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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 07-01-2011 and ending 06-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

BETHESDA HOSPITAL INC

Doing Business As

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

Room/suite

619 OAK STREET - ACCOUNTING 3 WEST

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

CINCINNATI, OH 45206

F Name and address of principal officer

JOHN S PROUT

619 OAK STREET - ACCOUNTING 3 WEST

CINCINNATI, OH 45206

D Employer identification number

31-0537122

E Telephone number

(513) 569-6575

G Gross receipts \$

573,830,859

I Tax-exempt status

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

J Website:

WWW.TRIHEALTH.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1896

M State of legal domicile

OH

Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities TO IMPROVE THE HEALTH STATUS OF THE PEOPLE WE SERVE	
Revenue	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	13
	4	Number of independent voting members of the governing body (Part VI, line 1b)	10
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	4,364
	6	Total number of volunteers (estimate if necessary)	1,384
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	4,028,723
	7b	Net unrelated business taxable income from Form 990-T, line 34	-112,667
Expenses	8	Contributions and grants (Part VIII, line 1h)	6,620,381
	9	Program service revenue (Part VIII, line 2g)	490,584,196
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	32,432,306
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	6,979,590
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	536,616,473
	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	353,065
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	223,198,502
Net Assets or Fund Balances	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	249,256,284
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	472,807,851
	19	Revenue less expenses Subtract line 18 from line 12	63,808,622
Signature Block		Prior Year	Current Year
	20	Total assets (Part X, line 16)	705,816,400
	21	Total liabilities (Part X, line 26)	337,017,150
	22	Net assets or fund balances Subtract line 21 from line 20	368,799,250

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

2013-05-10

Date

MICHAEL CROFTON VP FINANCE

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

DELOITTE TAX LLP
250 EAST FIFTH STREET
CINCINNATI, OH 45202

EIN ▶ 86-1065772
Phone no ▶ (513) 784-7100

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

TO IMPROVE THE HEALTH STATUS OF THE PEOPLE WE SERVE THIS IS ACCOMPLISHED BY PROVIDING A FULL RANGE OF HEALTH RELATED SERVICES INCLUDING PREVENTION, WELLNESS AND EDUCATION

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

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 \$ 423,984,997 including grants of \$ 407,512) (Revenue \$ 525,087,685)

SEE SCHEDULE H

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 \$ 423,984,997

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance						
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>						
		Yes	No			
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	374			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes			
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	4,364			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes			
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a				No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a				No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b				No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a				No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b				
7	Organizations that may receive deductible contributions under section 170(c).					
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f				No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9	Sponsoring organizations maintaining donor advised funds.					
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10	Section 501(c)(7) organizations. Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11	Section 501(c)(12) organizations. Enter					
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
13	Section 501(c)(29) qualified nonprofit health insurance issuers.					
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13a				
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b				
c	Enter the aggregate amount of reserves on hand.	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a				No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b				

Part VI

Governance, Management, and Disclosure

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

Section A. Governing Body and Management

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

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. MICHAEL CROFTON 619 OAK STREET - ACCOUNTING 3 WEST CINCINNATI, OH 45206 (513) 569-6577

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEPHEN SCHRANTZ SECRETARY	1 00	X		X				0	0	0
(2) MICHAEL HAVERKAMP TRUSTEE	1 00	X						0	0	0
(3) ROBERT WALKER CHAIRMAN	1 00	X		X				0	0	0
(4) JOHN PROUT PRESIDENT/CEO (SCH O)	1 00	X		X				0	1,226,184	296,426
(5) PAUL EDGETT III TRUSTEE	1 00	X						0	0	0
(6) SILVANIA NG MD TRUSTEE (SCH O-MED STAFF PRES)	1 00	X						45,000	0	0
(7) THOMAS FINN TRUSTEE	1 00	X						0	0	0
(8) MYRTIS POWELL TRUSTEE	1 00	X						0	0	0
(9) MARC ALEXANDER MD TRUSTEE (SCH O-MED STAFF PRES)	1 00	X						0	45,000	0
(10) SR MARY ELLEN MURPHY TRUSTEE	1 00	X						0	0	0
(11) MICHAEL MCGRAW VICE CHAIR/TREASURER	1 00	X		X				0	0	0
(12) STEPHEN BLATT MD TRUSTEE (SCH O)	1 00	X						0	129,037	15,131
(13) STUART DONOVAN MD TRUSTEE (SCH O-MED STAFF PRES)	1 00	X						12,000	0	0
(14) CRAIG EISENTROUT MD TRUSTEE (START 9/2011)	1 00	X						0	0	0
(15) WAYNE SHIRCLIFF TRUSTEE (START 1/2012)	1 00	X						0	0	0
(16) DONNA NIENABER ESQ ASST SECRETARY (SCH O)	1 00			X				0	481,624	151,957
(17) CRAIG RUCKER ASST TREAS/CFO (SCH O)	1 00			X				0	543,549	129,732

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SHER MCCLANAHAN CHIEF OPERATING OFFICER-BN	60 00				X			0	364,590	84,415
(19) WILLIAM GRONEMAN EXEC VP (SCH O)	1 00				X			0	548,818	164,974
(20) GERALD OLIPHANT EXEC VP & COO (SCH O)	1 00				X			0	598,073	124,115
(21) GEORGES FEGHALI MD CMO (SCH O)	1 00				X			0	513,570	155,997
(22) STEVEN JOHNSON MD PHYSICIAN	60 00					X		251,966	0	35,587
(23) ALAN ALTMAN MD PHYSICIAN	60 00					X		234,535	0	77,607
(24) LAURA TRICE MD PHYSICIAN	60 00					X		230,964	0	36,775
(25) ANTHONY BORZOTTA MD PHYSICIAN	60 00					X		228,569	0	62,634
(26) SANDRA LOBERT PRESIDENT/CEO-HOSPICE	60 00					X		224,645	0	38,468
(27) MICHAEL CROFTON FORMER OFFICER (SCH O)	0 00						X	0	278,995	75,312
(28) ROBERT HALONEN FORMER OFFICER	0 00						X	0	227,886	0
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,227,679	4,957,326	1,449,130

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▶90

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
CATHOLIC HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112	CLINICAL ENGINEERING	4,998,911
ARUP PO BOX 27964 SALT LAKE CITY, UT 84127	LABORATORY RESEARCH & DVLPMT	1,893,852
TRI-STATE HEALTHCARE LAUNDRY INC 551 S LOOP ROAD EDGEWOOD, KY 41017	LAUNDRY SERVICE	1,532,627
PATIENT TRANSPORT SERVICES INC 1700 EDISON DRIVE SUITE 300 MILFORD, OH 45150	PATIENT TRANSPORTATION	1,438,855
AMERICAN NURSING CARE INC 1700 EDISON DRIVE SUITE 300 MILFORD, OH 45150	NURSING STAFFING	1,063,874
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 ▶43	

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d	1,374,854				
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f		1,374,854				
Program Service Revenue			Business Code					
	2a	PATIENT REVENUE	621990	529,826,043	527,900,347	1,925,696		
	b	NONPATIENT LAB REVENUE	621990	525,496		525,496		
	c	AFFILIATED ORG RENTAL	532000	421,280			421,280	
	d	RESEARCH REVENUE	900099	254,039	254,039			
	e	JOA REVENUE	900099	-3,765,197	-3,765,197			
	f	All other program service revenue		401,196	401,196			
	g	Total. Add lines 2a-2f		527,662,857				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		4,108,528			4,108,528	
	4	Income from investment of tax-exempt bond proceeds . .						
	5	Royalties						
	6a	Gross rents	(i) Real	(ii) Personal				
			197,222					
			0					
			197,222					
	d	Net rental income or (loss)		197,222			197,222	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			33,535,360	214,404				
			26,496,750	82,671				
			7,038,610	131,733				
	d	Net gain or (loss)		7,170,343			7,170,343	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances	a	73,441				
	b	Less cost of goods sold	b	0				
	c	Net income or (loss) from sales of inventory . .		73,441	73,441			
Miscellaneous Revenue		Business Code						
11a	APOTHECARY	621990	4,035,812		1,186,564	2,849,248		
b	CAFETERIA	900099	1,251,556			1,251,556		
c	GIFT SHOP REVENUE	453220	761,999			761,999		
d	All other revenue		614,826	223,859	390,967			
e	Total. Add lines 11a-11d		6,664,193					
12	Total revenue. See Instructions		547,251,438	525,087,685	4,028,723	16,760,176		

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	353,346	353,346		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	54,166	54,166		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,638,170		2,638,170	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	177,001,104	150,656,993	26,344,111	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,680,249	9,129,095	2,551,154	
9	Other employee benefits	31,301,424	26,034,466	5,266,958	
10	Payroll taxes	12,425,233	10,585,748	1,839,485	
11	Fees for services (non-employees)				
a	Management	2,349,070	2,289,198	59,872	
b	Legal	1,993,232		1,993,232	
c	Accounting	328,578		328,578	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	1,585,566		1,585,566	
g	Other	35,960,756	29,919,900	6,040,856	
12	Advertising and promotion	3,087,875	219,867	2,868,008	
13	Office expenses	5,920,975	3,318,448	2,602,527	
14	Information technology	10,797,666	296,280	10,501,386	
15	Royalties				
16	Occupancy	9,133,463	7,914,697	1,218,766	
17	Travel	1,025,476	857,832	167,644	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	9,546,820	9,546,820		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	23,327,219	20,059,903	3,267,316	
23	Insurance	377,331		377,331	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL/DIETARY SUPPLY	94,564,887	94,273,767	291,120	
b	BAD DEBT	44,314,640	44,314,640		
c	OHIO HOSPITAL FEE	6,709,141	6,709,141		
d	REPAIRS & MAINTENANCE	6,397,390	5,958,845	438,545	
e					
f	All other expenses	2,174,756	1,491,845	682,911	
25	Total functional expenses. Add lines 1 through 24f	495,048,533	423,984,997	71,063,536	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			7,898,961	1	9,574,427
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			32,143,839	4	33,584,848
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			100,373	7	683
	8	Inventories for sale or use			1,730,580	8	1,968,887
	9	Prepaid expenses and deferred charges			2,381,597	9	2,107,129
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	508,238,158			
	b	Less: accumulated depreciation	10b	273,410,713	221,439,207	10c	234,827,445
	11	Investments—publicly traded securities			245,041,961	11	222,351,696
	12	Investments—other securities. See Part IV, line 11			155,123,411	12	152,817,466
	13	Investments—program-related. See Part IV, line 11			1,944,613	13	6,375,525
	14	Intangible assets				14	19,353,337
	15	Other assets. See Part IV, line 11			38,011,858	15	34,449,036
	16	Total assets. Add lines 1 through 15 (must equal line 34)			705,816,400	16	717,410,479
Liabilities	17	Accounts payable and accrued expenses			52,352,693	17	39,843,942
	18	Grants payable				18	
	19	Deferred revenue			2,242,145	19	3,816,013
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			212,090,276	23	223,489,752
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			70,332,036	25	100,111,386
	26	Total liabilities. Add lines 17 through 25			337,017,150	26	367,261,093
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			360,544,378	27	339,584,163
	28	Temporarily restricted net assets			8,254,872	28	10,565,223
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			368,799,250	33	350,149,386
	34	Total liabilities and net assets/fund balances			705,816,400	34	717,410,479

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	547,251,438
2	Total expenses (must equal Part IX, column (A), line 25)	2	495,048,533
3	Revenue less expenses Subtract line 2 from line 1	3	52,202,905
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	368,799,250
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-70,852,769
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	350,149,386

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization BETHESDA HOSPITAL INC	Employer identification number 31-0537122
---	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

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

(ii)

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

(iii)

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

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization BETHESDA HOSPITAL INC	Employer identification number 31-0537122
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1

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

2

Political expenditures

▶ \$

3

Volunteer hours

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

1

Enter the amount of any excise tax incurred by the organization under section 4955

▶ \$

2

Enter the amount of any excise tax incurred by organization managers under section 4955

▶ \$

3

If the organization incurred a section 4955 tax, did it file Form 4720 for this year?

☐ Yes ☐ No

4a

Was a correction made?

☐ Yes ☐ No

b

If "Yes," describe in Part IV

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

1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

▶ \$

2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities

▶ \$

3

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

▶ \$

4

Did the filing organization file Form 1120-POL for this year?

☐ Yes ☐ No

5

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

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

Part II-A

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

- A
- Check
- ☐
- if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check
- ☐
- if the filing organization checked box A and "limited control" provisions apply

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV	Yes		7,137
j	Total lines 1c through 1i			7,137
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF LOBBYING ACTIVITIES	PART II-B, LINE 1	DURING THE TAX YEAR, BETHESDA HOSPITAL, INC ("HOSPITAL") PAID ANNUAL MEMBERSHIP DUES TO VARIOUS NATIONAL, STATE AND LOCAL ORGANIZATIONS, A PORTION (\$985) OF WHICH RELATED TO LOBBYING ACTIVITIES. IN ADDITION, TRIHEALTH, INC , A RELATED ORGANIZATION OF HOSPITAL, WHICH PROVIDES ADMINISTRATIVE SUPPORT SERVICES TO HOSPITAL, PAID ANNUAL MEMBERSHIP DUES TO VARIOUS NATIONAL, STATE AND LOCAL ORGANIZATIONS A PORTION OF WHICH RELATED TO LOBBYING ACTIVITIES. A PORTION OF THE AFOREMENTIONED ADMINISTRATIVE SUPPORT SERVICES ARE ALLOCATED TO HOSPITAL AND \$6,152 OF THE AMOUNT SHOWN ON LINE 1I REPRESENTS HOSPITAL'S SHARE OF THESE LOBBYING EXPENSES.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization
BETHESDA HOSPITAL INC

Employer identification number
31-0537122

Part I

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

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

Part II

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

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

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

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

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

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

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

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

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

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

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

Part III

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

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

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

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

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

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

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

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

Part III

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

3

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

a

☐ Public exhibition

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	
d Additions during the year	
e Distributions during the year	
f Ending balance	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	3,799,868	3,112,953	2,666,720	3,561,775	
b Contributions	1,251	79,856	1,000	0	
c Investment earnings or losses	-156,863	607,059	445,233	-776,353	
d Grants or scholarships					
e Other expenditures for facilities and programs	78,120	0	0	118,702	
f Administrative expenses					
g End of year balance	3,566,136	3,799,868	3,112,953	2,666,720	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 89 000 %

c

Term endowment ▶ 11 000 %

3a

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

(i) unrelated organizations

(ii) related organizations

3a(i)

☐ Yes

☐ No

3a(ii)

☐ Yes

☐

b

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

3b

☐ Yes

☐

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		957,693		957,693
b Buildings		298,567,530	110,081,456	188,486,074
c Leasehold improvements		1,451,160	1,121,516	329,644
d Equipment		194,955,719	161,052,521	33,903,198
e Other		12,306,056	1,155,220	11,150,836
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				234,827,445

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	INVESTMENT PROCEEDS FROM ENDOWMENT FUNDS ARE USED TO SUPPORT BETHESDA HOSPITAL, INC PROGRAMS
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	FOLLOWING IS THE TEXT OF THE FOOTNOTE TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BETHESDA HOSPITAL, INC. ("HOSPITAL") THAT REPORTS ITS AND ITS SUBSIDIARIES LIABILITY, IF APPLICABLE, FOR CERTAIN TAX POSITIONS UNDER ASC 740-10-25. THE HOSPITAL COMPLETED AN ANALYSIS OF UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH APPLICABLE ACCOUNTING GUIDANCE AT JUNE 30, 2012 AND 2011, AND DETERMINED NO AMOUNTS WERE REQUIRED TO BE RECOGNIZED IN THE CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2012 AND 2011.

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
BETHESDA HOSPITAL INC

Employer identification number
31-0537122

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			14,026,992	4,083,210	9,943,782	2 210 %
b Medicaid (from Worksheet 3, column a)			44,212,205	23,755,377	20,456,828	4 540 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			58,239,197	27,838,587	30,400,610	6 750 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			4,219,038	1,955,234	2,263,804	0 500 %
f Health professions education (from Worksheet 5)			9,803,707	6,448,425	3,355,282	0 740 %
g Subsidized health services (from Worksheet 6)			72,053	52,176	19,877	0 %
h Research (from Worksheet 7)			0	0		
i Cash and in-kind contributions for community benefit (from Worksheet 8)			137,611		137,611	0 030 %
j Total Other Benefits			14,232,409	8,455,835	5,776,574	1 270 %
k Total. Add lines 7d and 7j			72,471,606	36,294,422	36,177,184	8 020 %

Part IICommunity Building Activities

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

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

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	No
2	Enter the amount of the organization's bad debt expense	2	44,314,640
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	88,768,627
6	Enter Medicare allowable costs of care relating to payments on line 5	6	95,488,336
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-6,719,709
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 1 BN NORTHEAST CARDIAC CENTER LLC	CARDIAC CARE	57.950 %		42.050 %
2 2 HAND AMBULATORY SURGERY CENTER LLC	HAND AMBULATORY SURGERY CENTER	50.000 %		50.000 %
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

BETHESDA NORTH HOSPITAL

Name of Hospital Facility:

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

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 100 0000000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

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

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

BETHESDA BUTLER COUNTY MEDICAL CENTER

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 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care 100 000000000000% If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

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

Billing and Collections

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

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 18

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

Identifier	ReturnReference	Explanation
		PART I, LINE 3C BETHESDA HOSPITAL, INC UTILIZES THE FEDERAL POVERTY GUIDELINES IN DETERMINING CHARITY CARE ELIGIBILITY SEE THE RESPONSES TO PART I, LINES 3A AND 3B AN INDIVIDUAL'S INCOME UNDER FPG IS A SIGNIFICANT FACTOR IN DETERMINING ELIGIBILITY FOR CHARITY CARE HOWEVER, IN DETERMINING WHETHER TO EXTEND DISCOUNTED OR FREE CARE TO A PATIENT, THE PATIENT'S ASSETS MAY ALSO BE TAKEN INTO CONSIDERATION FOR EXAMPLE, A PATIENT SUFFERING A CATASTROPHIC ILLNESS MAY HAVE A REASONABLE LEVEL OF INCOME, BUT A LOW LEVEL OF LIQUID ASSETS SUCH THAT THE PAYMENT OF MEDICAL BILLS WOULD BE SERIOUSLY DETRIMENTAL TO THE PATIENT'S FINANCIAL (AND ULTIMATELY PHYSICAL) WELL-BEING AND SURVIVAL SUCH A PATIENT MAY BE EXTENDED DISCOUNTED OR FREE CARE BASED UPON THE FACTS AND CIRCUMSTANCES

Identifier	ReturnReference	Explanation
		PART I, LINE 6A IN 1995, THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO AND BETHESDA HOSPITAL, INC FORMED A PARTNERSHIP CALLED TRIHEALTH, INC TO CREATE AN INTEGRATED HEALTH DELIVERY SYSTEM WHOSE MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE THEY SERVE, WITH AN EMPHASIS ON PREVENTION, WELLNESS AND EDUCATION THE COMMUNITY BENEFIT PROVIDED BY BETHESDA HOSPITAL, INC IS TRACKED ON A STANDALONE BASIS, HOWEVER ITS COMMUNITY BENEFIT IS REPORTED IN COMBINATION WITH THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO'S COMMUNITY BENEFIT IN A REPORT PREPARED BY TRIHEALTH, INC

Identifier	ReturnReference	Explanation
		PART I, LINE 7 FOR THE AMOUNTS REPORTED AT COST, IN PART I, LINE 7, BETHESDA HOSPITAL, INC UTILIZED WORKSHEET 2 - RATIO OF PATIENT CARE COST-TO-CHARGES, WHICH WAS PROVIDED IN THE INSTRUCTIONS TO SCHEDULE H, TO CALCULATE THE COST-TO-CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART I, LINE 7G THE SUBSIDIZED HEALTH SERVICES COMMUNITY BENEFIT AMOUNT REPORTED IN PART I, LINE 7(G) DOES NOT INCLUDE COSTS ATTRIBUTABLE TO PHYSICIAN CLINICS

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) \$44,314,640 OF BAD DEBT EXPENSE THAT WAS INCLUDED IN FORM 990, PART IX, LINE 25, COLUMN (A) HAS BEEN REMOVED FOR PURPOSES OF CALCULATING THE PERCENTAGE OF TOTAL EXPENSES IN SCHEDULE H, PART I, LINE 7, COLUMN (F)

Identifier	ReturnReference	Explanation
		PART II BETHESDA HOSPITAL, INC DID NOT ENGAGE IN ANY COMMUNITY BUILDING ACTIVITIES DURING THE TAX YEAR

Identifier	ReturnReference	Explanation
		<p>PART III, LINE 4 NET PATIENT ACCOUNTS RECEIVABLE (PART OF FOOTNOTE A)NET PATIENT ACCOUNTS RECEIVABLE AND NET PATIENT SERVICE REVENUE HAVE BEEN ADJUSTED TO THE ESTIMATED AMOUNTS EXPECTED TO BE COLLECTED THESE ESTIMATED AMOUNTS ARE SUBJECT TO FURTHER ADJUSTMENTS UPON REVIEW BY THIRD-PARTY PAYORS THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS MANAGEMENT PERIODICALLY ASSESSES THE ADEQUACY OF THE ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY AS NECESSARY THE PROVISIONS FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, THE HOSPITAL FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY THE HOSPITAL FINANCIAL INSTRUMENTS THAT POTENTIALLY SUBJECT THE HOSPITAL TO CONCENTRATIONS OF CREDIT RISK CONSIST PRIMARILY OF NONGOVERNMENTAL PATIENT ACCOUNTS RECEIVABLE THE HOSPITAL GRANTS CREDIT WITHOUT COLLATERAL TO ITS PATIENTS, MOST OF WHOM ARE INSURED UNDER THIRD-PARTY PAYOR AGREEMENTS THE PERCENTAGES OF GROSS PATIENT ACCOUNTS RECEIVABLE FROM PATIENTS AND THIRD-PARTY PAYORS AT JUNE 30 APPROXIMATED THE FOLLOWING 2012 - MEDICARE 17%, MEDICAID 3%, MANAGED CARE 21%, SELF PAY 26%, COMMERCIAL AND OTHER 33%2011 - MEDICARE 20%, MEDICAID 2%, MANAGED CARE 19%, SELF PAY 25%, COMMERCIAL AND OTHER 34%AS FOR THE AMOUNT OF BAD DEBT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, BETHESDA HOSPITAL, INC DOES NOT REPORT ACTUAL BAD DEBT EXPENSE AS COMMUNITY BENEFIT IF UPON FURTHER RESEARCH, IT IS ULTIMATELY DETERMINED THAT A PORTION OF BAD DEBT EXPENSE IS ATTRIBUTABLE TO PATIENTS WHO WOULD LIKELY QUALIFY FOR FINANCIAL ASSISTANCE UNDER TRIHEALTH'S CHARITY CARE POLICY, THOSE COSTS WOULD BE RECLASSIFIED, AS APPROPRIATE, TO COMMUNITY BENEFIT AT THAT TIME</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 8 BETHESDA HOSPITAL, INC USES THE "STEPDOWN METHODOLOGY" IN DETERMINING THE MEDICARE ALLOWABLE COSTS REPORTED ON THE MEDICARE COST REPORT THIS METHOD OF COST FINDING PROVIDES FOR THE ALLOCATION OF THE COST OF SERVICES RENDERED BY EACH GENERAL SERVICE COST CENTER TO OTHER COST CENTERS WHICH UTILIZE SUCH SERVICES ONCE THE COSTS OF A GENERAL SERVICE COST CENTER HAVE BEEN ALLOCATED, THAT COST CENTER IS CONSIDERED CLOSED ONCE CLOSED, IT DOES NOT RECEIVE ANY OF THE COSTS SUBSEQUENTLY ALLOCATED FROM THE REMAINING GENERAL SERVICE COST CENTERS BETHESDA HOSPITAL, INC DID NOT REPORT ANY MEDICARE SHORTFALL AS COMMUNITY BENEFIT IN PART III, LINE 7 OF THIS SCHEDULE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B AS OF THE FILING OF THIS RETURN, BETHESDA HOSPITAL, INC , AS PART OF TRIHEALTH, INC , MAINTAINS A WRITTEN DEBT COLLECTION POLICY TRIHEALTH, INC , WHO PERFORMS THE BILLING SERVICES FOR ALL AFFILIATED HOSPITALS, WILL NOT INITIATE COLLECTION PRACTICES ON PATIENTS WHO ARE KNOWN TO QUALIFY FOR CHARITY CARE OR FINANCIAL ASSISTANCE BEFORE COLLECTION ACTIONS ARE TAKEN, TRIHEALTH, INC WILL MAKE REASONABLE EFFORTS, GENERALLY AS EARLY IN THE BILLING PROCESS AS POSSIBLE, TO DETERMINE WHETHER A PATIENT IS ELIGIBLE FOR FINANCIAL ASSISTANCE AFTER SUCH EFFORTS HAVE BEEN MADE AND A BALANCE REMAINS THAT IS THE RESPONSIBILITY OF THE PATIENT OR GUARANTOR, TRIHEALTH, INC MAY PURSUE, IN ITS SOLE DISCRETION, WHATEVER ACTIONS IT MAY BE ENTITLED TO TAKE UNDER LAW

Identifier	ReturnReference	Explanation
BETHESDA NORTH HOSPITAL		PART V, SECTION B, LINE 11H - SELECT CLINIC DISCOUNT - ELIGIBLE SERVICES RENDERED IN OR ORDERED BY PHYSICIANS AT SELECT CLINICS MAY BE DISCOUNTED IN AN AMOUNT NOT TO EXCEED 85% O/B CLINIC DISCOUNT - O/B CLINIC PATIENTS RECEIVING ELIGIBLE SERVICES WHO DO NOT QUALIFY FOR FREE CARE AND FOR WHOM THE CHARITY CARE DISCOUNT IS NOT SUFFICIENT MAY RECEIVE A DISCOUNTED FLAT FEE PRICE FOR SUCH SERVICES UNIQUE CIRCUMSTANCES ALLOWANCE - ALLOWANCES MAY BE GRANTED TO PATIENTS WITH UNIQUE CIRCUMSTANCES WHO DO NOT QUALIFY FOR ANY OTHER FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
BETHESDA BUTLER COUNTY MEDICAL CENTER		PART V, SECTION B, LINE 11H - SELECT CLINIC DISCOUNT - ELIGIBLE SERVICES RENDERED IN OR ORDERED BY PHYSICIANS AT SELECT CLINICS MAY BE DISCOUNTED IN AN AMOUNT NOT TO EXCEED 85% O/B CLINIC DISCOUNT - O/B CLINIC PATIENTS RECEIVING ELIGIBLE SERVICES WHO DO NOT QUALIFY FOR FREE CARE AND FOR WHOM THE CHARITY CARE DISCOUNT IS NOT SUFFICIENT MAY RECEIVE A DISCOUNTED FLAT FEE PRICE FOR SUCH SERVICES UNIQUE CIRCUMSTANCES ALLOWANCE - ALLOWANCES MAY BE GRANTED TO PATIENTS WITH UNIQUE CIRCUMSTANCES WHO DO NOT QUALIFY FOR ANY OTHER FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
BETHESDA NORTH HOSPITAL		PART V, SECTION B, LINE 13G BETHESDA NORTH HOSPITAL DOES NOT PROVIDE A DETAILED COPY OF ITS FINANCIAL ASSISTANCE POLICY TO PATIENTS HOWEVER IT DOES PROVIDE A SUMMARY OF THE POLICY IN A MANNER LISTED IN LINES 13A-13E IN ADDITION, SUCH INFORMATION SHALL BE PROVIDED IN LANGUAGES CONSIDERED TO BE COMMONLY SPOKEN BY THE POPULATION BETHESDA NORTH HOSPITAL SERVES IF TRANSLATION OR OTHER ASSISTANCE IS NEEDED TO FACILITATE COMPLETION AND/OR UNDERSTANDING OF THE FINANCIAL ASSISTANCE POLICY AND/OR APPLICATION TRANSLATION AND OTHER REASONABLE REQUESTS FOR ASSISTANCE WILL BE PROVIDED

Identifier	ReturnReference	Explanation
BETHESDA BUTLER COUNTY MEDICAL CENTER		PART V, SECTION B, LINE 13G BETHESDA BUTLER COUNTY MEDICAL CENTER DOES NOT PROVIDE A DETAILED COPY OF ITS FINANCIAL ASSISTANCE POLICY TO PATIENTS HOWEVER IT DOES PROVIDE A SUMMARY OF THE POLICY IN A MANNER LISTED IN LINES 13A-13E IN ADDITION, SUCH INFORMATION SHALL BE PROVIDED IN LANGUAGES CONSIDERED TO BE COMMONLY SPOKEN BY THE POPULATION BETHESDA BUTLER COUNTY MEDICAL CENTER SERVES IF TRANSLATION OR OTHER ASSISTANCE IS NEEDED TO FACILITATE COMPLETION AND/OR UNDERSTANDING OF THE FINANCIAL ASSISTANCE POLICY AND/OR APPLICATION TRANSLATION AND OTHER REASONABLE REQUESTS FOR ASSISTANCE WILL BE PROVIDED

Identifier	ReturnReference	Explanation
BETHESDA NORTH HOSPITAL		PART V, SECTION B, LINE 19D BETHESDA NORTH HOSPITAL ISSUES A BILLING STATEMENT TO ALL FAP ELIGIBLE INDIVIDUALS THAT STATES GROSS CHARGES FOR THE CARE RECEIVED AS THE STARTING POINT FOR APPLYING THE DISCOUNTS AND DEDUCTIONS THE FAP ELIGIBLE INDIVIDUAL IS ENTITLED TO UNDER ITS FAP, SUCH THAT THE AMOUNT THAT AN FAP ELIGIBLE INDIVIDUAL IS REQUIRED TO PAY IS (I) LESS THAN THE GROSS CHARGES FOR SUCH CARE, AND (II) TYPICALLY LESS THAN THE AMOUNTS GENERALLY BILLED TO PERSONS WITH INSURANCE BETHESDA NORTH HOSPITAL'S ROBUST POLICY PROVIDES DISCOUNTS TO INDIVIDUALS WITH INCOME AT 400% OF THE FEDERAL POVERTY GUIDELINES BASED ON A SLIDING SCALE ALTHOUGH IT IS POSSIBLE THAT THE LOWEST DISCOUNT ON SUCH SCALE MAY RESULT IN CHARGES THAT ARE MORE THAN THE AVERAGE GENERALLY BILLED TO INDIVIDUALS WITH INSURANCE, IT PREFERENCES TO EXTEND DISCOUNTS TO SUCH INDIVIDUALS RATHER THAN DENY THEM ELIGIBILITY UNDER THE POLICY SO THAT SUCH INDIVIDUALS RECEIVE SOME FINANCIAL ASSISTANCE RATHER THAN NONE

Identifier	ReturnReference	Explanation
BETHESDA BUTLER COUNTY MEDICAL CENTER		PART V, SECTION B, LINE 19D BETHESDA BUTLER COUNTY MEDICAL CENTER ISSUES A BILLING STATEMENT TO ALL FAP ELIGIBLE INDIVIDUALS THAT STATES GROSS CHARGES FOR THE CARE RECEIVED AS THE STARTING POINT FOR APPLYING THE DISCOUNTS AND DEDUCTIONS THE FAP ELIGIBLE INDIVIDUAL IS ENTITLED TO UNDER ITS FAP, SUCH THAT THE AMOUNT THAT AN FAP ELIGIBLE INDIVIDUAL IS REQUIRED TO PAY IS (I) LESS THAN THE GROSS CHARGES FOR SUCH CARE, AND (II) TYPICALLY LESS THAN THE AMOUNTS GENERALLY BILLED TO PERSONS WITH INSURANCE BETHESDA BUTLER COUNTY MEDICAL CENTER'S ROBUST POLICY PROVIDES DISCOUNTS TO INDIVIDUALS WITH INCOME AT 400% OF THE FEDERAL POVERTY GUIDELINES BASED ON A SLIDING SCALE ALTHOUGH IT IS POSSIBLE THAT THE LOWEST DISCOUNT ON SUCH SCALE MAY RESULT IN CHARGES THAT ARE MORE THAN THE AVERAGE GENERALLY BILLED TO INDIVIDUALS WITH INSURANCE, IT PREFERS TO EXTEND DISCOUNTS TO SUCH INDIVIDUALS RATHER THAN DENY THEM ELIGIBILITY UNDER THE POLICY SO THAT SUCH INDIVIDUALS RECEIVE SOME FINANCIAL ASSISTANCE RATHER THAN NONE

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 IN 1896, BETHESDA HOSPITAL, INC ("BETHESDA") BEGAN AS A HOME VISITING MI NISTRY OF THE METHODIST DEACONESSES TO SERVE THE HEALTH NEEDS OF THE GERMAN IMMIGRANTS LIV ING IN CINCINNATI NOW THAT MINISTRY, ONCE LED BY DEACONESS LOUISE GOLDER AND HER BROTHER REV CHRISTIAN GOLDER, HAS GROWN INTO SEVERAL HEALTH SERVICES FOR GREATER CINCINNATI IN 1 995, BETHESDA, INC AND GOOD SAMARITAN HOSPITAL FORMED A PARTNERSHIP TO CREATE A LOCAL HEA LTH SYSTEM TRIHEALTH, INC ("TRIHEALTH") THE MISSION OF TRIHEALTH IS TO IMPROVE THE HEAL TH STATUS OF THE COMMUNITY THROUGH A FULL RANGE OF HEALTH RELATED SERVICES-PREVENTION, WEL LNESS AND EDUCATION AND THUS EXEMPLIFY THE FOUNDING SPIRIT OF THE BETHESDA DEACONESSES BET HESDA BUTLER COUNTY WAS ACQUIRED IN MARCH 2012 THIS INPATIENT SURGICAL HOSPITAL PRIMARILY SERVES THE POPULATION OF THIS FAST GROWING COUNTY WHERE 11% OF THE POPULATION IS UNINSURE D AN EMERGENCY ROOM IS CURRENTLY UNDER CONSTRUCTION ON THE CAMPUS THE SERVICES DESCRIBED BELOW, AND OTHERS NOT LISTED, PROMOTE COMMUNITY HEALTH IN ACUTE ILLNESS, IN MANAGEMENT OF CHRONIC DISEASE, AND IN EDUCATION AND PREVENTION MEASURES PROGRAMS SEEK TO REDUCE THE BU RDENS ON THE GOVERNMENT FOR EXAMPLE, IF BETHESDA DID NOT ADDRESS THE ROOT CAUSES OF LOW B IIRTH WEIGHT AND PREMATUREITY, THE BURDEN TO GOVERNMENT MEDICAL PROGRAMS SUCH AS MEDICAID WO UL D BE EVEN GREATER BETHESDA, AS A PART OF TRIHEALTH, PARTICIPATED IN AND WAS A FUNDER OF THE WORK OF A COLLABORATIVE, REGIONAL EFFORT, THE A I M FOR BETTER HEALTH COMMUNITY HEAL TH NEEDS ASSESSMENT ("A I M ") IN THE AREAS ASSESSED, THOSE SURVEYED WERE MORE OFTEN UNDE RSERVED, INCLUDING THE UNINSURED, THE UNDERINSURED, THOSE IN LOW SOCIOECONOMIC STATUS, MIN ORITIES, THOSE OVER THE AGE OF SIXTY-FIVE, OR THOSE WITH A DIAGNOSIS OF MENTAL ILLNESS TH E A I M , PUBLISHED IN THE SPRING OF 2012, WILL BE THE BASIS FOR INCREASED ORGANIZATION AN D COLLABORATION WITHIN AND AMONG HOSPITALS, HEALTH DEPARTMENTS AND SERVICE PROVIDERS TO BE TTER ADDRESS THE HEALTH NEEDS AND DISPARITIES EXPERIENCED BY MANY PEOPLE AND FAMILIES IN T HE REGION THE TRIHEALTH COMMUNITY HEALTH INITIATIVE FOR DIABETES, LED BY THE TRIHEALTH PHY SICIAN PRACTICES AND OUTPATIENT CLINICS WITH DIABETES EDUCATORS, FOCUSES ON ONGOING MANAGE MENT OF DIABETES IN PATIENT EDUCATION AND EMPOWERMENT PHYSICIAN PRACTICES TRACK EFFECTIVE NESS THROUGH MEASURES SUCH AS HEMOGLOBIN A1C, A MEASURE OF PATIENT DIABETES SELF-MANAGEMEN T FREE AND DISCOUNTED SERVICES ARE PROVIDED FOR THOSE UNABLE TO PAY AND MEETING ELIGIBILI TY CRITERIA THROUGH THE HOSPITAL CARE ASSURANCE PROGRAM (HCAP), BETHESDA SERVES PATIENTS MEETING CRITERIA SET FORTH BY THE OHIO DEPARTMENT OF JOBS AND FAMILY SERVICES BETHESDA PO LICY IS TO PROVIDE CHARITY CARE ON A SLIDING SCALE DISCOUNTING WHEN THE FAMILY INCOME IS U P TO 400 PERCENT OF THE ANNUALLY ESTABLISHED FEDERAL POVERTY GUIDELINE IT OFFERS AN UNINS URED DISCOUNT FOR MEDICALLY NECESSARY SERVICES FOR THOSE WHO HAVE NO INSURANCE AND WHO DO NOT QUALIFY FOR OTHER FINANCIAL ASSISTANCE OPTIONS FINANCIAL COUNSELORS ASSIST PATIENTS I N COMPLETING THE FINANCIAL ASSISTANCE APPLICATION WHICH IS AVAILABLE ON TRIHEALTH'S WEBSIT E AND BROCHURES ABOUT FINANCIAL ASSISTANCE ARE VISIBLE AND AVAILABLE IN HOSPITAL REGISTRAT ION AND ADMITTING AREAS BETHESDA PROVIDED \$36 1 MILLION IN TOTAL COMMUNITY BENEFIT FOR FIS CAL YEAR 2012 OF THAT TOTAL, \$30 4 MILLION REPRESENTED UNCOMPENSATED CARE THE AMOUNT OF BENEFIT FOR BOTH TRADITIONAL CHARITY CARE AND FOR THE UNPAID COST OF MEDICAID IS ONE MANIF ESTATION OF THE RISING RATES OF PERSONS WITHOUT HEALTH INSURANCE THE MEDICAID PUBLIC PROG RAM REIMBURSES HOSPITALS FOR SERVICES BUT PAYMENTS MAY NOT ALWAYS COVER THE TOTAL COST OF CARE AND MEDICATIONS THE UNPAID COST OF MEDICARE IS NOT INCLUDED IN TOTAL COMMUNITY BENEFIT BETHESDA IS COMMITTED TO FULFILLING THE MISSION OF COMPASSION TO THE VULNERABLE MEMBER S OF THE COMMUNITIES THEY SERVE BETHESDA PARTICIPATES IN THE REGIONAL TRAUMA SYSTEM THUS P ROVIDING THE COMMUNITY WITH ACCESS TO TRAUMA CARE THE TWO EMERGENCY ROOMS OF BETHESDA PRO VIDE 24-HOUR EMERGENCY CARE TO COMMUNITY MEMBERS LIVING IN THE NORTHEAST CORRIDOR OF CINCI NNATI AS WELL AS WARREN, BUTLER, AND CLERMONT COUNTIES BETHESDA IS A LEVEL III TRAUMA CEN TER AS VERIFIED BY THE COMMITTEE ON TRAUMA OF THE AMERICAN COLLEGE OF SURGEONS ONE EXAMPL E OF ONGOING EFFORTS BY BETHESDA TO IMPROVE THE HEALTH OF THE BROADER COMMUNITY ARE PROGRA MS TO ADDRESS THE IDENTIFIED HEALTH NEED OF DIABETES DIABETES EDUCATORS EXTEND THE EDUCAT ION TO THE COMMUNITY BY PROVIDING CLASSES TO A DIVERSE POPULATION, FROM AREA INDUSTRIES AN D FIREHOUSE GROUPS TO RETIREMENT CENTERS A DIABETES SUPPORT GROUP MEETS FOR CONTINUED EDU CATION IN CHRONIC DISEASE MANAGEMENT THOUGH HEALTHY WOMEN HEALTHY LIVES WAS INSTITUTED IN JULY 2007 BY GOOD SAMARITAN HOSPITAL WOMEN'S SERVICES TO IMPROVE THE HEALTH OF THE GREATE R CINCINNATI COMMUNITY, IT IS NOW FISCALLY SUPPORTED BY BETHESDA HOSPITAL AS WELL, MAKING IT A TRIHEALTH SYSTEM PROGRAM HEALTHY WOMEN HEALT</p>

Identifier	ReturnReference	Explanation
		<p>HY LIVES IS AN APPROACH BASED ON THE PREMISE THAT PREVENTION, EARLY DETECTION, TREATMENT A ND ACCESS TO HEALTH CARE SERVICES IMPROVE INDIVIDUAL AND COMMUNITY HEALTH OUTCOMES THE FO CUS IS ON HEALTH RISKS ASSOCIATED WITH THE ONSET OF MENOPAUSE WELL ORGANIZED SCREENING AN D EDUCATION EVENTS BRING THE SERVICES TO AT RISK POPULATIONS OF AFRICAN AMERICAN, APPALACH IAN, HISPANIC, UNINSURED AND UNDERINSURED WOMEN FORTY YEARS OF AGE OR OLDER SCREENING INC LUDES OSTEOPOROSIS, MAMMOGRAPHY, CHOLESTEROL, HYPERTENSION, AND OBESITY EVERY WOMAN RECEI VES A NURSE CONSULTATION, A COPY OF THEIR RESULTS AND A WRITTEN PRIMARY CARE REFERRAL WOM EN WITH ABNORMAL RESULTS ARE CONTACTED AND ASSISTED IN ACCESSING PRIMARY CARE THE TRIHEALTH THINK FIRST PROGRAM IS AN ESTABLISHED BETHESDA SERVICE FOCUSED ON INJURY PREVENTION TH E THINK FIRST PROGRAM STAFF WORKS WITH COMMUNITY PARTNERS TO PROVIDE INJURY PREVENTION PRO GRAMS AND COMMUNITY AWARENESS EVENTS COLLABORATING WITH THE EDUCATORS, THE MEDIA, CIVIC C LUBS AND CORPORATIONS, THINK FIRST TEACHES INJURY PREVENTION TO ALL AGE GROUPS THE GREATE R CINCINNATI COMMUNITY HAS IDENTIFIED A SIGNIFICANT HEALTH NEED IN INFANT MORTALITY AND PR EMATURITY TRIHEALTH HAS COMBINED EFFORTS WITH THE LARGER MEDICAL COMMUNITY, AGENCIES AND OTHER STAKEHOLDERS TO ADDRESS THIS HEALTH ISSUE BETHESDA MATERNAL FETAL PHYSICIANS AND HE ALTH CARE PROFESSIONALS COLLABORATE WITH OBSTETRICIANS IN THE COMMUNITY IN REDUCING UNNECE SSARY PRETERM BIRTHS TRIHEALTH ALSO SUPPORTS ON OUTREACH TO AT-RISK MOTHERS BETHESDA, WIT H OTHER ORGANIZATIONS, PROVIDE SUPPORT TO THE RESPITE CENTER, SERVING THE ADULT HOMELESS O F CINCINNATI THE RESPITE CENTER, WITH 14 BEDS AND 24 HOUR COVERAGE, PROVIDES FREE MEDICAL SERVICES AND ACCOMMODATIONS FOR HOMELESS PERSONS NEEDING SOME MEDICAL OVERSIGHT RESPITE HELPS PEOPLE WITHOUT HOMES TOWARD INDEPENDENT LIVING IN PERMANENT HOUSING BETHESDA CONTIN UES A COMMITMENT TO EDUCATING THE NEXT GENERATION OF HEALTH CARE PROVIDERS--PHYSICIANS AND ALLIED HEALTH PROFESSIONALS COST IN EXCESS OF GOVERNMENTAL SUPPORT FOR MEDICAL EDUCATION PROGRAMS AT BETHESDA TOTALED APPROXIMATELY \$2 7 MILLION IN FISCAL YEAR 2012 BETHESDA, AS PART OF TRIHEALTH, SPONSORS MEDICAL RESIDENCIES THERE WERE 32 TOTAL RESIDENTS IN A JOINT OBSTETRICS AND GYNECOLOGY RESIDENCY AT TRIHEALTH HOSPITALS IN FISCAL YEAR 2012 WITH THREE GYNECOLOGY-UROLOGY FELLOWS ALSO, THE BETHESDA FAMILY PRACTICE RESIDENCY INCLUDED 19 RESID ENTS AND TWO BETHESDA SPORTS MEDICINE FELLOWS IN FISCAL YEAR 2012 THE BETHESDA PARAMEDIC T RAINING PROGRAM IS A HOSPITAL-BASED PROGRAM ACCREDITED BY THE OHIO DEPARTMENT OF TRANSPORT ATION THROUGH THIS TRAINING PROGRAM, CERTIFIED EMERGENCY MEDICAL TECHNICIANS CAN ADVANCE TO THE PARAMEDIC LEVEL EDUCATION IS COMPRISED OF DIDACTIC SESSIONS, WITH LAB, FIELD, AND HOSPITAL CLINICAL ROTATIONS COST IN EXCESS OF SUPPORT FOR THIS PROGRAM TOTALED APPROXIMAT ELY \$700,000 BETHESDA, AS A PART OF TRIHEALTH, COLLABORATES WITH LOCAL AND REGIONAL COLLEG ES, UNIVERSITIES AND TRAINING CENTERS TO PROVIDE MENTORING, INTERNSHIPS, CLERKSHIPS, SUPER VISED EDUCATION AND CLINICAL ROTATIONS TO STUDENTS IN HEALTH FIELDS THESE PARTNERSHIPS HE LP STUDENTS LEARN ABOUT AND PREPARE FOR PROFESSIONS IN NURSE PRACTITIONER, RESPIRATORY THE RAPHY, RADIOLOGY TECHNOLOGY, STERILE PROCESSING, PHLEBOTOMY, MEDICAL LABORATORY, PHARMACY, SPEECH, AUDIOLOGY, PHYSICAL THERAPY, AND OCCUPATIONAL THERAPY IN CONCLUSION, ASIDE FROM T HE CHARITY CARE AND UNPAID COST OF MEDICARE PROGRAMS, BETHESDA PROVIDES THE COMMUNITY WITH HEALTH CARE SERVICES AND PROGRAMS, MEDICAL EDUCATION, AND CASH AND IN-KIND CONTRIBUTIONS FOR THE POOR AND THE BROADER COMMUNITY THIS COMMITMENT TO COMMUNITY HEALTH REVEALS BETHES DA'S FOUNDING SPIRIT OF CONCERN FOR THE VULNERABLE IT ALSO REFLECTS THE ONGOING, TANGIBLE EFFORTS AND CONTRIBUTIONS OF COUNTLESS EMPLOYEES, PHYSICIANS AND LEADERS LIVING THE CORE VALUES OF STEWARDSHIP AND RESPONSE TO COMMUNITY NEEDS</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 TRIHEALTH, INC PERFORMS THE BILLING SERVICES FOR ALL AFFILIATED HOSPITALS INCLUDING BETHESDA HOSPITAL, INC BROCHURES/APPLICATIONS, PROVIDED IN MULTIPLE LANGUAGES, ARE VISIBLE AND AVAILABLE IN THE REGISTRATION AND ADMITTING AREAS OF ALL TRIHEALTH AFFILIATED HOSPITALS IN ADDITION, THE APPLICATION IS PRINTED ON THE REVERSE SIDE OF A PATIENT'S BILL WITH INSTRUCTIONS ON HOW TO COMPLETE THE APPLICATION AS WELL AS HOW TO RETURN IT FINANCIAL COUNSELORS ASSIST PATIENTS IN COMPLETING THE FINANCIAL ASSISTANCE APPLICATION FINALLY, TRIHEALTH INC 'S WEBSITE CONTAINS INFORMATION REGARDING ITS CHARITY CARE AND FINANCIAL ASSISTANCE PROGRAMS WITH DIRECTIONS ON HOW TO CONTACT THE APPROPRIATE PERSONNEL TO INITIATE AN APPLICATION OR ASK QUESTIONS ABOUT THE PROCESS

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 LOCATED IN CINCINNATI, OHIO, BETHESDA HOSPITAL, INC AND THE TRIHEALTH, INC SYSTEM SERVE HAMILTON, BUTLER, WARREN, CLINTON AND CLERMONT COUNTIES IN OHIO, AS WELL AS PERSONS FROM INDIANA AND KENTUCKY IN METROPOLITAN STATISTICAL AREAS, THE CINCINNATI-MIDDLETOWN REGION IS THE LARGEST IN OHIO THE ESTIMATED POPULATION FOR THIS AREA IS 2,150,000 THE POPULATION WITHIN THE FIVE OHIO COUNTIES SERVED BY BETHESDA HOSPITAL, INC AND TRIHEALTH, INC IS ESTIMATED TO BE 1,663,000 AND 12 0 PERCENT OF THIS POPULATION IS UNINSURED

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 BETHESDA HOSPITAL, INC IS COMPRISED OF VARIOUS MEDICAL SERVICES INCLUDING BETHESDA NORTH HOSPITAL ("NORTH") AND BETHESDA MEDICAL CENTER AT ARROW SPRINGS ("ARROW SPRINGS") ITS BOARD OF DIRECTORS IS COMPRISED OF INDEPENDENT COMMUNITY REPRESENTATIVES NORTH IS A 360-BED ACUTE TERTIARY TEACHING HOSPITAL NORTH PROVIDES A 24-HOUR EMERGENCY DEPARTMENT, INTENSIVE CARE UNITS AND A LEVEL II SPECIAL CARE NURSERY SERVICES ARE OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY IN ADDITION, NORTH HAS AN OPEN MEDICAL STAFF AND A HISTORY OF TRAINING AND EDUCATING MEDICAL RESIDENTS AND HEALTH CARE PROFESSIONALS FINALLY IN CONCERT WITH THE HATTON INSTITUTE AT THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO, AN AFFILIATED HOSPITAL, NORTH CONDUCTS MEDICAL AND SCIENTIFIC RESEARCH PROGRAMS INCLUDING STUDIES THAT ARE NOT COMMERCIALY SPONSORED NORTH PARTICIPATES IN MEDICARE AND MEDICAID AND OTHER GOVERNMENT-SPONSORED HEALTH CARE PROGRAMS, AND HAS AN ACTIVE CHARITY CARE PROGRAM ARROW SPRINGS COMPRISES A FULLY STAFFED 24-HOUR EMERGENCY DEPARTMENT, PRIMARY CARE AND SPECIALIST PHYSICIANS, DIAGNOSTIC SERVICES, OCCUPATIONAL MEDICINE, PHYSICAL THERAPY AND A PHARMACY IT PROVIDES THE SAME HIGH-QUALITY, PATIENT-CENTERED CARE AND SERVICES THAT IS PROVIDED BY NORTH BOTH OF THESE FACILITIES ARE DIGITALLY CONNECTED, ALLOWING PHYSICIANS TO CONSULT ON PATIENT CARE AND SHARE RECORDS AND TEST RESULTS IMMEDIATELY THE BETHESDA HOSPITAL, INC SERVICES DESCRIBED ABOVE, AND OTHERS NOT LISTED, PROMOTE COMMUNITY HEALTH IN ACUTE ILLNESS, IN MANAGEMENT OF CHRONIC DISEASE, AND IN EDUCATION AND PREVENTION MEASURES WHICH SEEK TO REDUCE THE BURDENS ON THE GOVERNMENT</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 IN 1995, THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO AND BETHESDA HOSPITAL, INC FORMED A PARTNERSHIP CALLED TRIHEALTH, INC TO CREATE AN INTEGRATED HEALTH DELIVERY SYSTEM WHOSE MISSION IS TO IMPROVE THE HEALTH OF THE PEOPLE THEY SERVE, WITH AN EMPHASIS ON PREVENTION, WELLNESS AND EDUCATION TRIHEALTH, INC 'S SITES INCLUDE TWO HOSPITAL LOCATIONS AND VARIOUS PHYSICIAN OFFICE BUILDINGS THROUGHOUT THE GREATER CINCINNATI AREA IN ADDITION TO FITNESS, REHABILITATION, OCCUPATIONAL HEALTH, PALLIATIVE CARE SERVICES AND OUTPATIENT CENTERS IT ALSO PROVIDES SERVICES IN HOMES AND WORKPLACES AND DELIVERS CARE AND EDUCATION COOPERATIVELY THROUGH COMMUNITY-BASED ORGANIZATIONS, SUCH AS CHURCHES, SCHOOLS, CLINICS AND SOCIAL AGENCIES

Additional Data

Software ID:
Software Version:
EIN: 31-0537122
Name: BETHESDA HOSPITAL INC

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

[illegible]

Name of the organization
BETHESDA HOSPITAL INC

Employer identification number
31-0537122

Part I General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) UPTOWN CONSORTIUM INC629 OAK STREET SUITE 306 CINCINNATI,OH 45206	20-0688727	501(C)(3)	142,100				GENERAL PURPOSE
(2) COALITION TO PROTECT AMERICA'S HEALTH CAREPO BOX 30211 BETHESDA,MD 20824	52-2253225	501(C)(4)	7,350				CONTRIBUTION TO SUPPORT THE RAISING OF PUBLIC AWARENESS REGARDING AMERICA'S HEALTH CARE
(3) THE CENTER FOR CLOSING THE HEALTH GAP IN GREATER CINCINNATI3120 BURNET AVENUE SUITE 201 CINCINNATI,OH 45229	20-0902286	501(C)(3)	102,165				GENERAL PURPOSE
(4) ARTHRITIS FOUNDATION INC7124 MIAMI AVE CINCINNATI,OH 45243	31-6043937	501(C)(3)	9,800				SPONSORSHIP
(5) CENTER FOR RESPITE CARE INCPO BOX 141301 CINCINNATI,OH 45229	20-2544994	501(C)(3)	24,500				GENERAL PURPOSE
(6) GOOD SAMARITAN HOSPITAL FOUNDATION OF CINCINNATI INC619 OAK STREET CINCINNATI,OH 45206	31-1206047	501(C)(3)	5,880				SPONSORSHIP
(7) MAYFIELD EDUCATION & RESEARCH FUND506 OAK STREET CINCINNATI,OH 45219	31-0921099	501(C)(3)	9,800				SPONSORSHIP
(8) AMERICAN HEART ASSOCIATION5455 N HIGH STREET COLUMBUS,OH 43214	13-5613797	501(C)(3)	36,750				SPONSORSHIP

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) PROVISION OF CRIBS AND CAR SEATS TO INDIVIDUALS UNABLE TO PURCHASE THE ITEMS	147		54,166	FAIR MARKET VALUE	CRIBS AND CAR SEATS

Part IV

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

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 BETHESDA HOSPITAL, INC ("HOSPITAL") PROVIDES GRANTS TO OTHER ORGANIZATIONS DIRECTLY ON A VERY LIMITED BASIS IN THOSE INSTANCES, THE DEPARTMENT GRANTING THE FUNDS IS RESPONSIBLE FOR OBTAINING AND STORING ALL NECESSARY INFORMATION FROM THE OTHER ORGANIZATION RELATIVE TO HOW THE FUNDS WILL BE SPENT GENERALLY, GRANTS ARE PROVIDED, ON BEHALF OF HOSPITAL THROUGH TRIHEALTH, INC ("TRIHEALTH"), A SUPPORTING ORGANIZATION OF HOSPITAL, WHICH PROVIDES ADMINISTRATIVE SUPPORT SERVICES TO HOSPITAL AS SUCH, TRIHEALTH IS RESPONSIBLE FOR MONITORING THE USE OF HOW THE FUNDS WILL BE SPENT

Software ID:
Software Version:
EIN: 31-0537122
Name: BETHESDA HOSPITAL INC

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
UPTOWN CONSORTIUM INC 629 OAK STREET SUITE 306 CINCINNATI, OH 45206	20-0688727	501(C)(3)	142,100				GENERAL PURPOSE
COALITION TO PROTECT AMERICA'S HEALTH CAREPO BOX 30211 BETHESDA, MD 20824	52-2253225	501(C)(4)	7,350				CONTRIBUTION TO SUPPORT THE RAISING OF PUBLIC AWARENESS REGARDING AMERICA'S HEALTH CARE

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
THE CENTER FOR CLOSING THE HEALTH GAP IN GREATER CINCINNATI3120 BURNET AVENUE SUITE 201 CINCINNATI,OH 45229	20-0902286	501(C)(3)	102,165				GENERAL PURPOSE
ARTHRITIS FOUNDATION INC 7124 MIAMI AVE CINCINNATI,OH 45243	31-6043937	501(C)(3)	9,800				SPONSORSHIP

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
CENTER FOR RESPITE CARE INC PO BOX 141301 CINCINNATI, OH 45229	20-2544994	501(C)(3)	24,500				GENERAL PURPOSE
GOOD SAMARITAN HOSPITAL FOUNDATION OF CINCINNATI INC 619 OAK STREET CINCINNATI, OH 45206	31-1206047	501(C)(3)	5,880				SPONSORSHIP

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
MAYFIELD EDUCATION & RESEARCH FUND 506 OAK STREET CINCINNATI, OH 45219	31-0921099	501(C)(3)	9,800				SPONSORSHIP
AMERICAN HEART ASSOCIATION 5455 N HIGH STREET COLUMBUS, OH 43214	13-5613797	501(C)(3)	36,750				SPONSORSHIP

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
BETHESDA HOSPITAL INC

Employer identification number

31-0537122

Part I

Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOHN PROUT	(i)	0	0	0	0	0	0	0
	(ii)	859,109	338,532	28,543	286,218	10,208	1,522,610	0
(2) DONNA NIENABER ESQ	(i)	0	0	0	0	0	0	0
	(ii)	301,071	139,124	41,429	135,545	16,412	633,581	0
(3) CRAIG RUCKER	(i)	0	0	0	0	0	0	0
	(ii)	395,101	130,118	18,330	120,190	9,542	673,281	0
(4) SHER MCCLANAHAN	(i)	0	0	0	0	0	0	0
	(ii)	269,208	75,938	19,444	73,378	11,037	449,005	0
(5) WILLIAM GRONEMAN	(i)	0	0	0	0	0	0	0
	(ii)	360,315	120,587	67,916	141,510	23,464	713,792	16,587
(6) GERALD OLIPHANT	(i)	0	0	0	0	0	0	0
	(ii)	433,802	145,983	18,288	102,679	21,436	722,188	0
(7) GEORGES FEGHALI MD	(i)	0	0	0	0	0	0	0
	(ii)	360,606	122,375	30,589	133,633	22,364	669,567	0
(8) STEVEN JOHNSON MD	(i)	219,445	31,864	657	17,808	17,779	287,553	0
	(ii)	0	0	0	0	0	0	0
(9) ALAN ALTMAN MD	(i)	216,035	0	18,500	56,221	21,386	312,142	0
	(ii)	0	0	0	0	0	0	0
(10) LAURA TRICE MD	(i)	229,030	0	1,934	29,538	7,237	267,739	0
	(ii)	0	0	0	0	0	0	0
(11) ANTHONY BORZOTTA MD	(i)	225,865	0	2,704	41,689	20,945	291,203	0
	(ii)	0	0	0	0	0	0	0
(12) SANDRA LOBERT	(i)	169,642	39,289	15,714	31,883	6,585	263,113	0
	(ii)	0	0	0	0	0	0	0
(13) MICHAEL CROFTON	(i)	0	0	0	0	0	0	0
	(ii)	206,505	50,637	21,853	53,006	22,306	354,307	0
(14) ROBERT HALONEN	(i)	0	0	0	0	0	0	0
	(ii)	0	0	227,886	0	0	227,886	0

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	ELIGIBLE EXECUTIVES (GENERALLY VICE PRESIDENTS AND ABOVE) PARTICIPATE IN A PROGRAM THAT PROVIDES FOR SUPPLEMENTAL RETIREMENT BENEFITS. THE PAYMENT OF BENEFITS UNDER THE PROGRAM, IF ANY, IS ENTIRELY DEPENDENT UPON THE FACTS AND CIRCUMSTANCES UNDER WHICH THE EXECUTIVE TERMINATES EMPLOYMENT WITH THE ORGANIZATION. BENEFITS UNDER THE PROGRAM ARE UNFUNDED AND NON-VESTED. DUE TO THE SUBSTANTIAL RISK OF FORFEITURE PROVISION, THERE IS NO GUARANTEE THAT THESE EXECUTIVES WILL EVER RECEIVE ANY BENEFIT UNDER THE PROGRAM. ANY AMOUNT ULTIMATELY PAID UNDER THE PROGRAM TO THE EXECUTIVE IS REPORTED AS COMPENSATION ON FORM 990, SCHEDULE J, PART II, COLUMN B IN THE YEAR PAID. TRIHEALTH, INC., THE RELATED ORGANIZATION THAT PAID THE SALARIES OF THE FOLLOWING INDIVIDUALS LISTED IN SCHEDULE J, PART II, CONTRIBUTED, ON BEHALF OF THE FOLLOWING INDIVIDUALS, TO A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN IN THE AMOUNTS AS NOTED: JOHN PROUT - \$236,082; DONNA NIENABER, ESQ. - \$68,563; MICHAEL CROFTON - \$16,824; CRAIG RUCKER - \$78,831; SHER MCCLANAHAN - \$43,210; WILLIAM GRONEMAN - \$80,979; GERALD OLIPHANT - \$82,817; GEORGES FEGHALI, MD - \$76,814; SANDRA LOBERT - \$10,653. IN ADDITION, THE FOLLOWING INDIVIDUAL LISTED IN SCHEDULE J, PART II, RECEIVED A PAYMENT FROM A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN WHICH WAS TREATED AS TAXABLE COMPENSATION BY TRIHEALTH, INC.: WILLIAM GRONEMAN - \$16,587.
SUPPLEMENTAL INFORMATION	PART III	PART I, LINE 3: TRIHEALTH, INC., A RELATED ORGANIZATION OF BETHESDA HOSPITAL, INC., USES THE FOLLOWING TO ESTABLISH THE COMPENSATION OF THE ORGANIZATION'S CEO/EXECUTIVE DIRECTOR: COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY OR STUDY, AND APPROVAL BY THE BOARD/COMPENSATION COMMITTEE. PART I, LINE 4A - SEVERANCE PAYMENTS: THE REPORTABLE INDIVIDUALS OF BETHESDA HOSPITAL, INC. ARE PAID BY TRIHEALTH, INC., A RELATED ORGANIZATION, RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS EXEMPT FROM FEDERAL INCOME TAX UNDER INTERNAL REVENUE CODE SECTION 501(A) AS AN ORGANIZATION DESCRIBED IN INTERNAL REVENUE CODE SECTION 501(C)(3). THESE INDIVIDUALS DO NOT HAVE EMPLOYMENT AGREEMENTS, SO NO SPECIAL ARRANGEMENTS EXIST BEYOND TRIHEALTH, INC.'S STANDARD EMPLOYEE SEVERANCE PACKAGE. GENERAL SEVERANCE PAY IS BASED ON LENGTH OF SERVICE. IN ADDITION, NOTICE PAY, IF APPLICABLE UNDER TRIHEALTH, INC. POLICY, MAY BE ADDED TO THE SEVERANCE PACKAGE AND THE AMOUNT OF NOTICE PAY WILL BE DETERMINED BY HUMAN RESOURCES IN ACCORDANCE WITH TRIHEALTH, INC. POLICY. PAYMENTS OF SEVERANCE ARE CONDITIONED UPON SIGNING A SEPARATION AND RELEASE AGREEMENT. NO REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS FROM TRIHEALTH, INC. DURING THE 2011 CALENDAR YEAR.

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
BETHESDA HOSPITAL INC**Employer identification number**

31-0537122

Identifier	Return Reference	Explanation
NEW PROGRAM SERVICES	FORM 990, PART III, LINE 2	IN MARCH 2012, BETHESDA HOSPITAL, INC BEGAN OPERATING BETHESDA HOSPITAL BUTLER COUNTY MEDICAL CENTER ("CENTER") THE CENTER IS A 10-BED SURGICAL HOSPITAL WITH EIGHT (8) OPERATING ROOMS, THREE (3) ENDOSCOPY SUITES AND TWO (2) PROCEDURE ROOMS SURGERY SERVICES, MEDICAL IMAGING SERVICES, A SLEEP MEDICINE CENTER, PATHOLOGY, LABORATORY SERVICES AND PHYSICAL THERAPY SERVICES ARE AVAILABLE ON SITE AS WELL AS CARDIOLOGY AND CANCER CARE A 17-BED EMERGENCY DEPARTMENT IS CURRENTLY UNDER CONSTRUCTION AND DUE TO OPEN IN EARLY 2013 THE NEW EMERGENCY DEPARTMENT WILL HAVE A HELIPAD FOR THE TRANSPORT OF CRITICALLY ILL PATIENTS AND WILL BE SUPPORTED BY A FULL SUITE OF DIAGNOSTIC SERVICES ONSITE AS WELL AS SURGICAL AND INPATIENT CARE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	THE OFFICERS, DIRECTORS AND TRUSTEES OF BETHESDA HOSPITAL, INC LISTED IN PART VII, SECTION A HAVE A "BUSINESS RELATIONSHIP" WITH EACH OTHER BY VIRTUE OF SITTING ON THE BOARDS OF TRIHEALTH, INC AND THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO, BOTH AFFILIATED ENTITIES OF BETHESDA HOSPITAL, INC SYLVANIA NG, MD, STUART DONOVAN, MD, CRAIG EISENTROUT, MD, ROBERT L WALKER, MICHAEL HAVERKAMP, AND MYRTIS POWELL HAVE A "BUSINESS RELATIONSHIP" WITH EACH OTHER BY VIRTUE OF SITTING ON THE BOARD OF BETHESDA, INC , THE SINGLE CORPORATE MEMBER OF BETHESDA HOSPITAL, INC JOHN PROUT AND CRAIG EISENTROUT, MD HAVE A "BUSINESS RELATIONSHIP" WITH EACH OTHER BY VIRTUE OF SITTING ON THE BOARD OF BETHESDA FOUNDATION, INC , A RELATED ENTITY OF BETHESDA HOSPITAL, INC JOHN PROUT, DONNA NIENABER, ESQ , CRAIG RUCKER, SHER MCCLANAHAN, WILLIAM GRONEMAN, GERALD OLIPHANT, MARC ALEXANDER, MD, STEPHEN BLATT, MD AND GEORGES FEGHALI, MD HAVE A "BUSINESS RELATIONSHIP" WITH EACH OTHER BY VIRTUE OF SITTING ON RELATED ENTITY BOARDS OF TRIHEALTH, INC AND ITS SUBSIDIARIES AND AFFILIATES AS WELL AS BEING EMPLOYED BY TRIHEALTH, INC

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	BETHESDA HOSPITAL, INC HAS TWO CORPORATE MEMBERS - BETHESDA, INC (VOTING MEMBER) AND TRIHEALTH, INC (NON-VOTING MEMBER)

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	BETHESDA, INC HAS THE ABILITY TO ELECT MEMBERS TO THE GOVERNING BODY OF BETHESDA HOSPITAL, INC

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	BETHESDA, INC MUST APPROVE CERTAIN FINANCIAL TRANSACTIONS, AMENDMENTS TO BETHESDA HOSPITAL, INC 'S GOVERNING DOCUMENTS AND THOSE MATTERS RESERVED BY OHIO LAW

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 8A	IT IS THE COMMON PRACTICE OF THE ORGANIZATION TO DISSEMINATE A COPY OF THE PROPOSED MINUTES OF THE PREVIOUS MEETING TO THE BOARD OR COMMITTEE PRIOR TO THE NEXT MEETING AND TO DISCUSS AND APPROVE SUCH MINUTES AT THE NEXT MEETING FOR 8 OF THE 9 MEETINGS OF THE BOARD AND EXECUTIVE COMMITTEE, THE MINUTES WERE CONTEMPORANEOUSLY DOCUMENTED ON ONE OCCASION, HOWEVER, MINUTES FROM THE IMMEDIATELY PREVIOUS MEETING WERE NOT PUT ON THE AGENDA FOR A SPECIAL MEETING OF THE BOARD SUCH MINUTES WERE REVIEWED AND APPROVED AT THE NEXT REGULAR MEETING OF THE BOARD, WHICH OCCURRED 91 DAYS AFTER THE PREVIOUS MEETING OCCURRED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	MEMBERS OF THE BOARD ARE PROVIDED AN ELECTRONIC COPY OF THIS FORM 990 PRIOR TO FILING HOWEVER, FOR THE PROTECTION OF DONOR PRIVACY , SCHEDULE B - SCHEDULE OF CONTRIBUTORS WAS REMOVED FROM THE COPY PROVIDED TO THE BOARD SUBSEQUENT TO PRESENTATION TO THE BOARD, THE ORGANIZATION FILES THE RETURN MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING ANY SUCH NON-SUBSTANTIVE CHANGES ARE NOT SUBMITTED TO THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL BOARD MEMBERS ARE REQUIRED TO ANNUALLY DISCLOSE CERTAIN FINANCIAL INTERESTS AND FIDUCIARY RELATIONSHIPS. THE EXECUTIVE COMMITTEE AND CORPORATE COUNSEL REVIEW RESPONSES, CONDUCT FURTHER INVESTIGATION (IF NECESSARY), AND DETERMINE WHEN A CONFLICT EXISTS WITH RESPECT TO A CERTAIN TRANSACTION. IF A CONFLICT EXISTS, THE TRANSACTION IS NOT TO BE ENTERED INTO UNLESS ALTERNATIVES ARE FULLY INVESTIGATED, AND IN THEIR ABSENCE, THE BOARD, WITHOUT THE PARTICIPATION OF THE INTERESTED MEMBER(S), DETERMINES THAT THE TRANSACTION IS IN THE BEST INTEREST OF THE ORGANIZATION. PLANS TO MANAGE THE CONFLICT DURING THE RELATIONSHIP ARE IMPLEMENTED. ALL DISCUSSIONS ARE APPROPRIATELY DOCUMENTED. ALL DIRECTORS AND MANAGERS, WHICH INCLUDE OFFICERS AND KEY EMPLOYEES, ARE REQUIRED TO ANNUALLY DISCLOSE ANY CIRCUMSTANCES, INCLUDING FAMILY AND BUSINESS RELATIONSHIPS, THAT MAY CREATE A CONFLICT OF INTEREST FOR THE ORGANIZATION. THESE RESPONSES ARE REVIEWED AND ACTED UPON BY A CONFLICT OF INTEREST COMMITTEE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	IN DETERMINING COMPENSATION OF THE BETHESDA HOSPITAL, INC 'S OFFICERS AND KEY EMPLOYEES, THE ANNUAL PROCESS PERFORMED BY TRIHEALTH, INC (A RELATED ORGANIZATION WHO PAID THE INDIVIDUALS), INCLUDED COMPENSATION COMMITTEE, INDEPENDENT COMPENSATION CONSULTANT, COMPENSATION SURVEY OR STUDY , AND APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE. ADDITIONALLY , ALL DISCUSSIONS AND DECISIONS ARE CONTEMPORANEOUSLY DOCUMENTED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	BETHESDA HOSPITAL, INC 'S GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -12,293,023 CONTRIBUTED CAPITAL TO PARENT -10,000,000 LOSS ON UNCONSOLIDATED ORGANIZATIONS -16,075,812 CHANGE IN PENSION PLAN/SERP FUNDED STATUS -34,794,489 CHANGE IN TEMPORARILY RESTRICTED NET ASSETS 2,310,555 TOTAL TO FORM 990, PART XI, LINE 5 -70,852,769

Identifier	Return Reference	Explanation
VOLUNTEER INFORMATION	FORM 990, PART I, LINE 6	DURING THE TAX YEAR, BETHESDA HOSPITAL, INC WAS ASSISTED BY 1,384 VOLUNTEERS WHO DONATED APPROXIMATELY 140,500 HOURS VOLUNTEERS HELPED THROUGH THE FOLLOWING BETHESDA NORTH HOSPITAL AND BETHESDA CENTER - ARROW SPRINGS ("HOSPITALS") THESE FACILITIES WERE ASSISTED BY 1,378 VOLUNTEERS WHO DONATED APPROXIMATELY 139,000 HOURS IN ALMOST EVERY DEPARTMENT OF THE HOSPITALS VOLUNTEERS PROVIDED SERVICES IN THE VARIOUS WAITING ROOMS (E G ENDOSCOPIC CATHETERIZATION, SURGERY) AS WELL AS BOTH THE INPATIENT AND OUTPATIENT PHARMACIES AND ALL AREAS OF PHYSICAL THERAPY ESCORT VOLUNTEERS DISCHARGED A LARGE PERCENTAGE OF BOTH INPATIENTS AND OUTPATIENTS AS WELL AS PERFORMING ERRANDS FOR THE HOSPITALS ALSO VOLUNTEERS OF THE HOSPITALS PROVIDED HEALING TOUCH TO PATIENTS AND OUTPATIENTS, VISITED WITH PATIENTS AND THEIR FAMILIES, PROVIDED PASTORAL CARE SERVICES TO PATIENTS AND PROVIDED THE BOOK CART TO PATIENTS EACH DAY FINALLY, CRAFTER VOLUNTEERS, WORKING FROM THEIR HOMES, MADE VARIOUS ITEMS FOR PATIENTS AND NEWBORNS SENIOR SERVICES (SENIORITY AND SENIORLINK) - 6 VOLUNTEERS VOLUNTEERS OF SENIORITY, WHICH PROVIDES CONTINUING EDUCATION FOR OLDER ADULTS AND THEIR FAMILIES, ASSISTED IN VARIOUS SPECIAL EVENTS/PROJECTS AS WELL AS PROVIDED OFFICE HELP SENIORLINK HELPS PEOPLE 55 AND OLDER WITH CHRONIC CARE NEEDS TO STAY HEALTHY AND INDEPENDENT AS LONG AS POSSIBLE BY PROVIDING PARTICIPANTS WITH MEDICAL AND SOCIAL SERVICES DELIVERED IN THEIR HOMES AND AT ONE OF THREE SENIORLINK DAY HEALTH CENTERS VOLUNTEERS ASSISTED IN VARIOUS SERVICES OFFERED BY SENIORLINK

Identifier	Return Reference	Explanation
EXECUTIVE COMMITTEE COMPOSITION AND AUTHORITY	FORM 990, PART VI, SECTION A, LINE 1A	THE BOARD OF TRUSTEES OF BETHESDA HOSPITAL, INC ("THE CORPORATION"), ESTABLISHED AN EXECUTIVE COMMITTEE WHICH MAY EXERCISE SUCH POWER AND AUTHORITY OF THE BOARD OF TRUSTEES IN INTERVALS BETWEEN MEETINGS OF THE BOARD AS AUTHORIZED BY THE BOARD THE EXECUTIVE COMMITTEE IS COMPOSED OF THE BOARD CHAIR, THE BOARD VICE CHAIR, THE PRESIDENT & CEO, THE SECRETARY AND TWO OTHER BOARD MEMBERS ALL IN ACCORDANCE WITH THE NETWORK AFFILIATION AGREEMENT

Identifier	Return Reference	Explanation
CHANGE IN PROCESS OF AUDIT OVERSIGHT OR SELECTION OF INDEPENDENT AUDITOR	FORM 990, PART XII, LINE 2C	THE FINANCIAL STATEMENTS OF BETHESDA HOSPITAL, INC ("HOSPITAL") ARE AUDITED WITH ITS SUBSIDIARIES HOSPITAL HAS A COMMITTEE THAT ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF BOTH ITS AND ITS SUBSIDIARIES FINANCIAL STATEMENTS IN ADDITION, HOSPITAL'S FINANCIAL STATEMENTS ARE AUDITED WITH BETHESDA, INC , THE PARENT ORGANIZATION OF HOSPITAL BETHESDA, INC HAS A COMMITTEE THAT ASSUMES THE RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF BOTH ITS AND ITS SUBSIDIARIES FINANCIAL STATEMENTS AS WELL AS THE SELECTION OF THE INDEPENDENT AUDITOR DURING THE TAX YEAR, THERE WAS NOT A CHANGE IN THE PROCESS OF AUDIT OVERSIGHT AND/OR SELECTION OF AN INDEPENDENT AUDITOR BY EITHER HOSPITAL OR BETHESDA, INC

Identifier	Return Reference	Explanation
ADOPTION OF WRITTEN POLICY AND PROCEDURES EVALUATING JV ARRANGEMENTS	FORM 990, PART VI, SECTION B, LINE 16B	DURING THE YEAR, BETHESDA HOSPITAL, INC PARTICIPATED IN A JOINT VENTURE WITH ONE OR MORE TAXABLE PERSONS AND/OR ORGANIZATIONS AS OF THE END OF THE FISCAL YEAR, BETHESDA HOSPITAL, INC HAD NOT ADOPTED A WRITTEN POLICY OR PROCEDURE THAT REQUIRES THE ORGANIZATION TO NEGOTIATE, IN ITS TRANSACTIONS AND ARRANGEMENTS WITH OTHER MEMBERS OF THE VENTURE OR ARRANGEMENT, SUCH TERMS AND SAFEGUARDS AS ARE ADEQUATE TO ENSURE THAT THE ORGANIZATION'S EXEMPT STATUS IS PROTECTED HOWEVER, ALL JOINT VENTURES, WHEN ENTERED INTO, HAVE OUTSIDE LEGAL COUNSEL REVIEW OF THE OPERATING AGREEMENT OR OTHER ORGANIZATIONAL DOCUMENTS TO ENSURE THAT THE ORGANIZATION'S EXEMPT STATUS IS PROTECTED PRIOR TO THE COMMENCEMENT OF THE JOINT VENTURE ONCE THE JOINT VENTURE COMMENCES, BETHESDA HOSPITAL, INC PERSONNEL MONITORS ITS ACTIVITTITES TO ENSURE THE ORGANIZATION'S EXEMPT STATUS IS PROTECTED

Identifier	Return Reference	Explanation
ESTIMATE OF HOURS DEVOTED TO RELATED ORGANIZATION	FORM 990, PART VII, SECTION A	DIRECTORS AND OFFICERS (AS NOTED WITH A "SCH O" REFERENCE) FOR BETHESDA HOSPITAL, INC PROVIDE SERVICES TO TRIHEALTH, INC (A RELATED ORGANIZATION WHO PAID THE INDIVIDUALS) AND ITS SUBSIDIARIES/AFFILIATES ("TRIHEALTH") HOURS WORKED ARE NOT TRACKED ON AN ENTITY BY ENTITY BASIS THE COMPENSATION REPORTED ON THE FORM 990, PART VII WAS PAID TO THESE INDIVIDUALS IN FULFILLMENT OF THEIR DUTIES AS FULL-TIME, 60 HOURS-PER-WEEK EMPLOYEES OF TRIHEALTH DIRECTORS (AS NOTED WITH A "SCH O-MED STAFF PRES " REFERENCE) FOR BETHESDA HOSPITAL, INC SERVE ON THE BOARD IN THEIR CAPACITY AS MEDICAL STAFF PRESIDENT FOR EITHER BETHESDA HOSPITAL, INC OR THE GOOD SAMARITAN HOSPITAL OF CINCINNATI, OHIO COMPENSATION SHOWN IS FOR HIS/HER DUTIES AS MEDICAL STAFF PRESIDENT OF THE RESPECTIVE HOSPITAL AND NOT FOR SERVING AS A DIRECTOR

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
BETHESDA HOSPITAL INC

Employer identification number
31-0537122

Part I

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

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

Part II

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

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

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) BN NORTHEAST CARDIAC CENTER LLC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 20-1297322	CARDIAC CARE	OH	N/A	RELATED	86,886	299,602		No		Yes		57 950 %
(2) 10600 MONTGOMERY LLC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 26-1964995	PROPERTY MANAGEMENT	OH	N/A									

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TJ CUBEDMONTGOMERY INC 619 OAK STREET-ACCOUNTING 3 WEST CINCINNATI, OH 45206 26-1964885	HOLDING COMPANY	OH	N/A	S			

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

Yes

1b

Yes

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

Yes

1l

Yes

1m

No

1n

Yes

1o

Yes

1p

No

1q

No

1r

No

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

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

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

[illegible]

Part VII

Supplemental Information

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

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

Software ID:

Software Version:

EIN: 31-0537122

Name: BETHESDA HOSPITAL INC

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	
BETHESDA INC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1108895	INVESTMENT MANAGEMENT	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 11C	N/A		No
BETHESDA FOUNDATION INC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 23-7374129	FUNDRAISING	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 7	BETHESDA INC	Yes	
BETHESDA HEALTHCARE INC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1027660	HEALTHCARE SERVICES	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 11B	BETHESDA INC	Yes	
BETHESDA FAMILY PRACTICE CENTER 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1242442	HEALTHCARE SERVICES	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 11C	BETHESDA HOSPITAL INC	Yes	
BETHESDA PROPERTIES INC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1352694	PROPERTY MANAGEMENT	OH	SECTION 501(C)(2)		BETHESDA HOSPITAL INC	Yes	
HOSPICE OF CINCINNATI INCORPORATED 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-0917155	HOSPICE SERVICES	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 7	BETHESDA HOSPITAL INC	Yes	
FERNSIDE INC A CENTER FOR GRIEVING CHILDREN 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1179234	COUNSELING TO GRIEVING CHILDREN	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 7	HOSPICE OF CINCINNATI INCORPORATED	Yes	
TRIHEALTH INC 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-1438846	SUPPORT AFFILIATED HOSPITALS	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 11B	N/A	Yes	
THE GOOD SAMARITAN HOSPITAL OF CINCINNATI OHIO 619 OAK STREET- ACCOUNTING 3 WEST CINCINNATI, OH 45206 31-0537486	INPATIENT AND OUTPATIENT SERVICES	OH	SECTION 501(C)(3)	SCHEDULE A, LINE 3	TRIHEALTH INC	Yes	

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)	BETHESDA HEALTHCARE INC	A	32,590	FMV
(2)	TRIHEALTH INC	A	59,355	FMV
(3)	BETHESDA PROPERTIES INC	J	1,512,547	FMV
(4)	BETHESDA HEALTHCARE INC	J	412,285	FMV
(5)	TRIHEALTH INC	K	64,349	FMV
(6)	BETHESDA INC	B	10,000,000	CASH
(7)	BETHESDA FOUNDATION INC	C	1,374,854	CASH
(8)	TRIHEALTH INC	O	68,420,992	COST
(9)	HOSPICE OF CINCINNATI INCORPORATED	N	31,351,319	FMV
(10)	BETHESDA INC	N	261,335	FMV
(11)	FERNside INC A CENTER FOR GRIEVING CHILDREN	N	389,081	FMV
(12)	THE GOOD SAMARITAN HOSPITAL OF CINCINNATI OHIO	J	11,440	FMV
(13)	TRIHEALTH INC	J	4,927	FMV
(14)	TRIHEALTH INC	B	16,150,000	CASH
(15)	BETHESDA FOUNDATION INC	N	1,081,062	FMV
(16)	BETHESDA PROPERTIES INC	N	494,614	FMV

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Bethesda Hospital, Inc. and Subsidiaries
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP



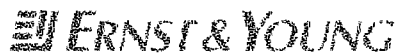
Bethesda Hospital, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information

June 30, 2012 and 2011

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Report of Independent Auditors

The Board of Trustees
of Bethesda Hospital, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Bethesda Hospital, Inc. and Subsidiaries (the Hospital), a subsidiary of Bethesda, Inc., as of June 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bethesda Hospital, Inc. and Subsidiaries at June 30, 2012 and 2011, and the consolidated results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The unaudited community benefit information in Note B is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, accordingly, we do not express any assurances on such information.

Ernst & Young LLP

September 28, 2012

Bethesda Hospital, Inc. and Subsidiaries

Consolidated Balance Sheets

	June 30	
	2012	2011
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,792	\$ 18,635
Net patient accounts receivable, less allowance of \$21,869 in 2012 and \$19,153 in 2011	37,299	36,498
Other accounts receivable	2,064	1,161
Current portion of assets limited as to use	19,168	22,143
Inventories	1,969	1,731
Prepaid and other current assets	2,215	2,417
Current portion of due from related organizations, net	710	3,284
Total current assets	73,217	85,869
Assets limited as to use and investments:		
Assets limited as to use:		
Internally designated for capital and other funds	317,562	329,903
Restricted by donors	3,155	2,992
Trustee-held funds under professional liability funding arrangement	20,637	24,041
Investments	23,797	30,419
Total assets limited as to use and investments	365,151	387,355
Property and equipment, net	265,955	253,297
Investments in unconsolidated organizations	6,201	4,563
Goodwill and identifiable intangible assets	19,353	—
Due from related organizations	29,977	22,635
Other long-term assets	5,814	100
Total assets	\$ 765,668	\$ 753,819

	June 30	
	2012	2011
	<i>(In Thousands)</i>	
Liabilities and net assets		
Current liabilities:		
Compensation and benefits	\$ 22,443	\$ 19,497
Third-party liabilities	4,687	6,982
Accounts payable and accrued expenses	22,564	26,137
Network affiliation payable	33	11,137
Current portion of long-term debt	12,198	11,617
Total current liabilities	61,925	75,370
Accrued professional liability	22,282	18,758
Pension obligation	58,124	34,301
Long-term compensation and benefits and other long-term liabilities	20,889	17,838
Capital lease obligation	21,923	—
Long-term debt	188,275	200,473
Total liabilities	373,418	346,740
Net assets:		
Unrestricted	380,040	397,655
Temporarily restricted	12,210	9,424
Total net assets	392,250	407,079
 Total liabilities and net assets	 \$ 765,668	 \$ 753,819

See accompanying notes

Bethesda Hospital, Inc. and Subsidiaries

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2012	2011
	<i>(In Thousands)</i>	
Revenue		
Net patient service revenue:		
Acute inpatient	\$ 276,902	\$ 261,099
Outpatient	254,383	238,907
Other patient	33,585	31,369
Total net patient service revenue	564,870	531,375
Nonpatient (loss) revenue:		
Loss from unconsolidated organizations	(16,031)	(9,896)
Operating loss from network affiliation	(3,765)	(7,811)
Other revenue, net	16,757	18,431
Total revenue	561,831	532,099
Expenses		
Salaries and wages	174,861	168,509
Employee benefits	50,506	47,523
Medical professional fees	4,433	3,798
Purchased services	28,004	25,306
Supplies	99,362	100,927
Bad debts	44,485	39,582
Utilities	5,015	5,414
Insurance	(1,820)	3,673
Rental, leases, and maintenance	13,815	13,044
Depreciation and amortization	22,673	22,616
Interest	9,684	10,158
Shared service allocation	68,421	57,797
Other, net	12,126	10,272
Total operating expenses	531,565	508,619
Income from operations	30,266	23,480
Nonoperating (loss) income:		
Nonoperating income (loss) from network affiliation	3,732	(3,326)
Investment (loss) income	(7,307)	52,238
Total nonoperating (loss) income	(3,575)	48,912
Excess of revenue over expenses	26,691	72,392

(Continued on next page)

Bethesda Hospital, Inc. and Subsidiaries

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

	Year Ended June 30	
	2012	2011
	<i>(In Thousands)</i>	
Excess of revenue over expenses	\$ 26,691	\$ 72,392
Change in plan assets and benefit obligation of pension plan	(26,286)	22,192
Change in funded status of TriHealth, Inc. pension plan	(8,313)	3,489
Transfer to Bethesda, Inc.	(10,000)	(10,000)
Other changes in net assets, net	3,079	2,841
(Decrease) increase in net assets	(14,829)	90,914
Net assets at beginning of year	407,079	316,165
Net assets at end of year	<u>\$ 392,250</u>	<u>\$ 407,079</u>

See accompanying notes

Bethesda Hospital, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2012	2011
	<i>(In Thousands)</i>	
Operating activities		
Changes in net assets	\$ (14,829)	\$ 90,914
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for bad debts	44,485	39,582
Depreciation and amortization	22,673	22,616
Loss from unconsolidated organizations	16,031	9,896
Change in plan assets and benefit obligation of pension plan	26,286	(22,192)
Change in funded status of TriHealth, Inc. pension plan	8,313	(3,489)
Transfer to Bethesda, Inc.	10,000	10,000
Net changes in current assets and liabilities:		
Net patient and other accounts receivable	(46,189)	(40,671)
Other current assets	695	14
Current liabilities	(16,004)	9,437
Change in due to/from related organizations	(12,409)	12,821
Other changes, net	(1,500)	(5,291)
Net cash provided by operating activities, before net change in assets limited as to use and investments	37,552	123,637
Net change in assets limited as to use and investments	25,179	(58,273)
Net cash provided by operating activities	62,731	65,364
Investing activities		
Additions to property and equipment	(11,216)	(10,182)
Transfer to TriHealth, Inc.	(16,150)	(21,000)
Transfer to Bethesda, Inc.	(10,000)	(10,000)
Acquisition of Butler County Medical Center	(23,736)	—
Change in investments in unconsolidated organizations	1,587	237
Net cash used in investing activities	(59,515)	(40,945)
Financing activities		
Repayment of long-term debt	(11,617)	(12,076)
Repayment of capital lease obligation	(442)	—
Net cash used in financing activities	(12,059)	(12,076)
(Decrease) increase in cash and cash equivalents	(8,843)	12,343
Cash and cash equivalents at beginning of year	18,635	6,292
Cash and cash equivalents at end of year	\$ 9,792	\$ 18,635

See accompanying notes

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2012 and 2011
(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies

Organization

Bethesda Hospital, Inc. and Subsidiaries (the Hospital), an Ohio nonprofit corporation, is a subsidiary of Bethesda, Inc., an Ohio non-profit corporation recognized by the Internal Revenue Service as exempt from federal income taxation under Section 501(a) of the Internal Revenue Code as a charitable organization described in section 501(c)(3) of the Internal Revenue Code. The mission of the Hospital is to provide health care and related services through its inpatient, outpatient, and community-based facilities and programs. The Hospital has a long-term commitment to medical education through its support of the physician residency program and healthcare training programs for technicians, as well as patient education in disease management and awareness.

The Hospital is a participant in a network affiliation agreement with The Good Samaritan Hospital of Cincinnati, Ohio (the Partner), an Ohio non-profit corporation recognized by the Internal Revenue Service as exempt from the federal income taxation under Section 501(a) of the Internal Revenue Code as a charitable organization described in section 501(c)(3) of the Internal Revenue Code. The agreement provides for, among other things, joint management of the combined operations of the facilities of the Hospital and the Partner. The Hospital and the Partner share the excess of revenue over expenses, as defined in the network affiliation agreement. The Hospital and the Partner also own 50% each of a joint venture, TriHealth, Inc. (Note N). The Hospital accounts for TriHealth, Inc. using the equity method of accounting.

Basis of Presentation

The consolidated financial statements of the Hospital include the accounts of Bethesda Hospital, Inc. (including Bethesda Northeast Cardiac Center, LLC, a consolidated majority-owned joint venture), Senior Services, a division of Bethesda Hospital, Inc., and Hospice of Cincinnati Inc. and Subsidiary (Hospice) and Bethesda Properties, Inc., subsidiaries of Bethesda Hospital, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

On March 1, 2012, the Hospital acquired Butler County Medical Center (BCMC) and Butler County Ancillary Center (BCAC) (collectively, Butler), an Ohio non-profit corporation located in Butler County, Ohio (northwest Cincinnati). The Hospital acquired certain assets and liabilities of Butler from Prexus Health Partners, LLC and Butler County Ancillary Services, LLC. BCMC is an acute-care, medical-surgical hospital featuring endoscopy, ENT, general surgery, obstetrics and gynecology, ophthalmology, plastic surgery, podiatry, urology, special procedures, inpatient hospital and pain management. BCAC provides ancillary services including, specialties such as internal medicine, family practice, pulmonary, gastroenterology, neurology, cardiology, nephrology, diagnostic imaging, physical therapy, and sleep services. The intent of the purchase is to strengthen the Hospital's health care delivery system in northwest Cincinnati.

The Hospital paid cash of \$23,736 at the time of closing. This business combination was accounted for using the purchase method of accounting. The purchase price was allocated to the assets acquired and liabilities assumed based on their determined fair value. The following summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

Inventories	\$ 650
Property and equipment, net	3,897
Identifiable intangible assets	1,715
Goodwill	17,740
Assets acquired	<u>24,002</u>
Liabilities assumed	<u>(266)</u>
Cash paid	<u>\$ 23,736</u>

Identifiable intangible assets consist primarily of non-compete agreements. Amortization of the intangible assets is calculated using the straight-line method over estimated lives ranging from 3 to 7 years. Amortization expense was \$102 from the date of acquisition to June 30, 2012.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

The financial position of Butler (subsequently recognized as a department of Bethesda Hospital, Inc.) is included in the consolidated financial statements as of June 30, 2012 and the results of operations and cash flows are included for the period of March 1, 2012 to June 30, 2012. Upon acquisition, Butler became a department of Bethesda Hospital Inc., and as a result, a separate presentation of the consolidated financial statements is not prepared.

Fair Value Measurements

The Hospital follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosure* (ASC 820), which defines fair value as the price that would be reached to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. ASC 820 defines a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing an asset or liability. As a basis for considering market participant assumption in fair value measurements, and as noted above, ASC 820 defines a three-level fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity and the reporting entity's own assumptions about market participants. The fair value hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – inputs utilize quoted market prices in active markets for identical assets or liabilities that the Hospital has the ability to access.
- Level 2 – inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset and liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3 – inputs are unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions, as there is little, if any, related market activity.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Hospital's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

In order to meet the requirements of ASC 820, the Hospital utilizes three basic valuation approaches to determine the fair value of its assets and liabilities required to be recorded at fair value. The first approach is the cost approach. The cost approach is generally the value a market participant would expect to replace the respective asset or liability. The second approach is the market approach. The market approach looks at what a market participant would consider an exact or similar asset or liability to that of the Hospital, including those traded on exchanges, to be valued at. The third approach is the income approach. The income approach uses estimation techniques to determine the estimated future cash flows of the Hospital's respective asset or liability expected by a market participant and discounts those cash flows back to present value (more typically referred to as a discounted cash flow approach).

Cash and Cash Equivalents

Cash and cash equivalents include all deposits with banks and investments in interest-bearing securities with maturity dates of 90 days or less from the date of purchase.

Net Patient Accounts Receivable

Net patient accounts receivable and net patient service revenue have been adjusted to the estimated amounts expected to be collected. These estimated amounts are subject to further adjustments upon review by third-party payors.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

The provision for bad debts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. Management periodically assesses the adequacy of the allowances for uncollectible accounts based upon historical write-off experience. The results of these reviews are used to modify as necessary the provisions for bad debts and to establish appropriate allowances for uncollectible net patient accounts receivable. After satisfaction of amounts due from insurance, the Hospital follows established guidelines for placing certain patient balances with collection agencies, subject to the terms of certain restrictions on collection efforts as determined by the Hospital.

Financial instruments that potentially subject the Hospital to concentrations of credit risk consist primarily of nongovernmental patient accounts receivable. The Hospital grants credit without collateral to its patients, most of whom are insured under third-party payor agreements. The percentages of gross patient accounts receivable from patients and third-party payors at June 30 approximated the following:

	2012	2011
Medicare	17%	20%
Medicaid	3	2
Managed care	21	19
Self-pay	26	25
Commercial and other	33	34
	100%	100%

Inventories

Inventories, primarily consisting of pharmacy drugs and medical and surgical supplies are stated at the lower of cost (first-in, first-out method) or market.

Assets Limited as to Use and Investments

Assets limited as to use and investments include assets set aside for future long-term purposes, including capital improvements, amounts contributed by donors with stipulated restrictions, and trustee-held funds under professional liability funding arrangement.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

Substantially all of the Hospital's assets limited as to use are held in the Bethesda Master Trust (the Trust) which is professionally managed under the administration of Bethesda, Inc. (and the Bethesda Investment Committee). The Hospital's investments are represented by percentage allocation rather than specific securities. The Hospital accounts for its investments in the Trust similar to the equity method of accounting.

Assets limited as to use and investments held outside the Trust include cash and cash equivalents, marketable debt and marketable equity securities.

Investment (loss) income (including net realized gains on investments, dividends and interest, and the net change in unrealized (losses) gains on investments designated as trading) is included in excess of revenue over expenses unless the income or loss is restricted by donor or by law.

The global financial markets and banking system are subject to volatility which could adversely impact the Hospital. The Hospital's assets limited as to use and investments are exposed to various risks such as interest rate, market, and credit risks.

Property and Equipment

Property and equipment are stated at historical cost or, if donated or impaired, at fair market value at the date of receipt or determination. Depreciation is provided over the estimated useful life of each class of depreciable asset which range from 2 to 40 years, and is computed using the straight-line method. For property and equipment under capital lease, amortization is determined over the shorter period of the lease term or the estimated useful life of the property and equipment and is included in depreciation and amortization expense. Depreciation expense was \$22,571 and \$22,616 for the years ended June 30, 2012 and 2011, respectively, and is included in depreciation and amortization expense.

The cost and related accumulated depreciation of property and equipment that is sold or retired are removed from the respective accounts and the resulting gain or loss is recorded in other revenue, net. Select property and equipment purchased prior to year-end are excluded from the additions to property and equipment, net in the consolidated statements of cash flows as cash payment was not made at the end of the year. These excluded additions as of June 30, 2012 and 2011 were \$537 and \$686, respectively.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

Investments in Unconsolidated Organizations

The Hospital maintains an ownership percentage of 50% or less in various joint ventures and other companies that do not require consolidation. These investments are accounted for using the equity method of accounting.

Net Assets

Unconditional promises to receive cash and other assets are reported at fair value at the date the promise is received. Conditional promises and indications of donors' intentions to give are reported at fair value at the date the conditions are met or the gifts are received. All unrestricted contributions are included in the excess of revenue over expenses as other revenue, net. Other gifts are reported as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as other revenue, net when restricted for operations or as unrestricted net assets when restricted for property and equipment. Temporarily restricted net assets are primarily restricted for strategic capital projects and in support of the Hospital's mission.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments at amounts different from its established rates. The basis for payment under these agreements includes prospectively determined rates, cost reimbursement, negotiated discounts from established rates, and per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments due to future audits, review, and investigations. The differences between the estimated and actual adjustments are recorded as part of net patient service revenue in future periods, as the amounts become known, or as years are no longer subject to such audits, reviews, and investigations.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

The American Recovery and Reinvestment Act of 2009 established incentive payments under Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record technology. Payments under the program are calculated based upon estimated discharges, charity care and other input data and are predicated upon the Hospital's attainment of program and attestation criteria and are subject to regulatory audit. As of June 30, 2012, the Hospital has not attested to attaining the program criteria, and no payments under the program have been received and no revenue has been recognized.

Charity Care

As an integral part of its mission, the Hospital accepts and treats all patients without regard to the ability to pay. Services to patients are classified as charity care in accordance with established criteria. Charity care represents services rendered for which partial or no payment is expected and, as such is not included in net patient service revenue in the consolidated statements of operations and changes in net assets. The estimated direct and indirect costs of charity care, quantified as the cost of free or discounted health services provided to persons who cannot afford to pay, was \$13,531 and \$14,786 for the years ended June 30, 2012 and 2011, respectively. Charity care costs are estimated based on multiplying the ratio of costs to gross charges for all payments not attributable to other community benefits programs by the revenue recognized and written-off for health services provided to persons who cannot afford to pay. The Ohio Hospital Care Assurance Program (HCAP) provides some reimbursement to the Hospital for services provided to qualified persons who cannot afford to pay. The amount of net HCAP reimbursements was \$1,312 and \$2,420 for the years ended June 30, 2012 and 2011, respectively.

Other Revenue, Net

Other revenue, net includes cafeteria revenue, rental income, auxiliary and gift shop revenue, program support from Bethesda Foundation, Inc., gains and losses on the sale or disposal of property and equipment, and revenue from other miscellaneous sources.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include the line excess of revenue over expenses which represents the operating indicator for the Hospital. Consistent with industry practice, changes in net assets which are excluded from the excess of revenue over expenses include change in plan assets and benefit obligation of pension plan, change in funded status of TriHealth, Inc. pension plan, transfers to Bethesda, Inc., and certain other changes in net assets.

Federal Income Taxes

The Hospital, excluding Bethesda Northeast Cardiac Center, LLC and Bethesda Properties, Inc., are comprised of entities that have been recognized by the Internal Revenue Service as exempt from income taxation under Section 501(a) of the Internal Revenue Code as charitable organizations described in Section 501(c)(3) of the Internal Revenue Code. Bethesda Properties, Inc. is recognized by the Internal Revenue Service as exempt from income taxation under Section 501(a) of the Internal Revenue Code as a title-holding corporation described in Section 501(c)(2) of the Internal Revenue Code. Bethesda Northeast Cardiac Center, LLC, is treated as a partnership for federal income tax purposes and thus is not directly subject to income taxation. The Hospital completed an analysis of uncertain tax positions in accordance with applicable accounting guidance at June 30, 2012 and 2011, and determined no amounts were required to be recognized in the consolidated financial statements at June 30, 2012 and 2011.

Litigation

During the normal course of business, the Hospital may become involved in litigation. Management assesses the probable outcome of unresolved litigation and records estimated settlements. After consultation with legal counsel, management believes that any such matters will be resolved without material adverse impact to the consolidated financial position or results of operations of the Hospital.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenue, and expenses. Actual results could vary from those estimates.

Reclassifications

Certain reclassifications were made to the 2011 consolidated financial statement presentation to conform to the 2012 presentation.

Recent Accounting Pronouncements

The FASB has issued Accounting Standards Update (ASU) No. 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*. The amendments in ASU 2010-24 clarify that a health care entity may not net insurance recoveries against related claim liabilities. In addition, the amount of the claim liability must be determined without consideration of insurance recoveries. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2010. The ASU is effective for fiscal 2012 and has been adopted by the Hospital in the consolidated financial statements. The adoption of this ASU resulted in an increase of other long-term assets and accrued professional liability of \$5,800.

The FASB has issued ASU No. 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure*. ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. ASU 2010-23 requires that cost, identified as the direct and indirect costs of providing the charity care, be used as the measurement basis for disclosure purposes. ASU 2010-23 also requires disclosure of the method used to identify such costs. This ASU is effective for fiscal year 2012 and has been adopted by the Hospital in the consolidated financial statements. The adoption of this new standard only impacted disclosures in the notes to the consolidated financial statements.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

A. Summary of Significant Accounting Policies (continued)

The FASB issued ASU No. 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. ASU 2011-07 is intended to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful receivables. ASU 2011-07 requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of net patient service revenue as well as qualitative and quantitative information about changes in the allowance for doubtful receivables. The Hospital will make the change in the presentation of the provision for bad debts and disclosures as required upon adoption.

The FASB has issued ASU No. 2011-04, *Fair Value Measurements (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosures Requirements in U.S. GAAP and IFRSs*. The amendments in ASU 2011-04 change the wording used to describe many of the requirements in U.S. generally accepted accounting principles for measuring fair value and for disclosing information about fair value measurements. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011. The Hospital is currently evaluating the impact of the adoption of ASU 2011-04.

Healthcare Regulatory Environment

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Management believes the Hospital is in compliance with all applicable laws and regulations of the Medicare and Medicaid programs. Compliance with such laws and regulations is complex and can be subject to future governmental interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

B. Community Benefit (Unaudited)

In accordance with its mission and philosophy, the Hospital commits substantial resources to sponsor a broad range of services to both the poor as well as the broader community. Community benefit provided to the poor includes the cost of providing services to persons who cannot afford health care due to inadequate resources and/or who are uninsured or underinsured. This type of community benefit includes the costs of: traditional charity care; unpaid costs of care provided to beneficiaries of Medicaid and other indigent public programs; services such as free clinics and meal programs for which a patient is not billed or for which a nominal fee has been assessed; and cash and in-kind donations of equipment, supplies or staff time volunteered on behalf of the community.

Community benefit provided to the broader community includes the costs of providing services to other populations who may not qualify as poor but may need special services and support. This type of community benefit includes the costs of: services such as health promotion and education, health clinics and screenings, all of which are not billed or can be operated only on a deficit basis; unpaid portions of training health professionals such as medical residents, nursing students and students in allied health professions; and the unpaid portions of testing medical equipment and controlled studies of therapeutic protocols.

A summary of the cost of community benefit provided for both the poor and the broader community for the year ended June 30 is as follows (unaudited):

	2012	2011
Cost of community benefit provided to the poor:		
Cost of charity care provided	\$ 13,531	\$ 14,786
Unpaid cost of public programs, Medicaid, and other indigent care programs	10,415	8,068
Nonbilled services for the poor	35	28
	<u>23,981</u>	<u>22,882</u>
Cost of community benefit provided to the broader community:		
Nonbilled services for the community	602	626
Education and research provided for the community	3,355	3,866
Other benefit provided to the community	2,974	4,101
	<u>6,931</u>	<u>8,593</u>
Total cost of community benefit	<u>\$ 30,912</u>	<u>\$ 31,475</u>

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

B. Community Benefit (Unaudited) (continued)

The above summary has been prepared in accordance with the policy document of the Catholic Health Association of the United States (CHA), *Community Benefit Program – A Revised Resource for Social Accountability*. Community benefit is measured on the basis of total cost, net of any offsetting revenue, donations or other funds used to defray cost.

C. Net Patient Service Revenue

Net patient service revenue is derived from services provided to patients who are directly responsible for payment or are covered by various insurance or managed care programs. The Hospital receives payments from the federal government on behalf of patients covered by the Medicare program, from state governments for Medicaid and other state-sponsored programs, from certain private insurance companies and managed care programs and from patients themselves. A summary of payment arrangements with major third-party payors follows:

Medicare – Inpatient acute care and certain outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge or procedure. These rates vary according to patient classification systems based on clinical, diagnostic, and other factors.

Medicaid – Inpatient services rendered to Medicaid program beneficiaries are primarily paid under the traditional Medicaid plan, and are paid at prospectively determined rates per discharge. Certain outpatient services are reimbursed based on a cost reimbursement methodology, fee schedules, or discounts from established charges.

Other – The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

C. Net Patient Service Revenue (continued)

The Hospital's Medicare, Medicaid, and other payor utilization percentages, based upon net patient service revenue, are summarized for the year ended June 30 as follows:

	2012	2011
Medicare	26%	27%
Medicaid	2	2
Managed care	22	22
Self-pay	4	4
Commercial and other	46	45
	100%	100%

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretations. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue has increased for the years ended June 30, 2012 and 2011 by \$6,057 and \$884, respectively, due to favorable changes in estimates related to prior years' cost report settlements and other third-party payor activity.

D. Cash and Cash Equivalents, Assets Limited as to Use and Investments

The following is a summary of the carrying value of cash and cash equivalents, assets limited as to use, and investments as of June 30:

	2012	2011
Bethesda Master Trust	\$ 356,772	\$ 372,970
Other:		
Cash and cash equivalents	9,864	21,259
Marketable debt securities:		
U.S. government agency	24,653	30,866
Corporate	2,232	2,426
Marketable equity securities	590	612
Total other	37,339	55,163
	\$ 394,111	\$ 428,133

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

D. Cash and Cash Equivalents, Assets Limited as to Use and Investments (continued)

Substantially all of the Hospital's assets limited as to use are held in the Trust. The carrying value of the assets held by participants is an allocation of the underlying carrying value of the assets in the Trust, based on the asset allocation specific to each participant and its relative percentage allocation. The asset allocation specific to the Hospital at June 30 is as follows:

	2012	2011
Cash and cash equivalents	2%	4%
Marketable equity securities	30	28
Marketable debt securities	—	1
Mutual funds	20	20
Alternative investments:		
Hedge funds	12	15
Limited liability companies	16	16
Private equity funds	6	5
Real estate investment trusts	4	3
Other limited partnerships	8	8
Commingled funds	2	—
	100%	100%

The carrying value of cash equivalents, marketable equity securities, marketable debt securities, and mutual funds included in the Trust, substantially all of which are traded on national exchanges and over-the-counter markets, is based on the last reported sales price on the last business day of the fiscal year.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

D. Cash and Cash Equivalents, Assets Limited as to Use and Investments (continued)

The carrying value of hedge funds, limited liability companies, private equity funds, real estate investment trusts, and other limited partnerships, collectively, alternative investments, are based on valuations provided by the administrators of the specific financial instruments. Alternative investments are accounted for similar to the equity method of accounting based on the net asset value (NAV) provided by the respective administrators of the individual alternative investments. The underlying investments in these financial instruments may include marketable debt and equity securities, commodities, foreign currencies, derivatives, and private equity instruments. The underlying investments themselves are subject to various risks including market, credit, liquidity, and foreign exchange risk. Bethesda, Inc. believes the value of these financial instruments in the consolidated balance sheets is a reasonable estimate of its ownership interest in the alternative investment NAV. Because these financial instruments are not readily marketable, the carrying value is subject to uncertainty and, therefore, may differ from the value that would have been used had a market for such financial instruments existed. Such differences could be material. The Hospital's risk related to alternative investments is limited to its carrying value plus any amounts committed to private equity by Bethesda, Inc.

Investment (loss) income from the Trust, including dividend and interest income (net of expenses), net realized gains on investments, and the net change in unrealized (losses) gains on investments, is distributed to participants based on their relative percentage allocation. The following is a summary of total investment (loss) income for the year ended June 30:

	2012	2011
Dividend and interest income (net of expenses)	\$ 4,012	\$ 4,889
Net realized gains on investments	1,272	28,639
Net change in unrealized (losses) gains on investments	(12,591)	18,710
	<u>\$ (7,307)</u>	<u>\$ 52,238</u>

The Hospital's relative allocation, based on the carrying value of the underlying assets of the entire Trust was approximately 68% and 69% at June 30, 2012 and 2011, respectively.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

E. Fair Value Measurements

The carrying amount reported in the consolidated balance sheets for current assets (other than assets limited as to use which are separately disclosed) and current liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments. These financial instruments are not required to be marked to fair value on a recurring basis and therefore are not disclosed in the accompanying table. The Trust is accounted for similar to the equity method of accounting and therefore also not disclosed in the accompanying table. Bethesda, Inc. believes the carrying amount of the Trust approximates fair value based on the nature of the underlying assets.

The following table represents the financial instruments measured at fair value on a recurring basis, outside of the Trust, based on the fair value hierarchy as of June 30:

	2012				2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash and cash equivalents	\$ 9,792	\$ —	\$ —	\$ 9,792	\$ 18,635	\$ —	\$ —	\$ 18,635
Assets limited as to use and investments								
Cash equivalents	72	—	—	72	2,624	—	—	2,624
Marketable debt securities								
U S government agency	—	24,653	—	24,653	—	30,866	—	30,866
Corporate	—	2,232	—	2,232	—	2,426	—	2,426
Marketable equity securities	590	—	—	590	612	—	—	612
Total assets limited as to use and investments	662	26,885	—	27,547	3,236	33,292	—	36,528
Total assets at fair value	\$ 10,454	\$ 26,885	\$ —	\$ 37,339	\$ 21,871	\$ 33,292	\$ —	\$ 55,163

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

E. Fair Value Measurements (continued)

The following table represents financial instruments at fair value and at other than fair value which reconcile to the consolidated balance sheets of the Company at June 30:

	2012			2011		
	Financial Instruments at Fair Value	Financial Instruments at Other Than Fair Value	Total	Financial Instruments at Fair Value	Financial Instruments at Other Than Fair Value	Total
	<i>(In Thousands)</i>					
Assets						
Cash and cash equivalents	\$ 9,792	\$ –	\$ 9,792	\$ 18,635	\$ –	\$ 18,635
Assets limited as to use and Investments	27,547	356,772	384,319	36,528	372,970	409,498
Total assets	<u>\$ 37,339</u>	<u>\$ 356,772</u>	<u>\$ 394,111</u>	<u>\$ 55,163</u>	<u>\$ 372,970</u>	<u>\$ 428,133</u>

The Hospital's cash and cash equivalents and investments are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations or alternative pricing sources, primarily matrix pricing, with reasonable levels of price transparency. Matrix pricing, primarily used for marketable debt securities, is based on quoting prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for the specific security. The types of financial instruments based on quoted market prices in active markets include most marketable equity securities and cash equivalents (money market securities). Such instruments are generally classified within Level 1 of the fair value hierarchy. The Hospital does not adjust the quoted market price for such financial instruments.

The types of financial instruments valued based on quoted market prices in markets that are not active, broker or dealer quotations or alternative pricing sources, including matrix pricing, with reasonable levels of price transparency include U.S. government agency and corporate marketable debt securities. Such financial instruments are generally classified within Level 2 for the fair market value hierarchy. Primarily all of the Hospital's marketable debt securities are actively traded and the recorded fair value reflects current market conditions. However, due to the inherent volatility in the investment market there is at least a possibility that recorded investment values may change by a material amount in the near term.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

E. Fair Value Measurements (continued)

Following is the summary of the inputs and valuation techniques as of June 30, 2012 and 2011 used for valuing Level 2 securities in the portfolio:

Securities	Input	Valuation Technique
U.S. government agency	Broker/Dealer	Market
Corporate	Broker/Dealer	Market

The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Hospital believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the consolidated balance sheet date.

The Hospital's non-financial assets and liabilities not permitted or required to be measured at fair value on a recurring basis typically relate to assets and liabilities acquired in a business combination. The Hospital is required to provide additional disclosures about fair value measurements as part of the consolidated financial statements for each major category of assets and liabilities measured at fair value on a non-recurring basis. In general, non-recurring fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities, which generally are not applicable to non-financial assets and liabilities. Fair values determined by Level 2 inputs utilize data points that are observable, such as definitive sales agreements, appraisals or established market values of comparable assets. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability, such as internal estimates of future cash flows.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

E. Fair Value Measurements (continued)

On March 1, 2012, the Hospital acquired Butler (Note A) in a business combination using the purchase method of accounting which requires the acquired assets and assumed liabilities to be initially recorded at fair value (non-recurring). The following table presents the acquired assets and assumed liabilities of Butler as of March 1, 2012 and indicates the fair value hierarchy of the valuation techniques the Hospital utilized to determine such estimated fair values.

	(Level 1)	(Level 2)	(Level 3)	Total
Inventories	\$ —	\$ 650	\$ —	\$ 650
Property and equipment, net	—	3,897	—	3,897
Identifiable intangible assets	—	—	1,715	1,715
Goodwill	—	—	17,740	17,740
Total assets	\$ —	\$ 4,547	\$ 19,455	\$ 24,002
Assumed liabilities	\$ —	\$ 266	\$ —	\$ 266
Total liabilities	\$ —	\$ 266	\$ —	\$ 266

Following is the summary of the inputs and valuation techniques used for valuing Level 2 and Level 3 non-financial assets and liabilities:

Non-financial Assets and Liabilities	Input	Valuation Technique
Inventories	Estimate of replacement cost	Cost
Property and equipment, net	Estimate of replacement cost	Cost
Identifiable intangible assets	Discounted cash flows	Income
Goodwill	Discounted cash flows	Income
Assumed liabilities	Estimate of replacement cost	Cost

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

F. Property and Equipment

The following is a summary of property and equipment as of June 30:

	2012	2011
Land and improvements	\$ 15,880	\$ 15,423
Buildings and improvements	348,558	324,324
Equipment	201,355	197,735
	565,793	537,482
Less accumulated depreciation	305,732	285,367
	260,061	252,115
Construction-in-progress	5,894	1,182
	\$ 265,955	\$ 253,297

Accounting guidance for asset retirement obligation requires the recognition of a liability for the fair value of asset retirement obligations in instances where there is a legal liability and the amount can be reasonably estimated. Management has recorded asset retirement obligations of \$3,857 and \$3,902 at June 30, 2012 and 2011, respectively.

The Hospital evaluates whether events and circumstances have occurred that indicate the remaining useful life of property, and equipment may not be recoverable. Management determined there were no impairment issues in 2012 or 2011.

Included in property and equipment, net at June 30, 2012 and 2011 are \$546 and \$1,431 of net property and equipment owned by the Hospital and used by TriHealth, Inc. The depreciation associated with this property and equipment is recorded by the Hospital and allocated back to TriHealth, Inc. based on estimated usage

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

G. Leases

On March 1, 2012, the Hospital entered into a building lease agreement with Duke Realty-Butler County Surgical, LLC, to lease 100% of the square footage of all three facilities owned by Prexus Health Partners, LLC. The initial lease term is fifteen years, with the option to extend the initial lease term for up to six additional periods of five years each. Lease payments are defined with an imputed interest rate of 2.5%. The Hospital has determined that this lease meets the criteria for capital lease accounting treatment.

The capital lease obligation is \$21,923, excluding short-term portion of \$1,094 which is recorded in accounts payable and accrued expenses at June 30, 2012. Assets under capital lease are included in property and equipment on the balance sheet of \$23,459, less accumulated depreciation of \$391 as of June 30, 2012. As a result of the capital lease being a non-cash transaction, it is excluded from the consolidated statement of cash flow.

The future minimum payments of the Hospital's capital lease obligation based on scheduled maturity is as follows:

2013	\$ 1,657
2014	1,690
2015	1,724
2016	1,758
2017	1,793
Thereafter	19,110
Total minimum payments	<u>27,732</u>
Less amounts representing interest	<u>(4,715)</u>
Present value of minimum lease payments	23,017
Less current portion	1,094
	<u><u>\$ 21,923</u></u>

Total rental expense under all operating leases for the years ended June 30, 2012 and 2011 was \$7,002 and \$6,456, respectively.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

H. Long-Term Debt

All of the Hospital's long-term debt is in the form of notes payable to Catholic Health Initiatives (CHI). CHI is the parent of the Partner and a tax-exempt Colorado corporation sponsored by a lay-religious partnership, calling on other Catholic sponsors and systems to unite to ensure the future of Catholic health care. The Hospital participates in a unified CHI credit governed agreement under a Capital Obligation Document (COD). Under the COD, CHI is the sole obligor on all debt. Debt under the COD is evidenced by a promissory note between the Hospital and CHI, which include monthly installments of interest and may be repaid in advance without penalty. The Hospital is only responsible for debt evidenced under the executed promissory notes as of June 30, 2012. The Hospital is defined as a designated affiliate under the COD and has agreed to certain financial and nonfinancial covenants. The Hospital was in compliance with all covenants at June 30, 2012 and 2011.

The following is a summary of long-term debt as of June 30:

	2012	2011
Note payable to CHI (Phase II), due 2029	\$ 125,671	\$ 130,110
Note payable to CHI (Project Fund), due 2017	11,828	14,125
Note payable to CHI (Phase I), due 2026	7,054	7,415
Note payable to CHI (2001 Refinance), due 2022	55,920	60,440
	200,473	212,090
Less current portion of long-term debt	12,198	11,617
	\$ 188,275	\$ 200,473

All of the notes payable to CHI are variable-rate debt with historical interest rate of 4.75% consistently throughout 2012 (4.75% at June 30, 2012) ranging from 4.33% to 5.00% in 2011 (4.33% at June 30, 2011). The variable-rate associated with the notes payable to CHI is based on a blended rate of the underlying fixed and variable-rate external debt held by CHI.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

H. Long-Term Debt (continued)

A summary of scheduled principal payments on long-term debt for the next five years and thereafter is as follows:

Year Ending June 30	<u>Amounts Due</u>
2013	\$ 12,198
2014	12,808
2015	13,449
2016	14,121
2017	13,325
Thereafter	<u>134,572</u>
	<u><u>\$ 200,473</u></u>

Interest paid on long-term debt was \$9,686 and \$10,158 for the years ended June 30, 2012 and 2011, respectively.

The Hospital maintains a line of credit with Fifth Third Bank with available credit of \$10,000 renewed annually. No draws were made on the line of credit during fiscal year 2012 or 2011 and no amounts are outstanding as of June 30, 2012 or 2011. Subsequent to the year ended June 30, 2012, various draws were made on the line of credit for short-term cash need that were repaid shortly after the respective draws were made.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

I. Functional Expenses

The Hospital provides health care services to individuals within the tri-state area including inpatient, outpatient, ambulatory, long-term care, and community-based services. Support services include administration, finance and accounting, information technology, public relations, human resources, legal, mission services, and other functions that are supported centrally for all of the Hospital. The following summarizes the expenses related to providing those services for the year ended June 30:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 463,144	\$ 450,822
Support services	<u>68,421</u>	<u>57,797</u>
	<u>\$ 531,565</u>	<u>\$ 508,619</u>

J. Retirement Plan

The Hospital has a qualified noncontributory defined benefit retirement plan (the Plan) covering substantially all Bethesda Hospital, Inc. employees and those of certain other subsidiaries of Bethesda Hospital, Inc. and Bethesda, Inc. Under the Plan, employee benefits are based on employees' years of service, retirement age, and compensation. Vesting occurs over a three-year period. Annual contributions are made to the Plan sufficient to satisfy legal funding requirements.

The Hospital recognizes the funded status (that is, the difference between the fair value of plan assets and the projected benefit obligations) of the Plan in the consolidated balance sheets, with a corresponding adjustment to unrestricted net assets. Actuarial gains and losses that arise and are not recognized as net periodic pension expense in the same periods will be recognized as a component of unrestricted net assets. Those amounts will be subsequently recognized as a component of net periodic pension expense on the same basis as the amounts recognized in unrestricted net assets.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

Several amendments to the defined benefit pension plan went into effect on January 1, 2011. The Plan now requires each new employee to complete 1,000 hours during the first Plan year in which he or she is hired in order to become a participant in the Plan effective as of their hire date. The previous requirement was 800 hours. This same increase from 800 to 1,000 hours worked per year is also now required in order to receive a year of service credit towards vesting and to accumulate any credits to be used in calculating an annual accrual under the Plan.

The calculation of the number of credits earned each year was amended as well. The calculation is still based on a combination of the employees' age and years of service, but the number of credits earned at each level was reduced. However, employees are now eligible to participate in the TriHealth, Inc. 401(k) Plan (the 401(k) Plan) where employees that are paid at least 1,000 hours in the calendar year are eligible for an employer match in the 401(k) Plan equal to 1.8% of their contributions.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

A summary of the changes in the benefit obligation, fair value of plan assets and funded status of the Plan for the year ended June 30 is as follows:

	2012	2011
Accumulated benefit obligation	\$ 241,606	\$ 223,430
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 239,976	\$ 232,382
Service cost	6,361	8,990
Interest cost	11,905	11,229
Actuarial losses (gains)	7,015	(1,750)
Benefits paid	(13,307)	(10,875)
Benefit obligation at end of year	251,950	239,976
Change in plan assets:		
Fair value of plan assets at beginning of year	205,675	168,384
Actual (loss) return on plan assets	(8,742)	30,066
Hospital contributions	10,200	18,100
Benefits paid	(13,307)	(10,875)
Fair value of plan assets at end of year	193,826	205,675
Funded status and pension obligation	\$ 58,124	\$ 34,301

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

Included in unrestricted net assets are the following amounts that have not yet been recognized in net periodic pension expense as of June 30:

	<u>2012</u>	<u>2011</u>
Net prior service cost	\$ 665	\$ 786
Net actuarial loss	120,639	94,232
	<u>\$ 121,304</u>	<u>\$ 95,018</u>

The net prior service cost and net actuarial loss included in unrestricted net assets that is expected to be recognized in net periodic pension expense during the fiscal year ended June 30, 2013 is \$121 and \$7,728 respectively.

The following amounts related to plan activity have been recognized as (decrease) increase in unrestricted net assets for the year ended June 30:

	<u>2012</u>	<u>2011</u>
Amortization of net prior service cost	\$ 121	\$ 440
Net actuarial (loss) gain	(32,593)	15,811
Amortization of net actuarial loss	6,186	5,941
	<u>\$ (26,286)</u>	<u>\$ 22,192</u>

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

A summary of the components of net periodic pension expense for the Plan, which is included in employee benefits expense in the consolidated statements of operations and changes in net assets for the year ended June 30, is as follows:

	2012	2011
Service cost	\$ 6,361	\$ 8,990
Interest cost	11,905	11,229
Expected return on plan assets	(16,836)	(16,005)
Amortization of net prior service cost	121	195
Settlement/curtailment expense	—	245
Amortization of net actuarial loss	6,186	5,941
	<u>\$ 7,737</u>	<u>\$ 10,595</u>

The following weighted-average assumptions were used to determine the benefit obligation as of June 30:

	2012	2011
Discount rate	4.16%	5.15%
Rate of compensation increase	3.50% to 6.50%	3.50% to 6.50%

The following weighted-average assumptions were used to determine net periodic pension expense for the year ended June 30:

	2012	2011
Discount rate	5.15%	5.00%
Expected return on plan assets	8.00%	8.25%
Rate of compensation increase	3.50% to 6.50%	3.50% to 6.50%

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

In selecting the expected return on plan assets, the Hospital considered historical returns as well as adherence to future asset allocations set forth in the Plan's investment policies. This basis is consistent with prior year.

The target and range asset allocations for the plan assets set forth in the Plan's investment policies, based on underlying investment securities, are as follows:

	Target	Range
Marketable debt securities	17.5%	12.5 – 22.5%
Marketable equity securities	50.0	45.0 – 55.0
Alternative investments	32.5	17.5 – 47.5

A summary of the fair value of plan assets as of June 30 is as follows:

	2012	2011
Cash and cash equivalents	\$ 1,842	\$ 20,286
Marketable equity securities:		
Domestic	13,338	14,540
Foreign	8,371	5,662
Mutual funds:		
Equity	26,939	29,496
Fixed income	9,431	9,889
Alternative investments:		
Hedge funds	55,738	54,822
Limited liability companies	19,437	20,469
Private equity funds	19,106	15,536
Commingled funds	6,319	3,347
Real estate investment trusts	12,967	10,330
Other limited partnerships	20,338	21,298
	\$ 193,826	\$ 205,675

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

The plan assets are invested in a portfolio designed to preserve principal and obtain competitive investment returns with long-term investment growth, consistent with actuarial assumptions, while minimizing unnecessary investment risk. Diversification is achieved by allocating assets to various asset classes and investment styles, retaining multiple investment managers with complementary philosophies, styles, and approaches. The use of leverage is prohibited except as specifically directed in the alternative investment allocation.

The following is a summary of plan assets as of June 30, 2012 measured at fair value on a recurring basis based on the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Plan assets				
Cash and cash equivalents	\$ 1,842	\$ —	\$ —	\$ 1,842
Marketable equity securities:				
Domestic	13,338	—	—	13,338
Foreign	8,371	—	—	8,371
Mutual funds:				
Equity	26,939	—	—	26,939
Fixed income	9,431	—	—	9,431
Alternative investments:				
Hedge funds	—	55,738	—	55,738
Limited liability companies	—	19,437	—	19,437
Private equity funds	—	—	19,106	19,106
Commingled funds	—	6,319	—	6,319
Real estate investment trusts	—	—	12,967	12,967
Other limited partnerships	—	14,680	5,658	20,338
Total plan assets at fair value	\$ 59,921	\$ 96,174	\$ 37,731	\$ 193,826

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

The following is a summary of plan assets as of June 30, 2011 measured at fair value on a recurring basis based on the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Plan assets				
Cash and cash equivalents	\$ 20,286	\$ —	\$ —	\$ 20,286
Marketable equity securities:				
Domestic	14,540	—	—	14,540
Foreign	5,662	—	—	5,662
Mutual funds:				
Equity	29,496	—	—	29,496
Fixed income	9,889	—	—	9,889
Alternative investments:				
Hedge funds	—	45,709	9,113	54,822
Limited liability companies	—	20,469	—	20,469
Private equity funds	—	—	15,536	15,536
Commingled funds	—	3,347	—	3,347
Real estate investment trusts	—	—	10,330	10,330
Other limited partnerships	—	16,923	4,375	21,298
Total plan assets at fair value	<u>\$ 79,873</u>	<u>\$ 86,448</u>	<u>\$ 39,354</u>	<u>\$ 205,675</u>

Fair value methodologies for cash and cash equivalents, and marketable equity securities included Level 1 and Level 2 are consistent with the inputs described in Note E.

Mutual funds are valued using quoted market prices, with reasonable levels of price transparency. Such instruments are generally classified within Level 1 of the fair value hierarchy. The Hospital does not adjust the quoted market price for such financial instruments.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

Following is the summary of the inputs and valuation techniques as of June 30, 2012 and 2011 used for valuing Level 2 securities in the plan assets:

Securities	Input	Valuation Technique
Hedge funds	NAV	Market/Income
Limited liability companies	NAV	Market/Income
Commingled funds	NAV	Market/Income
Other limited partnerships	NAV	Market/Income

Alternative investments are not necessarily readily marketable and may include short sales on securities and trading in future contracts, options, foreign currency contracts, other derivative instruments and private equity investments. Management has determined that the net asset value (NAV) is an appropriate estimate of the fair value of these investments at June 30, 2012 and 2011 based on the fact that the alternative investments are audited and accounted for at fair value by the administrators of the respective alternative investments. If the Hospital has the ability to redeem its investment in the respective alternative investment at the NAV with no significant restrictions on the redemption at the consolidated balance, the Hospital has categorized the alternative investment as a Level 2 measurement in the fair value hierarchy. If the Hospital does not have the ability to redeem the alternative investment at NAV due to significant restrictions, the Hospital has categorized the alternative investment as a Level 3 measurement.

Following is the summary of the inputs and valuation techniques as of June 30, 2012 and 2011 used for valuing Level 3 securities in the plan assets:

Securities	Input	Valuation Technique
Hedge funds	NAV	Market/Income
Private equity funds	NAV	Income
Real estate investment trusts	NAV	Income
Other limited partnerships	NAV	Market/Income

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

For Level 3 securities, when observable prices are not available, the investment manager might use one or more valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available. Within Level 3, the use of the market approach generally consists of using either the guideline company method or similar transaction method while the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

The following table summarizes the activity related to plan assets having fair value measurements based on significant unobservable inputs (Level 3):

	Hedge Funds	Private Equity Funds	Real Estate Investment Trusts	Other Limited Partnerships
Fair value at June 30, 2010	\$ 1,979	\$ 12,731	\$ 7,351	\$ —
Purchases	7,000	2,449	3,755	4,078
Dividend reinvestment	—	—	288	—
Sales/settlement	—	(1,209)	(453)	(105)
Unrealized gains	1,368	2,300	753	525
Unrealized losses	(1,234)	(735)	(1,364)	(123)
Fair value at June 30, 2011	9,113	15,536	10,330	4,375
Purchases	—	3,301	2,607	2,036
Sales/settlement	—	(1,378)	(660)	(892)
Transfers to Level 2	(8,420)	—	—	—
Unrealized gains	1,293	3,377	1,114	746
Unrealized losses	(1,986)	(1,730)	(424)	(607)
Fair value at June 30, 2012	\$ —	\$ 19,106	\$ 12,967	\$ 5,658

The Plan's policy for determining when transfers between levels are recognized is at the end of the reporting period. Transfers out of Level 3 noted within the hedge funds asset class are a result of the expiration of certain lock-up provisions during 2012. As the Plan now has the ability to redeem these investments at NAV with no significant restrictions at the consolidated balance sheet date, the Plan has now categorized these alternative investments as a Level 2 measurement in the fair value hierarchy at June 30, 2012.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

J. Retirement Plan (continued)

The Plan has committed capital yet to be called of \$8,502 at June 30, 2012 to private equity funds over the next one to three years.

The Plan participates in securities lending arrangements with its custodian whereby the Plan lends a portion of its marketable securities to various brokers or financial institutions in exchange for cash or non-cash collateral for the marketable securities loaned. Cash collateral received in connection with the securities lending arrangements is invested in a short-term pooled fund (Pooled Fund) maintained by the Plan's custodian (US Bank). The Pooled Fund, which is structured similar to that of a money market financial instrument, consists primarily of short-term marketable debt securities and cash equivalents, which are stated at fair value, as determined by the administrator of the Pooled Fund, based on readily determinable market values of the underlying securities. The fair value of cash collateral held for loaned marketable securities and the obligation to return the collateral is shown net in plan assets. The Hospital is required to fund any decline in the underlying market value of invested collateral below the initial amount provided by the various brokers or financial institutions. At June 30, 2012 and 2011, the fair value of the collateral was \$990 and \$1,083, respectively. At June 30, 2012 and 2011, the obligation to return the collateral was \$1,462 and \$1,563, respectively. Subsequent to June 30, 2012, the Plan has terminated its securities lending arrangements.

The expected benefits to be paid to the Plan participants and beneficiaries are as follows:

Year Ending June 30	Estimated Payments
2013	\$ 19,945
2014	17,078
2015	18,867
2016	18,710
2017	19,867
2018 – 2022	111,813

The Hospital expects to contribute \$16,600 to the Plan in 2013.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

K. Self-Insured Liabilities

Bethesda, Inc. has a self-insurance program for the primary layer of professional liability coverage. Self-insurance limits with respect to the primary layer of professional liability coverage are \$3,000 per occurrence and \$12,000 in the annual aggregate. Insurance in excess of the primary layer, including excess liability coverage, is provided by commercial insurance carriers on a claims-made basis. In addition, management maintains current claims-made insurance coverage to cover any known incidents that may be asserted.

The consolidated financial statements include an actuarially determined accrual for asserted and reported claims and incurred but not reported claims which may result from past services provided to patients, discounted at a rate of 1.25% and 2.50% as of June 30, 2012 and 2011. The actuarially determined accrual for the Hospital's professional liability coverage is an estimate. The possibility exists that the estimate will change by a material amount in the future. The Hospital recorded a decrease to insurance expense of \$4,326 in 2012 due to lower claim activities and improved claim resolution. The (income) expense for the Hospital's professional liability coverage amounted to (\$1,928) and \$4,248 for the years ended June 30, 2012 and 2011, respectively.

In accordance with ASU 2010-24 discussed in Note A, at June 30, 2012 the Hospital recorded a liability and estimated recoveries of approximately \$5,800 related to excess liability coverage which was included in other long-term assets.

Bethesda, Inc. and subsidiaries contribute amounts to a trust fund to provide for the actuarially determined liability under the primary layer of professional liability coverage. The contributed assets are held in an irrevocable trust for future professional liability claims.

Certain Hospital entities are self-insured for employee health benefits. Employee health benefits are paid through a local claims processor based on plan coverage determined by the Hospital. An estimated liability of \$3,914 and \$3,437 for outstanding and incurred but not reported claims has been included in compensation and benefits as of June 30, 2012 and 2011, respectively, and is believed by management to be adequate for the cost of potential losses.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

K. Self-Insured Liabilities (continued)

Certain Hospital entities are self-insured for workers' compensation coverage. An estimated liability for outstanding and incurred but not reported workers' compensation claims of \$4,051 and \$3,769 has been included in other long-term liabilities as of June 30, 2012 and 2011, respectively. The discount rate used to compute the workers' compensation liability as of June 30, 2012 and 2011 was 1.25% and 2.50%, respectively. Management believes this amount to be adequate for the cost of potential losses. The Hospital also purchases commercial excess insurance to limit its self-insurance exposure.

L. Related-Party Transactions

The Hospital enters into various related-party transactions in the ordinary course of business with Bethesda, Inc., certain other Bethesda, Inc. subsidiaries, and the Partner. Information related to the annual settlement with the Partner under the network affiliation agreement is disclosed in Note M. All other significant activity that occurs in the normal course of business with Bethesda, Inc., other Bethesda, Inc. subsidiaries, and the Partner are disclosed in this note.

The following is a summary of the net amounts due from (to) related organizations, net as of June 30:

	2012	2011
Bethesda Foundation, Inc.	\$ 12,520	\$ 6,982
The Good Samaritan Hospital of Cincinnati, Ohio	2,380	2,532
Bethesda Healthcare, Inc.	15,054	15,738
TriHealth, Inc.	(1,670)	753
Bethesda, Inc.	2,403	(86)
	30,687	25,919
Less current portion of due from related organizations	710	3,284
	\$ 29,977	\$ 22,635

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

L. Related-Party Transactions (continued)

Bethesda Foundation, Inc. (the Foundation) is a wholly owned subsidiary of Bethesda, Inc., which engages in fundraising activities and invests the resulting assets to support the operations of the Hospital, as well as other related entities. The receivable from the Foundation represents amounts held by the Foundation on behalf of the Hospital. The Foundation also charges an administrative fee to Hospice for fundraising services. The amount recognized as other revenue in the consolidated statements of operations and changes in net assets by the Hospital related to these services was \$500 and \$382 for the years ended June 30, 2012 and 2011, respectively.

The amount due from the Partner represents an accumulation of overhead costs, payroll, accounts payable, and other centrally managed processes creating a corresponding receivable that is received periodically by a transfer of cash, and is short term in nature.

The amount due from Bethesda Healthcare, Inc. represents an accumulation of operating losses and capital investments as well as notes payable paid by the Hospital on behalf of Bethesda Healthcare, Inc. to the Partner. Bethesda, Inc. has guaranteed the payment of the amounts due to the Hospital from Bethesda Healthcare, Inc.

The amount due from TriHealth, Inc. is a result of the timing of the Hospital's reimbursement to TriHealth, Inc. as the Hospital's payroll and accounts payable are processed by TriHealth administrative support services.

The amount due from (to) Bethesda, Inc. is a result of the timing of the Hospital's disbursement to Bethesda Inc. for other operating expenses. A \$10,000 capital transfer was made from the Hospital to Bethesda, Inc. for both years ended June 30, 2012 and 2011.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

L. Related-Party Transactions (continued)

Due to the Hospital's relationship with the Foundation, the Hospital is the principal beneficiary of the Foundation, the following summary financial information of the Foundation has been included. The following is a summary of the Foundation's assets, liabilities, and net assets as of June 30:

	2012	2011
Investments	\$ 93,537	\$ 95,018
Other assets	2,712	1,036
Total assets	<u>\$ 96,249</u>	<u>\$ 96,054</u>
Liabilities	\$ 13,236	\$ 7,899
Net assets	83,013	88,155
Total liabilities and net assets	<u>\$ 96,249</u>	<u>\$ 96,054</u>

The following is a summary of the Foundation's results of operations and changes in net assets for the year ended June 30:

	2012	2011
Unrestricted (loss) revenue	\$ (1,502)	\$ 16,045
Expenses:		
Support to related parties	1,232	2,003
Other	2,390	2,508
Total expenses	<u>3,622</u>	<u>4,511</u>
Excess of unrestricted (expenses over revenue) revenue over expenses before transfer to related party	(5,124)	11,534
Transfer of property and equipment, net to related party	—	(986)
Excess of unrestricted (expenses over revenue) revenue over expenses	(5,124)	10,548
Other changes in net assets, net	(18)	112
(Decrease) increase in net assets	(5,142)	10,660
Net assets at beginning of year	88,155	77,495
Net assets at end of year	<u>\$ 83,013</u>	<u>\$ 88,155</u>

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

L. Related-Party Transactions (continued)

Liabilities of the Foundation, at June 30, 2012 and 2011 include \$12,520 and \$6,982, respectively, due to the Hospital.

M. Network Affiliation Agreement

Under the agreement described in Note A, the Hospital recognized expense related to the sharing of the excess of revenue over expenses of the Hospital and the Partner for the years ended June 30, 2012 and 2011. The revenue share is computed on patient and nonpatient revenue, only for entities defined in the network affiliation agreement and the resulting impact is recorded by the Hospital. The network affiliation agreement excludes changes in net unrealized losses and gains on investments designated as trading.

Expense from network affiliation and the network affiliation payable related to the sharing of excess of revenue over expenses between the Hospital and the Partner for the year ended June 30 are as follows:

	<u>2012</u>	<u>2011</u>
Operating loss from network affiliation	\$ (3,765)	\$ (7,811)
Nonoperating gain (loss) from network affiliation	<u>3,732</u>	<u>(3,326)</u>
	<u>\$ (33)</u>	<u>\$ (11,137)</u>

The network affiliation agreement requires the network affiliation payable or receivable be settled within 90 days after the close of the year. During 2012, \$11,137 was paid to the Partner from the Hospital related to the 2011 network affiliation agreement. During 2011, \$4,629 was paid by the Hospital to the Partner related to the 2010 network affiliation agreement.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

N. Investments in Unconsolidated Organizations

The Hospital maintains an ownership percentage of 50% or less in various joint ventures and other companies that do not require consolidation. These investments are accounted for using the equity method of accounting. The following is a summary of the investments in unconsolidated organizations as of June 30:

	2012	2011
TriHealth, Inc.	\$ —	\$ 3,005
Vantage Oncology Treatment Centers – Ohio, LLC	4,673	—
Other	1,528	1,558
	\$ 6,201	\$ 4,563

The following is a summary of the (loss) income from unconsolidated organizations as of June 30:

	2012	2011
TriHealth, Inc.	\$ (18,936)	\$ (10,275)
Vantage Oncology Treatment Centers – Ohio, LLC	2,495	—
Other	410	379
	\$ (16,031)	\$ (9,896)

The Hospital entered into the Vantage Oncology Treatment Centers-Ohio, LLC joint venture during the current year. The Hospital owns 25% of Vantage Oncology Treatment Centers-Ohio, LLC. The Hospital recognized a gain of \$1,554 included in loss from unconsolidated organizations in 2012 related to the transfer of certain assets to form Vantage Oncology Treatment Centers-Ohio, LLC.

TriHealth, Inc. (TriHealth) is a joint venture equally owned by the Hospital and the Partner. TriHealth was formed to provide a comprehensive and integrated provider base to optimize the health status of the community. TriHealth operates various health care-related businesses, including physician practices, property management, and other physician support services companies. In addition, TriHealth provides administrative support services for both the Hospital and the Partner. Administrative support services include general administration, information systems, finance, human resources, and other general support services. TriHealth cash flows are funded equally by the Hospital and the Partner. The Hospital and the Partner each contributed cash of \$16,150 and \$21,000 for the years ended June 30, 2012 and 2011, respectively, to TriHealth.

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

N. Investments in Unconsolidated Organizations (continued)

The following administrative support services costs were allocated by TriHealth to the Hospital and recorded as expense for the years ended June 30:

	2012	2011
Salaries and wages	\$ 28,982	\$ 25,381
Employee benefits	9,658	9,621
Purchased services	15,913	11,892
Depreciation and amortization	3,267	3,404
Supplies and other	10,601	7,499
	<u>\$ 68,421</u>	<u>\$ 57,797</u>

The following is a summary of TriHealth's assets, liabilities, and net assets as of June 30 (from its unaudited consolidated financial statements):

	2012	2011
Assets		
Cash and cash equivalents	\$ 2,789	\$ 7,908
Net patient accounts receivable	15,360	14,154
Property and equipment, net	85,987	36,191
Due from related organizations	11,218	22,389
Goodwill and other intangible assets, net	14,605	11,648
Other assets	2,458	3,201
Total assets	<u>\$ 132,417</u>	<u>\$ 95,491</u>
Liabilities and net assets		
Compensation and benefits	\$ 48,792	\$ 41,747
Accounts payable and accrued expenses	38,095	18,006
Pension liability	37,583	20,855
Other liabilities	7,947	8,109
Total liabilities	<u>132,417</u>	<u>88,717</u>
Net assets	—	6,774
Total liabilities and net assets	<u>\$ 132,417</u>	<u>\$ 95,491</u>

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

N. Investments in Unconsolidated Organizations (continued)

The following is a summary of TriHealth's results of operations and changes in net assets for the year ended June 30 (from its unaudited consolidated financial statements):

	2012	2011
Revenue:		
Net patient service revenue	\$ 192,619	\$ 166,302
Other revenue, net	30,618	31,525
Total revenue	223,237	197,827
Expenses:		
Salaries and wages	220,092	183,849
Employee benefits	41,755	38,177
Purchased services	40,667	30,159
Supplies	34,660	32,810
Depreciation and amortization	10,071	9,493
Rental and maintenance	30,747	22,464
Utilities	7,846	7,325
Insurance	3,615	2,546
Other	11,291	9,510
Shared service allocation	(139,635)	(117,954)
Total expenses	261,109	218,379
Loss from operations	(37,872)	(20,552)
Non-operating (loss) income:		
Investment (loss) income	(1)	3
Total non-operating (loss) income	(1)	3
Excess of expenses over revenue	(37,873)	(20,549)
Equity contributions	47,583	19,580
Change in plan assets and benefit obligation of pension plan	(16,627)	6,977
Other changes in net assets, net	143	766
(Decrease) increase in net assets	(6,774)	6,774
Net assets at beginning of year	6,774	—
Net assets at end of year	\$ —	\$ 6,774

Bethesda Hospital, Inc. and Subsidiaries

Notes to Consolidated Financial Statements (continued)

(Dollar Amounts in Thousands)

N. Investments in Unconsolidated Organizations (continued)

TriHealth, Inc. maintains a noncontributory defined benefit retirement plan (the TriHealth Plan) and certain associated TriHealth Plan expense is recorded. The following is a summary of the funded status of the TriHealth Plan at June 30:

	<u>2012</u>	<u>2011</u>
Benefit obligation	\$ 119,258	\$ 104,662
Fair value of plan assets	81,675	83,807
Underfunded status	<u>\$ (37,583)</u>	<u>\$ (20,855)</u>

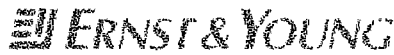
The Board of Trustees of TriHealth approved a revocable commitment for up to \$9,670 nonrecourse loan over seven years to Uptown Consortium, Inc., unrelated entity of the Hospital. The Uptown Consortium, Inc. is a nonprofit community development corporation dedicated to the human, social, economic, and physical improvement of Uptown Cincinnati. These funds will be used to invest in commercial and residential projects in the uptown area. TriHealth has provided \$9,240 as of June 30, 2012 and 2011, respectively, of funding in relation to this commitment.

O. Subsequent Events

The Hospital has evaluated and disclosed subsequent events through September 28, 2012, which is the date the consolidated financial statements were issued and made available. No recognized or non-recognized subsequent events were identified for recognition or disclosure in the consolidated financial statements.

Supplementary Information

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Report of Independent Auditors on Supplementary Information

The Board of Trustees
of Bethesda Hospital, Inc. and Subsidiaries

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating balance sheets and consolidating statements of operations and changes in net assets are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

September 28, 2012

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet

June 30, 2012

(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Eliminations	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ —	\$ (466)	\$ 67	\$ 10,191	\$ —	\$ 9,792
Net patient accounts receivable, less allowance of \$21,869	—	259	5,701	31,339	—	37,299
Other accounts (payable) receivable	(21)	—	—	2,085	—	2,064
Current portion of assets limited as to use	—	—	—	19,168	—	19,168
Inventories	—	—	—	1,969	—	1,969
Prepaid and other current assets	—	—	99	2,116	—	2,215
Current portion of due from (to) related organizations, net	544	54,820	4,827	(59,481)	—	710
Total current assets	523	54,613	10,694	7,387	—	73,217
Assets limited as to use and investments						
Assets limited as to use						
Internally designated for capital and other funds	—	—	9,148	308,414	—	317,562
Restricted by donors	—	—	—	3,155	—	3,155
Trustee-held funds under professional liability funding arrangement	—	—	—	20,637	—	20,637
Investments	—	—	—	23,797	—	23,797
Total assets limited as to use and investments	—	—	9,148	356,003	—	365,151
Property and equipment, net	22,282	28	8,719	234,926	—	265,955
Investments in unconsolidated organizations	—	—	—	11,274	(5,073)	6,201
Goodwill and identifiable intangible assets	—	—	—	19,353	—	19,353
Due from related organizations	—	—	1,644	28,333	—	29,977
Other long-term assets	—	—	598	5,814	(598)	5,814
Total assets	\$ 22,805	\$ 54,641	\$ 30,803	\$ 663,090	\$ (5,671)	\$ 765,668

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet

June 30, 2012
(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Eliminations	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Liabilities and net assets						
Current liabilities						
Compensation and benefits	\$ —	\$ 32	\$ 1,518	\$ 20,893	\$ —	\$ 22,443
Third-party liabilities	—	—	—	4,687	—	4,687
Accounts payable and accrued expenses	934	5,461	1,640	14,529	—	22,564
Network affiliation payable	—	—	—	33	—	33
Current portion of long-term debt	—	—	—	12,198	—	12,198
Total current liabilities	934	5,493	3,158	52,340	—	61,925
Accrued professional liability	—	—	598	22,282	(598)	22,282
Pension obligation	—	—	—	58,124	—	58,124
Long-term compensation and benefits and other long-term liabilities	1,920	3,801	—	15,168	—	20,889
Capital lease obligation	—	—	—	21,923	—	21,923
Long-term debt	—	—	—	188,275	—	188,275
Total liabilities	2,854	9,294	3,756	358,112	(598)	373,418
Net assets						
Unrestricted	19,951	45,347	25,282	294,412	(4,952)	380,040
Temporarily restricted	—	—	1,765	10,566	(121)	12,210
Total net assets	19,951	45,347	27,047	304,978	(5,073)	392,250
Total liabilities and net assets	\$ 22,805	\$ 54,641	\$ 30,803	\$ 663,090	\$ (5,671)	\$ 765,668

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet

June 30, 2011

(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Eliminations	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Assets						
Current assets						
Cash and cash equivalents	\$ —	\$ (110)	\$ 10,217	\$ 8,528	\$ —	\$ 18,635
Net patient accounts receivable, less allowance of \$19,153	—	173	5,506	30,819	—	36,498
Other accounts receivable	7	—	—	1,308	(154)	1,161
Current portion of assets limited as to use	—	—	—	22,143	—	22,143
Inventories	—	—	—	1,731	—	1,731
Prepaid and other current assets	—	—	27	2,390	—	2,417
Current portion of due (to) from related organizations, net	(2,188)	47,536	(6,098)	(35,966)	—	3,284
Total current assets	(2,181)	47,599	9,652	30,953	(154)	85,869
Assets limited as to use and investments						
Assets limited as to use						
Internally designated for capital and other funds	—	—	9,333	320,570	—	329,903
Restricted by donors	—	—	—	2,992	—	2,992
Trustee-held funds under professional liability funding arrangement	—	—	—	24,041	—	24,041
Investments	—	—	—	30,419	—	30,419
Total assets limited as to use and investments	—	—	9,333	378,022	—	387,355
Property and equipment, net	23,315	37	8,368	221,577	—	253,297
Investments in unconsolidated organizations	—	—	—	9,848	(5,285)	4,563
Due from related organizations	—	—	1,169	21,466	—	22,635
Other long-term assets	—	—	—	100	—	100
Total assets	\$ 21,134	\$ 47,636	\$ 28,522	\$661,966	\$ (5,439)	\$ 753,819

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Balance Sheet

June 30, 2011

(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Eliminations	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Liabilities and net assets						
Current liabilities						
Compensation and benefits	\$ —	\$ —	\$ 1,355	\$ 18,142	\$ —	\$ 19,497
Third-party liabilities	—	—	—	6,982	—	6,982
Accounts payable and accrued expenses	924	5,878	2,023	17,312	—	26,137
Network affiliation payable	—	—	—	11,137	—	11,137
Current portion of long-term debt	—	—	—	11,617	—	11,617
Total current liabilities	924	5,878	3,378	65,190	—	75,370
Accrued professional liability	—	—	—	18,758	—	18,758
Pension obligation	—	—	—	34,301	—	34,301
Long-term compensation and benefits and other long-term liabilities	2,176	2,111	—	13,706	(155)	17,838
Long-term debt	—	—	—	200,473	—	200,473
Total liabilities	3,100	7,989	3,378	332,428	(155)	346,740
Net assets						
Unrestricted	18,034	39,647	23,854	321,283	(5,163)	397,655
Temporarily restricted	—	—	1,290	8,255	(121)	9,424
Total net assets	18,034	39,647	25,144	329,538	(5,284)	407,079
Total liabilities and net assets	\$ 21,134	\$ 47,636	\$ 28,522	\$ 661,966	\$ (5,439)	\$ 753,819

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2012

(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Elimination	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Revenue						
Net patient service revenue						
Acute inpatient	\$ —	\$ —	\$ 9,870	\$ 273,909	\$ (6,877)	\$ 276,902
Outpatient	—	3,509	31,855	222,717	(3,698)	254,383
Other patient	—	34,324	—	—	(739)	33,585
Total net patient service revenue	—	37,833	41,725	496,626	(11,314)	564,870
Nonpatient (loss) revenue						
Loss from unconsolidated organizations	—	—	—	(16,031)	—	(16,031)
Operating loss from network affiliation	—	—	—	(3,765)	—	(3,765)
Other revenue, net	6,108	1,301	7,369	10,391	(8,412)	16,757
Total revenue	6,108	39,134	49,094	487,221	(19,726)	561,831
Expenses						
Salaries and wages	397	8,921	26,876	145,250	(6,583)	174,861
Employee benefits	97	2,044	6,403	43,826	(1,864)	50,506
Medical professional fees	—	2,673	333	1,582	(155)	4,433
Purchased services	321	11,246	2,604	15,384	(1,551)	28,004
Supplies	476	4,991	4,272	93,082	(3,459)	99,362
Bad debts	33	170	90	44,192	—	44,485
Utilities	646	203	591	3,575	—	5,015
Insurance	—	50	—	(1,860)	(10)	(1,820)
Rental, leases, and maintenance	3	732	3,728	11,845	(2,493)	13,815
Depreciation and amortization	1,788	151	777	19,957	—	22,673
Interest	139	—	(1)	9,546	—	9,684
Shared service allocation	—	—	—	68,421	—	68,421
Other, net	292	2,253	1,808	11,384	(3,611)	12,126
Total operating expenses	4,192	33,434	47,481	466,184	(19,726)	531,565
Income from operations	1,916	5,700	1,613	21,037	—	30,266
Nonoperating (loss) income						
Income from network affiliation	—	—	—	3,732	—	3,732
Investment income (loss)	1	—	(183)	(7,169)	44	(7,307)
Total nonoperating income (loss)	1	—	(183)	(3,437)	44	(3,575)
Excess of revenue over expenses	1,917	5,700	1,430	17,600	44	26,691
Change in plan assets and benefit obligation of pension plan	—	—	—	(26,286)	—	(26,286)
Change in funded status of TriHealth, Inc. pension plan	—	—	—	(8,313)	—	(8,313)
Transfer to Bethesda, Inc.	—	—	—	(10,000)	—	(10,000)
Other changes in net assets, net	—	—	473	2,439	167	3,079
Increase (decrease) in net assets	1,917	5,700	1,903	(24,560)	211	(14,829)
Net assets at beginning of year	18,034	39,647	25,144	329,538	(5,284)	407,079
Net assets at end of year	\$ 19,951	\$ 45,347	\$ 27,047	\$ 304,978	\$ (5,073)	\$ 392,250

Bethesda Hospital, Inc. and Subsidiaries

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011

(In Thousands)

	Bethesda Properties, Inc.	Senior Services, a Division of Bethesda Hospital, Inc.	Hospice of Cincinnati, Inc. and Subsidiary	Bethesda Hospital, Inc.	Reclass- ifications/ Elimination	Bethesda Hospital, Inc. and Subsidiaries Consolidated
Revenue						
Net patient service revenue						
Acute inpatient	\$ -	\$ -	\$ 9,243	\$ 256,843	\$ (4,987)	\$ 261,099
Outpatient	-	3,068	30,029	205,043	767	238,907
Other patient	-	31,968	-	-	(599)	31,369
Total net patient service revenue	-	35,036	39,272	461,886	(4,819)	531,375
Nonpatient (loss) revenue						
Loss from unconsolidated organizations	-	-	-	(9,896)	-	(9,896)
Operating loss from network affiliation	-	-	-	(7,811)	-	(7,811)
Other revenue, net	5,906	1,393	7,662	11,066	(7,596)	18,431
Total revenue	5,906	36,429	46,934	455,245	(12,415)	532,099
Expenses						
Salaries and wages	378	8,259	24,711	140,127	(4,966)	168,509
Employee benefits	96	2,142	5,996	40,690	(1,401)	47,523
Medical professional fees	-	2,062	316	1,532	(112)	3,798
Purchased services	354	9,766	2,823	12,959	(596)	25,306
Supplies	462	4,265	3,964	95,211	(2,975)	100,927
Bad debts	-	123	46	39,413	-	39,582
Utilities	724	218	629	3,843	-	5,414
Insurance	-	58	8	3,607	-	3,673
Rental, leases, and maintenance	3	721	3,428	10,877	(1,985)	13,044
Depreciation and amortization	1,599	147	695	20,175	-	22,616
Interest	179	-	11	9,979	(11)	10,158
Shared service allocation	-	-	-	57,797	-	57,797
Other, net	355	2,205	1,540	6,541	(369)	10,272
Total operating expenses	4,150	29,966	44,167	442,751	(12,415)	508,619
Income from operations	1,756	6,463	2,767	12,494	-	23,480
Nonoperating (loss) income						
Loss from network affiliation	-	-	-	(3,326)	-	(3,326)
Investment income (loss)	1	-	1,429	50,899	(91)	52,238
Total nonoperating income	1	-	1,429	47,573	(91)	48,912
Excess of revenue over expenses	1,757	6,463	4,196	60,067	(91)	72,392
Change in plan assets and benefit obligation of pension plan	-	-	-	22,192	-	22,192
Change in funded status of TriHealth, Inc. pension plan	-	-	-	3,489	-	3,489
Transfer to Bethesda, Inc.	-	-	-	(10,000)	-	(10,000)
Other changes in net assets, net	10	-	220	2,520	91	2,841
Increase in net assets	1,767	6,463	4,416	78,268	-	90,914
Net assets at beginning of year	16,267	33,184	20,728	251,270	(5,284)	316,165
Net assets at end of year	\$ 18,034	\$ 39,647	\$ 25,144	\$ 329,538	\$ (5,284)	\$ 407,079

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