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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
BRONSON METHODIST HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
601 JOHN STREET

City or town, state or country, and ZIP + 4
KALAMAZOO, MI 49007

D Employer identification number
38-1359087

E Telephone number
(269) 341-6000

G Gross receipts $ 560,734,201

F Name and address of principal officer
FRANK SARDONE
301 JOHN STREET
KALAMAZOO,MI 49007

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW BRONSONHEALTH COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1920 | **M** State of legal domicile MI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
PROVIDE EXCELLENT HEALTHCARE SERVICES

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**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,970
6	Total number of volunteers (estimate if necessary)	**6**	542
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	9,784,185
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	2,694,714

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	21,600	155,303
	9 Program service revenue (Part VIII, line 2g)	523,230,224	540,180,351
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	7,332,176	6,602,048
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	12,957,556	11,640,886
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	543,541,556	558,578,588
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	10,500,000
	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)	262,621,860	277,099,046
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	234,850,186	250,133,589
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	497,472,046	537,732,635
	19 Revenue less expenses Subtract line 18 from line 12	46,069,510	20,845,953

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	692,930,720	734,395,619
	21 Total liabilities (Part X, line 26)	345,226,759	369,765,291
	22 Net assets or fund balances Subtract line 21 from line 20	347,703,961	364,630,328

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

****** | 2012-11-08
Signature of officer | Date

MARY MEITZ SR VP OF FINANCE/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶☐	Preparer's taxpayer identification number (see instructions)
			P00053811

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PLANTE & MORAN PLLC
2601 CAMBRIDGE CT SUITE 500
AUBURN HILLS, MI 48326

EIN ▶ 38-1357951

Phone no ▶ (248) 375-7100

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

PROVIDE EXCELLENT HEALTHCARE SERVICES

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 $ 364,893,908 including grants of $) (Revenue $ 453,453,867)

BRONSON METHODIST HOSPITAL (BMH) IS THE FLAGSHIP OF BRONSON HEALTHCARE GROUP, A NOT-FOR-PROFIT HEALTHCARE SYSTEM SERVING ALL OF SOUTHWEST MICHIGAN BMH PROVIDES CARE IN VIRTUALLY EVERY SPECIALTY WITH ADVANCED CAPABILITIES IN BURN TREATMENT AND CRITICAL CARE AS A LEVEL I TRAUMA CENTER, IN NEUROLOGICAL CARE AS A JOINT COMMISSION CERTIFIED PRIMARY STROKE CENTER, IN CARDIAC CARE AS THE REGION'S FIRST ACCREDITED CHEST PAIN EMERGENCY CENTER, IN OBSTETRICS AS THE LEADING BIRTHPLACE AND ONLY HIGH-RISK PREGNANCY CENTER IN SOUTHWEST MICHIGAN, AND IN PEDIATRICS AS ONE OF ONLY SIX CHILDREN'S HOSPITALS IN THE STATE AND THE ONLY INPATIENT PEDIATRIC CARE PROVIDER IN THE AREA THE BMH EMERGENCY DEPARTMENT, WHICH IS OPEN 24 HOURS PER DAY, HANDLES OVER 85,000 VISITS PER YEAR BMH TREATS ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY BMH WAS THE RECIPIENT OF THE 2005 MALCOLM BALDRIGE NATIONAL QUALITY AWARD, THE NATION'S HIGHEST PRESIDENTIAL HONOR FOR QUALITY AND ORGANIZATIONAL PERFORMANCE EXCELLENCE IN 2009, THE HOSPITAL RECEIVED THE AHA MCKESSON QUEST FOR QUALITY PRIZE AWARDED ANNUALLY TO ONLY ONE U S HOSPITAL, AND JOINED THE TOP FIVE PERCENT OF HOSPITALS IN THE NATION TO BE DESIGNATED A MAGNET HOSPITAL FOR NURSING EXCELLENCE BMH PROVIDES A DISPROPORTIONATE AMOUNT OF CARE TO THE SEGMENT OF THE POPULATION USING MEDICAID BMH IS THE LARGEST MEDICAID PROVIDER OF ANY LARGE HOSPITAL IN MICHIGAN OUTSIDE OF THE DETROIT AREA (ON A PERCENTAGE BASIS) IN 2011, APPROXIMATELY 21% OF BMH'S PATIENTS WERE MEDICAID RECIPIENTS WE HAVE THREE MEDICAID ENROLLERS ON SITE TO HELP THOSE WITHOUT INSURANCE ENROLL IN MEDICAID, OR REFER THEM TO COMMUNITY RESOURCES EXPENDITURES RELATED TO THE OPERATION OF THE HOSPITAL IN 2011 IN FURTHERANCE OF ITS MISSION, BMH PROVIDED $24,752,932 IN CHARITY CARE EXPENSE

4b (Code) (Expenses $ 91,345,797 including grants of $) (Revenue $ 82,535,000)

IN 2011, BMH'S MEDICAID COST WAS $91,345,797 AND MEDICAID NET REVENUE WAS $82,535,000

4c (Code) (Expenses $ 22,540,246 including grants of $) (Revenue $)

IN 2011, IN FURTHERANCE OF ITS MISSION, BMH INCURRED $22,540,246 IN BAD DEBT TO PROVIDE CARE TO ITS PATIENTS

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 478,779,951

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	175		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	3,970			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		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**				
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	1a	21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

MARY MEITZ
301 JOHN STREET
KALAMAZOO, MI 49007
(269) 341-6000

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total** ▶										
c **Total from continuation sheets to Part VII, Section A** ▶										
d **Total (add lines 1b and 1c)** ▶								6,245,336	4,222,954	405,421

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 ▶ 160

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
HEALTHCARE MIDWEST 4341 S WESTNEDGE AVE STE 2205 KALAMAZOO, MI 49008	MEDICAL SERVICES	13,143,164
KALAMAZOO ANESTHESIOLOGY 900 PEELER STREET KALAMAZOO, MI 49003	MEDICAL SERVICES	2,256,348
IME PHYSICIANS 40240 BLUE STAR HWY COVERT, MI 49043	MEDICAL SERVICES	1,229,137
CCS PA LLC 31330 SCHOOLCRAFT ROAD LIVONIA, MI 48150	MEDICAL SERVICES	1,173,194
WEATHERBY LOCUMS INC PO BOX 972633 DALLAS, TX 75397	MEDICAL SERVICES	637,333

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 ▶ 16

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	68,991			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	86,312			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		155,303			
Program Service Revenue			Business Code				
	2a	NET PATIENT REVENUE	621500	530,398,928	530,398,928		
	b	PHARMACY REVENUE	446110	5,360,066		5,360,066	
	c	LABORATORY REVENUE	541380	4,421,357		4,421,357	
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		540,180,351			
	3	Investment income (including dividends, interest and other similar amounts)		6,602,048			6,602,048
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	2,787,364				
	b	Less rental expenses	2,155,613				
	c	Rental income or (loss)	631,751				
	d	Net rental income or (loss)			631,751		631,751
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
	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					
Other Revenue		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722210	4,091,275		2,762	4,088,513
	b	OUTSIDE SERVICE REVENU	900099	3,417,092	3,417,092		
	c	MEANINGFUL USE REVENUE	900099	2,172,847	2,172,847		
	d	All other revenue		1,327,921			1,327,921
	e	**Total.** Add lines 11a–11d		11,009,135			
	12	**Total revenue.** See Instructions		558,578,588	535,988,867	9,784,185	12,650,233

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	10,500,000	10,500,000		
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	14,485		14,485	
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	217,990,200	193,620,876	24,369,324	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	8,859,422	7,869,019	990,403	
9	Other employee benefits	37,315,137	33,143,644	4,171,493	
10	Payroll taxes	12,919,802	11,475,486	1,444,316	
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,130,092	1,003,758	126,334	
c	Accounting				
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	54,548,593	48,450,556	6,098,037	
12	Advertising and promotion	49,352	43,835	5,517	
13	Office expenses	67,904,947	60,313,791	7,591,156	
14	Information technology	9,348	8,303	1,045	
15	Royalties . .				
16	Occupancy	9,342,333	8,297,945	1,044,388	
17	Travel	582,159	517,079	65,080	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	1,405,145	1,248,062	157,083	
20	Interest	13,423,443	11,922,824	1,500,619	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	27,073,273	24,046,727	3,026,546	
23	Insurance	3,998,402	3,551,417	446,985	
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	DRUGS & PHARMACEUTICALS	24,742,774	21,976,757	2,766,017	
b	BAD DEBT EXPENSE	22,540,246	20,020,451	2,519,795	
c	BHG SERVICE ALLOCATION	16,066,746	14,270,630	1,796,116	
d	EQUIPMENT MAINT/REPAIR	5,865,538	5,209,824	655,714	
e					
f	All other expenses	1,451,198	1,288,967	162,231	
25	**Total functional expenses.** Add lines 1 through 24f	537,732,635	478,779,951	58,952,684	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		13,504	1	9,562
	2	Savings and temporary cash investments		290,098,502	2	302,806,032
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		73,187,157	4	89,899,180
	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		8,019,231	8	8,648,180
	9	Prepaid expenses and deferred charges		859,320	9	714,660
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 605,947,624			
	b	Less accumulated depreciation	10b 317,475,794	271,567,591	10c	288,471,830
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		44,294,855	12	37,894,853
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		4,890,560	15	5,951,322
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		692,930,720	16	734,395,619
Liabilities	17	Accounts payable and accrued expenses		38,156,798	17	41,128,141
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		277,485,300	20	271,847,775
	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			23	
	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		29,584,661	25	56,789,375
	26	**Total liabilities.** Add lines 17 through 25		345,226,759	26	369,765,291
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		347,703,961	27	364,630,328
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		347,703,961	33	364,630,328
	34	Total liabilities and net assets/fund balances		692,930,720	34	734,395,619

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	558,578,588
2	Total expenses (must equal Part IX, column (A), line 25)	2	537,732,635
3	Revenue less expenses Subtract line 2 from line 1	3	20,845,953
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	347,703,961
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,919,586
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	364,630,328

Part XII Financial Statements and Reporting

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

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

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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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

16a **33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b **33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

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

Part III **Support Schedule for Organizations Described in IRC 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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

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

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

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,755,033		5,755,033
b Buildings		337,632,739	124,008,593	213,624,146
c Leasehold improvements				
d Equipment		227,994,814	193,467,201	34,527,613
e Other		34,565,038		34,565,038
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				288,471,830

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) RESTRICTED ASSETS HELD IN TRUST	24,901,967	F
(B) INVESTMENT IN CAYMICH	52,264	F
(C) WEST MICHIGAN CANCER CENTER	9,496,885	F
(D) KALAMAZOO CENTER FOR MEDICAL STUDIES	3,443,737	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	37,894,853	

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED COMPENSATION	2,526,729
SWAP LIABILITY	17,800,529
THIRD PARTY CONTRACTUAL SETTLEMENTS	36,462,117
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	56,789,375

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	558,578,588
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	537,732,635
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	20,845,953
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	-3,919,586
9	Total adjustments (net) Add lines 4 - 8	9	-3,919,586
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	16,926,367

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	562,472,610
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	0
3	Subtract line **2e** from line **1**			3	562,472,610
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	-3,894,022		
c	Add lines **4a** and **4b**			4c	-3,894,022
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	558,578,588

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

1	Total expenses and losses per audited financial statements			1	527,652,682
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	0
3	Subtract line **2e** from line **1**			3	527,652,682
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	10,079,953		
c	Add lines **4a** and **4b**			4c	10,079,953
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	537,732,635

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE GROUP ADOPTED ACCOUNTING STANDARDS RELATED TO UNCERTAIN TAX POSITIONS AND, ACCORDINGLY, REVIEWED ALL TAX POSITIONS THE EVALUATED POTENTIAL EXPOSURE RELATED TO UNCERTAIN TAX POSITIONS WAS FOUND TO BE IMMATERIAL
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN FAIR VALUE OF SWAP AGREEMENTS - 8,685,681 TRANSFER FROM AFFILIATE 1,292,118 GAIN/ (LOSS) ON JOINT VENTURES 3,473,977 TOTAL TO SCHEDULE D, PART XI, LINE 8 -3,919,586
PART XII, LINE 4B - OTHER ADJUSTMENTS		INTEREST RATE SWAP -1,806,375 RENTAL EXPENSES - 2,155,613 RELATED PARTY CONTRIBUTION 67,966
PART XIII, LINE 4B - OTHER ADJUSTMENTS		INTEREST RATE SWAP -1,806,375 JOINT VENTURES GAIN/ (LOSS) 3,473,975 RENTAL EXPENSES -2,155,613 RELATED PARTY CONTRIBUTION 67,966 GRANT TO SUBSIDIARY 10,500,000

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 0.0 %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			9,437,205		9,437,205	1 830 %
b Medicaid (from Worksheet 3, column a)			90,145,838	82,535,000	7,610,838	1 480 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			99,583,043	82,535,000	17,048,043	3 310 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			752,100		752,100	0 150 %
f Health professions education (from Worksheet 5)			15,081,852	7,349,939	7,731,913	1 500 %
g Subsidized health services (from Worksheet 6)			6,815,984	4,475,716	2,340,268	0 450 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			700,792		700,792	0 140 %
j **Total** Other Benefits			23,350,728	11,825,655	11,525,073	2 240 %
k **Total.** Add lines 7d and 7j			122,933,771	94,360,655	28,573,116	5 550 %

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense 2 22,540,246			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy 3 0			
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) 5 122,569,229			
6	Enter Medicare allowable costs of care relating to payments on line 5 6 132,027,012			
7	Subtract line 6 from line 5 This is the surplus or (shortfall) 7 -9,457,783			
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used			

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	BRONSON METHODIST HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49001	X	X	X	X			X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

BRONSON METHODIST 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	1		No
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size from largest to smallest)

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

	Name and address	Type of Facility (Describe)
1	BRONSON VICKSBURG OUTPATIENT CENTER 601 JOHN STREET KALAMAZOO, MI 49007	24-HOUR ER, THERAPIES, LAB, AND RADIOLOGY
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS INSTRUCTIONS THE AMOUNT OF BAD DEBT EXCLUDED IS EQUAL TO THE AMOUNT LISTED ON PAGE 2, PART III, LINE 4 RELATING TO BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
		PART I, LINE 7, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 22540246

Identifier	ReturnReference	Explanation
		PART I, LINE 3B THE ORGANIZATION USES THE FOLLOWING FPG TO DETERMINE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE TO LOW INCOME INDIVIDUALS 225% OF FPL IS ENTITLED TO AN 80% REDUCTION250% OF FPL IS ENTITLED TO A 60% REDUCTION275% OF FPL IS ENTITLED TO A 40% REDUCTION300% OF FPL IS ENTITLED TO A 20% REDUCTION

Identifier	ReturnReference	Explanation
		PART II BRONSON METHODIST HOSPITAL'S COMMUNITY BUILDING ACTIVITIES GENERALLY FALL WITHIN ONE OF THE THREE AREAS COMMUNITY SUPPORT, COALITION BUILDING, OR COMMUNITY HEALTH IMPROVEMENT IN COMMUNITY SUPPORT, BRONSON SUPPORTED EARLY CHILDHOOD LITERACY BY PROVIDING THE FAMILIES OF EVERY NEWBORN A BOOK TO PROMOTE READING, BY TRAINING AREA CLERGY IN PASTORAL CARE FOR ILL AND END-OF-LIFE PATIENTS, BY STAFFING THE COUNTY SAFE KIDS COALITION AND BY OFFERING HEALTH-RELATED EDUCATIONAL SEMINARS THROUGHOUT THE COMMUNITY BRONSON'S COALITION BUILDING ACTIVITIES INCLUDE SUPPORTING A YOUTH RESIDENT READING PROGRAM AT THE KALAMAZOO COUNTY JUVENILE HOME COMMUNITY HEALTH IMPROVEMENT HAS PRIMARILY INVOLVED PATIENT ADVOCACY THROUGH CASE MANAGEMENT IN ADDITION, BRONSON FINANCIALLY SUPPORTS THE COUNTY MEDICAL CONTROL AUTHORITY AND SITS ON THE WEST MICHIGAN CANCER CENTER INSTITUTIONAL REVIEW BOARD EVALUATING CANCER RESEARCH PROTOCOLS INVOLVING PATIENTS

Identifier	ReturnReference	Explanation
		PART III, LINE 4 AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS ESTABLISHED ON AN AGGREGATE BASIS BY USING HISTORICAL WRITE-OFF RATE FACTORS APPLIED TO UNPAID ACCOUNTS BASED ON AGING LOSS RATE FACTORS ARE BASED ON HISTORICAL LOSS EXPERIENCE AND ADJUSTED FOR ECONOMIC CONDITIONS AND OTHER TRENDS AFFECTING THE HOSPITAL'S ABILITY TO COLLECT OUTSTANDING AMOUNTS UNCOLLECTIBLE AMOUNTS ARE WRITTEN OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IN THE PERIOD THEY ARE DETERMINED TO BE UNCOLLECTIBLE AN ALLOWANCE FOR CONTRACTUAL ADJUSTMENTS AND INTERIM PAYMENT ADVANCES IS BASED ON EXPECTED PAYMENT RATES FROM PAYORS BASED ON CURRENT REIMBURSEMENT METHODOLOGIES THIS AMOUNT ALSO INCLUDES AMOUNTS RECEIVED FOR INTERIM PAYMENTS AGAINST UNPAID CLAIMS BY CERTAIN PAYORS LINE 2 & 3 ARE REPORTED AS EXPENSE, NOT COST FOR LINE 3, BAD DEBT WRITEOFFS SUPPORT THE COMMUNITY BY PROVIDING A PORTION OF SERVICES WITHOUT PAYMENT THE REQUESTED INFORMATION IS NOT AVAILABLE IN THE SYSTEM AND A REASONABLE ESTIMATE CANNOT BE MADE BASED ON THE INFORMATION CURRENTLY AVAILABLE WE ARE WORKING TOWARDS BEING ABLE TO PULL THIS INFORMATION FROM THE SYSTEM FOR FUTURE REQUESTS A PORTION OF BAD DEBT IS CONSIDERED COMMUNITY BENEFIT AS IT REPRESENTS SERVICES RENDERED TO UNINSURED AND UNDERINSURED PATIENTS

Identifier	ReturnReference	Explanation
		PART III, LINE 8 COSTING METHODOLOGY IS A COST TO CHARGE RATIO AS DEFINED BY THE IRS 990 INSTRUCTIONS SHORTFALL SHOULD BE CONSIDERED A COMMUNITY BENEFIT DUE TO ITS REPRESENTATION OF COST OF A PORTION OF SERVICES PROVIDED TO THE COMMUNITY WITHOUT PAYMENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 BRONSON METHODIST HOSPITAL UTILIZES A STRATEGIC MANAGEMENT MODEL TO DEVELOP BOTH A LONG TERM (3 YEAR) AND ANNUAL STRATEGIC PLAN INPUTS INTO THE PLAN ARE DOCUMENTED IN OUR STRATEGIC INPUT DOCUMENT ONE OF THE IMPORTANT INPUTS INTO THIS PLAN IS THE HEALTH OF OUR COMMUNITY SEVERAL SOURCES ARE UTILIZED TO PERFORM THIS ASSESSMENT THE SOURCES FOR THE LATEST STRATEGIC INPUT DOCUMENT ARE LISTED BELOW SOURCES FOR DETERMINING COMMUNITY HEALTH NEEDS- MICHIGAN BEHAVIORAL RISK FACTORS SURVEY 2002-2006 COMBINED BUREAU OF EPIDEMIOLOGY AND MICHIGAN DEPARTMENT OF COMMUNITY HEALTH- 2004 MICHIGAN SURGEON GENERAL'S HEALTH STATUS REPORT (HEALTH MICHIGAN 2010)- F AS IN FAT HOW OBESITY IS FAILING IN AMERICA 2009 - TRUST FOR AMERICA'S HEALTH AND ROBERT WOOD JOHNSON FOUNDATION- MICHIGAN DEPARTMENT OF COMMUNITY HEALTH INFANT MORTALITY RATES, 2006THE STRATEGIC INPUT DOCUMENT IS REVIEWED BY THE ENTIRE EXECUTIVE TEAM AND UTILIZED TO DEVELOP OUR COMMUNITY ASSESSMENT AS WELL AS OUR STRATEGIC ADVANTAGES AND DISADVANTAGES THE COMMUNITY ASSESSMENT IS SHARED WITH THE BOARD EVERY THREE YEARS USING OUR COMMUNITY LEADERSHIP MODEL AS SHOWN BELOW THREE YEAR PRIORITIES ARE THEN SET FOR OUR COMMUNITY HEALTH BRONSON METHODIST HOSPITAL ALSO COLLABORATES WITH TWO KEY COMMUNITY AGENCIES FOR THE GATHERING OF HEALTH STATISTICS THE GREATER KALAMAZOO UNITED WAY AND KALAMAZOO COUNTY HEALTH ANDHUMAN SERVICES IN ADDITION, BRONSON HAS BEEN A LEADER IN THE FOLLOWING COMMUNITY HEALTH COLLABORATIVES HEALTHY FUTURES, IMMUNIZE-BY-TWO, HEALTHY BABIES/HEALTHY START, READY TO READ, AFRICAN-AMERICAN HEALTH INITIATIVE, YOUTH VIOLENCE COALITION, HEALTH CONNECT AND EMERGENCY PRESCRIPTION PROGRAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 SELF PAY INPATIENTS ARE REFERRED TO AN AGENCY FOR SCREENING FOR MEDICAID, MEDICARE, AND OTHER ELIGIBILITY A SOFTWARE PROGRAM ALSO HELPS DETERMINE ELIGIBILITY FOR CHARITY CARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 BRONSON METHODIST HOSPITAL SERVES A TEN COUNTY REGION IN SOUTHWEST MICHIGAN ABOUT 60% OF PATIENTS SERVED COME FROM WITHIN KALAMAZOO COUNTY AND THE OTHER 40% COME FROM THE REGIONAL COUNTIES OF ALLEGAN, BARRY, BERRIEN, BRANCH, CASS, VAN BUREN, CALHOUN, EATON AND ST JOSEPH PATIENT DEMOGRAPHICS 25 71% <21 YEARS OF AGE 19 77% 21-39 YEARS OF AGE25 82% 40-64 YEARS OF AGE 28 70% 65 YEARS OF AGE AND OLDER PATIENT DIVERSITY DEMOGRAPHICS 80 37% CAUCASIAN11 14% AFRICAN-AMERICAN5 51% OTHER2 43% LATINO/HISPANIC 0 55% ASIAN PATIENT INSURANCE DEMOGRAPHICS 38 8% PRIVATE INSURANCE 28 8% MEDICARE21 4% MEDICAID OR OTHER PUBLIC ASSISTANCE 8 0% MEDICARE AND SUPPLEMENTAL INSURANCE 3 0% NO COVERAGE

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 BRONSON METHODIST HOSPITAL (BMH) IS A COMMUNITY-OWNED AND GOVERNED NOT FO R PROFIT HOSPITAL WITH 405 LICENSED BEDS AND AN OPEN MEDICAL STAFF IT IS GOVERNED BY THE BRONSON HEALTHCARE GROUP BOARD COMPRISED OF 21 MEMBERS OF THE COMMUNITY FOUNDED IN 1900, BMH HAS AS ONE OF ITS FIVE CORE VALUES, "COMMITMENT TO OUR COMMUNITY" AND HAS HISTORICALLY DEMONSTRATED THIS VALUE BY CONTINUING TO DELIVER THE FULL CONTINUUM OF NEEDED MEDICAL SER VICES AND WORKING WITHIN COMMUNITY COLLABORATIVES TO ADDRESS COMMUNITY NEEDS BMH PROVIDES A DISAPROPORTIONATE AMOUNT OF CARE TO THE SEGMENT OF THE POPULATION USING MEDICAID WE AR E THE LARGEST MEDICAID PROVIDER OF ANY LARGE HOSPITAL IN MICHIGAN OUTSIDE OF THE DETROIT A REA (ON A PERCENTAGE BASIS) IN 2011, APPROXIMATELY 21% OF BMH'S PATIENTS WERE MEDICAID RE CIPIENTS WE HAVE THREE MEDICAID ENROLLERS ON SITE TO HELP THOSE WITHOUT INSURANCE ENROLL IN MEDICAID, OR REFER THEM TO COMMUNITY RESOURCES MUCH OF BMH'S SERVICE TO THE COMMUNITY IS DIRECTED AT WOMEN'S AND CHILDREN'S NEEDS BRONSON IS THE ONLY CHILDREN'S HOSPITAL IN SO UTHWEST MICHIGAN AND, THEREFORE, THE SOLE PROVIDER OF INPATIENT PEDIATRICS INCLUDING PEDIA TRIC INTENSIVE CARE AND NEONATAL INTENSIVE CARE IN FACT, OVER HALF THE PATIENTS IN THE CH ILDREN'S HOSPITAL ARE MEDICAID RECEPIENTS AS A REGIONAL PERINATAL CENTER, BMH IS ALSO THE REGIONAL DESTINATION FOR HIGH-RISK PREGNANCY CARE BMH'S LEVEL 1 TRAUMA CENTER AND BURN C ENTER, ALONG WITH ADVANCED CAPABILITIES IN NEUROVASCULAR AND CARDIOVASCULAR CARE, SERVE AL L PATIENT POPULATIONS REGARDLESS OF ABILITY TO PAY SERVICE TO COMMUNITYIN RECENT YEARS, B MH COLLABORATIVES HAVE INCLUDED HEALTHY FUTURES (BROAD COMMUNITY INITATIVE TO ADDRESS HEAL TH AND ECONOMIC ISSUES), HEALTHY BABY/HEALTHY START (REDUCE INFANT MORTALITY), IMMUNIZE-BY -TWO, HEALTH CONNECT (PROVIDE COMMUNITY-WIDE PRIMARY CARE ACCESS) AND THE AFRICAN-AMERICAN HEALTH INITIATIVE (HEALTH PROMOTION AND SCREENING PROGRAM OFFERED THROUGH KALAMAZOO'S AFR ICAN-AMERICAN FAITH COMMUNITY) IN 2011, BMH DOCUMENTED IN EXCESS OF 22,000 EVENTS IN PROV IDING COMMUNITY BENEFIT ACTIVITIES WITH NET VALUE OF APPROXIMATELY $55,000,000 IN COMMUNIT Y BENEFIT ACTIVITES ADDRESSING DISPARITIESBMH IS LOCATED IN THE HEART OF DOWNTOWN KALAMAZ OO, MICHIGAN AND IS THE CITY'S LARGEST EMPLOYER BMH OPENED A NEW REPLACEMENT HOSPITAL IN DECEMBER OF 2000 ACROSS THE STREET FROM ITS PREVIOUS FACILITY THIS LOCATION WAS CHOSEN BE CAUSE OF ANOTHER OF BRONSON'S CORE VALUES, "CARE AND RESPECT FOR ALL PEOPLE " BMH IS LOCAT ED WHERE PEOPLE MOST IN NEED CAN UTILIZE OUR SERVICES AND ACCESS US THROUGH PUBLIC TRANSPO RTATION THE ALIGNMENT OF OUR MISSION, VISION AND VALUES CREATES AN ENVIRONMENT WHERE ALL PERSONS ARE WELCOME AND PATIENTS ARE TREATED REGARDLESS OF THEIR ABILITY TO PAY FOR EXAMP LE, BRONSON'S TRAUMA AND EMERGENCY DEPARTMENT SEES OVER 95,000 PATIENT VISITS PER YEAR IN ADDITION, BMH'S OUTREACH SERVICES WITH THE FEDERALLY QUALIFIED FAMILY HEALTH CENTER PROVI DE FOR AN IMPROVED CONTINUUM OF CARE FOR PATIENTS WHO ARE ON MEDICAID OR ARE UNDER-INSURED COMMUNITY HEALTH STATUSBMH COLLABORATES WITH TWO KEY COMMUNITY PARTNERS FOR THE GATHERIN G OF HEALTH STATISTICS THE GREATER KALAMAZOO UNITED WAY AND KALAMAZOO COUNTY HEALTH AND H UMAN SERVICES THESE TWO ORGANIZATIONS, ALONG WITH BMH, AND THE FAMILY HEALTH CENTER REGUL ARLY DISCUSS HEALTH NEEDS AND EMERGING HEALTH TRENDS THIS COLLABORATIVE, AN OFF-SHOOT OF HEALTHY FUTURES, MONITORS KALAMAZOO COUNTY'S PERFORMANCE AGAINST HEALTHY PEOPLE 2010 GOALS IT WAS THESE COMMUNITY HEALTH INDICATORS THAT INITIATED HEALTHY BABY/HEALTHY START, IMMU NIZE-BY-TWO AND THE AFRICAN-AMERICAN HEALTH INITIATIVE COLLABORATION WITH COMMUNITY STAKEH OLDERSAS PREVIOUSLY MENTIONED, BMH SEEKS COMMUNITY COLLABORATORS AND STAKEHOLDERS AS PARTN ERS IN MEETING COMMUNITY HEALTH NEEDS TOWARDS THIS END, BMH ADMINISTRATORS SERVE ON SEVER AL COMMUNITY BOARDS INCLUDING THE FAMILY HEALTH CENTER, UNITED WAY, SALVATION ARMY, MINIS TRY WITH COMMUNITY, NEIGHBORHOOD ASSOCIATIONS, GREATER KALAMAZOO UNITED WAY, FAMILY AND CH ILDREN'S SERVICES, HOSPICE CARE OF SOUTHWEST MICHIGAN, DOUGLAS COMMUNITY ASSOCIATION AND T HE SAFE KIDS COLLABORATIVE, (WHICH BMH STAFFS) BMH HAS A THREE-PRONG APPROACH FOR COMMMUN ITY LEADERSHIP FOCUSING ON COMMUNITY HEALTH, COMMUNITY SERVICE AND ECONOMIC DEVELOPMENT CO MMUNITY HEALTH INITIATIVES- IMPROVING ACCESS TO HEALTHCARE- IMPROVING OVERALL COMMUNITY HE ALTH- CITIZEN-BASED EDUCATION AND RESEARCH ON HEALTH OUTCOMES- REDUCE DISPARITIES IN HEALT H OUTCOMES - THE RECENT FOCUS WAS ON CHILDHOOD SAFETY AND PREVENTION AND ACCESS/SCREENING/ EDUCATION- COLLABORATE WITH SOCIAL SERVICES AGENCIES AN EXAMPLE OF IMPROVING ACCESS BMH HAS WORKED WITH COMMUNITY AGENCIES TO REDUCE BARRIERS AND IMPROVE ACCESS FOR UNDERSERVED P OPULATIONS THE HOSPITAL CO-FUNDS A GRADUATE MEDICAL RESIDENCY PROGRAM WITH NINE SUBSPECIA LTIES AND AN AMBULATORY CLINIC WITH 70,000 PATIENT VISITS ANNUALLY IN ADDITION, BMH HAS A LEADERSHIP ROLE AT KALAMAZOO FAMILY HEALTH CENTER

Identifier	ReturnReference	Explanation
		THAT HAS 35,000 PATIENT VISITS PER YEAR COMMUNITY SERVICE - PARTICIATE IN PUBLIC AND NO T-FOR-PROFIT COMMITTEES AND BOARDS- PARTICIPATE IN IMPORTANT COMMUNITY ISSUES- LEAD DISAST ER/EMERGENCY EFFORTS- PROVIDE FINANCIAL SUPPORT AND SPONSORSHIPS FOR ARTS AND HUMAN SERVIC ES ORGANIZATIONSAN EXAMPLE OF AN EMPLOYEE-DRIVEN EFFORT REFLECTIVE OF OUR VALUES, BMH EMPL OYEES DONATE THOUSANDS OF POUNDS OF FOOD TO THE ANNUAL HARVEST GATHERING FOOD DRIVE, WHICH REPLENISHES LOCAL FOOD PANTRIES IN 2011, THE BRONSON FOOD DRIVE IN KALAMAZOO COUNTY RAIS ED $22,792 AND 3,835 POUNDS OF FOOD TRANSLATING THE DOLLARS INTO POUNDS MEANS MORE THAN 9 4,000 POUNDS WERE PROVIDED TO STOCK THE 26 GROCERY PANTRIES SUPPLIED BY KALAMAZOO LOAVES A ND FISHES ECONOMIC DEVELOPMENT - SUPPORT GRASSROOT NEIGHBORHOOD DEVELOPMENT- STIMULATE E CONOMIC VITALITY- INVEST IN EDUCATIONAL INSTITUTIONS TO ENSURE ACCESS TO HEALTHCARE CURRIC ULUM (WMU BRONSON SCHOOL OF NURSING)- COMMIT TO LOCAL VENDORS AND BUSINESSES AN ECONOMIC D EVELOPMENT EXAMPLE WOULD BE OUR BRONSON HOME OWNERSHIP PROGRAM (BHOP) SINCE 1998, BRONSON HAS INVESTED $357,525 TO HELP EMPLOYEES PURCHASE HOMES DOWNTOWN, CLOSE TO THE BRONSON CAM PUS OUR PROGRAM IS A LOAN, EMPLOYEES START PAYING US BACK IN YEAR SIX, AT NO INTEREST WH AT IS COLLECTED AND THEN RE-LOANED THUS FAR, OUR $357,525 HAS RESULTED IN $387,793 BEING LOANED TO 46 EMPLOYEES THIS IS ECONOMIC DEVELOPMENT AT THE NEIGHBORHOOD LEVEL BMH IDENTI FIES WAYS TO TREAT THE DISEASES FACED BY THOSE WE SERVE, AND ALSO SEEK WAYS TO FOSTER AN E NVIRONMENT IN WHICH WE CAN CREATE HEALTH AND PREVENTION MEASURES THIS INCLUDES LOOKING AT OUR COMMUNITIES' ECONOMIC ISSUES, SUCH AS PEOPLE WITHOUT HEALTH INSURANCE, AND ENVIRONMEN TAL ISSUES, SUCH AS CLEAN AIR AND WATER BMH HAS BEEN ACKNOWLEDGED BY PRACTICE GREENHEALTH (FORMERLY HOSPITALS FOR A HEALTHY ENVIRONMENT) AWARDS FOR 10 YEARS IN A ROW, IN RECOGNITI ON OF SIGNIFICANT PROGRESS IN REDUCING WASTE, PREVENTING POLLUTION AND ELIMINATING MERCURY BMH ALSO HOLDS THE ENERGY STAR LABEL FOR ENERGY EFFICIENCY FROM THE ENVIRONMENTAL PROTEC TION AGENCY, AND HAS BEEN NAMED ONE OF AMERICA'S TOP 10 HOSPITALS BY THE "GREEN GUIDE" PUB LICATION BECAUSE OF THIS, WE ALSO PLAY A SIGNIFICANT ROLE IN MANY COMMUNITY ORGANIZATIONS THAT HAVE A BROADER FOCUS THAN HEALTHCARE REPORTING TO THE COMMUNITY BMH CONDUCTS AN ANNU AL COMMUNITY BENEFIT INVENTORY TO AGGREGATE THE NON-MISSION MANDATED SERVICES WE PROVIDE T O THE COMMUNITY THIS INVENTORY IS SHARED WITH BRONSON STAKEHOLDERS AND REPORTED TO THE CO MMUNITY INFORMATION IS ALSO AVAILABLE THROUGH BRONSONHEALTH COM EXAMPLES INCLUDE QUALITY REPORT, NURSING OUTCOMES, PATIENT SATISFACTION DATA, AND LINKS TO PUBLIC REPORTING WEBSIT ES

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 BRONSON METHODIST HOSPITAL IS PART OF AN AFFILIATED SYSTEM THAT INCLUDES TWO OTHER HOSPITALS, BRONSON BATTLE CREEK HOSPITAL AND BRONSON LAKEVIEW HOSPITAL ALL OF THESE HOSPITALS ARE CONTROLLED BY BRONSON HEALTHCARE GROUP, WHICH IS A COMMUNITY-OWNED AND GOVERNED NOT-FOR-PROFIT HOLDING COMPANY THE BRONSON HEALTHCARE GROUP(BHG) BOARD IS COMPRISED OF 21 MEMBERS OF THE COMMUNITY EACH OF THE THREE HOSPITALS IN THE BHG SYSTEM ADMITS PATIENTS REGARDLESS OF ABILITY TO PAY AND PROVIDES OUTREACH SERVICES TO THEIR RESPECIVE COMMUNITIES BRONSON METHODIST HOSPITAL IS THE LARGEST OF THE THREE HOSPITALS IN THE BHG SYSTEM AS SUCH, IT HAS A LARGER ROLE IN PROVIDING SERVICES AND PROMOTING THE HEALTH OF THE MANY COMMUNITIES IT SERVES THE HEALTH PROMOTION ACTIVITIES OF BRONSON METHODIST HOSPITAL ARE DESCRIBED IN LINE #6 ABOVE IN ADDITION TO THE THREE HOSPITALS, THE BHG SYSTEM INCLUDES SEVERAL SMALLER ENTITIES WHOSE EFFECTS SUPPORT THE HOSPITALS AND THEIR MISSION OF PROVIDING EXCELLENT HEALTHCARE TO THEIR COMMUNITIES THESE ENTITIES INCLUDE BRONSON MEDICAL GROUP, BRONSON NURSING AND REHABILITATION CENTER, BRONSON STAFFING SERVICES, BRONSON LIFESTYLE IMPROVEMENT & RESEARCH CENTER, BRONSON HEALTH FOUNDATION, LIFESPAN, AND BRONSON PROPERTIES CORP

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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) BRONSON HEALTHCARE GROUP601 JOHN STREET KALAMAZOO, MI 49007	38-2418383	501(C)(3)	10,500,000				EQUITY TRANSFER

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

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

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

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

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

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SARDONE FRANK J	(i)	0	0	0	0	0	0	0
	(ii)	658,699	306,911	180,456	10,731	20,359	1,177,156	0
(2) KENNETH TAFT	(i)	0	0	0	0	0	0	0
	(ii)	398,945	131,306	91,050	10,731	22,755	654,787	0
(3) JAMES FALAHEE	(i)	0	0	0	0	0	0	0
	(ii)	260,574	81,331	72,716	10,731	25,070	450,422	0
(4) SCOTT LARSON MD	(i)	0	0	0	0	0	0	0
	(ii)	326,146	100,547	63,192	3,381	17,138	510,404	0
(5) JOHN HAYDEN	(i)	0	0	0	0	0	0	0
	(ii)	229,044	70,775	45,796	10,544	14,265	370,424	0
(6) MARY MEITZ	(i)	0	0	0	0	0	0	0
	(ii)	258,867	62,939	13,750	10,731	21,006	367,293	0
(7) KATIE HARRELSON	(i)	0	0	0	0	0	0	0
	(ii)	248,731	60,067	17,647	10,731	14,149	351,325	0
(8) JOHN JONES	(i)	0	0	0	0	0	0	0
	(ii)	217,073	47,725	20,440	10,009	22,358	317,605	0
(9) MIKE WAY	(i)	0	0	0	0	0	0	0
	(ii)	180,078	34,931	19,782	8,789	13,323	256,903	0
(10) GREGORY WIGGINS	(i)	787,407	778,261	1,010	10,731	20,852	1,598,261	0
	(ii)	0	0	0	0	0	0	0
(11) ALPHONSE DELUCIA III	(i)	700,695	68,750	6,112	10,731	22,186	808,474	0
	(ii)	0	0	0	0	0	0	0
(12) MICHAEL LEINWAND	(i)	559,179	145,620	43,686	10,731	13,903	773,119	0
	(ii)	0	0	0	0	0	0	0
(13) CHRIS SLOFFER	(i)	711,014	0	1,283	10,731	16,339	739,367	0
	(ii)	0	0	0	0	0	0	0
(14) ALAIN FABI	(i)	994,083	1,432,086	1,665	10,731	21,685	2,460,250	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	HEALTH CLUB DUES AND/OR SPOUSAL TRAVEL TO BOARD RETREAT ARE AVAILABLE FOR BOARD OF DIRECTORS (EBERTS, GIBSON, GREENE, GUNDERSON, JAMES, KLEIN, PARKS, RICHARDSON, ROEHR, WARDWELL, AND ZELLER) ALL TREATED AS TAXABLE FRINGE BENEFITS - 1099'S SENT
	PART I, LINE 4B	PARTICIPATED IN, OR RECEIVED PAYMENT FROM, A SUPPLEMENTAL NON-QUALIFIED RETIREMENT PLAN FROM RELATED ENTITY BRONSON HEALTHCARE GROUP FRANK SARDONE - $158,549 SERP CONTRIBUTION FRANK SARDONE - $545,493 SERP DISTRIBUTION KEN TAFT - $70,852 SERP CONTRIBUTION KEN TAFT - $143,012 SERP DISTRIBUTION JOHN HAYDEN - $30,096 SERP CONTRIBUTION JOHN HAYDEN - $19,057 SERP DISTRIBUTION JAMES FALAHEE - $51,291 SERP CONTRIBUTION JAMES FALAHEE - $123,717 SERP DISTRIBUTION SCOTT LARSON - $59,713 SERP CONTRIBUTION SCOTT LARSON - $50,997 SERP DISTRIBUTION
	PART I, LINE 5	A HIGHEST COMPENSATED PHYSICIAN RECEIVED INCENTIVE PAY FOR REVENUES OVER A SPECIFIED DOLLAR AMOUNT
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART II, COLUMN(B)(III) AND F ARE AMOUNTS THAT WERE PAID TO THE EXECUTIVE UNDER THE BRONSON HEALTHCARE GROUP, INC SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN("SERP") THESE AMOUNTS WERE CREDITED TO AN ACCOUNT FOR THE EXECUTIVE IN PRIOR YEARS AND WERE PREVIOUSLY REPORTED IN COLUMN C IN THE PRIOR YEAR, BUT THE EXECUTIVE WAS REQUIRED TO REMAIN EMPLOYED UNTIL THE YEAR FOR WHICH THIS FORM IS BEING FILED IN ORDER TO BECOME VESTED IN HIS OR HER ACCOUNT AMOUNTS HAVE BEEN CREDITED TO THESE EXECUTIVES' ACCOUNTS EACH YEAR SINCE THE SERP WAS ADOPTED IN 1994, AND THE ACCOUNTS HAVE ALSO BEEN ADJUSTED FOR GAINS AND LOSSES SINCE THAT TIME THEREFORE, THESE AMOUNTS SHOULD BE VIEWED AS HAVING BEEN EARNED OVER THE EXECUTIVE'S ENTIRE PERIOD OF EMPLOYMENT AS AN EXECUTIVE OF BRONSON THE AMOUNT CREDITED TO EACH EXECUTIVE'S ACCOUNT IN THE SERP EACH YEAR AND EACH EXECUTIVE'S TOTAL COMPENSATION PACKAGE WAS APPROVED BY AN INDEPENDENT CONSULTANT TO ENSURE THAT THESE AMOUNTS ARE COMPARABLE TO OR LESS THAN THE AMOUNTS AWARDED TO EXECUTIVES OF COMPARABLE HEALTH CARE ORGANIZATIONS FOR THE CURRENT REPORTING YEAR NO AMOUNTS THAT ARE REPORTED IN COLUMN B(III) WERE REPORTED IN A PREVIOUS YEAR RETURN, THEREFORE NO AMOUNTS ARE REPORTED IN COLUMN (F)
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J PART I, LINE 3 BRONSON HEALTHCARE GROUP, A RELATED ORGANIZATION, USES A COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY OR STUDY AND/OR APPROVAL BY BOARD AND/OR COMPENSATION COMMITTEE TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CITY OF KALAMAZOO HOSPITAL FINANCE AUTHORITY	38-6004627	483233LQ3	04-30-2008	93,622,103	SEE SUPPLEMENTAL INFORMATION		X		X		X
B	CITY OF KALAMAZOO HOSPITAL FINANCE AUTHORITY	38-6004627	483233MA7	09-28-2010	192,508,168	SEE SUPPLEMENTAL INFORMATION		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	12,400,000	70,195,000		
2	Amount of bonds defeased				
3	Total proceeds of issue	93,622,103	192,867,202		
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	718,703	2,389,449		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		14,359,034		
11	Other spent proceeds	92,903,400	176,118,719		
12	Other unspent proceeds				
13	Year of substantial completion	2003	2010		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X		X					
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X	X					

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 990 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %		0 990 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		X		X				

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?	X			X				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
BOND ISSUE A, PART I, LINE (F) - DESCRIPTION OF PURPOSE		BOND ISSUE A WAS ISSUED TO CURRENTLY REFUND A PRIOR ISSUE WITH AN ORIGINAL ISSUE DATE OF 11/13/03 THE BONDS ISSUED ON 11/13/03 WERE ISSUED TO REFUND A PRIOR ISSUE THAT WAS ISSUED BEFORE 1/1/03
BOND ISSUE A, PART I, LINE (D) DATE ISSUED		BOND ISSUE A WAS ORIGINALLY ISSUED ON 11/13/2003, AND WAS RESISSUED FOR FEDERAL INCOME TAX PURPOSES ON 4/30/08 THE INFORMATION REPORTED IN SCHEDULE K FOR BOND ISSUE A IS FOR THE BONDS AS REISSUED ON 4/30/2008
BOND ISSUE B, PART I, LINE (F) - DESCRIPTION OF PURPOSE		PROCEEDS OF BOND ISSUE B WERE USED TO CURRENTLY REFUND PRIOR ISSUES ORIGINALLY ISSUED ON 5/13/98, 6/14/06, AND 3/25/09 ADDITIONAL PROCEEDS OF BOND ISSUE B WERE USED FOR BUILDING RENOVATIONS, AND OTHER MEDICAL TECHNOLOGY EQUIPMENT
BOND ISSUE B, PART I, LINE (D) DATE ISSUED		BOND ISSUE B CONSISTS OF TWO SERIES OF BONDS SERIES 2006 AND SERIES 2010 THE SERIES 2006 BONDS WERE ORIGINALLY ISSUED ON 6/14/06 AND WERE REISSUED FOR FEDERAL INCOME TAX PURPOSES ON 9/28/10 THE INFORMATION REPORTED ON SCHEDULE K FOR BOND ISSUE B IS FOR THE SERIES 2006 BONDS AS REISSUED ON 9/28/10 AND THE SERIES 2010 BONDS AS ORIGINALLY ISSUED ON 9/28/10
BOND ISSUE B PART II, LINE 3		TOTAL PROCEEDS OF BOND ISSUE B INCLUDE INVESTMENT EARNINGS IN THE AMOUNT OF $359,034
		SCHEDULE K PART V - WE HAVE GENERAL WRITTEN PROCEDURES THAT WE WILL COMPLY WITH ALL TAX LAWS
		SCHEDULE K, PART III, LINE 7 - DEVELOPMENT OF A FORMAL PROCEDURE IS IN PROCESS

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	JAMES GUNDERSON, JOHN M DUNN, DANIEL R SMITH, KENNETH TAFT, FRANK SARDONE, STEVEN J LINS, M D , AND SCOTT C GIBSON, M D HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	BRONSON HEALTHCARE GROUP IS THE SOLE MEMBER OF BRONSON METHODIST HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON METHODIST HOSPITAL (BMH) AND AS SUCH MEMBER IT ELECTS 12 OF THE TOTAL 21 MEMBERS OF THE BMH BOARD COMMUNITY PARTNERS SHALL, AFTER CONSULTING WITH AND SEEKING INPUT FROM THE NOMINATING COMMITTEE OF BHG, APPOINT 6 MEMBERS TO THE BOARD THE REMAINING 3 MEMBERS OF THE BOARD SHALL BE EX OFFICIO, WITH VOTE, AND SHALL CONSIST OF THE PRESIDENT, THE CHIEF OF STAFF, AND IMMEDIATE PAST CHIEF OF THE MEDICAL STAFF OF THE HOSPITAL

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	BRONSON HEALTHCARE GROUP (BHG) IS THE SOLE MEMBER OF BRONSON METHODIST HOSPITAL (BMH) HAS CERTAIN RESERVED POWERS OVER THE ACTIONS OF BMH THE BOARD OF DIRECTORS HAS THE POWER TO - AMENDMENT, RESTATEMENT OR REPEAL THE HOSPITAL'S ARTICLES OF INCORPORATION OR BYLAWS - ADOPTION, EXECUTION, REVOCATION, OR ABANDONMENT OF A PLAN OF DISSOLUTION, MERGER, CONSOLIDATION, REORGANIZATION, OR OTHER MAJOR CHANGE IN CORPORATE STRUCTURE INVOLVING THE HOSPITAL -SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE HOSPITAL'S PROPERTY AND ASSETS -ACQUISITION OF ANY OTHER ENTITY OR THE ESTABLISHMENT OF ANY SUBSIDIARY OR AFFILIATE -ADOPTION OF ALL OPERATING AND CAPITAL EXPENDITURE BUDGETS -INCUR OPERATING OR CAPITAL EXPENDITURES WHICH CAUSE AGGREGATE OPERATING OR CAPITAL EXPENDITURES TO EXCEED BUDGETED AGGREGATES AND/OR THE DOLLAR AMOUNT SPECIFIED BY BHG -SECURE BORROWINGS, WITH THE EXCEPTION OF EQUIPMENT LEASES AND PURCHASE MONEY SECURITY INTERESTS APPROVED AS A PART OF A BUDGET -CHANGE THE MISSION STATEMENT, PURPOSES, OR STRATEGIC GOALS OF THE HOSPITAL -ANY SIGNIFICANT CHANGE IN THE SCOPE OF SERVICES OR PROGRAMS -APPOINTMENT, REMOVAL OR COMPENSATION OF THE PRESIDENT OR ANY DIRECTOR OR OFFICER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE SR VP OF FINANCE/CFO AND CONTROLLER REVIEWED THE 990'S MANAGEMENT REPRESENTATIVES (COO, CFO AND CONTROLLER) MET WITH THE CHAIR OF THE BOARD ON OCTOBER 2, 2012 TO REVIEW THE PREPARED FORM 990 AND SCHEDULES THE FINANCE COMMITTEE OF THE BOARD THOROUGHLY REVIEWED THE PREPARED FORM 990 AT ITS REGULARLY SCHEDULED MEETING ON OCTOBER 15, 2012 THE REVIEW WAS LED BY THE SR V P OF FINANCE/CFO, THE CONTROLLER AND PLANTE & MORAN THE MEMBERS OF THE ORGANIZATION'S GOVERNING BODY WERE PROVIDED THE PREPARED FORM 990 FOR REVIEW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY THE CONFLICT OF INTEREST POLICY AND ITS ACCOMPANYING QUESTIONNAIRE ARE REVIEWED, AND REVISED, IF NECESSARY, ON AN ANNUAL BASIS BY THE ORGANIZATION'S GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE BOARD'S EXECUTIVE COMMITTEE. ALL BOARD MEMBERS AND ALL EMPLOYEES HOLDING THE TITLE OF VICE PRESIDENT AND ABOVE ARE COVERED BY THE CONFLICT OF INTEREST POLICY AND ANNUALLY COMPLETE THE CONFLICT OF INTEREST QUESTIONNAIRE. ALL COMPLETED CONFLICT OF INTEREST QUESTIONNAIRES ARE REVIEWED BY THE ORGANIZATION'S GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. DETERMINATIONS AS TO WHETHER A CONFLICT EXISTS ARE MADE BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. ACTUAL CONFLICTS ARE REVIEWED BY THE GENERAL COUNSEL/CORPORATE COMPLIANCE OFFICER AND THE EXECUTIVE COMMITTEE. PERSONS WITH A CONFLICT ARE PROHIBITED FROM PARTICIPATING IN THE GOVERNING BODY'S DELIBERATIONS AND DECISIONS ON THE TRANSACTION IN QUESTION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	FOR THE CEO, OFFICERS AND OTHER KEY EMPLOYEES, THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS, WHICH FUNCTIONS AS THE COMPENSATION COMMITTEE, RETAINS THE SERVICES OF AN EXTERNAL EXECUTIVE COMPENSATION CONSULTANT (SULLIVAN, COTTER AND ASSOCIATES) WHO CONDUCTS A THOROUGH COMPENSATION AND BENEFIT SURVEY PROCESS THAT IS USED TO DETERMINE THE APPROPRIATE ADJUSTMENT IN CASH COMPENSATION AND BENEFITS PROVIDED THIS PROCESS WAS UNDER TAKEN IN 2011 THE CONSULTANT USES THREE TO FIVE NATIONAL HEALTHCARE-BASED SERVICES FOR COMPARABILITY DATA, EACH ONE OF LIKE REVENUE SIZED HEALTHCARE SYSTEMS TO THE BRONSON HEALTHCARE GROUP THE CONSULTANT PREPARES A DETAILED REPORT WITH RECOMMENDATIONS FOR PAY AND/OR BENEFIT ADJUSTMENTS, AND PRESENTS THE INFORMATION TO THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS (WHEN THE CEO'S SURVEY DATA AND RECOMMENDATIONS ARE PRESENTED, THE CEO AND STAFF ARE EXCUSED FROM THE DELIBERATIONS) AFTER ALL QUESTIONS OF THE BOARD MEMBERS ARE ANSWERED, FORMAL MOTIONS ARE PROPOSED, SECONDED AND VOTED ON (FOR ANY PAY ADJUSTMENTS AND FOR RECEIPT OF THE CONSULTANT'S REPORT) AT THE SUBSEQUENT MEETING OF THE FULL BOARD OF DIRECTORS, THE CHAIR PRESENTS RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE, AND THE FULL BOARD ACTS ON A FORMAL MOTION THAT IS SECONDED AND VOTED ON

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY AVAILABLE TO THE PUBLIC BY POSTING THEM ON THE ORGANIZATION'S WEBSITE AND PROVIDING COPIES ON REQUEST THE ORGANIZATION'S FINANCIAL STATEMENTS ARE ATTACHED TO THE FORM 990 AND ARE MADE AVAILABLE TO THE PUBLIC AS REQUIRED

Identifier	Return Reference	Explanation
		PART VII- THESE INDIVIDUALS WERE COMPENSATED BY BRONSON HEALTHCARE GROUP (BHG) AND WORKED THE FOLLOWING HOURS PER WEEK FOR BHG RANDALL EBERTS (BOARD MEMBER) 1 0 HOUR BARBARA JAMES (BOARD MEMBER) 1 0 HOUR GEOFFREY WARDWELL (BOARD MEMBER) 1 0 HOUR FLOYD PARKS (BOARD MEMBER) 1 0 HOUR FRANK SARDONE (BOARD MEMBER & OFFICER) 16 0 HOUR SCOTT GIBSON (BOARD MEMBER) 1 0 HOUR JAMES GREENE (BOARD MEMBER) 1 0 HOUR JAMES GUNDERSON (BOARD MEMBER) 1 0 HOUR MARIAN KLEIN (BOARD MEMBER) 1 0 HOUR WILLIAM RICHARDSON (BOARD MEMBER) 1 0 HOUR BERNARD ROEHR (BOARD MEMBER) 1 0 HOUR CHARLES ZELLER (BOARD MEMBER) 1 0 HOUR KENNETH TAFT (OFFICER) 32 0 HOUR JAMES FALAHEE (OFFICER) 12 0 HOUR SCOTT LARSON (OFFICER) 6 0 HOUR JOHN HAYDEN (OFFICER) 10 0 HOUR MARY MEITZ (KEY EMPLOYEE) 4 0 HOUR KATIE HARRELSON (KEY EMPLOYEE) 4 0 HOUR JOHN JONES (KEY EMPLOYEE) 12 0 HOUR SALLY BERGLIN (KEY EMPLOYEE) 0 0 HOURS MIKE WAY (KEY EMPLOYEE) 8 0 HOURS PART VII- THESE INDIVIDUALS WERE COMPENSATED BY BRONSON METHODIST HOSPITAL (BMH) AND WORKED THE FOLLOWING HOURS PER WEEK FOR BMH BERNARD ROEHR, MD (BOARD MEMBER) 1 0 HOUR BOARD MEMBERS ARE NOT COMPENSATED FOR THEIR TIME AND ANY REPORTABLE COMPENSATION LISTED IN PART VII REPRESENTS BOARD MEETING TRAVEL FOR SPOUSE AND/OR HEALTH CLUB DUES

Identifier	Return Reference	Explanation
		PART VII DR KARAMCHANDANI'S COMPENSATION WAS PAID BY AN OUTSOURCED ORGANIZATION AND AT THE TIME THIS FORM 990 WAS SUBMITTED, THE COMPENSATION INFORMATION WAS NOT READILY AVAILABLE, THEREFORE IT HAS NOT BEEN INCLUDED IN THE FORM 990 DISCLOSURES

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	CHANGE IN FAIR VALUE OF SWAP AGREEMENTS -8,685,681 TRANSFER FROM AFFILIATE 1,292,118 GAIN/(LOSS) ON JOINT VENTURES 3,473,977 TOTAL TO FORM 990, PART XI, LINE 5 -3,919,586

Identifier	Return Reference	Explanation
	FORM 990, PART XI, LINE 5	IN JANUARY 2011, LESS THAN ONE MONTH INTO BRONSON VICKSBURG HOSPITALS (BVH) FISCAL YEAR, BVH ASSETS AND LIABILITIES WERE TRANSFERRED TO BRONSON METHODIST HOSPITAL THE NET ASSET TRANSFER WAS $1,292,118

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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
BRONSON METHODIST HOSPITAL

Employer identification number
38-1359087

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) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) HOSPITAL NETWORK INC LEASING 6212 AMERICAN AVENUE PORTAGE, MI 49002 38-3638430	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED	7,687	259,403		No			No	16 600 %
(2) HOSPITAL NETWORK SUPPORT SERVICES 6212 AMERICAN AVENUE PORTAGE, MI 49002 38-3627704	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED				No			No	16 600 %
(3) HOSPITAL NETWORK VENTURES LLC 6212 AMERICAN AVENUE PORTAGE, MI 49002 26-3302979	SUPPORT SERVICES	MI	BRONSON HEALTHCARE GROUP	RELATED	270,058	1,849,693		No			No	16 600 %

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
(1) BRONSON MANAGEMENT SERVICES CORPORATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415032	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C			
(2) BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH 601 JOHN STREET KALAMAZOO, MI 49007 38-3552556	REHABILITATION SERVICES	MI	BRONSON HEALTHCARE GROUP	C			
(3) BRONSON STAFFING SERVICE 601 JOHN STREET KALAMAZOO, MI 49007 38-3277697	HOME HEALTH CARE	MI	BRONSON HEALTHCARE GROUP	C			
(4) BRONSON PRACTICE MANAGEMENT 601 JOHN STREET KALAMAZOO, MI 49007 38-2511179	OTHER MEDICAL SERVICES	MI	BRONSON HEALTHCARE GROUP	C			

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 38-1359087
Name: BRONSON METHODIST HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
BRONSON HEALTHCARE GROUP 601 JOHN STREET KALAMAZOO, MI 49007 38-2418383	PROVIDE SUPPORT SERVICES FOR HEALTHCARE SUBSIDIARIES	MI	501(C)(3)	11C	N/A		No
BRONSON HEALTH FOUNDATION 601 JOHN STREET KALAMAZOO, MI 49007 38-2415081	SUPPORTS HEALTHCARE ORGANIZATION	MI	501(C)(3)	7	BRONSON HEALTHCARE GROUP	Yes	
BRONSON LAKEVIEW HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-1359218	HOSPITAL	MI	501(C)(3)	3	BRONSON HEALTHCARE GROUP	Yes	
BRONSON NURSING AND REHABILITATION CENTER 601 JOHN STREET KALAMAZOO, MI 49007 38-2842451	SKILLED NURSING FACILITY	MI	501(C)(3)	9	BRONSON HEALTHCARE GROUP	Yes	
VBEMS 601 JOHN STREET KALAMAZOO, MI 49007 38-2745910	AMBULANCE SERVICE	MI	501(C)(3)	9	BRONSON HEALTHCARE GROUP	Yes	
BRONSON PROPERTIES CORPORATION 601 JOHN STREET BOX 26 KALAMAZOO, MI 49007 38-6052573	PROVIDE SUPPORT SERVICES FOR HEALTHCARE SUBSIDIARIES	MI	501(C)(3)	11B	BRONSON HEALTHCARE GROUP	Yes	
BRONSON VICKSBURG HOSPITAL 601 JOHN STREET KALAMAZOO, MI 49007 38-2610349	HOSPITAL	MI	501(C)(3)	3	BRONSON HEALTHCARE GROUP	Yes	
BRONSON BATTLE CREEK HOSPITAL 300 NORTH AVENUE BATTLE CREEK, MI 49016 38-2776791	HOSPITAL	MI	501(C)(3)	3	BRONSON HEALTHCARE GROUP	Yes	
LIFESPAN 166 GOODDALE BATTLE CREEK, MI 49037 38-3298476	NURSING, HOSPICE AND EQUIP SALES	MI	501(C)(3)	9	BRONSON HEALTHCARE GROUP	Yes	

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	BRONSON HEALTHCARE GROUP	K	12,438,217	METHOD BASED ON ACTUAL COST
(2)	BRONSON HEALTHCARE GROUP	L	99,044,650	METHOD BASED ON ACTUAL COST
(3)	BRONSON HEALTHCARE GROUP	N	555,350	METHOD BASED ON ACTUAL COST
(4)	BRONSON HEALTHCARE GROUP	B	10,500,000	METHOD BASED ON ACTUAL COST
(5)	BRONSON HEALTHCARE GROUP	N	285,936	METHOD BASED ON ACTUAL COST
(6)	BRONSON LAKEVIEW HOSPITAL	F	235,343	METHOD BASED ON ACTUAL COST
(7)	BRONSON LAKEVIEW HOSPITAL	K	289,733	METHOD BASED ON ACTUAL COST
(8)	BRONSON LAKEVIEW HOSPITAL	N	302,835	METHOD BASED ON ACTUAL COST
(9)	BRONSON LAKEVIEW HOSPITAL	L	183,832	METHOD BASED ON ACTUAL COST
(10)	BRONSON LAKEVIEW HOSPITAL	N	106,163	METHOD BASED ON ACTUAL COST
(11)	BRONSON HEALTH FOUNDATION	K	162,918	METHOD BASED ON ACTUAL COST
(12)	BRONSON HEALTH FOUNDATION	C	67,966	METHOD BASED ON ACTUAL COST
(13)	BRONSON BATTLE CREEK HOSPITAL	K	696,970	METHOD BASED ON ACTUAL COST
(14)	BRONSON PRACTICE MANAGEMENT	K	673,710	METHOD BASED ON ACTUAL COST
(15)	BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH CENTER	K	40,718	METHOD BASED ON ACTUAL COST
(16)	BRONSON PROPERTY CORPORATION	L	4,546,876	METHOD BASED ON ACTUAL COST
(17)	BRONSON PROPERTY CORPORATION	K	2,807,853	METHOD BASED ON ACTUAL COST
(18)	BRONSON PRACTICE MANAGEMENT	L	246,477	METHOD BASED ON ACTUAL COST
(19)	BRONSON LIFESTYLE IMPROVEMENT AND RESEARCH CENTER	L	2,593,457	METHOD BASED ON ACTUAL COST
(20)	BRONSON VICKSBURG HOSPITAL	O	54,999	METHOD BASED ON ACTUAL COST

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(21)	BRONSON VICKSBURG HOSPITAL	R	1,292,118	METHOD BASED ON ACTUAL COST
(22)	BRONSON VICKSBURG HOSPITAL	N	90,047	METHOD BASED ON ACTUAL COST
(23)	BRONSON PRACTICE MANAGEMENT	N	101,315	METHOD BASED ON ACTUAL COST
(24)	BRONSON STAFFING SERVICES	N	80,525	METHOD BASED ON ACTUAL COST
(25)	BRONSON LAKEVIEW HOSPITAL	N	104,163	METHOD BASED ON ACTUAL COST
(26)	BRONSON PRACTICE MANAGEMENT	N	7,478,126	METHOD BASED ON ACTUAL COST
(27)	BRONSON STAFFING SERVICES	N	4,391,898	METHOD BASED ON ACTUAL COST

Bronson Methodist Hospital

Financial Report
December 31, 2011

Bronson Methodist Hospital

Contents

plante moran

Plante & Moran, PLLC
Suite 400
634 Front Avenue N W
Grand Rapids, MI 49504
Tel 616 774 8221
Fax 616 774 0702
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Bronson Methodist Hospital

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bronson Methodist Hospital at 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.

Plante & Moran, PLLC

April 16, 2012

Bronson Methodist Hospital

Balance Sheet
(amounts in thousands)

	December 31, 2011	December 31, 2010
Assets		
Current Assets		
Cash and cash equivalents	$ 125,065	$ 68,915
Investments (Note 10)	177,751	221,197
Accounts receivable (Note 5)	92,270	74,655
Prepaid expenses and other current assets	9,632	8,878
Total current assets	404,718	373,645
Assets Limited as to Use (Notes 4 and 10)		
Internally designated for capital improvements	15,310	15,310
Funds held by trustee under bond indenture	7,065	14,788
Funds held for payment of employee benefits	2,527	3,179
Total assets limited as to use	24,902	33,277
Property and Equipment - Net (Note 9)	288,472	271,567
Other Assets		
Investment in joint ventures (Note 17)	12,941	10,966
Bond issue costs	2,818	2,950
Other noncurrent assets	546	524
Total assets	**$ 734,397**	**$ 692,929**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 8,507	$ 9,431
Accrued liabilities and other (Note 11)	32,621	28,725
Current portion of long-term debt (Note 12)	5,581	5,456
Estimated third-party payor settlements (Note 6)	36,462	17,260
Total current liabilities	83,171	60,872
Long-term Debt - Net of current portion (Note 12)	266,267	272,030
Fair Value of Interest Rate Swap Agreement (Notes 3, 4, and 13)	17,801	9,145
Other Liabilities	2,527	3,179
Total liabilities	369,766	345,226
Net Assets - Unrestricted	364,631	347,703
Total liabilities and net assets	**$ 734,397**	**$ 692,929**

See Notes to Financial Statements.

Bronson Methodist Hospital

Statement of Operations and Changes in Net Assets
(amounts in thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2010
Operating Revenue		
Net patient service revenue	$ 540,181	$ 523,230
Investment gain	8,408	7,332
Other	13,884	11,887
Total operating revenue	562,473	542,449
Operating Expenses		
Salaries and wages	218,005	205,137
Employee benefits and payroll taxes	59,094	57,484
Other	185,710	170,319
Depreciation and amortization	27,073	27,776
Provision for bad debts	22,540	23,410
Interest expense	15,230	12,254
Total operating expenses (Note 16)	527,652	496,380
Operating Income	34,821	46,069
Nonoperating Gain (Loss)		
Loss on interest rate swap terminations (Note 13)	-	(7,654)
Change in fair value of interest swap agreements (Note 13)	(8,686)	(2,326)
Loss on extinguishment of debt	-	(4,142)
Total nonoperating loss	(8,686)	(14,122)
Excess of Revenue Over Expenses	26,135	31,947
Transfer to Affiliate (Note 17)	(9,207)	(1,000)
Increase in Unrestricted Net Assets	16,928	30,947
Net Assets - Beginning of year	347,703	316,756
Net Assets - End of year	**$ 364,631**	**$ 347,703**

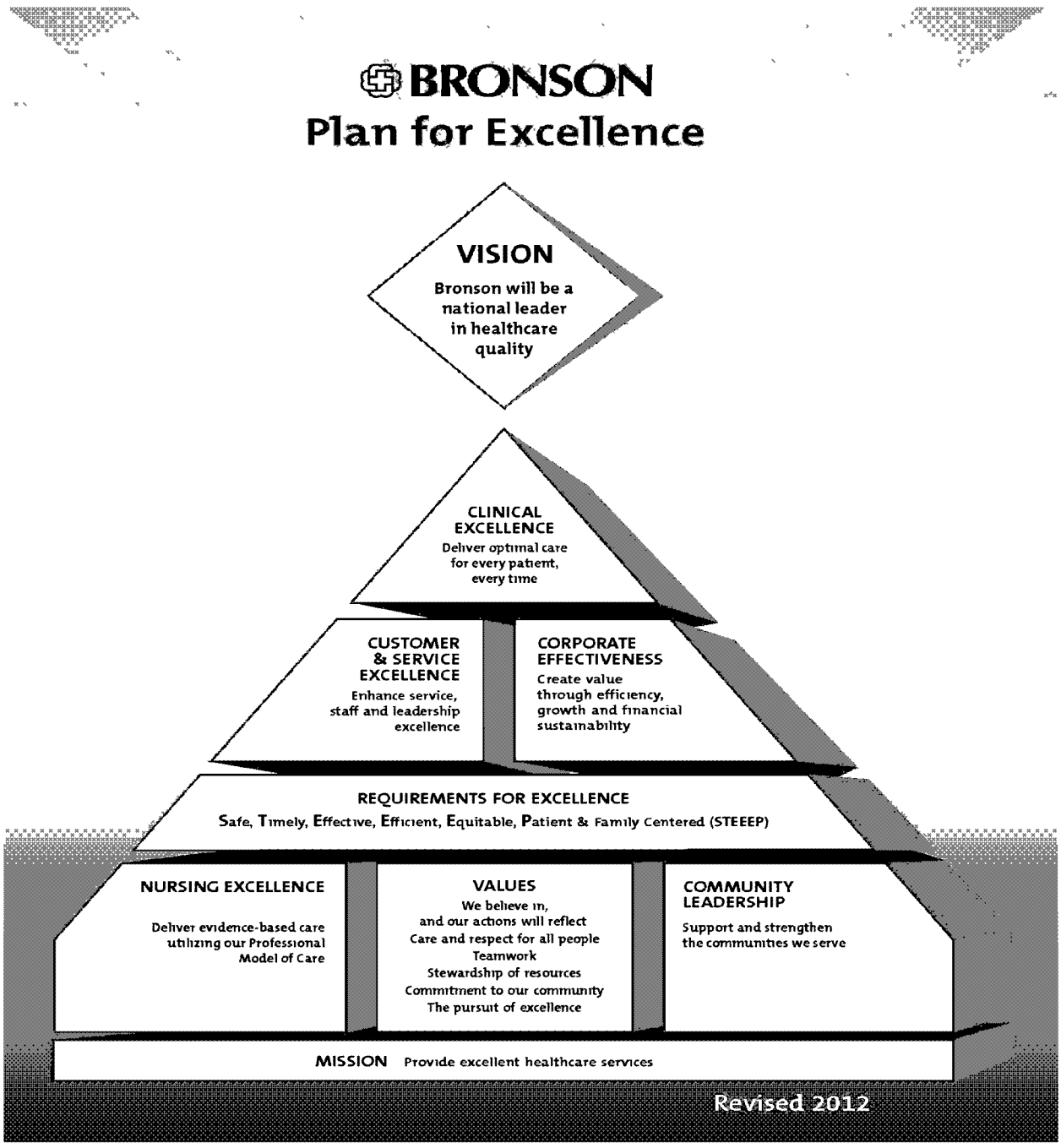
See Notes to Financial Statements.

Bronson Methodist Hospital

Statement of Cash Flows
(amounts in thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2010
Cash Flows from Operating Activities		
Increase in unrestricted net assets	$ 16,928	$ 30,947
Adjustments to reconcile increase in unrestricted net assets to net cash from operating activities:		
Depreciation and amortization	27,073	27,776
Loss on extinguishment of debt	-	4,142
Provision for bad debts	22,540	23,410
Loss on interest rate swap termination	-	7,654
Loss on interest rate swaps	8,686	2,326
Equity in earnings of joint ventures	(3,475)	(2,727)
Changes in assets and liabilities which (used) provided cash:		
Accounts receivable	(40,155)	(15,198)
Prepaid expenses and other current assets	(754)	(558)
Bond issue costs and other noncurrent assets	110	19
Accounts payable	(924)	164
Accrued liabilities and other	3,866	1,245
Estimated third-party payor settlements	19,202	(6,541)
Other liabilities	(652)	(373)
Net cash provided by operating activities	52,445	72,286
Cash Flows from Investing Activities		
Purchase of property and equipment	(43,978)	(18,736)
Decrease (increase) in assets limited as to use	8,375	(4,047)
Decrease (increase) in pooled investment funds	43,446	(27,160)
Proceeds from joint ventures	1,500	2,250
Net cash provided by (used in) investing activities	9,343	(47,693)
Cash Flows from Financing Activities		
Proceeds from issuance of debt obligations	95	189,260
Principal payment on long-term debt	(5,733)	(165,616)
Issuance of bond financing costs	-	(2,359)
Payment to terminate interest rate swap agreement	-	(15,132)
Net cash (used in) provided by financing activities	(5,638)	6,153
Net Increase in Cash and Cash Equivalents	56,150	30,746
Cash and Cash Equivalents - Beginning of year	68,915	38,169
Cash and Cash Equivalents - End of year	**$ 125,065**	**$ 68,915**
Supplemental Cash Flow Information - Cash paid for interest	**$ 15,128**	**$ 11,102**

See Notes to Financial Statements.



The mission, values, commitment to patient care excellence, and philosophy of nursing excellence provide the foundation that supports Bronson's organizational strategy, which is illustrated in the vision to be a national leader in healthcare quality and the three Cs or corporate strategies: Clinical Excellence, Customer and Service Excellence, and Corporate Effectiveness. Excellence is the thread that ties together the vision, mission, values, commitment to patient care excellence, philosophy of nursing excellence, and overall strategies. These elements, comprising the Plan for Excellence above, form the culture and guide decision-making.

Note 1 - Nature of Business

Bronson Methodist Hospital (the "Hospital") is a regional medical center and teaching hospital providing acute-care medical and surgical services. The Hospital, located in Kalamazoo, Michigan, has 405 beds, and provides services to the greater Kalamazoo and southwestern Michigan communities. Admitting physicians are primarily practitioners in the local area.

In January 2011, the assets and liabilities of Bronson Vicksburg Hospital (a wholly owned subsidiary of Bronson Healthcare Group) were transferred to the Hospital. Assets totaled $1,928,000 and net assets totaled $1,293,000. The transaction to accomplish this was done via a net asset transfer between the two entities.

Bronson Healthcare Group, Inc. (the "Group") controls the Hospital's net assets and operations.

Note 2 - Significant Accounting Policies

Cash and Cash Equivalents - Cash and cash equivalents include cash and investments in highly liquid investments purchased with an original maturity of three months or less, excluding those amounts included in assets limited as to use.

Investments - The Hospital's cash equivalents and investments are maintained in a pooled investment fund held by the Group. Requests for withdrawals from the fund are generally honored on demand at the amount deposited, minus withdrawals, plus earnings credited while on deposit. The fund's investment policy allows for investments in such securities as U.S. government obligations, commercial paper, bankers' acceptances, certificates of deposit, marketable equity securities, money market funds, and privately held alternative investments. Earnings of the fund are credited to investment participants on a pro rata basis when realized. Aggregate investment earnings and realized gains and losses from the fund for the years ended December 31, 2011 and 2010 were approximately $8,408,000 and $7,332,000, respectively.

Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in income from operations unless the income or loss is restricted by donor or law.

The Group has agreed to indemnify the Hospital from any market value fluctuations in the pooled investment fund. Accordingly, investments and cash equivalents, including assets limited as to use, except for funds held by the bond trustee and deferred compensation, are stated at cost plus allocated earnings, including realized gains and losses, which approximates their redemption value from the Group.

Note 2 - Significant Accounting Policies (Continued)

In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates on future cash flows. The aggregate fair value amounts presented do not represent the underlying value of the Hospital; instead, they represent point-in-time estimates that might not be particularly relevant in predicting the Hospital's future earnings on cash flows. All financial instruments held or issued by the Hospital are considered trading.

Accounts Receivable - Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges. An allowance for uncollectible accounts is established on an aggregate basis by using historical write-off rate factors applied to unpaid accounts based on aging. Loss rate factors are based on historical loss experience and adjusted for economic conditions and other trends affecting the Hospital's ability to collect outstanding amounts. Uncollectible amounts are written off against the allowance for doubtful accounts in the period they are determined to be uncollectible. An allowance for contractual adjustments and interim payment advances is based on expected payment rates from payors based on current reimbursement methodologies. This amount also includes amounts received as interim payments against unpaid claims by certain payors.

Assets Limited as to Use - Assets limited as to use include assets designated by the board of trustees for future capital improvement, over which the board retains control, assets held by trustees under bond indenture agreements, and funds held in trust for payment of employee benefits.

Property and Equipment - Property and equipment amounts are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Professional and Other Liability Insurance - The Hospital accrues an estimate of the ultimate expense, including litigation and settlement expense, net of applicable reinsurance coverage, for incidents of potential improper professional service and other liability claims occurring during the year as well as for those claims that have not been reported at year end.

Note 2 - Significant Accounting Policies (Continued)

Net Patient Service Revenue - Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered and include estimated retroactive revenue adjustments based upon audits, reviews, and adjustments by third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period such adjustments become known or as years are no longer subject to such audits, reviews, and adjustments. Management believes that adequate provision has been made in the financial statements for any adjustments that may result from final settlements.

The majority of the Hospital's services are under fixed provisions of third-party payment programs (primarily Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan). Net patient service revenue from the Medicare, Medicaid, and Blue Cross programs accounted for approximately 63 percent of the Hospital's net patient service revenue for 2011 and 2010. Under these provisions, payment rates for patient care are determined prospectively on the various bases, and the Hospital's net patient service revenue is limited to such amounts. Payments are also received for capital and medical education costs subject to certain limits. Additionally, the Hospital has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payments to the Hospital under these arrangements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Net patient service revenue for such arrangements is recorded at the amount expected to be realized upon payment for such services.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes that it is in compliance with all applicable laws and regulations. Final determination of compliance of such laws and regulations is subject to future government review and interpretation.

Charity Care - The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Derivative and Hedging Activities - Accounting standards require that derivative instruments be recorded on the balance sheet at fair value and establish criteria for designation and effectiveness of hedging relationships. The Hospital utilizes various interest rate swap agreements to manage the economic impact of fluctuations in interest rates.

Note 2 - Significant Accounting Policies (Continued)

Tax Status - The Hospital is a nonprofit, tax-exempt organization, and is exempt from federal income taxes on related income pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, no tax provision is reflected in the financial statements. The Hospital's tax returns are not subject to examination by taxing authorities for years beginning prior to December 31, 2008.

The Hospital has adopted accounting standards related to uncertain tax positions and, accordingly, reviewed all tax positions. The evaluated potential exposure related to uncertain tax positions was found to be immaterial.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Electronic Health Records Incentive Payments - The American Recovery and Reinvestment Act of 2009 (ARRA) established funding in order to provide incentive payments to hospitals and physicians that implement the use of electronic health record (EHR) technology by 2014. The Hospital may receive an incentive payment for up to four years, provided the Hospital demonstrates meaningful use of certified EHR technology for the EHR reporting period. The revenue from the incentive payments is recognized ratably over the EHR reporting period when there is reasonable assurance that the Hospital will comply with eligibility requirements during the EHR reporting period and an incentive payment will be received. The amounts are recorded within other operating revenue as the incentive payments are related to the Hospital's ongoing and central activities yet not critical to the delivery of patient service.

New Accounting Pronouncements - During 2011, the Financial Accounting Standards Board (FASB) adopted Accounting Standards Update (ASU) 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*, establishing accounting and disclosures for healthcare entities recognize significant amounts of patient service revenue at the time services are rendered even though the entities do not assess a patient's ability to pay. The amendments in the ASU change the presentation of the statement of operations and add new disclosures that are not required under current GAAP for entities within the scope of this update. The provision for bad debts associated with patient service revenue for certain entities is required to be presented on a separate line as a deduction from patient service revenue (net of contractual allowances and discounts) in the statement of operations. The ASU is effective for the Hospital for the year ending December 31, 2012.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including April 16, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents and Investments - The carrying amount reported in the balance sheet approximates its fair value.

Accounts Receivable, Estimated Third-party Payor Settlements, Accounts Payable, and Accrued Liabilities - The carrying amount reported in the balance sheet approximates its fair value.

Interest Rate Swap - The fair value of the interest rate swap agreements is based on a mark-to-market calculation of the notional amount of the interest rate swap.

Long-term Debt - The carrying amount of the Hospital's long-term variable rate debt approximates its fair value. The fair value of the Hospital's long-term fixed rate debt is estimated using quoted market values.

The carrying amounts and fair values of the Hospital's financial instruments are as follows:

	Carrying Amount	Fair Value
	(in thousands)	
December 31, 2011 - Long-term debt	$ 271,848	$ 281,497
December 31, 2010 - Long-term debt	277,486	264,360

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Hospital's assets and liabilities measured at fair value on a recurring basis at December 31, 2011 and 2010 and the valuation techniques used by the Hospital to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Hospital has the ability to access.

Note 4 - Fair Value Measurements (Continued)

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 2 investments include interests in pooled investment funds, corporate bonds, and United States government agency notes.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Hospital's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2011 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2011
Assets - Assets limited as to use				
Funds held by trustee under bond indenture - Money market funds and corporate securities	$ 5,472	$ 1,593	$ -	$ 7,065
Funds held for payment of employee benefits - Domestic mutual funds	2,527	-	-	2,527
Total assets limited as to use	$ 7,999	$ 1,593	$ -	$ 9,592
Liabilities - Interest rate swaps	$ -	$ 17,801	$ -	$ 17,801

The fair value of corporate securities was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of these investments using quoted prices for similar assets in active markets. The fair value of these assets was determined primarily based on quoted market prices from the Hospital's custodial banks.

The fair value of the interest rate swap liability was determined primarily based on Level 2 inputs. The Hospital estimates the fair value of the interest rate swap liability using current interest rates and pricing indices. The fair value of the liability was determined primarily based on estimated fair values as calculated by the counterparty.

Note 4 - Fair Value Measurements (Continued)

The Hospital's investments and assets limited as to use that are internally designated for capital improvements are invested in the Bronson Investment Fund. These assets are reported at cost and therefore not included in the information in the above table. See Notes 1 and 10 for additional information related to the Bronson Investment Fund.

Assets and Liabilities Measured at Fair Value on a Recurring Basis at December 31, 2010 (in thousands)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Assets - Assets limited as to use				
Funds held by trustee under bond indenture	$ 2,964	$ 11,824	$ -	$ 14,788
Funds held for payment of employee benefits	3,179	-	-	3,179
Total assets limited as to use	$ 6,143	$ 11,824	$ -	$ 17,967
Liabilities - Interest rate swaps	$ -	$ 9,145	$ -	$ 9,145

Note 5 - Patient Accounts Receivable

The details of patient accounts receivable are set forth below:

	2011	2010
	(in thousands)	
Patient accounts receivable	$ 170,898	$ 130,528
Less allowance for uncollectible accounts	(6,945)	(6,191)
Less allowance for contractual adjustments	(74,053)	(51,150)
Net patient accounts receivable	89,900	73,187
Other	2,370	1,468
Total accounts receivable	$ 92,270	$ 74,655

Note 5 - Patient Accounts Receivable (Continued)

The Hospital grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	Percentage	
	2011	2010
Medicare	19%	17%
Blue Cross/Blue Shield of Michigan	16	11
Medicaid	28	29
Commercial insurance	26	29
Self-pay	11	14
Total	100%	100%

Note 6 - Estimated Third-party Payor Settlements

A significant amount of the Hospital's net patient service revenue is received from the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs. The Hospital has agreements with third-party payors that provide for reimbursement at amounts different from established rates. A summary of the basis of reimbursement with these third-party payors follows:

- **Medicare** - Inpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system based on clinical, diagnostic, and other factors. Outpatient and homecare services related to Medicare beneficiaries are reimbursed based on a prospectively determined amount per episode of care. Payments are also received for capital and medical education costs subject to certain limits.
- **Medicaid** - Inpatient, acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Capital costs relating to Medicaid patients are paid on a cost reimbursement method. Outpatient and physician services are reimbursed on an established fee-for-service methodology.
- **Blue Cross/Blue Shield of Michigan** - Inpatient, acute-care services are reimbursed at prospectively determined rates per discharge. Outpatient services are reimbursed on fee-for-service and percentage-of-charge bases.

Note 6 - Estimated Third-party Payor Settlements (Continued)

- **Other Third-party Payors** - The Hospital has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement to the Hospital under these agreements is discounts from established charges, prospectively determined rates per discharge, and prospectively determined daily rates.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare, Medicaid, and Blue Cross/Blue Shield of Michigan programs that are subject to audit by fiscal intermediaries. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Medicare program has initiated a recovery audit contractor (RAC) initiative, whereby claims subsequent to October 1, 2007 will be reviewed by contractors for validity, accuracy, and proper documentation. The Hospital is unable to determine the extent of the liability for overpayments or underpayments found in an audit. The potential exists for significant overpayments or underpayments of claims liability for the Hospital at a future date.

Note 7 - Charity Care and Other Uncompensated Care

Charity Care - In support of its mission, the Hospital provides various health-related services, at a loss, to the indigent and other residents of its service area. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on a calculation which applies a ratio of cost to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Hospital's total expenses divided by gross patient service revenue.

Other uncompensated care represents the provisions for uncollectible accounts which represent services rendered to uninsured and underinsured patients. Other uncompensated care totaled approximately $22,540,000 and $23,410,000 at December 31, 2011 and 2010, respectively.

The estimated amounts of charity care are as follows:

	2011	2010
Charity care - At cost	$ 10,644	$ 10,538

Note 8 - Net Patient Service Revenue - Unaudited

Net patient service revenue is composed of the following:

	2011	2010
	(in thousands)	
Gross charges	$ 1,235,735	$ 1,151,972
Less total contractual deductions and other provisions	695,554	628,742
Net patient service revenue	$ 540,181	$ 523,230

Note 9 - Property and Equipment

Cost of property and equipment is summarized as follows:

	2011	2010
	(in thousands)	
Land	$ 5,755	$ 5,647
Buildings and improvements	337,633	330,856
Equipment	227,995	216,436
Construction in progress	34,565	5,609
Total cost	605,948	558,548
Accumulated depreciation	(317,476)	(286,981)
Net property and equipment	$ 288,472	$ 271,567

Depreciation and amortization expense on property and equipment totaled approximately $27,073,000 and $27,776,000 in 2011 and 2010, respectively.

At December 31, 2011 and 2010, construction in progress consists primarily of costs for an electronic health records information technology system and other building and improvement projects. At December 31, 2011, remaining commitments on contracts related to the construction in progress approximated $45,450,000.

Note 10 - Investments

The detail of investments is summarized in the following schedule:

	2011	2010
	(in thousands)	
Investments	$ 177,751	$ 221,197
Assets limited as to use	24,902	33,277
Total investments	$ 202,653	$ 254,474

Note 10 - Investments (Continued)

Investments consist of the following:

	2011	2010
	(in thousands)	
Money market investments	$ 5,472	$ 2,964
Mutual funds	2,527	3,179
Corporate securities	1,593	11,824
Investment in Bronson Investment Fund	193,061	236,507
Total	$ 202,653	$ 254,474

Assets in the Bronson Investment Fund are included in the above schedule in the category of the underlying assets in the fund.

Funds held by the trustee under bond indenture are held for the purpose of making future bond principal and interest payments and payments for certain construction projects. Investment income accrues to the funds as earned.

As described in Note 1, the Hospital participates in Bronson Healthcare Group's pooled investment management program, which is an investment pool of funds originating from the Hospital and other BHG affiliates. At December 31, 2011 and 2010, approximately $249 million and $263 million, respectively, of the Hospital's investments and cash are with this investment pool. BHG has agreed to indemnify the Hospital and other affiliates for market fluctuations, and therefore the assets are recorded by the Hospital at cost. At December 31, 2011 and 2010, the market value of Bronson Healthcare Group's investment funds is approximately $3 million above cost and $8 million above cost, respectively.

Note 11 - Accrued Liabilities

The detail of accrued liabilities is given below:

	2011	2010
	(in thousands)	
Compensation and payroll taxes	$ 10,401	$ 8,613
Compensated paid time off	10,483	9,833
Accrued interest	1,845	1,874
Other	9,892	8,405
Total accrued liabilities	$ 32,621	$ 28,725

Note 12 - Long-term Debt

A summary of long-term debt obligations at December 31, 2011 and 2010 follows:

	2011	2010
	(in thousands)	
City of Kalamazoo Hospital Revenue Improvement Bonds - Series 2006	$ 73,480	$ 75,000
City of Kalamazoo Hospital Revenue Refunding Bonds - Series 2003	78,870	82,670
City of Kalamazoo Hospital Revenue Refunding Bonds - Series 2010	114,205	114,260
Other	86	81
Total	266,641	272,011
Plus net unamortized premium	5,207	5,475
Less current portion	5,581	5,456
Long-term portion	$ 266,267	$ 272,030

In October 2011, a new obligated group was established including Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Nursing and Rehabilitation Center, Lifespan, Inc., and Van Buren Emergency Medical Services as members as the obligated group. On the date of issuance of the Series 2011 Bonds, the previous obligated group with the sole member of Bronson Methodist Hospital merged into the new obligated group resulting in an obligated group for all outstanding obligations consisting of the following members: Bronson Healthcare Group, Bronson LakeView Hospital, Bronson Nursing and Rehabilitation Center, Lifespan, Inc., Van Buren Emergency Medical Services, and Bronson Methodist Hospital. All members of the new obligated group are related parties of Bronson Methodist Hospital.

In September 2010, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue and Refunding Bonds (Bronson Methodist Hospital), Series 2010, totaling $114,260,000. The proceeds of the bonds were used to refund the City of Kalamazoo Hospital Revenue Refunding Bonds - Series 1998 and 2009, provide funding for certain capital projects within the Hospital, and terminate interest rate swaps related to the 1998 and 2006 series. At the same time, the Hospital converted the mode of the 2006 bonds from variable rate to fixed rate. The 2010 bonds consist of fixed rate term bonds with interest rates ranging from 4.25 to 5.50 percent, with annual mandatory sinking fund payments ranging from $15,000 in 2012 to $13,300,000 in 2036. The bonds are secured by the gross revenue of the Hospital.

Note 12 - Long-term Debt (Continued)

In connection with the advance refunding of the Series 1998 and 2009 Bonds and the conversion of the Series 2006 Bonds, a loss on extinguishment of debt was recognized in the amount of $4.14 million.

In June 2006, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Bonds (Bronson Methodist Hospital), Series 2006, totaling $75,000,000. In September 2010, the 2006 bonds were converted from variable rates to a fixed rate. The 2006 bonds consist of serial bonds with interest rates ranging from 2.50 to 5.25 percent and annual maturities ranging from $1,305,000 in 2012 to $2,470,000 in 2022, a term bond in the amount of $8,235,000 due in 2025, and an additional term bond in the amount of $44,170,000 due in 2036. The term bonds bear interest at 5.25 percent. The Hospital has mandatory annual sinking fund payments on the term bonds. The bonds are secured by the gross revenues of the Hospital.

In November 2003, the City of Kalamazoo Hospital Finance Authority issued the Hospital Revenue Refunding Bonds (Bronson Methodist Hospital), Series 2003, totaling $95,450,000. The 2003 bonds bear interest ranging from 4.0 to 5.25 percent. Principal payments are to be repaid in annual amounts ranging from $4,250,000 in 2012 to $5,770,000 in 2026. The bonds are secured by the gross revenue of the Hospital.

In connection with the loan agreements, the Hospital has made various covenants, among others, to comply with certain financial ratios.

Future minimum payments on long-term debt are as follows (amounts in thousands):

2012	$	5,581
2013		5,819
2014		6,092
2015		6,405
2016		6,725
Thereafter		236,019
Total	$	266,641

Note 13 - Interest Rate Swap Agreements

The Hospital had three interest rate swap agreements to manage the overall variability in interest rates. In September 2010, in connection with the bond refinancing, two of the swap agreements were terminated and one swap was partially terminated, reducing the notional amount of the third swap. A loss of $7.6 million was recognized in conjunction with the termination of the swaps.

Note 13 - Interest Rate Swap Agreements (Continued)

Accounting standards require all derivative instruments such as interest rate swaps to be recorded on the balance sheet at their fair value. The swaps are not considered to be hedges of cash flow in accordance with accounting standards. Accordingly, changes in the fair value of the swap agreements are reported as a component of excess of revenue over expenses, as well as any settlements on the interest rate swaps.

At December 31, 2011, the Hospital had the following interest rate swap agreement:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
$ 53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

At December 31, 2010, the Hospital had the following interest rate swap agreement:

Notional Amount	Termination Date	Hospital Receives	Hospital Pays
$ 53,285,000	May 2034	61.9% of LIBOR plus 0.31%	3.844%

Under the terms of the ISDA master agreement, the Hospital is required to maintain collateral posted with the counterparty to secure a portion of the estimated value of the derivative instruments when said instruments are valued in favor of the counterparty, as determined periodically by the valuation agent. The Hospital was not required to post collateral at December 31, 2011 and 2010. The Hospital's accounting policy is not to offset collateral amounts against fair value amounts recognized for derivative instrument obligations.

As of December 31, the fair value of derivatives held was as follows:

	Liability Derivatives	
	2011	2010
	(in thousands)	
Interest rate swaps	$ 17,801	$ 9,145

Liability derivatives are reported on the balance sheet.

For the years ended December 31, 2011 and 2010, the amounts of gain or loss recognized in the statement of operations attributable to derivative instruments and related hedged items and their locations in the statement of operations are as follows:

Note 13 - Interest Rate Swap Agreements (Continued)

Amount of gain or loss recognized in earnings for derivatives not designated as hedging instruments:

	Amount of Loss Recognized in Earnings (in thousands)		Reported in Statement of Operations as
	2011	2010	
Change in fair value of interest rate swap agreements	$ (8,686)	$ (2,326)	Nonoperating gain (loss)
Loss on interest rate swap terminations	$ -	$ (7,654)	Nonoperating gain (loss)

Note 14 - Pension and Other Postretirement Benefit Plans

The Hospital participates in a noncontributory defined benefit pension plan sponsored by the Group covering substantially all of its employees. Under this arrangement, the Hospital is charged for its share of costs incurred to provide pension benefits for its employees under the plan. Benefits are based on a participant's years of service and compensation during the last 10 years of employment.

Expense recorded at the Hospital under the pension plan totaled $8,859,000 and $9,770,000 in 2011 and 2010, respectively.

The Hospital also participates in a postretirement defined benefit plan sponsored by the Group that provides healthcare and life insurance benefits, subject to a per employee lifetime limit, for all active and substantially all retired employees and for certain other inactive employees. Under this arrangement, the Hospital is generally charged annually for its share of costs incurred to provide benefits under the plan. Expense recorded at the Hospital under the postretirement plan totaled $6,674,000 and $6,783,000 in 2011 and 2010, respectively. These benefit arrangements may be subject to change, and the effects of these changes, together with actuarial gains and losses, will be recognized prospectively.

Information is not available to permit the Hospital to determine its relative position in the plans. The details of the plans' funded status and expense calculations are disclosed in the notes to the financial statements of the Group. The plans' unfunded status as of December 31, 2011 totaled approximately $117 million.

Note 15 - Professional Liability Self-insurance

The Hospital participates in a self-insured, multiprovider, professional liability arrangement sponsored by the Group. This arrangement is designed to provide participating members with a specified level of primary professional liability coverage, with excess layers of insurance coverage provided by commercial insurers under claims-made policies. The levels of excess coverage vary by year, depending upon the availability and cost of that insurance. Should the claims-made policies not be renewed or be replaced with equivalent insurance, claims based on occurrences during its term and reported subsequently will be uninsured. Participating members of the self-insured arrangement are annually assessed amounts that reflect the level of professional liability risk subject to self-insurance for the participating entity. The expense assessed to the Hospital totaled $3,513,000 and $5,558,000 for 2011 and 2010, respectively.

The Hospital is involved in certain legal actions arising from services provided to patients and, additionally, is aware of certain possible claims that presently are not the subject of judicial proceedings. Although the Hospital is unable to precisely estimate the ultimate cost of settlements of professional liability claims, a provision is made for management's best estimate of losses for uninsured portions of pending claims and for known incidents that may result in the assertion of additional claims. Management believes, after considering legal counsel's evaluations of all actions and claims, that insurance coverage and accruals recorded at the Group for estimated losses are adequate to cover expected settlements.

Note 16 - Functional Expenses

The Hospital is a general acute-care facility that provides inpatient and outpatient healthcare services to patients in the Kalamazoo, Michigan area. Expenses related to providing these services for the years ended December 31, 2011 and 2010 are as follows (amounts in thousands):

	2011	2010
Healthcare services	$ 463,248	$ 447,983
General and administrative	64,404	48,397
Total	$ 527,652	$ 496,380

Note 17 - Related Party Transactions

Investments in joint ventures, primarily the West Michigan Cancer Center (WMCC) and the Michigan State University/Kalamazoo Center for Medical Studies (MSU/KCMS), that are not majority-owned (both 50 percent owned by the Hospital) and controlled are recorded using the equity method. Equity in earnings or losses of such joint ventures is included in other revenue in the statement of operations and changes in net assets and amounted to gains of $3,475,000 and $2,727,000 in 2011 and 2010, respectively.

Note 17 - Related Party Transactions (Continued)

WMCC and MSU/KCMS provide certain treatments to patients of the Hospital. Revenue billed for these services totaled $747,000 and $697,000 for the years ended December 31, 2011 and 2010, respectively, and were, in turn, reimbursed to the Hospital by patients and third-party payors. Revenue and expenses from activities with affiliated entities generally are based on the cost incurred by the entity providing the service.

The Hospital also purchases certain services in the ordinary course of business, maintains most insurance coverage, and leases certain facilities from the Group and its subsidiaries. It also provides certain professional and consulting services to the Group's subsidiaries. The Hospital's revenue and expenses related to these activities generally are based on costs incurred by the provider and are not material in relation to the Hospital's operations. In addition, during 2011 and 2010, the Hospital transferred $10,500,000 and $1,000,000, respectively, to Bronson Healthcare Group.

In January 2011, the assets and liabilities of Bronson Vicksburg Hospital (a wholly owned subsidiary of Bronson Healthcare Group) were transferred to the Hospital. The transaction to accomplish this was done via a net asset transfer between the two entities totaling approximately $1,293,000.

Additional Data

Software ID:
Software Version:
EIN: 38-1359087
Name: BRONSON METHODIST HOSPITAL

Form 990, Special Condition Description:

Special Condition Description

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES BARBARA L CHAIRPERSON	1 00	X						0	3,147	0
EBERTS RANDALL W PHD VICE CHAIR	1 00	X						0	2,560	0
WARDWELL GEOFFREY A MD SECRETARY	1 00	X						0	1,196	0
PARKS FLOYD L TREASURER	1 00	X						0	2,394	0
SARDONE FRANK J PRESIDENT	14 00	X		X				0	1,146,066	31,090
GIBSON SCOTT C MD PAST CHIEF OF STAFF	1 00	X						0	2,435	0
GREENE JAMES E JR DIRECTOR	1 00	X						0	3,452	0
GUNDERSON JAMES S DIRECTOR	1 00	X						0	2,231	0
HUNT BRENDA L DIRECTOR	1 00	X						0	0	0
JOHNSTON WILLIAM D DIRECTOR	1 00	X						0	0	0
KARAMCHANDANI MAHESH C MD DIRECTOR	1 00	X						0	0	0
KARRE NELSON DIRECTOR	1 00	X						0	0	0
KLEIN MARIAN G DIRECTOR	1 00	X						0	986	0
LINS STEVEN J MD DIRECTOR	1 00	X						0	0	0
MONTGOMERY TABRON LA JUNE DIRECTOR	1 00	X						0	0	0
NYBERG NEIL DIRECTOR	1 00	X						0	0	0
PARFET DONALD R DIRECTOR	1 00	X						0	0	0
RICHARDSON WILLIAM C PHD DIRECTOR	1 00	X						0	1,267	0
ROEHR BERNARD A MD CHIEF OF STAFF	1 00	X						14,485	2,532	0
WILSON-OYELARAN EILEEN B PHD DIRECTOR	1 00	X						0	0	0
ZELLER CHARLES L JR MD DIRECTOR	1 00	X						0	1,236	0
JOHN M DUNN DIRECTOR	1 00	X						0	0	0
DANIEL R SMITH DIRECTOR	1 00	X						0	0	0
KENNETH TAFT EXECUTIVE VICE PRESIDENT	2 00			X				0	621,301	33,486
JAMES FALAHEE SR VP LEGAL & LEG AFFAIRS	10 00			X				0	414,621	35,801

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			
SCOTT LARSON MD SR VP MEDICAL AFFAIRS/CMO	24 00			X				0	489,885	20,519
JOHN HAYDEN VP & CHIEF HR OFFICER	26 00			X				0	345,615	24,809
MARY MEITZ VICE PRESIDENT & CFO	15 60				X			0	335,556	31,737
KATIE HARRELSON SR VP, CLINICAL OPERATIONS	34 00				X			0	326,445	24,880
JOHN JONES SR VP, REG & PHYS SVS	12 00				X			0	285,238	32,367
MIKE WAY VP MAT MGT & FACILITY SVS	6 00				X			0	234,791	22,112
GREGORY WIGGINS PHYSICIAN	40 00					X		1,566,678	0	31,583
ALPHONSE DELUCIA III PHYSICIAN	40 00					X		775,557	0	32,917
MICHAEL LEINWAND PHYSICIAN	40 00					X		748,485	0	24,634
CHRIS SLOFFER PHYSICIAN	40 00					X		712,297	0	27,070
ALAIN FABI PHYSICIAN	40 00					X		2,427,834	0	32,416