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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SUTTER WEST BAY HOSPITALS

Doing Business As
CALIFORNIA PACIFIC MEDICAL CENTER

Number and street (or P O box if mail is not delivered to street address) | Room/suite
PO BOX 7999

City or town, state or country, and ZIP + 4
SAN FRANCISCO, CA 94120

D Employer identification number
94-0562680

E Telephone number
(916) 286-6665

G Gross receipts $ 1,644,851,244

F Name and address of principal officer
MARTIN BROTMAN MD
PO BOX 7999
SAN FRANCISCO, CA 94120

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW SUTTERHEALTH ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1854 | **M** State of legal domicile CA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SEE SCHEDULE O

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	32
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	25
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	8,792
6	Total number of volunteers (estimate if necessary)	**6**	1,305
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,301,677
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	33,710,172	34,573,903
	9 Program service revenue (Part VIII, line 2g)	1,542,831,482	1,534,702,744
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,541,135	14,775,202
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,728,834	3,480,969
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,592,811,623	1,587,532,818
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,836,582	1,671,113
	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)	736,482,501	762,546,152
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶621,768		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	665,272,592	605,287,270
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	1,403,591,675	1,369,504,535
	19 Revenue less expenses Subtract line 18 from line 12	189,219,948	218,028,283

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	1,510,104,441	1,563,746,524
	21 Total liabilities (Part X, line 26)	574,175,255	561,430,605
	22 Net assets or fund balances Subtract line 21 from line 20	935,929,186	1,002,315,919

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2012-10-15 Date

▶ JOHN GATES COO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶☐	Preparer's taxpayer identification number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG US LLP 178 S RIO GRANDE STREET SUITE 400 SALT LAKE CITY, UT 84101			EIN ▶ Phone no ▶ (801) 350-3300

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission

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 $ 1,263,244,684 including grants of $ 1,671,113) (Revenue $ 1,534,702,744)

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** ▶ $ 1,263,244,684

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	945		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	8,792			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**	Yes	
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	32		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	25		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			No

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

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

Section C. Disclosure

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

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

☐ Own website ☐ Another's website ☑ Upon request

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

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

HENRY YU
PO BOX 7999
SAN FRANCISCO, CA 94120
(415) 600-7310

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,149,796	9,267,972	4,773,416

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 ▶ 1,853

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK 2500 WARRENVILLE ROAD DOWNERS GROVE, IL 60515	MANAGEMENT SERVICES	17,100,378
PACIFIC INPATIENT MEDICAL GROUP INC PO BOX 1230 SUISUN CITY, CA 94585	UTILIZATION SERVICES	6,792,853
ANESTHESIA AND ANALGESIA MEDICAL GR 837 5TH STREET 2ND FLOOR SANTA ROSA, CA 95404	ANESTHESIA SERVICES	5,796,544
ANGELICA DEPT 6777 LOS ANGELES, CA 90084	LAUNDRY SERVICES	3,367,348
AUXILIO 27401 LOS ALTOS STE 100 MISSION VIEJO, CA 92691	PRINTER SVC MGMT	3,012,287

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 ▶ 142

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	45,914			
	d	Related organizations	1d	11,371,805			
	e	Government grants (contributions)	1e	14,308,396			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	8,847,788			
	g	Noncash contributions included in lines 1a-1f $ 86,954					
	h	**Total.** Add lines 1a-1f		34,573,903			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICE REVENUE	622110	1,518,237,022	1,518,237,022		
	b	CA PACIFIC ADVANCED IMAGING	621512	1,726,947	1,726,947		
	c	SAN FRAN ENDOSCOPY CENTER	621498	5,037,640	5,037,640		
	d	PRESIDIO SURGERY CENTER LLC	621493	6,038,377	6,038,377		
	e	RENTAL TO AFFILIATES	900099	3,662,758	3,662,758		
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		1,534,702,744			
	3	Investment income (including dividends, interest and other similar amounts)		10,689,412			10,689,412
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	11,573,430				
	b	Less rental expenses	13,785,834				
	c	Rental income or (loss)	-2,212,404				
	d	Net rental income or (loss)			-2,212,404			-2,212,404
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	47,261,406	311,307			
	b	Less cost or other basis and sales expenses	43,102,023	384,900			
	c	Gain or (loss)	4,159,383	-73,593			
	d	Net gain or (loss)			4,085,790			4,085,790
Other Revenue	8a	Gross income from fundraising events (not including $ 45,914 of contributions reported on line 1c) See Part IV, line 18	a 66,309				
	b	Less direct expenses	b 43,169				
	c	Net income or (loss) from fundraising events			23,140			23,140
	9a	Gross income from gaming activities See Part IV, line 19	a 4,925				
	b	Less direct expenses	b 2,500				
	c	Net income or (loss) from gaming activities			2,425			2,425
	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	UBI - LABORATORY		621500	486,248		486,248	
	b	UBI - PARKING		812930	1,815,429		1,815,429	
	c	CAFETERIA		900099	3,292,653			3,292,653
	d	All other revenue			73,478			73,478
	e	**Total.** Add lines 11a–11d			5,667,808			
	12	**Total revenue.** See Instructions			1,587,532,818	1,534,702,744	2,301,677	15,954,494

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	1,670,863	1,670,863		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	250	250		
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	94,746		94,746	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	507,796,154	486,255,508	21,540,646	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	46,421,462	44,682,197	1,739,265	
9	Other employee benefits	166,841,946	153,361,827	13,480,119	
10	Payroll taxes	41,391,844	39,897,843	1,493,611	390
11	Fees for services (non-employees)				
a	Management	6,567,126	4,331,871	2,053,605	181,650
b	Legal	4,457,042	154,927	4,302,115	0
c	Accounting	94,125	21,492	72,633	0
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	661,555	0	661,555	0
g	Other	20,409,760	19,387,627	1,022,133	0
12	Advertising and promotion	3,487,656	3,484,795	2,230	631
13	Office expenses	176,803,725	176,154,285	643,902	5,538
14	Information technology	16,192,706	0	16,192,706	0
15	Royalties . .	0			
16	Occupancy	15,370,503	15,118,400	252,103	0
17	Travel	1,293,557	958,119	332,354	3,084
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	657,792	556,479	101,313	0
20	Interest	11,170,444	11,170,444	0	0
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	76,152,979	76,121,225	31,754	0
23	Insurance	11,519,736	11,513,676	6,060	0
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	PURCHASED SERVICES	104,837,091	92,663,996	12,154,286	18,809
b	PROFESSIONAL FEES-PHYSICIANS	68,333,931	64,740,180	3,593,751	0
c	REPAIRS & MAINTENANCE	23,038,036	21,532,530	1,503,806	1,700
d	SYSTEM ALLOCATION FEES	19,702,731	-220,122	19,569,289	353,564
e					
f	All other expenses	44,536,775	39,686,272	4,794,101	56,402
25	**Total functional expenses.** Add lines 1 through 24f	1,369,504,535	1,263,244,684	105,638,083	621,768
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		0	1	0
	2	Savings and temporary cash investments		82,045,309	2	70,103,047
	3	Pledges and grants receivable, net		399,739	3	2,333,524
	4	Accounts receivable, net		197,248,328	4	196,199,741
	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		14,589,638	8	14,314,230
	9	Prepaid expenses and deferred charges		4,035,606	9	4,406,229
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 1,833,729,439			
	b	Less accumulated depreciation	10b 806,823,517	951,078,166	10c	1,026,905,922
	11	Investments—publicly traded securities		183,970,682	11	177,768,432
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		5,320,918	13	6,745,744
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		71,416,055	15	64,969,655
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1,510,104,441	16	1,563,746,524
Liabilities	17	Accounts payable and accrued expenses		189,729,837	17	190,124,956
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		334,770,632	20	340,300,560
	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		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	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		49,674,786	25	31,005,089
	26	**Total liabilities.** Add lines 17 through 25		574,175,255	26	561,430,605
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		913,463,129	27	979,818,227
	28	Temporarily restricted net assets		22,466,057	28	22,497,692
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		935,929,186	33	1,002,315,919
	34	Total liabilities and net assets/fund balances		1,510,104,441	34	1,563,746,524

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	1,587,532,818
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,369,504,535
3	Revenue less expenses Subtract line 2 from line 1	3	218,028,283
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	935,929,186
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-151,641,550
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	1,002,315,919

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 94-0562680
Name: SUTTER WEST BAY HOSPITALS

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RT REV MARC H ANDRUS DIRECTOR	1 0	X						0	0	0
DAMIAN AUGUSTYN MD DIRECTOR	1 0	X						18,321	0	0
MARTIN BROTMAN MD REGIONAL PRESIDENT, WEST BAY	40 0	X		X				0	1,374,850	713,389
WILLIAM L BRUNETTI DIRECTOR	1 0	X						0	0	0
WILLIAM CARROLL MD DIRECTOR	1 0	X						30,000	0	0
THEODORE DEIKEL DIRECTOR	1 0	X						0	0	0
THOMAS J DIETZ PHD DIRECTOR	1 0	X						0	0	0
ROY EISENHARDT DIRECTOR	1 0	X						0	0	0
PETER FULCHIRON VICE CHAIR/DIRECTOR	1 0	X		X				0	0	0
PAT FRY PRESIDENT & CEO, SUTTER HEALTH	1 0	X						0	3,045,216	2,196,089
JORDAN HOROWITZ MD DIRECTOR	1 0	X						35,400	0	0
PETER JACOBI DIRECTOR	1 0	X						0	0	0
JOAN C KAHR PHD DIRECTOR	1 0	X						0	0	0
RONALD H KAUFMAN DIRECTOR	1 0	X						0	0	0
STEVEN E LEVENBERG DO DIRECTOR	1 0	X						0	0	0
THOMAS E LINCOLN DIRECTOR	1 0	X						0	0	0
ALASTAIR A MACTAGGART DIRECTOR	1 0	X						0	0	0
ANTHONY W MILES DIRECTOR	1 0	X						0	0	0
SCOTT MINICK DIRECTOR	1 0	X						0	0	0
TIMOTHY MURPHY MD DIRECTOR	1 0	X						0	0	0
CYNTHIA NESTLE DIRECTOR	1 0	X						0	0	0
DENNIS J O'CONNELL DIRECTOR	1 0	X						0	0	0
STEVEN H OLIVER DIRECTOR	1 0	X						0	0	0
ROBERT W OSORIO MD DIRECTOR	1 0	X						0	0	0
ROBERT A ROSENFELD DIRECTOR	1 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
TERRI SLAGLE MD DIRECTOR	1 0	X						11,025	0	0
LEO C H SOONG FINANCE CHAIR/DIRECTOR	1 0	X		X				0	0	0
ROSS E STROMBERG DIRECTOR	1 0	X						0	0	0
ROBERT M TOMASELLO CHAIR/DIRECTOR	1 0	X		X				0	0	0
MICHAEL N VALAN MD DIRECTOR	1 0	X						0	0	0
ANTHONY G WAGNER DIRECTOR	1 0	X						0	0	0
DEBORAH D WYATT MD DIRECTOR	1 0	X						0	0	0
MICHAEL DUNCHEON VP, REGIONAL COUNSEL WEST BAY	40 0			X				0	405,094	152,376
JOHN GATES REGION VP FINANCE, WEST BAY	40 0			X				0	735,733	275,268
WARREN BROWNER MD CEO, SAN FRANCISCO HOSP, SWBH	40 0				X			0	815,134	452,253
GRANT DAVIES EXEC VP, CPMC & CAO, WB	40 0				X			0	688,198	306,792
ALLAN PONT MD VP MEDICAL AFFAIRS	40 0					X		0	722,474	146,025
TONI BRAYER MD REGIONAL VP & CMO, WEST BAY	40 0					X		0	599,216	212,759
MARK KIMBELL CPMC FOUNDATION DIRECTOR	40 0					X		0	472,157	151,094
STEVEN R CUMMINGS DIRECTOR, CRCLE	40 0					X		436,460	0	27,945
CRAIG VERCRUYSSE REGIONAL CIO, WEST BAY	40 0					X		0	409,900	117,713
JACK BAILEY EXEC VP/ADMINISTRATOR, CPMC	0 0						X	618,590	0	21,713

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		169,781,890		169,781,890
b Buildings		749,848,183	432,550,558	317,297,625
c Leasehold improvements		45,079,983	28,960,024	16,119,959
d Equipment		445,532,337	342,088,770	103,443,567
e Other		423,487,046	3,224,165	420,262,881
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				1,026,905,922

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

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

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
INSURANCE LIABILITIES	5,271,542
3RD PARTY SETTLEMENTS	4,922,594
OTHER LIABILITIES	20,810,953
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	31,005,089

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
ASC 740 (FIN48) FOOTNOTE FROM AUDIT	PART X, LINE 2	THIS ORGANIZATION WAS PART OF A CONSOLIDATED FINANCIAL SYSTEM AUDIT THE ASC 740 AUDIT FOOTNOTE DISCLOSURE FOR THE SUTTER SYSTEM IS AS FOLLOWS SUTTER HEALTH AND MOST AFFILIATES HAVE BEEN DETERMINED TO BE EXEMPT ORGANIZATIONS BY THE INTERNAL REVENUE SERVICE, (PURSUANT TO INTERNAL REVENUE CODE SECTION 501(C)(3)), AND THE CALIFORNIA FRANCHISE TAX BOARD (PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE 23701(D)) AND, GENERALLY, ARE NOT SUBJECT TO TAXES ON INCOME CERTAIN ACTIVITIES OF SUTTER ARE SUBJECT TO INCOME TAXES, HOWEVER, SUCH ACTIVITIES ARE NOT SIGNIFICANT TO THE COMBINED FINANCIAL STATEMENTS WITH RESPECT TO ITS FOR-PROFIT SUBSIDIARIES AND TAXABLE ACTIVITIES, SUTTER RECORDS INCOME TAXES USING THE LIABILITY METHOD UNDER WHICH DEFERRED TAX ASSETS AND LIABILITIES ARE DETERMINED BASED ON THE DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING AND TAX BASIS OF ASSETS AND LIABILITIES DEFERRED TAX ASSETS OR LIABILITIES AT THE END OF EACH PERIOD ARE DETERMINED USING THE CURRENTLY ENACTED TAX RATE EXPECTED TO APPLY TO TAXABLE INCOME IN THE PERIODS THAT THE DEFERRED TAX ASSET OR LIABILITY IS EXPECTED TO BE REALIZED OR SETTLED SUTTER RECOGNIZES THE TAX BENEFIT FROM UNCERTAIN TAX POSITIONS ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITIONS WILL BE SUSTAINED ON EXAMINATION BY THE TAX AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION THE TAX BENEFIT IS MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50% LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT SUTTER RECOGNIZES INTEREST AND PENALTIES RELATED TO INCOME TAX MATTERS IN OPERATING EXPENSES AT DECEMBER 31, 2011 AND 2010, THERE WERE NO SUCH UNCERTAIN TAX POSITIONS

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SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and e-mail solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions?		**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
		Yes	**No**			
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 ANNIVERSARY (event type)	(b) Event #2 GOLF TOURNY (event type)	(c) Other Events 1 (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts	66,787	39,441	5,995	112,223
	2 Less Charitable contributions	35,834	10,080	0	45,914
	3 Gross income (line 1 minus line 2)	30,953	29,361	5,995	66,309
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs		8,832		8,832
	7 Food and beverages	13,311	7,299		20,610
	8 Entertainment	750			750
	9 Other direct expenses	8,564	3,611	802	12,977
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(43,169)
	11 Net income summary Combine lines 3 and 10 in column (d) ▶				23,140

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

a	The organization's facility	**13a**	
b	An outside facility	**13b**	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			24,624,802	0	24,624,802	1 800 %
b Medicaid (from Worksheet 3, column a)			205,368,207	138,373,293	66,994,914	4 900 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			11,127,041	6,633,395	4,493,646	0 330 %
d **Total** Charity Care and Means-Tested Government Programs			241,120,050	145,006,688	96,113,362	7 030 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	66	104,440	3,463,924	60,684	3,403,240	0 250 %
f Health professions education (from Worksheet 5)	25	1,110	40,311,004	5,026,128	35,284,876	2 580 %
g Subsidized health services (from Worksheet 6)	16	80,997	34,399,348	28,443,660	5,955,688	0 440 %
h Research (from Worksheet 7)	1	1,989	21,848,548	0	21,848,548	1 600 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	36	900	3,690,918	0	3,690,918	0 270 %
j **Total** Other Benefits	144	189,436	103,713,742	33,530,472	70,183,270	5 140 %
k **Total.** Add lines 7d and 7j	144	189,436	344,833,792	178,537,160	166,296,632	12 170 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	4	0	5,184	0	5,184	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	6	25,138	87,691	0	87,691	0 010 %
7	Community health improvement advocacy	3	100	20,084	0	20,084	0 %
8	Workforce development	7	105	497,306	0	497,306	0 040 %
9	Other						
10	**Total**	20	25,343	610,265	0	610,265	0 050 %

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	11,887,778		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	299,955,308
6	Enter Medicare allowable costs of care relating to payments on line 5	6	359,868,436
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-59,913,128
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? **5**

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CALIFORNIA PACIFIC MEDICAL CENTER 45 CASTRO STREET SAN FRANCISCO,CA 94114	X	X					X		
2	CPMC-ST LUKE'S CAMPUS 3555 CESAR CHAVEZ STREET SAN FRANCISCO,CA 94110	X	X					X		
3	NOVATO COMMUNITY HOSPITAL 180 ROWLAND WAY NOVATO,CA 94945	X	X					X		
4	SUTTER LAKESIDE HOSPITAL 5176 HILL ROAD LAKEPORT,CA 95463	X	X			X		X		
5	SUTTER MEDICAL CENTER SANTA ROSA 3325 CHANATE ROAD SANTA ROSA,CA 95404	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

CALIFORNIA PACIFIC MEDICAL CENTER

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	**1**		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		
5 Did the hospital facility make its Needs Assessment widely available to the public?	**5**		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	**7**		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**8**	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	**9**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

CPMC-ST LUKE'S CAMPUS

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

NOVATO COMMUNITY HOSPITAL

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 3

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SUTTER LAKESIDE HOSPITAL

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 4

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SUTTER MEDICAL CENTER SANTA ROSA

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 5

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

How many non-hospital facilities did the organization operate during the tax year? **23**

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
PART I, QUESTION 3C		TO BE ELIGIBLE FOR FREE CARE THE ORGANIZATION USES THE FEDERAL POVERTY GUIDELINES (FPG) FOR FAMILY INCOMES THAT ARE AT OR BELOW 400% OF FPG IN ADDITION, THE FOLLOWING DISCOUNTS APPLY TO UNINSURED PATIENTS - SPECIAL CIRCUMSTANCES CHARITY CARE FOR UNINSURED PATIENTS WHO DO NOT MEET THE FINANCIAL ASSISTANCE CRITERIA SET FORTH BY THE ORGANIZATION, A COMPLETE OR PARTIAL WRITE-OFF IN CIRCUMSTANCES INCLUDING BUT NOT LIMITED TO BANKRUPTCY, HOMELESSNESS, DECEASED, ELIGIBLE FOR MEDICARE/MEDI-CAL, OR IF A COLLECTION AGENCY IDENTIFIES A PATIENT MEETING THE ORGANIZATION'S CHARITY CARE ELIGIBILITY CRITERIA - CATASTROPHIC CHARITY CARE PARTIAL WRITE-OFF WHEN THE FINANCIAL RESPONSIBILITY EXCEEDS 30% OF THE PATIENT'S FAMILY INCOME PATIENTS THAT MEET THE CRITERIA WILL RECEIVE A FULL WRITE-OFF OF UNDISCOUNTED CHARGES THAT EXCEED 30% OF THEIR FAMILY INCOME - HIGH MEDICAL COST CHARITY CARE (FOR INSURED PATIENTS) PARTIAL WRITE-OFF OF THE HOSPITAL'S UNDISCOUNTED CHARGES FOR PATIENTS WHOSE FAMILY INCOME IS LESS THAN 350% OF FPG, MEDICAL EXPENSES EXCEED 10% OF THE PATIENT'S FAMILY INCOME, AND THE PATIENT'S INSURE HAS NOT PROVIDED A DISCOUNT - UNINSURED PATIENT DISCOUNT A WRITE-OFF OF A PORTION OF COVERED SERVICES NO GREATER THAT THE CURRENT AVERAGE COMMERCIAL FEE-FOR-SERVICE DISCOUNT WITH MANAGED CARE PAYERS FOR PATIENTS WHOSE BENEFITS UNDER INSURANCE OR A GOVERNMENT PROGRAM HAVE BEEN EXHAUSTED PRIOR TO ADMISSION - PROMPT PAYMENT DISCOUNT PARTIAL WRITE-OFF AVAILABLE TO UNINSURED PATIENTS WHO PAY PROMPTLY, CONSISTING OF AT LEAST A 10% DISCOUNT FOR THOSE WHO PAY WITHIN 30 DAYS OF FINAL BILLING, OR A 20% DISCOUNT IF 50% OF THE ESTIMATED BILL IS PAID PRIOR TO DISCHARGE

Identifier	ReturnReference	Explanation
PART I, QUESTION 7		COSTING METHODOLOGY USED COST TO CHARGE RATIO UTILIZING WORKSHEET 2 METHODOLOGY

Identifier	ReturnReference	Explanation
PART I, QUESTION 7G		THE AMOUNT OF COSTS ASSOCIATED WITH PHYSICIAN CLINICS IS $25,440

Identifier	ReturnReference	Explanation
PART II	COMMUNITY BUILDING ACTIVITIES	CALIFORNIA PACIFIC MEDICAL CENTER CALIFORNIA PACIFIC MEDICAL CENTER (CPMC) FUNDED THE FOLL OWING PROGRAMS THAT HELPED ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS AND IMPACT THE HEALT H AND WELL-BEING IN THE COMMUNITIES WE SERVE (ALSO KNOWN AS COMMUNITY-BUILDING ACTIVITIES) THESE PROGRAMS HELPED SUPPORT COMMUNITY ASSETS BY OFFERING THE EXPERTISE AND RESOURCES O F SUTTER HEALTH A) PROJECT HOME CONNECT PROJECT HOMELESS CONNECT IS SAN FRANCISCO'S SIGN ATURE PROGRAM TO PROVIDE SERVICES TO ITS HOMELESS POPULATION THE MISSION OF PROJECT HOMEL ESS CONNECT IS TO PROVIDE A SINGLE LOCATION WHERE NONPROFIT MEDICAL AND SOCIAL SERVICE PRO VIDERS COLLABORATE TO SERVE THE HOMELESS OF SAN FRANCISCO WITH COMPREHENSIVE, HOLISTIC SER VICES CPMC HAD 72 VOLUNTEERS SERVE A TOTAL OF 576 HOURS OF SERVICE FOR THIS EVENT B) FIR ST FIVE COMMISSION - CHILD DEVELOPMENT CENTER (CDC) CPMC'S CDC IS PART OF THE FIRST 5 CAL IFORNIA COALITIONS FIRST 5 CALIFORNIA REPRESENTS AN IMPORTANT PART OF OUR STATE'S EFFORT TO NURTURE AND PROTECT OUR MOST PRECIOUS RESOURCE - OUR CHILDREN FIRST 5 CALIFORNIA'S SER VICES AND SUPPORT ARE DESIGNED TO ENSURE THAT MORE CHILDREN ARE BORN HEALTHY AND REACH THE IR FULL POTENTIAL C) GALILEO HEALTH ACADEMY - CITY WITHIN SPEAKER SERIES THE GALILEO HEA LTH ACADEMY OFFERS A 12-WEEK SPEAKER SERIES CALLED "THE CITY WITHIN " TWICE A WEEK, EMPLOY EES OF CPMC PROVIDE LECTURES, DEMONSTRATIONS, TOURS AND ACTIVITIES TO ENHANCE STUDENTS' UN DERSTANDING OF THE COMPLEXITIES AND EMPLOYMENT OPPORTUNITIES IN AN ACUTE CARE MEDICAL CENT ER IN 2011, 80 STUDENTS PARTICIPATED IN THIS PROGRAM D) IMMACULATE CONCEPTION ACADEMY WO RK STUDY PROGRAM THE IMMACULATE CONCEPTION ACADEMY WORK STUDY PROGRAM PROVIDES STUDENTS W ITH CRUCIAL HANDS-ON WORK EXPERIENCE, WHILE EMPOWERING THEM TO TAKE AN ACTIVE PART IN FINA NCING THEIR OWN EDUCATION STUDENTS ACQUIRE DESIRABLE JOB EXPERIENCE AND MARKETABLE SKILLS , DEVELOP A NETWORK OF BUSINESS CONTACTS AND EXPOSURE TO A VARIETY OF CAREER OPPORTUNITIES E) PACIFIC EPILEPSY PROGRAM THE PACIFIC EPILEPSY PROGRAM (PEP) PROVIDES PATIENTS WITH A N ALL-INCLUSIVE EPILEPSY TREATMENT PROGRAM AND PLACEMENT OF PEP PATIENTS IN VOLUNTEER POSI TIONS WITHIN CPMC THIS ALLOWS PEP STAFF TO EVALUATE THE PATIENTS' ABILITY TO WORK AND TO MODIFY TREATMENT ACCORDINGLY F) YEAR UP INTERNS ALTHOUGH CPMC HAS BEEN PARTICIPATING IN THE YEAR UP PROGRAM FOR THE PAST THREE YEARS, 2011 WAS ITS FIRST REPORTING YEAR YEAR UP I NTERNS ARE ASSIGNED TO CPMC'S IT DEPARTMENT AT THE FOLSOM CAMPUS EACH INTERN SHADOWS AN E XISTING IT EMPLOYEE TO RECEIVE INSTRUCTION IN INSTALLATION OF COMPUTER EQUIPMENT, PROPER C OMPUTER INTERFACE AND ONCE PROFICIENT, TROUBLESHOOT PROBLEMS G) ENABLING PATIENTS TO VOTE THIS SERVICE PROVIDES PATIENTS WITH THE OPPORTUNITY TO VOTE IN SAN FRANCISCO ELECTIONS A VOLUNTEER VISITS CITY HALL TO OBTAIN THE BALLOT AND ASSISTS PATIENTS IN COMPLETING BALLO TS, IF NEEDED THE VOLUNTEER THEN COLLECTS THE BALLOTS AND RETURNS THEM TO CITY HALL IN A TIMELY MANNER FOR TABULATION NOVATO COMMUNITY HOSPITAL NOVATO COMMUNITY HOSPITAL (NCH) FU NDED THE FOLLOWING PROGRAMS THAT HELPED ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS AND IMP ACT THE HEALTH AND WELL-BEING IN THE COMMUNITIES WE SERVE (ALSO KNOWN AS COMMUNITY-BUILDIN G ACTIVITIES) THESE PROGRAMS HELPED SUPPORT COMMUNITY ASSETS BY OFFERING THE EXPERTISE AN D RESOURCES OF SUTTER HEALTH A) COUNTY OF MARIN EMERGENCY SERVICES NOVATO COMMUNITY HOSP ITAL PARTICIPATES IN THE MEDICAL DISASTER PREPAREDNESS SECTION OF THE MARIN COUNTY DISASTE R & CORPS COUNCIL, PER COUNTY REGULATIONS B) HEALTHY MARIN PARTNERSHIP IN 1995, THE HEAL THY MARIN PARTNERSHIP WAS FORMED IN RESPONSE TO CALIFORNIA SENATE BILL 697, A LEGISLATIVE MANDATE REQUIRING NOT-FOR-PROFIT HOSPITALS TO COMPLETE A COMMUNITY NEEDS ASSESSMENT EVERY THREE YEARS NCH PARTICIPATES IN THIS PARTNERSHIP, ALONG WITH OTHER KEY STAKEHOLDERS, TO P RODUCE THE COMMUNITY NEED HEALTH ASSESSMENT C) MARIN COUNTY HOSPITAL PREPAREDNESS COMMITT EE THE MARIN COUNTY HOSPITAL PREPAREDNESS COMMITTEE FOLLOWS THE GUIDELINES OF THE NATIONA L HOSPITAL PREPAREDNESS PROGRAM (HPP) PROVIDING LEADERSHIP AND FUNDING THROUGH GRANTS AND COOPERATIVE AGREEMENTS TO STATES, TERRITORIES AND ELIGIBLE MUNICIPALITIES TO IMPROVE SURGE CAPACITY AND ENHANCE COMMUNITY AND HOSPITAL PREPAREDNESS FOR PUBLIC HEALTH EMERGENCIES T HE MARIN ORGANIZATION IS COMPOSED OF NCH AND OTHER COUNTY HOSPITALS AND MEETS REGULARLY TO PLAN HOSPITAL RESPONSE TO NATURAL DISASTERS THE GROUP PARTICIPATES IN ALL COUNTY AND STA TE DRILLS AND OVERSEES A CACHE OF MEDICAL SUPPLIES IN MARIN COUNTY SUTTER LAKESIDE HOSPIT AL SUTTER LAKESIDE HOSPITAL (SLH) FUNDED THE FOLLOWING PROGRAM THAT HELPED ADDRESS THE ROO T CAUSES OF HEALTH PROBLEMS AND IMPACT THE HEALTH AND WELL-BEING IN THE COMMUNITIES WE SER VE (ALSO KNOWN AS COMMUNITY-BUILDING ACTIVITIES) THIS PROGRAM HELPED SUPPORT COMMUNITY AS SETS BY OFFERING THE EXPERTISE AND RESOURCES OF SUTTER HEALTH A) COMMUNITY SERVICE ORGANI ZATION ACTIVITY SUTTER LAKESIDE HOSPITAL ENCOURAG

Identifier	ReturnReference	Explanation
PART II	COMMUNITY BUILDING ACTIVITIES	ES STAFF TO PROVIDE ASSISTANCE TO OTHER NON-PROFIT ORGANIZATIONS THAT PROVIDE UNIQUE SERVICES TO THE COMMUNITY THAT WERE NOT PROVIDED BY THE HOSPITAL PAID STAFF TIME WAS DONATED TO THE LAKE FAMILY RESOURCE CENTER AND ROTARY INTERNATIONAL IN ADDITION, TWO (2) EMPLOYEE WERE FEMA ICS-300 CERTIFIED (16 HOURS EACH) THIS CERTIFICATION IS ABOVE AND BEYOND ACCREDITATION REQUIREMENTS THIS DISASTER PREPAREDNESS TRAINING GREATLY BENEFITS THE ENTIRE COMMUNITY IN THE EVENT OF A DISASTER SUTTER MEDICAL CENTER OF SANTA ROSA SUTTER MEDICAL CENTER OF SANTA ROSA (SMCSR) FUNDED THE FOLLOWING PROGRAMS THAT HELPED ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS AND IMPACT THE HEALTH AND WELL-BEING IN THE COMMUNITIES WE SERVE (ALSO KNOWN AS COMMUNITY-BUILDING ACTIVITIES) THESE PROGRAMS HELPED SUPPORT COMMUNITY ASSETS BY OFFERING THE EXPERTISE AND RESOURCES OF SUTTER HEALTH A) COMMUNITY COLLABORATIVES MEMBERS OF SMCSR'S SOCIAL WORK DEPARTMENT PARTICIPATE IN A SPECTRUM OF WORKGROUPS THAT ADDRESS ISSUES IMPACTING INTEGRATE HEALTH CARE DELIVERY TO SPECIFIC UNDERSERVED POPULATIONS (HOMELESS, SUBSTANCE ABUSERS, ELDERLY) B) HEALTHY KIDS HEALTHY KIDS WAS ESTABLISHED WITH TWO MAJOR GOALS TO PROVIDE EXPANDED ENROLLMENT ASSISTANCE AND CASE MANAGEMENT TO UNFUNDED AND UNDERFUNDED CHILDREN AND FAMILIES AND TO FUND AND MANAGE AN INSURANCE PROGRAM FOR CHILDREN WHO DO NOT QUALIFY FOR EXISTING PUBLIC HEALTH COVERAGE HEALTHY KIDS IS A COLLABORATION OF LOCAL HEALTH CARE PROVIDERS, SONOMA COUNTY DEPARTMENT OF HEALTH SERVICES, SONOMA COUNTY OFFICE OF EDUCATION AND KID'S NET OVER THE PAST FEW YEARS, THE STEERING COMMITTEE OF THIS DYNAMIC COLLABORATIVE WAS CHARGED WITH MITIGATING THE DEVASTATING IMPACT OF STATE BUDGET CUTS AND ENSURING THAT CHILDREN DID NOT LOSE HEALTH COVERAGE OR ACCESS TO MEDICAL HOMES C) SONOMA HEALTH ALLIANCE THIS COLLABORATIVE OF LOCAL HEALTH LEADERS COME TOGETHER TO SET LOCAL HEALTH INITIATIVES AND DISCUSS OPPORTUNITIES TO LEVERAGE COLLABORATION TO IMPACT LOCAL HEALTH OUTCOMES THE SHA HAS SPONSORED MANY PROJECTS OVER THE YEARS, INCLUDING COUNTY-WIDE FLU IMMUNIZATION EFFORTS, SENIOR FALL PREVENTION PROGRAMS, LOCAL CHILDREN'S DENTAL HEALTH SURVEY (2008), ORAL HEALTH TASKFORCE (2011), HEALTHYSONOMA ORG, AND THE TRIENNIAL COMMUNITY HEALTH NEEDS ASSESSMENT D) HEALTHCARE WORKFORCE DEVELOPMENT ROUNDTABLE THIS GROUP WAS FORMED TO PROMOTE INTEREST IN HEALTH PROFESSIONS AND CREATE OPPORTUNITIES TO PURSUE HEALTH CAREERS FOR DIVERSE POPULATIONS IN SONOMA COUNTY THIS PROGRAM IS A PARTNERSHIP WITH SANTA ROSA JUNIOR COLLEGE AND HAS BEEN AWARDED MULTIPLE GRANTS OVER THE YEARS TO CONTINUE ITS IMPORTANT OUTREACH, RECRUITMENT AND SUPPORT EFFORTS SMCSR CONTINUES TO PROVIDE LEADERS TO THIS EFFORT, BOTH IN STRATEGIC PLANNING AND PROVIDING OPPORTUNITIES FOR STUDENTS TO SHADOW STAFF IN A VARIETY OF HEALTH PROFESSIONS WITH THE HOSPITAL SETTING TODAY, THIS PARTNERSHIP HAS GROWN INTO A ROBUST CONTINUUM OF PROGRAMS AND SERVICES TARGETING HIGH SCHOOL AND COLLEGE STUDENTS OF COLOR E) NORTH BAY HOSPITALS AND COLLEGES COUNCIL NURSING ADMIN THIS IS A LOCAL CONSORTIUM ORGANIZED BY THE CALIFORNIA HOSPITALS ASSOCIATION THAT IS WORKING TO ESTABLISH A SUSTAINABLE HEALTHCARE WORKFORCE PIPELINE FOR SONOMA COUNTY F) SANTA ROSA JUNIOR COLLEGE PHARMACY TECH PROGRAM ADVISORY COMMITTEE PHARMACY TECHNICIAN IS ONE OF THE MOST HIGH-DEMAND JOBS SMCSR'S PARTICIPATION IN THIS PROGRAM HELPS TO ENSURE A PIPELINE OF SKILLED PHARMACY TECHS TO MEET THE NEEDS OF OUR COMMUNITY PRESENTLY AND IN THE FUTURE THE COMMITTEE ADVISES FACULTY IN THE DEVELOPMENT OF CURRICULUM AND IN THE RESOLUTION OF ISSUES IMPACTING THE PHARMACY TECHNICIAN PROGRAM AT SRJC STUDENTS ALSO ROTATE THROUGH SMCSR'S PHARMACY FOR A PORTION OF THEIR HOSPITAL EXPERIENCE TRAINING

Identifier	ReturnReference	Explanation
PART III, QUESTION 4		THE ORGANIZATION MAKES EVERY EFFORT TO QUALIFY THOSE ELIGIBLE FOR CHARITY CARE IF A PATIENT HAS APPLIED FOR CHARITY CARE, HAS BEEN APPROVED TO RECEIVE CHARITY CARE, OR IS COOPERATING WITH THE HOSPITAL'S EFFORTS TO SETTLE AN OUTSTANDING BILL WITHIN A REASONABLE TIME PERIOD, THE HOSPITAL WILL NOT PURSUE COLLECTIONS AUDIT FOOTNOTE THE ORGANIZATION IS AN AFFILIATE OF SUTTER HEALTH WHICH UNDERWENT A SYSTEM-WIDE AUDIT THE AUDIT REPORT DOES NOT INCLUDE A BAD DEBT EXPENSE FOOTNOTE PROVISION FOR BAD DEBTS IS LISTED ON A SEPARATE LINE ITEM IN THE FINANCIAL STATEMENTS THE AUDIT DOES INCLUDE FOOTNOTES FOR PATIENT ACCOUNTS RECEIVABLE AND PATIENT SERVICE REVENUES LISTED BELOW PATIENT ACCOUNTS RECEIVABLE AUDIT FOOTNOTE SUTTER'S PRIMARY CONCENTRATION OF CREDIT RISK IS PATIENT ACCOUNTS RECEIVABLE, WHICH CONSIST OF AMOUNTS OWED BY VARIOUS GOVERNMENTAL AGENCIES, INSURANCE COMPANIES AND PRIVATE PATIENTS SUTTER MANAGES THE RECEIVABLES BY REGULARLY REVIEWING ITS PATIENT ACCOUNTS AND CONTRACTS AND BY PROVIDING APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE AMOUNTS THESE ALLOWANCES ARE ESTIMATED BASED UPON AN EVALUATION OF HISTORICAL PAYMENTS, NEGOTIATED CONTRACTS AND GOVERNMENTAL REIMBURSEMENTS SUTTER'S ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR SELF-PAY PATIENTS WAS 90% OF SELF-PAY ACCOUNTS RECEIVABLE AT DECEMBER 31, 2011 AND 2010 ADJUSTMENTS AND CHANGES IN ESTIMATES ARE RECORDED IN THE PERIOD IN WHICH THEY ARE DETERMINED SIGNIFICANT CONCENTRATIONS OF GROSS PATIENT ACCOUNTS RECEIVABLE ARE AS FOLLOWS MEDICARE 25% AS OF 12/31/11 28% AS OF 12/31/10 MEDI-CAL 21% AS OF 12/31/11 20% AS OF 12/31/10 DURING 2011 AND 2010, CERTAIN AFFILIATES COLLECTED ON ACCOUNTS THAT WERE PREVIOUSLY DEEMED UNCOLLECTIBLE AND RESERVED SUCH RECOVERIES ARE RECOGNIZED IN THE PERIOD THAT CASH IS RECEIVED AND WERE NOT MATERIAL DUE TO THE INHERENT VARIABILITY IN THIS AREA OF PATIENT RECEIVABLE COLLECTIONS, THERE IS AT LEAST A REASONABLE POSSIBILITY THAT RECORDED ESTIMATES WILL CHANGE BY A MATERIAL AMOUNT IN THE NEAR TERM PATIENT SERVICE REVENUES FOOTNOTE PATIENT SERVICE REVENUES ARE REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYERS AND OTHERS FOR SERVICES RENDERED, INCLUDING ESTIMATED RETROACTIVE ADJUSTMENTS UNDER REIMBURSEMENT PROGRAMS WITH THIRD-PARTY PAYERS ESTIMATED SETTLEMENTS UNDER THIRD-PARTY REIMBURSEMENT PROGRAMS ARE ACCRUED IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS, PRIMARILY AS A RESULT OF FINAL COST REPORT SETTLEMENTS WITH GOVERNMENTAL AGENCIES SUTTER HAD NO CHANGES IN ITS CHARITY CARE OR UNINSURED DISCOUNT POLICIES IN 2011 METHODOLOGY FOR CALCULATING BAD DEBT (AT COST) THE RATIO OF PATIENT CARE COST TO CHARGES IS APPLIED TO THE BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS TO CALCULATE THE ESTIMATED COST OF BAD DEBT ATTRIBUTABLE TO PATIENT ACCOUNTS THAT IS REPORTED ON LINE 2 DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS ARE RECORDED AS AN ADJUSTMENT TO REVENUE, NOT BAD DEBT EXPENSE METHODOLOGY FOR DETERMINING THE AMOUNT OF BAD DEBT LIKELY ATTRIBUTABLE TO CHARITY CARE AMOUNTS MAY BE INCLUDED IN BAD DEBT PENDING A CHARITY CARE DETERMINATION UPON ELIGIBILITY THESE AMOUNTS WOULD BE RECLASSIFIED AS CHARITY CARE

Identifier	ReturnReference	Explanation
PART III, QUESTION 7		MEDICARE COST REPORTS THAT THE ORGANIZATION FILES DO NOT INCLUDE ALL OF THE COSTS REQUIRED TO TREAT MEDICARE PATIENTS

Identifier	ReturnReference	Explanation
PART III, QUESTION 8		COSTING METHODOLOGY MEDICARE ALLOWABLE COSTS WERE CALCULATED USING A COST TO CHARGE RATIO COMMUNITY BENEFIT MEDICARE SHORTFALL THE IRS COMMUNITY BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO THE ELDERLY AND MEDICARE PATIENTS CARING FOR MEDICARE PATIENTS FULFILLS A COMMUNITY NEED AND RELIEVES A GOVERNMENT BURDEN AS THESE PATIENTS TYPICALLY HAVE LOW AND/OR FIXED INCOMES MEDICARE DOES NOT PROVIDE SUFFICIENT REIMBURSEMENT TO COVER THE COST OF PROVIDING CARE FOR THESE PATIENTS FORCING THE HOSPITAL TO USE OTHER FUNDS TO COVER THE DEFICIT OF $59,913,128

Identifier	ReturnReference	Explanation
PART III, QUESTION 9B		COLLECTION PRACTICES ARE CONSISTENT FOR ALL PATIENTS AND COMPLY WITH APPLICABLE PROVISIONS OF CALIFORNIA LAW DURING PREADMISSION OR REGISTRATION, THE HOSPITAL PROVIDES ALL PATIENTS WITH INFORMATION REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE AN UNINSURED PATIENT WHO INDICATES THE FINANCIAL INABILITY TO PAY A BILL IS EVALUATED FOR FINANCIAL ASSISTANCE PATIENTS WILL BE GIVEN AN APPLICATION WHICH WILL DOCUMENT THE PATIENT'S OVERALL FINANCIAL SITUATION IF AN UNINSURED PATIENT DOES NOT COMPLETE THE APPLICATION FORM WITHIN 30 DAYS OF DELIVERY, THE HOSPITAL WILL NOTIFY THE PATIENT THAT THE APPLICATION HAS NOT BEEN RECEIVED AND WILL PROVIDE THE PATIENT AN ADDITIONAL 30 DAYS TO COMPLETE THE APPLICATION IF A PATIENT HAS APPLIED FOR CHARITY CARE, HAS BEEN APPROVED TO RECEIVE CHARITY CARE, OR IS COOPERATING WITH THE HOSPITAL'S EFFORTS TO SETTLE AN OUTSTANDING BILL WITHIN A REASONABLE TIME PERIOD, THE HOSPITAL WILL NOT PURSUE COLLECTIONS

Identifier	ReturnReference	Explanation
PART V, SECTION B, QUESTION 11H	BASIS FOR CALCULATING AMOUNTS CHARGED TO PATIENTS	ADDITIONAL FACTORS USED IN DETERMINING AMOUNTS CHARGED TO PATIENTS INCLUDES HOUSEHOLD SIZE, WHICH IS PART OF THE FEDERAL POVERTY GUIDELINES

Identifier	ReturnReference	Explanation
PART V, SECTION B, QUESTION 13G	MEASURES USED TO PUBLICIZE THE FACILITY'S FINANCIAL ASSISTANCE POLICY	A SUMMARY OF THE FINANCIAL ASSISTANCE POLICY WAS POSTED ON THE HOSPITAL'S FACILITY'S WEBSITE, WAS ATTACHED TO BILLING INVOICES, WAS POSTED IN THE HOSPITAL FACILITY'S EMERGENCY/WAITING ROOM, WAS POSTED IN THE HOSPITAL'S ADMISSIONS OFFICE, WAS PROVIDED IN WRITING ON ADMISSION TO THE HOSPITAL, AND WAS AVAILABLE ON REQUEST PATIENTS ELIGIBLE FOR CHARITY CARE ARE TRACKED IN THE HOSPITAL'S LEGACY SYSTEM AND ARE REMINDED 30 DAYS AFTER CHARITY CARE PACKET IS RECEIVED IF PAPERWORK HAS NOT BEEN SUBMITTED ORGANIZATION USES AN INCOME VALIDATION TOOL TO ALERT PATIENTS THAT THEY MAY BE ELIGIBLE FOR CHARITY CARE

Identifier	ReturnReference	Explanation
PART V, SECTION B, QUESTION 19	AMOUNTS CHARGED TO FAP-ELIGIBLE INDIVIDUALS	THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY PROVIDES FOR DIFFERENT LEVELS OF ASSISTANCE FOR PATIENTS BASED ON VARIOUS ELIGIBILITY REQUIREMENTS INCLUDING, BUT NOT LIMITED TO (1) FULL CHARITY CARE, (2) PARTIAL CHARITY CARE, (3) SPECIAL CIRCUMSTANCES CHARITY CARE, (4) CATASTROPHIC CHARITY CARE, (5) HIGH COST MEDICAL CHARITY CARE, (6) UNINSURED PATIENT DISCOUNT, AND (7) PROMPT PAYMENT DISCOUNT THE MAXIMUM AMOUNT BILLED TO THE PATIENT IS CALCULATED DIFFERENTLY DEPENDING ON THE CATEGORY OF FINANCIAL ASSISTANCE FOR WHICH THEY ARE ELIGIBLE

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, QUESTION 2	CALIFORNIA PACIFIC MEDICAL CENTER (CPMC) CPMC IS A FOUNDING MEMBER OF BUILDING A HEALTHIER SAN FRANCISCO (BHSF), A CITY-WIDE COLLABORATIVE OF SAN FRANCISCO NON-PROFIT HOSPITALS, TH E SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH, HEALTH PLANS, AND COMMUNITY-BASED HEALTH ORGA NIZATIONS BHSF CONDUCTS A COMMUNITY HEALTH NEEDS ASSESSMENT EVERY THREE YEARS TO DETERMIN E WHERE THE MEMBERS OF THE COLLABORATIVE SHOULD FOCUS EFFORTS TO IMPROVE THE HEALTH OF SAN FRANCISCO RESIDENTS BASED ON THE 2010 COMMUNITY NEEDS ASSESSMENT, BHSF DEFINED THE FOLLO WING FOUR HEALTH IMPROVEMENT GOALS 1 IMPROVE ACCESS TO CARE 2 PREVENT CHRONIC DISEASE A ND INCREASE WELLNESS 3 REDUCE THE INCIDENCE OF COMMUNICABLE DISEASE 4 ENGAGE IN VIOLENCE PREVENTION AS A MEMBER OF THE BHSF COLLABORATIVE, CPMC IS COMMITTED TO FORWARDING THESE G OALS THROUGH ITS COMMUNITY BENEFIT PROGRAM FOR MORE INFORMATION ABOUT THE 2010 COMMUNITY NEEDS ASSESSMENT, INCLUDING QUANTITATIVE AND QUALITATIVE DATA, PLEASE VISIT OUR WEBSITE AT WWW HEALTHMATTERSINSF ORG NOVATO COMMUNITY HOSPITAL (NCH) DURING 2011, NOVATO COMMUNITY HOSPITAL REVIEWED ITS COMMUNITY BENEFIT PROGRAMS TO ALIGN ACTIVITIES WITH HEALTH CARE NEED S IDENTIFIED IN THE 2011 COMMUNITY HEALTH NEEDS ASSESSMENT SINCE 1995 NOVATO COMMUNITY HO SPITAL HAS PARTICIPATED IN A COALITION CALLED HEALTHY MARIN PARTNERSHIP THAT INCLUDES THE THREE HOSPITALS IN MARIN COUNTY AND OTHER COMMUNITY LEADERS TO CONDUCT THE TRI-ANNUAL NEED S ASSESSMENT REQUIRED BY SB697 THE COALITION ALSO IDENTIFIES PRIORITY HEALTH NEEDS AND A PLAN FOR MEETING THEM NCH PARTICIPATES FULLY IN THE PROCESS AND USES THIS DATA TO DEVELOP ITS COMMUNITY BENEFIT APPROACH AS A RESULT, NCH IS FOCUSING ON THE FOLLOWING COMMUNITY B ENEFIT PRIORITIES - HEALTH CARE SERVICES FOR UNDER-INSURED AND UNINSURED MEMBERS OF OUR C OMMUNITY - UPSTREAM STRATEGIES TO PREVENT ILLNESSES THAT ARE THE LEADING CONTRIBUTORS TO ILLNESS AND DEATH IN MARIN COUNTY - HEART DISEASE, STROKE, AND OTHER CHRONIC CONDITIONS SU CH AS DIABETES - OBESITY - TOBACCO USE - ALCOHOL USE/BINGE DRINKING - INTERVENTION INTO T HE LIVES OF YOUTH AT RISK OF DEVELOPING CHILDHOOD DIABETES - INFLUENCE POLICIES AND PRACT ICES THAT SUPPORT CHANGES AT LOCAL, STATE, AND FEDERAL LEVELS TO FOSTER HEALTHY COMMUNITIE S - ECONOMIC, HOUSING, LAND USE, RETAIL, AND HEALTH PLANNING ACTIVITIES THAT SUPPORT CONDI TIONS CONDUCIVE TO GOOD HEALTH A COPY OF THIS REPORT IS AVAILABLE FOR DOWNLOAD AT WWW HEA LTHYMARINPARTNERSHIP ORG SUTTER LAKESIDE HOSPITAL (SLH) IN 2009-2010, SUTTER LAKESIDE HOS PITAL, ST HELENA CLEARLAKE, LAKE COUNTY PUBLIC HEALTH AND OTHER ORGANIZATIONS FORMED A CO LLABORATIVE TO PLAN FOR A COMMUNITY NEEDS HEALTH ASSESSMENT (CHNA) THE CHNA ASSISTS THESE ORGANIZATIONS IN DEVELOPING THEIR COMMUNITY BENEFIT PLANS THAT HELP IMPROVE COMMUNITY HEA LTH TWO PRIMARY DATA SOURCES WERE USED IN THE CHNA PROCESS, INCLUDING DEMOGRAPHIC, SOCIOE CONOMIC AND HEALTH INDICATORS (QUANTITATIVE) AND DATA FROM A COMMUNITY INPUT PROCESS (QUAL ITATIVE) THE HEALTHY LAKE COUNTY SURVEY WAS DISTRIBUTED ONLINE AND IN VARIOUS LOCATIONS T HROUGHOUT LAKE COUNTY IN AN ATTEMPT TO GAIN A BETTER UNDERSTANDING OF THE HEALTH NEEDS OF THOSE WHO LIVE IN COMMUNITY THESE LOCATIONS INCLUDED PUBLIC LIBRARY BRANCHES, YUBA COLLEG E COFFEE SHOP, SENIOR CENTERS IN MIDDLETOWN AND CLEARLAKE OAKS, LAKEPORT MOVIE THEATERS, C ASINOS AND A RESTAURANT ADDITIONALLY, SURVEYS WERE DISTRIBUTED AT SERVICE SITES FOR HEALT H, MENTAL HEALTH, AND ALCOHOL AND DRUG CLIENTS OVERALL 869 SURVEYS WERE COMPLETED, 37% ON LINE AND 63% ON PAPER COMMUNITY FOCUS GROUPS WERE HELD AT THREE LOCATIONS CLEARLAKE, LAK EPORT AND KELSEYVILLE THESE LOCATIONS WERE CHOSEN STRATEGICALLY TO ENSURE GEOGRAPHIC REPR ESENTATION KEY COMMUNITY-BASED ORGANIZATIONS WERE IDENTIFIED BY THE COLLABORATIVE AND ASK ED TO HOST A FOCUS GROUP FOCUS GROUPS WERE CO-SCHEDULED AT THE SITES AMONG PARTICIPANTS W HO WERE ALREADY MEETING FOR OTHER PURPOSES (FOR EXAMPLE, YOUNG MOTHERS AT PARENTING CLASS) THIS HELPED TO IMPROVE ACCESS AND ENSURE MAXIMUM ATTENDANCE ALTHOUGH THE PARTICIPANTS C ONSTITUTED A CONVENIENCE SAMPLE, THERE WAS THE EXPECTATION THAT IN THE AGGREGATE THE GROUP S WOULD BE DIVERSE AND INCLUDE POPULATIONS OF HIGHEST INTEREST THE FOUR PRIORITY AREAS ID ENTIFIED BY THE COLLABORATIVE IN THE CHNA ARE SENIOR SUPPORT SERVICES, SUBSTANCE ABUSE, PR EVENTATIVE HEALTH AND MENTAL AND EMOTIONAL HEALTH FOR MORE DETAILS ABOUT THE CHNA, PLEASE VISIT HTTP //HEALTH LAKECOUNTYCA GOV/ASSETS/HEALTH/PUBLIC+HEALTH+DIVISION/HEALTH +NEEDS+ ASSESSMENT+DEC+2010 PDF SUTTER MEDICAL CENTER OF SANTA ROSA (SMCSR) SUTTER MEDICAL CENTER OF SANTA ROSA IS COMMITTED TO COLLABORATING WITH PARTNERS TO IMPROVE THE HEALTH AND WELL-B EING OF OUR COMMUNITY EVERY THREE YEARS, SMCSR PARTNERS WITH OTHER LOCAL HEALTH CARE ORGA NIZATIONS TO CONDUCT A COMPREHENSIVE HEALTH NEEDS ASSESSMENT FROM WHICH COMMUNITY NEEDS AN D PRIORITIES ARE IDENTIFIED THESE PRIORITIES DRIVE THE COMMUNITY BENEFIT PLANNING SO THAT PREVIOUS HEALTH CARE RESOURCES AND DOLLARS ARE AL

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	PART VI, QUESTION 2	LOCATED IN WAYS THAT WILL BE MOST MEANINGFUL TO THE PEOPLE WE SERVE THIS REPORT CONTINUES TO DRAW ATTENTION TO CHILDREN'S HEALTH ISSUES, ESPECIALLY DENTAL HEALTH, WHICH HAS BEEN I DENTIFIED AS A COMMUNITY HEALTH PRIORITY TO ACCESS THE COMMUNITY HEALTH NEEDS ASSESSMENT, VISIT WWW HEALTHYSONOMA ORG

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	PART VI, QUESTION 3	CALIFORNIA PACIFIC MEDICAL CENTER, NOVATO COMMUNITY HOSPITAL, SUTTER LAKESIDE HOSPITAL AND SUTTER MEDICAL CENTER OF SANTA ROSA FOLLOW A SUTTER HEALTH SYSTEM-WIDE CHARITY CARE POLICY, WHICH INCLUDES THE FOLLOWING DETAILS OF HOW THE ORGANIZATIONS INFORM AND EDUCATE PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE FOR A MORE DETAILED LOOK AT OUR CHARITY CARE POLICIES BY REGION, PLEASE VISIT THE OFFICE OF STATEWIDE AND HEALTH PLANNING'S WEBSITE AT HTTP //SYFPHR OSHPD CA GOV COMMUNICATIONS OF FINANCIAL ASSISTANCE AVAILABILITY A INFORMATION PROVIDED TO PATIENTS 1 PREADMISSION OR REGISTRATION DURING PREADMISSION OR REGISTRATION (OR AS SOON THEREAFTER AS PRACTICABLE) HOSPITAL AFFILIATES SHALL PROVIDE A ALL PATIENTS WITH INFORMATION REGARDING THE AVAILABILITY OF FINANCIAL ASSISTANCE AND THEIR RIGHT TO REQUEST AN ESTIMATE OF THEIR FINANCIAL RESPONSIBILITY FOR SERVICES (IMPORTANT BILLING INFORMATION FOR UNINSURED PATIENTS) B PATIENTS WHO THE HOSPITAL IDENTIFIES MAY BE UNINSURED WITH A FINANCIAL ASSISTANCE APPLICATION SUBSTANTIALLY SIMILAR TO THE SUTTER HEALTH STANDARDIZED FINANCIAL ASSISTANCE APPLICATION, "STATEMENT OF FINANCIAL CONDITION" 2 EMERGENCY SERVICES IN THE CASE OF EMERGENCY SERVICES, HOSPITAL AFFILIATES SHALL PROVIDE THE ABOVE INFORMATION AS SOON AS PRACTICABLE AFTER STABILIZATION OF THE PATIENT'S EMERGENCY MEDICAL CONDITION OR UPON DISCHARGE 3 ALL OTHER TIMES UPON REQUEST, HOSPITAL AFFILIATES SHALL PROVIDE PATIENTS WITH INFORMATION ABOUT THEIR RIGHT TO REQUEST AN ESTIMATE OF THEIR FINANCIAL RESPONSIBILITY FOR SERVICES, THE SUTTER HEALTH STANDARDIZED FINANCIAL ASSISTANCE APPLICATION FORM, "STATEMENT OF FINANCIAL CONDITION" B POSTINGS AND OTHER NOTICES INFORMATION ABOUT FINANCIAL ASSISTANCE SHALL ALSO BE PROVIDED AS FOLLOWS 1 BY POSTING NOTICES IN A VISIBLE MANNER IN LOCATIONS WHERE THERE IS A HIGH VOLUME OF INPATIENT OR OUTPATIENT ADMITTING/REGISTRATION, INCLUDING BUT NOT LIMITED TO THE EMERGENCY DEPARTMENT, BILLING OFFICES, ADMITTING OFFICE, AND OTHER HOSPITAL OUTPATIENT SERVICE SETTINGS 2 BY POSTING INFORMATION ABOUT FINANCIAL ASSISTANCE ON THE SUTTER HEALTH WEBSITE AND EACH HOSPITAL AFFILIATE WEBSITE, IF ANY 3 BY INCLUDING INFORMATION ABOUT FINANCIAL ASSISTANCE IN BILLS THAT ARE SENT TO UNINSURED PATIENTS 4 BY INCLUDING LANGUAGE ON BILLS SENT TO UNINSURED PATIENTS AS SPECIFICALLY SET FORTH IN THE MANAGEMENT OF PATIENT ACCOUNTS RECEIVABLE, COLLECTION PRACTICES, HOSPITAL AFFILIATE THIRD-PARTY LIENS, AND AFFILIATE DISPUTE INITIATION POLICY (FINANCE POLICY 14-227) C APPLICATIONS PROVIDED AT DISCHARGE IF NOT PREVIOUSLY PROVIDED, HOSPITAL AFFILIATES SHALL PROVIDE UNINSURED PATIENTS WITH APPLICATIONS FOR MEDI-CAL, HEALTHY FAMILIES, CALIFORNIA CHILDREN'S SERVICES, OR ANY OTHER POTENTIALLY APPLICABLE GOVERNMENT PROGRAM AT THE TIME OF DISCHARGE D LANGUAGES ALL NOTICES/COMMUNICATIONS PROVIDED IN THIS SECTION SHALL BE AVAILABLE IN THE PRIMARY LANGUAGE(S) OF THE AFFILIATE'S SERVICE AREA AND IN A MANNER CONSISTENT WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND REGULATIONS E NOTIFICATIONS TO UNINSURED PATIENTS OF ESTIMATED FINANCIAL RESPONSIBILITY BY LAW, UNINSURED PATIENTS ARE ENTITLED TO RECEIVE AN ESTIMATE OF THEIR FINANCIAL RESPONSIBILITY FOR HOSPITAL SERVICES EXCEPT IN THE CASE OF EMERGENCY SERVICES, HOSPITAL AFFILIATES SHALL NOTIFY PATIENTS WHO THE HOSPITAL IDENTIFIES MAY BE UNINSURED PATIENTS THAT THEY MAY OBTAIN AN ESTIMATE OF THEIR FINANCIAL RESPONSIBILITY FOR HOSPITAL SERVICES, AND PROVIDE ESTIMATES TO THOSE PATIENTS UPON REQUEST ESTIMATES SHALL BE WRITTEN, AND BE PROVIDED DURING NORMAL BUSINESS HOURS ESTIMATES SHALL PROVIDE THE PATIENT WITH AN ESTIMATE OF THE AMOUNT THE HOSPITAL AFFILIATE WILL REQUIRE THE PATIENT TO PAY FOR THE HEALTH CARE SERVICES, PROCEDURES, AND SUPPLIES THAT ARE REASONABLY EXPECTED TO BE PROVIDED TO THE PATIENT BY THE HOSPITAL, BASED UPON THE AVERAGE LENGTH OF STAY AND SERVICES PROVIDED FOR THE PATIENT'S DIAGNOSIS

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, QUESTION 4	CALIFORNIA PACIFIC MEDICAL CENTER - SAN FRANCISCO COUNTY ACCORDING TO THE 2010 U S CENSUS BUREAU THE POPULATION OF SAN FRANCISCO WAS 805,235 AND CONSISTED OF 50 7% MEN AND 49 3% W OMEN WITH A MEDIAN AGE OF 36 5 YEARS THE POPULATION DENSITY WAS 17,179 1 PEOPLE PER SQUAR E MILE IN 2010 WHICH IS OVER SEVENTY-ONE TIMES THE CALIFORNIA STATE DENSITY OF 239 1 PEOPL E PER SQUARE MILE SAN FRANCISCO'S POPULATION CONSISTS OF 48 5% WHITE RESIDENTS, 33 3% ASI AN AND 15 1% HISPANIC OR LATINO HALF OF THE RESIDENTS (54 3%) SPEAK ENGLISH AT HOME WHILE 12% SPEAK SPANISH THE MEDIAN HOUSEHOLD SIZE IS 2 31 PEOPLE WITH A 2010 AVERAGE INCOME OF $71,304 AND A MEDIAN HOUSE VALUE OF $785,200 A HIGH PERCENTAGE (85 7%) OF RESIDENTS 25 Y EARS OF AGE OR OLDER HAVE A HIGH SCHOOL DEGREE OR HIGHER WHILE OVER HALF (51 2%) OF RESIDE NTS 25 YEARS OF AGE OR OLDER HAVE A BACHELOR'S DEGREE OR HIGHER IN SAN FRANCISCO THE POVE RTY LEVEL IN 2010 WAS AT 11 9% OF RESIDENTS, RIGHT BELOW BOTH THE CALIFORNIA STATE LEVEL O F 13 7% AND THE FEDERAL POVERTY LEVEL OF 15 1% THE UNEMPLOYMENT RATE WAS AT 10 6% IN APRIL 2010 WHICH WAS BELOW THE CALIFORNIA LEVEL OF 12 4% YET ABOVE THE FEDERAL LEVEL OF 9 9% F OOD SUPPLIES CONSIST OF 311 GROCERY STORES, 65 CONVENIENCE STORES (WITH GAS) AND 1,580 FUL L SERVICE RESTAURANTS IN 2010, HEALTH ISSUES IN THIS COUNTY INCLUDED 10 5% OF ADULTS BEIN G OBESE, 3 7% OF ADULTS WITH DIABETES AND 20 8% OF ADULTS WITH HIGH BLOOD PRESSURE IN 200 7 THERE WERE 5,808 DEATHS IN SAN FRANCISCO COUNTY AND OF THOSE THE THREE LEADING CAUSES WE RE CANCER, HEART DISEASE AND STROKE IN 2007 THERE WERE 9,129 BIRTHS AS WELL AS 38 INFANT DEATHS THAT SAME YEAR IN 2008 THE LIFE EXPECTANCY AT BIRTH WAS 85 YEARS WHICH WAS ABOVE T HE CALIFORNIA LIFE EXPECTANCY IN 2010 17 2% OF RESIDENTS WERE WITHOUT ANY HEALTH INSURANC E WHICH WAS BELOW THE STATE LEVEL OF 18 5% YET ABOVE THE FEDERAL LEVEL OF 15 5% IN SAN FR ANCISCO COUNTY 62 9% OF RESIDENTS HAVE EMPLOYMENT-BASED HEALTH INSURANCE WHILE 10 1% OF RE SIDENTS ARE COVERED BY PUBLIC PROGRAMS SUCH AS MEDICAID OR MEDICARE NOVATO COMMUNITY HOSP ITAL - MARIN COUNTY ACCORDING TO THE 2010 U S CENSUS BUREAU, MARIN COUNTY HAS A POPULATIO N OF 252,409 CONSISTING OF 49 2% MEN AND 50 8% WOMEN WITH A MEDIAN AGE OF 41 3 YEARS THE POPULATION DENSITY WAS 485 1 PEOPLE PER SQUARE MILE IN 2010 WHICH IS TWICE THE CALIFORNIA STATE DENSITY OF 239 1 PEOPLE PER SQUARE MILE MARIN'S POPULATION IS PRIMARILY WHITE (80%) WITH 15 5% HISPANIC OR LATINO AND 5 5% ASIAN A LARGE PORTION OF RESIDENTS (80 5%) SPEAK ENGLISH AT HOME WHILE 9 5% SPEAK SPANISH AT HOME (11% OF WHICH DO NOT SPEAK ENGLISH AT ALL) THE MEDIAN HOUSEHOLD SIZE IS 2 33 PEOPLE WITH A 2010 AVERAGE INCOME OF $89,268 AND A ME DIAN HOUSE VALUE OF $868,000 NEARLY ALL (91 8%) OF RESIDENTS 25 YEARS OF AGE OR OLDER HAV E A HIGH SCHOOL DEGREE OR HIGHER WHILE OVER HALF (54 1%) OF RESIDENTS 25 YEARS OF AGE OR O LDER HAVE A BACHELOR'S DEGREE OR HIGHER IN MARIN THE POVERTY LEVEL IN 2010 WAS AT 7% OF R ESIDENTS, BELOW BOTH THE CALIFORNIA STATE LEVEL OF 13 7% AND THE FEDERAL POVERTY LEVEL OF 15 1% THE UNEMPLOYMENT RATE WAS AT 8 2% IN APRIL 2010 WHICH WAS BELOW BOTH THE CALIFORNIA LEVEL OF 12 4% AND THE FEDERAL LEVEL OF 9 9% FOOD SUPPLIES CONSIST OF 64 GROCERY STORES, 32 CONVENIENCE STORES (WITH GAS) AND 295 FULL SERVICE RESTAURANTS IN 2010, HEALTH ISSUES IN THIS COUNTY INCLUDED 9 9% OF ADULTS BEING O BESE, 2 8% OF ADULTS WITH DIABETES AND 23% O F ADULTS WITH HIGH BLOOD PRESSURE IN 2007 THERE WERE 1,803 DEATHS IN MARIN COUNTY AND OF THOSE THE THREE LEADING CAUSES WERE CANCER, HEART DISEASE AND STROKE IN 2007 THERE WERE 2 ,820 BIRTHS AS WELL AS 8 INFANT DEATHS THAT SAME YEAR IN 2008 THE LIFE EXPECTANCY AT BIRT H WAS 81 1 YEARS WHICH IS NEARLY THE SAME AS THE CALIFORNIA LIFE EXPECTANCY IN 2010 16 3% OF RESIDENTS WERE WITHOUT ANY HEALTH INSURANCE WHICH WAS BELOW THE STATE LEVEL OF 18 5% Y ET RIGHT ABOUT THE FEDERAL LEVEL OF 15 5% IN MARIN COUNTY 56 9% OF RESIDENTS HAVE EMPLOYM ENT-BASED HEALTH INSURANCE WHILE 8 6% OF RESIDENTS ARE COVERED BY PUBLIC PROGRAMS SUCH AS MEDICAID OR MEDICARE SUTTER LAKESIDE HOSPITAL - LAKE COUNTY ACCORDING TO THE 2010 U S CE NSUS BUREAU LAKE COUNTY HAD A POPULATION OF 64,665 AND CONSISTED OF 50 2% MEN AND 49 8% WO MEN WITH A MEDIAN AGE OF 42 7 YEARS THE POPULATION DENSITY WAS 51 5 PEOPLE PER SQUARE MIL E IN 2010 WHICH IS FAR BELOW THAT OF THE CALIFORNIA STATE DENSITY OF 239 1 LAKE COUNTY'S POPULATION CONSISTS OF 80 5% WHITE RESIDENTS, 17 1% HISPANIC OR LATINO AND 3 2% AMERICAN I NDIAN A LARGE PORTION OF RESIDENTS (89 8%) SPEAK ENGLISH AT HOME WHILE 7 7% SPEAK SPANISH AT HOME (10% OF WHICH DO NOT SPEAK ENGLISH AT ALL) THE MEDIAN HOUSEHOLD SIZE IS 2 53 PEO PLE WITH A 2010 AVERAGE INCOME OF $39,491 AND A MEDIAN HOUSE VALUE OF $265,400 THE GREATE R PART (86 3%) OF RESIDENTS 25 YEARS OF AGE OR OLDER HAVE A HIGH SCHOOL DEGREE OR HIGHER W HILE 16 4% OF RESIDENTS 25 YEARS OF AGE OR OLDER HAVE A BACHELOR'S DEGREE OR HIGHER IN LA KE COUNTY THE POVERTY LEVEL IN 2010 WAS AT 19 1% O

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	PART VI, QUESTION 4	F RESIDENTS, ABOVE BOTH THE CALIFORNIA STATE LEVEL OF 13 7% AND THE FEDERAL POVERTY LEVEL OF 15 1% THE UNEMPLOYMENT RATE WAS AT 18 4% IN APRIL 2010 WHICH WAS ABOVE BOTH THE CALIFOR NIA LEVEL OF 12 4% AND THE FEDERAL LEVEL OF 9 9% FOOD SUPPLIES CONSIST OF 24 GROCERY STOR ES, 21 CONVENIENCE STORES (WITH GAS) AND 40 FULL SERVICE RESTAURANTS IN 2007, HEALTH ISSU ES IN THIS COUNTY INCLUDED 23 7% OF ADULTS BEING OBESE AND 8 3% OF ADULTS WITH DIABETES I N 2007 THERE WERE 813 DEATHS AND OF THOSE THE THREE LEADING CAUSES WERE HEART DISEASE, DEM ENTIA (INCLUDING ALZHEIMER) AND STROKE IN 2007 THERE WERE 742 BIRTHS WITH ONLY 2 INFANT D EATHS OCCURRING THAT YEAR THE LIFE EXPECTANCY AT BIRTH IS 79 3 YEARS WHICH IS NEARLY THE SAME AS THE CALIFORNIA LIFE EXPECTANCY IN 2009 26 7% OF RESIDENTS WERE WITHOUT ANY HEALTH INSURANCE WHICH WAS ABOVE BOTH THE STATE LEVEL OF 18 5% AND THE FEDERAL LEVEL OF 15 5% I N LAKE COUNTY 39 1% OF RESIDENTS HAVE EMPLOYMENT-BASED HEALTH INSURANCE WHILE 23 8% OF RES IDENTS ARE COVERED BY PUBLIC PROGRAMS SUCH AS MEDICAID OR MEDICARE SUTTER MEDICAL CENTER OF SANTA ROSA - SONOMA COUNTY ACCORDING TO THE 2010 U S CENSUS BUREAU, SONOMA COUNTY HAS A POPULATION OF 483,878 CONSISTING OF 49 2% MEN AND 50 8% WOMEN WITH A MEDIAN AGE OF 37 5 YEARS THE POPULATION DENSITY WAS 307 1 PEOPLE PER SQUARE MILE IN 2010 WHICH IS OVER THE C ALIFORNIA STATE DENSITY OF 239 1 PEOPLE PER SQUARE MILE SONOMA'S POPULATION CONSISTS OF 7 6 8% WHITE RESIDENTS, 24 9% HISPANIC OR LATINO, AND 3 8% ASIAN A LARGE MAJORITY OF RESIDE NTS (80 2%) SPEAK ENGLISH AT HOME WHILE 13 8% SPEAK SPANISH THE MEDIAN HOUSEHOLD SIZE IS 2 52 PEOPLE WITH A 2010 AVERAGE INCOME OF $63,274 AND A MEDIAN HOUSE VALUE OF $524,400 A HIGH PERCENTAGE (86 2%) OF RESIDENTS 25 YEARS OF AGE OR OLDER HAVE A HIGH SCHOOL DEGREE OR HIGHER WHILE 31 5% OF RESIDENTS 25 YEARS OF AGE OR OLDER HAVE A BACHELOR'S DEGREE OR HIGH ER IN SONOMA THE POVERTY LEVEL IN 2010 WAS AT 10 3% OF RESIDENTS, BELOW BOTH THE CALIFORN IA STATE LEVEL OF 13 7% AND THE FEDERAL POVERTY LEVEL OF 15 1% THE UNEMPLOYMENT RATE WAS AT 10 5% IN APRIL 2010 WHICH WAS BELOW THE CALIFORNIA LEVEL OF 12 4% YET ABOVE THE FEDERAL LEVEL OF 9 9% FOOD SUPPLIES CONSIST OF 130 GROCERY STORES, 92 CONVENIENCE STORES (WITH G AS) AND 468 FULL SERVICE RESTAURANTS IN 2010, HEALTH ISSUES IN THIS COUNTY INCLUDED 20 7% OF ADULTS BEING OBESE, 6 3% OF ADULTS WITH DIABETES AND 17 1% OF ADULTS WITH HIGH BLOOD P RESSURE IN 2007 THERE WERE 3,781 DEATHS IN SONOMA COUNTY AND OF THOSE THE THREE LEADING C AUSES WERE CANCER, HEART DISEASE AND STROKE IN 2007 THERE WERE 5,742 BIRTHS AS WELL AS 28 INFANT DEATHS THAT SAME YEAR IN 2008 THE LIFE EXPECTANCY AT BIRTH WAS 80 YEARS WHICH WAS RIGHT AT THE CALIFORNIA LIFE EXPECTANCY IN 2010 18 2% OF RESIDENTS WERE WITHOUT ANY HEAL TH INSURANCE WHICH WAS JUST BELOW BOTH THE STATE LEVEL OF 18 5% AND THE FEDERAL LEVEL OF 1 5 5% IN SONOMA COUNTY 55 2% OF RESIDENTS HAVE EMPLOYMENT-BASED HEALTH INSURANCE WHILE 11 1% OF RESIDENTS ARE COVERED BY PUBLIC PROGRAMS SUCH AS MEDICAID OR MEDICARE

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PROMOTION OF COMMUNITY HEALTH	PART VI, QUESTION 5	SUTTER HEALTH'S MISSION IS TO "ENHANCE THE WELL-BEING OF THE PEOPLE IN THE COMMUNITIES WE SERVE, THROUGH A NOT-FOR-PROFIT COMMITMENT TO COMPASSION AND EXCELLENCE IN HEALTH CARE SER VICES " SUTTER HEALTH'S MISSION REACHES BEYOND THE WALLS OF OUR HOSPITALS AND FACILITIES OUR AFFILIATES FURTHER THEIR TAX-EXEMPT PURPOSE BY - BUILDING RELATIONSHIPS OF TRUST BY W ORKING COLLABORATIVELY WITH COMMUNITY GROUPS, SCHOOLS AND GOVERNMENT ORGANIZATIONS TO EFFE CTIVELY LEVERAGE RESOURCES AND ADDRESS IDENTIFIED COMMUNITY NEEDS, - SUPPORTING NONPROFIT ORGANIZATIONS THAT ARE COMMITTED TO COMMUNITY HEALTH IMPROVEMENT THROUGH FINANCIAL INVESTM ENTS, IN-KIND SERVICES AND EMPLOYEE VOLUNTEERISM, AND - PROVIDING GENEROUS CHARITY CARE PO LICIES FOR OUR MOST VULNERABLE COMMUNITY MEMBERS THE HOSPITAL HAS AN OPEN MEDICAL STAFF A ND IS RUN BY A COMMUNITY BOARD A FEW HIGHLIGHTS OF CALIFORNIA PACIFIC MEDICAL CENTER'S (C PMC) COMMUNITY BENEFIT ACTIVITIES IN 2011 CPMC UTILIZES COMMUNITY CLINICS, HEALTH PLANS, AND NON-PROFIT PROVIDERS AS WELL AS ADVOCACY GROUPS TO IMPROVE THE HEALTH STATUS OF SAN FR ANCISCO RESIDENTS CPMC PARTNERS WITH COMMUNITY ORGANIZATIONS ON A NUMBER OF PROGRAMS FOCU SED ON PREVENTATIVE HEALTH STRATEGIES OUR STRATEGY IS TO PARTICIPATE IN HEALTH FAIRS AND EVENTS FOCUSED ON WELLNESS AND PREVENTION, OFFER HEALTH SCREENINGS AND EDUCATION TO OUR CO MMUNITIES CLINICAL PREVENTATIVE CARE, PRIMARY CARE, EMERGENCY SERVICES, AND LONG-TERM AND REHABILITATIVE CARE ARE ALL AVAILABLE THROUGH CPMC'S FOUR CAMPUSES AND PARTNERS CPMC ALS O PARTNERS WITH ORGANIZATIONS TO PROVIDE GRANTS OR SPONSORSHIPS TO PROVIDE CARE WITHIN SAN FRANCISCO COMMUNITIES AS A RESULT, IN 2011 CPMC PROVIDED OVER $19 MILLION DOLLARS OF CHA RITY CARE TO PROVIDE ACCESS AT THEIR FOUR CAMPUSES THE BAYVIEW CHILD HEALTH CENTER IS A C OMPREHENSIVE, COMMUNITY-BASED CHILD AND ADOLESCENT HEALTH CARE CENTER PROVIDING HIGH-QUALI TY PRIMARY CARE AND SERVES AS A HUB FOR ACCESS TO COMMUNITY RESOURCES THE COMMUNITY HEALT H GRANTS PROGRAM REPRESENTS AN ANNUAL INVESTMENT OF MORE THAN $750,000 IN HEALTH PROMOTION S THE AWARDED GRANTS FOCUS ON IMPROVING THE HEALTH OF VULNERABLE POPULATIONS, PARTICULARL Y TARGETING THE UNINSURED, CHILDREN AND YOUTH, SENIORS AND UNDERSERVED COMMUNITIES CPMC'S MEDICAL EDUCATION PROGRAMS PROVIDE HEALTH CARE PROFESSIONALS WITH THE OPPORTUNITY TO RECE IVE WORLD-CLASS TRAINING IN MEDICINE, NURSING AND OTHER ALLIED HEALTH PROFESSIONS IN ADDI TION, CPMC'S RESEARCH INSTITUTE (CPMCRI) BRINGS CLINICIANS AND RESEARCHERS TOGETHER TO DIS COVER EFFECTIVE TREATMENTS AND DIAGNOSTIC TECHNOLOGIES BIOMEDICAL RESEARCH IS CONDUCTED I N SUCH DIVERSE AREAS AS ARTHRITIS, NEUROBIOLOGY OF PAIN, CARDIOVASCULAR DISEASE, ORGAN TRA NSPLANTATION, NEURODEGENERATIVE DISEASES, CANCER, AIDS AND OTHER INFECTIOUS DISEASES OVER 100 CLINICAL TRAILS ARE CURRENTLY ACTIVE AT CPMC CPMC ALSO HAS ONE OF THE FEW MEDICAL CE NTER-BASED PROGRAMS IN THE UNITED STATES IN WHICH COMPLEMENTARY MEDICINE APPROACHES TO TRE ATMENT FOR SPECIFIC HEALTH PROBLEMS ARE STUDIED CPMC PARTNERS WITH 15 LOCAL AGENCIES AND PROGRAM PARTNERS TO BUILD THE SAN FRANCISCO WORKFORCE BY CREATING OPPORTUNITIES FOR YOUTH CPMC PROVIDES TRAINING OPPORTUNITIES AND EXPOSURE TO HEALTHCARE OPPORTUNITIES TO THE YOUT H THROUGH SPEAKER SERIES, HANDS-ON EXPERIENCE IN THEIR SIMSURG CENTER AND PROVIDING STUDEN TS WITH INTERNSHIPS TO GAIN EXPERIENCE IN HEALTH CARE OPERATIONS EACH YEAR, ALMOST 200 NE W STUDENTS ARE INTRODUCED TO OPPORTUNITIES IN HEALTHCARE HEALTHFIRST, AN AMBULATORY HEALT H RESOURCE CENTER AT ST LUKE'S CAMPUS PRESENTS AN UNPRECEDENTED OPPORTUNITY TO ESTABLISH A SPECIALIZED MULTICULTURAL HEALTH CARE FACILITY OFFERING AN ARRAY OF CULTURALLY TAILORED HEALTH EDUCATION, NUTRITION, SOCIAL SERVICES, AND PATIENT NAVIGATION SERVICES IN CONJUNCTI ON WITH MEDICAL PROVIDERS, AND OTHER HEALTH AND SOCIAL SERVICE ORGANIZATIONS IN THE SOUTH OF MARKET AREA THE CENTER SERVES AS A HUB OF PREVENTION, EDUCATION, AND CARE COORDINATION ACTIVITIES IN THE NEIGHBORHOODS SURROUNDING ST LUKE'S HOSPITAL BREAST CANCER IS THE MOS T COMMON CANCER AMONG AFRICAN AMERICAN WOMEN AND A LEADING CAUSE IN THEIR CANCER DEATHS C PMC IS COMMITTED TO REDUCING BREAST CANCER AND ITS DEVASTATION BY GETTING WOMEN IN EARLIER FOR FIRST-TIME SCREENINGS AND ANNUAL MAMMOGRAMS, AND RAISING AWARENESS THROUGH OUTREACH E DUCATION CPMC ALSO PARTNERS WITH ORGANIZATIONS SUCH AS AFRICAN-AMERICAN BREAST HEALTH AND SISTER-TO-SISTER THROUGH CPMC'S HIV/AIDS CASE MANAGEMENT PROGRAM, CPMC IS ACTIVELY WORKI NG ON REDUCING THE INCIDENCES OF THIS COMMUNICABLE DISEASE CPMC'S HIV/AIDS CASE MANAGEMEN T PROGRAM WAS ESTABLISHED IN 1980 IN RESPONSE TO THE ONSITE OF THE HIV/AIDS EPIDEMIC CPMC OFFERS SERVICES SUCH AS ENROLLMENT OF PATIENTS IN THE AIDS DRUG ASSISTANCE PROGRAM (ADAP) AND COORDINATION OF CARE TO INCREASE QUALITY OF LIFE THE OBJECTIVE OF THE PROGRAM IS TO PROMOTE INDEPENDENCE AND MAXIMIZE FUNCTION IN THE HOME ENVIRONMENT, PROVIDING NEEDED SERVI CES, AVOIDING CRISES AND LIVING A NORMAL LIFE WITH

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	PART VI, QUESTION 5	THE DISEASE THE PROGRAM INCLUDES A CPMC REGISTER NURSE CASE MANAGER AND A LICENSED CLINI CAL SOCIAL WORKER, BOTH SERVE AS RESOURCES FOR MEDICAL, FINANCIAL AND EMOTIONAL ISSUES HI V/AIDS CASE MANAGEMENT CONTINUES TO BE AVAILABLE TO CPMC PATIENTS, REGARDLESS OF THEIR ABI LITY TO PAY FOR THESE SERVICES CPMC ALSO PARTNERS WITH THE SAN FRANCISCO HEPB FREE CAMPAI GN WHOSE GOAL IS TO SCREEN, VACCINATE AND PROTECT THOSE AT SIGNIFICANT RISK FOR INFECTION WITHIN THE SAN FRANCISCO COMMUNITY THE CPMC TEAM DEVELOPED A MOBILE PROGRAM THAT BRINGS C OMMUNITY EDUCATION AND FREE, CONFIDENTIAL TESTING TO CITY LOCATIONS THE SAN FRANCISCO HEP B FREE PROGRAM HAS SCREENED ALMOST 4,000 PATIENTS SINCE ITS INCEPTION IN 2008 THE HOSPITA L HAS AN OPEN MEDICAL STAFF AND IS RUN BY A COMMUNITY BOARD A FEW HIGHLIGHTS OF NOVATO CO MMUNITY HOSPITAL'S (NCH) COMMUNITY BENEFIT ACTIVITIES IN 2011 WHILE MARIN COUNTY IS AMONG THE WEALTHIEST IN THE UNITED STATE, APPROXIMATELY 28% OF RESIDENTS LIVE AT OR BELOW 300% OF THE FEDERAL POVERTY LEVEL AND LACK ACCESS TO BASIC SERVICES, INCLUDING HEALTH CARE TO ADDRESS THIS NEED, NOVATO COMMUNITY HOSPITAL DONATES CASH AND IN-KIND SERVICES TO COMMUNIT Y HEALTH CLINICS THAT PROVIDE PRIMARY AND SPECIALTY CARE TO THE UNDERINSURED AND UNINSURED IN 2011, NCH WORKED TO ACCOMPLISH THIS THROUGH TWO GOALS PROVIDE GRANTS TO CLINICS FOR DIRECT PATIENT CARE AND FORM PARTNERSHIP AGREEMENTS WITH CLINICS TO PROVIDE IN-KIND INPATI ENT AND OUTPATIENT DIAGNOSTIC SERVICES EXAMPLES OF ORGANIZATIONS THAT RECEIVED FUNDING WE RE - A $31,600 GRANT TO HOMEWARD BOUND OF MARIN FOR THE PROVISION OF RESPITE BEDS FOR HOM ELESS PATIENTS RECOVERING FROM INPATIENT HOSPITAL STAYS - A $14,064 GRANT TO NOVATO UNIFIE D SCHOOL DISTRICT TO PROVIDE COMPENSATION FOR OUTPATIENT PHYSICIAN VISITS FOR UNINSURED K- 12 STUDENTS - A $119,958 IN-KIND AGREEMENT WITH ROTOCARE CLINIC TO PROVIDE (CHARITY CARE) LABORATORY SERVICES FOR UNINSURED CLIENTS APPROXIMATELY 1 IN 5 MARIN YOUTH CONSISTENTLY RE PORT BEING OVERWEIGHT OR OBESE, A PRIMARY CONTRIBUTOR TO TYPE 2 CHILDHOOD DIABETES DIFFER ENCES IN WEIGHT AMONG SCHOOL-AGE CHILDREN EXIST BETWEEN RACIAL AND ETHNIC GROUPS, WITH A G REATER PERCENTAGE OF MARIN'S ASIAN AND CAUCASIAN CHILDREN BEING AT A HEALTHY WEIGHT COMPAR ED TO LATINO AND AFRICAN-AMERICAN CHILDREN TO ADDRESS THIS NEED, NCH FACILITATES A COLLAB ORATIVE WITH NOVATO UNIFIED SCHOOL DISTRICT, MARIN COMMUNITY CLINIC, MARIN COUNTY HEALTH A ND HUMAN SERVICES' NUTRITION WELLNESS PROGRAM AND KAISER PERMANENTE THE GOAL OF THE COLLA BORATIVE IS TO INCREASE COMMUNITY AWARENESS OF YOUTH RISK FOR TYPE 2 DIABETES (WITH A FOCU S ON LATINO AND AFRICAN-AMERICAN YOUTH), EDUCATE YOUNG PEOPLE AT HIGH-RISK FOR TYPE 2 DIAB ETES, TEACH SELF MANAGEMENT SKILLS AND PROVIDE TECHNICAL EDUCATION IN HEALTH SCIENCES TO S TUDENT INTERNS HIGH SCHOOL SOPHOMORES AND JUNIORS WHO ARE INTERESTED IN HEALTH CAREERS AR E RECRUITED AS INTERNS THESE INTERNS COMMIT TO MULTI-YEAR TRAINING WITH NCH AND ITS PARTN ER AGENCIES POST-FIRST SEMESTER INTERNS BECOME PEER NUTRITION EDUCATORS AND TEACH YOUNGER AT-RISK CHILDREN AND HIGH SCHOOL PEERS ABOUT TYPE 2 DIABETES IN 2011, 8 HIGH SCHOOL SOPH OMORES AND JUNIORS WERE TRAINED AS INTERNS APPROXIMATELY 40 YOUTH AT HIGH RISK FOR TYPE 2 DIABETES ALSO PARTICIPATED IN TWO 2-DAY PREVENTION NOW DAY CAMPS HOSTED AT NCH THROUGH T HIS PROGRAM'S OUTREACH EFFORTS, MORE THAN 100 YOUTH WERE ENGAGED AND EDUCATED ABOUT THE DI SEASE

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH (CONTINUED)	PART VI, QUESTION 5	THE HOSPITAL HAS AN OPEN MEDICAL STAFF AND IS RUN BY A COMMUNITY BOARD A FEW HIGHLIGHTS O F SUTTER LAKESIDE HOSPITAL (SLH) COMMUNITY BENEFIT ACTIVITIES IN 2011 THE SUTTER LAKESIDE MOBILE HEALTH SERVICES UNIT (MHSU) PROVIDES MEDICAL CARE TO UNDERSERVED POPULATIONS EXPER IENCING DIFFICULTY ACCESSING HEALTHCARE SERVICES THIS INCLUDES A VARIETY OF SERVICES SUCH AS HEALTH SCREENINGS (BASIC VISION, HEARING, BLOOD PRESSURE, DIABETES, SCOLIOSIS, JUST TO NAME A FEW) AND IMMUNIZATIONS THE MHSU ALSO PROVIDES EDUCATION AND SUPPORT FOR DIABETES, OBESITY, ASTHMA, FAMILY PLANNING AND PREGNANCY FURTHER, THE MHSU SUPPLIES A VARIETY OF S OCIAL SERVICES REFERRALS INCLUDING MEDI-CAL APPLICATIONS, WELFARE APPLICATION, FOOD PROGRA MS, MENTAL HEALTH, COUNSELING AND WIC THIS PROGRAM SERVED ALMOST 2,000 PERSONS IN 2011 T HE EMERGENCY DEPARTMENT (ED) AT SUTTER LAKESIDE HOSPITAL IS A LEVEL IV TRAUMA CENTER AND I S EDAP-CERTIFIED AN ONSITE HELIPORT PROVIDES AIR TRANSPORTATION TO AND FROM HARD-TO-REACH MOUNTAIN LOCATIONS AND TRANSPORTS CRITICAL PATIENTS WHO REQUIRE SPECIALIZED CARE TO TRAUM A CENTERS IN NEARBY CITIES THE ED SERVED OVER 17,900 PERSONS IN 2011 THE FAMILY MEDICINE CLINIC IS A PRIMARY AND PREVENTATIVE CARE CLINIC SERVING ALL POPULATIONS SUTTER LAKESIDE HOSPITAL OFFERS THE ONLY CLINIC IN THE AREA THAT PROVIDES SERVICES TO MEDI-CAL, WORKERS C OMP AND MEDICARE PATIENTS THIS PROGRAM SERVED OVER 16,000 PATIENTS IN 2011 THE HOSPITAL HAS AN OPEN MEDICAL STAFF AND IS RUN BY A COMMUNITY BOARD A FEW HIGHLIGHTS FROM SUTTER ME DICAL CENTER OF SANTA ROSA (SMCSR) COMMUNITY BENEFIT ACTIVITIES IN 2011 OVER 3,300 PATIEN TS WERE SERVED THROUGH A FINANCIAL COUNSELING PROGRAM FOR UNFUNDED PATIENTS TO HELP RELIEV E OR REDUCE THE FINANCIAL BURDEN OF HEALTH CARE COSTS HEALTHY KIDS IS A LOCALLY DEVELOPED PROGRAM THAT PROVIDES COMPREHENSIVE HEALTH INSURANCE FOR CHILDREN OF LOW INCOME FAMILIES COUNTYWIDE OUTREACH EFFORTS CONNECT FAMILIES TO HEALTHY KIDS SERVICES THROUGH A CENTRALIZ ED REFERRAL LINE CERTIFIED APPLICATION ASSISTORS HELP FAMILIES ENROLL THEIR CHILDREN INTO AN AFFORDABLE HEALTH INSURANCE PROGRAM SMCSR SUPPORTS THE HEALTHY KIDS SONOMA COUNTY PRO GRAM THROUGH A COMMUNITY BENEFIT LEAD HOLDING A SEAT ON THE STEERING COMMITTEE AS WELL AS EITHER SMCSR OR SPMF CONTRIBUTING $25,000 ANNUALLY TO THE PROGRAM IN 2011 OVER 12,500 APP LICATIONS/RENEWALS FOR INSURANCE COVERAGE WERE PROCESSED, A 24% INCREASE OVER 2010 APPLICA TIONS/RENEWALS HEALTHY KIDS ALSO COMPLETED THE WORK PLAN FOR ORAL HEALTH TASK FORCE, A PR OGRAM TO IDENTIFY GAPS AND STRATEGIES TO INCREASE ACCESS TO ORAL HEALTH OVERALL, SINCE 20 03 THE NUMBER OF COMPLETELY UNFUNDED CHILDREN HAS DECREASED SIGNIFICANTLY AS A RESULT OF T HESE EFFORTS BUT FOCUS IS STILL NEEDED ON OUTREACH AND RETENTION SMCSR DONATED OPERATING ROOM TIME AND SUPPLIES FOR ELECTIVE, BUT LIFE-ENHANCING SURGERIES FOR UNINSURED PATIENTS T HROUGH OPERATION ACCESS, A NONPROFIT THAT PROVIDES THESE SERVICES TO SEVEN COUNTIES IN THE BAY AREA SINCE 1993, OPERATION ACCESS HAS SERVED MORE THAN 7,500 LOW INCOME PEOPLE, UNIN SURED WORKERS, AND SELF-EMPLOYED PERSONS IN SIX NORTHERN CALIFORNIA COUNTIES THE STAFF AT OPERATION ACCESS RECRUITS THE MEDICAL PROVIDERS AND HOSPITALS, SCREENS PATIENTS AND CASE MANAGES FROM REFERRAL THROUGH POST-OPERATIVE RECOVERY IN 2011, THERE WERE 300 PEOPLE REFE RRED TO OPERATION ACCESS THAT NEEDED SURGICAL OR SPECIALTY MEDICAL CARE THAT THEY COULD NO T OTHERWISE ACCESS DUE TO LACK OF ANY OR ADEQUATE HEALTH INSURANCE SMCSR PROVIDED $175,14 2 IN WAIVED HOSPITAL CHARGES FOR 12 SURGICAL PROCEDURES AND 1 RADIOLOGY PROCEDURE IN 2011 ADDITIONALLY, FOUR OF THEIR SURGEONS DONATED THEIR TIME AS A RESULT, OPERATION ACCESS SA W A 10% INCREASE IN SERVICES PROVIDED OVER THE PREVIOUS YEAR SMCSR IS ONE OF THE FOUNDING PARTNERS OF THE HEALTHCARE WORKFORCE DEVELOPMENT (HWDP) PROGRAM FORMED IN 2001, HWDP IS A CONSORTIUM OF OVER 30 HEALTHCARE PROVIDERS, WHICH ALSO INCLUDES KAISER PERMANENTE AND ST JOSEPH HEALTH SYSTEMS, THE SONOMA COUNTY OFFICE OF EDUCATION, POST-SECONDARY EDUCATION I NSTITUTIONS, LOCAL GOVERNMENT AND COMMUNITY BASED ORGANIZATIONS FOR THE LAST ELEVEN YEARS , THE ROUNDTABLE HAS BEEN WORKING TO PROMOTE HEALTHCARE CAREERS IN THE COMMUNITY WITH A FO CUS ON INCREASING DIVERSITY IN THE HEALTH PROFESSIONS IN ORDER TO CREATE A MORE CULTURALLY COMPETENT HEALTHCARE WORKFORCE HWDP HAS BEEN SERVING THE UNDERREPRESENTED, ECONOMICALLY/ EDUCATIONALLY DISADVANTAGED POPULATIONS OF SONOMA COUNTY FOR THE LAST SEVEN YEARS BY INTRO DUCING LOW SOCIOECONOMIC AND DISADVANTAGED STUDENTS TO THE POSSIBILITIES OF HEALTH PROFESS IONS, REACHING OUT TO BILINGUAL AND BICULTURAL STUDENTS THAT REPRESENT THEIR COMMUNITY'S D EMOGRAPHICS AND SUPPORTING FIRST GENERATION COLLEGE AND COLLEGE BOUND STUDENTS AS A RESUL T, FROM 2010 TO 2011 HWDP SAW A 50% INCREASE OF THE NUMBER OF STUDENTS SERVED BY THE COLLE GE ACADEMIC PREPARATORY PROGRAM AS WELL AS 21 OF 22 STUDENTS GRADUATED FROM THE SUMMER PRO GRAM SMCSR HAS SPONSORED THE SANTA ROSA FAMILY ME

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PROMOTION OF COMMUNITY HEALTH (CONTINUED)	PART VI, QUESTION 5	DICINE RESIDENCY PROGRAM FOR MORE THAN 40 YEARS IN A REGION WHERE THE COST OF LIVING OUTP ACES THE COMPENSATION FOR PRIMARY CARE PROVIDERS, RECRUITING FAMILY PHYSICIANS FROM OUTSID E THE AREA IS EXTREMELY CHALLENGING EACH YEAR, SMCSR GRADUATES 12 FAMILY PHYSICIANS, MANY OF WHOM STAY AND PRACTICE IN SONOMA COUNTY IN COMMUNITY HEALTH CLINICS THAT PRIMARILY SER VE THE POOR AND UNINSURED EACH YEAR, APPLICATIONS ARE RECEIVED, INTERVIEWS ARE CONDUCTED AND MATCHES ARE MADE TO SELECT THE UPCOMING CLASS OF 12 INTERNS THE SELECTION CRITERIA IN CLUDES AN EMPHASIS ON CULTURAL COMPETENCE AND A PRIMARY INTEREST IN SERVING UNDERSERVED PO PULATIONS THE PROGRAM ALSO PARTNERS WITH UCSF TO PROVIDE FACULTY INSTRUCTORS THE TOTAL C OST (LESS GME REIMBURSEMENT) TO ADMINISTER THE PROGRAM IN 2011 WAS $9,892,483 AS A RESULT , ABOUT 50% OF THE PRACTICING FAMILY MEDICINE PHYSICIANS IN SONOMA COUNTY ARE GRADUATES OF THIS PROGRAM AND ABOUT 75% OF THE DOCTORS WHO STAFF THE FQHC CLINICS ARE ALSO GRADUATES THIS PROGRAM IS A CRUCIAL ELEMENT IN BUILDING CAPACITY TO MEET THE INCREASING DEMAND FOR P RIMARY CARE DOCTORS SMCSR FINANCIALLY SUPPORTS THE CENTER FOR WELL BEING, A WELLNESS ORGA NIZATION THAT PROVIDES HEALTH EDUCATION, CARDIAC REHABILITATION AND A VARIETY OF SUPPORT S ERVICES FOR LOW OR NO COST TO PATIENTS

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	PART VI, QUESTION 6	CALIFORNIA PACIFIC MEDICAL CENTER, NOVATO COMMUNITY HOSPITAL, SUTTER LAKESIDE HOSPITAL AND SUTTER MEDICAL CENTER OF SANTA ROSA ARE AFFILIATED WITH SUTTER HEALTH, A NOT-FOR-PROFIT NETWORK OF 48,000 PHYSICIANS, EMPLOYEES, AND VOLUNTEERS WHO CARE FOR MORE THAN 100 NORTHERN CALIFORNIA TOWNS AND CITIES TOGETHER, WE'RE CREATING FOR A MORE INTEGRATED, SEAMLESS AND AFFORDABLE APPROACH TO CARING FOR PATIENTS IT'S BETTER FOR PATIENTS WE BELIEVE THIS COMMUNITY-OWNED, NOT-FOR-PROFIT APPROACH TO HEALTH CARE BEST SERVES OUR PATIENTS AND OUR COMMUNITIES - FOR MULTIPLE REASONS FIRST OF ALL, IT'S GOOD FOR PATIENTS ACCORDING TO THE JOURNAL OF GENERAL INTERNAL MEDICINE (APRIL 2000), PATIENTS TREATED AT FOR-PROFIT OR GOVERNMENT-OWNED HOSPITALS WERE TWO-TO-FOUR TIMES MORE LIKELY TO SUFFER PREVENTABLE ADVERSE EVENTS THAN PATIENTS TREATED AT NOT-FOR-PROFIT INSTITUTIONS OUR STOCKHOLDERS ARE OUR COMMUNITIES INVESTOR-OWNED, FOR-PROFIT HEALTH SYSTEMS HAVE A FINANCIAL INCENTIVE TO AVOID CARING FOR UNINSURED AND UNDERINSURED PATIENTS THEY ALSO HAVE A FINANCIAL INCENTIVE TO AVOID HARD-TO-SERVE POPULATIONS AND "UNDESIRABLE" GEOGRAPHIC AREAS SUCH AS RURAL AREAS IN MANY OF NORTHERN CALIFORNIA'S UNDERSERVED RURAL LOCALES, SUTTER HEALTH IS THE ONLY PROVIDER OF HOSPITAL AND EMERGENCY MEDICAL SERVICES IN THE COMMUNITY PROVIDING CHARITY CARE AND SPECIAL PROGRAMS TO COMMUNITIES OUR COMMUNITIES' SUPPORT HELPS US EXPAND SERVICES, INTRODUCE NEW PROGRAMS AND IMPROVE MEDICAL TECHNOLOGY ACROSS OUR NETWORK, EVERY SUTTER HOSPITAL, PHYSICIAN ORGANIZATION AND CLINIC HAS A SPECIAL STORY TO TELL ABOUT FULFILLING VITAL COMMUNITY NEEDS OUR COMMITMENT TO COMMUNITY BENEFIT MEETING THE HEALTH CARE NEEDS OF OUR COMMUNITIES IS THE CORNERSTONE OF SUTTER HEALTH'S NOT-FOR-PROFIT MISSION THIS INCLUDES DIRECTLY SERVING THOSE WHO CANNOT AFFORD TO PAY FOR HEALTH CARE AND SUPPORTING PROGRAMS AND SERVICES THAT HELP THOSE IN FINANCIAL NEED SUTTER HEALTH NOW PROVIDES $2 7 MILLION IN CHARITY CARE PER WEEK IN 2011, OUR NETWORK OF PHYSICIAN ORGANIZATIONS, HOSPITALS AND OTHER HEALTH CARE PROVIDERS INVESTED A RECORD $756 MILLION IN BENEFITS TO THE POOR AND UNDERSERVED* AND THE BROADER COMMUNITY** THIS INCLUDES - THE COST OF PROVIDING CHARITY CARE - THE UNPAID COSTS OF PARTICIPATING IN MEDI-CAL - INVESTMENTS IN MEDICAL RESEARCH, HEALTH EDUCATION AND COMMUNITY-BASED PUBLIC BENEFIT PROGRAMS SUCH AS SCHOOL-BASED CLINICS AND PRENATAL CARE FOR PATIENTS * SERVICES FOR THE POOR AND UNDERSERVED INCLUDE SERVICES PROVIDED TO PERSONS WHO CANNOT AFFORD HEALTH CARE BECAUSE OF INADEQUATE RESOURCES AND/OR ARE UNINSURED OR UNDERINSURED, AS WELL AS THE COSTS OF PUBLIC PROGRAMS TREATING MEDI-CAL AND INDIGENT BENEFICIARIES COSTS ARE COMPUTED BASED ON A RELATIONSHIP OF COSTS TO CHARGES SERVICES FOR THE POOR AND UNDERSERVED ALSO INCLUDE THE COST OF OTHER SERVICES FOR INDIGENT POPULATIONS, AND CASH DONATIONS ON BEHALF OF THE POOR AND NEEDY ** BENEFITS FOR THE BROADER COMMUNITY INCLUDE COSTS OF PROVIDING THE FOLLOWING SERVICES HEALTH SCREENINGS AND OTHER HEALTH-RELATED SERVICES, TRAINING HEALTH PROFESSIONALS, EDUCATING THE COMMUNITY WITH VARIOUS SEMINARS AND CLASSES, THE COST OF PERFORMING MEDICAL RESEARCH AND THE COSTS ASSOCIATED WITH PROVIDING FREE CLINICS AND COMMUNITY SERVICES BENEFITS FOR THE BROADER COMMUNITY ALSO INCLUDE CONTRIBUTIONS SUTTER HEALTH MAKES TO COMMUNITY AGENCIES TO FUND CHARITABLE ACTIVITIES

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	PART VI, QUESTION 7	CALIFORNIA

Additional Data

Software ID:
Software Version:
EIN: 94-0562680
Name: SUTTER WEST BAY HOSPITALS

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

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size from largest to smallest) How many non-hospital facilities did the organization operate during the tax year? **23** Name and address	Type of Facility (Describe)
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI
CALIFORNIA PACIFIC MEDICAL CENTER 2351 CLAY STREET SUITE 100 SAN FRANCISCO,CA 94115	OUTPATIENT SERVICES-MRI

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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
See Additional Data Table							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 52

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

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

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

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

Identifier	Return Reference	Explanation
PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS	PART I, QUESTION 2	COMMUNITY HEALTH PROGRAM GRANTEES SIGN A CONTRACT WITH CALIFORNIA PACIFIC MEDICAL CENTER OUTLINING TERMS AND CONDITIONS OF RECEIVING GRANT FUNDS SPECIFYING OBJECTIVES AND OUTCOMES EACH AGENCY RECEIVING THE COMMUNITY HEALTH GRANTS ARE REQUIRED TO PREPARE AND SUBMIT OUTCOME-BASED REPORTS AT SIX-MONTHS AND TWELVE-MONTHS AGENCIES RECEIVING SPONSORSHIP FUNDS GO THROUGH A DIFFERENT PROCESS, THEY ARE REQUESTED TO PROVIDE THE PURPOSE OF THE EVENT PRIOR TO SPONSORSHIP AS WELL AS A BRIEF SUMMARY OF THE OUTCOMES OF EVENT SOON AFTER THE EVENT THE SUTTER HEALTH SYSTEM HAS AN OVERLAP IN LEADERSHIP WHICH MONITORS THE USE OF GRANTS BETWEEN AFFILIATES

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 94-0562680
Name: SUTTER WEST BAY HOSPITALS

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
PATIENT ASSISTANCE FOUNDATION2100 WEBSTER ST SAN FRANCISCO, CA 94115	94-2944137	501(C)(3)	500,000				GENERAL SUPPORT
HOSPITAL COUNCIL OF CENTRAL AND NORTHERN CA1625 E SHAW AVE FRESNO,CA 93710	86-1174825	501(C)(3)	54,804				GENERAL SUPPORT

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
NORTHERN CALIFORNIA CENTER FOR WELL-BEING365 TESCONI CIRCLE SANTA ROSA,CA 95401	93-1144835	501(C)(3)	50,000				GENERAL SUPPORT
SAN FRANCISCO SENIOR CENTER 890 BEACH ST SAN FRANCISCO, CA 94109	94-1212136	501(C)(3)	50,000				GENERAL SUPPORT

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
SAN FRANCISCO CHAMBER OF COMMERCE235 MONTGOMERY ST SAN FRANCISCO, CA 94104	94-0834950	501(C)(6)	36,000				GENERAL SUPPORT
CHINESE HOSPITAL 845 JACKSON ST SAN FRANCISCO, CA 94133	94-0382780	501(C)(3)	35,000				GENERAL SUPPORT

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
MISSION NEIGHBORHOOD CENTER362 CAPP ST SAN FRANCISCO,CA 94110	94-1408150	501(C)(3)	35,000				GENERAL SUPPORT
ASIAN & PACIFIC ISLANDER WELLNESS CENTER730 POLK ST SAN FRANCISCO,CA 94109	94-3096109	501(C)(3)	35,000				GENERAL SUPPORT

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
OPERATION ACCESS115 SANSOME SAN FRANCISCO, CA 94107	94-3180356	501(C)(3)	35,000				GENERAL SUPPORT
HOMEWARD BOUND OF MARIN 1385 HAMILTON PKY NOVATO,CA 94949	68-0011405	501(C)(3)	31,600				GENERAL SUPPORT

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
ASIAN WEEK FDN 564 MARKET ST SAN FRANCISCO, CA 94104	20-1719535	501(C)(3)	30,500				GENERAL SUPPORT
MAITRI401 DUBOCE AVE SAN FRANCISCO, CA 94117	94-3189198	501(C)(3)	30,300				GENERAL SUPPORT

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
CATHOLIC CHARITIES465 A STREET SANTA ROSA,CA 95402	94-2479393	501(C)(3)	30,000				GENERAL SUPPORT
MARCH OF DIMES 1050 SANSOME ST SAN FRANCISCO, CA 94111	13-1846366	501(C)(3)	29,100				GENERAL SUPPORT

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
APA FAMILY SERVICES657 JACKSON ST SAN FRANCISCO, CA 94133	94-3164091	501(C)(3)	26,700				GENERAL SUPPORT
EPISCOPAL CHARITIES1055 TAYLOR ST SAN FRANCISCO, CA 94108	94-3345498	501(C)(3)	26,000				GENERAL SUPPORT

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
BAY AREA COUNCIL 201 CALIFORNIA ST SAN FRANCISCO, CA 94111	23-7325853	501(C)(3)	25,000				GENERAL SUPPORT
HEALTHY MARIN PARTNERSHIP99 MONTECILLO RD SAN RAFAEL,CA 94903	94-1312348	501(C)(3)	25,000				GENERAL SUPPORT

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
EPISCOPAL COMMUNITY SERVICES165 8TH ST SAN FRANCISCO, CA 94103	94-3096716	501(C)(3)	25,000				GENERAL SUPPORT
SAN FRANCISO LBGT COMMUNITY CENTER1800 MARKET ST SAN FRANCISCO, CA 94102	94-3236718	501(C)(3)	25,000				GENERAL SUPPORT

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 ASSOCIATION1400 N DUTTON AVE SANTA ROSA,CA 95401	13-5613797	501(C)(3)	21,000				GENERAL SUPPORT
KIMOCHI1715 BUCHANAN ST SAN FRANCISCO, CA 94115	23-7117402	501(C)(3)	20,000				GENERAL SUPPORT

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
NAACP1290 FILLMORE ST SAN FRANCISCO, CA 94115	23-7177411	501(C)(3)	20,000				GENERAL SUPPORT
NEW VISION SANTA ROSA FOUNDATION 637 FIRST ST SANTA ROSA,CA 95404	68-0074807	501(C)(3)	20,000				GENERAL SUPPORT

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
LAKEPORT FIRE PROTECTION DISTRICT445 NO MAIN ST LAKEPORT,CA 95453	68-0454069	501(C)(3)	20,000				GENERAL SUPPORT
SPUR654 MISSION ST SAN FRANCISCO, CA 94105	94-1498232	501(C)(3)	20,000				GENERAL SUPPORT

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
MENDOCINO LAKE COMMUNITY COLLEGE1000 HENSLEY CREEK RD UKIAH,CA 95482	94-6002711	501(C)(3)	20,000				GENERAL SUPPORT
SELF HELP FOR THE ELDERLY407 SANSOME ST SAN FRANCISCO, CA 94105	94-1750717	501(C)(3)	15,000				GENERAL SUPPORT

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
ON LOK DAY SERVICES1333 BUSH ST SAN FRANCISCO,CA 94109	94-2162549	501(C)(3)	15,000				GENERAL SUPPORT
THE ALS ASSOCIATIONONE EMBARCADERO SAN FRANCISCO,CA 94111	95-4163338	501(C)(3)	15,000				GENERAL SUPPORT

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
NOVATO HEALTH PARTNERSHIP PROGRAM1015 SEVENTH ST NOVATO,CA 94945	68-0112169	501(C)(3)	14,064				GENERAL SUPPORT
NEIGHBORHOOD PARKS CO451 HAYES ST SAN FRANCISCO,CA 94102	26-4715914	501(C)(3)	12,500				GENERAL SUPPORT

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
CHILD PASSENGER SAFETY EVENT455 EIGHTH ST SAN FRANCISCO, CA 94103	94-2257827	501(C)(3)	11,044				GENERAL SUPPORT
SF CRISIS CAREPO BOX 38631 SACRAMENTO,CA 95838	20-0241444	501(C)(3)	10,000				GENERAL SUPPORT

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
PROJECT HOMELESS CONNECTP O BOX 420404 SAN FRANCISCO, CA 94142	20-4331462	501(C)(3)	10,000				GENERAL SUPPORT
SAN FRANCISCO ALLIANCE FOR JOBS3217 18TH ST SAN FRANCISCO, CA 94110	45-2300645	501(C)(3)	10,000				GENERAL SUPPORT

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
BOARD OF TRUSTEES FOR THE GLIDE FOUNDATION330 ELLIS ST SAN FRANCISCO, CA 94112	94-1156481	501(C)(3)	10,000				GENERAL SUPPORT
SANTA ROSA MEMORIAL HOSPITAL1165 MONTGOMERY DR SANTA ROSA,CA 95404	94-1231005	501(C)(3)	10,000				GENERAL SUPPORT

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
CONARD HOUSE 1385 MISSION ST SAN FRANCISCO, CA 94120	94-1489356	501(C)(3)	10,000				GENERAL SUPPORT
MISSION LANGUAGE AND VOCATIONAL SCHOOL2929 19TH ST SAN FRANCISCO, CA 94110	94-2174237	501(C)(3)	10,000				GENERAL SUPPORT

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
MARIN COMMUNITY CLINICSP O BOX 1868 NOVATO,CA 94948	94-2237120	501(C)(3)	10,000				GENERAL SUPPORT
AMERICAN RED CROSS85 SECOND ST SAN FRANCISCO, CA 94105	94-3045430	501(C)(3)	10,000				GENERAL SUPPORT

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
TRANSFORMATION FOR A LIVABLE CITY 995 MARKET ST SAN FRANCISCO,CA 94103	94-3350190	501(C)(3)	10,000				GENERAL SUPPORT
UNIVERSITY OF CA SCHOOL OF PUBLIC HEALTH417 UNIVERSITY HALL BERKELEY,CA 94720	94-6002123	501(C)(3)	10,000				GENERAL SUPPORT

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
COMMUNITY WORKS WEST731 B LIGGETT AVE SAN FRANCISCO, CA 94129	94-6065339	501(C)(3)	10,000				GENERAL SUPPORT
SAN FRANCISCO CLINIC CONSORTIUM1550 BRYANT ST SAN FRANCISCO, CA 94103	13-4317995	501(C)(3)	9,000				GENERAL SUPPORT

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
AFRICAN AMERICAN ART & CULTURE COMPLEX762 FULTON ST SAN FRANCISCO, CA 94102	20-0118582	501(C)(3)	8,400				GENERAL SUPPORT
SAN FRANCISCO BUSINESS TIMES 275 BATTERY ST SAN FRANCISCO, CA 94111	59-3089188	501(C)(3)	8,250				GENERAL SUPPORT

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
HEATH EXPRESSWHISTLESTOP 930 TAMALPIAS AVE SAN RAFAEL,CA 94901	94-1422463	501(C)(3)	7,751				GENERAL SUPPORT
ASIAN WOMEN'S RESOURCE CENTER940 WASHINGTON ST SAN FRANCISCO,CA 94108	94-1156357	501(C)(3)	7,500				GENERAL SUPPORT

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
LAKE FAMILY RESOURCE CENTER 896 LAKEPORT BLVD LAKEPORT,CA 95453	68-0353914	501(C)(3)	7,000				GENERAL SUPPORT
COMMUNITY INITIATIVES384 PINE ST SAN FRANCISCO, CA 94104	94-3255070	501(C)(3)	5,500				GENERAL SUPPORT

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
SAN FRANCISCO BUILDING AND CONSTRUCTION 1188 FRANKLIN ST SAN FRANCISCO,CA 94109	94-0348191	501(C)(3)	5,400				GENERAL SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First-class or charter travel ☑ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	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 ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
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**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JACK BAILEY	(i)	0	0	618,590	0	21,713	640,303	0
	(ii)	0	0	0	0	0	0	0
(2) MARTIN BROTMAN MD	(i)	0	0	0	0	0	0	0
	(ii)	956,111	407,007	11,732	694,351	19,038	2,088,239	407,007
(3) WARREN BROWNER MD	(i)	0	0	0	0	0	0	0
	(ii)	573,306	231,141	10,687	433,326	18,927	1,267,387	284,481
(4) GRANT DAVIES	(i)	0	0	0	0	0	0	0
	(ii)	532,318	147,058	8,822	286,798	19,994	994,990	147,058
(5) MICHAEL DUNCHEON	(i)	0	0	0	0	0	0	0
	(ii)	341,507	56,950	6,637	134,182	18,194	557,470	56,950
(6) PAT FRY	(i)	0	0	0	0	0	0	0
	(ii)	1,556,049	1,472,283	16,884	2,163,921	32,168	5,241,305	1,637,694
(7) JOHN GATES	(i)	0	0	0	0	0	0	0
	(ii)	523,371	177,579	34,783	258,736	16,532	1,011,001	151,681
(8) ALLAN PONT MD	(i)	0	0	0	0	0	0	0
	(ii)	443,913	115,572	162,989	138,895	7,130	868,499	131,772
(9) TONI BRAYER MD	(i)	0	0	0	0	0	0	0
	(ii)	439,358	158,102	1,756	194,426	18,333	811,975	185,605
(10) MARK KIMBELL	(i)	0	0	0	0	0	0	0
	(ii)	345,534	82,813	43,810	132,872	18,222	623,251	82,813
(11) STEVEN R CUMMINGS	(i)	404,256	29,828	2,376	5,145	22,800	464,405	0
	(ii)	0	0	0	0	0	0	0
(12) CRAIG VERCRUYSSE	(i)	0	0	0	0	0	0	0
	(ii)	266,764	138,452	4,684	104,581	13,132	527,613	96,187

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
RELEVANT INFORMATION REGARDING COMPENSATION ITEMS	PART I, QUESTION 1A	FIRST-CLASS TRAVEL CERTAIN OFFICERS AND KEY EMPLOYEES OF SUTTER HEALTH MAY UPGRADE TO FIRST-CLASS TRAVEL FOR FLIGHTS GREATER THAN FOUR HOURS IN DURATION HOUSING ALLOWANCE NEW EMPLOYEES RELOCATING FROM OUT OF THE AREA MAY RECEIVE TEMPORARY HOUSING BENEFITS WHICH ARE ADDED TO THEIR COMPENSATION AS TAXABLE WAGES TAX INDEMNIFICATION STANDARD POLICY FOR ALL SUTTER HEALTH EMPLOYEES IS THAT NON-CASH GIFTS AND AWARDS ARE GROSSED-UP FOR TAX PURPOSES THE AMOUNT OF THE GROSS-UP IS ADDED TO THE EMPLOYEE'S WAGES AND TAXED ACCORDINGLY
SUPPLEMENTAL COMPENSATION INFORMATION	PART I, QUESTION 3	THE CEO OF THE ORGANIZATION IS AN EMPLOYEE OF SUTTER HEALTH, A RELATED TAX-EXEMPT ORGANIZATION THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION
SEVERANCE PAYMENTS	PART I, QUESTION 4A	NAME JACK BAILEY PAYMENT $600,330
NONQUALIFIED RETIREMENT PLAN	PART I, QUESTION 4B	THE PURPOSE OF THE NONQUALIFIED RETIREMENT PLAN IS TO PROVIDE SUTTER HEALTH EXECUTIVES WITH A COMPETITIVE RETIREMENT BENEFIT CONSISTENT WITH SUTTER HEALTH'S OVERALL COMPENSATION PHILOSOPHY FOR ALL EMPLOYEES CONTRIBUTIONS ARE DESIGNED TAKING INTO CONSIDERATION LOST RETIREMENT BENEFITS THAT WOULD OTHERWISE BE OBTAINED THROUGH THE QUALIFIED PENSION PLAN SUTTER'S PLANS ARE DESIGNED CONSISTENT WITH COMPETITIVE INDUSTRY PRACTICES THE RETIREMENT PLAN FOR SUTTER HEALTH EMPLOYEES IS A COMBINATION OF SOCIAL SECURITY, 403B EMPLOYER MATCH CONTRIBUTIONS AND QUALIFIED PLAN BENEFITS SUTTER HEALTH EXECUTIVES ARE GENERALLY INELIGIBLE FOR EMPLOYER MATCH CONTRIBUTIONS ADDITIONALLY, QUALIFIED PLAN BENEFITS CAPS HAVE THE EFFECT OF SUBSTANTIALLY REDUCING RETIREMENT BENEFITS THAT ARE OTHERWISE PROVIDED TO ALL EMPLOYEES THE EFFECT IS THAT EXECUTIVES OFTEN DO NOT RECEIVE THE SAME LEVEL OF RETIREMENT BENEFIT ON AN INCOME REPLACEMENT BASIS AS OTHER EMPLOYEES TO ENSURE A COMPETITIVE RETIREMENT BENEFIT AND TO ADDRESS THE SHORTFALLS DESCRIBED ABOVE, SUTTER HEALTH MAKES AN ANNUAL CONTRIBUTION TO A NON-QUALIFIED 457(F) PLAN FOR ITS EXECUTIVES THE FORMULA HAS TWO PARTS (1) 4% TO 7% OF BASE SALARY (COMMENSURATE WITH MANAGEMENT LEVEL), PLUS (2) A CONTRIBUTION STARTING AT 5% (BASED UPON TENURE) FOR EARNINGS BEYOND THE PENSION PAY CAP THE LATTER OF WHICH IS DESIGNED TO HELP RESTORE LOST PENSION BENEFITS FORFEITED UNDER THE QUALIFIED PLAN FOR EARNINGS OVER THE PENSION PAY CAP LIMIT CONTRIBUTIONS ARE ALSO MADE FOR A SMALL GROUP OF SENIOR LEVEL EXECUTIVES WHOSE ESTIMATED RETIREMENT BENEFIT (SOCIAL SECURITY PLUS QUALIFIED PLAN BENEFITS PLUS 457F) FALLS BELOW 50% - 65% OF FINAL 4-YEAR AVERAGE BASE SALARY WHEN RETIRING AT AGE 65 TARGET BENEFIT LEVELS VARY BY YEARS OF SERVICE UNLIKE SUTTER HEALTH'S QUALIFIED PLAN WHERE EMPLOYEE BENEFITS ARE GUARANTEED (I E , A DEFINED BENEFIT), SUTTER'S NON-QUALIFIED PLAN BENEFITS ARE NOT GUARANTEED BY SUTTER HEALTH INVESTMENT RISK IS BORNE BY PARTICIPANTS AND BENEFITS ARE NOT PROTECTED SHOULD SUTTER HEALTH BECOME INSOLVENT
NON-FIXED PAYMENTS	PART I, QUESTION 7	SPOT AWARDS ARE INFREQUENTLY USED TO REWARD EMPLOYEES THERE ARE NO SPECIFIC GUIDELINES FOR THE AMOUNT OF THE SPOT AWARD BUT THE AMOUNT TENDS TO NOT EXCEED 5% OF GROSS PAY ANNUAL INCENTIVE PLAN (AIP) THE PURPOSE OF THE PLAN IS TO FOCUS EXECUTIVES ON SPECIFIC, SHORTER-TERM GOALS THAT ARE CRITICAL TO THE ACHIEVEMENT OF AFFILIATE, REGION, AND SYSTEM-WIDE OBJECTIVES THAT DRIVE OVERALL ORGANIZATION PERFORMANCE A PORTION OF THE PLAN AWARD IS DISCRETIONARY IN THAT THE SUPERVISOR MAY ADD +/- 5% TO THE AWARD PROVIDED THE TOTAL AWARD (FORMULA PORTION PLUS DISCRETIONARY) DOES NOT EXCEED THE MAXIMUM ESTABLISHED FOR ANY GIVEN EXECUTIVE LONG TERM PERFORMANCE PLANS SUTTER HEALTH ALSO EMPLOYS LONG TERM PERFORMANCE PLANS WHICH ARE DESIGNED TO FOCUS ON LONGER TERM STRATEGIC OBJECTIVES OF THE ORGANIZATION SUTTER'S LONG TERM PERFORMANCE PLAN APPROACH IS A COMBINATION OF BOTH LONGER TERM MEASURES OF ORGANIZATION SUCCESS AND KEY ORGANIZATION STRATEGIES WHICH REQUIRE THE COMBINED EFFORT OF ALL LEADERSHIP TO ACHIEVE SUCCESS SUTTER USES A COMMON FATE APPROACH IN THAT ALL PLAN PARTICIPANTS ARE MEASURED AGAINST THE SAME, ORGANIZATION-WIDE CRITERIA VS INDIVIDUAL EFFORTS THIS FOSTERS A COMMON PURPOSE ACROSS LEADERSHIP AND A SHARED SENSE OF ACCOUNTABILITY FOR THE OVERALL SUCCESS OF SUTTER HEALTH TO ENSURE THAT EXTRAORDINARY EFFORTS BY INDIVIDUALS CAN BE RECOGNIZED AND THAT ACTIONS OF LEADERSHIP ARE CONSISTENT WITH SUPPORTING SUTTER HEALTH'S OVERALL MISSION, VISION, AND VALUES, SUTTER'S LONG TERM INCENTIVE PLAN APPROACH ALSO INCORPORATES A COMBINATION OF CEO AND SUTTER HEALTH COMPENSATION COMMITTEE DISCRETION IN SOME CASES, THE SUTTER HEALTH COMPENSATION COMMITTEE HAS DELEGATED AUTHORITY TO THE PRESIDENT & CEO TO MODIFY INDIVIDUAL AWARDS WITHIN LIMITS THAT HAVE BEEN PRE-APPROVED BY THE SUTTER HEALTH COMPENSATION COMMITTEE THIS INCLUDES BOTH THE REDUCTION AND INCREASE OF AWARD AMOUNTS SUCH MODIFICATIONS GENERALLY DO NOT EXCEED +/- 20% AND ARE EMPLOYED JUDICIOUSLY IN ALL CASES, THE COMPENSATION COMMITTEE OF THE BOARD DETERMINES ACHIEVEMENT OF ORGANIZATION GOALS AND MAKES FINAL AWARD DETERMINATION WHICH MAY RESULT IN A REDUCTION OF AWARD IF APPROPRIATE ALL SENIOR EXECUTIVE AWARDS ARE REVIEWED FOR COMPENSATION REASONABLENESS AND APPROVED PRIOR TO PAYMENT BY THE COMPENSATION COMMITTEE

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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	CHFFA 2007A	52-1643828	13033FQ37	05-01-2007	790,998,316	CONSTRUCT & EQUIP FACILITY		X		X		X
B	CHFFA 2008A	52-1643828	13033F2L3	05-14-2008	329,041,638	REFUNDING - 5/1/07		X		X		X
C	CHFFA 2011D	52-1643828	13033LVW4	12-22-2011	331,759,643	REFUNDING 1998 AND 1999 ISSUES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	66,210,000	0	
2	Amount of bonds defeased	0	0	0	
3	Total proceeds of issue	857,735,124	329,041,638	331,942,116	
4	Gross proceeds in reserve funds	0	0	0	
5	Capitalized interest from proceeds	55,398	0	65,070,000	
6	Proceeds in refunding escrow	0	0	0	
7	Issuance costs from proceeds	0	0	0	
8	Credit enhancement from proceeds	0	0	0	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	759,620,124	0	0	
11	Other spent proceeds	584,502	329,041,638	124,025,000	
12	Other unspent proceeds	42,132,181	0	142,847,116	
13	Year of substantial completion	2011			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X			
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X		X			
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?	X							
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X							
c	Are there any research agreements that may result in private business use of bond-financed property?	X							
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 930 %		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 ▶	0 %							
6	Total of lines 4 and 5	0 930 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2	Is the bond issue a variable rate issue?		X		X		X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		
b	Name of provider	0		0		0			
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X		X		
b	Name of provider	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		
6	Did the bond issue qualify for an exception to rebate?		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
SEE SCHEDULE O	0	

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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	(c) Corrected? 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? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) 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) PANMED PROPERTIES LLP	SEE PART V	487,810	SEE PART V		No
(2) BROWN TOLLAND MEDICAL GROUP	SEE PART V	281,701	SEE PART V		No
(3) NORTHERN CALIFORNIA MEDICAL ASSOCIA	SEE PART V	927,647	SEE PART V		No
(4) SWIG GROUP LLC	SEE PART V	6,462,318	SEE PART V		No
(5) PEDIATRIX MEDICAL GROUP	SEE PART V	2,335,062	SEE PART V		No
(6) SITE OF CARE SYSTEMS	SEE PART V	25,000	SEE PART V		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV	DAMIAN AUGUSTYN, MD AND MARTIN BROTMAN, MD, DIRECTORS OF SUTTER WEST BAY HOSPITALS (SWBH), ARE ALSO GENERAL PARTNERS AND BOARD MEMBERS OF PANMED PROPERTIES, LLP DURING THE YEAR, SWBH OWNED 5 48% IN PANMED WHO PROVIDED RENTAL SERVICES TO SWBH DAMIAN AUGUSTYN, MD, MARTIN BROTMAN, MD, TERRI SLAGLE MD AND JORDAN HOROWITZ, MD, DIRECTORS OF SUTTER WEST BAY HOSPITALS (SWBH), ARE ALSO MEMBERS OF BROWN & TOLLAND MEDICAL GROUP (BTMG) DURING THE YEAR, BTMG PROVIDED SERVICES TO SWBH VIA AN ARMS-LENGTH AGREEMENT WILLIAM CARROLL, MD, DIRECTOR OF SUTTER WEST BAY HOSPITALS (SWBH) IS ALSO A MEMBER OF NORTHERN CALIFORNIA MEDICAL ASSOCIATES (NCMA) DURING THE YEAR, NCMA PROVIDED MEDICAL SERVICES TO SWBH VIA AN ARMS-LENGTH AGREEMENT ROY EISENHARDT, DIRECTOR OF SUTTER WEST BAY HOSPITALS (SWBH) IS A PARTIAL OWNER OF PROPERTY THAT IS RENTED TO SWBH VIA SWIG GROUP LLC AS COLLECTION AGENT TERRI SLAGLE, MD, DIRECTOR OF SUTTER WEST BAY HOSPITALS (SWBH) IS ALSO A SHAREHOLDER PHYSICIAN OF PEDIATRIX MEDICAL GROUP DURING THE YEAR, PEDIATRIX MEDICAL GROUP PROVIDED SERVICES TO SWBH VIA AN ARMS-LENGTH AGREEMENT TERRI SLAGLE, MD, DIRECTOR OF SUTTER WEST BAY HOSPITALS (SWBH) IS ALSO A BOARD MEMBER AND SHAREHOLDER OF SITE OF CARE SYSTEMS (SCS) DURING THE YEAR, SWBH PURCHASED SOFTWARE FROM SCS VIA AN ARMS-LENGTH AGREEMENT

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded	X	1	75,610	FMV
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▸ (SPA)	X	1	5,500	FMV
26	Other ▸ (CASES OF WINE)	X	1	5,844	FMV
27	Other ▸( )				
28	Other ▸ ( )				

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

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

Part II

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

Identifier	Return Reference	Explanation
PART I, COLUMN (B)		COLUMN (B) REPRESENTS THE NUMBER OF CONTRIBUTIONS RECEIVED

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493293008322

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
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

Identifier	Return Reference	Explanation
MISSION STATEMENT	FORM 990, PART I, LINE 1 AND PART III, LINE 1	WE ENHANCE THE WELL BEING OF PEOPLE IN THE COMMUNITIES WE SERVE THROUGH OUR COMMITMENT TO COMPASSION, EXCELLENCE, INNOVATION AND A FULL CONTINUM OF HEALTH CARE SERVICES

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	GENERAL DESCRIPTION SUTTER WEST BAY HOSPITALS WAS FORMED IN JANUARY 1, 2010 IT CONSISTS O F FOUR HOSPITALS CALIFORNIA PACIFIC MEDICAL CENTER, NOVATO COMMUNITY HOSPITAL, SUTTER MED ICAL CENTER SANTA ROSA, AND LAKESIDE HOSPITAL CALIFORNIA PACIFIC MEDICAL CENTER (CPMC) IS ONE OF THE LARGEST PRIVATE, COMMUNITY BASED, NOT-FOR-PROFIT, TEACHING MEDICAL CENTERS IN CALIFORNIA CPMC IS A TERTIARY REFERRAL CENTER PROVIDING ACCESS TO LEADING EDGE MEDICINE W HILE DELIVERING THE BEST POSSIBLE PERSONALIZED CARE IT PROVIDES A WIDE VARIETY OF SERVICE S, INCLUDING ACUTE, POST-ACUTE AND OUTPATIENT HOSPITAL CARE, HOSPICE SERVICES, PREVENTIVE AND COMPLEMENTARY CARE, AND HEALTH EDUCATION CPMC IS COMPRISED OF THE FOUR OLDEST HOSPITA LS IN SAN FRANCISCO THE DAVIES CAMPUS, FORMERLY DAVIES MEDICAL CENTER, WAS FOUNDED IN 185 4 TO HELP SAN FRANCISCO'S GERMAN-SPEAKING IMMIGRANTS FIND WORK, SHELTER, FOOD, CLOTHING AN D HEALTH CARE THE PACIFIC CAMPUS WAS FOUNDED IN 1857 AND WAS THE FIRST MEDICAL SCHOOL IN THE AMERICAN WEST THE CALIFORNIA CAMPUS WAS FOUNDED IN 1875 AS THE PACIFIC DISPENSARY FOR WOMEN AND CHILDREN, A HOSPITAL RUN BY WOMEN, FOR WOMEN FINALLY, THE ST LUKE'S CAMPUS HA S BEEN PROVIDING QUALITY HEALTH SERVICES TO ALL SAN FRANCISCANS FOR OVER 130 YEARS TOGETH ER THE DAVIES, CALIFORNIA, PACIFIC AND ST LUKE'S CAMPUSES COMPRISE CPMC'S 1,258 LICENSED ACUTE CARE BEDS AND 25 RESIDENTIAL BEDS NOVATO COMMUNITY HOSPITAL (NOVATO) HAS SERVED THE NORTHERN MARIN AND SOUTHERN SONOMA COMMUNITIES SINCE 1961 IN 1985, THE HOSPITAL BECAME A N AFFILIATE OF SUTTER THE NOVATO FACILITY IS LOCATED AT 180 ROWLAND WAY AND IS A 47-BED A CUTE CARE HOSPITAL NOTED FOR ITS ORTHOPEDIC SURGERY PROGRAM SUTTER MEDICAL CENTER OF SANT A ROSA (SMCSR) HAS A LONG HISTORY IN SONOMA COUNTY DATING BACK TO 1866 WHEN THE FIRST HOSP ITAL OPENED IN 1996, SMCSR BECAME AN AFFILIATE OF SUTTER HEALTH SMCSR IS LICENSED TO OPE RATE 135 BEDS SUTTER LAKESIDE HOSPITAL (LAKESIDE) IS A 25-BED CRITICAL ACCESS HOSPITAL AN D IS ONE OF ONLY TWO HOSPITALS THAT SERVE THE 64,000 RESIDENTS OF LAKE COUNTY IN 1992, TH E HOSPITAL AFFILIATED WITH SUTTER HEALTH LAKESIDE PROVIDES A WIDE VARIETY OF SERVICES, IN CLUDING ACUTE, POST-ACUTE AND OUTPATIENT HOSPITAL CARE, SURGICAL SERVICES, PREVENTIVE CARE , AND HEALTH EDUCATION 2011 PATIENT ACTIVITY TOTAL EMERGENCY ROOM IP (ADMITTED) 18,754 EM ERGENCY ROOM OP (NOT ADMITTED) 121,991 TOTAL ER VISITS 140,745 ACUTE DISCHARGES (INCL PSY CH, REHAB) 37,613 SNF DISCHARGES 1,842 ALZHEIMER DISCHARGES 5 SUB ACUTE DISCHARGES 85 TOTA L DISCHARGES 39,545 DELIVERIES 8,114 TRANSPLANTS 317 SUTTER WEST BAY HOSPITALS MISSION STA TEMENT WE ENHANCE THE WELL BEING OF PEOPLE IN THE COMMUNITIES WE SERVE THROUGH OUR COMMITM ENT TO COMPASSION, EXCELLENCE, INNOVATION AND A FULL CONTINUUM OF HEALTH CARE SERVICES CL INICAL PROGRAMS INCLUDE - ASTHMA EDUCATION PROGRAM - BREAST FEEDING CENTERS - BREAST HEAL TH CENTERS - CALIFORNIA PACIFIC MEDICAL CENTER RESEARCH INSTITUTE - CANCER RECOVERY PROGRA MS - COMING HOME HOSPICE - COMMUNITY BENEFITS PROGRAMS (DETAILED BELOW) - COMMUNITY HEALTH RESOURCE CENTER - COMPREHENSIVE STROKE CENTER - DIABETES EDUCATION PROGRAM - END-STAGE OR GAN FAILURE/TRANSPLANTATION PROGRAMS (HEART, KIDNEY, LIVER, PANCREAS) - FORBES NORRIS MDA/ ALDS CENTER - HAND CLINIC - HOSPITALIST PROGRAM - INSTITUTE FOR HEALTH AND HEALING - IRENE SWINDELLS ALZHEIMER'S RESIDENTIAL CARE CENTER - LION'S EYE CLINIC - MUSCULAR DYSTROPHY AS SOCIATION NEUROMUSCULAR CLINIC - PACIFIC VISION FOUNDATION - PALLIATIVE CARE PROGRAM - PED IATRIC SPECIALTY SERVICES - REHABILITATION SERVICES (ACUTE AND OUTPATIENT) - SIBLING CENTE R - SMITH KETTLEWELL EYE RESEARCH INSTITUTE (THEY ARE INDEPENDENT OF CPMC) - SUB-ACUTE CA RE PROGRAM - TELEMEDICINE SERVICE (STROKE) - VISITING NURSES AND HOSPICE OF SAN FRANCISCO - WHITNEY NEWBORN ICU FOLLOW-UP CLINIC - WOMEN'S HEALTH RESOURCE CENTER - WOMEN'S SERVICES CLINICAL SERVICE OFFERINGS INCLUDE - AIDS & HIV SERVICES - ALZHEIMER'S - ARTHRITIS - BAR IATRIC SURGERY SERVICES - CANCER SERVICES - CARDIOVASCULAR SERVICES - CLINICAL LABORATORY - COMPLEMENTARY MEDICINE - COMPREHENSIVE STROKE SERVICES - CRITICAL CARE SERVICES - DIABET ES SERVICES (ADULT & PEDIATRIC) - DIAGNOSTIC SERVICES/LABORATORIES - DIALYSIS SERVICES - E MERGENCY SERVICES - EPILEPSY - GASTROENTEROLOGY DISEASE SERVICES - HOME HEALTH & HOSPICE - INTERVENTIONAL ENDOSCOPY SERVICES - KALMONOVITZ CHILD DEVELOPMENT CENTERS - MEDICAL TRANS PORT SERVICES - MICROSURGERY AND LIMB SALVAGE SERVICES - NEONATAL INTENSIVE CARE - NEUROLO GY - NEURO-ONCOLOGY SURGERY - NUCLEAR MEDICINE - NUTRITION AND WEIGHT MANAGEMENT - OBSTETR ICS & GYNECOLOGY - OCCUPATIONAL HEALTH - OPHTHALMOLOGY - ORGAN TRANSPLANTATION - ORTHOPEDI CS - OTOLARYNGOLOGY - OUTPATIENT CLINICS & SERVICES - PATHOLOGY - PEDIATRIC EMERGENCY DEPA RTMENT - PEDIATRIC SERVICES/PROGRAMS - PERIOPERATIVE SERVICES (OR AND POST-ANESTHESIA RECO VERY UNIT) - PHARMACY - PHYSICAL MEDICINE & REHABILITATION SERVICES - PSYCHIATRY - RADIOLO GY & DIAGNOSTIC IMAGING - RESPIRATORY CARE - RESID

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	ENCY TRAINING AND FELLOWSHIP PROGRAMS - SURGICAL SERVICES/AMBULATORY SURGERY - URGENT CARE CENTER - VENTRICULAR ASSIST DEVICE (VAD) PROGRAM - WOMEN'S HEALTH PROGRAMS - WOUND CARE N ON-CLINICAL SERVICES INCLUDE - ADMINISTRATIVE SERVICES - CHAPLAINCY SERVICES - CHARITY CA RE PROGRAM - COMMUNITY HEALTH RESOURCE CENTER - CONTINUING MEDICAL EDUCATION - INTERPRETER SERVICES - PATIENT SERVICES - RESEARCH INSTITUTE - SURGICAL TRAINING CENTER - VOLUNTEER S ERVICES - WEB NURSERY - CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION - NOVATO COMMUNITY HO SPITAL DEVELOPMENT OFFICE - SUTTER LAKESIDE FOUNDATION

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	COMMUNITY BENEFITS THE FOUR MEDICAL CENTERS IN SUTTER WEST BAY HOSPITALS (SWBH) PLAY INTEG RAL ROLES IN PROVIDING DIRECT HEALTH CARE SERVICES AS WELL AS MONETARY GRANTS OR SPONSORSH IPS TO NON-PROFIT ORGANIZATIONS TO ADDRESS THE COMMUNITY HEALTH NEEDS OF VULNERABLE, UNDER INSURED, AND UNINSURED POPULATIONS IN THEIR COMMUNITIES THE HOSPITALS' COMMUNITY BENEFIT REPRESENTATIVES WORK COLLABORATIVELY AND IN PARTNERSHIPS WITH A BROAD AND DIVERSE NETWORK OF COMMUNITY-BASED NON-PROFITS, CITY AND COUNTY AGENCIES, PHY SICIANS, AND NEIGHBORHOOD GRO UPS TO IDENTIFY LOCAL NEEDS, FORMULATE COMMUNITY BENEFIT PLANS, AND TAKE APPROPRIATE FUNDI NG ACTIONS WHILE SUTTER WEST BAY REGIONAL MANAGEMENT SETS OVERALL GOALS FOR COMMUNITY BEN EFITS, EACH OF THE AFFILIATES MEDICAL CENTER ADMINISTRATORS ARE RESPONSIBLE FOR IDENTIFY IN G HOW LOCAL NEEDS ARE TO BE ADDRESSED IN FISCAL YEAR 2011, SUTTER WEST BAY HOSPITALS PROV IDED A REGIONAL TOTAL OF $96 0 MILLION IN COST OF SERVICES AND CASH TO THE POOR AND UNDERS ERVED $24 6 MILLION IN TRADITIONAL CHARITY CARE, $66 9 MILLION IN THE UNPAID COSTS OF MED ICAID, AND $4 5 MILLION IN COSTS FOR OTHER MEANS-TESTED PROGRAMS IN ADDITION, THE FOLLOWI NG ARE HIGHLIGHTS BY HOSPITAL OF QUANTIFIABLE COMMUNITY BENEFITS IN SERVICES AND CASH FOR THE BROADER COMMUNITY CALIFORNIA PACIFIC MEDICAL CENTER (CPMC) IN 2011, CPMC PROVIDED $59 7 MILLION IN QUANTIFIABLE COMMUNITY BENEFITS AND CASH TO THE BROADER COMMUNITY CPMC SUST AINS ROBUST MEDICAL, NURSING, AND ALLIED HEALTH PROFESSIONS RESIDENCY PROGRAMS AS WELL AS A RESEARCH INSTITUTE THAT PROVIDE SIGNIFICANT COMMUNITY BENEFIT CPMC IS A MEMBER OF THE S AN FRANCISCO CHARITY CARE PARTNERSHIP AND BETTER HEALTHY SAN FRANCISCO CONSORTIUMS LED BY THE SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH THE CONSORTIUM CONSISTS OF REPRESENTATIVES FROM ALL OF THE CITY'S HOSPITALS AND OTHER HEALTHCARE-RELATED NON-PROFIT STAKEHOLDERS CON SORTIUM MEMBERS CONDUCT A TRI-ANNUAL COMMUNITY NEEDS ASSESSMENT, AS REQUIRED BY THE STATE, AND COORDINATE EFFORTS TO ADDRESS THE CITY'S HEALTH DISPARITIES IN SPECIFIC AT-RISK NEIGH BORHOODS OR VULNERABLE POPULATIONS THE CONSORTIUM IDENTIFIED FOUR PRIORITIES OF COMMUNITY HEALTH NEEDS, THESE PRIORITIES GUIDED CPMC'S COMMUNITY BENEFITS STRATEGY 1 ACCESS CPMC MANAGES OR FUNDS MANY PROGRAMS FOCUSED ON IMPROVING ACCESS TO CARE, INCLUDING THE FOLLOWIN G - AFRICAN AMERICAN BREAST HEALTH PROGRAM (CANCER SCREENING & PREVENTION) - BAYVIEW CHIL D HEALTH CENTER (PRIMARY CARE FOR LOW-INCOME CHILDREN) - LIONS EYE CLINIC (OUTPATIENT COMP LEX EYE SERVICES FOR LOW-INCOME INDIVIDUALS) 2 CHRONIC DISEASES CPMC FUNDS CHRONIC DISEAS E AND HEALTHY LIVING PROGRAMS FOR LOW INCOME POPULATIONS, INCLUDING THE FOLLOWING - HEALT H CHAMPIONS AT DEMARILLAC ACADEMY (HEALTHY LIFESTYLES) - HEALTHFIRST A CENTER FOR PREVENT ION AND EDUCATION (CHRONIC DISEASE MANAGEMENT) 3 COMMUNICABLE DISEASES CPMC ADMINISTERS O R FUNDS PROGRAMS FOCUSED ON SCREENING AND TREATING COMMUNICABLE DISEASES, INCLUDING THE FO LLOWING - HEPATITIS B FREE PROGRAM (NO-COST SCREENING & TREATMENT) - VARIOUS HEALTH FAIRS (NO-COST FLU SHOTS) 4 VIOLENCE AND INJURY PREVENTION CPMC'S PEDIATRICS CLINIC AT THE BAY VIEW CHILD HEALTH CENTER IN THE BAYVIEW DISTRICT OF SAN FRANCISCO OFFERS VIOLENCE & CHILDH OOD TRAUMA SERVICES FOR AT-RISK CHILDREN SUTTER MEDICAL CENTER OF SANTA ROSA (SMCSR) SMCS R SERVES SONOMA COUNTY, AS WELL AS OTHER COUNTIES IN THE NORTH BAY IN 2011, SMCSR PROVIDE D A TOTAL OF $10 7 MILLION IN QUANTIFIABLE COMMUNITY BENEFITS AND CASH TO THE BROADER COMM UNITY SMCSR CONDUCTS A TRI-ANNUAL NEEDS ASSESSMENT IN COLLABORATION WITH KEY STAKEHOLDERS IN THE LOCAL COMMUNITY COMMUNITY BENEFIT PROGRAMS INVOLVE COLLABORATION WITH A NETWORK O F COMMUNITY ORGANIZATIONS, COUNTY AGENCIES SUCH AS THE SONOMA DEPARTMENT OF HEALTH SERVICE S, AND OTHER HOSPITALS IN THE AREA THE NEEDS ASSESSMENT IDENTIFIED FOUR PRIORITIES IN COM MUNITY HEALTH NEEDS 1 MEDICAL EDUCATION SMCSR OPERATES THE FAMILY MEDICINE RESIDENCY PRO GRAM WHICH TRAINS PRIMARY CARE PHY SICIANS NEARLY 50% OF LOCAL FAMILY PHY SICIANS ARE GRADU ATES OF THIS RESIDENCY PROGRAM, INCLUDING PHY SICIANS WHO STAFF COMMUNITY HEALTH CENTERS CA RING FOR LOW-INCOME AND UNDERSERVED FAMILIES 2 CHILDREN'S HEALTH SMCSR PROVIDES FINANCIA L SUPPORT TO THE HEALTHY KIDS OF SONOMA COUNTY, WHICH IS A COLLABORATIVE THAT PROVIDES 2,3 00 LOW-INCOME CHILDREN WITH COMPREHENSIVE HEALTH INSURANCE 3 WORKFORCE DEVELOPMENT THE H EALTHCARE WORKFORCE DEVELOPMENT PROGRAM IS DESIGNED TO ENHANCE FUTURE WORKFORCE DIVERSITY BY PROVIDING INTERNSHIP OPPORTUNITIES FOR HIGH SCHOOL AND COLLEGE STUDENTS THROUGH COLLABO RATION WITH LOCAL HEALTHCARE AND EDUCATION PARTNERS THE SUMMER HEALTH CAREER INSTITUTE IS LOCATED AT SANTA ROSA JUNIOR COLLEGE 4 WOMEN'S HEALTH ONE OF THE PRIORITIES IS WOMEN'S HEALTH, THESE COMMUNITY BENEFIT ACTIVITIES ARE REPORTED BY SUTTER PACIFIC MEDICAL FOUNDATI ON, ANOTHER SUTTER WEST BAY HOSPITALS AFFILIATE, IN A DIFFERENT FORM 990 NOVATO COMMUNITY HOSPITAL (NOVATO) NOVATO COMMUNITY HOSPITAL SERVE

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	S MARIN COUNTY, AS WELL AS PORTIONS OF SOUTHERN SONOMA COUNTY IN 2011, NOVATO PROVIDED A TOTAL OF $189 THOUSAND IN QUANTIFIABLE COMMUNITY BENEFITS AND CASH TO THE BROADER COMMUNIT Y AND 3 9 MILLION IN HEALTHCARE COSTS OF SERVICES AND CASH TO THE POOR NOVATO IS A MEMBER OF THE HEALTHY MARIN PARTNERSHIP, A NETWORK OF HOSPITALS AND PUBLIC AND PRIVATE ORGANIZAT IONS THAT WORKS COLLABORATIVELY TO CONDUCT A TRI-ANNUAL COMMUNITY NEEDS ASSESSMENT AND COO RDINATE TARGETED PROGRAMS TO ADDRESS PRIORITY COMMUNITY NEEDS OTHER NETWORK MEMBERS INCLU DE THE CITY OF NOVATO, COUNTY OF MARIN, NOVATO UNIFIED SCHOOL DISTRICT, MARIN COMMUNITY CL INIC, MARIN GENERAL HOSPITAL, AND OPERATION ACCESS THREE AREAS OF NEEDS WERE SELECTED BY THE HOSPITAL FOR YEAR 2011 1 IMPROVING ACCESS TO CARE FOR THE UNDERSERVED, DISABLED, UNI NSURED, AND UNDERINSURED 2 DIABETES PREVENTION AMONG AT-RISK YOUTH AGES 10 TO 14 3 WOR KING WITH THE COMMUNITY TO INFLUENCE POLICY THAT PROMOTES A HEALTHY LIVING SUTTER LAKESID E HOSPITAL (LAKESIDE) IN 2011, LAKESIDE PROVIDED A TOTAL OF OVER $3 9 MILLION IN QUANTIFIA BLE COMMUNITY BENEFITS AND CASH TO THE BROADER COMMUNITY THE POPULATION SERVED INCLUDES A HIGH PERCENTAGE OF FAMILIES WHOSE LOW INCOME AFFECTS THEIR ACCESS TO HEALTHCARE SUTTER L AKESIDE'S COMMUNITY BENEFITS STRATEGY INCLUDES PREVENTIVE CARE, CLINICAL EDUCATION, AND SU BSIDIZING HEALTH SERVICES LAKESIDE PREVENTIVE CARE INCLUDES THE SPONSORING AND FUNDING PR OGRAMS THAT PROVIDE FREE OR LOW-COST PREVENTIVE CARE SCREENINGS AND TESTS, SUCH AS MAMMOGR AMS, SEASONAL AND H1N1 FLU VACCINATIONS LAKESIDE'S ROLE IN CLINICAL EDUCATION IS TO PROVI DE OPPORTUNITIES FOR STUDENTS FROM MULTIPLE CLINICAL PROGRAMS TO APPLY THEIR LEARNING UNDE R THE GUIDANCE AND SUPERVISION OF LAKESIDE'S STAFF FINALLY, LAKESIDE SUBSIDIZES THE OPERA TING COSTS OF HEALTH SERVICES THAT ARE CRUCIAL TO THE HEALTH AND WELLBEING OF THE COMMUNIT Y, INCLUDING, EMERGENCY DEPARTMENT, RURAL HEALTH CLINICS, PAIN CLINIC AND BIRTH CENTER

Identifier	Return Reference	Explanation
EXEMPT PURPOSE ACHIEVEMENTS	FORM 990, PART III, LINE 4A	CPMC RESEARCH INSTITUTE THE CALIFORNIA PACIFIC MEDICAL CENTER AND ITS RESEARCH INSTITUTE (CPMCRI) HAVE MADE A MAJOR COMMITMENT OF SPACE AND FUNDING TO ENHANCE ITS RESEARCH PROGRAMS CPMC NOW RANKS IN THE TOP 25 PERCENT OF ALL INDEPENDENT MEDICAL CENTERS IN THE U S IN NATIONAL INSTITUTE OF HEALTH FUNDING IN ADDITION TO BUILDING PROGRAMS IN CLINICAL RESEARCH, EPIDEMIOLOGY, BEHAVIORAL MEDICINE, AND PHARMACOKINETICS, CPMCRI HAS GREATLY STRENGTHENED ITS LABORATORY-BASED RESEARCH PROGRAMS APPROXIMATELY 60 PRINCIPAL INVESTIGATORS, BOTH LABORATORY AND CLINICAL RESEARCHERS, INCLUDING MOLECULAR BIOLOGISTS, IMMUNOLOGISTS, PHARMACOLOGISTS, BIOCHEMISTS, PHYSICISTS, EPIDEMIOLOGISTS, BEHAVIORAL SCIENTISTS, BIOSTATISTICIANS, AND COMPUTER SCIENTISTS WORK WITHIN THE RESEARCH INSTITUTE AND THE MEDICAL CENTER BIOMEDICAL RESEARCH IS CONDUCTED IN SUCH DIVERSE AREAS AS AGING, ARTHRITIS, EPILEPSY, DIABETES, NEUROBIOLOGY OF PAIN, CARDIOVASCULAR DISEASE, OSTEOPOROSIS, ORGAN TRANSPLANTATION, MECHANISMS OF DRUG ADDICTION, NEURODEGENERATIVE DISEASES (E G AMYOTROPHIC LATERAL SCLEROSIS), CANCER, AIDS, HEPATITIS AND OTHER INFECTIOUS DISEASES SOME OF THESE SCIENTISTS ARE ENGAGED IN RESEARCH THAT WILL HELP US UNDERSTAND THE FUNCTION OF CERTAIN HUMAN CELLS, GENES, PROTEINS AND OTHER FUNDAMENTAL STRUCTURES WITHIN OUR BODIES OVER 200 CLINICAL TRIALS, PRIMARILY FUNDED BY PHARMACEUTICAL AND BIOTECHNOLOGY COMPANIES, ARE CURRENTLY CONDUCTED AT THE MEDICAL CENTER THROUGH THE CPMCRI OFFICE OF CLINICAL RESEARCH IN 2005 CPMCRI MOVED INTO A 42,000 SQUARE FOOT LAB FACILITY IN THE CHINA BASIN AREA OF SAN FRANCISCO, AND IN 2009 ADDED AN ADDITIONAL 19,000 SQUARE FEET AT THAT FACILITY TO PROVIDE SPACE TO RECRUIT ADDITIONAL SCIENTISTS AND TO HOLD ADVANCED MEDICAL AND SURGICAL SIMULATION AT THE SIMSURG TRAINING FACILITY CPMCRI CREATES AN ACTIVE PARTNERSHIP BETWEEN CLINICIANS AND RESEARCHERS, MERGING RESEARCH INSTITUTE INTERESTS WITH THE NEEDS OF THE MEDICAL CENTER AND THE COMMUNITY OF PATIENTS THAT WE SERVE THIS COMBINED EFFORT IMPROVES HEALTH CARE DELIVERY AND PATIENTS BENEFIT DIRECTLY BY INCREASED ACCESS TO CUTTING EDGE THERAPIES THROUGH AN EXTENSIVE CLINICAL TRIAL PROGRAM WHEN ASSOCIATED WITH A RESEARCH PROGRAM, PHYSICIANS HAVE KNOWLEDGE AND ACCESS TO MORE EFFECTIVE TREATMENTS AND DIAGNOSTIC TECHNOLOGIES HEALTH EDUCATION AND TRAINING TWO OF THE FOUR SUTTER WEST BAY HOSPITALS HAVE FORMAL HEALTH EDUCATION AND TRAINING PROGRAMS SUTTER MEDICAL CENTER AT SANTA ROSA ESTABLISHED ITS FAMILY MEDICINE TRAINING PROGRAM IN 1938 THE SANTA ROSA FAMILY MEDICINE RESIDENCY IS A CRITICAL STRATEGIC HEALTHCARE ASSET THAT ADDRESSES THE GROWING PHYSICIAN SHORTAGE IN SONOMA COUNTY THE RESIDENCY HAS BEEN THE LARGEST SINGLE SOURCE OF FAMILY PHYSICIANS TO SONOMA COUNTY FOR OVER 70 YEARS, RESIDENCY GRADUATES COMPRISE NEARLY HALF OF FAMILY PHYSICIANS IN SONOMA COUNTY RESIDENCY GRADUATES FILL POSITIONS IN PRIVATE PRACTICES, COMMUNITY CLINICS, LARGE MEDICAL GROUPS SUCH AS SUTTER MEDICAL GROUP OF THE REDWOODS, THE PERMANENTE MEDICAL GROUP, LOCAL COMMUNITY HEALTH CENTERS, SONOMA COUNTY HEALTH SERVICES AND LEADERSHIP POSITIONS THROUGHOUT THE MEDICAL COMMUNITY THE THREE-YEAR PROGRAM IS AFFILIATED WITH THE UCSF DEPARTMENT OF FAMILY AND COMMUNITY MEDICINE CALIFORNIA PACIFIC MEDICAL CENTER PROVIDES A MODEL OF SPECIALTY CARE BY BLENDING EXCELLENCE IN ACADEMICS AND RESEARCH WITH A FOCUS ON PATIENT-CENTERED CARE CPMC IS A MAJOR TEACHING AFFILIATE OF DARTMOUTH MEDICAL SCHOOL, PROVIDING CLERKSHIPS IN MEDICINE, PSYCHIATRY, NEUROLOGY, PEDIATRICS AND OBSTETRICS-GYNECOLOGY ADDITIONAL CLERKSHIPS (IN SURGERY AND OBSTETRICS-GYNECOLOGY) ARE PROVIDED FOR STUDENTS FROM UCSF THE GRADUATE MEDICAL RESIDENCY TRAINING PROGRAMS OFFERED AT CPMC ARE OF THE HIGHEST CALIBER WITH CPMC'S PHYSICIANS EMBRACING THE ROLE OF EDUCATORS AS WELL AS CLINICIANS CPMC HAS INDEPENDENT RESIDENCY AND FELLOWSHIP PROGRAMS IN INTERNAL MEDICINE, PSYCHIATRY, RADIATION ONCOLOGY, OPHTHALMOLOGY, CARDIOVASCULAR DISEASES, GASTROENTEROLOGY, PULMONARY/CRITICAL CARE MEDICINE, HEPATOLOGY/TRANSPLANT, KIDNEY TRANSPLANT, STOKE, GLAUCOMA, RETINA, SHOULDER AND HAND CPMC ALSO OFFERS TRAINING IN PEDIATRICS, SURGERY, ORTHOPEDIC SURGERY, AND PLASTIC SURGERY TO UCSF RESIDENTS IN ADDITION, CPMC IS A TRAINING SITE FOR OPERATING ROOM NURSING STUDENTS, OCCUPATIONAL THERAPISTS, PHYSICAL THERAPISTS AND SURGICAL TECHNOLOGISTS CPMC OFFERS THE COLLECTIVE EXPERTISE OF THE MEDICAL CENTER PHYSICIANS AND STAFF TO PROVIDE CONSULTATION IN AREAS SUCH AS CARDIAC CARE, EMERGENCY ROOM OPERATIONS, GERIATRIC CARE, MANAGED CARE, NEW THERAPEUTIC APPROACHES TO OLD MEDICAL PROBLEMS, OBSTETRICS, SPECIALTY SERVICES, AND WORKER'S COMPENSATION CPMC'S PHYSICIANS PRESENT CONTINUING MEDICAL EDUCATION LECTURES AT HOSPITALS THROUGHOUT NORTHERN CALIFORNIA

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS	FORM 990, PART VI, QUESTIONS 6 & 7A	THIS CORPORATION IS AN AFFILIATE OF SUTTER HEALTH, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION SUTTER HEALTH IS THE SOLE MEMBER WITH THE RIGHT TO ELECT AT LEAST A MAJORITY OF THE MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
DESC CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS	FORM 990, PART VI, QUESTION 7B	SUTTER HEALTH AS THE SOLE MEMBER OF THE ORGANIZATION IS ENTITLED TO EXERCISE FULLY ALL RIGHTS AND PRIVILEGES OF MEMBERS OF NONPROFIT CORPORATIONS UNDER THE CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION LAW, AND ALL OTHER APPLICABLE LAWS THE MEMBER HAS THE RIGHTS AND POWERS TO APPOINT (AND REMOVE) MEMBERS OF THE CORPORATION'S BOARD OF DIRECTORS, SUBJECT TO THE PROVISIONS OF THE BYLAWS IN ADDITION, THE MEMBER HAS THE RIGHT TO APPROVE THE FOLLOWING ACTIONS OF THE CORPORATION'S BOARD OF DIRECTORS A MERGER, CONSOLIDATION, REORGANIZATION, OR DISSOLUTION OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, B AMENDMENT OR RESTATEMENT OF THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, C ADOPTION OF OPERATING BUDGETS OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, INCLUDING CONSOLIDATED OR COMBINED BUDGETS OF THE CORPORATION AND ALL SUBSIDIARY ORGANIZATIONS OF THE CORPORATION, D ADOPTION OF CAPITAL BUDGETS OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, E AGGREGATE OPERATING OR CAPITAL EXPENDITURES ON AN ANNUAL BASIS THAT EXCEED APPROVED OPERATING OR CAPITAL BUDGETS BY A SPECIFIED DOLLAR AMOUNT TO BE DETERMINED FROM TIME TO TIME BY THE GENERAL MEMBER, F LONG-TERM OR MATERIAL AGREEMENTS INCLUDING, BUT NOT LIMITED TO, BORROWINGS, EQUITY FINANCINGS, CAPITALIZED LEASES AND INSTALLMENT CONTRACTS, AND PURCHASE, SALE, LEASE, DISPOSITION, HYPOTHECATION, EXCHANGE, GIFT, PLEDGE, OR ENCUMBRANCE OF ANY ASSET, REAL OR PERSONAL, WITH A FAIR MARKET VALUE IN EXCESS OF A DOLLAR AMOUNT TO BE DETERMINED FROM TIME TO TIME BY THE DIRECTORS OF THE GENERAL MEMBER, WHICH SHALL NOT BE LESS THAN 10% OF THE TOTAL ANNUAL CAPITAL BUDGET OF THE CORPORATION, G APPOINTMENT OF AN INDEPENDENT AUDITOR AND HIRING OF INDEPENDENT COUNSEL EXCEPT IN CONFLICT SITUATIONS BETWEEN THE GENERAL MEMBER AND THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, H THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE ENTITY, I CONTRACTING WITH AN UNRELATED THIRD PARTY FOR ALL OR SUBSTANTIALLY ALL OF THE MANAGEMENT OF THE ASSETS OR OPERATIONS OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, J APPROVAL OF MAJOR NEW PROGRAMS AND CLINICAL SERVICES OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY THE GENERAL MEMBER SHALL FROM TIME TO TIME DEFINE THE TERM "MAJOR" IN THIS CONTEXT, K APPROVAL OF STRATEGIC PLANS OF THE CORPORATION OR ANY SUBSIDIARY OR AFFILIATE ENTITY, L ADOPTION OF QUALITY ASSURANCE POLICIES NOT IN CONFORMITY WITH POLICIES ESTABLISHED BY THE GENERAL MEMBER, M ANY TRANSACTION BETWEEN THE CORPORATION, A SUBSIDIARY OR AFFILIATE AND A DIRECTOR OF THE CORPORATION OR AN AFFILIATE OF SUCH DIRECTOR IN ADDITION, THE GENERAL MEMBER SHALL HAVE THE AUTHORITY (BY A VOTE OF NOT LESS THAN TWO-THIRDS (2/3) OF ITS BOARD), TO DECLARE A MAJOR ACTIVITY REQUIRING APPROVAL

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MGMT &/OR GOVERNING BODY TO REVIEW FORM 990	FORM 990, PART VI, QUESTION 11B	SUTTER HEALTH, A RELATED TAX-EXEMPT ORGANIZATION, HAS A CENTRALIZED TAX DEPARTMENT RESPONSIBLE FOR THE PREPARATION OF THE FORM 990 ANNUALLY THE TAX DEPARTMENT PROVIDES TRAINING AND EDUCATION TO AFFILIATE PERSONNEL WHO ASSIST THE TAX DEPARTMENT IN COLLECTING AND REVIEWING DATA TO BE REPORTED ON THE FORM 990 THE PREPARATION MATERIAL IS REVIEWED BY VARIOUS DEPARTMENTS INCLUDING TAX, FINANCE, LEGAL, AND HUMAN RESOURCES A NATIONAL ACCOUNTING FIRM PREPARES AND/OR REVIEWS THE RETURN A COMPLETED RETURN IS THEN REVIEWED BY THE TAX DEPARTMENT, THE AFFILIATE, AND THE CFO BEFORE THE RETURN IS FILED

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, QUESTION 12	EMPLOYEES ARE EDUCATED ON THE CONFLICT OF INTEREST POLICY AND THE NEED TO MAKE DISCLOSURE AS PART OF ANNUAL COMPLIANCE EDUCATION IN ADDITION, ANNUALLY A DISCLOSURE STATEMENT IS COMPLETED BY ALL DIRECTORS AND OFFICERS THAT INCLUDES AN ACKNOWLEDGEMENT THAT THEY HAVE READ THE CONFLICT OF INTEREST POLICY ON THIS STATEMENT THE INDIVIDUAL WILL LIST A WIDE RANGE OF INFORMATION WHICH INCLUDES BUSINESS RELATIONSHIPS, EMPLOYMENT RELATIONSHIPS, PROPERTY INTERESTS, AND THOSE OF RELATED PARTIES THE CEO AND BOARD CHAIR WILL REVIEW THE STATEMENTS AND MONITOR SITUATIONS THAT MAY POSE A POTENTIAL CONFLICT OF INTEREST THE CEO AND BOARD CHAIR MAY CONSULT WITH THE OFFICE OF THE GENERAL COUNSEL AS NECESSARY IF THERE IS A POTENTIAL CONFLICT OF INTEREST RELATED TO A PARTICULAR TRANSACTION, THE INTERESTED INDIVIDUAL MUST DISCLOSE THE EXISTENCE AND NATURE OF THE RELATIONSHIP THE BOARD CHAIR MAY APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE THE CONFLICT UNTIL THE POTENTIAL CONFLICT IS RESOLVED, THE BOARD CHAIR MAY REQUEST THE INDIVIDUAL TO NOT PARTICIPATE DURING RELATED PRESENTATIONS AND DISCUSSIONS IN ALL CIRCUMSTANCES INVOLVING AN ACTUAL CONFLICT, THE INTERESTED INDIVIDUAL SHALL REFRAIN FROM VOTING ON ANY MATTER RELATED TO THE TRANSACTION

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, QUESTION 15	THE COMPENSATION COMMITTEE OF THE SUTTER HEALTH BOARD OF DIRECTORS RETAINS ULTIMATE DISCRETIONARY AUTHORITY OVER ALL ELEMENTS OF COMPENSATION TO ENSURE THAT ORGANIZATIONAL PURPOSES ARE APPROPRIATELY BEING SERVED THE COMPENSATION COMMITTEE USES CREDIBLE DATA SOURCES AND MAINTAINS AN OBJECTIVE "ARMS LENGTH" DECISION-MAKING PROCESS, ENSURING THE INTEGRITY OF SUTTER'S EXECUTIVE PROGRAMS AND CONSISTENCY WITH THE ORGANIZATION'S OVERALL MISSION IN ORDER TO ENSURE EXTERNAL COMPETITIVENESS, NATIONAL, CALIFORNIA AND LOCAL MARKET AREA COMPENSATION DATA COMPARISONS ARE REVIEWED COMPETITIVE ANALYSIS INCLUDES (A) BASE SALARY, (B) TOTAL CASH (BASE SALARY + ANNUAL INCENTIVE) AND (C) TOTAL REMUNERATION (BASE SALARY + ANNUAL INCENTIVE + BENEFITS AND LONG TERM INCENTIVE) THIS ANALYSIS INCLUDES COMPARABLE ORGANIZATIONS AND GEOGRAPHIC CONSIDERATIONS FOR THE MOST SENIOR EXECUTIVE POSITIONS, NATIONAL COMPARISONS FOR ORGANIZATIONS SIMILAR IN SIZE, SCOPE AND COMPLEXITY AS SUTTER HEALTH ARE MOST APPROPRIATE SINCE IT IS A NATIONAL MARKETPLACE IN WHICH SUTTER COMPETES FOR EXECUTIVE TALENT ON THE OTHER HAND, BECAUSE CALIFORNIA'S UNDERLYING COMPENSATION STRUCTURE IS HIGHER THAN NATIONAL DATA (ESPECIALLY IN THE BAY AREA), REGIONAL PAY COMPARISONS AND ADJUSTMENTS ARE MADE OFFICERS AND KEY EMPLOYEES OF THIS ORGANIZATION WHO ARE SUTTER HEALTH EMPLOYEES UNDERGO A REVIEW AND COMPENSATION COMMITTEE APPROVAL, AND SUCH APPROVAL IS RECORDED IN THE MINUTES

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMT TO GEN PUBLIC	FORM 990, PART VI, QUESTION 19	THE SUTTER HEALTH SYSTEM POSTS ITS CURRENT AND PAST AUDITED FINANCIAL STATEMENTS AT SUTTERHEALTH ORG OTHER DOCUMENTS ARE ALSO LOCATED AT THIS WEBSITE INCLUDING THE ANNUAL REPORT, MISSION STATEMENT, HISTORY, AND LINKS TO AFFILIATE WEBSITES THE GOVERNING DOCUMENTS ARE NOT AVAILABLE TO THE PUBLIC AT THIS TIME

Identifier	Return Reference	Explanation
HOURS PER WEEK DEVOTED TO RELATED ORGANIZATION	FORM 990, PART VII	THE FOLLOWING BOARD MEMBER OF THE ORGANIZATION IS A FULL-TIME EMPLOYEE (40 HOURS PER WEEK) OF SUTTER HEALTH AND THEIR SUTTER HEALTH SALARY IS REPORTED HEREIN THIS INDIVIDUAL RECEIVES NO COMPENSATION FOR THEIR SERVICE AS BOARD MEMBER OF THIS ORGANIZATION PAT FRY

Identifier	Return Reference	Explanation
OTHER CHANGES IN FUND BALANCE	FORM 990, PART XI, LINE 5	CHANGE IN UNREALIZED GAIN/(LOSS) ON INVESTMENTS $ (11,267,000) EQUITY TRANSFERS (NET) (135,033,959) PARTNERSHIP INCOME BOOKED ON RETURN 12,894,883 K-1 ORDINARY INCOME (12,802,964) K-1 INTEREST INCOME (178,211) K-1 ORDINARY DIVIDENDS (1,295,738) K-1 SHORT-TERM CAPITAL GAIN 297,046 K-1 LONG-TERM CAPITAL GAIN (4,079,383) K-1 RENTAL INCOME (124,314) K-1 OTHER INCOME (73,478) CHANGE IN SPLIT INTEREST 26,366 OTHER CHANGES IN FUND BALANCE 2,516 PRIOR PERIOD ADJUSTMENT (7,314) ---------- TOTAL $(151,641,550) ==========

Identifier	Return Reference	Explanation
SCHEDULE K SUPPLEMENTAL INFORMATION	SCHEDULE K, PART VI	GLOBAL DISCLOSURE PART I, COLUMN (E) THE ORGANIZATION'S SOLE CORPORATE MEMBER IS A CONDUIT BORROWER OF TAX-EXEMPT BOND ISSUES THAT ALLOCATES PORTIONS OF EACH ISSUE TO CERTAIN SUBSIDIARY ORGANIZATIONS THE OUTSTANDING BOND LIABILITY ALLOCATED TO THIS ORGANIZATION IS REPORTED ON FORM 990, PART X, BALANCE SHEET WITH THE EXCEPTION OF PART I (F), THE SCHEDULE K FOR THIS ORGANIZATION IS REPORTING INFORMATION FOR THE ENTIRE BOND ISSUE PART II, LINE 7 ISSUANCE COSTS WERE FUNDED THROUGH EQUITY CONTRIBUTIONS SWBH SPECIFIC PART I, COLUMN (E) THE FILING ORGANIZATION RECEIVED BOND PROCEEDS IN THE AMOUNTS OF $165,813,667 FROM THE 2007A ISSUE, $55,943,275 FROM THE 2008A ISSUE AND $47,567,042 FROM THE 2011D ISSUE PART I, LINE B, COLUMN (F) THE REFUNDING OCCURRED VIA THE REPAYMENT OF A DRAW ON A TAXABLE LINE OF CREDIT, DRAWN IN SEVERAL INSTALLMENTS BETWEEN APRIL 7 AND APRIL 11, 2008, USED TO REFUND THE 2007 ISSUE THE REFUNDED BONDS ISSUED IN 2007 WERE USED TO REFUND BONDS ISSUED IN 1996 THAT WERE USED TO REFUND BONDS ISSUED IN 1985, 1989, 1990 AND 1991

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SUTTER WEST BAY HOSPITALS

Employer identification number
94-0562680

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) CATHEDRAL HEIGHTS LLC PO BOX 7999 SAN FRANCISCO, CA 94120 20-0511266	RENTAL PROP	CA	90,986	23,783	SWBH

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) HEALTH VENTURES INC 350 HAWTHORNE ST OAKLAND, CA 94609 94-2918780	HEALTH SERVICE	CA	NA	C CORP			

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 94-0562680
Name: SUTTER WEST BAY HOSPITALS

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
ADOLESCENT TREATMENT CENTERS INC 390 40TH STREET OAKLAND, CA 94609 68-0088443	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
ALTA BATES SUMMIT FOUNDATION 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 51-0160184	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER EBH	Yes	
CALIFORNIA PACIFIC MEDICAL CTR FOUND 2015 STEINER STREET 2ND FLOOR SAN FRANCISCO, CA 94115 94-2728423	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER WBH	Yes	
DELTA MEMORIAL HOSPITAL FOUNDATION 3901 LONE TREE WAY ANTIOCH, CA 94509 94-2417022	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER EBH	Yes	
EAST BAY PERINATAL CENTER 350 HAWTHORNE AVE OAKLAND, CA 94609 51-0172285	HEALTHCARE	CA	501(C)(3)	3	SUTTER EBH	Yes	
EDEN MEDICAL CENTER 20103 LAKE CHABOT ROAD CASTRO VALLEY, CA 94546 94-2948100	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
MARIN COMMUNITY HEALTH 250 BON AIRE ROAD GREENBRAE, CA 94904 94-2994751	SUPPORTING OR	CA	501(C)(3)	11b - II	SUTTER HLTH	Yes	
MILLS-PENINSULA HEALTH SERVICES 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 94-1156265	HOSPITAL	CA	501(C)(3)	3	PAMF	Yes	
MILLS-PENINSULA HOSPITAL FOUNDATION 1501 TROUSDALE DRIVE BURLINGAME, CA 94010 23-7288765	FUNDRAISING	CA	501(C)(3)	11a - I	MPHS	Yes	
PALO ALTO MEDICAL FOUNDATION 2350 EL CAMINO REAL MOUNTAIN VIEW, CA 94040 94-1156581	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SAMUEL MERRITT UNIVERSITY 450 30TH STREET 2840 OAKLAND, CA 94609 94-2992642	UNIVERSITY	CA	501(C)(3)	2	SUTTER EBH	Yes	
SUTTER AUBURN FAITH HOSPITAL FOUNDATION 11815 EDUCATION ST AUBURN, CA 95602 94-2594966	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER CENTRAL VALLEY HOSPITALS 1800 COFFEE ROAD SUITE 76 MODESTO, CA 95355 94-1080917	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER COAST HOSPITAL 800 E WASHINGTON BLVD CRESCENT CITY, CA 95531 94-2988520	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER DAVIS HOSPITAL FOUNDATION PO BOX 1617 DAVIS, CA 95617 68-0217870	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER SSR	Yes	
SUTTER EAST BAY HOSPITALS 3012 SUMMIT STREET 3RD FLOOR OAKLAND, CA 94609 94-1196176	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER EAST BAY MEDICAL FOUNDATION 3687 MT DIABLO BLVD 200 LAFAYETTE, CA 94549 94-2690415	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER GOULD MEDICAL FOUNDATION 600 COFFEE ROAD MODESTO, CA 95355 94-1682256	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER HEALTH 2200 RIVER PLAZA DRIVE SACRAMENTO, CA 95833 94-2788907	SUPPORTING OR	CA	501(C)(3)	11c III-FI	NA		No
SUTTER HEALTH PACIFIC 91-2301 FT WEAVER RD EWA BEACH, HI 96706 99-0298651	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
SUTTER HEALTH SACRAMENTO SIERRA REGION PO BOX 160727 SACRAMENTO, CA 95816 94-1156621	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER INSURANCE SERVICES CORPORATION 745 FORT STREET SUITE 800 HONOLULU, HI 96813 99-0289310	INSURANCE SER	HI	501(C)(3)	11b - II	SUTTER HLTH	Yes	
SUTTER MEDICAL CENTER FOUNDATION PO BOX 160727 SACRAMENTO, CA 95816 94-2788906	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER MEDICAL CENTER CASTRO VALLEY 20130 LAKE CHABOT RD 103 CASTRO VALLEY, CA 94546 77-0146047	HOSPITAL	CA	501(C)(3)	3	SUTTER HLTH	Yes	
SUTTER MEDICAL FOUNDATION 2800 L STREET 7TH FLOOR SACRAMENTO, CA 95816 68-0273974	HEALTH CARE	CA	501(C)(3)	11b - II	SUTTER HLTH	Yes	
SUTTER ROSEVILLE MEDICAL CTR FOUNDATION ONE MEDICAL PLAZA ROSEVILLE, CA 95661 68-0040113	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER SOLANO CHARITABLE FOUNDATION 300 HOSPITAL DRIVE VALLEJO, CA 94589 94-2668262	FUNDRAISING	CA	501(C)(3)	7	SUTTER SSR	Yes	
SUTTER VISITING NURSE ASSOC AND HOSPICE 1900 POWELL ST 300 EMERYVILLE, CA 94608 94-6068843	HEALTH CARE	CA	501(C)(3)	9	SUTTER HLTH	Yes	
SUTTER WEST BAY MEDICAL FOUNDATION 2015 STEINER STREET 1ST FLOOR SAN FRANCISCO, CA 94115 94-2948131	HEALTHCARE	CA	501(C)(3)	3	SUTTER HLTH	Yes	
TRACY HOSPITAL FOUNDATION 1420 N TRACY BLVD TRACY, CA 95376 68-0318845	FUNDRAISING	CA	501(C)(3)	11a - I	SUTTER CVH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
CALIFORNIA PACIFIC ADV IMAGING LLC PO BOX 6102 NOVATO, CA 94948 56-2311840	MRI JOINT VENTURE	CA	NA	RELATED	1,727,632	765,818		No	0	Yes		51 000 %
SAN FRANCISCO ENDOSCOPY CENTER LLC 3000 RIVERCHASE BIRMINGHAM, AL 35244 91-2160588	ENDOSCOPY JV	CA	NA	RELATED	5,039,217	2,141,472		No	0		No	51 000 %
PRESIDIO SURGERY CENTER LLC 1635 DIVISADERO SF, CA 94115 32-0144060	AMBULATORY SURG	CA	NA	RELATED	6,040,176	4,109,061		No	0	Yes		51 000 %
MAGNETIC IMAGING AF 175 LENNON WLN CK, CA 94598 94-2953833	PATIENT CARE	CA	NA	N/A	0	0						0 %
SURG CTR OF ABSMC 3875 TELEGRAPH OAKLAND, CA 94609 47-0946086	OUTPATIENT SURG	CA	NA	N/A	0	0						0 %
ALTA CT SERVICES LP 175 LENNON WLN CK, CA 94598 94-3083464	PATIENT CARE	CA	NA	N/A	0	0						0 %
SUTTER FAIRFIELD SURGERY CTR 2700 LOW CT FAIRFIELD, CA 94533 30-0233892	SURGERY	CA	NA	N/A	0	0						0 %
TWIN CITIES SURGICAL HOSPITAL LLC 250 S WACKER CHICAGO, IL 60606 35-2182617	SURGERY	CA	NA	N/A	0	0						0 %

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)	CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION	K	6,728,916	FMV
(2)	CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION	K	135,067	FMV
(3)	CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION	K	120,979	FMV
(4)	CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION	K	97,518	FMV
(5)	CALIFORNIA PACIFIC MEDICAL CENTER FOUNDATION	C	10,822,317	FMV
(6)	CATHEDRAL HEIGHTS LLC	L	30,000	FMV
(7)	CALIFORNIA PACIFIC ADVANCED IMAGING LLC	R	1,856,400	FMV
(8)	SAN FRANCISCO ENDOSCOPY CENTER LLC	R	4,720,050	FMV
(9)	PRESIDIO SURGERY CENTER LLC	R	5,154,876	FMV
(10)	EDEN MEDICAL CENTER	P	1,525,401	FMV
(11)	MILLS-PENINSULA HEALTH SERVICES	P	636,650	FMV
(12)	PALO ALTO MEDICAL FOUNDATION	O	2,247,342	FMV
(13)	SUTTER EAST BAY HOSPITALS	P	2,117,821	FMV
(14)	SUTTER EAST BAY HOSPITALS	L	100,551	FMV
(15)	SUTTER VISITING NURSE ASSOC AND HOSPICE	O	91,667	FMV
(16)	SUTTER VISITING NURSE ASSOC AND HOSPICE	I	708,685	FMV
(17)	SUTTER WEST BAY MEDICAL FOUNDATION	P	519,615	FMV

Sutter Health and Affiliates

Combined Financial Statements
and
Other Financial Information

Year ended December 31, 2011 and 2010

Contents

Sutter Health and Affiliates

Combined Financial Statements
and
Other Financial Information

Year ended December 31, 2011 and 2010

Contents (continued)

Report of Independent Auditors

The Board of Directors
Sutter Health and Affiliates

We have audited the accompanying combined balance sheets of Sutter Health and Affiliates as of December 31, 2011 and 2010, and the related combined statements of operations and changes in net assets, and cash flows for the years then ended These financial statements are the responsibility of Sutter Health and Affiliates' 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 Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement We were not engaged to perform an audit of Sutter Health and Affiliates' internal control over financial reporting Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sutter Health and Affiliates' internal control over financial reporting Accordingly, we express no such opinion An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

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

As discussed in Note 2 to the combined financial statements, Sutter Health and Affiliates have elected to change the presentation of the provision for bad debts associated with patient service revenue by reclassifying the provision from operating expenses to a deduction from patient service revenues in the combined financial statements at December 31, 2011 and 2010

Ernst & Young LLP

March 20, 2012

Sutter Health and Affiliates

Combined Balance Sheets

(Dollars in millions)

	December 31, 2011	2010
Assets		
Current assets		
Cash and cash equivalents	**$ 289**	$ 356
Short-term investments	**2,914**	2,167
Patient accounts receivable (net of allowance for doubtful accounts of $310 in 2011 and $277 in 2010)	**1,076**	1,058
Other receivables	**240**	244
Securities lending receivable	**–**	172
Inventories	**87**	89
Other	**70**	68
Total current assets	**4,676**	4,154
Non-current investments	**1,133**	939
Property, plant and equipment, net	**5,668**	5,227
Other	**343**	473
	$ 11,820	$ 10,793
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 275**	$ 261
Accrued salaries and related benefits	**469**	472
Other accrued expenses	**458**	419
Securities lending collateral payable	**–**	176
Current portion of long-term obligations	**368**	71
Total current liabilities	**1,570**	1,399
Non-current liabilities		
Long-term obligations, less current portion	**3,042**	2,422
Other	**680**	639
Net assets		
Unrestricted controlling	**6,128**	5,950
Unrestricted noncontrolling	**56**	41
Temporarily restricted	**219**	225
Permanently restricted	**125**	117
	6,528	6,333
	$ 11,820	$ 10,793

See accompanying notes.

Sutter Health and Affiliates

Combined Statements of Operations and Changes in Net Assets

(Dollars in millions)

	Year ended December 31, 2011	2010
Unrestricted net assets		
Operating revenues		
Patient service revenues	**$ 8,128**	$ 7,858
Provision for bad debts	**(375)**	(332)
Patient service revenues less provision for bad debts	**7,753**	7,526
Capitation revenues	**992**	940
Contributions	**11**	10
Other	**323**	308
Total operating revenues	**9,079**	8,784
Operating expenses		
Salaries and employee benefits	**4,107**	4,001
Purchased services	**1,929**	1,716
Supplies	**1,001**	968
Depreciation and amortization	**460**	424
Capitated purchased services	**273**	216
Rentals and leases	**126**	124
Interest	**84**	67
Insurance	**28**	25
Other	**374**	558
Total operating expenses	**8,382**	8,099
Income from operations	**697**	685
Investment income	**156**	124
Change in net unrealized gains and losses on investments classified as trading	**(170)**	112
Income	**683**	921
Less income attributable to noncontrolling interests	**(49)**	(43)
Income attributable to Sutter Health	**634**	878

Sutter Health and Affiliates

Combined Statements of Operations and Changes in Net Assets (continued)

(Dollars in millions)

	Year ended December 31, 2011	2010
Unrestricted net assets (continued)		
Unrestricted controlling net assets		
Income attributable to Sutter Health	**$ 634**	$ 878
Change in net unrealized gains and losses on investments classified as other-than-trading	**(11)**	3
Net assets released from restrictions for equipment acquisition	**22**	9
Donated long-lived assets	**–**	2
Pension-related changes other than net periodic pension cost	**(478)**	35
Transfers with unrelated entities, net	**–**	16
Other	**11**	5
Increase in unrestricted controlling net assets	**178**	948
Unrestricted noncontrolling net assets		
Income attributable to noncontrolling interests	**49**	43
Distributions	**(47)**	(40)
Contributed capital	**4**	2
Other	**9**	–
Increase in unrestricted noncontrolling net assets	**15**	5
Temporarily restricted net assets		
Contributions	**52**	40
Investment income	**6**	7
Change in net unrealized gains and losses on investments	**(13)**	10
Net assets released from restrictions	**(44)**	(35)
Other	**(7)**	(1)
(Decrease) increase in temporarily restricted net assets	**(6)**	21
Permanently restricted net assets		
Contributions	**10**	3
Investment income	**–**	1
Change in net unrealized gains and losses on investments	**(1)**	1
Other	**(1)**	(1)
Increase in permanently restricted net assets	**8**	4
Increase in net assets	**195**	978
Net assets, beginning of year	**6,333**	5,355
Net assets, end of year	**$ 6,528**	$ 6,333

See accompanying notes.

Sutter Health and Affiliates

Combined Statements of Cash Flows

(Dollars in millions)

	Year ended December 31, 2011	2010
Operating activities		
Increase in net assets	**$ 195**	$ 978
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Gain on sale of business unit	**(27)**	–
Depreciation and amortization	**435**	407
Amortization of bond issuance (premium) discount	**(3)**	(3)
Change in net unrealized gains and losses on investments	**195**	(126)
Provision for doubtful accounts	**375**	332
Restricted contributions and investment income	**(68)**	(51)
Loss on impairment of property, plant and equipment	**20**	16
Loss on impairment of goodwill	**1**	–
Loss on disposal of property, plant and equipment	**4**	1
Net changes in operating assets and liabilities		
Patient accounts receivable and other receivables	**(217)**	(445)
Inventories and other assets	**160**	(85)
Accounts payable and accrued expenses	**(126)**	93
Other non-current liabilities	**41**	71
Net cash provided by operating activities	**985**	1,188
Investing activities		
Purchases of property, plant and equipment	**(898)**	(851)
Proceeds from disposal of property, plant and equipment	**1**	1
(Purchases) and sales or maturities of investments, net	**(1,136)**	(362)
Gain on sale of business unit	**27**	–
Other	**(23)**	(2)
Net cash used in investing activities	**(2,029)**	(1,214)

Sutter Health and Affiliates

Combined Statements of Cash Flows (continued)

(Dollars in millions)

	Year ended December 31, 2011	2010
Financing activities		
Payments of long-term obligations	**$ (25)**	$ (28)
Payments for bond redemption	**(172)**	(39)
Proceeds from issuance of long-term obligations	**1,101**	10
Bond issuance costs	**(11)**	–
Bond issuance premium (discount), net	**16**	–
Restricted contributions and investment income	**68**	51
Net cash provided by (used in) financing activities	**977**	(6)
Net decrease in cash and cash equivalents	**(67)**	(32)
Cash and cash equivalents at beginning of year	**356**	388
Cash and cash equivalents at end of year	**$ 289**	$ 356
Supplementary disclosures of cash flow information		
Cash paid during the year for interest (net of capitalized interest costs of $77 in 2011 and $58 in 2010)	**$ 72**	$ 68

See accompanying notes.

1. ORGANIZATION

Sutter Health is a California not-for-profit multi-provider integrated health care delivery system headquartered in Sacramento, California, which includes a centralized support group and various health care-related businesses operating primarily in five geographic regions, principally in Northern California Sutter Health and its affiliates and subsidiaries provide health care, education, research and administration services

The five geographic regions include acute care and psychiatric hospitals, skilled nursing facilities, medical foundations, fundraising foundations and a variety of other specialized health care service providers These entities are commonly referred to as the Affiliates Most acute care hospitals provide a full range of medical services (e g , surgical, intensive care, emergency room, and obstetrics) All emergency rooms provide emergency care, regardless of a patient's ability to pay Sutter Health and its Affiliates also serve their communities with programs including health education, health libraries, school-based clinics, home health care, hospice care, adult day care, prenatal clinics, community clinics, immunization services, and training health professionals

2 ACCOUNTING POLICIES

Basis of Combination The combined financial statements include the accounts of Sutter Health and its controlled affiliates and subsidiaries (Sutter) All significant intercompany accounts and transactions have been eliminated in combination

Use of Estimates The preparation of financial statements in conformity with United States (U S) generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes Actual results could differ from those estimates

Cash Equivalents Cash equivalents include all highly liquid investments with original maturities of 90 days or less, including money market accounts with limited market risk Financial instruments that potentially subject Sutter to concentrations of credit risk include cash equivalents and investments Sutter places certain of its cash in banks that are federally insured in limited amounts and in investment-grade debt instruments, many of which are backed by the U S Government or other government agencies Cash equivalents are stated at fair market value

2 ACCOUNTING POLICIES (continued)

Investments Investments consist principally of corporate debt and equity securities, U S Government and agency securities, and foreign government and corporate debt securities, all of which are designated as either trading or other-than-trading and carried at fair market value Certain investments are held in trust These include assets held by trustees in accordance with the indentures relating to long-term obligations In addition, certain investments are designated by the appropriate Sutter governing boards for future capital improvements

Patient Accounts Receivable Sutter's primary concentration of credit risk is patient accounts receivable, which consist of amounts owed by various governmental agencies, insurance companies and private patients Sutter manages the receivables by regularly reviewing its patient accounts and contracts and by providing appropriate allowances for uncollectible amounts These allowances are estimated based upon an evaluation of historical payments, negotiated contracts and governmental reimbursements Sutter's allowance for doubtful accounts for self-pay patients was 90% of self-pay accounts receivable at December 31, 2011 and 2010 Adjustments and changes in estimates are recorded in the period in which they are determined Significant concentrations of gross patient accounts receivable are as follows

	December 31,	
	2011	**2010**
Medicare	**25%**	28%
Medi-Cal	**21%**	20%

During 2011 and 2010, certain affiliates collected on accounts that were previously deemed uncollectible and reserved Such recoveries are recognized in the period that cash is received and were not material Due to the inherent variability in this area of patient receivable collections, there is at least a reasonable possibility that recorded estimates may change by a material amount in the near term

2 ACCOUNTING POLICIES (continued)

Securities Lending Sutter has participated in securities lending transactions with its custodian whereby Sutter lent a portion of its investments to various brokers in exchange for collateral for the securities loaned, usually on a short-term basis At December 31, 2010, the market value of the securities on loan was $172 In January 2011, management terminated its participation in the program

Inventories Inventories, which consist principally of medical and other supplies, are stated on the basis of cost determined by the first-in, first-out method, which is not in excess of market

Property, Plant and Equipment Property, plant and equipment are stated on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation, less depreciation and any impairment write-downs Equipment includes medical equipment, furniture and fixtures, software, and internally-developed software Routine maintenance and repairs are charged to expense as incurred Expenditures that increase values, change capacities or extend useful lives are capitalized, as is interest on amounts borrowed to finance constructed assets during the construction phase

Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years for buildings and improvements and leasehold improvements and from 3 to 20 years for equipment Amortization of equipment under capital leases is included in depreciation and amortization expense

Asset Impairment Sutter routinely evaluates the carrying value of its long-lived assets for impairment The evaluations address the estimated recoverability of the assets' carrying value, which is principally determined based on projected net cash flows generated by the underlying tangible assets When the carrying value of an asset exceeds estimated recoverability, asset impairment is recognized

2 ACCOUNTING POLICIES (continued)

Other Assets Goodwill represents the excess of purchase price over the fair market value of net assets acquired Goodwill and other intangible assets acquired in business combinations that have indefinite useful lives are subject to impairment tests Sutter performs impairment tests at the reporting unit level annually or when events occur that require an evaluation to be performed If the carrying value of goodwill is determined to be impaired, or if the carrying value of a business that is to be sold or otherwise disposed of exceeds its fair value, then the carrying value is reduced, including any allocated goodwill, to fair value Estimates of fair value are based on appraisals, established market prices for comparative assets or internal estimates of future net cash flows based on projected performance, depending on circumstances Sutter reported additions in goodwill of $22 for 2011 There were no material changes in goodwill for 2010

Unamortized financing costs associated with the issuance of long-term bonds are amortized ratably over the estimated average period the bonds will be outstanding

Other Liabilities Other non-current liabilities consist of (i) insurance liabilities, including estimated liabilities for professional liability losses, employee health and workers' compensation, (ii) the portion of estimated third-party settlements not expected to be settled within a year, (iii) other postretirement benefits liabilities, and (iv) certain other liabilities

Risk Management Sutter is self-insured for workers' compensation and employee health for most affiliates Also, affiliates are insured by a wholly owned self-insured captive insurance company for professional liability claims and comprehensive general liability The provisions for estimated workers' compensation, employee health, and professional liability and comprehensive general liability claims include estimates of the ultimate costs for both uninsured reported claims and claims incurred-but-not-reported (IBNR), in accordance with actuarial projections or paid claims lag models based on past experience Such claim reserves are based on the best data available to Sutter, however, these estimates are subject to a significant degree of inherent variability Accordingly, there is at least a reasonable possibility that a material change to the estimated reserves will occur in the near term Such estimates are continually monitored and reviewed, and as reserves are adjusted, the differences are reflected in current operations While the ultimate amount of workers' compensation, employee health, and professional liability and comprehensive general liability claims is dependent on future developments, management is of the opinion that the associated liabilities recognized in the accompanying combined financial statements are adequate to cover such claims

2 ACCOUNTING POLICIES (continued)

Sutter has entered into reinsurance, stop loss, and excess policy agreements with independent insurance companies to limit its losses on workers' compensation, employee health, professional liability and comprehensive general liability claims

Workers' compensation liabilities were $197 and $155 discounted using a rate of 2 2% and 3 0%, as of December 31, 2011 and 2010, respectively Sutter has other workers' compensation plans administered at certain affiliates that are discounted using rates ranging from 1 3% to 3 0% and 2 4% to 3 0%, as of December 31, 2011 and 2010, respectively, with reserves amounting to $35 and $55, respectively Employee health liabilities were $36 and $43, and were recorded on an undiscounted basis in accrued salaries and employee benefits Professional liabilities were $101 and $103 discounted at a rate of 1 3% and 1 6% as of December 31, 2011 and 2010, respectively Management is not aware of any potential professional liability claims whose settlement would have a material adverse effect on Sutter's combined financial position

In lieu of a security deposit requirement, most of Sutter's self-insured workers' compensation plans paid assessment charges to participate in California Self Insurers' Alternative Security Program, which provided coverage of $119 and $105 as of December 31, 2011 and 2010, respectively

Asset Retirement Obligations Sutter has recorded an estimated liability of $47 and $54 at December 31, 2011 and 2010, respectively, related to the fair value of costs for asbestos abatement that will result from Sutter's current plans to renovate and/or demolish certain acute care facilities

Contingencies Estimated losses from contingencies are recorded when they are probable and reasonably estimable

Net Assets Net resources that are not restricted by donors are included in unrestricted net assets Gifts of long-lived operating assets, such as property, plant or equipment, are reported as unrestricted net assets and excluded from income Resources restricted by donors for a specified time or purpose are reported as temporarily restricted net assets

2 ACCOUNTING POLICIES (continued)

When the specific purposes are met, either through passage of a stipulated time period or when the purpose for restriction is accomplished, they are released to other operating revenues in the combined statement of operations and changes in net assets Resources temporarily restricted by donors for additions to property, plant and equipment are initially reported as temporarily restricted net assets and are transferred to unrestricted net assets when expended Donor-imposed restrictions, which stipulate that the resources be maintained permanently, are reported as permanently restricted net assets

Investment income related to temporarily or permanently restricted net assets is classified as either temporarily restricted or unrestricted based on the intent of the donor, or is added to permanently restricted net assets if required by the donor

Patient Service Revenues and Patient Service Revenues less Provision for Bad Debts
Patient service revenues are reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement programs with third-party payers Estimated settlements under third-party reimbursement programs are accrued in the period the related services are rendered and adjusted in future periods, primarily as a result of final cost report settlements with government agencies Sutter had no changes in its charity care or uninsured discount policies in 2011

Sutter adopted the accounting standard addressing the presentation of the provision for bad debts in 2011, and as such, patient service revenues less provision for bad debts are reported net of the provision for bad debts on the combined statement of operations and changes in net assets Sutter's self-pay write-offs were $308 for 2011 and $280 for 2010 The increase in write-offs was the result of negative trends experienced in the collection of amounts from self-pay patients in 2011 The provision for bad debts for 2010 was reclassified as a reduction of patient service revenues

Patient services revenues, net of contractual allowances and discounts as of December 31, are as follows

	Year ended December 31,	
	2011	**2010**
Government	**$ 2,779**	$ 2,903
Contracted	**5,062**	4,670
Self-pay and others	**287**	285
	$ 8,128	$ 7,858

2 ACCOUNTING POLICIES (continued)

Purchased Services Purchased services expense is made up of a wide variety of contracted and other purchased services, including medical group compensation, other professional fees, and repairs and maintenance Medical group compensation is accrued by Sutter according to professional services agreements between affiliated medical foundations and their contracted medical groups

Capitated Services Sutter has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing participants Under these agreements, Sutter receives monthly capitation payments based on the number of each HMO's participants that are covered by the contract, regardless of services provided by Sutter Certain of these agreements also contain provisions whereby additional amounts may be due or paid Sutter accrues costs for out-of-area services when services are rendered under these contracts, including estimates of IBNR claims and amounts receivable/payable under risk-sharing arrangements The IBNR accrual is an estimate of the cost of services for which Sutter is responsible

Advertising Sutter expenses advertising costs as incurred Advertising expense (included in other operating expenses) was $23 in 2011 and $19 in 2010

Research and Development Sutter expenses research and development costs as incurred Research and development expense (included in other operating expenses) was $46 in 2011 and $44 in 2010

Income Taxes Sutter Health and most affiliates have been determined to be exempt organizations by the Internal Revenue Service, (pursuant to Internal Revenue Code Section 501(c) (3)), and the California Franchise Tax Board (pursuant to California Revenue and Taxation Code 23701(d)) and, generally, are not subject to taxes on income

Certain activities of Sutter are subject to income taxes, however, such activities are not significant to the combined financial statements With respect to its for-profit subsidiaries and taxable activities, Sutter records income taxes using the liability method under which deferred tax assets and liabilities are determined based on the differences between the financial accounting and tax bases of assets and liabilities Deferred tax assets or liabilities at the end of each period are determined using the currently enacted tax rate expected to apply to taxable income in the periods that the deferred tax asset or liability is expected to be realized or settled

2 ACCOUNTING POLICIES (continued)

Sutter recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement Sutter recognizes interest and penalties related to income tax matters in operating expenses At December 31, 2011 and 2010, there were no such uncertain tax positions

Performance Indicator "Income" or "Income attributable to Sutter Health" as reflected in the accompanying combined statements of operations and changes in net assets are performance indicators Performance indicators include changes in unrestricted net assets other than contributions of long-lived assets, changes in net unrealized gains and losses on investments classified as other-than-trading, retirement plans and post-retirement benefits actuarial gains and losses and prior service costs, discontinued operations, cumulative effects of changes in accounting principles and extraordinary items

Adoption of New Accounting Pronouncements In September 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No 2011-09, *Compensation — Retirement Benefits — Multiemployer Plans,* amending Accounting Standards Codification (ASC) 715-80, *Disclosures about an Employer's Participation in a Multiemployer Plan,* which requires employers to provide additional separate disclosures for multiemployer pension plans and multiemployer other postretirement benefit plans Sutter adopted ASU 2011-09 effective December 31, 2011, and the adoption of this guidance did not have a material impact on Sutter's combined financial condition, results of operations, or cash flows

In July 2011, the FASB issued ASU No 2011-07, *Health Care Entities,* ASC 954, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities,* which amended ASC 954, *Health Care Entities,* to provide greater transparency regarding a health care entity's net patient service revenue and the related allowance for doubtful accounts ASU 2011-07 requires certain health care entities to change the presentation of the provision for bad debts associated with patient service revenue by reclassifying the provision from operating expenses to a deduction from patient service revenues and requires enhanced disclosures about patient service revenues and the policies for recognizing revenue and assessing bad debts Sutter adopted ASU 2011-07 effective December 31, 2011

2 ACCOUNTING POLICIES (continued)

In May 2011, the FASB issued ASU No 2011-04, *Fair Value Measurement,* ASC 820, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs,* which amended ASC 820, *Fair Value Measurement* to change the wording used to describe many of the requirements in U S GAAP for measuring fair value and for disclosing information about fair value measurements Management is currently evaluating the potential impact of this guidance, which will be effective January 1, 2012, but does not expect it to have a material impact on the combined financial condition, results of operations, or cash flows

In August 2010, the FASB issued ASU No 2010-24, *Health Care Entities,* ASC 954, *Presentation of Insurance Claims and Related Insurance Recoveries,* which clarifies that a health care entity should not net insurance recoveries against a related claim liability Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries Sutter adopted ASU 2010-24 effective January 1, 2011, and the adoption of this guidance did not have a material impact on Sutter's combined financial condition, results of operations, or cash flows

In August 2010, the FASB issued ASU No 2010-23, *Health Care Entities,* ASC 954, *Measuring Charity Care for Disclosures*, which requires that cost be used as a measurement for charity care disclosure purposes and that cost can be identified as the direct and indirect costs of providing the charity care It also requires disclosure of the method used to identify or determine such costs Sutter adopted ASU 2010-24 effective January 1, 2011, and the adoption of this guidance did not have a material impact on Sutter's combined financial condition, results of operations, or cash flows

In February 2010, the FASB issued ASU No 2010-09, *Subsequent Events: Amendments to Certain Recognition and Disclosure Requirements*, which amended ASC 855, *Subsequent Events*, requiring the evaluation of subsequent events through the date that the financial statements are issued Sutter adopted ASU 2010-09 effective January 1, 2010, and the adoption of this guidance did not have a material impact on Sutter's combined financial condition, results of operations, or cash flows

In January 2010, the FASB issued ASU No 2010-06, *Improving Disclosures about Fair Value Measurement,* which amended ASC 820, *Fair Value Measurements and Disclosures,* to require new disclosures related to transfers in and out of Level 1 and 2 fair value measurements, including reasons for the transfers, and to require new disclosures related to activity in Level 3 fair value measurements In addition, ASU 2010-06 clarifies existing disclosure requirements related to the level of disaggregation of

2 ACCOUNTING POLICIES (continued)

classes of assets and liabilities, and provides further detail about inputs and valuation techniques used for fair value measurement Sutter adopted ASU 2010-06 effective January 1, 2010, and the adoption did not have a material impact on the combined financial condition, results of operations, or cash flows

Reclassifications Certain amounts in Sutter's 2010 combined financial statements have been reclassified to conform with the presentation of its 2011 combined financial statements These reclassifications had no impact on previously reported income or net assets

3. INVESTMENTS

Investments are held for the following uses

	December 31, 2011	2010
Assets held in trust		
Principal, interest and other reserves held in trust under bond indentures	**$ 682**	$ 244
Internally designated	**493**	593
Investments	**2,872**	2,269
	4,047	3,106
Less short-term investments	**(2,914)**	(2,167)
Non-current investments	**$ 1,133**	$ 939

Investment income includes the following

	Year ended December 31, 2011	2010
Interest and dividends	**$ 105**	$ 71
Investment fees	**(10)**	(9)
Net realized gain on sales of securities, including net loss from other-than-temporary impairment	**94**	95
	189	157
Amounts included in changes in restricted net assets	**(6)**	(8)
Interest earned on unspent bond project funds	**(27)**	(25)
Investment income	**$ 156**	$ 124

3. INVESTMENTS (continued)

Sutter uses the specific identification method to compute realized gains and losses on all investments, except mutual funds, which are computed using the average cost method

4. FAIR VALUE MEASUREMENTS

Sutter accounts for certain assets and liabilities at fair value A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety These levels are

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the measurement date

Level 2: Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Pricing inputs are generally unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the investment The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities The fair values are therefore determined using factors that involve judgment and interpretations including, but not limited to, private and public comparables, third party appraisals, discounted cash flow models, fund manager estimates and net asset valuations provided by the underlying private investment companies and/or their administrators

4. FAIR VALUE MEASUREMENTS (continued)

The fair value of Sutter's assets and liabilities measured on a recurring basis consists of the following

	December 31, 2011			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance at December 31, 2011**
Liquid investments				
Cash equivalents	$ 306	$ –	$ –	$ 306
Equity securities				
U S equity securities	520	78	–	598
Foreign equity securities	414	19	–	433
Fixed income securities				
U S government securities	103	–	–	103
U S government agencies securities	14	123	–	137
U S state and local government securities	–	75	–	75
U S federal agency mortgage-backed securities	–	383	–	383
Foreign government securities	–	427	–	427
U S corporate securities	64	1,017	–	1,081
Foreign corporate securities	–	437	–	437
Other investments				
Multi-strategy hedge funds	–	–	52	52
Private equity funds	–	–	1	1
Commodity linked funds	–	–	14	14
	$ 1,421	$ 2,559	$ 67	$ 4,047

4. FAIR VALUE MEASUREMENTS (continued)

	December 31, 2010			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance at December 31, 2010
Liquid investments				
Cash equivalents	$ 310	$ –	$ –	$ 310
Equity securities				
U S equity securities	532	48	–	580
Foreign equity securities	287	22	–	309
Fixed income securities				
U S government securities	76	–	–	76
U S government agencies securities	25	95	–	120
U S state and local government securities	–	65	–	65
U S federal agency mortgage-backed securities	–	298	–	298
Foreign government securities	–	400	–	400
U S corporate securities	75	639	–	714
Foreign corporate securities	–	127	–	127
Other investments				
Multi-strategy hedge funds	–	–	53	53
Commodity linked funds	41	–	13	54
	$ 1,346	$ 1,694	$ 66	$ 3,106

There were no material transfers to or from Levels 1, 2, or 3 during the years presented

As of December 31, 2011, the Level 2 and 3 instruments listed in the fair value hierarchy table above use the following valuation techniques and inputs

U S and Foreign Equity Securities The fair value of the U S and foreign equity securities classified as Level 2 is primarily determined using the calculated net asset value per share (NAV) These are primarily commingled funds that invest in domestic and foreign equity securities, whose underlying values are based on Level 1 inputs The fund managers receive prices from nationally recognized pricing services based on observable market transactions

4. FAIR VALUE MEASUREMENTS (continued)

U S Government Agencies Securities The fair value of investments in U S government agencies securities classified as Level 2 is primarily determined using consensus pricing methods of observable market-based data Significant observable inputs include quotes, spreads, and data points for yield curves

U S State and Local Government Securities The fair value of U S state and local government securities classified as Level 2 is determined using a market approach The inputs include yield benchmark curves, prepayment speeds, and observable market data such as institutional bids, dealer quotes, and two-sided markets

U S Federal Agency Mortgage-backed Securities The fair value of U S federal agency mortgage-backed securities classified as Level 2 is primarily determined using matrices These matrices utilize observable market data of bonds with similar features, prepayment speeds, credit ratings, and discounted cash flows Additionally, observed market movements, tranche cash flows and benchmark yields are incorporated in the pricing models

Foreign Government Securities The fair value of investments in foreign government securities classified as Level 2 is primarily determined using discounted cash flow models, incorporating option-adjusted spread (OAS) features as appropriate In the OAS and non-OAS pricing models, critical inputs include benchmark curves and spread parameters, and issue-specific factors

U S and Foreign Securities The fair value of the investment in U S and foreign corporate securities classified as Level 2 is primarily determined using techniques that are consistent with the market approach Significant observable inputs include reported trades, dealer quotes, security specific characteristics, and multiple sources of spread data points in developing yield curves

Hedge Fund Investments, Private Equity and Commodity Linked Funds The fair value of hedge fund investments, private equity and commodity linked funds classified as Level 3 is determined using the calculated NAV The values for underlying investments are fair value estimates determined either internally or by an external fund manager based on recent filings, operating results, balance sheet stability, growth and other business and market sector fundamentals Due to the significant unobservable inputs present in these valuations, Sutter classifies all such investments as Level 3

4. FAIR VALUE MEASUREMENTS (continued)

The change in the balance of Level 3 financial assets and liabilities measured on a recurring basis consists of the following

	Multi-Strategy Hedge Funds	Private Equity Funds	Commodity Linked Funds	Total
Balance at December 31, 2009	$ 52	$ –	$ 11	$ 63
Total net realized and unrealized gains, included in income attributable to Sutter Health	4	–	2	6
Purchases, issuances, and settlements, net	(3)	–	–	(3)
Balance at December 31, 2010	53	–	13	66
Total net realized and unrealized gains, included in income attributable to Sutter Health	**(1)**	**–**	**1**	**–**
Purchases	**–**	**1**	**–**	**1**
Balance at December 31, 2011	**$ 52**	**$ 1**	**$ 14**	**$ 67**
Change in unrealized gains on investments held as of December 31, 2010	$ 4	$ –	$ 2	$ 6
Change in unrealized gains (losses) on investments held as of December 31, 2011	**$ (1)**	**$ –**	**$ 1**	**$ –**

4. FAIR VALUE MEASUREMENTS (continued)

Certain investments report fair value using a calculated NAV or its equivalent The following table and explanations identify attributes relating to the nature and risk of such investments

	December 31, 2011			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period (if currently eligible)
Level 2				
Commingled funds – equity securities	$ 97	$ –	Daily, Monthly, Quarterly	1-60 days
Commingled funds – debt securities	31	–	Weekly	None
Total Level 2	128	–		
Level 3				
Multi-strategy hedge funds	52	–	Quarterly	60-65 days
Private equity funds	1	4	None	None
Commodity linked funds	14	–	Monthly	5 days
Total Level 3	67	4		
Total Level 2 and Level 3	$ 195	$ 4		

	December 31, 2010			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period (if currently eligible)
Level 2				
Commingled funds – equity securities	$ 70	$ –	Daily, Monthly, Quarterly	3-60 days
Commingled funds – debt securities	50	–	Weekly, Monthly	0 -10 days
Total Level 2	120	–		
Level 3				
Multi-strategy hedge funds	53	–	Quarterly	60-65 days
Private equity funds	–	5	None	None
Commodity linked funds	13	–	Monthly	5 days
Total Level 3	66	5		
Total Level 2 and Level 3	$ 186	$ 5		

4. FAIR VALUE MEASUREMENTS (continued)

Commingled Funds – Equity Securities This class includes investments in commingled funds that invest primarily in domestic or foreign equity securities and attempt to match the returns of specific equity indices A redemption limitation of 10% quarterly gate withdrawals with 60 days notice has been imposed for investments representing approximately 25% of the value of this class Approximately 65% of the value of this class is redeemable monthly, with a notice period of 6 to 30 days Other investments representing approximately 10% of this class are redeemable daily with 1 to 3 days notice

Commingled Funds – Debt Securities This class includes investments in commingled funds that invest primarily in foreign and domestic debt and fixed income securities, of which the majority are traded in over-the-counter markets These funds are redeemable weekly

Multi-Strategy Hedge Funds This class includes investments in hedge funds that pursue diversification of both domestic and foreign fixed income and equity securities through multiple investment strategies The primary objective for these funds is to maximize returns while limiting volatility by allocating capital to external portfolio managers selected for expertise in one or more investment strategies which may include, but are not limited to, long/short equity, event driven, relative value, and global asset allocation A redemption limitation has been imposed for investments representing approximately 27% of the value of this class These funds have a three-year lock-up and become available by September 30, 2012 The remaining 73% of the value of the multi-strategy hedge funds are available for redemption with a notice period of 60 to 65 days

Private Equity Funds This class includes private equity funds that specialize in providing capital to a variety of investment groups, including but not limited to venture capital, leveraged buyout, mezzanine debt, distressed debt, and other strategies, which may include land, water processing, and alternative energy There is no provision for redemptions during the life of these funds Distributions from each fund will be received as the underlying investments of the funds are liquidated over the next 2 to 15 years

Commodity Linked Funds This class includes commodity linked funds that pursue long-only fully collateralized commodity futures strategies to provide diversification and inflation protection These funds are redeemable monthly with five days notice before month end

The investments included above are not expected to be sold at amounts that are different from NAV

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following

	December 31, 2011	2010
Land improvements	**$ 116**	$ 90
Leasehold improvements	**224**	179
Buildings and improvements	**4,406**	3,829
Equipment	**2,783**	2,467
	7,529	6,565
Less amortization and accumulated depreciation	**(3,986)**	(3,606)
	3,543	2,959
Land	**586**	582
Construction-in-progress	**1,539**	1,686
	$ 5,668	$ 5,227

6. OTHER ASSETS

Other assets consist of the following

	December 31, 2011	2010
Reinsurance recoveries receivable	**$ 64**	$ 50
Cost report settlements	**37**	45
Non-current portion of notes receivable	**43**	40
Non-current portion of pledges receivable	**36**	37
Goodwill, net	**50**	29
Unamortized financing costs	**21**	12
Prepaid pension asset	**–**	170
Trust receivable	**57**	52
Other	**35**	38
	$ 343	$ 473

7. LONG-TERM OBLIGATIONS

Long-term obligations consist of the following

	December 31, 2011	2010
Hospital revenue bonds and Certificates of Participation under the Sutter Health Master Indenture of Trust, fixed interest at 3 0% to 6 0%, due from 2012 to 2048 (net of premium of $40 and $27 at December 31, 2011 and 2010, respectively)	**$ 3,395**	$ 2,477
Various collateralized and unsecured obligations	**9**	10
Obligations under capital leases	**6**	6
	3,410	2,493
Less current portion	**(368)**	(71)
	$ 3,042	$ 2,422

The aggregate estimated fair market values of Sutter's long-term obligations at December 31, 2011 and 2010, of $3,489 and $2,253, respectively, were established using discounted cash flow analyses based on (i) the current market yield to maturity for similar types of publicly traded debt issues, and (ii) Sutter's current incremental borrowing rates for all other debt instruments

The central financing vehicle of credit for Sutter is the Obligated Group Sutter and certain affiliates are members of the Sutter Health Obligated Group, and the assets of such affiliates are subject to the indebtedness of the Obligated Group Although the Obligated Group is not a legal entity, members of the Obligated Group are jointly and severally liable for repayment of the tax-exempt obligations issued through the California Health Facilities Financing Authority (CHFFA) and California Statewide Communities Development Authority (CSCDA) bonds The related financing documents and various other debt agreements contain certain restrictive covenants requiring compliance by all members, including a pledge of gross revenue

In December 2011, approximately $37 of Series C CSCDA revenue bonds and $310 Series D CHFFA revenue bonds were issued on behalf of Sutter The proceeds of these borrowings were used to finance or refinance a portion of capital expenditures at certain health care and related facilities owned by the Obligated Group

7. LONG-TERM OBLIGATIONS (continued)

In December 2011, a tax exempt obligation issue (Series A CHFFA revenue bonds issued in 2000) and a portion of another tax exempt obligation issue (Series A CHFFA revenue bonds issued in 1999) totaling $124 were redeemed with a portion of the bond proceeds issued in December 2011, which did not result in a gain or loss In addition, a portion of the bond proceeds issued in December 2011 were used to redeem or prepay a portion of three tax exempt obligation issues (Series C CHFFA revenue bonds issued in 1997, Series A CHFFA revenue bonds issued in 1998 and CSCDA certificates of participation delivered in 1999) totaling $104 in February 2012, which did not result in a gain or loss

In February 2011, $275 of Series A CSCDA revenue bonds and $475 Series B CHFFA revenue bonds were issued on behalf of Sutter The proceeds of these borrowings were used to finance or reimburse the cost of a portion of capital expenditures at certain health care and related facilities owned by the Obligated Group

In February 2011, a portion of two tax exempt obligation issues (Series C CHFFA revenue bonds issued in 1997 and CSCDA certificates of participation delivered in 1999) totaling $48 of par value were redeemed or prepaid, which did not result in a gain or loss

In January 2010, four tax-exempt obligation issues (CSCDA certificates of participation delivered in 1993, Series A City of Modesto Health Facility revenue bonds issued in 1993, Series A CHFFA revenue bonds issued in 1997 and Series B City of Modesto Insured Health Facility revenue bonds issued in 1997) totaling $39 of par value were redeemed or prepaid, which did not result in a gain or loss

In February 2012, the remaining portion of four tax exempt obligation issues (Series C CHFFA revenue bonds issued in 1997, Series A CHFFA revenue bonds issued in 1998, Series A CHFFA revenue bonds issued in 1999 and CSCDA certificates of participation delivered in 1999) totaling $242 were redeemed or prepaid, which did not result in a gain or loss

7. LONG-TERM OBLIGATIONS (continued)

Aggregate payments of long-term obligations, excluding capital leases, various collateralized and unsecured obligations, and bond premiums, are as follows as of December 31, 2011

2012	$ 363
2013	14
2014	15
2015	17
2016	43
Thereafter	2,903
	$ 3,355

Sutter has an available $400 revolving line of credit with a syndicate of banks with no outstanding borrowings as of December 31, 2011

8. LEASES

Sutter leases various buildings, office space and equipment The leases expire at various times and contain certain contingent rental provisions, guarantees and various renewal options These leases are classified as either capital leases, which were not material as of December 31, 2011 and 2010, or operating leases based on the terms of the respective agreements Operating leases for certain acute care facilities are leased from various municipalities and the lease agreements require Sutter to make specified capital improvements to the municipalities' facilities at various times

Future minimum payments, by year and in the aggregate, under noncancellable operating leases with terms of one year or more at inception consist of the following as of December 31, 2011

	Lease Payments	Sublease Receipts	Net Lease Payments
2012	$ 85	$ 2	$ 83
2013	77	2	75
2014	68	1	67
2015	58	1	57
2016	52	1	51
Thereafter	192	1	191
	$ 532	$ 8	$ 524

9. NET ASSETS AND CONTRIBUTIONS

Sutter receives donations through its philanthropic affiliates from the generosity of donors supporting certain programs and services Donations with a restriction included in temporarily and permanently restricted net assets were maintained for the following purposes

	December 31, 2011	2010
Temporarily restricted		
Capital projects and medical equipment	**$ 118**	$ 104
Time restricted under trust agreements	**13**	25
Research and education	**45**	48
Other	**43**	48
	$ 219	$ 225
Permanently restricted – endowment	**$ 125**	$ 117

Unconditional promises to give cash or other assets are reported at fair market value at the date the promises are received Conditional promises to give and indications of intentions to give are reported at fair market value when the conditions are met Conditional promises were not material at December 31, 2011 and 2010

As of December 31, 2011, pledges receivable (included in other receivables and other assets) consisted of the following unconditional promises to give

Pledges due in 2012	$ 19
Pledges due 2013-2016	27
Pledges due after 2016	23
Less allowance for uncollectible pledges	(2)
Less discount on pledges receivable	(13)
	$ 54

Endowments In September 2008, California Senate Bill No 1329 was signed into law, enacting the Uniform Prudent Management of Institutional Funds Act (UPMIFA) UPMIFA eliminates the concept of "historic dollar value" and allows an institution to spend or accumulate as the board determines is prudent for the uses, benefits, purposes and duration of the endowment fund unless the gift instrument states a particular spending rate or formula California's version of UPMIFA also includes a rebuttable provision that spending greater than 7% of the average fair market value (calculated at least quarterly over a minimal period of three years) is presumed to be imprudent

9. NET ASSETS AND CONTRIBUTIONS (continued)

In accordance with UPMIFA, Sutter considers the following factors when appropriating or accumulating an endowment fund (1) general economic conditions, (2) effects of inflation and deflation, (3) the purposes of the institution and the endowment fund, (4) expected total return from income and appreciation of investments, (5) Sutter's other resources, (6) the duration and preservation of the endowment fund and (7) Sutter's investment policies

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires Sutter to retain as a fund of perpetual duration Deficiencies of this nature that are reported in unrestricted net assets were not material as of December 31, 2011 and 2010 These deficiencies resulted from unfavorable investment market fluctuations

Sutter has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results while assuming a moderate level of investment risk

To satisfy its long-term rate-of-return objectives, Sutter relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) Sutter targets a diversified asset allocation that places a great emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints

The endowment net asset composition by type of fund consists of the following

	December 31, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 4	$ 19	$ 125	$ 148
Board-designated funds	9	–	–	9
Total funds	$ 13	$ 19	$ 125	$ 157

9. NET ASSETS AND CONTRIBUTIONS (continued)

	December 31, 2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 8	$ 29	$ 117	$ 154
Board-designated funds	12	–	–	12
Total funds	$ 20	$ 29	$ 117	$ 166

The changes in endowment net assets are as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at December 31, 2009	$ 14	$ 21	$ 113	$ 148
Investment return				
Investment income	1	1	1	3
Net appreciation (realized and unrealized)	8	10	1	19
Total investment return	9	11	2	22
Contributions	–	–	3	3
Appropriation of endowment assets for expenditure	(3)	(3)	–	(6)
Other changes				
Other	–	–	(1)	(1)
Balance at December 31, 2010	20	29	117	166
Investment return				
Investment income	**1**	**2**	**–**	**3**
Net appreciation (realized and unrealized)	**(5)**	**(6)**	**(1)**	**(12)**
Total investment return	**(4)**	**(4)**	**(1)**	**(9)**
Contributions	**–**	**–**	**10**	**10**
Appropriation of endowment assets for expenditure	**(3)**	**(3)**	**–**	**(6)**
Other changes				
Other	**–**	**(3)**	**(1)**	**(4)**
Balance at December 31, 2011	**$ 13**	**$ 19**	**$ 125**	**$ 157**

10. PATIENT SERVICE AND CAPITATION REVENUES

Sutter has agreements with third-party payers that provide for payments to Sutter at amounts different from its established rates A summary of the payment arrangements with major third-party payers follows

- *Medicare* – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors Certain inpatient nonacute services and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology Sutter is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by Sutter and audits thereof by the Medicare fiscal intermediary Sutter's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review Sutter's Medicare cost reports have been audited by the Medicare fiscal intermediary generally through December 31, 2006

- *Medi-Cal* – Inpatient and outpatient services rendered to Medi-Cal program beneficiaries are reimbursed either under contracted rates or reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by Sutter and audits thereof by Medi-Cal Sutter's Medi-Cal cost reports have been audited generally through December 31, 2008

Adjustments from the finalization of prior-year cost reports from both Medicare and Medi-Cal resulted in an increase to patient service revenues of $7 in 2011 and $9 in 2010

10. PATIENT SERVICE AND CAPITATION REVENUES (continued)

Gross patient charges, including charges related to capitated patients, from the Medicare and Medi-Cal programs accounted for the following percentages of Sutter's gross patient service revenues

	Year ended December 31,	
	2011	**2010**
Medicare	**40%**	40%
Medi-Cal	**17%**	17%

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral laws and false claims prohibitions, and in the case of tax-exempt hospitals, the requirements of tax-exemption In recent years, government activity has increased with respect to investigations and allegations concerning possible violations of reimbursement, false claims, anti-kickback and anti-referral statutes and regulations by healthcare providers Sutter also operates an Ethics and Compliance Program, which reviews compliance with government healthcare program requirements and investigates allegations of non-compliance received from internal and external sources From time to time findings may result in repayment of monies previously received from government payers and/or disclosure of such overpayments, including, but not limited to, disclosure to Centers for Medicare & Medicaid Services and its contracted agents, or the Office of Inspector General - Department of Health and Human Services As a result, there is at least a reasonable possibility that the recorded estimates may change by a material amount in the near term

Sutter also has entered into payment agreements with certain commercial insurance carriers, HMOs and preferred provider organizations The basis for payment to Sutter under these agreements includes capitated arrangements, prospectively determined rates per diagnosis, discounts from established charges and prospectively determined daily rates

10. PATIENT SERVICE AND CAPITATION REVENUES (continued)

Sutter, in the ordinary course of business, enters into various incentive-based risk sharing agreements with managed care payers and other providers These agreements require retroactive settlement based on data that may not be available or finalized until all claims are processed Settlement amounts have been estimated for such risk-based incentives based on available information However, it is reasonably possible that these estimates may change in the near term

The State of California enacted legislation for a quality assurance fee program for hospitals to obtain federal matching funds for Medi-Cal The proceeds of the quality assurance fee program and the federal matching funds are to be redistributed to California hospitals that treat Medi-Cal patients to fund certain Medi-Cal coverage expansions In December 2011, the Centers for Medicare and Medicaid Services (CMS) approved a 6-month program covering January 1, 2011 through June 30, 2011 (the "6-month Program") Supplemental payments for the 6-month Program of $141 are included in patient services revenues and fees of $85 are included in other expenses for 2011 As of December 31, 2011, a receivable of $21 is included in other receivables for the supplemental managed care payments expected to be received in the second quarter of 2012

In December 2010, CMS approved a 21-month program covering April 2009 through December 31, 2010 (the "21-month Program") Supplemental payments for the 21-month Program of $339 are included in patient service revenues and fees of $251 are included in other expenses for 2010 As of December 31, 2010, a receivable of $66 is included in other receivables for the supplemental managed care payments to be received and $3 is included in accounts payable for the pledge to the California Health Foundation Trust Sutter recorded additional supplemental payments totaling $13 for the 21-month Program in 2011

In September 2011, a 30-month program was established for the period from July 1, 2011 through December 31, 2013 (the "30-month Program") The 30-month Program has not received final approval

11. COMMUNITY BENEFIT EXPENSE

Services for the poor and underserved include traditional charity care which covers health care services provided to persons who meet certain criteria and cannot afford to pay, as well as the unpaid costs of public programs treating Medi-Cal and indigent beneficiaries Costs are computed based on a relationship of costs to charges Services for the poor and underserved also include the cost of other services provided to persons who cannot afford health care because of inadequate resources and are uninsured or underinsured, and cash donations on behalf of the poor and needy

Benefits for the broader community include costs of providing the following services health screenings and other health-related services, training health professionals, educating the community with various seminars and classes, the cost of performing medical research and the costs associated with providing free clinics and community services Benefits for the broader community also include contributions Sutter makes to community agencies to fund charitable activities

Sutter provides charity care services to patients at the estimated cost of $140 in 2011 and $121 in 2010

The following is a summary of Sutter's estimated costs of providing services to the poor and broader community as of December 31, 2011

Services for the poor and underserved		
Traditional charity care	$	140
Unpaid costs of public programs		
Medi-Cal		416
Other public programs		38
Other benefits for the poor and underserved		32
Total services for the poor and underserved		626
Benefits for the broader community		
Nonbilled services		24
Education and research		97
Cash and in-kind donations		7
Other community benefits		2
Total benefits for the broader community		130
	$	756

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS

Sutter sponsors and participates in various employee benefit plans, including a noncontributory defined benefit plan (the "Retirement Plan") and several contributory defined contribution plans Sutter's total retirement benefit expense was $186 in 2011 and $182 in 2010

Sutter's measurement date for plan assets, pension obligations and net periodic pension cost associated with the Retirement Plan is December 31 The changes in benefit obligations and plan assets for the Retirement Plan are as follows

	December 31, 2011	2010
Projected benefit obligation at beginning of year	**$ 1,806**	$ 1,561
Service cost	**146**	117
Interest cost	**109**	99
Plan amendments	**–**	1
Actuarial loss	**222**	89
Benefits paid	**(67)**	(61)
Projected benefit obligation at measurement date	**$ 2,216**	$ 1,806
Fair value of plan assets at beginning of year	**$ 1,976**	$ 1,668
Actual (loss) gain on plan assets	**(95)**	249
Employer contributions	**400**	120
Benefits paid	**(67)**	(61)
Fair value of plan assets at measurement date	**$ 2,214**	$ 1,976
Net (accrued) prepaid benefit cost at end of year	**$ (2)**	$ 170

The accumulated benefit obligation for the Retirement Plan was $1,867 and $1,536 at December 31, 2011 and 2010, respectively

Included in net assets at December 31, 2011 and 2010 are the following amounts that have not yet been recognized in net periodic benefit cost unrecognized prior service costs of $20 and $26, respectively, and unrecognized actuarial losses of $668 and $191, respectively The amounts included in net assets that are expected to be recognized in net periodic benefit cost during the year ended December 31, 2012, are $51 for actuarial loss and $6 for prior service cost

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

The benefits expected to be paid from the Retirement Plan in each of the next five years, and in the aggregate for the next five years are as follows

2012	$ 73
2013	84
2014	94
2015	108
2016	123
2017-2021	834
	$ 1,316

The actuarial assumptions used by the Retirement Plan are as follows

	December 31, 2011	2010
Weighted average discount rates for calculating pension expense	**5.7%**	6 0%
Weighted average discount rates for calculating projected benefit obligation	**5.0%**	5 7%
Weighted average rates of compensation increase for calculating pension expense	**5.3%**	5 3%
Weighted average rates of compensation increase for calculating projected benefit obligation	**5.3%**	5 3%
Expected long-term rates of return on plan assets for calculating pension expense	**8.2%**	8 5%

The components of the Retirement Plan's net periodic benefit cost are as follows

	Year ended December 31, 2011	2010
Service cost	**$ 146**	$ 117
Interest cost	**109**	99
Expected return on plan assets	**(159)**	(140)
Amortization of actuarial loss	**–**	7
Amortization of prior service cost	**6**	6
	$ 102	$ 89

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

In addition to the Retirement Plan, Sutter also has noncontributory postretirement health benefit plans (the "Health Plans") Sutter's measurement date for plan assets, retiree medical obligations and net periodic retiree medical cost associated with the Health Plans is December 31 The changes in benefit obligations for the Health Plans are as follows

	December 31, 2011	2010
Projected benefit obligation at beginning of year	**$ 186**	$ 170
Prior period benefit cost (credit)	**2**	(3)
Service cost	**9**	8
Interest cost	**10**	10
Actuarial (gain) loss	**(2)**	6
Other change in benefit obligation	**2**	–
Benefits paid	**(7)**	(5)
Projected benefit obligation at measurement date	**$ 200**	$ 186
Fair value of plan assets at beginning of year	**$ 77**	$ 67
Actual (loss) gain on plan assets	**(3)**	10
Employer contributions	**17**	5
Benefits paid	**(7)**	(5)
Fair value of plan assets at measurement date	**$ 84**	$ 77
Net accrued benefit cost at end of year	**$ (116)**	$ (109)

An additional contribution to the Health Plans was made in February 2012 for the 2011 plan year of $13

The current portion of the net accrued benefit cost recorded was $1 and $1 at December 31, 2011 and 2010, respectively

Included in net assets at December 31, 2011 and 2010 are the following amounts that have not yet been recognized in net periodic benefit cost unrecognized prior service costs of $24 and $26, respectively, and unrecognized actuarial losses of $16 and $6, respectively The amount included in net assets that is expected to be recognized in net periodic benefit cost during the year ended December 31, 2012 is approximately $6 for prior service cost

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

The benefits expected to be paid from the Health Plans in each of the next five years, and in the aggregate for the next five years are as follows

2012	$ 9
2013	11
2014	13
2015	15
2016	17
2017-2021	102
	$ 167

The actuarial assumptions used by the Health Plans are as follows

	December 31, 2011	2010
Weighted average discount rates for calculating retiree medical expense	**5.2%-5.6%**	5 5%-5 9%
Weighted average discount rates for calculating projected benefit obligation	**4.5%-4.8%**	5 2%-5 6%
Expected long-term rates of return on plan assets for calculating retiree medical expense	**8.2%**	8 5%

The components of the Health Plans' net periodic benefit cost are as follows

	Year ended December 31, 2011	2010
Service cost	**$ 9**	$ 8
Interest cost	**10**	10
Expected return on plan assets	**(8)**	(6)
Amortization of prior service cost	**6**	5
	$ 17	$ 17

Sutter's projected medical cost trend rate related to the Health Plans for 2012 through 2013 is 8 0% The assumed medical cost trend rate is expected to gradually decrease in subsequent years to 4 8% in 2019 and thereafter A one-percentage-point change in assumed health care cost trend rates would not have a material effect on Sutter's combined financial statements

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

The assets of the Retirement Plan and the Health Plans are under a single master trust (the "Master Trust") with oversight from the Pension and Investment Committee of the Board of Directors Management of the assets is governed by the application of modern portfolio theory, resulting in asset class diversification and mean-variance optimization Sutter's investment strategy for the Master Trust's assets is to balance the liquidity needs of the Master Trust with the long-term return goals necessary to satisfy future obligations

The target asset allocation seeks to reduce volatility while capturing the equity premium from the capital markets over the long-term and maintaining security of principal to meet near-term expenses and obligations Periodically an asset allocation study is completed As a result of the latest study, the weighted average target asset allocation compared to actual asset allocations at December 31, 2011 and 2010, by major asset category are as follows

	Target Allocation 2011	Percentage of Actual Plan Assets at December 31, 2011	2010
Major Asset Category			
Cash and cash equivalents	1%	**1%**	2%
Equity securities	59%	**65%**	69%
Fixed income securities	20%	**21%**	19%
Other investments - alternative	15%	**10%**	9%
Real estate investments	5%	**3%**	1%
Total	100%	**100%**	100%

Equity securities are comprised of U S and foreign equity securities, common and collective trusts and commingled funds The equity security's target asset allocation of 59% is further comprised of 26% domestic large capitalization, 6% domestic small capitalization and 27% international

The Master Trust's portfolio return assumption of 8 2% for 2011 and 8 5% for 2010 was based on the weighted-average return of comparative market indices for the major asset classes represented in the portfolio, net of administrative expenses

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

A fair value hierarchy has been established with three levels that prioritize the valuation inputs into each level (see Note 4) The fair value of the Master Trust's assets measured on a recurring basis consists of the following

	December 31, 2011			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance at December 31, 2011
Liquid investments				
Cash equivalents	$ 149	$ –	$ –	$ 149
Equity securities				
U S equity securities	781	–	–	781
Foreign equity securities	556	–	–	556
Common collective trusts and commingled funds	–	146	–	146
Fixed income securities				
U S government and agencies securities	81	20	–	101
U S federal agency mortgage-backed securities	–	55	–	55
Foreign government securities	–	153	–	153
U S corporate securities	–	76	–	76
Foreign corporate securities	–	48	–	48
Other investments				
Private equity funds	–	–	137	137
Real estate	–	–	67	67
Commodity linked funds	–	–	24	24
Accrued income	5	–	–	5
	$ 1,572	$ 498	$ 228	$ 2,298

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

	December 31, 2010			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance at December 31, 2010
Liquid investments				
Cash equivalents	$ 73	$ –	$ –	$ 73
Equity securities				
U S equity securities	658	–	–	658
Foreign equity securities	415	–	–	415
Common collective trusts and commingled funds	–	357	–	357
Fixed income securities				
U S government and agencies securities	24	14	–	38
U S federal agency mortgage-backed securities	–	69	–	69
Foreign government securities	–	144	–	144
U S corporate securities	–	89	–	89
Foreign corporate securities	–	31	–	31
Other investments				
Private equity funds	–	–	110	110
Real estate	–	–	23	23
Commodity linked funds	16	–	25	41
Accrued income	5	–	–	5
	$ 1,191	$ 704	$ 158	$ 2,053

Included in the assets disclosed above are securities on loan of $116 as of December 31, 2010 In addition to the assets disclosed above, the Master Trust held cash collateral for securities on loan of $119 as of December 31, 2010 In January 2011, the Master Trust terminated its participation in the securities lending program

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

The change in the balance of Level 3 financial assets and liabilities measured on a recurring basis consists of the following

	Private Equity Funds	Real Estate Investments	Commodity Linked Funds	Total
Balance at December 31, 2009	$ 84	$ 53	$ 21	$ 158
Total net realized and unrealized gains	6	5	4	15
Purchases, issuances, and settlements, net	20	(35)	–	(15)
Balance at December 31, 2010	110	23	25	158
Total net realized and unrealized gains	**6**	**4**	**(1)**	**9**
Purchases	**35**	**43**	**–**	**78**
Sales	**(14)**	**(3)**	**–**	**(17)**
Balance at December 31, 2011	**$ 137**	**$ 67**	**$ 24**	**$ 228**
Change in unrealized gains (losses) on investments held as of December 31, 2010	$ 6	$ (1)	$ 4	$ 9
Change in unrealized gains (losses) on investments held as of December 31, 2011	**$ 6**	**$ 4**	**$ (1)**	**$ 9**

There were no transfers between levels during 2011

One affiliate participates in a multiemployer defined benefit retirement plan (the "Multiemployer Plan") for certain contractual employees under several collective bargaining agreements Prior to 2011, non-contractual employees of this same affiliate and a second affiliate were also participants under the Multiemployer Plan However, effective January 1, 2011, participant benefits for the non-contractual employees at both affiliates were frozen In addition to making contributions for the benefits of ongoing contractual employees by one affiliate, both affiliates will continue to make periodic contributions to the Multiemployer Plan as needed for participants eligible to receive benefits prior to the freeze date The Multiemployer Plan's name is the Retirement Plan for Hospital Employees, the employer identification number is 94-2995676 and the plan number is 001

12. RETIREMENT PLANS AND POSTRETIREMENT BENEFITS (continued)

The risks of participating in multiemployer plans are different from single-employer plans in the following aspects (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers, and (c) if the affiliates choose to stop participating in the multiemployer plan, the affiliates may be required to pay the plan an amount based on the underfunded status of the plan, referred to as withdrawal liability

For the year ended December 31, 2011 and 2010, the combined contributions of the affiliates to the Multiemployer Plan are $14 and $30, respectively, which represented greater than 5% of the total contributions for each year All applicable collective bargaining agreements have either expired or have an expiration date of December 31, 2012 The contribution for 2012 is expected to be approximately $17 and contributions are expected to decrease slightly over the next several years For the year ended December 31, 2011, the Multiemployer Plan's last actuarial certified zone status, as defined under the Pension Protection Act of 2006, is green

Sutter maintains various defined contribution plans for eligible employees Sutter's contributions to such plans were $51 in 2011 and $46 in 2010

13. INCOME TAXES

Deferred income tax assets, which as of December 31, 2011 and 2010, were fully reserved, reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes As of December 31, 2011 and 2010, Sutter had deferred tax assets of $9 and $13, respectively, relating principally to net operating loss carryovers As of December 31, 2011 and 2010, such deferred tax assets were offset by a valuation allowance of $9 and $13, respectively The valuation allowance decreased by $4 in 2011 and $0 in 2010

Federal net operating loss carryovers totaled $22 at December 31, 2011, and will expire between 2012 and 2029 State of California net operating loss carryovers totaled $7 at December 31, 2011, and will expire between 2012 and 2021

14. FUNCTIONAL CLASSIFICATION OF EXPENSES

The following is a functional classification of Sutter's expenses

	Year ended December 31, 2011	2010
Health services	**$ 7,617**	$ 7,363
General and administrative	**765**	736
	$ 8,382	$ 8,099

15. CONTINGENCIES AND COMMITMENTS

Contingencies Marin General Hospital (MGH), a former Sutter affiliate, operates an acute care hospital in Marin County pursuant to a lease with the Marin Healthcare District (the "Marin District") Prior to June 29, 2010, Sutter was the sole corporate member of MGH In accordance with a Settlement Agreement and Mutual Release and a separate Transfer Agreement (collectively, the "Transfer Agreements"), the Marin District became the sole member of MGH and re-acquired control of MGH on June 29, 2010 (the "Transfer Date") Accordingly, Sutter has no further obligation or responsibility for MGH or its operations other than certain obligations as agreed to in the Transfer Agreements

Over the course of 2009 and 2010, the Marin District issued a number of notices of default, alleging failures of performance of various aspects of the Transfer Agreements by MGH or Sutter Sutter also issued notices of default relative to the Marin District's failure to perform certain of its obligations under the Transfer Agreements Although the Transfer Agreements required that the parties exchange mutual releases at the closing of the Transfer, the Marin District declined to deliver an executed release and, therefore, Sutter did not deliver its executed release In August 2010, MGH filed a complaint against Sutter and three former MGH directors alleging breach of fiduciary duty, aiding and abetting breach of fiduciary duty, and violation of charitable trust laws Included in the complaint is an allegation that Sutter improperly removed $120 from MGH as part of Sutter's equity cash transfer policy In December 2010, Sutter's motion to compel arbitration was heard and subsequently granted In 2011, pre-hearing summary judgment motions resulted in the dismissal of one of the former MGH directors Arbitration began in January 2012 with closing arguments scheduled for April 2012 The arbitrator will then take the matter under submission and subsequently issue a written decision

15. CONTINGENCIES AND COMMITMENTS (continued)

In addition to the arbitration matter discussed above, the Marin District alleges that MGH breached a 1999 Settlement Agreement between the Marin District and MGH MGH has notified Sutter of its belief that Sutter is responsible for, and must indemnify and defend, MGH in this action Pursuant to an agreement between Sutter and the Marin District, the matter will also be resolved as part of the pending arbitration

No estimates of liability or conclusions have been or can be reached relative to the potential impact of these disputes with the Marin District This matter, if decided adversely, may result in financial liability material to Sutter's combined financial condition or results of operations

Sutter and certain affiliates are named in three class action complaints alleging meal and rest period and other wage-hour violations on behalf of certain employees These class action suits have been coordinated in the Alameda County Superior Court and a class certification date is set for July 15, 2012 Sutter and an affiliate received an additional class action complaint filed in Sacramento County in October 2010, alleging the inappropriate pay-out of vested vacation wages to employees who terminated their employment These matters, if decided adversely, individually or in the aggregate, may result in liability material to Sutter's combined financial condition or results of operations

In January 2007, a class action complaint was filed against Sutter alleging lack of accessibility to Sutter facilities for people with disabilities In 2008, Sutter entered into a settlement agreement with the plaintiffs The settlement agreement provides for an implementation period of ten years, ending July 2018 The settlement terms address (i) correction to certain physical barriers that may limit a disabled person's access to facilities, (ii) modification to or purchase of medical equipment to provide improved accessibility to medical equipment, and (iii) adoption of new policies and procedures to improve access to facilities Assessment of physical barriers and potential modification is currently in progress and is expected to continue for several years It is difficult to currently estimate the cost of these proposed modifications and there can be no assurance that the resolution of these matters will not adversely affect Sutter's combined financial position or results of operations

15. CONTINGENCIES AND COMMITMENTS (continued)

Like other healthcare organizations, many Sutter affiliates bill for anesthesia services on a unit of time basis In February 2010, certain Sutter affiliates were served with a Qui Tam action pursuant to the California Insurance Frauds Prevention Act, alleging, among other things, that they fraudulently billed for anesthesia services by billing on a time basis In May 2011, California's Insurance Commissioner intervened in the case alleging violation of California insurance code provisions, which allows, among other things, damages of three times the amount of each claim In September 2011, the Court denied Sutter's motion to strike and demurrer and the parties have subsequently answered the complaint Sutter filed a cross-complaint for declaratory relief in October 2011 While Sutter intends to vigorously defend this suit, no estimates of liability or conclusions have been or can be reached relative to this matter's impact and there can be no assurance that the resolution of this matter will not adversely affect Sutter's combined financial position or results of operations

As a part of its compliance activities, Sutter undertook an internal compliance audit process related to certain physician arrangements of certain affiliates in each of the five regions Sutter elected to make voluntary self-disclosures to the federal government (in accordance with federal self-disclosure guidelines) related to certain physician financial arrangements that may constitute potential violations of federal regulatory standards These disclosures were made in October and November 2010 and November 2011, with additional disclosures being anticipated In September 2011, the federal government notified Sutter of its acceptance into the self-disclosure protocol Discussions have commenced between Sutter and the federal government regarding resolution of the matters detailed within the disclosures

Enforcement remedies that may result from Sutter's voluntary disclosure could include payments to the government and/or the imposition of additional compliance requirements At this time, management cannot accurately estimate the amounts of any payments or settlements that may result, or whether additional, related matters may arise Although there can be no guarantee that any resulting payments or settlements will not be materially adverse in the aggregate, at the present time management does not expect any enforcement remedies regarding this matter to be material

15. CONTINGENCIES AND COMMITMENTS (continued)

Sutter also has ongoing procedures related to compensation paid to medical groups under professional services agreements by certain medical foundation affiliates These procedures revealed discrepancies related to the calculation of amounts due under one affiliate's professional services agreement with the medical group At this time, management cannot accurately estimate the payments or settlements, if any, that may result, or whether additional, related matters may arise Although there can be no guarantee that resulting payments, if any, will not be materially adverse, at the present time, management does not expect any settlements regarding this matter to materially affect Sutter's combined financial position or results of operations

Sutter West Bay Hospitals, doing business as Sutter Medical Center of Santa Rosa (SMCSR), leases its hospital and related facilities (collectively, the "Chanate Campus") from Sonoma County (the "County") As part of the lease transaction, the parties entered into a Health Care Access Agreement, dated March 25, 1996 (the "HCAA")

The Chanate Campus must be replaced or retrofitted by December 31, 2014, to meet the applicable California seismic standards Accordingly, SMCSR submitted a plan to the County to build a new SMCSR hospital, which would meet those seismic standards, as part of an integrated medical campus In July 2009, the Sonoma County Board of Supervisors unanimously approved a resolution confirming that SMCSR's plan and new hospital would meet the terms of the HCAA

In summer 2010, SMCSR received approval from the County to construct the new hospital Construction commenced and is scheduled to be completed by December 31, 2014 at a cost of approximately $284 Certain parties filed a lawsuit challenging the approval based on alleged noncompliance with the California Environmental Quality Act (CEQA) Recently, the Court ruled in favor of SMCSR's position, except for two issues that were returned to the Sonoma County Board of Supervisors for further action and clarification The Sonoma County Board of Supervisors subsequently validated compliance with CEQA and applicable zoning ordinances Plaintiffs are challenging the sufficiency of the action by the Sonoma County Board of Supervisors Construction is proceeding on schedule

Radiological Associates of Sacramento (RAS) alleged that certain Sutter affiliates wrongfully diverted patients from the RAS locations RAS also alleged that it was forced to close its Davis imaging location as a result of alleged improper patient diversions The complaint by RAS seeks compensatory damages, lost income, injunction, declaratory relief and attorneys' fees and costs Arbitration in this matter occurred in April and May

15. CONTINGENCIES AND COMMITMENTS (continued)

2011 and the arbitrator issued a decision finding responsibility for some of the alleged diversions The parties mediated the value of the alleged diversions and agreed upon a value that covers approximately 80% of the diversions The remaining 20% is still being calculated

RAS has also disputed a Sutter affiliate's right to make certain adjustments to the amounts RAS receives for certain services This dispute settled on February 9, 2011 as to the methodology of payment issue and the amount will be determined upon final conclusion of the diversion dispute, discussed above

An additional dispute between RAS and another Sutter affiliate relates to an agreement for RAS to provide MRI and radiation oncology technical services The subject agreement expired according to its terms on March 31, 2009 The Sutter affiliate continued to send patients to RAS for these services and RAS continued to invoice at the contract rate until October 2009 when it began invoicing at full-billed charges RAS additionally claims the right to retroactively invoice at full-billed charges as of April 1, 2009 RAS filed an action in Sacramento Superior Court in April 2011 The parties have agreed to suspend the discovery process pending negotiations

No estimates of liability or conclusions have been or can be reached relative to the RAS matters discussed above and there can be no assurance that the resolution of these matters, individually or in the aggregate, will not adversely affect Sutter's combined financial position or results of operations

Sutter and an affiliate were named in a class action complaint alleging that Sutter and the affiliate failed to disclose the charge differential between inpatient and outpatient CT Scans and failed to obtain informed consent by not disclosing the amount of radiation associated with CT Scans The complaint sought a judgment for all sums paid by class members for CT Scans, as well as a release of liability for unpaid charges for CT Scans performed without informed consent The court granted Sutter and the affiliate's motion challenging the legal sufficiency of the claims This matter concluded with plaintiff executing a release of all claims against Sutter and the affiliate

15. CONTINGENCIES AND COMMITMENTS (continued)

Certain Sutter affiliates have received, and begun the process of responding to, a request to cooperate with the Department of Justice (the "DOJ") in a national investigation to determine whether implantable automatic defibrillators provided to certain Medicare beneficiaries were provided in accordance with national coverage criteria The DOJ's investigation spans a time frame beginning in 2003 and extending to present This investigation is in its early stages, and no final conclusions have been reached that the selected claims did not meet Medicare reimbursement criteria No estimates of liability, if any, have been or can be reached relative to the impact of the investigation However, there can be no assurance that the resolution of this investigation will not adversely affect Sutter's combined financial position or results of operations

Sutter management is aware of a security incident involving a stolen computer with limited data on approximately 4 25 million patients Following a detailed internal review, Sutter determined that the stolen computer did not contain patient financial records, social security numbers, patients' health plan identification numbers or medical records However, the computer contained some personal information, including names, addresses and birthdates For approximately 930,000 of the approximately 4 25 million patients, the computer contained some medical diagnoses and procedures used for billing purposes The related affiliates have or are taking action to notify affected patients, and coordinating with relevant state and federal agencies with respect to this matter There is no indication that the patient information involved in any of this matter has actually been inappropriately used or accessed Penalties may be assessed by regulatory agencies, and Sutter received notice that it and certain affiliates are named in multiple state and federal class action lawsuits related to the stolen computer, claiming private class-wide damages for data breaches Courts in California have not previously certified a class in this type of litigation and it is premature to estimate whether any civil liability will result from these or similar lawsuits There can be no certainty whether this security incident will adversely affect Sutter's financial position or financial results of operations in the future

Sutter is involved in other litigation, as both plaintiff and defendant, and other routine labor matters, tax examinations and regulatory investigations and examinations arising in the ordinary course of business In the opinion of management, after consultation with legal counsel, these matters should be resolved without a material adverse effect on Sutter's combined financial position or results of operations However, there can be no assurance that this will be the case

15. CONTINGENCIES AND COMMITMENTS (continued)

As of December 31, 2011, Sutter had approximately 47,000 employees, of which nearly 27,000 are full-time employees Approximately 26% of these 47,000 employees are employed by 23 Sutter facilities and are represented by collective bargaining units Of these employees, 38% are represented by collective bargaining agreements that will expire in the remainder of 2012 In addition, approximately 47% are represented by collective bargaining agreements that expired between 2007 and 2011 and are in the process of being negotiated Employee strikes or other adverse labor actions may have a material adverse impact on Sutter's operations

Commitments In 2008, the Eden Township Healthcare District (the "Eden District"), Sutter and Eden Medical Center (EMC) entered into certain agreements (the "2008 Agreements") The 2008 Agreements addressed certain disputes that had arisen among the parties under related agreements entered into in 2004 (the "2004 Agreements"), concerning the Eden District's acquisition of San Leandro Hospital and its simultaneous lease to EMC Pursuant to the 2008 Agreements, Sutter agreed to develop and construct a 130-bed replacement facility in Castro Valley, California (to be owned and operated by Sutter Medical Center, Castro Valley, a Sutter affiliate) on property adjacent to the existing EMC hospital The 2008 Agreements also included an amended lease for San Leandro Hospital, wherein EMC received an option to purchase San Leandro Hospital and certain other properties (the "Option") EMC exercised the Option to purchase San Leandro Hospital in July 2009, but the Eden District failed to convey title In March 2010, Sutter and the Eden District further entered into a stipulated judgment pursuant to which the Eden District agreed to an arbitrator's award that required the Eden District to convey title of San Leandro Hospital to Sutter on or before March 31, 2010 The Eden District failed to convey title pursuant to the arbitrator's award, resulting in a series of additional legal disputes under the 2008 Agreements In November 2010, the Alameda County Superior Court upheld the validity of the 2008 Agreements and the Eden District filed an appeal Oral argument before the appellate court occurred on November 2, 2011 On December 21, 2011, the court of appeal affirmed the trial court's decision Eden District filed a petition for review with the California Supreme Court on January 30, 2012

Should the California Supreme Court grant review and issue a decision that invalidates the 2008 Agreements, certain of the Eden District's subsequent actions may negatively impact the ability of EMC to timely and effectively buy the San Leandro Hospital or transition its operations to Sutter Medical Center, Castro Valley upon its completion There can be no assurance that the ultimate resolution of these matters will not adversely affect Sutter's financial condition or results of operations in the future

15. CONTINGENCIES AND COMMITMENTS (continued)

Sutter is required to remediate certain of its health care facilities to comply with earthquake retrofit requirements under a State of California law During 2010, many of the hospitals have been reassessed and have received extensions to 2030, and Sutter is evaluating its facilities and is considering all options Over half of Sutter's facilities are compliant, have received extensions, or extensions are pending making the facilities compliant until 2030 There are four facilities currently in the construction phase with estimated expenditures of capital of $661 that will bring those facilities into compliance and an additional $1,250 is expected to be spent on new construction projects or remediation projects to address seismic requirements over the next five years

Sutter's capital allocation plan, which includes amounts for seismic retrofits, replacements, and relocations, is approximately $5,400 (unaudited) from January 1, 2012 to December 31, 2016 Management and the Board of Directors evaluate Sutter's capital needs on an ongoing basis and are considering options given the current economic conditions

16. SUBSEQUENT EVENT

Sutter has evaluated subsequent events and disclosed all material events through March 20, 2012, which is the date these financial statements of Sutter were issued

Report of Independent Auditors on Other Financial Information

The Board of Directors
Sutter Health and Affiliates

We have audited the financial statements of Sutter Health as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 20, 2012, which contained an unqualified opinion on those financial statements Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole The accompanying combining financial statement schedules for Sutter Health and the Sutter Health - Obligated Group combined financial statements are presented for purposes of additional analysis and are not a required part of the combined financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole

Ernst & Young LLP

March 20, 2012

Sutter Health and Affiliates
Combining Balance Sheet - Regions, Other and Sutter Health Support Services
December 31, 2011
(Dollars in millions)

	Sutter Health Central Valley Region	Sutter Health East Bay Region	Sutter Health Peninsula Coastal Region	Sutter Health Sacramento Sierra Region	Sutter Health West Bay Region	Other	Sutter Health Support Services	Adjustments and Eliminations	Combined
Assets									
Current assets									
Cash and cash equivalents	$ 43	$ 98	$ 90	$ 102	$ 88	$ 8	$ 127	$ (267)	$ 289
Short-term investments	14	112	31	130	72	27	2,262	266	2,914
Patient accounts receivable, net	127	258	165	277	214	37	10	(12)	1,076
Other receivables	9	50	53	28	39	1	205	(145)	240
Inventories	11	20	11	27	14	2	1	1	87
Other	2	7	18	11	6	1	24	1	70
Total current assets	206	545	368	575	433	76	2,629	(156)	4,676
Non-current investments	67	304	128	259	295	-	79	1	1,133
Property, plant and equipment, net	453	519	1,468	1,270	1,047	35	875	1	5,668
Other	12	44	56	62	57	2	170	(60)	343
	$ 738	$ 1,412	$ 2,020	$ 2,166	$ 1,832	$ 113	$ 3,753	$ (214)	$ 11,820
Liabilities and net assets									
Current liabilities									
Accounts payable	$ 11	$ 26	$ 32	$ 49	$ 58	$ 3	$ 92	$ 4	$ 275
Accrued salaries and related benefits	52	64	79	78	92	13	91	-	469
Other accrued expenses	62	105	94	101	62	5	226	(197)	458
Current portion of long-term obligations	7	132	-	112	101	13	2	1	368
Total current liabilities	132	327	205	340	313	34	411	(192)	1,570
Non-current liabilities									
Long-term obligations, less current portion	313	466	767	956	239	13	290	(2)	3,042
Other	12	35	26	21	34	1	550	1	680
Net assets									
Unrestricted controlling	278	491	954	808	1,098	64	2,469	(34)	6,128
Unrestricted noncontrolling	-	4	-	3	6	-	30	13	56
Temporarily restricted	3	38	52	32	91	1	3	(1)	219
Permanently restricted	-	51	16	6	51	-	-	1	125
	281	584	1,022	849	1,246	65	2,502	(21)	6,528
	$ 738	$ 1,412	$ 2,020	$ 2,166	$ 1,832	$ 113	$ 3,753	$ (214)	$ 11,820

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Regions, Other and Sutter Health Support Services
Year ended December 31, 2011
(Dollars in millions)

	Sutter Health Central Valley Region	Sutter Health East Bay Region	Sutter Health Peninsula Coastal Region	Sutter Health Sacramento Sierra Region	Sutter Health West Bay Region	Other	Sutter Health Support Services	Adjustments and Eliminations	Combined
Unrestricted net assets:									
Operating revenues									
Patient service revenues	$ 889	$ 1,665	$ 1,560	$ 2,035	$ 1,689	$ 247	$ 89	$ (46)	$ 8,128
Provision for bad debts	(88)	(110)	(43)	(72)	(50)	(10)	(1)	(1)	(375)
Patient service revenues less provision for bad debts	801	1,555	1,517	1,963	1,639	237	88	(47)	7,753
Capitation revenues	181	29	399	362	22	7	-	(8)	992
Contributions	-	2	3	1	2	2	-	1	11
Other	12	94	62	48	87	8	651	(639)	323
Total operating revenues	994	1,680	1,981	2,374	1,750	254	739	(693)	9,079
Operating expenses									
Salaries and employee benefits	370	879	602	962	808	173	381	(68)	4,107
Purchased services	245	323	728	549	363	37	194	(510)	1,929
Supplies	113	200	166	289	188	25	20	-	1,001
Depreciation and amortization	50	60	106	103	89	7	73	(28)	460
Capitated purchased services	58	15	89	113	8	-	-	(10)	273
Rentals and leases	5	14	25	36	29	6	12	(1)	126
Interest	13	16	26	34	12	1	(18)	-	84
Insurance	7	15	16	20	13	1	4	(48)	28
Other	35	68	42	78	63	13	90	(15)	374
Total operating expenses	896	1,590	1,800	2,184	1,573	263	756	(680)	8,382
Income (loss) from operations	98	90	181	190	177	(9)	(17)	(13)	697
Investment income	6	5	5	11	15	1	112	1	156
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-	-	(170)	-	(170)
Income (loss)	104	95	186	201	192	(8)	(75)	(12)	683
Less income attributable to noncontrolling interests	-	(5)	-	(4)	(12)	-	(17)	(11)	(49)
Income (loss) attributable to Sutter Health	104	90	186	197	180	(8)	(92)	(23)	634

Sutter Health and Affiliates

Combining Statement of Operations and Changes in Net Assets - Regions, Other and Sutter Health Support Services (continued)

Year ended December 31, 2011

(Dollars in millions)

	Sutter Health Central Valley Region	Sutter Health East Bay Region	Sutter Health Peninsula Coastal Region	Sutter Health Sacramento Sierra Region	Sutter Health West Bay Region	Other	Sutter Health Support Services	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):									
Unrestricted controlling net assets									
Income (loss) attributable to Sutter Health	$ 104	$ 90	$ 186	$ 197	$ 180	$ (8)	$ (92)	$ (23)	$ 634
Change in net unrealized gains and losses on investments classified as other-than-trading	(5)	(5)	(4)	(16)	(23)	(2)	45	(1)	(11)
Net assets released from restriction for equipment acquisition	-	1	12	5	3	-	-	1	22
Donated long-lived assets	-	-	-	-	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-	-	(478)	-	(478)
Transfers with related entities, net	(76)	(104)	(223)	(210)	(104)	16	701	-	-
Other	-	3	8	-	-	1	(18)	17	11
Increase (decrease) in unrestricted controlling net assets	23	(15)	(21)	(24)	56	7	158	(6)	178
Unrestricted noncontrolling net assets									
Income (loss) attributable to noncontrolling interests	-	5	-	4	12	-	17	11	49
Distributions	-	(5)	-	(4)	(11)	-	(28)	1	(47)
Contributed capital	-	-	-	-	-	-	4	-	4
Other	-	-	-	-	-	-	18	(9)	9
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-	1	-	11	3	15
Temporarily restricted net assets:									
Contributions	-	3	18	5	23	-	2	1	52
Investment income (loss)	-	5	1	1	-	-	-	(1)	6
Change in net unrealized gains and losses on investments	-	(8)	(2)	(1)	(2)	-	-	-	(13)
Net assets released from restriction	-	(7)	(16)	(8)	(9)	-	(4)	-	(44)
Other	1	(2)	(5)	-	-	-	-	(1)	(7)
Increase (decrease) in temporarily restricted net assets	1	(9)	(4)	(3)	12	-	(2)	(1)	(6)
Permanently restricted net assets:									
Contributions	-	2	1	-	7	-	-	-	10
Change in net unrealized gains and losses on investments	-	(1)	-	-	-	-	-	-	(1)
Other	-	(1)	(1)	-	-	-	-	1	(1)
Increase (decrease) in permanently restricted net assets	-	-	-	-	7	-	-	1	8
Increase (decrease) in net assets	24	(24)	(25)	(27)	76	7	167	(3)	195
Net assets, beginning of year	257	608	1,047	876	1,170	58	2,335	(18)	6,333
Net assets, end of year	$ 281	$ 584	$ 1,022	$ 849	$ 1,246	$ 65	$ 2,502	$ (21)	$ 6,528

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health Central Valley Region
December 31, 2011
(Dollars in millions)

	Sutter Central Valley Hospitals and Affiliate	Sutter Gould Medical Foundation	Adjustments and Eliminations	Combined
Assets				
Current assets				
Cash and cash equivalents	$ 20	$ 23	$ -	$ 43
Short-term investments	10	5	(1)	14
Patient accounts receivable, net	104	23	-	127
Other receivables	11	4	(6)	9
Inventories	9	2	-	11
Other	1	1	-	2
Total current assets	155	58	(7)	206
Non-current investments	64	2	1	67
Property, plant and equipment, net	318	135	-	453
Other	8	4	-	12
	$ 545	$ 199	$ (6)	$ 738
Liabilities and net assets				
Current liabilities				
Accounts payable	$ 9	$ 2	$ -	$ 11
Accrued salaries and related benefits	46	6	-	52
Other accrued expenses	35	33	(6)	62
Current portion of long-term obligations	4	3	-	7
Total current liabilities	94	44	(6)	132
Non-current liabilities				
Long-term obligations, less current portion	165	148	-	313
Other	12	-	-	12
Net assets				
Unrestricted controlling	271	7	-	278
Unrestricted noncontrolling	-	-	-	-
Temporarily restricted	3	-	-	3
Permanently restricted	-	-	-	-
	274	7	-	281
	$ 545	$ 199	$ (6)	$ 738

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Central Valley Region
Year ended December 31, 2011
(Dollars in millions)

	Sutter Central Valley Hospitals and Affiliate	Sutter Gould Medical Foundation	Adjustments and Eliminations	Combined
Unrestricted net assets:				
Operating revenues				
Patient service revenues	$ 685	$ 211	$ (7)	$ 889
Provision for bad debts	(75)	(13)	-	(88)
Patient service revenues less provision for bad debts	610	198	(7)	801
Capitation revenues	82	100	(1)	181
Contributions	-	-	-	-
Other	10	7	(5)	12
Total operating revenues	702	305	(13)	994
Operating expenses				
Salaries and employee benefits	314	64	(8)	370
Purchased services	101	150	(6)	245
Supplies	94	19	-	113
Depreciation and amortization	37	14	(1)	50
Capitated purchased services	24	33	1	58
Rentals and leases	2	3	-	5
Interest	8	4	1	13
Insurance	6	1	-	7
Other	29	6	-	35
Total operating expenses	615	294	(13)	896
Income (loss) from operations	87	11	-	98
Investment income	6	-	-	6
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-
Income (loss)	93	11	-	104
Less income attributable to noncontrolling interests	-	-	-	-
Income (loss) attributable to Sutter Health	93	11	-	104

Sutter Health and Affiliates

Combining Statements of Operations and Changes in Net Assets - Sutter Health Central Valley Region (continued)

Year ended December 31, 2011

(Dollars in millions)

	Sutter Central Valley Hospitals and Affiliate	Sutter Gould Medical Foundation	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):				
Unrestricted controlling net assets				
Income (loss) attributable to Sutter Health	$ 93	$ 11	$ -	$ 104
Change in net unrealized gains and losses on investments classified as other-than-trading	(5)	-	-	(5)
Net assets released from restriction for equipment acquisition	-	-	-	-
Donated long-lived assets	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-
Transfers with related entities, net	(57)	(19)	-	(76)
Other	-	-	-	-
Increase (decrease) in unrestricted controlling net assets	31	(8)	-	23
Unrestricted noncontrolling net assets				
Income (loss) attributable to noncontrolling interests	-	-	-	-
Distributions	-	-	-	-
Contributed capital	-	-	-	-
Other	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-
Temporarily restricted net assets:				
Contributions	-	-	-	-
Investment income (loss)	-	-	-	-
Change in net unrealized gains and losses on investments	-	-	-	-
Net assets released from restriction	-	-	-	-
Other	1	-	-	1
Increase (decrease) in temporarily restricted net assets	1	-	-	1
Permanently restricted net assets:				
Contributions	-	-	-	-
Change in net unrealized gains and losses on investments	-	-	-	-
Other	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-
Increase (decrease) in net assets	32	(8)	-	24
Net assets, beginning of year	242	15	-	257
Net assets, end of year	$ 274	$ 7	$ -	$ 281

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health East Bay Region
December 31, 2011
(Dollars in millions)

	Sutter East Bay Hospitals and Affiliates	Sutter East Bay Medical Foundation	Eden Medical Center	Adjustments and Eliminations	Combined
Assets					
Current assets					
Cash and cash equivalents	$ 83	$ 4	$ 12	$ (1)	$ 98
Short-term investments	112	-	-	-	112
Patient accounts receivable, net	189	7	61	1	258
Other receivables	55	1	5	(11)	50
Inventories	14	-	6	-	20
Other	6	-	1	-	7
Total current assets	459	12	85	(11)	545
Non-current investments	304	-	-	-	304
Property, plant and equipment, net	467	28	25	(1)	519
Other	33	2	9	-	44
	$ 1,263	$ 42	$ 119	$ (12)	$ 1,412
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 22	$ 1	$ 4	$ (1)	$ 26
Accrued salaries and related benefits	47	1	16	-	64
Other accrued expenses	83	5	28	(11)	105
Current portion of long-term obligations	67	-	65	-	132
Total current liabilities	219	7	113	(12)	327
Non-current liabilities					
Long-term obligations, less current portion	466	-	-	-	466
Other	34	-	1	-	35
Net assets					
Unrestricted controlling	455	35	2	(1)	491
Unrestricted noncontrolling	4	-	-	-	4
Temporarily restricted	34	-	3	1	38
Permanently restricted	51	-	-	-	51
	544	35	5	-	584
	$ 1,263	$ 42	$ 119	$ (12)	$ 1,412

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health East Bay Region
Year ended December 31, 2011
(Dollars in millions)

	Sutter East Bay Hospitals and Affiliates	Sutter East Bay Medical Foundation	Eden Medical Center	Adjustments and Eliminations	Combined
Unrestricted net assets:					
Operating revenues					
Patient service revenues	$ 1,269	$ 64	$ 351	$ (19)	$ 1,665
Provision for bad debts	(63)	(4)	(43)	-	(110)
Patient service revenues less provision for bad debts	1,206	60	308	(19)	1,555
Capitation revenues	-	29	-	-	29
Contributions	2	-	1	(1)	2
Other	82	14	8	(10)	94
Total operating revenues	1,290	103	317	(30)	1,680
Operating expenses					
Salaries and employee benefits	699	21	178	(19)	879
Purchased services	202	60	68	(7)	323
Supplies	164	5	31	-	200
Depreciation and amortization	47	4	9	-	60
Capitated purchased services	-	15	-	-	15
Rentals and leases	10	4	2	(2)	14
Interest	14	1	2	(1)	16
Insurance	13	-	3	(1)	15
Other	54	2	12	-	68
Total operating expenses	1,203	112	305	(30)	1,590
Income (loss) from operations	87	(9)	12	-	90
Investment income	4	-	1	-	5
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-
Income (loss)	91	(9)	13	-	95
Less income attributable to noncontrolling interests	(5)	-	-	-	(5)
Income (loss) attributable to Sutter Health	86	(9)	13	-	90

Sutter Health and Affiliates

Combining Statement of Operations and Changes in Net Assets - Sutter Health East Bay Region (continued)

Year ended December 31, 2011

(Dollars in millions)

	Sutter East Bay Hospitals and Affiliates	Sutter East Bay Medical Foundation	Eden Medical Center	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):					
Unrestricted controlling net assets					
Income (loss) attributable to Sutter Health	$ 86	$ (9)	$ 13	$ -	$ 90
Change in net unrealized gains and losses on investments classified as other-than-trading	(5)	-	-	-	(5)
Net assets released from restriction for equipment acquisition	1	-	-	-	1
Donated long-lived assets	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-
Transfers with related entities, net	(104)	18	(17)	(1)	(104)
Other	-	-	3	-	3
Increase (decrease) in unrestricted controlling net assets	(22)	9	(1)	(1)	(15)
Unrestricted noncontrolling net assets					
Income (loss) attributable to noncontrolling interests	5	-	-	-	5
Distributions	(5)	-	-	-	(5)
Contributed capital	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-	-
Temporarily restricted net assets:					
Contributions	3	-	-	-	3
Investment income (loss)	5	-	-	-	5
Change in net unrealized gains and losses on investments	(8)	-	-	-	(8)
Net assets released from restriction	(7)	-	-	-	(7)
Other	(1)	-	(2)	1	(2)
Increase (decrease) in temporarily restricted net assets	(8)	-	(2)	1	(9)
Permanently restricted net assets:					
Contributions	2	-	-	-	2
Change in net unrealized gains and losses on investments	(1)	-	-	-	(1)
Other	(1)	-	-	-	(1)
Increase (decrease) in permanently restricted net assets	-	-	-	-	-
Increase (decrease) in net assets	(30)	9	(3)	-	(24)
Net assets, beginning of year	574	26	8	-	608
Net assets, end of year	$ 544	$ 35	$ 5	$ -	$ 584

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health Peninsula Coastal Region
December 31, 2011
(Dollars in millions)

	Mills-Peninsula Health Services and Affiliates	Palo Alto Medical Foundation	Palo Alto Medical Foundation Research Institute	Adjustments and Eliminations	Combined
Assets					
Current assets					
Cash and cash equivalents	$ 30	$ 44	$ 16	$ -	$ 90
Short-term investments	10	-	21	-	31
Patient accounts receivable, net	65	100	-	-	165
Other receivables	22	59	8	(36)	53
Inventories	8	2	-	1	11
Other	3	15	-	-	18
Total current assets	138	220	45	(35)	368
Non-current investments	31	55	41	1	128
Property, plant and equipment, net	756	688	24	-	1,468
Other	9	38	10	(1)	56
	$ 934	$ 1,001	$ 120	$ (35)	$ 2,020
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 14	$ 19	$ -	$ (1)	$ 32
Accrued salaries and related benefits	25	53	1	-	79
Other accrued expenses	23	67	38	(34)	94
Current portion of long-term obligations	-	-	-	-	-
Total current liabilities	62	139	39	(35)	205
Non-current liabilities					
Long-term obligations, less current portion	502	263	1	1	767
Other	9	15	2	-	26
Net assets					
Unrestricted controlling	326	584	44	-	954
Unrestricted noncontrolling	-	-	-	-	-
Temporarily restricted	29	-	24	(1)	52
Permanently restricted	6	-	10	-	16
	361	584	78	(1)	1,022
	$ 934	$ 1,001	$ 120	$ (35)	$ 2,020

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Peninsula Coastal Region
Year ended December 31, 2011
(Dollars in millions)

	Mills-Peninsula Health Services and Affiliates	Palo Alto Medical Foundation	Palo Alto Medical Foundation Research Institute	Adjustments and Eliminations	Combined
Unrestricted net assets:					
Operating revenues					
Patient service revenues	$ 492	$ 1,087	$ -	$ (19)	$ 1,560
Provision for bad debts	(11)	(31)	-	(1)	(43)
Patient service revenues less provision for bad debts	481	1,056	-	(20)	1,517
Capitation revenues	54	345	-	-	399
Contributions	2	-	2	(1)	3
Other	37	23	8	(6)	62
Total operating revenues	574	1,424	10	(27)	1,981
Operating expenses					
Salaries and employee benefits	275	334	11	(18)	602
Purchased services	87	643	4	(6)	728
Supplies	57	108	1	-	166
Depreciation and amortization	53	52	1	-	106
Capitated purchased services	9	80	-	-	89
Rentals and leases	5	24	-	(4)	25
Interest	17	9	-	-	26
Insurance	4	12	-	-	16
Other	17	23	1	1	42
Total operating expenses	524	1,285	18	(27)	1,800
Income (loss) from operations	50	139	(8)	-	181
Investment income	-	2	3	-	5
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-
Income (loss)	50	141	(5)	-	186
Less income attributable to noncontrolling interests	-	-	-	-	-
Income (loss) attributable to Sutter Health	50	141	(5)	-	186

Sutter Health and Affiliates

Combining Statements of Operations and Changes in Net Assets - Sutter Health Peninsula Coastal Region (continued)

Year ended December 31, 2011

(Dollars in millions)

	Mills-Peninsula Health Services and Affiliates	Palo Alto Medical Foundation	Palo Alto Medical Foundation Research Institute	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):					
Unrestricted controlling net assets					
Income (loss) attributable to Sutter Health	$ 50	$ 141	$ (5)	$ -	$ 186
Change in net unrealized gains and losses on investments classified as other-than-trading	-	-	(4)	-	(4)
Net assets released from restriction for equipment acquisition	5	-	7	-	12
Donated long-lived assets	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-
Transfers with related entities, net	(88)	(111)	(24)	-	(223)
Other	-	-	8	-	8
Increase (decrease) in unrestricted controlling net assets	(33)	30	(18)	-	(21)
Unrestricted noncontrolling net assets					
Income (loss) attributable to noncontrolling interests	-	-	-	-	-
Distributions	-	-	-	-	-
Contributed capital	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-	-
Temporarily restricted net assets:					
Contributions	13	-	5	-	18
Investment income (loss)	1	-	1	(1)	1
Change in net unrealized gains and losses on investments	-	-	(2)	-	(2)
Net assets released from restriction	(7)	-	(9)	-	(16)
Other	-	-	(5)	-	(5)
Increase (decrease) in temporarily restricted net assets	7	-	(10)	(1)	(4)
Permanently restricted net assets:					
Contributions	-	-	1	-	1
Change in net unrealized gains and losses on investments	-	-	-	-	-
Other	-	-	-	(1)	(1)
Increase (decrease) in permanently restricted net assets	-	-	1	(1)	-
Increase (decrease) in net assets	(26)	30	(27)	(2)	(25)
Net assets, beginning of year	387	554	105	1	1,047
Net assets, end of year	$ 361	$ 584	$ 78	$ (1)	$ 1,022

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health Sacramento Sierra Region
December 31, 2011
(Dollars in millions)

	Sutter Health Sacramento Sierra Region and Affiliates	Sutter Medical Foundation and Subsidiaries	Roseville Endoscopy Center LLC	Adjustments and Eliminations	Combined
Assets					
Current assets					
Cash and cash equivalents	$ 58	$ 44	$ -	$ -	$ 102
Short-term investments	129	1	-	-	130
Patient accounts receivable, net	225	51	1	-	277
Other receivables	23	12	-	(7)	28
Inventories	23	4	-	-	27
Other	8	2	-	1	11
Total current assets	466	114	1	(6)	575
Non-current investments	257	2	-	-	259
Property, plant and equipment, net	1,051	219	-	-	1,270
Other	47	16	-	(1)	62
	$ 1,821	$ 351	$ 1	$ (7)	$ 2,166
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 44	$ 5	$ -	$ -	$ 49
Accrued salaries and related benefits	65	13	-	-	78
Other accrued expenses	71	36	-	(6)	101
Current portion of long-term obligations	110	2	-	-	112
Total current liabilities	290	56	-	(6)	340
Non-current liabilities					
Long-term obligations, less current portion	916	40	-	-	956
Other	15	6	-	-	21
Net assets					
Unrestricted controlling	563	245	3	(3)	808
Unrestricted noncontrolling	-	3	(2)	2	3
Temporarily restricted	31	1	-	-	32
Permanently restricted	6	-	-	-	6
	600	249	1	(1)	849
	$ 1,821	$ 351	$ 1	$ (7)	$ 2,166

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Sacramento Sierra Region
Year ended December 31, 2011
(Dollars in millions)

	Sutter Health Sacramento Sierra Region and Affiliates	Sutter Medical Foundation and Subsidiaries	Roseville Endoscopy Center LLC	Adjustments and Eliminations	Combined
Unrestricted net assets:					
Operating revenues					
Patient service revenues	$ 1,572	$ 500	$ 8	$ (45)	$ 2,035
Provision for bad debts	(49)	(23)	-	-	(72)
Patient service revenues less provision for bad debts	1,523	477	8	(45)	1,963
Capitation revenues	182	181	-	(1)	362
Contributions	1	-	-	-	1
Other	46	47	-	(45)	48
Total operating revenues	1,752	705	8	(91)	2,374
Operating expenses					
Salaries and employee benefits	825	174	2	(39)	962
Purchased services	246	334	-	(31)	549
Supplies	252	36	1	-	289
Depreciation and amortization	72	31	-	-	103
Capitated purchased services	38	81	-	(6)	113
Rentals and leases	19	23	-	(6)	36
Interest	27	7	-	-	34
Insurance	14	6	-	-	20
Other	70	14	-	(6)	78
Total operating expenses	1,563	706	3	(88)	2,184
Income (loss) from operations	189	(1)	5	(3)	190
Investment income	11	-	-	-	11
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-
Income (loss)	200	(1)	5	(3)	201
Less income attributable to noncontrolling interests	-	(2)	-	(2)	(4)
Income (loss) attributable to Sutter Health	200	(3)	5	(5)	197

Sutter Health and Affiliates

Combining Statement of Operations and Changes in Net Assets - Sutter Health Sacramento Sierra Region (continued)

Year ended December 31, 2011

(Dollars in millions)

	Sutter Health Sacramento Sierra Region and Affiliates	Sutter Medical Foundation and Subsidiaries	Roseville Endoscopy Center LLC	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):					
Unrestricted controlling net assets					
Income (loss) attributable to Sutter Health	$ 200	$ (3)	$ 5	$ (5)	$ 197
Change in net unrealized gains and losses on investments classified as other-than-trading	(16)	-	-	-	(16)
Net assets released from restriction for equipment acquisition	5	-	-	-	5
Donated long-lived assets	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-
Transfers with related entities, net	(208)	(2)	-	-	(210)
Other	-	-	(5)	5	-
Increase (decrease) in unrestricted controlling net assets	(19)	(5)	-	-	(24)
Unrestricted noncontrolling net assets					
Income (loss) attributable to noncontrolling interests	-	2	-	2	4
Distributions	-	(1)	(3)	-	(4)
Contributed capital	-	-	-	-	-
Other	-	-	2	(2)	-
Increase (decrease) in unrestricted noncontrolling net assets	-	1	(1)	-	-
Temporarily restricted net assets:					
Contributions	4	1	-	-	5
Investment income (loss)	1	-	-	-	1
Change in net unrealized gains and losses on investments	(1)	-	-	-	(1)
Net assets released from restriction	(7)	(1)	-	-	(8)
Other	-	-	-	-	-
Increase (decrease) in temporarily restricted net assets	(3)	-	-	-	(3)
Permanently restricted net assets:					
Contributions	-	-	-	-	-
Change in net unrealized gains and losses on investments	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	-
Increase (decrease) in net assets	(22)	(4)	(1)	-	(27)
Net assets, beginning of year	622	253	2	(1)	876
Net assets, end of year	$ 600	$ 249	$ 1	$ (1)	$ 849

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health West Bay Region
December 31, 2011
(Dollars in millions)

	Sutter West Bay Hospitals and Affiliates	Sutter Pacific Medical Foundation	Adjustments and Eliminations	Combined
Assets				
Current assets				
Cash and cash equivalents	$ 83	$ 4	$ 1	$ 88
Short-term investments	72	-	-	72
Patient accounts receivable, net	201	13	-	214
Other receivables	38	3	(2)	39
Inventories	14	-	-	14
Other	5	1	-	6
Total current assets	413	21	(1)	433
Non-current investments	295	-	-	295
Property, plant and equipment, net	1,029	18	-	1,047
Other	53	4	-	57
	$ 1,790	$ 43	$ (1)	$ 1,832
Liabilities and net assets				
Current liabilities				
Accounts payable	$ 54	$ 4	$ -	$ 58
Accrued salaries and related benefits	88	4	-	92
Other accrued expenses	56	7	(1)	62
Current portion of long-term obligations	101	-	-	101
Total current liabilities	299	15	(1)	313
Non-current liabilities				
Long-term obligations, less current portion	239	-	-	239
Other	33	1	-	34
Net assets				
Unrestricted controlling	1,071	27	-	1,098
Unrestricted noncontrolling	6	-	-	6
Temporarily restricted	91	-	-	91
Permanently restricted	51	-	-	51
	1,219	27	-	1,246
	$ 1,790	$ 43	$ (1)	$ 1,832

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health West Bay Region
Year ended December 31, 2011
(Dollars in millions)

	Sutter West Bay Hospitals and Affiliates	Sutter Pacific Medical Foundation	Adjustments and Eliminations	Combined
Unrestricted net assets:				
Operating revenues				
Patient service revenues	$ 1,578	$ 130	$ (19)	$ 1,689
Provision for bad debts	(48)	(2)	-	(50)
Patient service revenues less provision for bad debts	1,530	128	(19)	1,639
Capitation revenues	-	21	1	22
Contributions	2	-	-	2
Other	83	31	(27)	87
Total operating revenues	1,615	180	(45)	1,750
Operating expenses				
Salaries and employee benefits	775	51	(18)	808
Purchased services	269	117	(23)	363
Supplies	181	7	-	188
Depreciation and amortization	84	5	-	89
Capitated purchased services	-	8	-	8
Rentals and leases	22	10	(3)	29
Interest	11	1	-	12
Insurance	11	2	-	13
Other	60	5	(2)	63
Total operating expenses	1,413	206	(46)	1,573
Income (loss) from operations	202	(26)	1	177
Investment income	15	-	-	15
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-
Income (loss)	217	(26)	1	192
Less income attributable to noncontrolling interests	(12)	-	-	(12)
Income (loss) attributable to Sutter Health	205	(26)	1	180

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health West Bay Region (continued)
Year ended December 31, 2011
(Dollars in millions)

	Sutter West Bay Hospitals and Affiliates	Sutter Pacific Medical Foundation	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):				
Unrestricted controlling net assets				
Income (loss) attributable to Sutter Health	$ 205	$ (26)	$ 1	$ 180
Change in net unrealized gains and losses on investments classified as other-than-trading	(23)	-	-	(23)
Net assets released from restriction for equipment acquisition	3	-	-	3
Donated long-lived assets	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-
Transfers with related entities, net	(128)	24	-	(104)
Other	-	1	(1)	-
Increase (decrease) in unrestricted controlling net assets	57	(1)	-	56
Unrestricted noncontrolling net assets				
Income (loss) attributable to noncontrolling interests	12	-	-	12
Distributions	(11)	-	-	(11)
Contributed capital	-	-	-	-
Other	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	1	-	-	1
Temporarily restricted net assets:				
Contributions	23	-	-	23
Investment income (loss)	-	-	-	-
Change in net unrealized gains and losses on investments	(2)	-	-	(2)
Net assets released from restriction	(9)	-	-	(9)
Other	-	-	-	-
Increase (decrease) in temporarily restricted net assets	12	-	-	12
Permanently restricted net assets:				
Contributions	7	-	-	7
Change in net unrealized gains and losses on investments	-	-	-	-
Other	-	-	-	-
Increase (decrease) in permanently restricted net assets	7	-	-	7
Increase (decrease) in net assets	77	(1)	-	76
Net assets, beginning of year	1,142	28	-	1,170
Net assets, end of year	$ 1,219	$ 27	$ -	$ 1,246

Sutter Health and Affiliates
Combining Balance Sheet - Other
December 31, 2011
(Dollars in millions)

	Sutter Coast Hospital	Sutter Health Pacific	Sutter Care at Home	Adjustments and Eliminations	Combined
Assets					
Current assets					
Cash and cash equivalents	$ -	$ 1	$ 7	$ -	$ 8
Short-term investments	20	-	8	(1)	27
Patient accounts receivable, net	10	3	24	-	37
Other receivables	-	-	1	-	1
Inventories	1	-	1	-	2
Other	-	-	-	1	1
Total current assets	31	4	41	-	76
Non-current investments	-	-	-	-	-
Property, plant and equipment, net	20	6	9	-	35
Other	1	-	1	-	2
	$ 52	$ 10	$ 51	$ -	$ 113
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 1	$ -	$ 2	$ -	$ 3
Accrued salaries and related benefits	4	1	9	(1)	13
Other accrued expenses	1	-	3	1	5
Current portion of long-term obligations	13	-	-	-	13
Total current liabilities	19	1	14	-	34
Non-current liabilities					
Long-term obligations, less current portion	13	-	-	-	13
Other	1	1	-	(1)	1
Net assets					
Unrestricted controlling	19	8	36	1	64
Unrestricted noncontrolling	-	-	-	-	-
Temporarily restricted	-	-	1	-	1
Permanently restricted	-	-	-	-	-
	19	8	37	1	65
	$ 52	$ 10	$ 51	$ -	$ 113

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Other
Year ended December 31, 2011
(Dollars in millions)

	Sutter Coast Hospital	Sutter Health Pacific	Sutter Care at Home	Adjustments and Eliminations	Combined
Unrestricted net assets:					
Operating revenues					
Patient service revenues	$ 71	$ 18	$ 159	$ (1)	$ 247
Provision for bad debts	(7)	-	(3)	-	(10)
Patient service revenues less provision for bad debts	64	18	156	(1)	237
Capitation revenues	-	-	7	-	7
Contributions	-	-	1	1	2
Other	1	-	7	-	8
Total operating revenues	65	18	171	-	254
Operating expenses					
Salaries and employee benefits	37	12	123	1	173
Purchased services	15	4	19	(1)	37
Supplies	7	1	17	-	25
Depreciation and amortization	4	1	3	(1)	7
Capitated purchased services	-	-	-	-	-
Rentals and leases	1	-	5	-	6
Interest	-	-	-	1	1
Insurance	1	-	1	(1)	1
Other	3	1	9	-	13
Total operating expenses	68	19	177	(1)	263
Income (loss) from operations	(3)	(1)	(6)	1	(9)
Investment income	-	-	1	-	1
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-
Income (loss)	(3)	(1)	(5)	1	(8)
Less income attributable to noncontrolling interests	-	-	-	-	-
Income (loss) attributable to Sutter Health	(3)	(1)	(5)	1	(8)

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Other (continued)
Year ended December 31, 2011
(Dollars in millions)

	Sutter Coast Hospital	Sutter Health Pacific	Sutter Care at Home	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):					
Unrestricted controlling net assets					
Income (loss) attributable to Sutter Health	$ (3)	$ (1)	$ (5)	$ 1	$ (8)
Change in net unrealized gains and losses on investments classified as other-than-trading	(1)	-	(1)	-	(2)
Net assets released from restriction for equipment acquisition	-	-	-	-	-
Donated long-lived assets	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-
Transfers with related entities, net	7	1	8	-	16
Other	1	-	-	-	1
Increase (decrease) in unrestricted controlling net assets	4	-	2	1	7
Unrestricted noncontrolling net assets					
Income (loss) attributable to noncontrolling interests	-	-	-	-	-
Distributions	-	-	-	-	-
Contributed capital	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-	-
Temporarily restricted net assets:					
Contributions	-	-	-	-	-
Investment income (loss)	-	-	-	-	-
Change in net unrealized gains and losses on investments	-	-	-	-	-
Net assets released from restriction	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in temporarily restricted net assets	-	-	-	-	-
Permanently restricted net assets:					
Contributions	-	-	-	-	-
Change in net unrealized gains and losses on investments	-	-	-	-	-
Other	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	-
Increase (decrease) in net assets	4	-	2	1	7
Net assets, beginning of year	15	8	35	-	58
Net assets, end of year	$ 19	$ 8	$ 37	$ 1	$ 65

Sutter Health and Affiliates

Combined Balance Sheets - Sutter Health Obligated Group

(Dollars in millions)

	December 31, 2011	2010
Assets		
Current assets		
Cash and cash equivalents	**$ 248**	$ 325
Short-term investments	**2,531**	1,818
Patient accounts receivable, net	**1,050**	1,032
Other receivables	**211**	216
Securities lending receivable	**–**	162
Inventories	**86**	89
Other	**67**	66
Total current assets	**4,193**	3,708
Non-current investments	**907**	705
Property, plant and equipment, net	**5,600**	5,172
Other	**295**	430
	$ 10,995	$ 10,015
Liabilities and net assets		
Current liabilities		
Accounts payable	**$ 266**	$ 255
Accrued salaries and related benefits	**460**	464
Other accrued expenses	**391**	360
Securities lending collateral payable	**–**	166
Current portion of long-term obligations	**367**	71
Total current liabilities	**1,484**	1,316
Non-current liabilities		
Long-term obligations, less current portion	**3,039**	2,421
Other	**577**	528
Net assets		
Unrestricted controlling	**5,782**	5,629
Unrestricted noncontrolling	**42**	37
Temporarily restricted	**58**	72
Permanently restricted	**13**	12
	5,895	5,750
	$ 10,995	$ 10,015

Sutter Health and Affiliates

Combined Statements of Operations and Changes in Net Assets -
Sutter Health Obligated Group

(Dollars in millions)

	Year ended December 31, 2011	2010
Unrestricted net assets		
Operating revenues		
Patient service revenues	**$ 7,892**	$ 7,666
Provision for bad debts	**(368)**	(326)
Patient service revenues less provision for bad debts	**7,524**	7,340
Capitation revenues	**942**	890
Contributions	**5**	5
Other	**304**	279
Total operating revenues	**8,775**	8,514
Operating expenses		
Salaries and employee benefits	**3,977**	3,887
Purchased services	**1,792**	1,596
Supplies	**982**	950
Depreciation and amortization	**450**	414
Capitated purchased services	**252**	194
Rentals and leases	**115**	115
Interest	**83**	65
Insurance	**79**	70
Other	**333**	504
Total operating expenses	**8,063**	7,795
Income from operations	**712**	719
Investment income	**143**	117
Change in net unrealized gains and losses on investments classified as trading	**(159)**	88
Income	**696**	924
Less income attributable to noncontrolling interests	**(41)**	(38)
Income attributable to Sutter Health	**655**	886

Sutter Health and Affiliates

Combined Statements of Operations and Changes in Net Assets - Sutter Health Obligated Group (continued)

(Dollars in millions)

	Year ended December 31, 2011	2010
Unrestricted net assets (continued)		
Unrestricted controlling net assets		
Income attributable to Sutter Health	**$ 655**	$ 886
Change in net unrealized gains and losses on investments classified as other-than-trading	**(11)**	3
Net assets released from restrictions for equipment acquisition	**20**	9
Donated long-lived assets	**–**	2
Pension-related changes other than net periodic pension cost	**(478)**	35
Transfers with related entities, net	**(54)**	(59)
Transfers with unrelated entities, net	**–**	16
Other	**21**	5
Increase in unrestricted controlling net assets	**153**	897
Unrestricted noncontrolling net assets:		
Income attributable to noncontrolling interests	**41**	38
Distributions	**(39)**	(34)
Contributed capital	**–**	2
Other	**3**	–
Increase in unrestricted noncontrolling net assets	**5**	6
Temporarily restricted net assets		
Contributions	**14**	15
Investment income	**1**	1
Change in net unrealized gains and losses on investments	**(5)**	3
Net assets released from restrictions	**(18)**	(10)
Other	**(6)**	1
(Decrease) increase in temporarily restricted net assets	**(14)**	10
Permanently restricted net assets		
Contributions	**1**	1
Other	**–**	(2)
Increase (decrease) in permanently restricted net assets	**1**	(1)
Increase in net assets	**145**	912
Net assets, beginning of year	**5,750**	4,838
Net assets, end of the year	**$ 5,895**	$ 5,750

Sutter Health and Affiliates

Combined Statements of Cash Flows - Sutter Health Obligated Group

(Dollars in millions)

	December 31, 2011	2010
Operating activities		
Increase in net assets	**$ 145**	$ 912
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Gain on sale of business unit	**(27)**	–
Depreciation and amortization	**425**	397
Amortization of bond issuance (premium) discount	**(3)**	(3)
Change in net unrealized gains and losses on investments	**175**	(94)
Provision for doubtful accounts	**368**	326
Restricted contributions and investment income	**(16)**	(17)
Loss on impairment of property, plant and equipment	**20**	16
Loss on impairment of goodwill	**1**	–
Loss on disposal of property, plant and equipment	**4**	1
Net changes in operating assets and liabilities		
Patient accounts receivable and other receivables	**(219)**	(430)
Inventories and other assets	**159**	(86)
Accounts payable and accrued expenses	**(128)**	97
Other non-current liabilities	**49**	58
Net cash provided by operating activities	**953**	1,177
Investing activities		
Purchases of property, plant and equipment	**(875)**	(840)
Proceeds from disposal of property, plant and equipment	**1**	1
(Purchases) and sales or maturities of investments, net	**(1,090)**	(327)
Gain on sale of business unit	**27**	–
Other	**(15)**	1
Net cash used in investing activities	**(1,952)**	(1,165)

Sutter Health and Affiliates

Combined Statements of Cash Flows - Sutter Health Obligated Group
(continued)

(Dollars in millions)

	Year ended December 31, 2011	2010
Financing activities		
Payments of long-term obligations	**$ (25)**	$ (28)
Payments for bond redemption	**(172)**	(39)
Proceeds from issuance of long-term obligations	**1,098**	9
Bond issuance costs	**(11)**	–
Bond issuance premium (discount), net	**16**	–
Restricted contributions and investment income	**16**	17
Net cash provided by (used in) financing activities	**922**	(41)
Net decrease in cash and cash equivalents	**(77)**	(29)
Cash and cash equivalents at beginning of year	**325**	354
Cash and cash equivalents at end of year	**$ 248**	$ 325
Supplementary disclosures of cash flow information		
Cash paid during the year for interest (net of capitalized interest costs of $77 in 2011 and $58 in 2010)	**$ 71**	$ 76

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health Obligated Group
December 31, 2011
(Dollars in millions)

	Sutter Central Valley Hospitals	Sutter Gould Medical Foundation	Sutter East Bay Hospitals and Affiliates	Eden Medical Center	Mills-Peninsula Health Services	Palo Alto Medical Foundation for Health Care, Research and Education	Sutter Health Sacramento Sierra Region	Sutter Medical Foundation and Subsidiaries
Assets								
Current assets								
Cash and cash equivalents	$ 19	$ 23	$ 55	$ 12	$ 25	$ 60	$ 52	$ 44
Short-term investments	1	5	32	-	-	21	100	1
Patient accounts receivable, net	105	23	189	61	65	100	225	51
Other receivables	10	4	29	5	11	33	25	12
Inventories	9	2	14	6	8	3	23	4
Other	1	1	5	1	3	15	8	2
Total current assets	145	58	324	85	112	232	433	114
Non-current investments	64	2	236	-	20	97	249	2
Property, plant and equipment, net	316	135	460	25	756	712	1,051	219
Other	8	4	28	9	6	47	34	16
	$ 533	$ 199	$ 1,048	$ 119	$ 894	$ 1,088	$ 1,767	$ 351
Liabilities and net assets								
Current liabilities								
Accounts payable	$ 9	$ 2	$ 19	$ 4	$ 13	$ 19	$ 44	$ 5
Accrued salaries and related benefits	46	6	44	16	25	54	65	13
Other accrued expenses	35	33	62	28	23	71	71	36
Current portion of long-term obligations	4	3	67	65	-	-	110	2
Total current liabilities	94	44	192	113	61	144	290	56
Non-current liabilities								
Long-term obligations, less current portion	165	148	466	-	502	265	915	40
Other	12	-	13	1	7	17	16	6
Net assets								
Unrestricted controlling	260	7	370	2	323	628	544	245
Unrestricted noncontrolling	-	-	4	-	-	-	-	3
Temporarily restricted	2	-	-	3	1	24	2	1
Permanently restricted	-	-	3	-	-	10	-	-
	262	7	377	5	324	662	546	249
	$ 533	$ 199	$ 1,048	$ 119	$ 894	$ 1,088	$ 1,767	$ 351

Sutter Health and Affiliates
Combining Balance Sheet - Sutter Health Obligated Group (continued)
December 31, 2011
(Dollars in millions)

	Roseville Endoscopy Center LLC	Sutter West Bay Hospitals and Affiliates	Sutter Coast Hospital	Sutter Care at Home	Sutter Health Support Services	Adjustments and Eliminations	Combined
Assets							
Current assets							
Cash and cash equivalents	$ -	$ 76	$ -	$ 7	$ 118	$ (243)	$ 248
Short-term investments	-	21	20	8	2,083	239	2,531
Patient accounts receivable, net	1	201	10	24	6	(11)	1,050
Other receivables	-	37	-	1	210	(166)	211
Inventories	-	14	1	1	1	-	86
Other	-	5	-	-	23	3	67
Total current assets	1	354	31	41	2,441	(178)	4,193
Non-current investments	-	157	-	-	79	1	907
Property, plant and equipment, net	-	1,029	20	9	865	3	5,600
Other	-	32	1	1	162	(53)	295
	$ 1	$ 1,572	$ 52	$ 51	$ 3,547	$ (227)	$ 10,995
Liabilities and net assets							
Current liabilities							
Accounts payable	$ -	$ 53	$ 1	$ 2	$ 92	$ 3	$ 266
Accrued salaries and related benefits	-	88	4	9	90	-	460
Other accrued expenses	-	56	1	3	186	(214)	391
Current portion of long-term obligations	-	101	13	-	1	1	367
Total current liabilities	-	298	19	14	369	(210)	1,484
Non-current liabilities							
Long-term obligations, less current portion	-	239	13	-	287	(1)	3,039
Other	-	27	1	-	478	(1)	577
Net assets							
Unrestricted controlling	3	980	19	36	2,390	(25)	5,782
Unrestricted noncontrolling	(2)	6	-	-	20	11	42
Temporarily restricted	-	22	-	1	3	(1)	58
Permanently restricted	-	-	-	-	-	-	13
	1	1,008	19	37	2,413	(15)	5,895
	$ 1	$ 1,572	$ 52	$ 51	$ 3,547	$ (227)	$ 10,995

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Obligated Group
Year ended December 31, 2011
(Dollars in millions)

	Sutter Central Valley Hospitals	Sutter Gould Medical Foundation	Sutter East Bay Hospitals and Affiliates	Eden Medical Center	Mills-Peninsula Health Services	Palo Alto Medical Foundation for Health Care, Research and Education	Sutter Health Sacramento Sierra Region	Sutter Medical Foundation and Subsidiaries
Unrestricted net assets:								
Operating revenues								
Patient service revenues	$ 685	$ 211	$ 1,267	$ 351	$ 492	$ 1,087	$ 1,572	$ 500
Provision for bad debts	(75)	(13)	(63)	(43)	(11)	(31)	(49)	(23)
Patient service revenues less provision for bad debts	610	198	1,204	308	481	1,056	1,523	477
Capitation revenues	81	100	-	-	54	345	182	181
Contributions	-	-	-	1	-	2	-	-
Other	10	7	27	8	37	31	47	47
Total operating revenues	701	305	1,231	317	572	1,434	1,752	705
Operating expenses								
Salaries and employee benefits	314	64	658	178	273	344	824	174
Purchased services	101	150	196	68	87	647	245	334
Supplies	94	19	163	31	57	109	252	36
Depreciation and amortization	37	14	45	9	53	53	71	31
Capitated purchased services	24	33	-	-	9	80	38	81
Rentals and leases	2	3	9	2	5	24	19	23
Interest	8	4	14	2	17	9	27	7
Insurance	6	1	13	3	4	12	13	6
Other	28	6	49	12	19	25	72	14
Total operating expenses	614	294	1,147	305	524	1,303	1,561	706
Income (loss) from operations	87	11	84	12	48	131	191	(1)
Investment income	5	-	2	1	1	5	9	-
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	-	-	-	-
Income (loss)	92	11	86	13	49	136	200	(1)
Less income attributable to noncontrolling interests	-	-	(5)	-	-	-	-	(2)
Income (loss) attributable to Sutter Health	92	11	81	13	49	136	200	(3)

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Obligated Group (continued)
Year ended December 31, 2011
(Dollars in millions)

	Roseville Endoscopy Center LLC	Sutter West Bay Hospitals and Affiliates	Sutter Coast Hospital	Sutter Care at Home	Sutter Health Support Services	Adjustments and Eliminations	Combined
Unrestricted net assets:							
Operating revenues							
Patient service revenues	$ 8	$ 1,578	$ 71	$ 159	$ 59	$ (148)	$ 7,892
Provision for bad debts	-	(48)	(7)	(3)	(1)	(1)	(368)
Patient service revenues less provision for bad debts	8	1,530	64	156	58	(149)	7,524
Capitation revenues	-	-	-	7	-	(8)	942
Contributions	-	-	-	1	-	1	5
Other	-	86	1	7	602	(606)	304
Total operating revenues	8	1,616	65	171	660	(762)	8,775
Operating expenses							
Salaries and employee benefits	2	770	37	123	374	(158)	3,977
Purchased services	-	267	15	19	189	(526)	1,792
Supplies	1	180	7	17	16	-	982
Depreciation and amortization	-	84	4	3	72	(26)	450
Capitated purchased services	-	-	-	-	-	(13)	252
Rentals and leases	-	22	1	5	11	(11)	115
Interest	-	11	-	-	(18)	2	83
Insurance	-	12	1	1	9	(2)	79
Other	-	57	3	9	56	(17)	333
Total operating expenses	3	1,403	68	177	709	(751)	8,063
Income (loss) from operations	5	213	(3)	(6)	(49)	(11)	712
Investment income	-	7	-	1	112	-	143
Change in net unrealized gains and losses on investments classified as trading	-	-	-	-	(159)	-	(159)
Income (loss)	5	220	(3)	(5)	(96)	(11)	696
Less income attributable to noncontrolling interests	-	(12)	-	-	(12)	(10)	(41)
Income (loss) attributable to Sutter Health	5	208	(3)	(5)	(108)	(21)	655

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Obligated Group (continued)
Year ended December 31, 2011
(Dollars in millions)

	Sutter Central Valley Hospitals	Sutter Gould Medical Foundation	Sutter East Bay Hospitals and Affiliates	Eden Medical Center	Mills-Peninsula Health Services	Palo Alto Medical Foundation for Health Care, Research and Education	Sutter Health Sacramento Sierra Region	Sutter Medical Foundation and Subsidiaries
Unrestricted net assets (continued):								
Unrestricted controlling net assets								
Income (loss) attributable to Sutter Health	$ 92	$ 11	$ 81	$ 13	$ 49	$ 136	$ 200	$ (3)
Change in net unrealized gains and losses on investments classified as other-than-trading	(4)	-	(3)	-	-	(4)	(13)	-
Net assets released from restriction for equipment acquisition	-	-	-	-	5	7	5	-
Donated long-lived assets	-	-	-	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	-	-	-	-
Transfers with related entities, net	(57)	(19)	(110)	(17)	(88)	(135)	(208)	(2)
Other	1	-	-	3	(1)	8	-	-
Increase (decrease) in unrestricted controlling net assets	32	(8)	(32)	(1)	(35)	12	(16)	(5)
Unrestricted noncontrolling net assets								
Income (loss) attributable to noncontrolling interests	-	-	5	-	-	-	-	2
Distributions	-	-	(5)	-	-	-	-	(1)
Contributed capital	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted noncontrolling net assets	-	-	-	-	-	-	-	1
Temporarily restricted net assets:								
Contributions	-	-	-	-	-	5	-	1
Investment income (loss)	-	-	-	-	-	1	-	-
Change in net unrealized gains and losses on investments	-	-	-	-	-	(2)	-	-
Net assets released from restriction	-	-	-	-	-	(9)	-	(1)
Other	-	-	-	(2)	1	(5)	-	-
Increase (decrease) in temporarily restricted net assets	-	-	-	(2)	1	(10)	-	-
Permanently restricted net assets:								
Contributions	-	-	-	-	-	1	-	-
Change in net unrealized gains and losses on investments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	-	1	-	-
Increase (decrease) in net assets	32	(8)	(32)	(3)	(34)	3	(16)	(4)
Net assets, beginning of year	230	15	409	8	358	659	562	253
Net assets, end of year	$ 262	$ 7	$ 377	$ 5	$ 324	$ 662	$ 546	$ 249

Sutter Health and Affiliates
Combining Statement of Operations and Changes in Net Assets - Sutter Health Obligated Group (continued)
Year ended December 31, 2011
(Dollars in millions)

	Roseville Endoscopy Center LLC	Sutter West Bay Hospitals and Affiliates	Sutter Coast Hospital	Sutter Care at Home	Sutter Health Support Services	Adjustments and Eliminations	Combined
Unrestricted net assets (continued):							
Unrestricted controlling net assets							
Income (loss) attributable to Sutter Health	$ 5	$ 208	$ (3)	$ (5)	$ (108)	$ (21)	$ 655
Change in net unrealized gains and losses on investments classified as other-than-trading	-	(9)	(1)	(1)	23	1	(11)
Net assets released from restriction for equipment acquisition	-	2	-	-	-	1	20
Donated long-lived assets	-	-	-	-	-	-	-
Pension-related changes other than net periodic pension cost	-	-	-	-	(478)	-	(478)
Transfers with related entities, net	-	(135)	7	8	701	1	(54)
Other	(5)	-	1	-	(4)	18	21
Increase (decrease) in unrestricted controlling net assets	-	66	4	2	134	-	153
Unrestricted noncontrolling net assets:							
Income (loss) attributable to noncontrolling interests	-	12	-	-	12	10	41
Distributions	(3)	(11)	-	-	(20)	1	(39)
Contributed capital	-	-	-	-	-	-	-
Other	2	-	-	-	10	(9)	3
Increase (decrease) in unrestricted noncontrolling net assets	(1)	1	-	-	2	2	5
Temporarily restricted net assets:							
Contributions	-	6	-	-	2	-	14
Investment income (loss)	-	-	-	-	-	-	1
Change in net unrealized gains and losses on investments	-	(2)	-	-	-	(1)	(5)
Net assets released from restriction	-	(4)	-	-	(4)	-	(18)
Other	-	-	-	-	-	-	(6)
Increase (decrease) in temporarily restricted net assets	-	-	-	-	(2)	(1)	(14)
Permanently restricted net assets:							
Contributions	-	-	-	-	-	-	1
Change in net unrealized gains and losses on investments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Increase (decrease) in permanently restricted net assets	-	-	-	-	-	-	1
Increase (decrease) in net assets	(1)	67	4	2	134	1	145
Net assets, beginning of year	2	941	15	35	2,279	(16)	5,750
Net assets, end of year	$ 1	$ 1,008	$ 19	$ 37	$ 2,413	$ (15)	$ 5,895