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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

TRINITY REGIONAL MEDICAL CENTER

Doing Business As

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

Room/suite

802 KENYON RD

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

FORT DODGE, IA 50501

F Name and address of principal officer

SUSAN K THOMPSON

802 KENYON RD

FORT DODGE,IA 50501

D Employer identification number

42-1009175

E Telephone number

(515) 574-6506

G Gross receipts \$ 119,812,148

I Tax-exempt status

☒ 501(c)(3)

☐ 501(c) ()

☐ (Insert no)

☐ 4947(a)(1) or

☐ 527

J Website:

WWW TRMC ORG

K Form of organization

☒ Corporation

☐ Trust

☐ Association

☐ Other

L Year of formation

1973

M State of legal domicile

IA

Part I	Summary		
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF OUR COMMUNITY AND REGION THROUGH HEALING, CARING AND EDUCATION		
	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) 4 Number of independent voting members of the governing body (Part VI, line 1b) 5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 6 Total number of volunteers (estimate if necessary) 7a Total unrelated business revenue from Part VIII, column (C), line 12 7b Net unrelated business taxable income from Form 990-T, line 34		
Revenue	8 Contributions and grants (Part VIII, line 1h) 9 Program service revenue (Part VIII, line 2g) 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	Prior Year 1,810,400 100,122,902 2,969,990 1,525,219 106,428,511	Current Year 1,557,035 92,507,322 3,113,714 2,595,687 99,773,758
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 14 Benefits paid to or for members (Part IX, column (A), line 4) 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10) 16a Professional fundraising fees (Part IX, column (A), line 11e) 16b Total fundraising expenses (Part IX, column (D), line 25) ▶0 17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) 18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 19 Revenue less expenses Subtract line 18 from line 12	34,568 0 44,590,481 0 53,896,297 98,521,346 7,907,165	20,256 0 49,959,039 0 50,742,754 100,722,049 -948,291
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	138,690,532	138,133,571
	21 Total liabilities (Part X, line 26)	35,000,770	36,314,723
	22 Net assets or fund balances Subtract line 21 from line 20	103,689,762	101,818,848

Part II Signature Block

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

Sign Here

Signature of officer

2012-10-29

Date

MIKE J DEWERFF CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

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

Date

EIN ▶

Phone no ▶

Check if self-employed ▶ ☐

Preparer's taxpayer identification number (see instructions)

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

☐ Yes

☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

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 \$	73,571,271	including grants of \$	11,248) (Revenue \$	94,293,487)
	HEALTH-CARE SERVICE TRINITY REGIONAL MEDICAL CENTER IS AN IMPORTANT ELEMENT OF THE HEALTH-CARE DELIVERY SYSTEM THAT THE NORTH CENTRAL IOWA COMMUNITIES RELY ON EVERY DAY. IT IS COMMITTED TO PROVIDING QUALITY HEALTHCARE AND TO USING ITS RESOURCES TO THE GREATEST COMMUNITY BENEFIT. TRINITY REGIONAL MEDICAL CENTER PROVIDES INPATIENT AND OUTPATIENT MEDICAL SERVICES TO TREAT INDIVIDUALS WITH DISEASES, ILLNESS AND INJURIES WITH VARYING COMPLEXITIES. IT PROVIDES SERVICES TO IMPROVE THE HEALTH OF PATIENTS AND TO BETTER THEIR QUALITY OF LIFE. ALL SERVICES ARE PROVIDED REGARDLESS OF AN INDIVIDUAL'S RACE, CREED, SEX, NATIONALITY, HANDICAP, AGE OR ABILITY TO COMPENSATE FOR SERVICES RENDERED. THESE INCLUDE, BUT ARE NOT LIMITED TO GENERAL ACUTE CARE, SURGERIES, INTENSIVE CARE, CRITICAL CARE, CARDIOLOGY, ONCOLOGY, REHABILITATION, MATERNAL/CHILD CARE, PEDIATRIC CARE, LABORATORY SERVICES, PHARMACEUTICAL DRUGS, RADIOLOGY AND MANY OTHER ROUTINE AND ANCILLARY SERVICES. SOME OF THE SERVICES PROVIDED DO NOT GENERATE ENOUGH INCOME TO OFFSET THEIR COST. IN THE FISCAL PERIOD ENDED DECEMBER 31, 2011, TRINITY REGIONAL MEDICAL CENTER ADMITTED 5,213 PATIENTS RESULTING IN A TOTAL OF 17,298 PATIENT DAYS. OUTPATIENT REGISTRATIONS TOTALED 65,053 AND TOTAL OUTPATIENT SURGERY REGISTRATIONS FOR THE SAME PERIOD WERE 3,090. THERE WERE ALSO 22,769 EMERGENCY ROOM VISITS AND 492 BABIES DELIVERED.					

4b	(Code) (Expenses \$ 8,486,229 including grants of \$ 9,008) (Revenue \$)
	COMMUNITY BENEFIT, INCLUDING CHARITY CARECHARITY CARE AND MEANS-TESTED PROGRAMS TRINITY REGIONAL MEDICAL CENTER PROVIDES CHARITY CARE AND OTHER MEANS-TESTED PROGRAMS WITH THE GOAL TO IMPROVE THE COMMUNITY'S OVERALL HEALTH AND ACCESS TO CARE THIS INCLUDES HEALTH-CARE SERVICES REGARDLESS OF THE PATIENT'S INSURANCE COVERAGE OR FINANCIAL STATUS CHARITY CARE AND PARTIAL TO FULL FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS ON A CASE-BY-CASE BASIS CHARITY CARE WAS MADE AVAILABLE TO 1,068 PEOPLE AT A VALUE OF \$1,354,606 IN 2011 OFTENTIMES, TRINITY REGIONAL MEDICAL CENTER RECEIVES PAYMENTS FROM PAYORS OR PATIENTS THAT ARE LESS THAN IT CHARGES FOR SERVICES TRINITY REGIONAL MEDICAL CENTER PARTICIPATES IN MEDICAID AND OTHER GOVERNMENT-SPONSORED HEALTH-CARE PROGRAMS TRINITY REGIONAL MEDICAL CENTER'S NET COST OF PROVIDING CARE FOR WHICH IT RECEIVES PAYMENT BELOW ITS COST IS \$2,169,665 FOR 2011 AND SERVED 10,669 PEOPLE TOTAL CHARITY CARE AND MEANS-TESTED PROGRAMS REPORTED VALUE \$3,524,271 OTHER BENEFITS TRINITY REGIONAL MEDICAL CENTER PROVIDES SEVERAL OTHER BENEFITS THAT ASSIST THE COMMUNITY PROGRAMS INCLUDE, BUT ARE NOT LIMITED TO, COMMUNITY HEALTH IMPROVEMENT SERVICES AND COMMUNITY BENEFIT OPERATIONS SUCH AS PREVENTION AND HEALTH SCREENINGS, HEALTH PROFESSIONAL'S EDUCATION, SUBSIDIZED HEALTH SERVICES, RESEARCH, AND CASH AND IN-KIND CONTRIBUTIONS TO COMMUNITY GROUPS TRINITY REGIONAL MEDICAL CENTER COLLABORATES WITH OTHER HOSPITALS, CHURCHES, SCHOOLS, CHAMBERS OF COMMERCE AND DAYCARE CENTERS TO IMPROVE COMMUNITY HEALTH AND EXPAND ACCESS TO HEALTH CARE TRINITY REGIONAL MEDICAL CENTER HAS DEDICATED STAFF TO ASSIST COMMUNITY BENEFIT EFFORTS APPROXIMATELY 14,295 PERSONS WERE SERVED THROUGH THESE PROGRAMS TOTAL OTHER BENEFITS REPORTED VALUE \$4,961,958

[illegible]

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

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	134
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	969
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	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		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	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	No
7b	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		
8a	The governing body?	8a	Yes
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	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
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	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?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	IA
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.	MIKE J DEWERFF CFO 802 KENYON ROAD FORT DODGE, IA 50501 (515) 574-6506

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KENNETH ADAMS DO BOARD MEMBER	1 00	X						0	857,508	-179,669
(2) JOHN BIRKETT MD BOARD MEMBER	1 00	X						0	291,964	35,712
(3) RHONDA CHAMBERS BOARD SECRETARY/TREASURER	1 00	X		X				0	0	0
(4) PHILLIP GUNDERSON BOARD MEMBER	1 00	X						0	0	0
(5) KAREN KAISER BOARD MEMBER	1 00	X						0	0	0
(6) JAMES MEYER DO BOARD MEMBER	1 00	X						0	679,652	-133,631
(7) ERIC PEARSON DDS BOARD MEMBER	1 00	X						0	0	0
(8) JOHN PERKINS BOARD MEMBER	1 00	X						0	0	0
(9) KURT PITTNER BOARD MEMBER	1 00	X						0	14,287	0
(10) DENNIS PLAUTZ BOARD CHAIR	1 00	X		X				0	658	0
(11) THOMAS SCHNURR BOARD MEMBER	1 00	X						0	0	0
(12) JOHN TAETS BOARD VICE CHAIR	1 00	X		X				0	0	0
(13) SUSAN THOMPSON BOARD MEMBER/PRESIDENT/CEO	40 00	X		X				0	455,939	273,392
(14) MIKE DEWERFF CFO	40 00			X				0	196,591	33,712
(15) TROY MARTENS COO	40 00				X			0	250,062	41,856
(16) DEBRA SHRIVER CNE	40 00				X			179,478	0	28,687
(17) LINDA WHALEY VP CLINICAL & ANCILLARY SVCS	40 00				X			167,215	0	11,699

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) RICHARD BERGSTROM MD PHYSICIAN	40 00					X		531,320	0	10,624
(19) COLIN BROWN CRNA	40 00					X		204,687	0	29,424
(20) SUZANNE CLAPP CRNA	40 00					X		213,302	0	27,472
(21) JAY HONOMICHL CRNA	40 00					X		203,155	0	26,105
(22) MARK MARNER PHYSICIAN	40 00					X		236,653	0	14,942
(23) RALPH HEASLEY FR 0610 TO 1110 FORMER INTERIM CFO	0 00						X	0	213,176	27,902
(24) THOMAS TIBBITTS TO 1208 FORMER PRESIDENT/CEO	0 00						X	0	758,496	24,275
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,735,810	3,718,333	272,502

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▶28

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
EMERGENCY PRACTICE ASSOCIATES PO BOX 1260 WATERLOO, IA 50704	ER COVERAGE	2,181,164
ARAMARK MANAGEMENT SERVICES 24863 NETWORK PLACE CHICAGO, IL 606731248	HSKG, LAUNDRY, DIETARY, PLANT MANAGEMENT	1,614,020
ARAMARK CTS 12483 COLLECTIONS CENTER DR CHICAGO, IL 60693	BIOMEDICAL SERVICES	1,306,797
IOWA HEART CENTER 800 KENYON ROAD FORT DODGE, IA 50501	CARDIOLOGY SERVICES	845,865
NATIONAL WOUND CARE & HYPERBARIC SERVICE PO BOX 933430 ATLANTA, GA 311933430	WOUND & HYPERBARIC SERVICE	607,694
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 ▶14		

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	854,289				
	e	Government grants (contributions)	1e	700,833				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,913				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		1,557,035				
Program Service Revenue			Business Code					
	2a	NET PATIENT REVENUE	900099	90,014,583	90,014,583			
	b	LABORATORY SERVICES	621510	1,031,871		1,031,871		
	c	MISCELLANEOUS REVENUE	900099	578,118	397,418		180,700	
	d	MGMT & SUPPORT SVCS	561000	345,941	345,941			
	e	OTHER HEALTHCARE SVCS	900099	345,056	345,056			
	f	All other program service revenue		191,753	109,521	50,925	31,307	
	g	Total. Add lines 2a-2f		92,507,322				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		832,341			832,341	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	Gross rents	(i) Real	(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss)						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			20,767,161	1,552,602				
			19,857,642	180,748				
			909,519	1,371,854				
	d	Net gain or (loss)		2,281,373			2,281,373	
	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	MISCELLANEOUS REVENUE	900099	1,464,235	1,419,896		44,339		
b	CAFETERIA/FOOD SVCS	722210	765,183			765,183		
c	MGMT & SUPPORT SVCS	561000	366,269		366,269			
d	All other revenue							
e	Total. Add lines 11a-11d		2,595,687					
12	Total revenue. See Instructions		99,773,758	92,632,415	1,449,065	4,135,243		

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	20,256	20,256		
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	678,995		678,995	
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	40,060,538	36,363,812	3,696,726	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,104,136	1,002,248	101,888	
9	Other employee benefits	5,468,474	4,963,852	504,622	
10	Payroll taxes	2,646,896	2,402,645	244,251	
11	Fees for services (non-employees)				
a	Management	3,496,378	173,013	3,323,365	
b	Legal	266,520		266,520	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	183,530	219	183,311	
g	Other	10,529,429	8,811,715	1,717,714	
12	Advertising and promotion	291,425	74,515	216,910	
13	Office expenses	2,942,683	2,786,868	155,815	
14	Information technology	7,043,187	2,926,428	4,116,759	
15	Royalties				
16	Occupancy	1,340,310	1,320,310	20,000	
17	Travel	179,862	132,332	47,530	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	86,156	31,479	54,677	
20	Interest	1,509,427		1,509,427	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	5,205,214	4,964,939	240,275	
23	Insurance	1,471,534		1,471,534	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	16,061,787	16,025,168	36,619	
b	MISCELLANEOUS EXPENSE	128,412	57,700	70,712	
c	INCOME TAXES	6,900		6,900	
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	100,722,049	82,057,500	18,664,550	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			5,428	1	6,491,378
	2	Savings and temporary cash investments			15,456,206	2	9,684,794
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			12,408,948	4	13,169,506
	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			2,549,947	7	2,985,662
	8	Inventories for sale or use			2,839,063	8	2,436,152
	9	Prepaid expenses and deferred charges			141,252	9	419,990
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	157,681,784			
	b	Less: accumulated depreciation	10b	101,574,714	58,907,234	10c	56,107,070
	11	Investments—publicly traded securities			29,768,202	11	29,865,312
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			15,732,632	13	16,530,187
	14	Intangible assets			471,772	14	443,520
	15	Other assets. See Part IV, line 11			409,848	15	0
16	Total assets. Add lines 1 through 15 (must equal line 34)			138,690,532	16	138,133,571	
Liabilities	17	Accounts payable and accrued expenses			7,175,361	17	7,226,199
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			5,000,000	20	5,000,000
	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			1,330,543	23	853,722
	24	Unsecured notes and loans payable to unrelated third parties			1,141,138	24	2,028,474
	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			20,353,728	25	21,206,328
	26	Total liabilities. Add lines 17 through 25			35,000,770	26	36,314,723
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			99,853,932	27	96,072,754
	28	Temporarily restricted net assets			1,971,008	28	3,866,272
	29	Permanently restricted net assets			1,864,822	29	1,879,822
	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			103,689,762	33	101,818,848
34	Total liabilities and net assets/fund balances			138,690,532	34	138,133,571	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	99,773,758
2	Total expenses (must equal Part IX, column (A), line 25)	2	100,722,049
3	Revenue less expenses Subtract line 2 from line 1	3	-948,291
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	103,689,762
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-922,623
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	101,818,848

Part XII Financial Statements and Reporting

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

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

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 TRINITY REGIONAL MEDICAL CENTER	Employer identification number 42-1009175
---	--

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (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 IIIPart III

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

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

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization			
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 42-1009175
Name: TRINITY REGIONAL MEDICAL CENTER

Form 990, Special Condition Description:

Special Condition Description

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
TRINITY REGIONAL MEDICAL CENTER

Employer identification number
42-1009175

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

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

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

1

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

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

2

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

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

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

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

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

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	29,807,903	27,332,498	24,531,627	28,819,843
b	Contributions	973,133	1,210,199	277,482	
c	Investment earnings or losses	3,392,627	2,606,051	3,094,721	-4,127,098
d	Grants or scholarships	1,005,240	1,217,174	455,696	84,867
e	Other expenditures for facilities and programs				-270
f	Administrative expenses	105,212	123,671	115,636	76,521
g	End of year balance	33,063,211	29,807,903	27,332,498	24,531,627

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 82 620 %

b

Permanent endowment ▶ 5 690 %

c

Term endowment ▶ 11 690 %

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)	No
(ii) related organizations	3a(ii)	Yes

b

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

3b

Yes

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		115,986		115,986
b Buildings		79,971,143	39,358,605	40,612,538
c Leasehold improvements		5,212,959	3,235,061	1,977,898
d Equipment		70,337,847	58,981,048	11,356,799
e Other		2,043,849		2,043,849
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				56,107,070

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	99,773,758
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	100,722,049
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-948,291
4	Net unrealized gains (losses) on investments	4	-1,659,179
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	736,556
9	Total adjustments (net) Add lines 4 - 8	9	-922,623
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,870,914

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	96,667,000
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-1,659,179
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	32,107
e	Add lines 2a through 2d	2e	-1,627,072
3	Subtract line 2e from line 1	3	98,294,072
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	105,212
b	Other (Describe in Part XIV)	4b	1,374,474
c	Add lines 4a and 4b	4c	1,479,686
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	99,773,758

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	99,188,000
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	99,188,000
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	105,212
b	Other (Describe in Part XIV)	4b	1,428,837
c	Add lines 4a and 4b	4c	1,534,049
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	100,722,049

Part XIVSupplemental 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 INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ORGANIZATION RETAINS FUNDS FOR INTENDED FUTURE USES, INCLUDING PURCHASE OF EQUIPMENT, INDIGENT CARE, FUNDING OF MISSION RELATED OPERATIONS, AND HEALTH EDUCATION. IN ADDITION, SOME FUNDS ARE HELD FOR INVESTMENT IN PERPETUITY.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	IOWA HEALTH SYSTEM AND MOST OF ITS SUBSIDIARIES ARE CLASSIFIED AS TAX-EXEMPT ORGANIZATIONS AS DESCRIBED IN SECTIONS 501(C)(3) AND 501(C)(2) OF THE INTERNAL REVENUE CODE (THE CODE). TAX-EXEMPT ORGANIZATIONS ARE NOT SUBJECT TO FEDERAL AND STATE INCOME TAXES ON RELATED INCOME, PURSUANT TO SECTION 501(A) OF THE CODE. THESE ORGANIZATIONS ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES TO THE EXTENT THEY HAVE UNRELATED BUSINESS INCOME AS DESCRIBED UNDER PROVISIONS OF SECTION 511 OF THE CODE. THE HEALTH SYSTEM FILES FORM 990 FOR SUBSTANTIALLY ALL OF ITS OPERATING ENTITIES IN THE U.S. FEDERAL JURISDICTION AND IS NO LONGER SUBJECT TO EXAMINATION BY TAX AUTHORITIES FOR THE YEARS BEFORE 2008. THE HEALTH SYSTEM HAS NO MATERIAL UNCERTAIN TAX POSITIONS. CERTAIN SUBSIDIARIES ARE SUBJECT TO FEDERAL AND STATE INCOME TAXES. SOME OF THESE CORPORATIONS HAVE ACCUMULATED NET OPERATING LOSS CARRYFORWARDS THAT ARE AVAILABLE TO OFFSET FUTURE TAXABLE INCOME DURING THE CARRYFORWARD PERIOD. NO INCOME TAX BENEFIT HAS BEEN RECOGNIZED FOR THE NET OPERATING LOSS CARRYFORWARDS OR OTHER POTENTIAL DEFERRED TAX ASSETS IN THE CONSOLIDATED FINANCIAL STATEMENTS BECAUSE THE HEALTH SYSTEM BELIEVES REALIZATION OF THESE BENEFITS IS UNLIKELY.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN BENEFICIAL INTEREST 736,556
PART XII, LINE 2D - OTHER ADJUSTMENTS		REVENUES IN TEMPORARILY RESTRICTED FUND BALANCE 32,107
PART XII, LINE 4B - OTHER ADJUSTMENTS		REVENUES IN UNRESTRICTED FUND BALANCE 788,278 IOWA HEALTH SYSTEM CONTRACTING SERVICES, LC REBATES 585,700. ROUNDING 496
PART XIII, LINE 4B - OTHER ADJUSTMENTS		EXPENSES IN UNRESTRICTED FUND BALANCE 842,779 IOWA HEALTH SYSTEM CONTRACTING SERVICES, LC REBATES 585,700. ROUNDING 358

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
TRINITY REGIONAL MEDICAL CENTER

Employer identification number
42-1009175

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)		1,068	1,354,606		1,354,606	1 340 %
b Medicaid (from Worksheet 3, column a)		10,669	8,166,668	5,997,003	2,169,665	2 150 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs		11,737	9,521,274	5,997,003	3,524,271	3 490 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	39	12,285	507,965	40,579	467,386	0 460 %
f Health professions education (from Worksheet 5)	6	858	362,771		362,771	0 360 %
g Subsidized health services (from Worksheet 6)	3		6,272,655	2,276,497	3,996,158	3 970 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	4	1,152	138,543	2,900	135,643	0 130 %
j Total Other Benefits	52	14,295	7,281,934	2,319,976	4,961,958	4 920 %
k Total. Add lines 7d and 7j	52	26,032	16,803,208	8,316,979	8,486,229	8 410 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing		4	891		891	0 %
2Economic development		33	2,172		2,172	0 %
3Community support		4	5,686		5,686	0 010 %
4Environmental improvements						
5Leadership development and training for community members		41	2,686		2,686	0 %
6Coalition building			29,067		29,067	0 030 %
7Community health improvement advocacy		161	4,171		4,171	0 %
8Workforce development		203	549,739		549,739	0 550 %
9Other						
10Total		446	594,412		594,412	0 590 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense	2	1,788,764
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	34,815,967
6	Enter Medicare allowable costs of care relating to payments on line 5	6	39,808,979
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-4,993,012
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 IVManagement Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

TRINITY REGIONAL MEDICAL CENTER

Name of Hospital Facility:_____

Line Number of Hospital Facility (from Schedule H, Part V, Section A):_____1_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a ☐ A definition of the community served by the hospital facility b ☐ Demographics of the community c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community d ☐ How data was obtained e ☐ The health needs of the community f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g ☐ The process for identifying and prioritizing community health needs and services to meet those needs h ☐ The process for consulting with persons representing the community's interests i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs j ☐ Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a ☐ Hospital facility's website b ☐ Available upon request from the hospital facility c ☐ Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community b ☐ Execution of the implementation strategy c ☐ Development of a community-wide community benefit plan for the facility d ☐ Participation in community-wide community benefit plan e ☐ Inclusion of a community benefit section in operational plans f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA g ☐ Prioritization of health needs in the community h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community i ☐ Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a ☒ Income level b ☒ Asset level c ☒ Medical indigency d ☐ Insurance status e ☒ Uninsured discount f ☐ Medicaid/Medicare g ☐ State regulation h ☐ Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a ☒ The policy was posted at all times on the hospital facility's web site b ☒ The policy was attached to all billing invoices c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms d ☒ The policy was posted in the hospital facility's admissions offices e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility f ☒ The policy was available upon request g ☐ Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a ☒ Reporting to credit agency b ☒ Lawsuits c ☒ Liens on residences d ☐ Body attachments or arrests e ☒ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a ☒ Reporting to credit agency b ☒ Lawsuits c ☒ Liens on residences d ☐ Body attachments e ☐ Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a ☒ Notified patients of the financial assistance policy upon admission b ☒ Notified patients of the financial assistance policy prior to discharge c ☒ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d ☒ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e ☐ Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

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? _____

Name and address		Type of Facility (Describe)
1		
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 6A TRINITY REGIONAL MEDICAL CENTER'S COMMUNITY BENEFIT REPORT IS CONTAINED WITHIN THE IOWA HEALTH SYSTEM COMMUNITY BENEFIT REPORT WHICH CAN BE LOCATED AT WWW.IHS.ORG THIS SYSTEM-WIDE REPORT IS COMPLETED IN ADDITION TO THE COMMUNITY BENEFIT REPORT FOR THE HOSPITAL AND ITS REGIONAL AFFILIATES

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A COST-TO-CHARGE RATIO (FROM WORKSHEET 2) IS USED TO CALCULATE THE AMOUNTS ON LINE 7A THE AMOUNTS ON LINES 7B-7C (UNREIMBURSED MEDICAID AND OTHER MEANS-TESTED GOVERNMENT PROGRAMS) ARE OBTAINED FROM A COST ACCOUNTING SYSTEM OF APPLICABLE PATIENT SEGMENTS SEGMENTS NOT PASSED TO COST ACCOUNTING SYSTEM USE COST-TO-CHARGE RATIO THE AMOUNTS FOR LINES 7E, F, H, AND I WOULD COME FROM THE BOOKS AND RECORDS OF SPECIFIC SEGMENTS OF THE ORGANIZATION AND ARE BASED ON COST THE AMOUNTS ON 7G ARE DERIVED FROM A COST ACCOUNTING SYSTEM OF APPLICABLE PATIENT SEGMENTS SEGMENTS NOT PASSED TO A COST ACCOUNTING SYSTEM USE THE COST-TO-CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART II COMMUNITY BUILDING ACTIVITIES ARE ESSENTIAL ROLES FOR HEALTH-CARE ORGANIZATIONS IN THAT THEY ADDRESS MANY OF THE UNDERLYING DETERMINANTS OF HEALTH RESEARCH HAS CONTINUALLY SHOWN THAT WHEN THE FACTORS INFLUENCING HEALTH ARE EXPLORED, HEALTH CARE ACTUALLY PLAYS THE SMALLEST ROLE PROPORTIONATELY A REPORT IN THE JOURNAL OF AMERICAN MEDICAL ASSOCIATION AND THE CENTER FOR DISEASE CONTROL (MCGINNIS, 1996) SUGGESTS THAT THE FACTORS IMPACTING HEALTH ARE AS FOLLOWS LIFESTYLE AND BEHAVIORS, 50%, ENVIRONMENT (HUMAN AND NATURAL), 20%, GENETICS AND HUMAN BIOLOGY, 20%, AND HEALTH CARE, 10% COMMUNITY BUILDING ACTIVITIES HELP TO ADDRESS THE OTHER INDICATORS OUTSIDE OF THE ROLE TRADITIONALLY PLAYED BY HEALTH-CARE ORGANIZATIONS THESE ACTIVITIES ARE ALMOST EXCLUSIVELY DONE IN SOME FORM OF PARTNERSHIP IN WHICH THE COMMUNITY OR OTHER ORGANIZATIONS ARE BETTER SUITED TO ADDRESS HEALTH-CARE ORGANIZATIONS GENERALLY PROVIDE TIMELY AND SPECIFIC RESOURCES TO HELP THESE ISSUES HEALTH-CARE ORGANIZATIONS CAN BE A RICH AND VALUABLE COMMUNITY RESOURCE IN WAYS NOT TYPICALLY CONSIDERED OFTEN THE MOST EFFECTIVE WAY TO HELP IMPACT AND IMPROVE THE COMMUNITY HEALTH STATUS IS TO SUPPORT OTHER AGENCIES AND ORGANIZATIONS IN A VARIETY OF WAYS OUTSIDE OF HEALTH SERVICES THIS IS OFTEN DONE THROUGH CASH OR IN-KIND SERVICES TO SUPPORT OTHER NON-PROFITS, DONATIONS OF DURABLE MEDICAL EQUIPMENT AND SUPPLIES TO FREE CLINICS OR AGENCIES, OR THROUGH LEADERSHIP AND EDUCATIONAL EXPERTISE TRINITY REGIONAL MEDICAL CENTER (TRMC) CONTRIBUTES FINANCIALLY TO A WIDE VARIETY OF COMMUNITY ORGANIZATIONS THAT ADDRESS THE BROADER NEEDS OF THE COMMUNITY THESE DONATIONS ALLOW OTHER NON-PROFIT ORGANIZATIONS TO FULFILL THEIR MISSIONS TO IMPROVE THE WELL-BEING OF THE COMMUNITY AND CONTRIBUTE TO ITS OVERALL HEALTH STATUS IN WAYS THAT MAY DIFFER FROM THE DIRECT SERVICES OF THE HOSPITAL ORGANIZATION OTHER DONATIONS SUCH AS FOOD OR OTHER DURABLE GOODS PROVIDE AREA SHELTERS AND OTHER ORGANIZATIONS IN THE AREA THIS ALLOWS THESE ORGANIZATIONS TO MAXIMIZE THE RESOURCES THEY HAVE TO WORK WITH TRMC EMPLOYEES ARE ACTIVE IN EDUCATING PARTNERS ON A WIDE VARIETY OF HEALTH SUBJECTS THAT ADVANCE THEIR WORK FURTHER, TRMC EMPLOYEES ARE MEMBERS OF MANY NON-PROFIT BOARDS TO PROVIDE LEADERSHIP OR COMMUNITY COLLABORATIVE COLLECTIVELY WORKING TO ADDRESS COMPLEX HEALTH ISSUES THESE TYPES OF ACTIVITIES SPEAK TO THE BREADTH AND CAPACITY THAT TRMC HAS IN IMPACTING THE HEALTH STATUS OF THE COMMUNITY IN A VERY WELL COMPREHENSIVE AND INTENTIONAL APPROACH

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HEALTH SYSTEM PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE HEALTH SYSTEM BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT THE AMOUNT REPORTED ON LINE 2 WAS CALCULATED USING IRS WORKSHEET 2 'RATIO OF PATIENT CARE COST TO CHARGES' TO CALCULATE THE COST TO CHARGE RATIO FOR TRINITY REGIONAL MEDICAL CENTER THIS RATIO WAS THEN APPLIED AGAINST THE BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS USING IRS WORKSHEET A TO ARRIVE AT THE BAD DEBT EXPENSE AT COST REPORTED ON LINE 2

Identifier	ReturnReference	Explanation
		PART III, LINE 8 AMOUNTS ON LINE 6 WERE CALCULATED USING IRS WORKSHEET B 'TOTAL MEDICARE ALLOWABLE COSTS ' THE MEDICARE ALLOWABLE COSTS WERE OBTAINED FROM THE MEDICARE COST REPORTS AND THEN REDUCED BY ANY AMOUNTS ALREADY CAPTURED IN COMMUNITY BENEFIT EXPENSE IN PART I ABOVE THE HOSPITAL BELIEVES THE ENTIRE AMOUNT OF THE MEDICARE SHORTFALL REPORTED ON LINE 7 ABOVE SHOULD BE TREATED AS COMMUNITY BENEFIT, MORE SPECIFICALLY, AS CHARITY CARE THE ELDERLY CONSTITUTE A CLEARLY-RECOGNIZED CHARITABLE CLASS, AND MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, HAVE LIMITED INCOME AND THUS WOULD HAVE QUALIFIED FOR THE HOSPITAL'S CHARITY CARE PROGRAM, MEDICAID OR OTHER NEEDS-BASED GOVERNMENT PROGRAMS ABSENT THE MEDICARE PROGRAM BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF GOVERNMENT ARE RELIEVED WITH RESPECT TO THESE INDIVIDUALS ADDITIONALLY, THERE IS A SIGNIFICANT POSSIBILITY THAT CONTINUED REDUCTION IN REIMBURSEMENT MAY ACTUALLY CREATE DIFFICULTIES IN ACCESS FOR THESE INDIVIDUALS FINALLY, THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER CHARITY CARE AND OTHER COMMUNITY BENEFIT NEEDS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B AFTER THE PATIENT MEETS THE QUALIFICATIONS FOR FINANCIAL ASSISTANCE, THE ACCOUNT BALANCE IS PARTIALLY OR ENTIRELY WRITTEN OFF, AS APPROPRIATE ANY REMAINING BALANCE, IF ANY, WOULD BE COLLECTED UNDER THE NORMAL DEBT COLLECTION POLICY

Identifier	ReturnReference	Explanation
TRINITY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 15E GUARANTORS RECEIVE A CYCLE BILL EERY 30 DAYS FOR THE LIFE OF THE ACCOUNT ON A/R ON DAY 41, 11 DAYS AFTER THE SECOND BILLING CYCLE, A FIRST COLLECTION ATTEMPT IS MADE FROM THE TELEVOX DIALER THE SECOND COLLECTION ATTEMPT IS MADE BY THE DIALER ON DAY 71, 11 DAYS AFTER THE THIRD AND FINAL BILLING CYCLE THE THIRD COLLECTION ATTEMPT IS MADE BY THE DIALER ON DAY 87, E DAYS BEFORE THE ACCOUNT IS REVIEWED FOR COLLECTIONS ACCOUNTS WITH SATISFACTORY PAYMENTS OR PREARRANGED PAYMENT ARRANGEMENTS THAT ARE CURRENT ARE NOT SENT TO THE DIALER ACCOUNTS WITH A MENTAL HEALTH DIAGNOSIS, WORKERS COMPENSATION ACCOUNTS, ACCOUNTS WITH SKILLED NURSING FACILITIES, AND ACCOUNTS WITH NO PHONE NUMBER ARE ALSO NOT SENT TO THE DIALER THESE ACCOUNTS ARE ON A MANUAL LIST WHICH THE COLLECTION TEAM REVIEWS AND MAKES CALLS MANUALLY AS DEEMED APPROPRIATE WHEN THE ACCOUNTS ARE GREATER THAN OR EQUAL TO \$5,000, THE COLLECTION TEAM WILL SEND A FINANCIAL ASSISTANCE APPLICATION IF THEY CANNOT MAKE CONTACT WITH THE GUARANTOR AND 10 BUSINESS DAYS LATER, A PAST LETTER THEY WILL ALSO CHECK FOR MEDICAID ELIGIBILITY FOR THEIR STATE OF RESIDENCE

Identifier	ReturnReference	Explanation
TRINITY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 19D IF THE INDIVIDUAL APPLIES AND QUALIFIES FOR FINANCIAL ASSISTANCE UNDER THE FACILITY'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL FACILITY USES THE AVERAGE OF THE THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES FOR THOSE SERVICES AT THE HOSPITAL FACILITY TO DETERMINE THE AMOUNTS BILLED FOR ALL SERVICES, INCLUDING EMERGENCY OR MEDICALLY NECESSARY CARE THIS OCCURS REGARDLESS WHETHER THE INDIVIDUAL HAS INSURANCE COVERAGE ALSO, IF THE INDIVIDUAL HAS INSURANCE COVERAGE AND DOES NOT APPLY OR QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE FACILITY'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL FACILITY USES THE INSURER'S NEGOTIATED RATE FOR THOSE SERVICES AT THE HOSPITAL FACILITY HOWEVER, IF THE INDIVIDUAL DOES NOT HAVE INSURANCE COVERAGE AND EITHER DOES NOT APPLY OR DOES NOT QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE FACILITY'S FINANCIAL ASSISTANCE POLICY, THE HOSPITAL FACILITY USES THE GROSS RATES FOR THOSE SERVICES TO DETERMINE THE AMOUNTS BILLED IF THE UNINSURED INDIVIDUAL AGREES TO PAY THE BILL IN FULL, THE HOSPITAL FACILITY WILL PROVIDE A 20%-30% DISCOUNT FROM THE GROSS RATES FOR THOSE INDIVIDUALS

Identifier	ReturnReference	Explanation
TRINITY REGIONAL MEDICAL CENTER		PART V, SECTION B, LINE 21 AS DESCRIBED IN SCHEDULE H, PART V, LINE 19, IF THE PATIENT DOES NOT APPLY OR QUALIFY FOR FINANCIAL ASSISTANCE AND ALSO IS UNINSURED OR RECEIVES NO BENEFIT FROM THEIR INSURANCE ON A SERVICE PROVIDED BY THE HOSPITAL FACILITY, THEY WOULD BE CHARGED AMOUNTS EQUAL TO GROSS CHARGES FOR THE SERVICES PROVIDED TO THE PATIENT HOWEVER, IF THE PATIENT AGREES TO PAY IN FULL, THEY WILL RECEIVE A 20%-30% DISCOUNT FROM THE GROSS CHARGES

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 TRINITY REGIONAL MEDICAL CENTER (TRMC) CONTINUALLY WORKS WITH COMMUNITY PARTNERS IN CENTRAL IOWA TO ASSESS THE HEALTH NEEDS OF THE COMMUNITY SPECIFICALLY, TRMC IS A SPONSORING PARTNER OF SEVERAL HEALTH SCREENINGS AND FAIRS WHICH ARE A COMMUNITY COLLABORATIVE CONVENED BY PARTNERS SUCH AS IOWA CENTRAL COMMUNITY COLLEGE AND SURROUNDING NURSING HOMES TO ASSESS, ADDRESS AND MONITOR THE HEALTH NEEDS OF WEBSTER COUNTY AND SURROUNDING AREAS A HEALTH AGENDA WAS DEVELOPED BY IDENTIFYING SPECIFIC HEALTH PRIORITIES THAT ARE RELEVANT TO THE COMMUNITY THROUGH THESE VARIOUS HEALTH SCREENS DURING THIS PLANNED AND ORGANIZED EFFORT, OVER 7,000 COMMUNITY HEALTHCARE SCREENS WERE PERFORMED IN 2011 TRMC WORKS CLOSELY WITH OTHER COMMUNITY GROUPS TO ASSESS THE AREA NEED THEY WORK CLOSELY WITH THE UNITED WAY AND THE CHARACTER COUNTS PROGRAM TRMC AND THE UNITED WAY ARE SPONSORING PARTNERS, ALONG WITH THE CITY OF FORT DODGE FOR THIS WORTHY PROGRAM

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 TRINITY REGIONAL MEDICAL CENTER PERFORMS THE FOLLOWING ACTIVITIES TO COMMUNICATE THE AVAILABILITY OF CHARITY CARE AND FINANCIAL ASSISTANCE TO ALL PATIENTS 1) PLACES SIGNAGE, INFORMATION, AND/OR BROCHURES IN APPROPRIATE AREAS OF THE PROVIDER (E G , THE EMERGENCY DEPARTMENT, AND REGISTRATION AND CHECK-OUT/CASHIER AREAS) STATING THE PROVIDER/PHYSICIAN PRACTICE OFFERS CHARITY CARE AND DESCRIBES HOW TO OBTAIN MORE INFORMATION ABOUT FINANCIAL ASSISTANCE, 2) PLACES A NOTE ON THE HEALTH-CARE BILL AND STATEMENTS REGARDING HOW TO REQUEST INFORMATION ABOUT FINANCIAL ASSISTANCE, 3) DESIGNATES INDIVIDUALS WHO CAN EXPLAIN THE PROVIDER'S CHARITY CARE POLICY, AND 4) INSTRUCTS STAFF WHO INTERACT WITH PATIENTS TO DIRECT QUESTIONS REGARDING THE CHARITY CARE POLICY TO THE PROPER PROVIDER REPRESENTATIVE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 TRINITY REGIONAL MEDICAL CENTER (TRMC) IS A 200-BED PRIVATE, NON-PROFIT HOSPITAL THAT SERVES FORT DODGE, WHICH IS LOACTED IN WEBSTER COUNTY, AND SURROUNDING COMMUNITIES TRMC IS NONDENOMINATIONAL AND SERVES ALL WHO COME HERE, REGARDLESS OF REASON OR CIRCUMSTANCE AS A DESIGNATED REGIONAL REFERRAL CENTER, TRMC SERVES AN EIGHT COUNTY AREA WITH A POPULATION OF APPROXIMATELY 100,000 ROUGHLY 25 PERCENT OF TRMC MARKET RESIDENTS LIVE WITHIN THE CITY LIMITS OF FORT DODGE THE REMAINING MARKET SHARE LIVES IN THE RURAL AREAS OR SMALL TOWNS SURROUNDING FORT DODGE IN 2011 TRMC ADMITTED 5,213 INPATIENTS AND SAW APPROXIMATELY 22,769 PATIENTS IN THE EMERGENCY ROOMMEDIAN HOUSEHOLD INCOMES FOR TRMC'S PATIENT POPULATION RANGE FROM \$33,286 TO \$41,155, AND THE AVERAGE POVERTY RATE IS 7 PERCENT WEBSTER COUNTY, THE ONLY COUNTY IN THE SERVICE AREA WITH SIGNIFICANT MINORITY POPULATION, IS 92 3 PERCENT CAUCASIAN, 3 4 PERCENT AFRICAN-AMERICAN AND 3 8 PERCENT HISPANIC

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE HOSPITAL IS ORGANIZED AND OPERATED EXCLUSIVELY FOR CHARITABLE PURPOSES WITH THE GOAL OF PROMOTING THE HEALTH OF THE COMMUNITIES IT SERVES THE HOSPITAL SUPPORTS THIS MISSION WITH A COMMUNITY BOARD, OPEN MEDICAL STAFF, AND AN EMERGENCY ROOM AVAILABLE TO PATIENTS REGARDLESS OF ABILITY TO PAY THE BOARD OF DIRECTORS OF THE HOSPITAL IS COMPOSED OF CIVIC LEADERS WHO RESIDE IN THE SERVICE AREA OF THE HOSPITAL THE BOARD ACTIVELY DEBATES AND SETS POLICY AND STRATEGIC DIRECTION FOR THE HOSPITAL BUT DOES NOT GET INVOLVED IN ISSUES RELATED TO THE DIRECT OPERATIONS OF THE HOSPITAL THE BOARD TAKES A BALANCED APPROACH WHEN ADDRESSING COMMUNITY AND BUSINESS/FINANCIAL CONCERNS THE BOARD IS ALSO THE PRIMARY GROUP FOR DETERMINING THE USE OF HOSPITAL SURPLUS FUNDS, WHICH ARE ALL USED TO FURTHER OUR CHARITABLE PURPOSE

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE HOSPITAL IS PART OF IOWA HEALTH SYSTEM INITIALLY FORMED IN 1995, IOWA HEALTH SYSTEM IS THE STATE'S FIRST AND LARGEST INTEGRATED HEALTH SYSTEM, SERVING NEARLY ONE OF EVERY THREE PATIENTS IN IOWA THROUGH RELATIONSHIPS WITH 27 HOSPITALS IN METROPOLITAN AND RURAL COMMUNITIES AND MORE THAN 200 PHYSICIAN CLINICS, IOWA HEALTH SYSTEM PROVIDES CARE THROUGHOUT IOWA AND ILLINOIS IOWA HEALTH SYSTEM ENTITIES EMPLOY THE STATE'S LARGEST NONPROFIT WORKFORCE, WITH MORE THAN 24,000 EMPLOYEES WORKING TOWARD INNOVATIVE ADVANCEMENTS TO DELIVER THE BEST OUTCOME FOR EVERY PATIENT EVERY TIME EACH YEAR, THROUGH MORE THAN 3 1 MILLION PATIENT VISITS, IOWA HEALTH SYSTEM HOSPITALS AND CLINICS PROVIDE A FULL RANGE OF CARE TO PATIENTS AND FAMILIES WITH ANNUAL REVENUES OF \$2 8 BILLION, IOWA HEALTH SYSTEM IS THE FIFTH LARGEST NONDENOMINATIONAL HEALTH SYSTEM IN AMERICA AND PROVIDES COMMUNITY BENEFIT PROGRAMS AND SERVICES TO IMPROVE THE HEALTH OF PEOPLE IN ITS COMMUNITIES IOWA HEALTH SYSTEM AND ITS AFFILIATES ENGAGE IN COMMUNITY HEALTH PROGRAMS AND SERVICES THROUGHOUT IOWA, AND WORK WITH VOLUNTEER AND CIVIC ORGANIZATIONS, SCHOOLS, BUSINESSES, INSURERS AND INDIVIDUALS TO SUPPORT ACTIVITIES THAT BENEFIT PEOPLE THROUGHOUT THE STATE IN 2011, IOWA HEALTH SYSTEM AND ITS AFFILIATES PROVIDED MORE THAN \$387 MILLION OF COMMUNITY BENEFIT THE CONTRIBUTIONS TO THEIR COMMUNITIES BY IOWA HEALTH SYSTEM AND ITS AFFILIATES ARE REPORTED IN DETAIL IN STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS (PART III) OF THE IRS FORM 990 OF THOSE AFFILIATES

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

OMB No 1545-0047

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

Open to Public Inspection

Employer identification number

42-1009175

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

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table		<u>1</u>
3	Enter total number of other organizations listed in the line 1 table		0

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE ORGANIZATION REQUIRES EACH RECIPIENT OF THE GRANTS MENTIONED IN PART II & III (OTHER THAN ASSISTANCE TO RELATED ORGANIZATIONS IN THE FORM OF WORKING CAPITAL) TO APPLY FOR THE GRANT AND OUTLINES A SERIES OF ELIGIBILITY STANDARDS THAT ARE REQUIRED TO BE MET THE ORGANIZATION THEN REVIEWS THESE APPLICATIONS, AND BASED ON NEED AND ELIGIBILITY, A COMMITTEE MAKES THE FINAL DECISION ON ALL GRANT RECIPIENTS

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization TRINITY REGIONAL MEDICAL CENTER	Employer identification number 42-1009175
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Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
☐ First-class or charter travel		
☐ Travel for companions		
☐ Tax idemnification and gross-up payments		
☐ Discretionary spending account		
☐ Housing allowance or residence for personal use		
☐ Payments for business use of personal residence		
☐ Health or social club dues or initiation fees		
☐ Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
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?		
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		
☒ Independent compensation consultant		
☐ Form 990 of other organizations		
☐ Written employment contract		
☒ Compensation survey or study		
☒ 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?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b Any related organization?		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?		No
b Any related organization?		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		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KENNETH ADAMS DO	(i)	0	0	0	0	0	0	0
	(ii)	621,116	215,909	20,483	-202,851	23,182	677,839	0
(2) JOHN BIRKETT MD	(i)	0	0	0	0	0	0	0
	(ii)	180,723	104,136	7,105	24,500	11,212	327,676	0
(3) JAMES MEYER DO	(i)	0	0	0	0	0	0	0
	(ii)	280,317	368,318	31,017	-151,813	18,182	546,021	0
(4) SUSAN THOMPSON	(i)	0	0	0	0	0	0	0
	(ii)	306,461	96,600	52,878	254,174	19,218	729,331	0
(5) MIKE DEWERFF	(i)	0	0	0	0	0	0	0
	(ii)	167,848	9,633	19,110	14,352	19,360	230,303	0
(6) TROY MARTENS	(i)	0	0	0	0	0	0	0
	(ii)	180,182	49,988	19,892	23,638	18,218	291,918	0
(7) DEBRA SHRIVER	(i)	157,234	18,480	3,764	6,369	22,318	208,165	0
	(ii)	0	0	0	0	0	0	0
(8) LINDA WHALEY	(i)	149,486	16,860	869	4,622	7,077	178,914	0
	(ii)	0	0	0	0	0	0	0
(9) RICHARD BERGSTROM MD	(i)	525,000	0	6,320	9,976	648	541,944	0
	(ii)	0	0	0	0	0	0	0
(10) COLIN BROWN	(i)	175,972	0	28,715	7,446	21,978	234,111	0
	(ii)	0	0	0	0	0	0	0
(11) SUZANNE CLAPP	(i)	185,601	0	27,701	7,695	19,777	240,774	0
	(ii)	0	0	0	0	0	0	0
(12) JAY HONOMICHL	(i)	170,180	0	32,975	7,389	18,716	229,260	0
	(ii)	0	0	0	0	0	0	0
(13) MARK MARNER	(i)	228,189	0	8,464	8,560	6,382	251,595	0
	(ii)	0	0	0	0	0	0	0
(14) RALPH HEASLEY FR 0610 TO 1110	(i)	0	0	0	0	0	0	0
	(ii)	173,257	0	39,919	7,678	20,224	241,078	0
(15) THOMAS TIBBITTS TO 1208	(i)	0	0	0	0	0	0	0
	(ii)	197,906	50,000	510,590	12,250	12,025	782,771	456,583

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	THE FOLLOWING INDIVIDUALS PARTICIPATED IN A NON-QUALIFIED RETIREMENT PLAN WITH THE FOLLOWING CHANGES TO THEIR ACCOUNTS MIKE DEWERFF \$9,977, TROY MARTENS \$16,118 AND SUSAN THOMPSON \$242,849

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2011
		Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization TRINITY REGIONAL MEDICAL CENTER	Employer identification number 42-1009175
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Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A IOWA FINANCE AUTHORITY	52-1699886	46246NHS8	12-30-2008	5,000,000	CONSTRUCTION OF FACILITIES		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds defeased								
3	Total proceeds of issue	5,000,095							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds								
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	5,000,095							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No						
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 260 %							
6	Total of lines 4 and 5	0 260 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV

Arbitrage

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 3, COLUMN (A)		THERE IS A DIFFERENCE BETWEEN THE BOND ISSUE PRICE AND THE TOTAL PROCEEDS OF BOND ISSUE DUE TO INVESTMENT EARNINGS OF \$95

Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TRINITY REGIONAL MEDICAL CENTER

Employer identification number
42-1009175

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$ _____										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV

Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) TRIMARK PHYSICIANS GROUP INC	COMMON BOARD MEMBER/OFFICER	1,242,855	RENT, LEASE OF FACILITIES, EQUIPMENT OR OTHER ASSETS, PERFORMANCE OF SERVICE, SHARED EMPLOYEES, ETC		No
(2) CATHERINE LENSCH	FAMILY MEMBER OF BOARD MEMBER RHONDA CHAMBERS	50,654	EMPLOYMENT		No

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
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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 TRINITY REGIONAL MEDICAL CENTER	Employer identification number 42-1009175
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	TRINITY HEALTH SYSTEMS, INC , A TAX-EXEMPT IOWA NONPROFIT CORPORATION, IS SOLE MEMBER

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	TRINITY HEALTH SYSTEMS, INC , AS SOLE MEMBER, AND IOWA HEALTH SYSTEM, AS SOLE MEMBER OF TRINITY HEALTH SYSTEMS, APPROVE BOARD OF DIRECTORS, BUDGETS, APPOINT PRESIDENT, APPROVE ESTABLISHING SUBSIDIARIES, AFFILIATES AND JOINT VENTURES, APPROVE MERGERS, CONSOLIDATIONS OR DISSOLUTIONS, APPROVE CHANGES IN PURPOSE, AND APPROVE PURCHASE, SALE, LEASE TRANSFER OR ENCUMBRANCE OF REAL AND PERSONAL PROPERTY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED INTERNALLY BY THE TAX DEPARTMENT USING INFORMATION GATHERED FROM VARIOUS FUNCTIONAL AREAS OF THE ORGANIZATION. EACH SECTION OF THE RETURN IS REVIEWED BY FUNCTIONAL AREA WITH RESPONSIBILITY ALONG WITH THE TAX DEPARTMENT. A DRAFT COPY OF THE RETURN IS PROVIDED TO THE CFO FOR REVIEW. A FULL COPY OF THE FORM 990 IS PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO FILING WITH THE IRS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY. ANNUALLY ALL OFFICERS, DIRECTORS, KEY EMPLOYEES AND REPORTING PHYSICIANS ARE REQUESTED TO COMPLETE A QUESTIONNAIRE TO REPORT POTENTIAL CONFLICTS OF INTEREST. PERSONS WHO HAVE NOT RETURNED QUESTIONNAIRES ARE CONTACTED ADDITIONAL TIMES IN AN EFFORT TO RECEIVE COMPLETE AND ACCURATE RESPONSES FROM ALL PERSONS. THE ANNUAL QUESTIONNAIRES INCLUDE AN ACKNOWLEDGEMENT THAT THE OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN 1) HAS ACCESS TO A COPY OF THE CONFLICT OF INTEREST POLICY, 2) HAS READ AND UNDERSTANDS THE POLICY, 3) AGREES TO COMPLY WITH THE POLICY, 4) UNDERSTANDS THAT THE POLICY APPLIES TO ALL COMMITTEES AND SUBCOMMITTEES HAVING BOARD-DELEGATED POWERS, AND 5) UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS TAX-EXEMPT STATUS, IT MUST CONTINUOUSLY ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES. SENIOR ADMINISTRATIVE STAFF AT ALL RELATED ORGANIZATIONS PROVIDE INFORMATION TO A CENTRAL COORDINATOR RELATED TO THE IDENTIFICATION OF WHICH INDIVIDUALS SHOULD RECEIVE THE QUESTIONNAIRE FOR COMPLETION. THE RESULTS ARE COMPILED CENTRALLY AND REVIEWED BY THE IOWA HEALTH SYSTEM COMPLIANCE OFFICER AND DIRECTOR OF INTERNAL AUDIT. THE DETAIL RESULTS ARE REPORTED TO A COMMITTEE OF THE SYSTEM BOARD. THE RESULTS RELATED TO SPECIFIC REGIONAL PARENT COMPANIES, THEIR HOSPITALS AND RELATED ORGANIZATIONS, ARE DISTRIBUTED IN DETAIL TO THE CHAIRPERSON OF THE REGIONAL PARENT ORGANIZATION, THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND COMPLIANCE MANAGER. THESE INDIVIDUALS ARE ALSO REMINDED OF THE APPROPRIATE PROCESS TO BE FOLLOWED DURING THE YEAR TO ADDRESS POTENTIAL CONFLICTS OF INTEREST THAT RELATE TO MATTERS THAT ARE BROUGHT TO THE BOARD OF DIRECTORS FOR ACTION. THE INFORMATION DISCLOSED IS USED TO IDENTIFY POTENTIAL CONFLICTS OF INTEREST AND TO ASSIST IN COMPLETING IRS AND MEDICAID QUESTIONNAIRES. ANY DUALITY OF INTEREST OR POSSIBLE CONFLICT OF INTEREST ON THE PART OF ANY ORGANIZATIONAL OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN TOGETHER WITH ALL MATERIAL FACTS, SHOULD BE DISCLOSED TO THE BOARD OF DIRECTORS AND MADE A MATTER OF RECORD, EITHER THROUGH AN ANNUAL PROCEDURE OR WHEN THE INTEREST OCCURS OR BECOMES A MATTER OF BOARD ACTION. ANY ORGANIZATIONAL OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN HAVING A CONFLICT OF INTEREST IN ANY MATTER SHOULD NOT BE PRESENT DURING GENERAL DISCUSSION NOR VOTE OR USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER, AND HE OR SHE SHOULD NOT BE COUNTED IN DETERMINING THE EXISTENCE OF A QUORUM FOR PURPOSES OF THE MATTER OR ITEM AS TO WHICH A CONFLICT EXISTS. THE BOARD SHOULD EXCLUDE THE INDIVIDUAL FROM ANY DISCUSSION OR VOTE IN WHICH THE BOARD DECIDES WHETHER OR NOT A CONFLICT OF INTEREST EXISTS. IN CASES IN WHICH AN OFFICER, DIRECTOR, KEY EMPLOYEE, REPORTING PHYSICIAN OR THE INDIVIDUAL'S HOUSEHOLD MEMBER HAS A CONFLICT OF INTEREST IN AN ARRANGEMENT OR TRANSACTION, THE FOLLOWING ADDITIONAL STEPS MAY BE TAKEN AT THE DIRECTION OF THE BOARD OF DIRECTORS: 1) AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE OR SHE SHALL LEAVE THE BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON. THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL 1) DECIDE IF A CONFLICT OF INTEREST EXISTS, 2) A DISINTERESTED PERSON OR COMMITTEE MAY BE APPOINTED TO INVESTIGATE ALTERNATIVES TO THE PROPOSED ARRANGEMENT OR TRANSACTION, 3) IN ORDER TO APPROVE THE ARRANGEMENT OR TRANSACTION, THE BOARD MUST FIRST FIND, BY MAJORITY VOTE OF DISINTERESTED MEMBERS, THAT THE ARRANGEMENT OR TRANSACTION IS IN THE ORGANIZATION'S BEST INTEREST, IS FAIR AND REASONABLE TO THE ORGANIZATION, AND, AFTER REASONABLE INVESTIGATION, THE DISINTERESTED MEMBERS HAVE DETERMINED THAT A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT CANNOT BE OBTAINED WITH REASONABLE EFFORTS UNDER THE CIRCUMSTANCES, THE MINUTES OF THE BOARD AND ALL COMMITTEES WITH BOARD-DELEGATED POWERS SHALL CONTAIN 1) THE NAMES OF THE PERSONS WHO DISCLOSED OR OTHERWISE WERE FOUND TO HAVE A FINANCIAL INTEREST IN CONNECTION WITH AN ACTUAL OR POSSIBLE CONFLICT OF INTEREST, THE NATURE OF THE FINANCIAL INTEREST, ANY ACTION TAKEN TO DETERMINE WHETHER A CONFLICT OF INTEREST WAS PRESENT, AND THE BOARD'S OR COMMITTEE'S DECISION AS TO WHETHER A CONFLICT OF INTEREST IN FACT EXISTED, 2) THE NAMES OF THE PERSONS WHO WERE PRESENT FOR DISCUSSIONS AND VOTES RELATING TO THE TRANSACTION OR ARRANGEMENT, THE CONTENT OF THE DISCUSSION, INCLUDING ANY ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT, AND A RECORD OF ANY VOTES TAKEN IN CONNECTION THEREWITH, IN ORDER TO PROTECT THE ORGANIZATION'S BEST INTERESTS, APPROPRIATE DISCIPLINARY ACTION MAY BE TAKEN WITH RESPECT TO AN OFFICER, DIRECTOR, KEY EMPLOYEE OR REPORTING PHYSICIAN WHO VIOLATES THE CONFLICT OF INTEREST POLICY.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE OF THE IOWA HEALTH SYSTEM BOARD OF DIRECTORS ("COMMITTEE") CONDUCTS A COMPREHENSIVE ANNUAL REVIEW OF ALL COMPENSATION AND BENEFITS PROVIDED TO THE ORGANIZATION'S OFFICERS AND KEY EMPLOYEES, INCLUDING THE IHS CHIEF EXECUTIVE OFFICER (THE "CEO"). THIS ANNUAL REVIEW COMPARES THE TOTAL COMPENSATION AND VALUE OF BENEFITS PROVIDED TO EACH EXECUTIVE, ON A POSITION BY POSITION BASIS, TO THAT PROVIDED TO FUNCTIONALLY SIMILAR POSITIONS IN SIMILARLY SITUATED ORGANIZATIONS. THIS REVIEW IS CONDUCTED BY THE COMMITTEE WITH THE ASSISTANCE OF A NATIONAL, INDEPENDENT COMPENSATION CONSULTANT REPORTING DIRECTLY TO THE COMMITTEE. THE COMMITTEE HAS BEEN DELEGATED THE RESPONSIBILITY FOR OVERSIGHT OF EXECUTIVE COMPENSATION AND IS MADE UP ENTIRELY OF INDEPENDENT DIRECTORS WITHIN THE MEANING OF THE "REBUTTABLE PRESUMPTION OF REASONABLENESS" UNDER THE FEDERAL INCOME TAX INTERMEDIATE SANCTIONS RULES. THE COMPENSATION CONSULTANT HOLDS ITSELF OUT TO THE PUBLIC AS A COMPENSATION CONSULTANT, PERFORMS THESE VALUATIONS ON A REGULAR BASIS, IS QUALIFIED TO MAKE THE VALUATIONS OF THE SERVICES INVOLVED, AND HAS SO INDICATED IN A WRITTEN CERTIFICATION TO THE COMMITTEE. BASED UPON THE ADVICE OF THE COMPENSATION CONSULTANT, AND APPLYING THE BOARD'S COMPENSATION PHILOSOPHY, THE COMMITTEE ESTABLISHES THE OVERALL ADJUSTMENT IN COMPENSATION AND BENEFITS FOR APPROXIMATELY THE TOP FIFTY EXECUTIVES IN THE ENTIRE HEALTH SYSTEM (SEVERAL OF WHICH ARE EMPLOYEES OF THE FILING ORGANIZATION) AND DELEGATES TO THE CEO THE AUTHORITY TO MAKE ADJUSTMENTS, CONSISTENT WITH THE COMMITTEE'S DIRECTION, FOR THE OTHER EXECUTIVES. THE COMMITTEE DETERMINES ALL ASPECTS OF THE COMPENSATION AND BENEFITS OF THE CEO. THE COMMITTEE INTENTIONALLY TAKES ALL THE STEPS NECESSARY TO QUALIFY FOR THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE FEDERAL INCOME TAX LAW INTERMEDIATE SANCTIONS RULES, INCLUDING CONTEMPORANEOUS SUBSTANTIATION OF ALL COMMITTEE MEETINGS AND ACTIONS. THE ORGANIZATION BELIEVES IT IS IN FULL COMPLIANCE WITH SECTION 4958 OF THE IRC, PROVIDES NO MORE THAN REASONABLE AND FAIR MARKET VALUE COMPENSATION AND BENEFITS FOR ITS EMPLOYEES AND DOES NOT PROVIDE ANY EXCESS COMPENSATION OR BENEFITS AS PROHIBITED BY SECTION 4958. THE ANNUAL REVIEW OF COMPENSATION AND BENEFITS WAS LAST PERFORMED IN DECEMBER 2011 FOR THE FOLLOWING INDIVIDUALS: MIKE DEWERFF, TROY MARTENS, AND SUE THOMPSON. THE COMPENSATION AND BENEFITS OF THE OTHER PERSONS LISTED ON FORM 990, PART VII WAS ESTABLISHED BY AN INDEPENDENT PERSON/COMMITTEE USING AN INDEPENDENT COMPENSATION CONSULTANT AND/OR COMPENSATION SURVEY OR STUDY FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS. COMPENSATION AND BENEFITS ARE BASED ON THE FAIR MARKET VALUE OF THE SERVICES PROVIDED TO THE ORGANIZATION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	IOWA HEALTH SYSTEM, OUR PARENT ORGANIZATION, HAS VOLUNTARILY ADOPTED MANY OF OUR INDUSTRY'S GOVERNANCE "BEST PRACTICES " WE'VE DONE SO TO FURTHER ASSURE OUR STAKEHOLDERS THAT OUR GOVERNANCE AND MANAGEMENT IS CONDUCTED RESPONSIBLY AND WARRANTS THE TRUST YOU PLACE IN US IN SEPTEMBER 2003, THE IOWA HEALTH BOARD OF DIRECTORS VOLUNTARILY ADOPTED OVER 40 CHANGES TO ITS GOVERNANCE STRUCTURE TO BETTER COMPLY WITH GOVERNANCE BEST PRACTICES IN ADDITION, MANY GOVERNANCE POLICIES AND CORPORATE INFORMATION HAS BEEN ADDED TO THE IOWA HEALTH SYSTEM WEBSITE, INCLUDING BUT NOT LIMITED TO OVER 130 CORPORATE COMPLIANCE POLICIES, INCLUDING CHARITY CARE AND CONFLICT OF INTEREST, GOVERNANCE BEST PRACTICE POLICIES, BOARD MEMBERS AND COMMITTEES, COMPENSATION FOR EACH SENIOR AFFILIATE TOP EXECUTIVE, AND FINANCIAL INFORMATION FOR PAST SEVEN YEARS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -1,659,179 CHANGE IN BENEFICIAL INTEREST 736,556 TOTAL TO FORM 990, PART XI, LINE 5 -922,623

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
TRINITY REGIONAL MEDICAL CENTER

Employer identification number
42-1009175

Part I

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

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

Part II

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

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

Part III

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

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

Part IV

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

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

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

Yes

Yes

Yes

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) TRINITY BUILDING CORPORATION	J	140,694	BASED ON GAAP, CASH AND/OR FMV
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
SECTION 512(B)(13) CONTROLLED ENTITY	SCHEDULE R, PART II, COLUMN (G)	THE ORGANIZATION IS A MEMBER OF A CONSOLIDATED HEALTH SYSTEM AND HAS A COMMON PARENT ORGANIZATION, "IOWA HEALTH SYSTEM " FOR ENTITIES THAT ARE PART OF THE CONSOLIDATED HEALTH SYSTEM (WITH COMMON CONTROL) THE ATTRIBUTION RULES OF IRC SECTION 318 APPLY, MEANING THAT ALL ORGANIZATIONS ARE DEEMED TO HAVE CONTROL OF THE ORGANIZATIONS OWNED BY THE CONTROLLING ORGANIZATION AS SUCH, WE ARE REPORTING ALL RELATED ORGANIZATIONS OF THE HEALTH SYSTEM IN PARTS II, III & IV FOR PART V REPORTING, THE TRANSACTIONS DISCLOSED ARE THOSE BETWEEN THE DIRECTLY CONTROLLED PARENT-SUBSIDIARY ONLY

Software ID:

Software Version:

EIN: 42-1009175

Name: TRINITY REGIONAL MEDICAL CENTER

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	
ALLEN COLLEGE 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1351526	EDUCATE AND DEVELOP HEALTHCARE PROFESSIONALS	IA	501(C) (3)	170(B)(1) (A)(II)	ALLEN HEALTH SYSTEMS INC	Yes	
ALLEN HEALTH SYSTEMS INC 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1201924	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	
ALLEN MEMORIAL HOSPITAL CORPORATION 1825 LOGAN AVENUE WATERLOO, IA 50703 42-0698265	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	ALLEN HEALTH SYSTEMS INC	Yes	
ANAMOSA AREA AMBULANCE SERVICE 101 GRANT WOOD DRIVE ANAMOSA, IA 52205 42-1466284	PROVIDE AMBULANCE SERVICES	IA	501(C) (3)	509(A)(2)	ST LUKE'SJONES REGIONAL MEDICAL CENTER	Yes	
CENTRAL IOWA HEALTH PROPERTIES CORPORATION 1200 PLEASANT STREET DES MOINES, IA 50309 42-1233759	PROPERTY HOLDING COMPANY	IA	501(C) (2)		CENTRAL IOWA HEALTH SYSTEM	Yes	
CENTRAL IOWA HEALTH SYSTEM 1200 PLEASANT STREET DES MOINES, IA 50309 42-1189791	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	
CENTRAL IOWA HOSPITAL CORPORATION 1200 PLEASANT STREET DES MOINES, IA 50309 42-0680452	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	CENTRAL IOWA HEALTH SYSTEM	Yes	
FINLEY TRI-STATES HEALTH GROUP INC 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-1307495	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	
HNC SERVICES 1200 PLEASANT STREET DES MOINES, IA 50309 27-0987243	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(2)	IOWA HEALTH SYSTEM	Yes	
INTEGRATED CARE ORGANIZATION 1200 PLEASANT STREET DES MOINES, IA 50309 27-4665007	PROMOTE, SUPPOT THE INTERESTS AND PURPOSES OF AFFILIATES' HOSPITALS	IA	501(C) (3)	509(A)(2)	IOWA HEALTH SYSTEM	Yes	
INTRUST 11333 AURORA AVENUE URBANDALE, IA 50322 42-1477471	HOME HEALTH CARE	IA	501(C) (3)	509(A)(2)	IOWA HEALTH SYSTEM	Yes	
IOWA HEALTH FOUNDATION 2700 GRAND AVE SUITE 109 DES MOINES, IA 50312 42-1467682	CHARITABLE FUNDRAISING	IA	501(C) (3)	509(A)(3), TYPE III	CENTRAL IOWA HEALTH SYSTEM	Yes	
IOWA HEALTH SYSTEM 1200 PLEASANT STREET DES MOINES, IA 50309 42-1435199	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE III		Yes	
IOWA PHYSICIANS CLINIC MEDICAL FOUNDATION 8101 BIRCHWOOD COURT JOHNSTON, IA 50131 42-1411630	PRIMARY HEALTH CARE SERVICES	IA	501(C) (3)	170(B)(1) (A)(III)	IOWA HEALTH SYSTEM	Yes	
MEMORIAL FOUNDATION OF ALLEN HOSPITAL 1825 LOGAN AVENUE WATERLOO, IA 50703 42-1201138	CHARITABLE FUNDRAISING	IA	501(C) (3)	170(B)(1) (A)(VI)	ALLEN HEALTH SYSTEMS INC	Yes	
METHODIST HEALTH SERVICES CORPORATION 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-1111135	HEALTHCARE	IL	501(C) (3)	509(A)(3), TYPE III	IOWA HEALTH SYSTEM	Yes	
METHODIST MEDICAL CENTER FOUNDATION 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 51-0186460	FUNDRAISING	IL	501(C) (3)	170(B)(1) (A)(VI)	METHODIST HEALTH SERVICES CORPORATION	Yes	
METHODIST MEDICAL CENTER OF ILLINOIS 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-0661223	HEALTHCARE	IL	501(C) (3)	170(B)(1) (A)(III)	METHODIST HEALTH SERVICES CORPORATION	Yes	
METHODIST SERVICES INC 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-1111134	OFFICE RENTAL	IL	501(C) (3)	509(A)(2)	METHODIST HEALTH SERVICES CORPORATION	Yes	
NELLIE R SHERWOOD TRUST 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-6061621	PAY MEDICAL BILLS OF RETIRED TEACHERS UNABLE TO PAY	IA	501(C) (3)	509(A)(3), TYPE I	ST LUKE'S METHODIST HOSPITAL	Yes	

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	
NORTH CENTRAL IOWA MENTAL HEALTH CENTER INCORPORATED 720 KENYON DRIVE FORT DODGE, IA 50501 42-0937390	MENTAL HEALTH CARE	IA	501(C) (3)	170(B)(1) (A)(III)	TRINITY HEALTH SYSTEMS INC	Yes	
NORTHWEST IOWA HOSPITAL CORPORATION 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1019872	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	IOWA HEALTH SYSTEM	Yes	
SELF INSURANCE TRUST AGREEMENT EST BY METHODIST MEDICAL CENTER OF ILLINOIS 221 NORTHEAST GLEN OAK AVENUE PEORIA, IL 61636 37-6181831	FUND SELF- INSURANCE PLAN	IL	501(C) (3)	509(A)(3), TYPE III	METHODIST MEDICAL CENER OF ILLINOIS	Yes	
SIOUXLAND PACE INC 313 COOK STREET SIOUX CITY, IA 51103 26-1120134	ALL-INCLUSIVE CARE FOR THE ELDERLY	IA	501(C) (3)	170(B)(1) (A)(III)	ST LUKE'S HEALTH SYSTEM INC	Yes	
ST LUKE'S HEALTH RESOURCES 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1059182	OUTPATIENT CLINICS AND HEALTHCARE SERVICES	IA	501(C) (3)	509(A)(2)	ST LUKE'S HEALTH SYSTEM INC	Yes	
ST LUKE'S HEALTH SYSTEM INC 2720 STONE PARK BLVD SIOUX CITY, IA 51104 42-1294091	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE III	IOWA HEALTH SYSTEM	Yes	
ST LUKE'S HEALTHCARE 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-1487968	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	
ST LUKE'S METHODIST HOSPITAL 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-0504780	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	ST LUKE'S HEALTHCARE	Yes	
ST LUKE'S JONES REGIONAL MEDICAL CENTER 1795 HIGHWAY 64 EAST ANAMOSA, IA 52205 42-1487967	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	ST LUKE'S HEALTHCARE	Yes	
STL CARE COMPANY 1026 A AVENUE NE CEDAR RAPIDS, IA 52402 42-1276632	IMPROVE PUBLIC HEALTH SERVICES	IA	501(C) (3)	509(A)(2)	ST LUKE'S HEALTHCARE	Yes	
THE DUBUQUE VISITING NURSE ASSOCIATION 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-0680410	PUBLIC HEALTH SERVICES/HOME CARE	IA	501(C) (3)	509(A)(2)	FINLEY TRI- STATES HEALTH GROUP INC	Yes	
THE FINLEY HOSPITAL 350 NORTH GRANDVIEW AVENUE DUBUQUE, IA 52001 42-0680354	HOSPITAL	IA	501(C) (3)	170(B)(1) (A)(III)	FINLEY TRI- STATES HEALTH GROUP INC	Yes	
THE ROBERT YOUNG CENTER FOR COMMUNITY MENTAL HEALTH 2701 17TH STREET ROCK ISLAND, IL 61201 36-3678909	MENTAL HEALTH CARE	IL	501(C) (3)	170(B)(1) (A)(VI)	TRINITY REGIONAL HEALTH SYSTEM	Yes	
TPG HEALTH 802 KENYON ROAD FORT DODGE, IA 50501 45-3791448	SUPPORT SERVICES FOR MEDICAL CARE AND HEALTH SERVICES	IA	501(C) (3)	170(B)(1) (A)(III)	TRINITY HEALTH SYSTEMS INC	Yes	
TRINITY BUILDING CORPORATION 802 KENYON ROAD FORT DODGE, IA 50501 42-1376187	PROPERTY HOLDING COMPANY	IA	501(C) (2)		TRINITY HEALTH SYSTEMS INC	Yes	
TRINITY HEALTH FOUNDATION 802 KENYON ROAD FORT DODGE, IA 50501 42-1222381	CHARITABLE FUNDRAISING	IA	501(C) (3)	170(B)(1) (A)(VI)	TRINITY HEALTH SYSTEMS INC	Yes	
TRINITY HEALTH FOUNDATION 2701 17TH STREET ROCK ISLAND, IL 61201 36-3321751	CHARITABLE FUNDRAISING	IL	501(C) (3)	170(B)(1) (A)(VI)	TRINITY REGIONAL HEALTH SYSTEM	Yes	
TRINITY HEALTH SYSTEMS INC 802 KENYON ROAD FORT DODGE, IA 50501 42-1222877	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IA	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	
TRINITY MEDICAL CENTER 2701 17TH STREET ROCK ISLAND, IL 61201 36-2739299	HOSPITAL	IL	501(C) (3)	170(B)(1) (A)(III)	TRINITY REGIONAL HEALTH SYSTEM	Yes	
TRINITY REGIONAL HEALTH SYSTEM 2701 17TH STREET ROCK ISLAND, IL 61201 36-3351952	SUPPORT AFFILIATES' MISSION TO IMPROVE HEALTH CARE	IL	501(C) (3)	509(A)(3), TYPE II	IOWA HEALTH SYSTEM	Yes	

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	
TRINITY REGIONAL HOSPITAL AUXILIARY 802 KENYON ROAD FORT DODGE, IA 50501 42-6081474	CHARITABLE FUNDRAISING AND VOLUNTEER SERVICES	IA	501(C)(3)	509(A)(2)	TRINITY REGIONAL MEDICAL CENTER	Yes	
TRINITY REGIONAL MEDICAL CENTER 802 KENYON ROAD FORT DODGE, IA 50501 42-1009175	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY HEALTH SYSTEMS INC	Yes	
UNITY HEALTHCARE 1518 MULBERRY AVENUE MUSCATINE, IA 52761 42-0680337	HOSPITAL	IA	501(C)(3)	170(B)(1)(A)(III)	TRINITY REGIONAL HEALTH SYSTEM	Yes	

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
1776 WESTLAKES PARKWAY LC 4949 WESTOWN PARKWAY SUITE 200 WEST DES MOINES, IA 50266 20-5031651	OWNERSHIP/RENTAL OF 2 COMMERCIAL OFFICE BUILDINGS	IA	N/A	UNRELATED	229,642	12,309,952		No		Yes		33.330%
ALLEN MEMORIAL HOSPITAL ORTHOPEDIC CO-MANAGEMENT CO LLC 1825 LOGAN AVE WATERLOO, IA 50703 45-3237125	ORTHOPEDIC MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A	RELATED	22,920	39,683		No			No	20.000%
CENTRAL ILLINOIS CANCER CARE CENTER LLC 7309 N KNOXVILLE PEORIA, IL 61614 26-1128108	RADIATION THERAPY	IL	N/A	RELATED	1,031,613	1,886,570		No		Yes		50.000%
CENTRAL IOWA CARDIOVASCULAR CO-MANAGEMENT CO LLC 1200 PLEASANT ST DES MOINES, IA 50309 27-3625869	CARDIOVASCULAR MANAGEMENT & ADMINISTRATIVE SERVICES	IA	N/A	RELATED	281,022	87,957		No			No	20.000%
DES MOINES PARKING ASSOCIATES 1200 PLEASANT ST DES MOINES, IA 50309 38-2622972	PARKING DECK OPERATIONS	IA	CENTRAL IA HEALTH PROP CORP	RELATED	540,801	3,772,221		No		Yes		100.000%
DUBUQUE ENDOSCOPY CENTER LC 1515 DELHI STREET SUITE 500 DUBUQUE, IA 52001 20-1597161	AMBULATORY SURGERY CENTER	IA	THE FINLEY HOSPITAL	RELATED	660,133	210,769		No		Yes		51.000%
ENSEVA - HIAWATHA LLC 524 PARK ROAD WATERLOO, IA 50704 45-3437363	COLLOCATION FACILITY	IA	IOWA HEALTH SYSTEM	RELATED	2,624	2,203,353		No			No	52.000%
FINLEY DEPT OF SURGERY CO-MGMT CO LLC 350 N GRANDVIEW AVE DUBUQUE, IA 52001 42-2808785	SURGERY DEPARTMENT MANAGEMENT SERVICES	IA	N/A	RELATED	101,716	208,966		No			No	50.000%
FINLEYHARTIG HOMECARE LLC 703 MAIN ST DUBUQUE, IA 52001 42-1487138	SALE/RENTAL OF MEDICAL EQUIPMENT	IA	N/A	RELATED	132,479	842,404		No		Yes		50.000%
HEALTH CARE AFFILIATES OF THE TRI-STATES LLC 350 N GRANDVIEW AVE DUBUQUE, IA 52001 42-1428503	PROVIDE ACCESS TO LICENSED SOFTWARE	IA	N/A	RELATED		14,037		No		Yes		50.000%
HEALTH ENTERPRISES VENTURES LC 4250 GLASS ROAD NE CEDAR RAPIDS, IA 52402 39-1894290	INVESTMENT VEHICLE OWNING CLINICAL JVS	IA	N/A	UNRELATED	89,797	817,011		No	57,299		No	55.670%
HY-VEE IOWA HEALTH LC 5820 WESTOWN PARKWAY WEST DES MOINES, IA 50266 26-3293530	PRIMARY CARE CLINIC	IA	N/A	RELATED	-175,705	44,300		No		Yes		50.000%
IOWA DIAGNOSTIC IMAGING AND PROCEDURE CENTER LC 1200 PLEASANT STREET DES MOINES, IA 50309 03-0482623	OUTPATIENT DIAGNOSTIC IMAGING	IA	N/A	RELATED	1,323,429	2,917,182		No		Yes		50.000%
IOWA HEALTH SYSTEM CONTRACTING SERVICES LC 1200 PLEASANT STREET DES MOINES, IA 50309 42-1511142	GROUP PURCHASING	IA	N/A	RELATED	4,775,894	15,888,961		No		Yes		100.000%
LAKEVIEW SURGERY CENTER LC 1200 PLEASANT STREET DES MOINES, IA 50309 42-1516120	SURGERY CENTER	IA	N/A	RELATED	3,443,692	4,825,696		No		Yes		50.000%

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
MEDICAL LABORATORIES OF EASTERN IOWA LC 1026 A AVE NE CEDAR RAPIDS, IA 52402 42-1359640	MEDICAL LABORATORY SERVICES	IA	N/A	RELATED	664,320	870,817		No		Yes		50 000 %
METRO MRI CENTER LIMITED PARTNERSHIP 615 VALLEY VIEW DRIVE SUITE 102 MOLINE, IL 61265 36-3710164	PROVIDE MRI AND OTHER MEDICAL SERVICES	IL	N/A	RELATED	600,876	1,499,952		No		Yes		33 970 %
MR ASSOCIATES LLP 1455 SHERMAN ROAD HIAWATHA, IA 52233 42-1260463	OWN AND OPERATE MR UNIT	IA	N/A	RELATED	2,540,143	1,416,839		No		Yes		33 330 %
NE IA PHYSICAL THERAPY AND SPORTS MEDICINE LLC 1825 LOGAN AVE WATERLOO, IA 50703 20-2124978	ATHLETIC TRAINING AND SPORTS MEDICINE	IA	N/A	RELATED	-41,070			No		Yes		
ORTHOPAEDIC OUTPATIENT SURGERY CENTER LC 1200 PLEASANT STREET DES MOINES, IA 50309 42-1508092	AMBULATORY SURGERY CENTER	IA	N/A	RELATED	3,314,858	3,461,181		No		Yes		50 000 %
PIERCE STREET SAME DAY SURGERY LC 2730 PIERCE STREET SIOUX CITY, IA 51104 20-5895205	AMBULATORY SURGERY CENTER	IA	N/A	RELATED	931,816	3,357,708		No		Yes		50 000 %
QUAD CITY AMBULATORY SURGERY CENTER LLC 520 VALLEY VIEW DRIVE SUITE 300 MOLINE, IL 61265 36-4471903	AMBULATORY SURGERY CENTER	IL	N/A	RELATED	255,765	3,500,259		No		Yes		50 000 %
REHABILITATION THERAPY SERVICES LLC 416 ST MARKS CT 110 PEORIA, IL 61603 81-0584193	REHABILITATION THERAPY	IL	METHODIST MEDICAL CENTER OF ILLINOIS	RELATED	448,732	1,397,476		No		Yes		60 030 %
THE OUTPATIENT SURGERY CENTER OF CEDAR RAPIDS LLC 1075 FIRST AVENUE SE CEDAR RAPIDS, IA 52403 72-1550812	AMBULATORY SURGERY CENTER	IA	N/A	RELATED	3,310,383	7,115,889		No		Yes		50 000 %
TRINITY BETTENDORF ORTHOPEDIC CO-MANAGEMENT COMPANY LLC 4500 UTICA RIDGE RD BETTENDORF, IA 52722 27-2562753	ORTHOPEDIC SERVICE LINES ADMINISTRATIVE SERVICES	IA	N/A	RELATED	175,377	118,891		No		Yes		50 000 %
TRI-WEBSTER LC 1610 COLLINS ST WEBSTER CITY, IA 50595 01-0740062	MEDICAL BUILDING AND SURROUNDING PROPERTY	IA	N/A	RELATED	110,738	1,715,230		No		Yes		50 000 %
WEST HOSPITAL ORTHOPEDIC CO-MANAGEMENT COMPANY LLC 1660 60TH STREET WEST DES MOINES, IA 50266 27-1414600	ORTHOPEDIC SERVICE LINES MANAGEMENT	IA	N/A	RELATED	244,306	26,600		No		Yes		20 000 %
WEST LAKES MEDICAL EQUIPMENT LLC 5950 UNIVERSITY AVENUE SUITE 321 WEST DES MOINES, IA 50266 26-3300536	MEDICAL EQUIPMENT SALES AND RENTAL	IA	N/A	UNRELATED	59,770	171,967		No	59,770	Yes		50 000 %
WEST LAKES SLEEP CENTER LLC 5950 UNIVERSITY AVENUE SUITE 2 WEST DES MOINES, IA 50266 26-3193923	SLEEP DISORDER DIAGNOSTIC TESTING FACILITY	IA	N/A	RELATED	92,541	318,508		No		Yes		50 000 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income (\$)	(g) Share of end-of-year assets (\$)	(h) Percentage ownership
BROADBAND INC 1200 PLEASANT ST DES MOINES, IA 50309 27-3819741	INFORMATION TECHNOLOGY MGMT	IA	IHS	C	338,870	13,238,641	100 000 %
CHARITABLE REMAINDER UNITRUST #1	INVESTMENT	IA	SLHCF	T			
CHARITABLE REMAINDER UNITRUST #2	INVESTMENT	IA	SLHCF	T			
CHARITABLE REMAINDER UNITRUST #3	INVESTMENT	IA	SLHCF	T			
CHARITABLE REMAINDER UNITRUST #6	INVESTMENT	IA	SLHCF	T			
IOWA HEALTH SYSTEM 457 DEF COMP PLAN 1415 WOODLAND AVE 2ND FL DES MOINES, IA 50309 42-1435199	INVESTMENT	IA	IHS	T	266,087	4,546,270	100 000 %
METHODIST HEALTH VENTURES INC PO BOX 87 PEORIA, IL 61650 37-1140939	PHARMACY/OFFICE STAFFING	IL	MHSC	C	868,566	2,437,393	100 000 %
MEDIMORE INC 1200 PLEASANT ST DES MOINES, IA 50309 42-1414390	MANAGED CARE	IA	IHS	C	210,170		100 000 %
METHODIST PHYSICIAN SERVICES INC PO BOX 87 PEORIA, IL 61650 36-3858550	MEDICAL SERVICES	IL	MHVI	C	11,908,671	1,305,915	100 000 %
PRECEDENCE INC 4622 PROGRESS DRIVE STE A DAVENPORT, IA 52807 37-1288604	MANAGED MENTAL CARE	IA	RYC	C	506,534	435,657	100 000 %
PROVIDER RESOURCE MANAGEMENT INC PO BOX 87 PEORIA, IL 61650 37-1223550	RESOURCE MANAGEMENT	IL	MHSC	C		57,427	100 000 %
RURAL IOWA SPECIALTY PHYSICIAN CONSORTIUM INC 700 E UNIVERSITY AVE DES MOINES, IA 50316 26-1271143	SPECIALTY PHYSICIANS MEDICAL CARE	IA	CIHC	C	481,860	198,055	57 000 %
STL HEALTH RESOURCES CO 1026 A AVE NE CEDAR RAPIDS, IA 52402 42-1193499	PHYSICIAN OFFICE RENTAL	IA	SLMH	C	322,129	5,577,505	100 000 %
TRIMARK PHYSICIANS GROUP INC 802 KENYON ROAD FORT DODGE, IA 50501 42-1335554	MEDICAL CLINICS	IA	THS	C	44,216,247		100 000 %
TRINITY HEALTH ENTERPRISES INC 2701 17TH ST ROCK ISLAND, IL 61201 36-3320141	RETAIL DURABLE MEDICAL EQUIPMENT & PHARMACY	IL	TRHS	C	3,295,832	2,957,465	100 000 %

TY 2011 Consideration Computation Statement

Name: TRINITY REGIONAL MEDICAL CENTER

EIN: 42-1009175

Statement: NON-COMPETE AGREEMENT \$366,000

TY 2011 Consideration Computation Statement

Name: TRINITY REGIONAL MEDICAL CENTER

EIN: 42-1009175

Statement: NON-COMPETE AGREEMENT \$59,000

Iowa Health System and Subsidiaries

Accountants' Report and Consolidated Financial Statements

December 31, 2011 and 2010



Iowa Health System and Subsidiaries

December 31, 2011 and 2010

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
Iowa Health System and Subsidiaries

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

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

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

As discussed in Note 1, in 2011 the Health System changed its method of presentation and disclosure of patient service revenue and provision for uncollectible accounts in accordance with Accounting Standards Update 2011-07.

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of the Health System and the statement of operations for the Methodist College of Nursing listed in the table of contents are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BKD, LLP

April 19, 2012

Iowa Health System and Subsidiaries

Consolidated Balance Sheets

December 31, 2011 and 2010

Assets

	2011	2010
	<i>(in thousands)</i>	
Current Assets		
Cash and cash equivalents	\$ 96,536	\$ 80,121
Short-term investments	183,951	230,061
Assets limited as to use – required for current liabilities	11,914	11,443
Patient accounts receivable, less estimated uncollectibles, 2011 – \$62,455, 2010 – \$43,507	344,880	255,702
Other receivables	43,277	20,271
Inventories	49,109	45,460
Prepaid expenses	30,409	21,005
Total current assets	760,076	664,063
Assets Limited As to Use, Noncurrent		
Held by trustee under bond indenture agreements	2,924	2,924
Internally designated	783,197	771,232
Total assets limited as to use, noncurrent	786,121	774,156
Property, Plant and Equipment, Net	1,257,472	943,349
Other Long-term Investments	348,581	205,434
Investments in Joint Ventures and Other Investments	54,665	36,264
Contributions Receivable, Net	61,189	54,141
Other	30,332	25,420
Total assets	<u><u>\$ 3,298,436</u></u>	<u><u>\$ 2,702,827</u></u>

Liabilities and Net Assets

	2011	2010
	<i>(in thousands)</i>	
Current Liabilities		
Current maturities of long-term debt	\$ 73,258	\$ 33,552
Accounts payable	128,153	72,266
Accrued pay roll	127,908	111,608
Accrued interest	9,685	9,629
Estimated settlements due to third-party payers	67,348	39,024
Other current liabilities	<u>55,284</u>	<u>38,681</u>
Total current liabilities	461,636	304,760
Long-term Debt, Net	720,837	657,979
Other Long-term Liabilities	<u>383,859</u>	<u>167,184</u>
Total liabilities	<u>1,566,332</u>	<u>1,129,923</u>
Net Assets		
Unrestricted	1,627,211	1,484,242
Temporarily restricted	57,824	45,494
Permanently restricted	<u>47,069</u>	<u>43,168</u>
Total net assets	<u>1,732,104</u>	<u>1,572,904</u>
 Total liabilities and net assets	 <u><u>\$ 3,298,436</u></u>	 <u><u>\$ 2,702,827</u></u>

Iowa Health System and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2011 and 2010

	2011	2010
	<i>(in thousands)</i>	
Unrestricted Revenues		
Patient service revenue (net of contractual allowances)	\$ 2,327,416	\$ 2,126,978
Provision for patient uncollectible accounts	(93,586)	(96,333)
Net patient service revenue	2,233,830	2,030,645
Other operating revenue	140,273	105,565
Net assets released from restrictions used for operations	6,064	8,376
Total unrestricted revenues	<u>2,380,167</u>	<u>2,144,586</u>
Expenses		
Salaries and wages	867,878	790,573
Physician compensation and services	263,883	222,940
Employee benefits	230,462	216,145
Supplies	407,434	375,614
Other expenses	377,559	324,686
Depreciation and amortization	131,439	124,127
Interest	30,936	32,239
Provision for uncollectible accounts	818	632
Total expenses	<u>2,310,409</u>	<u>2,086,956</u>
Operating Income	<u>69,758</u>	<u>57,630</u>
Nonoperating Gains (Losses)		
Investment income	(1,094)	117,427
Contribution received in affiliation with Methodist Peoria	180,325	-
Other, net	(37,068)	(9,587)
Total nonoperating gains (losses), net	<u>142,163</u>	<u>107,840</u>
Excess of Revenues Over Expenses	211,921	165,470
Change in the fair value of interest rate swaps	(20,281)	(7,294)
Net assets released from restrictions used for capital expenditures	5,705	4,948
Change in defined benefit pension plan gains (losses) and prior costs (credits)	(53,479)	(1,987)
Contributions of or for acquisition of property and equipment	245	1,061
Other, net	(1,142)	1,163
Increase in Unrestricted Net Assets	<u><u>\$ 142,969</u></u>	<u><u>\$ 163,361</u></u>

Iowa Health System and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2011 and 2010

	2011	2010
	<i>(in thousands)</i>	
Unrestricted Net Assets		
Excess of revenues over expenses	\$ 211,921	\$ 165,470
Change in the fair value of interest rate swaps	(20,281)	(7,294)
Net assets released from restrictions used for capital expenditures	5,705	4,948
Change in defined benefit pension plan gains (losses) and prior costs (credits)	(53,479)	(1,987)
Contributions of or for acquisition of property and equipment	245	1,061
Other, net	(1,142)	1,163
	<u>142,969</u>	<u>163,361</u>
Increase in unrestricted net assets		
Temporarily Restricted Net Assets		
Contribution received in affiliation with Methodist Peoria	8,635	-
Contributions	12,734	3,908
Investment income	1,549	1,546
Government grants	3,674	723
Net assets released from restrictions used for operations	(6,064)	(8,376)
Net assets released from restrictions used for capital expenditures	(5,705)	(4,948)
Change in net unrealized gains (losses) on investments	(411)	192
Change in beneficial interest in net assets of affiliates	1,695	7,578
Other, net	(3,777)	(138)
	<u>12,330</u>	<u>485</u>
Increase in temporarily restricted net assets		
Permanently Restricted Net Assets		
Contribution received in affiliation with Methodist Peoria	3,897	-
Contributions	384	250
Investment income (loss)	(357)	1,213
Change in net unrealized gains (losses) on investments	(31)	163
Change in beneficial interest in net assets of affiliates	7	139
Other, net	1	32
	<u>3,901</u>	<u>1,797</u>
Increase in permanently restricted net assets		
Increase in Net Assets	159,200	165,643
Net Assets, Beginning of Year	<u>1,572,904</u>	<u>1,407,261</u>
Net Assets, End of Year	<u><u>\$ 1,732,104</u></u>	<u><u>\$ 1,572,904</u></u>

Iowa Health System and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2011 and 2010

	2011	2010
	<i>(in thousands)</i>	
Operating Activities		
Increase in net assets	\$ 159,200	\$ 165,643
Items not requiring (providing) operating cash		
Net (gains) losses on investments	17,912	(103,686)
Net unrealized losses on swaps	51,482	17,254
Restricted contributions, investment income and government grants received	(17,984)	(7,640)
Contributions of or for acquisition of property and equipment	(245)	(1,061)
Depreciation and amortization	131,439	124,127
Change in defined pension plans' liability	53,479	1,987
Contribution received in affiliation with Methodist Peoria	(192,857)	-
Amortization of debt issuance costs	430	375
(Gain) loss on disposition of assets	1,494	(968)
Equity in earnings of joint ventures	(18,635)	(16,795)
Change in beneficial interest in net assets of affiliates	(1,702)	(7,717)
Changes in		
Receivables	(44,478)	(13,101)
Inventories and prepaid expenses	(12,727)	(4,103)
Accounts payable, accrued liabilities and other liabilities	9,981	11,998
Due to third-party payers	580	(5,932)
Net cash provided by operating activities	<u>137,369</u>	<u>160,381</u>
Investing Activities		
Capital expenditures	(174,356)	(98,457)
Proceeds from sale of assets	2,536	3,281
Increase in assets limited as to use, net	(15,224)	(5,794)
Acquisition of Des Moines Parking Associates, less cash acquired	-	(2,550)
Cash acquired in affiliation with Methodist Peoria	27,082	-
(Increase) decrease in short-term investments	46,110	(62,655)
Increase in other long-term investments	(17,048)	(12,250)
Investments in joint ventures	(2,613)	(343)
Distributions received from joint ventures	18,985	15,807
Net cash used in investing activities	<u>(114,528)</u>	<u>(162,961)</u>
Financing Activities		
Proceeds from issuance of long-term debt	-	441
Payments of long-term debt	(24,655)	(18,478)
Proceeds from restricted contributions, investment income and government grants	17,984	7,640
Proceeds from contributions for acquisition of property and equipment	245	1,061
Net cash used in financing activities	<u>(6,426)</u>	<u>(9,336)</u>
Increase (Decrease) in Cash and Cash Equivalents	16,415	(11,916)
Cash and Cash Equivalents, Beginning of Year	<u>80,121</u>	<u>92,037</u>
Cash and Cash Equivalents, End of Year	<u>\$ 96,536</u>	<u>\$ 80,121</u>

Iowa Health System and Subsidiaries
Consolidated Statements of Cash Flows (Continued)
Years Ended December 31, 2011 and 2010

	2011	2010
	<i>(in thousands)</i>	
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	\$ 32,307	\$ 34,477
Capital lease obligations incurred for property and equipment	10,974	2,829
Property and equipment purchases in accounts payable	27,614	7,407
Acquisition of Des Moines Parking Associates		
Assets acquired	-	5,262
Liabilities assumed	-	2,725
Affiliation with Methodist Peoria		
Assets acquired	514,903	-
Liabilities assumed	322,046	-

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization

Iowa Health System is an Iowa nonprofit corporation formed in December 1994. Iowa Health System and its subsidiaries (the Health System) provide inpatient and outpatient care and physician services from fifteen hospital facilities and various ambulatory service and clinic locations in Iowa and Illinois. Primary, secondary and tertiary care services are provided to residents of Iowa, Illinois and adjacent states.

Basis of Presentation

The consolidated financial statements include the accounts of Iowa Health System and its subsidiaries listed below:

- Central Iowa Health System and Subsidiaries (d/b/a Iowa Health - Des Moines) (Des Moines)
- Trinity Regional Health System and Subsidiaries (Rock Island)
- Methodist Health Services Corporation and Subsidiaries (Peoria)
- St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
- Allen Health Systems, Inc. and Subsidiaries (Waterloo)
- Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
- St. Luke's Health System, Inc. (Sioux City)
- Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
- Iowa Physicians Clinic Medical Foundation (d/b/a Iowa Health Physicians)
- Intrust (d/b/a Iowa Health Home Care)

Effective October 1, 2011, the Health System entered into an Affiliation agreement with Methodist Health Services Corporation (MHSC) under which MHSC became an affiliate of the Health System. At December 31, 2011, \$513,021 of total assets and net revenues of \$89,832 for the three months ended December 31, 2011 have been recorded in the consolidated financial statements.

All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

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

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Cash Equivalents and Short-term Investments

Cash equivalents consist of demand deposits, repurchase agreements, money market funds and other debt securities with original maturities of three months or less at the date of purchase, other than those included in assets limited as to use. Short-term investments consist of debt securities with maturities between 91 and 365 days of the balance sheet date.

At times, the Health System's cash accounts exceeded federally insured limits. Management believes that these institutions are financially stable and that the credit risk related to deposits is minimal.

Assets Limited as to Use

Assets limited as to use include amounts held by trustees under bond indenture agreements and related documents and assets internally designated by the Board of Directors for identified purposes and over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities are classified as current assets.

Inventories

Inventories consist of supplies and are stated at the lower of cost or market.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in fixed income securities are measured at fair value in the consolidated balance sheets. The fair values are based on quoted market prices or dealer quotes.

Investments in joint ventures and other affiliates, which are more than 20% and not more than 50% owned, are recorded using the equity method. Other investments are reported at cost, as adjusted for permanent impairment in value, if any.

Realized gains and losses from the sale of investments, interest and dividends, except those earned as a function of operations, and unrealized gains and losses on investments classified as trading securities and those carried at fair value pursuant to ASC Topic 825, are reported as non-operating gains (losses) unless restricted by a donor. Unrealized and realized gains and losses and investment income on investments restricted by donors are included as a component of the change in net assets.

The Health System elected the fair value option for its private investment funds (PIF) that are primarily limited liability corporations and partnerships. Management has elected the fair value option for the PIFs because it more accurately reflects the portfolio returns and financial position of the Health System. Gains and losses on investments subject to the fair value option are reported in investment income in non-operating gains (losses) on the accompanying consolidated statements of operations.

Refer to *Notes 5 and 13* for additional disclosures regarding balance sheet line items and fair value of those investments carried under Topic 825.

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Property, Plant and Equipment

Property, plant and equipment acquisitions are recorded at cost less accumulated depreciation. Depreciation is provided primarily using the straight-line method over the estimated useful lives of the assets. Depreciation of assets under capital lease is provided using the straight-line method over the shorter of the lease term or the estimated useful life of the assets. Donated property, plant and equipment are recorded at fair market value at the date of donation.

The Health System capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for a project, net of interest earned on investments acquired with the proceeds of the borrowing. During 2011 and 2010, the Health System capitalized \$1,067 and \$242 of interest expense, respectively.

Long-lived Asset Impairment

The Health System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2011 and 2010.

Other Assets

Other assets include certain patient records and other intangible assets that are stated at cost less accumulated amortization. In addition, other assets include goodwill. Annually, the Health System performs an impairment test of all goodwill and any identified impairment loss is recognized as expense. Other assets also include deferred financing costs, which are amortized over the period the obligation is expected to be outstanding. The Health System has \$3,804 and \$3,446 of goodwill at December 31, 2011 and 2010, respectively. Other intangible assets at December 31, 2011 and 2010 were \$18,710 and \$12,346, respectively, which are subject to amortization.

Net Assets

Net assets are classified into three mutually exclusive classes: unrestricted, temporarily restricted and permanently restricted. The three classes are based on the presence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors in perpetuity. The expiration of donor restrictions is recorded in the period in which the restrictions expire.

Temporarily restricted net assets are generally restricted for capital expenditures, passage of time or other donor specified restrictions.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Excess of Revenues Over Expenses

Excess of revenues over expense transactions affecting unrestricted net assets are reflected in the consolidated statements of operations. Consistent with industry practice, the effective portion of derivative instruments qualifying for hedge accounting carried at fair value, change in defined benefit plans and contributions of long-lived assets (including assets acquired with donor-restricted cash contributions) are excluded from determination of the excess of revenues over expenses. Transactions related to temporarily or permanently restricted net assets are recorded as additions or deductions to net assets and reflected in the consolidated statements of changes in net assets. Non-controlling interest included as part of excess of revenues over expenses was \$1.058 and \$1.142 as of December 31, 2011 and 2010, respectively.

Change in Accounting Principle

In 2011, the Health System changed its method of presentation and disclosure of patient service revenue, provision for uncollectible accounts and the allowance for uncollectible accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around the Health System's policies related to uncollectible accounts. The provision for uncollectible accounts related to certain physician and home health services will continue to be presented in operating expenses for purposes of consolidation because the patient's ability to pay is assessed as part of initial revenue recognition. As a result of adopting ASU 2011-07, total net patient service revenue, total revenues and total expenses decreased by \$93,586 and \$96,333 for the years ended December 31, 2011 and 2010, respectively. The change had no effect on operating income or on prior year change in net assets.

Net Patient Service Revenue and Accounts Receivable

Net patient service revenue is reported at the estimated net realizable amount primarily from patients and third-party payers for services provided, including retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period in which the related services are provided, and adjusted in future periods as final settlements are determined.

The Health System recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health System recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Health System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health System records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the accompanying statements of operations as a component of net patient service revenue.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

As a service to the patient, the Health System bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Health System analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts.

For receivables associated with services provided to patients who have third-party coverage, the Health System analyzes contractually due amounts and provides contractual allowances based on these amounts. Additionally, an allowance for uncollectible accounts is provided for expected uncollectible deductibles and copayments on accounts for which the patient is responsible. For receivables associated with self-pay patients, the Health System records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Health System's allowance for uncollectible accounts increased from \$43,507 at December 31, 2010 to \$62,455 at December 31, 2011. Allowances associated with MHSC accounted for \$17,054 of the increase. The Health System's allowance for uncollectible accounts for self-pay patients was approximately 92% of self-pay accounts receivable at December 31, 2011 and 2010. The provision for patient uncollectible accounts for the year ended December 31, 2011 was \$93,586 (\$90,933 when excluding MHSC) compared to \$96,333 for the year ended December 31, 2010. The decrease in expense was a result of improved collection and recovery experiences in 2011.

Patient service revenue at established rates less third-party payer contractual adjustments (but before the provision for uncollectible accounts), recognized in the year ended December 31, 2011, was approximately

Third-party payers	\$ 2,113,093
Self-pay	<u>214,323</u>
Total	<u><u>\$ 2,327,416</u></u>

Charity Care

The Health System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than established rates. Amounts determined to be charity care are not reported as revenue.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Functional Expenses

The Health System provides general health care services, including acute inpatient, outpatient, physician, ambulatory, long-term and home health care, and incurs related general and administrative expenses. Expenses related to providing these services for the years ended December 31 were as follows:

	<u>2011</u>	<u>2010</u>
General health care services	\$ 1,908,342	\$ 1,752,338
Management, general and administrative	399,386	331,733
Research	2,681	2,885
	<u>\$ 2,310,409</u>	<u>\$ 2,086,956</u>

Contributions and Beneficial Interest in Net Assets

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-imposed restrictions are considered fulfilled as soon as the stipulated time has expired or the qualifying expenditure has been made. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

Contributions not expected to be collected within a year are recorded at the present value of expected future cash flows using a risk-free interest rate over the term of the contribution. Contributions of property are recorded at fair value when received.

Interest in charitable trusts and perpetual trusts is carried at the present value of expected future cash flows. The Health System's interest in the net assets (the Interest) of certain foundations that raise and hold assets on behalf of the Health System is accounted for in a manner similar to the equity method. The Interest is stated at fair value, and changes in the Interest are included in the change in net assets. Transfers of assets between these foundations and the Health System are recognized as increases or decreases in the Interest.

Estimated Malpractice Costs, Health Insurance and Workers' Compensation

An annual estimated provision is accrued for the self-insured portion of medical malpractice, health insurance and workers' compensation claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

In 2011, the Health System adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries*, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claims cost for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer. There was no material impact of the ASU adoption to the Health System's financial statements.

Interest Rate Swap Agreements

The Health System has entered into various interest rate swap agreements (the Swaps) to reduce the effect of changes in cash flows primarily related to interest rate fluctuations on the Health System's various variable rate demand bond issues. The Swaps were entered into for the risk management purpose of reducing the variability in cash flows related to the Health System's variable rate debt.

As described in *Note 8*, the Health System has designated certain swaps as hedges, while other swaps have not been designated as hedging instruments. The effective portion of changes in the fair value of swaps designated as hedges is recognized as a component of other changes in net assets, while the ineffective portion of these swaps changes in fair value, and all changes in fair value of swaps not designated as hedges, is recorded as a component of nonoperating gains (losses) in excess of revenues over expenses.

The Swaps are recognized on the consolidated balance sheets at fair value. The net cash payments or receipts under the Swaps designated as hedging instruments are recorded as an increase or decrease to interest expense. The net cash payments or receipts under the Swaps not designated as hedges are recorded as an increase or decrease to other nonoperating income (loss).

Income Taxes

Iowa Health System and most of its subsidiaries are classified as tax-exempt organizations as described in Sections 501(c)(3) and 501(c)(2) of the Internal Revenue Code (the Code). Tax-exempt organizations are not subject to federal and state income taxes on related income, pursuant to Section 501(a) of the Code. These organizations are subject to federal and state income taxes to the extent they have unrelated business income as described under provisions of Section 511 of the Code.

The Health System files Form 990 for substantially all of its operating entities in the U.S. federal jurisdiction and is no longer subject to examination by tax authorities for the years before 2008. The Health System has no material uncertain tax positions.

Certain subsidiaries are subject to federal and state income taxes. Some of these corporations have accumulated net operating loss carry forwards that are available to offset future taxable income during the carry forward period. No income tax benefit has been recognized for the net operating loss carry forwards or other potential deferred tax assets in the consolidated financial statements because the Health System believes realization of these benefits is unlikely.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Retirement Plans

Substantially all employees meeting age and length of service requirements participate in defined contribution plans. Certain subsidiaries also have defined benefit plans, most of which have been substantially frozen. Pension costs for the defined benefit plans, which are composed of normal costs and amortization of prior service costs related to defined benefit plans, are funded currently.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Affiliation with Methodist Peoria

On October 1, 2011, the Health System executed an affiliation agreement with MHSC, a not-for-profit health care organization operating as The Methodist Medical Center of Illinois, located in Peoria, Illinois. The results of MHSC's operations have been included in the consolidated financial statements since that date. As a result of the affiliation, the Health System will have an opportunity to expand its service area into Central Illinois and further the mission and strategic goals of the Health System in the ever changing health care provider landscape. The Health System also expects that the affiliation will allow it to achieve cost savings through elimination of certain duplicative administrative and other functions. The affiliation was accomplished by the Health System becoming the sole member of MHSC and having the ability to appoint the board members of MHSC. No consideration was transferred for the net assets of MHSC, thus the fair value of unrestricted net assets received by the Health System is shown as contribution revenue in the consolidated statements of operations.

The Health System incurred \$787 of costs in connection with this affiliation. These costs are included in other expenses in the consolidated statements of operations.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

The following table summarizes the fair value of the assets acquired and liabilities assumed recognized at the affiliation date

Recognized fair value of identifiable assets acquired and liabilities assumed

Current assets	\$ 104,780
Property, plant and equipment	244,919
Noncurrent assets	<u>165,203</u>
Total assets	<u>514,902</u>
Current liabilities	89,268
Long-term debt	109,891
Long-term liabilities	<u>122,886</u>
Total liabilities	<u>322,045</u>
Total contribution received	<u>\$ 192,857</u>

Summary of contribution received by net asset classification

Unrestricted contribution received	\$ 180,325
Temporarily restricted contribution received	8,635
Permanently restricted contribution received	<u>3,897</u>
Total contribution received	<u>\$ 192,857</u>

The affiliation resulted in an inherent contribution received of \$192,857, which represents the net recognized amount of the identifiable assets acquired over the liabilities assumed. Acquisition of the unrestricted net assets has been included in contribution revenue in the consolidated statements of operations. The temporarily and permanently restricted net assets have been included as increases to those classes of net assets in the amounts of \$8,635 and \$3,897, respectively.

MHSC contributed revenues of \$89,832, excess revenues over expenses of \$8,646, and changes in unrestricted, temporarily restricted, and permanently restricted net assets of \$3,177, \$356 and \$23 to the Health System for the period from the affiliation date through December 31, 2011. The following unaudited pro forma summary presents consolidated information of the Health System as if the affiliation had occurred on January 1, 2010.

	Pro Forma Year Ended December 31, 2011	Pro Forma Year Ended December 31, 2010
Revenue	\$ 2,647,365	\$ 2,488,989
Excess of revenues over expenses	20,192	388,261
Change in		
Unrestricted net assets	(72,740)	383,070
Temporarily restricted net assets	2,807	10,009
Permanently restricted net assets	(6)	5,704

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Supplemental pro forma earnings for the year ended December 31, 2011 were adjusted to exclude \$3,719 of affiliation-related costs incurred by both the Health System and MHSC in 2011, \$2,467 of nonrecurring expense related to an adjustment to self-insurance liabilities, and \$4,000 of additional contribution revenue related to the fair value adjustment to joint ventures at the affiliation date. The 2010 supplemental pro forma earnings were adjusted to include these adjustments. The unaudited pro forma amounts are not indicative of what actual consolidated results of operations might have been if the affiliation had been effective at the beginning of 2010.

Note 3: Charity Care

The Health System provides charity care and financial assistance discounts for medically necessary health care services provided to persons who meet the Health System's policy. The policy provides a percentage discount to the patient that decreases at gradually higher income levels or higher levels of household net assets. The benchmark upon which the income level is compared to is the Federal Poverty Income Guideline and is updated annually. Patients who are already receiving benefits from certain identified government programs qualify for presumptive eligibility.

The availability of charity care is widely communicated to all patients and patients are notified prior to receiving services if their treatment does not fall within the guidelines of the policy. Amounts charged for care that is provided to individuals eligible for charity may not be more than the amounts generally billed to individuals who have insurance covering such care. Amounts billed are based on either the best, or an average of the three best, negotiated commercial rates, or Medicare rates.

Accounts that are classified by the Health System as charity care are not reported as net patient service revenue. In some cases, the charity care is subsidized by contributions from volunteer organizations or other donors. Charity care subsidies are not material to the consolidated financial statements.

Cost of charity care is calculated by applying hospital specific cost to charge ratios to the total amount of charity care deductions from gross revenue. The cost-to-charge ratio is calculated by taking the hospital total expenses and gross charges and applying adjustments to remove the cost of non-patient care activity, Medicaid provider taxes paid, identifiable community benefit expenses, as well as gross patient charges that are generated for identifiable community benefit services.

The amount of charity care provided at cost was \$39,045 and \$33,969 for the years ended December 31, 2011 and 2010, respectively. The portion of the increase related to the addition of MHSC was \$1,795 for the year ended December 31, 2011.

Community benefit is also provided through reduced price services and free programs offered throughout the year. The Health System provides an array of uncompensated activities and services intended to meet the community health needs. These activities include wellness programs, community education programs and various health screening programs. The cost of providing these community benefit services is reported on Schedule H of the Health System's IRS Form 990.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Note 4: Third-Party Reimbursement

As a provider of health care services, the Health System generally grants credit to patients without requiring collateral or other security. The Health System routinely obtains assignments of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies. These health insurance programs or providers are commonly referred to as third-party payers and include the Medicare and Medicaid programs, Wellmark and various health maintenance and preferred provider organizations.

A major portion of the Health System's revenues is derived from these third-party payers. Significant changes have been made, and may be made, in certain of these programs, which could have a material, adverse impact on the financial condition of the Health System. These changes include federal and state laws and regulations, particularly those pertaining to Medicare and Medicaid.

The Health System has agreements with certain third-party payers that provide for payment of services at amounts different from established rates. Third-party payer payment rates vary by payer and include established charges, contracted rates less than established charges, prospectively determined rates per discharge, per procedure, or per diem, retroactively determined cost-based rates.

Gross patient service revenue (based on established rates) by payer for the years ended December 31 was as follows:

	2011	2010
Medicare	43%	43%
Medicaid	12	11
Wellmark	21	21
Commercial and other	19	19
Self-pay	5	6
	100%	100%

Gross patient accounts receivable (based on established rates) by payer at December 31 was as follows:

	2011	2010
Medicare	29%	32%
Medicaid	15	10
Wellmark	17	17
Commercial and other	26	27
Self-pay	13	14
	100%	100%

Iowa Health System and Subsidiaries

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Iowa Medicaid State Plan

In 2011, the state of Iowa enacted a Medicaid State Plan in which an annual tax assessment is levied on certain hospital providers in order to provide funding for Medicaid to obtain federal matching funds. A portion of these additional federal funds are then redistributed to participating Iowa hospitals through increased Medicaid payments in order to help bring Medicaid reimbursement closer to the cost of providing care. The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients.

The Health System's tax assessment and contribution during 2011 was \$16,566 and is included in operating expenses in the consolidated statements of operations. Additional Medicaid reimbursement in the same period was approximately \$28,738 and is included in net patient service revenue in the consolidated statements of operations, resulting in a net increase in operating income of \$12,172.

Illinois Medicaid State Plan

The Illinois Medicaid State Plan serves a similar purpose as the Iowa plan but has been in place since 2006. Under the amended Illinois Medicaid State Plan, proceeds from the tax assessment are used to obtain federal matching funds, all of which must be distributed to Illinois hospitals and physicians to help bring Medicaid reimbursement closer to the cost of providing care. The allocation of these funds to specific health care providers is based primarily on the amount of care provided to Medicaid recipients. The Health System's tax assessment and contribution in 2011 relate to Trinity Regional Health System and MHSC while in 2010 related to Trinity Regional Health System only.

In 2011 and 2010, the Health System's tax assessment and contribution was \$10,632 and \$8,312, respectively, and is included in operating expenses in the consolidated statements of operations. Additional Medicaid reimbursement in the same periods was approximately \$19,577 and \$14,375 and is included in net patient service revenue in the consolidated statements of operations, resulting in a net increase in operating income of \$8,945 and \$6,063 in 2011 and 2010, respectively.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible health systems that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under both the Medicare and Medicaid program are generally made for up to four years based on a statutory formula. The Medicaid programs are determined on a state by state basis, which are approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the Health System initially attesting to being a meaningful user of EHR technology and then continuing to meet escalating criteria, including other specific requirements that are applicable, for consecutive reporting periods. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

Iowa Health System and Subsidiaries

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The Health System recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

In 2011, several of the Health System's affiliates completed the first-year requirements under the Medicaid program and the Health System has recorded revenue of \$9.789, which is included in other operating revenue in the consolidated statements of operations. The Medicaid program EHR funds are related to the implementation of EHR technology for the hospitals and physician groups. One affiliate completed the first-year requirements under the Medicare program during 2011 and has recorded revenue of \$1.362 in the same manner. The remaining affiliates of the Health System have not completed the initial attestation under the Medicare program and have not recorded any revenue pertaining to this program.

Iowa Health System and Subsidiaries

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(Dollars in Thousands)

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Note 5: Investments

Investment Summary

Short-term investments consist of debt securities, primarily bonds, and totaled \$183,951 and \$230,061 at December 31, 2011 and 2010, respectively

A summary of investments reported as assets limited as to use at December 31 is as follows

	2011	2010
Held by trustees under bond indenture agreements		
Cash and short-term investments	\$ 2,887	\$ 2,874
Mortgage-backed securities	37	50
	<u>2,924</u>	<u>2,924</u>
Internally designated		
Cash and short-term investments	13,686	12,085
U S Treasury obligations	18,658	30,826
U S Government agency obligations	6,625	15,168
Asset-backed securities		
Home equity	14,398	9,507
Other	5,455	2,117
Mortgage-backed securities		
Government	48,191	26,199
Non-government	33,280	31,548
Certificates of deposit	474	474
Corporate bonds	44,451	38,169
Corporate bonds - PIF	155,250	139,008
Equity securities		
Domestic	95,087	92,407
International	34	-
Equity securities - PIF		
Domestic	121,574	121,367
International	59,729	69,351
Mutual funds		
International	58,595	61,142
Emerging markets	47,582	68,293
Index	975	-
Equity	665	-
Fixed income	2,801	-
Other	283	-
Hedge fund of funds	66,189	63,607
Interest receivable	1,129	1,407
	<u>795,111</u>	<u>782,675</u>
Total assets limited as to use	798,035	785,599
Less amount required to meet current obligations	<u>11,914</u>	<u>11,443</u>
Noncurrent portion of assets limited as to use	<u>\$ 786,121</u>	<u>\$ 774,156</u>

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

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Assets held by trustee under bond indenture agreements are required to be held in separate trust accounts. A summary of these trust accounts aggregated by their required use at December 31 is as follows:

	2011	2010
Collateral and other accounts	<u>\$ 2,924</u>	<u>\$ 2,924</u>

Internally designated assets are summarized below based on their designation at December 31:

	2011	2010
Capital improvements	\$ 758,060	\$ 749,503
Self-insured reserves	37,049	32,803
Bond interest account	<u>2</u>	<u>369</u>
	<u>\$ 795,111</u>	<u>\$ 782,675</u>

Iowa Health System and Subsidiaries

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Investments presented as other long-term investments at December 31 are summarized as follows

	2011	2010
Restricted cash and short-term investments	\$ 5,116	\$ 3,106
U S Treasury obligations	4,591	7,422
U S Government agency obligations	1,593	3,403
Asset-backed securities		
Home equity	3,293	2,084
Other	1,248	464
Mortgage-backed securities		
Government	11,024	5,841
Non-government	7,613	7,033
Corporate bonds	9,648	8,261
Corporate bonds - PIF	35,513	30,471
Equity securities		
Domestic	25,956	32,654
International	179	-
Equity securities - PIF		
Domestic	27,809	26,604
International	13,663	15,202
Mutual funds		
Domestic	19,659	15,419
International	26,878	14,547
Emerging markets	11,375	14,655
Index	2,217	-
Equity	29,718	-
Fixed income	65,126	-
Other	4,482	-
Hedge fund of funds	35,256	13,943
Notes receivable	15	-
Interest receivable	422	299
Insurance policies	4,199	4,026
Real estate	1,050	-
Interest rate swaps (see Note 8)	938	-
Total other long-term investments	\$ 348,581	\$ 205,434

Iowa Health System and Subsidiaries

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December 31, 2011 and 2010

The following schedule summarizes the investment return and its classification in the consolidated statements of operations and changes in net assets for the years ended December 31

	2011	2010
Investment return		
Interest and dividends	\$ 18.859	\$ 18.802
Realized gains on sales of investments	31.383	53.890
Unrealized gains (losses) on trading investments	(55.890)	11.918
Unrealized gains (losses) on other than trading investments	(442)	355
Equity in earnings of joint ventures	18.635	16.795
Change in fair value of investments accounted for under the fair value option of FASB ASC Topic 825	7.037	37.523
	<u>\$ 19.582</u>	<u>\$ 139.283</u>
Investment return classification		
Unrestricted net assets		
Other operating revenue	\$ 19.926	\$ 18.742
Nonoperating gains (losses) – investment income	(1.094)	117.427
Temporarily restricted net assets	1.138	1.738
Permanently restricted net assets	(388)	1.376
	<u>\$ 19.582</u>	<u>\$ 139.283</u>

Private Investment Funds

At December 31, 2011 and 2010, 45% and 48%, respectively, of the Health System's investments were invested in PIFs whose portfolios are primarily invested in debt and marketable equity securities. These investments are included in either internally designated or other long-term investments in the investment summary tables (previously presented) based on the underlying investments. The amounts included in the investment summary tables at December 31 are as follows:

	2011	2010
Corporate bonds	\$ 190.763	\$ 169.479
Equity securities	222.775	232.524
Hedge fund of funds	101.445	77.550
	<u>\$ 514.983</u>	<u>\$ 479.553</u>

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The PIFs are primarily limited partnerships and limited liability companies, including three hedge fund-of-funds and one private equity fund. The underlying investments of these funds are primarily debt and marketable equity securities. The investment strategies for each fund vary but include low return volatility through tactical investment strategies, investing in growth or value securities for long-term growth and to earn a total rate of return in excess of rates of return compared to a standard index. The private equity fund has a strategy of investing in early-stage companies and entrepreneurs within the healthcare industry. There is no public market for shares in the private investment funds. The value of the investments in the PIFs is determined based on the fair values of the underlying securities.

In situations when investments do not have readily determinable fair values (private investment funds), the fund managers provide the net asset value (NAV) per share, or its equivalent, to the Health System. The NAV provided by the fund managers is supported by underlying audit reports of the private investment funds. The Health System previously adopted ASU 2009-12, which provided a practical expedient for certain investments to use net asset value per share to measure fair value. Accordingly, the Health System uses the NAV as a practical expedient for fair value for each of its PIFs.

The PIFs generally have certain limits regarding advance notice and timing of withdrawals. They generally require advance notice of at least two days prior to a month end to withdraw funds. One fund that represents about 16% of the private investment funds requires a 95-day notice to withdraw funds either quarterly or semiannually based on the initial purchase date of the investments. In addition, withdrawals may be limited by the PIFs underlying investment funds ability to liquidate their holdings.

During 2011, the Health System committed to investing \$10,000 in a PIF with a lock-up period of ten years. The Health System's interest is nonredeemable and the Health System has contributed a nominal amount to this investment as of December 31, 2011.

Investments in Joint Ventures

At December 31, 2011 and 2010, investments in joint ventures amounted to \$42,710 and \$26,327, respectively. The new joint ventures added in the affiliation with MHSC were \$14,107. Other investments consist primarily of cash surrender value of life insurance policies and real estate held for investment.

The joint ventures consist of 39 privately held health care organizations in which the Health System's ownership interest ranges from 18% to 50%. The joint ventures had the following financial information as of and for the years ended December 31.

	2011	2010
Total assets	\$ 160,253	\$ 137,522
Net revenues	151,325	139,626
Net income	43,065	39,971

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

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The Health System's share of earnings on the investments in joint ventures is included in other operating revenue in the consolidated statements of operations. The Health System recorded activity related to joint ventures for the years ended December 31 as follows:

	2011	2010
Earnings on investments in joint ventures	\$ 18,635	\$ 16,795
New investments in joint ventures	2,613	343
Distributions received from joint ventures	18,668	15,807

The Health System both purchases services and sells services and supplies to several joint ventures. In 2011 and 2010, services purchased from joint ventures totaled \$11,016 and \$10,370, respectively. Services and supplies sold to joint ventures in 2011 and 2010 were \$9,105 and \$7,261, respectively.

Note 6: Property, Plant and Equipment

Property, plant and equipment are stated at cost and are summarized at December 31 as follows:

	2011	2010
Land	\$ 95,753	\$ 52,940
Land improvements	64,770	43,758
Buildings, improvements and fixed equipment	1,547,915	1,362,863
Moveable equipment	1,007,797	864,826
	<u>2,716,235</u>	<u>2,324,387</u>
Less accumulated depreciation and amortization	1,504,900	1,413,950
	<u>1,211,335</u>	<u>910,437</u>
Construction/information systems installation in progress	46,137	32,912
Net property, plant and equipment	<u><u>\$ 1,257,472</u></u>	<u><u>\$ 943,349</u></u>

As of December 31, 2011 and 2010, the Health System has committed approximately \$123,272 and \$96,223, respectively, for costs related to various hospital construction and information systems projects. The Health System plans to fund the projects through internal funds.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

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Note 7: Long-term Debt

Long-term debt at December 31, 2011 and 2010 is summarized as follows

	Payable Through	Issuance Type	Interest Rate (1)	2011	2010
Hospital Facility Revenue Bonds					
Series 2011A	2021	Fixed	3.29%	\$ 57,960	\$ -
Series 2011B	2041	Variable	0.10%	51,220	-
Series 2009A	2035	Variable	0.06% - 0.28%	52,860	54,375
Series 2009B	2035	Variable	0.06% - 0.28%	52,860	54,375
Series 2009C	2035	Variable	1.16% - 1.16%	30,375	31,245
Series 2009D	2035	Variable	0.16% - 0.36%	56,445	58,065
Series 2009E	2039	Variable	0.16% - 0.36%	43,000	43,000
Series 2009F	2039	Fixed	5.00%	50,000	50,000
Series 2008A	2037	Fixed	2.5% - 5.625%	146,040	148,050
Series 2008	2028	Variable	13.45% - 13.16%	4,528	4,528
Series 2006	2031	Variable	0.25% - 1.34%	13,110	13,485
Series 2005	2031	Fixed	4.50%	3,622	3,722
Series 2005A	2035	Fixed	2.5% - 5.625%	192,540	198,060
Series 1985	2015	Fixed	4.40%	-	1,980
Series 1985B	2015	Variable	0.14% - 0.27%	23,000	23,000
Total hospital facility revenue bonds				777,560	683,885
Capital lease obligations, due through 2015			0% - 10.16%	14,669	4,328
Other notes and mortgages			Various	775	2,194
				793,004	690,407
Current maturities				(73,258)	(33,552)
Unamortized bond discount				1,091	1,124
Long-term portion				\$ 720,837	\$ 657,979

(1) Variable rates shown represent rates as of December 31, 2011 and 2010, respectively

The Series 2011 Bonds are obligations of MHSC that were issued prior to their affiliation with the Health System. The Methodist Medical Center of Illinois, a subsidiary of MHSC, is the sole obligor under the bond indenture, which requires the maintenance of certain financial ratios through the master trust indenture and letter of credit agreement (related to the variable rate demand bonds).

The Series 2009, 2008, and 2005 Bonds (collectively "the Bonds") are general obligations of the Health System and its affiliates. The Health System is required to meet certain operating and financial ratios contained in the master bond trust indenture, bond insurance agreements and bank letter of credit agreements (related to the variable rate demand bonds). The Bonds are subject to the provisions of amended and restated master trust indentures, which generally require monthly or quarterly deposits for principal and interest payments be made, and certain funds be maintained by the trustee for interest payment and bond retirement purposes.

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The variable interest rates on substantially all of the bonds are adjusted daily or weekly by remarketing agents. The bonds may be tendered by the bond holders each interest rate period. The Health System maintains a combination of letters of credit and standby purchase agreements that can be drawn on should the bonds not be remarketed. The agreements will expire beginning in 2014 through 2016. The agreements are renewable, subject to trustee approval and at the option of the agreement providers, throughout the term of the bonds. Outstanding amounts under the agreements are due at the earlier of expiration of the agreements or over a period of three years commencing after an initial outstanding period of 366 days or more.

In December 2010, the Health System completed an interest rate mode conversion for the 2009C bonds converting the interest rate from a daily rate to an index rate. The interest rate modification was not considered a significant modification of terms, thus, all costs incurred from the mode conversion were expensed during the year. In 2010, a Direct Note Obligation for the 2009C bonds was issued to a financial institution, eliminating the supporting letter of credit requirement.

The \$50,000 of 2009F bonds outstanding are subject to a mandatory tender on August 14, 2012 and therefore are classified as current maturities within the consolidated balance sheet at December 31, 2011. The Health System is in the preliminary stages of developing a financing plan to cover any redemption required on bonds put to the Health System under exercise of the tender agreement.

Aggregate annual maturities of long-term debt during the years ending December 31 are as follows:

	Accelerated Maturities with Letter of Credit Terms	Scheduled Maturities Based on Loan Agreements
2012	\$ 73,258	\$ 73,258
2013	186,875	21,666
2014	157,924	21,665
2015	11,116	42,671
2016	16,364	23,394
Thereafter	347,467	610,350
	<u>\$ 793,004</u>	<u>\$ 793,004</u>

At December 31, 2011 and 2010, the Health System has included \$0 and \$17,097, respectively, in current maturities of long-term debt related to letters of credit and standby purchase agreements for related bonds that if not remarketed would require a payment within the next year.

Iowa Health System and Subsidiaries

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Note 8: Interest Rate Swaps

Swaps Designated as Hedging Instruments

As a risk management strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Health System entered into the following interest rate swap agreements

Trade Date	Maturity Date	Current Notional Amount	Health System Pays	Health System Receives	Accounting Treatment	Fair Value	
						2011	2010
2005	2035	\$ 192,540	3.5%	62.4% of LIBOR + 29 bps	Cash Flow Hedge	\$ (37,026)	\$ (16,684)

In 2005, the Health System entered into three interest rate swap agreements, which effectively converted the Series 2005B variable rate bonds into fixed rate debt at a rate of 3.5% (4.1% including transaction costs). During 2009, these swaps were redesignated to hedge the Series 2009 A-D Bonds. The swap agreements have an aggregate notional amount of \$192,540 at December 31, 2011.

Management has designated the above interest rate swap agreements as cash flow hedging instruments, and has determined that these agreements are highly effective. The aggregate fair value of the swap agreements is recorded as a long-term liability of \$(37,026) at December 31, 2011 and \$(16,684) at December 31, 2010. The change in fair value of \$(20,342) and \$(6,819) for the years ended December 31, 2011 and 2010, respectively, is reported as part of the change in unrealized gains and losses on swaps. Interest, the net of what the Health System pays and receives under the two legs of the swaps, is settled monthly on each swap agreement and is reported as interest expense.

The Health System has provisions within certain interest rate swap agreements that would require it to post collateral should the negative fair value of the agreements exceed \$25,000 individually, the Health System's credit rating fall below Aa3 by Moody's or AA- by S&P, or the bond insurers rating fall below A- by S&P. As of December 31, 2011, the Health System has not been requested to post collateral under these agreements.

The table below presents certain information regarding the Health System's interest rate swap agreements designated as cash flow hedges. The Health System has additional derivative instruments at December 31, 2011 and 2010 that are no longer designated as hedging instruments under ASC 815 (*Derivatives and Hedging*), as shown below.

	2011	2010
Other Long-term Liabilities		
Fair value of interest rate swap agreements	\$ (37,026)	\$ (16,684)
Unrestricted Net Assets		
Loss recognized in changes in unrealized gains and losses on investments (effective portion)	(20,342)	(6,819)

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Other Swap Agreements

The Health System has also entered into the following interest rate swap agreements which are not designated as hedging instruments. The Health System has elected to carry these swaps as an investing activity, until such time that satisfactory termination value can be obtained, or their respective maturity date.

Trade Date	Maturity Date	Notional Amount	Health System Pays	Health System Receives	Fair Value	
					2011	2010
2006	2030	\$ 60,000	100% of SIFMA*	68.0% of LIBOR + 59.2 bps*	\$ 938	\$ -
2006	2037	143,000	3.8%	61.9% of LIBOR + 31 bps	(42,529)	(20,531)
2006	2023	42,700	3.5	61.9% of LIBOR + 31 bps	(7,593)	(4,251)
2005	2035	64,180	3.3	62.4% of LIBOR + 29 bps	(11,312)	(4,758)
					<u>\$ (60,496)</u>	<u>\$ (29,540)</u>

*Rate represents the terms of the swap agreement, as originated. The agreement has been amended for the period until November 15, 2014. Until that date, MHSC will not make a quarterly payment and will receive fixed quarterly payments of \$188,250. After that date, the terms revert back to the original contracted terms, which are as stated in the table above.

The aggregate fair value of the unhedged swap agreements are recorded as long-term investments of \$938 and \$0 and long-term liabilities of \$(61,434) and \$(29,540), as of December 31, 2011 and 2010, respectively. The change in fair value of \$(31,141) and \$(7,640) are included as a component of other income (loss) as of December 31, 2011 and 2010, respectively. Interest, the net of what the Health System pays and receives, is settled monthly or quarterly on each swap agreement and is reported as other income (loss).

In prior years, certain swap agreements previously designated as hedges by the Health System were deemed to be ineffective. The effective portion of these changes in fair value, previously deemed effective, is being amortized into other income (loss) over the remaining life of the swap. As of December 31, 2011 and 2010, \$(699) and \$(760) of net unrealized losses remain in net assets to be amortized and \$(61) and \$475 was amortized into other income (loss), respectively.

In January 2010, the Health System terminated a swap agreement with a notional value of \$67,090, at a cost of \$(2,795). The Health System's counterparty also called swap agreements with a notional amount of \$80,760, in accordance with the agreement, in February 2010.

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Other Swaps

	<u>2011</u>	<u>2010</u>
Other Long-term Investments		
Fair value of interest rate swap agreement	\$ 938	\$ -
Other Long-term Liabilities		
Fair value of interest rate swap agreements	(61,434)	(29,540)
Unrestricted Net Assets		
Change in unrestricted net assets amortizing into		
Other, net	61	(475)
Nonoperating Other, Net		
Loss recognized in income from changes in		
fair value of interest rate swaps	(31,141)	(7,640)
Gain (loss) recognized in income from amortization of		
unrecognized gains (losses) in unrestricted net assets	(61)	475
Loss recognized in income from termination of		
interest rate swap	-	(2,795)

Note 9: Related-Party Transactions

The Health System leases real estate from certain companies controlled by members of the Board of Directors of the Health System or its subsidiaries. Minimum payments under these operating leases are \$4.842 per year. The leases expire in various periods through 2021. Rent expense under these leases, including a pro rata portion of certain operating expenses of the facilities, was \$4,915 and \$7,107 for 2011 and 2010, respectively. At December 31, 2011 and 2010, the Health System also had outstanding debt related to real estate capital lease obligations of \$10,963 and \$1,503, respectively. The Health System also leases real estate to physicians who may serve the Health System through board of director or medical director roles.

The Health System purchases a variety of services and products from companies affiliated with members of the Boards of Directors of the Health System and/or its subsidiaries. Services and products purchased from these affiliated companies during 2011 and 2010 totaled \$13,693 and \$13,382, respectively, of which \$4,902 and \$7,526, respectively, were related to construction project costs. In addition, the Health System purchases services from several joint ventures and sells services and supplies to several joint ventures in which the Health System is also an investor. The Health System believes these transactions are consummated under commercially reasonable business arrangements.

The Health System has recorded receivables for amounts held by nonconsolidated foundations on behalf of the Health System of \$41,527 and \$40,594 as of December 31, 2011 and 2010, respectively. Contributions received from nonconsolidated foundations and other related parties were \$2,326 and \$3,562 in 2011 and 2010, respectively.

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Note 10: Retirement Benefit Plans

Defined Contribution Retirement Plans

The Health System has several defined contribution benefit plans, which are available to substantially all employees meeting age and length of service requirements. Participating employers annually determine the amount, if any, of the Health System's contributions to the plan. Total benefit expenses under the defined contribution plans were approximately \$46,250 and \$44,537 for 2011 and 2010, respectively. The Health System also has deferred compensation plans for certain employees. Total expenses under the deferred compensation plans were \$2,394 and \$2,534 for 2011 and 2010, respectively.

Defined Benefit Plans

Prior to 2001, substantially all employees of four of the Health System's subsidiaries were covered by noncontributory defined benefit pension plans, all of which have subsequently been frozen to new participants or terminated. The Health System's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Health System may determine to be appropriate from time to time.

Upon the affiliation with MHSC (Peoria) during the year, the Health System inherited their noncontributory defined benefit pension plan, which has been frozen to new participants since 2007. Pension benefits are based on compensation of employees and years of service and are actuarially determined. As part of the accounting for the affiliation transaction, unrecognized pension benefit costs in unrestricted net assets were eliminated as they will not be recognized through earnings on the Health System's financial statements.

The Health System expects to contribute \$15,592 to the plans in 2012.

In 2010, the Sioux City affiliate completed its plan for termination and distribution of the assets in its defined benefit pension plan. The plan was terminated effective January 31, 2008. In December 2009, a determination letter was received from the IRS approving the termination.

Iowa Health System and Subsidiaries

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(Dollars in Thousands)

December 31, 2011 and 2010

The following tables set forth information about each defined benefit plan

	As of December 31, 2011			
	Des Moines	Cedar Rapids	Waterloo	Peoria
Change in benefit obligation				
Benefit obligation, beginning of year	\$ 175,394	\$ 106,552	\$ 53,275	\$ 219,916 *
Service cost	3,941	116	353	1,320
Interest cost	10,313	6,271	3,126	2,870
Actuarial loss	20,639	15,580	6,111	8,417
Benefits paid	(8,682)	(3,956)	(1,849)	(1,464)
Benefit obligation, end of year	<u>201,605</u>	<u>124,563</u>	<u>61,016</u>	<u>231,059</u>
Change in fair value of plan assets				
Fair value of plan assets, beginning of year	181,094	89,605	50,064	118,836 *
Actual return on plan assets	9,639	3,730	3,951	5,441
Employer contributions	7,275	4,939	3,300	1,582
Benefits paid	(8,682)	(3,956)	(1,850)	(1,464)
Fair value of plan assets, end of year	<u>189,326</u>	<u>94,318</u>	<u>55,465</u>	<u>124,395</u>
Funded status, end of year	<u>\$ (12,279)</u>	<u>\$ (30,245)</u>	<u>\$ (5,551)</u>	<u>\$ (106,664)</u>
Accumulated benefit obligation	<u>\$ 201,605</u>	<u>\$ 124,349</u>	<u>\$ 61,016</u>	<u>\$ 206,435</u>
*As of October 1, 2011				
Liabilities recognized in the balance sheets				
Noncurrent liabilities	<u>\$ (12,279)</u>	<u>\$ (30,245)</u>	<u>\$ (5,551)</u>	<u>\$ (106,664)</u>
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost				
Net loss	\$ 36,115	\$ 47,394	\$ 18,205	\$ 5,569
Net prior service cost (credit)	42	-	(4,476)	-
	<u>\$ 36,157</u>	<u>\$ 47,394</u>	<u>\$ 13,729</u>	<u>\$ 5,569</u>
Amounts expected to be recognized within one year				
Net loss	\$ 1,994	\$ 3,882	\$ 1,567	\$ -
Net prior service cost (credit)	42	-	(651)	-
	<u>\$ 2,036</u>	<u>\$ 3,882</u>	<u>\$ 916</u>	<u>\$ -</u>
Other changes in plan assets recognized in changes in net assets				
Net loss	\$ 25,240	\$ 18,976	\$ 6,087	\$ 5,569
Amortization of				
Net loss	-	(2,166)	(859)	-
Prior service (cost) credit	(46)	-	651	-
Total recognized in changes in net assets	<u>\$ 25,194</u>	<u>\$ 16,810</u>	<u>\$ 5,879</u>	<u>\$ 5,569</u>

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	As of December 31, 2011			
	Des Moines	Cedar Rapids	Waterloo	Peoria
Weighted-average assumptions used to determine benefit obligations for the year ended December 31, 2011				
Discount rate	5.00%	5.00%	5.00%	5.00%
Rate of compensation increase	4.00%	5.00%	N/A	3.25%
Weighted-average assumptions used to determine benefit costs for the year ended December 31, 2011				
Discount rate	6.00%	6.00%	6.00%	5.25%
Expected return on plan assets	8.00%	8.00%	8.00%	8.50%
Rate of compensation increase	4.00%	N/A	N/A	3.25%
Components of net periodic benefit cost				
Service cost	\$ 3,941	\$ 116	\$ 353	\$ 1,320
Interest cost	10,313	6,271	3,126	2,870
Expected return on plan assets	(14,239)	(7,126)	(3,928)	(2,594)
Amortization of prior service cost (credit)	46	-	(651)	-
Recognized net actuarial loss	-	2,166	859	-
Net periodic benefit cost (benefit)	\$ 61	\$ 1,427	\$ (241)	\$ 1,596
As of December 31, 2010				
	Des Moines	Cedar Rapids	Waterloo	Sioux City
Change in benefit obligation				
Benefit obligation, beginning of year	\$ 158,490	\$ 97,288	\$ 48,520	\$ 13,422
Service cost	3,530	122	489	-
Interest cost	9,966	6,203	3,104	-
Actuarial loss	10,442	6,607	2,793	-
Benefits paid	(7,034)	(3,668)	(1,680)	(13,422)
Curtailment gain from freezing benefits	-	-	49	-
Benefit obligation, end of year	175,394	106,552	53,275	-
Change in fair value of plan assets				
Fair value of plan assets, beginning of year	166,024	79,108	44,017	14,740
Actual return on plan assets	21,104	10,532	4,427	-
Employer contributions	1,000	3,633	3,300	-
Benefits paid	(7,034)	(3,668)	(1,680)	(13,473)
Settlement	-	-	-	(1,267)
Fair value of plan assets, end of year	181,094	89,605	50,064	-
Funded status, end of year	\$ 5,700	\$ (16,947)	\$ (3,211)	\$ -
Accumulated benefit obligation	\$ 172,110	\$ 106,045	\$ 53,275	\$ -
Assets and liabilities recognized in the balance sheets				
Noncurrent assets	\$ 5,700	\$ -	\$ -	\$ -
Noncurrent liabilities	\$ -	\$ (16,947)	\$ (3,211)	\$ -

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December 31, 2011 and 2010

	As of December 31, 2010			
	Des Moines	Cedar Rapids	Waterloo	Sioux City
Amounts recognized in unrestricted net assets but not yet recognized as components of net periodic benefit cost				
Net loss	\$ 10.875	\$ 30.584	\$ 12.977	\$ -
Net prior service cost (credit)	88	-	(5.127)	-
	<u>\$ 10.963</u>	<u>\$ 30.584</u>	<u>\$ 7.850</u>	<u>\$ -</u>
Amounts expected to be recognized within one year				
Net loss	\$ -	\$ 2.166	\$ 859	\$ -
Net prior service cost (credit)	46	-	(651)	-
	<u>\$ 46</u>	<u>\$ 2.166</u>	<u>\$ 208</u>	<u>\$ -</u>
Other changes in plan assets recognized in changes in net assets				
Net loss	\$ 2.543	\$ 2.375	\$ 1.886	\$ -
Prior service cost	-	-	49	-
Amortization of:				
Net loss	-	(2.174)	(590)	(2.995)
Prior service (cost) credit	(46)	-	642	-
	<u>-</u>	<u>-</u>	<u>642</u>	<u>-</u>
Total recognized in changes in net assets	<u>\$ 2.497</u>	<u>\$ 201</u>	<u>\$ 1.987</u>	<u>\$ (2.995)</u>
Weighted-average assumptions used to determine benefit obligations for the year ended December 31, 2010				
Discount rate	6.00%	6.00%	6.00%	N A
Rate of compensation increase	4.00%	5.00%	N A	N A
Weighted-average assumptions used to determine benefit costs for the year ended December 31, 2010				
Discount rate	6.50%	6.50%	6.50%	N A
Expected return on plan assets	8.00%	8.00%	8.00%	N A
Rate of compensation increase	4.00%	5.00%	N A	N A
Components of net periodic benefit cost				
Service cost	\$ 3.530	\$ 122	\$ 489	\$ -
Interest cost	9.966	6.203	3.104	-
Expected return on plan assets	(13.204)	(6.300)	(3.519)	-
Amortization of prior service cost (credit)	46	-	(642)	-
Recognized net actuarial loss	<u>-</u>	<u>2.174</u>	<u>590</u>	<u>2.995</u>
Net periodic benefit cost	<u>\$ 338</u>	<u>\$ 2.199</u>	<u>\$ 22</u>	<u>\$ 2.995</u>

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The Health System has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement. The plan agreements permit investment in common stocks, corporate bonds and debentures, U S Government securities and other specified investments, based on certain target allocation percentages

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plans to recognize potentially higher returns through a limited investment in equity securities. The target asset allocation percentages for 2011 and 2010 are as follows

		2011			
		Des Moines	Cedar Rapids	Waterloo	Peoria
Equity securities	Not to exceed	20%	50%	25%	60%
Fixed income	Not to exceed	80	50	75	25
Private investment funds	Not to exceed	—	—	—	15

		2010		
		Des Moines	Cedar Rapids	Waterloo
Equity securities	Not to exceed	20%	35%	35%
Fixed income	Not to exceed	50	35	35
Private investment funds	Not to exceed	30	30	30

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Plan assets are re-balanced quarterly. At December 31, 2011 and 2010, plan asset allocations are as follows

	2011				2010	
	Des Moines	Cedar Rapids	Waterloo	Peoria	Des Moines	Cedar Rapids
Cash and short term investments	-	2%	3%	-	4%	4%
U S Treasury obligations	-	8	10	-	13	12
U S Government agency obligations	-	10	12	-	2	2
Asset-backed securities						
Home equity	-	1	1	-	1	1
Other	-	2	2	-	-	-
Mortgage-backed securities						
Government	-	2	2	-	1	1
Non-government	-	3	4	-	4	3
Corporate bonds	11%	27	34	-	25	12
Corporate bonds - PIF	69	-	6	-	-	1
Equity securities						
Domestic	3	7	3	-	2	3
Equity securities - PIF						
Domestic	8	17	10	-	8	17
International	3	6	3	-	3	6
Mutual funds						
Domestic	1	3	2	-	1	2
International	3	6	4	13%	4	6
Emerging markets	2	5	3	-	3	5
Equity	-	-	-	30	-	-
Other	-	-	-	4	-	-
Fixed Income	-	-	-	27	-	-
Hedge fund of funds	-	-	1	26	-	-
Interest receivable	-	1	-	-	29	25
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Defined Benefit Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy

Iowa Health System and Subsidiaries

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December 31, 2011 and 2010

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include highly liquid U.S. Treasuries and exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include U.S. Government agency obligations, collateralized mortgage obligations, corporate bonds and PIFs. For these investments, the inputs used by the pricing service to determine the fair value include one or a combination of observable inputs, such as broker/dealer quotes, issuer spreads, benchmark securities, bid offers and reference data market research publications. In certain cases where Level 1 and Level 2 inputs are not available, plan assets are classified within Level 3 hierarchy. The plans have no Level 3 investments.

PIFs include interest in fixed income and equity security investment portfolios as well as alternative asset partnerships. PIFs are valued based on the Health System's proportionate interest in the fair value of the underlying investment assets held by the fund, adjusted to reflect risk associated with liquidity of their investment in the partnership, restrictions on transfer and other matters, if any. Interest in funds that consist of underlying securities with observable inputs, such as quoted market prices or quoted prices of securities with similar characteristics, are categorized as Level 2 of the fair value hierarchy.

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December 31, 2011 and 2010

The fair values of the Health System's pension plans' assets at December 31, 2011 and 2010, by asset category are as follows

	2011			
	Fair Value Measurements Using			
	Quoted Prices		Significant	Significant
	in Active		Other	Unobservable
		Markets for	Observable	Inputs
		Identical	Inputs	Inputs
	Fair Value	Assets	(Level 2)	(Level 3)
		(Level 1)		
Cash and short-term investments	\$ 3.830	\$ 457	\$ 3,373	\$ -
U S Treasury obligations	12.717	-	12.717	-
U S Government agency obligations	15.490	-	15.490	-
Asset-backed securities				
Home equity	1.122	-	1.122	-
Other	2.707	-	2.707	-
Mortgage-backed securities				
Government	3.323	-	3.323	-
Non-government	5.158	-	5.158	-
Corporate bonds	64.543	46	64.497	-
Corporate bonds - PIF	134.808	-	134.808	-
Equity securities				
Domestic	13.457	13.457	-	-
Equity securities - PIF				
Domestic	35.814	-	35.814	-
International	12.796	-	12.796	-
Mutual funds				
Domestic	6.639	6.639	-	-
International	29.358	29.358	-	-
Emerging markets	11.034	11.034	-	-
Equity	36.856	36.856	-	-
Other	5.415	5.415	-	-
Fixed income	34.277	34.277	-	-
Hedge fund of funds - PIF	33.124	-	33.124	-
	<u>\$ 462.468</u>	<u>\$ 137.539</u>	<u>\$ 324.929</u>	<u>\$ -</u>

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	2010			
	Fair Value Measurements Using			
	Quoted Prices		Significant	Significant
	in Active		Other	Unobservable
		Markets for	Observable	Inputs
		Identical	Inputs	Inputs
	Fair Value	Assets	(Level 2)	(Level 3)
		(Level 1)		
Cash and short-term investments	\$ 11.706	\$ -	\$ 11.706	\$ -
U S Treasury obligations	39.674	-	39.674	-
U S Government agency obligations	7.841	-	7.841	-
Asset-backed securities				
Home equity	2.953	-	2.953	-
Other	1.276	-	1.276	-
Mortgage-backed securities				
Government	3.388	-	3.388	-
Non-government	11.643	-	11.643	-
Corporate bonds	62.775	235	62.540	-
Corporate bonds - PIF	2.866	-	2.866	-
Equity securities				
Domestic	7.940	7.940	-	-
Equity securities - PIF				
Domestic	35.714	-	35.714	-
International	14.978	-	14.978	-
Mutual funds				
Domestic	5.940	5.940	-	-
International	15.509	15.509	-	-
Emerging markets	13.354	13.354	-	-
Hedge fund of funds - PIF	81.586	-	81.586	-
	<u>\$ 319,143</u>	<u>\$ 42,978</u>	<u>\$ 276,165</u>	<u>\$ -</u>

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2011

2012	\$ 21.046
2013	22.372
2014	24.667
2015	26.733
2016	28.371
2017 - 2021	182.412

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Note 11: Risk Management

The Health System's hospitals are primarily self-insured for professional and general liability for amounts of \$5,000 per claim and \$25,000 in the aggregate annually. Professional and general liability insurance coverage is maintained on a claims-made basis, with a liability limit of \$25,000. Other entities of the Health System maintain their professional and general liability coverage on a claims-made basis with no significant deductibles.

The Health System is primarily self-insured for workers' compensation and employee health care claims. Workers' compensation claims individually and in the aggregate that exceed certain amounts are covered by insurance.

Property insurance is maintained with at least 90% replacement value coverage and minimal deductibles. Business interruption insurance coverage is also maintained by the Health System.

The Health System has accrued as other liabilities \$72,724 and \$50,241 for self-insured losses at December 31, 2011 and 2010, respectively. As the Health System adopted ASU 2010-24 in 2011 (see Note 1), the liabilities are presented on a gross basis as of December 31, 2011 and the Health System has recorded the expected offsetting insurance recoveries as a receivable. The accrued liabilities are based on management's evaluation of the merits of various claims, historical experience and consultation with external insurance consultants and actuaries, and include estimates for incurred but not reported claims. There can be no assurance that the accrued liabilities will be sufficient for the ultimate amounts that will be paid for claims and settlements. Also, in the ordinary course of business, the Health System is involved in other litigation and claims, none of which management believes will ultimately result in losses that will adversely affect the Health System's consolidated net assets or results of operations to a material degree.

Cash and investments have been internally designated to be held for payments of claims, if any, which may result from the self-insured or uninsured portion of liability insurance and workers' compensation claims. At December 31, 2011 and 2010, the cash and investments amounted to \$37,049 and \$32,803, respectively.

Note 12: Lease Commitments

Certain property and equipment is being leased under long-term noncancelable operating leases. In most cases, management expects that, in the normal course of operations, the leases will be renewed or replaced by other leases. The total rent expense under operating leases during 2011 and 2010 was \$46,499 and \$41,629, respectively.

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

2012	\$	33.980
2013		25.436
2014		16.967
2015		12.046
2016		8.874
Thereafter		40.846
Total minimum payments required	\$	<u>138.149</u>

Note 13: Disclosures About Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Financial Instruments Measured at Fair Value on a Recurring Basis

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such instruments pursuant to the valuation hierarchy:

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Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid U.S. Treasuries, exchange traded equities and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. government agency obligations, collateralized mortgage obligations, corporate debt obligations and PIFs. For these investments, the inputs used by the pricing service to determine the fair value include one or a combination of observable inputs, such as broker/dealer quotes, issuer spreads, benchmark securities, bid offers and reference data market research publications. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include certain less liquid securities. The Health System has no Level 3 investments.

PIFs include interests in fixed income and equity security investment portfolios as well as alternative asset partnerships. PIFs are valued based on the Health System's proportionate interest in the fair value of the underlying investment assets held by the fund, adjusted to reflect risk associated with liquidity of their investment in the partnership, restrictions on transfer and other matters, if any. Interest in funds that consist of underlying securities with observable inputs, such as quoted market prices or quoted prices of securities with similar characteristics, are categorized as Level 2 of the fair value hierarchy.

Quoted market prices were used to determine the fair value of Level 1 items. For Level 2 investments, inputs include maturity and coupon rates and/or closing prices of similar securities from comparable industry financial data, as well as private investment fund's net asset values.

Interest Rate Swap Agreements

The fair value of interest rate swap agreements are estimated by a third party using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Beneficial Interests in Trusts

The fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

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Fair Value Measurements

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010

		2011		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Financial Assets				
Cash and short-term investments	\$ 205,626	\$ 17,410	\$ 188,216	\$ -
U S Treasury obligations	23,249	-	23,249	-
U S Government agency obligations	8,140	-	8,140	-
Asset-backed securities				
Home equity	17,691	-	17,691	-
Other	6,703	-	6,703	-
Mortgage-backed securities				
Government	59,252	-	59,252	-
Non-government	40,893	-	40,893	-
Certificates of deposit	474	474	-	-
Corporate bonds	53,718	-	53,718	-
Corporate bonds - PIF	190,763	-	190,763	-
Equity securities				
Domestic	120,855	120,855	-	-
International	135	135	-	-
Equity securities - PIF				
Domestic	149,383	-	149,383	-
International	73,392	-	73,392	-
Mutual funds				
Domestic	19,659	19,659	-	-
International	85,031	85,031	-	-
Emerging markets	58,811	58,811	-	-
Index	3,192	3,192	-	-
Equity	30,383	30,383	-	-
Fixed Income	67,927	67,927	-	-
Other	4,780	4,780	-	-
Hedge fund of funds - PIF	101,444	-	101,444	-
Insurance policies	4,199	-	4,199	-
Beneficial interests in trusts	11,521	-	11,521	-
Financial Liabilities				
Interest rate swap agreements (net)	(97,522)	-	(97,522)	-
	<u>\$ 1,239,699</u>	<u>\$ 408,657</u>	<u>\$ 831,042</u>	<u>\$ -</u>

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		2010		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Financial Assets				
Cash and short-term investments	\$ 247,437	\$ 6,987	\$ 240,450	\$ -
U S Treasury obligations	38,742	-	38,742	-
U S Government agency obligations	18,587	-	18,587	-
Asset-backed securities				
Home equity	11,728	-	11,728	-
Other	2,626	-	2,626	-
Mortgage-backed securities				
Government	32,509	-	32,509	-
Non-government	39,140	-	39,140	-
Certificates of deposit	474	474	-	-
Corporate bonds	46,631	-	46,631	-
Corporate bonds - PIF	171,449	-	171,449	-
Equity securities				
Domestic	124,520	124,520	-	-
Equity securities - PIF				
Domestic	147,252	-	147,252	-
International	84,292	-	84,292	-
Mutual funds				
Domestic	15,419	15,419	-	-
International	75,241	75,241	-	-
Emerging markets	82,498	82,498	-	-
Hedge fund of funds - PIFs	78,627	-	78,627	-
Insurance policies	4,026	-	4,026	-
Beneficial interests in trusts	5,487	-	5,487	-
Financial Liabilities				
Interest rate swap agreements (net)	(46,224)	-	(46,224)	-
	<u>\$ 1,180,461</u>	<u>\$ 305,139</u>	<u>\$ 875,322</u>	<u>\$ -</u>

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Financial Instruments Not Measured at Fair Value

The fair value for certain financial instruments approximates the carrying value because of the short-term maturity of these instruments, which include cash and cash equivalents, short-term investments, receivables, accounts payable, accrued liabilities, estimated settlements due to third-party payers and other current liabilities.

The carrying amount of the variable rate bonds and notes is assumed to approximate fair value. For the fixed-rate bonds, the estimated fair value is based on quoted prices for similar liabilities and is obtained from a financial institution that deals in these types of instruments. Other debt obligations are insignificant, and the carrying amounts are assumed to approximate fair value.

Estimates of fair values are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could affect the estimates. The fair market value of the Health System's financial instruments at December 31 approximates the carrying value except as follows:

	2011		2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, excluding capital leases	\$ 779,426	\$ 803,109	\$ 687,203	\$ 674,486

Note 14: Temporarily and Permanently Restricted Net Assets

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

	2011	2010
Purchase of equipment	\$ 7,555	\$ 6,257
Indigent care/operations	12,278	6,308
Health education	5,670	5,791
For use in future periods	3,433	6,629
Other	28,888	20,509
Total temporarily restricted net assets	\$ 57,824	\$ 45,494

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Permanently restricted net assets are restricted to the following as of December 31

	2011	2010
Investments (generally including net investment appreciation and depreciation) to be held in perpetuity (income is restricted)	\$ 24.875	\$ 24.904
Investments (generally including net investment appreciation and depreciation) to be held in perpetuity (income is restricted for various purposes as directed by the donors)	12.810	13.001
Other	9.384	5.263
Total permanently restricted net assets	\$ 47.069	\$ 43.168

Note 15: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The Health System's conditional asset retirement obligations primarily relate to asbestos contained in various buildings. Environmental regulations in many of the states where the Health System operates require the Health System to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished.

A summary of changes in asset retirement obligations, which is included on the accompanying consolidated balance sheets in other long-term liabilities, during 2011 and 2010 is included in the table below.

	2011	2010
Liability, beginning of year	\$ 12.108	\$ 11.910
Liabilities settled	(1.052)	(501)
Accretion expense	718	700
Liabilities assumed in affiliation with MHSC	1.024	-
Changes in estimates, including timing	-	(1)
Liability, end of year	\$ 12.798	\$ 12.108

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Note 16: Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayments of previously billed and collected revenues for patient services. The Health System has a corporate compliance plan intended to meet federal guidelines. As a part of this plan, the Health System performs periodic internal reviews of its compliance with laws and regulations. As part of the Health System's compliance efforts, the Health System investigates and attempts to resolve and remedy all reported or suspected incidents of material noncompliance with applicable laws, regulations or policies on a timely basis. The Health System believes that these compliance programs and procedures lead to substantial compliance with current laws and regulations.

The Health System is in various stages of responding to inquiries and investigations. These various inquiries and investigations could result in fines and/or financial penalties, which could be material. At this time, the Health System is unable to estimate the possible liability, if any, that may be incurred as a result of these inquiries and investigations, but the Health System does not believe it would materially affect the financial position of the Health System.

Guarantees

The Health System has guaranteed approximately \$13,236 and \$7,302 at December 31, 2011 and 2010, respectively, relating to long-term debt for the construction of two cancer centers, an endoscopy center, a medical office building that includes clinic and office space, and debt related to joint ventures.

Employment Contracts

The Health System is committed for noncancelable physician employment contracts in the following amounts, prior to inflationary adjustments and bonuses based on future events:

2012	\$	12,726
2013		980
2014		429

Current Economic Conditions

The current protracted economic decline continues to present healthcare organizations with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, large declines in contributions and constraints on liquidity. The financial statements have been prepared using values and information currently available to the Health System.

Iowa Health System and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in Thousands)

December 31, 2011 and 2010

Some of the Health System's patients are covered by government sponsored Medicare or Medicaid programs. The effect of the current economic conditions on government budgets may have an adverse effect on the cash flow from these programs.

Further, current economic conditions have made it difficult for certain of the Health System's other patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Health System's future operating results.

Note 17: Subsequent Events

Subsequent events have been evaluated through April 19, 2012, which is the date the financial statements were issued.

On January 6, 2012, the Health System entered into a revolving line of credit facility (Revolver) that provides for an aggregate principal amount of \$50,000 in borrowings and bears an interest rate of LIBOR plus 60 basis points for funds drawn against the facility. Additionally, a facility fee of 10 basis points is required on the undrawn portion of the Revolver. The maturity date of this facility is January 5, 2014.

Iowa Health System and Subsidiaries
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	IHDM	TRHS	MHSC	SLHC	AHS	THS	SLHS	TRI-ST	IHP	IHHC	IHS & Other	Eliminations	Consolidated
Current Assets													
Cash and cash equivalents	\$ 1,356	\$ 16,693	\$ 20,517	\$ 17,790	\$ 4,114	\$ 11,557	\$ 7,899	\$ 4,949	\$ 3,505	\$ 297	\$ 7,859	\$ -	\$ 96,536
Short-term investments	8,663	43,276		40,711	12,248	9,685	12,229	9,481	12,112	2,082	33,464		183,951
Assets limited as to use - required for current liabilities	2,631	3,320		2,638	1,222	712	1,391						11,914
Patient accounts receivable - less estimated uncollectibles	88,475	51,490	56,747	48,186	23,136	16,968	20,428	12,880	10,997	15,573			344,880
Other receivables	11,891	2,628	8,138	4,980	4,490	1,439	2,827	2,205	713	1,591	2,375		43,277
Inventories	10,917	9,205	3,668	778	6,011	2,946	3,388	2,132	1,963	1,031	70		49,109
Prepaid expenses	2,341	1,679	7034	1,872	866	496	781	512	609	39	14,180		30,409
Due from affiliates	765	343	2	556	400	(237)	156	47	13,800	233	40,623	56,688	-
Total current assets	127,039	128,634	96,106	124,511	52,487	43,566	49,099	32,206	43,699	20,846	98,571	56,688	760,076
Assets Limited As to Use - noncurrent													
Held by trustee under bond indenture agreements	2,924												2,924
Internally designated	449,315	116,797	6,956	80,736	1,457	39,301	41,796	46,664			175		783,197
Total assets limited as to use - noncurrent	452,239	116,797	6,956	80,736	1,457	39,301	41,796	46,664	-	-	175	-	786,121
Property, Plant and Equipment - net	280,258	143,837	248,920	164,013	100,498	71,457	66,862	47,887	6,813	6,307	120,620		1,257,472
Other Long term Investments	42,271	1,815	139,806	19,576	84,826	12,895	1,105	197	23,328	16,183	6,579		348,581
Investments in Joint Ventures and Other Investments	28,728	5,887	13,777	15,523	7,171	3,122	11,458	4,325		556	32,615	68,497	54,665
Contributions Receivable - net	6,786	1,749	5,497	31,396	3,105	1,937	3,874	6,845					61,189
Other	3,147	2,796	1,959	2,004	3,823	849	744	851	769	13	13,377		30,332
Due From Affiliates					150			90			475,948	476,188	-
Total assets	\$ 940,468	\$ 401,515	\$ 513,021	\$ 437,759	\$ 253,517	\$ 173,127	\$ 174,938	\$ 139,065	\$ 74,609	\$ 43,905	\$ 747,885	\$ 601,373	\$ 3,298,436

Liabilities and Net Assets

Current Liabilities													
Current maturities of long-term debt	\$ 514	\$ 2,012	\$ 5702	\$ 296	\$ 48	\$ 355					\$ 64,331		\$ 73,258
Accounts payable	23,637	16,826	24,630	12,855	8,040	3,813	6,383	3,601	3,604	2,681	22,083		128,153
Accrued payroll	30,911	16,539	9,279	21,834	10,978	6,812	5,812	4,180	8,484	5,306	7774	\$ 1	127,908
Accrued interest	12		276			419					8,978		9,685
Estimated settlements due to third-party payers	12,664	7,696	27,934	5739	5,895	1,521	2,602	2,545		752			67,348
Due to affiliates	19,603	8,616	-	9,576	6,919	1,486	5,923	1,276	428	1,096	1764	56,687	-
Other current liabilities	7,452	7074	13,041	5,583	4,791	2,543	2,690	2,206	8,011	823	1,070		55,284
Total current liabilities	94793	58763	80,862	55,883	36,671	16,949	23,410	13,808	20,527	10,658	106,000	56,688	461,636
Long term Debt - net	33,978	14720	104,375	3	43	5,027					562,691		720,837
Other Long term Liabilities	39,592	12,030	131,371	39,196	14,042	11,096	6,489	1,498	18,909	860	108776		383,859
Due to Affiliates	136,336	126,100		76,316	59,080	16,540	53,875	7,626		315		476,188	-
Total liabilities	304,699	211,613	316,608	171,398	109,836	49,612	83774	22,932	39,436	11,833	777,467	532,876	1,566,332
Net Assets													
Unrestricted	611,873	183,991	183,502	231,304	133,990	117547	87005	109,288	35,173	31720	(29,685)	68,497	1,627,211
Temporarily restricted	9,140	4,329	8,991	17040	6,099	4,124	2,603	5,043		352	103		57,824
Permanently restricted	14756	1,582	3,920	18,017	3,592	1,844	1,556	1,802					47,069
Total net assets	635769	189,902	196,413	266,361	143,681	123,515	91,164	116,133	35,173	32,072	(29,582)	68,497	1,732,104
Total liabilities and net assets	\$ 940,468	\$ 401,515	\$ 513,021	\$ 437,759	\$ 253,517	\$ 173,127	\$ 174,938	\$ 139,065	\$ 74,609	\$ 43,905	\$ 747,885	\$ 601,373	\$ 3,298,436

Definitions

IHDM - Iowa Health - Des Moines and Subsidiaries (Des Moines)
TRHS - Trinity Regional Health System and Subsidiaries (Rock Island)
MHSC - Methodist Health Services Corp. and Subsidiaries (Peoria)
SLHC - St. Luke's Healthcare and Subsidiaries (Cedar Rapids)
AHS - Allen Health Systems, Inc. and Subsidiaries (Waterloo)
THS - Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)

SLHS - St. Luke's Health System, Inc. (Sioux City)
TRI-ST - Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
IHP - Iowa Health Physician
IHHC - Iowa Health Home Care
IHS & Other - Iowa Health System and other Subsidiary

Iowa Health System and Subsidiaries
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	IHDM	TRHS	MHSC	SLHC	AHS	THS	SLHS	TRI-ST	IHP	IHHC	IHS & Other	Eliminations	Consolidated
Revenue													
Patient service revenue (net of contractual allowances)	\$ 654,123	\$ 417,621	\$ 86,987	\$ 349,182	\$ 205,954	\$ 139,791	\$ 152,295	\$ 93,213	\$ 143,231	\$ 86,004	\$ -	\$ 985	\$ 2,327,416
Provision for patient uncollectible accounts	(22,119)	(27,904)	(2,653)	(12,553)	(6,214)	(6,392)	(9,919)	(2,630)	(3,202)				(93,586)
Net patient service revenue	632,004	389,717	84,334	336,629	199,740	133,399	142,376	90,583	140,029	86,004	-	985	2,233,830
Other operating revenue	42,881	17,575	5,184	19,675	10,574	10,332	7,366	5,739	15,471	2,407	170,120	167,051	140,273
Net assets released from restrictions used for operations	2,750	613	314	1,000	474	249				568	96		6,064
Total revenue	677,635	407,905	89,832	357,304	210,788	143,980	149,742	96,322	155,500	88,979	170,216	168,036	2,380,167
Expenses													
Salaries and wages	241,455	132,403	28,848	129,763	70,098	49,853	51,175	34,142	42,586	47,300	40,289	34	867,878
Physician compensation and services	77,183	32,958	11,333	24,153	15,642	27,989	11,910	5,010	60,573	117		2,985	263,883
Employee benefits	60,758	40,087	9,006	35,757	16,507	12,145	12,710	9,458	11,189	12,912	9,933		230,462
Supplies	118,719	85,844	12,985	55,744	47,661	20,539	25,493	13,530	13,309	12,850	760		407,434
Other expenses	115,085	84,602	17,642	68,694	35,832	28,457	31,776	23,271	32,637	13,230	71,990	145,657	377,559
Depreciation and amortization	34,568	16,590	6,611	17,584	12,392	6,447	7,262	5,782	2,033	1,893	20,277		131,439
Interest	8,192	7,213	664	3,971	3,239	1,515	3,048	534		87	28,501	26,028	30,936
Provision for uncollectible accounts	145			151	13		46	33		430			818
Total expenses	656,105	399,697	87,089	335,817	201,384	146,945	143,420	91,760	162,327	88,819	171,750	174,704	2,310,409
Operating Income (Loss)	21,530	8,208	2,743	21,487	9,404	(2,965)	6,322	4,562	(6,827)	160	(1,534)	(6,668)	69,758
Nonoperating Gains (Losses)													
Investment income (loss)	(1,833)	(431)	4,910	(719)	(1,148)	(885)	(371)	(491)	(365)	(117)	(751)	(431)	(1,094)
Contribution received in affiliation with Methodist Peoria			180,325										180,325
Other net	437	402	993	31	30	171	108	519	51		(39,810)		(37,068)
Total nonoperating gains (losses) net	(1,396)	(29)	186,228	(688)	(1,118)	(714)	(263)	28	(314)	(117)	(39,885)	(431)	142,163
Revenue Over (Under) Expenses	\$ 20,134	\$ 8,179	\$ 188,971	\$ 20,799	\$ 8,286	\$ (3,679)	\$ 6,059	\$ 4,590	\$ (7,141)	\$ 43	\$ (41,419)	\$ (7,099)	\$ 211,921

Definitions

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Iowa Health System and Subsidiaries
Iowa Health - Des Moines and Subsidiaries (Des Moines)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets	IHDM	CIHC	IHF	CIHP	IHP	Eliminations	Consolidated
Current Assets							
Cash and cash equivalents	\$ -	\$ 31	\$ 747	\$ 578	\$ -	\$ -	\$ 1,356
Short-term investments		8,663					8,663
Assets limited as to use - required for current liabilities		2,631					2,631
Patient accounts receivable - less estimated uncollectibles		88,475					88,475
Other receivables		11,861	14	16			11,891
Inventories		10,811	106				10,917
Prepaid expenses		2,286	38	17			2,341
Due from affiliates		3,116		5,125		7,476	765
Total current assets		127,874	905	5,736		7,476	127,039
Assets Limited As to Use, noncurrent							
Held by trustee under bond indenture agreements		2,924					2,924
Internally designated		387,737	61,578				449,315
Total assets limited as to use - noncurrent		390,661	61,578				452,239
Property, Plant and Equipment, net		253,877	13	26,368			280,258
Other Long-term Investments		9,084	33,187				42,271
Investments in Joint Ventures and Other Investments		29,475	54	4,758	17,428	22,987	28,728
Contributions Receivable, net			6,786				6,786
Other		2,954		193			3,147
Due From Affiliates		2,725				2,725	-
Total assets	\$ -	\$ 816,650	\$ 102,523	\$ 37,055	\$ 17,428	\$ 33,188	\$ 940,468
Liabilities and Net Assets							
Current Liabilities							
Current maturities of long-term debt		\$ 514					\$ 514
Accounts payable		22,783	\$ 1	\$ 853			23,637
Accrued payroll		30,679	232				30,911
Accrued interest		12					12
Estimated settlements due to third-party payers		12,664					12,664
Due to affiliates		24,482	95	2,502		7,476	19,603
Other current liabilities	\$ -	7,227	35	190	\$ -		7,452
Total current liabilities		98,361	363	3,545		7,476	94,793
Long-term Debt, net		33,978					33,978
Other Long-term Liabilities		38,650	942				39,592
Due to Affiliates		135,316		3,745		2,725	136,336
Total liabilities		306,305	1,305	7,290		10,201	304,699
Net Assets							
Unrestricted		487,000	77,680	29,765	17,428		611,873
Temporarily restricted		8,946	8,782			8,588	9,140
Permanently restricted		14,399	14,756			14,399	14,756
Total net assets		510,345	101,218	29,765	17,428	22,987	635,769
Total liabilities and net assets	\$ -	\$ 816,650	\$ 102,523	\$ 37,055	\$ 17,428	\$ 33,188	\$ 940,468

Definitions

IHDM - Iowa Health - Des Moines
CIHC - Central Iowa Hospital Corporation
IHF - Iowa Health Foundation

CIHP - Central Iowa Health Properties Corporation
IHP - Iowa Health Physicians - IHDM portion

Iowa Health System and Subsidiaries
Iowa Health - Des Moines and Subsidiaries (Des Moines)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	IHDM	CIHC	IHF	CIHP	IHP	Eliminations	Consolidated
Revenue							
Patient service revenue (net of contractual allowances)	\$ -	\$ 654,517	\$ -	\$ -	\$ -	\$ 394	\$ 654,123
Provision for patient uncollectible accounts		(22,119)					(22,119)
Net patient service revenue		632,398				394	632,004
Other operating revenue		43,383		5,867	(225)	6,144	42,881
Net assets released from restrictions used for operations		2,739	11				2,750
Total revenue		678,520	11	5,867	(225)	6,538	677,635
Expenses							
Salaries and wages		240,279	1,114	62			241,455
Physician compensation and services		79,310				2,127	77,183
Employee benefits		60,454	281	23			60,758
Supplies		118,708	5	6			118,719
Other expenses	93	115,551	561	3,291		4,411	115,085
Depreciation and amortization		33,172	26	1,370			34,568
Interest		7,985		207			8,192
Provision for uncollectible accounts		145					145
Total expenses	93	655,604	1,987	4,959	-	6,538	656,105
Operating Income (Loss)	(93)	22,916	(1,976)	908	(225)	-	21,530
Nonoperating Gains (Losses)							
Investment income (loss)		(2,860)	1,166	1	(140)		(1,833)
Other, net			437				437
Total nonoperating gains (losses), net		(2,860)	1,603	1	(140)		(1,396)
Revenue Over (Under) Expenses	<u>\$ (93)</u>	<u>\$ 20,056</u>	<u>\$ (373)</u>	<u>\$ 909</u>	<u>\$ (365)</u>	<u>\$ -</u>	<u>\$ 20,134</u>

Definitions

IHDM - Iowa Health - Des Moines
CIHC - Central Iowa Hospital Corporation
IHF - Iowa Health Foundation
CIHP - Central Iowa Health Properties Corporation
IHP - Iowa Health Physicians IHDM portion

Iowa Health System and Subsidiaries
Trinity Regional Health System and Subsidiaries (Rock Island)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	TRHS	TMC	VNHA	THF	THE	TM	IHP	Eliminations	Consolidated
Current Assets									
Cash and cash equivalents	\$ 516	\$ 13 789	\$ -	\$ 757	\$ 1 106	\$ 525	\$ -	\$ -	\$ 16 693
Short-term investments		42 454		-		816		1	43 276
Assets limited as to use - required for current liabilities		3 320							3 320
Patient accounts receivable - less estimated uncollectibles		43 576			445	7 477		8	51 490
Other receivables		2 476		1		151			2 628
Inventories		7 655			604	946			9 205
Prepaid expenses	2	1 402		11	41	223			1 679
Due from affiliates	(15)	9 968			81	(32)		9 659	343
Total current assets	503	124 640		776	2 277	10 106		9 668	128 634
Assets Limited As to Use, noncurrent									
Internally designated	12 407	97 038		2 242		5 110			116 797
Property, Plant and Equipment, net		129 819			497	13 521			143 837
Other Long-term Investments		1 723		92					1 815
Investments in Joint Ventures and Other Investments	2 721	8 700	(673)		183		1 500	6 544	5 887
Contributions Receivable, net				32		1 717			1 749
Other		2 323				473			2 796
Total assets	\$ 15 631	\$ 364 243	\$ (673)	\$ 3 142	\$ 2 957	\$ 30 927	\$ 1 500	\$ 16 212	\$ 401 515

Liabilities and Net Assets

Current Liabilities									
Current maturities of long-term debt						\$ 2 012			\$ 2 012
Accounts payable	\$ 49	\$ 15 729	\$ -	\$ 5	\$ 56	995	\$ -	\$ 8	16 826
Accrued payroll	648	13 359		23	100	2 409			16 539
Estimated settlements due to third-party payers		7 286				410			7 696
Due to affiliates	4 111	8 589		301	219	5 056		9 660	8 616
Other current liabilities	35	6 129		16	(134)	1 028			7 074
Total current liabilities	4 843	51 092		345	241	11 910		9 668	58 763
Long-term Debt, net						14 720			14 720
Other Long-term Liabilities		11 365		73		592			12 030
Due to Affiliates		126 100							126 100
Total liabilities	4 843	188 557		418	241	27 222		9 668	211 613
Net Assets									
Unrestricted	10 788	172 006	(673)	(1 385)	2 716	1 988	1 500	2 949	183 991
Temporarily restricted		2 324		2 527		1 717		2 239	4 329
Permanently restricted		1 356		1 582				1 356	1 582
Total net assets	10 788	175 686	(673)	2 724	2 716	3 705	1 500	6 544	189 902
Total liabilities and net assets	\$ 15 631	\$ 364 243	\$ (673)	\$ 3 142	\$ 2 957	\$ 30 927	\$ 1 500	\$ 16 212	\$ 401 515

Definitions

TRHS - Trinity Regional Health System
TMC - Trinity Medical Center
VNHA - Trinity Visiting Nurses and Homemakers Association
THF - Trinity Health Foundation

THE - Trinity Health Enterprises, Inc.
TM - Trinity Muscatine
IHP - Iowa Health Physicians - TRHS portion

Iowa Health System and Subsidiaries
Trinity Regional Health System and Subsidiaries (Rock Island)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	TRHS	TMC	VNHA	THF	THE	TM	IHP	Eliminations	Consolidated
Revenue									
Patient service revenue (net of contractual allowances)	\$ -	\$ 354,277	\$ -	\$ -	\$ 6,739	\$ 56,615	\$ -	\$ 10	\$ 417,621
Provision for patient uncollectible accounts		(23,195)			(126)	(4,583)			(27,904)
Net patient service revenue		331,082			6,613	52,032		10	389,717
Other operating revenue	353	18,065	(651)	20	34	3,009	(1,795)	1,460	17,575
Net assets released from restrictions used for operations		3	-	610					613
Total revenue	353	349,150	(651)	630	6,647	55,041	(1,795)	1,470	407,905
Expenses									
Salaries and wages	372	111,431		345	1,550	18,705			132,403
Physician compensation and services		24,825				8,138		5	32,958
Employee benefits	70	33,906		81	443	5,677		90	40,087
Supplies	30	75,293		9	3,567	6,907		(38)	85,844
Other expenses	1,049	71,069		954	758	12,021		1,249	84,602
Depreciation and amortization		14,846			111	1,633			16,590
Interest		6,969				344		100	7,213
Total expenses	1,521	338,339	-	1,389	6,429	53,425	-	1,406	399,697
Operating Income (Loss)	(1,168)	10,811	(651)	(759)	218	1,616	(1,795)	64	8,208
Nonoperating Gains (Losses)									
Investment income (loss)	(220)	(82)	(22)	73		(55)	(20)	105	(431)
Other net				279	(49)	172			402
Total nonoperating gains (losses) net	(220)	(82)	(22)	352	(49)	117	(20)	105	(29)
Revenue Over (Under) Expenses	\$ (1,388)	\$ 10,729	\$ (673)	\$ (407)	\$ 169	\$ 1,733	\$ (1,815)	\$ 169	\$ 8,179

Definitions

TRHS - Trinity Regional Health System
TMC - Trinity Medical Center
VNHA - Trinity Visiting Nurses and Homemakers Association
THF - Trinity Health Foundation

THE - Trinity Health Enterprises, Inc.
TM - Trinity Muscatine
IHP - Iowa Health Physicians - TRHS portion

Iowa Health System and Subsidiaries
Methodist Health Services Corporation and Subsidiaries (Peoria)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	MHSC	MMCI	MSI	MMCF	Eliminations	Consolidated
Current Assets						
Cash and cash equivalents	\$ 2 441	\$ 17 420	\$ 63	\$ 593	\$ -	\$ 20 517
Patient accounts receivable less estimated uncollectibles	85	56 662				56 747
Other receivables	200	7 204	734			8 138
Inventories	502	3 166				3 668
Prepaid expenses	20	7 010		4		7 034
Due from affiliates	47	2 592			2 637	2
Total current assets	3 295	94 054	797	597	2 637	96 106
Assets Limited As to Use, noncurrent						
Internally designated		6 956				6 956
Property, Plant and Equipment, net	161	172 144	76 615			248 920
Other Long-term Investments		124 427		15 379		139 806
Investments in Joint Ventures and Other Investments	344	29 069		139	15 775	13 777
Contributions Receivable, net		5 497				5 497
Other	122	1 837				1 959
Total assets	\$ 3 922	\$ 433 984	\$ 77 412	\$ 16 115	\$ 18 412	\$ 513 021

Liabilities and Net Assets

Current Liabilities						
Current maturities of long-term debt		\$ 5 702				\$ 5 702
Accounts payable	\$ 143	24 320	\$ 167			24 630
Accrued payroll	476	8 803				9 279
Accrued interest		276				276
Estimated settlements due to third-party payers		27 934				27 934
Due to affiliates	776	47	1 814		\$ 2 637	-
Other current liabilities		12 318	659	\$ 64		13 041
Total current liabilities	1 395	79 400	2 640	64	2 637	80 862
Long-term Debt, net		104 375				104 375
Other Long-term Liabilities		131 095		276		131 371
Total liabilities	1 395	314 870	2 640	340	2 637	316 608
Net Assets						
Unrestricted	2 527	106 203	74 772	8 419	8 419	183 502
Temporarily restricted		8 991		3 456	3 456	8 991
Permanently restricted		3 920		3 900	3 900	3 920
Total net assets	2 527	119 114	74 772	15 775	15 775	196 413
Total liabilities and net assets	\$ 3 922	\$ 433 984	\$ 77 412	\$ 16 115	\$ 18 412	\$ 513 021

Definitions

MHSC - Methodist Health Services Corporation
MMCI - Methodist Medical Center of Illinois
MSI - Methodist Services, Inc.
MMCF - Methodist Medical Center Foundation

Iowa Health System and Subsidiaries
Methodist Health Services Corporation and Subsidiaries (Peoria)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Three Months Ended December 31, 2011

	MHSC	MMCI	MSI	MMCF	Eliminations	Consolidated
Revenue						
Patient service revenue (net of contractual allowances)	\$ 219	\$ 87,233	\$ -	\$ -	\$ 465	\$ 86,987
Provision for patient uncollectible accounts		(2,653)				(2,653)
Net patient service revenue	219	84,580			465	84,334
Other operating revenue	3,047	5,107	1,763	73	4,806	5,184
Net assets released from restrictions used for operations		90		224		314
Total revenue	3,266	89,777	1,763	297	5,271	89,832
Expenses						
Salaries and wages	2,530	26,275		43		28,848
Physician compensation and services		11,333				11,333
Employee benefits	650	8,447	5	11	107	9,006
Supplies	2	12,981	2			12,985
Other expenses	148	20,901	1,409	348	5,164	17,642
Depreciation and amortization	7	5,919	685			6,611
Interest		678	(14)			664
Total expenses	3,337	86,534	2,087	402	5,271	87,089
Operating Income (Loss)	(71)	3,243	(324)	(105)	-	2,743
Nonoperating Gains						
Investment income	1	4,560		349		4,910
Contribution received in affiliation with Methodist Peoria	2,597	102,632	75,096	8,114	8,114	180,325
Other, net		941		52		993
Total nonoperating gains, net	2,598	108,133	75,096	8,515	8,114	186,228
Revenue Over Expenses	\$ 2,527	\$ 111,376	\$ 74,772	\$ 8,410	\$ 8,114	\$ 188,971

Definitions

MHSC - Methodist Health Services Corporation

MMCI - Methodist Medical Center of Illinois

MSI - Methodist Services, Inc

MMCF - Methodist Medical Center Foundation

Iowa Health System and Subsidiaries
St Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	SLMH	CARE	CC-STL	STL-HR	JONES	CARDIO LC	STEAM INC	IHP	Eliminations	Consolidated
Current Assets										
Cash and cash equivalents	\$ 10,990	\$ 1,418	\$ 331	\$ 459	\$ 4,583	\$ 9	\$ -	\$ -	\$ -	\$ 17,790
Short-term investments	37,227				3,484					40,711
Assets limited as to use - required for current liabilities	2,638									2,638
Patient accounts receivable, less estimated uncollectibles	42,330	1,145	1,186		2,526	999				48,186
Other receivables	4,793			29	5	84	69			4,980
Inventories	7,478		68		232					7,778
Prepaid expenses	1,496	57	15		69	205	30			1,872
Due from affiliates	1,187			1,498		3	182		2,314	556
Total current assets	108,139	2,620	1,600	1,986	10,899	1,300	281		2,314	124,511
Assets Limited As to Use - noncurrent										
Internally designated	74,613				6,123					80,736
Property, Plant and Equipment, net	137,034	4,361	372	1,877	13,920	958	4,818		(673)	164,013
Other Long-term Investments	19,024			92		460				19,576
Investments in Joint Ventures and Other Investments	11,647							9,704	5,828	15,523
Contributions Receivable	30,563				833					31,396
Other	1,039			202		763				2,004
Due From Affiliates	11,680			1,421					13,101	-
Total assets	\$ 393,739	\$ 6,981	\$ 1,972	\$ 5,578	\$ 31,775	\$ 3,481	\$ 5,099	\$ 9,704	\$ 20,570	\$ 437,759

Liabilities and Net Assets

Current Liabilities										
Current maturities of long-term debt		\$ 247	\$ 2		\$ 47					\$ 296
Accounts payable	\$ 11,425	323	249	\$ 4	305	\$ 291	\$ 258			12,855
Accrued payroll	18,715	308	287		801	1,723				21,834
Estimated settlements due to third-party payers	4,331		11		1,397					5,739
Due to affiliates	11,253	75	55		507				\$ 2,314	9,576
Other current liabilities	5,027	111		335		110		\$ -		5,583
Total current liabilities	50,751	1,064	604	339	3,057	2,124	258		2,314	55,883
Long-term Debt, net			3							3
Other Long-term Liabilities	38,095			641		460				39,196
Due to Affiliates	77,736	340	4,681		6,660				13,101	76,316
Total liabilities	166,582	1,404	5,288	980	9,717	2,584	258		15,415	171,398
Net Assets										
Unrestricted	197,297	5,577	(3,316)	4,598	21,225	897	477	9,704	5,155	231,304
Temporarily restricted	11,843				833		4,364			17,040
Permanently restricted	18,017									18,017
Total net assets	227,157	5,577	(3,316)	4,598	22,058	897	4,841	9,704	5,155	266,361
Total liabilities and net assets	\$ 393,739	\$ 6,981	\$ 1,972	\$ 5,578	\$ 31,775	\$ 3,481	\$ 5,099	\$ 9,704	\$ 20,570	\$ 437,759

Definitions

SLMH - St. Luke's Methodist Hospital
CARE - STL Care Company
CC-STL - Continuing Care Hospital STL
STL-HR - STL Health Resources

JONES - Jones Regional Medical Center
CARDIO LC - Cardiologists, L.C.
STEAM INC. - St. Luke's Coe Steam, Inc.
IHP - Iowa Health Physicians, SLHC portion

Iowa Health System and Subsidiaries
St Luke's Healthcare and Subsidiaries (Cedar Rapids)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	SLMH	CARE	CC-STL	STL-HR	JONES	CARDIO LC	STEAM INC	IHP	Eliminations	Consolidated
Revenue										
Patient service revenue (net of contractual allowances)	\$ 296 802	\$ 11 210	\$ 7 032	\$ -	\$ 20 494	\$ 14 566	\$ -	\$ -	\$ 922	\$ 349 182
Provision for patient uncollectible accounts	(11 435)		(36)		(575)	(507)				(12 553)
Net patient service revenue	285 367	11 210	6 996		19 919	14 059			922	336 629
Other operating revenue	22 156	244	2	(424)	239	372	1 505	(540)	3 879	19 675
Net assets released from restrictions used for operations	1 000									1 000
Total revenue	308 523	11 454	6 998	(424)	20 158	14 431	1 505	(540)	4 801	357 304
Expenses										
Salaries and wages	111 697	5 447	2 729		5 651	4 069			(170)	129 763
Physician compensation and services	12 539	26	13		1 444	10 364			233	24 153
Employee benefits	32 093	792	484		1 502	858			(28)	35 757
Supplies	51 766	1 087	355		1 383	1 157	65		69	55 744
Other expenses	60 157	2 808	3 024	23	4 128	1 865	1 424		4 735	68 694
Depreciation and amortization	14 703	279	93	96	1 150	1 031	232			17 584
Interest	3 967	55	183		355	48			637	3 971
Provision for uncollectible accounts	151									151
Total expenses	287 073	10 494	6 881	119	15 613	19 392	1 721		5 476	335 817
Operating Income (Loss)	21 450	960	117	(543)	4 545	(4 961)	(216)	(540)	(675)	21 487
Nonoperating Gains (Losses)										
Investment income (loss)	(624)	3			(19)			(79)		(719)
Other net					31					31
Total nonoperating gains (losses) net	(624)	3	-	-	12	-	-	(79)	-	(688)
Revenue Over (Under) Expenses	\$ 20 826	\$ 963	\$ 117	\$ (543)	\$ 4 557	\$ (4 961)	\$ (216)	\$ (619)	\$ (675)	\$ 20 799

Definitions

SLMH - St Luke's Methodist Hospital
CARE - STL Care Company
CC-STL - Continuing Care Hospital STL
STL-HR - STL Health Resources

JONES - Jones Regional Medical Center
CARDIO LC - Cardiologists LC
STEAM INC - St Luke's Coe Steam Inc
IHP - Iowa Health Physicians SLHC portion

Iowa Health System and Subsidiaries
Allen Health Systems, Inc. and Subsidiaries (Waterloo)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	AHS	AMH	MFAH	ACN	IHP	IHHC	Eliminations	Consolidated
Current Assets								
Cash and cash equivalents	\$ -	\$ 3,432	\$ 682	\$ -	\$ -	\$ -	\$ -	\$ 4,114
Short-term investments		12,245	3					12,248
Assets limited as to use - required for current liabilities		1,222						1,222
Patient accounts receivable less estimated uncollectibles		23,136						23,136
Other receivables		4,066		424				4,490
Inventories		6,011						6,011
Prepaid expenses		766	1	99				866
Due from affiliates		580					180	400
Total current assets		51,458	686	523			180	52,487
Assets Limited As to Use, noncurrent								
Internally designated		1,381	76					1,457
Property, Plant and Equipment, net		100,498						100,498
Other Long-term Investments		77,388	6,634	804				84,826
Investments in Joint Ventures and Other Investments		4,204	1,038	3,741	6,541	(652)	7701	7,171
Contributions Receivable		1,786	1,319					3,105
Other		3,823						3,823
Due From Affiliates		150						150
Total assets	\$ -	\$ 240,688	\$ 9,753	\$ 5,068	\$ 6,541	\$ (652)	\$ 7,881	\$ 253,517

Liabilities and Net Assets

Current Liabilities								
Current maturities of long-term debt		\$ 48						\$ 48
Accounts payable		8,002		\$ 38				8,040
Accrued payroll		10,978						10,978
Estimated settlements due to third-party payers		5,895						5,895
Due to affiliates	\$ 2	6,920	\$ 3,156	(2,979)			\$ 180	6,919
Other current liabilities		4,771	12	8	\$ -	\$ -		4,791
Total current liabilities	2	36,614	3,168	(2,933)			180	36,671
Long-term Debt, net		43						43
Other Long-term Liabilities		13,481	58	503				14,042
Due to Affiliates		59,080						59,080
Total liabilities	2	109,218	3,226	(2,430)			180	109,836
Net Assets								
Unrestricted	(2)	125,520	(1,174)	3,757	6,541	(652)		133,990
Temporarily restricted		4,164	5,895	1,935			5,895	6,099
Permanently restricted		1,786	1,806	1,806			1,806	3,592
Total net assets	(2)	131,470	6,527	7,498	6,541	(652)	7701	143,681
Total liabilities and net assets	\$ -	\$ 240,688	\$ 9,753	\$ 5,068	\$ 6,541	\$ (652)	\$ 7,881	\$ 253,517

Definitions

AHS - Allen Health System
AMH - Allen Memorial Hospital Corporation
MFAH - Memorial Foundation of Allen Hospital

ACN - Allen College of Nursing
IHP - Iowa Health Physicians - AHS portion
IHHC - Iowa Health Home Care - AHS portion

Iowa Health System and Subsidiaries
Allen Health Systems, Inc. and Subsidiaries (Waterloo)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	AHS	AMH	MFAH	ACN	IHP	IHHC	Eliminations	Consolidated
Revenue								
Patient service revenue (net of contractual allowances)	\$ -	\$ 205,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,954
Provision for patient uncollectible accounts		(6,214)						(6,214)
Net patient service revenue		199,740						199,740
Other operating revenue		7,938	38	7,532	(4,267)	(640)	27	10,574
Net assets released from restrictions used for operations		281		193				474
Total revenue		207,959	38	7,725	(4,267)	(640)	27	210,788
Expenses								
Salaries and wages		65,721	265	4,112				70,098
Physician compensation and services		15,642						15,642
Employee benefits		15,349	80	1,105			27	16,561
Supplies		47,486	8	167				47,661
Other expenses	38	34,447	197	1,150				35,832
Depreciation and amortization		12,392						12,392
Interest		3,230	9					3,239
Provision for uncollectible accounts		-		13				13
Total expenses	38	194,267	559	6,547			27	201,384
Operating Income (Loss)	(38)	13,692	(521)	1,178	(4,267)	(640)		9,404
Nonoperating Gains (Losses)								
Investment income (loss)		(966)	(95)		(75)	(12)		(1,148)
Other net		30						30
Total nonoperating gains (losses) net		(936)	(95)		(75)	(12)		(1,118)
Revenue Over (Under) Expenses	\$ (38)	\$ 12,756	\$ (616)	\$ 1,178	\$ (4,342)	\$ (652)	\$ -	\$ 8,286

Definitions

AHS - Allen Health System

AMH - Allen Memorial Hospital Corporation

MFAH - Memorial Foundation of Allen Hospital

ACN - Allen College of Nursing

IHP - Iowa Health Physicians - AHS portion

IHHC - Iowa Health Home Care - AHS portion

Iowa Health System and Subsidiaries
Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	THS	TRMC	BMHC	THF	TBC	TRIMARK	IHHC	Eliminations	Consolidated
Current Assets									
Cash and cash equivalents	\$ 185	\$ 6,402	\$ 173	\$ 940	\$ 1,305	\$ 2,300	\$ -	\$ -	\$ 11,557
Short-term investments		985							985
Assets limited as to use - required for current liabilities		712							712
Patient accounts receivable, less estimated uncollectibles		13,100	188			3,011			16,908
Other receivables	230	825			(8)	302			1,430
Inventories		2,436				510			2,946
Prepaid expenses	0	420	2		0	62			490
Due from affiliates	(71)	1,853	11	24	8			2,002	(237)
Total current assets	350	35,502	374	970	1,311	6,971		2,002	43,500
Assets Limited As to Use, noncurrent									
Internally designated		20,153		10,148					30,301
Property, Plant and Equipment, net	400	50,107	932	4	12,757	1,158			71,457
Other Long-term Investments	544			3,000		8,742			12,895
Investments in Joint Ventures and Other Investments	38,248	10,530					632	52,288	3,122
Contributions Receivable				1,937					1,937
Other	23	650				170			840
Due From Affiliates		90		220	12			328	-
Total assets	<u>\$ 30,004</u>	<u>\$ 138,134</u>	<u>\$ 1,300</u>	<u>\$ 10,888</u>	<u>\$ 14,140</u>	<u>\$ 17,041</u>	<u>\$ 632</u>	<u>\$ 54,678</u>	<u>\$ 173,127</u>

Liabilities and Net Assets

Current Liabilities									
Current maturities of long-term debt		\$ 355							\$ 355
Accounts payable	\$ 8	3,172	\$ 0	\$ 10	\$ 20	\$ 507			3,813
Accrued payroll	348	3,033	48	12	8	2,763			6,812
Accrued interest		410							410
Estimated settlements due to third-party payers		1,887	(300)						1,521
Due to affiliates	1,000	1,497	380	430	43	87		\$ 2,002	1,480
Other current liabilities	20	1,805	133	4	423	92			2,543
Total current liabilities	1,481	12,828	207	462	494	3,530		2,002	16,940
Long-term Debt, net		5,027							5,027
Other Long-term Liabilities	632	1,688	34			8,742			11,096
Due to Affiliates		10,772	90					328	10,540
Total liabilities	2,113	30,315	337	462	494	12,281		2,330	49,012
Net Assets									
Unrestricted	37,551	90,073	900	10,151	13,640	4,700	632	40,235	117,547
Temporarily restricted		3,800		4,431				4,173	4,124
Permanently restricted		1,880		1,844				1,880	1,844
Total net assets	37,551	101,810	900	16,426	13,640	4,700	632	52,288	123,515
Total liabilities and net assets	<u>\$ 30,004</u>	<u>\$ 138,134</u>	<u>\$ 1,300</u>	<u>\$ 10,888</u>	<u>\$ 14,140</u>	<u>\$ 17,041</u>	<u>\$ 632</u>	<u>\$ 54,678</u>	<u>\$ 173,127</u>

Definitions

THS - Trinity Health Systems
TRMC - Trinity Regional Medical Center
BMHC - Berryhill Mental Health Center
THF - Trinity Health Foundation

TBC - Trinity Building Corporation
TRIMARK - Trimark Physicians Group
IHHC - Iowa Health Home Care - THS portion

Iowa Health System and Subsidiaries
Trinity Health Systems, Inc. and Subsidiaries (Fort Dodge)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	THS	TRMC	BMHC	THF	TBC	TRIMARK	IHHC	Eliminations	Consolidated
Revenue									
Patient service revenue (net of contractual allowances)	\$ -	\$ 95,319	\$ 2,236	\$ -	\$ -	\$ 42,236	\$ -	\$ -	\$ 139,791
Provision for patient uncollectible accounts		(5,305)	(20)			(1,067)			(6,392)
Net patient service revenue		90,014	2,216			41,169			133,399
Other operating revenue	3,072	6,567	77	26	2,123	4,507	(281)	5,759	10,332
Net assets released from restrictions used for operations		215		34					249
Total revenue	3,072	96,796	2,293	60	2,123	45,676	(281)	5,759	143,980
Expenses									
Salaries and wages	1,968	36,349	1,168	119	202	10,047			49,853
Physician compensation and services		7,720	362			19,907			27,989
Employee benefits	483	8,391	267	29	55	2,920			12,145
Supplies	7	17,344	23	5	5	3,155			20,539
Other expenses	167	22,669	429	525	1,140	9,422		5,895	28,457
Depreciation and amortization	60	5,205	89	2	729	362			6,447
Interest		1,510	5						1,515
Total expenses	2,685	99,188	2,343	680	2,131	45,813		5,895	146,945
Operating Income (Loss)	387	(2,392)	(50)	(620)	(8)	(137)	(281)	(136)	(2,965)
Nonoperating Gains (Losses)									
Investment income (loss)	2	(129)		(757)	3	6	(10)		(885)
Other net				171					171
Total nonoperating gains (losses) net	2	(129)		(586)	3	6	(10)		(714)
Revenue Over (Under) Expenses	\$ 389	\$ (2,521)	\$ (50)	\$ (1,206)	\$ (5)	\$ (131)	\$ (291)	\$ (136)	\$ (3,679)

Definitions

THS - Trinity Health Systems
TRMC - Trinity Regional Medical Center
BMHC - Berryhill Mental Health Center
THF - Trinity Health Foundation

TBC - Trinity Building Corporation
TRIMARK - Trimark Physicians Group
IHHC - Iowa Health Home Care - THS portion

Iowa Health System and Subsidiaries
St. Luke's Health System, Inc. (Sioux City)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	SLHS	SLRMC	SLHR	PACE	Eliminations	Consolidated
Current Assets						
Cash and cash equivalents	\$ 31	\$ 7,197	\$ 638	\$ 33	\$ -	\$ 7,899
Short-term investments		12,229				12,229
Assets limited as to use - required for current liabilities		1,391				1,391
Patient accounts receivable less estimated uncollectibles		19,165	1,085	212	34	20,428
Other receivables	28	2,749	37	13		2,827
Inventories		3,346	42			3,388
Prepaid expenses	15	708	31	27		781
Due from affiliates	36	41,046			40,926	156
Total current assets	110	87,831	1,833	285	40,960	49,099
Assets Limited As to Use, noncurrent						
Internally designated		41,796				41,796
Property, Plant and Equipment, net	14,789	49,849	2,134	90		66,862
Other Long-term Investments		1,105				1,105
Investments in Joint Ventures and Other Investments	10,667	791				11,458
Contributions Receivable		3,874				3,874
Other		726	18			744
Total assets	\$ 25,566	\$ 185,972	\$ 3,985	\$ 375	\$ 40,960	\$ 174,938

Liabilities and Net Assets (Deficit)

Current Liabilities						
Accounts payable	\$ 528	\$ 4,939	\$ 324	\$ 626	\$ 34	\$ 6,383
Accrued payroll		5,701	77	34		5,812
Estimated settlements due to third-party payers		2,589		13		2,602
Due to affiliates	2,243	5,243	39,036	327	40,926	5,923
Other current liabilities	398	1,999	293			2,690
Total current liabilities	3,169	20,471	39,730	1,000	40,960	23,410
Other Long-term Liabilities		6,247	242			6,489
Due to Affiliates	10,660	43,215				53,875
Total liabilities	13,829	69,933	39,972	1,000	40,960	83,774
Net Assets (Deficit)						
Unrestricted	11,737	111,880	(35,987)	(625)		87,005
Temporarily restricted		2,603				2,603
Permanently restricted		1,556				1,556
Total net assets (deficit)	11,737	116,039	(35,987)	(625)		91,164
Total liabilities and net assets (deficit)	\$ 25,566	\$ 185,972	\$ 3,985	\$ 375	\$ 40,960	\$ 174,938

Definitions

SLHS - St. Luke's Health System
SLRMC - St. Luke's Regional Medical Center
SLHR - St. Luke's Health Resources
PACE - Soundland PACE

Iowa Health System and Subsidiaries
St. Luke's Health System, Inc. (Sioux City)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	SLHS	SLRMC	SLHR	PACE	Eliminations	Consolidated
Revenue						
Patient service revenue (net of contractual allowances)	\$ -	\$ 136,793	\$ 12,319	\$ 3,720	\$ 537	\$ 152,295
Provision for patient uncollectible accounts		(9,255)	(664)			(9,919)
Net patient service revenue		127,538	11,655	3,720	537	142,376
Other operating revenue	3,443	4,460	65		602	7,366
Total revenue	3,443	131,998	11,720	3,720	1,139	149,742
Expenses						
Salaries and wages	10	46,761	3,743	661		51,175
Physician compensation and services		7,064	4,725	121		11,910
Employee benefits		11,656	931	123		12,710
Supplies	7	24,277	590	619		25,493
Other expenses	1,698	25,446	2,987	2,784	1,139	31,776
Depreciation and amortization	981	5,898	346	37		7,262
Interest	579	2,469				3,048
Provision for uncollectible accounts		46				46
Total expenses	3,275	123,617	13,322	4,345	1,139	143,420
Operating Income (Loss)	168	8,381	(1,602)	(625)	-	6,322
Nonoperating Gains (Losses)						
Investment income (loss)	(8)	(363)				(371)
Other, net	(18)		126			108
Total nonoperating gains (losses), net	(26)	(363)	126			(263)
Revenue Over (Under) Expenses	\$ 142	\$ 8,018	\$ (1,476)	\$ (625)	\$ -	\$ 6,059

Definitions

SLHS - St. Luke's Health System
SLRMC - St. Luke's Regional Medical Center
SLHR - St. Luke's Health Resources
PACE - Sourland PACE

Iowa Health System and Subsidiaries
Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
Consolidating Schedule - Balance Sheet Information
(In Thousands)
December 31, 2011

Assets

	TRI-ST	Finley	VNA	Eliminations	Consolidated
Current Assets					
Cash and cash equivalents	\$ -	\$ 4,595	\$ 354	\$ -	\$ 4,949
Short-term investments		9,481			9,481
Patient accounts receivable less estimated uncollectibles		12,603	277		12,880
Other receivables		2,197	8		2,205
Inventories		2,132			2,132
Prepaid expenses		511	1		512
Due from affiliates		110	4	67	47
Total current assets		31,629	644	67	32,206
Assets Limited As to Use, noncurrent					
Internally designated		46,664			46,664
Property, Plant and Equipment, net		47,746	141		47,887
Other Long-term Investments		197			197
Investments in Joint Ventures and Other Investments	14	4,311			4,325
Contributions Receivable		5,228	1,617		6,845
Other		845	6		851
Due From Affiliates		90			90
Total assets	\$ 14	\$ 136,710	\$ 2,408	\$ 67	\$ 139,065

Liabilities and Net Assets

Current Liabilities					
Accounts payable	\$ -	\$ 3,596	\$ 5	\$ -	\$ 3,601
Accrued payroll		3,999	181		4,180
Estimated settlements due to third-party payers		2,516	29		2,545
Due to affiliates		1,281	62	67	1,276
Other current liabilities		2,036	170		2,206
Total current liabilities		13,428	447	67	13,808
Other Long-term Liabilities		1,485	13		1,498
Due to Affiliates		7,626			7,626
Total liabilities		22,539	460	67	22,932
Net Assets					
Unrestricted	14	108,943	331		109,288
Temporarily restricted		3,426	1,617		5,043
Permanently restricted		1,802			1,802
Total net assets	14	114,171	1,948		116,133
Total liabilities and net assets	\$ 14	\$ 136,710	\$ 2,408	\$ 67	\$ 139,065

Definitions

TRI-ST - Finley Tri-States Health Group, Inc.
 Finley - The Finley Hospital
 VNA - Visiting Nurse Association

Iowa Health System and Subsidiaries
Finley Tri-States Health Group, Inc. and Subsidiaries (Dubuque)
Consolidating Schedule - Revenue and Gains, Expenses and Losses Information
(In Thousands)
Year Ended December 31, 2011

	TRI-ST	Finley	VNA	Eliminations	Consolidated
Revenue					
Patient service revenue (net of contractual allowances)	\$ -	\$ 92,643	\$ 570	\$ -	\$ 93,213
Provision for patient uncollectible accounts		(2,630)			(2,630)
Net patient service revenue		90,013	570		90,583
Other operating revenue		3,609	2,130		5,739
Total revenue		93,622	2,700		96,322
Expenses					
Salaries and wages		32,205	1,937		34,142
Physician compensation and services		5,010			5,010
Employee benefits		8,890	568		9,458
Supplies		13,484	46		13,530
Other expenses		23,050	221		23,271
Depreciation and amortization		5,760	22		5,782
Interest		534			534
Provision for uncollectible accounts		26	7		33
Total expenses		88,959	2,801		91,760
Operating Income (Loss)		4,663	(101)		4,562
Nonoperating Gains (Losses)					
Investment income (loss)		(497)	6		(491)
Other, net		444	75		519
Total nonoperating gains (losses), net		(53)	81		28
Revenue Over (Under) Expenses	\$ -	\$ 4,610	\$ (20)	\$ -	\$ 4,590

Definitions

TRI-ST - Finley Tri-States Health Group, Inc.
 Finley - The Finley Hospital
 VNA - Visiting Nurse Association

Iowa Health System and Subsidiaries
The Methodist Medical Center of Illinois
Statement of Operations for the Methodist College of Nursing
Three-Month Period Ended December 31, 2011

Unrestricted Revenues, Gains and Other Support

Student revenue	\$ 194,178
Tuition	1,834,988
Foundation grants	<u>11,294</u>
Total operating revenue	<u>2,040,460</u>

Expenses

Salaries and benefits	1,085,604
Supplies and other expenses	320,232
Depreciation and amortization	<u>48,280</u>
Total operating expenses	<u>1,454,116</u>

Revenues in Excess of Expenses	<u>\$ 586,344</u>
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