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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

SIERRA VISTA REGIONAL HEALTH CENTER WILL BE COMMITTED TO CUSTOMER-FOCUSED QUALITY HEALTH CARE THROUGH EXCELLENCE IN PRACTICE, SERVICE, AND LEADERSHIP

2

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

If "Yes," describe these new services on Schedule O

3

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

If "Yes," describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 65,545,577 including grants of \$ 0) (Revenue \$ 92,308,577)

SEE SCHEDULE O

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 \$ 65,545,577

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		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10		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, line 10? 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		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? 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		No
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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		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? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
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		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance						
Check if Schedule O contains a response to any question in this Part V ☐						
		Yes	No			
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a	162			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes			
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	888			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a				No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b				
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	12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10
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	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	Yes
b	Other officers or key employees of the organization	15b	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	No
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	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	AZ
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.	
	STEVEN CALABRESE CPA 300 EL CAMINO REAL Sierra Vista, AZ 85635 (520) 417-3911	

Part VII

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MARI PETERSON TRUSTEE	4 0	X						0	0	0
(2) RONALD WAGNER TRUSTEE	4 0	X						0	0	0
(3) ANDREA DUNLAP TRUSTEE	4 0	X						0	0	0
(4) JOHN HAUN MD TRUSTEE	4 0	X						0	0	0
(5) DAVID KNAPP MD TRUSTEE	4 0	X						77,772	0	0
(6) SUSAN A WARNE TRUSTEE	4 0	X						0	0	0
(7) WILLIAM MILLER TRUSTEE	4 0	X						0	0	0
(8) ALAN OSUMI MD TRUSTEE	4 0	X						45,335	0	0
(9) RONALD L SCOTT TRUSTEE	4 0	X						0	0	0
(10) LANNY KOPE TRUSTEE/CHAIR	4 0	X		X				2,400	0	0
(11) BRUCE DOCKTER TRUSTEE/VICE CHAIR	4 0	X		X				0	0	0
(12) JOANNA MICHELICH PHD TRUSTEE/SECRETARY	4 0	X		X				0	0	0
(13) JAYAY MADDUR MD MED CHIEF OF STAFF/EX OFFICIO	40 0			X				38,058	0	0
(14) MARGARET HEPBURN - SVRH CEO - SEE SCH J	40 0			X				436,666	0	48,472
(15) MARGARET HEPBURN - CHN CEO - SEE SCH J	0 0			X				130,214	0	0
(16) BRUCE NORTON SR VICE PRES , FINANCE	40 0			X				295,039	0	52,969
(17) MARIE WURTH VICE PRESIDENT	40 0				X			208,808	0	20,722

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) REBECCA MCCALMONT VICE PRESIDENT	40 0				X			190,501	0	37,401
(19) THERESA FRENCH STAFF NURSE	40 0					X		126,309	0	1,062
(20) ANDREA WHITE CLINICAL EDUCATOR	40 0					X		127,101	0	18,612
(21) STEVEN CALABRESE CONTROLLER	40 0					X		123,109	0	26,772
(22) DAMIEN WHEELER ULTRASOUND SONOGRAPHER	40 0					X		120,744	0	6,964
(23) MARK GRABOWSKA ADMINISTRATIVE DIRECTOR	40 0					X		114,843	0	26,142
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,036,899	0	239,116

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▶25

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

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
ARAMARK CORPORATION 24863 NETWORK PLACE CHICAGO, IL 60673	BIO MED/MGT CONTRACT	3,635,087
COMPREHENSIVE PHARMACY PO BOX 1000 DEPT 176 MEMPHIS, TN 38148	PHARMACY MANAGEMENT	2,150,724
CERNER CORPORATION PO BOX 412702 KANSAS CITY, MO 64141	SOFTWARE MAINTENANCE	2,718,921
MIDWESTERN UNIVERSITY 19555 NORTH 59TH AVE GLENDALE, AZ 85308	RESIDENTS	1,263,651
WE O'NEIL CONSTRUCTION CO 710 S CAMPBELL AVE TUCSON, AZ 85719	CONSTRUCTION	1,523,948
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 ▶35		

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	129,420			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	131,462			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		260,882			
Program Service Revenue	2a	NET PATIENT SERVICE (MEDICARE/MEDICAID)	Business Code 446199	43,755,508	43,755,508		
	b	NET PATIENT SERVICE (OTHER)	446199	45,518,109	45,518,109		
	c	MOB/RENTAL	531120	82,555			82,555
	d	CAFETERIA	722210	399,724	399,724		
	e	RADIOLOGY PRO FEE	541900	231,384	231,384		
	f	All other program service revenue		196,871	196,871		
	g	Total. Add lines 2a-2f		90,184,151			
	Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,607,447		
4		Income from investment of tax-exempt bond proceeds . . .		0			
5		Royalties		0			
6a		(i) Real					
		(ii) Personal					
b		Less rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)					
7a		(i) Securities					
		(ii) Other					
b		Less cost or other basis and sales expenses		185,558			
c		Gain or (loss)		-185,558			
d		Net gain or (loss)		-185,558			-185,558
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18					
a							
b		Less direct expenses					
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						
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						
c	Net income or (loss) from sales of inventory . . .		0				
Miscellaneous Revenue		Business Code					
11a	MEANINGFUL USE - EHR	900099	2,080,812	2,080,812			
b	MANAGEMENT FEE SAMC	541610	126,169	126,169			
c							
d	All other revenue						
e	Total. Add lines 11a-11d		2,206,981				
12	Total revenue. See Instructions		94,073,903	92,308,577	0	1,504,444	

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	0			
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	1,418,429	0	1,418,429	
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	34,729,111	26,430,617	8,298,494	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	767,839	443,735	324,104	
9	Other employee benefits	5,303,195	3,394,462	1,908,733	
10	Payroll taxes	2,545,050	1,898,264	646,786	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	314,431	0	314,431	
c	Accounting	287,625	0	287,625	
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	13,425,574	8,853,207	4,572,367	
12	Advertising and promotion	448,906	0	448,906	
13	Office expenses	14,437,741	12,783,912	1,653,829	
14	Information technology	3,249,976	2,107,531	1,142,445	
15	Royalties	0			
16	Occupancy	1,391,227	958,787	432,440	
17	Travel	117,780	35,869	81,911	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	422,697	44,838	377,859	
20	Interest	1,753,009	1,402,407	350,602	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	5,415,621	3,192,718	2,222,903	
23	Insurance	-275,131	0	-275,131	
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	PROVISION FOR NOTE RECEIVABLE	1,182,056	1,182,056	0	
b	EQUIPMENT REPAIRS & MAINT	2,504,135	2,483,360	20,775	
c	MINOR EQUIPMENT & INSTRUMENTS	246,293	157,266	89,027	
d	BLDG REPAIRS & MAINT	184,372	110,624	73,748	
e					
f	All other expenses	491,494	65,924	425,570	
25	Total functional expenses. Add lines 1 through 24f	90,361,430	65,545,577	24,815,853	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			14,883,870	1	14,891,010
	2	Savings and temporary cash investments			0	2	0
	3	Pledges and grants receivable, net			0	3	0
	4	Accounts receivable, net			8,593,614	4	8,783,078
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			0	6	0
	7	Notes and loans receivable, net			0	7	0
	8	Inventories for sale or use			2,390,380	8	1,991,099
	9	Prepaid expenses and deferred charges			2,759,565	9	4,218,753
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	93,129,283			
	b	Less: accumulated depreciation	10b	55,986,949	34,802,744	10c	37,142,334
	11	Investments—publicly traded securities			48,915,289	11	46,207,199
	12	Investments—other securities. See Part IV, line 11			0	12	0
	13	Investments—program-related. See Part IV, line 11			82,535	13	0
	14	Intangible assets			0	14	0
	15	Other assets. See Part IV, line 11			1,711,850	15	2,102,423
	16	Total assets. Add lines 1 through 15 (must equal line 34)			114,139,847	16	115,335,896
Liabilities	17	Accounts payable and accrued expenses			4,205,335	17	4,666,366
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	0
	20	Tax-exempt bond liabilities			25,552,129	20	24,322,261
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			264,220	23	119,597
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			9,968,759	25	8,323,252
	26	Total liabilities. Add lines 17 through 25			39,990,443	26	37,431,476
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			74,101,315	27	77,860,577
	28	Temporarily restricted net assets			48,089	28	43,843
	29	Permanently restricted net assets			0	29	0
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			74,149,404	33	77,904,420
	34	Total liabilities and net assets/fund balances			114,139,847	34	115,335,896

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	94,073,903
2	Total expenses (must equal Part IX, column (A), line 25)	2	90,361,430
3	Revenue less expenses Subtract line 2 from line 1	3	3,712,473
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	74,149,404
5	Other changes in net assets or fund balances (explain in Schedule O)	5	42,543
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	77,904,420

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?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ 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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization SIERRA VISTA REGIONAL HEALTH CENTER INC	Employer identification number 86-0186064
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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?

(i)

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

(ii)

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

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

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

12

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

Section C. Computation of Public Support Percentage

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

14

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

15

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

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

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

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

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

Part IIIPart III

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

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

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

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

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

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

Facts And Circumstances Test

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization SIERRA VISTA REGIONAL HEALTH CENTER INC	Employer identification number 86-0186064
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Part I-A

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

1

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

2

Political expenditures ▶ \$

3

Volunteer hours

Part I-B

Complete if the organization is exempt under section 501(c)(3).

1

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

2

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

3

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

4a

Was a correction made? ☐ Yes ☐ No

b

If "Yes," describe in Part IV

Part I-C

Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1

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

2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt 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														
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ 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)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?	Yes		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?	Yes		
	e Publications, or published or broadcast statements?	Yes		
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		1,523
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		10,576
j	Total lines 1c through 1i			12,099
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B	LINE 1G - ACTIVITY CONSISTED OF DINNER IN PHOENIX AZ WITH STATE REPRESENTATIVES AND MEMBERS OF THE HOSPITAL STAFF AND TRUSTEES. THE PURPOSE OF THE MEETING WAS TO DISCUSS THE IMPACT OF STATE LEGISLATION UPON THE HOSPITAL. LINE 1I - THIS AMOUNT REPRESENTS THE PORTION OF AMERICAN HOSPITAL ASSOCIATION DUES THAT HAVE BEEN ALLOCATED TO LOBBYING ACTIVITIES.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2011

Open to Public Inspection

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

Attach to Form 990. See separate instructions.

Name of the organization
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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

3

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

4

Number of states where property subject to conservation easement is located

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

Yes

No

6

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

7

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

\$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

Yes

No

9

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

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

1a

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

b

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

(i)

Revenues included in Form 990, Part VIII, line 1

\$

(ii)

Assets included in Form 990, Part X

\$

2

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

a

Revenues included in Form 990, Part VIII, line 1

\$

b

Assets included in Form 990, Part X

\$

Part III

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

3

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

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

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

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

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

(i) unrelated organizations

(ii) related organizations

b

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

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,824,928		1,824,928
b Buildings		39,793,189	19,429,238	20,363,951
c Leasehold improvements		0	0	0
d Equipment		45,362,203	34,119,476	11,242,727
e Other		6,148,963	2,438,235	3,710,728
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				37,142,334

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
PART X, LINE 1	ASC 740 FOOTNOTE	THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012 DO NOT CONTAIN AN ASC 740 FOOTNOTE. MANAGEMENT HAS DETERMINED THAT THERE ARE NO UNCERTAIN TAX POSITIONS THAT REQUIRE ACCRUAL OR DISCLOSURE.

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
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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 ☐ Generally tailored to individual hospitals ☐ Applied uniformly to most hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100%☐ 150%☒ 200%☐ Other _____ % b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200%☐ 250%☐ 300%☐ 350%☐ 400%☒ Other 800. % c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	3a	Yes	
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 eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			1,419,437	0	1,419,437	1 570 %
b Medicaid (from Worksheet 3, column a)			14,099,265	11,479,681	2,619,584	2 900 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			2,973	2,241	732	0 %
d Total Charity Care and Means-Tested Government Programs			15,521,675	11,481,922	4,039,753	4 470 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			199,013	0	199,013	0 220 %
f Health professions education (from Worksheet 5)			1,776,886	797,085	979,801	1 080 %
g Subsidized health services (from Worksheet 6)			0	0	0	0 %
h Research (from Worksheet 7)			0	0	0	0 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)			70,285	2,175	68,110	0 080 %
j Total Other Benefits			2,046,184	799,260	1,246,924	1 380 %
k Total. Add lines 7d and 7j			17,567,859	12,281,182	5,286,677	5 850 %

Part IICommunity Building Activities

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

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support			20,592		20,592	0.020 %
4Environmental improvements						
5Leadership development and training for community members			22,500		22,500	0.020 %
6Coalition building						
7Community health improvement advocacy			49,076		49,076	0.050 %
8Workforce development			84,246		84,246	0.090 %
9Other						
10Total			176,414		176,414	0.180 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense	2	1,553,047	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3		
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	22,566,775
6Enter Medicare allowable costs of care relating to payments on line 5	6	25,950,809
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-3,384,034
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures (see instructions)

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

Section A. Hospital Facilities

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

Name and address

[illegible]

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

SIERRA VISTA REGIONAL HLTH CNTR

Name of Hospital Facility:_____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a ☐ 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)	1		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a ☐ Hospital facility's website b ☐ Available upon request from the hospital facility c ☐ Other (describe in Part VI)	5		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a ☐ 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? If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used	9	Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>800</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a ☒ 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)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a ☐ 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)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a ☒ 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? 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)	16	Yes	
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? If "No," indicate why	Yes	
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? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 4

Name and address		Type of Facility (Describe)
1	MOORMAN AVE OUTPATIENT SVCS 185 S MOORMAN AVE SIERRA VISTA, AZ 85635	LAB/INFUSION/HOSPICE
2	SIERRA VISTA REGIONAL HEALTH CENTER 151 COLONIA DE SALUD SIERRA VISTA, AZ 85635	OUT PATIENT SURGERY CENTER
3	SIERRA VISTA REGIONAL HEALTH CENTER 151 COLONIA DE SALUD SIERRA VISTA, AZ 85635	IMAGING CENTER
4	SIERRA VISTA REGIONAL HEALTH CENTER 2151 S HWY 92 SIERRA VISTA, AZ 85635	REHABILITATION SERVICES
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
PART I LINE 3C		1 PHILOSOPHY IN KEEPING WITH SIERRA VISTA REGIONAL HEALTH CENTERS VISION TO BE A LEADER IN IMPROVING THE COMMUNITY'S HEALTH CARE STATUS, IT IS CONSIDERED NOT ONLY NECESSARY BUT ALSO APPROPRIATE TO MAKE ADJUSTMENT TO PATIENT CARE CHARGES UNDER CERTAIN CIRCUMSTANCES IT IS NOT THE INTENT OF THIS POLICY TO RESTRICT THIS PRACTICE, BUT TO ESTABLISH CLEAR GUIDELINES BY WHICH TO ACCOMPLISH THE TASK 2 DEFINITIONS BECAUSE ADJUSTMENTS CAN OCCUR FOR SEVERAL REASONS, IT IS NECESSARY TO DEFINE CERTAIN TYPES OF ADJUSTMENTS A UNCOMPENSATED CARE UNCOMPENSATED CARE/CHARITY CARE IS DEFINED AS SERVICES PROVIDED TO PATIENTS WHO ARE UNABLE TO PAY BASED ON INCOME LEVEL, FINANCIAL ANALYSIS, DEMOGRAPHIC INDICATORS AND/OR FURTHER HEALTHCARE NEEDS BASED ON DIAGNOSIS OR CATASTROPHIC CIRCUMSTANCES B SELF - PAY DISCOUNT A PAYMENT ADJUSTMENT MAY OCCUR WHEN THE PATIENT AGREES TO MAKE IMMEDIATE OR PROMPT PAYMENT IN RETURN FOR A REDUCTION IN THE AMOUNT DUE C PROCESS ALL ADJUSTMENTS OF PATIENT CARE CHARGES REQUESTED SHALL BE APPROVED BY PERSONS DESIGNATED AS FOLLOWS - \$25,000 + CFO - \$5,000 TO \$24,999 DIRECTOR OF REVENUE MANAGEMENT - \$101 TO \$4,999 ASSISTANT MANAGER OF A/R - \$1 00 TO \$100 A/R STAFF - SELF PAY DISCOUNTS A SELF PAY DISCOUNT OF 50% WILL BE APPLIED AT THE TIME OF BILLING - SELF PAY PACKAGE PRICING SELF PAY PACKAGE PRICING IS NOT ELIGIBLE FOR THE 50% DISCOUNT AS THESE CHARGES ARE ALREADY DISCOUNTED IN THE PACKAGE PRICING METHODOLOGY D PLEASE NOTE ON SELF PAY AFTER INSURANCE, THERE IS NO DISCOUNT ON DEDUCTIBLES OR CO-PAYS AS THIS IS PART OF THE CONTRACTUAL RELATIONSHIP BETWEEN THE PAYER AND THE SUBSCRIBER ONLY COINSURANCE BALANCES ARE ELIGIBLE FOR DISCOUNTS E A COINSURANCE DISCOUNT OF 30% WILL BE APPLIED AT THE TIME OF BILLING F UNCOMPENSATED CARE - CHARITY CARE POLICY REQUEST FOR CHARITY CARE (FINANCIAL ASSISTANCE) FINANCIAL ASSISTANCE REQUEST MAY BE MADE BY THE PATIENT, OUTSIDE HEALTH CARE PROVIDERS, COMMUNITY OR RELIGIOUS GROUPS, SOCIAL SERVICES, FAMILY MEMBERS, AND SVRHC PERSONNEL THE FINANCIAL COUNSELOR WILL KEEP ON FILE (AND FOR REFERENCE) AN ANNUAL "POVERTY GUIDELINES" AS PUBLISHED BY THE FEDERAL REGISTRY 1 ELIGIBILITY CONSIDERATIONS FOR FINANCIAL ASSISTANCE - FINANCIAL ASSISTANCE IS SECONDARY TO ALL OTHER FINANCIAL RESOURCES AVAILABLE TO THE PATIENT INCLUDING INSURANCE, GOVERNMENT PROGRAMS, THIRD PARTY LIABILITY, AND PERSONAL ASSISTS - FULL FINANCIAL ASSISTANCE WILL BE PROVIDED TO A PATIENT/GUARANTOR WITH A GROSS FAMILY INCOME 100% OF THE FEDERAL POVERTY GUIDELINES DEPENDENT UPON THE ELIGIBILITY CRITERIA FOR THE AHCCCS PROGRAMS - MOST PROGRAMS AHCCCS ELIGIBILITY 100% FPL (FEDERAL POVERTY LEVEL) - A PATIENT/GUARANTOR WILL BE GIVEN PARTIAL FINANCIAL ASSISTANCE BASED ON HIS OR HER INCOME LEVEL UP TO 800% OF THE POVERTY GUIDELINES - COSMETIC AND OTHER SERVICES THAT ARE NOT MEDICALLY NECESSARY ARE NOT ELIGIBLE FOR FINANCIAL ASSISTANCE - OTHER CATASTROPHIC CIRCUMSTANCES MAY BE CONSIDERED IN THE CHARITY DECISION - AHCCCS ELIGIBILITY WITHIN 60 DAYS OF SERVICE WILL BE PROOF OF INDIGENCE - MEDICAL INDIGENCE -EVALUATE ADDITIONAL CIRCUMSTANCE - MEDICAL BILLS (COMBINED) GREATER THAN 1 YEAR TIMES ANNUAL INCOME - CATASTROPHIC EVENT/DIAGNOSIS - ASSET AVAILABILITY - PATIENTS/GUARANTORS WILL BE ASKED TO COMPLETE AN APPLICATION FOR ASSISTANCE AND PROVIDE PROOF OF INCOME SUCH AS EMPLOYER PAYMENTS STUBS, BANK STATEMENTS AND/OR TAX RETURN 2 DETERMINATION - PATIENTS/GUARANTORS WILL BE NOTIFIED OF FINANCIAL ASSISTANCE DETERMINATION BY PHONE OR IN WRITING - PATIENTS/GUARANTORS MAY APPEAL A FINANCIAL ASSISTANCE DETERMINATION BY PROVIDING ADDITIONAL INFORMATION SUCH AS INCOME VERIFICATION OR AN EXPLANATION OF EXTENUATING CIRCUMSTANCES TO THE FINANCIAL COUNSELOR FOR REVIEW - SVRHC'S DECISION TO PROVIDE FINANCIAL ASSISTANCE IN NO WAY AFFECTS THE PATIENTS/GUARANTOR FINANCIAL OBLIGATION TO THEIR PHYSICIAN OR OTHER HEALTH CARE PROVIDERS

Identifier	ReturnReference	Explanation
PART I LINE 6A		THE ORGANIZATION HAD A COMMUNITY BENEFIT REPORT PREPARED FOR THIS TAX YEAR IN APRIL OF 2012 BY HMS ASSOCIATES

Identifier	ReturnReference	Explanation
PART I LINE 7		COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE IS PRIMARILY THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H OTHER COSTS COME FROM OUR FY2012 COST REPORT

Identifier	ReturnReference	Explanation
PART II		COMMUNITY BUILDING ACTIVITIES SIERRA VISTA REGIONAL HEALTH CENTER'S MISSION REFLECTS THE PHILOSOPHY THAT WE WILL PROVIDE HEALTHCARE EDUCATION, RESOURCES, AND PROGRAMS TO CITIZENS WITHIN THE COMMUNITY IN ADDITION TO THOSE WHO ARE UNDERINSURED AND UNINSURED THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF TRADITIONAL CHARITY CARE, UNPAID PORTIONS OF AHCCCS , AND SUPPLIES OR STAFF TIME VOLUNTEERED ON BEHALF OF THE COMMUNITY THROUGH OUR WELLNESS DEPOT IN THE MALL AT SIERRA VISTA, OUR COMMUNITY BENEFIT COORDINATOR HAS IMPLEMENTED AND HOSTED APPROXIMATELY 142 DIFFERENT HEALTH AND WELLNESS RELATED PROGRAMS AND EVENTS FOR THE PUBLIC THE OVERWHELMING RESPONSE TO THESE OFTEN FREE EDUCATIONAL SYMPOSIUMS HAS BEEN NOTHING BUT POSITIVE IN SOME CASES, WE'VE EVEN SAVED LIVES BY RECOGNIZING HIGH BLOOD PRESSURE , SYMPTOMS OF HEART DISEASE, AND TEACHING THE POSITIVE EFFECTS OF A PLANT BASED DIET WE KNOW THAT OUR WELLNESS DEPOT HAS A VERY POSITIVE IMPACT WITHIN THE COMMUNITY BECAUSE WE HEAR TIME AND AGAIN HOW THANKFUL THE COMMUNITY IS FOR PROVIDING OUTREACH TO THOSE WHO MAY NOT HAVE REGULAR ACCESS TO HEALTHCARE THROUGH THE DEPOT, WE'VE TOUCHED ABOUT 37,000 LIVES WITHIN THE LAST THREE YEARS WHICH IS AN INCREDIBLE NUMBER OF PEOPLE WE ARE REACHING SIERRA VISTA REGIONAL HEALTH CENTER ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SERVICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS MANY OF THESE ACTIVITIES ARE SPONSORED WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE THE DEVELOPMENT AND VALUE OF THESE PROGRAMS IS BASED ON A COMMUNITY HEALTH CARE ASSESSMENT PERFORMED BY AN INDEPENDENT COMPANY ONGOING COMMUNITY OUTREACH PROGRAMS ADULT HEARING LOSS SUPPORT GROUP ADVANCED DIRECTIVES ALZHEIMER EDUCATIONAL CLASSES ANIMAL THERAPY ARTHRITIS PROGRAMS ARTHRITIS SELF-HELP CLASSES BETTER BREATHERS CLUB BLOOD PRESSURE CHECKS BODY MASS INDEX BREASTFEEDING SUPPORT CARDIAC & PULMONARY REHABILITATION CHAIR ZUMBA CHOLESTEROL EDUCATION KNOW WHAT YOUR NUMBERS MEAN COMPRESSION ONLY CPR CONGESTIVE HEART FAILURE CLASSES DIABETES EDUCATION ESSENTIAL OILS EDUCATION FLU PRECAUTION PROGRAMS FLU VACCINE CLINICS FOOD DRIVES HEALTHY LIFESTYLE CHOICES HELP WITH MEDICARE HOSPICE BEREAVEMENT GROUP SCHOOL & KIDS SPORTS TEAMS 1ST AID KITS KIDNEY SMART KIDGONG LIVING WILLS MALL WALKERS PROGRAM MATH & SCIENCE EXPERIENCE AT COCHISE COLLEGE MUSIC THERAPY NUTRITION CLASSES FOR CHILDREN OSTOMY GROUP PARISH NURSE PROGRAM PET AND MUSIC THERAPY FOR PATIENTS PERINATAL GRIEF SUPPORT POSTPARTUM DEPRESSION INFORMATION PRENATAL CLASSES PULMONARY REHABILITATION PULSE OXYGEN TESTS SHINGLES AWARENESS TAI CHI SENIOR NUTRITION CLASS SERIES SPEAKERS BUREAU STROKE/BRAIN INJURY SUPPORT GROUP SUN SAFETY TELECARE HOME BOUND VICAP SPACE AND SUPPLIES VIRTUAL TOUR KITS FOR ALL SCHOOLS WEIGHT MANAGEMENT PROGRAM WELLNESS DEPOT ZUMBA GOLD FOR SENIORS SPECIAL COMMUNITY OUTREACH PROGRAMS A BUYERS GUIDE TO HOME HEALTHCARE A MATTER OF BALANCE ATRIAL FIBRILLATION BATE EDUCATION BRAIN INJURY BREAST CANCER AWARENESS CHRONIC DISEASE MANAGEMENT CHRONIC SINUSITIS SUFFERS COLORECTAL CANCER AWARENESS DIGITAL MAMMOGRAPHY EDUCATION DOMESTIC VIOLENCE INFORMATION BUCKETLIST END OF LIFE DECISIONS EPILEPSY 101 FALL INTO STEP GLUTEN FREE DIET HEALTH FAIRS HEALTHY LIFESTYLE CHOICES HEART HEALTH HEART SAVING CT SCANNING EDUCATION HPV WHAT EVERY WOMAN SHOULD KNOW IMMUNIZATION INFORMATION LIVING VEGAN/MEATLESS MONDAY MAMMOGRAPHY EDUCATION MEDICAL IDENTITY THEFT MEDITATION MIND & BODY MEDITERRANEAN COOKING MENTAL HEALTH MRSA AWARENESS MRSA FOR PARENTS MULTIPLE SCLEROSIS EDUCATION OSTEOPOROSIS EDUCATIONS PEACEFUL DYING HOSPICE MONTH PROPER FITTING FOOTWEAR FOR SUMMER PREVENTION, STABILIZATION & REVERSAL OF CAD THROUGH A PLANT BASED DIET RADICAL SELF CARE FOR THE MODERN WOMAN REVERSAL OF DIABETES STRENGTH TRAINING FOR THE OLDER ADULT STRESS ON YOUR HEART STRESS MANAGEMENT STRESS RELIEF FOR THE HOLIDAYS SUGAR BLUES SURVIVAL STRATEGIES FOR THE HOLIDAYS SURVIVING THE HOLIDAYS WITH HUMOR THE GLUTEN CONNECTION THE "GUT" CONNECTION VENOMOUS REPTILES EDUCATION WHITE POISONS WOMEN & HEART DISEASE WOMEN & A PLANT BASED DIET EDUCATION SIERRA VISTA REGIONAL HEALTH CENTER, THE LARGEST NONPROFIT MEDICAL CENTER IN SOUTHEASTERN ARIZONA, OFFERS EXTENSIVE GRADUATE MEDICAL EDUCATION AND A RESOURCE MENTOR PROGRAM FOR NURSES, PHYSICIANS, AND OTHER HEALTHCARE PROFESSIONALS EDUCATIONAL OFFERINGS INCLUDE - SVRHC IS HOME TO THE ONLY COUNTY-WIDE INTERNAL MEDICINE & FAMILY RESIDENCY PROGRAMS - SVRHC PROVIDES TRAINING AT THE HOSPITAL TO NURSES FROM COCHISE COLLEGE - SVRHC HOSTS NURSING, REHABILITATION, PHARMACY, LABORATORY, DIAGNOSTIC IMAGING STUDENTS - SVRHC PROVIDES HOUSING AND MEALS TO MEDICAL STUDENTS AND RESIDENTS - THE SUMMER VOLUNTEER PROGRAM PROVIDES REAL WORLD JOB EXPERIENCE AND MENTORING FOR STUDENTS INTERESTED IN PURSUING HEALTHCARE CAREERS COMMUNITY EVENTS THE HOSPITAL SPONSORS ORGANIZATIONS AND EVENTS IN THE COMMUNITY WHICH PROMOTE HEALTHY LIFESTYLES AND/OR DISEASE PREVENTION/IN

Identifier	ReturnReference	Explanation
PART II		FORMATION SOME OF THESE INCLUDE AMERICAN CANCER SOCIETY AMERICAN RED CROSS BLOOD DRIVE V ISTABILITY FAIR FORGACH HOUSE (BATTERED WOMEN/CHILDREN) GOOD NEIGHBOR ALLIANCE (MEN'S SHEL TER) UNITED WAY MARCH OF DIMES JUST KIDS, INC (CLOTHING PROGRAM)SIERRA VISTA OPEN HIGH SCH OOL SCHOLARSHIPS COLLEGE SCHOLARSHIPS SENIOR EXPO FT HUACHUCA HEALTH DAY (2/YR) CHAMBER BACK TO SCHOOL EVENT CHAMBER BUSINESS EXPO CHAMBER HEALTH DAY SCHOOL CAREER DAYS MOUNTAIN E MPIRE ROTARY SACA AMERICAN RED CROSS FIREFIGHTER'S TOY DRIVE VICAP SIERRA VISTA AND TOMBST ONE - PROJECT GRADUATION (DRUG/ALCOHOL FREE EVENING FOR GRADUATING SENIORS) CARONDELET HEA LTH FOUNDATION ARTHRITIS FOUNDATION COMFORT ZONE (FREE BLOOD PRESSURE CHECKS) MINISTRY FAI R (FREE BLOOD PRESSURE CHECKS) LOWE'S HEALTH & SAFETY FAIR FEEDBACK SIERRA VISTA REGIONAL HEALTH CENTER PROVIDES MANY OPPORTUNITIES FOR COMMUNITY MEMBERS TO PROVIDE US FEEDBACK ON THE PROGRAMS AND SERVICES DELIVERED BY THE HOSPITAL THESE PROGRAMS INCLUDE SVRHC AUXILIA RY SVRHC FOUNDATION FACILITY TOURS FOCUS GROUPS VOLUNTEER SERVICES COMMUNITY BREAKFASTS PR ESS GANEY SURVEYS SUGGESTION BOXES LOCAL PHYSICIAN OFFICES COMMUNITY ASSESSMENTS WEB SITE CLERGY BREAKFASTS ANNUAL REPORT PASTORAL BREAKFASTS FACEBOOK HEALTH BEAT COMMUNICATION STA TISTICS 1 COMMUNITY SPEAKERS 3,542 2 ATTENDANCE AT SPEAKING ENGAGEMENTS 5,120 3 SUPPORT GROUPS/CLASSES 2,100 4 COMMUNITY FEEDBACK OVER 3,500 5 WEB SITE HITS 3 7 MILLION 6 WEL LNESS DEPOT ANNUAL RENTAL SPACE \$ 49,076 7 COMMUNITY BENEFIT STAFF AND BENEFIT COST \$ 84,246 8 ANNUAL VISITORS TO DEPOT 13,000 10 DIRECT MAIL OF HEALTH BEAT 52,000 12 TIMES PER YEAR 11 AMBULANCE SUPPLIES \$ 16,532 12 VICAP SPACE & UTILITIES \$ 4,060 13 SCHOLARSHIP C OST \$ 22,500 HIGH SCHOOL AND COLLEGE

Identifier	ReturnReference	Explanation
PART III LINE 4		THE BAD DEBT EXPENSE (AT COST) WAS CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H THE BAD DEBT EXPENSE IS RECORDED ON THE FINANCIALS AT GROSS CHARGES EVERY EFFORT IS MADE TO IDENTIFY CHARITY PATIENTS AT THE POINT OF SERVICE SO NONE OF THE PATIENTS WRITTEN OFF TO BAD DEBT SHOULD HAVE BEEN ELIGIBLE FOR CHARITY CARE IT IS POSSIBLE THAT SOME PATIENTS REFUSED TO COMPLETE THE CHARITY APPLICATION SO THAT NEED COULD NOT BE DETERMINED

Identifier	ReturnReference	Explanation
PART III LINE 8		MEDICARE ALLOWABLE COSTS WERE CALCULATED USING THE COST TO CHARGE RATIO CALCULATED IN WORKSHEET 2 OF SCHEDULE H EXPENSE FOR HEALTH PROFESSIONAL EDUCATION WAS THEN EXCLUDED FROM RESULTING COST THE ENTIRE SHORTFALL CALCULATED SHOULD BE ATTRIBUTABLE TO COMMUNITY BENEFIT, SINCE THERE ARE NO OTHER HOSPITALS IN THE AREA THAT COULD PROVIDE CARE FOR THESE PATIENTS

Identifier	ReturnReference	Explanation
PART III LINE 9B	BAD DEBT REVIEW	- HEALTH CARE OUT SOURCING NETWORK (HON) WILL PROVIDE A LISTING WEEKLY OF ACCOUNTS FOR POSSIBLE APPROVAL FOR BAD DEBT PROCESSING - ALL ACCOUNTS WILL HAVE BEEN IN SELF PAY COLLECTIONS FOR 120 DAYS PRIOR TO ASSIGNMENT - ALL ACCOUNTS WILL BE SCREENED TO ENSURE THAT THE CO-PAY AND OR DEDUCTIBLE AMOUNT IS CORRECT - ALL ACCOUNTS WILL BE SCREENED PRIOR TO BAD DEBT PLACEMENT FOR POSSIBLE PAYMENTS, OTHER THIRD PARTY INSURANCE AND OR OTHER AGENCY - A LISTING OF ANY ACCOUNTS TO BE PULLED FROM COLLECTIONS WILL BE PROVIDED BACK TO HON FOR FURTHER WORK UP

Identifier	ReturnReference	Explanation
PART V LINE 18D		PURPOSE THE EMERGENCY MEDICAL TREATMENT AND LABOR ACT (EMTALA) IMPOSES REQUIREMENTS ON HOSPITALS THAT PARTICIPATE IN THE MEDICARE PROGRAM. THESE OBLIGATIONS INCLUDE A REQUIREMENT THAT A HOSPITAL WITH A DEDICATED EMERGENCY DEPARTMENT (DED) PROVIDE A MEDICAL SCREENING EXAMINATION TO PERSONS REQUESTING OR REQUIRING SUCH SERVICES, A REQUIREMENT THAT HOSPITALS PROVIDE STABILIZING TREATMENT OR APPROPRIATE TRANSFER TO PERSONS WITH EMERGENCY MEDICAL CONDITIONS, A REQUIREMENT THAT HOSPITALS WITH SPECIALIZED CAPABILITIES ACCEPT CERTAIN TRANSFERS, AND VARIOUS NOTICE, RECORDKEEPING, REPORTING, AND ON-CALL PHYSICIAN REQUIREMENTS. THE PURPOSE OF EMTALA IS TO PREVENT HOSPITALS FROM "DUMPING" PERSONS WHO ARE UNABLE TO PAY FOR THEIR TREATMENT, EITHER BY REFUSING TO PROVIDE EMERGENCY MEDICAL SERVICES OR BY INAPPROPRIATELY TRANSFERRING OR DISCHARGING THESE PERSONS FOR FINANCIAL REASONS. ALL HOSPITALS WITH A DED MUST COMPLY WITH ALL OF THE EMTALA REQUIREMENTS. POLICY A: MEDICAL SCREENING EXAMINATION (MSE) 1. SVRHC PROVIDES EMERGENCY SERVICES AND MUST PROVIDE A MEDICAL SCREENING EXAMINATION TO ANYONE WHO COMES TO SVRHC OR THE SVRHC'S DEDICATED EMERGENCY DEPARTMENT AND REQUESTS (OR ON WHOSE BEHALF A REQUEST IS MADE) SUCH AN EXAMINATION OR TREATMENT. THE REQUEST MAY BE EXPRESSED OR IMPLIED. THIS INCLUDES PATIENTS WHO PRESENT TO THE SVRHC'S DED OR A PERSON WHO MAY HAVE FAILED TO ACTUALLY ENTER THE DED BUT IS ON SVRHC CAMPUS. IN THE ABSENCE OF A REQUEST FOR EXAM OR TREATMENT, A REQUEST WILL BE CONSIDERED TO EXIST IF A PRUDENT LAY PERSON OBSERVER WOULD BELIEVE, BASED ON THE PERSON'S APPEARANCE OR BEHAVIOR, THAT THE PERSON NEEDS EMERGENCY TREATMENT OR EXAM. A. THE PURPOSE OF THE MEDICAL SCREENING EXAMINATION IS TO DETERMINE WHETHER OR NOT THE PERSON HAS AN EMERGENCY MEDICAL CONDITION. AN EMERGENCY MEDICAL CONDITION IS (1) A MEDICAL CONDITION MANIFESTING ITSELF BY ACUTE SYMPTOMS OF SUFFICIENT SEVERITY (INCLUDING SEVERE PAIN, PSYCHIATRIC DISTURBANCES, AND/OR SYMPTOMS OF SUBSTANCE ABUSE) SUCH THAT THE ABSENCE OF IMMEDIATE MEDICAL ATTENTION COULD REASONABLY BE EXPECTED TO RESULT IN THE FOLLOWING: (A) PLACING THE HEALTH OF THE PERSON (OR, WITH RESPECT TO A PREGNANT WOMAN, THE HEALTH OF THE WOMAN OR HER UNBORN CHILD) IN SERIOUS JEOPARDY, (B) SERIOUS IMPAIRMENT TO BODILY FUNCTIONS, OR (C) SERIOUS DYSFUNCTION OF ANY BODILY ORGAN OR PART, OR WITH RESPECT TO A PREGNANT WOMAN WHO IS HAVING CONTRACTIONS; (D) THERE IS INADEQUATE TIME TO EFFECT A SAFE TRANSFER TO ANOTHER HOSPITAL BEFORE DELIVERY, OR (E) A TRANSFER POSING A THREAT TO THE HEALTH OR SAFETY OF THE WOMAN OR THE UNBORN CHILD. THE MEDICAL SCREENING EXAMINATION AND THE DETERMINATION OF WHETHER THE PERSON HAS AN EMERGENCY MEDICAL CONDITION MUST BE PROVIDED BY QUALIFIED MEDICAL PERSONNEL DESIGNATED BY SVRHC IN ITS BYLAWS, RULES AND REGULATIONS, OR OTHER POLICIES OR PROCEDURES APPROVED BY SVRHC'S GOVERNING BOARD. QUALIFIED MEDICAL PERSONNEL TYPICALLY INCLUDE PHYSICIANS, PHYSICIAN ASSISTANTS, NURSE PRACTITIONERS, MIDWIVES, AND NURSES AND OTHER NON-PHYSICIAN PERSONNEL WITH SPECIALIZED COMPETENCIES CONSISTENT WITH THEIR SCOPE OF PRACTICE. B. SVRHC MAY NOT DELAY MSE OR STABILIZING TREATMENT TO INQUIRE ABOUT PATIENT'S INSURANCE STATUS. C. REFER TO EMTALA GUIDELINES FOR SPECIAL CONDITIONS REGARDING LAW ENFORCEMENT REQUESTS, PREGNANT WOMEN, AND BEHAVIORAL HEALTH PATIENTS. B. NECESSARY STABILIZING TREATMENT 1. IF SVRHC'S QUALIFIED MEDICAL PERSON HAS DETERMINED THAT THE PERSON HAS AN EMERGENCY MEDICAL CONDITION, SVRHC MUST PROVIDE FURTHER MEDICAL EXAMINATION AND TREATMENT NECESSARY TO STABILIZE THE EMERGENCY MEDICAL CONDITION, OR TRANSFER THE PERSON SUBJECT TO THE TRANSFER REQUIREMENTS. A. A PERSON WITH AN EMERGENCY MEDICAL CONDITION IS STABILIZED WHEN NO MEDICAL DETERIORATION OF THE CONDITION IS LIKELY, WITHIN REASONABLE MEDICAL PROBABILITY, TO RESULT FROM OR OCCUR DURING THE TRANSFER OF THE PERSON FROM A FACILITY OR, WITH RESPECT TO A WOMAN HAVING CONTRACTIONS WHO HAS AN EMERGENCY MEDICAL CONDITION, THE WOMAN HAS DELIVERED THE CHILD AND THE PLACENTA. TO BE CONSIDERED STABILIZED, CMS HAS STATED THAT THE EMERGENCY MEDICAL CONDITION MUST BE "RESOLVED," BUT THE UNDERLYING MEDICAL CONDITION MAY STILL PERSIST. C. TRANSFER 1. THE PERSON OR PERSON'S LEGAL REPRESENTATIVE MAKES A WRITTEN REQUEST FOR TRANSFER AFTER HAVING BEEN INFORMED OF SVRHC'S OBLIGATION TO PROVIDE AN EXAMINATION AND STABILIZING TREATMENT, AND HAS BEEN INFORMED OF THE RISKS OF TRANSFER (THE WRITTEN REQUEST FORM MUST STATE THE REASONS FOR THE PERSON'S REQUEST, OR A PHYSICIAN CERTIFIES IN WRITING THAT THE BENEFITS REASONABLY EXPECTED FROM TREATMENT AT ANOTHER FACILITY OUTWEIGH THE INCREASED RISKS TO THE PERSON (OR A PREGNANT WOMAN'S UNBORN CHILD) FROM THE TRANSFER AND THE PERSON OR HIS OR HER REPRESENTATIVE CONSENTS IN WRITING TO THE TRANSFER. IF A PHYSICIAN IS NOT PRESENT IN THE EMERGENCY DEPARTMENT AT THE TIME OF THE TRANSFER, THE QUALIFIED MEDICAL PERSON MAY SIGN THE CERTIFICATION IF A PHYSICIAN CONSULTING WITH THE QUALIFIED MEDICAL PERSON

Identifier	ReturnReference	Explanation
PART V LINE 18D		ON HAS MADE THE DETERMINATION THAT THE BENEFITS OF THE TRANSFER OUTWEIGH THE RISKS, AND TH E PHYSICIAN LATER COUNTERSIGNS THE CERTIFICATION D DUTY TO REPORT QUESTIONABLE TRANSFERS 1 SVRHC IS REQUIRED TO REPORT TO CMS OR THE STATE SURVEY AGENCY ANY TIME IT HAS REASON T O BELIEVE THAT IT MAY HAVE RECEIVED A TRANSFER FROM ANOTHER HOSPITAL IN VIOLATION OF EMTAL A REPORTS MAY BE VERBAL OR IN WRITING AND SHOULD INCLUDE THE FOLLOWING INFORMATION A PA TIENT NAME, B DATE AND TIME OF SERVICE, C DESCRIPTION OF THE INCIDENT, AND D NAMES OF A NY WITNESSES, IF APPLICABLE E EMTALA SIGNAGE 1 SVRHC MUST CONSPICUOUSLY POST SIGNS IN T HEIR EMERGENCY DEPARTMENT(S) AND OTHER PLACES LIKELY TO BE NOTICED BY ALL PERSONS WAITING FOR EMERGENCY EXAMINATION AND TREATMENT (E G , THE ENTRANCE, ADMITTING AREA, WAITING ROOMS , AND TREATMENT AREAS) THAT EXPLAINS THE RIGHTS OF PERSONS TO EMERGENCY EXAMINATION AND TR EATMENT FOR EMERGENCY MEDICAL CONDITIONS UNDER EMTALA F CENTRAL LOG 1 SVRHC MUST MAINTA IN A CENTRAL LOG THAT LISTS EACH WHO COMES TO SVRHC'S EMERGENCY DEPARTMENT(S) SEEKING ASSI STANCE FOR A MEDICAL CONDITION THE CENTRAL LOG MUST CONTAIN THE FOLLOWING INFORMATION A THE NAME OF THE PERSON WHO CAME TO THE DED SEEKING EXAMINATION OR TREATMENT FOR A MEDICAL CONDITION, AND B THE PERSON'S DISPOSITION, SPECIFICALLY WHETHER (1) THE PERSON REFUSED TREATMENT, (2) SVRHC REFUSED TO EXAMINE OR TREAT THE PERSON (WHICH WOULD LIKELY CONSTITUTE AND EMTALA VIOLATION, (3) THE PERSON WAS TRANSFERRED, (4) THE PERSON WAS ADMITTED AND TRE ATED, (5) THE PERSON WAS STABILIZED AND TRANSFERRED, OR (6) THE PERSON WAS DISCHARGED G ON-CALL PHYSICIAN LIST 1 SVRHC MUST MAINTAIN A LIST OF PHYSICIANS ON-CALL TO PROVIDE STAB ILIZING TREATMENT TO PERSONS WITH EMERGENCY MEDICAL CONDITIONS THE EMTALA REGULATIONS REQ UIRE SVRHC TO MAINTAIN ITS ON-CALL LIST IN ACCORDANCE WITH THE RESOURCES AVAILABLE TO SVRH C, INCLUDING THE AVAILABILITY OF ON-CALL PHYSICIANS 2 ON-CALL PHYSICIAN REQUIREMENTS A THE DESIGNATED ON-CALL PHYSICIAN MAY RESPOND TO THE CALL TELEPHONICALLY OR IN PERSON, DEPE NDING ON THE NEEDS OF THE PATIENT AS DETERMINED BY THE PHYSICIAN OR QUALIFIED MEDICAL PERS ON ATTENDING THE PATIENT THE EMTALA INTERPRETIVE GUIDELINES STATE THAT THE PERSON WHO ATT ENDS TO THE PATIENT DETERMINES WHETHER THE PRESENCE OF THE ON-CALL PHYSICIAN IF REQUIRED IF THE PHYSICIAN OR QUALIFIED MEDICAL PERSON REQUIRES THE ON-CALL PHYSICIAN'S PRESENCE, TH EN THE ON-CALL PHYSICIAN MUST COME TO THE HOSPITAL B IF THE ON-CALL PHYSICIAN IS UNABLE IS UNABLE TO RESPOND TO THE CALL DUE TO CIRCUMSTANCES BEYOND HIS OR HER CONTROL (E G , IN SURGERY AT ANOTHER HOSPITAL), THE ON-CALL PHYSICIAN SHOULD NOTIFY THE PERSON ATTENDING TO THE PATIENT THAT THE PHYSICIAN IS UNABLE TO RESPOND AND THE REASONS WHY THE PHYSICIAN SHO UL D EITHER PERSONALLY DOCUMENT, OR ENSURE THAT THE ATTENDING PHYSICIAN OR QUALIFIED MEDICA L PERSON DOCUMENTS, THE REASONS THAT THE PHYSICIAN COULD NOT RESPOND TO CALL IN THE MEDICA L RECORD CMS DOES NOT VIEW "A FULL OFFICE" AS A VALID REASON FOR REFUSING TO RESPOND TO C ALL C IF THE ON-CALL PHYSICIAN CONTENTS THAT HE OR SHE IS NOT QUALIFIED TO TREAT A PATIE NT, THEN THE EMERGENCY DEPARTMENT PHYSICIAN OR QUALIFIED MEDICAL PERSON MAY STILL REQUEST THE PHYSICIAN'S PRESENCE IN THE EMERGENCY DEPARTMENT, EVEN IF THE ON-CALL PHYSICIAN WILL O NLY BE ABLE TO HELP MANAGE THE PATIENT'S TRANSFER D THE ON-CALL PHYSICIAN MAY DELEGATE H IS OR HER EVALUATION AND STABILIZATION DUTIES TO A NURSE PRACTITIONER OR PHYSICIAN ASSISTA NT UNDER THE PHYSICIAN'S SUPERVISION, BUT ONLY IF (1) THE ON-CALL PHYSICIAN MAKES A DETER MINATION ON A CASE-BY-CASE BASIS THAT THE NON-PHYSICIAN PRACTITIONER IS CAPABLE OF PROVIDI NG THE NECESSARY CARE, CONSISTENT WITH THE PATIENT'S NEEDS, (2) THE PATIENT'S CARE NEEDS A RE WITHIN THE SCOPE OF THE NON-PHYSICIAN PRACTITIONER'S PRACTICE, IN ACCORDANCE WITH STATE LAW, AND (3) SVRHC'S POLICIES AND PROCEDURES PERMIT THIS PRACTICE IF THE TREATING PHYSIC IAN DISAGREES WITH THE ON-CALL PHYSICIAN

Identifier	ReturnReference	Explanation
PART V LINE 19D	DETERMINATION OF MAXIMUM CHARGES FOR FAP-ELIGIBLE INDIVIDUAL	SELF-PAY PATIENTS ARE TYPICALLY DISCOUNTED 50% THEY CAN QUALIFY FOR ADDITIONAL DISCOUNTS BASED ON THEIR INCOME THIS IS DONE ON A CASE BY CASE BASIS

Identifier	ReturnReference	Explanation
PART VI, LINE 2	NEEDS ASSESSMENT	A COMMUNITY HEALTH ASSESSMENT WAS PERFORMED BY HMS ASSOCIATES, A NATIONAL COMPANY FOR SIERRA VISTA REGIONAL HEALTH CENTER IN JULY, 2007 THE COMPANY CONDUCTED THE SURVEY UTILIZING THREE TYPES OF INFORMATION A STATISTICS ON DEATHS, BIRTHS, SERVICE USE B COMMUNITY SURVEYS C OPINIONS OF KEY ORGANIZATIONS THE ASSESSMENT COVERED ALL OF THE HOSPITAL'S SERVICE AREAS WITHIN THE COUNTY AND KEY EFFORTS INCLUDED DURING THE ANALYSIS WERE GATHERING DATA, ASSIGNING DATA TO HEALTHY PEOPLE PROGRAM CATEGORIES, COMPARING DATA TO BENCHMARKS, ANALYZING DATA AND SELECTING PRIORITIES, AND SUMMARIZING FINDINGS THE ASSESSMENT WAS THE FOUNDATION FOR SVRHC'S COMMUNITY BENEFIT PLAN WHICH INCLUDES ACTIVITIES AND PROGRAMS TO IMPROVE THE COMMUNITY HEALTH OF OUR CITIZENS

Identifier	ReturnReference	Explanation
PART VI, LINE 3	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SIERRA VISTA REGIONAL HEALTH CENTER INFORMS AND EDUCATES OUR PATIENTS AND COMMUNITY MEMBERS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, AND LOCAL GOVERNMENT PROGRAMS AND UNDER THE HOSPITAL'S CHARITY CARE POLICY IN THE FOLLOWING WAYS A INFORMATION ON ELIGIBILITY ASSISTANCE IS PROVIDED ON THE WEBSITE, AT THE HOSPITAL'S WELLNESS DEPOT, AND IN PAMPHLETS B EACH PATIENT IS VISITED BY AN ELIGIBILITY SPECIALIST TO DISCUSS ONE-ON-ONE ELIGIBILITY ASSISTANCE C THERE ARE POSTED SIGNS WITHIN THE HOSPITAL NOTIFYING PATIENTS/COMMUNITY MEMBERS ON ASSISTANCE D FOR PATIENTS UNABLE TO INTERACT WITH AN ELIGIBILITY SPECIALIST AT THE TIME OF ARRIVAL THROUGH THE EMERGENCY ROOM, THE DEMOGRAPHICS AND INFORMATION SHEET IS VIEWED BY THE SPECIALIST AND CONTACT IS MADE WITH EACH ONE TO DISCUSS ELIGIBILITY E THERE IS A STATEMENT ON EACH BILL SENT TO ALL PATIENTS ABOUT ELIGIBILITY ASSISTANCE

Identifier	ReturnReference	Explanation
PART VI, LINE 4	COMMUNITY INFORMATION	THE HOSPITAL UTILIZED THE DEMOGRAPHIC INFORMATION PROVIDED BY THE ASSESSMENT ON THE POPULATIONS OF THE CITIES WITHIN COCHISE COUNTY AND INFUSED THESE FINDINGS INTO OUR PLAN WE LOOKED AT THE POPULATION SIZE AND DENSITY, DISTRIBUTION, AND VITAL STATISTICS OF EACH CITY COUPLED WITH THE HEALTH NEED FINDINGS TO ESTABLISH EDUCATION AND PROGRAMS FOR THE POPULACE SOME OF THE DEMOGRAPHIC INFLUENCES UNIQUE TO OUR SERVICE AREA INCLUDE THE FOLLOWING A DUE TO ANTICIPATED POPULATION GROWTH, THE NEED FOR SERVICES WILL GROW BY 50% OVER THE NEXT 20 YEARS B THE POPULACE OF 50+ YEARS IS PROJECTED TO GROW BY 54% OVER THE NEXT 20 YEARS C RETIREE GROWTH IS ALSO PROJECTED TO GROW BY 18% OVER THE NEXT 20 YEARS D POPULATIONS DENSITY VARIES (FROM 500 TO 65,000) DUE TO MOST OF OUR SERVICE AREA BEING RURAL E ALL OF OUR SERVICE AREA HAS CULTURAL SENSITIVITY CHARACTERISTICS F THE POPULACE HAS SPECIAL POPULATIONS WITHIN OF GROUP HOMES, ARMED FORCES, CIVILIAN VETERANS (TWO AGE GROUPS - 18 TO 64 AND OVER 64) G DEMOGRAPHICS SHOW HIGH HEALTH RISK BEHAVIOR LEVELS, POOR HEALTH STATUS, AND CONSIDERABLE CONCERN BY COMMUNITY LEADERS AND KEY HEALTH CARE PROVIDERS WITHIN THE COUNTY H ACCESS TO CARE WAS A MAJOR CONCERN IDENTIFIED FOR THE COUNTY I THE COUNTY RELIES ON THE EMERGENCY ROOM FOR CARE MORE THAN ANY OTHER COUNTY IN THE STATE

Identifier	ReturnReference	Explanation
PART VI, LINE 5	PROMOTION OF COMMUNITY HEALTH	SEE NARRATIVE FOR SCHEDULE H, PART II

Identifier	ReturnReference	Explanation
PART VI, LINE 6	AFFILATED HEALTH CARE SYSTEM	THE HOSPITAL WAS NOT PART OF AN AFFILIATED HEALTH SYSTEM

Identifier	ReturnReference	Explanation
PART VI, LINE 7	STATE FILING OF COMMUNITY BENEFIT REPORT	THERE ARE NO STATES IN WHICH THE ORGANIZATION FILES A COMMUNITY BENEFIT REPORT

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
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 ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ 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? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	No
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	5a	No
b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5b	No
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? If "Yes," to line 6a or 6b, describe in Part III	6b	No
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARGARET HEPBURN - SVRH	(i) (ii)	292,395 0	135,607 0	8,664 0	30,522 0	17,950 0	485,138 0	 0
(2) MARGARET HEPBURN - CHN	(i) (ii)	119,376 0	0 0	10,838 0	0 0	0 0	130,214 0	 0
(3) BRUCE NORTON	(i) (ii)	216,944 0	74,291 0	3,804 0	29,593 0	23,376 0	348,008 0	 0
(4) MARIE WURTH	(i) (ii)	156,668 0	50,082 0	2,058 0	0 0	20,722 0	229,530 0	 0
(5) REBECCA MCCALMONT	(i) (ii)	140,712 0	47,671 0	2,118 0	16,332 0	21,069 0	227,902 0	 0

Part III **Supplemental Information**

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

Identifier	Return Reference	Explanation
SCHEDULE J, PART II	ADDITIONAL COMPENSATION INFORMATION	ON APRIL 17, 2010 SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) ENTERED INTO AN AFFILIATION AGREEMENT WITH THE CARONDELET HEALTH NETWORK (CHN). AS A RESULT OF THAT AGREEMENT, THE EMPLOYMENT OF MS HEPBURN, CEO, WAS TERMINATED. SHE WAS PAID BY SVRHC ACCORDING TO THE TERMS OF HER EMPLOYMENT CONTRACT. BEGINNING APRIL 17, 2010, MS HEPBURN BECAME EMPLOYED BY THE CHN. SHE WAS ASSIGNED BY CHN TO SERVE AS THE CEO OF SVRHC FOR THE PURPOSE OF CARRYING OUT THE GOALS AND OBJECTIVES OF THE AFFILIATION AGREEMENT. UNDER THE AGREEMENT, SVRHC REIMBURSED THE CHN FOR THOSE SERVICES BEGINNING APRIL 17, 2010. SVRHC TERMINATED ITS AFFILIATION AGREEMENT WITH CHN IN APRIL 2011. AS A RESULT, MS HEPBURN, CEO, THEN BECAME AN EMPLOYEE OF SVRHC. IN ORDER TO MORE CLEARLY REFLECT HER 2011 COMPENSATION FROM EACH ORGANIZATION, TWO LINES OF DISCLOSURE HAVE BEEN PRESENTED ON THE FORM 990, PART VII AND SCHEDULE J, PART II.
SCHEDULE J, PART I, LINE 4B	ADDITIONAL COMPENSATION INFORMATION	MARGARET HEPBURN, BRUCE NORTON, MARIE WURTH AND REBECCA MCCALMONT ALL PARTICIPATE IN A SERP PLAN.
SCHEDULE J, PART I, LINE 7	BONUS PROGRAM	THE EXECUTIVE TEAM, WHICH CONSISTS OF THE CEO, CFO, VICE PRESIDENTS, DIRECTORS, AND MANAGERS, ARE ELIGIBLE FOR PARTICIPATION IN THE BONUS PROGRAM. THE AMOUNT OF BONUS IS DETERMINED BY A BONUS MATRIX, ONE OF THE COMPONENTS OF WHICH IS AN EARNINGS TRIGGER. NONE OF THE BONUS MATRIX IS DISCRETIONARY OR NON-FIXED, THEREFORE, THIS QUESTION IS ANSWERED NO.

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.	OMB No 1545-0047
		2011
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization SIERRA VISTA REGIONAL HEALTH CENTER INC	Employer identification number 86-0186064
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Part I Bond Issues											
(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A THE INDUSTRIAL DEV AUTHORITY OF COUNTY OF COCHISE	86-0445518	191320BL3	06-05-2003	2,670,000	REFUND BONDS ISSUED ON 12/31/1996		X		X		X

Part II		Proceeds							
		A		B		C		D	
1	Amount of bonds retired	0							
2	Amount of bonds defeased	0							
3	Total proceeds of issue	2,670,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrow	0							
7	Issuance costs from proceeds	53,400							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	2,670,000							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion	2003							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use									
		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?								
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?	X							

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
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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
SIERRA VISTA REGIONAL HEALTH CENTER INC**Employer identification number**

86-0186064

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 6	VOLUNTEER SERVICES	VOLUNTEERS IMPACT EVERY DEPARTMENT AND ARE A SOURCE OF COMFORT TO PATIENTS AND FAMILY MEMBERS. THE QUALITY OF CARE THAT SVRHC PROVIDES IS NOT JUST A RESULT OF THE OUTSTANDING STAFF AND PHYSICIANS, BUT ALSO A DIRECT IMPACT FROM THE FRIENDLINESS AND CHEERY ATTITUDES EACH VOLUNTEER GIVES TO THE HOSPITAL. VOLUNTEERS SACRIFICE THEIR TIME AND ENERGY AS AMBASSADORS FOR SVRHC AND ARE TRUE GEMS IN THE COMMUNITY. WE UTILIZE VOLUNTEERS IN MOST OF THE DEPARTMENTS HERE AT THE HOSPITAL. THESE AREAS INCLUDE CLINICAL DEPARTMENTS SUCH AS MATERNAL CHILD, MED SURGICAL, ICU/TELE, EMERGENCY DEPARTMENTS AND REHABILITATION SERVICES. OUR VOLUNTEERS WORK CLOSELY WITH OUR NURSING STAFF AND TECHNICIANS TO LEND ASSISTANCE WHENEVER NEEDED. THEY HELP GREET PATIENTS AND FAMILY MEMBERS, ANSWER PHONES, STOCK SMALL SUPPLIES, CREATE PACKETS, HELP WITH CHARTS AND TAKE ITEMS TO PATIENTS' ROOMS SUCH AS FLOWERS OR MAIL. OUR NON-CLINICAL DEPARTMENTS INCLUDE MEDICAL RECORDS, CLIENT SERVICES, HUMAN RESOURCES, PATIENT ACCOUNTS AND NUTRITION & FOOD SERVICES. OUR VOLUNTEERS HELP OUT IN THESE AREAS BY MAKING COPIES, DATA ENTRY, PUTTING TOGETHER PACKETS, ANSWERING PHONES, COVERING THE OFFICE FOR MEETINGS, MAKING FILES AND DOING FOOD PREPARATION. TRAINING IS REQUIRED WHICH PROVIDES VOLUNTEERS THE NECESSARY TRAINING AND TOOLS TO ASSIST THESE SPECIAL CLIENTS IN THEIR DAILY LIVES. WE ARE REQUIRED TO HAVE A CERTAIN PERCENTAGE OF VOLUNTEER HOURS TO STAFF HOURS TO MAINTAIN OUR STATUS AND MEET MEDICARE GUIDELINES.

Identifier	Return Reference	Explanation
FORM 990, PART III, LINE 4A	EXEMPT PURPOSE ACHIEVEMENTS	SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) OPERATES AN 84 BED SHORT-TERM PRIMARY CARE FACILITY IN RURAL ARIZONA. SVRHC PROVIDES A FULL RANGE OF INPATIENT, OUTPATIENT, DIAGNOSTIC AND REHABILITATION SERVICES. SERVICES PROVIDED FOR YEAR ENDED JUNE 30, 2012 INCLUDED 15,273 INPATIENT PATIENT DAYS, 100,064 OUTPATIENT REGISTRATIONS AND 26,301 EMERGENCY ROOM VISITS. IN SUPPORT OF ITS MISSION AND PHILOSOPHY, THE HOSPITAL PROVIDES CARE TO ALL PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED RATES. THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE AND ACCORDINGLY THEY ARE NOT RECORDED AS REVENUE. CHARITY CARE SERVICES TOTALED APPROXIMATELY \$1,431,000 WHEN MEASURED AT THE HOSPITAL'S ESTABLISHED RATES. THE HOSPITAL PROVIDES CARE TO PATIENTS WHO HAVE ENTERED THE COMMUNITY ILLEGALLY. THE CHARGES FOR THESE PATIENTS ARE PARTIALLY REIMBURSED UNDER SECTION 1011 OF THE MEDICARE PRESCRIPTION DRUG IMPROVEMENT AND MODERNIZATION ACT OF 2003. THE UNREIMBURSED COSTS FOR SERVING THESE PATIENTS WERE APPROXIMATELY \$1,000. PUBLIC PROGRAMS SUCH AS AHCCCS AND MEDICARE PROVIDE FOR THE POOR, INDIGENT AND ELDERLY. PUBLIC PROGRAMS DO NOT ALWAYS COVER THE COSTS OF PROVIDING THESE SERVICES, THE UNREIMBURSED COSTS OF THE MEDICARE PROGRAM WERE APPROXIMATELY \$8,544,000. BENEFITS PROVIDED TO THE COMMUNITY INCLUDE THE COST OF PROVIDING SERVICES TO OTHER POPULATIONS WHO MAY QUALIFY AS POOR BUT MAY NEED SPECIAL SERVICES AND SUPPORT. THIS TYPE OF COMMUNITY BENEFIT INCLUDES THE COST OF PROGRAMS FOR SENIOR CITIZENS SUCH AS HEALTH PROMOTION AND EDUCATION, HEALTH CLINICS AND SCREENINGS, IT ALSO INCLUDES COSTS INCURRED BY THE HOSPITAL FOR TRAINING HEALTH PROFESSIONALS SUCH AS MEDICAL RESIDENTS, NURSING STUDENTS IN ALLIED HEALTH PROFESSIONALS. THE HOSPITAL ALSO COMMITS SIGNIFICANT TIME AND RESOURCES TO ENDEAVORS AND CRITICAL SERVICES WHICH MEET OTHERWISE UNFILLED COMMUNITY NEEDS. MANY OF THESE ACTIVITIES ARE SPONSORED WITH THE KNOWLEDGE THAT THEY WILL NOT BE FINANCIALLY VIABLE. THE DEVELOPMENT OF THESE PROGRAMS IS BASED UPON A COMMUNITY ASSESSMENT PERFORMED BY AN INDEPENDENT COMPANY. SUCH ENDEAVORS INCLUDE LOCAL CHARITIES, NOT-FOR-PROFIT ORGANIZATIONS, YOUTH GROUPS AND OTHER PATIENT SUPPORT GROUPS SUCH AS BUT NOT INCLUSIVE OF HEALTH SCREENINGS AND ASSESSMENTS, CANCER AND OTHER SUPPORT GROUPS, FREE TRANSPORTATION, MEALS AND MEDICATIONS FOR TRANSIENT PATIENTS WHEN NEEDED, THE AMERICAN HEART ASSOCIATION, MARCH OF DIMES, CANCER SOCIETY, AMERICAN RED CROSS, PRENATAL CLASSES, SENIOR OLYMPICS, HEALTH FAIRS, BLOOD PRESSURE CHECKS, HEALTH CAREER SCHOLARSHIPS FOR HIGH SCHOOL AND COLLEGE STUDENTS, BOY SCOUTS OF AMERICA, LITTLE LEAGUE AND PARTICIPATION IN REGULAR BLOOD DRIVES.

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 11B	PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	THE 990 IS PREPARED BY THE CONTROLLER CAREFULLY CONSIDERING THE ORGANIZATION'S ENTRIES ON THE RETURN. THOSE QUESTIONS CONCERNING COMPENSATION HAVE BEEN REVIEWED WITH THE VICE PRESIDENT OF HUMAN RESOURCES AND ALL COMPENSATION HAS BEEN SUPPLIED BY THE HUMAN RESOURCES DEPARTMENT. THE ENTIRE RETURN HAS BEEN REVIEWED FOR CORRECTNESS WITH THE CFO. ONCE COMPLETED THE RETURN WAS THEN REVIEWED BY E&Y TAX DEPARTMENT. BEFORE THE FINAL RETURN IS FILED, THE COMPLETED 990 IS REVIEWED WITH THE FINANCE COMMITTEE OF THE BOARD HIGHLIGHTING THE AREAS OF CONCERN TO A GOVERNING BODY. A COMPLETED COPY IS MADE AVAILABLE FOR ALL TRUSTEES TO REVIEW PRIOR TO FILING. ANSWERS ARE PROVIDED TO ANY QUESTIONS OR CONCERNS.

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 12C	PROCESS TO MONITOR TRANSACTIONS FOR CONFLICT OF INTEREST	THE ORGANIZATION HAS A CONFLICT OF INTEREST POLICY THE FOLLOWING PROCEDURES ARE EMPLOYED ALL OFFICERS, LEADERS OR IDENTIFIED OTHERS SHALL COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE AND SUBMIT IT TO THE HOSPITAL ANNUALLY THE TERM "CONFLICT OF INTEREST" MEANS THAT CIRCUMSTANCES WHERE THE BEST INTERESTS OF SIERRA VISTA REGIONAL HEALTH CENTER (SVRHC) CONFLICT WITH EITHER THE ECONOMIC, PROFESSIONAL, POLITICAL OR PERSONAL INTERESTS OF ONE OR MORE OFFICERS, LEADERS OR IDENTIFIED OTHER OF SVRHC THE RELATIONSHIP BETWEEN SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS IS ONE WHICH IS COMPLEX AND CHANGING THERE ARE CIRCUMSTANCES WHICH MAY EXIST WHICH MAY INTERTWINE THE INTERESTS OF SVRHC AND ITS OFFICERS, LEADERS AND IDENTIFIED OTHERS IN ORDER TO RECOGNIZE AND EFFECTIVELY DEAL WITH CIRCUMSTANCES OF THIS NATURE THE FOLLOWING POLICY HAS BEEN ADOPTED ANY AND ALL CONFLICTS OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL EITHER AT THE TIME OF HIRE, INCEPTION OF RELATIONSHIP AND/OR AT THE TIME OF AN INITIAL AGREEMENT/CONTRACT OR AT ANY TIME A CONFLICT OF INTEREST OCCURS A CONFLICT OF INTEREST QUESTIONNAIRE IS SUBMITTED TO THE HOSPITAL FAILURE TO COMPLETE AND SUBMIT A QUESTIONNAIRE WILL RESULT IN THE OFFICER LEADER OR IDENTIFIED OTHER BEING REMOVED FROM THEIR RELATIONSHIP WITH THE HOSPITAL WHILE THIS IS AN ANNUAL REQUIREMENT, IT IS NOT MEANT TO TAKE THE PLACE OF IMMEDIATE AND APPROPRIATE DISCLOSURE OF A CONFLICT OF INTEREST BY AN OFFICER, LEADER OR IDENTIFIED OTHER TO THE HOSPITAL WHEN CIRCUMSTANCES OCCUR ANY POTENTIAL CONFLICT OF INTEREST SHALL BE DISCLOSED TO THE HOSPITAL THE POTENTIAL CONFLICT WILL BE REVIEWED EITHER BY THE CEO/PRESIDENT OR HIS/HER DESIGNEE(S) OR BY THE BOARD OF TRUSTEES' CHAIRPERSON OR HIS/HER DESIGNEE(S) DEPENDING ON THE NATURE OF THE POTENTIAL CONFLICT A DECISION PERTAINING TO THE CONFLICT OF INTEREST AND THE OFFICER'S, LEADER'S AND IDENTIFIED OTHER'S ABILITY TO CONTINUE IN HIS/HER POSITION AND/OR RELATIONSHIP WILL BE DETERMINED AND SHARED WITH THE OFFICER, LEADER OR IDENTIFIED OTHER

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINES 15A AND 15B	PROCEDURES USED TO DETERMINE COMPENSATION	IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT AN EXECUTIVE'S BASE SALARY WILL BE MAINTAINED AT OR ABOVE THE 50TH PERCENTILE AND THAT ANNUALLY THE BOARD OF TRUSTEES WILL DEVELOP A COMPENSATION PLAN UTILIZING A THIRD PARTY CONSULTANT AND CURRENT MARKET DATA IT IS THE POLICY OF SIERRA VISTA REGIONAL HEALTH CENTER THAT EXECUTIVES WILL BE PAID AN INCENTIVE BONUS BASED UPON AN ANNUAL PLAN COMPRISED OF FINANCIAL AND NON-FINANCIAL METRICS APPROVED BY THE BOARD OF TRUSTEES, THE PLAN WILL BE APPROPRIATELY ALIGNED WITH THE PROBABILITY OF ACHIEVEMENT PROCEDURE - ENGAGE AN INDEPENDENT COMPANY TO CONDUCT A COMPENSATION VALUATION STUDY OF COMPENSATION ARRANGEMENTS IN TAX- EXEMPT ORGANIZATIONS UNDER THE INTERMEDIATE SANCTIONS LEGISLATION - THE INDEPENDENT COMPANY WILL PROVIDE THE SVRHC BOARD OF TRUSTEES' EXECUTIVE COMPENSATION COMMITTEE COMPETITIVE MARKET DATA TO INCLUDE A CONFIRMATION OF THE SCOPE, DATA CUTS AND SURVEY SOURCES WITH THE HUMAN RESOURCE TEAM PROVIDE MARKET COMPARABILITY DATA IN ORDER TO REVIEW THE COMPETITIVENESS OF SVRHC'S PROGRAM RESEARCH MARKET PRACTICES FOR BOTH SHORT AND LONG TERM PLANS TO DETERMINE ALIGNMENT REVIEW EXECUTIVE BENEFIT AND PERQUISITE PREVALENCE DATA - THE INDEPENDENT COMPANY WILL SELECT RELEVANT DATA AND ADJUST THE DATA TO ACCURATELY REFLECT THE SIZE AND SCOPE OF SVRHC'S ROLES AND MEDIAN REVENUE SIZE - THE INDEPENDENT COMPANY WILL UTILIZE THE SAME METHODOLOGY TO CONDUCT A REVIEW OF INCENTIVE BONUS PLANS FOR THE EXECUTIVE STAFF - THE INDEPENDENT COMPANY WILL CONSIDER THE FOLLOWING WHEN REVIEWING A PARTICULAR INDIVIDUAL'S COMPENSATION PRIOR SKILLS AND EXPERIENCE OF INCUMBENTS IN THE ROLE THE MIX OF COMPENSATION ELEMENTS AND OTHER REWARD COMPONENTS THE HOSPITAL'S PERFORMANCE VERSUS COMPARABLE PEER PERFORMANCE THE ABILITY OF THE HOSPITAL TO PAY AT COMPETITIVE LEVELS - THE INDEPENDENT COMPANY WILL MAKE RECOMMENDATIONS FOR COMPENSATION AND BONUS PERCENTAGES FOR THE EXECUTIVE STAFF TO THE SVRHC BOARD OF TRUSTEES EXECUTIVE COMPENSATION COMMITTEE - THE COMMITTEE WILL REVIEW THE RECOMMENDATIONS AND FORWARD THEM TO THE ENTIRE SVRHC BOARD OF TRUSTEES FOR APPROVAL

Identifier	Return Reference	Explanation
FORM 990, PART VI, LINE 19	AVAILABILITY OF CERTAIN DOCUMENTS TO GENERAL PUBLIC	THE HOSPITAL MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5	OTHER CHANGES IN NET ASSETS	UNREALIZED GAIN ON INVESTMENTS \$46,788 TEMPORARILY RESTRICTED GRANTS AND CONTRIBUTIONS 23,200 ASSETS RELEASED FROM RESTRICTIONS (27,445) _____ TOTAL \$42,543 =====

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ 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.

Name of the organization
SIERRA VISTA REGIONAL HEALTH CENTER INC

Employer identification number
86-0186064

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) SVRHC PROPERTIES LLC 300 EL CAMINO REAL SIERRA VISTA, AZ 85635 86-0186064	MOB	AZ	0	0	NA
(2) SVRHC OFFICE COMPLEX LLC 300 EL CAMINO REAL SIERRA VISTA, AZ 85635 45-5165711	ASSOCIATION	AZ	0	0	NA

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SVRHC FOUNDATION 300 EL CAMINO REAL SIERRA VISTA, AZ 85625 86-0729397	FUND RAISING	AZ	501 (C)(3)	509 (A)(2)	NA		No
(2) SIERRA VISTA COMMUNITY HOSPITAL AUX INC 300 EL CAMINO REAL SIERRA VISTA, AZ 85625 86-0431251	FUND RAISING	AZ	501 (C)(3)	509 (A)(2)	NA		No

Part III

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(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	

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ARIZONA FAMILY CARE ASSOCIATES 6 SOUTH 2ND ST SIERRA VISTA, AZ 85635	PHYSICIANS GROUP	AZ	NA	C CORP	0	0	61 110 %

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by related organization(s)

f Sale of assets to related organization(s)

g Purchase of assets from related organization(s)

h Exchange of assets with related organization(s)

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

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

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

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

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

n Sharing of paid employees with related organization(s)

o Reimbursement paid to related organization(s) for expenses

p Reimbursement paid by related organization(s) for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

No

No

No

No

No

No

No

No

No

Yes

No

No

No

Yes

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) SVRHC FOUNDATION	C	129,420	ACCRUAL
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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COMBINED FINANCIAL STATEMENTS

Sierra Vista Regional Health Center, Inc. and Affiliates
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP



Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Financial Statements

Years Ended June 30, 2012 and 2011

Contents

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Report of Independent Auditors

Board of Trustees
Sierra Vista Regional Health Center, Inc

We have audited the accompanying combined balance sheets of Sierra Vista Regional Health Center, Inc and Affiliates (the Company) as of June 30, 2012 and 2011, and the related combined statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Sierra Vista Regional Health Center, Inc and Affiliates at June 30, 2012 and 2011, and the combined results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 11, 2012

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Balance Sheets

	June 30	
	2012	2011
Assets		
Current assets		
Cash and cash equivalents	\$ 6,460,264	\$ 12,040,116
Short-term investments	7,746,456	4,536,652
Patient accounts receivable, net of allowance for doubtful accounts of \$2,565,000 and \$2,822,000 at June 30, 2012 and 2011, respectively	8,783,078	8,593,614
AHCCCS SAVE program receivable	602,664	764,737
Inventories	1,991,098	2,390,380
Current portion of assets whose use is limited	760,717	728,504
Prepaid expenses and other	4,218,753	1,994,828
Total current assets	30,563,030	31,048,831
Assets whose use is limited, net of current portion	3,272,557	3,184,383
Investments	43,131,707	44,894,204
Property and equipment, net	37,142,334	34,802,744
Deferred financing costs, net	474,796	540,195
Interests in affiliates	114,148	82,535
Other assets	1,735,945	1,171,655
Total assets	<u>\$ 116,434,517</u>	<u>\$ 115,724,547</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,666,366	\$ 4,205,335
Accrued compensation	3,872,081	3,810,337
Estimated third-party settlements	2,644,857	3,158,422
Current portion of long-term debt	1,176,451	1,147,979
Total current liabilities	12,359,755	12,322,073
Long-term debt, net of current portion	21,765,405	24,429,675
Professional and general liabilities and other	2,631,446	3,238,695
Total liabilities	36,756,606	39,990,443
Net assets		
Unrestricted	79,488,033	75,531,382
Temporarily restricted	189,878	202,722
Total net assets	79,677,911	75,734,104
Total liabilities and net assets	<u>\$ 116,434,517</u>	<u>\$ 115,724,547</u>

See accompanying notes

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Operations

	Year Ended June 30	
	2012	2011
Revenues		
Patient service revenue	\$ 93,958,878	\$ 96,183,264
Provision for doubtful accounts	(4,685,260)	(4,192,925)
Net patient service revenue	89,273,618	91,990,339
Other operating revenue	3,363,479	1,187,023
Total revenues	92,637,097	93,177,362
Expenses		
Salaries and wages	36,147,541	35,734,756
Employee benefits	8,616,084	8,095,803
Supplies, services, and other	32,614,719	33,448,412
Provision for note receivable	1,182,056	—
Professional fees	4,869,044	2,781,107
Interest	1,753,009	1,830,633
Depreciation and amortization	5,415,621	6,200,886
Net loss on disposal of equipment	185,558	23,920
Total expenses	90,783,632	88,115,517
Operating income	1,853,465	5,061,845
Other income		
Investment income	1,652,049	1,413,524
Net unrealized gains on investments	44,854	2,379,275
Other nonoperating revenue	370,239	157,584
Total other income	2,067,142	3,950,383
Excess of revenues over expenses	\$ 3,920,607	\$ 9,012,228

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Changes in Net Assets

	Year Ended June 30	
	2012	2011
Unrestricted net assets		
Excess of revenues over expenses	\$ 3,920,607	\$ 9,012,228
Net assets released from restrictions used for purchase of property and equipment	36,044	17,893
Increase in unrestricted net assets	<u>3,956,651</u>	<u>9,030,121</u>
Temporarily restricted net assets		
Grants and contributions	23,200	52,047
Net assets released from restrictions used for purchase of property and equipment	(36,044)	(17,893)
(Decrease) increase in temporarily restricted net assets	<u>(12,844)</u>	<u>34,154</u>
Increase in net assets	<u>3,943,807</u>	<u>9,064,275</u>
Net assets, beginning of year	75,734,104	66,669,829
Net assets, end of year	<u><u>\$ 79,677,911</u></u>	<u><u>\$ 75,734,104</u></u>

See accompanying notes.

Sierra Vista Regional Health Center, Inc. and Affiliates

Combined Statements of Cash Flows

	Year Ended June 30	
	2012	2011
Operating activities		
Increase in net assets	\$ 3,943,807	\$ 9,064,275
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	5,415,621	6,200,886
Provision for doubtful accounts	4,685,260	4,192,925
Provision for note receivable	1,182,056	—
Net loss on disposal of equipment	185,558	23,920
Amortization of bond discount	12,181	12,181
Net unrealized gains on investments	(44,854)	(2,379,275)
Changes in operating assets and liabilities		
Patient accounts receivable	(4,874,724)	(4,948,585)
Inventories	399,282	(290,603)
Prepaid expenses and other receivables	(3,243,908)	1,374,760
Assets limited as to use, net	(120,387)	(27,468)
Investments, net	(2,902,453)	(8,528,812)
Other assets	(564,290)	(636,748)
Accounts payable and accrued expenses	461,031	(934,526)
Accrued compensation	61,744	(53,085)
Estimated third-party payor settlements	(513,565)	1,525,544
Net cash provided by operating activities	<u>4,082,359</u>	<u>4,595,389</u>
Investing activities		
Purchases of property and equipment, net	(7,940,769)	(4,695,431)
Proceeds from sales of property and equipment	—	541,583
(Increase) decrease in interests in affiliates	(31,613)	52,702
Net cash used in investing activities	<u>(7,972,382)</u>	<u>(4,101,146)</u>
Financing activities		
Payments on long-term debt	(1,147,979)	(1,388,748)
Decrease in other financing activities	65,399	65,399
Decrease in other liabilities	(607,249)	(156,276)
Net cash used in financing activities	<u>(1,689,829)</u>	<u>(1,479,625)</u>
Net decrease in cash	<u>(5,579,852)</u>	<u>(985,382)</u>
Cash and cash equivalents, beginning of year	12,040,116	13,025,498
Cash and cash equivalents, end of year	<u>\$ 6,460,264</u>	<u>\$ 12,040,116</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	<u>\$ 1,675,406</u>	<u>\$ 1,755,443</u>

See accompanying notes

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements

June 30, 2012

1. Organization

Sierra Vista Regional Health Center, Inc (the Hospital) is an Arizona not-for-profit corporation exempt from income taxes. The Hospital is an 81-bed acute care hospital that provides a full range of inpatient and outpatient services in Sierra Vista, Arizona, and Cochise County. Services range from the inpatient units of medical/surgical, intensive care, progressive care, telemetry, obstetrics, and neonatal intensive care to an emergency room that serves as a base station for many emergency medical service providers. Other outpatient services include diagnostic, rehabilitation, surgical, hospice, infusion, imaging center, outpatient surgery center, and clinics. The existence of the full continuum of services allows the Hospital to function seamlessly and without interruption to patient care.

Combination

The Hospital's affiliates include the Sierra Vista Community Hospital Foundation (the Foundation), the Sierra Vista Community Hospital Auxiliary (the Auxiliary), Arizona Family Care Associates, Inc (AFCA) and SVRHC Office Complex LLC (the Office Complex). The accounts and transactions of the Foundation and the Office Complex are combined with that of the Hospital. The Hospital does not control the Auxiliary so it records its interest in the net assets of the Auxiliary with offsetting changes in net assets. AFCA is accounted for under the equity method of accounting.

The accompanying combined financial statements include the accounts of the Hospital and all combined affiliates after elimination of intercompany accounts and transactions.

2. Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and money market funds with original maturities of three months or less when acquired.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, most of whom are local residents who are insured under third-party payor agreements. The following table summarizes the percentage of gross accounts receivable from all payors as of June 30.

2012	2011
31%	27%
16	24
46	42
7	7
100%	100%

Net patient accounts receivable have been adjusted to the estimated amounts expected to be collected. Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and co-payment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories, consisting of medical devices, and medical supplies, are stated at the lower of cost (first-in, first-out method) or market

Investments

Investments with original maturities greater than three months but less than one year are classified as short-term investments. Common stocks and investments with maturities greater than one year are classified as long-term investments.

Investments are carried at fair value based on quoted market values. Investment income or loss (including realized or unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Property and Equipment

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

	<u>Years</u>
Buildings and improvements	15-30
Land improvements	15-25
Equipment	3-10

Deferred Financing Costs

Certain costs incurred in connection with the issuance of long-term debt have been deferred and are being amortized over the life of the related debt using the straight-line method, which approximates the effective-interest method.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Restricted Net Assets

The Hospital reports contributions of cash and other assets as temporarily or permanently restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of operations and changes in net assets as released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions. Donor restrictions have been imposed restricting usage of assets primarily for property and equipment and other purposes.

Net Patient Service Revenue

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

For uninsured patients who do not qualify for charity care, the Hospital recognizes revenue on the basis of discounted rates, as provided by its policy. On the basis of historical experience, a portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), is recognized from these major payor sources as follows:

	Year Ended June 30	
	2012	2011
Patient service revenue (net of contractual allowances and discounts)		
Third-party payors	\$ 93,154,773	\$ 95,730,753
Self-pay	804,105	452,511
Total	<u>\$ 93,958,878</u>	<u>\$ 96,183,264</u>

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Other Operating Revenue

Other operating revenue consists primarily of cafeteria sales, donations, radiology professional fees, and electronic health record incentive payments

Electronic Health Records Incentive Payments

Starting in 2011, the Medicare and Medicaid programs are providing incentive payments to eligible hospitals and professionals if meaningful-use certified electronic health record (EHR) technology is adopted. The incentive payments are recognized when management is reasonably assured that the Hospital has complied with the conditions set forth by Medicare and Medicaid. Approximately \$2 million in incentive payments were recognized in other operating revenue for the year ended June 30, 2012, relating to Medicare and Medicaid incentive programs. Income from incentive payments is subject to retrospective adjustment as the incentive payments are calculated using Medicare cost report data that is subject to audit. Additionally, the Hospital's compliance with meaningful use criteria is subject to audit by the federal government.

Excess of Revenues Over Expenses

The combined statements of operations include a measurement for excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Physician Income Guarantees

The Hospital enters into agreements with nonemployed physicians that include minimum net collection guarantees. These guarantees arise out of a community need to recruit physicians in certain specialties to the areas surrounding the Hospital and provide a guaranteed level of income to the physicians for the first year of practice. The guarantee provides a buffer between the physicians' actual collections on patient billings in this initial period and an agreed-upon income level based on the specialty. The physicians are expected to practice in the area for a total period of three to four years. The contract-based asset is amortized as a component of professional fees, in the accompanying combined statements of operations, over the period of the physician contract. Over the period subsequent to the guarantee period, amounts paid to the physicians

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

3. Net Patient Service Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients and third-party payors for services rendered. The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered are paid at prospectively determined rates using a set fee schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

AHCCCS

AHCCCS is Arizona's alternative to the Medicaid program and is designed to meet indigent health care needs. The Hospital receives both a percentage of charges adjusted each year for any rate increase and per diem rates depending on the AHCCCS plan payor and the nature of the services provided.

Other Third-Party Payors

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

The Hospital's Medicare, Medicaid, and managed care utilization percentages, based upon gross patient service revenue, are summarized as follows:

	Year Ended June 30	
	2012	2011
Medicare	34.0%	34.0%
AHCCCS	16.0	19.0
Other commercial third party	47.0	45.0
Self-pay and other	3.0	2.0
	100.0%	100.0%

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

3. Net Patient Service Revenue (continued)

The Hospital is required to meet certain financial reporting requirements to participate in the Medicare and AHCCCS programs. Federal regulations require the submission of annual cost reports covering medical cost and expenses associated with the services provided by the Hospital to program beneficiaries. Cost report settlements under reimbursement agreements with Medicare and AHCCCS are estimated and recorded in the period the related services are rendered and are adjusted in future periods as final settlements are determined. There is a possibility that the recorded estimates could change by a material amount. As of June 30, 2012, the Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through June 30, 2007.

During the years ended June 30, 2012, and 2011, approximately 50%, and 53%, respectively, of the Hospital's revenues related to patients participating in the Medicare and AHCCCS programs, collectively. The Hospital's management recognizes that revenues and receivables from government agencies are significant to the Hospital's operations, but it does not believe that there are significant credit risks associated with these government agencies. The Hospital's management does not believe that there are any other significant concentrations of revenues from any particular payor that would subject the Hospital to any significant credit risks in the collection of its accounts receivable.

4. Community Benefit and Charity Care

Traditional Charity Care

In support of its mission and philosophy, the Hospital provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. The Hospital does not pursue collection of amounts determined to qualify as charity care. The costs of these services were approximately \$1,431,000 in fiscal 2012 and \$1,248,000 in fiscal 2011. These estimates were determined using a ratio of cost-to-gross charges calculated from the Hospital's most recent combined statement of operations and applying that ratio to the gross charges associated with providing charity care for the period.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

4. Community Benefit and Charity Care (continued)

Care for Undocumented Patients

The Hospital provides care to patients who have entered the community illegally. The charges for these patients are partially reimbursed under Section 1011 of the Medicare Prescription Drug, Improvement and Modernization Act of 2003. The unreimbursed costs for serving these patients were approximately \$1,000 in fiscal 2012 and \$12,000 in fiscal 2011.

Unpaid Costs of Public Programs

Public programs such as AHCCCS provide for the poor and indigent. Public programs such as Medicare provide for the elderly. Public programs do not always cover the costs of providing these services. The unreimbursed costs of the AHCCCS program were approximately \$2,735,000 in fiscal 2012 and \$1,831,000 in fiscal 2011. The unreimbursed costs of the Medicare program were approximately \$8,554,000 in fiscal 2012 and \$8,186,000 in fiscal 2011.

Other Community Benefit Programs

Community benefit includes the cost of providing services to other populations who may not qualify as poor, but may need special services and support. This type of community benefit includes the cost of programs for senior citizens such as health promotion and education, health clinics, and screenings. It also includes costs incurred by the Hospital for training health professionals such as medical residents, nursing students, and students in allied health professionals.

The Hospital also commits significant time and resources to endeavors and critical services which meet otherwise unfilled community needs. Many of these activities are sponsored with the knowledge that they will not be financially viable. The development of these programs is based

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

4. Community Benefit and Charity Care (continued)

on a community health care assessment performed by an independent company. The current community outreach programs are:

Better Breathers Club	Cardiac Rehabilitation
Blood Pressure Checks	Diabetes Education
Diabetes Support Group	Health Fairs
Food Drives	Mall Walkers Program
Hospice Bereavement Group	Perinatal Grief Support
Parish Nurse Program	Postpartum Depression Information
Power of Pink Breast Cancer	Prenatal Classes
Pulmonary Rehabilitation	Speakers Bureau
Smart Teen Eating Program	Smoke Support Group
Telecare Home Bound	Virtual Tour Kits for all Schools
Weight Management Program	Wellness Depot
Cholesterol Testing	Old Medication Disposal
VICAP space and supplies	H1N1 Awareness
Arthritis Programs	Chair Yoga
Water Safety	MRSA Awareness
Flu Precaution Programs	Kids Sports Teams First Aid Kits
Music Therapy	Sun Safety
Advanced Directives	Living Wills
Immunization Information	Bone Marrow Collection
Pulse Oxygen Tests	Body Mass Index
Arrhythmic Death Syndrome	Southwest Insect/Snake Safety
Local Bat Safety & Education	Heart Safety
Congestive Heart Failure Classes	

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

4. Community Benefit and Charity Care (continued)

The Hospital also sponsors events in the community through other health and welfare organizations which promote healthy life styles and/or disease prevention/information, these include

American Cancer Society	Forgach House (Battered Women/Children)
Little League	Good Neighbor Alliance (Men's Shelter)
United Way (numerous programs)	March of Dimes
Just Kids (clothing program)	Running Club
Youth Soccer Club	Senior Olympics
State of Arizona Kids Care	College Scholarships
American Red Cross Blood Drives	American Heart Association
Project Graduation (drug/alcohol free evening for graduating seniors)	VICAP
Perimeter Bicycling Association of America	Alzheimer's Local Chapter

5. Investments and Assets Whose Use Is Limited

A summary of investments at June 30 follows

	2012	2011
Certificates of deposit	\$ 19,749,020	\$ 20,804,869
U S government agency and treasury securities	4,857,366	4,365,606
Municipal bonds	—	1,485,039
Corporate bonds	10,809,790	8,314,968
Common stocks	10,494,361	10,497,596
Mutual funds	3,958,263	2,667,961
Closed-end funds	291,774	183,280
Mortgage-backed securities	717,589	1,111,537
	50,878,163	49,430,856
Less short-term investments	7,746,456	4,536,652
	\$ 43,131,707	\$ 44,894,204

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

5. Investments and Assets Whose Use Is Limited (continued)

Assets whose use is limited represents assets held by a trustee under indenture agreements. Assets whose use is limited are carried at fair value, based upon quoted market prices. The debt reserve fund consists of U S government agency and treasury securities. The other funds consist of money market funds. The composition at June 30 follows:

	2012	2011
Assets held by trustee under bond indenture		
Bond reserve fund	\$ 3,272,557	\$ 3,184,383
Bond principal fund	624,213	586,382
Bond interest fund	136,504	142,122
	<u>4,033,274</u>	<u>3,912,887</u>
Less current portion	760,717	728,504
	<u>\$ 3,272,557</u>	<u>\$ 3,184,383</u>

In 1998, the Hospital entered into agreements with a broker whereby the Hospital sold the future income stream pertaining to the Series 1997 bond reserve fund and the Series 1997, 1996A, 1996B, and 1996C principal and interest funds of the respective bonds in exchange for fees totaling \$750,000. The terms of the agreements include provisions for termination penalties in certain events. The Hospital recorded the proceeds received as an other long-term liability which is being amortized over the terms of the agreements under the interest method. The unamortized balance was approximately \$202,000 and \$239,000 at June 30, 2012 and 2011, respectively.

6. Fair Value Measurements

The Hospital utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1* – Pricing is based on observable inputs such as quoted prices in active markets. Financial assets in Level 1 generally include U S government agency and treasury securities, listed equities and bond mutual funds.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

6. Fair Value Measurements (continued)

- *Level 2* – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial assets in this category generally include corporate bonds, municipal bonds, closed-end funds, and mortgage-backed securities.
- *Level 3* – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates.

Assets measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are identified in the tables below. Where more than one technique is noted, individual assets were valued using one or more of the noted techniques. The valuation techniques are as follows:

- (a) *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) *Cost approach* – Amount that would be required to replace the service capacity of an asset (replacement cost).
- (c) *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing, and excess earnings models).

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

6. Fair Value Measurements (continued)

The following table presents the fair value hierarchy for those financial assets measured at fair value on a recurring basis as of June 30, 2012

	Balance at June 30 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
Short-term investments					
Government securities	\$ 882,041	\$ 882,041	\$ —	\$ —	(a)
Corporate bonds	1,319,144	—	1,319,144	—	(a)
Total short-term investments (1)	<u>\$ 2,201,185</u>	<u>\$ 882,041</u>	<u>\$ 1,319,144</u>	<u>\$ —</u>	
Assets limited as to use					
Government securities	\$ 2,619,144	\$ 2,619,144	\$ —	\$ —	(a)
Total assets limited as to use (2)	<u>\$ 2,619,144</u>	<u>\$ 2,619,144</u>	<u>\$ —</u>	<u>\$ —</u>	
Long-term investments					
Government securities	\$ 3,975,325	\$ 3,975,325	\$ —	\$ —	(a)
Corporate bonds	9,490,646	—	9,490,646	—	(a)
Common stocks	10,494,361	10,494,361	—	—	(a)
Mutual funds – bonds	3,958,263	3,958,263	—	—	(a)
Closed-end funds	291,774	—	291,774	—	(a)
Mortgage-backed securities	717,590	—	717,590	—	(c)
Total long-term investments (1)	<u>\$ 28,927,959</u>	<u>\$ 18,427,949</u>	<u>\$ 10,500,010</u>	<u>\$ —</u>	

(1) Short-term and long-term investment categories do not include certificates of deposit of \$5,545,271 and \$14,203,748, respectively

(2) Assets limited as to use category does not include cash and cash equivalents of \$1,414,130

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

6. Fair Value Measurements (continued)

The following table presents the fair value hierarchy for those financial assets measured at fair value on a recurring basis as of June 30, 2011

	Balance at June 30 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
Short-term investments					
Government securities	\$ 588,573	\$ 588,573	\$ —	\$ —	(a)
Municipal bonds	30,249	—	30,249	—	(a)
Corporate bonds	1,081,029	—	1,081,029	—	(a)
Total short-term investments	<u>\$ 1,699,851</u>	<u>\$ 588,573</u>	<u>\$ 1,111,278</u>	<u>\$ —</u>	
Assets limited as to use					
Government securities	\$ 1,963,826	\$ 1,963,826	\$ —	\$ —	(a)
Total assets limited as to use	<u>\$ 1,963,826</u>	<u>\$ 1,963,826</u>	<u>\$ —</u>	<u>\$ —</u>	
Long-term investments					
Government securities	\$ 3,777,034	\$ 3,777,034	\$ —	\$ —	(a)
SVRHC municipal bonds	1,454,790	—	1,454,790	—	(a)
Corporate bonds	7,233,939	—	7,233,939	—	(a)
Common stocks	10,497,596	10,497,596	—	—	(a)
Mutual funds – bonds	2,667,960	2,667,960	—	—	(a)
Closed-end funds	183,280	—	183,280	—	(a)
Mortgage-backed securities	1,111,537	—	1,111,537	—	(c)
Total long-term investments	<u>\$ 26,926,136</u>	<u>\$ 16,942,590</u>	<u>\$ 9,983,546</u>	<u>\$ —</u>	

(1) Short-term and long-term investment categories do not include certificates of deposit of \$2,836,801 and \$17,968,068, respectively

(2) Assets limited as to use category does not include cash and cash equivalents of \$1,949,061

Fair Value Disclosures

The Hospital currently has no other financial instruments subject to fair value measurement on a recurring basis. Disclosures about fair value of financial instruments require disclosure of fair value information about those financial instruments, whether or not recognized in the balance sheets, but would be practicable to estimate that value. Management believes the carrying value

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

6. Fair Value Measurements (continued)

of cash, accounts receivable, other receivables, accounts payable, and accrued expenses approximates fair value due to their short-term maturity. The fair value of the Hospital's long-term debt (including current portion) is approximately \$25,635,000 and \$24,919,000 at June 30, 2012 and 2011, respectively.

7. Property and Equipment

A summary of property and equipment at June 30 follows:

	2012	2011
Land and land improvements	\$ 3,264,873	\$ 2,832,263
Buildings, building improvements, and fixed equipment	40,179,928	37,379,904
Major and minor equipment	47,584,625	44,959,626
	91,029,426	85,171,793
Less accumulated depreciation	55,986,949	52,308,606
	35,042,477	32,863,187
Construction in progress (estimated cost of completion 2012 – \$2.6 million)	2,099,857	1,939,557
	\$ 37,142,334	\$ 34,802,744

The Hospital did not capitalize any interest costs for fiscal 2012 or fiscal 2011.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

8. Long-Term Debt (continued)

Future aggregate principal payments on long-term debt as of June 30, 2012, follow

2013	\$ 1,176,451
2014	1,158,145
2015	1,220,000
2016	1,380,000
2017	1,470,000
Thereafter	<u>16,660,000</u>
	23,064,596
Less unamortized discount	<u>122,740</u>
	<u>\$ 22,941,856</u>

Pursuant to the terms of the bond indentures, the Hospital is required to maintain amounts on deposit with a trustee which may only be used to satisfy obligations as permitted by the trust agreements. Such deposits are included in assets whose use is limited in the accompanying combined balance sheets.

The Hospital is subject to certain financial covenants and management believes they are in compliance for the year ended June 30, 2012. In addition, the indenture places certain restrictions on the incurrence of additional indebtedness and the sale or acquisition of property.

In 2011, the Hospital purchased \$1,500,000 of their 2003 revenue bonds for a purchase price of \$1,463,250, which was then held in long-term investments. During 2012, the Hospital determined that it was more appropriate to account for the purchase as an extinguishment of debt. Accordingly, both the investment and the portion of debt have been eliminated from the 2012 financial statements. The impact of this transaction on the 2012 and 2011 financial statements is insignificant.

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

9. Lease Commitments

As of June 30, 2012, future minimum lease payments due under existing, noncancelable operating leases for buildings, equipment, and medical devices are as follows

2013	\$ 1,374,663
2014	623,213
2015	278,004
2016	246,973
2017	79,900
	<u>\$ 2,602,753</u>

Rent expense under operating leases for the years ended June 30, 2012 and 2011, totaled approximately \$412,000 and \$478,000, respectively

10. Professional and General Liability Coverage

The Hospital is insured for professional liabilities under a claims-made policy with no deductible per claim. An unlimited tail is in place for all claims prior to July 2006. The limit of liability is \$11,000,000 per claim with a \$20,000,000 aggregate limit. In addition, the Hospital has general and umbrella liability coverage on a claims-made basis with a \$5,000,000 aggregate limit.

11. Employee Benefit Plan

The Hospital has a 403(b) employee benefit plan (the Plan). Under the terms of the Plan, the Hospital matches eligible participant contributions from 2.5% to 4.5% of gross pay based upon years of service as defined in the Plan agreement. Eligible participants must contribute at least 2.5% to receive the employer match. Participants are 100% vested in the value of their account attributable to their contributions and vest in the value of the account attributable to the employer's contributions over a five-year period. The Hospital's contributions to the Plan were approximately \$605,000 and \$619,000 for the years ended June 30, 2012 and 2011, respectively.

12. Commitment and Contingencies

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and

Sierra Vista Regional Health Center, Inc. and Affiliates

Notes to Combined Financial Statements (continued)

12. Commitment and Contingencies (continued)

reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Litigation

The Hospital is party to pending or threatened lawsuits arising out of, or incident to, its ordinary course of business for which it carries professional liability and other insurance coverages. In management's opinion, upon consultation with legal counsel, these matters will not have a material adverse effect on the Hospital's financial position.

13. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services for the years ended June 30 were as follows:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 64,311,125	\$ 62,945,306
General and administrative	<u>26,472,507</u>	<u>25,170,211</u>
	<u>\$ 90,783,632</u>	<u>\$ 88,115,517</u>

14. Subsequent Events

The Hospital has formed a limited liability corporation (the LLC) which will begin operations in September 2012. The Hospital plans to contribute \$3,000,000 to the LLC in order to establish a physician practice. AFCA is ceasing operations and the LLC plans to hire most of their physicians and staff. The Hospital does not expect the closure of AFCA to materially impact the operations of the Hospital.

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