



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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
REGIONAL WEST MEDICAL CNTR

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
4021 AVENUE B

Room/suite

City or town, state or country, and ZIP + 4
SCOTTSBLUFF, NE 693614602

F Name and address of principal officer

D Employer identification number

47-0385129

E Telephone number

(308) 635-3711

G Gross receipts \$ 190,244,435

I Tax-exempt status

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

J Website:

WWW RWHS ORG

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

M State of legal domicile

Part I

Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities PROVIDING MEDICAL CARE		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	9
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	1,585
	6	Total number of volunteers (estimate if necessary)	6	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	15,714,657
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	-877,021
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	21,423	42,601
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	156,098,838	164,717,785
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,845,207	-1,292,808
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	23,974,298	24,037,791
Expenses			181,939,766	187,505,369
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	8,050,000	12,099,996
	14	Benefits paid to or for members (Part IX, column (A), line 4)		0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	75,623,749	80,476,812
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
	b	Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	83,001,268	89,572,755
Net Assets or Fund Balances	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	166,675,017	182,149,563
	19	Revenue less expenses Subtract line 18 from line 12	15,264,749	5,355,806
			Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	155,804,021	159,858,108
	21	Total liabilities (Part X, line 26)	80,348,009	87,219,015
	22	Net assets or fund balances Subtract line 21 from line 20	75,456,012	72,639,093

Part II

Signature Block

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

Sign Here

Signature of officer

2012-08-15

Date

DAVID GRIFFITHS CFO & VP OF FINANCE

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

DAN W CHARRON CPA CMA

Date

2012-11-13

Check if self-employed

☐

Preparer's taxpayer identification number (see instructions)

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

CONTRYMAN ASSOCIATES PC CPA'S
PO BOX 2246
SCOTTSBLUFF, NE 69363

EIN

Phone no

(308) 635-7705

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

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

PROVIDING MEDICAL CARE

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 \$ 144,388,250 including grants of \$ 12,099,996) (Revenue \$)

REGIONAL WEST MEDICAL CENTER PROVIDED 34,372 DAYS OF INPATIENT CARE TO 6,715 PATIENTS AND REGISTERED APPROXIMATELY 54,737 OUTPATIENTS REGIONAL WEST MEDICAL CENTER PROVIDED 20,304,353 IN BENEFITS TO THE COMMUNITY, EXCLUDING MEDICARE SHORTFALL, AND 46,265,366 OF COMMUNITY BENEFITS INCLUDING THE MEDICARE SHORTFALL

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 \$ 144,388,250

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.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?		No
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.		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.		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		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.		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.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		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.		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.		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	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.		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.		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.		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	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.		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.	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		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.		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.		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.		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.		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.		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.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	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.	Yes	

Part IV

Checklist of Required Schedules (continued)

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

Part V

Statements Regarding Other IRS Filings and Tax Compliance

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

☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	112	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	
c			1c	
2a			2a	1,585
b			2b	Yes
3a			3a	Yes
b			3b	Yes
4a			4a	No
b				
5a			5a	No
b			5b	No
c			5c	
6a			6a	No
b			6b	
7			7a	
a			7b	
b			7c	
d			7d	
e			7e	
f			7f	
g			7g	
h			7h	
8			8	
9			9a	
b			9b	
10			10a	
b			10b	
11			11a	
b			11b	
12a			12a	
b			12b	
13			13a	
b			13b	
c			13c	
14a			14a	No
b			14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. DAVID GRIFFITHS 4021 AVENUE B SCOTTSBLUFF, NE 693614602 (308) 630-1111

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) TODD S SORENSEN CEO	1 00	X		X				0	820,138	74,916
(2) TOM HOLYOKE	1 00	X						23,607	0	0
(3) H HOD KOSMAN CHAIRMAN	1 00	X		X				0	0	0
(4) JANE HUNTER	1 00	X		X				0	0	0
(5) MARK HARTMAN MD	1 00	X						0	0	0
(6) JIM TRUMBULL	1 00	X						0	0	0
(7) JEFFREY HOLLOWAY MD	1 00	X						0	0	0
(8) REV LAUREN EKDAHL	1 00	X						0	0	0
(9) DORA OLIVARES	1 00	X						0	0	0
(10) JIM DARNELL	1 00	X						0	0	0
(11) DAVID GRIFFITHS	1 00			X				0	259,400	41,800
(12) JENNIFER BROOKER SECRETARY	1 00			X				0	43,142	27,912
(13) FRANK CARLTON INTERIM VP O	55 00				X			327,022	0	0
(14) SHIRLEY KNODEL CHIEF OF NUR	55 00				X			186,920	0	41,829
(15) JAN TAYLOR VP OF ANCILL	55 00				X			182,217	0	55,751
(16) THOMAS DREDLA IV CRNA	40 00					X		202,060	0	28,064
(17) JANET HANSON CRNA	40 00					X		197,953	0	25,099

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) CINDY BRAMAN CRNA	40 00					X		197,458	0	28,021
(19) RALPH PHELPS CRNA	40 00					X		193,239	0	31,696
(20) THOMAS DREDLA III CRNA	40 00					X		188,627	0	27,441
(21) LISA BEWLEY							X	0	187,098	33,637
(22) STEVE HODGES							X	0	164,668	39,932
(23) STUART FULKS							X	0	150,157	30,109
(24) JAMES MCHUGH VP OF MED							X	112,876	0	361
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,811,979	1,624,603	486,568

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▶9

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		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
MA MORTENSON COMPANY 1621 EIGHTEENTH STREET STE 400 DENVER, CO 80202	CONSTRUCTION	4,214,089
MCKESSON INFORMATION SYSTEMS PO BOX 98347 CHICAGO, IL 606938347	SVC MTN & EQUIP	3,458,874
PAUL REED CONSTRUCTION 2970 10TH ST GERING, NE 69341	CONSTRUCTION	1,132,776
CST MECHANICAL INC 1402 AVE B SCOTTSBLUFF, NE 69361	MECHANICAL SVCS	1,021,113
RUSCH'S GENERAL CONTRACTING PO BOX 559 SCOTTSBLUFF, NE 69361	CONSTRUCTION	836,116

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 ▶152

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	42,601				
	g	Noncash contributions included in lines 1a-1f \$ 42,601						
	h	Total. Add lines 1a-1f		42,601				
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE REVENUE		164,717,785	164,717,785			
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		164,717,785				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,446,258			1,446,258	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		Gross rents						
		b	Less rental expenses					
		c	Rental income or (loss)					
	d	Net rental income or (loss)						
	7a	(i) Securities		(ii) Other				
		Gross amount from sales of assets other than inventory						
		b	Less cost or other basis and sales expenses	2,739,066				
		c	Gain or (loss)	-2,739,066				
	d	Net gain or (loss)		-2,739,066	-2,739,066			
	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	REFERENCE LABORATORY	621500	11,241,301		11,241,301			
b	PHARMACY SALES	446110	4,473,356		4,473,356			
c	ADMINISTRATIVE & MISC		3,216,236			3,216,236		
d	All other revenue		5,106,898	1,377,625		3,729,273		
e	Total. Add lines 11a-11d		24,037,791					
12	Total revenue. See Instructions		187,505,369	163,356,344	15,714,657	8,391,767		

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	12,099,996	12,099,996		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	620,352	620,352		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	112,876		112,876	
7	Other salaries and wages	59,785,906	48,531,223	11,254,683	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,251,231	1,856,445	394,786	
9	Other employee benefits	13,469,360	10,325,893	3,143,467	
10	Payroll taxes	4,237,087	3,446,534	790,553	
11	Fees for services (non-employees)				
a	Management				
b	Legal	139,352		139,352	
c	Accounting	61,404		61,404	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	5,490,766	5,424,934	65,832	
12	Advertising and promotion				
13	Office expenses	1,163,399	810,117	353,282	
14	Information technology				
15	Royalties				
16	Occupancy	1,873,642	1,311,988	561,654	
17	Travel	651,131	342,903	308,228	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	470,636	377,034	93,602	
20	Interest	2,925,698	2,382,009	543,689	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	10,436,955	7,073,957	3,362,998	
23	Insurance	842,167	601,333	240,834	
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	SUPPLIES	32,316,330	31,840,772	475,558	
b	OTHER PURCHASED SERVICES	21,752,184	10,881,090	10,871,094	
c	EQUIPMENT RENTAL & MAINT	7,376,153	3,984,686	3,391,467	
d	MISCELLANEOUS	1,460,880	757,886	702,994	
e					
f	All other expenses	2,612,058	1,719,098	892,960	
25	Total functional expenses. Add lines 1 through 24f	182,149,563	144,388,250	37,761,313	0
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			71,732	1	7,790
	2	Savings and temporary cash investments			12,216,496	2	5,506,893
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			30,580,238	4	31,190,022
	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			1,698,478	7	374,029
	8	Inventories for sale or use			4,702,846	8	4,730,958
	9	Prepaid expenses and deferred charges			2,315,455	9	3,799,187
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	184,338,470			
	b	Less: accumulated depreciation	10b	121,582,366	56,122,040	10c	62,756,104
	11	Investments—publicly traded securities			46,970,621	11	50,290,123
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,126,115	15	1,203,002
16	Total assets. Add lines 1 through 15 (must equal line 34)			155,804,021	16	159,858,108	
Liabilities	17	Accounts payable and accrued expenses			17,177,043	17	21,603,283
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities			59,303,631	20	56,018,554
	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	2,939,465
	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			3,867,335	25	6,657,713
	26	Total liabilities. Add lines 17 through 25			80,348,009	26	87,219,015
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			75,456,012	27	72,639,093
	28	Temporarily restricted net assets				28	
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			75,456,012	33	72,639,093
	34	Total liabilities and net assets/fund balances			155,804,021	34	159,858,108

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	187,505,369
2	Total expenses (must equal Part IX, column (A), line 25)	2	182,149,563
3	Revenue less expenses Subtract line 2 from line 1	3	5,355,806
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	75,456,012
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-8,172,725
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	72,639,093

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
--	--

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?

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14					
15 Public Support Percentage for 2010 Schedule A, Part II, line 14	15					
16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						
17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 47-0385129
Name: REGIONAL WEST MEDICAL CNTR

Form 990, Special Condition Description:

Special Condition Description

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization REGIONAL WEST MEDICAL CNTR	Employer identification number 47-0385129
--	--

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?	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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

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

3

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

4

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

5

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

☐ Yes ☒ No

6

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

7

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

8

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

☐ Yes ☒ No

9

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

Part III

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

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

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

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

☐ Yes

☒ No

Part IV

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

1a

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

☐ Yes

☒ No

b

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

	Amount
1c	
1d	
1e	
1f	

1c

Beginning balance

1d

Additions during the year

1e

Distributions during the year

1f

Ending balance

2a

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

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

Yes

No

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,209,597		3,209,597
b Buildings				
c Leasehold improvements				
d Equipment		169,416,664	121,582,366	47,834,298
e Other		11,712,209		11,712,209
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				62,756,104

Schedule D (Form 990) 2011

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1187,505,369
2	Total expenses (Form 990, Part IX, column (A), line 25)	2182,149,563
3	Excess or (deficit) for the year Subtract line 2 from line 1	35,355,806
4	Net unrealized gains (losses) on investments	476,898
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8-8,258,647
9	Total adjustments (net) Add lines 4 - 8	9-8,181,749
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10-2,825,943

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1187,573,247
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a76,898	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d	
e	Add lines 2a through 2d2e76,898	3187,496,349
3	Subtract line 2e from line 1	
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 7b4a	
b	Other (Describe in Part XIV)4b9,020	
c	Add lines 4a and 4b4c9,020	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)5187,505,369	

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1190,399,190
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d8,249,627	
e	Add lines 2a through 2d2e8,249,627	3182,149,563
3	Subtract line 2e from line 1	
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 7b4a	
b	Other (Describe in Part XIV)4b	
c	Add lines 4a and 4b4c	5182,149,563
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)5	

Part XIVSupplemental Information

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

Identifier	Return Reference	Explanation
RECONCILIATION OF CHANGES - OTHER	SCHEDULE D, PAGE 4, PART XI, LINE 8	FRIENDS OF REGIONAL WEST -9,020 FUND BALANCE TRANSFERS TO AFFILIATES -2,386,548 CHANGE IN FMV OF INTEREST RATE SWAP -2,790,378 NET PERIODIC PENSION COST -3,072,701
REVENUE AMOUNTS INCLUDED ON RETURN - OTHER	SCHEDULE D, PAGE 4, PART XII, LINE 4B	FRIENDS OF REGIONAL WEST 9,020
EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	SCHEDULE D, PAGE 4, PART XIII, LINE 2D	FUND BALANCE TRANSFERS TO AFFILIATES 2,386,548 CHANGE IN FMV OF INTEREST RATE SWAP 2,790,378 NET PERIODIC PENSION COST 3,072,701

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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			3,497,156		3,497,156	1 920 %
b Medicaid (from Worksheet 3, column a)			6,949,267		6,949,267	3 820 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			10,446,423		10,446,423	5 740 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			366,888	38,006	328,882	0 180 %
f Health professions education (from Worksheet 5)			1,435,818		1,435,818	0 790 %
g Subsidized health services (from Worksheet 6)			1,036,683		1,036,683	0 570 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			12,627,437		12,627,437	6 930 %
j Total Other Benefits			15,466,826	38,006	15,428,820	8 470 %
k Total. Add lines 7d and 7j			25,913,249	38,006	25,875,243	14 210 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			10,495		10,495	0 010 %
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development			1,220,133		1,220,133	0 670 %
9Other						
10Total			1,230,628		1,230,628	0 680 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	25,017,999	
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)	538,096,478	
6	Enter Medicare allowable costs of care relating to payments on line 5	668,153,674	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7-30,057,196	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9aYes	
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.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

REGIONAL WEST MEDICAL CENTER

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	No
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>100</u> 0% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>2500</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

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

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
COMMUNITY BUILDING ACTIVITIES	PART II	RWMCS MAJOR COMMUNITY BUILDING ACTIVITIES INCLUDE DISASTER READINESS SUPPORT SYSTEM ENHANCEMENT FOR THE IMMEDIATE COMMUNITY AND SCOTTS BLUFF COUNTY AND PHYSICIAN RECRUITMENT THE DISASTER READINESS SUPPORT INCLUDES COMMUNITY WIDE DRILLS COMMUNITY DISEASE AWARENESS MEETINGS COUNTY LEVEL DISASTER MEETINGS AND COOPERATION WITH THE LOCAL POLICE DEPARTMENT TO PROVIDE DISASTER SUPPORT FOR THE COMMUNITY RWMC REPRESENTATIVES ALSO VISIT LOCAL BUSINESSES AND SCHOOLS TO PROVIDE INFORMATION ON ANY VIRUS OUTBREAKS OR ALERTS SUCH AS THE H1N1 CRISIS IN 2009 RWMC IS INVOLVED WITH THE VARIOUS COMMUNITYWIDE SCHOOL PROGRAMS THEREBY PROVIDING SUPPORT TO A LOCAL SCHOOLS THROUGH PROMOTING ACTIVITIES RAISING FUNDS AND HELPING TO SERVE LUNCHES ETC RWMC AS A HOSPITAL THAT PROVIDES SERVICE TO A MEDICALLY UNDERSERVED AREA IS ACTIVELY INVOLVED IN RECRUITING QUALITY PHYSICIANS AND MEDICAL SPECIALISTS TO THE AREA TO PROVIDE NEEDED MEDICAL SERVICES THIS ONGOING RECRUITMENT ACTIVITY IS ESSENTIAL TO THE COMMUNITY AND REGION IN ORDER TO ENSURE THAT RESIDENTS HAVE REGIONAL ACCESSIBILITY TO NEEDED MEDICAL SERVICES

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE EXPLANATION	PART III LINE 4	THE PORTION OF THE NOTES TO THE FINANCIAL STATEMENTS OF THE AUDIT REPORT THAT ADDRESSES BAD DEBT IS UNDER THE PATIENT RECEIVABLES NET PARAGRAPH IN NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES IN THIS SECTION THE NOTES STATE ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT IT IS IMPORTANT TO NOTE THAT THE BAD DEBT EXPENSE ON THE FINANCIAL STATEMENTS IS STATED IN TERMS OF UNREALIZABLE REVENUE RATHER THAN AT THE ACTUAL COSTS ASSOCIATED WITH THE BAD DEBT RWMC HAS COST ACCOUNTING SOFTWARE FROM WHICH THE ACTUAL COSTS OF THE BAD DEBT AS REPORTED ABOVE WERE OBTAINED THE COST OF BAD DEBT EXPENSE USING THIS SOFTWARE IS CALCULATED BY ADDING THE DIRECT COSTS OF THE MEDICAL SERVICES PROVIDED ALONG WITH A COMBINATION OF AN ALLOCATION OF OVERHEAD BASED ON COST ACCOUNTING METHODOLGY AND COST TO RATIO CHARGES FOR NEW SERVICE CODES RWMC USES A METHOD SIMILAR TO THE METHOD OF CALCULATING CHARITY CARE COST TO CALCULATE BAD DEBT AT COST THE TOTAL COST OF THE BAD DEBT OBTAINED FROM THE COST ACCOUNTING SYSTEM IS REDUCED BY PAYMENTS THAT WERE MADE AND ANY RECOVERIES THAT WERE REALIZED ON THE ACCOUNTS AFTER ELIMINATING ANY CREDIT BALANCES THE REMAINING COST IS DETERMINED TO BE A REASONABLE ESTIMATE OF THE COST OF BAD DEBT AT THIS TIME THE COMMUNITY BENEFIT DOES NOT INCLUDE ANY BAD DEBT AMOUNTS

Identifier	ReturnReference	Explanation
MEDICARE EXPLANATION	PART III LINE 8	APPROXIMATED 47 OF THE NET PATIENT SERVICES REVENUE IS FROM PATIENTS PARTICIPATING IN THE MEDICARE PROGRAM THUS PROVIDING SERVICES TO MEDICARE PATIENTS IS A PROMOTION OF HEALTHCARE SERVICES TO A SIGNIFICANT PORTION OF THE POPULATION OF THE COMMUNITY AND REGION THAT RWMC SERVES MEDICARE COST IS THE ALLOWABLE COSTS AS REPORTED ON THE REGIONAL WEST MEDICAL CENTER COST REPORT FOR 2011

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES EXPLANATION	PART III LINE 9B	THE COLLECTION POLICY OF RWMC AND THE RELATED CHARITY CARE POLICY STATES THAT SINCE A PATIENTS ABILITY TO PAY FOR HEALTHCARE SERVICES CAN CHANGE A CHARITY DETERMINATION CAN BE MADE PRIOR TO DURING OR FOLLOWING TREATMENT AT RWMC ONCE A PATIENT HAS DEMONSTRATED OR COMMUNICATED A NEED THROUGH NONPAYMENT OR THROUGH A COMPLETED FINANCIAL ASSISTANCE APPLICATION THE FINANCIAL ASSISTANCE TEAM OF RWMC WILL REVIEW THE ACCOUNT AND BASED ON FEDERAL POVERTY GUIDELINES WILL MAKE A DETERMINATION OF WHETHER THE ACCOUNT QUALIFIES FOR CHARITY CARE TREATMENT SOME ITEMS CONSIDERED IN THE DETERMINATION ACCORDING TO RWMC POLICY ARE ABILITY TO PAY EXHAUSTION OF MEDICARE OR MEDICAID BENEFITS COMBINED WITH INABILITY TO PAY DISCOUNTED CARE FOR THOSE UNABLE TO PAY ALL OTHER POSSIBLE SOURCES OF COLLECTION USING SOUND BUSINESS PRACTICES HAVE BEEN MADE TO ENABLE THE PATIENT TO PAY CARE PROVIDED TO A DECEASED PATIENT WITH NO ESTATE OR CARE PROVIDED TO PATIENT AFTER WHICH A NEGOTIATED SETTLEMENT WAS MADE FOR THE PATIENTS ACCOUNT

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI	COMMUNITY NEEDS ARE ASSESSED BY USING UNRELATED DATA COLLECTION SOURCES AND THROUGH THE ACTIVE OBSERVATION AND INVOLVEMENT OF THE ENTITIES EMPLOYEES THROUGHOUT THE COMMUNITIES AND REGION SERVED ONE OF THE MAIN DATA COLLECTION SOURCES USED IS THE BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM BFRSS THIS ANNUAL SURVEY COLLECTS DATA ON THE PREVALENCE OF MAJOR HEALTH RISK FACTORS AMONG ADULTS RESIDING THE THE STATE THIS INFORMATION IS USED TO TARGET HEALTH EDUCATION AND RISK REDUCTION ACTIVITIES THROUGHOUT THE STATE AND GIVES RWMC A STARTING POINT FOR PROGRAM IDEAS RWMC IS ALSO INVOLVED WITH THE MOBILIZING FOR ACTION THROUGH PLANNING AND PARTNERSHIPS MAPP PROCESS WITH PANHANDLE PUBLIC HEALTH DISTRICT THIS IS A COMMUNITY WIDE STRATEGIC PLANNING TOOL FOR IMPROVING COMMUNITY HEALTH WHICH IS FACILITATED BY PUBLIC HEALTH LEADERSHIP AND HELPS COMMUNITIES PRIORITIZE PUBLIC HEALTH ISSUES AND IDENTIFY RESOURCES FOR ADDRESSING THEM THE NEBRASKA STATE DEPARTMENT OF HEALTH IS A MAJOR RESOURCE FOR DATA USED IN NEEDS ASSESSMENT AN ASSESSMENT IS DONE OF THE GRANTS OFFERRED BY THE STATE TO DETERMINE IF THE GRANT COULD BE USED TO ADDRESS A NEED IN THE COMMUNITIES SERVED AND IF THE PROGRAM WOULD BE SUSTAINABLE ONCE STARTED COMMUNICATION WITH OTHER GROUPS IN THE REGION IS ONGOING SO THAT SERVICES ARE NOT DUPLICATED THE STATE DEPARTMENT OF HEALTH PROVIDES RWMC WITH MONTHLY CALLS ON REPORTABLE DISEASE SURVEILLANCE WHICH HELPS RWMC DIRECT EDUCATION PROGRAMS AND RESOURCES TOWARDS AREAS OF CONCERN

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI	PATIENTS ARE NOTIFIED AT ONE OR MORE TIMES THROUGHOUT THE PROCESS OF SCHEDULING INHOUSE THROUGH STATEMENTS LETTERSAT THE POINT OF DISCHARGE IN THE ADMISSIONS PACKET AND OCCASIONALLY BY THIER PHYSICIAN ABOUT THE FINANCIAL ASSISTANCE AND THE PAYMENT POLICIES OF RWMC RWMC HAS A TIME OF SERVICE TOSCOLLECTION POLICY THAT IS COMMUNICATED TO THE PATIENT OR THE PATIENTS FAMILY PRIOR TO OR FOLLOWING TREATMENT AT THE FACILITY DURING THIS CONFERENCE THE PATIENT IS ALSO GIVEN MATERIALS EXPLAINING THE FINANCIAL ASSISTANCE AVAILABLE THE VERBAL COMMUNICATION OF THIS POLICY PROVIDES RWMC AN OPPORTUNITY TO ASSESS IF PATIENTS HAVE A FINANCIAL NEED SO THAT THE FINANCIAL LIASIONS OF RWMC WILL BE ABLE TO PROACTIVELY WORK WITH THE PATIENTS TO DETERMINE IF THEY QUALIFY FOR FINANCIAL ASSISTANCE AT THIS TIME PAYMENT OPTIONS ARE COMMUNICATED AND DISCUSSED WITH THE PATIENTPATIENTS FAMILY A FINANCIAL ASSISTANCE APPLICATION IF APPLICABLE IS PROVIDED FOR THE PATIENT TO FILL OUT THAT IS THEN EVALUATED TO DETERMINE THE PATIENTS ABILITY OR INABILITY TO PAY USING A MEASUREMENT OF INCOME BASED ON THE MOST RECENTLY PUBLISHED POVERTY GUIDELINES FROM THE FEDERAL REGISTER DECISIONS REGARDING FINANCIAL ASSISTANCE ARE THEN COMMUNICATED TO THE PATIENT IN A LETTER

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI	RWMC SERVES THE REGIONAL AREA INCLUDING THE PANHANDLE OF NEBRASKA EASTERN WYOMING SOUTHWESTERN SOUTH DAKOTA AND NORTHERN COLORADO THIS AREA IS MAINLY RURAL WITH AGRICULTURE BEING THE BIGGEST INDUSTRY THE AVERAGE ANNUAL INCOME FOR THE IMMEDIATE SCOTTS BLUFF COUNTY AREA IS APPROXIMATELY 50295 FOR A FAMILY OF 3 THE 2010 CENSUS PROJECTED THE POPULATION OF THE AREA TO BE 37000 IN 2011 OF THIS POPUATION 30 IS ESTIMATED TO BE OVER THE AGE OF 65 IN THE REGION THERE ARE 5 OTHER SMALLER HOSPITALS BUT RWMC IS THE ONLY HOSPITAL IN THE PANHANDLE OF NEBRASKA TO BE DESIGNATED A TRAUMA CENTER AND AS THE LARGEST FACILITY PROVIDES SUPPORT SERVICES TO THE SMALLER HOSPITALS IN THE REGION RWMC ESTIMATES THAT 47 OF ITS REVENUE IS DERIVED FROM MEDICAL TREATMENT OF PATIENTS COVERED BY MEDICARE 13 OF REVENUE IS DERIVED FROM PATIENTS COVERED BY MEDICAID

Schedule I
(Form 990)

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

Department of the Treasury
Internal Revenue Service

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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) REGIONAL WEST PHYSICIANS CLINIC4021 AVE B SCOTTSBLUFF,NE 69361	36-3314159	3	12,099,996				

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

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

Part III

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

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

Part IV

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	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) TODD S SORENSEN	(i) (ii)	441,564		378,574	74,013	903	895,054	
(2) DAVID GRIFFITHS	(i) (ii)	249,221		10,179	40,967	833	301,200	
(3) FRANK CARLTON	(i) (ii)	320,024		6,998			327,022	
(4) SHIRLEY KNODEL	(i) (ii)	175,916		11,004	41,056	773	228,749	
(5) JAN TAYLOR	(i) (ii)	169,812		12,405	54,984	767	237,968	
(6) THOMAS DREDLA IV	(i) (ii)	201,927		133	27,300	764	230,124	
(7) JANET HANSON	(i) (ii)	194,049		3,904	24,335	764	223,052	
(8) CINDY BRAMAN	(i) (ii)	194,618		2,840	27,257	764	225,479	
(9) RALPH PHELPS	(i) (ii)	189,596		3,643	30,993	703	224,935	
(10) THOMAS DREDLA III	(i) (ii)	184,396		4,231	26,678	763	216,068	
(11) LISA BEWLEY	(i) (ii)	177,084		10,014	32,870	767	220,735	
(12) STEVE HODGES	(i) (ii)	154,047		10,621	39,181	751	204,600	
(13) STUART FULKS	(i) (ii)	139,465		10,692	29,382	727	180,266	
(14) JAMES MCHUGH	(i) (ii)	112,876			19	342	113,237	112,876

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
SEVERANCE, NONQUALIFIED, AND EQUITY-BASED PAYMENTS	SCHEDULE J, PAGE 1, PART I, LINE 4	TODD S SORENSEN 0 162,016 0 DAVID GRIFFITHS 0 25,367 0 SHIRLEY KNODEL 0 23,381 0 JAN TAYLOR 0 23,194 0 LISA BEWLEY 0 19,483 0 STEVE HODGES 0 20,017 0 STUART FULKS 0 17,351 0

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSP AUTH NO1 OF SB CO NE 2008 BONDS	47-0676786		12-23-2008	10,000,000	BUILDING IMPROVEMENT AND PROPERTY ACQUISITION		X		X		X
B	HOSP AUTH NO1 OF SB CO NE 2009 BONDS	47-0676786		01-21-2009	10,000,000	BUILDING IMPROVEMENT AND PROPERTY ACQUISITION		X		X		X
C	HOSP AUTH NO1 OF SB CO NE 2009A BONDS	47-0676786		12-02-2009	20,000,000	PROVIDE FUNDS TO REFUND 12/15/2005 BONDS		X		X		X
D	HOSPITAL REVENUE BONDS SERIES 2010 2010 BONDS	47-0676786		03-01-2010	10,500,000	ADVANCE REFUNDING OF SERIES 2005 BONDS		X		X		X

Part II Proceeds

				A		B		C		D	
1	Amount of bonds retired										
2	Amount of bonds defeased										
3	Total proceeds of issue										
4	Gross proceeds in reserve funds										
5	Capitalized interest from proceeds										
6	Proceeds in refunding escrow										
7	Issuance costs from proceeds										
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds										
11	Other spent proceeds										
12	Other unspent proceeds										
13	Year of substantial completion			2008		2009		2009			
				Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X	X		X	
15	Were the bonds issued as part of an advance refunding issue?				X		X		X		X
16	Has the final allocation of proceeds been made?			X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			X		X		X		X	

Part III Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	HOSP AUTH NO1 OF SB CO NE 2008 BONDS	47-0676786		12-23-2008	10,000,000	BUILDING IMPROVEMENT AND PROPERTY ACQUISITION		X		X		X
B	HOSP AUTH NO1 OF SB CO NE 2009 BONDS	47-0676786		01-21-2009	10,000,000	BUILDING IMPROVEMENT AND PROPERTY ACQUISITION		X		X		X
C	HOSP AUTH NO1 OF SB CO NE 2009A BONDS	47-0676786		12-02-2009	20,000,000	PROVIDE FUNDS TO REFUND 12/15/2005 BONDS		X		X		X
D	HOSPITAL REVENUE BONDS SERIES 2010 2010 BONDS	47-0676786		03-01-2010	10,500,000	ADVANCE REFUNDING OF SERIES 2005 BONDS		X		X		X

Part II Proceeds

				A		B		C		D	
1	Amount of bonds retired										
2	Amount of bonds defeased										
3	Total proceeds of issue										
4	Gross proceeds in reserve funds										
5	Capitalized interest from proceeds										
6	Proceeds in refunding escrow										
7	Issuance costs from proceeds										
8	Credit enhancement from proceeds										
9	Working capital expenditures from proceeds										
10	Capital expenditures from proceeds										
11	Other spent proceeds										
12	Other unspent proceeds										
13	Year of substantial completion			2008		2009		2009			
				Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X	X		X	
15	Were the bonds issued as part of an advance refunding issue?				X		X		X		X
16	Has the final allocation of proceeds been made?			X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			X		X		X		X	

Part III Private Business Use

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

Part III

Private Business Use (Continued)

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

Part IV

Arbitrage

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

Part V

Procedures To Undertake Corrective Action

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

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
REGIONAL WEST MEDICAL CNTR

Employer identification number

47-0385129

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) CHALOUPKA HOLYOKE HOFMEISTER	DIRECTOR	23,607	LEGAL SERVICES		No

Part V

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

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
REGIONAL WEST MEDICAL CNTR

Employer identification number
47-0385129

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 ► ()	X	1	42,601	
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

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?

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?

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

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

Yes

No

No

No

No

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

Cat No 51227J

Schedule M (Form 990) 2011

Part III

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
------------	------------------	-------------

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
REGIONAL WEST MEDICAL CNTR**Employer identification number**

47-0385129

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCESS USED TO REVIEW FORM 990	FORM 990, PAGE 6, PART VI, LINE 11B	FORM IS PRESENTED TO AND REVIEWED BY THE BOARD IN THE MONTH PRIOR TO THE FILING DEADLINE
ENFORCEMENT OF CONFLICTS POLICY	FORM 990, PAGE 6, PART VI, LINE 12C	ANNUAL DISCLOSURE BY BOARD MEMBERS OF ANY CONFLICT OF INTEREST, AS SET FORTH IN THE POLICIES, IS REQUIRED FOR ANY POSSIBLE CONFLICT OF INTEREST IDENTIFIED, THE REMAINING BOARD DETERMINES IF IT ACTUALLY CONSTITUTES A CONFLICT OF INTEREST WITHOUT THE CONFLICTED BOARD MEMBER PRESENT IF A CONFLICT OF INTEREST IS DETERMINED TO EXIST, THE BOARD, LESS THE CONFLICTED MEMBER, WILL THEN DECIDE THE LEVEL OF INVOLVEMENT OF THE MEMBER IN DECISION MAKING FOR THE ENTITY, IF THERE IS AN ALTERNATIVE ARRANGEMENT THAT WILL ELIMINATE THE CONFLICT OF INTEREST, AND THE APPROPRIATENESS OF THE CONFLICTED MEMBER CONTINUING AS A BOARD MEMBER FAILURE TO DISCLOSE A CONFLICT OF INTEREST CAN RESULT IN DISCIPLINARY AND CORRECTIVE ACTION FOR THE CONFLICTED MEMBER
COMPENSATION PROCESS FOR TOP OFFICIAL	FORM 990, PAGE 6, PART VI, LINE 15A	COMPENSATION IS DETERMINED BY THE COMPENSATION COMMITTEE OF THE RWHS BOARD FOR THE CEO AND EXECUTIVE TEAM BASED ON MARKET DATA AND RECOMMENDATIONS FROM AN INDEPENDENT CONSULTING FIRM WHO COLLECTS THAT DATA FOR COMPARISON PURPOSES MINUTES ARE KEPT OF THESE MEETINGS
COMPENSATION PROCESS FOR OFFICERS	FORM 990, PAGE 6, PART VI, LINE 15B	SEE COMPENSATION PROCESS FOR CEO
GOVERNING DOCUMENTS DISCLOSURE EXPLANATION	FORM 990, PAGE 6, PART VI, LINE 19	GOVERNING DOCUMENTS AND POLICIES ARE MADE AVAILABLE TO THE PUBLIC THROUGH POSTING ON THE ORGANIZATION'S WEBSITE

Regional West Medical Center
Scottsbluff, Nebraska

Financial Statements
December 31, 2011 and 2010

Together with Independent Auditor's Report

Regional West Medical Center

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Balance Sheets December 31, 2011 and 2010	2
Statements of Operations and Changes in Net Assets For the Years Ended December 31, 2011 and 2010	3
Statements of Cash Flow For the Years Ended December 31, 2011 and 2010	4
Notes to Financial Statements December 31, 2011 and 2010	5 – 21

Independent Auditor's Report

To the Board of Directors of
Regional West Medical Center
Scottsbluff, Nebraska

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

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

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

SEIM JOHNSON, LLP.

Omaha, Nebraska,
April 24, 2012

Regional West Medical Center

Balance Sheets

December 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,443,038	12,225,593
Assets limited as to use - current	39,764	91,278
Patient accounts receivable, net of allowance of \$12,650,466 in 2011 and \$10,859,903 in 2010	31,190,142	30,580,357
Inventory	4,730,958	4,702,846
Prepaid expenses and other	3,799,070	2,315,336
Total current assets	45,202,972	49,915,410
Assets limited as to use, net of current portion	50,250,359	46,879,342
Notes and contributions receivable, affiliates	124,874	1,529,953
Property and equipment, net	62,756,104	56,122,040
Other assets		
Deferred financing costs, net	287,201	447,500
Notes receivable, net	249,155	168,525
Other	915,801	678,615
Total other assets	1,452,157	1,294,640
Total assets	\$ 159,786,466	155,741,385
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	\$ 4,604,496	3,285,057
Accounts payable and other current liabilities	6,328,759	5,937,787
Accrued salaries, wages, and benefits	6,837,502	6,607,666
Accrued interest payable	205,304	205,692
Estimated amounts due to Medicare and Medicaid	2,547,379	1,136,316
Total current liabilities	20,523,440	17,172,518
Liability for pension benefits	4,589,338	3,039,583
Long-term debt, net of current portion	54,353,523	56,018,554
Interest rate swap agreement	6,657,713	3,867,335
Other	1,095,000	250,000
Total liabilities	87,219,014	80,347,990
Unrestricted net assets	72,567,452	75,393,395
Total liabilities and net assets	\$ 159,786,466	155,741,385

See notes to financial statements

Regional West Medical Center

Statements of Operations and Changes in Net Assets For the Years Ended December 31, 2011 and 2010

	2011	2010
UNRESTRICTED REVENUE		
Net patient service revenue	\$ 184,618,873	172,457,190
Other revenue	15,813,604	15,585,542
Total unrestricted revenue	200,432,477	188,042,732
EXPENSES		
Salaries and wages	60,519,134	57,059,971
Employee benefits	19,957,678	18,563,778
Supplies and other	48,553,518	45,401,829
Purchased services	21,924,908	18,871,528
Professional fees	5,487,766	4,678,305
Depreciation and amortization	10,609,754	10,406,710
Interest and other financing costs	2,925,698	3,174,065
Provision for bad debts	11,975,331	8,420,028
Total expenses	181,953,787	166,576,214
OPERATING INCOME	18,478,690	21,466,518
NONOPERATING GAINS (LOSSES)		
Investment income, net	1,375,151	1,817,923
Change in fair value of interest rate swap agreement	(2,790,378)	(1,220,506)
Loss on advance refunding	--	(401,440)
Other, net	305,391	427,285
Nonoperating gains (losses), net	(1,109,836)	623,262
EXCESS OF REVENUE OVER EXPENSES	17,368,854	22,089,780
EXTRAORDINARY LOSS (NOTE 15)	(2,712,450)	--
CHANGE IN UNREALIZED GAINS AND LOSSES ON OTHER THAN TRADING SECURITIES	76,898	3,080,292
TRANSFERS TO AFFILIATES, NET	(14,486,544)	(11,100,000)
PENSION RELATED CHANGES OTHER THAN NET PERIODIC PENSION COST	(3,072,701)	1,924,177
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(2,825,943)	15,994,249
NET ASSETS, beginning of year	75,393,395	59,399,146
NET ASSETS, end of year	\$ 72,567,452	75,393,395

See notes to financial statements

Regional West Medical Center

Statements of Cash Flows

For the Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,825,943)	15,994,249
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	10,609,754	10,406,710
Loss on advance refunding	--	401,440
Extraordinary loss	2,712,450	--
Change in net unrealized gains and losses on other than trading securities	(76,898)	(3,080,292)
Transfers to affiliates, net	14,486,544	11,100,000
Loss on sale of property and equipment	26,616	40,208
Change in fair value of interest rate swap agreement	2,790,378	1,220,506
Change in liability for pension benefits	1,549,755	(2,997,564)
Increase in other assets	(237,186)	(372,665)
Increase in current assets -		
Patient accounts receivable	(609,785)	(6,333,033)
Inventory	(28,112)	(119,450)
Prepaid expenses and other	(638,734)	(602,749)
Increase (decrease) in current liabilities -		
Accounts payable and other current liabilities	302,562	1,424,153
Accrued salaries, wages, and benefits	229,836	732,564
Accrued interest payable	(388)	(128,788)
Estimated amounts due to Medicare and Medicaid	1,411,063	52,150
Net cash provided by operating activities	29,701,912	27,737,439
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net	(18,153,395)	(8,402,357)
Withdrawals from (deposits to) assets limited as to use, net	(3,242,605)	1,199,896
(Increase) decrease in notes receivable, net	(80,630)	45,265
Net cash used in investing activities	(21,476,630)	(7,157,196)
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfers to affiliates, net	(14,486,544)	(11,100,000)
Proceeds from issuance of long-term debt	2,126,940	15,400,000
Principal payments on long-term debt	(4,040,812)	(19,789,985)
Change in notes receivable, affiliates	1,405,079	(523,511)
Change in notes payable, affiliates	--	(618,311)
Payment of deferred financing costs	(12,500)	(104,500)
Net cash used in financing activities	(15,007,837)	(16,736,307)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,782,555)	3,843,936
CASH AND CASH EQUIVALENTS - Beginning of year	12,225,593	8,381,657
CASH AND CASH EQUIVALENTS - End of year	\$ 5,443,038	12,225,593
SUPPLEMENTAL SCHEDULE OF CASH FLOWS INFORMATION		
Cash paid during the year for interest	\$ 1,703,092	2,046,257
Equipment acquired under capital lease obligation	\$ 1,568,280	--

See notes to financial statements

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

(1) Description of Organization and Summary of Significant Accounting Policies

The following is a description of the organization and significant accounting policies of Regional West Medical Center. These policies are in accordance with accounting principles generally accepted in the United States of America.

A Organization

Regional West Medical Center (Medical Center) primarily earns revenue by providing a wide range of general and specialized healthcare services, including inpatient, outpatient and emergency care services, to patients in Scottsbluff, Nebraska. The Medical Center is an affiliate of Regional West Health Services (RWHS), a not-for-profit corporation, which was formed as the parent company for the Medical Center and other related entities.

B Industry Environment

The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursements for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management believes that the Medical Center is in compliance with government laws and regulations as they apply to areas of fraud and abuse. While no regulatory inquiries have been made which are expected to have a material effect on the Medical Center's financial statements, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

As a result of recently enacted federal healthcare reform legislation, substantial changes are anticipated in the United States healthcare system. Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers and the legal obligations of health insurers, providers and employers. These provisions are currently slated to take effect at specified times over approximately the next decade.

C Use of Estimates

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

D Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less, excluding amounts whose use is limited by board designation or other arrangements under indenture agreements.

E Patient Receivables, Net

The Medical Center reports patient receivables for services rendered at net realizable amounts from third-party payors, patients and others. The Medical Center provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection of information and existing economic conditions. As a service to the patient, the Medical Center bills third-party payors directly and bills the patient when the patient's liability is determined. Patient

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

receivables are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

F Inventories

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

G Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the accompanying balance sheets. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in excess of revenue over expenses unless the income or loss is restricted by donor or law. Changes in unrealized gains and losses on investments are excluded from excess of revenue over expenses unless the investments are trading securities. During 2011 and 2010 there were no investment declines that were determined to be other than temporary.

H Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture and designated assets set aside by the Board of Directors for future capital improvements, over which the board retains control and may at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities of the Medical Center have been reclassified in the balance sheets at December 31, 2011 and 2010.

I Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based upon useful lives set forth using general guidelines from the American Hospital Association Guide for Estimated Useful Lives of Depreciable Hospital Assets. Equipment under capital lease obligations is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. The Medical Center maintains a capitalization policy of \$2,500.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

J Deferred Financing Costs, Net

Deferred financing costs are amortized over the term of the related indebtedness using the interest method. Amortization expense of \$172,799 in 2011 and \$168,024 in 2010 is included in the accompanying statements of operations and changes in net assets.

K Notes Receivable

The Medical Center has entered into several agreements to recruit and relocate employees to the community of Scottsbluff, Nebraska. Notes receivable represents amounts advanced to employees net of an allowance for uncollectible accounts. All monies advanced under these agreements will be forgiven over a one to three year period. Advances must be repaid with interest if employees fail to fulfill their contract responsibilities.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

L Excess of Revenue Over Expenses

The statements of operations and changes in net assets include excess of revenue over expenses as a performance indicator. Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include extraordinary items, change in unrealized gains and losses on investments other than trading securities, permanent transfers to and from affiliates for other than goods and services, pension related changes other than net periodic pension cost, and contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets).

M Net Patient Service Revenue

The Medical Center has arrangements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

N Charity Care

The Medical Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue in the statements of operations and changes in net assets. Management's disclosure of charity care costs is described in Note 2.

O Group Health Insurance Costs

The Medical Center is partially self-insured under its employee group health program, up to certain limits. Included in the accompanying statements of operations and changes in net assets is a provision for premiums for excess coverage insurance and payments for claims, including estimates of the ultimate costs for both reported claims and claims incurred but not yet reported.

P Income Taxes

The Medical Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and has received a determination letter that it is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Internal Revenue Service has established standards to be met to maintain tax exempt status. In general, such standards require the Medical Center to meet a community benefit standard and comply with various laws and regulations.

The Medical Center accounts for uncertainties in accounting for income tax assets and liabilities using guidance included in FASB ASC 740, *Income Taxes*. The Medical Center recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. At December 31, 2011, the Medical Center had no uncertain tax positions accrued. With few exceptions, the Medical Center is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2008.

Q Conditional Asset Retirement Obligations

FASB ASC 410, *Asset Retirement and Environmental Obligations*, clarifies that the term condition, as used in the guidance governing the accounting for asset retirement obligations, refers to a legal obligation to perform an asset retirement activity in which the timing or method of settlement, or

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

both, are conditional on a future event that may or may not be within the control of the entity. An entity must recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The Medical Center assessed the impact of the interpretation and determined that it did not have an obligation that required recognition at December 31, 2011.

R Fair Value of Financial Statements

The Medical Center applies the provisions included in FASB ASC 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At December 31, 2011 and 2010, there were no nonfinancial assets or liabilities measured at fair value in the financial statements on the nonrecurring basis.

Financial instruments consist of cash and cash equivalents, receivables, assets limited as to use, current liabilities, interest rate swap agreement, and long-term debt obligations. Management's estimates of fair value of assets limited as to use and interest rate swap agreement are described in Note 3. The carrying amounts reported in the balance sheets for cash and cash equivalents, receivables and current liabilities approximate fair value due to the short-term nature of these financial instruments. The carrying value of long-term debt obligations approximates fair value since the interest rates closely reflect current market rates.

S Subsequent Events

The Medical Center considered events occurring through April 24, 2012 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

(2) Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments to the Medical Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient skilled nursing services are reimbursed at prospectively determined rates per day of care. Inpatient non-acute services are paid at prospectively determined rates per day. Outpatient services related to Medicare beneficiaries are paid at prospectively determined rates based on ambulatory payment classifications or fee schedule amounts. The Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Administrative Contractor. The Medical Center's Medicare cost reports have been audited by the Medicare Administrative Contractor through December 31, 2006.

Medicaid. Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a percentage rate representing a reduced average ratio of cost to charges. Outpatient lab services related to Medicaid beneficiaries are paid based on fee schedule amounts.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for reimbursement under these agreements primarily includes discounts from established charges.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

Net patient service revenue, as reflected in the accompanying statements of operations and changes in net assets, consists of the following as of December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Gross patient charges		
Inpatient charges	\$ 210,120,739	185,247,213
Outpatient charges	<u>187,333,393</u>	<u>170,985,003</u>
Total gross patient charges	397,454,132	356,232,216
Less deductions from gross patient charges		
Contractual adjustments and charity care - Medicare, Medicaid and other	<u>212,835,259</u>	<u>183,775,026</u>
Net patient service revenue	<u>\$ 184,618,873</u>	<u>172,457,190</u>

The Medical Center reports net patient service revenue at estimated net realizable amounts from 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 such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Revenue from the Medicare and Medicaid programs accounted for approximately 26% and 4%, respectively, of the Medical Center's net patient revenue for the year ended December 31, 2011 and approximately 28% and 2%, respectively, of the Medical Center's net patient revenue for the year ended December 31, 2010. Laws and regulations governing the Medicare and Medicaid programs are extremely 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.

The Medical Center provides charity care to patients with limited to no ability to pay for the health care services they receive. Patients who qualify for charity care are given a discount from established charges through the completion of the application for financial assistance based on the most recent published poverty guidelines or through a predictive charity scoring model. The Medical Center determines the costs associated with providing charity care by aggregating the direct and indirect costs, including salaries, benefits, supplies, and other operating expenses, based on the overall cost-to-charge ratio as reported in the internal cost accounting system. The costs of caring for charity care patients for the years ended December 31, 2011 and 2010 were \$4,242,054 and \$3,478,906, respectively.

(3) Fair Value

Fair Value Hierarchy

The Medical Center has adopted FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly through either corroboration or observable market data

Level 3 inputs are inputs that are unobservable for the asset or liability. Therefore, unobservable inputs shall reflect the entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) developed based on the best information available in the circumstances

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value

Cash and cash equivalents and accrued interest – The fair value of cash and cash equivalents, consisting primarily of deposit accounts, money market funds and accrued interest is classified as Level 1 as these funds are valued using quoted market prices

Certificates of deposit – Investments in certificates of deposit are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets of active markets

Fixed income securities – Investments in fixed income securities are comprised of U.S. Treasury bonds and notes, government sponsored debt securities, corporate bonds and notes, and commercial paper. U.S. Treasury bonds and notes are classified as Level 1 if they trade with sufficient frequency and volume to enable the Medical Center to obtain pricing information on an ongoing basis. The remaining fixed income securities are classified as Level 2 based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets

Mutual funds – Mutual funds are classified as Level 1 as the fair value is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers

Interest rate swap – Interest rate swap is classified as Level 2 as the fair value is based on the spread between the exchanged interest rate payments. The rate used in determining the interest payment is based on either market data from markets that are not active or from markets that are for the same or similar types of rates

For the fiscal years ended December 31, 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent

The following table presents the financial instruments that are measured at fair value on a recurring basis (including items that are required to be measured at fair value) at December 31, 2011 and 2010

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

Fair Value Measurements at December 31, 2011				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 135,598	--	--	135,598
Certificates of deposit	--	1,330,051	--	1,330,051
Fixed income securities -				
Government sponsored debt securities	--	270,070	--	270,070
Corporate bonds and notes	--	367,007	--	367,007
Commercial paper	--	196,410	--	196,410
U S Treasury bonds and notes	545,174	--	--	545,174
Mutual funds -				
U S stock index	26,483,652	--	--	26,483,652
International stock index	1,251,913	--	--	1,251,913
Bond index	13,201,712	--	--	13,201,712
Inter-term U S Treasury index	5,812,209	--	--	5,812,209
Money market	696,327	--	--	696,327
	<u>\$ 48,126,585</u>	<u>2,163,538</u>	<u>--</u>	<u>50,290,123</u>
Interest rate swap	<u>\$ --</u>	<u>6,657,713</u>	<u>--</u>	<u>6,657,713</u>

Fair Value Measurements at December 31, 2010				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,409,881	--	--	1,409,881
Certificates of deposit	--	644,839	--	644,839
Fixed income securities -				
Government sponsored debt securities	--	280,465	--	280,465
Corporate bonds and notes	--	347,255	--	347,255
Commercial paper	--	2,718,280	--	2,718,280
U S Treasury bonds and notes	513,866	--	--	513,866
Mutual funds -				
U S stock index	23,848,150	--	--	23,848,150
International stock index	979,549	--	--	979,549
Bond index	10,859,721	--	--	10,859,721
Inter-term U S Treasury index	4,687,122	--	--	4,687,122
Money market	681,492	--	--	681,492
	<u>\$ 42,979,781</u>	<u>3,990,839</u>	<u>--</u>	<u>46,970,620</u>
Interest rate swap	<u>\$ --</u>	<u>3,867,335</u>	<u>--</u>	<u>3,867,335</u>

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

The Medical Center's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers into or out of Level 1 or Level 2 for the years ended December 31, 2011 and 2010.

(4) Assets Limited as to Use

In connection with the issuance of the Series 2010B, 2009A, 2009, and 1998 Bonds and related trust indenture agreements, the Medical Center is required to maintain the following:

Bond Fund – Established for the monthly deposit by the Medical Center of 1/12 of the next annual principal payment and 1/6 of the next semiannual interest payment for Series 1998 Bonds. The bond fund for the Series 2009A and 2010B Bonds is established for the deposit of proceeds from the sale of the bonds to be used for payment of bond service charges as they fall due. In December 2011, funding requirements were suspended by the Trustee for the Series 1998 Bonds in anticipation of refinancing the respective bonds.

Debt Service Reserve Fund – Established to reserve funds equal to the maximum annual principal and interest requirements on the Series 1998 Bonds. If the amount in the fund exceeds the maximum annual debt service requirement, the excess is to be transferred to the bond fund and credited against the next principal payment due.

Project Fund – Established for the deposit of the proceeds from the sale of the Series 2009 Bonds to be used for payment of the cost of the Series 2009 project and related issuance costs. Any amounts remaining on the completion date or a date three years after issuance shall be used to prepay the bonds.

In addition, the Medical Center's Board of Directors has set aside assets for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

Assets limited as to use are recorded at fair value and the amounts as of December 31, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
By Board for future capital improvements	\$ 49,428,407	43,535,520
By Trustee under indenture agreements		
Bond fund	39,764	91,278
Debt service reserve fund	625,542	625,542
Project fund	<u>196,410</u>	<u>2,718,280</u>
Total at fair value	50,290,123	46,970,620
Less current portion	<u>39,764</u>	<u>91,278</u>
	<u>\$ 50,250,359</u>	<u>46,879,342</u>

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

Investment return for the years ended December 31, 2011 and 2010 is summarized as follows

	<u>2011</u>	<u>2010</u>
Interest and dividends	\$ 1,375,151	1,085,626
Realized gains, net	--	732,297
Change in unrealized gains	<u>76,898</u>	<u>3,080,292</u>
Total investment return	<u>\$ 1,452,049</u>	<u>4,898,215</u>
Included in nonoperating gains, net	\$ 1,375,151	1,817,923
Reported separately as a change in unrestricted net assets	<u>76,898</u>	<u>3,080,292</u>
Total investment return	<u>\$ 1,452,049</u>	<u>4,898,215</u>

(5) Property and Equipment

Property and equipment as of December 31, 2011 and 2010 is summarized as follows

	<u>2011</u>	<u>2010</u>
Land and land improvements	\$ 3,209,597	2,783,590
Buildings and building service equipment	91,404,693	89,156,764
Equipment and furnishings	78,011,971	78,874,194
Construction in process	<u>11,712,208</u>	<u>3,357,299</u>
	184,338,469	174,171,847
Less accumulated depreciation	<u>121,582,365</u>	<u>118,049,807</u>
	<u>\$ 62,756,104</u>	<u>56,122,040</u>

Depreciation expense of \$10,436,955 and \$10,238,686 as of December 31, 2011 and 2010, respectively, is included in the accompanying statements of operations and changes in net assets

Construction in progress primarily consists of multiple building addition and renovation projects and related equipment purchases with an estimated completion in early 2012. These projects are being funded through existing funded depreciation reserves.

(6) Guarantee

The Medical Center guarantees the principal and interest payments of third-party debt of an affiliated organization of RWHS. RWHS has a 12% membership interest of the Medical Center of the Rockies (MCR). MCR is a 136 bed hospital that specializes in cardiac and trauma care. MCR obtained approximately \$238,700,000 in revenue bonds for the construction of the facility. The Medical Center has guaranteed the principal and interest payments of the \$30,000,000 2005 Series E Revenue Bonds. The guarantee term is for a period of ten years and expires on March 1, 2015. At December 31, 2011, the total principal outstanding balance on the guaranteed debt was \$23,695,000 and estimated accrued interest was approximately \$854,000.

The obligation of this guarantee shall remain in full force and effect until the entire principal and interest has been paid in accordance with the underlying debt agreement. Should the Medical Center be obligated to perform under the guarantee, the Medical Center may seek reimbursement from MCR of amounts expended under the agreement. As of December 31, 2011, no amounts have been paid by the Medical Center under the guarantee agreement.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

(7) Long-Term Debt

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

	<u>2011</u>	<u>2010</u>
Note payable, monthly payments of \$61,312 through August 31, 2014, including interest, at a fixed rate of 2.42%, collateralized by equipment	\$ 1,897,968	--
Capital lease obligation for IT equipment, principal and interest payments due in three installments of \$533,333 at 2.20% through February 2013, collateralized by equipment and software	1,041,497	--
Hospital Authority No. 1, of Scotts Bluff County, Nebraska, Variable Rate Revenue Bonds, Series 2010B, maturing December 1, 2028, subject to mandatory redemption of varying annual installments, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 2.50% less a tax-exempt factor of 67.02% as determined monthly (1.88% on December 31, 2011), collateralized by a security interest in accounts receivable	4,500,000	4,700,000
Hospital Authority No. 1 of Scotts Bluff County, Nebraska, Healthcare Revenue Bonds, Series 2010, maturing annually at varying annual amounts through March 1, 2016 with a final payment of \$4,430,000 due March 1, 2017, quarterly interest payments at the prime rate less a tax-exempt factor of 69.00% adjusted annually (2.24% on December 31, 2011), collateralized by a security interest in accounts receivable	9,520,000	10,500,000
Hospital Authority No. 1 of Scotts Bluff County, Nebraska, Variable Rate Revenue Bonds, Series 2009A, maturing December 1, 2028, subject to mandatory redemption of varying annual amounts, monthly interest payments at variable rates of one-month LIBOR plus a LIBOR margin rate of 2.50% less a tax-exempt factor of 67.33% as determined monthly (1.89% on December 31, 2011), collateralized by a security interest in accounts receivable	18,475,000	19,250,000
Hospital Authority No. 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 2009, monthly payments of \$72,512 through December 25, 2013 with a final payment of \$7,335,893 on January 25, 2014, including interest, at a fixed rate of 3.65%, collateralized by a security interest in accounts receivable	8,466,116	9,011,966
Hospital Authority No. 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 2008, monthly payments of \$72,990 through November 23, 2013 with a final payment of \$7,348,961 on December 23, 2013, including interest, at a fixed rate of 3.75%, collateralized by a security interest in accounts receivable	<u>8,427,438</u>	<u>8,971,645</u>
Balance forward	52,328,019	52,433,611

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Balance carryforward	52,328,019	52,433,611
Hospital Authority No 1 of Scotts Bluff County, Nebraska, Hospital Revenue Bonds, Series 1998, maturing annually at varying amounts through November 15, 2028, semi annual interest payments at rates varying from 5 13% to 5 25%, collateralized by a security interest in accounts receivable	<u>6,630,000</u>	<u>6,870,000</u>
	58,958,019	59,303,611
Less current maturities	<u>4,604,496</u>	<u>3,285,057</u>
	<u>\$ 54,353,523</u>	<u>56,018,554</u>

Pursuant to a Master Trust Indenture, as amended and supplemented (the Master Trust), the Medical Center (the Obligated Group) is obligated to pay debt service on the Series 2010B, 2010, 2009A, 2009, 2008, and 1998 Bonds

The Master Trust for the Series 2010B, 2010, 2009A, 2009, 2008, and 1998 Bonds requires that certain funds be established with the trustee. Accordingly these funds are included as assets limited to use in the financial statements. The Master Trust also requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a long-term debt service coverage ratio of at least 1.15 and restrictions on incurrence of additional debt.

Subsequent to year end, the Medical Center received \$23,161,032 in proceeds from the issuance of Hospital Authority No 1 of Scotts Bluff County, Nebraska, Revenue Bonds, Series 2012A. The proceeds were used to redeem the Series 2009A and Series 2010B Variable Rate Revenue Bonds, with a total outstanding principal balance of \$22,975,000, and pay loan issuance costs and accrued interest.

Based on the above, subsequent to year end, the aggregate annual maturities of long-term debt and capital lease obligations at December 31, 2011 are:

<u>Years Ending December 31:</u>	<u>Long-Term Debt</u>	<u>Capital Lease Obligations</u>
2012	\$ 4,083,731	533,333
2013	11,629,159	533,333
2014	10,335,683	--
2015	2,611,902	--
2016	2,688,932	--
Thereafter	<u>26,567,115</u>	<u>--</u>
	<u>\$ 57,916,522</u>	1,066,666
Less amount representing interest		<u>(25,169)</u>
		<u>\$ 1,041,497</u>

Interest expense of \$1,702,704 and \$1,917,469 as of December 31, 2011 and 2010, respectively, is included with interest and other financing costs in the accompanying statements of operations and changes in net assets.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

(8) Derivative Financial Instrument

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the Medical Center entered into an interest rate swap agreement to effectively convert the variable rate Series 2005 Bonds to bear interest at a fixed rate. Proceeds from the 2010B, 2010, and 2009A Bonds were utilized to refund the Series 2005 Bonds, however, the swap agreement remains in place, utilizing the original amortization schedule of the Series 2005 Bonds to calculate the associated interest rate payment. The swap agreement provides for the Medical Center to receive interest from the counterparty at 67% of LIBOR and to pay interest to the counterparty at a fixed rate of 3.398%. The notional amount of the swap agreement is intended to equal the original outstanding principal amount of the Series 2005 Bonds during the term of the swap agreement - \$36,335,000 and \$37,855,000 at December 31, 2011 and 2010, respectively. The fair value of the swap agreement fluctuates based on the spread between the exchanged interest rate payments. Under the swap agreement, the Medical Center pays or receives the net interest amount monthly. Total amounts paid under the swap agreement for the years ended December 31, 2011 and 2010 were \$1,222,994 and \$1,256,596, respectively, and are included with interest and other financing costs in the accompanying statements of operations and changes in net assets.

The Medical Center recognizes all derivative instruments as either assets or liabilities in the balance sheets at fair value. Management has designated their interest rate swap as a cash flow hedging instrument but did not evaluate the hedge effectiveness for the years ending December 31, 2011 and 2010, therefore, the derivative instrument's change in fair value of (\$2,790,378) and (\$1,220,506), respectively, is reported as a component of excess revenue over expenses within nonoperating gains, net, in the statements of operations and changes in net assets.

(9) Retirement Plans

Defined Contribution Plan

The Medical Center employees participated in the RWHS 401(k) Profit Sharing Plan (the Defined Contribution Plan). The Defined Contribution Plan allows for employee contributions equal to 100% of the employee's annual compensation up to the maximum amount allowed by law and is fully vested. Employer matching contributions up to 4% are made by the Medical Center. Employer discretionary profit sharing contributions are determined annually by the Board. A participant is immediately vested in the Medical Center's matching contributions. The Medical Center's portion of retirement expense was \$1,996,198 and \$1,778,723 for 2011 and 2010, respectively.

Defined Benefit Plan

The Medical Center employees participated in the RWHS Retirement Income Plan (the Defined Benefit Plan). RWHS has frozen entry to the Defined Benefit Plan. Employees hired after August 1, 2008 are only eligible to participate in the Defined Contribution Plan. The Defined Benefit Plan provides benefits based on years of credited service, age, and compensation for each year of participation. RWHS' funding policy is to make the annual contributions to the Defined Benefit Plan in amounts that are approximately equal to or exceed the minimum funding requirements of ERISA, plus such amounts as RWHS may determine to be appropriate from time to time. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

The following table summarizes the changes in benefit obligations, the fair value of plan assets and the funded status at the measurement date of December 31, 2011 and 2010.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Change in projected benefit obligation		
Benefit obligation at beginning of period	\$ 34,668,586	33,818,580
Service cost	303,533	300,668
Interest cost	2,053,668	2,010,630
Actuarial loss	337,441	88,178
Benefits paid	<u>(1,490,291)</u>	<u>(1,549,470)</u>
Projected benefit obligation at end of period	<u>\$ 35,872,937</u>	<u>34,668,586</u>
Change in plan assets		
Fair value of plan assets at the beginning of period	\$ 31,629,003	27,781,433
Actual return on plan assets	(706,821)	3,545,332
Contributions by employer	1,851,708	1,851,708
Benefits paid	<u>(1,490,291)</u>	<u>(1,549,470)</u>
Fair value of plan assets at end of period	<u>\$ 31,283,599</u>	<u>31,629,003</u>
Reconciliation of funded status		
Funded status at end of year (underfunded)	<u>\$ (4,589,338)</u>	<u>(3,039,583)</u>
Amounts recognized in the Balance Sheet		
Non current liabilities	<u>\$ (4,589,338)</u>	<u>(3,039,583)</u>
Amounts recognized in net assets		
Total net loss	<u>\$ 10,798,823</u>	<u>7,726,122</u>

The following are the actuarial assumptions used by the Plan to develop the components of the projected benefit obligation for the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Discount rates	4 40%	5 75%
Rates of increase in compensation levels	4 00	4 00

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

	<u>2011</u>	<u>2010</u>
Discount rates	5 75%	6 00%
Rates of increase in compensation levels	4 00	4 00
Expected long-term rate of return on plan assets	8 00	8 00

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate of each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

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

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

Equity securities	60%
Fixed income and cash	40%

The fair value of the Medical Center's pension plan assets at December 31, 2011 and 2010 by asset category is as follows:

	Fair Value Measurements at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Mutual funds (a)	\$ 31,283,599	--	--	31,283,599

	Fair Value Measurements at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Mutual funds (b)	\$ 31,629,003	--	--	31,629,003

- (a) Mutual fund investments consist of 32 individual funds and are comprised of approximately 48% U.S. stocks, 13% international stocks, 31% bonds, and 8% cash and other investments.
- (b) Mutual fund investments consist of 32 individual funds and are comprised of approximately 47% U.S. stocks, 14% international stocks, 31% bonds, and 8% cash and other investments.

The Medical Center's investment objective with respect to the pension plan is to produce sufficient current income and capital growth through a portfolio of equity and fixed income investments, which together with appropriate employer contributions is sufficient to provide for the pension benefit obligations. Pension assets are managed by outside investment managers in accordance with the investment policies and guidelines established by the pension trustees, and are diversified by investment style, asset category, sector, industry, issuer, and maturity.

The Medical Center expects to contribute approximately \$1,852,000 to the plan in 2012.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

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

2012	\$ 1,512,512
2013	2,776,275
2014	2,559,733
2015	1,518,826
2016	3,025,195
2017 – 2021	11,346,044

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

	<u>2011</u>	<u>2010</u>
Components of net period benefit cost		
Service cost during the period	\$ 303,533	300,668
Interest cost on projected benefit obligation	2,053,668	2,010,630
Expected return on plan assets	(2,535,494)	(2,237,716)
Amortization of net actuarial loss	507,055	704,266
Amortization of prior service cost	--	473
	<u>328,762</u>	<u>778,321</u>
Net periodic pension cost	\$ 328,762	778,321
Other changes recognized in net assets		
Net loss (gain)	3,579,756	(1,219,438)
Amortization of net loss	(507,055)	(704,266)
Amortization of prior service costs	--	(473)
	<u>3,072,701</u>	<u>(1,924,177)</u>
Total recognized in net assets	\$ 3,072,701	(1,924,177)
Total recognized in net periodic pension cost and net assets	\$ <u>3,401,463</u>	<u>(1,145,856)</u>

(10) Professional Liability Insurance

The Medical Center is insured by a multi-provider captive for professional liability coverage. The captive is made up of several health care facilities (subscribers) across the Mountain States. The captive provides \$500,000 of coverage for injuries per occurrence and \$3,000,000 of aggregate coverage. If the loss fund of the captive is insufficient to pay for losses incurred from incidents during the year by the subscriber participating in the captive, a supplemental premium may be issued to the members of the program. There have been no requests for supplemental premiums as of December 31, 2011.

The Medical Center qualifies under the Nebraska Hospital Medical Liability Act (the Act). The Excess Liability Fund under the Act, on a claims-made basis, pays claims in excess of \$500,000 for losses up to \$1,750,000 per occurrence. The statutes limit covered claims above \$1,750,000 and, in connection therewith, the Medical Center carries an excess liability policy which also provides an additional \$10,000,000 of professional liability coverage per occurrence and aggregate coverage. These policies provide coverage on a claims-made basis covering only the claims which have occurred and are reported to the insurance company while the coverage is in force.

The Medical Center could have exposure on possible incidents that have occurred for which claims will be made in the future, should professional liability insurance not be obtained, should coverage be limited and/or not available, or should the Act change.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

Accounting principles generally accepted in the United States of America require a healthcare provider to recognize the ultimate costs of malpractice claims or similar contingent liabilities, which include costs associated with litigating or settling claims, when the incidents that give rise to the claims occur. The Medical Center does evaluate all incidents and claims along with prior claim experience to determine if a liability is to be recognized. For the years ending December 31, 2011 and 2010, management determined a liability of \$1,195,000 and \$350,000, respectively, should be recognized for asserted or unasserted claims and is included in the accompanying balance sheets as other liabilities. Management has also recorded \$850,000 in estimated malpractice insurance-related recoveries for 2011 and is shown as prepaid expenses and other in the accompanying balance sheets.

(11) Related Party Transactions

The Medical Center provides certain administrative services to RWHS and its affiliates. The Medical Center also rents space from Panhandle Health Properties (PHP), an affiliate of RWHS, and purchases certain other services from its affiliates.

The services provided by the Medical Center to RWHS and its affiliates, rent expense to PHP and other purchased services from RWHS' affiliates during the years ended December 31, 2011 and 2010, are reported in the Medical Center's financial statements as follows:

	<u>2011</u>	<u>2010</u>
Other operating revenue	\$ <u>1,792,247</u>	<u>1,750,332</u>
Operating expenses – Supplies and other	\$ <u>12,437,062</u>	<u>10,463,473</u>

During 2011 and 2010, the Medical Center also transferred a net total of \$14,486,544 and \$11,100,000, respectively, to RWHS and affiliates for the purpose of providing an increase in funds.

(12) Concentrations of Credit Risk

The Medical Center grants credit without collateral to its patients, most of who are area residents and are insured under the third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2011 and 2010 approximates the following:

	<u>2011</u>	<u>2010</u>
Medicare	25%	28%
Medicaid	16	10
Other third-party payors	35	38
Patients	<u>24</u>	<u>24</u>
	<u>100%</u>	<u>100%</u>

Financial instruments that potentially subject the Medical Center to concentrations of credit risk include cash and cash equivalents and investments. Investments and cash and cash equivalents are managed within guidelines established by the Board of Directors which, as a matter of policy, limit the amounts that may be invested with one issuer and the type of investment. Management believes the risks related to its investments and cash and cash equivalents is minimal.

Regional West Medical Center

Notes to Financial Statements December 31, 2011 and 2010

(13) Functional Expenses

The Medical Center provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 144,192,475	130,917,966
General and administrative	<u>37,761,312</u>	<u>35,658,248</u>
	<u>\$ 181,953,787</u>	<u>166,576,214</u>

(14) Commitments and Contingencies

The Medical Center is involved in litigation and regulatory investigations arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Medical Center's future financial position or results from operations.

(15) Extraordinary Loss

The Medical Center and the City of Scottsbluff, Nebraska entered into an agreement to exchange land to allow for future expansion of the Medical Center. The agreement required the Medical Center to purchase land from an unrelated party and pay agreed upon costs to improve the land, street, and related utility infrastructure to replace the current City of Scottsbluff land, street, and infrastructure that was needed for Medical Center expansion. Upon completion of the improvements, the Medical Center and City of Scottsbluff exchanged the land parcels. The Medical Center recorded an extraordinary loss of \$2,712,450 related to the nonmonetary exchange as a result of the difference in fair value between the land exchanged and received due to the intended use by the Medical Center.

(16) Subsequent Event

On March 29, 2012, the Board of Directors of RWHS adopted a resolution to formally terminate the Defined Benefit Plan, in which the Medical Center employees were participants, effective as of May 31, 2012. A plan amendment has been adopted under which benefit accruals will cease as of May 31, 2012, whether or not the Defined Benefit Plan is terminated.