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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
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
601 SOUTH 169 HIGHWAY

City or town, state or country, and ZIP + 4
SMITHVILLE, MO 64089

D Employer identification number
44-0565393

E Telephone number
(816) 532-7164

G Gross receipts $ 115,950,042

F Name and address of principal officer
KEVIN TRIMBLE
601 SOUTH 169 HIGHWAY
SMITHVILLE, MO 64089

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW SAINTLUKESHEALTHSYSTEM ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1989

M State of legal domicile MO

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HOSPITAL

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,162
6	Total number of volunteers (estimate if necessary)	**6**	197
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	35,917
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-25,449

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	222,762	332,673
9	Program service revenue (Part VIII, line 2g)	112,607,841	115,467,999
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	71,767	149,370
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	112,902,370	115,950,042
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,188,789	4,267,171
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	49,147,500	53,972,125
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶29,944		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	52,925,429	53,259,612
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	116,261,718	111,498,908
19	Revenue less expenses Subtract line 18 from line 12	-3,359,348	4,451,134

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	96,862,596	101,409,607
21	Total liabilities (Part X, line 26)	55,210,702	56,089,317
22	Net assets or fund balances Subtract line 21 from line 20	41,651,894	45,320,290

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 — Date: 2012-11-15

KEVIN TRIMBLE CEO
Type or print name and title

Paid Preparer's Use Only

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

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

SAINT LUKE'S NORTHLAND HOSPITAL CORPORATION IS A PART OF SAINT LUKE'S HEALTH SYSTEM, A FAITH BASED, NOT-FOR-PROFIT ALIGNED HEALTH SYSTEM COMMITTED TO THE HIGHEST LEVELS OF EXCELLENCE IN PROVIDING HEALTH CARE AND HEALTH RELATED SERVICES IN A CARING ENVIRONMENT WE ARE DEDICATED TO ENHANCING THE PHYSICAL, MENTAL, AND SPIRITUAL HEALTH OF THE COMMUNITIES WE SERVE

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 $ 99,678,221 including grants of $ 4,267,171) (Revenue $ 115,432,082)

ALL PROGRAM SERVICE EXPENSES WERE INCURRED IN FURTHERANCE OF OUR MISSION, WHICH IS TO ENSURE THE HIGHEST LEVELS OF EXCELLENCE IN PROVIDING HEALTH CARE SERVICES TO ALL PATIENTS IN A CARING ENVIRONMENT IN 2011, THERE WERE 27,504 PATIENT DAYS AND 1,746 NEWBORN DAYS IN ADDITION, THE HOSPITAL PROVIDED 88,058 OUTPATIENT AND EMERGENCY SERVICES AS A VOLUNTARY, NONPROFIT, COMPREHENSIVE ORGANIZATION, SAINT LUKE'S NORTH HOSPITAL IS COMMITTED TO SERVING ALL WHO SEEK OUR SERVICES REGARDLESS OF THEIR SOCIOECONOMIC STATUS THE HOSPITAL PARTICIPATES IN THE MEDICAID AND MEDICARE PROGRAMS AND HAS CHARITY CARE POLICIES FOR ASSISTING PEOPLE WITHOUT ADEQUATE MEANS TO PAY FOR THEIR CARE THE BARRY ROAD CAMPUS IS AN 84-BED ACUTE CARE FACILITY LOCATED IN KANSAS CITY, MISSOURI THE SMITHVILLE CAMPUS PROVIDES URGENT CARE SERVICES TO THE COMMUNITY, AS WELL AS REHABILITATION, MENTAL HEALTH, AND POST-ACUTE CARE SERVICES BOTH CAMPUSES SERVE THE NORTHERN KANSAS CITY AREA

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 99,678,221

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

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

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	12		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,162			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10		
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	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

THE ORGANIZATION
601 SOUTH 169 HIGHWAY
SMITHVILLE, MO 64089
(816) 532-7164

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) THOMAS L BROWN DIRECTOR-CHAIRMAN	1 00	X		X				0	0	0
(2) EUGENE RUIZ DIRECTOR-SECRETARY/TREASUR	1 00	X		X				0	0	0
(3) RAHUL JOSHI DIRECTOR	1 00	X						0	0	0
(4) GAYDEN F CARRUTH DIRECTOR/VICE CHAIRMAN	1 00	X		X				0	0	0
(5) H D CLEBERG DIRECTOR	1 00	X						0	0	0
(6) MICHELLE DEW MD DIRECTOR	1 00	X						0	561,081	34,091
(7) KELLEY M MARTIN DIRECTOR	1 00	X						0	0	0
(8) WILLIAM PARKS DIRECTOR	1 00	X						0	0	0
(9) GINA LAWSON DIRECTOR	1 00	X						0	370,122	42,000
(10) LORA CHEATUM DIRECTOR	1 00	X						0	0	0
(11) MICHAEL SHORT DIRECTOR	1 00	X						0	0	0
(12) CYNTHIA A TODD-TAKEYAMA DIRECTOR	1 00	X						0	0	0
(13) KEVIN TRIMBLE CHIEF EXECUTIVE OFFICER	40 00			X				282,701	0	60,855
(14) JULIE MURPHY CHIEF FINANCIAL OFFICER	40 00			X				226,980	0	41,109
(15) JEFF EYE CNO	40 00			X				149,492	0	13,271
(16) DON SIPES CEO SMITHVILLE HOSPITAL	5 00			X				0	307,191	53,601
(17) N GARY WAGES CEO RETIRED 3/2011	40 00			X				286,519	0	15,364

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) DANIEL WEED PHYSICIAN	40 00					X		433,118	0	21,764
(19) SAMIRAN PATEL PHYSICIAN	40 00					X		301,202	0	21,137
(20) JENNIFER SVETLECIC PHYSICIAN	40 00					X		321,919	0	27,762
(21) VANCE JERNSTROM PHYSICIAN	40 00					X		360,659	0	17,059
(22) SALVATORE MICELI PHYSICIAN	40 00					X		367,886	0	29,672

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	2,730,476	1,238,394	377,685

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 ▶ 27

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
P1 GROUP INC 16210 W 108TH ST LENEXA, KS 66219	MAINTENANCE	1,518,966
JE DUNN 929 HOLMES KANSAS CITY, MO 64106	CONSTRUCTION & CONST MGMT	1,093,947
MOBILE CATARACT CARE OF KANSAS CITY LLC 5844 NW BARRY RD SUITE 200 KANSAS CITY, MO 64154	MEDICAL SERVICES	863,187
AD VIVUM ANESTHESIOLOGY PC 8646 N OREGON AVE KANSAS CITY, MO 64154	MEDICAL SERVICES	687,500
DAVID E ROSS CONSTRUCTION COMPANY 10201 E 75TH ST RAYTOWN, MO 64138	CONSTRUCTION	487,357

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 ▶ 19

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				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f 332,673				
	g	Noncash contributions included in lines 1a-1f $ 60,000				
	h	**Total.** Add lines 1a-1f . . . . . ▶	332,673			
Program Service Revenue		Business Code				
	2a	NET PATIENT REVENUE 622110	112,398,265	112,398,265		
	b	OTHER PROGRAM SERVICES 622110	1,163,429	1,163,429		
	c	REGIONAL LAB SERVICES 621500	690,760	654,843	35,917	
	d	MEDICAL OFFICE RENT 531120	611,080	611,080		
	e	RENT FROM AFFILIATES 531120	604,465	604,465		
	f	All other program service revenue				
	g	**Total.** Add lines 2a–2f . . . . . ▶	115,467,999			
	3	Investment income (including dividends, interest and other similar amounts) . . . . . ▶	149,370			149,370
	4	Income from investment of tax-exempt bond proceeds . . ▶				
	5	Royalties . . . . . ▶				
		(i) Real / (ii) Personal				
	6a	Gross rents				
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . . ▶				
		(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory				
	b	Less cost or other basis and sales expenses				
	c	Gain or (loss)				
	d	Net gain or (loss) . . . . . ▶				
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from fundraising events . . ▶				
	9a	Gross income from gaming activities See Part IV, line 19 . . . a				
	b	Less direct expenses . . . b				
	c	Net income or (loss) from gaming activities . . ▶				
	10a	Gross sales of inventory, less returns and allowances . a				
	b	Less cost of goods sold . . b				
	c	Net income or (loss) from sales of inventory . . ▶				
		Miscellaneous Revenue / Business Code				
	11a					
	b					
	c					
	d	All other revenue				
	e	**Total.** Add lines 11a–11d . . . . . ▶				
	12	**Total revenue.** See Instructions . . . ▶	115,950,042	115,432,082	35,917	149,370

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	4,254,563	4,254,563		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	12,608	12,608		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,076,293		1,076,293	
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	42,519,775	41,294,827	1,224,948	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,569,427	1,486,584	82,843	
9	Other employee benefits	5,889,117	5,557,711	331,406	
10	Payroll taxes	2,917,513	2,763,511	154,002	
11	Fees for services (non-employees)				
a	Management				
b	Legal	95,180		95,180	
c	Accounting	42,278		42,278	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other	10,613,599	9,606,090	1,007,509	
12	Advertising and promotion	23,608	4,751	18,857	
13	Office expenses	3,332,425	2,661,314	641,167	29,944
14	Information technology	279,871	174,500	105,371	
15	Royalties . .				
16	Occupancy	2,008,769	1,927,814	80,955	
17	Travel	86,584	67,526	19,058	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	85,768	60,574	25,194	
20	Interest	2,267,592	2,154,212	113,380	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	6,767,027	6,351,956	415,071	
23	Insurance	689,190	463,400	225,790	
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	12,464,447	12,462,089	2,358	
b	SHARED SERVICES- SLHS	8,576,912	2,657,783	5,919,129	
c	BAD DEBT	4,913,477	4,913,477		
d	EICU EXPENSES	223,940	223,940		
e					
f	All other expenses	788,945	578,991	209,954	
25	**Total functional expenses.** Add lines 1 through 24f	111,498,908	99,678,221	11,790,743	29,944
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	45,147	1	100,594
	2	Savings and temporary cash investments	9,958,964	2	16,140,065
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	13,210,221	4	13,798,385
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	2,153,346	8	1,993,881
	9	Prepaid expenses and deferred charges	1,374,187	9	1,500,969
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D* — 10a: 139,223,409			
	b	Less accumulated depreciation — 10b: 75,502,938	64,892,292	10c	63,720,471
	11	Investments—publicly traded securities	105,753	11	885,039
	12	Investments—other securities See Part IV, line 11	1,218,247	12	438,961
	13	Investments—program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	3,904,439	15	2,831,242
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	96,862,596	16	101,409,607
Liabilities	17	Accounts payable and accrued expenses	6,503,078	17	6,829,381
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	45,328,658	20	43,896,482
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	3,378,966	25	5,363,454
	26	**Total liabilities.** Add lines 17 through 25	55,210,702	26	56,089,317
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	40,978,147	27	44,891,122
	28	Temporarily restricted net assets	673,747	28	429,168
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	41,651,894	33	45,320,290
	34	Total liabilities and net assets/fund balances	96,862,596	34	101,409,607

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	115,950,042
2	Total expenses (must equal Part IX, column (A), line 25)	2	111,498,908
3	Revenue less expenses Subtract line 2 from line 1	3	4,451,134
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	41,651,894
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-782,738
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	45,320,290

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 44-0565393
Name: SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Form 990, Special Condition Description:

Special Condition Description

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
SAINT LUKES NORTHLAND HOSPITAL CORPORATION	44-0565393

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		10,210
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			10,210
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	LINE F-PORTION OF DUES PAID TO HOSPITAL ASSOCIATIONS AND MEDICAL ORGANIZATIONS USED TOWARD LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	100,371	74,120	72,833	95,720	
b Contributions	68,525	93,625	70,450	48,400	
c Investment earnings or losses	416	482	605	1,010	
d Grants or scholarships					
e Other expenditures for facilities and programs	74,540	67,856	69,768	72,297	
f Administrative expenses					
g End of year balance	94,772	100,371	74,120	72,833	

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

- a Board designated or quasi-endowment ▶ 100 000 %
- b Permanent endowment ▶
- c Term endowment ▶

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		2,433,226		2,433,226
b Buildings		63,542,861	35,553,159	27,989,702
c Leasehold improvements				
d Equipment		68,313,610	36,155,126	32,158,484
e Other		4,933,712	3,794,653	1,139,059
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				63,720,471

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED 3RD PARTY PAYOR SETTLEMENTS	1,575,157
RESERVE SELF INSURED RISKS	1,233,000
OTHER NONCURRENT LIABILITIES	450,703
OTHER CURRENT LIABILITIES	611,994
PAYABLES TO AFFILIATES	1,492,600
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	5,363,454

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INTENDED USE OF ENDOWMENT FUNDS INCLUDES BUT IS NOT LIMITED TO MEDICAL STAFF DEVELOPMENT, GENERAL OPERATIONS OF THE HOSPITAL, AND STUDENT SCHOLARSHIPS THE ASSETS HELD AT THE UNRELATED ORGANIZATION REPRESENTS THE ORGANIZATION'S SHARE OF NET ASSETS AT SPELMAN MEDICAL FOUNDATION PER SFAS 136 SUCH ASSETS ARE REPORTED IN PART X, LINE 15
		PART XI, XII, AND XIII, THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CONSOLIDATED AUDIT OF SAINT LUKE'S HEALTH SYSTEM

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☑ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			7,197,674	0	7,197,674	6 750 %
b Medicaid (from Worksheet 3, column a)			15,803,061	14,721,770	1,081,291	1 010 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			23,000,735	14,721,770	8,278,965	7 760 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			364,290		364,290	0 340 %
f Health professions education (from Worksheet 5)			31,256		31,256	0 030 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			172,075		172,075	0 160 %
j **Total** Other Benefits			567,621		567,621	0 530 %
k **Total.** Add lines 7d and 7j			23,568,356	14,721,770	8,846,586	8 290 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense	2	4,913,477		
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	24,399,456		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	32,126,822		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-7,727,366		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 2

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	SAINT LUKES NORTHLAND HOSPITAL-BARRY 5830 NW BARRY ROAD KANSAS CITY, MO 64154	X	X					X		
2	SAINT LUKES NORTHLAND HOSPITAL-SMV 601 S 169 HIGHWAY SMITHVILLE, MO 64089	X						X		REHABILITATION AND BEHAVIORAL HEALTH

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)

SAINT LUKES NORTHLAND HOSPITAL-BARRY

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAINT LUKES NORTHLAND HOSPITAL-SMV

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

	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 7 COST OF CHARITY CARE AND UNREIMBURSED HEALTH SERVICES WERE CALCULATED USING THE APPROPRIATE COST TO CHARGE RATIO FROM THE HOSPITAL'S COST REPORT

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) OUR TOTAL EXPENSE FROM FORM 990, PART IX, LINE 25, COLUMN (A) WAS $111,498,908 THE BAD DEBT EXPENSE INCLUDED IN THIS AMOUNT WAS $4,913,477 THIS LEFT US WITH A TOTAL EXPENSE OF $106,585,431 FOR PURPOSES OF CALCULATING LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBT EXPENSE IS REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) HEALTHCARE FINANCIAL MANAGEMENT ASSOCIATION STATEMENT 15 IS FOLLOWED TO THE EXTENT IT ALIGNS WITH GAAP FINANCIAL STATEMENT FOOTNOTE REGARDING BAD DEBT EXPENSE THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS, CONSIDERING BUSINESS AND GENERAL ECONOMIC CONDITIONS IN ITS SERVICE AREA, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE (INCLUDING COPAYMENT AND DEDUCTIBLE AMOUNTS FROM PATIENTS), THE SYSTEM ANALYZED CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS AND A PROVISION FOR BAD DEBTS FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS, THE SYSTEM RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS 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 ACCOUNTS ARE WRITTEN OFF WHEN ALL REASONABLE INTERNAL AND EXTERNAL COLLECTION EFFORTS HAVE BEEN PERFORMED THESE ADJUSTMENTS ARE ACCRUED ON AN ESTIMATED BASIS AND ARE ADJUSTED AS NEEDED IN FUTURE PERIODS ACCOUNTS RECEIVABLE ARE CHARGED TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS WHEY THEY ARE DEEMED UNCOLLECTIBLE BAD DEBT IS REPORTED CONSISTENT WITH FINANCIAL STATEMENTS

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST-TO-CHARGE RATIO DIRECTLY FROM THE MEDICARE COST REPORT SHORTFALLS ARISE FROM PAYMENTS THAT ARE LESS THAN WHAT IT COSTS TO PROVIDE THE CARE AND SERVICES WE ACCEPT ALL MEDICARE PATIENTS KNOWING THE COST OF PROVIDING THE CARE MAY EXCEED THE FUNDS WE RECEIVE FROM MEDICARE FOR THE SERVICE OUR SHORTFALL IS CONSIDERED TO BE COMMUNITY BENEFIT MEDICARE SHORTFALLS MUST BE ABSORBED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE ELDERLY IN OUR COMMUNITY ADDITIONALLY, IT IS IMPLIED IN INTERNAL REVENUE SERVICE REVENUE RULING 69-545 THAT TREATING MEDICARE PATIENTS IS A COMMUNITY BENEFIT REVENUE RULING 69-545, WHICH ESTABLISHED THE COMMUNITY BENEFIT STANDARD FOR TAX-EXEMPT HOSPITALS, INDICATES THAT PARTICIPATION IN PUBLICLY-FINANCED PROGRAMS, SUCH AS MEDICARE, IS EVIDENCE THAT A HOSPITAL MEETS THE COMMUNITY BENEFIT STANDARD

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE THE ACCOUNT IS ADJUSTED ACCORDINGLY ANY REMAINING BALANCE WOULD BE COLLECTED UNDER THE DEBT COLLECTION POLICY OUR COLLECTION POLICIES ARE THE SAME FOR ALL PATIENTS ALTHOUGH WE ARE NOT LEGALLY BOUND BY THE FAIR DEBT COLLECTION PRACTICES ACT, THE PRINCIPLES ADDRESSED ARE GENERALLY FOLLOWED

Identifier	ReturnReference	Explanation
SAINT LUKES NORTHLAND HOSPITAL-BARRY		PART V, SECTION B, LINE 13G THE HOSPITAL FOLLOWS THE SAINT LUKE'S HEALTH SYSTEM POLICIES FOR FINANCIAL ASSISTANCE THE HOSPITAL PROVIDES EDUCATION ON FINANCIAL ASSISTANCE ELIGIBILITY TO PATIENTS AND PERSONS WHO MAY BE BILLED FOR SERVICES THROUGH MANY SOURCES INCLUDING THE SLHS WEB SITE, INFORMATION ON BILLING STATEMENTS NOTIFYING PATIENTS THAT THE HOSPITAL HAS FINANCIAL ASSISTANCE FOR WHICH THEY MAY QUALIFY, INFORMATION UPON CHECK-IN LOCATED IN THE ADMITTING PATIENT PACKETS, ON OUR B-131 RELEASE TO TREAT FORMS SIGNED BY ALL PATIENTS REQUESTING SERVICES, VISITS WITH INPATIENTS BY SOCIAL WORKER TEAMS, AND FOLLOW-UP CALLS TO PATIENTS AFTER DISCHARGE FINANCIAL ASSISTANCE APPLICATIONS OR MEDICAID APPLICATIONS ARE REQUESTED ON ALL UNINSURED INPATIENTS PRIOR TO DISCHARGE THE HOSPITAL ALSO CONTRACTS WITH ELIGIBILITY ENROLLMENT COMPANIES TO SCREEN ALL UNINSURED PATIENTS WITH A BALANCE OVER $2,000, ANY PATIENTS IDENTIFIED BY OUR SOCIAL WORKER TEAMS, AND ALL PATIENTS THAT REQUEST ASSISTANCE IN APPLYING FOR MEDICAID OR OTHER GOVERNMENT COVERAGE

Identifier	ReturnReference	Explanation
SAINT LUKES NORTHLAND HOSPITAL-SMV		PART V, SECTION B, LINE 13G THE HOSPITAL FOLLOWS THE SAINT LUKE'S HEALTH SYSTEM POLICIES FOR FINANCIAL ASSISTANCE THE HOSPITAL PROVIDES EDUCATION ON FINANCIAL ASSISTANCE ELIGIBILITY TO PATIENTS AND PERSONS WHO MAY BE BILLED FOR SERVICES THROUGH MANY SOURCES INCLUDING THE SLHS WEB SITE, INFORMATION ON BILLING STATEMENTS NOTIFYING PATIENTS THAT THE HOSPITAL HAS FINANCIAL ASSISTANCE FOR WHICH THEY MAY QUALIFY, INFORMATION UPON CHECK-IN LOCATED IN THE ADMITTING PATIENT PACKETS, ON OUR B-131 RELEASE TO TREAT FORMS SIGNED BY ALL PATIENTS REQUESTING SERVICES, VISITS WITH INPATIENTS BY SOCIAL WORKER TEAMS, AND FOLLOW-UP CALLS TO PATIENTS AFTER DISCHARGE FINANCIAL ASSISTANCE APPLICATIONS OR MEDICAID APPLICATIONS ARE REQUESTED ON ALL UNINSURED INPATIENTS PRIOR TO DISCHARGE THE HOSPITAL ALSO CONTRACTS WITH ELIGIBILITY ENROLLMENT COMPANIES TO SCREEN ALL UNINSURED PATIENTS WITH A BALANCE OVER $2,000, ANY PATIENTS IDENTIFIED BY OUR SOCIAL WORKER TEAMS, AND ALL PATIENTS THAT REQUEST ASSISTANCE IN APPLYING FOR MEDICAID OR OTHER GOVERNMENT COVERAGE

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE HOSPITAL ASSESSES COMMUNITY NEEDS ON AN ANNUAL BASIS IN NUMEROUS WAYS, INCLUDING THROUGH ITS COMPREHENSIVE, DATA DRIVEN, ANNUAL STRATEGIC PLANNING PROCESS THE HOSPITAL MEETS WITH STAFF, VOLUNTEERS, PATIENTS, BOARD MEMBERS AND PHYSICIANS THE FEEDBACK PROVIDED BY THESE GROUPS IS COMMUNICATED TO HOSPITAL MANAGEMENT AND CONSIDERED WHEN DETERMINING THE NEEDS OF THE COMMUNITY THE HOSPITAL ALSO WORKS WITH THE PATIENT ADVOCATE AND MARKETING DEPARTMENTS TO DETERMINE FEEDBACK RECEIVED FROM THE COMMUNITY REGARDING ITS NEEDS THIS FEEDBACK IS ALSO COMMUNICATED TO HOSPITAL MANAGEMENT AND EVALUATED DURING THE ANNUAL BUDGET AND STRATEGIC PLANNING PROCESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 SEE RESPONSE TO SCHEDULE H, PART V, LINE 13G

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE BARRY ROAD CAMPUS IS AN 84-BED ACUTE CARE FACILITY LOCATED IN KANSAS CITY, MISSOURI THE SMITHVILLE CAMPUS PROVIDES URGENT CARE SERVICES TO THE COMMUNITY, AS WELL AS REHABILITATION, MENTAL HEALTH, AND POST-ACUTE CARE SERVICES BOTH CAMPUSES SERVE THE NORTHERN KANSAS CITY AREA

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 THE BOARD OF DIRECTORS IS MADE UP OF MEDICAL AND BUSINESS PROFESSIONALS, ALMOST ALL OF WHOM RESIDE IN THE HOSPITAL'S PRIMARY SERVICE AREA THEY ARE INVOLVED IN THE COMMUNITY NEEDS ASSESSMENT PROCESS, IN FUNDRAISING, AND IN GENERAL STEWARDSHIP MEDICAL STAFF PRIVILEGES ARE OFFERED TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE HOSPITAL IS AFFILIATED WITH SAINT LUKE'S HEALTH SYSTEM, WHICH CONSISTS OF 11 AREA HOSPITALS AND SEVERAL PRIMARY AND SPECIALTY CARE PRACTICES, AND PROVIDES A RANGE OF INPATIENT, OUTPATIENT, AND HOME CARE SERVICES FOUNDED AS A FAITH-BASED, NOT-FOR-PROFIT ORGANIZATION, OUR MISSION INCLUDES A COMMITMENT TO THE HIGHEST LEVELS OF EXCELLENCE IN HEALTH CARE AND THE ADVANCEMENT OF MEDICAL RESEARCH AND EDUCATION THE HEALTH SYSTEM IS AN ALIGNED ORGANIZATION IN WHICH THE PHYSICIANS AND HOSPITALS ASSUME RESPONSIBILITY FOR ENHANCING THE PHYSICAL, MENTAL, AND SPIRITUAL HEALTH OF PEOPLE IN THE METROPOLITAN KANSAS CITY AREA AND THE SURROUNDING REGION

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SAINT LUKE'S MEDICAL GROUP - AFFILIATED 501(C)(3) 6750 ANTIOCH SUITE 210 SHAWNEE MISSION,KS 66204	43-1598353	501(C)(3)	2,115,328				OPERATING FUNDS
(2) SPELMAN MEDICAL FOUNDATION5810 NW BARRY ROAD KANSAS CITY,MO 64154	43-1270223	501(C)(3)	11,550				CONTRIBUTION
(3) SLNC INC4401 WORNALL ROAD KANSAS CITY,MO 64111	27-1994652	501(C)(3)	49,495				OPERATING FUNDS
(4) SLCC INC4330 WORNALL ROAD SUITE 2000 KANSAS CITY,MO 64111	27-1994652	501(C)(3)	2,038,192				OPERATING FUNDS
(5) NORTHLAND HEALTHCARE ACCESSPO BOX 14414 PARKVILLE,MO 64152	43-1578121	501(C)(3)	20,000				CONTRIBUTION

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 5

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
(1) ADVANCED EDUCATION IN MEDICAL FIELD - SCHOLARSHIP	12	12,000			

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 SCHOLARSHIPS ARE GIVEN TO HIGH SCHOOL GRADUATES PURSUING ADVANCED EDUCATION IN THE MEDICAL FIELD BASED ON ACADEMICS GRANTS ARE ALSO PROVIDED TO QUALIFIED 501(C) (3) CHARITIES ALL DONEE INFORMATION IS KEPT AS PART OF THE HOSPITAL BOOKS AND RECORDS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MICHELLE DEW MD	(i)	0	0	0	0	0	0	0
	(ii)	520,852	14,954	25,275	11,025	23,066	595,172	0
(2) GINA LAWSON	(i)	0	0	0	0	0	0	0
	(ii)	221,580	145,424	3,118	18,375	23,625	412,122	0
(3) KEVIN TRIMBLE	(i)	226,476	40,638	15,587	38,800	22,055	343,556	9,408
	(ii)	0	0	0	0	0	0	0
(4) JULIE MURPHY	(i)	178,731	33,768	14,481	31,869	9,240	268,089	12,096
	(ii)	0	0	0	0	0	0	0
(5) JEFF EYE	(i)	148,558	50	884	6,749	6,522	162,763	0
	(ii)	0	0	0	0	0	0	0
(6) DON SIPES	(i)	0	0	0	0	0	0	0
	(ii)	224,721	65,480	16,990	36,374	17,227	360,792	0
(7) N GARY WAGES	(i)	148,691	90,409	47,419	9,800	5,564	301,883	0
	(ii)	0	0	0	0	0	0	0
(8) DANIEL WEED	(i)	430,575	50	2,493	4,900	16,864	454,882	0
	(ii)	0	0	0	0	0	0	0
(9) SAMIRAN PATEL	(i)	255,044	45,450	708	4,900	16,237	322,339	0
	(ii)	0	0	0	0	0	0	0
(10) JENNIFER SVETLECIC	(i)	318,377	2,550	992	9,800	17,962	349,681	0
	(ii)	0	0	0	0	0	0	0
(11) VANCE JERNSTROM	(i)	358,148	50	2,461	9,800	7,259	377,718	0
	(ii)	0	0	0	0	0	0	0
(12) SALVATORE MICELI	(i)	233,621	133,070	1,195	11,025	18,647	397,558	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 7	THE ORGANIZATION HAS ADOPTED A MANAGEMENT INCENTIVE COMPENSATION PLAN FOR CERTAIN MEMBERS OF SENIOR AND MIDDLE MANAGEMENT TO PROMOTE EFFECTIVE MANAGEMENT OF OPERATIONS, QUALITY OF CARE AND SERVICE, AND OPTIMAL USE OF RESOURCES THE INCENTIVES ARE CALCULATED AS A PERCENTAGE OF BASE SALARY CONTINGENT ON ACHIEVING QUALITY, PATIENT SATISFACTION, EMPLOYEE RETENTION, FINANCIAL AND OTHER OPERATIONAL PERFORMANCE TARGETS ESTABLISHED BY THE BOARD'S COMPENSATION COMMITTEE ON AN ANNUAL BASIS INCENTIVE AWARDS ARE PAID AT THE DISCRETION OF THE BOARD OF DIRECTORS THIS INCENTIVE COMPENSATION IS EVALUATED AS PART OF THE REVIEW OF MARKET COMPETITIVE DATA AND REASONABLENESS OF OVERALL COMPENSATION AND BENEFITS
SUPPLEMENTAL INFORMATION	PART III	PART II DON SIPES, GINA LAWSON, AND MICHELLE DEW DID NOT RECEIVE COMPENSATION FOR DUTIES AS A DIRECTOR OR OFFICER OF THE FILING ORGANIZATION BUT RECEIVED COMPENSATION FROM RELATED ORGANIZATIONS FOR SERVICES RENDERED TO THE RELATED ORGANIZATIONS THE COMPENSATION REPORTED FOR GARY WAGES IS FOR DUTIES AS CEO OF THE FILING ORGANIZATION THROUGH MARCH OF 2011 AND DUTIES AS INTERIM CEO AT A RELATED 501C3 ORG FOR JUNE THROUGH NOVEMBER OF 2011 TOTAL COMPENSATION AND BENEFITS OF $211,256 IS ATTRIBUTABLE TO THE FILING ORG AND $90,357 TO THE RELATED 501C3 ORG

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (MEDICAL EQUIPMENT)	X	1	60,000	MARKET VALUE
26	Other ▸ ( )				
27	Other ▸ ( )				
28	Other ▸ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . **29** 0

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31		No
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	If "Yes," describe in Part II			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

Identifier	Return Reference	Explanation
NUMBER REPORTED IN BOX 3 OF FORM 1096	FORM 990, PART V, LINE 1A	SAINT LUKE'S NORTHLAND HOSPITAL CORPORATION (SLNH) IS PART OF SAINT LUKE'S HEALTH SYSTEM, AN INTEGRATED HEALTH SYSTEM THE MAJORITY OF SLNH VENDORS ARE PAID THROUGH A CENTRALIZED PAYMENT SYSTEM WITH 1099S ISSUED BY THE CENTRALIZED SERVICE ENTITY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 3	AS PART OF AN INTEGRATED HEALTH SYSTEM, THE ORGANIZATION ROUTINELY DELEGATED VARIOUS MANAGEMENT AND SUPPORT FUNCTIONS TO RELATED ENTITIES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE CORPORATE MEMBER IS SAINT LUKE'S HEALTH SYSTEM, A 501(C)(3) ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE GOVERNING BODY IS ELECTED BY THE SOLE CORPORATE MEMBER,

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE MEMBER HAS SPECIFIED RESERVE POWERS OVER MAJOR DECISIONS SUCH AS AMENDMENTS TO ARTICLES AND BY LAWS, DEBT, BUDGETS, CAPITAL EXPENDITURES AND STRATEGIC OPERATING DECISIONS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE 990 IS PREPARED JOINTLY BY ACCOUNTING STAFF OF THE ENTITY AND SAINT LUKE'S HEALTH SYSTEM (SYSTEM) TAX STAFF THE RETURN IS REVIEWED BY THE ENTITY'S CFO OR CEO THE 990 DRAFT WAS ALSO PRESENTED TO THE AUDIT COMMITTEE OF THE SYSTEM BOARD OF DIRECTORS FOR REVIEW THE 990 WAS MADE AVAILABLE TO THE ORGANIZATION'S BOARD MEMBERS FOR VIEWING BEFORE FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	SAINT LUKE'S HEALTH SYSTEM AND ITS AFFILIATES, INCLUDING THE FILING ORGANIZATION, HAVE COMPREHENSIVE WRITTEN CONFLICT OF INTEREST POLICIES APPLICABLE TO ALL DIRECTORS, OFFICERS, AND EMPLOYEES ANY ACTUAL, POSSIBLE OR PERCEIVED CONFLICT OF INTEREST IS EXPECTED TO BE HANDLED THROUGH FULL AND TIMELY DISCLOSURE OF ANY SUCH INTEREST, TOGETHER WITH ABSENCE OF PERSUASION IN ANY DISCUSSION AND IN ANY VOTE WHEREIN THE INTEREST IS INVOLVED DISCLOSURE IS TO BE MADE WHEN THE INTEREST ARISES, AT ANY TIME THE INTEREST BECOMES A MATTER OF GOVERNING BOARD ACTION, AND THEN ANNUALLY THROUGH COMPLETION OF A CONFLICT OF INTEREST QUESTIONNAIRE THE SYSTEM COMPLIANCE OFFICER OR THE SYSTEM VICE PRESIDENT OF HUMAN RESOURCES REVIEWS COMPLETED QUESTIONNAIRES AND FURTHER INVESTIGATES POSSIBLE CONFLICTS OF INTEREST A REPORT IS PROVIDED TO THE AUDIT COMMITTEE OF THE SYSTEM BOARD OF DIRECTORS AND ANY IDENTIFIED CONFLICT OF INTEREST IS REPORTED TO THE APPLICABLE ENTITY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	ANNUALLY, THE SAINT LUKE'S HEALTH SYSTEM BOARD OF DIRECTORS' COMPENSATION COMMITTEE REVIEWS, DISCUSSES, SETS AND APPROVES COMPENSATION FOR THE ORGANIZATION'S TOP MANAGEMENT EXECUTIVES INDEPENDENT, EXTERNAL DIRECTORS SERVE ON THE COMPENSATION COMMITTEE. AN INDEPENDENT COMPENSATION CONSULTING FIRM ANNUALLY PROVIDES A WRITTEN REPORT AND REASONABLENESS OPINION THE CONSULTANT REVIEWS THE SYSTEM'S EXECUTIVE TOTAL COMPENSATION PHILOSOPHY AND ANALYZES MARKET COMPETITIVENESS (IN TOTAL AND BY EACH COMPENSATION ELEMENT) FOR THE EXECUTIVES USING APPROPRIATE COMPARABILITY DATA COMPENSATION COMMITTEE ACTIONS ARE CONTEMPORANEOUSLY DOCUMENTED THE PROCESS SATISFIES THE REBUTTABLE PRESUMPTION PROCEDURE. COMPENSATION FOR OFFICERS NOT REVIEWED BY THE COMPENSATION COMMITTEE IS SET/APPROVED ANNUALLY BY SAINT LUKE'S HEALTH SYSTEM EXECUTIVE MANAGEMENT BASED ON MARKET COMPENSATION SURVEYS AND COMPARABILITY DATA PROVIDED BY AN INDEPENDENT COMPENSATION CONSULTING FIRM

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT PUBLICLY AVAILABLE

Identifier	Return Reference	Explanation
	FORM 990, PART VII, COLUMN E	DON SIPES, GINA LAWSON, AND MICHELLE DEW DID NOT RECEIVE COMPENSATION FOR DUTIES AS A DIRECTOR OR OFFICER OF THE FILING ORGANIZATION BUT RECEIVED COMPENSATION FROM RELATED ORGANIZATIONS FOR SERVICES RENDERED TO THE RELATED ORGANIZATIONS THESE INDIVIDUALS WORKED 40 HOURS OR MORE PER WEEK FOR ALL RELATED ORGANIZATIONS THE COMPENSATION REPORTED FOR GARY WAGES IS FOR DUTIES AS CEO OF THE FILING ORGANIZATION THROUGH MARCH OF 2011 AND DUTIES AS INTERIM CEO AT A RELATED 501C3 ORG FOR JUNE THROUGH NOVEMBER OF 2011 TOTAL COMPENSATION AND BENEFITS OF $211,256 IS ATTRIBUTABLE TO THE FILING ORG AND $90,357 TO THE RELATED 501C3 ORG

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	RISK RETENTION GROUP SSA DIVIDENDS -112,556 PENSION LIABILITY TRANSFER TO SAINT LUKE'S HEALTH SYSTEM -343,762 EQUITY IN AFFILIATES -87,440 CHANGE IN INTEREST IN ASSETS OF THE FOUNDATION - SFAS 136 -238,980 TOTAL TO FORM 990, PART XI, LINE 5 - 782,738

Identifier	Return Reference	Explanation
JOINT VENTURE	FORM 990, PART VI, SECTION B, LINE 16B	THE ORGANIZATION HAS PROCEDURES IN PLACE TO ENSURE THE VENTURE OPERATES IN A MANNER CONSISTENT WITH THE ORGANIZATION'S EXEMPT MISSION AND FOR THE VENTURE TO NOT ENGAGE IN POLITICAL CANDIDATE CAMPAIGN ACTIVITY OR OTHER ACTIVITIES THAT WOULD JEOPARDIZE THE ORGANIZATION'S EXEMPTION

Identifier	Return Reference	Explanation
TAX EXEMPT BOND LIABILITIES	FORM 990, PART X, BALANCE SHEET, LINE 20	THE AMOUNT REPORTED AS TAX-EXEMPT BONDS IS THE PORTION OF SAINT LUKE'S HEALTH SYSTEM BONDS ALLOCATED TO SAINT LUKE'S NORTHLAND HOSPITAL. REQUIRED INFORMATION FOR THE BONDS, INCLUDING SCHEDULE K, IS REPORTED IN THE SAINT LUKE'S HEALTH SYSTEM (EIN 43-1747502) IRS FORM 990

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT LUKES NORTHLAND HOSPITAL CORPORATION

Employer identification number
44-0565393

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
(1) SLN MEDICAL SPECIALISTS LLC 5830 NW BARRY ROAD KANSAS CITY, MO 64154 26-0178220	PHYSICIAN SERVICES - BILLING	MO	-1,492,220	1,476,678	SAINT LUKES NORTHLAND HOSPITAL

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MEDICAL PLAZA PARTNERS LP 4320 WORNALL RD SUITE 410 KASAS CITY, MO 64111 43-1357824	OWN AND OPERATE MEDICAL OFFICE BUILDING	MO	N/A									
(2) MEDICAL PARK ASSOCIATES A LP 601 S 169 HWY SMITHVILLE, MO 64089 43-1311049	OWN AND OPERATE MEDICAL OFFICE BUILDING	MO	SPELMAN DEVELOPMENT CORP	INVESTMENT	12,503	979,286		No			No	8 250 %
(3) ST LUKE'S SURGICENTER-LEE'S SUMMIT LLC 11221 ROE AVE SUITE 230 OVERLAND PARK, KS 66211 47-0853481	HEALTH CARE	MO	N/A									
(4) SAINT LUKE'S SOUTH SURGERY CENTER LLC 11221 ROE AVE SUITE 230 OVERLAND PARK, KS 66211 20-1721929	HEALTH CARE	KS	N/A									
(5) FAMILY ADVOCATES LLC 10918 ELM AVE KASAS CITY, MO 64134 20-2739036	FOSTER CARE	MO	N/A									
(6) SAINT LUKE'S CARDIOLOGY SERVICES 10920 ELM AVE KASAS CITY, MO 64134 26-3726426	HEALTH CARE	MO	N/A									
(7) SAINT LUKE'S-GI DIAGNOSTICS LLC 4321 WASHINGTON SUITE 5700 KASAS CITY, MO 64111 27-4142549	HEALTH CARE	MO	N/A									

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) SPELMAN DEVELOPMENT CORPORATION 601 S 169 HIGHWAY SMITHVILLE, MO 64089 43-1296007	MEDICAL OFFICE BUILDING RENTALS	MO	SAINT LUKES NORTHLAND HOSPITAL	C	-96,050	756,577	100 000 %
(2) SAINT LUKE'S HEALTH SYSTEM RISK RETENTION GROUP 1327 C ASHLEY RD SUITE 200 CHARLESTON, SC 29407 37-1471890	INSURANCE	SC	N/A	C			
(3) ST LUKE'S HEALTH VENTURES INC 4320 WORNALL RD SUITE 410 KANSAS CITY, MO 64111 43-1278476	ACCOUNTING	MO	N/A	C			
(4) MEDICAL PLAZA MANAGEMENT INC 4320 WORNALL RD SUITE 410 KANSAS CITY, MO 64111 43-1352317	MEDICAL OFFICE BUILDING MANAGEMENT	MO	N/A	C			
(5) VENTURE FINANCIAL SERVICES INC 6158 RAYTOWN TRAFFICWAY RAYTOWN, MO 64133 43-1605740	COLLECTIONS	MO	N/A	C			

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

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

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) MEDICAL PARK ASSOCIATES	J	187,297	PAID FMV RENT TO MPA FOR OFFICES
(2) SPELMAN DEVELOPMENT CORPORATION	R	1,336,500	APPRAISED VALUE OF LP UNIT TRSFR
(3)			
(4)			
(5)			
(6)			

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
TRANSACTIONS WITH RELATED ORGANIZATIONS	SCHEDULE R, PART V, LINE 1	SAINT LUKE'S HEALTH SYSTEM (SYSTEM) AND ITS AFFILIATED ENTITIES OPERATE AS A HIGHLY INTEGRATED HEALTH CARE DELIVERY SYSTEM THE SYSTEM MANAGES AND OPERATES RELATED HOSPITALS AND THEIR AFFILIATES AS A COMMON MISSION ORIENTED HEALTH CARE SYSTEM IN ORDER TO BETTER SERVE THE HEALTH-RELATED NEEDS OF GREATER KANSAS CITY AND SURROUNDING AREAS AS A RESULT, THERE ARE NUMEROUS INTERCOMPANY INTERACTIONS INCLUDING CENTRALIZED SUPPORT SERVICES AND SHARING OF RESOURCES AND COSTS

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 44-0565393
Name: SAINT LUKES NORTHLAND HOSPITAL CORPORATION

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512 (b)(13) controlled organization	
SAINT LUKES HEALTH SYSTEM 10920 ELM AVENUE KANSAS CITY, MO 64134 43-1747502	HEALTH SYSTEM	KS	501(C)(3)	509(A)(3) - TYPE 1	ST LUKES HOSPITAL OF KANSAS CITY		No
SAINT LUKES HOSPITAL OF KANSAS CITY 4401 WORNALL ROAD KANSAS CITY, MO 64111 44-0545297	HEALTH CARE	MO	501(C)(3)	170B1AIII			No
SAINT LUKES SOUTH HOSPITAL INC 12300 METCALF AVE OVERLAND PARK, KS 66213 48-1203262	HEALTH CARE	KS	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES EAST HOSPITAL 100 NE ST LUKES BLVD LEES SUMMIT, MO 64086 56-2488077	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES MEDICAL GROUP 6750 ANTIOCH SUITE 210 SHAWNEE MISSION, KS 66204 43-1598353	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
CRITTENTON 10918 ELM AVE KANSAS CITY, MO 64134 44-0545808	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HOSPITAL		No
SAINT LUKES HEALTH SYSTEM HOME CARE AND HOSPICE 3100 BROADWAY SUITE 1000 KANSAS CITY, MO 64111 43-1127200	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES HOSPITAL OF TRENTON 701 EAST FIRST TRENTON, MO 64683 43-1707306	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES HOSPITAL OF GARNETT 421 SOUTH MAPLE GARNETT, KS 66032 74-2849611	HEALTH CARE	KS	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
CABOT WESTSIDE HEALTH CENTER 2121 SUMMIT KANSAS CITY, MO 64108 44-0546280	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
MIDWEST EAR INSTITUTE INC 4200 PENNSYLVANIA SUITE 100 KANSAS CITY, MO 64111 48-0905027	HEALTH CARE	KS	501(C)(3)	170B1AIII	SAINT LUKES HOSPITAL		No
SAINT LUKES HOSPITAL OF CHILLICOTHE 100 CENTRAL STREET CHILLICOTHE, MO 64601 43-1735565	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
CUSHING MEMORIAL HOSPITAL CORP 711 MARSHALL LEAVENWORTH, KS 66048 48-0543792	HEALTH CARE	KS	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES CANCER INSTITUTE LLC 4323 WORNALL RD PEET 1 KANSAS CITY, MO 64111 43-1933950	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES CARE 10920 ELM AVENUE KANSAS CITY, MO 64134 26-0185090	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
MEDICAL PLAZA IMAGING ASSOCIATES LLC 4401 WORNALL ROAD KANSAS CITY, MO 64111 43-1609584	HEALTH CARE	MO	501(C)(3)	170B1AIII	SAINT LUKES HEALTH SYSTEM		No
SAINT LUKES COLLEGE OF HEALTH SCIENCES 8320 WARD PARKWAY SUITE 300 KANSAS CITY, MO 64114 27-2716128	POST SECONDARY NURSING EDUCATION	MO	501(C)(3)	170B1AIII	SAINT LUKES HOSPITAL		No
SLCC INC 4330 WORNALL ROAD SUITE 2000 KANSAS CITY, MO 64111 27-1994652	HEALTH CARE	KS	APPLYING FOR 501(C)(	APPLYING FOR 170B1AI	SAINT LUKES HEALTH SYSTEM		No
SLNC INC 4401 WORNALL RD KANSAS CITY, MO 64111 45-1470888	HEALTH CARE	KS	APPLYING FOR 501(C)(	APPLYING FOR 170B1AI	SAINT LUKES HEALTH SYSTEM		No

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) Disproprtionate 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 PLAZA PARTNERS LP 4320 WORNALL RD SUITE 410 KASAS CITY, MO 64111 43-1357824	OWN AND OPERATE MEDICAL OFFICE BUILDING	MO	N/A									
MEDICAL PARK ASSOCIATES A LP 601 S 169 HWY SMITHVILLE, MO 64089 43-1311049	OWN AND OPERATE MEDICAL OFFICE BUILDING	MO	SPELMAN DEVELOPMENT CORP	INVESTMENT	12,503	979,286		No			No	8 250 %
ST LUKE'S SURGICENTER-LEE'S SUMMIT LLC 11221 ROE AVE SUITE 230 OVERLAND PARK, KS 66211 47-0853481	HEALTH CARE	MO	N/A									
SAINT LUKE'S SOUTH SURGERY CENTER LLC 11221 ROE AVE SUITE 230 OVERLAND PARK, KS 66211 20-1721929	HEALTH CARE	KS	N/A									
FAMILY ADVOCATES LLC 10918 ELM AVE KASAS CITY, MO 64134 20-2739036	FOSTER CARE	MO	N/A									
SAINT LUKE'S CARDIOLOGY SERVICES 10920 ELM AVE KASAS CITY, MO 64134 26-3726426	HEALTH CARE	MO	N/A									
SAINT LUKE'S-GI DIAGNOSTICS LLC 4321 WASHINGTON SUITE 5700 KASAS CITY, MO 64111 27-4142549	HEALTH CARE	MO	N/A									

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Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2011

Attachment Sequence No **179**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
SAINT LUKES NORTHLAND HOSPITAL CORPORATION	FORM 990 PAGE 10	44-0565393

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount (see instructions)	**1**	500,000
2 Total cost of section 179 property placed in service (see instructions)	**2**	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	2,000,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	**5**	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost

7 Listed property Enter the amount from line 29	**7**		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7		**8**	
9 Tentative deduction Enter the **smaller** of line 5 or line 8		**9**	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562		**10**	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)		**11**	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11		**12**	
13 Carryover of disallowed deduction to 2012 Add lines 9 and 10, less line 12 ▶	**13**		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	
15 Property subject to section 168(f)(1) election	**15**	
16 Other depreciation (including ACRS)	**16**	

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2011	**17**	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

	(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a	Class life				S/L	
b	12-year		12 yrs		S/L	
c	40-year		40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	**21**	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	**22**	6,764,195
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Part V **Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1						**29**		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

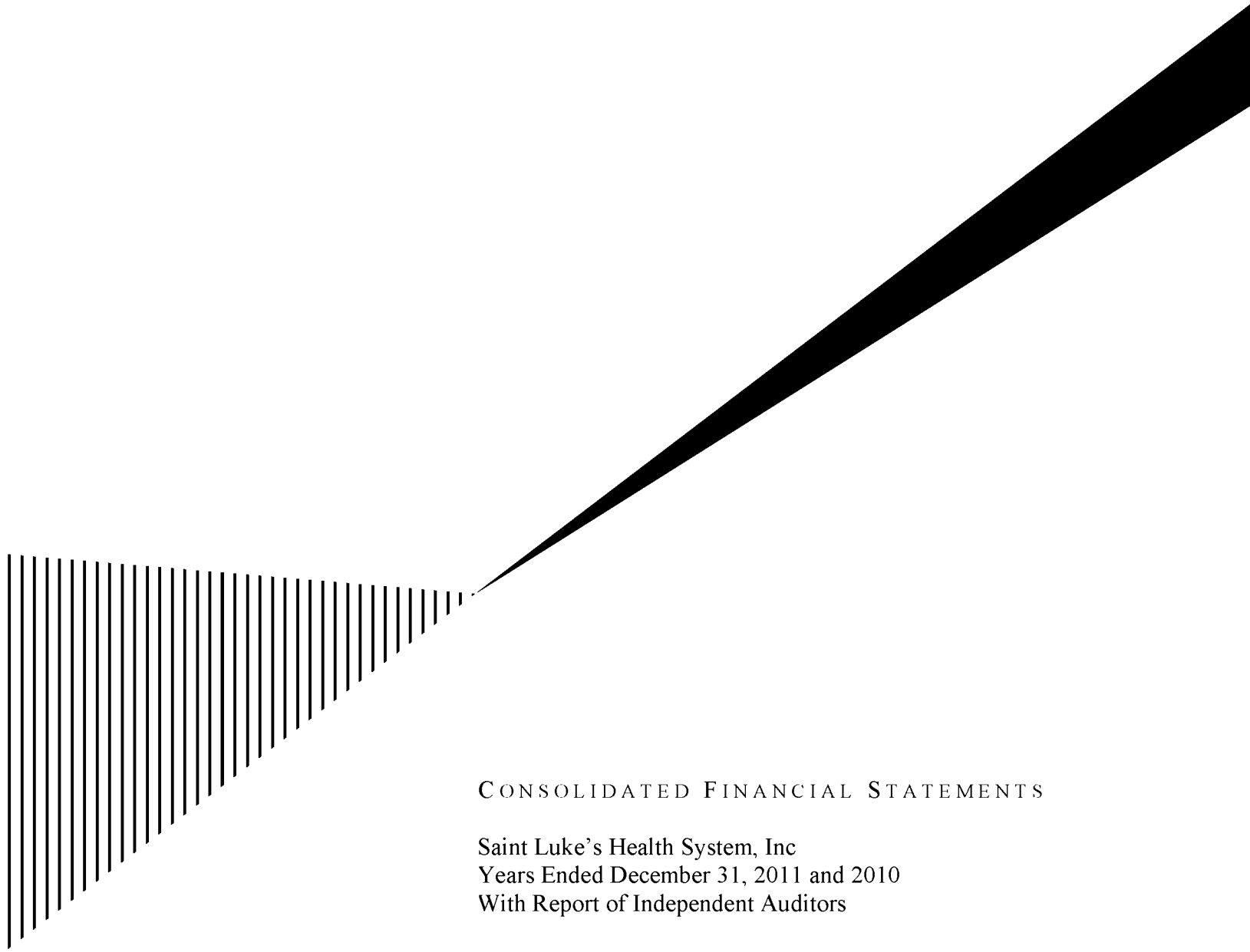
Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions)					
43 Amortization of costs that began before your 2011 tax year				**43**	
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	



CONSOLIDATED FINANCIAL STATEMENTS

Saint Luke's Health System, Inc
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Saint Luke's Health System, Inc.

Consolidated Financial Statements

Years Ended December 31, 2011 and 2010

Contents

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www ey com

Report of Independent Auditors

The Board of Directors
Saint Luke's Health System, Inc

We have audited the accompanying consolidated balance sheets of Saint Luke's Health System, Inc (the 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 financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these financial statements based on our audits

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Saint Luke's Health System, Inc at December 31, 2011 and 2010, and the consolidated results of its operations and changes in its net assets and its cash flows for the years then ended, in conformity with U S generally accepted accounting principles

Ernst & Young LLP

April 12, 2012

Saint Luke's Health System, Inc.

Consolidated Balance Sheets

	December 31	
	2011	**2010**
	(In Thousands)	
Assets		
Current assets		
Cash and cash equivalents	**$ 144,521**	$ 147,999
Short-term investments *(Note 5)*	**149,167**	152,098
Accounts receivable, less allowance for uncollectible accounts of $18,970 in 2011 and $26,543 in 2010	**139,360**	129,475
Other receivables	**20,650**	20,133
Inventories	**19,396**	18,888
Prepaid expenses	**19,081**	16,479
Total current assets	**492,175**	485,072
Property and equipment, net *(Note 4)*	**836,524**	765,753
Investments *(Note 5)*	**216,617**	221,660
Assets limited as to use *(Note 5):*		
Board-designated	**628**	628
Held by trustee		
Under self-insurance arrangements	**22,909**	22,288
Indenture agreements	**–**	21,932
Restricted by donor or grantor	**11,579**	14,944
Total assets limited as to use	**35,116**	59,792
Other assets		
Receivables from affiliates	**–**	21
Investment in affiliates	**12,695**	10,064
Interest in net assets of foundations	**125,819**	127,374
Deferred financing costs, net	**8,345**	8,817
Other	**38,100**	50,961
Total other assets	**184,959**	197,237
Total assets	**$ 1,765,391**	$ 1,729,514

	December 31	
	2011	**2010**
	(In Thousands)	
Liabilities and net assets		
Current liabilities		
Current maturities of long-term debt *(Note 6)*	**$ 10,368**	$ 10,037
Accounts payable	**50,761**	54,271
Payroll-related liabilities	**49,237**	41,185
Estimated third-party payor settlements	**16,133**	13,535
Defined contribution plan obligations	**13,251**	2,155
Other	**36,371**	32,040
Total current liabilities	**176,121**	153,223
Reserve for self-insured risks *(Note 9)*	**24,090**	23,874
Long-term debt, less current maturities *(Note 6)*	**541,254**	552,464
Interest rate swap contracts	**35,814**	18,353
Pension obligation	**48,324**	30,777
Other noncurrent liabilities	**18,272**	22,730
Total liabilities	**843,875**	801,421
Net assets		
Saint Luke's Health System, Inc	**781,655**	784,188
Noncontrolling interest	**2,457**	1,587
Total unrestricted	**784,112**	785,775
Temporarily restricted *(Note 11)*	**98,898**	103,930
Permanently restricted *(Note 11)*	**38,506**	38,388
Total net assets	**921,516**	928,093
Total liabilities and net assets	**$ 1,765,391**	$ 1,729,514

See accompanying notes.

Saint Luke's Health System, Inc.

Consolidated Statements of Operations

	Year Ended December 31	
	2011	**2010**
	(In Thousands)	
Unrestricted revenues and other support		
Patient service revenue *(Notes 2 and 3)*	**$ 1,099,805**	$ 992,491
Provision for bad debts *(Note 3)*	**(34,959)**	(38,120)
Net patient service revenue	**1,064,846**	954,371
Other revenue	**59,049**	62,516
Total unrestricted revenues and other support	**1,123,895**	1,016,887
Expenses		
Salaries and wages	**501,932**	440,384
Employee benefits	**110,934**	92,397
Supplies and other	**388,774**	364,068
Depreciation and amortization	**65,749**	60,731
Interest	**17,328**	16,509
Total expenses	**1,084,717**	974,089
Operating income	**39,178**	42,798
Other income (loss)		
Investment income, net	**9,173**	36,737
Income on investments in affiliates, net	**6,411**	5,600
Loss on interest rate swaps	**(17,461)**	(6,185)
Loss on bond refunding and defeasance	**–**	(877)
Other, net	**(7,250)**	(9,092)
Total other (loss) income, net	**(9,127)**	26,183
Consolidated excess of revenues over expenses	**30,051**	68,981
Attributable to noncontrolling interest	**(7,603)**	(5,296)
Excess of revenues over expenses attributable to Saint Luke's Health System, Inc and subsidiaries	**22,448**	63,685
Contributions of property, equipment, and other	**1,453**	673
Pension-related charges other than net periodic pension costs	**(26,434)**	30,865
(Decrease) increase in Saint Luke's Health System, Inc unrestricted net assets	**$ (2,533)**	$ 95,223

See accompanying notes

Saint Luke's Health System, Inc.

Consolidated Statements of Changes in Net Assets

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Total	**Controlling**	**Noncontrolling**	**Total**	**Controlling**	**Noncontrolling**
			(In Thousands)			
Unrestricted net assets						
Excess of revenues over expenses	**$ 30,051**	**$ 22,448**	**$ 7,603**	$ 68,981	$ 63,685	$ 5,296
Contribution of property, equipment, and other	**1,453**	**1,453**	**–**	673	673	–
Pension-related charges other than net periodic pension costs	**(26,434)**	**(26,434)**	**–**	30,865	30,865	–
Other changes in unrestricted net assets	**(6,733)**	**–**	**(6,733)**	(4,600)	–	(4,600)
(Decrease) increase in unrestricted net assets	**(1,663)**	**(2,533)**	**870**	95,919	95,223	696
Temporarily restricted net assets						
Contributions	**1,498**	**1,498**	**–**	1,500	1,500	–
Investment income, net	**1,288**	**1,288**	**–**	219	219	–
Change in unrealized gain on investments, net	**(3,680)**	**(3,680)**	**–**	1,226	1,226	–
Net assets released from restrictions	**(2,465)**	**(2,465)**	**–**	(1,812)	(1,812)	–
Change in interest in temporarily restricted net assets of foundations	**(1,673)**	**(1,673)**	**–**	7,820	7,820	–
(Decrease) increase in temporarily restricted net assets	**(5,032)**	**(5,032)**	**–**	8,953	8,953	–
Permanently restricted net assets						
Change in interest in permanently restricted net assets of foundations	**118**	**118**	**–**	145	145	–
Increase in permanently restricted net assets	**118**	**118**	**–**	145	145	–
(Decrease) increase in net assets	**(6,577)**	**(7,447)**	**870**	105,017	104,321	696
Net assets at beginning of year	**928,093**	**926,506**	**1,587**	823,076	822,185	891
Net assets at end of year	**$ 921,516**	**$ 919,059**	**$ 2,457**	$ 928,093	$ 926,506	$ 1,587

See accompanying notes

Saint Luke's Health System, Inc.

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2011	**2010**
	(In Thousands)	
Operating activities		
(Decrease) increase in net assets	**$ (6,577)**	$ 105,017
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**65,749**	60,731
Loss on disposal and impairment of property and equipment	**750**	1,407
Provision for bad debt	**34,959**	38,120
Change in unrealized loss on interest rate swaps	**17,461**	6,185
Loss on bond refunding and defeasance	**–**	877
Pension-related charges other than net periodic pension costs	**26,434**	(30,865)
Restricted contributions	**(1,498)**	(1,500)
Changes in operating assets and liabilities		
Increase in accounts receivable	**(44,844)**	(43,125)
Increase in other current assets	**(3,627)**	(2,154)
Decrease (increase) in investment securities classified as trading	**49,268**	(37,365)
Decrease (increase) in other noncurrent assets	**14,206**	(11,031)
Decrease in accounts payable	**(3,510)**	(17,186)
Increase in other current liabilities	**26,077**	7,303
Increase in reserve for self-insured risks	**216**	1,104
(Decrease) increase in other noncurrent liabilities	**(13,345)**	2,496
Net cash provided by operating activities	**161,719**	80,014
Investing activities		
Purchase of assets for physician integration	**(335)**	(12,933)
Purchase of property and equipment, net	**(137,270)**	(142,263)
(Increase) decrease in investment companies, net	**(16,618)**	19,459
Increase in investment in affiliates, net	**(7,116)**	(4,682)
Distributions from affiliates, net	**4,820**	4,369
Net cash used in investing activities	**(156,519)**	(136,050)

Saint Luke's Health System, Inc.

Consolidated Statements of Cash Flows (continued)

	Year Ended December 31	
	2011	**2010**
	(In Thousands)	
Financing activities		
Payments and refunding of long-term debt	**$ (10,176)**	$ (52,063)
Proceeds from issuance of long-term debt	**–**	101,525
Debt of newly consolidated entity	**–**	–
Deferred bond issuance costs	**–**	(1,334)
Restricted contributions	**1,498**	1,500
Net cash (used in) provided by financing activities	**(8,678)**	49,628
Decrease in cash and cash equivalents	**(3,478)**	(6,408)
Cash and cash equivalents at beginning of year	**147,999**	154,407
Cash and cash equivalents at end of year	**$ 144,521**	$ 147,999
Supplemental disclosure of cash flow information		
Interest paid	**$ 23,177**	$ 22,478
Equipment acquired under capital leases	**$ –**	$ –

See accompanying notes

Saint Luke's Health System, Inc.

Notes to Consolidated Financial Statements

December 31, 2011

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies

Saint Luke's Health System, Inc (the System) consists of Saint Luke's Hospital of Kansas City (Saint Luke's), Saint Luke's Northland Hospital (North), Saint Luke's South Hospital (South), Saint Luke's East Hospital (East), and their direct and indirect subsidiaries The corporate entity, Saint Luke's Health System, Inc (the Corporation), contains the System's information technology, finance, marketing, and general management functions The System and its primary operating entities are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code Certain supporting subsidiaries are subject to federal and state income taxes

The System's primary business operation includes acute and behavioral health-related services in both hospital and clinic settings In addition, the System provides home care services and care to the terminally ill and manages properties utilized primarily for physician offices and clinics Substantially all of the System's expenses relate to providing health care services

The accompanying consolidated financial statements include the following primary operating entities

- Saint Luke's Hospital of Kansas City (Saint Luke's)
- Saint Luke's Northland Hospital (North)
- Saint Luke's South Hospital (South)
- Saint Luke's East Hospital (East)
- Crittenton Children's Center (Crittenton)
- Cushing Memorial Hospital (Cushing)
- Saint Luke's Hospital of Chillicothe d/b/a Hedrick Medical Center (Hedrick)
- Saint Luke's Hospital of Trenton d/b/a Wright Memorial Hospital (Wright Memorial)
- Saint Luke's Hospital of Garnett d/b/a Anderson County Hospital (Anderson County)
- Saint Luke's Home Care and Hospice (Home Care and Hospice)
- Cabot Westside Health Center (Cabot)
- Saint Luke's Health System Risk Retention Group (RRG)
- Midwest Ear Institute
- Saint Luke's College of Health Sciences (College)
- Physician Corporations
  - Saint Luke's Medical Group (Medical Group)
  - Saint Luke's Cardiovascular Consultants (SLCC) as of June 1, 2010
  - Saint Luke's Neurological Consultants (SLNC) as of September 1, 2011
- Saint Luke's Health System, Inc (the Corporation)

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

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

Anderson County, Hedrick, and Wright Memorial facilities are leased from the local community or government, while the System provides for the operations of these facilities The financial position and results of operations of these facilities are included in the consolidated financial statements and include combined total net assets of $29 9 million and $30 0 million as of December 31, 2011 and 2010, respectively These leases are evergreen leases, which require a one-year cancellation notice by either party Currently, the System has no reason to believe that these arrangements will be terminated

Accounting Policies

The System's accounting policies conform to U S generally accepted accounting principles (GAAP) applicable to health care organizations

Use of Estimates

The preparation of consolidated financial statements in conformity with U S GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements Estimates also affect the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with generally a maturity of three months or less when purchased, excluding assets limited as to use by Board designation or other arrangements under trust agreements

Short-Term Investments

Short-term investments are primarily comprised of cash and cash equivalents, U S government obligations, corporate obligations, and corporate equity securities internally designated as current assets because such amounts are available to meet the System's cash requirements

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

Accounts Receivable

The System provides health care services through inpatient, outpatient, and ambulatory care facilities that provide services in the greater Kansas City metropolitan area and surrounding communities and grants credit to patients, substantially all of whom are local residents The System generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans, or policies including, but not limited to, Medicare, Medicaid, health maintenance organizations, and commercial insurance policies

Accounts receivable are stated at net realizable value The allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections, considering business and general economic conditions in its service area, trends in health care coverage, and other collection indicators For receivables associated with services provided to patients who have third-party coverage (including copayment and deductible amounts from patients), the System analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts For receivables associated with self-pay patients, the System records a significant provision for bad debts 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 Accounts are written off when all reasonable internal and external collection efforts have been performed These adjustments are accrued on an estimated basis and are adjusted as needed in future periods Accounts receivable are charged to the allowance for uncollectible accounts when they are deemed uncollectible

The allowance for uncollectible accounts as a percentage of accounts receivable decreased from 17% at December 31, 2010 to 12% at December 31, 2011, primarily due to an increase in accounts qualifying for financial assistance

Inventories

Inventories consist primarily of medical supplies and pharmaceuticals and are stated at the lower of actual cost, generally on the first-in, first-out basis, or market

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value at the date of receipt Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows

Land improvement	8 to 20 years
Building and improvements	5 to 40 years
Equipment	3 to 15 years
Software	5 to 7 years

Leasehold improvements are amortized over the corresponding lease, and such amortization is included in depreciation expense

Capitalized Interest

Interest cost incurred on tax-exempt borrowings designated for construction purposes, along with interest earned on such borrowed funds, is capitalized over the duration of the related construction projects Imputed interest cost incurred on construction financed through internally generated funds or other borrowings is capitalized over the duration of the related construction projects when the project is material in cost and time Capitalized interest is subsequently amortized over the lives of the related assets

Asset Impairment

The System considers whether indicators of impairment are present and performs the necessary test to determine if the carrying value of an asset is appropriate Impairment write-downs are recognized in operating income at the time the impairment is identified, except for any alternative investment impairments, which are recognized in investment income (loss), net

Investments and Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under self-insurance arrangements and indenture agreements and restricted donations Investments in equity and debt securities are measured at fair value

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

The System considers its investment securities as trading securities Investment income (including realized and unrealized gains and losses on investments, interest, and dividends) from trading investments is recorded as other income (loss), which is included in excess of revenues over expenses, unless the income or loss is restricted by donor or law or derived from assets held by trustee under self-insurance arrangements or under indenture agreements Gains and losses with respect to disposition of marketable securities are based on the specific-identification method

Investment income earned by assets held by trustee under self-insurance arrangements and under indenture agreements is reported as other revenue Restricted investment income and net gains or losses on investments of donor-restricted funds are added to or deducted from the appropriate restricted net asset balance

The System also holds investment positions in other trusts, limited liability investment companies, and hedge funds of funds (collectively referred to as investment companies), which are reported using the equity method of accounting based on information provided by the respective investment companies The values of investments held in investment companies are determined by the investment managers or general partners and may be based on estimates that require varying degrees of judgment and financial data supplied by the underlying investee funds Generally, the net asset's value reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses The financial statements of the investees are audited annually by independent auditors Changes in the equity method of investments in the investment companies are recorded in other income (loss)

The System's assets limited as to use are exposed to various kinds and levels of risk Fixed income securities expose the System to interest rate risk, credit risk, and liquidity risk As interest rates change, the current value of many fixed income securities is affected, particularly those with fixed interest rates Credit risk is the risk that the obligor of the security will not fulfill its obligation Liquidity risk is affected by the willingness of market participants to buy and sell given securities

Equity securities expose the System to market risk, performance risk, and liquidity risk Market risk is the risk associated with major movements of the equity market, both international and domestic Performance risk is the risk associated with a company's operating performance Liquidity risk, as previously defined, tends to be higher for international equities and equities related to small capitalized companies

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

Interest in Net Assets of Foundations

Saint Luke's Foundation, Inc and the Spelman Medical Foundation (the Foundations) are deemed to be financially interrelated organizations to Saint Luke's, North, South, East, Wright Memorial, and Home Care and Hospice for contributions received by the Foundations for which the donor has either specified a participating entity as the beneficiary or has not granted the Foundations variance power (temporarily or permanently restricted contributions received by the Foundations) Saint Luke's, North, South, Wright Memorial, and Home Care and Hospice record their interest in the net assets of the Foundations in the consolidated balance sheets under the caption interest in net assets of foundations and as a component of temporarily and permanently restricted net assets These net assets held by the Foundations are primarily restricted to support the related hospital's medical and research programs and provide funding for equipment and capital improvements

Deferred Financing Costs

Deferred financing costs are amortized over the period the debt is outstanding using the bonds outstanding method

Derivative Financial Instruments

As part of its debt management program, the System enters into interest rate swaps The System recognizes these derivative instruments as either assets or liabilities in the consolidated balance sheets at fair value The accounting for changes in the fair value (i e , gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship

The System has not designated its derivatives as hedges, and the change in fair value of the interest rate swap contracts is recognized as a component of other income (loss) The System does not have any fair value hedges or hedges of a net investment in foreign operations

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors primarily for patient care, health care education, or property Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity with the related investment income expendable to support the donor-designated purpose, which is primarily for patient care, health care education, or property

Contributions, Bequests, and Pledges

Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made Restricted contributions and bequests are reported as additions to the appropriate restricted net asset category Resources restricted by donors for plant replacement and expansion are added to unrestricted net assets to the extent expended within the period Resources restricted by donors and grantors for specific operating purposes are reported in other revenue to the extent used within the period

Performance Indicator

The System's performance indicator is excess of revenues over expenses, which includes all changes in unrestricted net assets other than the contribution of property, equipment, and other, pension-related charges other than net periodic pension costs, and other changes in net assets

Operating and Other Income (Loss)

The System's primary mission is to meet the health care needs in its service areas through a broad range of general and specialized health care services, including inpatient acute care, outpatient services, physician services, and other health care services Activities directly associated with the furtherance of this purpose are considered to be operating activities Substantially all expenses are related to providing health care services to the community Other activities that result in gains or losses peripheral to the System's primary mission are considered to be other income (loss) Other income (loss) activities include investment income (loss), excluding assets held by trustee under self-insurance arrangements and indentured agreements, income or loss on investment in affiliates, gain or loss on interest rate swaps, and loss on bond refunding and defeasance

1. Background, Principles of Consolidation, and Summary of Significant Accounting Policies (continued)

Reclassifications

Certain balances in the 2010 consolidated financial statements have been reclassified to conform to the current year presentation The effect of such reclassifications did not change total net assets or excess of revenues over expenses

Adoption of Accounting Pronouncements

In July 2011, the System adopted the authoritative guidance issued by the Financial Accounting Standards Board (FASB) requiring the reclassification of the provision for uncollectible accounts associated with patient revenue from an operating expense to a deduction from patient service revenue Additionally, the guidance requires enhanced disclosure about policies for recognizing revenue, assessing uncollectible accounts, and qualitative and quantitative information about changes in the allowance for uncollectible accounts The System opted to early adopt this guidance in 2011

On January 1, 2011, the System adopted the authoritative guidance issued by the FASB to clarify for health care entities that estimated insurance recoveries should not be netted against related claim liabilities Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries Adoption of the guidance did not have a material impact on the System's consolidated financial statements

On January 1, 2011, the System adopted the authoritative guidance issued by the FASB requiring that cost be used as the measurement basis for charity care disclosure purposes and the method used to identify the direct and indirect costs of providing charity care also be disclosed Other than requiring additional disclosures, adoption of this new guidance did not have a material impact on the System's consolidated financial statements

Recent Accounting Guidance Not Yet Adopted

In May 2011, the FASB issued guidance to amend disclosure requirements related to fair value measurement The guidance expands disclosures for Level 3 fair value measurements, addresses nonfinancial assets' highest and best use, and permits fair value adjustments for assets and liabilities with offsetting risks The guidance is effective for the System with the reporting period beginning January 1, 2012 Other than requiring additional disclosures, adoption of this new guidance will not have a material impact on the System's consolidated financial statements

2. Charity Care

The System is dedicated to providing both services and leadership in caring for the needy and accepts all patients regardless of their ability to pay The System provides such care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates Since the System does not attempt to collect amounts initially determined to qualify as charity care, such charges are not included in net patient service revenue The cost incurred in providing these services of $34 1 million and $27 7 million in 2011 and 2010, respectively, is included in the System's operating expenses and is estimated using the 2010 overall Medicare cost to charge ratio In addition, the System provides care for medically indigent patients covered under the Medicaid welfare program at rates substantially below standard charges

3. Net Patient Service Revenue

Net patient service revenue as reflected in the accompanying consolidated statements of operations consists of the following

	Year Ended December 31	
	2011	**2010**
	(In Thousands)	
Gross patient service charges		
Inpatient	**$ 1,826,829**	$ 1,669,033
Outpatient	**1,394,070**	1,151,623
Clinic	**281,399**	212,129
Total patient service charges	**3,502,298**	3,032,785
Less deductions from gross patient service charges		
Contractual adjustments		
Medicare	**932,522**	815,503
Managed care and other	**1,186,181**	972,079
Medicaid welfare	**171,704**	161,933
Charity care	**112,086**	90,779
Patient service revenue	**1,099,805**	992,491
Less provision for bad debt	**34,959**	38,120
Net patient service revenue	**$ 1,064,846**	$ 954,371

3. Net Patient Service Revenue (continued)

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments For uninsured patients who do not qualify for charity care, the System recognizes revenue on the basis of its standard rates for services provided Patient service revenue, net of contractual allowances and discounts (but before bad debt), is reported at the estimated net realizable amounts for patients, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations

Patient service revenue, net of contractual expense (but before bad debt), recognized from the System's major payor sources is summarized as follows

	Year Ended December 31	
	2011	**2010**
Patient service revenue, net of contractual allowances		
Third-party payors	**94%**	94%
Self-pay payors	**6**	6
Total	**100%**	100%

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term Noncompliance with Medicare and Medicaid laws and regulations can make the System subject to significant regulatory action, including substantial fines and penalties, as well as exclusion from the Medicare and Medicaid programs The System's net patient service revenue increased by approximately $0 7 million and $3 4 million in 2011 and 2010, respectively, due to revised estimates consisting primarily of retroactive third-party adjustments for years that are subject to audits, reviews, and investigations

3. Net Patient Service Revenue (continued)

The mix of significant gross patient service charges and receivables from patients and third-party payors includes the following

	Gross Patient Service Charges		Receivables From Patients and Third-Party Payors	
	Year Ended December 31		December 31	
	2011	**2010**	**2011**	**2010**
Medicare	**45%**	45%	**21%**	23%
Blue Cross/Blue Shield	**16**	17	**15**	14
Medicaid	**11**	12	**5**	7
Commercial/patients	**28**	26	**59**	56

4. Property and Equipment

Property and equipment consist of the following

	December 31	
	2011	**2010**
	(In Thousands)	
Land and improvements	**$ 52,065**	$ 41,604
Buildings	**792,758**	540,013
Fixed equipment	**192,453**	182,568
Movable equipment	**308,436**	261,230
Software	**42,322**	36,806
	1,388,034	1,062,221
Less accumulated depreciation	**581,750**	515,411
	806,284	546,810
Construction-in-progress	**30,240**	218,943
Total property and equipment, net	**$ 836,524**	$ 765,753

4. Property and Equipment (continued)

The System's Board of Directors has approved certain construction, renovation, information systems, and other projects throughout the System As of December 31, 2011, the System had outstanding construction commitments of $36 7 million related to these projects The System has capitalized $5 7 million for the year ended December 31, 2011, and $6 2 million of interest expense, net of interest income of $0 2 million, for the year ended December 31, 2010, related to construction projects

5. Investments and Assets Limited as to Use

The composition of investments and assets limited as to use is as follows

	December 31	
	2011	**2010**
	(In Thousands)	
Cash and cash equivalents	**$ 7,069**	$ 36,789
U S government and agency securities	**15,861**	15,807
Common trust fixed income funds	**197,942**	201,867
Common trust equity funds	**46,555**	53,533
Domestic equity securities	**32,970**	36,882
International equity securities	**57,325**	60,043
Private equity	**14,390**	11,073
Hedge funds of funds	**27,124**	17,556
Accrued interest receivable and other	**1,664**	–
Total	**$ 400,900**	$ 433,550
Presented as		
Short-term investments	**$ 149,167**	$ 152,098
Investments	**216,617**	221,660
Assets limited as to use	**35,116**	59,792
Total	**$ 400,900**	$ 433,550

Common trust fixed income funds and common trust equity funds generally are redeemable in less than five days

5. Investments and Assets Limited as to Use (continued)

Private equity funds are generally not available to be redeemed except as distributed by the fund As of December 31, 2011, the System had committed $14 9 million to additional investments in private equity funds The majority of the hedge funds of funds held are redeemable on a quarterly basis with 60 days' notice The System requested full redemption, effective March 31, 2009, of its investment in a hedge funds of funds with a fair value of $12 7 million Redemptions were received during 2010 and 2011 with a remaining fair value of $1 8 million at December 31, 2011 Another hedge funds of funds with a fair value of $0 5 million at December 31, 2011, has been requested for a full redemption in 2011, which is expected to be redeemed fully in July 2012

Investment return is summarized as follows

	Year Ended December 31	
	2011	**2010**
	(In Thousands)	
Interest, dividends, and net realized gain, net	**$ 29,422**	$ 9,832
Change in unrealized (loss) gain, net	**(20,980)**	30,463
Total investment return	**$ 8,442**	$ 40,295
Included in other revenue	**$ 1,661**	$ 1,602
Included in other income, net	**9,173**	36,737
Included in noncurrent liabilities, net	**–**	511
Included in temporarily restricted net assets	**(2,392)**	1,445
Total investment return	**$ 8,442**	$ 40,295

6. Long-Term Debt

Long-term debt consists of the following obligations

	December 31	
	2011	**2010**
	(In Thousands)	
FSA Insured Health Facilities Revenue Bonds		
Series 2003A and B, fixed rate of 5 5%, payable in installments through 2032 (including unamortized premiums of $1,594 and $1,670 at December 31, 2011 and 2010, respectively)	**$ 126,594**	$ 126,670
Series 2004A, fixed rate of 5 0%, payable in installments through 2019 (including unamortized premiums of $2,484 and $3,058 at December 31, 2011 and 2010, respectively)	**59,924**	66,224
Series 2005A and B, fixed rate ranging from 5 125% to 5 5% at December 31, 2011, payable in installments through 2035 (including unamortized premiums of $226 and $236 at December 31, 2011 and 2010, respectively)	**100,226**	100,236
Uninsured Health Facilities Revenue Bonds		
Series 2008 A, B, and C, variable rate demand bonds 0 14% at December 31, 2011, and 0 36% at December 31, 2010, payable in installments through 2040	**140,000**	140,000
Series 2010A, fixed rate ranging from 4 0% to 5 25% at December 31, 2011, payable in installments through 2040 (including unamortized premiums of $1,227 and $1,269 at December 31, 2011 and 2010, respectively)	**96,947**	99,149
Other obligations	**27,931**	30,222
	551,622	562,501
Less current maturities	**10,368**	10,037
Total long-term debt, net of current maturities	**$ 541,254**	$ 552,464

6. Long-Term Debt (continued)

The Master Trust Indenture (the MTI) dated as of December 1, 1996, with subsequent amendments, sets forth the covenants relating to and provides the terms and conditions upon which borrowings under the MTI may be issued and secured The MTI provides that the borrowings under the MTI are the joint and several obligations of each of the members of the Obligated Group Currently, the Corporation, Saint Luke's, North, South, and East are members of the Obligated Group and comply with covenants, undertakings, stipulations, and provisions contained in the MTI The tax-exempt revenue bonds have been issued through Missouri Health & Educational Facilities Authority, the proceeds of which were used by the Corporation primarily to finance capital projects and to refinance existing indebtedness

The obligation of the Corporation to make payments on the indebtedness under the MTI and any additional notes is a general obligation of the Obligated Group and any future members of the Obligated Group, which is not secured by a pledge or mortgage of, or security interest in, any assets of the Obligated Group or any future members of the Obligated Group Nonetheless, the MTI imposes certain restrictions on the actions of the members of the Obligated Group for the benefit of all holders of notes issued under the MTI Such terms include, among others, restrictions on liens on the property of the members of the Obligated Group, restrictions on the incurrence of additional indebtedness, maintenance of certain debt coverage and liquidity ratios, and provisions governing the transfer of the property of the members of the Obligated Group

During 2010, the Corporation issued series 2010A bonds in the amount of $100 0 million at fixed annual rates ranging from 2 00% to 5 25% The proceeds of the series 2010A bonds were used for the payment of certain capital expenditures and to refund series 1996A, B, and P bonds ($42 7 million) A loss on bond defeasance of $877 thousand was recorded in 2010 in other income (loss) related to the refunding

The Corporation's unsecured variable rate debt is variable rate demand bonds These bonds, while subject to long-term amortization periods, may be put to the Corporation at the option of bondholders in connection with certain remarketing dates The Corporation maintains an irrevocable letter of credit in the event of a failed remarketing for its variable rate debt, which expires in October 2014 If the bonds were not remarketed, the first installment on the term loans would be payable one year after the term loan date, and such bonds are classified as long-term debt in the consolidated balance sheets The letter of credit has additional financial covenants required of the System

6. Long-Term Debt (continued)

Scheduled annual principal payments on the System's long-term obligations, excluding the impact of bond premiums and discounts and assuming that the variable rate debt will be remarketed, are as follows

Year Ending December 31	Long-Term Debt
	(In Thousands)
2012	$ 10,368
2013	10,358
2014	32,785
2015	9,550
2016	9,955
Thereafter	473,075
	$ 546,091

Interest Rate Swap Agreements

The System is a party to multiple interest rate swap contracts that effectively convert various variable rate demand bonds to fixed rates Interest rate swap contracts between the System and a third party (counterparty) provide for the periodic exchange of payments between the parties based on changes in a defined index and a fixed rate and include counterparty credit risk, which is the risk that contractual obligations of the counterparties will not be fulfilled Concentrations of credit risk relate to groups of counterparties that have similar economic or industry characteristics, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions Counterparty credit risk is managed by requiring high credit standards for the System's counterparties The counterparties to the interest rate swap contracts are financial institutions that carry investment-grade credit ratings The interest rate swap contracts contain collateral provisions applicable to both parties to mitigate credit risk There was no collateral posted at December 31, 2011 or 2010 The System does not anticipate nonperformance by its counterparties

6. Long-Term Debt (continued)

The System's interest rate swap contracts and fair value of derivatives (not designated as hedging instruments) at December 31 are as follows

Expiration Date	Fixed Rate	The System Receives	Notional Amount 2011	Notional Amount 2010	Fair Value 2011	Fair Value 2010
			(In Thousands)		*(In Thousands)*	
2032	5 500%	LIBOR – BBA	**$ 60,300**	$ 60,300	**$ (23,483)**	$ (12,923)
2035	5 056%	LIBOR – BBA	**33,500**	33,500	**(12,331)**	(5,430)
					$ (35,814)	$ (18,353)

The effects of derivative instruments in the consolidated statements of operations for the years ended December 31 are as follows

Derivatives Not Designated as Hedging Instruments	Location of Loss on Derivatives Recognized in Excess of Revenues Over Expenses	Amount of Loss on Derivatives Recognized in Excess of Revenues Over Expenses 2011	2010
		(In Thousands)	
Interest rate swap contracts	Loss on interest rate swaps	**$ (17,461)**	$ (6,185)
	Other loss, net	**(4,807)**	(4,766)

6. Long-Term Debt (continued)

Operating Leases

The System leases facility space and certain diagnostic and other equipment under long-term operating leases as a normal part of its operation At December 31, 2011, future noncancelable lease commitments consist of the following

Year Ending December 31	Lease Commitments
	(In Thousands)
2012	$ 10,586
2013	9,061
2014	8,236
2015	7,133
2016	6,012
Thereafter	26,625
	$ 67,653

Rental expense under cancelable and noncancelable leases was $17 0 million and $13 5 million in 2011 and 2010, respectively

7. Fair Value Measurements

Fair value is 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 The Fair Value Measurements and Disclosures Topic of the FASB's Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement)

7. Fair Value Measurements (continued)

Certain of the System's financial assets and financial liabilities are measured at fair value on a recurring basis, including money market, fixed income and equity instruments, and interest rate swap contracts The three levels of the fair value hierarchy and a description of the valuation methodologies used for instruments measured at fair value are as follows

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the reporting date Level 1 primarily consists of financial instruments such as money market securities and listed equities

Level 2 – Pricing inputs other than quoted prices included in Level 1 that are either directly observable or that can be derived or supported from observable data as of the reporting date Instruments in this category include certain U S government agency and sponsored entity debt securities and interest rate swap contracts depending on the significance of the credit value adjustment

Level 3 – Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are not observable from objective sources In evaluating the significance of inputs, the System generally classifies assets or liabilities as Level 3 when their fair value is determined using unobservable inputs that individually, or when aggregated with other unobservable inputs, represent more than 10% of the fair value of the assets or liabilities These inputs may be used with internally developed methodologies that result in management's best estimate of fair value Instruments in this category include interest rate swap contracts depending on the significance of the credit value adjustment During 2011, the level of the fair value hierarchy for interest rate swaps was changed from Level 2 to Level 3 because the credit value adjustment increased to more than 10% of the fair value of the swaps

Certain of the System's alternative investments are primarily made through LLCs and LLPs, which provide the System with a proportionate share of the investment gains (losses) The System accounts for its ownership in the LLCs and LLPs under the equity method

7. Fair Value Measurements (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2011

		Fair Value Measurements Using		
	Total Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In Thousands)		
Assets				
Cash and cash equivalents	$ 7,079	$ 7,079	$ –	$ –
U S government and agency securities	17,341	–	17,341	–
Common trust fixed income funds	104,595	–	104,595	–
Common trust equity fund	47,215	–	47,215	–
Fixed income funds	94,877	94,877	–	–
Domestic equity securities	33,234	33,234	–	–
International equity securities	27,485	27,485	–	–
	$ 331,826	$ 162,675	$ 169,151	$ –
Investments recorded on an equity basis	72,187			
SERP assets	(4,777)			
Accrued interest and other	1,664			
	$ 400,900			
Liabilities				
Obligation under swap contracts	$ (35,814)	$ –	$ –	$ (35,814)

7. Fair Value Measurements (continued)

The fair value of financial assets and liabilities measured at fair value on a recurring basis was determined using the following inputs at December 31, 2010

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In Thousands)		
Assets				
Cash and cash equivalents	$ 36,792	$ 36,792	$ –	$ –
U S government and agency securities	22,571	–	22,571	–
Common trust fixed income funds	203,338	–	203,338	–
Common trust equity fund	54,230	–	54,230	–
Domestic equity securities	31,148	31,148	–	–
International equity securities	39,990	39,990	–	–
	$ 388,069	$ 107,930	$ 280,139	$ –
Investment recorded on an equity basis	55,561			
SERP assets	(10,080)			
	$ 433,550			
Liabilities				
Obligation under swap contracts	$ (18,353)	$ –	$ (18,353)	$ –

7. Fair Value Measurements (continued)

The fair values of the securities included in Level 1 were determined through quoted market prices The fair values of Level 2 securities (primarily fixed income securities) were determined through evaluated bid prices based on recent trading activity and other relevant information, including market interest rate curves and referenced credit spreads, and estimated prepayment rates, where applicable, are used for valuation purposes as provided by third-party pricing services where quoted market values are not available Level 2 investments include common trust fixed income funds, common trust equity funds, and U S government and agency securities The fair values of the interest rate swap contracts are determined based on the present value of expected future cash flows using discount rates appropriate with the risks involved and are included in Level 2 or Level 3 depending on the significance of the credit value adjustment Due to the volatility of the capital markets, there is a reasonable possibility of significant changes in fair value and additional gains (losses) in the near term subsequent to December 31, 2011

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, other current assets, and current liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments The fair value of the System's fixed-rate bonds are based on quoted market prices for the same or similar issues and approximate $403 5 million and $363 3 million as of December 31, 2011 and 2010, respectively The carrying amount of the System's fixed-rate bonds as recorded in the System's consolidated balance sheets was $383 7 million and $392 3 million as of December 31, 2011 and 2010, respectively The fair value of the System's variable rate bonds approximates the carrying amount of $140 0 million as of December 31, 2011 and 2010

8. Retirement Plans

The System has a defined benefit pension plan (the Plan) covering substantially all employees who have attained age 21 with at least one year of service Plan benefits are based on years of service and the employees' compensation The Plan provides for payments commencing at age 65, with certain provisions for early retirement The System's policy is to make annual contributions to the Plan equal to the amounts accrued for pension liability within the range permitted In September 2010, the System froze the Plan As a result of this change, the System recognized $0 8 million of curtailment income in 2010

The following table sets forth the funded status of the Plan and accrued pension costs as of December 31 as actuarially determined

	2011	2010
	(In Thousands)	
Accumulated benefit obligation	**$ 221,136**	$ 211,122
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	**$ 211,121**	$ 215,977
Service cost	**–**	13,196
Interest cost	**10,570**	11,373
Actuarial loss	**9,503**	13,290
Benefits paid	**(10,057)**	(9,590)
Liability gain due to curtailment	**–**	(33,125)
Projected benefit obligation at end of year	**221,137**	211,121
Change in plan assets		
Fair value of plan assets at beginning of year	**190,814**	163,577
Actual investment return on plan assets	**(1,795)**	23,127
Employer contributions	**–**	13,700
Benefits paid	**(10,057)**	(9,590)
Fair value of plan assets at end of year	**178,962**	190,814
Pension obligation in noncurrent liabilities	**$ (42,175)**	$ (20,307)

8. Retirement Plans (continued)

Included in unrestricted net assets at December 31 are the following amounts that have not yet been recognized in net periodic pension cost

	2011	2010
	(In Thousands)	
Unrecognized actuarial losses	**$ 53,623**	$ 27,831

Changes in plan assets and benefit obligations included in unrestricted net assets for the years ended December 31 are as follows

	2011	2010
	(In Thousands)	
Unrecognized actuarial losses (gains)	**$ 25,792**	$ (32,177)
Amortization of prior service costs	–	1,547
	$ 25,792	$ (30,630)

An actuarial loss is expected to be recognized during the year ending December 31, 2012, of $0 9 million

8. Retirement Plans (continued)

No plan assets are expected to be returned to the System during the year ending December 31, 2012

	2011	2010
Weighted-average assumptions used to determine the projected benefit obligation for the year ended December 31		
Discount rate	**4.72%**	5 19%
Rates of compensation increase	**4.50**	4 50
Weighted-average assumptions used to determine net periodic benefit cost for the year ended December 31		
Discount rate	**5.19%**	5 46%
Expected long-term return on plan assets	**8.00**	8 00
Rates of compensation increase	**4.50**	4 50

The effect of the changes in discount rate was to increase the projected benefit obligation at December 31, 2011 and 2010, by approximately $8 5 million and $10 million, respectively

	Year Ended December 31	
	2011	2010
	(In Thousands)	
Components of net periodic benefit cost		
Service cost	**$ –**	$ 13,196
Interest cost	**10,570**	11,373
Expected return on plan assets	**(14,677)**	(13,289)
Amortization of net actuarial loss	**183**	2,504
Amortization of prior service cost	**–**	(725)
Curtailment income	**–**	(822)
Net periodic pension (income) cost	**$ (3,924)**	$ 12,237

8. Retirement Plans (continued)

The System's pension plan's weighted-average asset allocations at December 31, 2011 and 2010, by asset category are as follows

	Target Asset Allocation		Plan Assets	
Asset Category	**2011**	**2010**	**2011**	**2010**
Domestic equity	**25%**	30%	**26%**	32%
International equity	**25**	30	**23**	25
Private equity	**5**	5	**5**	5
Fixed income	**45**	35	**46**	31
Cash equivalents	–	–	–	7

The System employs a total return investment approach, whereby a mix of marketable equity securities, common trust fixed income funds, common trust equity funds, and alternative investments are used to estimate a long-term return of plan assets for a prudent level of risk The System's goal is to manage the duration of both assets and liabilities to meet changes in the liabilities Risk tolerance is therefore established through careful consideration of plan liabilities and plan-funded status

The System determines an expected long-term rate of return for plan assets in consultation with its external investment advisor The System reviews historical market performance by investment asset class along with current economic outlooks for asset class performance in order to estimate its long-term rate of return assumption Peer data and historical returns are reviewed to check for reasonableness

8. Retirement Plans (continued)

The fair value of pension plan assets was determined using the following inputs at December 31, 2011

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In Thousands)		
Cash and cash equivalents	$ 3,046	$ 3,046	$ –	$ –
Common trust fixed income funds	28,095	–	28,095	–
Fixed income funds	53,397	53,397	–	–
Common trust equity fund	32,111	–	32,111	–
Domestic equity securities	13,546	13,546	–	–
International equity securities	39,899	19,234	–	20,665
Private equities	8,868	–	–	8,868
	$ 178,962	$ 89,223	$ 60,206	$ 29,533

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy defined above (in thousands)

Fair value at January 1, 2011	$ 23,767
Purchases, issuances, and settlements	13,630
Sales	(6,465)
Realized gains	127
Unrealized losses	(1,526)
Fair value at December 31, 2011	$ 29,533

8. Retirement Plans (continued)

The fair value of pension plan assets was determined using the following inputs at December 31, 2010

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		(In Thousands)		
Cash and cash equivalents	$ 20,809	$ 20,809	$ –	$ –
Common trust fixed income funds	56,857	–	56,857	–
Common trust equity fund	40,034	–	40,034	–
Domestic equity securities	17,563	13,308	4,255	–
International equity securities	46,442	30,263	1,521	14,658
Private equities	9,109	–	–	9,109
	$ 190,814	$ 64,380	$ 102,667	$ 23,767

The following table is a rollforward of the pension plan assets classified within Level 3 of the valuation hierarchy defined above (in thousands)

Fair value at January 1, 2010	$ 18,940
Purchases, issuances, and settlements	2,315
Sales	(380)
Realized gains	2
Unrealized gains	2,890
Fair value at December 31, 2010	$ 23,767

8. Retirement Plans (continued)

The System does not expect to make any contributions to its pension plan in 2011

The following benefit payments, which reflect expected future service and include the forecast of participants electing lump-sum payments, are expected to be paid

Year Ending December 31	Pension Benefits
	(In Thousands)
2012	$ 17,000
2013	17,200
2014	16,900
2015	15,900
2016	15,200
2017–2020	71,800

The System participates in a 401(a) defined contribution retirement plan that covers substantially all employees meeting the eligibility requirements set forth under this plan The System contributes an amount based on a percentage for eligible employees who contribute to the tax-deferred 403(b) plan or the 401(k) savings plan In 2011, the System converted to a defined contribution plan with an enhanced match The System recorded expenses of $21 4 million and $2 3 million related to these plans during 2011 and 2010, respectively, which are included in employee benefits expense in the consolidated statements of operations

The System maintains a Supplemental Executive Retirement Plan (SERP) with similar assumptions to the System's cash balance defined benefit plan As of December 31, 2011 and 2010, the SERP's plan assets were $4 8 million and $10 1 million, respectively, and the SERP's benefit obligation was $6 1 million and $10 5 million, respectively The System recorded expense of $0 3 million and $0 7 million related to the SERP during 2011 and 2010, respectively Changes in plan assets and benefit obligations included in unrestricted net assets during 2011 and 2010 related to the SERP resulted in an actuarial (loss) gain of $(0 6 million) and $0 2 million, respectively

9. Insurance and Self-Insured Risks

The System provides for medical malpractice and general liability exposure through a combination of self-insurance and third-party insurance carriers

Professional and general liability coverage for Saint Luke's, North, East, and Saint Luke's Cancer Institute is provided through the Saint Luke's Hospital Trust (the Trust), a revocable trust fund Through the Trust, these entities maintain a self-insured retention of $3 million per occurrence and $9 million in annual aggregate Contributions to the Trust are made based on funding levels recommended by an independent actuary

For entities participating in the Trust, expense is based on paid claims and the actuary's discounted estimate of the eventual cost of claim settlements, including estimates for claims that may have occurred during the periods but were not yet identified and reported, and the probable timing of the payment of these claims Accrued malpractice losses were discounted at an annual rate of 4 9% in 2011 and 2010

South established a trust (the SLS Trust) to self-insure professional liability risk beginning on January 1, 2005 Cushing established a trust (the CMH Trust) to self-insure professional liability risk beginning on April 1, 2007 The coverage provided by both the SLS Trust and the CMH Trust is $200,000 per claim and $600,000 in the aggregate

The Kansas Health Care Stabilization Fund provides coverage in the amount of $800,000 per claim and $2 4 million in the aggregate Claims-made excess coverage, as discussed below, is provided by a third-party insurance company along with the other System entities Prior acts coverage also is provided through each trust The funding contributions to each trust were based on recommendations from an independent actuary South and Cushing continue to insure general liability exposure through an insurance policy purchased from a third-party insurer

Anderson County, Wright Memorial, Hedrick, and Crittenton obtain both general and professional liability coverage from a third-party insurer

9. Insurance and Self-Insured Risks (continued)

Effective August 1, 2003, the System established the RRG to provide coverage to employed physicians and related staff The RRG has the capacity to insure physicians who are not employed by the System, and it currently insures one independent group The RRG, which is domiciled in South Carolina, is wholly owned by the System and provides the first layer of coverage for such employed physicians up to a limit of $250,000 per claim in Missouri and $200,000 per claim in Kansas per physician Coverage above those levels, up to $1 million per claim and $3 million annual aggregate and excess coverage, is provided by third-party insurers or the Kansas Health Care Stabilization Fund, as applicable Certain of these policies are on a retrospective-rated premium basis, and premiums are accrued based on the ultimate cost of the experience to date of the provider For premium assessment purposes, these participating entities are subject to the experience of a group of providers Adjustments of estimated actual expenses, if any, are included in the period that such adjustments are determined The RRG's expense is determined in a manner similar to Saint Luke's self-insured expense

The System carries excess insurance coverage for general and professional liability exposures that is purchased from a third-party insurer A modified claims-made excess policy with a built-in seven-year tail in the amount of $25 million provides excess coverage for the Trust exposures only An additional claims-made policy in the amount of $25 million provides excess coverage over the primary layers for all the other entities An additional layer of excess coverage in the amount of $25 million is purchased to cover all of the System's entities for a total available excess coverage of $50 million

In the event the claims-made policies are not renewed or replaced with equivalent insurance coverage, claims based on occurrences during their term, but reported subsequently, will be uninsured Management is currently not aware of any incidents that would result in losses, which could have a material adverse impact on the accompanying consolidated financial statements

The System similarly provides for health insurance and workers' compensation coverage through a combination of self-insurance and third-party insurers Liabilities have been established for known claims and estimated claims, which have been incurred but not reported

10. Transactions With Related Party

Saint Luke's is a party to a financial guarantee with risk not reflected on the consolidated balance sheets That arrangement is with Kansas City Orthopedic Institute, a related party As of December 31, 2011 and 2010, the guaranteed liability totaled $0 2 million and $0 4 million, respectively Saint Luke's believes the risk of loss associated with this guarantee to be minimal

The System has adopted the provisions of ASC Topic 460 (formerly FSP FIN 45), which specifically includes minimum revenue guarantees granted to a business or its owners within its scope The System enters into agreements with nonemployed physicians that include minimum revenue guarantees for up to 36 months These guarantees were $13 0 million and $21 1 million as of December 31, 2011 and 2010, respectively, and are included in current and noncurrent liabilities in the accompanying consolidated balance sheets as appropriate The net maximum amount of future payments that the System could be required to make under these guarantees is $13 0 million and $21 1 million at December 31, 2011 and 2010, respectively

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	December 31	
	2011	**2010**
	(In Thousands)	
Purchase of equipment	**$ 1,352**	$ 1,451
Health care services	**6,571**	8,175
Health care education	**822**	2,478
Foundation net assets *(Note 1)*	**90,153**	91,826
	$ 98,898	$ 103,930

11. Temporarily and Permanently Restricted Net Assets (continued)

Proceeds from the following principal of these permanently restricted net assets are restricted to the following

	December 31	
	2011	**2010**
	(In Thousands)	
Health care services	**$ 2,588**	$ 2,588
Health care education	**252**	252
Foundation net assets *(Note 1)*	**35,666**	35,548
	$ 38,506	$ 38,388

12. Subsequent Events

The System evaluated events and transactions occurring subsequent to December 31, 2011 through April 12, 2012, the date of issuance of the consolidated financial statements During this period, there were no subsequent events requiring recognition or disclosure in the consolidated financial statements

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