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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1910 SOUTH AVE

City or town, state or country, and ZIP + 4
LA CROSSE, WI 54601

D Employer identification number
39-0813416

E Telephone number
(608) 782-7300

G Gross receipts $ 431,963,793

F Name and address of principal officer
JEFFREY THOMPSON CEO
1910 SOUTH AVE
LA CROSSE, WI 54601

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 GUNDLUTH ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1899 | **M** State of legal domicile WI

Part I Summary

1 Briefly describe the organization's mission or most significant activities
GUNDERSEN LUTHERAN MEDICAL CENTER (GLMC) ESTABLISHED IN 1899, PROVIDES ACUTE AND TERTIARY CARE FOR 19 COUNTIES LOCATED THROUGHOUT WESTERN WISCONSIN, NORTHEASTERN IOWA AND SOUTHEASTERN MINNESOTA GLMC IS A TEACHING HOSPITAL WITH 257 AVAILABLE BEDS AND A LEVEL II TRAUMA AND EMERGENCY CENTER OUR MISSION IS TO DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE WE WILL WORK AS A TEAM TO DEMONSTRATE OUR VALUES INTEGRITY-PERFORM WITH HONESTY, RESPONSIBILITY AND TRANSPARENCY EXCELLENCE-ACHIEVE EXCELLENCE IN ALL ASPECTS OF DELIVERING HEALTHCARE, RESPECT-TREAT PATIENTS, FAMILIES AND COWORKERS WITH DIGNITY, INNOVATION-EMBRACE CHANGE AND NEW IDEAS, COMPASSION-PROVIDE COMPASSIONATE CARE TO PATIENTS AND FAMILIES

Activities & Governance

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**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	6
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	0
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	317,159
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-23,997

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	3,535,658	3,467,500
9	Program service revenue (Part VIII, line 2g)	419,409,793	422,284,451
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	19,833,130	6,195,933
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-36,931	-39,567
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	442,741,650	431,908,317
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	7,773,473	8,304,576
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)	138,162,466	134,997,126
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)	306,012,513	239,020,150
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	451,948,452	382,321,852
19	Revenue less expenses Subtract line 18 from line 12	-9,206,802	49,586,465

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	602,498,153	670,853,388
21	Total liabilities (Part X, line 26)	126,455,262	144,724,034
22	Net assets or fund balances Subtract line 21 from line 20	476,042,891	526,129,354

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

****** | 2012-11-12
Signature of officer | Date

GORDON T EDWARDS CHIEF FINANCIAL OFFICER
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)
MARY JO WERNER CPA	2012-11-12	☐	P00365167

Firm's name (or yours if self-employed), address, and ZIP + 4
WIPFLI LLP
2 COPELAND AVENUE SUITE 301
LA CROSSE, WI 54603

EIN ▶ 39-0758449

Phone no ▶ (608) 784-7300

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

GUNDERSEN LUTHERAN MEDICAL CENTER (GLMC) ESTABLISHED IN 1899, PROVIDES ACUTE AND TERTIARY CARE FOR 19 COUNTIES LOCATED THROUGHOUT WESTERN WISCONSIN, NORTHEASTERN IOWA AND SOUTHEASTERN MINNESOTA GLMC IS A TEACHING HOSPITAL WITH 257 AVAILABLE BEDS AND A LEVEL II TRAUMA AND EMERGENCY CENTER OUR MISSION IS TO DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE WE WILL WORK AS A TEAM TO DEMONSTRATE OUR VALUES INTEGRITY-PERFORM WITH HONESTY, RESPONSIBILITY AND TRANSPARENCY, EXCELLENCE-ACHIEVE EXCELLENCE IN ALL ASPECTS OF DELIVERING HEALTHCARE, RESPECT-TREAT PATIENTS, FAMILIES, AND COWORKERS WITH DIGNITY, INNOVATION-EMBRACE CHANGE AND NEW IDEAS, COMPASSION-PROVIDE COMPASSIONATE CARE TO PATIENTS AND FAMILIES

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 $ 306,007,765 including grants of $ 8,304,576) (Revenue $ 421,967,292)

GLMC PROVIDES A COMPREHENSIVE RANGE OF INPATIENT, CLINICAL AND DIAGNOSTIC SERVICES IN NUMEROUS MEDICAL SPECIALTIES AND SUBSPECIALTIES GLMC IS A TEACHING HOSPITAL WITH 257 AVAILABLE BEDS WITH SPECIALTY SERVICES INCLUDING RENAL DIALYSIS, CANCER CARE, REHABILITATION SERVICES, AND CARDIAC SERVICES GLMC VOLUNTARILY PROVIDES MEDICALLY NECESSARY PATIENT CARE SERVICE THAT IS DISCOUNTED OR FREE OF CHARGE TO PERSONS WHO HAVE INSUFFICIENT RESOURCES AND/OR WHO ARE UNINSURED DURING 2011, GLMC PROVIDED FINANCIAL ASSISTANCE ON APPROXIMATELY 1,172 PATIENT ACCOUNTS THAT RESULTED IN GLMC INCURRING ROUGHLY $2,365,923 IN UNCOMPENSATED COST ASSOCIATED WITH THIS PROGRAM

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 306,007,765

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		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**		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
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**	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *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**	0		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		**1c**		
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**	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		**2b**		
	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	16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

DARA BARTELS
1900 SOUTH AVENUE NCA1-01
LA CROSSE, WI 54601
(608) 775-9487

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)** . . . . . ▶								0	8,722,933	1,290,671

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 ▶ 0

			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
GUNDERSEN LUTHERAN ADMINISTRATIVE SERVIC 1910 SOUTH AVENUE LA CROSSE, WI 54601	PURCHASED SERVICES	439,428,920
GUNDERSEN CLINIC LTD 1836 SOUTH AVENUE LA CROSSE, WI 54601	PURCHASED SERVICES	78,527,594

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 ▶ 2

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	202,932			
	e	Government grants (contributions)	1e	420,593			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,843,975			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		3,467,500			
Program Service Revenue			Business Code				
	2a	GENERAL HOSPITAL SERVI	621500	422,284,451	421,967,292	317,159	
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		422,284,451			
	3	Investment income (including dividends, interest and other similar amounts)		6,198,833			6,198,833
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross rents	9,600				
	b	Less rental expenses	49,167				
	c	Rental income or (loss)	-39,567				
	d	Net rental income or (loss)		-39,567			-39,567
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		3,409			
	b	Less cost or other basis and sales expenses		6,309			
	c	Gain or (loss)		-2,900			
	d	Net gain or (loss)		-2,900			-2,900
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d					
	12	**Total revenue.** See Instructions		431,908,317	421,967,292	317,159	6,156,366

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	8,304,576	8,304,576		
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				
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	95,825,867	94,177,291	1,648,576	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	12,371,662	12,159,689	211,973	
9	Other employee benefits	20,329,942	18,610,003	1,719,939	
10	Payroll taxes	6,469,655	6,895,953	-426,298	
11	Fees for services (non-employees)				
a	Management				
b	Legal	75		75	
c	Accounting				
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	61,259,106	60,683,275	575,831	
12	Advertising and promotion	81,097	80,173	924	
13	Office expenses	50,431,695	50,395,803	35,892	
14	Information technology	529,830	480,080	49,750	
15	Royalties . .				
16	Occupancy	1,242,395	988,614	253,781	
17	Travel	357,177	351,627	5,550	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	202,256	194,823	7,433	
20	Interest				
21	Payments to affiliates	85,247,615	26,766,744	58,480,871	
22	Depreciation, depletion, and amortization	8,525,555	5,900,972	2,624,583	
23	Insurance	353,377	1,538	351,839	
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	BAD DEBT/COLLECTIONS	19,879,739	19,879,739		
b	MISCELLANEOUS	10,831,661	58,811	10,772,850	
c	DUES, MEMBERSHIPS, LICE	51,090	50,572	518	
d	RECRUITING	27,482	27,482		
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	382,321,852	306,007,765	76,314,087	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			1	
	2	Savings and temporary cash investments		451,605	2	511,399
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		44,081,703	4	52,680,716
	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		500,000	7	0
	8	Inventories for sale or use		709,260	8	766,072
	9	Prepaid expenses and deferred charges			9	
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 270,819,373			
	b	Less accumulated depreciation	10b 144,606,553	85,004,917	10c	126,212,820
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		290,000	12	290,000
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		471,460,668	15	490,392,381
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		602,498,153	16	670,853,388
Liabilities	17	Accounts payable and accrued expenses		15,537,442	17	11,061,619
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	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		110,917,820	25	133,662,415
	26	**Total liabilities.** Add lines 17 through 25		126,455,262	26	144,724,034
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		476,042,891	27	525,629,354
	28	Temporarily restricted net assets			28	500,000
	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		476,042,891	33	526,129,354
	34	Total liabilities and net assets/fund balances		602,498,153	34	670,853,388

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	431,908,317
2	Total expenses (must equal Part IX, column (A), line 25)	2	382,321,852
3	Revenue less expenses Subtract line 2 from line 1	3	49,586,465
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	476,042,891
5	Other changes in net assets or fund balances (explain in Schedule O)	5	499,998
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	526,129,354

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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

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			
JEFFREY THOMPSON MD CHIEF EXECUTIVE OFFICER	2 00	X		X				0	684,572	55,475
GREG PRAIRIE BOARD OF TRUSTEES - VICE P	2 00	X		X				0	0	0
DONALD FRANK BOARD OF TRUSTEES - SECRET	2 00	X		X				0	0	0
STEVEN BURGESS BOARD OF TRUSTEES - TREASU	2 00	X		X				0	0	0
WILLIAM AGGER MD BOARD OF TRUSTEES - MEMBER	2 00	X						0	238,060	53,588
BRIAN RUDE BOARD OF TRUSTEES - MEMBER	2 00	X						0	0	0
MARK PLATT BOARD OF TRUSTEES - MEMBER	2 00	X						0	0	0
BRIAN MULRENNAN MD BOARD OF TRUSTEES/BOARD OF	2 00	X						0	264,365	57,975
JONATHAN ZLABEK MD BOARD OF TRUSTEES/BOARD OF	2 00	X						0	251,553	60,475
JULIO BIRD MD EXEC V PRESIDENT/BD OF GOV	2 00	X		X				0	713,438	55,475
SCOTT RATHGABER MD BD OF TRUSTEES, BD OF GOV	2 00	X						0	516,732	55,475
WENDY LOMMEN BOARD OF TRUSTEES - MEMBER	2 00	X						0	0	0
FRANK ABERGER MD BD OF GOV, SECRETARY	2 00	X		X				0	445,732	60,475
MARY KUFFEL MD BOARD OF GOVERNORS	2 00	X						0	427,762	37,235
STEPHEN SHAPIRO MD BOARD OF GOVERNORS	2 00	X						0	424,917	58,705
BRIAN SIECK MD BOARD OF GOVERNORS	2 00	X						0	350,392	60,705
MARILU BINTZ MD MEDICAL VICE-PRESIDENT	0 00				X			0	490,633	44,423
SIGURD GUNDERSEN III MD MEDICAL VICE-PRESIDENT	0 00				X			0	437,822	55,475
MICHAEL J DOLAN MD MEDICAL VICE-PRESIDENT	0 00				X			0	453,773	58,705
MARY JO KLOS VICE PRESIDENT	0 00				X			0	199,972	51,026
DEBRA RISLOW VICE PRESIDENT	0 00				X			0	278,882	51,691
KATHLEEN KLOCK SENIOR VICE PRESIDENT	0 00				X			0	371,982	40,465
GERALD ARNDT SENIOR VICE PRESIDENT	0 00				X			0	361,311	39,781
JANICE DEHAAN VICE PRESIDENT	0 00				X			0	258,903	61,521
GORDON EDWARDS CHIEF FINANCIAL OFFICER	0 00				X			0	294,128	50,542

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			
ROBERT TRINE SENIOR VICE PRESIDENT	0 00				X			0	358,304	52,186
MARY LU GERKE VICE PRESIDENT	0 00				X			0	192,898	38,752
BRIAN STEHULA MEDICATION SAFETY MANAGER	0 00					X		0	131,352	43,399
JOLENE GARRETT CLINICAL COORD FOR PHARM	0 00					X		0	136,209	39,604
MICHAEL MEYERS II ADMIN DIRECTOR PHARM SER	0 00					X		0	151,291	43,066
RYAN HOLTE ADMINISTRATIVE DIRECTOR	0 00					X		0	155,923	22,483
JODI PRIEBE RN, NP NEONATAL	0 00					X		0	132,027	41,969

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
GUNDERSEN LUTHERAN MEDICAL CENTER INC	39-0813416

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☑ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)	0	216,456
c Total lobbying expenditures (add lines 1a and 1b)	0	216,456
d Other exempt purpose expenditures	306,007,765	1,336,911,480
e Total exempt purpose expenditures (add lines 1c and 1d)	306,007,765	1,337,127,936
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000
h Subtract line 1g from line 1a If zero or less, enter -0-	0	0
i Subtract line 1f from line 1c If zero or less, enter -0-	0	0

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	222,185	201,660	258,826	216,456	899,127
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures					

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

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

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
PART IV, SUPPLEMENTAL INFORMATION		PART II-A LINE 1A-D GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC , 1910 S AVE, LA CROSSE, WI 54601, 39-1606449, LOBBYING EXPENSE - $199,653 OTHER EXEMPT PURPOSE EXPENSE - $583,725,083, GUNDERSEN CLINIC, LTD 1836 S AVE, LA CROSSE, WI 54601, 39-1028657 - LOBBYING EXPENSE - $216,456, OTHER EXEMPT PURPOSE EXPENSE - $447,178,632, GUNDERSEN LUTHERAN MEDICAL CENTER, INC , 1910 S AVE, LA CROSSE, WI 54601 - 39-0813416 - LOBBYING EXPENSE - $0, OTHER EXEMPT PURPOSE EXPENSE - $306,007,765 GUNDERSEN LUTHERAN HEALTH SYSTEM, INC , 1836 SOUTH AVE LA CROSSE, WI 54601, 39-1866425- LOBBYING EXPENSE - $0, OTHER EXEMPT PURPOSE EXPENSE - $0

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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	0				
b Contributions					
c Investment earnings or losses	0				
d Grants or scholarships	0				
e Other expenditures for facilities and programs	0				
f Administrative expenses	0				
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		3,723,381		3,723,381
b Buildings		183,501,183	82,671,270	100,829,913
c Leasehold improvements		3,497,073	3,248,501	248,572
d Equipment		80,097,736	58,686,782	21,410,954
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				126,212,820

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

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

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

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

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

(a) Description	(b) Book value
(1) GUNDERSEN CLINIC, LTD	48,663,339
(2) GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC	439,577,537
(3) OTHER RECEIVABLES	395,989
(4) GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC	1,755,516
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	490,392,381

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
GUNDERSEN CLINIC, LTD	107,493,726
ASSET RETIREMENT OBLIGATION - FIN 47	252,852
GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC	101,606
GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC	24,909,082
SELF INSURANCE RESERVE	905,149
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	133,662,415

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	431,908,317
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	382,321,852
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	49,586,465
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	499,998
9	Total adjustments (net) Add lines 4 - 8	9	499,998
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	50,086,463

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	415,694,791
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	499,998		
e	Add lines **2a** through **2d**			2e	499,998
3	Subtract line **2e** from line **1**			3	415,194,793
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	16,713,524		
c	Add lines **4a** and **4b**			4c	16,713,524
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	431,908,317

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

1	Total expenses and losses per audited financial statements			1	368,452,301
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	49,167		
e	Add lines **2a** through **2d**			2e	49,167
3	Subtract line **2e** from line **1**			3	368,403,134
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	13,918,718		
c	Add lines **4a** and **4b**			4c	13,918,718
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	382,321,852

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	INCOME TAX MATTERS THE OBLIGATED GROUP HAS REVIEWED ITS TAX POSITIONS FOR ALL OPEN YEARS AND HAS CONCLUDED THAT NO LIABILITIES EXIST FOR UNCERTAIN TAX POSITIONS AS OF DECEMBER 31, 2011 AND 2010 THE OBLIGATED GROUP'S INCOME TAX RETURNS ARE NO LONGER SUBJECT TO EXAMINATION FOR 2006 AND PRIOR
PART XI, LINE 8 - OTHER ADJUSTMENTS		TEMP RESTRICTED ASSETS 499,998
PART XII, LINE 2D - OTHER ADJUSTMENTS		TEMP RESTRICTED ASSETS 499,998
PART XII, LINE 4B - OTHER ADJUSTMENTS		GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC GRANTS 157,505 RENTAL EXPENSES -49,167 NET ASSETS RELEASED FROM RESTRICTION 2,843,975 GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC INVESTMENT ALLOCATION 13,761,211
PART XIII, LINE 2D - OTHER ADJUSTMENTS		RENTAL EXPENSES 49,167
PART XIII, LINE 4B - OTHER ADJUSTMENTS		GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC GRANTS 157,505 GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC INVESTMENT ALLOCATION 13,761,213 NET ASSETS RELEASED FROM RESTRICTION

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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 325.000000000000 %	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	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
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)			2,365,923		2,365,923	0 650 %
b Medicaid (from Worksheet 3, column a)			48,644,646	36,135,405	12,509,241	3 450 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			4,178,798	3,087,982	1,090,816	0 300 %
d **Total** Charity Care and Means-Tested Government Programs			55,189,367	39,223,387	15,965,980	4 400 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			209,738	28,512	181,226	0 050 %
f Health professions education (from Worksheet 5)			8,957,525	2,695,623	6,261,902	1 730 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			14,752		14,752	0 %
j **Total** Other Benefits			9,182,015	2,724,135	6,457,880	1 780 %
k **Total.** Add lines 7d and 7j			64,371,382	41,947,522	22,423,860	6 180 %

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 Healthcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	6,882,138		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	1,116,000		
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	63,701,649		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	64,077,633		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-375,984		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

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	GUNDERSEN LUTHERAN MEDICAL CENTER INC 1910 SOUTH AVE LA CROSSE, WI 54601	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)

GUNDERSEN LUTHERAN MEDICAL CENTER INC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 100.000000000000%			
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 325 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? **14**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C GUNDERSEN LUTHERAN MEDICAL CENTER, INC USES THE FEDERAL POVERTY GUIDELINES AS ONE MEANS OF DETERMINING ELIGIBILITY FOR CHARITY CARE THE FEDERAL POVERTY GUIDELINES ARE UPDATED AND PUBLISHED ANNUALLY BY THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES AS A GENERAL RULE, A PATIENT'S INCOME, BASED ON FAMILY SIZE, MUST BE AT OR BELOW 325% OF THE FEDERAL POVERTY GUIDELINES TO BE ELIGIBLE FOR THE CHARITY CARE PROGRAM A SLIDING SCALE BASED ON THE PATIENT'S INCOME LEVEL UNDER THE FEDERAL POVERTY GUIDELINES WILL BE USED TO DETERMINE THE PRECISE AMOUNT OF CHARITY CARE FOR WHICH A PATIENT WILL BE ELIGIBLE SOME PATIENTS MAY EXCEED 325% OF THE FEDERAL POVERTY GUIDELINES, BUT MAY STILL BE ELIGIBLE FOR CHARITY CARE WHEN ADDITIONAL CRITERIA SUCH AS CATASTROPHIC MEDICAL COSTS ARE CONSIDERED "CATASTROPHIC" IS DEFINED AS MEDICAL EXPENSES GREATER THAN 25% OF ANNUAL GROSS INCOME ADDITIONAL FACTORS ARE ALSO CONSIDERED WHEN DETERMINING ELIGIBILITY FOR CATASTROPHIC FINANCIAL ASSISTANCE 1) THE AMOUNT OWED IN RELATION TO THE PATIENT'S TOTAL MEANS 2) MEDICAL STATUS 3) EMPLOYMENT POTENTIAL IN LIGHT OF THE PATIENT'S MEDICAL CONDITION ALONG WITH SKILLS 4) DOES THE PATIENT LIVE ON A FIXED INCOME 5) EXISTING LIABILITIES 6) LEVEL AND TYPE OF ASSETS 7) ADDITIONAL FINANCIAL OBLIGATIONS AND TYPE

Identifier	ReturnReference	Explanation
		PART I, LINE 6A GUNDERSEN LUTHERAN HEALTH SYSTEM, INC

Identifier	ReturnReference	Explanation
		PART I, LINE 7 AN ADJUSTED COST TO CHARGE RATIO WAS USED TO DETERMINE THE COST OF THE SERVICES PROVIDED TO PATIENTS

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) THE PERCENT OF TOTAL EXPENSE WAS CALCULATED BY DIVIDING THE COMMUNITY BENEFIT COST BY TOTAL HOSPITAL EXPENSES LESS THE $19,879,739 PROVISION FOR UNCOLLECTIBLE ACCOUNTS

Identifier	ReturnReference	Explanation
DID THE ORGANIZATION MAKE IT AVAILABLE TO THE PUBLIC?	LINE 6B	THE COMMUNITY BENEFIT REPORT IS FILED WITH THE WISCONSIN HOSPITAL ASSOCIATION (WHA) THE WHA MAKES AVAILABLE A COMBINED SUMMARY WITH ALL OF THE HOSPITALS IN WISCONSIN INCLUDED

Identifier	ReturnReference	Explanation
		PART II THE GUNDERSEN LUTHERAN HEALTH SYSTEM, WHICH INCLUDES THE GUNDERSEN LUTHERAN MEDICAL CENTER, INC IS COMMITTED TO OUR COMMUNITIES AS VOICED IN OUR MISSION WE DISTINGUISH OURSELVES THROUGH EXCELLENCE IN PATIENT CARE, EDUCATION, RESEARCH, AND THROUGH IMPROVED HEALTH IN THE COMMUNITIES WE SERVE THE ACTIVITIES NOTED ABOVE ARE ONLY AN EXAMPLE OF THE INVOLVEMENT WITHIN OUR COMMUNITIES INCLUDING HEALTH IMPROVEMENT, ADVOCACY FOR PEOPLE WITH DISABILITIES, RECOGNITION OF DIVERSITY AND INCLUSION, MENTAL HEALTH, DOMESTIC VIOLENCE, WORKFORCE DEVELOPMENT, EDUCATION AND SAFETY ACTIVITIES ARE GUIDED BY COMMUNITY NEEDS ASSESSMENT CONDUCTED IN PARTNERSHIP WITH UNITED WAY AND COUNTY HEALTH DEPARTMENTS OTHER INFORMATION THAT GUIDES OUR WORK INCLUDES WORKSITE HEALTH RISK APPRAISALS, STATE AND NATIONAL DATA, AND OUR HEALTH SCORECARD MAINTAINED AT THE MEDICAL HEALTH SCIENCE CONSORTIUM AS A LARGER SYSTEM, COMMUNITY BUILDING ACTIVITIES ENCOMPASS ALL CORPORATIONS LEADERSHIP IN COMMUNITY HEALTH IMPROVEMENT IS EVIDENCED BY OUR ACTIVITY WITH SEVERAL COMMUNITY COALITIONS AND INITIATIVES WITH EMPHASIS ON REDUCING OBESITY AND ALCOHOL ABUSE AND ENHANCING MENTAL HEALTH SERVICES AS OFTEN AS POSSIBLE, ACTIVITIES ARE MEASURED AND OUTCOMES REPORTED DUE TO OUR CUTTING EDGE IMPROVEMENTS AND INNOVATIONS ON OUR LA CROSSE CAMPUS, OUR SUSTAINABILITY PLAN HAS GAINED NATIONAL ATTENTION AND HAS BECOME AN EXAMPLE FOR MANY BUSINESSES IN THE AREA SENSITIVE TO THE NEEDS OF OUR ENVIRONMENT

Identifier	ReturnReference	Explanation
		PART III, LINE 4 AN ADJUSTED COST TO CHARGE RATIO WAS USED TO DETERMINE THE COST OF SERVICES PROVIDED TO PATIENTS' ACCOUNTS WITH A BAD DEBT ADJUSTMENT THE COST OF SERVICES WAS ALLOCATED BETWEEN BAD DEBT ADJUSTMENT, PAYMENTS ON THE ACCOUNT, AND CHARITY ADJUSTMENTS, WHERE APPLICABLE A RATIO OF THE AMOUNT ALLOCATED TO BAD DEBT AND THE TOTAL BAD DEBT ADJUSTMENTS IN THE ACCOUNTS REVIEWED IS MULTIPLIED BY THE TOTAL BAD DEBT EXPENSE TO CALCULATE THE COST APPLICABLE TO BAD DEBT GUNDERSEN LUTHERAN'S FINANCIAL ASSISTANCE POLICY (FAP) PROVIDES FREE AND DISCOUNTED CARE UP TO 325% OF THE FEDERAL POVERTY GUIDELINES (FPG) SOME PATIENTS MAY EXCEED THE 325% FPG WHEN ADDITIONAL CRITERIA SUCH AS CATASTROPHIC MEDICAL COSTS ARE CONSIDERED THE DATA USED IS FROM THE US CENSUS BUREAU, 2008-2010 AMERICAN COMMUNITY SURVEY (ACS) 3-YEAR DATA SET FOR THE WISCONSIN COUNTIES AND ACS 5-YEAR DATA SET FOR HOUSTON COUNTY FOR HOUSTON COUNTY, WE USED THE MINNESOTA STATE AVERAGE BECAUSE 200% VALUE WAS SO HIGH FOR HOUSTON COUNTY WE OBTAINED THE AVERAGE OF THE FIVE COUNTIES BY USING THE INFORMATION AT THE 2 00-2 99 (299%) OF FEDERAL POVERTY LEVEL (FPL) AND BELOW THE NEXT RANGE WAS 3 00-3 99 RATIO OF INCOME TO POVERTY IN THE LAST 12 MONTHS WE MULTIPLIED THE FIVE COUNTY AVERAGE AT 299% OF FPL TO THE BAD DEBT AT COST WE DEDUCTED THE AMOUNT OF CHARITY CARE AT COST TO OBTAIN THE AMOUNT OF BAD DEBT AT COST TO PATIENTS ELIGIBLE UNDER FAP (BUT FOR WHOM INSUFFICIENT INFORMATION WAS OBTAINED TO DETERMINE THEIR ELIGIBILITY)

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE MEDICARE COST REPORT IS USED TO DETERMINE ALLOWABLE COSTS THE UNREIMBURSED MEDICARE COSTS ON PART III, SECTION B OF SCHEDULE H ARE ALLOWABLE COSTS PER THE MEDICARE COST REPORT THIS CALCULATION IS LIMITED TO PATIENTS WHO ARE COVERED UNDER THE MEDICARE FEE FOR SERVICE PLAN AND DOES NOT INCLUDE THOSE COVERED BY THE MEDICARE ADVANTAGE PLANS IT ALSO DOES NOT INCLUDE ALL SERVICES PROVIDED BY THE HOSPITAL TO PATIENTS COVERED UNDER THE MEDICARE FEE FOR SERVICE PLAN IT EXCLUDES HOME HEALTH SERVICES, HOSPICE SERVICES, AMBULANCE SERVICES, CLINICAL LABORATORY SERVICES, AND A FEW OTHER MISCELLANEOUS SERVICES INCORPORATING ALL SERVICES TO ALL MEDICARE BENEFICIARIES, THE UNREIMBURSED COST FOR MEDICARE IS $21,633,800

Identifier	ReturnReference	Explanation
		PART III, LINE 9B WHEN A PATIENT HAS INDICATED OR DEMONSTRATED AN "INABILITY TO PAY", A GUNDERSEN LUTHERAN FINANCIAL REPRESENTATIVE (OR ANOTHER APPROPRIATE REPRESENTATIVE) WILL PROVIDE THE PATIENT WITH A FINANCIAL ASSISTANCE APPLICATION (FAA) AND FULL, EXPLICIT INSTRUCTIONS FOR ITS COMPLETION ALONG WITH A REQUEST FOR THE DOCUMENTS NECESSARY TO VERIFY POTENTIAL PATIENT ASSETS AND LIABILITIES DEPENDING ON A PATIENT'S ELIGIBILITY, PARTIAL OR ENTIRE ACCOUNT BALANCES THAT CANNOT BE SETTLED DUE TO FINANCIAL HARDSHIP CAN BE WRITTEN-OFF AS CHARITY CARE IF A FINANCIAL ASSISTANCE APPLICATION IS COMPLETED AND APPROVED IN DETERMINING THE AMOUNT OF CHARITY CARE FOR WHICH A PATIENT WILL BE ELIGIBLE, GUNDERSEN LUTHERAN WILL APPLY A SLIDING SCALE BASED ON THE PATIENT'S INCOME LEVEL UNDER THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
GUNDERSEN LUTHERAN MEDICAL CENTER, INC		PART V, SECTION B, LINE 11H MUST APPLY FOR MEDICAID ELIGIBILITY BEFORE APPLYING FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
GUNDERSEN LUTHERAN MEDICAL CENTER, INC		PART V, SECTION B, LINE 13G GENERAL INFORMATION ABOUT THE POLICY IS POSTED IN THE EMERGENCY ROOM, ADMISSIONS OFFICE AND PROVIDED TO PATIENTS UPON ADMISSION

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IT IS THE POLICY OF GUNDERSEN LUTHERAN MEDICAL CENTER, INC TO ENGAGE IN PRACTICES WHICH PROVIDE A BENEFIT TO THE COMMUNITY THIS IS IN ACCORDANCE WITH ITS COMMUNITY SERVICE MISSION STATEMENT WHICH READS "WE SUPPORT AND STRENGTHEN THE COMMUNITIES WE SERVE WITH PARTNERSHIPS AND INVESTMENT THROUGH EFFECTIVE HEALTH IMPROVEMENT PROGRAMMING, CORPORATE CITIZENSHIP, VOLUNTEERISM, AND ECONOMIC CONTRIBUTIONS" DEFINITION OF COMMUNITY BENEFIT IN CONCERT WITH WISCONSIN HOSPITAL ASSOCIATION (WHA), CATHOLIC HOSPITAL ASSOCIATION (CHA), AND VETERANS HEALTH ADMINISTRATION (VHA), AND INTERPRETATION OF IRS GUIDELINES, GUNDERSEN LUTHERAN MEDICAL CENTER, INC DEFINES "COMMUNITY BENEFIT" AS PROGRAMS OR ACTIVITIES THAT PROVIDE TREATMENT AND/OR PROMOTE HEALTH AND HEALING AS A RESPONSE TO IDENTIFIED COMMUNITY NEEDS, REGARDLESS OF SOURCE OR AVAILABILITY OF PAYMENT THESE PROGRAMS OR ACTIVITIES PROVIDE MEASURABLE IMPROVEMENT IN HEALTH STATUS, ACCESS OR USE OF HEALTH CARE RESOURCES TO THE SERVICE COMMUNITY SPECIFICALLY, GOALS INCLUDE ACCESS AND COVERAGE, HEALTH PROMOTIONS, SOCIAL AND BASIC NEEDS, CORPORATE CITIZENSHIP, ACTIVITIES INCLUDING FINANCIAL CONTRIBUTIONS, DONATIONS OF MATERIALS AND EMPLOYEE VOLUNTEERISM BEGINNING IN LATE 2010 AND CONCLUDING IN JANUARY 2012, A COMMUNITY NEEDS ASSESSMENT WAS CONDUCTED FOR A 5-COUNTY GEOGRAPHIC AREA PARTNERS IN THE COMMUNITY NEEDS ASSESSMENT INCLUDED GUNDERSEN LUTHERAN AND 7 OTHER HOSPITALS, 5 COUNTY HEALTH DEPARTMENTS AND THE UNITED WAY A PAPER HOUSEHOLD SURVEY WAS CONDUCTED AND OVER 1,100 PEOPLE RESPONDED OVER 38 FOCUS GROUPS AND KEY STAKEHOLDER GROUPS (HELD IN 3 LANGUAGES AND INCLUDING PEOPLE OF VARYING AGES AND ABILITIES) WERE HELD INVOLVING OVER 350 INDIVIDUALS WELL OVER 100 SOCIOECONOMIC AND HEALTH INDICATORS WERE GATHERED TO SUPPORT THE MORE SUBJECTIVE DATA THE LEADERSHIP TEAM REPRESENTING THE PARTNERS AND OTHER CONTENT EXPERTS LED THIS DATA GATHERING, WILL REVIEW THE REPORT, AND BASED ON THE REPORT, THEIR EXPERTISE, AND THE ESTABLISHED CRITERIA, PRIORITIZE ISSUES THAT WILL BE CONSIDERED TO BE OUR COMMUNITY'S NEEDS AN IMPLEMENTATION PLAN WILL BE DEVELOPED IN 2012 THAT WILL INCLUDE GUNDERSEN LUTHERAN'S ACTION STEPS THAT WILL IMPACT THOSE IDENTIFIED NEEDS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 SUBJECT TO EMTALA REQUIREMENTS, WHEN A PATIENT IS ADMITTED TO GUNDERSEN LUTHERAN HOSPITAL, CHECKED-IN BY A RECEPTIONIST OR INITIALLY CONTACTED BY A HOME HEALTH REPRESENTATIVE, HE OR SHE IS NOTIFIED OF POTENTIAL OUT OF POCKET EXPENSE AND GUNERSEN LUTHERAN'S PATIENT PAYMENT GUIDLINES IF THIS IS NOT POSSIBLE, THE PATIENT WILL BE ADVISED OF OUR POLICY REGARDING INSTALLMENT PAYMENTS AT THIS TIME, INSURANCE COVERAGE IS ALSO VERIFIED IF APPROPRIATE, FINANCIAL COUNSELING IS MADE AVAILABLE TO ASSIST PATIENTS TO BE SCREENED FOR ANY MEDICAL ASSISTANCE OR DISABILITY PROGRAMS, OR OTHER PAYMENT SOURCE WILL BE IDENTIFIED AND RECORDED HOWEVER, NEITHER OF THESE PROCEDURES WILL BE FOLLOWED IN ANY SITUATION THAT MAY VIOLATE EMTALA PROVISIONS (SEE POLICY GL-3001) IN THAT INSTANCE THE PATIENT'S INSURANCE STATUS WILL BE RECORDED AS SOON AFTER STABILIZATION AS POSSIBLE IF A PATIENT DOES NOT HAVE INSURANCE COVERAGE OR CANNOT PROVIDE EVIDENCE OF SUCH, HE OR SHE WILL BE CLASSIFIED AS "SELF-PAY" WITHIN THE PATIENT FINANCIAL SYSTEM INFORMATION ON GUNDERSEN LUTHERAN MEDICAL CENTER, INC PAYMENT POLICIES IS POSTED IN THE PATIENT REGISTRATION AREAS OF THE INSTITUTION AND FROM FINANCIAL COUNSELORS THROUGHOUT THE ORGANIZATION, AS WELL AS THE CORPORATE WEBSITE AT WWW GUNDLUTH ORG IN ADDITION, GUNDERSEN LUTHERAN'S PAYMENT POLICIES ARE PRINTED ON THE REVERSE OF ALL GUNDERSEN LUTHERAN CLINIC AND HOSPITAL BILLING STATEMENTS AND ARE AVAILABLE AT ANY TIME UPON PATIENT REQUEST

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 GUNDERSEN LUTHERAN MEDICAL CENTER, INC IS A MAJOR TERTIARY TEACHING HOSPITAL IN THE GUNDERSEN LUTHERAN HEALTH SYSTEM, INC LOCATED IN LA CROSSE, WI, THE HOSPITAL SERVES PATIENTS FROM THE LA CROSSE AND SURROUNDING AREAS INCLUDING 19 COUNTIES IN WESTERN WISCONSIN, SOUTHEASTERN MINNESOTA AND NORTHEASTERN IOWA LA CROSSE COUNTY, WITH A POPULATION OF SLIGHTLY OVER 113,000 PEOPLE, IS THE LARGEST COMMUNITY IN OUR SERVICE REGION TOTAL 19 COUNTY SERVICE AREA POPULATION IS APPROXIMATELY 564,000 WITH AN AVERAGE HOUSEHOLD INCOME OF $54,494 15 9% OF THE 19 COUNTY SERVICE AREA POPULATION IS COVERED BY MEDICAL ASSISTANCE OR MEDICAID (ACCORDING TO WI, IA AND MN DATA) PROJECTED POPULATION GROWTH IS MUCH SLOWER AT 0 4% COMPARED TO THE NATIONAL POPULATION GROWTH PROJECTION OF 4 0% 22 6% OF THE POPULATION ARE AGE 17 OR UNDER COMPARED TO 24 3% NATIONALLY THE SERVICE AREA POPULATION OF 65 AND OLDER ADULTS IS 16 3% COMPARED TO 13 3% NATIONALLY 5 7% OF THE POPULATION IS NON-WHITE SEVERAL SMALLER RURAL COMMUNITY HOSPITALS ARE LOCATED THROUGHOUT THE REGION TRI-COUNTY MEMORIAL HOSPITAL LOCATED IN WHITEHALL, WISCONSIN, ST JOSEPH'S MEMORIAL HOSPITAL LOCATED HILLSBORO, WISCONSIN AND PALMER LUTHERAN HOSPITAL LOCATED IN WEST UNION, IOWA ARE AFFILIATES OF THE GUNDERSEN LUTHERAN HEALTH SYSTEM, INC SPECIALIZED SERVICES PERFORMED AT THE HOSPITAL INCLUDE ALLERGY, AUDIOLOGY, BEHAVIORAL MEDICINE, CARDIOLOGY, CARDIOTESTING LAB, CATH LAB, DERMATOLOGY, ECHOCARDIOGRAPHY, ENDOCRINOLOGY, ENDODONTICS, EXERCISE PHYSIOLOGY, GASTROENTEROLOGY, HEMATOLOGY, HOSPITALIST, INFECTIOUS DISEASE, NEPHROLOGY, NEUROLOGY, NEUROPSYCHOLOGY, OB/GYN, OCCUPATIONAL SERVICES, ONCOLOGY, OPTHALMOLOGY, OTOLARYNGOLOGY, PATHOLOGY, PEDIATRICS, PERIODONTICS, PHYSICAL MEDICINE AND REHAB, PHYSICAL THERAPY, PLASTIC SURGERY, PODIATRY, PROSTHODONTICS, PSYCHIATRIC, PULMONARY RENAL DIALYSIS, RHEUMATOLOGY, SPEECH PATHOLOGY, SPORTS MEDICINE, SURGERY, AND UROLOGY GUNDERSEN LUTHERAN PROVIDED SIGNIFICANT CHARITY CARE AND OTHER COMMUNITY BENEFITS AS DEFINED BY THE IRS IN ADDITION, WE PROVIDE A CRITICALLY IMPORTANT COMMUNITY BENEFIT, MUCH OF WHICH IS NOT QUANTIFIED OUR HOSPITAL, LIKE MOST COMMUNITY HOSPITALS, WAS CREATED AND IS MAINTAINED IN ORDER TO PROVIDE CARE LOCALLY, CARE THAT WITHOUT OUR HOSPITAL MAY NOT BE AVAILABLE LOCALLY

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 A MAJORITY OF THE HEALTH SYSTEM'S BOARD OF TRUSTEES ARE INDIVIDUALS FROM THE COMMUNITY WHO RESIDE IN THE LA CROSSE AREA THESE INDIVIDUALS ARE NOT EMPLOYEES OF THE HEALTH SYSTEM MANY OTHER EXAMPLES EXIST REFLECTING THE HEALTH SYSTEM'S SUPPORT AND PROMOTION OF THE HEALTH OF THE COMMUNITY PROGRAMS FOR THE COMMUNITY ARE PROVIDED AT NO COST SUCH AS PHYSICAL ACTIVITY CHALLENGE, HEALTHY MENU PLANNING FOR LOCAL RESTAURANTS, AND HEALTH SCREENINGS AT NUMEROUS EVENTS THROUGHOUT THE YEAR A FREE NURSE ADVISOR LINE IS AVAILABLE FOR ALL TO ASSIST CALLERS PRIORITY ONE DESIGNATION ASSURES HEART ATTACK PATIENTS SEEN IN HOSPITALS THROUGHOUT THE REGION ARE CARED FOR WITH PROVEN PROTOCOLS AND TIMELY PROCEDURES GUNDERSEN LUTHERAN STAFF ARE ENCOURAGED TO PARTICIPATE IN THEIR LOCAL COMMUNITY ORGANIZATIONS STAFF LEND THEIR EXPERTISE IN LEADERSHIP POSITIONS TO ORGANIZATIONS SUCH AS THE UNITED WAY, HEALTH MISSION, CHAMBER OF COMMERCE, HUMAN SERVICE ORGANIZATIONS, AND HEALTH IMPROVEMENT INITIATIVES STAFF FROM GUNDERSEN LUTHERAN HAVE BEEN INSTRUMENTAL IN ACHIEVING COMMUNITY NEEDS ASSESSMENTS AND IMPLEMENTATION OF COMMUNITY INITIATIVES IN AREAS OF OBESITY, ALCOHOL USE, CHILD SAFETY, DOMESTICVIOLENCE AND ENVIRONMENTAL HEALTH PATIENT ADVISORY GROUPS FROM VARIOUS SECTORS OF OUR COMMUNITY ARE COORDINATED IN ORDER FOR US TO BETTER MEET THE NEEDS OF OUR PATIENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 ALL AFFILIATES OF THE HEALTH SYSTEM HAVE A RESPONSIBILITY TO PROMOTE THE HEALTH OF THE COMMUNITIES WE SERVE THE MAJORITY OF EMPLOYEES, BASED IN THE ADMINISTRATIVE CORPORATION, ARE ACTIVELY INVOLVED IN PROGRAMS AND SERVICES FOR THE COMMUNITY AS WELL AS MAINTAINING PARTNERSHIPS WITH A VARIETY OF ORGANIZATIONS, COALITIONS, INITIATIVES AND AGENCIES IN OUR COMMUNITIES THAT PROMOTE HEALTH THE ADMINISTRATIVE CORPORATION ALSO PROVIDES THE FINANCIAL CORPORATE CONTRIBUTIONS TO VARIOUS ORGANIZATIONS AND COMMUNITY ACTIVITIES OUR FOUNDATION PROVIDES SUPPORT FOR NUMEROUS COMMUNITY HEALTH PROMOTION PROGRAMS AS WELL, PROVIDED BY THE HEALTH SYSTEM OR OTHER ORGANIZATIONS IN OUR COMMUNITY CLINICAL STAFF SUPPORT SCREENINGS AND THE HEALTH MISSION OUR LOCAL RURAL HOSPITAL AFFILIATES PROVIDE SUPPORT TO THEIR RESPECTIVE COMMUNITIES OUR CLINICS, LOCATED IN OVER 20 COMMUNITIES PROVIDE SUPPORT UNIQUE TO THE NEEDS OF THAT COMMUNITY THE MEDICAL CENTER, AS PART OF AN INTEGRATED HEALTH CARE DELIVERY SYSTEM, WORKS WITH AND IS RELATED TO GUNDERSEN CLINIC, LTD WHICH PROVIDED UNCOMPENSATED CARE IN THE AMOUNT OF APPROXIMATELY $117,297,962 BASED ON POLICIES AND CONTRACTS ARRANGED TO HELP SUPPORT THE COMMUNITY'S NEEDS RELATED TO HEALTH CARE SERVICES, THE $117,297,962 IS THE SUM OF UNREIMBURSED MEDICARE & MEDICAID COST PLUS CHARITY AT COST ALL OF THESE ARE CALCULATED USING THE SAME METHOD UTILIZED FOR THE HOSPITAL CALCULATION OF CHARITY COST AND UNREIMBURSED MEDICARE AND MEDICAID COSTS THE COST OF CHARITY IS CALCULATED BY ALLOCATING THE COST TO PROVIDE SERVICES TO A PATIENT BETWEEN ANY PAYMENTS, BAD DEBT, AND CHARITY WRITE-OFFS WHERE TOTAL PAYMENTS ARE LESS THAN THE COST OF SERVICES PROVIDED THE UNREIMBURSED MEDICARE AND MEDICAID COSTS ARE CALCULATED BY COMPARING THE COST OF SERVICES TO MEDICARE AND MEDICAID PATIENTS TO THE NET REVENUE FOR THOSE SAME PATIENTS UNREIMBURSED COST IS THE AMOUNT THE COST EXCEEDS THE NET REVENUE AMOUNTS ARE REPORTED IN GUNDERSEN CLINIC, LTD SEPARATE 990

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

Additional Data

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **14** Name and address	Type of Facility (Describe)
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
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GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES
GL HOSPICE INDUSTRIAL REHAB BUILDING 1843 SIMS PL LA CROSSE, WI 54601	HOSPICE SERVICES

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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) GUNDERSEN LUTHERAN MEDICAL FOUNDATION INC1836 SOUTH AVENUE LA CROSSE,WI 54601	39-1249705	501(C)(3)	8,304,575				SUPPORT OF THE GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC

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
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 ASSISTANCE WAS MADE TO A RELATED ORGANIZATION THE FUNDS ARE MONITORED BY MANAGEMENT AND THE BOARD OF TRUSTEES AND BOARD OF GOVERNORS

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		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				
See Additional Data Table								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	PART I, LINE 1A, 2, AND 3 ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC AND ALL PAYMENTS TO VENDORS ARE MADE BY GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JEFFREY THOMPSON MD	(I)	0	0	0	0	0	0	0
	(II)	680,972	0	3,600	35,741	19,734	740,047	0
WILLIAM AGGER MD	(I)	0	0	0	0	0	0	0
	(II)	236,800	0	1,260	35,043	18,545	291,648	0
BRIAN MULRENNAN MD	(I)	0	0	0	0	0	0	0
	(II)	245,472	0	18,893	35,741	22,234	322,340	0
JONATHAN ZLABEK MD	(I)	0	0	0	0	0	0	0
	(II)	243,972	0	7,581	35,741	24,734	312,028	0
JULIO BIRD MD	(I)	0	0	0	0	0	0	0
	(II)	653,517	0	59,921	35,741	19,734	768,913	0
SCOTT RATHGABER MD	(I)	0	0	0	0	0	0	0
	(II)	512,972	0	3,760	35,741	19,734	572,207	0
FRANK ABERGER MD	(I)	0	0	0	0	0	0	0
	(II)	441,972	0	3,760	35,741	24,734	506,207	0
MARY KUFFEL MD	(I)	0	0	0	0	0	0	0
	(II)	424,412	0	3,350	35,741	1,494	464,997	0
STEPHEN SHAPIRO MD	(I)	0	0	0	0	0	0	0
	(II)	424,547	0	370	35,741	22,964	483,622	0
BRIAN SIECK MD	(I)	0	0	0	0	0	0	0
	(II)	349,972	0	420	35,741	24,964	411,097	0
MARILU BINTZ MD	(I)	0	0	0	0	0	0	0
	(II)	487,033	0	3,600	35,741	8,682	535,056	0
SIGURD GUNDERSEN III MD	(I)	0	0	0	0	0	0	0
	(II)	415,472	0	22,350	35,741	19,734	493,297	0
MICHAEL J DOLAN MD	(I)	0	0	0	0	0	0	0
	(II)	413,472	0	40,301	35,741	22,964	512,478	0
MARY JO KLOS	(I)	0	0	0	0	0	0	0
	(II)	194,972	5,000	0	29,420	21,606	250,998	0
DEBRA RISLOW	(I)	0	0	0	0	0	0	0
	(II)	278,512	0	370	35,741	15,950	330,573	0
KATHLEEN KLOCK	(I)	0	0	0	0	0	0	0
	(II)	371,912	0	70	35,741	4,724	412,447	0
GERALD ARNDT	(I)	0	0	0	0	0	0	0
	(II)	361,191	0	120	35,741	4,040	401,092	0
JANICE DEHAAN	(I)	0	0	0	0	0	0	0
	(II)	257,261	0	1,642	35,741	25,780	320,424	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
GORDON EDWARDS	(I)	0	0	0	0	0	0	0
	(II)	273,864	0	20,264	35,741	14,801	344,670	0
ROBERT TRINE	(I)	0	0	0	0	0	0	0
	(II)	323,476	20,000	14,828	35,741	16,445	410,490	0
MARY LU GERKE	(I)	0	0	0	0	0	0	0
	(II)	192,898	0	0	28,194	10,558	231,650	0
BRIAN STEHULA	(I)	0	0	0	0	0	0	0
	(II)	126,276	0	5,076	19,720	23,679	174,751	0
JOLENE GARRETT	(I)	0	0	0	0	0	0	0
	(II)	130,397	0	5,812	19,870	19,734	175,813	0
MICHAEL MEYERS II	(I)	0	0	0	0	0	0	0
	(II)	146,253	0	5,038	22,264	20,802	194,357	0
RYAN HOLTE	(I)	0	0	0	0	0	0	0
	(II)	154,441	0	1,482	22,429	54	178,406	0
JODI PRIEBE	(I)	0	0	0	0	0	0	0
	(II)	113,372	17,435	1,220	19,635	22,334	173,996	0

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC IS THE SOLE MEMBER OF THIS ORGANIZATION
	FORM 990, PART VI, SECTION A, LINE 7A	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC
	FORM 990, PART VI, SECTION A, LINE 7B	GUNDERSEN LUTHERAN HEALTH SYSTEM, INC THE PARENT CORPORATION AND SOLE MEMBER OF THE CORPORATION, SHALL HAVE THE POWER TO RECOMMEND AND REVIEW, AS APPROPRIATE, AND APPROVE CERTAIN MATTERS ARTICLES OF INCORPORATION MAY BE AMENDED BY VOTE OF THE SOLE MEMBER OF THE CORPORATION
	FORM 990, PART VI, SECTION B, LINE 11	THE GUNDERSEN LUTHERAN HEALTH SYSTEM FINANCE COMMITTEE RECEIVES A COPY OF THE 990 BEFORE FILING AND UPON FURTHER REVIEW FROM THE ACCOUNTING MANAGER, CONTROLLER AND CFO THE 990'S ARE APPROVED AND FILED
	FORM 990, PART VI, SECTION B, LINE 12C	GUNDERSEN LUTHERAN MEDICAL CENTER, INC MONITORS CONFLICTS ON AN ANNUAL BASIS BY REVIEWING DISCLOSURES ON COMPLETED CONFLICT OF INTEREST STATEMENTS
	FORM 990, PART VI, SECTION B, LINE 15	ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC THE COMPENSATION OF THE CEO IS DETERMINIED ANNUALLY BY A COMMITTEE MADE UP OF THE COMMUNITY MEMBERS OF THE BOARD OF TRUSTEES THEIR DETERMINATION IS MADE AFTER A REVIEW OF MARKET DATA OBTAINED FROM SEVERAL ORGANIZATIONS AND CEO PERFORMANCE MEETING MINUTES ARE TAKEN AND KEPT AT THE MEETINGS WHERE SUCH DISCUSSIONS TAKE PLACE RECOMMENDATIONS FOR COMPENSATION FOR THE ORGANIZATIONS' KEY MANAGEMENT EMPLOYEES ARE DEVELOPED ANNUALLY BY THE CEO, AFTER A REVIEW OF PERFORMANCE AND COMPARABLE MARKET DATA THE COMPENSATION RECOMMENDATIONS, ALONG WITH THE MARKET DATA, ARE PRESENTED TO A COMMITTEE MADE UP OF THE COMMUNITY MEMBERS OF THE BOARD OF TRUSTEES THE COMPENSATION AMOUNTS ARE NOT EFFECTIVE UNTIL THE BOARD COMMITTEE APPROVES THEM MEETING MINUTES ARE TAKEN AND KEPT AT THE MEETINGS WHERE THE BOARD REVIEWS AND APPROVES THE COMPENSATION OF THE KEY EMPLOYEES
	FORM 990, PART VI, SECTION C, LINE 19	REQUESTS FOR ALL DOCUMENTS ARE MADE THROUGH THE LEGAL DEPARTMENT AND THE APPROPRIATE DOCUMENTS ARE MADE AVAILABLE FOR INSPECTION IN THE LEGAL DEPARTMENT
	FORM 990, PART VII, SECTION A	ALL PERSONNEL SERVICES FOR GUNDERSEN LUTHERAN MEDICAL CENTER, INC ARE PERFORMED BY EMPLOYEES OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC
	FORM 990, PART VII, SECTION B	ALL PAYMENTS TO VENDORS ARE MADE BY GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC
	FORM 990, PART VII, SECTION A	HOURS WORKED BY OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES BY ENTITY JEFFREY THOMPSON, MD - CEO - WORKED 40 HOURS FOR RELATED ORGANIZATIONS JULIO BIRD, MD - EXECUTIVE VP - WORKED 40 HOURS FOR RELATED ORGANIZATIONS MARILU BINTZ - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS MICHAEL DOLAN, MD - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS SIGURD GUNDERSEN III, MD - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS WILLIAM AGGER, MD - BOARD OF TRUSTEES/BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS BRIAN MULRENNAN - BOARD OF TRUSTEES/BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS JONATHAN ZLABEK, MD - BOARD OF TRUSTEES/BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS MARY JO KLOS - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS DEBRA RISLOW - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS KATHLEEN KLOCK - SENIOR VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS GERALD ARNDT - SENIOR VICE PRESIDNT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS JANICE DEHAAN - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS GORDON EDWARDS - CFO - WORKED 40 HOURS FOR RELATED ORGANIZATIONS ROBERT TRINE - SENIOR VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS MARY LU GERKE - VICE PRESIDENT - WORKED 40 HOURS FOR RELATED ORGANIZATIONS BRIAN STEHULA - MEDICAL SAFETY MANAGER - WORKED 40 HOURS FOR A RELATED ORGANIZATION JOLENE GARRETT - CLINICAL COORD FOR PHARM - WORKED 40 HOURS FOR A RELATED ORGANIZATION MICHAEL MEYERS II - ADMIN DIRECTOR PHARM SERV - WORKED 40 HOURS FOR A RELATED ORGANIZATION RYAN HOLTE - ADMINISTRATIVE DIRECTOR - WORKED 40 HOURS FOR A RELATED ORGANIZATION JODI PRIEBE - RN, NP NEONATAL - WORKED 40 HOURS FOR A RELATED ORGANIZATION SCOTT RATHGABER - BOARD OF TRUSTEES/BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS FRANK ABERGER, MD - BOARD OF GOVERNORS/SECRETARY - WORKED 40 HOURS FOR RELATED ORGANIZATIONS MARY KUFFEL, MD - BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS STEPHEN SHAPIRO, MD - BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS BRIAN SIECK, MD - BOARD OF GOVERNORS - WORKED 40 HOURS FOR RELATED ORGANIZATIONS
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	TEMP RESTRICTED ASSETS 499,998 TOTAL TO FORM 990, PART XI, LINE 5 499,998
	FORM 990, PART XII, LINE 2C	THE PROCESS ALLOWS THE AUDIT COMMITTEE OF GUNDERSEN LUTHERAN HEALTH SYSTEM, INC TO INDEPENDENTLY COMMUNICATE WITH THE EXTERNAL AUDIT FIRM THROUGHOUT THE YEAR, BUT FORMAL COMMUNICATION OCCURS BEFORE THE ENGAGEMENT AND UPON CONCLUSION THE AUDIT COMMITTEE MEETS WITH THE AUDIT FIRM FOR PRESENTATION OF THE STATEMENTS THE PROCESS HAS NOT CHANGED FROM THE PRIOR YEAR
	AFFILIATED ENTITY CHARITY CARE	AN AFFILIATE OF GUNDERSEN LUTHERAN MEDICAL CENTER, INC , GUNDERSEN CLINIC, LTD , IS NOT REQUIRED TO FILE SCHEDULE H OF FORM 990 GUNDERSEN CLINIC, LTD PROVIDED COMMUNITY BENEFIT OF CHARITY AT COST $2,078,687 MEDICARE UNREIMBURSED COST $88,696,480 MEDICAID UNREIMBURSED COST $26,522,795
TAX EXEMPT BOND ISSUE	FORM 990, PART IV, LINE 24A	GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC IS A PART OF GUNDERSEN LUTHERAN'S OBLIGATED GROUP (GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC , GUNDERSEN LUTHERAN MEDICAL CENTER, INC , GUNDERSEN CLINIC, LTD , AND GUNDERSEN LUTHERAN MEDICAL FOUNDATION, INC)AND TAX-EXEMPT DEBT RESIDES ON THE BALANCE SHEET OF GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES, INC FEIN 39-1606449

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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
GUNDERSEN LUTHERAN MEDICAL CENTER INC

Employer identification number
39-0813416

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

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

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

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

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

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

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) DEGEN BERGLUND INC 1709 LOSEY BLVD S LA CROSSE, WI 54601 39-0971110	RETAIL PHARMACY	WI	N/A	C			
(2) GUNDERSEN LUTHERAN ENVISION LLC 1836 SOUTH AVENUE LA CROSSE, WI 54601 26-4706546	RENEWABLE ENERGY	WI	N/A	C			

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

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

		Yes	No
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	Yes	
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		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		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o	Yes	
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q	Yes	
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) GUNDERSEN LUTHERAN HEALTH PLAN INC	O	58,342,828	FAIR VALUE
(2) DEGEN BERGLUND INC	K	251,247	FAIR VALUE
(3) DEGEN BERGLUND INC	P	90,551	FAIR VALUE
(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	

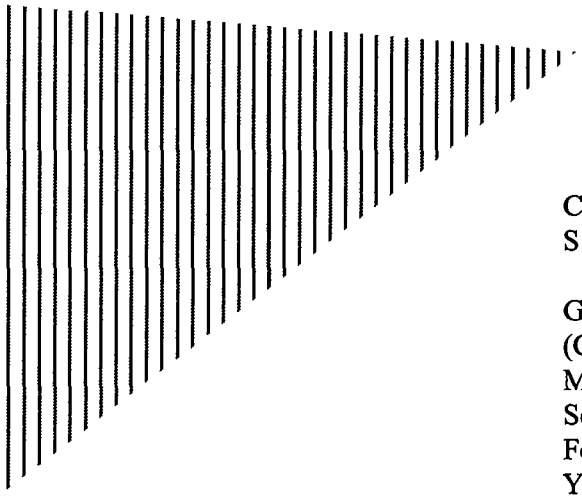
Additional Data

Return to Form

Software ID:
Software Version:
EIN: 39-0813416
Name: GUNDERSEN LUTHERAN MEDICAL CENTER INC

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	
GUNDERSEN LUTHERAN HEALTH SYSTEM INC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1866425	SUPPORTING ORG	WI	501(C)(3)	LINE 11B, II	N/A		No
GUNDERSEN CLINIC LTD 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1028657	SUPPORTING ORG	WI	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
GUNDERSEN LUTHERAN MEDICAL FOUNDATION INC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1249705	FOUNDATION	WI	501(C)(3)	LINE 7	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
GUNDERSEN LUTHERAN ADMINISTRATIVE SERVICES INC 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1606449	SUPPORTING ORG	WI	501(C)(3)	LINE 11B, II	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
GUNDERSEN LUTHERAN HEALTH PLAN INC 1836 SOUTH AVENUE LA CROSSE, WI 54601 39-1807071	HEALTH INSURANCE	WI	501(C)(4)		GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
GUNDERSEN LUTHERAN CREDENTIALING SERVICES INC 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1856898	CREDENTIALING SERVICES	WI	501(C)(3)	LINE 11A, I	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
TRI-COUNTY MEMORIAL HOSPITAL INC 18601 LINCOLN STREET WHITEHALL, WI 54773 39-0704510	HEALTH CARE	WI	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
HARMONY COMMUNITY HEALTHCARE INC 815 MAIN AVENUE S HARMONY, MN 55939 41-0711606	HEALTH CARE	MN	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
TWEETEN LUTHERAN HEALTHCARE CENTER INC 125 FIFTH AVENUE SE SPRING GROVE, MN 55974 41-1565003	HEALTH CARE	MN	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
TRI-STATE AMBULANCE INC 235 CAUSEWAY BLVD LA CROSSE, WI 54603 39-1965415	MEDICAL TRANSPORATION	WI	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
TRI-STATE REGIONAL AMBULANCE INC 235 CAUSEWAY BLVD LA CROSSE, WI 54603 39-1962965	MEDICAL TRANSPORATION	WI	501(C)(3)	LINE 9	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
LUTHERAN REAL ESTATE HOLDING CORPORATION 1910 SOUTH AVENUE LA CROSSE, WI 54601 39-1480826	HOUSING	WI	501(C)(3)	LINE 9	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
LUTHERAN HOUSING OF LA CROSSE INC 1900 SOUTH AVENUE LA CROSSE, WI 54601 39-1751934	INDEPENDENT LIVING	WI	501(C)(3)	LINE 9	LUTHERAN REAL ESTATE HOLDING CORPORATION		No
COMMUNITY HOUSING OF LA CROSSE INC 1900 SOUTH AVENUE LA CROSSE, WI 54601 39-1586700	INDEPENDENT LIVING	WI	501(C)(3)	LINE 7	LUTHERAN REAL ESTATE HOLDING CORPORATION		No
OPTIONS IN REPRODUCTIVE CARE INC 1201 CALEDONIA STREET LA CROSSE, WI 54603 39-1166634	HEALTH CARE	WI	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No
ST JOSEPH'S HEALTH SERVICES INC 400 WATER AVENUE HILLSBORO, WI 54634 39-0929538	HEALTH CARE	WI	501(C)(3)	LINE 3	GUNDERSEN LUTHERAN HEALTH SYSTEM INC		No



Combined Financial Statements and Supplemental Information

Gundersen Lutheran
(Consisting of Gundersen Clinic, Ltd., Gundersen Lutheran Medical Center, Inc., Gundersen Lutheran Administrative Services, Inc., and Gundersen Lutheran Medical Foundation, Inc., which comprise an Obligated Group)
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Gundersen Lutheran

Combined Financial Statements and Supplemental Information

Years Ended December 31, 2011 and 2010

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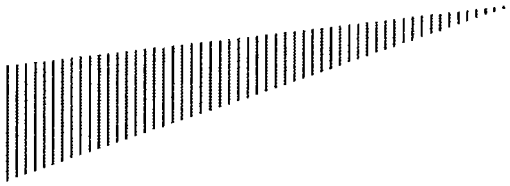

Ernst & Young LLP
Suite 1400
220 South Sixth Street
Minneapolis, MN 55402-4509
Tel: +1 612 343 1000
Fax. +1 612 339 1726
www ey.com

Report of Independent Auditors

The Board of Trustees and the Board of Governors
Gundersen Lutheran

We have audited the accompanying combined balance sheet of Gundersen Clinic, Ltd.; Gundersen Lutheran Medical Center, Inc.; Gundersen Lutheran Administrative Services, Inc.; and Gundersen Lutheran Medical Foundation, Inc., which comprise an Obligated Group (collectively, Gundersen Lutheran) as of December 31, 2011, and the related combined statements of operations, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of Gundersen Lutheran's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Gundersen Lutheran for the year ended December 31, 2010, were audited by other auditors whose report dated August 24, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Gundersen Lutheran's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gundersen Lutheran's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Gundersen Lutheran at December 31, 2011, and the combined results of its operations and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining balance sheet of Gundersen Lutheran as of December 31, 2011, and the related combining statements of operations and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management

and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Ernst & Young LLP

May 29, 2012

Gundersen Lutheran

Combined Balance Sheets
(Dollars in Thousands)

	December 31 2011	2010
Assets		
Current assets:		
Cash and cash equivalents	**$ 70,544**	$ 16,119
Investments	**418,439**	368,902
Current portion of investments whose use is limited	**10,722**	–
Patient accounts receivable, less allowance for uncollectible accounts of $29,248 in 2011 and $19,236 in 2010	**122,637**	101,574
Current portion of notes receivable from affiliates	**1,296**	1,228
Other	**45,187**	22,148
Total current assets	**668,825**	509,971
Investments whose use is limited	**79,254**	18,350
Long-term investment	**–**	90,090
Notes receivable from affiliates, net of current portion	**12,910**	5,794
Property and equipment, net	**372,096**	332,300
Other noncurrent assets	**23,504**	16,713
Total assets	**$ 1,156,589**	$ 973,218
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 23,704**	$ 17,359
Accrued liabilities	**113,963**	107,563
Current maturities of long-term debt	**5,865**	7,626
Other	**14,138**	9,876
Total current liabilities	**157,670**	142,424
Long-term debt, net of current maturities	**336,680**	238,050
Obligation under swap contracts	**40,157**	20,553
Other noncurrent liabilities	**12,909**	8,863
Total liabilities	**547,416**	409,890
Net assets:		
Unrestricted	**583,153**	544,230
Temporarily restricted	**11,343**	4,709
Permanently restricted	**14,677**	14,389
	609,173	563,328
Total liabilities and net assets	**$ 1,156,589**	$ 973,218

See accompanying notes.

Gundersen Lutheran

Combined Statements of Operations
(Dollars in Thousands)

	Year Ended December 31	
	2011	**2010**
Operating revenue:		
Net patient revenue	**$ 596,869**	$ 583,117
Capitation revenue	**250,769**	231,106
Electronic Health Record incentive payments	**5,940**	–
Other revenue	**21,648**	17,597
	875,226	831,820
Operating expenses:		
Salaries, wages, and benefits	**484,694**	473,066
Supplies	**95,543**	94,391
Purchased health services	**85,803**	74,035
Depreciation and amortization	**38,818**	35,784
Provision for uncollectible accounts	**33,113**	29,564
Facilities	**31,961**	27,006
Purchased services	**27,415**	23,591
Interest	**9,314**	9,574
Other	**41,303**	33,098
	847,964	800,109
Operating income	**27,262**	31,711
Nonoperating gain (loss):		
Investment return	**10,785**	38,230
Gain on sale of long-term investment	**22,351**	–
Change in fair value of swap contracts	**(19,604)**	(7,386)
Loss on extinguishment of debt	**(2,868)**	–
Other nonoperating expenses	**(910)**	(2,388)
	9,754	28,456
Revenue in excess of expenses	**37,016**	60,167
Net assets released from restrictions to purchase property and equipment	**2,914**	2,671
Transfers to affiliates	**(930)**	(25)
Other transfers	**–**	3,199
Amortization of accumulated gains related to swap contracts at the time of de-designation	**(77)**	(77)
Increase in unrestricted net assets	**$ 38,923**	$ 65,935

See accompanying notes.

Gundersen Lutheran

Combined Statements of Changes in Net Assets
(Dollars in Thousands)

	Year Ended December 31	
	2011	**2010**
Unrestricted net assets:		
Revenue in excess of expenses	**$ 37,016**	$ 60,167
Net assets released from restrictions to purchase property and equipment	**2,914**	2,671
Other transfers	**–**	3,199
Amortization related to swap contracts prior to de-designation	**(77)**	(77)
Transfers to affiliates	**(930)**	(25)
Increase in unrestricted net assets	**38,923**	65,935
Temporarily restricted net assets:		
Contributions	**12,385**	6,108
Investment income	**593**	267
Net change in unrealized gains/losses on investments	**(404)**	1,008
Net assets released from restriction	**(5,940)**	(4,878)
Other transfers	**–**	(3,199)
Increase (decrease) in temporarily restricted net assets	**6,634**	(694)
Permanently restricted net assets:		
Contributions	**647**	464
Investment loss	**(47)**	(96)
Net change in unrealized gains/losses on investments	**(312)**	471
Increase in permanently restricted net assets	**288**	839
Increase in net assets	**45,845**	66,080
Net assets at beginning of year	**563,328**	497,248
Net assets at end of year	**$ 609,173**	$ 563,328

See accompanying notes.

Gundersen Lutheran

Combined Statements of Cash Flows
(Dollars in Thousands)

	Year Ended December 31 2011	2010
Operating activities		
Increase in net assets	**$ 45,845**	$ 66,080
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	**38,818**	35,784
Impairment and loss on disposal of equipment	**4,403**	–
Provision for uncollectible accounts	**33,113**	29,564
Change in fair value of swap contracts	**19,604**	7,386
Realized and change in unrealized gains/losses on investments, net	**1,887**	(17,784)
Equity in earnings of long-term investment	**–**	(11,340)
Gain on sale of long-term investment	**(22,351)**	–
Loss on extinguishment of debt	**2,868**	–
Transfers to affiliates	**930**	25
Restricted contributions	**(13,032)**	(3,135)
Changes in operating assets and liabilities:		
Patient accounts receivable	**(54,176)**	(33,223)
Other current assets	**(14,897)**	(3,237)
Accounts payable, accrued, and other current liabilities	**23,354**	7,245
Other noncurrent assets and liabilities	**(9,092)**	3,298
Net cash provided by operating activities	**57,274**	80,663
Investing activities		
Sale of long-term investment	**108,265**	–
Purchases of investments, net	**(127,016)**	(19,888)
Purchases of property and equipment, net	**(83,017)**	(62,568)
Transfers to affiliates	**(930)**	(25)
Net (investment in) proceeds from notes receivable from affiliates	**(7,184)**	302
Net cash used in investing activities	**(109,882)**	(82,179)
Financing activities		
Proceeds from issuance of long-term debt	**202,430**	–
Principal payments on long-term debt	**(108,429)**	(16,287)
Restricted contributions	**13,032**	3,135
Net cash provided by (used in) financing activities	**107,033**	(13,152)
Net increase (decrease) in cash and cash equivalents	**54,425**	(14,668)
Cash and cash equivalents at beginning of year	**16,119**	30,787
Cash and cash equivalents at end of year	**$ 70,544**	$ 16,119
Supplemental disclosures of cash flow information		
Accrued amounts for the acquisition of property and equipment	**$ 7,851**	$ 3,536
Interest paid, net of capitalized interest of $2,017 in 2011 and $500 in 2010	**$ 8,604**	$ 7,740

See accompanying notes.

1. Organization and Basis of Presentation

The combined financial statements include the financial results of Gundersen Clinic, Ltd. (the Clinic), Gundersen Lutheran Medical Center, Inc. (the Hospital), Gundersen Lutheran Administrative Services, Inc. (GLAS) and Gundersen Lutheran Medical Foundation, Inc. (the Foundation), all of which are members of an obligated group (the Obligated Group). The combined financial statements are prepared for the purpose of presenting the operating results of the Obligated Group and do not include all the entities controlled by Gundersen Lutheran Health System, Inc. (the Parent Corporation), which is the sole corporate member of the Obligated Group members but itself is not a member of the Obligated Group. The Parent Corporation and each of the Obligated Group members qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code).

The Clinic provides comprehensive medical care to patients and conducts medical education and research programs primarily in Wisconsin with smaller facilities in Iowa and Minnesota. The Hospital is located in La Crosse, Wisconsin, and provides medical care to patients from La Crosse and surrounding communities. GLAS is engaged in various administrative transactions on behalf of the affiliates of the Parent Corporation in support of charitable health care activities. The Foundation is organized to enhance and support quality health care with an emphasis on medical and health/wellness education as well as clinically based research and community outreach.

2. Summary of Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Although estimates, including uncollectible and contractual allowances on patient accounts receivable, third-party payor settlements, self-insured liabilities, and valuation of swap contracts, are considered to be fairly stated at the time that the estimates were made, actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with banks or other financial institutions, and short-term investments with original maturities of 90 days or less from the date of purchase. The Obligated Group maintains cash and cash equivalents on deposit at financial institutions, which at times exceed the limits insured by the Federal Deposit Insurance Corporation, and thereby exposes the Obligated Group to potential risk of loss in the event the financial institution becomes insolvent. No losses have been incurred to date and management does not consider the credit risk to be significant to the Obligated Group.

Patient Accounts Receivable

The collection of receivables from third-party payors and patients is the Obligated Group's primary source of cash for operations. The primary collection risks relate to uninsured patient accounts and patient deductibles and coinsurance on insurers' accounts. Patient receivables, including the portion that a third-party payor is responsible for, are carried at net realizable value, determined by the original charge for the service provided less an estimate made for contractual adjustments or discounts provided to third-party payors. Patient receivables due directly from the patients are carried at the original charge for the service provided less amounts covered by third-party payers, allowances for other discounts, and an allowance for uncollectible receivables. Management determines an allowance for uncollectible accounts by identifying amounts at risk, based on historical collection experience, aging of accounts, and considering current economic conditions. The Obligated Group does not charge interest on past due receivables. Receivables are written off after collection efforts have been followed in accordance with the Obligated Group's policies. Recoveries of receivables previously written off are recorded as a reduction of bad debt expense.

Investments and Investments Whose Use is Limited

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the combined balance sheets. Investments in equity and debt securities are classified as trading, and accordingly, all unrealized gains and losses are recorded as nonoperating investment return. The Obligated Group accounts for investment transactions on a settlement-date basis.

2. Summary of Significant Accounting Policies (continued)

Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Unrestricted investments are classified as current assets since they are available for operations. Certain investments are limited as to use under the terms of a bond indenture, state insurance regulations, unemployment fund agreements, collateral posted against swap valuations, and internally designated for medical education by the Board of Trustees and the Board of Governors. The Board of Trustees and the Board Governors can, at their discretion, change these designations in the future.

Inventories, Supplies, and Materials

Inventories, supplies, and materials are valued at the lower of cost (first-in, first-out method) or market value and included in other current assets in the combined balance sheets.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value on the date received, if donated, less accumulated depreciation. During periods of construction, interest costs are capitalized to the respective property accounts. Depreciation is provided on a straight-line basis over the following estimated useful lives:

Land improvements	5–10 years
Building	30–40 years
Building additions and improvements	10–25 years
Equipment and furniture	3–15 years

The Obligated Group assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of an assets carrying value unlikely. An impairment loss is indicated when the estimated total undiscounted future net cash flows is less than the carrying amounts. The loss recognized is the difference between the fair value and the carrying amount. In 2011, an impairment loss of $3,853 was recorded with respect to equipment. No impairment loss was recognized in 2010.

2. Summary of Significant Accounting Policies (continued)

Derivative Financial Instruments

The Obligated Group uses interest rate swap contracts as part of its risk management strategy to manage exposure to fluctuations in interest rates related to its variable-rate debt. All derivative instruments are recorded at fair value in the combined balance sheets, with the changes in the fair values recorded in nonoperating gain/loss in the combined statements of operations.

In April 2007, the Obligated Group de-designated its swaps, which formerly had been classified as cash flow hedges. Prior to the de-designation, changes in the fair value of the hedged interest rate swaps were included in other changes in unrestricted net assets. The accumulated gain in net assets prior to de-designation is being amortized over the remaining life of the term of debt.

Insurance

The provision for estimated self-insured professional liability, workers' compensation, and employee health care claims includes estimates of the ultimate costs for both reported and incurred but not reported (IBNR) claims. The accrual for self-insured professional liability, workers' compensation and employee health care claims represents the estimated ultimate cost for both asserted and unasserted claims.

Donated Assets and Services

Unconditional promises to give cash and other assets to the Obligated Group are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted contributions if they are received with donor stipulations that limit the use of the donated assets. When the terms of a donor restriction are met, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restriction. Donor contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

A large number of people contribute significant amounts of time to the activities of Gundersen Lutheran without compensation. The combined financial statements do not reflect the value of those contributed services, because although substantial, no reliable basis exists for determining an appropriate amount.

2. Summary of Significant Accounting Policies (continued)

Net Assets

Resources are classified for reporting purposes into three net asset categories as unrestricted, temporarily restricted and permanently restricted, according to the absence or existence of donor-imposed restrictions. Unrestricted net assets represent amounts that have no donor-imposed restrictions. Temporarily restricted net assets are those assets whose use has been limited by donors to a specific purpose or time period. Permanently restricted net assets are those assets for which donors require the principal of the gift to be maintained in perpetuity in order to provide a permanent source of income.

Net Patient Revenue

Net patient revenue is reported at estimated net realizable amounts from patients, third-party payers, and others for services rendered, excluding charges related to the Obligated Group's self insured health benefits. Net patient revenue includes estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future years as final settlements are determined.

Capitation Revenue and Purchased Health Services

The Clinic and the Hospital provide health care services to enrollees of the Gundersen Lutheran Health Plan (the Health Plan), an affiliate controlled by the Parent Corporation, under a capitation arrangement. The health care services covered by the Health Plan are paid for primarily on a capitated basis determined as a percentage of the member premiums, which transfers most insurance risk to the Clinic and Hospital under a provider reimbursement agreement. Net capitation revenue is recognized in the year in which health care coverage is provided and is recorded net of amounts paid to other medical service providers. Although the majority of services are provided to Health Plan enrollees by the Hospital and Clinic, certain services are provided by out-of-network providers on a contracted fee-for-service basis. A reserve is recorded for out-of-network care rendered but not reported as of each year end.

2. Summary of Significant Accounting Policies (continued)

Charity and Uncompensated Care

The Clinic and the Hospital provide health care services to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates. The Clinic and Hospital maintain records to identify and monitor the level of community care provided. These records include the amount of costs incurred for services and supplies furnished under the charity care policy. Since the Clinic and the Hospital do not pursue collection of these amounts, they are not reported as patient revenue.

Electronic Health Record Incentive Payments

The American Recovery and Reinvestment Act of 2009 included provisions for implementing health information technology under the Health Information Technology for Economic and Clinical Health Act (HITECH). The provisions were designed to increase the use of electronic health record (EHR) technology and establish the requirements for a Medicare and Medicaid incentive program beginning in 2011 for eligible providers that adopt and meaningfully use certified EHR technology. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. Initial Medicaid incentive payments are available to providers that adopt, implement or upgrade certified EHR technology. Providers must demonstrate meaningful use of such technology in subsequent years to qualify for additional Medicaid incentive payments.

The Obligated Group accounts for HITECH incentive payments as a gain contingency. Income from Medicare incentive payments is recognized as revenue after the Obligated Group has demonstrated that it complied with the meaningful use criteria over the entire applicable compliance period and the cost report period that will be used to determine the final incentive payment has ended. The Obligated Group recognized revenue from Medicaid incentive payments after it adopted certified EHR technology. Incentive payments totaling $5,940 for 2011 are included in operating revenue in the combined statements of operations. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost data that is subject to audit. In addition, the Obligated Group's compliance with the meaningful use criteria is subject to audit by the federal government.

2. Summary of Significant Accounting Policies (continued)

Performance Indicator

The performance indicator is revenue in excess of expenses. Changes in unrestricted net assets, which are excluded from revenue in excess of expenses, consistent with industry practice, include net assets released from restrictions to purchase property and equipment, transfers to affiliates, and amortization of accumulated gains on swap contracts at the time of de-designation.

Fair Value Measurement

The fair value measurements and disclosures topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) defines fair value, establishes a framework for measuring fair value and expands disclosures of fair value measurements, which applies to all assets and liabilities that are measured on a fair value basis.

Income Tax Matters

The Obligated Group has reviewed its tax positions for all open years and has concluded that no liabilities exist for uncertain tax positions as of December 31, 2011 and 2010. The Obligated Group's income tax returns are no longer subject to examination for 2006 and prior.

New Accounting Pronouncements

In August 2010, Accounting Standards Update (ASU) 2010-23, *Measuring Charity Care for Disclosure*, was issued. ASU 2010-23 is effective for years beginning after December 15, 2010, and addresses the diversity in the accounting for charity care disclosures, which some entities determine on the basis of a cost measurement, while others use a revenue measurement. ASU 2010-23 requires that the measurement of charity care for disclosure purposes be based on the direct and indirect costs of providing the charity care. The adoption of this new guidance did not have a material impact on the Obligated Group's combined financial statements.

2. Summary of Significant Accounting Policies (continued)

In August 2010, ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, was issued. ASU 2010-24 is effective for years beginning after December 15, 2010, and addresses the diversity in the accounting for medical professional and other insured liabilities and their related anticipated insurance recoveries by health care entities, which in the past either netted insurance recoveries against the accrued liability or presented the anticipated insurance recovery and the liability on a gross basis. The ASU clarifies that a health care entity should not net insurance recoveries against a related claim liability. The amount of the claim liability should be determined without consideration of insurance recoveries. The adoption of this guidance did not have a material impact on the Obligated Group's combined financial statements.

Pending Accounting Guidance Not Yet Adopted

In July 2011, the FASB issued ASU No. 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and Allowance for Doubtful Accounts for Certain Health Care Entities*. The ASU amends ASC 954, *Health Care Entities*, and requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Entities also are required to enhance disclosures about their policies for recognizing revenue and assessing bad debts. In addition, the guidance requires disclosure of qualitative and quantitative information about changes in the allowance for uncollectible accounts. This guidance is effective for the Obligated Group for 2012. Management is evaluating the impact that this ASU will have on its combined financial statements.

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)* (ASU 2011-04). The amendments in ASU 2011-04 result in common fair value measurement and disclosure requirements in GAAP and IFRS. The guidance also changes the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. This new guidance is effective for the Obligated Group for 2012. The adoption of this standard in 2012 is not expected to have a material impact on the Obligated Group's combined financial position or results of operations.

3. Net Patient Revenue

The Clinic and the Hospital derive patient revenue primarily from patients covered under the Medicare and Medicaid programs, agreements with commercial insurers, and managed care organizations, as well as from private pay patients. The basis for payment under agreements with commercial insurers and managed care organizations includes prospectively determined rates, discounts from established charges and allowable cost.

The Clinic participates in the Medicare and Medicaid programs and is reimbursed based on fee schedules. The Hospital also participates in the Medicare and Medicaid programs, under which substantially all inpatient services rendered to program beneficiaries are paid for based on prospectively determined amounts per discharge depending on the individual patient's diagnostic-related grouping (DRG) of medical conditions. The Hospital's Medicare outpatient services are predominantly paid based on prospectively determined amounts for each service provided depending on the ambulatory payment classification (APC) assigned to each service.

Amounts recorded by the Hospital for estimated cost report settlements can differ from actual settlements based on the results of subsequent cost report audits. In addition, the Hospital appeals certain settlements related to Medicare and other programs. Changes in estimated reimbursement related to prior periods, primarily related to the Medicare program, increased net patient service revenue by approximately $826 and $245 for the years ended December 31, 2011 and 2010, respectively. Receivables from settlements recorded in patient accounts receivable were $1,662 and $1,540 at December 31, 2011 and 2010, respectively.

The Medicare program accounted for 15% and 16% percent of the Obligated Group's net patient revenue for 2011 and 2010, respectively. Potential changes in the Medicare program and reduction of funding levels could have an adverse effect on the Clinic and the Hospital.

4. Charity Care

The Clinic and the Hospital provide medical care without charge or at reduced charges to residents of the communities they serve by providing services to patients who are uninsured or underinsured. The cost of providing charity care has been estimated by applying a cost to gross charges ratio to the gross uncompensated charges associated with providing charity care to patients. For 2011 and 2010, cost of providing charity care is estimated to be $4,500 and $3,900, respectively.

(Dollars in Thousands)

5. Investments Whose Use is Limited and Investment Return

Certain investments as of December 31 are limited as to use for the following purposes:

	2011	2010
Board designated for medical education	$ 3,747	$ 3,061
Minimum funding as required by the Wisconsin Office of the Commissioner of Insurance (Note 12)	11,758	10,824
Minimum funding as required by the Wisconsin Unemployment Reserve Fund	3,064	2,825
Collateral posted against insurance claims	1,375	–
Principal and interest payments under a bond indenture	262	1,640
Collateral posted against swap valuations (Note 10)	18,071	–
Held for future capital expenditures under bond indenture	51,699	–
	$ 89,976	$ 18,350

Investment return consists of the following for the years ended December 31:

	2011	2010
Dividends and interest	$ 12,502	$ 10,756
Equity in earnings of long-term investment	–	11,340
Net realized gains	2,386	782
Net change in unrealized gains/losses	(4,273)	17,002
	$ 10,615	$ 39,880

Investment return is reported in the combined statements of operations and changes in net assets as follows for the years ended December 31:

	2011	2010
Nonoperating gains	$ 10,785	$ 38,230
Temporarily restricted net assets	189	1,275
Permanently restricted net assets	(359)	375
	$ 10,615	$ 39,880

6. Fair Value Measurements and Investments

The Obligated Group follows ASC 820, which defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. In that regard, a fair value hierarchy was established for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

Fair value for financial instruments included in Level 1 is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Obligated Group has the ability to access.

Fair value for financial instruments included in Level 2 is based on pricing inputs that are either directly observable or that can be derived or supported from observable data as of the reporting date. Level 2 inputs may include quoted prices for similar assets or liabilities in nonactive markets or pricing models whose inputs are observable for substantially the full term of the asset or liability. Investments are valued through the use of third-party pricing services that use evaluated bid prices adjusted for specific bond characteristics and market sentiment.

Fair value for Level 3 financial liabilities is determined through the use of widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flow of each derivative. The analysis reflects the contractual terms of the interest-rate swaps, including the period to maturity, and uses observable market-based inputs, such as interest-rate curves. In addition, credit value adjustments are included to reflect both the Obligated Group's nonperformance risk and the respective counterparty's nonperformance risk. The Obligated Group pays annual fixed rates ranging from 3.26% to 3.79% and receives cash flows based on 67% of the London Inter Bank Offered Rate (LIBOR). As of December 31, 2011 and 2010, the Obligated Group's fair value of obligations under interest rate swap contracts was net of a CVA of $3,961 and $867, respectively.

(Dollars in Thousands)

6. Fair Value Measurements and Investments (continued)

The following tables present the financial instruments measured at fair value on a recurring basis at December 31, 2011 and 2010, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	December 31, 2011			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Cash equivalents	$ 61,506	$ –	$ –	$ 61,506
Common stock	17,017	–	–	17,017
Equity mutual funds	93,862	–	–	93,862
Equity mutual funds – foreign	26,968			26,968
Fixed-income mutual funds	9,882	–	–	9,882
Fixed-income mutual funds – foreign	445	–	–	445
Fixed income securities:				
U.S. government and agency obligations	72,604	67,901	–	140,505
Corporate bonds	–	93,908	–	93,908
Residential mortgage-backed securities	–	49,203	–	49,203
Commercial mortgage-backed securities	–	4,219	–	4,219
Instruments measured at fair value	282,284	215,231	–	497,515
Certificate of deposit	10,900	–	–	10,900
Total investments and investments whose use is limited	$ 293,184	$ 215,231	$ –	$ 508,415
Liabilities				
Obligation under swap contracts	$ –	$ –	$ 40,157	$ 40,157

(Dollars in Thousands)

6. Fair Value Measurements and Investments (continued)

	December 31, 2010			
	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Cash equivalents	$ 15,457	$ –	$ –	$ 15,457
Common stock	17,785	–	–	17,785
Equity mutual funds	7,933	–	–	7,933
Fixed income mutual funds	83,968	25,027	–	108,995
Fixed-income securities:				
U.S. government and agency obligations	3,201	95,420	–	98,621
Corporate bonds	–	37,646	–	37,646
Residential mortgage-backed securities	–	82,870	–	8,2870
Commercial mortgage-backed securities	–	7,045	–	7,045
Instruments measured at fair value	128,344	248,008	–	376,352
Certificate of deposit	10,900	–	–	10,900
Total investments and investments whose use is limited	$ 139,244	$ 248,008	$ –	$ 387,252
Liabilities				
Obligation under swap contracts	$ –	$ –	$ 20,553	$ 20,553

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses are reasonable estimates of fair value due to the short-term nature of these financial instruments. The carrying value of pledges approximates its fair value at December 31, 2011 and 2010.

Fair value of fixed-interest long-term debt, based on quoted market prices for the same or similar instruments, was $165,900 compared with its carrying value of $162,430 at December 31, 2011. Fair value of variable-rate long-term debt approximated its carrying value at December 31, 2011 and 2010.

(Dollars in Thousands)

7. Long-term Investment

In April 2011, the Obligated Group sold its 48.5% interest in Logistics Health Incorporated (LHI) to OptumHealth, a division of United Health Group. In connection with this transaction, the Obligated Group received a consideration of $108,265, including $6,435 of anticipated escrow distribution, and realized a gain of $22,351. The purchase agreement also provides for receipt of up to an additional $27,885, based on LHI achieving specific performance benchmarks through 2013, none of which has been recognized in the Obligated Group's 2011 combined financial statements. On May 25, 2012, the Obligated Group received $4,286 of additional consideration, which will be recognized as a gain in 2012, based on LHI achieving specific performance benchmarks in 2011. Prior to April 2011, the Obligated Group accounted for its interest in LHI using the equity method under which the Obligated Group's share of the net income was recognized in nonoperating gains in the combined statements of operations and added to its investment account. Dividends and distributions received were treated as a reduction of the investment account.

8. Property and Equipment

Property and equipment as of December 31 consists of the following:

	2011	2010
Land and land improvements	**$ 20,460**	$ 20,371
Buildings and building improvements	**333,129**	331,235
Equipment and furniture	**354,353**	311,502
	707,942	663,108
Less accumulated depreciation	**401,636**	365,238
	306,306	297,870
Construction-in-progress	**65,790**	34,430
	$ 372,096	$ 332,300

Depreciation expense was $38,775 and $35,515 for 2011 and 2010, respectively.

The Obligated Group capitalizes payroll and payroll-related costs associated with the development of software for internal use. In 2011 and 2010, the Obligated Group capitalized $2,829 and $3,061, respectively, of payroll and payroll-related costs.

(Dollars in Thousands)

9. Long-Term Debt

Long-term debt as of December 31 consists of the following:

	2011	2010
Wisconsin Health and Educational Facilities Authority (WHEFA) Bonds, Series 2011A (Gundersen Lutheran), interest from 1.0% to 5.25%, principal due in varying amounts through 2039	**$ 162,430**	$ –
WHEFA Series 2011B (Gundersen Lutheran), Adjustable Demand, principal due starting in 2038 (average annual interest rate in 2011 of 0.14%)	**40,000**	–
WHEFA Series 2009A (Gundersen Lutheran), Adjustable Demand, principal due in varying amounts through 2033 (average annual interest rate in 2011 and 2010, of 0.89% and 0.26%, respectively)	**45,305**	45,305
WHEFA Series 2009B (Gundersen Lutheran), Adjustable Demand, principal due in varying amounts through 2033 (average annual interest rate in 2011 and 2010, of 0.89% and 0.26%, respectively)	**33,410**	33,410
WHEFA Series 2008A (Gundersen Lutheran), refunded in 2011	–	26,425
WHEFA Series 2008B (Gundersen Lutheran), Adjustable Demand, principal due in varying amounts through 2033 (average annual interest rate in 2011 and 2010, of 1.06% and 0.52%, respectively)	**61,400**	61,400
WHEFA Series 2003A (Gundersen Lutheran), defeased in 2011	–	10,925
WHEFA Series 2000A and Series 2000B (Gundersen Lutheran), refunded in 2011	–	67,965
Other	–	246
Total long-term debt	**342,545**	245,676
Less current maturities	**5,865**	7,626
	$ 336,680	$ 238,050

9. Long-Term Debt (continued)

In September 2011, the Hospital, the Clinic, GLAS and the Foundation entered into a Restated Master Trust Indenture with a bank that established an Obligated Group, which currently includes the Hospital, the Clinic, GLAS, and the Foundation. Each Obligated Group member is jointly and severally liable for the payment of all obligations issued under the Restated Master Trust Indenture, which are secured ratably by a pledge of the unrestricted receivables of the Obligated Group. The Restated Master Trust Indenture contains, among other things, provisions placing restrictions on additional debt, asset transfers, and liens and requiring the maintenance of a debt service coverage ratio. Additional covenants, including liquidity and capitalization, are included in other loan agreements relating to the obligations.

In May 2008, the Wisconsin Health and Educational Facilities Authority (Authority) issued Series 2008A and Series 2008B bonds on behalf of GLAS in the aggregate amount of $89,300 bearing interest at a variable rate. In August 2010, the Obligated Group caused a tender of the Series 2008A and Series 2008B bonds, which were placed directly with a bank. Under the terms of the agreement with the bank, GLAS is required to purchase the Series 2008B bonds from the bank in August 2013. The Series 2008A bonds were refunded with proceeds of the Series 2011A bonds and Series 2011B bonds in September 2011.

In May 2009, the Authority issued Series 2009A and Series 2009B bonds on behalf of GLAS in the aggregate amount of $78,715. The proceeds of those bonds were used to refund the Series 2003B and Series 2003C bonds. In March 2011, the Obligated Group caused a tender of the Series 2009A and Series 2009B bonds, which were placed directly with a bank. Under the terms of the agreement with the bank, GLAS is required to purchase the Series 2009A and Series 2009B bonds from the bank in March 2014.

In September 2011, the Authority issued Series 2011A and Series 2011B bonds on behalf of GLAS. The Series 2011A bonds were issued in an aggregate par amount of $162,430 and bear interest at fixed rates. The Series 2011B bonds were issued in an aggregate amount of $40,000 and bear interest at variable rates that are initially set weekly. The Series 2011B bonds are subject to optional and mandatory tender and are supported by an irrevocable direct pay letter of credit issued by a bank, which expires in September 2016. Under the terms of the agreement with the bank, GLAS may elect to convert any liquidity draw made under the letter of credit into a bank loan that amortizes in equal quarterly installments over a three-year period, commencing no sooner than 367 days after the date of the draw, provided that there is no event of default and the representations made at the time of the draw are accurate.

(Dollars in Thousands)

9. Long-Term Debt (continued)

The proceeds of the Series 2011A bonds and the Series 2011B bonds were used to: currently refund the Series 2000A bonds, Series 2000B bonds, and Series 2008A bonds, and finance new construction.

In September 2011, the Obligated Group also defeased the Series 2003A bonds by depositing funds into an escrow account in an amount sufficient to pay the principal and interest on the Series 2003A bonds as they become due in the ordinary course and to pay the principal amount outstanding on February 15, 2013, which is the redemption date. As a result of the defeasance, the related bond documents were legally discharged.

In 2011, the Obligated Group accounted for the refunding of the Series 2000A bonds, Series 2000B bonds, and Series 2008A bonds, the legal defeasance of the Series 2003A bonds, and the tendering of the Series 2009A and Series 2009B bonds as an extinguishment and recorded a loss on extinguishment of debt of $2,868 in the combined statements of operations.

At December 31, 2011, the aggregate maturities and sinking fund requirements of long-term debt, for each of the five subsequent years and thereafter, assuming that all bonds are successfully remarketed with the original maturity dates and the Obligated Group is able to renew the letter of credit, which expires in September 2016, are as follows:

2012	$ 5,865
2013	6,265
2014	6,420
2015	6,740
2016	6,995
Thereafter	310,260
	$ 342,545

(Dollars in Thousands)

10. Derivative Financial Instruments

The Obligated Group has entered into interest rate swaps, which are recorded at fair value as noncurrent liabilities in the combined balance sheets as of December 31, as follows:

	2011	2010
Notional amount $33,000 Series 2009B (previously Series 2003C), fixed rate 3.51%, variable interest equal to 67% of the one-month LIBOR averaged 0.23% and 0.27% in 2011 and 2010, respectively	**$ 7,073**	$ 3,737
Notional amount $40,470 Series 2000B (now associated with the Series 2011B), fixed rate 3.26%, variable interest equal to 67% of the one-month LIBOR averaged 0.23% and 0.27% in 2011 and 2010, respectively	**7,377**	3,556
Notional amount $44,750 Series 2009A (previously Series 2003B), fixed rate 3.28%, variable interest equal to 67% of the one-month LIBOR averaged 0.23% and 0.27% in 2011 and 2010, respectively	**9,421**	4,073
Notional amount $60,725 Series 2008B, fixed rate 3.79%, variable interest equal to 67% of the one-month LIBOR averaged 0.23% and 0.27% in 2011 and 2010, respectively	**16,286**	9,187
	$ 40,157	$ 20,553

The decrease in the value of the swap contracts of $19,604 and $7,386 for 2011 and 2010, respectively, was recorded as an unrealized loss and is included in nonoperating gain (loss) in the combined statements of operations.

Derivative transactions contain credit risk in the event the parties are unable to meet the terms of the contract; credit risk is generally limited to the fair value due from counterparties on outstanding contracts. At December 31, 2011, the counterparties had a Standard & Poor's credit quality rating of A-.

10. Derivative Financial Instruments (continued)

The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk. The collateral provided by the Obligated Group to the counterparties was $18,071 as of December 31, 2011. There was no collateral provided by the Obligated Group to counterparties as of December 31, 2010.

The net settlements for the interest rate swap contracts of $5,960 and $5,906 for 2011 and 2010, respectively, are included in interest expense in the combined statements of operations.

11. Retirement Plan

The Obligated Group maintains a defined contribution and 401(k) plan covering substantially all of its employees. Retirement plan expense was $47,225 and $45,303 for 2011 and 2010, respectively. The Obligated Group funds the plan annually. At December 31, 2011 and 2010, the total liability for employer contributions was $48,268 and $46,319, respectively, and is included in accrued liabilities in the combined balance sheets.

12. Insurance

The Clinic is self-insured for Wisconsin professional liability up to base limits of insurance coverage ($1,000 per claim and $3,000 annually on an occurrence basis at December 31, 2011 and 2010). Additionally, under the Wisconsin professional liability, self-insured limits are in place per physician/Certified Registered Nurse Anesthetist (CRNA) ($1,000 per physician/CRNA per claim and $3,000 annually per physician/CRNA on an occurrence basis at December 31, 2011 and 2010). The Clinic has established a professional liability insurance plan and irrevocable trust as required by Wisconsin statutes. The funding requirements of the plan are established annually based on third-party actuarial calculations, as prescribed by the Commissioner of Insurance for the State of Wisconsin. All professional liability claims or judgments occurring in Wisconsin in excess of the base level of coverage are paid from the Injured Patients' and Families Compensation Fund, which insures all claims incurred regardless of when the claim is filed. The Injured Patients' and Families Compensation Fund has no upper limit on losses.

The Clinic has purchased professional liability insurance on a claims-made basis to cover Iowa and Minnesota risks, including umbrella and excess coverage to minimize exposure.

(Dollars in Thousands)

12. Insurance (continued)

The Hospital has purchased professional liability insurance on a claims-made basis to cover claim losses. The Hospital is also insured through the Injured Patients' and Families Compensation Fund for losses on professional liability claims ($1,000 per claim and $3,000 annually at December 31, 2011 and 2010). The Injured Patients' and Families Compensation Fund has no upper limit on losses.

The Obligated Group maintains self-insurance programs for health care costs of its active employees. The Obligated Group has purchased stop-loss insurance with an annual deductible of $500 per individual. In addition, the Obligated Group is insured for workers' compensation exposures under an incurred loss retrospective rating plan.

The estimated liability for professional and general liability, workers' compensation, and employee health insurance claims is based on actual claims to date and a projection of the estimated future liability for such claims and incurred but not reported (IBNR) claims. At December 31, 2011 and 2010, the total recorded liability was $24,051 and $15,877, respectively, of which a current portion of $19,867 and $12,374, respectively, is included in accrued liabilities in the combined balance sheets. At December 31, 2011, the estimated receivable related to insurance recoveries of $2,257 is included in other current assets in the combined balance sheets. No amount was receivable at December 31, 2010.

13. Commitments and Contingencies

The Obligated Group has leases for equipment and satellite office facilities, which are classified as operating leases. Rental expense under these operating leases totaled $4,464 and $4,601 for 2011 and 2010, respectively.

Future commitments under operating leases in effect as of December 31, 2011, for each of the five subsequent years and thereafter are as follows:

2012	$ 1,598
2013	1,266
2014	955
2015	630
2016	500
Thereafter	1,368
	$ 6,317

13. Commitments and Contingencies (continued)

The Clinic and the Hospital are defendants in legal proceedings arising in the ordinary course of business. Although the outcome of these proceedings cannot be determined, management of the Obligated Group considers it unlikely that the disposition of these proceedings will have a material adverse effect on the financial position or operations of the Obligated Group. However, there can be no assurance that this will be the case.

The Clinic, Hospital and GLAS have entered into an agreement with the City of La Crosse in conjunction with the city's establishment of Tax Incremental Financing District No. 14 (TIF 14). The agreement requires the construction of one or more parking ramps that will accommodate 1,000 vehicles, with qualifying costs not to exceed $18,500. At December 31, 2009, a 537-vehicle ramp adjacent to the Clinic was completed. In 2010, a second ramp was completed to satisfy the requirement of available vehicle space, but was not considered for the tax incentives offered under the TIF 14 agreement. This ramp is adjacent to the area designated for the new hospital described below as part of a campus renewal plan. Additionally, the agreement creates property tax incentives for further taxable development on the Gundersen Lutheran La Crosse campus by Gundersen Lutheran and other developers. The benefit that Gundersen Lutheran will derive from participation in TIF 14 is dependent on the size of future development over the next 20 years.

The Obligated Group has established a campus renewal plan, which includes the addition of a 400,000 square foot, six-story hospital building on the main campus, adjacent to the existing Hospital facility. The hospital addition, which began in January 2011, is scheduled to be completed in late 2013. This initial phase is projected to cost $218,000 under a guaranteed maximum price contract with a general contractor. The Obligated Group is funding this addition with cash flow from operations, debt financing, and fundraising.

13. Commitments and Contingencies (continued)

Compliance With Laws and Regulations

The health care industry is governed by various laws and regulations of federal, state, and local governments. These laws and regulations are subject to ongoing government review and interpretation, and include matters such as licensure, accreditation, reimbursement for patient services, and referrals for Medicare and Medicaid beneficiaries. Compliance with these laws and regulations is required for participation in government healthcare programs. Certain governmental agencies routinely investigate and pursue allegations concerning possible overpayments resulting from violation of fraud and abuse statutes by healthcare providers. These investigations may result in settlements involving fines and penalties as well as repayment of improper reimbursement. The Obligated Group has implemented procedures for monitoring and enforcing compliance with laws and regulations and is not aware of instances of noncompliance. While management believes that the Obligated Group is in material compliance with fraud and abuse laws and regulations as well as other applicable government laws and regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Changes in reimbursement from the Medicare program, including reduction of funding levels, could have an adverse effect on the Obligated Group.

Health Care Reform

In March 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law. PPACA will result in sweeping changes across the health care industry, including how care is provided and paid for. A primary goal of this comprehensive reform legislation is to extend health care coverage to approximately 32 million uninsured legal U.S. residents through a combination of public program expansion and private sector health insurance reforms. To fund the expansion of insurance coverage, the legislation contains measures designed to promote quality and cost efficiency in health care delivery and to generate budgetary savings in the Medicare and Medicaid programs. Given that the final regulations and interpretive guidelines have yet to be published, the Obligated Group is unable to fully predict the impact of PPACA on its operations and financial results. The U.S. Supreme Court has heard arguments on the constitutionality of major portions of PPACA and is currently in deliberations. To the extent that any significant elements of the law are overturned, additional uncertainty is introduced into the prediction of operation and financial impacts.

(Dollars in Thousands)

14. Concentration of Credit Risk

The Clinic and the Hospital grant credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Amounts due from various payers and patients as of December 31 included in net patient accounts receivable are as follows:

	2011	2010
Medicare	**12%**	15%
Medicaid	**4**	4
Commercial insurance, private pay, and other	**84**	81
	100%	100%

15. Functional Expenses

Expenses related to providing patient care are as follows for the years ended December 31:

	2011	2010
Health care services	**$ 681,624**	$ 645,487
General and administrative, including fundraising	**166,340**	154,622
	$ 847,964	$ 800,109

16. Related-Party Transactions

The Clinic and the Hospital have an agreement with the Gundersen Lutheran Health Plan, Inc. (Health Plan) to provide health care services to the Health Plan's insured enrollees. The Clinic and the Hospital are paid on a fully capitated basis. Reinsurance contracts exist for medical and hospital expenses in excess of $500 per enrollee per contract year. Capitation revenue recorded by the Clinic and the Hospital which was earned under the agreement with the Health Plan totaled $250,769 and $231,106 for 2011 and 2010, respectively. At December 31, 2011 and 2010, amounts due from (to) the Health Plan were $2,772 and $(541), respectively, and are included in other current assets in the combined balance sheets.

(Dollars in Thousands)

16. Related-Party Transactions (continued)

Under terms of an administrative services agreement with the Health Plan, the Obligated Group provides substantially all general and administrative services necessary for the Health Plan's operations at amounts that are intended to approximate cost. The cost of these services to the Health Plan was approximately $10,992 and $10,339 in 2011 and 2010, respectively. Amounts due from the Health Plan as of December 31, 2011 and 2010, related to the administrative services agreement were $1,363 and $1,208, respectively, and are included in net patient revenue in the combined statements of operations.

The Health Plan leases office space from the Obligated Group. Rental payments were approximately $300 for 2011 and 2010.

At December 31, 2011 and 2010, notes receivable from affiliates totaling $14,206 and $7,022, respectively, which are recorded net of allowances for uncollectible amounts of $347 and $269, respectively, represent loans to affiliates to finance their activities. Notes receivable from affiliates have terms ranging from 1 to 15 years, with annual interest rates ranging from 3.0% to 6.0%.

17. Restricted Net Assets

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

	2011	2010
Purpose restrictions:		
Education	**$ 954**	$ 955
Research	**186**	377
Community and affiliate programs	**563**	481
Buildings and equipment	**8,860**	2,095
Other	**342**	341
Time restrictions for future periods	**438**	460
	$ 11,343	$ 4,709

(Dollars in Thousands)

17. Restricted Net Assets (continued)

Income from permanently restricted net assets is used for the following purposes as of December 31:

	2011	2010
Education	**$ 4,724**	$ 4,638
Research	**4,513**	4,173
Community health initiatives	**2,275**	2,194
General operations	**3,165**	3,384
	$ 14,677	$ 14,389

18. Pledges

At December 31, 2011, pledges receivable, discounted at annual rates ranging from 4.61% to 5.69%, totaled $9,973. The timing of receipt of pledges is estimated as follows:

Within one year	$ 1
One to five years	5,858
After five years	4,114
	9,973
Less present value discount and allowances for uncollectible pledges	(1,152)
	$ 8,821

19. Subsequent Events

The Obligated Group has evaluated events and transactions that have occurred subsequent to December 31, 2011 through May 29, 2012, the date on which the combined financial statements were available to be issued.

During this period, there were no subsequent events requiring recognition or disclosure in the combined financial statements, other than the additional consideration received related to the sale of the Obligated Group's interest in LHI (see Note 7).

Supplemental Information

Gundersen Lutheran

Combining Balance Sheet
(Dollars in Thousands)

December 31, 2011

	Gundersen Lutheran Medical Center, Inc.	Gundersen Clinic, Ltd.	Gundersen Lutheran Administrative Services, Inc.	Gundersen Lutheran Medical Foundation, Inc.	Eliminating Entries	Combined
Assets						
Current assets:						
Cash and cash equivalents	$ 511	$ 6,660	$ 58,686	$ 4,687	$ –	$ 70,544
Investments	–	2,871	394,038	22,961	(1,431)	418,439
Current portion of investments whose use is limited	–	–	–	10,722	–	10,722
Patient accounts receivable, less allowance for uncollectible accounts	52,679	69,958	–	–	–	122,637
Current portion of notes receivable from affiliates	–	–	1,296	–	–	1,296
Interaffiliate balances	488,246	144,642	338,821	269	(971,978)	–
Other	2,915	7,138	34,005	2,451	(1,322)	45,187
Total current assets	544,351	231,269	826,846	41,090	(974,731)	668,825
Investments whose use is limited	–	8,887	66,629	2,306	1,432	79,254
Notes receivable from affiliates, net of current portion	–	–	12,910	–	–	12,910
Property and equipment, net	126,213	163,723	81,154	1,006	–	372,096
Other noncurrent assets	290	60	8,974	14,180	–	23,504
Total assets	$ 670,854	$ 403,939	$ 996,513	$ 58,582	$ (973,299)	$ 1,156,589

Gundersen Lutheran

Combining Balance Sheet (continued)

(Dollars in Thousands)

	Gundersen Lutheran Medical Center, Inc.	Gundersen Clinic, Ltd.	Gundersen Lutheran Administrative Services, Inc.	Gundersen Lutheran Medical Foundation, Inc.	Eliminating Entries	Combined
Liabilities and net assets						
Current liabilities:						
Accounts payable	$ (122)	$ 119	$ 22,712	$ 2,317	$ (1,322)	$ 23,704
Accrued liabilities	9,311	14,508	89,604	540	–	113,963
Current maturities of long-term debt	–	–	5,865	–	–	5,865
Interaffiliate balances	132,504	343,686	494,091	1,696	(971,977)	–
Other	1,872	10,625	1,297	344	–	14,138
Total current liabilities	143,565	368,938	613,569	4,897	(973,299)	157,670
Long-term debt, net of current maturities	–	–	336,680	–	–	336,680
Obligation under swap contracts	–	–	40,157	–	–	40,157
Other noncurrent liabilities	1,158	9,548	1,712	491	–	12,909
Total liabilities	144,723	378,486	992,118	5,388	(973,299)	547,416
Net assets:						
Unrestricted	525,631	25,453	4,395	25,360	2,314	583,153
Temporarily restricted	500	–	–	13,157	(2,314)	11,343
Permanently restricted	–	–	–	14,677	–	14,677
	526,131	25,453	4,395	53,194	–	609,173
Total liabilities and net assets	$ 670,854	$ 403,939	$ 996,513	$ 58,582	$ (973,299)	$ 1,156,589

Gundersen Lutheran

Combining Statement of Operations
(Dollars in Thousands)

Year Ended December 31, 2011

	Gundersen Lutheran Medical Center, Inc.	Gundersen Clinic, Ltd.	Gundersen Lutheran Administrative Services, Inc.	Gundersen Lutheran Medical Foundation, Inc.	Eliminating Entries	Combined
Operating revenue						
Net patient revenue	$ 288,079	$ 370,362	$ –	$ –	$ (61,572)	$ 596,869
Capitation revenue	116,999	133,770	–	–	–	250,769
Electronic Health Record incentive payments	–	–	5,940	–	–	5,940
Other revenue	4,830	9,882	6,288	22,445	(21,797)	21,648
	409,908	514,014	12,228	22,445	(83,369)	875,226
Operating expenses:						
Salaries, wages, and benefits	134,997	277,818	105,861	15,060	(49,042)	484,694
Supplies	46,848	46,327	1,914	643	(189)	95,543
Purchased health services	43,915	41,888	–	–	–	85,803
Depreciation and amortization	8,527	13,770	16,343	178	–	38,818
Provision for uncollectible accounts	19,879	13,312	(126)	48	–	33,113
Facilities	4,858	12,387	15,292	200	(776)	31,961
Purchased services	17,340	9,896	19,940	361	(20,122)	27,415
Interest	–	4	9,310	–	–	9,314
Other	92,088	109,014	(152,889)	6,504	(13,414)	41,303
	368,452	524,416	15,645	22,994	(83,543)	847,964
Operating income (loss)	41,456	(10,402)	(3,417)	(549)	174	27,262
Nonoperating gain (loss):						
Investment return	6,198	2,803	1,822	(38)	–	10,785
Gain on sale of long-term investment	–	–	22,351	–	–	22,351
Change in fair value of swap contracts	–	–	(19,604)	–	–	(19,604)
Loss on extinguishment of debt	–	–	(2,868)	–	–	(2,868)
Other nonoperating expenses	(910)	–	–	–	–	(910)
	5,288	2,803	1,701	(38)	–	9,754
Revenue in excess of (less than) expenses	46,744	(7,599)	(1,716)	(587)	174	37,016
Net assets released from restrictions to purchase property and equipment	2,844	–	70	–	–	2,914
Transfers to affiliates	–	–	(930)	–	–	(930)
Amortization of accumulated gains related to swap contracts at the time of de-designation	–	–	(77)	–	–	(77)
Increase (decrease) in unrestricted net assets	$ 49,588	$ (7,599)	$ (2,653)	$ (587)	$ 174	$ 38,923

Gundersen Lutheran

Combining Statement of Changes in Net Assets
(Dollars in Thousands)

Year Ended December 31, 2011

	Gundersen Lutheran Medical Center, Inc.	Gundersen Clinic, Ltd.	Gundersen Lutheran Administrative Services, Inc.	Gundersen Lutheran Medical Foundation, Inc.	Eliminating Entries	Combined
Unrestricted net assets:						
Revenue in excess of (less than) expenses	$ 46,744	$ (7,599)	$ (1,716)	$ (587)	$ 174	$ 37,016
Net assets released from restrictions to purchase property and equipment	2,844	–	70	–	–	2,914
Amortization of related to swap contracts prior to de-designation	–	–	(77)	–	–	(77)
Transfers to affiliates	–	–	(930)	–	–	(930)
Increase (decrease) in unrestricted net assets	49,588	(7,599)	(2,653)	(587)	174	38,923
Temporarily restricted net assets:						
Contributions	3,344	–	–	11,884	(2,843)	12,385
Investment income	–	–	–	593	–	593
Net change in unrealized gains/losses on investments	–	–	–	(404)	–	(404)
Net assets released from restrictions	(2,844)	–	–	(5,765)	2,669	(5,940)
Other transfers	–	–	–	–	–	–
Increase in temporarily restricted net assets	500	–	–	6,308	(174)	6,634
Permanently restricted net assets:						
Contributions	–	–	–	647	–	647
Investment loss	–	–	–	(47)	–	(47)
Net change in unrealized gains/losses on investments	–	–	–	(312)	–	(312)
Increase in permanently restricted net assets	–	–	–	288	–	288
Increase in net assets	50,088	(7,599)	(2,653)	6,009	–	45,845
Net assets at beginning of year	476,043	33,052	7,048	47,185	–	563,328
Net assets at end of year	$ 526,131	$ 25,453	$ 4,395	$ 53,194	$ –	$ 609,173

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