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Form 990

## Return of Organization Exempt From Income Tax

2011

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

Open to Public Inspection

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

## A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable	C Name of organization ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM	D Employer identification number 47-0484764
<input type="checkbox"/> Address change	Doing Business As	E Telephone number (402) 343-4323
<input type="checkbox"/> Name change	Number and street (or P O box if mail is not delivered to street address) 7500 MERCY ROAD	G Gross receipts \$ 573,847,807
<input type="checkbox"/> Initial return	Room/suite	
<input type="checkbox"/> Terminated		
<input type="checkbox"/> Amended return		
<input type="checkbox"/> Application pending	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

I Tax-exempt status  501(c)(3)  501(c) ( ) (insert no)  4947(a)(1) or  527H(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

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

1 Briefly describe the organization's mission or most significant activities TO PROVIDE HIGH QUALITY CARE FOR THE BODY, MIND AND SPIRIT OF EVERY PERSON	
2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets	
3 Number of voting members of the governing body (Part VI, line 1a) . . . . .	3 12
4 Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	4 9
5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) . . . . .	5 3,468
6 Total number of volunteers (estimate if necessary) . . . . .	6 638
7a Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	7a 4,872,079
b Net unrelated business taxable income from Form 990-T, line 34 . . . . .	7b -335,811

8 Contributions and grants (Part VIII, line 1h) . . . . .	Prior Year 5,756,620	Current Year 5,855,880
9 Program service revenue (Part VIII, line 2g) . . . . .	509,669,237	534,437,663
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	14,017,887	18,565,508
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,852,200	12,431,781
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	539,295,944	571,290,832

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	49,176,970	54,743,275
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	211,500,809	212,342,147
16a Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ►0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .	256,319,452	282,011,661
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	516,997,231	549,097,083
19 Revenue less expenses Subtract line 18 from line 12 . . . . .	22,298,713	22,193,749

20 Total assets (Part X, line 16) . . . . .	Beginning of Current Year 689,310,700	End of Year 694,533,496
21 Total liabilities (Part X, line 26) . . . . .	192,738,088	192,713,464
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	496,572,612	501,820,032

## 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 Type or print name and title	2013-05-13 Date
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Paid Preparer's Use Only	Preparer's signature ► ANGELA LEA	Date	Check if self-employed ► <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions) P01051055
	Firm's name (or yours if self-employed), address, and ZIP + 4 ALEGENT CREIGHTON HEALTH 12809 W DODGE ROAD OMAHA, NE 68154			EIN ► 47-0757164
				Phone no ► (402) 343-4413

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

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response to any question in this Part III **1** Briefly describe the organization's mission

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**

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, *Schedule of Contributors* (see instructions)?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V.

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I.

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV.

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV.

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I.

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements.

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		No
6		No
7		No
8		No
9		No
10	Yes	
11a	Yes	
11b		No
11c		No
11d		No
11e	Yes	
11f	Yes	
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18	Yes	
19		No
20a	Yes	
20b	Yes	

**Part IV Checklist of Required Schedules (continued)**

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

**Part V Statements Regarding Other IRS Filings and Tax Compliance**Check if Schedule O contains a response to any question in this Part V 

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	<b>1a</b>	177
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	<b>1b</b>	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	<b>2a</b>	3,468
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	<b>2b</b>	Yes
<b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	<b>3b</b>	Yes
<b>4a</b>	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)?	<b>4a</b>	No
<b>b</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		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>	
<b>6a</b>	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?	<b>6a</b>	No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	<b>7a</b>	Yes
<b>a</b>	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?	<b>7b</b>	Yes
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7c</b>	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7d</b>	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	<b>7e</b>	No
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7f</b>	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7g</b>	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7h</b>	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>8</b>	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>9a</b>	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	<b>9b</b>	
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	<b>10a</b>	
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	<b>10b</b>	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	<b>11a</b>	
<b>a</b>	Gross income from members or shareholders	<b>11b</b>	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	<b>12b</b>	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	<b>13a</b>	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> 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	<b>13b</b>	
<b>b</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	<b>13c</b>	
<b>c</b>	Enter the aggregate amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	<b>14b</b>	

**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

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? . . . . .

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? . . . . .

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .

5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .

6 Did the organization have members or stockholders? . . . . .

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? . . . . .

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body? . . . . .

b Each committee with authority to act on behalf of the governing body? . . . . .

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 . . . . .

	Yes	No
<b>1a</b>		
<b>1b</b>		9
<b>2</b>	Yes	
<b>3</b>		No
<b>4</b>		No
<b>5</b>		No
<b>6</b>	Yes	
<b>7a</b>	Yes	
<b>7b</b>	Yes	
<b>8a</b>	Yes	
<b>8b</b>	Yes	
<b>9</b>		No

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

10a Did the organization have local chapters, branches, or affiliates? . . . . .

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? . . . . .

11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .

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 . . . . .

b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .

c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .

13 Did the organization have a written whistleblower policy? . . . . .

14 Did the organization have a written document retention and destruction policy? . . . . .

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 . . . . .

b Other officers or key employees of the organization . . . . .

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? . . . . .

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? . . . . .

	Yes	No
<b>10a</b>		No
<b>10b</b>		
<b>11a</b>	Yes	
<b>12a</b>	Yes	
<b>12b</b>	Yes	
<b>12c</b>	Yes	
<b>13</b>	Yes	
<b>14</b>	Yes	
<b>15a</b>	Yes	
<b>15b</b>	Yes	
<b>16a</b>	Yes	
<b>16b</b>		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

Own website  Another's website  Upon request

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

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

SCOTT M WOOTEN SENIOR VPCFO  
12809 WEST DODGE ROAD  
OMAHA, NE 68154  
(402) 343-4323

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

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

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

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

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

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

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

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

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **118**

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

## **Section B. Independent Contractors**

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

(A)	Name and business address	(B)	Description of services	(C)	Compensation
ARUP LABORATORIES	500 CHIPETA WAY	SALT LAKE CITY, UT 84108	LABORATORY RESEARCH	1,288,541	
CASSLING DIAGNOSTIC SERVICES INC	13808 F STREET	OMAHA, NE 68137	DIAGNOSTIC IMAGING SERVICES	1,248,163	
CAPITAL EXPRESS	3326 S 67TH STREET	OMAHA, NE 68106	COURIER SERVICE	705,728	
EXECUTIVE HEALTH RESOURCES INC	15 CAMPUS BLVD	NEWTOWN SQUARE, PA 19073	MEDICAL NECESSITY CONSULTING	550,307	
PROFESSIONAL ANESTHESIA SERVICES	7500 MERCY ROAD 424	OMAHA, NE 68124	ANESTHESIA SERVICES	528,644	

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►38

**Part VII Statement of Revenue**

Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>					
<b>1a</b> Federated campaigns . . . . .	<b>1a</b>				
<b>b</b> Membership dues . . . . .	<b>1b</b>	138,600			
<b>c</b> Fundraising events . . . . .	<b>1c</b>	43,083			
<b>d</b> Related organizations . . . . .	<b>1d</b>	17,759			
<b>e</b> Government grants (contributions)	<b>1e</b>	5,558,751			
<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	97,687			
<b>g</b> Noncash contributions included in lines 1a-1f \$ 2,670					
<b>h</b> <b>Total.</b> Add lines 1a-1f . . . . .		5,855,880			
<b>Program Service Revenue</b>		<b>Business Code</b>			
<b>2a</b> NET PATIENT SERV REV		621500	504,473,444	502,001,765	2,471,679
<b>b</b> REIMBUSEABLE AFFILIATE		900003	15,458,251	15,458,251	
<b>c</b> PHARMACY		446110	7,845,777		2,871,790
<b>d</b> MEANINGFUL USE		900099	5,091,474	5,091,474	
<b>e</b> FOOD SERVICE		722320	1,567,847		137,414
<b>f</b> All other program service revenue			870	870	1,430,433
<b>g</b> <b>Total.</b> Add lines 2a-2f . . . . .			534,437,663		
<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .					
<b>4</b> Income from investment of tax-exempt bond proceeds			10,873,497		-933,353
<b>5</b> Royalties . . . . .					11,806,850
<b>6a</b> Gross rents	(I) Real	(II) Personal			
<b>b</b> Less rental expenses	2,813,783				
<b>c</b> Rental income or (loss)	2,103,011				
<b>d</b> Net rental income or (loss) . . . . .	710,772		710,772		710,772
<b>7a</b> Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
<b>b</b> Less cost or other basis and sales expenses	7,705,668	37,315			
<b>c</b> Gain or (loss)	0	50,972			
<b>d</b> Net gain or (loss) . . . . .	7,705,668	-13,657	7,692,011		7,692,011
<b>8a</b> Gross income from fundraising events (not including \$ 43,083 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a	46,883			
<b>b</b> Less direct expenses . . . . .	b	60,575			
<b>c</b> Net income or (loss) from fundraising events . . . . .			-13,692		-13,692
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	a	1,040			
<b>b</b> Less direct expenses . . . . .	b	163			
<b>c</b> Net income or (loss) from gaming activities . . . . .			877		877
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	a	529,821			
<b>b</b> Less cost of goods sold . . . . .	b	342,254			
<b>c</b> Net income or (loss) from sales of inventory . . . . .			187,567		187,567
<b>Miscellaneous Revenue</b>	<b>Business Code</b>				
<b>11a</b> SYSTEM REV ALLOCATION		900099	6,309,617	6,309,617	
<b>b</b> MISC OPERATING REVENUE		900099	3,640,289	3,347,583	292,706
<b>c</b> CHILD CARE		624410	1,564,508		1,564,508
<b>d</b> All other revenue . . . . .			31,843		31,843
<b>e</b> <b>Total.</b> Add lines 11a-11d . . . . .			11,546,257		
<b>12</b> <b>Total revenue.</b> 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 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
<b>1</b> Grants and other assistance to governments and organizations in the United States See Part IV, line 21	18,255	18,255		
<b>2</b> Grants and other assistance to individuals in the United States See Part IV, line 22	54,725,020	54,725,020		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees . . . . .	4,787,398	2,393,699	2,393,699	
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b> Other salaries and wages	163,748,930	122,811,698	40,937,232	
<b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	7,544,943	5,658,707	1,886,236	
<b>9</b> Other employee benefits . . . . .	26,993,085	20,244,814	6,748,271	
<b>10</b> Payroll taxes . . . . .	9,267,791	6,950,843	2,316,948	
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management . . . . .				
<b>b</b> Legal . . . . .	1,024,413		1,024,413	
<b>c</b> Accounting . . . . .				
<b>d</b> Lobbying . . . . .	25,569	25,569		
<b>e</b> Professional fundraising See Part IV, line 17 . . . . .				
<b>f</b> Investment management fees . . . . .	743,198		743,198	
<b>g</b> Other . . . . .	8,219,922	6,166,806	2,053,116	
<b>12</b> Advertising and promotion . . . . .	45,441	34,081	11,360	
<b>13</b> Office expenses . . . . .	91,825,479	68,869,109	22,956,370	
<b>14</b> Information technology . . . . .				
<b>15</b> Royalties . . . . .				
<b>16</b> Occupancy . . . . .	12,330,684	9,248,013	3,082,671	
<b>17</b> Travel . . . . .	440,929	330,697	110,232	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b> Conferences, conventions, and meetings . . . . .	118,295	88,721	29,574	
<b>20</b> Interest . . . . .	7,481,240	5,610,930	1,870,310	
<b>21</b> Payments to affiliates . . . . .				
<b>22</b> Depreciation, depletion, and amortization . . . . .	37,669,636	28,252,227	9,417,409	
<b>23</b> Insurance . . . . .	1,218,755	1,218,755		
<b>24</b> 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 )				
<b>a</b> PURCHASED SERVICES	36,610,050	27,457,537	9,152,513	
<b>b</b> BAD DEBTS	34,119,317	34,119,317		
<b>c</b> JOA SETTLEMENT	32,737,000	32,737,000		
<b>d</b> MANAGEMENT ALLOCATIONS	14,871,912	14,871,912		
<b>e</b>				
<b>f</b> All other expenses	2,529,821	1,989,347	540,474	
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24f	549,097,083	443,823,057	105,274,026	0
<b>26</b> <b>Joint costs.</b> Check here <input type="checkbox"/> <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	822,390	<b>1</b> 677,200
	2 Savings and temporary cash investments . . . . .	50,019,633	<b>2</b> 67,023,806
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	48,373,165	<b>4</b> 49,731,254
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>
	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 . . . . .		<b>6</b>
	7 Notes and loans receivable, net . . . . .	2,894,000	<b>7</b> 2,774,000
	8 Inventories for sale or use . . . . .	9,918,036	<b>8</b> 8,115,992
	9 Prepaid expenses and deferred charges . . . . .	2,830	<b>9</b> 275,600
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	571,293,815	
	10b Less accumulated depreciation . . . . .	<b>10a</b> 296,224,446	294,201,469 <b>10c</b> 275,069,369
	11 Investments—publicly traded securities . . . . .	232,670,177	<b>11</b> 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	<b>13</b> 28,100,000
	14 Intangible assets . . . . .	14	
	15 Other assets See Part IV, line 11 . . . . .	0	<b>15</b> 1,008,800
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	689,310,700	<b>16</b> 694,533,496
Liabilities	17 Accounts payable and accrued expenses . . . . .	9,849,102	<b>17</b> 14,320,042
	18 Grants payable . . . . .	18	
	19 Deferred revenue . . . . .	74,131	<b>19</b> 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	<b>23</b> 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	<b>25</b> 7,564,381
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	192,738,088	<b>26</b> 192,713,464
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	491,195,612	<b>27</b> 496,889,549
	28 Temporarily restricted net assets . . . . .	3,586,000	<b>28</b> 3,139,483
	29 Permanently restricted net assets . . . . .	1,791,000	<b>29</b> 1,791,000
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	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	<b>33</b> 501,820,032
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	689,310,700	<b>34</b> 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? <input type="checkbox"/>	2a	No
2b Were the organization's financial statements audited by an independent accountant? <input type="checkbox"/>	2b	Yes
2c 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 <input type="checkbox"/>	2c	Yes
2d 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? <input type="checkbox"/>	3a	No
3b 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 <input type="checkbox"/>	3b	

2011

Open to Public  
Inspection**SCHEDULE A**  
(Form 990 or 990EZ)**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.

Department of the Treasury  
Internal Revenue ServiceName 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 See **section 509(a)(4)**.

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

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	
<b>Total</b>									

**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 <b>Total.</b> 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 <b>Public Support.</b> 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 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 <b>First Five Years</b> 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 <b>stop here</b>						►

**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 <b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	►
b <b>33 1/3% support test—2010.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	►
17a <b>10%-facts-and-circumstances test—2011.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
b <b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization	►
18 <b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	►

**Part III Support Schedule for Organizations Described in IRC 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 <b>Total.</b> 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 <b>Public Support</b> (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 <b>Total support</b> (Add lines 9, 10c, 11 and 12 )						
14 <b>First Five Years</b> 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 <b>stop here</b>						

**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 <b>33 1/3% support tests—2011.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
b <b>33 1/3% support tests—2010.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization	
20 <b>Private Foundation</b> 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**

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**SCHEDULE C**  
(Form 990 or 990-EZ)**Political Campaign and Lobbying Activities****2011****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.

**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
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
- 2 Political expenditures ► \$ 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?  Yes  No
- 4a Was a correction made?  Yes  No
- 4b If "Yes," describe in Part IV

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

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

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

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

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

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

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)		<b>(a) Filing Organization's Totals</b>	<b>(b) Affiliated Group Totals</b>
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)			
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)			
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)			
<b>d</b> Other exempt purpose expenditures			
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)			
<b>f</b> Lobbying nontaxable amount Enter the amount from the following table in both columns			
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>		
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		
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)			
<b>h</b> Subtract line 1g from line 1a If zero or less, enter -0-			
<b>i</b> Subtract line 1f from line 1c If zero or less, enter -0-			
<b>j</b> 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.)**

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
<b>Calendar year (or fiscal year beginning in)</b>	<b>(a) 2008</b>	<b>(b) 2009</b>	<b>(c) 2010</b>	<b>(d) 2011</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?	Yes		25,569
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV		No	
<b>j</b> Total lines 1c through 1i			25,569
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
<b>3</b> 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".**

<b>1</b> Dues, assessments and similar amounts from members	1	
<b>2</b> Section 162(e) non-deductible lobbying and political expenditures ( <b>do not include amounts of political expenses for which the section 527(f) tax was paid</b> )	2a	
<b>a</b> Current year	2b	
<b>b</b> Carryover from last year	2c	
<b>c</b> Total	3	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	4	
<b>4</b> 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?	5	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)		

**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 11. Also, complete this part for any additional information

Identifier	Return Reference	Explanation

2011

Open to Public  
Inspection**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.

**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?  Yes  No

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

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

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

Preservation of land for public use (e.g., recreation or pleasure)  Preservation of an historically importantly land area

Protection of natural habitat  Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_

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

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

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

► \$ \_\_\_\_\_

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

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

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

a Revenues included in Form 990, Part VIII, line 1 ► \$ \_\_\_\_\_

b Assets included in Form 990, Part X ► \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance . . . . .	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

	Yes	No
3a(i) unrelated organizations . . . . .		No
3a(ii) related organizations . . . . .	Yes	
3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .	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
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .					275,069,369

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

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

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

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

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

(a) Description	(b) Book value
<b>Total.</b> (Column (b) should equal Form 990, Part X, col.(B) line 15.) . . . . . ►	

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
PAYABLE UNDER DEFERRED COMP PLANS	40,111
3RD PARTY PAYER SETTLEMENT	7,586,962
DUE TO/FROM AFFILIATE	-62,692
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25) ►	7,564,381

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

**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)**

## **Supplemental Information Regarding Fundraising or Gaming Activities**

OMB No 1545-0047

2011

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**Complete if the organization answered "Yes" to Form 990, Part IV, 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.

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

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

Name of the organization

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

**Employer identification number**

47-048476

**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.

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 (Add col (a) through col (c))
		<u>CANDLELIGHT BALL</u> (event type)	<u>GOLF SCRABBLE</u> (event type)	(total number)	
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 . . . . .				
Direct Expenses	2 Cash prizes . . . . .				
	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

13a
13b

**a** The organization's facility . . . . .

**b** An outside facility . . . . .

**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 questions on Schedule G (see instructions.)

Identifier

ReturnReference

Explanation

2011

Open to Public  
InspectionSCHEDULE 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.Name of the organization  
ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEMEmployer identification number  
47-0484764

## Part I Charity Care and Certain Other Community Benefits at Cost

1a Did the organization have a charity care policy? If "No," skip to question 6a . . . . .

	Yes	No
1a	Yes	
1b	Yes	

2 If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals

Applied uniformly to all hospitals  
 Generally tailored to individual hospitals

Applied uniformly to most hospitals

3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year

a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care

100%  150%  200%  Other \_\_\_\_\_%

b Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . .

200%  250%  300%  350%  400%  Other \_\_\_\_\_%

c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4 Did the organization's policy provide free or discounted care to the "medically indigent"? . . . . .

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .

4	Yes	
5a	Yes	
5b	No	
5c		
6a	Yes	
6b	Yes	

b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .

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? . . . . .

6a Did the organization prepare a community benefit report during the tax year? . . . . .

6b If "Yes," did the organization make it available to the public? . . . . .

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 %
<b>Other Benefits</b>						
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 II Community Building Activities** Complete this table if the organization conducted any community building activities.

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

**Part III Bad Debt, Medicare, & Collection Practices**
**Section A. Bad Debt Expense**

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15? . . . . .

2 Enter the amount of the organization's bad debt expense . . . . .

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy . . . . .

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit

	Yes	No
<b>1</b>	Yes	
<b>2</b>	9,416,931	
<b>3</b>	2,057,569	
<b>4</b>		
<b>5</b>	99,679,462	
<b>6</b>	127,597,804	
<b>7</b>	-27,918,342	
<b>9a</b>	Yes	
<b>9b</b>	Yes	

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .

6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .

7 Subtract line 6 from line 5 This is the surplus or (shortfall) . . . . .

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used

Cost accounting system

Cost to charge ratio

Other

**Section C. Collection Practices**

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

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

<b>9a</b>	Yes
<b>9b</b>	Yes

**Part IV Management Companies and Joint Ventures** (see instructions)

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

## Part V Facility Information

## **Section A. Hospital Facilities**

(list in order of size from largest to smallest)

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

Name and address

**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)

## ALEGENT HEALTH BERGAN MERCY MEDICAL CTR

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

	<b>Yes</b>	<b>No</b>
<b>Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)</b>		
<b>1</b> 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 . . . . .	<b>1</b>	
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)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> 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	<b>3</b>	
<b>4</b> 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 . . . . .	<b>4</b>	
<b>5</b> Did the hospital facility make its Needs Assessment widely available to the public? . . . . .	<b>5</b>	
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)		
<b>6</b> 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)		
<b>7</b> 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	<b>7</b>	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
<b>8</b> Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	Yes
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . .	<b>9</b>	No
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		

**Part V Facility Information (continued)**

	<b>Yes</b>	<b>No</b>
<b>10</b> Used FPG to determine eligibility for providing discounted care? . . . . .	<b>10</b>	No
If "Yes," indicate the FPG family income limit for eligibility for discounted care ____% If "No," explain in Part VI the criteria the hospital facility used		
<b>11</b> Explained the basis for calculating amounts charged to patients? . . . . .	<b>11</b>	Yes
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)		
<b>12</b> Explained the method for applying for financial assistance? . . . . .	<b>12</b>	Yes
<b>13</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .	<b>13</b>	Yes
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)		
<b>Billing and Collections</b>		
<b>14</b> 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? . . . . .	<b>14</b>	Yes
<b>15</b> 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)		
<b>16</b> 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? . . . . .	<b>16</b>	No
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)		
<b>17</b> 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**

**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

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>	Yes	

**Individuals Eligible for Financial Assistance**

**19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

<b>20</b>	Yes	
<b>21</b>	No	

**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

**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

**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)

## ALEGENT HEALTH MERCY HOSPITAL

Name of Hospital Facility: \_\_\_\_\_

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

	Yes	No
<b>Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)</b>		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . .	1	
If "Yes," indicate what the Needs Assessment describes (check all that apply)		
a <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)		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . .	5	
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)		
a <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)		
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	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . .	9	No
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		

**Part V Facility Information (continued)**

	<b>Yes</b>	<b>No</b>
<b>10</b> Used FPG to determine eligibility for providing discounted care? . . . . .	<b>10</b>	No
If "Yes," indicate the FPG family income limit for eligibility for discounted care ____% If "No," explain in Part VI the criteria the hospital facility used		
<b>11</b> Explained the basis for calculating amounts charged to patients? . . . . .	<b>11</b>	Yes
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)		
<b>12</b> Explained the method for applying for financial assistance? . . . . .	<b>12</b>	Yes
<b>13</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .	<b>13</b>	Yes
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)		
<b>Billing and Collections</b>		
<b>14</b> 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? . . . . .	<b>14</b>	Yes
<b>15</b> 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)		
<b>16</b> 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? . . . . .	<b>16</b>	No
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)		
<b>17</b> 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**

**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

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>	Yes	

**Individuals Eligible for Financial Assistance**

**19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

<b>20</b>	Yes	
<b>21</b>	No	

**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

**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

**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)

## ALEGENT HEALTH LASTING HOPE RECOVERY CTR

Name of Hospital Facility: \_\_\_\_\_

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

	Yes	No
<b>Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)</b>		
<b>1</b> 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 . . . . .	<b>1</b>	
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)		
<b>2</b> Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
<b>3</b> 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	<b>3</b>	
<b>4</b> 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 . . . . .	<b>4</b>	
<b>5</b> Did the hospital facility make its Needs Assessment widely available to the public? . . . . .	<b>5</b>	
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)		
<b>6</b> 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)		
<b>7</b> 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	<b>7</b>	
<b>Financial Assistance Policy</b>		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
<b>8</b> Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	<b>8</b>	Yes
<b>9</b> Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . .	<b>9</b>	No
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		

**Part V Facility Information (continued)**

	<b>Yes</b>	<b>No</b>
<b>10</b> Used FPG to determine eligibility for providing discounted care? . . . . .	<b>10</b>	No
If "Yes," indicate the FPG family income limit for eligibility for discounted care ____% If "No," explain in Part VI the criteria the hospital facility used		
<b>11</b> Explained the basis for calculating amounts charged to patients? . . . . .	<b>11</b>	Yes
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)		
<b>12</b> Explained the method for applying for financial assistance? . . . . .	<b>12</b>	Yes
<b>13</b> Included measures to publicize the policy within the community served by the hospital facility? . . . . .	<b>13</b>	Yes
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)		
<b>Billing and Collections</b>		
<b>14</b> 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? . . . . .	<b>14</b>	Yes
<b>15</b> 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)		
<b>16</b> 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? . . . . .	<b>16</b>	No
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)		
<b>17</b> 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**

**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

- a**  The hospital facility did not provide care for any emergency medical conditions
- b**  The hospital facility's policy was not in writing
- c**  The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d**  Other (describe in Part VI)

	Yes	No
<b>18</b>	Yes	

**Individuals Eligible for Financial Assistance**

**19** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care

- a**  The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b**  The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c**  The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d**  Other (describe in Part VI)

<b>20</b>		No
<b>21</b>		No

**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

**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

**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
		<p>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 <a href="http://WWW.ALEGENTCREIGHTON.COM/COMMUNITY-BENEFIT">HTTP://WWW.ALEGENTCREIGHTON.COM/COMMUNITY-BENEFIT</a></p>

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

**Schedule H (Form 990) 2011**

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 COMMUNITY 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

**Schedule H (Form 990) 2011**

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

**Schedule H (Form 990) 2011**

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

**Schedule H (Form 990) 2011**

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

Schedule H (Form 990) 2011

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 (<a href="http://WWWDOUGLASCOHEALTH.ORG/">HTTP //WWWDOUGLASCOHEALTH.ORG/</a>)</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 3.6 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

**Schedule I  
(Form 990)**

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

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

► Attach to Form 990

2011

## Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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Name of the organization

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

**Employer identification number**

47-0484764

## Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .  Yes  No

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

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

**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**Department of the Treasury  
Internal Revenue Service

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.**

**Open to Public Inspection****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 indemnification 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

**5a** Yes

**a** The organization?

**5b** No

**b** Any related organization?

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

**6a** Yes

**a** The organization?

**6b** Yes

**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**7** No

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**8** No

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

**9**

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

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

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

**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 STRAHECKER - \$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 (ii) 414,921	0 0	0 26,849	0 0	0 21,333	0 463,103	0 0
RICHARD HACHTEN II	(i) 335,151 (ii) 354,509	209,505 221,607	294,178 311,191	137,212 145,138	8,302 8,781	984,348 1,041,226	224,927 237,920
SCOTT WOOTEN	(i) 177,152 (ii) 187,384	104,216 110,236	62,655 66,275	55,886 59,114	10,646 11,261	410,555 434,270	23,624 24,989
JOAN NEUHAUS	(i) 166,885 (ii) 176,525	89,819 95,007	54,499 57,647	87,019 92,046	2,728 2,886	400,950 424,111	20,385 21,562
KENNETH LAWONN	(i) 141,731 (ii) 149,918	84,301 89,171	48,521 51,324	54,923 58,095	2,079 2,199	331,555 350,707	19,386 20,506
RICHARD ROLSTON MD	(i) 171,886 (ii) 181,816	43,036 45,522	13,491 14,270	616,406 652,011	10,451 11,055	855,270 904,674	0 0
RICK MILLER MD	(i) 115,215 (ii) 121,870	61,605 65,163	21,088 22,306	29,139 30,822	14,971 15,836	242,018 255,997	4,782 5,059
JANE CARMODY	(i) 122,244 (ii) 129,305	24,866 26,302	17,385 18,389	9,712 21,010	6,457 6,831	180,664 201,837	1,884 1,993
PAUL STRAWECKER	(i) 35,722 (ii) 37,786	0 0	3,324 3,516	160,364 169,627	640 677	200,050 211,606	0 0
MARIE KNEDLER	(i) 141,008 (ii) 149,151	51,444 54,416	30,941 32,728	70,688 74,771	10,539 11,148	304,620 322,214	10,807 11,431
SHEREE KEELY	(i) 60,975 (ii) 64,499	24,204 25,602	18,950 20,044	16,368 17,314	6,142 6,497	126,639 133,956	5,304 5,611
ELIZABETH LLEWELLYN	(i) 73,594 (ii) 77,844	29,482 31,185	23,415 24,768	19,535 20,663	5,069 5,362	151,095 159,822	6,276 6,639
PATRICIA MASEK	(i) 70,231 (ii) 74,287	26,100 27,608	16,203 17,139	24,531 25,948	7,912 8,369	144,977 153,351	5,324 5,632
PAUL EBMEIER	(i) 0 (ii) 258,789	0 93,516	0 41,373	0 59,855	0 22,797	0 476,330	0 20,451
NANCY WALLACE	(i) 88,489 (ii) 93,599	38,354 40,570	34,849 36,862	26,701 28,243	6,219 6,578	194,612 205,852	6,686 7,073
JOSEPH HOAGBIN MD	(i) 123,113 (ii) 130,226	0 0	7,538 7,973	7,144 7,556	5,101 5,396	142,896 151,151	0 0
ENEH OKORUWA MD	(i) 498,840 (ii) 0	50,000 0	33,730 0	17,436 0	24,897 0	624,903 0	0 0
CHAKRAVARTHI PURETI MD	(i) 431,138 (ii) 0	0 0	16,001 0	12,250 0	11,574 0	470,963 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 (ii) 0	0 0	24,905 0	19,600 0	25,759 0	449,778 0	0 0
MARK OTTO MD	(i) 323,619 (ii) 0	50,000 0	7,444 0	14,700 0	2,764 0	398,527 0	0 0
UMAJYOTHI INDUKURI MD	(i) 368,413 (ii) 0	0 0	11,111 0	4,900 0	18,999 0	403,423 0	0 0
LARRY BROWN MD	(i) 0 (ii) 344,187	0 236,382	0 70,193	0 17,304	0 27,312	0 695,378	0 12,411
FRED HOSLER MD	(i) 0 (ii) 0	0 0	262,571 277,738	0 0	432 457	263,003 278,195	262,327 277,479
MARK KESTNER MD	(i) 0 (ii) 0	0 0	63,942 67,636	811 858	0 0	64,753 68,494	63,942 67,363
MARTIN HICKEY MD	(i) 0 (ii) 0	0 0	255,543 270,304	0 0	0 0	255,543 270,304	255,543 270,304
FRANK EMSICK	(i) 80,555 (ii) 85,208	21,588 22,834	10,685 11,302	5,813 6,149	2,287 2,420	120,928 127,913	0 0

## Schedule L

## Transactions with Interested Persons

OMB No 1545-0047

2011

Department of the Treasury  
Internal Revenue Service

► 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

**Open to Public  
Inspection**

**Name of the organization**

ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

**Employer identification number**

47-048476

**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.

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

**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.

### **Part III Grants or Assistance Benefitting Interested Persons.**

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

**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

**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.

**2011****Open to Public  
Inspection**

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 EDGEITT 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 BY LAWS 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 &amp; 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 <a href="http://WWW.ALEGENTCREIGHTON.COM">WWW.ALEGENTCREIGHTON.COM</a> 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 <a href="http://WWW.SOS.STATE.NE.US">WWW.SOS.STATE.NE.US</a>

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, SHREE 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 HEALTH-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	ALEGENT CREIGHTON HEALTH HAS NOT FORMALLY ADOPTED A WRITTEN POLICY OR WRITTEN PROCEDURE REGARDING JOINT VENTURES. HOWEVER, ALEGENT 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)**

## Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

## ALEGENT HEALTH- BERGAN MERCY HEALTH SYSTEM

**Employer identification number**

47-048476

**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.)

**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.)

**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)				

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

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

**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

<b>(a)</b> Name, address, and EIN of related organization	<b>(b)</b> Primary Activity	<b>(c)</b> Legal Domicile (State or Foreign Country)	<b>(d)</b> Exempt Code section	<b>(e)</b> Public charity status (if 501(c) (3))	<b>(f)</b> Direct Controlling Entity	<b>g</b> 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/ADMINISTRATIVE 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	ALEGENT 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	ALEGENT CREIGHTON HEALTH	N/A				No			No	
LAKESIDE ENDOSCOPY CENTER LLC  17001 LAKESIDE HILLS PLAZA STE 201 OMAHA, NE 68130 20-5544496	ENDOSCOPY SERVICES	NE	ALEGENT 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	ALEGENT CREIGHTON HEALTH	N/A				No			No	
ALEGENT HEALTH NORTHWEST IMAGING CENTER LLC  3606 N 156TH STREET STE 104 OMAHA, NE 68154 06-1786985	DIAGNOSTIC TESTING FACILITY	NE	ALEGENT 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	ALEGENT HLTH- IMMANUEL MEDICAL CENTER	N/A				No			No	
BERGAN MERCY SURGERY CENTER LLC  7710 MERCY ROAD STE 100 OMAHA, NE 68124 20-8671994	AMBULATORY SURGICAL 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	ALEGENT CREIGHTON HEALTH	N/A				No			No	

Form 4562

Depreciation and Amortization  
(Including Information on Listed Property)

OMB No 1545-0172

2011

Department of the Treasury  
Internal Revenue Service (99)

► See separate instructions. ► Attach to your tax return.

Attachment  
Sequence No 179Name(s) shown on return  
ALEGENT HEALTH- BERGAN MERCY HEALTH  
SYSTEMBusiness or activity to which this form relates  
FORM 990 PAGE 10Identifying 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 <b>smaller</b> 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)
15 Property subject to section 168(f)(1) election
16 Other depreciation (including ACRS)

## 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?  Yes  No **24b** If "Yes," is the evidence written?  Yes  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

**25** Special 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**

	%							
	%							
	%							

	%			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

<b>30</b> 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	
	Yes	No										
<b>31</b> Total commuting miles driven during the year												
<b>32</b> Total other personal (noncommuting) miles driven												
<b>33</b> Total miles driven during the year Add lines 30 through 32												
<b>34</b> Was the vehicle available for personal use during off-duty hours?												
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?												
<b>36</b> 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)

<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?													<b>Yes</b>	<b>No</b>
<b>38</b> 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														
<b>39</b> Do you treat all use of vehicles by employees as personal use?														
<b>40</b> 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?														
<b>41</b> 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

(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	2012	2011
<b>Current assets:</b>		
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
Intercorporate 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>
<b>Assets limited as to use:</b>		
Investment in CHI limited partnership	157,426	231,958
Other investments	<u>105,951</u>	<u>2,212</u>
Total assets limited as to use	<u>263,377</u>	<u>234,170</u>
<b>Property and equipment:</b>		
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
Less accumulated depreciation	<u>594,833</u>	<u>601,680</u>
Property and equipment, net	<u>309,401</u>	<u>295,807</u>
Total other assets	<u>285,432</u>	<u>305,873</u>
<b>Other assets:</b>		
Investment in joint ventures	250	250
Investment in Allegent Health	27,850	50,159
Other assets	51	53
Total other assets	<u>28,151</u>	<u>50,462</u>
<b>Total assets</b>	<b>\$ 715,621</b>	<b>\$ 708,171</b>

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

Consolidated Balance Sheets

June 30, 2012 and 2011

(Amounts in thousands)

<b>Liabilities and Net Assets</b>	<b>2012</b>	<b>2011</b>
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)

	<b>2012</b>	<b>2011</b>
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)

	<b>Unrestricted</b>	<b>Temporarily restricted</b>	<b>Permanently restricted</b>	<b>Total</b>
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 Alegent affiliates	(39,360)	—	—	(39,360)
Equity in other changes in net assets of Alegent Health	45,395	455	—	45,850
Other	175	—	—	175
Increase in net assets	<u>64,850</u>	<u>456</u>	<u>—</u>	<u>65,306</u>
Balance, June 30, 2011	<u>503,561</u>	<u>3,607</u>	<u>1,791</u>	<u>508,959</u>
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 Alegent affiliates	18,679	—	—	18,679
Equity in other changes in net assets of Alegent Health	(28,079)	514	—	(27,565)
Increase (decrease) in net assets	<u>5,556</u>	<u>(432)</u>	<u>—</u>	<u>5,124</u>
Balance, June 30, 2012	<u><u>\$ 509,117</u></u>	<u><u>\$ 3,175</u></u>	<u><u>\$ 1,791</u></u>	<u><u>\$ 514,083</u></u>

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)

	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
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 Alegent affiliates	(18,679)	39,360
Equity in other changes in net assets of Alegent 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>
<b>Cash flows from investing activities</b>		
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 Alegent Health	(27,565)	45,850
Decrease (increase) in investment in Alegent 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>
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(6,223)	(2,882)
Proceeds from long-term debt	5	11,124
Transfers to (from) from other Alegent 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	<u>15,209</u>	<u>30,947</u>
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>
<b>Supplemental disclosure of cash flow information</b>		
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

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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

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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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June 30, 2012 and 2011

(Amounts in thousands)

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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Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

**(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 pay or 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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Notes to Consolidated Financial Statements

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(Amounts in thousands)

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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(Amounts in thousands)

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.

	<b>2012</b>	<b>2011</b>
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
<b>Total</b>	<b>\$ 263,377</b>	<b>\$ 234,170</b>

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:

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

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Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

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

	<b>2012</b>	<b>2011</b>
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
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

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

**(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, Alegent 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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June 30, 2012 and 2011

(Amounts in thousands)

**(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:

	<b>2012</b>	<b>2011</b>
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	842,221	789,835
Net patient service revenue	<u>\$ 466,506</u>	<u>\$ 451,907</u>

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Notes to Consolidated Financial Statements

June 30, 2012 and 2011

(Amounts in thousands)

**(6) Long-Term Debt**

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

	<b>2012</b>	<b>2011</b>
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	2,790	2,808
<b>Total long-term debt</b>	<b>173,902</b>	<b>180,120</b>
Less current maturities	6,527	6,222
<b>Long-term debt, excluding current maturities</b>	<b>\$ 167,375</b>	<b>\$ 173,898</b>

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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June 30, 2012 and 2011

(Amounts in thousands)

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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(Amounts in thousands)

- 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.

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

**ALEGENT HEALTH –  
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(Amounts in thousands)

	<b>Fair value measurements at reporting date using</b>		
	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>
<b>June 30, 2011</b>			
<b>Assets</b>			
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	<u><u>\$ 55,849</u></u>	<u><u>\$ 53,490</u></u>	<u><u>\$ 2,359</u></u>

**(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:

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

**(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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(Amounts in thousands)

The Health System participates with Alegent 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:

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

**(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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(Amounts in thousands)

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, thereby 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.

**ALEGENT HEALTH—  
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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	<u>22,460</u>	<u>13,842</u>	<u>—</u>	<u>—</u>	<u>36,302</u>
Net patient accounts receivable	35,055	11,878	—	—	46,933
Intercorporate 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	<u>112,433</u>	<u>47,562</u>	<u>(2)</u>	<u>(32,997)</u>	<u>126,996</u>
Assets limited as to use					
Investment in CHI limited partnership	135,372	21,936	—	—	157,308
Other investments	<u>89,207</u>	<u>14,525</u>	<u>—</u>	<u>—</u>	<u>103,732</u>
Total assets limited as to use	<u>224,579</u>	<u>36,461</u>	<u>—</u>	<u>—</u>	<u>261,040</u>
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
Less accumulated depreciation	445,440	106,478	19,376	—	571,294
Property and equipment, net	<u>224,597</u>	<u>61,682</u>	<u>9,945</u>	<u>—</u>	<u>296,224</u>
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	<u>27,850</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,850</u>
Total other assets	<u>43,679</u>	<u>12</u>	<u>—</u>	<u>—</u>	<u>43,691</u>
Total assets	<u>\$ 601,534</u>	<u>\$ 128,831</u>	<u>\$ 9,429</u>	<u>\$ (32,997)</u>	<u>\$ 706,797</u>

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

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	<u>44,559</u>	<u>9,462</u>	<u>5,717</u>	<u>(32,997)</u>	<u>26,741</u>
Long-term debt, net of current portion	125,104	39,182	—	—	164,286
Other long-term liabilities	1,418	269	—	—	1,687
Total liabilities	<u>171,081</u>	<u>48,913</u>	<u>5,717</u>	<u>(32,997)</u>	<u>192,714</u>
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	<u>430,453</u>	<u>79,918</u>	<u>3,712</u>	<u>—</u>	<u>514,083</u>
Total liabilities and net assets	<u>\$ 601,534</u>	<u>\$ 128,831</u>	<u>\$ 9,429</u>	<u>\$ (32,997)</u>	<u>\$ 706,797</u>

See accompanying independent auditors' report

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

Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Assets	<u>Alegent Health Bergan Mercy Health System</u>	<u>Alegent Health Mercy Hospital, Corning, Iowa</u>	<u>Avantas</u>	<u>Eliminations</u>	<b>Alegent Health— Bergan Mercy Health System and Affiliates Consolidated</b>
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	<u>36,302</u>	<u>514</u>	<u>—</u>	<u>—</u>	<u>36,816</u>
Net patient accounts receivable	46,933	2,794	—	—	49,727
Intercorporate 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	<u>126,996</u>	<u>10,427</u>	<u>1,238</u>	<u>—</u>	<u>138,661</u>
Assets limited as to use					
Investment in CHI limited partnership	157,308	118	—	—	157,426
Other investments	<u>103,732</u>	<u>2,219</u>	<u>—</u>	<u>—</u>	<u>105,951</u>
Total assets limited as to use	<u>261,040</u>	<u>2,337</u>	<u>—</u>	<u>—</u>	<u>263,377</u>
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	<u>296,224</u>	<u>9,690</u>	<u>3,487</u>	<u>—</u>	<u>309,401</u>
Property and equipment, net	<u>275,070</u>	<u>6,686</u>	<u>3,676</u>	<u>—</u>	<u>285,432</u>
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	<u>27,850</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,850</u>
Total other assets	<u>43,691</u>	<u>—</u>	<u>—</u>	<u>(15,540)</u>	<u>28,151</u>
Total assets	<u><u>\$ 706,797</u></u>	<u><u>\$ 19,450</u></u>	<u><u>\$ 4,914</u></u>	<u><u>\$ (15,540)</u></u>	<u><u>\$ 715,621</u></u>

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

Consolidating Balance Sheet Information

June 30, 2012

(Amounts in thousands)

Liabilities and Net Assets	<u>Alegent Health Bergan Mercy Health System</u>	<u>Alegent Health Mercy Hospital, Corning, Iowa</u>	<u>Avantas</u>	<u>Eliminations</u>	<b>Alegent Health— Bergan Mercy Health System and Affiliates Consolidated</b>
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
Intercorporate payable	—	—	—	—	—
Estimated third-party payor settlements	7,587	1,389	—	—	8,976
Other liabilities and accrued expenses	<u>7,947</u>	<u>42</u>	<u>2,219</u>	<u>—</u>	<u>10,208</u>
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	<u>1,687</u>	<u>—</u>	<u>750</u>	<u>—</u>	<u>2,437</u>
Total liabilities	<u>192,714</u>	<u>2,101</u>	<u>9,497</u>	<u>(2,774)</u>	<u>201,538</u>
Net assets					
Unrestricted	509,117	17,313	(4,583)	(12,730)	509,117
Temporarily restricted	3,175	36	—	(36)	3,175
Permanently restricted	<u>1,791</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,791</u>
Total net assets	<u>514,083</u>	<u>17,349</u>	<u>(4,583)</u>	<u>(12,766)</u>	<u>514,083</u>
Total liabilities and net assets	<u><u>\$ 706,797</u></u>	<u><u>\$ 19,450</u></u>	<u><u>\$ 4,914</u></u>	<u><u>\$ (15,540)</u></u>	<u><u>\$ 715,621</u></u>

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 Buildings, Inc.	Eliminations	Alegent Health— Bergan Mercy Health System
Unrestricted revenues, grants and other support					
Gross patient charges					
Inpatient charges	\$ 538 006	\$ 196 264	\$ —	\$ —	\$ 734 270
Outpatient charges	383 867	162 028	—	—	545 895
	<u>921 873</u>	<u>358 292</u>	<u>—</u>	<u>—</u>	<u>1 280 165</u>
Less					
Deductions from gross patient charges					
Contractual adjustments and other	591 402	239 417	—	—	830 819
Net patient service revenue	<u>330 471</u>	<u>118 875</u>	<u>—</u>	<u>—</u>	<u>449 346</u>
Concessions, building rentals, leases to nonpatients and other	37 234	6 482	982	—	44 698
Total revenues, grants and other support	<u>367 705</u>	<u>125 357</u>	<u>982</u>	<u>—</u>	<u>494 044</u>
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
Rents 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	<u>334 128</u>	<u>115 060</u>	<u>2,557</u>	<u>—</u>	<u>451 745</u>
Operating income (loss)	<u>33 577</u>	<u>10 297</u>	<u>(1 575)</u>	<u>—</u>	<u>42 299</u>
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	<u>3 529</u>	<u>541</u>	<u>—</u>	<u>—</u>	<u>4 070</u>
Excess (deficiency) of revenues over expenses before joint operating agreement adjustment	<u>37 106</u>	<u>10 838</u>	<u>(1 575)</u>	<u>—</u>	<u>46 369</u>
Joint operating agreement adjustment	<u>(32 737)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(32 737)</u>
Excess (deficiency) of revenues over expenses	<u>4 369</u>	<u>10 838</u>	<u>(1 575)</u>	<u>—</u>	<u>13 632</u>
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	<u>\$ (3 707)</u>	<u>\$ 10 838</u>	<u>\$ (1 575)</u>	<u>\$ —</u>	<u>\$ 5 556</u>

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)

	<b>Alegent Health— Bergan Mercy Health System</b>	<b>Alegent Health— Mercy Hospital Corning, Iowa</b>	<b>Avantas</b>	<b>Eliminations</b>	<b>Alegent Health— Bergan Mercy Health System and Affiliates Consolidated</b>
Unrestricted revenues, gains and other support					
Gross patient charges					
Inpatient charges	\$ 734,270	\$ 3,725	\$ —	\$ —	\$ 737,995
Outpatient charges	545,895	24,837	—	—	570,732
	1,280,165	28,562	—	—	1,308,727
Less					
Deductions from gross patient charges	830,819	11,402	—	—	842,221
Contractual adjustments and other					
Net patient service revenue	449,346	17,160	—	—	466,506
Caterina building rental, sales to nonpatients and other	44,698	585	5,036	(18)	50,301
Total revenues, gains and other support	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
Rents 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

Exhibit III

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

Consolidating Statement of Changes in Net Assets Information

Year ended June 30, 2012

(Amounts in thousands)

	<b>The Archbishop Bergan Mercy Medical Center</b>	<b>Alegent Health Mercy Hospital</b>	<b>Mercy Medical Office Buildings, Inc.</b>	<b>Eliminations</b>	<b>Alegent Health— Bergan Mercy Health System</b>
<b>Unrestricted</b>					
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
	<u>(3,707)</u>	<u>10,838</u>	<u>(1,575)</u>	<u>—</u>	<u>5,556</u>
Increase (decrease) in unrestricted net assets	<u><u>\$ 425,487</u></u>	<u><u>\$ 79,918</u></u>	<u><u>\$ 3,712</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 509,117</u></u>
Balance, June 30, 2012					
<b>Temporarily restricted</b>					
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
	<u>(432)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(432)</u>
Increase in temporarily restricted net assets	<u><u>\$ 3,175</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 3,175</u></u>
Balance, June 30, 2012					
<b>Permanently restricted</b>					
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><u>\$ 1,791</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 1,791</u></u>

See accompanying independent auditors' report

**Exhibit III**

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

Consolidating Statement of Changes in Net Assets Information

Year ended June 30 2012

(Amounts in thousands)

	<b>Alegent Health— Bergan Mercy Health System</b>	<b>Alegent Health— Mercy Hospital Corning, Iowa</b>	<b>Avantas</b>	<b>Eliminations</b>	<b>Alegent Health— Bergan Mercy Health System and Affiliates Consolidated</b>
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	<u>5 556</u>	<u>879</u>	<u>(989)</u>	<u>110</u>	<u>5 556</u>
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	<u>(432)</u>	<u>15</u>	<u>—</u>	<u>(15)</u>	<u>(432)</u>
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	)
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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
		Or director of individual trustee	Institutional Trustee	Officer	Key employee	Highest compensated employee			
SR LILLIAN MURPHY RSM DIRECTOR	4 00	X					0	0	0
MICHAEL DEFREECE VICE CHAIR	6 00	X		X			0	0	0
PAUL EDGEOTT 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 STRAWECKER 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	Instrumental Trustee	Officer	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