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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Doing Business As

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

477 N LINDBERGH BLVD

Room/suite

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

ST LOUIS, MO 63141

F Name and address of principal officer

WILLIAM THOMPSON

477 N LINDBERGH BLVD

ST LOUIS,MO 63141

D Employer identification number

37-0662580

E Telephone number

(618) 436-8000

G Gross receipts \$ 110,203,506

I Tax-exempt status

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

J Website:

WWW.SSMHC.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1939

M State of legal domicile

IL

Part I

Summary

Activities & Governance

1

Briefly describe the organization's mission or most significant activities

TO CONTINUE THE HEALING MINISTRY OF JESUS CHRIST BY IMPROVING & PROVIDING REGIONAL, COST EFFECTIVE QUALITY HEALTH SERVICES FOR EVERYONE, WITH A SPECIAL CONCERN FOR THE POOR AND VULNERABLE

2

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,045
6	Total number of volunteers (estimate if necessary)	6	109
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

Revenue

8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9	Program service revenue (Part VIII, line 2g)	1,288,026	1,285,117
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	102,425,307	107,051,145
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	621,545	651,299
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,357,903	978,728
		105,692,781	109,966,289

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	131,139	98,306
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	48,853,846	52,710,038
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	48,671,268	54,010,840
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	97,656,253	106,819,184
19	Revenue less expenses Subtract line 18 from line 12	8,036,528	3,147,105

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	71,161,935	64,065,256
21	Total liabilities (Part X, line 26)	65,474,674	70,316,966
22	Net assets or fund balances Subtract line 21 from line 20	5,687,261	-6,251,710

Part II

Signature Block

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

Sign Here

Signature of officer

2012-11-15

Date

JUNE L PICKETT SECRETARY

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

SRIRAM SRINIVASAN

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

P00654717

Firm's name (or yours if self-employed), address, and ZIP + 4

DELOITTE TAX LLP

1111 BAGBY STREET SUITE 4500

HOUSTON, TX 77002

EIN ☐ 86-1065772

Phone no ☐ (713) 982-2000

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

THROUGH OUR EXCEPTIONAL HEALTH CARE SERVICES, WE REVEAL THE HEALING PRESENCE OF GOD

2

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

☐ Yes

☒ No

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

3

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

☐ Yes

☒ No

If “Yes,” describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 89,294,153 including grants of \$ 98,306) (Revenue \$ 106,643,227)

SEE SCHEDULE O

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 \$ 89,294,153

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> 	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <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		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <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	Yes	
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		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	20b	Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	0
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	1,045
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
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: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	0
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the aggregate amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	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	1a13		
b	Enter the number of voting members included in line 1a, above, who are independent	1b8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		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?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IL
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input 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.	KAY TINSLEY 400 N PLEASANT AVENUE CENTRALIA,IL 628013056 (618) 436-6536

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

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

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

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization’s tax year

- List all of the organization’s **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization’s **current** key employees, if any See instructions for definition of "key employee "
- List the organization’s five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization’s **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization’s **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) VERLE BESANT DIRECTOR	1 00	X						0	0	0
(2) MARY BURGAN DIRECTOR	1 00	X						0	0	0
(3) SR M RAMONA DOMBROWSKI CSSF DIRECTOR	1 00	X						0	0	0
(4) D BRUCE GEARY CPA CMA DIRECTOR	1 00	X						0	0	0
(5) PHILIP GUSTAFSON DIRECTOR	1 00	X						0	593,241	116,181
(6) SAJJAN K NEMANI MD DIRECTOR	1 00	X						0	0	0
(7) SR MARY JEAN RYAN FSM DIRECTOR	1 00	X						0	0	0
(8) JAMES SANGER DIRECTOR	1 00	X						0	842,896	24,901
(9) WILLIAM P THOMPSON DIRECTOR & PRESIDENT	1 00	X		X				0	1,518,393	741,005
(10) SR M CLARETTE STRYZEWSKI CSSF DIRECTOR	1 00	X						0	0	0
(11) JITENDRA K TRIVEDI MD DIRECTOR	1 00	X						0	0	0
(12) BRUCE MERRELL DIRECTOR & HOSP PRES	40 00	X		X				0	350,544	137,662
(13) MIKE WARREN DIRECTOR	1 00	X						0	394,927	256,276
(14) KRIS A ZIMMER TREASURER	1 00			X				0	708,536	189,289
(15) JUNE L PICKETT SECRETARY	1 00			X				0	224,061	185,772
(16) CARISSA HIBBERT ASST SECRETARY	20 00			X				50,087	0	22,318
(17) KAY TINSLEY VP FISCAL SERVICES	20 00			X				188,998	0	79,261

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) STEVEN BARNEY VICE PRESIDENT	1 00			X				0	677,427	38,184
(19) VIRGINIA TELFORD VP NURSING	40 00				X			184,224	0	9,352
(20) MARK CLARK VP OPERATIONS	20 00				X			168,909	0	74,078
(21) DELAND EVISCHI VP BUSINESS DEVELOPMENT	20 00				X			160,920	0	56,047
(22) GREG SIMS VP MEDICAL GROUP	5 00				X			0	170,554	63,049
(23) JULIE LONG VP PLANNING & MARKETING	20 00				X			0	160,147	38,223
(24) MICHELLE DARNELL VP SYSTEMS IMPROVEMENT	20 00				X			0	156,703	61,013
(25) THOMAS BLYTHE VP HUMAN RESOURCES	20 00				X			0	160,573	54,436
(26) JAMES RUETER CRNA	40 00					X		201,415	0	48,691
(27) RAJENDRA SHROFF PHYSICIAN	40 00					X		143,240	0	28,384
(28) JEFFREY RAPP PHARMACY COORDINATOR	40 00					X		132,702	0	39,682
(29) PATRICIA NEUDECKER DIR PHYSICAL THERAPY	40 00					X		130,853	0	40,245
(30) TARA RAPP CLINICAL PHARMACIST	40 00					X		126,574	0	14,400
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,487,922	5,958,002	2,318,449

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization▶14

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
LIPPS CONSTRUCTION 1300 GEORGE STREET MT VERNON, IL 62864	CONSTRUCTION SERVICES	3,109,006
MIDWEST EMERGENCY SERVICES INC PO BOX 8882 FORT WORTH, TX 76124	PHYSICIAN SERVICES	2,367,853
CENTRALIA ANESTHESIOLOGY SERVICES INC 4227 LINCOLNSHIRE DRIVE MT VERNON, IL 62864	MEDICAL SERVICES	1,887,103
ILLINOIS COMPENSATION TRUST 1151 EAST WARRENVILLE RD NAPERVILLE, IL 60566	INSURANCE	620,969
CROWN LINEN SERVICE 322 E INDUSTRIAL DR COLUMBIA, IL 62236	LAUNDRY SERVICES	612,793
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 ▶25		

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	102,618			
	e	Government grants (contributions)	1e	1,176,300			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	6,199			
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f		1,285,117			
Program Service Revenue	2a	NET PATIENT SERVICE RE	Business Code 621110	106,428,207	106,428,207		
	b	ANESTHESIA SERVICES	621110	215,020	215,020		
	c						
	d						
	e						
	f	All other program service revenue		407,918		407,918	
	g	Total. Add lines 2a-2f		107,051,145			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		431,568		
4		Income from investment of tax-exempt bond proceeds . .					
5		Royalties					
6a		Gross rents	(i) Real 537,099	(ii) Personal			
b		Less rental expenses	237,217				
c		Rental income or (loss)	299,882				
d		Net rental income or (loss)		299,882		299,882	
7a		Gross amount from sales of assets other than inventory	(i) Securities 211,133	(ii) Other 8,598			
b		Less cost or other basis and sales expenses	0	0			
c		Gain or (loss)	211,133	8,598			
d		Net gain or (loss)		219,731		219,731	
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . .					
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . .					
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory . .					
Miscellaneous Revenue		Business Code					
11a	CAFETERIA	722210	402,637		402,637		
b	PRINT SERVICES	561000	186,767		186,767		
c	MEDICAL RECORDS	561000	89,442		89,442		
d	All other revenue						
e	Total. Add lines 11a-11d		678,846				
12	Total revenue. See Instructions		109,966,289	106,643,227	0	2,037,945	

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	98,306	98,306		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,470,892		1,470,892	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	35,470,900	27,358,652	8,112,248	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,910,916	2,207,123	703,793	
9	Other employee benefits	10,254,754	7,693,924	2,560,830	
10	Payroll taxes	2,602,576	1,935,265	667,311	
11	Fees for services (non-employees)				
a	Management				
b	Legal	108,488		108,488	
c	Accounting	75,089		75,089	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	11,389,216	9,912,288	1,476,928	
12	Advertising and promotion	406,766	11,170	395,596	
13	Office expenses	5,498,392	4,836,775	661,617	
14	Information technology	5,442,356	5,433,512	8,844	
15	Royalties				
16	Occupancy	2,209,865	2,044,229	165,636	
17	Travel	301,093	173,656	127,437	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	85,389	62,120	23,269	
20	Interest	1,445,118	1,445,118		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	3,174,438	2,908,230	266,208	
23	Insurance	672,566		672,566	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	11,792,901	11,792,901	0	0
b	BAD DEBTS	8,621,526	8,621,526	0	0
c	MEDICARE PROVIDER TAX	2,669,258	2,669,258	0	0
d	LICENSES AND TAXES	60,372	54,251	6,121	0
e					
f	All other expenses	58,007	35,849	22,158	
25	Total functional expenses. Add lines 1 through 24f	106,819,184	89,294,153	17,525,031	0
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				1	
	2	Savings and temporary cash investments			5,207,274	2	56,567
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			14,998,910	4	20,311,578
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			1,700,632	8	1,675,826
	9	Prepaid expenses and deferred charges			446,909	9	1,849,174
	10a	Land, buildings, and equipment—cost or other basis. Complete Part VI of Schedule D	10a	42,877,199	23,913,036	10c	28,745,497
	b	Less: accumulated depreciation	10b	14,131,702			
	11	Investments—publicly traded securities				11	
	12	Investments—other securities. See Part IV, line 11			21,651,750	12	8,075,400
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets			2,312,490	14	2,172,339
	15	Other assets. See Part IV, line 11			930,934	15	1,178,875
16	Total assets. Add lines 1 through 15 (must equal line 34)			71,161,935	16	64,065,256	
Liabilities	17	Accounts payable and accrued expenses			5,569,584	17	9,665,122
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			12,305,202	20	10,080,152
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			38,980,000	23	40,134,000
	24	Unsecured notes and loans payable to unrelated third parties				24	
	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			8,619,888	25	10,437,692
26	Total liabilities. Add lines 17 through 25			65,474,674	26	70,316,966	
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			5,526,952	27	-6,548,895
	28	Temporarily restricted net assets			160,309	28	297,185
	29	Permanently restricted net assets				29	0
	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			5,687,261	33	-6,251,710
	34	Total liabilities and net assets/fund balances			71,161,935	34	64,065,256

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	109,966,289
2	Total expenses (must equal Part IX, column (A), line 25)	2	106,819,184
3	Revenue less expenses Subtract line 2 from line 1	3	3,147,105
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,687,261
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-15,086,076
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	-6,251,710

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 ST MARY'S HOSPITAL CENTRALIA ILLINOIS	Employer identification number 37-0662580
---	--

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

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2011

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>
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	<input type="checkbox"/>

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: 37-0662580

Name: ST MARY'S HOSPITAL CENTRALIA ILLINOIS

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			
VERLE BESANT DIRECTOR	1 00	X						0	0	0
MARY BURGAN DIRECTOR	1 00	X						0	0	0
SR M RAMONA DOMBROWSKI CSSF DIRECTOR	1 00	X						0	0	0
D BRUCE GEARY CPA CMA DIRECTOR	1 00	X						0	0	0
PHILIP GUSTAFSON DIRECTOR	1 00	X						0	593,241	116,181
SAJJAN K NEMANI MD DIRECTOR	1 00	X						0	0	0
SR MARY JEAN RYAN FSM DIRECTOR	1 00	X						0	0	0
JAMES SANGER DIRECTOR	1 00	X						0	842,896	24,901
WILLIAM P THOMPSON DIRECTOR & PRESIDENT	1 00	X		X				0	1,518,393	741,005
SR M CLARETTE STRYZEWSKI CSSF DIRECTOR	1 00	X						0	0	0
JITENDRA K TRIVEDI MD DIRECTOR	1 00	X						0	0	0
BRUCE MERRELL DIRECTOR & HOSP PRES	40 00	X		X				0	350,544	137,662
MIKE WARREN DIRECTOR	1 00	X						0	394,927	256,276
KRIS A ZIMMER TREASURER	1 00			X				0	708,536	189,289
JUNE L PICKETT SECRETARY	1 00			X				0	224,061	185,772
CARISSA HIBBERT ASST SECRETARY	20 00			X				50,087	0	22,318
KAY TINSLEY VP FISCAL SERVICES	20 00			X				188,998	0	79,261
STEVEN BARNEY VICE PRESIDENT	1 00			X				0	677,427	38,184
VIRGINIA TELFORD VP NURSING	40 00				X			184,224	0	9,352
MARK CLARK VP OPERATIONS	20 00				X			168,909	0	74,078
DELAND EVISCHI VP BUSINESS DEVELOPMENT	20 00				X			160,920	0	56,047
GREG SIMS VP MEDICAL GROUP	5 00				X			0	170,554	63,049
JULIE LONG VP PLANNING & MARKETING	20 00				X			0	160,147	38,223
MICHELLE DARNELL VP SYSTEMS IMPROVEMENT	20 00				X			0	156,703	61,013
THOMAS BLYTHE VP HUMAN RESOURCES	20 00				X			0	160,573	54,436

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES RUETER CRNA	40 00					X		201,415	0	48,691
RAJENDRA SHROFF PHYSICIAN	40 00					X		143,240	0	28,384
JEFFREY RAPP PHARMACY COORDINATOR	40 00					X		132,702	0	39,682
PATRICIA NEUDECKER DIR PHYSICAL THERAPY	40 00					X		130,853	0	40,245
TARA RAPP CLINICAL PHARMACIST	40 00					X		126,574	0	14,400

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization ST MARY'S HOSPITAL CENTRALIA ILLINOIS	Employer identification number 37-0662580
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

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

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

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

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

Part II-A

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

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		3,393
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			3,393
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

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

Attach to Form 990. See separate instructions.

Name of the organization
ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Employer identification number
37-0662580

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>Yes</div> <div>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>Yes</div> <div>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

\$

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

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

1a

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

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i)

unrelated organizations

3a(i)

☐ Yes

☐ No

(ii)

related organizations

3a(ii)

☐ Yes

☐ No

b

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

3b

☐ Yes

☐ No

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		1,259,000		1,259,000
b Buildings		21,052,668	5,809,225	15,243,443
c Leasehold improvements				
d Equipment		14,243,481	7,763,476	6,480,005
e Other		6,322,050	559,001	5,763,049
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				28,745,497

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
		PART X, LINE 2 ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS' FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF A RELATED ORGANIZATION, SSM HEALTH CARE (SSMHC). SSMHC EVALUATES ITS UNCERTAIN TAX POSITIONS ON AN ANNUAL BASIS. A TAX BENEFIT FROM AN UNCERTAIN TAX POSITION MAY BE RECOGNIZED WHEN IT IS MORE LIKELY THAN NOT THAT THE POSITION WILL BE SUSTAINED UPON EXAMINATION, INCLUDING RESOLUTIONS OF ANY RELATED APPEALS OR LITIGATION PROCESSES, BASED ON THE TECHNICAL MERITS. THERE HAVE BEEN NO UNCERTAIN TAX POSITIONS RECORDED IN 2011 OR 2010.

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
ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Employer identification number
37-0662580

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 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 0.0 %</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	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			4,071,121		4,071,121	4 150 %
b Medicaid (from Worksheet 3, column a)			22,725,661	13,949,811	8,775,850	8 940 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			26,796,782	13,949,811	12,846,971	13 090 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			516,852		516,852	0 530 %
f Health professions education (from Worksheet 5)			158,852		158,852	0 160 %
g Subsidized health services (from Worksheet 6)			3,055,447		3,055,447	3 110 %
h Research (from Worksheet 7)			4,201		4,201	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			64,994		64,994	0 070 %
j Total Other Benefits			3,800,346		3,800,346	3 870 %
k Total. Add lines 7d and 7j			30,597,128	13,949,811	16,647,317	16 960 %

Part II

Community Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support		9,582		9,582	0 010 %
4	Environmental improvements		432		432	0 %
5	Leadership development and training for community members					
6	Coalition building		5,708		5,708	0 010 %
7	Community health improvement advocacy		16,654		16,654	0 020 %
8	Workforce development		63,213		63,213	0 060 %
9	Other					
10	Total		95,589		95,589	0 100 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes
2	Enter the amount of the organization's bad debt expense	2	2,744,011
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	33,727,184
6	Enter Medicare allowable costs of care relating to payments on line 5	6	36,151,704
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-2,424,520
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	No

Part IV

Management Companies and Joint Ventures

(see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

ST MARY'S HOSPITAL

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 0000000000000% 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>400 000000000000%</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 type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input 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 type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input 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 type="checkbox"/> Reporting to credit agency b <input 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		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input 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 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? 5

Name and address		Type of Facility (Describe)
1	SALEM WORK SAFETY INSTITUTE 1250 W WHITTAKER STREET SALEM,IL 62881	REHABILITATION FACILITY
2	CENTRALIA WORK SAFTY INSTITUTE 1441 BROADWAY CENTRALIA,IL 62801	REHABILITATION FACILITY
3	MT VERNON WORK SAFETY INSTITUTE 8 CUSUMANO MTVERNON,IL 62864	REHABILITATION FACILITY
4	CARLYLE WORK SAFETY INSTITUTE 811 FAIRFAX ST CARLYLE,IL 62231	REHABILITATION FACILITY
5	BENTON WORK SAFETY INSTITUTE 501 N DUQUOIN BENTON,IL 62812	REHABILITATION FACILITY
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
ELIGIBILITY GUIDELINES FOR DISCOUNTED CARE	SCHEDULE H, PART I, LINE 3B	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS USES FEDERAL POVERTY GUIDELINES (FPG) TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS THE APPLICABLE PERCENTAGE VARIES BASED ON HOW MUCH THE APPLICANT'S INCOME EXCEEDS FPG GUIDELINES THE FOLLOWING SCHEDULE IS USED TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE APPLICANT'S INCOME IS CHARITY CARE PERCENTAGELESS THAN OR EQUAL TO 2 TIMES FPG 100% MORE THAN 2 TIMES, LESS THAN 2 5 TIMES FPG 80% MORE THAN 2 5 TIMES, LESS THAN 3 TIMES FPG 60% MORE THAN 3 TIMES, LESS THAN 3 5 TIMES FPG 40% MORE THAN 3 5 TIMES, LESS THAN 4 TIMES FPG 20% 4 OR MORE TIMES FPG 0%

Identifier	ReturnReference	Explanation
OTHER CRITERIA FOR FREE OR DISCOUNTED CARE	SCHEDULE H, PART I, LINE 3C	AN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT'S BALANCE DUE IF THE AMOUNT IS TOO LARGE TO BE REASONABLY PAID THROUGH AN INSTALLMENT PLAN OVER FOUR YEARS GIVEN THE FAMILY INCOME AND EXPENSES TO FURTHER STREAMLINE AND AUTOMATE THE FINANCIAL ASSISTANCE PROCESS, ST MARY'S HOSPITAL BUSINESS OFFICE PERSONNEL WILL AUTOMATICALLY CONSIDER 100% OF THE PATIENT ACCOUNT AS CHARITY IF THE COMMERCIAL SOFTWARE SYSTEM (SEARCHAMERICA) INDICATES THAT THE PATIENT IS LIVING AT OR BELOW 100% OF THE FEDERAL POVERTY LEVEL (FPL) THIS PROCESS IS CALLED "PRESUMPTIVE ELIGIBILITY"

Identifier	ReturnReference	Explanation
PREPARATION OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, QUESTION 6	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS IS PART OF THE INTEGRATED HEALTH SYSTEM KNOWN AS SSM HEALTH CARE IN AN EFFORT TO STRENGTHEN ITS COMMUNITY BENEFIT PROGRAM, SSM HEALTH CARE PLANS FOR, MEASURES, AND COMMUNICATES IN AN ANNUAL REPORT CHARITY CARE PROVIDED TO PERSONS WHO ARE LOW INCOME, THE UNPAID COSTS OF PUBLIC PROGRAMS AND OTHER ACTIVITIES THAT RESPOND TO COMMUNITY NEED, IMPROVE COMMUNITY HEALTH, OR REACH OUT TO LOW INCOME AND VULNERABLE PERSONS ST MARY'S HOSPITAL PREPARES AN ANNUAL COMMUNITY BENEFIT REPORT THAT IS PROVIDED TO THE COMMUNITY AND CAN BE FOUND ON WWW SMGSI COM SSM HEALTH CARE'S 2011 ANNUAL COMMUNITY BENEFIT REPORT FOR THE SYSTEM CAN BE FOUND AT WWW SSMHC COM

Identifier	ReturnReference	Explanation
DESCRIPTION OF COSTING METHODOLOGY	SCHEDULE H, PART I, LINE 7	CHARITY CARE COSTING METHODOLOGY THE COST OF CHARITY CARE IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION (CHA) GUIDELINES A COST TO CHARGE RATIO CALCULATED USING THE IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGE, WAS USED TO COMPUTE CHARITY CARE AT COST THIS IS THE RATIO OF TOTAL ADJUSTED OPERATING EXPENSE TO TOTAL GROSS PATIENT REVENUE THE GROSS REVENUE AMOUNT IS A GROSS AMOUNT - PRIOR TO CONTRACTUAL ADJUSTMENTS AND BAD DEBTS BOTH GROSS REVENUE AND COST ARE BASED ON CHARGES AT DATE/TIME OF SERVICE UNREIMBURSED MEDICAID COSTING METHODOLOGY THE COST OF UNREIMBURSED MEDICAID IS CALCULATED IN COMPLIANCE WITH CATHOLIC HEALTH ASSOCIATION (CHA) GUIDELINES A COST TO CHARGE RATIO CALCULATED UTILIZING IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGE, WAS USED TO COMPUTE UNREIMBURSED MEDICAID COSTS THIS IS THE RATIO OF TOTAL ADJUSTED OPERATING EXPENSE TO TOTAL GROSS PATIENT REVENUE THE GROSS REVENUE AMOUNT IS A GROSS AMOUNT - PRIOR TO CONTRACTUAL ADJUSTMENTS AND BAD DEBTS BOTH GROSS REVENUE AND COST ARE BASED ON CHARGES AT DATE/TIME OF SERVICE COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS COSTING METHODOLOGY THE COSTS FOR THESE PROGRAMS WERE DERIVED FROM THE ACTUAL COSTS INCURRED IN THESE AREAS THE EXPENDITURES ARE DETERMINED BASED ON ACTUAL INVOICES OR DOLLAR AMOUNTS SPENT AND CHARGED TO THESE DEPARTMENTS HEALTH PROFESSIONAL EDUCATION COSTING METHODOLOGY THE EXPENSES FOR HEALTH PROFESSION EDUCATION WERE TAKEN FROM THE DEPARTMENT'S INCOME AND EXPENSE STATEMENT, DERIVED FROM THE ACCOUNTING SYSTEM AMOUNTS PAID FROM RESIDENT DEPARTMENTS WERE ALSO INCLUDED RESEARCH COSTING METHODOLOGY RESEARCH EXPENSES WERE TAKEN FROM THE INCOME AND EXPENSE STATEMENT FOR THE RESEARCH DEPARTMENTS, DERIVED FROM THE ACCOUNTING SYSTEM CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS COSTING METHODOLOGY CONTRIBUTION EXPENDITURES ARE BASED ON ACTUAL INVOICES THAT WERE CAPTURED AND REPORTED FOR THIS PROGRAM ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS HAD BAD DEBT EXPENSE IN THE AMOUNT OF \$8,621,526 REPORTED ON PART IX LINE 24 OF THE FORM 990, HOWEVER IT HAS BEEN SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGES IN THIS PART I, LINE 7, COLUMN F

Identifier	ReturnReference	Explanation
DESCRIPTION OF COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS PARTICIPATES IN A WIDE ARRAY OF COMMUNITY AND CIVIC ORGANIZATIONS IN THE PROMOTION OF HEALTH CARE AND COMMUNITY BUILDING ACTIVITIES. SPECIFIC ACTIVITIES REPORTED IN PART II OF SCHEDULE H INCLUDE THE FOLLOWING: COMMUNITY BUILDING - COMMUNITY SUPPORT PARTICIPATED IN MEETING TO NETWORK IDEAS TO BEST TREAT EATING DISORDER PATIENTS, DONATED FOOD AND MONEY FOR THE CENTRALIA FOOD PANTRY AND CENTRALIA SALVATION ARMY, PARTICIPATED IN VARIOUS FUNCTIONS SPONSORED BY THE CENTRALIA CHAMBER OF COMMERCE. COMMUNITY BUILDING - COALITION BUILDING HOSTS MONTHLY MEETINGS OF COMMUNITY MENTAL HEALTH GROUP WITH AREA MENTAL HEALTH PROVIDERS TO DISCUSS IMPROVING MENTAL HEALTH SERVICES IN THE COMMUNITY INCLUDING NETWORKING, COLLABORATION WITH PROVIDER SERVICES AND PROCURING FUNDING, PARTICIPATE IN MEETINGS OF THE JEFFERSON COUNTY COALITION TO SHARE RESOURCE INFORMATION AVAILABLE IN THE COMMUNITY INCLUDING GIVING PRESENTATIONS ON PROPER BREAST EXAMINATIONS, PARTICIPATE IN MONTHLY MEETINGS OF THE MARION COUNTY NETWORKING COALITION. COMMUNITY BUILDING - COMMUNITY HEALTH IMPROVEMENT ADVOCACY - PARTICIPATE IN NUMEROUS AREA EVENTS TO PROMOTE COMMUNITY HEALTH INCLUDING THE FOLLOWING: WORKING CLOSELY WITH ILLINOIS DEPARTMENT OF PUBLIC HEALTH AT THE LOCAL AND STATE LEVEL AS A MEMBER OF THE PERINATAL ADVISORY BOARD, ATTENDING AN ILLINOIS DEPARTMENT OF PUBLIC HEALTH FORUM ON HEALTHCARE AT MT. VERNON, PARTICIPATING IN THE SALEM HEALTH FAIR TO SUPPORT WOMEN'S HEALTH AND CONCERNS, PARTICIPATING IN THE LINCOLN AWARD FOR EXCELLENCE PROGRAM TO HELP DRIVE IMPROVEMENTS IN HOSPITAL PROCESSES, COORDINATE THE ILLINOIS HOSPITAL ASSOCIATION MEDICAID REFORM TASK FORCE, MEET WITH STATE LEGISLATORS TO DISCUSS HEALTH CARE IN OUR REGION. COMMUNITY BUILDING - WORKFORCE DEVELOPMENT CONDUCTED RECRUITMENT ACTIVITIES TO DRAW PHYSICIANS TO PROVIDE SERVICES FOR MEDICALLY UNDERSERVED AREAS. THE HOSPITAL ALSO PARTNERED WITH LOCAL COLLEGES, UNIVERSITIES AND COMMUNITY WORKFORCE DEVELOPMENT AGENCIES TO RECRUIT EMPLOYEES, PHYSICIANS AND INCREASE HEALTHCARE WORKER TRAININGS TO RELIEVE SHORTAGE AREAS, PARTICIPATE IN THE NURSING ADVISORY BOARD MEETINGS.

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE & COSTING METHODOLOGY	SCHEDULE H, PART III, SECTION A, LINE 4	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS IS PART OF THE SSM HEALTH CARE CONSOLIDATED AUDIT THE FOOTNOTE THAT REFERENCES BAD DEBT EXPENSE IN THE DECEMBER 31, 2011 CONSOLIDATED AUDIT IS AS FOLLOWS "IN LINE WITH ITS MISSION, SSMHC PROVIDES SERVICES TO PATIENTS WITHOUT REGARD TO THEIR ABILITY TO PAY FOR THOSE SERVICES FOR SOME OF ITS PATIENT SERVICES, SSMHC RECEIVES NO PAYMENT OR PAYMENT THAT IS LESS THAN THE FULL COST OF PROVIDING THE SERVICES SSMHC VOLUNTARILY PROVIDES FREE CARE TO PATIENTS WHO ARE UNABLE TO PAY FOR ALL OR PART OF THEIR HEALTH CARE EXPENSES AS DETERMINED BY SSMHC'S CRITERIA FOR FINANCIAL ASSISTANCE BECAUSE SSMHC DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS PATIENT SERVICE REVENUES IN SOME CASES, SSMHC DOES NOT RECEIVE THE AMOUNT BILLED FOR PATIENT SERVICES EVEN THOUGH IT DID NOT RECEIVE INFORMATION NECESSARY TO DETERMINE IF THE PATIENTS MET THE CRITERIA FOR FINANCIAL ASSISTANCE BAD DEBTS EXPENSE IS THE ESTIMATED AMOUNT OF PATIENT SERVICE REVENUES THAT SSMHC WILL NOT COLLECT "BAD DEBT COSTING METHODOLOGY BAD DEBT EXPENSE REPORTED IN THE 2011 ANNUAL LICENSING SURVEY OF MISSOURI HOSPITALS WAS USED, MULTIPLIED BY THE COST TO CHARGE RATIO USING IRS WORKSHEET 2, RATIO OF PATIENT CARE COST TO CHARGES BAD DEBT EXPENSE REPORTED ON LINE 2 FOR THE YEAR ENDED DECEMBER 31, 2011 WAS \$7,507,554 AT CHARGES AND \$2,744,011 AT COST ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS DID NOT MAKE AN ESTIMATE OF THE ORGANIZATION'S BAD DEBT ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
DESCRIPTION OF MEDICARE COSTS INCLUDED IN COMMUNITY BENEFIT	SCHEDULE H, PART III, SECTION B, LINE 8	THE COST OF PROVIDING CARE TO MEDICARE ELIGIBLE PATIENTS IS GREATER THAN THE REIMBURSEMENT THAT MEDICARE ALLOWS ON THE MEDICARE COST REPORT ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS CONSIDERS THIS SHORTFALL AS A COMPONENT OF COMMUNITY BENEFIT BECAUSE THE REIMBURSEMENT IS NOT NEGOTIATED AND SERVICES ARE PROVIDED REGARDLESS OF THE PATIENTS' ABILITY TO PAY THE MEDICARE COSTS REPORTED ON LINE 6 WERE OBTAINED FROM THE 2011 MEDICARE COST REPORT

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	SCHEDULE H, PART III, SECTION C, LINE 9B	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS HAS ESTABLISHED WRITTEN CREDIT AND COLLECTION POLICY AND PROCEDURES THE BILLING AND COLLECTION POLICIES AND PRACTICES REFLECT THE MISSION AND VALUES OF SSM HEALTH CARE, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE THE HOSPITAL EMBRACES ITS RESPONSIBILITY TO SERVE THE COMMUNITIES IN WHICH IT PARTICIPATES BY ESTABLISHING SOUND BUSINESS PRACTICES THE HOSPITAL'S BILLING AND COLLECTION PRACTICES WILL BE FAIR AND CONSISTENTLY APPLIED ALL STAFF AND VENDORS ARE EXPECTED TO TREAT ALL PATIENTS CONSISTENTLY AND FAIRLY REGARDLESS OF THEIR ABILITY TO PAY THEY RESPOND TO PATIENTS IN A PROMPT AND COURTEOUS MANNER REGARDING ANY QUESTIONS ABOUT THEIR BILLS AND PROVIDE NOTIFICATION OF THE AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE ONCE THE PATIENT'S RESPONSIBILITY PORTION IS DETERMINED WE SEND THE PATIENT A MINIMUM OF THREE STATEMENTS AND MAKE AT LEAST 1 PHONE CALL OVER A 90 DAY PERIOD THEN, IF NO PAYMENT IS RECEIVED, THE ACCOUNT IS SENT TO A COLLECTION AGENCY ALL OUTSIDE COLLECTION AGENCIES MUST COMPLY WITH STATE AND FEDERAL LAWS, COMPLY WITH THE ASSOCIATION OF CREDIT AND COLLECTION PROFESSIONAL'S CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY AND COMPLY WITH ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS' COLLECTION AND CHARITY POLICIES

Identifier	ReturnReference	Explanation
ST MARY'S HOSPITAL		PART V, SECTION B, LINE 19D FAP-ELIGIBLE INDIVIDUALS RECEIVE A 20% UNINSURED DISCOUNT WHICH IS BASED ON THE AVERAGE OF ALL OF THE MANAGED CARE CONTRACTS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT PROCESS	SCHEDULE H, PART VI, LINE 2	<p>THE ANNUAL STRATEGIC, FINANCIAL AND HUMAN RESOURCES PLANNING PROCESS HAS INCLUDED AN ASSES SMENT OF THE COMMUNITY'S NEEDS TO INCLUDE THE IDENTIFICATION OF SPECIFIC AND MEASUREABLE "HEALTHY COMMUNITIES" INITIATIVES OUR SYSTEM VISION FOR IMPROVED COMMUNITY HEALTH IS PURSU ED IN ALL OF OUR WORK AT SSM HEALTH CARE FROM STRATEGIC PLANNING, FINANCIAL MANAGEMENT, AN D DIRECT PATIENT CARE TO ADVOCACY, COMMUNITY PARTNERSHIPS AND HEALTHY COMMUNITIES INITIATI VES OVERALL EFFORTS IN THIS AREA ARE COORDINATED THROUGH SSM HEALTH CARE'S COMMUNITY BENE FIT PROGRAM, WHICH FOCUSES ON ASSESSING AND IMPLEMENTING STRATEGIES TO ADDRESS IDENTIFIED COMMUNITY HEALTH NEEDS SSM HEALTH CARE'S COMMITMENT TO COMMUNITY BENEFIT IS DEEPLY EMBEDDE D INTO OUR ORGANIZATIONAL CULTURE AS REFLECTED IN OUR SYSTEM VISION STATEMENT WHICH READS THROUGH OUR PARTICIPATION IN THE HEALING MINISTRY OF JESUS CHRIST, COMMUNITIES, ESPECIAL Y THOSE THAT ARE ECONOMICALLY, PHYSICALLY AND SOCIALLY MARGINALIZED, WILL EXPERIENCE IMPRO VED HEALTH IN MIND, BODY, SPIRIT, AND ENVIRONMENT WITH THE FINANCIAL LIMITS OF THE SYSTEM AS OF JANUARY 2011, THE PRIMARY FOCUS OF SSM HEALTH CARE'S HEALTHY COMMUNITIES (HCIS) HAS BEEN ON ONE OF THE TOP-THREE CHRONIC DISEASES IN EACH ENTITY'S/NETWORK'S RESPECTIVE MARKET (E G , CHF, DIABETES, ASTHMA) AS IDENTIFIED THROUGH, AMONG OTHER DATA SOURCES, COMMUNITY NEEDS ASSESSMENTS, CONSUMER/PUBLIC HEALTH STUDIES AND STATE/LOCAL HEALTH DEPARTMENT INFORM ATION COMMUNITY HEALTH IMPROVEMENT, WHICH WE PURSUE AS A SYSTEM PRIMARILY THROUGH HCIS UND ERTAKEN AT THE ENTITY LEVEL, IS FUNDAMENTAL TO OUR MISSION, VALUES, AND VISION OVER THE Y EARS MANY PEOPLE HAVE BENEFITED FROM OUR HCIS AND MUCH GOOD HAS COME FROM THEM IN AN EFFO RT TO BEST RESPOND TO COMMUNITY NEEDS, HCIS HAS REFOCUSED ITS EFFORTS TOWARD A NEW APPROACH TO COMMUNITY HEALTH, AS OUTLINED HERE CHRONIC DISEASE IS RAMPANT THROUGHOUT THE U S WHERE ROUGHLY HALF OF ALL ADULTS AND 10% OF CHILDREN/ADOLESCENTS LIVE WITH AT LEAST ONE CHRONI C DISEASE OF THESE AN ESTIMATED 13 MILLION LACK HEALTH INSURANCE AND THEREBY HAVE POORER ACCESS TO PREVENTIVE AND PRIMARY CARE SERVICES THAT THEIR INSURED COUNTERPARTS AND EXPERIE NCE WORSE HEALTH-RELATED OUTCOMES, INCLUDING PREMATURE DEATH IN RESPONSE TO THIS GROWING N ATIONAL HEALTH CRISIS, SYSTEM MANAGEMENT HAS SET THE EXPECTATION THAT ALL SSM OPERATING EN TITIES, WORKING INDIVIDUALLY OR COLLECTIVELY AS NETWORKS, IN COLLABORATION WITH COMMUNITY PARTNERS, WILL DEVELOP HCIS FOCUSED ON THE CHRONIC DISEASE SELECTED THAT ADDRESSES THREE P ILLARS THAT STRETCH ACROSS THE CARE CONTINUUM - PREVENTION THROUGH COMMUNITY EDUCATION IN PARTNERSHIP WITH COMMUNITY HEALTH ORGANIZATIONS, LOCAL HEALTH AGENCIES, CHURCHES, CIVIC CE NTERS, SCHOOLS, INSURANCE COMPANIES AND OTHER COMMUNITY PARTNERS - ACCESS TO PRIMARY CARE SERVICES AND NECESSARY MEDICATIONS IN CONJUNCTION WITH COMMUNITY HEALTH ORGANIZATIONS, LOC AL HEALTH AGENCIES AND CLINICS, EMPLOYED COMMUNITY PHYSICIANS AND PHARMACEUTICAL COMPANIES - INPATIENT CARE INCLUDING PATIENT EDUCATION, COMPREHENSIVE DISCHARGE PLANNING, MEDICATIO N RECONCILIATION, COORDINATION OR CARE ACROSS SETTINGS AND POST-DISCHARGE FOLLOW-UP INITIA LLY, THE STRATEGIC GOAL WILL BE TO REDUCE THE 30-DAY HOSPITAL READMISSION RATE FOR THE CHR ONIC DISEASE SELECTED ST MARY'S HOSPITAL HAS TAKEN A COMPREHENSIVE APPROACH BY WORKING ON THE TOP FOUR CHRONIC DISEASES AT THE SAME TIME HEART FAILURE, COPD, ACUTE MI AND PNEUMON IA AS WE DEVELOP OUR COMMUNITY PARTNERSHIPS AND BEGIN TO IMPACT THE WHOLE CARE CONTINUUM, ADDITIONAL GOALS CAN BE ADDED THAT ADDRESS KEY INDICATORS OF COMMUNITY/POPULATION HEALTH (E G , PREVALENCE AND INCIDENCE RATES, SCREENING RATES, HOSPITAL ADMISSION RATES, BEHAVIOR AL AND LIFESTYLE FACTORS, HEALTHY PEOPLE 2020 GOALS) ST MARY'S HOSPITAL HAS ESTABLISHED SPECIFIC STRATEGIES, INDICATORS, ACTION PLANS AND MEASURES OF SUCCESS TO TRACK PROGRESS T HESE ARE ALL REPORTED BACK THROUGH THE ANNUAL STRATEGIC AND OPERATIONAL PLANS AS WELL AS A T THE DEPARTMENTAL LEVEL IN ADDITION TO THE HEALTHY COMMUNITIES, EACH SSM HEALTH CARE HOS PITAL WILL CONDUCT A SEPARATE COMMUNITY HEALTH NEEDS ASSESSMENT (CHNA) ONCE EVERY THREE YE ARS TO SUPPORT THE COMPLETION OF A CHNA IN ACCORDANCE WITH ESTABLISHED GUIDELINES, A SIX- STEP PROCESS WAS DEVELOPED THE PROCESS DEFINES AN APPROACH THAT CAN BE USED TO ASSESS THE HEALTH NEEDS OF THE COMMUNITIES SERVED BY SSM HEALTH CARE AND DEVELOP STRATEGIES FOR MEET ING THOSE NEEDS THE PROCESS INCLUDES - DEVELOP A PLAN TO ADDRESS HEALTH REFORM MANDATES T O INCLUDE DEFINING HOW THE ASSESSMENT AND BY WHOM THE ASSESSMENT WILL BE COMPLETED, IDENTI FYING THE STAKEHOLDERS INVOLVED, AND THE TIME FRAME FOR COMPLETION- PERFORM DATA COLLECTIO N INCLUDING IDENTIFYING THE GEOGRAPHIC AREA SERVED, ACCESSING SECONDARY DATA SOURCES AND C OORDINATING INTERVIEWS, SURVEY AND/OR FOCUS GROUPS FOR PRIMARY DATA COLLECTION- PERFORM DA TA ANALYSIS BY EVALUATING QUANTITATIVE AND QUALITATIVE DATE TO IDENTIFY AND PRIORITIZE HEA LTH NEEDS AND OPPORTUNITIES- CREATE A PLAN WITH GO</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT PROCESS	SCHEDULE H, PART VI, LINE 2	ALS, STRATEGIES, ACTIONS, DUE DATES, AND RESOURCE REQUIREMENTS WHICH INCLUDES INPUT FROM C ONSTITUENTS- OBTAIN APPROVAL FROM SYSTEM MANAGEMENT TO BE ADOPTED IN 2011 AND INCORPORATE THE CHNA INITIATIVES INTO THE STRATEGIC PLAN TO INCLUDE APPOINTING RESPONSIBILITY FOR IMPL EMENTING THE PLAN AND ASSIGNING A STEERING COMMITTEE TO MONITOR PROGRESS AS APPROPRIATE- C OORDINATE COMMUNICATION TO THE PUBLIC, BOARDS, STAFF AND OTHER STAKEHOLDERS PROGRESS IN AD DRESSING TOP PRIORITIES IMPACTING COMMUNITY HEALTHUTILIZING THIS PLAN, ST MARY'S HOSPITAL HAS BEGUN THE FIRST TWO STEPS AND ANTICIPATES HAVING THE CHNA COMPLETED IN THE SECOND QUA RTER OF 2012

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	ALL SSMHC FACILITIES WILL STRIVE TO PROVIDE EXCEPTIONAL HEALTH CARE SERVICES TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY ALL BILLING AND COLLECTION POLICIES REFLECT THE MISSION AND VALUES OF SSMHC, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE SSMHC FACILITIES OFFER DISCOUNTS FOR HOSPITAL SERVICES TO ALL UNINSURED PERSONS SELF-PAY DISCOUNTS APPLY TO EVERYONE WHO DOES NOT HAVE HEALTH INSURANCE, NO MATTER THEIR ABILITY TO PAY SSMHC APPLIES ITS CHARITY CARE POLICIES FAIRLY AND CONSISTENTLY EACH PERSON IS TREATED AS AN INDIVIDUAL WITH SPECIFIC NEEDS FOR ASSISTANCE WITHOUT REGARD TO PAYMENT SSMHC EMBRACES ITS RESPONSIBILITY TO SERVE THE COMMUNITIES IN WHICH WE PARTICIPATE BY ESTABLISHING SOUND BUSINESS PRACTICES CHARITY CARE IS PROVIDED TO PATIENTS BASED ON A SLIDING SCALE FOR HOUSEHOLD INCOMES UP TO FOUR TIMES THE FEDERAL POVERTY LEVEL PATIENTS WHOSE HOUSEHOLD INCOME IS NO MORE THAN TWO TIMES THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR FREE HOSPITAL SERVICES IN ADDITION, AN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT'S BALANCE DUE IF THE AMOUNT IS TOO LARGE TO BE REASONABLY PAID THROUGH AN INSTALLMENT PLAN OVER FOUR YEARS GIVEN THE FAMILY INCOME AND EXPENSES EACH ENTITY PROVIDING MEDICAL SERVICE SHALL PROVIDE INFORMATION TO THE PUBLIC REGARDING ITS CHARITY CARE POLICIES AND THE QUALIFICATION REQUIREMENTS FOR EACH OF ITS FACILITIES WHEN STANDARD SYSTEM NOTICES AND COMMUNICATION REGARDING CHARITY CARE ARE AVAILABLE, THESE MUST BE USED MODIFICATIONS TO THE STANDARD MAY BE MADE TO COMPLY WITH STATE AND LOCAL LAWS, AS WELL AS REFLECT CULTURALLY SENSITIVE TERMINOLOGY FOR THE POLICY ALL NOTICES ARE EASY TO UNDERSTAND BY THE GENERAL PUBLIC, CULTURALLY APPROPRIATE AND AVAILABLE IN THOSE LANGUAGES THAT ARE PREVALENT IN THE COMMUNITY THEY PROVIDE INFORMATION ABOUT - THE PATIENT'S RESPONSIBILITY FOR PAYMENT,- THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM PUBLIC PROGRAMS AND ENTITY CHARITY CARE AND PAYMENT ARRANGEMENTS,- THE ENTITY'S CHARITY POLICY AND APPLICATION PROCESS, AND- WHO TO CONTACT TO GET ADDITIONAL INFORMATION OR FINANCIAL COUNSELING THE FOLLOWING TYPES OF NOTICES TO THE PUBLIC ARE PROVIDED - SIGNS IN THE EMERGENCY DEPARTMENT, OUTPATIENT AND INPATIENT REGISTRATION AND PUBLIC WAITING AREAS - BROCHURES OR FLYERS PROVIDED AT TIME OF REGISTRATION AND AVAILABLE IN THE FINANCIAL COUNSELING AREAS - NOTICES SENT WITH OR ON PATIENT BILLS OR COMMUNICATIONS SENT TO PATIENTS AND GUARANTORS RELATED TO MEDICAL SERVICES - APPLICATIONS PROVIDED TO UNINSURED PATIENTS AT THE TIME OF REGISTRATION THE APPLICATION FOR CHARITY CARE, TOGETHER WITH ANY INSTRUCTIONS, MUST CLEARLY STATE THE POLICIES REGARDING CHARITY CARE, INCLUDING EXCLUDED SERVICES, ELIGIBILITY CRITERIA AND DOCUMENTATION REQUIREMENTS INFORMATION ABOUT THE ENTITY'S CHARITY POLICIES IS ALSO PROVIDED TO PUBLIC AGENCIES

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS DEFINES ITS PRIMARY SERVICE AREA AS MARION COUNTY ILLINOIS WITHIN MARION COUNTY THERE ARE NUMEROUS SMALL TOWNS, CITIES AND VILLAGES INCLUDING ALMA, CENTRAL CITY, CENTRALIA, LUKA, JUNCTION CITY, KELL, KIMMUNDY, ODIN, PATOKA, SALEM, SANDOVA, VERNON, AND WALNUT HILL THE COUNTY COVERS 576 SQUARE MILES AND HAD A POPULATION OF 38,204 IN 2011 OF THIS POPULATION, 31.2% HAVE AN AVERAGE HOUSEHOLD INCOME UNDER \$25,000 MARION COUNTY HAS DESIGNATED HEALTH PROFESSIONAL SHORTAGES IN THE AREAS OF MENTAL HEALTH, LOW INCOME DENTAL AND LOW INCOME PRIMARY MEDICAL CARE MARION COUNTY HAS DESIGNATED FIVE TOWNSHIPS TO BE MEDICALLY UNDERSERVED AREAS THE DISTRIBUTION OF RACE/ETHNICITY IN OUR COMMUNITY IS WHITE/CAUCASIAN 92%, BLACK/AFRICAN-AMERICAN 4%, HISPANIC 1%, OTHER 3% THE ENGLISH LANGUAGE IS SPOKEN IN 98% OF THE COUNTY'S HOUSEHOLDS APPROXIMATELY 13% OF THE POPULATION HAS A BACHELOR'S DEGREE OR HIGHER MARION COUNTY IS RANKED 87TH AMONG 102 ILLINOIS COUNTIES FOR OVERALL HEALTH STATUS ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS DELIVERS HOSPITAL SERVICES IN INPATIENT, AMBULATORY SURGERY, OUTPATIENT, AND EMERGENCY ROOM SETTINGS KEY SERVICE LINES INCLUDE CARDIOLOGY, ONCOLOGY, BEHAVIORAL HEALTH, PSYCHIATRICS, PHYSICAL THERAPY, OBSTETRICS, HYPERBARIC OXYGEN CHAMBER, WOUND CARE, ORTHOPEDICS, AND GENERAL SURGERY ST MARY'S HOSPITAL, CENTRALIA ILLINOIS' SURGERY CENTERS ARE EQUIPPED WITH THE LATEST INNOVATIONS IN TECHNOLOGY ENSURING OUR PATIENTS HAVE ACCESS TO THE MOST ADVANCED TREATMENT WHILE STAYING CLOSE TO HOME TO PROVIDE COMPLETE NEUROLOGICAL CARE, OUR SPECIALISTS ARE SUPPORTED BY BOARD CERTIFIED NEURORADIOLOGISTS, A FULL SERVICE REHABILITATION UNIT, A HOME HEALTH DEPARTMENT, 24-HOUR MRI SERVICE, NEURODIAGNOSTIC EQUIPMENT, AND CARDIAC CATHETERIZATION LABORATORIES

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH/FURTHERANCE OF EXEMPT PURPOSE	SCHEDULE H, PART VI, LINE 5	SSM HEALTH CARE'S MISSION STATEMENT IS "THROUGH OUR EXCEPTIONAL HEALTH CARE SERVICES, WE R EVEAL THE HEALING PRESENCE OF GOD " ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS PARTICIPATES IN A WIDE ARRAY OF COMMUNITY PROGRAMS THROUGHOUT THE AREA TO FURTHER ITS EXEMPT PURPOSE OF PROMOTING THE HEALTH OF THE COMMUNITY THE THREE STRATEGIC PRIORITIES OF THE SMGS COMMUNI TY BENEFITS PLAN ARE BUILDING LOCAL CAPACITY, IMPROVING HEALTH OUTCOMES, AND REDUCING SOC IAL ISOLATION GOALS AND OBJECTIVES ARE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE HEALTHY COMMUNITIES I NITIATIVES CREATE OPPORTUNITIES FOR EACH RESIDENT TO MEET HIS/HER POTENTIAL PHYSICALLY, ME NTALLY, SOCIALLY, EMOTIONALLY, AND SPIRITUALLY THE INITIATIVES BUILD ON THE STRENGTHS OF OUR COMMUNITIES AND SYSTEMS TO IMPROVE THE QUALITY OF LIFE AND TO CREATE A SENSE OF HOPE SMGS HEALTHY COMMUNITIES INITIATIVES BUILD COMMUNITY CAPACITY AND INDIVIDUAL EMPOWERMENT T HROUGH COMMUNITY ORGANIZING, LEADERSHIP DEVELOPMENT, PARTNERSHIPS, AND COALITION BUILDING ST MARY'S HOSPITAL COMMUNITY HEALTH PROGRAMS PROVIDE COMPASSIONATE AND COMPETENT CARE WHI LE THEY PROMOTE HEALTH IMPROVEMENT BY REACHING DIRECTLY INTO THE COMMUNITY TO ENSURE THAT LOW-INCOME AND UNDER-SERVED PERSONS CAN ACCESS HEALTH CARE SERVICES FOCUSING ON A BROAD D EFINITION OF HEALTH, ST MARY'S HOSPITAL CLINICS AND PROGRAMS PROVIDE MEDICAL AND MENTAL HE ALTH SERVICES, HEALTH EDUCATION, HEALTH MANAGEMENT, PREVENTION, REFERRALS, INSURANCE ENROL LMENT AND IN-HOME PRIMARY CARE SERVICES AND SUPPORT, WHILE FOSTERING COLLABORATION AND INC ORPORATING HEALTHY COMMUNITIES STRATEGIES ST MARY'S HOSPITAL PROMOTES GRASSROOTS ADVOCACY AND ENGAGES PERSONS OF INFLUENCE TO AFFECT SOCIAL AND PUBLIC POLICY CHANGE IN ORDER TO PR OMOTE BOTH COMMUNITY HEALTH AND HEALTHY COMMUNITIES ST MARY'S HOSPITAL AND SSM HEALTH CAR E ADVOCATE FOR VULNERABLE POPULATIONS BY DEVELOPING RELATIONSHIPS WITH POLICY MAKERS AND T HROUGH TARGETED EDUCATION EFFORTS ALL PROJECTS INCLUDE MEASURABLE OBJECTIVES WITH A SPECI FIC TIME FRAME AND HAVE ACTIVITIES THAT WILL FAVORABLY AFFECT HEALTH STATUS INDICATORS PR OJECTS TO ACCOMPLISH HEALTH STATUS OBJECTIVES MAY INCLUDE DISEASE PREVENTION PROGRAMS, HE ALTH EDUCATION PROGRAMS, HEALTH CARE PROGRAMS FOR INDIVIDUALS WITH SPECIAL HEALTH CONCERNS , AND OTHER PROJECTS THAT IMPROVE COMMUNITY HEALTH STATUS PROJECTS TO ADDRESS THE HEALTH PROBLEMS OF MINORITIES, THE POOR, AND OTHER MEDICALLY UNDERSERVED POPULATIONS MAY INCLUDE IMPROVING ACCESSIBILITY AND CONTINUITY OF CARE, WORKING TO REDUCE DISPARITIES IN HEALTH S TATUS, AND SPONSORING EFFORTS TO INCREASE THE NUMBER OF MINORITIES, THE POOR, AND UNDERSER VED WHO ENTER HEALTH PROFESSIONS AND WORK IN MEDICALLY UNDERSERVED COMMUNITIES PROJECTS D ESIGNED TO CONTAIN THE GROWTH OF COMMUNITY HEALTH CARE COSTS MAY INCLUDE IMPROVING EFFICI ENCY OF SERVICES, IMPROVING CASE MANAGEMENT AND CONTINUITY OF CARE, SPONSORING HEALTH PROM OTION, DISEASE PREVENTION, AND SELF CARE ACTIVITIES, CONTAINING HEALTH CARE COSTS, AND RED UCING REDUNDANCIES THROUGH OUR COMMUNITY HEALTH NEEDS ASSESSMENT WE IDENTIFY VARIOUS UNME T COMMUNITY HEALTH NEEDS OUR PRIMARY RESPONSIBILITY IS TO ADDRESS THOSE THAT WE CAN IMPAC T THE MOST, THAT IS, THOSE ALIGNED WITH OUR CORE COMPETENCIES WE COMMUNICATE THE NEEDS ID ENTIFIED IN THE ASSESSMENT TO THE COMMUNITY THROUGH A VARIETY OF MEDIA, DEVELOP A PLAN FOR HOW TO ADDRESS THOSE NEEDS THAT WE CAN IMPACT, AND IMPLEMENT STRATEGIES TO ADDRESS THESE NEEDS THE CHRONIC DISEASE MANAGEMENT PROGRAM IS ONE HEALTHY COMMUNITIES INITIATIVE THAT F OCUSES ON EDUCATING THE PATIENT AND FAMILY ABOUT THEIR DISEASE, IMPROVING ACCESS TO CARE, AND FACILITATING DISEASE SELF-MANAGEMENT GOALS OF THIS PROGRAM ARE TO MAINTAIN INDEPENDEN CE AS LONG AS POSSIBLE, REDUCE SYMPTOMS, REDUCE HOSPITALIZATIONS AND EDUCATE ABOUT MEDICAT IONS AND CARE PATHWAYS ONE OF THE CLEAREST EXAMPLES OF HOW ST MARY'S HOSPITAL MEETS COMMU NITY NEED IS THROUGH OUR LITTLE EGYPT BREAST AND CERVICAL CANCER PROGRAM OUR HOSPITAL HAS BEEN A LEAD AGENCY FOR THIS ILLINOIS PUBLIC HEALTH PROGRAM SINCE 1998 AND SERVES AS PAYER OF LAST RESORT FOR BREAST AND CERVICAL CANCER SCREENINGS AND EDUCATION FOR WOMEN WHO ARE UNINSURED IN 2011, ST MARY'S HOSPITAL PROVIDED BREAST CANCER SCREENING TO 2,760 UNINSURED PATIENTS THE PROGRAM INCREASED THE NUMBER OF UNINSURED WOMEN DIAGNOSED WITH STAGE 1 OR S TAGE 2 BREAST CANCER TO 75%, AN INCREASE FROM 44% IN 2010 THE PROGRAM ALSO RESULTED IN A DECREASE IN THE PERCENT OF UNINSURED WOMEN DIAGNOSED WITH STAGE 3 OR 4 BREAST CANCER TO 25 %, A DECREASE FROM 56% IN 2010 IN ADDITION TO THESE BREAST AND CERVICAL CANCER SCREENINGS , SMH ALSO PROVIDES FREE SCREENINGS FOR PROSTATE CANCER, SKIN CANCER AND COLORECTAL CANCER AT VARIOUS LOCATIONS AND TIMES EACH YEAR AMERICAN CANCER SOCIETY'S LOOK GOOD/FEEL BETTER PROGRAMS ARE OFFERED QUARTERLY AND CANCER SUPPORT GROUPS ARE OFFERED AT SEVERAL LOCATIONS EACH MONTH ST MARY'S HOSPITAL IDENTIFIED OBESITY

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH/FURTHERANCE OF EXEMPT PURPOSE	SCHEDULE H, PART VI, LINE 5	<p>IN GENERAL AND CHILDHOOD OBESITY SPECIFICALLY AS A LARGE ISSUE IN MARION COUNTY ST MARY'S HOSPITAL AND FELICIAN SERVICES INC AGREED TO PARTNER WITH THE CENTRALIA RECREATIONAL COMPLEX, A STATE-OF-THE-ART FACILITY THAT IS UNDERUTILIZED BY THE COMMUNITY AND SUFFERING FINANCIALLY, TO WORK ON A COMMON ISSUE OF OBESITY AND FITNESS THE FELICIAN SISTERS CONTRIBUTED GRANT FUNDS AND THE HOSPITAL CONTRIBUTED CASH AND IN-KIND SERVICES AND STAFF TO SUPPORT THE GROWTH AND DEVELOPMENT OF NEW PROGRAMS CURRICULA WERE DEVELOPED BY COMMUNITY HEALTH STAFF AND PHYSICIAN THERAPISTS TO MEET THE NEEDS OF THE ADULTS AND CHILDREN IN THE COMMUNITY IN 2011, THE NUMBER OF CHILDREN ENROLLED IN THE CHILDREN'S HEALTH AND MAINTENANCE PROGRAM INCREASED TO 65 PARTICIPANTS FROM 40 PARTICIPANTS IN 2010 THE NUMBER OF ADULTS ENROLLED IN THE NUTRITION, EXERCISE AND TRAINING (NEXT) PROGRAM INCREASED FROM 98 PARTICIPANTS IN 2010 TO 339 PARTICIPANTS IN 2011 AND ENROLLMENT IN THE NEXT FITNESS PROGRAM INCREASED FROM 74 PARTICIPANTS IN 2010 TO 349 PARTICIPANTS IN 2011 OUR "CONNECTIONS," PROGRAM HAS FREE MONTHLY EDUCATIONAL LUNCHEONS FOCUSING ON TOPICS SUCH AS ARTHRITIS AND EXERCISE, DIABETES, STROKE PREVENTION, AND OTHER WELLNESS PROMOTION TOPICS WE ALSO HOLD A MONTHLY STRESS MANAGEMENT CLASS WHICH IS FREE TO THE PUBLIC AND SPONSORED AS A RESULT OF COMMUNITY NEEDS ST MARY'S HOSPITAL PARTNERED WITH ADVANCED ICU CARE, THE NATION'S LARGEST INDEPENDENT PROVIDER OF TELE-ICU SERVICES, TO DELIVER MONITORING BY HIGHLY TRAINED INTENSIVIST PHYSICIANS AND CRITICAL CARE SPECIALISTS 24 HOURS A DAY, SEVEN DAYS A WEEK, PROVIDING AN EXTRA LAYER OF CARE THAT ENHANCES PATIENT SAFETY ST MARY'S IS NOW ABLE TO MEET THE LATEST RECOMMENDATION TO HAVE INTENSIVIST PHYSICIANS MONITORING INTENSIVE CARE PATIENTS AROUND-THE-CLOCK AUTOMATED ALERTS IDENTIFY PROBLEMS BEFORE THEY BECOME URGENT, PROMPTING IMMEDIATE INTERVENTION TWO-WAY VIDEO ACCESS IN EACH PATIENT'S ROOM ENABLES FACE-TO-FACE CONSULTATION BETWEEN THE BEDSIDE AND ADVANCED ICU CARE TEAM THE NEWLY REMODELED ICU OFFERS PATIENT ROOMS THAT ARE DIVIDED INTO THREE ZONES - A CAREGIVER ZONE, A PATIENT ZONE AND A FAMILY ZONE THE SPACIOUS "FAMILY ZONE" IN EACH PATIENT ROOM ALLOWS THE PATIENTS LOVED ONES TO STAY IN THE WITH THEM A DECENTRALIZED MODEL OF NURSING HAS BEEN IMPLEMENTED IN THE NEW UNIT ALLOWING NURSES TO BE WITH PATIENTS RATHER THAN AT A CENTRALIZED STATION A NEW PHILLIPS CARDIAC MONITORING SYSTEM PROVIDES STATE-OF-THE-ART MONITORING FOR CRITICALLY ILL PATIENTS THE SYSTEM CONSISTS OF 12 BEDSIDE MONITORS AND CENTRAL VIEWING STATION WHICH PROVIDES CRITICAL PATIENT MONITORING EACH PATIENT ROOM IS VERY USER-FRIENDLY FOR THE CAREGIVER MEDPROX MEDICATION DISPENSING UNITS ARE IN EACH ROOM ALLOWING THE NURSE TO DISPENSE ROUTINE MEDICATIONS AT THE BEDSIDES, WITHOUT GOING TO ANOTHER LOCATION TO OBTAIN MEDICATIONS ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS ALSO FURTHERS ITS EXEMPT PURPOSE WITH THE FOLLOWING ACTIVITIES - OPERATES AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY,- HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA,- HAS A GOVERNING BODY IN WHICH INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY COMPRISE A MAJORITY- ENGAGES IN THE TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS,- PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, TRICARE, AND/OR OTHER GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS</p>

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	SCHEDULE H, PART VI, LINE 6	ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS IS A 501(C) (3) ORGANIZATION AND IS A MEMBER OF THE INTEGRATED HEALTH CARE SYSTEM KNOWN AS SSM HEALTH CARE ALONG WITH GOOD SAMARITAN REGIONAL HEALTH CENTER IN MOUNT VERNON, ILLINOIS, IT IS PART OF A JOINT OPERATING AGREEMENT BETWEEN SSM HEALTH CARE BASED IN ST LOUIS, MISSOURI AS MANAGING PARTNER, AND FELICIAN SISTERS, INC OF CHICAGO TOGETHER THE HOSPITALS ARE PURSUING A VISION TO CREATE A COMPREHENSIVE, REGIONAL HEALTH CARE ENTERPRISE COVERING A NINE COUNTY AREA IN SOUTH CENTRAL ILLINOIS

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE 7	THE SSM HEALTH CARE ANNUAL CONSOLIDATED COMMUNITY BENEFIT REPORT IS FILED IN ILLINOIS, MISSOURI, OKLAHOMA, AND WISCONSIN

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
ST MARY'S HOSPITAL CENTRALIA ILLINOIS

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
37-0662580

Part I

General Information on Grants and Assistance

- 1

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

☒ Yes ☐ No
- 2

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

Part II

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) LINCOLN FOUNDATION FOR BUSINESS EXCELLENCE1415 W DIEHL ROAD NAPERVILLE,IL 60563	36-3952696	501(C)(3)	7,500				TO SUPPORT CONTINUOUS QUALITY IMPROVEMENT INITIATIVES
(2) ILLINOIS HOSPITAL RESEARCH AND EDUCATIONAL FOUNDATION1151 EAST WARRENVILLE ROAD NAPERVILLE,IL 60563	23-7421930	501(C)(3)	74,824				TO ASSIST ILLINOIS HOSPITALS IN PROVIDING HEALTH CARE SERVICES
(3) KASKASKIA COLLEGE FOUNDATION27210 COLLEGE ROAD CENTRALIA,IL 62801	37-1138260	501(C)(3)	6,600				TO SUPPORT NEW FITNESS TRAIL AND SCHOLARSHIP FUND

2

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

4

3

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

0

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 COMPLETED GRANT/CONTRIBUTION REQUESTS ARE FORWARDED TO THE MARKETING DEPARTMENT FOR INITIAL APPROVAL THE MARKETING DEPARTMENT MAINTAINS A LOG OF ALL CONTRIBUTION REQUESTS THE DEPARTMENT EVALUATED THE REQUEST AND FORWARDS REQUESTS RECOMMENDED FOR APPROVAL TO THE HOSPITAL PRESIDENT AND/OR ADMINISTRATIVE COUNCIL FOR FINAL APPROVAL MOST GRANTS/ CONTRIBUTIONS ARE MADE TO 501(C)(3) ORGANIZATIONS OR LOCAL CIVIC AND EDUCATIONAL ORGANIZATIONS

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
ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Employer identification number

37-0662580

Part I

Questions Regarding Compensation

	Yes	No
<div>1a</div> <div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div> <div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div>		
<div>b</div> <div>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</div>	1b	
<div>2</div> <div>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?</div>	2	
<div>3</div> <div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div> <div><div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div><div><div><input type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div>4</div> <div>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</div>		
<div>a</div> <div>Receive a severance payment or change-of-control payment?</div>	4a	No
<div>b</div> <div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div>	4b	Yes
<div>c</div> <div>Participate in, or receive payment from, an equity-based compensation arrangement?</div>	4c	No
<div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>		
<div></div> <div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div>		
<div>5</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	5a	No
<div>b</div> <div>Any related organization?</div>	5b	No
<div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>		
<div>6</div> <div>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</div>		
<div>a</div> <div>The organization?</div>	6a	No
<div>b</div> <div>Any related organization?</div>	6b	No
<div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>		
<div>7</div> <div>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</div>	7	No
<div>8</div> <div>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</div>	8	No
<div>9</div> <div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div>	9	

Part II

Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	
SUPPLEMENTAL INFORMATION	PART III	PART I, LINE 3 COMPENSATION TO CEO/EXECUTIVE DIRECTOR THE ORGANIZATION'S CEO IS COMPENSATED BY A RELATED ORGANIZATION THAT UTILIZED THE FOLLOWING TO DETERMINE COMPENSATION (1) INDEPENDENT COMPENSATION CONSULTANT,(2) WRITTEN EMPLOYMENT CONTRACT,(3)COMPENSATION SURVEY OR STUDY,(4)APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE PART I, LINE 4A SEVERANCE PLAN SSMHC HAS ADOPTED A SEVERANCE POLICY TO PROVIDE A FINANCIAL TRANSITION IN THE EVENT OF INVOLUNTARY TERMINATION WITHOUT CAUSE FOR EXECUTIVE LEVEL POSITIONS THE AMOUNT OF THE COMPENSATION IS BASED ON THE POSITION HELD AND LENGTH OF SERVICE WITH SSMHC PART I, LINE 4B SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS PENSION RESTORATION PLAN SSM HEALTH CARE ("SSMHC") PROVIDES THIS SUPPLEMENTAL DEFINED BENEFIT NONQUALIFIED RETIREMENT PLAN TO ANY EMPLOYEE WHO IS A PARTICIPANT IN THE SSMHC QUALIFIED DEFINED BENEFIT PLAN WHO EARNS OVER THE INTERNAL REVENUE SERVICE COMPENSATION LIMIT THE PLAN "RESTORES" THE BENEFITS TO THESE EMPLOYEES THAT WOULD HAVE BEEN PROVIDED UNDER SSMHC'S QUALIFIED PLAN IF THE REGULATIONS DID NOT IMPOSE COMPENSATION LIMITS AN INDIVIDUAL CAN TAKE A DISTRIBUTION FROM THE PLAN AT (1) AGE 65 OR OLDER IF THE INDIVIDUAL IS STILL EMPLOYED BY SSMHC OR (2) AGE 55 OR OLDER IF THE INDIVIDUAL IS NO LONGER EMPLOYED BY SSMHC NO REPORTABLE INDIVIDUALS LISTED ON PART VII OF FORM 990 RECEIVED DISTRIBUTIONS FROM THIS PLAN DURING 2011 CAPITAL ACCUMULATION PLAN SSMHC PROVIDES THIS SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN TO EXECUTIVE LEVEL EMPLOYEES THE ORGANIZATION CONTRIBUTED A PERCENTAGE OF THE EMPLOYEE'S BASE SALARY INTO THEIR CHOICE OF A SELECT LIST OF INVESTMENTS THE DEPOSITS AND EARNINGS OF THE PLAN ARE OWNED BY SSMHC AND ARE TAX-DEFERRED UNTIL A DISTRIBUTION IS MADE TO THE EMPLOYEE IN ADDITION, THE PLAN HAS SPECIAL SAFEGUARDS IN PLACE TO PROTECT THE FUNDS FROM CONTINGENCIES, OTHER THAN INSOLVENCY FOR CONTRIBUTIONS MADE TO THE PLAN IN 2008 OR AFTER, THE DISTRIBUTION WILL OCCUR AFTER THE COMPLETION OF TWO PLAN YEARS FOR ALL EXECUTIVES THAT ARE STILL ACTIVELY EMPLOYED ON THE DISTRIBUTION DATE ANY ACTIVE PARTICIPANT 65 YEARS OR OLDER WILL RECEIVE THE CONTRIBUTION IN THE CURRENT YEAR THE FOLLOWING INDIVIDUALS LISTED ON PART VII OF THE FORM 990 RECEIVED DISTRIBUTIONS FROM THIS PLAN IN 2011 ALL DISTRIBUTIONS RECEIVED FROM THE PLAN IN THE CURRENT YEAR WERE INCLUDED IN THE INDIVIDUALS' TAXABLE COMPENSATION JAMES SANGER \$ 71,999 STEVEN BARNEY \$ 66,707 PHILIP GUSTAFSON \$ 36,750 VIRGINIA TELFORD \$ 6,884

Software ID:
Software Version:
EIN: 37-0662580
Name: ST MARY'S HOSPITAL CENTRALIA ILLINOIS

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				
PHILIP GUSTAFSON	(i)	0	0	0	0	0	0	0
	(ii)	520,187	0	73,054	86,661	29,520	709,422	0
JAMES SANGER	(i)	0	0	0	0	0	0	0
	(ii)	702,345	0	140,551	6,130	18,771	867,797	0
WILLIAM P THOMPSON	(i)	0	0	0	0	0	0	0
	(ii)	1,013,217	0	505,176	725,268	15,737	2,259,398	0
BRUCE MERRELL	(i)	0	0	0	0	0	0	0
	(ii)	311,579	0	38,965	112,173	25,489	488,206	0
MIKE WARREN	(i)	0	0	0	0	0	0	0
	(ii)	323,494	0	71,433	227,306	28,970	651,203	0
KRIS A ZIMMER	(i)	0	0	0	0	0	0	0
	(ii)	661,311	0	47,225	162,685	26,604	897,825	0
JUNE L PICKETT	(i)	0	0	0	0	0	0	0
	(ii)	217,587	0	6,474	169,142	16,630	409,833	0
KAY TINSLEY	(i)	186,012	0	2,986	54,345	24,916	268,259	0
	(ii)	0	0	0	0	0	0	0
STEVEN BARNEY	(i)	0	0	0	0	0	0	0
	(ii)	539,974	0	137,453	16,752	21,432	715,611	0
VIRGINIA TELFORD	(i)	155,178	0	29,046	1,733	7,619	193,576	0
	(ii)	0	0	0	0	0	0	0
MARK CLARK	(i)	166,723	0	2,186	46,516	27,562	242,987	0
	(ii)	0	0	0	0	0	0	0
DELAND EVISCHI	(i)	158,663	0	2,257	28,456	27,591	216,967	0
	(ii)	0	0	0	0	0	0	0
GREG SIMS	(i)	0	0	0	0	0	0	0
	(ii)	163,842	0	6,712	42,261	20,788	233,603	0
JULIE LONG	(i)	0	0	0	0	0	0	0
	(ii)	158,384	0	1,763	35,339	2,884	198,370	0
MICHELLE DARNELL	(i)	0	0	0	0	0	0	0
	(ii)	154,955	0	1,748	34,466	26,547	217,716	0
THOMAS BLYTHE	(i)	0	0	0	0	0	0	0
	(ii)	159,090	0	1,483	27,518	26,918	215,009	0
JAMES RUETER	(i)	179,200	0	22,215	42,555	6,136	250,106	0
	(ii)	0	0	0	0	0	0	0
RAJENDRA SHROFF	(i)	142,232	0	1,008	13,137	15,247	171,624	0
	(ii)	0	0	0	0	0	0	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JEFFREY RAPP	(i)	131,777	0	925	12,849	26,833	172,384	0
	(ii)	0	0	0	0	0	0	0
PATRICIA NEUDECKER	(i)	129,605	0	1,248	14,664	25,581	171,098	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury

Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on

Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public

Inspection

Name of the organization

ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Employer identification number

37-0662580

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS	<p>BRIEFLY DESCRIBE THE ORGANIZATION'S MISSION SINCE IT WAS FOUNDED IN 1872 BY FIVE CATHOLIC SISTERS, SSM HEALTH CARE (SSMHC) HAS EXISTED TO MEET THE HEALTH NEEDS OF THE COMMUNITIES IT SERVES SPONSORED BY THE FRANCISCAN SISTERS OF MARY AND HEADQUARTERED IN ST LOUIS, SSMHC OPERATES 17 HOSPITAL LOCATIONS, TWO SKILLED NURSING FACILITIES AND HOME HEALTH AGENCIES IN FOUR STATES (WISCONSIN, OKLAHOMA, ILLINOIS AND MISSOURI) THE HEALTH SYSTEM EMPLOYS APPROXIMATELY 24,000 PEOPLE AND IS AFFILIATED WITH MORE THAN 6,500 PHYSICIANS IN THE TRADITION OF ITS FOUNDING SISTERS, SSMHC STRIVES TO FULFILL ITS MISSION BY PROVIDING EXCEPTIONAL AND COMPASSIONATE HEALTH CARE TO PATIENTS, REGARDLESS OF THEIR ABILITY TO PAY DESCRIBE THE ORGANIZATION'S APPROACH TO PROVIDING COMMUNITY BENEFIT THE BOARD OF ST MARY'S HOSPITAL , ADMINISTRATIVE COUNCIL, PHYSICIANS, EMPLOYEES, AND COMMUNITY ARE ALL INVOLVED IN PROVIDING ON-GOING FEEDBACK, MONITORING AND INFORMING THE DIRECTION OF POLICIES AND CONTENT OF COMMUNITY BENEFIT ACTIVITIES THE THREE STRATEGIC PRIORITIES OF THE ST MARY'S HOSPITAL COMMUNITY BENEFITS PLAN ARE BUILDING LOCAL CAPACITY , IMPROVING HEALTH OUTCOMES, AND REDUCING SOCIAL ISOLATION GOALS AND OBJECTIVES ARE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE IN AN EFFORT TO STRENGTHEN ITS COMMUNITY BENEFIT PROGRAM, ST MARY'S HOSPITAL HAS A COMMUNITY BENEFIT PLAN WHICH DETAILS THE PLANNING, MEASUREMENT AND COMMUNICATION OF THEIR COMMUNITY BENEFITS COMMUNITY BENEFIT IS DEFINED AS SEEKING OUT AND SERVING THOSE WHO NEED HELP CONSISTENT WITH THE MISSION OF ST MARY'S HOSPITAL AS WELL AS THE BROADER COMMUNITY TO ENSURE OPTIMAL HEALTH STATUS IN OUR SERVICE REGION THESE WIDE ARRAYS OF SERVICES INCLUDE, BUT ARE NOT LIMITED TO , LEADERSHIP AND COLLABORATIVE ACTIVITIES IN EDUCATION, ADVOCACY AND HEALTH PROMOTION DESCRIBE THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICIES OR PROGRAMS (E.G , CHARITY CARE, DISCOUNTING) FOR LOW-INCOME PERSONS AND HOW THEY ARE COMMUNICATED TO THE PUBLIC ST MARY'S HOSPITAL STRIVES TO PROVIDE EXCEPTIONAL HEALTH CARE SERVICES TO ALL PERSONS IN NEED REGARDLESS OF THEIR ABILITY TO PAY ALL BILLING AND COLLECTION POLICIES AND PRACTICES REFLECT THE MISSION AND VALUES, INCLUDING OUR SPECIAL CONCERN FOR PEOPLE WHO ARE POOR AND VULNERABLE WE OFFER DISCOUNTS FOR HOSPITAL SERVICES TO ALL UNINSURED PERSONS SELF-PAY DISCOUNTS APPLY TO EVERYONE WHO DOES NOT HAVE HEALTH INSURANCE, REGARDLESS OF ABILITY TO PAY OUR CHARITY CARE POLICIES ARE APPLIED FAIRLY AND CONSISTENTLY EACH PERSON IS TREATED AS AN INDIVIDUAL WITH SPECIFIC NEEDS FOR ASSISTANCE WITHOUT REGARD TO PAYMENT WE EMBRACE OUR RESPONSIBILITY TO SERVE OUR COMMUNITIES BY UTILIZING SOUND BUSINESS PRACTICES CHARITY CARE IS PROVIDED TO PATIENTS BASED ON A SLIDING SCALE FOR HOUSEHOLD INCOMES UP TO FOUR TIMES THE FEDERAL POVERTY LEVEL PATIENTS WHOSE HOUSEHOLD INCOME IS NO MORE THAN TWO TIMES THE FEDERAL POVERTY LEVEL ARE ELIGIBLE FOR FREE HOSPITAL SERVICES IN ADDITION, AN EXCEPTION TO THE SLIDING SCALE IS PROVIDED FOR A PATIENT'S BALANCE DUE IF THE AMOUNT IS TOO LARGE TO BE REASONABLY PAID THROUGH AN INSTALLMENT PLAN OVER FOUR YEARS GIVEN THE FAMILY INCOME AND EXPENSES THESE POLICIES ARE COMMUNICATED BY OUR STAFF PROVIDING INFORMATION ABOUT - THE PATIENT'S RESPONSIBILITY FOR PAYMENT, - THE AVAILABILITY OF FINANCIAL ASSISTANCE FROM PUBLIC PROGRAMS AND ENTITY CHARITY CARE AND PAYMENT ARRANGEMENTS, - THE ENTITY'S CHARITY POLICY AND APPLICATION PROCESS AND - WHOM TO CONTACT TO GET ADDITIONAL INFORMATION OR FINANCIAL COUNSELING THE FOLLOWING TYPES OF NOTICES TO THE PUBLIC ARE ALSO PROVIDED - SIGNS IN THE EMERGENCY DEPARTMENT, OUTPATIENT AND INPATIENT REGISTRATION AND PUBLIC WAITING AREAS - BROCHURES OR FLYERS PROVIDED AT TIME OF REGISTRATION AND AVAILABLE IN THE FINANCIAL COUNSELING AREAS - NOTICES SENT WITH OR ON PATIENT BILLS OR COMMUNICATIONS SENT TO PATIENTS AND GUARANTORS RELATED TO MEDICAL SERVICES - APPLICATIONS PROVIDED TO UNINSURED PATIENTS AT THE TIME OF REGISTRATION ALL APPLICATIONS CLEARLY STATE THE POLICIES REGARDING CHARITY CARE, INCLUDING EXCLUDED SERVICES, ELIGIBILITY CRITERIA AND DOCUMENTATION REQUIREMENTS INFORMATION ABOUT THE ENTITY'S CHARITY POLICIES IS ALSO PROVIDED TO PUBLIC AGENCIES ORGANIZATION DESCRIPTION FOR TAX EXEMPTION ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS IS A MEDICARE-DEPENDENT HOSPITAL - OPERATES AN EMERGENCY ROOM THAT IS OPEN TO ALL PERSONS REGARDLESS OF ABILITY TO PAY , - HAS AN OPEN MEDICAL STAFF WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS IN THE AREA, - HAS A GOVERNING BODY IN WHICH INDEPENDENT PERSONS REPRESENTATIVE OF THE COMMUNITY COMPRISE A MAJORITY , - ENGAGES IN THE TRAINING AND EDUCATION OF HEALTH CARE PROFESSIONALS, - PARTICIPATES IN MEDICAID, MEDICARE, CHAMPUS, TRICARE, AND/OR GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS DESCRIPTION OF COMMUNITY BENEFIT PROGRAMS THE THREE STRATEGIC PRIORITIES OF THE SMGS COMMUNITY BENEFITS PLAN ARE B</p>

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS	<p>UILDING LOCAL CAPACITY, IMPROVING HEALTH OUTCOMES, AND REDUCING SOCIAL ISOLATION GOALS AND OBJECTIVES ARE ESTABLISHED TO CHANGE BEHAVIOR, PROVIDE METRICS TO MEASURE CHANGE, AND TO IMPACT THE OVERALL HEALTH OF THOSE WE SERVE. HEALTHY COMMUNITIES INITIATIVES CREATE OPPOR TUNITIES FOR EACH RESIDENT TO MEET HIS/HER POTENTIAL PHYSICALLY, MENTALLY, SOCIALLY, EMOTI ONALLY, AND SPIRITUALLY. THE INITIATIVES BUILD ON THE STRENGTHS OF OUR COMMUNITIES AND SYS TEMS TO IMPROVE THE QUALITY OF LIFE AND TO CREATE A SENSE OF HOPE. SMGS HEALTHY COMMUNITIE S INITIATIVES BUILD COMMUNITY CAPACITY AND INDIVIDUAL EMPOWERMENT THROUGH COMMUNITY ORGANI ZING, LEADERSHIP DEVELOPMENT, PARTNERSHIPS, AND COALITION BUILDING. ST MARY'S HOSPITAL COM MUNITY HEALTH PROGRAMS PROVIDE COMPASSIONATE AND COMPETENT CARE WHILE THEY PROMOTE HEALTH IMPROVEMENT BY REACHING DIRECTLY INTO THE COMMUNITY TO ENSURE THAT LOW-INCOME AND UNDER-SE RVED PERSONS CAN ACCESS HEALTH CARE SERVICES. FOCUSING ON A BROAD DEFINITION OF HEALTH, ST MARY'S HOSPITAL CLINICS AND PROGRAMS PROVIDE MEDICAL AND MENTAL HEALTH SERVICES, HEALTH E DUCATION, HEALTH MANAGEMENT, PREVENTION, REFERRALS, INSURANCE ENROLLMENT AND IN-HOME PRIMA RY CARE SERVICES AND SUPPORT, WHILE FOSTERING COLLABORATION AND INCORPORATING HEALTHY COMM UNITIES STRATEGIES. ST MARY'S HOSPITAL PROMOTES GRASSROOTS ADVOCACY AND ENGAGES PERSONS OF INFLUENCE TO AFFECT SOCIAL AND PUBLIC POLICY CHANGE IN ORDER TO PROMOTE BOTH COMMUNITY HE ALTH AND HEALTHY COMMUNITIES. ST MARY'S HOSPITAL AND SSM HEALTH CARE ADVOCATE FOR VULNERAB LE POPULATIONS BY DEVELOPING RELATIONSHIPS WITH POLICY MAKERS AND THROUGH TARGETED EDUCATI ON EFFORTS. ALL PROJECTS INCLUDE MEASURABLE OBJECTIVES WITH A SPECIFIC TIME FRAME AND HAVE ACTIVITIES THAT WILL FAVORABLY AFFECT HEALTH STATUS INDICATORS. PROJECTS TO ACCOMPLISH HE ALTH STATUS OBJECTIVES MAY INCLUDE DISEASE PREVENTION PROGRAMS, HEALTH EDUCATION PROGRAMS , HEALTH CARE PROGRAMS FOR INDIVIDUALS WITH SPECIAL HEALTH CONCERNS, AND OTHER PROJECTS TH AT IMPROVE COMMUNITY HEALTH STATUS. PROJECTS TO ADDRESS THE HEALTH PROBLEMS OF MINORITIES, THE POOR, AND OTHER MEDICALLY UNDERSERVED POPULATIONS MAY INCLUDE IMPROVING ACCESSIBILIT Y AND CONTINUITY OF CARE, WORKING TO REDUCE DISPARITIES IN HEALTH STATUS, AND SPONSORING E FFORTS TO INCREASE THE NUMBER OF MINORITIES, THE POOR, AND UNDERSERVED WHO ENTER HEALTH PR OFESSIONS AND WORK IN MEDICALLY UNDERSERVED COMMUNITIES. PROJECTS DESIGNED TO CONTAIN THE GROWTH OF COMMUNITY HEALTH CARE COSTS MAY INCLUDE IMPROVING EFFICIENCY OF SERVICES, IMPRO VING CASE MANAGEMENT AND CONTINUITY OF CARE, SPONSORING HEALTH PROMOTION, DISEASE PREVENTI ON, AND SELF CARE ACTIVITIES, CONTAINING HEALTH CARE COSTS, AND REDUCING REDUNDANCIES. THR OUGH OUR COMMUNITY HEALTH NEEDS ASSESSMENT WE IDENTIFY VARIOUS UNMET COMMUNITY HEALTH NEED S. OUR PRIMARY RESPONSIBILITY IS TO ADDRESS THOSE THAT WE CAN IMPACT THE MOST, THAT IS, TH OSE ALIGNED WITH OUR CORE COMPETENCIES. WE COMMUNICATE THE NEEDS IDENTIFIED IN THE ASSESSM ENT TO THE COMMUNITY THROUGH A VARIETY OF MEDIA, DEVELOP A PLAN FOR HOW TO ADDRESS THOSE N EEDS THAT WE CAN IMPACT, AND IMPLEMENT STRATEGIES TO ADDRESS THESE NEEDS.</p>

Identifier	Return Reference	Explanation
	FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS CONTINUED	<p>THE CHRONIC DISEASE MANAGEMENT PROGRAM IS ONE HEALTHY COMMUNITIES INITIATIVE THAT FOCUSES ON EDUCATING THE PATIENT AND FAMILY ABOUT THEIR DISEASE, IMPROVING ACCESS TO CARE, AND FACILITATING DISEASE SELF MANAGEMENT GOALS OF THIS PROGRAM ARE TO MAINTAIN INDEPENDENCE AS LONG AS POSSIBLE, REDUCE SYMPTOMS, REDUCE HOSPITALIZATIONS AND EDUCATE ABOUT MEDICATIONS AND CARE PATHWAYS ONE OF THE CLEAREST EXAMPLES OF HOW ST MARY'S HOSPITAL MEETS COMMUNITY NEED IS THROUGH OUR LITTLE EGYPT BREAST AND CERVICAL CANCER PROGRAM OUR HOSPITAL HAS BEEN A LEAD AGENCY FOR THIS ILLINOIS PUBLIC HEALTH PROGRAM SINCE 1998 AND SERVES AS PAYER OF LAST RESORT FOR BREAST AND CERVICAL CANCER SCREENINGS AND EDUCATION FOR WOMEN WHO ARE UNINSURED IN 2011, ST MARY'S HOSPITAL PROVIDED BREAST CANCER SCREENING TO 2,760 UNINSURED PATIENTS THE PROGRAM INCREASED THE NUMBER OF UNINSURED WOMEN DIAGNOSED WITH STAGE 1 OR STAGE 2 BREAST CANCER TO 75%, AN INCREASE FROM 44% IN 2010 THE PROGRAM ALSO RESULTED IN A DECREASE IN THE PERCENT OF UNINSURED WOMEN DIAGNOSED WITH STAGE 3 OR 4 BREAST CANCER TO 25%, A DECREASE FROM 56% IN 2010 IN ADDITION TO THESE BREAST AND CERVICAL CANCER SCREENINGS, SMH ALSO PROVIDES FREE SCREENINGS FOR PROSTATE CANCER, SKIN CANCER AND COLORECTAL CANCER AT VARIOUS LOCATIONS AND TIMES EACH YEAR AMERICAN CANCER SOCIETY'S LOOK GOOD/FEEL BETTER PROGRAMS ARE OFFERED QUARTERLY AND CANCER SUPPORT GROUPS ARE OFFERED AT SEVERAL LOCATIONS EACH MONTH ST MARY'S HOSPITAL IDENTIFIED OBESITY IN GENERAL AND CHILDHOOD OBESITY SPECIFICALLY AS A LARGE ISSUE IN MARION COUNTY ST MARY'S HOSPITAL AND FELICIAN SERVICES INC AGREED TO PARTNER WITH THE CENTRALIA RECREATIONAL COMPLEX, A STATE-OF-THE-ART FACILITY THAT IS UNDERUTILIZED BY THE COMMUNITY AND SUFFERING FINANCIALLY, TO WORK ON A COMMON ISSUE OF OBESITY AND FITNESS THE FELICIAN SISTERS CONTRIBUTED GRANT FUNDS AND THE HOSPITAL CONTRIBUTED CASH AND IN-KIND SERVICES AND STAFF TO SUPPORT THE GROWTH AND DEVELOPMENT OF NEW PROGRAMS CURRICULA WERE DEVELOPED BY COMMUNITY HEALTH STAFF AND PHYSICIAN THERAPISTS TO MEET THE NEEDS OF THE ADULTS AND CHILDREN IN THE COMMUNITY IN 2011, THE NUMBER OF CHILDREN ENROLLED IN THE CHILDREN'S HEALTH AND MAINTENANCE PROGRAM INCREASED TO 65 PARTICIPANTS FROM 40 PARTICIPANTS IN 2010 THE NUMBER OF ADULTS ENROLLED IN THE NUTRITION, EXERCISE AND TRAINING (NEXT) PROGRAM INCREASED FROM 98 PARTICIPANTS IN 2010 TO 339 PARTICIPANTS IN 2011 AND ENROLLMENT IN THE NEXT FITNESS PROGRAM INCREASED FROM 74 PARTICIPANTS IN 2010 TO 349 PARTICIPANTS IN 2011 OUR "CONNECTIONS" PROGRAM HAS FREE MONTHLY EDUCATIONAL LUNCHEONS FOCUSING ON TOPICS SUCH AS ARTHRITIS AND EXERCISE, DIABETES, STROKE PREVENTION, AND OTHER WELLNESS PROMOTION TOPICS WE ALSO HOLD A MONTHLY STRESS MANAGEMENT CLASS WHICH IS FREE TO THE PUBLIC AND SPONSORED AS A RESULT OF COMMUNITY NEEDS ST MARY'S HOSPITAL PARTNERED WITH ADVANCED ICU CARE, THE NATION'S LARGEST INDEPENDENT PROVIDER OF TELE-ICU SERVICES, TO DELIVER MONITORING BY HIGHLY TRAINED INTENSIVIST PHYSICIANS AND CRITICAL CARE SPECIALISTS 24 HOURS A DAY, SEVEN DAYS A WEEK, PROVIDING AN EXTRA LAYER OF CARE THAT ENHANCES PATIENT SAFETY ST MARY'S IS NOW ABLE TO MEET THE LATEST RECOMMENDATION TO HAVE INTENSIVIST PHYSICIANS MONITORING INTENSIVE CARE PATIENTS AROUND-THE-CLOCK AUTOMATED ALERTS IDENTIFY PROBLEMS BEFORE THEY BECOME URGENT, PROMPTING IMMEDIATE INTERVENTION TWO-WAY VIDEO ACCESS IN EACH PATIENT'S ROOM ENABLES FACE-TO-FACE CONSULTATION BETWEEN THE BEDSIDE AND ADVANCED ICU CARE TEAM THE NEWLY REMODELED ICU OFFERS PATIENT ROOMS THAT ARE DIVIDED INTO THREE ZONES - A CAREGIVER ZONE, A PATIENT ZONE AND A FAMILY ZONE THE SPACIOUS "FAMILY ZONE" IN EACH PATIENT ROOM ALLOWS THE PATIENTS' LOVED ONES TO STAY IN THE ROOM WITH THEM A DECENTRALIZED MODEL OF NURSING HAS BEEN IMPLEMENTED IN THE NEW UNIT ALLOWING NURSES TO BE WITH PATIENTS RATHER THAN AT A CENTRALIZED STATION A NEW PHILLIPS CARDIAC MONITORING SYSTEM PROVIDES STATE-OF-THE-ART MONITORING FOR CRITICALLY ILL PATIENTS THE SYSTEM CONSISTS OF 12 BEDSIDE MONITORS AND CENTRAL VIEWING STATION WHICH PROVIDES CRITICAL PATIENT MONITORING EACH PATIENT ROOM IS VERY USER-FRIENDLY FOR THE CAREGIVER MEDPROX MEDICATION DISPENSING UNITS ARE IN EACH ROOM ALLOWING THE NURSE TO DISPENSE ROUTINE MEDICATIONS AT THE BEDSIDES, WITHOUT GOING TO ANOTHER LOCATION TO OBTAIN MEDICATIONS ADDITIONAL INFORMATION REGARDING SSM HEALTH CARE'S 2011 COMMUNITY BENEFIT REPORT CAN BE FOUND AT WWW.SSMHC.COM ADDITIONAL INFORMATION CONCERNING THE ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS CAMPUS CAN BE FOUND AT WWW.SMGS.COM QUANTIFIABLE COMMUNITY BENEFIT THE FOLLOWING IS A LIST OF THE TYPES OF PROGRAMS AND SERVICES THAT COULD BE INCLUDED AS COMMUNITY BENEFIT ACTIVITIES TRADITIONAL CHARITY CARE \$ 4,071,121 UNPAID COST OF MEDICAID \$ 8,775,850 UNPAID COST OF MEDICARE \$ 2,424,520 COST OF BAD DEBTS \$ 2,744,011 COMMUNITY BENEFIT PROGRAMS \$ 3,800,346 TOTAL QUANTIFIABLE COMMUNITY BENEFIT \$ 21,815,848</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE CORPORATE MEMBER OF THE CORPORATION IS SSM REGIONAL HEALTH SERVICES. SSM REGIONAL HEALTH SERVICES IS A NONPROFIT 501(C)(3) ORGANIZATION. BOTH ST MARY'S HOSPITAL, CENTRALIA, ILLINOIS AND SSM REGIONAL HEALTH SERVICES ARE PART OF THE INTEGRATED HEALTH CARE SYSTEM KNOWN AS SSM HEALTH CARE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE MEMBER HAS THE POWER TO APPOINT ADDITIONAL, SUCCESSOR OR REPLACEMENT MEMBERS AND ELECT AND REMOVE DIRECTORS EXCEPT EX OFFICIO DIRECTORS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	<p>THE MEMBER HAS THE FOLLOWING POWERS A TO ESTABLISH AND CHANGE THE MISSION, PHILOSOPHY AND VALUES OF THE CORPORATION B TO APPOINT ADDITIONAL, SUCCESSOR OR REPLACEMENT MEMBERS C TO APPOINT AND REMOVE THE APPOINTED DIRECTORS AND THE EX OFFICIO DIRECTORS D TO APPOINT AND REMOVE THE PRESIDENT OF THE CORPORATION AND THE CHIEF EXECUTIVE OFFICER OF ANY OPERATING DIVISION OF THE CORPORATION E TO APPROVE THE AMENDMENTS TO THE CERTIFICATE OF INCORPORATION OF THE CORPORATION AS PROVIDED THEREIN F TO APPROVE AMENDMENTS TO THE BYLAWS OF THE CORPORATION G TO APPROVE THE MERGER, CONSOLIDATION OR DISSOLUTION OF THE CORPORATION H TO APPROVE THE FORMATION OF A CONTROLLED SUBSIDIARY OR A REMOTELY CONTROLLED SUBSIDIARY I TO APPROVE THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION J TO APPROVE THE ACQUISITION OR DISPOSITION BY THE CORPORATION OF ANOTHER LEGAL ENTITY OR AN INTEREST IN ANOTHER LEGAL ENTITY K TO AUTHORIZE OR APPROVE THE ACQUISITION OR DISPOSITION BY THE CORPORATION OF REAL PROPERTY OR ANY INTEREST IN REAL PROPERTY L TO ESTABLISH CENTRALIZED EMPLOYEE BENEFIT, INSURANCE, INVESTMENT, FINANCING, CORPORATE RESPONSIBILITY, PERFORMANCE ASSESSMENT AND IMPROVEMENT AND OTHER OPERATIONAL AND SUPPORT PROGRAMS, TO REQUIRE THE PARTICIPATION OF THE CORPORATION IN SUCH PROGRAMS, AND TO AUTHORIZE THE OPENING AND CLOSING OF BANK ACCOUNTS AND INVESTMENT ACCOUNTS IN THE NAME OF THE CORPORATION IN CONNECTION WITH SUCH PROGRAMS M TO APPROVE THE STRATEGIC, FINANCIAL AND HUMAN RESOURCES PLAN OF THE CORPORATION N TO APPOINT THE AUDITOR AND CORPORATE COUNSEL FOR THE CORPORATION O TO AUTHORIZE AND APPROVE BORROWING MONEY AND ENTERING INTO FINANCIAL GUARANTIES BY THE CORPORATION, INCLUDING ACTIONS RELATING TO THE FORMATION, JOINING, OPERATION, WITHDRAWAL FROM AND TERMINATION OF A CREDIT GROUP OR AN OBLIGATED GROUP AND THE GRANTING OF SECURITY INTERESTS IN THE PROPERTY OF THE CORPORATION P TO REQUIRE THE CORPORATION TO TRANSFER ASSETS, INCLUDING BUT NOT LIMITED TO CASH, TO THE MEMBER OF THE MEMBER OR TO ANY ENTITY EXEMPT FROM FEDERAL INCOME TAX AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE CORRESPONDING PROVISION OF ANY FUTURE UNITED STATES INTERNAL REVENUE LAW, WHICH IS CONTROLLED BY THE MEMBER OF THE MEMBER, TO THE EXTENT NECESSARY TO ACCOMPLISH THE MISSION, GOALS AND OBJECTIVES OF THE MEMBER OF THE MEMBER AS DETERMINED BY THE MEMBER OF THE MEMBER Q TO APPROVE THE TRANSFER OF ASSETS BY THE CORPORATION TO ANY ENTITY OTHER THAN THE MEMBER OF THE MEMBER, OTHER THAN TRANSFERS MADE IN THE ORDINARY COURSE OF OPERATIONS OF THE CORPORATION WHICH WILL NOT REQUIRE MEMBER APPROVAL, AND R TO DETERMINE THE EXTENT TO WHICH AND THE MANNER IN WHICH THE POWERS DESCRIBED IN THIS SECTION WHICH ARE RESERVED TO THE MEMBER WITH RESPECT TO THE CORPORATION ARE TO BE INCLUDED IN THE GOVERNING DOCUMENTS OF ANY CONTROLLED SUBSIDIARY, REMOTELY CONTROLLED SUBSIDIARY OR NON-CONTROLLED SUBSIDIARY AND EXERCISED WITH RESPECT TO ANY CONTROLLED SUBSIDIARY, ANY REMOTELY CONTROLLED SUBSIDIARY OR ANY NON-CONTROLLED SUBSIDIARY</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	ACCOUNTING/FINANCE PERSONNEL AT EACH SSMHC (SSM HEALTH CARE SYSTEM) ENTITY, IN CONJUNCTION WITH CORPORATE FINANCE PERSONNEL, PREPARE A CHECKLIST CONTAINING INFORMATION AND SUPPORTING SCHEDULES THAT ARE USED TO PREPARE THE FORM 990 THIS CHECKLIST IS THEN REVIEWED BY A SUPERVISOR/MANAGER AND SENT TO THE CORPORATE OFFICE FOR FINAL REVIEW AND COORDINATION OF THE SYSTEM LEVEL FORM 990 INFORMATION THE INFORMATION IS SUBMITTED TO AN OUTSIDE TAX CONSULTING FIRM WHO PREPARES AND SIGNS THE FORM 990 FROM THE SSMHC INFORMATION PRIOR TO FINALIZING THE RETURN, A DRAFT IS SENT TO PERSONNEL AT SSMHC FOR REVIEW AND APPROVAL UPON SSMHC APPROVAL, THE OUTSIDE PREPARER FORWARDS THE COMPLETED FORM 990 FOR THE APPROPRIATE SIGNATURES AND FILING ACTION A COMPLETE COPY OF THE RETURN IS PROVIDED TO THE BOARD AT THE NEXT SCHEDULED BOARD MEETING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBERS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST DISCLOSURE STATEMENT ANNUALLY THE PRESIDENT AND SECRETARY TO THE BOARD OVERSEE COMPLIANCE WITH THIS REQUIREMENT ALL BOARD MEMBERS WITH AN IDENTIFIED CONFLICT OF INTEREST ABSTAIN FROM BOARD DISCUSSIONS AND VOTES WHEN APPLICABLE EMPLOYEES WITH PURCHASING AUTHORITY AND/OR ABILITY TO INFLUENCE PURCHASING DECISIONS ARE ASSIGNED THE CONFLICT OF INTEREST DISCLOSURE COURSE (COI) WHICH MUST BE COMPLETED ON LINE PERIODICALLY THROUGH THE YEAR, THE ENTITY'S CORPORATE RESPONSIBILITY CONTACT PERSON (WITH THE HELP OF THE ENTITY'S LEARNING MANAGEMENT SYSTEM COORDINATOR) SENDS DEPARTMENT MANAGERS A LIST OF EMPLOYEES WHO HAVE NOT YET COMPLETED THEIR COI SO THEY CAN REMIND THE EMPLOYEES AND ENSURE THE EMPLOYEES HAVE TIME IN THEIR SCHEDULE TO COMPLETE THE REQUIRED COURSE RESOLUTION OF ANY CONFLICTS THAT ARE DISCLOSED MUST BE DOCUMENTED AND KEPT ON FILE AT THE ENTITY SUPERVISORS VERIFY REQUIRED COURSE COMPLETION PRIOR TO YEAR END

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	ALL SSMHC EXECUTIVE SALARY/COMPENSATION INFORMATION IS BASED ON COMPARATIVE DATA WITH SIMILAR POSITIONS IN THE MARKET THE COMPENSATION REVIEW PROCESS IS PERFORMED BY EXTERNAL INDEPENDENT COMPENSATION CONSULTANTS THE SAME COMPARATIVE PROCESS IS PERFORMED INTERNALLY FOR EMPLOYEES THE SALARY DATA AND POTENTIAL ADJUSTMENTS, FOR THE CEO OF THE SYTEM, THE PRESIDENT/COO AND THE SENIOR VICE PRESIDENTS ARE PRESENTED TO THE SSMHC BOARD OF DIRECTORS BY THE SAME INDEPENDENT COMPENSATION CONSULTANTS TO APPROVE, DISAPPROVE, MODIFY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE YEAR-END AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL STATEMENT FOR THE SSM HEALTH CARE SYSTEM ARE MADE AVAILABLE TO THE PUBLIC ON SSM HEALTH CARE'S WEBSITE. THE ORGANIZATION'S ARTICLES OF INCORPORATION ARE AVAILABLE ON THE ILLINOIS SECRETARY OF STATE'S WEBSITE. COPIES OF THE FORM 990 AND THE ORGANIZATION'S CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST.

Identifier	Return Reference	Explanation
AVG HOURS DEVOTED TO RELATED ORG(S) WHEN RELATED COMP IS REPORTED	FORM 990, PART VII	ALL INDIVIDUALS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED TO THE FILING ORGANIZATION ARE EMPLOYED AND COMPENSATED BY A RELATED ORGANIZATION IN ADDITION, ALL COMPENSATED REPORTABLE INDIVIDUALS LISTED ON FORM 990, PART VII WORK A MINIMUM OF 40 HOURS PER WEEK FOR SSMHC RELATED ORGANIZATIONS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 540 CHANGE IN BENEFICIAL INTEREST IN FOUNDATION 62,608 TRANSFERS TO AFFILIATES -15,149,224 TOTAL TO FORM 990, PART XI, LINE 5 -15,086,076

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
ST MARY'S HOSPITAL CENTRALIA ILLINOIS

Employer identification number
37-0662580

Part I

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

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

Part II

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

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

Part III

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

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

Part IV

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

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

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

No

1b

No

1c

No

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

No

1q

Yes

1r

Yes

2

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SSM EMPLOYEE HEALTH CARE FUND	0	11,775,793	COST OF SERVICES
(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: 37-0662580

Name: ST MARY'S HOSPITAL CENTRALIA ILLINOIS

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	
SSM HEALTH CARE CORPORATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 46-6029223	HEALTH CARE	MO	501(C) (3)	LINE 11A, I	FRANCISCAN SISTERS OF MARY		No
SSM EMPLOYEE HEALTH CARE FUND 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1328934	BENEFIT PLANS	MO	501(C) (9)		SSM HEALTH CARE CORPORATION		No
SSMHC LIABILITY TRUST I 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-6331003	INSURANCE	MO	501(C) (3)	LINE 11A, I	SSM HEALTH CARE CORPORATION		No
SSM CONSOLIDATED HEALTH SERVICES 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1473657	HEALTH CARE	MO	501(C) (3)	LINE 11A, I	SSM HEALTH CARE CORPORATION		No
SSM POLICY INSTITUTE 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1788151	HEALTH CARE	MO	501(C) (4)		SSM HEALTH CARE CORPORATION		No
SSM PORTFOLIO MANAGEMENT CO 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1825256	MANAGEMENT	MO	501(C) (3)	LINE 11A, I	SSM HEALTH CARE CORPORATION		No
SSM CARDINAL GLENNON CHILDREN'S HOSPITAL 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-0738490	HEALTH CARE	MO	501(C) (3)	LINE 3	SSM HEALTH CARE ST LOUIS		No
GLENNON HOSPITAL GUILD 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1030299	FUNDRAISING	MO	501(C) (3)	LINE 9	SSM CARDINAL GLENNON CHILDREN'S HOSPITAL		No
CARDINAL GLENNON CHILDREN'S FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1754347	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM CARDINAL GLENNON CHILDREN'S HOSPITAL		No
SSM DEPAUL HEALTH CENTER FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1776109	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM HEALTH CARE ST LOUIS		No
SSM ST JOSEPH FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1591556	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM HEALTH CARE ST LOUIS		No
SSM ST CLARE HEALTH CENTER FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1273310	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM HEALTH CARE ST LOUIS		No
SSM ST MARY'S HEALTH CENTER FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1552945	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM HEALTH CARE ST LOUIS		No
SSM HEALTH CARE OF OKLAHOMA INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 73-0657693	HEALTH CARE	OK	501(C) (3)	LINE 3	SSM HEALTH CARE CORPORATION		No
ST ANTHONY HOSPITAL FOUNDATION INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 73-6104300	FUNDRAISING	OK	501(C) (3)	LINE 7	SSM HEALTH CARE OF OKLAHOMA		No
SSM HEALTH CARE OF WISCONSIN INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-0688874	HEALTH CARE	WI	501(C) (3)	LINE 3	SSM HEALTH CARE CORPORATION		No
DELLS MEDICAL BUILDING INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 39-1613292	MOB	WI	501(C) (2)		SSM HEALTH CARE OF WISCONSIN		No
ST MARY'S FOUNDATION INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1940686	FUNDRAISING	WI	501(C) (3)	LINE 7	SSM HEALTH CARE OF WISCONSIN		No
ST CLARE HEALTH CARE FOUNDATION INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1940683	FUNDRAISING	WI	501(C) (3)	LINE 7	SSM HEALTH CARE OF WISCONSIN		No
HOME HEALTH UNITED INC 4639 HAMMERSLEY ROAD MADISON, WI 53713 39-1539827	HEALTH CARE	WI	501(C) (3)	LINE 9	SSM HEALTH CARE OF WISCONSIN		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c) (3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
HOME CARE UNITED INC 4639 HAMMERSLEY ROAD MADISON, WI 53713 39-1776340	HEALTH CARE	WI	501(C) (3)	LINE 9	SSM HEALTH CARE OF WISCONSIN		No
HHU XTRA CARE INC 4639 HAMMERSLEY ROAD MADISON, WI 53713 39-1705111	HEALTH CARE	WI	501(C) (3)	LINE 9	SSM HEALTH CARE OF WISCONSIN		No
SSM REGIONAL HEALTH SERVICES 477 N LINDBERGH BLVD ST LOUIS, MO 63141 44-0579850	HEALTH CARE	MO	501(C) (3)	LINE 3	SSM HEALTH CARE CORPORATION		No
ST FRANCIS HOSPITAL FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1099253	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM REGIONAL HEALTH SERVICES		No
ST MARY'S HEALTH CENTER FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1575307	FUNDRAISING	MO	501(C) (3)	LINE 11B, II	SSM REGIONAL HEALTH SERVICES		No
GOOD SAMARITAN REGIONAL HEALTH CENTER 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-0653587	HEALTH CARE	IL	501(C) (3)	LINE 3	SSM REGIONAL HEALTH SERVICES		No
ST MARY'S - GOOD SAMARITAN INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 36-4170833	HEALTH CARE	IL	501(C) (3)	LINE 11A, I	SSM REGIONAL HEALTH SERVICES		No
GOOD SAMARITAN REGIONAL HEALTH CENTER FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 26-2884795	FUNDRAISING	IL	501(C) (3)	LINE 7	ST MARY'S-GOOD SAMARITAN INC		No
ST MARY'S HOSPITAL FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 36-4636691	FUNDRAISING	IL	501(C) (3)	LINE 7	ST MARY'S-GOOD SAMARITAN INC		No
SSM HEALTH BUSINESSES 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1333488	HEALTH CARE	MO	501(C) (3)	LINE 3	SSM HEALTH CARE CORPORATION		No
SSM HEALTH CARE ST LOUIS 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1343281	HEALTH CARE	MO	501(C) (3)	LINE 3	SSM HEALTH CARE CORPORATION		No
CENTRALIA MEDICAL SERVICES BLDG ASSOC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 23-7408025	HEALTH CARE	IL	501(C) (3)	LINE 11B, II	SSM REGIONAL HEALTH SERVICES		No
ST MARY'S JANESVILLE FOUNDATION INC 477 N LINDBERGH BLVD ST LOUIS, MO 63141 27-3439133	FUNDRAISING	WI	501(C) (3)	LINE 7	SSM HEALTH CARE OF WISCONSIN		No
FRANCISCAN SISTERS OF MARY 1100 BELLEVUE AVE ST LOUIS, MO 63117 43-1012492	RELIGIOUS ORGANIZATION	MO	501(C) (3)	LINE 1	N/A		No
LEE DEWEY CORPORATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 73-1279603	MOB	OK	501(C) (3)	LINE 11A, I	SSM HEALTH CARE OF OKLAHOMA		No
HEALTH CARE FOR KIDS 4055 LINDELL BLVD ST LOUIS, MO 63141 43-1620093	HEALTH CARE	MO	501(C) (3)	LINE 3	SSM CARDINAL GLENNON CHILDREN'S HOSPITAL		No
SSM HOSPICE & HOME CARE FOUNDATION 477 N LINDBERGH BLVD ST LOUIS, MO 63141 30-0012246	FUNDRAISING	MO	501(C) (3)	LINE 7	SSM HEALTH BUSINESSES		No
ST MARY'S HOSPITAL AUXILIARY 100 ST MARYS MEDICAL PLAZA JEFFERSON CITY, MO 65101 43-6049878	FUNDRAISING	MO	501(C) (3)	LINE 11B, II	N/A		No
GOOD SAMARITAN HOSPITAL AUXILIARY 605 NORTH 12TH STREET MT VERNON, IL 62864 23-7049599	FUNDRAISING	IL	501(C) (3)	LINE 11C, III-FI	N/A		No
HHU-VNS FOUNDATION 4639 HAMMERSLEY ROAD MADISON, WI 53713 39-1839309	FUNDRAISING	WI	501(C) (3)	LINE 7	SSM HEALTH CARE OF WISCONSIN		No

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
ST MARY'S HOSPITAL AUXILIARY 400 N PLEASANT CENTRALIA, IL 62801 23-7126345	FUNDRAISING	IL	501(C) (3)	LINE 9	N/A		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
SSM MANAGED CARE ORGANIZATION LLC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1708511	HEALTH PROMOTION	MO	N/A	C			
FPP INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1465174	HEALTH CARE	MO	N/A	C			
DIVERSIFIED HEALTH SERVICES CORP 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1369305	MEDICAL EQUIPMENT	MO	N/A	C			
SSM CARDIO AND THORACIC SERVICES INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 26-0286559	HEALTH CARE	MO	N/A	C			
SSM PROPERTIES INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1462486	PROPERTY SERVICES	MO	N/A	C			
SSM DEPAUL MEDICAL GROUP INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1715106	HEALTH CARE	MO	N/A	C			
SSM ST CHARLES CLINIC MED GROUP INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-0626408	PHYSICIAN OFFICES	MO	N/A	C			
HEALTH FIRST PHYS MANAGEMENT 477 N LINBERGH BLVD ST LOUIS, OK 63141 73-1534336	MEDICAL SERVICES	OK	N/A	C			
SSMHCS LIABILITY TRUST II 477 N LINBERGH BLVD ST LOUIS, MO 63141 81-6128118	INSURANCE	MO	N/A	C			
SSM NEUROSCIENCES INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 26-3413981	HEALTH CARE	MO	N/A	C			
SSM MEDICAL GROUP INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 43-1664107	PHYSICIAN OFFICES	MO	N/A	C			
SSMHC INSURANCE COMPANY 477 N LINBERGH BLVD ST LOUIS, MO 63141 03-0310431	INSURANCE	CA	N/A	C			
SSM ORTHOPEDIC INC 477 N LINBERGH BLVD ST LOUIS, MO 63141 27-1557033	HEALTH CARE	MO	N/A	C			
SSM CANCER CARE 477 N LINBERGH BLVD ST LOUIS, MO 63141 27-1557324	HEATH CARE	MO	N/A	C			
SSM ST JOSEPH SURGERY CENTER 477 N LINDBERGH BLVD ST LOUIS, MO 63141 43-1822767	HEALTH CARE	MO	N/A	C			
ST MARY'S DEAN VENTURES INC 1808 WEST BELTLINE HIGHWAY MADISON, WI 53713 39-1628491	HEALTH CARE	WI	N/A	C			
SHARED MRI FACILITY INC 1104 JOHN NOLEN DRIVE MADISON, WI 53713 39-1534744	HEALTH CARE	WI	N/A	C			
PHYSICIANS SERVICES CORP OF SOUTHERN ILLINOIS 477 N LINBERGH BLVD ST LOUIS, MO 63141 36-4161526	HEALTH CARE	IL	N/A	C			

SSM Health Care

Consolidated Financial Statements as of and for the
Years Ended December 31, 2011 and 2010,
Schedule of Expenditures of Federal Awards
for the Year Ended December 31, 2011, and
Independent Auditors' Reports

SSM HEALTH CARE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
SSM Health Care
St Louis, Missouri

We have audited the accompanying consolidated balance sheets of SSM Health Care Corporation and subsidiaries (the "Organization") 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 financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of SSM Health Care Corporation and subsidiaries as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2012, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Deloitte Touche LLP". The signature is written in a cursive, flowing style.

April 17, 2012

SSM HEALTH CARE

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 19,869	\$ 3,963
Short-term investments	111,638	165,524
Current portion of assets limited as to use	290,065	224,120
Patient accounts receivable, less allowance for uncollectible accounts of \$87,037 in 2011 and \$83,597 in 2010	437,611	339,806
Other receivables	14,523	14,446
Inventories, prepaid expenses, and other	75,851	66,193
Estimated third-party payor settlements	16,721	4,026
Total current assets	966,278	818,078
ASSETS LIMITED AS TO USE OR RESTRICTED — Excluding current portion	1,692,375	1,836,318
PROPERTY AND EQUIPMENT — Net	1,434,430	1,294,431
OTHER ASSETS		
Deferred financing costs — net	7,867	9,209
Intangibles — net	12,710	13,624
Investments in unconsolidated entities	187,932	179,510
Other	6,316	5,968
Total other assets	214,825	208,311
TOTAL	<u>\$4,307,908</u>	<u>\$4,157,138</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Cash overdraft	\$ 24,310	\$ -
Current portion of long-term debt	35,110	57,262
Accounts payable and accrued expenses	337,403	300,514
Payable under securities lending agreements	174,888	140,623
Estimated third-party payor settlements	24,903	16,582
Total current liabilities	596,614	514,981
LONG-TERM DEBT — Excluding current portion	1,190,699	1,194,286
ESTIMATED SELF-INSURANCE OBLIGATIONS	77,101	82,705
OTHER LIABILITIES	1,119,640	880,109
Total liabilities	2,984,054	2,672,081
NET ASSETS		
Unrestricted		
Noncontrolling interest in subsidiaries	12,196	11,617
SSM Health Care unrestricted net assets	1,260,018	1,415,251
Total unrestricted net assets	1,272,214	1,426,868
Temporarily restricted	34,090	41,561
Permanently restricted	17,550	16,628
Total net assets	1,323,854	1,485,057
TOTAL	<u>\$4,307,908</u>	<u>\$4,157,138</u>

See notes to consolidated financial statements

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
OPERATING REVENUES AND OTHER SUPPORT		
Net patient service revenues	\$2,937,617	\$2,789,164
Investment income (loss)	(1,035)	28,867
Other revenue	185,542	181,627
Net assets released from restrictions	<u>8,585</u>	<u>8,890</u>
Total operating revenues and other support	<u>3,130,709</u>	<u>3,008,548</u>
OPERATING EXPENSES		
Salaries and benefits	1,621,225	1,493,697
Supplies	508,945	493,293
Professional fees and other	655,563	601,393
Interest	35,372	39,667
Depreciation and amortization	144,702	142,170
Bad debts	<u>126,367</u>	<u>103,549</u>
Total operating expenses	<u>3,092,174</u>	<u>2,873,769</u>
INCOME FROM OPERATIONS	<u>38,535</u>	<u>134,779</u>
NONOPERATING GAINS AND (LOSSES)		
Investment income (loss)	(8,629)	138,968
Loss from early extinguishment of debt	(887)	(4,819)
Other — net	<u>1,460</u>	<u>470</u>
Total nonoperating gains and (losses) — net	<u>(8,056)</u>	<u>134,619</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE CHANGE IN MARKET VALUE OF INTEREST RATE SWAPS	30,479	269,398
CHANGE IN MARKET VALUE OF INTEREST RATE SWAPS	<u>(69,866)</u>	<u>(21,523)</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>(39,387)</u>	<u>247,875</u>

(Continued)

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
UNRESTRICTED NET ASSETS		
Excess (deficit) of revenues over expenses	\$ (39,387)	\$ 247,875
Gains (losses) on investments — net	(71)	316
Pension-related changes other than net periodic pension cost	(121,623)	(77,586)
Net assets released from restrictions for property acquisitions	12,802	2,215
Other — net	<u>(6,375)</u>	<u>(3,838)</u>
Increase (decrease) in unrestricted net assets	<u>(154,654)</u>	<u>168,982</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions for charity care and other programs	13,193	14,053
Gains on investments — net	428	2,001
Net assets released from restrictions for operations	(8,585)	(8,890)
Net assets released from restrictions for property acquisitions	(12,802)	(2,215)
Other — net	<u>295</u>	<u>577</u>
Increase (decrease) in temporarily restricted net assets	<u>(7,471)</u>	<u>5,526</u>
PERMANENTLY RESTRICTED NET ASSETS		
Contributions for charity care and other programs	1,383	671
Gains on investments — net	100	722
Other — net	<u>(561)</u>	<u>-</u>
Increase in permanently restricted net assets	<u>922</u>	<u>1,393</u>
CHANGE IN NET ASSETS	(161,203)	175,901
NET ASSETS — Beginning of year	<u>1,485,057</u>	<u>1,309,156</u>
NET ASSETS — End of year	<u>\$ 1,323,854</u>	<u>\$ 1,485,057</u>

See notes to consolidated financial statements

(Concluded)

SSM HEALTH CARE

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (In thousands)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (161.203)	\$ 175.901
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Pension-related changes other than net periodic pension cost	121.623	77.586
Depreciation and amortization	145.454	142.368
Loss on early extinguishment of debt	887	3.167
Bad debts	126.367	103.549
Contributions restricted for long-term investment	(3.312)	(1.606)
Distributions to noncontrolling owners — net	3.530	3.576
Gains and losses on investments — net	50.546	(127.916)
Equity in earnings of unconsolidated entities	(2.955)	(8.451)
Change in valuation of investments in unconsolidated entities	892	(423)
Change in market value of interest rate swaps	69.866	21.523
Gain on disposal of assets	(974)	(6.179)
Changes in assets and liabilities		
Short-term investments	53.886	(26.987)
Patient accounts receivable	(224.172)	(121.761)
Other receivables, inventories, prepaid expenses, and other	(21.707)	(741)
Accounts payable, accrued expenses, and other liabilities	95.484	108.796
Estimated self-insurance obligations	(5.604)	(30.430)
Net cash provided by operating activities	<u>248.608</u>	<u>311.972</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(261.298)	(168.768)
Proceeds from disposal of property and equipment	1.917	7.886
Purchase of assets limited as to use or restricted	(3.762.902)	(3,310.012)
Sales of assets limited as to use or restricted	3,823.730	3,129.000
Contributions to unconsolidated entities	(8.948)	(16.637)
Distributions from unconsolidated entities	6.589	4.811
Net change in other assets	(1.079)	(5.313)
Net cash used in investing activities	<u>(201.991)</u>	<u>(359.033)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	98.444	575.255
Payments on long-term debt	(128.937)	(471.188)
Debt issuance costs	-	(5.210)
Restricted contributions	3.312	1.606
Distributions to noncontrolling owners	(3.530)	(3.576)
Proceeds from revolving line-of-credit	-	27.000
Payment on revolving line-of-credit	-	(80.437)
Net cash provided by (used in) financing activities	<u>(30.711)</u>	<u>43.450</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15.906	(3.611)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>3.963</u>	<u>7.574</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 19.869</u>	<u>\$ 3.963</u>

See notes to consolidated financial statements

SSM HEALTH CARE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010 (Dollars in thousands)

1. ORGANIZATION AND PURPOSE

SSM Health Care (SSMHC) is a multi-institutional provider of health services comprised of SSM Health Care Corporation (SSMHCC) as the principal not-for-profit corporation which holds membership or stock ownership in other affiliated corporations. SSMHCC has been established as the parent corporation. Through its affiliated corporations, SSMHC owns and operates 16 acute care hospitals (including one currently under construction), one children's hospital, two long-term care facilities, and other health care businesses located primarily in Missouri, Oklahoma, Wisconsin, and Illinois. SSMHC also has exclusive affiliation agreements with six acute care hospitals. SSMHCC and most of its affiliated subsidiary corporations are organizations described in Section 501(c)(3) of the Internal Revenue Code (IRC). As such, they are exempt from federal income tax on income from activities related to their exempt purposes under IRC Section 501(a).

SSMHC is sponsored by the Franciscan Sisters of Mary. The President and Councilors of the Congregational Council of the Franciscan Sisters of Mary serve as the members of SSMHCC, which hold certain reserved powers over SSMHCC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation — The consolidated financial statements include the accounts of SSMHCC and all wholly owned, majority owned, and controlled entities, including the consolidated statements of SSMHC Liability Trust I and SSMHC Liability Trust II as described in Note 12. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents — Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less when purchased. Cash equivalents include overnight commercial paper.

Short-Term Investments — Short-term investments are measured at fair value and include liquid investments with original maturities at time of purchase of greater than three months and less than three years.

Financial Instruments — The carrying amounts of cash equivalents, short-term investments, accounts receivable, and unsettled investment transactions approximate fair value. Management's estimates of the fair value of other financial instruments are described elsewhere in the notes to consolidated financial statements. Assets that are designated as limited as to use or restricted are measured at fair value as described in Note 7. Due to the volatility of the U.S. economy and the financial markets, there is uncertainty regarding the long-term impact market conditions will have on SSMHC's investment portfolio.

Patient Accounts Receivable — Patient accounts receivable are stated at estimated net realizable amounts from patients, third-party payors, and other insurers for services provided. Management periodically reviews the adequacy of the allowance for uncollectible accounts based on historical experience, trends in health care coverage, and other collection indicators. Reserves for charity and

uncollectible amounts have been established and are netted against patient accounts receivable in the consolidated balance sheets

In accordance with its mission, SSMHC provides exceptional health care services to all persons regardless of their ability to pay. After all payments, discounts and reasonable collection efforts have been exhausted, SSMHC follows established guidelines for placing certain past-due patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by SSMHC. Accounts placed with collection agencies are written off and excluded from patient accounts receivable and allowance for doubtful accounts.

Inventories — Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method.

Assets Limited as to Use or Restricted — Assets limited as to use include investments and other assets set aside by the Board of Directors at their discretion for future capital improvements or for other purposes, and assets held in trust under bond indentures and self-insurance agreements. Unsettled investment transactions include receivables and payables from investment sales which are not settled until the following year. Assets restricted as to use include investments and other assets whose use is restricted by donors (temporarily or permanently).

Pooled Investments — SSMHC holds the majority of its investments in a pooled investment program which also includes the investments of its defined benefit plans as well as other smaller nonconsolidated entities. The earnings are allocated proportionately according to ownership percentages as defined in pooled investment agreements. The combined investments of SSMHC and its defined benefit plans account for over 99% of the pooled investments.

SSMHC has elected the fair value option for financial investments in limited partnerships and limited liability corporations made through its centralized investment program that would otherwise be recorded using either the cost or equity methods. SSMHC made this election in order to ensure that the accounting treatment of these investments was comparable between categories, regardless of the current organizational structure of the various investments.

Derivative Instruments — It is SSMHC's policy to provide sound stewardship of fiscal resources by effectively managing both the level of outstanding debt and the proportion of variable to fixed rate debt. Accordingly, SSMHC periodically enters into derivative arrangements to manage interest rate risk related to variable rate debt.

SSMHC records derivative instruments as either an asset or liability measured at its fair value (Note 7). The estimated fair value of interest rate swap instruments has been determined using available market information and valuation methodologies, primarily discounted cash flows.

The net change in the fair value is recorded as a nonoperating gain or loss. The difference between the actual amount paid and the actual amount received on all interest rate swaps is accrued and recognized as an adjustment to interest expense. Collateral is reported as a separate asset rather than an offset to the fair value of interest rate swaps.

Securities Lending Program — SSMHC participates in securities lending transactions with its custodian whereby SSMHC lends a portion of its investments to various brokers in exchange for collateral for the securities loaned, usually on a short-term basis. SSMHC maintains effective control of the loaned securities through its custodian during the term of the arrangement in that they may be recalled at any time. Collateral received from brokers must equal at least 100% of the original market

value of the securities on loan, and is subsequently adjusted for market fluctuations. SSMHC must return to the borrower the original value of collateral received regardless of the impact of market fluctuations. The collateral is invested in a pool maintained by the custodian. Under the terms of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed.

The securities on loan under this program are recorded as assets whose use is limited. The market value of collateral held for loaned securities is reported as collateral held under securities lending program which is recorded in assets whose use is limited, and an obligation is recorded in current liabilities for repayment of collateral upon settlement of the lending transaction.

Property and Equipment — Property and equipment acquisitions are recorded at cost or, if donated or impaired, at fair value at the date of receipt or impairment. Depreciation expense is determined using the straight-line method over the estimated useful life of the asset: 5 to 25 years for land improvements, 5 to 40 years for buildings, and 3 to 20 years for equipment. Equipment under capital leases is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization expense. Interest costs incurred on borrowed funds during construction periods are capitalized as a component of the asset cost.

SSMHC periodically evaluates property and equipment to determine whether assets may have been impaired. The evaluations address the estimated recoverability of the assets' carrying value. Such analyses require various valuation techniques using management assumptions, including estimates of future cash flows. As a result, there is at least a reasonable possibility that recorded estimates of fair value and impairment will change by a material amount.

Deferred Financing Costs — Deferred financing costs are amortized using the effective interest rate method over the term of the related obligation.

Intangibles — Goodwill is evaluated for possible impairment annually on December 31 or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Goodwill is evaluated for possible impairment by comparing the fair value of a reporting unit with its carrying value, including the goodwill assigned to that reporting unit. Fair value of a reporting unit is estimated using a combination of income-based and market-based valuation methodologies. Under the income approach, forecasted cash flows of a reporting unit are discounted to a present value using a discount rate commensurate with the risks of those cash flows. Under the market approach, the fair value of a reporting unit is estimated based on the revenues and earnings multiples based on recent transactions involving comparable entities. An impairment charge is recorded if the carrying value of the goodwill exceeds its implied fair value. The determination of a reporting unit's fair value requires management to make significant assumptions regarding estimated future cash flows and long-term growth rates. As a result, there is at least a reasonable possibility that recorded estimates of fair value and impairment will change. The annual goodwill impairment analyses completed in 2011 and 2010 resulted in impairment losses of \$0 and \$700, respectively. As of December 31, 2011 and 2010, SSMHC's total goodwill was \$8.857.

Intangible assets include a tradename, non-compete agreement and other intangible assets acquired from independent parties. Intangible assets with a definite life are amortized on a straight-line basis, with estimated useful lives ranging from one to 20 years. Amortization of intangibles is included in depreciation and amortization expense. SSMHC reviews the carrying value of its intangible assets only when impairment indicators are present, by comparing the estimates of undiscounted future cash flows to the carrying values of the related assets. There were no impairment indicators identified during 2011 or 2010. As of December 31, 2011 and 2010, SSMHC's total amortizable intangible assets balance was \$3.853 and \$4.767, respectively.

Investments in Unconsolidated Entities — Investments in unconsolidated entities, other than the limited partnership and limited liability corporations in the pooled investment program, are accounted for under the cost or equity method of accounting, as appropriate. SSMHC utilizes the equity method of accounting for its investments in unconsolidated entities over which it exercises significant influence. SSMHC's equity income or loss on these investments is recorded as other revenue. SSMHC evaluates these investments for other-than-temporary impairment in accordance with accounting standards for equity method investments.

Other Liabilities — Other liabilities include various deferred compensation plans and the underfunded status of SSMHC's pension plans which represents the value of the projected benefit obligation over the fair value of plan assets. The pension plan obligations and plan assets are measured as of December 31.

In 2011 and 2010, SSMHC recorded \$121,623 and \$77,586, respectively, to increase other liabilities and decrease unrestricted net assets due to recognition of the change in the underfunded status of the plan caused by the increase in the projected benefit obligation due to the declining discount rate.

Temporarily and Permanently Restricted Net Assets — Temporarily restricted net assets are those whose use by SSMHC has been limited by donors to a specific time period or purpose. These assets are restricted for funding a specific program, capital projects, and other purposes. Permanently restricted net assets have been restricted by donors to be maintained by SSMHC in perpetuity. They are generally restricted to provide ongoing income for a specific program.

Noncontrolling Interests — The consolidated financial statements include all assets, liabilities, revenue and expenses of less than 100% owned or controlled entities. SSMHC controls in accordance with applicable accounting guidance. Accordingly, SSMHC has reflected a noncontrolling interest for the portion of net assets not owned or controlled by SSMHC separately on the consolidated balance sheets.

Net Patient Service Revenues — SSMHC has agreements with payors that provide for payments at amounts different from established charges. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, and negotiated discounts from established charges.

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

Capitated Contracts — SSMHC has capitated contracts with health maintenance organizations. Under these arrangements, SSMHC receives capitation premiums based on the demographic characteristics of covered members in exchange for providing comprehensive medical services for those members. SSMHC recorded capitated revenues of \$10,563 and \$10,022 for the years ended December 31, 2011 and 2010, respectively. Capitation revenues are included in net patient service revenues.

During 2010, SSMHC and Dean Health Systems, Inc. participated in a risk sharing arrangement for certain health care services provided to members of Dean Health Insurance, Inc. and Dean Health Plan, Inc. Under the risk sharing arrangement, a percentage of the Dean Health Insurance, Inc. and Dean Health Plan, Inc. premiums is paid into a pool which is jointly owned by Dean Health Systems, Inc. and SSMHC. Payments are made from the pool for certain covered services which generally are all covered services except physician services. Any accumulated amounts in the pool in excess of obligations for the specified covered services are disbursed equally to Dean Health Systems, Inc. and SSMHC as incentive and risk share compensation (service incentive fees). Total service incentive fees received by SSMHC,

including adjustments to prior year estimates, during the years ended December 31, 2011 and 2010, were \$2,639 and \$74,723, respectively, which is included within net patient service revenues. Service incentive fees for the years ended December 31, 2011 and 2010, included retroactive adjustments of \$2,639 and \$4,718, respectively.

Effective January 1, 2011, SSMHC and Dean Health Systems, Inc. entered into a new risk sharing arrangement for certain health care services provided to members of Dean Health Insurance, Inc. and Dean Health Plan, Inc. Under the risk sharing arrangement, a percentage of the Dean Health Insurance, Inc. and Dean Health Plan, Inc. premiums are paid into various pools for which SSMHC assumes a portion of the risk. Payments are made from the pools for certain covered services. SSMHC receives disbursements from the pools for their share of the accumulated surplus or pays into the pools for their share of the accumulated deficit. Total payments received during the year ended December 31, 2011, for services, net of accumulated deficits, was \$131,835 which is included within net patient service revenues.

Investment Income — Most investment income is reported as nonoperating gains or losses. Investment income on funds held in trust for self-insurance purposes and unrestricted funds held by foundations is included in other operating revenue. The cost of investments sold is based on the specific-identification method.

Investment income on investments of donor-restricted funds, other than endowments, is included in excess of revenues over expenses unless the income or loss is restricted by donors. Investment income that is restricted by the donor is recorded directly to temporarily or permanently restricted net assets, in accordance with the donor-imposed restrictions.

SSMHC values hedge funds, real estate investments, international funds, and partnership interests at fair value. Gains and losses on these investments are included in nonoperating investment income unless it is restricted by donors.

SSMHC classifies its debt and equity securities as trading securities. Changes in the fair values of trading securities are recorded in the excess revenues over expenses.

The change in unrealized gains and losses on investments recorded as a change in unrestricted net assets includes the unrealized gains or losses related to investments held for sale at equity method investees.

Contributions — Contributions, including unconditional promises to give, are recognized at their fair value at the time of receipt. For financial reporting purposes, SSMHC distinguishes between contributions that are unrestricted, temporarily restricted, or permanently restricted based on the restrictions placed on their use by the donors. Contributions restricted for additions to property and equipment are recorded as temporarily restricted assets. When the restrictions have been met, these temporarily restricted contributions are recorded as net assets released from restrictions for property acquisitions. Contributions temporarily restricted for other purposes are reported as temporarily restricted contributions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, they are reported as net assets released from restrictions and an increase to unrestricted net assets. Contributions of assets that donors have stipulated must be maintained permanently, with only the income earned thereon available for use, are classified as permanently restricted assets. Contributions for which donors have not stipulated restrictions are reported as other revenue.

Endowment assets include donor-restricted funds that SSMHC must hold in perpetuity or for a donor-specified period. SSMHC preserves the fair value of the original gift as of the gift date of the donor-

restricted endowment funds absent explicit donor stipulations to the contrary. SSMHC classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable, (c) accumulations to the permanent endowment made in accordance with specific donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the SSMHC entity that received the donation. SSMHC considers the following factors in making determinations to appropriate or accumulate donor-restricted endowment funds:

- a. State law
- b. The duration and preservation of the fund
- c. The purposes of the donor-restricted endowment funds and how they relate to SSMHC's priorities for carrying out its mission within the communities it serves
- d. General economic conditions
- e. The possible effects of inflation and deflation
- f. The expected total return from income and the appreciation of investments
- g. Other resources available to the entity and its beneficiary, if applicable
- h. The investment policies of the entity

Electronic Health Record Incentives — Under certain provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), federal incentive payments are available to hospitals, physicians and certain other professionals (Providers) when they adopt, implement or upgrade (AIU) certified electronic health record (EHR) technology or become "meaningful users," as defined under ARRA, of EHR technology in ways that demonstrate improved quality, safety and effectiveness of care. Providers can become eligible for annual Medicare incentive payments by demonstrating meaningful use of EHR technology in each period over four periods. Medicaid providers can receive their initial incentive payment by satisfying AIU criteria, but must demonstrate meaningful use of EHR technology in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments, however, physicians and other professionals may be eligible for either Medicare or Medicaid incentive payments, but not both. Hospitals that are meaningful users under the Medicare EHR incentive payment program are deemed meaningful users under the Medicaid EHR incentive payment program and do not need to meet additional criteria imposed by a state. Medicaid EHR incentive payments to Providers are 100% federally funded and administered by the states. The Centers for Medicare and Medicaid Services (CMS) established calendar year 2011 as the first year states could offer EHR incentive payments. Before a state may offer EHR incentive payments, the state must submit and CMS must approve the state's incentive plan.

SSMHC recognizes Medicaid EHR incentive payments in our consolidated statements of operations for the first payment year when (1) CMS approves a state's EHR incentive plan, and (2) our hospital or employed physician acquires certified EHR. Medicaid EHR incentive payments for subsequent payment years are recognized in the period during which the specified meaningful use criteria are met. SSMHC recognizes Medicare EHR incentive when (1) the specified meaningful use criteria are met, and (2) contingencies in estimating the amount of the incentive payments to be received are resolved. During the year ended December 31, 2011, certain of our hospitals satisfied the CMS AIU and/or meaningful use criteria. As a result, SSMHC recognized approximately \$13,037 of Medicaid EHR incentive payments as other revenue for the year ended December 31, 2011.

Performance Indicator — The consolidated statements of operations and changes in net assets include excess of revenues over expenses as SSMHC's performance indicator. Changes in unrestricted net assets that are excluded from excess of revenues over expenses, consistent with industry practice, include changes in unrealized gains and losses on investments, net of available for sale investments held by equity investees, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions that by donor restriction were to be used for the purpose of acquiring such assets), and pension related changes other than net periodic pension cost.

Income Taxes — SSMHC evaluates its uncertain tax positions on an annual basis. A tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. There have been no uncertain tax positions recorded in 2011 or 2010.

SSMHC has net operating loss (NOL) carry forwards available related to unrelated business income and to its for-profit subsidiaries. SSMHC fully reserves these carry forwards because it does not anticipate earning future profits. The amount of the carry forwards available for 2011 and 2010 was \$379,124 and \$345,059, respectively.

Use of Estimates — The preparation of the 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Non-Cash Transactions — During the years ended December 31, 2011 and 2010, SSMHC had the following non-cash transactions:

	2011	2010
Collateral received (refunded) under securities lending program	\$34,265	\$ (16,496)
Property and equipment purchases included in accounts payable	22,078	4,932
Investment in unconsolidated entities included in long-term debt	4,000	-
Capital leases	65	-

New Accounting Pronouncements — In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities* (ASU 2011-07) which amended Accounting Standards Codification (ASC) No. 954, *Health Care Entities* (ASC 954) to provide greater transparency regarding a health care entity's net patient revenue and the related allowance for doubtful accounts. ASU 2011-07 requires certain health care entities to change the presentation of the provision for bad debts associated with patient service revenue by reclassifying the provision from operating expenses to a deduction from net patient revenue if the organization does not evaluate the patient's ability to pay before providing services and recognizing revenue and requires enhanced disclosures about net patient revenue and the policies for recognizing revenue and assessing bad debts. The adoption of ASU 2011-07 is effective for SSMHC as of January 1, 2012. The adoption of ASU 2011-07 is not expected to have a material impact on SSMHC's consolidated financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurements (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*.

(ASU 2011-04), which amended ASC No. 820, *Fair Value Measurement* (ASC 820) to change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The adoption of ASU 2011-04 is effective for SSMHC as of January 1, 2012. The adoption is not expected to have a material impact on SSMHC's consolidated financial statements.

In August 2010, the FASB issued ASU No. 2010-24, *Health Care Entities (Topic 954), Presentation of Insurance Claims and Related Insurance Recoveries* ("ASU 2010-24"), which clarified that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. SSMHC adopted ASU 2010-24 as of January 1, 2011. The adoption did not have a material impact on SSMHC's consolidated financial statements.

3. UNCOMPENSATED CARE

In line with its mission, SSMHC provides services to patients without regard to their ability to pay for those services. For some of its patient services, SSMHC receives no payment or payment that is less than the full cost of providing the services.

SSMHC voluntarily provides free care to patients who are unable to pay for all or part of their health care expenses as determined by SSMHC's criteria for financial assistance. Because SSMHC does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenues.

In some cases, SSMHC does not receive the amount billed for patient services even though it did not receive information necessary to determine if the patients met the criteria for financial assistance. Bad debts expense is the estimated amount of patient service revenues that SSMHC will not collect.

The estimated cost of charity care and the cost of bad debts are as follows. The estimated costs are calculated using the costs of providing patient care divided by gross patient service revenue. This ratio is then multiplied by the gross charity and bad debt charges to determine estimated costs.

	2011	2010
Cost of charity care	\$ 78,002	\$ 70,645
Cost of bad debts	56,729	44,713

SSMHC also commits significant time and resources to activities and critical services that address unmet community needs. Many of these activities are sponsored with the knowledge that they will not be self-supporting or financially viable. Such programs include health screenings and assessments, prenatal education and care, hospice, support for residences for homeless persons, trauma care, community health education and various support groups.

4. NET PATIENT SERVICE REVENUES

A significant portion of SSMHC's revenue is generated under agreements with Medicare and Medicaid. Payments for services covered by Medicare are based on federal regulations specific to the type of service provided. Medicare pays for most services at a prospective rate. Hospital facilities that meet certain requirements receive additional funds in partial payment for the cost of medical education and caring for the indigent. The rates for services covered by Medicaid are determined by the regulations of the state in which the beneficiary is a resident. Medicare and Medicaid regulations are complex and

subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount.

In addition, SSMHC has negotiated contracts with certain other third-party payors.

SSMHC provides discounts on charges for hospital services to all patients without insurance and who do not receive their health care services under Medicare, Medicaid or a public aid program. The discount varies by geographical location, primarily based on the discounts negotiated with SSMHC private third-party payors in that location. The total discounts provided to uninsured patients under this policy were \$167,491 and \$135,893 for the years ended December 31, 2011 and 2010, respectively, and are included as a reduction in net patient service revenues. If it is determined that an uninsured patient is eligible for a charity discount for hospital services, the charity discount will be taken after the discount for uninsured patients has been applied.

SSMHC participates in assessment programs in Missouri, Wisconsin, and Illinois. For the year ended December 31, 2011, SSMHC recognized \$152,050 in revenue and \$115,667 in expenses relating to these programs. For the year ended December 31, 2010, SSMHC recognized \$155,044 in revenue and \$108,006 in expenses relating to these programs. The revenue is included in net patient service revenues and the expenses are included in professional fees and other expenses.

A summary of SSMHC's Medicare, Medicaid and managed care utilization percentages, based upon gross patient service revenues was as follows:

	2011	2010
Medicare	33 %	34 %
Medicaid	12	12
Managed care	45	45
Other	<u>10</u>	<u>9</u>
	<u>100 %</u>	<u>100 %</u>

In 2011 and 2010, net patient service revenues increased by \$6,094 and \$9,350, respectively, relating to changes in estimates for prior years' settlements from Medicare, Medicaid and other programs.

5. CONCENTRATION OF CREDIT RISK

SSMHC provides health care services through its inpatient and outpatient care facilities located in their respective communities. SSMHC grants credit to patients, substantially all of whom are local residents. SSMHC generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, health maintenance organizations, and commercial insurance policies).

The mix of net receivables from patients and third-party payors as of December 31, 2011 and 2010, was as follows

	2011	2010
Medicare	23 %	25 %
Medicaid	13	9
Managed care	47	51
Other	<u>17</u>	<u>15</u>
	<u>100 %</u>	<u>100 %</u>

6. ASSETS LIMITED AS TO USE OR RESTRICTED

The SSMHC Board of Directors has designated the accumulation of certain funds for future replacement of property and equipment, other capital improvements, debt retirement, and other purposes. Additionally, under the terms of the indentures for various bond issues, funds held by trustees have been established and legally designated for debt service.

A summary of assets limited as to use or restricted as of December 31, 2011 and 2010, is as follows

	2011	2010
Assets limited as to use		
Board designated for property and equipment, long-term employee benefit programs, and other	<u>\$ 1,494,850</u>	<u>\$ 1,573,397</u>
Held by trustee		
Project funds	-	48,557
Bond funds	4,222	4,380
Self-insurance (See Note 12)	229,220	235,292
Collateral held under swap agreements	27,620	-
Collateral held under securities lending agreements	<u>174,888</u>	<u>140,623</u>
	<u>435,950</u>	<u>428,852</u>
Assets restricted by donor as to use		
Temporarily restricted	34,090	41,561
Permanently restricted	<u>17,550</u>	<u>16,628</u>
	<u>51,640</u>	<u>58,189</u>
Total assets limited as to use or restricted	1,982,440	2,060,438
Less current portion	<u>290,065</u>	<u>224,120</u>
Noncurrent portion	<u>\$ 1,692,375</u>	<u>\$ 1,836,318</u>

Assets limited as to use or restricted comprise the following asset classifications which include securities on loan

	2011	2010
Cash and cash equivalents	\$ 102,148	\$ 114,864
Corporate obligations	184,355	202,852
Government securities	231,943	303,779
Mutual funds		
Domestic	385,965	492,407
International	149,918	51,636
Emerging markets	43,388	-
Hedge funds	188,825	41,357
Equities		
Small cap	28,942	52,055
Mid cap	86,250	102,878
Large cap	185,171	352,408
Real estate	-	13,131
Partnership interests	84,706	20,186
Real estate investments	121,926	118,696
Unsettled investment transactions	(35,366)	34,577
Guaranteed fixed funds	3,400	2,668
Pooled separate accounts	2,558	2,585
Securities lending		
Equities	112,247	90,600
Government securities	28,337	45,661
Corporate obligations	34,304	4,362
Swap collateral — cash and cash equivalents	27,620	-
Other	<u>15,803</u>	<u>13,736</u>
Total	<u>\$ 1,982,440</u>	<u>\$ 2,060,438</u>

A summary of investment income (loss) for the years ended December 31, 2011 and 2010, is as follows

	2011	2010
Interest and dividends	\$ 41,339	\$ 40,159
Realized and unrealized gains (losses) on investments — net	<u>(50,546)</u>	<u>130,715</u>
Total	<u>\$ (9,207)</u>	<u>\$ 170,874</u>

Excess of revenues over expenses includes investment income (loss) as follows

	2011	2010
Operating investment income (loss)	\$ (1,035)	\$ 28,867
Nonoperating investment income (loss)	(8,629)	138,968
Gains (losses) on investments, net — unrestricted net assets	(71)	316
Gains on investments, net — temporarily restricted net assets	428	2,001
Gains on investments, net — permanently restricted net assets	<u>100</u>	<u>722</u>
Total	<u>\$ (9,207)</u>	<u>\$ 170,874</u>

The collateral held for the securities loaned and related payable of equal value at December 31, 2011 and 2010, were \$174,888 and \$140,623, respectively

The securities on loan are included in the following classifications

	2011	2010
Equity securities	\$ 109,061	\$ 95,700
Government securities	27,783	34,776
Corporate obligations	<u>33,628</u>	<u>3,322</u>
Total	<u>\$ 170,472</u>	<u>\$ 133,798</u>

SSMHC recorded net investment income of \$935 and \$437 on these transactions for the years ended December 31, 2011 and 2010, respectively. Net investment income represents the amount received as investment income on the securities received as collateral, offset by the fees paid to the various brokers and the investment earnings on the securities loaned to the brokers

7. FAIR VALUE MEASUREMENTS

SSMHC defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including SSMHC's own credit risk.

The fair values of all assets and liabilities recognized or disclosed at fair value are classified based on the lowest level significant inputs. SSMHC used the following methods to determine fair value:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that SSMHC has the ability to access on the report date.

Level 2 — Inputs (financial matrices, models, valuation techniques) other than quoted market prices included in Level 1, that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Such observable inputs include benchmarking prices for similar assets in active, liquid markets, quoted prices in markets that are not active and observable yields and spreads in the market. SSMHC's Level 2 assets and liabilities include investment securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose values are determined using market standard valuation techniques. This category primarily includes corporate obligations and government securities, among others. Level 2 valuations are generally obtained from third party pricing services for identical or comparable assets or liabilities. Prices from services are validated through analytical reviews and assessment of current market activity. Interest rate swaps are valued using discounted future cash flows.

Level 3 — Inputs (such as professional appraisals, quoted prices from inactive markets that require adjustment based on significant assumptions or data that is not current, data from independent sources) that are unobservable for the asset or liability. SSMHC holds investments in real estate funds, hedge funds, international funds, and partnership interests. The real estate funds invest in real estate investment

trusts and commercial real estate, diversified by geographical location and use. The hedge funds invest in funds that hold various types of debt and equity securities.

For the years ended December 31, 2011 and 2010, a majority of the hedge funds, real estate investments, international funds, and partnership interests are recorded at the net asset value (NAV), which is the estimated fair value of the investments.

Following is a summary of assets and liabilities measured at fair value on a recurring basis by the level of significant input:

2011	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents — restricted	\$ 102,148	\$ -	\$ -	\$ 102,148
Corporate obligations	-	184,355	-	184,355
Government securities	-	231,943	-	231,943
Mutual funds				
Domestic	497,600	-	-	497,600
International	91,920	57,998	-	149,918
Emerging markets	43,388	-	-	43,388
Hedge funds	-	-	188,825	188,825
Equities				
Small cap	28,942	-	-	28,942
Mid cap	86,250	-	-	86,250
Large cap	185,171	-	-	185,171
Partnership interests	62,647	-	22,059	84,706
Real estate investments	-	-	121,926	121,926
Guaranteed fixed funds	-	3,400	-	3,400
Pooled separate accounts	-	2,558	-	2,558
Swap collateral				
Cash and cash equivalents	27,620	-	-	27,620
Securities lending				
Equity securities	112,247	-	-	112,247
Government securities	-	28,337	-	28,337
Corporate obligations	-	34,304	-	34,304
Total assets	<u>\$ 1,237,933</u>	<u>\$ 542,895</u>	<u>\$ 332,810</u>	<u>\$ 2,113,638</u>
Liabilities — interest rate swaps	<u>\$ -</u>	<u>\$ 135,458</u>	<u>\$ -</u>	<u>\$ 135,458</u>

During 2011, additional information became available regarding certain international mutual fund investments and management determined that mutual funds previously classified as Level 3 should be classified as Level 2. As of January 1, 2011, SSMHC transferred \$51,290 from Level 3 to Level 2.

2010	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents — restricted	\$ 114,864	\$ -	\$ -	\$ 114,864
Corporate obligations	-	202,852	-	202,852
Government securities	-	303,779	-	303,779
Mutual funds				
Domestic	657,931	-	-	657,931
International	346	-	51,290	51,636
Hedge funds	-	776	40,581	41,357
Equities				
Small cap	52,055	-	-	52,055
Mid cap	102,878	-	-	102,878
Large cap	352,408	-	-	352,408
Real estate	13,131	-	-	13,131
Partnership interests	-	-	20,186	20,186
Real estate investments	9,006	-	109,690	118,696
Guaranteed fixed funds	-	2,668	-	2,668
Pooled separate accounts	-	2,585	-	2,585
Securities lending				
Equity securities	90,600	-	-	90,600
Government securities	-	45,661	-	45,661
Corporate obligations	-	4,362	-	4,362
Cash and cash equivalents	3,963	-	-	3,963
Total assets	<u>\$ 1,397,182</u>	<u>\$ 562,683</u>	<u>\$ 221,747</u>	<u>\$ 2,181,612</u>
Liabilities — interest rate swaps	<u>\$ -</u>	<u>\$ 65,592</u>	<u>\$ -</u>	<u>\$ 65,592</u>

During 2010, additional information became available regarding certain mutual fund investments and management determined that mutual funds previously classified as Level 2 should be classified as Level 1. As of January 1, 2010, SSMHC transferred \$272,970 from Level 2 to Level 1.

Changes related to the fair values based on Level 3 inputs for the years ended December 31, 2011 and 2010, are summarized as follows:

	2011	2010
Assets		
Beginning balance	\$ 221,747	\$ 241,077
Total gains (losses)	(8,479)	23,875
Purchases	187,615	24,749
Sales	(16,783)	(67,954)
Transfers out	<u>(51,290)</u>	<u>-</u>
Ending balance	<u>\$ 332,810</u>	<u>\$ 221,747</u>

Transfers out of Level 3 represent existing assets that were previously categorized as Level 3 for which the lowest significant input became observable during the period. Unrealized (losses) gains on Level 3 investments were \$(7,575) and \$23,205 for 2011 and 2010, respectively, and is recorded as nonoperating investment income.

The hedge funds, real estate investments, international funds, and partnership interests are redeemable at NAV under the original terms of the agreements. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund.

agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of SSMHC's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if SSMHC were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. As such, SSMHC has classified these as level 3 investments. In addition, the unfunded commitments to these funds are \$10,078 and \$0 at December 31, 2011 and 2010, respectively. Assets recorded at NAV at December 31, 2011, are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge funds (a)	\$ 188.825	\$ -	quarterly	30–100 days
Partnership interests (b)	22.059	-	quarterly	30–100 days
Real estate investments (c)	<u>121.926</u>	<u>10,078</u>		
Total	<u>\$ 332.810</u>	<u>\$ 10,078</u>		

- (a) This category includes investments in hedge funds that maintain positions both long and short in equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques, and the managers can maintain net long or net short exposure levels based on market views. The strategy designs a diversified portfolio of managers and strategies with the objective of significantly lowering the risk and volatility of investing with an individual manager.
- (b) This category includes investments in a limited partnership interest that invests in multiple long-short, market-neutral equity hedge fund managers. The investment is designed to achieve consistent market returns across all market cycles and mitigate market directional portfolio risk through maintaining low net exposure.
- (c) This category includes investments in real estate funds that invest in the following underperforming and distressed real estate assets at well below potential replacement cost and which create significant value-added upside through extensive repositioning and capital improvements, distressed real estate and real estate-related debt, companies, securities, and other assets, high quality properties in major metropolitan areas, participating mortgages secured by core real estate properties.

8. PROPERTY AND EQUIPMENT

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

	2011	2010
Land and improvements	\$ 105,220	\$ 99,116
Buildings	1,598,998	1,555,782
Equipment	<u>1,003,199</u>	<u>975,731</u>
	2,707,417	2,630,629
Less accumulated depreciation	<u>1,544,129</u>	<u>1,469,276</u>
	1,163,288	1,161,353
Real estate held for future development	9,366	9,428
Construction in process	<u>261,776</u>	<u>123,650</u>
Total	<u>\$ 1,434,430</u>	<u>\$ 1,294,431</u>

Operating depreciation expense for the years ended December 31, 2011 and 2010, totaled \$142,793 and \$140,896, respectively. Nonoperating depreciation or amortization expense related to real estate held for future development for the years ended December 31, 2011 and 2010, totaled \$62 and \$62, respectively.

The book value of equipment under capital lease obligations at December 31, 2011 and 2010, totaled \$58,323 and \$64,250, respectively. The related accumulated depreciation totaled \$38,888 and \$30,671, respectively, at December 31, 2011 and 2010. These amounts are included in the above summary of property and equipment.

Assets Held for Sale and Impairment Costs — SSMHC periodically performs reviews of its properties based on strategic criteria to determine the best use of its resources. Based on the results of such reviews, management decided to dispose of certain properties.

In 2005, SSMHC received Certificate of Need approval to build a new hospital near Fenton, Missouri, to replace its facility in Kirkwood, Missouri. SSMHC opened the hospital in late March 2009 and the existing facility was closed in early 2009. It was sold to an unrelated party in February of 2010 resulting in a \$7,044 gain on sale. This gain is recorded as other operating revenue.

SSMHC had no properties held for sale at December 31, 2011 and 2010.

9. INVESTMENTS IN UNCONSOLIDATED ENTITIES

SSMHC included the following income from operations from equity method investments in health care joint ventures for the years ended December 31, 2011 and 2010, as other revenue

	2011	2010
Income from operations	\$ 13,781	\$ 17,749
Losses from operations	<u>(10,826)</u>	<u>(9,298)</u>
Net income from operations	<u>\$ 2,955</u>	<u>\$ 8,451</u>

SSMHCC owns 47% of the outstanding stock of Dean Health Insurance, Inc., which operates as a health maintenance organization in the Southern Wisconsin market. This investment is being accounted for under the equity method and the carrying value of this investment exceeded SSMHC's share of underlying equity by approximately \$42,073 at December 31, 2011 and 2010. In addition, SSMHCC owns 47% of Dean Health Service Co., which is an information technology provider for Dean Health Insurance, Inc.

Dean Health Insurance, Inc. classifies its marketable securities as available for sale and includes the change in unrealized gain (loss) on available-for-sale marketable securities outside of its performance indicator. SSMHC records its share of this activity as an increase (decrease) in unrestricted net assets outside of its performance indicator.

Condensed financial information of Dean Health Insurance, Inc. and Subsidiaries and Dean Health Service Co. as of December 31, 2011 and 2010, and for the year then ended, is summarized below:

	2011	2010
Current assets	\$ 145,470	\$ 190,969
Noncurrent assets	<u>146,253</u>	<u>138,385</u>
Total assets	<u>\$ 291,723</u>	<u>\$ 329,354</u>
Current liabilities	\$ 126,575	\$ 161,999
Noncurrent liabilities	<u>13,083</u>	<u>16,470</u>
Total liabilities	139,658	178,469
Equity	<u>152,065</u>	<u>150,885</u>
Total liabilities and equity	<u>\$ 291,723</u>	<u>\$ 329,354</u>
Total revenues	\$ 1,046,477	\$ 981,342
Total expenses	<u>1,046,516</u>	<u>970,378</u>
Net income	<u>\$ (39)</u>	<u>\$ 10,964</u>

SSMHC also owns 5% of the outstanding stock of Dean Health Systems, Inc., a Wisconsin service corporation, acquired for \$8,000. This investment is being accounted for under the cost method. Dean

Health Systems, Inc. owns the remaining shares of Dean Health Insurance, Inc. and Dean Health Service Co.

10. DEBT

Debt at December 31, 2011 and 2010, consists of the following

	2011	2010
Under the Master Indenture		
Fixed rate		
Series 2010A Bonds, 4.9%, due serially through 2034 (plus unamortized premium of \$2.848 and \$3.042 at December 31, 2011 and 2010, respectively)	\$ 123,773	\$ 124,886
Series 2010B Bonds, 4.8%, due serially through 2034 (plus unamortized premium of \$1.480 and \$1.578 at December 31, 2011 and 2010, respectively)	154,450	154,548
Series 2008A Bonds, 5.0%, due serially through 2036 (less unamortized discount of \$2.711 and \$2.833 at December 31, 2011 and 2010, respectively)	101,289	101,167
Series 2002A Bonds, 3.2% to 5.0%, due serially through 2012 (plus unamortized premium of \$0 and \$110 at December 31, 2011 and 2010, respectively)	10,695	20,785
Series 1992A, 6.2%, due serially through 2015 (plus unamortized premium of \$555 and \$740 at December 31, 2011 and 2010, respectively)	<u>10,080</u>	<u>12,305</u>
Total fixed rate debt	<u>400,287</u>	<u>413,691</u>
Variable rate		
Series 2010C Variable Rate Demand Bonds, 0.08% at December 31, 2011, due serially through 2034	95,045	95,525
Series 2010D Variable Rate Demand Bonds, 0.06% at December 31, 2011, due serially through 2045	111,590	112,130
Series 2010E Variable Rate Demand Bonds, 0.04% at December 31, 2011, due serially through 2045	87,565	87,995
Series 2005A Variable Rate Demand Bonds, 0.09% at December 31, 2011, due serially through 2035	64,600	64,600
Series 2005C Variable Rate Demand Bonds, 0.07% to 0.09% at December 31, 2011, due serially through 2033	183,300	186,300
Series 2005D Variable Rate Demand Bonds, 0.09% at December 31, 2011, due serially through 2033	76,125	76,125
Series 2002B, Auction Rate Bonds, 0.46% at December 31, 2011, term bonds due between 2013 and 2020	60,000	60,000
Series 1998B, Auction Rate Bonds, 0.46% at December 31, 2011, due serially through 2019	<u>80,250</u>	<u>83,250</u>
Total variable rate debt	<u>758,475</u>	<u>765,925</u>
Other debt		
Note payable to Felician Services, Inc.	40,134	38,980
Notes payable, due at various dates through 2029, interest at 4.00% to 6.70%, unsecured	8,189	4,721
Capital lease obligations, at varying rates from 3.00% to 6.13% collateralized by leased equipment	<u>18,724</u>	<u>28,231</u>
Total other	<u>67,047</u>	<u>71,932</u>
Total long-term debt	1,225,809	1,251,548
Less current portion	<u>35,110</u>	<u>57,262</u>
Total	<u>\$ 1,190,699</u>	<u>\$ 1,194,286</u>

SSM Health Care Master Indenture — SSMHCC is a member of the SSM Health Care Credit Group (Credit Group) and the only Obligated Group Member pursuant to a Master Trust Indenture (amended and restated) dated May 15, 1998. SSMHC corporations not included in the Credit Group include a variety of entities consisting primarily of foundations, medical office building corporations, employed physician practices, and various other corporations involved in activities supporting SSM Health Care. Certain of SSMHC's affiliates are "Designated Affiliates" under the Master Trust Indenture. The net assets of the Designated Affiliates are available to SSMHCC to service all obligations under the Master Indenture. Various issuing authorities have issued tax-exempt revenue bonds under the Master Trust Indenture. The payment of Series 2002B, 1998B, 1992A and portions of the Series 2005C, which aggregate \$149,775 and \$252,315 at December 31, 2011 and 2010, respectively, is insured by municipal bond insurance policies. The remaining bonds are uninsured. All Master Indenture debt is subject to certain debt covenants, including, among other things, the maintenance of certain cash balances and other financial ratios. SSMHC was in compliance with all debt covenants as of December 31, 2011.

On May 12, 2011, SSMHC terminated the bond insurance on portions of the Series 2005C variable rate demand bonds, totaling \$97,500. In connection with this termination, these bonds were subject to mandatory tender by bondowners and were remarketed to the public. Concurrently with the mandatory tender and the termination of insurance, SSMHC entered into an amended agreement to provide liquidity support for the bonds. The mandatory tender draws on the lines of credit and subsequent repayment of the amounts drawn are reported in the accompanying consolidated statements of cash flows as proceeds from long-term debt and repayments of long-term debt. As a result of the termination of the bond insurance, SSMHC recorded a loss on the extinguishment of debt in the amount of \$887 in 2011.

In 2010, SSMHC issued \$121,845 of uninsured, fixed rate debt due serially through 2034 through the Health and Education Facility of the state of Wisconsin, \$152,970 of uninsured, fixed rate debt due serially through 2034 through the Health and Education Facility of the state of Missouri, and \$295,650 of uninsured, variable rate debt due serially through 2045 through the Health and Education Facility of the state of Missouri. Of the proceeds, \$422,070 was used for the partial refunding of the Series 2005A, 2005C, 2005D bonds and the complete refunding of the 1998A and 2005B bonds. Additional proceeds of \$24,355 were used to purchase state and local government securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on Series 2001A bonds. As a result, the Series 2001A bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet as of December 31, 2010. The remaining bond proceeds were used to finance qualified capital projects. SSMHC recorded a loss on the extinguishment of debt of \$4,819 in connection with this issue. The loss is included in nonoperating gains and (losses).

Auction Rate Bonds — The debt includes \$140,250 and \$143,250 at December 31, 2011 and 2010, respectively, of variable auction rate bonds. The interest rates on these bonds are reset at regular intervals of 35 days. The bonds are bought and sold at the lowest bid rate at which all of the outstanding bonds can be sold. This rate varies based on market conditions. If there are insufficient orders to purchase all of the bonds available for sale, the rate is set at a maximum rate required by the bond agreement. The maximum rate for SSMHC's auction rate bonds is the higher of the 175% of the after-tax equivalent rate or the Kenny Index, but no more than 12%.

Variable Rate Bonds — The debt includes \$618,225 and \$622,675 at December 31, 2011 and 2010, respectively, of variable rate demand bonds. The interest rates on these bonds are reset at daily or weekly intervals. The bonds are supported by credit facilities for the full amount of the bonds.

Note Payable to FSI — On July 1, 2007, SSMHC entered into an installment note payable to the Felician Services, Inc. (FSI). Under the terms of the agreement, FSI may elect to convert the note to pay status on or after December 31, 2014. SSMHC will begin making twenty annual payments on the note.

with the first one due one year after FSI has notified SSMHC of its election to convert the note to pay status. Under specified circumstances SSMHC can issue a resolution which enables FSI to convert the note to pay status prior to December 31, 2014, with installments to begin two years from notice. The fixed interest rate will be equal to the 20-year municipal market data index plus 0.25 on the first day the note is in pay status.

Until the note is in pay status, the principal is adjusted annually based on a specified consumer price index. The principal of the note was adjusted \$1,154 and \$576 for the years ended December 31, 2011 and 2010, respectively, from the fair value at July 1, 2007, which is reflected in interest expense.

Liquidity Agreements — The Series 2005A, 2005C, 2005D, 2010C, 2010D, and 2010E Variable Rate Demand Bonds require remarketing agents to purchase and remarket any bonds tendered before the stated maturity date. To provide liquidity support for the timely payment of any bonds that are not successfully remarketed, SSMHC has liquidity agreements with five banking corporations. If the bonds are not successfully remarketed, SSMHC is required to pay an interest rate specified in the liquidity agreement. These agreements have terms that expire in 2013 through 2015 or require accelerated principal repayment terms in the event of a failed remarketing. The 2005A, 2005C, 2005D, 2010C, 2010D, and 2010E Variable Rate Demand Bonds are classified between long-term borrowings and short-term borrowings based upon these accelerated terms. The contingent payments below reflect these accelerated terms. However, SSMHC's contractual payments do not reflect these accelerated terms. If any of these agreements are terminated and not replaced, extended, or renewed, SSMHC can be required to purchase the tendered bonds at the specified bank rate in a short period of time.

Contractual and Contingent Principal Repayments — Contractual and contingent principal repayments on long-term debt and capital lease obligations of SSMHC are as follows:

	Long-Term Debt		Capital
	Contractual	Contingent	Lease
	Payments	Payments	Obligations
2012	\$ 21,427	\$ 27,427	\$ 8,164
2013	24,296	24,296	6,512
2014	26,102	26,102	4,868
2015	30,503	30,503	-
2016	29,616	29,616	-
Thereafter	<u>1,072,969</u>	<u>1,066,969</u>	<u>-</u>
	<u>\$ 1,204,913</u>	<u>\$ 1,204,913</u>	19,544
Less amount representing interest under capital lease obligations			<u>820</u>
			<u>\$ 18,724</u>

Revolving Line of Credit — At December 31, 2011 and 2010, SSMHC has a line of credit agreement with a bank that permits SSMHC to borrow up to \$50,000. This line is at varying rates of interest through July 15, 2012. There were no outstanding balances under this agreement at December 31, 2011 and 2010. In March 2012, SSMHC entered into line of credit agreements with various banks that permit SSMHC to borrow up to \$200,000.

Fair Value of Long-Term Debt — The fair value of long-term debt is estimated based upon current rates offered to health care systems for similar issues and approximated \$1.245.445 and \$1.237.206 at December 31, 2011 and 2010, respectively

Interest Rate Swaps — In 2005, SSMHC entered into interest rate swap contracts under which SSMHC pays a fixed rate of interest ranging from 3.357% to 3.509% and receives a payment of 65% of LIBOR plus 12 basis points from swap counterparties on notional amounts totaling \$625.300 beginning July 21, 2005

None of the aforementioned swaps have been designated as hedges of outstanding debt obligations for accounting purposes

The counterparty to SSMHC requires posting of collateral if the market value falls below the established spread in the swap contract. Collateral was posted in the amount of \$27.620 as of December 31, 2011

The following table shows the outstanding notional amount of derivative instruments measured at fair value as reported in other liabilities in the consolidated balance sheets as of December 31, 2011 and 2010

December 31, 2011	Recorded on Balance Sheet	Maturity Date of Derivatives	Fixed Rate	Notional Amount Outstanding	Fair Value
Derivatives not designated as hedges — interest rate swaps	Other liabilities	2033–2035	3.357%–3.509%	<u>\$ 617,800</u>	<u>\$ (135,458)</u>
Total				<u>\$ 617,800</u>	<u>\$ (135,458)</u>
December 31, 2010					
Derivatives not designated as hedges — interest rate swaps	Other liabilities	2033–2035	3.357%–3.509%	<u>\$ 625,300</u>	<u>\$ (65,592)</u>
Total				<u>\$ 625,300</u>	<u>\$ (65,592)</u>

Fair value is based on significant other observable inputs (level 2) at December 31, 2011 and 2010. The gain (loss) related to derivative instruments have been recorded for the years ended December 31, 2011 and 2010, as follows:

Recorded as		Gain (Loss) December 31,	
		2011	2010
Settled amounts	Operating interest expense	\$ (20,009)	\$ (21,261)
Unrealized gains/losses	Change in market value of interest rate swap	<u>(69,866)</u>	<u>(21,523)</u>
Total		<u>\$ (89,875)</u>	<u>\$ (42,784)</u>

Cash Paid for Interest — Cash paid for interest totaled \$36,867 and \$40,563 for the years ended December 31, 2011 and 2010, respectively. SSMHC capitalized interest cost in the amounts of \$8,807 and \$4,367 in the years ended December 31, 2011 and 2010, respectively.

11. PENSION

SSMHC administers several qualified and non-qualified pension plans for its employees. The following table summarizes the benefit obligations, the fair value of plan assets and the funded status at December 31, 2011 and 2010:

	2011	2010
Change in projected benefit obligation		
Projected benefit obligation — beginning of period	\$ 1,577,775	\$ 1,350,081
Service cost, benefits earned during the period	61,732	54,133
Interest costs on projected benefit obligation	88,138	82,861
Actuarial loss	55,058	122,539
Benefits paid	<u>(36,576)</u>	<u>(31,839)</u>
Projected benefit obligation — end of period	<u>1,746,127</u>	<u>1,577,775</u>
Change in plan assets		
Fair value of plan assets — beginning of period	853,252	736,425
Actual return on plan assets	(19,638)	100,104
Employer contributions	55,242	48,562
Benefits paid	<u>(36,576)</u>	<u>(31,839)</u>
Fair value of plan assets — end of period	<u>852,280</u>	<u>853,252</u>
Net amount recognized at end of period and funded status	<u>\$ (893,847)</u>	<u>\$ (724,523)</u>
Accumulated benefit obligation — end of period	<u>\$ 1,549,417</u>	<u>\$ 1,377,534</u>

The following is a summary of the amounts recognized in the consolidated balance sheets for the years ended December 31, 2011 and 2010

	2011	2010
Amounts recognized in the consolidated balance sheets consist of		
Accounts payable and accrued expenses	\$ (1,806)	\$ (1,286)
Other liabilities	<u>(892,042)</u>	<u>(723,237)</u>
Net amount recognized	<u><u>\$ (893,848)</u></u>	<u><u>\$ (724,523)</u></u>
Amounts recognized in unrestricted net assets consist of		
Net actuarial loss	\$ 634,384	\$ 511,974
Prior service cost	<u>1,596</u>	<u>2,383</u>
	<u><u>\$ 635,980</u></u>	<u><u>\$ 514,357</u></u>

The net loss and prior service cost for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit costs over the next fiscal year are \$39,112 and \$787, respectively

The following is a summary of the components of net periodic pension cost for the years ended December 31, 2011 and 2010

	2011	2010
Service cost, benefits earned during the period	\$ 61,732	\$ 54,133
Interest costs on projected benefit obligation	88,138	82,861
Expected return on plan assets	(76,853)	(72,667)
Amortization of unrecognized		
Prior service costs	787	787
Net loss	<u>29,140</u>	<u>16,729</u>
Net periodic pension cost	<u><u>\$ 102,944</u></u>	<u><u>\$ 81,843</u></u>

The following are the actuarial assumptions used by the pension plans to develop the components of pension expense for the years ended December 31, 2011 and 2010

	2011	2010
Discount rates	5.50 %	6.00 %
Rates of salary increase	4.25	4.25
Return on plan assets	8.25	8.25

The following are the actuarial assumptions used by the pension plans to develop the components of the pension projected benefit obligation as of December 31, 2011 and 2010

	2011	2010
Discount rates	5.20 %	5.50 %
Rates of salary increase	4.00	4.25

SSMHC expects to contribute \$70,184 to its pension plans in 2012

Estimated Future Benefit Payments — The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid

	Pension Benefits
2012	\$ 44,158
2013	51,525
2014	59,234
2015	67,550
2016	76,106
Years 2017–2021	521,283

The actual plan asset allocations and the allocation goals comprise the following investment classifications at December 31, 2011 and 2010

	2011	2010	Allocation Goals
Cash, cash equivalents, and short-term investments	3 %	2 %	2 %
Domestic equities	26	38	26
International equities	21	24	21
Fixed income	20	17	21
Real estate investments	15	10	15
Multi-strategy hedge funds	15	9	15
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

SSMHC's investment objective with respect to pension plans is to produce sufficient current income and capital growth through a portfolio of equity, real estate, hedge fund, and fixed income investments, which together with appropriate employer contributions is sufficient to provide for the pension benefit obligations. The assumed return on plan assets is intended to be a long-term rate expected on funds invested or to be invested in accordance with SSMHC's asset allocation policy to provide for benefits reflected in the plans' projected benefit obligation. In developing the assumptions, SSMHC evaluates input from its actuary and pension fund investment advisors. Pension assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, geographical location, and maturity. Pension assets are rebalanced each quarter to the plan's asset allocation guidelines. SSMHC anticipates that its investment managers will continue to generate long-term returns equal to or in excess of its assumed rates.

Plan assets, at fair value, comprise the following asset classifications which include securities on loan

	2011	2010
Cash and cash equivalents	\$ 47,312	\$ 38,525
Corporate obligations	52,114	36,785
Government securities	82,513	36,655
Mutual funds		
Domestic	68,507	141,492
International	115,540	37,051
Emerging markets	33,439	-
Hedge funds	126,435	46,197
Equities		
Small cap	22,305	39,894
Mid cap	66,472	79,307
Large cap	141,004	275,123
Real estate	-	8,357
Partnership interests	16,700	-
Real estate investments	89,403	74,356
Securities lending		
Equities	86,865	70,030
Government securities	12,245	12,857
Corporate obligations	3,985	1,228
Unsettled investment transactions	<u>(9,465)</u>	<u>39,510</u>
Total	<u>\$ 955,374</u>	<u>\$ 937,367</u>

Following is a summary of plan assets by the level of significant input

2011	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents — restricted	\$ 47,312	\$ -	\$ -	\$ 47,312
Corporate obligations	-	52,114	-	52,114
Government securities	-	82,513	-	82,513
Mutual funds				
Domestic	68,507	-	-	68,507
International	70,842	44,698	-	115,540
Emerging markets	33,439	-	-	33,439
Hedge funds	-	-	126,435	126,435
Equities				
Small cap	22,305	-	-	22,305
Mid cap	66,472	-	-	66,472
Large cap	141,004	-	-	141,004
Partnership interests	16,700	-	-	16,700
Real estate investments	-	-	89,403	89,403
Securities lending				
Equity securities	86,865	-	-	86,865
Government securities	-	12,245	-	12,245
Corporate obligations	<u>-</u>	<u>3,985</u>	<u>-</u>	<u>3,985</u>
Total assets	<u>\$ 553,446</u>	<u>\$ 195,555</u>	<u>\$ 215,838</u>	<u>\$ 964,839</u>

During 2011, additional information became available regarding certain international mutual fund investments and management determined that mutual funds previously classified as Level 3 should be classified as Level 2. As of January 1, 2011, SSMHC transferred \$37,051 from Level 3 to Level 2.

2010	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents — restricted	\$ 38,525	\$ -	\$ -	\$ 38,525
Corporate obligations	-	36,785	-	36,785
Government securities	-	36,655	-	36,655
Mutual funds				
Domestic	141,492	-	-	141,492
International	-	-	37,051	37,051
Hedge funds	-	886	45,311	46,197
Equities				
Small cap	39,894	-	-	39,894
Mid cap	79,307	-	-	79,307
Large cap	275,123	-	-	275,123
Real estate	8,357	-	-	8,357
Real estate investments	6,185	-	68,171	74,356
Securities lending				
Equity securities	70,030	-	-	70,030
Government securities	-	12,857	-	12,857
Corporate obligations	-	1,228	-	1,228
Total assets	<u>\$ 658,913</u>	<u>\$ 88,411</u>	<u>\$ 150,533</u>	<u>\$ 897,857</u>

During 2010, additional information became available regarding certain mutual fund investments and management determined that mutual funds previously classified as Level 2 should be classified as Level 1. As of January 1, 2010, SSMHC transferred \$65,878 from Level 2 to Level 1.

Changes related to the fair values based on Level 3 inputs, are summarized as follows:

	2011	2010
Beginning balance	\$ 150,533	\$ 162,251
Total gains (losses) realized/unrealized	(1,971)	17,591
Transfers	(37,051)	-
Purchases	115,610	29,399
Sales	<u>(11,283)</u>	<u>(58,708)</u>
Ending balance	<u>\$ 215,838</u>	<u>\$ 150,533</u>

Transfers out of Level 3 represent existing assets that were previously categorized as Level 3 for which the lowest significant input became observable during the period. Unrealized (losses) gains on Level 3 investments were \$(3,090) and \$17,243 for 2011 and 2010, respectively.

The hedge funds and real estate investments are redeemable at NAV under the original terms of the agreements. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of SSMHC's

interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if SSMHC were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. As such, SSMHC has classified these as level 3 investments. In addition, the unfunded commitments to these funds are \$7,422 and \$0 at December 31, 2011 and 2010, respectively. Assets recorded at NAV at December 31, 2011, are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Hedge funds (a)	\$ 126,435	\$ -	quarterly	30–100 days
Real estate investments (b)	<u>89,403</u>	<u>7,422</u>		
Total	<u>\$ 215,838</u>	<u>\$ 7,422</u>		

- (a) This category includes investments in hedge funds that maintain positions both long and short in equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques, and the managers can maintain net long or net short exposure levels based on market views. The strategy designs a diversified portfolio of managers and strategies with the objective of significantly lowering the risk and volatility of investing with an individual manager.
- (b) This category includes investments in real estate funds that invest in the following underperforming and distressed real estate assets at well below potential replacement cost and which create significant value-added upside through extensive repositioning and capital improvements, distressed real estate and real estate-related debt, companies, securities, and other assets, high quality properties in major metropolitan areas, participating mortgages secured by core real estate properties.

Defined Contribution Plans — SSMHC also sponsors defined contribution plans covering employees who participate in the voluntary tax deferred annuity program and who meet age and service requirements. SSMHC's contributions to these plans are based on a percentage of employee compensation or employee contributions. Defined contribution pension expense for these plans was \$9,732 and \$8,867 for 2011 and 2010, respectively.

12. SELF-INSURANCE

Professional Liability Insurance — A majority of the members of SSMHC participate in the SSMHC Liability Trust I or SSMHC Liability Trust II (Trusts). Both Trusts are revocable grantor trusts. These Trusts, which cover primary limits of professional and general liability, require annual contributions by participating entities at actuarially determined amounts. All professional and general liability claims and workers' compensation claims are paid from the Trusts subject to certain liability limitations.

SSMHC's underlying self-insured retention for professional liability claims is as follows

	January 1, 2010 to December 31, 2011
Per occurrence limits — Missouri, Oklahoma, and Illinois	\$ 5,000
Annual aggregate	None

SSMHC's hospitals and physicians located in Wisconsin are qualified healthcare providers as defined by Wisconsin state statutes regarding professional liability coverage and participate in the State of Wisconsin Injured Patients and Families Compensation Fund (PCF). As defined by Wisconsin state statute, these hospitals and physicians have separate professional liability limits of \$1,000,000 per claim and \$3,000,000 annual aggregate applied to each qualified provider. Losses in excess of these amounts are fully covered through mandatory participation in the PCF. SSMHC is commercially insured up to these limits for these hospitals and physicians.

SSMHC's underlying self-insured retention for general liability claims is as follows

	January 1, 2010 to December 31, 2011
Per occurrence limits	
Missouri, Oklahoma, and Wisconsin	\$3,000
Illinois	3,000
Annual aggregate	None

SSMHC maintains reinsurance through a wholly owned captive for professional and general liability claims exceeding the underlying self-insured retention. As of December 31, 2011, the reinsurance provides coverage up to the limits in the following table. The sublimits that apply are part of and not in addition to the overall policy aggregate limits.

	All Locations
Each loss event	\$ 135,000
Annual aggregate, per location	135,000
Annual aggregate all locations	160,000

The estimated professional and general liability obligation is recorded in the consolidated financial statements at the present value of future cash payments for both asserted and unasserted claims, using discount rates of 4.0% and 1.35% at December 31, 2011 and 2010, respectively. The liability for self-insured reserves represents estimates of the ultimate net cost of all losses and related expenses, which are incurred but not paid at the balance sheet date based on an actuarial valuation. This estimated obligation is \$85,053 and \$91,672 at December 31, 2011 and 2010, respectively, of which \$19,730 and \$20,185 is recorded as a current liability at December 31, 2011 and 2010, respectively.

The accumulated assets of the Trusts are not available to participating members except to pay covered professional liability claims or to reduce future contributions when warranted by claims experience. In the event the Trusts are ever depleted, the participating members would be required to fund deficiencies based on future actuarial determinations.

Workers' Compensation — A majority of the members of SSMHC participate in SSMHC's centralized self-insured workers' compensation program. Claims in excess of certain liability limitations are covered by commercial insurance. The estimated workers' compensation liability obligation is actuarially determined and recorded in the consolidated financial statements at the present value of future cash payments for both asserted and unasserted claims, using a discount rate of 1.00%, at December 31, 2011 and 2010.

Employee Health Insurance — A majority of the members of SSMHC participate in the SSM Employee Health Care Fund (Fund). Each participating member funds an actuarially determined amount with the Fund's trustee for payment of covered benefits and related expenses, which are subject to certain limitations.

Claims paid by the Fund are included in salaries and benefits expense. The accumulated assets of the Fund are not available to the participating members except to pay covered benefits. In the event the Fund is ever depleted, the participating entities would be assessed to cover the deficiencies.

13. ASSET RETIREMENT OBLIGATIONS

SSMHC has recorded conditional asset retirement obligations and capitalized retirement costs related to the estimated cost of removing asbestos from its facilities. Federal and state regulations require the removal of asbestos when a building is demolished or, at a minimum, encapsulation of the asbestos when it would be exposed during renovation. The obligation is included in other liabilities, and the capitalized costs are included in property and equipment. The following summarizes the asset retirement obligations at December 31, 2011 and 2010.

	2011	2010
Balance — beginning of the period	\$ 10,319	\$ 11,530
Retirements	(527)	(1,561)
Additions	-	70
Accretion expense	<u>360</u>	<u>280</u>
Balance — end of the period	<u>\$ 10,152</u>	<u>\$ 10,319</u>

14. ENDOWMENTS

Endowments consist of approximately 50 individual funds established for a variety of purposes. They include both donor-restricted endowment funds and funds designated by the boards of trustees or governors of its 15 foundations to function as endowments (board-designated endowment funds). Net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions and the nature of the restrictions, if any.

Endowment Net Asset Composition by Type of Fund as of December 31, 2011	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 5,608	\$ 17,550	\$ 23,158
Board-designated endowment funds	<u>14,820</u>	<u>-</u>	<u>-</u>	<u>14,820</u>
Total funds	<u>\$ 14,820</u>	<u>\$ 5,608</u>	<u>\$ 17,550</u>	<u>\$ 37,978</u>

**Endowment Net Asset
Composition by Type of Fund
as of December 31, 2010**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 4,144	\$ 16,628	\$ 20,772
Board-designated endowment funds	<u>14,135</u>	<u>-</u>	<u>-</u>	<u>14,135</u>
Total funds	<u>\$ 14,135</u>	<u>\$ 4,144</u>	<u>\$ 16,628</u>	<u>\$ 34,907</u>

**Changes in Endowment Net
Assets for the Fiscal
Year Ended December 31, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	<u>\$ 14,135</u>	<u>\$ 4,144</u>	<u>\$ 16,628</u>	<u>\$ 34,907</u>
Investment return				
Investment income	561	355	100	1,016
Net depreciation (realized and unrealized)	<u>(132)</u>	<u>(68)</u>	<u>-</u>	<u>(200)</u>
Total investment return	429	287	100	816
Contributions	10	1,000	1,383	2,393
Appropriation of endowment assets for expenditure	(304)	(225)	-	(529)
Other changes - transfers in (out)	<u>550</u>	<u>402</u>	<u>(561)</u>	<u>391</u>
Endowment net assets — end of year	<u>\$ 14,820</u>	<u>\$ 5,608</u>	<u>\$ 17,550</u>	<u>\$ 37,978</u>

Transfers in (out) include a reclassification of a board-designated endowment fund previously classified as permanently restricted and reclassification of earnings on permanently restricted endowments

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2010	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets — beginning of year	<u>\$ 12,839</u>	<u>\$ 45</u>	<u>\$ 15,235</u>	<u>\$ 28,119</u>
Investment return				
Investment income	172	162	141	475
Net appreciation (realized and unrealized)	<u>1,286</u>	<u>86</u>	<u>581</u>	<u>1,953</u>
Total investment return	1,458	248	722	2,428
Contributions	49	4,014	671	4,734
Appropriation of endowment assets for expenditure	<u>(211)</u>	<u>(163)</u>	<u>-</u>	<u>(374)</u>
Endowment net assets — end of year	<u>\$ 14,135</u>	<u>\$ 4,144</u>	<u>\$ 16,628</u>	<u>\$ 34,907</u>

Funds with Deficiencies — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or current law requires SSMHC to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of December 31, 2011 and 2010.

Return Objectives and Risk Parameters — SSMHC has investment and spending practices for endowment assets that intend to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that SSMHC must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The policy allows the endowment assets to be invested in a manner that is intended to produce results that exceed the price and yield results of the allocation index while assuming a moderate level of investment risk. SSMHC expects its endowment funds to provide a rate of return that preserves the gift and generates earnings to achieve the endowment purpose.

Strategies Employed for Achieving Objectives — To satisfy its long-term rate-of-return objectives, SSMHC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and interest and dividend income. SSMHC uses a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints to preserve capital.

Spending Policy and How the Investment Objectives Relate to Spending Policy — SSMHC has a practice of distributing the major portion of current year earnings on the endowment funds, if the restrictions have been met. Some of the donor-restricted endowments require a portion of the earnings to increase the corpus of the endowment. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

15. NET ASSETS

SSMHC reports the noncontrolling interest in the net assets of consolidated subsidiaries as a separate component of the appropriate class of net assets. The reconciliation of noncontrolling interest reported in unrestricted net assets is as follows:

	Total	SSMHC Unrestricted Net Assets	Noncontrolling Interest
Unrestricted net assets — January 1, 2010	<u>\$1,257,886</u>	<u>\$1,247,761</u>	<u>\$10,125</u>
Excess of revenues over expenses	247,875	242,807	5,068
Distributions to noncontrolling owners	(3,576)	-	(3,576)
Other — net	<u>(75,317)</u>	<u>(75,317)</u>	<u>-</u>
Change in unrestricted net assets	<u>168,982</u>	<u>167,490</u>	<u>1,492</u>
Unrestricted net assets — December 31, 2010	<u>1,426,868</u>	<u>1,415,251</u>	<u>11,617</u>
Excess of revenues over expenses	(39,387)	(43,496)	4,109
Distributions to noncontrolling owners	(3,530)	-	(3,530)
Other — net	<u>(111,737)</u>	<u>(111,737)</u>	<u>-</u>
Change in unrestricted net assets	<u>(154,654)</u>	<u>(155,233)</u>	<u>579</u>
Unrestricted net assets — December 31, 2011	<u>\$1,272,214</u>	<u>\$1,260,018</u>	<u>\$12,196</u>

16. FUNCTIONAL EXPENSES

SSMHC provides general health care services to residents within its geographic locations. Expenses related to providing these services are as follows:

	2011	2010
Health care services	\$2,798,151	\$2,578,130
General and administrative	289,670	291,848
Fundraising	<u>4,353</u>	<u>3,791</u>
Total expenses	<u>\$3,092,174</u>	<u>\$2,873,769</u>

17. COMMITMENTS AND CONTINGENT LIABILITIES

Leases for property and equipment that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to operating expense on a straight-line basis over the term of the lease.

The following is a schedule of future minimum lease payments under operating leases as of December 31, 2011, that have initial or remaining lease terms in excess of one year

2012	\$ 33,412
2013	27,886
2014	24,466
2015	20,544
2016	14,649
Thereafter	<u>23,159</u>
Total minimum lease payments	<u>\$ 144,116</u>

Total rental expense was approximately \$48,165 and \$45,197 in 2011 and 2010, respectively

SSMHC has outstanding letters of credit of \$12,605 and \$2,105 at December 31, 2011 and 2010, respectively. There were no outstanding draws on these letters of credit

At December 31, 2011, SSMHC has entered into construction projects for new facilities and capital improvements to existing facilities. The commitments for these projects totaled approximately \$289,549. As of December 31, 2011, SSMHC has unmet commitments of approximately \$110,097, which will be financed with board-designated assets, project funds or cash generated from operations. SSMHCC has guaranteed that certain lease payments will be made by some of its equity investments. The amount of future lease payments guaranteed by SSMHCC totaled \$438 and \$458 at December 31, 2011 and 2010, respectively. In addition, SSMHC has entered into certain other income guarantees with outside entities to be paid out from 2012 through 2016 which totaled \$21,544 at December 31, 2011.

SSMHC is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, it is management's opinion that these matters will be resolved without a material adverse effect on SSMHC's consolidated financial position or consolidated results of operations.

During a periodic cost report audit performed by the Medicare intermediary in Oklahoma, the intermediary identified potential issues with the calculation of the disproportionate share hospital (DSH) payments paid to SSMHC's Oklahoma facility. The payments are paid by Medicare for hospitals that treat a disproportionate share of Medicaid and disabled social security patients. The specific issue under review is whether the care furnished for children and adolescents in an adolescent psychiatric program at SSMHC's Oklahoma facility is similar in acuity to services that are usually paid for under Medicare's inpatient hospital prospective payment system. At the end of the year, no determination (reduction of previously claimed Medicaid days, or agreement with previous days claimed) had been made by the Medicare contractor or the Centers for Medicare and Medicaid Services. If an adverse ruling is rendered and a request for partial or full refund of previous DSH payments attributable to the adolescent psychiatric program is made for 2006 and previous Medicare cost report years that are subject to reopening, a reduction in revenue would occur. The amount of an adverse ruling is indeterminable, however, the estimated DSH payments received attributable to the adolescent psychiatric program for the period (2004-2011) is approximately \$56,378.

18. SUBSEQUENT EVENTS

Subsequent to December 31, 2011, SSMHC Management approved to amend its defined benefit pension plan with changes that will become effective on April 1, 2012. If the approved changes were adopted as

of the measurement date of December 31, 2011, the projected benefit obligation would have been reduced by \$213,745

On April 3, 2012, SSMHC entered into an agreement with Community Health Partners, d/b/a Unity Health Center, to purchase all of their assets used in healthcare operations as of June 30, 2012. The acquisition will allow SSMHC to expand its current operations in Oklahoma.

For the year ended December 31, 2011, SSMHC has evaluated subsequent events for potential recognition and disclosure through April 17, 2012, the date of financial statement issuance.

* * * * *

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
SSM Health Care

We have audited the consolidated financial statements of SSM Health Care Corporation and subsidiaries (the "Organization"), as of and for the year ended December 31, 2011, and have issued our report thereon dated April 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Organization is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management of SSM Health Care, federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

April 17, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
SSM Health Care

Compliance

We have audited SSM Health Care (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2011. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

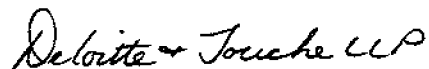
Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management of SSM Health Care, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Deloitte Touche LLP". The signature is written in a cursive, flowing style.

August 22, 2012

SSM HEALTH CARE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	Pass-Through Identifying Number	Program Title	Federal CFDA Number	Federal Expenditures
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES Department of Health & Human Services Aging Cluster	Northwest Missouri Area Agency on Aging	—	Special Programs for the Aging — Title III, Part B — Grants for Supportive Services and Senior Centers	93 044	\$ <u>14,558</u>
Department of Health & Human Services	Wisconsin Division of Public Health	N A	Public Health Emergency Preparedness — H1N1 Hotline	93 069	<u>425</u>
Department of Health & Human Services	—	—	Poison Control Stabilization and Enhancement Grant	93 253	<u>461,066</u>
Department of Health & Human Services	Illinois Department of Public Health	16180032	Centers for Disease Control and Prevention — Investigations and Technical Assistance — Little Egypt BCCP Grant	93 283	
Department of Health & Human Services	Illinois Department of Public Health	2618032	Centers for Disease Control and Prevention — Investigations and Technical Assistance — Little Egypt BCCP Grant	93 283	199,660
					<u>204,910</u>
					<u>404,570</u>
Department of Health & Human Services	Missouri Department of Health and Senior Services	C309087011	Small Rural Hospital Improvement Program	93 301	<u>8,494</u>
Department of Health & Human Services	—	—	Health Care and Other Facilities — Renovation or Construction Project Grants	93 887	<u>1,172,796</u>
Department of Health & Human Services	St. Louis County, Missouri	CPPW -24	ARRA - Category B Communities Putting Prevention to Work	93 724	<u>20,667</u>

(Continued)

SSM HEALTH CARE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	Pass-Through Identifying Number	Program Title	Federal CFDA Number	Federal Expenditures
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Department of Health & Human Services	Missouri Hospital Association	—	National Bioterrorism Hospital Preparedness Program	93 889	\$ 42.682
Department of Health & Human Services	Illinois Department of Public Health	17281037	National Bioterrorism Hospital Preparedness Program	93 889	12.953
Department of Health & Human Services	Illinois Department of Public Health	17281133	National Bioterrorism Hospital Preparedness Program	93 889	19.499
Department of Health & Human Services	Wisconsin Division for Public Health	—	National Bioterrorism Hospital Preparedness Program	93 889	37.381
Department of Health & Human Services	Oklahoma Department of Health	3409015229	National Bioterrorism Hospital Preparedness Program	93 889	32.893
Department of Health & Human Services	Missouri Department of Health and Senior Services	N A	National Bioterrorism Hospital Preparedness Program	93 889	780
					<u>146.188</u>
Department of Health & Human Services	Missouri Department of Health and Senior Services	ERS16111071	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs — NBCCEDP	93 919	43.133
Department of Health & Human Services	Missouri Department of Health and Senior Services	ERS16111072	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs — NBCCEDP	93 919	4.808
Department of Health & Human Services	Missouri Department of Health and Senior Services	ERS16111073	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs — NBCCEDP	93 919	10.000
Department of Health & Human Services	Missouri Department of Health and Senior Services	ERS16112077	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs — NBCCEDP	93 919	5.292
					<u>63.233</u>
Department of Health & Human Services	Illinois Department of Public Health	13789010	Maternal and Child Health Services Block Grant	93 994	234.480
Department of Health & Human Services	Illinois Department of Public Health	23789001	Maternal and Child Health Services Block Grant	93 994	142.532
Department of Health & Human Services	Missouri Department of Health and Senior Services	C310149004	Maternal and Child Health Services Block Grant	93 994	10.000
					<u>387.012</u>
Total United States Department of Health and Human Services					<u>2,675.665</u>

(Continued)

SSM HEALTH CARE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2011

Federal Grantor/ Federal Financial Assistance Program/Program Cluster Title	Pass Through Grantor	Pass-Through Identifying Number	Program Title	Federal CFDA Number	Federal Expenditures
UNITED STATES DEPARTMENT OF TRANSPORTATION					
Department of Transportation	Illinois Department of Transportation	OP2-3985-019	Child Safety and Child Booster Seats Incentive Grants	20 613	\$ 29,330
Department of Transportation	Illinois Department of Transportation	OP2-3985-043	Child Safety and Child Booster Seats Incentive Grants	20 613	<u>2,441</u>
Total United States Department of Transportation					<u>31,771</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY					
Federal Emergency Management Agency	Missouri Emergency Management Agency	051-U2O5L-00	Public Assistance Grant	97 036	<u>6,931</u>
UNITED STATES DEPARTMENT OF ENERGY					
Department of Energy	Missouri Department of Natural Resources	G10-SEP-01-830230343	ARRA — State Energy Program	81 041	<u>318,887</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$3,036,598</u>
See notes to Schedule of Expenditures of Federal Awards					(Concluded)

SSM HEALTH CARE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2011

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of SSM Health Care under programs funded by the federal government for the year ended December 31, 2011. SSM Health Care's reporting entity is defined in Note 1 to SSM Health Care's consolidated financial statements. For the purposes of the Schedule, federal awards include grants, contracts, and agreements entered into directly between SSM Health Care or passed through other agencies or organizations.

2. SIGNIFICANT ACCOUNTING POLICIES AND RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting. Related federal financial reports are filed on the accrual basis of accounting.

3. NON-CASH AWARDS

The accompanying schedule includes \$42,682 in expenditures of non-cash awards.

* * * * *

SSM HEALTH CARE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

PART I — SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued — unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ none reported

Type of auditors' report issued on compliance for major programs — unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ☐ Yes ☒ no

Identification of major programs:

CFDA Numbers Name of Federal Program or Cluster

81 041	ARRA - Energize Missouri Industries
93 887	Health Care and Other Facilities — Renovation or Construction Project Grants
93 994	Maternal and Child Health Services Block Grant

Dollar threshold used to distinguish between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ no

PART II — FINANCIAL STATEMENT FINDINGS

None

PART III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

SSM HEALTH CARE

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2011

None