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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2011</div> <div>Open to Public Inspection</div> </div>
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011				D Employer identification number	
B Check if applicable				E Telephone number	
<input type="checkbox"/> Address change				48-0577664	
<input type="checkbox"/> Name change				G Gross receipts \$ 252,631,204	
<input type="checkbox"/> Initial return					
<input type="checkbox"/> Terminated					
<input type="checkbox"/> Amended return					
<input type="checkbox"/> Application pending					
C Name of organization Olathe Medical Center Inc Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 20333 W 151ST STREET City or town, state or country, and ZIP + 4 OLATHE, KS 66061				H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number	
F Name and address of principal officer TIERNEY L GRASSER 20333 W 151ST STREET OLATHE, KS 66106					
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527					
J Website: WWW.OLATHEHEALTH.ORG					
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other				L Year of formation 1948	
				M State of legal domicile KS	

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH OF ALL INDIVIDUALS IN THE COMMUNITIES WE SERVE BY PROVIDING COMPASSIONATE, QUALITY HEALTHCARE IN AN ENVIRONMENT OF TRUST AND COLLABORATION		
	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	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,065
6 Total number of volunteers (estimate if necessary)	6	196	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	233	
b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	166,332	73,893
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	200,668,131	206,081,855
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,935,534	6,957,138
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,065,291	1,735,352
		209,835,288	214,848,238
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	425,602	448,888
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	81,332,084	86,678,932
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	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)	90,025,740	89,746,021
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	171,783,426	176,873,841
	19 Revenue less expenses Subtract line 18 from line 12	38,051,862	37,974,397
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	471,882,652	479,718,616
	21 Total liabilities (Part X, line 26)	162,374,769	163,568,470
	22 Net assets or fund balances Subtract line 21 from line 20	309,507,883	316,150,146

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			2012-11-15 Date	
	TIERNEY L GRASSER SENIOR VP/FINANCE Type or print name and title				
Paid Preparer's Use Only	Preparer's signature	Michael J Engle	Date	Check if self-employed <input checked="checked" type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	BKD LLP 1201 Walnut Suite 1700 Kansas City, MO 641062246			EIN
					Phone no (816) 221-6300

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

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

SEE SCHEDULE O

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 \$ 153,417,251 including grants of \$ 448,888) (Revenue \$ 206,846,216)

SEE SCHEDULE O

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 \$ 153,417,251

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
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 <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	124
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	2,065
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the aggregate amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	Yes
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	KS
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.	TIERNEY L GRASSER 20333 W 151ST STREET OLATHE, KS 66061 (913) 791-4461

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) J MACK BOWEN TRUSTEE/TREASURER	2 0	X		X				0	0	0	
(2) JAMES R HUBBARD TRUSTEE/SECRETARY	2 0	X		X				0	0	0	
(3) MICHAEL K KNOP TRUSTEE/CHAIRPERSON	4 0	X		X				0	0	0	
(4) PATRICIA A ALL EDD TRUSTEE	2 0	X						0	0	0	
(5) DONALD E CROSS TRUSTEE	2 0	X						0	0	0	
(6) KENNETH J KOVACH TRUSTEE/RESIGNED 6/21/11	16 0	X						20,000	0	0	
(7) BRUCE B SNIDER MD TRUSTEE	2 0	X						6,188	0	0	
(8) BRIAN L ROBY TRUSTEE	2 0	X						0	0	0	
(9) THOMAS K ROGGE TRUSTEE	2 0	X						0	0	0	
(10) CHIP WOOD TRUSTEE	2 0	X						0	0	0	
(11) RICHARD K SUMMERS TRUSTEE/VICE-CHAIRPERSON	2 0	X		X				0	0	0	
(12) ARTHUR E SWANK TRUSTEE	2 0	X						0	0	0	
(13) LAURIE MINARD TRUSTEE	2 0	X						0	0	0	
(14) JON L STEWART TRUSTEE	2 0	X						0	0	0	
(15) BRIAN A METZ MD TRUSTEE	2 0	X						0	0	0	
(16) DAVID R GABOURY TRUSTEE	2 0	X						0	0	0	
(17) THOMAS J DAVIES TRUSTEE/RESIGNED 5/18/11	2 0	X						0	0	0	

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) FRANK H DEVOCELLE PRESIDENT/CEO	27 0			X				761,736	0	305,830
(19) RODNEY D CORN SR VP/OPS/RESIGNED 3/4/11	32 0			X				152,251	0	8,513
(20) TIERNEY L GRASSER SENIOR VP/FINANCE	27 0			X				403,879	0	106,123
(21) CATHERINE R WIENS CHIEF CORP COMPLIANCE OFFICER	45 0			X				163,128	0	17,616
(22) CHERYL L ROSS ASSISTANT SECRETARY	31 0			X				112,848	0	10,887
(23) ELAINE PATTON VICE-PRESIDENT/NURSING	45 0			X				205,055	0	11,558
(24) PEGGY DONOVAN CHIEF INFORMATION OFFICER	45 0					X		165,648	0	18,871
(25) CHERYL A SHARP CHIEF FINANCIAL OFFICER	45 0					X		211,483	0	8,183
(26) MICHAEL L JENSEN CHIEF OPS & DEVELOP OFFICER	45 0					X		183,880	0	11,318
(27) PHIL J SCHNEIDER PHARMACY DIRECTOR	45 0					X		151,715	0	19,536
(28) DAVID KLIMEK CHIEF HUMAN RESOURCES OFFICER	45 0					X		167,699	0	17,616
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,705,510	0	536,051

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▶49

	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>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <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
LOCKTON COMPANIES	INSURANCE SERVICES	3,240,791
JE DUNN CONSTRUCTION	CONSTRUCTION	4,302,316
ACIBOLAND INC	DESIGN FEES	813,901
CERNER CORPORATION	SOFTWARE SUPPORT	5,017,945
JOHNSON COUNTY ANESTHESIA	MEDICAL SERVICES	1,260,746

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 ▶34

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	51,980				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	21,913				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		73,893				
Program Service Revenue			Business Code					
	2a	Net Patient Service Revenue	900099	206,081,622	206,081,622			
	b	Lab & Radiology Fees	621500	233		233		
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		206,081,855				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		5,612,708			5,612,708	
	4	Income from investment of tax-exempt bond proceeds . .		0				
	5	Royalties		0				
	6a	Gross rents	(i) Real	(ii) Personal				
			2,124,568					
			2,388,189					
			-263,621					
	d	Net rental income or (loss)		-263,621			-263,621	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			36,697,691	41,516				
			34,999,815	394,962				
			1,697,876	-353,446				
	d	Net gain or (loss)		1,344,430			1,344,430	
	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 . .		0				
	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 . .		0				
	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 . .		0				
	Miscellaneous Revenue		Business Code					
	11a	Cafeteria	722210	657,032			657,032	
	b	Discounts/Rebates	900099	513,956	513,956			
	c	Research Study	900099	5,972	5,972			
d	All other revenue		822,013	244,666		577,347		
e	Total. Add lines 11a-11d		1,998,973					
12	Total revenue. See Instructions		214,848,238	206,846,216	233	7,927,896		

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	437,138	437,138		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	11,750	11,750		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,259,424	1,196,631	1,062,793	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	168,462	168,462		
7	Other salaries and wages	70,599,850	61,907,611	8,692,239	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,506,723	1,295,782	210,941	
9	Other employee benefits	6,688,123	5,894,549	793,574	
10	Payroll taxes	5,456,350	4,692,461	763,889	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	240,825		240,825	
c	Accounting	102,768		102,768	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	89,612		89,612	
g	Other	10,446,621	8,072,475	2,374,146	
12	Advertising and promotion	839,212		839,212	
13	Office expenses	5,021,211	3,153,580	1,867,631	
14	Information technology	2,777,805		2,777,805	
15	Royalties	0			
16	Occupancy	1,706,600	1,589,262	117,338	
17	Travel	193,309	185,908	7,401	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	155,371	110,823	44,548	
20	Interest	3,852,407	2,234,396	1,618,011	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	10,750,858	9,998,298	752,560	
23	Insurance	2,135,983	1,509,773	626,210	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Bad Debt Expense	9,305,444	9,305,444		
b	Medicaid Assessment	1,196,280	1,196,280		
c	MEDICAL SUPPLIES	37,538,404	37,533,199	5,205	
d	Repairs & Maint	1,456,569	1,376,295	80,274	
e					
f	All other expenses	1,936,742	1,547,134	389,608	
25	Total functional expenses. Add lines 1 through 24f	176,873,841	153,417,251	23,456,590	0
26	Joint costs. Check here <input 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			4,384,059	1	3,701,696
	2	Savings and temporary cash investments			7,416,384	2	10,169,427
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			34,640,781	4	40,774,105
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	0
	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			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			5,609,109	8	5,148,582
	9	Prepaid expenses and deferred charges			1,279,214	9	1,506,238
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	249,863,236			
	b	Less: accumulated depreciation	10b	126,996,700	116,630,416	10c	122,866,536
	11	Investments—publicly traded securities			204,019,203	11	201,161,324
	12	Investments—other securities. See Part IV, line 11			78,083,833	12	80,405,569
	13	Investments—program-related. See Part IV, line 11			76,170	13	6,000
	14	Intangible assets			350,507	14	0
	15	Other assets. See Part IV, line 11			19,392,976	15	13,979,139
	16	Total assets. Add lines 1 through 15 (must equal line 34)			471,882,652	16	479,718,616
Liabilities	17	Accounts payable and accrued expenses			25,994,804	17	32,857,541
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			130,888,747	20	126,543,527
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			4,494,921	23	4,167,402
	24	Unsecured notes and loans payable to unrelated third parties			17,419	24	0
	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			978,878	25	0
	26	Total liabilities. Add lines 17 through 25			162,374,769	26	163,568,470
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			308,093,821	27	313,834,727
	28	Temporarily restricted net assets			1,295,775	28	2,197,132
	29	Permanently restricted net assets			118,287	29	118,287
	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			309,507,883	33	316,150,146
	34	Total liabilities and net assets/fund balances			471,882,652	34	479,718,616

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	214,848,238
2	Total expenses (must equal Part IX, column (A), line 25)	2	176,873,841
3	Revenue less expenses Subtract line 2 from line 1	3	37,974,397
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	309,507,883
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-31,332,134
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	316,150,146

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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input 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
Olathe Medical Center Inc

Employer identification number
48-0577664

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year	(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: 48-0577664
Name: Olathe Medical Center Inc

Form 990, Special Condition Description:

Special Condition Description

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Olathe Medical Center Inc	Employer identification number 48-0577664
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

- A

Check

☒

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

Check

☒

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1 c through 1 i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		11,307
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1 c through 1 i			11,307
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
	b If "Yes," enter the amount of any tax incurred under section 4912			
	c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
	d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
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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
Olathe Medical Center Inc

Employer identification number
48-0577664

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 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 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	

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	205,372,989	173,991,518	124,141,074	160,815,611	
b Contributions	542,648	7,648,509	15,568,905	12,063,829	
c Investment earnings or losses	-1,067,556	23,732,962	34,281,539	-48,738,366	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	204,848,081	205,372,989	173,991,518	124,141,074	

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		19,545,682		19,545,682
b Buildings		114,841,172	54,393,943	60,447,229
c Leasehold improvements		10,495,684	5,776,354	4,719,330
d Equipment		86,768,818	62,587,778	24,181,040
e Other		18,211,880	4,238,625	13,973,255
Total. Add lines 1a-1e <i>(Column (d) should equal Form 990, Part X, column (B), line 10(c).)</i> ▶				122,866,536

Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	214,848,238
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	176,873,841
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	37,974,397
4	Net unrealized gains (losses) on investments	4	-10,604,324
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-21,629,167
9	Total adjustments (net) Add lines 4 - 8	9	-32,233,491
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,740,906

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	280,513,714
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-10,604,324
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	76,359,412
e	Add lines 2a through 2d	2e	65,755,088
3	Subtract line 2e from line 1	3	214,758,626
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	89,612
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	89,612
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	214,848,238

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	275,251,255
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	99,370,219
e	Add lines 2a through 2d	2e	99,370,219
3	Subtract line 2e from line 1	3	175,881,036
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	89,612
b	Other (Describe in Part XIV)	4b	903,193
c	Add lines 4a and 4b	4c	992,805
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	176,873,841

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
ENDOWMENT FUNDS	SCHEDULE D, PART V, LINE 4	THE ENDOWMENT FUNDS ARE HELD FOR FUTURE CAPITAL AND EXPANSION NEEDS. IN ADDITION, THE FUNDS ALSO REPRESENT RESERVES FOR OPERATING NEEDS TO REMAIN FINANCIALLY STABLE.
LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48	SCHEDULE D, PART X, LINE 2	MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.
OTHER - RECONCILIATION OF REVENUE PER AUDITED F/S AND TAX RETURN	SCHEDULE D, PART XI, LINE 8	GAIN(LOSS) ON INVESTMENT OF EQUITY INVESTEE'S (22,871,625) CHANGE IN FAIR VALUE OF INTEREST RATE SWAP 1,212,693 NET ASSETS RELEASED- CAPITAL 29,765 ----- TOTAL \$(21,629,167)
OTHER - REVENUE INCLUDED ON LINE 1 BUT NOT ON FORM 990, PART VIII, LINE 12	SCHEDULE D, PART XII, LINE 2D	RELATED ORGANIZATIONS' REVENUE 96,982,030 RENTAL EXPENSES 2,388,189 CHANGE IN FAIR VALUE OF INTEREST RATE SWAP 735,718 LOSS ON INVESTMENT OF EQUITY INVESTEE'S (22,871,625) LOSS ON TERMINATION OF INTEREST RATE SWAP (874,900) ----- TOTAL \$76,359,412
OTHER - EXPENSE INCLUDED ON LINE 1 BUT NOT ON FORM 990, PART VIII, LINE 12	SCHEDULE D, PART XIII, LINE 2D	RELATED ORGANIZATIONS' EXPENSES 96,982,030 RENTAL EXPENSES 2,388,189 ----- TOTAL \$99,370,219
OTHER - EXPENSE INCLUDED ON FORM 990, PART VIII, LINE 12 BUT NOT ON LINE 1	SCHEDULE D, PART XIII, LINE 4B	LOSS ON TERMINATION OF INTEREST RATE SWAP 874,900 TRANSFER TO AFFILIATES 28,293 ----- TOTAL \$903,193

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
Olathe Medical Center Inc

Employer identification number
48-0577664

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 checked="" 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 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		No
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

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Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)	9,569	5,050	4,451,928		4,451,928	2 520 %
b Medicaid (from Worksheet 3, column a)	11,304	5,357	10,438,915	6,347,778	4,091,137	2 310 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs	20,873	10,407	14,890,843	6,347,778	8,543,065	4 830 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	32	12,661	246,903		246,903	
f Health professions education (from Worksheet 5)	18	921	1,446,504		1,446,504	0 820 %
g Subsidized health services (from Worksheet 6)			2,387,634	1,790,454	597,180	0 180 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			220,563		220,563	0 120 %
j Total Other Benefits	50	13,582	4,301,604	1,790,454	2,511,150	1 120 %
k Total. Add lines 7d and 7j	20,923	23,989	19,192,447	8,138,232	11,054,215	5 950 %

Part II

Community Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing	1	149		149	
2	Economic development	4	11,011		11,011	
3	Community support	720	6,648		6,648	
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy	1	1,503		1,503	
8	Workforce development					
9	Other					
10	Total	1320	19,311		19,311	

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense	2	2,478,722
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	65,395,871
6	Enter Medicare allowable costs of care relating to payments on line 5	6	70,939,643
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-5,543,772
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 checked="" type="checkbox"/> Cost accounting system <input 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?	9a	Yes
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes

Part IV

Management Companies and Joint Ventures

(see instructions)

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

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)

OLATHE MEDICAL CENTER INC

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 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	
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 ____% If "No," explain in Part VI the criteria the hospital facility used	9	No

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>250</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 checked="" 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 checked="" 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 type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input type="checkbox"/> The policy was available upon request g <input checked="" 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 checked="" 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		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		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? 13

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
FAMILY INCOME LIMIT FOR ELIGIBILITY FOR DISCOUNTED CARE	SCHEDULE H, PART I, LINE 3C	OLATHE MEDICAL CENTER, INC (OMCI) OFFERS DISCOUNTED CARE TO ALL INDIVIDUALS WITHOUT INSURANCE, SIMILAR TO MANAGED CARE DISCOUNTS OMCI'S UNINSURED DISCOUNT APPLIES TO ALL PATIENTS WITHOUT INSURANCE, REGARDLESS OF ABILITY TO PAY, INCLUDING ALL LOW INCOME INDIVIDUALS

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN F		THE BAD DEBT EXPENSE IS NOT CONSIDERED A COMMUNITY BENEFIT EXPENSE AND IS NOT INCLUDED IN SCHEDULE H, PART I, LINE 7

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7		THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS CONTAINED IN THE TABLE OF PART I, LINE 7, OF SCHEDULE H, IS A COST ACCOUNTING SYSTEM

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7G		NONE OF THE SUBSIDIZED HEALTH SERVICES COSTS ARE ATTRIBUTABLE TO PHYSICIAN CLINICS

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	Olathe Medical Center, Inc (OMCI) is committed to improving the community we serve Our employees are involved in a variety of activities in our community that support the general economic improvement of our community, the health, well being and safety of our area's residents, as well as supporting programs and other organizations that reach out to our citizens in need A few examples of OMCI's involvement in 2011 include 1) OUR INVOLVEMENT IN SEVERAL AREA ECONOMIC DEVELOPMENT COUNCILS AND A CONTINUED COLLABORATION WITH KANSAS STATE UNIVERSITY AT THEIR BIOSCIENCES CAMPUS IN NORTHWEST OLATHE, INCLUDING PROGRAMS REGARDING FOOD SAFETY 2) OUR SUPPORT OF JOHNSON COUNTY HEALTH PARTNERSHIP, A CLINIC SERVING THE UNINSURED OF OUR COMMUNITY 3) PARTICIPATION IN THE BOYS AND GIRLS CLUB, THE SALVATION ARMY'S HOMELESS SHELTER AND ADOPT-A-FAMILY PROGRAM, AND TLC, A LOCAL HOUSING FACILITY FOR TROUBLED CHILDREN 4) LEADERSHIP AND PARTICIPATION IN OUR AREA'S EMERGENCY PREPAREDNESS EFFORT BY COORDINATING EXTENSIVE DRILLS TO PRACTICE OUR RESPONSE TO POTENTIAL SITUATIONS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 4	THE SYSTEM REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE SYSTEM PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS THE SYSTEM BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE SYSTEM ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYER HAS NOT YET PAID, OR FOR PAYERS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE SYSTEM RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED OR PROVIDED BY POLICY) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS AN OVERALL COST TO CHARGE RATIO IS USED TO CALCULATE THE BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
COLLECTION PRACTICES	SCHEDULE H, PART III, LINE 9B	BEFORE PLACEMENT WITH COLLECTION AGENCIES, OMCI PATIENT FINANCIAL SERVICES OFFERS VARIOUS OPTIONS FOR PATIENTS WITH FINANCIAL DIFFICULTIES IN ADDITION TO OFFERING OUR OWN FINANCIAL ASSISTANCE TO QUALIFYING INDIVIDUALS, OMCI CONTRACTS WITH AN AGENCY THAT SCREENS INDIVIDUALS FOR ELIGIBILITY FOR PROGRAMS LIKE MEDICAID, DISABILITY, AND CRIME VICTIMS' COMPENSATION AND THEN HELPS THEM THROUGH THE APPLICATION PROCESS THE USE OF PROPENSITY TO PAY (LIKELIHOOD TO PAY) SOFTWARE ALSO HELPS OMCI IDENTIFY INDIVIDUALS THAT MAY NEED ASSISTANCE THAT HAVE NOT COMPLETED AN APPLICATION OMCI HAS LANGUAGE WRITTEN IN THEIR COLLECTION AGENCY CONTRACT THAT STATES, "IF THE COLLECTION AGENCY LEARNS A PATIENT/DEBTOR HAS NEITHER SUFFICIENT INCOME NOR ASSETS TO MEET HIS FINANCIAL OBLIGATION, THE AGENCY WILL NOT PURSUE COLLECTION ACTIVITIES AGAINST THE PATIENT/DEBTOR, UNLESS OR UNTIL THE AGENCY LEARNS THAT THE PATIENT/DEBTOR HAS INCOME OR ASSETS TO MEET THE OBLIGATION " IF THE COLLECTION AGENCY IS NOTIFIED BY THE PATIENT/DEBTOR THAT THIS CREATES AN UNDUE FINANCIAL HARDSHIP OR BURDEN DUE TO A CHANGE IN THEIR INCOME OR ASSETS, THE AGENCY WILL NOTIFY OMCI AND AWAIT FURTHER DIRECTION FROM THE HOSPITAL

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 9		OLATHE MEDICAL CENTER, INC (OMCI) DOES NOT OFFER FREE CARE EXCEPT IN THE CASE OF DEATH AND NO ASSETS OR INSURANCE ARE AVAILABLE IN ALL OTHER CASES WE WILL DISCOUNT UP TO 99.9% OF TOTAL CHARGES FOR PATIENTS AT OR BELOW THE FEDERAL POVERTY GUIDELINES. ALL PATIENTS ARE EXPECTED TO CONTRIBUTE TO THEIR CARE IN ACCORDANCE WITH THEIR ABILITY.

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 13G		OLATHE MEDICAL CENTER (OMCI) PUBLICIZED THE FINANCIAL ASSISTANCE POLICY BY PUBLICIZING THE FINANCIAL ASSISTANCE PROGRAM IN THE FOLLOWING MANNER, THE FINANCIAL ASSISTANCE PROGRAM WAS PUBLICIZED ON THE HOSPITAL'S WEBSITE, ON EACH PATIENT BILL AND WITH SIGNS IN REGISTRATION AREAS AND IN PATIENT FINANCIAL SERVICES APPLICATIONS ARE GIVEN TO PATIENTS DURING REGISTRATION UPON REQUEST

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 15E		OLATHE MEDICAL CENTER (OMCI) DOES NOT PERMIT ANY OF THE ACTIONS LISTED WITHOUT MAKING A REASONABLE EFFORT TO DETERMINE THE PATIENTS ELIGIBILITY UNDER THE FACILITY'S FINANCIAL ASSISTANCE PROGRAM

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, SECTION B, LINE 19D		THE HOSPITAL UTILIZED A DISCOUNT OF 55% FOR UNINSURED AND FINANCIAL ASSISTANCE ELIGIBLE INDIVIDUALS BASED ON AN OVERALL WRITE-OFF PERCENTAGE FOR COMMERCIAL PAYORS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	OLATHE MEDICAL CENTER, INC (OMCI) WORKS VERY CLOSELY WITH THE JOHNSON COUNTY HEALTH DEPARTMENT IN ASSESSING THE HEALTH CARE NEEDS OF THE COMMUNITY IN A MORE GRASSROOTS EFFORT, OMCI ALSO USES QUESTIONNAIRES AT VARIOUS COMMUNITY-BASED HEALTH FAIRS AND PUBLIC EVENTS TO BETTER UNDERSTAND THE HEALTHCARE NEEDS

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	PATIENTS OF OLATHE MEDICAL CENTER, INC (OMCI) ARE MADE AWARE OF ALL OPPORTUNITIES AVAILABLE FOR FINANCIAL ASSISTANCE IN A VARIETY OF WAYS THERE ARE SIGNS IN THE REGISTRATION AREAS TO NOTIFY PATIENTS AND VISITORS OF THE AVAILABILITY OF ASSISTANCE PROGRAMS EVERY BILLING STATEMENT CONTAINS A NOTICE OF THE AVAILABILITY OF FINANCIAL ASSISTANCE AND HOW TO OBTAIN ADDITIONAL INFORMATION OR APPLY APPLICATIONS AND INSTRUCTIONS ARE AVAILABLE ON THE MEDICAL CENTER'S WEBSITE, IN BOTH ENGLISH AND SPANISH PATIENT ACCESS, PATIENT FINANCIAL SERVICES AND SOCIAL WORKERS ARE TRAINED TO PROVIDE APPLICATIONS TO PATIENTS IF THEY EXPRESS ANY CONCERN REGARDING ABILITY TO PAY FOR SERVICES, OR MAY BE REFERRED TO AN AGENCY THE MEDICAL CENTER CONTRACTS WITH TO HELP INDIVIDUALS THROUGH THE APPLICATION PROCESS FOR PROGRAMS LIKE MEDICAID AND DISABILITY PATIENTS THAT CALL OUR PATIENT FINANCIAL SERVICES DEPARTMENT EXPRESSING CONCERNS ABOUT BEING ABLE TO PAY FOR THEIR SERVICE OR EXPRESS THEY ARE EXPERIENCING A FINANCIAL HARDSHIP ARE ADVISED OF OUR ASSISTANCE POLICY AND ENCOURAGED TO APPLY

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	<p>Olathe Medical Center, Inc 's (OMCI) primary service area consists of southwest Johnson County and Miami County in Kansas Johnson County is considered affluent compared to most counties of Kansas, but the southwestern portion, and certainly Miami County, are less affluent For example, 27% of the students in the Olathe School District (southern Johnson County) live at, or below, the federal poverty level The Olathe School District also represents a very diverse culture, more than 60 languages are spoken by students in the Olathe School District and more than 20% speak English as a second language Olathe has a higher than average percentage of members of the deaf community than most cities This is due, in part, to the Kansas School for the Deaf being located in Olathe To support the deaf community, Olathe Medical Center has a nationally recognized group of sign language specialists The language access department is also staffed with Spanish interpreters for the growing Hispanic community served by the medical center The medical center conducts a deaf advisory committee and members of the deaf community serve on the OMC Community Advisory Council Below is a listing of economic levels for area residents Time period 2006 - 2010 Source factfinder2 census gov People Living Below Poverty Level Johnson County 5 5% Miami County 5 7% Young Children Living Below Poverty Level Johnson County 8 7% Miami County 10 6% Uninsured Adult Population Rate (2009) Johnson County 11 7% Miami County 14 8%</p>

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	In addition to the items listed above, Olathe Medical Center (OMCI) takes a very active role in support of local, regional and national not-for-profit organizations with a focus on improving health and supporting those in need. OMC is a large supporter of area School Nursing programs, Healthcare scholarships and provides athletic trainers to area school sports programs. The Community Outreach Department of OMCI conducts an average of seven health fairs and/or community screenings per month. The community health fairs are organized in conjunction with a variety of other area agencies, such as Olathe Fire Department, Olathe Parks and Recreation Center, Grace United Methodist Church, Lion's Club and Olathe District Schools.

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	SCHEDULE H, PART VI, LINE 6	OLATHE MEDICAL CENTER IS A PART OF OLATHE HEALTH SYSTEM, INC (OHSI) WHICH CONSISTS OF TWO HOSPITALS AND A NETWORK OF 38 CLINICS OHSI AND ITS AFFILIATES, INCLUDING OLATHE MEDICAL CENTER, TAKE A LEADERSHIP ROLE IN PROMOTING THE HEALTH OF THE COMMUNITIES SERVED OHSI HOSPITALS AND CLINICS ARE VERY INVOLVED WITH COMMUNITY OUTREACH EDUCATION AND SCREENING PROGRAMS ACROSS THE ENTIRE SERVICE AREA WE COLLABORATE WITH AREA COMPANIES AND OTHER HEALTH-RELATED SERVICE PROVIDERS TO PROVIDE EDUCATION AND SCREENINGS TO THE PUBLIC OHSI POSITIONS ITSELF AS NOT ONLY A PROVIDER OF CARE, BUT A RESOURCE FOR EDUCATION AND PREVENTION

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, LINE 7	OMCI IS NOT REQUIRED TO FILE A COMMUNITY BENEFIT REPORT WITH THE STATE, BUT WE MAKE OUR REPORT AVAILABLE TO ANYONE INTERESTED AT WWW.OLATHEHEALTH.ORG

Additional Data

Software ID:
Software Version:
EIN: 48-0577664
Name: Olathe Medical Center Inc

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

[illegible]

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) OLATHE DISTRICT SCHOOLS1700 WEST SHERIDAN ST OLATHE,KS 66061	48-0697986	GOVERNMENT	40,000	47,149	BOOK	SPORTS MEDICINE	CMTY WELLNESS
(2) JOHNSON CO COMM COLLEGE FOUNDATION 12345 COLLEGE BLVD OVERLAND PARK,KS 66210	23-7164614	501(c)(3)	35,000				CMTY WELLNESS
(3) OLATHE CHAMBER OF COMMERCE18001 W 106TH STREET SUITE 160 Olathe,KS 66061	48-0357594	501(C)(6)	12,345				CMTY WELLNESS
(4) JOHNSON COUNTY OLD SETTLERS14712 South Village Olathe,KS 66061	48-6108713	501(C)(4)	10,000				CMTY WELLNESS
(5) AMERICAN HEART ASSOCIATION7272 GREENVILLE AVENUE DALLAS,TX 75231	13-5613797	501(C)(3)	10,000				CMTY WELLNESS
(6) FESTIVAL ON THE TRAIL952 LINCOLN LANE GARDNER,KS 66030	27-0680384	501(C)(4)	10,000				CMTY WELLNESS
(7) OTTAWA USD 2901120 SOUTH ASH ST OTTAWA,KS 66067	48-6037952	GOVERNMENT	10,000				CMTY WELLNESS
(8) TLC FOR CHILDREN AND FAMILIES480 S ROGERS RD OLATHE,KS 66062	48-0774593	501(c)(3)	35,000				CMTY WELLNESS
(9) MID-AMERICA NAZARENE UNIVERSITY 2030 E COLLEGE WAY OLATHE,KS 66062	48-0730814	501(C)(3)	28,000				CMTY WELLNESS
(10) OLATHE PUBLIC SCHOOLS FOUNDATION 315 N LINDENWOOD OLATHE,KS 66062	48-1190090	501(C)(3)	70,000				CMTY WELLNESS
(11) SALVATION ARMY101 W LINWOOD KANSAS CITY,MO 64111	48-0543772	501(C)(3)	20,000				CMTY WELLNESS
(12) GARDNER DISTRICT SCHOOLS201 E MADISON ST GARDNER,KS 66030		GOVERNMENT		10,719	BOOK	SPORTS MEDICINE	CMTY WELLNESS

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIPS	14	11,750			

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
PROCESS FOR MONITORING THE USE OF GRANTS IN THE U S	SCHEDULE I, PART I, LINE 2	OLATHE MEDICAL CENTER, INC PROVIDED SPORTS TRAINERS TO LOCAL HIGH SCHOOLS FOR ALL SCHOLARSHIPS, THE ORGANIZATION CAREFULLY SELECTS THE RECIPIENTS OF THE FUNDS AND A CHECK IS WRITTEN DIRECTLY TO THE ORGANIZATION OR INDIVIDUAL

Software ID:
Software Version:
EIN: 48-0577664
Name: Olathe Medical Center Inc

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
OLATHE DISTRICT SCHOOLS1700 WEST SHERIDAN ST OLATHE,KS 66061	48-0697986	GOVERNMENT	40,000	47,149	BOOK	SPORTS MEDICINE	CMTY WELLNESS
JOHNSON CO COMM COLLEGE FOUNDATION 12345 COLLEGE BLVD OVERLAND PARK, KS 66210	23-7164614	501(c)(3)	35,000				CMTY WELLNESS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
OLATHE CHAMBER OF COMMERCE 18001 W 106TH STREET SUITE 160 Olathe,KS 66061	48-0357594	501(C)(6)	12,345				CMTY WELLNESS
JOHNSON COUNTY OLD SETTLERS14712 South Village Olathe,KS 66061	48-6108713	501(C)(4)	10,000				CMTY WELLNESS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
AMERICAN HEART ASSOCIATION7272 GREENVILLE AVENUE DALLAS,TX 75231	13-5613797	501(C)(3)	10,000				CMTY WELLNESS
FESTIVAL ON THE TRAIL952 LINCOLN LANE GARDNER,KS 66030	27-0680384	501(C)(4)	10,000				CMTY WELLNESS

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
OTTAWA USD 2901120 SOUTH ASH ST OTTAWA, KS 66067	48- 6037952	GOVERNMENT	10,000				CMTY WELLNESS
TLC FOR CHILDREN AND FAMILIES480 S ROGERS RD OLATHE, KS 66062	48- 0774593	501(c)(3)	35,000				CMTY WELLNESS

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
MID-AMERICA NAZARENE UNIVERSITY2030 E COLLEGE WAY OLATHE,KS 66062	48- 0730814	501(C)(3)	28,000				CMTY WELLNESS
OLATHE PUBLIC SCHOOLS FOUNDATION315 N LINDENWOOD OLATHE,KS 66062	48- 1190090	501(C)(3)	70,000				CMTY WELLNESS

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SALVATION ARMY 101 W LINWOOD KANSAS CITY, MO 64111	48- 0543772	501(C)(3)	20,000				CMTY WELLNESS
GARDNER DISTRICT SCHOOLS201 E MADISON ST GARDNER, KS 66030		GOVERNMENT		10,719	BOOK	SPORTS MEDICINE	CMTY WELLNESS

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 Olathe Medical Center Inc	Employer identification number 48-0577664
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Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<input type="checkbox"/> First-class or charter travel		
	<input type="checkbox"/> Travel for companions		
	<input type="checkbox"/> Tax idemnification and gross-up payments		
	<input type="checkbox"/> Discretionary spending account		
	<input type="checkbox"/> Housing allowance or residence for personal use		
	<input type="checkbox"/> Payments for business use of personal residence		
	<input checked="" type="checkbox"/> Health or social club dues or initiation fees		
	<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement 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		
	<input checked="" type="checkbox"/> Compensation committee		
	<input checked="" type="checkbox"/> Independent compensation consultant		
	<input type="checkbox"/> Form 990 of other organizations		
	<input checked="" type="checkbox"/> Written employment contract		
	<input checked="" type="checkbox"/> Compensation survey or study		
	<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	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) FRANK H DEVOCELLE	(i) (ii)	560,037 0	149,413 0	52,286 0	289,337 0	16,493 0	1,067,566 0	135,830 0
(2) RODNEY D CORN	(i) (ii)	82,791 0	35,864 0	33,596 0	6,189 0	2,324 0	160,764 0	35,864 0
(3) TIERNEY L GRASSER	(i) (ii)	300,499 0	66,387 0	36,993 0	84,888 0	21,235 0	510,002 0	57,728 0
(4) CATHERINE R WIENS	(i) (ii)	142,116 0	14,436 0	6,576 0	2,000 0	15,616 0	180,744 0	11,548 0
(5) ELAINE PATTON	(i) (ii)	174,790 0	21,265 0	9,000 0	2,000 0	9,558 0	216,613 0	21,265 0
(6) PEGGY DONOVAN	(i) (ii)	134,455 0	13,149 0	18,044 0	2,000 0	16,871 0	184,519 0	13,149 0
(7) CHERYL A SHARP	(i) (ii)	178,127 0	22,769 0	10,587 0	2,000 0	6,183 0	219,666 0	22,769 0
(8) MICHAEL L JENSEN	(i) (ii)	168,549 0	9,204 0	6,127 0	2,000 0	9,318 0	195,198 0	9,204 0
(9) PHIL J SCHNEIDER	(i) (ii)	139,644 0	5,785 0	6,286 0	2,000 0	17,536 0	171,251 0	5,785 0
(10) DAVID KLIMEK	(i) (ii)	130,933 0	12,677 0	24,089 0	2,000 0	15,616 0	185,315 0	12,677 0

Part IIISupplemental 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
SOCIAL CLUB DUES	SCHEDULE J, PART I, LINE 1A	OLATHE MEDICAL CENTER, INC. PAYS FOR HEALTH AND SOCIAL CLUB DUES FOR FRANK H DEVOCELLE, A PORTION OF WHICH IS REPORTED AS TAXABLE INCOME AND IS INCLUDED IN HIS W-2 INCOME.
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B & PART II	A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (SERP) IS PROVIDED TO FRANK H DEVOCELLE WHICH IS FUNDED OVER A SHORT TIME PERIOD BASED UPON THE IMPLEMENTATION DATE OF THE SERP IN 2005. MR. DEVOCELLE'S CAREER SERVICE AT OLATHE MEDICAL CENTER AND ITS AFFILIATED ENTITIES IS CURRENTLY AT 40 YEARS, MOST OF WHICH DID NOT INCLUDE FUNDING FOR THE SERP BENEFIT. A MAJORITY OF THE DEFERRED COMPENSATION IS DUE TO FUNDING OF THE SERP BENEFIT FOR PRIOR YEARS OF SERVICE. A SERP IS ALSO PROVIDED TO TIERNEY L GRASSER WHICH IS FUNDED OVER A SHORT TIME PERIOD BASED UPON THE IMPLEMENTATION DATE OF THE SERP IN 2005. MS. GRASSER'S CAREER SERVICE AT OLATHE MEDICAL CENTER, INC. AND ITS AFFILIATED ENTITIES IS CURRENTLY AT 23 YEARS, MOST OF WHICH DID NOT INCLUDE FUNDING FOR THE SERP BENEFIT. A MAJORITY OF THE DEFERRED COMPENSATION IS DUE TO FUNDING OF THE SERP BENEFIT FOR PRIOR YEARS OF SERVICE. OFFICER SERP FRANK H DEVOCELLE \$267,908 (AT LEAST 90% ATTRIBUTABLE TO UNDER FUNDING IN PRIOR YEARS) TIERNEY L GRASSER \$ 68,226 (AT LEAST 85% ATTRIBUTABLE TO UNDER FUNDING IN PRIOR YEARS) RODNEY D CORN \$ 4,134.
COMPENSATION REPORTED IN PRIOR YEAR FORM 990	SCHEDULE J, PART II, COLUMN F	COMPENSATION IS REPORTED ON THE FORM 990 IN THE YEAR THAT THE COMPENSATION IS EARNED BY OR AWARDED TO AN INDIVIDUAL, EVEN IF THE COMPENSATION IS NOT PAID TO THE INDIVIDUAL, IS NOT FULLY VESTED, OR IS SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE. IF COMPENSATION IS EARNED OR AWARDED IN ONE YEAR BUT PAID IN A LATER YEAR, THEN THE COMPENSATION IS GENERALLY REPORTED A SECOND TIME ON THE FORM 990 IN THE YEAR THE COMPENSATION IS PAID TO THE INDIVIDUAL. AS A RESULT OF THE REPORTING REQUIREMENT, AN ORGANIZATION COULD BE REQUIRED TO REPORT THE SAME COMPENSATION AMOUNTS ON THE FORM 990 FOR TWO CONSECUTIVE YEARS. The amounts reported in column F include incentive amounts and capital accumulation amounts which were reported in previous 990s as deferred compensation.
RETIREMENT AND OTHER DEFERRED COMPENSATION	SCHEDULE J, PART II, COLUMN C	COLUMN (C) REFLECTS SERP PAYMENTS (SEE ABOVE FOR FURTHER EXPLANATION) AND OTHER DEFERRED COMPENSATION. TOTAL SERP: OTHER COLUMN C FRANK H DEVOCELLE \$267,908 \$21,429 \$289,337 RODNEY D CORN 4,134 2,055 6,189 TIERNEY L GRASSER 68,226 16,662 84,888 CATHERINE R WIENS -0- 2,000 2,000 ELAINE PATTON -0- 2,000 2,000 PEGGY DONOVAN -0- 2,000 2,000 CHERYL A SHARP -0- 2,000 2,000 MICHAEL L JENSEN -0- 2,000 2,000 PHIL SCHNEIDER -0- 2,000 2,000 DAVID KLIMEK -0- 2,000 2,000.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
Olathe Medical Center Inc

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

Employer identification number
48-0577664

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CITY OF OLATHE KANSAS	48-6034756	679390GH1	01-30-2008	40,001,708	SEE SCHEDULE O		X		X		X
B CITY OF OLATHE KANSAS	48-6034756	679390GX6	02-27-2008	24,140,141	SEE SCHEDULE O		X		X		X
C CITY OF OLATHE KANSAS	48-6034756	679390HB3	05-08-2008	36,015,000	SEE SCHEDULE O		X		X		X
D CITY OF OLATHE KANSAS	48-6034756	679390HK3	10-29-2010	32,463,901	SEE SCHEDULE O		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	2,335,000		3,240,000		0		0	
2	Amount of bonds defeased	0		0		0		0	
3	Total proceeds of issue	40,335,963		24,140,141		36,015,000		32,502,247	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrow	0		0		0		0	
7	Issuance costs from proceeds	351,630		101,930		285,000		457,359	
8	Credit enhancement from proceeds	0		0		0		20,650	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	39,984,333		0		0		4,932,048	
11	Other spent proceeds	0		24,038,311		35,730,000		21,066,542	
12	Other unspent proceeds	0		0		0		6,025,647	
13	Year of substantial completion	2010		2008		2008			
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			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	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			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?								
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?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government								
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	0		0		BANK OF AMERICA			
c	Term of hedge					16 33			
d	Was the hedge superintegrated?						X		
e	Was a hedge terminated?					X			
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider	0		0		0		0	
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
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Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Olathe Medical Center Inc

Employer identification number
48-0577664

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) SEE SCHEDULE L PART V					

Part V

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS WITH INTERESTED PERSONS	SCHEDULE L, PART IV	TRANSACTION 1 (A) OLATHE WOMEN'S CLINIC (OWC) (B) BRUCE B SNIDER MD IS AN OFFICER OF OWC AND A TRUSTEE OF OMCI (C) \$106,734 (D) OWC LEASES SPACE FROM OMCI (E) NO TRANSACTION 2 (A) BANK OF AMERICA (BOA) (B) J MACK BOWEN IS AN OFFICER OF BOA AND A TRUSTEE OF OMCI (C)/(D) \$767,684 BANK FEES PAID TO BOA BY OMCI \$ 846 INTEREST INCOME RECEIVED BY OMCI FROM BOA (E) NO TRANSACTION 3 (A) MELISSA KINZER (B) MELISSA KINZER IS THE DAUGHTER OF RODNEY D CORN, AN OFFICER OF OMCI (C) \$77,591 (D) MELISSA KINZER IS AN EMPLOYEE OF OMCI (E) NO TRANSACTION 4 (A) DAVID HANSON (B) DAVID HANSON IS THE SON-IN-LAW OF FRANK H DEVOCELLE, AN OFFICER OF OMCI (C) \$90,871 (D) DAVID HANSON IS AN EMPLOYEE OF OMCI (E) NO TRANSACTION 5 (A) MIDWEST EAR NOSE & THROAT (MENT) (B) BRIAN A METZ MD IS A >5% PARTNER IN MENT AND A TRUSTEE OF OMCI (C) \$230,514 (D) MENT RENTS SPACE FROM OMCI (E) NO

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 Olathe Medical Center Inc	Employer identification number 48-0577664
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Identifier	Return Reference	Explanation
ORGANIZATION'S MISSION	FORM 990, PART III, LINE 1	THE MISSION OF OLATHE MEDICAL CENTER, INC IS TO IMPROVE THE HEALTH OF ALL INDIVIDUALS IN THE COMMUNITIES WE SERVE BY PROVIDING COMPASSIONATE, QUALITY HEALTHCARE IN AN ENVIRONMENT OF TRUST AND COLLABORATION

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4A	OLATHE MEDICAL CENTER, INC (OMCI) OPERATES AN ACUTE CARE HOSPITAL IN OLATHE, KANSAS, WHICH WAS FOUNDED IN 1948 BY THE COMMUNITY OMCI CARRIES OUT THEIR MISSION BY PROVIDING QUALITY AND COMPASSIONATE INPATIENT, OUTPATIENT, EMERGENCY CARE, HOSPICE AND HOME HEALTH SERVICES TO RESIDENTS IN JOHNSON COUNTY AND MIAMI COUNTY, KANSAS AND SURROUNDING AREA OLATHE MEDICAL CENTER IS A JOINT COMMISSION ACCREDITED HOSPITAL AND IS LICENSED FOR 300 INPATIENT BEDS PROGRAM SERVICE EXPENSES ARE ALL RELATED TO THE PROVISION OF HEALTHCARE SERVICES IN 2011, OLATHE MEDICAL CENTER PROVIDED 42,119 DAYS OF INPATIENT CARE, 146,079 OUTPATIENT VISITS RESULTING IN 590,001 OUTPATIENT PROCEDURES, 41,125 EMERGENCY VISITS, 8,934 HOSPICE VISITS, AND 30,213 HOME HEALTH VISITS TO THE COMMUNITY

Identifier	Return Reference	Explanation
BUSINESS RELATIONSHIPS	FORM 990, PART VI, SECTION A, LINE 2	FRANK H DEVOCELLE, RODNEY D CORN, TIERNEY L GRASSER, MICHAEL K KNOP AND BRIAN A METZ MD HAVE A BUSINESS RELATIONSHIP WITH EACH OTHER THEY SERVE AS AN OFFICER OR DIRECTOR FOR OLATHE HEALTH DEVELOPMENT CORPORATION, HEALTH ACCESS, INC , OR OLATHE MEDICAL CENTER DOCTOR'S BUILDING CONDOMINIUM OWNERS ASSOCIATION, INC , WHICH ARE RELATED FOR PROFIT COMPANIES

Identifier	Return Reference	Explanation
MEMBER	FORM 990, PART VI, SECTION A, LINE 6	OLATHE HEALTH SYSTEM, INC , A NOT-FOR-PROFIT, 501(C)(3) ORGANIZATION, IS THE SOLE MEMBER OF OLATHE MEDICAL CENTER, INC

Identifier	Return Reference	Explanation
MEMBER MAY ELECT GOVERNING BODY	FORM 990, PART VI, SECTION A, LINE 7A	OLATHE HEALTH SYSTEM, INC BEING THE SOLE MEMBER OF OLATHE MEDICAL CENTER, INC HAS THE RIGHT TO ELECT ALL THE BOARD OF TRUSTEES AND APPROVE THE ARTICLES OF INCORPORATION AND BY LAWS OF OLATHE MEDICAL CENTER, INC

Identifier	Return Reference	Explanation
GOVERNING BODY DECISIONS SUBJECT TO APPROVAL OF MEMBER	FORM 990, PART VI, SECTION A, LINE 7B	OLATHE HEALTH SYSTEM, INC IS THE SOLE MEMBER, AND HAS THE RIGHTS TO APPROVE OLATHE MEDICAL CENTER, INC 'S BY LAWS AND ARTICLES OF INCORPORATION AND ALSO APPROVE OLATHE MEDICAL CENTER'S BOARD MEMBERS

Identifier	Return Reference	Explanation
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11B	The tax return form 990 is reviewed by the Audit and compliance Committee of the Olathe Medical Center, Inc board on behalf of all of its affiliates prior to filing the return with the Internal Revenue Service. The Audit & Compliance Committee is comprised of independent Board members of Olathe Medical Center, Inc. The final form 990 with all required schedules is then provided to all board members for review prior to filing the form 990.

Identifier	Return Reference	Explanation
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	<p>The purpose of the Organization's Conflict of Interest Policy is to protect the organization's interest when it is contemplating a decision or entering into a transaction or arrangement that might benefit the private interest of any person in a position of authority over the organization, or might result in a possible excess benefit transaction. Corporate officers and members of the Board of Trustees review the Conflict of Interest Policy and complete a Disclosure of Information Form annually. A summary of the annual disclosures of information is provided to the full Board for review at least one time per year. The conflict of interest policy calls for any interested person to disclose the existence of a financial relationship or competitive interest in connection with any pending transaction or arrangement. The individual is given the opportunity to disclose all material facts to the Trustees considering the proposed transaction or arrangement that gave rise to the disclosure. When a transaction involves an interested party, the following procedures are followed:</p> <ol style="list-style-type: none"> 1. The interested party leaves the meeting after providing any material facts or discussion regarding the matter that gives rise to the interest unless requested to stay by the remaining board or committee members. 2. If appropriate, the Board may appoint a non-interested person or committee to investigate alternatives to the proposed transaction. 3. The interested trustee may not vote in the matter that gives rise to the interest. 4. In order to approve the transaction, the Board must first find, by a majority vote of the trustees then in office, without counting the vote of the interested trustee, <ol style="list-style-type: none"> a. That the proposed transaction is in the Organization's best interests and for its own benefit, and b. That, after reasonable investigation, the board has determined that the organization cannot obtain a more advantageous transaction with reasonable efforts under the circumstances.

Identifier	Return Reference	Explanation
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & B	THE COMPENSATION COMMITTEE OF THE BOARD, WHICH IS COMPRISED OF INDEPENDENT MEMBERS OF THE BOARD, REVIEWS AND APPROVES THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES OF THE CORPORATION'S COMPENSATION IN ACCORDANCE WITH THEIR COMPENSATION POLICY. IN 2011, THE COMMITTEE REVIEWED THIRD PARTY SALARY SURVEYS TO REVIEW THE COMPENSATION OF THE CEO, OFFICERS, AND KEY EMPLOYEES OF THE CORPORATION TO DETERMINE THE FAIR MARKET VALUE OF THE CURRENT COMPENSATION, SALARY RANGES AND BENEFITS. COMPENSATION FOR SUCH OFFICERS IS APPROVED BY THE COMMITTEE, AND INFORMATION OF THEIR FINDINGS IS AVAILABLE TO ALL BOARD MEMBERS. IN ADDITION, THE CORPORATION HAS A WRITTEN CONTRACT WITH THE CEO.

Identifier	Return Reference	Explanation
AVAILABILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE NOT AVAILABLE TO THE PUBLIC

Identifier	Return Reference	Explanation
RECONCILIATION OF NET ASSETS	FORM 990, PART XI, LINE 5	UNREALIZED GAIN LOSS ON EQUITY INVESTMENTS (10,604,324) GAIN(LOSS) ON INVESTMENT OF EQUITY INVESTEES (22,871,625) CHANGE IN FAIR VALUE OF INTEREST RATE SWAP 1,212,693 NET ASSETS RELEASED- CAPITAL 29,765 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS 901,357 ----- TOTAL \$(33,332,134)

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION		PART I, BOND ISSUES ALL PART I NOTATIONS ARE MADE IN COLUMN (f) OF PART I PART II, PROCEEDS LINE 3, TOTAL PROCEEDS OF ISSUE A - INCLUDES INVESTMENT EARNINGS OF \$334,255 FROM THE YEARS 2008, 2009 AND 2010 D - INCLUDES INVESTMENT EARNINGS OF \$38,346 FROM THE YEARS 2010 AND 2011 LINE 11, OTHER SPENT PROCEEDS B - OTHER THAN ISSUANCE COSTS, THE ENTIRE PROCEEDS WERE USED TO CURRENTLY REFUND SERIES 2004A BONDS ISSUED 07/29/2004 AND REFUND SERIES 2004B BONDS ISSUED 07/29/2004 C - OTHER THAN ISSUANCE COSTS, THE ENTIRE PROCEEDS WERE USED TO CURRENTLY REFUND SERIES 2002A BONDS ISSUED 09/27/2002 D - \$21,066,542 OF THE PROCEEDS WERE USED TO CURRENTLY REFUND SERIES 2000A BONDS ISSUED 12/20/2000 LINE 14, WERE THE BONDS ISSUED AS PART OF A CURRENT REFUNDING ISSUE? B, C, D - SEE COMMENTS UNDER PART II, LINE 11, OTHER SPENT PROCEEDS ABOVE PART IV, ARBITRAGE LINE 2, IS THE BOND ISSUE A VARIABLE RATE ISSUE? D - THE ISSUE CONSISTS OF \$16,000,000 OF FIXED RATE SERIES 2010A BONDS AND \$16,000,000 OF VARIABLE RATE DEMAND SERIES 2010B BONDS, BOTH ISSUED OCTOBER 29, 2010

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME J MACK BOWEN TITLE TRUSTEE/TREASURER HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JAMES R HUBBARD TITLE TRUSTEE/SECRETARY HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MICHAEL K KNOP TITLE TRUSTEE/CHAIRPERSON HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KENNETH J KOVACH TITLE TRUSTEE/RESIGNED 6/21/11 HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CHIP WOOD TITLE TRUSTEE HOURS 2

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RICHARD K SUMMERS TITLE TRUSTEE/VICE-CHAIRPERSON HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME THOMAS J DAVIES TITLE TRUSTEE/RESIGNED 5/18/11 HOURS 3

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME FRANK H DEVOCELLE TITLE PRESIDENT/CEO HOURS 23

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RODNEY D CORN TITLE SR VP/OPS/RESIGNED 3/4/11 HOURS 18

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME.TIERNEY L GRASSER TITLE.SENIOR VP/FINANCE HOURS 23

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CHERYL L ROSS TITLE ASSISTANT SECRETARY HOURS 14

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
Olathe Medical Center Inc

Employer identification number
48-0577664

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) MIAMI COUNTY MEDICAL CENTER INC 2100 BAPTISTE DRIVE PAOLA, KS 66071 48-1155548	HOSPITAL	KS	501(c)(3)	3	OMCI	Yes	
(2) OLATHE HEALTH SYSTEM INC 20333 W 151ST STREET OLATHE, KS 66061 48-0979845	SUPPORT ORG	KS	501(c)(3)	11B	NA		No
(3) OLATHE MEDICAL SERVICES INC 20333 W 151ST STREET OLATHE, KS 66061 48-1088982	CLINICS	KS	501(c)(3)	9	OMCI	Yes	
(4) OLATHE MEDICAL CENTER CHARITABLE FDN 20333 W 151ST STREET OLATHE, KS 66061 48-1136010	SUPPORT OMCI	KS	501(c)(3)	7	OMCI	Yes	

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) OLATHE HEALTH DEVELOPMENT CORPORATION 20333 W 151ST STREET OLATHE, KS 66061 36-3445097	MEDICAL SERVICES	KS	OHSI	C CORPORATION	0	0	0 %
(2) HEALTH ACCESS INC 20333 W 151ST STREET OLATHE, KS 66061 74-2855334	HEALTH INSURANCE	KS	OMCI	C CORPORATION	0	0	100 000 %
(3) OMC DOCTOR'S BLDG CONDO OWNERS ASSOC INC 20333 W 151ST STREET OLATHE, KS 66061 48-1244766	REAL ESTATE	KS	OMCI	C CORPORATION	0	0	100 000 %

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

Yes

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

Yes

1i

Yes

1j

Yes

1k

No

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

1q

Yes

1r

Yes

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

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

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Software ID:
Software Version:
EIN: 48-0577664
Name: Olathe Medical Center Inc

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) MIAMI COUNTY MEDICAL CENTER INC	L	167,758	COST
(2) MIAMI COUNTY MEDICAL CENTER INC	M	98,004	COST
(3) MIAMI COUNTY MEDICAL CENTER INC	N	2,801,279	COST
(4) MIAMI COUNTY MEDICAL CENTER INC	O	1,228,049	COST
(5) MIAMI COUNTY MEDICAL CENTER INC	Q	4,635,786	COST
(6) OLATHE MEDICAL SERVICES INC	A(IV)	570,847	COST
(7) OLATHE MEDICAL SERVICES INC	H	243,355	COST
(8) OLATHE MEDICAL SERVICES INC	L	192,508	COST
(9) OLATHE MEDICAL SERVICES INC	M	477,774	COST
(10) OLATHE MEDICAL SERVICES INC	N	12,702,145	COST
(11) OLATHE MEDICAL SERVICES INC	O	3,582,122	COST
(12) OLATHE MEDICAL CENTER CHARITABLE FOUNDATION	A(IV)	23,780	COST
(13) OLATHE MEDICAL CENTER CHARITABLE FOUNDATION	C	51,980	COST
(14) OLATHE MEDICAL CENTER CHARITABLE FOUNDATION	Q	178,990	COST
(15) MIAMI COUNTY MEDICAL CENTER INC	H	321,550	COST
(16) OLATHE MEDICAL SERVICES INC	Q	6,144,593	COST
(17) OLATHE MEDICAL CENTER CHARITABLE FOUNDATION	N	138,661	COST

Olathe Medical Center, Inc.
(A Controlled Subsidiary of Olathe Health System, Inc.)
Accountants' Report and Consolidated Financial Statements
December 31, 2011 and 2010



Olathe Medical Center, Inc.
December 31, 2011 and 2010

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Independent Accountants' Report

Board of Trustees
Olathe Medical Center, Inc
Olathe, Kansas

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

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

BKD, LLP

May 16, 2012

Olathe Medical Center, Inc.
Consolidated Balance Sheets
December 31, 2011 and 2010

Assets

	2011	2010
Current Assets		
Cash and cash equivalents	\$ 4,856,349	\$ 5,149,917
Patient accounts receivable, net of allowance, 2011 – \$8,396,000, 2010 – \$8,424,000	48,568,586	42,573,404
Short-term investments and other assets	11,743,754	8,352,232
Funds held by trustee required for current liabilities	2,160,808	1,897,214
Supplies	6,654,500	7,323,147
Prepaid expenses	2,139,044	1,880,727
	<u>76,123,041</u>	<u>67,176,641</u>
Total current assets		
	<u>76,123,041</u>	<u>67,176,641</u>
Assets Limited as to Use, net of current portion		
Investment portfolio (internally designated)	233,350,047	236,925,377
Externally restricted by donors	2,315,414	1,414,060
Funds held by trustee	5,153,248	10,930,182
	<u>240,818,709</u>	<u>249,269,619</u>
Property and Equipment, net	<u>163,356,956</u>	<u>155,616,367</u>
Other Assets		
Deferred financing costs	887,169	1,027,549
Long-term investments	7,964,239	7,155,050
Investments in and advances to affiliates	8,575,548	8,375,042
	<u>17,426,956</u>	<u>16,557,641</u>
Total assets	<u><u>\$ 497,725,662</u></u>	<u><u>\$ 488,620,268</u></u>

Liabilities and Net Assets

	2011	2010
Current Liabilities		
Current maturities of long-term debt	\$ 4,742,997	\$ 4,886,440
Accounts payable	15,425,001	10,972,733
Accrued payroll and related liabilities	14,972,879	12,954,790
Accrued interest	1,320,436	1,193,381
Accrued property taxes	133,325	121,854
Estimated self-insurance costs	4,853,737	3,846,010
Estimated amounts due to third-party payers	1,248,410	554,660
Total current liabilities	42,696,785	34,529,868
Deferred Compensation	7,876,446	7,123,397
Interest Rate Swap Agreement	-	1,592,053
Long-term Debt	131,002,285	135,867,067
Total liabilities	181,575,516	179,112,385
Net Assets		
Unrestricted	313,834,727	308,093,821
Temporarily restricted	2,197,132	1,295,775
Permanently restricted	118,287	118,287
Total net assets	316,150,146	309,507,883
Total liabilities and net assets	\$ 497,725,662	\$ 488,620,268

Olathe Medical Center, Inc.
Consolidated Statements of Operations
Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Revenues and Other Support		
Net patient service revenue	\$ 280,204,051	\$ 273,366,256
Other revenue	3,966,689	5,166,302
Net assets released from restriction used for operations	27,219	166,871
	<u>284,197,959</u>	<u>278,699,429</u>
Expenses		
Salaries	133,589,218	124,996,282
Employee benefits	24,212,499	21,968,692
Supplies and other expenses	82,336,484	80,489,659
Depreciation and amortization	14,386,832	14,957,877
Interest	4,213,514	4,579,835
Insurance	3,495,937	3,423,949
Provision for uncollectible accounts	11,736,570	12,640,466
Medicaid assessment	1,280,201	1,280,200
	<u>275,251,255</u>	<u>264,336,960</u>
Operating Income	<u>8,946,704</u>	<u>14,362,469</u>
Other Income (Expense)		
Investment income	6,358,695	7,296,741
Net realized gain on sale of investments	1,286,505	348,672
Change in net unrealized gains and losses on trading securities	(11,608,781)	19,667,664
Change in fair value of interest rate swap	1,115,078	(426,035)
Gain on investment in equity investees	595,358	516,183
Loss from extinguishment of debt	-	(682,951)
Loss from termination of interest rate swap	(1,431,100)	-
	<u>(3,684,245)</u>	<u>26,720,274</u>
Excess of Revenues Over Expenses	5,262,459	41,082,743
Change in fair value of interest rate swap agreements	476,975	60,019
Net assets released – capital	29,765	7,128
Transfers to affiliate	(28,293)	(29,114)
Increase in Unrestricted Net Assets	<u>\$ 5,740,906</u>	<u>\$ 41,120,776</u>

Olathe Medical Center, Inc.
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2011 and 2010

	2011	2010
Unrestricted Net Assets		
Excess of revenues over expenses	\$ 5,262,459	\$ 41,082,743
Change in fair value of interest rate swap agreements	476,975	60,019
Net assets released from restriction used for purchase of equipment	29,765	7,128
Transfers to affiliate	(28,293)	(29,114)
	<hr/>	<hr/>
Increase in unrestricted net assets	5,740,906	41,120,776
	<hr/>	<hr/>
Temporarily Restricted Net Assets		
Contributions received	958,341	1,295,083
Net assets released from restriction used for purchase of equipment	(29,765)	(7,128)
Net assets released from restriction used for operations	(27,219)	(166,871)
	<hr/>	<hr/>
Increase in temporarily restricted net assets	901,357	1,121,084
	<hr/>	<hr/>
Permanently Restricted Net Assets		
Investment gains on funds	-	969
	<hr/>	<hr/>
Increase in permanently restricted net assets	-	969
	<hr/>	<hr/>
Increase in Net Assets	6,642,263	42,242,829
Net Assets, Beginning of Year	<hr/> 309,507,883	<hr/> 267,265,054
Net Assets, End of Year	<hr/> <hr/> \$ 316,150,146	<hr/> <hr/> \$ 309,507,883

Olathe Medical Center, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Change in net assets	\$ 6,642,263	\$ 42,242,829
Items not requiring (providing) cash		
Depreciation and amortization	14,386,832	14,957,877
Gain (loss) on sale of property and equipment	120,572	(267,249)
Net gain on sale of investments	(1,286,505)	(348,672)
Transfers to affiliate	28,293	29,114
Restricted contributions received	(958,341)	(1,296,052)
Change in unrealized gains and losses on investments	11,608,781	(19,667,664)
Loss from extinguishment of debt	-	682,951
Loss from termination of interest rate swaps	1,431,100	-
Gain on investment in equity investees	(595,358)	(516,183)
Change in fair value of interest rate swap agreements	(2,069,028)	305,997
Changes in		
Patient accounts receivable, net	(5,995,182)	(4,962,028)
Estimated amount due to third-party payers	693,750	140,245
Accounts payable and accrued expenses	5,394,546	1,523,050
Supplies and prepaid expenses	410,330	(250,938)
Short-term investments and other assets	569,806	(1,359,833)
Net cash provided by operating activities	<u>30,381,859</u>	<u>31,213,444</u>
Investing Activities		
Purchase of short-term investments	(4,062,977)	(2,121,252)
Purchase of property and equipment	(20,068,419)	(12,631,409)
Proceeds from (purchase of) investments - investment portfolio	3,415,274	(18,570,735)
Purchase of investments - funds held by trustee	(5,507,355)	(7,453,634)
Proceeds from sale of property and equipment	25,726	392,294
Payment for termination of interest rate swaps	(1,431,100)	-
Investment in and advances to equity investees	871,827	190,627
Net cash used in investing activities	<u>(26,757,024)</u>	<u>(40,194,109)</u>
Financing Activities		
Proceeds from restricted contributions	958,341	1,296,052
Proceeds from issuance of long-term debt	-	32,463,901
Payment of deferred financing fees	2,746	471,542
Transfers to/from affiliates	(28,293)	(29,114)
Principal payments on long-term debt	(4,851,197)	(25,230,658)
Net cash provided by (used in) financing activities	<u>(3,918,403)</u>	<u>8,971,723</u>
Net Decrease in Cash and Cash Equivalents	<u>(293,568)</u>	<u>(8,942)</u>
Cash and Cash Equivalents, Beginning of Year	<u>5,149,917</u>	<u>5,158,859</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,856,349</u></u>	<u><u>\$ 5,149,917</u></u>

Olathe Medical Center, Inc.
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

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

Nature of Operations

Olathe Medical Center, Inc. ("OMCI") operates an acute care hospital in Olathe, Kansas. OMCI primarily earns revenues by providing inpatient, outpatient, emergency care, hospice and home health care services to residents in Johnson County and Miami County, Kansas and the surrounding area. OMCI is controlled by Olathe Health System, Inc. ("OHSI"), its sole member.

OMCI is the sole member of Miami County Medical Center, Inc. ("MCMCI"), Olathe Medical Services, Inc. ("OMSI"), Olathe Medical Center Charitable Foundation ("OMCCF") and Health Access, Inc. ("HAI"). All of the entities are collectively referred to as the "System" in the accompanying consolidated financial statements.

MCMCI is an acute care hospital located in Paola, Kansas, and earns revenue by providing inpatient, outpatient and emergency care services to patients in Miami and Linn County, Kansas, and the surrounding area.

OMSI provides physician services in various clinic locations within its service area.

OMCCF was organized for the purpose of providing support services to advance or support the provision of health care services for the System's not-for-profit entities and the communities in which they serve.

HAI is a provider-sponsored organization that contracts with other health care providers, insurers and consumers in the System's service area in order to increase the quality and efficiency of health care services for their community. HAI was dissolved as a Kansas Corporation on December 30, 2011.

Principles of Consolidation

The consolidated financial statements include the accounts of OMCI and its controlled subsidiaries, Olathe Medical Services, Inc., Miami County Medical Center, Inc., Olathe Medical Center Charitable Foundation and Health Access, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Investment in and Advances to Affiliates

OMCI has an investment in Cedar Lake Village, which operates an assisted living, senior housing and skilled nursing facility located on OMCI's campus. This investment is reported using the equity method of accounting.

Olathe Medical Center, Inc.
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Use of Estimates

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

Excess of Revenues Over Expenses

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, the change in fair value of highly effective interest rate swap agreements, permanent transfers to and from affiliates for other than goods and services and contributions of long-lived assets to be used in providing health care services (including assets acquired using contributions which, by donor restriction, were to be used for the purpose of acquiring such assets).

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the System has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Temporarily restricted net assets are available primarily for specific program and department activities and the purchase of equipment and buildings at December 31, 2011 and 2010.

During 2011 and 2010, net assets were released from donor restrictions by satisfying the restricted purposes in the amounts of \$56,984 and \$173,999, respectively.

Net Patient Service Revenue

The System has agreements with third-party payers that provide for payments to the System at amounts different from established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods, as adjustments become known. Laws and regulations governing Medicare and Medicaid are extremely complex and subject to interpretation. Compliance with such laws and regulations are subject to government review and interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is a possibility that the recorded estimates may change by a material amount in the near term.

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Cash Equivalents

The System considers all liquid investments, other than those limited as to use, with original maturities of three months or less to be cash equivalents. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market accounts.

Patient Accounts Receivable

The System reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The System provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. The System bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due when billed. Accounts are considered delinquent and subsequently written off as bad debts based on credit evaluation and specific circumstances of the account.

For receivables associated with services provided to patients who have third-party coverage, the System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Assets Limited as to Use

Assets limited as to use include (1) assets held by bond trustees, (2) assets restricted by donors, and (3) assets set aside by the Board of Trustees 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 System are included in current assets.

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Investments and Investment Return

Investments in equity securities having a readily determinable fair value are carried at fair value. Other investments are valued at the lower of cost (or fair value at the time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments. Other investment return is reflected in the consolidated statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions. The investment in Cedar Lake Village is reported on the equity method of accounting.

Supplies

The System states supply inventories at average cost for perpetual inventories and last purchase price for non-perpetual inventories.

Property and Equipment

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are depreciated over the respective estimated useful lives.

Donations of property and equipment are reported at fair market value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

Estimated Self-Insurance Costs

The provision for estimated self-insured employee health, dental and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including related administrative costs.

Estimated self-insurance costs also include amounts for estimates related to medical malpractice and general liability claims which are covered by insurance.

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Charity Care and Uncompensated Costs

The System's mission is to improve the health of all individuals in the communities we serve by providing compassionate, quality healthcare in an environment of trust and collaboration. The System provides health care to individuals who have inadequate resources to afford the services, are uninsured or underinsured or participate in governmental health programs for the poor or disabled.

Uncompensated care to the poor includes the cost of providing care to patients who meet the guidelines of the System's charity care program and the cost of providing care in excess of reimbursement to participants in the Medicaid program and other indigent public programs such as free clinics. The uncompensated care provided to the community under these programs in 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Estimated cost of charity care provided to patients in the System and in supported free clinics	\$ 4,866,000	\$ 6,264,000
Estimated costs in excess of reimbursement to provide services to Medicaid patients	<u>5,876,000</u>	<u>4,368,000</u>
Total estimated unreimbursed costs and expenses	<u><u>\$ 10,742,000</u></u>	<u><u>\$ 10,632,000</u></u>

Charity care is not included in net patient service revenue. In addition to the above programs, the System grants discounts for uninsured individuals who do not qualify for the charity care program. Discounts for services are excluded from net patient revenues.

In addition to providing uncompensated care for patients in need, the system provides other health care related benefits to the communities it serves by subsidizing health care services, as well as providing 24-hour emergency rooms open every day to the public regardless of ability to pay. The System also provides education for a variety of medical professionals, health care screenings, educational programs, and support group sponsorships. The cost of providing these community benefit services is reported on Schedule H of the System's IRS Form 990.

Income Tax Status

Olathe Medical Center, Inc., Olathe Medical Services, Inc., Miami County Medical Center, Inc. and Olathe Medical Center Charitable Foundation are not-for-profit organizations within the meaning of Section 501(c)(3) of the Internal Revenue Code and are exempt from taxes on their business income.

HAI is considered a for-profit corporation for federal income tax purposes.

The System is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2007.

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Insurance and Litigation

Medical malpractice insurance is purchased under claims-made policies. Under these policies, only claims made and reported to the insurer that occurred subsequent to July 1, 1976 are covered during the policy term. Under Kansas law, the Kansas Insurance Department provides excess liability insurance through the Kansas Healthcare Stabilization Fund. Excess liability insurance coverage is also purchased under a claims-made policy. Under this policy, only claims made and reported to the insurer that occurred subsequent to January 2, 1985 are covered during the policy term.

The System accrues the expense of its share of asserted and unasserted claims occurring during the year by estimating the probable ultimate cost of any such claim. Such estimates are based on the System's own claims experience. The System's management does not expect any claims to exceed the insurance coverage limits. However, because of the risk involved in providing health care services, it is possible an event has occurred that will be the basis of a future material claim. In the normal course of business, the System is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the System's commercial insurance. The System evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

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

Based upon the System's claims experience, an accrual had been made for the System's portion of medical malpractice and general liability costs related to its deductible under its malpractice and general liability insurance policies, amounting to approximately \$785,000 and \$225,000 as of December 31, 2011 and 2010, respectively. These amounts are included in estimated self-insurance costs on the accompanying Consolidated Balance Sheets. It is reasonably possible that this estimate could change materially in the near term.

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Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported as net assets released from restriction. Receipt of contributions that are conditional are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Deferred Financing Costs

Deferred financing costs represent bond issuance costs incurred in connection with the Health Facilities Revenue Bonds. Costs associated with the debt outstanding for each year are being amortized over the term of the respective bond issue using the bonds outstanding method.

Bond Premiums (Discount)

The bond premiums and discount arose from the issuance of the Health Facilities Revenue Bonds, Series 2000A, Series 2008A, Series 2008B and Series 2010A and, when combined, result in a net bond premium. This unamortized net bond premium is recorded as an adjustment of long-term debt in the accompanying consolidated financial statements. The bond premiums and discount are being amortized over the life of the related bonds using the bonds outstanding method.

Derivative Financial Instruments

As a strategy to maintain an acceptable level of exposure to the risk of changes in future cash flows due to interest rate fluctuations, the System entered into interest rate swap agreements for a portion of its floating rate debt in September 2002 and July 2004. The 2002 agreement provides for the System to receive interest from the counterparty at 70% of LIBOR and to pay interest to the counterparty at a fixed rate of 3.18% on notional amounts of \$13,760,000 at December 31, 2010. The notional amount declines annually. The 2004 agreement provides for the System to receive interest from the counterparty at 70% of LIBOR and to pay interest to the counterparty at a fixed rate of 3.83% on notional amounts of \$5,225,000 at December 31, 2010. The notional amount declines annually. The Bonds under which the swap agreements were initiated were fully refunded and redeemed during 2008 but the swaps remain in place and as such became disconnected to the debt and are now treated as investments. At the date of refunding, the cumulative loss in fair value of the swap agreements (recorded in Unrestricted Net Assets) was \$639,305 and until the swap agreements were terminated in 2011, this amount was being amortized through the scheduled termination date of the swap agreements in 2016 and 2024. For the year ended December 31, 2010, amortization of the loss in fair value at the date of refunding of \$60,019 has been recorded as

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an unrealized loss in fair value of interest rate swap agreements in Other Income (Expense) on the accompanying Consolidated Statements of Operations. At December 31, 2010, the unamortized cumulative loss in fair value of the swap agreements (recorded in Unrestricted Net Assets) at the date of refunding was \$476,975 and at December 31, 2011, this amount was included in the loss from termination of interest rate swap due to the swap settlement payment on March 28, 2011 as discussed below.

Under the swap agreements, the System pays or receives interest amounts monthly and, as the swap is classified as an investment, payments of interest of \$98,984 in 2011 and \$598,010 in 2010 are included in net realized gain on sale of investments in Other Income (Expense) on the accompanying Consolidated Statements of Operations.

The changes in the fair value of such agreements since the date of refunding of the debt are recorded as unrealized gain or loss in fair value of interest rate swap agreements in Other Income (Expense) on the accompanying Consolidated Statements of Operations. For the years ended December 31, 2011 and 2010, a change in fair value of \$1,115,078 and \$(366,016), respectively, was recorded for the derivative instruments. At December 31, 2010, the fair value of the swap agreements was a liability of \$1,592,053, recorded in deferred liabilities on the accompanying Consolidated Balance Sheets.

On March 28, 2011, the 2002A and 2004A swap agreements were terminated resulting in a settlement payment of \$1,431,100. This loss on termination of interest rate swap is included in Other Income (Expense) on the accompanying Consolidated Statements of Operations. The 2011 change in fair value of the interest rate swap agreements of \$1,115,078 represents the cumulative unrealized losses from the prior periods change in fair value of the interest rate swap agreements which reversed in 2011 due to the settlement payment of the swaps.

Variable Rate Bonds and Related Agreements

OMCI has issued daily variable rate demand bonds as part of the 2008C bond issue and the 2010B bond issue (*see Note 6*). As part of the indenture agreement, OMCI entered into a remarketing agreement to remarket the bonds on a daily basis. OMCI also entered into a Letter of Credit and Reimbursement Agreement (LOC) with a bank to purchase bonds that are tendered but not remarketed. Under the LOC, the Letter of Credit is a direct obligation of the bank to pay to the Trustee until such time as the bonds are remarketed. The current LOC expires October 29, 2015.

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Note 2: Net Patient Service Revenue

The System has agreements with third-party payers that provide for payments at amounts different from established rates. These payment arrangements include:

- § **Medicare.** Inpatient acute care and outpatient services rendered to Medicare Program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.
- § **Medicaid.** Inpatient hospital and outpatient services rendered to Medicaid patients are reimbursed at prospectively determined rates.
- § **Other Third-Party Payers.** The System has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, case rates, fee schedules and prospectively determined daily rates.
- § **Uninsured.** The System provides discounts from charges for patients who do not have health insurance coverage and also provides assistance to those who qualify for the System's charity care program.

Approximately 31% of net patient service revenues are from participation in the Medicare and state-sponsored Medicaid programs for the years ended December 31, 2011 and 2010.

The Center for Medicare and Medicaid Services (CMS) approved an amendment to the Kansas Medicaid State Plan that incorporates legislation enacted by the Kansas State Legislature establishing an annual tax assessment on certain hospital providers and health maintenance organizations and created the Health Care Access Improvement Fund. The System's tax assessment for both 2011 and 2010 was approximately \$1,280,200 and is included in expenses in the consolidated statements of operations.

Note 3: Investments

Investment Summary

Short-term investments consist of mutual funds invested in debt securities and totaled \$10,961,588 and \$7,176,696 at December 31, 2011 and 2010, respectively.

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Assets limited as to use at December 31, 2011 and 2010 include the following investments stated at fair value

	2011	2010
Investment portfolio (internally designated)		
Cash and cash equivalents	\$ 982,788	\$ 135,821
Certificates of deposit	945,001	1,744,000
Mutual funds invested in equity securities		
Vanguard Total Stock Market Index	84,257,809	83,434,274
Vanguard Global Equity Fund	26,521,676	29,135,999
American New Perspective Fund	27,892,006	30,166,927
State Street MSCI AC World Investable Index Fund	15,348,035	13,151,595
Other mutual funds invested in equity securities	5,028,876	10,527,844
Mutual funds invested in debt securities		
PIMCO Total Return Fund	34,321,102	32,096,167
Dodge & Cox Income Fund	34,374,081	32,194,980
Other mutual funds invested in debt securities	-	699,055
Real estate	3,678,215	3,636,535
Interest receivable	458	2,180
	<u>233,350,047</u>	<u>236,925,377</u>
Externally restricted by donors		
Cash	915,912	715,995
Mutual funds invested in debt securities	983,574	-
Contributions receivable	415,928	698,065
	<u>2,315,414</u>	<u>1,414,060</u>
Held by trustee under indenture agreements		
Mutual funds invested in debt securities	1,295,764	12,827,251
U S Government and federal agency	6,025,647	-
Interest receivable	(7,355)	145
	<u>7,314,056</u>	<u>12,827,396</u>
Total assets limited as to use	<u>\$ 242,979,517</u>	<u>\$ 251,166,833</u>

At December 31, 2011 and 2010, the System's investments include real estate located in Johnson County, Kansas with a carrying value of \$3,678,215 and 3,636,535, respectively

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Certain investments in marketable equity securities are reported in the consolidated financial statements at an amount less than their historical cost. The System has adopted a long-term investment strategy which could result in volatile swings in fair value over time.

In accordance with the terms of the bond indentures, as amended, authorizing Health Facilities Revenue and Refunding Bonds, OMCI and MCMCI are to establish and maintain certain funds as follows:

Debt Service Fund – This account contains the required lease payments for interest and principal payments on bonds.

Debt Service Reserve Fund – This account is to be funded only in the event that certain financial ratio requirements are not met. No funding was required at December 31, 2011 and 2010.

Project Fund – This account includes the proceeds of bond issues to be used for qualified capital expenditures.

Amounts held by the trustee under indenture agreements, including accrued interest, at December 31, 2011 and 2010 are as follows:

	2011	2010
Debt service fund	\$ 1,288,409	\$ 1,980,216
Project funds to be used for capital expenditures	6,025,647	10,847,180
	<u>\$ 7,314,056</u>	<u>\$ 12,827,396</u>

Long-term investments consisted of the following which included investments held in conjunction with the System's Section 457(b) and 457(f) deferred compensation plans (*see Note 8*) that amounted to \$7,876,446 and \$7,073,342 at December 31, 2011 and 2010, respectively:

	2011	2010
Mutual funds invested in debt securities	\$ 5,332,481	\$ 4,749,180
Mutual funds invested in equity securities	2,543,965	2,324,162
Other long-term investments	87,793	81,708
	<u>\$ 7,964,239</u>	<u>\$ 7,155,050</u>

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Total investment return is comprised of and reflected in the consolidated statements of operations as the following

	2011	2010
Investment income (interest and dividend income)	\$ 6,358,695	\$ 7,296,741
Net realized gain on sale of investments	1,286,505	348,672
Change in unrealized gains and losses on investments	(11,608,781)	19,667,664
Change in fair value of interest rate swap	1,115,078	(426,035)
	<u>\$ (2,848,503)</u>	<u>\$ 26,887,042</u>

Note 4: Property and Equipment

A summary of property and equipment at December 31, 2011 and 2010 is as follows

	2011	2010
Land	\$ 26,695,766	\$ 25,770,975
Land improvements	10,544,398	9,925,041
Building and fixed equipment	148,045,851	149,231,569
Major equipment	109,526,952	104,165,075
Leasehold improvements	17,171,582	15,228,235
	<u>311,984,549</u>	<u>304,320,895</u>
Less accumulated depreciation	157,218,426	149,664,043
	<u>154,766,123</u>	<u>154,656,852</u>
Construction in progress	8,590,833	959,515
	<u>\$ 163,356,956</u>	<u>\$ 155,616,367</u>

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Note 5: Contributions Receivable

During 2010, OMCCF began a capital campaign to assist in funding the construction of a hospice house. Contributions receivable consisted of the following at December 31, 2011 and 2010:

	2011	2010
Due within one year	\$ 327,428	\$ 417,287
Due in two to five years	175,500	281,778
	<u>502,928</u>	<u>699,065</u>
Less:		
Allowance for uncollectible contributions	71,000	1,000
Unamortized discount	16,000	-
	<u>87,000</u>	<u>1,000</u>
Total contributions receivable	<u><u>\$ 415,928</u></u>	<u><u>\$ 698,065</u></u>

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Note 6: Long-term Debt

A summary of long-term debt at December 31, 2011 and 2010 is as follows

	<u>2011</u>	<u>2010</u>
Health Facilities Revenue Bonds, Series 2000A, maturing serially at varying amounts through September 2030, bonds fully repaid on September 1, 2011	\$ -	\$ 2,500,000
Health Facilities Revenue Bonds, Series 2008A, maturing serially at varying amounts through September 2037, with a mandatory tender of the balance March 1, 2013, semiannual interest payments at rates ranging from 4.00% to 4.125%, collateralized by revenues, partially redeemed after December 31, 2011 (<i>see Note 13</i>)	37,225,000	38,050,000
Health Facilities Revenue Bonds, Series 2008B, maturing serially at varying amounts through September 2029, semiannual interest payments at rates ranging from 4.00% to 5.125%, collateralized by revenues	25,620,000	26,765,000
Variable Rate Demand Health Facilities Revenue Bonds, Series 2008C, maturing serially at varying amounts through September 2032, monthly interest payments at variable rates determined daily by the Remarketing Agent with reference to the Securities Industry and Financial Markets Association Municipal Swap Index, (0.13% at December 31, 2011), collateralized by revenues	36,015,000	36,015,000
Health Facilities Revenue Bonds, Series 2010A, maturing serially at varying amounts through September 2030, semiannual interest payments at rates ranging from 3.5% to 5.25%, collateralized by revenues	16,000,000	16,000,000
Variable Rate Demand Health Facilities Revenue Bonds, Series 2010B, maturing serially at varying amounts through September 2035, monthly interest payments at variable rates determined daily by the Remarketing Agent with reference to the Securities Industry and Financial Markets Association Municipal Swap Index, (0.13% at December 31, 2011), collateralized by revenues	16,000,000	16,000,000
Capital lease covering medical equipment for four years expiring October 2011	-	17,419
Special assessments, City of Olathe and DeSoto, Kansas, payable annually over ten or fifteen year periods through 2024, interest rates ranging from 2.70% to 4.18%	4,267,412	4,631,192
	<u>135,127,412</u>	<u>139,978,611</u>
Plus unamortized premium (discount), net	617,870	774,896
Less current maturities	<u>(4,742,997)</u>	<u>(4,886,440)</u>
	<u>\$ 131,002,285</u>	<u>\$ 135,867,067</u>

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Aggregate annual maturities of the existing long-term debt at December 31, 2011 are as follows

2012	\$ 4,742,997
2013	3,121,190
2014	3,238,099
2015	3,367,317
2016	3,510,156
Thereafter	<u>117,147,653</u>
	<u><u>\$ 135,127,412</u></u>

The System issued \$16,000,000 of Fixed Rate Mode Series 2010A Health Facilities Revenue Bonds and \$16,000,000 of Daily Rate Mode Series 2010B Variable Rate Demand Health Facilities Revenue Bonds during 2010. \$10,940,000 of the proceeds of the 2010B Bonds are being used to acquire, install, construct and/or equip medical equipment and other ongoing capital expenditures at or adjacent to the System campus. The balance of the proceeds of the 2010B Bonds and all of the proceeds of the 2010A Bonds, were used by the System to refund and redeem \$20,835,000 of its 2000A Bonds. This refinancing resulted in a Loss from Extinguishment of Debt in 2010 of \$682,951, which is recorded in Other Income (Expense) in the accompanying Consolidated Statement of Operations.

The System has available lines of credit totaling \$4,895,000 and expiring throughout 2012 subject to renewal. The purpose of the lines are for financing working capital requirements and possible funding of self-insured workers compensation and unemployment claims. At December 31, 2011 and 2010, there were no amounts outstanding on these agreements.

Note 7: Concentration of Credit Risk

The operations of the System are primarily located in Johnson County and Miami County, Kansas. The System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of patient net accounts receivable at December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Medicare and Medicaid	45%	44%
Other third-party payers	43%	44%
Patients	<u>12%</u>	<u>12%</u>
	<u><u>100%</u></u>	<u><u>100%</u></u>

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The System maintains its cash and investments in multiple local financial institutions. The current federally insured limit for non-interest bearing accounts is set to expire December 31, 2012. At December 31, 2011, the System's cash accounts are non-interest bearing and therefore are fully covered within federally insured limits.

Note 8: Retirement Plans

The System sponsors a 403(b) retirement plan covering substantially all employees. The System's contributions to the Plan were \$1,732,280 and \$1,364,482 in 2011 and 2010, respectively.

The System sponsors a Section 457(b) deferred compensation plan for key employees. The System made no contributions to the plan in 2011 or 2010. The System also sponsors a Section 457(f) plan for key employees. The System made contributions to the plan of \$748,824 and \$736,374 in 2011 and 2010, respectively. Total assets and liabilities related to these Plans were \$7,876,446 and \$7,123,397 in 2011 and 2010, respectively.

Note 9: Additional Cash Flows Information

	2011	2010
Noncash Investing and Financing Activities		
Property and equipment purchases in accounts payable—construction	\$ 2,339,096	\$ 117,032
Reduction in value of special assessments	-	3,453,952
Additional Cash Information		
Interest paid, net of amount capitalized	3,886,774	4,567,388

Note 10: Functional Expenses

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

	2011	2010
Health care services	\$ 213,794,440	\$ 206,017,235
General and administrative	61,172,632	58,038,346
Fundraising	284,183	281,379
	<u>\$ 275,251,255</u>	<u>\$ 264,336,960</u>

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Note 11: Fair Value of Financial Instruments

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

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

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

Investments and Financial Instruments Included in Cash

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equity securities and money market mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include institutional pooled funds.

Interest Rate Swap Agreement

The fair value is estimated using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the Topic 820 fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010

December 31, 2011				
Fair Value Measurements Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Fair Value				
Financial instruments				
included in cash	\$ 1,054,174	\$ 1,054,174	\$ -	\$ -
Mutual funds invested in equity securities				
Vanguard Total Stock Market Index	84,257,809	84,257,809	-	-
Vanguard Global Equity Fund	26,521,676	26,521,676	-	-
American New Perspective Fund	27,892,006	27,892,006	-	-
State Street MSCI AC World Investable Index Fund	15,348,035	-	15,348,035	-
Other mutual funds invested in equity securities	7,572,841	2,682,522	4,890,319	-
Mutual funds invested in debt securities				
PIMCO Total Return Fund	34,321,102	34,321,102	-	-
Dodge & Cox Income Fund	34,374,081	34,374,081	-	-
Other mutual funds invested in debt securities	18,573,407	18,573,407	-	-
U S Government and Federal agency	6,025,647	6,025,647	-	-

Olathe Medical Center, Inc.
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

December 31, 2010				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial instruments				
included in cash	\$ 8,010,025	\$ 8,010,025	\$ -	\$ -
Mutual funds invested in				
equity securities				
Vanguard Total Stock Market Index	83,434,274	83,434,274	-	-
Vanguard Global Equity Fund	29,135,999	29,135,999	-	-
American New Perspective Fund	30,166,927	30,166,927	-	-
State Street MSCI AC World Investable Index Fund	13,151,595	-	13,151,595	-
Other mutual funds invested in equity securities	12,852,006	3,194,194	9,657,812	-
Mutual funds invested in debt securities				
PIMCO Total Return Fund	32,096,167	32,096,167	-	-
Dodge & Cox Income Fund	32,194,980	32,194,980	-	-
Other mutual funds invested in debt securities	25,452,182	25,452,182	-	-
Interest rate swap agreement	(1,592,053)	-	(1,592,053)	-

Olathe Medical Center, Inc.
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value

Cash and Cash Equivalents

The carrying amount approximates fair value

Long-term Debt

Fair values of revenue notes are based on current interest rates on bonds of similar maturities. The fair value of other long-term debt is estimated using discounted cash flow analyses based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying amount of long-term debt approximates its fair value.

Note 12: Related Party Transactions

In 2011 and 2010, OMCI had transfers to OHSI, the sole member of OMCI, of \$28,293 and \$29,114, respectively.

At December 31, 2011 and 2010, Cedar Lake Village, Inc. (CLVI), an equity investee, had outstanding loan balances to OMCI of \$3,757,624 and \$3,897,375, respectively, at an interest rate of 7%, subordinated with a bank as part of a letter-of-credit arrangement. Semiannual interest payments and annual principal payments are required with the final payment on the loan due in December 2026.

Note 13: Subsequent Events

On February 28, 2012, the System issued \$19,865,000 of Fixed Rate Mode Series 2012A Health Facilities Revenue Bonds and \$15,525,000 of Long-Term Rate Mode Series 2012B Health Facilities Revenue Bonds. The proceeds from the bond issuances are being used to refund and redeem \$36,400,000 of the Series 2008A Bonds. The 2012A Bonds mature serially at varying amounts through September 2030, semi-annual interest payments at rates ranging from 3.00% to 5.00%, and are collateralized by System revenues. The 2012B Bonds are subject to scheduled mandatory redemption commencing on September 1, 2031, in each year through September 1, 2037, with a mandatory tender of the Bonds on March 1, 2017, with semiannual interest payments at 2.00% through the tender date.

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were issued.

Independent Accountants' Report on Supplementary Information

Board of Trustees
Olathe Medical Center, Inc
Olathe, Kansas

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations, and is not a required part of the basic consolidated financial statements. The consolidating information has been subjected to the procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

BKD, LLP

Kansas City, Missouri
May 16, 2012

Olathe Medical Center, Inc.
Consolidating Schedule — Balance Sheet Information
December 31, 2011

Assets

	Total	Eliminations	Olathe Medical Center, Inc.	Olathe Medical Services, Inc.	Miami County Medical Center, Inc.	Olathe Medical Center Charitable Foundation	Health Access, Inc.
Current Assets							
Cash and cash equivalents	\$ 4,856,349	\$ -	\$ 3,701,696	\$ 719,366	\$ 435,287	\$ -	\$ -
Patient accounts receivable, net	48,568,586		40,774,105	3,986,101	3,808,380	-	-
Short-term investments and other assets	11,743,754		10,025,209	178,982	1,515,817	23,746	-
Funds held by trustee required for current liabilities	2,160,808		2,032,790	-	128,018	-	-
Supplies	6,654,500		5,148,582	869,053	636,865	-	-
Prepaid expenses	2,139,044		1,506,238	493,097	139,391	318	-
Total current assets	76,123,041		63,188,620	6,246,599	6,663,758	24,064	-
Assets Limited as to Use, net of current portion							
Investment portfolio (internally designated)	233,350,047		201,758,644	-	29,736,705	1,854,698	-
Externally restricted by donors	2,315,414		89,437	-	26,116	2,199,861	-
Funds held by trustee	5,153,248		5,153,247	-	1	-	-
Property and Equipment, net	240,818,709		207,001,328	-	29,762,822	4,054,559	-
	163,356,956		122,866,536	34,535,624	5,954,796	-	-
Other Assets							
Deferred financing costs	887,169		857,891	-	29,278	-	-
Long-term investments	7,964,239		3,668,408	4,295,831	-	-	-
Investments in and advances to affiliates	8,575,548	(71,830,021)	82,135,833	(1,325,112)	(412,263)	7,111	-
	17,426,956	(71,830,021)	86,662,132	2,970,719	(382,985)	7,111	-
Total assets	\$ 497,725,662	\$ (71,830,021)	\$ 479,718,616	\$ 43,752,942	\$ 41,998,391	\$ 4,085,734	\$ -

Olathe Medical Center, Inc.
Consolidating Schedule — Balance Sheet Information (Continued)
December 31, 2011

Liabilities and Net Assets

	Total	Eliminations	Olathe Medical Center, Inc.	Olathe Medical Services, Inc.	Miami County Medical Center, Inc.	Olathe Medical Center Charitable Foundation	Health Access, Inc.
Current Liabilities							
Current maturities of long-term debt	\$ 4,742,997	\$ -	\$ 4,425,698	\$ 27,299	\$ 290,000	\$ -	\$ -
Accounts payable	13,085,904		10,739,506	1,301,513	1,001,235	43,650	-
Accounts payable - construction	2,339,097		2,338,569	528	-	-	-
Accrued payroll and related liabilities	14,972,879		8,870,631	5,413,361	688,887	-	-
Accrued interest	1,320,436		1,243,715	2,698	74,023	-	-
Accrued property taxes	133,325		119,910	11,486	1,929	-	-
Estimated self-insurance costs	4,853,737		4,778,737	-	75,000	-	-
Estimated amounts due to third-party payers	1,248,410		1,129,140	-	119,270	-	-
Total current liabilities	42,696,785		33,645,906	6,756,885	2,250,344	43,650	-
Deferred Compensation	7,876,446		3,637,333	4,239,113	-	-	-
Long-term Debt	131,002,285		126,285,231	72,710	4,644,344	-	-
Total liabilities	181,575,516		163,568,470	11,068,708	6,894,688	43,650	-
Net Assets							
Unrestricted	313,834,727	(69,604,044)	313,834,727	32,684,234	35,077,587	1,842,223	-
Temporarily restricted	2,197,132	(2,107,690)	2,197,132	-	26,116	2,081,574	-
Permanently restricted	118,287	(118,287)	118,287	-	-	118,287	-
Total net assets	316,150,146	(71,830,021)	316,150,146	32,684,234	35,103,703	4,042,084	-
Total liabilities and net assets	\$ 497,725,662	\$ (71,830,021)	\$ 479,718,616	\$ 43,752,942	\$ 41,998,391	\$ 4,085,734	\$ -

Olathe Medical Center, Inc.

Consolidating Schedule of Operations

Year Ended December 31, 2011

	Total	Eliminations	Olathe Medical Center, Inc	Olathe Medical Services, Inc	Miami County Medical Center, Inc	Olathe Medical Center Charitable Foundation	Health Access, Inc
Unrestricted Revenues and Other Support							
Net patient service revenue	\$ 280,204,051	\$ -	\$ 206,081,630	\$ 52,817,059	\$ 21,305,362	\$ -	\$ -
Other revenue	3,966,689	(617,648)	3,822,300	243,396	257,030	261,611	-
Net assets released from restriction used for operations	27,219	-	21,913	-	-	5,306	-
	<u>284,197,959</u>	<u>(617,648)</u>	<u>209,925,843</u>	<u>53,060,455</u>	<u>21,562,392</u>	<u>266,917</u>	<u>-</u>
Expenses							
Salaries	133,589,218	-	72,713,408	52,794,276	7,970,450	111,084	-
Employee benefits	24,212,499	-	14,111,721	8,394,438	1,692,134	14,206	-
Supplies and other expenses	82,336,484	(617,648)	64,203,124	10,865,978	7,636,137	209,112	39,781
Depreciation and amortization	14,386,832	-	10,750,858	2,106,337	1,529,464	173	-
Interest	4,213,514	-	3,852,407	135,675	225,432	-	-
Insurance	3,495,937	-	2,135,983	1,096,706	262,435	813	-
Provision for uncollectible accounts	11,736,570	-	9,305,444	1,054,357	1,376,769	-	-
Medicaid assessment	1,280,201	-	1,196,280	-	83,921	-	-
	<u>275,251,255</u>	<u>(617,648)</u>	<u>178,269,225</u>	<u>76,447,767</u>	<u>20,776,742</u>	<u>335,388</u>	<u>39,781</u>
Operating Income (Loss)	<u>8,946,704</u>	<u>-</u>	<u>31,656,618</u>	<u>(23,387,312)</u>	<u>785,650</u>	<u>(68,471)</u>	<u>(39,781)</u>
Other Income (Expense)							
Net investment income	6,338,695	(7,684)	5,523,096	7,684	787,051	48,548	-
Realized gain on investments	1,286,505	-	1,697,876	-	(506,916)	95,545	-
Change in net unrealized gains and losses on trading securities	(11,608,781)	-	(10,604,324)	-	(840,008)	(164,449)	-
Change in fair value of interest rate swap	1,115,078	-	735,718	-	379,360	-	-
Gain (loss) on investment of equity investees	595,358	23,466,983	(22,871,625)	-	-	-	-
Loss on termination of interest rate swap	(1,431,100)	-	(874,900)	-	(556,200)	-	-
	<u>(3,684,245)</u>	<u>23,459,299</u>	<u>(26,394,159)</u>	<u>7,684</u>	<u>(736,713)</u>	<u>(20,356)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenses	<u>5,262,459</u>	<u>23,459,299</u>	<u>5,262,459</u>	<u>(23,379,628)</u>	<u>48,937</u>	<u>(88,827)</u>	<u>(39,781)</u>
Change in fair value of interest rate swap agreements	476,975	(233,815)	476,975	-	233,815	-	-
Net assets released - capital	29,765	(9,765)	29,765	-	9,765	-	-
Transfers (to) from affiliate	(28,293)	(24,089,837)	(28,293)	23,913,344	-	167,478	9,015
	<u>\$ 5,740,906</u>	<u>\$ (874,118)</u>	<u>\$ 5,740,906</u>	<u>\$ 533,716</u>	<u>\$ 292,517</u>	<u>\$ 78,651</u>	<u>\$ (30,766)</u>