. Add lines 11a-11d		10,726,445				
12	Total revenue. See Instructions		1,006,052,211	990,102,180	2,891,940	8,593,674	

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	0	0		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	73,650	73,650		
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	5,363,002		5,363,002	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	355,193,847	338,602,931	14,967,129	1,623,787
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	77,359,021	75,514,625	1,773,011	71,385
10	Payroll taxes	24,498,721	24,498,721		
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	1,526,416	12,690	1,513,726	
c	Accounting	1,066,503	27,058	1,039,445	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	139,507			139,507
f	Investment management fees	0			
g	Other	2,428,947	353,731	2,027,053	48,163
12	Advertising and promotion	4,625,919	255,967	4,312,812	57,140
13	Office expenses	161,930,677	158,280,146	3,435,146	215,385
14	Information technology	36,395,016	14,024,908	22,351,583	18,525
15	Royalties	0			
16	Occupancy	17,487,164	15,989,382	1,490,001	7,781
17	Travel	384,057	208,443	167,118	8,496
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	553,795	292,855	238,267	22,673
20	Interest	30,069,958		30,069,958	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	54,303,763	54,165,590	138,013	160
23	Insurance	19,753,170	10,525,338	9,227,832	
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	OTHER PURCHASED SERVICES	97,538,621	90,391,634	6,681,647	465,340
b	INTERNAL PURCHASED SERVICES	46,974,370	11,151,768	35,822,602	
c	TAXES	37,187,928	910,422	36,277,506	
d	FOOD	6,391,357	6,207,222	142,526	41,609
e					
f	All other expenses	27,731,959	20,630,205	6,706,179	395,575
25	Total functional expenses. Add lines 1 through 24f	1,008,977,368	822,117,286	183,744,556	3,115,526
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			0	1	0
	2	Savings and temporary cash investments			42,301,204	2	37,306,915
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			160,016,149	4	175,864,260
	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			23,132,697	8	23,621,593
	9	Prepaid expenses and deferred charges			23,408,845	9	24,863,725
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	1,034,046,352			
	b	Less: accumulated depreciation	10b	528,126,142	574,654,482	10c	505,920,210
	11	Investments—publicly traded securities			0	11	0
	12	Investments—other securities. See Part IV, line 11			0	12	0
	13	Investments—program-related. See Part IV, line 11			0	13	0
	14	Intangible assets			0	14	0
	15	Other assets. See Part IV, line 11			27,278,437	15	29,158,202
	16	Total assets. Add lines 1 through 15 (must equal line 34)			850,791,814	16	796,734,905
Liabilities	17	Accounts payable and accrued expenses			84,431,743	17	76,670,085
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			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			141,723,111	25	154,118,283
	26	Total liabilities. Add lines 17 through 25			226,154,854	26	230,788,368
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			616,558,786	27	557,750,919
	28	Temporarily restricted net assets			6,666,863	28	6,739,739
	29	Permanently restricted net assets			1,411,309	29	1,455,879
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			624,636,958	33	565,946,537
	34	Total liabilities and net assets/fund balances			850,791,814	34	796,734,905

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	1,006,052,211
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,008,977,368
3	Revenue less expenses Subtract line 2 from line 1	3	-2,925,157
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	624,636,958
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-55,765,264
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	565,946,537

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	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 PROVENA HOSPITALS	Employer identification number 36-4195126
---	--

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

Additional Data

Software ID:

Software Version:

EIN: 36-4195126

Name: PROVENA HOSPITALS

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			
WILLIAM BERRY PHD FORMER DIRECTOR	1 0	X						0		0
BROTHER JAMES GAFFNEY FSC FORMER DIRECTOR	1 0	X						0		0
AIDA GIACHELLO PHD FORMER DIRECTOR	1 0	X						0		0
MARK HANSON DIRECTOR/FORMER CHAIRPERSON	1 0	X		X				0		0
SISTER LINDA HATTON SSCM FORMER SECRETARY	1 0	X		X				0		0
THOMAS HUBERTY MD DIRECTOR/FORMER VICE CHAIR	1 0	X		X				0		0
SISTER MARY ELIZABETH IMLER FORMER DIRECTOR	1 0	X		X				0		0
BETTINA JOHNSON FORMER TREASURER	1 0	X						0		0
LUCIA JONES FORMER DIRECTOR	1 0	X						0		0
MARSHA LADENBURGER DIRECTOR	1 0	X						0		0
SISTER TERRY MALTBY DIRECTOR	1 0	X						0		0
BECKY MEGGESIN FORMER DIRECTOR	1 0	X						0		0
DANIEL RUSSEL FORMER VICE CHAIRPERSON	1 0	X		X				0		0
KENT RUSSELL DIRECTOR	1 0	X						0		0
GUY WIEBKING CHAIRPERSON/ FORMER PRES & CEO	40 0	X		X				0	798,058	0
SANDRA BRUCE DIRECTOR/ PRESIDENT & CEO	40 0	X		X				0	1,564,401	33,589
HAVEN COCKERHAM DIRECTOR	1 0	X						0		0
SISTER PATRICIA KOSCHALKE CSFN DIRECTOR	1 0	X						0		0
SISTER CLARA FRANCES KUSEK CR DIRECTOR	1 0	X						0		0
SUSAN MCDONOUGH DIRECTOR	1 0	X						0		0
VICTOR ORLER DIRECTOR	1 0	X						0		0
SISTER MARY SHINNICK OSF DIRECTOR	1 0	X						0		0
THOMAS SETTLES DIRECTOR	1 0	X						0		0
SISTER EVELYN VARBONCOEUR SSCM DIRECTOR	1 0	X						0		0
JAMES WINIKATES DIRECTOR	1 0	X						0		0

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			
MICHAEL BROWN PRES & CEO PUSMC	40 0			X					408,462	50,955
EUGENE MCMAHON PRESIDENT & CEO PSJH	40 0			X					320,354	67,903
PAUL BELTER REGIONAL VP FINANCE/ CEO	40 0			X					319,489	51,967
GARY GASBARRA REGIONAL VP FINANCE/ CFO	40 0			X					383,428	70,629
ANIL GOPINATH CMO	40 0				X			265,292		44,203
MOLLY NICHOLSON VP PATIENT CARE SRVS	40 0				X			160,608		26,552
PAMELA URBANSKI VP PATIENT CARE SRVS	40 0				X			247,988		7,868
LAURENCE DRY VP STRATEGY & OPS	40 0				X			214,475		45,665
LISA DIMARCO VP PATIENT CARE SRVS	40 0				X			201,869		32,416
JOHN BACCHETTI REG VP STRATEGIC PLG & BUS DEV	40 0				X			177,629		10,573
JARED ROGERS CMO	40 0				X			196,727		26,480
PAUL DONOHUE VP FOUNDATION	40 0				X			155,756		36,103
BABAK PAZOOKI CMO	40 0				X			237,448		49,477
AMY LAFINE PRESIDENT & CEO ~ PSMH	40 0				X			228,970		40,601
ELIZABETH HUGHES PRESIDENT & CEO ~ PSJMC	40 0				X			548,125		44,656
GARY PLUNDO CMO	40 0				X			357,331		47,704
AMY STEVENS COO	40 0				X			284,561		18,720
JACQUELINE MEDLAND VP PATIENT CARE SRVS	40 0				X			238,944		43,713
JANICE NEMRI CAO	40 0				X			224,963		32,803
ELIZABETH GARROW VP FOUNDATION	40 0				X			214,678		32,914
DANIEL HATCHER CMO	40 0				X			208,894		23,388
SUZETTE MAHNEKE VP PATIENT CARE SRVS	40 0				X			195,871		32,589
DAVID MCNARY VP AMBULATORY SRVS	40 0				X			181,884		1,546
JEFFREY BRICKMAN SYS SR VP/ PRES & CEO PSJMC	40 0				X				605,507	62,998
INDRANIL BOB SARKAR VP STRATEGIC PLG & BUS DEV	40 0				X			179,993		20,939

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			
MICHAEL ARNO PRESIDENT & CEO PSMH	40 0				X				504,656	57,368
JOMEL LABAYOG PHYSICIAN	40 0					X		637,914		20,800
VICTOR ROSTAPSHOV PHYSICIAN	40 0					X		344,522		12,784
MICHAEL PANUSKA MEDICAL DIRECTOR	40 0					X		274,304		11,784
JINJENG ZHU PHYSICIST	40 0					X		246,632		19,271
ANNE LI PHYSICIAN	40 0					X		175,547		16,885
WILLIAM BROWN SYS SR VP/ PRES & CEO PSJH	40 0						X		254,726	24,912

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
PROVENA HOSPITALS

Employer identification number
36-4195126

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

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

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

	Held at the End of the Year
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

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	1,823,675	1,671,727	1,569,474	1,071,590	
b Contributions	61,758	104,516	26,655	489,327	
c Investment earnings or losses	43,217	83,936	-2,254	11,557	
d Grants or scholarships	-26,673	12,960	0	3,000	
e Other expenditures for facilities and programs	-16,425	19,544	-81,988	0	
f Administrative expenses	-311	4,000	4,136	0	
g End of year balance	1,885,241	1,823,675	1,671,727	1,569,474	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 20 000 %

b

Permanent endowment ▶ 80 000 %

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

3a(i)

Yes

No

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

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		22,487,057		22,487,057
b Buildings		652,967,132	294,533,421	358,433,711
c Leasehold improvements		1,602,816	497,876	1,104,940
d Equipment		315,257,133	216,949,900	98,307,233
e Other		41,732,214	16,144,945	25,587,269
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				505,920,210

Schedule D (Form 990) 2011

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
Supplemental Information		On January 1, 2008, Provena adopted ASC Subtopic 740-10 Income Taxes- Overall, which addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under ASC Subtopic 740-10, Provena may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods and requires increased disclosures. At the date of adoption, and as of December 31, 2011, Provena does not have any liabilities for any unrecognized tax benefits.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PROVENA HOSPITALS

Employer identification number
36-4195126

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☒ Mail solicitations

e ☒ Solicitation of non-government grants

b ☒ Internet and e-mail solicitations

f ☒ Solicitation of government grants

c ☒ Phone solicitations

g ☒ Special fundraising events

d ☒ In-person solicitations
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☒ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
SR MARGARET MARY KNITTEL	GRANT WRITING	Yes		228,081	32,222	195,859
NMASQUERADE JEWELRY	\$5.00 SALE		No	8,809	7,189	1,620
SCRUBS TO YOU	UNIFORM SALE	Yes		11,690	9,863	1,827
CENTRAL ILLINOIS BOOKS	BOOK FAIR		No	14,377	11,732	2,645
BOUTIQUE TO YOU	PURSE SALE		No	6,120	4,995	1,125
Total ▶				269,077	66,001	203,076

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

IL, IN

Part II Fundraising Events.

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

Revenue		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		FESTIVAL OF TRE (event type)	GALA (event type)	10 (total number)	(Add col (a) through col (c))
	1 Gross receipts	463,833	275,987	936,030	1,675,850
	2 Less Charitable contributions	463,833		195,370	659,203
	3 Gross income (line 1 minus line 2)		275,987	740,660	1,016,647
Direct Expenses	4 Cash prizes			8,000	8,000
	5 Non-cash prizes				
	6 Rent/facility costs	16,000		92,857	108,857
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	149,330	251,196	294,741	695,267
	10 Direct expense summary Add lines 4 through 9 in column (d)				(812,124)
	11 Net income summary Combine lines 3 and 10 in column (d).				204,523

Part III Gaming.

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

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

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

a Is the organization licensed to operate gaming activities in each of these states?

☐ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," Explain

- 11

Does the organization operate gaming activities with nonmembers?

☒ Yes ☐ No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

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

Name

Address

1400 W PARK
URBANA,IL 61801

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization and the amount of gaming revenue retained by the third party

\$ and the \$

c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation

\$

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year

\$

Part IV

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

Identifier	ReturnReference	Explanation
Schedule G, Part I Line 2(b)		Sr Margaret Mary Knittel Is a grant writer that specializes in fund raising activities with private foundations that promote the ministry

Schedule G (Form 990 or 990-EZ) 2011

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
PROVENA HOSPITALS

Employer identification number
36-4195126

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 <div><input checked="" type="checkbox"/> Applied uniformly to all hospitals <input type="checkbox"/> Generally tailored to individual hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div>			
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 <div><input type="checkbox"/> 100%<input type="checkbox"/> 150%<input checked="" type="checkbox"/> 200%<input type="checkbox"/> Other _____ %</div> 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 <div><input type="checkbox"/> 200%<input type="checkbox"/> 250%<input type="checkbox"/> 300%<input type="checkbox"/> 350%<input type="checkbox"/> 400%<input checked="" type="checkbox"/> Other 600. %</div> 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		No
	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)		13,643	34,081,846		34,081,846	3 380 %
b Medicaid (from Worksheet 3, column a)		149,210	157,434,373	120,066,134	37,368,239	3 700 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs		162,853	191,516,219	120,066,134	71,450,085	7 080 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	151	93,574	3,460,077	278,617	3,181,460	0 320 %
f Health professions education (from Worksheet 5)	20	4,030	5,298,190	601,501	4,696,689	0 470 %
g Subsidized health services (from Worksheet 6)	2		26,016,470	23,935,255	2,081,215	0 200 %
h Research (from Worksheet 7)	6	638	193,337		193,337	0 020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	38	5,423	973,035	11	973,024	0 090 %
j Total Other Benefits	217	103,665	35,941,109	24,815,384	11,125,725	1 100 %
k Total. Add lines 7d and 7j	217	266,518	227,457,328	144,881,518	82,575,810	8 180 %

Part IICommunity 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
1Physical improvements and housing	2	2	1,703		1,703	
2Economic development						
3Community support	23	14,638	439,982	33,559	406,423	0 040 %
4Environmental improvements	5	2	34,970		34,970	
5Leadership development and training for community members						
6Coalition building	2	119	2,190		2,190	
7Community health improvement advocacy						
8Workforce development	1		425		425	
9Other						
10Total	33	14,761	479,270	33,559	445,711	0 040 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2Enter the amount of the organization's bad debt expense	2	117,627,189	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3		
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	510,936,260	
6Enter Medicare allowable costs of care relating to payments on line 5	6	459,433,891	
7Subtract line 6 from line 5. This is the surplus or (shortfall)	7	51,502,369	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input checked="" type="checkbox"/> Other			

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
bIf "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 IVManagement 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 %
1Alliance PHO	Physician Hospital Org	50 000 %	0 %	50 000 %
2KANKAKEE VALLEY DLY	Dialysis Center	50 000 %	0 %	50 000 %
3Kendail PT Surgery	Surgery Center	15 000 %	0 %	50 000 %
4Dreyer Provena Amb	Ambulatory Care Center	40 000 %	0 %	60 000 %
5Provena Service Corp	Physicians Practices	100 000 %	0 %	0 %
6Ctr Digestive Dis	Digestive Health Center	10 000 %	0 %	80 000 %
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 6

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)

PROVENA ST JOSEPH 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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		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 B. Facility Policies and Practices.

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

Provena Mercy Medical Center

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Provena Covenant Medical Center

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):3

	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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)		

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Provena St Joseph Hospital

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):4

	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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		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 B. Facility Policies and Practices.

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

Provena St Mary's Hospital

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____5_____

	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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Provena United Samaritans Medical Center

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):6

	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 <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? 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 <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Reporting to credit agency b <input checked="" type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 36

Name and address	Type of Facility (Describe)
1 See Additional Data Table	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
Schedule H, Part I		Part I, Line 6a Provena Health, the corporate sponsor of Provena Hospitals, traditionally publishes an annual Report to Our Communities, which details the combined charitable impact our ministries have within the communities we serve However, in 2011 due to the merger of Resurrection Health Care and Provena Health this communication was not published We did submit our annual Community Benefit Plan to the state which is available to any community member upon request from the IL Attorney General Office Part I, Line 7g Costs from physician clinics are not included in subsidized service totals Part I, Line 7, Column (F) COSTS INCLUDED IN PART I, LINE 7 WERE CALCULATED USING A COMBINATION OF COST TO CHARGE RATIO, MEDICARE AND MEDICAID COST REPORTS, A COST ACCOUNTING SYSTEM INCLUDING ALL PATIENT SEGMENTS AND COMMUNITY BENEFIT SOFTWARE WORKSHEET 2 WAS USED FOR CALCULATING THE COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
Schedule H, Part II		Community Building Activities include programs that address the root causes of health problems, such as poverty, homelessness and environmental problems. They support community assets by offering the expertise and resources of the health care organization. Provena Hospital ministries engage in a variety of community building activities which although are not specifically health activities ultimately improve the health and well-being of the communities we are privileged to serve. Examples of community building activities include - The work of all of our hospitals in support of disaster readiness and emergency preparedness. This work goes above and beyond any licensure requirements to proactively ensure that our communities are safe and prepared if a disaster should present itself. This work assures the safety and health of the community if a disaster presents itself - Ongoing partnership with Hospital Sisters Mission Outreach whose mission is the recovery and responsible redistribution of healthcare equipment and supplies to developing countries. The commitment attributes to local community health by being good stewards of our community resources and not contributing to the landfills within our communities. In addition, this activity promotes the health of the community that receives the equipment and supplies by giving them the tools that they need to better meet the health needs of their community.

Identifier	ReturnReference	Explanation
Schedule H, Part III		<p>Part III, Line 4 The Financial Assistance Policy allows for accounts in bad debt to be approved for Financial Assistance if the patient meets the criteria There are possible financial assistance accounts in bad debt and we did not record an amount due to the fact we do not have a methodology to determine the dollar amounts Part III, Line 8 The organization computes the Medicare shortfall/surplus based on a modified ratio of cost to charges Part III, Line 9b The collection process consists of using a predictive dialer to contact the patient after discharge along with a series of 4 notifications/statements and a series of collection letters A patient may apply for financial assistance at any time during the revenue cycle as outlined in the Provena Health Provision for Financial Assistance Policy A patient balance may be referred to a 3rd party collection agency if one of the following criteria are met 1) Patient has defaulted on an installment plan agreement and has missed a minimum of two (2) consecutive payments 2) A minimum of four (4) notifications which may include statements or letters have been sent to the patient with no payments or agreement to pay 3) The patient has failed to cooperate with the Medical Assistance Application for Public Aid 4) There has been an inability to locate the patient via phone or mail (e g mail returned with no forwarding address) 5) Account is greater than the small balance write off threshold Patients with an approved financial assistance for 100% will not be referred to a 3rd party collection agency Patients with partial financial assistance will follow the self-pay process Patients in bad debt may apply for charity care/financial assistance at any time during the revenue cycle process Our Financial Counselors, Central Billing Office and outside agencies assists patients with the financial assistance process As stated in the Debt Collection Policy, "Agencies must follow the Provena Health Provision for Financial Assistance Policy, at any point in the collection process If the patient requests this as an option, the account will be placed on hold with the agency and referred back to the hospital so that proper follow up can occur The agency will not pursue the collection process until they are notified to continue activities " For more information about Provena's Financial Assistance Program visit www.Provena.org/FinancialAssistance</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		<p>Part VI, 2 Provena Hospital ministries join forces with local community organizations to assess the health needs of the community. Community needs assessments are completed for the individual counties we serve with community partners every 3-5 years depending on the community needs and available resources. To supplement the community needs assessment Provena Hospitals also review and analyze Inpatient and Emergency Department utilization on an annual basis to uncover any new community health trends. In addition to assessing the health needs, Provena Hospital ministries also complete medical staff development plans. The plans are conducted by external consultants, who provide an independent assessment of the need for physicians by specialty within the hospital's primary service area as defined by State regulations. Identifying community needs is just one step in the needs assessment process. The most critical step is prioritizing and aligning expertise to make an impact on the identified needs. To facilitate this process, each hospital ministry has a Mission Committee of the Board that is ultimately responsible for the oversight and direction of the community benefit initiatives. On an annual basis this board committee, which is made up of community and board members, recommends approval to the hospital Board of Directors the hospital's community benefit plan. This plan identifies the priorities and action that will take place over the next year.</p> <p>PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE Provena hospital ministries proactively communicate the availability of our financial assistance programs with bilingual signage and brochures displayed prominently throughout high traffic areas of our ministries, as well as within our inpatient and outpatient registration/patient admitting areas and emergency departments. Comprehensive information about our financial assistance programs - including eligibility criteria, application details, and contact information - is also presented on our consumer Web site (www.provena.org/financialassistance). Financial counselors are also available to meet with patients during their stay if they have questions about their ability to pay for services and our financial assistance programs. Additionally, Provena hospital ministries participate with an outside vendor to assure eligible patients are also receiving benefits from the Medicaid entitlement programs. The vendor works with patients to complete appropriate applications. All self-pay or Medicaid pending patient statements contain information regarding our financial assistance programs and appropriate contact information in a bilingual format. Finally, to ensure the integrity of our financial assistance programs, our financial assistance policy and practices are audited by our internal auditors, CHAN, Health Care Auditors, to assure consistent application of policy and practice across all Provena Hospitals.</p> <p>COMMUNITY INFORMATION Provena Hospital ministries provide services at 43 sites, including six acute care hospitals with a total of 1,317 staffed beds and 39 health centers. These ministries offer a broad range of services from highly specialized tertiary services to an extended network of primary and ambulatory care. Provena Hospital ministries have identified a separate service area for each of its acute care hospitals utilizing a consistent methodology and reflecting a combination of geographic location and market share criteria. The total service area of each ministry represents approximately 80% to 90% of the total inpatient discharges from that facility. The primary service area (the "Primary Service Area") of each facility represents approximately 65 to 75% of such discharges and the secondary service area (the "Secondary Service Area") of each facility represents approximately 15 to 25% of such discharges. The Primary Service Areas and Secondary Service Areas have been determined by utilizing a patient origin analysis to identify those zip codes that represent inpatient discharges. These zip codes are then mapped to identify geographic coverage of the Primary Service Areas and Secondary Service Areas. None of the Provena Hospital ministries share a common Primary Service Area. They are located in adjacent geographies, complementing the services provided by each facility and providing an opportunity for additional synergies throughout the system. Many of the Provena Hospital ministries facilities are located in population growth areas. Based upon population estimates and projections obtained from Claritas, Inc., the population of the Hospitals combined service area is expected to grow at a rate of 1.7% annually between 2010 and 2015, compared with a growth rate of 0.4% and 0.3% per year in the Chicago MSA (defined below) and in Illinois, respectively. Ten percent of Provena's service area population is over the age of 65, compared to 11% and 13% in the Chicago MSA and in Illinois, respectively. Information related to e</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		ach ministry is noted below

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		<p>Provena Covenant Medical Center, Champaign, IL (PCMC) Champaign County is the sixth large st county in the state of Illinois with estimated 2009 population of 184,402 in PCMC's pri mary service area and 109,226 in the secondary service area In the primary service area 1 0% of the population is over the age 65 and the average household income is \$64,446 The p rimary demographic make-up of Champaign County is as follows 78 8% white, 11 2% black or African American, 6 5% Asian, 2 9% Hispanic/Latino 6 9% of families in Champaign County live below the poverty level The PCMC service area is defined by zip code below Approxima tely 63% and 17% of total inpatient discharges to the PCMC-Urbana facility originate from this Primary Service Area and Secondary Service Area Service Area Primary Market -61821 Champaign, 61801 Urbana, 61820 Champaign, 61866 Rantoul, 61802 Urbana, 61953 Tuscola, 6188 0 Tolono, 61873 Saint Joseph, 61956 Villa Grove, 61874 Savoy, 61849 Horner, 61878 Thomasbo ro, 61822 Champaign, 61847 Gifford, 61877 Sidney, 61943 Oakland, 61851 Ivesdale, 61884 Whi te Heath, 61839 De Land, 61931 Humboldt, 61844 Fithian, 61862 Penfield, 61882 Weldon, 6177 3 Sibley, 61930 Hindsboro, 61812 Armstrong, 60933 Elliott, 61932 Hume, 61871 Royal, 60926 Claytonville, 61845 Foosland, 61941 Murdock Service Area Secondary Market - 60948 Loda, 6 0957 Paxton, 61856 Monticello, 61853 Mahomet, 61938 Mattoon, 61910 Arcola, 60936 Gibson Ci ty, 61920 Charleston, 61942 Newman, 61813 Bement Identified Community Needs The Champaign County Health Plan 2011-2015 identified four IPLAN (Illinois Plan for Local Assessment of Need) Priorities Access to Care (Health, Dental and Mental), Accidents (Automobile, Alcoh ol, In-Home), Obesity, (Nutrition, Diet & Exercise, risk factors and complications), and V iolence (Domestic violence, relationship between drug, alcohol abuse and violence) Provena United Samaritans Medical Center (PUSMC), Danville, IL PUSMC's primary and secondary ser vice areas have an estimated population of 110,000 residents In the primary service area 17% of the population is over the age 65 and the average household income is \$46,467 The primary demographic make-up of Vermillion County is as follows 86% white, 11% black or Af rican American, 3 0% Hispanic/Latino 9 7% of families in Vermillion County live below the poverty level The PUSMC service area is defined by zip code below Approximately 78% and 20% of total inpatient discharges to the PUSMC-Danville facility originate from this Prim ary Service Area and Secondary Service Area, respectively Service Area Primary Market -6 1832 Danville, 61834 Danville, 61846 Georgetown, 61883 Westville, 61833 Tilton Service Are a Secondary Market - 47932 Covington, IN, 60942 Hoopeston, 61817 Catlin, 61858 Oakwood, 6 1870 Ridge Farm, 61924 Chrisman, 60963 Rossville, 47987 Veedersburg, IN, 61841 Fairmont, 4 7974 Perrysville, IN, 47993 Williamsport, IN, 61814 Bismark, 61865 Potomac, 47928 Cayuga, IN, 47952 Kingman, IN, 61876 Sidell, 61811 Alvin, 61844 Fithian, 61850 Indianola, 47991 We st Lebanon, IN, 61848 Henning, 47982 State Line, IN, 60960 Rankin, 47918 Attica, IN, 61812 Armstrong, 60973 Wellington, 61940 Metcalf, 61831 Collision Identified Community Needs In 2006, PUSMC conducted a community needs assessment to identify the top three health care needs in the community The report concluded that the top unmet health care needs in our s ervice area are Access to Healthcare, Community Health Education/O utreach, Affordability of Healthcare and Teen Pregnancy Provena Saint Joseph Medical Center (PSJMC), Joliet, IL PSJMC's primary service has an estimated population of 262,946 and 369,243 in the secondar y service area In the primary service area 9% of the population is over the age 65 and th e average household income is \$79,175 Approximately, 7 7% of the population in Joliet liv es below the poverty level The racial makeup of the city is 79 3% White, 8 9% African Ame rican, 2 5% Asian The 2010 population also estimates that 16 2% are Hispanic or Latino, w hile 83 8% are non-Hispanic The Provena Saint Joseph Medical Center service area is defin ed by zip code below Approximately 69% and 24% of total inpatient discharges to the PSJMC -Joliet facility originate from this Primary Service Area and Secondary Service Area, resp ectively Service Area Primary Market - 60435 Joliet, 60436 Joliet, 60544 Plainfield, 604 33 Joliet, 60431 Joliet, 60432 Joliet, 60434 Joliet, 60585 Plainfield, 60586 Plainfield, 6 0403 Crest Hill, 60404 Shorewood Service Area Secondary Market - 60451 New Lenox, 60481 W ilmington, 60450 Morris, 60410 Channahon, 60446 Romeoville, 60447 Minooka, 60416 Coal City , 60408 Braidwood, 60421 Elwood, 60441 Lockport , 60448 Mokena, 60442 Manhattan, 60423 Fra nkfort, 60440 Bolingbrook, 60424 Gardner, 60439 Lemont, 60407 Braceville, 60474 South Wilm ington, 60491 Homer Glen Identified Community Needs - Provena Saint Joseph Medical Center co-facilitated the Will County MAPP Needs Assessme</p>

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		nt from 2009 through 2010 to be actively engaged in the current county assessment to fully understand the health needs of county residents the following priorities were identified at the MAPP Strategic Planning Session held in May 2010 Access to care (primary, special ty, behavioral health, substance use disorders), Awareness of services and how to access t hem, Collaboration and linkage within systems, Prevention and management of chronic care i ssues Provena St Mary's Hospital (PSMH), Kankakee, IL PSMH's primary service has an esti mated population of 93,102 and 67,029 in the secondary service area In the primary servic e area 13% of the population is over the age 65 and the average household income is \$59,10 1 8% of the population in Kankakee lives below the poverty level The racial makeup of th e city is 76% White, 15% African American, 6 4% Hispanic The PSMH service area is defined by zip code below Approximately 75% and 20% of total inpatient discharges to the PSMH-Ka nkakee facility originate from this Primary Service Area and Secondary Service Area, respe ctively Service Area Primary Market - 60901 Kankakee, 60914 Bourbonnais, 60915 Bradley, 60954 Momence, 60950 Manteno Service Area Secondary Market - 60964 Saint Anne, 60927 Clif ton, 60922 Chebanse, 60940 Grant Park, 60970 Watseka, 60941 Herscher, 60913 Bonfield, 6093 8 Gilman, 60911 Ashkum, 60955 Onarga, 60944 Hopkins Park, 60951 Martinton, 60930 Danforth, 60910 Aroma Park, 60912 Beaverville, 60919 Cabery, 60961 Reddick, 60917 Buckingham, 60935 Essex, 60928 Cresent City, 60481 Wilmington, 60468 Peotone, 60420 Dwight, 60958 Pembroke Township

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		<p>Identified Community Needs PSMH partnered with the Kankakee County Health Department and others to assess the needs of the community through a comprehensive needs assessment, developed by Health Systems Research at the University of Illinois College of Medicine in Rockford. The top conditions reported in Kankakee County were High Cholesterol, High Blood Pressure, Arthritis, Asthma, and Diabetes. The Community Health Needs assessment also stated that almost two in three (64.5%) Kankakee County adults consider themselves to be overweight or obese compared to 59.0% statewide. In 2011, PSMH focused on 1) Obesity, 2) Pulmonary conditions and 3) Access to care. Note that the needs of diabetes, high blood pressure, high cholesterol and cardiac related assessment were addressed in our obesity focus.</p> <p>Provena Mercy Medical Center (PMMC), Aurora, IL. Aurora, where PMMC resides, is the second largest city in Illinois and accounts for most of the hospital's primary service area. PMMC's primary service has an estimated population of 225,504 and 277,564 in the secondary service area. In the primary service area 7% of the population is over the age 65 and the average household income is \$82,440. Within the primary service area (Aurora), approximately 35,000 individuals (21.3%) reside in medically underserved areas (MUAs). Of that population, about 30% fall 200% below the federal poverty level. Within the MUA, 68% of the population is Hispanic and 11% is African American. Fifty-three percent are underinsured and 47% are Medicaid recipients. Within the community at large, 27% of households report English as a second language. 11% of children in Kane County live in poverty. PMMC's service area is defined by zip code below.</p> <p>Approximately 68% and 19% of total inpatient discharges to the PMMC-Aurora facility originate from this Primary Service Area and Secondary Service Area, respectively.</p> <p>Service Area Primary Market - 60506 Aurora, 60505 Aurora, 60542 North Aurora, 60538 Montgomery, 60504 Aurora, 60507 Aurora, 60502 Aurora Service Area. Secondary Market - 60510 Batavia, 60543 Oswego, 60560 Yorkville, 60548 Sandwich, 60545 Plano, 60174 Saint Charles, 60554 Sugar Grove, 60134 Geneva, 60552 Somonauk, 60503 Aurora, 60511 Big Rock, 60520 Hinckley, 60119 Elburn, 60115 DeKalb, 60541 Newark, 60512 Bristol, 60531 Leland, 60556 Waterman, 60539 Mooseheart.</p> <p>Identified Community Needs In 2006, the hospital engaged with community stakeholders in the Kane County Community Assessment - IPLAN (Illinois Plan for Local Assessment of Need). The assessment process engaged over 90 organizational and community leaders as part of the Kane County Community Health Committee. Staff from Provena Mercy actively participated on this committee. As a result of the IPLAN, 3 priority areas were identified by the Health Department and its partners: Access Health Care (emphasis on specialty care), Infant Mortality, Chronic Disease (with an emphasis on cardiovascular disease, obesity). Provena Saint Joseph Hospital (PSJH), Elgin, IL. PSJH's primary service has an estimated population of 210,893 and 462,013 in the secondary service area. In the primary service area 8% of the population is over the age 65 and the average household income is \$85,837. 6.4% of families in Elgin live below the poverty level. 11% of children in Kane County live in poverty. The racial makeup of the city is 70.49% White, 6.80% African American, 0.40% Native American, 3.88% Asian, 0.06% Pacific Islander, 15.39% from other races, and 2.98% from two or more races. 34.32% of the populations are Hispanic or Latino of any race. A significant portion of Elgin's Asian population is of Laotian origin. The PSJH's service area is defined by zip code below.</p> <p>Approximately 65% and 24% of total inpatient discharges to the PSJH-Elgin facility originate from this Primary Service Area and Secondary Service Area, respectively.</p> <p>Service Area Primary Market -60123 Elgin, 60120 Elgin, 60124 Elgin, 60121 Elgin, 60110 Carpentersville, 60177 South Elgin, 60140 Hampshire, 60118 Dundee Service Area. Secondary Market- 60102 Algonquin, 60103 Bartlett, 60174 Saint Charles, 60014 Crystal Lake, 60107 Streamwood, 60142 Huntley, 60098 Woodstock, 60050 McHenry, 60051 McHenry, 60156 Lake in the Hills, 60175 Saint Charles, 60136 Gilberts, 60134 Geneva, 60013 Cary, 60152 Marengo, 60135 Genoa, 60109 Burlington, 60012 Crystal Lake, 60180 Union.</p> <p>Identified Community Needs In 2006, PSJH engaged with community stakeholders in the Kane County Community Assessment - IPLAN (Illinois Plan for Local Assessment of Need). The assessment process engaged over 90 organizational and community leaders as part of the Kane County Community Health Committee. Staff from PSJH actively participated on this committee. As a result of the IPLAN, 3 priority areas were identified by the Health Department and its partners: Access Health Care (emphasis on specialty care), Infant Mortality, Chronic Disease (with an emphasis on cardiovascular disease, obesity).</p>

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		<p>besity) Promotion of community health Provena Hospitals are faith based ministries that p rovide services based upon the ethical and religious directives of the Catholic Church Pr ovena Hospitals operates six hospitals Provena hospitals enhance the public health of our communities by 1 Ensuring our medical staff is open to all qualified physician, 2 All of our hospitals are accredited and in good standing with the Joint Commission Accreditati on of Healthcare Organizations (JCAHO) 3 Ensuring our board of directors is diverse and able to provide expertise, and made up of independent members of the communities we serve Our board members must follow a conflict of interest policy 4 Surplus funds are reinves ted into the organization to improve patient care though new programs and technology 5 P rovide financial assistance and sliding scale discounts and have collection practices that are in compliance with state and federal guideline In addition, we follow the financial assistance and charity guidelines of the Catholic Health Association 6 We participate in all government sponsored health care programs, Medicare, Medicaid, CHAMPUS, Tricare, SCHI P and others 7 We provide emergency room services in all of our communities and provide training to local fire departments and ambulances Our emergency room participates with lo cal police and fire departments in disaster drills 8 Our emergency room services and urg ent care services are staffed by Board Certified Emergency Room Physicians and treat patie nts according to EMTALA guidelines and serve all patients regardless of ability to pay 9 Five of our hospitals qualified for disproportionate share In addition, we are committed to determining the needs of our communities and creating ways to meet those needs The ob ligation to reach out to those in need and improve health flows directly from our Catholic identity and the heritage of our founding congregations Below are a few examples of how each of our hospitals promote the health of our communities Provena Covenant Medical Cent er, Champaign, IL (PCMC) 2011 Community Benefit Highlights SMILEHEALTHY Partnership A com munity wide dental initiative resulted in the opening of the Frances Nelson Dental Center (FNDC) in Champaign on October 10th PCMC donated \$62,000 toward start up costs This init iative includes PCMC, Carle Foundation Hospital, SmileHealthy (a local non-profit), Parkla nd College, Lincoln Legal and United Way PCMC donated \$10,500 for seven mobile dental cli nics at local food pantries and a homeless shelter Dental exams, hygiene services, restor ation and extractions were provided to over 100 uninsured clients Nutritional and dental education was offered to every ED patient with dental issues Classes were offered twice a month Some were referred to the mobile dental clinic, Parkland College or FNDC Provena Bucher Farm Project PCMC partnered with WILL and Eastern Illinois Food Bank to increase th e distribution of fresh produce to the patrons of food pantries PCMC also partnered with Lincoln Legal and the Lumpkin Foundation to provide a SNAP card recipient "double dollars" in the purchase of produce at the North First Street Farmers Market Faith in Action Volu nteers from fifteen congregations provided assistance to seniors through transportation, h ome and phone visits, and chores and small home repairs Provena Covenant's Center for Hea lthy Aging provided reimbursement for travel expenses and coordinated the program</p>

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		<p>Crisis Nursery Support Crisis Nursery provides short-term, nurturing care 24 hours a day, 365 days a year to children ages birth through five, when no other resources are available to help Each family has their own unique crisis and story The nursery is committed to p revent child abuse and neglect Provena Covenant Medical Center has a long standing relati onship with the Crisis Nursery Center and leases the land for \$1 PCMC provided linens and meals every day as well as paid the utilities, ground maintenance and security for a tota l of \$44,000 in 2010 The total for 2011 is expected to be similar Provena United Samarit ans Medical Center (PUSMC), Danville, IL 2011 Community Benefit Highlights The HALO Proje ct coordinates the efforts of the community in partnering and participating in healthy com munity initiatives and is committed to building a community culture that supports healthy life choices and a high quality of life During 2011, HALO Project made a concentrated effor t in impacting children's dental care through the Smiling Faces Dental Days program Fou r area dentists along with five of their dental staff provided free screenings, x-rays, cl eanings, fluoride treatments, sealants, fillings, extractions, and two root canals to fift y-seven low-income children Three-hundred and twenty-four children took advantage of the Smiling Faces Dental Days program with one-hundred and ninety-three of the children receiv ing a free cleaning, fluoride treatment, or sealants The screenings and treatments were p rovided in the Colgate Dental Van by Orland Park Dental Services staff of Peoria Four are a dentists were also at the Children's Health, Safety, & Activity Fair providing free dent al screenings to one-hundred twenty-seven children Each child at every dental event recei ved education on proper brushing and flossing technique as well as a goody bag full of den tal hygiene products to use at home Faith in Action (FIA) and Faith in Action South (FIAS) are interfaith ministries that assist health-impaired, homebound senior adults with tran sportation, home and phone visits, shopping, home maintenance, temporary relief for caregi vers, chores and wheelchair ramps Target populations include seniors age 60 and older I Sing the Body Electric (ISBE) educates Vermilion County (VC) youth through promotion of he alth and disease prevention initiatives This three-phase program works to close the gap b etween the lack of prevention programs and the prevalence of adolescent health risk behavi ors in the County Young Men/Young Women Aware are leadership development programs that fo cus on Education, Health Awareness, and Leadership with three objectives high school comp letion, college obtainment, and teenage pregnancy/fatherhood prevention with a focus on ab stinence Since the programs' inception, 99% of Young Women Aware participants have remain ed pregnancy-free, 0% of participating young men self report they have not become teenaged fathers, and both programs have had a 100% high school graduation rate The vast majority move on to colleges, trade schools, and the armed services Provena Saint Joseph Medical Center (PSJMC), Joliet, IL 2011 Community Benefit Highlights Partnership with Will-Grundy Medical Clinic (WGMC) PSJMC provided \$35,000 to the Will-Grundy Medical Clinic in 2011 I n addition, PSJMC has been a significant supporter of the Will-Grundy Medical Clinic since its inception, providing funding, volunteer hours from clinical staff, and contributing free services and leadership through service on WGMC's board of directors In 2011, that su pport was clearly evident 38 WGMC patients for surgical procedures and related services t otaling \$3,172,501 PSJMC also donated over 1,560 related services (radiology, diagnostic tests and treatments) These services are quantified at cost Joliet Partners for Healthy Families (JPHF) Provena Saint Joseph Medical Center formed the JPHF coalition in 2007 to c ombat the childhood obesity epidemic in vulnerable populations within Will County The par tnership includes the Joliet Public Schools District 86, the Joliet Park District, Greater Joliet Area YMCA, Harvey Brooks Foundation, University of St Francis, the University of I llinois Extension and the Will County Health Department The overall goal of JPHF is to cr eate a healthier community through increased access to balanced nutrition and physical act ivity The JPHF coalition developed three unique, successful after-school programs under i ts Healthy Kids Club initiative but is now looking to address the root causes of childhood obesity through impacting policy, systems and environmental change JPHF has now expanded into all sectors within the community and has engaged local community leaders to support its initiative and goals Provena St Mary's Hospital (PSMH), Kankakee, IL 2011 Community Benefit Highlights Dr Arocha's Asthma Camp - Camp Aire was conducted for the 18th year We provided 47 children with asthma nutritional ed</p>

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		ucation, physical education, crafts and entertainment During 2011 we conducted 2 "mini-ca mps" or days, so that we could measure how our children were doing Our metrics included p eak flows, which remain the same or increased by 10 to 30 points, endurance (children cont inued to enjoy physical activity such as soccer, basketball, cheerleading and dance), miss ed schools days (there were on average 2-6 days missed for 4th quarter 2011), and ED usage (most children were cared for by their pediatricians, however one child had several ED vi sits this year, and is being treated more aggressively at this time by his pediatrician) Children have continued to be instructed to do peak flow maneuvers weekly so that they can track changes in peak flows due to their growth Fit "N" Healthy was created to target ob esity and educate adults about healthier lifestyles in underserved communities In 2011, t here were a total of 278 participants in 4 ten week sessions The average weight loss was 5 2 lbs The glucose numbers dropped an average of 21 points, many brought their A1C level s to within normal range The average blood pressure dropped low enough that all together since 2008 we have 11 members of the program no longer needing medication to control their blood pressure The average BMI level in a ten week period was between 2-5% The choleste rol numbers dropped an average of 14-17 points Provena Mercy Medical Center (PMMC), Auror a, IL 2011 Community Benefit Highlights Language Access to Healthcare (LAH) is PMMC's com munity-based interpreting program that provides interpreting services to community-based o rganizations and limited-English proficient individuals It is widely recognized that a pa tient's ability to communicate presenting concerns, participate in his/her medical care re gimen and provide compliant self care and follow up after discharge is dependent upon his/ her ability to communicate and understand effectively Persons who do not speak English as their primary language and who have a limited ability to read, speak, write, or understan d English are known as limited-English proficient (LEP) The percentage of individuals who speak English less than "very well" in Aurora is 44% which highlights the need for LAH in the Aurora market A1C Achiever Program "Life with Diabetes" is a 2-3 month program that combines diabetes self-management education and medical nutrition therapy concurrently Pa tients are referred by their primary healthcare provider to meet with a diabetes educator for an individual initial assessment to determine the plan of care Patients attend six 1 5 hour sessions and two individual medical nutrition therapy sessions Healthy behavior go als are selected by the patient and diabetes educator to be re-evaluated midway through th e program and upon program completion or as needed All patients that achieve an A1C of le ss than 7% become part of the "A1C Achiever" program which is a patient recognition progra m that rewards patients for achieving glycemic control The target population is all indiv iduals with Type 1 or Type 2 Diabetes The emphasis of the program is on providing access to care for the underserved in the hospitals primary service area which includes 8 federal ly designated medically underserved areas (MUAs) The program aim is to provide diabetes s ervices so that program participants can attain glycemic control and improve current healt h status Faith Community Nursing program continues to bring health, wellness and preventio n into the faith communities The nurses assess prisoners for the presence of medical home s and provide a wide array of educational opportunities Toolkits have also been developed and implemented for risk assessments and screenings in the areas of hypertension, stroke , acute coronary syndrome, osteoporosis, cholesterol/lipids, diabetes, colon, prostate, br east and skin cancer

Identifier	ReturnReference	Explanation
Schedule H, Part VI cont'd		<p>The Community Wellness Program provides community education and screening programs on a variety of health and wellness topics both in the community and main hospital location. Components of the program include blood pressure, blood glucose, blood lipid, body fat and body mass index (BMI) screenings. Health education topics on chronic disease include hypertension, stroke, diabetes, obesity and heart disease. The target population is underserved adults in the hospitals primary service area which includes 8 federally designated medically underserved areas (MUA). The overall program aim is to provide early detection and health education on chronic disease. Provena Saint Joseph Hospital (PSJH), Elgin, IL 2011 Community Benefit Highlights. The Community Wellness Program provides community education and screening programs on a variety of health and wellness topics both in the community and main hospital location. Components of the program include blood pressure, blood glucose, blood lipid, body fat and body mass index (BMI) screenings. Health education topics on chronic disease include hypertension, stroke, diabetes, obesity and heart disease. The target population is underserved adults in the hospitals primary service area which includes 8 federally designated medically underserved areas (MUA). The program aim is to provide early detection and health education on chronic disease. Engaged Partner in Activate Elgin which is a city-wide initiative to engage all sectors of the community to work in harmony providing all residents with opportunities to improve their health, well-being, and overall quality of life. Through this initiative, local YMCAs are serving as "connectors," bringing together high-level representatives from the government, public health and private sectors to drive meaningful change. Activate Elgin involves community partnerships, as this challenging work requires the collaboration of many organizations working together toward the common goal of reducing obesity and related health conditions in the Elgin area. Affiliated health care system Effective November 30, 1997, The Franciscan Sisters of the Sacred Heart, The Servants of the Holy Heart of Mary - holy Family Province, and the Sisters of Mercy of the Americas Regional Community of Chicago created a new equally sponsored Catholic healthcare system called Provena Health in order to assure the provision of ongoing quality healthcare services to the communities served by the sponsors. Provena Health is the sole corporate sponsor of Provena Hospitals, Provena Senior Services, Provena Home Health, Provena Care @ Home, and Provena Health Assurance SPC, and owns 100% of Provena Ventures, Inc. These organizations include all of the healthcare operations of the Sponsors. Provena provides healthcare and long-term care services to communities primarily located in northern and central Illinois. As was the case from our very beginnings, Provena Health is called to be much more than a just a provider of health services. Provena Health has instilled within all of its ministries that are committed to responding to the needs of these we are privileged to serve, delivering high quality care that is accessible to all. It is this culture of caring and giving that drives our diligent efforts to ensure we return the optimal value of our charitable assets to our local communities. To ensure the commitment to the health of our communities was a top priority for all Provena Health ministries, the Provena Health Board of Directors adopted a Board Philosophy Statement in December 2007. The Community Benefit Board Philosophy Statement provides guidance for policies, practices and community benefit programs. The philosophy ensures that Provena Ministries pay special attention to the poor, vulnerable and underserved as well as continuing to effectively collaborate with the communities we serve on identified community needs. State filing of community benefit report Illinois.</p>

Additional Data

Software ID:
Software Version:
EIN: 36-4195126
Name: PROVENA HOSPITALS

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

[illegible]

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
PROVENA HOSPITALS

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

Employer identification number

36-4195126

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

2

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

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
(1) scholarships	49	73,650			

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, PART I LINE 2		THE FOLLOWING THREE HOSPITALS AWARDED GRANTS AND ASSISTANCE AND USED THE FOLLOWING PROCEDURES FOR MONITORING THE USE OF THE FUNDS DISTRIBUTED Provena Covenant Medical Center Checks for authorized students are sent directly to their respective universities (and made payable to the universities) for disbursement to the students for appropriate expenses such as tuition In the case of Parkland College where a good number of nursing scholarships are given, Parkland bills THE MEDICAL CENTER at the conclusion of each semester THE MEDICAL CENTER IS billed for only the dollars used and if a student does not utilize all of the funds made available for HIS OR HER scholarship award, the Auxiliary is not billed and does not incur the expense They also notify THE MEDICAL CENTER if A student drops out or changes curriculums therefore no longer being eligible for the funds given in their healthcare studies Most of the universities have auditing practices which requires them to oversee the distribution of scholarship funds to their students THE MEDICAL CENTER placeS ITS confidence in their practices to ensure that monies given to the students are monitored appropriately Provena Mercy Medical Center Scholarships are handled through THE MEDICAL CENTER'S Foundation The Foundation office receives the applications and distributes the applications to a committee The committee reviews the applications, determines which candidates to interview in person, conducts the interviews, and selects the recipients The Foundation receives the tuition bills and makes the tuition payments directly to the schools (up to the amount of the scholarship award) Some grants are handled through THE Foundation When grant funds are to be expended, a "Disbursement of Foundation Funds" form is completed by the clinical director responsible for handling the grant The Foundation reviews and approves the form, and the funds are expended The Foundation notifies Finance that the funds can be released from restriction The clinical director and Foundation office work together to submit the necessary grant reports to the grantor Federal grants are not handled through the Foundation The clinical director responsible for the grant works with Finance to track the expenses for the grant The clinical director prepares and submits the necessary reports to the grantor PROVENA UNITED SAMARITANS MEDICAL CENTER THE MEDICAL CENTER insureS that the young man or young woman awarded a scholarship through Young Men Aware or Young Women Aware actually enroll in an institution of higher learning and pay the scholarship (generally only \$500 or \$1,000) directly to the institution Thus, eliminating any chance that the SCHOLARSHIP will not actually go towards education

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 PROVENA HOSPITALS	Employer identification number 36-4195126
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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		
	<input type="checkbox"/> First-class or charter travel		
	<input checked="" type="checkbox"/> Travel for companions		
	<input type="checkbox"/> Tax idemnification and gross-up payments		
	<input type="checkbox"/> Discretionary spending account		
	<input type="checkbox"/> Housing allowance or residence for personal use		
	<input type="checkbox"/> Payments for business use of personal residence		
	<input checked="" type="checkbox"/> Health or social club dues or initiation fees		
	<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
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	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<input checked="" type="checkbox"/> Compensation committee		
	<input checked="" type="checkbox"/> Independent compensation consultant		
	<input type="checkbox"/> Form 990 of other organizations		
	<input checked="" type="checkbox"/> Written employment contract		
	<input checked="" type="checkbox"/> Compensation survey or study		
	<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
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	Yes
b	Any related organization?	6b	Yes
	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	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	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 III **Supplemental Information**

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

Identifier	Return Reference	Explanation
FORM 990 SCHEDULE J SUPPLEMENTAL INFORMATION		PART I, QUESTION 4A THE FOLLOWING RECEIVED SEVERANCE PAYMENTS Indranil Bob Sarkar \$83,210

Software ID:
Software Version:
EIN: 36-4195126
Name: PROVENA HOSPITALS

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				
GUY WIEBKING	(i)	0	0	0	0	0	0	0
	(ii)	726,939	0	71,119	0	0	798,058	51,088
SANDRA BRUCE	(i)	0	0	0	0	0	0	0
	(ii)	967,144	597,257	0	12,250	21,339	1,597,990	0
MICHAEL BROWN	(i)	0	0	0	0	0	0	0
	(ii)	327,069	14,135	67,258	31,125	20,744	460,331	0
EUGENE MCMAHON	(i)	0	0	0	0	0	0	0
	(ii)	237,049	25,000	58,305	37,850	30,966	389,170	0
PAUL BELTER	(i)	0	0	0	0	0	0	0
	(ii)	266,230	0	53,259	22,822	30,059	372,370	0
WILLIAM BROWN	(i)	0	0	0	0	0	0	0
	(ii)	0	0	254,726	0	25,240	279,966	0
GARY GASBARRA	(i)	0	0	0	0	0	0	0
	(ii)	282,138	14,150	87,140	37,220	34,323	454,971	18,305
JOMEL LABAYOG	(i)	0	0	0	0	0	0	0
	(ii)	571,744	16,762	49,408	0	21,713	659,627	0
VICTOR ROSTAPSHOV	(i)	0	0	0	0	0	0	0
	(ii)	321,490	0	23,032	0	13,896	358,418	0
MICHAEL PANUSKA	(i)	0	0	0	0	0	0	0
	(ii)	229,843	27,000	17,461	0	12,896	287,200	0
JINJENG ZHU	(i)	0	0	0	0	0	0	0
	(ii)	217,193	0	29,439	0	20,367	266,999	0
ANNE LI	(i)	0	0	0	0	0	0	0
	(ii)	152,995	0	22,552	0	17,803	193,350	0
ANIL GOPINATH	(i)	0	0	0	0	0	0	0
	(ii)	185,655	14,711	64,926	16,630	28,659	310,581	0
MOLLY NICHOLSON	(i)	0	0	0	0	0	0	0
	(ii)	126,582	8,338	25,688	11,139	21,451	193,198	0
PAMELA URBANSKI	(i)	0	0	0	0	0	0	0
	(ii)	141,880	0	106,108	1,872	6,167	256,027	0
LAURENCE DRY	(i)	0	0	0	0	0	0	0
	(ii)	173,123	0	41,352	15,597	30,829	260,901	0
LISA DIMARCO	(i)	0	0	0	0	0	0	0
	(ii)	176,712	0	25,157	14,661	18,482	235,012	0
JOHN BACCHETTI	(i)	0	0	0	0	0	0	0
	(ii)	135,402	0	42,227	0	11,020	188,649	42,101

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				
JARED ROGERS	(i) (ii)	108,132	15,540	73,055	10,485	16,908	224,120	0
PAUL DONOHUE	(i) (ii)	129,615	0	26,141	11,175	25,686	192,617	0
BABAK PAZOOKI	(i) (ii)	212,819	0	24,629	18,953	31,636	288,037	0
AMY LAFINE	(i) (ii)	161,178	0	67,792	15,803	25,568	270,341	0
ELIZABETH HUGHES	(i) (ii)	339,502	151,131	57,492	15,329	30,439	593,893	0
GARY PLUNDO	(i) (ii)	264,970	22,555	69,806	24,481	24,136	405,948	0
AMY STEVENS	(i) (ii)	243,182	9,515	31,864	18,720	1,103	304,384	0
JACQUELINE MEDLAND	(i) (ii)	182,591	15,789	40,564	17,306	27,445	283,695	0
JANICE NEMRI	(i) (ii)	158,894	12,874	53,195	15,522	18,237	258,722	0
ELIZABETH GARROW	(i) (ii)	165,952	14,372	34,354	15,600	18,274	248,552	0
DANIEL HATCHER	(i) (ii)	169,191	0	39,703	11,969	12,427	233,290	15,230
SUZETTE MAHNEKE	(i) (ii)	182,430	0	13,441	15,244	18,289	229,404	0
DAVID MCNARY	(i) (ii)	129,093	0	52,791	0	2,186	184,070	0
JEFFREY BRICKMAN	(i) (ii)	435,991	40,272	129,244	41,815	21,792	669,114	110,744
INDRANIL BOB SARKAR	(i) (ii)	40,217	0	139,776	3,218	18,350	201,561	0
MICHAEL ARNO	(i) (ii)	255,590	0	249,066	25,585	32,696	562,937	55,529

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
PROVENA HOSPITALS

Employer identification number
36-4195126

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (<u>Printing</u>)	X	0	5,582	Cost
accounting				
26 Other ► (<u>services</u>)	X	0	11,000	COST
27 Other ► (<u>advertising</u>)	X	0	8,000	cost
remodeling of				
Cancer				
28 Other ► (<u>center</u>)	X	0	6,493	Cost
sound				
Other ► (<u>system</u>)	X	0	11,387	cost
radio/mc for				
Other ► (<u>event</u>)	X	0	7,800	cost
Other ► (<u>food for event</u>)	X	0	5,750	cost
certificates/meeting				
room/raffle				
Other ► (<u>items</u>)	X	0	5,000	cost
Other ► (<u>mink coat</u>)	X	0	7,500	cost
creative				
equipment				
Other ► (<u>and labor</u>)	X	0	20,000	cost
Other ► (<u>microscope</u>)	X	0	19,500	cost
medical				
Other ► (<u>equipment</u>)	X	0	43,423	cost
medical				
Other ► (<u>equipment</u>)	X	0	79,587	cost
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29			1
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a			No
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31			No
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a			No
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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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
PROVENA HOSPITALS

Employer identification number
36-4195126

Identifier	Return Reference	Explanation
FORM 990 PART VI SECTION A, QUESTION 4		On November 1, 2011, Provena Health and its affiliates ("Provena") and Resurrection Health ("RHC") completed a system merger to form Provena-Resurrection Health Netw ork (d/b/a Presence Health) Pursuant to the merger, the two sponsoring congregations of RHC and the three sponsoring congregations of Provena agreed to jointly sponsor a new system composed of all entities comprising both systems, including Provena Hospitals The system merger was accomplished through the establishment of a new system parent corporation as the sole member of the former parent corporations of each system (i e , Resurrection Health Care Corporation and Provena Health, respectively) The parent corporation of the newly merged health care system, Provena-Resurrection Health Netw ork (d/b/a Presence Health) (referred to as Presence Health, herein), is a not_for_profit, tax_exempt corporation The merger was effected to preserve and strengthen Catholic health care, furthering Provena's and RHC's charitable missions Presence Health created the largest Catholic healthcare network in the State of Illinois, spanning 12 hospitals, 28 long_term care and senior residential facilities, more than 50 primary and specialty care clinics, and 6 home health agencies The combined health system has hospital operations throughout Chicago, Des Plaines, Evanston, Aurora, Elgin, Joliet, Kankakee, Urbana, and Danville Concurrent with the merger, directors of both Provena and RHC resigned at the effective date of the transaction, and a new Board of Directors was formed The merger of Provena and RHC was approved by the Sponsors of both organizations to improve access to care in the communities served
FORM 990 PART VI SECTION A, QUESTIONS 7A & 7B		The corporate member consisting of 2 members appointed by the leadership teams of each of the five sponsoring congregations of religious women has the authority to appoint Board members and approve the recommendations of the Board
FORM 990 PART VI SECTION B, QUESTION 11B		THE DATA AND INFORMATION NECESSARY TO PREPARE THE FORM 990 WAS COMPILED BY PROVENA HEALTH'S ACCOUNTING GROUP KPMG, AS EXTERNAL TAX PREPARERS, USED THIS INFORMATION TO PREPARE THE FORM 990 THE FINAL FORM 990 IS PROVIDED TO THE CORPORATION'S BOARD OF DIRECTORS FOR REVIEW PRIOR TO FILING
FORM 990 PART VI SECTION B, QUESTIONS 12A, 12B, & 12C		THE ORGANIZATION HAS ADOPTED A POLICY THAT REQUIRES BOARD MEMBERS TO COMPLETE A STATEMENT THAT DISCLOSES ALL ACTIVITIES AND PROHIBITS VOTING ON ANY MATTERS INVOLVING ANY CONFLICTS EVERY AGENDA HAS A STATEMENT THAT PROHIBITS VOTING ON AGENDA ITEMS WHERE BOARD MEMBERS HAVE CONFLICTS VENDOR FILES ARE MATCHED WITH COMPANIES BOARD MEMBERS THAT HAVE AFFILIATIONS WITH TO DETERMINE IF CONFLICTS EXIST
FORM 990 PART VI SECTION B, QUESTIONS 15A & 15B		AN INDEPENDENT HUMAN RESOURCES COMPANY REVIEWS SALARY SURVEYS FOR CEO'S AND KEY EMPLOYEES DURING THE YEAR AND MAKES RECOMMENDATIONS TO THE BOARD OF DIRECTORS or a designated board committee
FORM 990 PART VI SECTION C, QUESTION 19		GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICIES, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST AND ARE ON THE ORGANIZATION'S WEBSITE
FORM 990 PART XI	Line 5, Other Change in Net Asset or Fund Balance	Unrealized loss on securities (380,000) Transfers from Affiliates 14,998,000 Impairment Loss (70,000,000) Net Assets Released from Restrictions 2,366,000 Contributions pledged but not yet received (3,823,003) Donations received with temporary restrictions 72,876 Donations received with permanent restrictions 44,570 Other changes in net assets, net (9,000) Net Assets released from restriction 1,009,511 Book/Tax Income Difference with Joint Ventures (746,084) Net Income from Special Events (204,523) Volunteer Hours 906,389 ----- Other Changes in Net Assets or Fund Balances(Ln 5) (55,765,264)

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
PROVENA HOSPITALS

Employer identification number
36-4195126

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 IIIPart III

Identification of Related Organizations Taxable as a Partnership

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

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

Part IVPart III

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
(1) PROVENA SERVICES CORPORATION 9223 W ST FRANCIS ROAD FRANKFORT, IL 60423 36-4314354	medical	IL	Prov Hosp	c corp	-13,024,585	7,036,598	100 000 %
(2) PROVENA VENTURES 9223 west st francis road frankfort, IL 60423 37-1168085	medical	IL	provena health	c corp			
(3) provena properties 9223 west st francis road frankfort, IL 60423 36-3520630	medical	IL	provena health	c corp			
(4) Provena Assurance Corporation 9223 west st francis road frankfort, IL 60423 98-0420054	medical	IL	provena health	c corp			
(5) PROVENA SELF-INSURANCE TRUST 9223 WEST ST FRANCIS ROAD FRANKFORT, IL 60423 36-2987310	INSURANCE	IL	PROVENA HEALTH	TRUST			
(6) L Gilbraith Insurance SPC Ltd 9223 West St Francis Road Frankfort, IL 60423 98-0420054	medical	IL	na	c corp			
(7) resurrection health care preferred 100 N River Road Des Plaines, IL 60016 36-3974620	Mgd Care Contract		RHCC	C Corp			

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

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

Yes

No

No

No

No

Yes

No

No

No

No

Yes

Yes

Yes

No

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) PROVENA SERVICE CORPORATION	P	68,067	
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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: 36-4195126

Name: PROVENA HOSPITALS

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	
RESURRECTION HEALTH CARE CORPORATION 7435 WEST TALCOTT AVENUE CHICAGO, IL 60631 36-2235165	SENIOR LIVING	IL	501(C)(3)	3	na		
RESURRECTION MEDICAL CENTER 7435 WEST TALCOTT AVENUE CHICAGO, IL 60631 36-3330926	HEALTH CARE	IL	501(C)(3)	3	NA		
OUR LADY OF THE RESURRECTION MEDICAL CTR 5645 WEST ADDISON STREET CHICAGO, IL 60634 36-2644178	HEALTH CARE	IL	501(C)(3)	3	NA		
Provena-Resurrection Health Network 7435 WEST TALCOTT AVENUE CHICAGO, IL 60631 36-1649520	HEALTH CARE	IL	501(c)(3)	3	NA		
SAINT FRANCIS HOSPITAL 355 RIDGE AVENUE EVANSTON, IL 60202 36-2167800	HEALTH CARE	IL	501(C)(3)	3	NA		
SAINTS MARY AND ELIZABETH MEDICAL CENTER 2233 WEST DIVISION STREET CHICAGO, IL 60622 36-2171079	HEALTH CARE	IL	501(C)(3)	3	NA		
HOLY FAMILY MEDICAL CENTER 100 n RIVER ROAD DES PLAINES, IL 60016 36-2439318	HEALTH CARE	IL	501(C)(3)	3	NA		
Holy Family Health Care System Inc 100 N River Road Des Plaines, IL 60016 36-3495969	health care	IL	501 (c)(3)	3	NA		
Saint Joseph Hospital 2900 North Lake Shore Drive chicago, IL 60657 36-3200170	health care	IL	501 (c)(3)	3	NA		
Resurrection University 7435 West Talcott Avenue chicago, IL 60631 36-2182170	health care	IL	501 (c)(3)	3	NA		
Resurrection Ambulatory Services 7435 West Talcott Avenue Chicago, IL 60631 36-4286236	health care	IL	501 (c)(3)	3	NA		
Resurrection Senior Services 7435 West Talcott Avenue chicago, IL 60631 23-7061646	senior living	IL	501 (c)(3)	3	na		
Resurrection Services 7447 West Talcott Avenue chicago, IL 60631 36-3330928	health care	IL	501 (c)(3)	3	na		
Proviso Family Services 1820 South 25th Avenue broadview, IL 60155 36-2709982	health care	IL	501 (c)(3)	3	na		
Resurrection Home Health Services 5747 West Dempster morton grove, IL 60053 36-2893936	home care	IL	501 (c)(3)	3	Resur Health		
Resurrection Development Foundation 150 N River Road des plaines, IL 60016 36-3330929	fundraising	IL	501 (c)(3)	7	Resur Health		
Resurrection Ministries of New York 90 N Main Street castelton, NY 12033 14-1720818	parent corp	NY	501 (c)(3)	3	Resur Health		
Resurrection Nursing Home Inc 90 N Main Street castelton, NY 12033 14-1348691	senior living	NY	501 (c)(3)	3	Resur Min NY		
Mount Loretto Nursing Home Inc 302 Swart Hill Road amsterdam, NY 12010 14-1363014	senior living	NY	501 (c)(3)	3	Resur Min NY		
Resurrection Medical Center Auxiliary 7435 West Talcott Avenue chicago, IL 60631 36-6109825	fundraising	IL	501 (c)(3)	7	Resur MedCtr		

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	
Saint Francis Hospital Auxiliary 355 Ridge Avenue evanston, IL 60202 36-6143349	fundraising	IL	501 (c) (3)	7	St Fran Hosp		
provena health 9223 w st francis road frankfort, IL 60423 36-3366652	healthcare	IL	501(c) (3)	11	na		
provena senior services 19065 hickory creek drive mokena, IL 60448 37-1127787	healthcare	IL	501(c) (3)	7	prov health		
provena care home 19065 hickory creek drive mokena, IL 60448 46-0483587	healthcare	IL	501(c) (3)	9	prov health		
provena home health inc 19065 hickory creek drive mokena, IL 60448 46-0483581	healthcare	IL	501(c) (3)	9	prov health		
provena self-insurance trust 9223 west st st francis road frankfort, IL 60423 36-2987310	healthcare	IL	501(c) (3)	9	prov health		
provena laverna terrace 19065 hickory creek drive mokena, IL 60448 36-3438977	healthcare	IL	501(c) (3)	9	prov health		

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
PROVENA SERVICES CORPORATION 9223 W ST FRANCIS ROAD FRANKFORT, IL 60423 36-4314354	medical	IL	Prov Hosp	c corp	-13,024,585	7,036,598	100 000 %
PROVENA VENTURES 9223 west st francis road frankfort, IL 60423 37-1168085	medical	IL	provena health	c corp			
provena properties 9223 west st francis road frankfort, IL 60423 36-3520630	medical	IL	provena health	c corp			
Provena Assurance Corporation 9223 west st francis road frankfort, IL 60423 98-0420054	medical	IL	provena health	c corp			
PROVENA SELF-INSURANCE TRUST 9223 WEST ST FRANCIS ROAD FRANKFORT, IL 60423 36-2987310	INSURANCE	IL	PROVENA HEALTH	TRUST			
L Gilbraith Insurance SPC Ltd 9223 West St Francis Road Frankfort, IL 60423 98-0420054	medical	IL	na	c corp			
resurrection health care preferred 100 N River Road Des Plaines, IL 60016 36-3974620	Mgd Care Contract		RHCC	C Corp			

PROVENA HEALTH AND AFFILIATES

Consolidated Financial Statements and Supplementary Information

December 31, 2011 and 2010

(With Independent Auditors' Report Thereon)

PROVENA HEALTH AND AFFILIATES

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KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

Independent Auditors' Report

The Board of Directors
Provena-Resurrection Health Network (d/b/a Presence Health)

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Provena Health'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 consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Provena Health and Affiliates as of December 31, 2011 and 2010, and the results of their consolidated operations, changes in their net assets, and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary consolidating information in schedules 1 through 8 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

May 23, 2012

PROVENA HEALTH AND AFFILIATES

Consolidated Balance Sheets

December 31, 2011 and 2010

(In thousands)

Assets	2011	2010
Current assets		
Cash and cash equivalents	\$ 89,568	112,999
Short-term investments	1,393	1,636
Assets limited or restricted as to use, required for current liabilities	12,225	12,832
Receivables		
Patient and resident accounts receivable, less allowance for uncollectible accounts of approximately \$123,525 in 2011 and \$117,595 in 2010	195,259	169,840
Estimated receivables under third-party reimbursement program	5,631	4,381
Inventories	24,411	23,838
Prepaid expenses and other	56,082	48,123
Total current assets	384,569	373,649
Assets limited or restricted as to use, net of current portion	331,360	400,944
Land, buildings, and equipment, net	617,066	679,755
Excess of purchase price over identifiable net assets acquired, net	1,840	855
Other	25,614	31,810
Total assets	\$ 1,360,449	1,487,013
Liabilities and Net Assets		
Current liabilities		
Current installments of long-term debt	\$ 11,136	10,525
Current portion of obligations under capital leases	4,653	3,869
Current portion of estimated self-insurance liabilities	15,307	26,574
Accounts payable and accrued expenses	121,494	112,135
Estimated payables under third-party reimbursement program	90,947	84,644
Medicaid tax assessment deferred revenues	26,732	26,732
Derivatives and other	18,920	36,788
Total current liabilities	289,189	301,267
Long-term debt, net of current installments	601,324	612,017
Obligations under capital leases, net of current portion	9,325	6,991
Estimated self-insurance liabilities, net of current portion	84,627	86,480
Pension benefit liability	146,713	91,499
Derivatives and other long-term liabilities	17,161	16,149
Total liabilities	1,148,339	1,114,403
Net assets		
Unrestricted	202,733	362,756
Temporarily restricted	7,678	8,200
Permanently restricted	1,699	1,654
Total net assets	212,110	372,610
Total liabilities and net assets	\$ 1,360,449	1,487,013

See accompanying notes to consolidated financial statements

PROVENA HEALTH AND AFFILIATES

Consolidated Statements of Operations

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Revenue		
Net patient and resident service revenue	\$ 1,233,167	1,221,429
Other revenues	19,266	19,780
Net assets released from restriction used for operations	<u>1,141</u>	<u>1,164</u>
Total revenue	<u>1,253,574</u>	<u>1,242,373</u>
Expenses		
Salaries and benefits	589,228	581,726
Supplies and drugs	169,334	170,125
Purchased services	178,829	157,123
Interest	31,264	35,608
Depreciation and amortization	70,638	70,359
Provider tax assessment	34,650	34,355
Provision for uncollectible accounts	123,100	110,521
Restructuring charges	2,851	1,033
Other	<u>70,580</u>	<u>72,982</u>
Total expenses	<u>1,270,474</u>	<u>1,233,832</u>
(Loss) income from operations before impairments	(16,900)	8,541
Impairments	<u>71,736</u>	<u>1,652</u>
(Loss) income from operations	<u>(88,636)</u>	<u>6,889</u>
Nonoperating gains (losses)		
Investment income – realized	18,192	12,570
Investment (loss) income – unrealized	(10,054)	19,353
Derivatives valuation adjustment	(1,456)	(6,792)
Other, net	<u>(7,783)</u>	<u>8,448</u>
Net nonoperating (losses) gains	<u>(1,101)</u>	<u>33,579</u>
Revenue and gains (deficient) in excess of expenses and losses	(89,737)	40,468
Other changes in unrestricted net assets		
Expense reclassification for dedesignated hedges	4,033	95
Change in funded status of pension plan	(77,355)	(15,172)
Net assets released from restriction used for the purchase of land, buildings, and equipment	3,044	1,129
Other, net	<u>(8)</u>	<u>(9)</u>
Change in unrestricted net assets	\$ <u>(160,023)</u>	<u>26,511</u>

See accompanying notes to consolidated financial statements

PROVENA HEALTH AND AFFILIATES
Consolidated Statements of Changes in Net Assets
Years ended December 31, 2011 and 2010
(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted net assets		
Revenue and gains (deficient) in excess of expenses and losses	\$ (89,737)	40,468
Other changes in unrestricted net assets		
Expense reclassification for dedesignated hedges	4,033	95
Change in funded status of pension plan	(77,355)	(15,172)
Net assets released from restriction used for the purchase of land, building, and equipment	3,044	1,129
Other, net	(8)	(9)
Change in unrestricted net assets	<u>(160,023)</u>	<u>26,511</u>
Temporarily restricted net assets		
Restricted contributions	3,647	3,010
Change in net unrealized (losses) gains	(26)	41
Temporarily restricted investment income	42	59
Net assets released from restrictions used for the purchase of land, buildings, and equipment	(3,044)	(1,129)
Net assets released from restriction used for operations	(1,141)	(1,164)
Change in temporarily restricted net assets	<u>(522)</u>	<u>817</u>
Permanently restricted net assets		
Restricted contributions	55	96
Net realized and unrealized (losses) gains on investments	(10)	10
Change in permanently restricted net assets	<u>45</u>	<u>106</u>
Change in net assets	<u>(160,500)</u>	<u>27,434</u>
Net assets at beginning of year	<u>372,610</u>	<u>345,176</u>
Net assets at end of year	<u><u>\$ 212,110</u></u>	<u><u>372,610</u></u>

See accompanying notes to consolidated financial statements

PROVENA HEALTH AND AFFILIATES

Consolidated Statements of Cash Flows

Years ended December 31, 2011 and 2010

(In thousands)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ (160,500)	27,434
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	70,638	70,359
Provision for uncollectible accounts	123,100	110,521
Net loss on disposal of capital assets	4,018	246
Change in fair value of derivative instruments	1,456	6,792
Change in funded status of pension plan	77,355	15,172
Gains from equity interest of unconsolidated affiliates	(890)	(304)
Cash distributions received from unconsolidated affiliates	913	1,195
Net gain on redemption of long-term debt	—	(10,030)
Impairments	71,736	1,652
Change in net unrealized gains and losses on investment securities	10,090	(19,394)
Net realized gains on sale of investment securities	(7,825)	(180)
Permanently restricted contributions	(55)	(96)
Changes in assets and liabilities		
Patient and resident accounts receivable	(148,519)	(102,013)
Estimated settlements under third-party reimbursement programs, net	5,053	(14,721)
Inventories	(573)	(2,064)
Prepaid expenses and other assets	(8,635)	(16,851)
Accounts payable and accrued expenses	9,359	(19,555)
Estimated self-insurance liabilities	(13,120)	8,918
Medicaid tax assessment deferred revenues	—	26,732
Other current liabilities	(17,868)	17,461
Other long-term liabilities	(22,585)	(29,279)
Net cash (used in) provided by operating activities	<u>(6,852)</u>	<u>71,995</u>
Cash flows from investing activities		
Acquisition of land, buildings, and equipment, net	(79,985)	(62,704)
Net proceeds from sale of capital assets	5,068	694
Purchases of investment securities	(103,373)	(99,608)
Sales of investment securities	171,542	125,825
Change in other long-term assets	<u>5,188</u>	<u>(3,242)</u>
Net cash used in investing activities	<u>(1,560)</u>	<u>(39,035)</u>
Cash flows from financing activities		
Repayment of obligations under capital leases	(4,992)	(3,252)
Repayment of long-term debt	(10,082)	(196,400)
Issuance of long-term debt	—	198,000
Payment of bond issue costs	—	(2,574)
Permanently restricted contributions	<u>55</u>	<u>96</u>
Net cash used in financing activities	<u>(15,019)</u>	<u>(4,130)</u>
Net change in cash and cash equivalents	<u>(23,431)</u>	<u>28,830</u>
Cash and cash equivalents at beginning of year	<u>112,999</u>	<u>84,169</u>
Cash and cash equivalents at end of year	\$ <u>89,568</u>	\$ <u>112,999</u>
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 33,359	31,896
Supplemental disclosure of noncash transactions		
Assets acquired under capital leases	\$ 8,110	6,359

See accompanying notes to consolidated financial statements

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

(1) Operations and Basis of Consolidation

Effective November 30, 1997, The Franciscan Sisters of the Sacred Heart (Franciscans), The Servants of the Holy Heart of Mary – Holy Family Province (ServantCor), and The Sisters of Mercy of the Americas Regional Community of Chicago (Mercy) (collectively, the Sponsors) created a new equally sponsored Catholic healthcare system called Provena Health in order to assure the provision of ongoing quality healthcare services to the communities served by the Sponsors

Provena Health is the sole corporate member of Provena Hospitals, Provena Senior Services (d/b/a Provena Life Connections), Provena Home Health, Inc., Provena Care @ Home, and Provena Health Assurance SPC, and owns 100% of Provena Ventures, Inc. (Ventures) (collectively referred to herein as Provena). These organizations include all of the healthcare operations of the Sponsors. Provena provides healthcare and long-term care services to communities primarily located in northern and central Illinois.

Provena Hospitals is an Illinois not-for-profit corporation, which owns and operates six acute care hospitals and medical centers and more than thirty health centers. Provena Hospitals' wholly owned subsidiary, Provena Services Corporation (PSC), is a taxable Illinois not-for-profit corporation formed to manage Provena Hospitals' physician practices.

Provena Senior Services (d/b/a Provena Life Connections) is an Illinois not-for-profit corporation, which owns and operates eleven nursing homes, four independent living facilities, four assisted living facilities, two adult daycare centers, two community service facilities, one child care center, and one outpatient pharmacy in northern and central Illinois and Indiana. Provena Senior Services is the sole member of LaVerna Terrace Housing Corporation, an Illinois not-for-profit corporation doing business as Provena LaVerna Terrace Housing Corporation. Provena Senior Services is also the sole member of Provena Home Health, Inc., a not-for-profit organization that owns and operates five home health agencies and two hospice agencies in northern and central Illinois, and Provena Care @ Home, the doing business as name of an Illinois not-for-profit corporation currently known as Will County Community Transitions Program, Inc.

Ventures is an Illinois business (for-profit) corporation, which operates various for-profit enterprises, consisting primarily of Provena Properties as of December 31, 2011 and 2010, an Illinois business corporation that owns four parcels of land held for future use of Provena Health.

Provena Health Assurance SPC is an insurance company incorporated in the Cayman Islands as of May 29, 2003, and operates subject to the provisions of the Companies Law (2002 Revision) of the Cayman Islands. Provena Health Assurance SPC is a wholly owned subsidiary of Provena Health. The principal business of Provena Health Assurance SPC is to procure excess commercial insurance coverage on behalf of Provena through reinsurance with AM Best highly rated reinsurers.

Pursuant to the November 1, 2011 merger with Resurrection Health Care Corporation (RHC), Provena Health became a subsidiary of Provena-Resurrection Health Network (d/b/a Presence Health). From the date of merger through December 31, 2011, Provena Health and its affiliates had no significant intercompany balances or transactions with RHC.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

All significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements

(2) Summary of Significant Accounting Policies

A summary of significant accounting policies follows

- The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health and long-term care services are reported as revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.
- The consolidated statements of operations include revenue and gains in excess of expenses and losses. Changes in unrestricted net assets, which are excluded from revenue and gains in excess of expenses and losses, consistent with industry practice, include changes in the funded status of Provena's defined benefit pension plan, reclassifications to interest expense for the previously effective portion of dedesignated hedges, and contributions of and for long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets).
- Cash and cash equivalents consist primarily of demand deposits with banks, cash on hand, overnight secured repurchase agreements, and securities with an original term of 90 days or less when purchased, excluding amounts limited or restricted as to use. Short-term investments consist of securities with an original term of one year or less, excluding cash and cash equivalents and amounts limited or restricted as to use.
- Provena applies the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a framework for measuring fair value and expands disclosures about fair value measurements (note 7).

In conjunction with the adoption of ASC Topic 820, Provena adopted the measurement provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in private funds that do not have readily determinable fair values. This guidance amends ASC Topic 820 and allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

- Provena applies the provisions of ASU 2010-06, *Improving Disclosures about Fair Value Measurements* (ASU 2010-06). ASU 2010-06 amends ASC Subtopic 820-10, *Fair Value Measurements and Disclosures*, to provide additional disclosure requirements for transfers into and out of Levels 1 and 2 and for activity in Level 3 and to clarify other existing disclosure requirements.
- Provena applies the provisions of ASC Subtopic 825-10, *Financial Instruments – Overall*, which gives Provena the irrevocable option to report most financial assets and liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. Provena management has not elected to measure any additional eligible financial assets or financial liabilities at fair value subsequent to the adoption of ASC Subtopic 825-10.
- Investment income or loss (including realized gains and losses on investments, changes in unrealized gains and losses on trading securities, interest, and dividends) is included in unrestricted revenue and gains in excess of expenses and losses in the accompanying consolidated statements of operations unless the income or loss is restricted by donor or law.
- Provena accounts for derivatives and hedging activities in accordance with ASC Topic 815, *Derivatives and Hedging*, which requires that all derivative instruments be recorded on the consolidated balance sheets at their respective fair values.

Effective January 1, 2008, Provena discontinued hedge accounting prospectively for its outstanding interest rate swap agreements as management determined that designation of the derivatives as hedging instruments was no longer appropriate given overall credit market and interest rate conditions. Provena continued to carry its derivatives at fair value and recognized changes in their fair values subsequent to January 1, 2008 and through the dates the respective interest rate swap agreements were terminated as nonoperating gains or losses in the consolidated statements of operations. Cumulative amounts charged to unrestricted net assets for the effective portion of hedges in the amount of \$4,644 as of January 1, 2008 were being reclassified from unrestricted net assets to interest expense on a straight-line basis over the terms of the underlying debt, through the dates the corresponding interest rate swaps were terminated, at which time the remaining balances were reclassified (note 13).

- Supplies inventories are stated at the lower of cost or market. Cost is determined on the basis of the most recent purchase price, which approximates the first-in, first-out method and the average cost method.
- Land, buildings, and equipment are stated at cost if purchased or at fair value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is primarily computed using the straight-line method. Leasehold improvements are amortized over the shorter of the terms of the leases or the estimated useful lives of the improvements. Equipment under capital leases is recorded at the present value of minimum lease payments. Amortization of equipment under capital leases is over the shorter of the lease term or useful life of the equipment. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component cost of acquiring those assets. Provena capitalized interest cost of \$207 in 2011. No interest cost was capitalized in 2010.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

- Provena applies the provisions of ASU 2010-07, *Not-for-Profit Entities Mergers and Acquisitions* (ASU 2010-07). ASU 2010-07 provides guidance on a transaction or other event in which a not-for-profit entity that is a reporting entity combines with one or more other not-for-profit businesses, or nonprofit activities in a transaction that meets the definition of a merger of not-for-profit entities or an acquisition by a not-for-profit entity.
- Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted contributions, and are excluded from revenue and gains in excess of expenses and losses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expiration of donor restrictions is reported when the donated or acquired long-lived assets are placed in service.
- Assets limited or restricted as to use include assets set aside by the Board of Directors for future capital improvements, over which the Board of Directors retains control and may at its discretion subsequently use for other purposes, assets held by trustees under indenture agreements and resident agreements, assets set aside for self-insured liabilities, assets held under collateral posting requirements, and donor-restricted investments. Assets limited or restricted as to use are classified as current assets to the extent they are required to satisfy obligations classified as current liabilities in the accompanying consolidated balance sheets.
- Included in other assets at December 31, 2011 and 2010 is goodwill of \$1,840 and \$855, respectively. Goodwill, which represents the excess of purchase price over identified net assets acquired, principally relates to the acquisition of a surgery center, as well as certain physician practices. Effective January 1, 2010, Provena implemented ASC 958-805, *Not-For-Profit Entities Business Combinations*, which discontinues the amortization of goodwill. Under ASC 958-805, goodwill is to be reviewed for impairment at least annually. The goodwill impairment test is a two-step test. Under the first step, the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and the entity must perform step two of the impairment test (measurement). Under step two, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of the reporting unit's goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation and the residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Fair value of the reporting unit is determined using a discounted cash flow analysis. If the fair value of the reporting unit exceeds its carrying value, step two does not need to be performed.

Provena performed its annual goodwill impairment test as of December 31, 2011, and no goodwill was impaired. For the year ended December 31, 2010, Provena impaired \$833 of previously recognized goodwill, which is reported within impairments in the accompanying 2010 consolidated statement of operations.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

- Deferred finance charges and bond discount are amortized on a straight-line basis over the terms of the respective debt
- In August 2010, the Financial Accounting Standards Board (FASB) issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24). ASU 2010-24 clarifies that healthcare entities should not net insurance recoveries against the related claim liability and that the claim liability amount should be determined without consideration of insurance recoveries. Provena implemented ASU 2010-24 for the year ended December 31, 2011 and reclassified a receivable of \$9,442 from estimated self-insurance liabilities to prepaid expenses and other assets in the accompanying 2011 consolidated balance sheet
- Temporarily restricted net assets are those whose use by Provena has been limited by donors to a specific time period or purpose. Provena's temporarily restricted net assets are restricted for various programs related to the provision of health and pastoral care and the acquisition of land, buildings, and equipment
- Provena's permanently restricted net assets represent endowment funds for which the investments are to be held in perpetuity and the related investment income is expendable to support healthcare or other donor-designated services. Provena applies the provisions of ASC Topic 958, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC Topic 958 also enhances disclosures related to both donor-restricted and board-designated endowment funds
- Unconditional promises to give cash or other assets are reported at fair value at the date the promise is received. Gifts are reported as either a temporarily or permanently restricted contribution if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions. Unrestricted contributions are included in other revenues in the accompanying consolidated statements of operations
- Provena provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Provena does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue

In August 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosure* (ASU 2010-23). ASU 2010-23 requires that cost be used as the measurement basis for charity care disclosures purposes and that cost can be identified as direct and indirect costs of providing charity care. Provena implemented ASU 2010-23 for the year ended December 31, 2011 (note 5)
- Net patient and resident service revenue is reported at the estimated net realizable amounts from patients, residents, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

- The provisions for estimated self-insured medical malpractice claims, workers' compensation claims, and employee health claims include estimates of the ultimate costs for both reported claims and claims incurred but not reported
- During 2011 and 2010, Provena, with the assistance of outside consultants, completed restructuring efforts throughout the organization, which involved the elimination of various employee positions and the refocusing of strategic direction. As a result, charges of \$2.851 and \$1.033, comprised primarily of consulting fees and severance compensation, are reported as restructuring charges in the accompanying 2011 and 2010 consolidated statements of operations, respectively
- Provena Health, Provena Hospitals, Provena Home Health, Inc., Provena Care @ Home, and Provena Senior Services are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (Code), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code
- Ventures is an Illinois business (for-profit) corporation that recognizes deferred income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Ventures tax effects of temporary differences that give rise to significant portions of the deferred tax assets at December 31, 2011 and 2010 are primarily the result of net operating loss carry forwards (approximately \$7.019 and \$6.439 at December 31, 2011 and 2010, respectively, which expire at various future dates through 2031).

PSC is an Illinois not-for-profit taxable corporation that also recognizes deferred income taxes under the asset and liability method. PSC tax effects of temporary differences that give rise to significant portions of the deferred tax assets at December 31, 2011 and 2010 are primarily the result of net operating loss carry forwards (approximately \$108.093 and \$99.647 at December 31, 2011 and 2010, respectively, which expire at various future dates through 2031).

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable losses and projections for future taxable losses over the periods for which the deferred tax assets are deductible, management believes it is more likely than not that Ventures and PSC will not realize the majority of the benefits of these deductible differences. The

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

deferred tax assets attributable to the net operating loss carryforwards not realized as of December 31, 2011 and 2010 have been fully reserved in the accompanying consolidated financial statements due to the uncertainty of realization

- On January 1, 2008, Provena adopted ASC Subtopic 740-10, *Income Taxes – Overall*, which addresses the determination of how tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under ASC Subtopic 740-10, Provena may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. ASC Subtopic 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes, and accounting in interim periods and requires increased disclosures. At the date of adoption, and as of December 31, 2011, Provena does not have any liabilities for any unrecognized tax benefits.
- Provena evaluates long-lived assets for impairment on an annual basis. Long-lived assets are considered to be impaired whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. When such assets are considered to be impaired, the impairment loss recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset. During 2011 and 2010, Provena impaired \$71,736 and \$819, respectively, of long-lived assets, which are reported within impairments in the accompanying consolidated statements of operations.
- Certain 2010 amounts have been reclassified to conform to the 2011 consolidated financial statement presentation, including a reclassification of net realized gains on the sale of investment securities in the 2010 consolidated statement of cash flows that decreases operating activities and increases investing activities by \$180.

(3) Net Patient Service Revenue

Provena has agreements with third-party payors that provide for reimbursement to Provena at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, capitation, and per diem payments. A summary of the basis of reimbursement with major third-party payors is as follows:

Medicare – Inpatient acute care services, outpatient services, physician services, home health, and long-term care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per case. These rates vary according to patient and resident classification systems that are based on clinical, diagnostic, and other factors. The prospectively determined rates are not subject to adjustment. Provena's payment classification of patients and residents under the prospective payment systems, and the appropriateness of the services, are subject to validation reviews. Certain services related to Medicare beneficiaries are reimbursed based upon cost-reimbursement methodologies. Provena is reimbursed for cost-reimbursable items at tentative rates with final settlement determined after submission of annual

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

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(Dollars in thousands)

reimbursement reports by Provena and audits thereof by the Medicare fiscal intermediary. As of December 31, 2011, annual Medicare reimbursement reports have been final settled through 2006.

Medicaid – Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively determined rates per discharge and fee schedules, respectively. Provena Hospitals also receive incremental Medicaid reimbursement for specific programs and services at the discretion of the State of Illinois Medicaid Program. Medicaid reimbursement may be subject to periodic adjustment, as well as to changes in existing payment methodologies and rates, based on the amount of funding available to the State of Illinois Medicaid Program.

In 2008, the State of Illinois (the State) enacted an assessment program to assist in the financing of its Medicaid program through June 30, 2013. Pursuant to this program, hospitals within the State are required to remit payment to the State Medicaid program under an assessment formula approved by the Centers for Medicare and Medicaid Services (CMS). Provena has included its related annual assessment of \$34,650 and \$34,355 as provider tax assessment expense in the accompanying 2011 and 2010 consolidated statements of operations, respectively. In 2011, the State accelerated the program's payment schedule, which required assessment payments for the State's fiscal year ending June 30, 2012 to be paid by December 2011. Provena has included prepaid assessments of \$17,178 for the periods from January 1, 2012 through June 30, 2012 and from January 1, 2011 through June 30, 2011, within prepaid expenses and other in the accompanying 2011 and 2010 consolidated balance sheets, respectively.

The assessment program also provides hospitals within the State with additional Medicaid reimbursement based on funding formulas approved by CMS. Provena has included its additional related reimbursement of \$53,464 and \$56,729 within net patient service revenue in the accompanying 2011 and 2010 consolidated statements of operations, respectively, of which \$3,265 related to a one-time incremental Medicaid stimulus payment to Provena for the year ended December 31, 2010. The State advanced Provena \$26,732 as of December 31, 2011 and December 31, 2010, related to additional Medicaid reimbursement covering the periods January 1, 2012 to June 30, 2012 and January 1, 2011 to June 30, 2011, respectively. Provena has deferred this additional Medicaid reimbursement and reported such amounts as Medicaid deferred revenue in the accompanying 2011 and 2010 consolidated balance sheets.

Blue Cross – Provena also participates as a provider of healthcare services under reimbursement agreements with Blue Cross. The provisions of the indemnity plan agreements stipulate that services will be reimbursed at a tentative reimbursement rate and that final reimbursement for these services is determined after the submission of annual cost reports and reviews by Blue Cross. As of December 31, 2011, the Blue Cross cost settlements for 2011 are subject to audit and retroactive adjustment.

Managed Care – Provena also participates as a provider of healthcare services under various agreements with health maintenance organizations (HMOs) and preferred provider organizations (PPOs). The terms of each contract vary, but typically include a negotiated discount offered by Provena for services provided to contracted HMO and PPO patients.

For the years ended December 31, 2011 and 2010, the consolidated statements of operations include \$(272) and \$(1,201), respectively, of net (unfavorably) favorably determined retroactive settlements and changes in prior estimates for third-party settlements and allowances.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

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(Dollars in thousands)

A summary of gross and net patient and resident service revenue for the years ended December 31, 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Gross patient and resident service revenue	\$ 4,824,488	4,590,514
Plus Medicaid provider tax revenue	53,464	56,729
Less provisions for		
Contractual adjustments under third-party reimbursement programs, including managed care and other	<u>(3,644,785)</u>	<u>(3,425,814)</u>
Net patient and resident service revenue	<u>\$ 1,233,167</u>	<u>1,221,429</u>

(4) Concentrations of Credit Risk

Provena grants credit without collateral to its patients and residents, most of whom are local residents in Provena's markets. The mix of gross receivables from patients, residents, and third-party payors at December 31, 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Medicare	20%	23%
Medicaid	21	20
Managed care/contract payors	36	33
Other	<u>23</u>	<u>24</u>
	<u>100%</u>	<u>100%</u>

A summary of Provena's utilization percentages, based upon gross patient and resident service revenue, is as follows

	<u>2011</u>	<u>2010</u>
Medicare	46%	45%
Medicaid	15	15
Managed care/contract payors	30	29
Other	<u>9</u>	<u>11</u>
	<u>100%</u>	<u>100%</u>

(5) Charity Care

Consistent with its mission, Provena provides medical care to all patients regardless of their ability to pay. In addition, Provena provides services intended to benefit the poor and underserved, including those persons who cannot afford health insurance because of inadequate resources and/or are uninsured or underinsured, and to enhance the health status of the communities in which it operates.

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

The following summary has been prepared in accordance with the Catholic Health Association of the United States' (CHA) policy documents *Community Benefit Program A Revised Resource for Social Accountability and Community Benefit Reporting Guidelines and Standard Definitions for the Community Benefit Inventory for Social Accountability*, released in November 2004, and *A Guide for Planning and Reporting Community Benefit*, released in May 2006. Provena has expanded its reporting by including more detailed classifications of program spending, consistent with the reporting guidelines.

The following amounts reflect the quantifiable costs of Provena's community benefit ministry, unpaid Medicare costs, uninsured discount, and provision for bad debts for the years ended December 31.

	<u>2011</u>	<u>2010</u>
Ministry for the poor and the underserved		
Unpaid cost of Medicaid and other public programs	\$ 69,530	71,859
Less net impact of Medicaid provider tax assessment program, including 2010 stimulus payment (note 3)	<u>(18,814)</u>	<u>(22,374)</u>
Net unpaid cost of Medicaid and other public programs	50,716	49,485
Other charity care at cost	34,187	35,046
Community and subsidized health services	4,284	4,396
Health professions education	4,626	4,912
Financial/in-kind contributions	1,043	834
Other community benefits	<u>2,166</u>	<u>1,949</u>
Community benefit ministry	<u>\$ 97,022</u>	<u>96,622</u>
Unpaid cost of Medicare, net	\$ 56,729	65,107

Ministry for the poor and the underserved represents the financial commitment to seek out and serve those who need help the most, especially the poor, the uninsured, and the indigent. This is done with the conviction that healthcare is a basic human right.

Unpaid cost of Medicaid and other public programs represents the cost (determined using a cost-to-charge ratio) of providing services to beneficiaries of public programs, including state Medicaid and indigent care programs, in excess of governmental and managed care contract payments.

Other charity care at cost represents the cost of services provided to patients who cannot afford healthcare services due to inadequate resources and/or are uninsured or underinsured. A patient is classified as a charity patient in accordance with the Provena's established policies and where no payment (or a discounted one) for such services is anticipated. Services provided to these patients are not reported as revenue in the consolidated statements of operations and changes in net assets. The cost of charity care is calculated using a cost-to-charge ratio methodology.

Community and subsidized health services represent costs of services provided in response to community need that are subsidized from other revenue sources.

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Health professions education represents costs incurred for facility-based educational programs, reduced by direct medical education funding, fees, and other revenues

Financial/in-kind contributions represent cash and in-kind donations such as the value of meeting space, equipment, and personnel to assist other healthcare providers, social service agencies, and organizations

Unpaid cost of Medicare, net represents the cost (determined using a cost-to-charge ratio) of providing services to primarily elderly beneficiaries of the Medicare program, in excess of governmental and managed care contract payments

(6) Assets Limited or Restricted as to Use and Short-Term Investments

A summary of the composition of assets limited or restricted as to use and short-term investments at December 31, 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 43,401	46,850
Corporate debt securities	78,181	80,030
U S government and agency obligations	105,726	114,497
Foreign government obligations	657	518
Equity securities	47,753	64,660
Equity funds	66,949	106,627
Pledges receivable	2,111	2,030
Land	200	200
	<u>\$ 344,978</u>	<u>415,412</u>

Investments are classified in the accompanying consolidated balance sheets as follows

	<u>2011</u>	<u>2010</u>
Short-term investments	\$ 1,393	1,636
Assets limited or restricted as to use, required for current liabilities	12,225	12,832
Assets limited or restricted as to use, net of current portion	331,360	400,944
	<u>\$ 344,978</u>	<u>415,412</u>

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

The composition of the noncurrent portion of assets limited or restricted as to use is as follows

	<u>2011</u>	<u>2010</u>
Investments in centralized investment programs	\$ 248,299	299,123
Other board-designated investments	<u>—</u>	<u>4,450</u>
Total unrestricted investments	248,299	303,573
Self-insurance trust	53,530	67,953
Debt service reserve funds held by Bond Trustee	19,459	19,459
Restricted by donors	9,377	9,854
Other	<u>695</u>	<u>105</u>
	<u>\$ 331,360</u>	<u>400,944</u>

The composition of investment return for 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Interest and dividend income, net of interest expense allocation	\$ 10,409	12,459
Change in net unrealized gains and losses on securities	(10,090)	19,394
Net realized gains on sale of investments	<u>7,825</u>	<u>180</u>
Total investment return	<u>\$ 8,144</u>	<u>32,033</u>

Interest and dividend income reflected above has been reduced by \$2,779 and \$4,192 of interest expense incurred on long-term debt in 2011 and 2010, respectively. As part of Provena's overall capital management program, a portion of interest expense incurred on outstanding long-term debt is apportioned against income earned on investment securities and is reported as a direct reduction of investment returns in the accompanying consolidated statements of operations.

Investment returns are included in the accompanying consolidated statements of operations and changes in net assets for the years ended December 31, 2011 and 2010 as follows

	<u>2011</u>	<u>2010</u>
Nonoperating gains		
Investment income – realized	\$ 18,192	12,570
Investment (loss) income – unrealized	(10,054)	19,353
Temporarily restricted net assets		
Investment income	42	59
Change in net unrealized gains	(26)	41
Permanently restricted net assets		
Net realized and unrealized (losses) gains on investments	<u>(10)</u>	<u>10</u>
Total investment return	<u>\$ 8,144</u>	<u>32,033</u>

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(Dollars in thousands)

(7) Fair Value Measurements

(a) Fair Value of Financial Instruments

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

- *The carrying amount reported in the consolidated balance sheets for the following approximates fair value because of the short maturities of these instruments* cash and cash equivalents, patient and resident accounts receivable, accounts payable and accrued expenses, and estimated payables and receivables under third-party reimbursement programs
- *Assets limited or restricted as to use and short-term investments* Common stocks, quoted mutual funds, and direct U S government obligations, are measured using quoted market prices at the reporting date multiplied by the quantity held Private funds that do not have readily determinable fair values are measured using net asset value per share at the reporting date multiplied by the number of shares held Corporate bonds, notes, indirect U S government obligations, U S agency obligations, and foreign government obligations are measured using other observable inputs The carrying value equals fair value
- *Interest rate swap agreements* The fair value of interest rate swaps is determined using pricing models developed based on the LIBOR swap rate and other observable market data The value was determined after considering the potential impact of collateralization and netting agreements, adjusted to reflect nonperformance risk of both the counterparty and Provena The carrying value equals fair value
- *Long-term debt* The fair value of fixed rate long-term debt is estimated based on quoted market prices for the same or similar issues or on the current rates offered to Provena for debt of the same remaining maturities For variable rate debt, carrying amounts approximate fair value
- *Capital leases* The fair value of capital leases is estimated based on debt of the same remaining maturities using Provena's incremental borrowing rate at the measurement date

The following table presents the carrying amounts and estimated fair values of Provena's financial instruments not carried at fair value at December 31, 2011 and 2010

	2011		2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	\$ 612.460	641.197	622.542	641.857
Capital leases	13.978	12.988	10.860	9.962

PROVENA HEALTH AND AFFILIATES

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(Dollars in thousands)

(b) Fair Value Hierarchy

Provena applies ASC Topic 820 for fair value measurements of financial assets and liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Provena has the ability to access at the measurement date.
- Level 2 are observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2011.

	Total fair value	Fair value measurements at December 31, 2011 using		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 89,568	89,568	—	—
Assets limited as to use and short-term investments, excluding pledges receivable and land totaling \$2,311				
Cash and cash equivalents	43,401	43,401	—	—
Corporate debt securities	78,181	—	78,181	—
U.S. government and agency obligations	105,726	31,851	73,875	—
Foreign government obligations	657	—	657	—
Equity securities	47,753	47,753	—	—
Equity funds	66,949	66,949	—	—
Total	\$ 432,235	279,522	152,713	—

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2010

	Total fair value	Fair value measurements at December 31, 2010 using		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 112,999	112,999	—	—
Assets limited as to use and short-term investments, excluding pledges receivable and land totaling \$2.230				
Cash and cash equivalents	46,850	46,850	—	—
Corporate debt securities	80,030	—	80,030	—
U S government and agency obligations	114,497	44,338	70,159	—
Foreign government obligations	518	—	518	—
Equity securities	64,660	64,660	—	—
Equity funds	106,627	106,627	—	—
Total	<u>\$ 526,181</u>	<u>375,474</u>	<u>150,707</u>	<u>—</u>
Liabilities				
Current liabilities				
Derivatives and other				
Interest rate derivatives	\$ 17,345	—	17,345	—

Provena's accounting policy is to recognize transfers between levels of the fair value hierarchy in the year of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2011 and 2010.

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

(8) Land, Buildings, and Equipment

A summary of land, buildings, and equipment at December 31, 2011 and 2010 is as follows

	2011	2010
Land	\$ 32,170	32,941
Land improvements	19,190	23,238
Buildings and leasehold improvements	752,605	861,262
Equipment and furnishings	503,509	640,091
	<u>1,307,474</u>	<u>1,557,532</u>
Less accumulated depreciation and amortization for capital leases	<u>713,072</u>	<u>898,580</u>
	594,402	658,952
Construction in progress	<u>22,664</u>	<u>20,803</u>
Land, buildings, and equipment, net	<u><u>\$ 617,066</u></u>	<u><u>679,755</u></u>

At December 31, 2011, construction in progress related primarily to construction projects at Provena Mercy Medical Center and Provena Covenant Medical Center, as well as various information systems projects throughout the organization. Provena has outstanding contractual commitments of \$14.615 as of December 31, 2011 relating to these projects, which will be funded with available cash and cash equivalents.

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(9) Capital Leases

Provena leases certain equipment under capital leases. Included with equipment and furnishings is \$23,524 and \$18,292 of assets held under capital leases and \$8,227 and \$7,177 of related accumulated amortization at December 31, 2011 and 2010, respectively. Capital leases are secured by the underlying equipment. A summary of future minimum lease payments and the present value of future minimum lease payments related to capital leases as of December 31, 2011 are as follows:

Year	
2012	\$ 4,716
2013	3,914
2014	2,576
2015	1,712
2016	589
Thereafter	1,306
Total future minimum lease payments	14,813
Less amount representing interest at rates from 0.00% to 10.25%	835
Present value of future minimum lease payments	13,978
Less current portion of obligations under capital leases	4,653
Obligations under capital leases, excluding current portion	\$ 9,325

(10) Investments in Joint Ventures and Affiliated Organizations

Provena has ownership interests in various entities, which are accounted for using the equity method of accounting. The carrying value of all investments in affiliated companies amounted to approximately \$5,627 and \$5,650 at December 31, 2011 and 2010, respectively, and is included as a component of other noncurrent assets in the accompanying consolidated balance sheets. For the years ended December 31, 2011 and 2010, Provena recognized equity income of \$890 and \$304 on investments in affiliated companies, respectively. This income is included as a component of other revenues in the accompanying consolidated statements of operations.

Effective September 1, 2005, Alverno Provena Hospital Laboratories, Inc. (APHL, Inc.) was established as an Indiana nonprofit corporation through a joint venture among Provena, the Sisters of St. Francis Health Services, Inc., and certain affiliates. On January 31, 2008, RHC joined APHL, Inc. as an equal participant. The corporation is operated as a cooperative hospital service organization, providing laboratory services for the benefit of its participants and patron hospitals. APHL, Inc. Provena had a 33.3% interest in APHL, Inc. at both December 31, 2011 and 2010, and an equity investment of \$50 at December 31, 2011 and 2010, respectively. Provena recognized no equity income or loss on APHL, Inc. in 2011 or 2010. APHL made a return of capital of \$200 to Provena in 2010.

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(Dollars in thousands)

Also, effective September 1, 2005, Alvemo Clinical Laboratories, LLC (ACL, LLC) was established through a joint venture between Provena and the Sisters of St. Francis Health Services, Inc. During 2007, RHC also became a joint venture member of ACL, LLC. This venture was established, among other things, to expand the availability of lab services to patients in the communities serviced by the company, encourage further improvement in the quality of lab services, and support APhL, Inc. Provena has a 33.3% interest in ACL, LLC and an equity investment of \$4,046 and \$4,022 at December 31, 2011 and 2010, respectively. Provena recognized equity gains (losses) on ACL, LLC of \$24 in 2011 and \$(391) in 2010. Provena made equity cash contributions of \$450 to ACL, LLC in 2010. No such contributions were made in 2011.

In addition to the APhL, Inc. and ACL, LLC investments described above, Provena has ownership interests in various other entities, which are also accounted for under the equity method. For the years ended December 31, 2011 and 2010, Provena recognized equity income of \$866 and \$695 from investments in these affiliated companies, respectively. Provena received cash distributions from these equity method investees of \$913 and \$1,195 in 2011 or 2010, respectively.

The following table summarizes the unaudited aggregated financial information of Provena's investments in joint ventures and affiliated organizations:

	2011	2010
Total assets	\$ 37,067	35,146
Total liabilities	21,054	17,662
Total equity	\$ 16,013	17,484
Net revenues	\$ 192,230	196,759
Operating expenses	189,093	195,173
Net income	\$ 3,137	1,586

Provena Hospitals obtains laboratory services from APhL, Inc., at cost, pursuant to an evergreen contractual agreement. Expense recognized by Provena for APhL, Inc. laboratory services was \$32,769 in 2011 and \$33,068 in 2010 and is included in purchased services.

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(11) Long-Term Debt

A summary of long-term debt at December 31, 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Illinois Development Finance Authority Revenue Bonds, Series 1998A, dated April 15, 1998, with fixed interest rates ranging from 4.50% to 5.75%, due May 15 annually in varying amounts through May 15, 2023	\$ 108,920	115,780
Illinois Finance Authority Revenue Bonds, Series 2009A, dated June 25, 2009, with fixed interest rate of 7.75%, due annually in varying amounts beginning August 15, 2026 through August 15, 2034	200,000	200,000
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009B, dated July 9, 2009, interest rate changes daily (0.06% and 0.26% at December 31, 2011 and 2010, respectively), due annually in varying amounts beginning August 15, 2016 through August 15, 2044	50,000	50,000
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009C, dated July 9, 2009, interest rate changes daily (0.11% and 0.30% at December 31, 2011 and 2010, respectively), due annually in varying amounts beginning August 15, 2016 through August 15, 2044	41,000	41,000
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2009D, dated July 9, 2009, interest rate changes weekly (0.11% and 0.30% at December 31, 2011 and 2010, respectively), due annually in varying amounts beginning August 15, 2016 through August 15, 2044	25,000	25,000
Illinois Finance Authority Revenue Bonds, Series 2010A, dated February 11, 2010, with fixed interest rates ranging from 5.0% to 6.0%, due annually in varying amounts beginning May 1, 2010 through May 1, 2028	108,320	111,930
Illinois Finance Authority Revenue Bonds, Series 2010B, dated February 11, 2010, with fixed interest rate of 6.0%, due annually in varying amounts beginning May 1, 2029 through May 1, 2034	10,020	10,020

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	<u>2011</u>	<u>2010</u>
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C, dated September 15, 2010, interest rate changes daily (0.06% and 0.26% at December 31, 2011 and 2010, respectively), due annually in varying amounts beginning May 1, 2036 through May 1, 2045	\$ 31,000	31,000
Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010D, dated September 15, 2010, interest rate changes weekly (0.09% and 0.28% at December 31, 2011 and 2010, respectively), due annually in varying amounts beginning May 1, 2036 through May 1, 2045	41,000	41,000
U S Department of Housing and Urban Development, 9.25% mortgage payable in monthly principal and interest installments of \$13 through November 2022, secured by a building	1,095	1,150
Total long-term debt	616,355	626,880
Less current installments of long-term debt	11,136	10,525
Less unamortized bond discount	3,895	4,338
Total long-term debt, net of current installments and unamortized bond discount	\$ <u>601,324</u>	<u>612,017</u>

During 1998, Provena Health (the Obligated Group Member), Provena Hospitals, Provena Senior Services, and Ventures (the Designated Affiliates) issued bonds and commercial paper notes amounting to \$515,410 in order to provide funds to refinance certain then-existing indebtedness, to pay for certain capital expenditures and working capital, and pay expenses incurred in connection with the issuance of the bonds. All Series 1998-related bonds were secured by obligations issued under the Provena Health Master Trust Indenture (MTI) dated April 15, 1998 executed by the Obligated Group Member. The Obligated Group Member loaned proceeds from the bonds and the commercial paper notes to the Designated Affiliates through execution of informal notes payable. No Designated Affiliates were directly obligated with respect to the Master Notes; however, the MTI required that the Parent cause the Designated Affiliates to charge fees and rates for their services sufficient to enable the Parent to pay amounts due on Outstanding Master Notes and to comply with certain covenants contained in the MTI.

The purpose of the MTI is to provide a mechanism for the efficient and economical issuance of notes by Obligated Group members under the MTI using the collective borrowing capacity and credit rating of the Obligated Group members. The MTI requires members to make principal and interest payments on notes issued for their benefit as well as for other members if the other members are unable to make such payments. Payment of the scheduled principal and interest on all of the Series 1998A bonds is insured by financial guaranty insurance policies issued by MBIA Insurance Corporation (MBIA (now known as National Public Finance Guarantee Corporation)). The Series 1998A bonds are secured by obligations issued under the MTI.

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In 2005, Provena Health amended its MTI to add Provena Hospitals (including six acute care hospital operating divisions) as a Member of the Obligated Group. In 2009, Provena Health amended and restated its MTI to add Provena Senior Services as a Member of the Obligated Group. As a result, Provena Health, Provena Hospitals, and Provena Senior Services are now jointly and severally obligated on all obligations outstanding under the MTI. In addition, the MTI was further amended to establish additional covenants and provide additional security in favor of all obligation holders under the MTI, including a gross revenue pledge and certain financial covenants, which pledge and covenants may only be enforced by the Master Trustee at the direction of MBIA and may be modified, amended, or waived at any time with the consent of MBIA. As further security under the MTI, a mortgage has also been granted on Provena's six acute care hospital facilities.

Provena was not in compliance at December 31, 2008 with its debt service coverage ratio requirement, debt capitalization ratio requirement, and debt service reserve funding requirements. Failure to comply with the MTI debt service coverage ratio requirement did not result in an event of default under the MTI, however, Provena was required by the MTI to engage operational consultants, which were retained by Provena in fiscal 2008. Noncompliance with the ratios and debt service reserve funding requirements did result in events of default with MBIA and the commercial bank providing the revolving credit facilities and liquidity facility agreements. These events of default, if not cured or waived, could have resulted in an acceleration of all obligations issued under the MTI. On May 27, 2009, Provena received compliance waivers from MBIA and the commercial bank for noncompliance with the aforementioned ratios and debt service reserve funding requirements as of and for the year ended December 31, 2008, and where applicable, the quarter ended March 31, 2009. Pursuant to the waiver granting process, Provena amended and restated its MTI, as well as amended its revolving credit facility and liquidity facility agreements, as of May 27, 2009. The amended and restated MTI, as well as the amended revolving credit facility and liquidity facility agreements, revise the MBIA and commercial bank ratios, covenant requirements, and debt service reserve funding requirements. The amended and restated MTI also established additional covenants for the benefit of all obligation holders under the MTI, as well as granting a mortgage in favor of all obligation holders under the MTI on Provena's six acute care hospital facilities.

On June 25, 2009, Provena Health issued \$200,000 of Illinois Finance Authority Revenue Bonds, Series 2009A and on July 9, 2009, Provena Health issued \$116,000 of Illinois Finance Authority Variable Rate Demand Bonds, Series 2009B-D, all secured by obligations issued under the MTI. The proceeds of the sale of the Series 2009B-D bonds were primarily used to reimburse Provena Health, Provena Hospitals, and Provena Senior Services for, or refinance outstanding indebtedness the proceeds of which were used for, costs of acquiring, constructing, renovating, remodeling, and equipping the bond financed property. The Series 2009B-D bonds have a put option that allows the holders to redeem the bonds prior to maturity. Provena has an agreement with a remarketing agent to remarket any bonds redeemed as a result of the exercise of put options. If the bonds cannot be remarketed, the bonds will be purchased by commercial banks under a Direct Pay Letter of Credit (DPLOC) that currently expires on September 21, 2013. So long as no event of default has occurred or is continuing, loans made with a draw under the DPLOC for a failed remarketing will be required to be repaid in 8 equal quarterly installments of principal plus interest at the higher of the prime rate, or the adjusted one-month LIBOR plus 1% to 2% depending on the date of maturity, with the initial installment commencing 12 months after the date of the drawing under the DPLOC.

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December 31, 2011 and 2010

(Dollars in thousands)

On February 11, 2010, Provena issued \$126,000 of Illinois Finance Authority Revenue Bonds, Series 2010A and 2010B, both of which are obligations under the MTI. The proceeds of the offering were used primarily to purchase approximately \$126,000 of par value Series 1998D and Series 1998D-R Periodic Auction Reset Securities at 88% of par value and to reimburse Provena Health, Provena Hospitals, and Provena Senior Services for the costs of acquiring, constructing, renovating, remodeling, and equipping the bond financed property. Provena also terminated its Series 1998D-R interest rate swap agreement pursuant to the redemption of the Periodic Auction Reset Securities. A net gain of approximately \$10,030 was recognized in connection with the bond redemption and termination of the Series 1998D-R interest rate swap agreement, which is included with other nonoperating gains (losses) in the accompanying 2010 consolidated statement of operations.

On September 22, 2010, Provena issued \$72,000 of Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2010C and 2010D, both of which are obligations secured under the MTI. The proceeds of the offerings were used primarily to pay or reimburse Provena for costs of acquiring, constructing, renovating, remodeling, and equipping the bond financed property. The 2010C and 2010D Bonds have a put option that allows the holders to redeem the bonds prior to maturity. Provena has an agreement with a remarketing agent to remarket any bonds redeemed as a result of the exercise of put options. If the bonds cannot be remarketed, the bonds will be purchased by commercial banks under a DPLOC that currently expires on September 21, 2013. So long as no event of default has occurred or is continuing, loans made with a draw under the DPLOC for a failed remarketing will be required to be repaid in 8 equal quarterly installments of principal plus interest at the higher of the prime rate, or the adjusted one-month LIBOR plus 1% to 2% depending on the date of maturity, with the initial installment commencing 12 months after the date of the drawing under the DPLOC.

Aggregate scheduled principal repayments on long-term debt, assuming the Series 2009B-D and the Series 2010C-D variable rate demand obligations being put back to the Obligated Group on May 23, 2012, the date the consolidated financial statements were issued, and a corresponding draw being made on the underlying DPLOC credit facility, for the ensuing five years and thereafter are as follows:

2012	\$	11,136
2013		82,242
2014		106,413
2015		36,635
2016		13,788
Thereafter		366,141
	\$	<u>616,355</u>

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(Dollars in thousands)

Aggregate scheduled principal repayments on long-term debt based on the scheduled redemptions in accordance with the MTI for the ensuing five years and thereafter are as follows

2012	\$	11,136
2013		11,742
2014		12,413
2015		13,135
2016		15,768
Thereafter		552,161
	\$	<u>616,355</u>

(12) Auction Rate Securities

On February 11, 2010, Provena redeemed approximately \$126,000 par value of auction rate securities (Series 1998D and Series 1998D-R) using a portion of the proceeds from the issuance of Series 2010A-B revenue bonds. Additionally, on September 22, 2010, Provena repaid approximately \$70,600 par value of auction rate securities (Series 1998B), thus eliminating all exposure to the auction rate securities market fluctuations. From February 2008 and through the redemption of the Series 1998B, 1998D, and 1998D-R auction rate securities in 2011, Provena had been paying interest on its auction rate securities at the maximum rate as set forth in the applicable bond documents. The maximum rate applicable to Provena's Series 1998B Bonds was 175% of ARS Index (i.e., the greater of the 30-Day After-Tax Equivalent Rate or The Bond Market Association (now known as SIFMA) Municipal Swap Index). The maximum rate applicable to Provena's Series 1998D and Series 1998D-R Bonds was 200% of the ARS Index (i.e., the greater of the Seven-Day After-Tax Equivalent Rate or the SIFMA Municipal Swap Index). The effective interest rates on the auction rate securities for 2010 were 0.60% for the Series 1998B Bonds, 0.05% for the Series 1998D Bonds, and 0.05% for the Series 1998D-R Bonds.

(13) Derivative Instruments and Hedging Activities

Provena had interest-rate-related derivative instruments to manage its exposure on its variable rate debt instruments, but does not enter into derivative instruments for any purpose other than risk management purposes. That is, Provena does not speculate using derivative instruments.

Provena maintained interest rate swap programs on its Series 1998B and Series 1998D-R debt. The Series 1998B and Series 1998D-R bonds exposed Provena to variability in interest payments due to changes in interest rates. In the interest of limiting the variability of a portion of its interest rate risk, management entered into two interest rate swap agreements to manage fluctuations in cash flows related to this risk. Under the terms of these swap agreements, Provena received variable interest rate payments and made fixed interest rate payments, thereby reducing the variability of cash flows from changes in interest rates.

Effective January 1, 2008, Provena prospectively discontinued hedge accounting for its derivative instruments as management determined that designation of the derivatives as hedging instruments was no longer appropriate given overall credit market and interest rate conditions. Provena continued to carry its derivative instruments at fair value in the consolidated balance sheets and recognized \$1.456 and \$6.792 in

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(Dollars in thousands)

nonoperating losses for the years ended December 31, 2011 and 2010, respectively, attributable to the changes in the fair value of its derivatives

In February of 2010, Provena issued the Series 2010A and 2010B bonds, at which time the Series 1998D-R bonds were repaid. At that time, Provena also terminated the interest rate swap agreement associated with the Series 1998D-R. In connection with the swap termination, Provena was required to pay the counterparty a settlement payment of \$18,662.

In February 2011, Provena terminated the interest rate swap agreements associated with the Series 1998A and 1998B bonds. In connection with the termination of these two agreements, Provena was required to pay the counterparties settlement payments of \$8,328 and \$6,091 to settle the Series 1998A and Series 1998B interest rate swaps, respectively. Upon termination of these agreements, Provena no longer has any interest rate swap agreements in effect.

Payments equal to the differential to be paid or received under the interest rate swap agreements were recognized monthly and amounted to payments of approximately \$517 in 2011 and \$5,895 in 2010, which are included in interest expense. The cumulative amount of prior year effective hedges charged to unrestricted net assets as of January 1, 2008 was \$4,644, which was being reclassified to interest expense over the terms of the underlying long-term debt. Interest expense for 2011 and 2010 includes \$44 and \$266, respectively, of amounts reclassified from unrestricted net assets related to the effective portion of prior year hedges charged to unrestricted net assets prior to termination of the respective swaps. Other nonoperating (losses) gains for 2011 and 2010 includes \$(3,989) and \$171, respectively, of amounts reclassified from unrestricted net assets related to the effective portion of prior year hedges charged to unrestricted net assets at the time the Series 1998A and B and Series 1998D-R swaps were terminated. The fair value of interest rate swap agreements of \$17,345 at December 31, 2010 is included with other current liabilities in the accompanying 2010 consolidated balance sheet.

Pursuant to the terms of its interest rate swap agreements, Provena was required to post collateral with its counterparties under certain specified conditions. Collateral posting requirements for each swap agreement are based on the amount of the derivative liability, Provena's bond ratings, and the number of days cash on hand. Provena posted \$9,807 of collateral related to its swaps as of December 31, 2010. The collateral posted as of December 31, 2010 is included in the current portion of assets limited or restricted as to use in the accompanying 2010 consolidated balance sheet.

(14) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2011 and 2010:

	2011	2010
Land, building, and equipment acquisitions	\$ 5,466	5,810
Provision of health and pastoral care	2,212	2,390
	<u>\$ 7,678</u>	<u>8,200</u>

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(Dollars in thousands)

(15) Endowments

Provena has various donor-restricted endowment funds (collectively referred to as the Funds), the principal of which may not be expended. The interest and dividend income from the Funds are utilized for Provena operations. The Funds are classified in permanently restricted net assets in the consolidated balance sheets at December 31, 2011 and 2010.

The Funds are maintained within Provena's commingled investment portfolio. The principal allocated to such Funds is approximately \$1.699 and \$1.654 at December 31, 2011 and 2010, respectively. The fair value of assets associated with individual donor-restricted endowment funds may fall below the amount of the original donation as a result of unfavorable market conditions. There were no such deficiencies as of December 31, 2011 and 2010.

(16) Self-Insurance

(a) *Professional and General Liability*

Provena Hospitals and Provena Senior Services are self-insured for professional and general liability up to specified limits above which Provena is covered by excess insurance policies. Professional insurance consultants have been retained to determine funding requirements. The amounts funded have been placed in an irrevocable trust account administered by a trustee. The trust assets are included within assets limited or restricted as to use in the accompanying consolidated balance sheets.

Provena is involved in litigation arising in the ordinary course of business. Claims alleging malpractice have been asserted against Provena and are currently in various stages of litigation. Additional claims may be asserted against Provena arising from services through December 31, 2011. It is the opinion of management that the estimated professional and general liabilities accrued at December 31, 2011 and 2010 are adequate to provide for potential losses resulting from pending or threatened litigation. Accruals for professional and general liabilities are recorded on an undiscounted basis. The ultimate settlement of malpractice claims could be different from recorded accruals, with such differences being potentially significant. Professional and general liabilities are reported within estimated self-insured liabilities in the accompanying consolidated balance sheets.

Professional and general liability expense amounted to \$20.382 and \$23.263 for the years ended December 31, 2011 and 2010, respectively, and is included in other expense in the accompanying consolidated statements of operations.

Provena maintains varying levels of commercial umbrella and excess coverage by policy year. There are no assurances that Provena will be able to renew existing policies or procure coverage on similar terms in the future.

(b) *Workers' Compensation*

Provena administers a self-insured workers' compensation program, which covers all Provena organizations except for two long-term care and residential facilities in Indiana, which are commercially insured. Professional insurance consultants have been retained to determine funding

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Notes to Consolidated Financial Statements

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(Dollars in thousands)

requirements. The trust assets and the related liabilities are included in the accompanying consolidated balance sheets. Commercial workers' compensation claims umbrella and excess policies provide various levels of additional coverage by policy year. Workers' compensation self-insurance expense amounted to \$8,245 and \$7,300 for the years ended December 31, 2011 and 2010, respectively, and is included in salaries and benefits expense in the accompanying consolidated statements of operations. The entire liability for estimated self-insured workers' compensation claims is included within the current portion of estimated self-insurance liabilities in the accompanying consolidated balance sheets on an undiscounted basis.

(17) Employee Benefit Plans

The Provena Retirement Program consists of the Provena Employees' Pension Plan (the Plan), the Provena Employees' 403(b) Retirement Savings Plan (the Savings Plan), and the Provena Ventures, Inc. 401(k) Retirement Savings Plan (the 401(k) Plan). Matching employer and base contributions under the Savings Plan and the 401(k) Plan are funded currently and amounted to \$19,279 and \$18,149 for the years ended December 31, 2011 and 2010, respectively, and are included in salaries and benefits expense in the accompanying consolidated statements of operations.

The Plan was frozen effective December 31, 2003 and only specified grandfathered employees remained as active participants in the Plan. The Plan was replaced effective January 1, 2004 with the Savings Plan, a defined contribution plan. Provena recognizes the cost related to the Plan using the Projected Unit Credit cost method. Gains and losses, calculated as the difference between estimates and actual amounts of plan assets and the projected benefit obligation, were amortized over the expected future service period through 2004. Effective January 1, 2005, the amortization period was changed to the average remaining life expectancy of inactive participants (approximately 95% of plan participants are inactive). Prior service costs established January 1, 2002 are being amortized over 10.8 years.

Provena accounts for the Plan in accordance with ASC Topic 715, *Compensation – Retirement Benefits*. In accordance with ASC Topic 715, the funded status of the Plan, including all previously unrecognized actuarial gains and losses and unamortized prior service cost, is recognized as a component of unrestricted net assets in the accompanying consolidated balance sheets.

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Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

The following table sets forth the Plan's funded status, amounts recognized in the accompanying consolidated financial statements, and assumptions at the Plan's measurement date, December 31

	<u>2011</u>	<u>2010</u>
Change in benefit obligation		
Projected benefit obligation at beginning of year	\$ 445,102	408,082
Service cost	2,248	2,381
Interest cost	22,489	23,064
Actuarial losses	52,278	30,663
Benefits paid	<u>(20,638)</u>	<u>(19,088)</u>
Projected benefit obligation at end of year	<u>501,479</u>	<u>445,102</u>
Change in plan assets		
Fair value of plan assets at beginning of year	353,603	335,205
Actual return on plan assets	(2,199)	37,446
Employer contribution	24,000	40
Benefits paid	<u>(20,638)</u>	<u>(19,088)</u>
Fair value of plan assets at end of year	<u>354,766</u>	<u>353,603</u>
Funded status	\$ <u>(146,713)</u>	<u>(91,499)</u>
Amounts recognized in the accompanying consolidated balance sheets		
Pension benefit liability	\$ (146,713)	(91,499)
Amounts not yet reflected in net periodic benefit cost and included as an accumulated charge to unrestricted net assets		
Unrecognized net actuarial losses	\$ 285,053	207,696
Unrecognized prior service cost	<u>2</u>	<u>4</u>
Net amounts included as an accumulated charge to unrestricted net assets	\$ <u>285,055</u>	<u>207,700</u>

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

	<u>2011</u>	<u>2010</u>
Calculation of change in unrestricted net assets		
Accumulated unrestricted net assets, end of year	\$ 285,055	207,700
Reversal of accumulated unrestricted net assets, prior year	<u>(207,700)</u>	<u>(192,528)</u>
Change in unrestricted net assets	<u>\$ 77,355</u>	<u>15,172</u>
Changes in plan assets and benefit obligations recognized in unrestricted net assets		
Actuarial loss arising during the year	\$ 83,783	20,893
Amortization of actuarial loss	(6,426)	(5,719)
Amortization of prior service cost	<u>(2)</u>	<u>(2)</u>
Net amounts recognized in unrestricted net assets as change in funded status of pension plan	<u>\$ 77,355</u>	<u>15,172</u>
Estimate of amounts that will be amortized from unrestricted net assets to net pension cost in 2011		
Net actuarial loss	\$ 9,212	—
Prior service cost	2	—
Estimated future benefit payments		
Fiscal 2012	22,017	—
Fiscal 2013	23,746	—
Fiscal 2014	25,113	—
Fiscal 2015	26,525	—
Fiscal 2016 – 2020	182,169	—
Weighted average assumptions used to determine benefit obligations		
Discount rate – benefit obligations	4 15%	5 25%
Discount rate – periodic benefit cost	4 45	5 80
Expected return on plan assets	8 50	8 50
Rate of compensation increase	4 00	4 00
Components of net periodic benefit cost (benefit)		
Service cost	\$ 2,248	2,381
Interest cost	22,489	23,064
Expected return on plan assets	(29,307)	(27,676)
Amortization of unrecognized net actuarial loss	6,426	5,719
Amortization of unrecognized prior service cost	<u>2</u>	<u>2</u>
Net periodic benefit cost	<u>\$ 1,858</u>	<u>3,490</u>

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December 31, 2011 and 2010

(Dollars in thousands)

Provena's overall expected long-term rate of return on assets is 8.5% in 2011 and 2010. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Provena does not expect to make any contributions to the Plan during 2012.

Provena has developed a plan investment policy, which, until the date of the merger with Resurrection Health Care, was reviewed and approved by the Provena Investment Subcommittee and the Board of Directors. After this date, the policy is reviewed and approved by the Presence Health Investment Subcommittee and Board of Directors. The policy established goals and objectives of the fund, asset allocations, asset classifications, and manager guidelines. The policy dictates a target asset allocation and an allowable range for such categories based on quarterly investment fluctuations. Investments are managed by independent advisors who are monitored by management and the Investment Subcommittee.

The table below shows the target allocation and acceptable ranges and actual asset allocations as of December 31, 2011 and 2010.

Asset	Target allocation	Acceptable range	December 31	
			2011	2010
Equities	60%	55 – 65%	60%	63%
Fixed income securities and cash equivalents	40	35 – 45	40	37
Real estate	—	0 – 3	—	—

Provena monitors the asset allocation and executes required recalibrations of the portfolio allocation on a regular basis in response to fluctuations in market conditions and the overall portfolio composition.

(a) *Fair Value of Financial Instruments*

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

- Common stocks, quoted mutual funds, and direct U.S. government obligations, are measured using quoted market prices at the reporting date multiplied by the quantity held. Private funds that do not have readily determinable fair values are measured using net asset value per share at the reporting date multiplied by the number of shares held. Corporate bonds, notes, indirect U.S. government obligations, U.S. agency securities, and foreign government obligations are measured using other observable inputs. The carrying value equals fair value.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

(b) Fair Value Hierarchy

The following table presents the Plan's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2011

	Total fair value	Fair value measurements at December 31 using		
		Level 1	Level 2	Level 3
Investments				
Corporate debt securities	\$ 40,208	—	40,208	—
U S government and agency obligations	82,500	28,276	54,224	—
Foreign government obligations	500	—	500	—
Equity securities	49,111	49,111	—	—
Equity funds	182,447	182,447	—	—
Total	<u>\$ 354,766</u>	<u>259,834</u>	<u>94,932</u>	<u>—</u>

The following table presents the Plan's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2010

	Total fair value	Fair value measurements at December 31 using		
		Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 717	717	—	—
Corporate debt securities	40,977	—	40,977	—
U S government and agency obligations	85,915	25,153	60,762	—
Foreign government obligations	430	—	430	—
Equity securities	52,770	52,770	—	—
Equity funds	172,794	172,794	—	—
Total	<u>\$ 353,603</u>	<u>251,434</u>	<u>102,169</u>	<u>—</u>

The Plan recognizes transfers between levels of the fair value hierarchy in the year of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2011 or 2010, respectively.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

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(Dollars in thousands)

(18) Commitments and Contingencies

(a) Operating Leases

Provena leases various equipment and facilities under operating leases expiring at various dates through 2023. Total lease expense in 2011 and 2010 for all operating leases was approximately \$15.808 and \$16.448, respectively.

The following is a schedule by year of future minimum lease payments for the next five years and thereafter under operating leases as of December 31, 2011 that have initial or remaining lease terms in excess of one year:

2012	\$	11.624
2013		10.644
2014		8.168
2015		6.578
2016		6.493
Thereafter		20.641
	\$	<u>64.148</u>

(b) Medicare and Medicaid Reimbursement

Provena participates as a provider under the Medicare program. Federal legislation routinely includes provisions to change Medicare reimbursement mechanisms and reimbursement levels. For each of the years ended December 31, 2011 and 2010, approximately 46% and 45%, respectively, of Provena's gross patient and resident service revenue related to services provided to Medicare beneficiaries. Recently enacted healthcare reform and other Medicare legislation may have an adverse effect on Provena's net patient and resident service revenues.

Medicaid payment methodologies and rates may be subject to modification based on the amount of funding available to the State of Illinois Medicaid program.

Provena has received and responded to requests from the Medicare program requiring that they provide Medicare with documentation for claims to carry out the Recovery Audit Contracting (RAC) program. Review of claims through the RAC program may result in a liability to the Medicare program and could have an adverse effect on Provena's net patient and resident service revenues.

(c) Regulatory Investigations

The U.S. Department of Justice and other federal agencies routinely conduct regulatory investigations and compliance audits of healthcare providers. Provena is subject to these regulatory efforts. Management is currently unaware of any regulatory matters that may have a material adverse effect on the consolidated financial position or results of operations.

PROVENA HEALTH AND AFFILIATES

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(Dollars in thousands)

(d) *Charity Care Legislation*

The Illinois attorney general and state legislature are considering legislation directed at Illinois not-for-profit hospitals. Such legislation could mandate the level of charity care, as defined by the State, that hospitals must provide in the future in order to retain state and local tax exemption benefits. Management is unable to predict the outcome of these legislative initiatives and any related impacts such legislation may have on Provena.

(e) *Litigation*

In the normal course of business, the Parent and affiliates are involved in litigation and regulatory investigations. In consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on Provena's financial position or results from operations.

(f) *Provena Covenant Medical Center Property Tax Exemption*

In February 2004, the Illinois Department of Revenue denied the Provena Covenant Medical Center (Covenant) application for real estate tax-exempt status for the 2002 tax year. Provena appealed this ruling and the decision was reversed in 2007 by the Circuit Court of Sangamon County. The Illinois Department of Revenue appealed the 2007 ruling to the Appellate Court of the Fourth District, which overturned the 2007 ruling. Provena filed a Petition for Leave to Appeal to the Supreme Court of Illinois. The Supreme Court of the State of Illinois granted the appeal and released their opinion on March 18, 2010 in favor of the Illinois Department of Revenue. As a result of the unfavorable ruling, Provena has been accruing and paying real estate taxes. For the 2011 and 2010 tax years, Provena recognized \$1,283 and \$1,138 of real estate expense within the accompanying 2011 and 2010 consolidated statements of operations, respectively.

For the 2004 tax year, Covenant has filed an application seeking an exemption for certain parcels of real estate that had not been included in the 2002 application, and for the 2006 tax year, Covenant has filed a new application seeking a property tax exemption for the parcels of real estate that were the basis for the 2002 application described in the preceding paragraph. In January 2011, a hearing for these matters was conducted before an administrative law judge for the Illinois Department of Revenue. As of May 2011, post-hearing briefing was completed. A recommendation by the administrative law judge, and a final decision by the Illinois Department of Revenue is expected later in 2012.

PROVENA HEALTH AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2011 and 2010

(Dollars in thousands)

(g) *Provena Senior Services St. Joseph Center Tax Exemption*

In March 2007, the Illinois Department of Revenue denied the Provena Senior Services St. Joseph Center (St. Joseph Center) application for real estate tax-exempt status for the 2004 tax year. St. Joseph Center has been recognizing property taxes on this property from 2004 and for all periods through December 31, 2011. Accrued property taxes on this property of \$837 and \$723 as of December 31, 2011 and 2010, respectively, are included in accounts payable and accrued expenses within the accompanying consolidated balance sheets. Provena appealed the ruling and a hearing was held before an administrative law judge in October 2008. In February 2011, the administrative law judge ruled that, with the exception of the campus chapel, St. Joseph Center be denied an exemption from real estate taxes. Provena subsequently filed an appeal in the Circuit Court of Stephenson County, which is presently pending.

(h) *Investment Risks and Uncertainties*

Provena invests in various investment securities. Investment securities are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities and current market conditions, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the accompanying 2011 consolidated balance sheet.

(19) Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with ASC Topic 855, *Subsequent Events*, Provena evaluated subsequent events after the consolidated balance sheet date of December 31, 2011 through May 23, 2012, which was the date the financial statements were issued.

PROVENA HEALTH AND AFFILIATES

Consolidating Balance Sheet Information

December 31, 2011

(In thousands)

Assets	Provena Health	Provena Hospitals	Provena Life Connections	Provena Ventures, Inc.	Eliminations	Consolidated totals
Current assets						
Cash and cash equivalents	\$ 40 671	34 769	12 891	1 237	—	89 568
Short-term investments	—	1 210	183	—	—	1 393
Assets limited or restricted as to use required for current liabilities	12 225	—	—	—	—	12 225
Receivables						
Patient and resident accounts receivable less allowance for uncollectible accounts of approximately \$123 525	—	177 443	17 816	—	—	195 259
Estimated receivables under third-party reimbursement programs	—	3 936	1 695	—	—	5 631
Due from affiliates	16 531	1 997	11	—	(18 539)	—
Inventories	—	23 622	789	—	—	24 411
Prepaid expenses and other	29 266	26 181	521	114	—	56 082
Total current assets	98 693	269 158	33 906	1 351	(18 539)	384 569
Assets limited or restricted as to use net of current portion	316 296	21 671	7 768	—	(14 375)	331 360
Land, buildings and equipment net	52 098	508 807	50 554	5 607	—	617 066
Excess of purchase price over net assets acquired net	—	1 840	—	—	—	1 840
Other	47 725	5 721	397	4 058	(32 287)	25 614
Total assets	\$ 514 812	807 197	92 625	11 016	(65 201)	1 360 449
Liabilities and Net Assets (Deficit)						
Current liabilities						
Current installments of long-term debt	\$ 11 075	—	61	—	—	11 136
Current portion of obligations under capital leases	2 817	1 832	4	—	—	4 653
Current portion of estimated self-insurance liabilities	15 307	—	—	—	—	15 307
Accounts payable and accrued expenses	30 105	78 818	12 384	187	—	121 494
Estimated payables under third-party reimbursement programs	—	90 894	53	—	—	90 947
Due to affiliates	1 970	15 415	1 153	1	(18 539)	—
Medicaid tax assessment deferred revenues	—	26 732	—	—	—	26 732
Other	23 646	6 869	2 476	304	(14 375)	18 920
Total current liabilities	84 920	220 560	16 131	492	(32 914)	289 189
Long-term debt net of current installments	600 290	—	1 034	—	—	601 324
Obligations under capital leases net of current portion	2 417	6 904	4	—	—	9 325
Estimated self-insurance liabilities net of current portion	84 627	—	—	—	—	84 627
Pension benefit liability	146 713	—	—	—	—	146 713
Other long-term liabilities	6 268	9 873	1 020	—	—	17 161
Total liabilities	925 235	237 337	18 189	492	(32 914)	1 148 339
Net assets (deficit)						
Unrestricted	(410 423)	561 665	73 254	10 524	(32 287)	202 733
Temporarily restricted	—	6 739	939	—	—	7 678
Permanently restricted	—	1 456	243	—	—	1 699
Total net assets (deficit)	(410 423)	569 860	74 436	10 524	(32 287)	212 110
Total liabilities and net assets	\$ 514 812	807 197	92 625	11 016	(65 201)	1 360 449

See accompanying independent auditors' report

PROVENA HEALTH AND AFFILIATES
Consolidating Statement of Operations Information
Year ended December 31, 2011
(In thousands)

	Provena Health	Provena Hospitals	Provena Life Connections	Provena Ventures, Inc	Eliminations	Consolidated totals
Revenue						
Net patient and resident service revenue	\$ —	1 125 379	107 788	—	—	1 233 167
Other revenues	152 029	14 753	4 325	209	(152 050)	19 266
Net assets released from restriction used for operations	—	1 009	132	—	—	1 141
Total revenue	152 029	1 141 141	112 245	209	(152 050)	1 253 574
Expenses						
Salaries and benefits	59 820	480 921	73 912	—	(25 425)	589 228
Supplies and drugs	974	159 795	8 565	—	—	169 334
Purchased services	24 579	215 879	9 889	24	(71 542)	178 829
Interest	31 129	30 150	2 854	—	(32 869)	31 264
Depreciation and amortization	11 318	55 014	4 306	—	—	70 638
Provider tax assessment	—	34 650	—	—	—	34 650
Provision for uncollectible accounts	—	121 996	1 104	—	—	123 100
Restructuring charges	2 334	517	—	—	—	2 851
Other	29 058	55 432	8 159	145	(22 214)	70 580
Total expenses	159 212	1 154 354	108 789	169	(152 050)	1 270 474
(Loss) income from operations before impairments	(7 183)	(13 213)	3 456	40	—	(16 900)
Impairments	1 736	70 000	—	—	—	71 736
(Loss) income from operations	(8 919)	(83 213)	3 456	40	—	(88 636)
Nonoperating gains (losses)						
Investment income – realized	16 137	1 540	515	—	—	18 192
Investment loss – unrealized	(9 465)	(380)	(209)	—	—	(10 054)
Derivatives valuation adjustment	(1 456)	—	—	—	—	(1 456)
Other net	(37)	(7 133)	(613)	—	—	(7 783)
Net nonoperating gains (losses)	5 179	(5 973)	(307)	—	—	(1 101)
Revenue and gains in excess (deficient) of expenses and losses	(3 740)	(89 186)	3 149	40	—	(89 737)
Other changes in unrestricted net assets						
Expense reclassification for dedesignated hedges	4 033	—	—	—	—	4 033
Change in funded status of pension plan	(77 355)	—	—	—	—	(77 355)
Transfers (to) from affiliates	(25 391)	32 433	(7 042)	—	—	—
Net assets released from restriction used for the purchase of land, buildings and equipment	—	2 366	678	—	—	3 044
Other net	1	(9)	—	—	—	(8)
Change in unrestricted net assets	\$ (102 452)	(54 396)	(3 215)	40	—	(160 023)

See accompanying independent auditors' report

PROVENA HOSPITALS
Consolidating Balance Sheet Information
December 31, 2011
(In thousands)

Assets	Provena Covenant Medical Center	Provena Mercy Center	Provena Saint Joseph Hospital	Provena Saint Joseph Medical Center
Current assets				
Cash and cash equivalents	\$ 4,969	2,656	1,102	16,503
Short-term investments	—	—	—	1,210
Receivables				
Patient accounts receivable, less allowance for uncollectible accounts of approximately \$122,304	22,392	28,556	23,268	61,031
Estimated receivables under third-party reimbursement programs	1,496	645	(1,005)	1,806
Due from affiliates	235	252	399	361
Inventories	3,629	3,556	4,568	6,756
Prepaid expenses and other	2,944	4,828	3,422	7,336
Total current assets	35,665	40,493	31,754	95,003
Assets limited or restricted as to use, net of current portion	5,864	5,960	2,674	2,135
Land, buildings, and equipment, net	49,677	66,135	55,262	250,835
Excess of purchase price over net assets acquired, net	—	—	—	1,825
Other	71	1,411	1,048	1,091
Total assets	\$ 91,277	113,999	90,738	350,889
Liabilities and Net Assets				
Current liabilities				
Current portion of obligations under capital leases	\$ 187	148	138	891
Accounts payable and accrued expenses	12,027	12,290	9,874	26,771
Estimated payables under third-party reimbursement programs	11,680	12,244	10,161	41,126
Due to affiliates	2,203	2,372	1,948	5,555
Medicaid tax assessment deferred revenues	2,622	6,594	3,179	6,222
Other	1,454	1,154	1,261	899
Total current liabilities	30,173	34,802	26,561	81,464
Obligations under capital leases, net of current portion	550	413	367	2,693
Other long-term liabilities	254	4,582	521	2,883
Total liabilities	30,977	39,797	27,449	87,040
Net assets				
Unrestricted	59,362	71,979	61,884	262,320
Temporarily restricted	816	1,847	813	1,334
Permanently restricted	122	376	592	195
Total net assets	60,300	74,202	63,289	263,849
Total liabilities and net assets	\$ 91,277	113,999	90,738	350,889

See accompanying independent auditors' report

Schedule 3

Provena Saint Mary's Hospital	Provena United Samaritans Medical Center	Provena Service Corporation	Total Hospitals	Eliminations	Consolidated Hospital totals
6,249	4,630	(1,340)	34,769	—	34,769
—	—	—	1,210	—	1,210
24,583	14,169	3,444	177,443	—	177,443
69	925	—	3,936	—	3,936
519	1,014	345	3,125	(1,128)	1,997
3,210	1,903	—	23,622	—	23,622
3,284	3,873	494	26,181	—	26,181
37,914	26,514	2,943	270,286	(1,128)	269,158
1,518	3,520	—	21,671	—	21,671
57,188	26,822	2,888	508,807	—	508,807
—	—	15	1,840	—	1,840
484	273	1,343	5,721	—	5,721
97,104	57,129	7,189	808,325	(1,128)	807,197
310	158	—	1,832	—	1,832
9,040	6,668	2,148	78,818	—	78,818
8,486	7,197	—	90,894	—	90,894
1,901	2,020	544	16,543	(1,128)	15,415
4,063	4,052	—	26,732	—	26,732
478	1,108	515	6,869	—	6,869
24,278	21,203	3,207	221,688	(1,128)	220,560
2,420	461	—	6,904	—	6,904
1,319	245	69	9,873	—	9,873
28,017	21,909	3,276	238,465	(1,128)	237,337
67,569	34,638	3,913	561,665	—	561,665
1,499	430	—	6,739	—	6,739
19	152	—	1,456	—	1,456
69,087	35,220	3,913	569,860	—	569,860
97,104	57,129	7,189	808,325	(1,128)	807,197

PROVENA HOSPITALS

Consolidating Statement of Operations Information

Year ended December 31, 2011

(In thousands)

	Provena Covenant Medical Center	Provena Mercy Center	Provena Saint Joseph Hospital	Provena Saint Joseph Medical Center
Revenue				
Net patient and resident service revenue	\$ 142,316	163,189	142,375	408,624
Other revenues	1,155	3,531	1,429	4,120
Net assets released from restriction used for operations	256	115	26	295
Total revenue	143,727	166,835	143,830	413,039
Expenses				
Salaries and benefits	55,611	70,652	66,931	170,097
Supplies and drugs	22,054	20,317	21,065	62,017
Purchased services	33,668	29,677	30,256	65,130
Interest	3,643	4,041	5,820	11,175
Depreciation and amortization	5,981	7,485	9,301	21,561
Provider tax assessment	4,428	7,055	4,424	12,077
Provision for uncollectible accounts	10,816	22,455	15,045	40,283
Restructuring costs	201	(392)	143	198
Other	11,460	7,643	6,366	16,728
Total expenses	147,862	168,933	159,351	399,266
(Loss) income from operations before impairments	(4,135)	(2,098)	(15,521)	13,773
Impairments	—	—	70,000	—
(Loss) income from operations	(4,135)	(2,098)	(85,521)	13,773
Nonoperating gains (losses)				
Investment income – realized	515	312	54	259
Investment loss – unrealized	(139)	(45)	(22)	(20)
Other, net	(1,183)	(3,482)	(442)	(818)
Net nonoperating losses	(807)	(3,215)	(410)	(579)
Revenue and gains (deficient) in excess of expenses and losses	(4,942)	(5,313)	(85,931)	13,194
Other changes in unrestricted net assets				
Transfers from (to) affiliates	10,999	10,946	12,769	(20,437)
Net assets released from restriction used for the purchase of land, buildings, and equipment	7	485	297	621
Other, net	—	—	7	—
Change in unrestricted net assets	\$ 6,064	6,118	(72,858)	(6,622)

See accompanying independent auditors' report

Schedule 4

Provena Saint Mary's Hospital	Provena United Samaritans Medical Center	Provena Service Corporation	Total Hospitals	Eliminations	Consolidated Hospital totals
143,769	110,458	14,648	1,125,379	—	1,125,379
1,696	2,582	240	14,753	—	14,753
65	252	—	1,009	—	1,009
145,530	113,292	14,888	1,141,141	—	1,141,141
53,406	45,476	18,748	480,921	—	480,921
20,749	12,563	1,030	159,795	—	159,795
29,952	24,161	3,035	215,879	—	215,879
3,374	2,017	80	30,150	—	30,150
5,930	4,048	708	55,014	—	55,014
3,626	3,040	—	34,650	—	34,650
20,239	11,796	1,362	121,996	—	121,996
12	77	278	517	—	517
5,386	5,181	2,668	55,432	—	55,432
142,674	108,359	27,909	1,154,354	—	1,154,354
2,856	4,933	(13,021)	(13,213)	—	(13,213)
—	—	—	70,000	—	70,000
2,856	4,933	(13,021)	(83,213)	—	(83,213)
239	161	—	1,540	—	1,540
(110)	(44)	—	(380)	—	(380)
(903)	(302)	(3)	(7,133)	—	(7,133)
(774)	(185)	(3)	(5,973)	—	(5,973)
2,082	4,748	(13,024)	(89,186)	—	(89,186)
(1,171)	1,892	17,435	32,433	—	32,433
316	640	—	2,366	—	2,366
(16)	—	—	(9)	—	(9)
1,211	7,280	4,411	(54,396)	—	(54,396)

PROVENA HEALTH AND AFFILIATES

Consolidating Balance Sheet Information

December 31, 2010

(In thousands)

Assets	Provena Health	Provena Hospitals	Provena Life Connections	Provena Ventures, Inc.	Eliminations	Consolidated totals
Current assets						
Cash and cash equivalents	\$ 55 125	39 868	16 780	1 226	—	112 999
Short-term investments	—	1 509	127	—	—	1 636
Assets limited or restricted as to use required for current liabilities	12 832	—	—	—	—	12 832
Receivables						
Patient and resident accounts receivable less allowance for uncollectible accounts of approximately \$117 595	—	155 419	14 421	—	—	169 840
Estimated receivables under third-party reimbursement programs	—	3 921	460	—	—	4 381
Due from affiliates	13 791	2 704	50	—	(16 545)	—
Inventories	—	23 134	704	—	—	23 838
Prepaid expenses and other	22 275	24 949	785	114	—	48 123
Total current assets	104 023	251 504	33 327	1 340	(16 545)	373 649
Assets limited or restricted as to use net of current portion	386 642	20 779	7 577	—	(14 054)	400 944
Land, buildings and equipment net	40 969	576 805	56 374	5 607	—	679 755
Excess of purchase price over identifiable net assets acquired net	—	855	—	—	—	855
Other	54 461	5 125	475	4 036	(32 287)	31 810
Total assets	\$ 586 095	855 068	97 753	10 983	(62 886)	1 487 013
Liabilities and Net Assets						
Current liabilities						
Current installments of long-term debt	\$ 10 470	—	55	—	—	10 525
Current portion of obligations under capital leases	2 396	1 468	5	—	—	3 869
Current portion of estimated self-insurance liabilities	26 574	—	—	—	—	26 574
Accounts payable and accrued expenses	12 305	85 943	13 692	195	—	112 135
Estimated payables under third-party reimbursement programs	—	84 591	53	—	—	84 644
Due to affiliates	1 695	13 532	1 318	—	(16 545)	—
Medicaid deferred revenue	—	26 732	—	—	—	26 732
Derivatives and other	41 349	7 000	2 189	304	(14 054)	36 788
Total current liabilities	94 789	219 266	17 312	499	(30 599)	301 267
Long-term debt net of current installments	610 922	—	1 095	—	—	612 017
Obligations under capital leases net of current portion	2 656	4 326	9	—	—	6 991
Estimated self-insurance liabilities net of current portion	86 480	—	—	—	—	86 480
Pension benefit liability	91 499	—	—	—	—	91 499
Other long-term liabilities	7 720	7 337	1 092	—	—	16 149
Total liabilities	894 066	230 929	19 508	499	(30 599)	1 114 403
Net assets (deficit)						
Unrestricted	(307 971)	616 061	76 469	10 484	(32 287)	362 756
Temporarily restricted	—	6 667	1 533	—	—	8 200
Permanently restricted	—	1 411	243	—	—	1 654
Total net assets	(307 971)	624 139	78 245	10 484	(32 287)	372 610
Total liabilities and net assets	\$ 586 095	855 068	97 753	10 983	(62 886)	1 487 013

See accompanying independent auditors' report

PROVENA HEALTH AND AFFILIATES
Consolidating Statement of Operations Information
Year ended December 31, 2010
(In thousands)

	Provena Health	Provena Hospitals	Provena Life Connections	Provena Ventures, Inc	Eliminations	Consolidated totals
Revenue						
Net patient and resident service revenue	\$ —	1 112 243	109 186	—	—	1 221 429
Other revenues	161 600	14 522	5 394	(186)	(161 550)	19 780
Net assets released from restriction used for operations	—	1 043	121	—	—	1 164
Total revenue	161 600	1 127 808	114 701	(186)	(161 550)	1 242 373
Expenses						
Salaries and benefits	61 228	469 837	75 453	—	(24 792)	581 726
Supplies and drugs	763	160 861	8 501	—	—	170 125
Purchased services	13 830	202 726	9 327	—	(68 760)	157 123
Interest	35 304	32 237	3 050	—	(34 983)	35 608
Depreciation and amortization	12 457	53 690	4 212	—	—	70 359
Provider tax assessment	—	34 355	—	—	—	34 355
Provision for uncollectible accounts	—	109 305	1 216	—	—	110 521
Restructuring charges	95	938	—	—	—	1 033
Other	31 127	65 914	8 865	91	(33 015)	72 982
Total expenses	154 804	1 129 863	110 624	91	(161 550)	1 233 832
Income (loss) from operations before impairments	6 796	(2 055)	4 077	(277)	—	8 541
Impairments	—	1 729	(77)	—	—	1 652
Income (loss) from operations	6 796	(3 784)	4 154	(277)	—	6 889
Nonoperating gains (losses)						
Investment income – realized	10 390	1 809	371	—	—	12 570
Investment income – unrealized	18 199	780	374	—	—	19 353
Derivatives valuation adjustment	(6 792)	—	—	—	—	(6 792)
Other net	10 335	(1 350)	(537)	—	—	8 448
Net nonoperating gains	32 132	1 239	208	—	—	33 579
Revenue and gains in excess (deficient) of expenses and losses	38 928	(2 545)	4 362	(277)	—	40 468
Other changes in unrestricted net assets						
Expense reclassification for dedesignated hedges	95	—	—	—	—	95
Change in funded status of pension plan	(15 172)	—	—	—	—	(15 172)
Transfers from (to) affiliates	(3 824)	5 760	(1 936)	—	—	—
Net assets released from restriction used for the purchase of land, buildings and equipment	—	1 010	119	—	—	1 129
Other net	—	(9)	—	—	—	(9)
Change in unrestricted net assets	\$ 20 027	4 216	2 545	(277)	—	26 511

See accompanying independent auditors' report

PROVENA HOSPITALS
Consolidating Balance Sheet Information
December 31, 2010
(In thousands)

Assets	Provena Covenant Medical Center	Provena Mercy Center	Provena Saint Joseph Hospital	Provena Saint Joseph Medical Center
Current assets				
Cash and cash equivalents	\$ 6,492	2,508	2,069	22,515
Short-term investments	—	—	—	1,509
Receivables				
Patient accounts receivable, less allowance for uncollectible accounts of approximately \$96,626	20,181	23,895	21,464	56,083
Estimated receivables under third-party reimbursement programs	1,014	227	(569)	2,682
Due from affiliates	246	289	365	473
Inventories	3,875	2,798	4,580	6,890
Prepaid expenses and other	3,014	5,126	2,867	7,344
Total current assets	34,822	34,843	30,776	97,496
Assets limited or restricted as to use, net of current portion	5,347	5,394	2,421	1,911
Land, buildings, and equipment, net	47,769	63,548	131,947	248,558
Excess of purchase price over identifiable net assets acquired, net	—	—	—	855
Other	471	1,605	1,253	926
Total assets	\$ 88,409	105,390	166,397	349,746
Liabilities and Net Assets				
Current liabilities				
Current portion of obligations under capital leases	\$ 366	157	139	311
Accounts payable and accrued expenses	16,275	14,938	10,894	26,439
Estimated payables under third-party reimbursement programs	11,736	10,223	12,005	36,672
Due to affiliates	2,115	2,013	1,970	4,807
Medicaid deferred revenue	2,622	6,594	3,179	6,222
Derivatives and other	442	819	1,168	401
Total current liabilities	33,556	34,744	29,355	74,852
Obligations under capital leases, net of current portion	737	558	501	1,390
Other long-term liabilities	276	2,192	601	2,801
Total liabilities	34,569	37,494	30,457	79,043
Net assets				
Unrestricted	53,298	65,861	134,742	268,942
Temporarily restricted	437	1,634	659	1,567
Permanently restricted	105	401	539	194
Total net assets	53,840	67,896	135,940	270,703
Total liabilities and net assets	\$ 88,409	105,390	166,397	349,746

See accompanying independent auditors' report

Schedule 7

Provena Saint Mary's Hospital	Provena United Samaritans Medical Center	Provena Service Corporation	Total Hospitals	Eliminations	Consolidated Hospital totals
7,142	67	(925)	39,868	—	39,868
—	—	—	1,509	—	1,509
19,854	11,819	2,123	155,419	—	155,419
(32)	599	—	3,921	—	3,921
436	867	28	2,704	—	2,704
3,152	1,839	—	23,134	—	23,134
3,418	2,913	267	24,949	—	24,949
33,970	18,104	1,493	251,504	—	251,504
1,663	4,043	—	20,779	—	20,779
54,922	27,911	2,150	576,805	—	576,805
—	—	—	855	—	855
494	227	149	5,125	—	5,125
91,049	50,285	3,792	855,068	—	855,068
114	381	—	1,468	—	1,468
8,600	7,285	1,512	85,943	—	85,943
7,731	6,224	—	84,591	—	84,591
57	1,934	636	13,532	—	13,532
4,063	4,052	—	26,732	—	26,732
721	1,429	2,020	7,000	—	7,000
21,286	21,305	4,168	219,266	—	219,266
521	619	—	4,326	—	4,326
1,221	124	122	7,337	—	7,337
23,028	22,048	4,290	230,929	—	230,929
66,358	27,358	(498)	616,061	—	616,061
1,644	726	—	6,667	—	6,667
19	153	—	1,411	—	1,411
68,021	28,237	(498)	624,139	—	624,139
91,049	50,285	3,792	855,068	—	855,068

PROVENA HOSPITALS

Consolidating Statement of Operations Information

Year ended December 31, 2010

(In thousands)

	Provena Covenant Medical Center	Provena Mercy Center	Provena Saint Joseph Hospital	Provena Saint Joseph Medical Center
Revenue				
Net patient and resident service revenue	\$ 156,386	154,402	146,037	399,218
Other revenues	1,164	3,513	1,447	3,963
Net assets released from restriction used for operations	299	113	13	251
Total revenue	<u>157,849</u>	<u>158,028</u>	<u>147,497</u>	<u>403,432</u>
Expenses				
Salaries and benefits	57,167	68,177	66,456	166,987
Supplies and drugs	22,893	19,641	21,662	61,588
Purchased services	30,990	27,135	29,139	60,503
Interest	3,927	4,325	6,230	12,048
Depreciation and amortization	5,194	8,077	10,495	20,529
Provider tax assessment	4,410	6,961	4,394	12,071
Provision for uncollectible accounts	15,350	15,457	12,264	34,338
Restructuring costs	48	442	155	267
Other	14,608	8,693	8,356	19,788
Total expenses	<u>154,587</u>	<u>158,908</u>	<u>159,151</u>	<u>388,119</u>
Income (loss) from operations before impairments	3,262	(880)	(11,654)	15,313
Impairments	192	245	—	243
Income (loss) from operations	<u>3,070</u>	<u>(1,125)</u>	<u>(11,654)</u>	<u>15,070</u>
Nonoperating gains (losses)				
Investment income – realized	428	525	129	398
Investment income – unrealized	294	120	24	85
Other, net	55	(801)	(194)	(249)
Net nonoperating gains (losses)	<u>777</u>	<u>(156)</u>	<u>(41)</u>	<u>234</u>
Revenue and gains in excess (deficient) of expenses and losses	3,847	(1,281)	(11,695)	15,304
Other changes in unrestricted net assets				
Transfers from (to) affiliates	2,180	(63)	5,853	(14,465)
Net assets released from restriction used for the purchase of land, buildings, and equipment	(236)	115	57	591
Other, net	—	—	—	—
Change in unrestricted net assets	<u>\$ 5,791</u>	<u>(1,229)</u>	<u>(5,785)</u>	<u>1,430</u>

See accompanying independent auditors' report

Schedule 8

Provena Saint Mary's Hospital	Provena United Samaritans Medical Center	Provena Service Corporation	Total Hospitals	Eliminations	Consolidated Hospital totals
131,394	112,054	12,752	1,112,243	—	1,112,243
1,932	2,295	208	14,522	—	14,522
94	273	—	1,043	—	1,043
<u>133,420</u>	<u>114,622</u>	<u>12,960</u>	<u>1,127,808</u>	<u>—</u>	<u>1,127,808</u>
50,367	45,312	15,371	469,837	—	469,837
20,613	13,781	683	160,861	—	160,861
28,622	23,582	2,755	202,726	—	202,726
3,457	2,139	111	32,237	—	32,237
5,166	3,769	460	53,690	—	53,690
3,557	2,962	—	34,355	—	34,355
16,333	14,531	1,032	109,305	—	109,305
18	5	3	938	—	938
6,467	6,118	1,884	65,914	—	65,914
<u>134,600</u>	<u>112,199</u>	<u>22,299</u>	<u>1,129,863</u>	<u>—</u>	<u>1,129,863</u>
(1,180)	2,423	(9,339)	(2,055)	—	(2,055)
484	—	565	1,729	—	1,729
<u>(1,664)</u>	<u>2,423</u>	<u>(9,904)</u>	<u>(3,784)</u>	<u>—</u>	<u>(3,784)</u>
246	83	—	1,809	—	1,809
79	178	—	780	—	780
165	48	(374)	(1,350)	—	(1,350)
<u>490</u>	<u>309</u>	<u>(374)</u>	<u>1,239</u>	<u>—</u>	<u>1,239</u>
(1,174)	2,732	(10,278)	(2,545)	—	(2,545)
4,820	(2,163)	9,598	5,760	—	5,760
207	276	—	1,010	—	1,010
(9)	—	—	(9)	—	(9)
<u>3,844</u>	<u>845</u>	<u>(680)</u>	<u>4,216</u>	<u>—</u>	<u>4,216</u>