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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
SAINT JOSEPH HEALTH SYSTEM INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
424 Lewis Hargett Circle

City or town, state or country, and ZIP + 4
Lexington, KY 40503

D Employer identification number
61-1334601

E Telephone number
(859) 313-1000

G Gross receipts $ 807,740,066

F Name and address of principal officer
BRUCE KLOCKARS
424 Lewis Hargett Circle
Lexington, KY 40503

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 ▶ 0928

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

J Website: ▶ WWW SJHLEX ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1998 | **M** State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
SAINT JOSEPH HEALTH SYSTEM, INC 'S VISION IS TO BE THE PREMIER, INTEGRATED, COMPREHENSIVE HEALTH SYSTEM IN THE COMMUNITY PROVIDING HIGH QUALITY CARE CLOSE TO HOME, REDUCING THE INCIDENCE OF DISEASE AND ELIMINATING THE INEQUITIES IN ACCESS TO HEALTHCARE

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	6,212
6	Total number of volunteers (estimate if necessary)	**6**	509
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	987,704
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,049,729	2,668,906
9	Program service revenue (Part VIII, line 2g)	727,014,725	749,748,228
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,861,722	3,128,796
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	42,685,205	51,977,591
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	777,611,381	807,523,521
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	322,774	1,091,897
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)	300,200,219	291,232,535
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)	465,994,178	501,743,541
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	766,517,171	794,067,973
19	Revenue less expenses Subtract line 18 from line 12	11,094,210	13,455,548

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	773,959,162	763,001,063
21	Total liabilities (Part X, line 26)	380,892,174	364,080,617
22	Net assets or fund balances Subtract line 21 from line 20	393,066,988	398,920,446

Net Assets or Fund Balances

Part II Signature Block

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

Sign Here

▶ Signature of officer — 2013-05-13 Date

▶ MELVIN ALEXANDER CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ PAMELA KROHN	Date	Check if self-employed ▶☐	Preparer's taxpayer identification number (see instructions) P01210500
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CATHOLIC HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112			EIN ▶ 47-0617373 Phone no ▶ (303) 298-9100

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 BRING HOPE, IMPROVE HEALTH AND CHANGE LIVES INSPIRED BY OUR CATHOLIC AND JEWISH FAITH HERITAGE, WE SERVE WITH A SPIRIT OF INNOVATION AND COLLABORATION, TRANSFORM HEALTH CARE DELIVERY, PARTNER TO CREATE HEALTHY COMMUNITIES AND ADVOCATE FOR A JUST HEALTH SYSTEM

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 $ 642,333,683 including grants of $ 1,091,897) (Revenue $ 749,491,767)

SEE SCHEDULE H

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 642,333,683

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	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	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**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	0		
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**		
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**	6,212		
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	14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

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 ▶

Melinda Evans
One Saint Joseph Drive
Lexington, KY 40504
(859) 313-1694

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)**								6,480,954	3,897,152	1,344,399

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 ▶ 159

			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
BRASFIELD & GORRIE PO BOX 11407 BIRMINGHAM, AL 352460351	GENERAL CONTRACTOR	4,020,869
ANESTHESIA ASSOCIATES PO BOX 23261 LEXINGTON, KY 405023400	ANESTHESIA SERVICES	3,400,750
LOGAN'S HEALTHCARE INC PO BOX 643958 CINCINNATI, OH 452643958	LAUNDRY & LINEN SERVICES	2,431,083
EAGLE HOSPITAL PHYSICIANS 5901C PEACHTREE DUNWOODY RD STE 350 ATLANTA, GA 30328	HOSPITALISTS	2,429,836
ZANEROCK CONSTRUCTION INC 1101 SE 3RD ST ANTLERS, OK 74523	CONSTRUCTION	2,368,363

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 ▶ 60

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	2,446,597			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	222,309			
	g	Noncash contributions included in lines 1a-1f $ 106,161					
	h	**Total.** Add lines 1a-1f		2,668,906			
Program Service Revenue			Business Code				
	2a	PATIENT SERVICES	900099	744,531,697	744,436,463	95,234	
	b	RENTAL INCOME	900099	4,118,938	3,975,364	143,574	
	c	MEDICAL SERVICES	621300	984,572	984,572		
	d	EQUITY CHANGES OF UNCONSOLIDATED ORGS	900099	95,732	78,079	17,653	
	e	WELLNESS SERVICES	900099	17,289	17,289		
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f		749,748,228			
	3	Investment income (including dividends, interest and other similar amounts)		2,146,178		3,080	2,143,098
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	0				
	b	Less rental expenses					
	c	Rental income or (loss)	0	0			
	d	Net rental income or (loss)			0			0
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	920,921	278,242			
	b	Less cost or other basis and sales expenses		216,545			
	c	Gain or (loss)	920,921	61,697			
	d	Net gain or (loss)			982,618			982,618
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	INTERCOMPANY TRANSACTIONS	900099	45,174,655			45,174,655
	b	CAFETERIA	722100	3,109,939		240,985	2,868,954
	c	LABORATORY SERVICES	621500	1,586,244		16,689	1,569,555
	d	All other revenue		2,106,753	0	470,489	1,636,264
	e	**Total.** Add lines 11a–11d		51,977,591			
	12	**Total revenue.** See Instructions		807,523,521	749,491,767	987,704	54,375,144

Part IX Statement of Functional Expenses

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

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	1,091,897	1,091,897		
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	5,044,031		5,044,031	
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	224,499,913	145,507,906	78,992,007	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	12,320,755	9,363,774	2,956,981	
9	Other employee benefits	32,774,821	24,581,116	8,193,705	
10	Payroll taxes	16,593,015	12,444,761	4,148,254	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	109,836		109,836	
c	Accounting	25,080		25,080	
d	Lobbying	0			
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	0			
g	Other	94,963,382	85,457,547	9,505,835	
12	Advertising and promotion	4,345,360		4,345,360	
13	Office expenses	23,416,384	21,777,237	1,639,147	
14	Information technology	0			
15	Royalties . .	0			
16	Occupancy	12,481,419	10,609,206	1,872,213	
17	Travel	916,993	513,516	403,477	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	60,685	14,564	46,121	
20	Interest	13,732,048	13,732,048		
21	Payments to affiliates	13,272,412		13,272,412	
22	Depreciation, depletion, and amortization	38,418,446	17,288,301	21,130,145	
23	Insurance	4,968,631	4,918,945	49,686	
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	UNRELATED BUSINESS TAXES	13,053	13,053		
b	MEDICAL SUPPLIES	143,658,004	143,658,004		
c	BAD DEBTS	83,331,656	83,331,656		
d	INTERCOMPANY ALLOCATIONS	32,100,347	32,100,347		
e					
f	All other expenses	35,929,805	35,929,805	0	0
25	**Total functional expenses.** Add lines 1 through 24f	794,067,973	642,333,683	151,734,290	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	0			

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		113,782	1	58,125
	2	Savings and temporary cash investments		48,531,721	2	26,349,590
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		124,269,730	4	152,818,144
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		245,032	7	116,952
	8	Inventories for sale or use		10,136,054	8	10,222,147
	9	Prepaid expenses and deferred charges		1,852,583	9	1,362,985
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 802,030,119			
	b	Less accumulated depreciation	10b 356,889,244	464,321,234	10c	445,140,875
	11	Investments—publicly traded securities		2,153,128	11	2,059,987
	12	Investments—other securities See Part IV, line 11		111,475,893	12	113,236,276
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		7,607,585	14	9,134,720
	15	Other assets See Part IV, line 11		3,252,420	15	2,501,262
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		773,959,162	16	763,001,063
Liabilities	17	Accounts payable and accrued expenses		94,926,938	17	70,471,885
	18	Grants payable			18	
	19	Deferred revenue		2,208,951	19	2,671,180
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		0	23	
	24	Unsecured notes and loans payable to unrelated third parties		0	24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		283,756,285	25	290,937,552
	26	**Total liabilities.** Add lines 17 through 25		380,892,174	26	364,080,617
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		392,975,365	27	398,883,839
	28	Temporarily restricted net assets		91,623	28	36,607
	29	Permanently restricted net assets			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		393,066,988	33	398,920,446
	34	Total liabilities and net assets/fund balances		773,959,162	34	763,001,063

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	807,523,521
2	Total expenses (must equal Part IX, column (A), line 25)	2	794,067,973
3	Revenue less expenses Subtract line 2 from line 1	3	13,455,548
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	393,066,988
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-7,602,090
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	398,920,446

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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
SAINT JOSEPH HEALTH SYSTEM INC	61-1334601

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ $ _____

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

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

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

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

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

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

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

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

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?	Yes		31,995
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV		No	
j	Total lines 1c through 1i			31,995
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
Description of the activities reported on Lines 1a through 1i	Schedule C, Part II-B, Line 1	LINE 1F THE PORTION OF ORGANIZATION DUES THAT ARE RELATED TO LOBBYING ARE AS FOLLOWS AMERICAN HOSPITAL ASSOCIATION $8,417 CATHOLIC HEALTH ASSOCIATION $3,723 KENTUCKY HOSPITAL ASSOCIATION $19,855

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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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		17,017,430		17,017,430
b Buildings		506,512,381	177,982,420	328,529,961
c Leasehold improvements		4,971,705	3,930,852	1,040,853
d Equipment		261,364,106	173,030,408	88,333,698
e Other		12,164,497	1,945,564	10,218,933
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				445,140,875

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	0	
(2) Closely-held equity interests	0	
(3) Other		
(A) CHI OIP - FIXED INCOME	56,598,870	F
(B) CHI OIP - EQUITY SECURITIES	56,637,406	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	113,236,276	

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
INTERCOMPANY PAYABLES	289,783,586
MEDICAID RESERVE	819,749
PROFESSIONAL STAFF FUND	168,033
ENVIRONMENTAL REMEDIATION	105,146
SPECIAL PROGRAMS PAYABLE	40,915
CHECK CLEARING	20,000
MISCELLANEOUS LIABILITES	123
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	290,937,552

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
FIN 48 (ASC 740) footnote	Schedule D, Part X, Line 2	SAINT JOSEPH HEALTH SYSTEM, INC 'S FINANCIAL INFORMATION IS INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI'S FIN 48 (ASC 740) FOOTNOTE FOR THE YEAR ENDED JUNE 30, 2012 READS AS FOLLOWS "CHI IS A TAX-EXEMPT COLORADO CORPORATION AND HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE CHI OWNS CERTAIN TAXABLE SUBSIDIARIES AND ENGAGES IN CERTAIN ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE AND THEREFORE SUBJECT TO INCOME TAX MANAGEMENT REVIEWS ITS TAX POSITIONS ANNUALLY AND HAS DETERMINED THAT THERE ARE NO MATERIAL UNCERTAIN TAX POSITIONS THAT REQUIRE RECOGNITION IN THE ACCOMPANYING CONSOLIDATED 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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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		No
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		No
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit reportduring the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)		13,114	37,858,934	0	37,858,934	5 330 %
b Medicaid (from Worksheet 3, column a)		0	43,457,206	28,545,916	14,911,290	2 100 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		0	11,529,061	0	11,529,061	1 620 %
d **Total** Charity Care and Means-Tested Government Programs	0	13,114	92,845,201	28,545,916	64,299,285	9 050 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	42	23,440	477,934	17,495	460,439	0 060 %
f Health professions education (from Worksheet 5)	15	765	748,562	2,560	746,002	0 100 %
g Subsidized health services (from Worksheet 6)	0	0	0	0	0	0 %
h Research (from Worksheet 7)	0	0	0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	24	4,670	243,817	0	243,817	0 030 %
j **Total** Other Benefits	81	28,875	1,470,313	20,055	1,450,258	0 190 %
k **Total.** Add lines 7d and 7j	81	41,989	94,315,514	28,565,971	65,749,543	9 240 %

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	1	8	369	0	369	0 %
2	Economic development	0	0	0	0	0	0 %
3	Community support	9	486	17,340	0	17,340	0 %
4	Environmental improvements	0	0	0	0	0	0 %
5	Leadership development and training for community members	0	0	0	0	0	0 %
6	Coalition building	2	492	6,183	0	6,183	0 %
7	Community health improvement advocacy	2	632	1,048	0	1,048	0 %
8	Workforce development	0	0	0	0	0	0 %
9	Other	2	0	75,180	0	75,180	0 010 %
10	**Total**	16	1,618	100,120	0	100,120	0 010 %

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	83,331,656		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	230,980,745
6	Enter Medicare allowable costs of care relating to payments on line 5	6	241,707,370
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-10,726,625
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? 6

	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	SAINT JOSEPH HOSPITAL ONE SAINT JOSEPH DRIVE LEXINGTON,KY 40504	X	X					X		
2	SAINT JOSEPH EAST 150 NORTH EAGLE CREEK DRIVE LEXINGTON,KY 40509	X	X					X		
3	SAINT JOSEPH - MOUNT STERLING 225 FALCON DRIVE MOUNT STERLING,KY 40353	X	X					X		
4	SAINT JOSEPH - BEREA 305 ESTILL STREET BEREA,KY 40403	X	X			X		X		
5	SAINT JOSEPH - LONDON 1001 ST JOSEPH LANE LONDON,KY 40741	X	X					X		
6	SAINT JOSEPH - MARTIN 11203 MAIN STREET MARTIN,KY 41649	X	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)

SAINT JOSEPH EAST

Name of Hospital Facility: _____

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAINT JOSEPH - MOUNT STERLING

Name of Hospital Facility:

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAINT JOSEPH - BEREA

Name of Hospital Facility:

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAINT JOSEPH - LONDON

Name of Hospital Facility:

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

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

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAINT JOSEPH - MARTIN

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 6

		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		No
If "Yes," indicate the FPG family income limit for eligibility for free care __%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

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

Billing and Collections

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

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (Describe)
1	SAINT JOSEPH JESSAMINE 1250 KEENE ROAD NICHOLASVILLE,KY 40356	AMBULATORY CARE CENTER
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
Eligibility criteria for free or discounted care	Schedule H, Part I, Line 3c	WHEN CATHOLIC HEALTH INITIATIVES (THE ULTIMATE PARENT ORGANIZATION TO SAINT JOSEPH HEALTH SYSTEM, INC ESTABLISHED ITS FINANCIAL ASSISTANCE POLICY IT WAS DETERMINED THAT ESTABLISHING A HOUSEHOLD INCOME SCALE BASED ON THE HUD VERY LOW INCOME GUIDELINES MORE ACCURATELY REFLECTS THE SOCIOECONOMIC DISPERSIONS AMONG THE 69 URBAN AND RURAL COMMUNITIES IN 19 STATES SERVED BY CHI HOSPITALS AND HEALTH CARE FACILITIES IN COMPARING HUD GUIDELINES TO THE FEDERAL POVERTY GUIDELINES ("FPG"), WE FIND THAT ON AVERAGE HUD GUIDELINES COMPUTE TO APPROXIMATELY 200% TO 250% (AND SOMETIMES 300%) OF FPG SAINT JOSEPH HEALTH SYSTEM, INC BASES ITS FINANCIAL ASSISTANCE ELIGIBILITY ON HUD'S 130% OF VERY LOW INCOME GUIDELINES BASED ON GEOGRAPHY, AND AFFORDS THE UNINSURED AND UNDERINSURED THE ABILITY TO OBTAIN FINANCIAL ASSISTANCE WRITE-OFFS, BASED ON A SLIDING SCALE, RANGING FROM 25%-100% OF CHARGES AN INDIVIDUAL'S INCOME UNDER THE HUD GUIDELINES IS A SIGNIFICANT FACTOR IN DETERMINING ELIGIBILITY FOR FINANCIAL ASSISTANCE HOWEVER, IN DETERMINING WHETHER TO EXTEND DISCOUNTED OR FREE CARE TO A PATIENT, THE PATIENT'S ASSETS MAY ALSO BE TAKEN INTO CONSIDERATION FOR EXAMPLE, A PATIENT SUFFERING A CATASTROPHIC ILLNESS MAY HAVE A REASONABLE LEVEL OF INCOME, BUT A LOW LEVEL OF LIQUID ASSETS SUCH THAT THE PAYMENT OF MEDICAL BILLS WOULD BE SERIOUSLY DETRIMENTAL TO THE PATIENT'S BASIC FINANCIAL (AND ULTIMATELY PHYSICAL) WELL-BEING AND SURVIVAL SUCH A PATIENT MAY BE EXTENDED DISCOUNTED OR FREE CARE BASED UPON THE FACTS AND CIRCUMSTANCES

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, LINE 6A	SAINT JOSEPH HEALTH SYSTEM, INC DOES NOT PREPARE ITS OWN ANNUAL WRITTEN COMMUNITY BENEFIT REPORT HOWEVER, ITS COMMUNITY BENEFIT REPORT IS CONTAINED IN THE REPORT OF A RELATED ORGANIZATION, KENTUCKYONE HEALTH, INC

Identifier	ReturnReference	Explanation
Costing Methodology used to calculate financial assistance	Schedule H, Part I, Line 7	A COST ACCOUNTING SYSTEM WAS NOT USED TO COMPUTE AMOUNTS IN THE TABLE, RATHER COSTS IN THE TABLE WERE COMPUTED USING WORKSHEET 2 TO COMPUTE THE COST-TO-CHARGE RATIO THE COST-TO-CHARGE RATIO COVERS ALL PATIENT SEGMENTS WORKSHEET 2 WAS UTILIZED TO COMPUTE THE COST-TO-CHARGE RATIO FOR THE YEAR ENDED 6/30/12 USING THE FOLLOWING FORMULA OPERATING EXPENSE (LESS NON-PATIENT CARE ACTIVITIES, MEDICARE PROVIDER TAXES, COMMUNITY BENEFIT EXPENSE AND COMMUNITY BUILDING EXPENSE) DIVIDED BY GROSS PATIENT REVENUE (LESS GROSS CHARGES FOR COMMUNITY BENEFIT PROGRAMS) BASED ON THAT FORMULA, $634,584,809/$1,529,815,105 RESULTS IN A 41 48% COST-TO-CHARGE RATIO

Identifier	ReturnReference	Explanation
Bad Debt Expense excluded from financial assistance calculation	Schedule H, Part I, Line 7, column(f)	83,331,656

Identifier	ReturnReference	Explanation
Bad debt expense - financial statement footnote	Schedule H, Part III, Line 4	THE AMOUNT REPORTED ON THE SCHEDULE H, PART III, LINES 2 AND 3 ARE THE SAME AMOUNTS REPORTED FOR BAD DEBT IN THE AUDITED FINANCIAL STATEMENTS PLEASE REFER TO THE FINANCIAL STATEMENT FOOTNOTE BELOW FOR INFORMATION REGARDING THE METHODOLOGY USED TO DETERMINE AND REPORT BAD DEBT EXPENSE SAINT JOSEPH HEALTH SYSTEM, INC DOES NOT BELIEVE THAT ANY PORTION OF BAD DEBT EXPENSE COULD REASONABLY BE ATTRIBUTED TO PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE SINCE AMOUNTS DUE FROM THOSE INDIVIDUALS' ACCOUNTS WILL BE RECLASSIFIED FROM BAD DEBT EXPENSE TO CHARITY CARE WITHIN 30 DAYS FOLLOWING THE DATE THAT THE PATIENT IS DETERMINED TO QUALIFY FOR CHARITY CARE SAINT JOSEPH HEALTH SYSTEM, INC DOES NOT ISSUE SEPARATE COMPANY AUDITED FINANCIAL STATEMENTS HOWEVER, THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF CATHOLIC HEALTH INITIATIVES THE CONSOLIDATED FOOTNOTE READS AS FOLLOWS "THE PROVISION FOR BAD DEBTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET COLLECTIONS CONSIDERING HISTORICAL BUSINESS AND ECONOMIC CONDITIONS, TRENDS IN HEALTH CARE COVERAGE, AND OTHER COLLECTION INDICATORS MANAGEMENT ROUTINELY ASSESSES THE ADEQUACY OF THE ALLOWANCES FOR UNCOLLECTIBLE ACCOUNTS BASED UPON HISTORICAL WRITE-OFF EXPERIENCE BY PAYOR CATEGORY THE RESULTS OF THESE REVIEWS ARE USED TO MODIFY, AS NECESSARY, THE PROVISION FOR BAD DEBTS AND TO ESTABLISH APPROPRIATE ALLOWANCES FOR UNCOLLECTIBLE NET PATIENT ACCOUNTS RECEIVABLE AFTER SATISFACTION OF AMOUNTS DUE FROM INSURANCE, CHI FOLLOWS ESTABLISHED GUIDELINES FOR PLACING CERTAIN PATIENT BALANCES WITH COLLECTION AGENCIES, SUBJECT TO THE TERMS OF CERTAIN RESTRICTIONS ON COLLECTION EFFORTS AS DETERMINED BY EACH FACILITY "

Identifier	ReturnReference	Explanation
Community benefit & methodology for determining medicare costs	Schedule H, Part III, Line 8	USING ESSENTIALLY THE SAME MEDICARE COST REPORT PRINCIPLES AS TO THE ALLOCATION OF GENERAL SERVICES COSTS AND "APPORTIONMENT" METHODS, THE "CHI WORKBOOK" CALCULATES A PAYERS' GROSS ALLOWABLE COSTS BY SERVICE (SO AS TO FACILITATE A CORRESPONDING COMPARISON BETWEEN GROSS ALLOWABLE COSTS AND ULTIMATE PAYMENTS RECEIVED) THE TERM "GROSS ALLOWABLE COSTS" MEANS COSTS BEFORE ANY DEDUCTIBLES OR CO-INSURANCE ARE SUBTRACTED SAINT JOSEPH HEALTH SYSTEM, INC 'S, EXCLUDING SAINT JOSEPH BEREA AND SAINT JOSEPH MARTIN, ULTIMATE REIMBURSEMENT WILL BE REDUCED BY ANY APPLICABLE COPAYMENT/ DEDUCTIBLE WHERE MEDICARE IS THE SECONDARY INSURER, AMOUNTS DUE FROM THE INSURED'S PRIMARY PAYER WERE NOT SUBTRACTED FROM MEDICARE ALLOWABLE COSTS BECAUSE THE AMOUNTS ARE TYPICALLY IMMATERIAL BOTH SAINT JOSEPH BEREA AND SAINT JOSEPH MARTIN ARE DESIGNATED AS A CRITICAL ACCESS HOSPITAL ("CAH") CAHS ARE RURAL COMMUNITY HOSPITALS THAT ARE CERTIFIED TO RECEIVE COST-BASED REIMBURSEMENT FROM MEDICARE THE REIMBURSEMENT THAT CAHS RECEIVE IS INTENDED TO IMPROVE THEIR FINANCIAL PERFORMANCE AND THEREBY REDUCE HOSPITAL CLOSURES CAHS ARE CERTIFIED UNDER A DIFFERENT SET OF MEDICARE CONDITIONS OF PARTICIPATION (COP) SHORTFALLS ARE CREATED WHEN A FACILITY RECEIVES PAYMENTS THAT ARE LESS THAN THE COSTS OF CARING FOR PROGRAM BENEFICIARIES BECAUSE SHORTFALLS ARE BASED ON COSTS, NOT CHARGES, SAINT JOSEPH BEREA AND SAINT JOSEPH MARTIN, DUE TO THEIR DESIGNATION AS A CAH, RECEIVED COST-BASED REIMBURSEMENT FOR MEDICARE PURPOSES, SAINT JOSEPH BEREA AND SAINT JOSEPH MARTIN WILL NOT EXPERIENCE MEDICARE RELATED SHORTFALLS ALTHOUGH NOT PRESENTED ON THE MEDICARE COST REPORT, IN ORDER TO FACILITATE A MORE ACCURATE UNDERSTANDING OF THE "TRUE" COST OF SERVICES (FOR "SHORTFALL" PURPOSES) THE CHI WORKBOOK ALLOWS A HEALTH CARE FACILITY NOT TO OFFSET COSTS THAT MEDICARE CONSIDERS TO BE NON-ALLOWABLE, BUT FOR WHICH THE FACILITY CAN LEGITIMATELY ARGUE ARE RELATED TO THE CARE OF THE FACILITY'S PATIENTS IN ADDITION, ALTHOUGH NOT REPORTABLE ON THE MEDICARE COST REPORT, THE CHI WORKBOOK INCLUDES THE COST OF SERVICES THAT ARE PAID VIA A SET FEE-SCHEDULE RATHER THAN BEING REIMBURSED BASED ON COSTS (E G OUTPATIENT CLINICAL LABORATORY) FINALLY, THE CHI WORKBOOK ALLOWS A FACILITY TO INCLUDE OTHER HEALTH CARE SERVICES PERFORMED BY A SEPARATE FACILITY (SUCH AS A PHYSICIAN PRACTICE) THAT ARE MAINTAINED ON SEPARATE BOOKS AND RECORDS (AS OPPOSED TO THE MAIN FACILITY'S BOOKS AND RECORDS WHICH HAS ITS COSTS OF SERVICE INCLUDED WITHIN A COST REPORT) TRUE COSTS OF MEDICARE COMPUTED USING THIS METHODOLOGY TOTAL MEDICARE REVENUE $234,494,876 TOTAL MEDICARE COSTS $246,305,548 SURPLUS OR SHORTFALL $(11,807,672) SAINT JOSEPH HEALTH SYSTEM, INC BELIEVES THAT EXCLUDING MEDICARE LOSSES FROM COMMUNITY BENEFIT MAKES THE OVERALL COMMUNITY BENEFIT REPORT MORE CREDIBLE FOR THESE REASONS UNLIKE SUBSIDIZED AREAS SUCH AS BURN UNITS OR BEHAVIORAL-HEALTH SERVICES, MEDICARE IS NOT A DIFFERENTIATING FEATURE OF TAX-EXEMPT HEALTH CARE ORGANIZATIONS IN FACT, FOR-PROFIT HOSPITALS FOCUS ON ATTRACTING PATIENTS WITH MEDICARE COVERAGE, ESPECIALLY IN THE CASE OF WELL-PAID SERVICES THAT INCLUDE CARDIAC AND ORTHOPEDICS SIGNIFICANT EFFORT AND RESOURCES ARE DEVOTED TO ENSURING THAT HOSPITALS ARE REIMBURSED APPROPRIATELY BY THE MEDICARE PROGRAM THE MEDICARE PAYMENT ADVISORY COMMISSION (MEDPAC), AN INDEPENDENT CONGRESSIONAL AGENCY, CAREFULLY STUDIES MEDICARE PAYMENT AND THE ACCESS TO CARE THAT MEDICARE BENEFICIARIES RECEIVE THE COMMISSION RECOMMENDS PAYMENT ADJUSTMENTS TO CONGRESS ACCORDINGLY THOUGH MEDICARE LOSSES ARE NOT INCLUDED BY CATHOLIC HOSPITALS AS COMMUNITY BENEFIT, THE CATHOLIC HEALTH ASSOCIATION GUIDELINES ALLOW HOSPITALS TO COUNT AS COMMUNITY BENEFIT SOME PROGRAMS THAT SPECIFICALLY SERVE THE MEDICARE POPULATION FOR INSTANCE, IF HOSPITALS OPERATE PROGRAMS FOR PATIENTS WITH MEDICARE BENEFITS THAT RESPOND TO IDENTIFIED COMMUNITY NEEDS, GENERATE LOSSES FOR THE HOSPITAL, AND MEET OTHER CRITERIA, THESE PROGRAMS CAN BE INCLUDED IN THE CHA FRAMEWORK IN CATEGORY C AS "SUBSIDIZED HEALTH SERVICES " MEDICARE LOSSES ARE DIFFERENT FROM MEDICAID LOSSES, WHICH ARE COUNTED IN THE CHA COMMUNITY BENEFIT FRAMEWORK, BECAUSE MEDICAID REIMBURSEMENTS GENERALLY DO NOT RECEIVE THE LEVEL OF ATTENTION PAID TO MEDICARE REIMBURSEMENT MEDICAID PAYMENT IS LARGELY DRIVEN BY WHAT STATES CAN AFFORD TO PAY, AND IS TYPICALLY SUBSTANTIALLY LESS THAN WHAT MEDICARE PAYS

Identifier	ReturnReference	Explanation
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	SAINT JOSEPH HEALTH SYSTEM, INC , ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES ("CHI") CHI HAS A WRITTEN POLICY (STEWARDSHIP POLICY NO 16) GOVERNING THE PROCEDURES FOR COLLECTIONS OF PAST DUE ACCOUNTS ALL HOSPITAL FACILITIES INCLUDED IN THE FILING ORGANIZATION HAVE ADOPTED THIS POLICY AND FOLLOW THESE PRACTICES W ITH REGARDS TO COLLECTIONS PROCEDURES CHI ENTITIES WILL FOLLOW STANDARD PROCEDURES IN COL LECTING SELF-PAY BALANCES AS FOLLOWS PERMISSIBLE COLLECTIONS ACTIVITY EACH FACILITY MUST ADHERE TO THE FOLLOWING REQUIREMENTS IN RELATION TO THE PURSUIT OF SELF-PAY BALANCES * FA IR PURSUIT - EACH FACILITY SHALL ENSURE THAT ALL PATIENT AND PATIENT GUARANTOR ACCOUNTS AR E PURSUED FAIRLY * ETHICS AND INTEGRITY - EACH FACILITY SHALL ENSURE THAT ALL COLLECTION ACTIVITIES CONSISTENTLY REFLECT THE HIGHEST STANDARDS OF ETHICS AND INTEGRITY * REASONABL E PAYMENT TERMS - EACH FACILITY SHALL OFFER REASONABLE PAYMENT SCHEDULES AND TERMS TO EACH PATIENT AND PATIENT GUARANTOR WITH SELF-PAY BALANCES ALL COLLECTION ACTIVITIES CONDUCTED BY THE FACILITY OR ITS THIRD-PARTY COLLECTION AGENTS WILL BE IN CONFORMANCE WITH ALL FEDE RAL AND STATE LAWS GOVERNING DEBT COLLECTION PRACTICES COLLECTION ACTIVITY MAY BE IN THE FORM OF LETTERS, EMAILS, PHONE CALLS, AND/OR CREDIT REPORTING AND MAY ALSO INCLUDE WAGE GA RNISHMENTS, PLACING OF LIENS ON BUILDINGS OR RESIDENCES OTHER THAN PERSONAL RESIDENCES, IN ITIATION OF LAWSUIT, AND/OR OTHER ACTIONS AS REQUIRED, EXCEPT AS PROHIBITED BY IMPERMISSIB LE COLLECTIONS ACTIONS BELOW PRE-COLLECTIONS ACTIVITY * TIMING - GENERALLY, ACCOUNTS WILL NOT BE REFERRED TO COLLECTIONS UNTIL THEY ARE 120 DAYS OLD HOWEVER, IN CIRCUMSTANCES WHE RE INVOICES TO NON-MEDICARE PATIENTS ARE RETURNED UNDELIVERED WITH NO KNOWN ADDRESS, THOSE SELF-PAY BALANCES MAY BE REFERRED TO COLLECTIONS PRIOR TO EXPIRATION OF 120 DAYS * LIMIT ATIONS ON FINANCIAL ASSISTANCE ELIGIBILITY - THE FACILITY SHALL PERFORM A REASONABLE REVIE W OF EACH PATIENT ACCOUNT PRIOR TO TURNING AN ACCOUNT OVER TO A THIRD-PARTY COLLECTION AGE NT AND PRIOR TO INSTITUTING ANY LEGAL ACTION FOR NON-PAYMENT (INCLUDING, BUT NOT LIMITED T O, REPORTING THE ACCOUNT TO A COLLECTION AGENCY) TO ENSURE THAT THE PATIENT AND PATIENT GU ARANTOR ARE NOT ELIGIBLE FOR ANY ASSISTANCE PROGRAM (E G , MEDICAID) AND DO NOT QUALIFY FO R COVERAGE THROUGH THE FACILITY'S FINANCIAL ASSISTANCE POLICY THAT REASONABLE REVIEW WILL INCLUDE ONE OR MORE OF THE FOLLOWING - NOTIFICATION TO PATIENT OF THE AVAILABILITY OF FI NANCIAL ASSISTANCE ON ADMISSION, PRIOR TO DISCHARGE, AND/OR IN THE BILLING PROCESS, - REVI EW OF FINANCIAL ASSISTANCE APPLICATION SUBMITTED BY OR ON BEHALF OF THE PATIENT, OR - REVI EW OF THE PATIENT'S ELIGIBILITY USING PATIENT ACCOUNT STATISTICAL SCORING SOFTWARE *COOPE RATING EFFORTS - NO FACILITY SHALL SEND ANY UNPAID SELF-PAY ACCOUNT TO A THIRD-PARTY COLLE CTION AGENT AS LONG AS THE PATIENT AND PATIENT GUARANTOR ARE COOPERATING WITH THE FACILITY IN EFFORTS TO SETTLE THE ACCOUNT BALANCE WITHIN A REASONABLE TIME FRAME (GENERALLY 18 MON THS) * SUBSEQUENT ASSESSMENT - AFTER HAVING BEEN TURNED OVER TO A THIRD-PARTY COLLECTION AGENT, ANY ACCOUNT THAT SUBSEQUENTLY IS DETERMINED TO QUALIFY FOR FINANCIAL ASSISTANCE SHA LL BE RETURNED IMMEDIATELY BY THE THIRD-PARTY COLLECTION AGENT TO THE FACILITY FOR APPROPR IATE FOLLOW-UP CHI SHALL DIRECT ITS STAFF AND THIRD-PARTY COLLECTION AGENTS TO CONTINUALL Y ASSESS EACH PATIENT AND PATIENT GUARANTOR'S ABILITY TO PAY OR TO BE DETERMINED ELIGIBLE FOR FINANCIAL ASSISTANCE COLLECTIONS THE FACILITY MAY USE A THIRD-PARTY COLLECTION AGENT AS A REPRESENTATIVE, ACTING IN THE NAME OF THE FACILITY AND ENGAGED ON A CONTRACTUAL BASIS , FOR THE EXPRESS PURPOSES OF FOLLOWING-UP ON AND POTENTIALLY COLLECTING ANY PATIENT ACCOU NTS RECEIVABLE BALANCES THE FACILITY SHALL CONTRACTUALLY DEFINE THE STANDARDS AND SCOPE O F PRACTICES TO BE USED BY THIRD-PARTY COLLECTION AGENTS THOSE STANDARDS AND SCOPE OF PRAC TICES SHALL BE CONSISTENT WITH THIS POLICY AND SHALL, AT A MINIMUM, INCLUDE THE FOLLOWING * STATEMENT MESSAGE -THE FACILITY SHALL REQUIRE ITS THIRD-PARTY COLLECTION AGENTS TO INCL UDE A MESSAGE ON ALL STATEMENTS INDICATING THAT IF A PATIENT OR PATIENT GUARANTOR MEETS CE RTAIN STIPULATED INCOME REQUIREMENTS, THE PATIENT OR PATIENT GUARANTOR MAY BE ELIGIBLE FOR FACILITY OR OTHER FINANCIAL ASSISTANCE PROGRAMS * ADVANCE SETTLEMENT APPROVALS - THE FAC ILITY SHALL INSTRUCT ITS THIRD-PARTY COLLECTION AGENTS TO SEEK APPROVAL FROM THE AUTHORIZE D AND DESIGNATED FACILITY STAFF MEMBER BEFORE ANY SETTLEMENT, AS A RESULT OF BANKRUPTCY PR OCEEDINGS, SHALL BE ACCEPTED * STANDARDS OF CONDUCT - THE FACILITY SHALL REQUIRE THAT THE THIRD-PARTY COLLECTION AGENTS CONDUCT THEMSELVES IN COMPLIANCE WITH THE HIGHEST STANDARDS OF BUSINESS ETHICS AND INTEGRITY AND APPLICABLE LEGAL REQUIREMENTS, AS REFLECTED IN THE C HI STANDARDS OF CONDUCT, AS MAY BE AMENDED BY CHI, AVAILABLE AT THE FOLLOWING WEBSITE WWW CATHOLICHEALTHINITIATIVES ORG/CORPORATERESPONSIBI

Identifier	ReturnReference	Explanation
Collection practices for patients eligible for financial assistance	Schedule H, Part III, Line 9b	LITY * PROHIBITED COLLECTIONS ACTIONS - THE FACILITY SHALL PROHIBIT THE THIRD-PARTY COLLE CTION AGENTS FROM ENGAGING IN PROHIBITED COLLECTIONS ACTIONS AS DEFINED IN IMPERMISSIBLE C OLLECTIONS ACTIONS BELOW * ANNUAL ADHERENCE AUDIT - THE FACILITY OR ITS DESIGNEE SHALL BE PERMITTED TO AUDIT ITS THIRD-PARTY COLLECTION AGENTS AT LEAST ANNUALLY FOR ADHERENCE TO T HESE STANDARDS IMPERMISSIBLE COLLECTIONS ACTIONS CHI ENTITIES SHALL DIRECT THEIR STAFF AN D THIRD-PARTY COLLECTION AGENTS THAT THE FOLLOWING ACTIONS ARE ALWAYS PROHIBITED IN RELATI ON TO THE PURSUIT OF SELF-PAY BALANCES * UNEMPLOYED WITHOUT SIGNIFICANT INCOME/ASSETS - N O FACILITY SHALL PURSUE ANY LEGAL ACTION FOR NON-PAYMENT OF ANY BILLS AGAINST ANY PATIENT OR PATIENT GUARANTOR WHO IS KNOWN TO BE UNEMPLOYED AND WHO HAS BEEN DETERMINED IN ACCORDAN CE WITH CHI STEWARDSHIP POLICY NO 15, HOSPITAL FINANCIAL ASSISTANCE, ON THE BASIS OF A CO MPLETED FINANCIAL ASSISTANCE APPLICATION, TO BE WITHOUT SIGNIFICANT INCOME OR ASSETS * PR INCIPAL RESIDENCE - NO FACILITY SHALL PURSUE ANY LEGAL ACTION AGAINST ANY PATIENT OR PATIE NT GUARANTOR BY SEEKING A REMEDY THAT WOULD INVOLVE FORECLOSING UPON THE PRINCIPLE RESIDEN CE OF A PATIENT OR PATIENT GUARANTOR, PLACING A LIEN ON THE PRINCIPAL RESIDENCE, TAKING AN Y OTHER ACTION THAT COULD RESULT IN THE INVOLUNTARY SALE OR TRANSFER OF SUCH RESIDENCE, OR INFORMING ANY PATIENT OR PATIENT GUARANTOR THAT HE/SHE MAY BE SUBJECT TO ANY SUCH ACTION OTHER IMPERMISSIBLE COLLECTION TACTICS * NO FACILITY SHALL CHARGE INTEREST ON OUTSTANDING BALANCES, * NO FACILITY SHALL REQUIRE PATIENTS OR PATIENT GUARANTORS TO INCUR DEBT OR LOA NS WITH RECOURSE TO THE PATIENT'S OR GUARANTOR'S PERSONAL OR REAL PROPERTY ASSETS ("RECOUR SE INDEBTEDNESS"), AND * NO FACILITY SHALL INVOKE SO-CALLED "BODY ATTACHMENTS" (I E THE A RREST OR JAILING OF PATIENTS IN DEFAULT ON THEIR ACCOUNTS, SUCH AS FOR MISSED COURT APPEAR ANCES) IN ADDITION TO THE WRITTEN POLICY, ALL OF CATHOLIC HEALTH INITIATIVES' HOSPITALS' CONTRACTS WITH THIRD PARTY COLLECTION AGENCIES INCLUDE THE FOLLOWING STANDARDS * NEITHER CHI HOSPITALS NOR THEIR COLLECTION AGENCIES WILL REQUEST BENCH OR ARREST WARRANTS AS A RES ULT OF NON-PAYMENT, * NEITHER CHI HOSPITALS NOR THEIR COLLECTION AGENCIES WILL SEEK LIENS THAT WOULD REQUIRE THE SALE OR FORECLOSURE OF A PRIMARY RESIDENCE, AND *NO CATHOLIC HEALTH INITIATIVES' COLLECTION AGENCY MAY SEEK COURT ACTION WITHOUT HOSPITAL APPROVAL FINALLY, COLLECTION AGENCIES ARE TRAINED ON THE CATHOLIC HEALTH INITIATIVES MISSION, CORE VALUES AN D STANDARD OF CONDUCT TO MAKE SURE ALL PATIENTS ARE TREATED WITH DIGNITY AND RESPECT

Identifier	ReturnReference	Explanation
Used federal poverty guidelines (FPG) to determine eligibility	Schedule H, Part V Section B, Line 9	(1) SAINT JOSEPH HOSPITAL - HUD LOW INCOME GUIDELINES WERE USED ,(2) SAINT JOSEPH EAST - HUD LOW INCOME GUIDELINES WERE USED ,(3) SAINT JOSEPH - MOUNT STERLING - HUD LOW INCOME GUIDELINES WERE USED ,(4) SAINT JOSEPH - BEREA - HUD LOW INCOME GUIDELINES WERE USED ,(5) SAINT JOSEPH - LONDON - HUD LOW INCOME GUIDELINES WERE USED ,(6) SAINT JOSEPH - MARTIN - HUD LOW INCOME GUIDELINES WERE USED ,

Identifier	ReturnReference	Explanation
Used FPG to determine eligibility for providing discounted care criteria	Schedule H, Part V Section B, Line 10	(1) SAINT JOSEPH HOSPITAL - HUD LOW INCOME GUIDELINES WERE USED ,(2) SAINT JOSEPH EAST - HUD LOW INCOME GUIDELINES WERE USED ,(3) SAINT JOSEPH - MOUNT STERLING - HUD LOW INCOME GUIDELINES WERE USED ,(4) SAINT JOSEPH - BEREA - HUD LOW INCOME GUIDELINES WERE USED ,(5) SAINT JOSEPH - LONDON - HUD LOW INCOME GUIDELINES WERE USED ,(6) SAINT JOSEPH - MARTIN - HUD LOW INCOME GUIDELINES WERE USED ,

Identifier	ReturnReference	Explanation
Other actions taken before collection actions	Schedule H, Part V Section B, Line 17e	(1) SAINT JOSEPH HOSPITAL - NO SUCH EFFORTS HAVE BEEN MADE ,(2) SAINT JOSEPH EAST - NO SUCH EFFORTS HAVE BEEN MADE ,(3) SAINT JOSEPH - MOUNT STERLING - NO SUCH EFFORTS HAVE BEEN MADE ,(4) SAINT JOSEPH - BEREA - NO SUCH EFFORTS HAVE BEEN MADE ,(5) SAINT JOSEPH - LONDON - NO SUCH EFFORTS HAVE BEEN MADE ,(6) SAINT JOSEPH - MARTIN - NO SUCH EFFORTS HAVE BEEN MADE ,

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 2	SAINT JOSEPH HEALTH SYSTEM, INC COMMUNITY BENEFIT NARRATIVE FYE 2012 ORGANIZATION'S MISSI ON, VISION & TAX-EXEMPT PURPOSE IN 2012, KENTUCKYONE HEALTH, INC WAS FORMED WHEN TWO MAJO R KENTUCKY HEALTH CARE ORGANIZATIONS, SAINT JOSEPH HEALTH SYSTEM, INC (SJHS) AND JEWISH H OSPITAL & ST MARY'S HEALTHCARE, CAME TOGETHER TO WORK FOR A HEALTHIER KENTUCKY THE NONPR OFIT SYSTEM IS COMMITTED TO IMPROVING THE HEALTH OF KENTUCKIANS BY INTEGRATING MEDICAL RES EARCH, EDUCATION, TECHNOLOGY AND HEALTH CARE SERVICES WHEREVER PATIENTS RECEIVE CARE KENT UCKYONE HEALTH, INC IS THE LARGEST HEALTH SYSTEM IN KENTUCKY WITH MORE THAN 200 LOCATIONS INCLUDING HOSPITALS, OUTPATIENT FACILITIES AND PHYSICIAN OFFICES, AND MORE THAN 3,100 LIC ENSED BEDS AN 14-MEMBER BOARD OF DIRECTORS GOVERNS KENTUCKYONE HEALTH, INC , ITS FACILITI ES AND OPERATIONS, WITH THIS MISSION WE BRING HOPE, IMPROVE HEALTH AND CHANGE LIVES INSP IRED BY OUR CATHOLIC AND JEWISH FAITH HERITAGE, WE - SERVE WITH A SPIRIT OF INNOVATION AN D COLLABORATION - TRANSFORM HEALTH CARE DELIVERY - PARTNER TO CREATE HEALTHY COMMUNITIES - ADVOCATE FOR A JUST HEALTH SYSTEM KENTUCKYONE HEALTH, INC 'S VISION IS TO BE THE PREMIER, INTEGRATED, COMPREHENSIVE HEALTH SYSTEM IN THE COMMONWEALTH PROVIDING HIGH QUALITY CARE A ND REDUCING THE INCIDENCE OF DISEASE AND ELIMINATING INEQUITIES IN ACCESS THE FOCUS OF TH IS NARRATIVE IS ON SJHS THE LEGACY OF SJHS BEGAN MORE THAN 130 YEARS AGO WITH THE SISTER OF CHARITY OF NAZARETH THE HEART AND SOUL OF THE FOUNDING WOMEN WAS THEIR COMMITMENT TO C OMMUNITY OUTREACH TO THE POOR AND UNDERSERVED THIS TRADITION CONTINUES TODAY AT THE FACIL ITIES IN SJHS THEY INCLUDE SAINT JOSEPH LEXINGTON (SAINT JOSEPH HOSPITAL, SAINT JOSEPH EA ST, AND SAINT JOSEPH JESSAMINE RJ CORMAN AMBULATORY CARE CENTER), SAINT JOSEPH LONDON, SAI NT JOSEPH MARTIN, SAINT JOSEPH MOUNT STERLING, SAINT JOSEPH BEREA AND FLAGET MEMORIAL HOSP ITAL FOR TAX REPORTING PURPOSES, FLAGET MEMORIAL HOSPITAL HAS A SEPARATE TAX IDENTIFICATI ON NUMBER AND WILL NOT BE INCLUDED IN THIS NARRATIVE ALL OF THE FACILITIES UNDER SAINT JO SEPH HEALTH SYSTEM, INC OPERATE A 24-HOUR EMERGENCY ROOM 365 DAYS PER YEAR THAT EMERGENC Y ROOM IS OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY THE HOSPITALS HAVE AN OPEN MEDICAL STAFF, PARTICIPATE IN MEDICARE AND MEDICAID, AND HAVE AN ACTIVE CHARITY CARE PROG RAM ALL OF THE HOSPITALS DETAILED IN THIS NARRATIVE ARE INCLUDED IN THE OFFICIAL CATHOLIC DIRECTORY AS TAX-EXEMPT HOSPITALS SAINT JOSEPH LEXINGTON SAINT JOSEPH HOSPITAL (SJH), LE XINGTON'S FIRST HOSPITAL, REMAINS THE FIRST CHOICE FOR HEALTHCARE TODAY FOUNDED IN 1877, IT HAS GROWN INTO A 433-BED MEDICAL CENTER, WITH A FULL RANGE OF SERVICES, INCLUDING THE N ATIONAL AWARD-WINNING HEART INSTITUTE AND LEADING EDGE DA VINCI ROBOTIC SURGERY SAINT JOS EPH HOSPITAL IS ALSO KNOWN AS LEXINGTON'S "HEART HOSPITAL" SAINT JOSEPH EAST (SJE), A COM MUNITY HOSPITAL WITH 217 BEDS, IS LOCATED IN THE RAPIDLY GROWING SOUTHEASTERN PART OF LEXI NGTON SAINT JOSEPH EAST COMPLIMENTS SAINT JOSEPH HOSPITAL'S HEALTHCARE MISSION THROUGH MU LTIPLE SERVICES AND SPECIALTIES AT SAINT JOSEPH EAST, MATERNAL AND CHILDCARE, CARDIOVASCU LAR SERVICES, AND AMBULATORY SURGERY ARE SUPPORTED THROUGH TRADITIONAL INPATIENT AND OUTPA TIENT PROGRAMS ADDITIONAL SPECIALTY SERVICES INCLUDE THE HEART INSTITUTE, BREAST CENTER, SLEEP WELLNESS CENTER AND THE CENTER FOR WEIGHT LOSS SURGERY THE WOMEN'S HOSPITAL AT SAIN T JOSEPH EAST IS THE ONLY HOSPITAL OF ITS KIND IN LEXINGTON AND CENTRAL KENTUCKY DEDICATED EXCLUSIVELY TO THE HEALTH AND WELL-BEING OF WOMEN THE WOMEN'S HOSPITAL OFFERS A FULL RAN GE OF SERVICES TO MEET THE NEEDS OF EVERY WOMAN NO MATTER WHAT STAGE OF LIFE THEY ARE IN, FROM ADOLESCENCE TO MATURE ADULTHOOD SAINT JOSEPH JESSAMINE RJ CORMAN AMBULATORY CARE CEN TER (SJJ) OPENED ON JANUARY 2, 2009 IT IS JESSAMINE COUNTY'S FIRST AND ONLY FULL SERVICE 24/7 EMERGENCY DEPARTMENT IT ALSO PROVIDES DIAGNOSTIC IMAGING, LABORATORY SERVICES AND OF FICES FOR DOCTORS AND STAFF COMMUNITY BENEFIT APPROACH SAINT JOSEPH HOSPITAL AND SAINT JO SEPH EAST ARE LOCATED IN FAYETTE COUNTY IN LEXINGTON, KENTUCKY SAINT JOSEPH JESSAMINE IS LOCATED IN JESSAMINE COUNTY IN NICHOLASVILLE, KENTUCKY AS OF 2011, THE LEXINGTON-FAYETTE COUNTY METRO AREA HAS A POPULATION OF 301,569 THE LEXINGTON-FAYETTE METRO AREA IS HOME TO SIX COUNTIES CLARK, FAYETTE, JESSAMINE, BOURBON, WOODFORD AND SCOTT ACCORDING TO THE 20 10 U S CENSUS BUREAU, 94 7% OF THE POPULATION IN FAYETTE COUNTY IS WHITE, 4 0% IS BLACK OR AFRICAN AMERICAN AND 2 8% ARE HISPANIC OR LATINO THE MEDIAN HOUSEHOLD INCOME WAS $48,3 03, ABOVE THE STATE'S MEDIAN INCOME OF $42,248 AND SLIGHTLY BELOW THE NATION'S INCOME OF $ 52,762 IN ADDITION, 11 8% OF FAMILIES IN FAYETTE COUNTY LIVE BELOW THE POVERTY LEVEL THE UNEMPLOYMENT RATE IN FAYETTE COUNTY WAS 7 2% AS OF THE 2010 U S CENSUS BUREAU, JESSAMIN E COUNTY'S POPULATION WAS 48,586 IN ADDITION, 77 9% OF THE POPULATION IS WHITE, 15 9% IS BLACK OR AFRICAN AMERICAN AND 6 9% ARE HISPANIC OR

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 2	LATINO THE MEDIAN HOUSEHOLD INCOME WAS $48,547 ABOVE THE STATE'S MEDIAN INCOME OF $42,24 8 AND SLIGHTLY BELOW THE NATION'S INCOME OF $52,762 IN ADDITION, 12 8% OF FAMILIES IN JES SAMINE COUNTY LIVE BELOW THE POVERTY LEVEL THE UNEMPLOYMENT RATE IN JESSAMINE COUNTY WAS 7 8% THERE ARE TWO ADDITIONAL HOSPITALS IN LEXINGTON KENTUCKY CENTRAL BAPTIST HOSPITAL A ND THE UNIVERSITY OF KENTUCKY BOTH ARE FULL SERVICE ACUTE CARE HOSPITALS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	COMMUNITY OUTREACH FOR THE POOR SURGERY ON SUNDAY ANDY MOORE, MD, STARTED THE SURGERY ON S UNDAY (SOS) PROGRAM IN 2005 THANKS IN PART TO A $145,000 GRANT FROM CATHOLIC HEALTH INITIA TIVES AND IN-KIND DONATIONS AMOUNTING TO $567,000 SINCE ITS INCEPTION, 2,300 OUTPATIENT S URGERIES HAVE BEEN PERFORMED SURGERY ON SUNDAY NOW HAS 250 VOLUNTEER SURGEONS AND 450 OTH ER MEDICAL AND NON-MEDICAL VOLUNTEERS SAINT JOSEPH HOSPITAL NURSES PROVIDE A SIGNIFICANT PORTION OF THE CARE THE SURGERIES ARE PERFORMED IN DONATED SPACE IN THE LEXINGTON SURGERY CENTER THE THIRD SUNDAY OF EVERY MONTH HOWEVER, IN RESPONSE TO THE GREAT NEED AND LONG W AITING LIST, SJH OFFERED ITS SURGICAL SPACE AND SUPPLIES TO ADD ANOTHER SUNDAY TO THE SOS ROTATION ONCE A QUARTER THE PATIENTS SERVED BY SOS ARE THE WORKING POOR WHO HAVE NO HEALT H INSURANCE FOR INCOME-ELIGIBLE PATIENTS, ALL SERVICES AND SUPPLIES ARE FREE - FROM THE P RE-OPERATIVE VISIT WITH A VOLUNTEER SURGEON, TO THE IMAGING STUDIES, TO MEDICATIONS NEEDED BEFORE AND AFTER SURGERY, TO PHYSICAL THERAPY, TO THE POST-OPERATIVE APPOINTMENT SAINT J OSEPH CONTINUING CARE CLINIC SAINT JOSEPH HOSPITAL OPERATES A FREE HEALTH CLINIC FOR LOW-I NCOME RESIDENTS OF CENTRAL KENTUCKY WHO DO NOT QUALIFY FOR MEDICAID SERVICES THE CLINIC, MOSTLY SERVING FAYETTE COUNTY, PROVIDES PRIMARY HEALTH CARE SERVICES AND PHARMACEUTICALS IN FISCAL YEAR 2012, PATIENTS VISITED THE CLINIC 3,168 TIMES AND RECEIVED FREE MEDICATIONS TOTALING NEARLY $4 1 MILLION IN MARKET VALUE THE CLINIC IS NOW LOOKING AT WAYS TO ASSIST EVEN MORE PATIENTS WHO ARE UNDERINSURED, UNINSURED OR DO NOT HAVE A DESIGNATED PRIMARY CA RE PHYSICIAN ALSO, ON THE NEAR HORIZON IS A NEW MODEL TO HELP PATIENTS ACCESS THE CARE TH EY NEED AT THE APPROPRIATE ENTRY POINT IN THE HEALTH CARE SYSTEM AND AVOID HIGH-COST EMERG ENCY SERVICES WHEN PRIMARY CARE IS NEEDED VIRTUAL CARE CLINIC SAINT JOSEPH HEALTH SYSTEM, INC IS IMPROVING ACCESS TO CARE IN TWO LOW-INCOME RURAL KENTUCKY COMMUNITIES POWELL AND WOLFE COUNTIES IN JULY 2011, THE FIRST VIRTUAL CARE CLINIC OPENED ITS DOORS IN CLAY CITY THE CLINICS ARE MODELED ON SAINT JOSEPH HOSPITAL'S CONTINUING CARE CLINIC, WHICH PROVIDE S PRIMARY HEALTH CARE SERVICES TO LOW-INCOME RESIDENTS OF CENTRAL KENTUCKY EACH VIRTUAL C LINIC IS STAFFED BY A NURSE OR NURSE PRACTITIONER, RECEPTIONIST/SCHEDULER AND A SOCIAL WOR KER TELEHEALTH TECHNOLOGY ALLOWS COLLABORATION WITH PHYSICIANS AND SPECIALISTS FOR PATIEN T CONSULTATIONS BABY HEALTH SERVICE FOR NEARLY A CENTURY, BABY HEALTH SERVICE HAS PROVIDE D FREE, QUALITY HEALTHCARE TO THE CHILDREN OF CENTRAL KENTUCKY SAINT JOSEPH HOSPITAL IS P LEASED TO OFFER SPACE AND UTILITIES FOR THIS VITAL SERVICE TO THE COMMUNITY BABY HEALTH S ERVICE IS ABOUT HEALTHY FAMILIES AND A HEALTHIER COMMUNITY THE CLINIC SERVES CHILDREN FRO M BIRTH UP TO 18 YEARS OF AGE FROM FAMILIES THAT DO NOT HAVE HEALTH INSURANCE AND DON'T QU ALIFY FOR MEDICAID LAST YEAR, THE CLINIC SERVED NEARLY 3,000 CHILDREN HEALTH CARE SERVIC ES OFFERED AT THE CLINIC INCLUDE SICK VISITS, ROUTINE CHECK-UPS, PHYSICALS, LAB TESTS, MED ICATIONS, X-RAYS AND IMMUNIZATIONS ELEVEN VOLUNTEER PHYSICIANS DONATE NUMEROUS HOURS TO T HE CLINIC, WHICH IS OPEN MONDAY-FRIDAY FROM 7 30 A M UNTIL NOON PHARMAID PROGRAM AND PRE SCRIPTION ASSISTANCE SAINT JOSEPH HOSPITAL, SAINT JOSEPH EAST, AND SAINT JOSEPH JESSAMINE STRIVE TO ENSURE PATIENTS HAVE THE PRESCRIPTIONS NEEDED TO FURTHER THEIR HEALING PROCESS W HEN THEY LEAVE THE FACILITY A SOCIAL WORKER ASSISTS LOW-INCOME PATIENTS IN FINDING RESOUR CES TO PROVIDE THEIR PRESCRIPTION MEDICATION AT LOW OR NO COST IF THE MEDICATION IS NOT A VAILABLE THROUGH ONE OF THESE PROGRAMS, OR IF THE PATIENT DOES NOT QUALIFY, THE PASTORAL C ARE TEAM UTILIZES A FUND TO HELP PATIENTS OBTAIN A THREE-DAY SUPPLY OF SELECTED MEDICATION S AND A SEVEN-DAY SUPPLY OF MANY ANTIBIOTICS LAST YEAR 186 PERSONS WERE SERVED BY PROVIDI NG OVER $49,618 OF FREE PRESCRIPTIONS COMMUNITY OUTREACH FOR THE BROADER COMMUNITY APPALA CHIAN OUTREACH PROGRAM APPALACHIAN OUTREACH PROGRAM IS A COMMUNITY-BASED PROGRAM THAT PROV IDES HOME VISITS FOR PATIENTS DISCHARGED FROM SAINT JOSEPH HOSPITAL, SAINT JOSEPH EAST, AS WELL AS, SAINT JOSEPH BEREA, SAINT JOSEPH MOUNT STERLING AND SAINT JOSEPH LONDON APPALAC HIAN OUTREACH PROVIDES SPIRITUAL CARE, SOCIAL WORK, CLINICAL NUTRITION, AND DIETITIAN CONS ULTATION AND EDUCATION FOR PATIENTS, CAREGIVERS AND IMMEDIATE FAMILY IN FISCAL YEAR 2012, THE PROGRAM MADE 12,476 CONTACTS WITH INDIVIDUALS SAINT JOSEPH CANCER CENTER STAFF AT TH E SAINT JOSEPH CANCER CENTER UNDERSTANDS THAT CANCER AFFECTS THE ENTIRE FAMILY, NOT JUST T HE PERSON DIAGNOSED THE CANCER CENTER IS COMMUNITY-BASED AND OFFERS FINANCIAL ASSISTANCE, COUNSELING AND SPIRITUAL COMFORT TO THE FAMILIES IT SERVES THE MISSION IS TO BLEND HUMAN ITY WITH TECHNOLOGY THE PATIENT AND FAMILY-CENTERED RESOURCES AVAILABLE THROUGH THE SAINT JOSEPH CANCER CENTER INCLUDE ACCESS TO SUPPORT SERVICES SUCH AS REHABILITATION, TREATMENT S, NUTRITION AND SPIRITUAL CARE, ONE-ON-ONE CONSUL

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	TATION WITH A NURSE NAVIGATOR, SOCIAL WORKER, CHAPLAIN AND CLINICAL DIETITIAN, A LIBRARY WITH MATERIAL FROM 10 NATIONAL CANCER ORGANIZATIONS, AND NETWORKING AND SUPPORT GROUPS ALL ARE FREE AND CONFIDENTIAL

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	PERINATAL EDUCATION SAINT JOSEPH EAST HAS A WELL-ESTABLISHED COMMUNITY EDUCATION PROGRAM T HAT OFFERS BREASTFEEDING, CHILDBIRTH PREPARATION, AND TEEN PARENT CARE FOR NEWBORNS SAINT JOSEPH EAST ALSO HOSTS AN ANNUAL MATERNITY FAIR THAT PROVIDES EDUCATION TO HUNDREDS OF AT TENDEES THIS YEAR 900 PEOPLE ATTENDED THE MATERNITY FAIR EDUCATION OF MEDICAL/PARAMEDICA L PROFESSIONALS SAINT JOSEPH HOSPITAL, SAINT JOSEPH EAST, AND SAINT JOSEPH JESSAMINE SERVE AS CLINICAL EDUCATION SITES FOR MEDICAL PROFESSIONALS OFFERING CLASSES AND RESIDENCY PROG RAMS HEALTH PROFESSIONALS INCLUDE MEDICAL STUDENTS, FAMILY PRACTICE RESIDENTS, PHARM D ST UDENTS, PHYSICAL THERAPY STUDENTS, RESPIRATORY THERAPY STUDENTS, RADIOLOGY STUDENTS, NURSI NG STUDENTS, SOCIAL WORK STUDENTS, SURGICAL TECHNICIANS, AND STUDENTS EARNING MASTERS DEGR EES IN PUBLIC HEALTH COMMUNITY PRESENTATIONS SAINT JOSEPH HOSPITAL, SAINT JOSEPH EAST, AN D SAINT JOSEPH JESSAMINE CONDUCT WELLNESS PRESENTATIONS AT LOCAL CHURCHES, SCHOOLS AND BUS INESSES THROUGHOUT CENTRAL KENTUCKY FOR EDUCATION ON HEALTHY LIVING THEY ALSO PARTICIPATE IN HEALTH FAIRS OFFERING FREE BLOOD PRESSURE SCREENINGS, ANKLE BRACHIAL INDEX (ABI) SCREE NINGS TO DETECT PERIPHERAL ARTERY DISEASE (PAD) AND PROVIDE EDUCATION TO PARTICIPANTS COL LABORATIVE EFFORTS TO IMPROVE COMMUNITY HEALTH SAINT JOSEPH HOSPITAL, SAINT JOSEPH EAST, A ND SAINT JOSEPH JESSAMINE PARTNER WITH THE FOLLOWING ORGANIZATIONS IN A COLLABORATIVE EFFO RT TO IMPROVE THE HEALTH OF OUR COMMUNITIES * AMERICAN CANCER SOCIETY * AMERICAN RED CROS S * AMERICAN HEART ASSOCIATION * HABITAT FOR HUMANITY * COMMERCE LEXINGTON * LEXINGTON CLI NIC FOUNDATION SAINT JOSEPH LONDON IN 1946, THE SISTER OF CHARITY OF NAZARETH PURCHASED WH AT IS NOW KNOWN AS SAINT JOSEPH LONDON (SJL) THE MISSION OF THE SISTERS WAS TO EXTEND THE HEALING MINISTRY OF CHRIST BY BRINGING QUALITY HEALTH CARE TO THE POOR AND UNDERSERVED OF RURAL KENTUCKY SAINT JOSEPH LONDON IS A 120-BED HOSPITAL, WHICH PROVIDES A FULL RANGE OF MEDICAL, EMERGENCY, SURGICAL AND OBSTETRICAL SERVICES SAINT JOSEPH LONDON OPERATES A 24- HOUR EMERGENCY ROOM 365 DAYS PER YEAR THAT EMERGENCY ROOM IS OPEN TO ALL INDIVIDUALS REGA RDLESS OF ABILITY TO PAY SAINT JOSEPH LONDON HAS AN OPEN MEDICAL STAFF, PARTICIPATES IN M EDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE PROGRAM COMMUNITY BENEFIT APPROACH S AINT JOSEPH LONDON IS LOCATED IN LAUREL COUNTY IN LONDON, KENTUCKY LAUREL COUNTY IS A FAI RLY RURAL COMMUNITY IN KENTUCKY SAINT JOSEPH LONDON SERVES PATIENTS FROM LAUREL, WHITLEY, CLAY, JACKSON AND KNOX COUNTIES, HOWEVER 50 42% OF THE DISCHARGES ORIGINATE IN LAUREL COU NTY AS OF THE 2010 U S CENSUS BUREAU, LAUREL COUNTY'S POPULATION WAS 58,849 OF THE POPU LATION IN LAUREL COUNTY, 97 2% OF THE POPULATION IS WHITE, 0 9% IS BLACK OR AFRICAN AMERIC AN AND 1 3% IS HISPANIC OR LATINO THE MEDIAN HOUSEHOLD INCOME WAS $36,787, BELOW THE STAT E'S MEDIAN INCOME OF $42,248 AND WELL BELOW THE NATION'S INCOME OF $52,762 IN ADDITION, 2 0 1% OF LAUREL COUNTY RESIDENTS LIVE BELOW THE POVERTY LEVEL THE 2011 UNITED STATES DEPAR TMENT OF LABOR DATA REPORT UNEMPLOYMENT IN LAUREL COUNTY TO BE 10 8% COMMUNITY OUTREACH F OR THE POOR PHARMACEUTICAL ASSISTANCE PROGRAM THE PHARMACEUTICAL ASSISTANCE PROGRAM WAS ES TABLISHED TO HELP UNINSURED AND UNDERINSURED INDIVIDUALS WITH THEIR MEDICATION NEEDS SERV ING LAUREL, WHITLEY, CLAY AND KNOX COUNTIES THE PROGRAM ADDRESSES MEDICATION NEEDS SPECIFI C TO CARDIAC, DIABETES, HYPERTENSION, CHOLESTEROL AND COPD THIS PROGRAM ASSISTED 547 PEOP LE BY PROVIDING MORE THAN 2,355 FREE PRESCRIPTION MEDICATIONS PROVIDED BY PHARMACEUTICAL C OMPANIES AT A MARKET VALUE OF MORE THAN $1 5 MILLION SUMMER FEEDING PROGRAM ORGANIZED AND FEDERALLY FUNDED THROUGH UNITED WAY OF LAUREL COUNTY, SJL JOINED WITH OTHER AGENCIES AND COMPANIES TO PROVIDE DAILY LUNCHES (MONDAY-FRIDAY) TO CHILDREN IN THE AREA THE SUMMER FEE DING PROGRAM IS DESIGNED TO DELIVER LUNCH TO CHILDREN IN UNDERSERVED AREAS LUNCHES ARE PR OVIDED AT MORE THAN 50 DESIGNATED LOCATIONS WITH AGENCIES/COMPANIES ASSIGNED TO A SPECIFIC LOCATION SEED LUNCHEONS SAINT JOSEPH LONDON PROVIDES HEALTH EDUCATION AT THE LOCAL CATHO LIC CHURCH TO SENIOR ADULTS LIVING ON FIXED INCOMES THESE MONTHLY PROGRAMS OFFER AN OPPOR TUNITY FOR SENIORS TO SOCIALIZE, HAVE LUNCH AND HEAR ABOUT SPECIFIC HEALTH ISSUES IT IS A LSO A TIME FOR THEM TO ASK QUESTIONS REGARDING HEALTH ISSUES AND HAVE MONTHLY HEALTH CHECK S TO ASSIST IN MONITORING THEIR HEALTH COMMUNITY OUTREACH FOR THE BROADER COMMUNITY PREVE NTIVE HEALTH WELLNESS BEGINS WITH PREVENTIVE HEALTH AT SAINT JOSEPH LONDON, THE GOAL IS T O PROVIDE PUBLIC OUTREACH THROUGH HEALTH SCREENINGS, EDUCATION, FLU CLINICS AND SPECIFIC S ERVICES FOCUSED ON PREVENTIVE HEALTH THROUGH THE CONGESTIVE HEART PROGRAM, AN OUTREACH NU RSE VISITED 174 DISCHARGED PATIENTS TO EDUCATE, SUPPORT AND ASSIST THEM IN IMPROVING AND M AINTAINING THEIR HEALTH AND A HIGHER QUALITY OF LIFE EDUCATION OF MEDICAL/PARAMEDICAL PRO FESSIONALS SAINT JOSEPH LONDON SERVES AS A CLINICA

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	L EDUCATION SITE FOR STUDENTS IN THE FOLLOWING AREAS OF STUDY NURSING, PUBLIC HEALTH, LAB ORATORY, RESPIRATORY CARE, PARAMEDICS, PHARMACY, AND RADIOLOGY

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	COLLABORATIVE EFFORTS TO IMPROVE COMMUNITY HEALTH SAINT JOSEPH LONDON PARTNERS WITH THE FOLLOWING ORGANIZATIONS IN A COLLABORATIVE EFFORT TO IMPROVE THE HEALTH OF OUR COMMUNITIES * TRI CANCER COALITION/AMERICAN CANCER SOCIETY * LAUREL COUNTY SCHOOLS * LAUREL COUNTY HEALTH DEPARTMENT * DANIEL BOONE COMMUNITY ACTION * FAMILY LIFE CENTER (PREGNANCY CENTER) * CHRISTIAN SHELTER FOR HOMELESS * COME UNITY COOPERATIVE CARE (CCC) * OLDER PERSON ACTIVITY CENTER (OPAC) * LAUREL COUNTY EXTENSION OFFICE * SAINT WILLIAM CATHOLIC CHURCH * AREA HEALTH EDUCATION COUNCIL (AHEC) SAINT JOSEPH MARTIN SAINT JOSEPH MARTIN WAS ESTABLISHED IN 1947, WHEN THREE SISTERS OF DIVINE PROVIDENCE ASSUMED OWNERSHIP OF WHAT IS NOW SAINT JOSEPH MARTIN (SJM) SAINT JOSEPH MARTIN IS A 25 BED CRITICAL ACCESS HOSPITAL (CAH) IN ADDITION TO THE HOSPITAL, SJM OPERATES FOUR RURAL HEALTH CARE CLINICS SAINT JOSEPH MARTIN OPERATES A 24-HOUR EMERGENCY ROOM 365 DAYS PER YEAR THE EMERGENCY ROOM IS OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY SAINT JOSEPH MARTIN HAS AN OPEN MEDICAL STAFF, PARTICIPATES IN MEDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE PROGRAM COMMUNITY BENEFIT APPROACH SAINT JOSEPH MARTIN IS LOCATED IN FLOYD COUNTY IN MARTIN, KENTUCKY THE LARGEST CITY CLOSEST TO SJM IS PIKEVILLE, KENTUCKY IN ADDITION TO SJM, THERE ARE TWO ADDITIONAL HOSPITALS OPERATING IN FLOYD COUNTY SJM PRIMARILY SERVES PATIENTS FROM FLOYD, KNOTT, PIKE AND JOHNSON COUNTIES, ALTHOUGH 82% OF THE DISCHARGES ORIGINATE FROM FLOYD COUNTY AS OF THE 2010 U S CENSUS BUREAU, FLOYD COUNTY'S POPULATION WAS 39,451 OF THE POPULATION IN FLOYD COUNTY, 98 7% OF THE POPULATION IS WHITE, 0 8 BLACK OR AFRICAN AMERICAN, AND 0 6 IS HISPANIC OR LATINO THE MEDIAN HOUSEHOLD INCOME WAS $29,725, WHICH IS BELOW THE STATE'S MEDIAN INCOME OF $42,248, AND WELL BELOW THE NATION'S INCOME OF $52,762 IN ADDITION, 30 3% OF FLOYD COUNTY RESIDENTS LIVE BELOW THE POVERTY LEVEL, WHICH IS SIGNIFICANTLY HIGHER THAN THE NATIONAL RATE OF 11% THE 2011 UNITED STATES DEPARTMENT OF LABOR DATA REPORT UNEMPLOYMENT IN FLOYD COUNTY TO BE 12 6% COMMUNITY OUTREACH FOR THE POOR SOCIAL SERVICES PROGRAMS SAINT JOSEPH MARTIN CONTINUES TO OFFER PEOPLE ASSISTANCE WITH TRANSPORTATION, MEDICATIONS, SUPPLIES AND OTHER BASIC NEEDS ANNUAL FOOD DRIVE IN TOUGH ECONOMIC TIMES, IT WAS NO SURPRISE THAT MORE AND MORE FAMILIES IN THE COMMUNITY WERE IN NEED OF ASSISTANCE - PARTICULARLY DURING THE CHRISTMAS SEASON EACH YEAR, SJM HOLDS AN ANNUAL FOOD DRIVE TO SUPPORT THE MARTIN FIRST BAPTIST CHURCH CHRISTMAS BASKET PROGRAM LAST CHRISTMAS, MORE THAN 1,100 ITEMS WERE COLLECTED TO HELP FEED 173 ADULTS AND CHILDREN COMMUNITY OUTREACH FOR THE BROADER COMMUNITY DENTAL INITIATIVE THE DENTAL/ORAL HEALTH CARE INITIATIVE WAS FORMED SEVERAL YEARS AGO, AS A RESULT OF COMMUNITY LEADERS WANTING TO ADDRESS THE IMPORTANT ISSUE OF IMPROVING HEALTH CARE ACCESS TO THEIR COMMUNITY IN 2006, THE PROGRAM WAS PILOTED IN TWO FLOYD COUNTY ELEMENTARY SCHOOLS AND WAS A RESOUNDING SUCCESS BEGINNING IN 2010, DENTAL HEALTH SERVICES WERE AVAILABLE TO ALL FLOYD COUNTY'S K-8 STUDENTS LAST SCHOOL YEAR, MORE THAN 1,850 STUDENTS WERE SCREENED AND RECEIVED CLEANINGS THIS PROGRAM HAS BEEN ONE OF SJM'S MOST SUCCESSFUL COLLABORATIVE EFFORTS AND IS A SHINING EXAMPLE OF THEIR COMMITMENT TO BUILDING A HEALTHIER COMMUNITY SCHOOL PROGRAMS SAINT JOSEPH MARTIN'S COMMUNITY HEALTH OUTREACH DEPARTMENT COLLABORATES WITH AREA SCHOOLS AND COMMUNITY ORGANIZATIONS TO PROVIDE PREVENTIVE PROGRAMS THE FOLLOWING PROGRAMS WERE PRESENTED DURING FISCAL YEAR 2012 "N-O-T (NOT ON TOBACCO)", NUTRITION, HEART HEALTH/CPR, AND "LET'S TALK ABOUT DRUGS" SCREENINGS SAINT JOSEPH MARTIN OFFERS FREE BLOOD PRESSURE SCREENINGS FOR NON-PATIENTS AND OR MEMBERS OF PATIENT'S FAMILIES WHO NEED ASSISTANCE MONITORING THEIR BLOOD PRESSURE COLLABORATIVE EFFORTS TO IMPROVE COMMUNITY HEALTH SAINT JOSEPH MARTIN PARTNERS WITH THE FOLLOWING ORGANIZATIONS IN A COLLABORATIVE EFFORT TO IMPROVE THE HEALTH OF OUR COMMUNITIES * FLOYD COUNTY SCHOOLS * FLOYD COUNTY FAMILY RESOURCE YOUTH SERVICES CENTERS * FLOYD COUNTY HEALTH DEPARTMENT * FLOYD COUNTY EXTENSION OFFICE * FLOYD COUNTY SENIOR CITIZENS * BIG SANDY HEALTH CARE * BIG SANDY AREA DEVELOPMENT DISTRICT * GRACEWAY UNITED METHODIST CHURCH * AMERICAN CANCER SOCIETY * COMMUNITIES AGAINST DRUG ADDICTION * FLOYD COUNTY CANCER COALITION * MOUNTAIN REGIONAL PREVENTION CENTER * KENTUCKY STATE POLICE POST 9

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	SAINT JOSEPH MOUNT STERLING FORMERLY KNOWN AS MARY CHILES HOSPITAL, SAINT JOSEPH MOUNT STERLING (SJMS) IS LICENSED FOR 42 ACUTE CARE BEDS FROM ITS BEGINNING IN 1921, THE HOSPITAL HAS BEEN COMMITTED TO SERVING THE PEOPLE ON JUNE 16, 2011 SJMS MOVED TO ITS NEW FACILITY SAINT JOSEPH MOUNT STERLING OPERATES A 24-HOUR EMERGENCY ROOM 365 DAYS PER YEAR THE EMERGENCY ROOM IS OPEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY SAINT JOSEPH MOUNT STERLING HAS AN OPEN MEDICAL STAFF, PARTICIPATES IN MEDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE PROGRAM COMMUNITY BENEFIT APPROACH SAINT JOSEPH MOUNT STERLING IS LOCATED IN MONTGOMERY COUNTY IN MOUNT STERLING, KENTUCKY SAINT JOSEPH MOUNT STERLING'S PRIMARY SERVICE AREAS INCLUDE BATH, MENIFEE, MONTGOMERY, AND POWELL COUNTIES, 53% OF THE PATIENTS COME FROM MONTGOMERY COUNTY AS OF THE 2010 U S CENSUS BUREAU, MONTGOMERY COUNTY'S POPULATION WAS 26,244 OF THE POPULATION IN MONTGOMERY COUNTY, 96 6% OF THE POPULATION IS WHITE, 1 9% IS BLACK OR AFRICAN AMERICAN AND 1 2% IS HISPANIC OR LATINO THE MEDIAN HOUSEHOLD INCOME WAS $37,393, WHICH IS BELOW THE STATE'S MEDIAN INCOME OF $42,248 AND WELL BELOW THE NATION'S INCOME OF $52,762 IN ADDITION, 23 2% OF MONTGOMERY COUNTY RESIDENTS LIVE BELOW THE POVERTY LEVEL THE UNEMPLOYMENT RATE IN MONTGOMERY COUNTY IS ESTIMATED TO BE 11 9% COMMUNITY OUTREACH FOR THE POOR MOUNT STERLING POST CLINIC ONE OF SAINT JOSEPH MOUNT STERLING'S UNIT MANAGERS DONATES THREE HOURS PER MONTH AWAY FROM THE HOSPITAL AT THE "POST CLINIC" THE CLINIC IS HOUSED IN THE FORMER POST OFFICE BUILDING, WHICH IS NOW OWNED BY THE PRESBYTERIAN CHURCH IN MOUNT STERLING THE BUILDING SPACE IS MADE AVAILABLE SEVERAL DAYS A WEEK BY THE CHURCH FOR VOLUNTEERS TO PROVIDE FREE MEDICAL CARE TO THE WORKING POOR THE CLINIC IS MADE POSSIBLE BY DONATED SERVICES, ALONG WITH GRANT MONEY FROM THE UNITED WAY AND DONATIONS FROM VARIOUS ORGANIZATIONS AND PRIVATE DONORS THE BETTER BREATHER'S CLUB THE BETTER BREATHER'S CLUB IS A FREE SOCIAL/EDUCATIONAL SUPPORT GROUP FOR PATIENTS, THEIR FAMILIES AND/OR FRIENDS WITH CHRONIC LUNG DISEASE SUCH AS COPD THE BETTER BREATHER'S CLUB HELPS PEOPLE BETTER UNDERSTAND AND DEAL WITH THEIR LUNG DISEASE AND GIVES THEM THE OPPORTUNITY TO DISCUSS THEIR CONCERNS WITH OTHER PEOPLE WITH THE SAME ISSUES AT EACH MEETING, THERE IS AN AVERAGE OF TEN PARTICIPANTS AND EDUCATIONAL TOPICS ARE DISCUSSED, SUCH AS RESPIRATORY MEDICATIONS, THE DISEASE PROCESS AND ILLNESS PREVENTION, AS WELL AS OTHER TOPICS THAT MAY BE REQUESTED BY THE PATIENTS THE HEALTHY HEARTS CLUB THE HEALTHY HEARTS CLUB IS A FREE EDUCATIONAL SUPPORT GROUP FOR PATIENTS WITH HEART DISEASE AND THEIR FAMILIES/FRIENDS HEALTHY HEARTS CLUB OFFERS SUPPORT FOR PEOPLE WHO HAVE BEEN DIAGNOSED WITH HEART PROBLEMS OR PEOPLE WHO ARE TRYING TO PREVENT HEART DISEASE AN EDUCATIONAL TOPIC IS OFFERED EACH MONTH THAT INFORMS THESE PATIENTS OF NEW TREATMENTS, EXERCISE AND PREVENTION STRATEGIES THERE IS AN AVERAGE OF TEN PARTICIPANTS EACH MONTH COMMUNITY OUTREACH FOR THE BROADER COMMUNITY WALK TO REMEMBER PREGNANCY LOSS OR THE DEATH OF A CHILD IS A HEARTBREAK THAT HARDLY FADES WITH TIME EACH YEAR IN OCTOBER, SJMS SPONSORS A "WALK TO REMEMBER" AND INVITES THOSE WHO HAVE EXPERIENCED SUCH HEARTBREAK TO A SUNDAY AFTERNOON RITUAL OF REMEMBRANCE THE EVENT THIS YEAR INCLUDED THOSE WHO HAD LOST CHILDREN AS WELL AS THOSE WHO HAD LOST ADULTS EDUCATION OF MEDICAL/PARAMEDICAL PROFESSIONALS SAINT JOSEPH MOUNT STERLING SERVES AS A CLINICAL EDUCATION SITE FOR THE FOLLOWING AREAS OF STUDY NURSING, PHARMACY, AND RADIOLOGY COLLABORATIVE EFFORTS TO IMPROVE COMMUNITY HEALTH SAINT JOSEPH MOUNT STERLING PARTNERS WITH THE FOLLOWING ORGANIZATIONS IN A COLLABORATIVE EFFORT TO IMPROVE THE HEALTH OF OUR COMMUNITIES * AMERICAN CANCER SOCIETY * AMERICAN RED CROSS * AMERICAN HEART ASSOCIATION * MARCH OF DIMES * MONTGOMERY COUNTY HEALTH DEPARTMENT * ST CLAIRE HOME HEALTH AND HOSPICE * SUPPLIES OVER SEAS

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	SAINT JOSEPH BEREA SAINT JOSEPH BEREA (SJB), FORMERLY BEREA HOSPITAL, BEGAN IN 1898 AS AN EIGHT BED COTTAGE ON THE BEREA COLLEGE CAMPUS IN BEREA, KENTUCKY BEREA HOSPITAL JOINED CA THOLIC HEALTH INITIATIVES ON APRIL 1, 2003 SAINT JOSEPH BEREA IS A 25-BED CRITICAL ACCESS HOSPITAL AND PROVIDES QUALITY HEALTH CARE TO THE APPALACHIAN COMMUNITIES IT SERVES SAINT JOSEPH BEREA OPERATES A 24-HOUR EMERGENCY ROOM 365 DAYS PER YEAR THE EMERGENCY ROOM IS O PEN TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY SAINT JOSEPH BEREA HAS AN OPEN MEDICA L STAFF, PARTICIPATES IN MEDICARE AND MEDICAID, AND HAS AN ACTIVE CHARITY CARE PROGRAM CO MMUNITY BENEFIT APPROACH SAINT JOSEPH BEREA IS LOCATED IN MADISON COUNTY IN BEREA, KENTUCK Y SAINT JOSEPH BEREA IS ONLY 40 MILES SOUTH OF LEXINGTON, KENTUCKY AND 15 MILES FROM RICH MOND, KENTUCKY SAINT JOSEPH BEREA SERVES PATIENTS FROM MADISON, ROCKCASTLE, GARRARD, AND JACKSON COUNTIES, ALTHOUGH OVER 63% OF THE DISCHARGES ORIGINATE IN MADISON COUNTY ALL FOU R OF THE COUNTIES HAVE PERCENTAGES OF POPULATION IN POVERTY AND UNEMPLOYMENT RATES THAT AR E UNFAVORABLE COMPARED TO STATE AND NATIONAL AVERAGES ACCORDING TO THE 2010 U S CENSUS B UREAU, MADISON COUNTY'S POPULATION WAS 82,916 OF THE POPULATION IN MADISON COUNTY, 90 4% OF THE POPULATION IS WHITE, 4 3% IS BLACK OR AFRICAN AMERICAN AND 2 2% IS HISPANIC OR LATI NO THE MEDIAN HOUSEHOLD INCOME WAS $41,876, SLIGHTLY BELOW THE STATE'S MEDIAN INCOME OF $ 42,248 AND BELOW THE NATION'S INCOME OF $52,762 IN ADDITION, 20 3% OF MADISON COUNTY RESI DENTS LIVE BELOW THE POVERTY LEVEL THE 2011 UNITED STATES DEPARTMENT OF LABOR DATA REPORT S UNEMPLOYMENT IN MADISON COUNTY TO BE 7 7% ABOUT ONE QUARTER OF THE COMMUNITY WHO IS BEL OW THE POVERTY LEVEL IS UNINSURED AND WITHOUT A MEANS TO PAY FOR MANY OF THEIR MEDICAL EXP ENSES COMMUNITY OUTREACH FOR THE POOR PRESCRIPTION ASSISTANCE PROGRAM WHAT GOES ON BEHIND THE SCENES TO HELP PATIENTS OFTEN GOES UNNOTICED, ESPECIALLY WHEN IT COMES TO PAYING FOR MEDICATIONS SAINT JOSEPH BEREA PHARMACIST, SARA SMITH, KNOWS ALL ABOUT HELPING PATIENTS R ECEIVE THE MEDICATIONS THEY NEED BUT CANNOT AFFORD DUE TO LACK OF INSURANCE, LIMITED COVER AGE OR HIGH DEDUCTIBLES SMITH GOES ABOVE AND BEYOND TO WORK WITH CHAPLAINS, NURSES, PHYSI CIANS AND CASE MANAGERS TO FIND ASSISTANCE PROGRAMS FOR WHICH THE PATIENT MAY QUALIFY WHEN THEY LEAVE THE HOSPITAL IN FISCAL YEAR 2012, SMITH WAS ABLE TO SAVE 40 PATIENTS OVER $46 0,000 IN MEDICATION CHARGES FOR MEDICATIONS THE PATIENTS RECEIVED AT THE HOSPITAL SUCH AS INTRAVENOUS ANTIBIOTICS, CHEMOTHERAPY OR DIAGNOSTIC AGENTS SHE ALSO ASSISTED WITH RETAIL PHARMACY PROGRAMS TO HELP SAVE SIX PATIENTS NEARLY $30,000 THIS EXCEPTIONAL PROGRAM BRING S RELIEF AND HOPE TO MANY BEREA HEALTH MINISTRIES PARTNERSHIP SJB'S PARTNERSHIP WITH BERE A HEALTH MINISTRIES (BHM), A FAITH-BASED MEDICAL CLINIC, WAS FORMED IN THE SPRING OF 2010 SAINT JOSEPH BEREA PROVIDES IN-KIND SUPPORT THAT INCLUDES OFFICE AND CLINICAL SPACE, MAIN TENANCE, CLEANING, INFORMATION TECHNOLOGY AND OTHER SUPPORT AS NEEDED, IN TURN THE CLINIC PROVIDES PRIMARY CARE, EDUCATION AND SUPPORT FOR ALL PEOPLE, BUT PRIMARILY THE POOR, UNINS URED AND UNDERINSURED NEW OPPORTUNITY SCHOOL FOR WOMEN SINCE 1987, NEW OPPORTUNITY FOR WO MEN (NOSW) HAS WORKED TO IMPROVE THE EDUCATIONAL, FINANCIAL AND PERSONAL CIRCUMSTANCES OF LOW INCOME MIDDLE-AGED WOMEN IN KENTUCKY AND THE SOUTH CENTRAL APPALACHIAN REGION MANY JU ST WANT A SECOND CHANCE TO GAIN NEW SKILLS, AND SJB IS GRATEFUL FOR THE OPPORTUNITY TO HEL P MAKE A DIFFERENCE IN THEIR LIVES SAINT JOSEPH BEREA PROVIDES NOSW PARTICIPANTS WITH PHY SICALS, BLOOD TESTS, MAMMOGRAMS AND PREVENTIVE SERVICES THE WOMEN MAY NOT OTHERWISE QUALIF Y FOR THE SCREENINGS OFFER MORE THAN JOB PREPARATION, THEY ALSO HELP IDENTIFY UNDETECTED HEALTH ISSUES AND BRING PEACE OF MIND TO THE DIVERSE POPULATION OF WOMEN HENRIETTA CHILD FUND SAINT JOSEPH BEREA'S HENRIETTA CHILD FUND PROVIDES ASSISTANCE FOR UNINSURED BEREA RES IDENTS WHO NEED TO HAVE SMALL PROCEDURES BUT DO NOT HAVE THE MEANS TO PAY COMMUNITY OUTRE ACH FOR THE BROADER COMMUNITY EDUCATION OF MEDICAL/PARAMEDICAL PROFESSIONALS SAINT JOSEPH BEREA SERVES AS A CLINICAL EDUCATION SITE FOR EASTERN KENTUCKY UNIVERSITY, SOMERSET COLLEG E, UNIVERSITY OF KENTUCKY, AND BEREA COLLEGE FOR STUDENTS WHO NEED CLINICAL HOURS IN A VAR IETY OF MEDICAL PROFESSIONS INCLUDING NURSING, EMERGENCY ROOM, HEALTH INFORMATION, PULMONA RY, LABORATORY, PHARMACY, AND RADIOLOGY GET HEALTHY BEREA SAINT JOSEPH BEREA ANNUALLY HOS TS "GET HEALTHY BEREA", AN EVENT COORDINATED WITH LOCAL SCHOOLS AND BUSINESSES TO PROMOTE HEALTH AND WELLNESS COLLABORATIVE EFFORTS TO IMPROVE COMMUNITY HEALTH COMMUNITY INVOLVEME NT AND PARTNERSHIPS ARE VERY IMPORTANT TO SJB SAINT JOSEPH BEREA PARTNERS WITH THE FOLLOW ING ORGANIZATIONS IN A COLLABORATIVE EFFORT TO IMPROVE THE HEALTH OF OUR COMMUNITIES * MA DISON COUNTY HEALTH DEPARTMENT * LOCAL GOVERNMENT, BUSINESSES, CIVIC ORGANIZATIONS * EDUCA TIONAL SYSTEMS AND COMMUNITY AGENCIES AS A RESULT

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT AND COMMUNITY INFORMATION (CONTINUED)	SCHEDULE H, PART VI, LINE 2	OF SJB'S PARTNERSHIPS, SJB WAS INVOLVED IN THE FOLLOWING EVENTS * BOWL FOR KIDS' SAKE * R ELAY FOR LIFE * A DAY OF HOPE * BEREA FARMERS' MARKET * SPOONBREAD FESTIVAL * BLOOD DRIVES * MEDICAL SCREENINGS * HEALTH FAIRS

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Schedule H, Part VI, Line 3	SAINT JOSEPH HEALTH SYSTEM, INC ("SJHS"), ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES ("CHI") CHI HAS A WRITTEN POLICY (STEWARDSHIP POLICY NO 15) GOVERNING THE PROCEDURES FOR DETERMINING AND INFORMING PATIENTS ABOUT THE ENTITY'S FINANCIAL ASSISTANCE POLICY ALL HOSPITAL FACILITIES INCLUDED IN THE FILING ORGANIZATION HAVE ADOPTED THE POLICY THE POLICY STATES THE ORGANIZATION WILL INCLUDE INFORMATION CONCERNING ITS FINANCIAL ASSISTANCE POLICY ON ITS WEBSITE IN ADDITION, SJHS PROMINENTLY DISPLAYS ITS FINANCIAL ASSISTANCE POLICY IN BOTH ENGLISH AND SPANISH IN OBVIOUS LOCATIONS THROUGHOUT THE HOSPITALS, INCLUDING THE EMERGENCY ROOMS AND OTHER PATIENT INTAKE AREAS, AS WELL AS IN SJHS OUTPATIENT FACILITIES IN ADDITION, SJHS REGISTRATION CLERKS ARE TRAINED TO PROVIDE CONSULTATION TO THOSE WHO HAVE NO INSURANCE OR POTENTIALLY INADEQUATE INSURANCE CONCERNING THEIR FINANCIAL OPTIONS INCLUDING APPLICATION FOR MEDICAID AND FOR FINANCIAL ASSISTANCE UNDER SJHS'S FINANCIAL ASSISTANCE POLICY UPON REGISTRATION (AND ONCE ALL EMTALA REQUIREMENTS ARE MET), PATIENTS WHO ARE IDENTIFIED AS UNINSURED (AND NOT COVERED BY MEDICARE OR MEDICAID) ARE PROVIDED WITH A PACKET OF INFORMATION THAT ADDRESSES THE FINANCIAL ASSISTANCE POLICY AND PROCEDURES INCLUDING AN APPLICATION FOR ASSISTANCE SJHS REGISTRATION CLERKS READ THE ORGANIZATION'S MEDICAL ASSISTANCE POLICY TO THOSE WHO APPEAR TO BE INCAPABLE OF READING, AND PROVIDE TRANSLATORS FOR NON ENGLISH-SPEAKING INDIVIDUALS SJHS'S STAFF WILL ALSO ASSIST THE PATIENT/GUARANTOR WITH APPLYING FOR OTHER AVAILABLE COVERAGE (SUCH AS MEDICAID), IF NECESSARY COUNSELORS ASSIST MEDICARE ELIGIBLE PATIENTS IN ENROLLMENT BY PROVIDING REFERRALS TO THE APPROPRIATE GOVERNMENT AGENCIES

Identifier	ReturnReference	Explanation
Affiliated health care system	Schedule H, Part VI, Line 6	SAINT JOSEPH HEALTH SYSTEM INC , ALONG WITH ITS AFFILIATED OUTPATIENT FACILITIES ARE PART OF CATHOLIC HEALTH INITIATIVES CATHOLIC HEALTH INITIATIVES ("CHI") IS A NATIONAL FAITH-BASED NONPROFIT HEALTH CARE ORGANIZATION WITH HEADQUARTERS IN ENGLEWOOD, COLORADO CHI'S EXEMPT PURPOSE IS TO SERVE AS AN INTEGRAL PART OF ITS NATIONAL SYSTEM OF HOSPITALS AND OTHER CHARITABLE ENTITIES, WHICH ARE DESCRIBED AS MARKET-BASED ORGANIZATIONS, OR MBOS AN MBO IS A DIRECT PROVIDER OF CARE OR SERVICES WITHIN A DEFINED MARKET AREA THAT MAY BE AN INTEGRATED HEALTH SYSTEM AND/OR A STAND-ALONE HOSPITAL OR OTHER FACILITY OR SERVICE PROVIDER CHI SERVES AS THE PARENT CORPORATION OF ITS MBOS WHICH ARE COMPRISED OF 74 HOSPITALS, 40 LONG-TERM CARE, ASSISTED- AND RESIDENTIAL-LIVING FACILITIES, TWO COMMUNITY HEALTH-SERVICES ORGANIZATIONS, TWO ACCREDITED NURSING COLLEGES, AND HOME HEALTH AGENCIES TOGETHER, THESE FACILITIES PROVIDED $715 MILLION IN CHARITY CARE AND COMMUNITY BENEFIT IN THE 2012 FISCAL YEAR, INCLUDING SERVICES FOR THE POOR, FREE CLINICS, EDUCATION AND RESEARCH CHI PROVIDES STRATEGIC PLANNING AND MANAGEMENT SERVICES AS WELL AS CENTRALIZED "SHARED SERVICES" FOR THE MBOS THE PROVISION OF CENTRALIZED MANAGEMENT AND SHARED SERVICES - INCLUDING AREAS SUCH AS ACCOUNTING, HUMAN RESOURCES, PAYROLL AND SUPPLY CHAIN -- PROVIDES ECONOMIES OF SCALE AND PURCHASING POWER TO THE MBOS THE COST SAVINGS ACHIEVED THROUGH CHI'S CENTRALIZATION ENABLE MBOS TO DEDICATE ADDITIONAL RESOURCES TO HIGH-QUALITY HEALTH CARE AND COMMUNITY OUTREACH SERVICES TO THE MOST VULNERABLE MEMBERS OF OUR SOCIETY SAINT JOSEPH HEALTH SYSTEM, INC OPERATES WITH ITS WHOLLY OWNED AFFILIATES AND COMMUNITY PARTNERS, ALONG WITH ITS FUNDRAISING ARM, THE SJHS FOUNDATIONS, TO SERVE THE HEALTH CARE NEEDS OF THE KENTUCKY COMMUNITIES WE SERVE

Identifier	ReturnReference	Explanation
State filing of community benefit report	Schedule H, Part VI, Line 7	KY

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493134062223

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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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) LYRIC THEATER & CULTURAL ARTS INC300 E THIRD STREET LEXINGTON,KY 40508	27-2608879	501(C)(3)	25,000				SPONSORSHIP
(2) AMERICAN HEART ASSOCIATION INC7272 GREENVILLE AVE DALLAS,TX 75231	13-5613797	501(C)(3)	11,667				SPONSORSHIP
(3) AMERICAN CANCER SOCIETY INC1504 COLLEGE WAY LEXINGTON,KY 40504	13-1788491	501(C)(3)	12,000				SPONSORSHIP
(4) LEXINGTON CLINIC FOUNDATION INC350 ELAINE DRIVE SUITE 100 LEXINGTON,KY 40504	61-6037046	501(C)(3)	10,000				SPONSORSHIP
(5) LEXINGTON STRIDES AHEAD FOUNDATION INC 330 EAST MAIN STREET LEXINGTON,KY 40507	61-1322448	501(C)(6)	10,000				PROGRAM SUPPORT
(6) MEDICAL CONSULTANTS NETWORK INC1777 S HARRISON STREET SUITE 405 DENVER,CO 80210	84-1253972	N/A	7,500				PROGRAM SUPPORT
(7) MARCH OF DIMES FOUNDATION1275 MAMARONECK AVE WHITE PLAINS,NY 10605	13-1846366	501(C)(3)	20,000				SPONSORSHIP
(8) SAINT JOSEPH MEDICAL FOUNDATION INC200 ABRAHAM FLEXNER WAY LOUISVILLE,KY 40202	31-1539059	501(C)(3)		938,255	FMV	FIXED ASSETS AND GOODWILL	PROGRAM SUPPORT

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 6

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 2

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

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

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

Identifier	Return Reference	Explanation
Procedures for monitoring use of grant funds	Schedule I, Part I, Line 2	GRANTS AND REQUESTS FOR CONTRIBUTIONS ARE ADMINISTERED BY THE CEO AND VP OF MISSION INTEGRATION ALL GRANT EXPENDITURES REQUIRE THE SAME APPROVAL AS NON-GRANT EXPENDITURES THROUGH THE ACCOUNTS PAYABLE MATRIX

Additional Data

Return to Form

Software ID: 11000230
Software Version: v2011.1.0
EIN: 61-1334601
Name: SAINT JOSEPH HEALTH SYSTEM INC

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LYRIC THEATER & CULTURAL ARTS INC300 E THIRD STREET LEXINGTON,KY 40508	27-2608879	501(C)(3)	25,000				SPONSORSHIP
AMERICAN HEART ASSOCIATION INC 7272 GREENVILLE AVE DALLAS,TX 75231	13-5613797	501(C)(3)	11,667				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
AMERICAN CANCER SOCIETY INC1504 COLLEGE WAY LEXINGTON,KY 40504	13-1788491	501(C)(3)	12,000				SPONSORSHIP
LEXINGTON CLINIC FOUNDATION INC 350 ELAINE DRIVE SUITE 100 LEXINGTON,KY 40504	61-6037046	501(C)(3)	10,000				SPONSORSHIP

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
LEXINGTON STRIDES AHEAD FOUNDATION INC 330 EAST MAIN STREET LEXINGTON,KY 40507	61-1322448	501(C)(6)	10,000				PROGRAM SUPPORT
MEDICAL CONSULTANTS NETWORK INC1777 S HARRISON STREET SUITE 405 DENVER,CO 80210	84-1253972	N/A	7,500				PROGRAM SUPPORT

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

(a) Name and address of organization or government	**(b)** EIN	**(c)** IRC Code section if applicable	**(d)** Amount of cash grant	**(e)** Amount of non-cash assistance	**(f)** Method of valuation (book, FMV, appraisal, other)	**(g)** Description of non-cash assistance	**(h)** Purpose of grant or assistance
MARCH OF DIMES FOUNDATION1275 MAMARONECK AVE WHITE PLAINS,NY 10605	13-1846366	501(C)(3)	20,000				SPONSORSHIP
SAINT JOSEPH MEDICAL FOUNDATION INC 200 ABRAHAM FLEXNER WAY LOUISVILLE,KY 40202	31-1539059	501(C)(3)		938,255	FMV	FIXED ASSETS AND GOODWILL	PROGRAM SUPPORT

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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**		
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**		
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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

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

(A) Name		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

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
METHODS USED TO ESTABLISH CEO COMPENSATION	SCHEDULE J, PART I, LINE 3	COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL WAS ESTABLISHED AND PAID BY CATHOLIC HEALTH INITIATIVES (CHI), A RELATED ORGANIZATION CHI USED THE FOLLOWING TO ESTABLISH THE TOP MANAGEMENT OFFICIAL'S COMPENSATION (1) COMPENSATION COMMITTEE, (2) INDEPENDENT COMPENSATION CONSULTANT, (3) WRITTEN EMPLOYMENT CONTRACTS, (4) COMPENSATION SURVEY OR STUDY, (5) APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE
SEVERANCE OR CHANGE-OF-CONTROL PAYMENT	SCHEDULE J, PART I, LINE 4A	SAINT JOSEPH HEALTH SYSTEM, INC 'S SEVERANCE MAY BE OFFERED TO REGULAR FULL-TIME OR PART-TIME EMPLOYEES BASED ON YEARS OF SERVICE AND SCHEDULED HOURS TO BE ELIGIBLE FOR SEVERANCE, AN EMPLOYEE MUST STAY WITH THE ORGANIZATION THROUGH THE END OF THE ANNOUNCED SEPARATION DATE AND NOT ACCEPT ANOTHER REGULAR FULL-TIME OR PART-TIME POSITION WITHIN THE ORGANIZATION AN EMPLOYEE WILL NOT BE ELIGIBLE FOR SEVERANCE IF HE OR SHE SEPARATES FROM THE ORGANIZATION DUE TO PERFORMANCE ISSUES PRIOR TO THE JOB ELIMINATION DATE MANAGEMENT HAS THE RIGHT TO CHANGE SEVERANCE PAY AMOUNTS AT ANY TIME AS BUSINESS NEEDS CHANGE THE SEVERANCE PERIOD WILL IMMEDIATELY FOLLOW TERMINATION OF EMPLOYMENT EMPLOYEES MUST SIGN A VALID AND COMPLETE WAIVER OF ALL CLAIMS PRIOR TO COMMENCEMENT OF SEVERANCE PAY IN ADDITION, POST-TERMINATION PAYMENTS ARE ADDRESSED IN EXECUTIVE EMPLOYMENT AGREEMENTS FOR CATHOLIC HEALTH INITIATIVES ("CHI") AND RELATED ORGANIZATIONS' EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE, INCLUDING THE MBO CEOS THESE EMPLOYMENT AGREEMENTS REQUIRE THAT IN ORDER FOR THE EXECUTIVE TO RECEIVE POST-TERMINATION PAYMENTS, THESE INDIVIDUALS MUST EXECUTE A GENERAL RELEASE AND SETTLEMENT AGREEMENT POST-TERMINATION PAYMENT ARRANGEMENTS ARE PERIODICALLY REVIEWED FOR OVERALL REASONABLENESS IN LIGHT OF THE EXECUTIVE'S OVERALL COMPENSATION PACKAGE NO REPORTABLE INDIVIDUALS RECEIVED SEVERANCE PAYMENTS IN CALENDAR YEAR 2011
Supplemental nonqualified retirement plan	Schedule J, Part I, Line 4b	DURING THE 2011 CALENDAR YEAR, CATHOLIC HEALTH INITIATIVES ("CHI"), A RELATED ORGANIZATION, MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR MBO CEOS AND OTHER CHI EMPLOYEES AT THE LEVEL OF SENIOR VICE PRESIDENT AND ABOVE THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN PAUL EDGETT AND MICHAEL ROWAN DURING 2011, THE FOLLOWING CONTRIBUTIONS WERE MADE BY CHI TO THE DEFERRED COMPENSATION PLAN PAUL EDGETT $35,365 MICHAEL ROWAN $153,201 DURING THE 2011 CALENDAR YEAR ST JOSEPH HEALTH SYSTEM, INC ("SJHS"), MAINTAINED A SUPPLEMENTAL NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR EMPLOYEES AT THE LEVEL OF VICE PRESIDENT AND ABOVE THE FOLLOWING REPORTABLE INDIVIDUALS WERE ELIGIBLE TO PARTICIPATE IN THAT PLAN EDWARD CARTHEW, VIRGINIA DEMPSEY, GARY ERMERS, GREG GERARD, KEN HAYNES, BRUCE KLOCKARS, MARK STREETY, KATHY STUMBO, AND DANIEL VARGA EDWARD CARTHEW $21,260 VIRGINIA DEMPSEY $27,301 GARY ERMERS $33,785 GREG GERARD $16,134 KEN HAYNES $37,427 MARK STREETY $23,894 KATHY STUMBO $16,177 DANIEL VARGA $36,719 DUE TO THE "SUPER" VESTING RULES UNDER THE CHI DEFERRED COMPENSATION PLAN, PARTICIPANTS WHO HAVE MET CERTAIN REQUIREMENTS SUCH AS TERMINATION, AGE, OR YEARS OF SERVICE ARE ELIGIBLE TO RECEIVE THEIR 2011 CONTRIBUTIONS IN CASH THESE CASH PAYOUTS ARE INCLUDED IN THE PARTICIPANT'S REPORTABLE COMPENSATION IN COLUMN (III) OTHER REPORTABLE COMPENSATION ON SCHEDULE J PART II DURING 2011, THE FOLLOWING CONTRIBUTIONS THAT WOULD HAVE BEEN MADE BY CHI TO THE DEFERRED COMPENSATION PLAN WERE PAID IN CASH BRUCE KLOCKARS $28,511
Compensation contingent on revenues of the organization	Schedule J, Part I, Line 5a	REPORTABLE PHYSICIANS RECEIVE INCENTIVE COMPENSATION BASED ON "GROSS PROFESSIONAL REVENUE " "GROSS PROFESSIONAL REVENUE" WAS NOT DETERMINED WITH REFERENCE TO ORGANIZATIONAL GROSS REVENUE OR ORGANIZATIONAL "GROSS INCOME " RATHER, AMOUNTS WERE DETERMINED BASED UPON THE PHYSICIAN'S INDIVIDUAL CONTRIBUTION COMPUTED AS PHYSICIANS PERSONALLY PERFORMED PROFESSIONAL SERVICES (FOR SERVICES RENDERED BY THE PHYSICIAN TO PATIENTS PERSONALLY) LESS SOME SPECIFICALLY STATED PHYSICIAN REVENUE AND REFUNDS
Non-fixed payments	Schedule J, Part I, Line 7	SJHS HAS AN INCENTIVE PLAN FOR EMPLOYED PHYSICIANS THE PLAN IS BASED ON A COMBINATION OF PHYSICIAN PRODUCTIVITY, QUALITY, AND PATIENT SATISFACTION GOALS

Additional Data

Return to Form

Software ID: 11000230
Software Version: v2011.1.0
EIN: 61-1334601
Name: SAINT JOSEPH HEALTH SYSTEM INC

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
AQEEL MANDVIWALA	(I)	217,889	80,305	816	20,228	22,110	341,348	0
	(II)	194,914	103,458	847	0	0	299,219	0
BRUCE KLOCKARS	(I)	49,406	0	0	0	0	49,406	0
	(II)	342,089	56,194	71,072	30,028	14,279	513,662	0
CARLA WALTER	(I)	145,844	7,408	145	14,493	13,760	181,650	0
	(II)	0	0	0	0	0	0	0
CARMEL JONES	(I)	172,413	8,755	152	19,752	18,615	219,687	0
	(II)	0	0	0	0	0	0	0
CHRISTINE MAYS	(I)	275,050	8,263	1,208	32,478	14,118	331,117	0
	(II)	0	0	0	0	0	0	0
DANIEL VARGA	(I)	408,979	84,880	20,957	56,947	20,002	591,765	0
	(II)	0	0	0	0	0	0	0
EDWARD CARTHEW	(I)	235,592	51,760	21,213	41,488	12,059	362,112	0
	(II)	0	0	0	0	0	0	0
ERIC GILLIAM	(I)	179,166	5,497	172	18,643	21,138	224,616	0
	(II)	0	0	0	0	0	0	0
EUGENE WOODS	(I)	0	0	0	0	0	0	0
	(II)	193,479	0	10,873	0	10,480	214,832	0
GARY ERMERS	(I)	369,819	81,381	21,482	61,363	23,074	557,119	0
	(II)	0	0	0	0	0	0	0
GREG GERARD	(I)	189,860	46,195	19,429	36,362	14,189	306,035	0
	(II)	0	0	0	0	0	0	0
JEAN-MAURICE PAGE	(I)	209,551	10,585	2,132	22,678	16,582	261,528	0
	(II)	264,147	27,942	2,772	0	0	294,861	0
JEFFREY MILAM	(I)	522,489	0	1,932	20,228	16,122	560,771	0
	(II)	0	0	0	0	0	0	0
KATHY STUMBO	(I)	176,469	21,534	19,592	39,757	21,815	279,167	0
	(II)	0	0	0	0	0	0	0
KEN HAYNES	(I)	413,028	88,414	22,265	59,925	22,104	605,736	0
	(II)	0	0	0	0	0	0	0
MARK STREETY	(I)	265,158	58,172	10,356	56,372	11,458	401,516	0
	(II)	0	0	0	0	0	0	0
MELINDA EVANS	(I)	215,723	15,327	227	19,007	7,627	257,911	0
	(II)	0	0	0	0	0	0	0
MICHAEL ROWAN FACHE	(I)	0	0	0	0	0	0	0
	(II)	967,569	444,803	28,257	175,879	19,400	1,635,908	0

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
MUNAWAR SIDDIQI	(I)	254,108	91,151	966	20,228	22,110	388,563	0
	(II)	177,375	47,820	966	0	0	226,161	0
PAUL EDGETT	(I)	0	0	0	0	0	0	0
	(II)	400,709	167,831	21,638	62,943	21,446	674,567	0
PEGGY GREEN	(I)	194,852	0	1,165	17,370	7,590	220,977	0
	(II)	0	0	0	0	0	0	0
ROBERT BROCK	(I)	212,961	10,721	857	20,620	6,944	252,103	0
	(II)	0	0	0	0	0	0	0
SATHYENDRA MYSORE	(I)	579,561	0	840	22,678	21,208	624,287	0
	(II)	0	0	0	0	0	0	0
SHARON HAGER	(I)	0	0	0	0	0	0	0
	(II)	276,287	75,711	20,399	22,678	9,494	404,569	0
VIRGINIA DEMPSEY	(I)	302,741	35,911	36,030	49,979	14,551	439,212	0
	(II)	0	0	0	0	0	0	0

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SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

Part I Types of Property

		(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1	Art—Works of art				
2	Art—Historical treasures				
3	Art—Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities—Publicly traded				
10	Securities—Closely held stock				
11	Securities—Partnership, LLC, or trust interests				
12	Securities—Miscellaneous				
13	Qualified conservation contribution—Historic structures				
14	Qualified conservation contribution—Other				
15	Real estate—Residential				
16	Real estate—Commercial				
17	Real estate—Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ (EQUIPMENT)	X	1	106,161	MARKET VALUE
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶ ( )				

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

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

Part II

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

Identifier	Return Reference	Explanation
Number of contributions or items contributed	Schedule M, part I, column (b), Line other=EQUIPMENT	

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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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

Identifier	Return Reference	Explanation
New program services	Form 990, Part III, Line 2	DURING FISCAL YEAR 2012, SAINT JOSEPH HEALTH SYSTEM, INC HAD THE FOLLOWING PROGRAM SERVICES ADDED * SAINT JOSEPH LONDON OPENED SAINT JOSEPH HEMATOLOGY/ONCOLOGY AND CHEMO INFUSION, WHICH IS HOSPITAL BASED, IN JANUARY 2012 * SAINT JOSEPH HOSPITAL OPENED KENTUCKY LABORATORY SERVICES IN AUGUST 2011

Identifier	Return Reference	Explanation
Delegate broad authority to a committee	Form 990, Part VI, Section A, Line 1a	PURSUANT TO SECTION 7 1 OF THE BYLAWS OF SAINT JOSEPH HEALTH SYSTEM, INC , THE BOARD OF DIRECTORS MAY SET THE QUALIFICATIONS FOR MEMBERSHIP ON ANY COMMITTEE IT MAY ESTABLISH, PROVIDED THAT EACH COMMITTEE SHALL CONSIST OF AT LEAST TWO (2) DIRECTORS OF THE CORPORATION COMMITTEES MAY INCLUDE PERSONS OTHER THAN DIRECTORS, EXCEPT THAT A COMMITTEE THAT HAS THE AUTHORITY TO ACT ON BEHALF OF THE BOARD OF DIRECTORS MUST INCLUDE ONLY DIRECTORS OF THE CORPORATION MINUTES OF ALL COMMITTEE MEETINGS SHALL BE RECORDED AND COPIES OF SUCH MINUTES SHALL BE PROVIDED TO THE BOARD OF DIRECTORS ACTIONS OF COMMITTEES SHALL BE REPORTED TO THE FULL BOARD OF DIRECTORS, BUT ACTIONS OF COMMITTEES WHICH INCLUDE PERSONS OTHER THAN DIRECTORS SHALL BE SUBJECT TO RATIFICATION BY THE FULL BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Significant changes to organizational documents	Form 990, Part VI, Section A, Line 4	EFFECTIVE JANUARY 1, 2012, SAINT JOSEPH HEALTH SYSTEM, INC (SJHS) UPDATED THEIR BYLAWS SJHS CHANGED THEIR CORPORATE MEMBER FROM CATHOLIC HEALTH INITIATIVES TO KENTUCKYONE HEALTH, INC (FORMALLY KNOWN AS JH PROPERTIES, INC) AND ADOPTED THE MISSION STATEMENT OF KENTUCKYONE HEALTH, INC

Identifier	Return Reference	Explanation
Classes of members or stockholders	Form 990, Part VI, Section A, Line 6	ACCORDING TO THE BYLAWS OF SAINT JOSEPH HEALTH SYSTEM, INC , THE ENTITY'S SOLE MEMBER IS KENTUCKYONE HEALTH, INC , A KENTUCKY NONPROFIT CORPORATION

Identifier	Return Reference	Explanation
Members or stockholders electing members of governing body	Form 990, Part VI, Section A, Line 7a	ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS SHALL BE APPOINTED OR REFUSED BY THE CORPORATE MEMBER THE CORPORATE MEMBER MAY APPOINT ONE OR MORE INDIVIDUALS TO THE BOARD OF DIRECTORS, AND MAY AT ANY TIME REMOVE, WITH OR WITHOUT CAUSE, ANY MEMBER OF THE BOARD OF DIRECTORS ACCORDING TO THE ORGANIZATION'S BYLAWS, DIRECTORS OF THE CORPORATION SHALL BE APPOINTED BY THE CORPORATE MEMBER NO LATER THAN JUNE 30 OF EACH YEAR THE NAMES AND QUALIFICATIONS OF EACH INDIVIDUAL ACCEPTED BY THE BOARD OF DIRECTORS SHALL BE SUBMITTED TO THE CORPORATE MEMBER, WHO SHALL APPOINT OR REFUSE EACH NOMINEE IN ACCORDANCE WITH THE CORPORATE MEMBER'S BYLAWS THE CORPORATE MEMBER MAY UNILATERALLY APPOINT ONE OR MORE INDIVIDUALS TO THE BOARD OF DIRECTORS SHOULD THE BOARD FAIL TO FURNISH THE CORPORATE MEMBER WITH A LIST OF INDIVIDUALS QUALIFIED TO SERVE ON THE BOARD OF DIRECTORS OF THE CORPORATION

Identifier	Return Reference	Explanation
Decisions requiring approval by members or stockholders	Form 990, Part VI, Section A, Line 7b	SAINT JOSEPH HEALTH SYSTEM, INC 'S (SJHS) CORPORATE MEMBER IS KENTUCKYONE HEALTH, INC PURSUANT TO SECTION 4 4 1 OF THE ORGANIZATION'S BYLAWS, NEITHER THE BOARD NOR ANY OFFICER OR EMPLOYEE OF THE CORPORATION NOR ANY SUBSIDIARY OR AFFILIATE OF THE CORPORATION SHALL TAKE ANY ACTION EITHER IN CONTRADICTION OF ANY OF THE FOREGOING POWERS, OR WITHOUT FIRST HAVING SECURED THE NECESSARY APPROVALS OR GIVEN THE APPROPRIATE NOTIFICATIONS AS MAY BE REQUIRED BY THESE BYLAWS IN ADDITION, PURSUANT TO SECTION 4 4 2 OF THE ORGANIZATION'S BYLAWS, IN EXERCISE OF ITS APPROVAL POWERS, THE CORPORATE MEMBER MAY GRANT OR WITHHOLD APPROVAL IN WHOLE OR IN PART, OR MAY, IN ITS COMPLETE DISCRETION, AFTER CONSULTATION WITH THE BOARD AND THE PRESIDENT OF THE CORPORATION, RECOMMEND SUCH OTHER OR DIFFERENT ACTIONS AS IT DEEMS APPROPRIATE

Identifier	Return Reference	Explanation
Review of form 990 by governing body	Form 990, Part VI, Section B, Line 11b	THE FORM 990 IS REVIEWED BY THE CHIEF FINANCIAL OFFICER AND AN ELECTRONIC COPY OF THE RETURN IS SENT TO EACH BOARD MEMBER BY EMAIL FOR THEIR REVIEW SUBSEQUENT TO THE CFO REVIEW, THE TAX DEPARTMENT FILES THE RETURN WITH THE APPROPRIATE FEDERAL AND STATE AGENCIES, MAKING ANY NON-SUBSTANTIVE CHANGES NECESSARY TO EFFECT E-FILING

Identifier	Return Reference	Explanation
Conflict of interest policy	Form 990, Part VI, Section B, Line 12c	EACH DIRECTOR MUST PROMPTLY AND FULLY REPORT TO THE BOARD CHAIR SITUATIONS THAT MAY CREATE A CONFLICT OF INTEREST WHEN HE OR SHE BECOMES AWARE OF SUCH SITUATIONS IN THE CASE OF AN OFFICER, DISCLOSURE MUST BE MADE TO THE CORPORATION'S CEO WHO WILL REPORT SUCH DISCLOSURE TO THE BOARD CHAIR IN ANY SITUATION WHEN A DIRECTOR OR OFFICER IS IN DOUBT, FULL DISCLOSURE SHOULD BE MADE SO AS TO PERMIT AN IMPARTIAL AND OBJECTIVE DETERMINATION A WRITTEN RECORD OF THE DISCLOSURE WILL BE MADE IN ADDITION TO THE ONGOING DISCLOSURE OBLIGATION, THE CORPORATION'S CHIEF EXECUTIVE OFFICER SHALL ANNUALLY SEND TO ALL DIRECTORS AND OFFICERS A COPY OF THIS POLICY AND THE CONFLICT OF INTEREST DISCLOSURE STATEMENT THE DIRECTORS AND OFFICERS MUST PROMPTLY COMPLETE, SIGN, AND RETURN THE STATEMENT TO THE CORPORATION'S CHIEF EXECUTIVE OFFICER THE COMPLETED STATEMENTS WILL BE REVIEWED BY THE CHIEF EXECUTIVE OFFICER AND THE BOARD CHAIR THE BOARD CHAIR OR DESIGNEE SHALL MAKE SUCH FURTHER INVESTIGATION OF ANY CONFLICT OF INTEREST DISCLOSURES AS HE OR SHE MAY DEEM APPROPRIATE IF THE CONFLICT INVOLVES THE BOARD CHAIR, THE VICE CHAIR WILL ASSUME THE CHAIR'S ROLE OUTLINED IN THIS POLICY BASED ON REVIEW AND EVALUATION OF THE RELEVANT FACTS AND CIRCUMSTANCES, THE BOARD CHAIR WILL MAKE AN INITIAL DETERMINATION AS TO WHETHER A CONFLICT OF INTEREST EXISTS AND WHETHER, PURSUANT TO THIS POLICY, REVIEW AND APPROVAL OR OTHER ACTION BY THE BOARD OF DIRECTORS IS REQUIRED A WRITTEN RECORD OF THE BOARD CHAIR'S DETERMINATION, INCLUDING RELEVANT FACTS AND CIRCUMSTANCES, WILL BE MADE THE BOARD CHAIR SHALL THEN MAKE AN APPROPRIATE REPORT TO THE EXECUTIVE COMMITTEE OF THE BOARD CONCERNING SUCH REVIEW, EVALUATION AND DETERMINATION IF A DIFFERENCE OF OPINION EXISTS BETWEEN THE BOARD CHAIR AND ANOTHER DIRECTOR AS TO WHETHER THE FACTS AND CIRCUMSTANCES OF A GIVEN SITUATION CONSTITUTE A CONFLICT OF INTEREST OR WHETHER BOARD OF DIRECTORS REVIEW AND APPROVAL OR OTHER ACTION IS REQUIRED WITHIN THIS POLICY, THE MATTER SHALL BE SUBMITTED TO THE BOARD'S EXECUTIVE COMMITTEE, WHICH SHALL MAKE A FINAL DETERMINATION AS TO THE MATTER PRESENTED SUCH DETERMINATION, INCLUDING RELEVANT FACTS AND CIRCUMSTANCES, WILL BE REFLECTED IN THE COMMITTEE MINUTES AND WILL BE REPORTED TO THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
PROCESS USED TO ESTABLISH COMPENSATION OF TOP MANAGEMENT OFFICIAL	FORM 990, PART VI, LINE 15A	THE ORGANIZATION'S CEO'S COMPENSATION IS PAID BY CHI CHI HAS A DEFINED COMPENSATION PHILOSOPHY BOTH THE EXECUTIVE AND NON-EXECUTIVE COMPENSATION STRUCTURES AND RANGES ARE REVIEWED ANNUALLY IN COMPARISON TO MARKET DATA CHI USES THE HAY GROUP AS THE INDEPENDENT THIRD PARTY TO ASSESS EXECUTIVE COMPENSATION PROGRAMS AND TO ENSURE THE REASONABLENESS OF ACTUAL SALARIES AND TOTAL COMPENSATION PACKAGES COMPENSATION OF THE SENIOR MOST EXECUTIVES IS REVIEWED ANNUALLY THE HAY GROUP REVIEWS BOTH CASH AND TOTAL COMPENSATION FOR OVERALL REASONABLENESS, FOR ADHERENCE TO CHI'S COMPENSATION PHILOSOPHY, AND FOR COMPARABILITY TO THE NOT-FOR-PROFIT HEALTHCARE MARKET THIS INDEPENDENT REVIEW IS DELIVERED BY HAY GROUP TO THE HR COMMITTEE OF THE CHI BOARD OF STEWARDSHIP TRUSTEES ANNUALLY AT THEIR SEPTEMBER MEETING AND MINUTES ARE SHARED WITH THE FULL BOARD AT THE DECEMBER MEETING THE LAST REVIEW WAS SEPTEMBER 2012 IN ADDITION, IN DECEMBER 2009, HAY GROUP COMPLETED A COMPREHENSIVE REVIEW OF ALL POSITIONS AT THE LEVEL OF VICE PRESIDENT AND ABOVE TO DETERMINE AND VALIDATE APPROPRIATE COMPENSATION LEVELS THESE LEVELS HAVE BEEN REVIEWED ANNUALLY SINCE AND REVISED BASED ON MARKET DATA, WHERE APPLICABLE

Identifier	Return Reference	Explanation
Process used to establish compensation of other officers/key employees	Form 990, Part VI, Section B, Line 15b	SAINT JOSEPH HEALTH SYSTEM, INC 'S EXECUTIVE LEADERSHIP COMPENSATION IS REVIEWED BY THE EXECUTIVE COMMITTEE TO THE BOARD AN OUTSIDE CONSULTANT PROVIDED COMPARATIVE DATA BASED ON BASE COMPENSATION, TOTAL COMPENSATION, AND EXECUTIVE BENEFITS PHYSICIAN COMPENSATION IS REVIEWED AND APPROVED BY PLC, MANAGEMENT PTRC, BOARD PTRC, AND ULTIMATELY THE FULL BOARD

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

Identifier	Return Reference	Explanation
Governing documents, conflict of interest policy and financial statements available to the public	Form 990, Part VI, Section C, Line 19	THE ORGANIZATION'S FINANCIAL STATEMENTS ARE INCLUDED IN CATHOLIC HEALTH INITIATIVES' CONSOLIDATED AUDITED FINACIAL STATEMENTS THAT ARE AVAILABLE AT WWW CATHOLICHEALTHINIT ORG OR AT WWW DACBOND ORG THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST FROM THE ADMINISTRATION DEPARTMENT

Identifier	Return Reference	Explanation
ESTIMATE OF HOURS DEVOTED TO RELATED ORGANIZATIONS	FORM 990, PART VII, SECTION A, LINE 1A, COLUMN (B)	COMPENSATION REPORTED ON FORM 990, PART VII AS PAID BY RELATED ORGANIZATIONS WAS PAID TO THESE INDIVIDUALS FOR THE FULFILLMENT OF THEIR DUTIES AS FULL-TIME, 60 HOUR-PER-WEEK EMPLOYEES

Identifier	Return Reference	Explanation
Other changes in net assets or fund balances	Form 990, Part XI, Line 5	NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS - -3037583, CAPITAL RESOURCE POOL CONTRIBUTION - -6021024, CHI CONNECT DEPRECIATION - 1417398, GAAP ADJUSTMENTS - -14204, CHS TRANSFER - 53323,

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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
SAINT JOSEPH HEALTH SYSTEM INC

Employer identification number
61-1334601

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) IMAGING CENTER OF MOUNT STERLING LLC ONE SAINT JOSEPH DRIVE LEXINGTON, KY 40504 61-1334601	MEDICAL IMAGING	KY	0	0	SJHS
(2) ONCOLOGY SERVICES OF CENTRAL KENTUCKY ONE SAINT JOSEPH DRIVE LEXINGTON, KY 40504 27-0900852	ONCOLOGY	KY	0	0	SJHS
(3) JESSAMINE HEALTH SERVICES LLC DBA SAINT JOSEPH HEART INSTITUTE 424 LEWIS HARGETT CIRCLE SUITE 160 LEXINGTON, KY 40503 61-1334601	HEALTHCARE	KY	0	0	SJHS

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
See Additional Data Table							

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	Yes	
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	Yes	
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	Yes	
k Performance of services or membership or fundraising solicitations for related organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by related organization(s)	1l	Yes	
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	Yes	
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q	Yes	
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: 11000230
Software Version: v2011.1.0
EIN: 61-1334601
Name: SAINT JOSEPH HEALTH SYSTEM INC

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
ALEGENT HEALTH - BERGAN MERCY HEALTH SYS 7500 MERCY ROAD OMAHA, NE 68124 47-0484764	HEALTHCARE	NE	501(C)(3)	3	CHI	Yes	
ALEGENT HEALTH - MERCY HOSPITAL CORNING IOWA PO BOX 368 CORNING, IA 50841 42-0782518	HEALTHCARE	IA	501(C)(3)	3	AHBMHS	Yes	
ALVERNA APARTMENTS 300 SE 8TH AVENUE LITTLE FALLS, MN 56345 41-1351177	LTERM CARE	MN	501(C)(3)	9	CHI	Yes	
APPLETREE COURT 601 OAK STREET BRECKENRIDGE, MN 56520 41-1850500	SENIOR HOMES	MN	501(C)(3)	9	SFH	Yes	
BISHOP DRUMM RETIREMENT CENTER 1111 6TH AVENUE DES MOINES, IA 50314 42-0725196	LTERM CARE	IA	501(C)(3)	9	CHI-IA CORP	Yes	
BORNEMANN HEALTHCARE CORPORATION 2500 BERNVILLE RD PO BOX 316 READING, PA 19603 23-2187242	HEALTHCARE	PA	501(C)(3)	11 - Type I	CHI	Yes	
CARRINGTON HEALTH CENTER 800 NORTH 4TH STREET CARRINGTON, ND 58421 45-0227311	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
CATHOLIC HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0617373	HEALTHCARE	CO	501(C)(3)	9	NA	Yes	
CATHOLIC HEALTH INITIATIVES COLORADO FOUNDATION 6385 CORPORATE DRIVE COLORADO SPRINGS, CO 80919 84-0902211	FUNDRAISING	CO	501(C)(3)	7	CHIC	Yes	
CATHOLIC HEALTH INITIATIVES INSTITUTE FOR RESEARCH AND INNOVATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-1050565	HEALTHCARE	CO	501(C)(3)	11 - Type I	CHI	Yes	
CATHOLIC HEALTH INITIATIVES NATIONAL FOUNDATION 6385 CORPORATE DRIVE COLORADO SPRINGS, CO 80919 27-0930004	FUNDRAISING	CO	501(C)(3)	9	CHI	Yes	
CATHOLIC HEALTH INITIATIVES-COLORADO 188 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 84-0405257	HEALTHCARE	CO	501(C)(3)	3	CHI	Yes	
CENTENNIAL MEDICAL GROUP INC 2700 STEWART PARKWAY ROSEBURG, OR 97470 26-3946191	PHYSICIANS	OR	501(C)(3)	9	MMC	Yes	
CENTRAL KANSAS MEDICAL CENTER 3515 BROADWAY GREAT BEND, KS 67530 48-0543724	SURGERY CNTR	KS	501(C)(3)	3	CHI	Yes	
CHI HEALTH CONNECT AT HOME - FARGO 4816 AMBER VALLEY PARKWAY FARGO, ND 58104 27-1966847	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
CHI KENTUCKY INC 3900 OLYMPIC BLVD SUITE 400 ERLANGER, KY 41018 20-2741651	HEALTHCARE	KY	501(C)(3)	11 - Type I	CHI	Yes	
CHI NATIONAL HOME CARE 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-1261716	HEALTHCARE	CO	501(C)(3)	11 - Type I	CHI NS	Yes	
CHI NATIONAL SERVICES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 45-2532084	HEALTHCARE	CO	501(C)(3)	9	CHI	Yes	
CHI NEBRASKA 6940 O STREET SUITE 200 LINCOLN, NE 68510 36-3233121	HEALTHCARE	NE	501(C)(3)	11 - Type I	CHI	Yes	
CONTINUING CARE HOSPITAL 150 NORTH EAGLE CREEK DRIVE LEXINGTON, KY 40509 61-1400619	LTACH	KY	501(C)(3)	3	SJHS	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
COVENANT HOME CARE 1223 POTTSVILLE PIKE SHOEMAKERSVILLE, PA 19555 23-2018429	HOME HEALTH	PA	501(C)(3)	11 - Type II	NA	Yes	
ENUMCLAW REGIONAL HOSPITAL ASSOCIATION 1450 BATTERSBY AVENUE ENUMCLAW, WA 98022 91-0715805	HEALTHCARE	WA	501(C)(3)	3	FHS	Yes	
FLAGET HEALTHCARE DBA FLAGET MEMORIAL HOSPITAL 4305 NEW SHEPHERDSVILLE ROAD BARDSTOWN, KY 40004 61-1345363	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
FLAGET MEMORIAL HOSPITAL FOUNDATION INC 4305 NEW SHEPHERDSVILLE ROAD BARDSTOWN, KY 40004 56-2351341	FUNDRAISING	KY	501(C)(3)	11 - Type I	FH	Yes	
FRANCISCAN FOUNDATION 1717 SOUTH J STREET TACOMA, WA 98405 91-1145592	FUNDRAISING	WA	501(C)(3)	9	FHS	Yes	
FRANCISCAN HEALTH SYSTEM FKA FRANCISCAN HEALTH SYSTEM WEST 1717 SOUTH J STREET TACOMA, WA 98405 91-0564491	HEALTHCARE	WA	501(C)(3)	3	CHI	Yes	
FRANCISCAN MEDICAL GROUP 1708 SOUTH YAKIMA AVENUE TACOMA, WA 98405 91-1939739	HEALTHCARE	WA	501(C)(3)	9	FHS	Yes	
FRANCISCAN VILLA OF SOUTH MILWAUKEE INC 3601 SOUTH CHICAGO AVENUE SOUTH MILWAUKEE, WI 53172 39-1093829	HEALTHCARE	WI	501(C)(3)	9	CHI	Yes	
GETTYSBURG MEDICAL CENTER 606 EAST GARFIELD AVENUE GETTYSBURG, SD 57442 46-0234354	HEALTHCARE	SD	501(C)(3)	3	SMHC	Yes	
GLOBAL HEALTH INITIATIVES 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 20-1536108	MINISTRIES	CO	501(C)(3)	11 - Type I	CHI	Yes	
GOOD SAMARITAN COLLEGE OF NURSING & HEALTH SCIENCE 375 DIXMYTH AVE CINCINNATI, OH 45220 31-1778403	EDUCATION	OH	501(C)(3)	2	GSH	Yes	
GOOD SAMARITAN FOUNDATION OF CINCINNATI INC 619 OAK STREET ACCOUNTING-3 W CINCINNATI, OH 45206 31-1206047	FUNDRAISING	OH	501(C)(3)	11 - Type I	GSH	Yes	
GOOD SAMARITAN HOSPITAL PO BOX 1990 KEARNEY, NE 68848 47-0379755	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
GOOD SAMARITAN HOSPITAL FOUNDATION 111 W 31ST STREET KEARNEY, NE 68847 47-0659443	FUNDRAISING	NE	501(C)(3)	7	GSH	Yes	
HEALTH SET 4200 WEST CONEJOS PLACE 436 DENVER, CO 80204 84-1102943	LOW INC CARE	CO	501(C)(3)	7	CHIC	Yes	
HEALTHCARE AND WELLNESS FOUNDATION 2400 ST FRANCIS DRIVE BRECKENRIDGE, MN 56520 76-0761782	FUNDRAISING	MN	501(C)(3)	11 - Type I	SFMC	Yes	
HOSPITAL ASSOCIATION FOR ST JOSEPH HOSPITAL 7601 OSLER DRIVE TOWSON, MD 21204 52-6050777	HEALTHCARE	MD	501(C)(3)	9	SJMC	Yes	
HOUSE OF MERCY 1111 6TH AVENUE DES MOINES, IA 50314 42-1323808	SHELTER	IA	501(C)(3)	7	CHI-IA CORP	Yes	
JEWISH HOSPITAL AND ST MARY'S HEALTHCARE 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1029768	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
JEWISH PHYSICIAN GROUP INC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40215 61-1352729	HEALTHCARE	KY	501(C)(3)	9	JHSMH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
KENTUCKYONE HEALTH INC FKA JH PROPERTIES INC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 61-1029769	HEALTHCARE	KY	501(C)(3)	9	CHI	Yes	
LAKEWOOD HEALTH CENTER 600 MAIN AVENUE SOUTH BAUDETTE, MN 56623 41-0758434	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
LINUS OAKES INC 2700 STEWART PARKWAY ROSEBURG, OR 97470 93-0821381	SENIOR LIVING	OR	501(C)(3)	9	MMC	Yes	
LISBON AREA HEALTH SERVICES 905 MAIN STREET LISBON, ND 58054 82-0558836	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
MEMORIAL HEALTH CARE SYSTEM FOUNDATION 2525 DE SALES AVENUE CHATTANOOGA, TN 37404 62-1839548	FUNDRAISING	TN	501(C)(3)	7	MHCS	Yes	
MEMORIAL HEALTH CARE SYSTEM INC 2525 DE SALES AVENUE CHATTANOOGA, TN 37404 62-0532345	HEALTHCARE	TN	501(C)(3)	3	CHI	Yes	
MEMORIAL HEALTH PARTNERS FOUNDATION INC 6028 SHALLOWFORD ROAD CHATTANOOGA, TN 37421 03-0417049	HEALTHCARE	TN	501(C)(3)	9	MHCS	Yes	
MERCY AUXILIARY OF CENTRAL IOWA 1111 6TH AVENUE DES MOINES, IA 50314 42-6076069	AUXILIARY	IA	501(C)(3)	11 - Type I	CHI-IA CORP	Yes	
MERCY CLINICS INC 1111 6TH AVENUE DES MOINES, IA 50314 42-1193699	PHYSICIAN	IA	501(C)(3)	9	CHI-IA CORP	Yes	
MERCY COLLEGE OF HEALTH SCIENCES 1111 6TH AVENUE DES MOINES, IA 50314 42-1511682	EDUCATION	IA	501(C)(3)	2	CHI-IA CORP	Yes	
MERCY FOUNDATION OF DES MOINES IA 1111 6TH AVENUE DES MOINES, IA 50314 23-7358794	FUNDRAISING	IA	501(C)(3)	7	CHI-IA CORP	Yes	
MERCY FOUNDATION INC 2700 STEWART PARKWAY ROSEBURG, OR 97470 93-6088946	FUNDRAISING	OR	501(C)(3)	7	MMC	Yes	
MERCY HEALTH CARE FOUNDATION PO BOX 368 CORNING, IA 50841 42-1461064	FUNDRAISING	NE	501(C)(3)	11 - Type I	AHMH	Yes	
MERCY HEALTHCARE FOUNDATION 570 CHAUTAUQUA BOULEVARD VALLEY CITY, ND 58072 45-0226553	FUNDRAISING	ND	501(C)(3)	11 - Type I	MHVC	Yes	
MERCY HOSPITAL FOUNDATION COUNCIL BLUFFS 800 MERCY DRIVE COUNCIL BLUFFS, IA 51503 42-1178204	FUNDRAISING	IA	501(C)(3)	11 - Type I	AHBMHS	Yes	
MERCY HOSPITAL OF DEVILS LAKE 1031 SEVENTH STREET NE DEVILS LAKE, ND 58301 45-0227012	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
MERCY HOSPITAL OF VALLEY CITY 570 CHAUTAUQUA BOULEVARD VALLEY CITY, ND 58072 45-0226553	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
MERCY MEDICAL CENTER 2700 STEWART PARKWAY ROSEBURG, OR 97470 93-0386868	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
MERCY MEDICAL CENTER 1301 15TH AVENUE WEST WILLISTON, ND 58801 45-0231183	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
CATHOLIC HEALTH INITIATIVES-IOWA CORP DBA MERCY MEDICAL CENTER-DES MOINES 1111 6TH AVENUE DES MOINES, IA 50314 42-0680448	HEALTHCARE	IA	501(C)(3)	3	CHI	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
MERCY MEDICAL FOUNDATION 1301 15TH AVENUE WEST WILLISTON, ND 58801 45-0381803	FUNDRAISING	ND	501(C)(3)	11 - Type I	MMC	Yes	
MERCY PROFESSIONAL PRACTICE ASSOCIATES INC 1111 6TH AVENUE DES MOINES, IA 50314 42-1470935	PHYSICIAN	IA	501(C)(3)	9	CHI-IA CORP	Yes	
MLIFECARES 2727 MCCLELLAND BLVD JOPLIN, MO 64804 43-1305163	PROPERTY MGMT	MO	501(C)(3)	11 - Type I	SJRMC	Yes	
MNMCH INC 220 NORTH PENNSYLVANIA COLUMBUS, KS 66725 48-1216238	HEALTHCARE	KS	501(C)(3)	3	SJRMC	Yes	
MT ST JOSEPH INC 3060 SE STARK STREET PORTLAND, OR 97214 93-0386870	NURSING CARE	OR	501(C)(3)	9	CHI	Yes	
NEBRASKA HEART HOSPITAL 7500 SOUTH 91ST STREET LINCOLN, NE 68526 39-2031968	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
OAKES COMMUNITY HOSPITAL 314 SOUTH 8TH STREET OAKES, ND 58474 45-0231675	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
OAKES COMMUNITY HOSPITAL FOUNDATION 1200 N 7TH STREET OAKES, ND 58474 71-0966606	FUNDRAISING	ND	501(C)(3)	11 - Type I	OCH	Yes	
PUEBLO STEPUP 1925 EAST ORMAN AVE SUITE G52 PUEBLO, CO 81004 84-1234295	COMMUNITY	CO	501(C)(3)	7	CHIC	Yes	
SET OF COLORADO SPRINGS INC 825 E PIKES PEAK AVENUE BLDG 29 COLORADO SPRINGS, CO 80903 84-1183335	LTERM CARE	CO	501(C)(3)	7	CHIC	Yes	
SAINT CLARE'S COMMUNITY CARE 25 POCONO ROAD DENVILLE, NJ 07834 22-2876836	HEALTHCARE	NJ	501(C)(3)	11 - Type II	SCHS	Yes	
SAINT CLARE'S FOUNDATION INC 25 POCONO ROAD DENVILLE, NJ 07834 22-2502997	FUNDRAISING	NJ	501(C)(3)	7	SCHS	Yes	
SAINT CLARE'S HEALTH SERVICES INC 25 POCONO ROAD DENVILLE, NJ 07834 22-3639733	MANAGEMENT	NJ	501(C)(3)	7	CHI	Yes	
SAINT CLARE'S HOSPITAL 25 POCONO ROAD DENVILLE, NJ 07834 22-3319886	HEALTHCARE	NJ	501(C)(3)	3	SCHS	Yes	
SAINT ELIZABETH FOUNDATION 555 SOUTH 70TH STREET LINCOLN, NE 68510 47-0625523	FUNDRAISING	NE	501(C)(3)	7	SERMC	Yes	
SAINT ELIZABETH HEALTH SERVICES 555 SOUTH 70TH STREET LINCOLN, NE 68510 36-3233120	HEALTHCARE	NE	501(C)(3)	3	SERMC	Yes	
SAINT ELIZABETH REGIONAL MEDICAL CENTER 555 SOUTH 70TH STREET LINCOLN, NE 68510 47-0379836	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
SAINT FRANCIS MEDICAL CENTER 2620 WEST FAIDLEY GRAND ISLAND, NE 68803 47-0376601	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
SAINT FRANCIS MEDICAL CENTER FOUNDATION PO BOX 9804 GRAND ISLAND, NE 68802 47-0630267	FUNDRAISING	NE	501(C)(3)	7	SFMC	Yes	
SAINT JOSEPH BEREA HOSPITAL FOUNDATION INC 305 ESTILL STREET BEREA, KY 40403 26-0152877	FUNDRAISING	KY	501(C)(3)	7	SJHS	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
SAINT JOSEPH HEALTH SYSTEM INC 424 LEWIS HARGETT CIRCLE 160 LEXINGTON, KY 40509 61-1334601	HEALTHCARE	KY	501(C)(3)	3	KOH	Yes	
SAINT JOSEPH LONDON FOUNDATION INC 310 EAST NINTH STREET LONDON, KY 40741 26-0438748	FUNDRAISING	KY	501(C)(3)	11 - Type I	SJHS	Yes	
SAINT JOSEPH MEDICAL FOUNDATION INC ONE ST JOSEPH DRIVE LEXINGTON, KY 40504 31-1539059	PHY PRACTICES	KY	501(C)(3)	3	SJHS	Yes	
SAINT JOSEPH MOUNT STERLING FOUNDATION INC 50 STERLING AVENUE MOUNT STERLING, KY 40353 27-2884584	FUNDRAISING	KY	501(C)(3)	7	SJHS	Yes	
SAINT JOSEPH'S HOSPITAL FOUNDATION 30 WEST 7TH STREET DICKINSON, ND 58601 36-3418207	FUNDRAISING	ND	501(C)(3)	11 - Type I	SJHHC	Yes	
SAMARITAN BEHAVIORAL HEALTH 601 S EDWIN C MOSES BLVD DAYTON, OH 45408 02-0633634	HEALTHCARE	OH	501(C)(3)	3	SHP	Yes	
SAMARITAN HEALTH FOUNDATION 2222 PHILADELPHIA DRIVE DAYTON, OH 45406 23-7296923	FUNDRAISING	OH	501(C)(3)	7	SHP	Yes	
SAMARITAN HEALTH PARTNERS 2222 PHILADELPHIA DRIVE DAYTON, OH 45406 31-1107411	HEALTHCARE	OH	501(C)(3)	11 - Type I	CHI	Yes	
SJMGROUP 2727 MCCLELLAND BLVD JOPLIN, MO 64804 43-1882377	PHYS PRACTICE	MO	501(C)(3)	9	SJRMC	Yes	
SJRMC JOPLIN MISSOURI 2727 MCCLELLAND BLVD JOPLIN, MO 64804 44-0545809	HEALTHCARE	MO	501(C)(3)	3	CHI	Yes	
ST JOSEPH HEALTH MINISTRIES 1929 LINCOLN HWY E STE 150 LANCASTER, PA 17602 23-2342997	HEALTH	PA	501(C)(3)	11 - Type I	CHI	Yes	
ST ANTHONY HOSPITAL 1601 SE COURT AVENUE PENDLETON, OR 97801 93-0391614	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
ST ANTHONY HOSPITAL FOUNDATION 1601 SE COURT AVENUE PENDLETON, OR 97801 93-0992727	FUNDRAISING	OR	501(C)(3)	11 - Type I	SA HOSPITAL	Yes	
ST ANTHONY'S HOSPITAL ASSOCIATION FOUR HOSPITAL DRIVE MORRILTON, AR 72110 71-0245507	HEALTHCARE	AR	501(C)(3)	3	SVIMC	Yes	
ST CATHERINE HOSPITAL 401 EAST SPRUCE STREET GARDEN CITY, KS 67846 48-0543721	HEALTHCARE	KS	501(C)(3)	3	CHI	Yes	
ST CATHERINE HOSPITAL DEVELOPMENT FOUNDATION 401 EAST SPRUCE STREET GARDEN CITY, KS 67846 20-0598702	FUNDRAISING	KS	501(C)(3)	11 - Type I	SCH	Yes	
ST DOMINIC OF ONTARIO OREGON 351 SW 9TH STREET ONTARIO, OR 97914 93-0433692	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
ST FRANCIS HOME 2400 ST FRANCIS DRIVE BRECKENRIDGE, MN 56520 41-0729978	LTERM CARE	MN	501(C)(3)	9	CHI	Yes	
ST FRANCIS LIFE CARE CORPORATION 19 POCONO ROAD DENVILLE, NJ 07834 22-2536017	ELDERLY CARE	NJ	501(C)(3)	9	SCHS	Yes	
ST FRANCIS MEDICAL CENTER 2400 ST FRANCIS DRIVE BRECKENRIDGE, MN 56520 41-0695598	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
ST FRANCIS OF BAKER CITY 3325 POCAHONTAS ROAD BAKER CITY, OR 97814 93-0412495	HEALTHCARE	OR	501(C)(3)	3	CHI	Yes	
ST JOHN'S MERCY REGIONAL FOUNDATION 2727 MCCLELLAND BLVD JOPLIN, MO 64804 43-1308084	FUNDRAISING	MO	501(C)(3)	7	SJRMC	Yes	
ST JOSEPH COMMUNITY HEALTH 300 CENTRAL AVE SW SUITE 3000 ALBUQUERQUE, NM 87102 71-0897107	COMMUNITY	NM	501(C)(3)	11 - Type I	CHI	Yes	
ST JOSEPH HOSPITAL FOUNDATION INC 305 ESTILL STREET LEXINGTON, KY 40504 61-1159649	FUNDRAISING	KY	501(C)(3)	11 - Type I	SJHS	Yes	
ST JOSEPH MEDICAL CENTER FOUNDATION 2500 BERNVILLE ROAD PO BOX 316 READING, PA 19603 23-2649362	FUNDRAISING	PA	501(C)(3)	11 - Type I	SJRHN	Yes	
ST JOSEPH MEDICAL CENTER FOUNDATION INC 7601 OSLER DRIVE TOWSON, MD 21204 52-1681044	FUNDRAISING	MD	501(C)(3)	7	SJMC	Yes	
ST JOSEPH MEDICAL CENTER INC 7601 OSLER DRIVE TOWSON, MD 21204 52-0591461	HEALTHCARE	MD	501(C)(3)	3	CHI	Yes	
ST JOSEPH MEDICAL GROUP 2500 BERNVILLE ROAD PO BOX 316 READING, PA 19603 20-8544021	HEALTHCARE	PA	501(C)(3)	9	BHC	Yes	
ST JOSEPH PHYSICIAN ENTERPRISES 7601 OSLER DRIVE TOWSON, MD 21204 52-1311775	PHYSICIANS	MD	501(C)(3)	11 - Type I	SJMC	Yes	
ST JOSEPH REGIONAL HEALTH NETWORK 2500 BERNVILLE ROAD PO BOX 316 READING, PA 19603 23-1352211	HEALTHCARE	PA	501(C)(3)	3	CHI	Yes	
ST JOSEPH'S AREA HEALTH SERVICES 600 PLEASANT AVENUE PARK RAPIDS, MN 56470 41-0695603	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
ST JOSEPH'S HOSPITAL AND HEALTH CENTER 30 WEST 7TH STREET DICKINSON, ND 58601 45-0226429	HEALTHCARE	ND	501(C)(3)	3	CHI	Yes	
MERCY MEDICAL CENTER - CENTERVILLE ONE ST JOSEPHS DRIVE CENTERVILLE, IA 52544 42-0680308	HEALTHCARE	IA	501(C)(3)	3	CHI-IA CORP	Yes	
ST MARY'S COMMUNITY HOSPITAL 1314 3RD AVENUE NEBRASKA CITY, NE 68410 47-0443636	HEALTHCARE	NE	501(C)(3)	3	CHI NEBRASKA	Yes	
ST MARY'S HEALTHCARE CENTER 801 EAST SIOUX AVENUE PIERRE, SD 57501 46-0230199	HEALTHCARE	SD	501(C)(3)	3	CHI	Yes	
ST MARY'S HOSPITAL FOUNDATION 1314 3RD AVENUE NEBRASKA CITY, NE 68410 47-0707604	FUNDRAISING	NE	501(C)(3)	7	SMH	Yes	
ST VINCENT FOUNDATION TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 51-0169537	FUNDRAISING	AR	501(C)(3)	11 - Type I	SVIMC	Yes	
ST VINCENT INFIRMARY MEDICAL CENTER TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0236917	HEALTHCARE	AR	501(C)(3)	3	CHI	Yes	
ST VINCENT MEDICAL GROUP TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0830696	HEALTHCARE	AR	501(C)(3)	9	SVIMC	Yes	
THE COMMUNITY LIMITED CARE DIALYSIS CENTER 619 OAK STREET ACCOUNTING-3 W CINCINNATI, OH 45206 23-7419853	DIALYSIS	OH	501(C)(2)	N/A	GSH	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
THE GOOD SAMARITAN HOSPITAL OF CINCINNATI OH 619 OAK STREET ACCOUNTING-3 W CINCINNATI, OH 45206 31-0537486	HEALTHCARE	OH	501(C)(3)	3	CHI	Yes	
THE MERCY HOSPITAL OF DEVILS LAKE FDN 1031 SEVENTH STREET NE DEVILS LAKE, ND 58301 35-2367360	FUNDRAISING	ND	501(C)(3)	7	MHDL	Yes	
THE PHYSICIAN NETWORK 2000 Q STREET SUITE 500 LINCOLN, NE 68503 47-0780857	PHYS PRACTICE	NE	501(C)(3)	11 - Type I	CHI NEBRASKA	Yes	
TOTAL HEALTHCARE 188 INVERNESS DRIVE WEST SUITE 500 ENGLEWOOD, CO 80112 84-0927232	HEALTHCARE	CO	501(C)(3)	3	CHIC	Yes	
UNITY FAMILY HEALTHCARE 815 2ND STREET SE LITTLE FALLS, MN 56345 41-0721642	HEALTHCARE	MN	501(C)(3)	3	CHI	Yes	
VILLA NAZARETH INC 801 PAGE DRIVE FARGO, ND 58103 45-0226714	LT CARE	ND	501(C)(3)	9	CHI	Yes	
VISITING NURSE ASSOCIATION OF SAINT CLARE'S 191 WOODPORT ROAD SPARTA, NJ 07871 22-1768334	HOME HEALTH	NJ	501(C)(3)	9	SCHS	Yes	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
AUDUBON LAND COMPANY LLC 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 84-1513085	REAL ESTATE	CO	CHIC	RELATED	34,991	-694,032		No			No	50 1 %
AVANTAS LLC 11128 JOHN GALT BLVD SUITE 400 OMAHA, NE 68137 39-2045003	HEALTHCARE	NE	AHBMHS	RELATED	-2,862,040	-2,537,888		No			No	95 %
BERYWOOD OFFICE PROPERTIES LLC 400 BERYWOOD TRAIL CLEVELAND, TN 37312 62-1875199	PHYS OFFICE	TN	MHCS	RELATED	57,545	1,013,237		No		Yes		63 %
BLUEGRASS REGIONAL IMAGING CENTER 1218 SOUTH BROADWAY SUITE 310 LEXINGTON, KY 40504 61-1386736	DIAGNOSTIC	KY	SJHS	RELATED				No			No	65 %
CENTRAL NEBRASKA HOME CARE SERVICES PO BOX 1146-4510 SECOND AVENUE KEARNEY, NE 68848 47-0692112	HEALTHCARE SRVC	NE	NA	RELATED	-92,336	745,068		No		Yes		1 00 %
CENTRAL NEBRASKA REHAB SERVICE 3004 W FAIDLEY AVE GRAND ISLAND, NE 68802 81-0653461	PHYSICAL THERAPY	NE	SFMC	RELATED	1,835,812	2,199,571		No			No	51 %
CHI OPERATING INVESTMENT PROGRAM LP 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 47-0727942	INVESTMENTS	CO	CHI	UNRELATED	397,241,271	6,272,650,880		No		Yes		1 00 %
HEALTHCARE SUPPORT SERVICES PO BOX 9804 GRAND ISLAND, NE 68802 72-1546196	LAUNDRY	NE	NA	RELATED	-11,179	3,069,835		No			No	1 00 %
MRI AT ST JOSEPH MEDICAL CENTER LLC 7253 AMBASSADOR ROAD BALTIMORE, MD 21244 52-1958002	MEDICAL IMAGING	MD	SJMC	RELATED	423,167	2,174,155		No		Yes		51 %
NORTH RIVER SURGERY CENTER LLC 2209 WILDWOOD AVENUE SHERWOOD, AR 72120 71-0799771	AMBUL SURG CTR	AR	SVIMC	RELATED	81,071	1,077,536		No			No	57 44 %
O'DEA MEDICAL ARTS LIMITED PARTNERSHIP 7601 OSLER DRIVE TOWSON, MD 21204 52-1682964	REAL ESTATE	MD	TOWSON MANAGEMENT INC	RELATED	111,933	5,418,117		No			No	65 122 %
ORTHOCOLORADO LLC 11650 WEST 2ND PLACE LAKEWOOD, CO 80255 37-1577105	ORTHO HOSPITAL	CO	CHIC	RELATED	-3,249,434	-2,760,206		No			No	60 %
PENINSULA RADIATION ONCOLOGY 315 MARTIN LUTHER KING JR WAY 111 TACOMA, WA 98405 71-0799771	HEALTHCARE SRVC	WA	FHS	RELATED	135,014	85,985		No			No	60 %
PENRAD IMAGING 1390 KELLY JOHNSON BLVD COLORADO SPRINGS, CO 80920 84-1072619	MEDICAL IMAGING	CO	CHIC	RELATED	715,094	2,397,488		No			No	70 %
RUXTON SURGICENTER LLC 8322 BELLONA AVENUE SUITE 201 BALTIMORE, MD 21204 52-2095835	SURGERY CENTER	MD	SJMC	RELATED	-69,345	2,802,932		No		Yes		51 %

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal Domicile (State or Foreign Country)	(d) Direct Controlling Entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income ($)	(g) Share of end-of-year assets ($)	(h) Disproprtionate allocations?		(i) Code V-UBI amount on Box 20 of K-1 ($)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SAINT JOSEPH - SCA HOLDINGS LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-3801157	OP SURGERY	DE	SJHS	RELATED				No		Yes		51 %
SCA PREMIER SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 72-1386840	SURGERY CENTER	KY	JH	RELATED	68,676	446,063		No		Yes		51 %
ST FRANCIS LAND COMPANY 5390 N ACADEMY BLVD SUITE 300 COLORADO SPRINGS, CO 80918 26-3134100	REAL ESTATE	CO	CHIC	RELATED	-130,967	408,090		No			No	51 %
ST FRANCIS MEDICAL CENTER ASSOCIATES 1717 SOUTH J STREET TACOMA, WA 98405 91-1352698	MED OFFICE	WA	FHS	RELATED	110,986	1,672,098		No			No	54 21 %
ST JOSEPH-PAML LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 45-2116736	MGMT SVCS	KY	SJHS	RELATED				No		Yes		62 5 %
SUPERIOR MEDICAL IMAGING LLC 5000 NORTH 26TH STREET LINCOLN, NE 68521 26-2884555	OP DIAGNOSTICS	NE	SERMC	RELATED	-254,775	796,941		No	0		No	51 %
SURGERY CENTER OF LEXINGTON LLC 424 LEWIS HARGETT CIRCLE STE 160 LEXINGTON, KY 40503 62-1179539	SURGERY CENTER	DE	SJHS	RELATED	393,519	2,214,599		No		Yes		51 %
SURGERY CENTER OF LOUISVILLE LLC 200 ABRAHAM FLEXNER WAY LOUISVILLE, KY 40202 62-1179537	SURGERY CENTER	KY	JH	RELATED	-3,676	395,845		No		Yes		51 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
ALTERNATIVE INSURANCE MANAGEMENT SERVICE 3900 OLYMPIC BOULEVARD SUITE 400 ERLANGER, KY 41018 84-1112049	MANAGEMENT SERVICES	CO	CHI	C CORPORATION	0	3,267,441	1 00 %
AMERICAN NURSING CARE 1700 EDISON DRIVE MILFORD, OH 45150 31-1085414	HOME HEALTH	OH	CHS	C CORPORATION	4,648,726	44,654,199	1 00 %
AMERIMED INC 1700 EDISON DRIVE MILFORD, OH 45150 31-1158699	HOME HEALTH	OH	ANC	C CORPORATION	662,062	11,666,874	1 00 %
BC HOLDING COMPANY INC 1850 BLUEGRASS AVE LOUISVILLE, KY 40215 31-1542851	FITNESS CLUB	KY	JH	C CORPORATION	0	0	1 00 %
CADUCEUS MEDICAL ASSOCIATES INC 5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570736	HEALTHCARE	TN	MHCS	C CORPORATION	0	1,008	1 00 %
CAPTIVE MANAGEMENT INITIATIVES PO BOX 10073 APO GEORGETOWN,GRAND CAYMAN KY1-1001 CJ 98-0663022	CAPTIVE MANAGEMENT	CJ	CHI	C CORPORATION	0	0	1 00 %
CATHOLIC HEALTH INITIATIVES CENTER FOR TRANSLATIONAL RESEARCH 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 27-2269511	RESEARCH	CO	CIRI	TRUST	-2,864,605	2,809,707	1 00 %
CGH REALTY COMPANY INC 215 N 12TH ST READING, PA 19603 23-2326801	REAL ESTATE	PA	SJHM	C CORPORATION			1 00 %
COMCARE SERVICES 4231 W 16TH AVENUE DENVER, CO 80204 84-0904813	INACTIVE	CO	CHIC	C CORPORATION	0	0	1 00 %
CONSOLIDATED HEALTH SERVICES 1700 EDISON DRIVE MILFORD, OH 45150 31-1378212	HOME HEALTH	OH	CHI	C CORPORATION	-1,525,246	65,844,862	1 00 %
DAVID DEYLE CHARITABLE REMAINDER UNITRUST PO BOX 1810 KEARNEY, NE 68848 47-6192395	INVESTMENTS	NE	GSHF	TRUST			1 00 %
DES MOINES MEDICAL CENTER INC 1111 6TH AVENUE DES MOINES, IA 50314 42-0837382	REAL ESTATE	IA	CHI-IA CORP	C CORPORATION	71,497	1,221,667	92 98 %
FIRST INITIATIVES INSURANCE LTD PO BOX 10073 APO GEORGETOWN,GRAND CAYMAN KY1-1001 CJ 98-0203038	INSURANCE	CJ	CHI	C CORPORATION	0	0	1 00 %
FRANCISCAN SERVICES INC 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2487967	HEALTHCARE	CO	CHI	C CORPORATION	-5,719	5,837,142	1 00 %
GOOD SAMARITAN OUTREACH SERVICES PO BOX 1990 KEARNEY, NE 68848 47-0659440	MEDICAL CLINIC	NE	CHI NEBRASKA	C CORPORATION	-165,666	355,110	1 00 %
HAROLD W RASE 1995 CHARITABLE UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 45-6090420	INVESTMENTS	ND	SJHHC	TRUST	1,240	22,148	1 00 %
HAROLD W RASE 1996 CHARITABLE UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 20-6037112	INVESTMENTS	ND	SJHHC	TRUST	1,057	15,462	1 00 %
HAROLD W RASE 1997 CHARITABLE UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 20-6037104	INVESTMENTS	ND	SJHHC	TRUST	0	20,520	1 00 %
HAROLD W RASE 1999 CHARITABLE UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 20-6037099	INVESTMENTS	ND	SJHHC	TRUST	0	25,036	1 00 %
HEALTH SYSTEMS ENTERPRISES INC PO BOX 1990 KEARNEY, NE 68848 47-0664558	MANAGEMENT	NE	GSH	C CORPORATION	102,136	1,443,049	1 00 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

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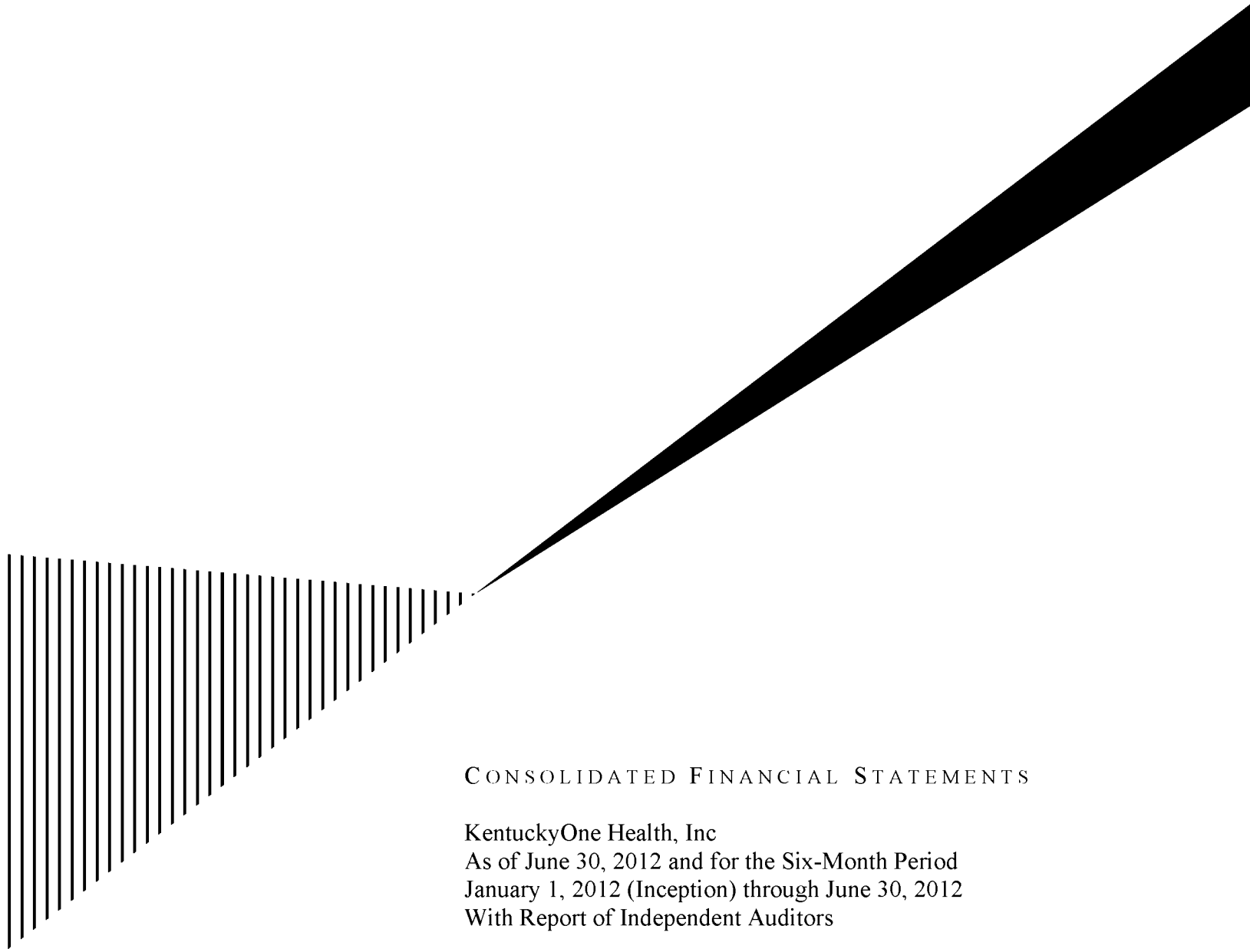
HEALTHCARE MGMT SERVICES ORG INC 1149 MARKET ST TACOMA, WA 98402 91-1865474	HEALTH ORG	WA	FHS	C CORPORATION	0	0	1 00 %
JAMES & HENRIETTA NISTLER UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 20-6021899	INVESTMENTS	ND	SJHHC	TRUST	692	39,075	1 00 %
JEANNE DEYLE CHARITABLE REMAINDER UNITRUST PO BOX 1810 KEARNEY, NE 68848 47-6192398	INVESTMENTS	NE	GSHF	TRUST			1 00 %
JOSEPH A SCHUSTER ANNUITY TRUST #1 400 UNIVERSITY AVENUE DES MOINES, IA 50314 42-1195122	INVESTMENTS	IA	MFDM	TRUST	7,834	416,349	1 00 %
LODESCA MILLER CHARITABLE REMAINDER UNITRUST PO BOX 1810 KEARNEY, NE 68848 47-6186933	INVESTMENTS	NE	GSHF	TRUST			1 00 %
MEDQUEST 1301 15TH AVENUE WEST WILLISTON, ND 58801 45-0392137	SALE OF DME	ND	MMC WILLISTON	C CORPORATION	151,498	962,554	1 00 %
MERCY PARK APARTMENTS LTD 1111 6TH AVENUE DES MOINES, IA 50314 42-1202422	HOUSING	IA	CHI-IA CORP	C CORPORATION	369,905	1,937,220	1 00 %
MERCY SERVICES CORP 2700 STEWART PARKWAY ROSEBURG, OR 97470 93-0824308	RETAIL SALES	OR	MMC	C CORPORATION	0	956,003	1 00 %
MHSERVICES CORPORATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 43-1457881	DME	MO	SJRMC	C CORPORATION	-4,061	0	1 00 %
MOUNTAIN MANAGEMENT SERVICES INC 5600 BRAINERD ROAD SUITE 500 CHATTANOOGA, TN 37411 62-1570739	MGMT SVC ORG	TN	MHCS	C CORPORATION	-33,152	4,679,435	1 00 %
NAZARETH ASSURANCE COMPANY PO BOX 10073 APO GEORGETOWN,GRAND CAYMAN KY1-1001 CJ 03-0304831	INSURANCE	CJ	CHI	C CORPORATION	0	0	1 00 %
PATIENT TRANSPORT SERVICES INC 1700 EDISON DRIVE MILFORD, OH 45150 31-1100798	HOME HEALTH	OH	ANC	C CORPORATION	479,940		1 00 %
PHYSICIAN HEALTH SYSTEM NETWORK 1149 MARKET ST TACOMA, WA 98402 91-1746721	HEALTH ORG	WA	FHS	C CORPORATION	0	0	1 00 %
RAY & SHIRLEY DAVID 1999 UNITRUST 30 WEST 7TH STREET DICKINSON, ND 58601 20-6037077	INVESTMENTS	ND	SJHHC	TRUST	0	26,110	1 00 %
ROBERT & WANDA CHARITABLE REMAINDER UNITRUST PO BOX 1810 KEARNEY, NE 68848 26-6191916	INVESTMENTS	NE	GSHF	TRUST			1 00 %
SAINT CLARE''S PRIMARY CARE INC 66 FORD ROAD DENVILLE, NJ 07834 22-2441202	BILLING SERVICES	NJ	SCCC	C CORPORATION	-469,962	1,772,016	1 00 %
SAMARITAN FAMILY CARE INC 40 W FOURTH ST 1700 DAYTON, OH 45402 31-1299450	HEALTHCARE	OH	SHP	C CORPORATION			1 00 %
SJH SERVICES CORPORATION 198 INVERNESS DRIVE WEST ENGLEWOOD, CO 80112 23-2307408	HEALTHCARE	CO	FSI	C CORPORATION	-192,777	2,973,858	1 00 %
SJL PHYSICIAN MANAGEMENT SERVICES INC 424 LEWIS HARGETT CR 160 LEXINGTON, KY 40503 27-0164198	MANAGEMENT	KY	SJHS	C CORPORATION	0	0	1 00 %
ST ANTHONY DEVELOPMENT COMPANY 1415 SOUTHGATE PENDLETON, OR 97801 93-1216943	ATHLETIC CLUB	OR	SAH	C CORPORATION	92,139	3,007,550	1 00 %

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(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
ST VINCENT COMMUNITY HEALTH SERVICES INC TWO ST VINCENT CIRCLE LITTLE ROCK, AR 72205 71-0710785	HEALTHCARE	AR	SVIMC	C CORPORATION	2,804,485	14,049,374	1 00 %
ST JOSEPH DEVELOPMENT COMPANY INC 1717 SOUTH J STREET TACOMA, WA 98405 91-1480569	RENTAL	WA	FSI	C CORPORATION	63,164	11,845,439	1 00 %
ST JOSEPH OFFICE PARK ASSOCIATION 1401 HARRODSBURG ROAD BLDG B70 LEXINGTON, KY 40504 61-1079899	MANAGEMENT	KY	SJHS	C CORPORATION		882,139	85 %
TOM DEYLE CHARITABLE REMAINDER UNITRUST PO BOX 1810 KEARNEY, NE 68848 47-6192393	INVESTMENTS	NE	GSHF	TRUST			1 00 %
TOWSON MANAGEMENT INC 7601 OSLER DRIVE TOWSON, MD 21204 52-1710750	MANAGEMENT SERVICES	MD	FSI	C CORPORATION		266,960	1 00 %

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)	CONTINUING CARE HOSPITAL INC	A	15,819	FMV
(2)	SAINT JOSEPH MEDICAL FOUNDATION INC	B	938,255	FMV
(3)	SAINT JOSEPH BEREA HOSPITAL FOUNDATION INC	C	829,644	FMV
(4)	ST JOSEPH HOSPITAL FOUNDATION INC	C	1,095,566	FMV
(5)	CONTINUING CARE HOSPITAL INC	I	1,075,180	FMV
(6)	BLUEGRASS REGIONAL IMAGING CENTER	K	97,906	FMV
(7)	CONTINUING CARE HOSPITAL INC	K	5,035,871	FMV
(8)	SAINT JOSEPH BEREA HOSPITAL FOUNDATION INC	P	56,540	FMV
(9)	ST JOSEPH HOSPITAL FOUNDATION INC	P	209,123	FMV
(10)	CONTINUING CARE HOSPITAL INC	P	7,119,150	FMV



CONSOLIDATED FINANCIAL STATEMENTS

KentuckyOne Health, Inc
As of June 30, 2012 and for the Six-Month Period
January 1, 2012 (Inception) through June 30, 2012
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

KentuckyOne Health, Inc.

Consolidated Financial Statements

As of June 30, 2012 and for the Six-Month Period
January 1, 2012 (Inception) through June 30, 2012

Contents

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Report of Independent Auditors

The Board of Directors
KentuckyOne Health, Inc

We have audited the accompanying consolidated balance sheet of KentuckyOne Health, Inc (the System) as of June 30, 2012, and the related consolidated statements of operations and changes in net assets, and cash flows for the period from January 1, 2012 (inception) to June 30, 2012 These financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these financial statements based on our audit

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the System as of June 30, 2012, and the consolidated results of its operations and changes in net assets and its cash flows for the period from January 1, 2012 (inception) to June 30, 2012 in conformity with U S generally accepted accounting principles

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The unaudited community benefit information in Note 2 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, accordingly, we do not express any assurances on such information

Ernst & Young LLP

November 6, 2012

KentuckyOne Health, Inc.

Consolidated Balance Sheet
(In Thousands)

June 30, 2012

Assets	
Current assets	
Cash and cash equivalents	$ 29,254
Repurchase agreements	29,300
Receivables	
Patient accounts, less estimated doubtful accounts (2012 – $107,457)	237,487
Other	15,238
	252,725
Inventories	27,289
Prepaid expenses	12,466
Total current assets	351,034
Investments and assets limited as to use	
Internally designated for capital and other funds	655,305
Restricted by donors	18,637
	673,942
Investments in unconsolidated organizations	6,315
Property and equipment, net	936,402
Intangible assets and goodwill, net	11,756
Long-term insurance receivable	84,322
Other assets	12,817
Total assets	$ 2,076,588

Liabilities and net assets	
Current liabilities	
Compensation and benefits	$ 72,221
Estimated payable for third-party settlements	6,689
Accounts payable and accrued expenses	105,871
Current portion of long-term debt	
CHI capital obligation debt	22,386
Other debt	245
Total current portion of long-term debt	22,631
Total current liabilities	207,412
Other liabilities	22,425
Liability for retirement plans	41,518
Self-insured reserves and claims	84,322
Long-term debt	
CHI capital obligation debt	701,921
Other debt	1,732
Total long-term debt	703,653
Total liabilities	1,059,330
Net assets	
Unrestricted	992,709
Temporarily restricted	14,823
Permanently restricted	9,726
Total net assets	1,017,258
Total liabilities and net assets	$ 2,076,588

See accompanying notes.

KentuckyOne Health, Inc.

Consolidated Statement of Operations and Changes in Net Assets
(In Thousands)

Period From January 1, 2012 (Inception) to June 30, 2012

Revenue	
Net patient service revenue	$ 938,070
Donations	2,414
Changes in equity of unconsolidated organizations	809
Investment income	514
Other revenue	26,928
Total revenue	968,735
Operating expenses	
Personnel	421,490
Medical professional fees	30,234
Purchased services	89,682
Consulting and legal	7,778
Supplies	180,703
Bad debts	68,276
Utilities	13,622
Insurance	9,683
Rentals, leases and maintenance	32,775
Depreciation and amortization	41,341
Interest	18,087
Other	38,218
Operating expenses before transaction-related losses	951,889
Operating income before transaction-related losses	16,846
Transaction-related losses	15,192
Operating income	1,654
Nonoperating gains (losses)	
Investment income	32,901
Loss on defeasance of bonds	(69,878)
Nonoperating losses, net	(36,977)
Excess of expenses over revenue before business combination	(35,323)
Excess of fair value of assets acquired over liabilities assumed in business combination	314,930
Excess of revenue over expenses	279,607

Continued on next page

KentuckyOne Health, Inc.

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

(In Thousands)

Unrestricted net assets		
Excess of revenue over expenses	$	279,607
Transfer from affiliates		19,708
Change in pension plan assets and obligation		(5,165)
Contributions to Capital Resource Pool		(3,374)
Net assets released for specific capital purposes and other changes		1,706
Transfer of net assets from CHI		700,227
Increase in unrestricted net assets		992,709
Balance, beginning of period		–
Balance, end of period	$	992,709
Temporarily restricted net assets		
Gifts and other receipts for specific purposes	$	2,346
Other		(75)
Net assets released from restrictions		(3,101)
Transfer of temporarily restricted net assets related to business combination		7,371
Transfer of temporarily restricted net assets from CHI		8,282
Increase in temporarily restricted net assets		14,823
Balance, beginning of period		–
Balance, end of period	$	14,823
Permanently restricted net assets		
Gifts and other receipts for specific purposes and other	$	181
Transfer of permanently restricted net assets related to business combination		6,802
Transfer of permanently restricted net assets from CHI		2,743
Increase in permanently restricted net assets		9,726
Balance, beginning of period		–
Balance, end of period	$	9,726

See accompanying notes

KentuckyOne Health, Inc.

Consolidated Statement of Cash Flows
(In Thousands)

Period From January 1, 2012 (Inception) to June 30, 2012

Operating activities	
Increase in net assets	$ 1,017,258
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Transfer of net assets from CHI	(711,252)
Transfer of net assets related to business combination	(329,103)
Transfer from affiliates	(19,708)
Contributions received for endowment and specific purposes	(2,527)
Loss on early extinguishment of debt	69,878
Depreciation and amortization	40,596
Change in pension plan assets and obligation	5,165
Net gain on disposal of property and equipment	(46)
Net realized gains and equity earnings on hedge funds and private equity funds	(458)
Bad debt expense	68,276
Equity in earnings of unconsolidated entities in excess of cash distributions received	(809)
Changes in operating assets and liabilities	
Patient accounts and other receivables	(87,435)
Investment and assets limited as to use	80,015
Other current and long-term assets	(1,666)
Accounts payable and accrued expenses	(51,935)
Compensation and benefits	16,756
Estimated third-party settlements	1,451
Other liabilities	(31,404)
Net cash provided by operating activities	63,052
Investing activities	
Purchase of property and equipment	(23,337)
Proceeds from sale of property and equipment	269
Net cash transferred from CHI and as a result of business combination	24,156
Proceeds from sale of investment in hedge funds and private equity funds	6,921
Purchases of investments in hedge funds and private equity funds	(1,071)
Other investing activities	(736)
Net cash used in investing activities	6,202

Continued on next page

KentuckyOne Health, Inc.

Consolidated Statement of Cash Flows (continued)

(In Thousands)

Financing activities	
Payments of long-term debt	$ (13,174)
Contributions for endowment and specific purposes	2,527
Transfer from affiliates	19,708
Defeasance of 1996 and 2008 bonds	(450,942)
Proceeds from issuance of new debt	401,881
Net cash used in financing activities	(40,000)
Increase in cash and cash equivalents	29,254
Cash and cash equivalents, beginning of period	–
Cash and cash equivalents, end of period	$ 29,254
Additional cash flow information	
Cash paid during the period for interest	$ 27,457
Noncash investing and financing activities	
Additions to property and equipment not paid at period-end	$ 10,462

See accompanying notes

KentuckyOne Health, Inc.

Notes to Consolidated Financial Statements
(Dollars in Thousands)

June 30, 2012

1. Accounting Policies

Organization

KentuckyOne Health, Inc (the System) is a Kentucky non-profit corporation organized and operated to provide a regional health care network in Kentucky and southern Indiana that includes nearly 200 locations and 2,293 licensed beds Effective January 1, 2012, Catholic Health Initiatives (CHI) and Jewish Hospital Healthcare Services, Inc (JHHS) entered into a Sponsorship and Consolidation Agreement to jointly operate the System, which includes Jewish Hospital & St Mary's HealthCare, Inc (JHSMH), Saint Joseph Health System, Inc (SJHS) and Flaget Healthcare, Inc CHI is a Colorado non-profit corporation recognized by the Internal Revenue Service (IRS) as exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code CHI sponsors hospitals and other health care providers in 19 states JHHS is a Kentucky non-profit corporation recognized by the IRS as exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code JHHS sponsors healthcare and Jewish community services CHI, through a direct affiliate, and JHHS are the corporate members of the System with CHI owning 83% and JHHS owning 17% of the System

As a result of the above Sponsorship and Consolidation Agreement, purchase accounting guidance, ASC Topic 805, *Business Combinations*, and ASC Topic 958, *Not-for-Profit Mergers and Acquisitions*, required the revaluation of all JHSMH assets and liabilities as of the effective date of the agreement As CHI was determined to be the acquiring entity, the asset values of SJHS and Flaget Healthcare, Inc remained at historical cost and are reflected as a transfer from CHI in the consolidated statement of operations and changes in net assets An independent valuation was performed to value the assets and liabilities of JHSMH

The System and its subsidiaries are an integrated regional health care system that provides a complete array of health care services, including eleven acute care hospitals, outpatient care, cancer care, occupational health, home health care, long-term care, psychiatric care and rehab medicine

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the System and its subsidiaries All significant interaffiliate transactions and balances have been eliminated

1. Accounting Policies (continued)

Following are the System's significant accounting policies

Use of Estimates

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

Cash Equivalents

Cash equivalents consist of certificates of deposits which are carried at cost plus accrued interest, which approximates fair value Cash equivalents are maintained with a financial depository institution and are collateralized by U S government obligations or by the Federal Deposit Insurance Corporation (FDIC) These cash equivalents have an original maturity of three months or less The System may have amounts with financial institutions in excess of those insured by the FDIC

Repurchase Agreements

Repurchase agreements represent an arrangement between a financial depository institution (the bank) and the System, where the bank sells the market value of securities to the System equal to the closing balance of the System's cash balance on a daily basis Under the terms of the agreement, the bank agrees to repurchase the securities the following day at par plus interest Repurchase agreements are converted to cash on a daily basis

Investments and Assets Limited as to Use

The System owns an interest in the CHI Operating Investment Program Limited Partnership (the Program) The Program is structured under a limited partnership agreement with CHI as managing general partner and numerous limited partners, most affiliated with CHI The partnership provides a vehicle whereby entities associated with CHI, as well as certain other unrelated entities can optimize investment returns while managing investment risk The System's interest in the Program is reported within investments and assets limited as to use within the accompanying consolidated balance sheet and is reported based upon net asset value derived from the application of the equity method of accounting

(Dollars in Thousands)

1. Accounting Policies (continued)

The System has designated its investment portfolio as trading Investments are recorded at fair value as determined by reference to quoted market prices or other sources when applicable (see Note 10) Unrealized gains and losses on marketable securities that have been designated as trading securities are included within the excess of revenue over expenses In addition, cash flows from the purchases and sales of marketable securities designated as trading are reported as a component of operating activities in the accompanying consolidated statement of cash flows

Assets limited as to use consist of designated investments set aside by the Board of Directors for future capital improvements over which the Board of Directors retains control and may at its discretion subsequently use for other purposes

Investment income consists of realized gains and losses on the sale of investments, the market valuation changes in investments, and dividend and interest income Realized gains and losses are calculated based on the specific identification method Investment income is included in the excess of revenue over expenses unless the income or loss is restricted by donor or by law Operating revenue includes investment income, which relates to earnings on funds that have been Board designated for the funding of current medical research expenses

Investment income is summarized for the six-month period ended June 30, 2012 in the following tables

Market valuation changes in hedge, private equity funds, and the limited partnership	$	(227)
Market valuation change in all other securities		6,275
Interest, dividends, and realized gains, net of fees		27,367
Total investment income	$	33,415

Investment income included in operating revenue	$	514
Investment income included in nonoperating revenue		32,901
Total investment income	$	33,415

1. Accounting Policies (continued)

Financial Instruments

The System follows the provisions of Financial Accounting Standards Board (FASB) accounting guidance, which establishes a framework for measuring fair value in U S generally accepted accounting principles (GAAP), clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements

Applicable accounting guidance establishes a three-level hierarchy for fair value measurements The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date

The three levels are defined as follows

- Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets

- Level 2 – Valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument

- Level 3 – Valuation is based upon other unobservable inputs that are significant to the fair value measurement

Inventories

Inventories are stated at the lower of cost or market Cost is determined either by the first-in, first-out or average method

Investments in Unconsolidated Organizations

The investments in unconsolidated organizations are accounted for on the equity method, except for the investments in Bluegrass Regional Cancer Center of $444 at June 30, 2012, which is accounted for on the cost method The equity in earnings of the unconsolidated organizations accounted for on the equity method is included in income from operations because these

1. Accounting Policies (continued)

organizations' activities are considered to be ongoing or central to the provision of health care services Investments in unconsolidated organizations consist of a 33 33% interest in Southern Indiana Rehabilitation Hospital (SIRH) (an acute rehabilitation hospital) owned jointly with Clark Memorial Hospital and Floyd Memorial Hospital, a 50% interest in Heart Center at Clark Memorial, LLP (Clark County Cath Lab) (a heart catheterization laboratory operation) owned jointly with Clark Memorial Hospital, a 50% interest in Saint Joseph-ANC Home Care Services, Inc (a Home Health company owned jointly with American Nursing Care, Inc), a 33 33% interest in Cumberland Healthcare, and a 25% interest in Innovative Cardiac Solutions

Charity Care

The System accepts patients regardless of their ability to pay A patient is classified as a charity patient by reference to certain established policies of the operating entities Essentially, these policies define charity services as those services for which no payment is anticipated The System identifies patients needing assistance by applying certain demographic and credit criteria that were modeled after criteria used in the health care industry The System's policy is to estimate charity care cost by using a cost to gross charge ratio The System estimated charity care at cost for the six-month period ended June 30, 2012 is $44,864 Charity care costs include provider taxes paid to the Commonwealth of Kentucky net of reimbursement from the Kentucky Hospital Care Program (KHCP) (see Note 3)

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation other than JHSMH property and equipment acquired as part of the System transaction (see Notes 1 and 10) Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the respective assets Assets recorded under capital leases are depreciated over the estimated useful life of the related asset or the lease term, whichever is shorter Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets

Gifts involving land, buildings or equipment are reported as unrestricted support, unless there are explicit donor stipulations specifying how the donated assets must be used Gifts of long-term assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-term assets are reported as restricted support

1. Accounting Policies (continued)

Absent explicit donor stipulations about how long those long-term assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-term assets are placed in service

Impairment of Assets

Properties and other long-lived assets are reviewed for impairment whenever events or business conditions indicate that the carrying amount of such assets may not be fully recoverable Initial assessments of recoverability are based on estimates of undiscounted future net cash flows associated with an asset or a group of assets Where impairment is indicated, the asset's carrying amount is reduced to fair value based on discounted net cash flows or other estimates of fair value No asset impairment loss was recognized for the six-month period ended June 30, 2012

Goodwill

Goodwill represents the excess of the purchase cost over the fair value of net assets acquired The System engaged independent consultants to perform an impairment analysis on goodwill In conducting the impairment test, the fair value of the reporting unit is compared to its respective carrying amount including goodwill If the fair value exceeds the carrying amount, no impairment exists If the carrying amount exceeds the fair value, further analysis is performed to assess impairments The System's determination of fair value is based on an income approach with an appropriate discount rate Significant assumptions inherent in this methodology are employed and includes such estimates as discount rates No impairment loss was recognized as a result of the impairment test Goodwill is $11,186 as of June 30, 2012

Patient Receivables and Net Patient Service Revenue

Patient receivables and net patient service revenue are derived primarily from patients who reside in Kentucky and southern Indiana Patient receivables consist of amounts due from third-party payors, including federal and state programs, commercial insurance companies and individual patients, for health care services rendered Management maintains an allowance for doubtful accounts to reserve for estimated losses based on the length of time the account has been past due and historical collection experience

1. Accounting Policies (continued)

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive revenue adjustments due to future audits by third-party payors Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits by third-party payors The changes in estimates as a result of appeal settlements and other cost report or fee adjustments resulted in an increase in net patient service revenue of $18,029 for the six-month period ended June 30, 2012

Other Revenue

Other revenue is related to the furtherance of operating activities but is not directly related to patient services Other revenue includes retail pharmacy revenue, rental revenue, cafeteria revenue, Medicaid program meaningful use incentives and various other miscellaneous revenue

Contributions

Contributions are recorded at fair value in the period received or pledged Donor-restricted contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of operations and changes in net assets along with unrestricted contributions as other operating revenue Donor-restricted contributions whose restrictions are met within the same year as received are accounted for as unrestricted contributions Permanently restricted net assets have been restricted by donors and are to be maintained by the System in perpetuity

Excess of Revenue Over Expenses

The consolidated statement of operations and changes in net assets include excess of revenue over expenses Changes in unrestricted net assets that are excluded from excess of revenue over expenses, consistent with industry practice, include contributions of long-term assets (including assets acquired using contributions, which by donor restriction were to be used for the purposes of acquiring such assets), contributions to the CHI capital resource pool and changes in pension plan assets and obligations

1. Accounting Policies (continued)

Operating Activities and Nonoperating Gains

Only those activities directly associated with the furtherance of the System's primary mission are considered to be operating activities Other activities that result in gains or losses are considered to be nonoperating gains Nonoperating gains include investment income and loss on the defeasance of bonds

Transaction-Related Losses

Transaction-related losses are included in the consolidated statement of operations and changes in net assets These include internal and external integration costs as a result of the business combination and System reorganization

Functional Expenses

The System's general and administrative costs represented approximately 19% of total operating expenses for the six-month period ended June 30, 2012

Self-Insured Reserves and Claims

The provision for estimated self-insured medical malpractice and workers' compensation claims includes estimates of the ultimate costs for incurred claims that have been identified and for claims that have been incurred but not reported

Income Taxes

The majority of the System's income and most of the entities that it owns are exempt from federal and state income taxes as not-for-profit corporations that are recognized by the IRS as defined in Section 501(c)(3) of the IRC and applicable state statutes

Recently Issued Accounting Pronouncements

The FASB has issued Accounting Standards Update (ASU) No 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* The amendments in ASU 2010-24 clarify that a health care entity may not net insurance recoveries

1. Accounting Policies (continued)

against related claim liabilities In addition, the amount of the claim liability must be determined without consideration of insurance recoveries The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2010 The ASU is effective for the six-month period ended June 30, 2012 and has been adopted by the System in the consolidated financial statements The adoption of this ASU had an impact of increasing other long-term insurance receivable by $84,322 and self-insured reserves and claims by $84,322

The FASB has issued ASU No 2010-23, *Health Care Entities (Topic 954): Measuring Charity Care for Disclosure* ASU 2010-23 is intended to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care ASU 2010-23 requires that cost, identified as the direct and indirect costs of providing the charity care, be used as the measurement basis for disclosure purposes ASU 2010-23 also requires disclosure of the method used to identify such costs This ASU is effective for the six-month period ended June 30, 2012 and has been adopted by the System in the consolidated financial statements The adoption of this new standard only impacted disclosures in the notes to the consolidated financial statements

The FASB has issued ASU No 2011-04, *Fair Value Measurements (Topic 820), Amendments to Achieve Common Fair Value Measurement and Disclosures Requirements in U.S. GAAP and IFRSs* The amendments in ASU 2011-04 change the wording used to describe many of the requirements in U S generally accepted accounting principles for measuring fair value and for disclosing information about fair value measurements The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2011 This ASU is effective for the six-month period ended June 30, 2012 and has been adopted by the System in the consolidated financial statements The adoption of ASU 2011-04 had no impact on the financial condition, results of operations or cash flows

The FASB issued ASU No 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities* ASU 2011-07 is intended to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful receivables For nonpublic entities, the amendments are effective for the first annual period ending after December 15, 2012, and interim and annual periods thereafter ASU 2011-07 requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts associated with

1. Accounting Policies (continued)

patient service revenue from an operating expense to a deduction from patient service revenue Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts The amendments also require disclosures of net patient service revenue as well as qualitative and quantitative information about changes in the allowance for doubtful receivables The System will make the change in the presentation of the provision for bad debts and disclosures as required upon adoption

The American Recovery and Reinvestment Act of 2009 established incentive payments under Medicare and Medicaid programs for certain professionals and hospitals that meaningfully use certified electronic health record technology Payments under the program are calculated based upon estimated discharges, charity care and other input data and are predicated upon the System's attainment of program and attestation criteria and are subject to regulatory audit For the six-month period ended June 30, 2012, the System has recognized revenue of $2,656 related to this program

2. Community Benefit (unaudited)

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

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

(Dollars in Thousands)

2. Community Benefit (unaudited) (continued)

A summary of the cost of community benefit provided to both the indigent and the broader community for the six-month period ended June 30, 2012 is as follows

Charity care at cost (includes provider tax, net)	$ 44,864
Unreimbursed cost of Medicaid	7,825
Means-tested programs	6,151
Community health improvement services	1,852
Health professions education	701
Subsidized health services	1,046
Research	2,196
Financial and in-kind contributions	893
Community benefit operations	18
Community building activities	65
Total	$ 65,611

The summary above has been prepared in accordance with the policy document of the Catholic Health Association of the United States (CHA), *Community Benefit Program – A Revised Resource for Social Accountability.* Community benefit is measured on the basis of total cost, net of any offsetting revenue, donations or other funds used to defray cost (see Note 3 for subsidy amounts)

(Dollars in Thousands)

3. Net Patient Service Revenue

Net patient service revenue for the six-month period ended June 30, 2012 is comprised of the following

Charges at established rates	$ 2,709,309
Contractual deductions	
Medicare allowance	803,888
Medicaid allowance	203,287
Other contractual allowances	601,169
Total contractual deductions	1,608,344
Uncompensated care	
Charity	138,532
Self-pay discounts	24,363
Total uncompensated care	162,895
Net patient service revenue	$ 938,070

Reimbursement from the Medicare program is determined from annual cost reports, which are subject to audit by the program The System's management believes that amounts recorded in the consolidated financial statements for estimated settlements will approximate the final settlements for open cost reports The System's cost reports for substantially all of its controlled subsidiaries have been audited by the government or its agents and settled through December 31, 2006 In the health care industry, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation The System believes that it is in substantial compliance with all applicable laws and regulations Compliance with health care industry, laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term The System has agreements with Medicare, Medicaid, and other third-party payors that provide for payments at amounts different from their established rates A summary of the payment arrangements with major third-party payors is described in the following paragraphs

3. Net Patient Service Revenue (continued)

Medicare

Inpatient medical and surgical acute care services rendered to Medicare 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 Outpatient services are reimbursed on a prospective payment system with services classified into clinically similar ambulatory payment classes (APC) regardless of cost

Inpatient rehabilitation services are paid on a prospective payment system based on principal diagnosis Home health services are reimbursed using a prospective payment system based on episodes of care Medicare net revenue was approximately 42% of total net patient service revenue in the six-month period ended June 30, 2012

Medicaid

The Kentucky Medicaid program reimburses the System on a prospectively determined rate per discharge for inpatient services and on the basis of fee schedules and cost to charge ratios, as defined, for outpatient services Medicaid net revenue was approximately 10% of total net patient service revenue in the six-month period ended June 30, 2012

Other

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

The Commonwealth of Kentucky (the Commonwealth) has established a provider tax program and imposes a fixed tax on health care providers primarily based on historical payments made to the program This tax was $13,493 for the six-month period ended June 30, 2012, and is included in other operating expenses The Commonwealth provides for a system of reimbursement for services provided to certain Medicaid patients and other patients meeting specified income guidelines (Kentucky Hospital Care Program – KHCP) KHCP reimbursement was $6,962 for the six-month period ended June 30, 2012, and is included in net patient service revenue as a reduction of charity care provision

(Dollars in Thousands)

4. Property and Equipment, Net

Property and equipment, net at June 30, 2012 consist of the following

Land and land improvements	$ 84,038
Buildings and improvements	819,334
Equipment	410,910
Leasehold improvements	14,116
Construction-in-progress	19,231
	1,347,629
Accumulated depreciation and amortization	411,227
	$ 936,402

The System incurred interest costs of $18,087 for the six-month period ended June 30, 2012 Net interest costs capitalized was $0 in the six-month period ended June 30, 2012

5. Debt

The System participates in a unified CHI credit program governed under a Capital Obligation Document (COD) Under the COD, CHI is the sole obligor on all debt Bondholder security resides both in the unsecured promise by CHI to pay its obligations and in its control of direct affiliates Covenants include a minimum CHI debt coverage ratio and certain limitations on secured debt The System, as a direct affiliate of CHI, is defined as a Participant under the COD and has agreed to certain covenants related to corporate existence, maintenance of insurance and exempt use of bond-financed facilities The System has in place certain intercompany notes with CHI, which include monthly installments at a variable rate of interest and may be repaid in advance without penalty

(Dollars in Thousands)

5. Debt (continued)

Long-term debt at June 30, 2012 consists of the following

CHI note payable, dated 11/1/05, maturity date 12/1/17	$ 20,810
CHI note payable, dated 1/1/12, maturity date 12/1/25	41,830
CHI note payable, dated 5/1/12, maturity date 12/1/36	358,517
CHI note payable, dated 7/29/07, maturity date 12/1/22	3,514
CHI note payable, dated 1/1/12, maturity date 12/1/37	50,019
CHI note payable, dated 10/12/10, maturity date 12/1/29	91,913
CHI note payable, dated 6/16/98, maturity date 12/1/22	33,722
CHI note payable, dated 11/23/98, maturity date 12/1/18	4,363
CHI note payable, dated 12/1/09, maturity date 12/1/34	65,235
CHI note payable, dated 6/16/98, maturity date 12/1/15	1,758
CHI note payable, dated 12/1/05, maturity date 12/1/20	15,036
CHI note payable, dated 6/16/98, maturity date 12/1/17	4,114
CHI note payable, dated 11/1/02, maturity date 12/1/17	1,911
CHI note payable, dated 1/1/11, maturity date 12/1/35	31,353
CHI note payable, dated 4/1/03, maturity date 12/1/12	129
CHI note payable, dated 11/1/02, maturity date 12/1/12	82
Other	1,978
	726,284
Less amount due within one year	22,631
Long-term debt due after one year	$ 703,653

All of the notes payable to CHI bear a variable quarterly average interest rate, which was 4 75% at June 30, 2012 The variable rate associated with the notes payable to CHI is based on a blended rate of the external underlying fixed and variable debt held by CHI

Prior to January 1, 2012, JHSMH and JHHS, together hereinafter referred to as the Obligated Group, were party to a Master Trust Indenture for the purpose of providing for the issuance of bonds from time to time by any of the Obligated Group members to refinance outstanding indebtedness or to finance the acquisition of capital improvements Pursuant to this Master Trust Indenture, the Obligated Group members agreed to be jointly and severally liable under any

(Dollars in Thousands)

5. Debt (continued)

notes issued under the Master Trust Indenture As of January 1, 2012, there were two outstanding bonds from the Obligated Group, but both were defeased subsequent to the formation of the System As of January 6, 2012, the transaction closing date, JHHS was released from the Obligated Group As of April 5, 2012, all debt obligations under the Master Trust Indenture were cancelled and JHSMH was released of all Master Trustee's rights and the Master Trust Indenture ceased The two bonds outstanding as of January 1, 2012 were $60,000 for the 1996 Health Facilities Revenue Bonds issued by the County of Jefferson, Kentucky (the 1996 Bonds), and $330,000 for the 2008 Metro Government Health Facilities Revenue Bonds (the 2008 Bonds) issued by the Louisville/Jefferson County

The 1996 Bonds were defeased on January 6, 2012 The System entered into a note payable to CHI in the amount of $43,158 to cover the costs of the 1996 Bonds defeasance A loss on the defeasance of the 1996 bonds of $479 is recorded on the consolidated statement of operations and changes in net assets as a nonoperating loss for the six-month period ended June 30, 2012

The 2008 Bonds were defeased on April 5, 2012 The System entered into a note payable to CHI in the amount of $358,723 to cover the costs of the 2008 Bonds defeasance A loss on the defeasance of the 2008 bonds of $69,399 is recorded on the consolidated statement of operations and changes in net assets as a nonoperating loss for the six-month period ended June 30, 2012 The loss on defeasance is primarily related to the excess of escrow funds required over the amount of the bonds that were defeased Escrow funds in the amount of $411,341 will be maintained in the Bank of New York Mellon Trust Company (Escrow Agent) to cover future redemption of these Bonds

The System has a line of credit agreement that provides for borrowings of $4,000, which is required by a commercial card agreement There is no outstanding amount borrowed on the line of credit at June 30, 2012

At June 30, 2012, aggregate maturities on long-term debt are as follows

2013	$ 22,631
2014	24,120
2015	25,300
2016	26,265
2017	27,248
Thereafter	600,720
	$ 726,284

(Dollars in Thousands)

6. Retirement Plans

The System has a defined benefit retirement plan covering substantially all of its JHSMH employees This defined benefit retirement plan was curtailed in 2009 and all benefits were frozen as of January 1, 2010 In 2010, the defined benefit retirement plans covering key employees were rolled into individual noncontributory-defined contribution retirement plans Information related to the noncontributory-defined benefit plan (the Plan) is presented below

Components of net periodic pension benefit cost related to the defined benefit plan for the six-month period ended June 30, 2012, were as follows

Interest cost	$	3,548
Expected return on plan assets		(5,427)
Recognized actuarial gain and settlement		237
Net periodic pension benefit cost	$	(1,642)

The change in projected benefit obligation and the fair value of plan assets for the six-month period ended June 30, 2012, and the funded status of the Plan as of June 30, 2012, were as follows

Projected benefit obligation, beginning of period	$	183,733
Interest cost		3,548
Actuarial loss		7,195
Settlements		(8,495)
Benefits paid		(776)
Projected benefit obligation, end of period		185,205
Fair value of plan assets, beginning of period		136,188
Actual gain on plan assets		7,220
Employer contributions		9,550
Settlements		(8,495)
Benefits paid		(776)
Fair value of plan assets, end of period		143,687
Unfunded status/net recorded liability	$	(41,518)

(Dollars in Thousands)

6. Retirement Plans (continued)

The net loss recognized in unrestricted net assets for the six-month period ended June 30, 2012 was $5,165 Under purchase accounting guidance, ASC Topic 805, *Business Combinations*, and ASC 958, *Not-for-Profit Mergers and Acquisitions*, an adjustment was made to eliminate amounts accumulated in net assets of the Plan as part of establishing the System's opening balance sheet Included in unrestricted net assets at June 30, 2012, is the following amount that has not yet been recognized in net periodic benefit cost unrecognized actuarial loss of $5,165 The actuarial loss expected to be recognized during the year ending June 30, 2013, is $0

The accumulated benefit obligation for all defined benefit pension plans was $185,205 at June 30, 2012

The weighted-average assumptions used to determine net periodic pension costs for the six-month period ended June 30, 2012 were as follows

Discount rate	4 55%
Expected return on plan assets	8 00

The weighted-average assumptions used to determine benefit obligations at June 30, 2012 were as follows

Discount rate	4 00%
Expected return on plan assets	8 00

In selecting the expected return on plan assets, the System considers historical returns as well as adherence to future asset allocations

The majority of the System's plan assets are invested in a CHI Plan Assets Investment Program (the Plan Asset Program) that provides for asset allocation in strategies across equity and debt markets, both domestic and international, and alternative investments Alternative investments consist of hedge funds, private equity funds, and other securities organized as limited liability companies and partnerships The portfolio's objectives are preservation of principal, investment growth of assets consistent with reasonable actuarial assumptions, competitive returns, minimization of unnecessary risk, and consistency with CHI social responsibility investment guidelines Strategies are followed which increase or decrease investments in the equity and debt markets based upon the value of the stock and bond markets and the relative value of a wide variety of securities within these markets Consideration is given to several variables, including productivity, inflation, global competitiveness, and risk

(Dollars in Thousands)

6. Retirement Plans (continued)

The target and range asset allocations for the plan assets set forth in the Plan Asset Program's investment policies are as follows

	Target	Range
Marketable debt securities	27 5%	22 5% to 32 5%
Marketable equity securities	52 5%	47 5% to 57 5%
Alternative investments	20 0%	20 0% to 25 0%

As of June 30, 2012, the System believes that there is not a specific concentration of risk in the underlying pool The System does recognize that all investments are subject to market risks and that changes in the market may have a material effect on the plan assets

Nearly all of the System's plan assets are represented by pool units rather than specific securities The Plan Asset Program is not necessarily readily marketable and may include short sales on securities and trading in future contracts, options, foreign currency contracts, other derivative instruments and private equity investments Management has determined that the net asset value (NAV) is an appropriate estimate of the fair value of these pooled units at June 30, 2012 based on the underlying investment being recorded at fair value within the Plan Asset Program As the System has the ability to redeem its pooled units with no adjustment at the measurement date and there are no significant restrictions on liquidating these investments, the investment is categorized as a Level 2 measurement in the fair value hierarchy considerations The inputs and valuation techniques as of June 30, 2012 used for valuing the pooled units is primarily NAV, which represent a market valuation approach The valuation of cash and cash equivalents is described in Note 10

(Dollars in Thousands)

6. Retirement Plans (continued)

The following table presents the financial instruments of the Plan's assets at fair value as of June 30, 2012, as defined by the level hierarchy for fair value measurements in Note 1

	Level 1	Level 2	Level 3	Fair Value
Assets				
Cash and cash equivalents	$ 13,941	$ –	$ –	$ 13,941
Plan Asset Program	–	119,786	–	119,786
Hedge funds	–	–	9,960	9,960
Total assets at fair value	$ 13,941	$ 119,786	$ 9,960	$ 143,687

The following is a rollforward of the amounts for financial instruments of the Plans' assets within Level 3 of the valuation hierarchy defined in Note 1 for the six-month period ended June 30, 2012

Balance, January 1, 2012	$ 14,790
Sales/redemptions	(4,736)
Change in fair market value	(94)
Balance, June 30, 2012	$ 9,960

The carrying value of the hedge funds is based on valuations provided by the administrators of the specific financial instruments The valuation methods for all other securities are consistent with Note 10 The underlying investments in these financial instruments may include marketable debt and equity securities, commodities, foreign currencies, derivatives, and private equity investments The underlying investments themselves are subject to various risks including market, credit, liquidity and foreign exchange risk The fair value is based on the percentage ownership of the net asset value of the funds based on the fact that the hedge funds are audited and accounted for at fair value by the respective administrators of the funds The System believes the carrying amount of these financial instruments in the consolidated balance sheet is a reasonable estimate of ownership interest Because these financial instruments are not readily marketable, the estimated carrying value is subject to uncertainty, and, therefore, may differ from the value that would have been used had a market for such financial instruments existed

The System expects to contribute approximately $4,964 to the defined benefit pension plans in the fiscal year ended June 30, 2013

(Dollars in Thousands)

6. Retirement Plans (continued)

Benefits expected to be paid to the Plans' beneficiaries are as follows

2013	$ 11,954
2014	11,910
2015	11,358
2016	11,802
2017	11,969
2018 through 2022	52,118

The System has a defined contribution retirement plan covering substantially all its former JHSMH employees Pension expense of $9,653 was recorded for these defined contribution plans for the six-month period ended June 30, 2012 The net recorded liability for these plans at June 30, 2012, was $5,956, and is included in other current liabilities on the consolidated balance sheet

The System has noncontributory defined contribution retirement plans covering certain key former JHSMH employees Pension expense of $420 was recorded for these defined contribution plans for the six-month period ended June 30, 2012 The System has recorded both plan assets and liabilities for these plans for the six-month period ended June 30, 2012 of $2,893

The System also participates in the CHI defined benefit retirement plan which is a multi-employer, noncontributory, cash balance plan covering substantially all employees of SJHS Pension expense for the six-month period ended June 30, 2012 is $7,802 As a multi-employer plan, separate measurements of assets and pension benefit obligations for individual employers are not made

(Dollars in Thousands)

7. Commitments and Contingencies

Future minimum annual rental payments under noncancelable operating lease and service agreements as of June 30, 2012, are as follows

2013	$ 30,810
2014	15,440
2015	10,489
2016	8,341
2017	5,952
Thereafter	21,863
	$ 92,895

Total rental expense, which includes amounts applicable to short-term leases, was $24,453 for the six-month period ended June 30, 2012

The System, in conjunction with other medical center institutions, is contractually obligated to purchase services from two organizations owned and operated by the Medical Center Commission (a public agency), which provide laundry service and steam and chilled water service to certain operations and other institutions Payments made by the System to the two organizations are included in operating expenses and, for the six-month period ended June 30, 2012, amounted to

Laundry service	$ 1,167
Steam and chilled water service	1,365
	$ 2,532

The System leases office space to various lessees in medical office buildings and parking lots under operating leases The rental income from these leases was $4,286 for the six-month period ended June 30, 2012 and is included in other revenue in the accompanying consolidated statement of operations and changes in net assets

(Dollars in Thousands)

7. Commitments and Contingencies (continued)

The net book value of the leased property, including property that is currently being renovated for future leasing activities, was $72,935 at June 30, 2012 The following is a schedule by years of minimum future rentals receivable under existing noncancelable operating leases as of June 30, 2012

2013	$ 5,776
2014	3,398
2015	2,091
2016	1,447
2017	790
Thereafter	1,808
Total minimum future rentals	$ 15,310

8. Medical Malpractice Self-Insurance

First Initiatives Insurance, Ltd (FIIL), a wholly owned, captive insurance subsidiary of CHI, underwrites the property and casualty risks of CHI The System participates in FIIL's comprehensive professional, employment practices, general liability and workers' compensation coverage Coverage is provided by FIIL either on a directly written basis or through reinsurance relationships with commercial carriers In addition, CHI purchases excess insurance from commercial carriers These amounts, including actuarial estimates for incurred but not reported claims, are assessed to all participants

Amounts paid by the System for professional, employment practices, and general liability coverage were $9,683 for the six-month period ended June 30, 2012 and are included in insurance expense Amounts paid by the Company for workers' compensation coverage were $2,327 for the six-month period ended June 30, 2012 and are included in personnel expense The estimated liability for professional liability and workers' compensation claims incurred but not reported (including legal costs) as of June 30, 2012 is $55,037 and $29,285, respectively, and is included in self-insured reserves and claims along with a corresponding long-term insurance receivable within long-term assets in the accompanying consolidated balance sheet

(Dollars in Thousands)

9. Concentrations of Credit Risk

The System grants credit without collateral to its patients, most of who are local residents and are insured under third-party agreements The mix of net receivables from patients and third-party payors at June 30, 2012 was as follows

Medicare	34%
Medicaid	15
Anthem Blue Cross	18
Other third-party payors	31
Private payors	2
	100%

10. Fair Values of Financial Instruments

The following table presents the financial instruments at fair value as of June 30, 2012, aggregated by level in the hierarchy defined in Note 1

	Level 1	Level 2	Level 3	Fair Value
Assets				
Repurchase agreements	$ –	$ 29,300	$ –	$ 29,300
Cash and cash equivalents	7,826	–	–	7,826
Common stocks				
Large cap core	415	–	–	415
Mid cap	1,382	–	–	1,382
Large cap value	94	–	–	94
Mutual funds				
Large cap core	123	–	–	123
Large cap growth	240	–	–	240
Large cap value	196	–	–	196
Small cap	425	–	–	425
Real estate mutual funds	–	100	–	100
Fixed income mutual funds	2,109	–	–	2,109
Foreign bonds	–	350	–	350
U S government obligations	31	–	–	31
Other investments	–	876	–	876
Total assets at fair value	$ 12,841	$ 30,626	$ –	$ 43,467

10. Fair Values of Financial Instruments (continued)

The following methods and assumptions were used by the System in estimating its fair value disclosures for financial instruments

- **Repurchase agreements** The value is based upon quoted market prices of U S government agency securities in less active markets at June 30, 2012, which have been placed in Level 2

- **Cash and cash equivalents and certificates of deposit** The value is based upon the cash held with local banks and money market funds that carry a constant value of $1 per share, which have been placed in Level 1

- **Common stocks** The value is obtained from prices quoted in the active market, which represents the fair value of the securities, which have been placed in Level 1

- **Mutual funds** The value is based upon quoted market prices that are available in an active market at June 30, 2012, placing these securities in Level 1

- **Real estate mutual funds** The value is based upon quoted market prices that are available in an active market at June 30, 2012 Since more than half of the fund's investments are categorized as Level 2, the investment has been classified as Level 2

- **Foreign bonds** Values are based upon quoted prices in less active, dealer or broker markets The values are obtained from third-party pricing services, and they have been placed in Level 2

- **U.S. government obligations** U S government securities are valued using quoted market prices in active markets and have been placed in Level 1

- **Other investments** The majority of these investments are with local community foundations, which provide values based upon underlying values of investment held by the particular organization These investments have been placed in Level 2

- **Other assets** The carrying amounts primarily consist of funds under university placement and pledges receivable which approximate fair values

(Dollars in Thousands)

10. Fair Values of Financial Instruments (continued)

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

The carrying amounts of the System's financial instruments at June 30, 2012 are as follows

Cash and cash equivalents	$	29,254
Repurchase agreements		29,300
	$	58,554
Investments and assets limited as to use		
Cash and cash equivalents	$	7,826
Common stocks		1,891
Interest in CHI Operating Investment Program		
Cash and cash equivalents		17,852
Equity investments		312,130
Fixed income investments		306,256
Equity mutual funds		984
Fixed income mutual funds		2,109
Real estate mutual funds		100
Foreign bonds		350
U S government obligations		31
Other investments		876
Other assets		8,939
Hedge funds and private equity		14,598
	$	673,942

10. Fair Values of Financial Instruments (continued)

The Program asset allocation at June 30, 2012 is as follows

Cash and cash equivalents	1%
Marketable debt securities	35
Marketable equity securities	46
Alternative investments	18
	100%

The CHI Investment Committee of the Board of Stewardship Trustees (CHI Investment Committee) is responsible for determining asset allocations among cash and cash equivalents, marketable debt securities, marketable equity securities and alternative investments Alternative investments consist of hedge funds, private equity funds, and other securities organized as limited liability companies and partnerships At least annually, the CHI Investment Committee reviews targeted allocations and, if necessary, makes adjustments to targeted asset allocations

Investments held in the Program are represented by pool units valued monthly under a custodian accounting system Investment income from the Program, including dividend and interest income (net of expense), net realized gains on investments, and the net change in unrealized (losses) gains on investments, is distributed to participants based on the earnings per pool unit Gains or losses are realized by participants when pool units are sold, representing the difference between the cost basis and the market value of the pool units sold The value of the assets held is an allocation of the underlying carrying value of the assets in the Program, based upon pool units held by the participants

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

10. Fair Values of Financial Instruments (continued)

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

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

Non-financial Assets and Liabilities	Input	Valuation Technique
Current assets	Estimate of replacement cost	Cost
Investments (Level 2)	Matrix/Broker dealer	Market/Income
Investments (Level 3)	NAV	Market/Income
Property and equipment, net	Discounted cash flows	Income
Investment in unconsolidated organizations	Discounted cash flows	Income
Other	Discounted cash flows	Income
Current liabilities	Estimate of replacement cost	Cost
Liability for retirement plans	Discounted cash flows	Income
Long-term debt	Discounted cash flows	Income
Other liabilities	Estimate of replacement cost	Cost

10. Fair Values of Financial Instruments (continued)

Effective January 1, 2012, the System acquired JHSMH (Note 1) in a business combination using the purchase method of accounting guidance, ASU No 2011-04, *Fair Value Measurements* (Topic 820), *Amendments to Achieve Common Fair Value Measurement and Disclosures Requirements in U.S. GAAP and IFRSs*, and ASC 958, *Not-for-Profit Mergers and Acquisitions*, which requires the acquired assets and liabilities to be initially recorded at fair value (non-recurring) The following table presents the acquired assets and liabilities of JHSMH as of January 1, 2012 and indicates the fair value hierarchy of the valuation techniques the System utilized to determine such estimated fair values

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(In Thousands)		
Current assets	$ 41,915	$ 150,484	$ –	$ 192,399
Investments	190,722	99,456	19,838	310,016
Property and equipment, net	–	451,662	–	451,662
Investment in unconsolidated organization	–	5,290	–	5,290
Other	–	12,040	–	12,040
Total assets	$ 232,637	$ 718,932	$ 19,838	$ 971,407
Current liabilities	$ –	$ 150,795	$ –	$ 150,795
Liability for retirement plans	–	53,208	–	53,208
Long-term debt	–	404,050	–	404,050
Other liabilities	–	34,251	–	34,251
Net assets	–	329,103	–	329,103
Total liabilities	$ –	$ 971,407	$ –	$ 971,407

(Dollars in Thousands)

11. Income Taxes

Most of the income received by the System and certain affiliates is exempt from taxation under Section 501(a) of the IRC Some of its subsidiaries are taxable entities, and some of the income received by otherwise exempt entities, are subject to taxation as unrelated business income The System files federal income tax returns as well as income tax returns in Kentucky and Indiana

ASC 740, *Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return ASC 740 also provides guidance on description, classification, interest and penalties, accounting in interim periods, disclosure, and transition Management has done an analysis and determined that no amount needed to be recorded related to ASC 740 at June 30, 2012

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include donor-restricted funds, which can only be expended for the designated purpose Also included is the cash surrender value of life insurance and pledges receivable, which cannot be expended until received At June 30, 2012, temporarily restricted net assets include the following

Funds restricted for		
Health care programs	$	2,430
Capital expenditures		7,263
Research and education		3,226
Other		1,904
	$	14,823

The System's endowed funds consist of individual donor-restricted funds established for education, research, and a variety of other purposes Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions The System's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary

(Dollars in Thousands)

12. Temporarily and Permanently Restricted Net Assets (continued)

As a result of this interpretation, the System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard for expenditure prescribed by UPMIFA

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2012	$ 1,309	$ 9,545	$ 10,854
Investment return	405	190	595
Contributions	4	8	12
Change in allowance estimate for doubtful restricted pledges	–	(17)	(17)
Appropriation of endowment assets for expenditure	(111)	–	(111)
Endowment net assets, June 30, 2012	$ 1,607	$ 9,726	$ 11,333

13. Related Party Transactions

In addition to the other related party transactions disclosures in these notes, the System recognized expenses of $40,200 for the six-month period ended June 30, 2012 related to overhead allocations from the CHI National Office The System also made net contributions of $3,374 to the Capital Resource Pool during the six-month period ended June 30, 2012 These contributions are recorded as direct reductions to unrestricted net assets

CHI arranges for comprehensive healthcare services for SJHS' employees through its self-insured medical plan CHI estimates employee premiums on an annual basis with the assistance of an independent actuary Under certain circumstances, the System may withdraw from the plan without additional costs incurred Employee benefits expense on the consolidated statement of operations and changes in net assets includes $23,152 for the six-month period ended June 30, 2012 for premiums paid to CHI for the self-insured medical plan

13. Related Party Transactions (continued)

The System leases substantially all the buildings and land from JHHS and CHI under long-term leases which expire December 31, 2110 for rent of $1 dollar per year for each lease Under applicable accounting guidance, the buildings and land are reflected on the consolidated financial statements of the System

14. Subsequent Events

The System has evaluated subsequent events through November 6, 2012, which is the date the consolidated financial statements were issued and made publicly available

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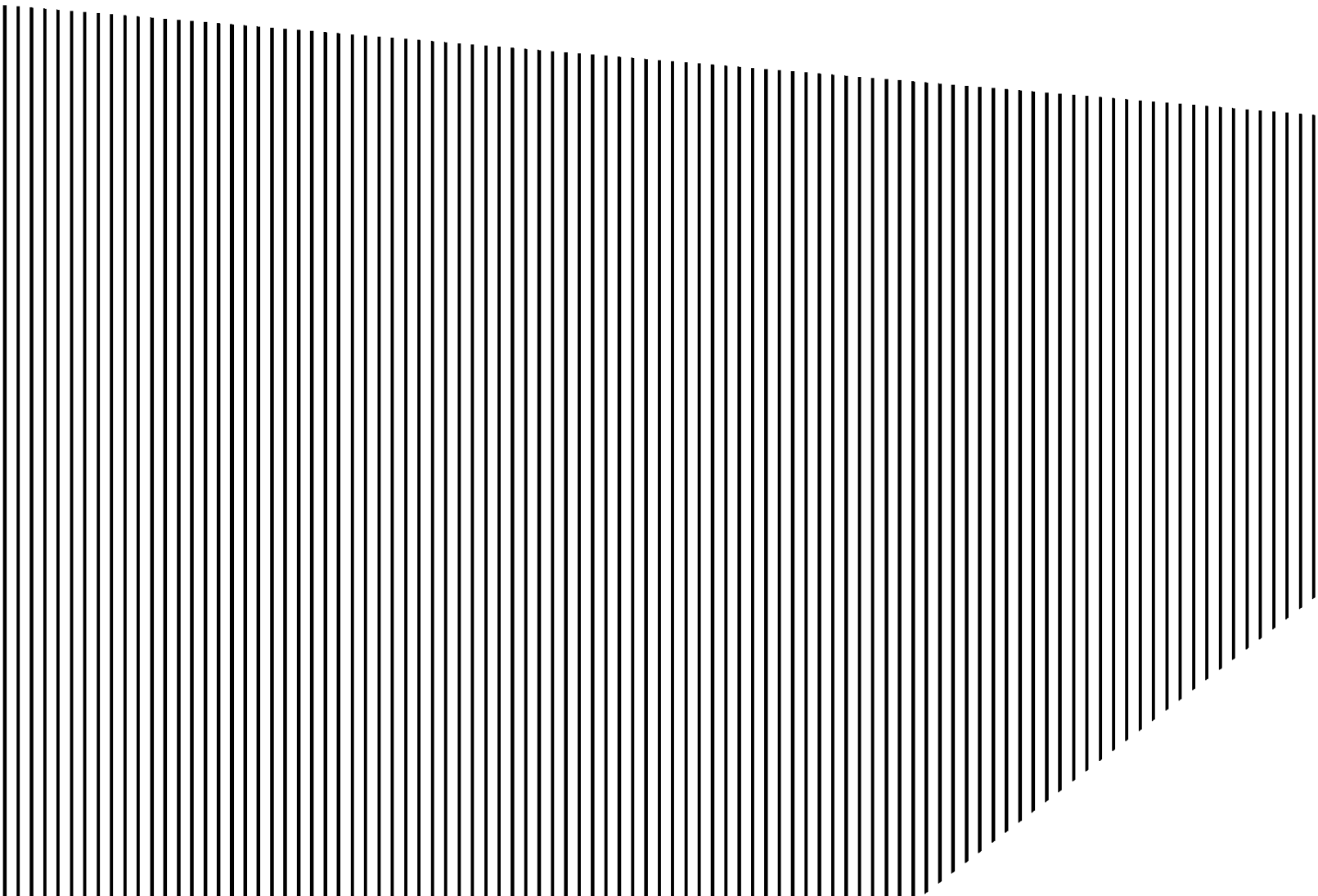

Additional Data

Software ID: 11000230
Software Version: v2011.1.0
EIN: 61-1334601
Name: SAINT JOSEPH HEALTH SYSTEM 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			
BRUCE KLOCKARS Interim Chief Executive Officer	60 00	X		X				49,406	469,355	44,307
FRANK DELZER Treasurer	3 00	X		X				0	0	0
MIKE FIECHTER Chair	3 00	X		X				0	0	0
RICHARD SCHULTZ Vice Chair	2 00	X		X				0	0	0
ROBERT HEWETT Chair	3 00	X		X				0	0	0
DAVID BROWN Board of Directors	2 00	X						0	0	0
GERALD TEMES MD Board of Directors	2 00	X						0	0	0
JANE BURKS Board of Directors	2 00	X						0	0	0
JANE J CHILES Board of Directors	2 00	X						0	0	0
JEFF AMBURGEY Board of Directors	2 00	X						0	0	0
JEFF BROTHER Board of Directors	2 00	X						0	0	0
LOU ANN ATLAS Board of Directors	2 00	X						0	0	0
MAUREEN MAXFIELD Board of Directors	2 00	X						0	0	0
MICHAEL ROWAN FACHE Board of Directors/CHI COO	2 00	X						0	1,440,629	195,279
MICHAEL STAHL Board of Directors	2 00	X						0	0	0
MIKE ADES Board of Directors	2 00	X						0	0	0
MILLER HOFFMAN Board of Directors	2 00	X						0	0	0
PAT RUTHERFORD Board of Directors	2 00	X						0	0	0
PAUL EDGETT Board of Directors/SVP CHI	60 00	X						0	590,178	84,389
RALPH ALVARADO Board of Directors/Medical Staff Representative	10 00	X						2,100	0	0
ROBERT GRANACHER Board of Directors	2 00	X						0	0	0
RUSSELL WILLIAMS MD Board of Directors	2 00	X						0	0	0
RUTH WILLIAMS BRINKLEY Board if Directors/President & CEO of KOH	60 00	X						0	0	0
SR ELIZABETH WENDELN Board of Directors	3 00	X						0	0	0
THOMAS MECHAS MD Board of Directors	2 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GARY ERMERS Chief Financial Officer	60 00			X				472,682	0	84,437
SHARON HAGER Secretary	1 00			X				0	372,397	32,172
CARLA WALTER Corp Resp & Privacy Officer	60 00				X			153,397	0	28,253
CARMEL JONES COO/VP Finance - London	60 00				X			181,320	0	38,367
CHRISTINE MAYS COO/CNE - SJH	60 00				X			284,521	0	46,596
DANIEL VARGA Chief Medical Officer	60 00				X			514,816	0	76,949
EDWARD CARTHEW Chief Human Resources Officer	60 00				X			308,565	0	53,547
ERIC GILLIAM Administrator	60 00				X			184,835	0	39,781
GREG GERARD President-Berea & Interim President SJMS	60 00				X			255,484	0	50,551
KATHY STUMBO President-Martin	60 00				X			217,595	0	61,572
KEN HAYNES President-SJH	60 00				X			523,707	0	82,029
MARK STREETY Chief Innovation Officer	60 00				X			333,686	0	67,830
MELINDA EVANS VP Finance/SJHS CAO	60 00				X			231,277	0	26,634
PEGGY GREEN COO/CNO-London	60 00				X			196,017	0	24,960
ROBERT BROCK VP Finance & Business Development - London	60 00				X			224,539	0	27,564
VIRGINIA DEMPSEY President-London	60 00				X			374,682	0	64,530
AQEEL MANDVIWALA Anesthesiologist	60 00					X		299,010	299,219	42,338
JEAN-MAURICE PAGE Anesthesiologist	60 00					X		222,268	294,861	39,260
JEFFREY MILAM Anesthesiologist	60 00					X		524,421	0	36,350
MUNAWAR SIDDIQI Anesthesiologist	60 00					X		346,225	226,161	42,338
SATHYENDRA MYSORE Anesthesiologist	60 00					X		580,401	0	43,886
EUGENE WOODS Former Chief Executive Officer	0 00						X	0	204,352	10,480