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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
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Doing Business As

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

7500 MERCY ROAD

City or town, state or country, and ZIP + 4
OMAHA, NE 68124

F Name and address of principal officer
SCOTT M WOOTEN
12809 WEST DODGE ROAD
OMAHA, NE 68154

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status

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

J Website: ▶ WWW.ALEGENTCREIGHTON.COM

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1961

M State of legal domicile NE

Part I

Summary

Activities & Governance	<div>1</div> <div>Briefly describe the organization's mission or most significant activities</div> <div>TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON</div>
	<div>2</div> <div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div>
	<div>3</div> <div>Number of voting members of the governing body (Part VI, line 1a)</div>
	<div>4</div> <div>Number of independent voting members of the governing body (Part VI, line 1b)</div>
	<div>5</div> <div>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</div>
	<div>6</div> <div>Total number of volunteers (estimate if necessary)</div>
	<div>7a</div> <div>Total unrelated business revenue from Part VIII, column (C), line 12 . .</div>
	<div>7b</div> <div>Net unrelated business taxable income from Form 990-T, line 34 . .</div>
Revenue	<div>8</div> <div>Contributions and grants (Part VIII, line 1h)</div>
	<div>9</div> <div>Program service revenue (Part VIII, line 2g)</div>
	<div>10</div> <div>Investment income (Part VIII, column (A), lines 3, 4, and 7d)</div>
	<div>11</div> <div>Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</div>
	<div>12</div> <div>Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)</div>
Expenses	<div>13</div> <div>Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . .</div>
	<div>14</div> <div>Benefits paid to or for members (Part IX, column (A), line 4)</div>
	<div>15</div> <div>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</div>
	<div>16a</div> <div>Professional fundraising fees (Part IX, column (A), line 11e)</div>
	<div>b</div> <div>Total fundraising expenses (Part IX, column (D), line 25) ▶⁰</div>
	<div>17</div> <div>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</div>
	<div>18</div> <div>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</div>
Net Assets or Fund Balances	<div>19</div> <div>Revenue less expenses Subtract line 18 from line 12</div>
	<div>20</div> <div>Total assets (Part X, line 16)</div>
	<div>21</div> <div>Total liabilities (Part X, line 26)</div>
	<div>22</div> <div>Net assets or fund balances Subtract line 21 from line 20</div>

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

SCOTT M WOOTEN SENIOR VP/CFO

2013-05-13

Date

Preparer's signature

ANGELA LEA

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

ALEGENT CREIGHTON HEALTH
12809 W DODGE ROAD
OMAHA, NE 68154

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

EIN ▶ 47-0757164

Phone no ▶ (402) 343-4413

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

FAITHFUL TO THE HEALING MINISTRY OF JESUS CHRIST, OUR MISSION IS TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON OUR COMMITMENT TO HEALING CALLS US TO CREATE CARING AND COMPASSIONATE ENVIRONMENTS RESPECT THE DIGNITY OF EVERY PERSON CARE FOR THE RESOURCES ENTRUSTED TO US AS RESPONSIBLE STEWARDS COLLABORATE WITH OTHERS TO IMPROVE THE HEALTH OF OUR COMMUNITIES ATTEND ESPECIALLY TO THE NEEDS OF THOSE WHO ARE POOR AND DISADVANTAGED ACT WITH INTEGRITY IN ALL ENDEAVORS TO ACHIEVE THIS MISSION, WE PLEDGE TO BE CREATIVE, VISIONARY LEADERS COMMITTED TO HOLISTIC HEALTHCARE IN THE REGION

2

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

Yes

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 350,325,142 including grants of \$ 11,550,831) (Revenue \$ 112,295,703)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS PROVIDE A LARGE RANGE OF HOSPITAL SERVICES INCLUDING BUT NOT LIMITED TO EMERGENCY DEPARTMENT, INPATIENT HOSPITAL FACILITIES, PROCEDURE CENTER, ORTHOPEDIC SERVICES, DIGESTIVE HEALTH CENTER, FAMILY LIFE CENTER, RADIOLOGY, UROLOGY AND PHYSICAL THERAPY PATIENTS ARE AT THE CENTER OF EVERYTHING DONE AT BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS

4b

(Code) (Expenses \$ 24,417,861 including grants of \$ 13,860,997) (Revenue \$ 134,765,215)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS OFFER A WIDE RANGE OF CARDIOVASCULAR SERVICES IN THE REGION, USING A TEAM APPROACH TO ADDRESS THE TOTAL NEEDS OF THE CARDIOVASCULAR PATIENT ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM PROVIDES A COMPREHENSIVE RANGE OF CARDIAC SERVICES, INCLUDING BUT NOT LIMITED TO VASCULAR AND CARDIAC SURGERY, HEART SCANS AND HEART CHECKS, CARDIAC REHABILITATION, VASCULAR ULTRASOUND, NUCLEAR STRESS TESTS, DUAL SOURCE CT SCANNER AND ANGIOPLASTY IN 2006, MERCY HOSPITAL OPENED A NEW STATE-OF-THE-ART CARDIAC CATHETERIZATION LAB, ALLOWING PHYSICIANS TO PERFORM PROCEDURES SUCH AS HEART CATHETERIZATIONS, CORONARY INTERVENTIONS INCLUDING BALLOON ANGIOPLASTY AND STENTING, AS WELL AS IMPLANTATION OF PACEMAKERS AND DEFIBRILLATORS

4c

(Code) (Expenses \$ 20,518,130 including grants of \$ 5,304,623) (Revenue \$ 51,564,989)

BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS OFFER EXPECTANT MOMS THE MOST COMFORTABLE AND COMPREHENSIVE MATERNITY SERVICES AVAILABLE WITH SPACIOUS, HOME-LIKE SETTINGS AND FAMILY-FRIENDLY GUEST SLEEPING ACCOMMODATIONS BOTH OF THE MATERNITY CENTER LOCATIONS ARE BACKED BY THE SUPPORT OF BOTH FULL-SERVICE HOSPITALS

(Code) (Expenses \$ 48,561,924 including grants of \$ 24,026,824) (Revenue \$ 233,583,653)

BERGAN MERCY MEDICAL CENTER IS EQUIPPED WITH THE LATEST TECHNOLOGIES IN THE DIAGNOSTIC CENTER THE CENTER IS COMPLETELY DIGITAL SO PATIENTS ARE NEVER WAITING ON FILMS FEMALE PATIENTS CAN COUNT ON EXPERT IMAGING TESTS INCLUDING ULTRASOUND, BONE DENSITY TESTING, STEREOTACTIC BREAST BIOPSY AND DIGITAL MAMMOGRAPHY THERE ARE A WIDE RANGE OF AVAILABLE TESTS AT THE DIAGNOSTIC CENTER THAT INCLUDE THE FOLLOWING DIGITAL MAMMOGRAPHY, MRI AND OPEN MRI, CT, PET CT AND CARDIAC CT, 64-SLICE CT, FLUOROSCOPY, PULMONARY FUNCTION TESTING, ULTRASOUND, CARDIOVASCULAR IMAGING, PHLEBOTOMY, NUCLEAR MEDICINE, DIGITAL IMAGING, EEG, EKG AND EMG, STRESS TESTING AND ARTERIOGRAM

4d

Other program services (Describe in Schedule O)

(Expenses \$ 48,561,924 including grants of \$ 24,026,824) (Revenue \$ 233,583,653)





















4e

Total program service expenses

\$ 443,823,057

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	No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <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	Yes
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	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance							
Check if Schedule O contains a response to any question in this Part V <input checked="" type="checkbox"/>							
				Yes	No		
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable			1a	177		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return			2a	3,468		
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	Yes		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year			7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .			7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h			
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8			
9	Sponsoring organizations maintaining donor advised funds.						
a	Did the organization make any taxable distributions under section 4966?			9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b			
10	Section 501(c)(7) organizations. Enter						
a	Initiation fees and capital contributions included on Part VIII, line 12			10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b			
11	Section 501(c)(12) organizations. Enter						
a	Gross income from members or shareholders			11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b			
13	Section 501(c)(29) qualified nonprofit health insurance issuers.						
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			13a			
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans			13b			
c	Enter the aggregate amount of reserves on hand			13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a			No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .			14b			

Part VI

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

☐

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <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. SCOTT M WOOTEN SENIOR VPCFO 12809 WEST DODGE ROAD OMAHA, NE 68154 (402) 343-4323	

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

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

Form **990** (2011)

Part VIII

Statement of Revenue

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	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	138,600			
	c	Fundraising events	1c	43,083			
	d	Related organizations	1d	17,759			
	e	Government grants (contributions)	1e	5,558,751			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	97,687			
	g	Noncash contributions included in lines 1a-1f \$ 2,670					
	h	Total. Add lines 1a-1f		5,855,880			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERV REV	621500	504,473,444	502,001,765	2,471,679	
	b	REIMBUSEABLE AFFILIATE	900003	15,458,251	15,458,251		
	c	PHARMACY	446110	7,845,777		2,871,790	4,973,987
	d	MEANINGFUL USE	900099	5,091,474	5,091,474		
	e	FOOD SERVICE	722320	1,567,847		137,414	1,430,433
	f	All other program service revenue		870	870		
	g	Total. Add lines 2a-2f		534,437,663			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		10,873,497		-933,353	11,806,850
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	Gross rents	(i) Real				
			2,813,783				
			2,103,011				
			710,772				
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		710,772			710,772
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			7,705,668				
			0				
			7,705,668				
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		7,692,011			7,692,011
	8a	Gross income from fundraising events (not including \$ 43,083 of contributions reported on line 1c) See Part IV, line 18	(i) Securities				
			7,705,668				
			0				
			7,705,668				
	a	Less direct expenses					
	b	Less direct expenses					
	c	Net income or (loss) from fundraising events . .		-13,692			-13,692
	9a	Gross income from gaming activities See Part IV, line 19	(i) Securities				
			7,705,668				
			0				
			7,705,668				
	a	Less direct expenses					
	b	Less direct expenses					
	c	Net income or (loss) from gaming activities . .		877			877
	10a	Gross sales of inventory, less returns and allowances	(i) Securities				
			7,705,668				
			0				
			7,705,668				
	a	Less cost of goods sold					
	b	Less cost of goods sold					
	c	Net income or (loss) from sales of inventory . .		187,567			187,567
	Miscellaneous Revenue		Business Code				
	11a	SYSTEM REV ALLOCATION	900099	6,309,617	6,309,617		
	b	MISC OPERATING REVENUE	900099	3,640,289	3,347,583	292,706	
	c	CHILD CARE	624410	1,564,508			1,564,508
	d	All other revenue		31,843		31,843	
	e	Total. Add lines 11a-11d		11,546,257			
	12	Total revenue. See Instructions		571,290,832	532,209,560	4,872,079	28,353,313

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	18,255	18,255		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	54,725,020	54,725,020		
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	4,787,398	2,393,699	2,393,699	
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	163,748,930	122,811,698	40,937,232	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	7,544,943	5,658,707	1,886,236	
9	Other employee benefits	26,993,085	20,244,814	6,748,271	
10	Payroll taxes	9,267,791	6,950,843	2,316,948	
11	Fees for services (non-employees)				
a	Management				
b	Legal	1,024,413		1,024,413	
c	Accounting				
d	Lobbying	25,569	25,569		
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	743,198		743,198	
g	Other	8,219,922	6,166,806	2,053,116	
12	Advertising and promotion	45,441	34,081	11,360	
13	Office expenses	91,825,479	68,869,109	22,956,370	
14	Information technology				
15	Royalties				
16	Occupancy	12,330,684	9,248,013	3,082,671	
17	Travel	440,929	330,697	110,232	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	118,295	88,721	29,574	
20	Interest	7,481,240	5,610,930	1,870,310	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	37,669,636	28,252,227	9,417,409	
23	Insurance	1,218,755	1,218,755		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	PURCHASED SERVICES	36,610,050	27,457,537	9,152,513	
b	BAD DEBTS	34,119,317	34,119,317		
c	JOA SETTLEMENT	32,737,000	32,737,000		
d	MANAGEMENT ALLOCATIONS	14,871,912	14,871,912		
e					
f	All other expenses	2,529,821	1,989,347	540,474	
25	Total functional expenses. Add lines 1 through 24f	549,097,083	443,823,057	105,274,026	0
26	Joint costs. Check here if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			822,390	1	677,200
	2	Savings and temporary cash investments			50,019,633	2	67,023,806
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			48,373,165	4	49,731,254
	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			2,894,000	7	2,774,000
	8	Inventories for sale or use			9,918,036	8	8,115,992
	9	Prepaid expenses and deferred charges			2,830	9	275,600
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	571,293,815			
	b	Less: accumulated depreciation	10b	296,224,446	294,201,469	10c	275,069,369
	11	Investments—publicly traded securities			232,670,177	11	261,757,475
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			50,409,000	13	28,100,000
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			0	15	1,008,800
	16	Total assets. Add lines 1 through 15 (must equal line 34)			689,310,700	16	694,533,496
Liabilities	17	Accounts payable and accrued expenses			9,849,102	17	14,320,042
	18	Grants payable				18	
	19	Deferred revenue			74,131	19	62,500
	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			176,961,161	23	170,766,541
	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			5,853,694	25	7,564,381
	26	Total liabilities. Add lines 17 through 25			192,738,088	26	192,713,464
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			491,195,612	27	496,889,549
	28	Temporarily restricted net assets			3,586,000	28	3,139,483
	29	Permanently restricted net assets			1,791,000	29	1,791,000
	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			496,572,612	33	501,820,032
	34	Total liabilities and net assets/fund balances			689,310,700	34	694,533,496

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	571,290,832
2	Total expenses (must equal Part IX, column (A), line 25)	2	549,097,083
3	Revenue less expenses Subtract line 2 from line 1	3	22,193,749
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	496,572,612
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-16,946,329
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	501,820,032

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 ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	Employer identification number 47-0484764
--	--

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

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

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

Part 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 ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	Employer identification number 47-0484764
--	--

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	▶ \$ 0
3	Volunteer hours	0

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

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

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

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

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

Part II-A

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

- A

Check

☐

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

Check

☐

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

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

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

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

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		25,569
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			25,569
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

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

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

Part III-B

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

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

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

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

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

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2011

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
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	4,241,339	3,961,188	3,665,977	2,688,014	
b Contributions	118,255	6,001	149,013	1,800,115	
c Investment earnings or losses	-64,203	464,742	298,938	-448,721	
d Grants or scholarships		6,642	9,996	3,875	
e Other expenditures for facilities and programs	2,833	183,950	142,744	369,556	
f Administrative expenses					
g End of year balance	4,292,558	4,241,339	3,961,188	3,665,977	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 36 000 %

c

Term endowment ▶ 64 000 %

3a

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

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

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		3,341,409		3,341,409
b Buildings		257,534,382	109,505,152	148,029,230
c Leasehold improvements		2,086,914	1,523,130	563,784
d Equipment		293,782,963	176,426,676	117,356,287
e Other		14,548,147	8,769,488	5,778,659
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				275,069,369

Schedule D (Form 990) 2011

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	ENDOWMENT FUNDS ARE INTENDED TO HELP WITH THE ORGANIZATIONAL OPERATIONS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM
		PART X, LINE 2 - ALL AFFILIATED ENTITIES HAVE BEEN RECOGNIZED AS NOT-FOR-PROFIT CORPORATIONS BY THE INTERNAL REVENUE SERVICE (IRS) AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE CODE) AND ARE EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501 (A) OF THE CODE, EXCEPT FOR A SPECIFIED MULTI-MEMBER PARTNERSHIP, IDENTIFIED IN THE AUDIT. THE HEALTH SYSTEM RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT OF BEING SUSTAINED. SUCH TAX POSITIONS, WHICH ARE MORE THAN 50% LIKELY OF BEING REALIZED, ARE MEASURED AT THEIR HIGHEST VALUE. CHANGES IN RECOGNITION OR MEASUREMENT ARE REFLECTED IN THE PERIOD IN WHICH THE CHANGE IN JUDGEMENT OCCURS. DURING 2012 AND 2011, MANAGEMENT DETERMINED THAT THERE ARE NO INCOME TAX POSITIONS REQUIRING RECOGNITION IN THE CONSOLIDATED FINANCIAL STATEMENTS.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

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

1

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

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☐ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes ☐ No

b

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

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

3

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

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

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		CANDLELIGHT BALL (event type)	GOLF SCRAMBLE (event type)	(total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	82,331	7,635	89,966
	2	Less Charitable contributions	36,753	6,330	43,083
	3	Gross income (line 1 minus line 2)	45,578	1,305	46,883
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes	2,670	551	3,221
	6	Rent/facility costs	39,896	1,490	41,386
	7	Food and beverages		436	436
	8	Entertainment			
	9	Other direct expenses	14,798	734	15,532
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			(60,575)
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			-13,692

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

- 11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

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

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

Name

Address

- 15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No
- b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$
- c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

☐ Director/officer

☐ Employee

☐ Independent contractor

- 17
- Mandatory distributions
- a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No
- b

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

Part IV

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

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

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
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

Part I

Charity Care and Certain Other Community Benefits at Cost

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

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)		14,002	18,477,065	998,374	17,478,691	3 390 %
b Medicaid (from Worksheet 3, column a)		5,757	57,883,272	55,765,790	2,117,482	0 410 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		0	1,857,297	2,623,218	-765,921	0 %
d Total Charity Care and Means-Tested Government Programs		19,759	78,217,634	59,387,382	18,830,252	3 800 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		8,004	906,229	64,117	842,112	0 160 %
f Health professions education (from Worksheet 5)		2,063	748,512	0	748,512	0 150 %
g Subsidized health services (from Worksheet 6)		0	15,899,119	10,855,537	5,043,582	0 980 %
h Research (from Worksheet 7)		0	77,515	0	77,515	0 020 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)		12,414	408,145	0	408,145	0 080 %
j Total Other Benefits		22,481	18,039,520	10,919,654	7,119,866	1 390 %
k Total. Add lines 7d and 7j		42,240	96,257,154	70,307,036	25,950,118	5 190 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing		0	18,160	0	18,160	0 %
2Economic development		0	0	0		
3Community support		142	14,020	0	14,020	0 %
4Environmental improvements		0	0	0		
5Leadership development and training for community members		0	0	0		
6Coalition building		0	51,310	0	51,310	0 010 %
7Community health improvement advocacy		0	15,958	0	15,958	0 %
8Workforce development		27	7,128	0	7,128	0 %
9Other			0	0		
10Total		169	106,576		106,576	0 010 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1	Yes	
2Enter the amount of the organization's bad debt expense	2	9,416,931	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	2,057,569	
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	99,679,462	
6Enter Medicare allowable costs of care relating to payments on line 5	6	127,597,804	
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-27,918,342	
8Describe 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

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "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				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 3

1	AH BERGAN MERCY MEDICAL CTR 7500 MERCY ROAD OMAHA,NE 68124
2	AH MERCY HOSPITAL 800 MERCY DRIVE COUNCIL BLUFFS,IA 51503
3	AH LASTING HOPE RECOVERY CTR 415 S 25TH AVENUE OMAHA,NE 68131

Schedule H (Form 990) 2011

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)

ALEGTENT HEALTH BERGAN MERCY MEDICAL CTR

Name of Hospital Facility:_____

Line Number of Hospital Facility (from Schedule H, Part V, Section A):_____1_____

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

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used	10	No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input 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 checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input 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 checked="" 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	Yes	
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

ALENT HEALTH MERCY HOSPITAL

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 ____% If "No," explain in Part VI the criteria the hospital facility used	9	No

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used	10	No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input 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 checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input 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 checked="" 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	Yes	
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

ALEAGENT HEALTH LASTING HOPE RECOVERY CTR

Name of Hospital Facility:

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

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

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care __% If "No," explain in Part VI the criteria the hospital facility used	10	No
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input 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 checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input checked="" type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input 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 checked="" type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 3

Name and address		Type of Facility (Describe)
1	ALEGENT HEALTH HOSPICE 7070 SPRING STREET OMAHA, NE 68106	LICENSED HOSPICE
2	ALEGENT HEALTH AT HOME 7070 SPRING STREET OMAHA, NE 68106	HOME HEALTH AGENCY
3	ALEGENT HEALTH HOSPICE 703 ROSARY DRIVE CORNING, IA 50041	LICENSED HOSPICE
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 BERGAN MERCY HEALTH SYSTEM IS PART OF THE ALEGENT CREIGHTON HEALTH SYSTEM THE AMOUNT OF FINANCIAL ASSISTANCE WRITE-OFF FOR ENTITIES OF THE ALEGENT CREIGHTON HEALTH SYSTEM ARE BASED ON A FINANCIAL ASSISTANCE SLIDING FEE SCHEDULE UTILIZING A DERIVATIVE OF THE CURRENT US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW INCOME GUIDELINES, WHICH ARE UPDATED YEARLY ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE ALEGENT CREIGHTON HEALTH REPRESENTATIVES HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT CREIGHTON HEALTH'S FINANCIAL ASSISTANCE POLICY THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME PART I, LINE 6A/B THE ALEGENT CREIGHTON HEALTH SYSTEM PRODUCES AN ANNUAL PUBLIC COMMUNITY BENEFIT REPORT THAT IS MAILED TO A CORE CONSTITUENCY, PLACED IN KEY PLACES THROUGHOUT THE ORGANIZATION AND DISTRIBUTED IN COMMUNITY MEETINGS IT IS ALSO AVAILABLE ON THE COMPANY'S INTRANET SITE, AND ON ITS PUBLIC WEBSITE AT HTTP //WWW.ALEGENTCREIGHTON.COM/COMMUNITY-BENEFIT

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE WERE WORKSHEETS 1 - 8 PROVIDED WITH THE SCHEDULE H INSTRUCTIONS THE COST TO CHARGE RATIO DERIVED FROM WORKSHEET 2 WAS USED TO CALCULATE TOTAL COMMUNITY BENEFIT EXPENSE FOR CHARITY CARE, MEDICAID AND OTHER MEANS TESTED PART I, LINE 7, COLUMN (F) BAD DEBT OF \$ 34,119,317 INCLUDED IN FUNCTIONAL EXPENSE TOTAL PART IX, LINE 25, COLUMN (A) IS SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN THE DENOMINATOR USED TO CALCULATE THE COST TO CHARGE RATIO IS \$537,171,515

Identifier	ReturnReference	Explanation
		PART I, LINE 7G ALEGENT HEALTH BERGAN MERCY HEALTH SYSTEM PROVIDES SUBSIDIZED HEALTH TO THE BROADER COMMUNITY THROUGH A NEONATIVE INTENSIVE CARE UNIT, HOME HEALTH AND HOSPICE CARE, AND BEHAVIORAL HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART I, L7 COL(F) BAD DEBT EXPENSE (AT COST) FOR ENTITIES OF ALEGENT CREIGHTON HEALTH IS DETERMINED BY USING THE COST TO CHARGE RATIO FROM MEDICARE COST REPORTS PER ENTITY AND MULTIPLYING THE RATIO BY THE ACTUAL BAD DEBT CHARGES PER ENTITY TO DETERMINE THE AMOUNT OF THE ORGANIZATION'S BAD DEBT EXPENSE (AT COST) ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, REPRESENTATIVES OF THE ALEGENT CREIGHTON HEALTH SYSTEM DETERMINE IF AN ACCOUNT NEEDS TO BE MOVED FROM BAD DEBT TO CHARITY WHEN A PATIENT EITHER COMES FORWARD AND COMPLETES A CHARITY APPLICATION, WHICH IS APPROVED OR IF IT IS DETERMINED THAT THE PATIENT HAS NO OTHER RESOURCES TO PAY THE ACCOUNT BALANCE

Identifier	ReturnReference	Explanation
		<p>PART II ALEGENT CREIGHTON HEALTH HAS A HISTORY OF CENTRALIZED COMMUNITY BENEFIT INVESTMENTS, AS WELL AS HOSPITAL SPECIFIC INVESTMENTS THAT ADDRESS COMMUNITY HEALTH NEEDS WHICH INCLUDE COMMUNITY BUILDING SUCH AS -LIVE WELL OMAHA KIDS- AS A RESULT OF COMMUNITY HEALTH NEEDS ASSESSMENT CONDUCTED IN 2006 WHICH POINTED TO CHILDHOOD OBESITY AS A SERIOUS HEALTH NEEDS ISSUE ACROSS ALL OMAHA MSA COUNTIES SERVED, THE ALEGENT CREIGHTON HEALTH SYSTEM PARTNERED WITH THE COMMUNITY TO MAKE A MULTI-YEAR COMMITMENT TO IMPACT CHILDHOOD OBESITY THROUGH COMMUNITY BASED BEST PRACTICE INTERVENTIONS THIS INITIATIVE HAS HAD A PRIMARY FOCUS OF IMPACT IN DOUGLAS COUNTY, NEBRASKA, BUT THE FUNDING TO UNDERWRITE HAS COME FROM THE FISCAL PERFORMANCE OF ALL ALEGENT CREIGHTON HEALTH HOSPITALS THE COMMUNITY COALITION KNOWN AS LIVE WELL OMAHA KIDS (LWOK) IS STAFFED AND FUNDED BY ALEGENT CREIGHTON HEALTH AN EXECUTIVE COMMITTEE CONSISTING OF COMMUNITY LEADERS AND POLICY MAKERS HAVE DIRECTED AN ECOLOGICAL APPROACH TO IMPROVE PROGRAMS, POLICIES AND BUILD THE ENVIRONMENT TO PROMOTE PHYSICAL ACTIVITY AND HEALTHY EATING AND BUILD CAPACITY FOR HEALTHY CHOICES AT THE INDIVIDUAL AND ORGANIZATIONAL LEVEL MORE THAN 200 VOLUNTEERS AND 90 ORGANIZATIONS HAVE PARTICIPATED IN THE PLANNING AND IMPLEMENTATION OF LWOK INITIATIVES A PORTION OF THIS INVESTMENT IN LWOK IS ALLOCATED TO THE BERGAN MERCY HEALTH SYSTEM ON A NET SERVICE REVENUE BASIS -COMMUNITY AND ECONOMIC DEVELOPMENT INCLUDING SUPPORT OF LOCAL CHAMBERS OF COMMERCE -STRATEGIC PLANNING AND CONSULTING SERVICES FOR COMMUNITY - SPONSORSHIP OF COMMUNITY NOT FOR PROFITS AND FUNDRAISING EVENTS -SUPPORT OF INTERNATIONAL HEALTH MINISTRIES IN TANZANIA AND DOMINICAN REPUBLIC -SUPPORT OF THE FEDERALLY QUALIFIED HEALTHCARE CENTERS -PARISH NURSING PROGRAM - COMMUNITY HEALTH FAIRS, SUPPORT GROUPS AND COMMUNITY EDUCATION -SCHOOL BASED HEALTHCARE SERVICES -LEADERSHIP IN AND FUNDING OF HEALTH COALITIONS INCLUDING- -LIVE WELL OMAHA-A COALITION FOUNDED BY ALEGENT CREIGHTON HEALTH AND THE COUNTY HEALTH DEPARTMENT THAT SERVES AS CONVENER OF BUSINESS, HEALTHCARE AND COMMUNITY LEADERS TO REVIEW HEALTH TRENDS AND CATALYZE COMMUNITY ACTION TO ADDRESS HEALTH ISSUES ALEGENT CREIGHTON HEALTH SERVES ON THE BOARD OF DIRECTORS, IS A MEMBER AT THE HIGHEST LEVEL AND LEASES STAFF TO LIVE WELL OMAHA -LIVE WELL POTTAWATTAMIE COUNTY -AN EMERGING COALITION TO ADDRESS OBESITY IN POTTAWATTAMIE COUNTY ALEGENT CREIGHTON HEALTH PROVIDES STRATEGIC PLANNING, GRANT WRITING AND STAFF SUPPORT -OMAHA BY DESIGN- A COALITION THAT SUPPORT HEALTHY AND SUSTAINABLE COOMMUNITY DEVELOPMENT AND LAND USE -VIOLENCE PREVENTION- A PARTNERSHIP WITH CATHOLIC HEALTH INITIATIVES, WOMEN'S CENTER FOR ADVANCEMENT, UNIVERSITY OF NEBRASKA-OMAHA AND CREIGHTON UNIVERSITY TO IMPLEMENT A CAMPUS BASED VIOLENCE PREVENTION PLAN KNOWN AS "GREEN DOT " ALEGENT CREIGHTON HEALTH ALSO SUPPORTS ECPR TRAINING TO PROVIDE COMMUNITY CAPACITY AND SKILLS TO ADDRESS THE TRAUMA ASSOCIATED WITH VIOLENCE -METRO AREA CONTINUUM OF CARE FOR THE HOMELESS- BOARD SERVICE AND FINANCIAL SUPPORT TO THIS COALITION ADDRESSING HOMELESSNESS IN THE SERVICE AREA - HOPE MEDICAL COALITION-BOARD SERVICE AND ANNUAL OPERATING SUBSIDY ALEGENT CREIGHTON HEALTH'S HOSPITALS AND PHYSICIANS PROVIDE SPECIALTY CARE TO PATIENTS UNABLE TO AFFORD MEDICAL SERVICES -PARTICIPATION IN AND FUNDING OF MATERNAL HEALTH, BREASTFEEDING, SUBSTANCE ABUSE, CANCER, DIABETES AND OTHER COMMUNITY HEALTH COALITIONS -MENTAL HEALTH COALITIONS INCLUDING NATIONAL ALLIANCE ON MENTAL ILLNESS, NEBRASKA ASSOCIATION OF BEHAVIORAL HEALTH CARE ORGANIZATIONS, AND THE JUVENILE JUSTICE PROVIDER FORUM BEHAVIORAL HEALTH COMMITTEE</p>

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE AUDITED FOOTNOTES FOR ENTITIES OF THE ALEGENT CREIGHTON HEALTH SYSTEM DO NOT CONTAIN FOOTNOTES RELATED TO BAD DEBT EXPENSE BAD DEBT EXPENSE IS IDENTIFIED ON THE CONSOLIDATED STATEMENT OF OPERATIONS WHICH IS CONSISTENT WITH THE REPORTING PRACTICE OF OTHER HEALTH CARE ORGANIZATIONS

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ALEGENT CREIGHTON HEALTH SYSTEM DOES NOT CONSIDER MEDICARE SHORTFALLS TO BE COMMUNITY BENEFIT PER THE RECOMMENDATION OF CATHOLIC HEALTH ASSOCIATION THE MEDICARE CHARGES REPORTED ON LINE 5 AND 6 ARE FROM MEDICARE COST REPORTS WHICH USE A COST TO CHARGE RATIO

Identifier	ReturnReference	Explanation
		PART III, LINE 9B ALEGENT CREIGHTON HEALTH'S SELF PAY BILLING AND BAD DEBT POLICY HAS A CLEARLY DELINEATED PROCESS FOR COLLECTION AGENCIES TO FOLLOW, INCLUDING EXPLICIT INSTRUCTIONS THAT ENSURE THE CHARITY CARE PATIENTS WHO HAVE BEEN IDENTIFIED DO NOT GO TO COLLECTIONS

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 9 FOR ALEGENT HEALTH-BERGAN MERCY MEDICAL CENTER, ALEGENT HEALTH MERCY HOSPITAL AND ALEGENT HEALTH LASTING HOPE RECOVERY CENTER, THE ELIGIBILITY FOR PROVIDING FREE CARE IS BASED ON A FINANCIAL ASSISTANCE SLIDING FEE SCHEDULE UTILIZING A DERIVATIVE OF THE CURRENT US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW INCOME GUIDELINES, WHICH ARE UPDATED YEARLY ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE ALEGENT CREIGHTON HEALTH REPRESENTATIVES HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT CREIGHTON HEALTH'S FINANCIAL ASSISTANCE POLICY THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 10 FOR ALEGENT HEALTH-BERGAN MERCY MEDICAL CENTER, ALEGENT HEALTH-MERCY HOSPITAL, AND ALEGENT HEALTH-LASTING HOPE RECOVERY CENTER, THE ELIGIBILITY FOR PROVIDING DISCOUNTED CARE IS BASED ON A FINANCIAL ASSISTANCE SLIDING FEE SCHEDULE UTILIZING A DERIVATIVE OF THE CURRENT US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) VERY LOW INCOME GUIDELINES, WHICH ARE UPDATED YEARLY ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE ALEGENT CREIGHTON HEALTH REPRESENTATIVES HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT CREIGHTON HEALTH'S FINANCIAL ASSISTANCE POLICY THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH MERCY HOSPITAL		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH LASTING HOPE RECOVERY CTR		PART V, SECTION B, LINE 11H SIZE OF FAMILY IS ALSO USED IN THE CALCULATION

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW.ALEGENTCREIGHTON.COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS. LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION. COUNSELORS OF THE ALEGENT CREIGHTON HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS.

Identifier	ReturnReference	Explanation
ALEGENT HEALTH MERCY HOSPITAL		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW.ALEGENTCREIGHTON.COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS. LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION. COUNSELORS OF THE ALEGENT CREIGHTON HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS.

Identifier	ReturnReference	Explanation
ALEGENT HEALTH LASTING HOPE RECOVERY CTR		PART V, SECTION B, LINE 13G INFORMATION ABOUT THE FINANCIAL ASSISTANCE POLICY IS MADE AVAILABLE AT WWW.ALEGENTCREIGHTON.COM AND THROUGH BROCHURES PROVIDED AT THE MAIN PATIENT REGISTRATION AREAS LETTERS AND BILLING STATEMENTS SENT OUT TO PATIENTS INCLUDE A STATEMENT THAT FINANCIAL ASSISTANCE MAY BE AVAILABLE AND HOW TO OBTAIN ADDITIONAL INFORMATION COUNSELORS OF THE ALEGENT CREIGHTON HEALTH SYSTEM ALSO DISSEMINATE INFORMATION ON THE FINANCIAL ASSISTANCE POLICY TO PATIENTS

Identifier	ReturnReference	Explanation
ALEGENT HEALTH BERGAN MERCY MEDICAL CTR		PART V, SECTION B, LINE 20 DURING FISCAL YEAR ENDING JUNE 30, 2012, FIVE PATIENTS WERE IDENTIFIED AS BEING CHARGED MORE THAN THE AVERAGE OF THE BEST THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES AT ALEGENT HEALTH-BERGAN MERCY MEDICAL CENTER ALL FIVE PATIENTS WERE REFUNDED THE AMOUNT OVERCHARGED

Identifier	ReturnReference	Explanation
ALEGENT HEALTH MERCY HOSPITAL		PART V, SECTION B, LINE 20 DURING FISCAL YEAR ENDING JUNE 30, 2012, TWO PATIENTS WERE IDENTIFIED AS BEING CHARGED MORE THAN THE AVERAGE OF THE BEST THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES AT ALEGENT HEALTH MERCY HOSPITAL ONE PATIENT WAS REFUNDED THE AMOUNT OVERCHARGED, THE OTHER PATIENT QUALIFIED FOR 100% FINANCIAL ASSISTANCE AND THEREFORE NEVER INCURRED THE CHARGES

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 2 THE PROCESS TO DEVELOP ASSESSMENTS OF THE COMMUNITY HEALTH NEEDS (CHNA) IS COLLABORATIVE IN NATURE AND INVOLVES HEALTH DEPARTMENTS, EXISTING HEALTH COALITIONS, COMMUNITY MEMBERS AND HOSPITAL LEADERSHIP, AND IS SUPPORTED BY THE ALEGENT CREIGHTON HEALTH'S COMMUNITY BENEFIT AND HEALTHIER COMMUNITIES DEPARTMENT STAFF EACH ALEGENT CREIGHTON HEALTH HOSPITAL PARTICIPATES IN THE CHNA PROCESS FOR THE COUNTY IN WHICH THE FACILITY IS LOCATED AT LEAST EVERY 3 YEARS IN PARTNERSHIP WITH THE LOCAL HEALTH DEPARTMENTS THE ASSESSMENT VARIES IN EACH COMMUNITY BUT INCLUDES REVIEW OF PRIMARY DATA (SUCH AS SURVEYS, KEY INFORMANT INTERVIEWS, FOCUS GROUPS) AND SECONDARY DATA (SUCH AS COUNTY HEALTH RANKINGS, BRFRSS, YRBS, CENSUS DATA ETC) LEADERSHIP FROM ALEGENT CREIGHTON HEALTH PARTICIPATE IN MULTIPLE INTERNAL AND EXTERNAL VENUES TO GARNER COMMUNITY INPUT, PRIORITIZE COMMUNITY HEALTH NEEDS AND DEVELOP COMMUNITY HEALTH IMPROVEMENT PLANS THE CHNA REPORT FOR EACH COMMUNITY IS MADE AVAILABLE TO THE PUBLIC BY POSTING THE REPORT ON THE ALEGENT CREIGHTON HEALTH EXTERNAL WEBSITE AND BY MAKING IT AVAILABLE IN COMMUNITY VENUES THE CHNAS ARE INTEGRATED INTO THE GOVERNANCE AND PLANNING FOR ALEGENT CREIGHTON HEALTH ON TWO LEVELS- - REPORTING INTO THE COMMITTEE OF THE BOARD OF DIRECTORS CHARGED WITH HEALTH PLANNING OVERSIGHT -INTO THE ANNUAL STRATEGIC PLANNING AND BUDGETING PROCESSES OF ALEGENT CREIGHTON HEALTH PARTICULAR TO COUNTIES IN WHICH BERGAN MERCY MEDICAL CENTER AND MERCY HOSPITAL, COUNCIL BLUFFS, IA RESIDE, ALEGENT CREIGHTON HEALTH PARTNERS WITH LOCAL HEALTH DEPARTMENTS, LIVE WELL OMAHA AND COMPETING HEALTH SYSTEMS TO RETAIN PROFESSIONAL RESEARCH CONSULTANTS TO CONDUCT A CHNA FOR THE OMAHA/COUNCIL BLUFFS METROPOLITAN SERVICE AREA THE CHNA COVERS FOUR COUNTIES SERVED BY THE ALEGENT CREIGHTON HEALTH OMAHA AND COUNCIL BLUFFS HOSPITALS THE CHNA REPORTS DATA AT THE COUNTY LEVEL AND FOR DOUGLAS COUNTY, BY FOUR QUADRANTS WITHIN THE COUNTY ALEGENT CREIGHTON HEALTH LEADERS SERVE ON THE CHNA STEERING COMMITTEE AND PARTICIPATE IN KEY INFORMANT INTERVIEWS CONDUCTED AT HOSPITAL LOCATIONS THE CHNA IS SHARED IN MULTIPLE VENUES WITH THE PUBLIC, INCLUDING AT THE LIVE WELL OMAHA SUMMIT ALEGENT CREIGHTON HEALTH IS ONE OF THE FOUNDERS OF LIVE WELL OMAHA, A 35 MEMBER HEALTHY COMMUNITY COLLABORATION, AND CONTINUES TO BE A KEY FINANCIAL SUPPORTER AND MEMBER OF THE BOARD OF DIRECTORS IN ADDITION, ALEGENT CREIGHTON HEALTH HAS JOINED WITH LOCAL HEALTH SYSTEMS AND HEALTH DEPARTMENTS TO FUND THE WEB BASED COMMUNITY HEALTH DASHBOARD (HTTP //WWW DOUGLASCOHEALTH ORG/)</p>

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 3 THERE ARE SEVERAL FINANCIAL ASSISTANCE ACCESS POINTS THROUGHOUT A PATIENT'S CARE CYCLE. BILLS CONTAIN FINANCIAL ASSISTANCE VERBIAGE, SIGNS ARE POSTED IN CLINICS AND HOSPITALS, AND THERE IS INFORMATION ON FINANCIAL ASSISTANCE POSTED AT REGISTRATION POINTS THROUGHOUT CLINICS AND HOSPITALS. INFORMATION ON ALEGENT CREIGHTON HEALTH SYSTEM'S FINANCIAL ASSISTANCE POLICIES ARE LOCATED SEVERAL PLACES ON THE SYSTEM'S WEBSITE- WWW.ALEGENTCREIGHTON.COM. ALL EFFORTS ARE MADE TO ESTABLISH WHETHER PATIENTS ARE ELIGIBLE FOR FINANCIAL ASSISTANCE PRIOR TO SERVICE IF POSSIBLE, OTHERWISE AS SOON AS POSSIBLE FOLLOWING SERVICE. ALEGENT CREIGHTON HEALTH REPRESENTATIVES HELP PATIENTS SEEK REIMBURSEMENT FROM LOCAL, STATE AND FEDERAL PROGRAMS AT NO CHARGE TO THE PATIENT. AFTER THESE EFFORTS AND RESOURCES HAVE BEEN EXHAUSTED, PATIENTS ARE ASSISTED IN THE APPLICATION PROCESS FOR FINANCIAL ASSISTANCE CONSISTENT WITH ALEGENT CREIGHTON HEALTH'S FINANCIAL ASSISTANCE POLICY. THE APPLICATION PROCESS REQUIRES THAT THE PATIENT COMPLETE A PERSONAL FINANCIAL APPLICATION AND PROVIDE VERIFICATION DOCUMENTS. VERIFICATION INCLUDES EMPLOYMENT VERIFICATION AND OBTAINING DOCUMENTATION OF THE APPLICANT'S FINANCIAL CONDITION SUCH AS FEDERAL TAX RETURN, PAY STUB, NET WORTH AND/OR LIQUID ASSETS AND REASONABLE HOUSEHOLD OR BUSINESS EXPENSES. FINANCIAL ASSISTANCE MAY STILL BE GRANTED IN CERTAIN CIRCUMSTANCES INVOLVING A CATASTROPHIC OCCURRENCE RESULTING IN MEDICAL BILLS GROSSLY EXCEEDING THE PATIENT'S ABILITY TO PAY, AND IN THESE SITUATIONS, THE PATIENT'S RESPONSIBILITY WILL BE LIMITED TO 20% OF THE FAMILY'S GROSS ANNUAL INCOME.</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 ALEGENT CREIGHTON HEALTH SYSTEM SERVES THE EIGHT COUNTY GREATER OMAHA METROPOLITAN STATISTICAL AREA (MSA), WITH AN ESTIMATED POPULATION OF OVER 881,496, RANKING 60TH OUT OF 381 MSAS IN TOTAL POPULATION THE MSA CONSISTS OF 3 IOWA AND 5 NEBRASKA COUNTIES ON BOTH SIDES OF THE MISSOURI RIVER AND COVERS 4,363 SQUARE MILES NEARLY 1 3 MILLION PEOPLE LIVE WITHIN A 60-MILE RADIUS OF OMAHA CHARACTERIZED BY STEADY GROWTH, THE MSA GREW BY 14 9 PERCENT BETWEEN 2000 AND 2011, THE 2016 PROJECTED POPULATION IS MORE THAN 946,000, A 7 3 PERCENT INCREASE APPROXIMATELY 36 PERCENT OF THE POPULATION IS 25 YEARS OF AGE OR YOUNGER WITH A MEDIAN AGE OF 34 8 YEARS COMPARED TO A U S MEDIAN AGE OF 36 9 50 8% OF THE POPULATION IS FEMALE RACIAL MINORITIES COMPRISE ABOUT 17 4 PERCENT OF GREATER OMAHA'S POPULATION, INCLUDING AN AFRICAN-AMERICAN POPULACE OF 7 8 PERCENT AND APPROXIMATELY 9 6 PERCENT HISPANIC IN 2010 GREATER OMAHA HAD OVER 360,000 HOUSING UNITS THE MEDIAN HOUSEHOLD INCOME IS \$57,901 WHICH SURPASSES THE NATIONAL AVERAGE OF \$53,658, WITH A PER CAPITA INCOME OF \$27,915 GREATER OMAHA IS A WELL-EDUCATED COMMUNITY MORE THAN 91 PERCENT OF ADULTS, AGE 25 AND OLDER, ARE HIGH SCHOOL GRADUATES AND 35 9 PERCENT HAVE A BACHELOR'S DEGREE OR HIGHER, COMPARED TO 28 6 PERCENT NATIONALLY OMAHA IS HOME TO MANY MAJOR COMPANIES AND LARGE EMPLOYERS, INCLUDING SIX FORTUNE 500 COMPANIES, MAKING IT FOURTH IN THE NATION FOR NUMBER OF SUCH COMPANIES PER CAPITA

Identifier	ReturnReference	Explanation
		<p>PART VI, LINE 5 THE PRIMARY CARE PHYSICIAN CLINICS THAT ARE PART OF THE ALEGENT CREIGHTON HEALTH SYSTEM PARTICIPATE IN MEDICAL STUDENT PRECEPTORSHIPS THAT ADVANCE THE HEALTHCARE PROVIDER EDUCATION PROCESS THE ALEGENT CREIGHTON HEALTH SYSTEM HAS OPEN MEDICAL STAFFS AND IS ONE OF THE 3 HEALTH SYSTEMS THAT FUND THE OPERATIONS OF A COALITION THAT EXISTS TO PROVIDE ACCESS FOR THE PATIENTS OF 3 AREA FEDERALLY QUALIFIED COMMUNITY HEALTH CENTERS TO SPECIALTY PHYSICIAN SERVICES AND HOSPITAL BASED DIAGNOSTICS AND TREATMENT THE ALEGENT CREIGHTON HEALTH SYSTEM IS THE SOLE COMPREHENSIVE ACUTE MENTAL HEALTH PROVIDER IN THE OMAHA MSA AREA AND IS A JOINT VENTURE PARTNER IN A NOT-FOR-PROFIT HOSPICE INPATIENT HOSPITAL AND PROVIDES THE MANAGEMENT SUPPORT CONTRACT THE ALEGENT CREIGHTON HEALTH SYSTEM BUDGETS FOR AN EMERGENCY FUND AS A SUBSET OF OTHER COMMUNITY DONATIONS TO RESPOND TO CRISIS OR UNPLANNED FUNDING NEEDS OF A VITAL COMMUNITY SERVICE, WHICH WAS FIRST USED IN FY2010 WITH THE ECONOMIC DOWNTURN THE ALEGENT CREIGHTON HEALTH SYSTEM HAS A CURRENT COMMITMENT TO SET ASIDE UP TO 6% OF ITS EBIDA IN A GIVEN FISCAL YEAR FOR COLLABORATIVE INITIATIVES TO IMPROVE THE HEALTH OF THE COMMUNITIES SERVED, WHICH IS THE CATALYST FUND BOARD OF DIRECTORS - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM IS GOVERNED BY A BOARD OF DIRECTORS PRIMARILY COMPRISED OF VOLUNTEER MEMBERS OF OUR LOCAL COMMUNITY WHO ARE LEADERS IN THE FIELDS OF BUSINESS, HEALTHCARE, ACCOUNTING AND MEDICINE AND UNDERSTAND THEIR ROLE IN PROVIDING STRONG CORPORATE GOVERNANCE EMERGENCY DEPARTMENT - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM HOSPITALS HAVE FULL-TIME EMERGENCY DEPARTMENTS THAT ARE OPEN TO THE PUBLIC AND PROVIDE MEDICAL SCREENING EXAMINATIONS AND STABILIZING TREATMENT WITHIN THE CAPABILITIES AND CAPACITY OF THE HOSPITALS REGARDLESS OF BUT NOT LIMITED TO THE PATIENT'S RACE, COLOR, SEX, AGE, AND/OR ABILITY TO PAY THE HOSPITALS ARE IN COMPLIANCE WITH THE FEDERAL EMTALA REGULATIONS IN ADDITION, ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM, TOGETHER WITH UNRELATED HOSPITALS IN THE AREA, WORKS CLOSELY WITH LOCAL FIRE AND RESCUE DEPARTMENTS TO ENSURE THAT AMBULANCES TAKE PATIENTS TO THE APPROPRIATE HOSPITAL THIS IS GENERALLY THE HOSPITAL THAT IS CLOSEST GEOGRAPHICALLY WITH EXCEPTIONS BASED ON PATIENT PREFERENCE, PATIENT'S PHYSICIAN PREFERENCE, AND CAPACITY OR THE AVAILABILITY OF SPECIALIZED FACILITIES OR PROGRAMS RELATED TO THE PATIENT'S CONDITION FINALLY, ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM MAINTAINS DETAILED PROCEDURES REGARDING WHEN AND UNDER WHAT CIRCUMSTANCES A PATIENT CAN BE TRANSFERRED UNDER THIS POLICY, NO PATIENT WILL BE TRANSFERRED BASED ON RACE, CREED, RELIGION OR ABILITY TO PAY MEDICAL STAFF - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM MAINTAINS AN OPEN MEDICAL STAFF ALL QUALIFIED MDS, DOS, OTHER HEALTHCARE PRACTITIONERS, AND MID-LEVEL PRACTITIONERS ARE ELIGIBLE TO APPLY FOR PRIVILEGES AT THE HOSPITALS ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM'S POLICY ON PHYSICIAN CREDENTIALING IS THAT NO INDIVIDUAL IS TO BE DENIED MEDICAL STAFF APPOINTMENT BASED ON SEX, RACE, CREED, COLOR OR NATIONAL ORIGIN THE STANDARDS A PHYSICIAN MUST MEET FOR APPOINTMENT RELATE TO (1) EDUCATIONAL QUALIFICATIONS AND LICENSING, (2) PROFESSIONAL COMPETENCE, (3) CHARACTER, (4) ETHICAL STANDING, AND (5) ABILITY TO RELATE TO AND WORK WITH OTHERS APPLICATIONS ARE REVIEWED AT SEVERAL LEVELS WITHIN THE ORGANIZATION PHYSICIANS WHO HAVE BEEN GRANTED STAFF PRIVILEGES AUTOMATICALLY BECOME MEMBERS OF THE MEDICAL STAFF AT THE HOSPITAL(S) FOR WHICH PRIVILEGES HAVE BEEN GRANTED</p>

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 THE SENIOR LEADERSHIP OF THE INDIVIDUAL HOSPITALS IS ENGAGED IN THE COMMUNITY NEEDS ASSESSMENT PROCESS THAT IS SUPPORTED BY THE ALEGENT CREIGHTON HEALTH SYSTEM COMMUNITY BENEFIT AND HEALTHIER COMMUNITIES DEPARTMENT (SEE PART VI-2/COMMUNITY NEEDS ASSESSMENT) EACH HOSPITAL PARTICIPATES IN THE DEVELOPMENT OF THE COMMUNITY HEALTH IMPROVEMENT ACTION PLAN TO ADDRESS THE NEEDS IDENTIFIED IN THE ASSESSMENT FOR THEIR PARTICULAR COMMUNITY THE HOSPITAL IS INVOLVED IN SHARED SYSTEM-WIDE BUDGET DECISION MAKING TO MEET THE PRIORITIZED COMMUNITY HEALTH NEEDS IN COLLABORATION WITH COMMUNITY PARTNERS THE CORPORATE SUPPORT AND COMMUNITY BENEFIT FUNCTION ARE FUNDED FROM THE OPERATIONS OF THE INDIVIDUAL HOSPITALS THE INDIVIDUAL HOSPITALS BECOME MORE INVOLVED IN SPECIFIC STRATEGIC RESPONSES THROUGH THE SERVICES THEY PROVIDE AND THEIR PARTICIPATION IN THE COALITIONS AND THE COMMUNITY HEALTH IMPROVEMENT PLAN FOR THEIR SERVICE AREA

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	IA,NE

**Grants and Other Assistance to Organizations,
Governments and Individuals in the United States**
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

2011

Open to Public Inspection

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number	47-0484764
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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.

[illegible]

2	Enter total number of section 501(c)(3) and government organizations listed in the line 1 table	▶	<u>1</u>
3	Enter total number of other organizations listed in the line 1 table	▶	0

Part III

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

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) SCHOLARSHIPS	6	3,600			
(2) MERCY FUND DISTRIBUTIONS	39	15,087			
(3) CHARITY CARE	13719		54,706,333	BOOK	REDUCTION OR WRITE OFF OF PATIENT SERVICES

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 MOST DISBURSEMENTS IN FURTHERANCE OF THE ORGANIZATION'S EXEMPT PROGRAMS ARE MADE DIRECTLY IN THE ACTIVE CONDUCT OF THE ACTIVITIES CONSTITUTING THE EXEMPT PURPOSE OR FUNCTION OF THE ORGANIZATION OTHERWISE, DISTRIBUTIONS IN FURTHERANCE OF THE INSTITUTION'S EXEMPT PROGRAMS ARE MADE IN ACCORDANCE WITH PROCEDURES OR SUBJECT TO CONDITIONS ESTABLISHED BY THE INSTITUTION'S GOVERNING BOARD OR MANAGEMENT DESIGNED TO ENSURE THAT RECIPIENTS OF SUCH DISBURSEMENTS FROM THE ORGANIZATION ARE ADEQUATELY INVESTIGATED AND GRANTED TO QUALIFIED RECIPIENTS THE BERGAN MERCY AUXILIARY TEEN SCHOLARSHIP PROGRAM WAS SET UP IN 1986 BY BERGAN MERCY THE PURPOSE OF THE SCHOLARSHIP PROGRAM IS TO PROVIDE COLLEGE SCHOLARSHIPS TO TEEN VOLUNTEERS WHO HAVE VOLUNTEERED THEIR SERVICES AT BERGAN MERCY MEDICAL CENTER IN ORDER TO RECEIVE A SCHOLARSHIP IN THIS PROGRAM, THE APPLICANT MUST BE AN ACTIVE VOLUNTEER THROUGHOUT ALL THE YEARS THEY DO SERVICE, INCLUDING THEIR SENIOR YEAR IF A STUDENT IS TO DROP OUT OF THE PROGRAM OR IS TO BE DISMISSED, THEY ARE NOT ELIGIBLE FOR THE SCHOLARSHIPS MERCY FUND DISTRIBUTIONS ARE ESTABLISHED FOR THE DISBURSEMENT OF ALEGENT HEALTH BERGAN MERCY AUXILIARY MONIES FOR PATIENT ASSISTANCE THAT IS COMPLIANT WITH ALEGENT HEALTH POLICIES AND PROCEDURES, INTERNAL REVENUE SERVICE (IRS) REGULATIONS AND OTHER APPLICABLE FEDERAL, STATE, AND LOCAL LAWS AND REGULATIONS
		ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM RECOGNIZES THE RIGHT TO QUALITY HEALTHCARE REGARDLESS OF AGE, SEX, RACE, RELIGION, NATIONAL ORIGIN, OR ABILITY TO PAY BUSINESS OFFICE STAFF HELP PATIENTS SEEK LOCAL, STATE, AND FEDERAL REIMBURSEMENT AT NO CHARGE WHEN NO OTHER SOURCE OF PAYMENT IS AVAILABLE FINANCIAL ASSISTANCE IS PROVIDED TO PATIENTS WITH DEMONSTRATED INABILITY TO PAY FOR MEDICALLY NECESSARY SERVICES THESE FUNDS ARE DIRECTLY USED TO OFFSET THE PATIENTS ACCOUNTS RECEIVABLE ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM OCCASIONALLY DISTRIBUTES FUNDS TO OTHER 501(C)(3) ORGANIZATIONS THESE DISTRIBUTIONS ARE MONITORED TO ENSURE THEY ARE BEING USED AS SPECIFIED BY THE ORGANIZATION

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
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

Part I

Questions Regarding Compensation

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

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.

[illegible]

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
	PART I, LINE 1A	AS PART OF THE EXECUTIVE COMPENSATION ARRANGEMENT, EXECUTIVES ARE PROVIDED WITH A SET SUM, APPROXIMATELY 30 - 40% OF THEIR BASE SALARY, WHICH CAN BE USED TO ELECT VARIOUS BENEFITS. SOME OF THE BENEFITS AVAILABLE FOR ELECTION INCLUDE HEALTH CLUB DUES, AUTOMOBILE ALLOWANCE, HOUSING ALLOWANCE, FINANCIAL PLANNING FEES AND LEGAL FEES. PAYMENT FOR THESE BENEFITS ARE EITHER MADE DIRECTLY BY ALEGENT CREIGHTON HEALTH OR REIMBURSED TO THE EXECUTIVE AFTER THE APPROPRIATE SUBSTANTIATION FOR THE EXPENSE IS PROVIDED. THE AMOUNT PAID FOR THESE BENEFITS IS INCLUDED IN THE EXECUTIVE'S WAGES AS TAXABLE INCOME.
	PART I, LINES 4A-B	THE FOLLOWING REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS AS EXECUTIVES OF ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2011 CALENDAR YEAR AND THESE SEVERANCE PAYMENTS WERE INCLUDED IN THE INDIVIDUAL'S W-2 INCOME AND REPORTABLE AS COMPENSATION ON SCHEDULE J: RICHARD HACHTEN II - \$346,579; FRED HOSLER, MD - \$539,806; MARK KESTNER, MD - \$131,578; MARTIN HICKEY, MD - \$475,218. SEVERANCE PAID TO RICHARD HACHTEN II IN CALENDAR YEAR 2011 RELATES TO A CORRECTION MADE TO REPORT ADDITIONAL SEVERANCE OWED TO HIM FROM A PREVIOUS SEPARATION OF SERVICE. THE ADDITIONAL SEVERANCE WAS REPORTED ON A CORRECTED W-2C AND APPLICABLE TAXES WERE SUBMITTED TO THE IRS. PART I, LINE 4B: THE FOLLOWING REPORTABLE INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FROM ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2011 CALENDAR YEAR. AMOUNTS DEFERRED FROM THE PLAN WERE INCLUDED IN COLUMN C OF THE SCHEDULE J FOR THE FOLLOWING INDIVIDUALS: RICHARD HACHTEN II - \$141,223; SCOTT WOOTEN - \$58,678; JANE CARMODY - \$19,974; NANCY WALLACE - \$19,182; RICK MILLER, MD - \$36,480; RICHARD ROLSTON, MD - \$40,680; KENNETH LAWONN - \$47,270; JOAN NEUHAUS - \$53,374; MARIE KNEDLER - \$26,297; SHEREE KEELY - \$12,538; PAUL STRAWHECKER - \$4,772; ELIZABETH LLEWELLYN - \$14,770; PATRICIA MASEK - \$12,614; PAUL EBMEIER - \$22,752. PART I, LINE 4B: THE FOLLOWING REPORTABLE INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN FROM ALEGENT CREIGHTON HEALTH (A RELATED ORGANIZATION) DURING THE 2011 CALENDAR YEAR. THE FOLLOWING AMOUNTS WERE PAID OUT OF THE SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN AND INCLUDED IN TAXABLE WAGES OF THE INDIVIDUAL: RICHARD HACHTEN II - \$116,268; SCOTT WOOTEN - \$48,613; JANE CARMODY - \$3,877; NANCY WALLACE - \$13,759; RICK MILLER, MD - \$9,841; LARRY BROWN, MD - \$12,411; KENNETH LAWONN - \$39,892; JOAN NEUHAUS - \$41,947; MARIE KNEDLER - \$22,238; SHEREE KEELY - \$10,915; ELIZABETH LLEWELLYN - \$12,916; PATRICIA MASEK - \$10,956; PAUL EBMEIER - \$20,451; MARTIN HICKEY, MD - \$50,630.
	PART I, LINE 5	PHYSICIANS EMPLOYED BY ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE ELIGIBLE FOR QUARTERLY PRODUCTIVITY BONUSES BASED ON INDIVIDUAL QUALITY MANAGEMENT, WHICH INCLUDE CORE MEASURES, REVENUE, PHYSICIAN REFERRAL AND ATTENDANCE AT MEETINGS. THE CORE MEASURES USED TO DETERMINE THE PHYSICIAN BONUSES ARE NATIONALLY ACCEPTED MEASURES OF PHYSICIAN PRODUCTIVITY.
	PART I, LINE 6	COMPENSATION FOR MEMBERS OF MANAGEMENT OF ALEGENT CREIGHTON HEALTH AND RELATED ENTITIES IS DETERMINED AT A SYSTEM LEVEL. MEMBERS OF ALEGENT CREIGHTON HEALTH MANAGEMENT ARE ELIGIBLE FOR AN ANNUAL INCENTIVE BONUS. INCENTIVE AWARDS ARE BASED ON FOUR INDIVIDUAL PERFORMANCE MEASURES WHICH ARE LINKED TO FOUR SYSTEM PERFORMANCE GOALS. FOR EACH MANAGER, 75% OF THE INCENTIVE AWARD WILL BE DETERMINED BY SYSTEM PERFORMANCE GOALS AND 25% DETERMINED BY INDIVIDUAL PERFORMANCE MEASURES. ONE OF THE FOUR SYSTEM PERFORMANCE GOALS IS DEPENDENT ON THE FINANCIAL RESULTS OF THE ENTIRE ALEGENT CREIGHTON HEALTH SYSTEM FOR THE FISCAL YEAR.
SUPPLEMENTAL INFORMATION	PART III	SCHEDULE J, PART I, LINE 3: ALEGENT CREIGHTON HEALTH GOVERNANCE OF EXECUTIVE COMPENSATION. ACTING AS PRUDENT STEWARDS OF ITS FINANCIAL RESOURCES, THE ALEGENT CREIGHTON HEALTH BOARD COMPENSATION COMMITTEE RECOMMENDS AND THE BOARD EXECUTIVE COMMITTEE APPROVES EXECUTIVE COMPENSATION PHILOSOPHY, POLICY AND GUIDELINES. IT DOES SO WITH THE OBJECTIVE OF ATTRACTING AND RETAINING TOP EXECUTIVE TALENT TO ENSURE ALEGENT CREIGHTON HEALTH IS ABLE TO FULFILL ITS FAITH-BASED MISSION AND ACHIEVE ITS VISION OF BECOMING WORLD-CLASS. THE ALEGENT CREIGHTON HEALTH COMPENSATION COMMITTEE FOLLOWS A THOROUGH AND INTENTIONAL PROCESS THAT INCLUDES CONSULTATION WITH INDEPENDENT, EXPERT COUNSEL AND CAREFULLY COMPARES COMPENSATION LEVELS TO MARKET-BASED COMPENSATION OF SIMILAR SIZED, NON-PROFIT AND FOR-PROFIT HEALTH SYSTEMS AND ALSO UTILIZES A BLEND OF NON-PROFIT AND GENERAL INDUSTRY DATA FOR EXECUTIVE ROLES WHERE THE RECRUITING MARKET IS ARGUABLY BROADER THAN THE NON-PROFIT SECTOR. TOTAL COMPENSATION INCLUDES BASE COMPENSATION, AND ALSO INCLUDES PERFORMANCE-BASED INCENTIVE COMPENSATION FOR ACHIEVING BOARD-SET GOALS FOR CLINICAL QUALITY, PATIENT SAFETY AND SATISFACTION, PHYSICIAN PERCEPTION, STRATEGIC AND FACILITY PLANNING AND FINANCIAL PERFORMANCE. IT MAY ALSO INCLUDE OTHER CASH PAYMENTS SUCH AS ONE-TIME RELOCATION COSTS. SCHEDULE J, PART II: THE ALEGENT CREIGHTON HEALTH EXECUTIVES HAVE A PROVISION IN THEIR COMPENSATION AGREEMENT THAT PROVIDES FOR POTENTIAL SEVERANCE PAYMENTS IN THE EVENT OF TERMINATION WITHOUT CAUSE OR CHANGE OF CONTROL. THE AMOUNT OF SEVERANCE AN EXECUTIVE MAY OR MAY NOT RECEIVE IF TERMINATED ACCORDING TO THE COMPENSATION AGREEMENT IS INCLUDED AS DEFERRED COMPENSATION IN COLUMN C.

Software ID:

Software Version:

EIN: 47-0484764

Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
ANTHONY HATCHER DO	(i)	0	0	0	0	0	0	0
	(ii)	414,921	0	26,849	0	21,333	463,103	0
RICHARD HACHTEN II	(i)	335,151	209,505	294,178	137,212	8,302	984,348	224,927
	(ii)	354,509	221,607	311,191	145,138	8,781	1,041,226	237,920
SCOTT WOOTEN	(i)	177,152	104,216	62,655	55,886	10,646	410,555	23,624
	(ii)	187,384	110,236	66,275	59,114	11,261	434,270	24,989
JOAN NEUHAUS	(i)	166,885	89,819	54,499	87,019	2,728	400,950	20,385
	(ii)	176,525	95,007	57,647	92,046	2,886	424,111	21,562
KENNETH LAWONN	(i)	141,731	84,301	48,521	54,923	2,079	331,555	19,386
	(ii)	149,918	89,171	51,324	58,095	2,199	350,707	20,506
RICHARD ROLSTON MD	(i)	171,886	43,036	13,491	616,406	10,451	855,270	0
	(ii)	181,816	45,522	14,270	652,011	11,055	904,674	0
RICK MILLER MD	(i)	115,215	61,605	21,088	29,139	14,971	242,018	4,782
	(ii)	121,870	65,163	22,306	30,822	15,836	255,997	5,059
JANE CARMODY	(i)	122,244	24,866	17,385	9,712	6,457	180,664	1,884
	(ii)	129,305	26,302	18,389	21,010	6,831	201,837	1,993
PAUL STRAWHECKER	(i)	35,722	0	3,324	160,364	640	200,050	0
	(ii)	37,786	0	3,516	169,627	677	211,606	0
MARIE KNEDLER	(i)	141,008	51,444	30,941	70,688	10,539	304,620	10,807
	(ii)	149,151	54,416	32,728	74,771	11,148	322,214	11,431
SHEREE KEELY	(i)	60,975	24,204	18,950	16,368	6,142	126,639	5,304
	(ii)	64,499	25,602	20,044	17,314	6,497	133,956	5,611
ELIZABETH LLEWELLYN	(i)	73,594	29,482	23,415	19,535	5,069	151,095	6,276
	(ii)	77,844	31,185	24,768	20,663	5,362	159,822	6,639
PATRICIA MASEK	(i)	70,231	26,100	16,203	24,531	7,912	144,977	5,324
	(ii)	74,287	27,608	17,139	25,948	8,369	153,351	5,632
PAUL EBMEIER	(i)	0	0	0	0	0	0	0
	(ii)	258,789	93,516	41,373	59,855	22,797	476,330	20,451
NANCY WALLACE	(i)	88,489	38,354	34,849	26,701	6,219	194,612	6,686
	(ii)	93,599	40,570	36,862	28,243	6,578	205,852	7,073
JOSEPH HOAGBIN MD	(i)	123,113	0	7,538	7,144	5,101	142,896	0
	(ii)	130,226	0	7,973	7,556	5,396	151,151	0
ENEH OKORUWA MD	(i)	498,840	50,000	33,730	17,436	24,897	624,903	0
	(ii)	0	0	0	0	0	0	0
CHAKRAVARTHI PURETI MD	(i)	431,138	0	16,001	12,250	11,574	470,963	0
	(ii)	0	0	0	0	0	0	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
SRIRAMAMURTHY RAVIPATI MD	(i)	379,514	0	24,905	19,600	25,759	449,778	0
	(ii)	0	0	0	0	0	0	0
MARK OTTO MD	(i)	323,619	50,000	7,444	14,700	2,764	398,527	0
	(ii)	0	0	0	0	0	0	0
UMAJYOTHI INDUKURI MD	(i)	368,413	0	11,111	4,900	18,999	403,423	0
	(ii)	0	0	0	0	0	0	0
LARRY BROWN MD	(i)	0	0	0	0	0	0	0
	(ii)	344,187	236,382	70,193	17,304	27,312	695,378	12,411
FRED HOSLER MD	(i)	0	0	262,571	0	432	263,003	262,327
	(ii)	0	0	277,738	0	457	278,195	277,479
MARK KESTNER MD	(i)	0	0	63,942	811	0	64,753	63,942
	(ii)	0	0	67,636	858	0	68,494	67,363
MARTIN HICKEY MD	(i)	0	0	255,543	0	0	255,543	255,543
	(ii)	0	0	270,304	0	0	270,304	270,304
FRANK EMSICK	(i)	80,555	21,588	10,685	5,813	2,287	120,928	0
	(ii)	85,208	22,834	11,302	6,149	2,420	127,913	0

Schedule L
(Form 990 or 990-EZ)

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MICHAEL DEFREECE-BOARD MEMBER	HCARD, LLC - OFFICER	182,831	SUPPLIER PAYMENT NETWORK		No

Part V

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

Identifier	Return Reference	Explanation
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2011

Open to Public Inspection

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.

Name of the organization

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number

47-0484764

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	SR PHYLLIS HUGHES AND PAUL EDGETT III - BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	THE SOLE MEMBER OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM IS CATHOLIC HEALTH INITIATIVES. CATHOLIC HEALTH INITIATIVES DOES NOT HAVE ANY VOTINGS RIGHTS AS A MEMBER OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM. INSTEAD CATHOLIC HEALTH INITIATIVES ELECTS 50% OF THE DIRECTORS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE BUSINESS AND AFFAIRS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE MANAGED BY OR UNDER THE DIRECTION OF THE ALEGENT CREIGHTON HEALTH BOARD OF DIRECTORS, AND ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DELEGATES TO THE ALEGENT BOARD OF DIRECTORS, TO THE EXTENT PERMITTED BY LAW, COMPLETE GOVERNANCE AUTHORITY OVER IT, SUBJECT ONLY TO THE APPROVAL POWERS OF THE ALEGENT CORPORATE MEMBERS SET FORTH IN THE ARTICLES OF INCORPORATION AND BYLAWS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DIRECTORS SHALL BE APPOINTED BY THE ALEGENT BOARD IMMEDIATELY FOLLOWING THE APPOINTMENT AND RATIFICATION BY ALEGENT CORPORATE MEMBERS OF THE ALEGENT DIRECTORS PURSUANT TO THE ARTICLES OF INCORPORATION AND BYLAWS OF ALEGENT THE ALEGENT BOARD SHALL APPOINT DIRECTORS SUCH THAT, AT ALL TIMES , ALL OF THE PERSONS SERVING AS ALEGENT DIRECTORS ALSO SHALL BE SERVING AS DIRECTORS OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	<p>THE FOLLOWING ACTIONS SHALL BE EFFECTIVE ONLY IF APPROVED BY THE ALEGENT BOARD AND BY BOTH IMMANUEL HEALTH SYSTEMS (IHS) AND CATHOLIC HEALTH INITIATIVES (CHI) IN THEIR CAPACITIES AS ALEGENT CORPORATE MEMBERS A ADOPTION OR AMENDMENT OF THE UNIFIED PHILOSOPHY AND MISSION OF THE CORPORATION, B SALE, LEASE, TRANSFER, ENCUMBRANCE OR DISPOSITION OF THE TANGIBLE PROPERTY OR INVESTMENTS OF THE CORPORATION HAVING A FAIR MARKET VALUE IN ANY INDIVIDUAL TRANSACTION IN EXCESS OF \$3 MILLION OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, PROVIDED THAT TRANSFERS OF INVESTMENTS BETWEEN THE CORPORATION AND ANOTHER PARTICIPANT SHALL NOT REQUIRE THE APPROVAL OF CHI AND IHS, AND PROVIDED FURTHER THAT APPROVAL OF CHI AND IHS SHALL NOT BE REQUIRED FOR ANY TRANSFER OF ASSETS TO CHI BY THE CORPORATION PURSUANT TO THE TERMS OF THE ALEGENT FINANCING AGREEMENT (AFA), C INCURRENCE, ASSUMPTION OR GUARANTY BY THE CORPORATION IN ANY INDIVIDUAL TRANSACTION OF LONG-TERM INDEBTEDNESS, INCLUDING CAPITAL LEASES, OUTSTANDING FOR MORE THAN 365 DAYS, IN EXCESS OF THE GREATER OF \$2 MILLION OR 2% OF THE TOTAL LONG-TERM INDEBTEDNESS OF ALL THE PARTICIPANTS, OR SUCH GREATER AMOUNT AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, D MERGER, DISSOLUTION, CONSOLIDATION OR SALE OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF THE CORPORATION EXCEPT FOR A MERGER IN WHICH (I) THE CORPORATION IS THE SURVIVING ENTITY, AND (II) THE TOTAL BOOK VALUE OF THE ASSETS OF THE MERGING ENTITY DOES NOT EXCEED 2% OF THE TOTAL BOOK VALUE OF THE ASSETS OF ALL THE PARTICIPANTS, OR SUCH GREATER VALUE AS MAY BE DETERMINED FROM TIME TO TIME BY CHI AND IHS, AND E NOTWITHSTANDING ANY OTHER PROVISIONS IN THE BYLAWS TO THE CONTRARY THE ACTIONS THAT CAN BE TAKEN WITHOUT THE APPROVAL OF IHS AND CHI INCLUDE, WITHOUT LIMITATION (I) TERMINATION OF THE AFA IN ACCORDANCE WITH ITS TERMS (II) FORMATION OF THE UNIFIED ALEGENT CREIGHTON HEALTH SYSTEM (AS THAT TERM IS DEFINED IN THE AFA) (III) PREPAYMENT BY THE CORPORATION OF THE FULL AMOUNTS OUTSTANDING ON ITS NOTES TO CHI UNDER THE AFA, FOR PURPOSES OF EXERCISING THE RIGHTS OF TERMINATION OF THE AFA, OR FORMATION OF THE UNIFIED ALEGENT CREIGHTON HEALTH SYSTEM CREDIT, AND THE TAKING OF ALL ACTIONS NECESSARY OR APPROPRIATE TO OBTAIN FUNDING OR OTHERWISE MAKE ARRANGEMENTS TO PREPAY SUCH NOTES INCLUDING WITHOUT LIMITATION INCURRENCE OF INDEBTEDNESS NECESSARY OR APPROPRIATE TO PREPAY THE NOTES OUTSTANDING</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	TAX RETURNS FOR ENTITIES OF THE ALEGENT CREIGHTON HEALTH SYSTEM ARE PREPARED BY THE SYSTEM TAX DEPARTMENT. FOLLOWING THE PREPARATION OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM FORM 990 BY INTERNAL TAX STAFF, THE RETURN IS REVIEWED BY THE TAX DIRECTOR AND THE CHIEF FINANCIAL OFFICER. THE FINAL TAX RETURN IS POSTED ON THE ELECTRONIC DIRECTOR'S PORTAL TO BE REVIEWED BY THE BOARD OF DIRECTORS AND PRESENTED AT THE FINANCE AND AUDIT COMMITTEE OF THE BOARD. THE CHIEF FINANCIAL OFFICER AND TAX DIRECTOR ARE PRESENT AT THE FINANCE AND AUDIT COMMITTEE MEETING TO ANSWER ANY QUESTIONS THE COMMITTEE MAY HAVE. ADDITIONALLY, THE BOARD OF DIRECTORS ARE REFERRED TO THE ALEGENT CREIGHTON HEALTH TAX DIRECTOR IF THEY HAVE QUESTIONS AND THE BOARD IS NOTIFIED OF THE DATE THE FINAL FORM 990 WILL BE FILED.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	WRITTEN CONFLICT OF INTEREST POLICY - ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM HAS ADOPTED THE CONFLICT OF INTEREST POLICY AND CONFLICT INVESTIGATION PROCESS OF ALEGENT CREIGHTON HEALTH, THE PARENT CORPORATION OF THE ALEGENT CREIGHTON HEALTH SYSTEM. ANNUAL COMPLETION OF THE DISCLOSURE STATEMENT IS REQUIRED BY THE BOARD OF DIRECTORS. STATED DISCLOSURES ARE INVESTIGATED BY THE ALEGENT CREIGHTON HEALTH COMPLIANCE OFFICER AND REPORTED TO THE CONFLICTS OF INTEREST COMMITTEE. THE CONFLICTS OF INTEREST COMMITTEE REVIEWS THE INVESTIGATION AND MAKES RECOMMENDATIONS TO THE GOVERNANCE COMMITTEE. THE GOVERNANCE COMMITTEE MAKES THE FINAL DETERMINATION OF WHETHER OR NOT THERE IS A DISQUALIFYING EVENT AND COMMUNICATES IT TO THE BOARD OF DIRECTORS. AT ANY TIME A BOARD MEMBER OR KEY EMPLOYEE MAY DECLARE A CONFLICT OF INTEREST AND RECUSE HIS/HERSELF FROM THE DISCUSSION. THE INDIVIDUAL IS ALSO REQUIRED TO DISCLOSE ANY KNOWN OR POSSIBLE CONFLICTS OF INTEREST THAT ARISE DURING THE CALENDAR YEAR.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE GOVERNING BOARD OF ALEGENT CREIGHTON HEALTH ENGAGED THE SERVICES OF AN INDEPENDENT CONSULTING FIRM THAT HOLDS ITSELF OUT TO THE PUBLIC AS A COMPENSATION CONSULTANT THAT IS QUALIFIED TO AND REGULARLY PERFORMS EXECUTIVE AND OFFICER COMPENSATION STUDIES THE CONSULTING FIRM CONDUCTED A REVIEW AND ANALYSIS OF THE TOTAL COMPENSATION PAID TO THE CEO AND OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION, BASED ON COMPARABLE COMPENSATION FOR SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS AND DETERMINED THAT THE COMPENSATION WAS REASONABLE THE CONSULTING FIRM ISSUED AN OPINION LETTER AS TO THE REASONABLENESS OF THE TOTAL COMPENSATION PAID TO EMPLOYEES IDENTIFIED AS DISQUALIFIED PERSONS THE OPINION LETTER SETTING FORTH THE FINDINGS WAS REVIEWED AND APPROVED BY THE COMPENSATION COMMITTEE OF THE GOVERNING BOARD CONTEMPORANEOUS DOCUMENTATION AND RECORDKEEPING WITH RESPECT TO DELIBERATIONS AND DECISIONS REGARDING THE COMPENSATION ARRANGEMENTS WERE MAINTAINED THIS PROCESS WAS USED FOR THE FOLLOWING EMPLOYEES PRESIDENT AND CHIEF EXECUTIVE OFFICER SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER CHIEF EXECUTIVE OFFICER ALEGENT CREIGHTON CLINIC SENIOR VICE PRESIDENT AND CHIEF OPERATIONS OFFICER SENIOR VICE PRESIDENT STRATEGY AND TECHNOLOGY VICE PRESIDENT OPERATIONS (BERGAN MERCY & MERCY) VICE PRESIDENT OPERATIONS (IMMANUEL) VICE PRESIDENT OPERATIONS (LAKESIDE) VICE PRESIDENT OPERATIONS (MIDLANDS) MEDICAL DIRECTORS</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE CONFLICT OF INTEREST POLICY IS MADE AVAILABLE TO THE PUBLIC ON THE WEBSITE AT WWW.ALEGENTCREIGHTON.COM. ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM DOES NOT MAKE THE FINANCIAL STATEMENTS OR GOVERNING DOCUMENTS AVAILABLE TO THE PUBLIC. HOWEVER, THE ARTICLES OF INCORPORATION ARE AVAILABLE AT WWW.SOS.STATE.NE.US

Identifier	Return Reference	Explanation
	PART VII, SECTION A	EXECUTIVES AND SOME EMPLOYEES OF THE ALEGENT CREIGHTON HEALTH SYSTEM SPLIT THEIR HOURS WORKED BETWEEN THE FILING ORGANIZATION AND AFFILIATE ORGANIZATIONS OF THE SYSTEM THE FOLLOWING EXECUTIVES AND EMPLOYEES WORKED AN AVERAGE OF 31 HOURS FOR AFFILIATED ORGANIZATIONS RICHARD HACHTEN II, SCOTT WOOTEN, KENNETH LAWONN, JOAN NEUHAUS, RICHARD ROLSTON, MD, RICK MILLER, MD, JANE CARMODY , PAUL STRAWHECKER, MARIE KNEDLER, SHEREE KEELY , ELIZABETH LLEWELLYN, PATRICIA MASEK, FRANK EMSICK, NANCY WALLACE LARRY BROWN, MD, IS A FORMER EXECUTIVE FOR ALEGENT CREIGHTON HEALTH, BUT IN HIS CURRENT ROLE AS A KEY EMPLOYEE AND PHYSICIAN OF THE SYSTEM, HE WORKS AN AVERAGE OF 60 HOURS FOR AN AFFILIATE ORGANIZATION PAUL EBMEIER IS CONSIDERED A KEY EMPLOYEE TO THE ALEGENT CREIGHTON HEALTH SYSTEM BUT WORKS PRIMARILY AN AVERAGE OF 60 HOURS A WEEK FOR AN AFFILIATE ORGANIZATION ANTHONY HATCHER, MD IS AN EMPLOYED PHYSICIAN OF THE ALEGENT CREIGHTON HEALTH SYSTEM AND HIS HOURS ARE SPLIT BETWEEN THE FILING ORGANIZATION AND AFFILIATE ORGANIZATIONS OF THE SYSTEM AVERAGE HOURS PER WEEK FOR AFFILIATE ORGANIZATIONS ARE 54

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -8,390,506 EQUITY IN CHANGES OF ALEGENT CREIGHTON HEALTH -27,564,323 TRANSFERS TO AFFILIATE ORGANIZATIONS 18,678,500 JOA CAPITAL EXPENDITURES 330,000 TOTAL TO FORM 990, PART XI, LINE 5 -16,946,329

Identifier	Return Reference	Explanation
	FORM 990, PART I, LINE 5 AND PART V, LINE 2A	THE EMPLOYEES LISTED IN PART I, LINE 5 AND PART V, LINE 2A ARE EMPLOYED BY ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM HOWEVER, THROUGH A COMMON PAY AGENT AGREEMENT, THE EMPLOYEES ARE PAID BY ALEGENT CREIGHTON HEALTH AND PAYROLL EXPENSES ARE ALLOCATED TO ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM

Identifier	Return Reference	Explanation
	FORM 990, PART V, LINE 1C	PAYMENTS TO VENDORS FOR ENTITIES THAT ARE PART OF THE ALEGENT CREIGHTON HEALTH SYSTEM ARE MADE BY ALEGENT CREIGHTON HEALTH, THEREFORE NO FORM 1099S ARE ISSUED BY ALEGENT HEATLH-BERGAN MERCY HEALTH SYSTEM ALEGENT CREIGHTON HEALTH FILES THE FORM 1099S AND COMPILES WITH THE BACKUP WITHHOLDING RULES FOR REPORTABLE PAYMENTS TO VENDORS AND GAMING WINNINGS THE 1099S ISSUED BY ALEGENT CREIGHTON HEALTH ON BEHALF OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM ARE REPORTED TO THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 16	ALEAGENT CREIGHTON HEALTH HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES. HOWEVER, ALEAGENT CREIGHTON HEALTH'S SYSTEM-WIDE JOINT VENTURE MODEL INCORPORATES CONTROLS OVER THE VENTURE SUFFICIENT TO ENSURE THAT (1) THE EXEMPT ORGANIZATION AT ALL TIMES RETAINS CONTROL OVER THE VENTURE SUFFICIENT TO ENSURE THAT THE PARTNERSHIP FURTHERS THE EXEMPT PURPOSE OF THE ORGANIZATION, (2) IN ANY PARTNERSHIP IN WHICH THE EXEMPT ORGANIZATION IS A PARTNER, ACHIEVEMENT OF EXEMPT PURPOSE IS PRIORITIZED OVER MAXIMIZATION OF PROFITS FOR THE PARTNERS, (3) THE PARTNERSHIP DOES NOT ENGAGE IN ANY ACTIVITIES THAT WOULD JEOPARDIZE THE EXEMPT ORGANIZATION'S EXEMPTION, (4) RETURNS OF CAPITAL, ALLOCATIONS AND DISTRIBUTIONS MUST BE MADE IN PROPORTION TO THE PARTNER'S RESPECTIVE OWNERSHIP INTERESTS, AND (5) ALL CONTRACTS ENTERED INTO BY THE PARTNERSHIP WITH THE EXEMPT ORGANIZATION MUST BE AT ARM'S LENGTH, WITH PRICES SET AT FAIR MARKET VALUE.

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
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Employer identification number
47-0484764

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	
See Additional Data Table												

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ALEGENT HEALTHCREIGHTON ST JOSEPH MANAGED CARE SERVICES INC 12809 WEST DODGE ROAD OMAHA, NE 68164 47-0802396	MANAGED CARE SERVICES	NE	ALEGENT CREIGHTON HEALTH	C			

Part V

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

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

1

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

a

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

b

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

c

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

d

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

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

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

j

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

k

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

l

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

m

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

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

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

r

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

Yes

No

1a

Yes

1b

No

1c

Yes

1d

Yes

1e

No

1f

No

1g

No

1h

No

1i

Yes

1j

Yes

1k

Yes

1l

Yes

1m

Yes

1n

Yes

1o

Yes

1p

Yes

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) AVANTAS LLC	A	92,527	FAIR MARKET VALUE
(2) AVANTAS LLC	D	2,774,000	FAIR MARKET VALUE
(3) AVANTAS LLC	L	1,297,625	FAIR MARKET VALUE
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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Software ID:

Software Version:

EIN: 47-0484764

Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

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	
ALEGENT HEALTH-IMMANUEL MEDICAL CENTER 6901 N 72ND STREET OMAHA, NE 68122 47-0376615	LICENSED HOSPITAL	NE	501 (C)(3)	L3	ALEGENT CREIGHTON HEALTH		No
ALEGENT CREIGHTON HEALTH 12809 WEST DODGE ROAD OMAHA, NE 68154 47-0757164	LICENSED HOSPITAL/ADIMINSTRATIVE SUPPORT	NE	501 (C)(3)	L3	N/A		No
ALEGENT CREIGHTON CLINIC 12809 WEST DODGE ROAD OMAHA, NE 68154 47-0765154	CLINICAL SERVICES	NE	501 (C)(3)	L3	ALEGENT CREIGHTON HEALTH		No
ALEGENT HEALTH FOUNDATION 12809 WEST DODGE ROAD OMAHA, NE 68154 47-0648586	SUPPORT OF ALEGENT HEALTH AND AFFILIATES EXEMPT ACTIVITIES	NE	501 (C)(3)	L7	ALEGENT CREIGHTON HEALTH		No
ALEGENT HEALTH-MERCY HOSPITAL CORNING IA 603 ROSARY DRIVE CORNING, IA 50841 42-0782518	LICENSED HOSPITAL	IA	501 (C)(3)	L3	ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	Yes	
MERCY HEALTH CARE FOUNDATION CORNING IA 603 ROSARY DRIVE CORNING, IA 50841 42-1461064	SUPPORT OF ALEGENT HEALTH-MERCY HOSPITAL, CORNING, IA EXEMPT ACTIVITIES	IA	501 (C)(3)	L11 I	ALEGENT HEALTH- MERCY HOSPITAL CORNING IA		No
ALEGENT HEALTH MEMORIAL HOSPITAL SCHUYLER NE 104 WEST 17TH STREET SCHUYLER, NE 68661 47-0399853	LICENSED HOSPITAL	NE	501 (C)(3)	L3	ALEGENT HEALTH- IMMANUEL MEDICAL CENTER		No
SCHUYLER MEMORIAL HOSPITAL FOUNDATION INC 104 WEST 17TH STREET SCHUYLER, NE 68661 36-3630014	SUPPORT OF ALEGENT HEALTH-MEMORIAL HOSPITAL, SCHUYLER EXEMPT ACTIVITIES	NE	501 (C)(3)	L11 I	ALEGENT HEALTH MEMORIAL HOSPITAL SCHUYLER NE		No
ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MO VALLEY IA 631 NORTH 8TH STREET MISSOURI VALLEY, IA 51555 42-0776568	LICENSED HOSPITAL	IA	501 (C)(3)	L3	ALEGENT HEALTH- IMMANUEL MEDICAL CENTER		No
COMMUNITY MEMORIAL HOSPITAL MEDICAL SERVICE FOUNDATION MISSOURI VALLEY IA 631 NORTH 8TH STREET MISSOURI VALLEY, IA 51555 42-1294399	SUPPORT OF ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MISSOURI VALLEY,	IA	501 (C)(3)	L11 I	ALEGENT HEALTH COMMUNITY MEMORIAL HOSPITAL OF MO VALLEY IA		No
MERCY HOSPITAL FOUNDATION 800 MERCY DRIVE COUNCIL BLUFFS, IA 51503 42-1178204	SUPPORT OF ALEGENT HEALTH-BERGAN MERCY HEALTH SYSTEM	IA	501 (C)(3)	L11 I	ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income (\$)	(g) Share of end- of-year assets (\$)	(h) Disproportionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 (\$)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
AVANTAS LLC 11128 JOHN GALT BLVD STE 400 OMAHA, NE 68137 39-2045003	STAFFING OF NURSES	NE	ALEAGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	RELATED	1,479,316	4,983,084		No	- 945,424	Yes		95 000 %
LAKESIDE AMBULATORY SURGICAL CENTER LLC 17030 LAKESIDE HILLS PLZ STE 206 OMAHA, NE 68130 20-4267902	AMBULATORY SURGICAL CENTER	NE	ALEAGENT CREIGHTON HEALTH	N/A				No			No	
LAKESIDE ENDOSCOPY CENTER LLC 17001 LAKESIDE HILLS PLAZA STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SERVICES	NE	ALEAGENT CREIGHTON HEALTH	N/A				No			No	
OMAHA AMBULATORY INVESTMENT COMPANY LLC 12809 WEST DODGE ROAD OMAHA, NE 68154 06-1786989	PARENT HOLDING COMPANY ASC	NE	ALEAGENT CREIGHTON HEALTH	N/A				No			No	
ALEAGENT HEALTH NORTHWEST IMAGING CENTER LLC 3606 N 156TH STREET STE 104 OMAHA, NE 68154 06-1786985	DIAGNOSTIC TESTING FACILITY	NE	ALEAGENT CREIGHTON HEALTH	N/A				No			No	
PRAIRIE HEALTH VENTURES LLC 421 SOUTH 9TH STREET STE 102 LINCOLN, NE 68508 20-4962103	PROFESSIONAL TECH SERVICES	NE	ALEAGENT HLTH- IMMANUEL MEDICAL CENTER	N/A				No			No	
BERGAN MERCY SURGERY CENTER LLC 7710 MERCY ROAD STE 100 OMAHA, NE 68124 20-8671994	AMBULATORY SURIGICAL CENTER	NE	OMAHA AMBULATORY INVESTMENT COMPANY LLC	N/A				No			No	
NEBRASKA SPINE LLC 6901 N 72ND STREET STE 20300 OMAHA, NE 68122 27-0263191	SPINE HOSPITAL	NE	ALEAGENT CREIGHTON HEALTH	N/A				No			No	

Form

4562

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2011

Attachment
Sequence No 179

Department of the Treasury
Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Name(s) shown on return
ALEGENT HEALTH- BERGAN MERCY HEALTH
SYSTEM

Business or activity to which this form relates

FORM 990 PAGE 10

Identifying number

47-0484764

Part I

Election To Expense Certain Property Under Section 179

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

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

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

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

Part II

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

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

Part III

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

Section A

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

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

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

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

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

Part IV

Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	0
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

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

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No						24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No			
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost	
25Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25		
26 Property used more than 50% in a qualified business use									
		%							
		%							
		%							
27 Property used 50% or less in a qualified business use									
		%				S/L -			
		%				S/L -			
		%				S/L -			
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						28			
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29		

Section B—Information on Use of Vehicles

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

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

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

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

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

Part VI Amortization

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



**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Financial Statements

June 30, 2012 and 2011

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Board of Directors
Alegent Health – Bergan Mercy Health System and Affiliates

We have audited the accompanying consolidated balance sheets of Alegent Health – Bergan Mercy Health System and Affiliates (Health System) as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Health System's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of CHI Operating Investment Program Limited Partnership (a 3% owned limited partnership) at June 30, 2012. The Health System's investment in CHI Operating Investment Program Limited Partnership at June 30, 2012 was \$157,426 and its equity in income of CHI Operating Investment Program Limited Partnership was \$2,934 for the year ended June 30, 2012. The financial statements of CHI Operating Investment Program Limited Partnership were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CHI Operating Investment Program Limited Partnership for 2012, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Health System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors for 2012, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alegent Health – Bergan Mercy Health System and Affiliates as of June 30, 2012 and 2011, and the results of their operations 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 as a whole. The supplementary information included in Exhibits I, II, and III is presented for purposes of additional analysis and is 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Omaha, Nebraska
September 13, 2012

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2012 and 2011

(Amounts in thousands)

Assets	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 68,846	\$ 53,637
Patient accounts receivable, net of allowance for uncollectible accounts of \$36,816 in 2012 and \$30,474 in 2011	49,727	49,447
Intercompany receivable	7,791	2,585
Other accounts receivable	3,519	1,558
Inventories	8,502	10,299
Prepaid expenses	276	140
Total current assets	<u>138,661</u>	<u>117,666</u>
Assets limited as to use:		
Investment in CHI limited partnership	157,426	231,958
Other investments	105,951	2,212
Total assets limited as to use	<u>263,377</u>	<u>234,170</u>
Property and equipment:		
Land	3,349	3,349
Land improvements	13,809	12,418
Buildings and improvements	403,117	395,373
Equipment	173,506	183,254
Construction in progress	1,052	7,286
	<u>594,833</u>	<u>601,680</u>
Less accumulated depreciation	<u>309,401</u>	<u>295,807</u>
Property and equipment, net	<u>285,432</u>	<u>305,873</u>
Other assets:		
Investment in joint ventures	250	250
Investment in Alegant Health	27,850	50,159
Other assets	51	53
Total other assets	<u>28,151</u>	<u>50,462</u>
Total assets	<u><u>\$ 715,621</u></u>	<u><u>\$ 708,171</u></u>

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Balance Sheets

June 30, 2012 and 2011

(Amounts in thousands)

Liabilities and Net Assets	2012	2011
Current liabilities:		
Current portion of long-term debt	\$ 6,527	\$ 6,222
Accounts payable	4,974	3,826
Accrued salaries, wages, and benefits	1,041	649
Accrued vacation and sick leave	—	157
Estimated third-party payor settlements	8,976	4,242
Other liabilities and accrued expenses	10,208	6,737
Total current liabilities	31,726	21,833
Long-term debt, net of current portion	167,375	173,898
Other long-term liabilities	2,437	3,481
Total liabilities	201,538	199,212
Net assets:		
Unrestricted	509,117	503,561
Temporarily restricted	3,175	3,607
Permanently restricted	1,791	1,791
Total net assets	514,083	508,959
Total liabilities and net assets	\$ 715,621	\$ 708,171

See accompanying notes to consolidated financial statements.

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Operations

Years ended June 30, 2012 and 2011

(Amounts in thousands)

	<u>2012</u>	<u>2011</u>
Unrestricted revenues, gains, and other support		
Net patient service revenue	\$ 466,506	\$ 451,907
Cafeteria, building rental, sales to nonpatients, and other	50,301	40,682
Total revenues, gains, and other support	<u>516,807</u>	<u>492,589</u>
Operating expenses		
Salaries and wages	163,280	164,680
Employee benefits	45,766	45,824
Supplies	86,437	83,385
Purchased services	50,735	43,508
Professional services	22,318	19,421
Provision for bad debts	34,713	29,225
Other expenses	20,692	15,310
Depreciation and amortization	40,012	40,850
Rentals and leases	8,155	8,124
Interest	7,579	6,794
Equity in operating loss of Alegent Health	(5,179)	9,098
Total operating expenses	<u>474,508</u>	<u>466,219</u>
Operating income	<u>42,299</u>	<u>26,370</u>
Other income (loss).		
Interest and investment income	1,311	254
Equity in income of investment limited partnership	2,934	33,647
Other, net	(252)	(111)
Equity in other income of Alegent Health	77	820
Total other income, net	<u>4,070</u>	<u>34,610</u>
Excess of revenues over expenses, before joint operating agreement adjustment	46,369	60,980
Joint operating agreement adjustment	<u>(32,737)</u>	<u>(19,785)</u>
Excess of revenues over expenses	13,632	41,195
Other changes in unrestricted net assets		
Contributions for the purchase of property and equipment	4	39
Net assets released from restrictions for the purchase of property and equipment	990	—
Joint operating agreement adjustment – capital expenditures	330	17,406
Transfers from (to) other Alegent affiliates	18,679	(39,360)
Equity in other changes in unrestricted net assets of Alegent Health	(28,079)	45,395
Other	—	175
Increase in unrestricted net assets	<u>\$ 5,556</u>	<u>\$ 64,850</u>

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Changes in Net Assets

Years ended June 30, 2012 and 2011

(Amounts in thousands)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Balance, June 30, 2010	\$ 438,711	\$ 3,151	\$ 1,791	\$ 443,653
Excess of revenues over expenses	41,195	—	—	41,195
Contributions for the purchase of property and equipment	39	—	—	39
Contributions restricted by donor	—	28	—	28
Joint operating agreement adjustment – capital expenditures	17,406	—	—	17,406
Net assets released from restrictions for use in operations	—	(27)	—	(27)
Transfers to other Alegant affiliates	(39,360)	—	—	(39,360)
Equity in other changes in net assets of Alegant Health	45,395	455	—	45,850
Other	175	—	—	175
	<u>64,850</u>	<u>456</u>	<u>—</u>	<u>65,306</u>
Balance, June 30, 2011	503,561	3,607	1,791	508,959
Excess of revenues over expenses	13,632	—	—	13,632
Contributions for the purchase of property and equipment	4	—	—	4
Net assets released from restrictions for the purchase of property and equipment	990	(990)	—	—
Contributions restricted by donor	—	63	—	63
Joint operating agreement adjustment – capital expenditures	330	—	—	330
Net assets released from restrictions for use in operations	—	(19)	—	(19)
Transfers from other Alegant affiliates	18,679	—	—	18,679
Equity in other changes in net assets of Alegant Health	(28,079)	514	—	(27,565)
	<u>5,556</u>	<u>(432)</u>	<u>—</u>	<u>5,124</u>
Balance, June 30, 2012	\$ 509,117	\$ 3,175	\$ 1,791	\$ 514,083

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidated Statements of Cash Flows

Years ended June 30, 2012 and 2011

(Amounts in thousands)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Increase in net assets	\$ 5,124	\$ 65,306
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	40,012	40,850
Provision for bad debts	34,713	29,225
Equity in income of investment limited partnership	(2,934)	(33,647)
Contributions restricted by donor	(63)	(28)
Contributions for the purchase of property and equipment	(4)	(39)
Joint operating agreement adjustment – capital expenditures	(330)	(17,406)
Transfers to other Alegant affiliates	(18,679)	39,360
Equity in other changes in net assets of Alegant Health	27,565	(45,850)
Change in unrealized gains and losses on investments	(1,233)	—
Other changes in net assets	—	(175)
Decrease (increase) in current assets		
Receivables		
Patients	(34,993)	(26,871)
Affiliates	(5,206)	33,321
Other	(1,961)	430
Inventories	1,797	(724)
Prepaid expenses	(136)	140
Increase (decrease) in liabilities		
Accounts payable	(572)	(2,735)
Accrued salaries, wages, and benefits	392	558
Accrued vacation and sick leave	(157)	62
Estimated third-party payor settlements	4,734	1,690
Other liabilities and accrued expenses	3,471	(978)
Net cash provided by operating activities	<u>51,540</u>	<u>82,489</u>
Cash flows from investing activities		
Purchase of assets limited as to use	(102,588)	(28,038)
Sale of assets limited as to use	77,548	20,721
Additions to property and equipment	(17,847)	(40,721)
Equity in other changes in net assets of Alegant Health	(27,565)	45,850
Decrease (increase) in investment in Alegant Health	22,309	(37,572)
Decrease (increase) in other long-term assets and liabilities	(1,042)	1,727
Net cash used in investing activities	<u>(49,185)</u>	<u>(38,033)</u>
Cash flows from financing activities		
Principal payments on long-term debt	(6,223)	(2,882)
Proceeds from long-term debt	5	11,124
Transfers to (from) from other Alegant affiliates	18,679	(39,360)
Joint operating agreement adjustment – capital expenditures	330	17,406
Restricted contributions	63	28
Other changes in net assets	—	175
Net cash provided by (used in) financing activities	<u>12,854</u>	<u>(13,509)</u>
Net increase in cash and cash equivalents	15,209	30,947
Cash and cash equivalents, beginning of year	<u>53,637</u>	<u>22,690</u>
Cash and cash equivalents, end of year	<u>\$ 68,846</u>	<u>\$ 53,637</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest (net of amount capitalized)	\$ 7,579	\$ 6,794

See accompanying notes to consolidated financial statements

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

(1) Organization

Alegent Health – Bergan Mercy Health System and Affiliates (Health System) is a not-for-profit organization that operates a health care delivery system in eastern Nebraska and western Iowa. The sole corporate member of the Health System is Catholic Health Initiatives (CHI). The mission of CHI is to nurture the healing ministry of the Church, bringing it new life, energy, and viability in the 21st century. CHI is committed to fidelity to the Gospel, with emphasis on human dignity and social justice in the creation of healthier communities. CHI is sponsored by a lay-religious partnership, calling on other Catholic sponsors and systems to unite to ensure the future of Catholic health care.

The consolidated financial statements include the accounts of the following entities or operating divisions:

Alegent Health – Bergan Mercy Health System and Affiliates (which includes)
The Archbishop Bergan Mercy Medical Center, Omaha, Nebraska
Alegent Health – Mercy Hospital, Council Bluffs, Iowa
Avantas, LLC
Alegent Health – Mercy Hospital, Corning, Iowa

Significant intercorporate accounts and transactions have been eliminated in consolidation.

As discussed in note 3, the Health System has entered into a Joint Operating Agreement with Alegent Health – Immanuel Medical Center (Immanuel) forming the Alegent Health system (Alegent).

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Health System. These policies are in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

(a) Use of Estimates

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

(b) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of 12 months or less.

(c) Investments

At June 30, 2012 and 2011, 60% and 99% of the Health System's investment portfolio is invested in the CHI investment limited partnership, respectively (note 4). Investment in the CHI investment

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

limited partnership is recorded using the equity method of accounting with the related equity in income reported as other income in the accompanying consolidated financial statements

During the year ended June 30, 2012, the Health System invested in a fixed income commingled fund structured as a common trust fund which is recorded in other investments on the consolidated balance sheets. Upon investing in the fund, the Health System elected the fair value option as allowed by U.S. GAAP to record its interest in the fund at fair value. The Health System elected to record this investment at fair value in order to measure this investment at amounts that more accurately reflect the nature of the investment. The financial reporting results of accounting for the investment under fair value are consistent with the results if the Health System had utilized the equity method. In order to estimate fair value, the Health System utilizes net asset value as reported by the fund manager, as a practical expedient to fair value. As the Health System has elected to record this investment at fair value, changes in fair value of this investment are recorded in investment and other income, which is included within excess of revenue and expenses, in the consolidated statements of operations. The Health System has the ability to liquidate its interest in the fund each quarter with 30 days notice. The Health System had not committed any additional funding to this fund as of June 30, 2012.

(d) Inventories

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

(e) Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method based on the following useful lives:

Land improvements	10 – 40 years
Buildings and improvements	5 – 40 years
Equipment	3 – 20 years

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. During the years ended June 30, 2012 and 2011, the Health System capitalized approximately \$146 and \$1,270, respectively, of interest.

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

**ALEGENT HEALTH –
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

those long-lived assets must be maintained. expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service

(f) *Investment in Joint Ventures*

The Health System has invested in certain joint ventures and accounts for such investments using either the cost or the equity method of accounting based on the relative percentage of ownership and the level of influence over the investee

(g) *Long-Lived Assets*

Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Health System first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

(h) *Temporarily and Permanently Restricted Net Assets*

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

Temporarily and permanently restricted net assets held by the Health System are recorded and accounted for in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 958-205, *Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act and Enhanced Disclosures for All Endowment Funds*.

The Health System holds endowment funds for support of its programs and operations. As required by U.S. GAAP, net assets and the changes therein associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System has interpreted UPMIFA as requiring the preservation of the whole dollar value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Health System classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations. Absent any donor-imposed restrictions, interest, dividends, and net appreciation are deemed

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appropriated for expenditure when earned. In accordance with UPMIFA, the Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) the duration and preservation of the endowment fund,
- (2) the purposes of the Health System and the donor-restricted endowment fund,
- (3) general economic conditions,
- (4) the possible effect of inflation or deflation,
- (5) the expected total return from income and the appreciation of investments,
- (6) other resources of the Health System, and
- (7) the investment policies of the Health System.

(i) Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

(j) Net Patient Service Revenue

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

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(k) *Charity Care – Benefits for the Poor and Underserved*

The Health System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Health System does not pursue collection of amounts once determined to qualify as charity care, they are not reported as revenue in the consolidated statements of operations. The cost of services and supplies furnished under the Health System's charity policy aggregated approximately \$17,187 and \$15,650 in 2012 and 2011, respectively.

(l) *Excess of Revenues over Expenses*

The consolidated statements of operations include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses consistent with industry practice, include unrealized gains and losses on investments other than trading securities and securities in which the fair value option has been elected, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions, which by donor restriction were to be used for the purpose of acquiring such assets), and certain joint operating agreement settlements.

(m) *Estimated Malpractice Costs*

The provision for estimated medical malpractice claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

(n) *Fair Value of Financial Instruments*

The carrying amounts of cash and cash equivalents, accounts receivable, estimated third-party payor settlements, and payables approximate fair value due to the short duration of these instruments. Fair value for investments is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The carrying amount of the investment in the CHI investment limited partnership is recorded on the equity method which equals the net asset value reported by the limited partnership, which approximates fair value. The fair value of long-term debt as of June 30, 2012 and 2011 is approximately \$178,160 and \$186,893, respectively.

The Health System follows the provisions of ASC Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(o) *Asset Retirement Obligations*

The Health System recognizes the fair value of liabilities for legal obligations associated with asset retirements in the period in which it is incurred, if a reasonable estimate of the fair value of the obligation can be made. Over time, the obligation is accreted to its present value each period. Upon

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settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations. The Health System's obligations relate to estimates of the costs to abate clinical and administrative facilities containing asbestos and to replace underground storage tanks. At June 30, 2012 and 2011, this long-term liability totaled \$1.687 and \$1.732, respectively.

(p) Income Taxes

All affiliated entities (note 1) have been recognized as not-for-profit corporations by the Internal Revenue Service (IRS) as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code, except Avantas, LLC. Avantas, LLC is a multi-member limited liability company treated as a partnership and therefore is not subject to federal and state income taxes.

The Health System recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Such tax positions, which are more than 50% likely of being realized, are measured at their highest value. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. During 2012 and 2011, management determined that there are no income tax positions requiring recognition in the consolidated financial statements.

(3) Joint Operating Agreement

The Health System has entered into a Joint Operating Agreement (the Agreement) with Immanuel for purposes of creating and operating an integrated health care delivery system.

Under the terms of the Agreement, the consolidated operating results and capital expenditures of the Health System and Immanuel are shared on an equal basis. Each entity continues to own its respective assets and is responsible for its own liabilities.

The Agreement provides for, among other things, joint management of the Health System, Immanuel, and Alegent Health, a separate not-for-profit corporation as described in Section 501(c)(3) of the Code. Alegent was established to improve the health status of the community through the development of a network to provide integrated health care services to the Midlands region. Alegent operates certain community health care clinics, Midlands Community Hospital located in Papillion, Nebraska, Lakeside Hospital and Alegent Health Foundation in Omaha, Nebraska, and provides management services to the Health System. The Health System and Immanuel are the sole corporate members of Alegent.

In connection with the activities and events described above, certain administrative functions of the Health System and Immanuel are performed at Alegent. These administrative functions include human resources, information systems, planning and marketing, legal, system management, accounting and finance, and other centralized functions. During 2012 and 2011, approximately \$80,207 and \$75,740, respectively, of such expenses were charged back to the Health System, at cost, and are reflected in operating expenses in the accompanying consolidated statements of operations.

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The Agreement contains provisions related to dissolution that generally provide for distribution of the assets based on fair market value. Distribution percentages vary depending upon the manner in which dissolution occurs (note 15).

In connection with the Agreement, the Health System has recorded an adjustment to excess of revenues over expenses of \$(32,737) and \$(19,785) for the years ended June 30, 2012 and 2011, respectively, representing the sharing of the operating results of the Health System and Immanuel. In addition, \$330 and \$17,406 have been reflected as adjustments to net assets in 2012 and 2011, respectively, which reflect the sharing of capital expenditures for the same periods.

The Health System has recorded its 50% share of the income (loss) of Alegent Health and Affiliates of \$5,256 and \$(8,278) for the years ended June 30, 2012 and 2011, respectively, which is reflected as equity in operating income and other income of Alegent in the accompanying consolidated statements of operations.

At June 30, 2012 and 2011, the Health System had recorded an intercorporate receivable of \$7,791 and \$2,585, respectively, as a result of these transactions.

(4) Assets Limited as to Use

The composition of assets limited as to use at June 30, 2012 and 2011 is set forth in the following table:

	<u>2012</u>	<u>2011</u>
Assets limited as to use		
Investment in CHI investment limited partnership	\$ 157,426	\$ 231,958
Fixed income common trust fund	103,879	—
Cash and cash equivalents	—	285
Other	2,072	1,927
Total	<u>\$ 263,377</u>	<u>\$ 234,170</u>

The Health System has an undivided interest in the CHI investment limited partnership. The Health System accounts for its investment in the investment partnership using the equity method of accounting. At June 30, 2012 and 2011, the value of the CHI investment limited partnership approximated \$5.5 billion and \$6.0 billion, respectively, with the Health System's ownership interest approximating 3% for 2012 and 9% for 2011. The Health System's investment in the CHI investment limited partnership is comprised of the following as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Fixed income	\$ 81,287	\$ 107,884
Equity	76,139	124,074
Total	<u>\$ 157,426</u>	<u>\$ 231,958</u>

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The CHI investment limited partnership is comprised of the following investment classifications as of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	5%	9%
Common stocks	41	40
Corporate and other bonds	10	11
U S government securities	3	3
Fixed income funds	20	15
Hedge funds	8	8
Private equity funds	6	6
Real estate funds	4	4
Foreign currency exchange contracts	2	3
Other	1	1
Total	<u>100%</u>	<u>100%</u>

Investment income, gains, and losses for assets limited as to use and cash and cash equivalents are comprised of the following for the years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Consolidated statements of operations		
Interest and investment income	\$ 1,311	\$ 254
Equity in income of investment limited partnership	<u>2,934</u>	<u>33,647</u>
Total investment income	<u>\$ 4,245</u>	<u>\$ 33,901</u>

(5) Net Patient Service Revenue

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

(a) Medicare

Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. In addition, Alegant Health – Mercy Hospital, Inc., Corning, Iowa, has been designated a Critical Access Hospital and, accordingly, is reimbursed its cost of providing services to Medicare beneficiaries.

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(b) Nebraska and Iowa Medicaid

Nebraska and Iowa inpatient and Iowa outpatient services rendered to Medicaid program beneficiaries are primarily paid at prospectively determined rates per discharge or procedure. Certain Nebraska outpatient services are reimbursed based on a percentage rate representing the average ratio of cost to charges discounted by 18%. Physician clinic services are paid based on fee schedule amounts. The hospitals designated as Critical Access Hospitals are reimbursed based on their reasonable costs.

Revenue from the Medicare and Medicaid programs accounted for approximately 32% and 9%, respectively, of the Health System's net patient service revenue for the year ended June 30, 2012, and approximately 31% and 10%, respectively, of the Health System's net patient service revenue for the year ended June 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2012 and 2011 net patient service revenue increased approximately \$3.018 and \$1.137, respectively, due to the removal of allowances previously estimated that were no longer necessary as a result of final settlements and years that are no longer subject to audits, reviews, and investigations.

The Health System also has 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.

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

	<u>2012</u>	<u>2011</u>
Gross patient charges		
Inpatient charges	\$ 737,995	\$ 722,397
Outpatient charges	<u>570,732</u>	<u>519,345</u>
Total gross patient charges	1,308,727	1,241,742
Less		
Deductions from gross patient charges		
Contractual adjustments – Medicare, Medicaid, and other	<u>842,221</u>	<u>789,835</u>
Net patient service revenue	<u>\$ 466,506</u>	<u>\$ 451,907</u>

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(6) Long-Term Debt

Long-term debt as of June 30, 2012 and 2011 consists of the following

	<u>2012</u>	<u>2011</u>
Notes payable to CHI, due in varying monthly installments through December 1, 2028, with a weighted average yield of 4.35% during 2012	\$ 63,747	\$ 68,142
Notes payable to CHI, due in varying monthly installments through December 1, 2039, with a weighted average yield of 4.35% during 2012	107,365	109,170
Other long-term obligations	<u>2,790</u>	<u>2,808</u>
Total long-term debt	173,902	180,120
Less current maturities	<u>6,527</u>	<u>6,222</u>
Long-term debt, excluding current maturities	<u>\$ 167,375</u>	<u>\$ 173,898</u>

The Health System, Immanuel, and Alegent have entered into the Alegent Financing Agreement (AFA) with CHI, which provides access to the capital markets. Under the terms of the AFA, the Health System is defined as a Participant and Alegent and Immanuel as Designated Affiliates. These categories define the level of participation and control of CHI. The terms of the AFA require the Alegent system to meet certain financial covenants and ratios and provide other limits relating to additional indebtedness and transfers of property, among others.

On November 10, 2009, Bergan, Immanuel, and Alegent issued additional promissory notes to CHI for \$282 million. During 2010, Bergan received approximately \$100 million of its \$111 million in debt proceeds from CHI, and the remaining \$11 million in debt proceeds was received during 2011 as financed assets were placed into service.

Under the terms of the AFA, each party has issued promissory notes to CHI. The obligations issued under the AFA represent the individual obligations of the issuer. In the unlikely event that CHI would have insufficient funds to make required payments on its financial obligations, the Health System, Immanuel, Alegent, and all other Participants and Designated Affiliates of CHI may be required to contribute funds to CHI to enable it to meet its obligations.

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Scheduled principal payments on long-term debt for the next five years and thereafter are approximately as follows

2013	\$	6,527
2014		9,600
2015		7,193
2016		7,552
2017		7,923
Thereafter		135,107

(7) Retirement Plans

(a) *Alegent Health Retirement 403(b) Plan*

Beginning January 1, 2010, the Health System participates in the Alegent 403(b) savings plan. Participating employees can contribute a portion of their salary to the plan, subject to IRS regulations. The Health System makes matching contributions up to a maximum of 3% based on salary and a fixed contribution up to 6% based on years of service. Pension expense related to this plan for the years ended June 30, 2012 and 2011 was \$7,096 and \$6,370, respectively.

(b) *Alegent Health Multioptional Pension Plan*

The Health System participates in the Alegent multioptional pension plan covering substantially all of the Health System's employees. During 2009, Alegent's board of directors approved a resolution to freeze the plan effective January 1, 2010. Generally, employees were eligible for participation after completing one year of service in which the employee completes 1,000 hours or more of service and had attained the age of 19. This Plan covered eligible employees as of January 1, 2010. For each plan year, a retirement benefit was provided for as a percentage of the eligible participant's annual compensation. Employee contributions to the plan were not permitted except for certain rollover provisions. Benefits earned under the plan are available to participants at a normal retirement age of 65, with early retirement available to participants who have reached the age of 55 and are 100% vested. Benefits vest after three years of service. Pension expense for the Health System for this plan for the years ended June 30, 2012 and 2011 was \$716 and \$1,016, respectively. Separate information applicable to the Health System is not available.

(8) Fair Value Measurements

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Health System has the ability to access at the measurement date.

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- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The investment in the fixed income common trust fund is valued based on the fund's net asset value, as supplied by the trust and this valuation is reviewed by the Health System's management and used as a practical expedient to fair value. Classification as Level 2 is based on the Health System's ability to redeem its interest in the near term.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. There were no transfers between Level 1 and Level 2 measurements during the year end June 30, 2012.

The following tables present assets and liabilities that are measured at fair value on a recurring basis at June 30, 2012 and 2011.

		Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	June 30, 2012			
Assets				
Cash and cash equivalents	\$ 68,846	\$ 68,813	\$ 33	\$ —
Assets limited as to use				
Fixed income common trust fund	103,879	—	103,879	—
Other	2,072	—	2,072	—
Total	<u>\$ 174,797</u>	<u>\$ 68,813</u>	<u>\$ 105,984</u>	<u>\$ —</u>

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		Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	June 30, 2011			
Assets				
Cash and cash equivalents	\$ 53,637	\$ 53,467	\$ 170	\$ —
Assets limited as to use				
Cash and cash equivalents	285	23	262	—
Investment funds	17	—	17	—
Other	1,910	—	1,910	—
Total	\$ 55,849	\$ 53,490	\$ 2,359	\$ —

(9) Concentrations of Credit Risk

The Health System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30, 2012 and 2011 approximated the following:

	2012	2011
Medicare	32%	33%
Medicaid	18	17
Managed care	29	30
Self-pay	20	19
Commercial and other	1	1
	100%	100%

(10) Insurance Programs

The Health System participates in a centralized risk management program sponsored by Alegent for its hospital professional and general liability insurance coverage. The program provides for a deductible of \$2,000 per occurrence, with annual aggregates of \$4,000 for general liability and \$6,000 for hospital professional liability. In addition, the program has excess coverage purchased from the commercial insurance market providing for \$30,000 per occurrence and in the aggregate. In the event that the current policy is not renewed or replaced with equivalent insurance, claims based on occurrences during its term but reported subsequently will be uninsured. The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial study.

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The Health System participates with Alegant in a workers' compensation self-insurance program, which provides coverage for all workers' compensation claims. Coverage is provided through a self-insurance program for both Nebraska and Iowa with a fronting policy whereby the responsibility for the initial \$450 of each claim resides with the workers' compensation self-insurance program. A specific stop-loss agreement covers claims amounts in excess of \$450 up to each state's statutory requirements. The Health System has established reserves for possible losses on both asserted and unasserted claims based upon an independent actuarial study.

The Health System is also self-insured under its employee group health and dental programs. Included in the accompanying consolidated statements of operations are estimates of the ultimate costs for both reported claims and claims incurred but not yet reported at year-end related to such claims.

Management of the Health System is presently not aware of any unasserted general and professional liability or group health, dental, or workers' compensation claims that would have a material adverse impact on the accompanying consolidated financial statements.

(11) Laws and Regulations

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

(12) Functional Expenses

The Health System provides health care services primarily to residents within its geographic location. Expenses included in the consolidated statements of operations as they relate to provision of these services are as follows for the years ended June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 420,364	\$ 414,690
General and administrative	54,144	51,529
Total operating expenses	<u>\$ 474,508</u>	<u>\$ 466,219</u>

(13) Meaningful Use of Certified Electronic Health Record Technology Incentive Payments

The American Recovery and Reinvestment Act of 2009 provides for Medicare and Medicaid incentive payments beginning in 2011 to certain hospitals and professionals that implement and achieve meaningful use of certified electronic health record (EHR) technology in ways that demonstrate improved quality and

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effectiveness of care. Eligibility for annual Medicare incentive payments is dependent on providers demonstrating meaningful use of EHR technology in each period over a four-year period. An initial Medicaid incentive payment is available to providers that adopt, implement, or upgrade certified EHR technology. However, in order to receive additional Medicaid incentive payments in subsequent years, providers must demonstrate continued meaningful use of EHR technology.

The Health System accounts for meaningful use incentive payments under the gain contingency model. Medicare EHR incentive payments are recognized as revenues when eligible providers demonstrate meaningful use of certified EHR technology and the cost report information for the full cost report year that will determine the full calculation of the incentive payment is available. Medicaid EHR incentive payments are recognized as revenues when an eligible provider demonstrates meaningful use of certified EHR technology. For fiscal year 2012, the Health System recognized \$3,600 of Medicare meaningful use revenues and \$1,600 of Medicaid meaningful use revenues in its consolidated statement of operations.

(14) EPIC

During 2012, Alegent's board of directors approved the implementation of the Epic system. Epic provides a single-platform integrated Electronic Health Record for hospital and ambulatory patients. The first ambulatory clinic go-live is scheduled for September 2013 and first hospital go-live is scheduled for late 2013. Phased go-lives continue through early 2015. The estimated capital investment is \$74,000 and total five-year project-related expenses are estimated at \$32,600. The Health System, through the capital sharing provisions of the Agreement, will ultimately be financially responsible for 50% of the cost of this project.

(15) Subsequent Events

On July 1, 2012, Immanuel's parent corporation entered into a letter of intent with CHI stating its intent to resign its sponsorship, whereby CHI would become the sole corporate member of Alegent and all of the related entities. The change in sponsorship would result in CHI obtaining full control over Alegent and its affiliates, thus dissolving the Joint Operating Agreement discussed in note 3.

On September 1, 2012, Alegent acquired certain assets, licenses, and contracts of Creighton University Medical Center (CUMC) for \$40 million. CUMC is a 220-bed acute care hospital located in Omaha, Nebraska. Commensurate with the purchase, Alegent entered into a Strategic Affiliation Agreement with Creighton University (Creighton) whereby Alegent hospitals (including the former CUMC location) will become the primary teaching sites for the Creighton School of Medicine. The related agreements require payments by Alegent for costs associated with medical residents and other educational support. Alegent received a contribution of \$50 million from Creighton to support its new academic mission. Creighton also contributed all of the assets and liabilities of its medical practice operations (Creighton Medical Associates) to Alegent.

The Health System has evaluated subsequent events from the consolidated balance sheet date through September 13, 2012, the date at which the combined financial statements were available to be issued, and determined there are no additional items to disclose.

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Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Assets	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc	Eliminations	Alegent Health— Bergan Mercy Health System
Current assets					
Cash and cash equivalents	\$ 67,899	\$ (33)	\$ —	\$ —	\$ 67,866
Patient accounts receivable	57,515	25,720	—	—	83,235
Less allowance for uncollectible accounts	22,460	13,842	—	—	36,302
Net patient accounts receivable	35,055	11,878	—	—	46,933
Intercompany receivable	—	34,005	—	(32,997)	1,008
Other accounts receivable	2,758	41	(2)	—	2,797
Inventories	6,445	1,671	—	—	8,116
Prepaid expenses	276	—	—	—	276
Total current assets	112,433	47,562	(2)	(32,997)	126,996
Assets limited as to use					
Investment in CHI limited partnership	135,372	21,936	—	—	157,308
Other investments	89,207	14,525	—	—	103,732
Total assets limited as to use	224,579	36,461	—	—	261,040
Property and equipment					
Land	2,408	795	138	—	3,341
Land improvements	8,856	4,280	360	—	13,496
Buildings and improvements	305,148	67,844	18,838	—	391,830
Equipment	128,259	33,276	40	—	161,575
Construction in progress	769	283	—	—	1,052
	445,440	106,478	19,376	—	571,294
Less accumulated depreciation	224,597	61,682	9,945	—	296,224
Property and equipment, net	220,843	44,796	9,431	—	275,070
Other assets					
Investment in subsidiaries	12,766	—	—	—	12,766
Investments in joint ventures	250	—	—	—	250
Other assets	2,813	12	—	—	2,825
Investment in Alegent Health	27,850	—	—	—	27,850
Total other assets	43,679	12	—	—	43,691
Total assets	\$ 601,534	\$ 128,831	\$ 9,429	\$ (32,997)	\$ 706,797

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Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Liabilities and Net Assets	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Current liabilities					
Current portion of long-term debt	\$ 5,115	\$ 1,406	\$ —	\$ —	\$ 6,521
Accounts payable	3,171	918	—	—	4,089
Accrued salaries, wages, and benefits	367	230	—	—	597
Intercorporate payable	27,280	—	5,717	(32,997)	—
Estimated third-party payor settlements	3,750	3,837	—	—	7,587
Other liabilities and accrued expenses	4,876	3,071	—	—	7,947
Total current liabilities	44,559	9,462	5,717	(32,997)	26,741
Long-term debt, net of current portion	125,104	39,182	—	—	164,286
Other long-term liabilities	1,418	269	—	—	1,687
Total liabilities	171,081	48,913	5,717	(32,997)	192,714
Net assets					
Unrestricted	425,487	79,918	3,712	—	509,117
Temporarily restricted	3,175	—	—	—	3,175
Permanently restricted	1,791	—	—	—	1,791
Total net assets	430,453	79,918	3,712	—	514,083
Total liabilities and net assets	\$ 601,534	\$ 128,831	\$ 9,429	\$ (32,997)	\$ 706,797

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Assets	Alegent Health Bergan Mercy Health System	Alegent Health Mercy Hospital, Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Current assets					
Cash and cash equivalents	\$ 67,866	\$ 464	\$ 516	\$ —	\$ 68,846
Patient accounts receivable	83,235	3,308	—	—	86,543
Less allowance for uncollectible accounts	36,302	514	—	—	36,816
Net patient accounts receivable	46,933	2,794	—	—	49,727
Intercompany receivable	1,008	6,783	—	—	7,791
Other accounts receivable	2,797	—	722	—	3,519
Inventories	8,116	386	—	—	8,502
Prepaid expenses	276	—	—	—	276
Total current assets	126,996	10,427	1,238	—	138,661
Assets limited as to use					
Investment in CHI limited partnership	157,308	118	—	—	157,426
Other investments	103,732	2,219	—	—	105,951
Total assets limited as to use	261,040	2,337	—	—	263,377
Property and equipment					
Land	3,341	8	—	—	3,349
Land improvements	13,496	313	—	—	13,809
Buildings and improvements	391,830	11,287	—	—	403,117
Equipment	161,575	4,768	7,163	—	173,506
Construction in progress	1,052	—	—	—	1,052
	571,294	16,376	7,163	—	594,833
Less accumulated depreciation	296,224	9,690	3,487	—	309,401
Property and equipment, net	275,070	6,686	3,676	—	285,432
Other assets					
Investments in subsidiaries	12,766	—	—	(12,766)	—
Investments in joint ventures	250	—	—	—	250
Other assets	2,825	—	—	(2,774)	51
Investment in Alegent Health	27,850	—	—	—	27,850
Total other assets	43,691	—	—	(15,540)	28,151
Total assets	\$ 706,797	\$ 19,450	\$ 4,914	\$ (15,540)	\$ 715,621

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Liabilities and Net Assets	Alegent Health Bergan Mercy Health System	Alegent Health Mercy Hospital, Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Current liabilities					
Current portion of long-term debt	\$ 6,521	\$ 6	\$ —	\$ —	\$ 6,527
Accounts payable	4,089	171	714	—	4,974
Accrued salaries, wages, and benefits	597	154	290	—	1,041
Intercompany payable	—	—	—	—	—
Estimated third-party payor settlements	7,587	1,389	—	—	8,976
Other liabilities and accrued expenses	7,947	42	2,219	—	10,208
Total current liabilities	26,741	1,762	3,223	—	31,726
Long-term debt, net of current portion	164,286	339	5,524	(2,774)	167,375
Other long-term liabilities	1,687	—	750	—	2,437
Total liabilities	192,714	2,101	9,497	(2,774)	201,538
Net assets					
Unrestricted	509,117	17,313	(4,583)	(12,730)	509,117
Temporarily restricted	3,175	36	—	(36)	3,175
Permanently restricted	1,791	—	—	—	1,791
Total net assets	514,083	17,349	(4,583)	(12,766)	514,083
Total liabilities and net assets	\$ 706,797	\$ 19,450	\$ 4,914	\$ (15,540)	\$ 715,621

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Operations Information

Year ended June 30, 2012

(Amounts in thousands)

	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Unrestricted revenues, gains, and other support					
Gross patient charges	\$ 538,006	\$ 196,264	\$ —	\$ —	\$ 734,270
Inpatient charges	383,867	162,028	—	—	545,895
Outpatient charges	921,873	358,292	—	—	1,280,165
Less:					
Deductions from gross patient charges					
Contractual adjustments and other	591,402	239,417	—	—	830,819
Net patient service revenue	330,471	118,875	—	—	449,346
Caterers, building rent if sales to nonpatients, and other	37,234	6,482	982	—	44,698
Total revenues, gains, and other support	367,705	125,357	982	—	494,044
Operating expenses					
Salaries and wages	90,793	32,426	—	—	123,219
Employee benefits	25,696	8,806	—	—	34,502
Supplies	66,804	18,119	25	—	84,948
Intercompany services	59,434	19,231	1,542	—	80,207
Purchased services	26,257	6,780	125	—	33,162
Professional services	13,539	4,343	—	—	17,882
Provision for bad debts	18,640	15,479	—	—	34,119
Other expenses	3,393	1,610	181	—	5,184
Depreciation and amortization	22,681	5,165	682	—	28,528
Rentals and leases	6,283	1,306	2	—	7,591
Interest	5,620	1,795	—	—	7,415
Equity in other operating loss of subsidiaries	167	—	—	—	167
Equity in operating income of Alegent Health	(5,179)	—	—	—	(5,179)
Total operating expenses	334,128	115,060	2,557	—	451,745
Operating income (loss)	33,577	10,297	(1,575)	—	42,299
Other income (loss)					
Interest and investment income	1,069	186	—	—	1,255
Equity in income of investment limited partnership	2,578	355	—	—	2,933
Other, net	(252)	—	—	—	(252)
Equity in other income of subsidiaries	57	—	—	—	57
Equity in other income of Alegent Health	77	—	—	—	77
Total other income, net	3,529	541	—	—	4,070
Excess (deficiency) of revenues over expenses, before joint operating agreement adjustment	37,106	10,838	(1,575)	—	46,369
Joint operating agreement adjustment	(32,737)	—	—	—	(32,737)
Excess (deficiency) of revenues over expenses	4,369	10,838	(1,575)	—	13,632
Other changes in unrestricted net assets					
Contributions for the purchase of property and equipment	4	—	—	—	4
Joint operating agreement adjustment – capital expenditures	330	—	—	—	330
Transfers to other Alegent affiliates	18,679	—	—	—	18,679
Equity in other changes in unrestricted net assets of Alegent Health	(28,079)	—	—	—	(28,079)
Other	990	—	—	—	990
Increase (decrease) in unrestricted net assets	\$ (3,707)	\$ 10,838	\$ (1,575)	\$ —	\$ 5,556

See accompanying independent auditors' report.

Exhibit II

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Operations Information

Year ended June 30, 2012

(Amounts in thousands)

	Alegent Health— Bergan Mercy Health System	Alegent Health— Mercy Hospital Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Unrestricted revenues, gains, and other support					
Gross patient charges	\$ 734,270	\$ 3,725	\$ —	\$ —	\$ 737,995
Inpatient charges	545,895	24,837	—	—	570,732
Outpatient charges	1,280,165	28,562	—	—	1,308,727
Less:					
Deductions from gross patient charges	830,819	11,402	—	—	842,221
Contractual adjustments and other	449,346	17,160	—	—	466,506
Net patient service revenue	44,698	585	5,036	(18)	50,301
Caterpillar building rental sales to nonpatients and other	494,044	17,745	5,036	(18)	516,807
Operating expenses					
Salaries and wages	123,219	4,544	2,313	33,204	163,280
Employee benefits	34,502	1,289	375	9,600	45,766
Supplies	84,948	2,477	—	(988)	86,437
Intercompany services	80,207	—	—	(80,207)	—
Purchased services	33,162	4,219	939	12,415	50,735
Professional services	17,882	2,465	—	1,971	22,318
Provision for bad debts	34,119	594	—	—	34,713
Other expenses	5,184	367	456	14,685	20,692
Depreciation and amortization	28,528	843	1,559	9,082	40,012
Rentals and leases	7,591	110	208	246	8,155
Interest	7,415	15	175	(26)	7,579
Equity in operating loss of subsidiaries	167	—	—	(167)	—
Equity in operating income of Alegent Health	(5,179)	—	—	—	(5,179)
Total operating expenses	451,745	16,923	6,025	(185)	474,508
Operating income (loss)	42,299	822	(989)	167	42,299
Other income (loss)					
Interest and investment income	1,255	56	—	—	1,311
Equity in income of investment limited partnership	2,933	1	—	—	2,934
Other, net	(252)	—	—	—	(252)
Equity in other income of subsidiaries	57	—	—	(57)	—
Equity in other income of Alegent Health	77	—	—	—	77
Total other income, net	4,070	57	—	(57)	4,070
Excess (deficiency) of revenues over expenses before joint operating agreement adjustment	46,369	879	(989)	110	46,369
Joint operating agreement adjustment	(32,737)	—	—	—	(32,737)
Excess (deficiency) of revenues over expenses	13,632	879	(989)	110	13,632
Other changes in unrestricted net assets					
Contributions for the purchase of property and equipment	4	—	—	—	4
Joint operating agreement adjustment – capital expenditures	330	—	—	—	330
Transfers to other Alegent affiliates	18,679	—	—	—	18,679
Equity in other changes in unrestricted net assets of Alegent Health	(28,079)	—	—	—	(28,079)
Net assets release from restrictions for the purchase of property and equipment	990	—	—	—	990
Increase (decrease) in unrestricted net assets	\$ 5,556	\$ 879	\$ (989)	\$ 110	\$ 5,556

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2012

(Amounts in thousands)

	The Archbishop Bergan Mercy Medical Center	Alegent Health Mercy Hospital	Mercy Medical Office Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Unrestricted					
Balance, June 30, 2011	\$ 429,194	\$ 69,080	\$ 5,287	\$ —	\$ 503,561
Excess (deficiency) of revenues over expenses	4,369	10,838	(1,575)	—	13,632
Contributions for the purchase of property and equipment	4	—	—	—	4
Joint operating agreement adjustment – capital expenditures	330	—	—	—	330
Transfers from other Alegent affiliates	18,679	—	—	—	18,679
Equity in other changes in unrestricted net assets of Alegent Health	(28,079)	—	—	—	(28,079)
Net assets released from restrictions for the purchase of property and equipment	990	—	—	—	990
Increase (decrease) in unrestricted net assets	(3,707)	10,838	(1,575)	—	5,556
Balance, June 30, 2012	<u>\$ 425,487</u>	<u>\$ 79,918</u>	<u>\$ 3,712</u>	<u>\$ —</u>	<u>\$ 509,117</u>
Temporarily restricted					
Balance, June 30, 2011	\$ 3,607	\$ —	\$ —	\$ —	\$ 3,607
Contributions restricted by donor	29	—	—	—	29
Net assets released from restrictions for the purchase of property and equipment	(990)	—	—	—	(990)
Equity in other changes in temporarily restricted net assets of subsidiary	15	—	—	—	15
Equity in other changes in temporarily restricted net assets of Alegent Health	514	—	—	—	514
Increase in temporarily restricted net assets	(432)	—	—	—	(432)
Balance, June 30, 2012	<u>\$ 3,175</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,175</u>
Permanently restricted					
Balance, June 30, 2011	\$ 1,791	\$ —	\$ —	\$ —	\$ 1,791
Equity in other changes in permanently restricted net assets of Alegent Health	—	—	—	—	—
Increase in permanently restricted net assets	—	—	—	—	—
Balance, June 30, 2012	<u>\$ 1,791</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,791</u>

See accompanying independent auditors' report

**ALEGENT HEALTH—
BERGAN MERCY HEALTH SYSTEM AND AFFILIATES**

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2012

(Amounts in thousands)

	Alegent Health— Bergan Mercy Health System	Alegent Health— Mercy Hospital Corning, Iowa	Avantas	Eliminations	Alegent Health— Bergan Mercy Health System and Affiliates Consolidated
Unrestricted					
Balance, June 30, 2011	\$ 503,561	\$ 16,434	\$ (3,594)	\$ (12,840)	\$ 503,561
Excess (deficiency) of revenues over expenses	13,632	879	(989)	110	13,632
Contributions for the purchase of property and equipment	4	—	—	—	4
Joint operating agreement adjustment – capital expenditures	330	—	—	—	330
Transfers from other Alegent affiliates	18,679	—	—	—	18,679
Equity in other changes in unrestricted net assets of Alegent Health	(28,079)	—	—	—	(28,079)
Net assets released from restrictions for the purchase of property and equipment	990	—	—	—	990
Increase (decrease) in unrestricted net assets	5,556	879	(989)	110	5,556
Balance, June 30, 2012	<u>\$ 509,117</u>	<u>\$ 17,313</u>	<u>\$ (4,583)</u>	<u>\$ (12,730)</u>	<u>\$ 509,117</u>
Temporarily restricted					
Balance, June 30, 2011	\$ 3,607	\$ 21	\$ —	\$ (21)	\$ 3,607
Contributions restricted by donor	29	34	—	—	63
Net assets released from restrictions for the purchase of property and equipment	(990)	—	—	—	(990)
Net assets released from restrictions for the use in operations	—	(19)	—	—	(19)
Equity in other changes in temporarily restricted net assets of subsidiary	15	—	—	(15)	—
Equity in other changes in temporarily restricted net assets of Alegent Health	514	—	—	—	514
Increase (decrease) in temporarily restricted net assets	(432)	15	—	(15)	(432)
Balance, June 30, 2012	<u>\$ 3,175</u>	<u>\$ 36</u>	<u>\$ —</u>	<u>\$ (36)</u>	<u>\$ 3,175</u>
Permanently restricted					
Balance, June 30, 2011	\$ 1,791	\$ —	\$ —	\$ —	\$ 1,791
Equity in other changes in permanently restricted net assets of Alegent Health	—	—	—	—	—
Increase in permanently restricted net assets	—	—	—	—	—
Balance, June 30, 2012	<u>\$ 1,791</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,791</u>

See accompanying independent auditors' report

Additional Data

Software ID:
Software Version:
EIN: 47-0484764
Name: ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services					
(Code) (Expenses \$	48,561,924	including grants of \$	24,026,824) (Revenue \$	233,583,653)
BERGAN MERCY MEDICAL CENTER IS EQUIPPED WITH THE LATEST TECHNOLOGIES IN THE DIAGNOSTIC CENTER THE CENTER IS COMPLETELY DIGITAL SO PATIENTS ARE NEVER WAITING ON FILMS FEMALE PATIENTS CAN COUNT ON EXPERT IMAGING TESTS INCLUDING ULTRASOUND, BONE DENSITY TESTING, STEREOTACTIC BREAST BIOPSY AND DIGITAL MAMMOGRAPHY THERE ARE A WIDE RANGE OF AVAILABLE TESTS AT THE DIAGNOSTIC CENTER THAT INCLUDE THE FOLLOWING DIGITAL MAMMOGRAPHY, MRI AND OPEN MRI, CT, PET CT AND CARDIAC CT, 64-SLICE CT, FLUOROSCOPY, PULMONARY FUNCTION TESTING, ULTRASOUND, CARDIOVASCULAR IMAGING, PHLEBOTOMY, NUCLEAR MEDICINE, DIGITAL IMAGING, EEG, EKG AND EMG, STRESS TESTING AND ARTERIOGRAM					

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SR LILLIAN MURPHY RSM DIRECTOR	4 00	X						0	0	0
MICHAEL DEFREECE VICE CHAIR	6 00	X		X				0	0	0
PAUL EDGETT III DIRECTOR	4 00	X						0	0	0
ERIC GURLEY DIRECTOR	4 00	X						0	0	0
H KEITH SCHMODE DIRECTOR	4 00	X						0	18,500	0
MARTIN MANCUSO MD DIRECTOR	4 00	X						0	18,500	0
RICHARD VIERK DIRECTOR	4 00	X						0	26,500	0
ANTOINETTE HARDY-WALLER RN DIRECTOR	4 00	X						0	17,500	0
GUILLERMO HUERTA MD DIRECTOR	4 00	X						0	0	0
LESLIE ANDERSEN DIRECTOR	4 00	X						0	0	0
ANTHONY HATCHER DO SECRETARY/TREASURER	6 00	X		X				0	441,770	19,914
SR PHYLLIS HUGHES DIRECTOR	4 00	X						0	0	0
JOHN HEWITT CHAIR	6 00	X		X				0	0	0
RICHARD HACHTEN II PRESIDENT & CEO	29 00			X				838,834	887,307	297,951
SCOTT WOOTEN SVP/CFO	29 00			X				344,023	363,895	134,300
JOAN NEUHAUS SVP-COO	29 00			X				311,203	329,179	179,065
KENNETH LAWONN SVP STRATEGY AND TECHNOLOG	29 00			X				274,553	290,413	115,906
RICHARD ROLSTON MD ACC-PRESIDENT & CEO	29 00			X				228,413	241,608	1,280,141
RICK MILLER MD SVP-CHIEF QUALITY OFFICER	29 00			X				197,908	209,339	86,623
JANE CARMODY SVP-CHIEF NURSING OFFICER	29 00			X				164,495	173,996	52,886
PAUL STRAWHECKER CHIEF DEVELOPMENT OFFICER	29 00			X				39,046	41,302	330,709
MARIE KNEDLER COO-MERCY HOSPITAL & BMMC	29 00				X			223,393	236,295	165,768
SHEREE KEELY VP-BEHAVIORAL HEALTH SVC	29 00				X			104,129	110,145	44,935
ELIZABETH LLEWELLYN VP-MISSION INTEGRATION	29 00				X			126,491	133,797	49,772
PATRICIA MASEK VP-MEDICAL AFFAIRS	29 00				X			112,534	119,034	66,079

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PAUL EBMEIER COO-ACC	1 00				X			0	393,678	80,834
NANCY WALLACE VP-HUMAN RESOURCES	29 00				X			161,692	171,031	66,131
JOSEPH HOAGBIN MD CHIEF MEDICAL DIRECTOR	60 00				X			130,651	138,199	22,703
ENEH OKORUWA MD PHYSICIAN	60 00					X		582,570	0	40,842
CHAKRAVARTHI PURETI MD PHYSICIAN	60 00					X		447,139	0	22,946
SRIRAMAMURTHY RAVIPATI MD PHYSICIAN	60 00					X		404,419	0	42,206
MARK OTTO MD PHYSICIAN	60 00					X		381,063	0	16,468
UMAJYOTHI INDUKURI MD PHYSICIAN	60 00					X		379,524	0	23,038
LARRY BROWN MD ACC-INTERIM CEO	1 00						X	0	650,762	42,928
FRED HOSLER MD FORMER SVP/CMO	0 00						X	262,571	277,738	889
MARK KESTNER MD FORMER SVP-CMO	0 00						X	63,942	67,636	1,669
MARTIN HICKEY MD SVP/CEO CLINICS	0 00						X	255,543	270,304	0
FRANK EMSICK FACILITIES OP EXEC	29 00						X	112,828	119,344	15,597