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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

C Name of organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1701 E 23RD

City or town, state or country, and ZIP + 4
HUTCHINSON, KS 67502

D Employer identification number
48-0774005

E Telephone number
(620) 513-4556

G Gross receipts $ 146,925,595

F Name and address of principal officer
KENDALL E JOHNSON
1701 E 23RD
HUTCHINSON, KS 67502

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW HUTCHREGIONAL COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1969

M State of legal domicile KS

Part I Summary

1 Briefly describe the organization's mission or most significant activities
A 199 BED ACUTE CARE HOSPITAL WITH THE MISSION TO PROVIDE THE HIGHEST QUALITY CARE IN A COMPASSIONATE AND ETHICAL MANNER

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**	18
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	12
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	1,389
6	Total number of volunteers (estimate if necessary)	**6**	166
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	2,331,959
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	1,037,946

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	285,430	5,143,004
9	Program service revenue (Part VIII, line 2g)	134,731,311	135,391,667
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,429,491	901,659
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,155,051	5,367,955
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	138,601,283	146,804,285
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	129,780
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)	59,807,732	56,669,712
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)	81,407,221	75,559,113
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	141,214,953	132,358,605
19	Revenue less expenses Subtract line 18 from line 12	-2,613,670	14,445,680

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	162,449,516	173,777,039
21	Total liabilities (Part X, line 26)	32,638,262	29,711,011
22	Net assets or fund balances Subtract line 21 from line 20	129,811,254	144,066,028

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

****** 2013-05-15
Signature of officer — Date

KENDALL E JOHNSON VP FINANCE/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: ELIZABETH S HOGAN | Date | Check if self-employed ☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: BKD LLP, 1551 N WATERFRONT PKWY STE 300, WICHITA, KS 672066601 | EIN ▶ | Phone no ▶ (316) 265-2811

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

WE ARE DEVOTED TO PROVIDING THE HIGHEST QUALITY CARE IN A COMPASSIONATE AND ETHICAL MANNER

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 $ 113,056,878 including grants of $ 129,780) (Revenue $ 136,964,118)

HUTCHINSON REGIONAL MEDICAL CENTER IS CURRENTLY LICENSED TO OPERATE 199 GENERAL ACUTE BEDS ALL PROGRAM SERVICE EXPENSES WERE INCURRED IN FURTHERANCE OF OUR MISSION

4b (Code) (Expenses $ including grants of $) (Revenue $)

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 113,056,878

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	75		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	**1b**	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			**1c**	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	**2a**	1,389			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			**2b**	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?			**4a**		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			**5b**		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			**7e**		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			**7f**		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			**7h**		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			**8**		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			**9a**		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			**9b**		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	**10a**				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	**11a**				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	**11b**				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**				
c	Enter the aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

KENDALL E JOHNSON
1701 E 23RD
HUTCHINSON, KS 67502
(620) 513-4556

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								2,125,476	0	280,149

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 ▶ 32

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CLINICAL COLLEAGUES INC	ANESTHESIA PHYSICIAN	5,072,860
J A THOMAS ASSOCIATES INC	COMPLIANCE/CLINICAL	521,338
SCOTT SELLERS	ER PHYSICIAN	476,726
BRYAN K HENDERSON	ER PHYSICIAN	412,351
RICHARD PRICE DO	ER PHYSICIAN	412,000

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 ▶ 27

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	4,891,229			
	e	Government grants (contributions)	1e	183,715			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	68,060			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		5,143,004			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICE REVENUE	621400	131,932,367	131,707,323	225,044	
	b	NON-PATIENT LABORATORY	621500	1,596,951		1,596,951	
	c	AMBULANCE SERVICES	621910	995,890	995,890		
	d	PHARMACY CONSULTING	900099	542,836	542,836		
	e	LAUNDRY/LINEN SERVICE	812300	323,623		323,623	
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		135,391,667			
	3	Investment income (including dividends, interest and other similar amounts)		979,628		186,316	793,312
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real / (ii) Personal				
	6a	Gross rents	376,974 /				
	b	Less rental expenses	/				
	c	Rental income or (loss)	376,974 /				
	d	Net rental income or (loss)		376,974			376,974
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	25,749 / 43,341				
	b	Less cost or other basis and sales expenses	/ 121,310				
	c	Gain or (loss)	25,749 / -77,969				
	d	Net gain or (loss)		-77,969			-77,969
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events		0			
	9a	Gross income from gaming activities See Part IV, line 19 a					
	b	Less direct expenses b					
	c	Net income or (loss) from gaming activities		0			
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less cost of goods sold b					
	c	Net income or (loss) from sales of inventory		0			
		Miscellaneous Revenue	Business Code				
	11a	MEDICARE SETTLEMENT	900099	4,035,861	4,035,861		
	b	INSURANCE PROCEEDS	900099	360,156			360,156
	c	EMPLOYEE/GUEST MEALS	722210	441,595			441,595
	d	All other revenue		153,369		25	153,344
	e	**Total.** Add lines 11a–11d		4,990,981			
	12	**Total revenue.** See Instructions		146,804,285	137,281,910	2,331,959	2,047,412

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	129,780	129,780		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,587,295		1,587,295	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	42,780,359	34,263,753	8,516,606	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,890,633	1,634,930	255,703	
9	Other employee benefits	6,854,404	5,599,696	1,254,708	
10	Payroll taxes	3,557,021	2,934,898	622,123	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	537,883		537,883	
c	Accounting	114,488	52,068	62,420	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	14,648,584	13,678,110	970,474	
12	Advertising and promotion	333,715	400	333,315	
13	Office expenses	865,585	632,877	232,708	
14	Information technology	2,401,334	2,401,249	85	
15	Royalties . .	0			
16	Occupancy	2,242,022	2,240,571	1,451	
17	Travel	181,205	160,249	20,956	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	47,132	38,336	8,796	
20	Interest	173,449	143,113	30,336	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	10,091,280	8,326,315	1,764,965	
23	Insurance	1,070,036	30,970	1,039,066	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	18,141,047	18,141,047		
b	BAD DEBTS	12,027,251	12,027,251		
c	PHARMACEUTICALS	5,878,601	5,851,329	27,272	
d	FOOD/DIETARY SUPPLIES	1,164,331	1,155,379	8,952	
e					
f	All other expenses	5,641,170	3,614,557	2,026,613	
25	**Total functional expenses.** Add lines 1 through 24f	132,358,605	113,056,878	19,301,727	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		9,857,461	1	30,498,826
	2	Savings and temporary cash investments		16,510,017	2	16,440,421
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		17,725,611	4	17,036,661
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		4,794,457	8	4,331,167
	9	Prepaid expenses and deferred charges		2,071,276	9	2,058,331
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 174,497,596			
	b	Less accumulated depreciation	10b 115,423,683	67,288,241	10c	59,073,913
	11	Investments—publicly traded securities		14,672,224	11	15,209,660
	12	Investments—other securities See Part IV, line 11		24,632,405	12	24,174,081
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		4,897,824	15	4,953,979
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		162,449,516	16	173,777,039
Liabilities	17	Accounts payable and accrued expenses		16,694,076	17	16,626,065
	18	Grants payable		0	18	0
	19	Deferred revenue		1,186	19	1,105
	20	Tax-exempt bond liabilities		12,386,141	20	10,480,087
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		3,556,859	25	2,603,754
	26	**Total liabilities.** Add lines 17 through 25		32,638,262	26	29,711,011
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		105,638,303	27	120,490,005
	28	Temporarily restricted net assets		24,172,951	28	23,576,023
	29	Permanently restricted net assets		0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		129,811,254	33	144,066,028
	34	Total liabilities and net assets/fund balances		162,449,516	34	173,777,039

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	146,804,285
2	Total expenses (must equal Part IX, column (A), line 25)	2	132,358,605
3	Revenue less expenses Subtract line 2 from line 1	3	14,445,680
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	129,811,254
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-190,906
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	144,066,028

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	28,337	23,434	20,495	24,474	
b Contributions					
c Investment earnings or losses	319	5,169	3,173	-3,775	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	275	266	234	204	
g End of year balance	28,381	28,337	23,434	20,495	

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

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

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

		Yes	No
(i) unrelated organizations	3a(i)	Yes	
(ii) related organizations	3a(ii)		No

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,420,204		1,420,204
b Buildings		91,769,401	54,249,039	37,520,362
c Leasehold improvements				
d Equipment		75,172,978	58,670,918	16,502,060
e Other		6,135,013	2,503,726	3,631,287
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				59,073,913

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		
(3) Other		
(A) INV IN HUTCHINSON VHA	130,909	C
(B) INV IN HHCS	480,000	C
(C) INV IN ASC	20,000	C
(D) BENEFICIAL INT IN N/A OF FDN	23,543,172	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	24,174,081	

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
AGENCY FUNDS	911,514
CAPITAL LEASE	114,046
DUE TO THIRD PARTY PAYER	1,578,194
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	2,603,754

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

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

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

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

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
UNCERTAIN TAX POSITIONS	SCHEDULE D, PART X, LINE 2	THE MEDICAL CENTER AND ITS NOT-FOR-PROFIT AFFILIATES HAVE BEEN RECOGNIZED AS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(2) OR 501(C)(3) OF THE INTERNAL REVENUE CODE AND A SIMILAR PROVISION OF STATE LAW HOWEVER, THE HEALTHCARE SYSTEM IS SUBJECT TO FEDERAL INCOME TAX ON ANY UNRELATED BUSINESS TAXABLE INCOME HHCSI IS A TAXABLE CORPORATION WHICH PAYS TAXES AT PREVAILING CORPORATE RATES THE HEALTHCARE SYSTEM FILES TAX RETURNS IN THE U S FEDERAL JURISDICTION WITH A FEW EXCEPTIONS, THE HEALTHCARE SYSTEM IS NO LONGER SUBJECT TO U S FEDERAL EXAMINATIONS BY TAX AUTHORITIES BEFORE 2009 THE HEALTHCARE SYSTEM'S POLICY IS TO EVALUATE UNCERTAIN TAX POSITIONS ANNUALLY MANAGEMENT HAS EVALUATED THE HEALTHCARE SYSTEM'S TAX POSITIONS AND HAS CONCLUDED THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT OR DISCLOSURE IN THE FINANCIAL STATEMENTS

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 225. %	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring the tax year?	6a		No
6b	If "Yes," did the organization make it available to the public?	6b		
	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)			1,104,871	203,165	901,706	0 830 %
b Medicaid (from Worksheet 3, column a)			12,592,947	14,408,749		
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			13,697,818	14,611,914	901,706	0 830 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			134,796	2,500	132,296	0 100 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			8,795,138	5,048,117	3,747,021	2 830 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			219,180		219,180	0 170 %
j **Total** Other Benefits			9,149,114	5,050,617	4,098,497	3 100 %
k **Total.** Add lines 7d and 7j			22,846,932	19,662,531	5,000,203	3 930 %

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	3,892,331		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	62,471,097		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	63,594,159		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-1,123,062		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	HUTCHINSON REGIONAL MEDICAL CENTER INC 1701 E 23RD HUTCHINSON,KS 67502	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

HUTCHINSON REGIONAL MEDICAL CENTER INC

Name of Hospital Facility:

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 225 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☐ Asset level			
c ☐ Medical indigency			
d ☐ Insurance status			
e ☐ Uninsured discount			
f ☐ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☐ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

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

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

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

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

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

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

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN F		THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $12,027,251

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7		THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS CONTAINED IN THE TABLE OF PART I, LINE 7, OF SCHEDULE H, IS THE COST TO CHARGE RATIO FROM THE ORGANIZATION'S 6/30/2012 MEDICARE COST REPORT SUBSIDIZED HEALTH SERVICES SCHEDULE H, PART I, LINE 7G NO COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC WERE INCLUDED IN THE SUBSIDIZED HEALTH SERVICES COSTS

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	AT THIS TIME, HUTCHINSON REGIONAL DOES NOT HAVE PROGRAMS THAT DIRECTLY ADDRESS THE ROOT CAUSES OF HEALTH PROBLEMS, HOWEVER THE MANAGEMENT TEAM IS (AS A PART OF THEIR JOB DESCRIPTION) REQUIRED TO PARTICIPATE IN COMMUNITY VOLUNTEER ACTIVATES THAT FOCUS ON THESE ISSUES AS OF 6/30/2012, MEMBERS OF THE MANAGEMENT TEAM AND EXECUTIVE STAFF WERE CURRENTLY SERVING ON THE FOLLOWING LOCAL, STATE AND NATIONAL BOARDS AND COMMITTEES 1 RENO COUNTY CANCER COUNCIL 2 RED CROSS BOARD 3 UNITED WAY OF RENO COUNTY 4 HUTCHINSON AREA STUDENT SERVICES HEALTH CLINIC 5 AMERICAN RED CROSS, HUTCHINSON CHAPTER 6 AMERICAN HEART ASSOCIATION - FLINTHILLS DIVISION BOARD OF DIRECTORS 7 EXECUTIVE LEADERSHIP TEAM FOR HUTCHINSON HEART WALK 8 KANSAS HEALTH ETHICS BOARD 9 ARTHRITIS FOUNDATION (KANSAS/MISSOURI CHAPTER) 10 HOSPICE & HOMECARE OF RENO COUNTY 11 HUTCHINSON COMMUNITY COLLEGE ASSOCIATE DEGREE NURSING PROGRAM ADVISORY COMMITTEE 12 HUTCHINSON COMMUNITY COLLEGE - RHIT ADVISORY BOARD 13 AMBUCS MANY OF THESE BOARDS AND COMMITTEES HAVE DIRECT AND/OR INDIRECT IMPACT ON THE ROOT CAUSES OF HEALTH ISSUES IN OUR COUNTY AND THE SURROUNDING AREA

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCHEDULE H, PART III, LINE 4A	THE HEALTHCARE SYSTEM REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS THE HEALTHCARE SYSTEM PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS AS A SERVICE TO THE PATIENT, THE HEALTHCARE SYSTEM BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT COSTING METHODOLOGY SCHEDULE H, PART III, LINE 4B THE COSTING METHODOLOGY IS BASED ON THE ORGANIZATION'S MEDICARE COST-TO-CHARGE RATIO WHILE WE RECOGNIZE THAT THERE WILL MOST DEFINITELY BE SOME BAD DEBT EXPENSES ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, WE HAVE NO REASONABLE BASIS FOR ESTIMATING THIS FIGURE IF WE KNOW THE PATIENT IS ELIGIBLE, THEY WOULD FALL UNDER CHARITY CARE AND NOT BAD DEBT

Identifier	ReturnReference	Explanation
MEDICARE	SCHEDULE H, PART III, LINE 8B	THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNT ON LINE 6 IS A COST TO CHARGE RATIO THE SHORTFALL IS A RESULT OF UNREIMBURSED COSTS INCURRED WHILE PROVIDING CARE FOR MEDICARE PATIENTS, BUT IS NOT INCLUDED AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
COLLECTIONS PRACTICES	SCHEDULE H, PART III, LINE 9B	WHEN A PATIENT ACCOUNT IS ASSIGNED TO A COLLECTION AGENCY, THE AGENCY WILL INFORM THE PATIENT OF HUTCHINSON REGIONAL'S CHARITY CARE POLICY AND WILL ASSIST THE PATIENT IN CONTACTING THE MEDICAL CENTER TO APPLY FOR ASSISTANCE DURING THE PROCESS OF DETERMINING ELIGIBILITY, COLLECTION EFFORTS WILL BE SUSPENDED PROVIDING THE PATIENT COOPERATES WITH THE ELIGIBILITY PROCESS

Identifier	ReturnReference	Explanation
MAXIMUM AMOUNTS CHARGED TO FAP-ELIGIBLE PATIENTS	SCHEDULE H, PART V, LINE 19D	AS THE PURPOSE OF OUR UNINSURED DISCOUNT IS TO LEVEL THE PLAYING FIELD BETWEEN OUR SELF PAY PATIENT AND OUR INSURED PATIENT, OUR UNINSURED DISCOUNT IS BASED ON THE PERCENTAGE OF DISCOUNT WE GENERALLY GIVE OUR MANAGED CARED DISCOUNTS THIS INCLUDES THE DISCOUNTS OFF OF CHARGES THAT ARE DICTATED BY THE FEE SCHEDULES AND THE PERCENT OF CHARGES DISCOUNT IN OTHER WORDS, THE AGGREGATE OF ALL MANAGED CARE CONRACTUAL DISCOUNTS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, LINE 2	HUTCHINSON REGIONAL MEDICAL CENTER IS PARTNERING WITH THE RENO COUNTY HEALTH DEPARTMENT TO PARTICIPATE IN A COMMUNITY HEALTH NEEDS ASSESSMENT AND SUBSEQUENT IMPROVEMENT PLANS PHASE 1 HAS INVOLVED THE IDENTIFICATION OF CO-CHAIRS FROM BOTH ORGANIZATIONS AND THE PRELIMINARY IDENTIFICATION OF A STEERING COMMITTEE FURTHER REFINEMENT OF THE COMMITTEE WILL OCCUR, AS ITS IMPERATIVE TO INCLUDE CONSTITUENTS WHO HAVE SIGNIFICANT INFLUENCE AS WELL AS PEOPLE MOST AFFECTED BY HEALTH PROBLEMS A MEMBER OF THE HUTCHINSON REGIONAL EXECUTIVE TEAM ALSO SERVES ON THE ADVISORY BOARD OF THE RENO COUNTY HEALTH DEPARTMENT IN THE MONTHS AHEAD, THE CONSTITUENCY WILL REVIEW STATISTICS, SURVEY DATA AND OTHER FORMS OF INFORMATION ABOUT THE COMMUNITY FROM THIS REVIEW, THE GOALS AND OBJECTIVES WILL BE IDENTIFIED HUTCHINSON REGIONAL IS PARTNERING WITH THE RENO COUNTY HEALTH DEPARTMENT AND OTHERS TO HELP IDENTIFY RESOURCES AND SUPPORT TO MEET THESE OBJECTIVES ADDITIONALLY, HUTCHINSON REGIONAL HAS FORMED TWO INTERNAL RESPONSE TEAMS TO FOCUS ON TOBACCO USE CESSATION AND REDUCING CHILDHOOD OBESITY THE TOBACCO CESSATION GROUP IS COLLABORATING WITH THE LOCAL HEALTH DEPARTMENT IN ITS EFFORTS TO REDUCE CHILDHOOD OBESITY, THE HOSPITAL IS PARTNERING WITH THE HEALTH DEPARTMENT, HEAD START, EARLY HEAD START AND SMART START OF RENO & RICE COUNTIES

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	THE MEDICAL CENTER POSTS NOTICES OF CHARITY CARE IN ADMISSIONS, THE EMERGENCY DEPARTMENT, FINANCIAL SERVICES, AND ON THE MEDICAL CENTER'S WEBSITE PATIENTS ARE GIVEN A WRITTEN NOTICE INDICATING THE POLICY AT THE TIME OF THEIR ADMISSION VIA THE CONDITIONS OF ADMISSION FORM IN CASE OF AN EMERGENCY, THE PATIENT WILL BE NOTIFIED AS SOON AS POSSIBLE OF THE EXISTENCE OF CHARITY CARE ENGLISH TRANSLATION OF THIS NOTICE WILL BE MADE AVAILABLE TO SPANISH-SPEAKING PATIENTS THE MEDICAL CENTER HAS TRAINED FRONT LINE STAFF TO ANSWER CHARITY CARE QUESTIONS OR DIRECT SUCH QUESTIONS TO THE APPROPRIATE PARTY WRITTEN INFORMATION REGARDING THE MEDICAL CENTER'S CHARITY CARE POLICY AS WELL AS OTHER PAYMENT OPTIONS WILL BE MADE AVAILABLE TO ANY PERSON WHO REQUESTS SUCH INFORMATION VIA MAIL, PHONE OR IN PERSON WE INFORM OUR PATIENTS OF OUR CHARITY CARE POLICY DURING ANY CONTACT OUR PATIENT ACCOUNTS REPRESENTATIVES HAVE WITH THE PATIENT IN WHICH THE PATIENT EXPRESSES AN INABILITY TO PAY WE HAVE A FINANCIAL COUNSELOR WHO REVIEWS ALL OUR SELF PAY INPATIENTS AND OUTPATIENTS OVER $2,000 AND PART OF THAT REVIEW IS A SCREENING FOR CHARITY ELIGIBILITY WE HAVE ALSO INSTRUCTED OUR COLLECTION AGENCY TO PRESENT/OFFER A CHARITY CARE APPLICATION TO ANY PATIENT WHO EXPRESSES AN INTEREST ADDITIONALLY, OUR CHARITY CARE POLICY IS ON OUR WEBSITE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	HUTCHINSON REGIONAL MEDICAL CENTER IS LOCATED IN RENO COUNTY, KANSAS IN THE CITY OF HUTCHINSON RENO COUNTY HAS AN APPROXIMATE POPULATION OF 64,500 RESIDENTS WITH THE POPULATION BEING 68% URBAN RESIDENTS AND 32% RURAL RESIDENTS THE ESTIMATED AVERAGE ANNUAL HOUSEHOLD INCOME IS $39,000 APPROXIMATELY 11% OF THE POPULATION IS BELOW THE FEDERAL POVERTY ANNUAL INCOME LEVEL OF THOSE INDIVIDUALS, APPROXIMATELY 14% ARE UNDER THE AGE OF 18 AND 9% ARE 65 OR OVER MEDICARE SERVICES ACCOUNT FOR APPROXIMATELY 55% OF ALL OF THE MEDICAL CENTER'S GROSS REVENUE, WHILE MEDICAID AND SELF-PAY SERVICES ACCOUNT FOR APPROXIMATELY 12% OF THE MEDICAL CENTER'S GROSS REVENUE HUTCHINSON REGIONAL MEDICAL CENTER IS THE ONLY COMMUNITY BASED HOSPITAL IN RENO COUNTY AND IS GOVERNED BY A BOARD OF DIRECTORS IN WHICH NEW MEMBERS ARE NOMINATED AND SELECTED FROM THE COMMUNITY AT LARGE THE MEDICAL CENTER IS DEEPLY INVESTED IN THE QUALITY OF HEALTH CARE DELIVERED AND COMMUNITY WELL-BEING HUTCHINSON REGIONAL MEDICAL CENTER AIMS TO BE THE FIRST AND BEST CHOICE FOR HEALTH CARE IN THE SURROUNDING REGION OTHER MEDICAL FACILITIES SURROUNDING THE MEDICAL CENTER ARE LOCATED IN HALSTEAD, MOUNDRIDGE, AND MCPHERSON THE DISTANCES BETWEEN THE MEDICAL CENTER AND THESE FACILITIES ARE 23, 24, AND 26 MILES RESPECTIVELY THERE ARE ALSO TWO LARGE MEDICAL FACILITIES LOCATED IN WICHITA AND BOTH ARE APPROXIMATELY 50 MILES AWAY

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, LINE 5	HUTCHINSON REGIONAL IS THE ONLY COMMUNITY BASED HOSPITAL IN RENO COUNTY AND IS GOVERNED BY A BOARD OF DIRECTORS IN WHICH NEW MEMBERS ARE NOMINATED AND SELECTED FROM THE COMMUNITY AT LARGE CORPORATION BY-LAWS STATE "IT IS THE INTENT AND PURPOSE OF THESE BY-LAWS THAT THE MEMBERS OF THE BOARD SHALL CONSTITUTE A BALANCED REPRESENTATION OF THE COMMUNITY AND THE MEDICAL STAFF " THE BOARD MEETS MONTHLY WITH THE PURPOSE OF GUIDING THE HOSPITAL AND ASSURING QUALITY MEDICAL CARE FOR ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY FOR SERVICES MEDICAL STAFF PRIVILEGES ARE GRANTED BY A COMBINED VOTE OF THE MEDICAL EXECUTIVE COMMITTEE AND HUTCHINSON REGIONAL BOARD OF DIRECTORS QUALIFIED PHYSICIANS FROM RENO COUNTY AND THE SURROUNDING AREA ARE ENCOURAGED TO APPLY FOR PRIVILEGES AND ARE ONLY REJECTED FOR LICENSURE OR OTHER ISSUES RELATED TO QUALITY OF CARE OR MORAL CHARACTER ALL SURPLUS FUNDS ARE APPLIED TOWARDS INVESTMENTS IN PLANT OR EQUIPMENT TO PROVIDE STATE OF THE ART CARE IN THE MOST MODERN, PATIENT FRIENDLY ENVIRONMENT POSSIBLE THE BIRTHING CENTER HAS UNDERGONE EXTENSIVE REMODELING AND PLANS ARE CURRENTLY UNDERWAY TO COMPLETELY REMODEL OUR EMERGENCY DEPARTMENT HUTCHINSON REGIONAL HAS A STRONG VISION FOR THE FUTURE WE'RE DEEPLY INVESTED IN THE QUALITY OF HEALTH CARE DELIVERY AND COMMUNITY WELL-BEING OUR STANDARD FOR AND COMMITMENT TO EXCELLENCE IS NOTHING LESS THAN A PROMISE TO BE THE FIRST AND BEST CHOICE FOR HEALTH CARE IN THE SURROUNDING REGION OUR MISSION STATEMENT AND CORE VALUES REFLECT OUR COMMUNITY MINDED FOCUS HUTCHINSON REGIONAL MEDICAL CENTER MISSION STATEMENT WE ARE DEVOTED TO PROVIDING THE HIGHEST QUALITY CARE IN A COMPASSIONATE AND ETHICAL MANNER OUR VISION HUTCHINSON REGIONAL MEDICAL CENTER WILL BE THE REGIONAL LEADER IN HEALTHCARE AND THE PATIENT EXPERIENCE CORE VALUES o INTEGRITY o COMPASSION o ACCOUNTABLILTY o RESPECT o EXCELLENCE HUTCHINSON REGIONAL PROUDLY SERVES THE NEEDS OF OUR COMMUNITY AND MAKES EVERY EFFORT TO DELIVER THE BEST CARE POSSIBLE AS AN EXEMPT ENTITY, WE UNDERSTAND OUR OBLIGATION AND DUTY TO THE PEOPLE WE SERVE

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

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

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) HUTCHINSON REGIONAL MEDICAL FOUNDATION1701 E 23RD HUTCHINSON,KS 67502	48-0891435	501(C)(3)	129,780				GENERAL SUPPORT

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

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

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

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

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

Identifier	Return Reference	Explanation
PROCESS FOR MONITORING THE USE OF GRANT FUNDS	SCHEDULE I, PART I, LINE 2	THE ORGANIZATION MADE GRANTS TO HUTCHINSON REGIONAL MEDICAL FOUNDATION, A RELATED ORGANIZATION THE FOUNDATION WILL MONITOR ALL USES OF THE FUNDS

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KEVIN MILLER	(i)	146,383		4,548	0	10,876	161,807	0
	(ii)	0			0		0	0
(2) WILLIAM GIERSCH	(i)	171,026		3,972	11,594	15,305	201,897	0
	(ii)	0	0	0	0	0	0	0
(3) JANET HAMOUS	(i)	151,528		7,961	10,797	22,651	192,937	0
	(ii)	0			0	0	0	0
(4) PATRICIA EDWARDS	(i)	151,574		7,228	10,582	20,021	189,405	0
	(ii)	0			0	0	0	0
(5) TODD LAFFOON	(i)	117,386		7,648	8,431	23,499	156,964	0
	(ii)	0			0	0	0	0
(6) PATRICK MOWDER	(i)	151,842		1,980	10,247	20,366	184,435	0
	(ii)	0			0	0	0	0
(7) RAGU TIRUKONDA	(i)	173,229		229	11,641	18,293	203,392	0
	(ii)	0			0	0	0	0
(8) RONALD FENWICK	(i)	148,337		665	9,518	5,890	164,410	0
	(ii)	0			0	0	0	0
(9) CLINTON BOOR	(i)	138,327		60	8,941	14,674	162,002	0
	(ii)	0			0	0	0	0
(10) BARBARA LUDER	(i)	158,481		113	0	5,752	164,346	0
	(ii)	0			0	0	0	0
(11) LINDA HARRISON	(i)	36,693		215,361		2,261	254,315	0
	(ii)	0			0	0	0	0

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
HEALTH OR SOCIAL CLUB DUES	SCHEDULE J, PART I, LINE 1A	COUNTRY CLUB AND SOCIAL DUES ARE PAID FOR KEVIN MILLER
SEVERANCE PAYMENT	SCHEDULE J, PART I, LINE 4A	LINDA HARRISON - $159,006

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV, COLUMN B	1) ENTITY MORE THAN 35% OWNED BY MERT SELLERS, DIRECTOR 2) PROFESSIONAL CORPORATION MORE THAN 5% OWNED BY REX DEGNER, DIRECTOR 3) FAMILY MEMBER OF WILLIAM GIERSCH, OFFICER 4) FAMILY MEMBER OF ANASTEEN BLACKIM, DIRECTOR 5) ENTITY MORE THAN 35% OWNED BY ALLEN FEE, DIRECTOR 6) FAMILY MEMBER OF LOIS SCHLICKAU, DIRECTOR 7) PROFESSIONAL CORPORATION MORE THAN 5% OWNED BY MELISSA MOODIE, FAMILY MEMBER OF EVAN MOODIE, DIRECTOR 8) FAMILY MEMBER OF JAMES SILER, DIRECTOR 9) RELATED FOR PROFIT ENTITY OF WHICH CURRENT OFFICERS SERVES AS OFFICERS

Additional Data

Software ID:
Software Version:
EIN: 48-0774005
Name: HUTCHINSON REGIONAL MEDICAL CENTER INC

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(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**
LUMINOUS NEON INC	SEE PART V	260,478	PURCHASE OF SIGNS & SERVICES		No
RENO PATHOLOGY ASSOCIATES	SEE PART V	300,000	INDEPENDENT CONTRACTOR		No
AMY CHASE	SEE PART V	87,196	EMPLOYMENT		No
MORGAN BLACKIM	SEE PART V	11,774	EMPLOYMENT		No
FEE INSURANCE GROUP	SEE PART V	330,757	INSURANCE PROVIDER		No
TRACY SCHLICKAU	SEE PART V	34,849	EMPLOYMENT		No
GILLILAND HAYES LLC	SEE PART V	155,018	INDEPENDENT CONTRACTOR		No
SUSAN SILER	SEE PART V	100,120	EMPLOYMENT		No
HUTCHINSON HEALTH CARE SERVICES IN	SEE PART V	215,407	SHARED EMPLOYEES/EXPENSES		No

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

Identifier	Return Reference	Explanation
BUSINESS RELATIONSHIPS	FORM 990, PART VI, SECTION A, LINE 2	TIMOTHY CRATER, JAMES SILER AND VERLIN JANZEN HAVE A BUSINESS RELATIONSHIP KENDALL E JOHNSON AND KEVIN MILLER HAVE A BUSINESS RELATIONSHIP
FORM 990 REVIEW PROCESS	FORM 990, PART VI, SECTION B, LINE 11B	AN INDEPENDENT ACCOUNTING FIRM PREPARES AND REVIEWS THE 990 THE 990 IS THEN PROVIDED TO THE TREASURER ANY QUESTIONS AND CONCERNS THE TREASURER HAS ARE ADDRESSED AND ANY CORRECTIONS OR CLARIFICATIONS ARE MADE THE FINAL FORM 990 WITH ALL REQUIRED SCHEDULES IS THEN PROVIDED TO ALL VOTING MEMBERS OF THE GOVERNING BOARD PRIOR TO FILING
CONFLICT OF INTEREST POLICY	FORM 990, PART VI, SECTION B, LINE 12C	THE DIRECTORS AND OFFICERS ARE REQUIRED TO ANNUALLY SIGN A CONFLICT OF INTEREST STATEMENT DISCLOSING ANY POTENTIAL OR ACTUAL CONFLICTS OF INTEREST AFTER DISCLOSURE AND DISCUSSION WITH THE INTERESTED PERSON, THE INTERESTED PERSON LEAVES THE MEETING WHILE THE REMAINING BOARD MEMBERS DISCUSS AND VOTE ON WHETHER A CONFLICT OF INTEREST EXISTS IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY POSSIBLE, THE DISINTERESTED DIRECTORS SHALL DETERMINE BY A MAJORITY VOTE WHETHER THE ARRANGEMENT IS IN THE BEST INTEREST OF THE ORGANIZATION, AND IF SO, WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT
COMPENSATION REVIEW	FORM 990, PART VI, SECTION B, LINES 15A & 15B	EXECUTIVE COMPENSATION IS HANDLED WITH THE ASSISTANCE OF AN INDEPENDENT COMPENSATION CONSULTANT WHO WORKS WITH THE BOARD OF DIRECTORS TO ESTABLISH EXECUTIVE PAY AND BENEFITS A NATIONAL CONSULTING FIRM WAS ENGAGED TO CONDUCT A COMPREHENSIVE WAGE STUDY, WHICH INCLUDED EXECUTIVE LEVEL POSITIONS THEY GATHERED AND ANALYZED COMPARATIVE COMPENSATION DATA AND MADE A RECOMMENDATION TO THE CHAIRPERSON OF THE BOARD FOR USE WITH THE EXECUTIVE BOARD, WHICH SERVES AS THE COMPENSATION COMMITTEE THE CEO BASE PAY IS DETERMINED BY THE BOARD BASED ON MARKET DATA AND EXECUTIVE PERFORMANCE THE CEO BONUS IS DETERMINED BY THE BOARD BASED ON HOSPITAL AND CEO PERFORMANCE, IN ACCORDANCE WITH THE GUIDELINES OUTLINED IN THE EMPLOYMENT AGREEMENT THE CEO DETERMINED COMPENSATION FOR OTHER OFFICERS AND KEY EMPLOYEES BY A REVIEW OF HEALTHCARE SALARY MARKET SURVEYS, BOTH REGIONAL AND NATIONAL HIS DECISION WAS MADE IN CONSULTATION WITH THE HUMAN RESOURCES DEPARTMENT
AVAILABILITY OF DOCUMENTS	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION DOES NOT CURRENTLY PROVIDE ACCESS TO GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY OR FINANCIAL STATEMENTS
OTHER CHANGES IN NET ASSETS	FORM 990, PART XI, LINE 5	TRANSFERS TO AFFILIATES (76,558) CHANGE IN BENEFICIAL INTEREST IN FOUNDATIONS (594,450) UNREALIZED GAINS ON INVESTMENTS 480,102 ---------- (190,906)
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ANN BUSH TITLE DIRECTOR/SECRETARY HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN JONES TITLE DIRECTOR HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KEVIN MILLER TITLE DIRECTOR/PRESIDENT HOURS 5
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MERT SELLERS TITLE DIRECTOR HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KENDALL E. JOHNSON TITLE VP FINANCE HOURS 4

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
HUTCHINSON REGIONAL MEDICAL CENTER INC

Employer identification number
48-0774005

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) HOSPICE OF RENO COUNTY INC 1701 E 23RD HUTCHINSON, KS 67502 48-0927101	HOSPICE CARE	KS	501(C)(3)	7	HRMC	Yes	
(2) HORIZONS MENTAL HEALTH CENTER INC 1600 N LORRAINE HUTCHINSON, KS 67051 48-0970362	MENTAL HEALTH	KS	501(C)(3)	3	HRMC	Yes	
(3) MAIN LINE INC 1701 E 23RD HUTCHINSON, KS 67502 48-6111813	LEASING	KS	501(C)(3)	11B	HRMC	Yes	
(4) LIVING CENTER INC 1701 E 23RD HUTCHINSON, KS 67502 48-1066643	LTC FACILITY	KS	501(C)(3)	9	HRMC	Yes	
(5) HUTCHINSON REGIONAL MEDICAL FOUNDATION 1701 E 23RD HUTCHINSON, KS 67502 48-0891435	SUPPORT	KS	501(C)(3)	11B	NA		No

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

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

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) HUTCHINSON HEALTH CARE SERVICES INC 803 E 30TH HUTCHINSON, KS 67502 48-0970364	MEDICAL EQUIPMENT	KS	HRMC	C-CORPORATION	2,935,326	2,249,151	100 000 %

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

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

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

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

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

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

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

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 48-0774005
Name: HUTCHINSON REGIONAL MEDICAL CENTER INC

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	HORIZONS MENTAL HEALTH CENTER	N	125,290	FMV
(2)	HORIZONS MENTAL HEALTH CENTER	P	226,164	FMV
(3)	HOSPICE OF RENO COUNTY INC	N	206,646	FMV
(4)	HOSPICE OF RENO COUNTY INC	P	191,612	FMV
(5)	HUTCHINSON HEALTH CARE SERVICES INC	N	108,247	FMV
(6)	HUTCHINSON HEALTH CARE SERVICES INC	P	107,161	FMV
(7)	HUTCHINSON REGIONAL MEDICAL FOUNDATION	B	129,780	FMV
(8)	HUTCHINSON REGIONAL MEDICAL FOUNDATION	C	298,256	FMV
(9)	LIVING CENTER INC	I	206,338	FMV
(10)	LIVING CENTER INC	N	973,059	FMV
(11)	LIVING CENTER INC	P	237,813	FMV
(12)	MAIN LINE INC	C	4,500,000	FMV
(13)	MAIN LINE INC	N	102,319	FMV
(14)	MAIN LINE INC	P	95,686	FMV

Additional Data

Software ID:
Software Version:
EIN: 48-0774005
Name: HUTCHINSON REGIONAL MEDICAL CENTER INC

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ANNASTEEN BLACKIM DIRECTOR	1.0	X						0	0	0
BRUCE BUCHANAN DIRECTOR/CHAIR	1.0	X		X				0	0	0
ANN BUSH DIRECTOR/SECRETARY	1.0	X		X				0	0	0
TIMOTHY CRATER MD DIRECTOR	1.0	X						0	0	0
JOHN DEARDOFF DIRECTOR	1.0	X						0	0	0
REX DEGNER MD DIRECTOR	1.0	X						0	0	0
MIKE EVANS DIRECTOR/TREASURER	1.0	X		X				0	0	0
ALLEN FEE DIRECTOR	1.0	X						0	0	0
KEITH HUGHES DIRECTOR	1.0	X						0	0	0
VERLIN JANZEN MD DIRECTOR	1.0	X						0	0	0
JOHN JONES DIRECTOR	1.0	X						0	0	0
KEVIN MILLER DIRECTOR/PRESIDENT	40.0	X		X				150,931	0	10,876
EVAN MOODIE DIRECTOR	1.0	X						0	0	0
KIM MOORE DIRECTOR	1.0	X						0	0	0
DAVID NEAL DIRECTOR	1.0	X						0	0	0
CAROLYN PATTERSON DIRECTOR/VICE CHAIR	1.0	X		X				0	0	0
LOUIS SCHLICKAU DIRECTOR	1.0	X						0	0	0
MERT SELLERS DIRECTOR	1.0	X						0	0	0
JAMES SILER MD DIRECTOR	1.0	X						0	0	0
JOHN SWEARER DIRECTOR	1.0	X						0	0	0
KENT TYLER DIRECTOR	1.0	X						0	0	0
KENDALL E JOHNSON VP FINANCE	40.0			X				126,435	0	18,765
WILLIAM GIERSCH VP CLINICAL SERVICES	40.0			X				174,998	0	26,899
JANET HAMOUS VP HUMAN RESOURCES	40.0			X				159,489	0	33,448
JULIE WARD VP HUMAN RESOURCES	40.0			X				83,146	0	8,052

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
PATRICIA EDWARDS VP NURSING	40.0			X				158,802	0	30,603
TODD LAFFOON VP MARKETING	40.0			X				125,034	0	31,930
ROBYN CHADWICK VP QUALITY	40.0			X				121,324		11,993
PATRICK MOWDER DIRECTOR PHARMACY	40.0					X		153,822	0	30,613
RAGU TIRUKONDA MEDICAL PHYSICIST	40.0					X		173,458	0	29,934
RONALD FENWICK PHARMACIST	40.0					X		149,002	0	15,408
CLINTON BOOR PHARMACIST	40.0					X		138,387	0	23,615
BARBARA LUDER MD	40.0					X		158,594	0	5,752
LINDA HARRISON FORMER PRESIDENT	0.0						X	252,054	0	2,261

Hutchinson Regional Medical Center, Inc.

Independent Accountants' Report and Consolidated Financial Statements

June 30, 2012 and 2011

BKD LLP
CPAs & Advisors

Hutchinson Regional Medical Center, Inc.

June 30, 2012 and 2011

Contents

BKD LLP
CPAs & Advisors

1551 N Waterfront Parkway, Suite 300
Wichita, KS 67206-6601
316 265 2811 Fax 316 265 9405 www.bkd.com

Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
Hutchinson Regional Medical Center, Inc
Hutchinson, Kansas

We have audited the accompanying consolidated balance sheet of Hutchinson Regional Medical Center, Inc (formerly Promise Regional Medical Center – Hutchinson, Inc) as of June 30, 2012, and the related statements of operations, changes in net assets and cash flows for the year then ended These financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these financial statements based on our audit The consolidated financial statements of Hutchinson Regional Medical Center, Inc as of and for the year ended June 30, 2011, were audited by other accountants whose report dated October 12, 2011, expressed an unqualified opinion on those statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation We believe that our audit provides a reasonable basis for our opinion

In our opinion, the 2012 financial statements referred to above present fairly, in all material respects, the financial position of Hutchinson Regional Medical Center, Inc as of June 30, 2012, and the results of its operations, the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Our audit was performed for the purpose of forming an opinion on the 2012 consolidated financial statements as a whole The consolidating schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole

BKD, LLP

October 26, 2012

Hutchinson Regional Medical Center, Inc.

Consolidated Balance Sheets

June 30, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	$ 39,398,008	$ 17,164,344
Short-term investments	117,431	117,431
Assets limited as to use, current	4,451,242	3,915,413
Patient accounts receivable, net	20,684,763	20,864,205
Other receivables	1,241,905	738,382
Net investment in direct financing leases	1,381,323	1,583,936
Loans receivable	143,659	190,379
Supplies	4,495,151	5,092,952
Prepaid expenses and other	2,198,783	2,249,851
Total current assets	74,112,265	51,916,893
Assets Limited As To Use		
Internally designated		
For capital improvements	23,655,149	22,604,339
For self-funded employee health, workers' compensation and professional liability insurance	6,977,193	7,566,090
Interests in net assets of foundations	24,362,190	24,801,202
	54,994,532	54,971,631
Less amount required to meet current obligations	4,451,242	3,915,413
	50,543,290	51,056,218
Property and Equipment, Net	67,847,732	76,816,855
Other Assets		
Net investment in direct financing leases	21,941,244	23,155,665
Loans receivable	1,892,199	2,609,527
Agency funds	911,514	850,817
Long-term investments	772,051	1,490,566
Other	48,258	51,056
	25,565,266	28,157,631
Total assets	$ 218,068,553	$ 207,947,597

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2012	2011
Current Liabilities		
Current maturities of long-term debt	$ 990,000	$ 1,233,239
Current maturities of capital lease obligations	27,863	59,752
Accounts payable	4,622,330	5,363,862
Accrued expenses	14,253,890	12,957,664
Deferred revenue	1,105	1,186
Estimated amounts due to third-party payers	1,600,694	2,532,244
Total current liabilities	21,495,882	22,147,947
Long-term Debt	9,490,087	11,152,902
Capital Lease Obligations	86,183	114,046
Agency Funds	911,514	850,817
Total liabilities	31,983,666	34,265,712
Net Assets		
Unrestricted	162,369,042	149,374,232
Temporarily restricted	23,715,845	24,307,653
Total net assets	186,084,887	173,681,885
Total liabilities and net assets	$ 218,068,553	$ 207,947,597

Hutchinson Regional Medical Center, Inc.

Consolidated Statements of Operations

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 155,980,910	$ 154,569,453
Other	13,236,511	8,911,909
Net assets released from restriction used for operations	221,839	189,475
Total unrestricted revenues, gains and other support	169,439,260	163,670,837
Expenses and Losses		
Salaries and wages	57,495,298	61,686,881
Employee benefits	15,529,662	15,418,935
Purchased services, supplies and other	60,724,690	65,885,248
Depreciation and amortization	11,239,244	11,359,572
Interest	174,096	236,184
Provision for uncollectible accounts	12,828,328	12,412,594
Abandoned project costs	469,562	724,075
Total expenses and losses	158,460,880	167,723,489
Operating Income (Loss)	10,978,380	(4,052,652)
Other Income (Expense)		
Investment return	1,008,271	1,446,000
Contributions received	246,565	242,876
Other	(153,185)	1,553,932
Total other income	1,101,651	3,242,808
Excess (Deficiency) of Revenues Over Expenses	12,080,031	(809,844)
Change in net unrealized gains and losses on investments	480,102	860,823
Net assets released from restriction used for purchase of property and equipment	434,677	117,390
Increase in Unrestricted Net Assets	$ 12,994,810	$ 168,369

Hutchinson Regional Medical Center, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Net Assets		
Excess (deficiency) of revenues over expenses	$ 12,080,031	$ (809,844)
Change in net unrealized gains on investments	480,102	860,823
Net assets released from restriction used for purchase of property and equipment	434,677	117,390
Increase in unrestricted net assets	12,994,810	168,369
Temporarily Restricted Net Assets		
Contributions received	270,157	209,122
Change in interests in net assets of foundations	(205,449)	3,594,289
Net assets released from restrictions used for operations	(221,839)	(189,475)
Net assets released from restrictions used for purchase of property and equipment	(434,677)	(117,390)
Increase (decrease) in temporarily restricted net assets	(591,808)	3,496,546
Change in Net Assets	12,403,002	3,664,915
Net Assets, Beginning of Year	173,681,885	170,016,970
Net Assets, End of Year	$ 186,084,887	$ 173,681,885

Hutchinson Regional Medical Center, Inc.

Consolidated Statements of Cash Flows

Years Ended June 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	$ 12,403,002	$ 3,664,915
Items not requiring (providing) operating cash flow		
Loss on sale of property and equipment	230,106	86,850
Loss on lease buyout	64,933	-
Depreciation and amortization	11,239,244	11,353,918
Provision for uncollectible accounts	12,828,328	12,412,594
Abandoned project costs, net of payments	469,562	606,684
Other changes	-	2,609
Net assets released from restriction used for purchase of property and equipment	(434,677)	(117,390)
Change in unrealized gains on investments	(480,102)	(860,823)
Equity in income of uncombined affiliate	718,515	(882,401)
Change in interests in net assets of foundations	205,449	(3,594,289)
Changes in		
Patient accounts receivable	(12,648,886)	(12,566,644)
Other receivables	(503,523)	(224,870)
Supplies	597,801	(173,693)
Prepaid expenses and other	47,545	(424,284)
Estimated amounts due from and to third-party payers	(931,550)	2,712,158
Accounts payable	(741,532)	(448,687)
Accrued expenses	1,296,226	4,511,032
Other liabilities	(81)	(2,448)
Net cash provided by operating activities	24,360,360	16,055,231
Investing Activities		
Purchase of property and equipment	(2,984,310)	(11,257,708)
Proceeds from sale of property and equipment	20,842	72,494
Change in temporary investments	-	500
Change in assets limited as to use	(228,350)	(1,462,032)
Principal payments received on leases	1,623,787	1,929,575
Principal payments received on loans	764,048	179,238
Direct financing leases funded	(516,659)	(321,058)
Proceeds from disposition of leased assets	244,973	-
Change in long-term investments	480,102	(537,352)
Transfer of funds to foundations, net	-	(183,711)
Net cash used in investing activities	(595,567)	(11,580,054)

Hutchinson Regional Medical Center, Inc.

Consolidated Statements of Cash Flows (Continued)

Years Ended June 30, 2012 and 2011

	2012	2011
Financing Activities		
Principal payments on long-term debt	$ (1,906,054)	$ (1,165,851)
Principal payments on capital lease obligations	(59,752)	(38,254)
Capital lease obligations incurred	-	145,000
Net assets released from restrictions used for purchase of property and equipment	434,677	117,390
Net cash used in financing activities	(1,531,129)	(941,715)
Increase in Cash and Cash Equivalents	22,233,664	3,533,462
Cash and Cash Equivalents, Beginning of Year	17,164,344	13,630,882
Cash and Cash Equivalents, End of Year	$ 39,398,008	$ 17,164,344
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	$ 174,096	$ 236,184
Income taxes paid	$ 317,800	$ 117,240

Hutchinson Regional Medical Center, Inc.

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

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

Nature of Operations

Hutchinson Regional Medical Center, Inc (Medical Center) is a Kansas not-for-profit membership corporation organized for the purpose of owning and operating a health care facility located in Hutchinson, Kansas The Medical Center is the sole member or sole shareholder of the following corporations

Not-for-profit
- Horizons Mental Health Center, Inc (HMHC)
- Main Line, Inc (MLI)
- Hospice of Reno County, Inc (HoRC)
- The Living Center, Inc (TLC)

For profit
- Hutchinson Health Care Services, Inc (HHCSI)

During 2012, the Medical Center changed its name, which formerly was Promise Regional Medical Center – Hutchinson, Inc

Principles of Consolidation

The consolidated financial statements of Hutchinson Regional Medical Center, Inc and Affiliates (Healthcare System) include the accounts of the Medical Center and its wholly-owned or controlled corporate entities All of the corporate entities in the Healthcare System were organized under the laws of the State of Kansas and are under common control and management Significant intercompany accounts and transactions have been eliminated

Use of Estimates

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

Cash and Cash Equivalents

The Healthcare System considers all liquid investments with original maturities of three months or less to be cash equivalents, except for amounts classified as short-term investments or assets limited as to use by either Board designation or other arrangements At June 30, 2012 and 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit

Effective July 21, 2010, the Federal Deposit Insurance Corporation's (FDIC) insurance limits were permanently increased to $250,000. At June 30, 2012, the Healthcare System's cash accounts exceeded federally insured limits by approximately $4,655,620.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income, realized and unrealized gains and losses on investments carried at fair value, and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Assets Limited As To Use

Assets limited as to use include (1) assets set aside by the Board of Directors (Board) for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes, (2) assets set aside by the Board under self-insurance arrangements for employee health, workers' compensation and professional liability insurance, and (3) beneficial interest in net assets of Hutchinson Regional Medical Foundation and Hutchinson Community Foundation. Amounts required to meet current liabilities of the Healthcare System are included in current assets.

Patient Accounts Receivable

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

Supplies

The Healthcare System states supply inventories at the lower of cost, determined using the first-in, first-out method, or market

Loans and Loan Interest Income

Loans receivable are reported at their outstanding unpaid principal balances Interest income is accrued on the unpaid principal balance The Healthcare System does not charge loan origination fees and has no deferred fees or costs The Healthcare System charges off loans when collection of interest or principal becomes doubtful There were no loans charged off during the years ended June 30, 2012 and 2011

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated using the straight-line method over the estimated useful life of each asset Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives The estimated useful lives are generally in accordance with the guidelines established by the American Hospital Association

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

Long-lived Asset Impairment

The Healthcare System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value

Impairment losses of $469,562 and $724, 075 were recognized for abandoned projects for the years ended June 30, 2012 and 2011, respectively The loss is included in the accompanying consolidated statements of income

Interests in Net Assets of Foundations

The Healthcare System and Hutchinson Regional Medical Foundation (Foundation) are financially interrelated organizations The Foundation seeks private support for and holds net assets on behalf of the Healthcare System The Healthcare System accounts for its interest in the net assets of the Foundation (Interest) in a manner similar to the equity method Changes in the Interest are

included in change in net assets Transfers of assets between the Foundation and the Healthcare System are recognized as increases or decreases in the Interest

The Healthcare System is also the beneficiary of funds held by Hutchinson Community Foundation (HCF) The Healthcare System recognizes as an asset its interest in the net assets held by HCF for the benefit of the Healthcare System and adjusts this interest for changes in the net assets held by HCF occurring during the reporting period

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt Such costs are included in other noncurrent assets and are being amortized over the term of the respective debt using the straight-line method

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Healthcare System has been limited by donors to a specific time period or purpose

Net Patient Service Revenue

The Healthcare System has agreements with third-party payers that provide for payments to the Healthcare System at amounts different from its established rates Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known

Charity Care

The Healthcare System provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy Because the Healthcare System does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue The Healthcare System's direct and indirect costs for services and supplies furnished under the Healthcare System's charity care policy totaled approximately $1,284,000 and $800,000 in 2012 and 2011, respectively In addition, the Medical Center provides an uninsured discount, under which approximately $2,003,000 and $2,530,000 of costs were incurred for 2012 and 2011, respectively Costs were calculated using the overall cost-to-charge ratio from the June 30, 2011, filed Medicare cost report The June 30, 2012, Medicare cost report was not yet filed as of the date the financial statements were available to be issued

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique The resulting discount is amortized using the level-yield method and is reported as contribution revenue

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor

Income Taxes

The Medical Center and its not-for-profit affiliates have been recognized as exempt from income taxes under Section 501(c)(2) or 501(c)(3) of the Internal Revenue Code and a similar provision of state law However, the Healthcare System is subject to federal income tax on any unrelated business taxable income HHCSI is a taxable corporation which pays taxes at prevailing corporate rates

The Healthcare System files tax returns in the U S federal jurisdiction With a few exceptions, the Healthcare System is no longer subject to U S federal examinations by tax authorities for years before 2009

The Healthcare System's policy is to evaluate uncertain tax positions annually Management has evaluated the Healthcare System's tax positions and has concluded that there are no uncertain tax positions that require adjustment or disclosure in the financial statements

Self-insurance

The Healthcare System has established a Health Care Benefits Trust Agreement in which to fund the cost of health benefits for its employees The trust provides medical and dental benefits for all eligible employees and dependents and is funded by both employer and employee contributions Under the terms of the agreement, the assets held by the trust revert back to the Healthcare System upon its termination or revocation The Healthcare System purchases third-party insurance coverage for certain excess claims and accrues a liability for settling reported and unreported claims as of the balance sheet date

The Healthcare System also self-insures a portion of its workers' compensation and professional liability claims risk and accrues a liability for the estimated cost of settling all reported and unreported claims as of the balance sheet date The Healthcare System contracts with third-party administrators to provide claims management services The Healthcare System has commercial stop-loss coverage through third-party insurance companies which provides additional coverage for workers' compensation and professional liability claims

Excess of Revenues Over Expenses

The 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 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)

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR) Payments under the Medicare program are generally made for up to four years based on a statutory formula Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services Payment under both programs are contingent on the hospital continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period The final amount for any payment year is determined based upon an audit by the fiscal intermediary Events could occur that would cause the final amounts to differ materially from the initial payments under the program

The Medical Center recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period

In 2012, the Medical Center completed the first-year requirements under both the Medicare and Medicaid programs and has recorded revenue of approximately $2,088,990, which is included in other operating revenues in the statement of operations

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation These reclassifications had no effect on the change in net assets

Note 2: Net Patient Service Revenue

The Healthcare System has agreements with third-party payers that provide for payments to the Healthcare System at amounts different from its established rates These payment arrangements include

Medicare Inpatient acute care services, inpatient rehabilitation, inpatient psychiatric, skilled nursing care and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per occasion of service

Prospectively determined payment rates vary according to patient classification systems that are based on clinical, diagnostic and other factors The Healthcare System is paid for cost reimbursable and other items at tentative rates with final settlement determined after submission of annual cost reports by the Healthcare System and audits or reviews thereof by the Medicare fiscal intermediary The Healthcare System's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization

Medicaid Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors All other services rendered to Medicaid beneficiaries are paid at prospective rates determined on either a per diem or a fee-for-service basis

The Kansas Medicaid plan includes provisions for a provider assessment program Under that program, all hospitals, other than critical access hospitals, pay an assessment The program then distributes the assessments and additional federal monies to Kansas Medicaid providers Assessments incurred under the program are included in operating expenses Distributions received from the program are included in net patient service revenue

Approximately 63% and 61% of net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2012 and 2011, respectively Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change As a result, it is reasonably possible that recorded estimates will change materially in the near term

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

Patient accounts receivable, net and net patient service revenue consists of the following as of and for the years ended June 30

	2012	2011
Patient accounts receivable, gross	$ 64,272,093	$ 60,779,273
Allowance for uncollectible accounts	(12,296,954)	(12,348,582)
Allowance for contractual adjustments	(31,290,376)	(27,566,486)
Patient accounts receivable, net	$ 20,684,763	$ 20,864,205

	2012	2011
Gross patient service revenue	$ 375,062,182	$ 368,741,345
Less		
Contractual adjustments	(208,223,494)	(205,826,595)
Administrative and other discounts	(10,857,778)	(8,345,297)
Net patient service revenue	$ 155,980,910	$ 154,569,453

Note 3: Concentration of Credit Risk

Approximately $4,655,620 of the Healthcare System's bank deposits were in excess of FDIC insurance limits as of June 30, 2012 The Healthcare System also invests funds in repurchase agreements and money market accounts with various banks which are generally collateralized by or invested in U S government or other highly liquid securities The total of these other liquid asset investments was approximately $840,000 as of June 30, 2012 While not insured or guaranteed by the U S government, management believes the credit risk related to these other liquid asset investments is minimal

MLI's direct financing leases are all either directly with Hutchinson Clinic or indirectly with companies majority-owned by Hutchinson Clinic

The Healthcare System grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements The mix of net receivables from patients and third-party payers at June 30, 2012 and 2011, is

	2012	2011
Medicare/Medicaid	56%	54%
Commercial	10%	14%
Blue Cross	13%	9%
Private Pay	21%	23%
Totals	100%	100%

Note 4: Investments and Investment Return

Short-term Investments

Short-term investments at June 30 include

	2012	2011
Money market accounts	$ 117,431	$ 117,431

Assets Limited As To Use

Assets limited as to use at June 30 include

	2012	2011
For capital improvements		
Cash and cash equivalents	$ 1,336,667	$ 5,305,422
Certificates of deposit	5,500,000	1,500,000
Mutual funds		
Equity	5,290,952	5,029,639
Bonds	11,516,324	10,767,198
Accrued interest	11,206	2,080
	$ 23,655,149	$ 22,604,339
For self-funded employee health, workers' compensation and professional liability insurance		
Cash and cash equivalents	$ 3,512,869	$ 3,877,887
Bond mutual funds	822,773	324,951
U S government and agency	2,641,551	3,363,252
	$ 6,977,193	$ 7,566,090

The following table presents the Healthcare System's investments that represent 5% or more of the total investments above

	2012	2011
Investments at Fair Value		
Mutual Funds		
Vanguard 500 Index Fund Adm	$ 4,474,880	$ 4,244,592
PIMCO Total Return Inst	11,516,324	10,767,198
	$ 15,991,204	$ 15,011,790

The Foundation was organized as a separate not-for-profit corporation in 1979, dedicated to the support of the Medical Center and its not-for-profit affiliates The Medical Center's two predecessor operating entities transferred their interest as beneficiaries in certain estates to the Foundation in 1979 The Foundation's operations are managed by a Board of Directors (separate from the Board of Directors of the Medical Center) comprised of former board members of the Medical Center and its not-for-profit affiliates

The following is a summary of the assets, liabilities, net assets, revenues, expenses, and changes in net assets of the Foundation as of June 30, 2012 and 2011, and for the years then ended

	2012	2011
Cash and investments	$ 24,179,307	$ 23,613,446
Note receivable	-	966,053
Other assets	20,058	28,180
	$ 24,199,365	$ 24,607,679
Accounts payable	$ 213,582	$ 152,057
Assets held under agency agreement	442,611	447,780
Net assets		
Unrestricted	23,225,638	23,701,598
Temporarily restricted	292,534	281,244
Permanently restricted	25,000	25,000
	$ 24,199,365	$ 24,607,679

Hutchinson Regional Medical Center, Inc.

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

	2012	2011
Revenues, Gains and Other Support		
Contributions	$ 203,454	$ 12,494
Net investment income	663,977	1,304,500
Net change in unrealized gains (losses) on investments	(902,056)	2,340,601
Income from mineral interests	42,002	52,916
	7,377	3,710,511
Expenses and Losses		
Contributions to HRMC	389,001	102,618
Other	224,116	162,931
	613,117	265,549
Transfers From Affiliates	129,780	-
Change in Unrestricted Net Assets	(475,960)	3,444,962
Change in Temporarily Restricted Net Assets	11,290	46,709
Change in Net Assets	$ (464,670)	$ 3,491,671

HoRC transferred assets to HCF to establish the Hospice of Reno County Fund (Fund) and designated HoRC as the beneficiary of the Fund HCF invests the assets and allocates investment earnings and administration fees to the Fund HoRC controls any distributions from the Fund as directed by the HoRC Board of Directors The net assets of the Fund at June 30, 2012 and 2011, were $819,018 and $793,360, respectively, and are included in interests in net assets of foundations The change in the net assets of the Fund for the years ended June 30, 2012 and 2011, was an increase of $25,658 and increase of $181,540, respectively, and is included in other income and expenses

Note 5: Property and Equipment

Property and equipment at June 30 are summarized as follows

	2012	2011
Land	$ 1,853,173	$ 1,853,173
Land improvements	4,077,329	4,026,757
Buildings	65,854,810	65,480,214
Building service equipment	29,475,017	28,316,045
Fixed equipment	6,645,155	6,550,900
Major movable equipment	82,504,539	81,888,254
	190,410,023	188,115,343
Less accumulated depreciation	125,348,735	114,957,126
	65,061,288	73,158,217
Construction in progress	2,786,444	3,658,638
Property and equipment, net	$ 67,847,732	$ 76,816,855

Construction in progress at June 30, 2012, consists mainly of costs incurred to date to replace and upgrade information system hardware and software at the Medical Center

The Medical Center has entered into a contract to replace and upgrade its information system hardware and software The contract includes costs for implementation and ongoing support fees The support fees generally commence 12 months after the first productive use of a specific application The contract expires on September 30, 2017 Estimated future payments under this contract are as follows

	Property and Equipment	Training and Support	Total
2013	$ 122,330	$ 1,000,602	$ 1,122,932
2014	959,043	722,222	1,681,265
2015	70,705	715,359	786,064
2016	-	713,987	713,987
2017	-	892,483	892,483
	$ 1,152,078	$ 4,044,653	$ 5,196,731

Property and equipment is capitalized as they are placed into service Training and support is expensed in the period in which it is incurred

Note 6: Assets and Liabilities Held As Agency Funds

Assets and liabilities held as agency funds represent cash held by the Medical Center on behalf of various donors to be used to assist indigent patients in paying their hospital charges The gifts are recorded as agency funds at the date of donation, with an offsetting liability recorded as an agency fund liability

Note 7: Net Investment in Direct Financing Leases

MLI leases substantially all of its assets to local physician groups or other related health care entities It has also constructed buildings and acquired equipment, most which are leased The majority of the leases are accounted for as direct financing leases

The master facilities lease entered into during 1998 with Hutchinson Clinic expires June 30, 2028 The lessee may extend the lease for five years beyond any expiration date The lessee may also purchase the building at fair market value at any time In November 2005, a supplement to the master facilities lease was executed The supplement lease covers a medical office building completed in March 2006 and expires on March 1, 2036

The building lease with the ambulatory surgery center expires March 31, 2021 The lessee may extend the lease for five years beyond any expiration date The lessee may also purchase the building at fair market value at any time

The master equipment lease entered into during 1998 with Hutchinson Clinic expired June 30, 2003 The lessee has exercised two options to extend the lease for an additional five-year term with the current lease expiring on June 30, 2013 The lessee may also purchase the leased equipment at fair market value at any time

The master equipment lease with the ambulatory surgery center expired December 31, 2008 The lease has exercised its option to extend the lease for another five years until December 31, 2013 The lessee may also purchase the leased equipment at fair market value at any time MLI is required to provide an allowance to the lessee for additional equipment purchases as the lessee desires, not to exceed $200,000 per year for a period not to exceed five years

During 2007, MLI entered into a site lease, a facilities lease and a master equipment lease with an outpatient renal dialysis facility On June 1, 2011, these leases were terminated with the sale of the renal dialysis group The site lease and the facilities lease were replaced by a new facility lease with the newly formed renal dialysis group effective June 1, 2011, which is accounted for as an operating lease The values of the previous site lease and facilities lease were transferred to property, plant and equipment on June 1, 2011

Monthly payments are adjusted to reflect amounts expended by MLI for building improvements, and equipment acquisitions after inception of the leases MLI's net investment in direct financing leases that were used for new building construction, building improvements and equipment acquisitions added to the property subject to these leases, increased by $516,659 and $321,058, respectively, during 2012 and 2011

The following lists the components of the net investment in direct financing leases

	2012	2011
Total minimum lease payments to be received	$ 39,441,204	$ 42,904,727
Unguaranteed equipment residual values	239,271	241,714
Unearned leasing income	(16,357,908)	(18,406,840)
	23,322,567	24,739,601
Less current maturities	1,381,323	1,583,936
Net investment, excluding current maturities	$ 21,941,244	$ 23,155,665

Minimum lease payments to be received during future fiscal years are as follows

2013	$ 2,904,698
2014	2,634,175
2015	2,514,055
2016	2,457,235
2017	2,329,797
Thereafter	26,601,244
	$ 39,441,204

Note 8: Loans Receivable

MLI has entered into loan agreements with local physician practices to finance constructions of medical office buildings The loans bear interest at a fixed rate of 5 50 percent to 5 80 percent, and mature in April 2022 through July 2022, however, the loan that matures in April 2022 was paid in full during 2012 The loans are secured by the real estate purchased with the loan proceeds Loans receivable are summarized as follows

	2012	2011
Mortgage loans	$ 2,035,858	$ 2,799,906
Less current maturites	143,659	190,379
Loans receivable, excluding current maturities	1,892,199	2,609,527

Principal payments to be received during future fiscal years are as follows

2013	$ 143,659
2014	165,185
2015	174,503
2016	184,346
2017	194,744
Thereafter	1,173,421
	$ 2,035,858

Note 9: Long-term Investments

In 2012, long-term investments consisted of the Medical Center's 20% interest in Hutchinson Ambulatory Surgical Center LLC (HASC), a 13 30% interest in Bladon Dialysis, LLC (Bladon), and preferred stock of Voluntary Hospitals of America, Inc (VHA) The Medical Center accounts for its investment in HASC and Bladon under the cost method The Medical Center previously had a 49% interest in the Dialysis Center of Hutchinson, LLC (DCoH) On June 1, 2011, the DCoH agreed to contribute certain agreed-upon assets to Bladon for an interest in Bladon The remaining assets and liabilities not transferred by the DCoH were liquidated during 2012 The transaction resulted in a gain of $1,419,753 during 2011, which is included in other nonoperating revenues The VHA preferred stock will be redeemed by VHA for $186,000 in August 2019 and is carried at its estimated net present value

The surgical facility's building and equipment are leased from MLI (see *Note 7*) The net investment in the two leases is $2,043,287 and $2,239,145 at June 30, 2012 and 2011, respectively Leasing income for these two leases was $126,507 and $139,619 for the years ended June 30, 2012 and 2011, respectively

The DCoH's building and equipment were leased from MLI through May 31, 2011 (see *Note 7*), at which time it was converted to an operating lease with Bladon Leasing income for these leases was $138,000 and $127,529 for the years ended June 30, 2012 and 2011, respectively

Note 10: Long-term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations are summarized as follows

	2012	2011
Florida Health Care Facility Loan Program participant loan, variable interest rate (1.39% as of June 30, 2012), principal and interest payable monthly through November 2020	$ 10,480,087	$ 11,420,087
Promissory note with the Foundation, variable interest rate (4.25% as of June 30, 2011), principal and interest payable monthly through July 2015	-	966,054
	10,480,087	12,386,141
Less current maturities	990,000	1,233,239
	$ 9,490,087	$ 11,152,902

	2012	2011
Capital lease obligation imputed interest rates from 4.55% to 6.53%, collateralized by leased equipment with an amortized cost of $216,585 at June 30, 2011	$ 114,046	$ 173,798
Current maturities of capital lease obligations	(27,863)	(59,752)
	$ 86,183	$ 114,046

Scheduled principal repayments on long-term debt and payments on capital lease obligations for the next five years and thereafter are as follows

	Long-term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2013	$ 990,000	$ 32,479
2014	1,050,000	32,479
2015	1,115,000	32,479
2016	1,180,000	27,066
2017	1,250,000	-
Thereafter	4,895,087	-
	$ 10,480,087	124,503
Less amount representing interest		10,457
Present value of future minimum lease payments		114,046
Less current maturities		(27,863)
Noncurrent portion		$ 86,183

The following is an analysis of the financial presentation of the capital lease obligations at June 30

	2012	2011
Equipment	$ 147,000	$ 248,926
Less accumulated depreciation	31,500	32,341
	$ 115,500	$ 216,585

In December 2000, the Medical Center entered into a loan agreement to borrow up to $30,000,000 under a participating loan program funded through the Florida Health Care Facility Loan Program The loan bears interest at a variable rate equal to the monthly Bond Market Association Municipal Swap Index plus an adjustment for ongoing fees and expenses The Medical Center used the funds to purchase property and equipment

The Medical Center's loan agreement contains various restrictive covenants, including, but not limited to, a minimum required level of cash on hand, a minimum required capitalization ratio, restrictions on incurrence of additional debt, restrictions on disposition of property and equipment and restrictions on transfers of cash other than for payment of operating costs or debt service

Note 11: Medical Malpractice Claims

The Healthcare System is self-insured for the first $200,000 per occurrence and $600,000 in aggregate of medical malpractice risks The Healthcare System is further covered by the Kansas Health Care Stabilization Fund for claims in excess of the self-insured professional liability plan limits up to $800,000 pursuant to any one judgment or settlement against it for any one party, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the policy or plan year in the amount of $2,400,000 The Healthcare System purchases commercial insurance coverage which provides for umbrella liability in excess of the underlying limits set forth above in the amount of $20,000,000 per occurrence with an aggregate amount in any policy year of $20,000,000 All coverage is on a claims made basis Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term

The Healthcare System has established an agency account at a local bank to fund expected future malpractice losses and claims expenses The agency account is funded based on the findings of an actuary The balance of the agency accounts, which is included in assets limited as to use, was $1,592,664 at June 30, 2012 The Healthcare System has included in accrued liabilities an accrual of $1,818,250 for the estimated present value of expected future malpractice losses and claims expenses

Note 12: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes

	2012	2011
As directed by the Foundation	$ 23,543,172	$ 24,007,842
For Hospice of Reno County services	139,822	134,702
Other Medical Center purposes	32,851	165,109
	$ 23,715,845	$ 24,307,653

Note 13: Functional Expenses

The Healthcare System provides health care services primarily to residents within its geographic area Expenses related to providing these services are as follows

	2012	2011
Health care services	$130,738,463	$138,670,049
General and administrative	27,722,417	29,053,440
	$158,460,880	$167,723,489

Note 14: Pension Plan

The Hospital has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service Annual contributions to the plan are based on a percentage of eligible employee compensation Pension expense was $2,502,162 and $2,542,442 for 2012 and 2011, respectively

Note 15: Disclosures About Fair Value of Assets and Liabilities

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

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

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

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market accounts, equity mutual funds and debt mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. government and agency debt securities and preferred stock is valued at the present value of the mandatory redemption price.

HoRC's interest in net assets transferred to HCF is valued at HoRC's proportionate interest in HCF's pooled investments.

The following tables set forth, by level, the Healthcare System's assets measured at fair value on a recurring basis.

	June 30, 2012 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	$ 117,431	$ 117,431	$ -	$ -
Total short-term investments	117,431	117,431	-	-
Money market accounts	1,336,667	1,336,667	-	-
Mutual funds				
Equity	5,290,952	5,290,952	-	-
Bonds	11,516,324	11,516,324	-	-
Total assets limited as to use for capital improvements	18,143,943	18,143,943	-	-
Money market accounts	3,512,869	3,512,869	-	-
Bond mutual funds	822,773	822,773	-	-
U.S. government and agency	2,641,551	-	2,641,551	-
Total assets limited as to use for self-funded employee health, workers' compensation and professional liability insurance	6,977,193	4,335,642	2,641,551	-
Interest in net assets of Hutchinson Community Foundation	819,018	-	819,018	-
Preferred stock	130,909	-	130,909	-
Total assets measured at fair value on a recurring basis	$ 26,188,494	$ 22,597,016	$ 3,591,478	$ -

	June 30, 2011 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	$ 117,431	$ 117,431	$ -	$ -
Total short-term investments	117,431	117,431	-	-
Money market accounts	5,305,422	5,305,422	-	-
Mutual funds				
Equity	5,029,639	5,029,639	-	-
Bonds	10,767,198	10,767,198	-	-
Total assets limited as to use for capital improvements	21,102,259	21,102,259	-	-
Money market accounts	3,877,887	3,877,887	-	-
Bond mutual funds	324,951	324,951	-	-
U S government and agency	3,363,252	-	3,363,252	-
Total assets limited as to use for self-funded employee health, workers' compensation and professional liability insurance	7,566,090	4,202,838	3,363,252	-
Interest in net assets of Hutchinson Community Foundation	793,360	-	793,360	-
Preferred stock	124,563	-	124,563	-
Total assets measured at fair value on a recurring basis	$ 29,703,703	$ 25,422,528	$ 4,281,175	$ -

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

Cash and Cash Equivalents

The carrying amount approximates fair value

Certificates of Deposit

The carrying amount approximates fair value

Patient Accounts Receivable

The carrying amount approximates fair value

Net Investment in Direct Financing Leases

The net investment in direct financial leases is reported at the outstanding unpaid principal balance It is not deemed practicable to estimate the fair value of this investment because there is no market that trades these leases

Loans Receivable

Loans receivable are reported at their outstanding unpaid principal balances It is not deemed practicable to estimate the fair value of these loans because there is no market that trades these loans

Accounts Payable, Accrued Expenses and Other Current Liabilities

The carrying amount approximates fair value

Long-term Debt and Capital Lease Obligations

Long-term debt and capital lease obligations are reported at the outstanding unpaid principal balance It is not deemed practicable to estimate the fair value of these liabilities because there is no market that trades this debt or the capital lease obligations

Note 16: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations Those matters include the following

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *2*

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *11*

Investigation

The Medical Center is the subject of an investigation by the U S Attorney's Office and Health and Human Services Office of Inspector General (OIG) related to the billing of hyperbaric oxygen therapy services The Medical Center has refunded the claims and is in settlement discussions with the OIG The Medical Center has determined that it is probable that it has some liability An estimate has been accrued at June 30, 2012, but the actual amount is the subject of current negotiations with the U S Attorney's Office

Litigation

In the normal course of business, the Healthcare System is, from time to time, subject to allegations that may or do result in litigation The Healthcare System evaluates such allegations by conducting investigations to determine the validity of each potential claim Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters Events could occur that would cause the estimate of ultimate loss to differ materially in the near term

Guarantee

HASC has a $500,000 line of credit with a local bank The Medical Center has guaranteed $100,000 of this line of credit and is contingently liable under the guarantee should HASC fail to make payments on the line of credit as they become due The Medical Center has an open letter of credit in the amount of $3,261,000 with a local bank at June 30, 2012 HHCSI has an available line of credit with a local bank for $200,000 There were no borrowings outstanding against the line of credit at June 30, 2012

Investments

The Healthcare System invests in various investment securities Investment securities are exposed to various risks such as interest rate, market and credit risks Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets

Current Economic Conditions

The current protracted economic decline continues to present hospitals with difficult circumstances and challenges, which, in some cases, have resulted in large and unanticipated declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing The financial statements have been prepared using values and information currently available to the Healthcare System

Current economic conditions, including the rising unemployment rate, have made it difficult for certain patients to pay for services rendered As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Medical Center's future operating results Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts and contributions receivable that could negatively impact the Healthcare System's ability to meet debt covenants or maintain sufficient liquidity

Note 17: Subsequent Events

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

Supplementary Information

Hutchinson Regional Medical Center, Inc.

Consolidating Schedule – Balance Sheet

June 30, 2012

Assets

	Hutchinson Regional Medical Center	Horizons Mental Health Center, Inc	Hutchinson Health Care Services, Inc	Hospice of Reno County, Inc	The Living Center, Inc	Main Line, Inc	Eliminations and Reclassi-fications	Total
Current Assets								
Cash and cash equivalents	$ 30 498 826	$ 5 419 174	$ 404 866	$ 721 500	$ 597 016	$ 1 756 626	$ -	$ 39 398 008
Short-term investments	117 431	-	-	-	-	-	-	117 431
Assets limited as to use current	4 451 242	-	-	-	-	-	-	4 451 242
Patient accounts receivable net	17 036 661	776 359	752 953	754 042	1 364 793	-	(45)	20 684 763
Other receivables	4 297 838	9 754	25 045	13 674	(21 508)	52 075	(3 134 973)	1 241 905
Net investment in direct financing leases	-	-	-	-	-	1 381 323	-	1 381 323
Loans receivable	-	-	-	-	-	143 659	-	143 659
Supplies	4 331 167	-	151 487	-	12 497	-	-	4 495 151
Prepaid expenses and other	2 058 331	324 550	95 530	75 909	106 527	-	(462 064)	2 198 783
Total current assets	62 791 496	6 529 837	1 429 881	1 565 125	2 059 325	3 333 683	(3 597 082)	74 112 265
Assets Limited As To Use								
Internally designated								
For capital improvements	23 655 149	-	-	-	-	-	-	23 655 149
For self-funded employee health workers' compensation and professional liability insurance	6 977 193	-	-	-	-	-	-	6 977 193
Interests in net assets of foundations	23 543 172	-	-	819 018	-	-	-	24 362 190
	54 175 514	-	-	819 018	-	-	-	54 994 532
Less amount required to meet current obligations	4 451 242	-	-	-	-	-	-	4 451 242
	49 724 272	-	-	819 018	-	-	-	50 543 290
Property and Equipment, Net	59 073 913	211 681	819 270	870 485	375 037	6 497 346	-	67 847 732
Other Assets								
Net investment in direct financing leases	-	-	-	-	-	21 941 244	-	21 941 244
Loans receivable	-	-	-	-	-	1 892 199	-	1 892 199
Agency funds	911 514	-	-	-	-	-	-	911 514
Investments in subsidiary	480 000	-	-	-	-	-	(480 000)	-
Long-term investments	772 051	-	-	-	-	-	-	772 051
Other	23 793	-	-	-	-	24 465	-	48 258
	2 187 358	-	-	-	-	23 857 908	(480 000)	25 565 266
Total assets	$ 173 777 039	$ 6 741 518	$ 2 249 151	$ 3 254 628	$ 2 434 362	$ 33 688 937	$ (4 077 082)	$ 218 068 553

Hutchinson Regional Medical Center, Inc.

Consolidating Schedule – Balance Sheet (Continued)

June 30, 2012

Current Liabilities

	Hutchinson Regional Medical Center, Inc	Horizons Mental Health Center, Inc	Hutchinson Health Care Services, Inc	Hospice of Reno County, Inc	The Living Center, Inc	Main Line, Inc	Eliminations and Reclassi-fications	Total
Current Liabilities								
Current maturities of long-term debt	$ 990 000	$ -	$ -	$ -	$ -	$ -	$ -	$ 990 000
Current maturities of capital lease obligations	27 863	-	-	-	-	-	-	27 863
Accounts payable	3 524 035	110 506	339 612	593 809	2 634 103	555 283	(3 135 018)	4 622 330
Accrued expenses	13 102 030	965 563	182 717	347 848	117 796	-	(462 064)	14 253 890
Deferred revenue	1 105	-	-	-	-	-	-	1 105
Estimated amounts due tothird-party payers	1 578 194	-	-	-	22 500	-	-	1 600 694
Total current liabilities	19 223 227	1 076 069	522 329	941 657	2 774 399	555 283	(3 597 082)	21 495 882
Long-term Debt	9 490 087	-	-	-	-	-	-	9 490 087
Capital Lease Obligations	86 183	-	-	-	-	-	-	86 183
Agency Funds	911 514	-	-	-	-	-	-	911 514
Total liabilities	29 711 011	1 076 069	522 329	941 657	2 774 399	555 283	(3 597 082)	31 983 666
Net Assets								
Unrestricted	120 490 005	5 665 449	1 726 822	2 173 149	(340 037)	33 133 654	(480 000)	162 369 042
Temporarily restricted	23 576 023	-	-	139 822	-	-	-	23 715 845
Total net assets	144 066 028	5 665 449	1 726 822	2 312 971	(340 037)	33 133 654	(480 000)	186 084 887
Total liabilities and net assets	$ 173 777 039	$ 6 741 518	$ 2 249 151	$ 3 254 628	$ 2 434 362	$ 33 688 937	$ (4 077 082)	$ 218 068 553

Hutchinson Regional Medical Center, Inc.

Consolidating Schedule – Statement of Operations

Year Ended June 30, 2012

	Hutchinson Regional Medical Center, Inc	Horizons Mental Health Center, Inc	Hutchinson Health Care Services, Inc	Hospice of Reno County, Inc	The Living Center, Inc	Main Line, Inc	Eliminations and Reclassi-fications	Total
Unrestricted Revenues, Gains and Other Support								
Net patient service revenue	$ 131 932 367	$ 8 816 463	$ 4 326 680	$ 5 459 442	$ 5 445 958	$ -	$ -	$ 155 980 910
Other	8 788 095	2 256 112	27 045	-	147 385	2 631 921	(614 047)	13 236 511
Net assets released from restrictions used for operations	210 805	-	-	11 034	-	-	-	221 839
Total unrestricted revenues gains and other support	140 931 267	11 072 575	4 353 725	5 470 476	5 593 343	2 631 921	(614 047)	169 439 260
Expenses and Losses								
Salaries and wages	44 199 218	6 356 423	1 332 958	2 849 897	2 689 279	67 523	-	57 495 298
Employee benefits	12 309 770	1 230 362	379 815	651 178	958 537	-	-	15 529 662
Purchased services supplies and other	52 958 295	2 305 780	2 104 544	1 455 610	1 807 846	706 662	(614 047)	60 724 690
Depreciation and amortization	10 091 280	76 586	307 056	161 544	79 654	523 124	-	11 239 244
Interest	173 449	-	647	-	-	-	-	174 096
Provision for uncollectible accounts	12 027 251	147 227	238 701	6 350	408 799	-	-	12 828 328
Abandoned project costs	469 562	-	-	-	-	-	-	469 562
Total expenses and losses	132 228 825	10 116 378	4 363 721	5 124 579	5 944 115	1 297 309	(614 047)	158 460 880
Operating Income (Loss)	8 702 442	956 197	(9 996)	345 897	(350 772)	1 334 612	-	10 978 380
Other Income (Expense)								
Investment return	1 005 377	2 392	-	100	402	-	-	1 008 271
Contributions received	-	-	-	246 565	-	-	-	246 565
Other	(64 558)	-	(7 835)	(15 859)	-	(64 933)	-	(153 185)
Total other income	940 819	2 392	(7 835)	230 806	402	(64 933)	-	1 101 651
Excess (Deficiency) of Revenues Over Expenses	9 643 261	958 589	(17 831)	576 703	(350 370)	1 269 679	-	12 080 031
Change in net unrealized gains on investments	480 102	-	-	-	-	-	-	480 102
Net assets released from restriction used for purchase of property and equipment	434 677	-	-	-	-	-	-	434 677
Transfers between affiliates	4 293 662	-	-	-	206 338	(4 500 000)	-	-
Increase (Decrease) in Unrestricted Net Assets	$ 14 851 702	$ 958 589	$ (17 831)	$ 576 703	$ (144 032)	$ (3 230 321)	$ -	$ 12 994 810

Hutchinson Regional Medical Center, Inc.

Consolidating Schedule – Statement of Changes in Net Assets

Year Ended June 30, 2012

	Hutchinson Regional Medical Center, Inc	Horizons Mental Health Center, Inc	Hutchinson Health Care Services, Inc	Hospice of Reno County, Inc	The Living Center, Inc	Main Line, Inc	Eliminations and Reclassi-fications	Total
Unrestricted Net Assets								
Excess (deficiency) of revenues over expenses	$ 9,643,261	$ 958,589	$ (17,831)	$ 576,703	$ (350,370)	$ 1,269,679	$ -	$ 12,080,031
Change in net unrealized gains and losses on investments	480,102	-	-	-	-	-	-	480,102
Net assets released from restriction used for purchase of property and equipment	434,677	-	-	-	-	-	-	434,677
Transfers between affiliates	4,293,662	-	-	-	206,338	(4,500,000)	-	-
Increase (decrease) in unrestricted net assets	14,851,702	958,589	(17,831)	576,703	(144,032)	(3,230,321)	-	12,994,810
Temporarily Restricted Net Assets								
Contributions received	643,004	-	-	16,154	-	-	(389,001)	270,157
Change in interests in net assets of foundations	(594,450)	-	-	-	-	-	389,001	(205,449)
Net assets released from restriction used for operations	(210,805)	-	-	(11,034)	-	-	-	(221,839)
Net assets released from restriction used for purchase of property and equipment	(434,677)	-	-	-	-	-	-	(434,677)
Increase (decrease) in temporarily restricted net assets	(596,928)	-	-	5,120	-	-	-	(591,808)
Changes in Net Assets	14,254,774	958,589	(17,831)	581,823	(144,032)	(3,230,321)	-	12,403,002
Net Assets, Beginning of Year	129,811,254	4,706,860	1,744,653	1,731,148	(196,005)	36,363,975	(480,000)	173,681,885
Net Assets, End of Year	$ 144,066,028	$ 5,665,449	$ 1,726,822	$ 2,312,971	$ (340,037)	$ 33,133,654	$ (480,000)	$ 186,084,887